EDMOND DE ROTHSCHILD

Edmond de Rothschild (France)

2022 Annual Financial Report

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A public company with Executive and Supervisory Boards and capital of €83,075,820
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Shareholder’s letter

Our current geopolitical and economic situation is unprecedented in its complexity. With the war in Europe, the loss of energy sovereignty, inflation, high interest rates, and the climate change emergency, we are moving toward a scenario that the forecasters call a “perfect storm”.

It is in these situations that we have the greatest responsibility. Giving into pessimism or overwhelm is not an option. On the contrary – because everything seems to be sticking and slowing down, we’ve got to show even more mettle. In order to do our part to resolve these problems, we must create long-term investment solutions with a strong commitment. This is what has guided our family through the generations. For many years, this is where I’ve been dedicating most of my energy. And I have guided the Edmond de Rothschild Group by this insistence on impact. I have long believed that an investment should be judged not only by its financial performance, but also by what it contributes to society. These two criteria are the keys to lasting growth.

As you know, rather than sweeping announcements and general plans, we prefer concrete, shared initiatives that produce tangible and measurable results in the real economy. For more than fifteen years, our investments and financial products have matched what we anticipate from the major environmental, social and demographic challenges. We invest in order to turn industrial soil back into habitat. We invest in education and training. We invest in green and social infrastructures and agri-food systems that don’t deplete resources. We invest in real estate renovation, renewable energy, and human capital.

This obsession with impact is the core of a strategy that unites our approach and aligns our interests with those of our clients and partners. As such, many of our areas of expertise have set performance indicators to rate how well our targets are achieved in terms of impact. It’s a matter of responsibility and transparency.

In 2023, with the energy crisis and the central banks taking control of monetary policy, some cyclical sectors have returned to centre stage, attracting investment flows focused on quick results. Let’s not be fooled. In these moments, our responsibility commands us to stay the course – not to sacrifice the long term for the sake of speculation. Accordingly, for 2023 our priority will be to further investments that combat climate change, at a time when looking for instant profits could relegate them to the background. We owe you that consistency.

Yet this crisis is also a historic occasion to advance our parameters and methods, along with our outlook and expectations. That is why, in 2023, we will hold fast to our place in the vanguard of thought, to adapt finance to the world as it is. Understanding our clients’ expectations in a turbulent environment will remain our focus at all times. Without abandoning our convictions, we will be more attuned to the world than ever, at a time when it needs real answers for the future of its energy, environment, industry and health.

Once again we will be ready – with our employees and partners – to hold our rank as a responsible financier. I thank them in advance for their determination. We know how great that responsibility will be in 2023.

And I wish to thank our private and institutional clients who are entrusting their assets to our management. In this way, they are making a positive difference in these areas and investing for long-term value creation. The soundness of what we’ve built, and our experience with adverse circumstances, makes me fully confident in our ability to understand and face the future, together.

A. de Rothschild

Ariane de Rothschild,
Chair of the Board of Directors* of Edmond de Rothschild Group

**CEO since March 2023*

Key figures

Key figures

Edmond de Rothschild Group at 31 December 2022

Edmond de Rothschild: unique among banks

The Edmond de Rothschild Group's position in the world of finance is unique. We are fully in tune with the new global landscape but, at the same time, we cultivate values that have fallen by the wayside at many other banks.
The family tradition gives us an acute sense of what the "long term" means, and this is reflected in the way we manage clients' assets: creativity does not preclude cautiousness; and while our business may break new ground, risk is always well managed.
What we do draws on two powerful engines: private banking and asset management. The Group is also expanding in corporate finance, private equity, real estate and institutional & fund services.

The Edmond de Rothschild Group today

The Edmond de Rothschild Group offers bespoke services to an international client base consisting of wealthy families, entrepreneurs and large institutions.

Our lines of business

Private Banking

Corporate Finance

Asset Management

Private Equity

Real estate

Institutional & Fund Services

Our strengths

• The stability and solidity of an independent financial group
• Unsurpassed attention to individual client needs combined with global expertise
• Proactive teams that track and analyse the latest economic developments and adjust our offerings accordingly
• Access to a comprehensive range of financial products and services

The Edmond de Rothschild Group in figures

CHF158 billion in assets under management (€160 billion)

22% FINMA capital adequacy ratio

2,500 employees at 31 December 2022

GLOBALLY ACTIVE

30 offices in 15 countries

MAIN OFFICES

Suisse *Switzerland*
Genève *Geneva*

France
Paris

Luxembourg
Luxembourg

Monaco
Monaco

- Booking centre
- Joint venture

OTHER OFFICES

Allemagne *Germany*
Berlin, Franckfort *Frankfurt*
Munich *München*

Belgique *Belgium*
Anvers *Antwern*
Bruxelles *Brussels*

Chine *China*
Shangaï *Shangai*

Émirats Arabes unis *UAE*
Dubaï *Dubai*

Espagne *Spain*
Barcelone, Madrid

France
Bordeaux, Lille, Lyon, Marseille, Nantes, Strasbourg, Toulouse

Israël *Israel*
Tel Aviv

Italie *Italy*
Milan

Japon *Japan*
Tokyo

Pays-bas *Netherlands*
Amsterdam

Portugal
Lisbonne *Lisbon*

Royaume-Uni *UK*
Londres *London*

Suisse *Switzerland*
Fribourg, Lausanne, Lugano, Zurich

Key figures

Edmond de Rothschild (France) at 31 December 2022

Shareholders at 31 December 2022

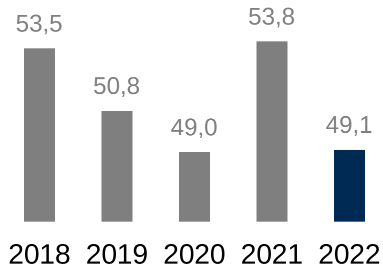
Edmond de Rothschild (France) is wholly-owned by Edmond de Rothschild (Suisse) SA.

Offices in France

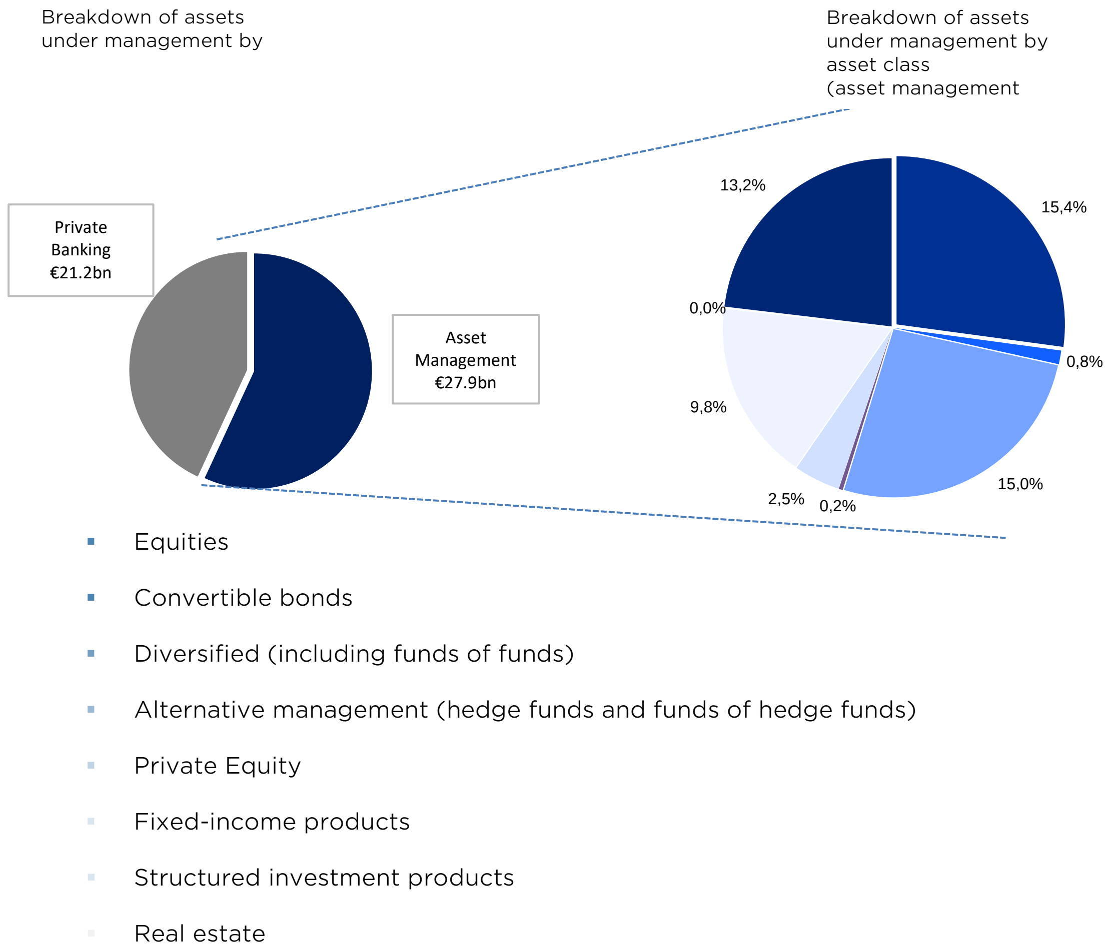
Bordeaux, Lille, Lyon, Marseille, Nantes, Paris, Strasbourg and Toulouse

Total assets under management

In billions of euros



Breakdown of assets under management by division and asset class (asset management subsidiaries)



Consolidated highlights (in millions of euros)

Balance sheet highlights	2020	2021	2022
Total assets	3,910	4,668	6,541
Equity attributable to equity holders of the parent*	395	397	406
Loans granted	1,160	1,422	1,531
Client deposits	1,830	2,488	2,557

The robustness of the Group's financial position is reflected in its capital ratios**. Its capital adequacy ratio stood at 22.6% with its Tier One and Core Tier One ratios at 21.3% at the end of 2022. The minimum regulatory requirement is 10.75%.

The Liquidity Coverage Ratio (LCR) stood at 176.2%, comfortably above the minimum regulatory requirement of 100%.

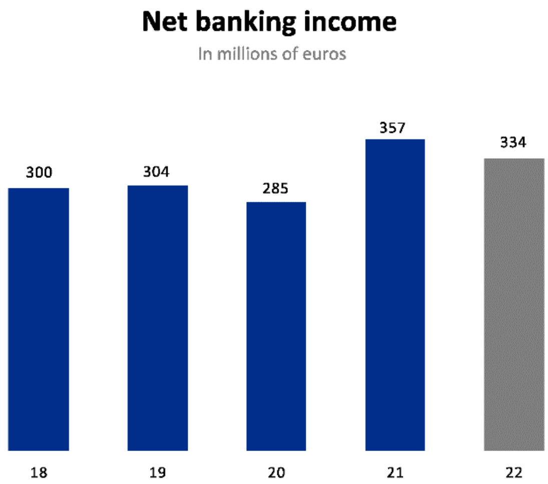
The Net Stable Funding Ratio (NSFR) stood at 185.6%. This ratio came into effect on 30 June 2021 with a minimum regulatory requirement of 100%.

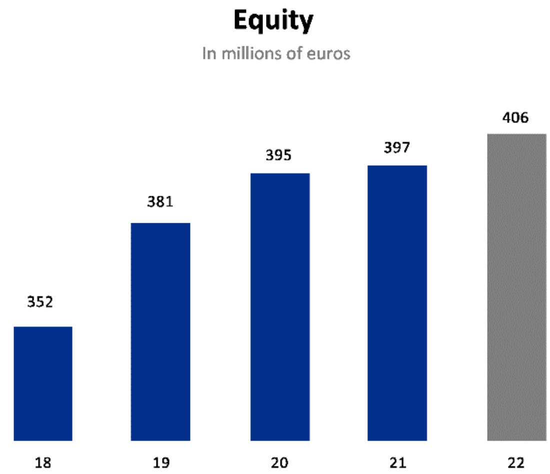
Income statement highlights	2020	2021	2022
Net banking income	285	357	334
Gross operating income	30	67	34
Net income	27	54	71
of which attributable to equity holders of the parent	*24*	*57*	*73*

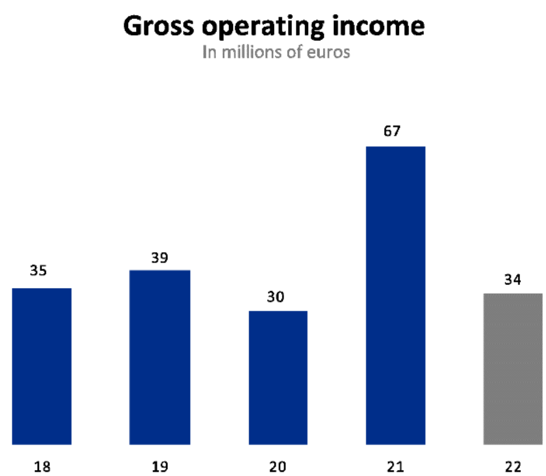
Average headcount (number)	**775**	**791**	**785**

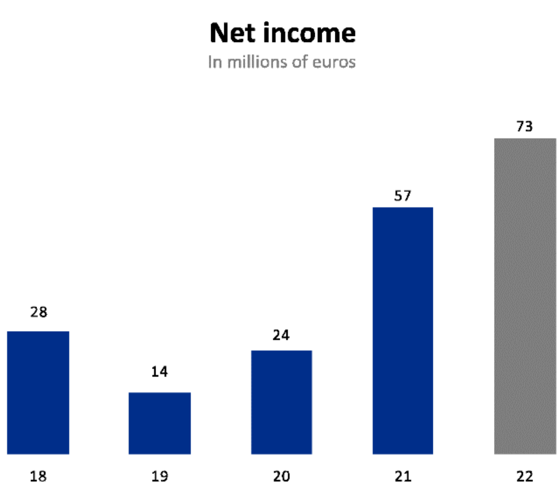
* Excluding net income for the year.

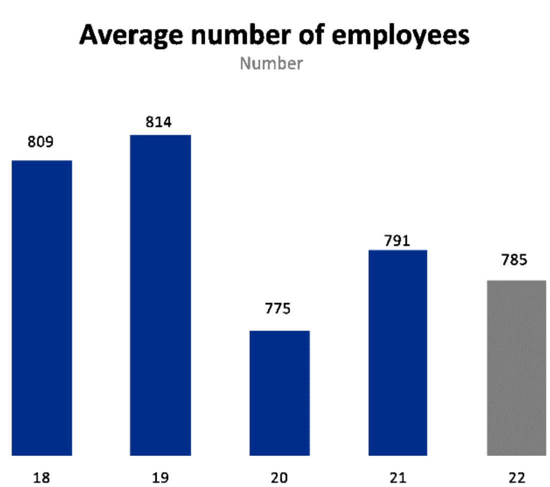
** These ratios are calculated in accordance with prudential regulations on the basis of the consolidated equity of Edmond de Rothschild (France).











Management Report

Report of the Executive Board

After two years of a global public health crisis, 2022 was marked by high geopolitical instability (due to the Russia-Ukraine war) which disrupted the markets and amplified the inflationary shock. The central banks attempted to contain this inflation by aggressively hiking policy rates.

Against this backdrop, the markets were down over the first three quarters with a 19.4% decline in the French benchmark. A more robust fourth quarter mitigated this decline and limited the annual loss to 9.5%.

Nonetheless, Edmond de Rothschild (France) remained supremely resilient due to its robust economic model and its strong network of private bankers and asset management sales team. A new round of fundraising offset a portion of the decline in assets under management caused by the market downturn. As 2022 drew to a close, the Edmond de Rothschild Group made a few changes in scope, with the exit of Edmond de Rothschild REIM (France) and the disposal of shares in Edmond de Rothschild (Monaco).

And so, Edmond de Rothschild (France) posted net income of €71.1 million at 31 December 2022, an increase of €16.8 million compared to 31 December 2021. This did, however, include €33.5 million in income from the disposal of Edmond de Rothschild (France) shares in Edmond de Rothschild (Monaco) and the sale of the REIM business.

Full-year sales and financial performances by our business lines remain solid compared to the previous year. Private Banking maintained its first-class sales activity, generating €2 billion in net new money in France and €12 billion in Italy. Private equity continued to raise funds (including €502 million on ERES IV). Asset management, on the other hand, posted a net outflow: real estate management netted +€246 million, while "liquid" asset management products lost more than €2.9 billion, including €2.6 billion from a low-margin fund. Lastly, corporate finance closed some promising deals and was able to bill the same amount in a strong bear market, and had a very full order book.

In thousands of euros	2022	2021	Change
Net banking income	**334,228**	**357,209**	**-6.4%**
Operating expenses	-300,036	-290,426	3.3%
- Personnel expenses	*-179,887*	*-178,372*	
- Other operating expenses	*-94,900*	*-85,408*	
- Depreciation and amortisation	*-25,250*	*-26,646*	
Gross operating income	**34,191**	**66,783**	**-48.8%**
Cost of risk	-14	-237	
Operating income	**34,177**	**66,546**	**-48.6%**
Associates	16,470	11,116	
Net gains or losses on other assets	33,470	-119	
Change in value of goodwill	-	-388	
Recurring income before tax	**84,117**	**77,155**	**x1.1**
Income tax expense	-13,003	-22,880	
Net income	**71,114**	**54,275**	**x1.3**
Non-controlling interests	1,546	2,287	
Net income attributable to equity holders of the parent	**72,660**	**56,562**	**28.5%**
Non-recurring transactions	-	-	
Reported net income attributable to equity holders of the parent	**72,660**	**56,562**	**28.5%**
Cost/income ratio*	84.9%	76.4%	

*Personnel expenses and other operating expenses (excluding depreciation and amortisation restated for IFRS 16) as a percentage of net banking income (NBI).

Net banking income

Net banking income fell 6.4% compared with 2021 to reach €334.2 million in 2022. This overall trend reflects:

- a -3.5% decrease in management and advisory fees as assets under management moved lower due to the factors outlined above and a richer product mix,

- a high level of performance-related fees of €20.7 million, down from €46 million in 2021, which was an exceptional year,

- a strong 11.1% increase in fees on transactions (transactions and front-end charges), driven upwards by the market movements observed in 2022,

- a 6.2% increase in balance sheet results to +€33.2 million, with the continued good performance of the credit business aided by an increase in the size of the loan portfolio, as well as the positive impact of the rise in interest rates observed in the second half of the year,

- net income in Corporate Advisory Services stabilizing, with €47 million in fees over 2022, up slightly by +0.8% compared to 2021.

Gross margin came to 68 basis points, down 2 basis points compared to 2021.

Operating expenses

Operating expenses totalled €300 million in 2022, up 3% on 2021.

Personnel expenses came to €179.9 million, up slightly by 0.8% compared to 2021, particularly due to the impact of a larger payroll on fixed compensation. This was partly offset by lower variable compensation that was adjusted to reflect performance.

Other operating expenses totalled €120.2 million, up 7.2% on 2021, chiefly as a result of the improving public health situation and its impact on sales activity, as well as the increase in market data costs.

Operating income

In light of these trends in net banking income and operating expenses, operating income fell to €34.2 million from €66.6 million in 2021. As a result, the cost/income ratio deteriorated by nine points relative to 2021, reaching 85% in 2022.

Net income attributable to equity holders of the parent

The share in the net income of associates came to €16.5 million (versus income of €11.2 million in 2021), thanks to strong performance by Edmond de Rothschild (Monaco).
Gains and losses on assets amounted to €33.5 million, compared with a virtually zero net result for 2021.

There was no impairment of goodwill in 2021, compared to -€0.4 million in 2021.

Non-controlling interests totalled €1.5 million in 2022, down from €2.3 million in 2021.

Given the impact of these factors, net income attributable to equity holders of the parent rose +28% on the previous year to €72.7 million.

Business trends and income by division

Private Banking made further headway. Its results advanced sharply in advisory and discretionary management and in lending, with another very strong sales performance during the year.

Amid unfavourable market conditions, management and advisory fees fell significantly in Asset Management (except for in real estate management). In addition, 2021's good management performance led to an increase in performance-related fees that was not seen in 2022, with performance-related fees decreasing by €25.6 million.
Real estate management again posted growth in margins and recurring revenue, and trading revenue was slightly higher than in 2021.

Private equity continued to grow its assets under management with new funds launched during the year and some additional closings on existing funds continuing to show very good momentum.

Corporate Advisory Services also performed very well in 2022 amid a much more complicated economic environment than in 2021. The team has firmly established itself as a respected player in its market segment.

The Bank has the following divisions:
- ✓ Private Banking
- ✓ Corporate Finance
- ✓ Asset Management
- ✓ Private Equity
- ✓ Real estate
- ✓ Institutional & Fund Services

Overview of income and profitability by division

	Private Banking		Asset Management		Private Equity		Other Activities and Proprietary Trading		Group	
In thousands of euros	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net banking income	**120,472**	**109,609**	**142,387**	**170,751**	**4,767**	**5,378**	**66,602**	**71,471**	**334,228**	**357,209**
Operating expenses	-97,543	-90,373	-130,170	-133,362	-5,488	-5,995	-66,835	-60,696	-300,036	-290,426
- Personnel expenses	*-61,630*	*-57,248*	*-73,219*	*-78,318*	*-2,673*	*-3,498*	*-42,364*	*-39,307*	*-179,887*	*-178,372*
. direct	*-44,423*	*-42,106*	*-56,373*	*-60,610*	*-2,045*	*-2,830*	*-35,748*	*-33,003*	*-138,588*	*-138,549*
. indirect	*-17,207*	*-15,142*	*-16,846*	*-17,709*	*-628*	*-668*	*-6,616*	*-6,304*	*-41,298*	*-39,822*
- Other operating expenses	*-28,993*	*-25,816*	*-50,013*	*-47,234*	*-2,600*	*-2,280*	*-13,294*	*-10,077*	*-94,900*	*-85,408*
- Depreciation and amortisation	*-6,920*	*-7,309*	*-6,939*	*-7,809*	*-215*	*-217*	*-11,176*	*-11,312*	*-25,250*	*-26,646*
Gross operating income	**22,929**	**19,236**	**12,217**	**37,389**	**-722**	**-616**	**-233**	**10,774**	**34,191**	**66,783**
Cost of risk	-	-	-	-	-	-	-14	-237	-14	-237
Operating income	**22,929**	**19,236**	**12,217**	**37,389**	**-722**	**-616**	**-247**	**10,537**	**34,177**	**66,546**
Associates	13,467	10,377	-	-	3,002	739	-	-	16,470	11,116
Net gains or losses on other assets	-	-	-	-	-	-93	33,470	-26	33,470	-119
Change in value of goodwill	-	-	-	-	-	-	-	-388	-	-388
Recurring income before tax	**36,396**	**29,613**	**12,217**	**37,389**	**2,281**	**30**	**33,223**	**10,123**	**84,117**	**77,155**
Cost/income ratio*	75.2%	75.8%	87.0%	73.9%	110.6%	107.4%	96.2%	80.9%	84.9%	76.4%

*Personnel expenses and other operating expenses (excluding depreciation and amortisation restated for IFRS 16) as a percentage of net banking income (NBI).

Private Banking

Highlights of 2022

- Despite a complicated market backdrop, net inflows of €2 billion in 2022 (France + Italy)
- €21.2 billion in assets under management (France + Italy)
- Advisory and discretionary management offering strengthened by the launch of several products
- Very solid momentum in Private Equity solutions for private clients

Private Banking is the Group’s original business. For over 250 years, Edmond de Rothschild has been on hand to support its private clients with looking after, growing and passing on their assets. We offer a range of solutions combining long-term performance with an effective impact. Our task in today’s fast-moving world is to deliver bespoke solutions to our clients’ current and future needs that accommodate the changes shaping the future.

Our range of products and services embodies this commitment. They are always firmly rooted in the real economy and geared to the challenges that lie ahead.

Private bankers form the cornerstone of relationships with our clients. They build an overview of clients’ portfolios and marshal our various areas of expertise and business lines to make sure all their personal and business assets are managed in a completely seamless manner. Our private clients have access to the full range of the Edmond de Rothschild Group’s investment, wealth engineering, corporate finance, private equity, real estate and philanthropic solutions.

Drawing on its wide-ranging skills and expertise, Edmond de Rothschild’s private banking division in France devises a highly personalised approach. Our solutions fit the needs of our clients like a glove, addressing all the challenges they face at every stage in the wealth management process.

Strong sales momentum

Brisk business in private banking was the hallmark of 2022. Our growth was based on several highlights:

First, we had excellent net inflows in a market environment that grew more complex as the year went on. Split equally between the Paris office and the seven regional offices, these funds came from the bank's core target: entrepreneurs, all sectors combined, who carried out M&A activity on their companies. Thanks to a reliably strong working relationship with Corporate Finance, the teams can go and meet these entrepreneurs wherever they are in the country.

Next is credit enhancement, which is underpinned by the bank's solid balance sheet. This is still a key growth area and it is meeting client demand.

Lastly, the innovation that characterises our Group was particularly active this year, with product launches in Discretionary Management, Advisory and Private Equity that are fulfilling the bank's strategy of providing its clients with strategic allocation of diversified assets.

A dramatically enhanced range of advisory and investment solutions services

Edmond de Rothschild is constantly refining the range of products and services we offer. These developments and innovations flow from the strong positions we have established in specific areas of expertise and themes in which we have identified long-term growth opportunities.

Our positioning as a Conviction-driven investment house

A string of product launches in 2022 perfectly captured the bank’s ambition to have an impact on the real economy, yet also promote its values and convictions, while at the same time meeting the needs of clients.

On their own, the two community projects launched by the Active Advisory Team brought in €45 million in new money. These proceeds generated two gifts for a total of €180,000, which were given to the non-profits “Imagine for Margo” and “La Maison des Femmes”. These community projects were part of a growth surge in structured products in 2022.

The Private Equity mandate launched this year is opening up venture capital for private clients. It gives them the option of investing in the innovative impact strategies of the Group's private equity platform, which is most often restricted to professional clients. At the close of 2022, inflows for this mandate stood at €85 million.

Proactive and responsive

To contend with market developments, the bank kept up its momentum and bolstered its range of liquid products with a new management mandate, the alternative mandate with a moderate risk/return ratio. At the end of the year, inflows stood at €34 million.

Additionally in 2022, the bank launched the distribution of several investment funds that meet the needs of entrepreneur clients looking for 150-0 B ter eligible reinvestment solutions (to retain the tax deferral of the capital gains from the sale of their business): ExtendAM, Galion.exe and VAeX.

Finally, the Wealth Solutions team found landmark acquisition opportunities for clients looking to invest in real estate. Two direct real estate deals were completed for a total of €85 million.

Bespoke offering for entrepreneurs

Entrepreneurs are one of Private Banking's leading areas of growth in France. We are more committed than ever to our distinctive, longstanding approach of "A bank of entrepreneurs working for entrepreneurs". Although the tech sector suffered in 2022, the Bank maintained its presence via a number of partnerships in Paris and elsewhere in France, such as with The Galion Project, Numeum (an organisation representing digital ecosystem businesses in France) and French Tech in Lille and Marseille.

Our offering has been designed to meet the needs of SMEs and their leaders. It features services and solutions that cater to all the personal and business challenges they face and provides a cohesive approach to managing their portfolio over the long term.

The private banking teams work hand in hand with our wealth engineering teams to advise their clients on buyouts, capital-raising and acquisitions, harnessing major synergies with the corporate finance team.

This provides clients with integrated advisory services, from portfolio management to wealth planning, and from business acquisitions and sales to support for capital transactions for industrial, commercial and real estate assets.

Finally, in 2022, Edmond de Rothschild has proved it is still "ESSENTIAL" by leading the Décideurs ranking of independent private banks.

Breakdown of Private Banking results

In thousands of euros	2022	2021	Change
Net banking income	**120,472**	**109,609**	**9.9%**
Operating expenses	-97,543	-90,373	7.9%
- Personnel expenses	*-61,630*	*-57,248*	
. direct	*-44,423*	*-42,106*	
. indirect	*-17,207*	*-15,142*	
- Other operating expenses	*-28,993*	*-25,816*	
- Depreciation and amortisation	*-6,920*	*-7,309*	
Gross operating income	**22,929**	**19,236**	**19.2%**
Cost of risk	-	-	
Operating income	**22,929**	**19,236**	**19.2%**
Associates	13,467	10,377	
Net gains or losses on other assets	-	-	
Change in value of goodwill	-	-	
Recurring income before tax	**36,396**	**29,613**	**22.9%**
Cost/income ratio*	75.2%	75.8%	

*Personnel expenses and other operating expenses (excluding depreciation and amortisation restated for IFRS 16) as a percentage of net banking income (NBI).

Net banking income

Private Banking’s sales performance powered ahead in France, with growth in Italy revitalised by the recruitment of new bankers in 2020. As a result, the division’s net banking income totalled €120.5 million in 2022, up 10% on 2021.

The key factors were as follows:

In France:

- management and advisory fees rose 1.4% from 2021, reflecting robust sales performance that drove up assets under management, with a high level of net inflows that offset the negative market impact on assets under management,
- very strong transactional activity over 2022 with revenues up sharply by 24%,
- on-balance sheet revenue rose sharply in 2022 thanks to the good performance of
- the lending business, with revenues rising sharply compared to 2021, but also with revenues from structured products increasing.

In Italy, the investments made at the end of 2019 continue to be profitable. Despite the 3% decline in average assets under management, revenues declined only 4% in 2021, which included a 10% drop in fees.

Overall, Private Banking's net banking income accounted for 36% of consolidated net banking income in 2022, up from 31% in 2021.

Operating expenses

Private Banking's operating expenses totalled €97.5 million in 2022, up 7.9% on 2021.

The division’s personnel expenses totalled €61.6 million, up 7.7% compared to 2021, due to the full-year impact of the hiring completed in 2021 and the impact of performance-related variable compensation.

Other expenses rose 12.3%, largely as a result of the improvement in the public health situation.

Operating income

Private Banking recorded €22.9 million in gross operating income, a very significant rise from €19.2 million in 2021, thanks to revenue growth and a controlled increase in costs.

Accordingly, the cost/income ratio stood at 75%, which was an improvement on the 76% recorded in 2021.

As in previous years, the cost of risk was very low indeed, reflecting the high quality of the division's loan commitments and its effective risk management.

Recurring income before tax

Including the contribution from Edmond de Rothschild (Monaco), which was 29.8% higher than in 2021, Private Banking's income before tax totalled €36.4 million in 2022, up 22.9% on 2021.

Asset Management

Highlights of 2022

- €27.9 billion under management
- A complex year due to market downturns
- Net inflows almost at equilibrium when excluding the exit of a low-margin fund
- An ambitious responsible investment roadmap
- The physical asset platform is gaining momentum

The whole philosophy behind Edmond de Rothschild's Asset Management range is to offer its clients active, conviction-driven management. Edmond de Rothschild Asset Management aims to outperform index-tracking products by focusing on value creation over the long term.

The range of investment solutions available from Edmond de Rothschild Asset Management comprises funds and managed accounts for institutional investors, together with open-ended UCITS marketed to private clients by multiple partner financial institutions (private banks, asset managers, insurers) and independent financial advisors. It consists of an innovative physical assets platform, with strategies focused on responsible investment and impact investing.

A year of rapid development

Despite a turbulent market backdrop, 2022 brought much success. The war in Ukraine, stubborn inflation driven by rising energy prices, and interest-rate hikes brought about by monetary tightening on both sides of the Atlantic generated instability and high volatility. It is clear that the asset management sector has faced major challenges, with double-digit negative performances for a good many asset classes and strong selling pressure with respect to some winning sectors over the past few years, like tech.

Despite all these headwinds, Edmond de Rothschild Asset Management (France) performed well and showed remarkable resilience in 2022.

New funds were launched throughout the year, proving our constant innovation including in a risk-averse, wait-and-see environment for an entire segment of our industry.

Edmond de Rothschild Sicav Millesima World 2028, a target-date bond fund that we have offered since May and opened up to subscription a year ago, provides exposure to high-yield developed and emerging market corporate bonds. Edmond de Rothschild Asset Management (France) is one of the pioneers in target-date funds in France and has launched 10 open-ended funds of this type since 2008, bringing in more than €2 billion. The Edmond de Rothschild SICAV European Smaller Companies European equity fund was created at the end of the year. It invests in small- and mid-cap companies with a growth and quality bias. Additionally, dedicated funds were launched in partnership with a Spanish network bank on the theme of the metaverse, a target-date fund was marketed for three months with a major French institutional investor.

In terms of hiring, we expanded the Paris-based management teams in 2022 to help make the investment process even more robust and increase our management capabilities. New managers have been recruited to the Equities team.

In addition, the sales team led by Marie Jacot-Cardoen, Global Head of Distribution, was expanded in France to provide even better service to our customers.

In France, the Distribution and Partnerships team was expanded with the arrival of a sales professional who is responsible for developing sales operations in Eastern France and the Greater Paris region (jointly with the other team members).

Driving sales

Despite a complex market environment and high volatility, 2022 was a year of manifold success for Edmond de Rothschild Asset Management (France). Total inflows and the number of winning bids demonstrate its strong momentum.

A number of equity strategies stood out for their performance. The Edmond de Rothschild Fund - Big

Data now has €1.4 billion under management as a result of inflows approaching €340 million in 2022.

This tremendous success reflects investors' strong interest in the theme, as well as the fund's performance to date. Since its launch in August 2015, the Edmond de Rothschild Fund - Big Data has posted an annualised return of 11.3%, ahead of the 9.1% achieved by its benchmark index.

As for Edmond de Rothschild Fund US Value, it collected nearly €170 million in 2022. The fund posted performance of 13.2% in 2022, compared to -2.1% for its benchmark. Its assets under management total nearly €450 million, proof of Value's renewed appeal.

The Edmond de Rothschild Fund Human Capital launched in late 2020 now has over €160 million in assets under management. The fund generated positive relative performance in 2022. We are particularly attached to this SRI strategy, which has a special focus on the social pillar. In fixed income, our bond allocation strategy, Edmond de Rothschild Fund Bond Allocation, closed out the period in negative territory but continued to generously outperform its benchmark with a good margin despite higher interest rates and extreme volatility on the markets. Furthermore, Edmond de Rothschild SICAV Financial Bonds, Edmond de Rothschild SICAV Euro Sustainable Credit and Edmond de Rothschild Fund Euro High Yield beat their benchmarks and their peers during this unique year on the markets.

Several awards received in 2022 confirmed the quality and strength of our investment performances. Edmond de Rothschild Asset Management topped the podium at H24 Finance's Grand Prix de la Finance 2022 awards for the best management companies with €50-100 billion in AuM. Several of our funds took prizes at the event. In addition, Edmond de Rothschild's Global Equity range was recognised at the Quantalys Awards. This prize was awarded in the category of companies with European operations that manage more than €5 billion.

An ambitious responsible investment roadmap

Close to 15 years after launching a renewable energies strategy (2007), Edmond de Rothschild Asset Management is still powering up in responsible investment, which is now part of our asset management DNA, characterised by independent, active, fundamental and conviction-based management.

The size of our SRI fund range has quadrupled since 2019. It encompasses European equities and bonds, hybrid assets and theme-based funds, such as healthcare, human capital and climate change.

Edmond de Rothschild Asset Management pushed ahead with the third four-year programme in our Responsible Investment strategy (2021–2024), and we took steps to embed ESG (environmental, social and governance) considerations in all our investment decisions (liquid and physical assets).

In liquid assets, we signed up to the United Nations Principles for Responsible Investment (UN PRI) back in 2010, committing Edmond de Rothschild Asset Management to a continuous improvement process. In addition, we have applied the Best-in-Universe approach, long considered an outlier, from the very outset. And in 2011, we developed Edmond de Rothschild Build, a proprietary ESG analysis and rating tool. As a result, our Responsible Investment team is able to present non-financial convictions underpinned by its own analysis.

In physical assets, we were quick to implement a number of initiatives. For example, our private equity activities now contribute to 13 of the United Nations Sustainable Development Goals. Five years ago, our infrastructure debt strategy was the first to incorporate ESG criteria in its investment process. In real estate, the teams are taking a sustainable approach to building – in the literal sense of the term – the world of today and tomorrow.

Our action-oriented approach, aimed at demonstrating our impact in concrete terms with precise figures, is reflected in our new brand positioning "Sustainability in action".

The physical asset platform is gaining momentum

Our physical asset platform pressed ahead with its rapid development, producing high inflows across real estate, private equity and infrastructure debt, its three core areas.

In France, Edmond de Rothschild REIM solidified its place as a key player in the management and structuring of regulated funds on behalf of third parties. Its real estate investment expertise has been enhanced to provide an even better response to private and institutional client expectations which resulted in a dynamic investment policy in 2022 on the office property, logistics and last mile delivery markets. There were multiple international interactions resulting in quality investments on behalf of the platform's funds. Active asset management was the key to success in the lease of a 12,000 m² office property in Levallois to a high-quality single tenant. The environmental approach has remained a key component of the strategy, thanks to the Immo Premium real estate fund's SRI label (OPCI) and the systematic labelling of all updates. Edmond de Rothschild REIM France confirmed its commitment to the life sciences market by launching the development of over 7,000 m² in laboratories in Villejuif, its contribution to a new world-class Life Sciences ecosystem.

And to guide the growth of our real estate investment platform, we created a Managing Director - Business & Product Development position. Lastly, appointing a Head of ESG marks a new step in the structuring of our sustainability convictions which we have been working on for several years.

BRIDGE (Benjamin de Rothschild Infrastructure Debt Generation), our London-based infrastructure debt platform, closed the fundraising round for its fifth vintage. It brought in €2.5 billion, which was double the previous round for BRIDGE IV. The fifth generation consisted of mutual funds and dedicated funds, including €1.9 billion in senior debt strategy and €600 million in Yield Plus. Launched in 2014 with €400 million, BRIDGE has now raised over €5 billion in capital.

Deployment also hit a record high in 2022. The BRIDGE team deployed over €1.5 billion, including approximately €1.2 billion in senior strategy and €350 million in Yield Plus.

This was twice the amount deployed in 2021, a record year itself. BRIDGE's nearly 100 assets were competitive and resilient in 2022, in a turbulent geopolitical and macroeconomic environment. No default or loss of capital occurred. This did even more to boost investor confidence; appetite for the asset class remains high, growing year after year amid higher inflation and interest rates, and BRIDGE captures this for its investors.

The 30 investments made during the year (compared to 20 in 2021) feature substantial diversification among countries, sectors and brownfield/greenfield assets. The energy transition (including renewable technology and the new second-generation energy transition technologies), the digital infrastructure, public services (with a focus on decarbonisation), transport (including green mobility) and social (including energy efficiency) were even better represented in the portfolios.

ESG integration has long been a priority of the Edmond de Rothschild infrastructure debt platform. Ranked in the top 10 infrastructure debt platforms worldwide, it was awarded "Infrastructure Asset Manager of the Year 2022 - ESG Debt" by IJ Global.

On the strength of its previous vintages, BRIDGE is launching a sixth generation, expanding geographically and becoming more global, including the United States. It offers a higher yield strategy to more effectively support the growth plans of energy transition and infrastructure operators.

Breakdown of Asset Management results

In thousands of euros	2022	2021	Change
Net banking income	**142,387**	**170,751**	**-16.6%**
Operating expenses	-130,170	-133,362	-2.4%
- Personnel expenses	*-73,219*	*-78,318*	
. direct	*-56,373*	*-60,610*	
. indirect	*-16,846*	*-17,709*	
- Other operating expenses	*-50,013*	*-47,234*	
- Depreciation and amortisation	*-6,939*	*-7,809*	
Gross operating income	**12,217**	**37,389**	**-67.3%**
Cost of risk	-	-	
Recurring operating income	**12,217**	**37,389**	**-67.3%**
Associates	-	-	
Net gains or losses on other assets	-	-	
Change in value of goodwill	-	-	
Recurring income before tax	**12,217**	**37,389**	**-67.3%**
Cost/income ratio*	87.0%	73.9%	

*Personnel expenses and other operating expenses (excluding depreciation and amortisation restated for IFRS 16) as a percentage of net banking income (NBI).

Net banking income

At €27.9 billion, assets under management at the end of the period for collective management were down 15% from 2021's record level. The decline in the markets over the year has a very unfavourable impact, and the exit of a low-margin fund had an impact of €2.6 billion.

The division's assets under management fell 9%.

Net banking income trends varied from one business to another:

- in liquid asset management (i.e., excluding real estate) in France, revenue declined, with a 7.5% decrease driven by lower average assets under management partly offset by a 7.5% increase in trading revenue. Income from performance-related fees fell sharply by 55% to €20.7 million,
- in real estate management, average assets under management were virtually stable at -0.7%, but income from outstandings rose 2.6% as margins widened. Trading revenue increased 37.7%,
- revenue from the distribution of asset management funds in Italy rose 6.6% versus 2021.

Overall, Asset Management's net banking income fell 16.6%.

Operating expenses

Operating expenses decreased 2.4% to €130.2 million, versus €133.4 million in 2021.

Personnel expenses came to €73.2 million, down 6.5% compared to 2021, partly reflecting the impact of lower performance-related variable compensation.

Other asset management operating expenses (€57 million) rose 3.5% from 2021 to 2022.

Operating income

As a result, gross operating income fell by €25.2 million compared to 2021, to €12.2 million.

The division's cost/income ratio deteriorated to 87% from 74% in 2021.

Recurring income before tax

The Asset Management division's income before tax stood at €12.2 million, down from €37.4 million in 2021.

Calculated on the basis of management fees (excluding performance-related fees), the margin was 39 basis points, up 3 basis points on 2021.

Private Equity

Highlights of 2022

- Continued fundraising for ERES IV and Privilège 2021
- Portfolio valuations maintained in a complicated market environment
- Market launch of new generation of Kennet VI
- Launch of Private Equity mandates and new Amethis Europe Expansion and Vaex theme-based funds

In continuity with 2021, 2022 brought more fundraising for ERES IV, which bested the initial target size of €500 million in December. At the same time, Privilège 2021, the new generation of hybrid funds of funds focused on mid-market strategies in Europe and the United States was launched in February, scoring €93 million in inflows by the year's end. Several other market launches were completed with the funds Amethis Europe Expansion, Kennet VI and VAEX; the first closings were expected in early 2023. Simultaneously, portfolio management business activity showed resilience in a complicated market environment. Thanks to sales momentum and the portfolio's positive results, most valuations held steady despite the drop in many comparables.

We leaned even more heavily on our conviction-driven investment strategies and devised private equity strategies combining innovation with a positive impact over the long term to deliver lasting solutions to the challenges facing society.

Funds of funds: New generation Privilège 2021 launched

The new generation of the Privilège Access franchise had its first closing in February and reached €93 million in inflows at the end of 2022. The fund kicked off its portfolio building by completing five investments in the course of the year, including four primary investments in funds and one co-investment operation. Meanwhile, the franchise continued to deploy both vehicles of the 2018 generations with five new direct co-investments.

As of 31 December 2022, Privilege 2018 had completed all of the 14 primary commitments and 12 co-investments planned, committing a total of €98.7 million.
The funds now possess a diversified portfolio reflecting strong convictions about certain sectors, such as technology, healthcare and financial services.

At the same time, the funds continued to receive sale proceeds via several payouts from portfolio assets. As such, in September 2022, a second distribution was made to investors following July's disposal of Glidefast by the underlying BVIP (Parallel) Fund X.

Mid-cap buyout investment fund: continued inflows for ERES IV and portfolio deployment

The ERES II fund was affected by the declining share price of IHS, the last asset in its portfolio, whose valuation had already plummeted in the wake of the company's IPO in October 2021. With the lock-up imposed on longstanding shareholders, and too low a free float, no liquidity was created in 2022. However, we hope that the first securities sales can take place during 2023.

The ERES III funds, which entered their divestment phase after ERES IV was launched in 2021, continued to look for disposal opportunities. The funds also received several dividend payments during the 2022 financial year, one of which followed the refinancing and recapitalisation of Wella, making another distribution to investors possible in May 2022.

All told, the ERES III Funds' performance increased slightly this year, thanks to the strong operating performance of the companies in the portfolio and the positive impact of the euro/dollar exchange rate effect – despite the underperformance by listed companies IHS and Allegro and the erosion of market comparables' reference multiples.

Concurrently, ERES IV moved on with its fundraising period, completing its fifth closing in December 2022 at €502 million. The Fund has already made four investments in Envoy Global, Freightwise, HugherRush and Oncodesign. Final closing is expected at the end of January 2023.

Kennet V: Deployment completed and valuations held high

Kennet, a strategy focused on achieving capital growth in the tech sector, finalised its portfolio build with its fourteenth and last investment in the company Jiminny, bringing total investments in all of this generation's vehicles to €165 million (including €16.8 million for the professional private equity fund (FPCI)). Meanwhile, the portfolio's valuations held at their 2021 level, despite a difficult market backdrop affected by the plunge in the multiples of listed tech companies. As a reminder, Kennet Partners, a UK-based company, manages the investments. The successor fund Kennet VI had its market launch at the end of the year, and the first closing is scheduled for early 2023.

Transmission & Croissance: a private equity fund specialised in buyouts of French SMEs

After a successful final closing at €109.9 million in June 2021, Transmission & Croissance, the strategy launched at the end of 2020 with the Trajan Capital team and specialised in supporting SMEs through a management buyout, continued with the deployment of the Transmission & Croissance I FPCI fund with the completion of two new investments in Adfinitas, a company specialised in fundraising support for non-profits and NGOs, and Cotton Bird, which designs invitations and greeting cards.

Concurrently, the portfolio's valuation increased significantly thanks to strong operational growth in the underlying companies.

As a reminder, the strategy was awarded the Relance quality label by France's Ministry for the Economy, Finance and the Recovery.

Quadrant: Continued deployment of underlying funds

Quadrant III FPCI was launched in May 2021, and three intermediate closings took place during the year, lifting total subscriptions received to €27.1 million.

This in-house fund of funds, built in close collaboration with private bankers to meet specific portfolio diversification needs, invested a total of €25 million in six specialised areas of private equity: mid-cap buyout capital (ERES IV), SME buyout capital (Transmission & Croissance I), growth capital in North Africa (Amethis Mena II), land pollution abatement and sustainable urban development (Ginkgo III), upscale hospitality (Boscalt Hospitality Fund) and value-added real estate (Smart Estate Fund I).

Quadrant's core allocation is balanced with strategies grounded in real economy productivity solutions and investment themes aligned with the long-term challenges facing society. In 2022, the underlying funds continued their deployment according to plan.

Private Equity mandates and two new strategies launched: Amethis Europe Expansion and VAEX

2022 was also dominated by the successful launch of Private Equity mandates with Private Banking clients in France. In all, thirty-five mandates were signed for €84.8 million.

And lastly, the end of the year saw the market launch of the new Amethis Europe Expansion theme-based funds, dedicated to investing in European mid caps looking to locate or grow in Africa, as well as the VAeX fund, a seed fund specialised in the Finch and Future of Commerce sectors. The funds are expected to have their first closings in the first quarter of 2023.

Breakdown of Private Equity results

In thousands of euros	2022	2021	Change
Net banking income	**4,767**	**5,378**	**-11.4%**
Operating expenses	-5,488	-5,995	-8.4%
- Personnel expenses	*-2,673*	*-3,498*	
. direct	*-2,045*	*-2,830*	
. indirect	*-628*	*-668*	
- Other operating expenses	*-2,600*	*-2,280*	
- Depreciation and amortisation	*-215*	*-217*	
Gross operating income	**-722**	**-616**	**17.1%**
Cost of risk	-	-	
Recurring operating income	**-722**	**-616**	**17.1%**
Associates	3,002	739	
Net gains or losses on other assets	-	-93	
Change in value of goodwill	-	-	
Recurring income before tax	**2,281**	**30**	**nm**
Cost/income ratio*	110.6%	107.4%	

* Personnel expenses and other operating expenses as a percentage of net banking income (NBI).

Net banking income

Private Equity's net banking income received a boost during the year from the continuing development of the funds of funds. Nonetheless, it slipped slightly lower as a result of the creation of Elyan Partners in 2021, which led to the transfer of a portion of its income and also of its costs to the new entity. Some of the new unit's net income shows up in the financial statements of Edmond de Rothschild (France) under income from associates.

Operating expenses

Operating expenses were down 8.4% compared to 2021, mainly due to the creation of Elyan Partners in mid-2021.

Operating income

Accordingly, the operating loss increased slightly, rising 17.1% from its 2021 level to -€0.7 million.

Recurring income before tax

Private Equity posted recurring income before tax of €2.3 million in 2022 after breaking even in 2021, after the equity-accounted contribution from Elyan Partners.

CORPORATE, ENTREPRENEUR AND FUND ADVISORY SERVICES

Highlights of 2022

- Continued momentum with more than 60 transactions advised on in 2022
- A power team of nine Managing Directors and more than fifty bankers
- The team confirms its position as a leader on the small- and mid-cap segment
- Three 2022 Gold awards at the Sommet des Leaders de la finance [French finance leaders' summit], in the Investment Banking category: Best M&A Team (small to mid), Best LBO Team (small to mid), Best LBO Team (mid to large)

Against darker market skies than the previous year's, the Edmond de Rothschild Corporate Finance Team upheld its 2022 activity at the same level as its record year the year before, closing sixty deals.

Adopting a long-term view, the team made the choice very early on to develop strong verticals in key sectors like healthcare (more than 40% of revenue for 2022), real estate (including leisure & hospitality) for nearly 15% of revenue, and new technology and digital (10%).

The team continued to gain market shares in healthcare by closing landmark deals in the sector. For example, the team supported the family shareholders of Mayoly Spindler in the acquisition of Ipsen Consumer Healthcare and its investment in Capza and Caravelle. The team is very active in the retirement home and clinic segment, supporting the asset restructuring of the Philogéris and Korian groups; and also during the majority buyout of Hygie31 (Lafayette pharmacy group) by Latour Capital and BPI France. Lastly, the group signed its fifth deal in three years in medical testing laboratories, assisting Inovie and Ardian with the structuring acquisition of Groupe Bioclinic.

Despite adverse market conditions, real estate and hospitality were also standouts, with the seventeenth transaction in real estate development and real estate asset management (Turgot, M&A, Cardinal and Angelotti); Hospitality (four deals); and physical asset disposals, including the head office of Quimdis in Levallois Perret to Edgar Suites / BC Partners and the Lamarck garage, an approximately 18,000 m² property located in Paris' 18th arrondissement, to Foncière Concorde.

Tech & Digital continued to grow, assisting AFD Tech's founders with the group's sale to Accenture, as well as Payxpert's founders, to the Societe Generale group. The team also worked alongside Berger Levrault for the disposal of certain software operations.

The Financing division supported all of our sales transactions, improving both efficiency and outcomes. Financing advisory also keeps us close to companies under LBO, responding to their financing challenges throughout the life of the company. The GPS deal is the perfect illustration of this strategy: Edmond de Rothschild Corporate Finance worked on the refinancing before accelerating the disposal as a result of unsolicited incoming calls.

The Edmond de Rothschild Corporate Finance Growth Team, created in 2021 to meet the needs of growing businesses with a value of €10-50 million, and led by two Executive Directors, confirmed its position with some 30 deals during 2022 including the capital restructuring of Masci (nuclear), Axess Group (IT services) and the Jean Rousseau factory (watch straps).

The team confirmed its sales expertise (67%) while developing a more systematic long position with our long-standing clients. In fact, the portion of deals closed with our long-standing clients rose again, making up more than 40% of revenue earned. This result showcases the personalised, long-term support we provide by relying on the synergies of the Edmond de Rothschild Group (Private Banking, Wealth Engineering, Corporate Finance), and the quality of the teams handling the operations entrusted to us.

