

OS AA01

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

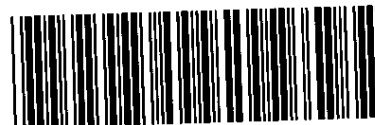


Companies House

545344/20

☒ 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.



A04 *A8C9LYMZ* #44
20/08/2019
COMPANIES HOUSE

A06 *A8AZQFLV* #57
02/08/2019
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ①

MIRABAUD & CIE (EUROPE) S.A

UK establishment
number

B R 0 1 8 4 5 2

→ 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

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.

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

Name of organisation
or body ③

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER (CSSF)

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.

EU Regulation
no 537/2014
and
International Standards on
Auditing (ISAs) as
adopted by the CSSF *

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

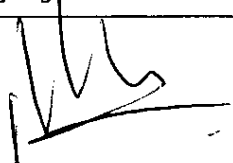
Signature

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.

* CSSF = Luxembourg Regulator

Commission de Surveillance du
Secteur Financier.



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 **PETER CLEAVELY**

Company name **Mirabaud & Cie (Europe) SA**

UK BRANCH

Address **10 Bressenden Place**

Post town

County/Region **LONDON**

Postcode **S W 1 E 5 D H**

Country **UNITED KINGDOM**

DX

Telephone **+44 20 3167 7421**

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:

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

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Second Floor, The Linenhall, 32-38 Linenhall Street,
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This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

~~AVA~~

**Mirabaud & Cie (Europe) S.A.
25, avenue de la Liberté
L-1931 Luxembourg**

R.C.S. Luxembourg: B 181.645

**Financial statements as of 31 December 2018,
Directors' report and independent auditor's report**

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DIRECTORS' REPORT

Dear Madam, Dear Sir,

In accordance with our legal and statutory mandate, we present the report on the past year and submit the annual accounts prepared as of 31 December 2018 to the approval of the Ordinary General Meeting.

The Company was incorporated in Luxembourg on 4 November 2013 in the form of a “Société Anonyme” incorporated under Luxembourg law. On 20 December 2013, the purpose of the Company has been completed including the exercise of all banking and financial activities that a credit institution may perform under the Law of 5 April 1993 related to the financial sector. On the same date, the Company obtained ministerial approval to carry out with effect from 1 January 2014 all transactions permitted to banks by the above-mentioned Law, we shall therefore refer to the Company hereinafter referred to as “Bank”.

The assets and liabilities of Mirabaud France S.A. and Mirabaud Finanzas, Sociedad de Valores, S.A. were respectively merged in two new branches, Mirabaud & Cie (Europe) S.A., Paris Branch, and Mirabaud & Cie (Europe) S.A., Madrid Branch. These mergers became effective in December 2014.

2016 was characterized by the successful launch of a new Branch in London (U.K.).

The authorization of the Bank of England to establish a branch of the Bank in the United Kingdom has been obtained on 7 January 2016. Commercial activity within the UK Branch started on 11 July 2016.

During the year under review, revenues amounted to EUR 46,208,169 and expenses to EUR 48,029,911. The financial year ended with a loss of EUR (1,821,742).

Revenues are broken down into commissions earned (EUR 39,037,854), interest and assimilated income (EUR 3,531,222), income from financial transactions (EUR 2,358,481), extraordinary income (EUR 4,518) and other operating income (EUR 1,276,094).

Expenses mainly consist of General and administrative expenses, including staff costs (EUR 21,109,665), other administrative costs (EUR 11,333,878) and commissions paid (EUR 10,666,986). Other expenses items include depreciation and amortization (EUR 748,836), interest and similar charge (EUR 2,319,528), as well as other operating charges (EUR 427,218). It should be noted that in 2018, a tax charge on profit on ordinary activities has been accounted for an amount of (EUR 1,146,085).

During the year 2018, Mirabaud & Cie (Europe) S.A. was not involved in research and development activities and did not repurchase any of its own shares.

As of 31 December 2017, the subscribed and paid-up capital amounted to EUR 21,214,000 and the share issuance premiums to EUR 8,467,704.

On 15 January 2018, the sole Shareholder decided to increase the subscribed capital of the Bank for an amount of EUR 4,000,000, to raise it from EUR 21,214,000 to EUR 25,214,000, through the issuance of 4,000 new shares with a nominal value of EUR 1,000 each subscribed by the sole Shareholder of Mirabaud & Cie (Europe) S.A.

On 27 September 2018, the sole Shareholder decided to increase the subscribed capital of the Bank for an amount of EUR 3,000,000, to raise it from EUR 25,214,000 to EUR 28,214,000, through the issuance of 3,000 new shares with a nominal value of EUR 1,000 each subscribed by the sole Shareholder of Mirabaud & Cie (Europe) S.A.

DIRECTORS' REPORT (continued)

As of 31 December 2018, the subscribed and paid-in capital amounts to EUR 28,214,000 represented by 28,214 shares with a par value of EUR 1,000 each (2017: EUR 21,214,000 represented by 21,214 shares with a par value of EUR 1,000 each). At the same date, the share premium amounted to EUR 8,467,704 (2017: EUR 8,467,704).

As of 31 December 2018, our total assets amounted to EUR 659,787,080, of which an amount of cash in hand and due from the central banks of EUR 422,421,879 (EUR 420,637,296 with the "Banque Centrale du Luxembourg"), an amount of EUR 96,847,210 in government debt securities, loans and advances to customers of EUR 106,213,225 and advances to credit institutions of EUR 14,568,750.

