BERGOS

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REPORT ON THE 33rd FINANCIAL YEAR

2021

REPORT ON
THE 33RD FINANCIAL YEAR

BERGOS PRIVATE BANK

A SAD REFLECTION

As we were preparing this report, news of the Russian invasion of Ukraine reached the world. In a major escalation of the Russo-Ukrainian conflict, on 24 February 2022, Russia began brutal air strikes and ground attacks that present the largest military invasion in Europe since World War II. For many of us, the threat of war in Eastern Europe was incomprehensible. Now, the daily news and global coverage show us the brutality of this war.

As an institution that believes in the importance of "Human Private Banking", it is difficult to report on our achievements, reflect on our successes and lay out our future plans in the face of this immense humanitarian tragedy.

Human Private Banking - our claim is also our ethos and commits us to seeing people in all their complexity.

With that, it is in our daily conversations with clients, friends, and business partners that we realize how deeply we are all impacted by this tragedy. Our thoughts are with everyone who i s fearing for loved ones, who is mortified at the brutal pictures that reach us, who is worried about the future of the generations to come, and who is feeling helpless in the face of this unmeasurable suffering.

We at Bergos are united in the knowledge that it is of the utmost importance to act in solidarity, prudently and responsibly in turbulent, disturb-ing times. We stand against any kind of war and are united in the conviction that life in peace - one of the highest goods of humankind! - should be untouchable.

BERGOS

In TCHF	2019	2020	2021
Operating profit	4.197	4.052	4.558
Operating income	4.619	3.960	4.380
Net fee and commission income	27.453	27.473	28.893
Income from trading activities	4.213	4.899	5.606
Net interest income	4.965	3.582	3.534
Operating expenses	31.454	30.736	32.606
In CHF million			
Total assets	567	714	828
Assets under management (incl. custody accounts)	6.834	6.854	7.272
Net new funds (incl. custody accounts)	463	388	-13
In % of assets under management	+6.8	+5.7	-0.2
Eligible equity	32	32	34
Required equity	11	13	15
Number of employees (full-time equivalent)	102,2	103,9	113,7

Bergos AG is an independent Swiss Private Bank. Our focus: Private Wealth.

2021 marked our first year as the independent Swiss Private Bank Bergos AG. However, our origins can be traced back to 1590, to the founding of the world´s second oldest bank: Joh. Berenberg, Gossler & Co. KG, which is our former mother company. Our name is composed of BER and GOS and with that representative of Berenberg and Gossler, the founding families. Located in Zurich and Geneva, our international team serves private clients, family entrepreneurs, shipping clients and Next Generation clients. We offer discretionary asset management and advisory mandates and advise on all liquid and non-liquid asset classes as well as alternative investments. Our additional focus lies on services beyond the financial sector, such as Art Consult and Multi Family Office Services. Bergos - Human Private Banking. Our brand philosophy embodies our bank's aspiration, strength and conviction that people and qualities such as respect, empathy and openness should guide private banking activities. This approach shapes our initiatives and defines Bergos' outlook towards its clients, employees and stakeholders.

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* as of 1 March 2022 Member of the Executive Management Board

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"Anticipation is more important than reaction."

CHRISTOF KUTSCHER

01

FOREWORD

CHRISTOF KUTSCHER

Chairman of the Board of Directors

Dear Clients, Friends and Colleagues

BEING RESILIENT TO LIFE'S CHALLENGES

Doesn't it feel the same to you? At the start of 2022, looking back over the past 12 months, it feels as if time has stood still. The Covid crisis continues to dominate the headlines. First Delta, now Omicron, and we' re still speculating whether we are closer to the end of the pandemic or not.

This changed radically on 24th February 2022 with the brutal Russian invasion of Ukraine. The issue of Covid has virtually disappeared from the media attention as we deal with catastrophic human suffering as a result of this aggression, as well as the economic, social and political consequences. In the following, I share with you some thoughts that I had penned down before the invasion, but which, surprisingly, are still valid in the light of recent events.

It is astonishing with what resilience the economies have handled the supply and demand shock as a result of the Covid crisis. After a short, sharp slump, the economies have recovered - also thanks to the help of central banks and expansionary fiscal policy. The financial markets knew practically only one direction in 2021, as has been the case since the middle of 2020: upwards.

However, if one looks a little closer, the perception that time has come to a standstill is deceptive. A lot has changed, although it is not immediately obvious: The majority of the population, at least in the wealthy countries of the world, have been vaccinated by now, and their resistance to the virus has increased. While extremely widespread, far fewer people have fallen victim to Corona in recent months than in the first phase of the pandemic. Global supply chains have proved extremely fragile, with key elements of the value chain unavailable, or only available at a high premium or with a time lag. For the first time in 30 years, inflation is a factor; price increases are higher than expected, and also seem to be less "temporary" than many had hoped.

The confrontation of seemingly ever more complex questions to which there are no simple answers triggers uncertainty. This is nothing new in and of itself, but the interdependence of variables has become greater, be it the internet, supply chain complexity or a virus that spreads in a flash in every mutation. Even thanks to seemingly trivial cheap flights, globalisation confronts us with unknown challenges. The speed with which problems, but also solutions, disseminate globally has increased.

In the English-speaking world, a term has become established that summarises various aspects of complex phenomena: VUCA.

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In VUCA, the "V" stands for volatility, the "U" for uncertainty, the "C" for complexity and "A" for ambiguity. It is difficult to deny that many phenomena we observe exhibit these "VUCA" characteristics. Every graph on Covid infections shows strong fluctuations, every prediction is fraught with great uncertainty, the subject is extremely complex, a playground for self-appointed experts with highly contradictory and often amateurish comments. The evaluation can be extremely ambiguous. A maximum score on the VUCA scale, so to speak.

The issue of supply chains is also complex, fraught with uncertainties and ambiguous in its consequence. What worked like "clockwork" two years ago and became the standard model of industrial production is currently inoperable, the consequences in their dimension unforeseeable (high inflation in the long term or only a brief interlude of price increases), but also how companies react to this situation. The possible spectrum here ranges from waiting until the situation normalises to localising production and extensive stockpiling. Who are the winners and losers in such a development? We know of international freight forwarders who, due to the shortage of transport capacity in 2021, have made profits that are significantly greater than their turnover in 2020! There are indications that the time of "easy money" is over and the central banks are becoming much more restrictive instead of an expansive monetary policy.

The political-military situation in Eastern Europe is similarly complex. What consequences do governments draw from the recent, but at the same time very old, realisation that energy dependencies can have dangerous consequences? Our older readers will remember the oil crises of the 1970s with pictures of blocked motorways. Are we now seriously going to save energy? Is the development of renewable energies accelerated or has it become unaffordable? Will nuclear power plants be built again? Or will little happen, simply a case of waiting until the next crisis.

Climate change creates risks but also opportunities. Practically every political party has a green agenda. As a result, legislators will introduce more environmental regulations, but new markets will also be created. Whereas at previous climate conferences the leading opinions were with governments and international organisations, this changed with COP26 in Glasgow. The private sector has recognised the risks and opportunities associated with climate change and is now implementing them strategically. If companies do not adapt or even lead their industry, they can lose their competitiveness in a very short time. Huge investments are being made in product, process and technology innovation. Banks have recognised the financing of so-called transition management as a new topic. After the boom in renewable energies, new energy technologies offer opportunities, but also investments in sustainable agriculture and forestry and the carbon markets offer new opportunities.

After an initial increased need for information to understand new (or old) complex phenomena, a weariness sets in after a while, people just don't want to read news on the same topic every day. What we really want is resilience, a resistance to change. According to the Duden dictionary, resilience is a term from psychology that describes a person's ability to cope with crises. There are empirical studies on specific groups of people who have shown a particularly high level of resilience. Interestingly, these are often groups that have been subject to great stress, such as the Vietnamese boat people.

Who would not wish for greater resilience? The greater the uncertainties, the higher the volatility of the financial markets or the more variant viral mutations are, the more desirable resilience is.

The term has gradually been applied more broadly, e.g. to organisations, companies, but also health and financial instruments. Organisational resilience is the ability of an organisation to respond and adapt to change, to anticipate future threats and opportunities, and to identify its own vulnerabilities.

The concept of anti-fragility, developed by Nassim Taleb, goes one step further. It describes systems that become even more stable when they are under stress. A child who is confronted with defeat or unfair behaviour by others while playing will learn from it. Parents who intervene at every danger and every argument can potentially prevent the child from developing further. A strategy that sometimes combines high risk with very conservative elements (a barbell strategy) may perform better under stress than a medium risk strategy.

Anticipation is more important than reaction.

At Bergos, we have a duty of care to our clients. This includes giving our clients the best possible advice over time and implementing that advice. Unfortunately, even our best analysts do not have perfect foresight, and we must therefore focus on adapting the client's investment strategy to unexpected developments. Resilience against unexpected developments is the keyword here. This can be achieved by different means. The first is to establish long-term relationships between the client and the bank. We need to understand the client's situation comprehensively, and this includes the family situation, the opportunities and risks of our clients' businesses, as well as future commitments. If a client's advisor changes frequently, such a constellation is often not assured. We try to ensure continuity of advice as much as possible.

Bringing all the bank's know-how to the client is another important factor in increasing the resilience of a client's portfolio against unexpected surprises. This may involve structuring to prevent the fragmentation of a family's assets, but also financial management measures. Consistency in advice is an important element, but no single advisor can competently deal with the entire spectrum of issues.

What does this mean for strategic portfolio selection? Of course, basic principles such as diversification in every dimension remain valid. Sufficient liquidity does not normally deprive us of sleep, but too much of it always detracts from performance in the long run. It is an established psychological phenomenon to invest pro-cyclically; such behaviour in most cases reduces the resilience of a portfolio as risks increase with rising markets. Alternative, non-liquid investments offer interesting opportunities, but also have the characteristic that they cannot be liquidated in stress situations. This can increase the stability and long-term performance of a portfolio as it avoids pro-cyclical behaviour.

The Bank, under the leadership of Dr. Raskin, has over the past year transformed its organisation, which allows us to bring different elements of resilience to the client. On the one hand, we promote stability in the relationship between the relationship manager and the client. Large banks regularly re-segment their clientele, partly to create a bond between the client and the bank rather than the advisor. We consider continuity in the advisory service to be extremely important. The understanding for the client in all facets is simply greater. If you have been through a period of difficult markets with a client before, the advisor understands the risk capacity and risk tolerance better. Anticipating needs is only possible if the advisor knows the client well. The anticipation of needs allows us not only to react but to act.

On the other hand, advisors are not omniscient. Therefore, each advisor works with a team of specialists so that we can bring the know-how of the whole bank to the client. Next Generation advisors understand the language of our Next Generation clients, and can build mutual understanding through better client engagement; the use of technology becomes natural, even and especially in a bank that focuses on long-term relationship management.

Direct access to our Management, but also to our Shareholders, enables us to look at and understand the situation of the clients from all sides. The goal is to increase client value through increased resilience in the face of a rapidly and unpredictably changing environments. As you can see, at Bergos, time has not stood still, we are adapting our organisation to meet the ever-changing needs of our clients while ensuring continuity in the client relationship. This helps the organisation, but especially our clients, to deal with new and old complex phenomena. Resilience in all aspects of life.
As you may have read above, the issue of resilience has always been relevant, but now it is even more significant. The unforeseeable consequences of the Russian invasion of Ukraine will severely test the resilience of many. First and most of all, of course, the Ukrainian people, who are suffering immensely at the hands of the invaders. Our individual handling of possible escalation scenarios of this war will also test our stress resistance. It will be a topic that will occupy us day and night. As bankers and as a bank, we are challenged to deal with a crisis that has not been seen in this dimension in Europe since the end of World War II. We will do everything we can to prove that we are professionally available to you in word and deed, even in this situation.

We thank you for your trust and look forward to a successful partnership in 2022.

02

OBSERVATIONS

DR. PETER RASKIN

CEO & Partner

Why we need Human Private Banking

"Banking is necessary; banks are not" - that was the assessment of Microsoft founder Bill Gates in 1994. Even then, it was clear to that visionary that the raison d'être of traditional banks needed to be questioned. But why? Is it because regulation makes business more difficult, and the rapid pace of digitisation opens new avenues for banking transactions? Or is there more to it? Is it also the propensity for "shady business" that is perhaps inherent in banking, but which is certainly said to be the case, that makes banks seemingly unattractive as a solution? When can banks, or even bankers, be trusted at all? Will banks soon become obsolete?

"Stagnation is not an option!"

DR. PETER RASKIN

I can answer this point clearly: No.
Good, personal service will never be superfluous or obsolete, even in an environment of increasing digitalisation and robotic standardisation.
Good online banking cannot replace a skilled advisor. Nuanced support on a human level will never lose its importance. Nevertheless, certain approaches and attitudes in private banking are increasingly becoming less sustainable.

For 22 years, as a lawyer, advisor to demanding international clients and private banking manager in the countries of Germany, England, Luxembourg, and Switzerland, I have observed the relationships of clients with their advisors and bankers. The result of my observation is without question: That relationship is the be-all and end-all of a successful private bank and a successful investment strategy. But it has also been subject to profound changes over the past 22 years.
It is the advisor above all who must adapt to these challenges. Experience shows that not everyone is willing or able to adjust. This may not be significant, were it not for the client.

