CONSOLIDATED ANNUAL REPORT 2023

BANQUE HAVILLAND S.A. LUXEMBOURG

ABOUT US

Banque Havilland was established by a British entrepreneur and is entirely familyowned. Its headquarters are in Luxembourg and the group operates other locations in Switzerland, Liechtenstein, Monaco, and Dubai.

Banque Havilland has been built on strong financial foundations following prudent principles, which is reflected by our outstanding prudential ratios with CET1 ratio of 30.6% and LCR ratio of 344%.

Private ownership provides the Group and its clients with stability and consistency, allowing it to take a long-term approach to the management of client wealth and generational client relationships.

Banque Havilland offers a personalised approach to wealth management, tailored to each client's individual circumstances.

Our team of experienced bankers and advisors work closely with clients to understand their financial objectives and develop strategies that align with their goals.

Our Group provides a wide range of financial services including investment advisory and discretionary mandates. We pride ourselves on offering innovative solutions and staying up-to-date with the latest market trends and developments.

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OUR DNA AND VALUES

Our values underpin the guiding principles for what matters most to us in our interaction with our clients, our staff and our stakeholders.

Our values are the DNA of our organisation and support our sustainability vision.

EMPOWERMENT

We give employees autonomy to flex and adapt to clients' needs within a framework of clear and results-oriented decision-making and reporting processes, always respecting regulatory requirements.

FAIRNESS

We strive to be fair in everything we do.

INTEGRITY

We act with integrity in everything we do; this is the key to being trusted by our clients and counterparties.

DILIGENCE

We strive to reliably deliver on our responsibilities and commitments to clients and partners. We aim to exceed expectations.

“We are determined to maintain the benefits of a smaller structure, allowing us to deliver consistent, high quality and reliable services to our clients.”

Marc Arand

Group CEO

OUR CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors has overall responsibility for the Bank[1] and its subsidiaries (the "Group").

It defines, monitors and carries responsibility for the establishment of a solid central administration and the internal governance framework.

As part of its role, the Board of Directors is responsible for setting and overseeing the business and risk strategy including risk appetite and the risk management framework.

The Board of Directors is assisted by two specialised committees: the Group Audit Risk & Compliance Committee and the Group Nomination & Remuneration Committee.

BOARD OF DIRECTORS

BERNARD HERMAN	Independent Director & Chairman
CHRISTOPH MAUCHLE	Independent Director
ANTONY TURNER	Independent Director
VENETIA LEAN	Non-Executive Director
HARLEY ROWLAND	Non-Executive Director
JEAN-FRANÇOIS WILLEMS	Executive Director

GROUP AUDIT RISK & COMPLIANCE COMMITTEE

ANTONY TURNER	Independent Director & Chairman
BERNARD HERMAN	Independent Director
CHRISTOPH MAUCHLE	Independent Director

GROUP NOMINATION & REMUNERATION COMMITTEE

CHRISTOPH MAUCHLE	Independent Director & Chairman
ANTONY TURNER	Independent Director
BERNARD HERMAN	Independent Director

[1] Part 4A permission of the UK Branch has been cancelled with effect from December 7, 2023

MANAGEMENT COMMITTEE

The Management Committee is responsible for the efficient day-to-day management and the sound and prudent operations of the Group.

This management is carried out in accordance with the strategies and guiding principles set out and approved by the Board of Directors, within the applicable regulation.

MANAGEMENT COMMITTEE

MARC ARAND	Group Chief Executive Officer*
JUHO HILTUNEN	Deputy Chief Executive Officer*
ARTYOM GRIGORYAN	Organisation, IT, Finance & Operations, Chief Compliance Officer*[1]
HARLEY ROWLAND	Financial market activities*[2]
GIL HUART	Chief Risk Officer*
SANDRINE ROUX	General Secretary, HR, Marketing & Communication

The Board of Directors and the Management Committee also exercise an oversight on the Group, to ensure that their Central Administration, Internal governance, and Risk Management systems are adequate.

GROUP INTERNAL CONTROL FUNCTIONS

The Group operates with an internal governance system based on the three lines of defence principle.

- The first line of defence is the operational units that take or acquire risks, assume the responsibility for the management of those risks and continuously monitor compliance with the policies, procedures and limits imposed on them.
- The second line of defence is mainly the Compliance and Risk Control functions, which provide independent control of risks and support the operational units in complying with the policies and procedures applicable to them.
- The third line is the Internal Audit function, which performs an independent, objective and critical assessment of the first two lines and of the internal governance system as a whole.

The Chief Risk Officer and the Chief Compliance Officer supervise the second line of defence of the Bank while the Chief Internal Auditor oversees the third line of defence.

In their capacity as Group Heads they also oversee, through functional reporting lines, the Internal Control Functions in the subsidiaries.

They exercise their functions with independence, authority and objectivity and they have an independent reporting line to the Board.

*Authorised Manager
[1] Since December 13, 2023
[2] Until April 1, 2023

RISK FUNCTION

The Risk Function is responsible for ensuring that all operational units anticipate, detect, measure, monitor and control and report properly on all risks (such as credit, market, liquidity, operational, reputational, ESG, and other business risks) to which the Group is or could become exposed.

The Risk Function ensures that the Group has a clear process for risk taking, including a risk appetite formally and precisely defined across all areas of activity, a rigorous decision making process, and quality and limits analysis.

Additional information on risk management is available on request in accordance with part 8 of the EU Regulation No 575/2013 (CRR: “Capital Requirements Regulation”). For further information on the Group’s exposure to risks, please refer to notes 7.3 and 7.4 of these consolidated accounts.

COMPLIANCE FUNCTION

The Compliance Function covers multiple areas including but not limited to the fight against money laundering and terrorist financing (AML/CFT), investment services, prevention of market abuse and personal transactions, fraud prevention, protection of interests and customer data and the prevention and management of conflicts of interest.

The Compliance Function advises and controls how these risks can be measured and managed effectively, with controls appropriate for each of the risks.

INTERNAL AUDIT FUNCTION

The Internal Audit Function acts in accordance with the rules of the Institutes of Internal Auditors. The scope of the work and how it is carried out is laid down in internal audit methodology and in a rolling three-year audit plan updated at least annually to reflect changes in business model and associated risks.

LOCAL MANAGEMENT

Each subsidiary of the Group is headed by a local Chief Executive Officer (Monaco and Liechtenstein).

They locally report to their Board of Directors, and functionally to the Group CEO.

As a general principle, the internal control functions of each entity report to the appropriate control functions at the Bank Head Office level, from both a hierarchical and functional perspective for our branches and from a functional perspective for subsidiaries.

OUR APPROACH TO SUSTAINABILITY

OUR SOCIALLY RESPONSIBLE COMMITMENT

Our CSR responsibilities are vital in our Group to rally stakeholders around a shared vision – to ensure that the Group builds its business sustainably, with positive influence on society, the environment and actively contributes to shaping a better future.

In 2023, the Group has continued to implement the Group Corporate Sustainability & ESG strategy as approved in 2022 by the Board of Directors.

We have continued in 2023 to reinforce our commitment to corporate social responsibility, supporting various worthy causes. The Group provides ongoing funding for a broad range of non-profit cultural organisations. In addition to direct financial support, our Group strongly encourages staff to participate in initiatives that benefit local community.

As per its donation program to associations and charities, the Group will continue to support the 3 main themes:

EDUCATION & CULTURE: initiatives that help people develop their skills, knowledge and confidence with a focus on inclusion and diversity objectives. In the area of the education, the Group is proud to have a well-established partnership of the University of Luxembourg and welcomed several internships during 2023.

HEALTHCARE & MEDICAL RESEARCH: in particular organisations that deliver research, diagnosis, treatment and wellness for all types of cancers.
In 2023, the Group has supported several associations active in the above mentioned area: several employees of the Group participated in the "Letz Go Gold" race to support Fondatioun Kriibskrank Kanner or during the Relais pour la Vie in the area of the fight against Cancer.

SOCIAL CARE, WELLBEING & ENVIRONMENT: the Group has supported SOS enfants village and Care in Luxembourg a.s.b.l. supporting the less fortunate members of the population, disabled or otherwise fragile people and children.

For further information, see our website.

OUR APPROACH TO ESG RISK MANAGEMENT

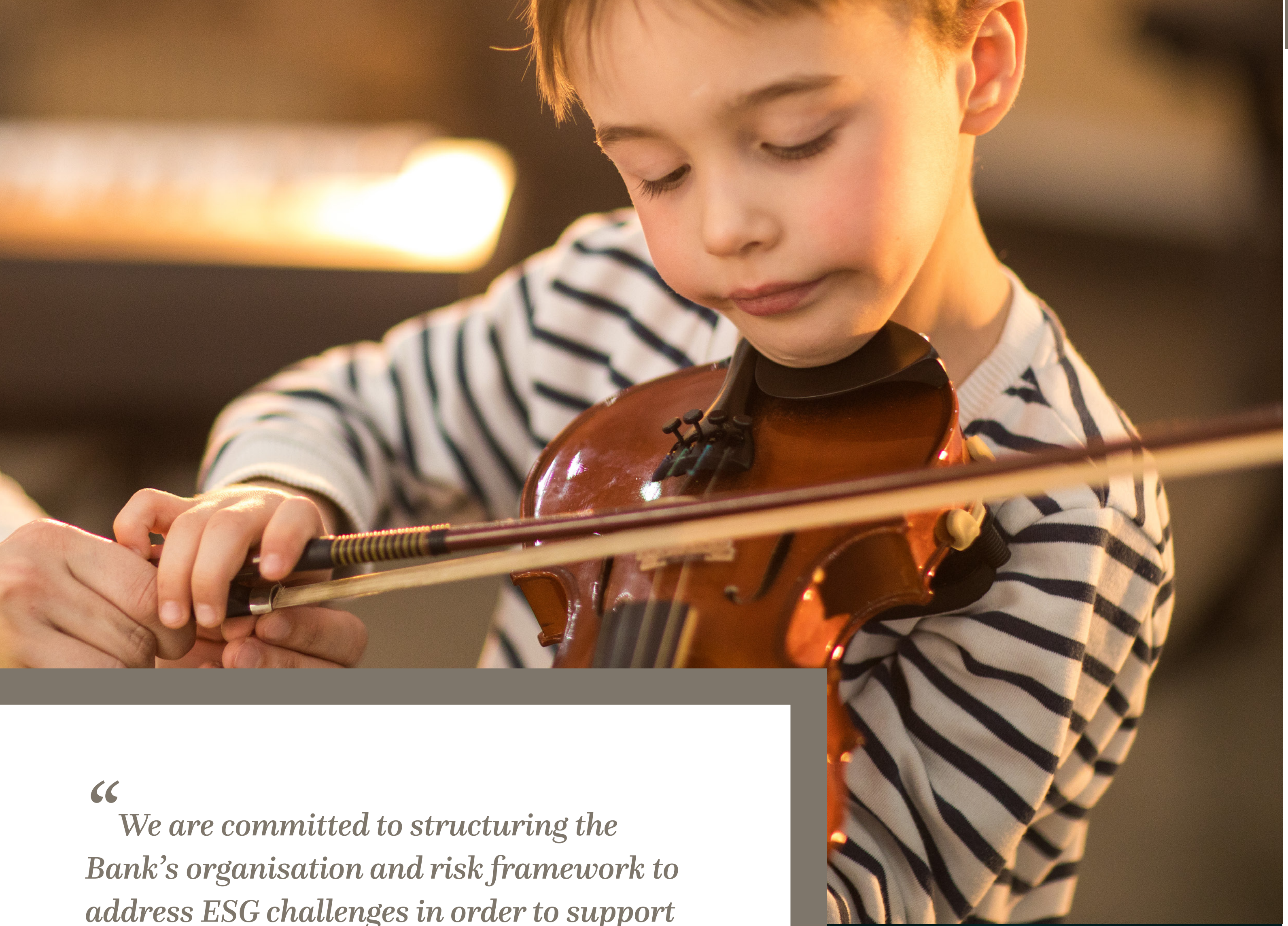
We are committed to sustainability and mindful of our responsibilities in our operations. As a Group, we have a special role in society and integrate environmental, social and governance (ESG) principles into many decision-making processes. Through responsible lending and investment decisions as well as product offering for our clients, we aim to make a positive contribution to the future. Our commitment to sustainability reflects not only our values, but also our determination to make a lasting positive impact for present and future generations. ESG is of the main pillars of our strategic program.

