Rothschild & Co

Consolidated accounts
December 2024

Contents

Consolidated income statement

for the twelve months ended 31 December 2024

In thousands of euros		Notes	31/12/2024	31/12/2023
+	Interest income on financial instruments using the effective interest method	1	515,980	418,624
-	Interest expense on financial instruments using the effective interest method	1	(403,686)	(260,017)
+/-	Net interest income on other financial instruments	1	91,239	81,129
+	Fee income	2	2,644,063	2,239,416
-	Fee expense	2	(142,329)	(114,472)
+/-	Net gains on financial instruments at fair value through profit or loss	3	203,693	170,505
+/-	Other net banking income	4	(210)	108
Net banking income			**2,908,750**	**2,535,293**
-	Staff costs	5	(1,657,955)	(1,522,152)
-	Administrative expenses	5	(389,712)	(399,655)
-	Depreciation, amortisation and impairment of tangible and intangible fixed assets	6	(105,605)	(98,475)
Gross operating income			**755,478**	**515,011**
+/-	Cost of risk	24	(12,176)	4,100
Operating income			**743,302**	**519,111**
+/-	Net income/(expense) from companies accounted for by the equity method	15	(5,024)	1,140
+/-	Net income/(expense) from other assets	7	(1,713)	5,897
Profit before tax			**736,565**	**526,148**
-	Income tax expense	8	(139,809)	(98,159)
CONSOLIDATED NET INCOME			**596,756**	**427,989**
Non-controlling interests		27	**156,382**	**153,224**
NET INCOME - GROUP SHARE			**440,374**	**274,765**

Statement of comprehensive income

for the twelve months ended 31 December 2024

In thousands of euros	31/12/2024	31/12/2023
Consolidated net income	**596,756**	**427,989**
Gains and losses recognised directly in equity		
Gains and losses recyclable in profit or loss		
Translation differences on subsidiaries	60,473	35,459
Translation gain transferred to income on disposal of subsidiary	-	(7,682)
Net gains/(losses) from changes in fair value of cash flow hedges	3,486	1,421
(Gains) and losses relating to cash flow hedges transferred to income statement	(2,132)	(543)
Gains and (losses) recognised directly in equity for companies accounted for by the equity method	242	(167)
Taxes	(339)	(189)
Total gains and losses recyclable in profit or loss	**61,730**	**28,299**
Gains and losses not recyclable in profit or loss		
Remeasurement gains/(losses) on defined benefit pension funds	52,503	(65,516)
Taxes	(11,719)	15,632
Total gains and losses not recyclable in profit or loss	**40,784**	**(49,884)**
Gains and losses recognised directly in equity	**102,514**	**(21,585)**
TOTAL COMPREHENSIVE INCOME	**699,270**	**406,404**
of which: attributable to equity shareholders	*532,854*	*250,715*
of which: attributable to non-controlling interests	*166,416*	*155,689*

Consolidated balance sheet

as at 31 December 2024

Assets

In thousands of euros	Notes	31/12/2024	31/12/2023
Cash and amounts due from central banks		3,491,611	4,552,290
Financial assets at fair value through profit or loss	9	2,017,539	1,612,949
Hedging derivatives	10	5,579	5,012
Securities at amortised cost	11	3,855,889	3,418,083
Loans and advances to banks	12	3,432,158	1,727,264
Loans and advances to customers	13	4,317,119	4,331,199
Current tax assets		49,765	60,106
Deferred tax assets	25	110,239	91,173
Other assets	14	1,253,664	1,327,971
Investments accounted for by the equity method	15	373	5,155
Right of use assets	16	205,987	208,592
Tangible fixed assets	17	280,012	262,485
Intangible fixed assets	18	230,350	232,481
Goodwill	19	276,828	274,247
TOTAL ASSETS		**19,527,113**	**18,109,007**

Liabilities and shareholders’ equity

In thousands of euros	Notes	31/12/2024	31/12/2023
Financial liabilities at fair value through profit or loss	9	160,354	187,966
Hedging derivatives	10	13	510
Due to banks and other financial institutions	20	226,120	333,902
Customer deposits	21	13,071,005	11,892,357
Debt securities in issue		119,038	148,157
Current tax liabilities		33,236	59,559
Deferred tax liabilities	25	70,180	49,824
Lease liabilities	16	235,348	234,254
Other liabilities, accruals and deferred income	22	1,599,361	1,470,947
Provisions	23	38,522	36,224
TOTAL LIABILITIES		**15,553,177**	**14,413,700**
Shareholders’ equity		**3,973,936**	**3,695,307**
Shareholders’ equity - Group share	26	**3,699,028**	**3,279,160**
Share capital		154,367	154,367
Share premium		1,122,962	1,122,962
Consolidated reserves		1,963,852	1,755,827
Unrealised or deferred capital gains and losses		17,473	(28,761)
Net income - Group share		440,374	274,765
Non-controlling interests	27	**274,908**	**416,147**
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY		**19,527,113**	**18,109,007**

Consolidated statement of changes in equity

for the twelve months ended 31 December 2024

In thousands of euros	Capital and associated reserves (Note 26.1)	Consolidated reserves (Note 26.2)	Unrealised or deferred capital gains and losses (net of tax): Related to translation differences	Cash flow hedge reserve	Shareholders' equity, Group share	Shareholders' equity, NCoI	Total share-holders' equity
SHAREHOLDERS' EQUITY AT 1 JANUARY 2024	**1,277,329**	**2,030,592**	**(29,049)**	**288**	**3,279,160**	**416,147**	**3,695,307**
Ordinary distributions (Note 26.3, Note 27)	-	(140,370)	-	-	(140,370)	(131,099)	(271,469)
Conversion of perpetual subordinated debt into liability	-	-	-	-	-	(146,108)	(146,108)
Revaluation of perpetual subordinated debt	-	26,757	-	-	26,757	(26,757)	-
Recycle of FX in reserves on disposal of foreign subsidiary	-	4,889	(4,889)	-	-	-	-
Payment of interest on perpetual subordinated debt (Note 27)	-	-	-	-	-	(6,925)	(6,925)
Interest accrued on perpetual subordinated debt	-	-	-	-	-	3,221	3,221
Effect of changes in shareholdings	-	471	(572)	-	(101)	15	(86)
Other movements	-	729	(1)	-	728	(2)	726
Subtotal of changes linked to transactions with shareholders	**-**	**(107,524)**	**(5,462)**	**-**	**(112,986)**	**(307,655)**	**(420,641)**
2024 net income for the period	-	440,374	-	-	440,374	156,382	596,756
Remeasurement gains/(losses) on defined benefit funds	-	40,784	-	-	40,784	-	40,784
Net gains/(losses) from changes in fair value	-	-	-	2,614	2,614	-	2,614
Net (gains)/losses transferred to income	-	-	-	(1,599)	(1,599)	-	(1,599)
Translation differences and other movements	-	-	50,681	-	50,681	10,034	60,715
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2024	**1,277,329**	**2,404,226**	**16,170**	**1,303**	**3,699,028**	**274,908**	**3,973,936**

SHAREHOLDERS' EQUITY AT 1 JANUARY 2023	**1,276,498**	**2,346,374**	**(57,391)**	**(401)**	**3,565,080**	**452,127**	**4,017,207**
Increase/ (decrease) in capital relating to treasury shares	-	145,244	-	-	145,244	-	145,244
Issue of shares, less capital decrease	831	-	-	-	831	-	831
Ordinary distributions (Note 26.3, Note 27)	-	(107,484)	-	-	(107,484)	(170,119)	(277,603)
Exceptional distribution of reserves (Note 26.3, Note 27)	-	(578,216)	-	-	(578,216)	-	(578,216)
Revalue share-based payment liability in equity	-	6,703	-	-	6,703	-	6,703
Charge, net of tax, on reclassifying equity-settled share-based payments to cash settled	-	(4,971)	-	-	(4,971)	-	(4,971)
Reclassification of share based payments	-	(3,629)	-	-	(3,629)	-	(3,629)
Capital increase related to options	-	7,349	-	-	7,349	-	7,349
Capital increase and settlements of other share-based payments	-	(3,074)	-	-	(3,074)	-	(3,074)
Payment of interest on perpetual subordinated debt (Note 27)	-	-	-	-	-	(20,836)	(20,836)
Effect of changes in shareholdings	-	(2,465)	3,205	-	740	(714)	26
Other movements	-	(120)	(8)	-	(128)	-	(128)
Subtotal of changes linked to transactions with shareholders	**831**	**(540,663)**	**3,197**	**-**	**(536,635)**	**(191,669)**	**(728,304)**
2023 net income for the year	-	274,765	-	-	274,765	153,224	427,989
Remeasurement gains/(losses) on defined benefit funds	-	(49,884)	-	-	(49,884)	-	(49,884)
Net gains/(losses) from changes in fair value	-	-	-	1,066	1,066	-	1,066
Net (gains)/losses transferred to income	-	-	(7,682)	(377)	(8,059)	-	(8,059)
Translation differences and other movements	-	-	32,827	-	32,827	2,465	35,292
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2023	**1,277,329**	**2,030,592**	**(29,049)**	**288**	**3,279,160**	**416,147**	**3,695,307**

Cash flow statement

for the twelve months ended 31 December 2024

In thousands of euros	Notes	31/12/2024	31/12/2023
Consolidated profit before tax (I)		**736,565**	**526,148**
Remove (profit)/loss from investing activities	3	(178,559)	(128,140)
Depreciation and amortisation expense on tangible and intangible fixed assets	17,18	50,950	53,095
Depreciation and impairment of ROU assets and interest on lease liabilities	16	63,689	53,096
Remove (gains)/losses related to acquisition, disposal and impairment of Group companies	7	363	(7,906)
Remove (profit)/loss from associates	15	5,024	(1,140)
Other non-cash items included in pre-tax profit		16,019	(1,023)
Non-cash items included in pre-tax profit (II)		**(42,514)**	**(32,018)**
Net (advance)/repayment of loans to customers		**20,214**	**668,075**
Increase/(decrease) in customer deposits		1,178,491	1,308,941
Net (purchases)/disposals of assets held for liquidity purposes		(528,304)	676,832
Cash (placed)/received through interbank transactions		(1,736,872)	119,117
Net inflow/(outflow) related to derivatives and trading items		(106,814)	(105,420)
Other movements in assets and liabilities related to treasury activities		68,955	51,381
Total treasury-related activities		**(1,124,544)**	**2,050,851**
(Increase)/decrease in working capital		128,897	(304,824)
Tax paid		(153,328)	(155,686)
Payment of lease liabilities	16	(57,839)	(50,358)
Other operating activities		**(82,270)**	**(510,868)**
Net (decrease)/increase in cash related to operating assets and liabilities (III)		**(1,186,600)**	**2,208,058**
Net cash inflow/(outflow) related to operating and treasury activities (A) = (I) + (II) + (III)		**(492,549)**	**2,702,188**
Purchase of investments		(169,945)	(126,074)
Purchase of tangible and intangible fixed assets	17,18	(58,557)	(45,864)
Purchase of subsidiaries and associates, net of cash and cash equivalents acquired		(3,059)	(14,019)
Total cash invested		**(231,561)**	**(185,957)**
Cash received from investments (disposals and dividends)		198,033	287,895
Cash from disposal of tangible and intangible fixed assets		519	2,833
Cash (outflow) from sale of subsidiaries net of cash and cash equivalents sold		-	(775)
Total cash received from investment activity		**198,552**	**289,953**
Net cash inflow/(outflow) related to investing activities (B)		**(33,009)**	**103,996**
Distributions paid to shareholders and general partners of parent company	26.3	(140,370)	(685,700)
Distributions paid to non-controlling interests	27	(131,099)	(170,119)
Perpetual subordinated debt repayment	27	(146,108)	-
Payment of interest on perpetual subordinated debt	27	(6,925)	(20,836)
Acquisition of additional interests in subsidiaries		(2,026)	(21,404)
Disposal/(acquisition) of own shares		14	148,156
Net cash inflow/(outflow) related to financing activities (C)		**(426,514)**	**(749,903)**
Impact of exchange rate changes on cash and cash equivalents (D)		**(12,856)**	**85,874**
NET INFLOW/(OUTFLOW) OF CASH (A) + (B) + (C) + (D)		**(964,928)**	**2,142,155**
Net opening cash and cash equivalents	29	5,816,975	3,674,820
Net closing cash and cash equivalents	29	4,852,047	5,816,975
NET INFLOW/(OUTFLOW) OF CASH		**(964,928)**	**2,142,155**

1. Highlights

1.1 Redemption of £125 million perpetual fixed rate subordinated notes

On 15 February 2024, the Group redeemed its £125m perpetual fixed-rate subordinated 9 per cent notes. In line with the Group's accounting policy, the notes were revalued to their redemption value through equity before being transferred to liabilities in the balance sheet. More information about the Group's perpetual subordinated debt and this redemption is given in Note 27.

Apart from this, there have been no significant changes of scope, changes in the accounting environment or other matters to raise in the Highlights during the twelve months to December 2024.

2. Preparation of the financial statements

2.1 Information regarding the Company

The consolidated financial statements of the Group (i.e. Rothschild & Co SCA and its consolidated subsidiaries) for the twelve months ended 31 December 2024 are presented in accordance with IFRS in force at the reporting date, as adopted in the European Union by way of EC Regulation No. 1606/2002. The format used for the financial statements is a banking format. It is consistent with Recommendation No. 2022-01 of 8 April 2022 of the French Accounting Standards Authority (*Autorité des normes comptables*). The statements cover the period from 1 January 2024 to 31 December 2024.

The consolidated accounts have been approved by Rothschild & Co Gestion SAS, the Statutory Manager of Rothschild & Co SCA, and, for verification and control purposes, were considered by the Supervisory Board on 13 March 2025.

As at 31 December 2024, the Group's holding company was Rothschild & Co SCA, a French partnership limited by shares (*société en commandite par actions*), headquartered at 23 bis, avenue de Messine, 75008 Paris, France (Paris Trade and Companies Registry Number 302 519 228).

As at 31 December 2024, the parent company of Rothschild & Co SCA was Rothschild & Co Concordia SAS, whose registered office is also at 23 bis, avenue de Messine, 75008 Paris, France.

The Group has a worldwide presence and operates three main businesses: Global Advisory, Wealth and Asset Management, and Five Arrows.

2.2 General principles

The accounts have been prepared having taken into account the understanding, relevance, reliability, comparability and materiality of the information provided. The Group has adequate resources to continue in operational existence for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis.

2.3 Changes to accounting standards

The IASB has issued minor amendments to IFRS effective since 1 January 2024. These revised requirements do not have any significant impact on the Group. The Group has not opted for early application of new standards, amendments and interpretations adopted by the European Union or the IASB where the application in 2024 is optional.

2.4 Forthcoming changes to accounting standards

2.4.1 IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which aims to increase comparability and transparency of the financial performance of similar entities. The standard will replace IAS 1 and will apply for reporting periods beginning on or after 1 January 2027, although earlier application is permitted. The Group is currently considering how the new standard may affect it.

2.4.2 IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Entities may elect to apply this Standard for reporting periods beginning on or after 1 January 2027, although earlier application is permitted. The standard is not expected to have any impact on the Group's consolidated accounts.

2.4.3 Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which address diversity in accounting practice in relation to these standards. These amendments will apply for reporting periods beginning on or after 1 January 2026, although earlier application is permitted. These amendments are not expected to have a material impact on the Group's consolidated accounts.

2.5 Subsequent events

Apart from matters already mentioned in these accounts, there have not been any events after the balance sheet date that require disclosure in these accounts.

3. Accounting policies

3.1 Consolidation method

3.1.1 Financial year end of the consolidated companies

For this reporting period, the financial statements of the Group are prepared as at 31 December 2024 and consolidate the financial statements of the Company and its subsidiary undertakings. To this end, at each closing date, the Group draws conclusions from past experience and all relevant factors relating to its business.

Rothschild & Co and all material subsidiaries are consolidated on the basis of a financial reporting date of 31 December 2024.

3.1.2 Subsidiaries

Subsidiaries are all entities that are controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date on which the Group acquires control and cease to be consolidated from the date that control ceases.

3.1.3 Associates

Associates are companies over whose financial and operational decisions the Group exercises significant influence but not control (this is generally demonstrated when the percentage of voting rights is equal to or greater than 20% but less than or equal to 50%).

The Group's investments in associated undertakings are initially recorded at cost. Subsequently, they are increased or decreased by the Group's share of the post-acquisition profit or loss, or by other movements reflected directly in the equity of the associated undertaking, such as dividends paid or translation movements. Positive goodwill arising on the acquisition of an associated undertaking is included in the cost of the investment.

3.1.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method specified by IFRS 3 Business Combinations. Thus, upon initial consolidation of a newly acquired company or business, the identifiable assets acquired, liabilities assumed and any contingent liabilities of the acquired entity are measured at fair value in accordance with IFRS. The costs directly attributable to business combinations are recognised in the income statement for the period.

Contingent cash consideration can be included in the acquisition cost at its fair value on the acquisition date, even if its payment is not certain. In this case, it is recognised as a liability in the balance sheet, and any subsequent adjustments to its value are booked in the income statement in accordance with IFRS 9. However, sometimes arrangements are made in which contingent payments for acquiring a company are made to a vendor who is an employee, and are more similar to a payment for services than a payment for the shares. This would be the case, for example, where these can be forfeited if the employee leaves voluntarily. In this case, these contingent payments are not considered as part of the acquisition cost. Instead, these payments are accounted for as a post-purchase staff expense.

On the date an entity is first consolidated, any stake in this entity already held by the Group is revalued at fair value through profit or loss, because taking control is accounted for as a sale and repurchase of the shares previously held.

Goodwill in an associate or subsidiary represents the excess, at the date of acquisition, of an acquisition's cost over the fair value of the Group's share of net identifiable assets acquired. Identifiable intangible assets are those that can be sold separately or that arise from legal rights, regardless of whether those rights are separate. If the fair value exceeds the cost, the difference ("negative goodwill") is immediately recognised in the income statement. All necessary valuations of assets and liabilities must be carried out within twelve months of the date of acquisition, as must any relevant corrections to the value.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised, but is tested annually for impairment, or more frequently when circumstances indicate that its carrying amount may be too high. Goodwill is allocated to cash-generating units (CGU) for the purposes of impairment testing. It is allocated to the lowest level of CGU or group of CGUs that are expected to benefit from the synergies of the combination. The decision is informed by the level at which the results of the acquired company are monitored for internal management purposes. If the value of each of the cash-generating units is insufficient to support its carrying value, then the goodwill is impaired. Impairment losses on goodwill would be recognised in the income statement.

Results from subsidiaries acquired during the reporting period are included from their acquisition dates and income from subsidiaries sold is included up to their disposal dates.

Gains and losses on the disposal of an entity are calculated after including the carrying amount of goodwill relating to the entity sold.

3.1.5 Non-controlling interests

For all business combinations, the Group assesses non-controlling interests (NCoI) as based on its share of the fair value of the identifiable assets and liabilities at the date of the acquisition, without recognising the goodwill for NCoI (partial goodwill method).

In the event of an increase in the Group's stake in entities over which it already exercises control, the difference between the price paid for the additional stake and the fair value of the share of net assets acquired on this date is booked in the Group's reserves as a reallocation from NCoI to other equity. In the same way, any reduction in the Group's stake in an entity that it continues to control is accounted for as an equity transaction between shareholders. On the date when the Group loses control of a consolidated subsidiary, any investment retained in the former subsidiary would be revalued to fair value through the income statement.

When other non-controlling interests are disposed of, the difference between their book value and the payment made is treated as a revaluation of the NCoI prior to disposal. The counterpart is recognised as a change in shareholders' funds.

3.1.6 Contracts to purchase non-controlled shares in subsidiaries

Where non-controlling shareholders have a contract to sell their equity interests in a subsidiary to the Group, the Group applies the anticipated-acquisition method of accounting for the interests that it did not already own. This means that the contract is accounted for as if the non-controlling shareholders had sold their shares to the Group, even though legally they are still NCoI. This happens regardless of how the exercise price is determined (e.g. fixed or variable) and how likely it is that the contract will be exercised. As the Group treats NCoI in this case as acquired, the associated liability for deferred or contingent consideration is considered as liability-classified rather than equity-classified, and therefore any revaluation of the liability is recognised in the income statement. Dividends paid to such NCoI are treated as an other interest expense to service the liability.

3.2 Accounting principles and valuation methods

3.2.1 Accounting judgments and estimates

To prepare the financial statements in accordance with the Group's accounting methods, management has made assumptions and estimates that could have an impact on the carrying value of certain assets and liabilities. By their nature, such valuations carry risks and uncertainties as to their realisation in the future. The key areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the accounts, include:

Valuation of financial assets and liabilities

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value used to measure a financial instrument is, where available, the listed price when the financial instrument is listed on an active market. In the absence of an active market, fair value is determined using measurement techniques.

Section 7.5 – Fair Value disclosures provides a description of the valuation techniques used; analysis by valuation hierarchy of assets and liabilities carried at fair value; and inputs and assumptions for valuations that are not primarily based on observable market data, alongside a sensitivity analysis.

Impairment of financial assets at amortised cost

The Group uses judgments when recognising the expected credit losses (ECL) for financial assets at amortised cost. This applies in particular to the assessment of significant increases in credit risk (SICR), and to the models and assumptions used to measure ECL. Management determines the size of the impairment allowance required using a range of factors such as the realisable value of any collateral; the likely recovery on liquidation or bankruptcy; the viability of the customer's business model; and their capacity to generate sufficient cash flow to service debt obligations.

The accuracy of the allowances made depends on how accurately the Group estimates future cash flows for credit-impaired financial assets (Stage 3), in particular the fair value of any collateral, and the model assumptions and parameters used in determining allowances for financial assets classified in Stages 1 and 2. While this necessarily involves judgment, the Group believes that its allowances are reasonable and supportable.

A description of the methodology used for assessing collective impairments of the main instruments classified at amortised cost is provided in section 7.2.3.1 – Grouping of instruments for losses measured on a collective basis.

Pensions

Defined benefit obligations are calculated at least annually by independent actuaries using the projected unit credit method and the principal assumptions used are set out in Note 28 – Retirement benefit obligations. The assumptions that have the greatest impact on the measurement of the pension fund assets and liabilities, along with their sensitivities, are also set out in the same note.

Deferred tax

Deferred tax assets, including those in relation to tax losses carried forward, are only recognised where it is considered probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are recognised at the rate at which they are expected to reverse. Further details are provided in Note 25 – Deferred tax.

Goodwill and intangible assets with indefinite lives

Goodwill and intangible assets with indefinite lives are assessed at least annually to determine whether they are impaired. The assessment includes management assumptions on future income flows and judgments on appropriate discount rates. Management performs sensitivity analysis of these assumptions as part of this assessment. Further details of management's assessment are contained in Note 18 – Intangible fixed assets and Note 19 – Goodwill.

Provisions

From time to time the Group is involved in legal proceedings or receives claims arising from the conduct of its business. Based upon available information and, where appropriate, legal advice, provisions are made where it is probable that an outflow of resources will be required and the amount can be reliably estimated. Further details are provided in Note 23 – Provisions

Consolidation of structured entities

The Group manages some structured entities in the form of funds in which the Group's own money is also invested. In these situations, a judgment must be made whether there is a need to consolidate these funds or not. The judgment is explained further in Note 34 – Structured entities.