Outlook for 2023

After a year of resilience and performance in 2022, Edmond de Rothschild Corporate Finance will continue to forge ahead.

In 2023's macroeconomic environment, the team has already built up a promising order book. We can approach the coming months with confidence. The funds continue to be highly active market leaders. Finally, the team has successfully positioned itself on sectors that remain vibrant such as healthcare, tech and education.

Breakdown of Other Activities and Proprietary Trading results

In thousands of euros	2022	2021	Change
Net banking income	**66,602**	**71,471**	**-6.8%**
Operating expenses	-66,835	-60,696	10.1%
- Personnel expenses	*-42,364*	*-39,307*	
. direct	*-35,748*	*-33,003*	
. indirect	*-6,616*	*-6,304*	
- Other operating expenses	*-13,294*	*-10,077*	
- Depreciation and amortisation	*-11,176*	*-11,312*	
Gross operating income	**-233**	**10,774**	**nm**
Cost of risk	-14	-237	
Operating income	**-247**	**10,537**	**nm**
Associates	-	-	
Net gains or losses on other assets	33,470	-26	
Change in value of goodwill	-	-388	
Recurring income before tax	**33,223**	**10,123**	**x3.3**
Cost/income ratio*	96.2%	80.9%	

* Personnel expenses and other operating expenses as a percentage of net banking income (NBI).

Net banking income

Corporate Advisory Services

The Corporate Advisory Services business was very successful once again in 2022. The number of transactions was stable compared to 2021, while net banking income increased slightly by 1% to €47 million.

Proprietary Trading

Net banking income from proprietary trading was €19.6 million, down €5.3 million on 2021, due to the depreciation of private equity positions at the end of the year, which was offset by the impact of the change in interest rates on cash.

Operating expenses

Corporate Advisory Services

Operating expenses rose 5% relative to 2021, reflecting the high level of net banking income generated.

Gross operating income was positive at €4.5 million.

Recurring income before tax

The Other Activities and Proprietary Trading division recorded income before tax of €33.2 million, up from €10.1 million in 2021. This includes €33.5 million in capital gains on sale.

Outlook for 2023

Rising inflation, higher interest rates, the war in Ukraine, the energy crisis, the persistence of the public health crisis in places like China – bad news just kept on coming in 2022 and impacted the financial markets. 2023 looks to be just as unpredictable. We are proceeding with the utmost care, but also with the peace of mind that comes from knowing our development and organisational model has enabled us to successfully navigate the major challenges of the past two years.

Edmond de Rothschild (France) thus intends to continue its strategy of differentiation founded on conviction-based investments underpinned by strong research capabilities and an innovation strategy that aims to deliver long-run performance. It is firmly focused on a selection of carefully picked strategies, an ambitious responsible roadmap for our socially responsible investments over the 2021–2024 period and our theme-based ranges.

Movements in the portfolio of subsidiaries and associates

Sale of Edmond de Rothschild Monaco to Edmond de Rothschild Switzerland:

Edmond de Rothschild (France) sold its stake in Edmond de Rothschild Monaco to Edmond de Rothschild Switzerland.

Sale of Edmond de Rothschild REIM to OROX Europe:

Edmond de Rothschild (France) sold Edmond de Rothschild REIM (France) to Orox Europe.

Consolidated balance sheet

Total consolidated assets came to €6,541.4 million at 31 December 2022, up 40.1% from €4,667.6 million at 31 December 2021.

Assets

In thousands of euros	31/12/2022	31/12/2021
Cash, due from central banks and postal accounts	3,844,162	2,629,937
Financial assets at fair value through profit and loss	87,362	153,327
Hedging derivatives	61,080	-
Financial assets at fair value through other comprehensive income	1,503	1,384
Securities at amortised cost	73,465	4,813
Loans and receivables due from credit institutions, at amortised cost	539,590	63,229
Loans and receivables due from clients, at amortised cost	1,530,671	1,421,591
Valuation adjustments on portfolios subject to interest-rate hedging	-	-
Tax assets and other assets	251,442	148,399
Non-current assets other than financial assets	152,161	244,888
Total assets	**6,541,436**	**4,667,568**

Liabilities

In thousands of euros	31/12/2022	31/12/2021
Financial liabilities at fair value through profit and loss	3,131,947	1,417,275
Hedging derivatives	1,392	-
Due to credit institutions	49,606	51,278
Due to clients	2,556,637	2,488,188
Valuation adjustments on portfolios subject to interest-rate hedging	54,443	-
Tax liabilities and other liabilities	251,044	235,830
Provisions	16,377	17,882
Subordinated debt	-	-
Equity attributable to equity holders of the parent	478,344	453,923
Non-controlling interests	1,646	3,192
Total liabilities and equity	**6,541,436**	**4,667,568**

Main changes in consolidated assets

Cash, due from central banks and postal accounts shows the Bank's demand deposits with the ECB and the Banque de France.

Financial assets at fair value through profit and loss fell to €87.4 million at 31 December 2022 from €153.3 million at 31 December 20231 December 2021. At 31 December 2022, this line item consisted of the Group's private equity portfolio (€70.9 million), variable-rate securities valued at €13.3 million and trading derivatives measured at fair value (€3.1 million).

Hedging derivatives amounted to €61.1 million at 31 December 2022.

Securities at amortised cost increased to €73.5 million at 31 December 2022 from €4.8 million at 31 December 2021.

Loans and receivables due from credit institutions rose to €539.6 million at 31 December 2022, up from €63.2 million at the end of the previous year. This increase was largely driven by cash transactions with the Group.

Loans and receivables due from clients (net of provisions), consisting of ordinary overdrafts and loans, increased by 7.7% to €1,530.7 million at 31 December 2022 from €1,421.6 million at 31 December 2021. That increase was primarily the result of higher client overdrafts excluding UCITS funds, which rose by €88.5 million, and a €21.4 million increase in lending.

Debit positions on UCITS current accounts fell from €3.7 million at 31 December 2021 to €2.8 million at 31 December 2022.

Non-current assets other than financial assets totalled €152.2 million at 31 December 2022, down from €244.9 million at 31 December 2021.

Main changes in consolidated liabilities

Financial liabilities at fair value through profit and loss totalled €3,131.9 million at 31 December 2022, up 121.0% from €1,417.3 million at 31 December 2021.

Due to credit institutions reflects demand deposit accounts, which decreased slightly to €49.6 million at 31 December 2022 from €51.3 million at 31 December 2021.

Due to clients includes ordinary accounts in credit, term deposits and savings accounts. This line item rose by 2.8% or €68.4 million overall to reach €2,556.6 million at 31 December 2022. This increase is mainly due to the growth in ordinary overdrafts to €287.2 million, as well as other miscellaneous debts in the amount of €28.3 million, and the decrease in time deposits in the amount of €383.9 million.

Valuation adjustments on portfolios subject to interest-rate hedging amounted to €54.4 million at 31 December 2022.

Provisions fell to €16.4 million at 31 December 2022, from €17.9 million at 31 December 2021.

After 2022 net income of €72.7 million, **equity attributable to equity holders of the parent** rose 5.4% to €478.3 million at 31 December 2022.

Commitments given and received by the Group

In thousands of euros	31/12/2022	31/12/2021
Commitments given		
Loan commitments	440,603	414,331
Guarantee commitments	131,361	82,089
Commitments received		
Loan commitments	-	-
Guarantee commitments	155,965	121,559

Financing commitments given to clients, which include commitments to invest in certain of the Group's private equity funds, amounted to €440.6 million compared with €414.3 million at 31 December 2021. This increase reflected a €27.6 million rise in overdraft authorisations and a €1.3 million reduction in commitments on securities receivable.

Guarantees given by the Group rose 60.0% to €131.4 million from €82.1 million at 31 December 2021. The guarantees mainly consisted of administrative and financial security provided to clients and guarantees to investors in structured, formula and cushion funds, as well as representations and warranties made to companies.

Guarantees received from credit institutions rose to €156.0 million from €121.6 million at the end of 2021.

Parent company financial statements

Parent company balance sheet

At 31 December 2022, the Bank's total assets amounted to €6,485 million. That represented an increase of 40.95% on the €4,600 million recorded at 31 December 2021.

The main balance sheet items were as follows:

In thousands of euros	31/12/2022	31/12/2021
Assets		
Cash accounts and interbank operations	4,443,143	2,675,051
Loans to clients	1,538,121	1,427,557
Other financial accounts	245,034	180,596
Securities and non-current assets	258,460	317,637
Total	**6,484,757**	**4,600,841**

Liabilities		
Interbank operations	2,462,845	1,038,782
Client deposits	2,663,808	2,619,667
Debt securities	709,980	469,810
Other financial accounts	252,725	153,812
Subordinated debt	21,047	21,020
Equity	374,352	297,750
Total	**6,484,757**	**4,600,841**

On the asset side, **cash accounts and interbank operations** accounted for 68.52% of the Bank's total assets, or €4,443 million compared with €2,675 million at 31 December 2021, an increase of €1,768 million or 66.1%. Cash deposited with the ECB and the Banque de France amounted to €3,844 million at 31 December 2022, or 59.3% of the Bank's total assets (versus €2,630 million and 57.2% at 31 December 2021), reflecting the improvement in the Bank's liquidity position and a conservative cash management policy in a positive interest-rate environment.

Current accounts with financial institutions remained stable at €25 million between 2022 and 2021.

Term loans stood at €500 million at the end of 2022, compared to €20 million at the end of 2021.

Loans to clients amounted to €1,538 million at 31 December 2022, up 7.8% from €1,428 million at 31 December 2021. That increase derived largely from overdrafts granted to individual clients and non-financial companies and an increase in loans granted to customers.

Other financial accounts increased 35.7% to €245 million, up from €181 million in the previous year.

Securities and non-current assets slipped to €258 million at 31 December 2022 from €318 million at 31 December 2021. This 18.7% decrease was chiefly due to the divestments of Edmond de Rothschild Real Estate Investment Management and Edmond de Rothschild Monaco, sales and redemptions of private equity UCITS funds and the remeasurement of the portfolio of subsidiaries and affiliates.

On the liabilities side, **interbank operations** rose to €2,463 million at 31 December 2022 from €1,039 million at 31 December 2021. Term loans were the main factor behind this increase.

Client deposits rose by 1.70% to €2,664 million at 31 December 2022, up from €2,620 million at 31 December 2021. This increase was chiefly the product of a rise in clients' other demand deposits.

Debt securities moved up to €710 million from €470 million one year earlier. They consisted mainly of Euro Medium Term Notes (EMTNs) issued in connection with structured products, Negotiable European Commercial Paper (NEUCP) and Negotiable European Medium Term Notes (NEU MTN).

Other financial accounts increased by €99 million, from €154 million at 31 December 2021 to €253 million at 31 December 2022. This increase reflected the measurement of currency exposures and stock market trends.

Subordinated debt, which amounted to €21.0 million at 31 December 2022 (unchanged from at 31 December 2021), includes only the undated super-subordinated notes issued by the Bank in June 2007 to strengthen the Group's regulatory capital.

The main components of **equity** were as follows:

In thousands of euros	31/12/2022[1]	31/12/2021[1]
Share capital	83,076	83,076
Reserves	130,522	130,522
Retained earnings	34,141	32,171
Total	**247,739**	**245,769**

[1] Before appropriation of net income for the year.

Net income for the year came out to €127 million, up from €52 million in 2021.

Parent company income statement

The key line items in the Bank's condensed income statement were as follows (in thousands of euros):

	2022	2021
Net banking income	**194,306**	**220,366**
Personnel expenses	-88,884	-84,512
Other operating expenses	-67,293	-60,785
Depreciation and amortisation	-11,748	-12,707
Gross operating income	**26,381**	**62,362**
Cost of risk	46	-103
Net gains or losses on other assets	99,777	-15,123
Non-recurring items	-14	4
Income tax expense	423	4,842
Net income	**126,613**	**51,982**

Net banking income

Net banking income amounted to €194 million in 2022, down 11.8% on 2021 (€220 million).

The €26 million decrease was due to the following factors:

- revenue from the securities portfolio and capital markets transactions fell €35 million compared with 2021. This is mainly due to lower dividends received in 2022 (down €54 million compared to 2021), offset by €10 million in proceeds from the sale of UCITS and €9 million in interest income and miscellaneous items,
- income from the asset management business was up by €3.5 million (€79.7 million compared to €76.2 million in 2021). This increase is mainly due to the €6.6 million rise in commissions (asset management fees, custody fees, transaction fees), offset by a decrease in front-end fees (-€3.1 million),
- income from interest-earning operations rose by €6.5 million (€19.9 million compared to €13.4 million in 2021). This change is mainly due to the increase in outstanding loans, overdrafts and the fluctuation of interest rates.

Operating expenses, depreciation and amortisation

Operating expenses, depreciation and amortisation came to €168 million, up 6.3% from the €158 million recorded in 2021.

This €9.9 million increase breaks down into:

- a 5.2% increase in **personnel expenses** to €88.9 million in 2022 from €84.5 million in 2021;
- a 10.7% increase in **other operating expenses** to €67.3 million in 2022 from €60.8 million in 2021; and
- lastly, €11.7 million in **depreciation and amortisation** in 2022, compared with €12.7 million in 2021.

After operating expenses, depreciation and amortisation, **gross operating income** totalled €26.4 million in 2022, down from €62.4 million in 2021.

Non-operating items

The **cost of risk** was +€46,000 in 2022, compared to -€103,000 in 2021 – a real testament to the calibre of the Bank's commitments and its risk management policy.

Net gains or losses on other assets showed a net gain of €99.8 million in 2022 versus a net loss of €15.1 million in 2021. The gains over 2022 were related to the disposal of equity investments in EDR Monaco and EDR REIM.

The net balance of **non-recurring item**s is -€14,000 compared to +€4,000 in 2021.

Income tax: Edmond de Rothschild (France) adopted together with some of its subsidiaries the Group tax consolidation regime with effect from 1 January 2020. The parent company and those subsidiaries have agreed that the advantage or disadvantage arising from the tax consolidation (difference between the consolidated tax charge and the total of the tax charges of the companies calculated independently) is to be recognised immediately in the parent company's income statement.

The Bank recorded a net income tax benefit of €0.4 million in 2022 compared to €4.8 million in 2021.

Net income for the year improved by €74.6 million, from €52 million in 2021 to €127 million in 2022.

Share capital

Ownership of the share capital, which amounted to €83,075,820 at 31 December 2022, was as follows:

EDMOND DE ROTHSCHILD (SUISSE) S.A.	5,538,329	shares, i.e.	100.00%
Other natural persons	59	shares, i.e.	NM
Total	**5,538,388**	**shares, i.e.**	**100.00%**

At 31 December 2022, there were no employee shareholders as the term is defined in Article L. 225-102 of the French Commercial Code.

Disclosures pursuant to Articles 39-04 and 223d and 39-05 and 223e of the French General Tax Code

Edmond de Rothschild (France) recorded a total amount of €326,054 in expenditure covered by Articles 39-04 and 223d of the French General Tax Code (extravagant expenditure), corresponding to €92,273 in corporate income tax, which was duly paid.

No expenditure falling within the scope of Articles 39-05 and 223e of the French General Tax Code was recorded.

Disclosures concerning payment periods* (Article D.441-6 of the French Commercial Code)

At year-end 2022, the amounts owed by the Company to its suppliers and its clients broke down by maturity as follows (in euros):

Overdue invoices received and issued not settled at the balance sheet date

	Article D. 441-6: overdue invoices received not settled at the balance sheet date						Article D. 441-6: overdue invoices issued not settled at the balance sheet date					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late-payment analysis												
Number of invoices affected	2					0	5					0
Total amount of affected invoices excl. VAT		0	0			0		1,088,909	0			1,088,909
Percentage of total amount of purchases excl. VAT in the financial year	0%	0%	0%			0%						
Percentage of revenue excl. VAT in the financial year								1.5751%	0.00%			1.5751%
(B) Invoices excluded from (A) concerning receivables and payables disputed or not accounted for												
Number of invoices excluded												
Total amount of excluded invoices excl. VAT												
(C) Reference payment periods used (contractual or statutory period – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment periods used to calculate late payments												

*Excluding banking and related transactions

Information on dormant bank accounts

Pursuant to French Act no. 2014-617 of 13 June 2014 on dormant bank accounts, Edmond de Rothschild (France) discloses that:

- it identified two dormant accounts as defined in the aforementioned Act on its books in 2022 with a total balance of €86,716.51;

- it did not identify any dormant accounts on its books in respect of 2022 with deposits or other assets transferable under French law to Caisse des Dépôts et Consignations and thus made no such transfers to Caisse des Dépôts et Consignations.

Information on branches (Article L. 232-1 of the French Commercial Code)

Pursuant to Article L. 232-1 of the French Commercial Code, the branches in existence at 31 December 2022 were as follows:

- a branch at Corso Venezia 36 in Milan (Italy)

- regional offices in Bordeaux, Lille, Lyon, Marseille, Nantes, Strasbourg and Toulouse

Information about offices and activities at 31 December 2022

Article L. 511-45 of the French Monetary and Financial Code as amended by government order no. 2014-158 of 20 February 2014 requires credit institutions to publish information about their offices and business activities within their scope of consolidation, in each state or territory.

Offices by country

Office	Activities
FRANCE	
Edmond de Rothschild (France)	Bank
Edmond de Rothschild Asset Management (France)	Asset Management
Financière Boréale	Proprietary Trading
SAS Edmond de Rothschild REIM (France)	Asset Management
Edmond de Rothschild Corporate Finance	Advisory and Financial Engineering
Edmond de Rothschild Private Equity (France)	Asset Management
SAS EDR IMMO MAGNUM	Asset Management
ERAAM SAS	Asset Management
Elyan Partners SAS	Asset Management
ERES IV GP SAS	Asset Management
Financière Eurafrique	Bank
Immopéra	Other
Groupement Immobilière Financière	Other
Edmond de Rothschild Assurances et Conseils (France)	Insurance Brokerage
HONG KONG	
Edmond de Rothschild Asset Management (Hong Kong) Limited	Asset Management
ISRAEL	
Edmond de Rothschild Boulevard Buildings Ltd	Real Estate Portfolio Management
LUXEMBOURG	
Edmond de Rothschild Europportunities Management SàRL	Asset Management
EdR Real Estate (Eastern Europe) Cie SàRL	Proprietary Trading
Edmond de Rothschild Europportunities Invest II SàRL	Proprietary Trading
CFSH Luxembourg SàRL	Proprietary Trading
Bridge Management SàRL	Proprietary Trading
Edmond de Rothschild Europportunities Management II SàRL	Asset Management
EdR Real Estate (Eastern Europe) Management SàRL	Asset Management
Edmond de Rothschild Investment Partners China SàRL	Asset Management
MONACO	
Edmond de Rothschild (Monaco)	Wealth Management

COUNTRY	Revenue	Net banking income	Number of employees	Income before tax	Income tax expense	o/w current tax	o/w deferred taxes
FRANCE	1,106,325	339,061	784	77,853	-12,905	-13,884	979
HONG KONG	-	-7	-	-11	-	-	-
ISRAEL	1,729	1,434	1	-438	-	-	-
LUXEMBOURG	1,310	-6,261	-	-6,756	-98	-98	-
MONACO	-	-	-	13,467	-	-	-
TOTAL	**1,109,364**	**334,227**	**785**	**84,116**	**-13,003**	**-13,982**	**979**

Post-balance sheet events:

No events occurred after the end of the financial year that had a significant impact on the accounts drawn up on 31 December 2022.

Internal control and risk management procedures relating to the preparation and processing of financial and accounting information

Presentation of the organisation and operation of internal control and risk management

The key principle underpinning the internal control organisation is that operational duties should be kept separate from control responsibilities. Under this approach, front-office units (e.g. sales departments and trading floors) are kept strictly separate from support functions (e.g. back-office, middle-office and accounting). Edmond de Rothschild (France) uses a handbook of internal procedures that underscores this principle of the separation of duties. It also applies a framework of control processes performed by internal controllers within the Compliance and Permanent Control Department and in the business lines and subsidiaries. The internal control procedures aim to ensure that the accounting and financial information provided to the Supervisory Board, shareholders and supervisory authorities is fairly presented and reliable, and that this information is provided and published on a timely basis.

Control levels

Edmond de Rothschild (France)'s internal control framework is underpinned by the following principles:

- significant involvement of the corporate and supervisory bodies, especially the Audit Committee and the Risk Committee;
- a Compliance and Permanent Control Department in charge of the second-level control consisting of 27 employees, including those from subsidiaries and branches. These employees are obliged to report their findings on a regular basis and apply a consistent control methodology;
- a Central Risk Department monitoring operating risk, which has a central team of eight staff members plus ten risk controllers at the subsidiaries and branches, plus a network of ten operational risk liaison officers, representing a total of 29 individuals involved in risk management;
- an Internal Audit division, the third level of control, with seven members of staff;
- special attention paid to compliance with the regulations, including the:
  - Government decree of 3 November 2014 on internal control;
  - European Banking Authority's Guidelines on internal governance;
  - AMF's General Regulation;
  - MIFID II rule corpus;
  - Recommendations published by the Basel Committee;
  - Article L. 561-1 of the French Monetary and Financial Code concerning anti-money-laundering and counter terrorist financing obligations;
  - Government decree of 5 October 2015 concerning the automatic exchange of information;
  - FATCA agreement signed on 14 November 2013;
  - IRS Revenue Procedure 2017-15, QI Agreement;
  - DAC 6 (Directive 2018/822/EU).
- clearly separate resourcing of both periodic control (by the Internal Audit Department) and permanent control (by dedicated internal controllers and the Compliance and Control Department).

General risk management policy

Private banking, asset management, private equity and corporate advisory services are Edmond de Rothschild (France)'s main activities.
Accordingly, its risk management policy aims to:
- perform very strict controls on the development of various activities, including market and credit transactions, to ensure that only limited risk exposure is incurred;
- arrange highly liquid financing arrangements, with abundant long-term sources of funds and uses of funds that can be sold easily, should the need arise.
In addition to its own role in monitoring financial risks, the Central Risk Department is tasked with coordinating risk management. In particular, it is responsible for organising cross-functional committees that review all the risks inherent in the Bank's business activities.

It drafts a Risk Policy in conjunction with its liaison officers and in line with the Edmond de Rothschild Group's Risk Charter and Policy (Edmond de Rothschild (Suisse) SA, in Geneva), which is submitted to the Risk Committee, then approved by the Supervisory Board.
The Central Risk Department also submits a preventative recovery plan to the Risk Committee and the Supervisory Board, pursuant to the French

government order no. 2015-1024 of 20 August 2015 and the EBA/GL/2021/11 guidelines.
The Central Risk Department reports directly to the Executive Board and regularly informs the Supervisory Board via the Risk Committee of the controls it performs.

Production of accounting and financial information

The internal control framework also applies to the production of accounting and financial information. The Company's individual and consolidated financial statements are prepared within the Financial Department, respectively by the Corporate Accounting Department and the Group Accounting Department (hereinafter the Accounting Department), which are strictly independent of the operating entities. They also apply the principle that at least two staff members should be in a position to perform every critical task.

The Accounting Department prepares the (parent company and consolidated) financial statements of the Bank and those of majority-owned subsidiaries primarily using information provided by the back offices. It applies the accounting principles and rules in force. The accounts of subsidiaries registered in other countries are prepared locally. The consolidation process relies on the submission of detailed information using a standard reporting package completed by each subsidiary.
The Accounting Department consolidates the income statement every month and carries out a detailed review of each subsidiary's individual financial statements. It ensures that financial statements are published by the relevant deadlines.

Furthermore, a meeting is held at least once a quarter under the authority of an Executive Board member to review doubtful loans and provisions for litigation and to determine the appropriate allocations to and reversals from provisions. The Legal Department, the Chief Financial Officer and, where appropriate, an Internal Auditor also attend this meeting. The Accounting Department has a unit tasked with analysing the financial statements and spotting potential errors. The accounting processes and the quality of the accounting and financial information are also subject to checks by permanent control, with one internal controller assigned solely to the Finance and Development Department, and to periodic audits by the Internal Audit Department. Additionally, the Company's financial statements have to be audited by two independent Statutory Auditors.

The parent company financial statements (Report of the Executive Board, parent company financial statements, management report) and consolidated financial statements (consolidated financial statements, Edmond de Rothschild (France)'s management report) are submitted to the Audit Committee and the Supervisory Board. The Audit Committee conducts a global and summary review of the control framework for accounting and financial risks, and ensures the system for reporting financial information is comprehensive and consistent.
Lastly, the Statutory Auditors review the interim financial statements (for the period to 30 June) and present their work to the Audit Committee ahead of the approval of the financial statements (at least twice a year). They are also invited to meetings of the Audit Committee and of the Supervisory Board that review the financial statements.

Recognition of financial risks associated with climate change effects and measures implemented to reduce them

Edmond de Rothschild (France) has actively pursued efforts to mitigate its environmental footprint since 2011. These efforts form an integral part of Edmond de Rothschild Group's sustainability strategy. Measures taken by the Edmond de Rothschild Group to reduce such risks are presented in the Sustainability Report.[1]

In December 2022, the Group's Risk Policy was updated to include financial risks related to the effects of climate change and was approved by the Board of Directors.

The specific measures taken by Edmond de Rothschild (France) are stated in the Statement of Non-Financial Performance section ("Failure to address biodiversity and climate issues in investments") in Edmond de Rothschild (France)'s annual report.

[1] https://www.edmond-de-rothschild.com/en/Pages/Sustainable-development-report.aspx

Statement of Non-Financial Performance (SNFP)

In accordance with French government order no. 2017-1180 of 19 July 2017 and decree no. 2017-1265 of 9 August 2017, the Edmond de Rothschild Group hereby presents its Statement of Non-Financial Performance. The nature of the Group's activities gives it a responsibility to address current environmental, employment and social issues. The Edmond de Rothschild Group's CSR strategy is carried out in accordance with business ethics and strict compliance with regulations and good professional practice. The Edmond de Rothschild Group's family heritage gives it a particular sense of what "long term" means, resulting in a desire to have a positive impact on the real economy.

The non-financial issues identified have been grouped into four pillars, as presented below.

Information on societal collaboration, the fifth pillar of the Group's approach to sustainability, is presented in the Group's annual Sustainability Report[1].

This report provides details and key information about all material issues, targets and progress achieved towards the Group's commitments regarding the integration of sustainability matters.

Edmond de Rothschild (France) has been a signatory of the United Nations Global Compact since 2011, and is a member of the United Nations Environment Programme Finance Initiative (UNEP FI).

Through these international commitments, in addition to its national ones, the Group engages in working groups and in strengthening its participation to better apply sustainable development principles in investment analysis and processes as well as in risk management and assessment.

This Statement of Non-Financial Performance (SNFP) has been verified by an accredited independent third-party organisation. The accuracy and fairness of the information presented in this SNFP are confirmed by the statutory auditor's report in the appendix to this section.

PRESENTATION OF IDENTIFIED NON-FINANCIAL RISKS

ETHICS AND GOVERNANCE	HUMAN CAPITAL	RESPONSIBLE INVESTING	ENVIRONMENTAL IMPACT
Failure to comply with responsibility commitments in a way that could affect the Group's reputation	Employer brand image risk	Failure to take ESG issues into account in business activities	Failure to comply with the commitment to mitigate environmental impact
Failure to comply with legislation and to take cybercrime risks into account	Lack of commitment	Failure to address climate risk in investments	Failure to use resources in a sustainable manner
Failure to comply with business ethics rules on matters such as bribery and tax avoidance	Regulatory risk in case of non-compliance with legislation	Failure to fulfil our responsible investing commitments	Failure to take into account climate change

[1] Edmond de Rothschild Group Sustainability Report:
https://www.edmond-de-rothschild.com/SiteCollectionDocuments/group/sustainable-development/rapport/Group/EN/edmond-de-rothschild-sustainable-development-report-2021.pdf

Scope of the Statement of Non-Financial Performance

This report covers all the activities of Edmond de Rothschild (France), excluding international subsidiaries and branches.

Business model

The Edmond de Rothschild Group offers bespoke services to an international client base consisting of wealthy families, entrepreneurs and large institutions. It is an independent, family-controlled financial group focused on private banking and asset management. It also operates in corporate finance, private equity, real estate, insurance brokerage and investment fund administration.

The Edmond de Rothschild Group has a Strategy Department that leads strategic discussions with the Executive Committee. It defines a vision that is translated into roadmaps for the Group and each business line.

Its expertise, respect for its commitments and co-ordinated management of all its business lines mean that the Edmond de Rothschild Group maintains a relationship of trust with all of its stakeholders, internal and external.

Edmond de Rothschild (France)'s business model, presented here, reflects that of the Group. Details of Edmond de Rothschild (France)'s various business lines and their financial performance are provided in this management report.

SCOPE OF THE SNFP: FRANCE

The Edmond de Rothschild Group is a conviction-driven investment house founded on the idea that wealth must be used to build the world of tomorrow. Its history as a committed entrepreneur drives it to participate in the advancement of a more sustainable form of finance through innovative and value-creating solutions.

OUR VALUES

Our values are based on:

- entrepreneurship
- innovation
- a desire to achieve impact

These values are the legacy of one family's journey, pursued through a pioneering spirit and a committed entrepreneurial approach that run through everything we do.

For us, success is built over the long term, through a cautious yet responsive approach that combines hard work with a permanent quest for innovative financial solutions.

OUR RESOURCES

759 employees and eight offices in France

A single shareholder ensuring a long-term commitment

Ongoing monitoring of resource usage in order to improve environmental management

Internal policies and guidelines that incorporate sustainability issues

4,064 MWh total energy consumption in France in 2022

18.9 tonnes of paper used in France in 2022

OUR CLIENTS

Individual private clients

Institutional and semi-institutional investors

Other banks / financial institutions

Family offices

Development finance institutions

OUR ACTIVITIES

Private Banking
Advisory and Custody

Asset Management
Investments for institutional and private clients

Real Estate
Advisory and Investment

Private Equity
Advisory and Investment

Corporate Finance
Advisory

Insurance Brokerage
Advisory

OUR IMPACT

€5.27 billion managed according to SRI strategies in France and 13 SRI-labelled funds

100% of private equity assets under management covered by ESG integration

14% increase in SRI managed accounts in the French private banking business in 2022

Carbon emissions of 1,005 tonnes of CO_2 equivalent in France in 2022

A growth model based on a strong ecosystem and action themes to support innovation and have a positive impact on the real economy.

Health	Resource management	Changes in living environments	Human capital	Energy transition

Private banking is the Edmond de Rothschild Group's original business. In France, it can proactively put together solutions and expertise to help private clients in a dynamic way and anticipate their needs as effectively as possible. To achieve this, the Group has created a range of products and services tailored closely to the needs of the real economy and entrepreneurs.

It offers investments, advice and expert services:

- M&A transactions
- financial planning
- portfolio analysis
- advice on life insurance
- advice on wealth management issues involved in selling a family-owned business

Entrepreneurs are one of the Bank's main sources of growth in France. Major synergies between the Group's various skills enable it to offer suitable solutions for transfers of ownership, capital increases and acquisitions.

Edmond de Rothschild's asset management offering is designed to manage clients' assets in an active, conviction-based manner. Edmond de Rothschild Asset Management seeks to deliver more than just index-based returns, instead focusing on long-term value creation. Its range of investment solutions consists of funds and managed accounts for institutional investors, along with open-end mutual funds marketed by numerous partner institutions (private banks, asset management companies and insurance companies) and by independent financial advisers to private clients.

The Group's asset management, private equity and real estate activities form part of the same business line, so it can offer an integrated investment service covering all asset classes.

In addition, to increase its international distribution capabilities, the Group has set up an umbrella French SICAV fund: its main open-end FCP funds are now sub-funds of that SICAV.

Private equity is a strategic business at the Edmond de Rothschild Group, delivering value-added investment solutions that conjoin uniquely with private banking services.

In terms of physical assets, we have a diverse skillset covering real estate, private equity and infrastructure debt. All of these skills are orchestrated to create value in a sustainable and profitable way.

Our Global Head of Distribution is also tasked with deploying asset management's commercial strategy across all geographies and promoting the whole asset management range, including liquid and physical assets, covering all client segments (institutional investors, distributor partners and independent wealth management advisors).

Our approach

The non-financial risks listed in this SNFP were reviewed in late 2022 by the heads of the relevant teams: Compliance and Permanent Control, Legal, Risk Management, SRI, General Resources and Human Resources. Based on that analysis, Edmond de Rothschild (France) changed its approach to identifying priority non-financial risks in order to manage them in a more targeted way. The risks taken into account are assessed as being those most representative of Edmond de Rothschild (France)'s activities.

Accordingly, given the nature of the Group's activities, the following do not form part of the Group's material issues and have not been identified as material risks for Edmond de Rothschild (France): the circular economy, sport, efforts to combat food insecurity and food waste, animal welfare and a responsible, fair and sustainable diet.

Ethics and governance

FAILURE TO COMPLY WITH RESPONSIBILITY COMMITMENTS IN A WAY THAT COULD AFFECT THE GROUP'S REPUTATION

As a committed, family-owned group, Edmond de Rothschild believes that its culture of taking an ethical and responsible approach in all circumstances forms the foundation of its operations and of the behaviours it demands of its staff. The adoption of ethical and responsible practices in our lines of business defines the way we operate and determines our development.

Policies

Corporate governance at Edmond de Rothschild (France) is determined by its Corporate Governance Directive, based on the Group Directive on Corporate Governance. It applies to Edmond de Rothschild (France) and Edmond de Rothschild Asset Management (France). Since Edmond de Rothschild SA is no longer a material entity in the Edmond de Rothschild Group, it has not been subject to the Directive since it was updated in December 2020.

The Directive complies with regulatory obligations applicable to credit institutions and asset management companies, along with recommendations made by the French, European and Swiss supervisory authorities. The Executive Board is responsible for transposing the Group directive into a local directive and for ensuring that the local directive is properly applied. The Directive is published on the French intranet and made available to all staff members. The Group remains committed to communicating regularly about the Directive.

The Group's Social Responsibility Policy details the Group's position and the measures it takes to prevent breaches of human rights connected with its business and of protected fundamental freedoms. It was reviewed in 2022 and is awaiting validation by the Group Executive Committee.

In addition, and in particular in order to meet the requirements of Article D533-16-1 of the French Monetary and Financial Code, the Supervisory Board's internal regulations were updated in March 2022 to include the consideration of environmental, social and governance (ESG) criteria by local governance bodies in order to strengthen the management of risks that could impact the Group's reputation and to ensure that sustainability issues are an integral part of the instructions that all local entities are bound to follow.

In addition, it should be noted that, as part of a policy to reduce the use of paper, digital versions of Board and General Meeting documents are now sent to participants to replace printouts.

Edmond de Rothschild (France) is a public limited company (société anonyme) governed by a Supervisory Board and an Executive Board. This two-tier structure satisfies the Group's corporate governance principles, whereby executive management must be separate from oversight tasks.

As part of that structure, Edmond de Rothschild (France) is committed to maintaining robust governance bodies, including by ensuring that the members of those bodies have a diverse range of profiles, so that the combined skills of its members allow it to pursue, manage and supervise all of its activities.

It also seeks to make those bodies even more robust where required, particularly when it moves into new business areas and when its regulatory obligations change.

Accordingly, the Group appointed three new members to its Supervisory Board in 2021 to enhance its collective skillset. No new members were appointed in 2022.

In addition, to meet new obligations regarding the balanced representation of men and women within its collegial bodies, Edmond de Rothschild (France):

- has since 2020 applied gender diversity rules within its Supervisory Board, whose membership was 45% female and 55% male at 31 December 2022,
- has since 2020 put in place a process for selecting Executive Board members, ensuring that at least one male and one female candidate will be considered in order to seek balanced representation of men and women on the Executive Board.

As announced in 2020, the Group increased diversity in terms of the profiles of its Supervisory Board members and maintained the proportion of women sitting on the Supervisory Board in 2022.

Edmond de Rothschild (France) also ensures that the Supervisory Board has a sufficient number of independent members, in accordance with rules set out in the Middlenext Code, which the Supervisory Board has voluntarily adopted. The Executive Board relies on the skills of specialist committees dealing with specific business lines and operational functions.

The Supervisory Board relies on work done by an Audit Committee, Risk Management Committee and Compensation Committee, which allow it to check that the business strategy is properly applied in accordance with the risk tolerance defined by the Bank. These committees ensure that controls are applied correctly at the highest level of governance.

A procedure to check the criteria for appointing and renewing the terms of office of governance-body members was adopted in 2017. That work involves assessing the integrity of members, their individual and collective skills, their availability, their compliance with rules about holding multiple corporate roles, their conflicts of interest and their independence, with regard to both Middlenext and UCITS V rules. Assessments carried out in 2022 before members had their terms of office renewed did not reveal any anomaly resulting in candidates being rejected.

45.45% of Edmond de Rothschild (France)'s Supervisory Board members were independent at 31 December 2022, compared to 36.36% at 31 December 2021 and above the minimum of one third required under the Middlenext Code

The increase in this percentage is due to the fact that one member of the Supervisory Board has become independent, as he has not been an employee of the Edmond de Rothschild Group for more than five years.

45% of Supervisory Board members are women, the same as in 2021

The fact that this percentage has held steady reflects Edmond de Rothschild (France)'s desire to maintain a balanced representation of women and men on the Supervisory Board.

As a result of the continuing COVID-19 pandemic and measures taken by the public authorities in France making it impossible to hold many meetings of governance bodies in person, Edmond de Rothschild (France) changed the way those meetings were organised without disrupting their timetable, including meetings relating to the approval of financial statements for the 2022 financial year.

The crisis unit – made up of Executive Board members and people from the Central Risk Department, Human Resources Department, Information Systems Department and General Resources – continued its activities.

FAILURE TO COMPLY WITH LEGISLATION AND CYBERCRIME

The Compliance and Permanent Control Department has adopted systems and action plans that ensure compliance with the principles set out by regulations in force in all business areas. In view of tougher statutory obligations, the Compliance and Permanent Control Department has taken action needed to strengthen its systems, ensuring that its operations run smoothly and that clients are protected.

As well as complying with and applying regulations and conduct rules applicable to banking and financial activities, the Compliance and Permanent Control Department brings its expertise to bear in a number of areas, monitoring current legal developments as well as changes in regulatory provisions and the case law.

Intelligence, monitoring and development processes enable it to:

- strengthen oversight systems;
- update alert procedures on a regular basis;
- review internal procedures;
- ensure that compliance training is initiated and monitored.

Policies

The Edmond de Rothschild Group has adopted an internal policy in connection with each theme that may affect its business activities, staff members or other stakeholders in areas including:

- gifts and benefits;
- prevention of money laundering and terrorist financing;
- market abuse;
- conflicts of interest;
- specific mandates;
- employees' personal transactions;
- prevention of bribery;
- employees' whistleblowing rights.

The policies are distributed to all Group employees. The Edmond de Rothschild Group is therefore firmly committed to complying with regulations at all times and to ensuring that each staff member behaves responsibly, to ensure that risks are managed strictly.

The Group has a set of policies and procedures that classify information, define the rules for ensuring confidentiality and meet regulatory requirements regarding personal data protection. These documents have been circulated among the Group's staff and may be viewed on the French intranet under "Ma sécurité au quotidien" at any time. The French processing register was compiled before May 2018 and is updated on an ongoing basis through co-ordinated work by the various departments concerned and the Data Protection Officer (DPO).

The Group's main aim is to maintain active communication regarding procedures and directives.

All of Edmond de Rothschild (France)'s compliance-related procedures are available to all staff members via the intranet and categorised by activity or business line according to their content.

At the Edmond de Rothschild Group level, the following documents are made available to staff members:

- Group Code of Ethics;
- Group Directive on Corporate Governance;
- Group Directive on the Swiss Anti-Money Laundering Act;
- Group Directive on higher-risk business relationships and transactions;
- Group Procedure on exchange of information;
- Group Legal & Compliance Charter;
- Group Directive on consolidated supervision;
- Order execution policy;
- Directive on international financial sanctions;
- Group risk policy;
- Group Cross-Border Directive;
- Group Directive on controversial weapons;
- Group Directive on conflicts of interest;
- Group Directive on the prevention of market abuse.

These directives are either directly applicable or transposed by dedicated procedures in each Edmond de Rothschild Group entity.

Various internal control arrangements are used to check that all regulations are complied with. This includes regulatory intelligence work carried out by the Compliance Department. Targeted working groups also assess legislation and establish the right way to ensure compliance with laws. Three levels of control are applied to all activities affected, and they are constantly updated and enhanced. As part of its control work, the Compliance and Permanent Control Department (CPCD) carries out regulatory intelligence activities in order to improve systems in view of regulatory changes.

Targeted training is organised for the teams concerned. For example, to train its staff in the prevention of money laundering and terrorist financing, Edmond de Rothschild Asset Management (France) has since 2015 used a digital training tool developed by the AFG (Association Française de la Gestion Financière), which is suited more specifically to the asset management business.

Edmond de Rothschild (France) Compliance has developed a tailor-made e-learning course on market abuse. This digital training module has been adapted to all professions for France and has been extended to every relevant Group entity. The training will be repeated in 2023 for the employees affected.

In 2022, Compliance also updated and provided in-person training relating to efforts to combat money-laundering and terrorist financing for the staff members concerned.

Through these efforts, the Bank actively monitors compliance with regulations and makes all staff members faced with these risks aware of regulatory developments. The CPCD make ongoing efforts to ensure compliance with the Bank's policies and directives.

As regards work-related regulations, operational risk sheets have been prepared for all of the major regulatory risks identified, in which staff members are reminded of the applicable procedures and the risk-prevention arrangements in force. Once per year, the Bank's Risk Committee, assisted by representatives of the Bank's various departments, analyses the indicators related to those risk sheets and ensures that procedures are properly applied. The Bank has also arranged employment law training for managers.

The Head of Human Resources in France reports directly to the Group HR Department and sits on Edmond de Rothschild (France)'s Executive Board. As a result, compliance with employment law is a cross-functional commitment that receives ongoing attention and is the subject of regular updates in Executive Board meetings. The Bank's internal control bodies are also in charge of proposing improvements to ensure optimal risk management.

As regards protecting data and clients, the Bank has various projects and effective tools that increase effectiveness and ensure continuous improvement. The Group's Information Systems Security Officer (ISSO) and Data Protection Officer (DPO) ensure, among other things, that both the Group's internal policy regarding client data protection and employee best practice are applied and complied with.

Similarly, the DPO helps departments and subsidiaries in their activities as regards GDPR issues, and checks that they comply with GDPR and apply it properly. Awareness-raising campaigns are constantly being developed. Beginning in July 2022, the entire workforce of Edmond de Rothschild (France) was invited to repeat the GDPR e-learning course. It had previously been updated in May 2022. By the end of December 2022, 67% of the workforce had passed the course, with the final date for its completion set for the end of June 2023.

In addition, new staff members, including interns, undertake training in relation to cybersecurity, data protection and GDPR. In 2022, seven awareness-raising sessions took place for 265 newcomers trained, i.e. 81% of this population.

Contracts with subcontractors are monitored on an ongoing basis and if necessary are updated in accordance with regulations. All types of processing that use personal data are identified in the "Processing register" kept by Edmond de Rothschild (France) and its subsidiaries. This register is monitored using a specific application, which was deployed in 2021 and allows the Group to manage GDPR compliance matters.

All processing methods covered by the register were checked and updated by the departments concerned in 2022.

IT projects are analysed jointly by the DPO and the ISSO based on GDPR and Security forms completed by project leaders. The aim is to check, before projects are carried out, that they comply with the principles of minimisation, privacy by design and privacy by default. In 2022, 21 forms were produced and either validated or are in the process of being validated jointly by the ISSO and the DPO. IT applications that manage confidential and personal data are also covered by a compliance plan and are constantly updated to increase security in terms of data and access.

Finally, fourteen Privacy Impact analyses have been carried out since 2018, looking at the ways in which personal data are processed to ensure that they are GDPR-compliant. A programme to review these analyses every three years, and to update them if necessary, began in 2022. Key performance indicators (KPIs) and key risk indicators (KRIs) have been defined at Group level regarding GDPR compliance, and they are updated every quarter by Edmond de Rothschild (France).

100% of subcontractors have included GDPR clauses in their contracts with Edmond de Rothschild (France).

0 incidents requiring notification to the relevant authority in 2022.

FAILURE TO COMPLY WITH BUSINESS ETHICS RULES ON MATTERS SUCH AS BRIBERY AND TAX AVOIDANCE

The Edmond de Rothschild Group aims to do its work in a responsible and exemplary manner. The conduct of employees and managers with respect to regulations and internal rules is a priority, to ensure that the Group's activities run smoothly and to help it achieve its targets. Ethics, integrity and transparency are intrinsically linked to the Edmond de Rothschild group's values as a family-owned business and its acute sense of responsibility.

Policies

The Group Code of Ethics represents one of the main internal policies applied by the staff members of the entire Edmond de Rothschild Group. Absolute compliance with the ethical rules set out in that Code is achieved through rigorous checks on its application in all of the Bank's business lines.

The ongoing aim is to strengthen internal procedures and raise awareness among all staff members about the importance of referring to the Code of Ethics at all times.

The content of this Code will be updated in 2023 and will be available on the company intranet for each employee. It states, explains and supplements laws and regulations, as well as ethical best practices. Annual performance assessments also remind staff members of the ethical principles that apply to them.

Internal procedures, together with the Audit, Risk and Compliance and Permanent Control Committees, ensure that it is properly applied within the risk tolerance that the Group has defined. The arrangements established by these Committees – such as the risk policy, the internal risk charter and procedures for each specific identified case – facilitate robust management by the management and control bodies.

Every year, all staff members concerned are required to take a training course on the prevention of money laundering and terrorist financing.

Edmond de Rothschild (France)'s procedures are based on the fundamental duty to know one's client, and remind employees of the Bank's anti-money laundering and counter terrorist financing obligations. They also cover the prevention of market abuse, ethical provisions applicable to employees as well as rules relating to the use of IT and communication resources.

Compliance has set up whistleblowing procedures that allow all staff members to identify unethical behaviour and breaches of regulations or legislation in force. Internal controls to monitor the systems in place help ensure that the directives and tools provided to all concerned work correctly.

All employees must, at all times, perform their duties to the required standard in terms of ethical conduct, skill, care and diligence. They are expected to work in the best interests of clients and all stakeholders. The whistleblowing procedure ensures full confidentiality for staff members.

99.7% of the affected employees took at least one anti-money laundering and counter terrorist financing training course in 2022

Training was provided in 2022 on the topics of anti-corruption, MiFID, the Mortgage Credit Directive and the Insurance Distribution Directive, with a very satisfactory completion rate

56% of training sessions in 2022 related to Ethics and Compliance matters (81% in 2021)

The Edmond de Rothschild Group's organisation into business segments allows it to strengthen consolidated supervision across each business line by the Group's Swiss holding company Edmond de Rothschild Holding S.A.

Edmond de Rothschild (France) does not have any subsidiaries in tax havens. This choice forms part of the Group's commitment to protecting the financial system, with the aim of maintaining and increasing the public's trust in it. The Edmond de Rothschild Group's duty of disclosure aims to achieve the high level of transparency needed to maintain the trust of its clients and stakeholders over the long term.

The Group Code of Ethics provides a global framework for all themes relevant to its activities, including those concerning tax evasion. The Code also states that "the Edmond de Rothschild Group takes a risk-based approach, intending to initiate business relationships only with clients whose assets are in compliance with their tax obligations."

Group employees follow codes of conduct adopted by the entities for that purpose. Every employee's annual performance review includes a section on adherence to the codes of conduct.

Group employees follow codes of conduct adopted by the entities for that purpose. The Group has a procedure concerning "exchanging information within the Group as part of the consolidated monitoring process", which describes in detail the rules about managing related risks, such as tax evasion. A third Group procedure relates to "handling transaction alerts".

The Group's anti-corruption system includes corruption risk monitoring measures involving an anti-corruption code of conduct, corruption risk-mapping for each entity, an employee whistleblowing procedure and rules regarding gifts and invitations. Awareness-raising emails and digital staff training courses are also used.

Edmond de Rothschild (France) has set up a system that complies with French automatic exchange of information (AEoI) standards. The system ensures that all staff members are aware of AEoI principles. In addition, client documentation includes the necessary information about AEoI for countries with which France has signed an information exchange agreement.

The system supplements the anti-money laundering and counter terrorist financing system, which includes tax fraud as one of its criteria for transaction monitoring and suspicious transaction reports.

The CPCD and the Legal Department supervise the implementation of these initiatives and ensure that they cover the relevant people.

0 criminal convictions or corruption-related penalties

EMPLOYER BRAND IMAGE RISK

One of the roles of the Group's Human Resources department is to reconcile the development of human capital with the Edmond de Rothschild Group's economic performance. Our teams' commitment to this development is based on sharing common Group values in order to position the Edmond de Rothschild Group as an employer of choice.

Policies

Attracting, developing and retaining the best talent is a key objective of our Group. The Group's Social Responsibility Policy covers the commitments intrinsic to this, such as:

- respect for human rights,
- hiring processes,
- compensation, internal transfers and promotions,
- work/life balance.

The Group's Social Responsibility Policy was updated in 2022 and will be validated by the Group's Executive Committee in 2023.

Other policies established by Human Resources include the agreements on professional equality and quality of life at work.

To make its employer brand more attractive to talent, Human Resources has the following goals:

- provide an exemplary hiring process to attract the best candidates,
- participate in training students and bringing in young graduates,
- integrating and retaining new employees with an active and inclusive onboarding process.

The Human Resources Department has also adopted the target of strengthening the Group's employer brand internally in 2022.

93% of Edmond de Rothschild (France)'s workforce are on permanent contracts at 31 December 2022, of which 46% are women

All HR-Business Partners in France have completed training in inclusive hiring.

The Human Resources Department of Edmond de Rothschild (France) attended two sessions of the "Hello Handicap" forum which helps employees with disabilities meet with committed employers.

In 2022, Edmond de Rothschild (France) participated in five forums in universities and grade schools and hired 99 interns and 28 work-study students. At the end of their internship or work-study commitment, eight of these people were hired on permanent contracts.

Two "new employee" morning sessions were held, during which they were informed of the Group's business lines, ecosystem, values and HR processes. These events are also an opportunity to introduce the Human Resources Team to the new hires, to connect them directly.

For 2023, Edmond de Rothschild (France) plans to improve the messaging on its diversity and inclusion commitment during hiring operations.

A partnership with the edhecwinfin association is currently being finalised; it will promote careers in finance to young women students.
Three onboarding meetings are planned for 2023. The format of these new employee welcoming sessions may be adjusted to account for employees' comments and impressions, which are collected at the end of every session.

46% of executives at Edmond de Rothschild (France) are women

LACK OF ENGAGEMENT

The operational risk of unsuitable hiring or the departure of key individuals or skills is handled very diligently.

Working for a family-owned company that has established long-term commitments and values helps to foster employee engagement.

To cultivate employee engagement and secure career pathways, Human Resources has the following goals:

- Train employees throughout their career;
- Promote internal mobility;
- Assess skills so as to improve them;
- Provide engagement programmes in connection with our ecosystem;
- Promote quality employee relations to guarantee an attractive workplace environment.

Policies

The Human Resources department has designed various policies and directives to improve synergies with the aim of meeting its goals.

The Training Policy, containing the professional training guidelines, serves as a basis for the operations so as to provide appropriate responses to strategic challenges and the needs of the business lines.

Each staff member must be able to access learning that is customised and adjusted to their needs.

