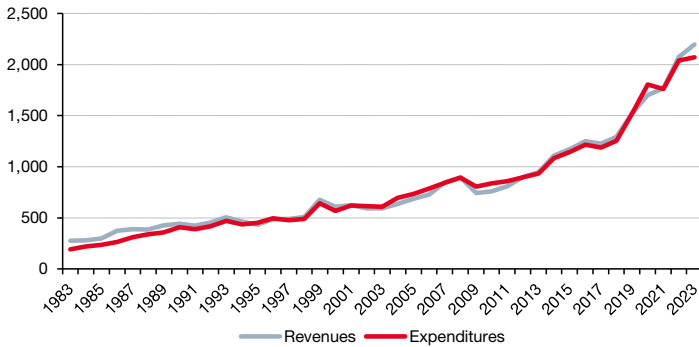


Public finances are approached through the presentation of the State Budget and the Constitutional Reserve Fund (CRF). Reaching a surplus of almost €130 million at the end of 2023, the net result of the State is up on 2022 thanks to the higher increase in budgetary revenues compared to expenditures.

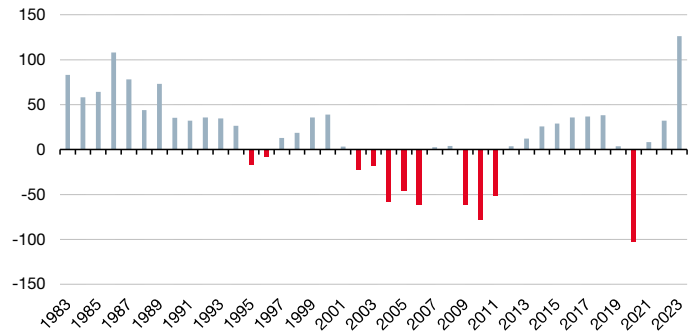
The Principality's budget surplus strengthens

1. Change in State revenues and expenditures



In 2023, State revenues grew faster than expenditures. As a result, the budget surplus increased to €126.3 million compared with the previous year. At the end of the financial year, ordinary expenditures rose significantly (+13.5%, or +€143.0 million), but this was almost entirely offset by the reduction in capital expenditures (-11.5%, or -€112.7 million).

2. Change in the budget surplus/deficit



3. Changes in the composition of the state budget

	2019	2020	2021	2022	2023	Var 22/23
Revenues	1,523.7	1,703.0	1,769.7	2,072.8	2,197.3	6.0%
Expenditures	1,519.9	1,806.2	1,761.7	2,040.6	2,071.0	1.5%
<i>Ordinary expenditures</i>	901.3	1,258.9	978.6	1,060.1	1,203.1	13.5%
<i>Capital expenditures</i>	618.7	547.3	783.1	980.6	867.9	-11.5%
Budget surplus/deficit	3.8	-103.2	8.0	32.2	126.3	292.4%

Unit: million euros

Sources: Department of Budget and Treasury, Monaco Statistics

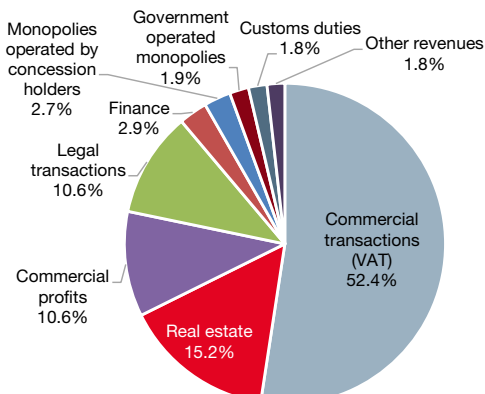
State revenues approach €2.2 billion

At almost €2.2 billion, State revenues increase by €124.5 million in 2023 (+6.0%).

This is mainly due to the €232.8 million growth in tax revenues, which include commercial transactions (up €152.8 million, or 15.3%).

The reduction in income from real estate (-€111.1 million) is the result of exceptional entries in 2022 aimed at materialising exchanges. Excluding these transactions, this component would rise by €5.9 million compared with 2022, or +2.4%.

