

# Annual Report 2022



MONACO

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MEDIOBANCA GROUP

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# Our governance

## Board of Directors as at 26 April 2023

## Conseil d'Administration

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

## Management Committee

<b>Chief Executive Officer</b>	Francesco GROSOLI
<b>Chief Operating Officer</b>	Kamran DJAVADI
<b>Chief of Staff</b>	Olivier PAGÈS
<b>Head of Front Office</b>	Sophie SAURINI
<b>Deputy Vice- Chairman, CMB Asset Management</b>	Federico LIMITI
<b>Head of Products and Services Distribution</b>	Jérôme MAMAN
<b>Chief Risk Officer</b>	Gianmarco BASSETTI
<b>Head of Treasury &amp; Special Projects</b>	Stefano ARGENTON
<b>Head of Finance</b>	David NUTTE
<b>Deputy Chief Executive Officer, CMG Monaco</b>	Bernard AYBRAN
<b>Head of Human Resources</b>	Nathalie ARESI
<b>Head of Legal</b>	Edouard CURÉ
<b>Head of Compliance</b>	Philippe AUDRA

## Statutory Auditors

Sandrine ARCIN  
Stéphane GARINO

# Message from the Chairman

The year, marked by a geopolitical crisis, high inflation and a degree of economic instability.

The resurgence of inflation, which seemed almost to have disappeared after years of tranquility, prompted a swift and determined response from central banks, which did not hesitate to raise interest rates at a prodigious pace, triggering a sharp reaction from both bond and equity markets.

Despite this difficult environment, CMB Monaco continued to grow, confirming the soundness of the strategic directions it has taken. Net banking income and consolidated net profit thus reached record levels of €130.2 million (up 12.4%) and €18.6 million (up 14.3%), respectively. All business divisions contributed to this excellent performance, which was also due to our company's ability to attract new talent, including from competing locations.

This resulted in a further strengthening of our financial structure, with capital of more than a billion euros and prudential ratios well above the required standards: a Basel III capital ratio of 32% (versus a requirement of 8%) and a liquidity coverage ratio (LCR) of 154% (versus 100%).

This quite enviable position is further bolstered by the solidity of our parent, Mediobanca Group, which fully satisfied the stress tests carried out in recent months by the European Central Bank.

Our "digitalisation" has also expanded, with the dual aim of offering both top-performing service to an ever more sophisticated customer base and optimum digital tech to our employees, while seeking at all times to comply with the strictest rules in terms of cybersecurity.

This year also saw the establishment of a new subsidiary, CMB Real Estate Development SAM, 60% owned by CMB Monaco and 40% owned by Mediobanca, which will lead the project we have begun to rebuild our head office at its current location. The new building will also contain a number of high-quality apartments.

With this in mind, premises have been leased at the Métropole and Park Palace to accommodate head office departments while the work is under way. This major project bears witness to the Mediobanca Group's confidence in the action taken by His Serene Highness Prince Albert II and his Government to develop the Principality and its attractiveness.

It will lead to a redeployment of our sales organisation and the provision for customers and staff of new, more functional spaces that are perfectly designed for our private banking activities.

This year, all our employees again demonstrated a steadfast commitment to our Company. On behalf of the Board, I want to thank them sincerely.

All this and the return to normal market conditions, with the disappearance of negative interest rates, suggest that 2023 will be even more satisfactory, as the initial results in fact show.

**Etienne FRANZI**











# Message from the CEO

The year 2022 will be noted for a steep rise in inflation, from 4.9% in January to 9.2% in December in the euro zone. Against this tumultuous backdrop, central banks adopted a policy of monetary tightening in order to rein inflation in, which consequently affected the outlook for economic growth.

The market reaction was strong and unprecedented, with significant falls in stocks and bonds. This unexpected situation is due to several factors. After the post-Covid reopening of the economy at the end of 2021, disruptions in supply chains gave rise to an imbalance between supply and demand. This situation was exacerbated in 2022 by unprecedented commodity price inflation, notably due to the conflict between Russia, the world's largest producer and exporter of natural gas, and Ukraine.

After a long period of low interest rates, central banks had to raise interest rates drastically to counter inflation. At the end of December 2022, the US Federal Reserve thus raised its benchmark lending rate from 0.25% to 4.50% while that of the European Central Bank (ECB) rose from -0.50% to 2.00%.

This sudden change had significant impacts on bond performance. The main bond indices recorded negative returns from the start of the year onwards. In the equity market, 2022 was a difficult year with negative returns in the US in particular (S&P 500: -18.1%). However, some sectors, such as commodity-related stocks, performed more strongly.

Despite these challenges, however, our bank continued to expand, thus confirming the success of our strategy. Consolidated net banking income hit a record level of €130.2 million, up 12.4% compared with 2021. All sectors of the business contributed to these exceptional results.

Our investment management, for both private clients and funds, remained solid, with volumes representing 31% of customer funds, a significant portion of which (€1.59 billion in assets) is entrusted to advisory. Together, these activities account for 18.5% of net banking income. Brokerage, thanks to our dynamic Investment & Credit Service department, increased, accounting for nearly 20% of net banking income.

In lending, our market share further increased, with total receivables now exceeding €2.8 billion, i.e. growth of 22%. Although conditions remain volatile, we have maintained our principles of rigour and prudence, with a provisioning rate of virtually nil.

Thanks to the efforts and expertise of our employees, we have been able to generate solid growth by putting effective strategies in place to navigate this complex economic environment.

**Francesco GROSOLI**



# Key figures 2022

Consolidated shareholders' equity (€m)

1.068

Volume of customer loans (€m)

2.847

Net banking income (€m)

130

Employees

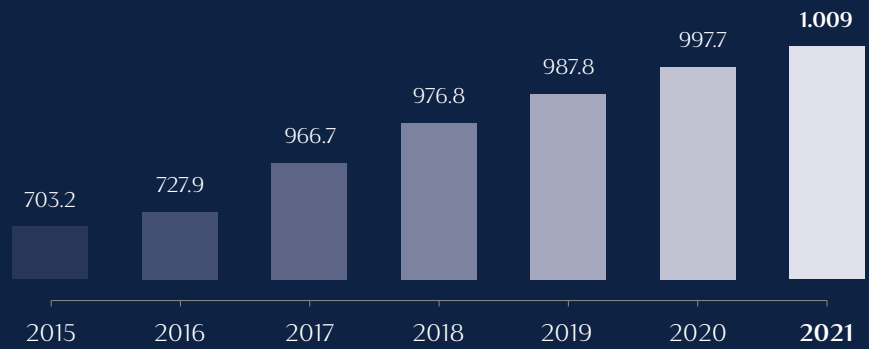
247

Consolidated net profit (€m)

19

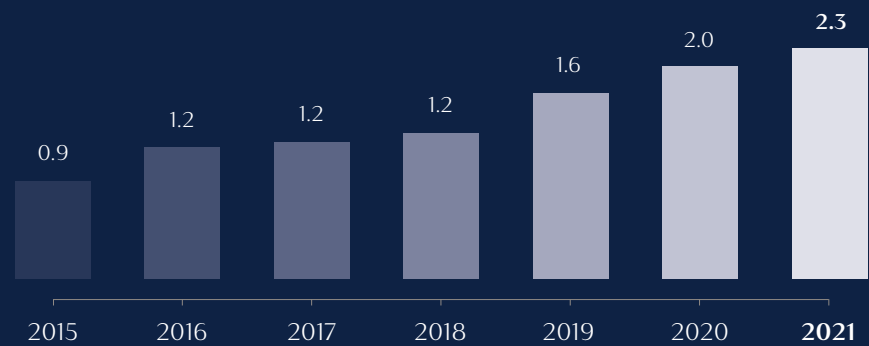
**+6%**  
increase over  
2021.

#### Consolidated shareholders' equity (€m)



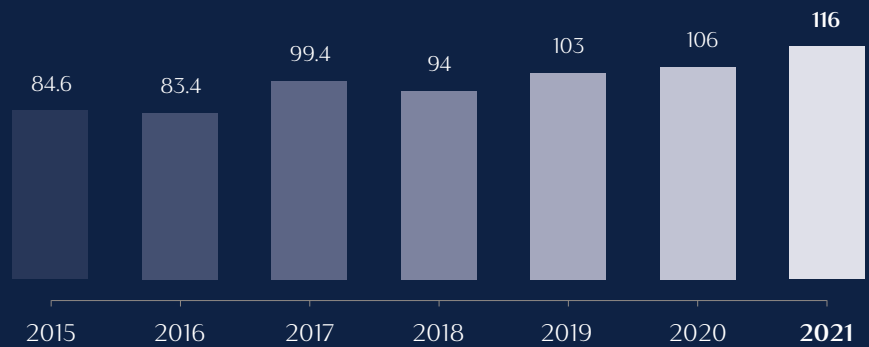
**+22%**  
increase over  
2021.

