HYPOSWISS
PRIVATE BANK

ANNUAL REPORT 2023

HYPOSWISS
PRIVATE BANK

Expect the expected

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CORPORATE BODIES OF HYPOSWISS PRIVATE BANK GENÈVE SA

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Chairman of the Board since 01.06.2023

Michel Broch *
Vice-Chairman of the Board

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Honorary Chairman

* Independent according to Circ.FINMA 2017/1

MANAGEMENT COMMITTEE

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Chief Executive Officer - CEO since 01.07.2023

Sébastien Joliat
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Roni Hougui
Chief Operations Officer - COO

James Lawi
Head of Private Banking

Stephan Lawi
Chief Investment Officer - CIO

Sylvie Wehrli
Chief Compliance Officer - CCO

Niels Bom Olesen
Chief Executive Officer (until 30.06.2023)

INTERNAL AUDITORS

BDO SA, GENEVA

STATUTORY AUDITORS

PricewaterhouseCoopers SA, Genève

LETTER
TO SHAREHOLDERS
2023

Dear Shareholders,

The challenges arising from the successive geopolitical, economic, energy and public-health shocks have been exacerbated by the war that began in the Middle East on 7 October 2023 and the one Russia has been waging in Ukraine since 24 February 2022. These conflicts and their repercussions have amplified existing weaknesses in the global economy, with a new divide into geopolitical blocks emerging that is straining the resilience of the rules-based order that has governed international and economic relations since the Second World War.

Such deep-seated shifts in the world's key political and military balances mark a turning point in the establishment of a new world order driven by China's pivotal role in the group of ten rapidly growing BRICS countries. The resulting geoeconomic fragmentation is throwing light on the wide gap between democratic and autocratic governments in terms of their fundamental values – and especially the values of freedom and the rule of law.

As diplomatic relations break down and the role of international organizations weakens, people are becoming more skeptical of the benefits of globalization – the philosophy that has governed international economic relations for the past 75 years. However, after three decades of progressive economic integration, it is indeed globalization – and not protectionism – that has enabled productivity gains, raised living standards, tripled the size of the global economy, and lifted 1.5 billion people out of extreme poverty. At the same time, hundreds of millions of people have joined the middle class.

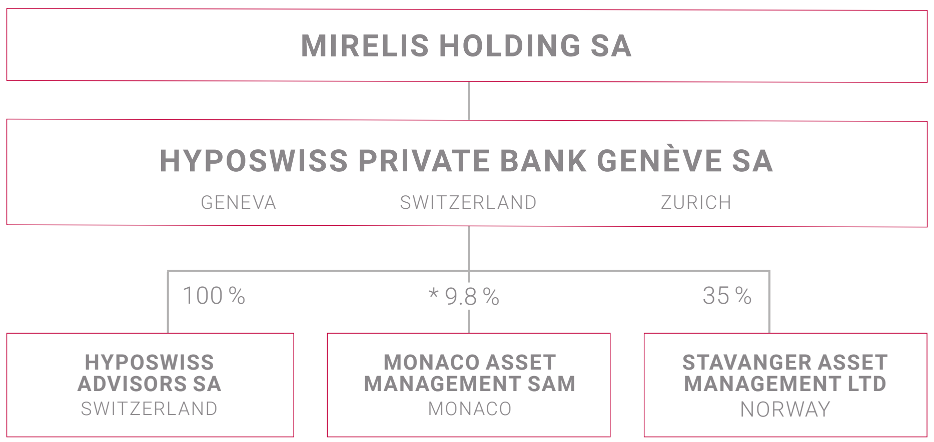
Currently, the gap between movements in financial markets and the state of the real economy seems to persist. Initially, the shocks mentioned above triggered a widespread slowdown in economic growth and fueled worries of a recession as central banks embarked on large-scale monetary-policy normalization – the biggest concerted effort since the 2008 financial crisis. This gave rise to a severe correction in all global financial markets, against a backdrop of steep interest-rate hikes enacted to curb inflation. **In Q1 2023**, the shocks prompted a regional **banking crisis** in the US followed by the forced merger of two multinational lending institutions in Switzerland: UBS and Credit Suisse. The immediate intervention of central banks was able to avoid contagion.

2023 nevertheless ended on a **note of optimism** with strong rallies leading to high gains in most of the asset classes included in diversified investment portfolios. **The world's main equity indices climbed to fresh highs between November 2023 and March 2024, boosted primarily by the rising prices of tech-sector stocks.** These companies are benefiting from the rapid development of artificial intelligence (AI) technology and the encouraging prospects for delivering robust performance.

2023 saw relatively weak global GDP growth, persistently high inflation (a trend that dates back to 2021), high debt levels and ongoing threats to financial stability. What's more, geoeconomic fragmentation intensified, at a time when international cooperation is needed to tackle the challenges of swelling public debt and climate change, and to address the threats and seize the opportunities arising from the digital transition and AI.

2023 GROUP STRUCTURE

We continued our organic growth in 2023, which enabled us to consolidate our resources and strengthen our shareholders' equity. Shareholders' equity stood at CHF 81 million at end-2023, up from CHF 61.7 million at end-2022,including CHF 19 millionin reserves for general banking risks. This increase reflects our solid operating profit over the period. We are maintaining a realistic and cautious vision as we confront the new challenges posed by today's unprecedented – and overlapping – crises. Going forward, our business development efforts will be focused on shoring up our asset management business and enhancing its governance in order to pursue our growth-driven strategy.



*Monaco Asset Management SAM divested in March 2023

Before we look back at Hyposwiss's achievements in 2023, 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

The global economy should prove resilient as inflation subsides and GDP growth stabilizes, paving the way to a soft landing in 2024.

According to estimates from the International Monetary Fund (IMF), global GDP grew 3.1% in 2023, and this rate should remain the same in 2024 before edging up to 3.2% in 2025. This represents a slight increase from previous estimates owing to: (i) stronger-than-expected economic resilience in the US; (ii) China's fiscal stimulus; and (iii) higher economic growth rates in several large emerging and developing countries.

- The global economy seems on track for a soft landing, but with a weak outlook for output and expansion. G20 countries are in a surprisingly solid position at this phase of the business cycle considering that, so far, disinflation hasn't triggered a recession and emerging markets have proven to be more resilient than expected.
- Central banks will loosen their monetary policies somewhat in 2024. However, given the secular trends under way and challenges ahead – namely, low productivity growth, an aging population, geoeconomic fragmentation and the threats from climate change – the medium-term growth outlook is grim.

- In general, the main engine of economic growth is the efficient allocation of labor and capital, resulting in higher overall productivity. The IMF's five-year forecasts suggest that, barring any major structural reforms or technological advances, global GDP growth should slow to around 3% by 2029–2030 – not a very encouraging prospect. The global growth rate (net of cyclical variations) has been slowing continuously since the 2008 financial crisis, when it was running at 4.5% on average.

  These trends will also impede income convergence among countries and make their economies more vulnerable to exogenous shocks. In addition, fiscal sustainability is being tested and public financing conditions are expected to remain difficult in the medium term, against a backdrop of high and growing levels of public debt.

KEY RISKS: RECORD DEBT AND INFLATION AROUND THE WORLD

- Inflation eased worldwide in 2023 but was still above most central banks' targets at year-end. Many central banks continued hiking their policy rates at the start of the year and then left them at high levels, signaling that their restrictive stance could continue for some time to come.
- Today, inflation has moderated and interest rates should flatten, giving greater visibility to companies that haven't put their capital expenditures on hold. We don't think the current geopolitical tensions will change this outlook, at least for now.
- The economic recovery has gained traction, and the risks weighing on future output are more balanced. However, global GDP growth could turn out to be more modest than expected if the pace of disinflation picks up and prompts central banks to loosen policy, or if governments ramp up their fiscal consolidation efforts.
- A number of uncertainties remain. Further surges in commodity prices, persistent tightness in the labor market and new supply-chain bottlenecks would reignite inflationary pressure. If induced by over-indebtedness, fiscal tightening would be faster than cyclical developments justify, which would harm economic growth. Changes in the outlook in China – positive or negative – would then create a source of global risk.
- The weak medium-term growth outlook could fuel protectionist tendencies. This would increase the risks associated with the geoeconomic fragmentation that's already weighing on international trade and financial-market integration. Climate-change threats are also hanging over economic forecasts – especially in Africa, where the benefits of the falling birth rate haven't yet materialized. The pace of globalization has slowed, but we also need to consider other remaining growth opportunities – such as those arising from AI and the trade in digital services – provided they are pursued properly.

AI is being integrated into global economic activity at an astonishing pace: nearly 40% of jobs worldwide stand to be affected by the technology, which will replace some jobs and enhance others.

- AI is revolutionary technology that can boost the productivity of some segments of the workforce, catalyze global economic growth and lift incomes around the world. However, it may also replace jobs and widen inequalities.
- While automation and other workplace technology has generally been employed for repetitive tasks, what makes AI different is it can impact even highly skilled jobs. This is a risk for developed countries in particular, although they also have greater scope for taking advantage of AI's benefits. AI stands to affect around 60% of jobs in developed countries, 40% of jobs in emerging markets and 26% of jobs in low-income countries. It follows that, over time, AI could widen inequalities between countries.
- A robust regulatory framework is needed to govern innovation in the field of AI and shape how the technology is integrated into the economy. This will help maintain trust and uphold the prosperity of people around the world.

The biggest threat to the global economy is still the record debt levels. The IMF estimates that higher interest rates could cost the poorest countries an additional USD 800 billion between now and 2025, further increasing the financial burden on countries already struggling under unprecedented levels of debt.

II - INVESTMENT POLICY

- Financial markets, especially in fixed income, were highly volatile over the past two years. In 2022, central banks realized that the inflationary pressure wasn't in fact "transitory" and enacted swift, steep rate hikes. This prompted worries about a possible recession and gave rise to the prospect of monetary easing down the line, which triggered a fall in long-term bond yields, inverting the yield curve in the process. However, macroeconomic data stayed fairly strong in early 2023, especially in the US, wrong-footing consensus estimates. Most analysts now expect a soft landing.

- The unexpected economic resilience can be attributed to a number of factors. First, consumer spending held up thanks to savings accumulated during the pandemic and to wage growth, which together at least partially offset the negative wealth effects of high inflation. Second, businesses were able to keep earnings at decent levels through a combination of effective balance-sheet management and efforts to prevent profit-margin erosion. And third, governments rolled out fiscal stimulus that served as a partial counterweight to central banks' monetary tightening.

- Regarding our investment policy, our Research & Investment (R&I) team went into 2023 with a conservative approach, underweighting both stocks and bonds. We then adjusted our portfolio allocation regularly to focus on quality issuers and, in our fixed-income portfolios, short durations. We also heavily weighted growth themes like technology and AI.

- In November 2023, our R&I team decided to scale back our equity exposure to neutral, to overweight bonds, and to extend the duration of our fixed-income portfolios, all while maintaining the focus on quality. Bond yields contracted sharply in Q4 2023 – the 10-year US Treasury yield slid below 4%, after nearing the 5% mark in mid-October – which drove investors towards risk assets and long-dated maturities. Since then, asset prices have risen across the board, except for crude oil and Chinese stocks – two asset classes we're not invested in. The rally in the last two months of the year caused most asset classes to close in positive territory, providing a boost to the positive returns in our portfolios. We have kept our positioning unchanged in this early part of 2024; our portfolios are fully invested and designed to capture the vigorous market upswing.

- Our R&I team conducts financial analyses 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. This system allows us to enhance and optimize performance in keeping with each client's risk profile.

FUNDS

- The structure of our portfolios is underpinned by holdings in both traditional and alternative investment funds. We continually optimize our list of external funds, selected for better alignment with our investment policy, and our monitoring of passive exchange traded funds (ETFs). Thanks to dynamic management during the financial year, the performance of our Protea Fixed Income Key Solution, Protea Orchard Europe Equity and Protea Fund Avenir funds was in line with or even better than their benchmark indices.

- In 2023, the client assets managed by our Asset Management team, as well as assets in our centralized discretionary mandates and third-party investment fund mandates, grew to surpass their 2021 highs. The complexity of managing these assets in terms of portfolio construction, performance monitoring and performance attribution is generating growing demand from investors.

DIGITAL ASSETS

- In February 2022, Hyposwiss received FINMA approval for its new business line of buying, selling and providing custody services for digital assets. These assets – such as Bitcoin and Ether – are available to investors upon request. We are now able to provide clients with the broadest possible access to these kinds of innovative financial instruments.

- Digital assets expanded further in 2023 amid a rapidly evolving financial landscape, as more investors adopted the new technology and explored new use cases. However, the regulations governing these inherently volatile assets are still in a preliminary stage. Institutional investors are moving faster to embrace digital assets; the first Bitcoin ETFs were introduced in January 2024 in the US. Businesses, investment funds and even some banks are starting to add cryptocurrencies to their portfolios and services.

- After recording sharp losses in 2022, digital assets rebounded in 2023. Bitcoin ended the year up 157.01%, and Ether up 90.29%. Taking into account the risk profile and volatility of this unregulated, alternative asset class, our investment committee has decided to maintain its decision to refrain from recommending digital assets in asset management mandates for the moment.

GLOBAL CUSTODY

- Our Global Custody services for financial intermediaries have experienced rapid growth, and we recently strengthened this team so that we can keep offering independent wealth managers (asset management companies and financial advisors) optimal, personalized assistance. Through these services, we provide efficient operational support and specialized resources like in-depth market research and risk management applications.

III - SWISS FINANCIAL SECTOR

One of the key events impacting Switzerland's financial sector in 2023 was the collapse of Credit Suisse. On 19 March, the Swiss Federal Council, the Swiss Financial Market Supervisory Authority (FINMA) and the Swiss National Bank (SNB) unveiled a series of measures that included the takeover of Credit Suisse by UBS as well as various publicly funded support mechanisms. The SNB, through its role as a lender of last resort, played a pivotal role in orchestrating this solution by providing liquidity on an unprecedented scale, including in different currencies. The measures were effective in mitigating the effects of Credit Suisse's collapse and preventing it from snowballing into a financial crisis with major economic consequences for Switzerland and other countries.

This event shed light on weaknesses in existing banking regulations. Tighter rules are needed to improve banks' resilience and ability to be stabilized or unwound in the event of a crisis, and policymakers need to examine whether the "too big to fail" approach properly addresses the systemic importance of individual banks. Both the SNB and FINMA believe new regulations are needed for capital requirements, liquidity buffers and recovery and resolution plans. The SNB and FINMA are also involved in talks on possible changes to both national and international regulations. Compared with eurozone countries, Switzerland has its own financial market supervisor (FINMA) and its financial sector is more heavily regulated.

Switzerland's economy is highly dependent on economic developments in other countries.

- The global economy as a whole recorded solid growth in 2023, while the Swiss economy expanded at a more modest pace. However, the eurozone, which is an important factor in the state of the Swiss economy, experienced a marked slowdown.

- The SNB continued to tighten its monetary policy in the first part of the year, raising its interest rate and selling foreign currencies to combat inflation. Consumer price growth duly fell in 2023, and in the second half reached the range that the SNB associates with price stability. This paved the way for its decision in April 2024 to cut interest rates ahead of the world's other central banks. In its in-depth monetary policy assessment in December, the SNB's inflation projections were – for the first time in two years – in its price-stability range for the three years covered by the forecast.

- Switzerland's economic output eased gradually in 2023. While the country has proved resilient until now, it won't escape a sharper slowdown in 2024 due to the tight monetary policies to stem inflation and the (albeit contained) banking crisis. The government will need to review the fundamentals that have traditionally underpinned the country's prosperity. In light of the many shifts affecting its financial sector, neutrality, energy supply and relations with the EU, the country will have to think carefully about its current economic model and the role it intends to play in tomorrow's geopolitical and financial landscape.

- Swiss GDP grew 1.3% in 2023, down from the 2.5% growth experienced in 2022 – a year lifted by the robust post-pandemic recovery. However, other factors were also behind the slowdown, including weak foreign demand, persistent inflation that pushed up the cost of living, and tighter financing conditions that hampered exports, consumer spending and capital investment. In the manufacturing sector, value creation declined on the back of weak global demand, while in the services sector, output expanded at a brisk pace despite a contraction in the banking industry. Switzerland's job market remained buoyant overall with a marked increase in employment levels and low unemployment.

- Inflation as measured by the consumer price index receded in 2023, and in the second half slid into the 0% to 2% range that the SNB associates with price stability. Specifically, inflation dropped from 3.2% in Q1 to 1.6% in Q4 for a full-year average of 2.1%, down from 2.8% in 2022. Consumer spending – a key driver of the Swiss economy – expanded 2.1% (slower than the 4.2% rate in 2022). On the other hand, goods exports – another important economic driver – picked up, growing 4.8% in 2023 after adding 4% in 2022. Various economic indicators, including the KOF Economic Barometer, point to a cautious outlook for 2024, owing in part to the relatively tense geopolitical climate.

IV - HYPOSWISS *FINANCIAL RESULTS*

Key figures, consolidated group (CHF)	2023	2022
Net profit (before tax)	0.6 m	0.2 m
Operating revenue	70.8 m	60.3 m
Balance sheet assets	0.7 bn	1.1 bn
Equity	81.2 m	61.7 m
Assets under management	6.2 bn	6.3 bn
CET1 ratio	37 %	27 %

- Assets under management – including discretionary mandates and investment and advisory services – edged down to CHF 6.2 billion in 2023 (from CHF 6.3 billon in 2022). This reflects solid gains in our investment portfolios as well as the volatility in stock and money markets during the year. Our Group's equity interests in two wealth management companies had the following AUM at 31 December 2023: Hyposwiss Advisors SA: CHF 395 million; Stavanger Asset Management Ltd: CHF 64 million.

- Total assets amounted to CHF 0.7 billion at end-2023, down 37% from CHF 1.1 billion at end-2022. We are maintaining a conservative capital structure with a robust equity base and external funding that comes essentially from client deposits. The loans granted to clients mainly take the form of Lombard loans.

- Consolidated shareholders' equity rose sharply during the year, to CHF 81.2 million at 31 December 2023 (against CHF 61.7 million at 31 December 2022). The capital ratio stood at 36.8% – comfortably above the regulatory minimum of 10.5%. Our core business fared well in 2023 and generated CHF 70.8 million in operating revenue, up from CHF 60.3 million in 2022. At the same time, we were able to boost our operating profit through strict cost control.

- Consolidated net profit came in at CHF 0.6 million in 2023 (versus CHF 0.2 million in 2022).This takes into account CHF 19 million reserves for general banking risks.

CONCLUSION

- Hyposwiss Private Bank Genève SA aims at excellence, built 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.

- We have been actively pursuing an organic and acquisition-based growth strategy for the past ten years, which has enabled us to lower our costs and enhance our returns. The synergies we created by integrating new client assets and employees have made us more profitable and more competitive amid the challenges arising from the shifting economic landscape. Over the last ten years, we have actively pursued our development through organic growth and acquisitions, which has enabled us to optimize costs and returns. The synergies obtained by successively integrating new customer assets and human resources have strengthened our profitability and competitiveness, enabling us to face the challenges linked to a fluctuating outlook.

- We are fully dedicated to wealth management, and our workforce is highly qualified, competitive and multicultural. Our philosophy consists of protecting and increasing the wealth of our Swiss and international investors, by taking measured risks and making optimal use of multiple financial instruments combining traditional and alternative investments.

- Our cautiously optimistic, realistic approach to asset allocation within our portfolios aims to protect investors from geopolitical and financial shocks around the world. The cumulative crises have hardened international companies and boosted their productivity. Diversified companies listed on various stock exchanges have been able to react vigorously to many changes they face.

- It is through the appropriate selection of equity and bond holdings in listed companies that we are able to tap into a wide range of opportunities for our managed portfolios coming from customer savings deposited with our Bank. Our Research & Investment (R&I) team uses investment processes and tools that have been tried and tested throughout different market phases. We continually update our processes to tap into the full potential of digital technology within our company, while adhering to Swiss laws and regulations governing blockchain and other distributed ledger technology.

- 2026 outlook : We remain determined to pursue our organic and acquisition-based growth strategy and are more focused than ever on the quality of the services we provide to our international, demanding and dynamic customer base. Our Board of Directors and General Management – which now include the third generation of the Lawi family – along with Hyposwiss employees are united in applying innovative, comprehensive and judicious risk management processes. We would like to express our gratitude to our partners and staff members for their dedication, unwavering commitment and solidarity.

- To all our customers, we would also like to convey our sincerest thanks for their ongoing trust and loyalty, and are determined to continue to serve them in the personalized manner that characterizes the Hyposwiss Group from generation to generation.