The Group is committed to comprehensively address ESG Risks which are and will increasingly impact our business strategy going forward. We have an important role in the economy and can impact the behavior of the society by adapting its own investments and lending activity and its on-boarding strategy. Climate-related and environmental risks may also translate into physical and transition risks that could materially impair the financial situation and the operational capacity of the Group. Therefore the Group starts the identification and the measurement of climate-related and environmental risks. Furthermore, the Group aims to reduce its negative footprint on environment & climate change.

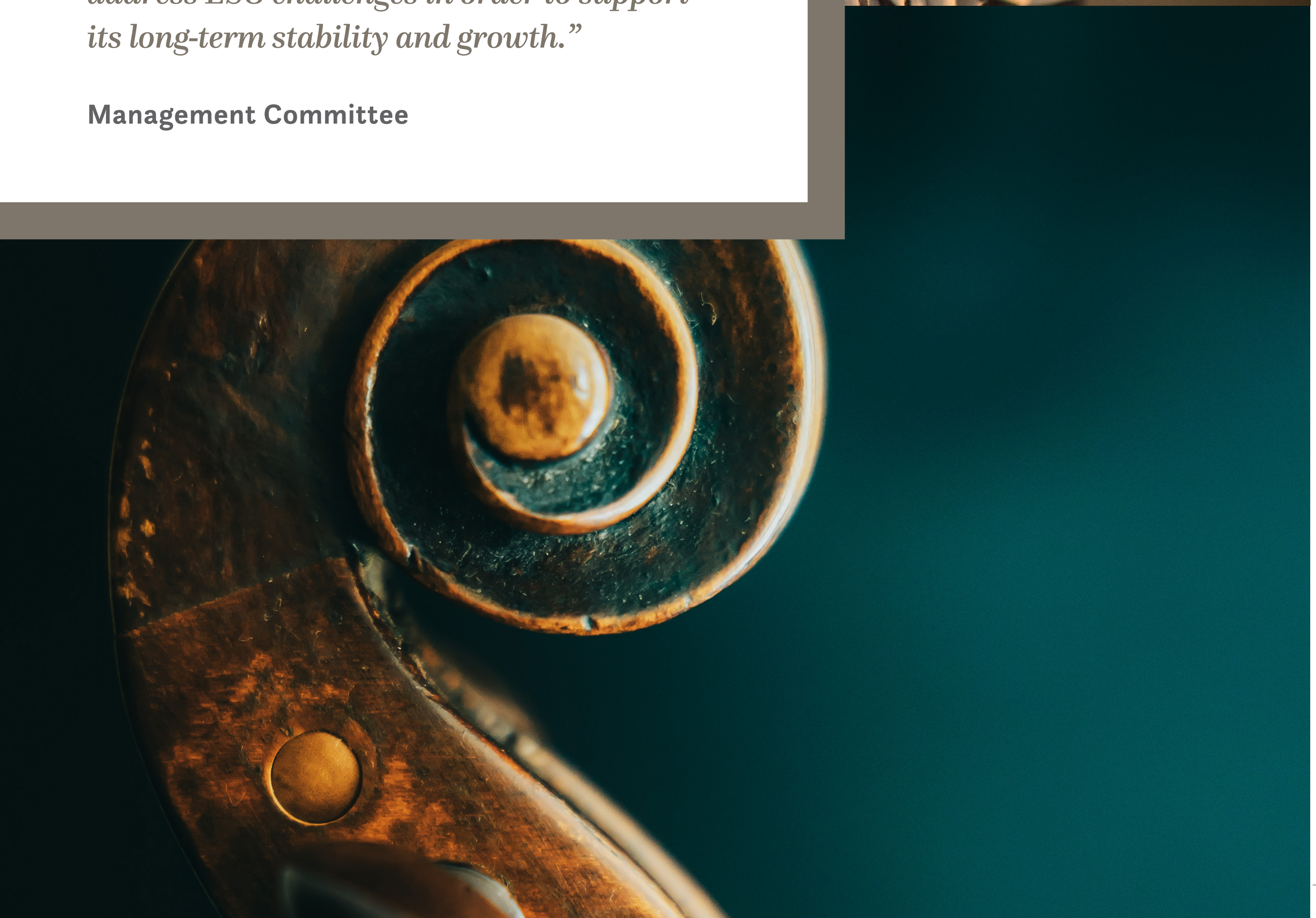
The Group has included a framework to identify, measure and monitor its ESG risks and adapting its investment guidelines, lending policy and client on-boarding related to ESG risks.

As a member of society, but also as an employer, we are aware of our responsibility in the social sphere and promote our employees on the one hand and support social projects on the other.

The Group has over many years build up a solid governance framework and it will continue upgrading it as necessary. The Group's view is that Governance ensures transparency, accountability, and ethical conduct, safeguarding corporate reputation and long-term success, benefiting all stakeholders.



> “We are committed to structuring the Bank’s organisation and risk framework to address ESG challenges in order to support its long-term stability and growth.”
>
> **Management Committee**



CONSOLIDATED MANAGEMENT REPORT

STRATEGY AND BUSINESS REVIEW 2023

In 2023, the Group has accelerated the implementation of the multi-stage strategy program “Excellence 2024” launched in 2022 to implement the individual facets of the strategy.

The Group aims to increase its earnings each year by fostering growth in core locations and making targeted investments in strategic initiatives that generate attractive and sustainable returns. The strategy also addresses that some location and business areas were of a sub-scalar structure. The announcement of the closure of the UK Branch and the sale of our Institutional business is a witness to the execution of that strategy.

Our priorities in the coming years are to grow by recruiting new talents and to face up to the competition by providing a higher quality of service. We would like to gain market share through an outperformance on the service provided to clients accommodated by technology and a clear focus on our offering. To ensure this, the Group is investing in its IT infrastructure and examining partnerships to increase service quality and improve cost management.

Our strategic programme “Excellence 2024” has re-defined 5 strategic drivers, which relies on the fundamental cornerstone of a solid governance, risk and compliance framework.

GROWTH: The Group’s highest priority is to grow its core business that is within its commercial strategy and risk appetite. The Group is launching initiatives to hire talents, acquire business, set strategies in business areas to allow/ amplify the growth.

PROFITABILITY: The Pillar is designed to enhance the sales process and to target better cost/ benefit ratios by using new processes and digital means.

INNOVATION: This Pillar is mainly driven by the IT strategy and the execution of it. The main goal is to provide the client the excellence experience while dealing with us. At the same time, we are looking into operational efficiencies – possibly amplified with partnerships to keep pace with technological progress.

CLIENT CENTRICITY: Bringing the client back in the centre of what we do and give the client the best experience while interacting with us. We are constantly questioning whether we cannot make processes better and more convenient for our clients.

ESG: The Pillar sets standards for the Group’s behaviors based on our corporate policies and to encourage the Group to act responsibly.

The world is currently undergoing a major upheaval. While the global community must prepare for the challenges of climate change, the challenges of war and shifts in the power structure are making this much more difficult. At the same time, we are seeing tension in societies across the world.

In the midst of these challenges, we will stay focused on what we are here to do – which is to serve our customers and clients, either in the context of advisory or asset management mandates.

Both operationally and financially, we are equipped to take on the complex challenges of the future for ourselves and our clients. This is reflected, among other things, in our strong prudential ratios LCR of 344% (regulatory requirement 100%) and a Tier 1 ratio of 30.6% (regulatory requirement of 17.6%).

The Group is uniquely positioned: privately owned, focused on private clients and selected business partners, with a rich family heritage to be all tuned to meet our client’s needs.

MARKETS 2023 AND OUTLOOK 2024

At the end of the third quarter most investors were quite dissatisfied with financial market returns for 2023, but the November and December "melt-up" turned the year into a very profitable one for most asset classes, defying the forecasts of most pundits. Indeed the global economy entered 2023 facing profound challenges. Inflation in many major economies hit multi-decade highs after Russia's invasion of Ukraine disrupted commodity and energy markets. Meanwhile central banks were aggressively tightening monetary policy from ultra-accommodative stances, risking recession. Simmering geopolitical tensions, climate change impacts, and China's economic travails clouded the outlook further.

Yet the global economy showed surprising resilience through the turbulence. Despite inflation peaking above 9% in Europe and 8% in the United States, growth remained positive. The US economy in particular defied expectations by continuing to expand at a healthy clip, with GDP growth on track to reach almost 2.5% for the full year. Robust consumer spending and strong labor markets powered the US economy even as the Federal Reserve lifted interest rates at the most aggressive pace since the 1980s.

Elsewhere the picture was more mixed but still better than feared. The Eurozone skirted recession thanks partly to relief on the energy crisis as storage targets were met. China's economy expanded around 5% as COVID restrictions eased and policy stimulus took effect, and major markets like India and Indonesia saw accelerating growth.

This economic outperformance coincided with signs of a global inflation peak, giving central banks some scope to moderate the pace of tightening. By the fourth quarter the market narrative shifted from fears of runaway inflation and policy-induced recession to hopes of a soft landing. Risk asset selloffs seen earlier in 2022 reversed, with US stocks rallying close to all time high.

