CONSOLIDATED ANNUAL REPORT 2020

BANQUE HAVILLAND S.A.

Banque Havilland (the "Bank") was established by an entrepreneurial British family with a successful track record across many different business sectors. The Bank was founded in 2009 in Luxembourg where it has its head office.

The Bank has been built on strong financial foundations following prudent principles. Private ownership provides the Bank and its client ***stability and consistency*** *allowing it to take a long-term approach to the management of client wealth and generational client relationships.*

We enable our clients and their family's wealth to safely thrive, helping them to ***fulfil their goals and realise their ambitions*** *for themselves and for the next generations.*

Since inception, the Bank has grown from its original business in Luxembourg, both organically and through acquisitions (hereafter the "Group"). The Group now also encompasses London as a branch of Luxembourg; Monaco, Switzerland (with its branch in Zurich) and Liechtenstein as subsidiaries; and Dubai as a representative office.

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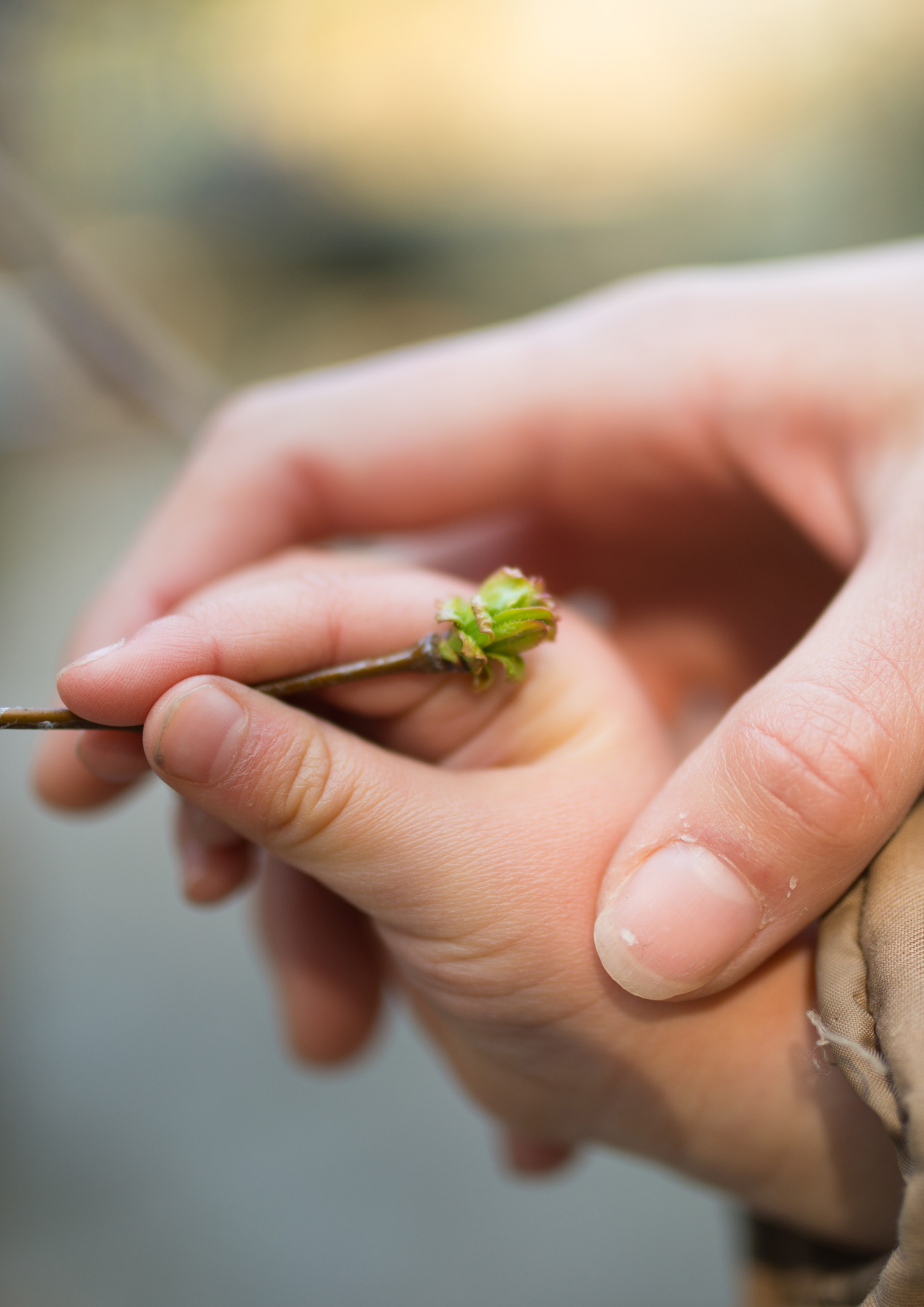


DNA & VALUES

Our **values** underpin the guiding principles for what matters most to us in our interaction with our customers, 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 client needs within a framework of clear and results-oriented decision-making and reporting processes, always respecting regulatory requirements.

FAIRNESS

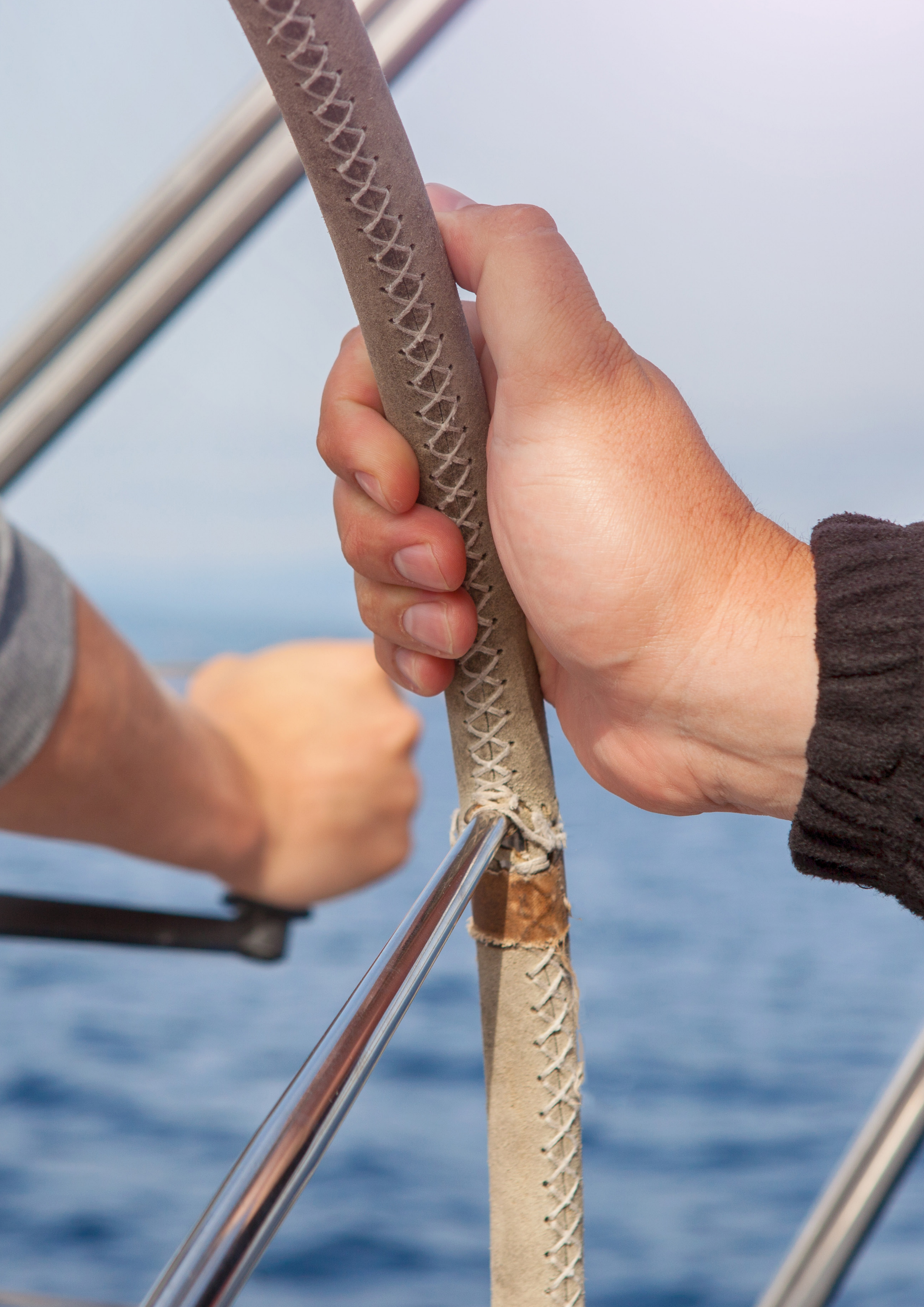
We strive to be **fair** in everything we do.