Alain B. Lévy
Chairman of the
Board of Directors

Albert Lawi
Chief Executive Officer

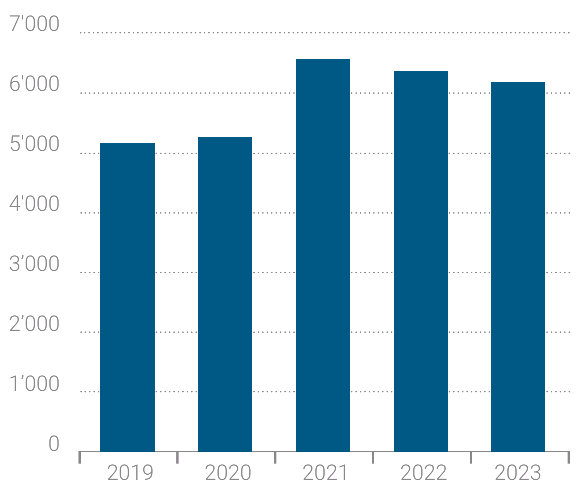
ACTIVITY
REPORT

HYPOSWISS
ACTIVITY REPORT

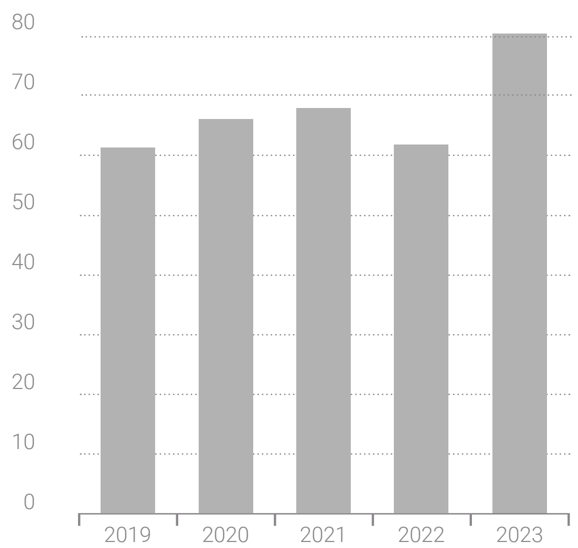
CONSOLIDATED KEY RESULTS IN 2023

Assets under management : CHF 6.2 billion	**Total operating revenues : CHF 70.8 million**
Shareholders' equity : CHF 81.2 million	**Benefit : CHF 579'068**

Client Assets
(CHF 1'000)



Shareholders' equity
(CHF 1'000)

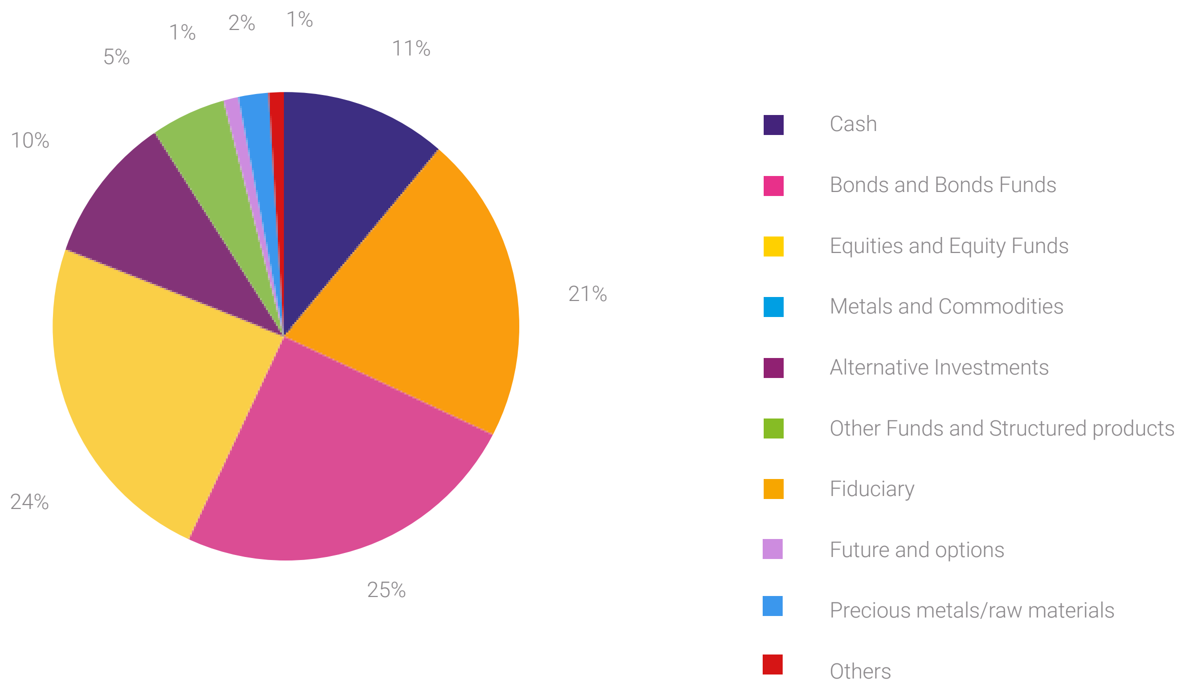


(CHF 1'000)	2023	2022	2021	2020	2019
Net profit	579	161	6'890	6'528	4'054
Operating result	15'347	-5'513	4'357	4'354	15'737
Total operating income	70'767	60'300	57'247	50'242	56'898
Total operating expenses	51'969	48'472	48'311	41'811	38'116
Total balance sheet	705'794	1'112'491	1'524'534	1'205'324	823'659
Total assets under management	**6'155'486**	**6'334'764**	**6'576'971**	**5'267'864**	**5'176'573**
Shareholders' equity	81'227	61'684	67'703	65'957	61'180
Number of employees	139	140	133	122	109
(full-time equivalents)					
Cost / income ratio	73%	80%	84%	83%	77%
Ratio Tier 1	36.8%	26.8%	28.2%	32.0%	30.6%

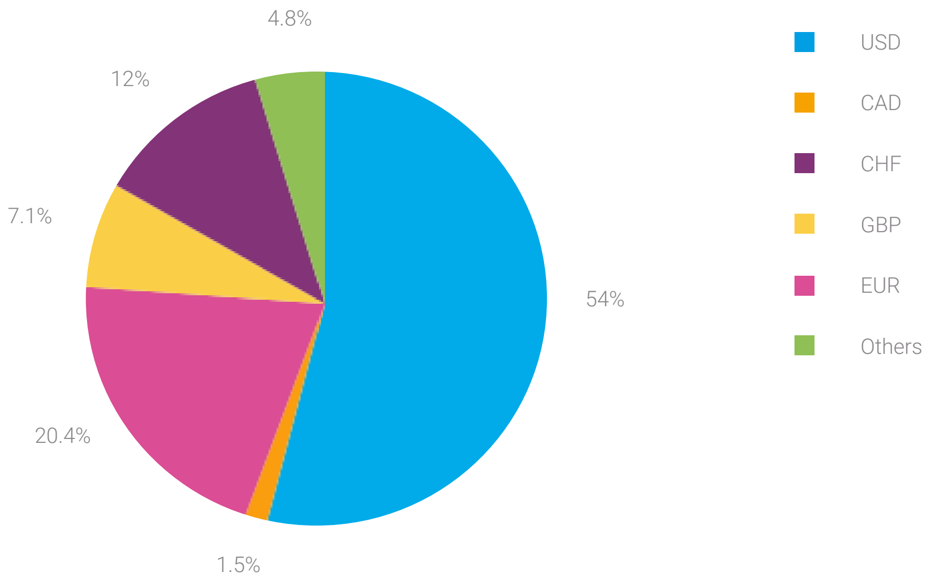
HYPOSWISS GROUP

Total consolidated client's assets at 31 December 2023: CHF 6.155 billion

Asset allocation as at 31.12.2023



Currency allocation as at 31.12.2023



ECONOMIC AND FINANCIAL OUTLOOK

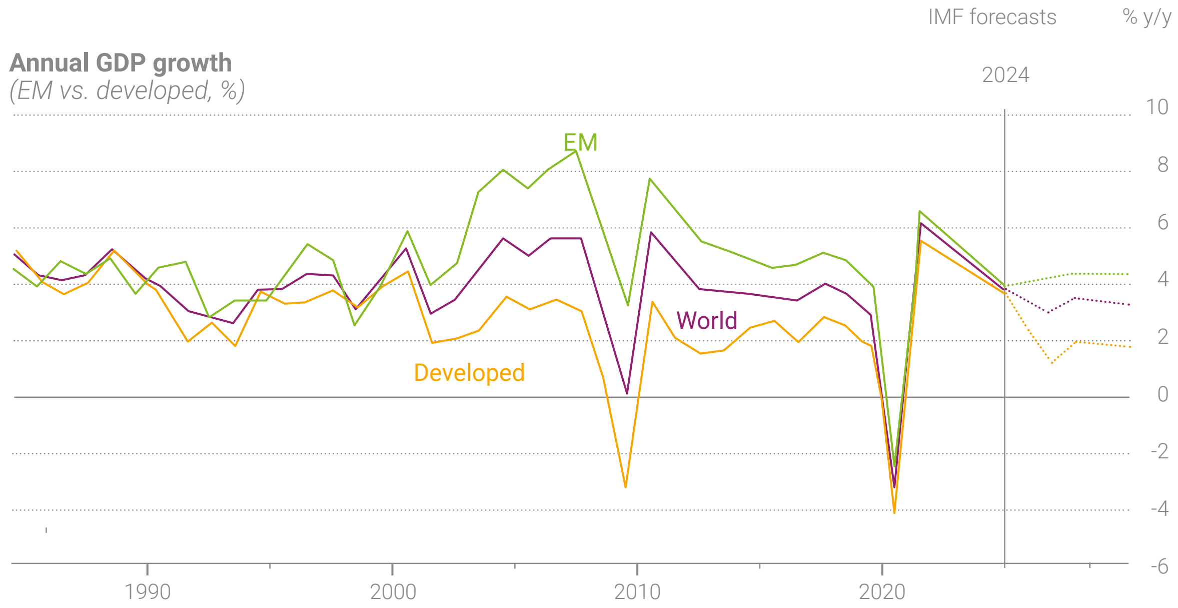
ECONOMIC AND FINANCIAL OUTLOOK

SUMMARY

The global economy proved resilient in 2023 against a confluence of major challenges: the largest-scale monetary policy normalization since the 1980s, two armed conflicts (in Ukraine and the Middle East) and ongoing tensions between China and the US. Global GDP growth was approximately 3.1% in 2023 and the disinflationary trend continued, enabling central banks to end their policy normalization and adopt a more dovish tone. This initially gave rise to expectations of rapid rate cuts in 2024, but those expectations proved to be excessive and were adjusted in the first part of the year.

Global GDP growth barely diminished in 2023, even though output in the eurozone expanded by a meagre 0.5%. This overall resilience can be attributed to stronger-than-expected growth in the US (2.5%, versus an estimate of 1.6% in January 2023) and mounting fiscal stimulus by the Chinese government to put GDP growth on track to reach the official target. Output in India and Brazil was also firm. Yet the brisk economic activity didn't derail disinflation, partly as a result of falling energy prices. Worldwide, year-on-year inflation dropped from a peak of 8% to nearly 4% at year-end. And even though this is still above central banks' target of 2.0% and the pace of disinflation is slowing, both the US Federal Reserve (Fed) and the European Central Bank (ECB) stopped normalizing monetary policy and opened the door to policy easing in 2024.

Annual GDP growth
(EM vs. developed, %)



- Global GDP growth should hold steady again in 2024, at an average of 3.1%. Output will again be underpinned by a strong US economy (thanks to robust employment figures and high productivity), offset somewhat by weakness in the eurozone and a slight slowdown in China. The looser financing conditions caused by the start of monetary policy easing should work in the economy's favor. And the disinflationary trend will continue, albeit at a slower pace. We expect global inflation to slide to 2.7% year on year by end-2024.

- Rate-cut expectations were excessively high at end-2023, triggering a sharp adjustment in early 2024. Expectations now seem more reasonable (just under three rate cuts in the US and approximately four in the eurozone).

- Global stock markets staged sharp rallies in 2023 on the back of the resilient global economy and the prospect of central-bank rate cuts. Sovereign and corporate bonds, owing to their high carry potential, ended the year on a satisfying note despite substantial volatility in short- and long-term yields. The euro strengthened against the US dollar (but weakened against the Swiss franc) and oil prices tumbled.

- After an atypical year in 2022 when both stock and bond markets recorded steep losses, 2023 was brighter for all asset classes except oil. The MSCI World swung from a 20% loss in 2022 to a 20% gain (in USD) in 2023. The S&P 500 marginally outperformed markets in the eurozone.

- In fixed income, sovereign bond yields experienced wide fluctuations during the year; 10-year yields rose sharply until mid-October and then plunged at year-end. At the same time, trends in US and European bond yields diverged.

- After the abrupt adjustment in rate-cut expectations in early 2024, the scope for any further revisions is now limited and the upwards pressure on yields is fading. But we don't expect yields to decline too sharply in 2024 given how well nominal GDP growth is holding up. The decline will be somewhat more marked in the eurozone. As anticipations of a soft landing give way to those of a no landing, the risk/return profile of sovereign bonds is becoming less attractive.

- In equities, the firm nominal GDP growth should bolster companies' EPS. The potential for stock-market gains is fairly strong under both the soft landing and no landing scenarios. However, this appears to be already priced in by the markets since valuations are stretched, especially in the US, and risk premiums are low. The risk/return profile of equities is close to the historical average.

DEVELOPED AND EMERGING COUNTRIES' GROWTH FORECASTS

Global GDP growth – estimated at 3.0% in 2023, down slightly from 3.5% in 2022 – held up well despite the many challenges, including the largest-scale monetary policy normalization since the 1980s and two armed conflicts (in Ukraine and the Middle East). Inflation eased significantly during the year, falling from a peak of 8% to around 3.5% at end-2023, owing to the more benign macro climate and the return of normally functioning supply chains. These factors enabled central banks to put an end to their aggressive policy normalization and adopt a more dovish tone at the end of the year.

The solid global growth rate in 2023 mainly reflects a pick-up in the US economy (which expanded 2.5%, up from 1.9% in 2022) and a rebound in China's (which expanded 5.2%, up from 3% in 2022). China's economy was fueled by increasingly expansionary economic policies, including lower interest rates and fiscal stimulus. On the other hand, the eurozone economy stagnated, adding just 0.5% – a marked decline from the 3.4% growth rate in 2022. More worrying is the eurozone economy's divergence with the US and the trend in the US since late 2019. Among large emerging markets, GDP growth in Brazil, India and to a lesser extent Mexico all surpassed expectations.

- Capital expenditures and mortgage demand were impacted by the monetary-policy normalization and the consequently tighter financing conditions. However, consumer spending held up better than expected thanks to: (i) wage growth (that often went beyond central banks' comfort zones) and a robust job market with unemployment rates close to record lows in numerous countries; and (ii) the use of savings that consumers had built up during the pandemic coupled with a decline in savings rates (in the US, China and Brazil, but not in the eurozone where the savings rate increased).

- The disinflation that began in Q3 2022 continued throughout 2023 because of the slowing global economy, the easing of supply-chain constraints (especially in shipping) and falling energy costs. Global headline inflation dropped from a peak of 8% to around 3.5% at end-2023. Core inflation (excluding food and energy prices) fell by almost as much: from a peak of 5.5% to 3.7% at year-end. Disinflation occurred in both developed and developing countries but was much stronger in the former since they experienced a larger upswing in demand, greater pressure on the factors of production and a bigger increase in unit labor costs (as a result of lower productivity and higher wage increases).

- The main central banks in the developed world stopped normalizing monetary policy in Q3 2023 and laid the groundwork for easing in 2024, even though the pace of disinflation slowed and inflation expectations at end-2023 were still above the central banks' targets. Yet expectations for rate cuts in 2024 proved to be overblown considering resilient nominal GDP growth.

Global GDP is likely to grow by around 3% in 2024, on par with the pace of 2023. Corporate profit margins are strong, which means few adjustments will be needed in terms of hiring and capital spending; disinflation will continue, lifting real household incomes in the process; the main central banks should start cutting their policy rates this summer; and governments are introducing various expansionary programs: BIL, IRA and CHIPS in the US, NextGenerationEU in the European Union, and fiscal stimulus in China. **The main risk facing the global economy relates to the geopolitical hotspots in Ukraine and the Middle East and tensions between China and the US.** We expect GDP growth to reach approximately 2.5% in the US and a sluggish 0.5% in the eurozone. Output will likely slow in China (to 4.5%), Brazil and, to a lesser extent, India.

The disinflationary trend looks set to continue considering businesses' declining inflation expectations and diminished pricing power, and the fact that global GDP growth is running slightly below potential. **However, the pace of disinflation will probably slow.** The favorable comparison basis is now behind us; oil prices have mostly stopped falling; supply is coming under renewed pressure (due to developments in the Middle East and Panama); and wage growth is strong, leading to high and sticky inflation in the services sector. **We expect global inflation to level off at around 2.7% in Q4 2024 (against an average of 2.5% since 2010).**

	Estimation	Projections	
Real GDP growth in %	2023	2024	2025
Worldwide production	**3,1**	**3,1**	**3,2**
Developed countries	**1,6**	**1,5**	1,8
US	2,5	2,1	1,7
Eurozone	0,5	0,9	1,7
Germany	-0,3	0,5	1,6
France	0,8	1,0	1,7
Italy	0,7	0,7	1,1
Spain	2,4	1,5	2,1
Japan	1,9	0,9	0,8
UK	0,5	0,6	1,6
Canada	1,1	1,4	2,3
Other advanced countries	1,7	2,1	2,5

	Estimation	Projections	
Real GDP growth in %	2023	2024	2025
Emerging countries	4,1	4,1	4,2
Emerging Asia	5,4	4,6	4,8
China	5,2	4,6	4,1
India	6,7	6,5	6,5
Emerging Europe	2,7	2,8	2,5
Russia	3	2,6	1,1
Latin America and Caribbean	2,5	1,9	2,5
Brazil	3,1	1,7	1,9
Mexico	3,4	2,7	1,5
Middle East and Central Asia	2,0	2,9	4,2
Saudi Arabia	-1,1	2,7	5,5
Sub-Saharan Africa	3,3	3,8	4,1
Nigeria	2,8	3,0	3,1
South Africa	0,6	1,0	1,3
Middle-income countries	4,2	4,0	4,0
Low-income countries	4,0	5,0	5,6

As we saw in 1987, 1995, 1998 and 2019, **central-bank rate cuts can occur even in the absence of a recession. However, we shouldn't expect massive cuts in 2024 given resilient nominal GDP growth** (to that end, the abrupt adjustment in expectations at the start of the year was good news). The Fed is expected to lower rates just under three times this year, and the ECB just under four times. In emerging markets, the less-aggressive drop in US interest rates gives their monetary policymakers narrower scope to lower rates as well, all other things being equal. China's central bank will probably keep pursuing an expansionary policy; Brazil's will likely maintain its policy easing; and India's should began loosening policy after treading water for over 12 months.

UNITED STATES

After surprising analysts in 2023, US GDP growth should remain strong in 2024, at roughly 2.5% – lending support to predictions of a no landing. At the same time, inflation will be slow to come down. Faced with robust nominal GDP growth, the Fed's scope for cutting interest rates will be limited.

