HYPOSWISS
PRIVATE BANK

ANNUAL REPORT 2021

HYPOSWISS
PRIVATE BANK

Expect the expected



CONTENTS

Corporate bodies of Hyposwiss Private Bank Genève SA 4

Letter to Shareholders 6

Activity Report 22

Economic and Financial Outlook 26

Consolidated Financial Statements 58
- *Consolidated balance sheet* 60
- *Consolidated income statement* 61
- *Cash flow statement* 63
- *Statement of changes in equity* 64
- *Notes to the 2021 Consolidated Financial Statements* 65

Report of the Statutory Auditor on the Consolidated Financial Statements 92

Disclosure requirements as prescribed in the FINMA circular 16/1 for the group 94

Financial Statements 98
- *Statutory balance sheet* 99
- *Income statement* 100
- *Appropriation of profit* 101
- *Statement of changes in equity* 102
- *Notes to the 2021 Financial Statements* 103

Report of the Statutory Auditor on the Financial Statements 118

Disclosure requirements as prescribed in the FINMA circular 16/1 for Hyposwiss Private Bank Genève SA 120

Curriculum Vitae 126
- *Members of the Board of Directors* 127
- *Members of the Executive Board* 130

Group companies' addresses 132

CORPORATE

BODIES OF HYPOSWISS PRIVATE BANK GENÈVE SA



BOARD OF DIRECTORS

Solly S. Lawi
Chairman of the Board

Alain Bruno Lévy*
Vice-Chairman of the Board

Michel Broch*
Member, Secretary

Eric Bernheim*
Member

Alexander L. Dembitz*
Member

Robert Dwek
Member

Philippe Perles*
Member

Nabil Jean Sab*
Member

* Independent according to Circ. FINMA 2017/1

MANAGEMENT COMMITTEE

Niels Bom Olesen
Chief Executive Officer - CEO

Albert Lawi
Deputy Chief Executive Officer

Roni Hougui
Chief Operations Officer - COO

Sébastien Joliat
Chief Financial Officer - CFO

Stephan Lawi
Chief Investment Officer - CIO

Sylvie Wehrli
Chief Compliance Officer - CCO

INTERNAL AUDITORS

BDO SA, Geneva

STATUTORY AUDITORS

PricewaterhouseCoopers SA, Geneva



LETTER TO SHAREHOLDERS

Dear Shareholders,

The geopolitical shocks caused by the conflict between Russia and Ukraine, together with the ongoing global Covid-19 crisis and their impact on health, society, and economic growth, are a powerful reminder of the extent to which countries are interdependent and have shared vulnerabilities.

Today, the new world order, in reshaping the balance of power in international relations, is prompting transformations in our societies that are amplified by the exponential pace of the digital revolution.

- In 2020 and 2021, central banks and governments took fast, decisive and coordinated action in response to the unprecedented economic crisis triggered by the pandemic. They met the resulting recession with unparalleled liquidity injections, monetary loosening and fiscal stimulus. The risks to financial stability have been held in check so far, owing mainly to the ongoing monetary and fiscal support.

- 2021 will be remembered as a year of turnaround. The global economy grew extraordinarily fast, recording the most remarkable post-recession rebound in 80 years. The world's main stock-market indices posted new highs at the end of the year.

- At the start of the first quarter of 2022, no one was prepared for the **geopolitical, economic and financial shock** unleashed by **Russia's invasion of Ukraine on 24 February**. The war – along with the ensuing sanctions and embargoes – prompted a steep correction in all international financial markets.

- As long as the war in Ukraine lasts, it will continue to upend and realign key political, trade-related and military balances around the world. This conflict marks the start of a new era in the world order – in terms of geopolitics, macroeconomic trends and capital markets – and points to the wide gap between democratic and autocratic governments.

- As a result, global financial conditions are tighter than they have ever been, with persistently high inflation fueled by soaring energy prices and disruptions along all supply chains – but particularly those relating to commodities and food.

- The high level of inflation is a challenge for monetary authorities, whose task is to reduce upward pressure on prices while maintaining economic growth. Interest rates are likely to move upward as central banks tighten their monetary policies, and this will put pressure on emerging markets and developing countries. Ultimately, international trade could be hindered or at least redirected, putting an end to the trend towards increasing globalization.

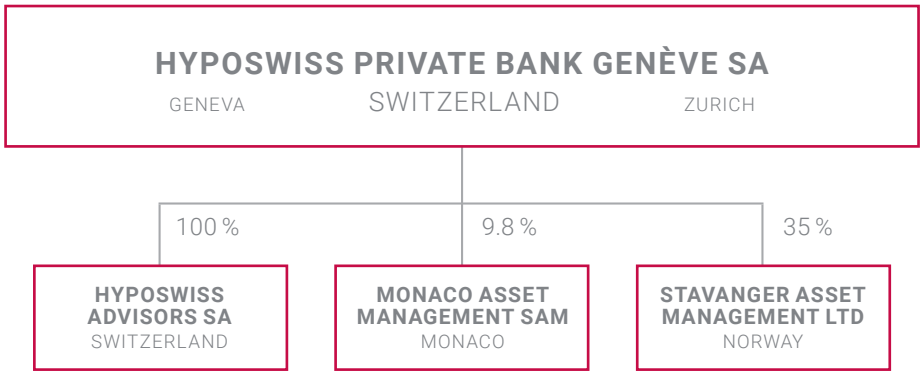
EXPANSION & ACQUISITION

NEW HYPOSWISS BRANCH OFFICE IN ZURICH

- Buoyed by our solid earnings, we have been pursuing an organic and acquisition-based growth strategy since 2015. Under this strategy, we are able to optimize our costs and returns. In May 2021, Hyposwiss Private Bank Genève SA (Hyposwiss) acquired United Mizrahi Bank (Switzerland) SA, the Zurich-based subsidiary of the Israeli bank. The bank's employees, clients and assets under management were successfully integrated into our new branch, Hyposwiss Zurich.

  This is the latest in a series of transactions in which we have acquired and integrated client assets. Previous acquisitions include: Israel Discount Bank (Switzerland) SA, Compagnie Privée de Conseils et d'Investissements SA (CPCI) and Banque Hapoalim (Switzerland) SA.

GROUP STRUCTURE



By consolidating our resources and shareholders' equity, we have strengthened our brand identity and competitiveness in the Swiss banking sector. We are maintaining a realistic and cautious vision as we confront the new challenges posed by today's unprecedented – and overlapping – crises.

Before we look back at Hyposwiss's achievements in 2021, we will retrace some of the key factors affecting the global financial and economic outlook – factors that are decisive in shaping our investment advisory and asset management policies.

I - ECONOMIC *OVERVIEW*

II - INVESTMENT *POLICY*

III - SWISS *FINANCIAL SECTOR*

IV - HYPOSWISS *FINANCIAL RESULTS*

I - ECONOMIC OVERVIEW

The forces shaping our outlook.
Strong global recovery in 2021 - slowdown in 2022–2023

- After contracting by more than 3% in 2020, global growth is forecast to decline from 6.1% in 2021 to 3.6% in 2022 and 2023, now that fiscal and monetary support has been withdrawn around the world. After 2023, global GDP growth is expected to level off at around 3.3% in the medium term. With a few exceptions, employment and output are not likely to return to their pre-pandemic levels until 2026.

- On 24 February 2022, Russia's invasion of Ukraine triggered a costly humanitarian crisis that will have to be resolved through peaceful means. The economic fallout from the conflict will slow global growth considerably in 2022. The war has led to a major recession in Ukraine and an economic slump in Russia, while the rest of the world has felt the knock-on effects on commodity markets, trade and the financial system.

- In addition to holding back growth, the war is also causing inflation to spike. Food and fuel prices are rising fast, with a disproportionate impact on more vulnerable groups, particularly in low-income countries. This high level of inflation is a challenge for central banks, whose task is to reduce upward pressure on prices while maintaining economic growth.

- Interest rates should trend upwards as central banks tighten their monetary policies, and this will put pressure on emerging markets and developing countries. These countries have a combined population of over six billion – or 85% of the world's population – and will account for two-thirds of global GDP in five years' time.

- In all emerging and developing countries, the downside risks stem from various scenarios: if the conflict escalates; if the sanctions on Russia are ramped up; if growth in China slows more than expected as the Omicron variant puts the government's zero-Covid strategy to the test; and if a new, more contagious strain reignites the pandemic. Moreover, by driving up energy and food prices, the war in Ukraine is going to exacerbate social tensions in countries that are highly dependent on these imports.

- Inflation is projected to reach 5.7% in developed countries and 8.7% in emerging markets in 2022 – far above the 2% target. It should remain high for longer than expected, owing to the jump in commodity prices, the widespread inflationary pressure caused by the war and increasingly firm wage hikes.

- Because central banks have no sway over the many factors currently pushing up inflation (the war, the sanctions, the pandemic and supply-chain disruptions), there is no way to contain upward pressure on prices. Yet the way inflation shocks spread will vary from one country to the next, depending on their trade and financial links, their sensitivity to rising commodity prices and their existing level of inflation. With inflation so high, central banks will have no choice but to take swifter action than is currently expected, and this will push interest rates higher and aggravate debt-related vulnerabilities, particularly in emerging markets.

  The war in Ukraine has complicated two tradeoffs in the realm of economic policy: between controlling inflation and supporting the recovery, on one hand, and between helping the needy and restoring a budgetary buffer, on the other – to ensure debt financing is shared more equitably.

- Ultimately, monetary policies will have to be tightened to prevent a wage-price spiral, where rises in prices, wages and inflation expectations feed off each other and push up interest rates and the cost of living. At the same time, governments in numerous countries are having to contend with **record debt levels** after public spending had to be ramped up massively in 2020–21 in response to the pandemic.

KEY RISKS, *RECORD DEBT AROUND THE WORLD*

Global debt rose more in 2021 than in any of the 50 preceding years, reaching a record level.

Public and private debt worldwide stood at USD 296 trillion and could surpass USD 300 trillion in 2022.

- In 2021, debt levels increased at the fastest year-on-year pace since the Second World War: global debt reached USD 296 trillion at a time when the entire world was experiencing a geopolitical shock and a public-health crisis. Countries had already run up their debt before the crisis, and they now face record levels of public and private debt, new Covid strains and rising inflation.

- Global debt increased more in 2021 than in any of the 50 preceding years, reaching 286% of global GDP. Just over half of this increase consisted of government bonds: the ratio of global public debt to GDP jumped to a record level, and private-sector debt taken on by non-financial companies and households also reached new highs.

- Developed countries saw a particularly sharp rise in debt levels, with public debt increasing from 70% of GDP in 2007 to 130% of GDP in 2021. Private debt grew more slowly, going from 164% to 180% of GDP over the same period. Public debt now accounts for 40% of total global debt, the highest level since the mid-1960s. The accumulation of public debt since 2007 owes largely to the two major economic crises that have occurred since 2008: the global financial crisis and the crisis caused by the Covid-19 pandemic.

- The debt burden is not shared equally by all countries, however. Developed countries and China account for more than 90% of the **USD 28 trillion in additional debt** recorded in 2021. These countries were able to expand their public- and private-sector debt during the pandemic thanks to low interest rates, central bank policy measures (including large-scale purchases of public-sector debt) and well-functioning financial markets. The financial situation of most developing countries was quite the opposite, since they had limited access to financing and in many cases were forced to borrow at higher rates.

- Poor and vulnerable populations were hit particularly hard by the pandemic in 2021: they experienced a slower pace of economic recovery, reduced access to vaccines, lost income and an increase in learning gaps. The pandemic led to significant development setbacks and undermined efforts to end extreme poverty and reduce inequality.

- In the longer term, the Ukraine conflict could also have other repercussions: **defense budgets may be increased**, energy markets may be restructured, payment systems could become fragmented, and the composition of **prevailing currency reserves could be modified**.

- If the world is once again divided into separate blocs, a number of gains – from specialization, economies of scale and the sharing of information and know-how – would be forsaken. **Russia's exclusion from SWIFT, the interbank payments system, could accelerate efforts to develop alternative systems**. This would reduce the efficiency achieved by having a single, global system and could put a dent in the predominant role played by the US dollar on the financial markets and in cross-border payments.

II. - INVESTMENT POLICY

- In 2021, authorities around the world synchronized their approach to the second year of the pandemic through **monetary and fiscal policies on a scale never before seen**. The decisive actions – including negative interest rates, massive asset purchases by central banks and direct payments to consumers – **flooded the markets with liquidity** in an effort to rein in the humanitarian, economic and financial cost of the crisis as much as possible.

- These combined measures paved the way for a recovery and spectacular economic growth, which were further boosted when the pandemic began to ease. All economic agents benefited throughout this period from these ideal conditions: low interest rates, narrow credit spreads, buoyant stock markets and low inflation. These factors underpinned a sharp uptick in corporate earnings and an uninterrupted market rally.

- Our cautiously optimistic approach is rooted in the international system's ability to absorb natural, geopolitical and financial shocks felt around the world. The repeated crises have toughened up international companies and boosted their productivity. Diversified listed companies have been able to react vigorously to the many changes thrown at them. It is through equity and bond holdings in these companies that we are able to tap into a wide range of opportunities for our managed portfolios, which hold our clients' assets.

- Our **Research & Investment (R&I) team** conducts financial analysis on various investment products and draws up an asset allocation policy for our portfolios. Our team uses processes and tools that have been tried and tested throughout different market phases.

- We construct our portfolios using a proprietary risk metrics procedure that assesses risks by assigning a risk rating to each financial asset. We use these quantitative and qualitative metrics to analyze and assess the risk associated with each investment and with the portfolio as a whole. We apply this methodology to our equity, bond and alternative investments, as well as to our clients' managed portfolios. This system allows us to enhance and optimize performance in keeping with each client's risk profile.

- As monetary policies changed during this period, we regularly altered our portfolio allocations, increasing our exposure to high-quality investments and to assets set to be boosted indirectly by economic stimulus measures and new technologies.

We continued to overweight equities, with a focus on high-quality stocks showing healthy growth, and our managed and advisory portfolios turned in a solid performance as the markets gained ground throughout 2021. At the end of 2021, market indices in developed countries hit new highs across the board.

- The situation changed suddenly on 24 February 2022 with the invasion of Ukraine. Since then, both prices and wages have been rising faster than expected in the US, forcing the Federal Reserve to admit inflation was more persistent than "transitory" and to announce it would tighten its monetary policy gradually but significantly. Most central banks followed in the Fed's footsteps, in response to the supply-chain disruptions caused by higher commodity prices and lockdown measures in China (linked to the zero-Covid policy).

- Bond yields mirrored this policy turnabout. US 10-year Treasury yields doubled, going from 1.50% at the end of December 2021 to 3.15% at the end of April 2022. All other financial assets were affected too, with the main market indices plunging by 10% to 25% and the US dollar going up against all other currencies.

- During this turbulent period, our investment specialists focused on quality, in both stock and bond markets. Portfolios derived some protection from their commodity holdings – including precious metals and energy. Further protection during this period came from alternative funds, which are useful because their returns tend not to be correlated with those of traditional assets. We therefore prefer to focus on the medium term and remain cautious with a higher-than-normal cash position.



FUNDS

- The structure of our portfolios is underpinned by holdings in both traditional and alternative investment funds. We have optimized the list of selected third-party funds we invest in to obtain a better fit with our investment policy. Furthmore, we have put in place a structured process for monitoring passive exchange-traded funds (ETFs).

- In 2021, our in-house funds, which we manage actively, turned in a robust performance with strong asset growth. The Leo Atlas Global Fund, a fund of hedge funds, doubled in size; the assets in our Protea Fixed Income Key Solution fund expanded by 60%; and the assets in our Protea Orchard Europe Equity fund grew by 45%.

- In 2021, we also recorded a solid increase in client assets brought in by our Asset Management team, as well as in assets in our centralized discretionary mandates and third-party investment fund mandates. Managing these assets is increasingly complex, in terms of portfolio construction, monitoring and performance attribution, which led us in 2022 to expand the teams dedicated to these tasks.

DIGITAL ASSETS

- In February 2022, Hyposwiss received FINMA approval for a new business line: buying, selling and providing custody services for digital assets. These assets – such as Bitcoin and Ether – are now available to investors upon request. This new activity shows that our product line is able to keep pace with the financial markets and we have proven our commitment to providing our clients with the broadest possible access to innovative financial instruments.

GLOBAL CUSTODY

- Our Global Custody services for financial intermediaries have been evolving in step with the markets, and we recently strengthened this team so that it can work with independent wealth managers (management companies and financial advisors). Through these services, we provide efficient operational support, personalized expertise and high-added-value solutions.

III. - SWISS FINANCIAL SECTOR

The highly competitive Swiss financial sector is the world leader in cross-border wealth management. It is also fertile ground for technological innovation, thanks to Switzerland's advantageous business and regulatory environment.

- The Swiss economy returned to growth in 2021 after contracting in 2020. GDP expanded by 3.7%, well ahead of the 1.2% figure recorded in 2019, before the pandemic. **The recovery in Switzerland outpaced the global average**, although Swiss GDP was not as high as it could have been absent the pandemic. The strong momentum was boosted by the easing of restrictions. The services sector had been hit particularly hard by the pandemic and bounced back sharply, while manufacturing was lifted by an uptick in external demand.

- In 2021, the Swiss National Bank (SNB) kept its expansionary monetary policy in place, providing further support to the domestic recovery. It left its policy rate and its interest rate on sight deposits held at the SNB unchanged at –0.75% and intervened as necessary on the foreign exchange market. This policy approach was required to maintain appropriate monetary conditions. The Swiss franc remained strong. Also in 2021, the Swiss financial markets switched from the London Interbank Offered Rate (LIBOR) to the Swiss Average Rate Overnight (SARON) as the reference rate for the Swiss franc. The Swiss franc LIBOR stopped being calculated at the end of the year.

- Swiss GDP growth lost momentum at the end of 2021. Swiss companies also faced supply shortages, although this did little to hamper the recovery. The job market improved over the course of the year, as unemployment and partial employment figures both shrank considerably. The overall growth trend remained positive. For 2022, the SNB is forecasting GDP growth of around 2.5%. Economic forecasts should be taken with a grain of salt, however, given the uncertainty stemming from the war in Ukraine.

- The growing strength of the Swiss franc made imports less expensive, thereby helping to offset higher prices and stabilize price levels. The SNB has also been addressing the issue of climate change for a long time. As part of its legal mandate, it factors the potential impact of climate change on the economy into its work on monetary policy and financial stability and in managing its currency reserves.

- The SNB is also keenly attentive to digitization in the financial sector and to currency innovations, particularly with regard to Central Bank Digital Currencies (CBDC). It is expanding its knowledge base in CBDCs, taking part in various feasibility studies, and actively involved in discussions on this topic at the international level.

REGULATORY MATTERS

- **Current changes**: In response to the 2007–2008 financial crisis, Swiss banking regulations were substantially tightened and improved in various areas. These included a series of measures concerning banks that are too big to fail, and the implementation of international standards set out by the Basel Committee on Banking Supervision (BCBS) in terms of capital and liquidity requirements (Basel III).

- The Financial Services Act (FinSA) and the Financial Services Ordinance (FinSO) entered into force on 1 January 2020. The two-year transition period for most requirements under this new legislation ended on 31 December 2021. As part of the process of reviewing the underlying directives, a fully revised version of the Portfolio Management Guidelines took effect on 1 January 2022.

The success of the Swiss financial sector will be driven by regulatory work being done in five key areas: the data economy, cybersecurity, sustainable development, the regulatory framework and market access.

The data economy is a key success factor for Swiss banks and a building block for the development of digital financial services and innovative business models. The financial sector's competitiveness and reputation depend in part on effective protection from cyber risks. And to boost its competitive edge, Switzerland's export-oriented banking sector requires better access to the international market (through bilateral agreements with the European Union and the UK).

BANKING INDUSTRY

The Swiss banking sector, with a stronger overall capital position, continues to play a key role in supporting domestic credit flows. Swiss banks have been resilient thanks to the capital base that they built up in previous years to comply with the reforms enacted in the wake of the global financial crisis, but also thanks to the unprecedented monetary and fiscal support provided.

- The **Swiss banking industry**, which is currently composed of **243 banks**, had another solid year in 2021, posting a rise in both net earnings and balance sheet assets. The pandemic did not affect Swiss banks' ability to provide credit to borrowers. With the war in Ukraine, the banks have again proven their resilience this year by applying all domestic and international rules and measures, including sanctions. The SNB is also expected to tighten its monetary policy before the end of the year, following in the footsteps of the European Central Bank.

- Swiss banks continue to face a challenging economic environment, marked by still-negative interest rates, restricted access to external markets and the economic shock resulting from successive crises. Yet they have built up significant capital and liquidity buffers in recent years and are well-equipped to handle the current uncertainty.

- Swiss banks posted solid 2020 results despite the heightened market volatility. They had total assets under management (AuM) of CHF 7.8787 trillion at end-2020, in line with the 2019 figure. The proportion owned by non-Swiss clients remained practically unchanged at 46.3%. AuM again started to climb in the first half of 2021, reaching CHF 8.3869 trillion by the end of the year (+6.9% year on year). Switzerland is the world leader in cross-border wealth management: Swiss banks manage around one quarter of all cross-border assets worldwide.

DIGITALIZATION AND FINTECH

- The banking sector, like other sectors, is subject to ongoing structural changes. Banks are updating their business models, processes and structure as the economic situation evolves, technological advances are made and client needs change.

- Switzerland has emerged as an entrepreneurial hotbed in distributed ledger technology (DLT) – known mainly for blockchain technology – thanks to its rock-solid tradition of financial security, strict data privacy legislation and pragmatic regulatory approach. The digital currency and asset revolution has reached the banking sector, with cryptocurrencies starting to change the way users borrow and save.

- Digital assets are on the rise and could end up transforming the global financial landscape. Between cryptocurrencies, stablecoins, non-fungible tokens (NFTs), decentralized financial platforms (DeFI) and Central Bank Digital Currencies (CBDC), digital assets appear poised to fundamentally change numerous financial activities in the coming years. Crypto currencies had a market capitalization of around USD 3 trillion in 2021, although this figure was highly volatile (and corrected sharply by 50% at the end of April 2022).

- An estimated 300 million people around the world held cryptocurrencies at the end of 2021. According to some forecasts, this figure could reach one billion very soon. These factors, plus growing demand from their clients, are inciting traditional banks together with fintech companies to quickly establish a presence in the cryptobanking sector and gauge which products and services they could offer. Regulations for this sector will need to be rapidly put in place.

- What's more, private digital currencies and CBDCs are set to add significant value in both societal and economic terms. Banks, central banks and technology companies around the world are all working on creating digital currencies, and this could fundamentally change how they operate (the SNB is working on Project Helvetia).

IV - HYPOSWISS
FINANCIAL RESULTS

Key figures, consolidated group (CHF)	2021	2020
Net profit (before tax)	7.8 m	7.4 m
Operating revenue	57.3 m	50.2 m
Balance sheet assets	1.5 bn	1.2 bn
Equity	68 m	66 m
Assets under management	6.6 bn	5.3 bn
CET1 ratio	28 %	32 %

- Assets under management – including discretionary mandates and investment and advisory services – rose sharply to CHF 6.6 billion at end-2021 (versus CHF 5.3 billion at end-2020). This increase includes **CHF 979 million in net new money (NNM)**, a sizeable amount. It also reflects the solid performance of our portfolios, which were buoyed by the gains recorded on stock markets and money markets in 2021.

- Following the integration of United Mizrahi Bank (Switzerland) Ltd and an additional contribution of net new money, total assets amounted to CHF 1.525 billion at end-2021 versus CHF 1.205 billion a year earlier, a rise of 26%. We have a conservative capital structure, with a robust equity base and external funding that comes essentially from client deposits. The loans granted to clients take the form of Lombard loans and are funded entirely by client deposits

  Consolidated shareholders' equity rose to CHF 68 million at end-2021, a 3% rise on 2020. Our capital ratio stood at 28.2% – comfortably above the regulatory minimum of 11.2%.

- In 2021, our core business fared extremely well, generating CHF 57.3 million in operating revenue, up from CHF 50.2 million in 2020. At the same time, we were able to boost our operating profit through strict cost control.

- Consolidated net profit (before tax), which includes the income from Group companies at 31 December 2021, came in at CHF 7.8 million (versus CHF 7.4 million in 2020). The Group's improved profitability reflects the solid performance by our brokerage and forex businesses. The wealth management companies we have a stake in had the following AuM: Monaco Asset Management SAM, CHF 3.1 billion; Hyposwiss Advisors SA, CHF 338 million; and Stavanger Asset Management Ltd, CHF 64 million.

CONCLUSION

- Hyposwiss Private Bank Genève SA stands for the fundamental values of stability, reliability, growth and longevity, based on solid banking experience that dates back over a century. Year after year, we have forged a strong identity as a private bank in the Geneva and Zurich markets. Solid growth and the synergies we created by integrating new client assets and employees have made us more profitable and more competitive.

- We are fully dedicated to wealth management, and our workforce is highly qualified, competitive, multicultural and loyal. We take measured risks and make optimal use of various financial instruments – both conventional and alternative – in order to preserve and grow the wealth of our Swiss and international clients.

- Our Board of Directors, General Management and all our teams are supported by dedicated partners that adhere to strict governance standards in order to manage risk in a controlled yet dynamic and innovative way. Under the guidance of proactive leaders, Hyposwiss continues to embrace our digital future gradually and in full compliance with Swiss legislation and regulations governing blockchain and distributed ledger technology.

- 2025 outlook - The consolidated resources that we accumulated over the past six years will fuel our momentum going forward. They will continue to (i) underpin our organic and acquisition-based growth strategy in Switzerland, (ii) help us achieve our goal of holding CHF 10 billion in AuM, and (iii) broaden our range of digital services for our clients.

  Our constructive vision is rooted in our extensive experience handling exceptional situations. As members of the Board of Directors and General Management, we have successfully piloted our private-banking business through stormy periods over the decades.