The net loss for the year ended 31 December 2018 amounts to EUR 1,821,742. Given the loss carried forward amounting to EUR 10,996,073, the balance of losses on 31 December 2018 amounts to EUR 12,817,815.

The Board of Directors will propose to the Shareholders' Meeting to allocate the loss for the year 2018 plus the retained earnings as of 31 December 2018 as follows:

- Legal reserve: EUR 0
- Distribution of dividend: EUR 0
- Retained earnings: EUR (12,817,815)

As of the date of this report, we have not been aware of any material events that could affect the result.

The outlook for the Bank's development remains positive in 2019 despite a market and financial environment that is expected to remain uncertain. Mirabaud's specific offering and positioning, as well as the values promoted by Mirabaud continue to attract customers and prospects looking for diversified international management.

Our product and service platform is now finalised, enabling us to offer a broader range of services to our existing clients (custody of assets, portfolio management, execution of market transactions, life insurance, credit, etc.).

The Bank will continue in 2019 to seek for and hire additional relationship managers who would like to manage the wealth of their clients in an independent establishment whose own interests are aligned with those of its clients.

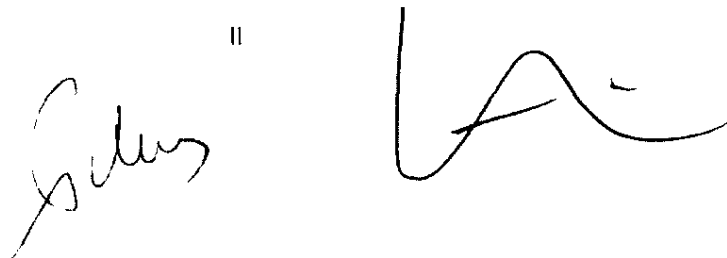
On the basis of our proposal to carry forward the losses, the Bank's Shareholders' equity will reach EUR 23,913,889.

The Board of Directors requests the General Assembly to approve the financial statements as of 31 December 2018 as submitted to them.

The Board of Directors requests the General Meeting to grant the Administrators a full discharge for their mandate.

Luxembourg, 3 April 2019
The Board of Directors

II



Additional information relating to the compensation policy (article 450 CRR)

The Bank has established a compensation policy for all categories of staff whose activities may have a significant impact on the Bank's risk profile (« Sensitive Persons »).

The Board of Directors is the body responsible for defining the compensation policy (based on suggestions made by the Managing Directors) to supervise the compensation all Sensitive Persons.

The compensation policy for the financial year 2018, including the objectives set by for Sensitive Persons for 2018, was decided by the Board of Directors held on 7 December 2017.

Evaluations of Sensitive Persons in relation to their performance during the year 2018 have resulted in evaluations that have been approved by the Bank's Board of Directors on 10 January 2019. At the same meeting, the Board of Directors approved the compensation policy for the year 2019.

The Bank's remuneration policy is designed to promote behaviour and performance in line with the objectives assigned by the Bank's governing bodies, as well as with the global strategic goals, the philosophy and the core values of the Mirabaud Group. This policy includes relevant measures in order to mitigate risks and avoid conflicts of interest.

In application of the principle of proportionality, taking into account the scope of the activities carried out (exclusively Private wealth management, with a short economic cycle) as well as the very limited risk profile of the Bank (strict limitation of risk exposure, extremely conservative cash and treasury management, no proprietary trading, ...), the Board of Directors of the Bank has decided not to apply the following two features with regard to compensation paid to the staff: payment of part of the variable compensation in the form of financial instruments, deferral of part of the variable remuneration and ex post adjustment to the risks.

The total compensation package for all sensitive persons (20 employees in total) for the financial year 2018 amounts to EUR 3,742,322 of which EUR 2,763,178 as fixed compensation and EUR 979,144 as variable compensation.

The total amount of the compensation granted to members of the General Management (head office and branches) Branch management amounts to EUR 2,345,934 of which EUR 1,594,162 as fixed compensation and EUR 751,772 as variable compensation. All compensation was paid in cash. No remuneration has been deferred or split or made conditional.

There is no outstanding deferred compensation at the end of 2018.

No compensation in excess of EUR 1,000,000 has been paid for and during the financial year 2018.



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TVA LU 16063074

Independent auditor's report

To the Board of Directors of
Mirabaud & Cie (Europe) S.A.
25, avenue de la Liberté
L-1931 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Mirabaud & Cie (Europe) S.A. (the "Bank"), which comprise the balance sheet as at 31 December 2018, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2018, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Key Audit Matters

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

1. Revenue recognition - commissions received

Description

The Bank is primarily involved in the provision of discretionary portfolio management services and securities' brokerage services to private banking clients. Commissions charged to clients mainly include discretionary portfolio management commissions, securities' brokerage commissions and depositary services commissions. The commissions received by the Bank for the year ended 31 December 2018 amount to EUR 39,037,854.

We considered this as a key audit matter as there are a number of inherent risks in calculating certain types of commission including the interpretation and manual input of key contractual terms or the identification and valuation of applicable assets under management (AUM), which could result in errors. The bespoke and complex nature of certain investment management agreements and other contractual terms involving multiple entities requires effective monitoring to ensure all financial terms and conditions are captured completely and accurately and applied appropriately.

How the matter was addressed in our audit

We assessed the design and implementation, and tested the operating effectiveness of the key controls over the revenue recognition for commissions. It included controls related to:

- Conformity of commissions' rates in the Bank's system with contractual terms;
- Correct calculation of brokerage commissions and discretionary portfolio management commissions;
- For discretionary portfolio management commissions, the process to determine assets under management;
- Approval of derogatory conditions to the general conditions.

