

OS AA01

Statement of details of parent law and other  
information for an overseas company



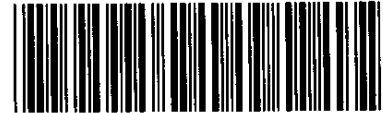
Companies House

000125 / 20

✓ **What this form is for**  
You may use this form to  
accompany your accounts  
disclosed under parent law.

✗ **What this form is NOT for**  
You cannot use this form to  
an alteration of manner of  
with accounting requirements.

MONDAY



\*A9EZWY4Q\*

A14

05/10/2020

#2

COMPANIES HOUSE

**Part 1 Corporate company name**

Corporate name of overseas company ① BANQUE HAVILLAND S.A.

UK establishment number B R 0 1 4 6 5 1

→ **Filling in this form**

Please complete in typescript or in  
bold black capitals.

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state.

**Part 2 Statement of details of parent law and other  
information for an overseas company**

**A1 Legislation**

Please give the legislation under which the accounts have been prepared and,  
if applicable, the legislation under which the accounts have been audited.

Legislation ② LAWS OF LUXEMBOURG

② This means the relevant rules or  
legislation which regulates the  
preparation and, if applicable, the  
audit of accounts.

**A2 Accounting principles**

Accounts Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box.

☒ **No.** Go to **Section A3**.

☐ **Yes.** Please enter the name of the organisation or other  
body which issued those principles below, and then go to **Section A3**.

Name of organisation  
or body ③

③ Please insert the name of the  
appropriate accounting organisation  
or body.

**A3 Accounts**

Accounts Have the accounts been audited? Please tick the appropriate box.

☐ **No.** Go to **Section A5**.

☒ **Yes.** Go to **Section A4**.

## OS AA01

Statement of details of parent law and other information for an overseas company

**A4**

### Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☒ **No.** Go to **Part 3 'Signature'**.

☐ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

**1** Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body **1**

**A5**

### Unaudited accounts

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

☐ **No.**

☐ **Yes.**

## Part 3

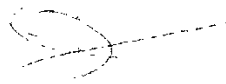
### Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X



X

This form may be signed by:  
Director, Secretary, Permanent representative.

## OS AA01

Statement of details of parent law and other information for an overseas company



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	TROLENKO IGOR
Company name	BANQUE HAVILLAND S.A.
(UK BRANCH)	
Address	5 SAVILE ROW
Post town	LONDON
County/Region	
Postcode	W 1 S 3 P B
Country	UNITED KINGDOM
DX	
Telephone	020 7087 7999



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



### Important information

Please note that all this information will appear on the public record.



### Where to send

You may return this form to any Companies House address:

#### England and Wales:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

#### Scotland:

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post).

#### Northern Ireland:

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.



### Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)



BANQUE  
HAVILLAND

ANNUAL REPORT 2013

#102

## LIST OF CONTENTS

MANAGEMENT REPORT	4
AUDIT REPORT	7
BALANCE SHEET	10
OFF BALANCE SHEET ITEMS	12
PROFIT AND LOSS ACCOUNT	14
NOTES TO THE ANNUAL ACCOUNTS	16



## MANAGEMENT REPORT 2013

Banque Havilland S.A. (the "Bank") closed the financial year 2013 with a profit of EUR 0.3m. The difference to last year's profit is due to a reduced net interest income of EUR 8.2m (2012: EUR 10.0m) following a general downwards shift of the interest rate curves during 2013 and a net profit from financial operation of EUR 4.7m compared to an exceptional result of EUR 11.1m in 2012. The reduction in the net interest result as well as in the net profit of the financial operations is an outcome of the Bank's strategic decision to reduce its overall bond portfolio.

The increase in general administrative expenses from EUR 12.8m to EUR 13.8m is due to the fact that 2013 was the first year of operation of our branch in the United Kingdom ("UK Branch"). The cost savings in Luxembourg were offset by the start-up costs of the UK-Branch.

The Bank adjusted the value of its subsidiary KayTwo S.à r.l. ("K2") downwards by EUR 2.5m following the receipt of offers regarding a potential sale of the building. This adjustment has been offset against a release of the fund for general bank risks in the same amount.

During the year, the Bank has incurred cost to account for anticipated financial requirements arising from our strategy to create a unique private bank for its clients, which led to an increase in other operating charges from EUR 1.1m to EUR 2.1m.

The Bank aims to offer clients a safe and transparent banking environment, which has been sought by many high net wealth individuals since the turmoil in 2008/2009. Clients became increasingly anxious about their savings due to the potential hidden risks in some of their bank's balance sheet.

We continue to be best in class regarding balance sheet ratios with a solvency ratio of 51% (which compares to a weighted average of all Luxembourg banks of 21% as per end of 2012) and a strong liquidity ratio of 64% as of December 31, 2013.

The Bank has increased its balance sheet from EUR 515.6m to EUR 627.1m, mainly due to an increase in client deposits from EUR 215.3 m to EUR 330.4 m.

The Bank remains very prudent in its investment policy and continues to invest in highly liquid investment grade bonds (62 %

of total assets) and cash held with banks (23% of total assets). Loans and advances to customers have been reduced by 23% to EUR 49.2m.

In October 2013, Banque Havilland (Monaco) S.A.M. acquired the private banking activities of Banque Pasche Monaco S.A.M. ("BPM"), which was supported by a capital increase of EUR 2m. The acquisition of the business of BPM is a logical step in the development of the Banque Havilland group to create a unique private bank for our clients. The integration of the business was successfully concluded in December 2013. The Bank impaired the value of Banque Havilland (Monaco) S.A.M. by EUR 2.2m, which has been offset against a release for general bank risks.

