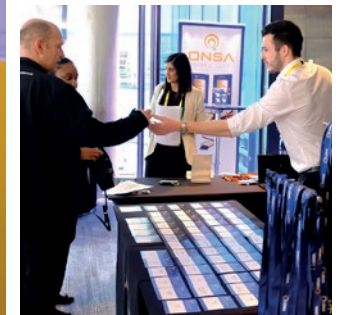


Annual Report **2023**

LBMA Advancing Standards for the Common Good of the Global Industry

Our mission is to ensure the highest levels of leadership, integrity and transparency for the global precious metals industry by advancing standards and developing market solutions.

We are the world's independent authority and standards setter that upholds trust in the global precious metals market.



The image on the cover was created by [RZed](#) using a combination of photography and AI technology.

Chairman's Message

LBMA has made significant progress on its strategic initiatives over the past year, as we continue our journey to improve the integrity of the market and maintain higher standards.

In the face of repeatedly challenging economic and geopolitical news, gold spent most of 2023 in the spotlight, trading between \$1,810 and \$2,050 per oz.

Inflation is gradually coming back under control in developed countries, with the US ahead of the Euro area and the UK and Australia bringing up the rear. Economic growth has not slowed as much as feared from the monetary tightening, but previous risks remain and new ones are arising, not least in the Levant.

High inflation has a habit of sticking around once it becomes built in and regaining control can be difficult and expensive. It would be prudent for both the developed and emerging economies to reinforce their inflation defences going forwards.

Addressing the challenges in the responsible sourcing space, LBMA launched its new Sustainability and Responsible Sourcing Strategy in 2023, built on the industry-wide Declaration signed at the Lisbon Conference in 2022. It's important that we continue to promote this agenda alongside partner organisations such as the World Gold Council.

There's a lot more work for all of us to do together to ensure the future sustainability of our industry.

Another of LBMA's key successes of this past year has to been to reinforce the narrative on Responsible Sourcing and, within that, to see some movement on Good Delivery List (GDL) Refiners sourcing Artisanal and Small-scale Mining (ASM) gold. Refiner data published in our 2023 Sustainability and Responsible Sourcing Report shows an increase in sourcing ASM material, which rose from 16 to 66 tonnes in 2021. Although welcome, this is still small: responsible ASM material now accounts for almost 2% of GDL production, up from less than 1% the previous year, but at least it is moving in the right direction and the data quality is also improving.

This year's LBMA/LPPM Global Precious Metals Conference in Barcelona was an outstanding success. A record number of attendees saw some fascinating and thought-provoking speakers, including three keynotes, which – along with various networking opportunities – were a real highlight of the precious metals calendar for 2023. I am very grateful to the Public Affairs Committee and the LBMA events team for their hard work to deliver the Conference and our other events.

Thank you for your engagement and support throughout the last year. I'm looking forward to seeing many of you during 2024.

Paul Fisher
LBMA Chairman





CEO's Report

As we approach the end of the second year of our Three-Year Strategy, I am delighted to report that our second year has been an intense, but successful one, laying the groundwork for an exciting finale in 2024.

Three major initiatives have gained real momentum in 2023, reaching significant milestones: Gold Bar Integrity, Sustainability and Gold as HQLA.

Regarding the Gold Bar Integrity digital ecosystem, we launched a Request for Proposal and are on track for a decision in principle by year end. This tender is the first real step in digitising the Responsible Gold Guidance, a pivotal move that promises substantial returns in both value and integrity for the global industry.

We launched our ambitious three-year Sustainability and Responsible Sourcing Strategy. Core to this strategy is our commitment to performing the highest possible oversight of Responsible Sourcing audits, as well as owning our own sustainability. We also call on all actors in the value chain to work together, to turn the promises made at the Declaration of Responsibility and Sustainability Principles signed in Lisbon, into reality.

Without all actors from rock to ring getting involved, we cannot succeed. We have faced a lot of challenges in this space this year and we will continue to do so. I look forward to getting down to work with all of you on these challenges at the Sustainability Summit in March.

Turning to Financial Market Enhancements, our ongoing quest to see gold classified as a High-Quality Liquid Asset (HQLA) has been enhanced thanks to our London Market Review. During this review, we have gathered a coalition of willing market participants to create an action plan to address any transparency gaps. 2023 marked five years of LBMA Trade Data reporting and this important dataset is instrumental in illustrating the liquidity of gold, and our work has highlighted the benefits this classification would bring for financial market participants and also for the real economy.

Road to a More Accessible LBMA – 85% Member Satisfaction Achieved

Member Satisfaction is now a key measure of our ongoing success. The independent survey conducted in 2021 showed a 67% Member Satisfaction rate, with 87% of Members participating. Following that feedback, we developed an Engagement and Member Services strategy to improve the work we do for you. I'm pleased to say we have again exceeded our target of 75% satisfaction and have achieved an overall satisfaction rate of 85%, with 63% of Members participating.

Our Member Town Halls, Open Houses and Member Outreach have been well received as well as our recently launched Relationship Management strategy. Positive feedback from the Member Survey included the addition of working groups to address any issues, for example the Retailers/Dealers Working Group, the ASM Task Force and the Refiners' Compliance Working Group. Improvements in communications, webinars, and events were highlighted, and the information and material

produced by LBMA was noted as very helpful. Areas of improvement concerned a request for more training opportunities, regulatory updates, networking, Member collaborations and even more specialised working groups.

I encourage Members and all stakeholders to engage with me, our Leadership Team as well as our Board if you have any questions or comments on how we can work better for you, the industry.

ADVANCING STANDARDS FOR THE COMMON GOOD OF THE GLOBAL INDUSTRY

THE INDEPENDENT AUTHORITY FOR PRECIOUS METALS

<div>SUSTAINABILITY</div> <div>Increased supply and demand for responsibly sourced bullion</div> <div><ul style="list-style-type: none">• International Bullion Centres• Broaden sustainability agenda• Responsible ASM• Further engagement with the upstream /downstream• Advancing the Responsible Sourcing Audit Programme</div>	<div>PHYSICAL MARKET ENHANCEMENTS</div> <div>GDL innovates to remain the leading global standard</div> <div><ul style="list-style-type: none">• Gold Bar Integrity ecosystem (all GDL production)• Security Features on bars• Stock Management• Advancing professional training & resources</div>	<div>FINANCIAL MARKET ENHANCEMENTS</div> <div>Increased client confidence in transparent, accessible market</div> <div><ul style="list-style-type: none">• Gold as HQLA• Clearing & Settlement Review• New GOFO/IRS• Further Trading Transparency• Gold tokenisation• Advancing Precious Metals Code</div>	<div>COMMUNICATIONS & ENGAGEMENT</div> <div>Highly accessible with presence in all key markets</div> <div><ul style="list-style-type: none">• Improved Member satisfaction rate• Broader industry engagement• Increased accessibility for Members• Strategic events & education programme</div>
--	---	--	---

*Focus items for 2024 are highlighted in white

A Decade of Growth, Transparency & Integrity

In the Future of Gold session at our Conference in Barcelona, Adrian Ash (Bullion Vault) quoted Winston Churchill: “The farther backward you can look, the farther forward you can see.”

With this quote in mind, and as I approach my ten-year tenure with LBMA, I'd like to briefly look back over the growth and change I've overseen during my time.

The transparency and integrity of the London Market has changed immensely. Publication of LBMA Trade Data brought transparency to the Market for the first time in 300 years, showing \$15 trillion in annual turnover. London Vault holdings were also published for the first time, giving clients more confidence and understanding in the Market in which they trade. The launch of the Global Precious Metals Code gives further confidence to clients that they will be treated fairly when it comes to business conduct. I'm delighted to see not only Members attesting, but global market participants, including the Bank of England, Reserve Bank of South Africa and Reserve Bank of Australia. Daily LBMA Price auctions are transparent and open to all market participants, with best-in-class independent oversight and administration. We now have more banks than non-banks participating, having grown significantly from five banks participating in gold in 2013 to 17 participants now in 2023.

LBMA has seen its balance sheet double in ten years, thanks to licensing of data, events, services and of course growth in Membership.

LBMA Membership has grown from 137 Members to 160 Members. 2023 saw a significant growth in numbers which will continue into 2024 as we have changed our criteria and approach to be more inclusive, while maintaining high standards. The number of Good Delivery List Refiners has not changed significantly but the work done to test and maintain their listing has increased, along with the services we offer them. In particular, responsible sourcing has significantly increased our work and public exposure.