We performed substantive audit procedures on all types of commissions. We selected a sample of transactions including key items and randomly selected items.

We also performed a review of clients' complaints and identified, if any, those related to the commissions charged by the Bank.



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Other information

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

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

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

Responsibilities of the Board of Directors and of those charged with governance for the financial statements

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Bank to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



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Report on other legal and regulatory requirements

We have been appointed as “réviseur d’entreprises agréé” by the Board of Directors on 12 April 2018 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

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

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Bank in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Jean-Michel Pacaud

Luxembourg, 3 April 2019

Mirabaud & Cie (Europe) S.A.
Société Anonyme

Balance Sheet

As of 31 December 2018
(expressed in EUR)

<u>Assets</u>	Notes	2018	2017
Cash in hand, balances with central banks and post office banks	25	422,421,879	197,386,416
Loans and advances to credit institutions	3, 25	14,568,750	14,724,780
a) repayable on demand		14,318,331	14,474,361
b) other loans and advances		250,419	250,419
Loans and advances to customers	8, 25	106,213,225	88,749,486
Debt securities and other fixed-income securities	4, 25	96,847,210	187,800,864
a) issued by public bodies		96,847,210	187,800,864
Intangible assets	5	28,456	70,699
Tangible assets	5	3,697,664	2,870,804
Other assets	6	15,820,342	14,746,574
Prepayments and accrued income		189,554	268,182
Total assets		659,787,080	506,617,805

The accompanying notes form an integral part of these financial statements.

<u>Liabilities</u>	Notes	2018	2017
Amounts owed to credit institutions	9, 25	2,246,324	9,400,731
a) repayable on demand		2,246,324	9,400,731
Amounts owed to customers	25	617,135,216	465,456,668
a) repayable on demand		617,135,216	465,456,668
b) with agreed maturity or periods of notice		---	---
Other liabilities	10	14,994,075	12,860,643
Accruals and deferred income		351,491	94,704
Provisions		1,146,085	69,428
a) provisions for taxation		1,146,085	---
b) other provisions	14	---	69,428
Subscribed capital	11, 12	28,214,000	21,214,000
Share Premium	11, 12	8,467,704	8,467,704
Reserves	12	50,000	50,000
Results brought forward	12	(10,996,073)	(12,868,463)
Result for the financial year		(1,821,742)	1,872,390
Total liabilities		659,787,080	506,617,805

Mirabaud & Cie (Europe) S.A.
Société Anonyme

Off-balance sheet
As of 31 December 2018
(expressed in EUR)

	Notes	2018	2017
Contingent liabilities	15, 25	8,711,255	4,354,618
<i><u>of which</u></i>			
- guarantees and assets pledged as collateral security		8,711,255	4,354,618
Fiduciary transactions		91,991,484	58,702,078

Mirabaud & Cie (Europe) S.A.
Société Anonyme

Profit and loss account
For the year ended 31 December 2018
(expressed in EUR)

	Notes	2018	2017
Interest receivable and similar income		3,531,222	1,153,325
Interest payable and similar charges		(2,319,528)	(1,044,261)
Commissions receivable		39,037,854	37,703,612
Commissions payable		(10,666,986)	(7,997,213)
Net result on financial operations		2,358,481	1,309,951
Other operating income	19	1,276,094	1,399,894
General administrative expenses		(32,443,543)	(29,552,683)
a) staff costs	22, 23	(21,109,665)	(19,448,530)
<i>of which:</i>			
- wages and salaries		(15,556,381)	(14,602,074)
- social security costs		(4,177,276)	(3,910,676)
<i>of which:</i>			
- relating to pension		(2,671,425)	(1,893,690)
b) other administrative expenses	21	(11,333,878)	(10,104,153)
Value adjustments in respect of tangible and intangible assets		(748,836)	(789,212)
Other operating charges	19	(427,218)	(199,862)
Tax on profit on ordinary activities		(1,146,085)	---
Profit/ (Loss) on ordinary activities after tax		(1,548,545)	1,983,551
Extraordinary income	20	4,518	12,555
Extraordinary charges	20	(26,694)	(8,553)
Other taxes not shown under the preceding items		(251,021)	(115,163)
Profit/ (Loss) for the financial year		(1,821,742)	1,872,390

Mirabaud & Cie (Europe) S.A.
Société Anonyme

Notes to the financial statements
As of 31 December 2018

Note 1 - General

1.1. Constitution and administration of the Bank

Mirabaud & Cie (Europe) S.A. - hereafter referred to as «the Bank » - started its activities in Luxembourg on 4 November 2013 as a limited company under Luxembourg law. Since 1 January 2014, the Bank is authorised to carry out all banking activities in accordance with the law of 5 April 1993 on the financial sector, as amended.

The Bank is fully-owned (100%) by Mirabaud S.C.A., hereafter the « sole Shareholder », a limited partnership with a share capital under the laws of Switzerland whose registered office is 29, boulevard Georges Favon, CH-1204 Geneva.

By decision of 8 December 2014, the sole Shareholder has decided to approve and to carry out the merger by absorption with transfer by Mirabaud France S.A., and the universal transmission of all its assets and liabilities to the Bank, according to articles 1020-3 (previously 259) and 1021-17 (previously 274) of the Law of 10 August 1915, and in accordance with the merger project, without exceptions and reserves.

