

# CONSOLIDATED FINANCIAL STATEMENTS 2023

# CACEIS

CACEIS is the asset servicing banking group of Crédit Agricole and Santander dedicated to asset managers, insurance companies, pension funds, banks, private equity and real estate funds, brokers and corporate clients. Through offices across Europe, North and South America, and Asia, CACEIS offers a broad range of services covering execution, clearing, forex, securities lending, custody, depositary and fund administration, fund distribution support, middle office outsourcing and issuer services.

**WITH ASSETS UNDER CUSTODY OF €4.7 TRILLION AND ASSETS UNDER ADMINISTRATION OF €3.3 TRILLION, CACEIS IS A EUROPEAN LEADER IN ASSET SERVICING AND ONE OF THE MAJOR PLAYERS WORLDWIDE.**

Figures as at 31 December 2023

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# EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS

THE FINANCIAL STATEMENTS PRESENTED ARE EXTRACTED FROM CACEIS'S CONSOLIDATED FINANCIAL STATEMENTS THAT WERE CERTIFIED BY LEGAL AUDITORS AND LODGED AT PARIS' COMMERCIAL COURT ("GREFFE DU TRIBUNAL DE COMMERCE DE PARIS") WITH THE FOLLOWING PUBLICATION REFERENCE IN THE "BULLETIN DES ANNONCES LÉGALES OBLIGATOIRES" (BALO): ANNOUNCEMENT N°2402461 RELEASED ON THE 14<sup>TH</sup> OF JUNE 2024.

# 1. INCOME STATEMENT

(in thousands of euros)	31.12.2023	31.12.2022
Interest and similar income	5.037.031	1.476.999
Interest and similar expenses	-4.421.210	-1.148.350
Fee and commission income	1.188.222	1.097.265
Fee and commission expenses	-275.056	-266.085
Net gains (losses) on financial instruments at fair value through profit or loss	209.944	180.622
<i>Net gains (losses) on held for trading assets/liabilities</i>	-62.287	-225.297
<i>Net gains (losses) on other financial assets/liabilities at fair value through profit or loss</i>	272.231	405.919
Net gains (losses) on financial instruments at fair value through other comprehensive income		4.003
<i>Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss</i>		4.003
<i>Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)</i>		
Net gains (losses) arising from the derecognition of financial assets at amortised cost	-1.771	3.810
Net gains (losses) arising from the reclassification of financial assets at amortised cost to financial assets at fair value through profit or loss		
Net gains (losses) arising from the reclassification of financial assets at fair value through other comprehensive income to financial assets at fair value through profit or loss		
Income on other activities	25.424	6.880
Expenses on other activities	-84.713	-79.028
<b>REVENUES</b>	<b>1.677.871</b>	<b>1.276.117</b>
Operating expenses	-1.099.051	-852.768
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	-84.543	-69.170
<b>GROSS OPERATING INCOME</b>	<b>494.277</b>	<b>354.179</b>
Cost of risk	-9.123	-2.337
<b>OPERATING INCOME</b>	<b>485.153</b>	<b>351.842</b>
Share of net income of equity-accounted entities	21.406	15.421
Net gains (losses) on other assets	2.913	-8.448
Change in value of goodwill		
<b>PRE-TAX INCOME</b>	<b>509.473</b>	<b>358.815</b>
Income tax	-117.149	-80.984
Net income from discontinued operations		
<b>NET INCOME</b>	<b>392.324</b>	<b>277.831</b>
Non-controlling interests		
<b>NET INCOME GROUP SHARE</b>	<b>392.324</b>	<b>277.831</b>
Earnings per share (in euros) <sup>(1)</sup>	13,62	10,14
Diluted earnings per share (in euros) <sup>(1)</sup>	13,62	10,14

<sup>(1)</sup> Income including net income from discontinued operations.