High net-worth individuals are reliant on private banks, whether they like it or not. They need them to keep their assets safe, to protect them and to grow them. They need them to process payments, acquire assets and much more. And the banks? Well, they not only have a key role to play, but above all a major responsibility for the assets entrusted to them and for the trust that customers (must) place in them. Clients are supposed to have faith in the banks and entrust them with the fruits of their life's work. The dilemma, however, is that banks and bankers are not always regarded as having a good track record.
In fact, the opposite seems to be the cas

The press coverage proves it: Wealthy clients are supposed to have trust in the banks, but then have to read on an almost daily basis that many bankers are dubious, if not downright delinquent. Hardly any other sector attracts such negative attention.

"On expenses to the strip joint"!, "Swiss top banker arrested on Mallorca"!, "Big bank stumbles from scandal to scandal"! A simple Google search and these are the headlines. Banks have to reserve much more money than expected for legal disputes. Funds are embezzled and taxes evaded. People spy on each other, fly around the world in private jets or go to disreputable bars at the bank's expense, and high-ranking bankers believe that different rules apply to them than to any other person or even to their clients. No scandal is overlooked.

Why is this the case with bankers in particular? How can we separate the wheat from the chaff? If we take a closer look at the conspicuous bankers, they all have one thing in common: They are completely disconnected! They seem to have decoupled themselves both from their vocation and from their clientele. Their own interests clearly take precedence over those of their clients, employees, and other stakeholders. They are, one can read, very narcissistically inclined individuals who forget that ultimately, they should be there for other people and not the other way around. They are individuals who have lost touch with reality.

They also forget that they are supposed to work for their clients and not the other way around.

They forget that their actions can sometimes have very severe effects on other people. And they forget that they must earn their high position through their behaviour everyday anew and should not exploit it for their own good.

Properly understood private banking and good, trustworthy bankers put people, especially clients and colleagues, at the centre of what they do.

At Bergos, we call this type of private banking "Human Private Banking". We are committed to this approach. For us, it means that it is not just about the often unremarkable, routine investment of assets. Rather, we are concerned with understanding the client as a human being with all his or her diverse needs and placing them at the centre of our activities. We develop and evolve our services in line with these needs and ensure that their requirements are fully met.

For this approach, we need the right team. For us, Human Private Banking therefore also means focusing on respectful, cosmopolitan, and empathetic employees and offering them an environment in which they can perform at their best and independently, detached from the sometimes constricting hierarchies of a bank.

As a Swiss Private Bank, we also feel an obligation to the social environment in which we are allowed to operate. For us, Human Private Banking therefore also means assuming social responsibility, and in particular, complying with the ESG criteria for our environment, our society and in our corporate governance. We want to live it and not just offer our clients an "off-the-shelf" product, the way many competitors do who believe that they have therewith as such fulfilled their obligations.

Our unique structure has made us predestined to provide Human Private Banking. We are not a large bank whose focus is on the interests of management and shareholder value. Nor are we a bank owned by a family that has no interest in the bank or sees it as a cash cow to help fund their lives. We are owned by some very accomplished entrepreneurs whose needs and interests are congruent with those of our clients and who do not need the bank to finance their livelihood.

Properly understood private banking is less a matter of the distribution of financial products and the mere investment of assets. Properly understood private banking is above all about the client, about advising him or her in all matters that could have a direct or indirect impact on their assets. Direct effects are always the concrete investment decisions of the client. Indirect effects are all events arising from the concrete circumstances of a client's life, such as those arising from marriage, family, business ventures, and passions. Major transitions in life - birth, finding a career, marriage, divorce, death, etc. - can sometimes have a much more profound impact on wealth than, for example, the question of whether it should be invested in Fund A or Fund B, or in this or that stock.

Properly understood, private banking sees the customer as what they are: as a human being! With complex backgrounds, the scope of which is sometimes not clear to them themselves; with passions that need to be considered; with families that live all over the world; with ventures that grow or cause them concern; with hurdles that appear almost out of nowhere.

Private banking understood in this way requires a lot from the client advisor. And above all, it requires humanity! The advisor must be able to dive deep into the life of a client and identify dangers or challenges for their assets. He must then be able to address these in the appropriate form, with openness, but also respect and empathy, to then find the best possible solution in cooperation with the client.

The advisor does not have to be a lawyer, tax consultant, management consultant or entrepreneur. However, he or she should have the experience and special insight to anticipate the challenges facing the client. The bank, in turn, must give its employees the appropriate freedom, must not exert sales pressure, and must have a network of mostly internationally active specialists in inheritance law, family law, tax law, family governance, business succession law, M&A advisors, and other experts at its disposal. This, too, is Human Private Banking. Because it uses these professionals only for the benefit of its clients and only when they are needed. It is not beholden to any of these advisors, nor does it "owe any favours" and, again, exerts no sales pressure.

The advisor is the most important link between a bank and its clients. They act in a two-way relationship. In addition to the skills described above, he or she must recognise the needs of clients and use all his or her bank's services accordingly and in the best possible way for the client, but also develop them internally. In the interest of all bank clients, advisors must continuously communicate the frequently changing needs of their clients to the bank and their colleagues, exchange ideas, and get involved so that the bank can continuously develop appropriate offering for the clients. And above all, they must be able to build up a strong relationship of trust with the client and prove time and again through their work that they deserve the client's trust.

In the last 20 years, the job description of a client advisor in private banking has undergone a great deal of change. When I came to Switzerland in the spring of 2000, an advisor still did everything by themselves for their clients. As an investment advisor, they were a decentralised asset manager, canvasser, foundation and structure advisor, sat on foundation boards, travelled and often went to lunch or dinner with clients. They sold funds and financial products from friends all over the world, or those that offered the highest possible kickbacks. If the earnings situation was poor and the desired bonus was at risk, products with non-transparent fee structures were "pushed" into the clients' portfolios.

An advisor saw the bank's clients first and foremost as his clients. They were your security, your "insurance," the basis of your career and sometimes your wealth. In the past, a relationship manager did almost everything for his clients, and above all, everything was done alone, since it was important to keep the client away from other, perhaps even better, advisors. Even without much professional development, you became popular with your clients and made a career for yourself. This was also possible as investment success, i.e. performance, mostly came automatically and the client frequently didn't pay too much attention.

Investing was not particularly complex. For a long time, stocks only went in one direction, bonds generated a regular low-risk income with interest rates that were still quite high at the time. Even fixed deposits could generate a satisfactory return. At that time, the regulators had not yet caught on to the hustle and bustle and were therefore quiet. Globalisation was still in its infancy; email was the ultimate in sophistication and you could be proud if you had any kind of presence on the Internet. "Private Markets" were not even a concept. Clients were usually less informed, and happy about every positive return. M&A, private equity and venture capital were foreign words for many, " the devil's work" or something by and for the super-rich. This has changed a lot recently and especially in the last 10 years.

For years, all of us, clients, and banks alike, have been struggling with negative interest rates. These and almost endless liquidity cause an enormous attractiveness for private markets and real estate. But also, the values of shares

and unlisted companies often went "through the roof" solely driven by liquidity. Fixed income securities, which used to be considered one of the safest investments with good returns, became, if one was not careful, a very risky and non-profitable investment. We also had to learn to deal with profound crises, political and geopolitical uncertainties, major threats to our health and social structures. Globalisation has led to a strong internationalisation of our clients and the investment environment.

The regulators never tire of intervening more frequently and more forcefully in the bank-client relationship.

A very big, if not the single biggest challenge, comes from technological change, which goes hand in hand with profound social change.
To put it bluntly, everything is becoming faster, more complex, more complicated, more transparent and more convoluted by the day.
Clients are becoming increasingly better informed. Young employees sometimes have highly relevant specialised knowledge that older employees can't or don't want to acquire. This inexorable change is bound to have an impact on the job description of a relationship manager. He or she can no longer do everything themselves as they once did and as they see fit. They must focus their efforts and, above all, keep an eye on their clients' needs. They must recognise their limitations and, above all, be prepared to seek support from other experts at the bank for the benefit of their clients. Ideally, they should establish a team of experts to support the client, since they are the ones who know the client best.

It can be observed in banks that many advisors, especially those who grew up in the old system, still regard a bank's clients as their own clients. This approach is never in the best interest of the client. Never! They continue to shield "their" clients from the bank's expertise, they don't let any, or only very few, colleagues, mostly subordinate to them, have access to "their clients". Their main concern is not to let any other advisor

touch their clients, who could represent competition or even question their "unquestionable" expertise. They do this for purely selfish motives. Because the client is, and they often say this bluntly, their insurance. If you have enough "own" clients, your job and bonus are secure. You can sit back, believe you can do what you want, you don't have to worry about your future and, above all, you don't have to adapt.

As Picasso once alluded: Constant development keeps you alive. Standing still is not an option. Advisors of the kind described do not grow further after a certain point. Since they do not want to face the challenges of the time, they are less and less successful in acquiring new "own" clients. They are completely uninteresting for clients of the next generation. This leads to stagnation and ultimately to standstill.

What does this mean for clients? Check whether your bank offers you human private banking. As a client, you should always look critically at the system you are in and question services and offer. You should also put the advisor's know-how, openness, flexibility and approachability to the test and verify them regularly.

Especially if clients have built up a very close, perhaps even friendly relationship with their advisors over the years, they should, in their own interest, always check the relationship for professionalism. After all, it is their assets that are at stake. It can't just be about whether the advisor is nice, plays good golf and seems to take care of everything.

Question them and question their bank, their approach, their conviction and ability to adapt. Above all, check whether your advisors and the bank want to focus on you as a human being and offer you "Human Private Banking".

Can you rest in the conviction that you are understood by your advisor and by the bank as an individual worthy of protection? Are they genuinely interested in you, your family, your challenges and interests? Or are you a number,

representing only a certain proportion of the assets under management, just another client? Are you or are your assets the focus of attention?

Talk regularly with the management of your bank and let them present on your challenges and the strategy they develop to address them. At Bergos, in addition to senior management, the other owners are available to you for such important conversations.

Asset protection goes beyond investing. Are you perceived as a client in the complexity of your life? Is every facet of your circumstances considered and are you introduced to the appropriate experts? Have the entire range of services offered by your bank been presented to you again and again, as if they were just trying to sell to you? Be sceptical if you are not introduced to experts for the different asset classes or services, and the advisor pretends to be able to do everything on their own. Check whether they are deliberately trying to shield you.

Question the ability of the bank and the advisor to adapt to the fast-changing challenges of the times. Also check whether expert knowledge is being built up and made available through the advisors. In today's environment, it is impossible to have all the answers. Does the consultant consult other experts? Where and how does he look for solutions?

A bank should focus on the client as a person with all their needs and on respectful, open-minded and empathetic employees to take care of them. In turn, it should offer them an environment in which they can develop effectively and independently, detached from the sometimes constricting hierarchies of a bank.

The relationship between clients and their advisors is essential for private banking. However, it is also subject to dangers of which a client must be aware. The client advisor must be adaptable and must not exploit the interests of his clients for his own ends.

Clients should constantly review their relationship with their bank and its advisors, and check whether they are being provided with all of the bank's expertise.

They should also repeatedly assess the bank to see whether it has the necessary adaptability and whether it is developing for the benefit of its clients. Finally, they should check their private bank to see whether it credibly offers them Human Private Banking. After all, only with Human Private Banking will a bank ultimately live up to its responsibility towards its clients, its employees and the society in which it is allowed to develop.

Bergos is committed to this approach. It is noteworthy that within the banking industry we seem to be the first bank to do so.

03

PANDEMIC REPORT

JÜRG SONDEREGGER

Extended Executive Board

CRO

Pandemic Team Leader

Pandemic Update

The second year of the Covid-19 pandemic is behind us. As in the previous year, it was once again necessary to be flexible over the last twelve months in order to adapt to constantly changing external circumstances. With regard to our internal structures and processes, two things in particular have proven to be effective in achieving or maintaining the required flexibility: the greatest possible prudence and consideration in the scheduling of staff by the team leaders, and the consistent expansion or reinforcement of the existing home office infrastructure.

Furthermore, the pandemic team was responsible for the continuous analysis of the epidemiological situation, the most effective operational implementation of the official requirements and the communication of the operational measures to the staff. The committee, composed of representatives from various departments and the Executive Board, continued its work unabated throughout the past year. Currently events are still dominated by the Omicron variant, which last November, after a far too short phase of temporary relief, forced us once again to ramp up our home office quota to the operationally justifiable maximum.

There is a good chance that the current official requirements will soon be lifted. We are continuing to monitor events closely and are prepared for anything.

Stay healthy.

04

BUSINESS DEVELOPMENT STATEMENT/ STATUS REPORT

The Management of Bergos AG

OVERALL ECONOMIC DEVELOPMENTS

After the Covid-19 pandemic had plunged the global economy in 2020 into the deepest recession experienced in the post-war period, the economy recovered pleasantly and quickly in 2021. During the past year, the world's economic output has more than compensated for the previous year's slump of 3.1%, and increased by 5.7% according to the figures available by the end of January 2022. Due also to the rapid progress in vaccination measures in the developed countries and some other emerging economies, the new waves of the pandemic had far less of an impact on the economy than had been the case from March to May 2020. Moreover, the new restrictions which had to be imposed again in some parts of the world in 2021, were far more targeted than those which were implemented in the first wave. Generous government aid also supported the economy in 2021, even more so in the USA than in Europe.