INTEGRITY

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

DILIGENCE

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



GOVERNANCE

GROUP BOARD OF DIRECTORS

The Group Board of Directors has overall responsibility for the Bank and its UK branch.

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 Group Board of Directors is responsible for setting and overseeing the business and risk strategy including risk appetite and risk management framework.

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

COMPOSITION

Frédéric Genet	Chairman[1]
Fernand Grulms	Independent Director
Bernard Herman	Independent Director[2]
Virginie Lagrange	Independent Director
Antony Turner	Independent Director
Venetia Lean	Director
Harley Rowland	Executive Director

[1] Until 26th of March 2021
[2] Chairman since 26th of March 2021

Our Monaco, Switzerland, and Liechtenstein entities are supervised by a local Board of Directors, comprising at least one Independent Director, and at least one Group Authorised Manager.

GROUP AUTHORISED MANAGEMENT

The Group Authorised Management is responsible for the efficient day-to-day management and the sound and prudent operations of the Bank and its Branch.

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.

GROUP AUTHORISED MANAGEMENT

Lars Rejding	Group Chief Executive Officer
Juho Hiltunen	Deputy Chief Executive Officer
Artyom Grigoryan	Organisation, IT, Finance & Operations
Harley Rowland	Financial market activities
Gil Huart	Chief Risk Officer

The Group Board of Directors and the Group Authorised Management also exercises an oversight on the subsidiaries of the Bank (Monaco, Switzerland, and Liechtenstein), to ensure that their Central Administration, Internal governance, and Risk Management systems are adequate.

GROUP INTERNAL CONTROL FUNCTIONS

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.

LOCAL MANAGEMENT

Each of the subsidiaries of the Group is headed by a local Chief Executive Officer (Monaco, Switzerland, 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 branch and from a functional perspective for subsidiaries.

CONSOLIDATED MANAGEMENT REPORT

GENERAL

2020 was a historic year, overshadowed by the Coronavirus pandemic.

The Group took extensive measures to protect the safety and health of employees and clients whilst ensuring business continuity.

The Group rapidly put in place a remote working environment for all staff. At the height of the pandemic, around 90% of staff were working from home.

Thanks to extensive protective measures, the impact on the organisation was very low and all departments remained fully operational and continued serving our clients in this exceptional environment.
This demonstrates the efficiency of the Group's business continuity management and the digital capabilities of the Bank. Further, the Group remained well protected against the heightened cybersecurity risk during the pandemic.

The Group continued to implement its strategy and the risk appetite framework confirming a repositioning towards core markets and a reduction of its overall risk profile.

The financial performance of the Group in 2020 reflects the strategic direction the Group has taken, its reduced risk appetite and the evolution of financial markets.

BUSINESS EVOLUTION IN 2020

The Group continued to pursue its commercial development activities through an enhanced network of professional counterparties and development of the business with existing clients.

Private Banking activity was strengthened by appointing a new Head of Private Banking in Luxembourg in the first quarter 2020.

In 2020, we enhanced our service offering through the development of a more comprehensive wealth management approach, an improved on-boarding process, and more digital tools at the disposal of our clients and teams. We also started to host regular highly successful webinars for our staff and clients.
The Group continuously enriches its digital capabilities to complement the value of human interaction allowing us to offer our clients their preferred choice of service and to enhance the Group's service efficiency.

Our direct access client offering was again busy due to the volatility in markets, with further growth in demand from our clients seeking direct access to our trading room. We also continued to support our clients with their plans through a credit offering tailored to each region's specific features including mortgages and Lombard loans.

Our Institutional Banking offering was reinforced, leading to an expanded servicing of new funds for existing clients and the development of new projects materialising in 2021.

MARKETS

2020 will be a year few would wish to relive, but for investors and market participants it was something of a rollercoaster as virtually all asset classes saw wild price swings and analysts were forced to tear up previous assumptions.

Certain assets reached new peaks such as US 'mega-tech' stocks, Bitcoin and Gold while others such as Crude Oil fell to all-time lows with many sectors still languishing as lockdown-induced economic paralysis continued. Amid the chaos, the instant recession, improbable valuations and the reality of stretched global debt (now 365% of GDP), however, stands a theme that has been the dominant feature of markets for years – that of central bank stimulus and the mantra of 'don't fight the Fed'.

Ultimately, despite the unique severity of both a supply and demand triggered recession (demand cratered as we were compelled to stay at home and not spend, supply was restricted by closed borders etc), central banks around the world reacted very quickly in unison to provide the vast liquidity and funding required to keep economies alive.

Naturally, as has occurred since 2009, much of this liquidity found its way into the financial markets, either directly to bonds or indirectly to equities (ironically the lack of income provided by bonds pushes many investors to stocks).

Furthermore, governments themselves have commenced a huge fiscal push to offset the lockdown inactivity, including even directly paying into consumers' pockets.

Undoubtedly, many are financially worse off and face employment uncertainty in the coming months, but it cannot be said that this is universally true as there are many whose net income has increased or stayed the same due to lack of spending opportunities, reduced travel costs etc. As such there is good reason to suspect there may be considerable sums of pent-up spending demand ready to explode once restrictions are finally lifted.

FINANCIALS

In 2020, Banque Havilland Luxembourg incurred a loss of EUR1.1m while Banque Havilland Suisse improved its statutory net result by CHF 24.0m to a profit of CHF 18.0m. Banque Havilland Liechtenstein and Banque Havilland Monaco remained stable and positive, respectively with a net result of CHF 1.5m and EUR 0.1m.
After translation into Luxembourg General Accounting Principles and consolidation adjustments, the Group closed 2020 on a loss of EUR 7.44m.

The underlying operating income decreased by EUR 7.72m in 2020 to EUR 59.71m. This decrease is due to a reduction in reversals of provisions for badwill, from 8.97m in 2019 to 1.59m in 2020. Commissions were negatively affected by the evolution of assets and decreased by EUR 1.62m while the interest margin and the financial result remained strong despite COVID uncertainties.