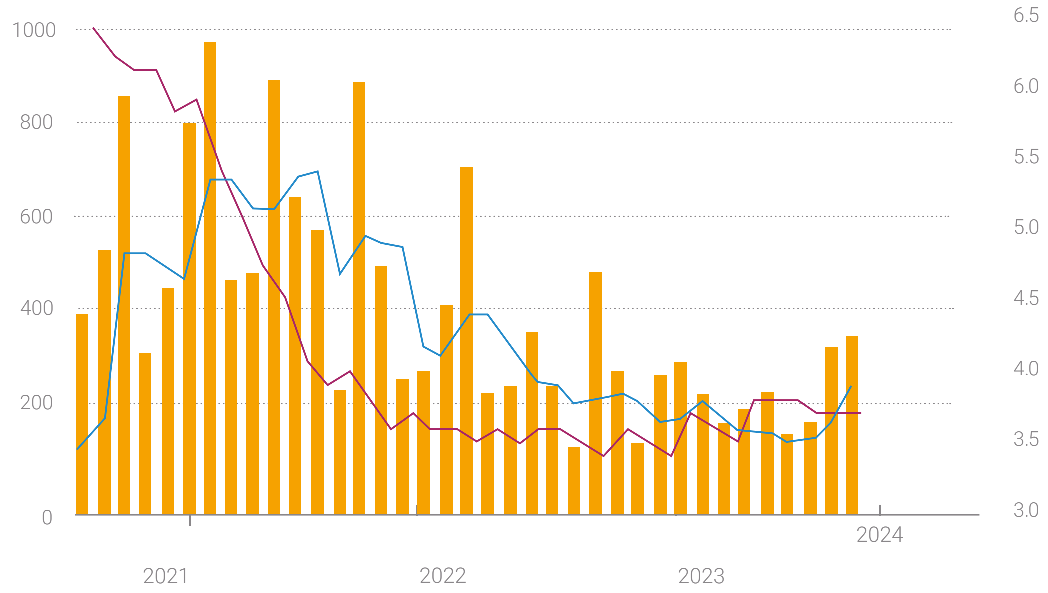
- The US economy ended 2023 on an upbeat note. GDP growth was 3.3% in Q4 on an annualized basis, or 3.1% year on year – the highest rate since Q1 2022. This came on the heels of an exceptional 4.9% growth rate in Q3. For the year as a whole, US GDP expanded 2.5%, up from 1.9% in 2022, wrong-footing the consensus estimate.

- The solid economic expansion can be attributed in large part to firm consumer spending (which accounted for around 70% of GDP). In absolute terms, consumer spending returned to its pre-pandemic trend (that wasn't the case in Europe) thanks to both a tight job market (unemployment was 3.7% in December), which underpinned wage growth, and a substantial decline in the savings rate. On the other hand, capital investment decreased slightly as a result of the tighter financing conditions. The decrease would have been more significant if not for the Biden administration's expansionary programs (BIL, IRA and CHIPS). Fiscal spending also supported economic output in 2023, as did foreign demand, which made a marginally positive contribution.

- Inflation slid to 3.4% at end-2023, after peaking at over 9%. The decline reflects a return to normally functioning supply chains, lower energy costs and productivity gains that limited wage growth (this was less the case in the eurozone). These factors enabled the Fed to end its rate hikes after having brought its policy rate to 5.5%, from 0.25% in February 2022, and adopt a more dovish tone. This helped drive the sharp adjustment to rate-cut expectations in early 2024.

- **2024** appears to be getting off to a good start. The "nowcast" indicator published by the Federal Reserve Bank of Atlanta suggests that GDP growth was 2.5% in Q1 on an annualized basis. It now seems that we should expect a no landing this year. Of course, there will be factors weighing on growth, such as less expansionary fiscal policies, a scaling back of investment after the IRA boost in 2023 and a smaller potential reduction in the savings rate. But consumer spending – the main driver of GDP growth – isn't about to weaken given the still-robust job market and the boost to real incomes from disinflation. What's more, financing conditions will gradually improve and alleviate the pressure on households and businesses to refinance. After expanding 1.8% in Q4 2023, GDP should grow by a stronger-than-expected 2.5% in 2024 (the same pace as 2023).

USA unemployment rate (%) total job creation (in thousands)



- The disinflationary trend will continue, but at a slower pace (inflation exceeded expectations in December and January). Energy costs have stopped falling; wages, rents and services prices are strong (especially ex-housing prices, one of the factors Powell cited as a gauge of how entrenched disinflation is); and shipping costs are rising (due to developments in the Middle East and Panama). We expect inflation to end the year at around 2.6% (versus a consensus estimate of 2.5%). We're also looking for two rate cuts in 2024, meaning we think the consensus view (just under three rate cuts) is overly optimistic, even after the abrupt adjustment to expectations early in the year.

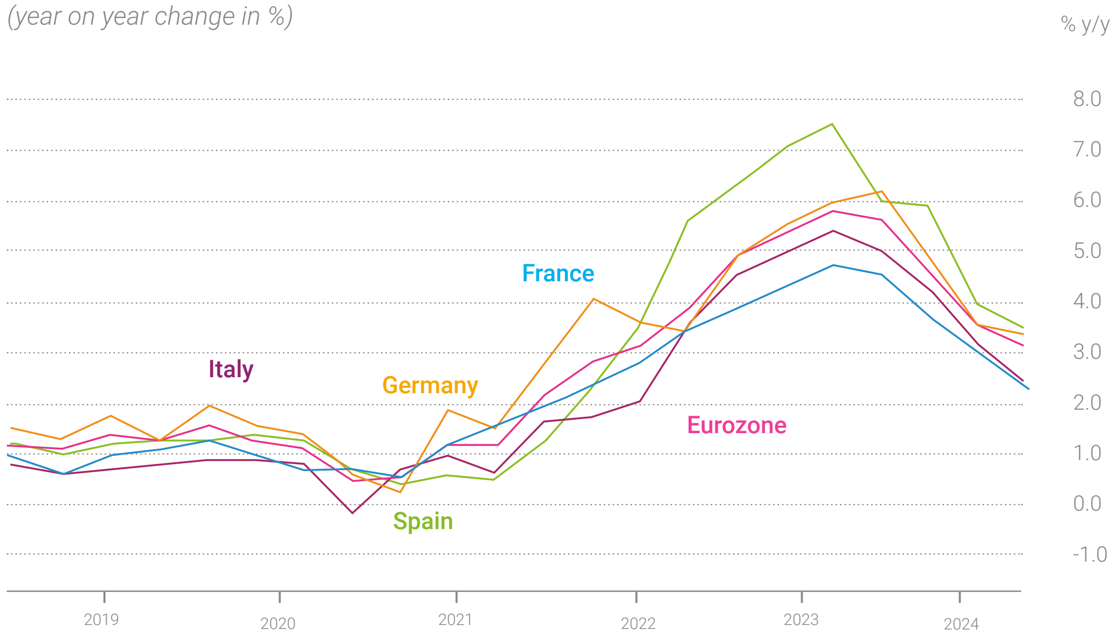
EUROZONE

GDP growth slowed sharply in 2023 and the economy almost stagnated. What's more, the outlook isn't very encouraging, at least for the first part of 2024 – and the full-year year growth rate will probably match that of 2023. Disinflation is ongoing and the ECB has softened its hawkish tone, setting the stage for a rate cut in June.

- GDP growth has been flat in the eurozone for the past five quarters. It was just 0.5% for all of 2023 – a steep decline from the 3.4% rate in 2022 and a stark contrast to the acceleration in the US. The gap in real GDP growth between the two economies has widened by a hefty 7.5 percentage points over the past five years, or exactly 1.5 percentage points per year – unprecedented in times of peace.

- Capital spending held up fairly well in the eurozone, but – unlike in the US – consumer spending was very weak. This reflects opposing trends in the savings rate (up in the eurozone and down in the US), even though unemployment is at record lows in both regions. In addition, new housing starts are falling in the eurozone and exports are struggling. The currency bloc would have experienced an even sharper slowdown if governments hadn't increased their fiscal spending, especially in light of the (minor) recession in Germany – the region's biggest economy, which contracted 0.1%. The expansions in France (0.8%), Italy (0.7%) and Spain (2.5%) are what prevented the eurozone from decelerating further.

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

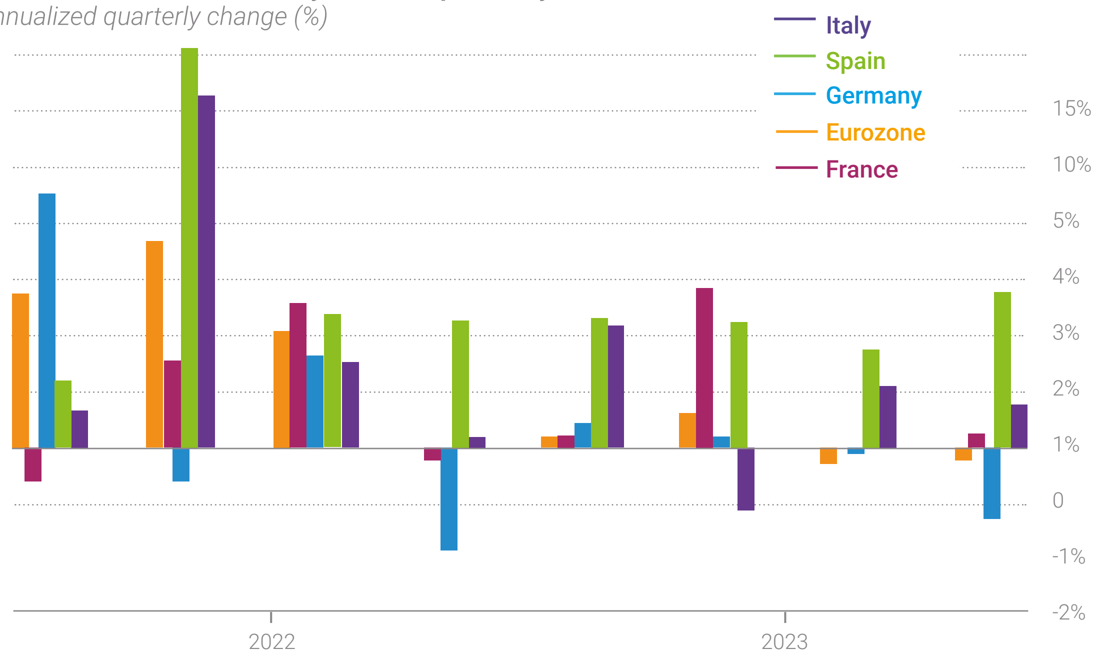


- The combination of anemic consumer spending, smoother supply chains and dropping energy costs triggered a huge drop in inflation, which plunged from a peak of 10.6% to 2.9% at end-2023. The eurozone recorded almost zero economic expansion in 2023, and the currency bloc lacks any real growth drivers going forward. Consumer spending will remain weak (notwithstanding the boost from disinflation) since the cooling job market will weigh on households' propensity to spend and savings rates will stay high. Meanwhile, corporate profit margins are being squeezed and the commercial property market remains a concern, particularly in Germany. In view of countries' high debt levels, fiscal spending will play at best a neutral role.

- While several leading economic indicators have improved somewhat over the past three months, they're still broadly consistent with almost-zero growth, at least in the first half. In the second, we can expect a (slight) pick-up as financing conditions ease, which will support capital investment and mortgage demand. We expect eurozone GDP to grow 0.7% in 2024.

- As mentioned above, disinflation is ongoing. Headline inflation will benefit from a favorable comparison basis in 2024. Unit labor costs are rising, however, and tensions in the Red Sea are increasing maritime shipping costs. This is prompting us to moderately increase our inflation forecasts. We now expect headline inflation of nearly 2.1% in Q4 2024 (versus a consensus estimate of 2.2%). We could also see fairly large rate cuts by the ECB starting in June. The consensus view is approximately four rate cuts this year, which we believe is reasonable.

Real GDP: Eurozone, Germany, France, Spain, Italy
annualized quarterly change (%)



EMERGING COUNTRIES

GDP growth in emerging markets was surprisingly strong in 2023, topping 4%, although growth rates varied among individual countries. Disinflation continued, but at a more disappointing pace than in the developed world. Many emerging-market central banks took their cue from the Fed and made no changes to their policy rates in 2023. Looking to 2024, the year is shaping up to be less stellar in terms of GDP growth, notwithstanding the expected rate cuts by the Fed..

- Emerging-market GDP growth surprised on the upside in 2023 thanks to stronger-than-expected expansion in China (5.2%, versus an estimate of 4.8% in early 2023), Brazil (3%, versus 0.8%), India (6.8%, versus 6%), Mexico (3.3%, versus 1.1%) and Turkey (4.1%, versus 2.8%). However, not everything was rosy: South Africa's economy slowed and South Korea's contracted by 3%, for example.

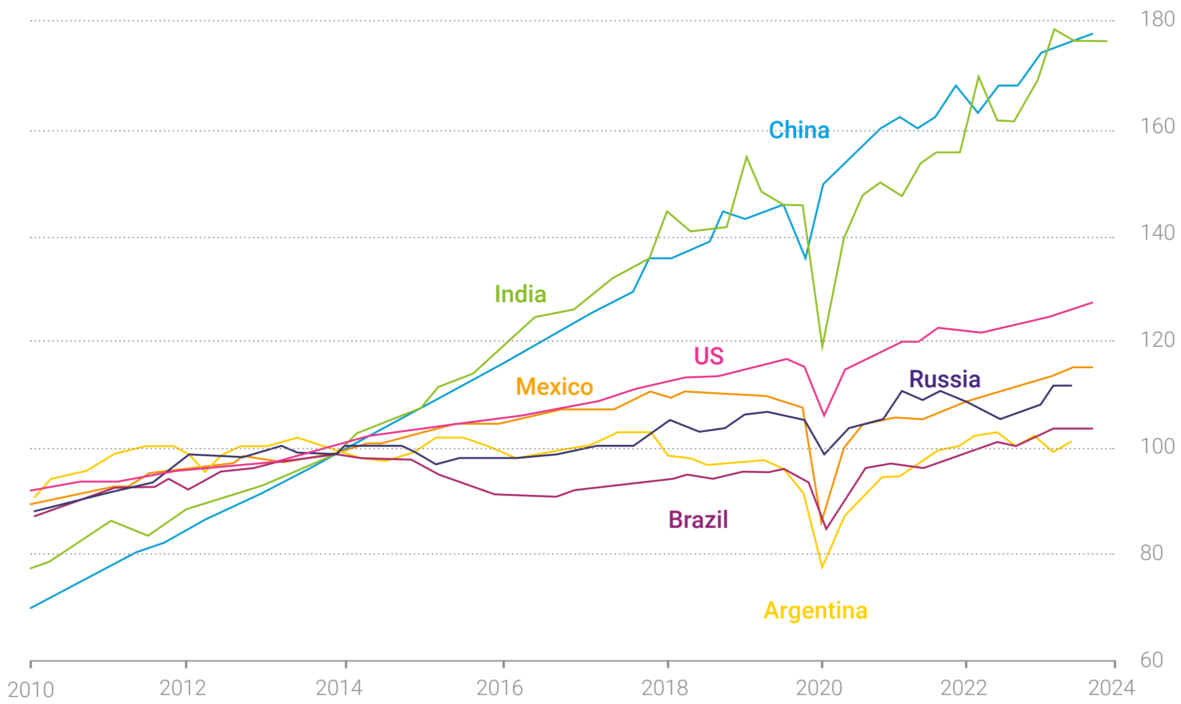
- While some countries were buoyed by specific factors such as the ongoing fiscal and monetary stimulus in China and Brazil, US investment in Mexico, and reforms in India and Turkey, emerging markets as a whole benefited from: (i) firm job markets and robust wage growth (except in China); (ii) the smoothing out of global supply chains; and (iii) the Fed's decision to stop raising interest rates, which eased global financing conditions via the subsequent decline in real interest rates and weakening of the dollar. Southeast Asian countries also got a lift from the relocation of production facilities as a result of tensions between China and the US.

- Inflation receded in emerging markets, enabling most central banks to stop tightening monetary policy and, in some countries (like China, Brazil and Poland), start lowering rates. However other central banks (India in particular) made no changes to their policy stance, and yet others (including Russia) were forced to hike rates. In 2024, economic output should remain strong owing to the lack of any real fiscal consolidation, the carefully weighed easing of monetary policy and the resilience of the US economy.

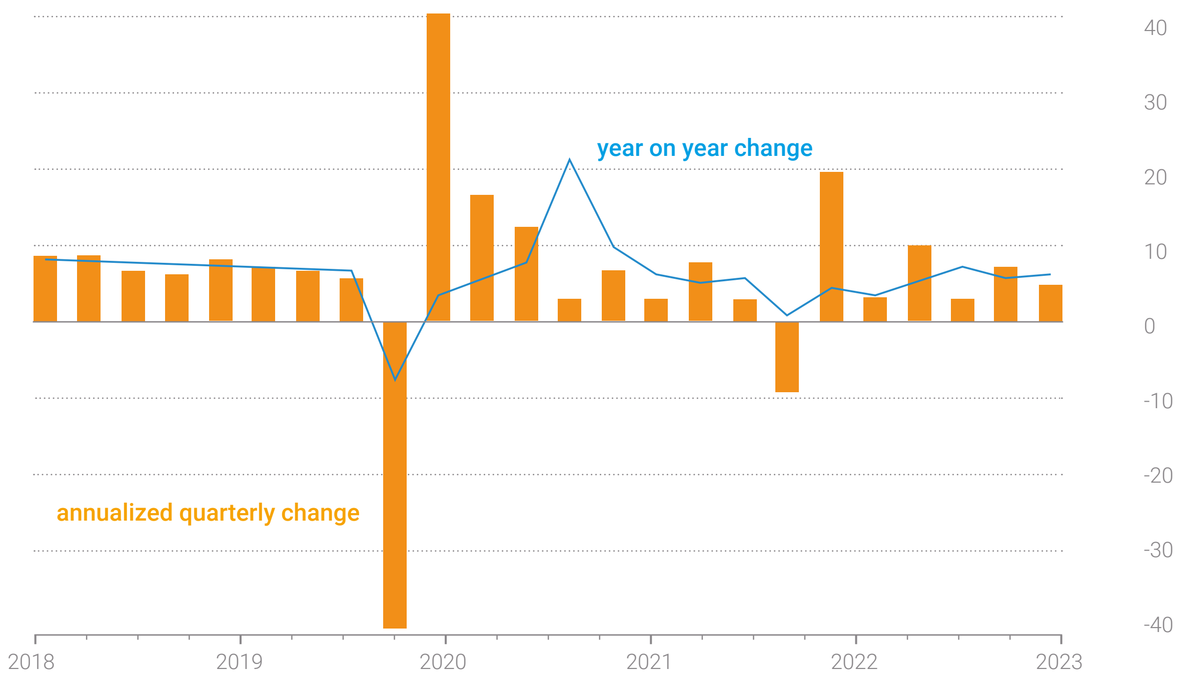
- China will likely experience a more marked slowdown in 2024. While it's true the economy is being supported by Beijing's expansionary policies and investments in the clean tech industry (e.g., electronic vehicles, batteries, and solar and wind power), it's still being handicapped by a struggling property sector, weak domestic demand and worsening public finances. South Korea should expand on the back of a cyclical recovery in the electronics industry. India, and even more so Mexico and Brazil, are on track for a slowdown, while Turkey's economy will be impacted by a tighter policy mix. In South Africa, new power-generation capacity won't come on line until the second half, but when it does, it will ease supply constraints and provide a shot in the arm to the economy.

- Disinflation will likely pause in emerging markets in 2024 as energy costs stabilize, food prices rise, wages increase (along with the unit cost of labor) and some countries' currencies weaken. Rate cuts will be enacted very cautiously and mainly in the second half, in the wake of moves by the Fed. The upcoming elections in large countries like Russia, India, Indonesia and Mexico will probably turn out as expected.

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



China: real GDP growth (%)



SWITZERLAND

Swiss GDP growth slowed in 2023 but slightly less than forecast. The outlook for 2024 is brighter given that the Swiss National Bank (SNB) is set to cut rates and growth in Europe could outstrip expectations.

- Switzerland's economy surprised analysts in Q4 2023 by expanding 0.3%, versus a consensus estimate of 0.1%. This primarily reflects strength in the services sector as leisure travel resumed. However, value creation in the manufacturing sector fell 0.1% on a decline in exports in the chemicals and pharmaceuticals industries that reduced output by 2.3%. GDP growth was moderate overall in 2023. The slowdown in Switzerland was weaker than expected thanks largely to resilient consumer spending: wage growth was firm, unemployment remained low and disinflation lifted real household incomes. Yet at the same time, capital investment levels decreased. Swiss GDP grew 0.7% on average in 2023 (against 2.7% in 2022).