5. Composition of budget revenue in 2023



4. Change in the composition of budgetary revenues

	2019	2020	2021	2022	2023	Var 22/23
Commercial transactions (VAT)	689.7	804.2	873.1	999.5	1,152.3	15.3%
Real estate	152.6	212.3	237.8	445.7	334.6	-24.9%
Commercial profits	136.3	158.7	114.5	174.5	232.7	33.3%
Legal transactions	181.9	183.8	199.6	201.0	232.5	15.7%
Finance	163.3	159.1	191.8	52.6	63.5	20.6%
Monopolies operated by concession holders	63.1	60.7	35.9	55.0	59.5	8.2%
Government operated monopolies	46.6	41.9	41.7	43.6	42.2	-3.3%
Customs duties	48.0	45.2	38.8	50.5	40.5	-19.8%
Other revenues	42.3	37.2	36.5	50.4	39.6	-21.5%
Total	1,523.7	1,703.0	1,769.7	2,072.8	2,197.3	6.0%

Unit: million euros

Sources: Department of Budget and Treasury, Monaco Statistics

Commercial transactions: value-added tax

Real estate: all income from state-owned rental properties and revenue from public car parks

Commercial profits: corporate income tax

Legal transactions: transfer duties, duties on other civil and administrative acts, insurance taxes

Finance: income from securities, bank interest

Monopolies operated by concession holders: fees relating to monopolies, the main ones being the Société des Bains de Mer, Monaco Telecom, Société Monégasque d'Électricité et du Gaz, and the Société d'Exploitation des Ports de Monaco

Government-operated monopolies: revenue relating to the Tobacco Board and the Stamp Issuing Office

Customs duties: customs duties

Other revenues: proceeds and income from administrative services, consumption taxes

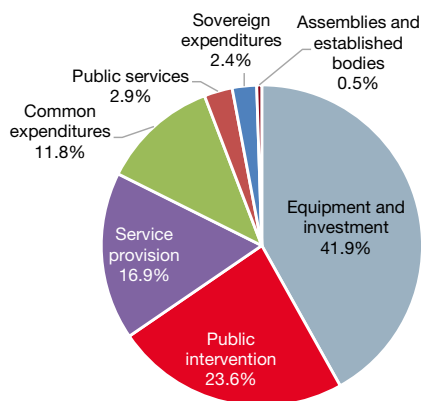
A reasoned increase in expenditures

At the close of the 2023 financial year, budget expenditures grow moderately by €30.3 million (+1.5%).

This is mainly due to the €88.5 million rise in public intervention expenditures. Operating expenses also increased (+€54.6 million), through common expenditures and service provision.

On the other hand, capital and investment expenditures are down by €112.7 million, again due to the exceptional transactions recorded in 2022. Excluding the latter, this component would be up by €9.3 million.

7. Composition of budgetary expenditures in 2023



Sources: Department of Budget and Treasury, Monaco Statistics

6. Change in the composition of budgetary expenditures

	2019	2020	2021	2022	2023	Var 22/23
Capital and investment	618.7	547.3	783.1	980.6	867.9	-11.5%
Public intervention	317.5	685.9	380.0	399.5	487.9	22.1%
Operating, including	583.7	573.0	598.5	660.6	715.2	8.3%
Service provision	290.1	284.4	293.0	323.7	350.3	8.2%
Common expenditures	191.4	194.7	200.1	215.0	244.4	13.7%
Public services	45.7	44.0	47.4	62.6	59.2	-5.4%
Sovereign expenditures	48.3	41.6	49.6	50.0	50.6	1.1%
Assemblies and established bodies	8.2	8.3	8.5	9.3	10.8	15.8%
Total	1,519.9	1,806.2	1,761.7	2,040.6	2,071.0	1.5%

Unit: million euros

Sources: Department of Budget and Treasury, Monaco Statistics

Equipment and investment: expenditure on major works and equipment, and on acquiring buildings. Includes equipment for road, cultural, port, urban development, public health, social, administrative and sports projects