The Group engaged in continuous optimisation and investment in its operating model. Initiatives launched in 2020 led to a slight and temporary increase of the General Administrative expenses, which grew by 0.9% to EUR 62.30m. The average number of employees remained stable at 238 in 2020 against 240 in 2019.

The Group's selective and prudent lending policy minimizes the cost of risk on loans and advances. Our lending policy remains conservative and loan losses remain negligible, despite the challenging context of COVID19. The successful settlement in 2020 of non-performing loans inherited by the Group led to a release of impairments of EUR 3.98m.

The total balance sheet decreased in 2020 by EUR 72m to EUR 1 474m. This reduction is largely caused by clients in Institutional Banking who invested a significant part of their cash deposits in securities.

Due to an abundance of caution, the Group drew EUR 100m from the BCL (The Central Bank of Luxembourg) under the European monetary policy framework.

While the Group has successfully closed a number of outstanding civil litigations during 2020, its position towards those cases remaining unchanged, firmly contesting and robustly defending them. Appropriate measures have been taken to seek to ensure that any consequences will not affect the group's financial position.

The Group continues to maintain very strong ratios, with statutory capital adequacy finishing the year at 25.40% (21.73% in 2019) and LCR (Liquidity Coverage Ratio) at 156 % (224% in 2019) compared to a board mandated minimum of 150%.

The Group's size, capital structure and its rigorous risk management ensure that the Group has been able to absorb the impact of extensive market shocks, as evidenced by the limited impact from the COVID-19 crisis.

Equity and liquidity ratios are above minimum prudential levels, and the Internal Capital Adequacy Assessment Process (ICAAP) re-affirms the resilience of the Group.

INTERNAL CONTROL FRAMEWORK

The Group has established and is constantly enhancing 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 the support functions, such as Finance and Accounting and, above all, 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.

These three lines of defence are complementary with each one assuming its control responsibilities independently of the others.

The three Heads of Internal Controls Functions are the Chief Compliance Officer, the Chief Risk Officer and the Chief Internal Auditor. They also exercise as Group Heads for the Group.

All three report to the Group Board of Directors and its relevant specialised committees.

RISK CONTROL FUNCTION

The Risk Control 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 and other business risks) to which the Bank is or could become exposed.

The Risk Control 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 annual accounts.

COMPLIANCE FUNCTION

The Compliance Function covers multiple areas including 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 specified in a general three-year audit plan updated to reflect changes in business model and associated risks.

This plan also provides for adequate coverage of areas presenting a risk of money laundering or terrorist financing so as to enable the Internal Audit Function to report annually to the CSSF in its summary report.

OTHER INFORMATION

As at 31 December 2020, the Group operates branches in London and Zurich, where Private Banking activities and lending to Private Banking clients are offered. The Group also operates a representative office in Dubai.

The Group did not undertake any activities in terms of Research and Development in 2020.

During 2020, the Group did not acquire any of its own shares.

OUTLOOK 2021

In 2020, the Group has continued to review its strategy in order to adapt to the many challenges posed on the industry by the financial, regulatory, and social environment.

Throughout 2021, the Group will continue to strengthen its wealth management capabilities, growing its reputation as a trusted investment advisor.

The Group mainly targets clients based in EU countries, and those countries where it is located.

The Group will continue to grow its brand in target markets, addressing the needs of its institutional counterparties and business partners such as family offices and asset managers. With these activities the Group continues to service its institutional clients, high net worth individuals and their networks alike.

Digitalisation continues to be a central theme as the Group seeks to meet the changing needs of professional and private clients, and improve its operational efficiency. The pandemic has undoubtedly accelerated this trend and the Group continues to invest to roll out increased digitalisation.

Environmental, Social and Governance (ESG) 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.

The Group has identified 3 main themes that we wish to support in 2021:

Education & culture
Initiatives that help people develop their skills, knowledge and confidence with a focus on inclusion and diversity objectives;

Healthcare and medical research
In particular organisations that deliver research, diagnosis, treatment and wellness for all types of cancers;

Social care, wellbeing and environment
Closest to our hearts are initiatives supporting less fortunate members of the population, disabled or otherwise fragile people and children.

In 2020, at the initial peak of the COVID -19 pandemic, the Group donated EUR 100k to the Red Cross in Luxembourg to help them in supporting those most affected by the consequences of pandemic. We will continue supporting the Red Cross during 2021 and beyond.

For 2021, we have included sustainability and ESG risks in our Risk Framework. This trend reflects Board priorities and our enduring CSR Policy; and is supported up by our newly-established CSR Committee.

We will also be stepping up our efforts to ensure that sustainable development challenges are increasingly incorporated into our strategy and translated into consistent, visible and efficient actions and initiatives, sustainably benefiting the Group as an institution (Governance), our Clients (Environment), and our Staff (People).

The Group has not faced any post-closing events that could affect its financial statements for the year 2020.

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

Luxembourg, May 21, 2021

Lars Rejding
CEO

Bernard Herman
Chairman of the Board of Directors

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

TO THE BOARD OF DIRECTORS OF BANQUE HAVILLAND S.A.
35A, AVENUE J.F. KENNEDY
L-1855 LUXEMBOURG

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, 2020, and 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 Company as at December 31, 2020, 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 Company 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 annual 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

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, 2020, loans and advances to customers amount to EUR 569.804.572, net of value adjustments of EUR 3.211.268.

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 are 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.

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

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 valuation of the securities held as collateral for Lombard loan, 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, 2019 and December 31, 2020.

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.

KEY AUDIT MATTER

PROVISIONS FOR LITIGATIONS AND CLAIMS

As described in Note 5.8 of these consolidated accounts, provisions for litigations and claims are EUR 3.401.167 as at December 31, 2020.

In preparing the consolidated accounts, Management and those charged with governance perform an assessment of all legal matters to 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 claims, we determined provisions for litigations as a key audit matter.

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

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.

We reviewed the variation of provisions (i.e. provisions used, released and new ones recorded) between December 31, 2019 and December 31, 2020.

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.

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.

- 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 Shareholder of the Group on July 6, 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 3 years.