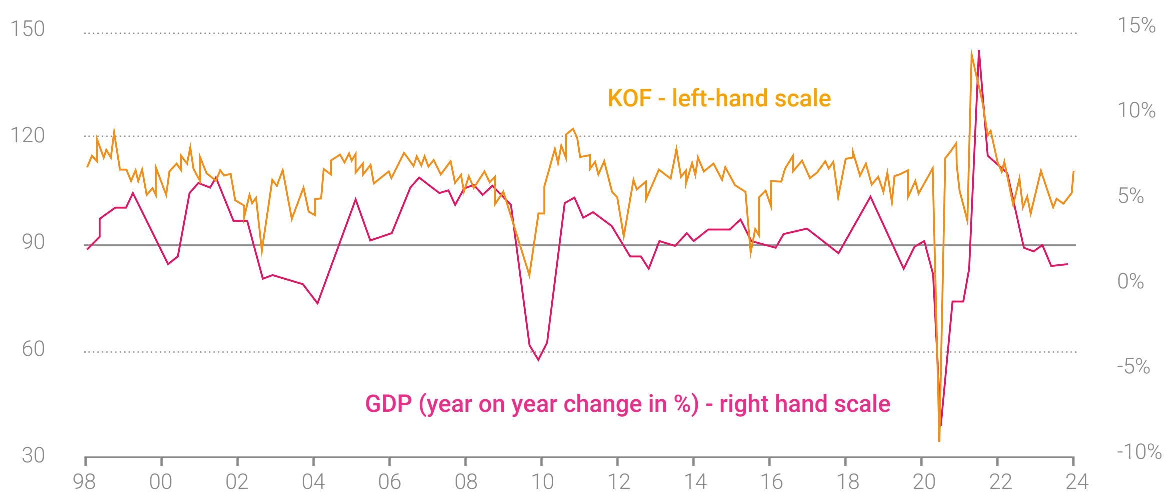
- While eurozone inflation peaked at 10.6% year on year in October 2022, Swiss inflation never exceeded 3.3% and was an average of just 2.2% in 2023. This wide gap reflects structural differences between the two regions, including with regard to their energy mix, the weighting of energy in the consumer price index (5.5% in Switzerland versus 10% in the eurozone) and the strength of the Swiss franc (which reduces the relative cost of imported goods and services). Low Swiss inflation meant that the SNB was one of the last central banks to lift interest rates out of negative territory. The SNB has hiked rates just five times since mid-2022, for a total of 250 bp. Its nominal policy rate ended 2023 at 1.75% and, since inflation was running at around 2%, real interest rates were still negative.

- Macroeconomic data currently indicate that **2024** is getting off to a good, but not great, start. January retail sales outstripped expectations. The February KOF indicator was again above its average (although it was down slightly after three consecutive months of increase). PMI readings confirmed this trend: the manufacturing component improved further but the services one fell for the second month in a row, sliding below its long-term average of 54.8.

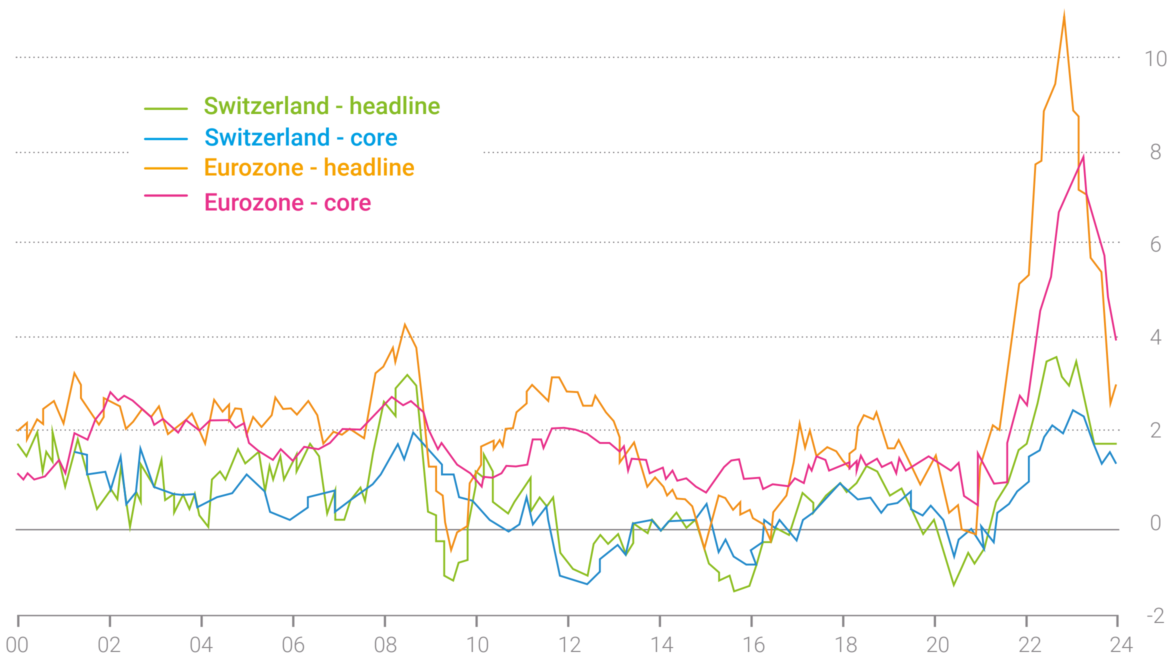
- **We expect Swiss GDP growth to stabilize.** The eurozone economy should hold up slightly better than initially expected. Swiss unemployment will probably stay in the 2% to 2.5% range – below its long-term average of 3% – even though it has been rising since mid-2023. Falling inflation (1.2% in February) will enable the SNB to ease its monetary policy, especially since the ECB has signaled that a rate cut was possible in June. This will support capital investment. However, we would also point out that Switzerland's new 15% minimum corporate tax rate for foreign companies (which went into effect in January) could affect business decisions to locate in the country.

- Markets have priced in an over 90% probability of an SNB rate cut by June followed by a second one before year-end. Bear in mind that the SNB will get a new chairman in September. **We expect Swiss GDP to grow by roughly 1.5% in 2024** (versus a consensus estimate of 1.2%) and **inflation to end the year at around 1.5%** (consistent with the consensus estimate). We don't believe the current geopolitical tensions will affect this outlook.

Swiss GDP and leading economic indicator (KOF)



Swiss inflation (CPI) vs. eurozone
(year-on-year change in %)



COMMODITIES

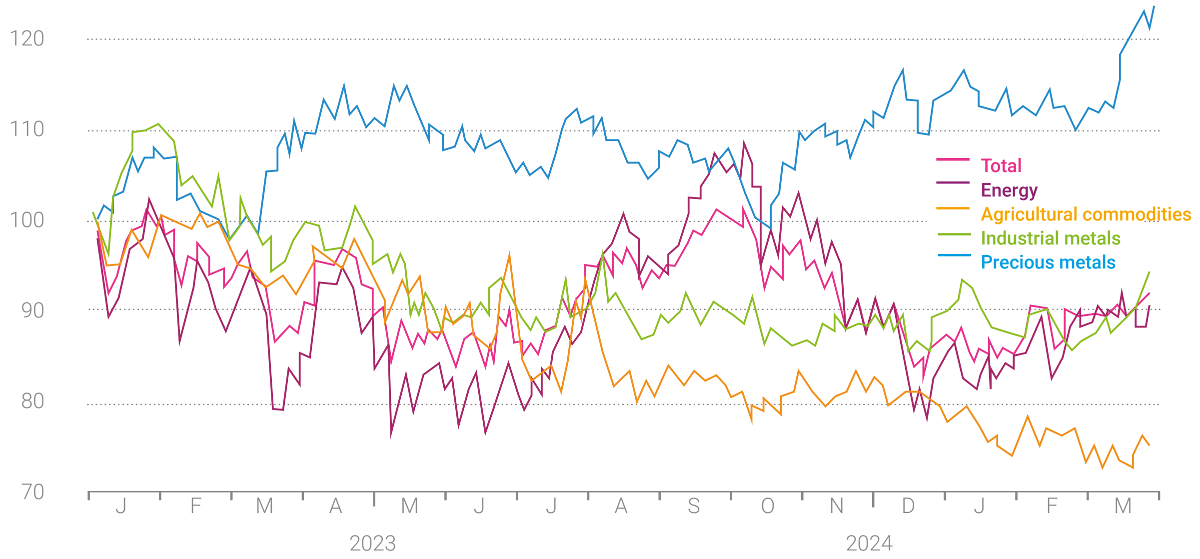
Commodities – and especially oil – were highly volatile in 2023 (as measured by the GSCI in USD) and ended the year in negative territory (apart from precious metals). These price swings, while substantial, were less severe than those observed in 2022. The potential for any significant rise in commodity prices in 2024 seems limited, unless the geopolitical climate worsens, since the global economy should fare slightly better than expected.

- Commodity prices as a whole were impacted by the increase in both real interest rates and the effective USD exchange rate. Their performance in 2023 was disappointing in light of: (i) the returns in equity and fixed income over the same period; (ii) the geopolitical tensions in Ukraine, the Middle East and the Red Sea; and (iii) climate effects associated with El Niño and the droughts in Panama. But taking a closer look at the individual components of this asset class, some commodities ended the year higher (precious metals), others lost ground (base metals) and still others plunged (energy and agricultural commodities).

- Precious metals were the best performers in 2023, gaining 12% against a backdrop of rising real interest rates and a stronger dollar. This reflects the high degree of macro uncertainty as well as hefty purchases of gold by central banks. Base metals held up relatively well (down just over 5%), underpinned by the recovery in China's economy – although this recovery is being handicapped by the ongoing weakness in the country's property sector. Energy prices dropped 15%. The price of European natural gas tumbled a further 60% in 2023 as countries finished replenishing their inventories and reduced their dependence on Russia; the mild winter was also a factor. Oil prices were highly volatile and ended the year down 10%. Agricultural commodities were the worst performers in 2023, giving up nearly 20% despite the ongoing war in Ukraine and the (albeit moderate) effects of El Niño.

- The 2024 outlook is largely positive. The global economy should expand by over 3% again this year, driven by the resilient US economy, a pick-up in Europe and a moderate slowdown in China. We would also point to Europe's increased capacity for receiving natural gas with new facilities in Germany in particular. The adjustment of US rate-cut expectations is almost complete and the potential for any further appreciation in the dollar is limited. There's still a possibility of occasional friction related to the ongoing wars in Ukraine and the Middle East and, as far as agricultural commodities are concerned, to unpredictable weather conditions.

Commodity prices
(S&P GSCI spot index in USD Base of 100 at 1 January 2023)

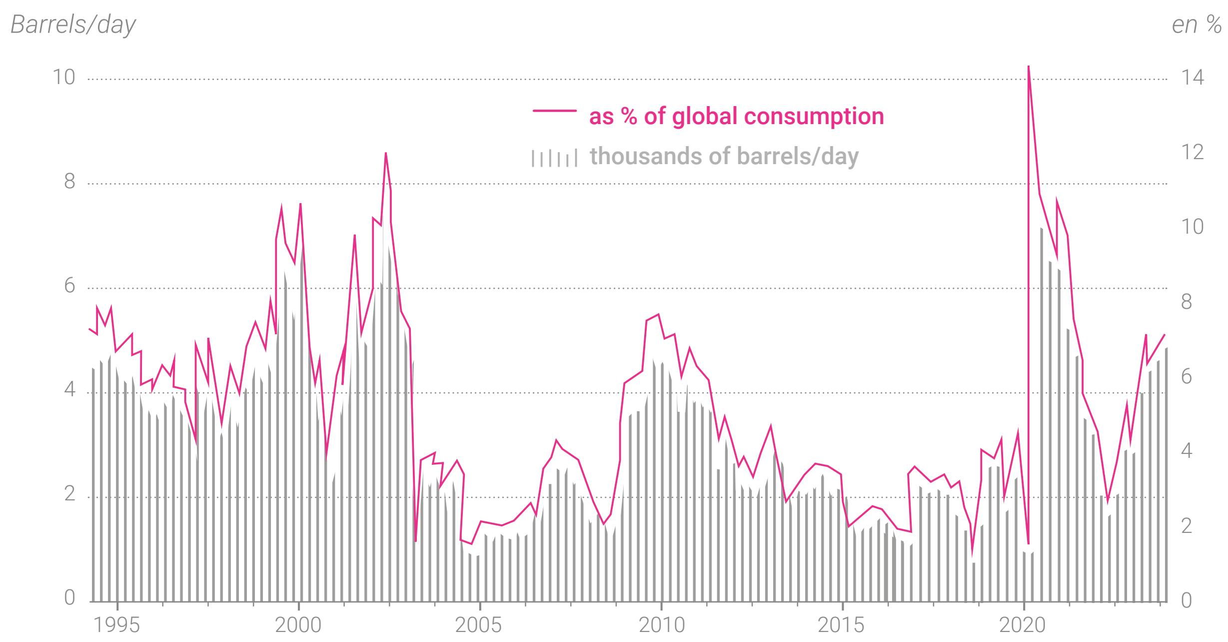


OIL

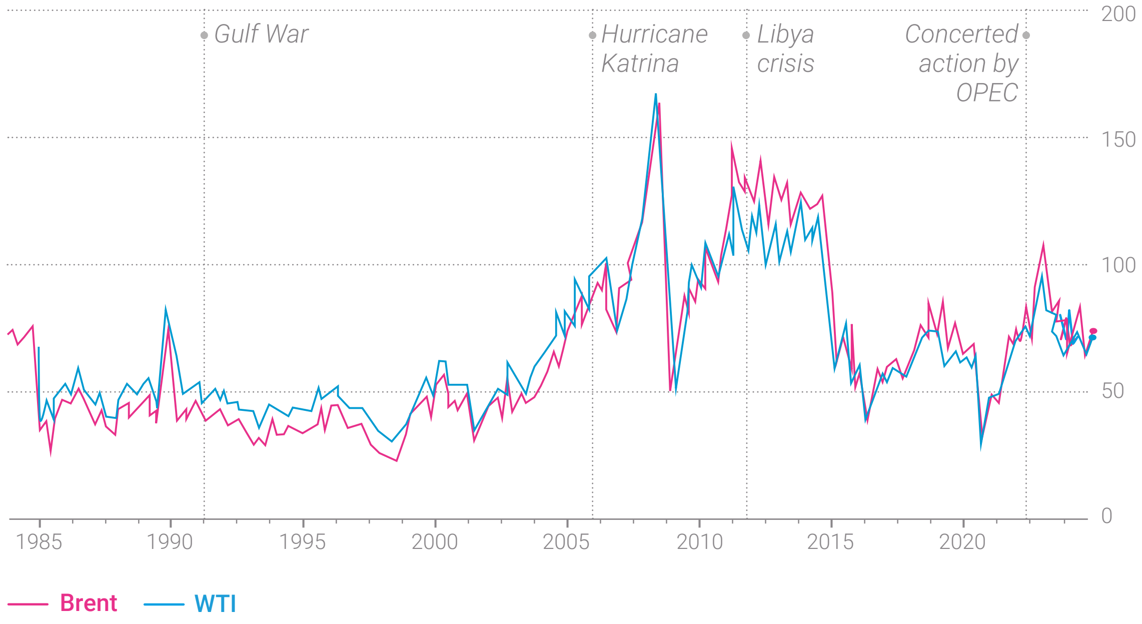
After climbing for two straight years, oil prices (as measured by Brent crude) ended 2023 in negative territory, closing out a highly volatile year. The outlook for 2024 is for a modest increase.

- Oil prices swung widely in 2023, buffeted by slowing global GDP growth (3.1% in 2023, versus 3.5% in 2022), geopolitical tensions in the Middle East and Red Sea and production cuts in oil-producing nations. At end-June, the price of Brent crude was down by 15%; it subsequently rebounded 30% between July and September before plunging again at year-end. The commodity ended the year at USD 77 per barrel, down 10% (against a 10% rise in 2022)..
- The situation in the Red Sea worsened in October/November of 2023 when members of the Houthi movement began attacking merchant vessels. This gave rise to a new risk premium on oil. The spike was short-lived, however, following the deployment of alternative transport routes; numerous vessels were redirected effectively around the Cape of Good Hope.
- Brent crude rebounded to USD 82 barrel in early 2024, although we don't believe the geopolitical risk premium has much scope for rising further. The cost of transport on oil tankers is declining, for example. Now that speculative positions on oil have calmed, there's less likelihood of a climb in prices in the near term.
- The surprisingly resilient global GDP growth bodes well for oil demand in the coming months. We see demand increasing by approximately 0.3%, which should lift oil prices by USD 2 to USD 5 per barrel. The oil market is also starting to feel the effects of moves by the US to shore up its strategic reserves.
- OPEC+ has announced it will extend its production cuts into Q2 of this year, shrinking supply by an additional 600,000 barrels per day. The cuts by OPEC+ have been particularly severe, with excess capacity now sitting at 6% of global production – well above the average of 4% since 1995. This means there's little scope for any further decreases to production (especially by Saudia Arabia). At the same time, the US is producing some 14 million barrels per day – a record high. We therefore believe the outlook for oil prices is flat or with a modest increase, especially since storage of the commodity has increased.

OPEC surplus capacity
(thousands of barrels/day and as % of global consumption)



Brent and WTI
dollars/barrel



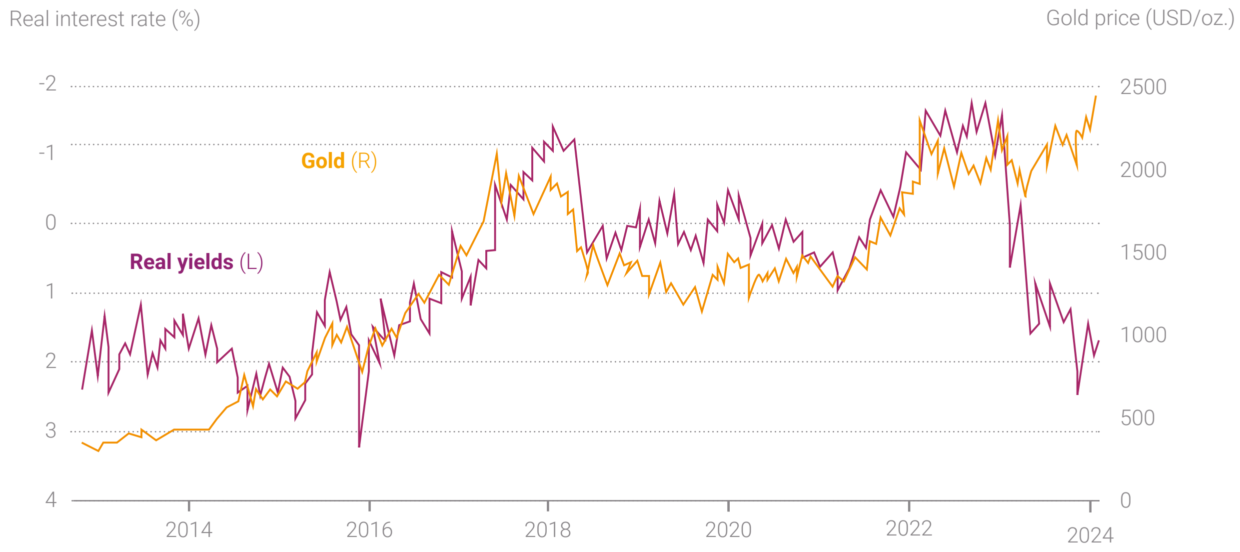
GOLD

The price of gold jumped 10% in 2023, driven by a decline in real interest rates, a depreciation in the dollar and an increase in central-bank demand for physical gold. The 2024 outlook is for a more modest gain with prices stabilizing at high levels.

Gold stood out in the commodities space in 2023, booking a sharp 13% gain (versus a 10% loss in Brent crude, for example). But this full-year figure masks significant fluctuations over the period, with the price falling by over10% between May and September. Most of the increase took place in Q4 (like in 2022).

The main factor behind gold's rally was the steep decline in real interest rates, which lost 50 bp in three months, and the depreciation in the dollar after central banks confirmed their pivot on monetary policy. Central banks also purchased large quantities of the metal; their reserves ended the year at upwards of 36,000 metric tons – an amount last seen in the 1980s and 1990s. All this pushed the gold price to a record high of over USD 2,060 per ounce. In real terms, however, gold is far from its peaks in 1980 and 2010–2011 (when it reached USD 2,500 per ounce).