Formalising the annual performance review process is part of a continuous improvement approach. The criteria adopted in the review process are in line with the Group's leadership model.

The Edmond de Rothschild Group favours offering in-house career development opportunities and, to achieve that, uses various support and communication methods. The Mobility Policy and the International Mobility Policy contain these processes and are reviewed by a dedicated committee.

A procedure for preventing psychosocial risks has been in place for several years. It includes the possibility for Management and staff representative bodies to carry out joint surveys and propose ways of improving prevention methods.

The annual performance review and vocational appraisals are key components for measuring employee engagement as well as their expectations for career advancement.

99.4% of employees in France had a vocational appraisal in 2022

83.4% of staff members in France completed annual performance reviews in 2022 (accurate as of 8 February 2023)

Talent development is essential and training programmes must provide an appropriate response to business lines' strategic issues and needs. Human Resources has set up special internal training courses such as:

- The managerial training programme, which tackles a number of themes including change management,
- The business expertise programme, which offers technical training for the various functions,
- Training programmes specifically developed for business lines such as Private Banking and Asset Management.

Other training programmes, including regulatory training, are regularly reviewed at the Group level with the aim of enhancing the offering. In 2022, 841 employees completed 8,629 hours of training i.e. 97% of the staff members of the UES. Training is now offered in person, virtually or in hybrid mode according to subject.

97% of staff members in France took at least one training course in 2022

The purpose of internal mobility is to match long-term personal aspirations with the needs of the Group. It deepens employee engagement and helps to properly manage operational risk in case of unsuitable hiring or the departure of individuals or skills that are key to the brand.

50 employees in France were promoted to internal vacant positions in 2022 (49 in 2021), 40% of whom were women (45% in 2021)

Several appeals were made to employees of the UES to gather volunteers to help with engagement programmes focusing on our ecosystem. All of the programmes launched were made possible by the many employees of the UES who enrolled.

The Social and Economic Committee was re-elected in November 2022. Nearly two-thirds of the workforce (426 employees) cast their votes.

The Social and Economic Committee met 13 times in 2022, and eight agreements were signed with representative labour unions, demonstrating the vibrancy of employee relations within the UES.

With the implementation of a new HRIS in the Group in 2023, Human Resources will improve vocational skills appraisals by including the option for managers and employees to request feedback from others within the Group.

A training programme will also be launched in 2023 for all Group employees to build a common core of knowledge on the subject of sustainability. Mandatory certification on ESG issues will also be established as a supplement for employees identified as risk-takers.

A digital "engagement platform" should be offered to UES employees in 2023. Our aim with this innovative digital tool is to make it easier for employees who are interested in internal engagement programmes as well as cash or time donation campaigns.

Several issues will be covered in negotiations with the employee representative bodies in 2023. An agreement on the GEPP is pending finalisation. There are also plans to revise all agreements on working hours.

REGULATORY RISK IN CASE OF NON-COMPLIANCE WITH LEGISLATION

All Human Resources processes factor in the principle of non-discrimination, overseen by the Group's Human Resources department and the Executive Committees of its various entities.

In the interest of complying with workplace equality and diversity legislation as well as employee health and safety standards, Edmond de Rothschild has set itself these goals:

- Guarantee diversity at every level and in every business line;
- Follow the "equal pay for equal work" rule;
- Increase the number of women in senior management;
- Foster work/life balance and quality of life at work;
- Maintain very high employee health and safety standards;
- Prevent psychosocial risks.

Policies

The Edmond de Rothschild Group considers these goals to be long-term priorities.

The Group's Social Responsibility Policy also deals with these themes.

The Professional Equality Agreement formalises these commitments as does the agreement on the integration and retention of employees with disabilities.

To manage this risk, the quality of life at work agreement and its monitoring indicators, the policy on prevention of psychosocial risks (PAPRIPACT), and the compensation policy are all essential to the Human Resources Department.

A Quality of Life at Work Agreement was signed with all union representatives in 2022. It contains many measures to improve the day-to-day experience of employees of the UES and addresses new topics such as company support for family caregivers.
Under this agreement, any employee of the UES who is a family caregiver was eligible for gifts of paid time off.

On the issue of preventing and treating psychosocial risks, four manager training sessions were completed. In addition, some one hundred employees watched a webinar on psychosocial risk awareness.

Training in psychosocial risk prevention will continue in 2023.

From now on, paternity leave will be paid, pursuant to a provision in our mandatory annual negotiated agreement.

During our annual pay review, special focus was given to workplace gender equality. The process was revised and strengthened.

All employees were surveyed about remote working to measure their degree of satisfaction with the remote working arrangement introduced in the Quality of Life at Work Agreement. This survey revealed a high rate of commitment and satisfaction among employees.

There will be a review in 2023 after six months of our remote working agreement. We will use it to determine whether any changes are needed.

More generally, specific measures are still being taken to ensure a high level of safety for people and property. Buildings and staff members are protected by a trained team who is present during all business hours.

Fire hazard and first aid training, as well as skills maintenance training for workplace paramedics, resumed in person in 2022.

Human Resources identified women's access to top management positions and/or management committees as an area for improvement.

For 2023, employees returning from maternity or adoption leave will be receiving a raise within a month of their return.

The plan to organise a “carers’ café” to encourage discussion between employees and the Human Resources Department is scheduled for 2023. Topics may be expanded to other issues relating to quality of life at work.

79 points out of 100: Edmond de Rothschild (France)’s gender equality index score

Responsible investing

The Edmond de Rothschild Group has been implementing methodologies that incorporate ESG (environmental, societal and governance) issues into investment decisions for many years. Efforts to make finance more sustainable by adopting long-term projections fit closely with the Group's values. Edmond de Rothschild Asset Management (France) has been a signatory to the United Nations' Principles for Responsible Investment (PRI) since 2010, and it makes ESG a central part of its investment and development strategy.

FAILURE TO TAKE INTO ACCOUNT ESG ISSUES IN INVESTMENTS

The Responsible Investment pillar refers to the following material issues:

- carbon risk management and energy transition;
- inclusion of ESG criteria in financial analysis;
- positive screening in asset management;
- shareholder engagement, dialogue and voting policy;
- the United Nations Sustainable Development Goals (SDGs);
- impact investing;
- theme-based investing.

Factoring ESG criteria into investment decisions is regarded as a key priority.

Edmond de Rothschild Asset Management (France) and Edmond de Rothschild Private Equity have also been signatories of the United Nations Principles for Responsible Investment (PRI) since 2010 and 2016 respectively.
Edmond de Rothschild Private Equity (France) is also a signatory of France Invest's "charter of commitments for investors in growth", which deals with ESG matters in particular.

Policies

Edmond de Rothschild (France)'s commitment to responsible investment and to taking ESG issues into account is formally set out in the Group's Responsible Investment Policy. It is available on the Group's website. All subsidiaries refer to this policy when developing their sustainable investing activities.

Edmond de Rothschild Asset Management (France)'s Responsible Investment Policy was reviewed and updated in 2020 to ensure that the methods used reflect the Group's developments. This enhanced ESG policy contributes to the sharing of best practice within the various business lines and helps to make methods more robust. At the Group level, in relation to the entry into force of the Sustainability Financial Disclosures Regulation (SFDR) in 2021, the policy has been supplemented by a policy for factoring in sustainability risks and taking into account adverse impacts in relation to sustainability.

The Responsible Investment Policy is implemented in various ways:

1. In-house exclusion policy regarding controversial weapons, thermal coal, unconventional fossil fuels and tobacco.
2. Integration of ESG risks and opportunities into fundamental analysis regarding equities, credit and sovereign issuers.
3. Active selection of companies that have sustainability policies, using a proprietary in-house ESG rating system for positive-screening SRI funds.
4. A shareholder engagement policy across all asset classes.
5. Implementation of a climate roadmap.

The policy means that the Group is able to build SRI portfolios that combine strong ESG impacts with financial returns.

Aim: We will update our Responsible Investment Policy, in particular to take into account ESG regulatory developments as well as to formalise our progress in terms of exclusions, voting and engagement policy and ESG analysis methodology. The climate component of the Responsible Investment policy will be strengthened in 2023, in particular through a fresh update to our climate roadmap that will incorporate biodiversity issues, which are closely linked to climate issues.

Edmond de Rothschild Private Equity[1] also has a Responsible Investment policy.

[1] Edmond de Rothschild Private Equity ("EdRPE") is comprised of two asset management companies, located in France and Luxembourg respectively

Strategy and governance

Edmond de Rothschild Asset Management (France)'s Responsible Investment strategy is developed with the support of the RI team's expertise. The third RI strategy (2021-2024) is being implemented by investment teams with the help of all support functions. It is being overseen by the Edmond de Rothschild Group's Asset Management Executive Committee and co-ordinated by an Asset Management RI Steering Committee. The committee is chaired by the Global CEO Asset Management and its members include managers of the various departments.

They are helping to implement the actions included in the 2021-2024 RI roadmap, which are prioritised within their departments. For the first time, the strategy for 2021-2024 covers all of the Edmond de Rothschild group's activities managing liquid and physical assets. It aims to formalise Edmond de Rothschild's increased commitment to responsible investment and to support the development of responsible investment. In particular, the strategy establishes certain cross-functional targets regarding ESG integration, the climate, training and RI communication, as well as factoring ESG criteria into staff compensation.

Governance was strengthened in 2022 by having the RI Steering Committee report formally to the Global Asset Management Executive Committee. The AM Executive Committee also received dedicated ESG training from the sustainable transformation consultancy SIRSA. The work of the RI Steering Committee has focused on developing RI Global AM governance.

Aim: The RI Steering Committee agreed to join the NZAM (Net Zero Asset Managers) initiative by the end of March 2023 and to create the position of Global Head ESG Asset Management to strengthen coordination between liquid and illiquid expertise and to efficiently execute the Global AM Responsible Investment strategy.

ESG analysis and management

Edmond de Rothschild Asset Management (France)'s dedicated RI team is the foundation of the Group's RI expertise. It consists of four experienced specialists, and has more than 80 years of professional experience in this area specifically.

Since 2010, it has developed a proprietary ESG analysis model called EdR BUILD, which is key to our approach. EdR BUILD allows the RI team to express its non-financial convictions, independently of external databases. The resulting method is detailed – including the analysis of more than 40 criteria – and balanced across the three pillars (E, S and G). It includes proprietary indicators. The themes assessed represent essential issues such as climate change, water, biodiversity, safety and security, human development, gender equality, business ethics and responsible governance practices. EdR BUILD is regularly reviewed and improved, and since 2017 has integrated the 17 United Nations Sustainable Development Goals (SDGs), which are pursued in different ways according to how material they are for each company.

Making use of advances in methodology and based on regulatory changes, we have also been factoring the green taxonomy, physical climate risks and biodiversity issues into our analysis framework. We carry out formal SRI analysis of issuers in the form of factsheets that are accessible to all asset managers and analysts. EdR BUILD now covers around 350 European companies, from small-caps to blue chips, and provides input into research regarding sovereign and private-sector issuers of equities and bonds. It plays a part in determining the overall or partial investment universes of all our equity, fixed-income and diversified SRI funds, by excluding securities with the worst ESG ratings. It is also intended to detect investment opportunities and provides clear signals to asset managers as part of the stock selection process.

In 2022, the RI team participated in 178 company meetings on solely ESG or combined ESG and financial themes.

The RI team was also regularly asked to carry out less comprehensive ESG go/no-go assessments of companies outside the scope of internal coverage and not covered by external ESG rating agencies.

The team seeks to establish direct contact with companies and also uses a number of external providers of analysis and tools, including Bloomberg, Sustainalytics, ISS, MSCI, Carbon4Finance, Reprisk and Proxinvest. Other data may also be used, such as the Access to Medicine index and Banktrack data. Providers are usually selected following a tender process and used for specific themes: for example, ISS is used for governance, Carbon4Finance for climate data and MSCI for the SDGs.

Edmond de Rothschild Asset Management is expanding its analysis to cover all regions, responding to the growing needs of its equity and credit asset managers. In 2022, an alignment of internal versus external ratings was undertaken, applying the E, S and G pillar weights of our EdR Build analysis model to the MSCI pillar scores, leading to an "adjusted MSCI" score.

ESG research, along with financial research, is an integral part of all levels of the investment process:
- definition of the investment universe,
- fundamental analysis,
- portfolio-building,
- stock selection.

Aim: In 2023, the "adjusted MSCI" score will replace the Sustainalytics score for companies with external coverage.

ESG data and tools for monitoring/reporting

The RI team seeks to establish direct contact with companies and also uses a number of external providers of analysis and tools, including Bloomberg, Sustainalytics, ISS, MSCI, Gaïa for European small- and mid-caps, Carbon4Finance and Proxinvest. Other data may also be used, such as the Access to Medicine index and Banktrack data. Providers are usually selected following a tender process and used for specific themes: for example, ISS is used for governance, Carbone4Finance for climate data and Reprisk for controversies.

They include for each security, the fund and benchmark, the internal and external ESG ratings, the pillar ratings, any controversies, and the sustainable investment portion of the portfolio. They are supplemented by an individual ESG assignment for each security and a detailed UN SDG (Sustainable Development Goals) exposure dashboard. A dashboard is dedicated to the climate, with some fifteen indicators including carbon intensity (scope 1 to 4), emissions avoided and alignment with the Paris Agreement. These dashboards are available directly in our portfolio management tool or updated daily. They are effective ESG monitoring and management tools for asset managers. In particular, asset managers can simulate the impact of a change in the portfolio's ESG profile. They can also more easily prioritise analysis work, determine areas for improvement and see progress made.

Aim: For the investment universe not covered internally, we will replace our main extra-financial rating provider Sustainalytics with MSCI. We will remain very vigilant about any additional data needs that may arise. We will continue to develop the content of the dashboards, including the addition of physical climate risk and biodiversity data as well as adverse impact indicators and taxonomy alignment.

SRI fund range

Since 2020, we have rapidly expanded our range of SRI funds. As of 31 December 2022, 13 funds received the French government's SRI label, after a full audit by Ernst & Young. They cover European, emerging and international equities, bonds and multi-asset, as well as topics such as healthcare, climate change, technology and human capital.

At the end of 2022, we launched a fund that puts our SRI expertise in European small- and mid-caps into practice. In addition to generalist SRI funds, we have a range of subject-specific SRI funds that cover the priority areas of health, energy transition and climate as well as human capital.

The SRI fund range also has specific ESG key performance indicators. Our SRI funds are jointly managed by a traditional portfolio manager and an SRI specialist, who interact closely with our own SRI specialists. No positions are added to a portfolio without the Responsible Investment team first approving their ESG profile. The impact indicators of our SRI funds are measured relative to each portfolio's benchmark index, and are monitored in the form of key performance indicators (KPIs).

Aim: To capitalise on the recent launches of SRI strategies and the quality of our SRI range, in order to significantly increase our SRI AuM.

Assets managed by Edmond de Rothschild Asset Management (France) according to SRI[1] strategies in 2022: €5,268 million

Or 22% of Edmond de Rothschild Asset Management (France)'s assets under management (29% in 2021)

[1] SRI-labelled open-end funds and dedicated funds that explicitly implement SRI strategies and themes.

The Edmond de Rothschild Group's Responsible Investment methods

Impact investing

Practice: impact investing consists of investing in companies, often unlisted, that are seeking to add social or environmental value in a measurable way. A single fund may feature several investment strategies. Although impact investing can be achieved most immediately through physical assets that meet the requirements of intentionality, additionality and measurability, investors are increasingly interested in the ability of liquid strategies to have an impact on the real economy. We identify and publish the most relevant impact indicators for our SRI funds, including proprietary environmental and social impact indicators. We also analyse impact in terms of positive or negative contribution to the SDGs, and from the climate point of view. We regard measuring a portfolio's alignment with a 2°C trajectory as particularly relevant from this point of view. Impact at portfolio level: systematic impact on all investment decisions, definition of specific impact targets. Impact investing strategies must also show that achieving the established targets would not have been possible without them. The resulting impacts are monitored and measured over time, and are subject to dedicated reporting.

Impact at portfolio level: systematic impact on all investment decisions, definition of improvement targets and of a specific ESG action plan for each investment

Sustainable themes

Practice: This approach consists of investing in the securities of companies that provide solutions to major sustainability issues, such as health, energy transition, human capital and economic development in emerging countries, while generating growth opportunities linked to the innovative nature of their business models. Although not impact-investing strategies in the formal sense, they factor in ESG criteria at every stage of the decision-making process, and attainment of ESG criteria is monitored over time. These strategies help produce positive impacts and so contribute to the attainment of the United Nations Sustainable Development Goals. The resulting impacts are monitored and measured over time, and are subject to dedicated reporting.

Impact at portfolio level: systematic impact on all investment decisions, definition of specific impact targets

ESG assets under management

Practice for Edmond de Rothschild Asset Management regarding liquid assets: since 2017, Edmond de Rothschild Asset Management has been adopting and formalising an ESG approach that has gradually been extended to all asset classes concerned and all geographical regions. We strengthened it in line with the AMF's SRI approach and the SFDR, adopting a formal "binding ESG integration" approach allowing all our ESG funds to be classified as SFDR Article 8 funds. ESG portfolio managers always include environmental, social and governance factors in their financial analysis. Relevant criteria are formalised within the investment process depending on the specific features of each investment strategy. Asset managers select companies with an appropriate ESG profile in order to put together a portfolio that has a higher ESG rating than its investment universe. The approach also includes the aforementioned exclusion policy.

Impact at portfolio level: systematic impact on the analysis of issuers and on portfolio construction, without resulting in a stock selection approach.

These procedures are gradually being implemented. Funds present their responsible investment approach, which is based on EdRPE's Responsible Investment principles and Edmond de Rothschild Group's

Principle for Edmond de Rothschild Private Equity (France): ESG integration is achieved through practical steps taken throughout the investment process. Firstly, investments are selected rigorously using two filters: the exclusion list common to all Edmond de Rothschild Private Equity strategies and the sustainability risk assessment. In addition, the principal adverse impacts as defined in the SFDR will be taken into account gradually. Information about those impacts is presented to the Risk Management Committee and the Investment Committee, and so forms an integral part of the investment decision. Sustainability risk is included in overall Risk monitoring.

Risks are reassessed annually and monitored throughout the investment holding period. When a stake is sold, Edmond de Rothschild Private Equity aims to ensure that all strategies factor in information about sustainability (risks and the principal adverse impacts), in order to explain the results of any action taken since the stake was acquired.

Responsible Investing documentation, directly in their legal and marketing documentation.

ESG may be applied in different ways in other types of asset management activities carried out by the Edmond de Rothschild Group, such as multi-asset/fund selection, infrastructure debt and real estate. An investment strategy's assets under management are only recognised if the ESG integration approach is formalised and implemented according to the defined methodology.

Principle for Edmond de Rothschild REIM (France): the ESG approach consists of including compliance with non-financial qualitative filters aligned with the requirements of the French SRI label within the investment strategy of the Edmond de Rothschild Immo Premium real estate fund (OPCI). Those filters cover the environmental, social and governance themes through an evaluation schedule that includes 33 real estate-specific criteria. These characteristics are therefore fully integrated into the investment process before an investment enters the portfolio, and then implemented throughout the holding period.

Impact at portfolio level: unlike other forms of RI such as positive screening, which involve a performance obligation, ESG involves a best-efforts obligation.

Positive screening and integration strategies

Principle: Positive screening consists of selecting companies for their good environmental, social and governance practices. The Best-in-Class approach favours companies that have the best ratings in each sector from a non-financial standpoint. The Best-In-Universe approach used by Edmond de Rothschild Asset Management (France) consists of selecting issuers with the best ESG practices, regardless of their business sector. The Best Efforts approach aims to select issuers that can show an improvement in their ESG practices over time. In line with its conviction-based philosophy, Edmond de Rothschild Asset Management (France) has chosen the Best-in-Universe approach for all of its open-ended SRI funds. Shareholder and bondholder engagement aims to influence companies' decisions in order to encourage them to improve their ESG practices, including via an AGM voting policy. Edmond de Rothschild Asset Management (France) has had an engagement strategy since 2010.

Impact at portfolio level: systematic impact on investment decisions and/or the adoption of ESG commitment initiatives that may affect portfolio composition, such as decisions to add to, reduce or sell positions. The selection-based approach leads to a requirement that investments meet minimum ESG standards.

Negative screening

Practice: Edmond de Rothschild Asset Management (France) has adopted a formal exclusion policy for sectors that are least compatible with a sustainability-based approach. The policy, which can be viewed on our website and which applies to all our funds, currently excludes companies involved in making and selling controversial weapons, coal, unconventional fossil fuels and tobacco. There is also a list of countries that are banned or under surveillance. The Compliance and Internal Control Department validates investments linked to those countries.

Impact at portfolio level: All securities on these negative screening lists are integrated into the in-house Dimension system and give rise to pre-trade restrictions.

Edmond de Rothschild Private Equity (France) has drawn up its own negative screening list, which adheres as a minimum to Edmond de Rothschild Asset Management's list, covering dangerous activities, sectors and conduct, to which private equity funds or investments are not authorised to have any exposure. However, Edmond de Rothschild Private Equity (France) does not wish to rule out investment opportunities simply because of a company's poor ESG performance at the time of analysis. Because of private equity's long-term investment approach, the focus is on intentions and efforts to improve each investee's financial but also non-financial performance, by generating positive impacts for the whole of society.
Investments are therefore directed to innovation and the green economy, as well as sectors undergoing transition that require support and expertise in implementing more sustainable growth models. In 2022, Edmond de Rothschild Private Equity revised its exclusion list to strengthen its exclusions with respect to fossil energy exploration, extraction and refining. An exclusion criterion has also been introduced on the indirect financing of excluded activities as a percentage of revenue.

Edmond de Rothschild REIM (France) applies negative screening to exclude companies that contribute to the production of controversial weapons in accordance with relevant international agreements, along with companies exposed to activities related to thermal coal and tobacco in line with the Edmond de Rothschild group's exclusion policy. The investment selection process also systematically includes an ESG rating via an internal rating schedule. The asset management company makes decisions to exclude a company based on a small number of criteria regarded as crucial, which allow the exclusion of assets that are not capable of achieving the targets adopted.

Selection of external funds

As regards ESG integration when selecting funds and external asset managers, the Group improves its process continuously as regulations and industry practices develop.

With regard to this Multi-Management expertise, comprehensive ESG due diligence questionnaires were formalised in 2019 for all fund types but also for asset management companies. Funds are selected for the whole Edmond de Rothschild group (asset management and private banking), covering investments for institutional and private clients. Hedge fund/alternative asset managers are included, with a simplified questionnaire based on the recommendations of AIMA (Alternative Investment Management Association) and the PRIs (Principles for Responsible Investment).

The ESG due diligence questionnaire has two sections covering quantitative and qualitative criteria:

1. A questionnaire assessing the funds' ESG approach
2. A questionnaire assessing asset management companies' position on Responsible Investment

Now fully integrated into the fund selection and monitoring process, questionnaires have been sent out to all approved traditional funds since 2016, and to all traditional and alternative funds since 2019. These questionnaires are sent out every two years and every time a new recommendation is made in order to capture changes in ESG practices among funds selected or under consideration, but also to identify the best SRI funds for private banking and asset management mandates. Particular attention is paid to new regulations including SFDR and the AMF Doctrine (Doc 2020-03).

SRI managed account for Private Banking clients

In a particularly difficult year, the SRI managed account for Private Banking clients grew steadily. The number of managed accounts rose by 14% in 2022. Without compromising on our commitments in terms of style, which remained very growth-oriented, and convictions, performances in line with the market were delivered, despite the total absence of the highest-performing sectors such as fossil energy, weapons and commodities.

From a non-financial standpoint, the rating was much improved with a universe almost totally covered by our internal rating system. In 2022, the big challenge for France was establishing the SFDR / Taxonomy / PAI with a questionnaire for our clients about their sustainability preferences beginning in September 2022.

Implementing these extremely complex regulations was guided by extensive training in sustainability issues in Private Banking, to attune all Private Banking personnel to the scale of the issue, including e-learning, lectures and special workshops led by management. The SRI managed account is already in a good position for clients who say they are aware or very aware. An unexpectedly high level of new interest was reported. Our convictions, which are rooted in megatrends, and perfectly illustrated in the group's ecosystem – social, health, environment, technology – are a perfect match for this trend.

Edmond de Rothschild Private Equity

The Edmond de Rothschild Group is also a leading player in private equity thanks to its teams of experts and long-term partnerships. Its proven track record in structuring funds, defining investment processes and integrating sustainability issues and good governance rules into its strategies ensures that the interests of investors, investment teams and the Edmond de Rothschild Group are perfectly aligned.

Edmond de Rothschild Private Equity (EdRPE), consisting of two asset management companies in France and Luxembourg, encourages synergies between teams, strengthens their shared vision and ensures that the various participants' stated objectives are aligned.

Although all Edmond de Rothschild Private Equity (France) funds factor in sustainability risk, they mainly acquire minority stakes, and so asset managers have little influence on investees' sustainability drivers.

Minority investment funds focus on investment opportunities in which they have obtained sufficient information to assess the target's sustainability performance and ambitions. A company's quality in terms of assessing sustainability risk will be assessed alongside financial considerations.

Those factors are brought to the attention of the risk manager, who will produce specific recommendations, possibly when defining a plan of action. This will help the investee to reduce its sustainability risk exposure. If a target's sustainability rating appears to fall short of Edmond de Rothschild Private Equity (France)'s requirements, the opportunity may be rejected.

Subsequently, during the investment holding period, initiatives may be taken to improve sustainability drivers. Those initiatives are easier to implement if the fund holds a majority stake, which is the case with one of the company's strategies.

Edmond de Rothschild Private Equity (France)'s assets under management at 31 December 2022: €969 million, of which 100% is managed in SRI integration (€750.1 million in 2021)

An increase of 29% in 2022

N.B.: in the Edmond de Rothschild (France) annual report, Edmond de Rothschild Private Equity (France)'s assets under management include those of the ERES II SICAR, ERES II FDCI and ERES III SICAR funds, to which it provides investment advice.

Edmond de Rothschild Real Estate Investment Management

The Edmond de Rothschild Immo Premium fund has been SRI-labelled since May 2021 according to French standards. This shows Edmond de Rothschild REIM (France)'s desire to play an active role in combating climate change, while adopting a more robust policy in terms of social and governance criteria.

The real estate component's investment strategy fully addresses environmental, social and governance aspects according to a "best in progress" approach. It aims to select then actively manage assets that meet the 33 criteria defined in the internal rating schedule.

Assets managed by Edmond de Rothschild Real Estate Investment Management (France)according to SRI strategies in 2022: €146.3 million

In addition, the investment strategy for the financial portfolio aims to select listed real estate companies on the basis of a table containing 17 dedicated criteria under a "best in class" approach. In 2022, during the first year of the fund's certification, actions focused on stakeholder engagement, with the integration of ESG clauses in leases and rental management mandates.

In addition, more than 89% of the assets in the portfolio are now equipped with an energy consumption monitoring system, enabling the management teams to identify the levers for reducing energy consumption and greenhouse gas emissions and to deploy them optimally in the years to come. The strategy's complete results are presented in the fund's ESG report.

FAILURE TO ADDRESS BIODIVERSITY AND CLIMATE ISSUES IN INVESTMENTS

Edmond de Rothschild Asset Management's climate change roadmap aims to limit climate change to less than 2 degrees via a gradual decarbonisation of portfolios by 2050, in line with the Paris Agreement. As part of that strategy, it refers to several existing climate initiatives such as the Montreal Carbon Pledge – of which Edmond de Rothschild Asset Management (France) has been a signatory since 2015 – the CDP (Carbon Disclosure Project), the TCFD's 2017 recommendations aimed at supporting companies with their efforts to take climate risks into account, and the Science Based Targets initiative (SBTi).

Policies

To analyse issuers, the Responsible Investment team has developed a proprietary in-house scoring model, based on the TCFD typology, to quantify the main climate risks and opportunities within economic sectors and sub-sectors. In practice, this means that in relation to climate risks, the roadmap will not become diluted, remaining focused on a limited number of sectors and issuers, because 90% of climate risks arise from 10% of issuers operating in fewer than 10 economic sectors.

Our model analyses five levels of risks and opportunities over three time horizons:

1. short-term (2020-2024),
2. medium-term (2024-2035),
3. long-term (until 2050).

Implementing the TCFD typology, we have identified five sectors:
- energy,
- transport,
- building,
- manufacturing,
- agriculture.

As a result, the TCFD focuses on a limited number of sectors and issuers that present a high level of climate risk, such as coal mining, power generation based on thermal coal, oil sands and Arctic oil and gas, but also airlines and ruminant meat production. At the same time, we have identified eight sectors and 21 sub-sectors that present major climate opportunities, including 13 in the immediate term.

The Edmond de Rothschild Asset Management (France) climate roadmap prioritises three liquid asset classes: equities, corporate bonds and sovereign bonds. It is entirely consistent with our Responsible Investment philosophy. We are making gradual progress in this area as methodologies improve and as companies provide access to data.

The roadmap is updated every 18-24 months as progress is made on measurement methodologies – particularly as regards scope-3 and avoided CO_2 emissions – as well as access to information and maturity impact analyses, in order to reassess the action taken.

It was updated in 2020 to take account of the climate emergency and the responses of the various economic participants and regulators, including the European Union's green taxonomy. It also takes into account the most recent "sustainable development scenario" of the International Energy Agency (IEA), which is compatible with the Paris Agreement:
https://www.iea.org/reports/world-energy-model/sustainable-development-scenario

Edmond de Rothschild Asset Management is also involved in several initiatives and committees that cover all climate matters at local (FIR), European (EFFAS) and global (ICGN, PRI) level. To make our climate roadmap a reality, we have implemented measurement and oversight tools. Since 2019, the monthly reporting of our funds has included a carbon footprint.

In 2022, the climate indicators reported this way were significantly enhanced for our Article 8 and 9 SFDR funds. Carbon4Finance was ramped up in 2022, allowing us to strengthen our expertise, analysis and climate reporting capabilities. As such, in 2022, the comprehensive Carbon4Finance data in our management tool meant that we were able to significantly enhance the tools we use to monitor our portfolios' risks and climate alignment.

A set of climate indicators – including carbon footprint, carbon intensity and emissions avoided – is now available for asset managers. There is also an indicator that summarises climate risk and implied temperature trajectory, based on the Carbon4Finance methodology. The indicator is based on daily data and allows asset managers to simulate the impact of an investment decision.

Aim: Edmond de Rothschild Asset Management (France) will update its climate change roadmap in 2023 by extending it to include biodiversity issues. In this context, we will sign the NZAM (Net Zero Asset Managers) climate initiative, which will lead us to set interim targets for reducing the carbon footprint of our portfolios by 2030. These qualitative and quantitative targets should relate mainly to funds with the largest carbon footprints (energy funds for example) and those whose carbon performance is inferior to that of their benchmark indices.

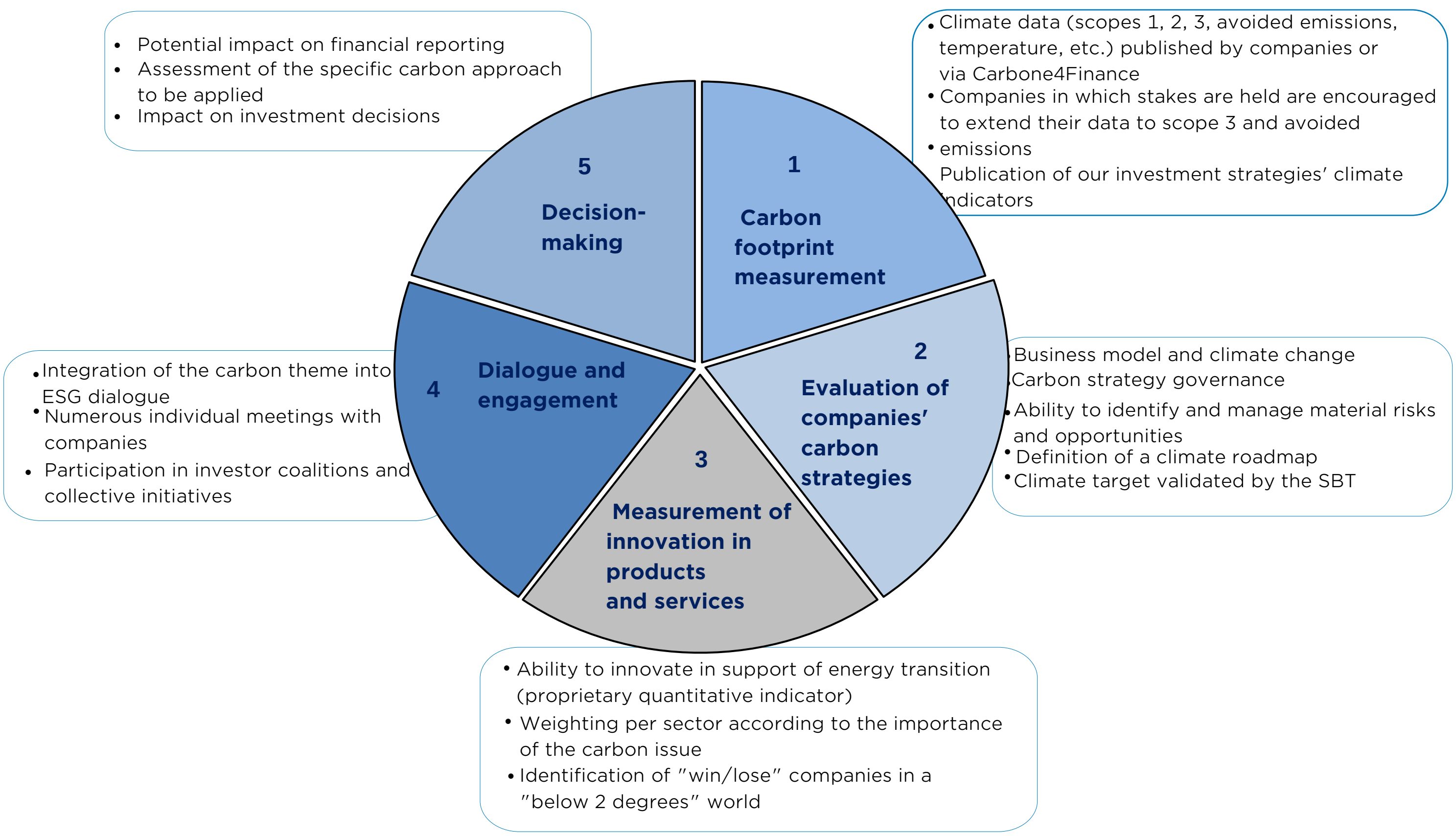
Regarding exclusions of high climate risk sectors and activities, our coal exclusion policy was supplemented in 2022 by an exclusion policy for unconventional fossil fuels, which was initially focused on the exclusion of hydrocarbons from the Arctic, oil sands extraction, ultradeep water drilling and coalbed methane. Our coal exclusion policy was therefore made more restrictive in 2023 by lowering the exclusion threshold from 25% to 20% of production or installed capacity and by adding an absolute exclusion threshold.

We are aware that the challenges of climate change are closely linked to those of biodiversity conservation. As a member of the Finance for Biodiversity Initiative since 2021, we subscribed in 2022 to Carbon4Finance's Biodiversity Impact Analytics database, which provides the "Global Biodiversity Score" (GBS) indicator. The GBS measures the integrity of ecosystems by connecting a company's economic activity with the pressure it puts on biodiversity and by translating that pressure into biodiversity impact.

Aim: The data in this database, which is currently accessible via the Carbone4Finance platform, is being deployed in the management tool. Monthly climate reporting will be available for 100% of our Article 8 and 9 funds in 2023.

96% of Edmond de Rothschild Asset Management (France) Article 8 open-ended funds have ESG and climate reporting included in their monthly reporting as at 31 December 2022.

Climate issues: our holistic approach at the portfolio management level



For Edmond de Rothschild Private Equity (France), climate and biodiversity issues are taken into account mainly through the process for integrating the sustainability risk of each investment strategy, adjusted according to its specific features.

Specific indicators are used to assess investment opportunities. In early 2023, the Edmond de Rothschild Private Equity platform selected a tool for measuring climate and biodiversity risk in the due diligence phase to strengthen its approach.

Edmond de Rothschild REIM (France) includes the reduction of the carbon footprint of the Edmond de Rothschild Immo Premium fund's asset portfolio among its priority non-financial objectives. By 2050, Edmond de Rothschild REIM (France) intends to make the Edmond de Rothschild Immo Premium fund carbon-neutral, in line with the targets set through the national low-carbon strategy. The SRI commitment made for the Edmond de Rothschild Immo Premium fund also involves key stakeholders (particularly staff members, investors and tenants) in the aim of reducing energy consumption and the carbon footprint.

In 2021, the decision was taken that the Group's other management activities would use the same roadmap as a common foundation, while taking into account the specific features of each business line.

FAILURE TO FULFIL OUR RESPONSIBLE INVESTING COMMITMENTS

Shareholder dialogue is an essential part of Edmond de Rothschild's fiduciary duty and role as a responsible investor. It helps to clarify the Group's expectations, as a responsible investor, regarding resolutions tabled in company AGMs. By engaging with companies, the Group can have a positive influence on specific themes and encourage best practice. This constructive dialogue enables it to support companies in their efforts to achieve transparency and improve performance over the long term.

Policies

The voting policy is available on the Edmond de Rothschild Group website. It applies to the entire scope of Edmond de Rothschild Asset Management (France).

It is deployed from the impetus of the Responsible Investment Steering Committee, under the responsibility of the Global CEO Asset Management. The Dialogue and Engagement Committee, headed by the Global CIO Asset Management, frames our process with regard to investees. The Voting and Engagement Committee formalises and implements our voting policy. The voting policy, restricting the age limit for the office, is regularly updated and available on the Group's website.

In 2022, Edmond de Rothschild Asset Management strengthened the "say on pay" aspect of our voting policy by connecting approval of the compensation report with the inclusion of transparent and quantifiable non-financial criteria. For companies operating in a high-emissions industry, a criterion related to the climate or carbon emissions should be selected.

Edmond de Rothschild Private Equity (France)'s shareholder engagement policy was updated in 2021. At Edmond de Rothschild Private Equity (France), shareholder engagement consists mainly of being an active shareholder and attending all meetings where it has a seat on investees' management bodies.

Edmond de Rothschild Private Equity (France) seeks to establish dialogue and engage with companies in four areas:

1. strategy, including in terms of sustainability;
2. operational and financial performance, including ESG performance;
3. governance and composition of the management team;
4. transparency in terms of reporting.

As part of its management of the financial portfolio of the Edmond de Rothschild Immo Premium real estate fund (OPCI), Edmond de Rothschild REIM (France) paid particular attention to the environmental, social and governance performance of the listed real estate companies held in the fund's portfolio. The asset management company's shareholder engagement involved regular monitoring of action taken by issuers on ESG themes and exercising its voting rights in order to uphold the interests of fund unitholders, as well as Edmond de Rothschild REIM (France)'s convictions regarding socially responsible investment.

Edmond de Rothschild Asset Management (France) is also in favour of companies defining carbon neutrality targets aligned with the Paris Agreement, validated by the SBTi and preferably with intermediate targets for the relevant scopes. If the chair of a board of directors does not have a quantifiable target for reducing greenhouse gas emissions, a recommendation will be made to vote against their re-election.

Finally, Edmond de Rothschild Asset Management (France) will also support proposals aimed at removing the "glass ceiling" that makes it difficult for women and people from minority backgrounds to reach a certain level of a company's hierarchy.

Edmond de Rothschild Asset Management (France) exercises its voting rights on investments (excluding units in external SICAV funds) in the portfolios it manages where it holds more than 0.01% of the company's capital, irrespective of the nationality of the issuing company, as long as the issuer provides sufficient information and custodians can take the votes into account.

Asset managers are responsible for exercising voting rights. To facilitate voting and ensure that it is consistent with the general SRI approach, Edmond de Rothschild Asset Management (France) has set up an organisation that centralises and co-ordinates all the information needed to exercise the voting rights attached to securities held by the funds it manages.

The principles of that voting policy are consistent with the RI approach adopted by Edmond de Rothschild Asset Management (France) since, aside from fundamental governance-related aspects, they determine in detail the position that Edmond de Rothschild Asset Management (France) will take regarding draft resolutions on environmental and workforce-related matters put to a shareholder vote.

In 2022, there was large-scale voting activity, and Edmond de Rothschild Asset Management (France) took part in 507 AGMs and voted on 6,685 resolutions.

Edmond de Rothschild Asset Management (France) reports on its voting practices – i.e. its use of voting rights attached to shares held by the funds it manages – through a specific annual report, which is prepared within four months of the end of each year. The report is available on its website.
Edmond de Rothschild Asset Management (France)'s engagement policy focuses on three main aspects: its objectives, its engagement processes and the results of its engagement. Asset managers meet regularly with representatives of investee companies to clarify the Group's expectations as a responsible investor and to assess their ESG rating.
Edmond de Rothschild Asset Management (France)'s engagement approach is the same for both bond and equity investments, aside from matters concerning pre-AGM dialogue and the submission of draft resolutions. It takes the view that engagement is less relevant for money-market investments.

Our engagement efforts included one or more KPIs and a deadline in order to measure progress in terms of dialogue. In 2022, our individual engagement actions covered 11 companies, including three actions on climate issues. They were supplemented by a collective commitment, through our membership in various social and environmental initiatives.

Aim: In 2023, we will carry out a dozen or so commitment and collective actions and pursue our climate commitments in a targeted manner. In 2023 and beyond, Edmond de Rothschild Asset Management (France) is aiming for a voting rate structurally above 95%.

Edmond de Rothschild Asset Management (France) participated in 507 AGMs in 2022, the same number as in 2021

96% voting rate across all equities

Environmental impact

Direct environmental impact is a major issue in monitoring our activities. Since 2014 we have been analysing energy consumption, business travel and office waste at Group level to reduce our impact. The Bilan Carbone (carbon footprint) for activities in France has been calculated since 2010. Climate risks are taken into account in investment decisions, and those efforts are discussed in the “Responsible Investment” section of this report and in the Group sustainability report.

FAILURE TO COMPLY WITH THE COMMITMENT TO MITIGATE ENVIRONMENTAL IMPACT

Since 2010, management of the climate impacts of Edmond de Rothschild (France)'s activities has been systematically analysed, enabling the implementation of concrete actions to reduce our impacts. We strengthened our improvement targets and monitoring work in 2022.

Policies

Although the impact of Edmond de Rothschild's activities on the environment is not a major material issue, we act responsibly and are committed to being a player in the environmental transition.

We demonstrate our commitment in two ways:

- Monitoring our actions to reduce our impact;
- Offsetting emissions through an insetting project that has an impact on the real economy.

These are explained in the Group's Environmental Policy. That policy was adopted in 2015 in order to formalise and measure its impact. It applies to all Group entities.
The policy was updated in 2022 following an analysis of new sustainability priorities and targets that the Group identified for the 2021-2024 period.

Aim: The Group’s environmental policy will be reviewed in 2023 with the addition of a “trajectory 2030” plan to establish a steady reduction path for the carbon emissions of the Group’s activities. It will be presented to the Group Executive Committee in 2023 for validation.
It will be reviewed by the Group Executive Committee in 2022 and published on the Group website after it has been validated.

Since the update of the Employer Mobility Plan (EMP) in 2021, the number of bicycle parking spaces has increased.

Certain company vehicles can only be replaced by hybrid vehicles if charging stations are available, but it is no longer possible to install them near our offices in central Paris. As a result, the policy on hybrid vehicles is restricted because the employee must ensure that they can recharge the car outside the company.

The Group’s General Resources department works with all Group entities to develop projects that contribute to change and ongoing improvements in environmental performance.

The priorities in terms of managing environmental impact are:

- Monitoring movements in indicators;
- Maintaining pragmatic initiatives;
- Constantly improving business practices;
- Overseeing internal usage.

The Group’s environmental management system, described in the Environmental Policy, addresses priorities for improvement. The trajectory to be established in 2023 will help to review them in detail.

Edmond de Rothschild (France)’s carbon footprint increased in 2022, notably as a result of the resumption of business travel after the easing of restrictions related to the Coronavirus pandemic. Travel by air has increased by more than 100% and travel by company car has increased by 23%, returning to 2019 values.

24% increase in CO_2 emissions in 2022

(1,005 tonnes of CO_2 equivalent versus 809 in 2021)

This increase is also due to the fact that 2022 was a year with much higher global temperatures than 2021. This resulted in higher air conditioning consumption.
Overall paper consumption decreased slightly in 2022 despite permanent site returns: 18.9 tonnes versus 19.8 tonnes in 2021.

Since 2016, the Group has offset CO_2 emissions arising from its activities through an insetting project. The project consists of offsetting emissions within our own value chain.
It was initiated in partnership with Edmond de Rothschild Private Equity in order to integrate the Group’s social and environmental commitments into the offsetting programme. It was renewed in 2022 with the addition of scope 3 in the offset calculation.

FAILURE TO USE RESOURCES IN A SUSTAINABLE MANNER

Edmond de Rothschild (France) has taken major steps in recent years to thoughtfully manage waste and consume inputs.

Policies

The Group's Environmental Policy sets out improvement targets for reducing waste and managing paper consumption. Both issues are measured and monitored in detail. Continued working from home has made it possible to manage this point better.

In 2022 we analysed printing for private customers and the IT processes in place for it. As a result of this analysis, it was decided to implement the "Paperless" project.

Aim: The 2023 launch of the "Paperless" project, is meant to reduce and optimise printing in order to limit paper consumption. The sources of paper used will also be reassessed.

The target set for 2022 to try to reduce as much as possible the consumption of paper that is not 100% recycled or FSP/PEFC certified has been achieved. Paper consumption in the "other" category was reduced by 33% in 2022. This type of paper is sometimes delivered despite the demand for recycled paper because there may be a shortage of stock. It also satisfies a sometimes higher level of quality and whiteness.

Waste management is difficult to monitor in the services sector, because the cost is often included in the charges levied by the buildings or districts in which entities operate. However, the Edmond de Rothschild Group has decided to monitor this indicator and more specifically the percentage of staff members who have access to a recycling system. Paper waste, which is Group's the main source of waste, is monitored and measured each year.

Edmond de Rothschild (France) has a recycling system for paper, aluminium, glass and plastic. Glass is recycled when recycling is made available by landlords or the Mairie de Paris. We do not currently have a contract with a private provider that allows us to quantify this category.

5% reduction in Edmond de Rothschild (France)'s paper consumption in 2022

(18.9 tonnes versus 19.8 in 2021)

FAILURE TO TAKE INTO ACCOUNT CLIMATE CHANGE

The fight against climate change concerns all of the Group's business activities. Climate change is taken into account in various ways, including through the deployment of the climate roadmap for investments, the gradual decarbonisation of portfolios and the introduction of climate change risk management tools.

In 2022, we set up a Group Sustainability Committee. This new governance body has the task of reflecting the Group's sustainability strategy, but also of supporting and leading the changes brought about in the company by the systematic integration of sustainability issues in all our activities. The Chair of the Committee is the Group CEO, who reports directly to the Group Executive Committee. Thus, project proposals are validated by the Group's highest governance body. For 2023, the committee will focus its actions on the effects and transformations caused by climate change.

Policies

The Environmental Policy of the Edmond de Rothschild Group (France) addresses this priority. The Sustainability Committee will validate the updates, which will be aligned with the "Trajectory 2030" plan.

The sustainable procurement policy, created in 2016, will also be updated in 2023, including specific elements related to climate change.

Aim: In 2023 we will reissue the responsible purchasing charter, co-signed by suppliers, with the addition of a detailed questionnaire concerning their commitments to the challenges posed by climate change and their Social and Environmental Responsibility.

Energy consumption accounted for 41% of the Group's main CO_2 emissions in 2022 while business travel accounted for 56%.

7% reduction in total energy consumption in France in 2022

(4,150 MWh versus 4,473 MWh in 2021)

Edmond de Rothschild (France)'s commitment to protecting biodiversity continued in 2022.

The Bank still has two insect hotels, which act as places for species like mason bees to lay eggs, but also have dedicated chambers that house auxiliary insects, helping species to reproduce.

A large number of nesting boxes and feeders are still in place around Edmond de Rothschild (France)'s buildings.

The three major heat waves of summer 2022 started in mid-June.

In total, 33 hot days were recorded during this particularly hot year. The summer of 2022 was the second-hottest on record in France and 2022 was the hottest year on record in France with an average temperature over the year being 14.5°C.

This persistent drought led to an early end to the beekeeping season as flowers stopped producing nectar.

The four beehives installed on the rooftops of the bank in Paris, with around 220,000 bees at the height of the season, nevertheless yielded 39 kilos of honey. The honey was given to Edmond de Rothschild Heritage, which put it in jars and sold it.

Data reporting and validation methods

Reporting scope

This SNFP covers all the activities of Edmond de Rothschild (France), not including its subsidiaries and branches outside France. That scope represents 95% of Edmond de Rothschild (France)'s workforce.

Reporting organisation

The collection of indicators is organised by the Edmond de Rothschild Group's sustainability department. It is supported by the network of experts in France, who contribute the data. The sustainability department is the main contact for external auditors.

Selection of indicators

In order to monitor the performance of its sustainability commitments since 2011, Edmond de Rothschild (France) has identified the most relevant key performance indicators pertaining to its business dealings, influence and identified main risks.

Organisation, resources and monitoring

Specific tools and procedures, including the definition of each indicator and its calculation methodology, are used:

- workforce-related indicators are collected and consolidated via the Human Resources Department;
- data regarding the Bank's wider sustainability commitments, including information concerning the Bank's Responsible Investment activities, are aggregated using information submitted by the appropriate entities;
- environmental data are consolidated in the carbon audit produced each year by the General Resources Department.

Key performance indicators are monitored and validated at three levels: firstly at the operational level within the entity itself, then by the Sustainability Department and finally by the departments directly concerned by the various subjects. Discrepancies are analysed with the data contributors.

The purpose of this approach is to guarantee that reported information is genuine and consistent over time.

Published key indicators

	Published performance indicators	**Pages**
Ethics and Governance	% of Edmond de Rothschild (France)'s Supervisory Board members who are independent and women	p. 49
	Number of subcontractors that have included GDPR clauses in their contracts with Edmond de Rothschild (France)	p. 51
	Number of incidents requiring notification to the relevant authority.	p. 51
	Number of unethical behaviour alerts raised during the year	p. 52
Human engagement	% of workforce on permanent contracts	p. 53
	Proportion of women among total management-level employees in France	p. 53
	Proportion of staff members who attended at least one training course during the year	p. 54
	Proportion of staff members who took part in an annual performance review	p. 54
	Number of employees promoted to internal vacant positions during the year	p. 54
	Gender balance index score	p. 56
Responsible investing	Total assets managed according to SRI strategies / % of total assets under management in France	p. 59
	% of open-ended funds covered by a carbon footprint analysis	p. 65
	Number of AGMs in which Edmond de Rothschild Asset Management (France) participated	p. 67
Environmental impact	% change in CO_2 emissions in 2021 according to the carbon audit results	p. 68
	% change in paper consumption in 2010	p. 69
	% change in total energy consumption in 2021	p. 69

5.1.3.7 Information on the Taxonomy Regulation (Regulation (EU) 2020/852)

Regulation (EU) 2020/852 of 18 June 2020, known as the Taxonomy Regulation, establishes criteria for determining whether an economic activity qualifies as environmentally sustainable. According to the regulation, the following constitute environmental objectives:

1. climate change adaptation
2. climate change mitigation
3. the sustainable use and protection of water and marine resources
4. the transition to a circular economy
5. pollution prevention and control
6. the protection and restoration of biodiversity and ecosystems

Commission Delegated Regulation (EU) 2021/2178, which relates to Article 8 of the Taxonomy Regulation and was published in the Official Journal on 10 December 2021, defines the content and presentation of information about sustainable investments for companies concerned.