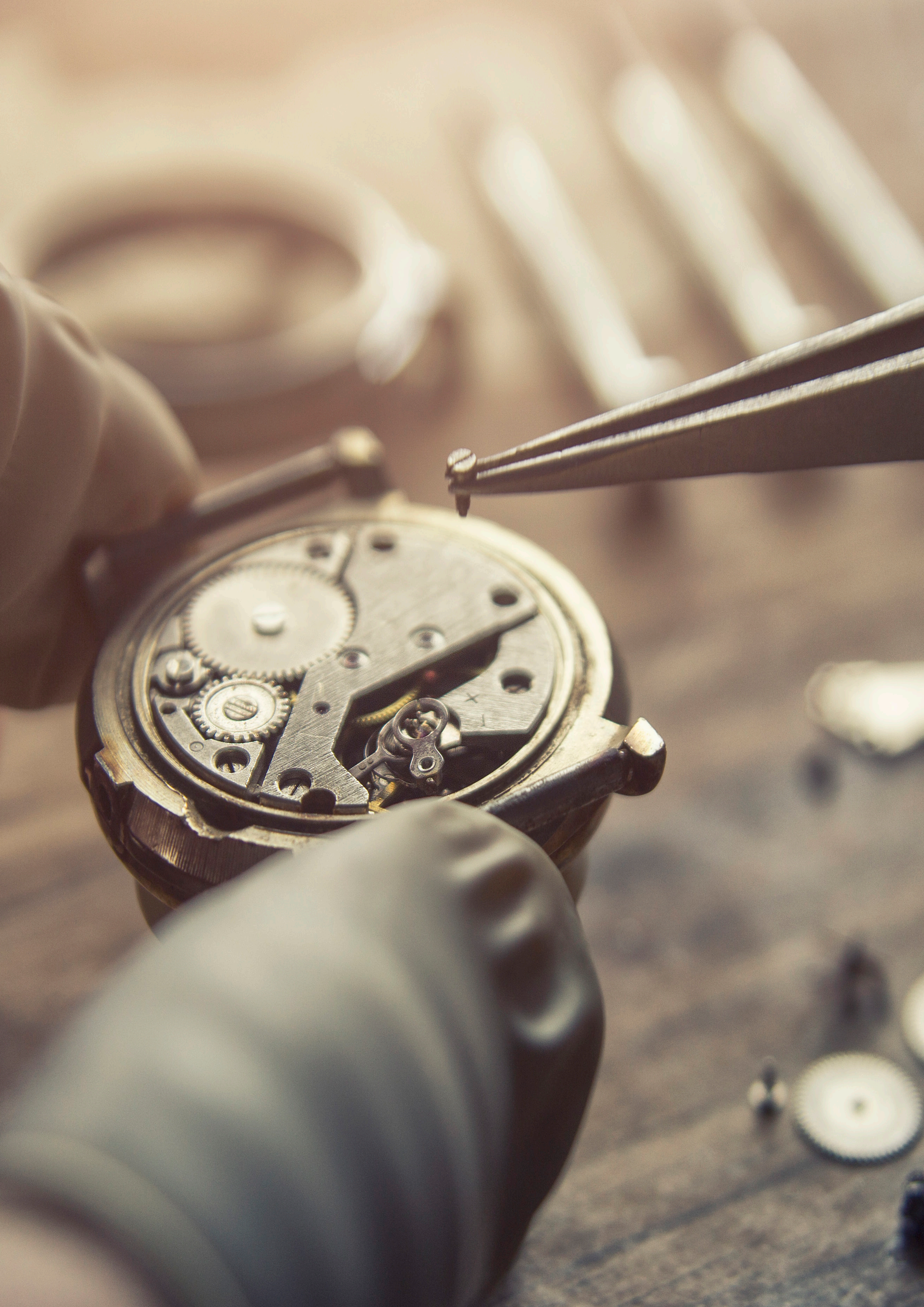
The consolidated management report is consistent with the consolidated accounts and has been prepared in accordance with applicable legal requirements.

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.

May 21st, 2021

For Deloitte Audit,
Cabinet de Révision Agréé

Martin Flaunet
Réviseur d'Entreprises Agréé
Partner



BANQUE HAVILLAND S.A.

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 2020 (EXPRESSED IN EURO)

ASSETS	NOTES	31/12/2020	31/12/2019
Cash in hand, balances with central banks and post office banks	4.1, 7.1 ,7.3	172 770 291	310 517 910
Loans and advances to credit institutions	4.2, 7.1, 7.3		
- repayable on demand		154 411 880	51 798 058
- other loans and advances		-	15 403 837
		154 411 880	67 201 895
Loans and advances to customers	2.8, 4.3, 7.1, 7.3	569 804 572	519 152 926
Debt securities and other fixed-income securities	2.6, 4.4, 7.1, 7.3		
- issued by public bodie		87 575 101	97 130 181
- issued by other borrowers		456 860 519	507 633 157
		544 435 620	604 763 338
Shares and other variable-yield securities	2.7, 4.5, 7.1, 7.3	1 527 352	12 209 530
Shares in affiliated undertakings	3	1 620 730	2 004 426
Intangible assets	2.4, 4.6	1 718 894	2 210 050
Tangible assets	2.5, 4.6	13 065 658	13 972 456
Other assets	4.7	5 754 112	6 288 717
Prepayments and accrued income	-	8 665 594	7 907 073
TOTAL ASSETS	**4.8**	**1 473 774 703**	**1 546 228 321**

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

BANQUE HAVILLAND S.A.

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 2020 (EXPRESSED IN EURO) (CONTINUED)

LIABILITIES	NOTES	31/12/2020	31/12/2019
Amounts owed to credit institutions	5.1, 7.1		
- repayable on demand		990 182	603 470
- with agreed maturity dates or periods of notice		108 100 000	18 973 902
		109 090 182	19 577 372
Amounts owed to customers	5.2, 7.1		
other debts			
- repayable on demand		1 073 539 738	1 107 308 272
- with agreed maturity dates or periods of notice		50 332 156	151 733 511
		1 123 871 894	1 259 041 783
Other liabilities	5.3	9 536 494	31 348 903
Accruals and deferred income		4 494 946	3 384 670
Provisions	2.3, 5.8, 5.9		
- provisions for taxation		1 492 472	1 624 632
- other provisions		9 756 982	12 999 755
		11 249 454	14 624 387
Fund for general banking risks	2.11	16 863 245	12 241 880
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	13 471 848	13 356 441
Profit or loss brought forward	5.6	21 376 384	20 881 877
Profit for the financial year attributable to the Group	5.6	(7 440 453)	510 298
TOTAL LIABILITIES	**5.7**	**1 473 774 703**	**1 546 228 321**

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

BANQUE HAVILLAND S.A.

CONSOLIDATED OFF BALANCE SHEET AS AT 31ST DECEMBER 2020 (EXPRESSED IN EURO)

OFF BALANCE SHEET	NOTES	31/12/2020	31/12/2019
Contingent liabilities	6.1, 7.1, 7.3	1 442 771	6 980 303
of which:			
Guarantees and assets pledged as collateral security		*1 442 771*	*6 980 303*
Commitments	6.1, 7.1, 7.3	1 073 171	220 854

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

BANQUE HAVILLAND S.A.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2020 (EXPRESSED IN EURO)

	NOTES	2020	2019
Interest receivable and similar income		22 254 722	25 172 162
of which: arising from fixed-income transferable securities		*7 311 943*	*8 484 322*
Interest payable and similar charges		(3 090 915)	(7 849 216)
Net interest income	8.1	**19 163 807**	**17 322 946**
Income from transferable securities			
Income from shares and other variable-yield securities		**463**	**1 705**
Commission receivable		31 666 251	39 112 879
Commission payable		(12 371 812)	(18 198 071)
Net commission income	8.1	**19 294 439**	**20 914 808**
Net profit or (loss) on financial operations	8.1	**13 427 431**	**15 246 065**
Other operating income	8.2	**7 826 341**	**13 945 780**
TOTAL OPERATING INCOME		**59 712 481**	**67 431 304**
General administrative expenses			
Staff costs	9.3, 9.4	(38 621 508)	(38 399 598)
of which:			
- wages and salaries		*(31 643 148)*	*(30 887 177)*
- social security costs		*(5 067 620)*	*(4 982 610)*
of which: pension costs		*(1 825 116)*	*(2 154 997)*
Other administrative expenses	9.5	(23 674 046)	(23 354 402)
		(62 295 554)	**(61 754 000)**
Value adjustments in respect of tangible, intangible and goodwill of first consolidation		**(1 844 635)**	**(2 557 240)**
Other operating charges	8.3	**(2 483 595)**	**(2 414 275)**
Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	8.4	**(494 021)**	**(3 812 199)**