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

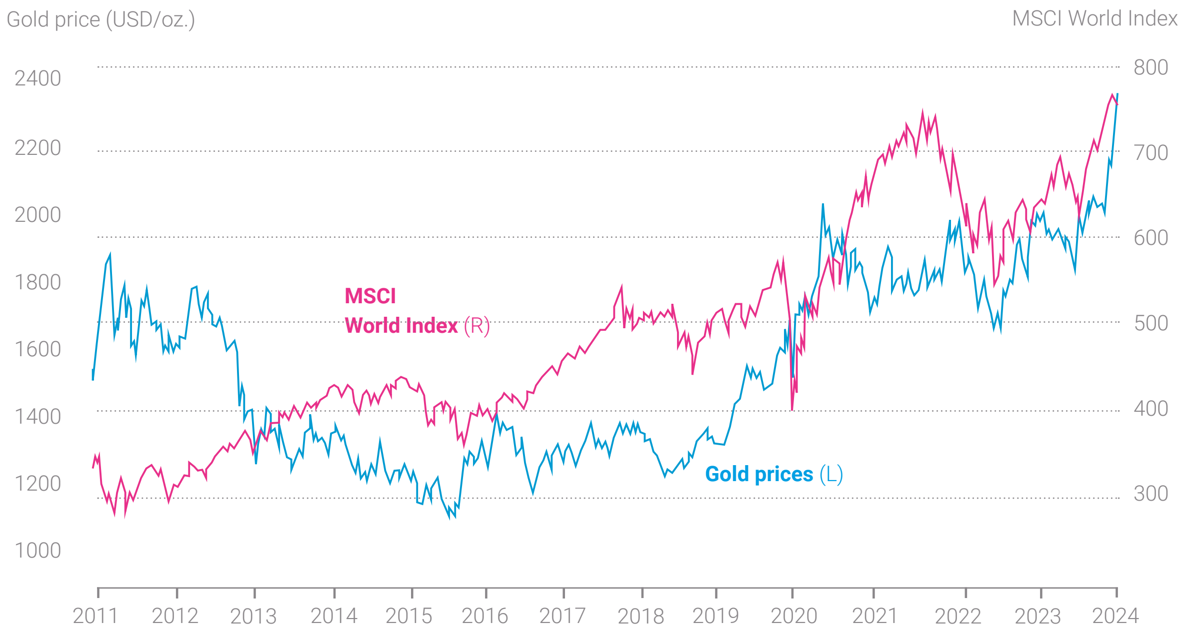


Gold continued to climb in early 2024 and broke through the USD 2,400 per ounce mark.

- Risk appetite is extremely high right now and geopolitical uncertainty remains elevated (tensions in Ukraine and the Middle East) – all of which is positive for gold. However, most of the rise in interest rates and the dollar, which had been supporting the gold price, is behind us, and we can expect to see a slight decline in real interest rates. Demand from central banks will continue to grow, but the current pace of purchases will be hard to maintain over the long term. We aren't seeing excessive investor interest in the precious metal, as there has been only a marginal increase in flows into gold ETFs (unlike in 2019). Regarding supply, extraction capacity increased in 2023in response to the increase in prices, but capacity is far from the levels observed five years ago. Our outlook for gold going forward is tempered by three factors: (i) the recent rally has been excessive with respect to the fundamentals; (ii) gold is fairly expensive when compared to other commodities and to macro data in real terms; and (iii) the roll yield is now negative owing to the high interest rates.

As things stand today, gold seems reasonably priced and isn't giving a clear trend signal either upwards or downwards.

Gold prices and the MSCI World Index
(in USD)



FOREX MARKETS

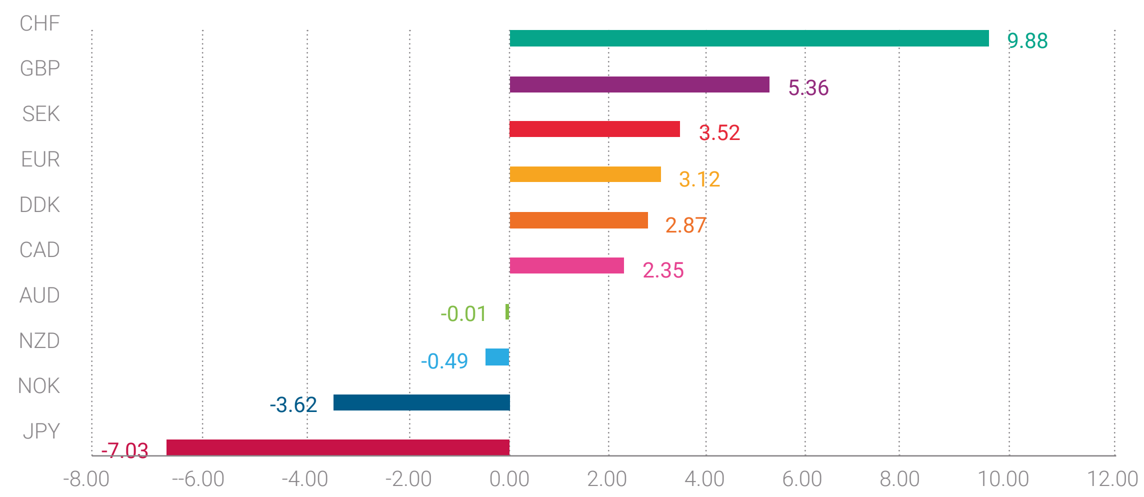
The euro's effective exchange rate rose by 2.5% in 2023 (after gaining 2% in 2022) while the dollar was flat. We should see some short-term volatility in 2024, with the EUR/USD exchange rate ending the year at around 1.05.

The euro gained 3% against the dollar in 2023 (after losing nearly 6% in 2021 and 2022), even though the eurozone economy is clearly weaker than America's. The single currency didn't appreciate in a linear manner, however – it peaked at over 1.12 in mid-2023, then fell to 1.04 before rebounding at year-end (most of the full-year gain occurred in Q4). The rebound can be attributed to the ECB's less dovish stance and a stabilization in the macro climate. EUR/USD ended the year at 1.08, which is below its 1.5-year and 10-year averages.

The euro depreciated further against the Swiss franc, falling 6% in 2023 after losing 5% in 2022. Economic expansion slowed in both the eurozone and Switzerland in 2023, but to a greater extent in the eurozone where – unlike in Switzerland – consumer spending is weak. The Swiss franc was also buoyed by the SNB's rate hike and its status as a safe-haven currency at a time of mounting geopolitical uncertainty. **Against the pound sterling, the euro shed 2%.** The UK economy is holding up better than expected and is lagging in the inflationary cycle, meaning the BoE's hands are tied to a greater extent than the ECB's. In all, the euro's effective exchange rate rose by 2.5% in 2023.

The dollar gained 8% against the yen (after climbing 14% in 2022). The BoJ continued with its ultra-accommodative monetary policy to pull the country out of deflation. The dollar also appreciated further against the Chinese yuan (by 3% in 2023 and 9% in 2022), as the PBoC eased its monetary policy to bolster the country's economy and ward off deflationary pressure. **The dollar's real effective exchange rate peaked in October with a 4% gain** before subsequently falling to end the year largely flat. The Q4 decrease was triggered by excessive rate-cut expectations after it became clear that the Fed intended to reverse its monetary policy stance.

Main currencies against USD in 2023 (% change)



CENTRAL BANKS

In 2023, the world's main central banks put an end to the largest-scale monetary normalization since the 1980s. They have since maintained their restrictive stance but opened the door to rate cuts in 2024. The pace of easing is now expected to be slower than initially anticipated.

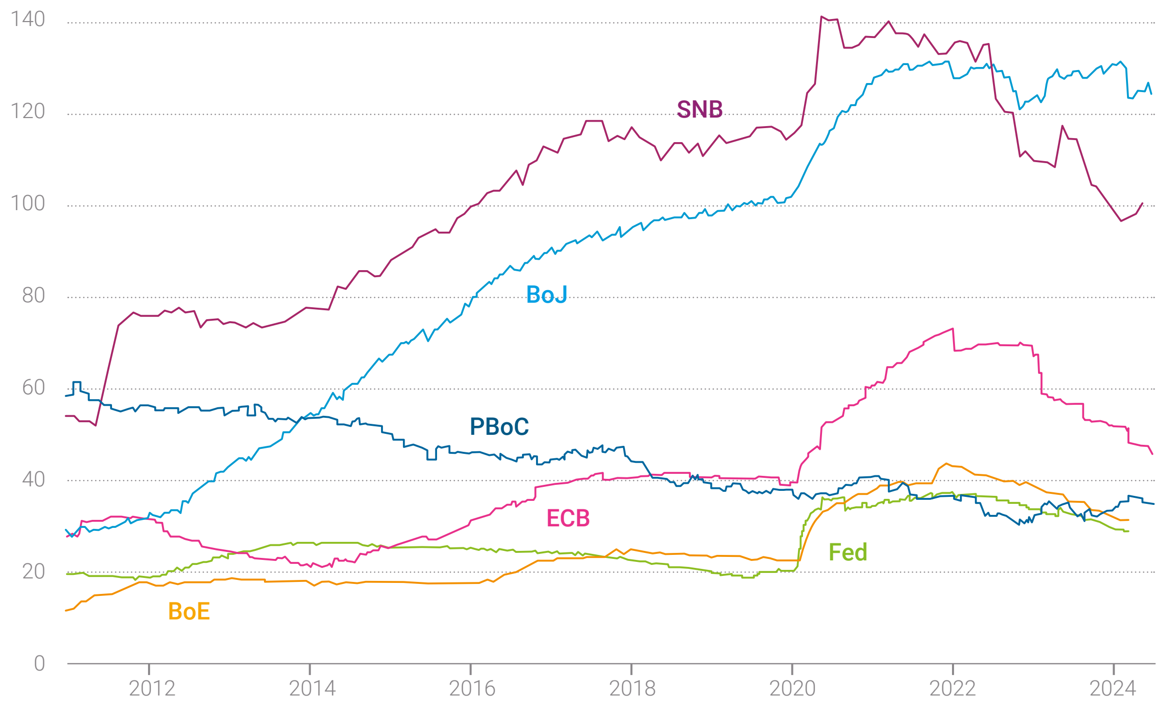
- Inflation soared to a 40-year high in 2023, driven by shocks affecting both supply (the war in Ukraine) and demand (record low unemployment worldwide). It then started to recede as supply chains smoothed out, energy costs fell and upwards pressure on wages abated. This enabled central banks to halt their monetary policy normalization last year. The normalization had been aggressive in the developed world – including in the US and eurozone – but also in some emerging markets, although the steep rate hikes in Russia and Turkey were due to endogenous factors.

- A few countries bucked the trend in 2023: Switzerland, where the SNB lifted rates just once; Japan, where the BoJ left its monetary policy basically unchanged; Brazil, where the central bank slashed rates in response to a swift drop in inflation; and China, where the PBoC eased its policy (although to a lesser extent) to support economic output.

- In 2024, the global difference between rate increases and decreases should narrow further. Central banks in the developed world still sound cautious. Yet the disinflationary trend, although slowing, could enable both the Fed and ECB to start easing monetary policy in late Q2 2024.

- Expectations for the scale of US easing adjusted sharply in early 2024 as it looked like nominal GDP growth would be stronger than forecast. The markets have priced in just under three rate cuts in the US (down from six at the start of the year) and approximately four in the eurozone. That suggests investors have a marginally positive outlook for the US. It's true that the economy held up well during the monetary policy tightening, and this, coupled with current productivity gains, indicates the neutral rate could be a little higher than analysts thought. However, expectations for eurozone rate cuts look reasonable given the divergence between its economy and that of the US for the past five years. For Switzerland, the markets have priced in two rate cuts this year. Japan is where the real question lies: it's not clear when or by how much the BoJ will reverse its zero interest-rate policy. The prospect of a series of rate cuts by the Fed should alleviate the upwards pressure on other central banks. This will be good news for developing countries and enable some of them (like Brazil) to keep loosening monetary policy and others (like India and Mexico) to get started.

Fed, ECB, BoE, PBoC, SNB and BoJ
balance sheets in % of GDP



BOND MARKETS

Sovereign bond yields experienced sharp volatility in 2023, and the trend in US yields (flat) diverged with that in European ones (down). In 2024, the upwards pressure caused by the adjustment to rate-cut expectations will fade, but the resilience of nominal GDP growth is limiting the scope for any significant decline.

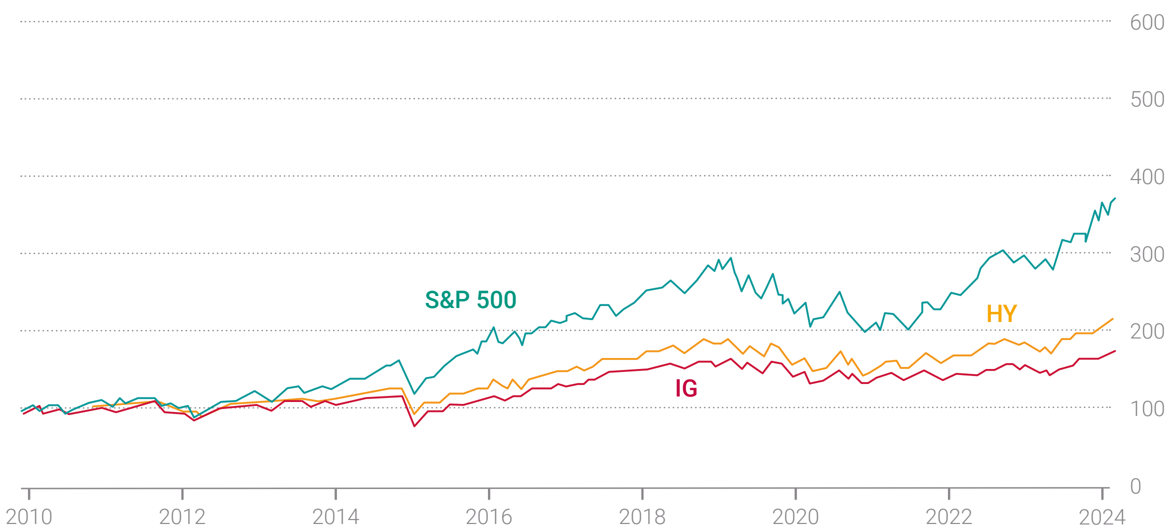
- 10-year sovereign bond yields rose dramatically in the US and Europe until mid-October (the Fed stopped lifting rates in July and the ECB in September), then plunged in nearly equal measure (115 bp) at year-end when central banks confirmed their pivot on monetary policy.

- The yield on 10-year French bonds slid by over 50 bp in 2023 to close at 2.56% (after adding nearly 300 bp in 2022), and that on 10-year US Treasuries was nearly flat at 3.88% (after climbing 240 bp in 2022). On the short-dated segment of the curve, the yield on 2-year French bonds edged up to 2.94%, while that on 2-year US Treasuries declined 17 bp to 4.25% following more dovish comments by the Fed. Looking at the slope of the curve between 2-year and 10-year bonds, the long-dated segment steepened for French bonds and the short-dated segment flattened for US Treasuries. Real interest rates rose by a (marginally) greater amount in the US (up 14 bp to 1.70%, versus a peak of 2.50%) than in France (up 10 bp to 0.37%).

- **In corporate bonds**, default rates increased moderately in 2023 (to 4% in the US and 3% in the eurozone) and there was a significant decrease in spreads (the one on high-yield paper shrank by 160 bp). The decrease in spreads reflects heightened risk appetite among investors, the pivot by central banks and a shift from worries about a recession to projections of a soft or even no landing. The implicit probability of a US recession as priced in by the markets is less than 10%. All this resulted in solid full-year gains in the corporate bond market. High-yield issues in the eurozone outperformed investment-grade ones, and US corporate bonds outperformed European ones. Regarding individual sectors, financials fared remarkably well despite the SVB and Credit Suisse bankruptcies in Q1 2023.

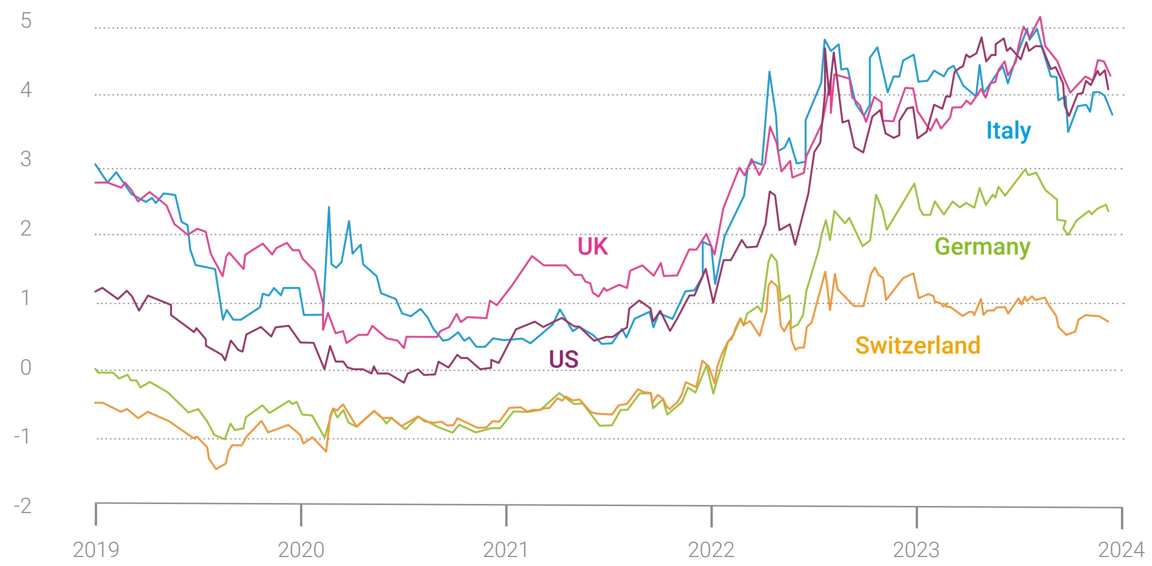
USA
Corporate bond and equity performance

Base of 100 = 01.01.2010



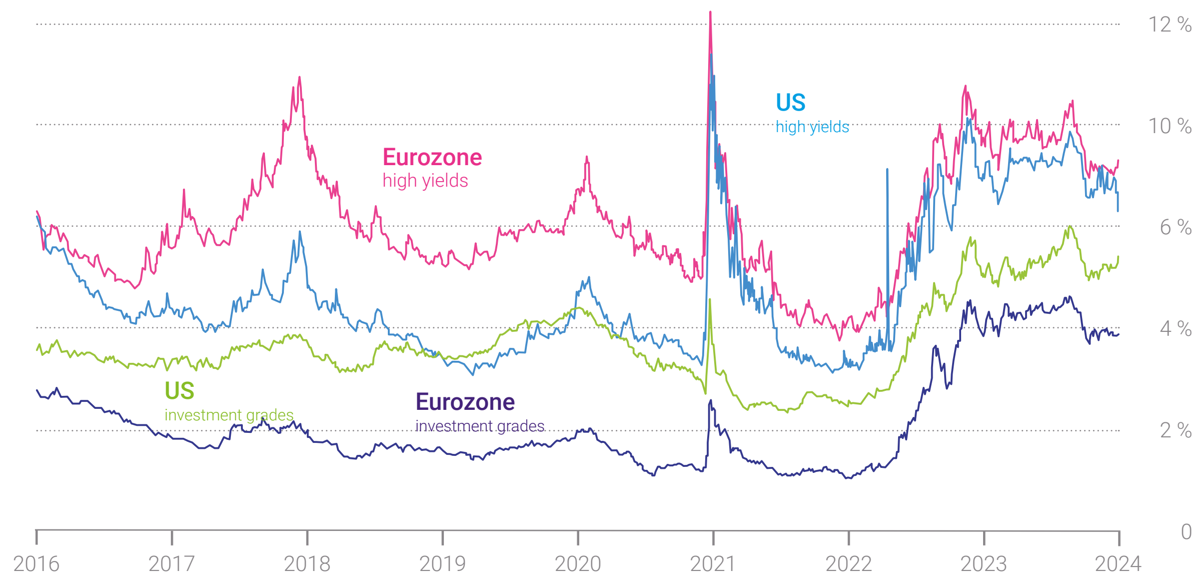
- **Rate-cut expectations adjusted severely in the first part of 2024,** until the ECB and Fed confirmed that the monetary easing would take place only gradually starting in the summer. Rate-cut expectations for the Fed are now more reasonable, at just under three in 2024 (against more than six in January). But considering we forecast two rate cuts, there's still potential for further adjustment. In any case, the bulk of the adjustment is behind us and the upwards pressure on yields is fading. We also expect the disinflationary trend to continue and the pressure caused by quantitative tightening to ease in the second half.

Sovereign yields (%)
10 y Treasuries



- **Bond yields should trend downwards, but the scope for any real decline is limited** owing to the gradual pace of disinflation and robust nominal GDP growth. We believe long-term yields will slide only moderately in the US (resulting in a modest decline in real interest rates) and somewhat more significantly in the eurozone.
- Based on market expectations, there is still uncertainty about how the BoJ's gradual reversal of its ultra-accommodative monetary policy this spring will affect the rest of the world as Japanese investors direct their capital back towards domestic bonds. The impact should be minor in the near term, given that Japanese 12-month rates are well below those of the rest of the world.
- **We see nominal long-term yields ending 2024 lower than at current levels.** The returns on short-term paper are still highly competitive with those on long-term issues (5.5% on the 3-month T-Bill and 4.1% on the 10-year T-Note).