3.2.2 Foreign currency transactions

The consolidated financial statements are presented in euros, which is the Company's functional currency and the Group's reporting currency. Items included in the financial statements of each of the Group's subsidiaries and associates are measured using their functional currency. The functional currency is the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Income statements and cash flows of foreign entities are translated into the Group's reporting currency at closing exchange rates for each month, where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Their balance sheets are translated at the exchange rate at the end of the period. Exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. On disposal or substantive disposal of an operating foreign entity, or when an associate becomes a subsidiary, these translation differences are recognised in the income statement as part of the gain or loss on sale, or on acquisition.

Translation differences on equities classified as FVTPL are reported within the fair value gain or loss in the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

The table below shows at each quarter end the main exchange rates against the euro that have been used to prepare the consolidated accounts.

	2024			2023		
	GBP	CHF	USD	GBP	CHF	USD
1 January	**0.8670**	**0.9288**	**1.1038**	**0.8869**	**0.9880**	**1.0683**
31 March	0.8550	0.9734	1.0795	0.8783	0.9917	1.0865
30 June	0.8469	0.9625	1.0709	0.8589	0.9766	1.0915
30 September	0.8317	0.9416	1.1148	0.8679	0.9694	1.0589
31 December	**0.8269**	**0.9382**	**1.0354**	**0.8670**	**0.9288**	**1.1038**

3.2.3 Financial assets and liabilities – classification and measurement

Initial recognition

On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL).

Financial instruments are recognised when the Group becomes a party to the contractual provisions. Under IFRS, regular way purchases and sales can be recognised on the trade or the settlement date. A regular way purchase is a purchase of a financial asset under a contract whose terms require delivery of the asset within an established time frame (for example, T+2). The Group applies trade date accounting for the purchase and sale of securities. Trade date accounting means that the purchase or sale is recognised on the day when the Group commits to purchase or sell the securities. The Group applies settlement date accounting for FX spot contracts. Settlement date accounting means that the contract is only recognised at the point of delivery.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in section 3.2.4 Financial assets – impairment. Interest income from these financial assets is included in the account line "Interest income on financial instruments using the effective interest method".

Financial assets at fair value through other comprehensive income (FVOCI)

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in net banking income. Interest income from these financial assets is included in the account line "Interest income on financial instruments using the effective interest method ".

On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in OCI. This election is made on an investment-by-investment basis. Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. The Group does not currently own equity securities measured at FVOCI.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at FVTPL on a designated basis if they meet the criteria for the classification of amortised cost or FVOCI, but they are managed, and their performance is evaluated, on a fair value basis.

Financial assets that do not meet the criteria for the classification of amortised cost or FVOCI are measured at FVTPL on a mandatory basis.

All financial assets at FVTPL are recognised at fair value, with transaction costs recorded immediately in the income statement, and they are subsequently measured at fair value. Gains and losses arising from changes in fair value, or on derecognition, as well as interests and dividends from financial assets at FVTPL are recognised in the income statement as net gains or losses on financial assets at FVTPL.

Business model assessment

When considering classification, the Group's assessment of the business model in which an asset is held is made at the portfolio level, because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, the Group considers whether management's strategy focuses on earning interest revenue; maintaining a particular interest profile; matching the duration of the financial assets to the duration of the liabilities that are funding those assets; or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model and how those risks are managed;
- how managers of the business are compensated, e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods; the reason for such sales; and expectations about future sales activity. However, information about disposal activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed on a fair value basis are classified as FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time as well as for other basic lending risks and costs, including profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amounts and timing of cash flows;
- prepayment and extension terms;
- leverage features;
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

A prepayment compensation is considered as reasonable, and therefore SPPI compliant, when the amount is calculated as a percentage of the outstanding amount of the loan and is capped by regulations. For example, in France, compensation for the prepayment of mortgage loans by individuals is legally capped at an amount equal to six months of interest or 3% of the principal outstanding, and this is treated as SPPI.

Reclassifications

Financial asset categories are not reclassified subsequent to their initial recognition, except when the Group changes its business model for managing financial assets.

Financial liabilities

Financial liabilities are carried at amortised cost using the effective interest rate method, except for derivatives that are classified as fair value through profit or loss or as cash flow hedges.

3.2.4 Financial assets – impairment

Scope of application

The Group assesses allowances for expected credit loss (ECL) on the following financial instruments that are not measured at FVTPL:

- loans, advances and debt securities;
- accounts receivable;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

Credit risk and provisioning stages

IFRS 9 outlines a three-stage model for impairments based on changes in credit quality following initial recognition, as summarised below:

- a financial instrument that is not credit impaired on initial recognition is classified in Stage 1.
- if a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit impaired. See below for a description of how the Group determines when an SICR has occurred.
- if the financial instrument is credit impaired, the financial instrument is then moved to Stage 3.
- financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of the lifetime ECL that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on ECL on a lifetime basis. See below for a description of inputs, assumptions and estimation techniques that the Group uses in measuring the ECL.
- purchased or originated credit-impaired (POCI) financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

For accounts receivable, the Group uses a simplified approach, under which impairments are calculated as the lifetime ECL from initial recognition, regardless of any changes in the counterparty's credit risk.

The key judgments and assumptions in assessing impairments of financial assets are disclosed below.

Significant increase in credit risk (SICR)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, which are based on the Group's credit risk management process. The Group considers that an SICR is indicated if the relevant credit committee decides that the credit rating of a financial asset is Category 2 or 3.

Financial instruments are often considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments. For fee income receivable by the GA business, the Group has rebutted this presumption and it considers that a significant increase is experienced only after 90 days past due. This rebuttal is based on historical experience of payments and is in line with the internal provisioning process (more detail is in section 7.2.3.1- Grouping of instruments for losses on a collective basis of these financial statements).

Definition of credit impairment and default

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt instruments at FVOCI, if any, are credit impaired (Stage 3).

Objective evidence that a financial asset or group of assets is credit impaired includes the following observable data:

- a breach of contract, such as a default or delinquency in repayment of interest or principal;
- significant deterioration in the collateral or in the borrower's ability to repay, which has led to a breach of covenant;
- threatened or actual legal matters connected to the borrower/loan that have/could have a significant impact on the loan;
- granting to the borrower, for economic or legal reasons relating to its financial difficulty, a concession that the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- significant financial difficulty of the issuer of a security.

A loan that is overdue for 90 days or more is likely to be considered impaired unless reliable evidence exists that supports a more delayed default criterion. A financial asset is credit impaired only when the relevant credit committee has considered that an event has occurred that has a detrimental impact on the estimated future cash flows of the financial asset before taking into account any collateral. When a financial asset is considered as credit impaired, it is also considered to be in default.

A credit impaired loan where recovery of collateral fully offsets any detrimental impact on estimated cash flows would still be considered to be credit impaired, but the provision would be nil, reflecting the value of collateral.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit impaired unless there is evidence that the value of original contractual cash flows will be received and there are no other indicators of impairment.

A financial asset that is classified as credit impaired (Stage 3) has a credit rating of Category 4 or 5 (more detail on credit rating is given in section 7.2.2- Credit rating of these financial statements).

Measurement of expected credit loss

ECL is a probability-weighted estimate of credit losses. It is measured as the discounted product of the following factors:

ECL = probability of default (PD) x exposure at default (EAD) x loss given default (LGD)

The PD represents the likelihood of a counterparty defaulting on its financial obligation (based on the definition of default in our accounting principles), either over the next twelve months (12m PD), or over the remaining lifetime (lifetime PD) of the obligation.

The EAD is based on the amount the Group expects to be owed at the time of default, over the next twelve months (12m EAD) or over the remaining lifetime (lifetime EAD). The Group derives the EAD from the current exposure to the counterparty. For an undrawn loan commitment, the EAD is the exposure if the commitment were drawn down. For a financial guarantee contract, the EAD is the expected payment to reimburse the holder.

LGD is the percentage of the exposure likely to be lost if there is a default. The Group estimates LGD parameters informed by historical rates of claims recovered against defaulted counterparties. The LGD models consider the structure, collateral and recovery cost of any collateral that is provided to secure the financial asset. For loans secured by property, loan to value (LTV) ratios are a key parameter in determining LGD.

These parameters are generally derived from internally developed models and other historical data.

Presentation of allowance for ECL in the balance sheet

Loss allowances for ECL are presented in the balance sheet as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the balance sheet because the carrying amount of these assets is their fair value. However, any loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

The Group writes off financial assets (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

3.2.5 Derivative instruments and hedge accounting

Derivatives

Derivatives are entered into for trading or risk management purposes. Derivatives used for risk management are recognised as hedging instruments when they qualify as such under IAS 39. When it adopted IFRS 9, the Group made the choice to maintain the IAS 39 provisions related to hedge accounting.

Derivatives are initially recognised at fair value and subsequent changes in fair value are recognised in the income statement. If there is a designated hedging relationship between a hedging instrument and a hedged item, the recognition of the profit or loss on the hedging instrument and the hedged instrument must comply with the conditions of IAS 39, depending on the hedging relationship.

Hedge accounting

The Group may apply hedge accounting when transactions meet the criteria set out in IAS 39. At the inception of the hedge, the Group assesses whether the hedging derivatives meet the effectiveness criteria of IAS 39 in offsetting changes in the fair value or cash flows of the hedged items. The Group then documents the relationship between the hedging instrument and the hedged item. It also records its risk management objectives, its strategy for undertaking the hedge transaction and the methods used to assess the effectiveness of the hedging relationship.

After inception, effectiveness is tested on an ongoing basis. Hedge accounting is discontinued when it is determined that a derivative has ceased to be highly effective, or when the derivative or the hedged item is derecognised, or when the forecast transaction is no longer expected to occur.

Fair value hedge accounting

Changes in value of fair value hedge derivatives are recorded in the income statement, together with fair value changes to the underlying hedged item in respect of the risk being hedged.

If the hedge no longer meets the criteria for hedge accounting, the difference between the carrying value of the hedged item on termination of the hedging relationship and the value at which it would have been carried had the hedge never existed is amortised to the income statement over the residual period to maturity, based on a recalculated effective interest rate.

Cash flow hedge accounting

Changes in the fair value of the effective portion of derivatives designated as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised in the income statement.

Amounts accumulated in equity are recycled to the income statement when the item being hedged impacts profit or loss.

When hedge accounting is discontinued, any cumulative gain or loss in equity remains in equity and is only recognised in the income statement when the forecast transaction is recognised in the income statement. If the forecast transaction is no longer expected to occur, the cumulative balance in equity is immediately transferred to the income statement.

Net investment hedge in foreign operations

Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are transferred to the income statement when the foreign operation is disposed of.

3.2.6 Derecognition

The Group derecognises a financial asset when:

- the contractual rights to cash flows arising from the financial assets have expired; or
- it transfers the financial asset, including substantially all of the risks and rewards of the ownership of the asset; or
- it transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of the asset, but no longer retains control of the asset.

3.2.7 Securitisation transactions

The Group may enter into funding arrangements with lenders in order to finance specific financial assets.

In general, the assets from these transactions are held on the Group's balance sheet on origination. However, to the extent that substantially all the risks and returns associated with the assets have been transferred to a third party, the assets and liabilities are derecognised in whole or in part.

Interests in securitised financial assets may be taken in the form of senior or subordinated tranches of debt securities, or other residual interests. The Group makes an assessment of whether the tranches held meet the SPPI criteria. One critical point to consider is whether the given tranche has a credit rating that is higher than the underlying portfolio of assets. Those that do (generally the senior tranches) can be classified as amortised cost. Those that do not (generally the junior tranches) must be classified as FVTPL.

3.2.8 Intangible assets

Intangible assets include software, intellectual property rights and assets acquired through business combinations such as client relationships, brands, and contracts to earn management fees. These are carried at historical cost less amortisation, if any, and less any accumulated impairment losses.

For assets with a definite life, amortisation is charged over the useful economic life of the asset, which is determined case by case based on the asset or contract. Contracts to earn management fees are amortised in line with income earned from the contracts; otherwise a straight-line amortisation method is generally used.

3.2.9 Tangible assets

Tangible assets comprise plant, property and equipment and are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the given asset. The deemed cost refers to the situation in which, on transition to IFRS, the Group elected at that time to consider the fair value of a tangible asset to be its deemed cost.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to write down the cost of assets to their residual values over their estimated useful lives, as follows:

Computer equipment	2 – 10 years
Cars	3 – 5 years
Fixtures and fittings	3 – 10 years
Leasehold improvements	4 – 24 years
Buildings	10 – 60 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These gains and losses are recognised in the income statement, in the account "Net income/(expense) from other assets".

3.2.10 Impairment assessments of tangible and intangible assets

At each balance sheet date, or more frequently where events or changes in circumstances dictate, tangible assets and intangible assets with a definite life are assessed for indications of impairment. If such indications are present, these assets are subject to an impairment review. Intangible assets considered to have an indefinite life (e.g. some of the Group's acquired brands) are not amortised; however, these assets are subject to an annual impairment test regardless of indications of impairment.

If impaired, the carrying values of assets are written down by the amount of any impairment and the loss is recognised in the income statement in the period in which it occurs. A previously-recognised impairment loss relating to such an asset may be reversed when a change in circumstances leads to a change in the estimates used to determine the asset's recoverable amount. The carrying amount of the asset could then increase up to the amount that it would have been had the original impairment not been recognised.

3.2.11 Provisions and contingent liabilities

Provisions are recognised only when the Group has a present obligation (legal or constructive) as a result of past events. In addition, it must be probable that a transfer of economic benefits will be required to settle the obligation, and it must also be possible to make a reliable estimate of the amount of the obligation.

Contingent liabilities can be possible obligations arising from past events whose existence will be confirmed by one or more uncertain future events not wholly within the Group’s control. Alternatively, they could be present obligations that are not recognised either because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be reliably estimated. Contingent liabilities are disclosed unless the possibility of a transfer of economic benefits is remote.

3.2.12 Pensions

The Group operates a number of pension and other post-retirement benefit schemes, both funded and unfunded, and of the defined benefit and defined contribution types.

For defined contribution schemes, the contribution payable in respect of the accounting period is recognised in the income statement.

Remeasurement gains and losses for defined benefit schemes are recognised outside the income statement and are presented in the statement of comprehensive income.

The amount recognised in the balance sheet in respect of defined benefit schemes is the difference between the present value of the defined benefit obligation at the balance sheet date and the fair value of the plan’s assets. Defined benefit obligations are calculated using the projected unit credit method. Their present values are determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currencies in which the benefits will be paid and that have terms to maturity approximating those of the obligation.

3.2.13 Revenue from contracts with customers

The Group earns fee and commission income from a range of services it provides to clients. Fee income generated by the Group can be categorised into the two broad categories below, depending upon the timing of the relevant service.

Point in time services

These fees are earned from providing services for which revenue is earned only when the service has been completed, i.e. once a performance obligation has been satisfied. Examples include a payment for advisory services that will only be made after the successful completion of a mandate, or an asset management performance fee that relies on meeting a specified return over a specified period. Revenue is recognised when it is highly probable that there will not be a significant reversal of the revenue in future. To minimise subjectivity and enhance comparability from year to year, the revenue is only recognised by the Group when a performance obligation has been contractually met.

For commissions earned at a point in time by the Group, the Group determines whether it acts in the capacity of an agent or principal. When undertaking brokerage services, this assessment is based on whether the Group controls the underlying securities and funds that are being traded before these are transferred to the underlying customer.

In respect of these commissions, the Group considers that the following factors indicate that it acts as an agent.

- The Group does not take legal title of the related underlying securities and funds before they are transferred to the final customer.
- Its performance obligation is to arrange for another party to provide the trade of securities and funds
- Although the Group may collect the revenue from the final customer, all associated credit and market risk is borne by the party that is executing or completing the trade.

Where the Group acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of commission made by the Group.

Services provided over time

These are fees earned from services that are provided over a period of time. Revenue is recognised over the period in which the services are provided, once one of the following occurs:

i. the customer consumes the benefits provided by the Group and another entity would not need to substantially re-perform the work that the Group has completed to date; or
ii. the Group has an enforceable right to payment for performance completed to date.

In the WAM and Five Arrows businesses, revenue recognised as services are provided mainly consists of fees calculated based on assets under management. Revenue is recognised monthly based on what is owed according to the contracts with customers.

For GA, such services include advisory services paid upfront or on a retainer basis. Revenue is recognised over the period in which the services are provided, which in practice is usually a straight-line basis over the period that work is performed for the client.

The amount of fee and commission income is based on consideration specified in a legally enforceable contract. The revenue recognised for each mandated service represents a market price, and consideration received is allocated to the separately identifiable performance obligations in the contract.

Fees and commissions that are an integral part of a loan, and loan commitment fees for loans that are likely to be drawn down, are deferred (together with related direct costs) and recognised over the life of the loan as an adjustment to the effective interest rate.

Costs can sometimes be charged to the client in the course of a mandate. Where recoverable, these are recognised as a receivable when incurred and do not impact profit or loss when recovered.

3.2.14 Interest income and expense

Interest receivable and payable includes interest arising from the lending and deposit-taking business, treasury activities, interest on hedging transactions, as well as discounting of leases and other liabilities. Interest on all financial instruments, excluding those classified as at fair value through profit or loss, is recognised in the income statement using the effective interest rate method. Where the Group uses trading derivatives and debt instruments measured at FVTPL as part of its net interest income strategy, it also includes there the portion of the change in fair value that is representative of the effective interest rate on these instruments.

The effective interest rate is the rate that exactly discounts the estimated future cash flows of a financial instrument to its net carrying amount. It is used to calculate the amortised cost of a financial asset or a financial liability and to allocate the interest over the relevant period (usually the expected life of the instrument). When calculating the effective interest rate, the Group considers all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes any premiums or discounts, as well as all fees and transaction costs that are an integral part of the loan.

3.2.15 Carried interest

The Group is entitled to receive carried interest in relation to certain of the private equity and private debt funds that it manages. Carried interest receivable is accrued if the performance conditions associated with earning it would be achieved, and is calculated on the assumption that the remaining assets in the fund were realised at their fair value as at the balance sheet date. Fair value is determined using the valuation methodology applied by the Group in its role as manager to its funds and is measured as at the balance sheet date. An accrual is made equal to the Group's share of profits in excess of the performance conditions, taking into account any cash already paid to the fund's investors and the fair value of assets remaining in the fund.

Certain employees may also hold classes of share capital that give them a right to receive carried interest from investments managed by the Group. Where such carry shares held by staff are in an investment vehicle that is not consolidated, the interests of the staff are reflected in a reduced investment return of the Group's own interests. Where the carry shares held by staff are in a vehicle that is consolidated, the interests of the staff are treated as non-controlling interests of the Group. The valuation of the interests held by staff is calculated as at the balance sheet date using the same method as the valuation of the Group's interests, as described above.

3.2.16 Long-term incentive schemes

Long-term profit share schemes

The Group operates long-term profit share schemes for the benefit of employees. The costs of such schemes are recognised in the income statement over the period in which the services are rendered that give rise to the obligation. Where the payment of profit share is deferred until the end of a specified vesting period, and the payment is contingent of the employee working until the vesting period ends, then the deferred amount is recognised in the income statement in a straight line over the period up to the date of vesting.

Share-based payments

The Group pays certain employees using non-cash instruments in the form of cash awards linked to the value of R&Co shares, which are treated as cash-settled share-based payments. The cash-settled payments are valued at the date they are granted, and the liability is then revalued in the income statement up to the point of settlement.

3.2.17 Taxation

Tax payable on profits and deferred tax are recognised in the income statement, except to the extent that they relate to gains and losses that are recognised in equity, in which case the relevant tax is also recognised in equity.

Deferred tax is provided, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax is determined using tax rates and laws that are expected to apply when a deferred tax asset is realised, or the deferred tax liability is settled. Deferred taxes are not discounted for the time value of money.

Deferred tax assets, including those for the tax effects of income tax losses available for carry forward, are only recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax liabilities are provided on temporary differences arising from investments in subsidiaries and associates where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will reverse in the foreseeable future.

3.2.18 Dividends

Dividends on ordinary shares are recognised in equity at the point where they become an obligation, usually after having been approved by the Company’s shareholders at the Annual General Meeting and any conditions precedent have been met or, in the case of interim dividends, when they are paid by the Company after decisions of the Statutory Manager.

3.2.19 Classification of debt and shareholders’ equity

Under IFRS, the critical feature in differentiating a debt instrument from an equity instrument is the existence of a contractual obligation of the Group to deliver cash (or another financial asset) to another entity. Where there is no such contractual obligation, the Group will classify the financial instrument as equity; otherwise it will be classified as a liability and carried at amortised cost. The terms of the perpetual debt instruments issued by the Group permit interest payments to be waived unless discretionary dividends have been paid in the previous six months. These instruments are, therefore, considered to be equity. Equity securities issued by the Company are recorded within the account “Capital and associated reserves”. If they are issued by Group subsidiaries and held by parties outside the Group, these securities are recognised as non-controlling interests.

3.2.20 Fiduciary activities

The Group acts as custodian and in other fiduciary capacities that result in the holding or placing of assets on behalf of customers. When placed with third parties, these assets are excluded from the Group’s financial statements, as they are not assets of the Group.

3.2.21 Leases

Accounting for leases as a lessee

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract contains a lease, the Group assesses whether:

- the contract involves the use of an identified asset without a substantive substitution right given to the lessor;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

The Group recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at the initial amount of the lease liability recognised, plus an estimate of costs to dismantle and restore the underlying asset, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method. The estimated useful lives of ROU assets usually match the expected term of the lease. The ROU asset may be adjusted if the lease liability is remeasured, and can be reduced by impairment losses, if applicable.

The lease liability is initially measured at the present value of the lease payments at the commencement date, discounted using the incremental borrowing rate in the region where the lease is held. Extension and termination options exist for a number of leases, particularly for rentals of offices. In determining the length of the lease term, extension and termination options are included in the assessment only where the Group is reasonably certain that these options will be exercised; this assessment looks beyond contractual terms and considers the broader economic context of the arrangements. In practice, it is rare that the Group will consider an extension option to be reasonably certain to exercise if it is due to be exercised over ten years in the future.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- any costs that the Group is reasonably certain to exercise relating to renewal or termination options on the lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, or leases of low-value assets, including most IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. Notes to the income statement

Note 1 – Net interest income

In thousands of euros	31/12/2024	31/12/2023
Interest income - loans to banks	217,554	162,871
Interest income - loans to customers	195,283	196,608
Interest income - debt securities at amortised cost	102,077	57,343
Interest income - hedging derivatives	521	646
Interest income - other financial assets	545	1,156
Interest income on financial instruments using the effective interest method	**515,980**	**418,624**
Interest expense - due to customers	(373,034)	(234,048)
Interest expense - due to banks and other financial institutions	(13,086)	(13,520)
Interest expense - debt securities in issue and other financial liabilities	(8,024)	(5,039)
Interest expense - lease liabilities	(9,034)	(7,123)
Interest expense - hedging derivatives	(508)	(287)
Interest expense on financial instruments using the effective interest method	**(403,686)**	**(260,017)**
Interest income - trading derivatives	90,687	80,702
Interest income - debt securities at FVTPL	556	440
Interest expense - trading derivatives	(4)	(13)
Net interest income on other financial instruments	**91,239**	**81,129**
NET INTEREST INCOME	**203,533**	**239,736**

The Group considers that the trading derivatives in this table are part of the Group's overall strategy on its interest margin, and so has shown the effective interest element of their change in value as part of net interest income.