However, the rapid rebound in economic output, high US consumer demand for durable goods and the digital economy boom, which was additionally driven by the pandemic, have created a problem for the world not experienced on this scale in decades. Supply bottlenecks and a shortage of semiconductors and other intermediate products have noticeably affected production in some sectors such as the automotive industry. They have also contributed to a rapid rise in the inflation rate on both sides of the Atlantic.

After a downturn in economic output of 6.5% in 2020, the eurozone was able to significantly recover in 2021 with growth of 5.3%.
The personal services sector, which had been severely affected in the previous year, also contributed to this increase. It soon became apparent that consumers were willing to return to restaurants and theatres as soon as these were able to reopen. After managing to keep the rise in unemployment within narrow limits in 2020 by implementing a variety of government programmes, most of which were modelled on the German short-time working rules, the eurozone member states were able to scale back these programmes somewhat in 2021. With a rate of 7.0% in December, unemployment in the eurozone had even fallen below the level it had reached immediately before the outbreak of the pandemic.

With growth of 2.9%, Germany was among the countries lagging behind within the eurozone in 2021. This is attributed to two main reasons. On the one hand, Germany had coped better with the pandemic in 2020 than almost any other country in Europe. After a decline in economic output in 2020 of 4.9% in Germany, instead of the 6.5% slump for the eurozone as a whole, Germany had less catch-up potential in the year under review. On the other hand, with its strong specialisation in automotive and mechanical engineering, Germany had suffered more than many other countries from the pronounced shortage of semiconductors in the second half of 2021, which impacted these two sectors particularly hard.

Due to a particularly generous fiscal stimulus, the US economy weathered the pandemic comparatively well. After economic output declined by a relatively moderate 3.4% in 2020, the US was able to achieve a plus of 5.7% in 2021. However, with a national budget deficit of estimated 12.8% of the economic output in the year under review after 16.5% in 2020, the USA still had to pay a high price for its comparatively robust economy. In contrast to this, the fiscal deficits in the eurozone (6.8% in 2021) and Germany (4.3%) were also high, but somewhat more moderate.

Despite some home-grown problems, China achieved 8.1% growth in 2021. In addition to effective measures implemented to prevent new waves of the pandemic, the credit-financed stimulus of the previous year also contributed to this growth. The pace of the increase, however, slowed significantly over the course of the year as the government sought to curb excessive credit growth in the real estate sector, which is a particularly important area for the Chinese economy. Insofar as the pandemic can be kept in check by additional progress in vaccination rates, a further upswing for the global economy, as well as for global trade, is on the horizon for 2022.

Since some supply bottlenecks could dissolve over time, and some special effects will therefore drop out of the previous year's comparison of price levels, there is much evidence to suggest that inflation rates will fall again somewhat in 2022. However, providing for an increasing shortage of labour in important sectors and higher costs for desirable climate protection, inflation rates could still remain higher than they have been in the past decade.

After the US Federal Reserve and the European Central Bank previously responded to the pandemic with historically unprecedented measures, 2022 is now likely to be marked by a turnaround in monetary policy. While the US Federal Reserve has ended its bond purchases and has promised initial interest rate hikes, the ECB will probably proceed somewhat more slowly in view of less pronounced inflationary pressure. With interest rates and yields remaining very low, those banks in Europe which have traditionally generated their revenues primarily in the interest business will have to continue their intensive efforts to find new areas of business.

Financial Year

PROFIT

The stock market year was characterised by strong market fluctuations. After the most important stock markets reached record levels in February, a historic slump followed in March as the coronavirus reached Europe. This was followed by an impressive recovery up to the end of the year, which even drove share prices above the February highs. In this environment, the Bank benefitted from significantly higher securities turnover, which resulted in commission volumes that were around 20% higher than in the previous year. While income from asset-based fee types such as custody/asset management and flat fees was slightly up on the previous year, the Bank recorded a substantial slump of almost 30% in interest business. This was in part due to loan repayments, especially in the first quarter of the year, as well as the significant decline in short-term U.S. dollar interest rates. Furthermore, negative interest rates on CHF and EUR balances additionally burdened the net interest result. Net operating income increased from CHF 3.96 million in the previous year to CHF 4.38 million. Profit after tax amounted to CHF 3.97 million and was 25.1% above the previous year.

ASSETS UNDER MANAGEMENT

Client assets under management and administration increased in the year under review by 6.1% to CHF 7.3 billion (incl. custody accounts), which was partly due to the positive market performance.

ASSETS UNDER MANAGEMENT
in CHF billion

BALANCE SHEET

The unattractive bond yields and the already high valuations on the equity markets kept many customers away from further investments in the traditional asset classes. Accordingly, the proportion of liquidity in client custody accounts increased, and with it the Bank's total assets, which rose by CHF 113 million to CHF 828 million.

The Swiss National Bank continues to impose negative interest rates on the deposits of Swiss banks of 0.75%, as does the ECB, which charges banks EUR liquidity at -0.5%.

Due to the Bank's focus on off-balance sheet business, lending business is mainly limited to Lombard-secured customer loans. Interbank business is mainly conducted in the short-term area.

At the end of the year, the Bank held first-class bonds in the amount of CHF 13 million in financial investments.

EQUITY CAPITAL

At the end of the year under review, eligible equity capital was slightly higher at CHF 33.9 million. This means that the equity ratio is still well above the minimum required by the Swiss Financial Market Supervisory Authority (FINMA). At 18.0%, the total capital ratio was below the figure for 2020 (19.8%), but well above the minimum ratio of 10.5% required by the regulator. Bergos AG also easily complies with FINMA regulations on bank lending and liquidity. The leverage ratio required by "Basel III" is 4.0% for our company, which is above the specified minimum of 3%. At the end of 2021, the liquidity coverage ratio (LCR) was 210.8%, significantly higher than the threshold of 100%. This ratio for short-term liquidity is intended to ensure that a bank holds sufficient liquid assets at all times to be able to offset short-term liquidity outflows.

INCOME FROM OPERATING ACTIVITIES

Operating income generated in 2021 totalled CHF 38.0 million, an increase of around 6% from the previous year. The Bank's main source of income is commission and service fee business. At CHF 28.9 million, income generated from this business was 5% higher than the previous year. At the same time, income from the trading business and the fair value option increased significantly again, by 14% to CHF 5.6 million. In line with a prudent risk policy, the Bank conducts trading business exclusively on behalf of its clients and does not maintain its own trading book. At CHF 3.5 million, net income from the interest business was little changed from the previous-year figure of CHF 3.6 million.

OPERATING EXPENSES

Bergos AG is adhering to its strategy of continuous and sustainable growth. Such a growth strategy can only be pursued with employees who are committed to providing all-in support, and a business model that is consistently geared to the needs of clients. For this reason, our investment activities in the past fiscal year again focused on human resources and, in particular, on the development of individual solutions for our clients. Operating expenses increased by 6% from CHF 30.7 million to CHF 32.6 million. The increase resulted mainly from the higher number of employees. Nevertheless, the cost-income ratio of 85.7% was little changed from the previous year.

NUMBER OF EMPLOYEES

At the end of 2021, our company had 113,7 employees on a full-time equivalent basis, that being roughly 9% more than last year (previous year: 103,9). In the year under review, the Bank strengthened its Private Banking with new, experienced client advisors, which strengthened the attractiveness of Bergos AG as an employer for successful and internationally educated client advisors under the new shareholder structure.

EMPLOYEES

on a full-time equivalent basis

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PERSONNEL AND NON-PERSONNEL EXPENSES

The personnel expenses of CHF 24.4 million were 9% higher than in the previous year. We want to serve our demanding clientele with first-class, long-term and comprehensive advice. It is our conviction that the success of our Private Banking lies not only in personal service, the utmost professionalism and a comprehensive approach, but also in investing in both new employees and our existing staff through continued training. General and administrative expenses decreased by another 8% compared to 2020, to CHF 8.2 million.

DEVELOPMENT ACTIVITIES

In the year under review, the Bank developed new advisory and service models that are even better tailored to the personal needs of our clientele. Depending on their specific situation, wishes and requirements, clients decide which model is most suitable for managing their assets, giving them exclusive access to our comprehensive and renowned investment and advisory expertise. Supported by state-of-the-art information technology, the Bank continuously monitors the investments, points out specific risks and makes suggestions for portfolio optimisation based on the opportunities that arise.

RISK MANAGEMENT

The Board of Directors continuously addresses the main risks to which the Bank is exposed. To this end, it has adopted a framework defining the Bank's risk policy, risk tolerance and risk limits. It also described the tools and organisational structures used to identify, assess, monitor and report the defined risks within each risk category. Appropriate processes have been established for the timely identification and assessment of new risks. The Bank's independent control units monitor risks, compliance with internal policies, and legal and regulatory requirements. Compliance and Risk Control regularly present their activity and risk report to the governing authority. This serves to present the most important risks to which the Bank is exposed, with the risk-minimising measures and controls implemented to avoid financial damage and reputational risks.

FINANCIAL YEAR

05

REPORT

BUSINESS DIVISIONS

DR. DOMINIK HELBERGER
Head of Private Banking

VANESSA SKOURA
Head of Geneva Office

Other members of the extended Executive Board

PRIVATE BANKING

The Private Banking division is dedicated to the well-being and success of our clients with resolve and unwavering commitment. In doing so, the focus is on a comprehensive service that spans several generations and, in addition to investment recommendations, aims for security, neutrality and cosmopolitanism. In this way, we focus on the lives of our clients, with the aim of recognising and addressing all possible risks to their assets at an early stage and presenting clients with a solution. The key feature of our approach is that we do not segment our clients according to the amount of assets entrusted to us. Instead, we proceed from the conviction that the dangers, risks and opportunities for wealthy individuals arise from their direct and indirect environment. Therefore, we pool our expertise in specialised teams that are solely focused on client needs. Our emphasis is on serving family businesses, private individuals, shipping clients and the next generation.
We pay particular attention to the needs and priorities of the next generation. The Covid-19 pandemic showed that - enabled by our structure, approach and tailored services - we can stand by our clients as a strong partner even in troubled times. We were able to communicate quickly and transparently and, always aligned with our clients' needs, respond flexibly and promptly.

Our attention has been directed towards what is important: first and foremost, the trust between client and bank, which has developed over many years in some cases, and which especially in a crisis proves to be the foundation of cooperation. However, trust must first work from within before it can be authentically and tangibly conveyed to the outside world for the client. The internal structures, intrinsic values and closeness to our owners have allowed us to convey genuine trust and expertise to our clients. In doing so, the focus is on people - our customers and our employees.

As an entrepreneurial Swiss Private Bank, we are looking forward to 2022 with confidence. The changes resulting from Bergos 2.0 will also strengthen and further develop our division so that we can work optimally for our clients in a solution-oriented, adaptable and future-oriented manner. This includes further aligning our core service, advice, with the standards of mandated asset management already common in the industry, while at the same time further deepening the individual character of our customised client care.

PRIVATE BANKING GENEVA

The Geneva branch continued its progress in 2021 with a comprehensive “Trusted Advisor” approach to its clients.

The year was again a transition year due to the pandemic, but physical client contact returned where circumstances made it preferable. The team reflected on themes and ideas which were introduced in client conversations, and focused on sustainable strategies, family succession planning, and traditional wealth management services.

Serving international clients successfully requires a broad range of family wealth structuring solutions and investment ideas. The Bergos approach of open architecture is of paramount importance in delivering these.

INVESTMENTS

Within the Investments division, our expertise in asset management is grouped in three teams: CIO Office, Asset Management and Active Advisory. The range of services includes classic asset management for private and institutional investors as well as various models of investment advice, through which needs-based investment solutions are recommended. The cross-team investment process combines all the different competencies. The pooling of resources in the three highly specialised units enables in-depth analyses as a prerequisite for the development of a sound capital market opinion, which is communicated internally and externally through various channels.

CIO OFFICE

The CIO Office team focuses on developing the capital market strategy and communicating the Bergos house view. The team manages the Bank's top-down capital market analysis. Cross-divisional teams of experts provide a well-founded assessment of the economy (including central bank policy), equities, bonds, alternative investments and currencies. The CIO Office ensures that the individual competencies from the division are interlinked. The recommendations from the individual asset class teams are voted on in the Investment Committee, which functions as the central investment policy decision-making body of the Bank and is chaired by the Chief Investment Officer. The capital market opinion adopted by the Investment Committee with regard to individual asset classes is reflected in a matrix with characteristics in five steps and forms the Bank's in-house opinion. The CIO Office communicates the developed view in formats such as the regular market commentaries, a blog, via LinkedIn or by participating in internal and external podcast episodes, thus making it available to a broad circle of clients and interested parties. The in-house view forms the basis for investment decisions in asset management and advisory business.

ASSET MANAGEMENT

The Asset Management team is responsible for a needs-oriented product range of discretionary investment strategies. The asset management offering, which was conceptually restructured in 2020, saw dynamic demand in the year under review. The growth rate of discretionary assets under management accelerated year-on-year to +15%. Approximately half of the growth was driven by net new money and half by the positive performance of the securities portfolios. Thanks to stable margins, the asset growth translated into corresponding increases in income. Also worth mentioning is the structural shift from individual mandates to core strategies such as "Core", "Global ETF" and "Direct".