Commission Delegated Regulation (EU) 2021/2139, published in the Official Journal on 9 December 2021, specifies the technical screening criteria for determining sustainable activities in view of the first two environmental objectives.

A delegated regulation relating to the four environmental objectives is expected in 2023. Although the obligations relating to these four environmental objectives have been applicable since 1 January 2023, the absence of a delegated regulation relating to the four environmental objectives makes it de facto impossible for all actors to implement them.

An economic activity qualifies as environmentally sustainable or aligned within the meaning of the Taxonomy Regulation where it:

- is eligible, i.e. explicitly mentioned in the delegated regulations supplementing the Taxonomy Regulation;
- contributes substantially to one or more of the environmental objectives;
- does not significantly harm any of the environmental objectives;
- is carried out in compliance with certain minimum safeguards;
- complies with the technical criteria of the delegated regulations supplementing the Taxonomy Regulation.

The regulation is coming into force gradually:

- Between 1 January 2022 and 31 December 2023, the Group must disclose the following as a proportion of its total assets:
  - exposures to taxonomy-eligible and non-eligible economic activities;
  - exposures to sovereign counterparties;
  - exposures to companies not subject to the NFRD;
  - derivatives;
  - the trading book and on-demand interbank loans.

Comparative information is not required in these first two years.

From 1 January 2024, the Group must also publish information about the proportion of aligned assets.

In accordance with information provided by the European Commission via its various FAQs, disclosures for regulatory reporting purposes must be based on actual data provided by underlying financial and non-financial counterparties. The use of estimates is not permitted.

The set of information disclosed by Edmond de Rothschild (France) on 31 December 2022 is as follows:

In thousands of euros	Gross book value	*Eligible*	*Non-eligible*	Share of total assets
Assets included in the numerator and denominator				
Non-financial companies subject to the NFRD	0			
Households	999 238	62 851	936 387	
Other assets included only in the denominator				
Exposure to companies not subject to the NFRD	1 121 245			17.1%
On-demand interbank loans	39 317			0.6%
Cash and cash equivalents	294			0.0%
Other assets	399 860			6.1%
Derivatives – Hedge accounting	61 080			0.9%
Total assets included in the denominator (total GAR assets)	**2 621 034**			**40.1%**
Sovereign issuers	73 465			1.1%
Central banks	3 843 868			58.8%
Trading book	3 069			0.0%
Total assets excluded from the numerator and denominator	**3 920 402**			**59.9%**
Total assets	**6 541 436**			
Share of total GAR assets		**2.4%**	**35.7%**	
Share of total assets		**1.0%**	**14.3%**	

This quantitative assessment regarding eligible activities was carried out on the basis of European texts and draft texts available at the time this annual report was written.

Total reported assets correspond to those stated in Edmond de Rothschild (France)'s FINREP prudential financial statements at 31 December 2022.
As a reminder, 2021 was the first year in which eligibility reporting was produced for our bank.

In 2022, we made certain changes to our methods compared to the previous year; in fact, some regulatory uncertainties the previous year had caused us to make certain judgements and select specific approaches that we saw as appropriate. In 2022, the European Commission made some clarifications to the application of the delegated regulation. We took these changes into account, to come into compliance with regulations.

The key changes were made to:

- Residential mortgages to private individuals – in 2021, all of these mortgages had been considered eligible, which represented 6.4% of total GAR assets. This year, to comply with regulations, only residential mortgages to private individuals that are collateralised with a real estate asset or covered by a housing credit guarantee are eligible.

- Last year, we positioned assets that the bank could not identify as corresponding or contributing to Taxonomy purposes as unallocated assets. These included cash advances, residential mortgages and overdrafts granted to non-financial companies (27.4% of total GAR assets in 2021). In 2022, we completed additional analyses and reclassified these assets in total assets included in the denominator under "exposures to companies not subject to the NFRD".

- Since 30 June 2022, for the management of its interest rate and foreign exchange risks related to asset/liability balances, Edmond de Rothschild France created hedges from derivatives (interest rate / exchange rate forward swaps). Derivatives are recorded in the balance sheet at fair value through profit or loss. At 31 December 2022, this amount was classified under assets included in the denominator in the "derivatives - hedge accounting" section.

At 31 December 2022, the Bank's total assets for the purposes of the GAR (Green Asset Ratio) are made up of the following:

- Exposures to companies not subject to the NFRD, mainly:
  - investments in equity-accounted companies with fewer than 500 employees (Monaco and Elyan);
  - financial assets at fair value through profit and loss, particularly unlisted private equity funds;
  - investments in non-consolidated companies;
  - loans to non-NFRD companies;
- on-demand interbank loans;
- cash and cash equivalents;
- property, plant and equipment and intangible assets;
- goodwill;
- Other assets, including:
  - property, plant and equipment and intangible assets;
  - goodwill;

- accruals;
- derivatives.

Since 30 June 2022, the bank has put in place hedging by means of derivative instruments (interest rate swaps/currency forwards).

Excluded assets are as follows:
- sovereign bonds;
- surplus cash deposited with the Banque de France;
- the trading book, in this case consisting of derivatives.

As at 31 December 2022, the assets considered eligible are housing loans to individuals that are collateralised by a property or covered by a housing credit guarantee and represent 2.4% of total GAR assets.

Non-eligible assets amounted to 35.7% of total GAR assets, and consisted of cash advances, mortgage loans not backed by a real estate asset and overdrafts granted to private individuals.

In accordance with the entry into force of Delegated Regulation 2022/1214 of 9 March 2022, Edmond de Rothschild (France) publishes tables 1, 4 and 5 required by this regulation on the eligibility of fossil gas and nuclear energy activities.

Template 1: Nuclear and fossil gas related activities:

Row	**Nuclear energy related activities**	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 4: Taxonomy-eligible, but not taxonomy-aligned, economic activities:

Row	Economic activities	Proportion (information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible, but not taxonomy-aligned, economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible, but not taxonomy-aligned, economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-eligible, but not taxonomy-aligned, economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-eligible, but not taxonomy-aligned, economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-eligible, but not taxonomy-aligned, economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-eligible, but not taxonomy-aligned, economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not	0	0%	0	0%	0	0%

	referred to in rows 1 to 6 above in the denominator of the applicable KPI			
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	0 0%	0 0%	0 0%

Template 5: Taxonomy non-eligible economic activities:

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	0	0%

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated Statement of Non-Financial Performance

(For the year ended 31 December 2022)

In our capacity as Statutory Auditor of your company Edmond de Rothschild (France) (hereinafter the "entity") appointed as an independent third party and accredited by Cofrac (accreditation Cofrac Inspection no. 3-1862, the scope of which is available at www.cofrac.fr), we have carried out work with the aim of formulating a reasoned opinion expressing a limited assurance conclusion on the historical information (ascertained or extrapolated) in the consolidated statement of non-financial performance, prepared according to the entity's procedures (hereinafter the "Reporting Criteria"), for the financial year ended 31 December 2022 (hereinafter respectively the "Information" and the "Statement"), presented in the Group's management report in accordance with Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we implemented, as described in the "Nature and scope of the work" section, and on the information we collected, nothing has come to our attention that causes us to believe that the consolidated statement of non-financial performance is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Reporting Criteria.

Preparation of the Statement of Non-Financial Performance

The absence of a generally accepted and commonly used framework or established practice on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Accordingly, the information should be read and understood with reference to the Reporting Criteria, the relevant elements of which are available on request from the company's head office.

Limitations inherent in the preparation of information

Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The entity's responsibility

It is the responsibility of the Executive Board to:

- select or establish appropriate criteria for preparing the Information;
- prepare a Statement pursuant to legal and regulatory requirements, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and information provided for by Article 8 of Regulation (EU) 2020/282 (green taxonomy);
- prepare the Statement by applying the Entity's Standard as mentioned above; as well as
- set up the internal controls it deems necessary for preparing Information that is free from material misstatements, whether due to fraud or error.

The Statement has been prepared according to the entity's Reporting Criteria as mentioned above.

Responsibility of the Statutory Auditor appointed as independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

– the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;

– the fairness of the (actual or extrapolated) historical information provided in accordance with Article 225-105(I)(3) and (II) of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

Since it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not allowed to be involved in preparing the Information, since this could compromise our independence.

It is not our responsibility to comment on:

– the entity's compliance with other applicable legal and regulatory provisions (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the due diligence plan and the fight against corruption and tax evasion),

– the fairness of information provided for by Article 8 of Regulation (EU) 2020/852 (green taxonomy),
– the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional guidance

Our work described below was carried out in accordance with Articles A.225-1 et seq. of the French Commercial Code, with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, and with ISAE 3000 (revised) "Assurance engagements other than audits or reviews of historical financial information".

Independence and quality control

Our independence is defined by Article L.822-11-3 of the French Commercial Code and the code of ethics of the statutory auditors' profession. In addition, we have implemented a system of quality control including documented policies and procedures aiming to ensure compliance with the applicable legal and regulatory requirements, ethical rules and the CNCC's professional guidance relating to this work.

Means and resources

Our work was carried out by a team of four people between January 2023 and March 2023, and took a total of three weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 11 interviews with individuals responsible for the preparation of the Statement, representing the Sustainability, Compliance, Human Resources, Responsible Investment Management, Asset Management, Private Equity, Procurement and Overhead, and Legal departments.

Nature and scope of the work

In planning and carrying out our work, we took into account the risk of material misstatements in the Information.

We believe that the work we carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- we familiarised ourselves with all the consolidated entities' activities and the description of the main risks,
- we assessed the suitability of the Reporting Criteria with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate,
- we verified that the Statement covers each category of information provided for in III of Article L.225-102-1 on social and environmental matters, respecting human rights as well as on the fight against corruption and tax evasion,
- we verified that the Statement presents the information required by II of Article R.225-105 when relevant to the principal risks and includes, where applicable, an explanation of the reasons for the absence of the information required by the 2nd paragraph of III of Article L.225-102-1,
- we verified that the Statement presents the business model and a description of the principal risks associated with all the consolidated entities' activities including, where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators relating to the main risks,
- we consulted documentary sources and conducted interviews to:
    - assess the process of selecting and validating the main risks and the consistency of results, including the key performance indicators, with the main risks and policies presented; and
    - corroborate the qualitative information (actions and results) that we considered the most important, presented in an appendix. For certain risks (non-compliance with liability commitments, non-compliance with legislation and cybercrime, non-compliance with business ethics, employer brand risk, lack of commitment, regulatory risk, non-compliance with the environmental commitment, non-compliance with sustainable use of resources, non-compliance with climate change) our work was carried out at the level of the consolidating entity; for other risks, work was carried out at the level of the consolidating entity and in selected entities: Edmond de Rothschild Asset Management (France), Edmond de Rothschild Private Equity (France) and Edmond de Rothschild REIM (France).
- we verified that the Statement covers the scope of consolidation, i.e., all entities included in the scope of consolidation in accordance with Article L.233-16,
- we familiarised ourselves with the internal control and risk management procedures put in place by the entity and assessed the data collection process to ensure the completeness and fairness of the Information,

- for the key performance indicators and other quantitative outcomes that we considered to be the most important, set out in an appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - substantive tests, using sampling techniques or other selection methods, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was conducted with the consolidating entity and a selection of contributing entities, namely Edmond de Rothschild Asset Management (France), Edmond de Rothschild Private Equity (France) and Edmond de Rothschild REIM (France), and covers 100% of the consolidated data selected for these tests.
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures used as part of a limited assurance assignment are less extensive than those required in a reasonable assurance assignment carried out in accordance with the professional guidance of the CNCC; a higher level of assurance would have required more extensive verification work.

Neuilly-sur-Seine, 5 April 2023

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Philippe Chevalier **Partner**	**Aurélie Castellion-Cornetto** **Sustainable Development Director**

Appendix: List of information that we considered the most important

Key performance indicators and other quantitative results:

Percentage of Supervisory Board members who are independent.

Percentage of Supervisory Board members who are women.

Percentage of subcontractors that have included GDPR clauses in their contracts with Edmond de Rothschild (France).

Percentage of employees who have attended AML/CTF training.

Percentage of training sessions dealing with Ethics and Compliance.

Percentage of the workforce that is female.

Percentage of executives and senior managers who are women.

Proportion of staff members who took part in an annual performance review.

Percentage of employees who have been promoted to internal vacant positions with a male/female breakdown.

Percentage of employees who attended a training course.

Gender equality index score.

Share of assets managed according to SRI strategies/included in ESG integration.

Share of funds that have measured their carbon footprint.

Voting rate across the equities scope.

Change in CO_2 emissions.

Change in paper consumption.

Change in total energy consumption.

Number of awareness-raising sessions on cybersecurity, information protection and GDPR. Number of newcomers trained during awareness-raising sessions on cybersecurity, information protection and GDPR.

Number of types of processing monitored and updated on the French processing register.

Number of trainees hired during university forums.

Number of employees who participated in the Works Council (CSE) vote.

Number of training sessions attended for managers on the prevention and treatment of psycho-social risks.

Number of meetings with companies on solely ESG or combined ESG-and-financial themes in which the RI (responsible investment) team participated (Asset management).

Percentage of REIM portfolio assets now equipped with an energy monitoring system.

Number of companies at which individual engagement actions were carried out.

Percentage of total CO_2 emissions devoted to energy consumption and business travel in 2022.

Qualitative information (actions and results)

Updating of the Supervisory Board's rules of procedure.

Anomalies detected that led to the rejection of candidates following due diligence in 2022 prior to renewals of terms of office.

New appointments to the Supervisory Board in 2022.

Procedure for reporting incidents to the French data privacy regulator (CNIL).

Training provided in 2022 on the topics of anti-corruption, MIFID, the Mortgage Credit Directive and the Insurance Distribution Directive.

The procedure on employees' whistleblowing rights.

Inclusive hiring training cycle for HR-Business Partners in France.

Holding "new employee" mornings during which, among other things, the Group's business lines, ecosystem, values and HR processes were presented.

Setting up specific internal training courses such as the management training programme, which covers a number of topics such as change management.

Per the Quality of Life at Work agreement, a person employed by the Economic and Social Unit (UES) who is a family carer was allowed to receive donations of paid leave.

The annual pay review procedure now incorporates gender equality measures.

Governance strengthened in 2022 by having the RI Steering Committee report formally to the Global Asset Management Executive Committee.

Launch of a fund that puts SRI expertise in European small- and mid-caps into practice.

The coal exclusion policy was supplemented in 2022 by an exclusion policy for unconventional fossil energy.

Subscribed to Carbon4Finance's Biodiversity Impact Analytics database in 2022.

Strengthened the “say on pay” aspect of Edmond de Rothschild Asset Management's voting policy.

The Group’s environmental policy was updated in 2022 following an analysis of new sustainability priorities and targets that the Group identified for the 2021-2024 period.

The Environmental Policy and its priorities for improvement.

Monitoring and measurement of paper waste each year.

Edmond de Rothschild (France) has a recycling system for paper, aluminium, glass and plastic.

In 2022, a Group Sustainability Committee was set up.

Report of the Supervisory Board on Corporate Governance

(Report prepared pursuant to Article L. 225-68 of the French Commercial Code)

Pursuant to the provisions of Article L. 225-68, the aim of this report is to present the composition of the Supervisory Board, how the principle of balanced gender representation is applied, the preparation and organisation of the Supervisory Board's work, and the Supervisory Board's observations on the report of the Executive Board and the financial statements for the year ended 31 December 2022.

This report was approved at the Supervisory Board meeting on 9 March 2023.

REFERENCE CORPORATE GOVERNANCE CODE

The Company does not formally refer to a specific corporate governance code.

STRUCTURE, COMPOSITION AND OPERATING PROCEDURES OF THE GOVERNANCE FRAMEWORK AT EDMOND DE ROTHSCHILD (FRANCE)

Presentation of the governance framework

Edmond de Rothschild (France) is a public limited company (société anonyme) governed by a Supervisory Board and an Executive Board. In this two-tier governance structure, the executive function of the Executive Board is clearly separated from the oversight and management control function of the Supervisory Board.

Members of the governance bodies

SUPERVISORY BOARD

Chair

Ariane de Rothschild

Vice-Chair

Jean Laurent-Bellue

Members

Louis-Roch Burgard

Philippe Cieutat

Jacques Ehrmann

Véronique Morali

François Pauly

Sabine Rabald

Cynthia Tobiano

Christian Varin

Josepha Wohnrau

Company Secretary

Nicolas Halphen

EXECUTIVE BOARD

Chair

Renzo Evangelista

Member and Chief Executive Officer

Fabrice Coille

Member and Company Secretary

Nicolas Giscard d'Estaing

STATUTORY AUDITORS

Principal Statutory Auditors

Grant Thornton Audit

PricewaterhouseCoopers Audit

REPRESENTATIVES OF THE SOCIAL AND ECONOMIC COMMITTEE

Alain Tordjman

Florent Goulet (until 25 August 2022)

Rémy Cabois (since 5 December 2022)

Collective decision-making by the Executive Board

At 31 December 2022, the Executive Board had three members with collective responsibility for the Company's management.

All the Executive Board members are effective managers and are declared as such to the ACPR (French Prudential Supervision and Resolution Authority). In accordance with the law and the Company's Articles of Association, the Executive Board must report on its stewardship to the Supervisory Board no fewer than four times per year, or more frequently when so required by particular circumstances.

The Executive Board's structure and the balance of powers between its members were reviewed by the Supervisory Board on 9 March 2022 when the Executive Board's mandate was renewed.
The Executive Board meets whenever the Company's interests so require, and at least on a weekly basis.

The committees with management responsibilities for the Bank are as follows:

- the Executive Board, which has overall responsibility for the conduct of the Company's affairs, meets on a weekly basis,
- the Operations Management Committee, which coordinates businesses, support functions and cross-divisional projects at Edmond de Rothschild (France), meets on a bimonthly basis.

In addition, the Bank has a number of committees overseeing specific functions (Lending, Finance, Complaints, Litigation, etc.) made up of members of the senior management team and the main department managers.

A Supervisory Board providing rigorously structured oversight

Remit of the Supervisory Board

The Board exercises permanent control of the Executive Board's stewardship of the Company. Its role is to make sure on shareholders' behalf that the business is managed as effectively as possible. It helps to promote the Company's values, including ensuring that the conduct of the Company's and Group's activities are conducted to the highest ethical, social, environmental and governance standards in order to maintain the reputation of the Bank and that of the entire Edmond de Rothschild Group. The Chair of the Supervisory Board organises and directs the Board's work and has a specific responsibility for ensuring that Supervisory Board members are able to fulfil their duties.

Pursuant to Article 17 of the Articles of Association, the Executive Board has to consult with and obtain the prior consent of the Supervisory Board for all the following transactions:

- any acquisitions of investments, in any form whatsoever;
- the sale or discontinuation in any form, including by means of the winding-up or liquidation of a company, of all or part of an investment;
- any purchase and any sale of property holdings by nature;
- any bond issue;
- any collateral granted to guarantee commitments given by the Company itself.

The Board also has the power to:

- appoint its Chair and its Vice-Chair;
- appoint the members of the Company's Executive Board, after confirming they are fit-and-proper persons, they do not have any conflicts of interest, they possess sufficient time to perform their duties and they comply with the rules on the number of corporate offices that may be held concurrently, to give the Company's management team the broadest possible range of skills and expertise, and establish a selection process guaranteeing at least one person of each gender among candidates so that the Executive Board can achieve a balanced composition in terms of the number of men and women;
- set the compensation of Executive Board members when it does not take the form of a salary;
- choose a Chair from among the Executive Board members it has appointed;

- decide on the allocation of duties within the Executive Board based on their individual experience, expertise and skills;
- regularly review the strategic direction of the Company and the Group formed of the Company and the entities it consolidates in its financial statements (the Group), its investment, divestment and internal restructuring plans, the Group's general human resources policy, including its employee compensation, profit-sharing and incentive policy;
- regularly review and ensure the fair presentation of the Edmond de Rothschild Group's Responsible Investment and Sustainability Risk Integration Policy, which reflects the consideration of environmental, social and governance quality criteria within the Company;
- ensure the accuracy and fair presentation of the parent company and consolidated financial statements;
- consider the acquisitions and sales of investments or assets, partnership, alliance and/or cooperation agreements, and, generally speaking, any transaction or any commitment liable to have a material impact on the Group's financial position or operations;
- keep shareholders properly informed, including about the controls it performs on the information provided by the Group;
- ensure that the Company has procedures in place identifying, evaluating and monitoring its commitments and risks, including off-balance sheet, and appropriate internal control.

It is kept informed by its Chair and its committees of any significant events concerning business trends, the financial and cash position of the Company and the Group.

Operating procedures of the Supervisory Board

At 31 December 2022, the Supervisory Board had 11 members, of whom 45% are women. It is chaired by Baroness Ariane de Rothschild. The Vice-Chair of the Supervisory Board is Mr Jean Laurent-Bellue. Five Supervisory Board members are well-known figures from outside the Edmond de Rothschild Group. All of them qualify as independent members based on the criteria adopted by the Supervisory Board on 24 November 2017.

In addition, since Edmond de Rothschild (France) acts as custodian on behalf of its asset management companies, it also has to comply with the requirements of Directive 2014/91/EU, the so-called UCITS V Directive, concerning the independence of management companies from custodians belonging to the same group. In this respect, the Autorité des Marchés Financiers (AMF), acting under the authority of the ACPR, confirmed that at least two of the Supervisory Board members of Edmond de Rothschild (France) meet the independence criteria laid down in said Directive, thereby satisfying its obligations.

Supervisory Board members are appointed by the Ordinary General Meeting of the Shareholders for a term of three years.

Since 2020, the Company has had to comply with the requirements of Article L. 225-18-1 of the French Commercial Code concerning the relative proportion of men and women among the Supervisory Board members. Its membership meets the stated requirements, as 45% of its members are women and 55% are men. Edmond de Rothschild (France) is ever mindful of its responsibilities to its workforce and society at large and aims to foster diversity at every level of its organisation, especially among its Supervisory Board members. Accordingly, it makes sure that criteria related to skills and expertise, professional experience, age and gender are applied strictly in the selection process for Supervisory Board members in order to create the requisite diversity.

The Supervisory Board has its own rules of procedure (updated most recently on 9 March 2022), which are given to its members in a formal process and are always to hand in the secure document sharing app to which only they have access. The rules of procedure state the role of the Supervisory Board, its operating procedures, the rules and obligations incumbent on its members, including to act as a fit-and-proper person, to apply their skills and expertise, to devote sufficient time and attention, to exercise independent judgement, to hold no more than the permitted number of corporate offices concurrently, to maintain confidentiality and to avoid conflicts of interest. The Supervisory Board evaluates its operating procedures once a year. To this end, the Supervisory Board decided to conduct an annual self-assessment at its meeting on 24 November 2017 and amended its rules of procedure accordingly. The rules of procedure also state the resources available to members, and lay down the remit, role and operating procedures for the Supervisory Board's three Committees, namely the Audit Committee, the Risk Committee and the Compensation Committee.

The compensation paid to Supervisory Board members is allocated pursuant to Article L. 225-83 of the French Commercial Code based on rules set by the Supervisory Board, of which one criterion is actual attendance at meetings.

The schedule of Supervisory Board meetings for a given year is set during the preceding year. The four annual meetings usually take place in March, May, August and December. Additional meetings are held whenever events so require.

In 2022, the Supervisory Board met on:
- 9 March
- 4 May
- 7 June
- 26 August
- 7 December

In 2022, members' attendance rate at Supervisory Board meetings was 94.55%. Supervisory Board meetings are generally scheduled to start at 10am and end at approximately 1pm.

Supervisory Board members are convened to meetings with at least one week's notice by e-mail. They receive the full pack of papers for the meeting a reasonable time in advance by means of a secure IT application tailored to the work of the Supervisory Board and its Committees.

Executive Board members are invited to attend Supervisory Board meetings. The Statutory Auditors are asked to attend Supervisory Board meetings at which the financial statements are reviewed, and generally speaking, they may also be called to a Supervisory Board meeting whenever it is deemed useful for them to attend.

The Supervisory Board members receive notice of and may attend the Ordinary General Meeting of the Shareholders.
Members appointed by the Social and Economic Committee are invited to attend meetings of the Supervisory Board and the Ordinary General Meeting of the Shareholders.

Work performed by the Supervisory Board

As a matter of course, the papers given to Supervisory Board members include the following documents: the draft minutes of the previous Supervisory Board meeting; a presentation of the business trends and the financial results of Edmond de Rothschild (France) over the period since the previous meeting; commentary on each division's business trends and results; a summary of dealings with the regulator; and a list of significant client loans with details of any collateral held. The Chair of the Audit Committee provides an update on the Committee's work concerning its controls on the quality of accounting and financial information, and the Chair of the Risk Committee provides an update on periodic control, compliance, permanent control and risk control. The papers given to Supervisory Board members for the March meeting include the parent company and consolidated financial statements, plus the report on internal control and on risk measurement and monitoring, prepared pursuant to the government decree dated 3 November 2014 concerning internal control, as amended by several decrees, the most recent of which was dated 28 July 2021. The papers given to Supervisory Board members for the August meeting include the audited interim financial statements. The Supervisory Board members may request from the Executive Board any additional information required for the performance of their duties. Such information should be provided to them as swiftly as possible.

List of offices held by members of the Executive Board and Supervisory Board during 2022

Supervisory Board:

Ariane de Rothschild

Chair of the Board of Directors:
Holding Benjamin et Edmond de Rothschild SA (Switzerland)
Edmond de Rothschild Holding SA (Switzerland)
Edmond de Rothschild (Suisse) SA
Administration et Gestion SA (Switzerland)
Edmond de Rothschild SA
Adolphe de Rothschild Foundation Hospital
Bodegas Benjamin de Rothschild & Vega Sicilia SA (Spain)
Ariane de Rothschild Foundation (Spain)
Domaine de Pregny Foundation (Switzerland)
Edmond Adolphe de Rothschild Foundation (Switzerland)
Maurice and Noémie de Rothschild Foundation (Switzerland) Mémorial Adolphe de Rothschild-association pour le développement de l'ophtalmologie (Switzerland)
The Edmond de Rothschild Foundation (Israel)
OPEJ Foundation
Edmond de Rothschild New York Foundation (USA)

Chair of the Supervisory Board:
Edmond de Rothschild (France) and Chair of the Compensation Committee
Société Française des Hôtels de Montagne (SFHM)

Vice-Chair of:
Edmond de Rothschild Foundation for the development of scientific research

Director:
Baron et Baronne Associés (holding company of the S.C.B.A. Société Champenoise des Barons Associés)
Compagnie Fermière Benjamin et Edmond de Rothschild SA
Compagnie Vinicole Benjamin et Edmond de Rothschild SA
EBR Ventures

Louis-Roch Burgard

Chief Executive Officer and Director, CNIM Group (until 31 May 2022)

Chair:
CNIM ENVIRONNEMENT & SYSTEMES (until 31 May 2022)
BERTIN TECHNOLOGIES (until 27 April 2022)
CNIM SYSTEMES INDUSTRIELS (until 31 May 2022)
CNIM ENVIRONNEMENT ET ENERGIE (until 31 May 2022)
CNIM ENVIRONNEMENT ET ENERGIE PARTICIPATIONS (until 31 May 2022)
CNIM ENVIRONNEMENT ET ENERGIE SERVICES (until 31 May 2022)
CNIM ENVIRONNEMENT ET ENEGIE EPC (until 31 May 2022)
CNIM MUTUAL SERVICES (until 31 May 2022)
COMETAL France (until 27 May 2022)
CNIM TRANSPORT HOLDING (until 31 May 2022)
CNIM TRANSPORT FRANCE (until 31 May 2022)

Manager:
CNIM Industrial System China (until 31 May 2022)
CNIM SINGAPORE PRIVATE LIMITED (until 31 May 2022)

Supervisory Board member:
Edmond de Rothschild (France), Audit Committee member and Risk Committee member

Philippe Cieutat

Chief Executive Officer, Edmond de Rothschild SA (until 9 March 2022)

Chair of the Board of Directors:
Financière Boréale (until 3 March 2022)
Edmond de Rothschild Immo Premium (until 22 March 2022)

Chair of SAS EDR IMMO MAGNUM (until 22 April 2022)

Vice-Chair of the Supervisory Board of Edmond de Rothschild Asset Management (France) and Member of the Audit and Risk Committee

Vice-Chair of the Board of Directors:
EdR Real Estate S.A., Luxembourg (since 3 June 2022)
EdR REIM Holding SA (since 6 September 2022)

Supervisory Board member:
Edmond de Rothschild (France)

Edmond de Rothschild SA's permanent representative on the Board of Directors:
Financière Eurafrique (until 3 March 2022)
Cogifrance

Permanent representative, Edmond de Rothschild (France) on the Board of Directors, Immopéra (until 22 April 2022):

Member of the Board of Directors, Zhonghai FMC (China)

Jacques Ehrmann

Chief Executive Officer, Altarea Group (operational role)
Chief Executive Officer, Altafi 2 (SAS)
Chair, Tamlet (SAS)

Executive Board member, Frojal (SA)
Supervisory Board member:
Edmond de Rothschild (France)
Woodeum (SAS)

Manager:
Altarea Management (SNC)
Cogedim Gestion (SNC)

Co-manager:
SCI Jakevero
SC Testa

Chair of the Fédération des Acteurs du Commerce dans les Territoires (formerly known as CNCC - Conseil National des Centres Commerciaux)

Jean Laurent-Bellue

Vice-Chair of the Board of Directors:
Edmond de Rothschild (Monaco) (since 24 March 2022, previously director) and Chair of the Audit and Risk Committee

Vice-Chair of the Supervisory Board:
Edmond de Rothschild (France) and Chair of the Audit Committee and Risk Committee

Supervisory Board member:
KPMG SA (until 31 December 2022)
KPMG Associés (until 31 December 2022)

Director:
Edmond de Rothschild Holding SA (Switzerland)
Edmond de Rothschild (Suisse) SA and Nomination and Compensation Committee member and Audit and Risk Committee member
Holding Benjamin et Edmond de Rothschild – Pregny SA (Switzerland)
Edmond de Rothschild SA
Rotomobil
Actions Addictions foundation

Véronique Morali

Chair of the Executive Board, Webedia
Chair:
Fimalac Développement (Luxembourg)
Chair of the Board of Directors, Quill France (previously known as Viaeuropa) (until 6 January 2022)
Chief Executive Officer, Webco
Director:
Edmond de Rothschild SA (Switzerland)
Fimalac
Paris Institute of Political Studies (SciencesPo)
Lagardère and Audit Committee member

Supervisory Board member:
Edmond de Rothschild (France) and Compensation Committee member, Audit Committee member and Risk Committee member
Chair, Association Force Femmes
Board member of institutions and public-interest entities:
Association Le Siècle

François Pauly

Chief Executive Officer, Edmond de Rothschild (Switzerland) SA

Chair of the Board of Directors:
Edmond de Rothschild (Europe) (Luxembourg) and Chair of the Nomination and Compensation Committee
Edmond de Rothschild (UK) Ltd
Compagnie Financière La Luxembourgeoise
Compagnie Foncière La Luxembourgeoise
Edmond de Rothschild (Monaco) (since 24 March 2022, previously director) and Member of the Audit and Risk Committee

Supervisory Board member, Edmond de Rothschild (France)

Director:
Edmond de Rothschild (Israel), and Audit and Risk Committee member
Participations CF SA
LaLux Group
LaLux Assurances
LaLux Vie
Immo CF Place d'Armes
Immo CF Les Thermes
Immo CF Pétrusse
HLPA
HLVP
Immo CF Bergfeld

Immo CF Mertert
Altik
Inowai Group
Inowai
Inowai Residentiel
BELAC
Am Beechel
Am Guddebierg
Op der Gaass
Leuvest (since 31 March 2022)

Vedipar
Vedihold
Cobepa
Cobehold
IWG PLC Zug

Manager of LUXCO INVEST SARL

Felix Chomé Luxembourg and Brazil foundation
Fondation du souvenir et de l'amitié Luxembourg (until 31 March 2022)
Red Cross Luxembourg
Genève Place Financière Foundation, representative of Edmond de Rothschild
Association of Swiss Asset and Wealth Management Banks, representative of Edmond de Rothschild

Sabine Rabald

Managing Director of S.A.S Configure Creative (until 31 May 2022)

Manager of:
SARL ZenoVelo (since 1 June 2022)

Supervisory Board member, Edmond de Rothschild (France)

Director:
Edmond de Rothschild (Europe) (Luxembourg), also Audit and Risk Committee member
Nucoro Holdings Limited (UK)

Audit Committee member, Edmond de Rothschild (UK) Ltd (until 21 November 2022)

Cynthia Tobiano

Chief Executive Officer, Edmond de Rothschild Holding SA (Switzerland)

Chair of the Supervisory Board, Edmond de Rothschild Asset Management (France)

Vice-Chair of the Board of Directors, Edmond de Rothschild (Israel) Ltd

Supervisory Board member, Edmond de Rothschild (France)

Director:
Holding Benjamin et Edmond de Rothschild Holding, Pregny SA and also Member of the Audit Committee
Edmond de Rothschild (Suisse) SA (since 28 April 2022)
Edmond de Rothschild Buildings Boulevard Limited (Israel)
Edmond de Rothschild (Europe)
Edmond de Rothschild (Monaco)
Edmond de Rothschild REIM (Europe) SA
Cattleya Finance S.A.
Cogifrance SA
Administration et Gestion SA
Gitana SA
The Caesarea Edmond Benjamin de Rothschild Corporation (since 15 March 2022)
Edmond de Rothschild Foundations (since 2022)

Management Board member:
Gitana France S.A.S.
Odyssey Acquisition S.A. (from 1 June 2021 until 21 April 2022)

Christian Varin

Director:
Gingko (Luxembourg)
Josi Group (Belgium)
Fovabis SA (Belgium)
Supervisory Board member:
Edmond de Rothschild (France), and Compensation Committee member

Strategy Committee member:
Edmond de Rothschild Private Equity SA (Luxembourg)

Josepha Wohnrau

Supervisory Board member:
Edmond de Rothschild (France)

Executive Board:

Renzo Evangelista

Chair of the Executive Board, Edmond de Rothschild (France)
Chair of the Supervisory Board:

Edmond de Rothschild Corporate Finance
Edmond de Rothschild Assurances et Conseils (France)
Permanent representative, Edmond de Rothschild (France), Chair of the Supervisory Board, Edmond de Rothschild Private Equity (France)

Directors:
Edmond de Rothschild Assurances et Conseils (Europe) (since 29 November 2022)
Edmond de Rothschild Assurances et Conseils (Monaco) (since 13 October 2022)
Franco-Israel Chamber of Commerce

Non-voting advisor, Edmond de Rothschild Asset Management (France)

Fabrice Coille

Executive Board member and Chief Executive Officer, Edmond de Rothschild (France)

Chief Executive Officer, Edmond de Rothschild SA (since 09 March 2022)

Chair of the Board of Directors:
Financière Boréale (since 3 March 2022)
Edmond de Rothschild Immo Premium (since 22 March 2022)

Permanent representative, Edmond de Rothschild (France), Vice-Chair of the Supervisory Board, Edmond de Rothschild Corporate Finance

Chair of the Supervisory Board, Edmond de Rothschild REIM (France)

Chair of SAS EDR IMMO MAGNUM (since 22 April 2022)

Supervisory Board member, Edmond de Rothschild Private Equity (France)

Permanent representative of Edmond de Rothschild (France) on the Supervisory Board, Edmond de Rothschild Assurances et Conseils (France)

Permanent representative of Edmond de Rothschild SA on the Board of Directors, Financière Eurafrique (since 3 March 2022)

Non-voting advisor, Edmond de Rothschild Asset Management (France) (since 3 May 2022)

Nicolas Giscard d'Estaing

Executive Board member and also Company Secretary, Edmond de Rothschild (France)

Supervisory Board Vice-Chair, Edmond de Rothschild Assurances et Conseils (France)

Director:
Financière Boréale
Groupement Immobilière Financière – GIF

Permanent representative:

Edmond de Rothschild (France), Director, Financière Eurafrique

Financière Eurafrique, Director, Immopéra (until 22 April 2022)

Board Committees

The Supervisory Board's rules of procedure lay down the operating procedures for the three Board Committees – the Audit Committee, the Risk Committee and the Compensation Committee.

Audit Committee

The Audit Committee members are chosen from among the Supervisory Board members. It meets at least once a quarter and is convened by its Chair.

At 31 December 2022, the members of Edmond de Rothschild (France)'s Audit Committee were:

- Jean Laurent-Bellue (Chair),

- Véronique Morali and Louis-Roch Burgard.

The role of the Audit Committee, which has its own rules of procedure, is to assist the Supervisory Board. Its remit is to check the quality of accounting and financial information produced within the Group made up of Edmond de Rothschild (France) and its consolidated subsidiaries, and monitor the audit conducted by the Statutory Auditors and their independence.
More specifically, it is tasked with:

- ensuring the relevance and consistency of the accounting methods adopted to prepare the parent company and the consolidated financial statements, reviewing and assessing the scope of consolidation and reviewing and verifying the suitability of the accounting rules applied by the Group;
- reviewing the parent company and consolidated financial statements, the budgets and forecasts prior to their presentation to the Board. To this end, it reviews with the Company's management

and Statutory Auditors the quarterly, interim and annual financial statements, the accounting principles and methods, the Group's audit and internal control principles and methods, plus the analysis and the reports related to financial reporting, accounting policy and communications between the Company's management and Statutory Auditors;
- controlling the quality and compliance with internal control procedures, assessing the information received from management, internal committees and internal and external audits concerning the preparation and processing of accounting and financial information;
- overseeing the selection and reappointment of the Statutory Auditors, expressing an opinion on the fees they propose to charge and submitting the results of their work to the Supervisory Board;
- ensuring the independence of the Statutory Auditors and their objectivity in respect of Statutory Auditors belonging to networks providing both audit and consulting services, as well as, more generally, reviewing, controlling and evaluating any and all factors liable to affect the accuracy and fair presentation of the financial statements;
- setting the rules under which the Statutory Auditors may perform non-audit services and entrusting additional audit assignments to external auditors;
- reviewing the details and suitability of the fees paid by the Group to the Statutory Auditors and ensuring that these fees and the corresponding services are not liable to compromise the Statutory Auditors' independence;
- making sure that the statutory and regulatory accounting and financial requirements applicable to the Group are met.

The Audit Committee meets, whenever convened by its Chair, as often as required but no less than once per quarter, prior to each Supervisory Board meeting. In 2022, it met on:

- 8 March
- 3 May
- 25 August
- 6 December

The Executive Board members and the Chief Financial Officer of Edmond de Rothschild (France) both have a standing invitation to attend Audit Committee meetings. The Chief Internal Auditor, the Head of Compliance and Permanent Control and the Head of the Central Risk Department are invited to attend its meetings in an advisory capacity.

The Audit Committee has drawn up a work programme, with the March and August meetings devoted specifically to a review of the full-year and interim financial statements conducted together with the Executive Board members, the Chief Financial Officer and the Statutory Auditors. No less than twice per year, the Audit Committee meets representatives of the Statutory Auditors to review the scope of their audit programme and the services they could be asked to provide.
It may request any information or ask anyone to appear before it as is required or useful for the fulfilment of its duties.
The Audit Committee reports on its work and provides its opinions and recommendations to the Supervisory Board. The Chair of the Audit Committee presents its work to the Supervisory Board.
Minutes of these meetings are circulated to all members of the Committee and of the Executive Board and are made available to members of the Supervisory Board.

Risk Committee

The Risk Committee was established on 15 March 2017, and its members are chosen from among the Supervisory Board members. It meets at least once a quarter and is convened by its Chair.

At 31 December 2022, the members of Edmond de Rothschild (France)'s Risk Committee were:

- Jean Laurent-Bellue (Chair),
- Véronique Morali and Louis-Roch Burgard.

The role of the Risk Committee, which has its own rules of procedure, is to assist the Supervisory Board. Its remit is to monitor the effectiveness of the organisation and implementation of internal control and risk management at the Group formed of Edmond de Rothschild (France) and its consolidated subsidiaries, as well as adherence to the applicable regulations and the related compliance guidelines laid down by the Group.

More specifically, it is tasked with:

- advising the Supervisory Board in a general capacity on the Bank's overall strategy and its existing and future risk appetite, and controlling implementation of this strategy by the Bank's effective managers and by the head of the risk management function;

- examining the internal audit's annual audit plan prior to its approval by the Supervisory Board;
- making sure that the statutory and regulatory requirements on internal, permanent and periodic control applicable to the Group are met;

- reviewing the risk control framework as a whole and in summary form;
- without prejudice to the terms of reference of the Compensation Committee, reviewing whether the incentives provided for by the compensation policy and practices are compatible with the Bank's position with regard to its risk exposure, its capital, its liquidity and the probability and timing of the expected profits.

The Executive Board members, the Chief Financial Officer of Edmond de Rothschild (France), the Chief Internal Auditor, the Head of Compliance and Control and the Head of the Central Risk Department have a standing invitation to Risk Committee meetings.

The Risk Committee may request any information or ask anyone to appear before it as is required or useful for the fulfilment of its duties.

The Committee reports on its work and informs the Supervisory Board of its opinions and recommendations. The Chair of the Risk Committee presents its work to the Supervisory Board.

Minutes of these meetings are circulated to all members of the Committee and of the Executive Board and are made available to members of the Supervisory Board.

Compensation Committee

The Compensation Committee issues opinions on the general compensation policy of the Edmond de Rothschild (France) Group as proposed by the Executive Board. Every year, it makes sure this policy is abided by. It makes recommendations to the Supervisory Board on all components of compensation paid to Executive Board members.

The Compensation Committee has three members: Baroness Ariane de Rothschild, Mrs Véronique Morali and Mr Christian Varin. It meets at least once every year. Under the banking regulations, the Company has to prepare a report on compensation policy and practices every year. This report is filed with the ACPR (French Prudential Supervision and Resolution Authority).

As part of its work, the Compensation Committee verifies that:

- its assessment of compensation includes all the relevant components;
- each proposed element is in the Company's general interest;
- compensation is comparable with general banking and finance industry practices;
- compensation is linked to performance metrics;
- all compensation components comply with the latest applicable regulations.

It also reviews:
- the compensation policy adopted by Edmond de Rothschild (France) and its subsidiaries;
- the compensation awarded to employees in respect of each financial year;
- compensation awarded to senior executives.

COMPENSATION AND COMMITMENTS GIVEN TO CORPORATE OFFICERS

Since Edmond de Rothschild (France) shares are not admitted to trading on a regulated market, they do not fall within the scope of the "say on pay" regime established in Article L. 22-10-26 and Article L. 22-10-34 of the French Commercial Code.

OTHER DISCLOSURES REQUIRED PURSUANT TO ARTICLE L. 225-37-4 OF THE FRENCH COMMERCIAL CODE

Information about the agreements referred to in Article L. 225-37-4(2) of the French Commercial Code

Article L. 225-37-4(2) of the French Commercial Code stipulates that, except where they concern ordinary transactions and are entered into on an arm's length basis, agreements between, on the one hand, one of the corporate officers or one of the shareholders holding over 10% of the voting rights of a company, either directly or via an intermediary, and, on the other hand, another company controlled by the former as defined in Article L. 233-3 of the French Commercial Code, must be disclosed in the report on corporate governance.

No such agreement was brought to the attention of the Company during 2022.

Information about delegations of authority (Article L. 225-37-4(3) of the French Commercial Code

In accordance with Article L. 225-37-4(3) of the French Commercial Code, no delegation of authority or of powers to increase the Company's share capital pursuant to Articles L. 225-129.1 to L. 225-129.2 of said Commercial Code was in force at 31 December 2022.

Arrangements for shareholders to participate at the General Meeting

The arrangements for shareholders to participate at general meetings are set forth in Article 20 of the Articles of Association.

Disclosures required pursuant to Article L. 22-10-11 of the French Commercial Code

Since Edmond de Rothschild (France) shares are not admitted to trading on a regulated market, no public tender or exchange offer can be made for them. Accordingly, the provisions of Article L. 22-10-11 of the French Commercial Code do not apply to Edmond de Rothschild (France).

OBSERVATIONS OF THE SUPERVISORY BOARD ON THE REPORT OF THE EXECUTIVE BOARD AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2022

In accordance with the law, the Company's Executive Board has presented on a timely basis the 2022 financial statements to us for verification and control purposes and provided the report to be presented to you at the General Meeting.

Having examined the report, we have no additional observations to make concerning the Company's management or the 2022 financial statements. The financial statements are in line with the information provided to us during the year.

We recommend that you approve these financial statements at the Annual General Meeting of Shareholders.

The Supervisory Board

Consolidated financial statements and notes

Consolidated financial statements and notes

IFRS consolidated balance sheet (in thousands of euros)

		31/12/2022	31/12/2021
Assets			
Cash, due from central banks and postal accounts	3.1	3,844,162	2,629,937
Financial assets at fair value through profit and loss	3.2	87,362	153,327
Hedging derivatives	3.3	61,080	-
Financial assets at fair value through other comprehensive income	3.4	1,503	1,384
Securities at amortised cost	3.5	73,465	4,813
Loans and receivables due from credit institutions, at amortised cost	3.6	539,590	63,229
Loans and receivables due from clients, at amortised cost	3.7	1,530,671	1,421,591
Valuation adjustments on portfolios subject to interest-rate hedging	3.3	-	-
Current tax assets		5,584	397
Deferred tax assets		13,892	13,447
Accruals and other assets	3.9	231,966	134,555
Investments in associates	3.10	3,743	66,132
Property, plant and equipment	3.11	37,182	38,145
Right-of-use assets		20,791	33,071
Intangible assets	3.12	28,036	21,331
Goodwill	3.13	50,125	73,925
Non-current assets held for sale	3.14	12,284	12,284
Total assets		**6,541,436**	**4,667,568**

		31/12/2022	31/12/2021
Liabilities			
Financial liabilities at fair value through profit and loss	3.15	3,131,947	1,417,275
Hedging derivatives	3.3	1,392	-
Due to credit institutions	3.16	49,606	51,278
Due to clients	3.17	2,556,637	2,488,188
Debt securities		-	-
Valuation adjustments on portfolios subject to interest-rate hedging	3.3	54,443	-
Current tax liabilities		197	1,998
Deferred tax liabilities		-	-
Accruals and other liabilities	3.9	250,847	233,832
Provisions	3.18	16,377	17,882
Subordinated debt	3.19	-	-
Equity		479,990	457,115
Equity attributable to equity holders of the parent		478,344	453,923
. Share capital and related reserves		*201,195*	*201,195*
. Consolidated reserves		*195,278*	*186,637*
. Other comprehensive income		*9,212*	*9,529*
. Earnings for the period		*72,659*	*56,562*

Non-controlling interests	1,646	3,192
Total liabilities and equity	**6,541,436**	**4,667,568**

IFRS consolidated income statement (in thousands of euros)

		31/12/2022	31/12/2021
+ Interest and similar income	4.1	51,439	40,496
- Interest and similar expenses	4.2	-50,435	-39,411
+ Fee income	4.3	394,792	417,770
- Fee expense	4.3	-91,358	-90,423
+/- Net gains or losses on financial instruments at fair value through profit and loss	4.4	36,566	31,714
+/- Net gains or losses on financial assets at fair value through other comprehensive income	4.5	30	419
+ Other income	4.6	13,985	13,816
- Other expenses	4.6	-20,792	-17,172
Net banking income		334,227	357,209
- General operating expenses	4.7	-274,835	-263,780
- Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-25,250	-26,646
Gross operating income		34,142	66,783
+/- Cost of risk	4.8	34	-237
Operating income		34,176	66,546
+/- Share in net income of associates	3.9	16,470	11,116
+/- Net gains or losses on other assets	4.9	33,470	-119
+/- Changes in the value of goodwill		-	-388
Recurring income before tax		84,116	77,155
- Income tax	4.10	-13,003	-22,880
Net income		71,113	54,275
- Net income attributable to non-controlling interests		1,546	2,287
Net income attributable to equity holders of the parent		**72,659**	**56,562**
Earnings per share (in euro)		13.05	10.15
Diluted earnings per share (in euro)		13.05	10.15

Statement of comprehensive income (in thousands of euros)

	31/12/2022	31/12/2021
Net income	**71,113**	**54,275**
Exchange difference	-1,111	389
Deferred change in value of hedging derivatives (*)	-	-
Change in value of financial assets at fair value through other comprehensive income (*)	67	1
Actuarial gains or losses on defined-benefit plans (*)	727	3,862
Total comprehensive income	**-317**	**4,252**
Net income and comprehensive income	**70,796**	**58,527**
Attributable to equity holders of the parent	*72,342*	*60,814*
Attributable to non-controlling interests	*-1,546*	*-2.287*

(*) Net of tax.

IFRS cash flow statement (in thousands of euros)

	31/12/2022	31/12/2021
Cash flow from operations		
Net income for the period	**71,113**	**54,275**
Net gain or loss on disposals of long-term assets	-33,500	-296
Net additions to depreciation, amortisation and provisions	13,075	16,890
Income from associates	-16,470	-11,116
Reclassification of net gain or loss on financial instruments at fair value through profit and loss	-36,566	-31,713
Other unrealised income and expenses	2,421	3,126
Income tax expense (including deferred taxes)	13,003	22,880
Cash flow from operations before financing activities and tax	13,076	54,046
Income tax paid	-20,891	-18,298
Net increase/decrease from transactions with credit institutions	-480,131	-3,742
Net increase/decrease from transactions with clients	-40,148	396,797
Net increase/decrease from transactions in other financial assets and liabilities	1,736,104	80,380
Net increase/decrease from transactions in other non-financial assets and liabilities	-61,169	71,907
Net cash flow from operating activities	**1,146,841**	**581,090**
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets	-23,356	-14,452
Purchases of long-term financial assets	-	-
Dividends received from associates	5,574	4,581
Disposals of long-term assets	133,057	3,130
Net cash flow from investing activities	**115,275**	**-6,741**
Cash flow from financing activities		
Increase/decrease in cash from transactions with shareholders	-50,581	-33,187
Net cash flow from financing activities	**-50,581**	**-33,187**
Effect on cash and cash equivalents of changes in exchange rates	-12	282
Net change in cash and cash equivalents	**1,211,523**	**541,444**
Net balance of cash and amounts due from central banks	2,629,937	2,053,994
Money-market funds qualifying as cash equivalents	15	14
Net balance of demand deposits with and loans from credit institutions	-8,030	26,470
Cash and cash equivalents at the beginning of the period	**2,621,922**	**2,080,478**
Net balance of cash and amounts due from central banks	3,844,162	2,629,937
Money-market funds qualifying as cash equivalents	-	15
Net balance of demand deposits with and loans from credit institutions	-10,716	-8,030
Cash and cash equivalents at the end of the period	**3,833,446**	**2,621,922**
Change in net cash	**1,211,523**	**541,444**

Statement of changes in equity (in thousands of euros)

	31/12/2020	Appropriation of income	Other changes	31/12/2021
Attributable to equity holders of the parent				
– Share capital	83,076	-	-	83,076
– Share premiums	98,244	-	-	98,244
– Equity instruments (undated super-subordinated notes)	19,875	-	-	19,875
– Interest on equity instruments (undated super-subordinated notes)	-17,110	-	-333	-17,443
– Elimination of treasury shares	-	-	-	-
– Other reserves	205,412	24,298	-25,630	204,080
– Gains and losses recognised directly in other comprehensive income	5,277	-	4,252	9,529
– 2020 net income	24,298	-24,298	-	-
Sub-total	**419,072**	**-**	**-21,711**	**397,361**
– 2021 net income	-	-	56,562	56.,62
Total equity attributable to equity holders of the parent	**419,072**	**-**	**34,851**	**453,923**
Non-controlling interests in:				
– Reserves	5,028	3,113	-2,662	5,479
– 2020 net income	3,113	-3,113	-	-
– 2021 net income	-	-	-2,287	-2,287
Total non-controlling interests	**8,141**	**-**	**-4,949**	**3,192**

	31/12/2021	Appropriation of income	Other changes	31/12/2022
Attributable to equity holders of the parent				
– Share capital	83,076	-	-	83,076
– Share premiums	98,244	-	-	98,244
– Equity instruments (undated super-subordinated notes)	19,875	-	-	19,875
– Interest on equity instruments (undated super-subordinated notes)	-17,443	-	-403	-17,846
– Elimination of treasury shares	-	-	-	-
– Other reserves	204,080	56,562	-47,518	213,124
– Gains and losses recognised directly in other comprehensive income	9,529	-	-317	9,212
– 2021 net income	56,562	-56.562		-
Sub-total	**453,923**	**-**	**-48,238**	**405,685**
– 2022 net income	-	-	72,659	72,659
Total equity attributable to equity holders of the parent	**453,923**	**-**	**24,421**	**478,344**
Non-controlling interests in:				
– Reserves	5,479	-2,287	-	3,192
– 2021 net income	-2,287	2,287	-	-
– 2022 net income	-	-	-1,546	-1,546
Total non-controlling interests	**3,192**	**-**	**-1,546**	**1,646**

Notes to the consolidated financial statements

Note 1 – Preparation of the consolidated financial statements

1.1. Background

In compliance with EU Regulation 1606/2002 of 19 July 2002 concerning the application of international accounting standards by entities issuing publicly traded debt securities, and in connection with the regular issue of publicly traded debt securities, Edmond de Rothschild (France) prepared its financial statements in accordance with International Financial Reporting Standards (IFRSs) for the first time in 2007.
Edmond de Rothschild (France)'s financial statements are prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable at 31 December 2022 as adopted by the European Union (see http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

They were approved by the Executive Board on 2 March 2023 and reviewed by the Audit Committee on 8 March 2023 and by the Supervisory Board on 9 March 2023.