It is not all rosy however, as risks remain skewed to the downside heading into 2024. Lag effects from rapid policy tightening have yet to fully transmit. Moreover, most major economies face a cocktail of domestic challenges as the geopolitical climate remains uneasy.

In the United States, resilience is showing some cracks as consumers contend with declining savings and eroding purchasing power. Meanwhile Washington's already- swollen debt load complicates efforts to cushion any downturn. Legacy of regional bank runs also needs to be contained.

Europe enters 2024 still dealing with painful aftershocks of the Ukraine war and resultant energy shock. Recession was avoided in 2023 but growth is set to flatline near zero in the year ahead. The UK confronts similar headwinds alongside political uncertainty that could curb investment.
In China, stimulus can only achieve so much given structural drags from demographics, debt overhangs, and external demand weakness. Japan's economy should expand modestly but remains vulnerable to global trade deterioration.

Major emerging economies have momentum but face tricky policy tradeoffs maintaining growth while fighting still-high inflation and currency weakness. India is a relative bright spot on reform progress and energy security tailwinds. But Brazil, Mexico, and others contend with tighter financing conditions and imported price pressures.

The common thread is that after better-than-expected resilience this year, the global economy seems set for a downshift in 2024 absent new positive catalysts. Tighter financial conditions, depleted savings, strong dollar headwinds, and deteriorating trade will likely outweigh pockets of cyclical support.

Central banks insistence on rates staying higher for longer until inflation is convincingly tamed risks overtly slowing labor markets and demand. But premature easing could also imprudently reaccelerate price pressures. Policymakers face complex tradeoffs.

Meanwhile buoyant consumer spending has been the backbone of growth in 2023. But the savings rate buffer is eroding quickly in key economies like the US, and credit indicators are showing early signs of deterioration. The risk of demand faltering despite low unemployment can't be dismissed.

In energy and agriculture, markets are banking on recession avoidance to sustain commodity prices near $100 per barrel for crude and post-pandemic averages elsewhere following Ukraine-related spikes. On geopolitics, Russia's ongoing assault on Ukrainian sovereignty remains an overhang even as the frontlines have stabilised. Repeated Middle East flareups likewise spook markets wary of supply-shock vulnerability. And US-China tensions persist as a chronic risk factor.

Yet there are also upside scenarios, including faster inflation relief reviving real income growth, continued consumer resilience on back of still-tight labor markets, a serious Chinese stimulus, Fed succeeding in elusive soft landing, and post-election policy optimism.

In summary, 2023 unfolded better than feared for the global economy. But sustaining this performance will be difficult in 2024 absent meaningful positive catalysts. Investors confront more a challenging macro climate rife with complexity and uncertainty. Navigating crosscurrents and managing risks will determine portfolio success.

FINANCIAL REVIEW 2023

The implementation of our "Excellence 2024" strategy was reflected for the first time in the 2023 financial year and the initiatives are beginning to unfold. The stringent implementation of our strategy led to a significant improvement in the Group's net result, recovering from a loss in 2022 of EUR 20.3 million to profitable net result of EUR 1.1 million. In addition to an improved net profit from financial operations and interest income, the more efficient processes had a particularly positive impact on the general expenses despite the cost pressure caused by the prevailing inflation.

The total operating result improved significantly from EUR 46.4 million in 2022 to EUR 58.2 million in 2023. The higher interest rate environment led to increased net interest income of EUR 28.1 million, compared to EUR 20.4 million in 2022.

Income from fees and commissions also increased, adjusted for the one-off extraordinary commissions of EUR 2.0 million in 2022, to EUR 15.3 million compared to EUR 14.5 million in 2022. Following the net loss from financial operations of EUR 14 million, which admittedly resulted from an extraordinary situation in that period, the Group reviewed the requirements for its asset and liability management and made further adjustments. Despite its reduced appetite risk, the Group achieved income of EUR 9.7 million on the financial markets.

At the same time, the Group has been working hard on its cost base with more efficient, leaner and better processes. Despite inflation pressure, the Group has implemented a number of strategic initiatives, resulting in a decrease in general administrative expenses to EUR 54.8 million in 2023 compared to EUR 55 million in 2022.

Following the strategic sale of the institutional banking operation to Banca Inversis S.A., which is planned be completed in the second quarter 2024, the Group concentrated on its core business, Private Banking. Here, the Group was able to celebrate successes in the acquisition of assets under management. Nevertheless, the balance sheet total fell from EUR 1 463 million to EUR 1 356 million due to lower customer deposits of EUR 1 143 million (2022: EUR 1 225 million). The decrease in deposits were driven by increased investment activity by our clients.

Due to rising interest rates and the general situation on the real estate markets, the Group continued its conservative lending policy over the course of the year and reduced the loan portfolio by 11% from EUR 519 million in 2022 to EUR 463 million. The Group continues to hold high liquidity reserves, which is reflected in an improved Liquidity Coverage Ratio (LCR) of 344% compared to 239% in 2022.

The Group continues to maintain very strong prudential ratios, with statutory capital adequacy closing the year at 30.6% (2022: 28.4%).

The Internal Capital Adequacy Assessment Process (ICAAP) re-affirms the resilience of the Group. The Group's size, capital structure and its rigorous risk management helped to absorb the impact of extensive market shocks.

OTHER INFORMATION

The Group remains subject to regulatory proceedings and regulatory litigations, as already disclosed, that are at a stage where there is insufficient information to reliably quantify or otherwise assess the potential financial impact on the Group, except for the provision as referred to in the note 5.8 of the consolidated accounts. The Group has taken measures to seek to ensure that any consequences will not significantly affect the Group's financial position.

The Group also operates a representative office in Dubai.

The Group did not undertake any activities in terms of Research and Development in 2023.

During 2023, the Group did not acquire any of its own shares.

OUTLOOK 2024

We are proud to announce that the first results of our multi-year strategy have exceeded expectations. These initial achievements mark an important milestone in our journey towards long-term success. While we acknowledge these positive impacts, we recognise that the true impact of our strategy will unfold in the years to come. With our dedication and continued execution, we are confident that our company will realise even greater success and deliver lasting value to our stakeholders.

Although our strategic deliberations are still ongoing, we am proud to report that we have already achieved some successes. Through the hard work and dedication of our employees, we have achieved significant milestones that are having a positive impact on our performance, and our ongoing strategic deliberations are focused on how we can continue to generate sustainable growth and create long-term value for our clients and employees. We are reviewing various options and analysing carefully to make the best possible decisions for the Group.

In order to successfully implement these plans, the direct parent company will support the Group with the costs incurred. This will enable us to utilise the necessary resources without compromising our ongoing operating activities and to achieve our long-term goals efficiently. We are confident that these investments will help us to consolidate our position in the market and position the Group for a successful future.

With strong capital and liquidity ratios and return to profitability in 2023, the Group is well positioned to face the challenges ahead and to grow its business.

The Group has not faced any other post-closing events that could affect its consolidated accounts for the year 2023.

On behalf of the Group's Management Committee, Board of Directors and the shareholder, we would like to express our thanks to the clients and employees of the Group.

Luxembourg, June 18, 2024

Marc Arand
Group CEO

Jean-François Willems
Member of the Board of Directors

"Every action we perform, even for teams not directly in contact with our clients, will have an impact on them. Diligence is our priority."

Asset Management

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Deloitte.

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REPORT OF THE *REVISEUR D'ENTREPRISES AGREE*

Report on the Audit of the Consolidated Accounts

Opinion

We have audited the consolidated accounts of Banque Havilland S.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at December 31, 2023, the consolidated profit and loss account for the year then ended, and notes to the consolidated accounts, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated accounts give a true and fair view of the financial position of the Group as at December 31, 2023, and the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated accounts.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *"réviseur d'entreprises agréé"* for the Audit of the Consolidated accounts" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of the audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
Value adjustments on loans and advances to customers We refer to the summary of accounting policies in Note 2 and to the disclosure on credit risk in Note 7.3. Lending activities represent a significant part of Group's business: on December 31, 2023, loans and advances to customers amount to EUR 463 152 382, net of value adjustments of EUR 4 353 136. Loans and advances to customers are recorded at nominal value, less any value adjustments. The determination of value adjustments requires significant judgement, such as the identification of loans that are deteriorating, the assessment of objective evidence for value adjustments, the value of collateral and the assessment of the recoverable amount. Value adjustments on loans and advances to customers is considered a key audit matter due to the significance of the balance to the consolidated accounts, combined with the level of judgement required to determine the value adjustments. Inappropriate judgement made in relation to the methodology and inputs used or the assumption taken may have a material impact on the valuation and timely identification of value adjustments of loans and advances to customers.	We obtained an understanding of the lending activity processes and reviewed the key controls used as part of these processes. We considered in particular the ongoing monitoring on the loan portfolio, the correct application of haircuts, the use of external experts for the valuation of the real estate properties and the early warning process about valuation reports once they become outdated. We have evaluated the competence, capabilities and objectivity of the external experts used by the management. We reviewed the variation of most significant loans and advances between December 31, 2022 and December 31, 2023. We tested a sample of loans in order to assess whether the collateral on Lombard loans or the value of the mortgages on real estate properties covers the loans and assessed the creditworthiness of the customers in case of insufficient coverage, to ensure timely recognition of impairments and appropriate impairment charges.
Provisions for litigations and regulatory provisions As described in Note 5.8 and 6.1 of these consolidated accounts, provisions for litigations and regulatory provisions amount to EUR 7 388 003 as at December 31, 2023, of which EUR 934 068 for litigations and EUR 6 453 935 for regulatory provisions. In preparing the consolidated accounts, Management and those charged with governance perform an assessment of legal and regulatory matters to	We obtained an understanding of Group's process to determine provisions for litigations and claims, and reviewed the key controls. We reviewed Group's complaints register, the minutes of the Board of Directors' meetings and Group's committees in order to identify potential litigations or claims.

determine as to whether these require the recognition of a provision or need for a disclosure as contingent liability in the consolidated accounts. Such assessment involves significant degree of judgment and subjectivity. In accordance with methodology established by the Management, provisions are recognized for legal obligations arising from past events, if there is a probable outflow of resources and the amount can be reliably estimated. Given the significant balance, the judgement and subjectivity involved when determining provisions for litigations and regulatory provisions, we determined provisions for litigations and regulatory provisions as a key audit matter.	We reviewed the variation of provisions (i.e. provisions used, released and new ones recorded) between December 31, 2022 and December 31, 2023. We challenged Management's assumptions against confirmation letters from Group's external lawyers and experts documentation available in order to assess the level of provisions recorded. We obtained Management's memorandum on provisions, discussed these provisions during formal meetings with the legal department and the Management, we challenged the judgment of the Management by independently assessing the probability and magnitude of the outcome of the pending legal proceedings. We finally assessed the fair presentation and disclosure in the consolidated accounts.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated management report but does not include the consolidated accounts and our report of the *"réviseur d'entreprises agréé"* thereon.