## 2. NET INCOME AND OTHER COMPREHENSIVE INCOME

(in thousands of euros)	31.12.2023	31.12.2022
<b>NET INCOME</b>	<b>392.324</b>	<b>277.831</b>
Actuarial gains and losses on post-employment benefits	-6.677	20.480
Other comprehensive income on financial liabilities attributable to changes in own credit risk <sup>(1)</sup>		
Other comprehensive income on equity instruments that will not be reclassified to profit or loss		
<b>Pre-tax other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities</b>	<b>-6.677</b>	<b>20.480</b>
<b>Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities</b>	<b>-281</b>	<b>-18</b>
<b>Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities</b>	<b>1.663</b>	<b>-5.042</b>
<b>Income tax related to items that will not be reclassified to profit or loss on equity-accounted entities</b>	<b>74</b>	<b>-1</b>
<b>Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations</b>		
<b>OTHER COMPREHENSIVE INCOME ON ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS NET OF INCOME TAX</b>	<b>-5.221</b>	<b>15.419</b>
<b>Gains and losses on translation adjustments</b>	<b>-8.385</b>	<b>-17.346</b>
Other comprehensive income on debt instruments that may be reclassified to profit or loss	-16.178	-67.011
Gains and losses on hedging derivative instruments	27	-77
<b>Pre-tax other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities</b>	<b>-24.536</b>	<b>-84.434</b>
<b>Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities, Group Share</b>	<b>20.563</b>	<b>29.786</b>
<b>Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities</b>	<b>3.287</b>	<b>15.188</b>
<b>Income tax related to items that may be reclassified to profit or loss on equity-accounted entities</b>		
<b>Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations</b>		
<b>OTHER COMPREHENSIVE INCOME ON ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS NET OF INCOME TAX</b>	<b>-686</b>	<b>-39.461</b>
<b>OTHER COMPREHENSIVE INCOME NET OF INCOME TAX</b>	<b>-5.907</b>	<b>-24.041</b>
<b>NET INCOME AND OTHER COMPREHENSIVE INCOME</b>	<b>386.417</b>	<b>253.790</b>
Of which Group share	386.417	253.790
Of which non-controlling interests		

<sup>(1)</sup> Amount of items that will not be reclassified in profit or loss transferred to reserves.

# 3. BALANCE SHEET

## 3.1 ASSETS

(in thousands of euros)	31.12.2023	31.12.2022
Cash, central banks	26.310.385	32.932.375
Financial assets at fair value through profit or loss	1.015.645	387.152
<i>Held for trading financial assets</i>	977.059	347.897
<i>Other financial assets at fair value through profit or loss</i>	38.586	39.255
Hedging derivative Instruments	2.580.565	3.338.692
Financial assets at fair value through other comprehensive income	1.834.866	4.321.390
<i>Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss</i>	1.834.366	4.321.075
<i>Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss</i>	500	315
Financial assets at amortised cost	77.978.549	77.227.218
<i>Loans and receivables due from credit institutions</i>	30.967.881	33.240.272
<i>Loans and receivables due from customers</i>	7.263.480	8.504.937
<i>Debt securities</i>	39.747.188	35.482.009
Revaluation adjustment on interest rate hedged portfolios		
Current and deferred tax assets	403.109	356.732
Accruals, prepayments and sundry assets	3.738.218	3.421.581
Non-current assets held for sale and discontinued operations	0	174.010
Investments in equity-accounted entities	420.678	321.626
Investment property		
Property, plant and equipment	318.722	246.105
Intangible assets	535.159	536.453
Goodwill	1.194.945	1.043.306
<b>TOTAL ASSETS</b>	<b>116.330.842</b>	<b>124.306.641</b>

## 3.2 LIABILITIES AND EQUITY

(in thousands of euros)	31.12.2023	31.12.2022
Central banks	244.359	2.308
Financial liabilities at fair value through profit or loss	1.091.452	396.603
<i>Held for trading financial liabilities</i>	1.091.452	396.603
<i>Financial liabilities designated at fair value through profit or loss</i>		
Hedging derivative Instruments	297.904	120.220
Financial liabilities at amortised cost	101.424.143	109.471.105
<i>Due to credit institutions</i>	11.058.636	9.372.996
<i>Due to customers</i>	90.255.295	99.987.990
<i>Debt securities</i>	110.212	110.119
Revaluation adjustment on interest rate hedged portfolios	-8.379	-90.546
Current and deferred tax liabilities	202.606	198.021
Accruals, deferred income and sundry liabilities	7.887.742	9.199.201
Liabilities associated with non-current assets held for sale and discontinued operations	0	166.154
Insurance compagny technical reserves		
Provisions	138.717	108.677
Subordinated debt	276.148	274.943
<b>TOTAL LIABILITIES</b>	<b>111.554.692</b>	<b>119.846.686</b>
<b>EQUITY</b>	<b>4.776.150</b>	<b>4.459.955</b>
• Equity, Group share	4.776.150	4.459.955
- Share capital and reserves	3.096.334	3.096.334
- Consolidated reserves	1.293.382	1.085.773
- Other comprehensive income	-5.890	-530
- Other comprehensive income on non-current assets held for sale and discontinued operations	0	547
- Net income (loss) for the year	392.324	277.831
• Non-controlling interests		
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>116.330.842</b>	<b>124.306.641</b>