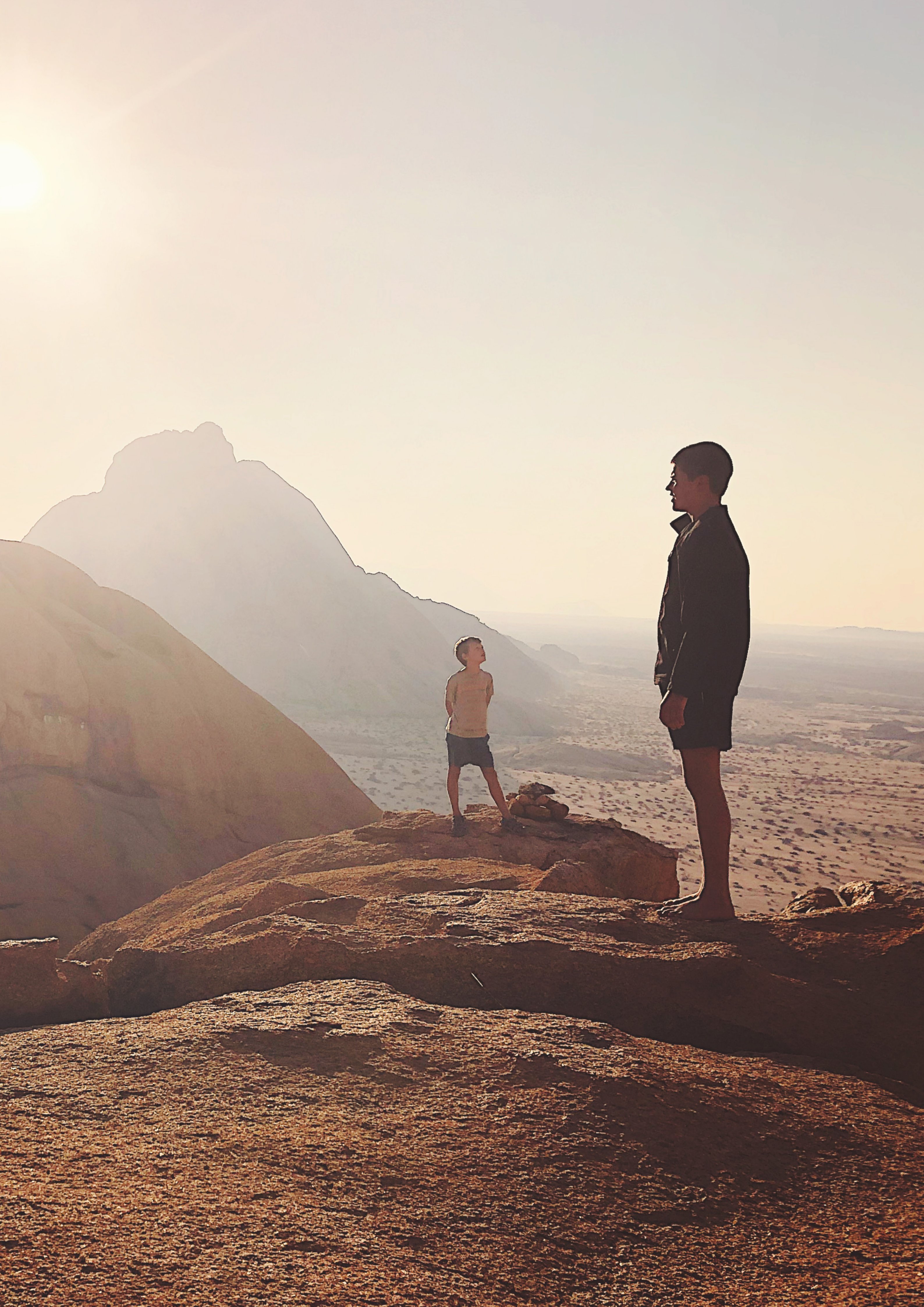
The accompanying notes form an integral part of these consolidated accounts.

BANQUE HAVILLAND S.A.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2020 (EXPRESSED IN EURO) (CONTINUED)

	NOTES	2020	2019
Value re-adjustments in respect of loans and advances and provisions for contingent liabilities and commitments	8.4	**5 818 754**	**3 657 541**
Value re-adjustments in respect of securities held as financial fixed assets, participating interests and shares in affiliated undertakings		**(387 728)**	**-**
Transfer to the fund for general banking risks	8.4	**(4 600 000)**	**941 970**
Profit before tax		**(6 574 298)**	**1 493 100**
Tax on profit or loss on ordinary activities	8.5	**(25 417)**	**(17 287)**
Profit or loss on ordinary activities after tax		**(6 599 715)**	**1 475 813**
Extraordinary charges		**-**	**(146 613)**
Extraordinary profit or loss after tax		**-**	**(146 613)**
Other taxes not shown in the preceding items		**(840 739)**	**(818 901)**
PROFIT OR LOSS FOR THE FINANCIAL YEAR		**(7 440 453)**	**510 299**
Thereof minority interests		*-*	*-*
Profit for the financial year attributable to the Group		*(7 440 453)*	*510 299*

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



BANQUE HAVILLAND S.A.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020

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. All services to institutional investors have been maintained.

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.

As of December 31, 2020, the Bank has one branch established in the UK (5 Savile Row, London, United Kingdom) with private banking activity.
The Bank and the subsidiaries described in note 3 are referred to as the “Group”.

The Group is also consolidated by Havilland Group S.A. registered in Luxembourg at 35, Avenue J.F. Kennedy, L-1855 Luxembourg.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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, considering the items reported in the notes 5.8 and 9.6.

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%).

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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 amortization.

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;
- 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.

2.5. TANGIBLE ASSETS

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

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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 Bank's activities;
- a trading portfolio of securities purchased with the intention of resale in the short term;
- 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.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

When the purchase price of fixed-income transferable securities included in the Bank'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, 2020 and December 31, 2019, the Group does not hold fixed-income securities of this category.

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, 2020 and December 31, 2019, 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, 2020 the Group hold fixed income securities of this category for EUR 544 435 619 (2019: EUR 604 763 338).

2.7. SHARES AND OTHER VARIABLE-YIELD SECURITIES

Shares and other variable-yield securities are classified in the structural portfolio of the Bank 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.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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. In 2020, the Group reversed an amount of EUR 1 600 000 (2019: nil) from lump sum provision. The total lump-sum provision is EUR 1 975 939 in 2020 (2019: EUR 3 575 939).

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.

In 2020, the group has allocated an amount of EUR 4 600 000 to the FRBG (2019: reversal of EUR 941 970).

The remaining difference between 2019 and 2020 is due to foreign exchange translation impact.

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.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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.

The annual accounts of subsidiaries whose operating currency is not the EUR are converted using the closing 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.