Our opinion on the consolidated accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

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Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Accounts

The Board of Directors is responsible for the preparation and fair presentation of these consolidated accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the *"réviseur d'entreprises agréé"* for the Audit of the Consolidated Accounts

The objectives of our audit are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *"réviseur d'entreprises agréé"* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Deloitte.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *"réviseur d'entreprises agréé"* to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *"réviseur d'entreprises agréé"*. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as *"réviseur d'entreprises agréé"* by the Board of Directors of the Group on May 25, 2023, and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

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

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014, on the audit profession were not provided and that we remain independent of the Group in conducting the audit.

For Deloitte Audit, *Cabinet de Révision Agréé*

Martin Flaunet, *Réviseur d'Entreprises Agréé*
Partner

June 18, 2024

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2023 (EXPRESSED IN EURO)

ASSETS	NOTES	31/12/2023	31/12/2022
Cash in hand, balances with central banks and post office banks	4.1, 7.1 ,7.3	130 428 062	310 649 026
Loans and advances to credit institutions - repayable on demand - other loans and advances	4.2, 7.1, 7.3	 82 555 301 - **82 555 301**	 119 212 306 38 600 286 **157 812 592**
Loans and advances to customers	2.8, 4.3, 7.1, 7.3	463 152 382	518 673 672
Debt securities and other fixed-income securities - issued by public bodies - issued by other borrowers	2.6, 4.4, 7.1, 7.3	 244 758 716 379 752 736 **624 511 452**	 138 821 761 292 532 773 **431 354 534**
Shares and other variable-yield securities	2.7, 4.5, 7.1, 7.3	6 925 454	4 335 935
Shares in affiliated undertakings	3	-	205 107
Intangible assets	2.4, 4.6	2 270 273	2 266 730
Tangible assets	2.5, 4.6	9 229 545	8 851 219
Other assets	4.7	25 825 429	17 310 538
Prepayments and accrued income	-	11 316 280	11 302 580
TOTAL ASSETS	**4.8**	**1 356 214 180**	**1 462 761 932**

The accompanying notes form an integral part of these annual accounts.

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2023 (EXPRESSED IN EURO) (CONTINUED)

LIABILITIES	NOTES	31/12/2023	31/12/2022
Amounts owed to credit institutions - repayable on demand - with agreed maturity dates or periods of notice	5.1, 7.1	 3 511 647 - **3 511 647**	 170 743 25 000 000 **25 170 743**
Amounts owed to customers Other debts - repayable on demand - with agreed maturity dates or periods of notice	5.2, 7.1	 592 001 881 550 611 098 **1 142 612 979**	 984 932 869 239 885 032 **1 224 817 901**
Other liabilities	5.3	12 613 087	16 037 183
Accruals and deferred income	-	3 366 873	1 862 868
Provisions - provisions for taxation - other provisions	5.8, 5.9	 1 953 180 13 780 873 **15 734 053**	 1 654 512 16 679 972 **18 334 484**
Fund for general banking risks	2.11	17 660 264	17 322 800
Subscribed capital	5.4, 5.6	170 000 000	170 000 000
Share premium account	5.4, 5.6	1 260 709	1 260 709
Reserves	5.5, 5.6	13 394 341	13 032 998
Profit or loss brought forward	5.6	(25 077 753)	(4 758 573)
Profit for the financial year attributable to the Group	5.6	1 137 980	(20 319 180)
TOTAL LIABILITIES	**5.7**	**1 356 214 180**	**1 462 761 932**

The accompanying notes form an integral part of these annual accounts.

CONSOLIDATED OFF BALANCE SHEET

AS AT DECEMBER 31, 2023 (EXPRESSED IN EURO)

OFF BALANCE SHEET	NOTES	31/12/2023	31/12/2022
Contingent liabilities		7 689 130	457 738
of which: *Guarantees and assets pledged as collateral security*	6.1, 7.1, 7.3	*7 689 130*	*457 738*
Commitments	6.4, 7.1, 7.3	-	115 382
Fiduciary transactions	7.1	-	-

The accompanying notes form an integral part of these annual accounts.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2023

(EXPRESSED IN EURO)

	NOTES	2023	2022
Interest receivable and similar income	8.1	49 868 435	25 635 554
of which: arising from fixed-income transferable securities		*8 569 662*	*5 415 116*
Interest payable and similar charges		(21 734 160)	(5 237 456)
Net interest income		**28 134 275**	**20 398 097**
Income from transferable securities			
Income from shares and other variable-yield securities	-	**468**	**423**
Commission receivable	8.1	19 413 206	21 579 577
Commission payable		(4 066 418)	(5 082 863)
Net commission income		**15 346 787**	**16 496 714**
Net profit or (loss) on financial operations	8.1	**9 659 163**	**(14 027 845)**
Other operating income	8.2	**5 047 427**	**23 548 146**
TOTAL OPERATING INCOME	-	**58 188 120**	**46 415 536**
General administrative expenses			
Staff costs	9.3, 9.4	(33 811 039)	(33 918 173)
of which:			
- wages and salaries		*(27 771 454)*	*(27 635 369)*
- social security costs		*(4 557 570)*	*(4 415 950)*
of which: pension costs		*(2 068 693)*	*(1 647 026)*
Other administrative expenses	9.5	(20 984 841)	(21 045 476)
		(54 795 880)	**(54 963 649)**
Value adjustments in respect of tangible, intangible and goodwill of first consolidation	-	**(1 263 832)**	**(1 437 188)**
Other operating charges	8.3	**(1 754 899)**	**(9 260 063)**
Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	8.4	**(780 209)**	**(615 528)**
Value re-adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	8.4	**2 186 689**	**89 562**
Value adjustments in respect of securities held as financial fixed assets, participating interests and shares in affiliated undertakings	-	**(152 172)**	**(24 229)**
Profit before tax	-	**1 627 818**	**(19 795 558)**
Tax on profit or loss on ordinary activities	8.5	**(331 616)**	**(99 106)**
Profit or loss on ordinary activities after tax	-	**1 296 202**	**(19 894 664)**
Other taxes not shown in the preceding items	-	**(158 222)**	**(424 516)**
Profit or loss for the financial year	-	**1 137 980**	**(20 319 180)**

The accompanying notes form an integral part of these annual accounts.

NOTES TO THE CONSOLIDATED ACCOUNTS

AS AT DECEMBER 31, 2023

1. GENERAL

Banque Havilland S.A. (the “Bank”) was incorporated in the Grand-Duchy of Luxembourg on July 10, 2009 as a limited liability company (“Société Anonyme”). The Ministry of Finance granted the company a banking licence on June 25, 2009.

The Bank was created through a non-cash contribution of assets and liabilities. This non-cash contribution was performed at as the lower of net book value or fair value as at the date of the contribution. As a consequence, the Bank is now carrying all contributed assets and liabilities and reflects the historical cost and accumulated depreciation.

As at October 1, 2017, Banque Havilland Institutional Services S.A. (“BHIS”), a fully owned subsidiary of the Bank, has been merged by absorption with the Bank and became a dedicated business line of the Bank.

The Bank is registered at the Luxembourg “Registre du Commerce et des Sociétés” under the number B147029. The head office is located 35a, Avenue J.F. Kennedy, L-1855 Luxembourg.

The share capital of the Bank prepared is expressed in Euro (EUR) and the accounting records are prepared and maintained in this currency. The Bank’s accounting year is defined as the calendar year.

The Bank is permitted to carry out all banking activities. Its principal activity is private banking.

The Bank and the subsidiaries described in note 3 are referred to as the “Group”.

As of December 31, 2023, the Group has a branch established in Switzerland with private banking activity.

With effect 7 December 2023, the Part 4A permission of the UK branch has been cancelled. The PRA Register has been updated to reflect the cessation of authorisation,

The Group is also consolidated by Havilland Group S.A. registered in Luxembourg at:

35, Avenue J.F. Kennedy,
L-1855 Luxembourg.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND VALUATION RULES

2.1. BASIS OF PRESENTATION

The Group prepares its consolidated accounts using the historical cost principle, in accordance with the laws and regulations in force in the Grand Duchy of Luxembourg and on the basis of accounting principles generally accepted by the banking sector in the Grand Duchy of Luxembourg. The accounting policies and the valuation principles are determined and applied by the Board of Directors, apart from those which are defined by law and by the *Commission de Surveillance du Secteur Financier*.

The preparation of consolidated accounts requires the use of a certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying accounting policies.

The Board of Directors confirms the application of the going concern principle as appropriate.

The Board of Directors makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Changes in assumptions may have a significant impact on the consolidated accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the consolidated accounts therefore present the financial position and results fairly.

2.2. CONSOLIDATION METHOD

The Group has adopted the full consolidation method for its subsidiaries (direct or indirect holding of more than 50%).

2.3. GOODWILL

Goodwill represents the difference between the cost of the parent company’s investment in a consolidated subsidiary and its share of the net assets of this subsidiary as at the date of acquisition.

Positive goodwill is disclosed on the asset side of the balance sheet and amortised over 5 years on a linear basis. In case of durable reduction in value, positive goodwill is subject to an accelerated amortisation.

Negative goodwill is either disclosed in the consolidated reserves or disclosed under “Provisions” when it corresponds to future expected losses. Subsequently, a part of this provision is reversed into the profit and loss accounts for an amount corresponding to the financial year loss of the subsidiary. The provisions are not maintained if the reasons for which they were made no longer exists.

2.4. INTANGIBLE ASSETS

Intangible assets are included at purchase price less accumulated depreciation.
Intangible assets consist of:

- Software amortised over 4 years on a linear basis;
- Project costs with future benefits are amortised over 4 years on linear basis;
- Goodwill acquired for valuable consideration and amortised over 4 years on a linear basis;
- Formation expenses and costs in relation to capital increases are directly expensed when incurred.

In case of durable reduction in value, intangible assets are subject to value adjustments regardless of whether their utilisation is limited. The value adjustment is not maintained if the reasons for which the value adjustment were made no longer exist.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT DECEMBER 31, 2023
(CONTINUED)

2.5. TANGIBLE ASSETS

Tangible assets are included at purchase price less accumulated depreciation. Tangible assets are depreciated over their expected useful life.

The rates and methods of depreciation are as follows:

	RATES	METHOD
Office equipment, fixtures and fittings	25%	linear
Company cars	25%	linear
Building	1.5 - 4%	linear

Fixtures and fittings costing less than EUR 867 or whose expected useful life does not exceed one year are charged directly to profit and loss account for the year.