- Today, liberal globalization (led by the US, the UK and Japan) and the global market as we know it are being challenged by the rise of a more continental form of globalization (Eurasia, Russia, China and India). This latter model could weaken the rule of law and the concept of private property, as enshrined in democratic constitutions. The liberal, laissez-faire approach is being pitted against a state-centric role in global economic management.

  The shared goal is to emerge stronger, every step of the way, from the current geopolitical and public-health crises that have rocked international financial systems.

- At Hyposwiss, we build personal, trust-based relationships with our Swiss and international clients, who benefit from our longstanding expertise and high standards
- By continuing to take a professional approach to everything we do, we will maintain our standing as a wealth management firm that delivers a consistently strong performance, led by a management team passionate about what we do.
- We would like to express our gratitude to our partners and staff members for their dedication, unwavering commitment and solidarity. And we wish to reiterate our thanks to our customers for their trust. We are determined to keep serving them in the friendly, entrepreneurial spirit that sets Hyposwiss Group apart from generation to generation.



Solly S. LAWI
Chairman of the Board of Directors



Niels BOM OLESEN
Chief Executive Officer

ACTIVITY REPORT



HYPOSWISS
ACTIVITY REPORT

CONSOLIDATED KEY RESULTS IN 2021

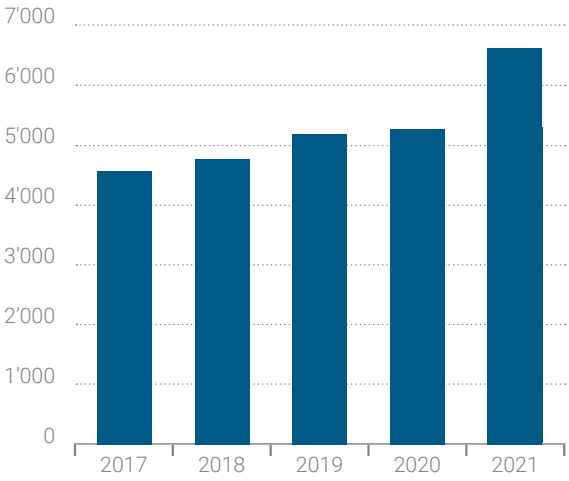
Assets under management: CHF 6.6 bn

Total operating revenues: CHF 57.3 m

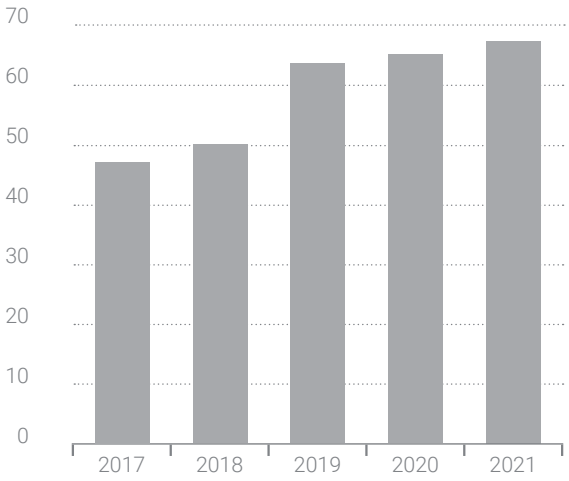
Shareholders' equity: CHF 67.7 m

Net profit (before tax): CHF 7.8 m

Client Assets
(CHF 1'000)



Shareholders' equity
(CHF 1'000)

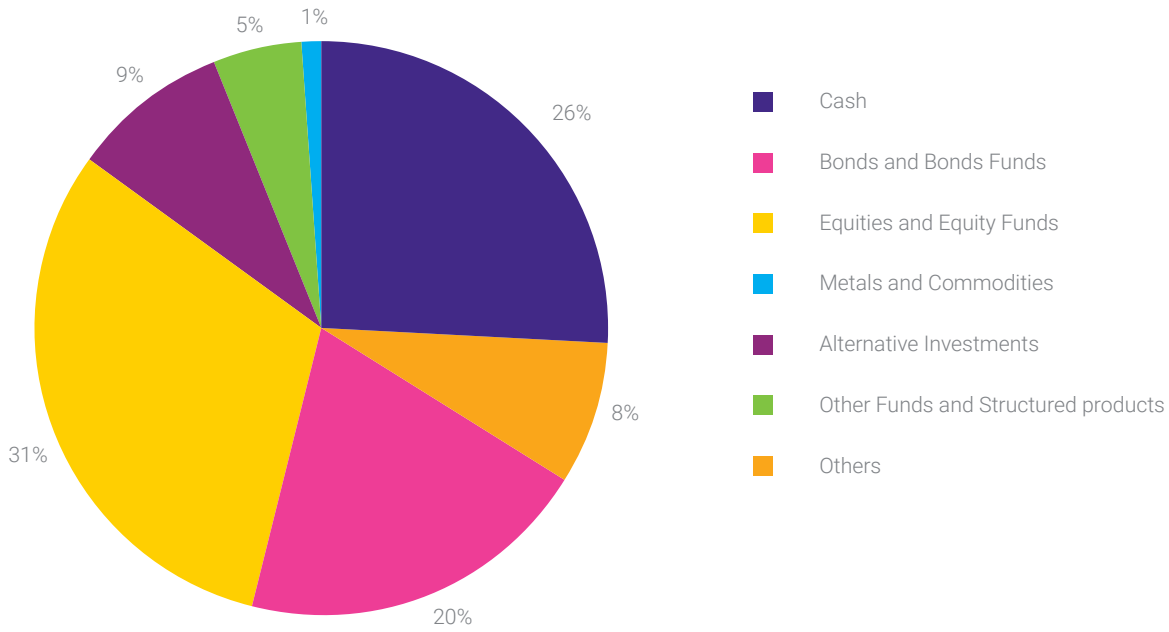


(CHF 1'000)	2017	2018	2019	2020	2021
Net profit	3'667	4'331	4'054	6'528	6'890
Operating result	4'787	5'917	15'737	4'354	4'357
Total operating income	39'905	45'497	56'898	50'242	57'247
Total operating expenses	32'353	35'487	38'116	41'811	48'311
Total balance sheet	721'125	707'701	823'659	1'205'324	1'524'534
Total assets under management	**4'618'299**	**4'754'026**	**5'176'573**	**5'267'864**	**6'576'971**
Shareholders' equity	47'196	50'118	61'180	65'957	67'703
Number of employees (full-time equivalents)	95	103	109	121.8	133
Cost / income ratio	81%	78%	77%	83%	84%
Tier 1 ratio	23,8%	30,1%	30,6%	32,0%	28,2%

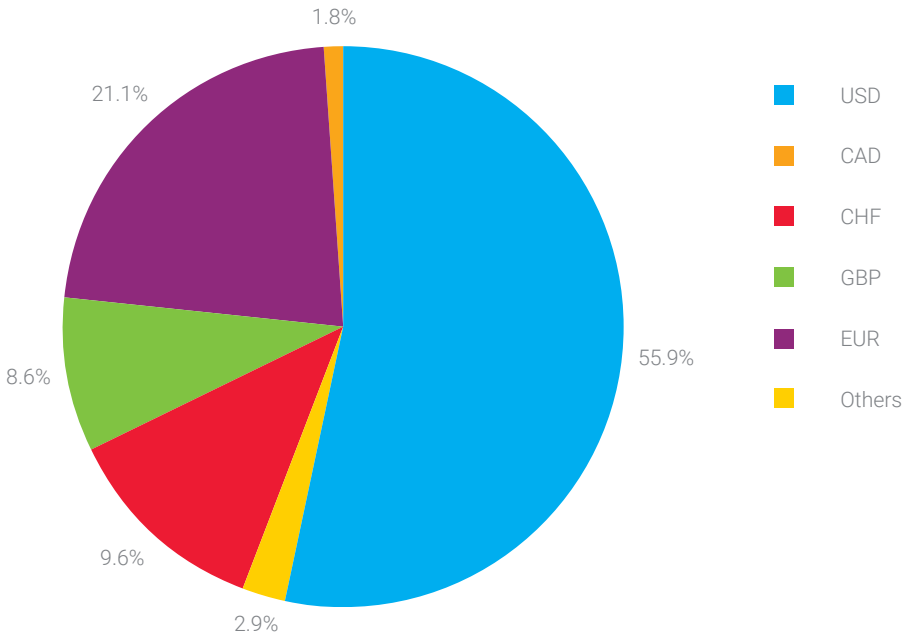
HYPOSWISS GROUP

Total consolidated client's assets at 31 December 2020: CHF 6.577 billion

Asset allocation as at 31.12.2021



Currency allocation as at 31.12.2021





ECONOMIC AND FINANCIAL OUTLOOK

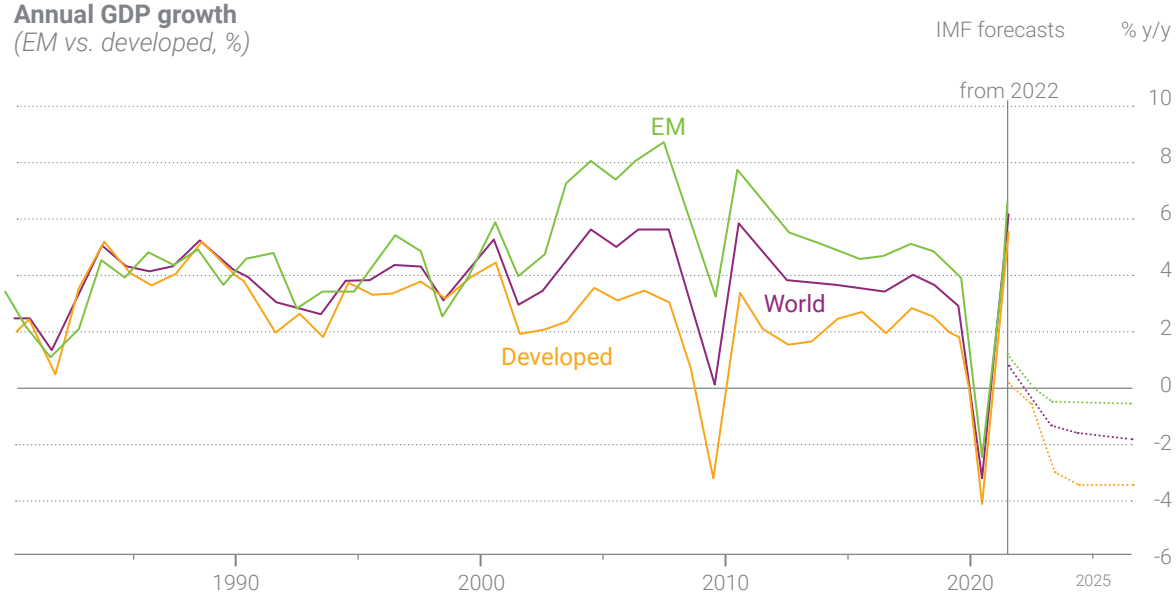
ECONOMIC AND FINANCIAL OUTLOOK

DEVELOPED AND EMERGING COUNTRIES' GROWTH FORECASTS

After contracting by over 3% in 2020 (and by 0.1% in 2019), global GDP rebounded sharply in 2021. Economic output was supported by the massive fiscal and monetary policy response in 2020 as well as higher vaccination rates, which allowed lockdown measures to be eased. In spite of occasional spikes in Covid-19 infection numbers owing to new variants, global GDP rose 6% in 2021 (compared with a previous high of 5.6% in 2007).

- The 2021 economic recovery came hand in hand with a sharp increase in inflation, which was driven by several factors. First, demand rose steeply on the back of supportive government policies. The higher demand was seen mainly for goods (demand for services fell each time a new variant circulated), and especially for computer equipment as many people worked from home. But the higher demand quickly ran into supply shortages, sending producer prices soaring. The second factor driving up inflation was a steep rise in commodity prices, above all the price of energy (mainly oil but also coal and natural gas).

Annual GDP growth
(EM vs. developed, %)



WORSENING ECONOMIC OUTLOOK DUE TO A MAJOR STAGFLATIONARY SHOCK

- Russia's invasion of Ukraine on 24 February 2022 delivered a major stagflationary shock to the global economy, and its effects were felt around the world through many vectors, including (in order of importance): (i) commodity prices; (ii) political uncertainty; (iii) financial transactions; and (iv) foreign trade. The first vector – higher commodity prices – added to the already strong inflationary pressure; consumer prices jumped by record amounts in the US and eurozone, and inflation expectations were up sharply.

- The recessionary nature of the upswing in inflation and the conflict in Ukraine is a challenge for central banks, which now have to walk a fine line between meeting their inflation targets and economic-growth targets. Most of them have opted to focus on inflation in light of the strong upward pressure on consumer prices, and are stepping up the pace of monetary policy normalization.

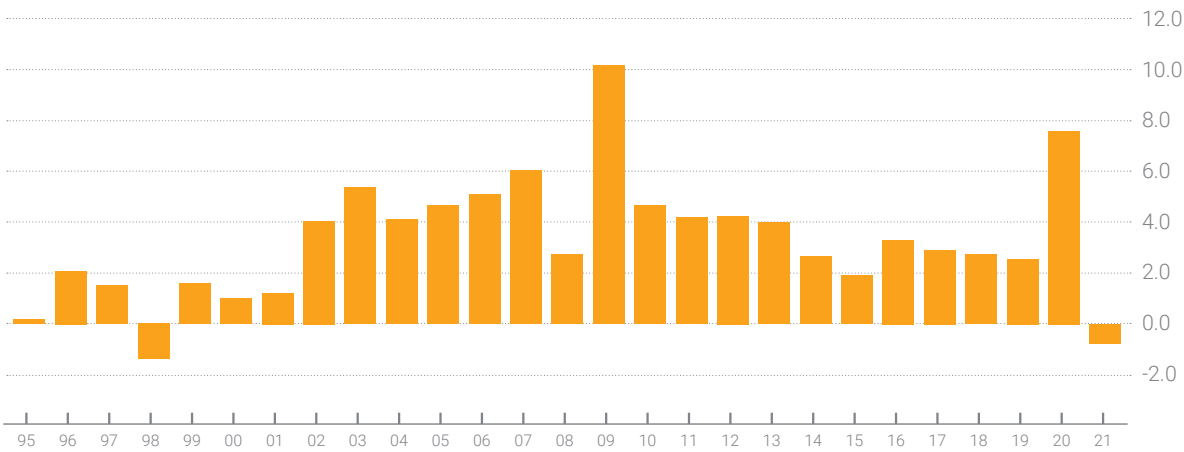
- At end-March 2022, most central banks around the world had lifted their policy rates to levels last seen 15 years ago.

- While we expect inflation to peak in Q2, it should ease only gradually, meaning monetary policymakers will continue on their tightening cycle. Investors are anticipating rate hikes of nearly 200 bp in the US and 80 bp in the eurozone by the end of the year. Central banks will have to be careful not to overreact to the current inflation readings, since the recessionary pressure looks set to increase.

- Global GDP growth should slow markedly in 2022 and 2023.

DEVELOPED AND EMERGING COUNTRIES' GROWTH FORECASTS

GROWTH GAP
(EM vs. developed, %)



Global inflation reached 5% at end-2021. This rate, coupled with a steep decline in excess capacity, prompted central banks to start normalizing their monetary policies – first in large emerging markets (such as Brazil and Russia) and then, starting in H2, in industrialized regions (the eurozone, the UK and the US). The net number of rate hikes (i.e., net of rate cuts) worldwide in 2021 was back to its 2019 level.

- Global GDP growth should slow in 2022 under the combined effect of rising consumer prices, the war in Ukraine and China's zero-Covid policy. For now, economic output is holding firm thanks to the lifting of most Covid restrictions – except in China – and to a recovery in the services industry. Around the world, corporate spending on jobs, capital goods and inventory is strong and finances are fairly solid in the private sector (households, companies and banks).

  Nevertheless, there are clouds on the horizon. The higher interest rates, increasingly strained fiscal budgets in most countries (except China), resurgent inflation, geopolitical uncertainty and the new wave of the pandemic in China could all handicap growth. In addition, with inflation well above target, central banks have no choice but to tighten monetary policy – or at least to send out hawkish signals – even though inflation will probably slow considerably in 2023.

The conflict in Ukraine looks set to last, and has even been intensifying with the US and Europe providing ever-more military support to Kyiv. The military aggression is fueling geopolitical uncertainty and leading governments to step up their sanctions, which have already had a negative impact on Europe through higher energy prices.

The conflict's effect on commodities has rippled through the global economy and has been particularly damaging for emerging countries, many of which are dependent on imports of foodstuffs (such as wheat and corn) and oil products. The prospect of stagflation has increased and made it harder for policymakers to steer their economies, since they are torn between supporting GDP growth and fighting inflation, especially in the eurozone and the UK. The inflationary pressure is causing a number of downside risks to the economy: it is affecting production chains (thereby shrinking companies' profit margins), bumping up the cost of living and leading to tighter lending conditions.

Advanced economies

Real GDP growth in %	2017	2018	2019	2020	2021
US	2.3	2.9	2.3	-3.4	5.7
Japan	1.7	0.6	-0.2	-4.5	1.7
UK	2.1	1.7	1.7	-9.4	7.5
Eurozone	2.8	1.8	1.6	-6.5	5.2
Germany	3.0	1.1	1.1	-4.9	2.9
France	2.4	1.8	1.8	-8.0	7
Italy	1.7	0.8	0.4	-9.0	6.5
Spain	3.0	2.3	2.1	-10.8	5
Switzerland	1.7	2.9	1.2	-2.5	3.7

Emerging economies

Real GDP growth in %	2017	2018	2019	2020	2021
China	6.9	6.7	6.0	2.4	8.0
India	6.1	7.3	4.5	-6.5	8.1
Brazil	1.6	1.7	1.2	-4.2	4.5
Mexico	2.3	2.2	-0.2	-8.4	5.0
Russia	1.8	2.6	1.8	-2.3	4.5
Turkey	7.5	3.0	0.9	1.8	11
Indonesia	5.1	5.2	5.0	-2.1	3.7
South Africa	1.0	1.5	0.1	-6.4	4.8

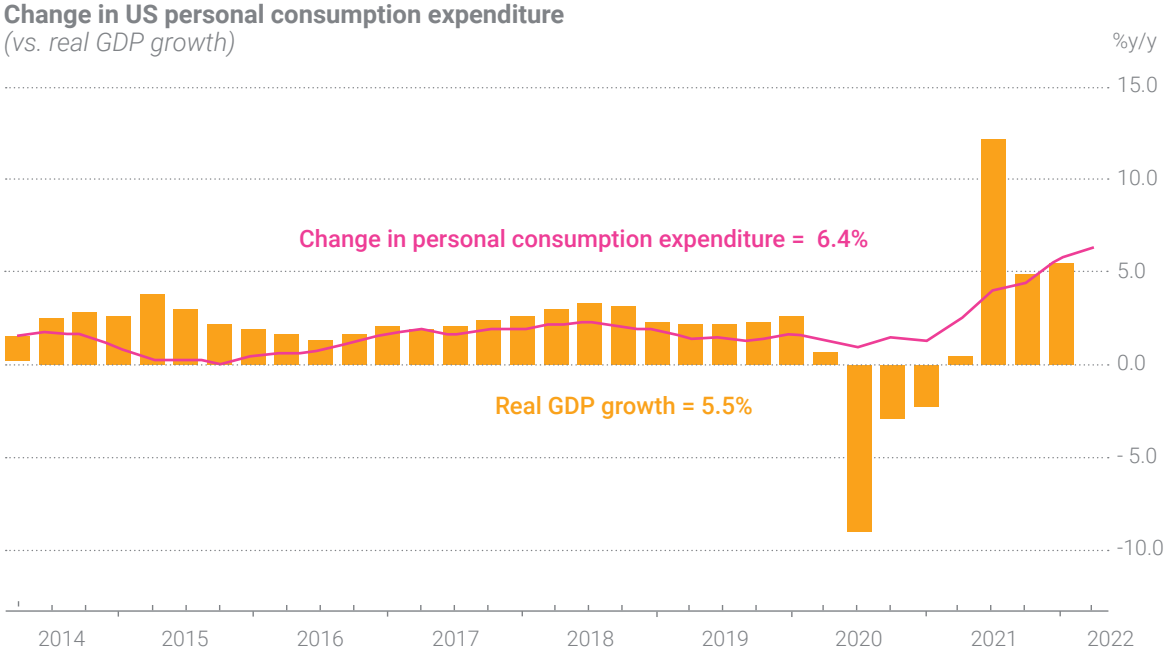
USA

The US economy grew by 5.7% in 2021, but this rate will likely slow in 2022.

- The US experienced robust GDP growth in H1 2021, chalking up a quarterly average of 6.5% on an annualized basis, thanks to an early vaccine rollout and the easing of lockdown measures. But in Q3, the growth rate fell to 2.3% on an annualized basis; this reflected a slowdown in the services industry, after the Delta variant caused a summer uptick in Covid-19 infections, and in manufacturing, as a result of bottlenecks and disruptions to global supply chains. However in Q4, GDP growth bounced back to around 6% on an annualized basis, fueled by consumer spending, capital expenditure and inventory restocking. For full-year 2021, GDP grew by 5.7%.

  Excess capacity was absorbed at a brisk pace throughout the year, especially in the job market. US unemployment tumbled from 14.7% in April 2020 to 3.9% at end-2021. This put upward pressure on wages, driving up inflation even further. In the end, consumer prices rose by 7% in 2021 – the fastest growth rate since 1982 – prompting the Fed to pick up the pace of policy normalization.

Change in US personal consumption expenditure
(vs. real GDP growth)



- In 2022, consumer spending should remain strong with good momentum in the services industry as lockdown measures continue to be lifted. However, GDP growth will likely slow this year as a result of a considerably less supportive policy mix; much of the fiscal largesse will be withdrawn in 2022, especially since the Biden administration failed to pass the Build Back Better plan and Congressional midterm elections are approaching. What's more, higher commodity prices are pushing up the cost of living and eroding households' purchasing power.

  We expect inflation to peak soon and then decline in H2 2022, although it will probably end the year still above the Fed's target. This means the central bank will have to speed the pace of policy normalization. This process began in March with a 25 bp rate hike and continued in May with a 50 bp one, and it will be followed by measures in early June to start reducing the size of the Fed's balance sheet. US GDP growth should come in at around 3.5% for full-year 2022.

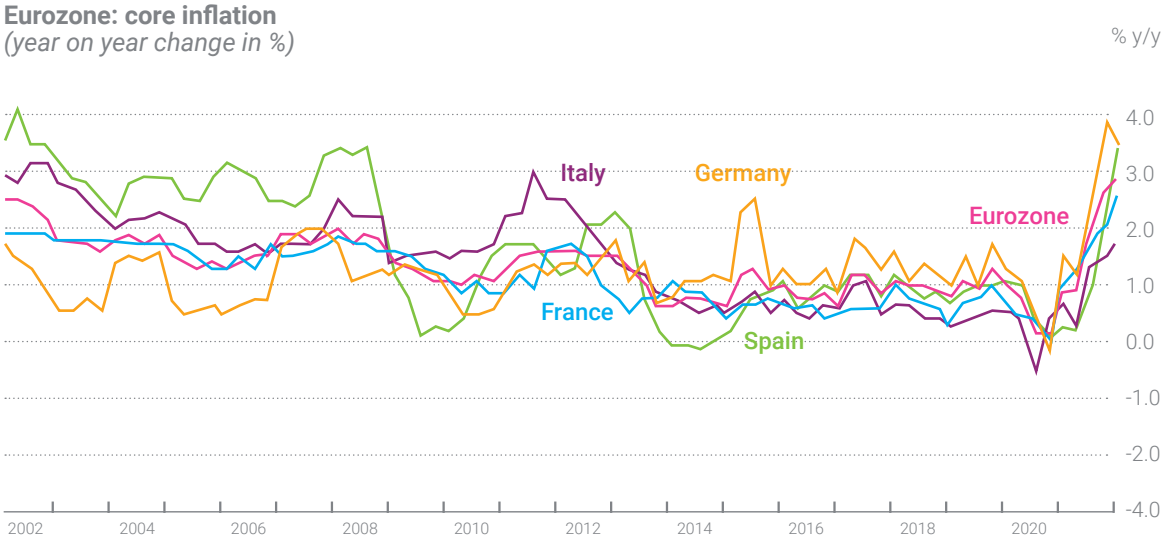
EUROZONE

Output in the eurozone expanded by 5.3% in 2021. This growth rate will probably cool in 2022.

- Eurozone GDP contracted in Q1 2021, largely because of a slow vaccine rollout. It then rebounded in Q2 and Q3, growing by over 9% on an annualized basis as lockdown measures were gradually lifted. But then in Q4, the Omicron variant put the brakes on economic activity. This was especially true in Germany, the currency bloc's largest economy and one of the countries (along with Austria and the Netherlands) that introduced the strictest restrictions since the pandemic began. Germany's economy is also heavily reliant on manufacturing, making it more exposed than its peers (particularly France) to the ongoing disruptions in global supply chains. These factors caused Germany's GDP to decline in Q4. Looking at the eurozone as a whole, output grew by 5.3% in 2021.

  Inflationary pressure is strong in the currency bloc, but the forces at work are different from those in the US, which is further along in the business cycle. The eurozone still has significant excess capacity, wages are up by a smaller amount (2.2%) and inflation expectations have been more modest. As a result, the ECB was been able to take a more gradual approach than the Fed in 2021, but that should change in 2022.

Eurozone: core inflation
(year on year change in %)



- The eurozone's economy was hampered in the early part of 2022 by the fresh Covid restrictions introduced in late 2021 and, more importantly, by the war in Ukraine. This region is the most exposed to the war's economic consequences because of its trade relations with – and energy dependence on – Russia.