In the United Kingdom, the Bank has also strengthened its offering from its UK Branch. The Bank requested its local regulator, the Commission de Surveillance du Secteur Financier ("CSSF"), and what was at that time the Financial Services Authority ("FSA") to enhance the license granted in January 2013 to enable the UK Branch to conduct any private banking business in the United Kingdom. The enhancement of the license was approved in July 2013.

### **Capital and Risk Management**

The Bank's business is exposed to several risks, such as credit, market, liquidity, operational and other business risks. The Bank continues to maintain a robust approach to risk management with an independent department reporting directly to the Executive Management and the

Board of Directors. The Risk Management Department ensures that each key risk of the business is identified and properly managed by applying a holistic view. Key risk areas are managed through a framework of policies, procedures and limits with regular reviews of such framework. During 2013, the Bank has successfully closed a major project to comply with the new regulation of the CSSF circulars 12/552 and 13/563. We have implemented state-of-the-art procedures to identify and respectively quantify potential exposure across the various risk areas. The Bank has no direct or indirect exposure towards sub-prime credit or structured credit obligations (such as CDOs, SIVs and CLOs) in its loan or bond portfolios. Additional information on risk management is available on request in accordance with Pillar III of the CSSF circular 06/273 as (amended). For further information on the Bank's exposure to risks, please refer to notes 6.3 and 6.4 of these annual accounts.

### **Post Balance Sheet Events**

During the year under review, the Bank's wholly owned subsidiary K2 (defined before), entered into exclusive negotiations with a German real estate fund for sale of the Ballade building. A conditional purchase agreement was entered into with the buyer in December 2013 and the building was sold in January 2014.

Shortly thereafter, the Bank sold its participation in K2. These actions follow the Bank's strategic decision to eliminate risks related to direct real estate participations. The combined transaction did not have a



material impact on the result of the Bank.

In February 2014, the Bank signed a sale and purchase agreement to acquire a new client base from a bank in Luxembourg. The expected assets under management to be transferred as part of the transaction amount to EUR 300m.

#### OUTLOOK FOR 2014

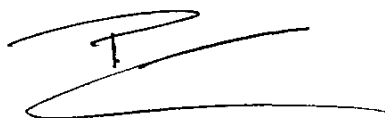
For 2014, the Bank will continue to reshape the organisation for new challenges in the market environment in particular from a regulatory point of view. The Bank is well prepared to comply with any new regulation such as EMIR (European Market Infrastructure Regulation), FATCA (Foreign Account Tax Compliance Act) and Basel III/ CRD IV.

Moreover, the Bank is looking into potential bolt-on acquisitions to accelerate its expansion plans, based on the opportunities arising from competitors reducing their private banking exposures.

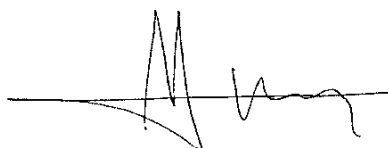
Activities of the Bank in the field of research and development: Not applicable.

Acquisition of the Bank's own shares: Not applicable.

Luxembourg, 18<sup>th</sup> March 2014



Peter Lang  
Deputy CEO



Jean-François Willems  
CEO

# AUDIT REPORT

TO THE BOARD OF BANQUE HAVILLAND S.A.

## REPORT ON THE ANNUAL ACCOUNTS

We have audited the accompanying annual accounts of Banque Havilland S.A., which comprise the balance sheet as at 31 December 2013, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Board of Directors' responsibility for the annual accounts**

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

### **Responsibility of the "Réviseur d'entreprises agréé"**

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers  
Société à responsabilité limitée  
Réviseur d'Entreprises

400, Route d'Esch  
B.P. 1443  
L-1014 Luxembourg  
Telephone +352 494848-1  
Facsimile +352 494848-2900  
www.pwc.lu  
info@lu.pwc.com

Cabinet de révision agréé. Expert-comptable  
[autorisation gouvernementale n°00123693]  
R.C.S. Luxembourg B 65 477  
Capital social EUR 516 950  
TVA LU17564447

### Opinion

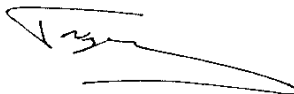
In our opinion, the annual accounts give a true and fair view of the financial position of Banque Havilland S.A. as of 31 December 2013, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

PricewaterhouseCoopers, Société coopérative  
Luxembourg, 18<sup>th</sup> March 2014

Represented by



Paul Neyens



# BANQUE HAVILLAND S.A.

BALANCE SHEET AS AT DECEMBER 31, 2013 (EXPRESSED IN EURO)

ASSETS	NOTES	31/12/2013	31/12/2012
Cash in hand, balances with central banks and post office banks	3.1, 6.1	3 809 205	3 060 925
Loans and advances to credit institutions	3.2, 6.1, 6.3		
repayable on demand		142 200 052	63 241 362
other loans and advances		-	4 347 807
		<b>142 200 052</b>	<b>67 589 169</b>
Loans and advances to customers	2.2.3, 3.3, 6.1, 6.3	49 215 875	60 953 343
Bonds and other fixed-income transferable securities	2.2.1, 3.4, 6.1, 6.3		
Issued by public bodies		26 116 523	30 698 746
Issued by other borrowers		362 589 913	305 386 107
		<b>388 706 436</b>	<b>336 084 853</b>
Shares and other variable-yield transferable securities	2.2.2, 3.5, 6.1, 6.3	11 531 103	12 088 876
Shares in affiliated undertakings	2.1.3, 3.6, 3.7	25 399 020	28 484 080
Intangible assets	2.1.1, 3.7	227 511	89 678
Tangible assets	2.1.2, 3.7	288 284	324 684
Other assets	3.8	2 810 735	2 924 064
Prepayments and accrued income		2 891 251	4 048 321
<b>TOTAL ASSETS</b>	<b>3.9</b>	<b>627 079 472</b>	<b>515 647 993</b>