1.2. Compliance with accounting standards

New applicable accounting standards

Amendment to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use

On 14 May 2020, the IASB published an amendment to IAS 16 Property, Plant and Equipment. This amendment clarifies the accounting for the net proceeds from the sale of items produced during the bringing an item of property, plant and equipment up to condition.

The Group is not affected by this amendment.

Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The International Accounting Standards Board (IASB) published amendments to the provisions standard in May 2020 to clarify the concept of "cost of fulfilling a contract" that is relevant to the definition of an onerous contract under IAS 37.

These amendments have no impact on the Group's consolidated accounts.

The entry into force of other mandatorily applicable amendments since 1 January 2022 did not have any effect on the financial statements for the year ended 31 December 2022.

New standards published but not yet applicable

The Group did not opt for early application of any new standards, amendments or interpretations adopted by the European Union where their application in 2022 was only optional.

1.3. Use of estimates

The preparation of financial information involves the use of estimates and assumptions regarding future circumstances.

In addition to available information, making estimates requires an element of judgement, particularly as regards the following:

- impairment tests performed on intangible assets;
- impairment tests performed on investments in associates;
- determining whether or not a market is active for the purposes of using a value measurement technique.

The Group also considers that among the other accounting aspects requiring the use of judgement, the most important concern provisions, pension liabilities and share-based payments.

1.4. Consolidation methods

The consolidated financial statements were prepared on the basis of the separate financial statements of Edmond de Rothschild (France) and all controlled subsidiaries and subsidiaries subject to significant influence.

Fully consolidated companies

Companies controlled by Edmond de Rothschild (France) are fully consolidated.
Full consolidation involves replacing the value of shares in the subsidiaries with each item of those companies' financial statements, then eliminating transactions between the parent and subsidiaries and between subsidiaries. Non-controlling interests in the equity and earnings of subsidiaries are stated separately in the consolidated balance sheet and income statement.
The Group has control over a subsidiary where it has power over the entity (generally by holding the majority of voting rights, directly or indirectly), where its relations with the subsidiary expose it or entitle it to variable returns and where it has the ability to influence those returns because of the power it exerts.

Associates

Companies over which the Group exercises significant influence are accounted for under the equity method. Significant influence is defined as the power to participate in the financial and operating policies of a subsidiary but not to control those policies. Significant influence is often exercised by representation on the Board of Directors, Executive Board or Supervisory Board, participation in strategic decisions, interchange of managerial personnel or dependence on technical information.
Significant influence is presumed to exist when a company holds, directly or indirectly, at least 20% of the voting rights in a subsidiary. Investments in associates are initially stated at cost including attributable goodwill and subsequently adjusted to reflect changes in the Group's share of net assets. Gains and losses on transactions between the Group and associates are eliminated to the extent of the investment, unless the transaction results in permanent impairment of the asset transferred.

Special purpose entities

These are legal entities designed so that voting rights are not the determining factor in establishing control over the entity. That is the case where the entities undertake solely administrative tasks and where their relevant activities are managed through contractual arrangements. The main criteria for assessing whether the Group controls a special purpose entity are as follows:

- the activities and purpose of the company;
- the way the entity was structured;
- the risks borne by the company and those transferred and borne by the Group;
- exposure to and ability to control the entity's variable returns.

Groupement Immobilière Financière meets those criteria and is therefore consolidated.

1.5. Changes in the scope of consolidation

Immopéra was liquidated in May 2022.
Edmond de Rothschild (Monaco) and Edmond de Rothschild REIM (France) were sold to Edmond de Rothschild (Switzerland) and Orox Europe S.A. respectively at the end of 2022, with significant influence over one and control over the other being maintained until the end of the year.

1.6. Consolidation principles

Reporting date

The consolidated financial statements were prepared on the basis of the separate financial statements of each Group company at 31 December 2022.

Elimination of inter-company transactions

Receivables, payables and liabilities, as well as income and expenses resulting from transactions between fully consolidated companies, are eliminated. The same applies to capital gains or losses on disposals.
Dividends received from consolidated companies are eliminated from consolidated earnings.

Goodwill

Business combinations completed before 1 January 2010

The Group accounted for business combinations using the purchase method. The acquisition cost was measured as the total fair value, at the date of acquisition, of the assets given, liabilities incurred or assumed and equity instruments issued in exchange for control of the acquiree, plus any costs directly attributable to the business combination.
At the acquisition date, the assets, liabilities, off-balance sheet items and contingent liabilities of the acquired entities that are identifiable under IFRS 3 "Business Combinations" were measured individually at fair value, whatever their purpose.
The analysis and expert assessments necessary for initial measurement of these items, and any corrections resulting from new information, had to take place within 12 months of the date of acquisition.
Upon the first consolidation of an investment, the difference between the acquisition cost of the shares and the share of adjusted net assets acquired was, after analysis, allocated between corrections to the values of balance sheet items and to the commitments of the consolidated company, and intangible assets that meet the criteria defined in IAS 38. The residual balance was treated as goodwill. Positive goodwill was reported in the consolidated balance sheet under the heading "Goodwill". Negative goodwill was immediately recognised in profit and loss. If the Group increases its percentage interest in an entity it already controls, the acquisition of further shares gives rise to recognition of additional goodwill, determined by comparing the

purchase price of the shares and the share of net assets acquired.

Goodwill is carried in the balance sheet at cost. Goodwill on acquisitions of associates is included under the heading “Investments in associates”.

Business combinations completed after 1 January 2010

The rules set out above have been modified by the adoption of the revised IFRS 3. The main changes are as follows:

- Changes in interests that do not result in a loss of control (additional purchases or disposals that do not result in a loss of control) only affect equity and have no impact on goodwill.
- Contingent liabilities of the acquiree are only recorded in the consolidated balance sheet if they represent a present obligation on the date control is acquired if and their market value can be reliably estimated.
- Costs directly related to the business combination constitute a separate transaction from the combination itself and are recognised in profit and loss.
- Any contingent consideration is included in the purchase price at its market value on the acquisition date. After the 12-month evaluation period following the business combination, changes in the value of any contingent consideration classified as a financial liability are recognised in profit and loss.
- On the date control is acquired over an entity, any previously held interest in the latter is remeasured at market value through profit and loss.

In the case of a step acquisition, goodwill is determined by reference to market value at the date control is acquired, and not by reference to the assets and liabilities acquired at the time of each exchange transaction.

Measurement of goodwill

The Group regularly reviews goodwill and carries out impairment tests at least once a year, or whenever there is evidence of impairment. At the date of acquisition, goodwill is allocated to one or more cash-generating units likely to obtain benefits from the acquisition. Any impairment of goodwill is determined by reference to the recoverable amount of the cash-generating unit(s) (CGU) to which it is allocated.

When the recoverable amount of the CGU, determined by experts on the basis of value in use or fair value less costs to sell, is lower than its carrying amount value, an irreversible impairment loss is recorded in the consolidated income statement, under the heading “Changes in the value of goodwill”.

Deferred taxes

Deferred taxes are recognised when temporary differences are identified between the carrying amounts of balance sheet assets and liabilities for reporting and tax purposes, and where those differences will affect future tax payments.

Deferred taxes are determined using the liability method. Under this method, deferred taxes recorded in previous periods are adjusted when tax rates are changed and the resulting difference is taken to profit and loss. Deferred tax assets are only recognised when it is likely that the consolidated company will have sufficient taxable income to utilise the deferred tax asset within a given time horizon.

Translation of foreign currency financial statements

The Group’s consolidated financial statements are prepared in euros. The financial statements of entities whose functional currency is not the euro are translated into euros using the closing rate method. Under this method, all assets and liabilities, both cash and non-cash, are translated at the exchange rate on the balance sheet date. Revenues and expenses are translated at the average rate during the period. Translation gains or losses, both on balance sheet and income statement items, are recognised, for the portion attributable to the Group, in shareholders’ equity under “Translation differences”, and for the portion attributable to third parties, under “Non-controlling interests”.

Note 2 – Accounting policies, valuation methods and explanatory notes

Translation of transactions in foreign currencies

Monetary assets and liabilities in foreign currencies are translated into euros using official exchange rates as published by the Banque de France at the balance sheet date. Unrealised foreign exchange gains and losses are recorded in profit and loss. Spot foreign exchange transactions are measured at the official spot rates at the end of the period. The resulting gains and losses are recorded in profit and loss. Forward exchange contracts are measured at the rate for the residual term at the balance sheet date, with the impact of changes in fair value taken to profit and loss.

Non-monetary assets in foreign currencies, particularly investments in non-consolidated subsidiaries and associates denominated in foreign currencies, are recorded in the balance sheet at the euro equivalent of their historical foreign-currency cost, using exchange rates prevailing at the date of acquisition or subscription. Unrealised foreign exchange gains and losses related to these assets are only recognised in profit and loss upon disposal or recognition of impairment, or when the fair value is hedged for foreign exchange risk.

Financial assets and liabilities

Upon initial recognition, financial assets and liabilities are measured at fair value including acquisition costs (except for financial instruments recognised at fair value through profit and loss). They are classified in the categories described below:

Loans and receivables

Loans made to clients in the course of commercial banking activities are included in the balance sheet item "Loans and receivables due from clients at amortised cost". They are initially measured at fair value, and subsequently adjusted at the closing date to their amortised cost based on the effective interest rate, which takes into consideration cash flows resulting from all the contractual terms of the instrument. Impairment losses are recorded on these items (see section on "Impairment of financial assets"). This category also includes securities purchased under repurchase agreements.

The value of securities purchased under repurchase agreements for cash is recognised as the relevant amount of cash received. Compensation on these agreements is recorded in profit and loss using the amortised cost method.

After initial recognition, loans and receivables due from credit institutions not originally designated as "at fair value through profit and loss" are subsequently measured at amortised cost based on the effective interest rate. Compensation related to securities purchased under repurchase agreements with banks is recorded using the amortised cost method in the same way as repurchase agreements with financial clients.

Financial assets at fair value through profit and loss

These instruments make up a very small proportion of assets held for trading, and are carried at fair value at the closing date, with changes in fair value recorded in profit and loss under the heading "Net gains or losses on financial instruments at fair value through profit and loss".

This item also includes non-derivative financial assets and liabilities that the Group has designated from the outset as "at fair value through profit and loss".

The Group's objectives in applying this option are as follows:

- to apply fair value measurement to certain hybrid instruments in order to avoid separating embedded derivatives, which need distinct reporting. Structured EMTNs, and NEU CP-NEU MTNs (euro medium-term notes, negotiable commercial paper and negotiable medium-term notes) issued by the Bank belong to this category;
- to eliminate or significantly reduce discrepancies in the accounting treatment of certain financial assets and liabilities. Edmond de Rothschild (France) therefore measures all forward cash management operations at fair value through profit and loss. The Bank's cash management is based on the following principles:

1. the arrangement of term loans and borrowings with banks or financial clients;
2. the acquisition or issuance of negotiable debt securities on the interbank market;
3. where necessary, the hedging of each of these items using interest-rate derivatives.

When an item recognised at amortised cost is hedged by a financial asset that would be classified as an asset at fair value through other comprehensive income, designating that item as at fair value can eliminate the distortion that arises from different accounting treatments for financial assets and liabilities that share the same interest-rate risk, and experience changes in fair value that tend to be mutually offsetting.

Similarly, when an interbank loan not originally recognised as a hedging relationship undergoes the same changes in fair value (due to exposure to interest-rate risk) but in the opposite direction, designating that loan as at fair value can reduce the distortion that would have arisen from recording the loan at amortised cost and the derivative at fair value through profit and loss.

Other financial assets at fair value through profit or loss also include:
- debt instruments whose contractual cash flows do not constitute repayments of principal and payments of interest on the principal that remains due (non-SPPI instruments),
- equity instruments that the Group has not opted to classify at fair value through other comprehensive income.

Finally, this category of financial assets and liabilities includes the positive or negative fair values (without offsetting) of derivatives that have not been designated as hedging instruments.

Financial assets at fair value through other comprehensive income

Debt instruments

The "Financial assets at fair value through other comprehensive income" category includes debt instruments (loans and advances, bonds and other similar securities) with a business model involving the collection of contractual cash flows – representing basic SPPI ("solely payments of principal and interest") loans – and sales of those instruments.
Changes in value, excluding accrued or earned income, are recognised in a specific equity line item entitled "Gains and losses recognised directly in other comprehensive income", and are reclassified to profit and loss when the instruments are sold.
Expected losses relating to credit risk are calculated on these financial assets.

Equity instruments

The Group has opted to classify part of its equity securities that it needs to conduct certain activities at fair value through other comprehensive income.
That classification, which is irrevocable, must be carried out for each security.
Changes in the fair value of these instruments are recognised in "Gains and losses recognised directly in other comprehensive income", and cannot be recycled to profit and loss.
Assets in this category do not undergo impairment. Only dividends are recognised in profit and loss.

Reclassification of financial assets

Reclassifications of financial assets under IFRS 9 are only required where there is a change in the business model associated with them.

Impairment of financial assets

Financial assets measured at amortised cost and debt instruments at fair value through other comprehensive income with recycling

The credit risk impairment model applies to loans and debt instruments classified at amortised cost or at fair value through other comprehensive income. These financial assets systematically undergo impairment testing when negotiated (i.e. at the time of acquisition or granting of the loan).
The provisioning model is based on monitoring the relative deterioration in credit quality, corresponding to movements in the counterparty's credit risk, without waiting for an objective incurred loss event.
Stage 1: performing assets that have not significantly deteriorated since inception
Expected credit losses in the next 12 months are calculated on assets that have not undergone any significant deterioration in credit quality since inception.
Stage 2: performing assets that have significantly deteriorated since inception
Within the Group, loans are not scored but monitored according to a Basel approach, depending on the type of eligible security covering the loan granted.
Three indicators are used to gauge a deterioration in credit quality: overdue payments, limit violations or unauthorised debits, and margin calls.
For loans with eligible financial security, the Group has not adopted the rebuttable presumption that loans on which payments are more than 30 days past due have undergone a significant deterioration in credit quality (no defaults have occurred in recent years), and the "Stage 2" classification takes place after 60 days in the event of overdue payments or unauthorised debits.

Mortgages are subject to the same rules.
Unsecured loans or loans without eligible security are classified as “Stage 2” after 30 days in the event of overdue payments or unauthorised debits.
The impairment loss corresponds to credit losses expected over the life (to maturity) of the financial assets.
Step 3: Assets in default
Assets are classified as doubtful where one or more payments are at least 90 days past due.
Credit risk is measured as expected credit losses to maturity.
The amount of the impairment loss is included in “Cost of risk” in the income statement, and the value of the financial asset is reduced through the recognition of impairment. Increases and decreases in impairment provisions due to changes in the probability of recovery are recorded in “Cost of risk”, while the reversal over time of the discounting effects is treated as financial income from impaired receivables and included in “Interest and similar income” in profit and loss.

Measurement of expected credit losses

Expected credit losses are defined as the weighted likely expected value of the credit loss (principal and interest) discounted to present value. The method for measuring these losses is based on the following components.

- Probability of default (PD)
Probability of default is an estimate of the likelihood that a default will occur.
Most loans granted to the Group’s clients have a 1-year maturity and in the absence of any defaults in recent years, the Group has decided to apply:

- for loans classified in “Stage 1”, the average first-quartile 1-year PD shown by the retail mortgage books of major French banks,
- a flat-rate 20% PD for loans on which credit risk has significantly deteriorated.

- Loss given default (LGD)
LGD measures the loss that would arise if a counterparty defaulted. The figure takes into account the amounts borrowed and the market values of the assets and securities covering the loans granted by the Bank (with discounts based on the Group’s risk policy).

- Exposure at default (EAD)
EAD is the amount owed by the counterparty at the time it defaults on a given commitment.

- Forward-looking approach
IFRS 9 requires “forward-looking” data to be included in the calculation of expected losses relating to credit risk.
The aim is to be able to take into account as early as possible forward-looking information and macroeconomic indicators that may affect the risk profile of counterparties.
The Group takes into account this forward-looking information as part of the borrowing amounts used to determine LGD.

Derecognition of financial assets and liabilities

Derecognition of financial assets

The derecognition (total or partial) of a financial asset on the balance sheet takes place when contractual rights to the instrument’s cash flows expire or when those flows and substantially all of the instrument’s risks and benefits are transferred to a third party.

Derecognition of financial liabilities

The Group removes a financial liability from its balance sheet when the obligation specified in the contract is extinguished, discharged or cancelled or expires.

Derivatives and hedges
All derivatives, except derivatives designated for accounting purposes as cash flow hedges (see below), are stated at fair value with changes in fair value recognised in profit and loss. Derivatives are recorded in the balance sheet at the trade date. They fall into two categories:

Trading derivative financial instruments
Derivatives are automatically classified as held for trading unless they qualify for accounting purposes as hedging instruments. They are carried in the balance sheet under “Financial assets at fair value through profit and loss” where their fair value is positive, and under “Financial liabilities at fair value through profit and loss” where their fair value is negative. Changes in the fair value of derivatives are recorded in profit and loss under “Net gains or losses on financial assets at fair value through profit and loss”.
Income and expenses recorded at the time of interim payments of interest differentials or on settlement of the final payment under the derivative contract are recorded in profit and loss under “Interest and similar income” or “Interest and similar expenses”. Gains and losses resulting from derivatives being unwound before their contractual expiry date are recorded in profit and loss under “Net gains or losses on financial assets at fair value through profit and loss”.

Hedging derivatives

Hedge accounting is an exception to the general principles for recording financial instruments and can only be applied if and only if strict criteria are met:

- the exposure must be generated by specific risks that can be covered for accounting purposes;
- the exposure should potentially affect the outcome;
- the hedge must be formally identified and documented at inception including the strategy and objectives of the company for undertaking the hedge, identification of the hedging instrument and the hedged item, the nature of the risk being hedged, the probability of occurrence of the future transaction, the methodology for assessing effectiveness and measuring ineffectiveness;
- the hedge must be highly effective at inception and over the life of the transaction in offsetting changes in the fair value or cash flows of the hedged risk.

Hedging derivatives are reported in the balance sheet under "Hedging derivatives".

Depending on the nature of the hedged risk, the Group must designate the hedging derivative as a fair-value hedge, a cashflow hedge or a hedge of currency risk related to a net investment in a foreign operation.

The Group does not apply the hedge accounting component of IFRS 9 according to the option offered by the standard. All hedging relationships are documented according to the rules of IAS 39, at the latest until the date of application of the text on macro-hedging when it is adopted by the European Union.

Non-current assets

Operating non-current assets are carried in the balance sheet at cost.

Property, plant and equipment and intangible assets qualifying for depreciation or amortisation are depreciated or amortised over their period of use within the company.

Intangible assets

Intangible assets primarily comprise purchased software and contract portfolios:

- Intangible assets with an unlimited useful life are subject to annual impairment tests from the end of the second six-month period. These tests may be carried out at any time during the year, provided the date remains unchanged from one year to the next. For intangible assets first recognised during the current period, an impairment test is carried out before the end of the year.
- Intangible assets with a limited useful life are carried at acquisition cost less cumulative amortisation and impairment. They are amortised over their useful life. The useful life is the shorter of the useful life as defined by law and the expected economic life of the asset. Purchased software is amortised over a period of between one and three years.
- Intangible assets are subject to impairment tests if events or new circumstances indicate a risk that the carrying amount may be irrecoverable.

Property, plant and equipment

Equipment, furniture, fixtures and fittings and real-estate assets are stated at cost, less any depreciation. Depreciation is generally applied on a straight-line basis over the asset's useful life, which is generally between 4 and 10 years, and 25 years for real-estate assets.

Property, plant and equipment is subject to impairment tests if events or new circumstances indicate a risk that the carrying amount may be irrecoverable.

Gains or losses on sales of operating assets are recorded under "Net gains or losses on other assets".

The Group's property, plant and equipment does not include any investment property.

Right-of-use assets

On the date a leased asset is made available to the lessee, a right-of-use asset equal to the initial value of the lease liability is recognised on the balance sheet.

That asset is then amortised on a straight-line basis over the term of the lease.

Financial liabilities at amortised cost

Debt instruments issued by the Group that are not classified as financial liabilities at fair value through profit and loss are initially measured at cost, which corresponds to the fair value of the amounts borrowed, net of transaction costs.

At the balance sheet date, those liabilities are measured at amortised cost using the effective interest rate method. Accrued interest on those liabilities is recorded under related payables, with a balancing entry in profit and loss.

Due to credit institutions and amounts owed to clients

Amounts due to credit institutions and clients are broken down according to their initial term or the nature of the amounts due: demand deposits and term deposits for credit institutions; special savings accounts and other deposits for clients. Liabilities related to securities sold under demand or term repurchase agreements with credit institutions or clients are included in both these categories.

They are recorded at the price at which the securities were sold. Securities sold under repurchase agreements remain in their original asset category in the balance sheet and are measured according to the specific rules for the relevant portfolio; income on those securities is also recognised as though they were still part of the portfolio.

Debt securities

Debt securities mainly comprise “bons de caisse” (interest-bearing notes), interbank market securities, negotiable debt instruments and bonds, but exclude subordinated notes, which are reported under “Subordinated debt”. Accrued interest payable on these securities is recorded under related payables, with a balancing entry in profit and loss.

Provisions

With the exception of provisions for credit risks or employee benefits, provisions represent liabilities of uncertain timing and amount. Provisions are only established when the Group has a legal or constructive obligation towards a third party as a result of past events, and it is probable or certain that the obligation will cause an outflow of resources to the benefit of that third party without receiving any consideration of at least equivalent value.

The amount of the expected outflow of resources is discounted to determine the amount of the provision where the effect of such discounting is material.

Increases and decreases in these provisions are recorded in profit and loss under items corresponding to the nature of the relevant future expenditure.

Treasury shares

Treasury shares are shares in the parent company Edmond de Rothschild (France) and its fully consolidated subsidiaries.

Treasury shares held by the Group for any purpose are deducted from consolidated shareholders’ equity, and related gains or losses are eliminated from consolidated profit and loss.

Income tax expense

Edmond de Rothschild (France) and some of its subsidiaries have opted to form a tax consolidation group. These entities have agreed that the advantage or disadvantage arising from the tax consolidation (difference between the consolidated tax charge and the total of the tax charges of the companies calculated independently) is recognised immediately in the parent company’s income statement.

Income tax for the year includes current and deferred taxes. Income tax is recorded in profit and loss, unless it relates to an item directly recorded in equity, in which case it is recorded in equity.

Current taxes are the forecast taxes payable on taxable income for the period, calculated at the rates in force at the balance sheet date, and any adjustment of taxes due in respect of previous years. Current tax assets and liabilities are offset when Edmond de Rothschild (France) intends to pay the net amount and is legally authorised to do so.

Deferred taxes are recognised based on timing differences between the carrying amount and tax base of balance sheet assets and liabilities. As a rule, all taxable timing differences lead to recognition of deferred tax liabilities, whereas deferred tax assets are recognised where the probability exists of sufficient future taxable profit to utilise the deductible timing differences. Deferred tax assets and liabilities are offset when the entity is legally authorised to do so, provided they relate to the same tax consolidation group and are governed by the same tax authorities. Deferred taxes are not discounted to present value.

Deferred taxes related to actuarial gains and losses on defined-benefit plans are recorded directly in equity.

In France, the standard corporate income tax rate is 27.5%. Additionally, there is the general social security contribution on earnings of 3.3% (after an allowance of €0.76 million) introduced in 2000. The additional 3% tax on distributions made by companies, regardless of the beneficiary, introduced by France’s second mini-budget for 2012, has been found to be unconstitutional. Long-term capital gains on investments in subsidiaries and associates are exempt, subject to fees and charges equal to 12% of the gross amount of the capital gains being taxed at the ordinary rate. Moreover, under arrangements for parent companies and subsidiaries in which the parent owns at least 5%, net income from investments is tax-exempt, subject to 1% of fees and charges in tax consolidation groups being taxed at the ordinary rate. For companies that have not opted for tax consolidation, the proportion of fees and charges is 5%.

For the 2022 financial year, the tax rate used to determine deferred taxes was 25.83% for income taxed at the ordinary rate. For income taxed at the reduced rate, the rates used were 4.13% and 15.50%.

Methods for determining the fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled between well informed, consenting parties in an arm’s-length transaction. The Group distinguishes three categories of financial instruments depending on the consequences of their characteristics regarding the method of measuring their value, and it uses that classification for disclosing certain information in the notes to the financial statements:

Level 1 category: financial instruments that are quoted on an active market;

Level 2 category: financial instruments whose value is measured by reference to observable parameters;

Level 3 category: instruments whose value is measured by reference to parameters that are wholly or partly non-observable; a non-observable parameter is defined as a parameter whose value is measured by reliance on assumptions or correlations based neither on trading prices observable on the markets for the given instrument at the valuation date, nor on observable market data available at that date.

A financial instrument is regarded as quoted on an active market if prices are readily and regularly available from a stock exchange, broker, dealer, pricing service or regulatory agency and if those prices represent actual transactions regularly occurring in the market under arm's-length conditions.

Instruments traded on active markets

Where a financial instrument is traded on an active market and quoted prices are available for that instrument, the fair value of the financial instrument is represented by its market price.

Instruments not traded on active markets

If the market for a financial instrument is not active, its fair value is determined using observable market data and valuation techniques.

Depending on the financial instrument, those techniques use data from recent transactions and discounted future cash flow models based on rates applicable at the balance sheet date.

Structured liabilities and index-linked derivatives

In determining the fair value of structured liabilities and the indexed component of index-linked derivatives, not all valuation parameters are observable. Therefore, the fair value of the financial instrument at the time of the transaction is deemed to be the transaction price, and the commercial margin is recorded in profit and loss over the life of the product.

While structured liabilities are outstanding, since they are not quoted on an active market, the valuation parameters agreed with the counterparties at the instruments' inception are not modified. For redemptions of negotiable debt securities issued, the fair value of the redeemed securities is the transaction price, and the portion of the commercial margin not yet recognised is taken to profit and loss.

Cash receivables and payables

For fixed-rate liabilities, which are generally due to mature within one year, where there is no active market, fair value is deemed to be the present value of future cash flows discounted at the market rate at the balance sheet date. Market rates are determined based on standard internal valuation models using certificate-of-deposit yield curves.

Similarly, for purchased fixed-rate debt securities, fair value is determined by discounting expected future cash flows at market rates.

Loans and other financing to clients

Edmond de Rothschild (France) considers that, because of the multiyear frequency of adjustments, the fair value of variable-rate loans can be considered equal to their carrying amount.

For loans with a variable rate that is adjusted once a year and fixed-rate loans, fair value is determined by discounting recoverable future cash flows relating to principal and interest over the loans' remaining life, at the interest rate applicable to new lending during the year for loans of the same category and with similar maturities.

Interest rate derivatives

The fair value of interest-rate derivatives and of the interest-rate component of index-linked derivatives is determined on the basis of internal valuation models incorporating observable market data. Thus the fair value of interest-rate swaps is calculated by discounting future interest cash flows at rates derived from zero-coupon swap curves.

Forward foreign-exchange contracts

Forward foreign-exchange contracts are treated as financial derivatives and carried in the balance sheet at fair value, with changes in fair value taken to profit and loss. The fair value of a forward foreign-exchange contract is determined by the forward rate for the contract's remaining life at the balance sheet date.

Cost of risk

In terms of credit risk, the cost of risk includes additions to and reversals of impairment of fixed-income securities and loans and receivables due from clients and credit institutions, additions to and reversals of provisions relating to financing and guarantee commitments given, losses on receivables written off and amounts recovered on receivables formerly written off.

Fees

The Group records fee income in profit and loss according to the nature of the services concerned. Fees received for non-recurring services are immediately taken to profit and loss. Fees for ongoing services are recorded progressively in profit and loss over the duration of the service provided. Fees that are an integral part of the effective return on a financial instrument are treated as an adjustment to the effective return on the financial instrument.

Employee-benefit commitments

The Group recognises four categories of benefit as defined by IAS 19:

1. **Short-term benefits**, for which payments are immediately expensed: compensation, profit-sharing, employee savings and paid leave.

2. **Post-employment benefits**, measured using an actuarial method, with provisions set aside for defined-benefit plans (except French compulsory defined-contribution plans, which are directly expensed): pension benefits, supplementary pension plans and termination benefits for retiring employees.

Post-employment benefits are classified as either defined-contribution plans or defined-benefit plans, depending on the actual economic impact on the company.

In **defined-contribution plans**, liabilities are covered by contributions, which are recognised as expenses as and when they are paid to the independent pension bodies that manage subsequent payment of the pensions.

The company's obligation is limited to payment of a contribution, with no associated commitment concerning the amount of the benefits paid out. The contributions paid are included in the expenses of the period.

In **defined-benefit plans**, the actuarial risk and investment risk are borne by the company. They cover several types of commitment, principally "additional supplementary" pension plans and termination benefits for retiring employees. A provision is recorded in liabilities to cover the total value of those pension commitments. They are valued annually by an independent actuary at the balance-sheet date.

In accordance with IAS 19, the Group uses the projected unit credit method to calculate its employee-benefit commitments. This retrospective method uses projections regarding career-end salaries and prorated final-benefit entitlements based on length of service, taking into account actuarial assumptions regarding the employee's probable future period of service with the company, future compensation levels, life expectancy and personnel turnover.

Actuarial gains and losses, determined for each plan, include the effect of differences between actuarial assumptions previously adopted and actual outcomes, and the effect of changes in actuarial assumptions.

The Group applies IAS 19 revised regarding the recognition of actuarial gains and losses on defined-benefit pension plans. All such gains and losses are recorded under other comprehensive income in the period in which they are recognised. When the plan is funded by assets, those assets are measured at fair value at the closing date and deducted from the value of the commitments recorded. The annual amount included in personnel expenses in respect of defined-benefit plans includes the following:

- the additional benefits earned by each employee (current service cost);
- the financial cost resulting from the unwinding of discounts;
- interest income generated by plan assets (net interest on the net liability or asset);
- past service cost;
- the effect of plan curtailments or settlements.

The Group recognises past service cost in expenses on a straight-line basis over the average period remaining until the benefit entitlements are vested. Past service cost refers to the increase in the present value of the obligation arising from employee service in previous periods, resulting from the introduction of a new plan or from changes occurring during the period.

3. **Other long-term benefits**, measured in the same way as postemployment benefits and fully provisioned: these include long-service awards, Compte Epargne Temps working-time savings accounts and deferred compensation.

4. **Termination benefits**, redundancy payments and voluntary redundancy payments. These benefits are fully covered by provisions once the relevant agreement has been signed.

Cash flow statement

Cash and cash equivalents consist of the net balances of cash accounts, amounts due from central banks and postal accounts, and the net balances of demand deposits with and loans from credit institutions. Changes in cash generated by operating activities reflect cash flows generated by the Group's business, including cash flows related to held-to-maturity financial assets and negotiable debt securities.

Changes in cash generated by investing activities result from cash flows related to acquisitions and disposals of consolidated subsidiaries and associates and acquisitions and disposals of real property. Changes in cash related to financing activities comprise cash inflows and outflows from operations with shareholders, cash flows related to subordinated debt, bonds, and debt securities other than negotiable debt instruments.

Earnings per share

Earnings per share are calculated by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding treasury shares. Diluted earnings per share reflect the impact of potential dilution on earnings and the number of shares resulting from the exercise of options under the various plans (bonus share and stock option plans) granted by Edmond de Rothschild (France) and its subsidiaries, in accordance with IAS 33. No account is taken of plans that have no dilutive impact.

Note 3 – Analysis of balance sheet items

	In thousands of euros	31/12/2022	31/12/2021
3.1.	**Cash, due from central banks and postal accounts**		
	Cash	294	395
	Central banks	3,843,868	2,629,542
	Postal accounts	-	-
	Sub-total	**3,844,162**	**2,629,937**
	Related receivables	-	-
	Total	**3,844,162**	**2,629,937**

	In thousands of euros	31/12/2022	31/12/2021
3.2.	**Financial assets at fair value through profit and loss**		
	Interest rate instruments – futures and swaps	12	5,529
	Foreign exchange instruments – futures and swaps	-	17,797
	Equity and index-linked instruments – futures and swaps	1,832	4,135
	Receivables related to trading derivatives	1,225	115
	Sub-total - Derivatives	**3,069**	**27,576**
	Equities and other variable-income securities	-	-
	Sub-total - Other financial instruments held for trading	**-**	**-**
	Sub-total - Trading securities	**3,069**	**27,576**
	Fair value of loans and related receivables	-	7
	Subtotal - loans and receivables designated as at fair value through profit and loss	**-**	**7**
	Treasury notes and similar securities	-	-
	Treasury notes and similar securities - related receivables	-	-
	Sub-total - Financial assets designated as at fair value	**-**	**-**
	Investments in subsidiaries and associates	7	7
	Other variable-income securities	13,345	9,348
	Sub-total	**13,352**	**9,355**
	Debt instruments and similar	70,941	116,389
	Sub-total - Non-SPPI debt instruments	**70,941**	**116,389**
	Sub-total - Other financial assets at fair value through profit and loss	**84,293**	**125,744**
	Total	**87,362**	**153,327**

The total notional amount of trading derivatives was €2,134.0 million at 31 December 2022 as opposed to €1,257.0 million at 31 December 2021. The notional value of derivatives indicates only the volume of the Group's business on the financial instruments markets, without reflecting the market risks related to those instruments.

Non-SPPI debt instruments include units in non-consolidated funds held by the Group.

In thousands of euros	31/12/2022 Positive market value	31/12/2022 Negative market value
3.3 Hedging derivatives		
Fair value hedge	**61,080**	**1,392**
- Foreign exchange derivatives	-	-
- Interest-rate derivatives	61,080	1,392
Cash flow hedging	**-**	**-**
- Foreign exchange derivatives	-	-
- Interest-rate derivatives	-	-
Hedging derivatives	**61,080**	**1,392**

	31/12/2022		
	Carrying amount	Cumulative change in fair value of hedged risk	Change in fair value recorded during the period
Hedge of interest-rate risk (macro-hedging)			
Assets hedged			
Loans and receivables due from clients, at amortised cost	560,153	-53,872	-53,872
TOTAL	**560,153**	**-53,872**	**-53,872**

	31/12/2022				
		Fair value			
	Notional amounts	Assets	Liabilities	Change in fair value recorded during the period	Ineffectiveness recognised in profit or loss for the period
Hedge of interest-rate risk (macro-hedging)					
Firm instruments					
Interest-rate swaps	478,615	61,080	1,392	53,872	-
TOTAL	**478,615**	**61,080**	**1,392**	**53,872**	**-**

The group has decided to apply a fair value hedge of a portfolio of interest rate items (macro fair value hedge) in accordance with the provisions defined by IAS 39 (European Union Carve-out).
More specifically, a macro-hedge model on a portfolio of fixed-rate financial assets based on fixed-floating swaps was implemented.

The changes in fair value attributed to the hedged risk, materialised in the balance sheet by the revaluation differences of the portfolios hedged in interest rates, are offset symmetrically with the changes in fair value of the derivatives with similar ineffectiveness.

	In thousands of euros	31/12/2022	31/12/2021
3.4.	**Financial assets at fair value through other comprehensive income**		
	Treasury notes and similar securities	-	-
	Bonds and other fixed-income securities	-	-
	Sub-total - Debt instruments at fair value through other comprehensive income with recycling	**-**	**-**
	Investments in subsidiaries and associates	1,503	1,384
	Equities and other variable-income securities	-	-
	Sub-total - Equity instruments at fair value through other comprehensive income without	**1,503**	**1,384**
	Total	**1,503**	**1,384**

3.5. Securities at amortised cost (In thousands of euros)	31/12/2022	31/12/2021
Treasury notes and similar securities	-	-
Bonds and other fixed-income securities	73,465	4,813
Total	**73,465**	**4,813**

3.6. Loans and receivables due from credit institutions, at amortised cost (In thousands of euros)	31/12/2022	31/12/2021
Due from credit institutions		
- Demand deposits	*38,895*	*43,226*
- Time deposits	*500,189*	*20,011*
Sub-total	**539,084**	**63,237**
Related receivables	506	2
Total gross value	**539,590**	**63,239**
Impairment	-	-10
Net total	**539,590**	**63,229**

3.7. Loans and receivables due from clients, at amortised cost (In thousands of euros)	31/12/2022	31/12/2021
Overdrafts	968,316	880,733
Other loans and financing		
- Loans	*562,496*	*541,133*
- Securities received under repurchase agreements	-	-
- Trade notes	-	-
Total gross value	**1,530,812**	**1,421,866**
- Of which related receivables	1,778	1,459
Impairment	-141	-275
Net total	**1,530,671**	**1,421,591**
Fair value of loans and receivables due from clients	**1,530,978**	**1,421,898**

Impairment of loans and receivables due from clients at amortised cost

In thousands of euros	31/12/2021	Additions	Reversals	Transfers	31/12/2022
Impairment of performing assets (Stage 1)	-24	-61	7	52	-26
Impairment of performing assets that have deteriorated (Stage 2)	-46	-16	41	-4	-25
Impairment of doubtful assets (Stage 3)	-205	-30	193	-48	-90
Total	**-275**	**-107**	**241**	**-**	**-141**

3.7. Pledged assets

A-Assets

In thousands of euros	31/12/2022 Carrying amount of pledged assets	Fair value of pledged assets	Carrying amount of non-pledged assets	Fair value of non-pledged assets
Assets of the reporting entity	74,974		6,466,462	88,865
Equity instruments			85,796	85,796
Debt securities			73,465	-
Other assets	74,974		6,307,201	3,069

B-Guarantees received

In thousands of euros	31/12/2022 Carrying amount of pledged assets	Fair value of pledged assets
Guarantees received by the entity concerned	-	-
Equity instruments		
Debt securities	-	-
Other guarantees received		
Own debt securities in issue, other than own covered bonds or asset-backed securities		

C-Pledged assets/guarantees received and related liabilities

In thousands of euros	31/12/2022 Related liabilities, contingent liabilities or loaned securities	Assets, guarantees received and own debt securities in issue, other than covered bonds or securities backed by pledged assets
Carrying amount of selected financial liabilities	76,270	74,974

Government bonds held by Financière Boréale make up most of the Edmond de Rothschild (France) Group's pledged assets, via repo transactions.

Repo transactions are involved in the management of mutual funds for which the Bank is custodian and Edmond de Rothschild Asset Management (France) is the asset manager: securities held by Financière Boréale are sold by Edmond de Rothschild (France) to the funds as part of repo transactions.

86% of the "Other assets" line item comprises the Group's assets held with the Banque de France and client loans. Intangible assets make up 3% of that item, and accruals and other assets 6%.

In thousands of euros	31/12/2022		31/12/2021	
	Assets	Liabilities	Assets	Liabilities
3.9. Accruals and other assets and liabilities				
Items under collection	164	-	3	-
Guarantee deposits paid (*)	74,974	-	15,229	-
Prepaid expenses	12,686	-	9,949	-
Accrued income	93,774	-	77,104	-
Prepaid income	-	147	-	118
Accrued expenses	-	81,094	-	74,926
Other miscellaneous assets and liabilities (**)	50,368	169,606	32,270	158,788
Total	**231,966**	**250,847**	**134,555**	**233,832**

(*) of which €60,750,000 related to collateral at 31 December 2022 versus €2,930,000 of guarantee deposits paid at 31 December 2021.

(**) of which €1,930,000 related to collateral at 31 December 2022 versus €25,552,000 of other liabilities at 31 December 2021.

In thousands of euros	31/12/2022	31/12/2021
3.10. Investments in associates		
Edmond de Rothschild (Monaco)	-	65,391
Elyan Partners SAS	3,742	740
Investments in associates	**3,743**	**66,132**

In thousands of euros	31/12/2021	Acquisitions/ transfers in	Disposals/ transfers out	Other changes	31/12/2022
3.11. Property, plant and equipment					
Gross value					
Land and buildings	62,560	-	-	-1,945	60,615
Computer hardware	33,513	2,502	-28,832	705	7,888
Fixtures, fittings and other property, plant and equipment	46,004	199	-33,918	75	12,360
Property, plant and equipment in progress	-	-	-	-	-
Sub-total	**142,077**	**2.701**	**-62,750**	**-1,165**	**80,863**
Depreciation and impairment					
Buildings	-28,321	-1,106	-	542	-28,885
Computer hardware	-31,296	-1,824	28,832	170	-4,118
Fixtures, fittings and other property, plant and equipment	-44,315	-464	33,918	183	-10,678
Sub-total	**-103,932**	**-3,394**	**62,750**	**895**	**-43,681**
Total	**38,145**	**-693**	**-**	**-270**	**37,182**

In thousands of euros	31/12/2021	Acquisitions/ transfers in	Disposals/ transfers out	Other changes	31/12/2022
3.12. Intangible assets					
Gross value					
Contract portfolio and other contractual rights	12,510	-	-	-	12,510
Other intangible assets	199,256	9,990	-114,578	-5,967	88,701
Intangible assets in progress	-	10,665	-	-	10,665
Sub-total	**211,766**	**20,655**	**-114,578**	**-5,967**	**111,876**
Depreciation and impairment					
Intangible assets	-190,435	-12,782	114,578	4,799	-83,840
Sub-total	**-190,435**	**-12,782**	**114,578**	**4,799**	**-83,840**
Total	**21,331**	**7,873**	**-**	**-1,168**	**28,036**

In thousands of euros		31/12/2022	31/12/2021
3.13.	**Goodwill**		
	Net carrying amount at the beginning of the period	**73,925**	**74,313**
	Acquisitions and other increases	-	-
	Disposals and other decreases	-23,800	-
	Impairment		-388
	Net carrying amount at the end of the period	**50,125**	**73,925**

	Net carrying amount	
In thousands of euros	31/12/2022	31/12/2021
Edmond de Rothschild Asset Management (France)	39,891	39,891
Edmond de Rothschild REIM (France) SAS	-	23,800
Edmond de Rothschild Assurances et Conseils (France)	5,753	5,753
Edmond de Rothschild Corporate Finance, Paris	4,481	4,481
Other	-	-
Total	**50,125**	**73,925**

Goodwill items are tested individually for impairment. This test is performed at the same time every year or when an indication of impairment arises. The test consists of checking that the recoverable amount of an investment remains higher than its carrying amount, the recoverable amount being the higher of fair value less costs to sell and value in use.

As regards value in use, the discounted cash flow figures used are based on activity assumptions validated by management and extrapolated over a period of several years, and then indefinitely on the basis of a long-term growth rate to calculate the terminal value.

The rate used to discount future cash flows is determined with reference to market data. The growth rate used to calculate the terminal value is based on forecasts regarding economic growth and sustainable long-term inflation.

Sensitivity tests are also performed to measure the impact on value in use of changes to the discount rate and the long-term growth rate.

The approach involving fair value less costs to sell consists of determining, on the basis of the best available information, the amount (less costs to sell) that could be obtained from selling the asset in an arm's length transaction between well informed, consenting parties.

In the case of Edmond de Rothschild Asset Management (France), the recoverable amount of goodwill was determined using two methods, one of which is the Dividend Discounted Method (DDM) and the other being the transaction multiples method.

- The DDM approach consisted of projecting dividend flows based on business assumptions determined from the business plan communicated by the company's management over the period 2023-2025, applying a growth rate of 2.4% to the integrated terminal flow.

These dividend flows were discounted at a cost of capital of 12.1% and with an earnings conversion assumption of 100% over the period mentioned above.

- In the transaction multiples approach, the value of the company was established on the basis of financial aggregates (AUM, NBI, net profit/loss) resulting from a sample of recent major transactions in the asset management sector for which data were made public.

These methods both lead to the conclusion that the recoverable value of goodwill in Edmond de Rothschild Asset Management (France) is higher than its book value and therefore that no impairment should be recognised as at 31 December 2022.

3.14. Non-current assets held for sale

At 31 December 2022, Edmond de Rothschild (France) still intended to sell Zhonghai and regarded this asset as a "non-current asset held for sale".

The disposal of Zhonghai has not yet been completed. The Group has taken all necessary steps to obtain the authorisations required to sell this asset and is awaiting approval from the relevant Chinese authorities.

In thousands of euros	31/12/2022	31/12/2021
3.15 Financial liabilities at fair value through profit and loss		
Interest rate instruments – futures and swaps	6,284	476
Interest rate instruments – options	-	-
Foreign exchange instruments – futures and swaps	39,322	-
Foreign exchange instruments – options	-	-
Equity and index-linked instruments – futures and swaps	29,250	3,400
Equity and index-linked instruments – options	-	-
Sub-total	**74,856**	**3,876**
Payables related to trading derivatives	1,414	324
Sub-total – trading securities	**76,270**	**4,200**
Due to credit institutions	2,398,764	988,391
Due to clients	33,942	22,743
Sub-total	**2,432,706**	**1,011,134**
Related payables	10,659	1,082
Sub-total – payables designated as at fair value through profit and loss	**2,443,365**	**1,012,216**
Negotiable debt instruments	611,378	400,753
Sub-total	**611,378**	**400,753**
Related payables	934	106
Sub-total – debt securities at fair value through profit and loss	**612,312**	**400,859**
Sub-total - financial liabilities designated as at fair value through profit and loss	**3,055,677**	**1,413,075**
Total financial liabilities at fair value through profit and loss	**3,131,947**	**1,417,275**

	31/12/2022		
In thousands of euros	Fair value	Amount repayable at maturity	Difference between fair value and amount repayable at maturity
Financial liabilities designated as at fair value through profit and loss	3,055,677	3,036,988	18,689

	31/12/2021		
In thousands of euros	Fair value	Amount repayable at maturity	Difference between fair value and amount repayable at maturity
Financial liabilities designated as at fair value through profit and loss	1,413,075	1,413,063	12

3.16	In thousands of euros	31/12/2022	31/12/2021
3.16	**Due to credit institutions**		
	- Demand deposits	49,606	51,278
	- Time deposits	-	-
	Sub-total	**49,606**	**51,278**
	Related payables	-	-
	Total due to credit institutions	**49,606**	**51,278**

	In thousands of euros	31/12/2022 Demand deposits	31/12/2022 Time deposits	31/12/2022 Total	31/12/2021 Demand deposits	31/12/2021 Time deposits	31/12/2021 Total
3.17.	**Due to clients**						
	Special savings accounts						
	- Special savings accounts	*-*	*78,373*	*78,373*	*-*	*103,158*	*103,158*
	- Related payables	*-*	*-*	*-*	*-*	*-*	*-*
	Sub-total	**-**	**78,373**	**78,373**	**-**	**103,158**	**103,158**
	Other payables						
	- Demand deposits	*2,009,687*	*-*	*2,009,687*	*2,296,837*	*-*	*2,296,837*
	- Time deposits	*-*	*438,072*	*438,072*	*-*	*54,188*	*54,188*
	- Securities delivered under repurchase	*-*	*-*	*-*	*-*	*-*	*-*
	- Other miscellaneous payables	*582*	*28,769*	*29,351*	*-*	*34,000*	*34,000*
	- Related payables	*9*	*1,145*	*1,154*	*-*	*5*	*5*
	Sub-total	**2,010,278**	**467,986**	**2,478,264**	**2,296,837**	**88,193**	**2,385,030**
	Total	**2,010,278**	**546,359**	**2,556,637**	**2,296,837**	**191,351**	**2,488,188**
	Fair value of amounts due to clients			**2,556,637**			**2,488,188**

In thousands of euros	Legal and tax risks	Post-employment benefit obligations	Loan and guarantee commitments	Losses on contracts	Other provisions	Total carrying amount
3.18 Provisions						
Balance at 31/12/2021	**-**	**6,344**	**-**	**-**	**11,538**	**17,882**
Additions	-	-220	-	-	3,450	3,230
Amounts used	-	-	-	-	-2,854	-2,854
Unused amounts reversed to profit and loss	-	-	-	-	-505	-505
Other movements	-	-1,134	-	-	-242	-1,376
Balance at 31/12/2022	**-**	**4,990**	**-**	**-**	**11,387**	**16,377**

Other provisions include provisions relating to the “additional supplementary” pension plan (detailed in Note 6.1.A.) and to the AIMF directive at Edmond de Rothschild Asset Management (France).

3.19. Equity instruments: Super-subordinated notes

In June 2007, the Bank issued €50 million of undated super-subordinated notes. After discussions with one of the noteholders, the Bank made an offer to repurchase part of the notes with a nominal amount of €29 million, at a discount of 7.5%. After obtaining the authorisation of the Autorité de Contrôle Prudentiel on 12 July 2013, €29 million of notes were repurchased and cancelled in August 2013.

In the event of the issuer’s liquidation, holders of these notes will be paid only after other creditors but before holders of participating loans or participating securities.

The undated super-subordinated notes carry financial covenants:

- non-payment of interest in the event of insufficient capital related to non-compliance with prudential capital adequacy ratios or a deterioration in the Bank’s financial position;

- reduction of accrued interest due and payable and then of the nominal value of the notes if the Bank has not taken action to remedy the capital situation within a specific period.

Given the discretionary nature of the decision on the payment of interest on the super-subordinated notes, which is related to the payment of dividends, these notes have been classified as equity instruments and related reserves.