- Looking ahead, the outlook for the eurozone economy has deteriorated, given the ongoing conflict in Ukraine (which is affecting sentiment and foreign trade), the conflict's impact on energy costs and the supply-chain challenges faced by many companies. Consumer spending has also been hit by inflation, at a time when wages are inching upward only slowly. And while the euro has depreciated considerably against the US dollar, the ECB has made a clear decision to fight inflation, which will be a further drag on the economy.

EMERGING COUNTRIES

Emerging countries had a volatile year in 2021, as they were affected more heavily by each wave of the pandemic. Output in these countries nevertheless grew by 6.8%, driven mainly by robust expansion in India and China. Growth should ease in 2022, however, on the back of a slowdown in China and tougher financial conditions caused by the shift in US monetary policy.

- Emerging countries were slow to vaccinate their residents and have not yet reached the immunization rates of developed countries. But people's movements increased considerably starting in the summer of 2021, especially in India and Brazil.

  China's economy rebounded sharply again in Q4 2021 and GDP growth came in at 8.1% for the full year, despite headwinds from tighter regulations and a slump in the real-estate market.

  GDP growth likewise bounced back in Brazil in Q4 after output contracted for two successive quarters; the economy expanded 4.6% in 2021 (vs. a 4% drop in 2020), notwithstanding the central bank's moves to normalize monetary policy in response to soaring inflation, which jumped from 4.5% in early 2021 to over 10% by the end of the year.

- In Russia, GDP contracted in the first quarter, rebounded in the second quarter, and then gradually stabilized in the second half, ending the year 4.7% higher (vs. 2.7% growth in 2020). Faced with an uptick in inflation from 4.9% to 8.4%, the central bank lifted its policy rate by 425 bp in 2021.

  India's economy expanded by 8.9% in 2021. The government introduced one of the strictest lockdowns worldwide when the Delta variant (initially known as the Indian variant) emerged, and the ensuing low inflation meant the central bank could maintain its accommodative monetary policy throughout the year.

  Emerging countries as a whole recorded GDP growth of 6.8% for full-year 2021.

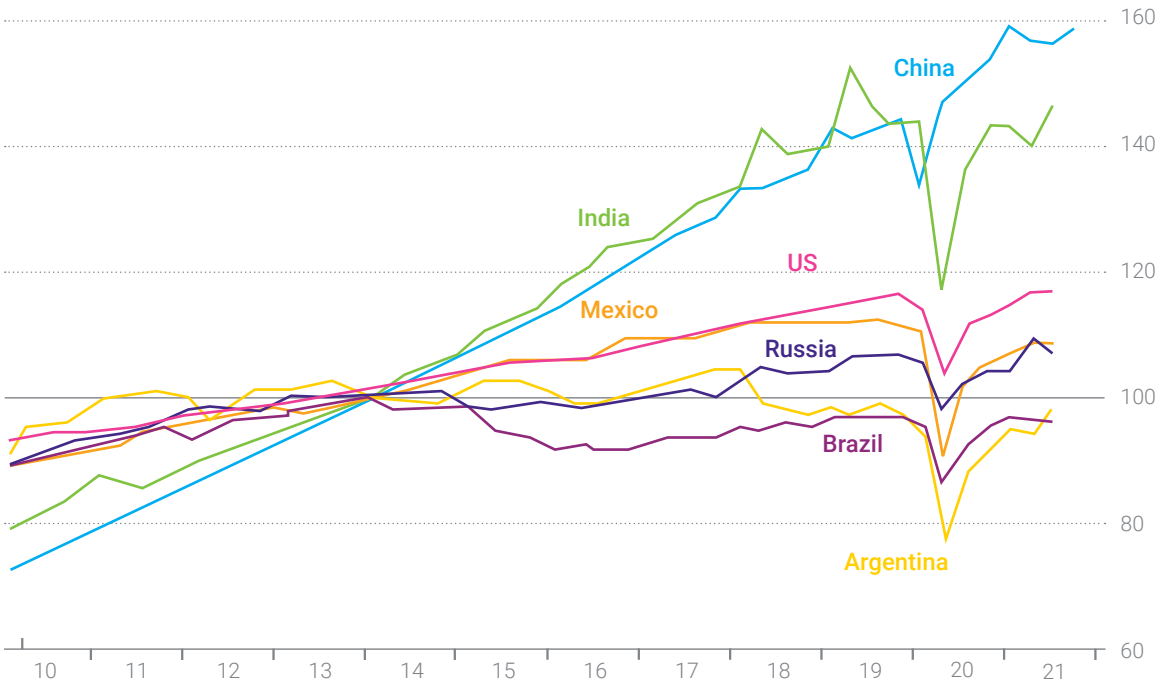
- Looking ahead to 2022, several factors could dampen output in emerging countries: fallout from the war in Ukraine, higher food and energy prices, tougher financial conditions caused by the Fed's more hawkish stance (which could trigger cash outflows from those countries) and the ability of those countries (mainly China) to manage upswings in Covid infection numbers.

The Omicron variant had a significant impact in China in H1 2022 owing to the impact of the government's zero-Covid policy on economic activity. Economic output should pick back up in H2 thanks to the government's stimulus measures, especially in the area of monetary policy – i.e., a decrease in banks' reserve requirement ratio and cuts to short-term interest rates – in the run-up to the 20th Congress of the Chinese Communist Party. However, we believe the government's GDP growth target of 5.5% for 2022 will be hard to reach.

Brazil's central bank is nearing the end of its policy normalization cycle, and the effects on GDP growth will be palpable. India's central bank will likely bump up its policy rate in response to the growing inflationary pressure. The country's GDP growth rate will slow but remain strong – and higher than China's.

- Beyond the pandemic and the war in Ukraine, the biggest risk for emerging countries will be the Fed's policy normalization, which will strengthen the dollar and tighten financial conditions. That said, these countries' finances and macro fundamentals are healthier now than they were in 2014–2015, meaning they are better positioned to absorb the shock. We could reasonably expect GDP growth of around 4.5% in emerging countries in 2022.

Real GDP: EM vs US
(base of 100 at 1 January 2014)



SWITZERLAND

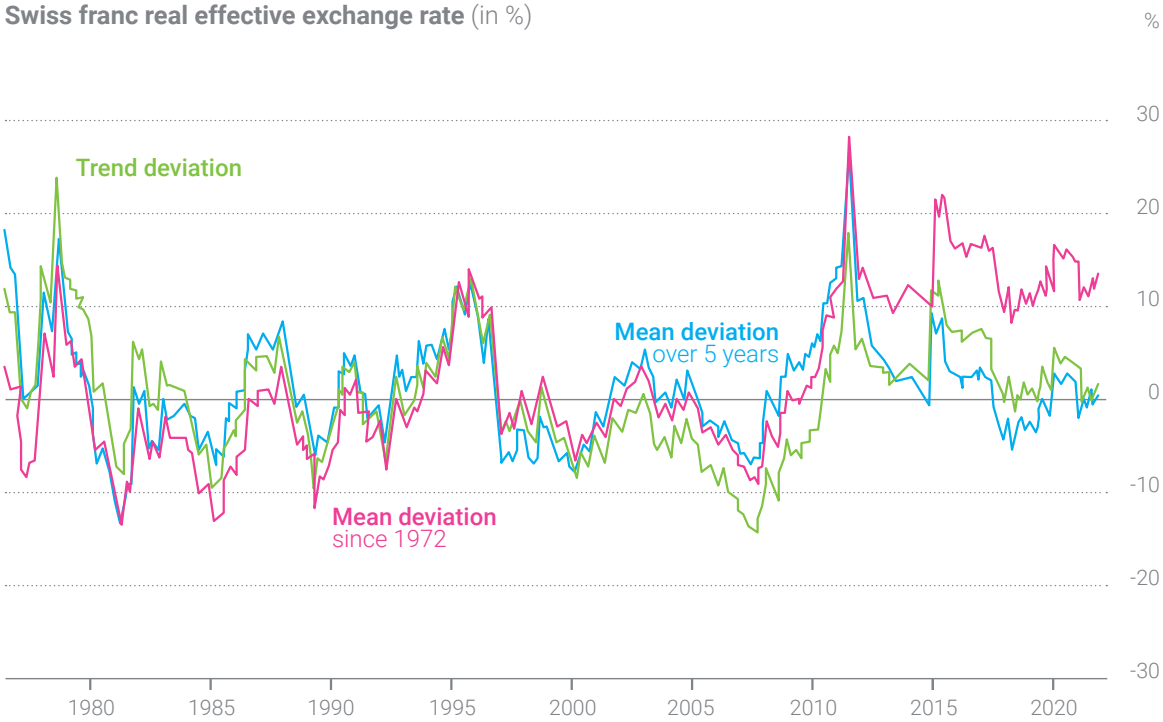
Switzerland returned to pre-pandemic GDP growth rates in mid-2021, with its economy expanding by nearly 3.7% over the full year. Output levels should start to normalize in 2022, but the growth rate will remain above potential.

- Swiss GDP contracted in 2020, although by less than the country's developed world peers. While output was down 2.5% in Switzerland, it shrank by 3.4% in the US and 6.4% in the eurozone. However, Switzerland's economy rebounded sharply in 2021 thanks to: (i) the lifting of restrictions on people's movements starting in the spring; (ii) government stimulus measures (which amounted to around 2% of GDP); and (iii) accommodative monetary policies, with a policy rate unchanged at –0.75%, the introduction of a central-bank refinancing facility, and interventions on the currency market to limit the rise in the Swiss franc.

- By H2 2021, Swiss GDP had returned to 2019 levels. The economy grew 3.7% for the full year despite an uptick in Covid infection numbers in December, owing to robust domestic demand (as reflected in consumer spending and capital expenditure).

- Looking ahead to 2022, Swiss manufacturers will likely come under pressure from the ongoing supply-chain bottlenecks, rising energy prices (although Switzerland is better positioned than its European neighbors), a slowing global economy and a strong Swiss franc. We expect GDP to grow by around 3% for full-year 2022, which is higher than the potential rate (estimated at 1.5% to 1.7%). This stands to drive inflation up further, which already swung from –0.7% in 2020 to around 0.6% in 2021.

Swiss franc real effective exchange rate (in %)



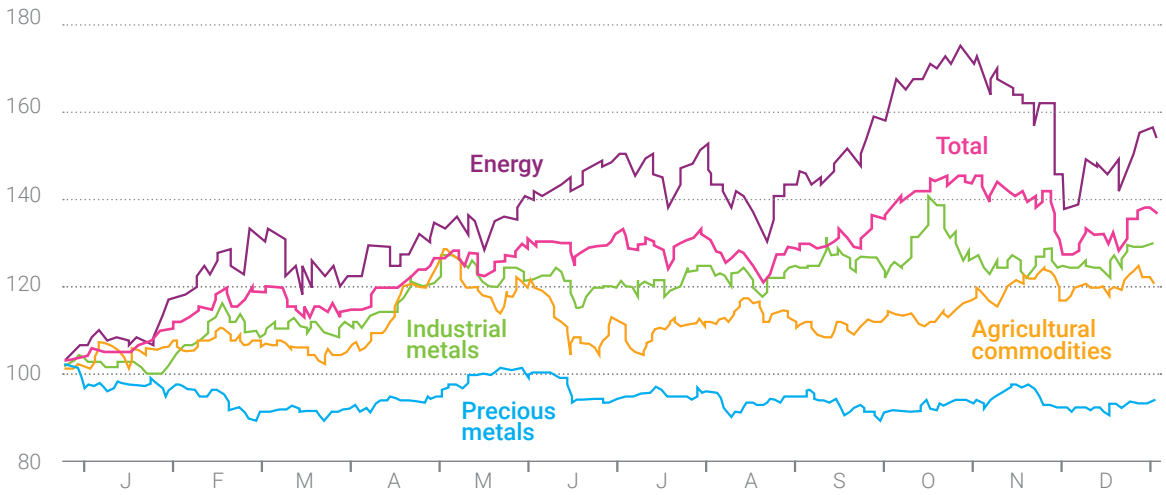
COMMODITIES

Oil prices shot up and gold edged downward in 2021. The outlook for oil is the brighter of the two, although the scope for a further rise in real interest rates – a determining factor in gold prices – appears more limited.

- The GSCI index jumped 37% (in USD) in 2021 as the global economy accelerated, despite a sharp 3.3% appreciation in the dollar (based on the effective exchange rate). The climb in the index is due primarily to lofty energy prices, but all of its other components gained ground too – except for precious metals, which ended the year down slightly.

- After dropping by 20% in 2020, energy bounced back and climbed 53% in 2021, making it the index's best performer. The rise in energy prices can be attributed to the lifting of lockdown measures and a recovery in economic output – both of which underpinned the cost of oil – as well as a steep climb in coal prices after China cut production in the summer (only to bring it back dramatically at year-end). The natural gas market also came under upward pressure, especially in Europe where reserves were much lower than usual due to paltry (and geopolitically influenced) supplies from Russia.

Commodity prices
(S&P GSCI spot index in USD - base of 100 at 1 January 2019)



The prices of industrial metals rose 30% in 2021 (compared with a 19% increase in 2020), owing to the improved global economy. The twin rebound in industrial metals and oil illustrates the shock to both demand and risk appetite that occurred in 2021. And industrial metals prices would probably have risen further if it were not for the slump in China's property market.

- Agricultural commodities were up for the second year in a row, gaining over 20%.

- In 2022, commodities should have another positive year, albeit a more mixed one. We cannot be sure of how energy demand will play out in the near term, given the war in Ukraine and the spread of the Omicron variant, but the negative supply shock should buoy prices. We also feel there is much less scope for the US dollar to strengthen further.

OIL

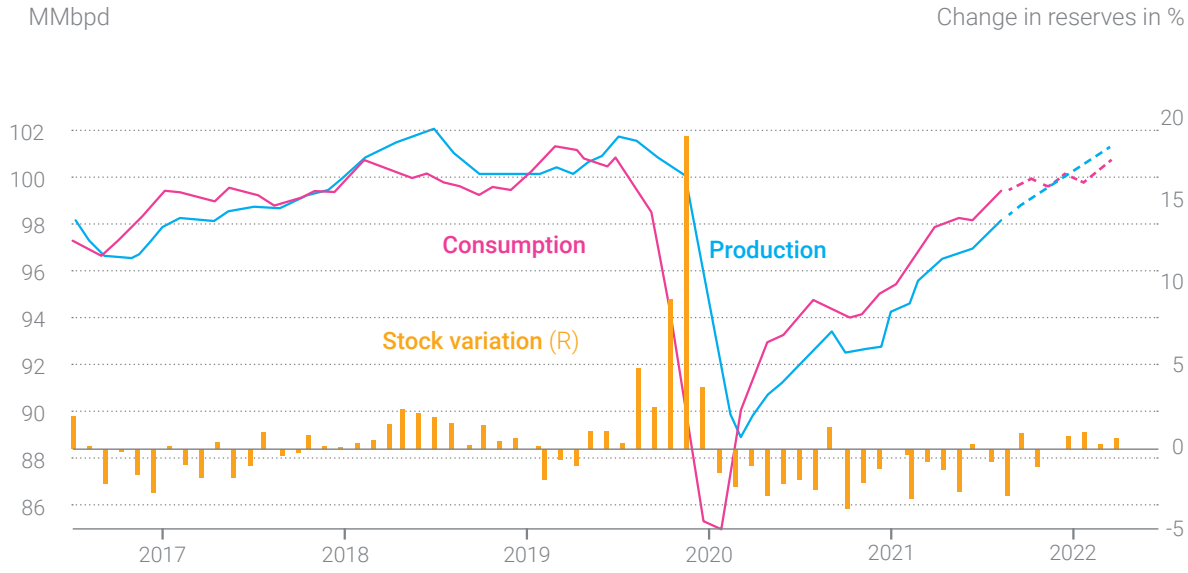
Oil prices recovered sharply in 2021 after falling by 20% in 2020. The outlook is for prices to remain high, in light of the chronic underinvestment in capacity since 2015.

- Brent crude bottomed out at USD 20 per barrel in 2020 (its lowest level since 2001), largely because of the lockdown that affected some 40% of the world's population at its peak. Since then, demand has picked up considerably as people were able to move around again more freely and international trade picked up. At the same time, OPEC has taken a conservative attitude to normalizing output, ramping up production by just 400,000 barrels/day each month. In the US as well, exploration and production activity only picked up slowly in 2021. The number of active rigs is barely higher and now sits at nearly 50% below the 2018 figure (but "only" 15% below after factoring in productivity gains). US shale oil production was nearly flat in H1 but rose by 5% in H2; it is still more than 10% below its late-2019 peak.

- The price of Brent should remain elevated in 2022 due to the war in Ukraine and supply constraints. The positive roll yield (owing to backwardation) is still beneficial to carry strategies.

FULL-YEAR CHANGE IN %	2017	2018	2019	2020	2021
Commodities (ex-energy)	9.2	-6.4	6.2	16.1	19.8
Brent crude (USD/bbl)	17.7	-19.5	22.7	-21.5	50.2
Global trade	5.6	3.9	0.9	-8.2	9.3

Global oil production and consumption, and change in reserves
MMbpd on a sliding 3-month basis (dotted line shows IEA forecasts)



- Factors that could weigh on oil production in 2022 include the chronic underinvestment in capacity for more than five years and the increasing number of climate initiatives worldwide. The latter trend was underscored at COP26, with pledges to end cross-border public spending on fossil fuels.

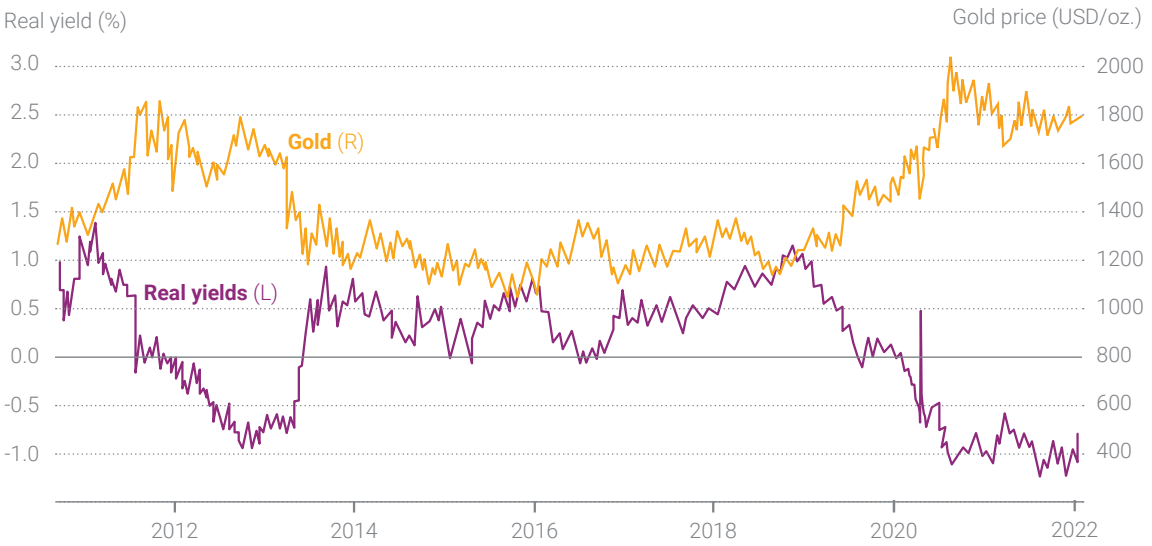
GOLD

The price of gold slid 4% in 2021 as real interest rates stabilized and investors rediscovered their risk appetite. Movements in 2022 will likely be moderate, even though any further upward pressure on real interest rates should be limited.

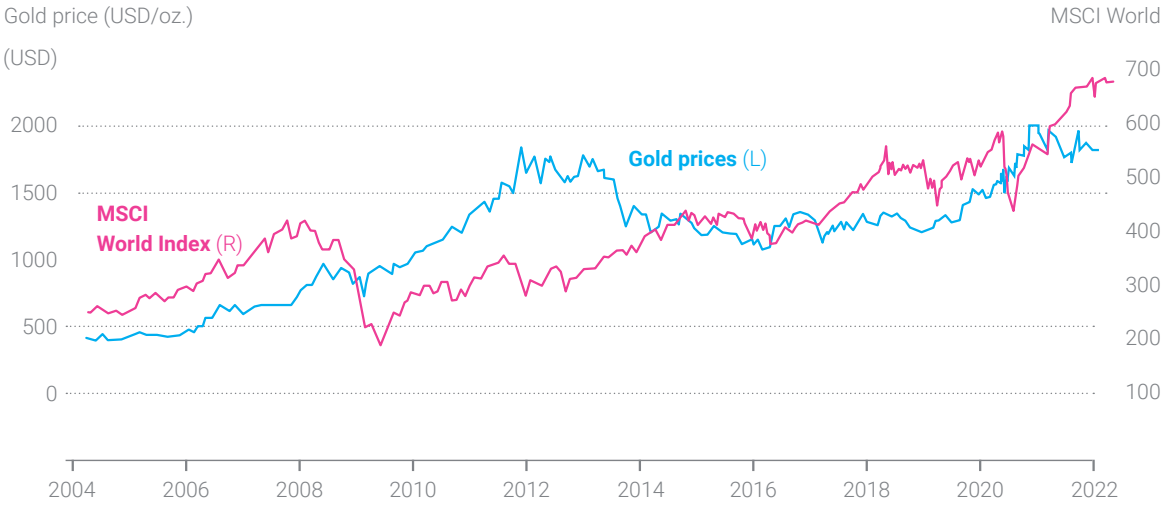
- After gaining over 70% between September 2018 and August 2020, the price of gold lost momentum in 2021, shedding nearly 4% (vs. a 25% increase in 2020). This decline was somewhat disappointing given the pandemic-related uncertainty and then the steep rise in inflation. The decline in gold can be attributed to shifts in a number of factors: (i) uncertainty has decreased overall thanks to vaccine rollouts and a clear uptick in risk appetite; (ii) real interest rates in the US have stabilized; and (iii) the US dollar appreciated by 3.3% (based on the effective exchange rate), after dropping 11% between March and December 2020.

- Gold will still be an attractive investment in 2022 for portfolio diversification and for protection in this difficult climate (war in Ukraine and concerns about stagflation). However, monetary-policy normalization (i.e., higher real interest rates) will put downward pressure on gold prices, as will weak demand from emerging countries in the near term (even though production has been flat for two years) since their economies are set to slow in 2022. Investors' positioning in gold does not seem to be particularly low. Looking further out, demand from central banks (except Russia's) should decrease since their gold reserves are now back to where they were in 1992–1993.

Gold prices and real US yields
(USD per ounce; yield as %)



Gold prices and the MSCI World Index
(in USD)

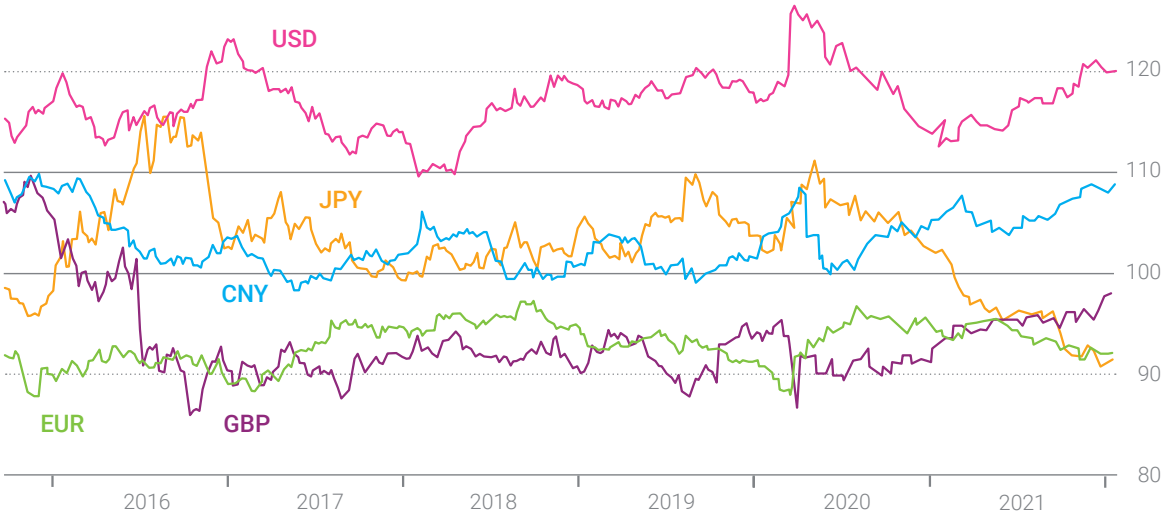


FOREX MARKETS

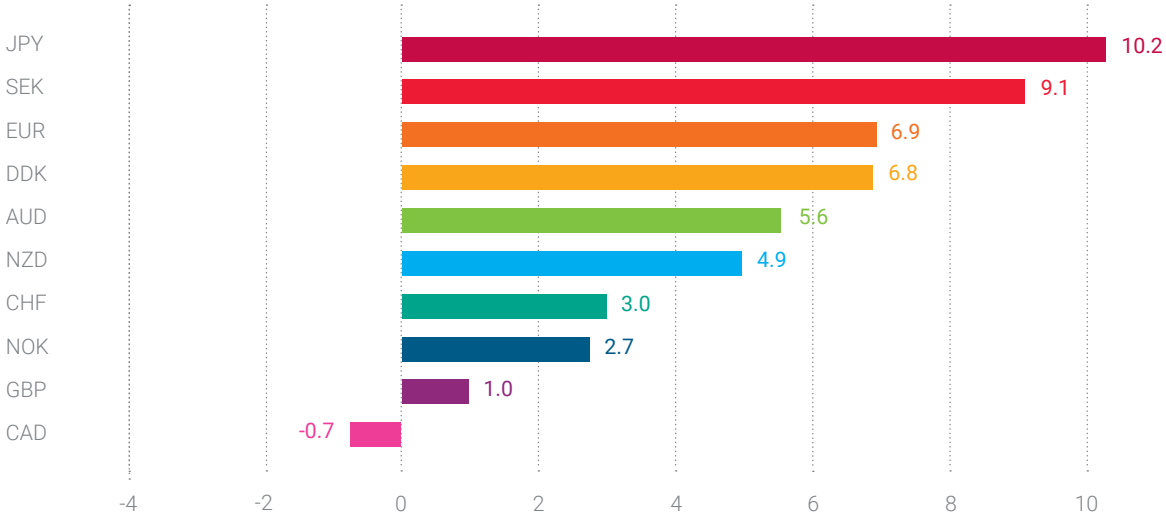
The euro's effective exchange rate fell 3.5% in 2021, but the outlook for 2022 is more balanced.