Note 2 – Net fee and commission income and expense

2.1 Fee and commission income

In thousands of euros	31/12/2024	31/12/2023
Fees for M&A and strategic advisory work	951,157	853,157
Fees for Financing Advisory work and other activities	747,741	558,124
Portfolio fees - Wealth and Asset Management and similar activities	696,881	598,775
Portfolio fees - Five Arrows and similar activities	228,703	210,751
Banking and credit-related fees and commissions	7,635	7,389
Other fees	11,946	11,220
TOTAL	**2,644,063**	**2,239,416**

2.2 Fee and commission expense

In thousands of euros	31/12/2024	31/12/2023
Fees for M&A and strategic advisory work	(4,768)	(3,867)
Fees for Financing Advisory work and other activities	(27,432)	(20,882)
Portfolio fees - Wealth and Asset Management and similar services	(92,003)	(75,222)
Portfolio fees - Five Arrows and similar activities	(11,635)	(10,150)
Banking and credit-related fees and commissions	(16)	(116)
Other fees	(6,475)	(4,235)
TOTAL	**(142,329)**	**(114,472)**

Note 3 – Net gains on financial instruments at fair value through profit or loss

In thousands of euros	31/12/2024	31/12/2023
Net income - financial instruments at fair value through profit or loss	178,559	128,140
of which: net income - carried interest	*49,875*	*45,374*
Net income - foreign exchange operations	20,400	37,513
Net income - other operations	4,734	4,852
TOTAL	**203,693**	**170,505**

Net gains on financial instruments at fair value through profit or loss include the changes in fair value of financial instruments at fair value through profit or loss, and financial instruments held in the trading portfolio, including derivatives.

Financial instruments at fair value through profit or loss include both ordinary equity and carried interest shares held by the Group in its Five Arrows funds. They also include debt securities issued by its Five Arrows investment vehicles.

Note 4 – Other net banking income

In thousands of euros	31/12/2024	31/12/2023
Net gains/(losses) on derecognition of assets held at amortised cost	19	1
Other operating income	1,323	548
Other operating expenses	(1,552)	(441)
TOTAL	**(210)**	**108**

Note 5 – Operating expenses

In thousands of euros	31/12/2024	31/12/2023
Compensation and other staff costs	(1,624,361)	(1,495,523)
Defined contribution pension expenses	(25,517)	(24,436)
Defined benefit pension expenses (Note 28)	(8,077)	(2,193)
Staff costs	**(1,657,955)**	**(1,522,152)**
Administrative expenses	(389,712)	(399,655)
TOTAL	**(2,047,667)**	**(1,921,807)**

5.1 Staff costs

As part of its variable pay strategy, the Group pays bonuses to employees. In some cases, the cash payment is deferred to future years. In most circumstances, deferred cash awards are paid one, two and three years after the year of the award, and the expense is recognised over the two-, three- and four-year periods from the start of the year of the award to the date of payment. These awards are paid on the condition that the recipient is still an employee of the Group. Employees who are identified as Material Risk Takers (MRT) under the Capital Requirements Directive V (CRD V) will have a portion of their current year bonus deferred over four years, with the expense recognised accordingly. Occasionally, in certain circumstances, the Group allows employees who are not MRTs to accelerate the vesting of deferred cash awards, and in this case, any remaining uncharged expense is recognised immediately.

A portion of the bonuses paid to MRTs identified under CRD V and the Investment Firms Prudential Regime (IFPR) are settled in the form of a non-cash instrument. All non-cash instrument awards made since 2023 (relating to the 2022 performance year) are being made in the form of notional shares (both deferred and non-deferred), which track the value of Rothschild & Co shares and will be settled in cash. The value of these non-cash instrument awards as at 31 December 2024 was €30 million (December 2023: €13 million) and the charge to the income statement from these awards was €13.6 million (December 2023: €7.1 million).

The objective of the non-cash instruments is to link the reward of certain key staff with the performance of the Group. In addition to the requirement to remain employed by the Group, these awards may also be cancelled or reduced under specific circumstances.

Deferred remuneration gives rise to a commitment to employees. Some of this has not yet accrued because it relates to a future service period. The amount of potential future payments that have not yet accrued is €147 million (€132 million as at 31 December 2023).

Note 6 – Depreciation, amortisation and impairment of tangible and intangible fixed assets

In thousands of euros	31/12/2024	31/12/2023
Depreciation and amortisation		
Right of use assets	(52,672)	(46,618)
Tangible assets	(28,353)	(26,596)
Intangible assets	(22,491)	(21,129)
Total depreciation and amortisation	**(103,516)**	**(94,343)**
Impairment (charge)/release		
Right of use assets	(1,983)	644
Tangible assets	-	-
Intangible assets	(106)	(4,776)
Total impairments	**(2,089)**	**(4,132)**
TOTAL	**(105,605)**	**(98,475)**

Note 7 – Net income/(expense) from other assets

In thousands of euros	31/12/2024	31/12/2023
Gains/(losses) related to disposal and impairment of tangible or intangible assets	(590)	523
Gains/(losses) related to acquisition and disposal of Group companies	(363)	7,906
Non-operating income/(expense)	(760)	(2,532)
TOTAL	**(1,713)**	**5,897**

The account "Gains/(losses) related to acquisition and disposal of Group companies" includes, for 2023, a consolidated gain on disposal of €4.1 million of the Group's North American asset management business, net of associated costs.

Note 8 – Income tax (expense)

In thousands of euros	31/12/2024	31/12/2023
Current tax (expense)	(146,650)	(127,654)
Deferred tax income/(expense)	6,841	29,495
TOTAL	**(139,809)**	**(98,159)**

Further details of the current and deferred tax charge are as follows:

8.1 Current tax (expense)

In thousands of euros	31/12/2024	31/12/2023
Tax charge for the period	(135,593)	(99,235)
Irrecoverable dividend-related tax	(7,752)	(27,354)
Pillar 2 top up tax	(1,966)	-
Adjustments related to prior periods	(1,391)	(843)
Other	52	(222)
TOTAL	**(146,650)**	**(127,654)**

Pillar 2 legislation, which aims to ensure large multinational corporations pay a minimum 15% tax on income arising in each of the jurisdictions where they operate, came into force on 1 January 2024.

8.2 Deferred tax income

In thousands of euros	31/12/2024	31/12/2023
Temporary differences	9,563	19,091
Changes in tax rates	(39)	2,426
Irrecoverable dividend-related tax	(900)	7,921
Adjustments related to prior periods	(1,783)	57
TOTAL	**6,841**	**29,495**

8.3 Reconciliation of the tax charge between the French standard tax rate and the effective rate

In thousands of euros	31/12/2024		31/12/2023	
Profit before tax		**736,565**		**526,148**
Expected tax charge at standard French corporate income tax rate	25.83%	190,255	25.83%	135,904
Main reconciling items[(1)]				
Tax on partnership profits recognised outside the Group	(5.1%)	(37,805)	(5.7%)	(29,974)
Impact of foreign profits and losses taxed at different rates	(5.1%)	(37,194)	(6.6%)	(34,954)
Tax impact relating to changes in the corporate income tax rate	+0.0%	39	(0.5%)	(2,426)
Tax on result from associate, recorded net of tax	+0.2%	1,298	(0.1%)	(274)
Tax on dividends received through partnerships	+0.3%	1,869	+1.1%	5,543
Tax impacts relating to prior years	+0.4%	3,174	+0.1%	786
Impact of unrecognised deferred tax on losses	+0.6%	4,537	+0.6%	3,309
Permanent differences	+0.7%	4,788	+0.1%	725
Irrecoverable and other dividend-related taxes	+1.2%	8,652	+3.7%	19,433
Other tax impacts	+0.0%	196	+0.1%	87
Actual tax charge	**19.0%**	**139,809**	**18.7%**	**98,159**
EFFECTIVE TAX RATE		**19.0%**		**18.7%**

(1) The categories used in the comparative disclosure are always presented in a way that is consistent with the categories used to explain the tax in the current period.

5. Notes to the balance sheet

Note 9 – Financial instruments at fair value through profit or loss

Financial assets

In thousands of euros	31/12/2024	31/12/2023
Equity instruments held for investment	1,113,518	970,238
Equity instruments issued by mutual funds, held for liquidity	502,861	384,232
Debt securities held for investment	121,691	77,867
Other equity instruments	59,884	62,095
Financial assets mandatorily at fair value through profit or loss	**1,797,954**	**1,494,432**
Trading derivative assets (see Note 10)	219,585	118,517
TOTAL	**2,017,539**	**1,612,949**

Assets held for investment at FVTPL are held primarily by the Five Arrows business. Equity instruments issued by mutual funds are predominantly money market and low-risk debt funds.

Other equity instruments include assets used to hedge certain fund-denominated amounts due to employees, or to cover social security payable on these amounts. The Group has set up a legally separate employee benefit trust (EBT) to hold some of these assets. Although this trust is consolidated, its assets are not available to the Group's creditors (even in the case of bankruptcy), and cannot be returned to the Group.

The assets held by this EBT meet the criteria for being "plan assets" in the context of IAS 19 Employee Benefits. Plan assets are measured at fair value and netted against the related liabilities due to employees.

The value of the EBT's plan assets as at December 2024 is €166.8 million and the related amounts due to employees that can be netted is €156.2 million. The amount disclosed above as at December 2024 in Other equity instruments is after netting plan assets with related liabilities.

Financial liabilities

In thousands of euros	31/12/2024	31/12/2023
Trading derivative liabilities (see Note 10)	160,354	187,966
TOTAL	**160,354**	**187,966**

Note 10 – Derivatives

Derivative instruments are carried at fair value, shown in the balance sheet as separate totals of positive fair values (assets) and negative fair values (liabilities). Positive fair values represent the cost to the Group of replacing all transactions in the Group's favour if the counterparties default. Negative fair values represent the cost to the Group's counterparties of replacing all their transactions with the Group in the counterparties' favour if the Group were to default. Changes in fair values of derivative instruments are recognised in trading income unless they qualify as cash flow or net investment hedges for accounting purposes.

Derivatives may be transacted for trading or hedging purposes. The accounting treatment of hedge transactions depends on the nature of the hedging relationship and whether the hedge qualifies as such for accounting purposes. Most of the Group's derivative transactions that do not qualify as hedges for accounting purposes are nonetheless for the purpose of reducing market risk, by hedging exposures in the trading or non-trading books.

10.1 Trading derivatives

	31/12/2024			31/12/2023		
In thousands of euros	*Notional principal*	Of which: asset	Of which: liability	*Notional principal*	Of which: asset	Of which: liability
Firm foreign exchange contracts	*18,596,399*	204,261	157,606	*16,268,546*	115,573	180,274
Conditional foreign exchange contracts	*345,763*	2,749	2,748	*296,618*	1,259	1,230
Firm interest rate contracts	*161,367*	12,575	-	*145,081*	1,677	6,462
Conditional interest rate contracts	*1,600*	-	-	*1,915*	8	-
TOTAL	***19,105,129***	**219,585**	**160,354**	***16,712,160***	**118,517**	**187,966**

10.2 Hedging derivatives

	31/12/2024			31/12/2023		
In thousands of euros	*Notional principal*	Of which: asset	Of which: liability	*Notional principal*	Of which: asset	Of which: liability
Firm interest rate contracts	*133,022*	3,217	13	*96,083*	4,145	510
Firm foreign exchange contracts	*62,407*	2,362	-	*48,933*	867	-
TOTAL	***195,429***	**5,579**	**13**	***145,016***	**5,012**	**510**

10.3 Fair value hedges

A relatively small part of the Group's loans and deposits are medium and long-term with a fixed interest rate and are, therefore, exposed to changes in fair value due to movements in market rates. The Group utilises interest rate swaps to manage this risk exposure. For some of these swaps, it applies hedge accounting in the form of both macro and micro fair value hedges.

Only the interest rate risk element is hedged; other risks, such as credit risk, are managed but not hedged by the Group. The interest rate risk component that is hedged is the change in fair value of the medium/long-term fixed-rate customer loans and deposits that arise solely from changes in the benchmark rate of interest. Such changes are usually the largest component of the overall change in fair value.

For the purposes of hedge accounting, tests are performed, prospectively at the date of designation and retrospectively at each balance sheet date. These include tests to ensure there is no risk of over-coverage. The ineffectiveness of these hedges is considered immaterial and has therefore not been recognised in the income statement.

Most of the macro hedging swaps are intended to be held until maturity without periodic revision (i.e. they are non-dynamic).

The following table sets out the maturity profile of the designated hedging instruments that are used in the Group's hedging strategies as at 31 December 2024.

Fair value hedges - interest rate swap	31/12/2024			
In thousands of euros	Total	<1yr	1yr - 5yr	>5yr
Notional value of hedges for loans	**84,648**	-	12,000	59,648
Notional value of hedges for customer deposits	**48,374**	-	48,374	-
TOTAL	**133,022**	**-**	**60,374**	**59,648**

The following table contains further details relating to the Group's hedging strategies. The average fixed-rate leg of the hedges is 1.0% for EUR and 4.9% for GBP (December 23: EUR 0.9% and GBP 4.9%).

In thousands of euros	31/12/2024		31/12/2023	
	Loans to customer	Customer deposit	Loans to customer	Customer deposit
Notional principal of fair value hedges	84,648	48,374	96,083	-
Carrying amount of hedged item	302,048	48,374	368,865	-
Accumulated amount of fair value adjustments on the hedged items	(3,216)	(11)	(3,635)	-
Increase/(decrease) in fair value of hedged items during the year for effectiveness assessment	419	(11)	2,405	-

10.4 Cash flow hedges

A foreign currency exposure arises in operating divisions that have a cost base in a currency that is different to its functional currency. The risk arises from the fluctuation in future spot rates, which would cause volatility in the Group's income statement. This risk may have a significant impact on the financial statements of the Group or the affected business.

The Group has introduced a hedging programme in certain divisions to reduce the volatility caused by exchange rate movements, by entering into forward foreign exchange contracts. The derivatives (a cash flow hedge) are designated as a hedge of a probable forecasted transaction, being the foreign currency sterling costs of the operating division.

The hedged risk for the Group's cash flow hedges is the risk of a strengthening of sterling exchange rates against the euro that would result in a reduction in profit. Because the Group policy is to hedge only a portion of the cost base, any ineffectiveness is expected to be immaterial.

The following table sets out the maturity profile and average exchange rate on the forward foreign exchange contracts that are used in the Group's cash flow hedging strategies as at 31 December 2024.

Cash flow hedges - currency forward	31/12/2024				31/12/2023
	Total	<1yr	1yr - 5yr	>5yr	Total
Notional (in thousands of euros)	62,407	35,729	26,678	-	**48,933**
Average EUR-GBP exchange rate	0.88	0.88	0.88	-	0.90

The following table contains details of the Group's cash flow hedges.

In thousands of euros	31/12/2024	31/12/2023
Notional principal of hedging derivatives	62,407	48,933
(Loss) in value of the hedged sterling cost base during the period for effectiveness assessment	(2,132)	(543)
Gain in cash flow hedge reserve transferred to P&L	2,132	543

10.5 Net investment hedges

A foreign currency exposure arises from a net investment in subsidiaries that have a different functional currency from that of the Group. The risk arises from the fluctuation in spot exchange rates between the functional currency of the subsidiaries and the Group's functional currency, which causes the amount of the net investment to vary. This risk may have a significant impact on the Group's financial statements. The Group's policy is to hedge these exposures only when it could have a significant impact on the regulatory capital ratios of the Group and its banking subsidiaries.

During 2024 and 2023, the Group did not have any net investment hedges. In the past, the Group has hedged the risk of weakening exchange rates against the euro that would result in a reduction in the carrying amount of the Group's net investment in its Swiss franc and sterling subsidiaries. The cumulative foreign currency reserve on these discontinued hedges (negative €7.8 million) remains in reserves, and will only be transferred to the P&L if the Group disposes of the underlying foreign operations, for which no plans exist.

Note 11 – Securities at amortised cost

In thousands of euros	31/12/2024	31/12/2023
Public bills held for liquidity	2,214,354	1,848,669
Debt securities held for liquidity	1,615,216	1,524,720
Debt securities held for investment	26,994	45,264
Debt securities at amortised cost - gross amount	**3,856,564**	**3,418,653**
Stage 1 - 2 allowances	(675)	(570)
TOTAL	**3,855,889**	**3,418,083**

Note 12 – Loans and advances to banks

In thousands of euros	31/12/2024	31/12/2023
Interbank demand deposits and overnight loans	894,028	816,381
Interbank term deposits and loans	128,034	37,649
Reverse repos and loans secured by bills	2,402,652	868,547
Accrued interest	7,444	4,687
Loans and advances to banks - gross amount	**3,432,158**	**1,727,264**
Allowance for credit losses	-	-
TOTAL	**3,432,158**	**1,727,264**

Note 13 – Loans and advances to customers

In thousands of euros	31/12/2024	31/12/2023
PCL loans to customers	3,985,832	4,014,118
Other loans to customers	297,019	286,528
Overdrafts	34,113	32,101
Accrued interest	38,465	42,633
Loans and advances to customers – gross amount	**4,355,429**	**4,375,380**
Stage 1 - 2 allowances	(3,527)	(4,736)
Stage 3 allowances	(34,783)	(39,445)
Allowance for credit losses	**(38,310)**	**(44,181)**
TOTAL	**4,317,119**	**4,331,199**

Credit risk on loans to customers is further explained in section 7.2.3 – Credit risk exposure.

Note 14 – Other assets

In thousands of euros		31/12/2024	31/12/2023
Accrued income	(1)	190,484	183,418
Prepaid expenses		55,665	50,303
Prepayments and accrued income		**246,149**	**233,721**
Settlement accounts for transactions of securities	(1)	159,917	353,738
Defined benefit pension scheme assets (Note 28)		273,292	207,062
Accounts receivable	(1)	253,414	257,560
Guarantee deposits paid	(1)	92,472	85,517
Other sundry assets		228,420	190,373
Other assets		**1,007,515**	**1,094,250**
TOTAL		**1,253,664**	**1,327,971**

(1) These balances represent other financial assets as reported in section 7 – Financial risk management.

Note 15 – Investments accounted for by the equity method

The amounts in the balance sheet and income statement for associates are shown below. St Julian's Properties was liquidated during 2023.

In thousands of euros	31/12/2024 Equity accounted value	31/12/2024 Share of profit after tax	31/12/2023 Equity accounted value	31/12/2023 Share of profit after tax
Auster Fund Advisory Ltd	373	(5,024)	5,155	1,061
St Julian's Properties Limited	-	-	-	79
TOTAL	**373**	**(5,024)**	**5,155**	**1,140**

Information about the underlying accounts of Auster Fund Advisory Ltd, a Five Arrows business, is as follows.

Auster Fund Advisory Limited - selected financial data

In thousands of euros	31/12/2024	31/12/2023
Balance sheet		
Loans and receivables with bank, net	735	2,082
Other assets	1,698	17,223
Total assets	**2,433**	**19,305**
Other creditors	1,191	2,123
Total liabilities	**1,191**	**2,123**
Comprehensive income		
Net banking revenue	4,461	9,393
Operating expenses	(4,892)	(5,833)
Impairment of other assets	(16,314)	-
Profit before tax	(16,746)	3,560
Net income	**(16,745)**	**3,538**
Other comprehensive income	805	(104)
Total comprehensive income	**(15,940)**	**3,434**
Dividends paid	**-**	**-**

Associates are accounted for using the equity method. Information about Group voting rights and ownership interest is disclosed in Section 9 – Consolidation scope.

Note 16 – Leases

The Group rents offices around the world from which it conducts its business. The terms of these leases typically span from 5-15 years.

Many of these leases contain clauses whereby the lessee has the opportunity to extend the lease beyond the non-cancellable term of the lease or has the option to terminate the lease early in advance of the contractual end date. Where entities have judged that they are reasonably certain to utilise these options, they have included these early termination/extension options in their assessment of the lease term.

The Group, where appropriate, subleases a small proportion of these properties to entities outside the Group.

The Group as a lessor also leases a number of motor vehicles and certain other equipment, which are collectively not significant to the Group's accounts.

16.1 Right-of-use assets

In thousands of euros	01/01/2024	Additions	Disposals/ write-offs	Deprec-iation and impairment	Exchange rate and other movements	31/12/2024
Gross right-of-use assets						
Leasehold property	374,063	49,087	(10,713)	-	6,286	418,723
Other assets	7,666	1,977	(1,439)	-	(3)	8,201
Total – gross	**381,729**	**51,064**	**(12,152)**	**-**	**6,283**	**426,924**
Depreciation and impairments						
Leasehold property	(168,696)	-	7,127	(52,599)	(1,663)	(215,831)
Other assets	(4,441)	-	1,386	(2,056)	5	(5,106)
Total depreciation and impairments	**(173,137)**	**-**	**8,513**	**(54,655)**	**(1,658)**	**(220,937)**
TOTAL	**208,592**	**51,064**	**(3,639)**	**(54,655)**	**4,625**	**205,987**

16.2 Lease liabilities

In thousands of euros	01/01/2024	Additions	Disposals/ write-offs	Amounts paid	Unwinding of discount	Exchange rate and other movements	31/12/2024
Leasehold property	231,073	46,830	(4,412)	(55,559)	8,936	5,438	232,306
Other assets	3,181	2,098	(55)	(2,280)	98	-	3,042
TOTAL	**234,254**	**48,928**	**(4,467)**	**(57,839)**	**9,034**	**5,438**	**235,348**

As at 31 December 2024 the Group has committed to some future leases which have not yet commenced. This includes leases of properties for which the future cash outflows, undiscounted and not adjusted for inflation, may be in the region of €288 million over lease terms of up to 12 years.

16.3 Short-term and low-value leases

Using permitted exemptions, the Group does not capitalise leases that are short term, low value, or otherwise not subject to capitalisation due to materiality. The amounts recorded in the income statement in respect of these leases were as follows:

In thousands of euros	31/12/2024	31/12/2023
Short-term leases	(834)	(810)
Low-value leases	(7)	(8)
TOTAL	**(841)**	**(818)**

Commitments payable on these leases as at 31 December 2024 are €0.7 million (December 2023: €0.7 million).

Note 17 – Tangible fixed assets

In thousands of euros	01/01/2024	Additions	Disposals/ write-offs	Depreciation/ impairment charge	Exchange rate and other movements	31/12/2024
Gross tangible fixed assets						
Operating land and buildings	385,840	29,105	(4,492)	-	14,263	424,716
Other tangible fixed assets	96,922	9,765	(6,716)	-	(92)	99,879
Total – gross	**482,762**	**38,870**	**(11,208)**	**-**	**14,171**	**524,595**
Depreciation and impairments						
Operating land and buildings	(156,416)	-	4,062	(17,185)	(5,572)	(175,111)
Other tangible fixed assets	(63,861)	-	6,386	(11,168)	(829)	(69,472)
Total depreciation and impairments	**(220,277)**	**-**	**10,448**	**(28,353)**	**(6,401)**	**(244,583)**
TOTAL	**262,485**	**38,870**	**(760)**	**(28,353)**	**7,770**	**280,012**

Note 18 – Intangible fixed assets

In thousands of euros	01/01/2024	Additions	Disposals/ write-offs	Amortisation/ impairment	Exchange rate and other movements	31/12/2024
Gross intangible fixed assets						
Brand names	165,179	-	-	-	278	165,457
Software	91,613	19,508	(7,232)	-	321	104,210
Customer relationships and other intangibles	78,510	179	-	-	537	79,226
Total – gross	**335,302**	**19,687**	**(7,232)**	**-**	**1,136**	**348,893**
Amortisation and impairments						
Brand names	(1,576)	-	-	(711)	(33)	(2,320)
Software	(61,916)	-	7,226	(16,092)	(243)	(71,025)
Customer relationships and other intangibles	(39,329)	-	-	(5,794)	(75)	(45,198)
Total amortisation and impairments	**(102,821)**	**-**	**7,226**	**(22,597)**	**(351)**	**(118,543)**
TOTAL	**232,481**	**19,687**	**(6)**	**(22,597)**	**785**	**230,350**

By far the most significant of the brand names is the asset related to the use of the “Rothschild & Co” name. This is considered to have an indefinite useful life and is, therefore, not amortised. Instead, it is subject to an impairment test performed at least annually.