The Responsible Sourcing Audit Programme has raised the profile of the work done by LBMA and the gold industry as a whole. LBMA has positioned itself to be able to respond in a timely manner, and deliver the leadership, oversight, guidance and support required by not only our Members and Refiners, but for actors across the whole precious metals value chain. In 2023, this role was particularly important as the industry was faced with global gold sanctions. LBMA was able to support the industry by providing information, guidance and support as well as dynamic engagement as well as government agencies and gold markets around the world.

Perhaps the clearest illustration of our growth in size, reach, workstreams, and industry participation can be seen with our events. We now hold a full schedule of events around the world, culminating in our flagship annual Conference. In Barcelona this year, we sold out for the first time with a record 840 delegates, making this the most-attended Conference ever.

I, for one, look forward to where 2024 and beyond will take us as an organisation and I welcome your continued support – as ever – in all of our work.

Ruth Crowell
LBMA CEO





Sustainability and Responsible Sourcing

Gold plays a unique role in the global economy in stimulating economic growth, protecting the financial security of nations, communities and families, and enabling advances in medical, environmental and communication technologies.

Public trust is fundamental to the many positive contributions that gold makes to socio-economic progress. At the heart of this effort lies LBMA's Responsible Sourcing Programme.

In the face of a constantly shifting world of geopolitics, tightening regulatory environments and expanding public expectations of responsible business practices, LBMA can never be complacent.

One of the signature initiatives of 2023 was the launch of a new three-year Sustainability and Responsible Sourcing Strategy (2024-2026) to guide our thinking and work in this area. It is an ambitious agenda to help drive a more sustainable industry, but it is not something LBMA can deliver on its own. All actors from 'rock to ring' – including industry partners, governments and other official bodies – must play their part.

As with earlier iterations, the Strategy sets out five areas of focus:

1. Strengthen trust and integrity of the assurance and oversight system for the responsible sourcing of precious metals,
2. Encourage the share of responsible ASM gold in the market,
3. Strengthen sustainability, integrity, and trust in the gold value chain,

4. LBMA's own sustainability,

5. Enablers that will support a sustainable precious metals industry.

The latter three focus areas support the broad commitments set out in the Declaration of Responsibility and Sustainability Principles agreed by industry partners in Lisbon in 2022. By going beyond the traditional responsible sourcing and market requirements for GDL Refiners, LBMA will look to the wider sustainability agenda – the UN Sustainable Development Goals, climate change, Green House Gas emissions, biodiversity and human rights issues – to examine how LBMA Refiners, partners, and even itself, can contribute to our collective efforts for better social and environmental outcomes.

Further details of how LBMA plans to identify appropriate and reasonable objectives and timelines for delivery will be shared in early 2024.

Improvements to the Responsible Sourcing Programme

On a more tangible level, LBMA is already making progress on the other focus areas. In recognition of the critical role the assurance programme plays in assessing and validating Refiners' conformance with the Responsible Gold Guidance (RGG), significant time and resources were invested in strengthening the training and oversight of assurance providers recognised by LBMA.

THIS YEAR LBMA FURTHER IMPROVED THE OVERSIGHT OF THE ASSURANCE PROCESS BY SHADOWING SIX GDL REFINERS DURING THEIR ANNUAL ENGAGEMENTS.

This includes the release of a suite of guidance documents to support assurance providers before, during and after their annual engagements with GDL Refiners, such as:

- An Auditor Toolkit to guide assurance providers, particularly in instances when there is a disagreement or need to push for greater clarity and comfort about a Refiner's policies and practices.
- A pre-assurance checklist that providers must submit to LBMA outlining such things as their findings from open-source research conducted on the auditee Refiner prior to their site visit, their proposed sample size of records they plan to test, and a list of documents they will review during the assurance.
- A Guide to Completing Refiner Data and an amended Refiner Data Collection Form, designed to improve the accuracy and analysis of Country of Origin data submitted by Refiners to LBMA as part of their annual assurance reporting.

In addition to supporting the policy architecture of assurance providers, LBMA overhauled the annual, mandatory training programme by creating our own in-house e-learning platform.

This training familiarises assurance providers with the requirements outlined in the RGG and the Third Party Audit Guidance, but also incorporates case studies based on sourcing vulnerabilities that arose during or outside of this year's assurance process. The training also tests the competency and performance of assurance providers, allowing for their removal should they score below the minimum 70% pass threshold.

This year LBMA further improved the oversight of the assurance process by shadowing six GDL Refiners during their annual engagements. These shadows not only provide the Responsible Sourcing team with first-hand insights into how assurances are conducted but highlight possible areas of improvement to be incorporated in future trainings.

In September LBMA also introduced version 2 of the Responsible Silver Guidance, in place since 2017. Rather than introducing wholesale changes, the revision focused on aligning the standard to the higher requirements outlined in Responsible Gold Guidance version 9. One key change that was made was to remove the De Minimis Threshold, which had previously excluded material containing less than 15% silver by weight (kilograms) from the scope of the Silver Guidance.

EU Conflict Minerals Regulation

Recognition under the European Union Conflict Minerals Regulation remains a high priority for LBMA. This process commenced in January 2020, but due to the challenges of COVID-19 was significantly delayed. As the original application was based on the Responsible Gold Guidance version 8 – as version 9 was not launched until the end of 2021 – LBMA provided an updated application to the EU earlier this year that reflects all the developments made to the programme by LBMA in recent years. The second assessment is slated to begin in early 2024.

Re-imagining ASM

Building on the Artisanal and Small-scale Mining (ASM) Feasibility Study conducted in 2022, LBMA moved to establish a multi-stakeholder ASM Taskforce comprised of Refiners, World Gold Council members, and NGOs specialising in creating legal ASM supply chains. Seven promising ASM producer countries – Colombia, Cote d'Ivoire, Ghana, Peru, Philippines, Senegal and Tanzania – were chosen for desk-based research to assess their suitability for engagement with LBMA refiners.

A draft ASM Toolkit and Sourcing Framework were also completed by the end of 2023, with a view to increasing the volumes of legal ASM production entering GDL refiners. Looking ahead to 2024, LBMA intends to begin on-the-ground due diligence visits to select producer countries listed above, and launch a Sourcing Framework GDL Refiners and their ASM partners can begin to pilot.

Since its launch in January 2020, the monthly Responsible Sourcing Newsletter continues to keep the market up to date on key responsible sourcing issues or industry developments.

Among the topics covered were unprecedented sourcing threats LBMA and GDL Refiners had to contend with such as the Russian invasion of Ukraine, a mercenary group operating in gold-rich but unstable countries in Africa, illegal miners in the Brazilian Amazon, and forced labour concerns in China.

Readers are encouraged to consult LBMA's Sustainability and Responsible Sourcing Report for further details of the Programme's activities in 2023.

Sustainability & Responsible Sourcing Summit 2024

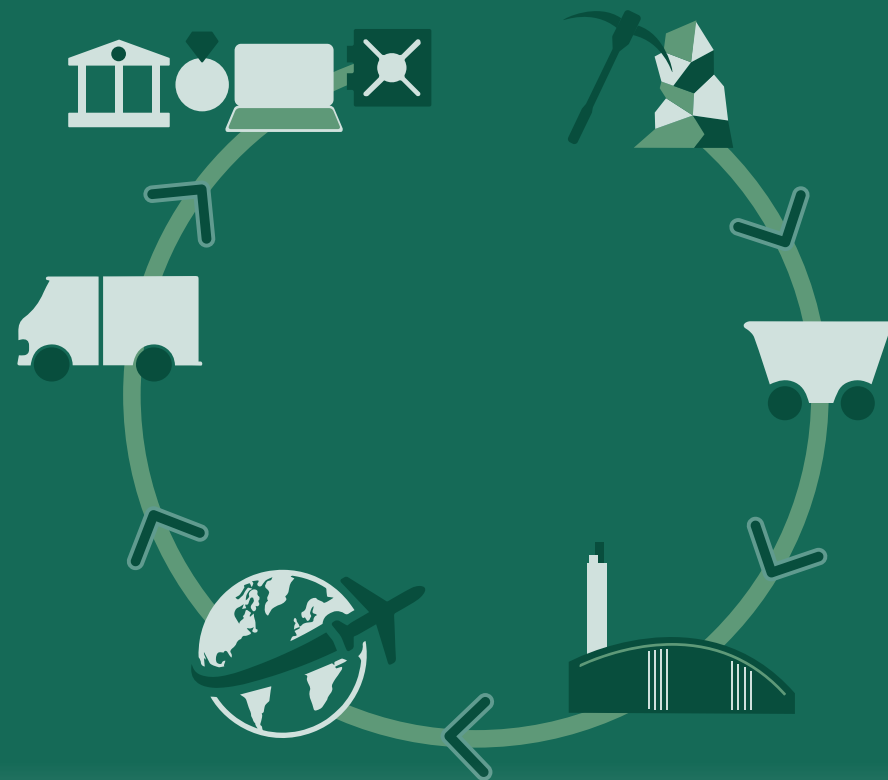
REGISTER NOW

This event aims to promote engagement on the many challenges facing the global precious metals industry regarding sustainability and responsible sourcing – and to help pave the way for another decade of action.

www.lbma.org.uk/events

Interested in sponsoring or exhibiting? Enquire now at events@lbma.org.uk

20 – 22 March, Hilton London Tower Bridge



Gold Bar Integrity

The LBMA Gold Bar Integrity Programme (GBI) continues to make strides, guided by our commitment to transparency, integrity, and security within the global supply chain.