- After peaking at USD 1.23 in January 2021, its highest level since 2018 (compared with an all-time high of USD 1.60 in 2008), the euro ended up losing 7% against the dollar for the full year (vs. +9% in 2020). This decline reflects a number of specific factors – such as the pandemic, economic output and the effects of monetary policy on the real interest-rate spread – as well as the strength of the greenback. Among the G10 countries, only Canada saw its currency appreciate against the US dollar, albeit by just 0.70%. And in emerging markets, only the Chinese yuan gained ground on the dollar (+2.5%). The Brazilian real dropped 7%, while the Turkish lira plunged 44% as the central bank's monetary policy was out of step with the country's runaway inflation. The Russian ruble was largely unchanged over the year and the Indian rupee dipped 1.7%. Based on real effective exchange rates, in 2021 the euro lost 3.5%, the US dollar and British pound gained 6%, the yuan rose 5%, the Swiss franc dropped 1.3%, and the yen gave up 11%.

Real exchange rates
(base 100 = 1 January 2000)



Main currencies against USD in 2020 (%)



- In 2022, macro fundamentals should be favorable to the US dollar in relative terms. The US is better positioned to manage the shock caused by the war in Ukraine and has less exposure (both direct and indirect) to foreign energy supplies than in the 1970s thanks to much higher domestic production. However, these macro tailwinds will likely die down in the face of higher commodity prices, rising US interest rates and tighter financial conditions. The US dollar is unlikely to rise much higher, and the scope for the euro to decline further against the greenback is much more limited.

- When it comes to gauging a currency's medium - to long-term performance, a key factor is how over- or under-valued it is. From this perspective, the US dollar seems fairly expensive by several metrics, including the behavioral equilibrium exchange rate. Based on this rate, the dollar is 10% overvalued, the euro is neutral and the Swiss franc is around 20% overvalued. The US is running a large trade deficit that has gotten worse over the years (reaching 67% of GDP), whereas the eurozone's trade deficit has improved (to 5% of GDP). This indicates that in the longer term, the dollar should stabilize at a lower equilibrium rate to maintain a healthy trade balance.

CENTRAL BANKS

Central banks began normalizing their monetary policies in 2021 in response to rising inflation. The pace of this tightening will speed up in 2022.

- Central banks embarked on a normalization cycle in 2021, as excess capacity was absorbed and the output gap (the difference between actual and potential GDP) narrowed. Those in emerging countries were the first to take action, which they did in H1 – particularly in Brazil and Russia with rate hikes of 725 bp and 425 bp, respectively. Central banks in the developed world followed in H2, initially by announcing they would taper their asset purchase programs; the ECB said it would end its program in March 2022 and the Fed in June 2022. But their discourse became more hawkish throughout 2021 as inflation kept marching upward. By year-end, the net number of rate hikes (i.e., net of rate cuts) worldwide was back at its 2019 level.

- As inflation gains traction, central banks will have no choice in 2022 but to act strongly and swiftly to prevent a wage-price spiral from taking hold. That means interest rates will go up. The overall trend in monetary policy (higher short-term interest rates and shrinking central-bank balance sheets) seems more restrictive today than in 2018. But it is worth bearing in mind that the ECB and the Fed each have a different stance, as discussed below.

- **The ECB has adopted a more hawkish tone and will probably carry out a first rate hike in 2022.**

  Eurozone inflation was high again in April 2022 (7.5% year over year) with core inflation picking up in particular (3.5% year over year, versus 2.9% in March). Median inflation across the eurozone was over 4%, indicating the price appreciation was widespread. The five-year, five-year forward inflation expectation rate (as derived from swaps) was up by a sharp 20 bp to 2.4%, marking a ten-year high. That will not be reassuring to the ECB, which is already concerned about inflation expectations becoming unmoored.

  At the ECB's April meeting, President Lagarde stressed the inflationary nature of the war in Ukraine (upside risk), with the war's recessionary potential being viewed as secondary. It thus appears she will begin tightening monetary policy much sooner than markets expected. The ECB's asset purchase program will likely end in Q3, and possibly at the start of that quarter, although the various Board members have not provided clarity on the timing of rate hikes. More specifically, they have not done much to dispel the expectations factored into market prices, which imply an over 80% chance of a hike in July and a total of three hikes by the end of the year.

- **The Fed will maintain its tightening across the board**

The Fed still believes that the US economy is solid and has a healthy job market, even though some risks to economic expansion remain (related mainly to labor shortages). Apart from a disappointing increase in the labor force participation rate, the job market overall returned to normal quickly.

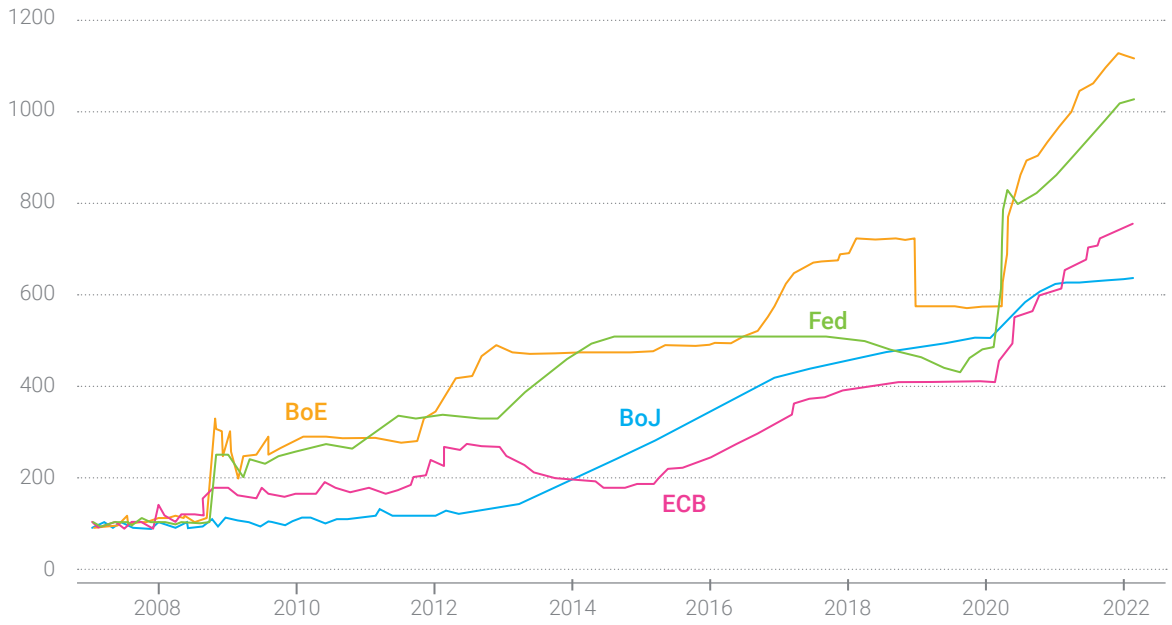
The Fed clearly believes that the US economy has the capacity to absorb the shock from the war in Ukraine. However, this shock is feeding inflationary pressure and compounding the effects of China's lockdown and the ensuing disruption to supply chains.

US inflation as measured by the Fed's preferred metric – the personal consumption expenditures price index – stood at over 5% year over year at end-2021, which is a red flag for the US central bank.

What's more, this metric should fall only gradually in the coming months due to the sticky nature of inflation, especially in rents and wages.

The Fed therefore (and unsurprisingly) lifted its policy rate by 50 bp at the FOMC meeting in May, on the heels of an initial 25 bp hike in March, and implied that policy tightening would continue at possibly the same pace at subsequent FOMC meetings. This would push the fed funds rate above its neutral rate by end-2023.

Fed, ECB, BoE and BoJ balance sheets
(base 100 = 1 January 2007)



The Fed also announced it would begin a round of quantitative tightening on 1 June 2022. The pace of this tightening will be considerably faster than in 2018 but somewhat slower than market expectations. The Fed's balance sheet should therefore shrink back to pretty much normal by end-2024, when it will amount to less than 25% of the country's GDP – versus 36% in early 2022 and 20% in early 2020.

The US central bank will also quickly lower the amount of maturing principal payments (from assets purchased under QE) that it reinvests. It introduced monthly caps above which payments would be reinvested; these caps were lifted after three months to USD 60 billion for Treasuries and USD 35 billion for mortgage-backed securities. These caps are much higher than those introduced during its previous tapering round in 2018 (USD 30 billion for Treasuries and USD 20 billion for mortgage-backed securities).

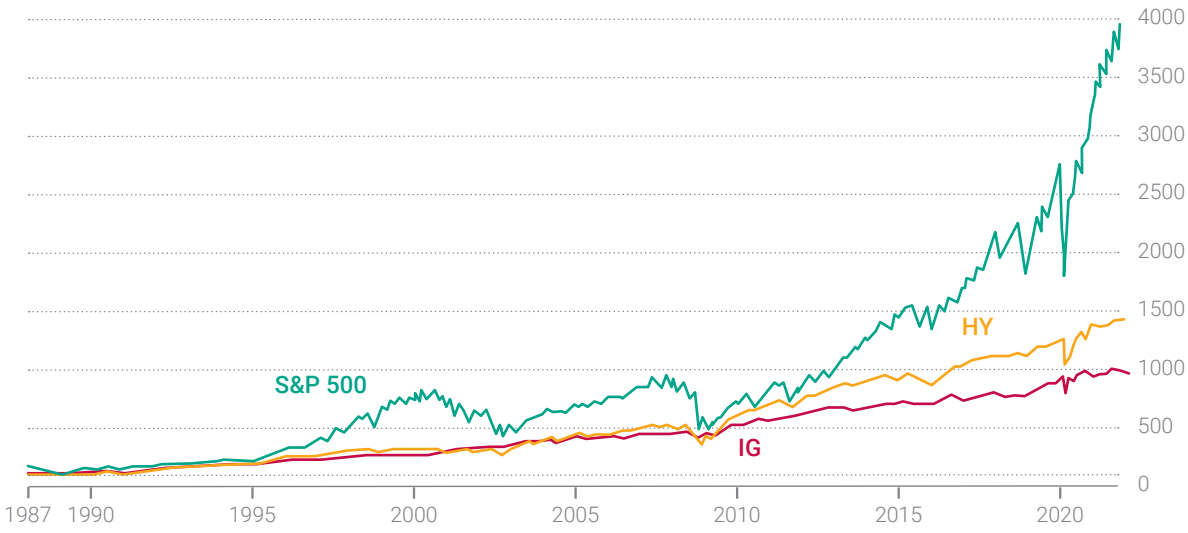
In general, the Fed will likely be pragmatic and ramp up its monetary tightening rapidly in response to any increase in inflationary risk. That is why the drop in productivity in Q1 2022 and the uptick in unit costs are cause for particular vigilance.

BOND MARKETS

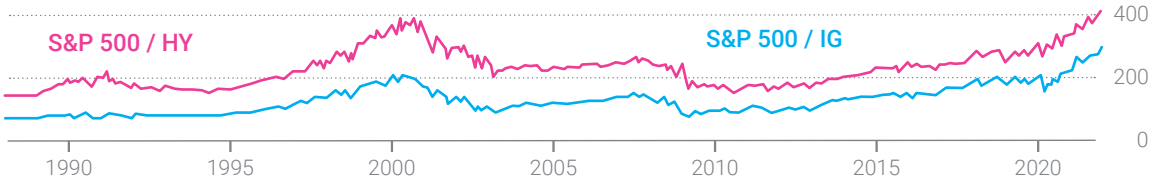
Sovereign bond yields rose in the US and eurozone in 2021. The risk will be less asymmetrical in 2022. Given the current inflation fear, central banks will be forced to tighten monetary policy. This might lead the 10Y US Treasury's yield to potentially break out the 3% threshold in 2022.

- **Sovereign bond market.** We can point to three distinct phases in the movements of 10-year yields in 2021. First, they rose sharply (by around 70 bp) between January and April for T-Notes (which reached a full-year peak of 1.74%) and between January and May for French government bonds (which reached a full-year peak of 0.30%), as the movement of people resumed. Next, they plunged by around 55 bp under the effects of the Delta variant. And finally, starting in July and until year-end, they rose gradually on the back of inflationary pressure and more hawkish comments from central banks. Long-term yields rose by over 55 bp in the US to close the year at 1.51% and by a similar amount in France to close at 0.20% (in comparison, in 2020 these yields fell 100 bp in the US and 50 bp in France). In real terms, 10-year yields were largely unchanged in the US (down 1 bp) but substantially lower in France (by 26 bp). There was also marked divergence in the short-term (2-year) segment of the yield curve: these yields were 61 bp higher in the US but only 3 bp higher in France, reflecting expectations of a much more moderate policy stance from the ECB.

USA
Bond and equity performance

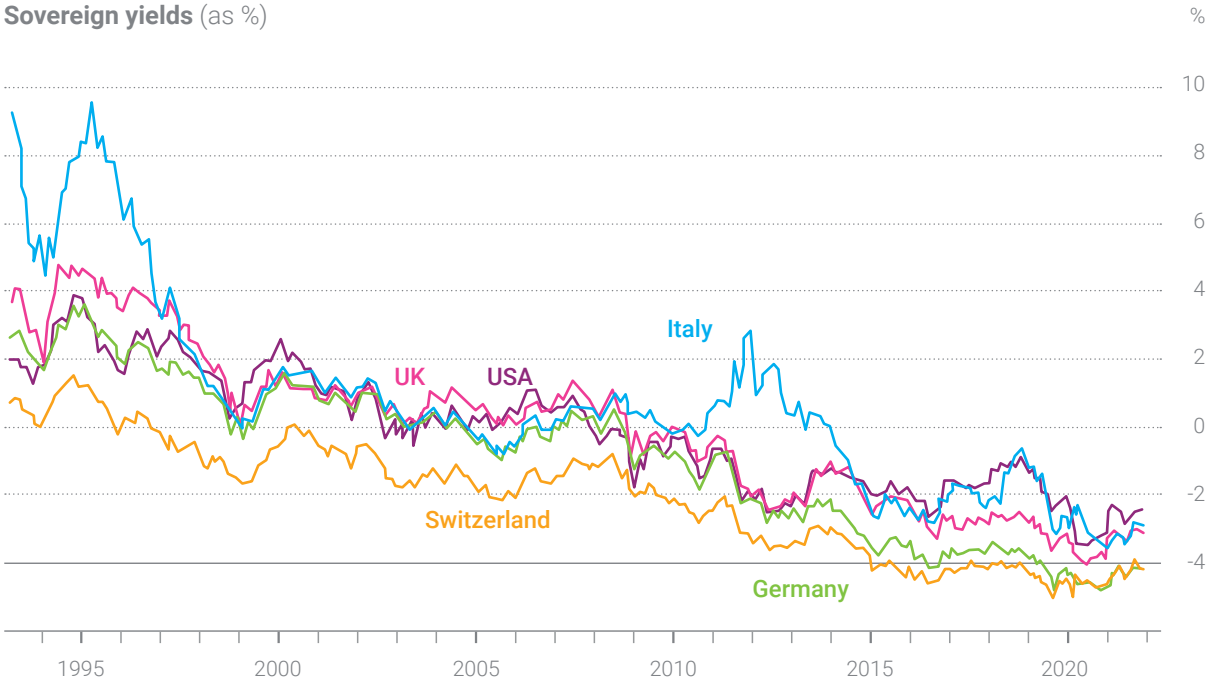


Relative performance



- **Peripheral debt market.** The spread between US Treasuries and Bunds widened 20 bp in 2021 (after narrowing by 65 bp in 2020), largely because the US is further along in the business cycle. The spread currently stands at 169 bp, some 10% above its 10-year average. The spreads on Italian and Spanish bonds versus French ones widened in H2 2021 as the ECB shifted its stance and uncertainty grew about the transition from the PEPP to the APP (see above). Those factors helped tighten financial conditions in the eurozone. The spread on Spanish bonds ended the year mostly flat (down 2 bp, vs. a 9 bp rise in 2020), while that on Italian bonds – after narrowing under the "Draghi effect" – subsequently widened to end the year up 9 bp (vs. a 41 bp fall in 2020). This also reflects the ECB's gradual approach to policy change.

Sovereign yields (as %)

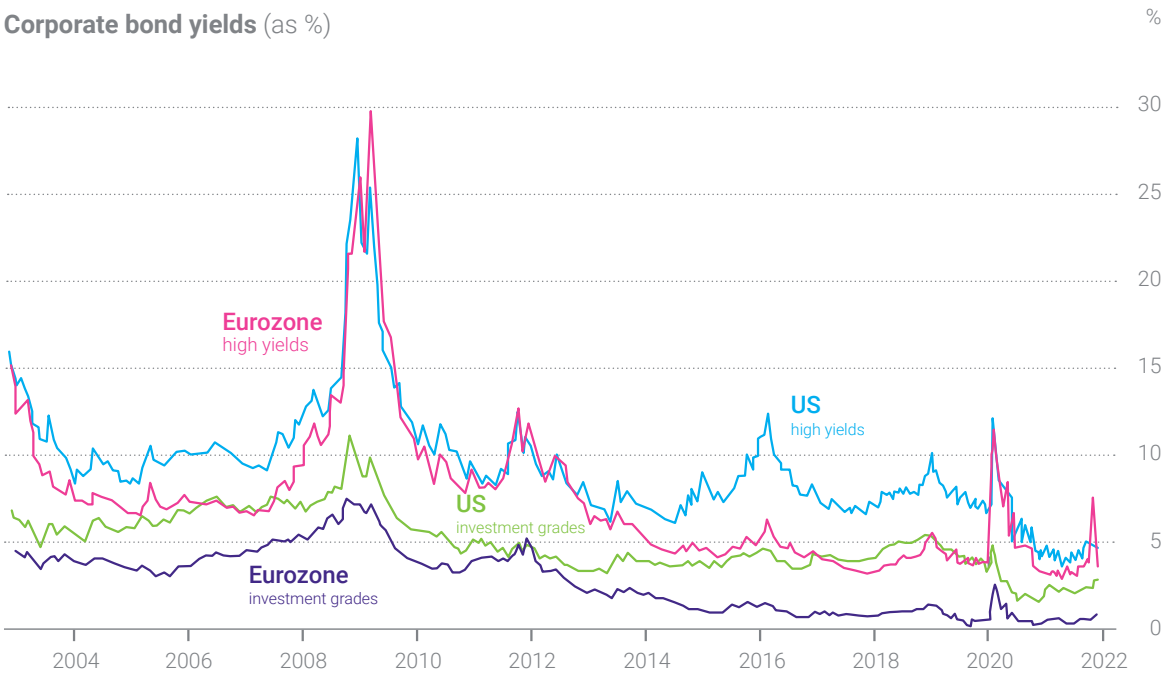


- **Corporate bond market.** The default rate fell significantly starting in mid-2021 to reach 0.7% in Europe at end-November (vs. a high of 3.4% in February), thanks to government stimulus programs and a rebound in economic output. However, the performance of corporate bonds was not the same in the investment-grade and high-yield segments. Credit spreads began to narrow in 2020 on expectations of an upcoming economic recovery, while risk appetite remained generally strong and sovereign-bond yields rose. As a result, investment-grade issues – which are more closely linked to sovereign-bond movements than high-yield ones are (since investment-grade debt is less able to absorb changes in spreads) – underperformed and ended 2021 in slightly negative territory (in EUR, coupons reinvested). On the other hand, high-yield bonds gained some 3%. US corporate bonds (in EUR) performed particularly well in both the investment-grade and high-yield segments (with high-yield bonds adding 12%), driven largely by the appreciation in the dollar against the euro.

In 2022, the probability of long-term yields rising further looks low, in light of the substantial repricing that took place at the start of the year (the steepest decline in bond prices since 1994).

Macro trends point to a deceleration in economic growth worldwide, under the combined effect of tighter fiscal policies, headwinds in the credit market and stretched commodity prices. We are already seeing this moderation in PMI readings

Corporate bond yields (as %)



Inflation expectations should stabilize, albeit at a high level, and real interest rates are already up sharply.

Investors now seem to have a negative outlook on sovereign bonds. The weighting of fixed income in many portfolios is low (0.9 standard deviation below average, whereas it was one standard deviation above average in early 2020). Speculative positions are now anticipating the highest rise in yields since end-2018.

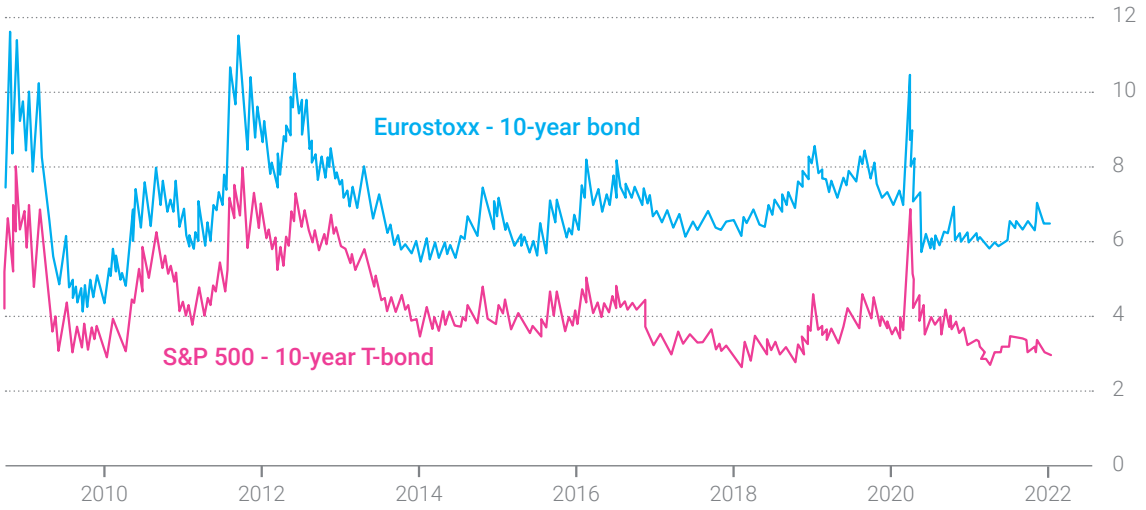
Spreads on corporate bonds have already widened significantly in both the investment-grade and high-yield segments. But a cautious stance is called for given the growing uncertainty and increased volatility in this asset class. That said, the risk-return profile on corporate bonds could once again become attractive in the coming months.

STOCK MARKETS

Stock markets, buoyed by healthy risk appetite and robust earnings growth, posted sound gains in 2021. But that trend may not continue in 2022.

- Risk assets performed quite well in 2021 in spite of the pandemic, due in large part to strong risk appetite and buoyant corporate earnings.
- The MSCI World Index rose 28% over the year (in EUR, dividends reinvested). Stocks in the developed world gained 31%, outperforming those in emerging markets, which added 5%. Among industrialized nations, the US once again stood out with an over 38% rally in the S&P 500. France's CAC 40 climbed 29%; the Euro Stoxx 50 moved 21%; and the Nikkei edged up a little over 1%. Among emerging markets, some including India and Russia had an excellent year (gaining 36% and 29%, respectively), while others like China (the worst performer) and Brazil fared less well (shedding 16% and 11%, respectively).