The accompanying notes form an integral part of these annual accounts

		31/12/2013	31/12/2012
Amounts owed to credit institutions	4.1, 6.1		
repayable on demand		32 800 853	15 321 803
with agreed maturity dates or periods of notice		<u>113 307 746</u>	<u>127 001 503</u>
		<b>146 108 599</b>	<b>142 323 306</b>
Amounts owed to customers	4.2, 6.1		
other debts		305 813 485	162 560 444
repayable on demand		<u>24 626 260</u>	<u>52 769 666</u>
with agreed maturity dates or periods of notice		<b>330 439 745</b>	<b>215 330 110</b>
Other liabilities	4.3	17 832 544	18 126 737
Accruals and deferred income		1 315 508	1 509 500
Provisions			
provisions for taxation		1 738 170	1 193 721
other provisions		<u>5 442 029</u>	<u>3 682 328</u>
		<b>7 180 199</b>	<b>4 876 049</b>
Fund for general banking risks	2.3	12 429 001	17 000 000
Subscribed capital	4.4, 4.6	100 000 000	100 000 000
Share premium account	4.6	1 260 709	1 260 709
Reserves	4.5, 4.6	1 511 079	1 200 376
Profit brought forward	4.6	8 710 503	7 807 138
Profit for the financial year		291 585	6 214 068
<b>TOTAL LIABILITIES</b>	<b>4.7</b>	<b>627 079 472</b>	<b>515 647 993</b>

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

# BANQUE HAVILLAND S.A.

OFF BALANCE SHEET AS AT DECEMBER 31, 2013 (EXPRESSED IN EURO)

	NOTE	31/12/2013	31/12/2012
Contingent liabilities	5.1, 6.3	4 623 659	5 914 862
of which			
<i>Guarantees and assets pledged as collateral security</i>		<i>4 623 659</i>	<i>5 914 862</i>
Commitments	5.2	20 000 000	20 000 000
Fiduciary transactions		130 718	130 718

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





# BANQUE HAVILLAND S.A.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2013 (EXPRESSED IN EURO)

		2013	2012
Interest receivable and similar income	7.1	9 656 674	12 277 320
<i>of which: arising from debt securities and other fixed income securities</i>		6 731 508	8 994 874
Interest payable and similar charges		(1 489 100)	(2 313 217)
<b>Net interest income</b>		<b>8 167 574</b>	<b>9 964 103</b>
<b>Income from transferable securities</b>			
Income from shares and other variable-yield securities		583	20 864
Commission receivable	7.1	4 151 620	4 989 958
Commission payable		(587 049)	(1 880 071)
<b>Net commission income</b>		<b>3 564 571</b>	<b>3 109 887</b>
<b>Net profit on financial operations</b>	7.1	<b>4 733 922</b>	<b>11 088 937</b>
<b>Other operating income</b>	7.2	<b>964 289</b>	<b>1 733 061</b>
<b>Total operating income</b>		<b>17 430 939</b>	<b>25 916 852</b>
<b>General administrative expenses</b>			
Staff costs	8.1, 8.2	(7 554 280)	(7 888 970)
<i>of which:</i>			
- wages and salaries		(6 436 677)	(6 609 885)
- social security costs		(560 416)	(662 951)
<i>of which: social security costs relating to pensions</i>		(164 654)	(168 196)
Other administrative expenses	8.3	(6 267 216)	(4 931 693)
		<b>(13 821 496)</b>	<b>(12 820 663)</b>
<b>Value adjustments in respect of tangible and intangible assets</b>		<b>(236 341)</b>	<b>(326 596)</b>
<b>Other operating charges</b>	7.3	<b>(1 671 684)</b>	<b>(1 079 929)</b>
<b>Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments</b>	7.4	<b>(550 317)</b>	<b>(387 982)</b>

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

# BANQUE HAVILLAND S.A.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2013 (EXPRESSED IN EURO)

		2013	2012
Value re-adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	7.4	275 725	118 309
Value adjustments and re-adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings	3.7	(5 107 121)	(700 068)
Transfer to the Fund for general banking risks		4 570 999	(4 000 000)
Profit before tax		890 704	6 719 923
Tax on profit on ordinary activities	7.5	(21 400)	-
Profit after tax		869 304	6 719 923
Other taxes not shown under the preceding items		(577 719)	(505 855)
Profit for the financial year		291 585	6 214 068

The accompanying notes form an integral part of these annual accounts

# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013

## 1 GENERAL

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

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

The Bank is registered at the Luxembourg "Registre du Commerce et des Sociétés" under the number B 0147.029. The head office is located at 35a, Avenue J.F. Kennedy, L-1855 Luxembourg.

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

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

### **Presentation of the comparative financial data**

The figures for the year ended 31 December 2012 relating to Commitments have been changed to ensure comparability with the figures for the year ended 31 December 2013.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bank's accounting policies are in accordance with regulations in force in the Grand-Duchy of Luxembourg and, in particular, the modified law of June 17, 1992, relating to the annual accounts of credit institutions. The accounting policies and the valuation principles are determined and applied by the Board of Directors, apart from those which are defined by law and by the Commission de Surveillance du Secteur Financier.

### 2.1 FIXED ASSETS

#### 2.1.1 Intangible assets

Intangible assets are included at purchase price less accumulated depreciation.