# 4. STATEMENT OF CHANGES IN EQUITY

	Group share				
	Share capital and reserves				
	Share capital	Share premium and consolidated reserves	Elimination of treasury shares	Other equity instruments	Total Capital and consolidated reserves
(in thousands of euros)					
Equity at 1 January 2022 published	941.008	2.285.174		915.000	4.141.182
Equity at 1 January 2022	941.008	2.285.174		915.000	4.141.182
Capital increase					
Changes in treasury shares held					
Issuance / redemption of equity instruments				80.000	80.000
Remuneration of undated deeply subordinated notes		-39.509			-39.509
Dividends paid in 2022					
Impact of acquisitions/disposals on non-controlling interests					
Changes due to share-based payments		444			444
<b>Changes due to transactions with shareholders</b>		<b>-39.065</b>		<b>80.000</b>	<b>40.935</b>
<b>Changes in other comprehensive income</b>					
Share of changes in equity-accounted entities					
Net income for 2022					
Other changes		-10			-10
Equity at 31 december 2022	941.008	2.246.099		995.000	4.182.107
Appropriation of 2022 net income		277.831			277.831
Equity at 1 January 2023	941.008	2.523.930		995.000	4.459.938
Equity at 1 January 2023 restated	941.008	2.523.930		995.000	4.459.938
Capital increase					
Changes in treasury shares held					
Issuance / redemption of equity instruments					
Remuneration of undated deeply subordinated notes		-72.138			-72.138
Dividends paid in 2023					
Impact of acquisitions/disposals on non-controlling interests					
Changes due to share-based payments		1.915			1.915
<b>Changes due to transactions with shareholders</b>		<b>-70.223</b>			<b>-70.223</b>
<b>Changes in other comprehensive income</b>					
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves					
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves					
Share of changes in equity-accounted entities					
Net income for 2023					
Other changes					
<b>EQUITY AT 31 DECEMBER 2023</b>	<b>941.008</b>	<b>2.453.707</b>		<b>995.000</b>	<b>4.389.715</b>

Other comprehensive income			Non-controlling interests							Total Consolidated equity
Other comprehensive income on items that may be reclassified to profit or loss	Other comprehensive income on items that will not be reclassified to profit or loss	Total Other comprehensive income	Net income	Total Equity	Capital, associated reserves and income	Other comprehensive income			Total Equity	
						Other comprehensive income on items that may be reclassified to profit or loss	Other comprehensive income on items that will not be reclassified to profit or loss	Total Other comprehensive income		
40.181	-16.124	24.057		4.165.239						4.165.239
40.181	-16.124	24.057		4.165.239						4.165.239
				80.000						80.000
				-39.509						-39.509
				444						444
				40.935						40.935
-39.461	15.396	-24.065		-24.065						-24.065
			277.831	277.831						277.831
	25	25		15						15
720	-703	17	277.831	4.459.954						4.459.954
			-277.831							
720	-703	17		4.459.954						4.459.954
720	-703	17		4.459.954						4.459.954
				-72.138						-72.138
				1.915						1.915
				-70.223						-70.223
-685	-5.221	-5.905		-5.905						-5.905
-685	-5.221	-5.905		-5.905						-5.905
			392.324	392.324						392.324
35	-5.924	-5.888	392.324	4.776.149						4.776.150