#### Volume of customer loans (€m)



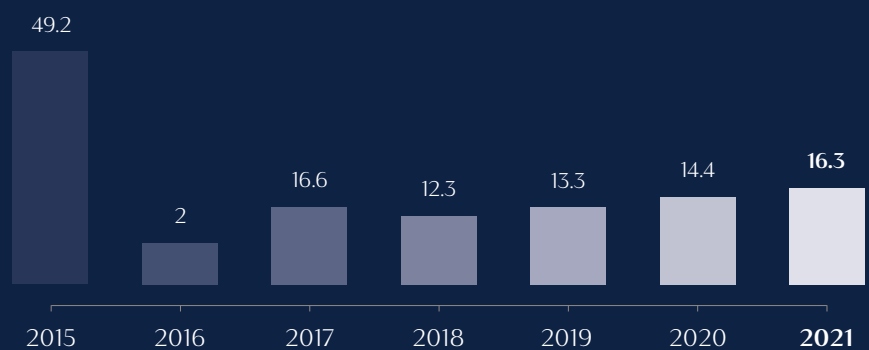
**+12%**  
increase over  
2021.

#### Net banking income (€m)



**+14%**  
increase over  
2021.

#### Consolidated net profit (€m)





# Statutory account

# Report of the Board of Directors

to the Ordinary General Meeting of 26 April 2023

2022 was marked by a surge in inflation (4.9% in January vs. 9.2% in December in the euro zone) which central banks responded to by rapidly raising interest rates, gradually downgrading the outlook for economic growth.

The market reaction was brutal and quite unprecedented: both equities and bonds fell sharply.

## Soaring inflation

From the end of 2021, following the reopening of the economy post-Covid-19, problems in companies' supply chains suddenly emerged, generating an imbalance between supply and demand as well as inflationary pressure.

On top of this, in 2022, there was record inflation in commodity prices (notably oil and gas) due to the invasion of Ukraine by Russia, the world's largest producer and exporter of natural gas.

Although commodity prices are gradually returning to more "normal" levels at the end of 2022, the shock has been enough to generate more structural and lasting effects.

## The rise in central bank interest rates

After more than a decade of low interest rates, central banks had to raise interest rates sharply to counter inflation.

In 2022, the main interest rate of the US Federal Reserve (Fed) rose from 0.25% to 4.50% and that of the European Central Bank (ECB) from -0.50% to 2.00%, as shown in the chart below:



## Recession fears

This sudden monetary tightening had a significant negative impact on bond performances, with the rise in interest rates resulting in a fall in the value of bonds.

The main bond indices have been in negative territory since the beginning of the year, with performances of around 18.5% for Eurozone government bonds and -12.8% for high-quality Eurozone corporate bonds.

Note that all regions of the world were confronted with this phenomenon of rising interest rates with the entire international bond universe seeing a downturn in 2022.

In equities, 2022 was the stock market's worst year since 2008 in the United States (S&P500: -18.1%), yet one of the best for commodity-related stocks (particularly those linked to energy).

In Europe, equities proved more resilient despite the energy crisis: Stoxx 600 -9.9%, CAC 40 -6.7%. Due to their greater sensitivity to interest rates, growth stocks suffered the most in 2022. This includes technology stocks: Stoxx 600 Technology6 -26.5%.

Conversely, undervalued "value" stocks performed better, notably stocks in the energy sector (Stoxx 600 Energy +32.3%) and "defensive" stocks.

For its part, the dollar, known as a safe haven, rose by +6.2% against the euro in 2022.

High and persistent inflation, combined with geopolitical factors such as the war in Ukraine, is weighing on growth prospects in many sectors and is affecting the economic behaviour of households and businesses.

Throughout 2022, economic conditions, particularly in industry, gradually deteriorated in developed and emerging countries simultaneously.

This, together with the now high level of inventories in relation to orders, strengthens the anticipated scenario of an economic recession for 2023, and a contraction in world trade.



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

Consolidated net banking income again hit a record level this year, rising 12.4% versus 2021 to reach €130.2 million.

All business divisions contributed to this excellent result.

Management, both private and collective, remained strong, with volumes reaching 31% of customer resources, and a significant portion of assets in advisory, amounting to €1.59 billion, which is a real source of satisfaction. Together, these activities account for 18.5% of net banking income.

This year, the brokerage activity grew to nearly 20% of net banking income, thanks in particular to strong momentum in the “Investment Products and Services Distribution” department.

In terms of lending, with total receivables now exceeding €2.8 billion, our market share was further consolidated with growth of 22%. Our principles of prudence and rigour were fully respected and the provisioning rate remained virtually nil.

As part of a similar stringent approach, cash assets continued to be invested only in highly rated bonds issued by governments and international organisations or placed with our Group under agreements corresponding to the average duration of our funding, which enabled us to limit the heavy impact of the fall in interest rates.

General operating expenses rose by 8.6%, reflecting our transformation and repositioning efforts, as well as IT investments to benefit digitisation, customer onboarding and, more broadly, continuous improvements to our services.

Overall, consolidated gross operating income came to €44.8 million. After taking account of the cost of risk, other non-operating items and a €9.4 million impairment charge due to property valuations, consolidated net income came to €18.6 million, a 14% rise over 2021.

On a stand-alone basis, net income for the bank rose significantly versus the previous year to €24.0 million.



In a continuation of our policy to further strengthen our capital, and although the balance sheet is already extremely solid, as evidenced by the further increases in our Basel III capital ratio and liquidity coverage ratio (LCR) to 34% and 154% respectively, the Board of Directors proposes that net income be appropriated as follows:

Net profit for 2022	€ 24.044.744
Brought forward from previous year	€ 495
<b>Total income for appropriation</b>	<b>€ 24.045.239</b>
Allocation to extraordinary reserve	€ 24.045.000
Carried forward	€ 239
<b>Total income appropriated</b>	<b>€ 24.045.239</b>

Total stand-alone shareholders' equity would thus increase to €1,023 million as at 31 December 2022.

Financial year 2022 was marked by the creation of CMB RED SAM, 60% owned by CMB Monaco and 40% by our parent company.

At 31 December 2022, the share of minority interests in consolidated shareholders' equity was €30 million. Consolidated shareholders' equity was €1,050 million. A certain number of transactions referred to in Article 23 of the Sovereign Ordinance of 5 March 1985 were entered into during 2021:

- ❖ Routine banking transactions and reciprocal services with banking institutions having the same directors as the Bank,
- ❖ IT and administrative services provided to our subsidiaries La Compagnie Monégasque de Gestion and CMB Asset Management SAM;
- ❖ Real estate operations carried out jointly with our subsidiary CMB RED SAM.

The group had 247 employees as at 31 December 2022.