As part of "Bergos Direct", the analysis and portfolio management capacities in equity selection were significantly expanded at the beginning of 2021. This was accompanied by the launch of a new single stock approach based on a promising investment philosophy. Our clients can now choose from different regional portfolio modules in Switzerland, Europe, the USA and on a global level. Performance in the relevant investment strategies was very satisfactory in absolute and relative terms compared to benchmark indices. Particular positive value drivers were the consistent overweight in US equities, the selection of individual equities and the in part very short duration in the bond portfolio.

ACTIVE ADVISORY

The Active Advisory team is responsible for product offerings and the management of the securities portfolios of our advisory clients. For this purpose, the team provides a central investment environment that covers a wide range of asset classes and investment instruments. The securities contained in the portfolio are given a rating. By cooperating with external partners, our clients are offered a very broad investment universe with a large number of equities, bonds and funds, ensuring optimal

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advice that meets their needs. Derived from the Bergos house opinion, the team's experts generate high-conviction recommendations for all important asset classes. In order to better meet the individual needs of our discerning clients, we offer advisory models with different service levels that give our clients access to comprehensive investment and advisory expertise and individualised, systematised investment advice. The three models allow clients to decide for themselves how much advice they would like to receive. They differ in terms of intensity of support, frequency of advice and scope of monitoring.

MARITIME

Shipping is a key link in world trade, for transporting of goods from place of production to consumption. Container shipping transports mainly consumer goods from factory to warehouse. Dry bulk shipping transports bulk commodities such as iron ore, coal and grain from producer to consumer, while tankers move petroleum products from producer to consumer. Working with shipowners and shipping companies has always represented a significant part of the bank's business activities. Maritime business is very cyclical and the past year once again showed great movements in charter rates and vessel values. Our clients again faced a challenging year in which we tried to support their business with the best of our services.

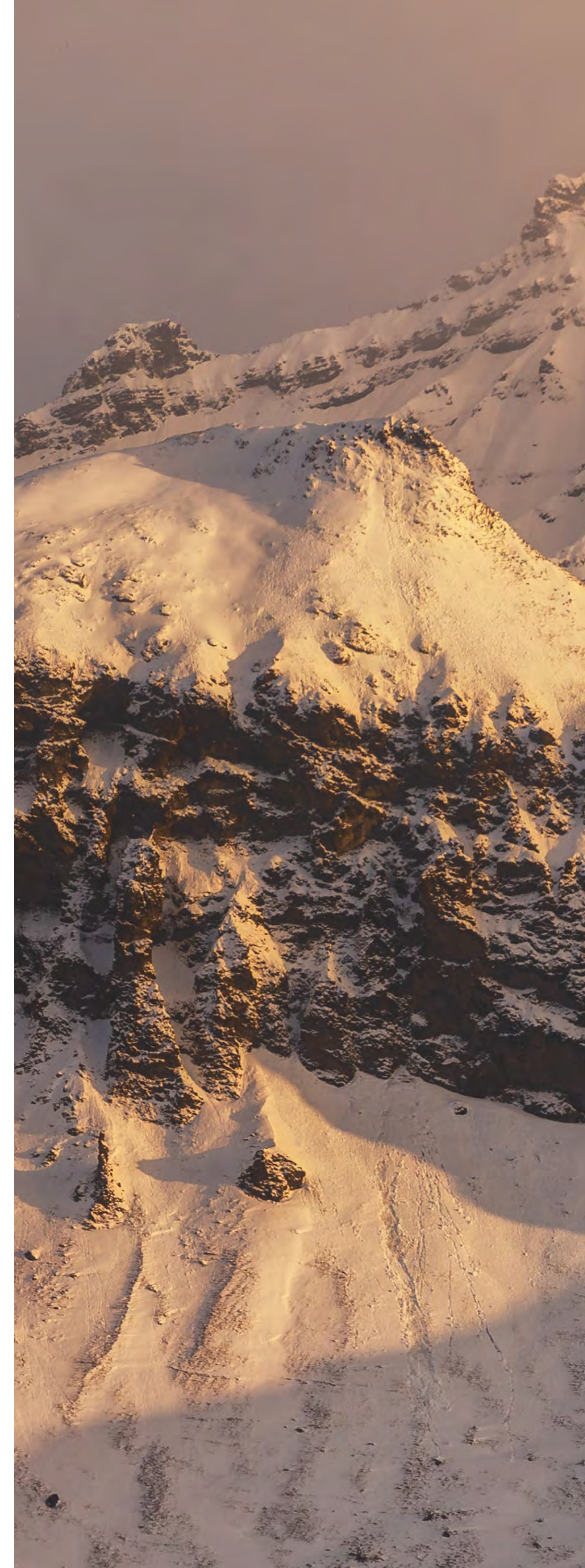
The market distorting effects of COVID-19 continued to be felt throughout the shipping market, some positively and some negatively. The clear winner of last year was container shipping as freight rates continued to hit new record high. Closures of mega-ports and the immobility of ships' crews led to an interruption of smooth supply chains. While container and dry bulk saw very attractive rates, tanker owners continued to face difficulties.

Today our bank's maritime business extends worldwide to the major shipping centres in Europe and Asia. Our specialists have an extensive network and many years of experience in the industry, out of both Zurich and Geneva. Our international shipping clients include ship owning and holding structures such as P&I Clubs. We know and understand that our client's requirements and needs are as individual as their business. In order to expand our activities and to always ensure our highest level of Service, we onboarded two new colleagues with many years of experience.

Our in-house expertise, which we share with our valued clients and friends in various podcasts and written outlooks, as well as our extensive network enable us to provide a wide range of commercial services related to traditional asset management solutions, while at the same time offering access to alternative financing and ensuring effective cash and currency management.

ART CONSULT

In the history of our culture, 2021 may very well be remembered as the second, particularly multi-faceted year of the pandemic. "Twenty-Wuhan!" said a dear friend to Thomas Kellein on New Year's Eve. There were repeated crises; we learnt a lot and had to deal with these problems, whether we wanted to or not. At any rate, there was no second stock market panic, and the art market also proved to be robust. However, many museums complained and continue to complain about a steep, economically costly decline in the number of visitors. Many museums were threatened by a lockdown, especially during the spring.



The galleries were mainly able to stay open, but large art fairs could not take place until September. Presumably, for this reason alone, the auction houses were the winners of 2021. Why? They organised a wide range of successful online sales where one did not need to call in, sit in a large room, or view the offerings on-site on the wall. You submitted your bid at home on the monitor on the basis of digital advertisements that were as a rule very informative, and, in a recent development, after a camera zoom for closer inspection of the works. The houses in question have achieved such significant improvement on this level that one suddenly had the feeling that the art market had attained an unprecedented degree of transparency. Now you no longer need to knock on a door; there's no inhibition about crossing the threshold. Suddenly everyone can see everything on the monitor at the same time, even the famous booths equipped with particularly high-priced works at art fairs in Asia or the US. Anyone can purchase almost any art from anywhere in the world, assuming of course that they have the means. Bergos Art Consult did not suffer under these conditions. On the contrary, we found success in our work. At the beginning of the year, one collector decided to acquire a painting we had recommended to him back in 2017. He didn't even see it online; he remembered it and could not forget it. New customers came to consult us, wanting to know precisely the best time to sell. Owners of large thematic collections prepared for a first showing of their acquisitions in a public museum. We were also able to start building a website for a collection involving interviews and films that introduce artists from other cultures and arouse interest in their work.

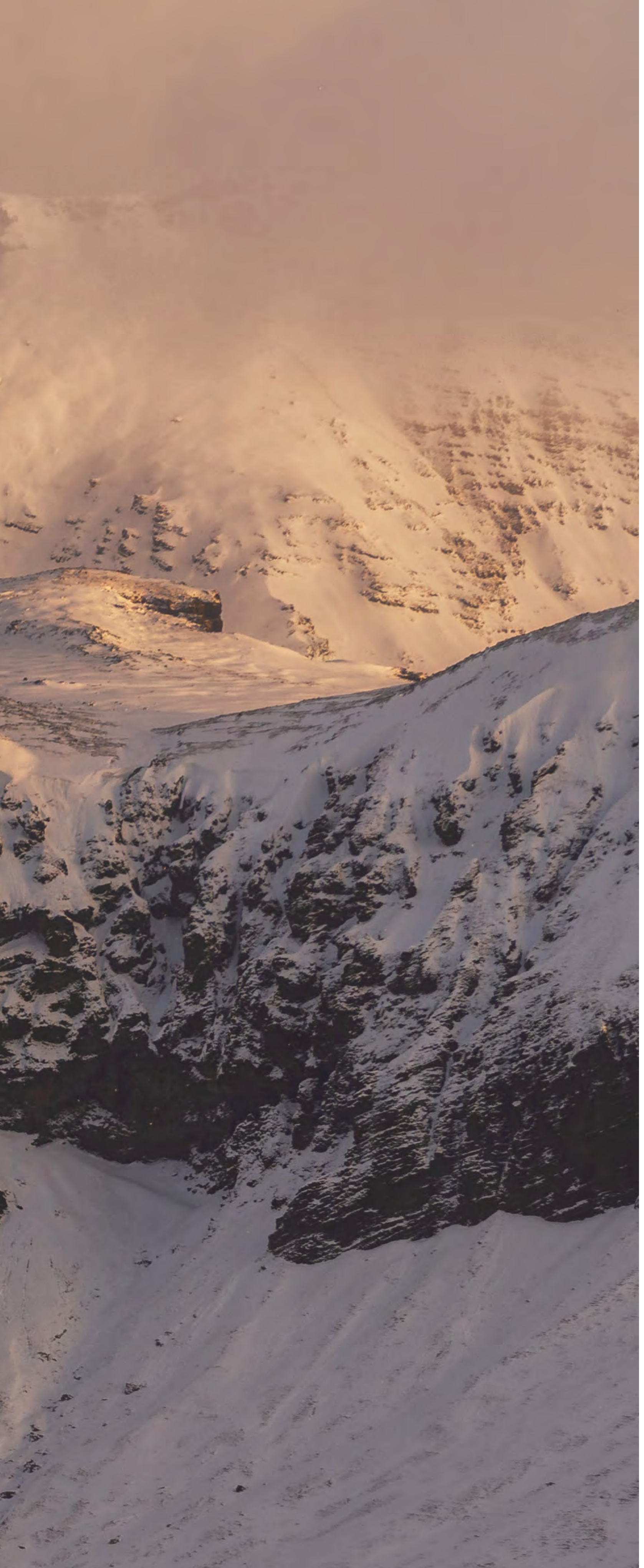
As of September, thanks to the events at Art Basel and the Frieze as well as the FIAC in a Grand Palais Éphémère, everything seemed to have come back to "normal." But what did "normal" mean when not only the pandemic but its social consequences persisted? Roughly a third of the expected number of visitors stayed away from the art fairs. Consequently, the annual average sum of purchases and sales did not rise in 2021. As in other fields of consumption, there has been a concentration on online trade in the art sector. Many of us are just thinking more practically and are traveling less. This will probably benefit the quality of art in the long term, even if it is initially very painful for many artists. For many of us now have more time or are simply taking more time. We suddenly feel — and this is the main benefit of the pandemic, especially if one has stayed healthy or

has recovered well — that life really should, shall we say, just be beautiful. A source of joy, now and with room for leisure. More than ever, we allow ourselves excursions into areas that correspond to our personal interests, to things that we truly love. As a notably young bank, albeit one with a particularly long tradition, Bergos AG has decided to make the great qualities that we as individuals are looking for easier to find, and to accomplish this on as many levels as possible. With its visits to art fairs, occasional trips to meet with fascinating artistic personalities, or even to attend a special biennial, Art Consult wants to be a kind of jewel that is available — and not just digitally — to friends of the Bank.

BERGOS FLEMING AG

Bergos Fleming AG, based in Zurich, has been offering all the services of an internationally active multi-family office on a platform-independent basis since 2019. Bergos AG, Zurich, holds a 51% stake in the company and R.J. Fleming & Cie Scsp, Luxembourg, holds a 49% stake. R.J. Fleming & Cie Scsp in Luxembourg is an associated company of R.J. Fleming & Co Ltd in London and was founded by Roderick J. Fleming, the Chairman of Robert Fleming & Co, one of the oldest British "Merchant Banks", which was sold to Chase Manhattan (now JP Morgan) in 2000. Robert Fleming & Co was the pioneer of "Investment Trusts" in Scotland in the 19th century and, among other things through joint ventures with T Rowe Price in America as well as Jardine Matheson in Asia, grew to become one of the largest international asset managers at the time.

Bergos Fleming AG specialises in providing support in structuring and advising on complex assets, which include all common asset classes. Particular emphasis is placed on structuring assets appropriately for future generations. Transparency is used to create a solid basis for important investment decisions, based on the individual and personal needs of each family. Bergos Fleming AG, with its centuries of experience in serving and advising wealthy international clients, offers an independent, client oriented and discreet service with transparent, professional monitoring and management of their assets. The range of services offered by Bergos Fleming AG is modular. The basis is the "Monitoring/Controlling" module, which comprises the consolidation and control of individual assets distributed among



various asset managers and asset classes. In the "Investment Advisory" area, the Bergos Fleming team coordinates and controls the implementation of an overall asset strategy that includes both liquid and illiquid asset classes. Depending on the client's needs, Bergos Fleming also offers additional, specific services in the form of the "Family Services" and "Special Projects" modules. These focus on succession planning or governance issues, advice on real estate and art, and support for international corporate finance transactions.