By decision of 16 December 2014, the sole Shareholder has decided to approve and to carry out the merger by absorption with transfer by Mirabaud Finanzas, Sociedad de Valores, S.A., and the universal transmission of all its assets and liabilities to the Bank, according to articles 1020-3 (previously 259) and 1021-17 (previously 274) of the Law of 10 August 1915, and in accordance with the merger project, without exceptions and reserves.

The assets and liabilities of Mirabaud France S.A. and Mirabaud Finanzas, Sociedad de Valores, S.A. have been spread within two new branches, respectively Mirabaud & Cie (Europe) S.A., Paris Branch, and Mirabaud & Cie (Europe) S.A., Madrid Branch. These branches have been set-up on 30 September 2014 as effective date.

Since 31 December 2014, the Bank's financial statements include those of the branches. The financial statements of the branches have been prepared according to the rules applicable in their local country. The necessary adjustments have been made to adapt these financial statements to the accounting principles applicable in Luxembourg.

On 7 January 2016, the Bank of England gave the authorization to establish a branch of the Bank in the United Kingdom (UK Branch). The business activity of the UK Branch began on 11 July 2016 with a primary target to recover the portfolio of private clients served to date by Mirabaud Asset Management Limited, a sister company of the Bank, based in the United Kingdom.

Notes to the financial statements (continued)
As of 31 December 2018

Note 1 - General (continued)

1.2. Nature of the Bank's business

The object of the Bank is to undertake all banking and financing activities a credit institution is authorized to perform in accordance with the Law of 5 April 1993 on the financial sector, as amended.

The Bank may acquire participations in any form, in any entities within and outside the financial sector, in Luxembourg or foreign companies, by buying, selling or otherwise shares, bonds, bond certificates, debt certificates, bonds and all securities as well as administer, develop and manage its portfolio.

The Bank can borrow, in whatever form as well as issue notes, bonds, debt certificates and any other debt securities.

The Bank may carry out all commercial, industrial or other operations, income securities and real estate activities, for the Bank's own account and for the account of third parties, directly or indirectly, favours or related to, or which it deems useful in the accomplishment and development of its corporate object.

The Bank may carry out its corporate object in Luxembourg and abroad. It can open or own any branches and setup any subsidiaries in Luxembourg and abroad. As of 31 December 2018, the Bank has established three branches in Paris, Madrid and London.

1.3. Financial statements

The Bank's accounting year coincides with the calendar year.

The Bank prepares its financial statements in Euro (EUR) which is the currency of its capital.

Note 2 - Summary of significant accounting policies

The financial statements of the Bank have been prepared in conformity with accounting principles generally accepted in the banking sector in the Grand Duchy of Luxembourg, especially the Law of 17 June 1992 as amended related to the preparation and presentation of the annual and consolidated accounts of credit institutions.

The accounting policies and the valuation principles are determined and applied by the Board of Directors, except those which are defined by law and by the regulations in Luxembourg.

The significant accounting policies are as follows:

Notes to the financial statements (continued)
As of 31 December 2018

Note 2 - Summary of significant accounting policies (continued)

2.1. Foreign currencies translation

The Bank has adopted a multicurrency accounting system, as a result of which assets and liabilities are recorded in the currencies in which they were created and when the transaction occurred.

Assets, liabilities and off-balance sheet items denominated in currencies other than EUR are translated into EUR at the exchange rate prevailing at the balance sheet date.

Income and charges expressed in foreign currencies are translated into EUR at the rate of exchange prevailing at the date of the transactions.

Exchange rates differences resulting from the conversion of assets and liabilities expressed in foreign currencies are recorded as exchange gains or losses except for those on assets and liabilities specifically covered by forward exchange transactions ("swaps").

Results on open forward foreign exchange contracts linked to spot transactions and to "swap" transactions are recorded on a prorata temporis basis at the balance sheet date. Valuation results on these transactions are not recognized in the profit and loss account of the financial year.

Uncovered forward foreign exchange transactions are valued individually at forward foreign exchange rates applicable at the balance sheet date. Unrealised valuation gains are ignored whereas a provision is set up for unrealized valuation losses and included in the liabilities side of the balance sheet under the item « Provisions : other provisions ».

The year-end exchange rates of the main currencies used by the Bank as of 31 December 2018 and 2017 are summarized as follows:

		2018		2017	
1 EUR	=	1.143	USD	1.199	USD
1 EUR	=	1.127	CHF	1.170	CHF
1 EUR	=	0.898	GBP	0.886	GBP

2.2. Securities Portfolio

The debt securities and other fixed-income securities as well as the shares and other variable-income securities are differently valued according to one of the following categories:

- Trading portfolio;
- Investment portfolio;
- Financial fixed assets portfolio.

As of 31 December 2018 and 2017, the Bank did not hold shares and other variable income securities.

Notes to the financial statements (continued)
As of 31 December 2018

Note 2 - Summary of significant accounting policies (continued)

2.2. Securities Portfolio (continued)

As of 31 December 2018 and 2017, debt securities and other fixed-income securities held by the Bank were all classified in the investment portfolio.

Bonds and other fixed or variable-income securities are initially recorded, at the acquisition date at their purchase price, including ancillary costs, with the exception of accrued interest not yet due on this date. Without prejudice to the specific accounting treatment of bonds issued on a discounted basis ("Zero coupon bonds"), accrued interest not yet due since the last coupon payment date (or since the issuance of the security) are disclosed in the caption "Prepayments and accrued income".

The acquisition cost of fixed and variable-income securities is calculated on the basis of the weighted-average cost.