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

**The Board of Directors**

# Balance sheet

as at 31 December 2022 and 2021 before allocation of net profit

In thousands of euros	2022	2021
Cash, central banks	164.928	298.877
Due from banks	4.756.333	2.952.980
Customer loans	2.846.861	2.337.027
Bonds and other fixed income securities	680.528	507.984
Equities and other variable income securities	2.348	2.351
Participating interests and other financial investments	1.050	1.053
Interests in related companies	52.239	7.274
Goodwill, intangible assets Property and equipment	20.924	18.426
Property and equipment	85.487	147.904
Other assets	13.655	15.478
Deferred charges - accrued income	14.609	14.940
<b>Total assets</b>	<b>8.638.961</b>	<b>6.304.294</b>
Due to banks	1.410.171	944.579
Due to customers	6.118.834	4.295.631
Other liabilities	27.783	26.884
Accrued charges - deferred income	39.625	27.970
Provisions for contingencies and charges	2.004	2.168
General banking risks reserve	17.206	7.768
Share capital	111.110	111.110
Additional paid-in capital	4.573	4.573
Reserves	883.611	868.125
Retained earnings	0	
Net profit	24.045	15.486
<b>Total liabilities</b>	<b>8.638.961</b>	<b>6.304.294</b>

## Commitments and contingencies

<b>Commitments given</b>		
Confirmed lines of credit	1.002.692	1.042.872
Guarantees given	69.613	56.887
Commitments relating to securities transactions	0	0

# Income statement

as at 31 December 2022 and 2021

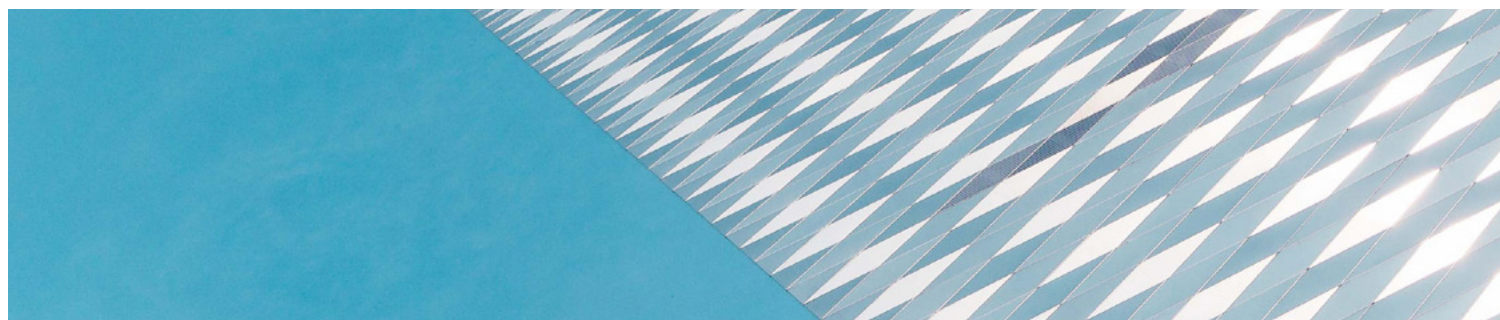
In thousands of euros	2022	2021
<b>Banking income and expense</b>		
Interest income	102.136	54.107
Interest expense	(36.791)	(8.931)
Income from variable income securities	17	14
Commission and fee income	76.917	78.232
Commission expense	(4.307)	(4.093)
Net gain (or loss) on disposal of trading account securities	832	227
Net gain (or loss) on disposal of securities available for sale	(3.617)	1.152
Other banking income	5	5
Other banking expense	(4.978)	(4.858)
<b>Net banking income</b>	<b>130.214</b>	<b>115.855</b>
General operating expenses	(75.924)	(70.531)
Depreciation and other write-downs of property, equipment and intangible assets	(8.876)	(7.436)
<b>Gross operating income</b>	<b>45.414</b>	<b>37.888</b>
Depreciation on property revaluation reserve	(9.421)	(18.850)
Movement of provisions on loans and off-balance sheet items	(654)	(1.172)
<b>Operating income</b>	<b>35.339</b>	<b>17.866</b>
Gains and releases of provisions on long-term investments	0	0
<b>Income before tax and non-operating items</b>	<b>35.339</b>	<b>17.866</b>
Non-operating income	0	0
Income taxes	(7.261)	(6.054)
Provisions/reversals for general banking risks and regulated provisions	(9.438)	4.500
<b>Net profit</b>	<b>18.640</b>	<b>16.312</b>
Group share	18.336	16.312
Minority interests	304	0
<b>Basic earnings per share</b>	<b>0.033</b>	<b>0.029</b>
<b>Diluted earnings per share</b>	<b>0.033</b>	<b>0.029</b>

# Changes

in main balance sheet items

In thousands of euros	2022	2021	Change	%
Interbank loans	4.921.261	3.251.857	1.669.402	51.34%
- Repayable on demand	2.159.896	2.826.344	(666.449)	(23.58%)
- Time loans	2.761.365	425.513	2.335.851	548.95%
Customer loans	2.846.861	2.337.027	509.834	21.82%
- Sight accounts	1.062.029	768.545	293.484	38.19%
- Other loans	1.784.832	1.568.482	216.350	13.79%
Securities portfolio	682.876	510.335	172.541	33.81%
<b>Total</b>	<b>8.450.998</b>	<b>6.099.219</b>	<b>2.351.777</b>	<b>38.56%</b>

Interbank deposits	1.410.171	944.579	465.592	49.29%
- Repayable on demand	2.744	3.976	(1.232)	(30.99%)
- Time loans	1.407.427	940.603	466.824	49.63%
Customer deposits	6.118.834	4.295.631	1.823.203	42.44%
- Repayable on demand	3.187.869	3.745.077	(557.208)	(14.88%)
- Time loans	2.924.889	536.262	2.388.627	445.42%
- Special savings accounts	6.076	14.292	(8.216)	(57.49%)
<b>Total</b>	<b>7.529.005</b>	<b>5.240.210</b>	<b>2.288.795</b>	<b>43.68%</b>



# Changes

in shareholders' equity

In thousands of euros	Share capital	Additional paid-in capital	Reserves	Revaluation difference	Retained earnings	General banking risks reserve	Profit for the period	Total
<b>Balance as at 31 December 2021</b>	111.110	4.573	718.894	168.080	1	12.268	15.486	<b>1.007.062</b>
Appropriation of 2021 net profit			15.487		0		(15.486)	<b>0</b>
Amortisation of revaluation difference			18.850	(18.850)				<b>0</b>
Profit for the period 2022							24.045	<b>24.045</b>
Allocation to general banking risks reserve						9.438		<b>9.438</b>
<b>Balance as at 31 December 2022</b>	111.110	4.573	753.231	130.380	0	17.206	24.045	<b>1.040.545</b>
Appropriation of 2022 net profit			24.045				(24.045)	<b>0</b>
Amortisation of revaluation difference			9.421	(9.421)				<b>0</b>
<b>Balance as at 31/12/2022 after appropriation</b>	111.110	4.573	786.697	120.959	0	17.206	0	<b>1.040.545</b>



# Notes

to the financial statements for the year ended 31 December 2022

## 1. Share ownership

At 31 December 2022, the Bank had share capital of €111,110,000 consisting of 555,550 shares with a nominal value of €200 each, which were held as follows, the percentages being rounded off:

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

**Directors: 0.002%**  
**i.e. 11 shares**

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

## 2. Accounting principles and valuation methods

The accounting principles and valuation methods used to prepare the financial statements comply with the provisions of Regulation 2020-10 of 22 December 2020 and Regulation 2014-07 of 26 November 2014 of the French Accounting Standards Authority (Autorité des Normes Comptables - ANC) on the financial statements of banking sector companies.

### 2.1 Provisions for doubtful receivables

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

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

### 2.2 Interest and fees

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

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

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

### 2.3 Income from the securities portfolio

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

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

### 2.4 Gains on foreign currency transactions

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

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

### 2.5 Gains on interest rate or currency swaps

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

### 2.6 Securities transactions

#### *Trading account securities*

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



*Available-for-sale securities*

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

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

At each reporting date, an impairment is recognised for any unrealised capital losses arising from the difference between the carrying amount, as adjusted for the amortisation of differences between cost and redemption price, and the market price. Unrealised capital gains are not recognised.

*Participating interests*

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

## 2.7 Provision for retirement benefits

Commitments covered by a provision for retirement benefits were valued at €1.3 million at the end of December 2022.

## 2.8 General banking risks reserve

At 31 December 2022, the provision recorded as a prudent measure to hedge against general risks inherent in banking transactions was increased to a total of €17.2 million (ANC Regulation 2014-07).

## 2.9 Fixed assets, depreciation and amortisation

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

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

On 26 April 2022, CMB Monaco sold the “La Palmeraie” building to its real estate development subsidiary CMB

RED, which it co-owns with Mediobanca, for €63 million. The net carrying value, including the revaluation difference, was €59 million.

Goodwill included in intangible assets is amortised over a ten-year period.

Goodwill relates to the acquisition of the Monaco branch of ABN AMRO for €8 million in November 2006, fully amortised at 31 December 2016, the acquisition of the Monaco business of Capitalia Luxembourg for €18.2 million in March 2008, fully amortised at 31 December 2018, and the acquisition of part of the business assets of CFM Indosuez Monaco, acquired in two tranches of €5.3 million and €1.2 million in December 2016 and February 2017 respectively.