The main financial characteristics of these notes are as follows:

Issue date	Optional early redemption date (call option)	Rate until early redemption	Rate after early redemption	Interest step-up from the optional early redemption date
June 2007	June 2017 then quarterly	6.36% (1)	3-month Euribor + 2.65%	+ 100 basis points

(1) Rate fixed by reference to the 10-year swap rate in euros at 4 June 2007: 4.71% + 1.65.

3.21. Netting of financial assets and liabilities

At 31 December 2022 In thousands of euros	Gross amounts of financial assets	Amounts netted on the balance sheet	Net amounts stated on the balance sheet	Impact of netting and similar agreements	Financial instruments received as collateral	Net amounts
Financial assets at fair value through profit and loss						
-Trading securities	18,637	-15,568	3,069	-	-1,930	1,139
-Financial assets designated as at fair value	-	-	-	-	-	-
-Other financial assets at fair value through profit and loss	84,293	-	84,293	-	-	84,293
Financial assets at fair value through other comprehensive income	1,503	-	1,503	-	-	1,503
Securities at amortised cost	73,465	-	73,465	-	-	73,465
Loans and receivables due from credit institutions and customers at amortised cost	2,070,261	-	2,070,261	-	-	2,070,261
-Of which repurchase transactions	-	-	-	-	-	-
Accruals and other assets	231,966	-	231,966	-	-	231,966
-Of which guarantee deposits granted	*74,974*	-	*74,974*	-	-	*74,974*
Other assets not subject to netting	4,076,879	-	4,076,879	-	-	4,076,879
TOTAL ASSETS	**6,557,004**	**-15,568**	**6,541,436**	**-**	**-1,930**	**6,539,506**

At 31 December 2022 In thousands of euros	Gross amounts of financial liabilities	Amounts netted on the balance sheet	Net amounts stated on the balance sheet	Impact of netting and similar agreements	Financial instruments provided as collateral	Net amounts
Financial liabilities at fair value through profit and loss						
-Trading securities	91,838	-15,568	76,270	-	-60,750	15,520
-Liabilities designated as at fair value through profit and loss	2,443,365	-	2,443,365	-	-	2,443,365
-Debt securities designated at fair value through profit and loss	612,312	-	612,312	-	-	612,312
Due to credit institutions and clients	2,606,243	-	2,606,243	-	-	2,606,243
-Of which repurchase transactions	-	-	-	-	-	-
Accruals and other liabilities	250,847	-	250,847	-	-	250,847
-Of which guarantee deposits received	*54,285*	-	*54,285*	-	-	*54,285*
Other liabilities not subject to netting	73,801	-	73,801	-	-	73,801
TOTAL LIABILITIES	**6,078,406**	**-15,568**	**6,062,838**	**-**	**-60,750**	**6,002,088**

At 31 December 2021 In thousands of euros	Gross amounts of financial assets	Amounts netted on the balance sheet	Net amounts stated on the balance sheet	Impact of netting and similar agreements	Financial instruments received as collateral	Net amounts
Financial assets at fair value through profit and loss						
-Trading securities	28,745	-1,169	27,576	-	-25,552	2,024
-Financial assets designated as at fair value	-	-	-	-	-	-
-Other financial assets at fair value through profit and loss	125,751	-	125,751	-	-	125,751
Financial assets at fair value through other comprehensive income	1,384	-	1,384	-	-	1,384
Securities at amortised cost	4,813	-	4,813	-	-	4,813
Loans and receivables due from credit institutions and customers at amortised cost	1,484,820	-	1,484,820	-	-	1,484,820
-Of which repurchase transactions	-	-	-	-	-	-
Accruals and other assets	134,555	-	134,555	-	-	134,555
-Of which guarantee deposits granted	*15,229*	-	*15,229*	-	-	*15,229*
Other assets not subject to netting	2,888,669	-	2,888,669	-	-	2,888,669
TOTAL ASSETS	**4,668,737**	**-1,169**	**4,667,568**	**-**	**-25,552**	**4,642,016**

At 31 December 2021 In thousands of euros	Gross amounts of financial liabilities	Amounts netted on the balance sheet	Net amounts stated on the balance sheet	Impact of netting and similar agreements	Financial instruments provided as collateral	Net amounts
Financial liabilities at fair value through profit and loss						
-Trading securities	5,368	-1,169	4,200	-	-2,930	1,270
-Liabilities designated as at fair value through profit and loss	1,012,216	-	1,012,216	-	-	1,012,216
-Debt securities designated at fair value through profit and loss	400,859	-	400,859	-	-	400,859
Due to credit institutions and clients	2,539,466	-	2,539,466	-	-	2,539,466
-Of which repurchase transactions	-	-	-	-	-	-
Accruals and other liabilities	233,832	-	233,832	-	-	233,832
-Of which guarantee deposits received	*25,552*	-	*25,552*	-	-	*25,552*
Other liabilities not subject to netting	19,879	-	19,879	-	-	19,879
TOTAL LIABILITIES	**4,211,620**	**-1,169**	**4,210,452**	**-**	**-2,930**	**4,207,522**

Note 4 – Analysis of income statement items

In thousands of euros		31/12/2022	31/12/2021
4.1.	**Interest and similar income**		
	Interest and other revenues on loans and receivables due from credit institutions	**14,611**	**627**
	- Demand deposits and interbank loans	14,611	627
	- Loan and guarantee commitments	-	-
	- Repurchase transactions	-	-
	Interest and other revenues on loans and receivables due from clients	**22,165**	**13,638**
	- Demand deposits and loans	22,165	13,638
	- Repurchase transactions	-	-
	Interest on financial instruments	**14,663**	**26,231**
	- Debt instruments at amortised cost	48	44
	- Financial assets at fair value through other comprehensive income	-	-
	- Financial assets designated as at fair value through profit and loss	342	49
	- Interest on derivatives	14,273	26,138
	Total interest and similar income	**51,439**	**40,496**

In thousands of euros		31/12/2022	31/12/2021
4.2.	**Interest and similar expenses**		
	Interest and other expenses on loans and payables due to credit institutions, at amortised cost	**-31,098**	**-12,785**
	- Demand deposits and interbank loans	-30,688	-12,585
	- Loan and guarantee commitments	-410	-200
	- Repurchase transactions	-	-
	Interest and other expenses on payables due to clients, at amortised cost	**-2,008**	**-152**
	- Demand deposits and loans	-2,008	-152
	- Loan and guarantee commitments	-	-
	- Repurchase transactions	-	-
	Interest on financial instruments	**-17,114**	**-26,189**
	- Debt securities	-14,389	-14,434
	- Interest on derivatives	-2,725	-11,755
	Interest and expenses on lease liabilities	**-215**	**-285**
	Total interest and similar expenses	**-50,435**	**-39,411**

		31/12/2022		31/12/2021	
In thousands of euros		Income	Expenses	Income	Expenses
4.3.	**Fees**				
	Cash and interbank transactions	20	-1	20	-11
	Transactions with clients	394	-	663	-
	Securities transactions	-	-	-	-
	Foreign exchange transactions	30	-	55	-
	Off-balance sheet transactions				
	- Securities commitments	*1,664*	-	*673*	-
	- Commitments on forward financial instruments	*2,420*	*-1,317*	*2,005*	*-1,151*
	Financial services	390,264	-90,040	414,354	-89,261
	Additions to/reversals of provisions	-	-	-	-
	Total fees	**394,792**	**-91,358**	**417,770**	**-90,423**

In thousands of euros	31/12/2022 Trading portfolio	31/12/2022 Portfolio designated as at fair value	31/12/2021 Trading portfolio	31/12/2021 Portfolio designated as at fair value
4.4. Net gains or losses on financial instruments at fair value through profit and loss				
Net gains or losses on financial assets held for trading	-	10,775	-	5,060
Net gains or losses on financial liabilities at fair value through profit and loss	-	28,230	-	-12,622
Net gains or losses on derivatives	-33,012	-	18,570	-
Net gains or losses on foreign exchange transactions	30,756	-	12,106	-
Net gains or losses on equity instruments at fair value through profit and loss	-36	-	30	-
Net gains or losses on non-SPPI debt instruments (*)	-147	-	8,570	-
Total net gains or losses on financial instruments at fair value through profit and loss	**-2,439**	**39,005**	**39,276**	**-7,562**

In thousands of euros	31/12/2022	31/12/2021
4.5. Net gains or losses on financial assets at fair value through other comprehensive income		
Dividends received on equity instruments at fair value through other comprehensive income	30	419
Net gains or losses on financial assets at fair value through other comprehensive income	-	-
Total net gains or losses on financial assets at fair value through other comprehensive income	**30**	**419**

In thousands of euros	31/12/2022	31/12/2021
4.6. Income and expenses relating to other activities		
Expenses transferred to other companies	171	1,705
Other ancillary income	1,613	1,405
Miscellaneous	12,201	10,706
Income from other activities	**13,985**	**13,816**
Income transferred to other companies	-19,862	-16,412
Miscellaneous	-930	-760
Expenses relating to other activities	**-20,792**	**-17,172**

4.7. General operating expenses (In thousands of euros)	31/12/2022	31/12/2021
Wages and salaries	-114,686	-109,609
Pension expenses	-8,934	-8,324
Social security expenses	-40,617	-42,821
Employee incentive plans	-1,302	-136
Mandatory employee profit-sharing	-5,368	-7,429
Payroll taxes	-8,503	-8,668
Additions to provisions for personnel expenses	-3,232	-4,471
Reversals of provisions for personnel expenses	2,755	3,086
Sub-total - Personnel expenses	**-179,887**	**-178,372**
Taxes other than income tax	-1,422	-4,164
Rental expenses	-4,330	-3,981
External services	-87,473	-76,225
Travel expenses	-1,708	-1,001
Miscellaneous operating expenses	-	-
Additions to provisions for administrative expenses	-52	-37
Reversals of provisions for administrative expenses	37	-
Sub-total - Administrative expenses	**-94,948**	**-85,408**
Total general operating expenses	**-274,835**	**-263,780**

4.8. Cost of risk (In thousands of euros)	31/12/2022	31/12/2021
Additions to provisions for credit risk	-263	-373
Net losses on receivables written off	-560	-761
Reversals of impairment relating to credit risk	857	855
Reversals of provisions	-	-
Amounts recovered on receivables formerly written off	-	42
Total cost of risk	**34**	**-237**

4.9. Gains or losses on other assets (In thousands of euros)	31/12/2022	31/12/2021
Losses on sales of intangible assets and property, plant and equipment	-1	-
Gains on sales of intangible assets and property, plant and equipment	-	-
Gain/(loss) on disposals of investments in subsidiaries and associates (*)	33,471	-119
Total net gains or losses on other assets	**33,470**	**-119**

(*) of which €33,639,000 related to the disposal of Edmond de Rothschild (Monaco) and -€233,000 related to the disposal of Edmond de Rothschild REIM (France), at 31 December 2022.

In thousands of euros	31/12/2022	31/12/2021
4.10. Income tax expense and effective tax rate		
Consolidated net income	**71,113**	**54,275**
Income tax expense	**13,003**	**22,880**
Income before tax	**84,116**	**77,155**
Non-deductible provisions and expenses	6,917	8,111
Parent company/subsidiary exemption regime and related adjustments	669	1,487
Share of net income of associates	-16,470	-11,116
Untaxed consolidation adjustments	1,813	9,643
Miscellaneous non-taxable revenues and other deductions	-32,704	-16,043
Items taxed at reduced rates	3,959	-1,838
Income before tax taxable at standard rate	**48,301**	**67,399**
Tax rate	25.83%	28.41%
Theoretical tax expense at standard rate	**12,476**	**19,148**
Income before tax taxable at reduced rate	**-3,959**	**1,838**
Tax rate	15.50%	15.50%
Theoretical tax expense at reduced rate	**-614**	**285**
Theoretical tax expense	**11,863**	**19,433**
Unrecognised tax losses arising in the period	1,337	3,779
Unrecognised tax losses used	-124	-654
Tax credits	-144	-12
Effect of different tax rates applying to foreign entities	7	257
Tax assessments and tax income relating to previous periods	28	-75
Miscellaneous	36	152
Calculated income tax	**13,003**	**22,880**
- Of which current tax expense	*13,982*	*25,970*
- Of which deferred tax	*-979*	*-3,090*
Income before tax	84,116	77,155
Income tax expense	13,003	22,880
Average effective tax rate	**15.46%**	**29.65%**
Standard tax rate in France	25.83%	28.41%
Effect of permanent differences	-12.21%	-2.92%
Effect of reduced-rate taxation	0.49%	-0.31%
Effect of different tax rates applying to foreign entities	0.01%	0.33%
Effect of losses for the period and use of tax loss carryforwards	1.44%	4.05%
Effect of other items	-0.10%	0.09%
Average effective tax rate	**15.46%**	**29.65%**

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Note 5 – Note on commitments

In thousands of euros	31/12/2022	31/12/2021
Commitments given		
Loan commitments		
To credit institutions	-	-
To clients	440,603	414,331
Guarantee commitments		
To credit institutions	47,186	15,443
To clients	84,175	66,646
Commitments received		
Loan commitments		
From credit institutions	-	-
From clients	-	-
Guarantee commitments		
From credit institutions	155,965	121,559
From clients	-	-

Note 6 – Employee benefits and share-based payments

6.1. Employee benefits under IAS 19

In accordance with IFRS 1 First-time adoption of IFRSs, since 1 January 2006 the Group has measured and recognised employee benefits under the rules set out in IAS 19.

When it first applied IFRSs, the Group opted to apply the exception allowed in IFRS 1, allowing all actuarial gains and losses not amortised at 1 January 2006 to be taken to equity at that date.

6.1.A. Pension costs – Defined-benefit plans

An additional supplementary pension plan set up in December 2004 was closed on 31 December 2012, although its provisions were maintained for beneficiaries born before 31 December 1953.
It applies to a category of executives for whom the existing basic and complementary pension plans provide a significantly lower rate of income replacement than for other categories of personnel.
This plan is a defined-benefit plan expressed in terms of the overall final pension (limited in time) or in terms of the top-up pension it provides in addition to the basic pensions.
Payment of benefits is conditional on the employee remaining in the company until retirement. The plan provides for the purchase of an annuity upon retirement to settle the obligation to the beneficiary.
The beneficiaries of this additional supplementary pension plan are senior management, members of the General Management Committee, and senior executives defined in the 35-hour working week agreement as executives not covered by the normal classification.
The basis for determining the reference compensation and calculating the additional pension is gross annual salary plus bonuses received, before any applicable tax or social security charges.
The guaranteed additional pension is equal to 10% of the reference compensation between four and eight times the annual limit defined by French social security legislation at the date of settlement of the pension, plus 20% of the portion of the reference compensation between 8 and 22 times that limit.

This additional pension is payable in addition to the mandatory basic and supplementary pensions. Gains and losses resulting from its first application are treated in accordance with the rules for changes of accounting method.

The Group therefore allocated the impact of this change of method, net of deferred taxes, to equity at the date of its first application (€8.381 million). That impact resulted from the recognition of previously unrecognised post-employment benefits, in a pre-tax amount of €12.825 million. Benefit commitments were discounted at the rate of 4.25%.

The value of the commitments at 31 December 2022 was determined by qualified actuaries, applying the following assumptions:

- discount rate of 3.77%
- inflation rate of 2.20%,
- expected return on plan assets of 3.77%;

The discount rate was determined on the basis of the average yields observed on bonds maturing in 10 years or more issued by eurozone companies with Aa ratings (the benchmark being the iBoxx € corporates index) and the extrapolation of the yield curve in line with the ECB's government bond curve.

Taxation of annuities: Article 113 of French Act 2003-775 of 21 August 2003 on pension reform alters the way in which social security contributions, the general social contribution (CSG) and the tax to repay social-security debt (CRDS) apply to employers' contributions to funding pension benefits. In return for exempting contributions from social security charges, a tax payable exclusively by the company was established.
The 2010 Social Security Financing Act doubled the tax levied on annuities exceeding one third of the annual social security ceiling. This tax was increased from 8% to 16% for all pensions paid, effective 1 January 2010.
The 2011 Social Security Financing Act subsequently modified the basis for applying this tax. The allowance was eliminated and the 16% tax thus applied from the first euro of the annuity, for all annuities paid after 1 January 2001.
The Group had previously opted for the tax on annuities, but at the end of 2011 it chose to change options as allowed by the 2011 Social Security Financing Act for defined-benefit plans consistent with Article L. 137-11.
It is now taxed at 12% based on all contributions paid into the fund.

That rate is set by Article 32 of France's 16 August 2012 mini-budget at 24% for all payments in respect of periods beginning after 31 December 2012.

At 31 December 2022, the amount of commitments came to €20.641 million before tax and the fair value of assets was €19.280 million, resulting in a provision of €1.361 million.

Financial assets representing commitments (for the additional supplementary pension)

Portfolio structure	31/12/2022	31/12/2021
Equities	42.30%	46.30%
Bonds	46.00%	44.60%
Real estate	10.00%	8.10%
Money market and other	1.70%	1.00%
Return on plan assets	3.77%	0.87%

Defined-benefit post-employment benefits (additional supplementary pension)

In thousands of euros	31/12/2022	31/12/2021
Present value of the commitment	20,641	25,232
- Value of plan assets	-19,280	-23,822
Financial position of plan	**1,361**	**1,410**
- Unrecognised past service cost	-	-
Provision	**1,361**	**1,410**

6.1.B. Termination benefits for retiring employees

Termination benefits for retiring employees are a post-employment benefit and are part of the defined-benefit plan category.

Entitlements to termination benefits for retiring employees in Group companies are defined by the following collective agreements:

- - the French national collective agreement for banks (no. 2120) for all companies;
- - the French national collective agreement for insurance and/or reinsurance brokerage firms (no. 2247) for Edmond de Rothschild Assurances et Conseils (France).

The following compensation basis is used to calculate the benefit payable to retiring employees:

- for the national collective agreement for banks, 1/13th of the average compensation the beneficiary received or would have received over the past 12 months, excluding any standard or exceptional bonus and any variable component of pay;
- for the national collective agreement for insurance brokerages, 1/12th of the compensation the beneficiary received or would have received over the past 12 months.

The compensation cannot be lower than the retirement compensation defined by French employment law.

These arrangements are not funded by an insurance policy.

The actuarial method used to value the liability is the projected unit credit method.

Actuarial gains and losses on the plan for termination benefits for retiring employees are recorded in other comprehensive income. The Group has opted to apply the amendment to IAS 19 allowing actuarial gains and losses related to experience adjustments and/or changes in assumptions to be recognised in equity. The selected discount rate of 3.77% is based on the yields on long-term corporate bonds at the time of measurement (yield shown by the iBoxx € Corporate AA 10+ index) and on the extrapolation of the yield curve in line with the ECB's government bond curve.

The gross liability was €3.629 million at 31 December 2022 and €4.934 million at 31 December 2021.

Service cost was €370,000 in 2022, the cost of discounting was €80,000, actual benefits paid came to €700,000 and the actuarial loss with respect to 2022 was €1,020,000. The impact of the withdrawal of Edmond de Rothschild REIM (France) from the scope of consolidation amounts to €35,000.

Defined-benefit post-employment benefits (additional supplementary pension and termination benefits for retiring employees)

Breakdown of the expense recognised

In thousands of euros	31/12/2022	31/12/2021
Current period service cost	330	-182
Interest cost	-544	-209
Expected return on plan assets	434	150
Net expense recognised	**220**	**-241**

Defined-benefit post-employment benefits

Main actuarial assumptions (termination benefits for retiring employees)	31/12/2022	31/12/2021
Discount rate	3.77%	0.87%
Expected long-term inflation rate	2.20%	1.75%
Salary increase		
- *Clerical workers*	2.20%	2.00%
- *Executives and senior management*	2.70%	2.50%
- *Senior executives*	3.20%	3.00%
Rate of employer's social security charges and taxes	56.13%	59.44%
Mortality rates	THTF 16 18	THTF 14 16

Main actuarial assumptions (additional supplementary pension)	31/12/2022	31/12/2021
Discount rate	3.77%	0.87%
Salary increase rate, net of inflation (*)	n/a	-1.75%
Average remaining working life of employees (*)	n/a	0 year
Mortality rates	TGH -TGF 05	TGH -TGF 05

(*) the expected wage growth rate net of inflation is not applicable, as there are no longer any active beneficiaries of this scheme

Analysis of sensitivity of post-employment benefit commitments to changes in the main actuarial assumptions

Impact of the change (additional supplementary pension)	31/12/2022
Change of -0.50% in the discount rate: 3.27% (3.77% - 0.50%)	
– Impact on present value of commitments at 31 December 2022	7.47%
– Impact on net total expense in 2022	-6.61%
Change of +0.50% in the discount rate: 4.27% (3.77% + 0.50%)	
– Impact on present value of commitments at 31 December 2022	-6.76%
– Impact on net total expense in 2022	5.40%

Defined-benefit post-employment benefits (additional supplementary pension and termination benefits for retiring employees)

Change in provision

In thousands of euros	31/12/2022	31/12/2021
Provision/asset at the beginning of the period	**6,344**	**12,068**
– Expense recognised in profit and loss	*480*	*304*
- Benefits directly paid by the employer (unfunded)	*-700*	*-63*
- Changes in consolidation scope (acquisitions and disposals)	*-34*	*-*
- Actuarial gains and losses	*-1,099*	*-5,206*
- Other movements	*-*	*-759*
Provision/asset at the end of the period	**4,990**	**6,344**

Defined-benefit post-employment benefits (additional supplementary pension and termination benefits for retiring employees)

Recognition of commitments

In thousands of euros	31/12/2022	31/12/2021
Change in the value of commitments		
Present value of the commitment at the beginning of the period	30,166	33,696
- Past service cost	*370*	245
- Discount expense	*544*	209
- Employee contributions	*-*	-
- Actuarial gains or losses	*-4,994*	-2,096
- Benefits paid by the employer and/or the fund	*-1,781*	-1,129
- Changes in consolidation scope (acquisitions and disposals)	*-34*	-
- Other movements	*-*	-759
Total present value of the commitment at the end of the period (A)	**24,270**	**30,166**
Change in plan assets and reimbursement rights		
Fair value of plan assets at the beginning of the period	23,822	21,628
- Return on plan assets	*434*	*150*
- Actuarial gains or losses	*-3,895*	*3,110*
- Benefits paid by the fund	*-1,081*	*-1,066*
Fair value of plan assets at the end of the period (B)	**19,280**	**23,822**
Funding status		
Financial position (A) - (B)	4,990	6,344
Provision / asset	**4,990**	**6,344**

The updated Compensation Policy for 2022, published on the Group's intranet (France section), was validated by the Supervisory Board after a favourable opinion from the Compensation Committee and the Executive Board.

The Group applies the aforementioned professional standards, taking into account individual employee performance, competition in its markets, its strategy, long-term objectives and the interests of shareholders.

Regulatory environment

BANKING INDUSTRY

The Decree of 3 November 2009 and the professional standards of the French Banking Federation have required financial institutions to regulate variable compensation payment practices for financial market professionals and executives, to ensure that financial institutions have a level of equity that would not expose them to risk.

The Decree of 13 December 2010 extends the FBF standards issued on 5 November 2009 – which were reserved for financial market executives and professionals, defined as employees whose performance and compensation are linked to market instruments – to "risk-taker" employees and all employees within an equivalent compensation bracket and whose professional activities are likely to have an impact on the firm's risk profile. It also adopted the FBF criteria regarding payment of variable compensation to the employees concerned.

Since 2015, compensation-related regulations have been based on CRD IV (Directive 2013/36/EU, as amended by Directive (EU) 2019/878 (CRD V), which was enacted into French law in particular by decree 2020-1637 of 22 December 2020 and order 2020-1635 of 21 December 2020.

ASSET MANAGEMENT INDUSTRY

On 23 November 2010, the AFG, AFIC and ASPIM issued common provisions on the compensation policies of asset management companies.

Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (AIFMD), enacted into French law by order 2013-676 of 27 July 2013, took effect in 2015 and therefore applied to variable compensation allotted in March 2016.

Directive 2014/91/EU, known as UCITS V (where UCITS stands for Undertakings for Collective Investment in Transferable Securities), enacted into French law by government order 2016-312 of 17 March 2016, came into force in 2017 (bonuses paid in March 2018). Its provisions are very similar to those of the AIMFD.

Governance and formalisation of existing practices

In accordance with the aforementioned texts, an annual report on the variable compensation of the employees concerned is to be sent to France's prudential supervision and resolution authority (Autorité de Contrôle Prudentiel et de Résolution). The process for determining compensation and the resulting budgets must be examined by the Bank's Compensation Committee and submitted to the Supervisory Board for validation.

The Bank's system

1 – "Risk-taker" or "Identified" staff members in accordance with CRD V

The employees concerned are:

- Members of the Executive Committee, the Executive Board (or Board of Directors as the case may be) and Senior Management;
- Heads of Control Functions (Audit, Risk Management, Compliance) and those with managerial responsibilities who report to them;
- Heads of Business Units and those with managerial responsibilities that report to them;
- Heads of certain Support Functions (including Finance, HR, IT, Legal etc.);
- Heads of Risk Management and Permanent Members of Risk Committees;
- Heads of New Products and Permanent Members of New Products Committees;
- Managers of Risk-Takers;
- Total compensation of €500,000 or more and/or employees in the top 0.3% in terms of compensation;
- Employees whose total compensation is at least equal to that of the Senior Management member with the lowest compensation.

The calculation of variable compensation for "risk-taker" employees complies with the following guidelines:

Bonuses are partially deferred on a straight-line basis over a minimum of three years when they reach a certain level of variable compensation.

As regards variable compensation with respect to 2022 that has reached a certain threshold, 40-60% will be paid in cash and/or instruments and spread over three years.

The Bank has put in place an instrument to pay cash compensation, deferred over three years in three equal instalments, linked to the share price of Edmond de Rothschild Holding S.A. (unlisted Swiss holding company of the Edmond de Rothschild Group), known as the Group Performance Plan.

2 – Managers, sales staff of asset management companies

Under the AIFM and UCITS V Directives, Edmond de Rothschild Asset Management (France) has adjusted its compensation policy, and particularly its practices in terms of deferred variable compensation for fund managers and other categories of staff covered by the Directives (“Material Risk-Takers”).

The main characteristics of the policy are as follows:

- 40-60% of the variable compensation granted to a beneficiary is deferred for three years;
- at least 50% of the variable compensation (both deferred and immediate) is linked to a basket of securities that represents the Group’s various asset-management skills;
- payment of deferred compensation is subject to beneficiaries’ continued employment within the company and the various conditions set out in the AIFM and UCITS V Directives (no excess risk-taking, company’s financial position etc.), which may reduce its amount between the initial grant date and vesting date.

To enable the company to cope with a sharp increase in the basket’s value, a hedging mechanism has been set up.

Compensation expense is recognised gradually to reflect the fact that its vesting depends on the beneficiaries’ continued employment within the company.

Where the fund’s returns increase, the hedged portion of the variable compensation payable will not be remeasured. The hedging asset will continue to be measured at historical cost. The unhedged portion will be covered by a provision.

If the fund’s returns decrease, the hedging asset will be written down (to market value), and the variable compensation payable will be reduced.

Employee Share Plan

The Edmond de Rothschild Group has set up a plan to award free shares in Edmond de Rothschild Holding S.A. (an unlisted Swiss holding company of the Edmond de Rothschild Group) for the benefit of certain employees of the Group (the "Beneficiaries").

This plan is intended to increase retention of key staff and help ensure that the interests of employees and shareholders are aligned.

The plan’s main characteristics are as follows:

- The Beneficiaries are granted rights to receive EdRH shares over a three-year vesting period (one third per year, i.e. tranches vesting in March N+2, March N+3 and March N+4).
- The Beneficiaries own the shares on the vesting date, but they only acquire economic rights, not voting rights. They have the status of “participation certificates” under Swiss law.
- The shares received can only be sold after the lock-up period has expired.
- The timeframe for selling them is limited, since each year’s plan has a seven-year life. Shares can only be sold back to Edmond de Rothschild Holding S.A.

Participation certificates will be transferred to Edmond de Rothschild (France) beneficiaries by Edmond de Rothschild Holding S.A.

Under the contract between Edmond de Rothschild Holding S.A. and Edmond de Rothschild (France), Edmond de Rothschild Holding S.A. bills Edmond de Rothschild (France) for the cost of acquiring its own shares to be transferred to French beneficiaries.

An expense is recorded with respect to services rendered by employees. Since there is no undertaking to pay any cash sum to employees, the plan qualifies as equity-settled (IFRS 2.43B), which has the following accounting consequences:

- An expense is determined at the grant date and is not subsequently remeasured, except to take account of changes in service and/or performance conditions (IFRS 2.B57).

- The expense is spread over the period during which the services are rendered, with a balancing entry in an equity account representing the parent company’s contribution (IFRS 2.B53).

- That period is the period during which the beneficiaries render services to the Group on the basis of the conditions of continued employment that must be met for the rights to vest. The expense for 2022 is being spread between 1 January 2022 and the vesting dates, i.e. over 2.25, 3.25 and 4.25 years for the tranches due to vest in March 2024, March 2025 and March 2026 respectively.

At 31 December 2022, the net expense relating to the Group's Employee Share Plan was €3,781,000, compared to a net expense of €3,063,000 at 31 December 2021.

	Percentage held		Percentage controlled	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
7.1. Scope of consolidation				
Consolidating entity				
Bank				
• Edmond de Rothschild (France)				
Controlled companies				
Holding companies				
• Financière Boréale	100.00	100.00	100.00	100.00
• EdR Real Estate (Eastern Europe) Cie SàRL *	62.73	62.73	62.73	62.73
• CFSH Luxembourg SARL *	100.00	100.00	100.00	100.00
• Edmond de Rothschild Europportunities Invest II SARL *	58.33	58.33	58.33	58.33
• Bridge Management SARL *	99.99	99.99	100.00	100.00
Asset management companies				
• Edmond de Rothschild Asset Management (France)	99.99	99.99	99.99	99.99
• Edmond de Rothschild Private Equity (France)	100.00	100.00	100.00	100.00
• Edmond de Rothschild Europportunities Management SARL *	100.00	100.00	100.00	100.00
• Edmond de Rothschild Europportunities Management II SARL *	72.36	72.36	72.36	72.36
• EdR Real Estate (Eastern Europe) Management SàRL *	100.00	100.00	100.00	100.00
• ERES IV GP SAS	100.00	100.00	100.00	100.00
• Edmond de Rothschild Asset Management (Hong Kong) Limited *	99.99	99.99	100.00	100.00
• Edmond de Rothschild Investment Partners China SARL *	100.00	100.00	100.00	100.00
• Edmond de Rothschild REIM (France)	-	100.00	-	100.00
• EDR Immo Magnum	100.00	100.00	100.00	100.00
Advisory companies				
• Edmond de Rothschild Corporate Finance	100.00	100.00	100.00	100.00
Insurance company				
• Edmond de Rothschild Assurances et Conseils (France)	100.00	100.00	100.00	100.00
Bank				
• Financière Eurafrique	100.00	100.00	100.00	100.00
Miscellaneous				
• Edmond de Rothschild Boulevard Buildings Ltd *	100.00	100.00	100.00	100.00
• Groupement Immobilière Financière	100.00	100.00	100.00	100.00
• Immopéra	-	99.92	-	99.92
Associates				
Bank				
• Edmond de Rothschild (Monaco)	-	36.93	-	36.93
Asset management companies				
• Elyan Partners SAS	49.00	49.00	49.00	49.00
• ERAAM	34.00	34.00	34.00	34.00

* Foreign company.

		31/12/2022	31/12/2021
7.2.	**Average number of employees**		
	French companies	726	732
	- Operatives	*69*	*68*
	- Executives and senior management	*657*	*664*
	Foreign companies	59	59
	Total	**785**	**791**

Pursuant to the provisions of the French Commercial Code, the Group publishes a breakdown by category of its average workforce during the period. The number of workers employed part-time or for less than the full year is taken into account in proportion to the average time worked as compared to the full-time hours laid down by agreement or statute.

7.3. Unconsolidated special purpose entities

A special purpose entity is an entity designed so that voting rights or similar rights are not the determining factor in establishing control over the entity.
The Group carries out transactions with sponsored special purpose entities through its fund management activities. Funds are offered to institutional and individual clients, and the Group handles distribution and commercial monitoring in respect of the funds.

In 2022, €2.2 million was invested with respect to sponsoring (for a total exposure of €41.1 million at 31 December 2022). No new commitments were taken in 2022, and so the residual amount at end-2022 was €13.1 million.
The Group uses a “carried interest” mechanism, in line with market practices.

7.4. Post-balance sheet events

No events occurred after the end of the financial year that had a significant impact on the accounts drawn up on 31 December 2022.

7.5. Disclosures concerning capital

Pursuant to French Banking and Financial Regulation Committee regulation 2000-03, the solvency ratio is assessed at the level of Edmond de Rothschild (France), which meets capital adequacy requirements.

At 31 December 2022, the share capital of Edmond de Rothschild (France) amounted to €83,075,820, consisting of 5,538,388 shares with nominal value of €15 each.

7.6. Statutory Auditors' fees

Statutory Auditors' fees shown in the income statement for the 2022 financial year are as follows:

In thousands of euros	PwC	Grant Thornton Audit	Other	31/12/2022	31/12/2021
Fees for statutory audit, certification and examination of the parent company and consolidated financial statements	**523**	**341**	**68**	**932**	**915**
Edmond de Rothschild (France)	303	158	68	529	523
Edmond de Rothschild Asset Management (France)	90	86	-	176	156
Other	130	97	-	227	236
Services other than certification of the financial statements[1]	**83**	**-**	**-**	**83**	**49**
Edmond de Rothschild (France)	17	-	-	17	61
Edmond de Rothschild Asset Management (France)	66	-	-	66	-12
Other	-	-	-	-	-
Other services provided by the networks to fully consolidated subsidiaries	-	-	-	-	-
Total	**606**	**341**	**68**	**1,015**	**964**

[1] Services other than the certification of financial statements consist of comfort letters, agreed procedures, declarations of compliance with accounting rules and regulatory consultations.

The amounts mentioned above include the following fees relating to the statutory auditing of the financial statements of Edmond de Rothschild (France) and its subsidiaries:

a) by PricewaterhouseCoopers Audit for €523,000 for the certification of financial statements and €83,000 for services other than the certification of financial statements;

b) by "Cabinet Didier Kling", for €341,000 for the certification of financial statements.

Note 8 – Operating segments

The Group's operations are organised around two strategic business lines (Asset Management and Private Banking) and one further business line (Other Activities and Proprietary Trading).

Private Banking covers a range of services including:

- portfolio and private asset management, wealth engineering and family office services,
- corporate advisory services for family-owned businesses.

Asset Management covers the following four types of management:

- equities, diversified assets, and convertible bonds,
- multi-management, traditional and alternative,
- fixed income and credit, as well as structured, quantitative and direct alternative asset management,
- private equity funds.

The "Other Activities and Proprietary Trading" business line includes:

- under Other Activities, corporate advisory services provided by the dedicated subsidiary Edmond de Rothschild Corporate Finance, including M&A advisory, business valuations and financial engineering, the proprietary activities of the Capital Markets Department and the activities of Edmond de Rothschild REIM (France), which specialises in managing French real estate assets for third parties;
- under Proprietary Trading, management of the Group's assets (particularly its securities portfolio), the Bank's financing activities for all of its businesses, expenses related to this business line's specific activities and its coordination role within the Group, and income and expenses not directly attributable to the other business lines.

Methodologies

Each business line's management accounts are intended to:

- show the results of each business line as if it were an independent entity;
- provide a fair view of their results and profitability over the period.

The main conventions used in establishing these accounts are as follows:

- each business line's net banking income corresponds to the revenues generated by its business, net of fees passed on to business providers;
- each business line's management expenses comprise its direct costs, its share of expenses related to the logistical and operational support provided by the Bank, and a share of the Group's overheads;
- provisions are allocated between the business lines to reflect the risk inherent in each business line's activities. Provisions that cannot be allocated to a business line are allocated to Proprietary Trading.

A detailed analysis of each business line's results and its contribution to Group earnings is provided below.

In thousands of euros	Private Banking		Asset Management		Private Equity		Other Activities and Proprietary Trading		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net banking income	**120,472**	**109,609**	**142,387**	**170,751**	**4,767**	**5,378**	**66,602**	**71,471**	**334,228**	**357,209**
Operating expenses	-97,543	-90,373	-130,170	-133,362	-5,488	-5,995	-66,835	-60,696	-300,036	-290,426
Personnel expenses	-61,630	-57,248	-73,219	-78,318	-2,673	-3,498	-42,364	-39,307	-179,887	-178,372
- direct	*-44,423*	*-42,106*	*-56,373*	*-60,610*	*-2,045*	*-2,830*	*-35,748*	*-33,003*	*-138,588*	*-138,549*
- indirect	*-17,207*	*-15,142*	*-16,846*	*-17,709*	*-628*	*-668*	*-6,616*	*-6,304*	*-41,298*	*-39,822*
Other operating expenses	-28,993	-25,816	-50,013	-47,234	-2,600	-2,280	-13,294	-10,077	-94,900	-85,408
Depreciation and amortisation	-6,920	-7,309	-6,939	-7,809	-215	-217	-11,176	-11,312	-25,250	-26,646
Gross operating income	**22,929**	**19,236**	**12,217**	**37,389**	**-722**	**-616**	**-233**	**10,774**	**34,191**	**66,783**
Cost of risk	-	-	0	-	-	-	-14	-237	-14	-237
Operating income	**22,929**	**19,236**	**12,217**	**37,389**	**-722**	**-616**	**-247**	**10,537**	**34,177**	**66,546**
Share in net income of associates	13,467	10,377	-	-	3,002	739	-	-	16,470	11,116
Net gains or losses on other assets	-	-	-	-	-	-93	33,470	-26	33,470	-119
Change in value of goodwill	-	-	-	-	-	-	-	-388	-	-388
Recurring income before tax	**36,396**	**29,613**	**12,217**	**37,389**	**2,281**	**30**	**33,223**	**10,123**	**84,117**	**77,155**
Income tax expense	-5,923	-5,465	-3,156	-10,622	93	139	-4,017	-6,932	-13,003	-22,880
Net income	**30,474**	**24,148**	**9,060**	**26,767**	**2,374**	**169**	**29,206**	**3,192**	**71,114**	**54,275**

Note 9 – Transactions with related parties

Edmond de Rothschild (France) was a subsidiary of Edmond de Rothschild S.A. (Edmond de Rothschild S.A.) until 7 August 2019. Since then, it has been owned by Edmond de Rothschild (Switzerland), itself a subsidiary of Edmond de Rothschild Holding S.A. (EdRH), the ultimate shareholder being, as at 31 December 2022, La Hoirie de Benjamin de Rothschild.

All transactions took place in the ordinary course of business and on terms comparable to the terms of transactions with similar parties or, where relevant, with other employees.

Parties related to the Edmond de Rothschild (France) Group are companies consolidated by Edmond de Rothschild (France) and by the Edmond de Rothschild Heritage. In accordance with IAS 24, members of the Supervisory Board and members of the Executive Board of Edmond de Rothschild (France), their spouses and dependent children are also considered related parties.

Transactions with related companies

Note 7.1 lists all companies consolidated by Edmond de Rothschild (France).

Since transactions and year-end outstanding balances with fully consolidated Group companies are totally eliminated through consolidation, the table below only shows data for transactions with companies over which the Group has significant influence and which are accounted for by the equity method.

Transactions with associates

Note 3.9 lists all companies accounted for by the equity method.

In thousands of euros	31/12/2022	31/12/2021
Financial assets at fair value through profit and loss		
Loans and receivables due from credit institutions		20,000
Accruals and other assets	425	427
Assets	**425**	**20,427**
Financial liabilities at fair value through profit and loss		137,919
Due to credit institutions		34,825
Due to clients		
Accruals and other liabilities	10,058	1,046
Liabilities	**10,058**	**173,790**
+ Interest and similar income	1	
- Interest and similar expenses	-8,262	-522
+ Fee income	5	
- Fee expense	-13,090	-2,087
+ Other income	612	318
- Other expenses		
Net banking income	**-20,734**	**-2,291**
- General operating expenses		
Gross operating income	**-20,734**	**-2,291**

Transactions with the parent company

In thousands of euros	31/12/2022	31/12/2021
Financial assets at fair value through profit and loss	500,000	
Loans and receivables due from credit institutions	90	426
Accruals and other assets	7,331	3,884
Assets	**507,421**	**4,310**

In thousands of euros	31/12/2022	31/12/2021
Financial liabilities at fair value through profit and loss	1,204,612	637,955
Due to credit institutions	1,056	780
Due to clients		
Accruals and other liabilities	6,268	8,646
Liabilities	**1,211,936**	**647,381**

In thousands of euros	31/12/2022	31/12/2021
+ Interest and similar income	1,191	
- Interest and similar expenses	-583	-320
+ Fee income	5,985	4,274
- Fee expense	-6,165	-5,649
+ Other income	3,285	2,422
- Other expenses		
Net banking income	**3,713**	**727**
- General operating expenses	-7,585	-6,185
Gross operating income	**-3,872**	**-5,458**

Transactions with other related parties

These are transactions with Edmond de Rothschild Holding and its subsidiaries, and with the subsidiaries of Edmond de Rothschild S.A.

In thousands of euros	31/12/2022	31/12/2021
Financial assets at fair value through profit and loss	-	11
Loans and receivables due from credit institutions	2,906	5,146
Loans and receivables due from clients		
Accruals and other assets	38,864	43,791
Assets	**41,770**	**48,948**

In thousands of euros	31/12/2022	31/12/2021
Financial liabilities at fair value through profit and loss	268,673	224,847
Due to credit institutions	2,005	3,963
Due to clients	2,477	3,475
Accruals and other liabilities	3,260	4,227
Provisions		
Liabilities	**276,415**	**236,512**

In thousands of euros	31/12/2022	31/12/2021
+ Interest and similar income	33	72
- Interest and similar expenses	-106	-
+ Fee income	97,611	104,490
- Fee expense	-6,054	-7,704
Net gains or losses on financial instruments at fair value through profit and loss	-	6,816
+ Other income	3,753	4,369
- Other expenses	-405	-701
Net banking income	**94,832**	**107,342**
- General operating expenses	-2,605	-2,278
Gross operating income	**92,227**	**105,064**

Transactions with related natural persons

In thousands of euros	31/12/2022	31/12/2021
Loans and overdrafts	35,560	31,071
Assets	**35,560**	**31,071**

In thousands of euros	31/12/2022	31/12/2021
Demand deposits	-	-
Liabilities	**-**	**-**

In thousands of euros	31/12/2022	31/12/2021
+ Interest and similar income	709	440
Net banking income	**709**	**440**
Gross operating income	**709**	**440**

Part 1

General risk management policy

Section 1 – Internal control

To meet the requirements of its regulators, the Bank has set up an internal control system that enables it to manage risk on a consolidated basis.

The components of this system are designed to provide the corporate bodies and the Risk Committee with an accurate view of the risks so that they can be managed appropriately.

The experience gained in this process by the internal control teams, and the close involvement of the corporate bodies, means that a consolidated view of risk can be established for the Bank itself, but also for its clients.

The internal control system is organised on three levels:

- *first level*: in addition to operational staff and their line managers, a network of controllers and compliance officers within departments and operating subsidiaries constitutes the first level of internal control;

- *second level*: the Compliance and Control Department oversees the proper implementation of internal control measures at the first level, and the Central Risk Department ensures the consolidated monitoring of financial risks in the Bank's activities;

- *third level*: the Internal Audit Department applies third-level controls to all of the Bank's structures. During specific or group-wide assignments, it reports on the quality of internal control, possible improvements and the security of processes. The maturity of the risk management system and controls performed by the second-level control entities give the Internal Audit Department a reliable foundation on which to base its investigations, on which it reports directly to the Risk Committee.

Section 2 – Description of second-level entities

The Compliance and Control Department and the Central Risk Department are second-level control entities that each work very closely with the first-level compliance officers of their respective business lines to set targets, continuously improve methods and tools and co-ordinate control activities.

More specifically:

- The Compliance and Control Department is tasked with implementing continuous monitoring mechanisms. It lies at the second level of the control system and oversees the implementation of first-level controls by the operational departments and provides assistance to the business lines. This entails informing and training employees to provide them with adequate knowledge of the regulations and the internal procedures governing their activities. It also ensures compliance with the ethics policies applicable to employees and in the context of efforts to combat money laundering and the financing of terrorism.

- The Central Risk Department, an essential link in the second-level internal control system, consists of three units tasked with monitoring:

  A) risks relating to proprietary activities (Proprietary Risk Control), including counterparty, liquidity and market risks;

  B) risks relating to the management of assets for third parties and borne by asset managers within the Bank and its asset management subsidiaries;

  C) operational risks relating to potential process and system failures and fraud. Alongside these monitoring tasks, the CRD implements and updates a risk map, which may give rise to action plans or alerts based on a formal escalation policy.

In addition to its own role in monitoring financial risk, the Central Risk Department is also responsible for leading the Group's risk management organisation, including setting up cross-functional committees that review the overall risks inherent in the Bank's activities. The Compliance and Control Department ensures the operational compliance of this risk management organisation.

Section 3 – Internal control consolidation at the Edmond de Rothschild group level

Harmonised methods for assessing and calculating risk allow risks to be consolidated at the level of the Swiss holding company.

The consolidated risk management system that the Edmond de Rothschild Group intends to put in place will involve increased communication between teams and the adoption of continuously improved reporting mechanisms.

Part 2

Counterparty credit risk management

Counterparty credit risk is the risk of loss caused by the inability of a client or counterparty to honour its financial obligations. This risk includes settlement risk during the period between the point at which the payment or delivery order for a financial instrument sold can no longer be unilaterally cancelled by the Bank, and the final reception of the financial asset purchased or the corresponding cash.

Section 1 – Risk-generating activities

Counterparty credit risks borne by the Group originate from:

1. transactions with Private Banking clients and funds managed by the Group's asset management companies, particularly in connection with the following operations:

   - loans or commitments to Private Banking clients;
   - overdrafts on current accounts for private clients;
   - occasional overdrafts of funds managed by the Group's asset management companies that are transferred to the Bank (such overdrafts result from the time gap between purchases and sales of securities);
   - foreign exchange transactions with certain in-house funds to hedge the exchange-rate risk resulting from positions in foreign currencies;

2. over-the-counter transactions entered into as part of proprietary trading activities, principally with banks or large companies with satisfactory credit ratings.

Section 2 – Authorisation, monitoring and assessment procedures

Authorisation procedures

Credit risks are generally accepted on condition that the expected return provides satisfactory coverage of the risk of loss in the event of default by the client or counterparty. While guarantees are generally sought, this is never a substitute for an ex-ante analysis of the risks.

Different rules and methods apply to transactions with clients and capital markets transactions.

Loans and signed commitments granted to Private Banking clients

In most cases, financing for clients (loans or signed commitments) is overseen by the Credit Committee, which meets weekly and is chaired by the Chair of the Executive Board or another member of the Executive Board. Before any such arrangement is entered into, the Credit Department examines the application submitted by the client advisor concerned (or by a Group asset management company where the beneficiary is a managed fund). This department issues a reasoned opinion on the quality of the proposed risk, and sends the entire file to the Credit Committee for final decision, which is evidenced by a formal approval document signed by the Committee's chair. Cases that exceed the Credit Committee's powers are submitted to the whole Executive Board by Edmond de Rothschild Group's Chief Financial Officer.

In addition, loans and commitments may be granted to certain staff members in the Private Banking Division. Those delegations of authority are subject to strictly defined limits, and are governed by an ad-hoc internal procedure.

Finally, loans and commitments granted under delegations of authority are always brought to the attention of the Credit Department, which ensures that delegated powers are complied with.

As regards over-the-counter transactions, bank counterparties are examined every six months.

In 2008, in view of the sudden decline in the financial standing of a number of bank counterparties, Proprietary Risk Control strengthened its day-to-day monitoring arrangements by collecting and analysing the information provided by credit default swap (CDS) spreads.

This monitoring has been extended to cover corporate and sovereign issuers. To supplement this mechanism and comply with the French government order of 3 November 2014, the Central Risk Department has implemented its own method for assessing credit risk that relies on scoring by internal experts, in addition to the use of external ratings. This internal model measures the borrower's creditworthiness by means of financial analysis and scoring techniques.

Commercial counterparties (particularly large-public sector companies) also require formal approval from the same committee. Individual risk limits for all capital market counterparties (bank and commercial) are set by the aforementioned committee for each Group entity, ensuring in advance that those limits are consistent with the risk appetite of the Edmond de Rothschild Group.

These individual limits are, where appropriate, supplemented by so-called "group" limits, which govern exposures to any group of third parties deemed to be a single beneficiary within the meaning of Article 3 of Regulation 93-05 on monitoring large exposures. Investment limits are assigned on the basis of the internal rating established by the Central Risk Department and on the analysis of the creditworthiness of individual counterparties.

Two types of limits are defined:

- limits on amounts: the maximum amount of risk (both on- and off-balance sheet) that the Bank is willing to accept for a counterparty (or group of related counterparties),

- time limits: this determines the maximum term of transactions. The term is dependent on the rating of the counterparty or issuer, among other factors.

Any deterioration in the quality of a counterparty deemed to be material or any change in regulatory requirements triggers the immediate review of authorisations granted to the entity during each monthly Risk Committee meeting.

Risk monitoring and assessment process

Loans and signed commitments granted to Private Banking clients

Monitoring compliance with limits

Relationship managers are responsible for the day-to-day monitoring of accounts that show an overdraft or an overdraft in excess of the authorised amount. To carry out that monitoring, they receive alerts relating to limit breaches every morning. The Private Banking Division also carries out a check on statements of limits exceeded over a materiality threshold, for all accounts in the Bank's books. Similarly, the Credit Department checks that limit breaches comply with delegated powers in terms of both amount and duration. If necessary, it sends a request to the relationship manager (with a copy to their superior) so that appropriate measures can be defined and applied. Where it believes that it is justified in the context, the Credit Department informs the Credit Committee, so that it can take a decision aimed at resolving the type of situation in question.

Finally, every month, the Credit Department presents a summary of accounts showing a discrepancy and hands it to the Private Banking division and General Management in the monthly Risk Committee meeting.

Monitoring collateral

Financing granted by the Bank is usually covered by collateral, primarily in the form of pledged securities accounts or assigned insurance policies. The value of collateral is monitored by the Credit Department, which receives daily alerts on collateral that provides insufficient coverage relative to the loan granted.

A monthly summary is prepared for submission to the Private Banking Division and General Management in the monthly Risk Committee meeting, setting out any irregularities. However, when warranted, the Credit Department can also make the Credit Committee aware of any loan showing insufficient coverage prior to the end of the month so that action can be action.

Processing doubtful loans

Doubtful loans and commitments are transferred to the Legal Department for monitoring. These items are reviewed quarterly by the Litigation Committee, which is chaired by the Bank's Chief Executive Officer. This Committee also examines all litigation that may involve the Group.

Over-the-counter transactions

Management of credit risks associated with capital market transactions is primarily based on strict selection of authorised counterparties. It also involves risk mitigation and elimination techniques selected by the Group with respect to its primary counterparties, i.e. the establishment of framework agreements and collateral agreements, and use of the Continuous Link Settlement (CLS) system. Credit risk management also incorporates daily monitoring of compliance with risk limits and market counterparty monitoring.