Securities held as part of the investment portfolio have been purchased with the intent of selling them in the medium term. Securities are valued at the lower of their purchase price or their probable trading value which is, in the case of listed securities, stock exchange quotations in force on the balance sheet date. Thus unrealized gains are not recognized and unrealized losses give rise to the recognition of value adjustments. These value adjustments are reversed only when the reasons for which they were made cease to apply.

2.3. Derivatives financial instruments

The Bank's commitments deriving from derivatives financial instruments such as interest rate swaps, forward rate agreements and financial futures are recorded on the transaction date as off balance sheet items.

At year-end, where necessary, a provision is recorded in respect of individual unrealised losses resulting from the revaluation of the Bank's commitments at market value. This provision is included on the liabilities side of the balance sheet under "Provisions: other provisions".

No provision is recorded in those cases where a financial instrument clearly covers an asset or a liability and economic unity is established or where a financial instrument is hedged by a reverse transaction so that no open position exists.

Notes to the financial statements (continued)
As of 31 December 2018

Note 2 - Summary of significant accounting policies (continued)

2.4. Loans and advances

Amounts receivables are shown in the balance sheet at their purchase price. The policy of the Bank is to establish value adjustments, depending on the circumstances and for the amounts determined by the responsible bodies, with a view of showing them at the lower value to be attributed to them at the balance sheet date. These value adjustments are deducted from the related assets items and are not maintained if the reasons for which they were made cease to apply.

2.5. Creditors

Creditors are stated at their payable amount.

When the amount to be paid off on debts is greater than the received amount, the difference is carried in the asset and paid off in a way spread out during the duration of the debt.

2.6. Intangible assets

Intangible assets are stated at their acquisition cost less accumulated depreciation.

Softwares are depreciated over a period of 3 years on a straight-line basis.

2.7. Tangible assets

Tangible fixed assets are stated at their acquisition cost less accumulated depreciation and/or value adjustments.

The value of tangible assets with limited useful economic lives is reduced by value adjustments calculated on a straight-line basis to write off the value of such assets systematically over their useful economic lives over a period of five or ten years depending on the nature of the tangible assets.

2.8. Taxes

The Bank is subject to all taxes that apply to Luxembourg credit institutions.

Taxes are charged to the profit and loss account on an accrual basis and not in the year in which payment occurs. Accordingly, provisions for taxation have been recorded for the financial years for which no final assessments have been issued by the tax authorities.

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Notes to the financial statements (continued)
As of 31 December 2018

Note 2 - Summary of significant accounting policies (continued)

2.9. Provisions

They are intended to cover losses which are certain or likely to be incurred and are clearly defined in nature, but are, at the balance sheet date, uncertain as to the amount or as to the date on which they will arise.

Note 3 - Loans and advances with affiliated undertakings

As of 31 December 2018 and 2017, loans and advances with affiliated undertakings consist of the following:

	2018	2017
	EUR	EUR
Loans and advances to credit institutions	4,710,942	9,764,072
	4,710,942	9,764,072

As far as compliance with article 395 (1) of the Regulation (EU) n°575/2013 ('CRR') on prudential requirements applicable to credit institutions and to investment funds is concerned, the Bank informed the CSSF of its decision to use the 100% limit of its eligible capital instead of the 25% limit of the eligible capital of the Bank, when there is some exposure to a credit institution or to a group of connected clients including one or more credit institutions, in accordance with the requirements of article 395 (1) of the Regulation (EU) n° 575/2013.

This 100 % limit of the capital of the Bank is applicable, among others, to Mirabaud & Cie Genève.

Note 4 - Debt securities and other fixed-income securities

As of 31 December 2018 and 2017, debt securities and other fixed-income securities were solely of composed of listed securities. Debt securities and other fixed-income securities held by the Bank are all classified in the Investment portfolio for an amount of EUR 96,847,210 (2017: EUR 187,800,864).

As of 31 December 2018, the debt securities and other fixed-income securities have the following maturities:

Less than 3 months:	EUR 65,324,970
3 to 12 months:	EUR 27,232,988
1 to 5 years:	EUR 4,289,252

As of 31 December 2018 and 2017, no value adjustment has been booked on the Investment portfolio.

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Notes to the financial statements (continued)
As of 31 December 2018

Note 4 - Debt securities and other fixed-income securities (continued)

As of 31 December 2018, the geographical repartition of debt securities and other fixed income securities is as follows:

Countries	Debt securities EUR	%
United States	72,384,669	74.74%
United Kingdom	20,173,289	20.83%
Switzerland	4,289,252	4.43%
Total	96,847,210	100.00%
Value adjustment	(---)	
Net amount	96,847,210	

As of 31 December 2017, the geographical repartition of debt securities and other fixed-income securities was as follows:

Countries	Debt securities EUR	%
United States	150,173,495	79.96%
United Kingdom	31,504,661	16.78%
Switzerland	6,122,708	3.26%
Total	187,800,864	100.00%
Value adjustment	(---)	
Net amount	187,800,864	

Notes to the financial statements (continued)
As of 31 December 2018

Note 5 – Movements in fixed assets

The following movements have occurred in the Bank's fixed assets in the course of the financial year (in EUR):

<u>Items</u>	Gross value at the beginning of the financial year	Additions	Disposals	Gross value at the end of the financial year	Cumulative value adjustments at the end of the financial year	Net book value at the end of the financial year
Tangible assets	5,676,914	1,534,742	---	7,211,656	3,513,992	3,697,664
Intangible assets	831,096	---	---	831,096	(802,640)	28,456
<i>of which:</i>						
Softwares	831,096	---	---	831,096	(802,640)	28,456

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Notes to the financial statements (continued)
As of 31 December 2018

Note 6 - Other assets

As of 31 December 2018 and 2017, other assets consist principally of the following:

	2018 EUR	2017 EUR
Commissions receivable	9,763,392	10,923,806
Miscellaneous receivables ⁽¹⁾	3,902,040	2,684,242
Guarantee deposit	298,887	303,050
VAT receivable	314,077	135,609
Tax advances paid	182,596	99,779
Advances to suppliers	279,420	240,330
Other	1,079,930	359,758
	15,820,342	14,746,574

⁽¹⁾ Miscellaneous receivables are mainly composed of financial transactions pending settlement, carried out on behalf of clients.