US/eurozone risk premium
Stock vs bond yields (as %)

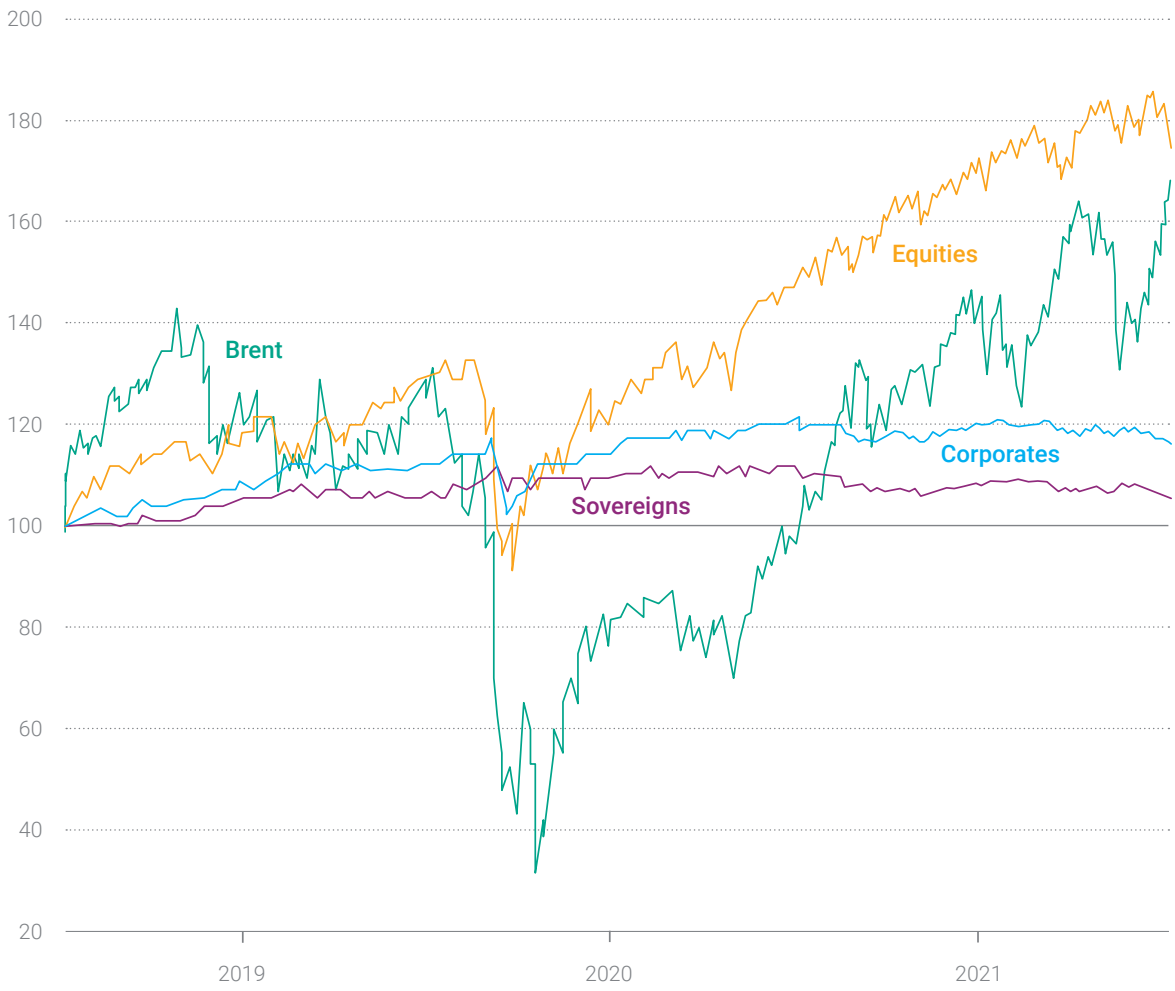


Here it is useful to look at the breakdown of trends in global stocks. Much of the increase can be attributed to EPS forecasts (EPS were up 24% in USD) while the forward 12-month P/E ratio was down 6%. Earnings expectations were revised upward continuously throughout 2021 in both the US and eurozone. They climbed 50% in the US (vs. a 15% decline in 2020) and 71% in the eurozone (vs. a 3% decline in 2020).

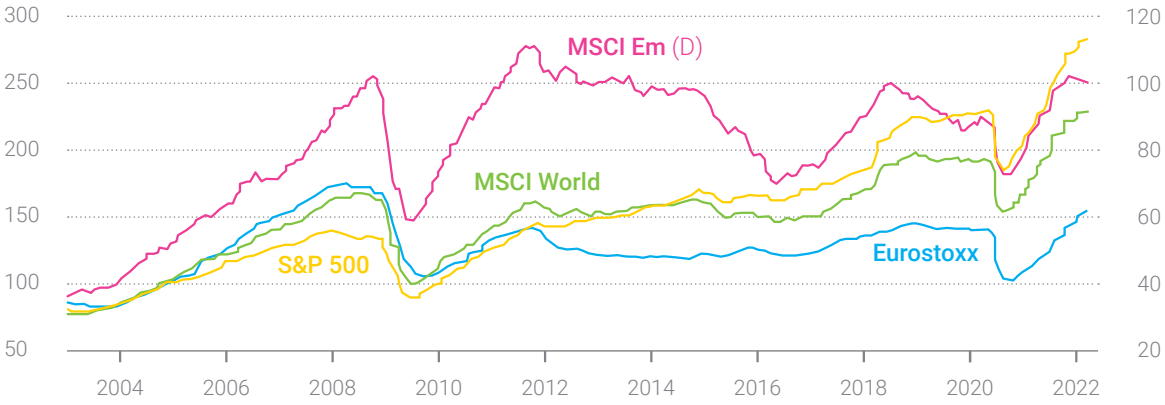
The forward 12-month P/E ratio moved lower in all regions in 2021, but especially in Europe (down 13%), emerging markets (down 19%) and the US (down 5%).

The 2022 outlook for stock markets is choppy. They have experienced high volatility so far this year and trended downward, as worries about stagflation (owing to developments in China and Ukraine) are putting heavy pressure on valuation ratios. At the same time, analysts have started lowering their earnings forecasts since revenue growth is slowing and profit margins are being squeezed by higher interest rates, labor costs, commodity prices and prices of intermediate goods.

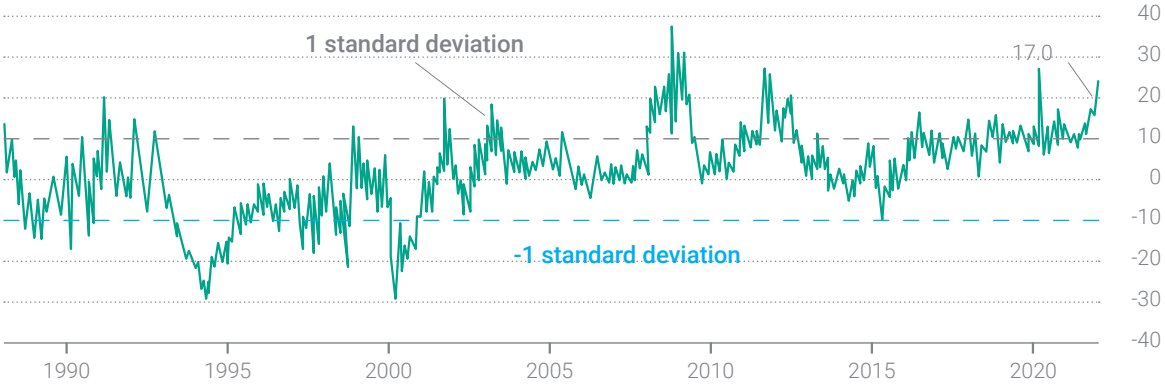
World – major asset classes
(in local currency, base 100 = 1 January 2019)



EPS: S&P 500, Eurostoxx, MSCI World and EM
in USD except Eurostoxx (in EUR) – (12-month forecasts)



P/E ratios: USA vs. eurozone
Standard deviation since 1987 (as %) – (12-month forecasts)



STOCK-MARKET INDICES

IF RATE-HIKE EXPECTATIONS AND THE REPRICING IN FIXED-INCOME MARKETS COME TO AN END, EPS FORECASTS WILL LIKELY BE REVISED DOWNWARD

- Stock-market indices have tumbled since Russia's invasion of Ukraine. The main global index – the S&P 500 – plunged 18% from peak to trough (vs. a 14% average correction historically) and long-term bond prices in rich countries fell by their biggest amount since 1994. At the same time, the 2–10 year segment of the yield curve has flattened and real interest rates are up. Eurozone periphery bonds, and especially Italian ones, are being affected by the ECB's policy normalization. Meanwhile, commodity prices have soared.

- Equity valuations are now more attractive, and risk premiums are appealing too. However, earnings growth looks set to slow substantially and EPS forecasts have edged downward, especially in Europe. In fixed income, the repricing seems to be reaching its peak as macro trends point to a deceleration in global growth. Inflation expectations appear to be stabilizing (albeit at a high level) and real interest rates are up sharply. Europe's economic fragmentation remains a real issue.

- In this climate, the risk-return profile of corporate bonds is making them slightly more attractive, while commodities can provide protection against supply shocks. Gold still offers appealing diversification potential for the near term. The US dollar can be a good hedging instrument against ongoing risk aversion, although it has limited upside at this point.

	2021	31.03.2022
	YTD performance (in local currencies)	
North and Latin America		
Dow Jones Industrial Avg – USD	18.73%	-4.57%
S&P 500 – USD	26.89%	-4.95%
S&P/TSX Composite – CAD	21.74%	3.14%
Mexican Stock Exchange – MPS	20.89%	6.13%
Brasil Ibovespa Sao Paulo – BRL	-11.93%	-14.48%
Europe, Africa and the Middle East		
EURO STOXX 50 – EUR	20.99%	-9.21%
FTSE 100 – GBP	14.30%	1.78%
CAC 40 – EUR	28.85%	-6.89%
DAX - EUR	15.79%	-9.25%
IBEX 35 - EUR	7.93%	-3.08%
FTSE/MIB - EUR	23.00%	-8.50%
AEX Amsterdam Index - EUR	27.75%	-9.24%
OMX Stockholm 30 - SEK	29.07%	-13.41%
Swiss Market Index - CHF	20.29%	-5.55%
Asia and Pacific		
Nikkei 225 - JPY	4.91%	-3.37%
Hong Kong Hang Seng - HKD	-14.08%	-5.99%
S&P/Austr – AUD	13.02%	0.74%

Sources:

(1) World Bank, G20, Swiss National Bank (SNB), Swiss Bankers Association (SBA), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), Ernst & Young SA, Deloitte SA

(2) Economic and financial outlook, in collaboration with Les Cahiers Verts de l'Economie/SOCOFI.



CONSOLIDATED FINANCIAL STATEMENTS

HYPOSWISS
GROUP KEY FIGURES

(CHF 1'000)	*2021*	*2020*
Net profit	6'890	6'528
Operating result	4'357	4'354
Total operating income [1]	57'247	50'242
Total operating expenses	48'311	41'811
Total balance sheet	1'524'534	1'205'324
Total assets under management	6'576'971	5'267'863
Shareholders' equity	67'703	65'957
Number of employees (full-time equivalents)	133	122
Cost / income ratio	84%	83%
Ratio CET1	28%	32%

[1] *Includes: net result from interest operations, result from commission business and services, result from trading activities and the fair value option and other result from ordinary activities.*

CONSOLIDATED BALANCE SHEET

ASSETS	31.12.2021 CHF	31.12.2020 CHF
Liquid assets	718'110'535	304'609'223
Amounts due from banks	139'180'200	132'808'148
Amounts due from customers	439'927'175	396'174'333
Mortgage loans	30'174'420	19'126'629
Trading portfolio assets	386'658	453'046
Positive replacement values of derivative financial instruments	12'439'609	13'772'073
Financial investments	168'595'049	327'818'103
Accrued income and prepaid expenses	6'671'710	4'787'353
Non-consolidated participations	396'834	325'920
Tangible fixed assets	2'738'586	3'006'317
Intangible assets	5'069'645	1'543'702
Other assets	843'718	899'407
Total assets	**1'524'534'139**	**1'205'324'254**
LIABILITIES		
Amounts due to banks	7'625'025	9'988'884
Amounts due in respect of customer deposits	1'414'268'648	1'100'114'795
Negative replacement values of derivative financial instruments	20'698'425	16'457'155
Accrued expenses and deferred income	11'992'062	9'743'212
Other liabilities	1'161'343	1'142'325
Provisions	1'085'992	1'921'099
Reserves for general banking risks	5'200'000	8'700'000
Share capital	27'500'000	27'500'000
Capital reserve	1'685'610	1'685'610
Retained earnings reserve	26'618'384	21'740'317
Currency translation reserve	(191'848)	(197'210)
Consolidated profit	6'890'498	6'528'067
Total liabilities	**1'524'534'139**	**1'205'324'254**
OFF-BALANCE-SHEET TRANSACTIONS		
Contingent liabilities	20'089'484	13'283'871
Irrevocable commitments	4'060'088	3'304'405

CONSOLIDATED INCOME
INCOME STATEMENT 2021

	2021 CHF	2020 CHF
RESULT FROM INTEREST OPERATIONS		
Interest and discount income	2'623'728	6'185'399
Interest and dividend income from trading portfolios	8'934	(272)
Interest and dividend income from financial investments	726'467	2'797'109
Interest expense	1'209'455	657'996
Gross result from interest income	**4'568'584**	**9'640'232**
Changes in value adjustments for default risks and losses from interest operations	-	-
Subtotal net result from interest operations	**4'568'584**	**9'640'232**
RESULT FROM COMMISSION BUSINESS AND SERVICES		
Commission income from securities trading and investment activities	44'103'298	37'925'130
Commission income from lending activities	274'308	208'177
Commission income from other services	1'703'939	3'010'764
Commission expense	(6'835'662)	(6'004'231)
Subtotal result from commission business and services	**39'245'883**	**35'139'840**
RESULT FROM TRADING ACTIVITIES AND THE FAIR VALUE OPTION	**14'080'278**	**8'193'927**
OTHER RESULT FROM ORDINARY ACTIVITIES		
Result from the disposal of financial investments	(416'864)	(948'290)
Income from participations	65'625	(48'638)
- of which, participations recognised using the equity method	65'625	(48'638)
- of which, from other non-consolidated participations	-	-
Other ordinary income	-	1'060
Other ordinary expenses	(296'457)	(1'735'807)
Subtotal other result from ordinary activities	**(647'696)**	**(2'731'675)**

CONSOLIDATED INCOME STATEMENT 2021

	2021 CHF	2020 CHF
OPERATING EXPENSES		
Personnel expenses	(35'472'600)	(31'524'610)
General and administrative expenses	(12'838'042)	(10'286'686)
Subtotal operating expenses	**(48'310'642)**	**(41'811'296)**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(2'558'554)	(3'038'189)
Changes to provisions and other value adjustments, and losses	(2'020'479)	(1'039'239)
Operating result	**4'357'374**	**4'353'600**
Extraordinary income	13'564	3'025'336
Extraordinary expenses	(85'868)	-
Changes in reserves for general banking risks	3'500'000	-
Taxes	(894'572)	(850'869)
Profit (result of the period)	**6'890'498**	**6'528'067**

CASH FLOW STATEMENT

	31.12.2021		31.12.2020	
	Cash in-flow CHF	Cash out-flow CHF	Cash in-flow CHF	Cash out-flow CHF
Cash flow from operating activities (internal financing)				
Result of the period	6'890'498	-	6'528'067	-
Changes in reserves for general banking risks	-	3'500'000	-	-
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	2'558'554	-	3'038'189	-
Provisions and other value adjustments	71'000	906'107	686'457	-
Change in value adjustments for default risks and losses	-	-	-	-
Accrued income and prepaid expenses (other assets included)	-	1'828'668	2'116'282	-
Accrued expenses and deferred income (other liabilities included)	2'271'806	-	-	131'033
Previous year's dividend	-	1'650'000	-	1'650'000
Subtotal	**11'791'858**	**7'884'775**	**12'368'995**	**1'781'033**
Cash flow from shareholder's equity transactions				
Share capital / participation capital / dotation capital, etc.	-	-	-	-
Recognised in reserves	5'362	-	-	101'262
Change in own equity securities	-	-	-	-
Subtotal	**-**	**-**	**-**	**101'262**
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets				
Participations	-	70'914	537'477	-
Other tangible fixed assets	49'393	788'299	-	621'688
Intangible assets	-	5'076'436	-	-
Subtotal	**49'393**	**5'935'649**	**537'477**	**621'688**
Cash flow from banking operations Medium and long-term business (> 1 year)				
Financial investments	159'223'054	-	-	128'634'578
Short-term business				
Amounts due to banks	-	2'363'859	-	8'831'023
Amounts du in respect of customer deposits	314'153'853	-	376'501'831	-
Negative replacement values of derivative financial instruments	4'241'270	-	8'662'235	-
Amounts due from banks	-	6'372'052	38'081'087	-
Amounts due from customers	-	43'752'842	-	41'010'063
Mortgage loans	-	11'047'791	1'104'533	-
Trading portfolio assets	66'388	-	-	373'310
Positive replacement values of derivative financial instruments	1'332'464	-	-	5'985'393
Subtotal	**479'017'029**	**63'536'544**	**424'349'686**	**184'834'367**
Liquid assets	-	**413'501'312**	-	**249'917'808**
Total	**490'858'280**	**490'858'280**	**437'256'158**	**437'256'158**

STATEMENT OF CHANGES IN EQUITY

(CHF 1'000)	Share capital	Capital reserve	Retained earnings reserve	Currency reserve	Reserves for general banking risks	Result of the period	Total
Equity at start of current period	**27'500**	**1'686**	**21'740**	**(197)**	**8'700**	**6'528**	**65'957**
Distribution of earnings 2019							
- Allocation to retained earnings reserve	-	-	4'878	-	-	(4'878)	-
- Foreign exchange differences	-	-	-	5	-	-	5
- Dividends and other distributions	-	-	-	-	-	(1'650)	(1'650)
Other allocations to (transfers from) the reserves for general banking risks	-	-	-	-	(3'500)	-	(3'500)
Profit (result of the period)	-	-	-	-	-	6'890	6'890
Equity at end of current period	**27'500**	**1'686**	**26'618**	**(192)**	**5'200**	**6'890**	**67'703**

NOTES TO THE CONSOLIDATES 2020 FINANCIAL STATEMENTS

1 - NOTES ON THE COMPANY NAME, LEGAL FORM AND HEAD OFFICE OF THE GROUP

Hyposwiss Private Bank Genève SA is the parent company of the Hyposwiss Group (hereinafter "The Group"). Hyposwiss has two subsidiaries, Hyposwiss Advisors SA, Geneva and Fimanor Financial Management AG, Zurich, and a representative office in Tel Aviv, Israel and holds minority interests in Monaco Asset Management SAM, Monaco and Stavanger Asset Management Ltd, Stavanger, Norway.

On 11 January 2021, the Bank came to an agreement with United Mizrahi Overseas Holding Company B.V., Amsterdam, to acquire all of the shares in United Mizrahi Bank (Switzerland) Ltd. The subsidiary Hyposwiss Advisors SA, Geneva, manages the wealth of US clients and is registered with the Securities and Exchange Commission (SEC). The minority stake relates to an asset-management firm based in Norway.

The group's business scope includes asset management, securities trading and related services.

Number of employees

At the end of 2021, the Group had 140 employees (132.6 full-time equivalents), compared to 130 employees (121.8 full-time equivalents) at the end of 2020.

2 - CONSOLIDATION, VALUATION AND ACCOUNTING PRINCIPLES

Basic principles

These financial statements represent the Group's consolidated accounts and give a true and fair view of the Group's assets, financial position and results. They were prepared in accordance with the Swiss Code of Obligations, the Swiss Banking Act and its implementing ordinance, the FINMA Accounting Ordinance and FINMA Circular 2020/1 "Accounting – banks."

General valuation principles

Assets and liabilities, as well as off-balance sheet items mentioned under a single heading, are evaluated individually.

CONSOLIDATION PRINCIPLES

Scope and method of consolidation

The scope of consolidation includes the parent company and entities in which the Group holds more than 50% of the voting rights, as well as minority participation in which the Group has a significant influence. A list of fully integrated, equity and non-consolidated participations appears in Annex 4.6.

The Group companies are consolidated according to the full consolidation method. The subsidiaries are consolidated as of the date of effective transfer of control.

Minority participations between 20% and 50% interests are consolidated in accordance with the equity method.

December 31 is the closing date uniformly determined by all companies concerned with consolidation.

Transaction accounting
All transactions are booked as of the transaction date and are valued as of that date towards the calculation of results. All transactions concluded but not yet executed are entered in the balance sheet as of the date they are concluded.

Foreign currency conversion and precious metals
Accounts in foreign currencies from consolidated companies are converted to CHF using the exchange rate in effect on the date of the closing of the accounts, except for the capital, which is converted at the historical rate. Revenues and charges are converted at average monthly exchange rates.

The main exchange rates used to convert foreign currencies and precious metals at closing date are as follows:

	31.12.2021	31.12.2020
USD	0.9139	0.8822
EUR	1.0343	1.0838
GBP	1.2335	1.2011
Once Or	1'648.81	1'666.67

The average interest rates on the balance-sheet date were:

	31.12.2021	31.12.2020
EUR	1.0785	1.0711
NOK	0.1061	0.0996

Liquid assets, amounts due from banks and from customers, amounts due to banks and due in respect of customers deposits
These elements are recorded in the balance sheet at their nominal value. The value adjustments for doubtful loans are recorded as deductions of the amount due from customers.

Trading portfolio assets
Securities and precious metals destined for trading are evaluated and recorded on the balance sheet at fair value. Profits and losses arising from the trading portfolios are recorded in the income statement under "Result from trading activities and fair value option".

Income from trading portfolio interest and dividends is presented as income in the balance sheet.

Financial derivative instruments
Trading portfolio assets
All financial derivative instruments are valued at fair value. Positive or negative replacement values are reported on the balance sheet. The fair value results either from the price in an efficient and liquid market, or from the price offered by the market makers. Realized or unrealized results from transactions with financial derivative instruments for trading purposes or on behalf of clients are recorded as "Results from trading activities and the fair value option".

Hedging instruments
The Group can use financial derivative instruments to reduce the risk of exchange rate fluctuations in its management of assets and liabilities. Such hedging transactions are valued by applying the same principles as are used with underlying hedging transactions. The results of hedging transactions are carried under the same account as the one that carries results for the hedged transaction

Client-driven transactions
Replacement values for client-driven transactions are, as a general rule, recorded on the balance sheet if there is a potential risk for the Group during the remaining term

of the contract. Over-the-counter derivatives: Replacement values of transactions for which the Bank serves as the commission agent are recorded on the balance sheet. Exchange-traded derivative contracts: Replacement values are not recognized on the balance sheet unless the margin is insufficient. If there is no daily margin call or if the initial margin required does not cover the daily loss (variation margin), only the unhedged part is recorded on the balance sheet.

Financial investments

Debt instruments that are to be kept until maturity are listed in the balance sheet at amortized cost. Gains and losses due to a sale or an early redemption are accounted for proportionally and taking into account the original maturity date in the categories "Other Assets" and "Other Liabilities". Changes in value related to default risk are registered immediately in the category "Changes in value adjustments for default risks and losses from interest operations".

Debt instruments not marked for keeping until maturity are valued using the lowest value. The changes in value are recorded under "Other ordinary expenses" or "Other ordinary income". A subsequent increase in the value of the security can be recorded up to the acquisition cost. This value adjustment is also recorded under "Other ordinary expenses" or "Other ordinary income". Precious metals are valued at the applicable market price prevailing at the balance sheet date. Equity securities are valued on the principle of the 45 lowest value. Value adjustments are carried under "Other ordinary expenses" or "Other ordinary income".

Non-consolidated participations

These participations are valued individually at cost, less the economic necessary value adjustment.

Tangible fixed assets

Investments in tangible fixed assets are capitalized as an asset if they are used for more than one accounting period and are recognised at acquisition cost. Existing fixed assets are recorded in the balance sheet at cost, less any accumulated depreciation. They are depreciated linearly over the period of their estimated operating life. The value is reviewed annually. If this review reveals a change in an asset's estimated operating life or a reduction in its value, the Group depreciates the residual book value accordingly or books impairment. Depreciation and impairments are charged to the position "Value adjustments on participations and depreciation and amortization of tangible fixed assets and intangible assets" in the income statement. The estimated operating life for the various categories of fixed assets is as follows:

- **IT equipment:** maximum 3 years
- **Other fixed assets:** maximum 5 years
- **Renovation costs:** for the duration of the lease, but maximum 8 years

Gains or losses realized from the sale of tangible fixed assets are recorded under "Extraordinary income", or "Extraordinary expenses".

Intangible assets

If the total cost of an acquisition is higher than the net assets purchased, the difference is considered as goodwill. Goodwill is amortised linearly over a period of 5 years.

Accrued income and prepaid expenses

Assets and liabilities that result from interest, other profits and charges and other criteria in a specific time frame are presented in the accrued income and expenses section of the balance sheet.

Taxes
Taxes are calculated on the Group entities' income and capital; a deferred tax is calculated on the reserves. Taxes due on profits are carried as liabilities under "Accrued expenses and deferred income". Deferred taxes resulting from temporary differences between the fiscal values and book values of assets and liabilities are recorded as deferred taxes under "Provisions" in the balance sheet.

Provisions
For all potential and identifiable risks existing at the balance sheet date, specific provisions are constituted according to the principle of prudence. Individual valuation adjustments are booked directly to the corresponding position on the asset side. The provisions made to cover risks are entered on the balance sheet under "Provisions".

Notes on non-performing loans
Loans for which interest payments are more than 90 days overdue are classified as non-performing. The Group does not carry non-performing and/or doubtful loans separately in the income statement, booking them instead directly to the position "Changes in value adjustments for default risks and losses from interest operations".

Reserves for general banking risks
To cover risks related to banking activities that are not covered by specific provisions, the Group allocates some "Reserves for general banking risks". These reserves are part of shareholders' equity and are subject to a deferred tax.

Pension schemes
The terms "Pension schemes" include all plans, institutions and systems which give social benefits in case of retirement, death or disability of the Group's employees.

An annual analysis is conducted to determine if there is in each pension schemes an economic benefit (surplus) or an economic obligation (deficit) other than the contributions paid and any related adjustments. In Switzerland, this analysis is carried out based on the financial statements of the pension schemes established in accordance with Swiss GAAP RPC 26. Obligations are carried in the balance sheet under "Provisions" while the economic benefits are recorded in "Other assets". The change in value of the benefits/obligations compared to the previous year is recorded as "Personnel expenses" in the income statement.

Contingent liabilities, irrevocable commitments, liabilities to pay in full and to make additional payments
These elements are presented in the off-balance sheet transactions at their nominal value. For foreseeable risks, the Group constitutes provisions that are carried as liabilities.

Changes to the accounting principles
All changes to the accounting principles during the year under review are described below. On 1 January 2021, the new FINMA Accounting Ordinance and the fully revised FINMA Circular 2020/1 "Accounting – Banks" came into force. Under these new accounting rules, value adjustments must be created for default risks on non-impaired loans, and provisions for default risks must be set aside for off-balance-sheet transactions, except where a provision has already been created because an outflow of cash is likely and can be reliably estimated. The Bank applies the transitional provisions set out in Article 98.1 of the FINMA Accounting Ordinance, which stipulate that: "The legal provisions applicable to the creation of value adjustments for default risks pursuant to Article 25 and provisions for default risks for off-balance-sheet transactions pursuant to Article 28.6 shall become applicable at

the latest for annual financial statements beginning on 1 January 2022 or later in the course of 2022".

Material events and events taking place after the balance-sheet date

There were no material events or events taking place after the balance-sheet date that could have an impact on the financial statements at 31 December 2021.