Framework agreements and collateral agreements

To reduce counterparty risk on off-balance-sheet transactions, framework agreements have been established in every case for several years. At 31 December 2022, 97% of gross off-balance sheet risks were covered by such agreements for market counterparties. Of the risks not covered by a framework agreement, almost all involved transactions with Group entities at that date.

In addition, after the adoption of the delegated regulation supplementing the EMIR regulation with regard to regulatory technical standards for risk mitigation techniques for OTC derivative contracts not cleared by a central counterparty on 4 October 2016, collateral agreements (credit support annexes or CSAs) were updated with 26 counterparties. Since then, transactions with counterparties that have not signed such agreements have been limited to spot foreign-exchange transactions. The characteristics of those agreements are entered in the OSACAS database.

The Structured Products Back Office is responsible for the monitoring and administrative processing of collateral. As of the date of this document, the collateral accepted by the Bank consists exclusively of cash. Every day, the KTP tool calculates a theoretical margin call for each active counterparty. That information is then sent to the DSI Collateral system so that an initial provisional status can be assigned. Notice to pay is sent to the counterparty when the status relates to a receivable margin call. Once payment is made, the collateral received is interfaced with Moody's Analytics' RiskOrigin counterparty risk management system. In the event of disagreement with the counterparty, no flow is exchanged, and the status is updated to "abandon". An incident report listing all "abandoned" margin calls is sent to Proprietary Risk Control.

All framework and collateral agreements are examined, before they are signed, by a legal advisor with specialist knowledge of capital markets transactions, and the amounts of allowances are approved by the Central Risk Department.

Use of the CLS system for foreign-exchange transactions

Since March 2006, the Bank has belonged to the CLS system, which eliminates the settlement risk usually associated with over-the-counter foreign-exchange transactions. The system has considerably reduced settlement/delivery risk on foreign currency transactions; at 31 December 2022, 73.93% of spot and forward foreign currency transactions with external counterparties went through the CLS system.

Monitoring of risk limit compliance

Exposure is remeasured daily on a mark-to-market basis plus an add-on intended to cover the risk of potential deterioration during the time to maturity of each contract. The add-on depends on the nature and term of the contract. Monitoring is fully automated using a new software platform (RiskOrigin, Moody's Analytics) and satisfies the most stringent market requirements.

Desk managers are informed daily about counterparties' outstandings and limit usage. It is the responsibility of every trader to strictly adhere to the risk limits that are assigned to their profit centre. In the event such a limit is exceeded, that person must immediately inform their superiors.

The Central Risk Department reviews counterparty limit compliance daily for all the Group's capital market activities. The Bank's Executive Board is alerted if any limit is exceeded.

The monthly Risk Committee reviews risk exposure, limits exceeded and the methods for resolving the situation. The monthly Risk Committee also monitors the formation of framework and collateral agreements.

Monitoring counterparties

The Central Risk Department oversees commitments and continuously monitors market counterparties in order to identify risks of default at an early stage. Proprietary Risk Control must submit a report to the monthly Risk Committee on counterparties affected by significant events such as a change of ownership, a downgraded internal rating or reported losses. All limits on bank counterparties are systematically reviewed twice a year, taking into consideration financial data, macroeconomic data and ratings. Credit risks relating to financial institutions and sovereign entities are only incurred with respect to counterparties whose solvency is considered beyond reproach. A system of warnings regarding CDS spreads has been established to measure the markets' perception of credit risk. CDS data are provided by CMA Datavision, an independent company based in London and New York. Spreads are measured on the basis of a model combining relevant market CDS prices collected from reliable contributors, ratings and other sector data. The monitoring system has been supplemented with analysis of 1-year and 5-year CDS spreads, allowing difficulties with certain counterparties to be anticipated. CDS spreads are used in assessing the internal ratings of market counterparties according to a proprietary methodology.

The Group's commitments to clients

The Group's clients include private banking clients, the Edmond de Rothschild Group (excluding the Bank and its subsidiaries) and the investment funds managed by the Group. Commitments to clients are shown in the tables below.

Changes in the Group's commitments to clients

In millions of euros	31/12/2022	31/12/2021
Loans and other financing (on-balance sheet)	1,531	1,422
Guarantees	84	67
Unused credit facilities	417	390
Total	**2,032**	**1,878**

Group commitments to clients amounted to €1,944 million at the end of 2022, a decrease of around 4.6% relative to the end of 2021, while investment fund overdrafts fell significantly.

Quality of commitments to clients

Distribution of commitments

No declaration is made regarding any commitment with respect to the risk distribution ratio.

Most loans to non-Group entities on the balance sheet are for less than €3 million. Although the number of loans for more than €3 million is small (less than 10%), their total amount is significant at €820 million. They represent 42% of total credit-risk exposure to private banking clients. 131 clients ("related beneficiaries") have outstanding loans of over €3 million each, representing total exposure of €1,453 million.

Off-balance-sheet items relating to the top ten clients now amount to €37 million, accounting for 45% of guarantees for the Private Banking division.

Portion of doubtful loans and financing to private banking clients and related provisions

Authorised limits are exceeded only in a minority of cases. Such situations generally concerned less than 1% of outstandings at 31 December 2022. They are monitored and rapidly resolved.

Portion of loans to private banking clients covered by a pledged financial instrument account or assigned life insurance policy

Over 90% of loans and financing to private banking clients are guaranteed by a pledged securities account, an assigned insurance policy or a bank guarantee (usually from the Group). The securities portfolios concerned by the pledges are diversified, invested mainly in the securities of listed companies, bonds and fund units, and mostly managed under contract.

Other security interests mainly consist of mortgages.

In thousands of euros	31/12/2022	31/12/2021
Doubtful loans and other financing to private banking clients	404	457
of which amounts written off	*404*	*456*
Net	**-**	**1**
Percentage of client loans and other financing	0.00%	0.00%

Once a loan is identified as doubtful, the Bank assesses the counterparty's solvency and the risks of non-recovery, and decides whether and in what amount an impairment loss should be recognised.

Impaired and unimpaired loans and other financing with overdue payments and guarantees received for these loans

The tables below show the net carrying amount of unimpaired loans with overdue payments (presented by period overdue), impaired doubtful loans and guarantees received to cover these assets. The amount stated as guarantees received is the value of the guarantee, which cannot exceed the value of the asset it covers.

31 December 2022 In thousands of euros	≤ 90 days	Payments overdue by > 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year	Doubtful loans (assets written off and commitments provisioned)	Total outstanding	Associated guarantees received
Financial assets at market value through profit and loss (excluding variable-income securities)	-	-	-	-	-	-	-
Financial assets at market value through other comprehensive income (excluding variable-income securities)	-	-	-	-	-	-	-
Securities at amortised cost (excluding variable-income securities)	-	-	-	-	-	-	-
Loans and receivables due from credit institutions	-	-	-	-	-	-	-
Loans and receivables due from clients	-	-	-	-	-	-	-
Total doubtful loans and overdue loans net of write-offs	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financing commitments given	-	-	-	-	-	-	-
Financial guarantee commitments given	-	-	-	-	-	-	-
Total doubtful off-balance sheet commitments net of provisions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

31 December 2021 In thousands of euros	≤ 90 days	Payments overdue by > 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year	Doubtful loans (assets written off and commitments provisioned)	Total outstanding	Associated guarantees received
Financial assets at market value through profit and loss (excluding variable-income securities)	-	-	-	-	-	-	-
Available-for-sale financial assets (excluding variable-income securities)	-	-	-	-	-	-	-
Loans and receivables due from credit institutions	-	-	-	-	-	-	-
Loans and receivables due from clients	-	-	-	-	-	-	-
Total doubtful loans and overdue loans net of write-offs	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financing commitments given	-	-	-	-	-	-	-
Financial guarantee commitments given	-	-	-	-	-	-	-
Total doubtful off-balance sheet commitments net of provisions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Exposure to credit risk

The table below shows the exposure of all the Group's financial assets to credit risk. This exposure corresponds to the carrying amount of the financial assets reported in the balance sheet net of any impairment, before the effect of unrecorded netting and collateral agreements.

This exposure does not include the effect of framework netting agreements operative at 31 December 2022 and collateral agreements on forward financial instruments traded over the counter. Calculated on the basis of the cash netting allowed under capital adequacy rules, this effect at 31 December 2022 would reduce the Group's exposure to credit risk by €8.5 million.

In thousands of euros	31/12/2022	31/12/2021
Maximum exposure to credit risk		
Financial assets at market value through profit and loss (excluding variable-income securities)	74,017	143,972
Financial assets at market value through other comprehensive income (excluding variable-income	1,503	1,384
Securities at amortised cost (excluding variable-income securities)	73,465	4,813
Loans and receivables due from credit institutions	539,590	63,229
Loans and receivables due from clients	1,530,671	1,421,591
Exposure to on-balance-sheet commitments (net of write-offs)	**2,219,246**	**1,634,989**
Financing commitments given	440,603	414,331
Financial guarantee commitments given	131,361	82,089
Provisions for signed commitments	-	-
Exposure to off-balance sheet commitments (net of write-offs)	**571,964**	**496,420**
Total net exposure	**2,791,210**	**2,131,409**

Distribution of financial instruments by type of market price or valuation model used

The breakdown of financial instruments by type of market price or valuation model is reported in the table below for each category of instrument defined above

	31/12/2022				31/12/2021			
In thousands of euros	Market price	Model using observable parameters	Model using non-observable parameters	TOTAL	Market price	Model using observable parameters	Model using non-observable parameters	TOTAL
Financial instruments held for trading at market value through profit and loss	-	3,069	-	3,069	-	27,576	-	27,576
Hedging derivatives	-	61,080	-	61,080				-
Non-SPPI debt instruments	-	70,941	-	70,941		116,389	-	116,389
Other financial instruments at fair value through profit and loss	-	13,352	-	13,352	4	9,358	-	9,362
Total financial assets at fair value through profit and loss	**-**	**148,442**	**-**	**148,442**	**4**	**153,323**	**-**	**153,327**
Debt instruments at fair value through other comprehensive income	-	-	-	-				-
Investments in subsidiaries and associates at fair value through other comprehensive income	-	936	567	1,503		868	516	1,384
Total financial assets at fair value through other comprehensive income	**-**	**936**	**567**	**1,503**	**-**	**868**	**516**	**1,384**
Financial instruments held for trading at market value through profit and loss	39,322	36,948	-	76,270	-	4,200	-	4,200
Hedging derivatives	-	1,392	-	1,392				-
Financial instruments designated as at market value through profit and loss	-	2,443,365	612,312	3,055,677	-	1,012,227	400,848	1,413,075
Total financial liabilities at fair value through profit and loss	**39,322**	**2,481,705**	**612,312**	**3,133,339**	**-**	**1,016,427**	**400,848**	**1,417,275**

In 2022, the Group issued structured EMTNs valued at €529.7 million, and disposals totalled €83.1 million.

Exposure to counterparty credit risks on capital market operations

In addition to the risks deriving from proprietary trading activities, the exposure to credit risk shown below includes the issuer risk borne by guaranteed investment funds (where the Bank is the guarantor) in order to reflect the Bank's overall exposure to bank counterparties.

At 31 December 2022, 95% of credit risks on capital market transactions concerned bank counterparties with external credit ratings of A or better. It should also be noted that almost all exposures are to counterparties whose risks are considered good or excellent (external rating of BBB or better).

Distribution of gross commitments by bank counterparty rating

Thus, as at 31 December 2022, gross banking liabilities (including off-balance sheet commitments) had increased mainly due to a slight increase in deposits recorded with our correspondents and the investment of part of the cash in bonds issued by the French government (OAT).

The breakdown by rating of commitments to bank counterparties demonstrates the good quality of the portfolio. It focuses exclusively on Investment Grade counterparties

	Gross risk equivalent					
In millions of euros	31/12/2022		31/12/2021		31/12/2020	
Rating	Amount	%	Amount	%	Amount	%
AAA	0.3	0.24%	-	0.00%	0.7	1.5%
AA	79.2	61.14%	3.0	5.56%	0.5	1.1%
A	49.1	37.93%	46.5	85.39%	42.3	91.7%
BBB	0.9	0.69%	0.9	1.73%	1.2	2.5%
<BBB	-	-	-	-	-	-
Unrated	0.0	0.0%	4.0	7.32%	1.5	3.3%

Methodology: External ratings using the Standard & Poor's model, commitments measured at replacement value, excluding the effect of netting and collateral agreements.

Breakdown of gross commitments on sovereign counterparties by rating

The counterparty risk on sovereign counterparties is limited to France via the holding of French sovereign bonds (excluding cash placed with the Banque de France for an amount of €3.8 billion).

Part 3

Market risk management

Market risks are risks of losses due to adverse developments in prices (primarily due to fluctuations in interest rates, exchange rates, share prices or commodity prices), except price movements resulting from the deterioration of an issuer's financial position.

Section 1 – Risk-generating activities

The Group's market risks result from:

- proprietary trading activities carried out by the Bank's trading desks, mainly the "euro and foreign currency treasury" desk and the "foreign exchange" desk;
- ownership of EMTNs or structured funds, either under the seed money policy or for market making. In this case, the Bank's subsidiary Financière Boréale is the counterparty for sales by clients that take place before the product's contractual maturity;
- risk resulting from the investment portfolio, which is monitored on a monthly basis.

Risks taken by the trading desks are therefore not generated by speculative transactions, but mainly result from short-term cash investments and client intermediation transactions.

Exposure to the secondary market is intended to be unwound as soon as it reaches a sufficient level.

The creation of structured products activities does not generate material market risks. The derivatives used to achieve index-linked returns (particularly swaps) are generally matched strictly with instruments that have identical features arranged by the fund, or a commitment to pay the interest expected by the client that invested in the EMTNs. Hedging gains or losses may occur during the launch of formula funds but these are exceptional and are unlikely to persist.

Loans and other financing commitments to clients do not generally lead to any exposure to market risks (interest-rate or exchange-rate risks) since a system of internal transfers or transactions shifts the exposure to the trading desks.

In other words, all market risks, whether initially associated with transactions with clients or arising from proprietary trading, are centrally managed by the Bank's trading desks, or in the specific case of market-making for structured products, by the financial engineering team.

Section 2 – Monitoring and assessment methods

Market risk approval principles

Authorised limits for maximum exposure to the various market risks are set by the Executive Board and submitted to the Supervisory Board for approval.

These limits are expressed in four ways:

- absolute value of assets held: this is the maximum acceptable level in a given currency of the net position in that currency for foreign exchange transactions;
- sensitivity: sensitivity is defined as the value of the potential loss resulting from a specific variation in a given risk factor (e.g. interest rate or exchange rate);
- stop-loss: the amount of cumulative losses over a given period (calculated in days, months or years) that must not be exceeded unless the position is immediately settled. Stop loss limits are also set by the treasury and foreign exchange desks;
- maximum potential loss: the estimated loss over a one-year horizon resulting from the holding of structured products. This limit is defined on the basis of a scenario involving an adverse price movement, taking into consideration the protection generally associated with this category of financial assets.

Monitoring compliance with market risk limits

Traders work on the trading desks and the Bank's financial engineering team must at all times comply with all market risk limits.
In addition, the Bank's Proprietary Risk Control team (which is part of the Central Risk Department and is strictly independent of the front office) verifies compliance with market risk limits for all activities carried out by the trading desks, on the basis of daily reporting. For structuring, compliance with market risk limits is monitored on a weekly basis.

In the specific case of over-the-counter transactions with a client, the Central Risk Department verifies that there is perfect matching (type and direction of options, nature of the underlying instrument, exercise price, maturity) with a market counterparty; option contracts are systematically back-to-back, i.e. each option transaction with a client is always immediately reversed in the market by entering into a matching opposite transaction with a market counterparty.

Section 3 – Exposure to market risks

The table below details the exposure of the capital markets business to exchange-rate, interest-rate and equity risks during the last two years.

	2022	2022	2021	2022	2021	2022	2021	2022	2021
In thousands of euros	Limits set at 1 January	Year-end		Average		Minimum		Maximum	
Exchange-rate risk *	400	85	83	110	95	27	58	263	215
Interest-rate risk **	16,000	10,517	113	2,719	242	404	46	10,517	757

* Sensitivity of operational foreign-exchange positions to an 8% change in exchange rates, excluding correlations.
** Sensitivity of short-term positions to a uniform, parallel 1% change in interest rates, excluding correlations.

The Group considers that its overall exposure to market risks is low, in accordance with the risk appetite of its holding company and the risk management policy defined and implemented.

Most transactions are carried out on behalf of clients and immediately fully covered with a market counterparty.

Part 4

Liquidity and financing management

Liquidity risk is the risk that the Group will be unable to honour its commitments upon maturity or to settle a position due to the market situation. The risk of being unable to honour commitments may result from both transformation of maturities (i.e. borrowing short-term to lend long-term) and the inability to arrange new borrowings on acceptable terms, whether because of general market conditions or factors specific to the Group.

Section 1 – Liquidity

Liquidity, i.e. the immediate availability of investments or the possibility of rapid resale for a reasonable cost, for example in response to withdrawals or unexpected early redemption requests, is one of the basic principles of the Bank's cash and asset/liability management policy. The Bank is aware that its prudent, or indeed conservative, approach reduces the opportunities of optimising returns in situations where a longer maturity would generate additional margins.

The policy is primarily managed by central co-ordination of decisions regarding investments:

- at the level of the trading desks for cash management;
- at the level of the Finance Department, following an Executive Board decision, for securities portfolios.

Refinancing of the client loan portfolio is also centrally co-ordinated by the trading desks through the use of internal contracts.

The Asset and Liability Management Committee, which includes a seat for the Central Risk Department, carries out three to four checks per year to ensure compliance with this policy. Since the emergence of the interbank liquidity crisis, the Risk Control Department has established a daily operational liquidity statement and developed a liquidity stress scenario to test the robustness of the balance sheet to a shock on a monthly basis.

The stress-test results are positive since in all circumstances the Bank retains a substantial liquidity credit balance.

The Group is therefore not considered to be dependent on the market to meet its commitments. The methodology for measuring liquidity risk has changed over time to more closely reflect:

- the impact of the external environment (deterioration in stock markets, sharp appreciation of the US dollar against the euro) on the valuation of derivative products and therefore on the volume of collateral payments; and
- the consequence of large-scale redemptions on the amount of overdrafts granted to mutual funds, thereby impacting available cash.

Here again, the results confirmed that the balance sheet is highly resilient. There are several indicators showing that the Group's investments are sufficiently liquid:

- the volume of "available" cash investments including overnight deposits and short-term securities was above €2 billion at all times during 2022. The amount at 31 December 2022 was €3.8 billion, up sharply compared with the year-earlier figure;

- fixed-term cash investments, in the form of fixed-income and negotiable debt securities, are governed by strict principles: counterparties must have excellent credit quality and are selected under strict criteria by the Credit Committee, and the investment period is limited. These investments amounted to €72.9 million at 31 December 2022;

- client loans and other financing in the form of multi-instalment loans amounted to €510.7 million at 31 December 2022, down slightly compared to the previous year;

- the available-for-sale securities portfolio (excluding investments in associates) is also subject to limits in terms of amount and purpose. At 31 December 2022, it was made up of €75.4 million of variable-income securities (other than money-market funds used by subsidiaries for cash management purposes), essentially in the form of units of in-house funds acquired under the seed money policy. The securities portfolio is governed by a system of limits aiming to encourage sufficient diversification and the holding of liquid assets. The status of these securities (held for sale or to be retained) is regularly examined by the Asset and Liability Management Committee, which only approves the retention of securities in the portfolio in order to support development of the product or product range. An additional mechanism for supervising the securities portfolio has been defined at Edmond de Rothschild Group level.

That resulted in a highly conservative liquidity coverage ratio (LCR) of 176.2% and a net stable funding ratio (NSFR) of 185.6% at 31 December 2022.

Exposure to liquidity risk relating to funds

Liquidity indicators on sensitive funds are monitored daily by the first-level Risk Management team, and monthly by first-level risk committees in the subsidiaries, assisted by the Third-Party Risk Manager in the Central Risk Department. Items consolidated by all subsidiaries are reported monthly to the Financial Risk Committee.

In 2022, no gates were used on any fund marketed by the Bank.

Section 2 – Limitation of maturity mismatching

Continuing its prudent approach, the Bank has decided to maintain a structural "reverse" mismatch position in which long maturities (mainly long-term capital, redeemable subordinated notes and EMTNs associated with issuance of structured products) provide generous coverage of short-term investments.

The following tables present discounted balances on the balance sheet by contractual maturity:

31 December 2022

In thousands of euros	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Unspecified	TOTAL
Cash, due from central banks and postal accounts	3,844,162	-	-	-	-	3,844,162
Financial assets at fair value through profit and loss	29,566	69,116	126	49,634	-	148,442
Financial assets at fair value through other comprehensive income	-	-	555	948	-	1,503
Securities at amortised cost	-	-	72,977	488	-	73,465
Loans and receivables due from credit institutions	539,590	-	-	-	-	539,590
Loans and receivables due from clients	1,075,823	126,162	52,468	276,218	-	1,530,671
Valuation adjustments on portfolios subject to interest-rate hedging	-	-	-	-	-	-
Financial assets by maturity	**5,489,141**	**195,278**	**126,126**	**327,288**	**-**	**6,137,833**
Due to central banks and postal accounts	-	-	-	-	-	-
Financial liabilities at fair value through profit and loss	2,214,278	418,416	262,036	237,217	-	3,131,947
Hedging derivatives	1,392	-	-	-	-	1,392
Due to credit institutions	49,606	-	-	-	-	49,606
Due to clients	2,302,248	219,037	35,352	-	-	2,556,637
Debt securities	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-
Valuation adjustments on portfolios subject to interest-rate hedging	-	-	-	-	-	-
Financial liabilities by maturity	**4,567,524**	**637,453**	**297,388**	**237,217**	**-**	**5,739,582**

31 December 2021

In thousands of euros	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Unspecified	TOTAL
Cash, due from central banks and postal accounts	2,629,937	-	-	-	-	2,629,937
Financial assets at fair value through profit and loss	52,320	4,240	96,767	-	-	153,327
Financial assets at fair value through other comprehensive income	-	-	-	876	508	1,384
Securities at amortised cost	4,374	-	-	439	-	4,813
Due to credit institutions	63,229	-	-	-	-	63,229
Loans and receivables due from clients	947,259	169,795	59,595	244,942	-	1,421,591
Valuation adjustments on portfolios subject to interest-rate hedging	-	-	-	-	-	-
Financial assets by maturity	**3,697,119**	**174,035**	**156,362**	**246,257**	**508**	**4,274,281**
Due to central banks and postal accounts	-	-	-	-	-	-
Financial liabilities at fair value through profit and loss	735,620	397,055	104,913	179,682	5	1,417,275
Hedging derivatives	-	-	-	-	-	-
Due to credit institutions	51,278	-	-	-	-	51,278
Due to clients	2,433,646	39,089	15,453	-	-	2,488,188
Debt securities	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-
Valuation adjustments on portfolios subject to interest-rate hedging	-	-	-	-	-	-
Financial liabilities by maturity	**3,220,544**	**436,144**	**120,366**	**179,682**	**-**	**3,956,741**

Assessment and operational monitoring of transformation is carried out monthly based on liquidity gaps determined on the basis of the parent company's balance sheet. This is an appropriate basis because the Bank houses the Central Refinancing Unit for its subsidiaries, whose activities use little liquidity.

The management of structural liquidity risk is governed by three limits, periodically reviewed by the ALM Committee. The table below shows details of liquidity gaps at 31 December 2022.

Period	1 month	3 months	6 months	1 year	2 years	3 years	4 years	5 years
In millions of euros	2,043	2,120	1,816	1,239	1,396	1,219	1,089	936

Despite a conservative financial management policy, the Bank cannot rule out the possibility of significant early redemption requests from its clients. Thus, a particularly unfavourable scenario has been developed for this purpose. It is also produced monthly for reporting to the Risk Committee and then to the Asset and Liability Management Committee. Examination of this scenario indicates that the Bank could easily meet its obligations in the event of the major constraints, i.e. it could:

- immediately repay all time deposits maturing in under one year;
- repay half of long-term source funds from the retail business;
- honour its commitments following the depletion of demand resources (assuming a one-third reduction in demand deposits).

An emergency funding programme has been developed to deal with any severe liquidity crisis affecting the Bank. It provides three funding options to counter a liquidity shortage:

- mobilisation of assets that are eligible as collateral for the European Central Bank (ECB);
- use of credit facilities available from correspondent banks;
- disposal of liquid assets that are not eligible as collateral for the ECB.

The emergency plan also provides for the implementation of dedicated, responsive governance arrangements suited to the level of urgency.

Section 3 - Diversification of funding sources

Given the Bank's core businesses, source funds received from interbank sources and clients do not result from an active policy of seeking resources to finance investments, but instead reflect its asset management activity (private banking deposits, intragroup deposits, issuance of structured products, repo transactions with funds) and the promotion of the Bank as a counterparty on the money market.

The Bank nonetheless pays careful attention to diversifying its funding sources, which is one of the foundations of its liquidity risk management policy. The table below provides an indication of the diversity of its funding sources at 31 December 2022:

	Banks		Private clients*		Other		Total	
In millions of euros	Amount	Number	Amount	Number	Amount	Number	Amount	Number
Cash advances	964.1	3	1,578.6	NA	-	-	2,542.7	NA
Time deposits	NA	NA	438.8	NA	NA	NA	438.8	NA
Certificates of deposit	171.8	4	-	-	4.7	1	176.5	5
Structured EMTNs	0	0	531.8	645	-	-	531.8	645

(*) For structured product issues, the "Private clients" column includes data relating to the Private Banking Division's clients. However, it is difficult to estimate accurately the number of investors who have subscribed to these products via other distribution channels.

Part 5

Management of overall interest-rate risk

Section 1 - Definition and origin of overall interest rate risk

Overall interest-rate risk is the risk of loss on all fixed-rate assets, liabilities and off-balance sheet commitments (except fixed-income securities in the trading portfolio that fall into the category of market risks), in the event of a parallel uniform shift in yield curves.

The sensitivity as calculated by the Bank is defined as the change in net present value of residual fixed-rate positions in the event of a concurrent uniform shift in term structures of interest rates. Sensitivity and changes in sensitivity are calculated using dedicated software (RiskConfidence developed by Moody's Analytics), based on 1% and 2% changes in interest rates.

Section 2 - Exposure to overall interest-rate risk

The overall interest-rate risk related to lending activities is consistently low. Client loans and other financing are mainly linked to floating-rate benchmarks (particularly 3-month Euribor) and refinanced internally (with the trading desks) on a similar basis.

The Group manages its exposure to overall interest-rate risk in the context of a sensitivity limit reflecting the net present value of the loss incurred in the event of a uniform adverse movement of 200 basis points in the various yield curves.

The table below shows the levels of the overall fixed-interest rate gap by future period from 31 December 2022, assuming contractual settlement of existing assets and liabilities and no new lending:

Period	1 month	3 months	6 months	1 year	2 years	3 years	4 years	5 years
In millions of euros	179	182	229	316	291	291	285	281

The medium/long-term shortfall is mainly due to pledged customer loans and to bonds issued by the French government. As a result, sensitivity to a uniform movement of 200 basis points in the yield curve was €10.5 million at 31 December 2022.

When the amounts are significant, the Bank may have to protect investments against exchange-rate risk by borrowing an equivalent amount of the currency. The investments reported above were financed from the outset by currency purchases.

Part 6

Management of overall exchange-rate risk

The overall exchange-rate risk of the Bank's investment portfolio relates to its investments denominated in foreign currencies. It essentially results from purchases of investment fund units denominated in foreign currencies undertaken in connection with the seed money policy. The amounts concerned are shown in the following table at 31 December 2022:

Currency	Amount (in thousands of euros)
CNY	12,923
USD	9,272
UAH	1

Investments in subsidiaries and associates

At 31 December 2022 (in euros)

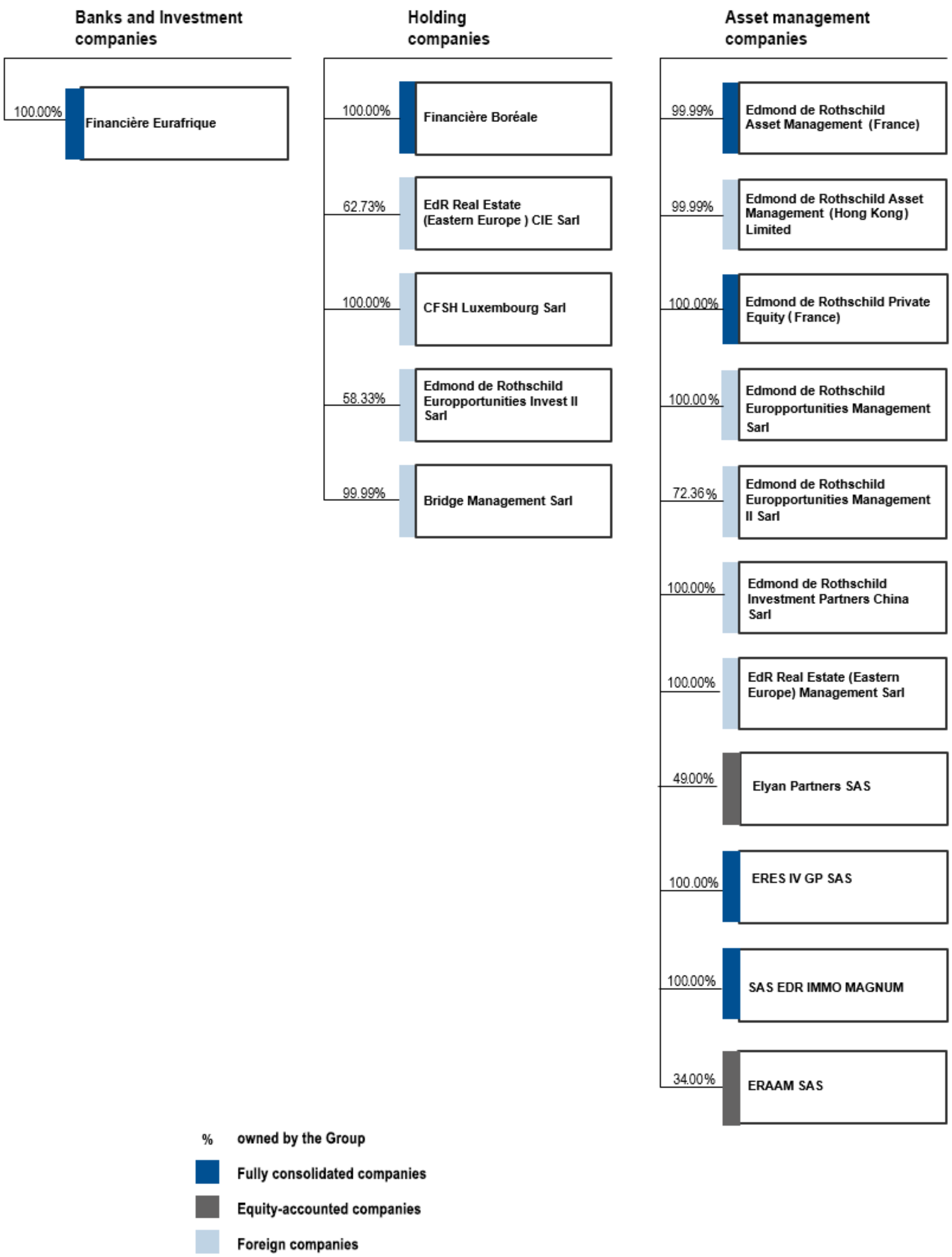
Company or group of companies	Share capital	Other equity	Percentage of share capital held
I - Details of investments (with net carrying amount exceeding 1% of Edmond de Rothschild (France)'s share capital)			
A - Subsidiaries (at least 50% held)			
Financière Boréale	6,040,024	-2,867,103	100.00%
Edmond de Rothschild Asset Management (France)	11,033,769	68,380,129	99.99%
Edmond de Rothschild Corporate Finance	61.300	5,183,968	100.00%
Edmond de Rothschild Private Equity (France)	2,700,000	1,972,329	100.00%
Edmond de Rothschild Assurances et Conseils (France)	7,034,600	* 12,249,000	100.00%
CFSH Luxembourg	12,000	* 12,417,962	100.00%
Edmond de Rothschild Boulevard Buildings Ltd	*** 19,847,000	*** - 1,783,000	100.00%
B - Associates (10% to 50% held)			
Zhonghai Fund Management Co., Ltd.	** 146,666,700	** 105,791,101	25.00%
Edmond de Rothschild Private Equity China Investment S.C.A.	18,058,000	-8,706,086	28.10%
II - AGGREGATE FIGURES			
A - Subsidiaries not included in Section I above	-	-	-
B - Associates not included in Section I above			
French companies (aggregate)	-	-	-
Foreign companies (aggregate)	-	-	-

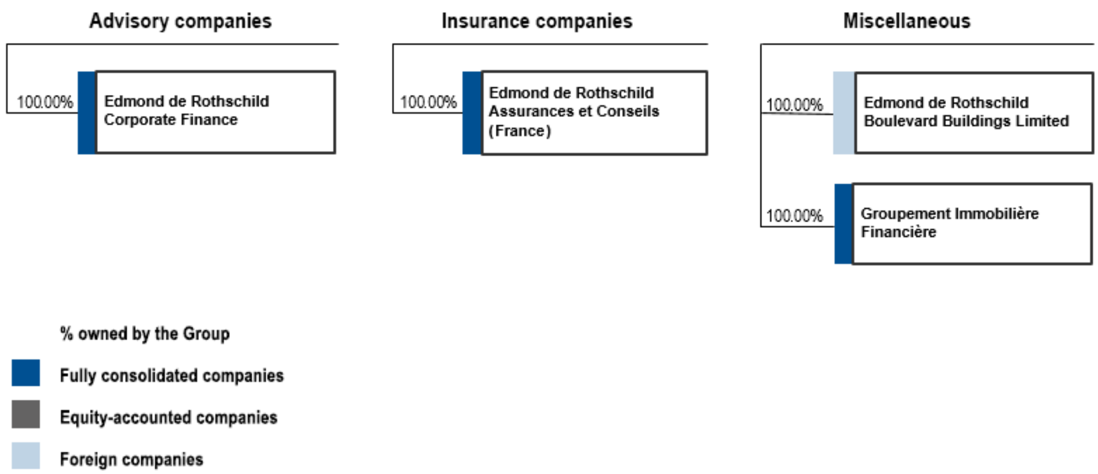
* Excluding interim dividend paid in 2022.
** In CNY. (€1 = CNY 7.19470 / 2020 data)
*** Rounded to the nearest thousand.

Carrying amount of securities held		Outstanding loans and advances made by the Bank	Guarantees provided by the Bank	Revenue for the last financial year	Net income/(loss) in the last financial year	Dividends received by the Bank during the financial year
Gross	Net					
6,400,630	2,909,259	-	-	7,817	-263,663	-
69,277,270	69,277,270	-	85,737	198,373,738	18,267,623	14,011,248
11,305,037	11,305,037	-	-	47,718,226	7,755,262	-
2,700,014	2,700,014	-	-	21,107,450	-732,329	-
39,978,118	39,978,118	-	-	55,472,567	12,943,041	12,169,858
66,840,000	22,320,442	-	-	-	-238,692	-
17,546,861	17,546,861	4,294,470	-	*** 709,000	*** - 413,000	-
31,517,330	12,435,266	-	-	** 151,310,343	** - 7,207,152	-
2,452,320	754,583	-	-	-	-10,641	
623,128	119,692	434,655	-	-	-	-
497,378	497,377	-	-	-	-	25,920
66,308	66,308	-	-	-	-	-

Companies consolidated

by Edmond de Rothschild (France) at 31 December 2022




Advisory companies
100.00%
Edmond de Rothschild Corporate Finance
Insurance companies
100.00%
Edmond de Rothschild Assurances et Conseils (France)
Miscellaneous
100.00%
Edmond de Rothschild Boulevard Buildings Limited
100.00%
Groupement Immobilière Financière
% owned by the Group
Fully consolidated companies
Equity-accounted companies
Foreign companies

Parent company financial statements and notes

Parent company financial statements and notes

Parent company balance sheet and off-balance sheet items (in thousands of euros)

Assets		31/12/2022	31/12/2021
Cash, due from central banks and postal accounts		**44,161**	**2,629,936**
Treasury notes and similar securities	2.1	**73,128**	**-**
Due from credit institutions	2.2	**4,325,854**	**45,115**
Transactions with clients	2.3	**1,538,121**	**1,427,557**
Bonds and other fixed-income securities	2.4	**1,889**	**3,930**
Equities and other variable-income securities	2,5	**31,189**	**62,037**
Investments in subsidiaries and associates and other long-term investments	2.6	**13,754**	**18,534**
Investments in affiliates	2,7	**166,157**	**196,316**
Intangible assets	2.8	**28,378**	**21,283**
Property, plant and equipment	2.9	**17.093**	**15.537**
Treasury shares	2.10	**-**	
Other assets	2.11	**121,263**	**85,466**
Accruals	2.12	**123,771**	**95,130**
Total assets		**6,484,757**	**4,600,841**

Liabilities		31/12/2022	31/12/2021
Due to credit institutions	2.14	**2,462,845**	**1,038,782**
Transactions with clients	2.15	**2,663,808**	**2,619,667**
Debt securities	2.16	**709,980**	**469,810**
Other liabilities	2.11	**113,751**	**89,176**
Accruals	2.12	**132,192**	**58,678**
Provisions	2.17	**6,782**	**5,958**
Subordinated debt	2.18	**21,047**	**21,020**
Equity (excluding fund for general banking risks)	2.20	**374,352**	**297,750**
. Share capital		**83,076**	***83,076***
. Share premiums		**98,244**	***98,244***
. Reserves	2.19	**32,278**	***32,278***
. Retained earnings (+/-)		**34,141**	***32,171***
. Net income for the period (+/-)		**126,613**	***51,982***
Total liabilities and equity		**6,484,757**	**4,600,841**

Off-balance sheet items	31/12/2022	31/12/2021
Commitments given		
Loan commitments	422,427	394,819
Guarantee commitments	84,261	66,732
Securities-related commitments	7,644	13,286

Commitments received		
Guarantee commitments	155,965	121,819
Securities-related commitments		1,000

Parent company income statement

In thousands of euros		2022	2021
+ Interest and similar income	3.1	73,951	42,603
- Interest and similar expenses	3.2	-72,374	-39,714
+ Revenues from variable-income securities	3.3	42,465	97,915
+ Fee income	3.4	95,147	91,557
- Fee expense	3.4	-23,883	-22,637
+/- Net gain/loss from trading portfolios	3.5	32,550	12,865
+/- Net gain/loss from available-for-sale securities portfolios and similar	3.6	8,018	370
+ Other banking revenue	3.7	41,757	41,355
- Other banking expenses	3.8	-3,325	-3,948
Net banking income		**194,306**	**220,366**
- General operating expenses	3.9	-156,177	-145,297
- Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-11,748	-12,707
Gross operating income		**26,381**	**62,362**
+/- Cost of risk	3.10	46	-103
Operating income		**26,427**	**62,259**
+/- Net gain/loss from long-term assets	3.11	99,777	-15,123
Recurring income before tax		**126,204**	**47,134**
+/- Extraordinary income/loss	3.12	-14	4
- Income tax	3.13	423	4,842
Net income		**126,613**	**51,982**

Notes to the parent company financial statements

Note 1 – Accounting policies and measurement methods

1.1. General

The parent company financial statements of Edmond de Rothschild (France) are prepared and presented in accordance with Regulation 2014-07 of the Autorité des Normes Comptables (French accounting standards authority) dated 26 November 2014.

1.2. Accounting policies and measurement methods

Translation of transactions in foreign currencies

Transactions in foreign currencies are translated into euros using the official exchange rates as published by the Banque de France at the year-end.

Investments in subsidiaries and affiliates denominated in foreign currencies but financed in euros are recorded in the balance sheet at the euro equivalent of their historical foreign-currency cost, using exchange rates prevailing at the date of acquisition or subscription. The resulting translation gains or losses are not included in income.

Loans and other financing to clients

Edmond de Rothschild (France) applies regulation no. 2014-07 issued by the ANC (Autorité des Normes Comptables – the French accounting standard-setter) on 26 November 2014 regarding the accounting treatment of credit risk in the financial statements of companies in the banking sector. Consequently, more detailed information is provided on counterparty risks and new categories of loans have been created in the financial statements as follows:

- performing loans: loans and other financing to clients are shown in the balance sheet at nominal value;
- overdue loans: payments overdue by three months or less (six months or less in the case of mortgages) continue to be reported as performing loans. Beyond these periods of time, loans – for all amounts extended to clients – are classified as doubtful;
- restructured loans: loans restructured as a result of the client's financial position are reclassified as performing loans if restructured under market conditions prevailing at the time.

Loans restructured under non-market conditions are included in a specific subcategory of performing loans until their final due date.

Any principal amount or interest waived, whether due or accrued, is charged to income at the time of the restructuring. If, in view of market rates prevailing at the time a loan is restructured that are less favourable than the initial terms of the loan, or in view of the initial loan rate if not, the restructuring gives rise to a future interest difference, the present value of the difference is recorded as an impairment of the loan at the time of restructuring and included in the cost of risk, and subsequently taken to interest income over the remaining life of the loan. If the client does not pay on due dates after the restructured loan has been reclassified as performing, it is immediately downgraded.

Edmond de Rothschild (France) defines restructured loans as loans to counterparties undergoing financial difficulties such that the lender is obliged to adjust the initial terms (term, interest rate, etc.) to enable the counterparty to honour its payment obligations.

Restructured loans therefore exclude:

- loans with terms that have been renegotiated for commercial reasons with counterparties that have no solvency problems;
- loans whose theoretical repayment schedule is altered through application of an option or clause contained in the initial contract (e.g. temporary suspension and deferral of due dates);
- doubtful loans: on-balance sheet receivables and signed commitments concerning a counterparty are identified as doubtful outstandings in the Bank's accounting information system as soon as they show a clear credit risk.

Such a risk is clear where it is probable that the Bank will not recover some or all of the amounts due under the initial contractual terms of the commitment entered into by the counterparty, notwithstanding any guarantees or security provided. The loans or other items concerned are identified by inclusion in specially created accounts.

Edmond de Rothschild (France) classifies loans and commitments with a clear credit risk as doubtful in each of the following cases:

- the loan or advance is at least three months in arrears (six months for residential mortgages and property lessees and nine months for loans to local authorities, to take account of these loans' specific characteristics). The only exception to this rule is

when specific circumstances indicate that non-payment is due to causes unrelated to the debtor's financial position;
- when the characteristics of a counterparty's position in connection with a loan or off-balance sheet commitment are such that, independently of any failure to meet payment dates, it can be concluded that a clear credit risk exists. This is the case, for instance, where the Bank is aware that its counterparty's financial position is poor and there is a resulting risk of non-recovery (for example, as a result of early warning procedures);
- whether there are any litigation procedures between the institution and its counterparty. if there is litigation between the Bank and its counterparty, for example, over indebtedness proceedings, court-ordered administration, receivership, court-ordered liquidation, personal bankruptcy, winding-up and any proceedings before an international court.

Edmond de Rothschild (France) distinguishes between two categories of doubtful loans: uncompromised doubtful loans and compromised doubtful loans:

- uncompromised doubtful loans are doubtful loans which do not fulfil the criteria for classification as compromised doubtful loans;
- compromised doubtful loans are loans to a counterparty whose solvency is such that, after a reasonable period of classification as doubtful loans, no return to the performing loans category is foreseeable. Classification as compromised doubtful loans takes place when the accelerated payment clause comes into play or, in the case of a lease, upon termination of the lease;
- loans of an unlimited term become repayable when relations are terminated with the counterparty as notified under the procedures defined in the contract. Any loan included in doubtful loans will be automatically classified as a compromised doubtful loan after one year in the uncompromised doubtful loans category.

Any loan reclassified as performing is immediately downgraded to the compromised doubtful loans category if the client fails to make payments as and when due.

Interest ceases to be recognised once the loan is transferred to compromised doubtful loans. Disputed loans are loans whose nature or amount is being contested, not the solvency of the counterparty. These loans are included in uncompromised doubtful loans.

Provisions for clear credit risk: a specific allowance for impairment is made by a charge against income when the probability that all or part of a loan will not be repaid becomes clear. These allowances are deducted from assets.

In accordance with ANC regulation no. 2014-07 relating to the accounting treatment of credit risk, Edmond de Rothschild (France) applies the method based on discounting forecast cash flows.

Securities portfolio

The securities portfolio mainly comprises the following securities issued in France and abroad:

- fixed- and variable-income securities;
- French Treasury notes;
- other negotiable debt securities;
- interbank market securities.

These securities are classified according to the purpose for which they were acquired and, in accordance with ANC regulation no. 2014-07 on the recognition of securities transactions and regulation no. 2008-15 issued by the CRC (French accounting regulations committee) on 4 December 2008 relating to the recognition of stock option plans and bonus share plans for employees, allocated to the following categories: held-for-trading securities, available-for-sale securities, investment securities, and investments in subsidiaries and associates:

- held-for-trading securities are recognised on the date they are purchased at their purchase price, excluding incidental purchase costs and including accrued interest. Purchase costs are recognised directly as expenses. Held-for-trading securities are purchased for with a view to reselling them within a period of not more than six months;
- available-for-sale securities are recognised on the date they are purchased at their purchase price. Purchase costs are either included in the purchase price of available-for-sale securities or recognised directly as expenses, subject to compliance with the provisions of article 2371-2 of the aforementioned regulation no. 2014-07;
- investment securities are fixed-income securities with a fixed maturity date that have been acquired or transferred to the “held-for-trading securities” category or the “available-for-sale securities” category with the manifest intention of holding them until maturity. Investment securities are recognised on the date they are purchased at their purchase price. Purchase costs are either included in the purchase price of investment securities or recognised directly as expenses, subject to compliance with the provisions of article 2371-2 of the aforementioned regulation no. 2014-07. They are intended to be held for the long term, and are either subject to specific interest-rate hedges or covered by dedicated financing resources. The difference between their purchase price and redemption value is amortised over the remaining life of the securities.
- portfolio securities, other securities held over the long term and investments in subsidiaries, associates and affiliates are recorded on the date they are purchased at their purchase price. These securities are purchased with the intention of holding them for the long term. This category includes all equity interests of 5% or more. Equity interests of less than 5% are also included if the Bank is represented in the management bodies or if another indirect investment is held via other Group companies.

Securities are shown under the following balance sheet headings:

- treasury notes and similar securities;
- bonds and other fixed-income securities;
- equities and other variable-income securities;
- associates and other long-term investments;
- investments in affiliates;
- treasury shares.

Non-current assets

Intangible assets relate primarily to purchased software that is amortised over one to three years.
Depreciation of office furniture and equipment, computer hardware, fixtures and fittings, and vehicles is determined on the following basis:

- straight-line method: 10-25%;
- reducing balance method: 37.5% and 40%.

The building owned by Edmond de Rothschild (France) is being depreciated over 25 years.

As part of the convergence between French GAAP and International Financial Reporting Standards (IFRSs), and in accordance with ANC regulation no. 2014-07, deferred expenses or expenses to be amortised over several periods are not recognised as assets.

Deferred expenses must now be recognised:

- in assets, if they qualify for definition and recognition as assets or are attributable to the initial cost of assets;
- in expenses in all other cases.

Edmond de Rothschild (France) applies the provisions of France's General Accounting Plan relating to the recognition and measurement of assets and relating to the depreciation, amortisation and impairment of assets.
Property, plant and equipment are recognised at cost (purchase price plus direct ancillary expenses).
Intangible assets are mainly made up of software, which is recorded under intangible assets in progress until put into use.
Property, plant and equipment and intangible assets qualifying for depreciation or amortisation are depreciated or amortised over their period of use within the company.

Treasury shares

The Bank's treasury shares are recognised as available-for-sale securities.
The company applies the measurement rules set out in CRC regulation no. 2008-15 of 4 December 2008 relating to the recognition of stock option plans and bonus share plans for employees, in accordance with the instructions of ANC regulation no. 2014-07.
Implementation of those rules has no impact on the financial statements, as these principles were already being applied to the parent company financial statements.
Additions to and reversals of provisions and expenses related to the plans are now presented under personnel expenses.
In relation to treasury shares allocated to a plan, a liability provision is set aside over the grant period and adjusted on the basis of the number of shares granted to beneficiaries.
Treasury shares not allocated to a plan may be impaired if their net carrying amount is greater than the share price on the balance-sheet date, as for other available-for-sale securities.

Interest and fee income and expenses

Income from interest and bank charges are recorded in the income statement on an accrual basis.
In general, fees are also recorded on an accrual basis.

Valuation of securities

Securities held by the Bank at year-end are valued as follows:

- held-for-trading securities are valued at market price at year-end, with positive or negative valuation differences being taken to income;
- available-for-sale securities are measured at the lower of acquisition cost and market value (based on the average market price in December) or, in the case of unlisted securities, at their estimated realisable value;
- there is no netting between the resulting unrealised gains and losses, and only unrealised losses are recognised through impairment of the securities portfolio;
- investment securities on which the interest-rate risk is hedged are not impaired when their market value falls below their carrying amount. Unrealised gains are not recognised;
- investments in subsidiaries and associates are measured at their value in use. For listed securities, market prices are not the only assessment criterion. Unrealised gains are not recognised, and unrealised losses give rise to impairment of the securities portfolio.

Value in use is calculated using multiple criteria, including the present value of estimated future cash flows and a proportion of equity.

Income and expenses relating to forward financial instruments

The accounting principles adopted are those defined by the regulations of the French Banking and Finance Regulation Committee (CRBF), the instructions of the Banque de France's prudential control and resolution authority (ACPR) and the opinions of the ANC.

Those principles are based mainly on the type of transaction, its purpose, and the type of market on which it takes place:

- interest-rate swaps;
- income and expenses relating to instruments used to hedge transactions identified from the outset are recognised in the income statement on a symmetrical basis with the income and expenses from the hedged item;
- interest-rate futures (notional, Euribor, etc.).

Gains and losses resulting from hedges of transactions on underlying capital markets are amortised over the remaining maturity of the transactions hedged.

While a contract is still outstanding, one of two recognition methods is applied:

- transactions on organised or similar markets: the gains or losses resulting from measurement of contracts are taken to income,

- over-the-counter: only unrealised losses are provisioned,
- forward-rate agreements (FRAs): income and expenses relating to FRAs used for hedging are taken to income on a symmetrical basis with the income and expenses from the hedged instrument. In the case of market transactions, gains and losses are recorded in the income statement when the operation is settled,
- options (foreign-exchange, interest-rate, index and equity options): premiums are recorded in a suspense account when the contract is initiated. When contracts are settled, in the case of hedging transactions, they are taken to income on a symmetrical basis with the gains and losses on the hedged items.

In the case of market transactions, they are taken to income. Outstanding contracts relating to market transactions are remeasured at market value at the balance sheet date.

Any unrealised gain or loss on contracts traded on organised markets is taken to the income statement.
For contracts traded over the counter, only unrealised losses are provisioned.

Pensions and other employee benefit liabilities

The French banking industry's own pension system was changed by an agreement signed on 13 September 1993 by the French Banking Association (AFB). All French banks are now members of the nationwide unfunded multi-employer plans AGIRC and ARRCO.
The Bank does not apply the preferred method consisting of setting aside provisions for post-employment benefits under defined-benefit plans, i.e. pension plans, supplementary pensions and termination benefits.