Intangible assets consist of software amortised over 4 years on a linear basis. Formation expenses and costs in relation to capital increases are directly expensed when incurred.

#### 2.1.2 Tangible assets

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

# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 2.1.2 Tangible assets (CONTINUED)

The rates and methods of depreciation are as follows:

	RATES	METHOD
Office equipment, fixtures & fittings	25 %	linear
Company cars	25 %	linear

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

## 2.1.3 Shares in affiliated undertakings

Shares in affiliated undertakings are recorded at purchase price. If the valuation is lower than the purchase price, value adjustments are booked to account for the unrealised loss. This adjustment is made when the board of directors considers the depreciation as durable.

The value adjustment is not maintained if the reasons for which it was recorded no longer exist.

## 2.2 CURRENT ASSETS

### 2.2.1 Debt securities and other fixed-income securities

Debt securities and other fixed-income securities are recorded at purchase price.

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

Shares and other variable-yield securities are recorded at purchase price. If the valuation is lower than the purchase price, value adjustments are booked to account for the unrealised loss.

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

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

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

# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 2.3 FUND FOR GENERAL BANKING RISKS

The Bank has established a fund for general banking risks to cover the particular risks associated with banking. Transfers to this fund are booked from income after tax, but before determination of net income. This fund is not subject to any quantitative limit.

## 2.4 PURCHASE PRICE OF FUNGIBLE ASSETS

The Bank values fungible assets by the weighted average price method.

## 2.5 VALUATION OF FOREIGN CURRENCY BALANCES AND TRANSACTIONS

### 2.5.1 Foreign currency conversion

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

Shares in affiliated undertakings included in fixed assets as well as intangible and tangible assets are converted at the historic rate. All other assets and liabilities denominated in a currency other than EUR are converted into EUR at the rate of exchange ruling at the balance sheet date.

Revenues and expenses in foreign currencies are converted into EUR at the rate of exchange ruling on the date of the transaction.

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

### **2.5.2 Valuation of transactions not subject to currency risk**

#### **Swap transactions not linked to balance sheet items**

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

#### **Over-the-counter closed forward transactions**

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

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

### **2.5.3 Valuation of transactions subject to currency risk**

#### **Over-the-counter speculative forward transactions**

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

The Bank mainly enters into financial instruments for hedging purposes.



# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 3 DETAILED DISCLOSURES RELATING TO ASSET HEADINGS

### 3.1 CASH IN HAND, BALANCES WITH CENTRAL BANKS AND POST OFFICE BANKS

In accordance with the requirements of the European Central Bank, the Central Bank of Luxembourg implemented effective January 1, 1999, a system of mandatory minimum reserves which applies to all Luxembourg credit institutions. The reserve balance as at December 31, 2013 held by the Bank with the Central Bank of Luxembourg amounted to EUR 3 734 274 [2012: EUR 3 032 000]. The Bank has no overnight deposit at the Central Bank of Luxembourg as at 31 December 2013 [2012: 0].

### 3.2 LOANS AND ADVANCES TO CREDIT INSTITUTIONS

As at December 31, 2013, there is no loan granted to the affiliated credit institution.

### 3.3 LOANS AND ADVANCES TO CUSTOMERS

As at December 31, 2013, loans and advances to related parties amount to EUR 11 172 162 [2012: 11 179 199]. A loan of EUR 7 000 000 (2012: EUR 7 000 000) is granted to the fully owned subsidiary Kaytwo S.à r.l. free of interest.

### 3.4 DEBT SECURITIES AND OTHER FIXED-INCOME TRANSFERABLE SECURITIES

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

Quoted and non-quoted securities are analysed as follows:

	2013 EUR	2012 EUR
Securities quoted on a recognised market	383 763 103	327 732 780
Securities not quoted on a recognised market	4 943 333	8 352 073
<b>TOTAL</b>	<b>388 706 436</b>	<b>336 084 853</b>

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

# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 3.5 SHARES AND OTHER VARIABLE-YIELD TRANSFERABLE SECURITIES

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

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

	2013 EUR	2012 EUR
Securities quoted on a recognised market	11 527 917	12 061 356
Securities not quoted on a recognised market	3 186	27 520
<b>TOTAL</b>	<b>11 531 103</b>	<b>12 088 876</b>

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

As at December 31, 2013, the Bank holds directly at least 20% of the capital of the following non-quoted undertakings:

(\*) Including result of the year  
(\*\*) Audited figures  
(\*\*\*) Including lump sum provision

# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 3.7 MOVEMENTS ON FIXED ASSETS

FIXED ASSETS (IN EUR)	GROSS VALUE AT THE BEGINNING OF THE FINANCIAL YEAR	ADDITIONS	DISPOSALS/ ADJUSTMENTS	GROSS VALUE AT THE END OF THE FINANCIAL YEAR	CUMULATIVE VALUE ADJUSTMENT	NET BOOK VALUE AS AT 1/12/2013	NET BOOK VALUE AS AT 31/12/2013
1. Shares in affiliated undertakings	34 434 173	2 000 030	-	36 434 173	[11 035 153]	25 399 020	28 484 060
2. Intangible assets	5 672 334	232 553	-	5 904 887	[5 677 376]	227 511	89 678
Software	5 672 334	232 553	-	5 904 887	[5 677 376]	227 511	89 678
3. Tangible assets	11 923 824	123 772	[464 297]	11 583 299	[11 295 015]	288 284	324 684
of which							
a) Office equipment fixtures and fittings	11 415 287	123 772	[3 610]	11 535 449	[11 247 165]	288 284	301 010
b) Company cars	508 537	-	[460 687]	47 850	[47 850]	-	23 674
<b>TOTAL</b>	<b>52 030 331</b>	<b>2 356 325</b>	<b>[464 297]</b>	<b>53 922 359</b>	<b>[28 007 544]</b>	<b>25 914 815</b>	<b>28 896 442</b>

(\*) including lump sum provision

### Kaytwo S.à r.l.

A net value adjustment of 2 570 999 was booked as at December, 31 2013. The remaining cumulated value adjustments amounted to EUR 5 708 177.