3 - RISK MANAGEMENT

The parent company has a risk management policy that incorporated all the regulatory obligations and specifies their implementation in the companies of the Group. The Board of Directors of Hyposwiss Private Bank Genève SA conducts the annual assessment of the Group's exposure to risks and attempts to limit their impact.

The risk management policy regarding credit risk and market risk is reviewed annually by the Management of the parent company. Each category of risk is assigned a precise limit, and the compliance with these limits is constantly monitored.

A Management Information System (MIS) allows members of management to be regularly informed on the Group's assets and liabilities, financial situation, cash flows and results, as well as related risks.

Default Risk

The credit policy encompasses the management of downside risks of all commitments with counterparties, should they be unable to reimburse.

Credit risk relating to customers

This credit activity is limited to advances to customers fully secured by easy marketable assets. Values are reassessed and securities are monitored daily.

Credit risk to banking counterparties

The Group selects correspondents and counterparties with solid financial bases.

Country-related risks

The Group abstains from cultivating active relations with counterparties in countries with high risks, as determined by accredited credit agencies. Countries with deficient credit ratings are excluded from the Group's field of activities. Country risks are assessed periodically and appropriate provisions are made for each case in accordance with predefined criteria.

Interest rate risk

The Group is not significantly exposed to interest rate risk. As customer deposits do not bear interest, the Group is mainly exposed to investment shortfalls.

Market risks

Market risk results from a potential loss due to fluctuations in foreign exchange rates, interest rates and market values of trading positions and other balance sheet positions. Trading positions are subject to limits and are assessed on a daily basis. The Group holds currency positions to meet clients' demands.

Liquidity risk

The liquidity risk is defined as the risk for the Group of being unable to meet its payment obligations at any given moment. Each entity controls a comfortable level of liquidity related to regulatory requirements. The aim of liquidity-risk management is to ensure that the Group can continue to meet its commitments at all times, particularly if an event were to occur within the Group or the broader market that would have a significant adverse effect on the Group's capacity to obtain funding.

The Group manages the liquidity risks to which it is exposed in keeping with

qualitative and quantitative requirements (i.e. it has adopted principles for managing and monitoring liquidity risk and liquidity ratios).

The Group is required to have enough high-quality liquid assets to meet its liquidity needs over a 30-day period. The resulting liquidity ratio is monitored regularly and calculated automatically by the dedicated system.

The minimum liquidity coverage ratio required by FINMA was 100%. To ensure it has sufficient liquidity, the Group also applies an additional buffer of 20%.

At least once per year, the Group conducts a stress test to identify and quantify the impact that the least plausible extreme scenarios would have on cash inflows and outflows and on the Group's liquidity position.

The Bank and the Group ensure strict compliance with current legal liquidity ratio requirements.

Operational risks

Operational risks are defined as "Risks of direct or indirect loss resulting from an inadequacy or a failure related to procedures, human factors, systems or external events". Procedures and internal directives on the organization and controls allow the Group to limit those risks.

Compliance and legal risks

The Compliance Officer monitors the Group's compliance with the applicable laws and regulations and with the due diligence obligations imposed on financial intermediaries. The Compliance Officer monitors ongoing legislative developments of the relevant supervisory authorities as well as government, parliament and other organizations. The Compliance Officer also ensures that internal directives are adapted to comply with any new laws and regulations.

Notes regarding the methods applied for the identification of default risk and for the determination of the needs in value adjustment

When a client's or a group's liability exceeds the authorised limit, when an account shows a debit balance without having a liability limit, or when the collateral value falls below the established limit, the credit department informs the relationship manager to take corrective measures under supervision from the Credit Committee. Should the debtor be unlikely to meet his obligations, the loan becomes impaired. A specific value adjustment will be booked on a case-by-case basis upon decision by competent bodies, after a proper valuation of any collateral securities.

Notes regarding the evaluation of credit securities, particularly of important criteria applicable to the market value and collateral values.

Loans are granted essentially on a secured basis in the form of lombard loans with readily marketable securities as collateral. Credit limits depend on the nature, the solvability and the negotiability of the security.

BUSINESS POLICY WHEN USING FINANCIAL DERIVATIVE INSTRUMENTS

The major part of trading derivative instruments results from fixed-term currency exchange transactions performed at the clients' request. The Group may use financial derivative instruments for the purposes of its assets and liabilities management in order to reduce its exposure to interest rate and currency exchange risks. These transactions are recorded in accordance with the detailed principles of derivative instruments as described in the section "Consolidation valuation and accounting principles".

4 - BALANCE SHEET RELATED INFORMATION

4.1 Presentation of collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables (CHF 1'000)

	Type of collateral			
	Secured by mortgage	Other collateral	Unsecured	Total
Loans (before netting with value adjustments)				
AMOUNTS DUE FROM CUSTOMERS	-	439'740	2'132	441'872
Mortgage loans	30'174	-	-	30'174
- Residential property	25'911	-	-	25'911
- Commercial property	4'264	-	-	4'264
Total loans (before netting with value adjustments)				
31.12.2021	**30'174**	**439'740**	**2'132**	**472'046**
31.12.2020	**19'127**	**395'919**	**1'796**	**416'842**
Total loans (after netting with value adjustments)				
31.12.2021	**30'174**	**439'740**	**487**	**470'402**
31.12.2020	**19'127**	**395'919**	**255**	**415'301**
Off-balance-sheet				
Contingent liabilities	-	19'161	929	20'089
Irrevocable commitments	-	2'372	1'688	4'060
Total off-balance-sheet				
31.12.2021	**-**	**21'533**	**2'617**	**24'150**
31.12.2020	**-**	**13'512**	**3'076**	**16'588**
Impaired loans / receivables	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
31.12.2021	**1'645**	**-**	**1'645**	**1'645**
31.12.2020	**1'541**	**-**	**1'541**	**1'541**

4.2 Breakdown of trading portfolios and other financial instruments at fair value (Assets and liabilities) (CHF 1'000)

	31.12.2021	31.12.2020
Assets		
Trading portfolio assets		
Debt securities, money market securities / transactions	387	453
- of which, listed	387	453
Equity securities	-	-
Precious metals and commodities	-	-
Other trading portfolio assets	-	-
Other financial instruments at fair value		
Debt securities	-	-
Structured products	-	-
Other	-	-
Total assets	**387**	**453**
- of which, determined using a valuation model	-	-
- of which, securities eligible for repo transactions in accordance with liquidity requirements	-	-

4.3 Presentation of derivative financial instruments (Assets and liabilities) (CHF 1'000)

	Trading instruments			Hedging Instruments		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Foreign exchange/precious metals						
Forward contracts	8'185	16'444	1'349'558	-	-	-
Options (OTC)	4'255	4'255	105'080	-	-	-
Total before netting agreements						
31.12.2021	12'440	20'698	1'454'638	-	-	-
- of which, determined using a valuation model	12'440	20'698	1'454'638	-	-	-
31.12.2020	13'772	16'457	1'153'338	-	-	-
- of which, determined using a valuation model	13'772	16'457	1'153'338	-	-	-

The Group does not practice netting.

Breakdown by counterparties (CHF 1'000)

	Central clearing houses	Banks and securities firms	Other customers
Positive replacement values (after netting agreements)	-	9'508	2'932

4.4 Breakdown of financial investments (CHF 1'000)

	Book value		Fair value	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Debt securities	**97'898**	**264'785**	**97'905**	**264'821**
- of which, intended to be held to maturity	46'597	216'077	46'605	216'090
- of which, not intended to be held to maturity (available for sale)	51'301	48'708	51'301	48'731
Equity securities	**1'832**	**881**	**2'309**	**1'075**
- of which, qualified participations *	-	-	-	-
Precious metals	**68'865**	**62'152**	**68'865**	**62'152**
Real estate	**-**	**-**	**-**	**-**
Total	**168'595**	**327'818**	**169'079**	**328'048**
- of which, securities eligible for repo transactions in accordance with liquidity requirements	6'799	5'358	6'799	5'358

** at least 10 % of capital votes*

4.4.1 Breakdown of counterparties by rating S&P (CHF 1'000)

	31.12.2021	31.12.2020
	Debt securities Book value	Debt securities Book value
From AAA to AA -	97'759	263'785
From A + to A -	-	-
From BBB + to BBB -	-	-
From BB + to B -	-	-
Lower than B -	-	-
Without rating	139	1'000

4.5 Presentation of participations (CHF 1'000)

	2021									
	Acquisition cost	Accumulated value adjustments and changes in book value (valuation using the equity method)	Book value previous year end	Reclassifications	Additions	Disposals	Value adjustments	Changes in book value in the case of participations valued using the equity method/depreciation reversals	Book value as at end of current year	Market value
Participations valued using the equity method										
with market value	-	-	-	-	-	-	-	-	-	-
without market value	12	156	169	-	-	-	-	71	239	-
Other participations										
with market value	-	-	-	-	-	-	-	-	-	-
without market value	158	-	158	-	-	-	-	-	158	-
Total participations	**170**	**156**	**326**	**-**	**-**	**-**	**-**	**71**	**397**	**-**

4.6 Disclosure of companies in which the bank holds a permanent direct or indirect significant participation (CHF 1'000)

Company name and domicile	Business activity	Currency	Company capital (in 1,000s)	Share of capital (in %)	Share of votes (in %)	Held directly (in %)	Held directly (in %)
Full consolidation							
Hyposwiss Advisors, Geneva	Asset management	CHF	1'000	100%	100%	100%	-
Fimanor Financial Management AG, Zurich	Asset management	CHF	50	100%	100%	100%	-
Mise en équivalence							
Stavanger Asset Management Ltd Stavanger, Norway	Asset management	NOK	3'900	35%	35%	35%	-

The non-consolidated participation are related to the holdings of minimal shares of capital in Monaco Asset Management S.A.M., Monaco, as well as in Society for Worldwide Interbanks Financial Telecommunication (SWIFT), Belgium.

4.7 Presentation of tangible fixed assets (CHF 1'000)

	2021								
	Acquisition cost	Accumulated depreciation	Book value Previous year	Reclassifications	Additions	Disposals	Depreciation	Reversals	Book value at the end of current year
Bank buildings	-	-	-	-	-	-	-	-	-
Other real estate	-	-	-	-	-	-	-	-	-
Proprietary or separately acquired software	4'427	(4'108)	318	-	182	-	(205)	-	295
Other tangible assets	14'935	(12'248)	2'688	-	267	(49)	(803)	341	2'444
Tangible assets acquired under finance leases:	-	-	-	-	-	-	-	-	-
Total tangible fixed assets	**19'362**	**19'362**	**3'006**	**-**	**449**	**(49)**	**(1'008)**	**341**	**2'739**

Operating leases (CHF 1'000)

	31.12.2021	31.12.2020
Off-balance-sheet leasing commitments		
Maturing within 12 months	2'339	1'243
Maturing in 12 months to 5 years	5'789	1'942
Maturing in more than 5 years	1'395	430
Total off-balance-sheet leasing commitments	**9'523**	**3'615**
- of which can be canceled within 12 months	-	-

The leasing commitments presented in the table relate to the rents for the premises used by Hyposwiss Private Bank Genève SA and Hyposwiss Advisors SA.

4.8 Presentation of intangible assets (CHF 1'000)

	2021							
	Cost value	Accumulated amortisation	Book value Previous year	Influence of a change in the scope of consolidation	Additions	Disposals	Amortisation	Book value at end of current year
Goodwill	13'137	(11'593)	1'544	-	5'076	-	(1'550)	5'070
Patents	-	-	-	-	-	-	-	-
Licences	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
Total intangible assets	**13'137**	**(11'593)**	**1'544**	**-**	**5'076**	**-**	**(1'550)**	**5'070**

4.9 Breakdown of other assets and other liabilities (CHF 1'000)

	Other assets		Other liabilities	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Indirect taxes	311	268	746	751
Settlement accounts	-	-	-	-
Employees' insurance contracts	384	332	384	332
Other assets and other liabilities	149	301	31	59
Total	**844**	**900**	**1'161**	**1'142**

4.10 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership (CHF 1'000)

	31.12.2021		31.12.2020	
	Book values	Effective commitments	Book values	Effective commitments
Pledged / assigned assets				
Amounts due from banks	3'210	-	-	-
Financial investments	70'347	8'175	61'350	6'512
Amount due form costumers	4'570	-	4'411	566
Tangible fixed assets	-	-	-	-
Total pledged / assigned assets	**78'126**	**8'175**	**66'941**	**7'078**
Assets under reservation of ownership	-	-	-	-

4.11 Disclosure of liabilities relating to own pension schemes, and number and nature of equity instruments of the bank held by own pension schemes

The Group has no liabilities relating to own pension schemes.
Pension schemes do not hold any equity instruments of the Bank.

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4.12 Disclosure on the economic situation of own pension schemes

a. Employer contribution reserves (ECR)

Employer had no contribution reserve at December 31, 2021 (idem in 2020)

b. Presentation of the economic benefit / obligation and the pension expenses

Pension plans protect the employees of the Bank and Hyposwiss Advisors SA against the economic consequences of retirement, disability and death.

The Group determines whether the level of coverage and the particular situation of the pension fund can lead to an economic advantage or commitment. The assessment is based on the annual accounts of the pension fund and the information provided by it on the financial situation in 2020.

The Bank's Board of Directors considers that any surplus will be used for the benefit of policyholders. There is no economic benefit to the employer.

	Overfunding/underfunding at 31.12.2020	Economic interest of the bank/financial group		Change in economic interes (economic benefit/obliga- tion) versus previous year	Contributions paid for the current year	Pension expenses in personnel expenses	
		31.12.2021	31.12.2020			31.12.2021	31.12.2020
					CHF	CHF	CHF
Pension plan (Patrimonia)	10%	-	-	-	2'289'216	2'289'216	2'258'557
Collective pension foundation (La Bâloise)	-	-	-	-	213'348	213'348	283'893

4.13 Presentation of issued structured products

The Group does not issue any structured products.

4.14 Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year (CHF 1'000)

	Previous year end	Use in conformity with designated purpose	Currency differences	Past due interest, recoveries	Past due interest, recoveries	New creations charged to income	Releases to income	Balance at current year end
Provision for deferred taxes	1'217	-	-	-	-	-	(490)	727
Provisions for other business risks	14	-	-	-	-	-	-	14
Other provisions	690	(330)	50	-	-	21	(86)	345
Total provisions Reserves for general banking risks	**1'921**	**(330)**	**50**	**-**	**-**	**21**	**(576)**	**1'086**
Value adjustments for default and country risks	**8'700**	**-**	**-**	**-**	**-**	**-**	**(3'500)**	**5'200**
- of which, value adjustments for default risks in respect of impaired loans / receivables	1'541	-	-	46	58	-	-	1'645
- Value adjustments for risk of default of non-compromised receivables	-	-	-	-	-	-	-	-
Total of value adjustements for default and country risks	**1'541**	**-**	**-**	**46**	**58**	**-**	**-**	**1'645**

4.15 Number and value of equity securities or options on equity securities held by all executives and directors and by employees, and disclosures on any employee participation schemes (CHF 1'000)

Nil

4.16 Disclosure of amounts due from/to related parties (CHF 1'000)

	Amounts due from		Amounts due to	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Holders of qualified participations	10'337	10'585	15'717	14'358
Group companies	-	-	-	-
Linked companies	-	-	-	-
Transactions with members of governing bodies	811	408	6'369	6'456

Guarantees totaling CHF 84'928 (CHF 62'758 in 2020) were issued by the Group for the account of related companies, holders of qualified participations and governing bodies.

An undrawn credit limit of CHF 91'390 (CHF 1'058'580 in 2020) and a contingent liability of CHF 792'945 (1'585'890 en 2020) were granted to qualified participants.

Conditions applied to operations with related parties are in line with market conditions.

4.17 Presentation of the maturity structure of financial instruments (CHF 1'000)

			Due					
	At sight	Cancellable	Within 3 months	Within 3 to 12 months	Within 12 months to 5 years	After 5 years	No maturity	Total
Assets / financial instruments								
Liquid assets	718'111	-	-	-	-	-	-	718'111
Amounts due from banks	129'127	-	3'656	6'397	-	-	-	139'180
Amounts due from customers	109'032	-	264'732	66'164	-	-	-	439'927
Mortgage loans	-	-	30'174	-	-	-	-	30'174
Trading portfolio assets	387	-	-	-	-	-	-	387
Positive replacement values of derivative financial instruments	12'440	-	-	-	-	-	-	12'440
Financial investments	70'697	-	46'597	42'138	6'799	2'364	-	168'595
Total 31.12.2021	**1'039'793**	**-**	**345'159**	**114'699**	**6'799**	**2'364**	**-**	**1'508'814**
Total 31.12.2020	**610'151**	**-**	**435'512**	**141'515**	**5'451**	**2'435**	**-**	**1'195'064**
Debt capital / financial instruments								
Amounts due to banks	7'625	-	-	-	-	-	-	7'625
Amounts due in respect of customer deposits	1'414'269	-	-	-	-	-	-	1'414'269
Negative replacement values of derivative financial instruments	20'698	-	-	-	-	-	-	20'698
Total 31.12.2021	**1'442'592**	**-**	**-**	**-**	**-**	**-**	**-**	**1'442'592**
Total 31.12.2020	**1'126'561**	**-**	**-**	**-**	**-**	**-**	**-**	**1'126'561**

4.18 Presentation of assets and liabilities by domestic and foreign domicile (CHF 1'000)

	31.12.2021		31.12.2020	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	718'111	-	304'609	-
Amounts due from banks	91'799	47'381	86'199	46'609
Amounts due from customers	65'121	374'806	50'709	345'465
Mortgage loans	18'303	11'871	14'659	4'468
Trading portfolio assets	-	380	-	453
Positive replacement value of derivative financial instruments	9'724	2'716	11'546	2'226
Financial investments	79'726	88'869	71'444	256'374
Accrued income and prepaid expenses	5'890	782	3'617	1'170
Non-consolidated participations	-	397	-	326
Tangible fixed assets	2'739	-	3'006	-
Intangible assets	5'070	-	1'544	-
Other assets	844	-	899	-
Total assets	**997'333**	**527'201**	**548'233**	**657'091**
Liabilities				
Amounts due to banks	39	7'586	389	9'600
Amounts due in respect of customer deposits	184'280	1'229'989	138'916	961'199
Negative replacement values of derivative financial instruments	18'414	2'284	11'686	4'771
Accrued expenses and deferred income	11'954	38	9'740	3
Other liabilities	1'161	-	1'142	-
Provisions	1'086	-	1'921	-
Reserve for general banking risks	5'200	-	8'700	-
Share capital	27'500	-	27'500	-
Capital reserve	1'686	-	1'686	-
Retained earnings reserve	26'618	-	21'740	-
Currency translation reserve	(192)	-	(197)	-
Consolidated profit	6'824	66	6'575	(47)
Total liabilities	**284'571**	**1'239'963**	**229'798**	**975'526**

4.19 Breakdown of total assets by country or group of countries (domicile principle) (CHF 1'000)

	31.12.2021		31.12.2020	
Assets	Absolute	Share as %	Absolute	Share as %
Switzerland	997'333	65.42%	548'233	45.48%
Europe	126'084	8.27%	118'471	9.83%
Central America	116'361	7.63%	117'285	9.73%
North America	106'391	6.98%	253'126	21.00%
Asia	89'755	5.89%	79'952	6.63%
Other	88'607	5.81%	88'257	7.32%
Total assets	**1'524'530**	**100.00%**	**1'205'324**	**100.00%**

4.20 Breakdown of total assets by credit rating of country groups (risk domicile view) (CHF 1'000)

Rating as per FINMA correspondence tables	Net foreign exposure 31.12.2021		Net foreign exposure 31.12.2020	
	CHF	Share as %	CHF	Share as %
1 & 2	209'865	39.82%	354'745	54.06%
3	26'676	5.07%	18'496	2.83%
4	52'487	9.97%	57'634	8.79%
5	113'194	21.48%	109'396	16.68%
6	6'208	1.19%	6'622	1.02%
7	26'072	4.96%	16'974	2.60%
Without rating	92'700	17.59%	92'406	14.09%
Total	**527'201**	**100.00%**	**656'273**	**100.00%**

The Bank uses ratings provided by FINMA in its correspondence tables for the calculation of regulatory requirements. The rating given by the rating agency "Standard & Poor's" has been adopted.

The table above is presented by considering the customer's domicile for the categories "Amounts due from customers" and "Mortgage loans" while the domicile of the counterparty of the issuer is used for the categories "Amounts due from Banks" and "Financial invetments" and the domicile of the risk is used for all other asset items.

4.21 Presentation of assets and liabilities broken down by the most significant currencies for the Group (CHF 1'000)

Assets	CHF	USD	EUR	AUTRES
Liquid assets	717'393	177	390	151
Amounts due from banks	16'548	39'020	57'648	25'964
Amounts due from customers	39'246	188'331	167'176	45'174
Mortgage loans	21'065	575	8'158	376
Trading portfolio assets	-	387	-	-
Positive replacement values of derivative financial instruments	12'440	-	-	-
Financial investments	10'861	88'850	17	68'867
Accrued income and prepaid expenses	5'865	415	252	140
Non-consolidated participations	-	-	157	240
Tangible fixed assets	2'739	-	-	-
Intangible assets	5'070	-	-	-
Other assets	844	-	-	-
Total assets shown in balance sheet	**832'069**	**317'755**	**233'798**	**140'912**
Delivery entitlements from spot exchange, forward forex and forex options transactions	**451'022**	**893'290**	**236'502**	**251'058**
Total assets	**1'283'091**	**1'211'045**	**470'300**	**391'970**
Liabilities				
Engagements envers les banques	59	4'839	214	2'513
Amounts due to banks	84'370	655'838	373'959	300'102
Amounts due in respect of customer deposits	-	-	-	-
Trading portfolio liabilities				
Negative replacement values of derivative financial instruments	20'698 11'433	- 507	- 33	- 19
Accrued expenses and deferred income	1'161	-	-	-
Other liabilities	1'086	-	-	-
Provisions	5'200	-	-	-
Reserves for general banking risks	27'500	-	-	-
Share capital	1'686	-	-	-
Capital reserve	26'618	-	-	-
Retained earnings reserve	(192)	-	-	-
Currency translation reserve	6'890	-	-	-
Consolidated profit	**186'510**	**661'184**	**374'206**	**302'634**
Total liabilities shown in balance sheet				
Delivery obligations from spot exchange, forward forex and forex options transactions	**1'096'894**	**549'611**	**94'976**	**89'632**
Total liabilities	**1'283'404**	**1'210'795**	**469'182**	**392'266**
Net position per currency	**(313)**	**250**	**1'118**	**(295)**

5 - OFF-BALANCE SHEET RELATED INFORMATION

5.1 Breakdown and explanation of contingent liabilities (CHF 1'000)

	31.12.2021	31.12.2020
Other contingent liabilities	929	1'586
Performance guarantees and similar	19'161	11'698
Total of contingent liabilities	**20'089**	**13'284**

5.2 Breakdown of credit commitments (CHF 1'000)

Nil

5.3 Breakdown of fiduciary transactions (CHF 1'000)

	31.12.2021	31.12.2020
Fiduciary investments with third-party companies	388'551	300'812
Fiduciary loans	-	-
Total fiduciary transactions	**388'551**	**300'812**

5.4 Breakdown of managed assets and presentation of their development (CHF 1'000)

	31.12.2021	31.12.2020
Breakdown of managed assets		
Assets in collective investment schemes managed by the bank	-	-
Assets under discretionary asset management agreements	2'158'979	1'827'234
Other managed assets	4'417'992	3'440'630
Total managed assets (including double counting)	**6'576'971**	**5'267'864**
Of which, double counting	-	-

Calculation of managed assets include all client's investments deposited with the Group as well as those deposited with third-party banks and managed by the Group. Clients assets held by the Group acting only as custodian bank are excluded from this calculation. Assets managed by entities in which the Group holds minority interests are not included in the total assets managed by the Group.

Assets under discretionary asset management agreements include clients' assets for which investment decisions are made by the Group. Other managed assets are those for which investment decisions are made by the client.

5.5 Presentation of the development of managed assets (CHF 1'000)

	31.12.2021	31.12.2020
Total managed assets (including double counting) at beginning	**5'267'864**	**5'176'573**
+/- net new money inflow or net new money outflow	978'776[1]	274'500[2]
+/- price gains / losses, interest, dividends and currency gains / losses	330'331	(183'209)
+/- others effects related to asset purchase transactions	-	-
Total managed assets (including double counting) at end	**6'576'971**	**5'267'864**

The Group assesses the net inflow of new money based on deposits and withdrawals of customers' assets. Interest and dividend income relating to the managed assets is not considered as new money inflow. Market and currency fluctuations, charges, commissions and charged interest payments are not included in the net new money.

[1] Net new money from the integration of the client assets of Hapoalim Bank (Switzerland) Ltd stood at CHF 414,701 in 2021 (CHF 1'000).

[2] Net new money from the integration of the client assets of Hapoalim Bank (Switzerland) Ltd stood at CHF 69,668 (CHF 1'000) in 2020.