## 2.10 Commitments and contingencies

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

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

## 2.11 Tax expense

For the 2022 financial year, the bank remains within the scope of application of corporate income tax at the rate of 25%, instituted by Sovereign Ordinance no. 3152 of 19 March 1964.

## 2.12 Related parties

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

## 2.13 Impact of the Russia-Ukraine crisis

The events in Ukraine in 2022 impacted the entire global economy, including the stock markets. CMB Monaco applies all the measures arising from international sanctions and has implemented all the due diligence required by these texts.

At this stage, the bank has not identified any significant exposure to assets of Russian or Ukrainian issuers.

Moreover, the bank has not identified any risks arising from the sanctions imposed on Russia that could have a significant impact on the 2022 financial statements.

### 3. Other information

#### 3.1 Property, equipment & intangible assets

Property, equipment & intangible assets were as follows as at 31 December 2022:

In thousands of euros	31/12/2021	Increase	Decrease	31/12/2022
<b>Gross amount</b>				
Goodwill, intangible assets	57.424	6.142	(401)	63.165
Property and equipment	270.845	4.006	(145.429)	129.422
Prepayments to suppliers	5.434	15.727	(9.284)	11.877
<b>Total gross fixed assets</b>	<b>333.703</b>	<b>25.875</b>	<b>(155.114)</b>	<b>204.464</b>
<b>Depreciation</b>				
Goodwill, intangible assets	(42.695)	(7.367)	401	(49.661)
Property and equipment	(124.660)	(10.926)	87.212	(48.374)
<b>Total depreciation</b>	<b>(167.335)</b>	<b>(18.293)</b>	<b>87.623</b>	<b>(98.035)</b>
<b>Provisions for impairment of assets</b>	<b>(18)</b>			<b>(18)</b>
<b>Net value</b>	<b>166.330</b>	<b>7.582</b>	<b>(67.501)</b>	<b>106.411</b>

#### 3.2 Investments in subsidiaries and participating interests

At 31 December 2022, investments in subsidiaries and participating interests were as follows:

In thousands of euros	Share capital	% interest	At cost	2022 net profit	Shareholder loans	Provisions	Net book value 31/12/2022
CMB Asset Management	150	99.50%	150	20	-		150
CMG Monaco	600	99.92%	592	(35)	6.406		6.999
CMB RED	45.090	60.00%	45.090				45.090
Certificate of association FGDR			937				937
Other companies			113				113

- ❖ CMB Asset Management, SAM: company intended to manage funds under discretionary mandates. CMB Monaco has provided financial support by way of a letter signed on 19/01/23.
- ❖ CMG Monaco, SAM: as at 31/12/22, this subsidiary manages twenty-one funds in accordance with the legislation in force in Monaco, as well as one open-ended investment company (SICAV) under Luxembourg law. In connection with its integration as of 01/01/22 into the Asset Management division of the Mediobanca group, it also performs discretionary management for CMB Monaco's management clients under a delegation agreement.
- ❖ CMB RED SAM, a real estate development subsidiary, of which 60% is owned by CMB Monaco and 40% by Mediobanca.



### 3.3 Provisions for contingencies

In thousands of euros	Balance as at 31/12/2021	Additions during the year	Reversals during the year	Utilised during the year	Balance as at 31/12/2022	Loans at 31/12/2022	% of coverage
<b>Provisions for contingencies</b>							
Private risks	546	172	(50)	(477)	192	12.283	2 %
Provisions for contingencies and charges	2.168	623	(103)	(683)	2.004		
<b>Total</b>	<b>2.714</b>	<b>794</b>	<b>(153)</b>	<b>(1.160)</b>	<b>2.196</b>	<b>12.283</b>	

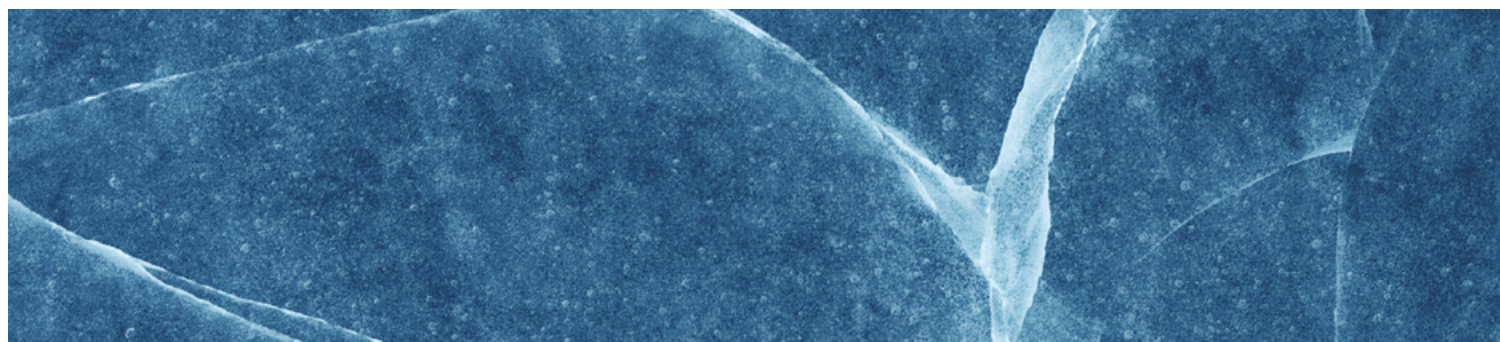
At December 31, 2022, the total amount of doubtful loans included in customer overdrafts was €12.3 million. The provision for impairment amounts to €192,000.

### 3.4 Trading account securities and securities available for sale

In thousands of euros	2022			2021		
	Available for sale	Trading account	Total portfolio	Available for sale	Trading account	Total portfolio
<b>Bonds</b>						
Governments	412.379	106.742	519.121	220.697	115.458	336.155
Central authorities			0			0
Banks			0			0
Other financial institutions	161.407		161.407	171.829		171.829
Other non-financial institutions			0			0
<b>Subtotal</b>	<b>573.786</b>	<b>106.742</b>	<b>680.528</b>	<b>392.526</b>	<b>115.458</b>	<b>507.984</b>
<b>Equities &amp; other</b>						
Equities, mutual funds, SICAVs	2.348		2.348	2.351		2.351
<b>Subtotal</b>	<b>2.348</b>	<b>0</b>	<b>2.348</b>	<b>2.351</b>	<b>0</b>	<b>2.351</b>
<b>Total</b>	<b>576.134</b>	<b>106.742</b>	<b>682.876</b>	<b>394.877</b>	<b>115.458</b>	<b>510.335</b>
<i>Provisions for impairment included in the above</i>	(4.779)			(869)		
<i>Unrealised gains (not recognised - for information only)</i>	2.367			4.664		

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

Breakdown of securities by type	2022	2021	Breakdown of trading account securities	2022	2021
Fixed income bonds	680.528	507.984	Listed on an active market	106.742	115.458
Floating income bonds			Others	0	0
Equities, warrants, others, funds	2.348	2.351			
<b>Total</b>	<b>682.876</b>	<b>510.335</b>	<b>Total</b>	<b>106.742</b>	<b>115.458</b>



### 3.5 Breakdown of customer loans

In thousands of euros	2022	2021
Overdrafts	1.062.029	756.690
Other customer loans	1.784.832	1.580.337
<b>Total</b>	<b>2.846.861</b>	<b>2.337.027</b>

### 3.6 Breakdown of balance sheet items

In thousands of euros	Foreign currencies	Euros	Total euro equivalent
Due from banks	2.038.708	2.882.553	4.921.261
Customer loans	392.716	1.454.145	2.846.861
Deferred charges - accrued income	4.970	9.639	14.609
Other assets	314	13.341	13.655
Participating interests and portfolio securities	229.451	506.714	736.165
Property, equipment & intangible assets		106.411	106.411
<b>Total assets</b>	<b>2.666.158</b>	<b>5.972.803</b>	<b>8.638.961</b>
Due to banks	94.096	1.316.075	1.410.171
Due to customers	2.560.666	3.558.168	6.118.834
Accrued charges, deferred income and provisions for contingencies	6.774	34.854	41.629
Debt securities			
Other liabilities	4.617	23.165	27.783
Shareholders' equity		1.040.545	1.040.545
<b>Total liabilities</b>	<b>2.666.154</b>	<b>5.972.807</b>	<b>8.638.961</b>

### 3.7 Forward commitments

In thousands of euros	2022	2021
<b>Currency transactions:</b>		
- Foreign currencies receivable	1.059.561	1.663.526
- Foreign currencies to be delivered	1.059.377	1.663.844
<b>Commitments on OTC derivative financial instruments:</b>		
- Interest rate transactions (hedging)	212.810	39.371
- Currency transactions (hedging)	1.506.891	161.924
- Transactions in other instruments	568.750	911.803

“Interest rate transactions” consist of:

- ◇ Fixed/variable rate swaps intended to hedge fixed rate loans with a principal of €53 million. These are allocated microhedges.
- ◇ Interest rate swap (macro hedge): CMB Monaco has signed a contract with Mediobanca for an initial value of €187 million, amortisable over 10 years. At 31 December 2022, the amount of the swap was €157 million. CMB Monaco pays a variable rate and receives a fixed rate.