18.1 Testing intangible assets with an indefinite life for impairment

As at 31 December 2024, the Group performed an impairment test for the "Rothschild & Co" name. It valued the name using the "royalty relief" method, whereby the value of the name is based on the theoretical amount that would be paid if the name were licensed from a third party, and not owned by the Group. Income for testing purposes has been determined on the basis of a three-year plan drawn up through the Group’s budget process and then extended in perpetuity to a terminal value, using a long-term growth rate.

Based on this test, the amount by which the income would have to fall to cause an impairment would be 62% (December 2023: 60%).

The other key assumptions used for the test and the value that would result in an impairment are:

Key assumptions	**Value used**		**Value that will result in an impairment**	
	31/12/2024	**31/12/2023**	**31/12/2024**	**31/12/2023**
Royalty rate	2.0%	2.0%	0.8%	0.8%
Discount rate	12.5%	12.0%	28%	26%
Revenue growth rate in perpetuity	2.0%	2.0%	(31%)	(25%)

Note 19 – Goodwill

In thousands of euros	Global Advisory	Wealth and Asset Management	Five Arrows	TOTAL
As at 1 January 2024	**164,000**	**105,961**	**4,286**	**274,247**
Currency translation	2,978	(680)	283	2,581
AS AT 31 DECEMBER 2024	**166,978**	**105,281**	**4,569**	**276,828**

19.1 Testing for impairment

The Group performs impairment tests on the carrying value of its goodwill on a recurring annual basis. The tests are applied for each of the cash-generating units (CGU) to which goodwill has been allocated. The recoverable amount of the CGUs has been calculated using the most appropriate method. The results of these tests concluded that no impairment was needed on any of the Group's goodwill.

19.1.1 Global Advisory

For the GA CGU (goodwill: €167 million), the fair value has been calculated using price/earnings (PER) multiples that have been applied to the normalised profits earned after tax.

The following assumptions were used:

- normalised profit after tax is determined over the last three years; and
- trading multiples used were medium-term PER multiples of M&A-focused peers.

The valuation technique would be classified in Level 2 of the fair value hierarchy.

Results of sensitivity tests on this CGU show that either the PER or the normalised profit would have to decrease by 46% (December 2023: 60%) for an impairment to be considered.

19.1.2 WAM

For the Swiss WAM CGU (goodwill: €67 million) and the French WAM CGU (goodwill: €38 million), the fair value has been calculated using an enterprise value/asset under management (EV/AUM) multiple, which has been applied to the underlying CGU's AUM. The method for determining the carrying value of the French WAM CGU was amended in 2024. For ease of comparison the December 2023 information has been restated.

The following assumptions were used:

- AUM are based on the closing AUM as at September 2024; and
- AUM multiples used were based on multiples as at September 2024 of WAM Swiss and European peers.

The valuation technique would be classified in Level 2 of the fair value hierarchy.

Results of sensitivity tests on these CGUs show that for an impairment to be considered, either the EV/AUM or the AUM would have to decrease by 68% for the Swiss WAM CGU (December 2023: 59%) and by 67% for the French WAM CGU (December 2023: 63%).

19.1.3 Five Arrows

The CGU to which the Five Arrows goodwill (€4.6m) has been allocated has been valued using the discounted cash flow method (DCF). Cash flows for testing purposes have been determined on the basis of a three-year plan drawn up through the Group's budget process and then extended into perpetuity for a terminal value, using a long-term growth rate. Based on this test the amount by which the cash flow would have to fall to cause an impairment would be 74% (December 2023: 80%). A 12.5% rate has been used to discount cash flows (December 2023: 12.0%), substantially lower than the discount rate of 47% that would result in an impairment (December 2023: 61%).

Note 20 – Due to banks and other financial institutions

In thousands of euros	31/12/2024	31/12/2023
Interbank demand and overnight deposits	63,014	45,243
Repurchase agreements	-	125,000
Interbank term deposits and borrowings	160,445	157,052
Accrued interest	2,661	6,607
TOTAL	**226,120**	**333,902**

Note 21 – Customer deposits

In thousands of euros	31/12/2024	31/12/2023
Demand and call deposits	8,581,669	6,420,011
Term deposits	4,358,272	5,371,407
Borrowings secured by bills	77,311	48,589
Accrued interest	53,753	52,350
TOTAL	**13,071,005**	**11,892,357**

Note 22 – Other liabilities, accruals and deferred income

In thousands of euros		31/12/2024	31/12/2023
Due to employees		900,225	740,198
Other accrued expenses and deferred income		114,031	121,002
Accrued expenses		**1,014,256**	**861,200**
Settlement accounts for transactions of securities	(1)	337,977	408,184
Guarantee deposits received	(1)	100,218	73,325
Accounts payable	(1)	37,913	38,990
Sundry creditors		108,997	89,248
Other liabilities		**585,105**	**609,747**
TOTAL		**1,599,361**	**1,470,947**

(1) These balances represent other financial liabilities as reported in section 7 – Financial risk management

Adjustments to contingent payments for consideration

As at 31 December 2024, the amounts presented in this note include a cumulative liability of €15 million in respect of contingent payments following purchase of several different subsidiaries that have been acquired in previous accounting periods (December 2023: €24 million). During the period, the amount reduced by €9 million following payments of €18 million offset mainly by reassessments of amounts payable.

Note 23 – Provisions

In thousands of euros	01/01/2024	Charge/ (release)	(Paid)	Addition	Exchange movement	Other movements	31/12/2024
Provisions for claims and litigation	14,772	634	(1,506)	-	(47)	-	13,853
Provisions for staff costs	6,802	2,062	-	-	1	-	8,865
Provisions for property	5,726	(1,246)	(49)	2,552	279	-	7,262
Provisions for counterparty risk	456	29	-	-	-	-	485
Subtotal	**27,756**	**1,479**	**(1,555)**	**2,552**	**233**	**-**	**30,465**
Retirement benefit liabilities (Note 28)	8,468	-	-	-	-	(411)	8,057
TOTAL	**36,224**	**1,479**	**(1,555)**	**2,552**	**233**	**(411)**	**38,522**

From time to time, the Group is involved in legal proceedings or receives claims arising from the conduct of its business. Based upon available information and, where appropriate, legal advice, provisions are made where it is probable that an outflow of resources will be required and the amount can be reliably estimated.

Also within provisions for claims and litigation are amounts set aside to cover estimated costs of other legal proceedings and claims arising from the conduct of business.

Management believes that the level of provisions made in these financial statements continues to be sufficient for any potential or actual proceedings or claims that are likely to have an impact on the Group's financial statements, based on information available at the reporting date.

Note 24 – Impairments

In thousands of euros	01/01/2024	Income statement (charge)	Income statement reversal	Written off	Exchange rate and other movements	31/12/2024
Loans and advances to customers	(44,181)	(4,906)	4,771	6,470	(464)	(38,310)
Other assets	(19,112)	(12,570)	560	6,485	(901)	(25,538)
Securities at amortised cost	(570)	(190)	85	-	-	(675)
TOTAL	**(63,863)**	**(17,666)**	**5,416**	**12,955**	**(1,365)**	**(64,523)**

In addition to the net income statement charge disclosed above of €12,250,000, the cost of risk charge of €12,176,000 in the income statement includes an impairment charge of €29,000 on commitments given and the €103,000 of recoveries on loans previously written off.

Note 25 – Deferred tax

The movement in the deferred tax account is as follows:

In thousands of euros	31/12/2024	31/12/2023
Net asset/(liability) as at beginning of period	**41,349**	**(1,993)**
of which: deferred tax net assets	*91,173*	*67,306*
of which: deferred tax net liabilities	*(49,824)*	*(69,299)*
Recognised in income statement		
Income statement income/(expense)	6,841	29,495
Recognised in equity		
Defined benefit pension arrangements	(11,719)	15,632
Share options revaluation	-	4,144
Modification of equity-settled share-based payment to cash settled	-	1,731
Cash flow hedge	(339)	(189)
Transfer within equity from deferred to current tax following share option exercise	-	(4,838)
(Disposal)/ acquisition of a subsidiary	-	(1,675)
Exchange differences	2,525	(1,891)
Other	1,402	933
NET ASSET/(LIABILITY) AS AT END OF PERIOD	**40,059**	**41,349**
of which: deferred tax net assets	*110,239*	*91,173*
of which: deferred tax net liabilities	*(70,180)*	*(49,824)*

Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to set-off the current tax assets and liabilities and the balance relates to income tax levied by the same tax authority on the same taxable entity or tax group. There must also be the intention and the will to settle on a net basis or to realise the current tax assets and liabilities simultaneously.

Deferred tax net assets and net liabilities are attributable to the following items:

	31/12/2024			31/12/2023		
In thousands of euros	Net assets	Net liabilities	NET	Net assets	Net liabilities	NET
Deferred profit share arrangements	46,735	37,154	83,889	36,818	37,012	73,830
Losses carried forward	53,430	-	53,430	48,056	-	48,056
Provisions	3,441	-	3,441	2,709	-	2,709
Accelerated depreciation	3,210	(2,746)	464	2,050	(1,923)	127
Undistributed reserves	-	(2,618)	(2,618)	-	(1,250)	(1,250)
Fair value adjustments to land and buildings	-	(7,905)	(7,905)	-	(8,282)	(8,282)
Financial assets at fair value	(2,248)	(8,411)	(10,659)	(1,349)	(8,394)	(9,743)
Intangible assets recognised following acquisition of subsidiaries	(4,452)	(17,050)	(21,502)	(4,813)	(17,783)	(22,596)
Defined benefit pension	1,252	(64,226)	(62,974)	1,316	(48,720)	(47,404)
Other temporary differences	8,871	(4,378)	4,493	6,386	(484)	5,902
TOTAL	**110,239**	**(70,180)**	**40,059**	**91,173**	**(49,824)**	**41,349**

The Group has in its balance sheet €53.4 million (December 2023: €48.1 million) of deferred tax assets for tax losses carried forward, which it expects to recover in subsequent years. These are mainly located in the US.

In accordance with the Group's accounting policy, some deductible temporary differences have not given rise to the recognition of deferred tax assets. Unrecognised deferred tax assets on losses carried forward amounted to €43.9 million at 31 December 2024, mainly in Asia and Canada (December 2023: €38.6 million). In addition, the Group has not recognised deferred tax assets on disallowed interest in the United Kingdom of €7.3 million as at 31 December 2024 (December 2023: €13.8 million).

The deferred tax income recognised in the income statement comprises the following temporary differences:

In thousands of euros	31/12/2024	31/12/2023
Deferred profit share arrangements	9,340	(14,266)
Allowances for loan losses	793	(732)
Fair value adjustments to land and buildings	328	547
Tax losses carried forward	251	35,111
Depreciation differences	191	442
Financial assets carried at fair value	(785)	(961)
Defined benefit pension liabilities	(1,145)	(3,612)
Undistributed reserves	(1,368)	10,821
Other temporary differences	(764)	2,145
TOTAL	**6,841**	**29,495**

Note 26 – Capital and reserves

26.1 Issued share capital

In thousand of shares	31/12/2024	31/12/2023
As at 1 January - total number of shares issued	**77,183.7**	**77,029.8**
Shares issued for R&Co Equity Scheme	-	262.8
Cancellation of shares	-	(108.9)
AS AT 31 DECEMBER	**77,183.7**	**77,183.7**
Of which: shares held by the Company or its subsidiaries	-	*0.5*
Nominal value per share (in euros)	**2.00**	**2.00**

The share capital of the Company consists of ordinary shares of the same category and are all fully paid.

26.2 Shareholder's equity - Group share

In thousands of euros	31/12/2024	31/12/2023
Share capital	154,367	154,367
Share premium	1,122,962	1,122,962
Capital and associated reserves	**1,277,329**	**1,277,329**
Retained earnings	1,963,852	1,755,846
R&Co shares held by the Company or its subsidiaries [1]	-	(19)
Group share of net income	440,374	274,765
Consolidated reserves	**2,404,226**	**2,030,592**
Related to translation differences	16,170	(29,049)
Cash flow hedge reserve	1,303	288
TOTAL SHAREHOLDER'S EQUITY - GROUP SHARE	**3,699,028**	**3,279,160**

[1] In accordance with IFRS, shares held by the Company or its subsidiaries are deducted from retained earnings.

26.3 Distributions

Distributions to owners of R&Co comprise:

	31/12/2024		31/12/2023	
	Amount €000s	Per share (in euros)	Amount €000s	Per share (in euros)
Dividends paid to R&Co shareholders	134,299	1.74	101,180	1.40
Profit share *(préciput)* [(1)]	6,071	n/a	6,304	n/a
Exceptional distribution of reserves, paid on 24 July 2023	-	-	578,216	8.00
TOTAL OF DISTRIBUTIONS	**140,370**		**685,700**	

(1) Automatically allocated to the general partners, being R&Co Gestion and Rothschild & Co Commandité SAS.

The amount of dividends proposed before the financial statements were authorised, but not recognised at this point as a distribution to owners, are:

	31/12/2024		31/12/2023	
	Amount €000s	Per share (in euros)	Amount €000s	Per share (in euros)
Ordinary dividend proposed to the AGM	217,658	2.82	134,299	1.74

The dividend proposed for the 2024 financial year is subject to the approval of the annual general meeting of R&Co shareholders to be held on 24 April 2025. The amount disclosed above is calculated based on the number of shares making up the Company's share capital as at 31 December 2024.

Note 27 – Non-controlling interests

Non-controlling interests (NCoI) represent the equity share of fully consolidated subsidiaries that is not attributable to the Group. These interests comprise the equity instruments that have been issued by these subsidiaries and that are not held by the Group. The Group's income, net assets and distributions that are attributable to NCoI arise from the following sources:

	31/12/2024			31/12/2023		
In thousands of euros	Income statement	Amounts in the balance sheet	Distributions	Income statement	Amounts in the balance sheet	Distributions
Preferred shares	149,551	134,018	131,097	132,131	115,564	169,947
Perpetual subordinated debt	6,713	140,180	6,925	20,974	300,005	20,836
Other	118	710	2	119	578	172
TOTAL	**156,382**	**274,908**	**138,024**	**153,224**	**416,147**	**190,955**

27.1 Preferred shares

Preferred shares within NCoI mainly consist of amounts calculated in accordance with statutory clauses applicable to French limited partnerships of the Group. The distributed profit share *(préciput)* is based on the partnerships' individual local earnings.

27.2 Perpetual subordinated debt

Certain of the Group's subsidiaries have issued to third parties perpetual subordinated debt instruments that have discretionary clauses relating to the payment of the interest. Under IFRS, these instruments are considered to be equity instruments and are shown as part of NCoI because they were issued by subsidiaries and not held by the Group. The interest payable, net of tax relief, on these instruments is shown as a charge to NCoI. The Group has the option to redeem the €150 million and the $200 million perpetual floating-rate notes at nominal value on interest payment dates.

On 15 February 2024, the Group also had the option to redeem its £125 million perpetual fixed-rate notes at nominal value. On 4 January 2024, the Group gave contractual notice to the noteholders of its £125m perpetual notes that it would indeed redeem them on 15 February 2024. Before giving this notice, there was no obligation on the Group to redeem these notes and they were considered as part of non-controlling interests within equity. At the point of giving notice, an obligation to repay them was created and they became a liability. In line with the Group's accounting policy, the notes were revalued to their redemption value through equity before being transferred to liabilities in the balance sheet. Between 4 January and 15 February, interest accrued on the notes has been reported within interest expense in the income statement.

The perpetual subordinated instruments are shown below.

In thousands of euros	31/12/2024	31/12/2023
Perpetual fixed-rate subordinated notes 9 per cent (£125 million)	-	170,582
Perpetual floating-rate subordinated notes (€150 million)	63,372	59,661
Perpetual floating-rate subordinated notes (US$200 million)	76,808	69,762
TOTAL	**140,180**	**300,005**

Note 28 – Retirement benefit obligations

The Group supports various pension schemes for the employees of operating subsidiaries. Where material, these are described below.

The NMR Pension Fund ("UK Fund") is operated by NMR for the benefit of certain employees and ex-employees of certain Group companies in the United Kingdom. This fund includes a defined benefit section, which closed to new entrants in 2003.

The NMR Overseas Pension Fund ("Overseas Fund") was operated for the benefit of employees of certain Group companies outside the United Kingdom. The defined benefit section also closed to new entrants in 2003. The employees remaining in the Overseas Fund stopped earning additional defined benefits in 2017.

R&CoBZ also operates funded pension schemes ("Swiss Funds"). These schemes have been set up on the basis of the Swiss method of defined contributions but have certain characteristics of a defined benefit pension plan. Current employees and pensioners (former employees or their surviving partners) receive benefits upon retiring as well as in the event of death or invalidity. These benefits are financed through employer and employee contributions.

Additionally, certain companies in the Group have smaller unfunded obligations in respect of pensions and other long-term or post-employment benefits.

The latest formal actuarial valuations of the UK Fund and the Overseas Fund were carried out as at 31 March 2022. The values of the defined benefit net assets have been updated to 31 December 2024 by qualified independent actuaries. Valuations of the Swiss Funds are performed for each closing, also by qualified actuaries.

The defined benefit obligations expose the Group to a number of risks, including longevity, inflation, interest rate and investment performance. These risks are mitigated where possible by applying an investment strategy for the funded schemes that aims to minimise the long-term costs. This is achieved by investing in a diversified selection of asset classes, which aims to reduce the volatility of returns and also achieves a level of matching with the underlying liabilities. The matching assets that the funded schemes invest in include corporate bonds, government gilts and, for the UK and Overseas Funds, a specific liability-driven investment (LDI) mandate.

The objective of the LDI mandates is to provide a portfolio of assets that mirror the sensitivity of the funds' liabilities to changes in interest rates and inflation. For the purposes of efficient portfolio management, the mandates make use of derivative instruments (such as interest rate swaps, inflation swaps and gilt repos), which require collateral to be posted in the event that they have a negative mark-to-market value. The UK and Overseas Funds target a level of hedging of 100% of interest rate sensitivity and 100% of inflation sensitivity against the funds' long-term funding targets.

A key risk of using liability-driven investment mandates is that, when interest rates rise, the UK and Overseas funds are required to meet collateral calls. If at some point either of these funds were unable to do so, they could be forced into reducing their level of hedging. In order to mitigate this risk, the trustee of these funds monitors the level of leverage and collateral headroom within each funds' LDI portfolio and holds regular discussions with the investment manager and the funds' investment consultant. The trustee notes that the funds have a relatively low level of leverage compared to many other pension schemes and were not forced to reduce hedging during the second half of 2022, when UK government yields rose significantly.

28.1 Amounts recognised in the balance sheet

In thousands of euros	UK and Overseas Funds	Swiss Funds	Other	31/12/2024
Present value of funded obligations	734,903	340,188	-	1,075,091
Fair value of plan assets	(982,350)	(366,033)	-	(1,348,383)
Subtotal	**(247,447)**	**(25,845)**	**-**	**(273,292)**
Present value of unfunded obligations	-	-	8,057	8,057
TOTAL IN BALANCE SHEET	**(247,447)**	**(25,845)**	**8,057**	**(265,235)**
Unrecognised plan assets	-	-	-	-
TOTAL (recognised and unrecognised)	**(247,447)**	**(25,845)**	**8,057**	**(265,235)**
of which: schemes in balance sheet with net liabilities	*-*	*-*	*8,057*	*8,057*
of which: schemes in balance sheet with net (assets)	*(247,447)*	*(25,845)*	*-*	*(273,292)*

In thousands of euros	UK and Overseas Funds	Swiss Funds	Other	31/12/2023
Present value of funded obligations	786,528	332,487	-	1,119,015
Fair value of plan assets	(987,556)	(338,521)	-	(1,326,077)
Subtotal	**(201,028)**	**(6,034)**	**-**	**(207,062)**
Present value of unfunded obligations	-	-	8,468	8,468
TOTAL IN BALANCE SHEET	**(201,028)**	**(6,034)**	**8,468**	**(198,594)**
Unrecognised plan assets	-	(18,177)	-	(18,177)
TOTAL (recognised and unrecognised)	**(201,028)**	**(24,211)**	**8,468**	**(216,771)**
of which: schemes in balance sheet with net liabilities	*-*	*-*	*8,468*	*8,468*
of which: schemes in balance sheet with net (assets)	*(201,028)*	*(6,034)*	*-*	*(207,062)*

As at the end of 2023, unrecognised plan assets existed in relation to one of the Swiss Funds. The maximum economic benefit that can be recognised there is the capitalised value of the difference between the employer's future service cost and the employer's expected future contributions to the fund, plus any employer contribution reserve. Based on conditions at the end of 2023, the Group's future contributions to one of the Swiss Funds were expected to be greater than the service cost, so the surplus of assets in this fund at that time could only be relied upon to become available to the Group to the extent of the employer contribution reserve. For this reason, a portion of the surplus plan assets had been derecognised from the balance sheet.

As at 31 December 2024, conditions relating to this Swiss Fund and its actuarial valuation have changed so that the Group's future contributions to this fund are now expected to be less than the service cost. Therefore, all the plan assets are once again recognised in the balance sheet.

28.2 Movement in net defined benefit asset

The movement in the net defined benefit asset is shown below, comprising the net value of all retirement benefit assets and liabilities in the Group's balance sheet. The movements exclude any unrecognised income and other comprehensive income related to the unrecognised plan assets in one of the Swiss Funds.

In thousands of euros	Plan (assets)	Defined benefit obligations	Net defined benefit (asset)
Net asset as at beginning of period	**(1,307,900)**	**1,109,306**	**(198,594)**
Current service cost (net of contributions paid by other plan participants)	-	14,330	14,330
Contributions by the employees	(5,569)	5,569	-
Net interest (income)/cost	(49,919)	40,758	(9,161)
Remeasurements due to:			
- actual return less interest on plan assets	31,183	-	31,183
- changes in financial assumptions	-	19,019	19,019
- changes in demographic assumptions	-	(83,915)	(83,915)
- experience (gains)/losses	-	(381)	(381)
- recognition of previously unrecognised assets	(18,409)	-	(18,409)
Benefits paid	50,039	(50,039)	-
(Contributions) by the Group	(13,284)	-	(13,284)
Administration expenses	2,908	-	2,908
Exchange and other differences	(37,432)	28,501	(8,931)
NET ASSET AS AT END OF PERIOD	**(1,348,383)**	**1,083,148**	**(265,235)**

As part of the March 2022 triennial actuarial valuations of the UK and Overseas Funds it was agreed that all employer contributions would cease to both schemes with effect from 30 June 2023, subject to the funding position being reviewed on a quarterly basis. No contributions have been paid in respect of the defined benefit section to either fund during 2024. Contributions continue to be paid to other schemes in the Group, and it is estimated that total contributions of €14.0 million will be paid to the Group's defined benefit pension schemes in the twelve months ended 31 December 2025.