### Blackfish Capital Management Limited

As at December 31, 2013, the total value adjustment amounted to EUR 3 034 709 (2012: EUR 2 674 418).

### **Banque Havilland (Monaco) S.A.M.**

On July 19, 2011, the Bank acquired 100% of the shares of Dexia Private Bank Monaco S.A.M. (renamed "Banque Havilland (Monaco) S.A.M.") for a total purchase price of EUR 4 783 680.

According to extraordinary shareholders meeting held on July 19, 2011, the Bank decided to increase the capital of its subsidiary for a total amount of EUR 5 000 000.

According to the extraordinary shareholders meeting held on December 16, 2013, the Bank decided to increase the capital of its subsidiary for a total amount of EUR 2 000 000. As a result, the total acquisition cost of the participation as at December 31, 2013 amounted to EUR 11 783 680 without impact of lump sum provision.

Based on a business plan made on 3 years, the Bank has decided to book a value adjustment of EUR 2 183 680 as at December 31, 2013. The value of Banque Havilland (Monaco) S.A.M. has been determined by using a discounted cash flow calculation and a net asset valuation based on market multiples.

### **Kaupthing Life & Pension S.A.**

The Bank did not sell the shares in KLP in 2013 and is considering the options for the future of its insurance business. This may result in a transfer of shares or business of Kaupthing Life & Pension S.A. to a professional insurance partner and/or the re-focusing of Kaupthing Life & Pension S.A. to become a dedicated service provider within the Rowland Family group of companies and towards selected third parties. The Board of Directors of the Bank has decided not to adjust the value of the shares in 2013.

# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 3.8 OTHER ASSETS

This heading consists of the following:

	2013 EUR	2012 EUR
Guarantee called	928 431	809 137
Other receivables	1 882 304	2 114 927
<b>TOTAL</b>	<b>2 810 735</b>	<b>2 924 064</b>

Other receivables are mainly composed of management fees and performance fees.

[\*] These figures are disclosed including lump sum provision.

## 3.9 ASSETS DENOMINATED IN FOREIGN CURRENCIES

Assets denominated in currencies other than EUR have a total value of EUR 274 393 388 as at December 31, 2013 (2012: EUR 148 818 064). The majority of the gap between non EUR denominated assets and non EUR denominated liabilities is hedged with off-balance sheet instruments (note 6.2).

## 4 DETAILED DISCLOSURES RELATING TO LIABILITY HEADINGS

### 4.1 AMOUNTS OWED TO CREDIT INSTITUTIONS

As at December 31, 2013, amounts owed to affiliated credit institutions amount to EUR 32 917 085 (2012: EUR 14 974 260).

### 4.2 AMOUNTS OWED TO CUSTOMERS

As at December 31, 2013, amounts owed to related parties amount to EUR 52 331 988 (2012: EUR 48 023 355).

### 4.3 OTHER LIABILITIES

This heading consists of the following:

	2013 EUR	2012 EUR
Payable on sales of securities	15 849 196	14 981 253
Invoices payables	121 016	219 779
Guarantee payables	1 244 777	2 091 511
Preferential creditors	242 594	376 812
Other payables	374 961	457 387
<b>TOTAL</b>	<b>17 832 544</b>	<b>18 126 737</b>



# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 4.4 SUBSCRIBED CAPITAL AND SHARE PREMIUM

As at December 31, 2013, the subscribed and fully paid share capital of the Bank is EUR 100 000 000 made up of 100 000 shares with a nominal value of EUR 1 000 each.

## 4.5 LEGAL RESERVE

In accordance with article 72 of the Luxembourg company law, an amount of 5% of net profits is allocated to a non-distributable legal reserve, until this reserve reaches 10% of the subscribed capital. As a result, the Annual General Meeting of the Bank held on April 18, 2013 has allocated an amount of EUR 310 703 to the legal reserve, in respect of the 2012 financial year.

#### 4.6 CHANGES IN SHAREHOLDERS' EQUITY

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

	ISSUED CAPITAL EUR	STAKE PREMIUM EUR	LEGAL RESERVE EUR	PROFIT BROUGHT FORWARD EUR	CURRENT YEAR PROFIT EUR	TOTAL OWN FUNDS EUR
Balance at December 31, 2012	100 000 000	1 260 709	1 200 376	7 807 138	6 214 068	116 482 291
Transfer to legal reserve	-	-	310 703	-	(310 703)	-
Dividend payment	-	-	-	-	(5 000 000)	(5 000 000)
Profit brought forward	-	-	-	903 365	(903 365)	-
Current year profit	-	-	-	-	291 585	291 585
Balance at December 31, 2013	100 000 000	1 260 709	1 511 079	8 710 503	291 585	111 773 876

The appropriation of the 2012 result was approved by the Annual Meeting of Shareholders on April 18, 2013.

#### 4.7 LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Liabilities denominated in currencies other than EUR have a total value of EUR 267 427 760 (2012: EUR 131 399 687) as at December 31, 2013. The majority of the gap between non EUR denominated assets and non EUR denominated liabilities is covered by exchange rates derivative instruments (note 6.2).

# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 5 INFORMATION RELATING TO OFF-BALANCE SHEET ITEMS

### 5.1 CONTINGENT LIABILITIES

Contingent liabilities consist of guarantees and other direct substitutes for loans.

As at December 31, 2013, the Bank has granted a guarantee of EUR 1 195 561 (2012: EUR 1 679 939) to its subsidiary Kaytwo S.à r.l.. This guarantee is required as collateral for certain interest obligations of Kaytwo S.à r.l. towards its senior lenders.

### 5.2 OTHER COMMITMENTS

As at December 31, 2013, the Bank has granted a credit line of EUR 20 000 000 (2012: EUR 20 000 000) to its subsidiary Banque Havilland (Monaco) S.A.M.

The following commitments outstanding at December 31, 2013 have not been included in the balance sheet nor in the off balance sheet accounts.

The premises of the Bank are rented from its subsidiary Kaytwo S.à r.l. The total commitments in respect of fixed rental payments contracted on buildings amounts to EUR 2 019 726.

### 5.3 DEPOSIT GUARANTEE AND INVESTOR COMPENSATION SCHEME

The Bank is member of the "Association pour la Garantie des Dépôts, Luxembourg" ("A.G.D.L."). The sole purpose of the A.G.D.L. is to establish a system of mutual guarantee for cash deposits and receivables from investment operations made

by individuals and small companies with the members of the AGDL regardless of nationality or residence.

The AGDL will reimburse the deposit holder the amount of his guaranteed cash deposits and to the investor the amount of his guaranteed receivable up to EUR 100 000 per guaranteed cash deposit and up to EUR 20 000 per guaranteed receivable arising from investment operations other than that relating to a cash deposit.

As at December 31, 2013, a provision of EUR 62,500 has been made in respect of specific liabilities arising under this scheme (2012: EUR 0).

#### **5.4 OPEN FORWARD AGREEMENTS AT THE BALANCE SHEET DATE**

The Bank is engaged in forward foreign exchange transactions (swaps, outright) in the normal course of its banking business. A significant portion of these transactions has been contracted to hedge the effects of fluctuations in exchange rates.

#### **5.5 MANAGEMENT AND REPRESENTATIVE SERVICES SUPPLIED BY THE BANK**

The Bank's services to third parties consist of:

- Management and advice on asset management;
- Safekeeping and administration of marketable securities;
- Credit activities.

# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 6 INFORMATION RELATING TO FINANCIAL INSTRUMENTS

### 6.1 DISCLOSURES RELATING TO PRIMARY FINANCIAL INSTRUMENTS IN RELATION TO NON TRADING ACTIVITIES

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

As at December 31, 2013, primary financial assets and liabilities are analysed as follows (in EUR):

FINANCIAL ASSETS	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	MORE THAN FIVE YEARS	NO MATURITY	TOTAL
Cash, balances with central banks and post office banks	3 809 205	-	-	-	-	3 809 205
Loans and advances to credit institutions	142 203 052	-	-	-	-	142 203 052
Loans and advances to customers	23 781 006	16 854 933	8 579 936	-	-	49 215 875
Debt securities and other fixed-income securities	14 226 396	53 993 049	285 033 483	27 867 618	7 585 890	388 706 436
Shares and other variable-yield securities	-	-	-	-	11 531 103	11 531 103
<b>TOTAL</b>	<b>184 016 659</b>	<b>70 847 982</b>	<b>293 613 419</b>	<b>27 867 618</b>	<b>19 116 993</b>	<b>595 462 671</b>

LIABILITIES	LESS THAN THREE MONTHS	THREE MONTHS TO ONE YEAR	ONE YEAR TO FIVE YEARS	MORE THAN FIVE YEARS	TOTAL
Amounts owed to central banks	40 000 000	-	50 000 000	-	90 000 000
Amounts owed to credit institutions	54 537 996	1 570 603	-	-	56 108 599
Amounts owed to customers	324 806 384	5 633 361	-	-	330 439 745
Contingent liabilities	3 432 008	427 030	-	764 621	4 623 659
<b>TOTAL</b>	<b>422 776 388</b>	<b>7 630 994</b>	<b>50 000 000</b>	<b>764 621</b>	<b>481 172 003</b>

The maturity mismatch between the assets and the liabilities of the Bank is mainly related to the Bank's bond portfolio. This portfolio mainly consists of floating rate notes indexed on the 3 or 6 months Libor. A smaller portion relates to fixed-coupon bonds and structured-coupon bonds, which are interest sensitive. The duration of this fixed and structured-coupon portfolio is 4.33 years. About one third of the funding of the portfolio is made through the ECB Monetary Policy Operations via MRO's and LTRO's (medium and long term refinancing operations).

A positive shift of 200 bps of the interest rate curve would mean a decrease of about EUR 6.5m of the present value of our assets and liabilities. The portfolio is therefore slightly sensitive to the fluctuation of short term rates. These bonds are deemed sufficiently liquid should the Bank decrease its ECB funding.

# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

As at December 31, 2012, primary financial assets and liabilities are analysed as follows (in EUR):

FINANCIAL ASSETS	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	MORE THAN FIVE YEARS	NO DURATION	TOTAL
Cash, balances with central banks and post office banks	3 060 925	-	-	-	-	3 060 925
Loans and advances to credit institutions	67 589 169	-	-	-	-	67 589 169
Loans and advances to customers	24 398 159	21 786 480	14 768 704	-	-	60 953 343
Debt securities and other fixed-income securities	48 243 538	30 871 016	215 038 974	34 136 823	7 794 502	336 084 853
Shares and other variable-yield securities	-	-	-	-	12 088 876	12 088 876
<b>TOTAL</b>	<b>143 291 791</b>	<b>52 657 496</b>	<b>229 807 678</b>	<b>34 136 823</b>	<b>19 883 378</b>	<b>479 777 166</b>

FINANCIAL LIABILITIES	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	MORE THAN FIVE YEARS	TOTAL
Amounts owed to central banks	65 000 000	-	50 000 000	-	115 000 000
Amounts owed to credit institutions	27 323 306	-	-	-	27 323 306
Amounts owed to customers	212 289 210	2 230 231	442 774	367 895	215 330 110
Contingent liabilities	1 795 989	2 113 973	-	2 004 900	5 914 862
<b>TOTAL</b>	<b>306 408 505</b>	<b>4 344 204</b>	<b>50 442 774</b>	<b>2 372 795</b>	<b>363 568 278</b>

## 6.2 DISCLOSURES RELATING TO DERIVATIVE FINANCIAL INSTRUMENTS

The following tables provide an analysis of the derivative financial assets and liabilities of the Bank into relevant maturity groupings based on the remaining periods to repayment. As at December 31, 2013, over-the-counter derivative financial assets and liabilities are analysed as follows (in EUR):

FINANCIAL ASSETS (in thousands of euros)	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	TOTAL	POSITIVE FAIR VALUE
---	------------------------------	---	--	-------	------------------------

*Instruments linked to  
exchange rates*

- forward currency contracts	12 411 985	-	-	12 411 985	48 948
- currency swap contracts	41 292 081	-	-	41 292 081	398 792
<b>TOTAL</b>	<b>53 704 066</b>	<b>-</b>	<b>-</b>	<b>53 704 066</b>	<b>447 740</b>

FINANCIAL LIABILITIES (in thousands of euros)	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	TOTAL	NEGATIVE FAIR VALUE
--	------------------------------	---	--	-------	------------------------

*Instruments linked to  
exchange rates*

- forward currency contracts	26 667 628	-	-	26 667 628	115 507
- currency swap contracts	62 093 221	-	-	62 093 221	776 741
<b>TOTAL</b>	<b>88 760 849</b>	<b>-</b>	<b>-</b>	<b>88 760 849</b>	<b>892 248</b>



# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 6.2 DISCLOSURES RELATING TO DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

As at December 31, 2012, over-the-counter derivative financial assets and liabilities are analysed as follows (in EUR):

FINANCIAL ASSETS (in total amount)	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	TOTAL	POSITIVE FAIR VALUE
---------------------------------------	------------------------------	--	--	-------	------------------------

*Instruments linked to  
exchange rates*

- currency swap contracts	33 837 199	969 326	-	34 806 525	222 063
<b>TOTAL</b>	<b>33 837 199</b>	<b>969 326</b>	<b>-</b>	<b>34 806 525</b>	<b>222 063</b>

FINANCIAL LIABILITIES (in total amount)	LESS THAN THREE MONTHS	BETWEEN THREE MONTHS AND ONE YEAR	BETWEEN ONE YEAR AND FIVE YEARS	TOTAL	NEGATIVE FAIR VALUE
--	------------------------------	--	--	-------	------------------------

*Instruments linked to  
exchange rates*

- forward currency contracts	3 478			3 478	
- currency swap contracts	30 581 169	1 046 195	-	31 627 364	238 532
<b>TOTAL</b>	<b>30 584 647</b>	<b>1 046 195</b>	<b>-</b>	<b>31 630 842</b>	<b>238 532</b>

### 6.3 DISCLOSURES RELATING TO CREDIT RISK

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

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

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

The credit risk exposure as at December 31, 2013 can be analysed as follows (in EUR):

	2013 GROSS RISK EXPOSURE	2012 GROSS RISK EXPOSURE
Loans and advances to credit institutions	142 200 052	67 589 169
Loans and advances to customers	49 215 875	60 953 343
Debt securities and other fixed-income securities	388 706 436	336 084 853
Shares and other variable-yield securities	11 531 103	12 088 876
Contingent liabilities	4 623 659	5 914 862
Instruments linked to exchange rates	2 849 298	1 328 747
<b>TOTAL</b>	<b>599 126 423</b>	<b>483 959 850</b>

# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 6.3 DISCLOSURES RELATING TO CREDIT RISK (CONTINUED)

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

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

	2013 EUR	2012 EUR
Corporates	93 282 022	83 766 259
Credit institutions	456 052 712	353 207 541
Individuals	22 225 858	16 287 305
Public sector	27 565 831	30 698 745
<b>TOTAL</b>	<b>599 126 423</b>	<b>483 959 850</b>

Credit institutions, corporates, individuals and public sector are almost all from OECD countries.

## 6.4 INFORMATION ON THE MANAGEMENT OF OTHER RISKS

### **Liquidity Risk**

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

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

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

### **Interest Rate Risk**

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

The Bank is not exposed to interest rate risks due to the nature of its business. Less than 10% of the assets are fixed rate denominated.

Stress tests are performed quarterly by analysing parallel curve shifts.

# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 6.4 INFORMATION ON THE MANAGEMENT OF OTHER RISKS (CONTINUED)

### Exchange Rate Risk

The Bank's main exposure to foreign exchange risk ("FX") arises from USD, CHF, DKK, GBP, SEK, NOK and ISK.

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

The implementation of a Value at Risk ("VaR") model gives a view of the potential loss of the overnight position.