Note 7 - Assets denominated in foreign currencies

As of 31 December 2018, the aggregate amount of the Bank's assets denominated in currencies other than EUR converted into EUR amounts to EUR 140,418,739 (2017: EUR 254,082,527).

Note 8 - Assets pledged as collateral

As of 31 December 2018 and 2017, no assets of the Bank are pledged to secure its own indebtedness towards third parties.

Note 9 - Amounts owed to credit institutions

As of 31 December 2018 and 2017, amounts owed to credit institutions which are related parties are as follows:

	2018 EUR	2017 EUR
Amounts owed to affiliated undertakings	539,721	5,549,960
	539,721	5,549,960

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Notes to the financial statements (continued)
As of 31 December 2018

Note 10 - Other liabilities

As of 31 December 2018 and 2017, other liabilities consist principally of the following:

	2018 EUR	2017 EUR
Preferential creditors	3,384,957	1,906,851
Other creditors	11,609,118	10,953,792
	14,994,075	12,860,643

Note 11 - Subscribed capital and share premium

As of 31 December 2018, the Bank's authorized and fully paid-up capital amounts to EUR 28,214,000 represented by 28,214 shares with a nominal value of EUR 1,000 each.

As of 31 December 2017, the Bank's authorized and fully paid-up capital amounted to EUR 21,214,000 represented by 21,214 shares with a nominal value of EUR 1,000 each.

As of 31 December 2018 and 2017, the share premium amounts to EUR 8,467,704.

On 15 January 2018, the sole Shareholder decided to increase the subscribed capital of the Bank for an amount of EUR 4,000,000, to raise it from EUR 21,214,000 to EUR 25,214,000, through the issuance of 4,000 new shares with a nominal value of EUR 1,000 each subscribed by the sole Shareholder of Mirabaud & Cie (Europe) S.A.

On 27 September 2018, the sole Shareholder decided to increase the subscribed capital of the Bank for an amount of EUR 3,000,000, to raise it from EUR 25,214,000 to EUR 28,214,000, through the issuance of 3,000 new shares with a nominal value of EUR 1,000 each subscribed by the sole Shareholder of Mirabaud & Cie (Europe) S.A.

Notes to the financial statements (continued)
As of 31 December 2018

Note 12 – Shareholders' equity

	Subscribed Capital	Share Premium	Legal reserve ⁽¹⁾	Other reserves	Results brought forward	Result for the financial year
Balance as of 31 December 2017	21,214,000	8,467,704	---	50,000	(12,868,463)	1,872,390
Allocation of the result of the previous year ⁽²⁾	---	---	---	---	1,872,390	(1,872,390)
Capital increases (note 11)	7,000,000	---	---	---	---	---
Result for the financial year	---	---	---	---	---	(1,821,742)
Balance as of 31 December 2018	28,214,000	8,467,704	---	50,000	(10,996,073)	(1,821,742)

(1) In accordance with Luxembourg law, the Bank must allocate a legal reserve an amount equivalent to at least 5% of the annual net profit (after deduction of the losses brought forward) until such reserve equals 10% of the subscribed capital. This allocation is made in the year following the financial year of relation of the profit. The legal reserve is not distributable.

(2) According to the resolution of the Annual General Meeting dated 14 May 2018.

Notes to the financial statements (continued)
As of 31 December 2018

Note 13 – Liabilities denominated in foreign currencies

As of 31 December 2018, the aggregate amount of the Bank's liabilities denominated in currencies other than EUR converted into EUR amounts to EUR 170,897,253 (2017: EUR 253,944,308).

Note 14 - Deposit guarantee scheme

On 18 December 2015, the new law regarding the resolution, recovery and liquidation measures of credit institutions on deposit guarantee schemes and indemnification of investors (hereafter the "Law") was approved. This Law transposed into Luxembourg law two European directives: the directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms and the directive 2014/49/EU related to deposit guarantee and investor compensation schemes.

The law replaced the old deposit guarantee and investor compensation scheme ("Association pour la Garantie des Dépôts Luxembourg" - AGDL) by introducing a new contribution based system of deposit guarantee and investor compensation. This new system will cover eligible deposits of each depositor up to an amount of EUR 100,000 and investments up to an amount of EUR 20,000.

The scheme is based on two different contributions: the Luxembourg banking resolution fund "Fonds de resolution Luxembourg" (FRL) and the Luxembourg deposit guarantee fund "Fonds de garantie des dépôts Luxembourg" (FGDL).

The funded amount of the FRL shall reach by the end of 2024 at least 1% of covered deposits, as defined in article 1 number 36 of the Law, of all authorized credit institutions in all participating Member States. This amount will be collected from the credit institutions through annual contributions during the years 2015 to 2023.