During the last quarter of 2024, the UK Fund made contributions from its surplus assets to fund the defined contribution section of this scheme. The amount it paid in the three months was €2.2m (December 23: nil).

The Group has assessed that a surplus can be recognised for the UK, Overseas and the Swiss Funds under IFRS. This conclusion has been reached for the UK and Overseas Funds because their trustees do not have a unilateral power to wind up the fund and the funds' rules allow the sponsoring company an unconditional right to a refund, assuming the gradual settlement of plan liabilities over time until all members have left the fund. Meanwhile, as discussed above, the net pension asset in the Swiss Funds is expected to become available to the Group because the statutory employer contributions do not fully cover the employer service cost, as measured using IAS 19.

The Group is aware of recent litigation concerning the application in the UK of section 37 of the UK's Pension Schemes Act 1993 to certain historic rule amendments and the trustees of the UK Fund have received detailed legal advice on this matter. The trustees have reviewed whether any positive steps are necessary to investigate past actuarial confirmations in relation to any relevant historic changes to the UK Fund's benefits. They have noted that the UK Fund has been stable and professionally advised throughout the relevant period, and there is no reason to believe that the actuarial confirmations required by section 37 have not been properly obtained. Their legal advice supports this. Given these circumstances, the Group does not believe that it needs to take any additional action in relation to this matter. The Group continues to monitor developments in this area.

The weighted average projected maturity of fund liabilities is 13 years for the UK Fund and 16 years for the Swiss Funds.

28.3 Amounts recognised in the income statement relating to defined benefit post-employment plans

In thousands of euros	31/12/2024	31/12/2023
Current service cost (net of contributions paid by other plan participants)	14,330	10,945
Net interest (income)/cost	(9,161)	(11,731)
Administration costs	2,908	2,979
TOTAL (included in staff costs)	**8,077**	**2,193**

28.4 Amounts recognised in statement of comprehensive income

In thousands of euros	31/12/2024	31/12/2023
Remeasurement gains/(losses) recognised in the period	52,503	(65,516)
Cumulative remeasurement gains/(losses) recognised in the statement of comprehensive income	10,435	(42,068)

28.5 Movement in unrecognised plan assets

In thousands of euros	31/12/2024	31/12/2023
Unrecognised assets as at beginning of period	**(18,177)**	**(34,220)**
Interest income on unrecognised assets	(268)	(826)
Currency translation adjustment	36	(2,041)
Other changes in the unrecognised assets	18,409	18,910
UNRECOGNISED ASSETS AS AT END OF PERIOD	**-**	**(18,177)**

28.6 Actuarial assumptions

The principal actuarial assumptions used in the main funds as at the balance sheet date were as follows:

	UK and Overseas Funds		Swiss Funds	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Discount rate	5.5%	4.5%	0.8%	1.5%
Retail price inflation (RPI)	3.1%	3.0%	n/a	n/a
Consumer price inflation (CPI)	2.4%	2.2%	1.3%	2.0%
Expected rate of salary increases	2.0%	2.0%	1.3%	2.0%
Expected rate of increase of pensions in payment:				
Uncapped increases	n/a	n/a	0.3%	0.3%
Capped at 5.0%	3.0%	2.9%	n/a	n/a
Capped at 2.5%	2.1%	2.0%	n/a	n/a
Life expectancy in years of a:				
Male pensioner aged 60	28.4	28.4	28.0	27.8
Female pensioner aged 60	30.1	29.9	29.8	29.7
Male pensioner aged 60 in 20 years' time	29.8	29.7	30.3	30.2
Female pensioner aged 60 in 20 years' time	31.4	31.3	31.8	31.7

The CPI assumption for the UK and Overseas Fund is derived by deducting a wedge from the RPI inflation assumption, to reflect structural differences between the indices. The wedge is 1.1% p.a. for the period up to 2030 and 0.1% p.a. for the period after, to reflect that RPI is expected to be more aligned to CPI from 2030. The rate shown above is a weighted average.

The value placed on the defined benefit net liabilities and assets is sensitive to the actuarial assumptions used. Those assumptions that have the most significant impact on the measurement of the liability, along with an illustration of the sensitivity to each assumption, are as follows:

	31/12/2024	
	(Decrease)/ increase in obligation	
In thousands of euros	UK and Overseas Funds	Swiss Funds
50bp increase in discount rate	(42,000)	(17,000)
50bp increase in inflation	30,000	2,000
One year increase in life expectancy	23,000	9,000

The sensitivities shown above reflect only an estimate of the change in the assessed defined benefit obligation for the funds. In practice, any movement leading to a change in the discount rate or price inflation is likely to be partially offset by a change in asset values, and the corresponding overall impact on the net asset is therefore likely to be lower than the amounts above.

28.7 Composition of plan assets

	UK Fund		Overseas Fund		Swiss Funds	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Corporate bonds and other credit	34%	30%	40%	40%	33%	31%
Hedges of liabilities [(1)]	23%	26%	29%	33%	2%	2%
Equities - quoted	7%	6%	5%	4%	33%	32%
Private equity and hedge funds	10%	11%	-	-	11%	10%
Secure income assets [(2)]	10%	9%	16%	15%	-	-
Cash and net current assets	6%	9%	8%	6%	6%	9%
Property	4%	4%	-	-	13%	14%
Illiquid credit	6%	5%	2%	2%	-	-
Others	-	-	-	-	2%	2%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

[(1)] Hedges of liabilities include LDI and gilts

[(2)] Secure income assets are tangible assets that generate a return

At each year end the value of the assets is measured as at 31 December, where available. In the event that a value is not available at that date then the latest value has been used and adjusted to reflect subsequent cashflows, where applicable. As at 31 December 2024, 71% of the total value of assets shown is at that date with the remaining 29% estimated based on the approach described.

Note 29 – Net cash and cash equivalents

For the purposes of drawing up the cash flow statement, cash and cash equivalents is made up of the following items:

In thousands of euros	31/12/2024	31/12/2023
Cash and accounts with central banks	3,491,611	4,552,290
Interbank assets - demand deposits and overnight loans	894,028	816,381
Other cash equivalents	529,422	493,547
Interbank liabilities - demand deposits and overnight loans	(63,014)	(45,243)
TOTAL	**4,852,047**	**5,816,975**

Cash includes demand deposits placed with banks and cash on hand. Other cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of value change. These comprise overnight interbank reverse repos and public bills that are held for trading.

For the purposes of its internal liquidity management, the Group considers that its liquidity assets have a broader definition than the statutory measure above of cash and cash equivalents. Its liquidity assets consist of: cash and accounts with central banks; all loans to bank, including term deposits; UCITs and mutual funds measured at FVTPL (comprising AAA money market funds or low-risk treasury credit funds); and its highly liquid securities at amortised cost. These amounts are shown below.

In thousands of euros	31/12/2024	31/12/2023
Cash and accounts with central banks	3,491,611	4,552,290
Loans and advances to banks (Note 12)	3,432,158	1,727,264
Securities at FVTPL - held for liquidity (Note 9)	502,861	384,232
Securities at amortised cost - held for liquidity (Note 11)	3,828,895	3,372,819
Cash and assets held for liquidity	**11,255,525**	**10,036,605**

Further information about liquidity assets and the Group's management of liquidity risk is provided in section 7.4.1 - Liquidity

6. Other disclosures

Note 30 – Related parties

The term "Executive Directors", in the context of this note and the Group governance arrangements surrounding the decision-making process at the Group level, refers to executive corporate officers (*mandataires sociaux*) of R&Co Gestion, the Statutory Manager of R&Co. In accordance with the provisions of R&Co Gestion's articles of association, its chairman is the sole executive corporate officer in the twelve-month financial period to 31 December 2024. The following remuneration was received by the executive corporate officer in 2024, paid by R&Co Gestion but reimbursed by R&Co in accordance with the provisions of R&Co's articles of association relating to R&Co Gestion's operating expenses.

In thousands of euros	31/12/2024
Fixed remuneration of chairman	500
TOTAL	**500**

The chairman of R&Co Gestion did not benefit from payments in shares in respect of 2024 and no severance benefits were provided for termination of work contracts. No long-term benefits were granted.

The transactions during the period and balances at the end of the period between Group subsidiaries are eliminated on consolidation, and so are not disclosed. Transactions and balances with companies accounted for by the equity method are not material.

Other related parties in the table below are: R&Co Gestion, the Statutory Manager of R&Co; the members of the Supervisory Board; parties with control of the Group; Concordia directors, being parties with control of the parent company of R&Co; and any other party directly or indirectly responsible for management or control of the activities of R&Co, or who exercise joint control or significant influence on R&Co. They also consist of closely related parties, including close family members or controlled companies, of any party mentioned above.

Amounts reported in the Group's balance sheet or net income that have a counterpart that is a related party are disclosed below.

	31/12/2024		31/12/2023	
In thousands of euros	Executive Directors	Other related parties	Executive Directors	Other related parties
Assets				
Loans and advances to customers	1	20,049	3	12,800
Other assets	-	200	-	-
TOTAL ASSETS	**1**	**20,249**	**3**	**12,800**
Liabilities				
Due to customers	9,541	95,261	3,409	97,272
TOTAL LIABILITIES	**9,541**	**95,261**	**3,409**	**97,272**
Loans and guarantee commitments				
Guarantees and commitments given	-	5,996	-	6,348
TOTAL COMMITMENTS	**-**	**5,996**	**-**	**6,348**

	31/12/2024		31/12/2023	
In thousands of euros	Executive Directors	Other related parties	Executive Directors	Other related parties
Income and expenses from transactions with related parties				
Net interest income/(expense)	(223)	(2,686)	(153)	(3,773)
Net fee commission/(expense)	6	1,589	184	6,412
Other income	-	261	-	172
TOTAL NET BANKING INCOME	**(217)**	**(836)**	**31**	**2,811**
Other expenses	-	(8,818)	-	(4,631)
TOTAL EXPENSES	**-**	**(8,818)**	**-**	**(4,631)**

Note 31 – Fees to statutory auditors

In thousands of euros	KPMG 31/12/2024	KPMG 31/12/2023	Cailliau Dedouit et Associés 31/12/2024	Cailliau Dedouit et Associés 31/12/2023
AUDIT				
Statutory audit of consolidated and solo accounts, and related services				
R&Co (parent company)	200	191	200	191
Subsidiaries	3,623	3,215	292	279
Services other than the statutory audit of accounts, required for legal or regulatory reasons				
R&Co (parent company) - CSRD audit	250	-	-	-
Subsidiaries	393	504	5	-
Subtotal	**4,466**	**3,910**	**497**	**470**
SERVICES OTHER THAN THE STATUTORY AUDIT OF ACCOUNTS, PROVIDED AT THE REQUEST OF ENTITIES				
Non-statutory audit of accounts	96	51	38	51
Other services	42	61	-	4
Subtotal	**138**	**112**	**38**	**55**
TOTAL	**4,604**	**4,022**	**535**	**525**

Note 32 – Commitments given and received

32.1 Commitments given

In thousands of euros	31/12/2024	31/12/2023
Given to customers	1,031,280	1,114,635
Loan and debt security commitments	**1,031,280**	**1,114,635**
Given to customers	105,472	98,071
Given to banks	6,754	10,646
Guarantee commitments	**112,226**	**108,717**
Investment commitments	703,706	696,798
Irrevocable nominee commitments	596,748	556,696
Other commitments given	32,833	32,978
Other commitments given	**1,333,287**	**1,286,472**

Investment commitments relate to equity investments in Five Arrows funds and direct investments. Irrevocable nominee commitments represent commitments to funds where the Group acts as a nominee on behalf of its clients.

Commitments to employees in respect of deferred remuneration are set out in Note 5 – Operating expenses. Lease commitments are set out in Note 16 – Leases.

32.2 Commitments received

In thousands of euros	31/12/2024	31/12/2023
Received from banks	702,597	561,412
Loan commitments	**702,597**	**561,412**
Received from banks	6,246	6,286
Received from customers	133	155
Guarantee commitments	**6,379**	**6,441**

32.3 Financial instruments pledged as collateral

In thousands of euros	31/12/2024	31/12/2023
Available for refinancing	542,597	401,412
Pledged as collateral for liabilities with central banks	-	125,000
Financial instruments lodged with central banks	**542,597**	**526,412**
Securities sold under repurchase agreements	77,311	48,589
Other financial assets pledged as collateral for liabilities with credit institutions	78,563	83,585
Financial instruments given as collateral	**155,874**	**132,174**

Within these instruments, €78.6 million can be sold or reused by the beneficiaries (December 2023: €83.6 million).

32.4 Securities received under reverse repurchase agreements

In thousands of euros	31/12/2024	31/12/2023
Fair value of securities received under reverse repurchase agreements	2,363,619	876,212
of which: instruments that the Group is authorised to sell or reuse as collateral	*1,774,180*	*552,865*

As at December 2024, the Group has reused €175 million of securities received under reverse repurchase agreements and sold nil (December 2023: €175 million and nil).

Note 33 – Offsetting financial assets and financial liabilities

The following table shows the actual and hypothetical impact on the consolidated balance sheet of offsetting assets and liabilities. Column 1 shows amounts with the same counterparties that are actually offset. Amounts are offset when the Group has a legally enforceable right to set off the recognised amounts, and it intends either to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

The table also indicates amounts subject to a master netting agreement, which may be offset in the event of the default of one of the counterparties, but whose characteristics make them ineligible for offsetting under IFRS (columns 2). Fair values of financial instruments and collateral here are capped at the net book value of the balance sheet exposure, so as to avoid any over-collateralisation effect. This part of the table ("Net amount") is provided to indicate where master netting agreements mitigate the Group's exposure to financial instruments in the event of default by the counterparty.

The Group also uses other risk mitigation strategies, such as holding collateral against its loans, but these are not disclosed in this table.

				(2) Impact of master netting agreements		
In millions of euros	Gross amounts	(1) Amounts set off	Net amounts as per balance sheet	Cash collateral received/ pledged	Financial instrument received/ pledged as collateral	Net amount
Derivative assets	285	(60)	225	(60)	-	165
Reverse repos and loans secured by bills	2,403	-	2,403	(40)	(2,363)	-
Guarantee deposits paid	92	-	92	(79)	-	13
Remaining assets not subject to netting	16,807	-	16,807	-	-	16,807
Total assets	**19,587**	**(60)**	**19,527**	**(179)**	**(2,363)**	**16,985**
Derivative liabilities	220	(60)	160	(79)	-	81
Repurchase agreements with customers	77	-	77	-	(77)	-
Guarantee deposits received	100	-	100	(100)	-	-
Remaining liabilities not subject to netting	15,216	-	15,216	-	-	15,216
Total liabilities	**15,613**	**(60)**	**15,553**	**(179)**	**(77)**	**15,297**

Note 34 – Structured entities

A structured entity is one that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. It will often have restricted activities and a narrow or well-defined objective and can include some investment funds.

In most cases, it is clear under IFRS 10 that the Group need not consolidate its investments in structured entities. However, some structured entities are managed by the Group in the form of funds in which the Group's own money is also invested. In these situations, a judgment must be made as to whether there is a need to consolidate these funds or not. To do this, a combined assessment of two key indicators is made:

- remuneration and other economic interests in aggregate; and
- kick-out rights.

To assess economic interests, it is considered, at a particular level of returns, how much of any further increase in the performance of a fund accrues to the manager ("the variability of the economic interest"). The level of returns at which the Group measures this is the level at which performance fees begin to accrue.

A high level of variability would support the conclusion that a manager might be a principal (and would probably consolidate the managed fund). Meanwhile, a low level of variability would indicate that a manager might be an agent for the other investors (and would probably not consolidate).

Additionally, negligible rights for the investors to remove the manager or transfer their funds might indicate that a manager is a principal (and would probably consolidate) while strong rights might suggest that a manager is an agent (and would probably not consolidate).

Interest in unconsolidated structured entities

The following table shows the Group’s interest in unconsolidated structured entities that it manages, and in that it has made an equity investment.

	31/12/2024			31/12/2023		
In millions of euros	Equity funds	Debt funds	TOTAL	Equity funds	Debt funds	TOTAL
Total assets within the underlying vehicles	**8,055.3**	**3,150.8**	**11,206.1**	**6,599.6**	**3,102.6**	**9,702.2**
Assets under management including third party commitments	**14,434.7**	**4,039.6**	**18,474.3**	**12,990.0**	**3,931.2**	**16,921.2**
Interest held in the Group's balance sheet:						
Debt and equity securities at FVTPL	965.9	218.4	1,184.3	774.1	181.5	955.6
Debt securities at amortised cost	-	26.9	26.9	-	44.6	44.6
Loans and advances to customers	135.1	-	135.1	87.5	-	87.5
Total assets in the Group's balance sheet	**1,101.0**	**245.3**	**1,346.3**	**861.6**	**226.1**	**1,087.7**
Off-balance sheet commitments made by the Group	933.8	55.3	989.1	968.7	54.1	1,022.8
Group's maximum exposure	**2,034.8**	**300.6**	**2,335.4**	**1,830.3**	**280.2**	**2,110.5**

Note 35 – Results, tax and headcount by territory

Pursuant to Article L.511-45 II to V of the French Monetary and Financial Code "*Code monétaire et financier*" and to Article 89 of CRD V, referred to in Section 9 – Consolidation scope, the table below provides information about net banking income, pre-tax profit, income tax and headcount for the twelve months to 31 December 2024.

Country/region of operation	Net banking income	Profit before tax	Current tax	Deferred tax	Headcount
	In millions of euros				*FTE*
France	873.4	318.6	(55.4)	(2.6)	1,351
United Kingdom	867.8	119.2	(35.5)	3.0	1,515
Other Europe	335.8	84.1	(24.8)	1.1	495
North America	291.8	0.7	(4.4)	(0.0)	417
Switzerland	201.2	42.5	(9.5)	0.6	386
Luxembourg	157.6	141.1	(6.2)	(0.0)	47
Asia-Pacific and Latin America	96.4	(6.2)	(4.9)	4.4	218
Channel Islands	41.5	25.4	(2.3)	(0.4)	51
Cayman Islands[(1)]	-	(5.0)	-	-	-
Other	75.8	16.2	(3.6)	0.7	115
Total before intercompany elimination	**2,941.3**	**736.6**	**(146.6)**	**6.8**	**4,595**
Intercompany elimination	(32.5)	-	-	-	-
TOTAL	**2,908.8**	**736.6**	**(146.6)**	**6.8**	**4,595**

(1) The Group only has equity-accounted associates in the Cayman Islands. In the consolidated accounts, the Group's share of associates' profit after tax is reported in profit before tax in the account "Net income from companies accounted for by the equity method". Headcount of associates is not reported in the Group's consolidated accounts. More detail on associates' accounts is disclosed in Note 15 – Investments accounted for by the equity method.

Revenues and profits are measured before the elimination of intercompany fees and interest income and expense. Headcount is calculated as full-time equivalent employees (FTE) at the period end and excludes interns and apprentices.

The Group has not received any public subsidies in the period. For France, profit before tax is stated before amounts deducted as non-controlling interests, being profit share (*préciput)* paid as preferred amounts to French partners who individually account for tax (see also Note 27 – Non-controlling interests).

7. Financial risk management

7.1 Governance

The risks relating to financial instruments, and the way these are managed by the Group, are described below.

Risk management

The guiding philosophy of risk management in the Group is to adopt a prudent and conservative approach to the taking and management of risk. The maintenance of the Group's reputation is a fundamental driver of risk appetite and of risk management. The protection of reputation guides the type of clients and businesses with which the Group will engage.

The nature and method of monitoring and reporting varies according to the risk type. Risks are monitored regularly with management information being provided to relevant committees on a weekly, monthly or quarterly basis, as appropriate.

Where appropriate to the risk type, the level of risk faced by the Group is also assessed through a series of sensitivity and stress tests.

The identification, measurement and control of risk are integral to the management of the Group's businesses. Risk policies and procedures are regularly updated to meet changing business requirements and risk appetites, and to comply with best practice.

7.2 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Group's clients or market counterparties fail to fulfil their contractual obligations to the Group.

7.2.1 Credit and counterparty risk

The Group's credit risk exposure primarily arises from its private client lending (PCL) activity (through R&CoBI, R&CoWM UK, R&CoBZ, R&CoMM and R&CoWM Monaco), corporate lending (through R&CoMM), co-lending in transactions within real estate debt management mandates and lending to funds managed by the Group.

All credit exposures are closely monitored on a regular basis and a quarterly review of bad and doubtful debts is undertaken.

All material credit exposures are subjected to a process of credit analysis by specialist teams and review and approval by credit committees. Nearly all the credit exposures are secured. The Group credit team is responsible for monitoring and reporting the overall level of credit exposure across the Group. It works with the local credit teams in R&CoBI, R&CoWM UK, R&CoBZ and R&CoMM to provide credit expertise and to assess and mitigate credit risk by implementing appropriate procedures, internal controls and reporting. The Group credit team is responsible for reporting lending exposures against limits to the executive management of R&Co Group and the relevant Group committees. It also provides a first line of defence in terms of its credit expertise and its monitoring of the type and quantum of the overall lending activity.

Group Risk provides independent challenge as part of the credit process and second line oversight. Group Risk monitors the effectiveness of the procedures and controls implemented by the credit teams. Group Risk is responsible for reporting to the executive management of R&Co Group and the relevant Group committees on the effectiveness of these processes; the risks arising from credit activities of the Group; and any other matters it considers appropriate.

Management of credit risk

The Group Credit Committee (GCC) oversees lending exposures across the Group and there are five principal credit sub-committees: the Swiss Credit Committee (R&CoBZCC), the French *Comité de Crédit Banque* (RMMCCB), the Channel Islands Credit Committee (R&CoBICC), the UK Credit Committee (R&CoWMUKCC), and the Corporate Credit Committee (CCC)

The R&CoBZCC is responsible for the oversight of private client lending exposures and other lending exposures (including credit risk and pricing of loans) on the balance sheet of R&CoBZ, including risk participation in exposures of other lending entities. The lending policies and associated delegated approval authorities are confirmed by the board (or board committee as appropriate) of R&CoBZ.

The RMMCCB is responsible for the oversight of private client lending exposures, corporate lending exposures and other lending exposures (including credit risk and pricing of loans) on the balance sheet of R&CoMM. The lending policies and associated delegated approval authorities are confirmed by the relevant board (or board committee as appropriate) of R&CoMM and R&CoWM Monaco.

The R&CoBICC is responsible for the oversight of private client lending exposures and other lending exposures (including credit risk and pricing of loans) on the balance sheet of R&CoBI, including risk participation in exposures of other lending entities. The lending policies and associated delegated approval authorities are confirmed by the relevant board (or board committee as appropriate) of R&CoBI.

The R&CoWMUKCC is responsible for the oversight of private client lending exposures where it is lender of record only. The lending policies and associated delegated approval authorities are confirmed by the relevant board (or board committee as appropriate) of R&CoWMUK.

The CCC is responsible for the oversight of corporate lending exposures (including credit risk and pricing of loans) by Group entities. This includes corporate lending by NMR, the Group's counterparty limits, lending to Group companies and lending to funds managed by the Group.