2.13. OTHER PRESENTATIONAL AMENDMENTS

Where appropriate, prior year figures have been restated to conform to current year presentation.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

3. SCOPE OF CONSOLIDATION

As at December 31, 2020:

NAME OF THE COMPANY	REGISTERED OFFICE	PROPORTION OF THE CAPITAL HELD BY THE PARENT COMPANY
Parent company:		
Banque Havilland S.A.	Luxembourg	-
Full consolidation:		
Banque Havilland (Monaco) SAM	Monaco	100.0%
Banque Havilland (Liechtenstein) AG	Liechtenstein	100.0%
Banque Havilland (Suisse) SA	Switzerland	100.0%
Out of consolidation scope:		
BR 26 S.à r.l.*	Luxembourg	100.0%
BHB Ltd.**	Bahamas	100.0%

As at December 31, 2019:

NAME OF THE COMPANY	REGISTERED OFFICE	PROPORTION OF THE CAPITAL HELD BY THE PARENT COMPANY
Parent company:		
Banque Havilland S.A.	Luxembourg	-
Full consolidation:		
Banque Havilland (Monaco) SAM	Monaco	100.0%
Banque Havilland (Liechtenstein) AG	Liechtenstein	100.0%
Banque Havilland (Suisse) SA	Switzerland	100.0%
Out of consolidation scope:		
BR 26 S.à r.l.*	Luxembourg	100.0%
BHB Ltd.**	Bahamas	100.0%

* BR26 S.à r.l. out of scope due to its insignificant character.

** Under winding down of the entity. The company surrendered its banking and securities licenses and change its name from Banque Havilland (Bahamas) Ltd. to BHB Ltd.. It is out of scope due to its insignificant character.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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, 2020 held by the Group with the Central Bank of Luxembourg amounted to EUR 67 434 662 (2019: EUR 262 607 193). The reserve balance as at December 31, 2020 held by the Group with the Banque de France amounted to EUR 13 642 839 (2019: EUR 14 994 638). The reserve balance as at December 31, 2020 held by the Group with the Swiss National Bank amounted to EUR 89 862 624 (2019: EUR 30 259 975).

4.2. LOANS AND ADVANCES TO CREDIT INSTITUTIONS

As at December 31, 2020, the Group has no loan granted to affiliated credit institutions (2019: EUR 0).

4.3. LOANS AND ADVANCES TO CUSTOMERS

As at December 31, 2020, loans and advances to related parties amount to EUR 536 829 (2019: EUR 1 499 741). Total loan loss allowances amounts to EUR 3 211 268 (2019: EUR 7 578 164).

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:

	2020 EUR*	2019 EUR*
Securities quoted on a recognised market	506 270 323	521 370 081
Securities not quoted on a recognised market	38 165 296	83 393 257
TOTAL	**544 435 619**	**604 763 338**

*including lump-sum provision

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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

As at December 31, 2020, the Bank is committed in sale and repurchase agreements with a firm repurchase obligation. These securities still appear on the balance sheet of the Bank for a total amount of EUR 123 957 108 with Luxembourg central bank (2019: EUR nil) and EUR 8 980 371 with another credit institution (2019: EUR nil).

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:

	2020 EUR*	2019 EUR*
Securities quoted on a recognised market	1 478 754	11 869 326
Securities not quoted on a recognised market	48 598	340 204
TOTAL	**1 527 352**	**12 209 530**

* including lump-sum provision

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

As at December 31, 2020, the Bank 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 1 437 186 (2019: EUR nil).

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

4.6. MOVEMENTS ON TANGIBLE AND TANGIBLE ASSETS

(IN EUR)	GROSS VALUE AT THE BEGINNING OF THE FINANCIAL YEAR	FOREIGN EXCHANGE IMPACT	ADDITIONS	DISPOSALS / ADJUST-MENTS	GROSS VALUE AT THE END OF THE FINANCIAL YEAR	CUMULATIVE VALUE ADJUST -MENTS AT THE BEGINNING OF THE FINANCIAL YEAR *	REVERSAL OF VALUE ADJUST-MENTS*	CUMULATIVE VALUE ADJUST-MENT *	NET BOOK VALUE AS AT 31/12/2020*	NET BOOK VALUE AS AT 31/12/2019
Intangible assets *of which:*	**14 786 143**	**12 500**	**313 149**	**(8 537)**	**15 103 255**	**(12 799 201)**	**-**	**(13 384 361)**	**1 718 893**	**2 210 050**
Goodwill acquire for valuable consideration	*1 771 108*	*-*	*-*	*-*	*1 771 108*	*(1 771 108)*	*-*	*(1 771 108)*	*-*	*-*
Software	*11 652 307*	*9 534*	*258 742*	*(8 537)*	*11 912 046*	*(10 519 654)*	*-*	*(10 975 768)*	*936 277*	*1 315 200*
Other intangible assets	*1 362 728*	*2 966*	*54 407*	*-*	*1 420 101*	*(508 439)*	*-*	*(637 485)*	*782 616*	*894 850*
Tangible assets *of which:*	**49 319 342**	**159 368**	**62 039**	**(62 228)**	**49 478 521**	**(37 324 136)**	**1 793**	**(36 412 863)**	**13 065 658**	**13 972 456**
Office equipment fixtures and fittings	*20 970 331*	*34 103*	*62 039*	*(62 228)*	*21 004 245*	*(20 372 383)*	*1 793*	*(20 317 122)*	*687 123*	*1 229 421*
Company cars	*262 987*	*657*	*-*	*-*	*263 644*	*(272 428)*	*-*	*(148 643)*	*115 001*	*3 118*
Building	*28 086 024*	*124 609*	*-*	*-*	*28 210 633*	*(16 679 325)*	*-*	*(15 947 098)*	*12 263 534*	*12 739 917*

* Including lump sum provision.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

4.7. OTHER ASSETS

This heading consists of the following:

	2020 EUR*	2019 EUR*
Intercompany receivables	2 432 785	1 786 238
Tax advances	2 015 124	2 935 276
Invoices issued not yet paid	580 034	558 059
Guarantee called	119 160	123 762
Margin calls on contracts for differences with clients	61 650	-
Cheques in transitory	76 024	-
Receivable on sales of securities	-	310 284
Other receivables	469 335	575 098
TOTAL	**5 754 112**	**6 288 717**

* Including lump-sum provision

4.8. ASSETS DENOMINATED IN FOREIGN CURRENCIES

Assets denominated in currencies other than EUR have a total value of EUR 549 944 526 (2019: EUR 523 776 154) as at December 31, 2020. 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).

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

5. DETAILED DISCLOSURES RELATING TO LIABILITY HEADINGS

5.1. AMOUNTS OWED TO CREDIT INSTITUTIONS

As at December 31, 2020, the Group has no amount owed to affiliated credit institutions (2019: EUR 0).

As part of its liquidity management, the Bank may participate into Eurosystem's regular open market operations. As at December 31, 2020, the Bank entered into main refinancing operations (short-term liquidity providing operations) with Luxembourg Central Bank for an amount of EUR 100 000 000 (2019: EUR Nil).

5.2. AMOUNTS OWED TO CUSTOMERS

As at December 31, 2020, amounts owed to related parties amount to EUR 171 527 015 (2019: EUR 35 613 368).

5.3. OTHER LIABILITIES

This heading consists of the following:

	2020 EUR*	2019 EUR*
Payable on sales of structured products	3 702 625	5 269 474
Clients unclaimed assets	1 505 410	1 558 155
Invoice payable	1 400 112	1 730 191
Preferential creditors	1 248 198	1 253 320
Accrued general expenses	403 077	314 305
Business introducers commissions payables	301 178	255 648
Cheques in transitory	239 875	208 409
Guarantee payable	119 050	119 050
Payables on sales of securities	-	19 282 694
Other payables	616 969	1 357 657
TOTAL	**9 536 494**	**31 348 903**

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

5.4. SUBSCRIBED CAPITAL AND SHARE PREMIUM

As at December 31, 2020, 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 bank 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 2020.