Corporate bond yields (in %)

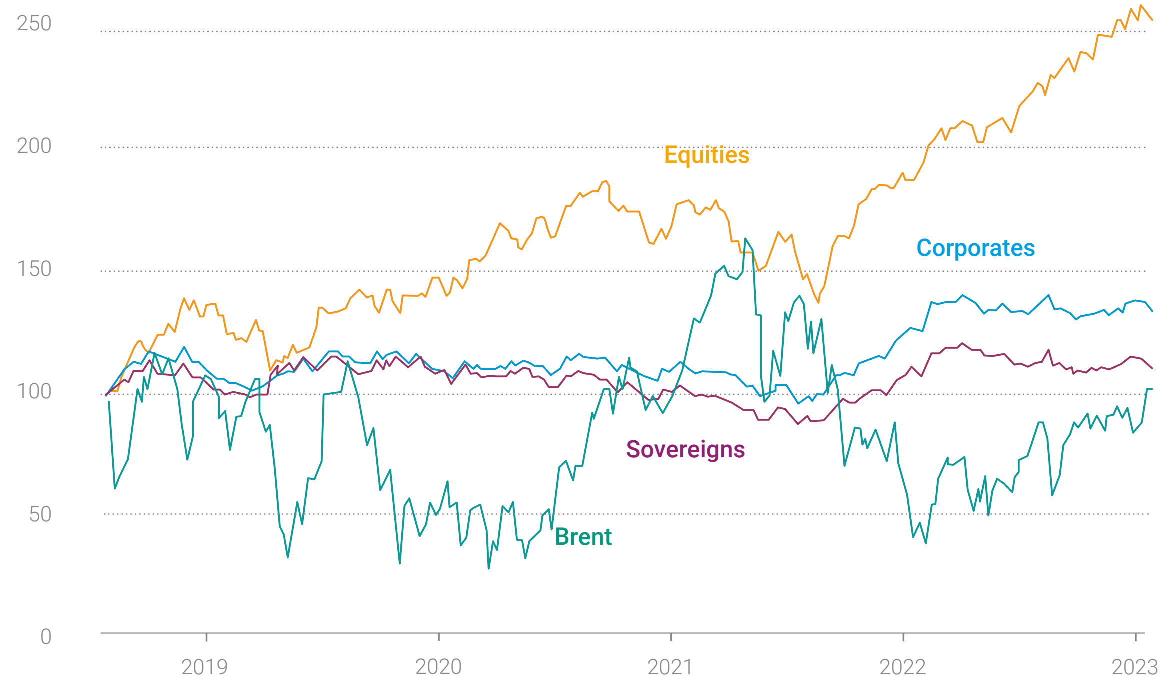


STOCK MARKETS

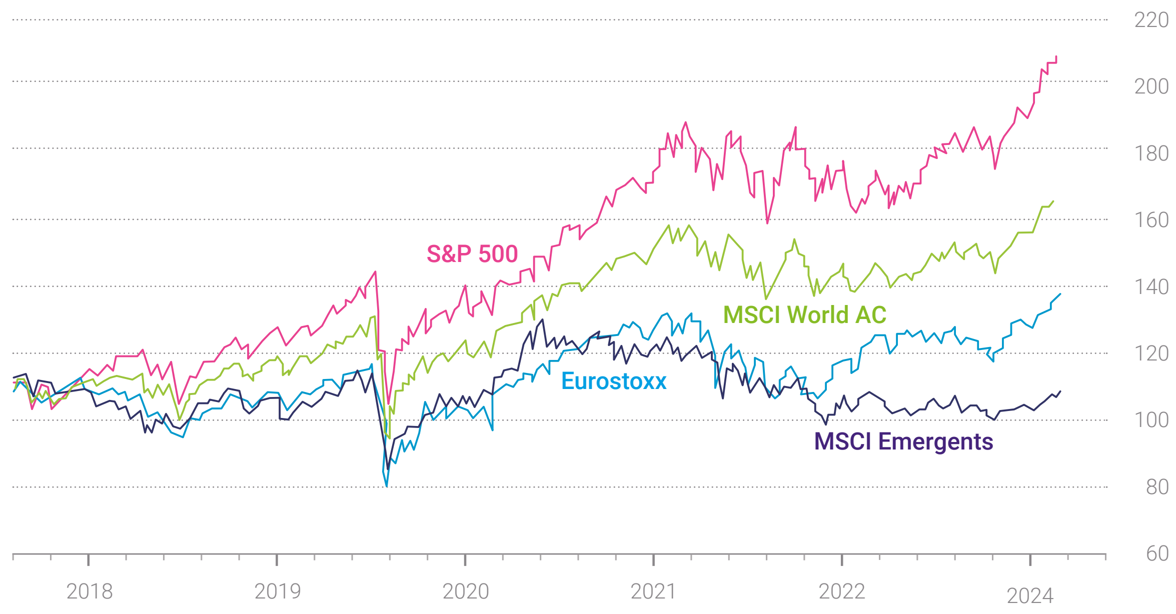
Stock markets staged a significant rebound in 2023 after tumbling in 2022, thanks to stronger-than-expected GDP growth (which alleviated fears of a recession) and the pivot by central banks in response to entrenched disinflation. The 2024 outlook is bright, but the potential for further stock-market gains is fairly limited given the recent rally.

- The MSCI World Index (in USD) jumped 20% in 2023, after falling 20% in 2022, and volatility was low (much lower than in bond markets). This reflects an upbeat outlook about the global economy as investors shift from expectations of a soft landing to one of a no landing, fueling risk appetite in the process.
- Stock prices were underpinned by high profit margins in 2023, reflecting the resilient global economy and the pivot by central banks, which pushed down long-term interest rates at year-end. The main driver of the stock-market rally was an increase in company valuations; the reported EPS figures contributed very little.
- For the second year in a row, the Japanese market was the best performer in local currency (up 25%), followed by the S&P 500 (up 24%). Japan's stellar run can be attributed to the 8% depreciation in the yen against the dollar in 2023 as the BoJ maintained its extremely accommodative stance. At constant currencies, the S&P 500 was the top performer thanks to strong gains in tech stocks (which accounted for roughly two-thirds of the rise in the index) on the back of advancements in AI. In Europe, the Euro Stoxx 50 added 20% and the CAC 40, 17%. Adjusting for exchange rates reduces Europe's underperformance somewhat but doesn't eliminate it completely. The worst performer in 2023, like in 2022, was the MSCI China Index (in USD), which shed 13% despite a 3% depreciation in the yuan. Chinese stocks were weighed down by growing hesitation on the part of both domestic and foreign investors. This had a direct impact on the MSCI Emerging Markets Index, which added just 7%, mainly reflecting solid gains in India and Brazil.
- 2023 earnings growth estimates were revised slightly downwards in the US and slightly upwards in the eurozone, to 1% and 2%, respectively. Downward revisions were larger in emerging markets, and especially in China. P/E ratios look high; in the US, the 12-month forward P/E ratio rose nearly 18% in 2023 to close at 20 – or 25% above its long-term average.

World – major asset classes
(in local currency, index, 100 = 01.01.2019)



S&P 500, Eurostoxx, MSCI World and EM
(Base 100 = 01.01.2018)



Stock markets are up sharply since end of 2023. Either a no landing or soft landing scenario would be better for equities than fixed income, yet the potential for further stock-price gains is modest with some downside risks in the near term.

- The macro climate is stabilizing around the world, which points to growth in corporate earnings. The consensus estimate is for 10% earnings growth in the US in 2024. We believe this estimate could be conservative. Economic output is holding up better than expected and productivity is improving, which bodes well for profit margins. Earnings growth in the eurozone is projected to be between 3% and 5%, which we feel is reasonable given the stabilizing economy and slightly improved growth prospects.

- Markets seem to have already priced in a no landing even though real interest rates are likely to trend downwards. Stock prices in absolute terms are neutral to high worldwide, and particularly expensive in the US. That limits the scope for any further gains. The potential for an additional rally between now and end-2024 seems mediocre if we assume a goldilocks or no landing scenario, as expected by the markets.

Looking specifically at the tech sector, the gains in tech stocks over the past few years mean their weighting in the index is now in line with that observed in the late 1990s and early 2000s (30% of the S&P 500 today, versus 35% back then). This is fueling concerns that another dot-com bubble may be forming. The stock-price gains partly reflect earnings growth; medium-term growth estimates in the tech sector are strong and on par with those in the late 1990s. That's due to the make-up of the index, and specifically to Nvidia. The medium to long-term EPS growth estimate for the index is nearly 30%, but without Nvidia, it falls to 15%. The expected average (and median) EPS growth rate in the S&P 500 IT index seems much more moderate. From this perspective, we're far from the situation in the late 1990s. Valuations are high but not outrageous: the 12-month forward P/E ratio for the S&P 500 IT is currently 28, compared to nearly 50 in the early 2000s. In short, what's driving the gains in tech stocks isn't a bubble but rather a lasting transition in the economy.

	2023	YTD (31.03.2024)
	Perf. YTD (in local currencies)	
World Equity		
MSCI World	20.09%	7.78%
North/Latine America		
Dow Jones	13.70%	5.62%
S&P 500	24.23%	10.16%
Nasdaq Composite	43.42%	9.11%
S&P/TSX Composite	8.12%	5.77%
Eastern Europe		
EURO STOXX 50	19.19%	12.43%
FTSE 100 London	3.78%	2.84%
CAC 40 Paris	16.52%	8.78%
DAX Frankfurt	20.31%	10.39%
IBEX 35	22.76%	9.63%
FTSE MIB	28.03%	14.49%
AEX	14.20%	12.07%
OMX STOCKHOLM 30 Index	17.26%	5.10%
SWISS MARKET Index	3.81%	5.32%
Asia and Pacific		
NIKKEI 225 Tokyo	28.24%	20.63%
Hang Seng	-13.82%	-2.97%
S&P Australia	7.84%	4.03%

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)	*2023*	*2022*	*2021*
Net profit	579	161	6'890
Operating result	15'347	-5'513	4'357
Total operating income 1	70'767	60'300	57'247
Total operating expenses	51'969	48'472	48'311
Total balance sheet	705'794	1'112'491	1'524'534
Total assets under management	6'155'486	6'334'764	6'576'971
Shareholders' equity	81'227	61'684	67'703
Number of employees (full-time equivalents)	139	140	133
Cost / income ratio	73%	80%	84%
Ratio CET1	36.8%	26.8%	28.2%

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	31.12.2023 CHF	31.12.2022 CHF
Liquid assets	63'218'306	88'833'688
Amounts due from banks	82'072'120	163'942'343
Amounts due from customers	354'777'281	430'904'981
Mortgage loans	16'146'804	16'864'414
Trading portfolio assets	168'542	319'644
Positive replacement values of derivative financial instruments	16'555'218	16'757'686
Financial investments	160'690'124	381'210'966
Accrued income and prepaid expenses	5'566'884	6'939'305
Non-consolidated participations	128'666	299'772
Tangible fixed assets	1'746'376	2'348'762
Intangible assets	4'133'751	3'402'460
Other assets	589'843	667'131
Total assets	**705'793'915**	**1'112'491'152**
LIABILITIES		
Amounts due to banks	9'463'169	18'739'626
Amounts due in respect of customer deposits	571'875'927	992'116'645
Negative replacement values of derivative financial instruments	18'207'466	16'183'184
Accrued expenses and deferred income	9'648'220	8'291'595
Other liabilities	770'647	764'359
Provisions	14'601'849	14'711'849
Reserves for general banking risks	19'000'000	-
Share capital	27'500'000	27'500'000
Capital reserve	1'685'610	1'685'610
Retained earnings reserve	32'020'243	31'858'882
Currency translation reserve	441'716	478'041
Consolidated profit	579'068	161'361
Total liabilities	**705'793'915**	**1'112'491'152**
OFF-BALANCE-SHEET TRANSACTIONS		
Contingent liabilities	21'862'534	19'617'247
Irrevocable commitments	4'326'533	5'124'486

CONSOLIDATED INCOME *INCOME STATEMENT 2023*

	2023 CHF	2022 CHF
RESULT FROM INTEREST OPERATIONS		
Interest and discount income	17'394'723	8'735'489
Interest and dividend income from trading portfolios	(1'591)	561
Interest and dividend income from financial investments	6'563'567	4'038'218
Interest expense	(189'800)	541'499
Gross result from interest income	**23'766'899**	**13'315'767**
Changes in value adjustments for default risks and losses from interest operations	-	(465'663)
Subtotal net result from interest operations	**23'766'899**	**12'850'104**
RESULT FROM COMMISSION BUSINESS AND SERVICES		
Commission income from securities trading and investment activities	40'314'417	42'527'498
Commission income from lending activities	164'162	300'216
Commission income from other services	926'863	1'568'428
Commission expense	(6'457'017)	(6'458'603)
Subtotal result from commission business and services	**34'948'425**	**37'937'539**
RESULT FROM TRADING ACTIVITIES AND THE FAIR VALUE OPTION	**11'317'575**	**11'484'412**
OTHER RESULT FROM ORDINARY ACTIVITIES		
Result from the disposal of financial investments	(408'372)	(289'632)
Income from participations	20'806	(39'401)
-of which, participations recognised using the equity method	20'806	(39'401)
-of which, from other non-consolidated participations	-	-
Other ordinary income	1'121'138	-
Other ordinary expenses	-	(1'643'372)
Subtotal other result from ordinary activities	**733'602**	**(1'972'405)**

CONSOLIDATED INCOME *STATEMENT 2023*

	2023 CHF	2022 CHF
OPERATING EXPENSES		
Personnel expenses	(36'100'700)	(36'347'500)
General and administrative expenses	(15'868'560)	(12'124'354)
Subtotal operating expenses	**(51'969'260)**	**(48'471'854)**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(2'588'845)	(2'581'969)
Changes to provisions and other value adjustments, and losses	(861'636)	(14'758'686)
Operating result	**15'346'760**	**(5'512'859)**
Extraordinary expenses	5'067'366	-
Changes in reserves for general banking risks	(19'000'000)	5'200'000
Taxes	(835'058)	(474'220)
Profit (result of the period)	**579'068**	**161'361**

CASH FLOW STATEMENT

	31.12.2023		31.12.2022	
	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	579'068	-	161'361	-
Changes in reserves for general banking risks	19'000'000	-	-	5'200'000
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	- 2'588'845	-	- 2'581'969	-
Provisions and other value adjustments	-	110'000	14'534'337	908'480
Accrued income and prepaid expenses (other assets included)	1'449'708	-	-	91'008
Accrued expenses and deferred income (other liabilities included)	1'362'913	-	-	4'099'054
Previous year's dividend	-	-	-	1'650'000
Subtotal	**24'980'534**	**110'000**	**17'277'667**	**11'948'542**
Cash flow from shareholder's equity transactions	-	-	-	-
Share capital / participation capital / dotation capital, etc.	-	36'325	669'889	-
Change in own equity securities	-	36'325	669'889	-
Subtotal	**-**	-	-	**-**
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets				
Participations	171'106	-	97'062	-
Other tangible fixed assets	-	252'187	-	523'357
Intangible assets	-	2'465'562	-	-
Subtotal	**171'106**	**2'717'749**	**97'062**	**523'357**
Cash flow from banking operations				
Medium and long-term business (> 1 year)				
Financial investments	220'520'842	-	-	212'615'917
Short-term business				
Amounts due to banks	-	9'276'457	11'114'601	-
Amounts du in respect of customer deposits	-	420'240'718	-	422'152'003
Negative replacement values of derivative financial instruments	2'024'282	-	-	4'515'241
Amounts due from banks	81'870'223	-	-	24'762'143
Amounts due from customers	76'127'700	-	9'022'194	-
Mortgage loans	717'610	-	13'310'006	-
Trading portfolio assets	151'102	-	67'014	-
Positive replacement values of derivative financial instruments	202'468	-	-	4'318'077
Subtotal	**381'614'227**	**429'517'175**	**33'513'815**	**668'363'381**
Liquid assets	**25'615'382**	**-**	**629'276'847**	**-**
Total	**432'381'249**	**432'381'249**	**680'835'280**	**680'835'280**

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	31'859	478	-	161	61'684
Distribution of earnings 2022							
- Allocation to retained earnings reserve	-	-	161	-	-	(161)	(36)
- Foreign exchange differences	-	-	-	(36)	-	-	-
- Dividends and other distributions	-	-	-	-	-	-	-
Other allocations to (transfers from) the reserves for general banking risks	-	-	-	-	19'000	-	19'000
Profit (result of the period)	-	-	-	-	-	579	**579**
Equity at end of current period	27'500	1'686	32'020	442	19'000	579	81'227

NOTES TO THE CONSOLIDATES 2023 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") with its head office in Geneva and a branch based in Zurich. 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.

The subsidiary Hyposwiss Advisors SA, Geneva, is dedicated to the wealth management of US clients and is registered with the Securities and Exchange Commission (SEC).

The minority participation concerns a company active in wealth management in Norway.

The Group's business scope includes wealth management, securities trading and related services.

Effectif du personnel
At the end of 2023, the Group had 149 employees (139.4 full-time equivalents), compared to 150 employees (139.8 full-time equivalents) at the end of 2022.

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 2021/2 "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:

	31.12.2023	31.12.2022
USD	0.8420	0.9232
EUR	0.9307	0.9882
GBP	1.0722	1.1154
Once Or en CHF	1'740.65	1'682.09

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

	31.12.2023	31.12.2022
EUR	0.9697	1.0017
NOK	0.0849	0.0991

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 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 2022, the new FINMA Accounting Ordinance and the fully revised FINMA Circular 2021/2 "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 2023.

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".

Ces opérations sont enregistrées selon les principes détaillés sous instruments financiers dérivés dans le chapitre « Principe de consolidation, d'évaluation et d'établissement du bilan ».