Solving Real-Life Challenges and Setting New Standards

GBI addresses critical challenges faced by the precious metals industry. It allows LBMA to quickly identify the country of origin for gold bars, mitigating risks related to sanctions, regulatory compliance, and ethical sourcing.

Additionally, GBI empowers LBMA to achieve periodic reporting on gold movement, enabling rapid responses to irregularities or discrepancies in the supply chain. It enables LBMA to set new industry standards by adopting innovative technologies and processes while safeguarding integrity and fortifying security within the global precious metals supply chain.

Key Achievements in 2023

Request for Proposal (RfP)

In August 2023, LBMA initiated a critical phase by launching a Request for Proposal (RfP), extending invitations exclusively to service providers with substantial industry knowledge and connections in the precious metals sector. This marked a milestone in our journey towards enhancing the integrity of the global supply chain.

Formation of the Steering Group

Simultaneously, we established a Steering Group, comprising representatives from various LBMA committees, including the Physical Committee, Refiners Committee, Vaults Committee, LBMA Executive, and LBMA iNEDs. This diverse and experienced panel plays a crucial role in shaping LBMA's strategic direction.

Decision Making Process and Timeline

LBMA has introduced a comprehensive scoring card system crafted for the evaluation of vendor proposals. We've integrated insights from the Steering

Group to ensure that the system facilitates precise comparisons among proposals, focusing on key metrics and critical components vital for the project's success. Following these assessments, and demos from the shortlist, a recommendation will be made on which solution best suits LBMA's goals.

The final decision lies with the LBMA Executive and iNEDs, who anticipate reaching a final decision by the end of December 2023.

Beyond Mitigating Risks

LBMA is revolutionising the way the precious metals industry will operate on a global scale. GBI goes beyond mitigating risks; it fundamentally transforms how we perceive and manage data within the supply chain.

The ability to swiftly identify the country of origin for gold bars transcends mere compliance; it empowers us to champion ethical sourcing and navigate complex regulatory landscapes. GBI will have far-reaching impact. Beyond redefining industry standards, it sets a precedent for innovation and integrity while shaping the future of responsible commerce.

Physical Market Development

2023 has most certainly marked a return to a sense of ‘normality’ post pandemic.

Significant progress has been made to the Gold Bar Integrity initiative. A Request for Proposal (RfP) was launched – extending invitations exclusively to service providers with substantial industry knowledge and connections in the precious metals sector – and proposals are under review by independent market consultants. A Steering Group has been formed, and a scorecard has been developed to allow the Steering Group to benchmark the summary of the proposals prepared by the consultants, to enable them to make recommendations on which proposals to take forward through the process.

The International Bullion Centres work is progressing well, with a key focus on the Security Feature project. An additional four vendors carried out demonstrations of their security features for the vaults to determine applicability and have now been included on the LBMA website.

Sanctions

Following the suspension of the Russian refiners, and sanctions in place, there has been a lot of scrutiny on Refiners’ Responsible Sourcing third-party audits to ensure Russian material is not making its way into the market.

By way of reminder, under LBMA Good Delivery Rules, all Good Delivery List (GDL) Refiners are required to comply with UN, EU, US, UK, or any other relevant, economic and/or trade sanction lists. Breach of any of the relevant sanctions list (for example GDL refiners dealing with a sanctioned entity) would lead to removal from the Good Delivery List. Removal can involve a suspension or permanent de-listing.

It is the responsibility of the individual organisations to ensure they follow their own due diligence procedure to gain comfort and keep abreast with any new sanctions that may be imposed by the Government.

New Listings

GOLD

Yunnan Dianjin Investment Co. Ltd

BOTH

Shenzhen Point Gold Refining Co. Ltd

There continues to be a strong interest to list for silver from China. A small number of the pending applications are from various regions and both gold and silver refiners.

AN ADDITIONAL FOUR VENDORS CARRIED OUT DEMONSTRATIONS OF THEIR SECURITY FEATURES FOR THE VAULTS TO DETERMINE APPLICABILITY AND HAVE NOW BEEN INCLUDED ON THE LBMA WEBSITE.

Refiner Numbers

There are now 98 Refiners on the Good Delivery Lists. We have 66 refiners listed for gold, 78 listed for silver and 46 Refiners appear on both Lists. The demand for accreditation remains at an all-time high, with ten active applications and a similar number pending at the time of publication. Only one refiner was moved to the Silver Former List as they ceased production, however, over the year, several cases were reviewed to ensure that standards are being maintained.

GOLD LIST

66

SILVER LIST

78

BOTH LISTS

46

TOTAL REFINERS

98

Global Footprint Location of LBMA Good Delivery Refiners

Geographical Breakdown 2023

Area	Gold & Silver	Gold Only	Silver Only	Total
Africa	1	0	0	1
Americas	7	1	1	9
Asia	25	16	23	64
Europe	11	3	8	22
Oceania	2	0	0	2
Refineries	46	20	32	98



Gold Refiners

Region	2013	2023
Africa	1	1
Americas	8	8
Asia	40	41
Europe	15	14
Oceania	1	2
Total	65	66

Silver Refiners

Region	2013	2023
Africa	1	1
Americas	8	8
Asia	45	48
Europe	19	19
Oceania	2	2
Total	75	78

Total Refined Production (Tonnes)

2013

GOLD
4,579
SILVER
28,013

2014

GOLD
4,921
SILVER
31,131

2015

GOLD
5,034
SILVER
32,355

2016

GOLD
4,860
SILVER
31,874

2017

GOLD
4,881
SILVER
30,569

2018

GOLD
4,548
SILVER
29,461

2019

GOLD
4,560
SILVER
29,065

2020

GOLD
4,464
SILVER
29,040

2021

GOLD
3,930
SILVER
27,477

Changes to Good Delivery Rules 2023

The LBMA Good Delivery Rules continue to be reviewed on an annual basis, and every three years an enhanced review takes place to ensure that they remain relevant and fit for purpose. As part of this year's annual review, LBMA focused on a review of the Proactive Monitoring (PAM) Criteria.

Other areas that have been reviewed include:

- Acceptable post-production surface treatment
- Strengthening the process for Refinery relocations
- Process for re-instating Refiners following a long period of suspension vs transfer to Former List

The updated Rules will be launched before the end of the year, effective 1 January 2024.

ESG/Provenance Bar Listing

As part of the enhanced review of the Good Delivery Rules, and following the Good Delivery Rules consultation last year, Q1 2023 saw a soft launch of the ESG/Provenance Bar Listing for existing refiners only. This allowed LBMA to define the criteria to ensure it is fit for purpose, have the appropriate governance in place, and ensure that the definition of ESG gold is ethical and traceable.

During the process, it was identified that there was more interest from both refiners and downstream markets for carbon-rated bars. This Listing has been deferred and has taken a different direction, which will be part of

the Sustainability & Responsibility Sourcing Three-Year Strategy from next year.

ASM Task Force

The ASM Task Force has convened on a number of occasions and supports LBMA's initiative to increase the flow of ASM gold through GDL Refiners.

SWOT reports have been produced on countries that have been identified by industry experts as having potential to be suppliers of Responsible ASM gold. LBMA will be interacting with the relevant institutions operating in-country to further support GDL Refiners' endeavours.

A Framework and Toolkit are under development.

Weighing Guidelines

LBMA consultant Mike Hinds has produced our first weighing guidance. The guidance explains how the mechanics of scales work to achieve readings and describes the issues to consider that may affect those readings. Manufacturers were consulted to ensure accuracy.

Vault Training

The LBMA engaged Tony Evanson as a consultant this year to work on several projects. One was the development of the Vault Training Programme. A thorough review of the training modules took place earlier in the year, to ensure they continue to be current and fit for purpose. The existing modules have been updated following consultation with the vaults, and the platform has been re-designed so it is more user friendly and interactive.

Recycled Gold: Definitions

LBMA continues to reference the definitions of Recycled Gold set out in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (third edition) Supplement on Gold.