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, 2019	**170 000 000**	**1 260 709**	**2 911 963**	**31 326 355**	**510 298**	**206 009 325**
Capital increase	-	-	-	-	-	-
Transfer to legal reserve	-	-	15 791	-	(15 791)	-
Translation impact on: - group reserves	-	-	-	99 616	-	**99 616**
Profit brought forward	-	-	-	494 507	(494 507)	-
Current year profit	-	-	-	-	(7 440 453)	**(7 440 453)**
Balance at December 31, 2020	**170 000 000**	**1 260 709**	**2 927 754**	**31 920 478**	**(7 440 453)**	**198 668 488**

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

5.7. LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Liabilities denominated in currencies other than EUR have a total value of EUR 622 655 847 (2019: EUR 618 204 479) as at December 31, 2020. 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 "Other provisions" is mainly composed of:

	2020 EUR	2019 EUR
Clients claims	3 401 167	5 501 088
Bonus	3 273 663	2 580 037
Legal and consultancy costs	372 995	657 241
Negative goodwill	-	1 590 060
Building work maintenance	177 289	345 379
Retrocessions	688 936	695 582
Other provisions	1 842 932	1 630 368
TOTAL	**9 756 982**	**12 999 755**

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.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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 annual 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 2020, LRF and LDGS charges amounted to respectively EUR 408 412 and EUR 42 408.

During 2019, the remaining AGDL provision of EUR 107 071 was used to partially cover LRF and LDGS charges for respectively EUR 445 414 and EUR 31 762.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

6. CONTINGENT LIABILITIES AND COMMITMENTS

6.1. CONTINGENT LIABILITIES

Contingent liabilities consist of guarantees for EUR 1 442 771 (2019: EUR 6 980 303). As at December 31, 2020, contingent liabilities to related parties amount to EUR 341 594 (2019: EUR 5 263 557).

The current proceedings in the High Court in London, England against the Group relate to allegations similar to those raised in the media articles of November 2017 and were referenced in the 2017 accounts. The Group's position with regard to these allegations remains unchanged. The Group denies the allegations made and is defending the proceedings robustly. The proceedings are also at a stage where there is insufficient information to reliably quantify or otherwise assess the potential financial impact and the Group has therefore not recorded any specific provision or liability in its accounts.

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, 2020, commitments amount to EUR 1 073 171 (2019: 220 854 EUR).

6.5. OTHER COMMITMENTS

The following commitments outstanding at December 31, 2020 have 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 11 835 550 (2019: EUR 8 634 799).

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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, 2020, 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	172 770 291	-	-	-	-	172 770 291
Loans and advances to credit institutions	154 411 880	-	-	-	-	154 411 880
Loans and advances to customers	204 821 942	23 364 712	312 142 345	29 475 573	-	569 804 572
Debt securities and other fixed-income securities	14 461 981	72 763 787	379 743 065	70 437 138	7 029 648	544 435 619
Shares and other variable-yield securities	-	-	-	-	1 527 352	1 527 352
TOTAL	**546 466 094**	**96 128 499**	**691 885 410**	**99 912 711**	**8 557 000**	**1 442 949 714**

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	29 090 182	80 000 000	-	-	-	109 090 182
Amounts owed to customers	1 090 718 281	16 123 055	17 030 557	-	-	1 123 871 893
TOTAL	**1 119 808 463**	**96 123 055**	**17 030 557**	**-**	**-**	**1 232 962 075**

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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	183 437	100 906	258 449	-	899 978	1 442 770
Commitments	-	893 855	-	-	179 316	1 073 171
Fiduciary transactions	1 457 165	-	-	-	-	1 457 165
TOTAL	**1 640 602**	**994 761**	**258 449**	**-**	**1 079 294**	**3 973 106**

The maturity mismatch between the assets and the liabilities of the Bank are mainly related to the Bank's bond portfolio. This portfolio mainly comprises of floating rate notes indexed on the 3 or 6 months Libor. A smaller portion relates to fixed-coupon bonds and structured-coupon bonds, which are interest sensitive. The modified duration of the entire portfolio is below 2 years.

As per end of year the Bank 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 16 214 215 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, 2019, 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	310 517 910	-	-	-	-	310 517 910
Loans and advances to credit institutions	67 201 895	-	-	-	-	67 201 895

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

Loans and advances to customers	187 201 693	25 907 539	284 943 694	21 100 000	-	519 152 926
Debt securities and other fixed-income securities	70 391 237	84 215 536	386 327 874	56 886 358	6 942 334	604 763 339
Shares and other variable-yield securities	-	-	-	-	12 209 530	12 209 530
TOTAL	**635 312 735**	**110 123 075**	**671 271 568**	**77 986 358**	**19 151 864**	**1 513 845 600**

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	19 577 373	-	-	-	-	19 577 373
Amounts owed to customers	1 224 739 353	23 868 663	10 433 767	-	-	1 259 041 783
TOTAL	**1 244 316 726**	**23 868 663**	**10 433 767**	**-**	**-**	**1 278 619 156**

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	-	5 543 827	256 557	-	1 179 919	6 980 303
Commitments	-	-	-	-	220 854	220 854
Fiduciary transactions	25 979 542	-	-	-	-	25 979 542
TOTAL	**25 979 542**	**5 543 827**	**256 557**	**-**	**1 400 773**	**33 180 699**

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (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, 2020, 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	420 000 610	4 504 608	(4 445 298)	161 789	(257 005)	17 535	(17 358)	**4 683 932**	**(4 719 661)**
- Currency swap contracts	642 051 910	12 814 505	(12 609 325)	689 968	(593 171)	-	-	**13 504 473**	**(13 206 714)**
- Options	382 204	725 586	(725 586)	-	-	-	-	**725 586**	**(725 586)**
Exchange-traded									
- Futures	5 959 548	22 090	(22 090)	-	-	-	-	**22 090**	**(22 090)**
EQUITIES									
OTC									
- Contracts for difference	6 900 739	408 546	(357 895)	-	-	-	-	**408 546**	**(357 895)**
Exchange-traded									
- Options	1 536 859	240 209	(240 209)	59 040	(59 040)	7 020	(7 020)	**306 269**	**(306 269)**
- Futures	-	-	-	-	-	-	-	**-**	**-**
INDEX									
Exchange-traded									
- Futures	212 685	315	(315)	-	-	-	-	**315**	**(315)**

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

As at December 31, 2019, 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	719 809 672	5 338 480	(5 338 248)	82 950	(89 774)	-	(8 695)	**5 421 430**	**(5 436 717)**
- Currency swap contracts	130 523 988	558 728	(367 700)	91 346	(87 671)	-	-	**650 074**	**(455 371)**
- Options	1 403 360	-	-	960	(640)	-	-	**960**	**(640)**
EQUITIES									
OTC									
- Contracts for difference	2 242 210	100 332	(7 772)	-	-	-	-	**100 332**	**(7 772)**
Exchange-traded									
- Options	1 056 816	1 106	(6 212)	170 842	(170 842)	-	-	**171 948**	**(177 054)**
- Futures	-	-	-	-	-	-	-	**-**	**-**
INDEX									
Exchange-traded									
- Futures	35 964 784	282 552	(282 552)	-	-	-	-	**282 552**	**(282 552)**
COMMODITY									
Exchange-traded									
- Futures	2 002 494	19 239	(19 239)	7 215	(7 215)	-	-	**26 454**	**(26 454)**