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

### Market Risk

The Bank's Market Risk is managed in both a qualitative and a quantitative manner. The Profit and Loss of the Bank's investment and FX book is reported daily by the Treasury to the ALCO members. An in-depth analysis of the Bank's investment portfolio is performed twice a month in terms of geographic segmentation, sector segmentation, type of products, last important news on the issuer, yield analysis, rating agency's views, liquidity, issuer's healthiness,... The FX overnight's risk is computed daily through a 99% Expected Shortfall (Student Copula with Gamma margin). These documents are sent to the ALCO. All the investment's decisions are subject to the ALCO approval and need to be compliant with the Investment Guidelines as agreed by the Board.

## 7 INFORMATION ON THE PROFIT AND LOSS ACCOUNT

### 7.1 GEOGRAPHICAL ANALYSIS INCOME

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

### 7.2 OTHER OPERATING INCOME

Other operating income are analysed as follows:

	2013 EUR	2012 EUR
Provisions reversed	250 381	1 035 335
Fee re-invoicing	167 319	380 803
Gain on sale of fixed assets	49 991	71 209
Gain on deals/claims settled	289 157	-
Other	207 441	245 714
<b>TOTAL</b>	<b>964 289</b>	<b>1 733 061</b>

# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 7.3 OTHER OPERATING CHARGES

Other operating charges are analysed as follows:

	2013 EUR	2012 EUR
Administrative fees re-invoiced	664 268	304 469
Restructuring costs	800 000	710 805
Write-off of receivables	139 195	-
AGUL provision	62 500	-
Other	5 721	64 655
<b>TOTAL</b>	<b>1 671 684</b>	<b>1 079 929</b>

#### 7.4 NET VALUE ADJUSTMENTS IN RESPECT OF LOANS AND ADVANCES AND PROVISION FOR CONTINGENT LIABILITIES AND FOR COMMITMENTS

This heading is analysed as follows:

	2013 EUR	2012 EUR
Specific value adjustments on loans and advances to credit institutions		
Additions	-	5 610
Reversals	(116 742)	-
Specific value adjustments on loans to customers		
Additions	550 317	382 372
Reversals	(158 983)	(118 309)
Loan to customers fully impaired	-	17 747 916
Reversal of value adjustment on loan to customers fully impaired	-	(17 747 916)
Lump sum provision		
Additions	-	-
Reversals	-	-
<b>TOTAL</b>	<b>274 592</b>	<b>269 673</b>

As at December 31, 2013, the lump sum provision amounts to EUR 2 491 893 (2012: EUR 2 491 893).

#### 7.5 TAX INFORMATION

The Bank is liable to taxes on income and net assets in line with the Luxembourg legislation.



# BANQUE HAVILLAND S.A.

NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2013 (CONTINUED)

## 8 OTHER INFORMATION

### 8.1 INFORMATION RELATING TO NUMBER OF PERSONNEL EMPLOYED AND MANAGEMENT

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

	2013	2012
Management	3	3
Employees	54	50
<b>TOTAL</b>	<b>57</b>	<b>53</b>

### 8.2 ADMINISTRATIVE, MANAGERIAL AND SUPERVISORY BODIES

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

	2013 EUR	2012 EUR
Management	540 549	524 022

There are no loans and advances granted to members of the Management and the Board of Directors as at December 31, 2013 (2012: EUR 54 369). As at December 31, 2013, no guarantee has been issued in favour of member of the Management and the Board of Directors.

It was decided at the Annual General Meeting held on April 18, 2013 that three Board members received emoluments in respect of their duties for a total gross amount of EUR 195 000 related to the fiscal year ended 31 December 2013 (2012: EUR 130 000).

### 8.3 FEES BILLED BY PRICEWATERHOUSECOOPERS, SOCIÉTÉ COOPÉRATIVE, LUXEMBOURG AND OTHER MEMBER FIRMS

Fees billed (excluding VAT) to the Bank by PricewaterhouseCoopers, Société coopérative, Luxembourg and other member firms of the PricewaterhouseCoopers network during the year are as follows:

	2013 EUR	2012 EUR
Audit Fees	253 730	215 704
Tax Fees	3 418	2 026
Other Fees	41 820	98 224
<b>TOTAL</b>	<b>298 968</b>	<b>315 954</b>

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

### 8.4 SUBSEQUENT EVENT

Following the split of the building of Kaytwo S.à r.l., Kaytwo S.à r.l. successfully sold the first part of building in January 2014 to a German real estate fund. Shortly thereafter, the Bank sold its participation in Kaytwo S.à r.l..

In February 2014, the Bank signed a sale and purchase agreement to acquire a new client base from a bank in Luxembourg. The envisaged assets under management to be transferred as part of the transaction are expected to amount to EUR 300m.



BANQUE HAVILLAND S.A.

35a, avenue J.F. Kennedy • L-1855 Luxembourg • **t.** +352 463 131 • **f.** +352 463 132 • R.C.S. Luxembourg B 147029  
T.V.A. LU23366742

BANQUE HAVILLAND (MONACO) S.A.M. Société Anonyme Monégasque au Capital de 20.000.000 €

Le Monte Carlo Palace • 3-7, Boulevard des Moulins • MC-98000 Monaco • **t.** +377 999 995 00 • **f.** +377 999 995 01  
**w.** [banquehavilland.com](http://banquehavilland.com) • R.C.I. 08s04856 • T.V.A. FR 00 00008050 6

BANQUE HAVILLAND S.A. (UK BRANCH) Authorized and Regulated by the Financial Conduct Authority,

5 Savile Row • London • W1S 3PB • United Kingdom • **t.** +44 20 7087 7999 • **f.** +44 20 7087 7995  
Company Registration N° BR014651

**w.** [banquehavilland.com](http://banquehavilland.com)