However, LBMA recognises the sourcing vulnerabilities and governance challenges posed by the sector. Public and industry calls for a review of the definition have also sparked a valuable debate about how the process could contribute to clearer and more consistently applied classifications across different gold-related industries and jurisdictions.

The International Standards Organisation (ISO) Technical Committee 174 (TC 174) that deals with Jewellery and Precious Metals has recently set up a subgroup to establish a definition for Recycled Gold. LBMA is a 'liaison' for TC 174, which means that LBMA attends subgroup meetings as a recognised expert in this field. The subgroup will also be looking at definitions/standards relating to responsible sourcing of precious metals. Independently, LBMA is part of the British Standards Institute (BSI) STI/53 Committee, which deals with 'Specifications and test methods for jewellery and horology'. This Committee represents the UK in TC 174.

LBMA will endeavour to participate in, support and guide any credible initiatives that seek to reach consensus on any future definition of Recycled Gold.



Assaying & Refining Conference

The tenth, biennial, LBMA Assaying & Refining (A&R) Conference was held on 12-15 of March 2023, and was well attended by 230 representatives from all sectors and regions of the market.

The main theme for this year was Health and Safety in Refineries and Laboratories. We were honoured to have Leo Simpson of Metalor USA as our keynote speaker, who discussed 'A Lifecycle Approach to Safety in Refineries'. The discussions continued in the second session of day one and the safety workshop on the morning of day three.

The second day included topics such as weighing, vault training, and Gold Bar Security Features to ensure there was value for the vaults and carriers.

Proficiency Testing

Registrations for the twelfth round of the PT Scheme closed on 31 October, with 56 labs participating in gold and 45 in silver. These numbers remain consistent compared to previous years.

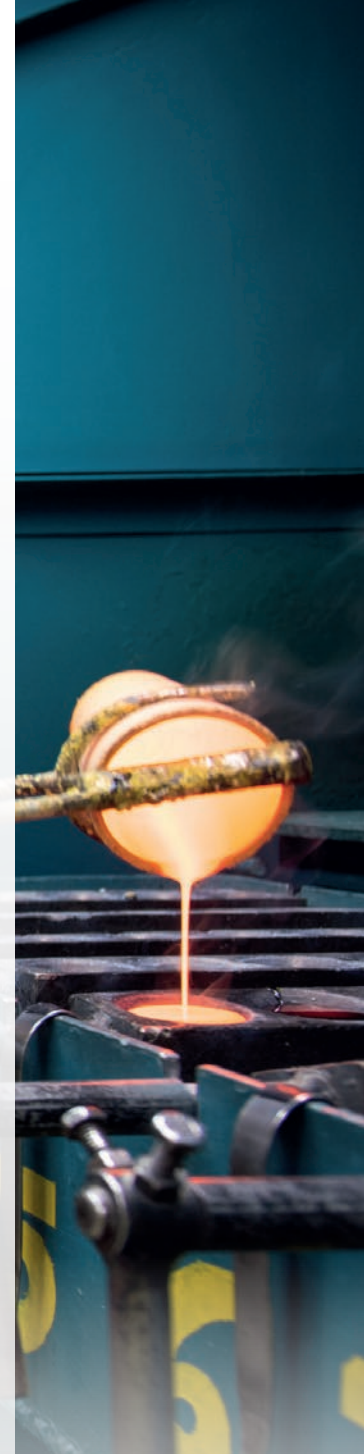
The new schedule implemented last year remains in place, as it has proven to be successful and has received positive feedback from participants.

Certified Reference Materials (CRMs)

The Referees and invited experts have reviewed the industry requirements for new CRMs and are in the process of determining the most desirable CRM to manufacture. A CRM survey was issued.

As of November, 49 sets of Ag RM4/5 and 27 sets of Au RM4/5 have been sold, and there are 38 gold sets and 31 silver sets remaining in stock.

There continues to be a steady demand for the materials, with a number of enquiries received.



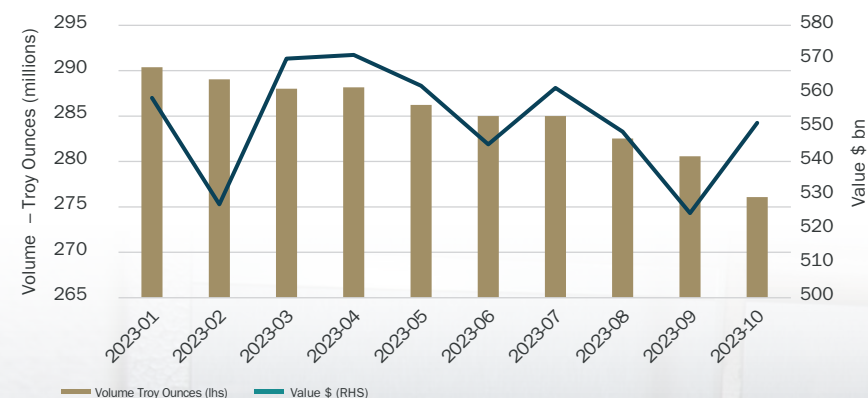
Vault Holdings

The graphs show the monthly holdings of gold and silver held in London vaults both by value (\$billions) and volume (millions/oz).

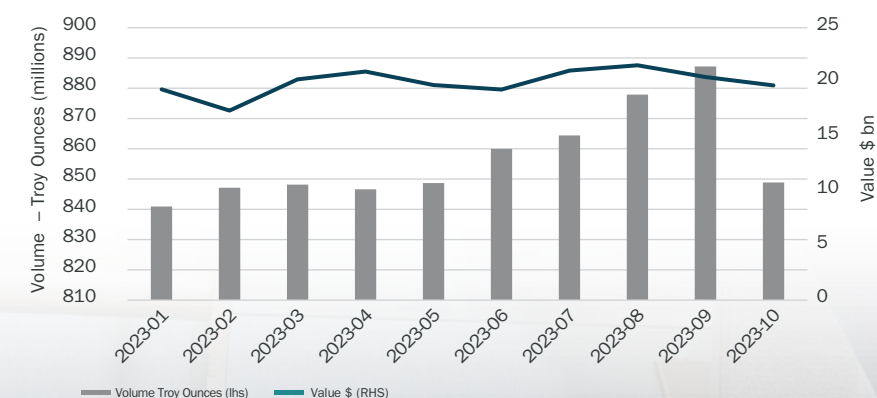
In 2023, gold holdings exhibited relative stability, with a modest average month-on-month decrease of 0.5%, leading to an overall annual decline of 7.7%.

Silver holdings stabilised over the year and the significant decreases in recent years bottomed out. However, January 2023 recorded the lowest volume of silver since reporting commenced in July 2016.

London Gold Vault Holdings



London Silver Vault Holdings



Financial Market Development

Governance and Harmonisation

The momentum behind LBMA's drive to re-classify gold as Tier 1 HQLA status continued in 2023. Along with the World Gold Council, LBMA is working hard to demonstrate that gold meets the seven HQLA criteria – and where there are gaps, we are actively closing them.

Those gaps centre on demonstrating an active and sizeable market and our work has focused largely on three areas:

1. Pre-trade transparency

Here we are aiming to create a bid/ask spread (spot) that showcases that gold has a very favourable low bid/ask spread compared to other existing HQLA. We've identified an existing data source which hopefully will limit additional data reporting from Members.

2. An active repo market

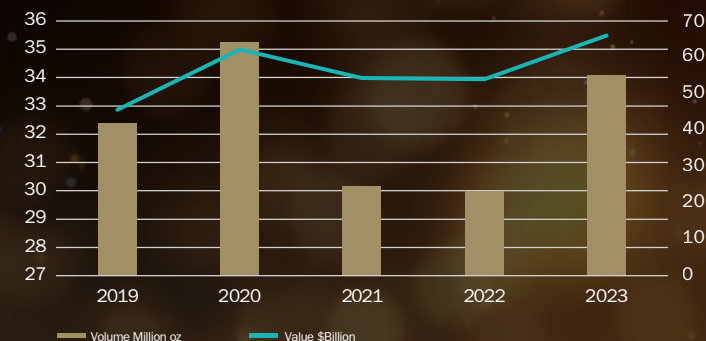
Work has started to analyse existing LBMA Trade Data to assess its suitability for a forward benchmark. We will update members once this initial analysis is completed.