The lending exposures assumed, and the credit policies followed within the Group, are subject to the oversight of the Risk Committee. The lending entities review the level of risk assumed in respect of lending to ensure it is consistent with the risk appetite of the Group and in accordance with the Group's credit risk policy. Any material changes to the lending policies are also reviewed and approved by the WAM supervisory board and R&Co Supervisory Board, in addition to the committees mentioned below.

Approach to credit risk

The Group credit risk policy is reviewed annually by the Group credit team in conjunction with Group Risk, and is presented to the WAM ALCO, the Group ALCO, WAM management committee, and the executive management of R&Co Group on an annual basis, and is reported for information to the Risk Committee. In conjunction with the Group's risk appetite statement, the policies set out the approach to managing the credit risk profile of the Group, the limits that have been set, and the reporting protocols.

All exposure to credit risk is managed by analysis of client and counterparty creditworthiness prior to entering into an exposure, and by ongoing monitoring thereafter. A significant proportion of the Group's lending exposures are secured on investment assets or property, and the Group monitors the value of the collateral.

Stress testing is an important risk management tool used to evaluate the impact of unexpected or extreme events and to validate the firm's risk appetite. Each lending entity is required to set out its approach to stress testing in its credit risk policy and explain how it is appropriate to that lending entity's risk management. All stress testing must be conducted and/or reviewed with the assistance of Group Risk.

The Group's lending strategy is to focus on supporting WAM clients (Private Client Lending) by offering lower risk forms of lending such as Lombard lending secured on well-diversified portfolios of marketable securities. In view of this strategy, and taking into account the strong controls over granting and documenting credit, the Group does not consider credit risk as a main risk (defined as one that it has identified and manages, and that is likely to have a significant negative impact on its ability to meet its strategic objectives).

7.2.2 Credit rating

The Group reviews credit exposures on financial assets on a quarterly basis and for this purpose they are classified as follows:

Category	Definition	Mapping to IFRS 9 three-stage model for impairment
Category 1	Exposures that are considered to be fully performing.	Stage 1
Category 2	Exposures where the payment of interest or principal is not currently in doubt, but which require closer observation than usual, due to some deterioration in the position. Examples include: some deterioration in the collateral or in the borrower's ability to repay which may or may not lead to a breach of covenant; or, threatened or actual legal matters connected to the borrower/loan which could potentially have an impact on the loan. Unimpaired GA receivables that are more than 90 days overdue are included in this category.	Stage 2
Category 3	Exposures where there has been further deterioration in the position compared to Category 2. Although the exposure is not considered to be impaired, the position requires close monitoring.	Stage 2
Category 4	Exposures that are considered to be impaired but do not carry a full provision. There may or may not be any provision against the exposure, and some or full recovery is expected to be made.	Stage 3
Category 5	Exposures that are considered to be impaired and that carry a full provision. No significant recovery of value is expected.	Stage 3

All Group companies map their own credit monitoring to these categories for the purposes of Group reporting.

The tables below disclose the maximum exposure to credit risk as at 31 December 2024 and as at 31 December 2023 for financial assets with exposure to credit risk, without taking account of collateral held or other credit risk mitigation. Allowances against commitments and guarantees are included in the account "Provisions for counterparty risk" (Note 23 – Provisions).

In millions of euros	Category 1	Category 2	Category 3	Category 4	Category 5	Impairment allowance	31/12/2024
Cash and amounts due from central banks	3,491.6	-	-	-	-	-	3,491.6
Financial assets at FVTPL[1]	346.9	-	-	-	-	-	346.9
Loans and advances to banks	3,432.2	-	-	-	-	-	3,432.2
Loans and advances to customers	4,250.8	3.3	1.4	90.1	9.8	(38.3)	4,317.1
Debt at amortised cost	3,856.6	-	-	-	-	(0.7)	3,855.9
Other financial assets	671.3	19.5	-	15.2	15.8	(25.5)	696.3
Subtotal assets	**16,049.4**	**22.8**	**1.4**	**105.3**	**25.6**	**(64.5)**	**16,140.0**
Commitments and guarantees	1,143.5	-	-	-	-	n/a	1,143.5
TOTAL	**17,192.9**	**22.8**	**1.4**	**105.3**	**25.6**	**(64.5)**	**17,283.5**

[1] Including hedging derivatives and excluding equities, for which credit risk does not apply.

In millions of euros	Category 1	Category 2	Category 3	Category 4	Category 5	Impairment allowance	31/12/2023
Cash and amounts due from central banks	4,552.3	-	-	-	-	-	4,552.3
Financial assets at FVTPL[1]	201.4	-	-	-	-	-	201.4
Loans and advances to banks	1,727.3	-	-	-	-	-	1,727.3
Loans and advances to customers	4,249.7	9.7	48.3	57.0	10.7	(44.2)	4,331.2
Debt at amortised cost	3,418.7	-	-	-	-	(0.6)	3,418.1
Other financial assets	852.4	27.0	-	3.2	16.7	(19.1)	880.2
Subtotal assets	**15,001.8**	**36.7**	**48.3**	**60.2**	**27.4**	**(63.9)**	**15,110.5**
Commitments and guarantees	1,223.4	-	-	-	-	n/a	1,223.4
TOTAL	**16,225.2**	**36.7**	**48.3**	**60.2**	**27.4**	**(63.9)**	**16,333.9**

[1] Including hedging derivatives and excluding equities, for which credit risk does not apply.

7.2.3 Credit risk exposure

7.2.3.1 Grouping of instruments for losses measured on a collective basis

Lending by the Group is primarily focused on supporting the WAM business by way of lending to private clients (PCL), with collateral consisting of portfolios of securities (Lombard lending), or mortgages against residential properties. For expected credit loss provisions calculated on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics of these and other types of lending.

Lombard and mortgage loans

The Group has a history of very low defaults on its Lombard and mortgage loans made by PCL, and the PD and the LGD have been determined by the history of observed defaults alongside realistic downside scenarios based on management assessment.

For the Lombard loans, the LGD is estimated based on the amount of collateral held, and whether it is diversified or not, as well as the nature of the client and the potential difficulties of recovering the value of the collateral. In the base case for assessment of credit risk, the weighted average PD is 0.3% and the weighted average LGD is 7% (December 2023: 0.4% and 10%).

For the mortgage loans, the LGD is estimated considering the value of the properties that are mortgaged, and varies based on the LTV ratio; the difficulty and amount of costs likely to be incurred in recovering and realising any collateral; and the nature of the client. In the base case, the weighted average PD is 1.5% and the weighted average LGD is 6% (December 2023: 1.7% and 5%).

There have been no significant changes in estimation techniques or assumptions made during the reporting period.

Other loans to customers

The Group also makes other loans to customers, including corporate lending (through R&CoMM), co-lending in transactions within real estate debt management mandates and lending to funds managed by the Group. This element equates to €264 million of the total in the balance sheet as at December 2024 (December 2023: €230 million). The ECL in these businesses is considered on a sector-by-sector basis, and, wherever significant, on a loan-by-loan basis. The basis of assessment of the PD and LGD for each sector has been informed by historical losses, combined with a forward-looking judgment of the level of future losses.

Because of the relatively small size of this portfolio, most of which is assessed for credit risk on an individual basis, the Group does not use a model to estimate correlations between the macroeconomic variables and the probability of default. For loans where there is no obvious sign of distress, or for loans that are too small for individual review, additional top-down management overlays have been provided for to reflect increases in the credit risk that are not possible to detect at an individual level.

There have been no significant changes in estimation techniques or assumptions made during the reporting period.

Debt at amortised cost

For debt securities in the treasury portfolio, S&P credit ratings are used to determine the ECL. These published ratings are monitored and updated daily. The twelve-month and lifetime PDs associated with each rating are determined based on realised default rates, also published by S&P. To estimate the LGD, the Group has used the Basel III LGD, which is 45% for senior debt.

There have been no significant changes in estimation techniques or key assumptions made during the reporting period.

7.2.3.2 Maximum exposure to credit risk – financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of certain financial instruments for which an ECL allowance might be recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets. The credit risk exposure of other financial assets is shown in section 7.2.4 -Credit risk management of other financial assets, of these financial statements.

The method of allocating Stage 3 loans to customers between PCL and other lending has been amended in the current period. For the purposes of comparison, the prior year has been restated using the same method.

In millions of euros	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	31/12/2024	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	31/12/2023
Gross carrying amount								
Loans and advances to banks	3,432.2	-	-	3,432.2	1,727.3	-	-	1,727.3
PCL loans to customers	3,928.8	3.4	53.6	3,985.8	3,958.6	55.3	13.5	4,027.4
Other loans to customers	322.0	1.3	46.3	369.6	291.1	2.7	54.2	348.0
Securities at amortised cost	3,856.6	-	-	3,856.6	3,418.7	-	-	3,418.7
TOTAL	**11,539.6**	**4.7**	**99.9**	**11,644.2**	**9,395.7**	**58.0**	**67.7**	**9,521.4**
Loss allowance								
Loans and advances to banks	-	-	-	-	-	-	-	-
PCL loans to customers	(2.9)	-	(4.0)	(6.9)	(3.3)	(0.4)	(4.5)	(8.2)
Other loans to customers	(0.5)	(0.1)	(30.8)	(31.4)	(0.8)	(0.2)	(35.0)	(36.0)
Securities at amortised cost	(0.7)	-	-	(0.7)	(0.6)	-	-	(0.6)
TOTAL	**(4.1)**	**(0.1)**	**(34.8)**	**(39.0)**	**(4.7)**	**(0.6)**	**(39.5)**	**(44.8)**
Net carrying amount								
Loans and advances to banks	3,432.2	-	-	3,432.2	1,727.3	-	-	1,727.3
PCL loans to customers	3,925.9	3.4	49.6	3,978.9	3,955.3	54.9	9.0	4,019.2
Other loans to customers	321.5	1.2	15.5	338.2	290.3	2.5	19.2	312.0
Securities at amortised cost	3,855.9	-	-	3,855.9	3,418.1	-	-	3,418.1
TOTAL	**11,535.5**	**4.6**	**65.1**	**11,605.2**	**9,391.0**	**57.4**	**28.2**	**9,476.6**

For loans to customers, the cost of risk in the year was a charge of €0.0 million and the movement in the loss allowance of Stage 1, 2 and 3 loans is further explained in the table below. Additionally, the movement in all loss allowances is shown in the account "Impairments" Note 24.

Information on how the ECL is measured and how the three Stages are determined is provided in the section "Measurement of expected credit loss", section 3.2.4 of these financial statements.

Movement in loss allowance of total loans to customers

In millions of euros	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TOTAL
Loss allowance at beginning of period	**(4.1)**	**(0.6)**	**(39.5)**	**(44.2)**
Movements with P&L impact				
(Charge)	(0.1)	-	(4.8)	(4.9)
Release	0.8	0.5	3.5	4.8
Total net P&L (charge)/release during the period	**0.7**	**0.5**	**(1.3)**	**(0.1)**
Movements with no P&L impact				
Written off		-	6.5	6.5
Exchange	(0.0)	-	(0.5)	(0.5)
LOSS ALLOWANCE AT END OF PERIOD	**(3.4)**	**(0.1)**	**(34.8)**	**(38.3)**

Changes in the gross amounts of loans to customers had a relatively insignificant effect on the Stage 1 and the Stage 2 allowances in the period.

The table below shows the ageing of loans to customers that are past due as at 31 December 2024 and as at 31 December 2023.

Loans to customers that are past due but not impaired

In millions of euros	31/12/2024	31/12/2023
Less than 30 days past due	3.7	45.8
Between 30 and 90 days past due	0.8	1.3
Over 90 days past due	-	5.8
TOTAL	**4.5**	**52.9**

7.2.3.3 Collateral

The Group holds collateral against loans to customers, as substantially all third-party lending is secured. The majority of collateral is in the form of charges over marketable securities (Lombard lending), or over property assets. The majority of assets securing Lombard loans are held in the Group's custody so the collateral can be realised easily. For mortgages and ex-custody assets, there is a realistic possibility, if necessary, of both taking possession of, and realising the collateral.

Stage 1 and 2 loans are usually covered by collateral, and the level of collateral at exit is expected to be sufficient to cover the balance sheet exposure. Where a loan is deemed to be impaired (Stage 3), the level of the impairment charge is primarily driven by any expected shortfall after recovering the collateral, though it is also influenced by the ability of the borrower to service the debt.

Collateral is valued independently at the time the loan is made and periodically thereafter. Management is able to roll forward a valuation between these events via a combination of specific knowledge of the collateral and the application of general indices.

The table below gives an estimate of the fair value of collateral held by the Group as security against loans to its customers that are credit impaired. For each loan, the value of collateral disclosed is capped at the nominal amount less the provision of the loan that it is held against.

	31/12/2024	31/12/2023
In millions of euros	Stage 3 loans	Stage 3 loans
Gross value of credit-impaired loans	99.9	67.7
Impairment	(34.8)	(39.5)
Net value of credit-impaired loans	**65.1**	**28.2**
Tangible assets collateral	62.9	25.9
Financial assets collateral	0.9	0.8
TOTAL	**63.8**	**26.7**
% of Stage 3 loans covered by collateral	98%	95%

7.2.4 Credit risk management of other financial assets

Other financial assets mainly contain trade receivables from the GA and WAM businesses. For these assets, the Group applies a simplified approach to the calculation of impairments. This means that the loss allowance is always measured at an amount equal to the asset's lifetime ECL. Therefore, the concept of a significant increase in credit risk is not applicable to these assets. Fee income is widespread in terms of location and of sector, so concentration risk is not considered to be significant.

The Group considers a receivable to be in default when the borrower is unlikely to pay the Group in full. For each GA office, a quarterly review is conducted by local management and the GA Global Finance Director of any outstanding receivables where there is any concern over recovery, as well as any receivable over 90 days. This review determines if the receivable should be impaired and ensures that impairments are made, or not made, consistently around the Group.

Based on historical payment behaviour, management believes that receivables less than 90 days overdue have, prima facie, an immaterial risk of not being recoverable in full. These receivables are therefore classified as Category 1 in our internal credit risk table, unless there are specific reasons to consider them doubtful. Management considers that all individual unimpaired receivables over 90 days past due merit assessment for potential credit losses, in addition to more recent debts that are known to have credit issues. These receivables are considered to be on a watchlist and are classified as Category 2. Where these are not impaired, management provides a percentage of all these assets to reflect losses that might be expected to eventually arise. The provision percentage takes account of both historical experience and management's assessment of future potential losses. The ECL for Stage 2 debtors amounted to €0.9 million as at December 2024 (December 2023: €1.0m).

The credit rating of Other financial assets is disclosed in 7.2.2 Credit Rating. The movements in the loss allowance are disclosed in the account "Impairments" Note 24.

7.2.5 Further credit risk analysis

The tables below show an analysis of credit risk by location and by sector as at 31 December 2024 and as at 31 December 2023.

7.2.5.1 Credit risk by location

Location for loans and advances is measured by reference to the location of the borrower. Debt securities are recorded based on the location of the issuer of the security. Location for derivative assets is based on the location of the counterparty. Location for margin calls paid on derivative liabilities are recorded based on the location of the receiver of the margin call.

In millions of euros	France	Switzer-land	UK and Channel Islands	Rest of Europe	Americas	Australia and Asia	Other	31/12/2024
Cash and amounts due from central banks	2,876.4	611.5	-	3.7	-	-	-	3,491.6
Financial assets at FVTPL[1]	47.3	37.6	120.3	77.9	60.4	2.2	1.2	346.9
Loans and advances to banks	917.9	21.8	1,815.3	350.8	252.2	48.5	25.7	3,432.2
Loans and advances to customers	2,227.2	330.8	903.4	602.2	107.4	105.9	40.2	4,317.1
Debt at amortised cost	398.7	1,618.1	491.9	711.2	512.7	123.3	-	3,855.9
Other financial assets	188.5	40.2	183.3	146.0	83.1	5.2	50.0	696.3
Subtotal assets	**6,656.0**	**2,660.0**	**3,514.2**	**1,891.8**	**1,015.8**	**285.1**	**117.1**	**16,140.0**
Commitments and guarantees	780.5	28.6	25.4	274.6	23.2	0.2	11.0	1,143.5
TOTAL	**7,436.5**	**2,688.6**	**3,539.6**	**2,166.4**	**1,039.0**	**285.3**	**128.1**	**17,283.5**

(1) Including hedging derivatives and excluding equities, for which credit risk does not apply.

In millions of euros	France	Switzer-land	UK and Channel Islands	Rest of Europe	Americas	Australia and Asia	Other	31/12/2023
Cash and amounts due from central banks	3,300.5	1,248.6	-	3.2	-	-	-	4,552.3
Financial assets at FVTPL[1]	19.1	42.4	47.7	60.5	29.7	2.0	-	201.4
Loans and advances to banks	575.4	4.8	550.8	211.0	280.9	77.4	27.0	1,727.3
Loans and advances to customers	2,099.6	260.2	1,129.4	579.7	140.0	80.6	41.7	4,331.2
Debt at amortised cost	445.9	1,565.1	300.4	579.9	439.1	87.7	-	3,418.1
Other financial assets	280.2	11.4	353.9	123.4	49.8	25.0	36.5	880.2
Subtotal assets	**6,720.7**	**3,132.5**	**2,382.2**	**1,557.7**	**939.5**	**272.7**	**105.2**	**15,110.5**
Commitments and guarantees	813.3	30.7	30.7	309.6	23.4	2.0	13.7	1,223.4
TOTAL	**7,534.0**	**3,163.2**	**2,412.9**	**1,867.3**	**962.9**	**274.7**	**118.9**	**16,333.9**

(1) Including hedging derivatives and excluding equities, for which credit risk does not apply.

7.2.5.2 Credit risk by sector

In millions of euros	31/12/2024	%	31/12/2023	%
Credit institutions	5,247.5	30%	3,390.3	21%
Cash and amounts due from central banks	3,491.6	20%	4,552.3	28%
Households	3,488.2	20%	3,626.9	22%
Government[(1)]	2,223.9	13%	1,933.8	12%
Other financial corporations	1,251.0	7%	1,205.9	7%
Real estate	617.5	4%	663.2	4%
Short-term fee income receivable (diversified customers)	443.9	3%	441.0	3%
Liquid debt securities (other sectors)	179.4	1%	268.8	2%
Other	340.5	2%	251.7	2%
TOTAL	**17,283.5**	**100%**	**16,333.9**	**100%**

(1) The "Government" exposure predominantly consists of high-quality government securities.

The sectors above are based on NACE classification codes (Nomenclature of Economic Activities) and categories used for FINREP regulatory reporting.

Short-term fee income receivable and liquid debt securities that are not reported as part of specific sectors are exposed to various diversified sectors. Any exposure to these sectors is not thought by management to pose a significant sectoral risk, and in the case of short-term assets is not expected to be indicative of sectoral concentration for these assets in future. Therefore, these exposures are not analysed further in this section.

7.3 Market risk

Market risk associated with treasury and equity positions is described below with a description of the levels of risk.

Market risk arises as a result of the Group's activities in interest rate, currency, precious metals, equity and debt markets. Exposure to market risk on trading activities is small in relation to capital, as trading activity is focused on servicing client requirements rather than on proprietary risk-taking. Foreign exchange and interest rate derivative contracts are predominantly used for hedging and client purposes. Trading activities in the Group are confined to "vanilla" products, as the Group does not trade in complex derivatives or other exotic instruments. Further information about the use of derivatives instruments and hedge accounting is provided in Note 10 – Derivatives.

Each of the Group's regulated banking entities is required to manage market risk on a stand-alone basis in accordance with its individual risk appetite and limits approved by the Group ALCO and the WAM ALCO.

The Group measures interest rate risk in the banking book in line with the EBA requirements and this is calculated both at the entity level and on a consolidated basis for the Group.

Given the low level of activity in this area, due to the Group's strategy of minimising proprietary trading, the Group does not consider market risk as one of the main risks (defined as one that it has identified and manages, and that is likely to have a significant negative impact on its ability to meet its strategic objectives).

7.3.1 Equity investments

The Group has exposure to equity price risk through holdings of equity investments by its Five Arrows business and through holding other equities, including those issued by mutual funds. The Group is also exposed to the risks affecting the companies in which it invests. Each investment in the Five Arrows funds is individually approved by management and underlying fund investments are monitored on an individual basis.

If the price of these equities were to fall by 5% as at 31 December 2024, then there would be a post-tax charge to the income statement of €104.5 million (31 December 2023: €84.2 million).

The table below shows the Group's equity price risk in relation to these instruments, by location.

In millions of euros	31/12/2024	%	31/12/2023	%
Rest of Europe	482.3	29%	389.0	27%
Americas	435.7	26%	263.4	19%
France	364.7	22%	400.9	28%
United Kingdom and Channel Islands	300.9	18%	300.5	21%
Australia and Asia	55.3	3%	41.1	3%
Other	37.4	2%	21.7	2%
TOTAL	**1,676.3**	**100%**	**1,416.6**	**100%**

7.3.2 Currency risk

The Group has exposure to the effects of fluctuations in foreign currency exchange rates on its financial position and cash flows. The table below summarises exposure to foreign currency exchange rate risk that would affect the income statement. The net positions in the table are measured by reference to the net carrying amounts of monetary assets and liabilities other than those in a subsidiary's functional currency, and are shown after taking account of positions in derivatives.

	31/12/2024	31/12/2023
In millions of euros	Long/ (short)	Long/ (short)
USD	80.7	54.3
EUR	36.9	24.9
GBP	(9.5)	(12.7)
CHF	5.0	3.4
Other	(1.7)	(3.0)

If the euro strengthened against the currencies in the table above by 5%, then the effect on the Group would be a loss to the income statement of €0.6 million (December 2023: loss of €0.2 million).

7.3.3 Interest rate risk

Interest rate risk is the risk to earnings or capital arising from movements in interest rates.

Because of the nature of its business, only the banking entities in the Group are exposed to significant interest rate risk and therefore need to actively manage it. A key risk that banks face is that the interest rate profiles of their assets or liabilities may not match each other (for example, a bank may have variable rate customer deposits funding long-term fixed rate customer loans and securities held for liquidity). The Group materially avoids this risk, because most of its banking and treasury assets and liabilities are either very short term or have floating interest rates. For example, its treasury investments in debt securities and public bills held for liquidity purposes have a weighted average maturity of 12 months (December 2023: 12 months), a figure excluding public bills with an original maturity of less than 6 months that are held as a direct alternative to central bank placements. Where treasury investments are held at amortised cost, the difference between their carrying value and fair value, mostly attributable to interest rate changes, is in the region of only €2 million. Regarding the loan books, there is limited exposure to interest rate risk, with just €249 million (December 2023: €281 million) of unhedged fixed rate loans with a maturity over 1 year, representing just 6% (December 2023: 6%) of our total lending.

The Group calculates Interest Rate Risk in the Banking Book (IRRBB) in line with the EBA requirements, preparing the EVE (Economic Value of Equity) stress tests for each prescribed stress scenario, measured as a percentage of tier 1 capital. The results illustrate the low level of interest rate risk that the Group's banking entities and, on a consolidated basis, the Group is exposed to, even under these severe stress tests. Interest rate risk in non-banking entities is reviewed on an annual basis. As of 31 December 2024, this is not material.

IRRBB EVE results of the prescribed six shock scenarios as at 31 December 2024 are shown in the table below. The figures are taken from regulatory returns, but are not audited.