Public intervention: assistance, subsidies paid out and public policies implemented by the Government. This includes communal contributions, subsidies to public institutions, assistance provided to international, educational and cultural, social and humanitarian, sporting, and economic causes and to events

Service provision: operating costs directly incurred by the ministries and administrative offices

Common expenditure: expenditure managed communally by certain offices on behalf of all offices: social security contributions, cleaning premises, expenditure on water, gas, electricity and insurance for state-owned properties, IT equipment for administrative offices

Public services: expenditure on street cleaning, collection and incineration of waste, public lighting, water consumption, public transport, etc.

Sovereign expenditure: expenditure relating to the Prince's Palace and Sovereign House

Assemblies and established bodies: expenditure relating to the National Council, the Economic and Social Council, the Council of State, the Board of Auditors, etc.

The Constitutional Reserve Fund (CRF) exceeds €7 billion for the first time

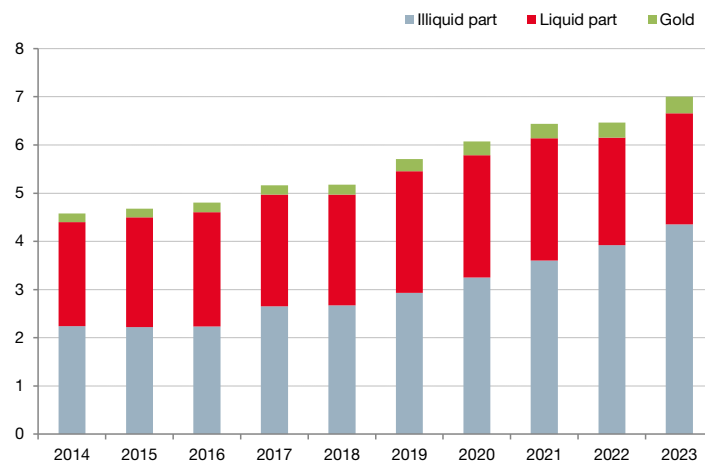
At the end of December 2023, the assets of the Constitutional Reserve Fund amount to €7.0 billion. This includes :

- a gold reserve of around €343 million;
- an 'available' (liquid) part of €2.3 billion made up of financial investments (mutual funds composed of shares, bonds, Private Equity, etc.) and bank balances;
- an 'illiquid' part of €4.4 billion. It is mainly composed of buildings (€2.0 billion). Properties are revalued based on the evolution of the BT01 construction index. These properties are located in Monaco or in neighbouring municipalities, with the exception of Embassies. The value of buildings rose slightly during the financial year (+1.1%) due to acquisitions, sales and transactions carried out.

The vast majority of properties held by the CRF generate rental income, being occupied by companies, businesses or private individuals.

The 'illiquid' part also includes the State's holdings in the capital of companies, in particular shares in S.B.M. (64,2% of the capital) or other companies with direct links to the State, such as the concessionaires SMEG, SMEAUX, Société d'Exploitation du Grimaldi Forum, Société d'Exploitation des Ports de Monaco, etc. This part is worth around €1.7 billion. The State's shareholding in Monaco Télécom (50%), on the other hand, comes under the remit of the Budget accounts.

8. Ten-year evolution of the CRF



Unit: billion euros

Sources: Department of Budget and Treasury, Monaco Statistics

9. Change in the composition of the CRF

	2019	2020	2021	2022	2023	Var 22/23
Illiquid part	2,933	3,247	3,602	3,920	4,352	11.0%
Liquid part	2,525	2,541	2,537	2,227	2,307	3.6%
Gold	250	283	295	312	343	9.9%
Total	5,708	6,071	6,434	6,459	7,002	8.4%

Unit: million euros

Sources: Department of Budget and Treasury, Monaco Statistics

Created by the Constitution of 1962, the Constitutional Reserve Fund is Monaco's 'nest egg'. It is an autonomous accounting entity, with its own assets, and enjoys a special status.