3. Diversity of market participants and liquidity

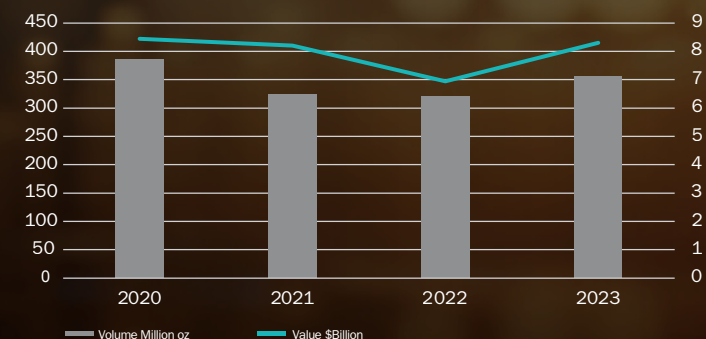
In our Member consultations this year we've spoken broadly about the role of a 'liquidity provider' and the need to demonstrate (to a regulator) that the liquidity pool within the OTC gold market is indeed broad and diverse. Surrounding all this is an education and engagement drive, focused on informing regulators and stakeholders about what has changed in the gold market since 2013 when gold wasn't considered a suitable HQLA by the European Banking Authority (EBA) acting on behalf of the Basel Committee on Banking Supervision (BCBS). We now have 5 years' worth of LBMA Trade Data, bringing much valued transparency to the size and depth of the over-the-counter (OTC) market. Following the US banking crisis this year, the time is now to demonstrate that gold has a crucial role to play to enhance Level 1 liquidity assets and brings undeniable diversification benefits.

LBMA Trade Data

Trade Data: Gold Daily Average



Trade Data: Silver Daily Average

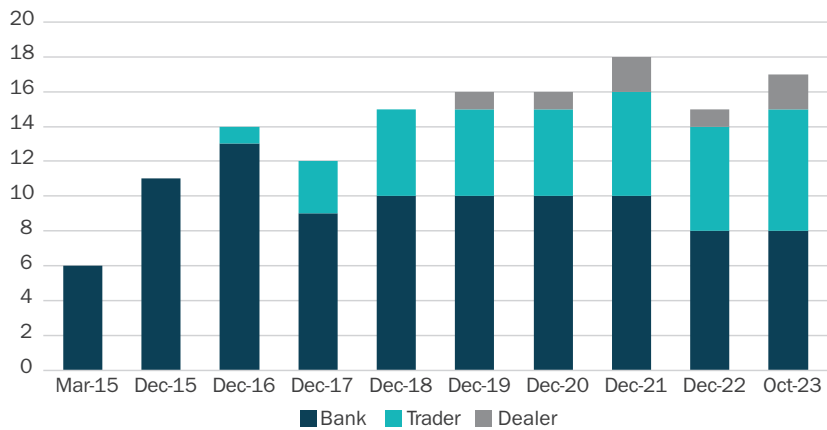


Benchmarks

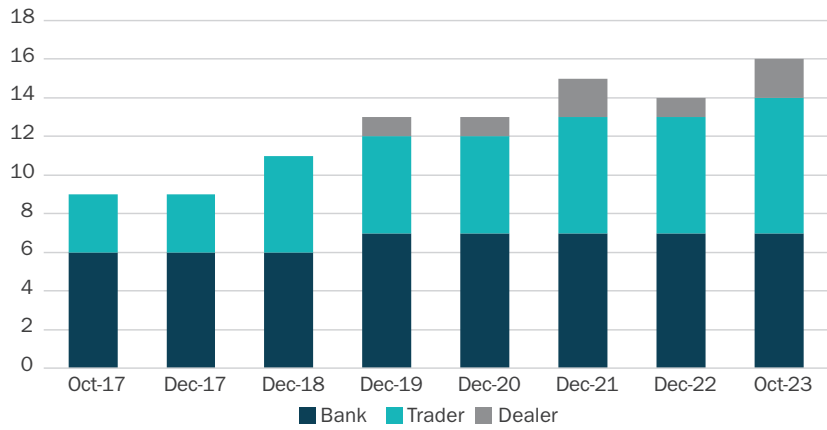
The LBMA Gold Price and LBMA Silver Price are the global benchmark prices for unallocated gold and silver delivered in London.

The following two charts show how the number and type of participants has grown since IBA took over the running of each auction in 2015 for gold and 2017 for silver:

Gold Auction Participants



Silver Auction Participants



We can see that for the silver auctions, bank participation has remained relatively constant, while the trader participants have grown steadily, with dealers beginning to participate from 2019 onwards.

By contrast, the number of banks participating in the gold auctions has fluctuated much more. We have still seen the steady growth of trader and dealer participation since 2016 and 2019 respectively.

Global Precious Metals Code

In December 2022, LBMA announced the launch of version 2 of the Global Precious Metals Code.

This latest version built on the work undertaken in the original version and included subjects that have evolved over that time, including remote working, D&I, ESG and updated industry guidelines and standards. The additions to the Code further strengthen the standards and expectations of the physical precious metal market.

The Bank of England recently renewed its Statement of Commitment to the Code, making it the latest of the Central Bank attesters, such as the Reserve Bank of Australia and the Reserve Bank of South Africa.

All Members of LBMA are required to attest to this update by the end of 2023.

Terminal Markets Order (TMO) Consultation

LBMA has engaged with Members to develop the market response to a consultation process launched by HMRC into the modernisation of the Terminal Markets Order legislation. We are ready and look forward to engaging with Members in 2024 should draft legislation be issued for further market consultation.



Membership, Communications and Engagement

Membership

Since updating the membership entry criteria last year, LBMA has seen a significant increase in the number of organisations applying for membership. The range of new organisations joining the Association, as well as the global spread of new Members, indicates that LBMA membership remains a unique offering for participants in the global precious metals market.

We have seen 18 new Members join the Association this year, which is a record amount. In addition, LBMA has launched a Relationship Manager model, designed

for LBMA to better engage with its Members. This means that each Member now has a specific point of contact at LBMA who can assist them with enquiries.

Over the last 10 years, LBMA has seen many changes within its membership. In 2013, LBMA had 137 Member organisations split between 11 Market Making Members, 62 Full Members and 64 Associates. In 2020, LBMA underwent a review and subsequent update of its membership classifications and introduced the new Affiliate Member classification



















which replaced the former Associate classification. LBMA membership now consists of 160 Members, made up of 11 Market Making Members, 81 Full Members, and 68 Affiliate Members. 160 Members is the highest number of Members LBMA has ever had.

The increasingly global nature of LBMA membership can be seen in the wide array of countries that are represented. LBMA has Members from 24 countries, spanning five continents and all major bullion centres.

Members (2013 vs 2023)

Total			
2013	2023	DIFFERENCE	
137	160	+23	
Africa			
2013	2023	DIFFERENCE	
3	2	-1	
Americas			
2013	2023	DIFFERENCE	
17	28	+11	
Asia			
2013	2023	DIFFERENCE	
28	35	+7	
Europe			
2013	2023	DIFFERENCE	
86	89	+3	
Oceania			
2013	2023	DIFFERENCE	
3	6	+3	

LBMA would like to welcome its new Members that have been admitted this year, which include:

 China Platinum Company FULL MEMBER	 Deutsche Bank AG FULL MEMBER	 Velocity Trade International FULL MEMBER	 Raiffeisen Switzerland FULL MEMBER
 Tenn Trading FULL MEMBER	 Tradition Dubai Ltd FULL MEMBER	 Anglo Platinum Marketing Ltd AFFILIATE MEMBER	 Ashoka Global DMCC AFFILIATE MEMBER
 Ava Global Logistics Ltd AFFILIATE MEMBER	 Aurum International FZC AFFILIATE MEMBER	 C. Hafner GmbH + Co. KG AFFILIATE MEMBER	 GoldCore Limited AFFILIATE MEMBER
 Jewellery Quarter Bullion Ltd* AFFILIATE MEMBER	 PX Précinox SA AFFILIATE MEMBER	 Sequel Logistic Pvt Limited AFFILIATE MEMBER	 Silver Bullion Pte Ltd AFFILIATE MEMBER
 Techemet Metal Trading LLC AFFILIATE MEMBER	 Ziemann Valor GmbH AFFILIATE MEMBER		