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.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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 2020	CREDIT RISK EXPOSURE 2019
Cash in hand, balances with central banks and post office banks	172 770 291	310 517 910
Loans and advances to credit institutions	154 411 880	67 201 895
Loans and advances to customers	569 804 572	519 152 926
Debt securities and other fixed-income securities	544 435 619	604 763 338
Shares and other variable-yield securities	1 527 352	12 209 530
Contingent liabilities	1 442 771	6 980 303
Derivatives	31 193 319	17 505 467
Commitment	1 073 171	220 854
TOTAL	**1 476 658 975**	**1 538 552 223**

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:

	2020 EUR	2019 EUR
Credit institutions	545 143 123	446 557 122
Corporates	511 049 496	476 238 890
Individuals	244 966 836	241 024 198
Public sector	175 499 520	374 732 013
TOTAL	**1 476 658 975**	**1 538 552 223**

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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):

	2020 EUR	2019 EUR
Luxembourg	294 071 967	361 929 133
France	191 816 829	132 381 468
United Kingdom	159 264 972	154 122 629
Switzerland	113 336 463	121 854 492
Monaco	112 345 864	109 078 855
United States	104 848 189	142 181 694
Germany	76 499 434	67 686 354
United Arab Emirates	61 427 768	63 782 639
Belgium	41 149 270	48 316 809
Italy	37 278 933	25 439 330
Hong Kong	34 156 582	38 276 255
Canada	27 853 801	17 899 537
Netherlands	27 147 280	33 008 007
Russia	18 761 924	19 932 859
Sweden	14 924 264	38 241 035
British Virgin Islands	14 284 660	15 450 851
Turkey	12 314 127	12 226 536

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

Japan	12 050 123	22 145 812
Poland	11 390 477	10 584 278
Cyprus	11 283 316	11 558 260
Liechtenstein	10 199 599	930 408
Israel	9 536 017	425 993
Ireland	8 767 115	996 271
Seychelles	7 786 272	8 042 963
Korea	7 456 524	4 087 494
Austria	6 465 390	8 358
Cayman Islands	5 826 796	2 491 239
Denmark	4 968 191	70 409
Mexico	4 695 444	8 166 892
Spain	4 616 223	9 405 969
Hungary	3 927 800	204
Ukraine	3 916 156	4 142 250
Norway	3 125 849	2 196 443
Guernsey	2 776 706	9 251 956
Finland	2 249 160	10 596 103
Other	14 139 490	31 642 438
TOTAL	**1 476 658 975**	**1 538 552 223**

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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 Bank'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.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (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:

	2020 EUR	2019 EUR
Provisions reversed	3 712 124	1 967 360
Reversal of negative goodwill	1 590 060	5 341 426
Fees re-invoicing	942 030	1 213 535
Client fees related to previous years	166 500	95 000
Gains on deals/claims settled	23 860	335 507
Negative goodwill on purchase of minority interests	-	3 628 656
Other	1 391 767	1 364 296
TOTAL	**7 826 341**	**13 945 780**

In 2020, the Group reversed the remaining negative goodwill into the profit and loss accounts for an amount of EUR 1 590 060 against the financial year loss of its subsidiary in Switzerland (2019: EUR 5 341 426).

Provisions reversed concern mainly the reduction of the risk with regards to claims, provision for staff costs, provisions related to other risks ultimately not materialized.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

8.3. OTHER OPERATING CHARGES

Other operating charges are analysed as follows:

	2020 EUR	2019 EUR
Contributions to LRF and LDGS	409 674	372 614
Write-off of receivables	372 938	744 624
Administrative fees reinvoiced	300 285	369 238
Invoices related to previous years	204 250	54 596
Provision for claims	18 043	-
Other	1 178 405	873 185
TOTAL	2 483 595	2 414 275

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:

	2020 EUR	2019 EUR
Specific value adjustments on loans to customers		
- Additions	494 021	3 812 199
- Reversals	(5 818 754)	(3 657 541)
TOTAL	**(5 324 733)**	**154 658**

The additions and reversals for 2020 mainly relate to client loan position impaired and recovered during the year.

In 2020, the Group added an amount of EUR 4 600 000 to the fund for general banking risks (2019: reversal of EUR 941 970)

8.5. TAX INFORMATION

The Parent company is liable to taxes on income and net wealth taxes in line with the Luxembourg legislation.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

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, 2020, country by country information are analysed as follows (in EUR):

EU MEMBER COUNTRIES	STATUTORY OPERATING INCOME	STATUTORY PROFIT OR LOSS BEFORE TAX	STATUTORY TAX ON PROFIT OR LOSS	NUMBER OF EMPLOYEES
Luxembourg*	38 979 570	213 556	-	154
United Kingdom*	2 106 463	(1 304 724)	-	8
NON-EU MEMBER COUNTRIES				
Liechtenstein	9 773 270	1 107 751	(25 417)	22
Monaco	4 402 631	(53 935)	-	17
Switzerland	2 792 378	(8 688 360)	-	37

* Audited

No public subsidies have been received by the Group during the year that ended December 31, 2020.

BANQUE HAVILLAND S.A.

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

As at December 31, 2019, country by country information are analysed as follows (in EUR):

EU MEMBER COUNTRIES	STATUTORY OPERATING INCOME	STATUTORY PROFIT OR LOSS BEFORE TAX	STATUTORY TAX ON PROFIT OR LOSS	NUMBER OF EMPLOYEES
Luxembourg*	50 815 430	(2 397 026)	-	153
United Kingdom*	2 253 767	(1 168 689)	-	10
NON-EU MEMBER COUNTRIES				
Bahamas	732 917	(941 970)	-	-
Liechtenstein	10 032 528	973 689	(17 287)	25
Monaco	4 433 641	98 426	-	14
Switzerland	4 263 440	(5 341 426)	-	38

* Audited

No public subsidies have been received by the Group during the year that ended December 31, 2019.

9.2. RETURN ON ASSETS

The return on assets of the Group for the year ended December 31, 2020 stands to (0.50%) (0.03% 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 31ST DECEMBER 2020 (CONTINUED)

9.3. PERSONNEL EMPLOYED

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

	2020	2019
Management	18	17
Employees	220	223
TOTAL	**238**	**240**

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:

	2020	2019
Management	5 680 241	5 606 528
Supervisory body	1 046 412	999 081
TOTAL	**6 726 653**	**6 605 609**

Loans and advances granted to members of the Management and the Board of Directors as at December 31, 2020 amount to EUR nil (2019: EUR nil).

As at December 31, 2020, a guarantee of EUR 46 215 (2019: EUR 46 011) has been issued in favour of member of the Management and the Board of Directors.

It was decided at the Annual General Meeting held on July 06, 2020 that six Board members of the Bank in Luxembourg received emoluments in respect of their duties for a total gross amount of EUR 700 000 related to the fiscal year ended December 31, 2020 (2019: EUR 700 000).

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST DECEMBER 2020 (CONTINUED)

9.5. INDEPENDENT AUDITOR'S FEES

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

	2020 EUR	2019 EUR
Audit fees	583 890	422 427
Audit-related fees	80 000	147 607
Other fees	12 500	90 000
TOTAL	**676 390**	**660 034**

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

9.6. SUBSEQUENT EVENT

The Group has not faced any post-closing events that could affect its consolidated accounts for the year 2020.

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