In the year under review, Bergos Fleming successfully demonstrated its competence as a loyal and discreet partner for all wealth-related matters, and plans to further expand its services in 2022.

NEXT GENERATION

At the beginning of the year, a team of representatives from various departments was formed to create a new type of offering for our next-generation clients: Bergos Next. The team succeeded in building five different "communities" for various interest groups (including entrepreneurs and art enthusiasts) and regularly providing them with interesting content. This resulted in various newly created formats, such as our monthly newsletter "Next Month", the education podcast "Bergos Ed" and a series of events, of which the "Next Weekend" in September was the most prominent. In addition, new services were introduced, such as the "Bergos START" investment savings plan. This enables our younger clients to participate in the developments of the capital markets in an uncomplicated and long-term manner. All these innovations ultimately led to the introduction of our new "Bergos Next Desk", which consists of a dedicated team and focuses primarily on serving Next clientele.

ESG REPORT

This year, Bergos has defined sustainability as one of its major strategic projects and, as a result, announced its commitment to ESG (Economy, Society, Governance). This new commitment and our previous activities in the ESG area are now published on the new Bergos website with the “ESG Fall Briefing” and were presented as a guest lecture at the Swiss Risk Association. Furthermore, Bergos has set concrete goals to reduce and offset CO2 emissions, to finance social projects, to optimise the working environment in order to help employees to develop their full potential and to integrate ESG criteria into the entire investment offering. In addition, we have achieved several successes in the area of gender equality this year: We were recognised as an equal pay employer and our high percentage of female employees (42%) represents an excellent industry-wide achievement.

This year the ESG fund strategy for asset management as well as an offering on the advisory side were launched. These ESG initiatives were received very positively and many employees took the opportunity to contribute ideas to the project in individual employee interviews. One example that resulted from employee engagement was the Christmas Donation Action. Employees helped fulfil the wishes of children in an orphanage by sending them Christmas gifts and helped finance the holiday cheer of the small community with donations. Bergos has also made a major commitment for the coming years, which will be published in the next ESG report.

06

DETAILS

CORPORATE GOVERNANCE

Corporate structure

As of March 1st 2022, Bergos AG is structured as follows

BOARD OF DIRECTORS

INTERNAL AUDITING

GENERAL MANAGEMENT

DR. PETER RASKIN (CEO)
- CEO-OFFICE
- COMMUNICATIONS
- HUMAN RESOURCES
- MANAGEMENT SUPPORT
- NEXT GENERATION

TILL C. BUDELMANN (CIO)
- CIO-OFFICE
- ACTIVE ADVISORY
- ASSET MANAGEMENT
- ART CONSULT
- CREDIT SERVICES
- PRODUCT MANAGEMENT / DEVELOPMENT

MARKUS ZWYSSIG (COO)
- IT / FACILITY
- CLIENT SUPPORT SERVICES
- BUSINESS PROJECT MANAGEMENT
- ACCOUNTING & CONTROLLING
- TRADING & EXECUTION
- BUSINESS INTELLIGENCE

DOMINIK HELBERGER (HEAD OF PRIVATE BANKING)
- GENEVA BRANCH
- BERGOS FLEMING AG
- ACQUISITION
- RELATIONSHIP MANAGER
- OLYMP
- BUSINESS MANAGEMENT

JÜRG SONDEREGGER (CRO)
- LEGAL
- COMPLIANCE
- CLIENT-ON BOARDING
- RISK CONTROL
- TAX SERVICES

Ownership structure

Since October 31, 2018 Bergos AG (former Bergos Berenberg AG) has been an independent Swiss Private Bank.
The owners are family entrepreneurs as well as the management of Bergos AG.

Significantly involved are:

24%	**DIETHELM KELLER HOLDING AG** ZURICH *(Family Adrian T. and Andreas W. Keller)*
24%	**CENTINOX B AG** HERGISWIL *(Family Michael Pieper)*
10%	**CLAUS-G. BUDELMANN** HAMBURG
10%	**NIANTIC HOLDING GMBH** HAMBURG *(Dr. Andreas Jacobs)*
9.5%	**A & S BETEILIGUNGEN AG** ZUG *(Family Sylvie Mutschler-von Specht)*
7.5%	**CARETINA VERMÖGENSVERWALTUNG** HAMBURG *(Hendrik de Waal)*
5%	**SAMUM VERMÖGENSVERWALTUNG** HAMBURG *(Dr. Hans-Wilhelm Jenckel)*
5%	**DR. PETER RASKIN** GRÜNINGEN ZH
5%	**OTHERS**

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Equity capitalisation

The Bank meets the more stringent equity capital requirements (Basel III), effective since 2017, without having to take additional measures. In the year under review, Bergos Berenberg AG's eligible equity amounted to CHF 34 million. The ratio of eligible equity to required equity, as stipulated by Basel III, was 225%. Therefore, our ratio remains significantly above the equity capitalisation requirements.

DR. PETER RASKIN

MARKUS ZWYSSIG

TILL C. BUDELMANN

The Management of Bergos AG

General Management

The General Managers of Bergos AG act as one body and make decisions as a council. In the event of differences of opinion, the Board of Directors casts the deciding vote. The General Managers develop the strategy for the attention of the Board of Directors, implement the board's decisions and conduct the day-to-day business in accordance with the budget, the objectives for the year, and the risk policy.
The General Managers ensure that the Bank adheres to the regulatory provisions and the applicable industry standards.
Decisions regarding new products, business activities and markets like wise fall within the remit of the General Managers.
In the event that these fundamentally affect the Bank's business policies, the General Managers take the matter directly to the Board of Directors for a decision to be made.

THE GENERAL MANAGERS OF BERGOS AG ARE:

DR. PETER RASKIN, CEO

Training as a bank clerk

Studied law at the University of Freiburg i.Br. and in Mainz

Appointment as Assessor jur. by the OLG Koblenz

Research assistant and doctoral degree (Dr. rer. pol.) at the Technical University of Darmstadt

German and Swiss citizen

General Manager since 2009,

Chairman since 2009

Partner of Bergos AG, Zurich

MARKUS ZWYSSIG, COO/CFO

Executive MBA from the Lucerne University of Applied Sciences and Arts, Swiss certified accounting and controlling expert (Dipl. Experte), certified accountant (Dipl.-Buchhalter)

Swiss citizen

General Manager since 2009

Partner of Bergos AG, Zurich

TILL CHRISTIAN BUDELMANN, CIO

Shipping apprenticeship at Hamburg Süd/Oetker

Studies in economics at University of Cologne

German citizen

At Bergos AG since 2004

General Manager since 2022

Board of Directors

CHRISTOF KUTSCHER

ADRIAN T. KELLER

HENDRIK DE WAAL

PATRICIA GUERRA

MICHAEL PIEPER

CLAUS-G. BUDELMANN

BRUNO CHIOMENTO

DR. ANDREAS JACOBS

SYLVIE MUTSCHLER-VON SPECHT

THE MEMBERS OF THE BOARD OF DIRECTORS ARE:

CHRISTOF KUTSCHER, CHAIRMAN*

Executive Chairman Climate Asset Management, London

German citizen

Master's degree in Economics from the University of Freiburg i.Br.

Member of the Board of Directors since 2019

ADRIAN T. KELLER, DEPUTY CHAIRMAN

Deputy Chairman of the Board of Directors of Diethelm Keller Holding AG, Zurich

Member of the Board of Directors of DKSH, Zurich

Partner of Bergos AG, Zurich

Degree in Business Administration (lic. oec. HSG) from the University of St. Gallen

Swiss citizen

Member of the Board of Directors since 2006

HENDRIK DE WAAL*

Founder and Partner of DWI Group, Hamburg

Partner of Bergos AG, Zurich

Degree in Aeronautical and Mechanical Engineering from the ETH Zurich

Dutch citizen

Member of the Board of Directors since 2021

PATRICIA GUERRA*

Partner at Meyerlustenberger Lachenal AG, Baar

Swiss and Ecuadorian citizen

Master of Law (LLM) from the University of Michigan, Ann Arbor, USA

Member of the Board of Directors since 2019

MICHAEL PIEPER

President and CEO of Artemis Holding AG, Aarburg

Partner of Bergos AG, Zurich

Degree in Business Administration (lic. oec. HSG) from the University of St. Gallen

Swiss citizen

Member of the Board of Directors since 1993

* Independent member of the Board of Directors according to the definition of the provisions of the Swiss Financial Market Supervisory Authority FINMA.

CLAUS-G. BUDELMANN

Former personally liable Managing Partner of Joh. Berenberg, Gossler & Co. KG, Hamburg

Partner of Bergos AG, Zurich

Qualified banker

German citizen

Member of the Board of Directors since 1988;

Chairman from 1999 to 2009

BRUNO CHIOMENTO*

Chairman of the Board of Directors of NeutraTreuhand AG

Studies in economics and business administration (lic.rer.pol.) at the University of Basel

Swiss and Italian citizen

Member of the Board of Directors since 2021

DR. ANDREAS JACOBS

Entrepreneur, Hamburg

Partner of Bergos AG, Zurich

Dr. jur., Universities of Munich and Fribourg, MBA from INSEAD

German citizen

Member of the Board of Directors since 2018

SYLVIE MUTSCHLER-VON SPECHT*

Entrepreneur, Küsnacht

Partner of Bergos AG, Zurich

Degree in Business Administration (lic. oec. HSG) from the University of St. Gallen

German and Swiss citizen

Member of the Board of Directors since 2018

* Independent member of the Board of Directors according to the definition of the provisions of the Swiss Financial Market Supervisory Authority FINMA.

The Board of Directors

The Board of Directors fulfils its duties in compliance with the Swiss Code of Obligations and the Swiss Banking Act. The members of the Board of Directors do not perform executive functions in Bergos AG. Four of the eight members of the Board of Directors are independent according to the definition of the Swiss Financial Market Supervisory Authority. The annual general meeting of Bergos AG elects the members of the Board of Directors and the Chairman of the Board of Directors. The Board of Directors is self-constituting and determines the signing powers and manner of signing of its members. It also appoints its own Vice Chairman. The members of the Board of Directors are elected for a term of one year and are eligible for re-election. The Board of Directors convenes as often as required by the needs of the business, but at least four times a year. Four meetings were held in the reporting year.

The Board of Directors is quorate when the absolute majority of its members is present. According to the rules of procedure of the Board of Directors, votes and elections require the absolute majority of members present. In case of a tie, the Chairman's vote is decisive. The majority of all members of the Board of Directors must approve circular resolutions. The Board of Directors exercises the overall management, supervision and control of the Executive Board of Bergos AG. It is particularly responsible for appointing and dismissing the members of the Executive Board. It also approves the appointments and promotions of the Bank's Managing Directors. The Board of Directors regularly revises and adopts the strategy of the Bank, issues the necessary directives, and determines the Bank's organisation and risk policy. It also designs and adopts the Bank's financial plans and reviews reports on the existence, appropriateness and efficacy of the internal control system.

The Board of Directors has established an Audit & Risk Committee (ARC) and a Nomination & Compensation Committee (NCC) as standing committees. Each one of these committees must be composed of at least three members. The Board of Directors has adopted rules of procedure defining the objectives, composition, authorities, tasks and competencies of the standing committees. The overall responsibility for these delegated tasks and authorities remains with the Board of Directors.

The Board of Directors appoints the committee members and committee chairmen from among its members. It may relieve these members of the Board of Directors of their special function at any time. The committees are quorate when the majority of the members of the respective committee is present. Resolutions of the committees are adopted by an absolute majority of members present. If only two members are present, resolutions require unanimity.

The members of the ARC must be sufficiently separate from other committees. The majority of the members of the ARC is independent. The Chairman of the Board of Directors may not be a member of the ARC. The ARC supports the Board of Directors in the performance of the tasks delegated to this committee, particularly with regard to
- The formulation of the general guidelines for the internal audit function and financial reporting to be approved by the full Board of Directors.
- The evaluation of the risk strategy and the basic principles of bankwide risk management.
- The supervision and evaluation of the efficacy of the internal control system, particularly also of the risk controlling and compliance functions, and risk controlling.
- The consideration and approval of loan applications and investment requests and limits, as well as the adoption of regulations that fall within the scope of responsibility of the ARC.

The NCC supports the Board of Directors in certain personnel matters and in the specification of the compensation policy. Among other things, the NCCC
- Is responsible for the compensation strategy and guidelines and the definition of the bonus policy and pension solutions.
- Approves the annual changes in the salaries and bonuses of the Executive Board, Managing Directors and authorised signatories of the Bank.
- Approves the appointments and promotions of Managing Directors and is responsible for the recruitment and dismissal of Managing Directors and for stipulating the terms and conditions of their employment.

Auditing body

The financial statements of Bergos AG are audited by BDO AG. This external statutory auditor is appointed for a year at each ordinary General Meeting. BDO AG was first appointed to audit the financial statements for the financial year 1993. The chief auditor is Patrick Liechti, who is also the leading supervisory auditor for the year under review.
Supervision and control of the external audit is the responsibility of the Board of Directors. Its remit includes handling the reports of the internal and external auditors.
Bergos AG is subject to supervision by the Swiss Financial Market Supervisory Authority FINMA. Both the requirements stipulated in Article 728 of the Swiss Code of Obligations (independence of the auditor) and the FINMA provisions pursuant to "Circular 13/3 Audit matters" therefore have to be complied with when selecting the external auditing body.
Other key selection criteria for the Board of Directors are the auditing body's proven expertise, including in relation to complex finance and valuation matters, and continuity of business relations with the auditor.