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)				
Mortgage loans	-	354'338	2'298	356'636
- Residential property	16'147	-	-	16'147
- Commercial property	*16'147*	-	-	*16'147*
Total loans (before netting with value adjustments)				
31.12.2023	**16'147**	**354'338**	**2'298**	**372'783**
31.12.2022	**16'864**	**429'882**	**2'744**	**449'490**
Total loans (after netting with value adjustments)				
31.12.2023	**16'147**	**354'338**	**439**	**370'924**
31.12.2022	**16'864**	**429'882**	**1'023**	**447'769**
Off-balance-sheet	-			
Contingent liabilities	-	21'863	-	21'863
Irrevocable commitments		1'883	2'444	4'327
Total off-balance-sheet	-			
31.12.2023		**23'745**	**2'444**	**26'189**
31.12.2022	**-**	**20'426**	**4'316**	**24'742**
Impaired loans / receivables	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
31.12.2023	**1'859**	**-**	**1'859**	**1'859**
31.12.2022	**1'721**	**-**	**1'721**	**1'721**

** CHF 2,444 million relates to the Bank's payment obligation towards Esisuisse in the context of guaranteed deposits, of which 50% is deposited in a guarantee account with the SNB, see note 4.10.*

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

	31.12.2023	31.12.2022
Assets		
Trading portfolio assets		
Debt securities, money market securities / transactions	169	320
-of which, listed	*169*	*320*
Equity securities	-	-
Precious metals and commodities	-	-
Other trading portfolio assets	-	-
Other financial instruments at fair value		
Debt securities	-	-
Structured products	-	-
Other	-	-
Total assets	**169**	**320**

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	12'622	14'274	457'556	-	-	-
Options (OTC)	3'933	3'933	215'210	-	-	-
Total before netting agreements						
31.12.2023	16'555	18'207	672'766	-	-	-
- *of which, determined using a valuation model*	*16'555*	*18'207*	*672'766*	-	-	-
31.12.2022	16'758	16'183	1'087'908	-	-	-
- *of which, determined using a valuation model*	*16'758*	*16'183*	*1'087'908*	-	-	-

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)	-	14'558	1'997

4.4 Breakdown of financial investments (CHF 1'000)

	Book value		Fair value	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Debt securities	**96'871**	**305'100**	**96'885**	**307'509**
- *of which, intended to be held to maturity*	*96'871*	*264'909*	*96'885*	*265'827*
- *of which, not intended to be held to maturity (available for sale)*	-	*40'191*	-	*41'682*
Equity securities	**648**	**1'247**	**1'114**	**1'738**
Precious metals	**63'171**	**74'864**	**63'171**	**74'864**
Real estate	-	-	-	-
Total	**160'690**	**381'211**	**161'170**	**384'111**
- *of which, securities eligible for repo transactions in accordance with liquidity requirements*	*6'494*	*6'502*	*6'494*	*6'502*

** at least 10 % of capital votes*

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

	31.12.2023	31.12.2022
	Debt securities Book value	Debt securities Book value
From AAA to AA -	96'871	305'100
From A + to A -	-	-
From BBB + to BBB -	-	-
From BB + to B -	-	-
Lower than B -	-	-
Without rating	-	-

4.5 Presentation of participations (CHF 1'000)

				2023						
	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	130	142	-	-	-	-	(15)	127	-
Other participations										
with market value	-	-	-	-	-	-	-	-	-	-
without market value	158	-	158	-	-	(156)	(1)	-	1	-
Total participations	**170**	**130**	**300**	**-**	**-**	**(156)**	**(1)**	**(15)**	**129**	**-**

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, Genève	Asset management	CHF	1'000	100%	100%	100%	-
Fimanor Financial Management AG, Zürich	Asset management	CHF	50	100%	100%	100%	-
Mise en équivalence							
Stavanger Asset Management Ltd Stavanger, Norvège	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)

				2023					
	Valeur d'acquisition	Amortissements cumulés	Valeur comptable à la fin de l'année précédente	Changements d'affectation	Investissements	Désinvestissements	Amortissements	Modification périmètre de consolidation	Valeur comptable à la fin de l'année de référence
Proprietary or separately acquired software	4'615	(4'382)	234	-	11	-	(95)	-	150
Other tangible assets	16'010	(13'895)	2'115	-	241	-	(759)	-	1'597
Tangible assets acquired under			-	-		-			
finance leases:	-	-		-	-	-	-	-	-
Total tangible fixed assets	**20'625**	**(18'277)**	**2'349**		**252**		**(854)**	**-**	**1'746**

Operating leases (CHF 1'000)

	31.12.2023	31.12.2022
Off-balance-sheet leasing commitments		
Maturing within 12 months	2'495	1'767
Maturing in 12 months to 5 years	7'541	5'458
Maturing in more than 5 years	3'351	207
Total off-balance-sheet leasing commitments	**13'386**	**7'431**
- 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)

				2023				
	Cost value	Accumulated amortisation	Book value Previous year	Influences d'une modification du périmètre de consolidation	Additions	Disposals	Amortisation	Book value at end of current year
Goodwill	18'213	(14'811)	3'402	-	2'466	-	(1'734)	4'134
Total intangible assets	**18'213**	**(14'811)**	**3'402**	**-**	**2'466**	**-**	**(1'734)**	**4'134**

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

	Other assets		Other liabilities	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Indirect taxes	325	387	749	769
Other assets and other liabilities	265	280	21	(5)
Total	**590**	**667**	**770**	**764**

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

	31.12.2023		31.12.2022	
	Book values	Effective commitments	Book values	Effective commitments
Pledged / assigned assets				
Amounts due from banks	251	-	-	9'696
Financial investments	65'412	7'603	86'734	5'238
Amount due form costumers	6'652	-	10'000	-
Total pledged / assigned assets	1'222	-	-	-
Assets under reservation of ownership	**73'537**	**7'603**	**96'734**	**14'934**

** Representing half of the Bank's obligation to Esisuisse*

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.

4.12 Disclosure on the economic situation of own pension schemes

a. Employer contribution reserves (ECR)

Employer had no contribution reserve at December 31, 2023 (idem in 2022)

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

There are two pension plans within the Group, following the merger with United Mizrahi Bank (Switzerland) Ltd. The Group has not yet transferred to the Patrimonia Foundation the provident fund of United Mizrahi Bank (Switzerland) Ltd.

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 2023.

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 31.12.2023	Economic interest of the bank/financial group		Change in economic interes (economic benefit/obligation) versus previous year	Contributions paid for the current year	Pension expenses in personnel expenses	
		31.12.2023	31.12.2022			31.12.2023	31.12.2022
					CHF	CHF	CHF
Pension plan (Patrimonia)	101%	-	-	-	2'580'903	2'580'903	2'351'468
Collective pension foundation (La Bâloise)	-	-	-	-	-	-	186'493

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
Provisions for other business risks	14	-	-		-	-	-	14
Other provisions	14'698	-	-		-	-	(110)	14'588
Total provisions	**14'712**	-	-		-	-	**(110)**	**14'602**
Reserves for general banking risks	-	-				**19'000**	-	**19'000**
Value adjustments for default and country risks								-
Value adjustments for risk of default of non-compromised receivables	1'721	-	-	(146)	138	146	-	1'859
Total of value adjustements for default and country risks	**1'721**	-	-	**(146)**	**138**	**146**	-	**1'859**

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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Holders of qualified participations	9'707	11'611	13'799	6'082
Group companies	318	289	2'656	2'183

Guarantees totaling CHF 94'346 (CHF 84'928 in 2022) were issued by the Group for the account of related companies, holders of qualified participations and governing bodies.

An undrawn credit limit of CHF 100'000 (CHF 91'390 in 2022). No contingent liability 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)

	At sight	Cancellable	Due: 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	61'996	1'222	-	-	-	-	-	63'218
Amounts due from banks	82'072		-	-	-	-	-	82'072
Amounts due from customers	99'058		214'144	41'575	-	-	-	354'777
Mortgage loans	-		3'953	12'194	-	-	-	16'147
Trading portfolio assets	169		-	-	-	-	-	169
Positive replacement values of derivative financial instruments	16'555		-	-	-	-	-	16'555
Financial investments	63'819		17'774	76'569	-	2'528	-	160'690
Total 31.12.2023	**323'669**	**1'222**	**235'871**	**130'338**	**-**	**2'528**	**-**	**693'628**
Total 31.12.2022	**484'741**	-	**359'803**	**245'916**	**6'502**	**1'871**	**-**	**1'098'834**
Debt capital / financial instruments		-						
Amounts due to banks	9'463	-	-	-	-	-	-	9'463
Amounts due in respect of customer deposits	571'876	-	-	-	-	-	-	571'876
Negative replacement values of derivative financial instruments	18'207	-	-	-	-	-	-	18'207
Total 31.12.2023	**599'547**	**-**	**-**	**-**	**-**	**-**	**-**	**599'547**
Total 31.12.2022	**1'027'039**		**-**	**-**	**-**	**-**	**-**	**1'027'039**

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

	31.12.2023		31.12.2022	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	63'218	-	88'834	-
Amounts due from banks	46'622	35'450	87'908	76'034
Amounts due from customers	56'555	298'222	71'848	359'057
Mortgage loans	6'890	9'257	10'448	6'416
Trading portfolio assets	4	165	10	310
Positive replacement value of derivative financial instruments	15'152	1'403	15'298	1'460
Financial investments	72'346	88'344	85'565	295'646
Accrued income and prepaid expenses	4'055	1'512	5'436	1'503
Non-consolidated participations	-	129	-	300
Tangible fixed assets	1'746	-	2'349	-
Intangible assets	4'134	-	3'402	-
Other assets	590	-	667	-
Total assets	**271'313**	**434'481**	**371'765**	**740'726**
Liabilities				
Amounts due to banks	2	9'461	1'676	17'064
Amounts due in respect of customer deposits	99'791	472'085	120'700	871'417
Negative replacement values of derivative financial instruments	9'125	9'082	6'587	9'596
Accrued expenses and deferred income	9'648	-	8'291	-
Other liabilities	771	-	764	-
Provisions	14'602	-	14'712	-
Reserve for general banking risks	19'000	-	-	-
Share capital	27'500	-	27'500	-
Capital reserve	1'686	-	1'686	-
Retained earnings reserve	32'020	-	31'859	-
Currency translation reserve	442	-	478	-
Consolidated profit	558	21	369	(208)
Total liabilities	**215'145**	**490'649**	**214'622**	**897'868**

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

	31.12.2023		31.12.2022	
Assets	Absolute	Share as %	Absolute	Share as %
Switzerland	271'313	38,44%	371'765	33,42%
Europe	111'767	15,84%	233'841	21,02%
Central America	20'950	2,97%	19'730	1,77%
North America	102'004	14,45%	240'428	21,61%
Asia	41'059	5,82%	51'976	4,67%
Others	158'702	22,49%	194'751	17,51%
Total assets	**705'794**	**100.00%**	**1'112'491**	**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 31.12.2023		Net foreign exposure 31.12.2022	
	CHF	Share as %	CHF	Share as %
1 & 2	241'166	55,52%	467'456	63,12%
3	1'856	0,44%	3'530	0,49%
4	23'189	5,35%	66'447	8,98%
5	71'283	16,42%	86'085	11,63%
6	6'356	1,47%	7'637	1,04%
7	33'916	7,82%	8'270	1,13%
Without rating	56'715	13.06%	101'299	13,69%
Total	**434'481**	**100.00%**	**740'726**	**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	OTHERS
Liquid assets	62'605	173	264	176
Amounts due from banks	6'982	37'735	9'042	28'313
Amounts due from customers	104'906	123'338	101'460	25'074
Mortgage loans	13'313	169	2'665	-
Trading portfolio assets	-	169	-	-
Positive replacement values of derivative financial instruments	16'555	-	-	-
Financial investments	9'850	87'634	35	63'171
Accrued income and prepaid expenses	4'313	353	653	249
Non-consolidated participations	127	-	1	-
Tangible fixed assets	1'746	-	-	-
Intangible assets	4'134	-	-	-
Other assets	545	-	45	-
Total assets shown in balance sheet	**225'075**	**249'571**	**114'165**	**116'983**
Delivery entitlements from spot exchange, forward forex and forex options transactions	**297'051**	**372'068**	**121'733**	**51'551**
Total assets	**522'126**	**621'639**	**235'898**	**168'535**
Liabilities				
Amounts due to banks	50	6'033	472	2'908
Amounts due in respect of customer deposits	55'015	272'771	124'984	119'106
Trading portfolio liabilities	-	-	-	-
Negative replacement values of derivative financial instruments	18'207	-	-	-
Accrued expenses and deferred income	9'640	7	-	-
Other liabilities	772	-	-	-
Provisions	14'602	-	-	-
Share capital	19'000	-	-	-
Capital reserve	27'500	-	-	-
Retained earnings reserve	1'686	-	-	-
Currency translation reserve	442	-	-	-
Consolidated profit	579	-	-	-
Total liabilities shown in balance sheet	**179'513**	**278'811**	**125'456**	**122'014**
Delivery obligations from spot e xchange, forward forex and forex options transactions	**345'440**	**344'155**	**110'523**	**46'517**
Total liabilities	**524'952**	**622'966**	**235'979**	**168'531**
Net position per currency	**(2'826)**	**(1'327)**	**(81)**	**4**

5 - OFF-BALANCE SHEET RELATED INFORMATION

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

	31.12.2023	31.12.2022
Other contingent liabilities	21'863	19'617
Performance guarantees and similar	4'327	5'124
Total of contingent liabilities	**26'189**	**24'742**

5.2 Breakdown of credit commitments (CHF 1'000)

Nil

5.3 Breakdown of fiduciary transactions (CHF 1'000)

	31.12.2023	31.12.2023
Fiduciary investments with third-party companies	1'064'329	960'053
Total fiduciary transactions	**1'064'329**	**960'053**

5.4 Répartition des avoirs administrés et présentation de leur évolution (CHF 1'000)

	31.12.2023	31.12.2022
Breakdown of managed assets		
Assets under discretionary asset management agreements	2'817'452	2'059'752
Other managed assets	3'338'034	4'275'012
Total managed assets (including double counting)	**6'155'486**	**6'334'764**
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)

	31.12.2023	31.12.2022
Total managed assets (including double counting) at beginning	**6'334'764**	**6'576'971**
+/- net new money inflow or net new money outflow	(191'772)	476'116
+/- price gains / losses, interest, dividends and currency gains / losses	12'494	(718'323)
Total managed assets (including double counting) at end	**6'155'486**	**6'334'764**

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.

6 - INCOME STATEMENT RELATED INFORMATION

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

	2023	2022
Breakdown by business aera		
Trading activity for the Group's own account	183	2
Own-account treasury transactions	1'592	2'362
Trading activity for customers' account	9'542	9'121
Total result from trading activities	**11'318**	**11'485**

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

	2023	2022
Result from trading activities from:		
-Interest rate instruments (including funds)	1'592	2'362
-Equity securities (including funds)	183	2
-Foreign currencies	9'542	9'121
Total result from trading activities	**11'318**	**11'485**
- of which, from fair value option	*183*	2
- of which, from fair value option on assets	*183*	2

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

	2023	2022
Negative interest		
Negative interest relating to assets transactions (reduction in interest and discount income)	(23)	2'817
Negative interest relating to liability transactions (reduction in interest expenses)	(6)	1'107

6.4 Breakdown of personnel expenses (CHF 1'000)

	2023	2022
Salaries	30'010	30'404
-of which, expenses relating to variable compensation	*5'045*	*4'320*
Social insurance benefits	5'265	5'377
Other personnel expenses	826	567
Total	**36'101**	**36'348**

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

	2023	2022
Office space expenses	3'399	3'043
Expenses for information and communication technology	1'179	1'222
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	169	204
Fees of audit firm(s)	487	460
-of which, for financial and regulatory audits	*348*	*340*
-of which, for other services	*120*	*120*
Marketing and public relations	332	262
Travelling expenses	845	699
Direct and indirect taxes	823	665
Other operating expenses	8'636	5'569
Total	**15'869**	**12'124**

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)

	2023	2022
Extraordinary income	5'067	-
Changes in reserves for general banking risks	(19'000)	5'200
Changes to provisions and other value adjustments, and losses	(862)	(14'759)

Extraordinary income consists of the sale of the bank's stake in Monaco Asset Management S.A.M, Monaco (CHF 3,867,366) as well as a reimbursement of costs covered by insurance (CHF 1,200' 000).

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

	2023	2022
Provisions' release for deferred taxes		
Expenses for current taxes	-	-
Total taxes	835	(474)
Weighted average tax rate, based on the operating result	**835**	**(474)**
	5.71%	n/a

In 2022 and 2023, the Bank benefited from a tax ruling regarding the loss carried forward of United Mizrahi Bank (Switzerland) Ltd.

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

Report of the statutory auditor

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Hyposwiss Private Bank Genève SA (the Company), which comprise the balance sheet, income statement, statement of changes in equity and notes (pages 98 to 116) for the year ended 31 December 2023.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and

SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate to the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

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 the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Alex Astolfi — Alan Quéguiner

Audit expert
Auditor in charge

Geneva, 30 April 2024

Enclosures:

- Financial statements (balance sheet, income statement, statement of changes in equity and notes)
- Proposed appropriation of available earnings

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
		31.12.2023	31.12.2022
	Available capital		
1	Common Equity Tier 1 (CET1)	76'964	57'982
2	Tier 1 capital (T1)	76'964	57'982
3	Total capital	76'964	57'982
	Risk-weighted assets (RWA)		
4	RWA	208'986	216'210
4a	Minimum capital requirements	16'719	17'297
	Risk-based capital ratios as a percentage of RWA		
5	Common Equity Tier 1 ratio	36,8%	26.8%
6	Tier 1 ratio	36,8%	26.8%
7	Total capital ratio	36,8%	26.8%
	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	28,8%	18.8%
	CET1 available after netting the bank's minimum capital requirements as per the minimal standards		
	Ratios-cibles de fonds propres selon l'annexe 8 de l'OFR (en % des RWA)		
12a	Volant de fonds propres selon l'annexe 8 OFR (%)	2,5%	3.2%
12b	Volants anticycliques (art. 44 et 44a OFR) (%)	0.0%	0.0%
12c	Ratio-cible en CET1 (en %) selon l'annexe 8 de l'OFR majoré par les volants anticycliques selon les art. 44 et 44a OFR	7.0%	7.4%
12d	Ratio-cible en T1 (en %) selon l'annexe 8 de l'OFR majoré par les volants anticycliques selon les art. 44 et 44a OFR	8,5%	9.0%
12e	Ratio-cible global de fonds propres (en %) selon l'annexe 8 de l'OFR majoré par les volants anticycliques selon les art. 44 et 44a OFR	10,5%	11.2%
	Ratio de levier Bâle III		
13	Engagement global (CHF)	733'963	1'140'018
14	Ratio de levier Bâle III (fonds propres de base en % de l'engagement global)	10,5%	5.1%

	Liquidity coverage ratio LCR	31.12.23	30.09.23	30.06.23	31.03.23	31.12.22
15	LCR Numerator: sum of High quality liquid assets (CHF)	97'597	181'130	231'275	307'909	347'542
16	LCR Denominator: sum of net cash outflows (CHF)	60'388	117'174	135'805	146'710	163'057
17	Liquidity coverage ratio (LCR) (in %)	161,6%	154,6%	170,3%	209,9%	213,1%

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"

			31.12.2023	31.12.2022	31.12.2023
			a	b	c
		Approach	RWA	RWA	Minimum capital requirements
1	Credit Risk	**AS-BRI**	4'450	5'929	356
20	Market risk	**Standard approach**	1'903	1'991	152
24	Operational risk Basic indication	**Basic indicator approach**	10'366	9'499	829
25	Amounts below the thresholds for deduction (subject to 250% risk weight)		-		
27	**Total (1 + 20 + 24 + 25)**		**16'719**	**17'419**	**1'338**

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)	1'859	634'587	1'859	634'587
2	Debt securities	-	96'871	-	96'871
3	Off-balance-sheet exposures	-	32'432		32'432
4	**Total**	**1'859**	**763'890**	**1'859**	**763'890**

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)	2'298	731'458	-
Off-balance-sheet exposures	2'244	32'432	-
Total	**4'742**	**763'890**	**-**
Of which defaulted exposures			-

7.6 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.

FINANCIAL STATEMENTS

STATUTORY BALANCE SHEET

ASSETS	31.12.2023 CHF	31.12.2022 CHF
Liquid assets	63'218'306	88'833'543
Amounts due from banks	79'717'197	161'480'026
Amounts due from customers	354'777'281	430'904'981
Mortgage loans	16'146'804	16'864'414
Trading portfolio assets	168'542	319'644
Positive replacement values of derivative financial instruments	16'555'218	16'757'686
Financial investments	160'690'124	381'210'966
Accrued income and prepaid expenses	4'885'660	6'246'294
Participations	2'810'980	3,281'957
Tangible fixed assets	1'727'391	2'317'135
Intangible assets	4'133'751	3'402'460
Other assets	589'843	667'131
Total assets	**705'421'097**	**1'112'286'237**
LIABILITIES		
Amounts due to banks	9'463'169	18'739'626
Amounts due in respect of customer deposits	572'053'421	992'225'947
Negative replacement values of derivative financial instruments	18'207'466	16'183'184
Accrued expenses and deferred income	9'248'329	7'944'141
Other liabilities	736'508	698'815
Provisions	14'601'849	14'711'849
Reserves for general banking risks	19'000'000	-
Bank's capital	27'500'000	27'500'000
Statutory capital reserve	1'685'610	1'685'610
Statutory retained earnings reserves	7'012'452	6'984'952
Profit carried forward	25'584'613	25'263'587
Profit (result of the period)	327'680	348'526
Total liabilities	**705'421'097**	**1'112'286'237**
OFF-BALANCE-SHEET TRANSACTIONS		
Contingent liabilities	21'862'534	19'617'247
Irrevocable commitments	4'326'533	5'124'486

INCOME STATEMENT

	2023 CHF	2022 CHF
RESULT FROM INTEREST OPERATIONS		
Interest and discount income	17'394'512	8'741'696
Interest and dividend income from trading portfolios	(1591)	562
Interest and dividend income	6'563'567	4'038'218
from financial investments		
Interest expense	(189'800)	535'939
Gross result from interest income	**23'766'688**	**13'316'415**
Changes in value adjustments for default risks		(465'663)
and losses from interest operations		-
Subtotal net result from interest operations	**23'766'688**	**12'850'752**
RESULT FROM COMMISSION BUSINESS AND SERVICES		
Commission income from securities trading	37'771'870	40'439'978
and investment activities		
Commission income from lending activities	164'162	300'216
Commission income from other services	1'064'863	1'627'776
Commission expense	(6'339'889)	(6'397'379)
Subtotal result from commission	**32'661'006**	**35'970'591**
business and services		
RESULT FROM TRADING ACTIVITIES AND THE FAIR VALUE OPTION	**11'362'236**	**11'470'762**
OTHER RESULT FROM ORDINARY ACTIVITIES		
Result from the disposal of financial investments	(408'372)	(289'632)
	-	-
-income from participations	-	-
-non-consolidated investments	-	-
Other ordinary income	1'121'168	-
Other ordinary expenses	-	(1'643'372)
Subtotal other result from ordinary activities	**712'796**	**(1'933'004)**

INCOME STATEMENT

	2023 CHF	2022 CHF
OPERATING EXPENSES		
Personnel expenses	(34'376'575)	(34'884'797)
General and administrative expenses	(15'288'571)	(11'679'789)
Subtotal operating expenses	**(49'665'146)**	**(46'564'586)**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(2'891'415)	(2'487'652)
Changes to provisions and other value adjustments, and losses	(861'636)	(14'751'042)
Operating result	**15'084'529**	**(5'444'179)**
Extraordinary income	5'067'366	-
Changes in reserves for general banking risks	(19'000'000)	5'200'000
Taxes	(824'215)	592'705
Profit (result of the period)	**327'680**	**348'526**

APPROPRIATION OF PROFIT

	31.12.2023	31.12.2022
	CHF	CHF
Profit	327'680	348'526
Profit carried forward	25'584'613	25'263'587
Distributable profit	25'912'293	25'612'113
APPROPRIATION OF PROFIT		
- Allocation to statutory retained earnings reserve	27'500	27'500
- Allocation to voluntary retained earnings reserves	-	-
- Dividend	-	-
- New amount carried forward	25'884'793	25'584'613
Total as above	**25'912'293**	**25'612'113**

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 01/01/2023	27'500	1'686	6'985	-		349	
Appropriation of 2022 profit					25'264		61'784
- Change in profit carried forward							
- Dividends and other distributions			28			(28)	
- Other allocations to							-
(transfers from) the reserves	-	-	-	-		(321)	-
for general banking risks					321		-
	-	-	-			-	
- Profit for the period				19'000			
					-		19'000
	-	-	-	-		328	
					-		328
Equity at end of reporting period	**27'500**	**1'686**	**7'012**	**19'000**		**328**	
31/12/2023					**25'585**		**81'112**

NOTES TO THE 2023 FINANCIAL 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, with its head office in Geneva and a branch based in Zurich. A representative office in Tel-Aviv, Israel, and a stake in an asset-management firm in Norway.