The “Currency transactions” item records active positions on options and foreign exchange accumulators/decumulators.

The “Transactions in other instruments” item records the total maximum amounts of residual commitments (outstanding amount at the last known price). The amount is based on the absolute value, with overall commitments based on the strike price, whether this is on the client side or the securities market side.

2022		
Outstanding amount	Customer	284.50
	Market	284.50

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

These are allocated hedges. The sole purpose of the contracts is to reduce the extent to which the hedged item contributes to the bank's risk exposure. Gains and losses on the hedging transaction are recognised symmetrically with the accounting for the hedged transaction.

## 3.8 Securities awaiting settlement under delayed delivery transactions

In thousands of euros	Securities due	Securities receivable
Securities awaiting settlement	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 3.9 Analysis of assets and liabilities by maturity

In thousands of euros	Less or equal to 3 months	3 months - 1 year	1-5 years	Beyond 5 years
Due from banks	4.264.120	645.583		
Accrued income	6.350	5.208		
Customer loans	1.096.562	269.619	244.852	1.230.192
Accrued income	5.150	375	5	106
Bonds	105.824	295.750	174.559	106.742
<b>Total assets</b>	<b>5.478.006</b>	<b>1.216.535</b>	<b>419.416</b>	<b>1.337.040</b>

	Less or equal to 3 months	3 months - 1 year	1-5 years	Beyond 5 years
Due to banks	303.095	270.000	835.000	
Accrued expense	1.691	0	385	
Due to customers	5.373.063	602.582	132.849	
Accrued expense	10.340			
<b>Total liabilities</b>	<b>5.688.189</b>	<b>872.582</b>	<b>968.234</b>	

Contingencies and commitments	1 year or less	1-5 years	Beyond 5 years
Confirmed lines of credit	62.542	47.334	891.816
Guarantees given	14.391	50.209	5.013
Commitments relating to securities transactions			
<b>Commitments given</b>	<b>76.933</b>	<b>97.543</b>	<b>896.829</b>

The maturity of the borrowed security (classified within trading account securities) is based on the nominal repayment date, i.e. €106.7 million maturing in more than 5 years.

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

In thousands of euros	2022	2021
<b>Accrued income (classified within accounts receivable)</b>	<b>18.446</b>	<b>3.694</b>
Due from banks	11.558	249
Customer loans	5.636	2.487
Bonds and other fixed income securities	1.253	958
<b>Deferred charges – accrued income</b>	<b>14.609</b>	<b>14.940</b>
Commitments on derivative financial instruments	10.211	11.939
Prepaid expense	2.378	1.475
Accrued income	2.020	1.526
<b>Total assets</b>	<b>33.055</b>	<b>18.634</b>
<b>Accrued expense (within accounts payable)</b>	<b>12.416</b>	<b>914</b>
Due to banks	2.076	145
Due to customers	10.340	769
<b>Accrued charges – deferred income</b>	<b>39.625</b>	<b>27.970</b>
Commitments on derivative financial instruments	12.535	3.484
Deferred income	0	150
Accrued charges	27.058	24.307
Other	32	29
<b>Total liabilities</b>	<b>52.041</b>	<b>28.884</b>

### 3.11 Employees

	2022	2021
Executives	185	177
Senior employees	58	68
Staff	1	1
<b>Total</b>	<b>244*</b>	<b>246</b>

\*Excluding members of CMB RED SAM.

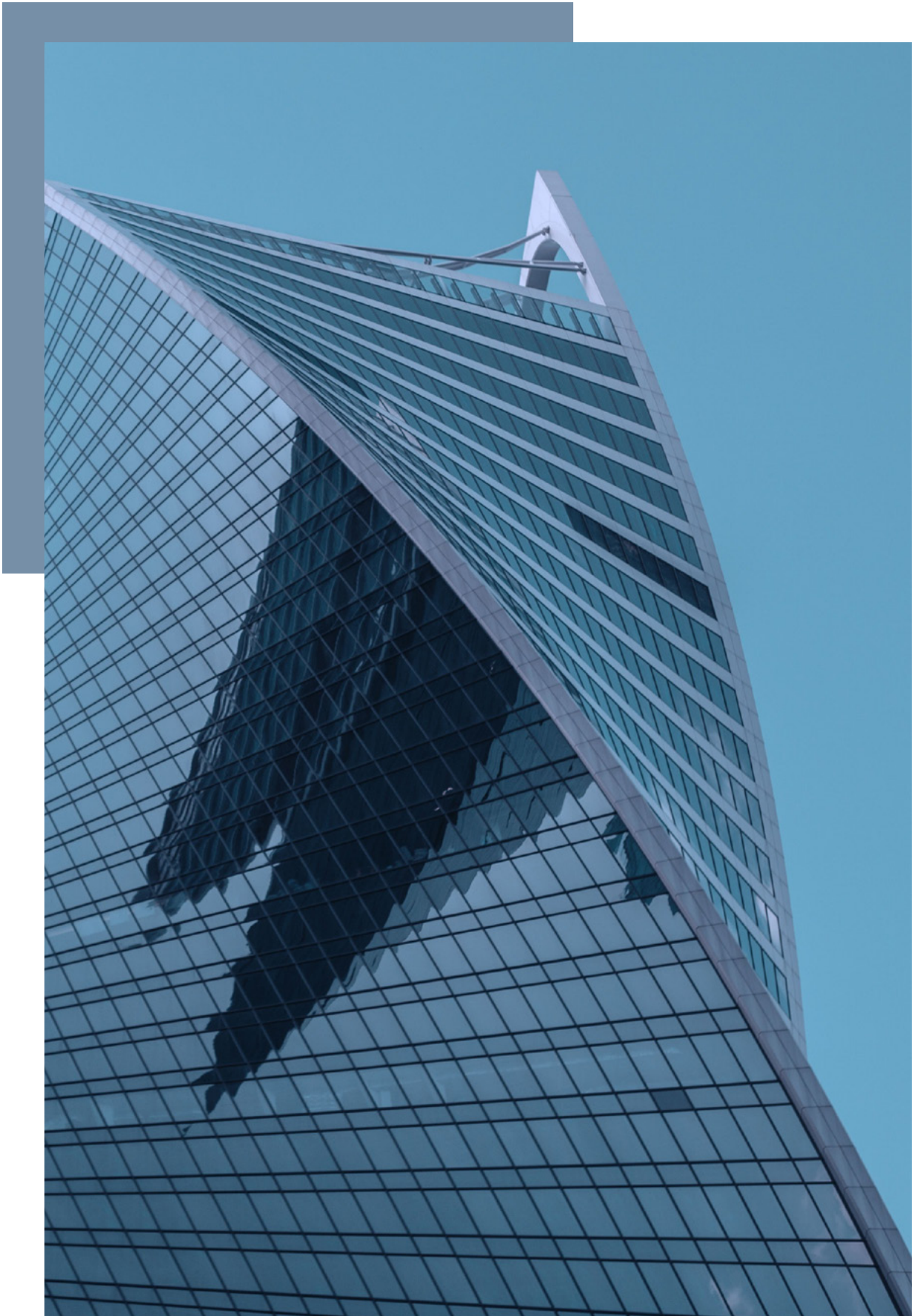
## 3.12 Analysis of income and expenses

In thousands of euros	Expense	Income
<b>Interest</b>		
Interbank transactions	(13.162)	47.971
Customer transactions	(23.362)	49.997
Bonds	(266)	4.178
<b>Subtotal</b>	<b>(36.791)</b>	<b>102.146</b>
<b>Income from variable income securities</b>		
Participating interests		2.317
<b>Subtotal</b>		<b>2.317</b>
<b>Commissions</b>		
Customer transactions	(1.161)	18.042
Securities transactions	(3.145)	52.538
<b>Subtotal</b>	<b>(4.307)</b>	<b>70.580</b>
<b>Trading account securities</b>		
Currency transactions		2.841
Securities transactions	(2.009)	
<b>Subtotal</b>	<b>(2.009)</b>	<b>2.841</b>
<b>Securities available for sale</b>		
Net gains and losses		1
Net changes in provision	(3.617)	
<b>Subtotal</b>	<b>(3.617)</b>	<b>1</b>
<b>General operating expenses</b>		
Personnel expenses		
- Salaries and bonuses	(35.705)	
- Social security contributions	(10.975)	
General and administrative expenses	(24.681)	
<b>Subtotal</b>	<b>(71.362)</b>	