Financial Statements

Balance sheet

	31.12.2021 TCHF	31.12.2020 TCHF
Cash and cash equivalents	158.405	136.934
Due from banks	393.635	301.129
Due from clients	251.738	244.849
Trading transactions	0	0
Positive replacement values of derivative financial instruments	4.019	3.210
Financial assets	12.911	19.734
Accrued income and prepaid expenses	2.944	4.235
Participations	56	56
Fixed assets	1.238	1.812
Other assets	2.615	2.260
Total assets	**827.561**	**714.219**
Liabilities		
Due to banks	7.363	2.247
Due to client deposits	771.432	668.701
Negative replacement values of derivative financial instruments	4.573	3.020
Accrued expenses and deferred income	6.684	5.422
Other liabilities	1.466	1.152
Provisions	199	199
Share capital	10.000	10.000
Statutory profit reserve	2.900	2.700
Voluntary profit reserves	22.007	20.573
Equity capital	-3.063	-3.000
Retained earnings carried forward	31	31
Profit	3.969	3.174
Total liabilities	**827.561**	**714.219**

Off-balance-sheet transactions	31.12.2020 TCHF	31.12.2019 TCHF
Contingent liabilities	10.267	11.668
Irrevocable commitments	1.508	1.418

Income statement

Income and expenses from ordinary banking activities	2021 TCHF	2020 TCHF
Interest income		
Interest and discount income	2.116	2.564
Interest and dividend income on trading activities	1	1
Interest and dividend income on financial assets	70	65
Interest expenses	1.347	952
Gross interest income	3.534	3.582
Changes to valuation adjustment for default risks and interest losses	0	0
Subtotal net interest income	**3.534**	**3.582**
Commission and service-fee income		
Commission income on securities and investments	30.819	29.001
Commission income on lending activities	124	131
Commission income on other services	576	692
Commission expenses	-2.626	-2.351
Subtotal commission and service-fee income	28.893	27.473
Income from trading activities and the fair value option	**5.606**	**4.899**
Other ordinary income		
Results from the sale of financial assets	0	0
Sundry ordinary income	0	0
Subtotal sundry ordinary income	0	0
Operating expenses		
Personnel expenses	-24.357	-22.287
Other administrative expenses	-8.249	-8.449
Subtotal operating expenses	-32.606	-30.736
Valuation adjustments to shareholdings, depreciation and amortisation	-1.005	-1.222
Changes to provisions and other valuation adjustments as well as losses	-42	-36
Annual profit	**4.380**	**3.960**
Extraordinary income	577	162
Taxes	-988	-948
Profit	**3.969**	**3.174**

Allocation of retained earnings

	31.12.2021 TCHF	31.12.2020 TCHF
Profit	3.969	3.174
Retained earnings	31	31
Unallocated retained earnings	4.000	3.205
Allocation of retained earnings		
- Allocation to the general statutory profit reserve	-200	-200
- Distribution from unallocated retained profit	-1.844	-1.435
- Distribution from retained earnings*	-1.925	-1.539
Retained earnings carried forward	31	31

*The distribution relates to the dividend-bearing capital

Statement of equity

	Capital resources TCHF	Statutory sources reserves TCHF	Statutory profit reserves TCHF	Reserves for general banking risks TCHF	Voluntary profit reserves and profit/ loss carried forward TCHF	Own equity interest (minus position) TCHF	Profit for the period TCHF	Total TCHF
Equity at the start of the reporting period	10.000	0	2.700	0	20.604	-3.000	3.174	33.478
Acquisition of equity capital								0
Sale of treasury shares								0
Effects of the subsequent valuation of own capital shares						-63		-63
Dividends and other distributions							-1.539	-1.539
Other allocations (withdrawals) to the reserves for general banking risks								0
Other allocations (withdrawals) to the other reserves	0		200		1.434		-1.635	-1
Profit/loss (profit for the reporting period)							3.969	3.969
Equity at the end of the reporting period	10.000	0	2.900	0	22.038	-3.063	3.969	35.844

Notes to the financial statements

NOTES ON BUSINESS ACTIVITIES, GENERAL NOTES AND DETAILS OF PERSONNEL

GENERAL NOTES AND DETAILS OF PERSONNEL

Bergos AG based in Zurich, operates as a bank within the meaning of Art. 1 et seq. of the Swiss Federal Act on Banks, Savings Banks and Securities Dealers and mainly provides investment advice and asset management services. Adjusted for part-time staff, its headcount at the end of the year was 113,7 employees (previous year: 103,9). The average annual number of full-time positions is 107,0.

BALANCE SHEET OPERATIONS

With the Bank's focus on off-balance-sheet business, its lending activities are limited first and foremost to collateralised customer loans. Interbank business is primarily conducted in the short-term segment via various third-party banks.
The Bank held CHF 13 million of first-class bonds as financial assets at the end of the year. The acquired portfolios should - depending on the liquidity development on the one hand and the respective risk assessment on the other - be held to maturity and be used neither for active speculation nor for capital gains. A very conservative investment strategy is pursued with various monitoring limits.

COMMISSION AND SERVICE-FEE ACTIVITIES

Income from commission and service-fee activities constitutes the primary source of income for the Bank and essentially comprises income from securities trading and from portfolio and asset management activities. These services are used by both private customers and institutional clients.

TRADING

The Bank implements and executes all standard trading transactions for its clients. In all of these activities, the Bank acts as a commission agent and does not engage in any active trading. There is only a small degree of own account trading with foreign currencies and this is limited to currencies with a liquid market.

Notes on risk management

RISK ASSESSMENT

The Board of Directors continually assesses the primary risks to which the Bank is exposed. The independent risk management presents the progress report and risk report to the Board of Directors for the purposes of assessing the appropriateness of the Bank's risk management.
The risk report serves to outline the relevant risks and their possible impacts on the Bank's financial accounting, and to highlight the steps taken to measure, manage and limit these risks (risk management).
The Board of Directors did not identify any risks in the course of the financial year which might necessitate a major revision of the assets, liabilities, financial position and profit or loss as presented in the annual financial statements. Please read the following statements for more details of risk management.

RISK MANAGEMENT

The risks related to the Bank's activities are systematically recorded, managed and limited on the basis of uniform guidelines and standards whose appropriateness is periodically examined. The Bank complies with the guidelines and standards stipulated by the Swiss Financial Market Supervisory Authority FINMA and approved by the Swiss Bankers Association.

The Bank's executive bodies are regularly notified about the development of the Bank's assets, liabilities and financial position.

The Board of Directors employs an Audit & Risk Committee and a Nomination & Compensation Committee as standing committees.
The Board of Directors delegates certain tasks and authorities to these standing committees. The overall responsibility for these delegated tasks and authorities remains with the Board of Directors.

KEY TYPES OF RISK FOR THE BANK

As its core line of business is asset management and advisory services, the Bank is primarily exposed to risks concerning its reputation and legal issues. By granting collateral loans, the Bank exposes itself to default risks and interest rate risks. It is also subject to operational risks.

DEFAULT RISKS

The Bank's credit policy comprises all activities which can generate a loss if counterparties are unable to fulfil their obligations. To minimise the credit risk, conservative lending limits have been laid down which draw on, amongst other things, the ratings of the main rating agencies in order to ascertain a counterparty's default risk. Currency risks, country risks and other risks such as diversification and liquidity risks are likewise considered when determining lending amounts. Loans are issued in accordance with uniform guidelines and credit limits. Loan applications are assessed by a body independent of the Bank's front office. Individual loan applications are evaluated on the basis of the Bank's lending guidelines in accordance with a uniform procedure which recognises four different risk categories.

Group A	Loans which are fully covered
Group A –	Loans which are fully covered, but which entail a diversification risk and which therefore merit special attention.
Group B	Loans which merit special attention (e.g. when lending amount is exceeded or as a result of a request placed by the responsible member of the management board, the Credit department or the account manager)
Group C	Loans with a risk of loss that are classed as in need of explanation according to the Bank's lending guidelines

Bank investments and the choice of counter-parties for bank transactions are subject to stringent internal quality requirements and limits. Loans are evaluated and monitored on a daily basis. Violations of limits and loans requiring special attention are reported to the General Managers immediately and to the Board of Directors every quarter. In order to manage the financial assets, minimum criteria have been defined for the issuer's credit rating along with maximum limits.

MARKET RISKS

Substantial interest rate risks are avoided by refinancing the loans issued with as closely matching maturities and currencies as possible. Financial assets with the shortest fixed-interest period possible are selected so as to avoid interest rate risks. The risk of losses due to interest rate changes is lowered by a system of limits. Interest rate risks resulting from balance sheet and off-balance-sheet operations are evaluated on the basis of the funds transfer pricing system, and the evaluations focus on the sensitivity of the present value of the equity. Industry-standard ALM software is used to calculate interest rate risks. Credit spread change risks are relevant if fixed-income securities or other similar investments are not held to final maturity. These are limited by selecting prime debtors and the shortest maturities possible.

Market price risks are checked by means of a system of lines and monitored using suitable KPIs such as Value at Risk (VaR). Foreign currency and retail trade are conducted primarily in connection with client transactions and is restricted to liquid markets. All other currency risks are kept to a minimum by means of a system of limits.

OTHER MARKET RISKS

All other market risks are kept to a minimum by means of a system of limits. In relation to derivatives, the Bank has no exposures on its own account. There are no market liquidity risks relating to foreign exchange trading, as no transactions are made in tight markets. Trading transactions are evaluated and monitored daily. At the departmental level, responsibility for risk control is kept distinct from responsibility for trading.

LIQUIDITY RISKS

The Bank's liquidity risk management is monitored and secured by the provisions of banking legislation. Short-term ability to pay is ensured through the Execution Desk's active cash management, in accordance with the currency and bank limits approved by the General Managers. The Bank's General Managers control the liquidity risk within the scope of the business competencies allocated to them by the Board of Directors and the provisions of banking legislation. The Board of Directors sets the counterparty limits and defines requirements for financial investments. In order to minimise liquidity risk, high-quality liquid assets which can be credited to the liquidity coverage ratio should generally be selected.

In the event of a liquidity shortfall, a three-stage emergency plan has been developed. On a quarterly basis, a liquidity stress test is carried out and the results are reported to the General Managers and once a year additionally to the Board of Directors. The calculation is based on figures from interest-rate risk reporting in the accounting system. The Liquidity Coverage Ratio (LCR) as a KPI for the liquidity of the Bank is calculated on a daily basis.

OPERATIONAL RISKS

Pursuant to article 89 of the Capital Adequacy Ordinance (ERV), operational risks are defined as the "danger of losses resulting from the inadequacy or failure of internal procedures, individuals or systems, or from external events". The definition covers all legal risks, including fines from regulatory authorities and settlements. The Bank allocates operational risks into the following areas for simplified presentation of risk classification: codes of conduct and securities compliance, business risks and risk management, compliance risk, cross-border risk, client tax risk, risk of dormant assets, information technology risk, handling of electronic client data, cyber risks, outsourcing, business continuity management, physical security, fraud risks and personnel risk.

The Board of Directors has defined and regularly reviews a framework for management of operational risks, in particular the determination of risk appetite and risk tolerance. The form, type and level of the operational risks to which the Bank is exposed and which it is prepared to accept should be recorded. The overall concept is based on the COSO Standard (Committee of Sponsoring Organizations of the Treadway Commission).
In particular, various risk management techniques were adopted, for example for the overall risk assessment, risk metrics and risk indicators.
To implement the framework agreement, Risk Control shows the Board of Directors, as part of the annual risk report, those operational risks that the Bank considers to be particularly critical.
The criticality of an operational risk is assessed by Risk Control. The risks selected in this way are described using the principles laid down by FINMA and measures taken to limit the risk are explained. The Bank uses the basic indicator approach to calculate operational risk.

COMPLIANCE AND LEGAL RISKS

The General Managers and the Compliance department ensure that the Bank’s business activities are carried out in accordance with the applicable regulations and the due diligence

requirements of a financial intermediary. They are responsible for compliance with the requirements and developments of the supervisory authority, the legislature and other organisations. They are also responsible for ensuring that directives and regulations are amended in accordance with regulatory developments and that these are complied with. The Bank’s legal department handles all of the Bank’s legal issues. In particular, it works to minimise the risks inherent in cross-border transactions using appropriate measures.

OUTSOURCING OF BUSINESS DIVISIONS

The Bank has outsourced its SIC and European SIC interbank payments to AnaSys AG, Zurich. An external provider is commissioned with linking anonymous transaction data with the corresponding tax information for the creation of customer tax breakdowns. Internal audit activities have been outsourced to Grant Thornton AG, Zurich, while physical mailing activities have been outsourced to Avaloq Outline, Zurich.

ACCOUNTING AND VALUATION METHODS

PRINCIPLES

The accounting and valuation methods are subject to the Swiss Code of Obligations, the Swiss Federal Act on Banks and its regulation, and the statutory provisions and directives of the Swiss Financial Market Supervisory Authority FINMA.
The annual financial statements give an impression of the Bank’s assets, liabilities, financial position and profit or loss in accordance with the financial reporting regulations applicable to banks and securities dealers.