	Parallel up	Parallel down	Short rate up	Short rate down	Steepener	Flattener
As a percentage of tier 1 capital						
WAM group	1.5%	(4.9%)	0.1%	(2.2%)	0.0%	(0.3%)
Rothschild & Co Group	0.4%	(1.3%)	0.0%	(0.6%)	0.0%	(0.1%)

There is some interest rate risk for certain sight deposits that behave as 0% fixed non-maturity deposits. As a result of this risk, the Group behaviourally adjusts non-maturity non-remunerated deposits, given the requirements of the European regulator along with the expectation that some of these deposits will behave in the same way as a fixed-rate liability. Because WAM group's deposits are largely of a private banking nature, they are not considered to be very long term. Therefore, the Group behaviourally adjusts the stable amount linearly over five years, with the non-stable amount re-fixing over three months on average. The Group also makes certain adjustments to ECB deposits on the assets side.

7.4 Liquidity risk

7.4.1 Liquidity

Liquidity risk arises from the mismatch between the legal maturity of assets and liabilities and is defined as the risk that a Group entity is not able to maintain or generate sufficient cash resources to meet its payment obligations as they fall due.

Management of liquidity risk

The Group continues to adopt a conservative approach to liquidity risk and its management and has designed its approach in the overall context of the Wealth and Asset Management strategy.

The Group risk appetite statement establishes limits to ensure that the Group will maintain sufficient liquid resources to meet cash flow obligations and maintain a buffer over regulatory and internal liquidity requirements. The Group liquidity risk policy is reviewed annually by the WAM ALCO and the Group ALCO. Each banking entity must have in place a liquidity risk policy which defines its liquidity risk limits and how liquidity risk is measured, monitored and controlled.

In line with the directions given by the Statutory Manager, the WAM ALCO is responsible for the development and implementation of liquidity strategy, the approval of local liquidity risk policies and limits for the subsidiary banking entities. The Group ALCO is responsible for the development and implementation of the liquidity strategy, the approval of the Group Liquidity Risk Policy and limits, and the implementation of reasonable steps to ensure these are consistent with the Group's risk appetite. The Group ALCO, along with WAM ALCO, establishes and maintains a structure for the management of liquidity risk, including allocations of authority and responsibility to senior managers and ensures that all reasonable steps are taken to measure, monitor and control liquidity risk and identify material changes to the liquidity profile.

The Group and WAM ALCOs evaluate the results of stress testing on the liquidity profile and are responsible for the invocation of any contingency funding plan measures if necessary. The Group and WAM ALCOs ensure that the appropriate liquidity impact and liquidity cost of transactions is taken into account in the credit and new product approval processes.

The Group's strategy for liquidity management is to maintain a low loan-to-deposit ratio as well as high levels of high-quality liquid assets in order to be able to manage significant unexpected calls on liquidity.

Overview of liquidity risk

The Group retains a very strong liquidity position as at 31 December 2024 with €11.3 billion of liquidity assets (December 2023: €10.0 billion), which is 58% of gross assets and 86% of deposits (December 2023: 55% of gross assets and 84% of deposits). An analysis of the liquidity assets is shown in Note 29 Cash and cash equivalents, and this shows that they consist mainly of amounts at central banks and banks (€6.9 billion; December 2023: €6.3 billion) and investment-grade debt securities (€3.8 billion; December 2023: €3.4 billion). These debt securities are closely monitored and the holdings and limits for any weaker credits are reduced where considered necessary. Regarding sectors, the majority of the exposure is to financials and supranationals, and the corporate exposure at €179 million (December 2023: €269 million) is reasonably well diversified across sectors and counterparties.

Movements in customer deposits are closely monitored along with the Group's loan-to-deposit ratio and its Net Stable Funding Ratio (NSFR). The WAM group's loan-to-deposit ratio is 32% as at December 2024 (December 2023: 34%). The NSFR, which is the regulatory test to ensure that banks have an appropriate level of stable funding for their asset base, is comfortably above the regulatory limit as at 31 December 2024. We continue to see good stability in the core customer deposit book and remain focused to ensure we retain a conservative liquidity risk profile.

Each of the Group's banks also maintain conservative loan-to-deposit ratios. Set out below are some key liquidity ratios of the Group's banks, all of which are well in excess of the regulatory minimum of 100%.

The figures are taken from regulatory returns, but are not audited.

Liquidity coverage ratios (LCRs)	**31/12/2024**	**31/12/2023**
Rothschild & Co Bank AG	152%	137%
Rothschild Martin Maurel	140%	204%
Rothschild & Co Bank International Limited	811%	226%
Regulatory limit	*100%*	*100%*

Net Stable Funding Ratios (NSFRs)	**31/12/2024**	**31/12/2023**
Rothschild & Co Bank AG	150%	153%
Rothschild Martin Maurel	149%	179%
Rothschild & Co Bank International Limited(1)	266%	198%
Regulatory limit	*100%*	*100%*

(1) Rothschild & Co Bank International Limited does not have a regulatory limit for NSFR

The Group also retains a strong liquidity position in its central holding companies and other operating businesses.

7.4.2 Contractual maturity

The following table shows the Group's financial assets and liabilities, analysed by remaining contractual maturity at the balance sheet date.

In millions of euros	Demand - 3m	3m - 1yr	1yr - 5yr	>5 yr	No contractual maturity	31/12/2024
Cash and balances at central banks	3,491.6	-	-	-	-	3,491.6
Financial assets at FVTPL	649.1	119.0	572.2	584.5	92.7	2,017.5
Hedging derivative assets	0.4	1.3	2.8	1.1	-	5.6
Securities at amortised cost	1,879.5	843.0	1,106.5	26.9	-	3,855.9
Loans and advances to banks	3,232.2	200.0	-	-	-	3,432.2
Loans and advances to customers	1,671.1	1,079.0	1,334.7	232.3	-	4,317.1
Other financial assets	696.3	-	-	-	-	696.3
TOTAL	**11,620.2**	**2,242.3**	**3,016.2**	**844.8**	**92.7**	**17,816.2**
Financial liabilities at FVTPL	52.7	106.6	1.1	-	-	160.4
Due to banks and other financial institutions	66.3	4.6	14.5	140.7	-	226.1
Due to customers	11,925.0	1,098.9	47.1	-	-	13,071.0
Debt securities in issue	85.1	31.1	2.8	-	-	119.0
Lease liabilities	12.7	37.5	132.8	52.3	-	235.3
Other financial liabilities	475.7	0.4	-	-	-	476.1
TOTAL	**12,617.5**	**1,279.1**	**198.3**	**193.0**	**-**	**14,287.9**
Loan and guarantee commitments given	1,143.5	-	-	-	-	1,143.5

Loan and guarantee commitments given are disclosed in the period in which they could first be drawn down. The undiscounted cash flows of liabilities and commitments are not materially different from the amounts disclosed in the contractual maturity table above.

7.5 Fair value disclosures

7.5.1 Fair value hierarchy

For financial reporting purposes, IFRS 13 requires fair value measurements that are applied to financial instruments to be allocated to one of three Levels, reflecting the extent to which the valuation is based on observable data.

Level 1: instruments quoted on an active market

Level 1 comprises instruments whose fair value is determined based on directly usable prices quoted on active markets. This mainly consists of listed securities and derivatives traded on organised markets whose liquidity can be demonstrated, as well as shares of funds where the value is determined and reported daily.

Level 2: instruments measured based on valuation models that use observable inputs other than quoted prices

Level 2 comprises instruments not directly quoted on an active market, measured using a standard valuation technique incorporating parameters that are either directly observable (prices) or indirectly observable (price derivatives).

Level 3: instruments measured using models that draw significantly on non-observable inputs

Level 3 comprises instruments that are measured, at least in part, using non-observable market data that is liable to materially impact the valuation.

7.5.2 Valuation techniques used

7.5.2.1 Assets mostly held at fair value through profit or loss

Equity securities

In the absence of a price available on an active market, an equity security is considered to be Level 3 if a significant adjustment is made to parameters that are observable. Where no significant adjustment is made to those observable parameters, the security is classed as Level 2.

The normal measurement techniques of equity securities held by the Group either directly, or within its managed funds, are:

- Transaction multiples

The preferred measurement technique is based on transaction multiples. This technique uses recent transactions in the sector under consideration. Multiples are established based on the enterprise value (EV) of comparable transactions and accounting measures such as EBITDA (earnings before interest, tax, depreciation and amortisation), EBIT or revenues, which are applied to the asset to be measured.

Transaction multiples often reflect a premium that is a consequence of negotiations carried out during the transaction. Five Arrows therefore applies a marketability discount to transaction multiples that are used to value positions retained in the portfolio. Such marketability discounts are higher where Five Arrows holds a minority position in the portfolio company and cannot independently trigger a disposal. For the purpose of the IFRS 13 fair value hierarchy, the marketability discount is considered as an unobservable input, and, where significant, would indicate a Level 3 valuation.

- Other earnings multiples

This measurement technique consists of applying a multiple to the earnings of the company to be valued. It is based on multiples from a sample of listed companies that are in the peer group of the company to be valued. The earnings multiples used might be EV/EBITDA, EV/EBIT and the price/earnings ratio (PER).

Companies in the selected peer group must operate in a similar sector to that of the company being valued. They should be of a relatively comparable size and have similar growth prospects. Specific factors may also be taken into account in the selection, including the presence or otherwise of related business activities, the country, and regulatory aspects specific to each market.

The value of the peer group companies is obtained by adding together the market capitalisation, net financial debt and non-controlling interests, based on the most recently available financial data.

Stock exchange multiples are calculated excluding any control premium, as the valuation is made from the point of view of a non-controlling shareholder. However, if the investment to be valued is not listed, the lack of liquidity relative to listed companies in the peer group may be reflected through an illiquidity discount. For the purpose of the valuation hierarchy, such an illiquidity discount is considered as an unobservable input, and, where significant, would mean the valuation is considered as a Level 3 valuation.

Investments in direct lending funds that hold instruments at amortised cost

Investments that give a share of underlying assets held by a fund are classified as Level 2 where the value of underlying assets are considered to be Level 2. An example would be a fund holding loans at amortised cost.

Shares in external funds

Shares of private equity funds or investments managed by third parties, for which the manager and third-party assessor have published a net asset value, may use a valuation technique incorporating parameters that are not directly observable, or may use observable inputs with a significant adjustment that is not observed. Where it is not clear that the valuations have been performed using only observable inputs, the external funds are assumed to be Level 3.

Credit management products

Junior and subordinated tranches of securitised vehicles held directly by the Group are valued using prices obtained from active brokers and/or dealers. Transactions do not, however, necessarily occur at the indicated prices, due to the nature of the securities held and transaction volumes that are usually low. Therefore, these valuations are considered to be Level 2.

The Group has invested in credit investment companies that invest in subordinated CLO tranches. These tranches are valued by a third-party valuation provider using discounted cash flow (DCF) techniques, giving a “mark to model” valuation that uses assumptions about future cashflows generated by the underlying CLO tranches. Some of these assumptions, of which the default and recoverability rates are considered the most significant, are unobservable inputs, so this valuation is considered to be Level 3.

Other credit management investments consist mainly of investment funds and managed accounts. The majority of these are valued based on market prices, and are considered to be Level 2.

Derivatives

The fair value of derivatives is predominantly derived from prices or quotations of other Level 1 and Level 2 instruments, through standard market extrapolation or interpolation or through corroboration by real transactions. Fair value can also be derived from other standard techniques and models. The most frequently used measurement model is the DCF technique. The values derived from these models are materially affected by the measurement assumptions used, such as the amounts and settlement dates of future cash flows, the discount rates and solvency. When those parameters are determined on the basis of directly observable inputs, the derivatives are classified in Level 2.

7.5.2.2 Assets mostly held at amortised cost

When measuring fair values of instruments at amortised cost disclosed as Level 2, the Group estimates the counterparty’s default risk and calculates the present value of future cash flows, taking into account the debtor’s financial standing. The Group considers, in the absence of any factor indicating that it is materially different from the net carrying amount, that the fair value equals the carrying value for 1) floating rate instruments; 2) for fixed rate instruments with an original maturity up to one year; and 3) for on-demand exposures.

Loans to/due to banks and customers

Loans and deposits are usually shown as Level 2. In the event of a difference in interest rates or any other factor indicating that an asset’s fair value is materially different from the net carrying amount, the fair value of instruments not referred to in the paragraph above is adjusted accordingly.

Repurchase agreements and amounts due to banks and customers are valued using a DCF technique, the discount rate of which is adjusted for the appropriate credit margin.

Impaired loans where the carrying value is determined by a DCF, using best estimates of recoverable cash flows, are classified as Level 3.

Debt securities and debt securities in issue

Debt securities are predominantly government bonds, corporate debt securities, senior tranches of collateralised loan obligations, and certificates of deposit. They are classified in Level 1 if listed. When external prices for the same security can be regularly observed from a reasonable number of market makers that are active in this security, but these prices do not represent directly tradable prices (when supplied, for example, by consensus pricing services or active brokers and/or dealers), these are classified as Level 2. Where prices are not directly observable in the market, a DCF valuation is used. The discount rate is adjusted for the applicable credit margin determined by similar instruments listed on an active market for comparable counterparties.

7.5.3 Fair value of financial instruments

Carried at amortised cost

In millions of euros	31/12/2024				
	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets					
Cash and amounts due from central banks	3,491.6	3,491.6	-	3,491.6	-
Securities at amortised cost	3,855.9	3,858.1	3,831.2	26.9	-
Loans and advances to banks	3,432.2	3,432.2	-	3,432.2	-
Loans and advances to customers	4,317.1	4,307.9	-	4,289.8	18.1
TOTAL	**15,096.8**	**15,089.8**	**3,831.2**	**11,240.5**	**18.1**
Financial liabilities					
Due to banks and other financial institutions	226.1	200.9	-	200.9	-
Due to customers	13,071.0	13,071.5	-	13,071.5	-
Debt securities in issue	119.0	119.0	-	119.0	-
TOTAL	**13,416.1**	**13,391.4**	**-**	**13,391.4**	**-**

In millions of euros	31/12/2023				
	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets					
Cash and amounts due from central banks	4,552.3	4,552.3	-	4,552.3	-
Securities at amortised cost	3,418.1	3,406.4	3,362.4	44.0	-
Loans and advances to banks	1,727.3	1,727.3	-	1,727.3	-
Loans and advances to customers	4,331.2	4,303.0	-	4,295.6	7.4
TOTAL	**14,028.9**	**13,989.0**	**3,362.4**	**10,619.2**	**7.4**
Financial liabilities					
Due to banks and other financial institutions	333.9	316.9	-	316.9	-
Due to customers	11,892.4	11,889.4	-	11,889.4	-
Debt securities in issue	148.2	148.2	-	148.2	-
TOTAL	**12,374.5**	**12,354.5**	**-**	**12,354.5**	**-**

Carried at fair value

In millions of euros	31/12/2024 TOTAL	Level 1	Level 2	Level 3
Financial assets				
Mutual funds	502.9	481.6	21.3	-
Financial assets at FVTPL held for investment	1,235.2	4.0	274.6	956.6
Other financial assets at FVTPL	59.9	59.9	-	-
Derivative financial instruments	225.2	-	225.2	-
TOTAL	**2,023.2**	**545.5**	**521.1**	**956.6**
Financial liabilities				
Derivative financial instruments	160.3	-	160.3	-
TOTAL	**160.3**	**-**	**160.3**	**-**

In millions of euros	31/12/2023 TOTAL	Level 1	Level 2	Level 3
Financial assets				
Mutual funds	384.2	363.8	20.4	-
Financial assets at FVTPL held for investment	1,048.1	5.7	196.7	845.7
Other financial assets at FVTPL	62.1	62.1	-	-
Derivative financial instruments	123.5	-	123.5	-
TOTAL	**1,617.9**	**431.6**	**340.6**	**845.7**
Financial liabilities				
Derivative financial instruments	188.4	-	188.4	-
TOTAL	**188.4**	**-**	**188.4**	**-**

7.5.4 Further information about the fair value of Level 3 assets

Movement in Level 3 assets

The following table presents the movement in assets valued using Level 3 valuation methods in the period. All changes in value are recorded in the income statement in the account “Net gains/(losses) on financial instruments at fair value through profit or loss”. The majority of valuation changes are unrealised.

In millions of euros	Funds and other equities	Bonds and other fixed income securities	TOTAL
As at 1 January 2024	**843.9**	**1.8**	**845.7**
Total gains for the period included in income statement	106.3	0.3	106.6
Additions	125.0	-	125.0
Disposals	(120.4)	(0.4)	(120.8)
Other movements	-	0.1	0.1
AS AT 31 DECEMBER 2024	**954.8**	**1.8**	**956.6**

In the valuation hierarchy described above, the Group classifies its unquoted investments as Level 2 when the significant inputs to the valuation are observable. When, however, there are significant unobservable inputs to the valuation, these valuations are classified as Level 3. Disclosure about the inputs to the valuation of Level 3 assets, including the elements that are unobservable, is made below.

Inputs and assumptions to value Level 3 assets

The following table summarises the inputs and assumptions used to value equities categorised as Level 3 assets. Where the equity investment by the Group is in a managed fund or in a portfolio managed by a third party, the valuation method refers to the valuation of the underlying investments of that fund, of which the Group has a proportionate interest.

The main unobservable input is a weighted average value.

Investment	31/12/2024				
	Value (in €m)	Valuation method		Main unobservable input	
Investment in unquoted equity, managed by the Group	527.2	Transaction or other earnings multiple (pre-discount)	21.2x	Marketability and liquidity discount	6.4%
Investment in unquoted equity, managed by the Group	66.8	Exit negotiations	n/a	Price negotiations	n/a
Investment in Five Arrows fund, investing in funds/portfolios managed by third parties	251.7	NAV based on an external valuation	n/a	External valuation parameters	n/a
Investment in fund, managed by external providers	22.3	NAV based on an external valuation	n/a	External valuation parameters	n/a
Holding in credit investment companies	79.7	Mark to model	n/a	Recoverability and default rate	2.3%
Other	7.1	n/a	n/a	n/a	n/a
TOTAL	**954.8**				

Investment	31/12/2023				
	Value (in €m)	Valuation method		Main unobservable input	
Investment in unquoted equity, managed by the Group	534.1	Transaction or other earnings multiple (pre-discount)	20.2x	Marketability and liquidity discount	8.9%
Investment in Five Arrows fund, investing in funds/portfolios managed by third parties	206.2	NAV based on an external valuation	n/a	External valuation parameters	n/a
Investment in fund, managed by external providers	21.7	NAV based on an external valuation	n/a	External valuation parameters	n/a
Holding in credit investment companies	76.1	Mark to model	n/a	Recoverability and default rate	2.3%
Other	5.8	n/a	n/a	n/a	n/a
TOTAL	**843.9**				

Out of the €955 million of FVTPL equity securities classified in Level 3 as at 31 December 2024, €527 million are investments made by the Group in managed funds, where the majority of underlying instruments are valued using a transaction multiple or another earnings multiple or by an external valuation. The main unobservable input is the discount applied to the retained multiples. This reflects the difference in value between a particular asset in the portfolio and either (i) a comparable asset valued as part of an executed transaction; or (ii) an asset that operates in the same industry of the asset retained in the portfolio, but is characterised by differences in terms of size, geographical reach, specific business activity, etc.

To quantify the fair value sensitivity of these investments, the Group has determined the impact in the event of a fall of 5% in the carrying value of the underlying instruments. If such an event happened, there would be a pre-tax charge to the income statement of €42.7 million, or 8.1% of this type of asset (December 2023: 7.0%).

Additionally, €274 million are investments in portfolios and funds, for which the underlying assets are subject to a third-party valuation. Because full details of all the valuations are not available, the assumption is made that some elements may be unobservable, and so these are classified as Level 3; none of these underlying assets are individually material to the Group's accounts. Furthermore, €67 million of investments, currently undergoing an exit process, are valued in relation to a realistic exit price that is under negotiation. To quantify the fair value sensitivity of the underlying assets for these investment types, the Group has determined the impact in the event of a fall of 5% in the carrying value. If such an event happened, there would be a pre-tax charge to the income statement of €18.8 million or 5.5% of these types of investments (December 2023: 4.9%).

The main unobservable input to value the holding in the credit investment companies is considered to be the default rate. If the average default rate were to increase by 25%, the value of the holding would fall by €5.5 million or 7.0% (December 2023: 5.3%).

7.5.5 Selected controls in the valuation process

Five Arrows

The calculation of fair value is subject to control procedures aimed at verifying that fair values are determined or validated by an independent function. Fair values determined by reference to external quoted prices or market parameters are validated by the relevant fund's valuation committee. In addition, systematic checks are made to verify that retained transaction multiples remain coherent with the current market environment by comparing them with multiples of publicly traded peers.

These committees review the valuation of the investments made by Five Arrows on a quarterly basis for its corporate private equity funds, and on a twice-yearly cycle for other funds.

The parameters of valuation that are reviewed in committee include the following:

- the consistency of the various sources;
- the consistency of the valuation assumptions and of the related adjustments (if any);
- the events that took place during the period that could affect the value; and
- the frequency with which the data is updated.

Five Arrows funds are valued by their management companies in accordance with the International Private Equity and Venture Capital Valuation (IPEV) guidelines, or other commonly acknowledged industry standards. As such, where applicable, these valuation committees act as the valuator under the Alternative Investment Fund Managers Directive (AIFMD) requirements.

In addition, the valuations of assets held by Five Arrows funds are reviewed and supported by statutory audits of those funds.

Valuation of derivatives

The Group's over-the-counter (OTC) derivatives (i.e. non-exchange traded) are valued using external valuation models. These models calculate the present value of expected future cash flows. The Group's derivative products are of a "vanilla" nature, such as interest rate swaps and cross-currency swaps, and the modelling techniques used are standard across the industry. Inputs to the valuation models are determined from observable market data, including data available from exchanges, dealers, brokers or providers of consensus pricing.

Exchange traded derivatives are valued by the exchange on which they are traded, and there are margin calls depending on the value.

8. Financial impacts and risks associated with climate change

A core pillar in R&Co's strategy at Group level is its long-term ambition to help facilitate the sustainability transition of the global economy through its expertise and influence.

Recognising that climate-related physical and transition risks have the potential to destabilise the global economy, the Group is committed to supporting and contributing to the transition to a low-carbon economy. This commitment has been one of the key priorities in the Group's ESG framework since 2021, which is considering priorities in relation to sustainability-related risks, opportunities and impacts at every relevant level of our organisation.

The Group has revised its analysis of the most material sustainability matters in its Double Materiality Assessment based on the definitions of financial materiality of risk and opportunity, and materiality of impact, as outlined in the European Sustainability Reporting Standards. The Group's financial materiality assessment concluded that

- the inherent exposure to climate-related physical and transition risks via investment solutions for Wealth and Asset Management and Five Arrows has the potential to impact the revenue trajectory for the Group in the medium- to long-term.
- An inherent reputational risk exists relating to varying stakeholder perceptions and expectations for climate-related commitments disclosed by the Group.
- Risks and opportunities exist in Global Advisory due to revenue exposure to clients in sectors subject to, or crucial for, the low-carbon transition.

For a more detailed description of the inherent risks, alongside policies and actions in place aimed at mitigating these risks, please refer to the Group sustainability statement 2024. The financial materiality assessment concluded that residually these risks are sufficiently mitigated in the short-term via existing policies and procedures.

8.1 Governance of objectives and risks associated with climate change

Governance of sustainability matters

The ambition for sustainability is a core pillar of Group strategy, and the governance of sustainability matters, including addressing the impacts of climate change, follows the Group's governance framework with clearly defined roles and responsibilities.