As regards termination benefits for retiring employees, since 2021 Edmond de Rothschild (France) has attributed benefits to periods of service on a straight-line basis from the date on which employee service first leads to benefits, instead of from the date on which the staff member's period of service begins (i.e. the company has adopted the IFRS IC decision of April 2021 in relation to IAS 19).
Liabilities relating to termination benefits for retiring employees amounted to €2.6 million at 31 December 2022, down from €3.4 million at 31 December 2021.

Provision for long-service awards

In accordance with Recommendation 2003-R.01 of 1 April 2003 issued by the French National Accounting Committee and CRC Regulation 2000-06 relating to liabilities, a provision was set aside at year-end to cover probable payments to certain current employees (expected payments relating to long-service awards). At 31 December 2022, that provision totalled €647,000.

Income tax expense

Edmond de Rothschild (France) and some of its subsidiaries have opted to form a tax consolidation group from 1 January 2020. The parent company and those subsidiaries have agreed that the advantage or disadvantage arising from the tax consolidation (difference between the consolidated tax charge and the total of the tax charges of the companies calculated independently) is to be recognised immediately in the parent company's income statement.

Mandatory employee profit-sharing

Amounts to be paid under the French mandatory profit-sharing system are provided for on the basis of an agreement formed within Edmond de Rothschild (France)'s UES (a legally recognised group of integrated companies in France).

Related-party transactions

Under ANC regulation no. 2014-07, Edmond de Rothschild (France) presents related-party transactions in Note 9 to the financial statements.

Contribution to the Single Resolution Fund

Edmond de Rothschild (France) applies ANC regulation no. 2020-10 of 22 December 2020, amending ANC regulation no. 2014-07 of 26 November 2014 regarding the financial statements of companies in the banking sector.
This regulation provides for the netting of certain assets and liabilities that would result in a reduction in contributions to the Single Resolution Fund (SRF). Edmond de Rothschild (France) did not have any netted transactions at the accounts closing date.

	In thousands of euros	31/12/2022	31/12/2021
2.1.	**Treasury notes and similar securities**		
	Investment securities	73,128	-
	Sub-total	**73,128**	**-**
	Impairment	-	-
	Net total	**73,128**	**-**

		31/12/2022			31/12/2021		
	In thousands of euros	Demand deposits	Time deposits	Total	Demand deposits	Time deposits	Total
2.2.	**Due from credit institutions**						
	Overdrafts	25,348		25,348	25,103	-	25,103
	Loans and overdrafts	3,800,000	500,000	4,300,000	-	20,000	20,000
	Securities received under repurchase agreements				-	-	-
	Sub-total	**3,825,348**	**500,000**	**4,325,348**	**25,103**	**20,000**	**45,103**
	Related receivables	422	84	506	1	11	12
	Total	**3,825,770**	**500,084**	**4,325,854**	**25,104**	**20,011**	**45,115**

	In thousands of euros	31/12/2022	31/12/2021
2.3.	**Transactions with clients**		
	Other loans and financing		
	- Loans	*564,061*	*544,723*
	- Securities received under repurchase agreements	-	-
	Sub-total	**564,061**	**544,723**
	Overdrafts	972,430	882,834
	Unassigned values	1,630	
	Total gross value	**1,538,121**	**1,427,557**
	Doubtful loans (1)	405	456
	Impairment of doubtful loans (1)	-405	-456
	Total (2)	**1,538,121**	**1,427,557**

(1) At 31 December 2022, compromised doubtful loans amounted to €405,000 and were fully provisioned.
(2) Including related receivables totalling €1,498,000 in 2022 and €1,472,000 in 2021.

No loans were eligible for central-bank refinancing at 31 December 2022.

No client loans classified as doubtful at 31 December 2022 were reclassified as performing loans during 2021.

	In thousands of euros	31/12/2022	31/12/2021
2.4.	**Bonds and other fixed-income securities**		
	Available for sale	-	2,134
	Investment	-	-
	Sub-total	**-**	**2,134**
	Related receivables	1,889	1,796
	Total gross value	**1,889**	**3,930**
	Impairment	-	-
	Net total	**1,889**	**3,930**

No securities changed category during 2022.
The total net carrying amount of unlisted securities was €1.89 million.

The “available-for-sale securities” item includes undated subordinated notes issued by Financière Eurafrique. These securities were redeemed in 2022.

In thousands of euros		31/12/2022 Held for trading	Available for sale	Total	31/12/2021 Held for trading	Available for sale	Total
2.5.	**Equities and other variable-income securities**						
	Securities held	-	39,686	39,686	-	68,788	68,788
	Impairment	-	-8,498	-8,498	-	-6,751	-6,751
	Net total	**-**	**31,188**	**31,188**	**-**	**62,037**	**62,037**
	Unrealised capital gains (1)	-	23,370	23,370	-	32,693	32,693

(1) Difference between cost and market value.

No securities changed category during 2022.

The total net carrying amount of listed and unlisted securities was €31,188,000 in 2022 and €62,037,000 in 2021.

Within the available-for-sale securities category, fund units break down as follows:

	31/12/2022			31/12/2021		
In thousands of euros	French	Foreign	Total	French	Foreign	Total
Capitalisation funds	28,895	2,293	31,188	54,518	7,519	62,037
Other funds	-	-	-	-	-	-
Total	**28,895**	**2,293**	**31,188**	**54,518**	**7,519**	**62,037**

		31/12/2022			31/12/2021		
	In thousands of euros	Gross	Impairment	Net	Gross	Impairment	Net
2.6.	**Investments in subsidiaries and associates and other long-term investments**						
	Investments in subsidiaries						
	- Credit institutions	*68*		*68*	*4,964*		*4,964*
	- Other companies	*34,465*	*-20,779*	*13,686*	*34,417*	*-20,847*	*13,570*
	Sub-total	**34,533**	**-20,779**	**13,754**	**39,381**	**-20,847**	**18,534**
	Exchange difference	-	-	-	-	-	-
	Total	**34,533**	**-20,779**	**13,754**	**39,381**	**-20,847**	**18,534**

The total net carrying amount of listed and unlisted securities was €12.50 million and €1.25 million, respectively.

On 13 December 2022, Edmond de Rothschild (France) sold its interest in Edmond de Rothschild Monaco. Major investments in subsidiaries and affiliates are listed in the table "Investments in subsidiaries".

		31/12/2022			31/12/2021		
	In thousands of euros	Gross	Impairment	Net	Gross	Impairment	Net
2.7.	**Investments in affiliates**						
	Financial and non-financial companies	216,971	-48,514	168,457	258,683	-58,715	199,968
	Exchange difference	-2,300	-	-2,300	-3,652	-	-3,652
	Total	**214,671**	**-48,514**	**166,157**	**255,031**	**-58,715**	**196,316**

The total net carrying amount of securities relates to unlisted securities.

On 7 December 2022, Edmond de Rothschild (France) sold 100% of its interest in Edmond de Rothschild REIM.

The list of affiliates is as follows:

— Edmond de Rothschild Asset Management (France)
— Financière Boréale
— Edmond de Rothschild Corporate Finance
— Edmond de Rothschild Private Equity Partners (France)
— Edmond de Rothschild Assurances et Conseils (France)
— Edmond de Rothschild Real Estate (Eastern Europe) CIE SàRL (A and B units)
— CFSH Luxembourg
— Edmond de Rothschild Building Ltd (Israel)
— SAS EDR IMMO MAGNUM

	In thousands of euros	Start of period	Acquisitions/ transfers in	Disposals/ transfers out	Other changes	End of period
2.8.	**Intangible assets**					
	Gross value					
	Business goodwill (including leasehold right)	3,881				3,881
	Other intangible assets	145,387	7,059	-114,578	-1,188	36,680
	Intangible assets in progress		10.665			10,665
	Total	**149,268**	**17,724**	**-114,578**	**-1,188**	**51,226**
	Depreciation and impairment					
	Other intangible assets	-127,985	-9,460	114,578	19	-22,848
	Total	**-127,985**	**-9,460**	**114,578**	**19**	**-22,848**
	Net carrying amount	**21,283**				**28,378**

During 2022, Edmond de Rothschild (France) scrapped fully amortised intangible assets.

	In thousands of euros	Start of period	Acquisitions/ transfers in	Disposals/ transfers out	Other changes	End of period
2.9.	**Property, plant and equipment**					
	Gross value					
	Land	11,434				11,434
	Buildings	21,100				21,100
	Computer hardware	33,091	2,502	-28,832	896	7,657
	Fixtures, fittings and other property, plant and equipment	39,818	172	-33,918	292	6,364
	Property, plant and equipment in progress	-				-
	Total	**105,443**	**2,674**	**-62,750**	**1,188**	**46,555**
	Depreciation and impairment					
	Buildings	-20,770	-43			-20,813
	Computer hardware	-30,885	-1,816	28,832	-19	-3,888
	Fixtures, fittings and other property, plant and equipment	-38,251	-428	33,918		-4,761
	Total	**-89,906**	**-2,287**	**62,750**	**-19**	**-29,462**
	Net carrying amount	**15,537**				**17,093**

During 2022, Edmond de Rothschild (France) scrapped fully amortised property, plant, and equipment.

2.10. Treasury shares and stock option plans

The Bank no longer holds treasury shares.

At 31 December 2022, there was no longer any stock option plan for Edmond de Rothschild (France) employees.

	In thousands of euros	31/12/2022 Assets	31/12/2022 Liabilities	31/12/2021 Assets	31/12/2021 Liabilities
2.11	**Other assets and liabilities**				
	Option premiums				
	Margin calls	14,224	52,355	12,165	7,221
	Guarantee deposits	60,750	1,930	2,950	19,790
	Miscellaneous	46,289	59,466	70,351	62,165
	Total	**121,263**	**113,751**	**85,466**	**89,176**

	In thousands of euros	31/12/2022 Assets	31/12/2022 Liabilities	31/12/2021 Assets	31/12/2021 Liabilities
2.12	**Accruals, assets and liabilities**				
	Items under collection	164	-	3	-
	Prepaid expenses	11,637	-	8,594	-
	Accrued income	97,215	-	65,833	-
	Prepaid income	-	5,059	-	2,480
	Accrued expenses		78,553		55,218
	Miscellaneous	14,755	48,580	20,700	980
	Total	**123,771**	**132,192**	**95,130**	**58,678**

	In thousands of euros	Start of period	Acquisitions/ transfers in	Disposals/ transfers out	Other changes	End of period
2.13.	**Long-term financial assets**					
	Gross value					
	Bonds and other fixed-income securities	-	-	-	-	-
	Investments in subsidiaries and associates and other long-term investments	39,381	48	-4,896		34,533
	Investments in affiliates	255,031	-	-40,360		214,671
	Total	**294,412**	**48**	**-45,256**	**-**	**249,204**
	Impairment					
	Investments in subsidiaries and associates and other long-term investments	-20,847	-	68	-	-20,779
	Investments in affiliates	-58,715	-4,833	15,034	-	-48,514
	Total	**-79,562**	**-4,833**	**15,102**	**-**	**-69,293**
	Net carrying amount					
	Bonds and other fixed-income securities	-	-	-	-	-
	Investments in subsidiaries and associates and other long-term investments	18,534	48	-4,828	-	13,754
	Investments in affiliates	196,316	-4,833	-25,326	-	166,157
	Total	**214,850**	**-4,785**	**-30,154**	**-**	**179,911**

	In thousands of euros	31/12/2022 Demand deposits	31/12/2022 Time deposits	31/12/2022 Total	31/12/2021 Demand deposits	31/12/2021 Time deposits	31/12/2021 Total
2.14.	**Due to credit institutions**						
	Deposits	49,611	-	49,611	50,140	-	50,140
	Borrowings	-	2,402,985	2,402,985	-	987,586	987,586
	Sub-total	**49,611**	**2,402,985**	**2,452,596**	**50,140**	**987,586**	**1,037,726**
	Related payables		10,249	10,249		1,056	1,056
	Total	**49,611**	**2,413,234**	**2,462,845**	**50,140**	**988,642**	**1,038,782**

In thousands of euros	31/12/2022 Demand deposits	31/12/2022 Time deposits	31/12/2022 Total	31/12/2021 Demand deposits	31/12/2021 Time deposits	31/12/2021 Total
2.15 Transactions with clients						
Special savings accounts						
- Special savings accounts	*-*	*78,373*	*78,373*	*-*	*103,158*	*103,158*
- Related payables	*-*	*-*	*-*	*-*	*-*	*-*
Sub-total	**-**	**78,373**	**78,373**	**-**	**103,158**	**103,158**
Other payables						
- Demand deposits	*2,082,365*	*-*	*2,082,365*	*2,405,555*	*-*	*2,405,555*
- Time deposits	*-*	*467,569*	*467,569*	*-*	*71,580*	*71,580*
- Securities delivered under repurchase agreements	*-*	*-*	*-*	*-*	*-*	*-*
- Other miscellaneous payables	*582*	*33,354*	*33,936*	*-*	*39,343*	*39,343*
- Related payables	*9*	*1,556*	*1,565*	*-*	*31*	*31*
Sub-total	**2,082,956**	**502,479**	**2,585,435**	**2,405,555**	**110,954**	**2,516,509**
Total	**2,082,956**	**580,852**	**2,663,808**	**2,405,555**	**214,112**	**2,619,667**

In thousands of euros	31/12/2022	31/12/2021
2.16 Debt securities		
Interbank market instruments and negotiable debt instruments	708,110	469,098
Bonds		-
Sub-total	**708,110**	**469,098**
Related payables	1,870	712
Total	**709,980**	**469,810**

In thousands of euros	Start of period	Additions	Reversed and used	Reversed to income	Other changes	End of period
2.17. Provisions						
Provisions for charges						
Provisions for long-service benefits	745	148	-124	-121	-	648
Provisions for possible losses on treasury shares (1)	-	-	-	-	-	-
Provisions for litigation expenses	-	-	-	-	-	-
Other provisions for charges	1,445	1,222	-592	-107	-	1,968
Sub-total	**2,190**	**1,370**	**-716**	**-228**	**-**	**2,616**
Provisions for contingencies						
Provisions for litigation (2)	1,962	674	-385	-5	-	2,246
Other provisions for contingencies	1,806	114			-	1,920
Sub-total	**3,768**	**788**	**-385**	**-5**	**-**	**4,166**
Total	**5,958**	**2,158**	**-1,101**	**-233**	**-**	**6,782**

(1) Additions to provisions for liabilities are mainly intended to cover litigation with third parties. Reversals of provisions relate mainly to litigation and the private equity business.

An additional supplementary pension plan set up in December 2004 was closed on 31 December 2012, although its provisions were maintained for beneficiaries born before 31 December 1953.

It applies to a category of senior employees for whom the existing basic and complementary pension plans provide a significantly lower rate of income replacement than for other categories of personnel.

This plan is a defined-benefit plan expressed in terms of the overall final pension (limited in time) or in terms of the top-up pension it provides in addition to the basic pensions.
The unfunded actuarial liability at the rate of 3.77% fell from €25,232,000 to €20,641,000 at 31 December 2022.

Taxation of annuities: Article 113 of French Act 2003-775 of 21 August 2003 on pension reform alters the way in which social security contributions, the general social contribution (CSG) and the tax to repay social-security debt (CRDS) apply to employers' contributions to funding pension benefits. In return for exempting contributions from social security charges, a tax payable exclusively by the company was established.

The 2010 Social Security Financing Act doubled the tax levied on annuities exceeding one third of the annual social security ceiling. This tax was increased from 8% to 16%.

The 2011 Social Security Financing Act subsequently modified the basis for applying this tax. The allowance was eliminated and the 16% tax thus applied from the first euro of the annuity, for all annuities paid after 1 January 2001.

The Group had previously opted for the tax on annuities, but at the end of 2011 it chose to change options as allowed by the 2011 Social Security Financing Act for defined-benefit plans consistent with Article L. 137-11. It is now taxed at 12% based on all contributions paid into the fund.

In addition to the foregoing tax, an additional 30% contribution to be paid by employers from the first euro was established on annuities exceeding eight times the annual ceiling and paid from 1 January 2010. These impacts were measured in 2009.

As measured by the preferred method (not applied by the Bank) the financial coverage calculation shows that a provision of €1,381,000 would have been set aside in 2022 compared to €1,410,000 in 2021.

Plan assets were valued at €23,822,000 in 2022 and the net residual gain relating to past service cost was zero at 31 December 2022.

Provisions do not include any amounts for termination benefits to be paid to retiring employees (€2,770,000 in 2022 compared to €4,173,000 in 2021).

Provisions for banking risks came to €2,578,000 in 2022 (€2,454,000 in 2021).

	In thousands of euros	31/12/2022	31/12/2021
2.18	**Subordinated debt**		
	Undated subordinated notes (1)	21,000	21,000
	Related payables	47	20
	Total	**21,047**	**21,020**

(1) In June 2007, the Bank issued €50 million of undated super-subordinated notes. In the event of the issuer's liquidation, holders of these notes will be paid only after other creditors but before holders of participating loans or participating securities.

After discussions with one of the noteholders, Edmond de Rothschild (France) made an offer to repurchase part of the notes with a nominal amount of €29 million, at a discount of 7.5%.

After obtaining the authorisation of the ACP on 12 July 2013, €29 million of notes were repurchased and cancelled in August 2013.

The undated super-subordinated notes carry financial covenants:

- non-payment of interest in the event of insufficient capital related to non-compliance with prudential capital adequacy ratios or a deterioration in the Bank's financial position;
- reduction of accrued interest due and payable and then of the nominal value of the notes if the Bank has not taken action to remedy the capital situation within a specific period.

The main financial characteristics of these notes are as follows:

Issue date	Optional early redemption date (call option)	Rate until early redemption	Rate after early redemption	Interest step-up from the optional early redemption date
June 2007	June 2017 then quarterly	6.36% (*)	Euribor + 2.65%	+ 100 basis points

(*) Rate set by reference to the 10-year swap rate in euros on 4 June 2007: 4.71% + 1.65%.

	In thousands of euros	31/12/2022	31/12/2021
2.19.	**Reserves**		
	Statutory reserve	8,308	8,308
	Regulated reserves	152	152
	Other reserves	23,818	23,818
	Total	**32,278**	**32,278**

	In thousands of euros	Share capital	Share premiums	Reserves	Retained earnings	Income	Total
2.20.	**Changes in equity**						
	Position at start of period	**83,076**	**98,244**	**32,278**	**32,171**	**51,982**	**297,751**
	Capital increase	-	-	-	-	-	-
	Net income for the period (before appropriation)	-	-	-	51,982	126,613	178,595
	Dividends	-	-	-	-50,012	-	-50,012
	Other movements	-	-	-		-51,982	-51,982
	Position at end of period	**83,076**	**98,244**	**32,278**	**34,141**	**126,613**	**374,352**

At 31 December 2022, the share capital amounted to €83,075,820.00, consisting of 5,538,388 shares with nominal value of €15 each, and was held as follows:

	Number of shares	% interest
EDMOND DE ROTHSCHILD (SUISSE) S.A.	5,538,329	100.00%
Other natural persons	59	NM
Total	**5,538,388**	**100.00%**

Net income available for distribution (in euros):

Net income for 2022	126,613,463.51
Balance carried forward at end of period	34,141,030.76
Appropriation to the statutory reserve	-
Income available for distribution	**160,754,494.27**

Net income available for distribution is appropriated as follows (*):

Distribution of a dividend of: €17.16 per share, i.e. €95,038,738.08.

Retained earnings €65,715,756.19

(*) This dividend payment is subject to approval by shareholders as usual at the Annual General Meeting scheduled to take place on 4 May 2023.

	In thousands of euros	31/12/2022	31/12/2021
2.21	**Transactions with affiliates**		
	Assets		
	Transactions with clients (excluding related receivables)	6,913	5,682
	Liabilities		

Transactions with clients (excluding related liabilities)	69,078	106,141

2.22 Analysis of certain assets and liabilities by remaining time to maturity

In thousands of euros	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total
Assets					
Due from credit institutions	4,325,854				4,325,854
Transactions with clients	1,013,834	190,452	51,485	282,350	1,538,121
Bonds and other fixed-income securities	-			1,889	1,889
Total	**5,339,688**	**190,452**	**51,485**	**284,239**	**5,865,864**
Liabilities					
Due to credit institutions	2,100,506	347,961		14,378	2,462,845
Transactions with clients	2,410,526	219,809	33,473		2,663,808
Debt securities	32,458	97,070	339,720	240,732	709,980
- Interbank market instruments and negotiable debt instruments	*32,458*	*97,070*	*339,720*	*240,732*	*709,980*
- Bonds	-	-	-	-	-
Total	**4,543,490**	**664,840**	**373,193**	**255,110**	**5,836,633**

Note 3 – Analysis of income statement items

	In thousands of euros	2022	2021
3.1.	**Interest and similar income**		
	On transactions with credit institutions	30,001	28,510
	On transactions with clients	22,673	13,922
	On bonds and other fixed-income securities	19,091	-
	Other interest and similar income	2,186	171
	Total	**73,951**	**42,603**

	In thousands of euros	2022	2021
3.2.	**Interest and similar expenses**		
	On transactions with credit institutions	-51,564	-13,224
	On transactions with clients	-1,998	-144
	On bonds and other fixed-income securities	-16,853	-25,650
	Other interest and similar expenses	-1,958	-696
	Total	**-72,374**	**-39,714**

	In thousands of euros	2022	2021
3.3.	**Revenues from variable-income securities**		
	Equities and other variable-income securities	8,109	8,577
	Investments in subsidiaries and associates and other long-term investments	5,575	4,940
	Investments in affiliates	28,781	84,397
	Total	**42,465**	**97,914**

		2022		2021	
	In thousands of euros	Income	Expenses	Income	Expenses
3.4.	**Fees**				
	Cash and interbank transactions	-	-1	-	-11
	Transactions with clients	195	-	544	-
	Securities transactions	-	-	-	-
	Foreign exchange transactions	30	-	55	-
	Off-balance sheet transactions			-	-
	- Securities transactions	*1,664*	-	*673*	-
	– Transactions in forward financial instruments	*2,420*	*-1,317*	*2,005*	*-1,151*
	Financial services	90,838	-22,565	88,280	-21,475
	Additions to/reversals of provisions	-	-	-	-
	Total	**95,147**	**-23,883**	**91,557**	**-22,637**

		2022			2021		
	In thousands of euros	Income	Expenses	Balance	Income	Expenses	Balance
3.5	**Gains/losses on transactions in trading portfolios**						
	Held-for-trading securities	2,354	-20	2,334	631	-3	629
	Foreign exchange transactions	622,691	-592,475	30,216	368,961	-356,725	12,236
	Forward financial instruments	-	-	-	-	-	-
	Additions to/reversals of provisions	-	-	-	-	-	-
	Total	**625,045**	**-592,495**	**32,550**	**369,593**	**-356,727**	**12,865**

	In thousands of euros	2022 Income	2022 Expenses	2022 Balance	2021 Income	2021 Expenses	2021 Balance
3.6.	**Gains/losses on transactions in available-for-sale assets and similar**						
	Losses on disposal	-	-2	-2	-	-94	-94
	Gains on disposal	9,767	-	**9,767**	-	-	-
	Additions to/reversals of impairment	186	1,932	**-1,747**	518	-55	463
	Additions to/reversals of provisions		-	**-**	-	-	-
	Total	**9,952**	**-1,934**	**8,018**	**518**	**-149**	**369**

	In thousands of euros	2022	2021
3.7.	**Other banking income**		
	Expenses transferred to other companies	13,297	13,160
	Other ancillary income	27,932	27,874
	Miscellaneous	506	471
	Additions to/reversals of provisions	23	-150
	Total	**41,757**	**41,355**

	In thousands of euros	2022	2021
3.8.	**Other banking expenses**		
	Revenues transferred to other companies	-3,034	-3,591
	Miscellaneous	-399	-185
	Additions to/reversals of provisions	108	-172
	Total	**-3,325**	**-3,948**

	In thousands of euros	2022	2021
3.9.	**General operating expenses**		
	Wages and salaries	-51,804	-50,769
	Social security expenses	-26,337	-24,858
	Employee incentive plans	-725	-46
	Mandatory employee profit-sharing	-3,076	-4,331
	Payroll taxes	-6,102	-4,903
	Additions to provisions for personnel expenses	-1,944	-1,249
	Reversals of provisions for personnel expenses	1,104	1,644
	Sub-total - Personnel expenses	**-88,884**	**-84,512**
	Taxes other than income tax	-3,276	-2,141
	Rental expenses	-12,053	-11,514
	External services	-50,855	-46,594
	Travel expenses	-759	-536
	Miscellaneous operating expenses	-350	-
	Additions to provisions for administrative expenses	-	-
	Reversals of provisions for administrative expenses	-	-
	Sub-total - Administrative expenses	**-67,293**	**-60,785**
	Total	**-156,177**	**-145,297**

In thousands of euros		2022	2021
3.10	**Cost of risk**		
	Impairment of doubtful debts	-4	-128
	Additions to provisions	-	-
	Net losses on receivables written off	-6	-19
	Reversals of impairment on doubtful debts now performing	56	2
	Reversals of provisions	-	-
	Amounts recovered on receivables formerly written off	-	42
	Total	**46**	**-103**

In thousands of euros		2022	2021
3.11.	**Gains and losses on long-term assets**		
	Gains on sales of intangible assets and property, plant and equipment	-	-
	Gains on sales of long-term financial assets	102,027	4
	Losses on sales of intangible assets and property, plant and equipment	-1	-
	Losses on sales of long-term financial assets	-12,517	-
	Additions to impairment of long-term financial assets	-4,833	-15,139
	Reversals of impairment of long-term financial assets	15,101	12
	Reversals of contingency and loss provisions	-	-
	Total	**99,777**	**-15,123**

3.12. Non-recurring items

Non-recurring items produced a loss of €14,000 in 2022.

3.13. Income tax expense

Calculated on the basis of the tax consolidation group, there was an income tax credit of €423,000 in 2021.

Had it been taxed separately, Edmond de Rothschild (France), excluding deferred tax, would not have been subject to income tax because it made a loss for tax purposes.

Note 4 – Additional information on banking activities

Analysis of net banking income

The analysis of net banking income by major business segment, which is extracted from the accounting presentation of the income statement, can be broadly summarised as follows:

In thousands of euros	2022	2021
- Asset management	79,713	76,224
- Interest-earning operations	19,902	13,400
- Capital markets transactions, securities portfolio and other	94,693	129,498
- Corporate advisory services		1,244
Net banking income	**194,308**	**220,366**

Net banking income amounted to €194 million in 2022, down 11.83% on 2021 (€220 million).

The €26.06 million decrease was due to the following factors:

- Revenue from the securities portfolio and capital markets transactions fell €34.8 million compared with 2021. This was mainly due to the decrease in dividends received in 2021 (-€48.2 million compared to 2021) and the increase in interest income of €13.06 million due to the increase in interest rates in 2022.
- Income generated by the asset management business rose by €3.48 million (€79.7 million compared to €76.2 million in 2021). This increase was mainly due to the €6.3 million increase in commissions and the €3.1 million decrease in front-end charges.
- Income from interest-earning operations rose by €6.5 million (€19.9 million compared to €13.4 million in 2021). This development is mainly due to the increase in interest rates and outstanding loans.

Note 5 – Off-balance sheet items

	In thousands of euros	31/12/2022	31/12/2021
5.1.	**Transactions with affiliates**		
	Commitments given		
	Loan commitments	5,000	5,000
	Guarantee commitments	86	86

5.2. Transactions in forward financial instruments

Transactions in interest-rate instruments are concluded for micro-hedging purposes. Foreign exchange options may be entered into as part of the management of a specialised portfolio, or are matched.

Commitments related to forward financial instruments – the nominal value of which is expressed in thousands of euros – break down as follows:

At 31 December 2022	Micro-hedging		Trading portfolio		Total	
In thousands of euros	Purchases	Sales	Purchases	Sales	Purchases	Sales
Organised or similar markets						
Futures and swaps						
Currency swaps	2,893,580	2,927,582	-	-	2,893,580	2,927,582
Interest-rate swaps	354,856	1,785,129			354,856	1,785,129
Total	**3,248,436**	**4,712,711**	**-**	**-**	**3,248,436**	**4,712,711**
Over the counter						
Futures and swaps						
Interest-rate and index swaps (1)	472,615		-	-	472,615	-
Sub-total	472,615	-	-	-	472,615	-
Options						
Interest-rate and index options	-	-	-	-	-	-
Sub-total						
Total	**472,615**	**-**	**-**	**-**	**472,615**	**-**

At 31 December 2021	Micro-hedging		Trading portfolio		Total	
In thousands of euros	Purchases	Sales	Purchases	Sales	Purchases	Sales
Organised or similar markets						
Futures and swaps						
Currency swaps	1,832,057	1,812,277	-	-	1,832,057	1,812,277
Interest-rate swaps	344,858	656,191			344,858	656,191
Total	**2,176,915**	**2,468,468**	**-**	**-**	**2,176,915**	**2,468,468**
Over the counter						
Futures and swaps						
Interest-rate and index swaps (1)	255,930		-	-	255,930	-
Sub-total	**255,930**	**-**	**-**	**-**	**255,930**	**-**
Options						
Interest-rate and index options	-	-	-	-	-	-
Sub-total						
Total	**255,930**	**-**	**-**	**-**	**255,930**	**-**

The residual values of the above commitments break down as follows:

At 31 December 2022	Less than 1 year		1 to 5 years		More than 5 years	
In thousands of euros	Purchases	Sales	Purchases	Sales	Purchases	Sales
Organised or similar markets	2,913,948	4,621,610	69,082	88,210	265,406	2,891
Over the counter	13,310		207,078		252,227	

At 31 December 2021	Less than 1 year		1 to 5 years		More than 5 years	
In thousands of euros	Purchases	Sales	Purchases	Sales	Purchases	Sales
Organised or similar markets	1,848,425	2,394,571	100,082	71,356	228,408	2,541
Over the counter	3,750		84,328		167,852	

The Bank's exposure to market risks related to transactions in financial instruments is summarised as follows (in thousands of euros):

Type of risk	Type of transaction	Assumptions	Sensitivity	
			31/12/2022	**31/12/2021**
Interest-rate risk	Short-term transactions in euros	1% adverse movement in the yield curve	10,335	32
	Short-term transactions in foreign currencies	1% adverse movement in the yield curve	181	81
Exchange-rate risk	Spot and forward foreign exchange transactions	8% adverse movement in exchange rates	85	47

In thousands of euros	Positive value 31/12/2022	Positive value 31/12/2021	Negative value 31/12/2022	Negative value 31/12/2021
5.3. Fair value of transactions in forward financial instruments				
Organised or similar markets				
Futures and swaps				
Currency and interest-rate swaps	72,018	29,155	-58,717	-6,453
Over the counter				
Futures and swaps				
Interest-rate and index swaps	1,644	4,214	-29,619	-3,360

Figures for 2022 have been restated.
The fair value of forward financial instruments is determined with reference to their market value, calculated daily as part of counterparty risk measurements.

Note 6 – Additional information on counterparty risks relating to derivatives

6.1. Nature and method of the calculation

Risk equivalents and the effect of netting agreements are calculated in accordance with the principles established by ANC regulation no. 2014-07.
The positive replacement value of risk equivalents represents the market value of the contracts before taking account of netting agreements and guarantees received.

The gross add-on is based on the notional amount of the contracts multiplied by a weighting factor. The net add-on is calculated using the formula prescribed by Instruction 96-06, as follows:
- net add-on = 0.4 x gross add-on + 0.6 x NGR x gross add-on, where NGR represents the ratio between net replacement cost and gross replacement cost, for all transactions entered into under legally valid netting agreements.

Weighting factors used for each type of counterparty are consistent with those prescribed by Regulation 91-05: 20% for banks and 50% for clients.

	Gross risk-weighted assets		Net risk-weighted assets	
In thousands of euros	31/12/2022	31/12/2021	31/12/2022	31/12/2021
6.2. Breakdown of weighted risk equivalents by type of counterparty				
Banks	8,564	8,819	14,554	3,544
Clients	2,185	2,612	1,619	2,959

	Effect of netting		Effect of collateralisation	
In thousands of euros	31/12/2022	31/12/2021	31/12/2022	31/12/2021
6.3. Effect of netting on total weighted risk equivalents				
Banks	5,837	1,649	11,826	3,626
Clients	1,056	661	490	-

Note 7 – Average number of employees

	31/12/2022	31/12/2021
Operatives	70	75
Executives and senior management	312	311
Unclassified	89	87
Total	**471**	**473**

Pursuant to the provisions of the French Commercial Code, the Group publishes a breakdown by category of its average workforce during the period.

The number of workers employed part-time or for less than the full year is taken into account in proportion to the average time worked as compared to the full-time hours laid down by agreement or statute.

Note 8 – Additional information

8.1. The financial statements of Edmond de Rothschild (France) have been included in the consolidated financial statements of Edmond de Rothschild (Suisse) using the full consolidation method since 2019.

The parent company financial statements contained in this document were finalised on 1 March 2023 and will be presented for approval at the Annual General Meeting of 4 May 2023.

Note 9 – Transactions with related parties

9.1. Transactions with related natural persons and others

In thousands of euros	31/12/2022	31/12/2021
Loans and overdrafts	35,560	31,382
Assets	**35,560**	**31,382**

In thousands of euros	31/12/2022	31/12/2021
Demand deposits	360	311
Liabilities	**360**	**311**

In thousands of euros	31/12/2022	31/12/2021
+ Interest and similar income	709	440
Net banking income	709	440
Gross operating income	**709**	**440**

9.2. Transactions with related companies

Transactions related to the income statement

	31/12/2022			
In thousands of euros	Name	Relationship with the related party	Income	Expenses
- Income/expenses on transactions with credit institutions	EDRAM	Subsidiary	-	-
- Financial services	EDRAM	Subsidiary	-	-
+ Gains on sales of long-term financial assets	EDRAM	Subsidiary	-	-

	31/12/2021			
In thousands of euros	Name	Relationship with the related party	Income	Expenses
- Expenses on transactions with credit institutions	EDRAM	Subsidiary	-	-
- Financial services	EDRAM	Subsidiary	-	-
+ Gains on sales of long-term financial assets	EDRAM	Subsidiary	-	-

Transactions in forward financial instruments

In thousands of euros			Amount
Total return index swap	EDRAM	Subsidiary	-

Parent company five year summary

	2018	2019	2020	2021	2022
Financial position at end of period					
Share capital	83,075,820	83,075,820	83,075,820	83,075,820	83,075,820
Number of shares in issue	5,538,388	5,538,388	5,538,388	5,538,388	5,538,388
Number of convertible bonds	-	-	-	-	-
Equity (1) *	264,804,000	284,811,000	278,917,000	245,769,000	247,738,808
Long-term funds (1) *	285,804,000	305,811,000	299,917,000	266,769,000	268,738,808
Total liabilities and equity *	3,644,336,000	3,854,863,000	3,824,002,000	4,600,841,000	6,484,756,889
Results of operations for the period					
Revenues excluding VAT	670,683,166	581,216,316	577,244,218	518,630,486	814,900,168
Income before tax, depreciation, amortisation and provisions	42,852,972	23,535,467	4,210,399	74,121,769	130,194,917
Income tax expense	-4,492,843	-36.204	-8,205,688	-4,841,986	-423,549
Income after tax, depreciation, amortisation and provisions	20,007,436	-5,894,022	-3,130,549	51,981,796	126,613,464
Dividends paid			5,759,924	50,011,644	95,038,738
Per-share data					
Income after tax but before depreciation, amortisation and provisions	8.55	4.26	2.24	14.26	23.58
Income after tax, depreciation, amortisation and provisions	3.61	-1.06	-0.57	9.39	22.86
Dividend **			1.04	9.03	17.16
Employees					
Number of employees at end of period	483	474	470	473	471
Total gross payroll	43,136,381	41,161,182	39,506,869	40,427,718	42,986,319
Social security contributions and employee benefits	24,240,623	21,630,228	23,324,519	24,857,504	26,337,442
Mandatory employee profit-sharing	3,262,173	1,577,989	2,373,047	4,330,979	3,076,133

(1) Excluding net income for the year.
* Rounded to the nearest thousand euros.
** This dividend payment is subject to approval by shareholders as usual at the Annual General Meeting scheduled to take place on 4 May 2023.

Statutory Auditors’ reports

(For the year ended 31 December 2022)

On the consolidated financial statements

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Edmond de Rothschild (France) for the year ended 31 December 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the “Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements” section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1 January 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of goodwill and equity method investments	
Description of risk	**How our audit addressed this risk**
Goodwill, which corresponds to the difference between the acquisition price and the fair value of the assets and liabilities of the acquired entities, totalled €50.1 million at 31 December 2022, down from €73.9 million one year earlier, and is detailed in Note 3.13 to the consolidated financial statements. Equity method investments amounted to €3.7 million at 31 December 2022 compared to €66.1 million at 31 December 2021 and are detailed in Note 3.10 to the consolidated financial statements. These investments generated a €16.5 million contribution to net income (excluding capital gains on sale). Goodwill is allocated to cash-generating units (CGUs) and tested for impairment at least once a year and whenever there is an indication that it may be impaired. Impairment occurs if the recoverable amount of an asset falls below its carrying amount, in which case an impairment charge is recognised against goodwill. We considered the measurement of goodwill and equity method investments to be a key audit matter owing to: - its material value in the consolidated balance sheet; - the degree of judgement required from management in terms of selecting the impairment test criteria; and - the material impact on the Group's results of an error of judgement or change in estimate.	We examined the methodology used by the Group to measure a potential need for impairment for goodwill and equity method investments. Our work consisted primarily of the following: - a critical assessment of the business plans used to establish the projected cash flows; - a critical assessment of the assumptions used by management to determine the discount rates and the perpetuity growth rates used in discounted cash flow calculations, if necessary by comparing them with external sources; - a review of the documentation supporting the exits from the scope, as well as the accounting consequences of these exits; - in addition to the result of the quantitative approaches, a review of the documentation prepared by the management regarding the qualitative items, if necessary; - finally, the verification that the notes to the financial statements provided appropriate information.

Specific Verifications

We also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the in the Executive Board's management report.
We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Statement of Non-Financial Performance

We attest that the consolidated Statement of Non-Financial Performance required by Article L.225-102-1 of the French Commercial Code is included in the management report. We add that, in accordance with the provisions of Article L.823-10 of this Code, the information contained in this statement has not been the subject of our verifications of fairness or consistency with the consolidated financial statements and must be certified by an independent third party.

Report on other legal and regulatory requirements

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of Chair of the Executive Board, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.
As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to technical limitations inherent in the macro-tagging of the consolidated financial statements in the European Single Electronic Format, the content of some of the tags in the notes may not be rendered identically to the consolidated accounts attached to this report.

Furthermore, we have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Edmond de Rothschild (France) by the Annual General Meeting held on 29 May 1999 for PricewaterhouseCoopers Audit and for Grant Thornton Audit.

As at 31 December 2021, both firms were in the twenty fourth year of uninterrupted engagement.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company'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 it expects to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Executive Board.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain

reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 financial statements.
As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.
They also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their 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 internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's 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 company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements 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 or business activities within the group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the statement provided for in Article 6 of Regulation (EU) No 537-2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine, 13 April 2023

The Statutory Auditors

PricewaterhouseCoopers Audit.....Philippe Chevalier
Grant Thornton Audit ....Solange Aïache

Statutory Auditors’ report on the annual financial statements

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying annual financial statements of Edmond de Rothschild (France) for the year ended 31 December 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the “Responsibilities of the Statutory Auditors relating to the audit of the financial statements” section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1 January 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the annual financial statements.

Measurement of investments in subsidiaries, other long-term investments and associates	
Description of risk Investments in subsidiaries and associates, presented in Notes 2.6 and 2.7 to the financial statements, represent one of the largest assets on the balance sheet (€179.9 million at 31 December 2022 compared to €214.8 million at 31 December 2021) and a material portion of their measurement is based on estimates. As stated in Note 1 to the financial statements "Accounting policies and measurement methods", these investments are measured on the basis of their value in use. For listed securities, the share price is not the only criteria used for measurement purposes. Estimating the value in use of these securities requires management to exercise judgement when selecting the criteria to be taken into account, be it historical data (equity value, share price) or forecasts (e.g., business plans). Accordingly, we deemed the correct measurement of investments in subsidiaries and associates to be a key audit matter, due to the inherent uncertainty of certain components of the valuation, in particular the likelihood of achieving forecasts, and because an error of judgement by management could have a material impact on the annual financial statements.	**How our audit addressed this risk** We assessed the documentation outlining the choices made by management among the various methods for measuring value in use. For valuations based on historical data: - we verified that the equity values used were consistent with the audited financial statements of the entities valued. For valuations based on discounted projected cash flows: - we verified that the cash flows had been reviewed by the management teams of the entities valued; - we assessed the relevance of the main assumptions used. We also examined the various disposals of shareholdings that took place during the year as part of the restructuring underway within the Group, as well as the calculation and accounting of the capital gains recorded.

Specific Verifications

We also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Executive Board and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

With respect to the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D.441-6 of the French Commercial Code (code de commerce), we have the following observation:

As stated in the management report, this information does not include bank and other related transactions, as your Company considers that such operations fall outside the scope of the information to be disclosed.

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by Articles L.225-37-4 and L. 22-10-10 of the French Commercial Code.

Report on other legal and regulatory requirements

Format of the presentation of the financial statements intended to be included in the annual financial report

We also verified, in accordance with the professional standards applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chair of the Executive Board, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Edmond de Rothschild (France) by the Annual General Meeting held on 29 May 1999 for PricewaterhouseCoopers Audit and for Grant Thornton Audit.

As at 31 December 2022, both firms were in the twenty fourth year of uninterrupted engagement.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements presenting a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company'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 it expects to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Executive Board.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their 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 internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;

- assess the appropriateness of management's 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 company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the annual financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine, 13 April 2023

The Statutory Auditors

PricewaterhouseCoopers Audit...........Philippe Chevalier

Grant Thornton Audit ....Solange Aïache

To the Shareholders,

In our capacity as Statutory Auditors of Edmond de Rothschild France, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements and commitments. Under the provisions of Article R.225-58 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-58 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

Pursuant to Article 225-88 of the French Commercial Code, we have been advised of the following agreements entered into during the past financial year which were subject to the prior authorisation of your Supervisory Board.

Transfer agreement with Edmond de Rothschild (Switzerland):

- Supervisory Board that authorised this agreement: 7 June 2022
- Effective date: 21 December 2022
- Subject: The purpose of this agreement is to transfer Edmond de Rothschild (France)'s 36.93% stake in the capital of Edmond de Rothschild (Monaco) to Edmond de Rothschild (Switzerland).
- Reason: This transaction would free up equity within Edmond de Rothschild (France). This plan to be fully integrated into Edmond de Rothschild (Switzerland) will have the advantage of improving the clarity of the international private banking business in the eyes of Edmond de Rothschild (Monaco)'s clients and prospects.
- Edmond de Rothschild (France) Supervisory Board members involved: Ariane de Rothschild, Jean Laurent-Bellue, Véronique Morali and Cynthia Tobiano are Directors of Edmond de Rothschild (Switzerland) and François Pauly is Chief Executive Officer of Edmond de Rothschild (Switzerland).
- Amount concerned for the year 2022: €106,923,279.70

Transfer agreement with Edmond de Rothschild REIM (Europe), formerly known as OROX Europe SA:

- Supervisory Board that authorised this agreement: 07 June 2022
- Effective date: 21 December 2022
- Subject: The purpose of this agreement is to transfer Edmond de Rothschild (France)'s 100% stake in the capital of Edmond de Rothschild REIM (France) to Edmond de Rothschild REIM (Europe).
- Reason: A new, simplified organisation at the Edmond de Rothschild Group level has been planned, and involves the creation of a Real Estate division within the Group. This will also make it possible to give more internal and external visibility into this business line and, at the same time, will simplify its governance (as a single business line with one hierarchical structure) and thus facilitate decision-making in a business that demands agility.
- Edmond de Rothschild (France) Supervisory Board member involved: Cynthia Tobiano is a director of Edmond de Rothschild REIM (Europe).
- Amount concerned for the year 2022: €27,842,800.00

Agreements already approved by the Annual General Meeting

Agreements approved in previous financial years

In accordance with Article R.225-57 of the French Commercial Code, we were informed that the execution of the following agreements, approved by the Annual General Meeting in previous years, have been continued during the past financial year.

1. Broker agreement with Edmond de Rothschild Asset Management (France)

Nature and purpose

Following the authorisation of the Supervisory Board of 12 December 2002, Edmond de Rothschild (France) entered into a brokerage agreement on 16 December 2002 with the company Edmond de Rothschild Asset Management (France). This agreement was amended on 30 July 2007.

Edmond de Rothschild (France) holds 99.99% of the capital of Edmond de Rothschild Asset Management (France).

Terms

As part of relations with external partners promoting the range of UCITS managed by Edmond de Rothschild Asset Management (France) and by other related companies, Edmond de Rothschild (France) mandates Edmond de Rothschild Asset Management (France) to carry out the payment to the partners of the contribution of Edmond de Rothschild (France) under the agreements spent with said partners. Edmond de Rothschild (France) pays its contribution to Edmond de Rothschild Asset Management (France) on a summary invoice every quarter or every year. In 2022, Edmond de Rothschild (France) paid to Edmond de Rothschild Asset Management (France) €1,119,678 excluding taxes.

Persons concerned:

Ms. Cynthia Tobiano is a member of the Supervisory Board of Edmond de Rothschild (France) and Chair of the Supervisory Board of Edmond de Rothschild Asset Management (France).

Mr. Philippe Cieutat is a member of the Supervisory Board of Edmond de Rothschild (France) and Chair of the Supervisory Board of Edmond de Rothschild Asset Management (France).

Neuilly-sur-Seine, 13 April 2023

The Statutory Auditors

PricewaterhouseCoopers Audit...........Philippe Chevalier

Grant Thornton Audit ....Solange Aïache

Resolutions

First resolution

The General Meeting, having reviewed the report of the Executive Board, the observations of the Supervisory Board and the report of the Statutory Auditors on the parent-company financial statements, approves the balance sheet and income statement for the financial year ended 31 December 2022, together with the transactions recorded in those statements or summarised in those reports.

In accordance with Article 223 quater of the French General Tax Code, the General Meeting notes that the total amount of expenses within the meaning of Article 39(4) of the French General Tax Code was €326,054 in 2022, corresponding to €81,514 of income tax assumed.

Second resolution

The General Meeting, having reviewed the report of the Executive Board, the observations of the Supervisory Board and the report of the Statutory Auditors on the consolidated financial statements, approves the consolidated balance sheet and consolidated income statement for the financial year ended 31 December 2022, together with the transactions recorded in those statements or summarised in those reports.

Third resolution

The General Meeting, having read the special report of the Statutory Auditors, approves the agreements referred to in that report.

Fourth resolution

The General Meeting takes note that income available for distribution comprises (in euros):

Net income/loss in 2022	126,613,463.51
Retained earnings	34,141,030.76
Appropriation to the statutory reserve	-
Income available for	160,754,494.27

Net income available for distribution is appropriated as follows:

Distribution of a dividend of:	€17.16 per share
	€95,038,738.08
Making total dividends of:	€65,715,756.19
Retained earnings:	

In accordance with article 243 bis of the French General Tax Code, it is stated that the dividend qualifies for the 40% allowance for natural persons whose tax domicile is in France provided for in article 158-3 of the French General Tax Code.

The following dividends per share were paid in respect of the three previous financial years:

	2021	2020	2019
Dividend per share	9.03	1.04	
Amount eligible for relief under Article 158-3-2 of the French General Tax Code	40%	40%	40%

Fifth resolution

The General Meeting, having considered the result of work carried out in relation to the renewal of Ariane de Rothschild's term of office as a member of the Supervisory Board, and noting that the criteria of integrity, knowledge, experience, skills and availability required by regulations in force are met, whereas the independence criteria are not met because of her family ties with the indirect reference shareholder, resolves to renew Ariane de Rothschild's term of office as a member of the Supervisory Board for a three-year term expiring at the end of the General Meeting convened to approve the financial statements for 2025.

Sixth resolution

The General Meeting, having considered the result of work carried out in relation to the renewal of Louis-Roch Burgard's term of office as a member of the Supervisory Board, and noting that the criteria of integrity, knowledge, experience, skills and availability required by regulations in force are met, as are the independence criteria as dictated by the Middlenext Code of Governance, resolves to renew Louis-Roch Burgard's term of office as a member of the Supervisory Board for a three-year term expiring at the end of the General Meeting convened to approve the financial statements for 2025.

Seventh resolution

The General Meeting, having considered the result of work carried out in relation to the renewal of Jacques Ehrmann's term of office as a member of the Supervisory Board, and noting that the criteria of integrity, knowledge, experience, skills and availability required by regulations in force are met, as are the independence criteria as dictated by the Middlenext Code of Governance, resolves to renew Jacques Ehrmann's term of office as a member of the Supervisory Board for a three-year term expiring at the end of the General Meeting convened to approve the financial statements for 2025.

Eighth resolution

The General Meeting, having considered the result of work carried out in relation to the renewal of Christian Varin's term of office as a member of the Supervisory Board, and noting that the criteria of integrity, knowledge, experience, skills and availability required by regulations in force are met, as are the independence criteria as dictated by the Middlenext Code of Governance, resolves to renew Christian Varin's term of office as a member of the Supervisory Board for a three-year term expiring at the end of the General Meeting convened to approve the financial statements for 2025.

Ninth resolution

The General Meeting, having considered the result of work carried out in relation to the renewal of Josepha Wohnrau's term of office as a member of the Supervisory Board, and noting that the criteria of integrity, knowledge, experience, skills and availability required by regulations in force are met, whereas the independence criteria are not met because of her employment within the Edmond de Rothschild group, resolves to renew Josepha Wohnrau's term of office as a member of the Supervisory Board for a three-year term expiring at the end of the General Meeting convened to approve the financial statements for 2025.

Tenth resolution

The General Meeting renews the mandate of PricewaterhouseCoopers Audit as Statutory Auditor for a period of six financial years, i.e. until the end of the General Meeting called to approve the financial statements for the year 2028.

Eleventh resolution

The General Meeting renews the mandate of Grant Thornton Audit as Statutory Auditor for a period of six financial years, i.e. until the end of the General Meeting called to approve the financial statements for the year 2028.

Twelfth resolution

The General Meeting, having been read the Executive Board report and having been consulted in accordance with Article L. 511-73 of the French Monetary and Financial Code, approves the overall package of compensation of all types amounting to €14,309,760 paid during 2022 to persons covered by Article L. 511-71 of the French Monetary and Financial Code for Edmond de Rothschild (France) and €2,580,299 for the Italian branch of Edmond de Rothschild (France).

Thirteenth resolution

The General Meeting, having been read the Executive Board report, and in order to ensure that the Group remains competitive in terms of compensation, resolves that the variable element of the total compensation of persons covered by Article L. 511-71 of the French Monetary and Financial Code may represent a maximum of twice their fixed compensation. That decision shall apply to people with the following roles or meeting the following criteria:

Roles:

- members of the Executive Committee, the Executive Board and Senior Management;
- heads of Control Functions (Audit, Risk Management, Compliance) and those with managerial responsibilities that report to them;
- heads of Business Units and those with managerial responsibilities that report to them;
- heads of certain Support Functions (including Finance, HR, IT, Legal etc.);
- heads of Risk Management and Permanent Members of Risk Committees;
- heads of New Products and Permanent Members of New Products Committees.

Other criteria:

- managers of Risk-Takers;
- employees whose total compensation is €500,000 or more and/or employees in the top 0.3% in terms of compensation;
- employees whose total compensation is at least equal to that of the Senior Management member with the lowest compensation.