*Trading as Bullion By Post

Members

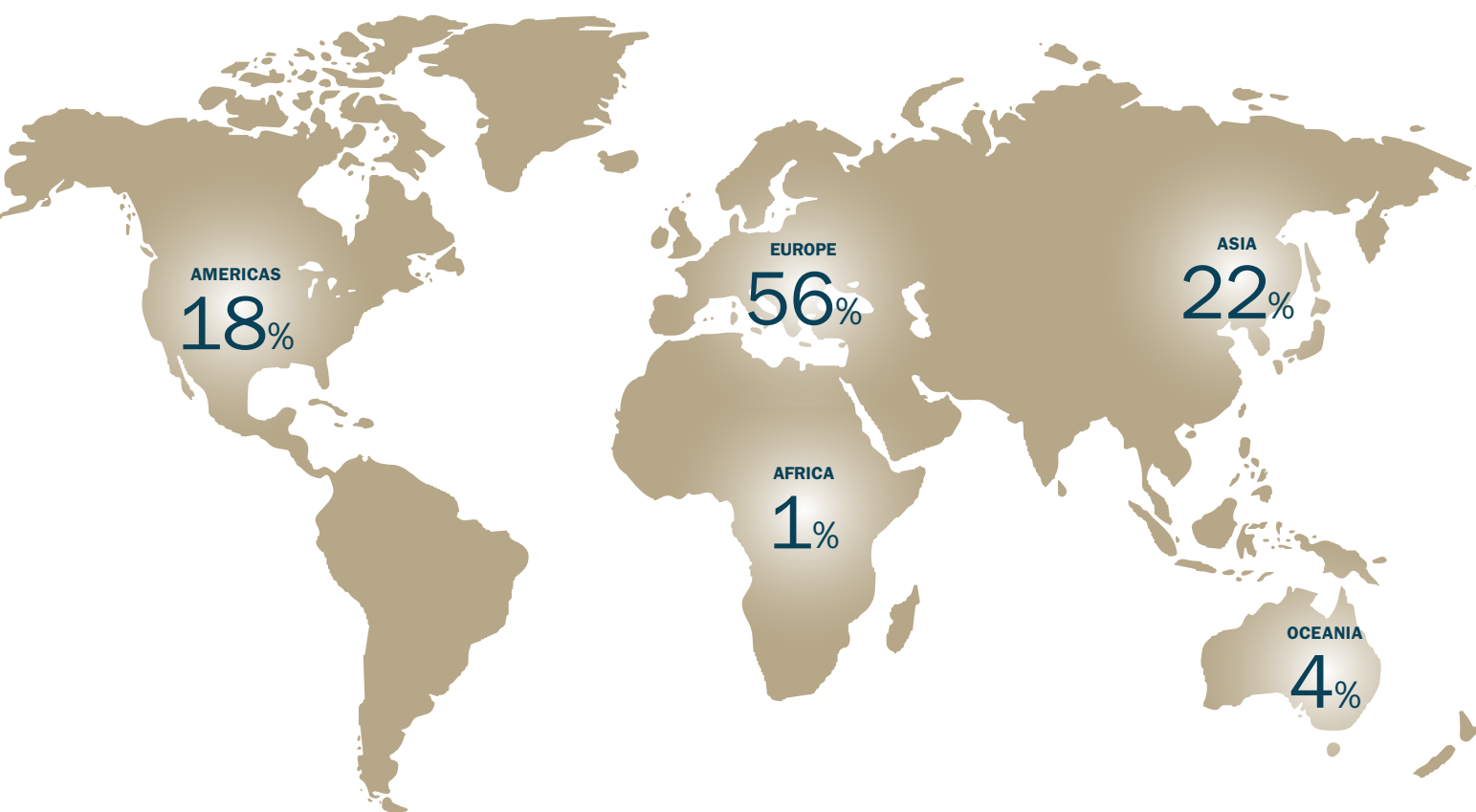
Region	Full	Market Making	Affiliate	Total	%
Europe	49	10	30	89	56
Americas	11	1	16	28	18
Oceania	6	0	0	6	4
Asia	13	0	22	35	22
Africa	2	0	0	2	1
TOTAL	81	11	68	160	

LBMA membership is open to firms from across the end-to-end supply chain, including mining, refining, transportation, trading and investment, as well as the many businesses that support the operation of that supply chain.

Becoming a Member gives that organisation a seat at our table and the ability to drive and develop our strategy and the essential market solutions for the future.

Membership also provides the opportunity to attend a number of networking events that we operate around the globe, where businesses can grow their own networks and expand their business interests.

Members are able to directly engage in consultations and working groups focussed on defining market responses to critical government and regulatory change proposals.



Training and Education

LBMA continues to offer a wide range of training courses available to both Members and Non-Members. The courses LBMA offer include:

- An Introduction to Loco London
- How to Use Loco London
- An Introduction to LBMA Responsible Sourcing
- Vault Operators Training
- Global Precious Metals Code Training, in partnership with ACI Financial Markets Association.

LBMA has seen a steady increase in the number of companies pursuing bespoke training courses on these subjects. All training and education is available to the wider market, but Members and Subscribers receive significantly discounted rates.

Communications and Engagement

This year, a record number of delegates joined LBMA and LPPM for the Global Precious Metals Conference in Barcelona. Some 840 attendees overwhelmingly enjoyed 35 speakers from across the precious metals value chain – with 97% of delegates rating the Conference as ‘excellent’ or ‘good’. The growth of this event – and its increasing popularity – is symbolic of the focus LBMA has placed on delivering a high-quality Membership proposition, while also offering Executive access to the wider industry, for the good of the whole value chain.

The Conference built on last year’s signing of the Declaration of Responsibility and Sustainability Principles and followed hot on the heels LBMA’s new Sustainability and Responsible Sourcing Strategy – placing this crucial topic front and centre of many discussions in Barcelona.

Three keynote speakers provided insightful speeches relating to AI, the art of ‘unconventional thinking’, and the macro-economic outlook focusing on China. The addition of expertly chaired panel sessions, roundtables, and networking events rounded off the event, at the end of which delegates provided their price forecasts for what the precious metals prices would be at the start of the 2024 Conference in Miami (see table).

Delegates were most bullish about the prospects of platinum, predicting a 28.9% increase in price, while gold had the least positive forecast of the four metals with only a slight increase of 3.22% forecast:

	Forecast as at 14 Oct. 2024	Latest price at time of Forecast 17 Oct. 2023
Gold	\$1,990.3	\$1,928.20
Silver	\$26.8	\$22.680
Platinum	\$1,153.7	\$895.00
Palladium	\$1,221.6	\$1,135.00

In March this year, the biennial Assaying and Refining Conference took place for the tenth time, bringing together experts in the field to learn more about the latest hot topics relating to the theme of Health and Safety in Refineries and Laboratories.

LBMA’s Annual Seminar and Dinner takes place after publication of this Annual Report, on Wednesday, 6 December. Presentations will cover macro geopolitics, gold and PGMs, silver in the green economy, and a special presentation by Neil Harby on LBMA’s Country of Origin data.

Engagement

Our new Relationship Manager model is providing more support and assistance than ever to our Members, and a consistent point of contact.

This work has formed part of a new induction process, designed to gradually feed key information and education to each new Member.

We have increased Member accessibility through targeted meetings, roadshows and Town Halls with Ruth Crowell (LBMA CEO), as well as other members of the LBMA Executive. We hosted Open House events in May and September, including a 'Meet the Editor' event with Shelly Ford, LBMA's *Alchemist* Editor.

LBMA has engaged with various stakeholders during 2023, including the US State Department, the Foreign, Commonwealth and Development Office (FCDO), Bank for International Settlements (BIS) and DEKSOR, the German Control Authority for EU Due Diligence in Raw Material Supply Chains.

We have solidified our strategic alliance with the World Gold Council on matters including Gold Bar Integrity and Artisanal and Small-scale Mining (ASM), and also engaged with international bodies at the Mining Indaba and OECD Forum to further ASM initiatives.

The LBMA website continued to develop throughout 2023, with a series of updates based on departmental reviews to improve usability, enhance existing content and identify any gaps. We have launched Country of Origin data on the LBMA website. The events pages have been updated and brought within the LBMA website architecture – moving away from our microsite approach – and new content streams have been launched, such as LBMA podcasts.

Satisfaction Surveys

Feedback from 2022's Member Survey was implemented over the course of the year, which – combined with our various other outreach activities – resulted in a satisfaction score for our 2023 Member Survey of 85%. This figure far surpasses the score achieved in our first Member Survey in 2021 of 67%, and was well above our target of 75% for this year.

Positive feedback from the Member Survey included the addition of working groups to address any issues, for example the ASM working group and the Refiners' Compliance Working Group. Improvements in communications, webinars, and events were highlighted, and the information and material produced by LBMA was noted as very helpful. Areas of improvement concerned a request for more training opportunities, regulatory updates, and more networking, Member collaborations, and even more specialised working groups.

This year a survey was also conducted to understand satisfaction ratings for new Member applications. With 11 out of 18 new Members responding, the survey revealed a strong satisfaction rate for the application process, averaging 4.36 out of 5, surpassing our target score of 3.5.

In addition, a survey to gauge sentiment towards the GDL application process revealed the need for more referees to expedite applications, however the responding Refiners rated their satisfaction as 4.5 out of 5, surpassing our target score of 3.5.

These scores are indicative of how LBMA has continued to listen to – and act on – both positive and constructive feedback.