As of 31 December 2023, 133.3 people were employed by the Bank (full-time employee), compared with 134.8 people (full-time jobs) at the end of 2022.

1.2 Risk Management

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 2020/1).

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 have been no changes in accounting and valuation principles since the previous year, with the exception of the items described in this section of the consolidated financial statements.

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 dvue from customers	-	354'338	2'298	356'636
Mortgage loans	16'147	-	-	16'147
- Residential property	16'147	-	-	16'147
TOTAL LOANS (before netting with value adjustments)				
31.12.2023	**16'147**	**354'338**	**2'298**	**372'783**
31.12.2022	**16'864**	**429'882**	**2'744**	**449'490**
TOTAL LOANS (after netting with value adjustments)				
31.12.2023	**16'147**	**354'338**	**439**	**370'924**
31.12.2022	**16'864**	**429'882**	**1'023**	**447'769**
OFF-BALANCE-SHEET				
Engagements conditionnels	-	21'863	-	21'863
Engagements irrévocables *	-	1'883	2'444	4'327
TOTAL OFF-BALANCE-SHEET				
31.12.2023	-	**23'745**	**2'444**	**26'189**
31.12.2022	-	**20'426**	**4'316**	**24'742**
	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
IMPAIRED LOANS / RECEIVABLES		-		
31.12.2023	**1'859**		**1'859**	**1'859**
31.12.2022	**1'721**		**1 721**	**1 721**

** CHF 2,444 million relates to the Bank's payment obligation towards Esisuisse within the framework of guaranteed deposits, of which 50% is deposited in a guarantee account with the SNB, see note 3.6.*

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

	31.12.2023	31.12.2023
ASSETS		
Trading portfolio assets		
Debt securities, money market securities / transactions	169	320
-of which, lised	169	320
Equity securities	-	-
Precious metals and commodities	-	-
Other trading portfolio assets	-	-
Other financial instruments at fair value		
Debt securities	-	-
Structured products	-	-
Other	-	-
Total assets	169	320

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	12'622	14'274	457'556	-	-	-
Options (OTC)	3'933	3'933	215'210	-	-	-
Total before netting agreements						
31.12.2023	16'555	*18'207*	*672'766*	-	-	-
-of which, determined using						
a valuation model	*16'555*	*18'207*	*672'766*	-	-	-
31.12.2022	*16'758*	*16'183*	*1'087'908*	-	-	-
-of which, determined using						
a valuation model	*16'758*	*16'183*	*1'087'908*	-	-	-

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)	-	14'558	1'997

3.4 Breakdown of financial investments (CHF 1'000)

	Book value		Fair value	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Debt securities	**96'871**	**305'100**	**96'885**	**307'509**
- *of which, intended to be held to maturity*	*96'871*	*264'909*	*96'885*	*265'827*
- *of which, not intended to be held to maturity (available for sale)*	-	*40'191*	-	*41'682*
Equity securities	**648**	**1'247**	**1'114**	**1'738**
Precious metals	**63'171**	**74'864**	**63'171**	**74'864**
Total	**160'690**	**381'211**	**161'170**	**384'111**
- *of which, securities eligible for repo transactions in accordance with liquidity requirements*	*6'494*	*6'502*	*6'494*	*6'502*

** at least 10% of voting rights*

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

	31.12.2023	31.12.2022
	Debt securities Book value	Debt securities Book value
From AAA to AA-	96'871	305'100
From A + to A -	-	-
From BBB + to BBB -	-	-
From BB + to B -	-	-
Lower than B -	-	-
Without notation	-	-

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

	Other assets		Other liabilities	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Indirect taxes	325	387	749	704
Settlement amounts	265	280	(13)	(5)
Total	**590**	**667**	**737**	**699**

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

	31.12.2023		31.12.2022	
	Book values	Effective commit-ments	Book values	Effective commit-ments
Pledged / assigned assets	251	-	-	9'696
Amounts due from banks	96'871	7'603	86'734	5'238
Financial investments	6'652	-	10'000	-
Tangible fixed assets	1'222	-	-	-
Liquidity	**104'996**	**7'603**	**96'734**	**14'934**
Total pledged / assigned assets	-	-	-	-
Assets under reservation of ownership				

** Representing half of the Bank's obligation to Esisuisse.*

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, 2023 (idem in 2022).

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

In 2023, all Hyposwiss Private Bank Genève SA employees will be transferred to the Patrimonia Foundation.

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 2023.

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.

	Coverage surplus / shortfall at 12.31.2023	Financial Group economic share		Change in economic share	Contributions paid for the reference year	Pension costs included in personnel expenses	
		31.12.2023	31.12.2022			31.12.2023	31.12.2022
					CHF	CHF	CHF
Pension plan (Fondation Patrimonia)	101%	-	-	-	2'437'274	2'437'274	2'239'918
Collective pension fund (La Bâloise)	-	-	-	-	-	-	186'493

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	14'698	-	-	-	-	-	(110)	14 588
Total provisions	**14'712**	**-**	-	-	-	-	**(110)**	**14 602**
Reserves for general	**-**		-	-	-	-		
banking risks	**-**	**-**	-		-	**19'000**	**-**	**19'000**
Value adjustments for default	**-**			-	-	-		-
and country risks	**-**				-	-		-
-Value adjustments for default risks in res-	**-**	-	-		-	-	-	-
pect of impaired loans / receivables	**-**	-			-	-		-
	1'721				138	146		1'859
Total value adjustments	**-**	-	-		-	-	-	-
for default and country risks	**1'721**			(146)	**138**	**146**	-	**1'859**

Reserves for general banking risks are taxable.

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

	31.12.2023			31.12.2022		
	Total nominal valuevalue	No. of shares	Dividend-bearing capital	Total nominal value	No, of shares	Dividend-bearing capital
Bank' share 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' share capital	**27'500**	**275'000**	**27'500**	**27'500**	**275'000**	**27'500**

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)

	31.12.2023	31.12.2022
Non-distributable capital reserves	1'686	1'686
Non-distributable retained earnings	7'012	6'985
Total non-distributable reserves	**8'698**	**8'671**

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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Holders of qualified participations	9'707	11'611	13'799	6'082
Group companies	-	-	177	109
Linked companies	-	-	-	-
Transactions with members of governing bodies	318	289	2'656	2'183

Guarantees totaling CHF 70'783 (CHF 94'346 en 2022) were issued by the Bank for the account of affiliated entities, significant shareholders and governing bodies.

An undrawn credit limit of CHF 100'000 (CHF 100'000 en 2022). No conditional commitments have been granted to qualified participants (CHF 0 en 2022).

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

3.14 Disclosure of holders of significant participations

	31.12.2023		31.12.2022	
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 2023, 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 31.12.2023		Net foreign exposure at 31.12.2022	
Breakdown as per FINMA correspondence tables	CHF	Share as %	CHF	Share as %
1 & 2	240'198	55,41%	467'456	63,12%
3	1'856	0.43%	3'530	0,48%
4	23'189	5,35%	66'447	8,97%
5	71'283	16,44%	86'085	11,62%
6	6'356	1.47%	7'637	1.03%
7	33'916	7,82%	8'270	1,12%
Without notation	56'715	13.08%	101'299	13,67%
Total	**433'513**	**100.00%**	**740'726**	**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)

	31.12.2023	31.12.2022
Fiduciary investments with third-party companies	1'064'329	960'053
Total of fiduciary transactions	**1'064'329**	**960'053**

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

Breakdown of managed assets	31.12.2023	31.12.2022
Assets under discretionary asset management agreements	2'422'308	1'653'494
Other managed assets	3'338'035	4'275'013
Total managed assets (including double counting)	**5'760'343**	**5'928'507**

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)	31.12.2023	31.12.2022
Total managed assets (including double counting) at beginning	**5'928'507**	**6'238'612**
+/- Net new money inflow / Net new money outflow	(178'721)	385'041
+/- Price gains / losses, interest, dividends and currency	10'557	(695'146)
Total managed assets (including double counting) at end	**5'760'343**	**5'928'507**

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.

5 - INCOME STATEMENT RELATED INFORMATION

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

	2023	2022
Breakdown by business area		
Traging activity for the bank's own account	183	(12)
Own-account treasury transactions	1'637	2'362
Trading activity for customers' account	9'542	9'121
Total result from trading activities	**11'362**	**11'471**

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

	2023	2022
Result from trading activities from:		
- Interest rate instruments (including funds)	1'637	2'362
- Equity securities (including funds)	183	(12)
- Foreign currencies	9'542	9'121
- Commodities / precious metals	-	-
Total result from trading activities	**11'362**	**11'471**
- of which, from fair value option	*183*	*(12)*
- of which, from fair value option on assets	*183*	*(12)*
- of which, from fair value option on liabilities	-	-

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

	2023	2022
Negative interest		
Negative interest relating to asset transactions (reduction of interest income and discounts)	(23)	2'817
Negative interest relating to liability transactions (reduction in interest expenses)	(6)	1'107

5.4 Breakdown of personnel expenses (CHF 1'000)

	2023	2022
Salaries	28'646	29'200
- of which, expenses relating to alternative forms of variable compensation	*4'826*	*4'087*
Social insurance benefits	4'969	5'154
Other personnel expenses	762	530
Total	**34'377**	**34'885**

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

	2023	2022
Office space expenses	3'273	2'930
Expenses for information and communication technology	1'167	1'218
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	169	204
Fees for audit firm(s)	443	435
-of which, for financial and regulatory audits	*323*	*315*
-of which, for other services	*120*	*120*
Marketing and public relations expenses	332	262
Travelling expenses	786	667
Direct and indirect taxes	812	665
Other operating expenses	8'306	5'298
Total	**15'289**	**11'680**

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)

	2023	2022
Extraordinary income	5'067	
Changes in reserves for general banking risks	(19'000)	5'200
Changes to provisions and other value adjustments, and losses	(862)	(14'751)

Extraordinary income consists of the sale of the Bank's stake in Monaco Asset Management S.A.M Monaco, CHF 3,867,366 as well as a reimbursement of expenses taken into account paid by insurance, CHF 1,200,000.

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

	2023	2022
Current taxes	824	(593)
Total taxes	**824**	**(593)**
Weighed average tax rate based on operational result	5.71%	n/a

In 2022 and 2023, the Bank benefited from a tax ruling concerning the loss carried forward of United Mizrahi Bank (Switzerland) Ltd.

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

Report of the statutory auditor

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

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Hyposwiss Private Bank Genève SA and its subsidiaries (the Group), which comprise the consolidated balance sheet, consolidated income statement, cash flow statement, statement of changes in equity and notes for the year then ended 31 December 2023 (pages 55 to 87).

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 the results of operations and the cash flows in accordance with accounting rules for banks and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with accounting rules for banks and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate to the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

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 the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company’s articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Alex Astolfi

Audit expert
Auditor in charge

Alan Quéguiner

Geneva, 30 April 2024

Enclosures:

- Financial statements (balance sheet, income statement, statement of changes in equity and notes)
- Proposed appropriation of available earnings

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

6.1 KM1 "Key prudential metrics"

		a	e
		31.12.2023	31.12.2022
	Available capital		
1	Common Equity Tier 1 (CET1)	74'166	55'098
2	Tier 1 capital (T1)	74'166	55'098
3	Total capital	74'166	55'098
	Risk-weighted assets (RWA)		
4	RWA	203'768	211'669
4a	Minimum capital requirements	16'301	16'933
	Risk-based capital ratios as a percentage of RWA		
5	Common Equity Tier 1 ratio	36.4%	26.0%
6	Tier 1 ratio	36.4%	26.0%
7	Total capital ratio	36.4%	26.0%
	Additional CET1 buffer requirements as a percentage of RWA		
8	Capital conservation buffer requirement as per the Basel minimal standards	2.5%	2.5%
9	(2.5% from 2019)	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 requirementsCET1 available after meting the bank's minimum capital requirements as per the minimal standards	28.4%	18%
	Target capital ratios according to appendix 8 CAO (% of RWA)		
12a	Capital buffer according to appendix 8 CAO	2.5%	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	7.0%	7.4%
12d	T1 target ratio according to appendix 8 CAO in addition to countercyclical capital buffer according to art. 44 and 44a CAO	8.5%	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	10.5%	11.2%
	Basel III leverage ratio		
13	Total exposure (CHF)	730'908	1'136'831
14	Basel III leverage ratio (Tier 1 capital in percentage of total exposure)	10.1%	4.8%

	Liquidity coverage ratio LCR	31.12.23	30.09.23	30.06.23	31.03.23	31.12.22
15	LCR Numerator: sum of High quality liquid assets (CHF)	97'597	181'130	231'275	307'909	347'542
16	LCR Denominator: sum of net cash outflows (CHF)	60'388	117'174	135'805	146'710	163'057
17	Liquidity coverage ratio (LCR) (in %)	161.6%	154.6%	170.3%	209.9%	213.1%

	Funding ratio (NSFR)	31.12.23
18	Available stable refinancing (in CHF)	479'836
19	Required stable refinancing (in CHF)	324'648
20	Funding ratio, NSFR (in %)	148%

6.2 OV1 "Overview of risk-weighted assets"

			31.12.2023	31.12.2022	31.12.2023
			a	a	c
		Approach	RWA	RWA	Minimum capital requirements
1	Credit Risk		4'356	5'731	
20	Market risk	**SA-BIS**	1'891	1'989	348
24	Operational risk	**Standard approach**	10'054	9'213	151
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	**Basic indicator approach**	-	-	804
27	**Total (1 + 20 + 24 + 25)**		**16'301**	**16'933**	**1'304**

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)	1'859	536'539	1'859	536'539
2	Debt securities	-	96'871	-	96'871
3	Off-balance sheet exposures	-	32'432	-	32'432
4	**Total**	1'859	**665'842**	**1859**	**665'842**

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)	2'298	633'410	-
Off-balance-sheet exposures	2'444	32'432	-
Total	**4'742**	**665'842**	**-**

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.

DISCLOSURE REQUIREMENTS UNDER FINMA CIRCULAR 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	-	-	-	0.23	-	0.23	-
	Amounts due from customers	1'564	574	990	0.18	0.18	0.18	0.18
	Money-market mortgage loans	-	-	-	-	-	-	-
	Fixed-rate mortgage loans	-54	-42	-12	0.17	0.18	0.17	0.18
	Financial investments	-260	-10	-250	0.76	2,9	0.76	2,9
	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	59	-2	-57	0.08	0.08	0.08	0.08
	Amounts due from customers	-207	-2	-205	0.22	0.22	0.22	0.22
	Variable-rate mortgage loans	-	-	-	-	-	-	-
	Other sight receivables	-	-	-	0.08	0.08	0.08	0.08
	Customer sight deposits	-	-	-	-	-	-	
	Other sight liabilities	850	32	818	0.22	0.22	0.22	0.22
	Amounts due in respect of cancellable but non-transferable customer deposits	9	-	9	0.08	0.08	0.08	0.08
		-	-	-	-	-	-	-
	Total	**1'843**	**550**	**1'293**	**0.48**	**0.52**	**0.48**	**0.52**

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"

CHF 1'000	Δ EVE (equity) 31.12.2023	Δ EVE (equity) 31.12.2022	Δ NII (net interest income) 31.12.2023	Δ NII (net interest income) 31.12.2022
Parallel up	(451)	(931)	(13)	(970)
Parallel down	502	984	5	940
Steepener[1]	(31)	406	-	-
Flattener[2]	(56)	(606)	-	-
Short rate up	(228)	(941)	-	-
Short rate down	230	950		940
Maximum	(451)	(931)	(13)	

	31.12.2023		31.12.2022	
Tier 1 capital	**74'166**	**-**	**55'098**	**-**

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 2023.

[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

*ALAIN BRUNO LEVY**

Chairman of the Board since 01.06.2023

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**

Vice-Chairman 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 and Secretary of the board

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.

*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.

** Independant members*

SOLLY S.LAWI

Honorary Chairman

M. 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.

COMMITTEES OF THE BOARD OF DIRECTORS

AUDIT AND RISK COMMITTEE

Chairman : *Michel Broch*
Vice Chairman : *Philippe Perles*
Secretary : *Alexander L.Dembitz*

COMPENSATION COMMITTEE

Chairman : *Eric Bernheim*
Vice Chairman : *Alain Bruno Lévy*
Secretary : *Nabil Jean Sab*

MEMBERS
OF THE EXECUTIVE BOARD

ALBERT LAWI

Chief Executive Officer - CEO since 01.07.2023

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.

SÉBASTIEN JOLIAT

Deputy Chief Executive Officer and 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 held the position of Chief Financial Officer.

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.

JAMES LAWI

Head of Private Banking

James Lawi holds a Bachelor's degree in International Relations and Political Science from the University of Geneva. He started his career in 2012 as a financial analyst with various financial and banking institutions, both on the asset management and the wealth management side, first in London, then in Geneva. He joined Hyposwiss Private Bank Geneva SA as wealth manager in 2014 and successively assumed the role of management team manager and then director of business development for the bank. James Lawi acts as an advisor for certain subsidiaries of the Group on the Boards of Directors. In 2022, Mr. James Lawi joins the General Management and is appointed Head of Private Banking at Hyposwiss.

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.

GROUP COMPANIES' ADDRESSES

HYPOSWISS PRIVATE BANK GENÈVE SA

Rue du Général-Dufour 3
CH - 1211 Genève 3
Tél : +41 22 716 36 36
Fax : +41 22 716 36 19
info@hyposwiss.ch
www.hyposwiss.ch

HYPOSWISS PRIVATE BANK GENÈVE SA, ZURICH BRANCH OFFICE

Nüschelerstrasse 31
CH - 8021 Zürich
Tél : +41 44 226 86 86
Fax : +41 44 226 86 87
info@hyposwiss.ch
www.hyposwiss.ch

HYPOSWISS ADVISORS SA

Rue Bovy-Lysberg 10
CH - 1204 Genève
Tél : +41 22 310 76 40
Fax : +41 22 310 76 39
info@advisors.hyposwiss.ch
www.hyposwissadvisors.ch

STAVANGER ASSET MANAGEMENT SA

Nedre Holmegate 30
5.Etasje
4006 Stavanger - Norway
Tél. +47 910 02 401
eva@stavangeram.com
www.stavangeram.com

HYPOSWISS PRIVATE BANK GENÈVE SA, REPRESENTATIVE OFFICE

85 Medinat Hayehudim St. Azrieli Business Park, G Building
Herzeliya Pituach 4676670, Israel
Tél : +972 9 7736 111
Fax : +972 9 7736 116
israelrep@hyposwiss.ch