# 5. CASH FLOW STATEMENT

(in thousands of euros)	31.12.2023	31.12.2022
<b>Pre-tax income</b>	<b>509.473</b>	<b>358.815</b>
Net depreciation and impairment of property, plant & equipment and intangible assets	84.540	67.836
Impairment of goodwill and other fixed assets	0	0
Net addition to provisions	-9.445	-23.190
Share of net income (loss) of equity-accounted entities	-21.406	-15.421
Net income (loss) from investment activities	-4.018	108
Net income (loss) from financing activities	20.913	7.390
Other movements	152.980	136.685
<b>Total Non-cash and other adjustment items included in pre-tax income</b>	<b>223.563</b>	<b>173.407</b>
Change in interbank items	3.499.441	-14.498.380
Change in customer items	-19.973.857	-2.723.514
Change in financial assets and liabilities	-774.753	329.385
Change in non-financial assets and liabilities	-1.605.735	3.095.944
Dividends received from equity-accounted entities		
Taxes paid	-132.117	-87.095
<b>Net change in assets and liabilities used in operating activities</b>	<b>-18.987.021</b>	<b>-13.883.660</b>
<b>Cash provided (used) by discontinued operations</b>		
<b>Total Net cash flows from (used by) operating activities (A)</b>	<b>-18.253.985</b>	<b>-13.351.438</b>
<b>Change in equity investments <sup>(1)</sup></b>	<b>10.968.833</b>	<b>5</b>
<b>Change in property, plant &amp; equipment and intangible assets</b>	<b>-54.296</b>	<b>-63.929</b>
<b>Cash provided (used) by discontinued operations</b>		
<b>Total Net cash flows from (used by) investing activities (B)</b>	<b>10.914.537</b>	<b>-63.924</b>
<b>Cash received from (paid to) shareholders <sup>(2)</sup></b>	<b>-72.138</b>	<b>40.491</b>
<b>Other cash provided (used) by financing activities <sup>(3)</sup></b>	<b>-53.900</b>	<b>-33.441</b>
<b>Cash provided (used) by discontinued operations</b>		
<b>Total Net cash flows from (used by) financing activities (C)</b>	<b>-126.038</b>	<b>7.050</b>
<b>Impact of exchange rate changes on cash and cash equivalent (D)</b>	<b>78.205</b>	<b>-136.941</b>
<b>Net increase/(decrease) in cash and cash equivalent (A + B + C + D)</b>	<b>-7.387.281</b>	<b>-13.545.253</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>32.670.848</b>	<b>46.216.100</b>
Net cash accounts and accounts with central banks *	32.926.972	46.953.943
Net demand loans and deposits with credit institutions **	-256.124	-737.843
<b>Cash and cash equivalents at end of period</b>	<b>25.283.567</b>	<b>32.670.848</b>
Net cash accounts and accounts with central banks *	26.055.729	32.926.972
Net demand loans and deposits with credit institutions **	-772.162	-256.124
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-7.387.281</b>	<b>-13.545.253</b>

\* Consisting of the net balance of the "Cash, central banks" item, excluding accrued interest and including cash of entities reclassified as discontinued operations.

\*\* Consisting of the balance of the "Non doubtful current accounts in debit" and "Non doubtful overnight accounts and advances" (excluding accrued interest).

In accordance with IAS 7, cash balances are available for the CACEIS group and are not covered by any restrictions.

<sup>(1)</sup> Change in equity investments: mainly corresponds to the net cash impact of the following acquisitions :

- net cash impact 11 010 million euros on the Group's cash position linked to the acquisition of RBC Investor Services;
- net cash impact -42 million euros on the Group's cash position linked to the acquisition of FUND CHANNEL.

<sup>(2)</sup> Cash received from (paid to) shareholders : it includes the payment of AT1 interest payments for 72 138 thousand euros.

<sup>(3)</sup> Other cash provided (used) by financing activities : this line includes the repayment of IFRS 16 lease debt for - 27 671 thousand euros, and interest payments on subordinated debt and bonds for -24 134 thousand euros.

# 6. APPLICABLE STANDARDS AND COMPARABILITY

Pursuant to EC Regulation no. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable as of 31 December 2023 and as adopted by the European Union (Carve-out version), thus using certain exceptions in the application of IAS 39 on macro-hedge accounting.

These standards and interpretations are available on the European Commission website at:

[https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting\\_en](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en)

The standards and interpretations are the same as those applied and described in the Group's financial statements for the financial year ended 31 December 2022.

They have been supplemented by the IFRS standards as adopted by the European Union as of 31 December 2023 and that must be applied for the first time in 2023. These cover the following :

Standards, amendments or interpretations	Date of first-time application: financial years from	Significant effect in the Group
<b>IFRS 17</b> IFRS 17 replace IFRS 4 «Insurance Contracts»	1 <sup>st</sup> January 2023	No
<b>Amendements à IFRS 17</b> Initial Application of IFRS 17 and IFRS 9 —Comparative Information	1 <sup>st</sup> January 2023	No
<b>Amendments to IAS 1</b> Disclosure of Accounting Policies	1 <sup>st</sup> January 2023	No
<b>Amendments to IAS 8</b> Definition of Accounting Estimates	1 <sup>st</sup> January 2023	No
<b>Amendments to IAS 12</b> Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 <sup>st</sup> January 2023	No
<b>IAS 12</b> International Tax Reform—Pillar Two Model Rules	1 <sup>st</sup> January 2023	No

Furthermore, if the early application of standards and interpretations adopted by the European Union is optional over a given period, the option is not selected by the Group unless stated specifically.