WE HAVE INCREASED MEMBER ACCESSIBILITY THROUGH TARGETED MEETINGS, ROADSHOWS AND TOWN HALLS WITH RUTH CROWELL (LBMA CEO), AS WELL AS OTHER MEMBERS OF THE LBMA EXECUTIVE.

2023 Satisfaction scores

MEMBERS

85%

▲ 19% on 2021 and 10% above target

NEW MEMBERS

87.2%

▲ on target of 70%

REFINERS

90%

▲ on target of 70%

Members of the Board and Org Structure

Board and Governance

LBMA's 35th Annual General Meeting (AGM) took place virtually on 6 July, 2023, using the Open Audience Openmeet platform.

Governance and board structure were among the key topics of discussion, and proceedings concluded with the election of Board members.

This year, it was the turn of the Market Maker representatives to be elected for three seats on the Board. Given that the number of candidates was greater than the number of places available, an election was required to decide which representatives would be re-elected or elected.

The following Market Maker representatives were re-elected or elected to the Board: Raj Kumar (Managing Director, ICBC Standard Bank Plc), Matthew Slater (Global Head of

Precious Metals Forwards & Physical Trading, UBS AG) and Paul Voller (Managing Director / Global Head of Precious Metals, HSBC).

The Chairman's Report, along with Sub-Committee reports, are all available for Members to access on MyLBMA Portal. Afterwards, a networking event was held at LBMA's offices, which included summertime refreshments and the chance to speak to the LBMA Executive.

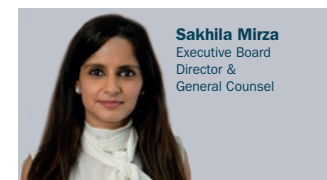
Responsible for setting our strategic and business vision, the LBMA Board also scrutinises our performance, ensuring strong corporate governance and challenging us to deliver our targets and objectives. Setting the standards, both in words and deeds, for how we conduct our work and the culture we promote, the LBMA Board operates under terms of reference available on our website.



Dr Paul Fisher
Chairman



Ruth Crowell
Chief Executive



Sakhila Mirza
Executive Board
Director &
General Counsel



Raj Kumar
Vice-Chairman of LBMA
Board and Managing
Director, ICBC Standard
Bank Plc



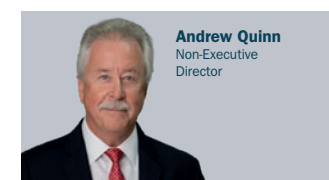
Wenjian Fang
CEO, Bank of
China (UK)
Limited



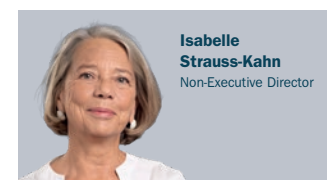
Hitoshi Kosai
Chief, International
Planning Office & Head
of President's Strategy at
Tanaka Kikinzoku
Kogyo K.K. & TANAKA
HOLDINGS Co., Ltd



Paul Voller
Managing Director,
Global Head of Precious
Metals, HSBC



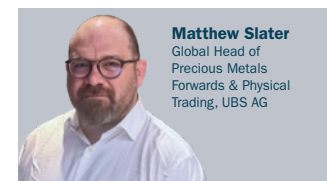
Andrew Quinn
Non-Executive
Director



Isabelle Strauss-Kahn
Non-Executive Director



Praveen Baijnath
Chief Executive of
Rand Refinery and
Director of Prestige
Bullion, a JV with the
South African Mint



Matthew Slater
Global Head of
Precious Metals
Forwards & Physical
Trading, UBS AG

The LBMA Board also delegates some decision-making powers to the Chief Executive and Executive Leadership team. These include running benchmark subsidiary PMPL, sub-committee work, operational matters, marketing strategy, and personnel matters. This approach aims to enhance governance and delivery to support our members.

The work handled previously by LBMA's HR Committee is now looked after by a separate Remuneration Committee.

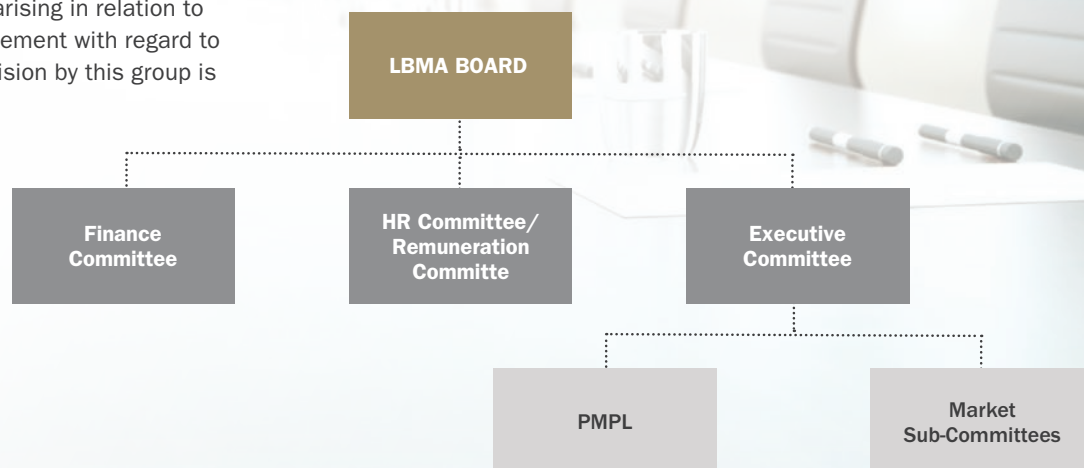
Sub-Board Group

The Sub-Board Group is defined in the LBMA Rules for Members as: "The independent members of the Board, which include the independent Non-Executive Directors (NEDs), Chief Executive and the Executive Directors of the Board with the delegated authority to review matters arising in relation to Incidents or Enforcement with regard to members. Any decision by this group is considered final."

Board Independence

Learnings and updates following a third-party evaluation conducted in 2018 have truly bedded in to LBMA's Board structure and governance processes to great effect. Updates included improved flow of information between the Board, Sub-Committees and working groups, tighter processes, and the appointment of a third Non-Executive Director in 2020 has cemented LBMA's sound policy for handling potential conflicts of interest. You can read more about this report, and LBMA's response and actions since, on the LBMA website.

**BOARD AND COMMITTEE
UPDATES ARE PUBLISHED TO
THE WEBSITE TO INCREASE
TRANSPARENCY.**



Market Sub-Committees and Executive Team

LBMA Sub-Committees

Our Market and Board Sub-Committees advise on specific areas of expertise, enabling us to benefit from the knowledge, experience and dedication of senior members.

The Finance Committee is responsible for monitoring the LBMA's finances, preparing the annual budget in the autumn and examining the draft accounts around March each year.

The Physical Committee is responsible for monitoring, developing and protecting the Good Delivery List.

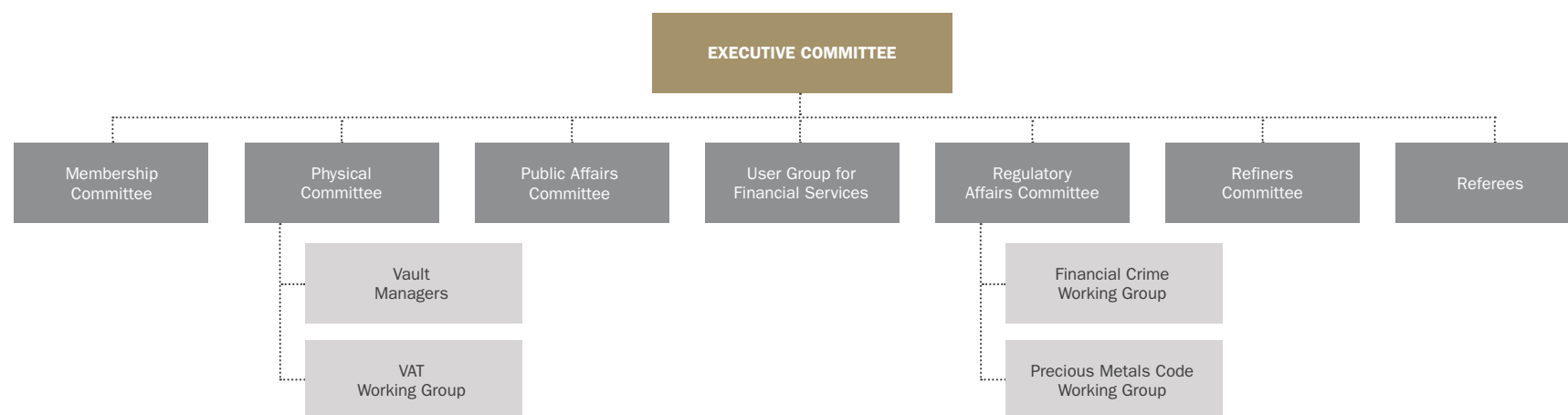
The Public Affairs Committee is primarily responsible for organising events and speaker programmes, most notably for the LBMA Global Precious Metals Conference.