The target level of funding of the FGDL is set at 0.8% of covered deposits, as defined in article 163 number 8 of the Law, of the relevant credit institutions and is to be reached by the end of 2018 through annual contributions. The contributions are to be made in the form of annual payments during the years 2016 to 2018.

For the year 2018, the contribution of the Bank to the FGDL amounts to EUR 249,893 (2017: EUR 141,487) out of which EUR 196,272 (2017: nil) is included in "other operating charges", the remaining amount corresponding to the provision that has been fully utilized in 2018.

As of 31 December 2018, the provision amounts to nil (2017: EUR 53,621).

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Notes to the financial statements (continued)
As of 31 December 2018

Note 15 - Contingent liabilities

As of 31 December 2018 and 2017, contingent liabilities include the following off-balance sheet items:

	2018 EUR	2017 EUR
Guarantees and assets given as collateral	8,711,255	4,354,618
- in favor of related party entities	176,634	279,526
- in favor of third party entities	8,534,621	4,075,092

Note 16 - Commitments

As of 31 December 2018 and 2017, the Bank has no off-balance sheet commitments.

Note 17 - Operations linked to exchange rates

As of 31 December 2018, the Bank is engaged in operations linked to currency exchange rates, excluding investment portfolio as follows:

	Less than 3 months EUR	3-12 months EUR	Total EUR
Operations linked to currency exchange rates:			
Forward operations (notional amount)	37,164,532	---	37,164,532
Forward operations (fair value)	692,280	---	692,280

As of 31 December 2017, the Bank was engaged in operations linked to currency exchange rates, excluding investment portfolio as follows:

	Less than 3 months EUR	3-12 months EUR	Total EUR
Operations linked to currency exchange rates:			
Forward operations (notional amount)	37,180,051	---	37,180,051
Forward operations (fair value)	44,270	---	44,270

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Notes to the financial statements (continued)
As of 31 December 2018

Note 18 - Investment management services and underwriting functions

As of 31 December 2018, among its activities, the Bank offers the following investment and management services to third parties:

- Portfolio management;
- Fiduciary operations.

Note 19 - Other operating income and charges

These captions are composed as follows:

Other operating income	2018 EUR	2017 EUR
Subletting of offices	134,880	134,880
Recharge of administrative costs	900,752	1,129,275
Other income	240,462	135,739
	1,276,094	1,399,894
Other operating charges	2018 EUR	2017 EUR
Tax charges related to prior years	(213,233)	(133,938)
AGDL contribution	(196,272)	---
Operational losses and related charges	(5,418)	(57,370)
Other charges	(12,295)	(8,554)
	(427,218)	(199,862)

Note 20 - Extraordinary income and charges

These captions are analysed as follows:

Extraordinary income	2018 EUR	2017 EUR
Other	4,518	12,555
	4,518	12,555

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Notes to the financial statements (continued)
As of 31 December 2018

Note 20 - Extraordinary income and charges (continued)

Extraordinary charges	2018 EUR	2017 EUR
Other	(26,694)	(8,553)
	(26,694)	(8,553)

Note 21 - Fees of the independent auditor

The fees of the independent auditor of the Bank for the years 2018 and 2017 are as follows:

	2018 EUR	2017 EUR
Statutory audit and Long Form Report	152,417	134,715
Other assurance services	15,000	7,800
Tax services	---	---
Other services	15,375	31,955
	182,792	174,470

Note 22 - Staff

The average number of employees (FTE) during the financial years 2018 and 2017 was:

	2018 EUR	2017 EUR
Senior Management	2	2
Management	14	14
Employees	9	5
	25⁽¹⁾	21

⁽¹⁾ Average number of employees in Luxembourg. As of 31 December 2018, the branches of Paris, Madrid and London employed respectively 30, 49 and 12 employees (2017: respectively 31, 48 and 9 employees).

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Notes to the financial statements (continued)
As of 31 December 2018

Note 23 - Remuneration of the Board of Directors and general management members

The remuneration of the general management members paid in respect of the financial year according to their functions are as follows:

	2018 EUR	2017 EUR
General management members	663,536	564,943

Note 24 - Loans and advances granted to members of management bodies of the Bank

As of 31 December 2018 and 2017, loans and advances granted to Senior Management and Management are nil.

As of 31 December 2018 and 2017, loans and advances granted to Board of Directors are nil.

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Notes to the financial statements (continued)
As of 31 December 2018

Note 25 - Other disclosures on financial instruments

25.1. Primary financial instruments

25.1.1. Primary non-trading financial instruments

As of 31 December 2018, the primary non-trading financial assets (before value adjustment and lump-sum provision allocation) and financial liabilities are presented according to the following residual maturities as follows:

Financial assets	Less than 3 months EUR	3-12 months EUR	1-5 years EUR	>5 years EUR	Total EUR
Cash in hand, balances with central banks and post office banks	422,421,879	---	---	---	422,421,879
Loans and advances to credit institutions	14,568,750	---	---	---	14,568,750
Loans and advances to customers	57,052,205	43,461,020	5,700,000	---	106,213,225
Debt securities and other fixed-income securities	65,324,970	27,232,988	4,289,252	---	96,847,210
	559,367,804	70,694,008	9,989,252	---	640,051,064
Financial liabilities	Less than 3 months EUR	3-12 months EUR	1-5 years EUR	>5 years EUR	Total EUR
Amount owed to credit institutions	2,246,346				2,246,346
Amount owed to customers	617,135,216				617,135,216
Contingent liabilities	8,711,255				8,711,255
	628,092,817				628,092,817

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Notes to the financial statements (continued)
As of 31 December 2018