## Standards and interpretations not yet adopted by the European Union as at 31 December 2023

The standards and interpretations published by the IASB at 31 December 2023 but not yet adopted by the European Union are not applied by the Group. They will become mandatory only as from the date planned by the European Union and have not been applied by the Group at 31 December 2023.

## IFRS IC decisions that may affect the Group

No decision with a material impact on the Group at 31 December 2023.

# 7. MAJOR STRUCTURAL TRANSACTIONS AND MATERIAL EVENTS DURING THE PERIOD

## ACQUISITION OF D RBC INVESTOR SERVICES 'ASSET SERVICING ACTIVITIES BY CACEIS

On 3 July 2023, further to the obtention of the regulatory and antitrust authorisations, the company CACEIS acquired from the company Royal Bank Holding Inc. all shares of the capital of the company RBC Investor Services Bank S.A. (renamed CACEIS Investor Services Bank S.A.) supporting the European asset servicing activities of RBC Investor Services and its associated Malaysian center of excellence.

In addition to the acquisition of the CACEIS Investor Services Bank group, CACEIS acquired on the 1st December 2023, further to the obtention of the regulatory authorisations, all shares of the capital of the company RBC Fund Administration (CI) Limited, renamed CACEIS Fund Administration Jersey (CI) Limited.

In the United Kingdom, legal and regulatory approval was obtained on 31 October 2023. The UK acquisition is a Part VII transfer, meaning that the UK High Court oversees the transition of clients and employees from the custody and middle-office businesses of RBC Investor Services Trust, London Branch to CACEIS Bank, UK Branch. These transactions will essentially take place in the first quarter of 2024.

The integration of the activities of CACEIS Investor Services (formerly RBC Investor Services) entities into the systems and organization of CACEIS will be phased in 2024. It will notably include the legal merger of local entities with CACEIS entities in the various countries. It will also see the migration of customers and information systems to the CACEIS IT platform

This acquisition led to the recognition of goodwill of €152 million at 31 December 2023. In accordance with IFRS 3.45, the acquirer has a maximum of twelve months after the acquisition date to finalise the initial recognition of goodwill.

## UPTEVIA

CACEIS and BNP Paribas have decided to form a partnership in issuer services and combine all of CACEIS's and BNP Paribas's issuer services operations within CACEIS Corporate Trust, previously a wholly owned subsidiary of CACEIS, by creating a joint venture equally owned by the two shareholders.

After obtaining the necessary regulatory and antitrust authorisations on 22 December 2022, the business combination was finalised on 1 January 2023 after being approved by shareholders at the general meeting of CACEIS Corporate Trust, which has set up the joint venture's new governance structure. On receiving the relevant regulatory authorisation, the joint venture changed its name from CACEIS Corporate Trust to Uptevia on 3 January 2023.

In 2023, CACEIS and BNP Paribas finalised the determination of the contributions made by means of a contribution in cash and a contribution in kind to Corporate Trust by BNP Paribas of its Corporate Trust Services Equity France business line in exchange for newly issued CACEIS Corporate Trust shares. Differences between the estimated amounts used to remunerate these initial contributions gave rise to reciprocal compensation between the partners.

Assets and liabilities of CACEIS Corporate Trust reclassified under IFRS 5 at 31 December 2022, have been removed from the category of Non-current assets and Liabilities held for sale. The investment in Uptevia is now accounted for using the equity method.

At 31 December 2023, these transactions generated an income of €5.6 million, classified as Net gains or losses on other assets.

## **CREATION OF THE FUND CHANNEL JOINT-VENTURE**

On 24 April 2023, further to the obtention of the regulatory authorisations, the company CACEIS Bank purchased from the company Amundi Luxembourg a 33.33% stake in the share capital of Fund Channel.

CACEIS clients will benefit from the broad range of fund distribution services offered by a leading platform. The partnership will enable Fund Channel clients to benefit from a comprehensive range of fund execution services. In addition, the two partners will continue to develop their long-term cooperation in other growth areas: fund distribution services and data management.

The investment in Fund Channel is accounted for using the equity method.

## **REORGANISATION OF THE CACEIS GROUP IN THE UNITED KINGDOM**

Following the Brexit on 31 January 2020, the UK legislator has imposed that depositary activities in the UK be no longer operated, as of 1 January 2024, by branches of companies registered in the European Union, but by companies registered in the United Kingdom. Therefore, on 20 December 2019, the company CACEIS Trustee & Depositary Services Limited (« CTADS ») was created.