In case of durable reduction in value, tangible assets are subject to value adjustments regardless of whether their utilisation is limited. The value adjustment is not maintained if the reasons for which the value adjustment were made no longer exist.

2.6. DEBT SECURITIES AND OTHER FIXED-INCOME SECURITIES

The Group has divided its portfolio of fixed-income transferable securities into three categories whose principal characteristics are the following:

- An investment portfolio of financial fixed assets which are intended to be used on a continuing basis in the Group’s activities;
- A trading portfolio of securities purchased with the intention of resale in the short term;
- A a structural portfolio of securities which do not fall into either of the two other categories.

Fixed income securities are recorded at their acquisition price (weighted average price) and valued as follows at the balance sheet date:

Investment portfolio of financial fixed assets

Fixed-income transferable securities included in the investment portfolio of financial fixed assets are valued at acquisition price. In case of long-term depreciations, the securities concerned are subject to value adjustments in order to give them the lower value which is to be assigned to them on the balance sheet date.

When the purchase price of fixed-income transferable securities included in the Group’s investment portfolio exceed their redemption price or is below their redemption price, the difference is recorded in profit or loss in instalments over the period remaining to maturity.

As at December 31, 2023 the Group holds fixed-income securities of this category for EUR 176 234 856 (2022: EUR 190 471 218).

Trading portfolio

Fixed-income transferable securities included in the trading portfolio are valued at the lower of cost or market value.

As at December 31, 2023 and December 31, 2022, the Group does not hold fixed-income securities of this category.

Structural portfolio

Fixed-income transferable securities included in the structural portfolio are valued at the lower of cost or market value.

Value adjustments are made for securities in the structural portfolio for which the valuation is lower than the purchase price. The valuation is the market value on the balance sheet date, the estimated realisable value or the quotation, which best represents the inherent value of the securities held.

As at December 31, 2023 the Group hold fixed income securities of this category for EUR 448 276 596 (2022: EUR 240 883 316).

2.7. SHARES AND OTHER VARIABLE-YIELD SECURITIES

Shares and other variable-yield securities are classified in the structural portfolio of the Group and recorded at purchase price. At the balance sheet date, they are valued at the lower of purchase price or market value. A value adjustment is recorded when the market value is lower than the purchase price.

2.8. LOANS AND ADVANCES

Loans and advances are disclosed at their nominal value. Accrued interests are recorded under the heading “Prepayments and accrued income” on the asset side of the consolidated balance sheet.

2.9. VALUE ADJUSTMENTS IN RESPECT OF CURRENT ASSETS

The policy of the Group is to establish specific provisions to cover the risk of loss and of the non-recovery of debtors.

Value adjustments are deducted from the relevant current assets.

2.10. PROVISION FOR ASSETS AT RISK

A tax deductible lump-sum provision is accounted for based on the Group’s assets at risk. These assets are determined in accordance with the regulatory provisions governing the computation of the capital adequacy ratio. The lump-sum provision is split between the relevant assets at risk on a prorate basis in accordance with the provisions of the Luxembourg Monetary Institute circular letter dated December 16, 1997. The portion related to the assets at risk is deducted from these assets.

2.11. FUND FOR GENERAL BANKING RISKS (“FRBG”)

The Group has established a fund for general banking risks to cover the particular risks associated with banking operations. Transfers to this fund are determined based on the profit after tax, but before determination of the profit for the financial year. This fund is not subject to any quantitative limit.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT DECEMBER 31, 2023
(CONTINUED)

2.12. VALUATION OF FOREIGN CURRENCY BALANCES AND TRANSACTIONS

2.12.1. Foreign currency conversion

The share capital of the Group is expressed in Euro (“EUR”) and the accounting records are maintained in that currency.

Intangible and tangible assets are converted at the historic rate. All other assets and liabilities denominated in a currency other than EUR are converted into EUR at the spot rate prevailing at the balance sheet date.

Income and charges in foreign currencies are converted into EUR at the spot rate prevailing on the date of the transaction.

Foreign currency differences arising from these valuation principles are taken to the consolidated profit and loss account.

Unsettled forex transactions raising from forward or standard swap are valued accordingly to their replacement value. Differences in replacement values are taken in profit and loss account under the financial result.

The consolidated accounts of subsidiaries whose operating currency is not the EUR are converted using the current rate method. Under this method, all assets, liabilities and result brought forward, both monetary and non-monetary, are converted using the spot rate at the balance sheet date. Minority interests included in reserves are converted at the spot rate at the balance sheet date. Income and expense items are converted at the average rate for the year.

2.12.2. Valuation of transactions not subject to currency risk

Swap transactions not linked to balance sheet items

The spot result realised in cash terms is offset by the result arising from the revaluation of the forward leg. The premium/discount is spread prorata temporis.

Over-the-counter closed forward transactions

Future profits that are certain to arise are deducted from future losses that are certain to arise in the same currency.

A provision is created for any excess losses; any excess profits are deferred.

2.12.3. Valuation of transactions subject to currency risk

Over-the-counter hedging forward transactions

Provision is made for unrealised losses on forward transactions, which do not represent the hedging of a spot position. Unrealised gains are not accounted for.

The Group only enters into financial instruments for hedging purposes.

3. SCOPE OF CONSOLIDATION

NAME OF THE COMPANY	REGISTERED OFFICE	PROPORTION OF THE CAPITAL HELD BY THE PARENT COMPANY
As at December 31, 2023:		
Parent company:		
Banque Havilland S.A.	Luxembourg	-
Full consolidation:		
Banque Havilland (Monaco) S.A.M.	Monaco	100.0%
Banque Havilland (Liechtenstein) AG	Liechtenstein	100.0%
As at December 31, 2022:		
Parent company:		
Banque Havilland S.A.	Luxembourg	-
Full consolidation:		
Banque Havilland (Monaco) S.A.M.	Monaco	100.0%
Banque Havilland (Liechtenstein) AG *	Liechtenstein	100.0%
Out of consolidation scope:		
BHB Ltd.**	Bahamas	100.0%

*In 2022 Banque Havilland (Suisse) S.A. merged with Banque Havilland (Liechtenstein) AG. The activities of the Group in Switzerland are operated in Zurich under Banque Havilland (Liechtenstein) AG, Zurich Branch.
**In 2023, the Bank sold its participation in BHB Ltd. The transaction generated a loss of EUR 152 172.

4. DETAILED DISCLOSURES RELATING TO ASSET HEADINGS

4.1. CASH IN HAND, BALANCES WITH CENTRAL BANKS AND POST OFFICE BANKS

In accordance with the requirements of the European Central Bank, the Central Bank of Luxembourg implemented effective January 1, 1999, a system of mandatory minimum reserves which applies to all Luxembourg credit institutions. The reserve balance as at December 31, 2023 held by the Group with the Central Bank of Luxembourg amounted to EUR 59 824 696 (2022: EUR 195 735 413). The reserve balance as at December 31, 2023 held by the Group with the Banque de France amounted to EUR 12 687 059 (2022: EUR 13 626 149). The reserve balance as at December 31, 2023 held by the Group with the Swiss National Bank amounted to EUR 57 315 221 (2022: EUR 99 529 669).

4.2. LOANS AND ADVANCES TO CREDIT INSTITUTIONS

As at December 31, 2023, the Group has no loan granted to affiliated credit institutions (2022: EUR 0).

4.3. LOANS AND ADVANCES TO CUSTOMERS

As at December 31, 2023, there are no loans and advances granted to related parties (2022: EUR 0).
Total loan loss allowances amounts to EUR 4 353 136 (2022: EUR 3 398 807).

4.4. DEBT SECURITIES AND OTHER FIXED-INCOME SECURITIES

This heading includes debt securities, whether quoted on a recognised market or not, issued by public bodies, credit institutions or other issuers and which are not included under another balance sheet heading.

Quoted and non-quoted securities are analysed as follows:

	2023 EUR*	2022 EUR**
Securities quoted on a recognised market	617 707 128	413 886 150
Securities not quoted on a recognised market	6 804 324	17 468 384
TOTAL	**624 511 452**	**431 354 534**

*Without lump-sum provision due to reversal in 2023. See note 8.4.
**Including lump-sum provision.

Debt securities and other fixed-income securities held are included in the structural portfolio and the investment portfolio of financial fixed assets. The Group may use the European Central Bank Monetary Policy Operations to finance a part of its eligible securities portfolio.

As at December 31, 2023, the Group is not committed in sale and repurchase agreements with a firm repurchase obligation. As at December 31, 2023, there was no drawing of the repurchase line (note 5.1) (2022: EUR 25 000 000).

4.5. SHARES AND OTHER VARIABLE-YIELD SECURITIES

This heading includes shares, holdings in investment funds and other variable-yield securities whether quoted on a recognised market or not which are not included in fixed asset investments.

Quoted and non-quoted shares and other variable-yield securities are analysed as follows:

	2023 EUR*	2022 EUR**
Securities quoted on a recognised market	5 659 901	4 287 424
Securities not quoted on a recognised market	1 265 553	48 511
TOTAL	**6 925 454**	**4 335 935**

*Without lump-sum provision due to reversal in 2023. See note 8.4.
**Including lump-sum provision.

All shares and other variable-yield securities held are included in the structural portfolio.

As at December 31, 2023, the Group hold shares and other variable-yield transferable securities for hedging purposes in the frame of contracts for differences ("CFD") with clients for a total amount of EUR 6 876 003 (2022: EUR 4 286 710).