6 - INCOME STATEMENT RELATED INFORMATION

6.1 Breakdown of the result from trading activities and the fair value option (CHF 1'000)

	2021	2020
Breakdown by business aera		
Trading activity for the Group's own account	197	229
Own-account treasury transactions	4'606	512
Trading activity for customers' account	9'278	7'453
Total result from trading activities	**14'080**	**8'194**

6.2 Breakdown by underlying risk and based on the use of the fair value option (CHF 1'000)

	2021	2020
Result from trading activities from:		
- Interest rate instruments (including funds)	4'606	512
- Equity securities (including funds)	197	229
- Foreign currencies	9'278	7'453
- Commodities / precious metals	-	-
Total result from trading activities	**14'080**	**8'194**
- of which, from fair value option	197	229
- of which, from fair value option on assets	197	229
- of which, from fair value option on liabilities	-	-

6.3 Result due to refinancing of trading positions and negative instruments (CHF 1'000)

	2021	2020
Negative interest		
Negative interest relating to assets transactions (reduction in interest and discount income)	4'864	972
Negative interest relating to liability transactions (reduction in interest expenses)	1'252	810

6.4 Breakdown of personnel expenses (CHF 1'000)

	2021	2020
Salaries	29'774	26'420
- of which, expenses relating to variable compensation	5'024	4'983
Social insurance benefits	5'164	4'737
Other personnel expenses	534	368
Total	**35'473**	**31'525**

6.5 Breakdown of general and administrative expenses (CHF 1'000)

	2021	2020
Office space expenses	2'928	2'469
Expenses for information and communication technology	1'301	1'023
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	337	170
Fees of audit firm(s)	491	310
- of which, for financial and regulatory audits	330	310
- of which, for other services	161	-
Marketing and public relations	295	312
Travelling expenses	480	377
Direct and indirect taxes	709	649
Other operating expenses	6'298	4'977
Total	**12'838**	**10'287**

6.6 Explanations regarding material losses, extraordinary income and expenses, as well as material releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required (CHF 1'000)

	2021	2020
Extraordinary income	14	3'025
Extraordinary expenses	86	-
Changes in reserves for general banking risks	3'500	-
Changes to provisions and other value adjustments, and losses	(2'020)	(1'039)

The "Changes to provisions and other value adjustments, and losses" mainly concerns the settlement of past litigation. The Group used its insurance policy to cover the financial losses.

6.7 Presentation of current taxes, deferred taxes, and disclosures of tax rate (CHF 1'000)

	2021	2020
Provisions' release for deferred taxes	727	1'217
Expenses for current taxes	895	851
Total taxes	**1'622**	**2'068**
Weighted average tax rate, based on the operating result	14.99%	19.54%



REPORT

OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FIANCINAL STATEMENTS

Report of the statutory auditor

to the General Meeting of Hyposwiss Private Bank Genève SA, Geneva

Report on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Hyposwiss Private Bank Genève SA, which comprise the consolidated balance sheet, consolidated income statement, cash flow statement, statement of changes in equity and notes (pages 60 to 90), for the year ended 31 December 2021.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with accounting rules for banks and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2021 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with accounting rules for banks and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (art. 728 CO and art. 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with art. 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Omar Grossi
Audit expert
Auditor in charge

Lorenzo Morelli
Audit expert

Geneva, 26 April 2022

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7 - DISCLOSURE REQUIREMENTS AS PRESCRIBED IN THE FINMA CIRCULAR 2016/1 FOR THE GROUP (CHF 1'000) - UNAUDITED

7.1 KM1 "Key prudential metrics"

		a	e
		31.12.2021	31.12.2020
	Available capital		
1	Common Equity Tier 1 (CET1)	60'586	62'437
2	Tier 1 capital (T1)	60'586	62'437
3	Total capital	60'586	62'437
	Risk-weighted assets (RWA)		
4	RWA	214'839	194'818
4a	Minimum capital requirements	17'187	15'585
	Risk-based capital ratios as a percentage of RWA		
5	Common Equity Tier 1 ratio	28.2%	32.0%
6	Tier 1 ratio	28.2%	32.0%
7	Total capital ratio	28.2%	32.0%
	Additional CET1 buffer requirements as a percentage of RWA		
8	Capital conservation buffer requirement as per the Basel minimal standards (2.5% from 2019)	2.5%	2.5%
9	Countercyclical buffer requirement (art. 44a ERV) as per the Basel minimal standards	0.00%	0.00%
10	Bank G-SIB and/ or D-SIB additional requirements	0.00%	0.00%
12	CET1 available after netting the bank's minimum capital requirements as per the minimal standards	20.2%	24.0%
	Target capital ratios according to appendix 8 CAO (% of RWA)		
12a	Capital buffer according to appendix 8 CAO	3.2%	3.2%
12b	Countercyclical capital buffer (art. 44 and 44a CAO)	0.0%	0.0%
12c	CET1 target ratio according to appendix 8 CAO in addition to countercyclical capital buffer according to art. 44 and 44a CAO	7.4%	7.4%
12d	T1 target ratio according to appendix 8 CAO in addition to countercyclical capital buffer according to art. 44 and 44a CAO	9.0%	9.0%
12e	Total capital target ratio according to appendix 8 CAO in addition to countercyclical capital buffer according to art. 44 and 44a CAO	11.2%	11.2%
	Basel III leverage ratio		
13	Total exposure (CHF)	1'559'163	924'337
14	Basel III leverage ratio (Tier 1 capital in percentage of total exposure)	3.9%	6.8%

	Liquidity coverage ratio LCR	31.12.21	30.09.21	30.06.21	31.03.21	31.12.20
15	LCR Numerator: sum of High quality liquid assets (CHF)	708'108	720'525	679'650	587'194	488'113
16	LCR Denominator: sum of net cash outflows (CHF)	236'127	221'696	209'112	184'004	165'006
17	Liquidity coverage ratio (LCR) (in %)	299.9%	325.0%	325.0%	319.1%	295.8%

This document does not present the NSFR ratio because only the Bank is required to calculate it.

7.2 OV1 "Overview of risk-weighted assets"

			31.12.2021	31.12.2020	31.12.2021
			a	b	c
		Approach	RWA	RWA	Minimum capital requirements
1		**SA-BIS**	6'709	6'278	537
20	Credit Risk	**Standard approach**	1'192	1'421	95
24	Market risk	**Basic indicator approach**	9'286	7'886	743
25	Operational risk Basic indication		-	-	
	Amounts below the thresholds for deduction (subject to 250% risk weight)				
27	**Total (1 + 20 + 24 + 25)**		**17'187**	**15'585**	**1'375**

7.3 LIQA "Management of liquidity risks"

Informations related to the operational risks are described in the notes to the consolidated financial statements of the Hyposwiss Group. For more details, please refer to the notes 3 in the consolidated financial satements.

7.4 CR1 "Credit quality of assets"

		a	b	c	d
		Gross book values of		Value adjustments / impairments	Net values (a + b - c)
		Defaulted exposures	Non-defaulted impairments exposures		
1	Loans (excluding debt securities)	1'645	1'349'274	1'645	1'349'274
2	Debt securities	-	97'898	-	97'898
3	Off-balance-sheet exposures	-	40'096	-	40'096
4	**Total**	**1'645**	**1'487'268**	**1'645**	**1'487'268**

Informations related to the default risk and the definition of the impaired loans are described in the notes to the consolidated financial statements of Hyposwiss Group. For more details, please refer to the notes in the consolidated financial satements.

7.5 CR3 "Overview of mitigation techniques"

	a	c	e&g
	Exposures unsecured / book values	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees or by credit derivatives, of which: secured amount
Loans (including debt securities)	1'645	1'447'172	-
Off-balance-sheet exposures	-	40'096	-
Total	**1'645**	**1'487'268**	**-**
Of which defaulted exposures	-	-	-

7.6 ORA "Operational risks: general guidance"

Informations related to the operational risks are described in the notes to the consolidated financial statements of Hyposwiss Group. For more details, please refer to the notes in the consolidated financial satements.

The Group calculates its minimum regulatory capital requirements for operational risks based on the basic indicator approach.

FINANCIAL STATEMENTS



SATUTORY
BALANCE SHEET

	31.12.2021 CHF	31.12.2020 CHF
ASSETS		
Liquid assets	718'110'380	304'609'072
Amounts due from banks	137'093'400	130'592'321
Amounts due from customers	440'227'175	396'474'333
Mortgage loans	30'174'420	19'126'629
Trading portfolio assets	386'658	453'046
Positive replacement values of derivative financial instruments	12'439'610	13'772'073
Financial investments	168'595'049	327'818'103
Accrued income and prepaid expenses	6'195'439	4'332'967
Participations	3'282'025	3'282'099
Tangible fixed assets	2'737'285	3'004'117
Intangible assets	4'983'308	1'284'691
Other assets	843'718	896'552
Total assets	**1'525'068'467**	**1'205'646'003**
Total subordinated claims	300'000	300'000
- of which subject to mandatory conversion and / or debt waiver	-	-
LIABILITIES		
Amounts due to banks	7'625'024	9'988'884
Amounts due in respect of customer deposits	1'415'325'016	1'100'756'262
Negative replacement values of derivative financial instruments	20'698'426	16'457'155
Accrued expenses and deferred income	11'767'723	9'608'912
Other liabilities	1'110'617	1'070'138
Provisions	257'512	623'969
Reserves for general banking risks	5'200'000	8'700'000
Bank's capital	27'500'000	27'500'000
Statutory capital reserve	1'685'610	1'685'610
- of which tax-exempt capital contribution reserve	1'685'610	1'685'610
Statutory retained earnings reserves	6'957'452	6'929'952
Profit carried forward	20'647'621	15'837'083
Profit (result of the period)	6'293'466	6'488'038
Total liabilities	**1'525'068'467**	**1'205'646'003**
Total subordinated liabilities	-	-
- of which subject to mandatory conversion and / or debt waiver	-	-
OFF-BALANCE-SHEET TRANSACTIONS		
Contingent liabilities	20'089'484	13'283'871
Irrevocable commitments	4'060'088	3'304'405

INCOME *STATEMENT*

	2021 CHF	2020 CHF
RESULT FROM INTEREST OPERATIONS		
Interest and discount income	2'629'814	6'191'500
Interest and dividend income from trading portfolios	8'934	(272)
Interest and dividend income from financial investments	726'467	2'797'102
Interest expense	1'197'512	706'828
Gross result from interest income	**4'562'727**	**9'695'158**
Changes in value adjustments for default risks and losses from interest operations	-	-
Subtotal net result from interest operations	**4'562'727**	**9'695'158**
RESULT FROM COMMISSION BUSINESS AND SERVICES		
Commission income from securities trading and investment activities	42'342'140	36'438'611
Commission income from lending activities	274'308	208'177
Commission income from other services	1'727'030	3'053'161
Commission expense	(6'799'864)	(5'974'421)
Subtotal result from commission business and services	**37'543'614**	**33'725'528**
RESULT FROM TRADING ACTIVITIES AND THE FAIR VALUE OPTION	**14'081'375**	**8'252'890**
OTHER RESULT FROM ORDINARY ACTIVITIES		
Result from the disposal of financial investments	(416'864)	(948'290)
Income from participations	-	-
Other ordinary income	-	1'060
Other ordinary expenses	(296'457)	(1'735'807)
Subtotal other result from ordinary activities	**(713'321)**	**(2'683'037)**

INCOME *STATEMENT*

	2021 CHF	2020 CHF
OPERATING EXPENSES		
Personnel expenses	(34'300'432)	(30'392'026)
General and administrative expenses	(12'577'200)	(10'043'107)
Subtotal operating expenses	**(46'877'632)**	**(40'435'133)**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(2'384'980)	(3'558'901)
Changes to provisions and other value adjustments, and losses	(1'999'479)	(929'487)
Operating result	**4'212'304**	**4'067'018**
Extraordinary income	13'464	3'256'269
Extraordinary expenses	(85'868)	-
Changes in reserves for general banking risks	3'500'000	-
Taxes	(1'346'434)	(835'249)
Profit (result of the period)	**6'293'466**	**6'488'038**

APPROPRIATION *OF PROFIT*

	31.12.2021 CHF	31.12.2020 CHF
Profit	6'293'466	6'488'038
Profit carried forward	20'647'621	15'837'083
Distributable profit	26'941'087	22'325'121
APPROPRIATION OF PROFIT		
- Allocation to statutory retained earnings reserve	27'500	27'500
- Allocation to voluntary retained earnings reserves	-	-
- Dividend	1'650'000	1'650'000
- New amount carried forward	25'263'587	20'647'621
Total as above	**26'941'087**	**22'325'121**

STATEMENT
OF CHANGES IN EQUITY

(CHF 1'000)	Bank's capital	Capital reserve	Retained earnings reserve	Reserves for general banking risks	Voluntary retained earnings reserves and profit carried forward	Profit for the period	Total
Equity at start of reporting period	27'500	1'686	6'930	8'700	15'837	6'488	67'141
Appropriation of 2019 profit							
- Change in profit carried forward			28			(28)	-
- Dividends and other distributions						(1'650)	(1'650)
- Other allocations to	-	-	-	-	4'811	(4'811)	-
(transfers from) the reserves for general banking risks	-	-	-	(3'500)	-	-	(3'500)
- Profit for the period	-	-	-	-	-	6'293	6'293
Equity at end of reporting period	**27'500**	**1'686**	**6'957**	**5'200**	**20'648**	**6'293**	**68'284**

NOTES TO THE 2021 FIANCIAL STATEMENTS

1 - COMMENTS ON BUSINESS ACTIVITY AND INDICATION OF NUMBER OF EMPLOYEES

1.1 Indication of the legal name, legal form and registered office of the Bank

Hyposwiss Private Bank Genève SA (hereinafter "the Bank") is a Swiss bank established in Geneva specialising in asset management for private clients.

The Bank has two subsidiaries in Switzerland, a representative office in Tel-Aviv, Israel, and a stake in an asset-management firm in Norway.

On 11 January 2021, the Bank came to an agreement with United Mizrahi Overseas Holding Company B.V., Amsterdam, to acquire all of the shares in United Mizrahi Bank (Switzerland) Ltd.

As of 31 December 2021, 115.8 people were employed by the Bank (full-time equivalents).

1.2 Gestion des risques

The policy and risk management principles of Hyposwiss Private Bank Genève SA are described in the consolidated financial statements of the Group Hyposwiss. For more details, please refer to the notes in the consolidated financial statements.

2 - ACCOUNTING AND VALUATION PRINCIPLES

The financial statements of Hyposwiss Private Bank Genève SA have been drawn up in accordance with the provisions of the Swiss Federal Law on Banks and Saving Banks, its relevant implementing ordinance and guidelines on the accounting principles to be applied in the banking sector as stipulated by the Swiss Financial Market Supervisory Authority FINMA (Circular 2015/1).

The statutory financial statements have been drawn up in such a manner that third parties are able to form a reliable opinion. The annual accounts may contain hidden reserves.

Numbers in the appendix have been rounded for publication purposes.

The valuation and accounting principles of the Group Hyposwiss apply to annual accounts of the Bank except for the following positions:

Participations: Participations are recorded in the balance sheet at their acquisition cost, less any required write-down of their value. The Bank regularly performs impairment tests on the value of its participations.

Income tax: Current taxes on income and the affecting capital for the corresponding period are calculated in accordance with the applicable tax regulations. Direct taxes outstanding at the end of the year are shown as liabilities in the balance sheet under “Accrued expenses and deferred income”.

Reserves for general banking risks: Reserves for general banking risks are established preventively to cover the risks of the overall activities of the Bank. These reserves are considered part of the shareholders' equity under the Capital Adequacy Ordinance (CAO). They are constituted and dissolved under the rubric "Changes in reserves for general banking risks".

Changes to the accounting principles

The accounting and valuation principles were not modified relative to the previous financial year, except with regard to the items described in this section in the consolidated accounts.

Material events and events taking place after the balance-sheet date

There were no material events or events taking place after the balance-sheet date that could have an impact on the financial statements at 31 December 2021.

3 - DETAILS ON THE INDIVIDUAL ITEMS IN THE NOTES TO ANNUAL FINANCIAL STATEMENTS

3.1 Presentation of collateral for loans / receivables and off-balance sheet transactions, as well as impaired loans / receivables (CHF 1'000)

	Type of collateral			
	Secured by mortgage	Other collateral	Unsecured	Total
LOANS (before netting with value adjustments)				
Amounts due from customers	-	439'440	2'432	441'872
Mortgage loans	30'174	-	-	30'174
- Residential property	25'911	-	-	25'911
- Commercial property	4'264	-	-	4'264
TOTAL LOANS (before netting with value adjustments)				
31.12.2021	**30'174**	**439'440**	**2'432**	**472'046**
31.12.2020	**19'127**	**395'919**	**2'096**	**417'142**
TOTAL LOANS (after netting with value adjustments)				
31.12.2021	**30'174**	**439'440**	**787**	**470'402**
31.12.2020	**19'127**	**395'919**	**555**	**415'601**
OFF-BALANCE-SHEET				
Contingent liabilities	-	19'161	929	20'089
Irrevocable commitments	-	2'372	1'688	4'060
TOTAL OFF-BALANCE-SHEET				
31.12.2021	-	**21'533**	**2'617**	**24'150**
31.12.2020	-	**13'512**	**3'076**	**16'588**

	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
IMPAIRED LOANS / RECEIVABLES				
31.12.2021	**1'645**	**-**	**1'645**	**1'645**
31.12.2020	**1'541**	**-**	**1'541**	**1'541**

3.2 Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities) (CHF 1'000)

	31.12.2021	31.12.2020
ASSETS		
Trading portfolio assets		
Debt securities, money market securities / transactions	387	453
- of which, lised	387	453
Equity securities	-	-
Precious metals and commodities	-	-
Other trading portfolio assets	-	-
Other financial instruments at fair value		
Debt securities	-	-
Structured products	-	-
Other	-	-
Total assets	**387**	**453**
- of which, determined using a valuation model	-	-
- of which, securities eligible for repo transactions in accordance with liquidity requirements	-	-

3.3 Presentation of derivative financial instruments (assets and liabilities) (CHF 1'000)

	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
FOREIGN EXCHANGE / PRECIOUS METAL						
Forward contracts	8'185	16'444	1'349'558	-	-	-
Options (OTC)	4'255	4'255	105'080	-	-	-
Total before netting agreements						
31.12.2021	12'440	20'698	1'454'638	-	-	-
- of which, determined using a valuation model	12'440	20'698	1'454'638	-	-	-
31.12.2020	13'772	16'457	1'153'338	-	-	-
- of which, determined using a valuation model	13'772	16'457	1'153'338	-	-	-

The Bank does not practice netting.

Breakdown by counterparties (CHF 1'000)

	Central clearing houses	Banks and securities firms	Other customers
Positive replacement values (after netting agreements)	-	9'508	2'932

3.4 Breakdown of financial investments (CHF 1'000)

	Book value		Fair value	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Debt securities	**97'898**	**264'785**	**97'905**	**264'821**
- of which, intended to be held to maturity	46'597	216'077	46'605	216'090
- of which, not intended to be held to maturity (available for sale)	51'301	48'708	51'301	48'731
Equity securities	**1'832**	**881**	**2'309**	**1'075**
- of which, qualified participations*	-	-	-	-
Precious metals	**68'865**	**62'152**	**68'865**	**62'152**
Real estate	**-**	**-**	**-**	**-**
Total	**168'595**	**327'818**	**169'079**	**328'048**
- of which, securities eligible for repo transactions in accordance with liquidity requirements	6'799	5'358	6'799	5'358

** at least 10% of voting rights*

3.4.1 Breakdown of counterparties by S&P rating (CHF 1'000)

	31.12.2021	31.12.2020
	Debt securities Book value	Debt securities Book value
From AAA to AA-	97'759	263'785
From A + to A -	-	-
From BBB + to BBB -	-	-
From BB + to B -	-	-
Lower than B -	-	-
Without notation	139	1'000

3.5 Breakdown of other assets and other liabilities (CHF 1'000)

	Other assets		Other liabilities	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Indirect taxes	311	268	740	751
Settlement amounts	-	-	-	-
Employees' insurance contracts	384	332	384	331
Other assets and other liabilities	149	297	(13)	(12)
Total	**844**	**897**	**1'111**	**1'070**

3.6 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership (CHF 1'000)

	31.12.2021		31.12.2020	
	Book values	Effective commitments	Book values	Effective commitments
Pledged / assigned assets				
Amounts due from banks	3'210	-	1'180	-
Financial investments	70'347	8'175	61'350	6'512
Tangible fixed assets	4'570	-	4'411	566
	-	-	-	-
Total pledged / assigned assets	**78'126**	**8'175**	**66'941**	**7'078**
Assets under reservation of ownership	-	-	-	-

3.7 Disclosure of liabilities relating to own pension schemes, and number and nature of equity instruments of the Bank held by own pension schemes

The Bank has no liabilities relating to own pension schemes. Pension schemes do not hold any equity instruments of the Bank.

3.8 Disclosure of the economic situation of own pension schemes

a. Employer's contribution reserves (ECR)

Employer had no contribution reserve as at December 31, 2021 (idem in 2020).

b. Presentation of the economic benefit/economic obligation and pension's liabilities

Pension plans protect the employees of the Bank against the economic consequences of retirement, disability and death.

The bank shall determine whether the level of coverage and the particular circumstances of the pension fund can lead to an economic advantage or commitment. The assessment is based on the annual accounts of the pension fund and the information provided by it as the financial situation in 2021.

The Bank's Board of Directors considers that any surplus pursuant will be used for the benefit of policyholders. There is no economic benefit to the employer.

	Overfunding / underfunding at 31.12.2021	Economic interest of the bank / financial group		Change in economic interest	Contributions paid for the year	Pension expenses in personnel expenses	
		31.12.2021	31.12.2020			31.12.2021	31.12.2020
					CHF	CHF	CHF
Pension plan (Patrimonia)	10%	-	-	-	2'187'344	2'187'344	2'161'674
Collective pension foundation (La Bâloise)	-	-	-	-	213'348	213'348	283'893

3.9 Presentation of issued structured products

The Bank does not issue any structured products.

3.10 Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year (CHF 1'000)

	Previous year end	Use in conformity whith designated purpose	Currency differences	Past due interest, recoveries	New creations charged to income	Nouvelles constitutions à la charge du compte de résultat	Releases to income	Balance at current year end
Provisions for other business risks	14	-	-	-	-	-	-	14
Other provisions	610	(330)	50	-	-	-	(86)	244
Total provisions	**624**	**(330)**	**50**	**-**	**-**	**-**	**(86)**	**258**
Reserves for general banking risks	**8'700**	**-**	**-**	**-**	**-**	**-**	**(3'500)**	**5'200**
Value adjustments for default and country risks								
- Value adjustments for default risks in respect of impaired loans / receivables	1'541		-	46	58	-	-	1'645
- Value adjustments for default risks on non-impaired loans	-	-	-	-	-	-	-	-
Total value adjustments for default and country risks	**1'541**	-	-	46	58	-	-	**1'645**

Reserves for general banking risks are not taxable.

3.11 Presentation of the bank's capital (CHF 1'000)

	31.12.2021			31.12.2020		
	Total nominal valuevalue	No. of shares	Dividend-bearing capital	Total nominal value	No, of shares	Dividend-bearing capital
Bank's capital	25'000	250'000	25'000	25'000	250'000	25'000
- of which, paid up	25'000	250'000	25'000	25'000	250'000	25'000
Participation capital	2'500	25'000	2'500	2'500	25'000	2'500
- of which, paid up	2'500	25'000	2'500	2'500	25'000	2'500
Total bank's capital	**27'500**	**275'000**	**27'500**	**27'500**	**275'000**	**27'500**
Authorised capital	-	-	-	-	-	-

The Articles of Incorporation do not place any restrictions on the use of voluntary retained earnings. However, they can only be distributed if regulatory capital requirements continue to be met.

Non-distributable reserves (CHF 1'000)

	31.12.2021	31.12.2020
Non-distributable capital reserves	1'686	1'686
Non-distributable retained earnings	6'957	6'930
Total non-distributable reserves	**8'643**	**8'616**

3.12 Number and value of equity securities or options on equity securities held by all executives and directors and by employees, and disclosures on any employee participation schemes (CHF 1'000)

Nil

3.13 Disclosure of amounts due from / to related parties (CHF 1'000)

	Amounts due from		Amounts due to	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Holders of qualified participations	10'337	10'585	15'717	14'358
Group companies	302	302	1'058	643
Linked companies	-	-	-	-
Transactions with members of governing bodies	811	408	6'369	6'456

Guarantees totaling CHF 84'928 (CHF 62'758 in 2020) were issued by the Bank for the account of affiliated entities, significant shareholders and governing bodies.

An undrawn credit limit of CHF 91'390 (CHF 1'058'580 in 2020) and a contingent liability of CHF 792'945 (CHF 1'585'890 en 2020) were granted to qualified participants.

Conditions applied to operations with related parties are in line with market conditions.

3.14 Disclosure of holders of significant participations

	31.12.2021		31.12.2020	
Holders of significant participations and group of holders of participations with pooled voting rights	Nominal	% of equity	Nominal	% of equity
With voting rights:				
Mirelis Holding SA	25'000	90.91	25'000	90.91
Without voting rights:				
Mirelis Holding SA	2'500	9.09	2'500	9.09
	27'500	**100.00**	**27'500**	**100.00**

At 31 December 2020, the shareholders of Mirelis Holding SA were as follows:

Lawi Family	
Solly S. Lawi	11.66
Solly A. Lawi	11.66
Albert Lawi	4.86
SFM Holding SA, Genève	44.68
	72.86
Kadoorie Family	
Maple Investment Ltd, Bermuda	**24.28**
Dwek Family	
Ilann Dwek	1.93
Robert Dwek	0.93
	2.86
Total	**100.00**

3.15 Breakdown of total assets by credit rating of country group (risk domicile view) (CHF 1'000)

	Net foreign exposure at 31.12.2021		Net foreign exposure at 31.12.2020	
Breakdown as per FINMA correspondence tables	CHF	Share as %	CHF	Share as %
1 & 2	209'865	39.82%	354'820	54.07%
3	26'676	5.06%	18'496	2.82%
4	52'487	9.96%	57'634	8.78%
5	113'194	21.47%	109'396	16.67%
6	6'208	1.18%	6'622	1.01%
7	26'072	4.95%	16'974	2.59%
Without notation	92'700	17.57%	92'406	14.07%
Total	**527'201**	**100.00%**	**656'348**	**100.00%**

The Bank uses ratings provided by FINMA in its correspondence tables for the calculation of regulatory capital requirements. The rating given by the rating agency "Standard & Poor's" has been adopted.