## 3.13 Breakdown of the cost of risk

In thousands of euros	2022	2021
Reversal of doubtful debt provision	50	29
Reversal of risk provision (litigation)	103	50
Doubtful debt provision	(172)	(128)
Risk provision (litigation)	(623)	(1.086)
Loss on irrecoverable debt	(12)	(37)
<b>Total</b>	<b>(654)</b>	<b>(1.172)</b>





# Resolutions

presented to the Ordinary General Meeting of 26 April 2023

## First resolution

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

## Second resolution

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

Net profit for 2022	€ 24.044.744
Brought forward from previous year	€ 495
<b>Total income for appropriation</b>	<b>€ 24.045.239</b>

Allocation to extraordinary reserve	€ 24.045.000
Carried forward	€ 239
<b>Total income appropriated</b>	<b>€ 24.045.239</b>

## Third resolution

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

## Fourth resolution

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

## Fifth resolution

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

## Sixth resolution

The shareholders discharge the Directors from any liability arising from the exercise of their functions in respect of the financial year ended 31 December 2022.





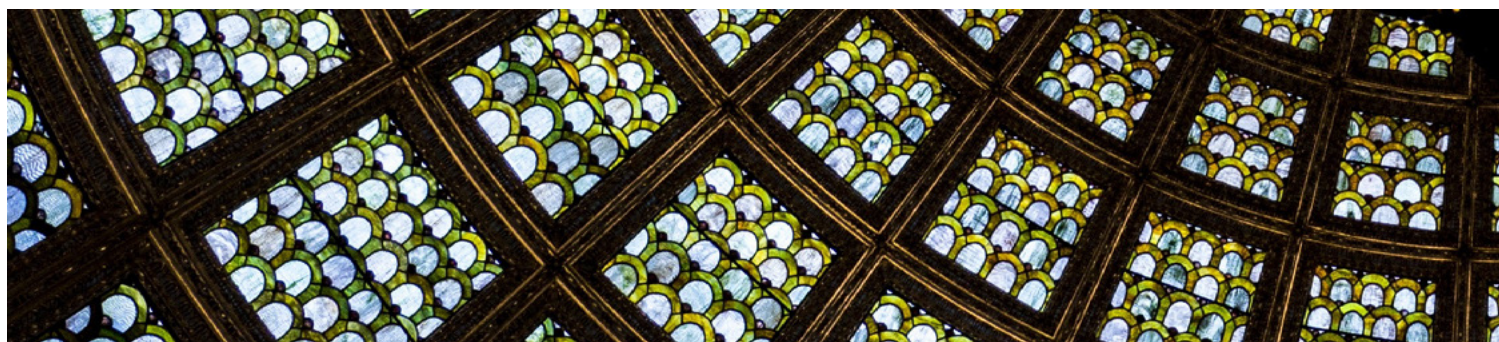
# Balance sheet

as at 31 December 2022 and 2021 after allocation of net profit

In thousands of euros	2022	2021
Cash, central banks	164.928	298.877
Due from banks	4.756.333	2.952.980
Customer loans	2.846.861	2.337.027
Bonds and other fixed income securities	680.528	507.984
Equities and other variable income securities	2.348	2.351
Participating interests and other financial investments	1.050	1.053
Interests in related companies	52.239	7.274
Goodwill, intangible assets	20.924	18.426
Property and equipment	85.487	147.904
Other assets	13.655	15.478
Deferred charges - accrued income	14.609	14.940
<b>Total assets</b>	<b>8.638.961</b>	<b>6.304.294</b>
Due to banks	1.410.171	944.579
Due to customers	6.118.834	4.295.631
Other liabilities	27.783	26.884
Accrued charges - deferred income	39.625	27.970
Provisions for contingencies and charges	2.004	2.168
General banking risks reserve	17.206	7.768
Share capital	111.110	111.110
Additional paid-in capital	4.573	4.573
Reserves	907.656	883.611
Retained earnings	0	
<b>Total liabilities</b>	<b>8.638.961</b>	<b>6.304.294</b>

## Commitments and contingencies

Commitments given		
Confirmed lines of credit	1.001.692	1.042.872
Guarantees given	69.613	56.887
Commitments relating to securities transactions	0	0



# General report

of the statutory auditors on the year ended 31 December 2022

To the Shareholders,

In accordance with the provisions of Article 25 of the Monegasque law of 20 January 1945 (No. 408), we hereby report to you on the general and permanent engagement entrusted to us pursuant to a decision taken at the Ordinary General Meeting of 31 May 2021 for the financial years 2021, 2022 and 2023.

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

- ❖ **Total assets on the balance sheet amount to €8,638,961k**
- ❖ **The income statement shows a net profit of €24,045k**

We are required to express an opinion on the accompanying financial statements. We conducted our audit in accordance with professional standards and by applying the rules relating to the audit of institutions that are subject to banking regulations. As part of our audit, we have examined the transactions entered into by your company during the year ended 31 December 2022, the balance sheet as at 31 December 2022 and the income statement and notes to the financial statements for the year then ended. These documents were prepared in accordance with the legal requirements and in the same form and using the same valuation methods as for the previous year.

We verified the various components of the assets and liabilities together with the methods used to

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

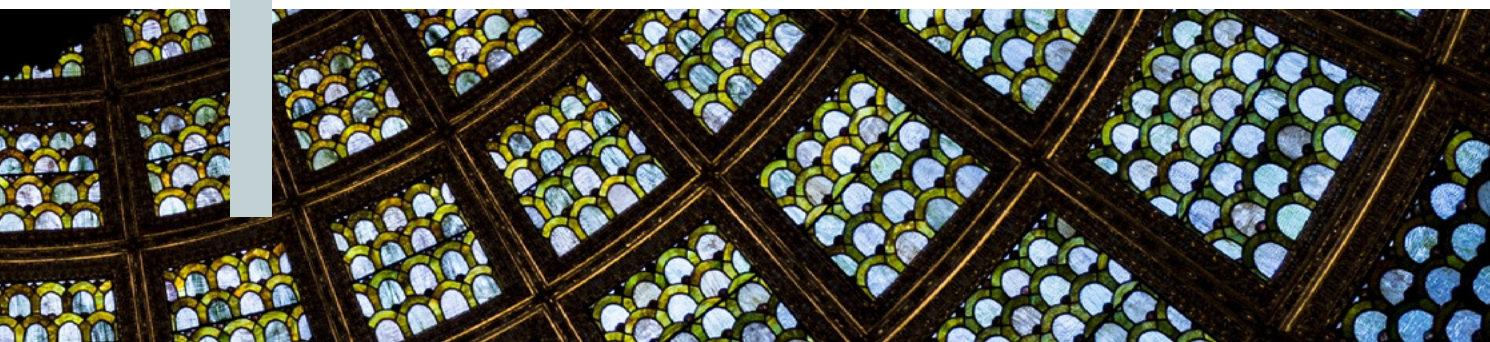
An accounting audit involves performing procedures, using sampling techniques, to obtain audit evidence regarding the amounts and disclosures in the financial statements. It also involves evaluating the appropriateness of the accounting policies used and the reasonableness of the main accounting estimates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

In our opinion, the accompanying annual financial statements for the year ended 31 December 2022, which are submitted for your approval, give a true and fair view, in accordance with the applicable legal requirements and professional standards, of the assets and liabilities of your Company as at 31 December 2022 and of the results of operations for the twelve-month period then ended.

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

Monaco, 11 April 2023

The Statutory Auditors  
Stéphane GARINO, Sandrine ARCIN.