4.6. MOVEMENTS ON INTANGIBLE AND TANGIBLE ASSETS

(in EUR) TABLE PART 1	GROSS VALUE AT THE BEGINNING OF THE FINANCIAL YEAR	FOREIGN EXCHANGE IMPACT	ADDITIONS	DISPOSALS / ADJUSTMENTS	GROSS VALUE AT THE END OF THE FINANCIAL YEAR
Intangible assets of which:	**17 054 924**	**195 362**	**748 318**	**-**	**16 227 496**
- Software	*12 865 847*	*143 861*	*663 337*	*-*	*13 672 732*
- Other intangible assets	*1 502 438*	*51 501*	*73 106*	*-*	*1 627 045*
- Project cost	*915 844*	*-*	*11 875*	*-*	*927 719*
Tangible assets of which:	**33 073 305**	**1 246 643**	**378 378**	**(139 935)**	**34 558 392**
- Office equipment fixtures and fittings	*17 092 093*	*230 830*	*366 378*	*(8 657)*	*17 680 643*
- Company cars	*123 415*	*7 863*	*-*	*(131 278)*	*-*
- Building	*15 857 798*	*1 007 950*	*12 000*	*-*	*16 877 748*

(in EUR) TABLE PART 2	CUMULATIVE VALUE ADJUSTMENTS AT THE BEGINNING OF THE FINANCIAL YEAR *	REVERSAL OF VALUE ADJUSTMENTS*	CUMULATIVE VALUE ADJUSTMENTS*	NET BOOK VALUE AS AT 31/12/2023*	NET BOOK VALUE AS AT 31/12/2022*
Intangible assets of which:	**(14 788 194)**	**-**	**(13 957 222)**	**2 270 274**	**2 266 730**
- Software	*(11 959 810)*	*-*	*(12 584 098)*	*1 088 634*	*905 724*
- Other intangible assets	*(770 947)*	*-*	*(857 739)*	*769 305*	*731 491*
- Project cost	*(286 329)*	*-*	*(515 384)*	*412 335*	*629 515*
Tangible assets of which:	**(24 222 087)**	**578**	**(25 328 846)**	**9 229 546**	**8 851 219**
- Office equipment fixtures and fittings	*(16 775 216)*	*578*	*(17 176 436)*	*504 188*	*316 876*
- Company cars	*(123 415)*	*-*	*-*	*-*	*-*
- Building	*(7 323 456)*	*-*	*(8 152 390)*	*8 725 358*	*8 534 342*

*Lump-sum provision has been reversed in 2023. See note 8.4.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT DECEMBER 31, 2023
(CONTINUED)

4.7. OTHER ASSETS

This heading consists of the following:

	2023 EUR*	2022 EUR**
Replacement value Forex transactions***	15 971 821	7 669 886
Intercompany receivables	2 820 756	2 251 597
Performance fees receivable	1 993 087	1 987 656
Tax advances	1 516 447	1 032 712
Margin calls on contracts for differences with clients	1 493 285	1 616 339
Currency options margins	249 069	863 144
Invoices issued not yet paid	191 873	122 581
Guarantee called	119 050	118 725
Other receivables	1 470 041	1 647 898
TOTAL	**25 825 429**	**17 310 538**

*Without lump-sum provision due to reversal in 2023. See note 8.4.
**Including lump-sum provision.
***Replacement value Forex transactions corresponds to unsettled forex transactions as at December 31, 2023 (note 2.12.1).

4.8. ASSETS DENOMINATED IN FOREIGN CURRENCIES

Assets denominated in currencies other than EUR have a total value of EUR 675 296 917 (2022: EUR 701 714 545) as at December 31, 2023. The majority of the gap between non EUR denominated assets and non EUR denominated liabilities is covered by exchange rates derivatives instruments (note 7.2).

5. DETAILED DISCLOSURES RELATING TO LIABILITY HEADINGS

5.1. AMOUNTS OWED TO CREDIT INSTITUTIONS

As at December 31, 2023, the Group has no amount owed to affiliated credit institutions (2022: EUR 0).

As part of its liquidity management, the Group may participate into Eurosystem's regular open market operations. As at December 31, 2023, the Group did not enter into main refinancing operations (short-term liquidity providing operations) with Luxembourg Central Bank (2022: EUR 25 000 000).

5.2. AMOUNTS OWED TO CUSTOMERS

As at December 31, 2023, amounts owed to related parties amount to EUR 6 847 924 (2022: EUR 31 895 504).

5.3. OTHER LIABILITIES

This heading consists of the following:

	2023 EUR	2022 EUR
Replacement Value Forex transactions*	5 705 972	7 095 998
Payable on sales of structured products	1 844 542	2 566 346
Invoices received not yet paid	1 224 684	820 387
Clients unclaimed assets	1 070 708	1 459 383
Preferential creditors	1 012 565	646 097
Accrued general expenses	560 119	898 953
Business introducers commissions payables	341 892	312 063
Guarantee payable	119 050	119 050
Other payables	733 555	2 118 907
TOTAL	**12 613 087**	**16 037 183**

*Replacement value Forex transactions corresponds to unsettled forex transactions as at December 31, 2023 (note 2.12.1).

5.4. SUBSCRIBED CAPITAL AND SHARE PREMIUM

As at December 31, 2023, the subscribed and fully paid share capital of the Group is EUR 170 000 000 made up of 170 000 shares with a nominal value of EUR 1 000 each.

The share premium amounts to EUR 1 260 709 and is made of valuation differences of the Group assets and liabilities at the date of its constitution.

5.5. LEGAL RESERVE

In accordance with article 461-1 of the Luxembourg company law, as amended, an amount of 5% of net profits should be allocated to a non distributable legal reserve, until this reserve reaches 10% of the subscribed capital. Banque Havilland S.A. did not allocate any amount to the legal reserve in 2023.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT DECEMBER 31, 2023
(CONTINUED)

5.6. CHANGES IN SHAREHOLDERS' EQUITY

The movements of shareholders' equity of Banque Havilland S.A. may be summarised as follows:

	SUBSCRIBED CAPITAL EUR	SHARE PREMIUM EUR	LEGAL RESERVE EUR	CONSOLIDATED RESERVES AND PROFIT BROUGHT FORWARD EUR	PROFIT OF THE YEAR (GROUP) EUR	TOTAL OWN FUNDS EUR
Balance at December 31, 2022	**170 000 000**	**1 260 709**	**2 927 754**	**5 346 671**	**(20 319 180)**	**159 215 953**
Capital increase	-	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	-
Translation impact on: - group reserves	-	-	-	361 344	-	**361 344**
Profit brought forward	-	-	-	(20 319 180)	20 319 180	-
Current year profit	-	-	-	-	**1 137 980**	**1 137 980**
Balance at December 31, 2023	**170 000 000**	**1 260 709**	**2 927 754**	**(14 611 166)**	**1 137 980**	**160 715 277**

5.7. LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Liabilities denominated in currencies other than EUR have a total value of EUR 779 566 177 (2022: EUR 706 542 944) as at December 31, 2023. The majority of the gap between non EUR denominated assets and non EUR denominated liabilities is covered by exchange rates derivative instruments.

5.8. OTHER PROVISIONS

As at December 31, 2023, "Other provisions" is mainly composed of:

	2023 EUR	2022 EUR
Regulatory provisions (note 6.1)	6 453 935	6 444 424
Bonus	4 252 409	3 382 321
Legal, consultancy and other administrative costs	602 806	2 607 834
Restructuring*	311 791	1 000 000
Clients claims	934 068	811 130
Retrocessions	129 732	111 334
Building work maintenance	79 461	42 314
Other provisions	1 016 669	2 280 615
TOTAL	**13 780 873**	**16 679 972**

*Restructuring is related to closure of the UK branch (Note 8.3).

5.9. LUXEMBOURG RESOLUTION FUND (“LRF”) AND LUXEMBOURG DEPOSIT GUARANTEE SCHEME (“LDGS”)

The law related to the resolution, reorganisation and winding-up measures of credit institutions and certain investment firms and on deposit guarantee and investor compensation schemes (“the Law”), transposing into Luxembourgish law the directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms and the directive 2014/49/EU related to deposit guarantee and investor compensation schemes, was passed on December 18, 2015.

The deposit guarantee and investor compensation scheme previously in place through the “Association pour la Garantie des Dépôts Luxembourg” (AGDL) has been replaced by a new contribution based system of deposit guarantee and investor compensation scheme. This new system covers eligible deposits of each depositor up to an amount of EUR 100,000 (Luxembourg Deposit Guarantee Scheme) and investments up to an amount of EUR 20,000 (Luxembourg Investors Compensation Scheme).

The Law also provides that deposits resulting from specific transactions or fulfilling a specific social or other purpose are covered for an amount above EUR 100,000 for a period of 12 months.

Provisions which were booked in the consolidated accounts of the credit institutions throughout the years in order to respect the obligations of the AGDL are reversed in proportion to the contribution paid on the new “Luxembourg Resolution Fund” (LRF) and “Luxembourg Deposit Guarantee Scheme” (LDGS).

The funded amount of the LRF shall reach by the end of 2024 at least 1% of covered deposits, as defined in article 107 (1) of the Law, of all authorised credit institutions all participating Member States. This amount will be collected from the credit institutions through annual contributions during the years 2015 to 2024 using the previously constituted AGDL provision.

The target level of funding of the LDGS is set at 0.8% of covered deposits, as defined in article 179 (1) of the Law, of the relevant credit institutions arid is to be reached by the end of 2018 through annual contributions using the previously constituted AGDL provision. When the level of 0.8% will be reached, the Luxembourgish credit institutions are to continue to contribute for 8 additional years in order to constitute an additional safety buffer of 0.8% of covered deposits as defined in article 180 (1) of the Law.

According to the Law, the Group decided to use the AGDL provision constituted up to December 31, 2015 to cover LRF and LDGS charges occurring during the year. In 2023, LRF and LDGS charges amounted to respectively EUR 307 138 (EUR 428 666 in 2022) and EUR 18 183 (EUR 12 502 in 2022).

6. CONTINGENT LIABILITIES AND COMMITMENTS

6.1. CONTINGENT LIABILITIES

Contingent liabilities consist of guarantees for EUR 7 689 130 (2022: EUR 457 738).

As at December 31, 2023, contingent liabilities to related parties amount to EUR nil (2022: EUR nil).

The Group remains subject to regulatory proceedings and regulatory litigations that are at a stage where there is insufficient information to reliably quantify or otherwise assess the potential financial impact on the Group, except for the provision as referred to in the note 5.8.

Havilland Group S.A. took measures to ensure that any consequences will be financially covered and will not significantly affect the Group’s financial position.

6.2. OPEN FORWARD AGREEMENTS AT THE BALANCE SHEET DATE

The Group is engaged in forward foreign exchange transactions (swaps, outrights) in the normal course of its banking business. A significant portion of these transactions has been contracted to hedge the effects of fluctuations in exchange rates (see notes 7.2. and 7.3. for additional information).

6.3. MANAGEMENT AND FIDUCIARY SERVICES

The Group’s services to third parties consist of:

- Portfolio management and investment advice;
- Custody and administration of transferable securities;
- Credit activities.

6.4. COMMITMENTS

As at December 31, 2023, commitments amount to EUR nil (2022: EUR 115 382).

6.5. OTHER COMMITMENTS

The following commitment outstanding at December 31, 2023 has not been included in the balance sheet nor in the off balance sheet accounts:

- The premises of the Bank in Luxembourg are rented from Kaytwo S.à r.l.. The total commitments in respect of fixed rental payments contracted on buildings amounts to EUR 4 413 212 (2022: EUR 9 134 987).

7. INFORMATION RELATING TO FINANCIAL INSTRUMENTS

7.1. DISCLOSURES RELATING TO PRIMARY FINANCIAL INSTRUMENTS IN RELATION TO NON TRADING ACTIVITIES

The following tables provide an analysis of the carrying amount of primary financial assets and financial liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment.