The Membership Committee is responsible for ensuring that the quality of the Association's Membership is maintained, as well as to encourage all suitably qualified companies involved in the bullion business to join the Association as Members.

The Regulatory Affairs Committee monitors and disseminates information concerning international regulation affecting the bullion market.

The Refiners' Committee discusses issues facing the refining industry, exchanges ideas and promotes dialogue with LBMA.

Any Members interested in joining our Committees or Working Groups should contact ask@lbma.org.uk

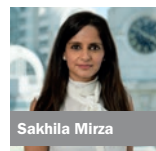


LBMA Executive 2023

Sustainability and Responsible Sourcing

Key workstreams: Sustainability and Responsible Sourcing Strategy, Country of Origin Data, ASM Toolkit, Responsible Silver Guidance, Responsible Gold Guidance

Sakhila Mirza General Counsel, **Alan Martin** Responsible Sourcing Manager, **Amardeep Rihal** Policy Manager, **Sophie Firoz** Executive Assistant, **Charlotte Gibbons** Responsible Sourcing Coordinator and **Ronnie Sade** Responsible Sourcing Coordinator



Sakhila Mirza

~8

Industry outreach engagements

2

Public consultations

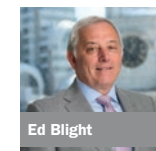
2,004

Website views across 8 newsletters, +39% on 2022

Membership and Finance

Key workstreams: Membership, Financial Management, Terminal Markets Order, Technology

Ed Blight Chief Finance Officer, **Stephanie Bennell** Financial Controller, **Josh Robins** Member Services Coordinator, **Sulari Fonseka** Office Manager, **Katie Jacobson** Office Coordinator, **Jag Atwal** Accounts Payable Assistant and **Talita Svircoscki** Accounts Receivable Assistant



Ed Blight

18

New Members admitted

24

Global Membership countries

~£340k

Departmental savings and revenue improvements above budget



Good Delivery

Key workstreams: Gold Bar Integrity, PAM, Good Delivery Rules, Vault Training, New Listings

Neil Harby Chief Technical Officer, **Varsha Peiris** Head of Good Delivery, **Hannah Coakley** Physical & Technical Services Officer and **Madeleine Gray** GDL Project Coordinator



Neil Harby

10

Industry outreach engagements

2

Public consultations

230

Delegates at A&R Conference and 30 speakers

691

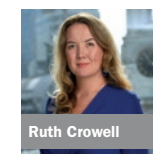
Website views across 3 newsletters, +16% on 2022



CEO's Office

Key workstreams: Outreach Across the Globe, Relationships with Members & Key Stakeholders, Strategic Development & Delivery

Ruth Crowell CEO, **Lili Meckler** Chief of Staff and **Emily Gale** Executive Assistant



Ruth Crowell

13

Speaking slots

37

Meetings with members

64

Meetings with non-members

4

Member town halls

4

LBMA hosted member dinners

Legal and Compliance

Key workstreams: Global Precious Metals Code Attestations, Regulatory Affairs, Sanctions and IRPs

Sakhila Mirza General Counsel, **Graham Jelf** Compliance Officer, **Emmy Richardson** Senior Compliance Associate and **Emma McKean** Compliance Analyst



Graham Jelf

~50

Compliance outreach meetings

1

Podcast

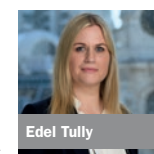
222

Website views across 2 newsletters, +212% on 2022

Communications

Key workstreams: Website Development, Digital Communications, Strategic Publications

Edel Tully Head of Communications, **Katherine Ernst** Digital Marketing Manager, **Shelly Ford** Digital Content Manager, **Jamilah Leigh** Senior Marketing Executive and **Patrick Mooty** Marketing Assistant



Edel Tully

+960k

Website visitors

+472k

Total social media impressions

38

Weekly newsletters

103

Newsroom posts

Events

Key workstreams: Events and Member Engagement

Tamsin Goodwin-Connelly Member Engagement & Events Manager



Tamsin Goodwin-Connelly

840

Delegates at Global Precious Metals Conference and 36 speakers

2

Open House events

10

Training courses

Financial Overview

Last year, and in advance of the 2022 audit of accounts being published, LBMA made a commitment to soften the impact of its financial decisions on its Members, Refiners and stakeholders.

In 2022, welcome improvements in some revenue streams coupled with departmental cost control measures and favourable Foreign Exchange rates have driven net profit returns marginally above that forecasted. For the first time since COVID-19, LBMA ran a full event programme including the in-person LBMA/LPPM Global Precious Metals Conference held in Lisbon in October, 2022. Financially, the event hit and marginally exceeded the targets set at the beginning of the year and this more than compensated for slightly higher costs in respect of the AGM, Annual Party and Annual Dinner. Across both LBMA and PMPL, revenue was up by almost 24% and expenditure up by almost 42%. This reflected the net impact of a normalised, post-pandemic, activity schedule coupled with the impact of inflation.

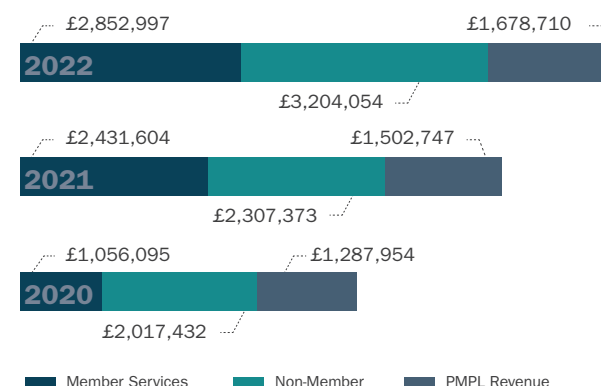
Looking more closely at the financial detail, the major contributor to growth in LBMA revenue and expenditure in 2022 was the Lisbon Conference. The event realised £966K of additional revenue and accounted for almost 65% of total revenue growth. Similarly, it accounted for £819K of additional expenditure, or 49% of total expenditure growth. The impact of conducting a full event schedule grew expenditure by a further £362K across the year. Other factors impacting upon financial performance included the cost of delivering the strategic plan in the Responsible Sourcing and Good Delivery business areas.

PMPL financial returns continue to go from strength to strength, with profit after tax for 2022 up by 29% on that returned in 2021. The principal driver for this has been the variation in US Dollar FX rates across the year. With both gold and silver benchmark returns paid in US dollars, the GB Pound returns have been favourable.

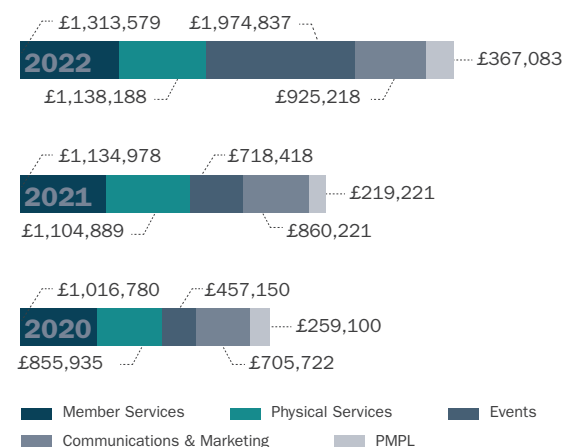
2023 looks set to be an encouraging year for both LBMA and PMPL with record membership levels and a sold-out Conference held in Barcelona. Early indications are that the LBMA departmental savings and revenue improvements across the year looks set to be around £340K above that budgeted. Clearly much of this will be driven by new Member revenue and Conference, but improvements have been delivered across all departments. Similarly, PMPL looks set to return improved profits driven by, among other things, the commencement of the Trade Reporting Revenue share from Nasdaq. All of this means that LBMA looks set to achieve its reserves targets well ahead of schedule.

The combination of the 2022 outturn coupled with significant improvements across 2023 means that LBMA has been able to deliver on its commitment to soften the impact on its Members, Refiners, and other stakeholders. Members and Subscribers have already been notified that their fees for 2024 will be frozen at the 2023 rates. There will be some increases in GDL maintenance and Responsible Sourcing Auditor fees, but overall the message is positive.

LBMA & PMPL Income Analysis



LBMA & PMPL Expenditure Analysis





Register Now

Connect at the
**Global Precious
Metals Conference**

13-15 October
The Diplomat, Florida USA

conference@lbma.org.uk
www.lbma.org.uk/events



Miami 2024