# Special Report

of the statutory auditors on the year ended 31 December 2022

To the Shareholders,

In accordance with the provisions of Article 24 of the Monegasque law of 20 January 1945 (No. 408), we hereby report to you on the transactions referred to in Article 23 of the Sovereign Ordinance of 5 March 1895 that were completed during the year ended 31 December 2022 and on the general meetings held during that year.

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

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

The execution of these transactions during the financial year ended 31 December 2022 is described in the special report prepared by the Board of Directors of your company. We verified the information contained in this report and have no matters to report in that regard.

## General meeting held during the year

During the financial year, you were convened to attend:

- ◇ the annual Ordinary General Meeting held on 28 April 2022 to approve the financial statements for the year ended 31 December 2021;
- ◇ an Extraordinary General Meeting held on 19 July 2022 to amend Articles 20 “Deliberation of the Board” and 22 “Powers of the Board of Directors” of the Articles of Association.

For these meetings, we verified:

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

We did not observe any irregularities.

Monaco, le 11 avril 2023

The Statutory Auditors  
Stéphane GARINO, Sandrine ARCIN.





# Consolidated accounts

# Consolidated balance sheet

as at 31 December 2022 and 2021 before allocation of net profit

In thousands of euros	2022	2021
Cash, central banks	164.928	298.877
Due from banks	4.756.333	2.952.980
Customer loans	2.846.861	2.337.027
Bonds and other fixed income securities	680.918	508.384
Equities and other variable income securities	2.348	2.351
Participating interests and other financial investments	1.050	1.053
Interests in related companies	0	0
Goodwill, intangible assets	20.924	18.426
Property and equipment	149.832	147.904
Other assets	17.721	15.201
Deferred charges - accrued income	14.309	19.200
<b>Total assets</b>	<b>8.655.222</b>	<b>6.301.403</b>
Due to banks	1.410.171	944.579
Due to customers	6.105.283	4.288.907
Other liabilities	30.450	26.963
Accrued charges - deferred income	39.625	29.234
Provisions for contingencies and charges	2.004	2.168
General banking risks reserve	17.206	7.768
Share capital	111.110	111.110
Additional paid-in capital	4.573	4.573
Reserves	916.161	869.789
Group share	886.101	869.789
Minority interests	30.060	0
Retained earnings	0	0
Net profit	18.640	16.312
Group share	18.336	16.312
Minority interests	304	0
<b>Total liabilities</b>	<b>8.655.222</b>	<b>6.301.403</b>

## Commitments and contingencies

Commitments given		
Confirmed lines of credit	1.001.692	1.042.872
Guarantees given	69.613	56.887
Commitments relating to securities transactions	0	0

# Consolidated income statement

as at 31 December 2022 and 2021

In thousands of euros	2022	2021
<b>Banking income and expense</b>		
Interest income	102.136	54.107
Interest expense	(36.791)	(8.931)
Income from variable income securities	17	14
Commission and fee income	76.917	78.232
Commission expense	(4.307)	(4.093)
Net gain (or loss) on disposal of trading account securities	832	227
Net gain (or loss) on disposal of securities available for sale	(3.617)	1.152
Other banking income	5	5
Other banking expense	(4.978)	(4.858)
<b>Net banking income</b>	<b>130.214</b>	<b>115.855</b>
General operating expenses	(75.924)	(70.531)
Depreciation and other write-downs of property, equipment and intangible assets	(8.876)	(7.436)
<b>Gross operating income</b>	<b>45.414</b>	<b>37.888</b>
Depreciation on property revaluation reserve	(9.421)	(18.850)
Movement of provisions on loans and off-balance sheet items	(654)	(1.172)
<b>Operating income</b>	<b>35.339</b>	<b>17.866</b>
Gains and releases of provisions on long-term investments	0	0
<b>Income before tax and non-operating items</b>	<b>35.339</b>	<b>17.866</b>
Non-operating income	0	0
Income taxes	(7.261)	(6.054)
Provisions/reversals for general banking risks and regulated provisions	(9.438)	4.500
<b>Net profit</b>	<b>18.640</b>	<b>16.312</b>
Group share	18.336	16.312
Minority interests	304	0
<b>Basic earnings per share</b>	<b>0.033</b>	<b>0.029</b>
<b>Diluted earnings per share</b>	<b>0.033</b>	<b>0.029</b>

# Changes

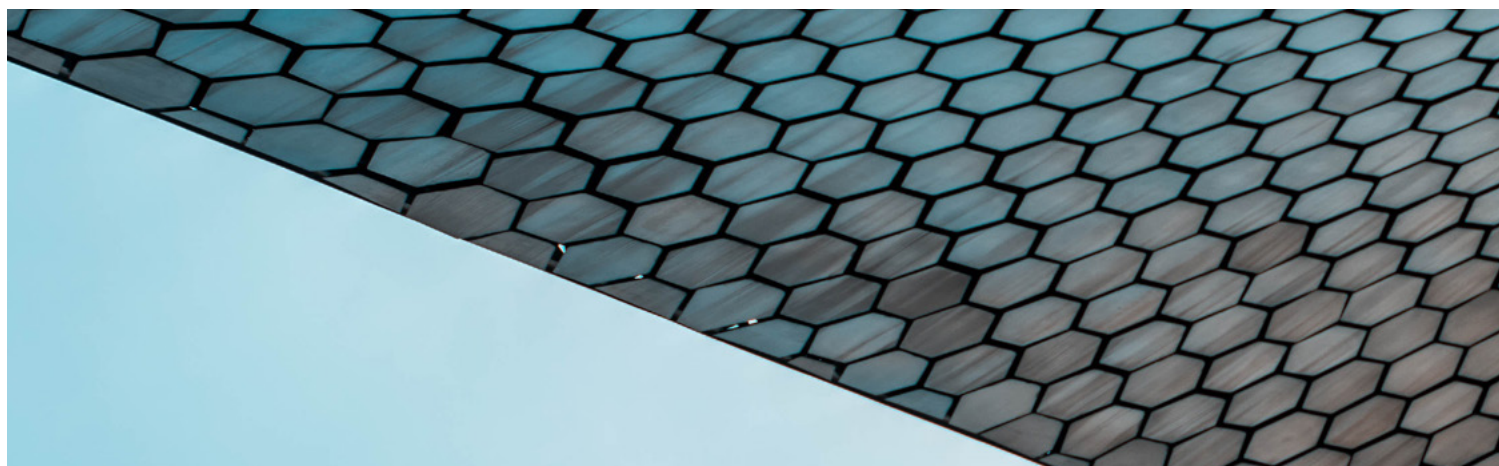
in consolidated shareholders' equity

In thousands of euros	Share capital	Additional paid-in capital	Consolidated reserves and retained earnings	Revaluation differences	Retained earnings	General banking risks reserve	Net profit	Total
<b>Balance as at 31/12/2021</b>	111.110	4.573	739.409	130.380	0	7.768	16.312	<b>1.009.552</b>
Appropriation of 2021 net profit			16.312				(16.312)	<b>0</b>
Allocations to general banking risk reserve						9.438		<b>(9.438)</b>
Amortisation of revaluation difference			9.421	(9.421)				<b>0</b>
2022 net profit							18.336	<b>18.336</b>
Minority interests			30.060				304	<b>30.364</b>
<b>Balance as at 31/12/2022</b>	<b>111.110</b>	<b>4.573</b>	<b>795.202</b>	<b>120.959</b>	<b>0</b>	<b>17.206</b>	<b>18.640</b>	<b>1.009.552</b>

Minority interests of €30 million relate to the equity interest (40%) held by Mediobanca in CMB RED, which is fully consolidated in the consolidated financial statements of CMB Monaco.







# Notes

to the consolidated financial statements for the year ended 31 December 2022

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

## Rules for preparing the consolidated financial statements

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

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

## Consolidation methods

### Fully consolidated companies

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

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

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

## Consolidation rules

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

## Accounting principles and valuation methods

We refer to the developments in the notes to the stand-alone financial statements (2 - paragraphs 2.1 to 2.13).

## Impact of the Russia-Ukraine crisis

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

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

At this stage, the bank has not identified any significant exposure to assets of Russian or Ukrainian issuers.

Moreover, the bank has not identified any risks arising from the sanctions imposed on Russia that could have a significant impact on the 2022 financial statements.