As at December 31, 2023, primary financial assets and liabilities are analysed as follows (in EUR):

FINANCIAL ASSETS	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	MORE THAN FIVE YEARS	NO MATURITY	TOTAL
Cash in hand, balances with central banks and post office banks	130 428 062	-	-	-	-	130 428 062
Loans and advances to credit institutions	82 555 301	-	-	-	-	82 555 301
Loans and advances to customers	250 448 047	44 258 904	161 550 431	6 895 000	-	463 152 382
Debt securities and other fixed-income securities	195 754 099	112 322 555	259 964 426	53 470 372	3 000 000	624 511 452
Shares and other variable-yield securities	-	-	-	-	6 925 454	6 925 454
TOTAL	**659 185 508**	**156 581 458**	**421 514 857**	**60 365 372**	**9 925 454**	**1 307 572 650**

FINANCIAL LIABILITIES	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	MORE THAN FIVE YEARS	NO MATURITY	TOTAL
Amounts owed to credit institutions	3 511 647	-	-	-	-	3 511 647
Amounts owed to customers	1 050 437 474	29 662 926	62 512 579	-	-	1 142 612 979
TOTAL	**1 053 949 121**	**29 662 926**	**62 512 579**	**-**	**-**	**1 146 124 626**

OFF BALANCE-SHEET	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	MORE THAN FIVE YEARS	NO MATURITY	TOTAL
Contingent liabilities	-	339 034	277 106	-	7 072 990	7 869 130
TOTAL	**-**	**339 034**	**277 106**	**-**	**7 072 990**	**7 869 130**

The maturity mismatch between the assets and the liabilities of the Group are mainly related to the Group's bond portfolio. The modified duration of the entire portfolio is 1.02 years.

As per end of year the Group did not make use of source of funding available via the ECB Monetary Policy Operations (e.g. via Main Refinancing Operations (MRO's) and Long-Term Refinancing Operations (LTRO's)).

A positive shift of 200 bps of the interest rate curve would mean a decrease of EUR 9 634 938 of the present value of our assets and liabilities. The portfolio is therefore slightly sensitive to the fluctuation of short term interest rates.

As at December 31, 2022, primary financial assets and liabilities are analysed as follows (in EUR):

FINANCIAL ASSETS	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	MORE THAN FIVE YEARS	NO MATURITY	TOTAL
Cash in hand, balances with central banks and post office banks	310 649 026	-	-	-	-	310 649 026
Loans and advances to credit institutions	157 812 592	-	-	-	-	157 812 592
Loans and advances to customers	278 083 693	63 545 241	159 373 624	17 671 114	-	518 673 672
Debt securities and other fixed-income securities	6 969 890	99 764 951	264 451 165	57 176 704	2 991 824	431 354 534
Shares and other variable-yield securities	-	-	-	-	4 335 935	4 335 935
TOTAL	**753 515 201**	**163 310 191**	**423 824 789**	**74 847 818**	**7 327 759**	**1 422 825 759**

FINANCIAL LIABILITIES	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	MORE THAN FIVE YEARS	NO MATURITY	TOTAL
Amounts owed to credit institutions	25 170 743	-	-	-	-	25 170 743
Amounts owed to customers	1 172 805 725	52 012 176	-	-	-	1 224 817 901
TOTAL	**1 197 976 468**	**52 012 176**	**-**	**-**	**-**	**1 249 988 644**

OFF BALANCE-SHEET	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	MORE THAN FIVE YEARS	NO MATURITY	TOTAL
Contingent liabilities	16 936	418 801	-	-	22 001	457 738
Commitments	-	115 382	-	-	-	115 382
TOTAL	**16 936**	**534 183**	**-**	**-**	**22 001**	**573 120**

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT DECEMBER 31, 2023
(CONTINUED)

7.2. DISCLOSURES RELATING TO DERIVATIVE FINANCIAL INSTRUMENTS

The following tables provide an analysis of the derivative financial assets and liabilities of the Bank into relevant maturity groupings based on the remaining periods to repayment. As at December 31, 2023, over-the-counter derivative financial assets and liabilities are analysed as follows (in EUR):

INSTRUMENT CLASS	CONTRACT / NOTIONAL AMOUNT (EUR)	LESS THAN THREE MONTHS		BETWEEN THREE MONTHS AND ONE YEAR		BETWEEN ONE YEAR AND FIVE YEARS		TOTAL	
		FINANCIAL ASSETS (POSITIVE FAIR VALUE)	FINANCIAL LIABILITIES (NEGATIVE FAIR VALUE)	FINANCIAL ASSETS (POSITIVE FAIR VALUE)	FINANCIAL LIABILITIES (NEGATIVE FAIR VALUE)	FINANCIAL ASSETS (POSITIVE FAIR VALUE)	FINANCIAL LIABILITIES (NEGATIVE FAIR VALUE)	FINANCIAL ASSETS (POSITIVE FAIR VALUE)	FINANCIAL LIABILITIES (NEGATIVE FAIR VALUE)
FOREIGN EXCHANGE									
OTC									
- Forward currency contracts	77 072 681	622 016	(642 699)	181 300	(148 085)	-	-	**803 316**	**(790 784)**
- Currency swap contracts	779 422 935	16 607 220	(6 396 187)	168 855	(94 707)	-	-	**16 776 075**	**(6 490 893)**
- Options	1 429 560	422 967	(422 967)	319 013	(319 013)	-	-	**741 980**	**(741 980)**
Exchange-traded									
- Futures	17 774 530	8 975 486	(8 975 486)	-	-	-	-	**8 975 486**	**(8 975 486)**
EQUITIES									
OTC									
- Contracts for difference	8 571 556	1 560 868	(45 255)	-	-	-	-	**1 560 868**	**(45 255)**
Exchange-traded									
- Options	710 474	236 726	(236 726)	27 950	(27 950)	164 293	(164 293)	**428 969**	**(428 969)**
INDEX									
Exchange-traded									
- Futures	6 368 980	3 208 220	(3 208 220)	-	-	-	-	**3 208 220**	**(3 208 220)**
- Options	1 813 851	64 088	(64 088)	987 784	(987 784)	-	-	**1 051 872**	**(1 051 872)**
COMMODITY									
Exchange-traded									
- Futures	309 990	-	-	138 577	(138 577)	-	-	**138 577**	**(138 577)**
INTEREST									
Exchange-traded									
- Futures	28 706 274	14 568 591	(14 568 591)	-	-	-	-	**14 568 591**	**(14 568 591)**

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT DECEMBER 31, 2023 (CONTINUED)

As at December 31, 2022, over-the-counter derivative financial assets and liabilities are analysed as follows (in EUR):

INSTRUMENT CLASS	CONTRACT / NOTIONAL AMOUNT (EUR)	LESS THAN THREE MONTHS		BETWEEN THREE MONTHS AND ONE YEAR		BETWEEN ONE YEAR AND FIVE YEARS		TOTAL	
		FINANCIAL ASSETS (POSITIVE FAIR VALUE)	FINANCIAL LIABILITIES (NEGATIVE FAIR VALUE)	FINANCIAL ASSETS (POSITIVE FAIR VALUE)	FINANCIAL LIABILITIES (NEGATIVE FAIR VALUE)	FINANCIAL ASSETS (POSITIVE FAIR VALUE)	FINANCIAL LIABILITIES (NEGATIVE FAIR VALUE)	FINANCIAL ASSETS (POSITIVE FAIR VALUE)	FINANCIAL LIABILITIES (NEGATIVE FAIR VALUE)
FOREIGN EXCHANGE									
OTC									
- Forward currency contracts	72 495 190	464 312	(536 490)	84 633	(146 760)	-	-	**548 945**	**(683 250)**
- Currency swap contracts	933 981 057	8 395 882	(7 817 109)	34 298	(66 632)	-	-	**8 430 180**	**(7 883 741)**
- Options	5 178 610	657 503	(657 503)	8 528	(8 528)	-	-	**666 031**	**(666 031)**
Exchange-traded									
- Futures	9 271 034	59 922	(59 922)	-	-	-	-	**59 922**	**(59 922)**
EQUITIES									
OTC									
- Contracts for difference	5 973 626	1 670 837	(26 661)	-	-	-	-	**1 670 837**	**(26 661)**
Exchange-traded									
- Options	4 419 158	358 056	(358 056)	587 629	(587 629)	-	-	**945 685**	**(945 685)**
INDEX									
Exchange-traded									
- Futures	19 722 267	337 008	(337 008)	-	-	-	-	**337 008**	**(337 008)**
- Options	13 322 485	578 429	(578 429)	1 174 626	(1 174 626)	-	-	**1 753 055**	**(1 753 055)**
COMMODITY									
Exchange-traded									
- Futures	164 156 758	3 047 715	(3 047 715)	17 328	(17 328)	-	-	**3 065 043**	**(3 065 043)**
INTEREST									
Exchange-traded									
- Futures	126 710 026	1 501 429	(1 501 429)	-	-	-	-	**1 501 429**	**(1 501 429)**

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT DECEMBER 31, 2023 (CONTINUED)

7.3. DISCLOSURES RELATING TO CREDIT RISK

The Group is exposed to credit risk mainly through its lending, investing and hedging activities and in cases where the Group acts as an intermediary on behalf of customers and issues guarantees.

The Group's primary exposure to credit risk arises from its loans and advances and debt securities. The credit exposure in this regard is represented by the carrying amounts of the assets in the balance sheet.

The Group is also exposed to off-balance sheet credit risk through guarantees issued and instruments linked to exchange, interest and other market rates (forward transactions, swaps and option contracts). The credit exposure in respect of instruments linked to exchange, interest and other market rates are equal to the equivalent at risk according to the initial risk approach.

The credit risk exposure at year end can be analysed as follows (in EUR):

	CREDIT RISK EXPOSURE 2023	CREDIT RISK EXPOSURE 2022
Debt securities and other fixed-income securities	624 511 452	431 354 534
Loans and advances to customers	463 152 382	518 673 672
Cash in hand, balances with central banks and post office banks	130 428 062	310 649 026
Loans and advances to credit institutions	82 555 301	157 812 592
Derivatives	36 389 028	30 233 670
Contingent liabilities	7 689 130	457 738
Shares and other variable-yield securities	6 925 454	4 335 935
Commitment	-	115 382
TOTAL	**1 351 650 809**	**1 453 632 548**

Loans and advances to customers are usually secured by cash, listed investments, third party guarantees and mortgage on real estate property.

Credit risk concentrations on total on and off balance sheet are analysed as follows:

	2023 EUR	2022 EUR
Credit institutions	443 293 349	450 450 232
Public sector	317 200 292	334 491 198
Individuals	307 416 226	306 723 762
Corporates	283 740 942	361 967 355
TOTAL	**1 351 650 809**	**1 453 632 548**

Credit institutions, corporates, individuals and public sector are essentially issued from OECD countries, main ones being Luxembourg, United States, Switzerland, France and the United Kingdom.