RECOGNITION AND REPORTING

All business transactions are recorded in the companies’ books on the trade date and contribute to the calculation of income as of this date. Balance sheet transactions with a fixed time to maturity and futures are recognised as of their respective value dates. Securities and precious metals transactions as well as payment transactions for clients are recognised in the balance sheet as of their respective settlement dates.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are recognised at their respective daily rates of exchange. Monetary assets are translated on the basis of the rate of exchange on the balance sheet date and are recognised in the income statement. Differences in the exchange rate arising between the trade date and the settlement date of a transaction are recognised in the income statement.

The following rates of exchange were used for foreign currency translation:

Currency	Rate on balance sheet date 31.12.2021	Rate on balance sheet date 31.12.2020
EUR	1.0338	1.0829
USD	0.9145	0.8807
GBP	1.2351	1.2024
JPY	0.7941	0.8541
CAD	0.7182	0.6907
SEK	10.0786	10.7405

GENERAL VALUATION METHODS

The individual items reported under a balance sheet item are valued on an individual basis (item-by-item valuation). Receivables and obligations in foreign currencies and foreign banknotes and coins held for exchange business are valued on the basis of their mid-rates on the balance sheet date.

CASH AND CASH EQUIVALENTS, RECEIVABLES FROM BANKS, LIABILITIES

These items are recognised at their par value or at cost less specific valuation adjustments for impaired receivables.

LOANS (RECEIVABLES FROM CLIENTS)

Impaired receivables, i.e. receivables where it is unlikely that the debtor will be able to honour their future obligations, are valued on an individual basis and the impairment is covered by specific valuation adjustments. Off-balance sheet transactions such as firm commitments, warranties and derivative financial instruments are likewise included in this valuation.
At the very latest, loans are deemed to be impaired when the fair value of the collateral falls below the outstanding credit amount or if the contractually agreed payments of capital and/or interest have been outstanding for more than 90 days. Interest which is outstanding for more than 90 days is classed as overdue. Overdue interest and interest which is unlikely to be paid on schedule is no longer collected, but is allocated to valuation adjustments and deducted from the receivables. Loans are made interest-free if the collectability of the interest is so doubtful that accrual and deferral of said interest is no longer considered to be prudent.

Impairment is calculated on the basis of the difference between the carrying amount of the receivable and the likely recoverable amount, considering the counterparty risk and the net proceeds from the utilisation of existing collateral.

If a receivable is classified as wholly or partially irrecoverable or if collection of the receivable is waived, the receivable is written off and is recognised as part of the corresponding valuation adjustment.
Amounts which are recovered having previously been written off are credited to the valuation adjustments for default risks.

SECURITIES AND PRECIOUS METALS TRADING PORTFOLIOS

Securities and precious metals trading portfolios are measured and recognised at fair value.
The fair value is considered to be the price determined on an efficient and liquid market or a price determined on the basis of a valuation model. If, in exceptional circumstances, no fair value is available, these trading portfolios are measured and recognised on the principle of the lower of cost or market value.

Price gains or losses resulting from the valuation are recognised as "Income from trading transactions and the fair value option".
Interest and dividend income from securities trading portfolios is recognised as "Interest and dividend income from trading portfolios".
Refinancing expenses for the trading positions are charged to interest cost.

FINANCIAL ASSETS

Fixed-income securities, as well as convertible bonds and warrant bonds not held for trading, are valued at the lower of cost or market insofar as they are not intended to be held to final maturity.
Valuation adjustments are netted and are recognised as "Sundry ordinary expenses" or "Sundry ordinary income".
An asset may be written up to no higher than its original cost provided its fair value that has fallen below said original cost subsequently increases. This valuation adjustment is recognised as described above.

Debt instruments acquired with the intention of being held until their final maturities are measured in accordance with the accrual method. In this case, premiums and discounts are accrued in the balance sheet for the entire term of the instrument until its final maturity. Interest-related gains or losses resulting from the early sale or redemption of an instrument are accrued over the course of its remaining term, i.e. until its original final maturity.
Impairments or reversals of impairment losses triggered by a counterparty's credit quality are recognised in the income statement as explained as "Held to final maturity".

FIXED ASSETS

Investments in new fixed assets are capitalised and carried at cost if they are used in more than one accounting period and if their value exceeds the lower threshold for capitalisation.

Investments in existing fixed assets are capitalised if this will lead to a sustained increase in their fair value or utility value or if this substantially lengthens their useful life.

In subsequent valuations, the fixed assets are carried at cost less write-downs.
Write-downs are affected over the estimated useful life of an asset. Assets are tested for impairment annually. If impairment testing reveals a change in the useful life or impairment, the residual carrying amount is written down over the remainder of the asset's useful life or an impairment is recognised. Write-downs and any additional impairment are recognised in the income statement under "Depreciation of fixed assets". Impairments are reversed if the reasons for an earlier impairment no longer exist.

The estimated useful life of individual fixed asset categories is as follows:

5 years	Fixed assets
3 years	Software, IT and communication systems

Gains realised through the sale of fixed assets are recognised under "Extraordinary income" and losses are recognised under "Extraordinary expenses".

PENSION OBLIGATIONS

The Bank has joined a defined-contributed pension scheme with Bâloise-Sammelstiftung. Retirement age is reached on the first day of the month following the employee's 65th birthday (female employees: 64th birthday). However, insured employees who are willing to accept pension cuts have the possibility of retiring at the age of 58.

The Bank bears the costs of the occupational pensions of all of its employees and their surviving dependants in accordance with the legal provisions.

The Bank's pension obligations and the assets to cover these are outsourced to the collective pension foundation named above. The pension plans are organised, managed and financed in accordance with the legal provisions, the foundation deeds and the applicable pension plan regulations. The Bank recognises its employer contributions as personnel expenses. At the end of the year, there were no liabilities in relation to the pension plan.

TAXES, CURRENT TAXES

Current taxes are recurring, usually annual, taxes on income. One-time or transaction-specific taxes are not classed as current taxes.
Current taxes on the profit for the period are determined on the basis of the local taxation regulations for the assessment of profit and are carried as an expense in the accounting period in which the profits were accrued.
Direct taxes owed on the Bank's current profits are recognised as accrued expenses and deferred income.

CONTINGENT LIABILITIES, IRREVOCABLE COMMITMENTS, LIABILITIES TO PAY IN CAPITAL OR ADDITIONAL CAPITAL ON SHARES.

These are presented under off-balance-sheet items at their par value. Provisions are made on the liabilities side of the balance sheet for foreseeable risks.

VALUATION ADJUSTMENTS AND PROVISIONS

Specific valuation allowances and provisions are recognized for all identifiable risks of loss in accordance with the principle of prudence. In addition to specific allowances, the Bank establishes allowances for latent default risks to cover latent risks existing at the valuation date. Latent default risks are those that are known to exist in the apparently flawless loan portfolio at the balance sheet date, but which only become apparent at a later date. The determination of the latent default risks is based on empirical values as well as defaults in the past.

As the Bank has not had any defaults in recent years and has not identified any indications of latent default risks in its current loan portfolio, no allowances for latent default risks were recognized in the reporting year.

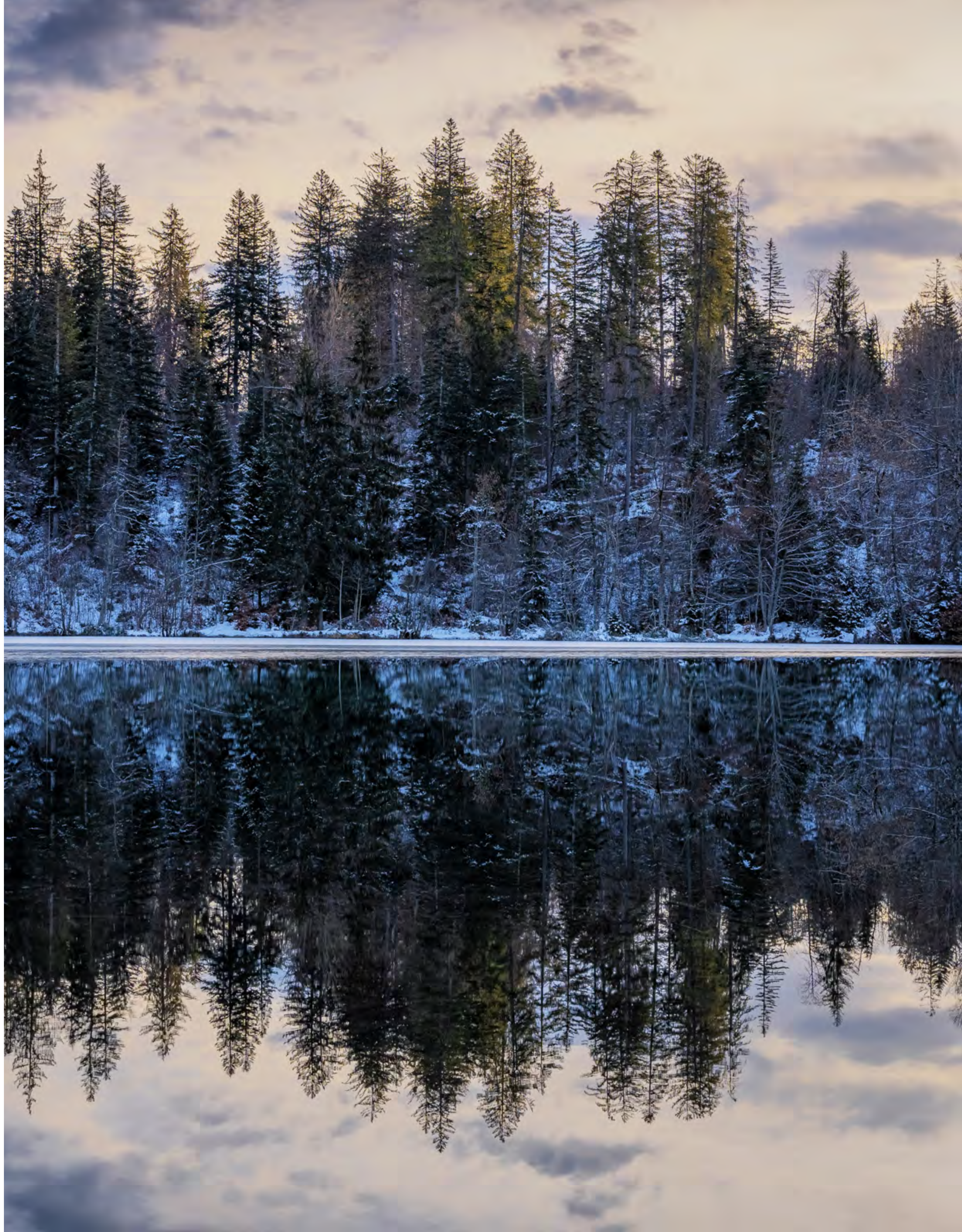
DERIVATIVE FINANCIAL INSTRUMENTS

All derivative financial instruments are measured at fair value. They are recognised as positive or negative replacement values under "Positive replacement values of derivative financial instruments" or "Negative replacement values of derivative financial instruments". Fair value is based on market prices, price quotations from dealers, and discounted cash flow and option pricing models.

In the case of transactions with derivative financial instruments effected for trading purposes, realised and unrealised gains and losses are recognised as "Income from trading transactions and the fair value option".

CHANGES TO THE ACCOUNTING AND VALUATION METHODS

There were no changes to the accounting and valuation methods.



Information on the balance sheet

Collateral for coverage of receivables and off-balance-sheet transactions as well as impaired receivables

Type of collateral	Mortgage cover TCHF	Other cover TCHF	Without cover TCHF	Total TCHF
Loans (before netting with valuation adjustments) Due from clients	0	249.282	2.456	251.738
Total loans (before netting with valuation adjustments)				
Reporting year	0	249.282	2.456	251.738
Previous year	0	242.643	2.216	244.849
Total loans (after netting with valuation adjustments)				
Reporting year	0	249.282	2.456	251.738
Previous year	0	242.643	2.206	244.849
Off-balance sheet				
Contingent liabilities	0	10.241	26	10.247
Irrevocable commitments	0	1.508	0	1.508
Total off-balance-sheet				
Reporting year	0	11.749	26	11.775
Previous year	0	13.048	38	13.086

Non-performing loans	Gross claims TCHF	Estimated liquidation value of collateral * TCHF	Net claims TCHF	Specific valuation adjustments TCHF
Reporting year	0	0	0	0
Previous year	10	0	10	10

Note: * Loan or realisable value per client: the smaller amount is authoritative.