## Other information

### a. Consolidated goodwill, intangible assets, property and equipment

In thousands of euros	31/12/2021	Increase	Decrease	31/12/2022
<b>Gross amount</b>				
Goodwill, intangible assets	57.424	6.142	(401)	63.165
Property and equipment	270.845	9.200	(404)	279.641
Prepayments to suppliers	5.434	15.727	(9.284)	11.877
<b>Total gross fixed assets</b>	<b>333.703</b>	<b>31.069</b>	<b>(10.089)</b>	<b>354.683</b>
<b>Depreciation</b>				
Goodwill, intangible assets	(42.695)	(7.367)	401	(49.661)
Property and equipment	(124.660)	(10.926)	1.337	(134.249)
<b>Total depreciation</b>	<b>(167.335)</b>	<b>(18.293)</b>	<b>1.738</b>	<b>(183.910)</b>
<b>Provisions for impairment of assets</b>	<b>(18)</b>			<b>(18)</b>
<b>Net value</b>	<b>166.330</b>	<b>12.776</b>	<b>(8.351)</b>	<b>170.755</b>

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

## b. Breakdown of customer loans

In thousands of euros	2022	2021
<b>Breakdown of loans</b>		
Overdrafts	1.062.029	756.690
Other customer loans	1.784.832	1.580.337
<b>Total</b>	<b>2.846.861</b>	<b>2.337.027</b>

## c. Consolidated provisions for contingencies

In thousands of euros	Balance as at 31/12/2021	Additions during the year	Reversals during the year	Utilised during the year	Balance as at 31/12/2022	Loans at 31/12/2022	% of coverage
<b>Provisions for contingencies</b>							
Provisions for doubtful customers	546	172	(50)	(477)	192	12.283	2%
Provisions for contingencies and charges	2.168	623	(103)	(683)	2.004		
<b>Total</b>	<b>2.714</b>	<b>794</b>	<b>(153)</b>	<b>(1.160)</b>	<b>2.196</b>	<b>12.283</b>	

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

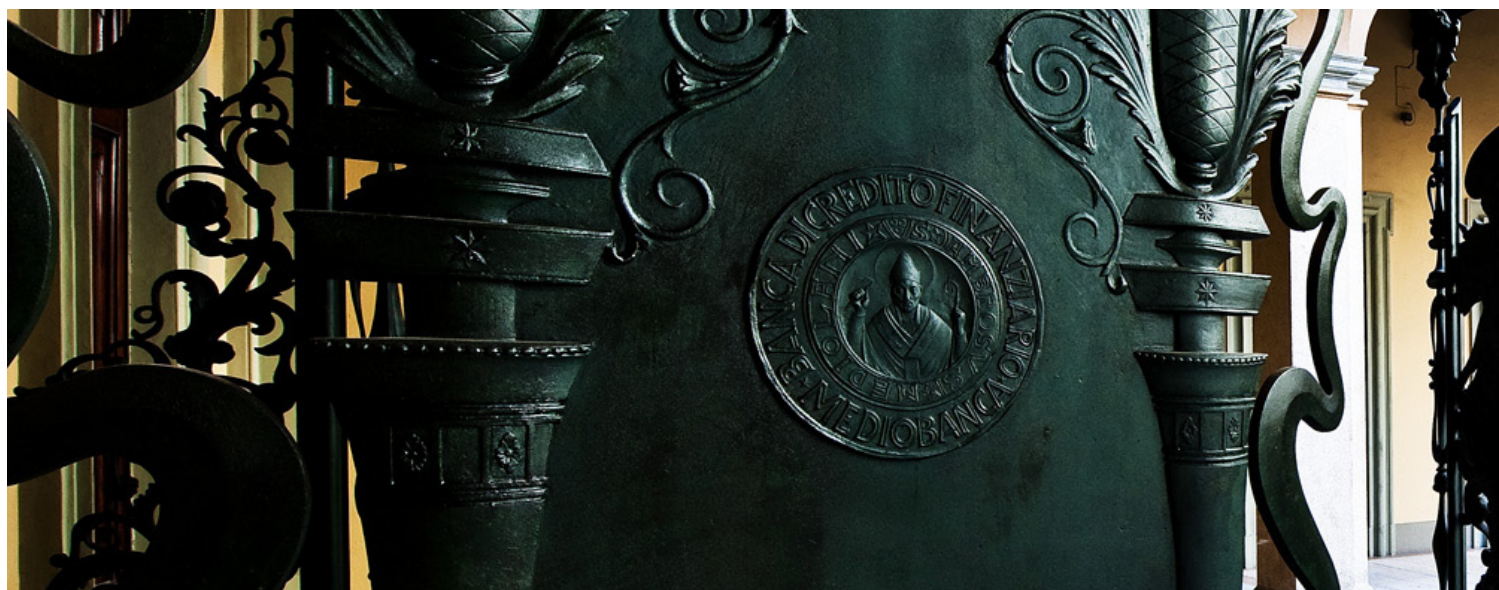
In thousands of euros	2022	2021
<b>Accrued income (classified within accounts receivable)</b>	<b>18.447</b>	<b>3.694</b>
Due from banks	11.558	249
Customer loans	5.636	2.487
Bonds and other fixed income securities	1.253	958
<b>Deferred charges - accrued income</b>	<b>14.309</b>	<b>19.200</b>
Commitments on derivative financial instruments	10.211	11.940
Prepaid expense	2.078	1.536
Accrued income	2.020	5.724
Other		
<b>Total assets</b>	<b>32.756</b>	<b>22.894</b>
<b>Accrued expense (within accounts payable)</b>	<b>12.416</b>	<b>914</b>
Due to banks	2.076	145
Due to customers	10.340	769
<b>Accrued charges - deferred income</b>	<b>39.625</b>	<b>29.234</b>
Commitments on derivative financial instruments	12.535	3.484
Deferred income	0	150
Accrued charges	27.058	25.571
Other	32	29
<b>Total liabilities</b>	<b>52.041</b>	<b>30.148</b>

## e. Analysis of income and expenses

In thousands of euros	Expense	Income
<b>Interest</b>		
Interbank transactions	(13.162)	47.971
Customer transactions	(23.363)	49.997
Bonds	(266)	4.168
<b>Subtotal</b>	<b>(36.791)</b>	<b>102.136</b>
<b>Income from variable income securities</b>		
Participating interests		17
<b>Subtotal</b>		<b>17</b>
<b>Commissions</b>		
Customer transactions	(1.161)	18.042
Securities transactions	(3.145)	58.874
<b>Subtotal</b>	<b>(4.307)</b>	<b>76.917</b>
<b>Trading account securities</b>		
Currency transactions		2.841
Securities transactions	(2.009)	
<b>Subtotal</b>	<b>(2.009)</b>	<b>2.841</b>
<b>Securities available for sale</b>		
Net gains and losses		1
Net changes in provision	(3.617)	
<b>Subtotal</b>	<b>(3.618)</b>	<b>1.</b>
<b>General operating expenses</b>		
Personnel expenses		
- Salaries and bonuses	(37.674)	
- Social security contributions	(11.669)	
General and administrative expenses	(26.581)	
<b>Subtotal</b>	<b>(75.924)</b>	<b>0</b>

## f. Breakdown of the cost of risk

In thousands of euros	2022	2021
Breakdown of the cost of risk		
Reversal of doubtful debt provision	50	29
Reversal of risk provision (litigation)	103	50
Doubtful debt provision	(172)	(128)
Risk provision (litigation)	(623)	(1.086)
Loss on irrecoverable debt	(12)	(37)
<b>Total</b>	<b>(654)</b>	<b>(1.172)</b>



# Report of the statutory auditors

on the consolidated financial statements for the year ended 31 December 2022

To the Shareholders,

We have audited the accompanying consolidated financial statements of CMB Monaco for the year ended 31 December 2022.

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

❖ **Total assets on the balance sheet amount to €8,655,222k**

❖ **The income statement shows a net profit of €18,640k**

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

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

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

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

Monaco, 11 April 2023

The Statutory Auditors  
Stépane GARINO, Sandrine ARCIN.





**CMB Monaco**

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

**Coordination, design and production**

Pierrick COLLIN - CMB Monaco

**Photography**

Bakir HAMED  
Philippe FITTE

**Printing**

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







**CMB Monaco**  
23, avenue de la Costa - 98000 Monaco  
+377 93 15 77 77  
[cmb@cmb.mc](mailto:cmb@cmb.mc)