Geographical Concentration of credit risk (in EUR):

	2023 EUR	2022 EUR
Switzerland	180 563 975	158 050 260
United States	170 211 412	41 993 938
France	138 355 438	150 177 519
Luxembourg	125 403 408	348 211 286
Monaco	121 819 042	124 096 460
Germany	98 732 012	75 872 718
Liechtenstein	84 637 549	46 098 340
United Kingdom	78 845 381	99 469 892
United Arab Emirates	63 944 378	61 991 955
Italy	42 358 328	35 392 604
Belgium	36 266 687	53 097 547
Netherlands	29 222 588	35 081 225
Canada	25 565 959	18 448 318
Hong Kong	20 495 957	36 591 325
Russia	15 597 857	20 832 301
Spain	12 705 287	15 112 021
Finland	9 730 891	10 956 214
Israel	9 417 097	9 136 000
Hungary	8 887 592	6 618 417
Korea	8 812 432	5 028 010
British Virgin Islands	8 103 191	13 439 760
Ireland	7 850 232	8 120 398
Saudi Arabia	6 856 530	8 295 141
Cayman Islands	6 490 652	5 561 686
Romania	5 333 206	5 318 672
Turkey	3 502 982	3 312 871
Poland	3 426 795	3 337 600
Australia	3 002 873	-
Malta	2 971 290	2 902 528
Guernsey	2 618 489	2 437 071
Denmark	2 511 011	205
Sweden	2 254 702	3 107 507
Belize	2 156 478	506
China	1 782 931	1 836 174
New Zealand	1 779 342	1 832 477
Austria	1 486 378	471 074
Cyprus	1 189 506	11 387 631
Other	6 760 951	30 014 897
TOTAL	**1 351 650 809**	**1 453 632 548**

7.4. INFORMATION ON THE MANAGEMENT OF OTHER RISKS

Liquidity Risk

A cash management system enables the Group to achieve a daily automatic "vostro-nostro" reconciliation of all correspondent accounts.

The Group is able to identify possible cash flow errors, to determine adjusted opening balances and generate an accurate liquidity gap to better channel short-term liquidity needs.

The Asset and Liability Committee ("ALCO") receives a daily report on the overall liquidity situation of the Group, the upcoming liquidity risks and the cash buffer.

Interest Rate Risk

The Group monitors its interest rate risk by analysing the different maturity gaps in the balance sheet.

The Group IRRBB Policy sets up the internal limit systems for the Group's exposure to interest rate risks.

Stress tests are performed monthly by analysing several scenarios as per the EBA Guideline EBA/GL/2018/02.

Exchange Rate Risk

The Group's main exposure to foreign exchange risk ("FX") arises from USD, CHF and GBP.

A foreign exchange position system provides an overall view of the currency risk and related profit or loss impact by business line, turnover and margins.

The implementation of an Expected Shortfall ("ES") model gives a view of the potential loss of the overnight position.

The ALCO members monitor and control the exchange rate risk through the daily report received from the risk department.

Market Risk

The Group's Market Risk is managed in both a qualitative and a quantitative manner. The profit and loss of the Group's investment and FX book is reported daily by the Treasury to the ALCO members. An in-depth analysis of the Group's investment portfolio is performed monthly in terms of geographic segmentation, sector segmentation, type of products, last important news on the issuer, yield analysis, rating agency's views, liquidity, issuer's healthiness. These documents are sent to the ALCO. All the investment's decisions need to be compliant with the Investment Guidelines as agreed by the Board of Directors.

The monitoring and control of CFD positions is operationalised, among others, through the production of two daily reports: a CFD control report and a CFD statement report. The details for each position, corresponding margin call, profit and loss, computed VaR are indicated in these documents.

In case of any breach the Relationship Manager of the client and the credit department are immediately informed. The Credit Department with the support of the Relation Manager has to solve the breach whether by margin calling the client, either by closing the CFD's contract.

The Treasury of the Group can hedge the client's CFDs either by backing the CFD on the market with a CFD provider, either by taking positions on the underlying. In any case, the Group's book has to be delta neutral.

The Market Risk on the Loan Book arises from loans secured by collateral (Lombard Loans). The Market Risk on these loans are mitigated by haircuts applied on financial assets accepted as eligible collateral and diversification requirement.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT DECEMBER 31, 2023
(CONTINUED)

8. INFORMATION ON THE PROFIT AND LOSS ACCOUNT

8.1. GEOGRAPHICAL ANALYSIS INCOME

Interest receivable and similar income, commission receivable and net profit on financial operations mainly originate from Western Europe.

8.2. OTHER OPERATING INCOME

Other operating income are analysed as follows:

	2023 EUR	2022 EUR
Provisions reversed	1 881 044	647 153
Operating sub-rents	739 242	695 294
Gain on sale of building held as fixed assets	373 014	20 134 828
Client fees related to previous years	234 515	421 937
CCSS Reimbursments	226 040	264 536
Fees re-invoicing	178 452	568 937
Gains on deals/claims settled	60	1 139
Gain on subsidiary share Buyback	-	338 395
Other	1 415 060	475 927
TOTAL	**5 047 427**	**23 548 146**

Provisions reversed concern mainly the reduction of the risk with regards to claims and provisions related to risks ultimately not materialised.

8.3. OTHER OPERATING CHARGES

Other operating charges are analysed as follows:

	2023 EUR	2022 EUR
Contributions to LRF and LDGS	332 538	448 178
Restructuring provision (note 5.8)	301 167	1 000 000
Administrative fees reinvoiced	178 756	96 653
Write-off of receivables	120 259	139 251
Invoices related to previous years	94 327	97 560
Regulatory provision (notes 5.8 and 6.1)	-	6 444 424
Legal Case	-	431 159
Previous year net wealth tax	-	81 069
Other	727 852	521 769
TOTAL	**1 754 899**	**9 260 063**

8.4. NET VALUE ADJUSTMENTS IN RESPECT OF LOANS AND ADVANCES AND PROVISION FOR CONTINGENT LIABILITIES AND FOR COMMITMENTS

This heading is analysed as follows:

SPECIFIC VALUE ADJUSTMENTS ON LOANS TO CUSTOMERS	2023 EUR	2022 EUR
Additions	780 209	615 528
Reversals	(210 750)	(89 562)
Lump sum provision Reversals	(1 975 939)	-
TOTAL	**(1 406 480)**	**525 966**

The additions and reversals for 2023 mainly relate to client loan position impaired and recovered during the year. In 2023, the Group entirely reversed its lump-sum provision.

8.5. TAX INFORMATION

The Group is liable to taxes on income and net wealth taxes in conformity with the Luxembourg legislation.

The Group is subject to the general tax regulations applicable to credit institutions in Luxembourg and location of each of its subsidiaries. As of December 31, 2023, the Group has EUR 456 704 546 of tax losses carried forward that are available for offsetting against any potential future taxable profits of the Group.

No deferred tax asset has been recognised in respect of EUR 0 as it is not considered probable as at December 31, 2023 that there will be future taxable profits available in the Group.

9. OTHER INFORMATION

9.1. COUNTRY BY COUNTRY INFORMATION

According to Article 38-3 of the law of April 5, 1993 as amended by the law of July 23, 2015, the credit institutions, financial holding companies and investment companies must publish information on their locations and activities, included in their scope of consolidation in each state or territory.

As at December 31, 2023, country by country information are analysed as follows (in EUR):

	STATUTORY OPERATING INCOME	STATUTORY PROFIT OR LOSS BEFORE TAX	STATUTORY TAX ON PROFIT OR LOSS	NUMBER OF EMPLOYEES
EU Member countries				
- Luxembourg*	27 671 388	(7 121 614)	-	132
- United Kingdom*	1 257 617	(708 613)	-	1
Non-EU member countries				
- Liechtenstein*	24 561 258	6 607 364	(258 466)	35
- Monaco*	8 860 615	2 850 681	(73 150)	19

*Audited

No public subsidies have been received by the Group during the year that ended December 31, 2023.

As at December 31, 2022, country by country information are analysed as follows (in EUR):

	STATUTORY OPERATING INCOME	STATUTORY PROFIT OR LOSS BEFORE TAX	STATUTORY TAX ON PROFIT OR LOSS	NUMBER OF EMPLOYEES
EU Member countries				
- Luxembourg*	20 671 853	(23 417 557)	-	146
- United Kingdom*	1 617 685	(3 927 333)	-	8
Non-EU member countries				
- Liechtenstein*	24 853 824	7 607 266	(99 106)	37
- Monaco*	5 223 583	(33 705)	-	18

*Audited

No public subsidies have been received by the Group during the year that ended December 31, 2022.

9.2. RETURN ON ASSETS

The return on assets of the Group for the year ended December 31, 2023 stands to 0.08% ((1.39%) for the previous year). The return on assets is calculated as being the net profit divided by the total balance sheet.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT DECEMBER 31, 2023
(CONTINUED)

9.3. PERSONNEL EMPLOYED

The average number of persons employed during the financial year was as follows:

	2023	2022
Management	13	13
Employees	174	196
TOTAL	187	209

9.4. MEMBERS OF THE ADMINISTRATION, MANAGERIAL AND SUPERVISORY BODIES

Remuneration paid to the various bodies of the Group during the financial year was as follows:

EUR	2023	2022
Management	4 838 479	4 302 266
Supervisory body	193 659	187 539
TOTAL	5 032 139	4 489 805

Loans and advances granted to members of the Management and the Board of Directors as at December 31, 2023 amount to EUR nil (2022: EUR nil).

As at December 31, 2023, no guarantee has been issued in favour of member of the Management and the Board of Directors (2022: EUR nil).

It was decided at the Annual General Meeting held on June 19, 2023 that four Board members of the Bank in Luxembourg received emoluments in respect of their duties for a total gross amount of EUR 340 000 related to the fiscal year ended December 31, 2023 (2022: EUR 300 000).

9.5. INDEPENDENT AUDITOR’S FEES

Fees billed (excluding VAT) to the Group by Deloitte Audit S.à r.l. and component auditors during the year are as follows:

	2023 EUR	2022 EUR
Audit fees	617 422	522 915
Audit-related fees	46 735	140 122
Other fees	-	18 808
TOTAL	664 157	681 846

Such fees are presented under other administrative expenses in the consolidated profit and loss account.

9.6. SUBSEQUENT EVENTS

There are no significant events to be reported since the year end which may have an impact on the consolidated accounts as at December 31, 2023.

LUXEMBOURG MONACO
LIECHTENSTEIN DUBAI SWITZERLAND