Note 25 - Other disclosures on financial instruments (continued)

25.1. Primary financial instruments (continued)

25.1.1. Primary non-trading financial instruments (continued)

As of 31 December 2017, the primary non-trading financial assets (before value adjustment and lump-sum provision allocation) and financial liabilities are presented according to the following residual maturities as follows:

Financial assets	Less than 3 months EUR	3-12 months EUR	> 1 year ≤ 5 years EUR	>5 years EUR	Total EUR
Cash in hand, balances with central banks and post office banks	197,386,416	---	---	---	197,386,416
Loans and advances to credit institutions	14,724,780	---	---	---	14,724,780
Loans and advances to customers	22,178,662	66,570,824	---	---	88,749,486
Debt securities and other fixed-income securities	147,884,948	39,915,916	---	---	187,800,864
	382,174,806	106,486,740	---	---	488,661,546
Financial liabilities	Less than 3 months EUR	> 3 months ≤ 1 an EUR	> 1 year ≤ 5 years EUR	> 5 years EUR	Total EUR
Amount owed to credit institutions	9,400,731	---	---	---	9,400,731
Amount owed to customers	465,456,668	---	---	---	465,456,668
Contingent liabilities	4,354,618	---	---	---	4,354,618
	479,212,017	---	---	---	479,212,017

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Notes to the financial statements (continued)
As of 31 December 2018

Note 25 - Other disclosures on financial instruments (continued)

25.1.2. Primary financial instruments included in the investment portfolio

As of 31 December 2018, the investment portfolio could be analysed as follow:

Financial assets	Less than 3 months EUR	3-12 months EUR	> 1 year ≤ 5 years EUR	Balance Sheet Value EUR	Market Value EUR
Debt securities and other fixed-income securities	65,324,970	27,232,988	4,289,252	96,847,210	97,299,365
	65,324,970	27,232,988	4,289,252	96,847,210	97,299,365

As of 31 December 2017, the investment portfolio could be analysed as follow:

Financial assets	Less than 3 months EUR	3-12 months EUR	> 1 year ≤ 5 years EUR	Balance sheet Value EUR	Market Value EUR
Debt securities and other fixed-income securities	147,884,948	39,915,916	---	187,800,864	187,965,656
	147,884,948	39,915,916	---	187,800,864	187,965,656

25.2. Derivative financial instruments

Refer to Note 17.

Notes to the financial statements (continued)
As of 31 December 2018

Note 25 - Other disclosures on financial instruments (continued)

25.3. Credit Risk

The Bank is mainly exposed to credit risk on loans and advances to credit institutions and to customers. The amount of the credit risk exposition related to these assets is represented by their accounting value, net of specific value adjustment.

The Bank's is also exposed to credit risk on guarantees and confirmed credits not used towards customers.

The Bank's exposure to credit risk as of 31 December 2018 could be analysed as follows:

	Risk exposure EUR	Guarantees received EUR	Net risk exposure EUR
Loans and advances to credit institutions	14,568,750	---	14,568,750
Loans and advances to customers	106,213,225	92,771,462	13,441,763
	120,781,975	92,771,462	28,010,513

The credit institutions and the customers are mainly located in European Union Member States and other country member of the OECD and in countries which have concluded special lending arrangements with the International Monetary Fund (IMF) and in the context of general credit agreement with the IMF.

The guarantees are mainly made up of cash deposits or of securities deposited with the Bank. As of 31 December 2018, the total market value of the guarantees received related to loans and advances to customers amounts to a gross value EUR 287,470,554 and a net value of EUR 92,771,462 after regulatory eligibility and haircuts being applied.

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Notes to the financial statements (continued)
As of 31 December 2018

Note 25 - Other disclosures on financial instruments (continued)

25.3. Credit Risk (continued)

The Bank's exposure to credit risk as of 31 December 2017 could be analysed as follows:

	Risk exposure EUR	Guarantees received EUR	Net risk exposure EUR
Loans and advances to credit institutions	14,724,780	---	14,724,780
Loans and advances to customers	88,749,486	62,124,103	26,625,383
	103,474,266	62,124,103	41,350,163

The credit institutions and the customers are mainly located in European Union Member States and other country member of the OECD and in countries which have concluded special lending arrangements with the International Monetary Fund (IMF) and in the context of general credit agreement with the IMF.

The guarantees are mainly made up of cash deposits or of securities deposited with the Bank.

Note 26 - Subsequent events

Currently the UK Branch of Mirabaud & Cie (Europe) SA, a bank incorporated under Luxembourg law and authorized in Luxembourg by the Commission de Surveillance du Secteur Financier (CSSF), operates in the UK under the passport arrangements in accordance with the EU Single Market Directive.

Following the UK's foreseen withdrawal from the EU the UK Branch will no longer be treated as a "passport" entity and instead will continue to be regulated and authorised in the UK as a branch of an International bank.

Given the uncertainty regarding the Brexit outcome and timeframe, in agreement with the PRA supervisor, the Bank has submitted a Temporary Permission Regime (TPR) notification to protect the Bank's rights and to ensure the Branch carries on its regulated activity under the passport arrangements until the Application for Third Country Branch Authorisation is formally approved by the PRA supervisor.

Whatever the Brexit scenario is, deposits booked with the Branch will, from 31 March 2019 onwards, be covered solely by the UK's Financial Services Compensation Scheme (FSCS) and the deposit guarantee and investor compensation scheme protections offered by the Fonds de Garantie des Dépôts Luxembourg (FGDL) will cease on 30 March 2019.