The table above is presented by considering the customer's domicile for the categories "Amounts due from customers" and "Mortgage loans" while the domicile of the counterparty of the domicile of the issuer for the categories "Amounts due from banks" and "Financial investments" and the domicile of the risk is used for all other items.

4 - BREAKDOWN OF OFF-BALANCE SHEET ITEMS

4.1 Breakdown of fiduciary transactions (CHF 1'000)

	31.12.2021	31.12.2020
Fiduciary investments with third-party companies	388'551	300'812
Total of fiduciary transactions	**388'551**	**300'812**

4.2 Breakdown of managed assets and presentation of their development (CHF 1'000)

Breakdown of managed assets	31.12.2021	31.12.2020
Assets in collective investment schemes managed by the Bank	-	-
Assets under discretionary asset management agreements	1'820'620	1'525'412
Other managed assets	4'417'992	3'440'630
Total managed assets (including double counting)	**6'238'612**	**4'966'042**
- of which, double counting	-	-

Calculation of managed assets include all client's investments deposited with the Bank as well as those deposited with third-party banks and managed by the Bank. Clients' assets held by the Bank acting only as custodian bank are excluded from this calculation.

Assets under discretionary asset management agreements include clients' assets for which investment decisions are made by the Bank. Other management assets are those for which investment decisions are made by the client.

Presentation of the development of managed assets (CHF 1'000)	31.12.2021	31.12.2020
Total managed assets (including double counting) at beginning	**4'966'042**	**4'870'030**
+/- Net new money inflow / Net new money outflow	976'276[1]	250'372[2]
+/- Price gains / losses, interest, dividends and currency	296'294	(154'360)
+/- Other effects	-	-
Total managed assets (including double counting) at end	**6'238'612**	**4'966'042**

The Bank determines the amount of new money based upon deposits and withdrawals by the clients. Interest and dividend income generated by assets under management are not considered to be new money inflow. The net inflow of new money does not include market fluctuations and exchange rates, or fees, commissions and debited interest.

1. Net new money from the merger of United Mizrahi Bank (Switzerland) Ltd stood at CHF 414'701 (CHF 1'000) in 2021.
2. Net new money from the integration of the client assets of Hapoalim (Switzerland) Ltd stood at CHF 69'668 (CHF 1'000) in 2020.

5 - INCOME STATEMENT RELATED INFORMATION

5.1 Breakdown of the result from trading activities and the fair value option (CHF 1'000)

	2021	2020
Breakdown by business area		
Traging activity for the bank's own account	197	229
Activité de trésorerie pour propre compte	4'607	512
Trading activity for customers' account	9'278	7'512
Total result from trading activities	**14'081**	**8'253**

5.2 Breakdown by underlying risk and based on the use of the faire value option (CHF 1'000)

	2021	2020
Result from trading activities from:		
- Interest rate instruments (including funds)	4'607	512
- Equity securities (including funds)	197	229
- Foreign currencies	9'278	7'512
- Commodities / precious metals	-	-
Total result from trading activities	**14'081**	**8'253**
- of which, from fair value option	197	229
- of which, from fair value option on assets	197	229
- of which, from fair value option on liabilities	-	-

5.3 Net result due to refinancing of trading positions and negative interest (CHF 1'000)

	2021	2020
Negative interest		
Negative interest relating to asset transactions (reduction of interest income and discounts)	4'864	972
Negative interest relating to liability transactions (reduction in interest expenses)	1'252	810

5.4 Breakdown of personnel expenses (CHF 1'000)

	2021	2020
Salaries	28'687	25'461
- of which, expenses relating to alternative forms of variable compensation	4'922	4'898
Social insurance benefits	5'080	4'567
Other personnel expenses	533	364
Total	**34'300**	**30'392**

5.5 Breakdown of general and administrative expenses (CHF 1'000)

	2021	2020
Office space expenses	2'887	2'362
Expenses for information and communication technology	1'301	1'023
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	337	170
Fees for audit firm(s)	481	300
- of which, for financial and regulatory audits	320	300
- of which, for other services	161	-
Marketing and public relations expenses	295	312
Travelling expenses	477	359
Direct and indirect taxes	709	649
Other operating expenses	6'091	4'868
Total	**12'577**	**10'043**

5.6 Explanations regarding material losses, extraordinary income and expenses, as well as material releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required (CHF 1'000)

	2021	2020
Extraordinary income	13	3'256
Extraordinary expenses	86	-
Changes in reserves for general banking risks	3'500	-
Changes to provisions and other value adjustments, and losses	(1'999)	(929)

The "Changes to provisions and other value adjustments, and losses" mainly concerns the settlement of past litigation. The Group used its insurance policy to cover the financial losses.

5.7 Presentation of current taxes, deferred taxes, and disclosure of tax rate (CHF 1'000)

	2021	2020
Current taxes	1'346	835
Total taxes	**1'346**	**835**
Weighed average tax rate based on operational result	17.62%	20.54%



REPORT

OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

Report of the statutory auditor

to the General Meeting of Hyposwiss Private Bank Genève SA, Geneva

Report on the financial statements

As statutory auditor, we have audited the financial statements of Hyposwiss Private Bank Genève SA, which comprise the balance sheet, income statement, statement of changes in equity and notes (pages 98 to 117), for the year ended 31 December 2021.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (art. 728 CO and art. 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with art. 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Omar Grossi
Audit expert
Auditor in charge

Lorenzo Morelli
Audit expert

Geneva, 26 April 2022

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6 - DISCLOSURE REQUIREMENTS AS PRESCRIBED IN THE FINMA CIRCULAR 2016/1 FOR HYPOSWISS PRIVATE BANK GENÈVE SA (CHF 1'000) - UNAUDITED

6.1 KM1 "Key prudential metrics"

		a	e
		31.12.2021	31.12.2020
	Available capital		
1	Common Equity Tier 1 (CET1)	58'069	60'624
2	Tier 1 capital (T1)	58'069	60'624
3	Total capital	58'069	60'624
	Risk-weighted assets (RWA)		
4	RWA	210'921	190'141
4a	Minimum capital requirements	16'874	15'211
	Risk-based capital ratios as a percentage of RWA		
5	Common Equity Tier 1 ratio	27.5%	31.9%
6	Tier 1 ratio	27.5%	31.9%
7	Total capital ratio	27.5%	31.9%
	Additional CET1 buffer requirements as a percentage of RWA		
8	Capital conservation buffer requirement as per the Basel minimal standards (2.5% from 2019)	2.5%	2.5%
9		0.00%	0.00%
10	Countercyclical buffer requirement (art. 44a ERV) as per the Basel minimal standards	0.00%	0.00%
12	Bank G-SIB and/ or D-SIB additional requirements	19.5%	23.9%
	CET1 available after metting the bank's minimum capital requirements as per the minimal standards		
12a	**Target capital ratios according to appendix 8 CAO (% of RWA)**	3.2%	3.2%
12b	Capital buffer according to appendix 8 CAO	0.0%	0.0%
12c	Countercyclical capital buffer (art. 44 and 44a CAO)	7.4%	7.4%
12d	CET1 target ratio according to appendix 8 CAO in addition to countercyclical capital buffer according to art. 44 and 44a CAO	9.0%	9.0%
12e	T1 target ratio according to appendix 8 CAO in addition to countercyclical capital buffer according to art. 44 and 44a CAO	11.2%	11.2%
	Total capital target ratio according to appendix 8 CAO in addition to countercyclical capital buffer according to art. 44 and 44a CAO		
	Basel III leverage ratio		
13	Total exposure (CHF)	1'556'599	921'661
14	Basel III leverage ratio (Tier 1 capital in percentage of total exposure)	3.8%	6.6%

	Liquidity coverage ratio LCR	31.12.21	30.09.21	30.06.21	31.03.21	31.12.20
15	LCR Numerator: sum of High quality liquid assets (CHF)	708'108	720'525	679'650	587'194	488'113
16	LCR Denominator: sum of net cash outflows (CHF)	236'127	221'696	209'112	184'004	165'006
17	Liquidity coverage ratio (LCR) (in %)	299.9%	325.0%	325.0%	319.1%	295.8%

	Funding ratio (NSFR)	31.12.21
18	Available stable refinancing (in CHF)	1'014'466
19	Required stable refinancing (in CHF)	395'271
20	Funding ratio, NSFR (in %)	257%

6.2 OV1 "Overview of risk-weighted assets"

			31.12.2021	31.12.2020	31.12.2021
			a	b	c
		Approach	RWA	RWA	Minimum capital requirements
1	Credit Risk	**SA-BIS**	6'661	6'227	533
20	Market risk	**Standard approach**	1'178	1'412	94
24	Operational risk	**Basic indicator approach**	9'035	7'572	723
25	Amounts below the thresholds for deduction (subject to 250% risk weight)		-	-	
27	**Total (1 + 20 + 24 + 25)**		**16'874**	**15'211**	**1'350**

6.3 LIQA "Management of liquidity risks"

Management of liquidity risks principles are described in the consolidated financial statements of the Hyposwiss Group. For more details, please refer to the explanatory notes in Appendix 3 to the consolidated financial statements.

6.4 CR1 "Credit quality of assets"

		a	b	c	d
		Gross book values of		Value adjustments / impairments	Net values
		Defaulted exposures	Non-defaulted impairments exposures		
1	Loans (excluding debt securities)	1'645	1'346'916	1'645	1'346'916
2	Debt securities	-	97'898	-	97'898
3	Off-balance sheet exposures	-	40'096	-	40'096
4	**Total**	**1'645**	**1'484'910**	**1'645**	**1'484'910**

Informations related to the default risk and the definition of the impaired loans are described in the consolidated financial statements of the Hyposwiss Group. For more details, please refer to the notes in the consolidated financial satements.

6.5 CR3 "Overview of mitigation techniques"

	a	c	e&g
	Exposures unsecured / book values	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees or by credit derivatives, of which: secured amount
Loans (including debt securities)			-
Off-balance-sheet exposures	1'645	1'444'814	-
	-	40'096	
Total			**-**
Of which defaulted exposures	**1'645**	**1'484'910**	

6.6 ORA "Operational risks: general guidance"

Informations related to the operational risks are described in the consolidated financial statements of the Hyposwiss Group. For more details, please refer to the notes in the consolidated financial satements.

The bank calculates its minimum regulatory capital requirements for operational risks based on the basic indicator approach.

EXIGENCES DE PUBLICATION SELON LA CIRCULAIRE FINMA 2016/1

Table IRRBBA "Interest-rate risk in the banking book (IRRBB): risk management objectives and policies"

The information provided below relates to Hyposwiss Private Bank Genève SA. Only the Bank is required to calculate its exposure to interest-rate risk, as other Group companies do not have any material exposure to this type of risk.

Interest-rate risk in the banking book (IRRBB) refers to the current or prospective risk to the Bank's equity and net interest income arising from adverse movements in interest rates.

As part of its risk-taking strategy, the Bank sets IRRBB exposure limits based on its eligible capital and recurring income. These limits are approved by the Board of Directors.

The Bank uses the following modeling and parametric assumptions for its regulatory calculations:
- A statistical approach is used for the replication models and for cash flows involving balance-sheet items in categories II to IV.
- Cash flows are discounted using the Libor, and intermediate interest rates are calculated using linear interpolation.
- Changes in net interest income are computed based on a constant balance sheet, whereby the total balance sheet size and shape are maintained by assuming like-for-like replacement of assets and liabilities as they run off.

Exposure limits are expressed as:
- Exposure limits relating to the sensitivity of the economic value of equity (economic value)
- Exposure limits relating to the sensitivity of net interest income over a rolling year (earnings)

Each quarter, the Risk Control Unit ensures compliance with the limits and submits a report to the Audit and Risk Committee.

The Bank uses the standardized interest-rate shock scenarios set out in margin No. 24 of FINMA Circular 2019/2 "Interest-rate risk – banks" to calculate the economic value of equity, with each major currency calculated separately.

Overall, the Bank is not significantly exposed to interest-rate risk. It is mainly sensitive to a potential loss on investments, as client deposits are not remunerated. To mitigate risks, the majority of the Bank's assets are placed in short-term investments, and fixed-rate assets and liabilities are matched.

DISCLOSURE REQUIREMENTS UNDER FINMA CIRCULAR 2016/1

Table IRRBB1 "Quantitative information on IRRBB"

		a	b	c	d	e	f	g
		Volume in CHF millions			Average repricing maturity (in years)		Longest repricing maturity (in years) assigned to non-maturity deposits	
		Total	Of which CHF	Of which other currencies	Total	Of which CHF	Total	Of which CHF
Positions with a set repricing maturity	Amounts due from banks	23	-	23	0.28	-	0.28	-
	Amounts due from customers	6'139	336	5'803	0.22	0.17	0.22	0.17
	Money-market mortgage loans	-	-	-	-	-	-	-
	Fixed-rate mortgage loans	52	41	11	0.17	0.17	0.17	0.17
	Financial investments	74	-	74	0.91	5.13	0.91	5.13
	Other assets	-	-	-	-	-	-	-
	Receivables on interest-rate derivatives	-	-	-	-	-	-	-
	Amounts due to banks	-	-	-	-	-	-	-
	Amounts due in respect of customer deposits	-	-	-	-	-	-	-
	Medium-term notes	-	-	-	-	-	-	-
	Bonds and mortgage-backed bonds	-	-	-	-	-	-	-
	Other liabilities	-	-	-	-	-	-	-
	Liabilities on interest-rate derivatives	-	-	-	-	-	-	-
Positions with no set repricing maturity	Amounts due from banks	41	3	38	0.08	0.08	0.08	0.08
	Amounts due from customers	49	1	48	0.22	0.22	0.22	0.22
	Variable-rate mortgage loans							
	Other sight receivables	-	-	-	-	-	-	-
	Customer sight deposits	-	-	-	-	-	-	-
	Other sight liabilities							
	Amounts due in respect of cancellable but non-transferable customer deposits	(648)	(18)	(630)	0.22	0.22	0.22	0.22
		-	-	-	0.08	0.08	0.08	0.08
		-	-	-	-	-	-	-
	Total	**5'730**	**363**	**5'367**	**0.23**	**0.17**	**0.58**	**0.24**

1 Column C "of which other currencies" comprises other major currencies that account for more than 10% of balance-sheet assets or liabilities.

DISCLOSURE REQUIREMENTS UNDER FINMA CIRCULAR 2016/1 (CHF 1'000)

Table IRRBB1 "Quantitative information on the economic value of equity and net interest income"

	31.12.2021	31.12.2020	31.12.2021	31.12.2020
CHF 1'000	Δ EVE (equity)		Δ NII (net interest income)	
Parallel up	2'283	812	(10'960)	(3'751)
Parallel down	(2'223)	(714)	10'751	3'671
Steepener[1]	(2'185)	(1'211)	-	-
Flattener[2]	2'633	1'379	-	-
Short rate up	3'194	1'523	-	-
Short rate down	(3'235)	(1'555)	-	-
Maximum	(3'235)	(1'555)	10'751	3'671
	31.12.2021		31.12.2020	
Tier 1 capital	**58'069**	**-**	**60'624**	**-**

The standardized interest-rate shock scenarios set out in FINMA Circular 2019/2 "Interest-rate risk – banks" showed that the Bank had relatively low exposure to interest-rate risk at 31 December 2021.

[1] Short-term rates fall and long-term rates rise
[2] Short-term rates rise and long-term rates fall



CURRICULUM VITAE

MEMBERS OF THE BOARD OF DIRECTORS

SOLLY S. LAWI

Chairman of the Board

Solly S. Lawi holds a Bachelor of Commerce (BCom) from McGill University and a law degree (L.LL) from the University of Montreal. He was admitted to the Quebec bar and started his career as a lawyer at Spector, Spiegel, Kravets & Associates in Montreal. In 1975, he joined Société Bancaire Barclays (Suisse) SA in Geneva as Senior Vice President before being appointed manager and member of the Management Committee. In 1986, following the ownership change of the bank to Société Bancaire Julius Baer SA, Mr. Lawi became Chief Executive Officer (CEO), Chairman of the Management Committee and then Vice Chairman of the Board of Directors. In 1997, he co-founded Mirelis InvesTrust SA (which became Mirelis Holding SA in 2015), a Geneva-based wealth management company, where he serves as a partner and Chairman of the Board of Directors. Since 2014, following the acquisition of Hyposwiss Private Bank Genève SA by Mirelis InvesTrust SA, Mr. Lawi continues his active role as Chairman of the Board of Directors.

*ALAIN BRUNO LEVY**

Vice Chairman of the Board

Alain Bruno Lévy holds a doctorate in law from the University of Fribourg and is a member of the Geneva bar. He served as an adjunct professor at the University of Fribourg Faculty of Science for many years. He is a partner at Junod, Muhlstein, Lévy & Puder, where he specializes in commercial law, banking law, intellectual property and arbitration. Mr. Lévy previously served as Head of the Legal Department at the Swiss Federal Banking Commission (now FINMA) and President of the Swiss Bar Association. He currently sits on the boards of directors of numerous Swiss banks and other financial companies.

*MICHEL BROCH**

Member and Secretary of the Board

Michel Broch holds a law degree from the University of Fribourg and was admitted to the bar of Fribourg Canton in 1983. He began his career with the Swiss Federal Insurance Court in Lucerne before moving to the Legal Department at the Swiss Federal Banking Commission (now FINMA). He joined Ernst & Young in 1990 as a banking and financial advisor and eventually became a Partner and Board Member. In 2002 he became Chairman of the Executive Committee of Banque Safdié, and in 2005 he created his own consulting firm specializing in services for banks and other financial companies.

*ERIC BERNHEIM**

Member

Eric Bernheim earned a degree in electrical and electronic engineering from the Swiss Federal Institute of Technology in Zurich (EPFZ) and an MBA from INSEAD and began his career with General Motors and Alcatel. In 1987, he joined McKinsey & Company in Zurich and Geneva, where he was elected Senior Partner. His duties there involved advising Swiss and global companies in the pharmaceutical, chemical, energy, consumer goods, retail, manufacturing and insurance sectors. He also set up and managed the company's offices in Geneva and North Africa and has led several sector-specific and operational practices around the world. In 2014, he left McKinsey and was named Director Emeritus. He served as interim CEO of Assura Group in 2016 before becoming Vice Chairman of its Board; he also sits on the Board of Directors of Oryx Energies SA and Skillreal Ltd, an Israeli start-up that develops artificial intelligence applications. He is also a member of the Executive Committee of the Hebrew University of Jerusalem.

*ALEXANDER L. DEMBITZ**

Member

Alexander L. Dembitz holds a degree in Management Sciences, University of Manchester, UK and an MBA with distinction from INSEAD. After an immersion in software engineering, he joined Midland Bank, serving in London, Paris and Düsseldorf. Mr. Dembitz founded the IDOM Group in 1988, a firm specialized in IT systems for banks. Benefiting from the dissolution of the Soviet Union, IDOM played a major role in transferring Central European banks. IDOM became the largest technology and banking consulting firm in Central Europe and was acquired by Deloitte & Touche in 1993. Mr. Dembitz became a partner, then CEO and finally Chairman of the Board of Directors, Deloitte & Touche Central Europe. In February 2008, Alexander Dembitz became the main shareholder and Chairman of SOFGEN, a banking/IT consulting firm based in Geneva. Tech Mahindra International, quoted on India's Mumbai stock exchange, acquired SOFGEN in January 2015. Mr. Dembitz continues as Chairman, SOFGEN Holdings Limited. He has 40 years of experience in banking, investment management and consulting.

ROBERT DWEK

Member

Robert Dwek holds an MBA from New York University and began his career at Salomon Brothers Inc., New York where he was Vice-President in the International Department. In 1983, he joined S.G. Warburg Soditic SA in Geneva as Senior Vice-President of the Capital Markets Division. In 1987, he moved to the Executive Committee of Soditic Asset Management SA, which became Atlas Capital Group after merging with Atlas Research & Consultancy in 2000 and the acquisition of Deltec Bank & Trust in 2002. Mr. Dwek was a member of the Executive Committee of Atlas Capital Group. Following the merger of Atlas Capital SA with Mirelis InvesTrust SA in 2013 and the acquisition of Hyposwiss Private Bank SA in 2014, he became a member of the Hyposwiss Executive Board and Chief Investment Officer.

*PHILIPPE PERLES**

Member

Philippe Perles holds a degree in commercial and industrial sciences from the University of Geneva and began his career in managerial roles with several banks. As founder and President of Novéo Conseil SA, which has offices in Geneva, London and Paris, he has been involved in specific projects for the executive boards of various international banking groups over the past 18 years. Mr. Perles is an independent director at several banks and other financial companies and is a member of the Association Romande des Intermédiaires Financiers (ARIF), a self-regulatory organization under the Swiss Anti-Money Laundering Act (AMLA).

*NABIL JEAN SAB**

Member

Nabil Jean Sab holds a degree in economic and social sciences from the University of Geneva and began his career as a senior auditor at ATAG Ernst & Young SA. In 1993, he managed branch offices for ATAG Asset Management Ltd and AAM Banque Privée Ltd. In 2010, he founded Compagnie Privée de Conseils et d'Investissements SA, a wealth management company, where he is the majority shareholder and CEO.

** Independent member*

COMMITTEES OF THE BOARD OF DIRECTORS

AUDIT AND RISK COMMITTEE

Chairman:	*Michel Broch*
Vice Chairman:	*Alain Bruno Lévy*
Secretary:	*Philippe Perles*

COMPENSATION COMMITTEE

Chairman:	*Eric Bernheim*
Vice Chairman:	*Alain Bruno Lévy*
Secretary:	*Solly S. Lawi*

MEMBERS OF THE EXECUTIVE BOARD

NIELS BOM OLESEN

Chief Executive Officer - CEO

Niels Bom Olesen holds a Bachelor's in economics from the University of Kent, Canterbury, a banking diploma from the Danish Bankers Association, and a degree from the International Executive Program at INSEAD, France. Early in his career, Mr. Olesen worked at Crocker National Bank in Berkeley and California First Bank in San Francisco, before moving back to Denmark to work for Unibank A/S in Copenhagen. In 1991, he moved to Switzerland, where he created and managed Unibank's Swiss office, Unibank A/S (Switzerland) SA. In 1993, he joined Credit Suisse AG's Wealth Management division where he headed up teams in Geneva and Zurich. He came to Hyposwiss Private Bank Genève SA in 2012 as Head of Private Banking and was appointed CEO in 2014.

ALBERT LAWI

Deputy Chief Executive Officer - CEO/ Head of Private Banking

Albert Lawi holds a Bachelor's in commerce from McGill University and an MBA from the University of Toronto. He began his career in property investment in Canada. Then in 1981, he joined Société Financière Mirelis SA in Geneva and served as Deputy CEO until he co-founded wealth-management company Mirelis InvesTrust SA (now Mirelis Holding SA) with other members of the Lawi family in 1997. Mirelis acquired Hyposwiss in 2014, and Albert Lawi became Deputy CEO and Head of Private Banking in 2017.

RONI HOUGUI

Chief Operations Officer - COO

Roni Hougui holds a Bachelor in mathematics and computer science from Ben-Gurion University, Israel, an MBA from Tel Aviv University and an Executive MBA in International Wealth Management from Carnegie Mellon University, Pittsburgh (USA) and the University of Geneva. He ran the IT development and consulting firm Vertical Software, which specializes in the banking and watchmaking sectors and has offices in the USA and Switzerland. In 1999, he joined Mirelis InvesTrust SA, where he developed the IT infrastructure while also working as a wealth manager and Head of Trading. He became a member of the Hyposwiss Executive Board and Chief Operating Officer in 2014 in charge of Information Technology and Operations.

SÉBASTIEN JOLIAT

Chief Financial Officer - CFO

After obtaining a Bachelor's in business administration (with a concentration in finance) from the University of Geneva, Sébastien Joliat joined Ernst & Young SA (Geneva) as a bank auditor in 1997. In 2003, he went on to work for Banque Safdié SA, Geneva, as CFO for both the parent company and its domestic and international subsidiaries and offices. In 2011, Mr. Joliat joined Mirelis InvesTrust SA as CFO, a position he still holds following the acquisition of Hyposwiss Private Bank Genève SA. He became a member of the Hyposwiss Executive Board and Head of the Finance, Trading, Risk and Compliance departments in 2014.

STEPHAN LAWI

Chief Investment Officer - CIO

Graduate in Physcis from Ecole Polytechique Fédérale de Lausanne - EPFL and in Applied Mathematics from Ecole Polytechnique (Paris), Stephan Lawi also holds a doctorate in Mathematics from the University of Toronto Following a postdoctoral research assignment in Probability Theory at the CNRS in Paris, he left academia to work as a "Quant" for various investment banks, first in London for KBC Financial Products, then in Hong Kong to join the wealth management compay Mirelis InvesTrust SA in Geneva Sa in 2017 then head of the Resarch and Investment (R&I) department in 2019. In 2021, Stephan Lawi was appointed Director and member of the General Management whilw holding the position of Chief Investment Officer to continue supervising the R&I department.

SYLVIE WEHRLI

Chief Compliance Officer - CCO

Sylvie Wehrli holds a degree in Business Administration from the Adult education institute "ifage", a certificate in compliance management from the faculty of law in Geneva and a diploma of Specialist Tax Compliance. She began her career as a Compliance Officer in a local law firm and continued this activity with financial and banking institutions. In 2008, she joined Banque Saxo (Switzerland) SA, where she was responsible in Compliance for Geneva and Zurich branches. In 2010, she supported the implementation and development of Qatar National Bank in Geneva, QNB (Switzerland) Ltd as a member of the General Management and responsible for Compliance and Internal Control. In 2014, for Skandinaviska Enskilda Banken (Luxembourg) SA Geneva, she held the position of head of compliance until the closure of the branch. In 2016, Sylvie Wehrli joined Hyposwiss Private Bank Genève SA as head of the Compliance department and was appointed member of the general management in 2021.

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COMPANIES' ADDRESSES



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