On 15 August 2023, the Financial Conduct Authority (the "FCA") granted the required authorization to CTADS enabling to operate depositary activities.

On 1 October 2023, CACEIS Bank, UK Branch transferred its depositary activity to CTADS.

On 20 October 2023, CACEIS Bank, UK Branch was authorized by the Prudential Regulatory Authority (« PRA ») to operate as Third Country Branch.

On 15 December 2023, the Luxembourg company CACEIS Investor Services Bank S.A. transferred the depositary activity of its UK Branch to CTADS.

## **IMPACT RELATING TO MILITARY OPERATIONS IN UKRAINE**

CACEIS is exposed to country risk, i.e., the risk that economic, financial, political or social conditions in a country in which it operates could affect its financial interests. A significant change to the political or macroeconomic environment could force it to recognise additional expenses or sustain heavier losses than already stated in its financial statements.

CACEIS is not exposed as a corporate entity.

The CACEIS group is exposed, in absolute value, to the risk on Russia for €6.4 million (exposure on the correspondent bank in Russia).

As custodian of the assets of its customers, CACEIS also carries an indirect risk on its sub-depositary in Russia which retains the Russian assets of the customers (€650 million). In general, CACEIS has an obligation to return those assets to the customers, but in extreme situations such as that encountered in Russia, CACEIS can be relieved of this obligation (case "force majeure").

## **LILIAN - CACEIS BANK S.A, GERMANY BRANCH**

In 2019, CACEIS Germany received from the Bavarian tax authorities a demand to recover tax on dividends received from some of its clients in 2010.

This demand concerned an amount of 312 million euros. It was accompanied by a demand to pay interest calculated at the rate of 6% per year.

CACEIS has requested a payment deferral pending the outcome of the main proceedings as described below. Deferral has been granted for the payment of interest and refused for the demand to recover taxes in the amount of 312 million euros. CACEIS has appealed against this refusal. As the refusal decision is binding, the sum of 312 million euros has been paid by CACEIS, which included a receivable of this amount in its financial statements for the third quarter of 2019 in view of the appeal proceedings in process.

CACEIS Germany strongly objects to this demand, which it believes is completely unfounded. CACEIS Germany submitted its conclusions supporting its position to the Bavarian tax authorities in 2021.

CACEIS Germany was informed on 30 November 2022 of the Bavarian tax authorities' final decision, confirming its initial position. The penalty interest for which CACEIS had obtained a suspension is not included in the scope of the decision.

CACEIS Germany continues to dispute this unfounded claim and on 21 December 2022 submitted an appeal to the Fiscal Court of Munich, CACEIS Germany filed its findings at the end of August 2023.

The Group confirms its accounting position, namely maintaining the receivable of €312 million recognised in the third quarter of 2019.

## **H2O UNIT-HOLDERS CLAIM**

On 20 and 26 December 2023, 6077 natural and legal persons, members of an association called "Collectif Porteurs H2O", summoned CACEIS Bank before the Paris Commercial Court alongside companies Natixis Investment Managers and KPMG Audit, in the context of an action mainly brought against the companies H2O AM LLP, H2O AM Europe SAS, and H2O AM Holding.

The plaintiffs present themselves as unit holders of funds managed by H2O group companies, some of whose assets were hived off into "side pockets" in 2020, or holders of life insurance policies invested in units of such funds. Plaintiffs are seeking all defendants to be held severally liable for the damages allegedly caused to them by the hiving-off of the funds in the amount of EUR 723,826,265.98.

In order to seek the liability "in solidum" of CACEIS Bank with the H2O group and the other co-defendants, the plaintiffs allege that it breached its supervisory obligations as custodian of the funds.

## **PILLAR 2 - GLOBE**

New international tax rules have been established by the OECD, aimed at subjecting large international groups to additional taxation when the Effective Tax Rate (ETR) of a jurisdiction in which they are established is less than 15%. The purpose of these rules is to combat competition between States based on the tax rate.

These rules will have to be transposed by the various Member States.

To date, in the EU, a European Directive was adopted at the end of 2022 (currently being transposed in the countries) and provides for 2024 as the first year of application of the GloBE rules in the EU. At this stage, the information is not reasonably estimable; census work is being initiated within the Group. This will result, if necessary, in the recognition of an additional GloBE tax in the Group's accounts in 2024.



## **8. EVENTS SUBSEQUENT TO 31 DECEMBER 2023**

No significant events took place after the closing date.

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