The executive management of R&Co has created a committee dedicated to sustainability matters: the Group Sustainability Committee (GSC). The GSC advises on strategic sustainability matters relevant across the Group and/or those that could affect the firm's sustainability position and reputation, including review of material sustainability-related impacts; risks, opportunities and overarching strategic sustainability priorities for the Group; alignment on sustainability matters affecting the Group; policy matters and initiatives; and review of the Group sustainability statement. The Committee is co-chaired by one of the Managing Partners and the Group Head of Sustainability and consists of senior representatives who contribute relevant business insight and subject matter expertise.

The Supervisory Board is informed about sustainability developments on a regular basis. Specialist committees of the Supervisory Board carry out work regarding sustainability matters as follows:

- The Group Audit Committee is responsible, amongst other things, for reviewing the process of drawing up and disclosing the financial and non-financial information, and for reviewing the effectiveness of internal control systems and internal audit, in particular regarding risk exposure, including sustainability matters.
- The Sustainability Committee of the Supervisory Board ensures the Group considers issues relating to sustainability in line with strategic priorities for the business and identifies and addresses opportunities and risks associated herewith. The Committee monitors and reviews the strategic priorities, policies implemented, and objectives set by the Group and its entities relating to sustainability matters.
- The Risk Committee of the Supervisory Board advises the Supervisory Board on the overall current and future risk appetite and strategy of the Group and reviews the effectiveness and coherence of risk management systems deployed in the Group to ensure as far as possible the prevention, detection and/ or management of potential and/ or identified risks, including risks arising from social, societal and environmental matters.

8.2 Climate risk applied to the Group's accounts

The Group continues to assess the effects of climate change on its financial statements that potentially arise from inherent investment and revenue exposure to climate-related physical and transition risks and/or from reputational issues. The financial effects could arise both from potential impact on the Group's performance and balance sheet, and/or from actions implemented by the Group with regards to its environmental commitments.

8.2.1 Consideration of climate risk when testing for impairments of intangible assets and goodwill

When valuing its intangibles and CGUs, the Group mostly uses inputs such as discount rates, royalty rates and growth rates in perpetuity that are market-observed, and that therefore reflect current expectations of climate impacts. The impact of climate risk is not considered financially significant to the Group's accounts.

8.2.2 Consideration of climate risk when assessing risk on our banking business

The Group considers that climate risks do not have a material impact on credit, liquidity and market risk relating to the Group's banking and treasury activities.

Lending activities at Rothschild & Co mainly assist private clients in the WAM business. These clients undergo a thorough new client acceptance process designed to protect the Group from any potential reputational risk. The assets that act as security for the Lombard lending activities are inherently guided by the Group's investment policy on WAM assets, which integrates ESG principles. Where the security for Lombard loans comprises assets not managed by Wealth Management, the Group is implementing a policy of applying a loan to value ratio of zero to any assets that do not comply with the Group's investment exclusion policy framework.

A policy for integration of ESG considerations in the Group's real estate loan business has also been implemented, which aims to ensure ESG risks are considered for each credit decision for UK, French and Swiss real estate loans.

8.2.3 Consideration of climate risk when assessing operational expenditure

Rothschild & Co has set objectives to contribute to a more environmentally sustainable economy and limit its environmental impact. The direct operating costs related to these objectives principally relate to the purchase of carbon compensation credits and sustainable aviation fuel.

The financial impact of these objectives are booked in the income statement as the relevant emissions or flights occur. The objectives do not meet the criteria for recognition as a provision at the balance sheet date.

8.2.4 Consideration of climate risk regarding other assets and liabilities

As at December 2024, climate risk is not considered to affect the carrying value of assets. The Group, meanwhile, has not identified any linked litigation or obligations, or identified contracts that may become onerous due to climate risk, and so it does not consider it necessary to record provisions or contingent liabilities related to these.

In summary, as at 31 December 2024, the Group considers that climate change does not have a material impact on our financial statements.

9. Consolidation scope

In response to Article 89 of CRD V, Article L.511-45 of the French Monetary and Financial Code "*Code monétaire et financier*" requires financial holding companies to publish information on their locations and activities in certain countries and territories.

The following table shows the material subsidiaries and associates that are included in the Group consolidated financial statements, and the territory in which they are domiciled. The list below does not include dormant companies, on account of their immateriality. The abbreviations for the activities below are defined in the glossary of these financial statements.

		31/12/2024		31/12/2023		Consolidation method[1]	
Company name	**Activity**	**% Group voting interest**	**% Group ownership interest**	**% Group voting interest**	**% Group ownership interest**	**31/12/2024**	**31/12/2023**
AUSTRALIA							
Rothschild & Co Australia Limited	GA	100.00	100.00	100.00	100.00	FC	FC
BELGIUM							
Rothschild & Co Belgium SA	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Wealth Management Belgium - Belgium branch	WAM	100.00	100.00	100.00	100.00	FC	FC
BRAZIL							
Rothschild & Co Brasil Ltda	GA	92.41	100.00	92.41	100.00	FC	FC
CANADA							
Rothschild & Co Canada Inc.	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Holdings Canada Inc.	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Securities Canada Inc.	GA	100.00	100.00	100.00	100.00	FC	FC
CAYMAN ISLANDS							
Auster Capital Ltd	FA	30.00	30.00	30.00	30.00	EM	EM
Auster Fund Advisory Ltd	FA	30.00	30.00	30.00	30.00	EM	EM
Auster Holdings Ltd	FA	30.00	30.00	30.00	30.00	EM	EM
CHINA							
Rothschild & Co Financial Advisory (Shanghai) Company Limited	GA	100.00	100.00	100.00	100.00	FC	FC
DENMARK							
N.M. Rothschild & Sons Limited, Denmark Filial	GA	100.00	100.00	100.00	100.00	FC	FC
FINLAND							
Five Arrows Managers – Finland branch	FA	100.00	100.00	100.00	100.00	FC	FC
FRANCE							
Aida SAS	Other	-	-	100.00	100.00	-	FC
Aix-Rabelais SAS	Other	100.00	100.00	100.00	100.00	FC	FC
Cavour SAS	Other	100.00	100.00	100.00	100.00	FC	FC
Concordia Holding Sarl	Other	100.00	100.00	100.00	100.00	FC	FC
Courtage Etoile SNC	WAM	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Managers GP SAS	FA	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Managers SAS	FA	100.00	100.00	100.00	100.00	FC	FC
GIE Rothschild & Co	Other	100.00	100.00	100.00	100.00	FC	FC
K Développement SAS	FA	100.00	100.00	100.00	100.00	FC	FC
Montaigne Rabelais SAS	Other	100.00	100.00	100.00	100.00	FC	FC
Paris Orléans Holding Bancaire SAS	Other	100.00	100.00	100.00	100.00	FC	FC
PO Fonds SAS	FA	100.00	100.00	100.00	100.00	FC	FC
R&Co Investments France SAS	WAM	100.00	100.00	100.00	100.00	FC	FC
Redburn (France) SA	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Cie SCS[2]	GA	99.97	99.97	99.97	99.97	FC	FC
Rothschild & Co Asset Management SCS[2]	WAM	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Immobilier SCS[2]	GA	99.83	99.80	99.80	99.77	FC	FC
Rothschild & Co Martin Maurel SA	WAM	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co SCA	Other	100.00	100.00	100.00	100.00	Parent	Parent
Rothschild & Co TA SCS[2]	GA	100.00	99.97	100.00	99.97	FC	FC
Rothschild & Co Wealth & Asset Management SAS	WAM	100.00	100.00	100.00	100.00	FC	FC
Rothschild Martin Maurel Courtage SAS	WAM	100.00	100.00	100.00	100.00	FC	FC
SCI Du 20 Rue Grignan	WAM	100.00	100.00	100.00	100.00	FC	FC
SCI Du 6 Rue De La Bourse	WAM	100.00	100.00	100.00	100.00	FC	FC
SCI Prado Marveyre	WAM	100.00	100.00	100.00	100.00	FC	FC
Transaction R&Co Immobilier SCS[2]	GA	100.00	99.40	100.00	99.45	FC	FC
Transaction R&Co SCS[2]	GA	99.43	99.40	99.48	99.45	FC	FC
TrésoPlus	WAM	-	-	100.00	100.00	-	FC
TRR Partenaires SAS	GA	75.00	74.55	75.00	74.59	FC	FC
Verdi SAS	Other	100.00	100.00	100.00	100.00	FC	FC
Verseau SAS	FA	100.00	100.00	100.00	100.00	FC	FC
Wargny BBR SA	WAM	100.00	100.00	94.66	99.99	FC	FC

(1) FC: full consolidation. EM: equity method.

(2) Some subsidiaries are limited partnerships (*sociétés en commandite simple*). The percentage interest recorded in the consolidated accounts is calculated in accordance with the statutory regulations applicable to limited partnerships based on the individual results of each partnership

Company name	Activity	31/12/2024 % Group voting interest	31/12/2024 % Group ownership interest	31/12/2023 % Group voting interest	31/12/2023 % Group ownership interest	Consolidation method[(1)] 31/12/2024	Consolidation method[(1)] 31/12/2023
GERMANY							
Redburn (France) SA - German Branch	GA	100.00	100.00	-	-	FC	-
Rothschild & Co Deutschland GmbH	GA	100.00	99.99	100.00	99.99	FC	FC
Rothschild & Co Vermögensverwaltung GmbH	WAM	100.00	100.00	100.00	100.00	FC	FC
GREECE							
Rothschild & Co Greece Single Member S.A.	GA	100.00	100.00	100.00	100.00	FC	FC
GUERNSEY							
Jofran Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Maison (C.I.) Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Asset Management Holdings (CI) Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Bank International Limited	WAM	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Continuation Finance CI Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Shield Holdings (Guernsey) Limited	Other	100.00	100.00	100.00	100.00	FC	FC
TM New Court Plan Trust	Other	100.00	100.00	100.00	100.00	FC	FC
HONG KONG							
Rothschild & Co Hong Kong Limited	GA	100.00	100.00	100.00	100.00	FC	FC
INDIA							
Rothschild & Co Global Services Private Limited	GA	100.00	100.00	-	-	FC	-
Rothschild & Co India Private Limited	GA	100.00	100.00	100.00	100.00	FC	FC
INDONESIA							
PT RothschildCo Advisory Indonesia	GA	100.00	100.00	100.00	100.00	FC	FC
ISRAEL							
Rothschild & Co Israel B.V. - Israel Branch	GA	100.00	99.99	100.00	99.99	FC	FC
Rothschild & Co Wealth Management (Israel) Ltd	WAM	100.00	100.00	100.00	100.00	FC	FC
ITALY							
Rothschild & Co Asset Management Milan Branch	WAM	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Italia S.p.A.	GA	100.00	99.99	100.00	99.99	FC	FC
Rothschild & Co Wealth Management Italy SIM SpA	WAM	100.00	100.00	100.00	100.00	FC	FC
JAPAN							
Five Arrows Managers SA - Japan branch	FA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Japan Ltd	GA	100.00	100.00	100.00	100.00	FC	FC
JERSEY							
Arena Plaza Jersey GP Limited	Other	-	-	100.00	100.00	-	FC
LUXEMBOURG							
Elsinore I GP S.à r.l.	FA	100.00	100.00	100.00	100.00	FC	FC
FACS C General Partner	FA	-	-	100.00	100.00	-	FC
FAMI GP S.à r.l.	FA	100.00	100.00	100.00	100.00	FC	FC
FIN PO S.A., SICAR	FA	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Credit Solutions General Partner	FA	-	-	100.00	100.00	-	FC
Five Arrows Managers SA	FA	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Principal Investments International Feeder SCA SICAR	FA	100.00	100.00	100.00	100.00	FC	FC
Five Arrows U.S. Loan Fund GP S.a.r.l	FA	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Umbrella Credit Fund GP	FA	100.00	100.00	100.00	100.00	FC	FC
Hermance Capital Management Sàrl	WAM	100.00	100.00	100.00	100.00	FC	FC
HRA Investment SCSp	FA	-	-	84.62	84.62	-	FC
Oberon GP S.à r.l.	FA	100.00	100.00	100.00	100.00	FC	FC
Oberon II GP S.à r.l.	FA	-	-	100.00	100.00	-	FC
Oberon III GP S.à r.l.	FA	100.00	100.00	100.00	100.00	FC	FC
Parallel GP S.à.r.l.	FA	100.00	100.00	100.00	100.00	FC	FC
PO Co Invest GP S.à.r.l.	FA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Investment Managers S.A.	FA and WAM	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Wealth Management (Europe) S.A.	WAM	100.00	100.00	100.00	100.00	FC	FC
RPI Invest 2 SCSp	FA	100.00	100.00	100.00	100.00	FC	FC
RPO GP S.à.r.l.	FA	100.00	100.00	100.00	100.00	FC	FC
RPO Invest 1 SCSp	FA	100.00	100.00	100.00	100.00	FC	FC
MALAYSIA							
RothschildCo Malaysia Sdn. Bhd.	GA	100.00	100.00	100.00	100.00	FC	FC
MEXICO							
Rothschild & Co Mexico, S.A. de C.V.	GA	100.00	100.00	100.00	100.00	FC	FC
MONACO							
Rothschild & Co Asset Management Monaco	WAM	99.50	99.44	99.50	99.44	FC	FC
Rothschild & Co Wealth Management Monaco	WAM	99.94	99.94	99.94	99.94	FC	FC
NETHERLANDS							
Rothschild & Co CIS B.V.	GA	100.00	99.99	100.00	99.99	FC	FC
Rothschild & Co Continuation Finance B.V.	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Europe B.V.	GA	100.00	99.99	100.00	99.99	FC	FC
Rothschild & Co Israel BV	GA	100.00	99.99	100.00	99.99	FC	FC
POLAND							
Rothschild & Co Polska sp. z o. o.	GA	100.00	99.99	100.00	99.99	FC	FC
QATAR							
Rothschild & Co Doha LLC	GA	100.00	99.99	100.00	99.99	FC	FC

(1) FC: full consolidation. EM: equity method.

Company name	Activity	31/12/2024 % Group voting interest	31/12/2024 % Group ownership interest	31/12/2023 % Group voting interest	31/12/2023 % Group ownership interest	Consolidation method[1] 31/12/2024	Consolidation method[1] 31/12/2023
RUSSIAN FEDERATION							
Rothschild & Co CIS B.V. - Moscow Branch	GA	100.00	99.99	100.00	99.99	FC	FC
Rothschild & Co CIS B.V. Moscow Representative Office	GA	-	-	100.00	99.99	-	FC
SAUDI ARABIA							
Rothschild & Co Financial Advisory Company	GA	100.00	100.00	-	-	FC	-
SINGAPORE							
Rothschild & Co Singapore Limited	GA	100.00	100.00	100.00	100.00	FC	FC
SOUTH AFRICA							
Rothschild & Co (South Africa) Foundation Trust	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild and Co South Africa (Pty) Ltd	GA	100.00	100.00	100.00	100.00	FC	FC
Southern Arrows Proprietary Limited	GA	100.00	100.00	100.00	100.00	FC	FC
SPAIN							
Redburn (France) SA - Spanish Branch	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Wealth Management Spain, A.V., S.A	WAM	100.00	100.00	100.00	100.00	FC	FC
RothschildCo España S.A.	GA	100.00	99.99	100.00	99.99	FC	FC
SWEDEN							
Rothschild & Co Nordic AB	GA	100.00	99.99	100.00	99.99	FC	FC
SWITZERLAND							
Holding Pâris Bertrand SA	WAM	100.00	100.00	100.00	100.00	FC	FC
Pâris Bertrand Holding SA	WAM	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Bank AG	WAM	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Continuation Holdings AG	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Global Advisory Switzerland AG	GA	100.00	100.00	100.00	100.00	FC	FC
TURKEY							
Rothschild & Co Kurumsal Finansman Hizmetleri Limited Sirketi	GA	100.00	99.99	100.00	99.99	FC	FC
UNITED ARAB EMIRATES							
Rothschild & Co Europe B.V. - Abu Dhabi Representative Office	GA	100.00	99.99	100.00	99.99	FC	FC
Rothschild & Co Middle East Limited	GA	100.00	99.99	100.00	99.99	FC	FC
Rothschild & Co Middle East Limited - Abu Dhabi branch	GA	100.00	99.99	-	-	FC	-
Rothschild & Co Wealth Management Middle East Limited	WAM	100.00	100.00	-	-	FC	-
UNITED KINGDOM							
Arrowpoint Advisory Services Limited	GA	100.00	100.00	100.00	100.00	FC	FC
Continuation Computers Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Five Arrows (Scotland) General Partner Limited	FA	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Credit Solutions Co-Investments, LP	FA	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Finance Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Holding UK Limited	FA	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Managers LLP	FA	100.00	100.00	100.00	100.00	FC	FC
International Property Finance (Spain) Limited	WAM	100.00	100.00	100.00	100.00	FC	FC
Lanebridge Holdings Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Lanebridge Investment Management Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Marplace (Number 480) Limited	Other	100.00	100.00	100.00	100.00	FC	FC
N.M. Rothschild & Sons Limited	GA	100.00	100.00	100.00	100.00	FC	FC
New Court Securities Limited	Other	100.00	100.00	100.00	100.00	FC	FC
O.C. Investments Limited	Other	100.00	100.00	100.00	100.00	FC	FC
R&Co Equity Markets Solutions Limited	GA	100.00	100.00	100.00	100.00	FC	FC
Redburn (Europe) Limited	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Australia Holdings Limited	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Continuation Finance Holdings Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Continuation Finance PLC	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Continuation Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Credit Management Limited	FA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Holdings Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Wealth Management UK Limited	WAM	100.00	100.00	100.00	100.00	FC	FC
Second Continuation Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Shield MBCA Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Shield Trust Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Third New Court Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Walbrook Assets Limited	Other	100.00	100.00	100.00	100.00	FC	FC
UNITED STATES OF AMERICA							
FACP General Partner LP	FA	100.00	100.00	100.00	100.00	FC	FC
FACP GP-GP	FA	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Managers (North America) LLC	FA	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Managers (USA) LLC	FA	100.00	100.00	100.00	100.00	FC	FC
PO Elevation Rock, Inc	FA	-	-	100.00	100.00	-	FC
Redburn (USA) LLC	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co North America Holdings Inc.	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co North America Inc.	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Realty Group Inc.	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co US Inc.	GA	100.00	100.00	100.00	100.00	FC	FC

(1) FC: full consolidation. EM: equity method.

10. Abbreviations and glossary

Term	Definition
Audit Committee	A committee of the Supervisory Board
bp	Basis point
Category 1/2/3/4/5	Classification of credit risk rating by the Group, explained in section 7.2.2
CCC	Corporate Credit Committee
CGU	Cash-generating unit
Company	Rothschild & Co SCA
Concordia	Rothschild & Co Concordia SAS, the parent company of Rothschild & Co SCA
CRD IV/ V	Capital Requirements Directive IV/ V
CSRD	Corporate Sustainability Reporting Directive, being European Union directive for large and listed companies, obligating them to disclose in their sustainability statement information on how they monitor a wide range of material sustainability-related topics and their impact, with the main aim to drive accountability and transparency, while promoting sustainable practices and investments.
Double Materiality Assessment	Assessment of the sustainability matters that are most material to the organisation, made by evaluating their impact on a pre-defined list of environmental, social and governance factors, while also considering if these factors present material financial risks or opportunities.
DCF	Discounted cash flow
EAD	Exposure at default (IFRS 9)
EBA	European Banking Authority
EBT	Employee benefit trust
ECL	Expected credit loss (IFRS 9), which can be measured on either a 12-month basis (12m ECL) or a lifetime basis (lifetime ECL)
Equity Scheme	A scheme for certain senior Rothschild & Co staff where participants were required to invest in Rothschild & Co shares and for each share owned they were granted share options. The scheme ended during 2023.
ESG	Environmental, social and governance
European Sustainability Reporting Standards	Reporting standards covering environmental, social and governance topics on which companies subject to the CSRD are required to report.
EVE	Economic value of equity
Financing Advisory	A subset of the Global Advisory business, encompassing Debt Advisory; Restructuring and Equity Markets Solutions.
FINREP	FINancial REPorting standards that specify financial information required for regulatory reporting
Five Arrows (FA)	Business segment
FTE	Full time equivalent employee
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
Global Advisory (GA)	Business segment

Group	Rothschild & Co SCA and its consolidated subsidiaries
Group ALCO	Group assets and liabilities committee
Group Credit Committee	A committee that reports to the Group ALCO
Group Risk	Internal department responsible for ensuring that suitable risk management processes are in place across the Group, for reporting a consolidated view of risk exposures across the Group and delivering an independent and objective perspective on the risks in the business and whether they are consistent with Group strategy and risk appetite
Group Sustainability Committee (GSC)	Group committee dedicated to sustainability matters
IASB	International Accounting Standards Board
IFPR	Investment Firms Prudential Regime
IFRS	International Financial Reporting Standards
IRRBB	Interest rate risk in the banking book
LCR	Liquidity coverage ratio
LDI	Liability-driven investment
Level 1/2/3	IFRS 13 fair value hierarchy, explained in section 7.5.1
LGD	Loss given default (IFRS 9)
Lombard lending	Lending secured against portfolios of securities
LTV	Loan to value
MRT	Material Risk Taker, as defined under CRD IV and V
NAV	Net asset value
NcoI	Non-controlling interest
NMR	N M Rothschild & Sons Limited
NSFR	Net stable funding ratio
OCI	Other comprehensive income
Overseas Fund	N M Rothschild & Sons Limited overseas pension fund
PCL	Private Client Lending in the WAM business segment
PD	Probability of default (IFRS 9)
PER	Price/earnings ratio
POCI	Purchased or originated credit-impaired financial asset (IFRS 9)
R&Co	Rothschild & Co SCA
R&Co Gestion	Rothschild & Co Gestion SAS
R&CoBI	Rothschild & Co Bank International Limited
R&CoBICC	Credit committee of R&CoBI
R&CoBZ	Rothschild & Co Bank AG Zurich
R&CoBZCC	Credit committee of R&CoBZ
R&CoMM	Rothschild & Co Martin Maurel SA, whose commercial name is Rothschild Martin Maurel
R&CoWM Monaco	Rothschild & Co Wealth Management Monaco
R&CoWM UK	Rothschild & Co Wealth Management UK Limited

R&CoWMUKCC	Rothschild & Co Wealth Management UK Limited Credit Committee, a subsidiary credit committee
RMMCCB	Credit committee (*Comité de Crédit Banque*) of Rothschild & Co Martin Maurel SA
Risk Committee	A committee of the Supervisory Board
ROU asset	Right-of-use asset (IFRS 16)
SICR	Significant increase in credit risk (IFRS 9)
SPPI	Solely payments of principal and interest (IFRS 9)
Stage 1/2/3	IFRS 9 credit quality assessments
Statutory Manager (*gérant*)	Rothschild & Co Gestion SAS, as manager (*gérant*) of Rothschild & Co SCA
Supervisory Board	Rothschild & Co supervisory board
Sustainability Committee	A committee of the Supervisory Board
Swiss Funds	Rothschild & Co Bank AG Zurich pension funds
UCIT	Undertaking for collective investment in transferable securities
UK Fund	N M Rothschild & Sons Limited pension fund
Wealth and Asset Management (WAM)	Business segment
WAM ALCO	Assets and liabilities committee of WAM

Rothschild & Co