Trading transactions and other financial instruments measured at fair value (assets and liabilities)

Trading transactions – assets	31.12.2021 TCHF	31.12.2020 TCHF
Trading transactions	0	0
- Debt instruments, money market instruments and transactions	0	0
- Thereof listed	0	0
- Equity securities	0	0
Other financial instruments measured at fair value	0	0
- Debt instruments	0	0
Total trading transactions and other financial instruments (assets)	0	0
- Thereof: determined on the basis of a valuation model	0	0
- Thereof: securities eligible for repo transactions pursuant to liquidity requirements	0	0

Trading transactions – liabilities	31.12.2021 TCHF	31.12.2020 TCHF
Total trading transactions and other financial instruments (liabilities)	0	0

Open derivative financial instruments (assets and liabilities)

	Trading instruments			"Hedging instruments"		
	Positive repl. val. 31.12.2021	Negative repl. val. 31.12.2021	Contract volumes	Positive repl. val. 31.12.2021	Negative repl. val. 31.12.2021	Contract volumes
Interest instruments						
- Future contracts incl. FRAs	0	0	0	0	0	0
- Swaps	0	0	0	0	0	0
Foreign exchange						
- Future contracts	4.019	4.573	526.205	0	0	0
Total before netting agreements						
Reporting year	4.019	4.573	526.205	0	0	0
Previous year	3.210	3.020	359.206	0	0	0

Total after netting agreements	Pos. replacement values (cumulative)	Neg. replacement values (cumulative)
Reporting year	4.019	4.573
Previous year	3.210	3.020

Breakdown according to counterparties	Central clearing offices	Banks and securities dealers	Other clients
Positive replacement values after netting agreements	0	1.001	3.018

Financial assets	Book value		Fair value	
	31.12.2021 TCHF	31.12.2020 TCHF	31.12.2021 TCHF	31.12.2020 TCHF
Debt instruments	12.911	19.734	12.912	19.756
- Thereof: intended to be held to final maturity	12.911	19.734	12.912	19.756
Total financial assets	12.911	19.734	12.912	19.756
- Thereof: securities eligible for repo transactions pursuant to liquidity requirements	0	0	0	0

Breakdown of counterparties according to rating in the reporting year [1]	Highest credit rating to secure investments with a negligible default risk	Secure investments barring any unforeseen events	Good investments on average	Speculative to highly speculative investments
Debt instrument at book value in the reporting year in TCHF	11.874	1.037	0	0

Participantions	Cost of acquisition TCHF	Valuation adjusments accumlated TCHF	Book value 31.12.20 TCHF	Reclassifi-cations TCHF	Investments TCHF	Divestments TCHF	Valuation adjustments TCHF	Book value 31.12.2021 TCHF
Other participations [2]								
With market price	0	0	0	0	0	0	0	0
Without market price	0	0	56	0	0	0	0	56
Total participations	0	0	56	0	0	0	0	56

Permanent direct or indirect significant participations

Company name and domicile	Business activities	Capital TCHF	Proportion in %	Proportion of votes in %	Direct ownership	Indirect ownership
Bergos Fleming AG, Zurich	Family Office management services	100	51	51	Yes	-

1 Bergos AG uses the ratings system of FINMA-recognised ratings agencies to assign financial assets to various credit rating categories.
2 The participations do not show any market value.

Fixed assets TCHF

	Procurement value	Depreciation accumulated	Book value 31.12.2020	Reclassi-fications	Investments	Divestments	Depreciation	Book value 31.12.2021
Bank building	0	0	0	0	0	0	0	0
Software developed in-house or pur-chased externally	9.066	7.893	1.173	0	238	0	-700	711
Other fixed assets	9.136	8.497	639	0	193	0	-305	527
Objects in financial leasing	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Total fixed assets	18.202	16.390	1.812	0	431	0	-1.005	1.238

The acquisition cost and the accumulated deprecia-tion thus far were reduced in the current year by the outflows

Other assets and liabilities

	31.12.2021		31.12.2020	
	Other assets TCHF	Other liabilities TCHF	Other assets TCHF	Other liabilities TCHF
Balancing account	554	0	0	190
Strict clearing accounts	687	1.466	953	962
Other assets and liabilities	1.374	0	1.307	0
Total	2.615	1.466	2.260	1.152

Pledged or relinquished assets to hedge own liabilities as well as assets subject to reservation of ownership	31.12.2021	
	Book value TCHF	Effective obligations TCHF
Relinquished account balances as security for futures	6.675	1.005
Assigned account balance for the purpose of deposit for future transactions	5.116	1.337

Pension commitments

The Bank offers a contributory pension scheme for its employees (Bâloise-Sammelstiftung für die obligatorische Vorsorge, Basel). Retirement age is reached on the first day of the month following the employee's 65th birthday (female employees: 64th birthday). However, insured employees who are willing to accept pension cuts have the possibility of retiring at the age of 58.

Economic benefit/ economic liability and pension scheme expenses in TCHF	Surplus/ under-funding	Economic proportion attributable to Bank		Change compared with previous year of the economic share	Paid pension scheme contributions for the reporting year	Pension expenses in personnel expenses	
	31.12.2021	31.12.2021	31.12.2020	(economic benefit or economic liability)		2021	2020
	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Pension schemes without surplus/ underfunding	0	0	0	0	0	1.824	1.576

As in the previous year, there are no liabilities to own pension schemes and no reserves for employer contributions. There are also no welfare funds or welfare pension schemes. Occupational pensions are provided for through a pension plan with a collective pension foundation at Basler Leben AG. An insurance solution was chosen that completely covers all insurance and investment risks. According to the collective pension foundation, it is not possible that the pension plan provides insufficient coverage at the reporting date. Any surpluses will be credited to the pensions of those insured, which is why the pension plan cannot be excessively covered and there cannot be any economic benefit to the company.

Valuation adjustments, provisions and reserves for general banking risks in TCHF

	31.12.2020	Specific usa	Transfers	Recoveries, overdue interest, currency differences	New creation charged to income statement	Reversal credited to income statement	31.12.2021
Provisions for deferred taxes	0	0	0	0	0	0	0
Provisions for default risks	0	0	0	0	0	0	0
Provisions for other business risks	199	0	0	0	0	0	199
Provisions for restructuring	0	0	0	0	0	0	0
Provisions for pension liabilities	0	0	0	0	0	0	0
Other provisions	0	0	0	0	0	0	0
Total provisions	199	0	0	0	0	0	199
Valuation adjustments for default and country risks	10	-10	0	0	0	0	10
Thereof: valuation adjustments for default risks from impaired receivables	10	-10	0	0	0	0	10
Thereof: valuation adjustments for deferred risks	0	0	0	0	0	0	0

Capital resources and shareholders with more than 5% of all voting rights TCHF

	31.12.2021			31.12.2020		
	Total nominal value		Dividend-bearing capital	Total nominal value		Dividend-bearing capital
Capital resources	TCHF	Number of units	TCHF	TCHF	Number of units	TCHF
Share capital	10.000	5.000	10.000	10.000	5.000	10.000
- Thereof: paid in	10.000	5.000	10.000	10.000	5.000	10.000
Total capital resources	10.000	5.000	10.000	10.000	5.000	10.000

Own shares	Number of units	in TCHF
Status 01.01.2020	50	1.000
Purchases	100	2.000
Disposals	0	0
Status 31.12.2020	150	3.000
Purchases	0	0
Variable purchase price component from 2020		63
Disposals	0	0
Status 31.12.2021	150	3.063

Significant shareholders and shareholder groups with voting ties

	31.12.2021		31.12.2020	
	Nominal	Share	Nominal	Share
	TCHF	in %	TCHF	in %
With voting right				
Centinox B AG, Hergiswil	2.400	24.00	2.400	24.00
Diethelm Keller Holding AG, Zurich	2.400	24.00	2.400	24.00
Niantic Holding GmbH, Hamburg	1.000	10.00	1.000	10.00
Claus-G. Budelmann, Hamburg	1.000	10.00	10.000	10.00
A & S Beteiligungen AG, Zug	950	9.50	950	9.50
Caretina Vermögensverwaltungs GmbH, Hamburg	750	7.50	750	7.50
Samum Vermögensverwaltungs GmbH, Hamburg	500	5.00	500	5.00
Dr. Peter Raskin, Grüningen	500	5.00	500	5.00
Other (respective capital owners up to and including 5%)	500	5.00	500	5.00
Total capital resources	10.000	100.00	10.000	100.00

Indirect participants through a stake of more than 5% in

		31.12.2021	31.12.2020
Centinox B AG, Hergiswil:	Centinox Holding AG, Hergiswil	100.00	100.00
Diethelm Keller Holding AG, Zurich:	DKH Holding AG, Zurich	100.00	100.00
Niantic Holding GmbH, Hamburg:	Dr. Andreas Jacobs, Hamburg	100.00	100.00
A & S Beteiligungen AG, Zug:	C+H Development Holding AG, Zug	75.00	75.00
	Andreas von Specht, Hamburg	12.50	12.50
	Henry Mutschler, Zurich	6.25	6.25
	Céline Mutschler, Zurich	6.25	6.25
Caretina Vermögens-vewaltungs GmbH, Hamburg	Hendrik de Waal, Hamburg	100.00	100.00
Samum Vermögens-verwaltungs GmbH, Hamburg	Dr. Hans-Wilhelm Jenckel, Hamburg	100.00	100.00

Amounts due to and from related parties TCHF

	Receivables		Liabilities	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Qualified stakeholder	0	2	3.623	3.498
Group companies	0	0	142	135
Governing bodies	2.188	2.268	519	3.397

Transactions with related parties

Balance sheet and off-balance transactions are administered in line with market requirements.

Maturity structure of financial instruments and debt capital TCHF

	Demand	Callable	Within 3 months	Due after 3 months up to 12 months	Due after 12 months up to 5 years	Due after 5 years	Immobilised	Total
Assets / financial instruments								
Cash and cash equivalents	158.405	0	0	0	0	0	0	158.405
Due from banks	133.441	95.584	164.610	0	0	0	0	393.635
Due from clients	0	112.468	39.225	77.020	23.025	0	0	251.738
Trading activities	0	0	0	0	0	0	0	0
Positive replacement values of derivative financial instruments	4.019	0	0	0	0	0	0	4.019
Financial assets	0	0	1.034	11.877	0	0	0	12.911
Total Reporting year	295.865	208.052	204.869	88.897	23.025	0	0	820.708
Previous year	221.184	168.231	182.737	92.255	41.449	0	0	705.856
Debt capital / financial instruments								
Due to banks	7.363	0	0	0	0	0	0	7.363
Due to client deposits	771.432	0	0	0	0	0	0	771.432
Negative replacement values of derivative financial instruments	4.573	0	0	0	0	0	0	4.573
Total Reporting year	783.368	0	0	0	0	0	0	783.368
Previous year	673.968	0	0	0	0	0	0	673.968

Balance sheet by domestic and foreign origin according to the domicile principle TCHF

	31.12.2021		31.12.2020	
	Domestic	Foreign	Domestic	Foreign
Assets				
Cash and cash equivalents	158.405	0	136.934	0
Due from banks	225.703	167.932	168.127	133.002
Due from clients	70.622	181.116	63.000	181.849
Trading activities	0	0	0	0
Positive replacement values of derivative financial instruments	847	3.172	1.438	1.772
Financial assets	0	12.911	0	19.734
Accrued income and prepaid expenses	2.604	340	3.857	378
Participations	56	0	56	0
Fixed assets	1.238	0	1.812	0
Other assets	2.615	0	2.260	0
Non-paid-in capital resources	0	0	0	0
Total assets	462.090	365.471	377.484	336.735
Liabilities				
Due to banks	3.900	3.463	0	2.247
Due to client deposits	94.145	677.287	68.332	600.369
Negative replacement values of derivative financial instruments	2.255	2.318	1.039	1.981
Accrued expenses and deferred income	6.684	0	5.422	0
Other liabilities	1.466	0	1.152	0
Provisions	199	0	199	0
Capital resources	10.000	0	10.000	0
Statutory profit reserve	2.900	0	2.700	0
Voluntary profit reserves	22.007	0	20.573	0
Equity capital	-3.063	0	-3.000	0
Retained earnings carried forward	31	0	31	0
Profit	3.969	0	3.174	0
Total liabilities	144.493	683.068	109.622	604.597

Assets by country/region (domicile principle)

	31.12.2021		31.12.2020	
Assets	Absolute TCHF	Share in %	Absolute TCHF	Share in %
Switzerland	462.090	55.84	377.484	52.85
Other Europe	252.826	30.55	237.964	33.32
North America	1.038	0.13	7.498	1.05
Caribbean	17.901	2.16	27.765	3.89
Latin America	6.926	0.84	6.517	0.91
Africa	17.277	2.09	23.910	3.35
Asia	33.161	4.01	3.402	0.48
Other countries	36.342	4.38	29.679	4.15
Total assets	827.561	100.00	714.219	100.00

Assets by credit rating of regions (risk domicile)

	31.12.2021		31.12.2020	
Rating class*	Absolute TCHF	Share in %	Absolute TCHF	Share in %
Rating class 1	275.986	94.93	268.625	95.47
Rating class 2	0	0	0	0
Rating class 3	0	0	0	0
Rating class 4	0	0	11	0
Rating class 5	1.141	0.39	369	0.13
Rating class 6	575	0.20	541	0.19
Rating class 7	8.511	2.93	9.113	3.24
No Rating	4.505	1.55	2.715	0.97
Total foreign assets	290.718	100.00	281.374	100.00

* The country rating of the Swiss Export Risk Insurance is applied.

Balance sheet by currency TCHF

	CHF	EUR	USD	GBP	JPY	Others	Total
Assets							
Cash and cash equivalents	158.188	187	24	6	0	0	158.405
Due from banks	10.322	43.266	275.039	44.725	901	19.382	393.635
Due from clients	59.928	108.567	68.337	8.318	2.861	3.727	251.738
Trading activities	0	0	0	0	0	0	0
Positive replacement values of derivative financial instruments	4.019	0	0	0	0	0	4.019
Financial assets	0	8.307	4.604	0	0	0	12.911
Accrued income and prepaid expenses	2.169	160	601	3	5	6	2.944
Participations	56	0	0	0	0	0	56
Fixed assets	1.238	0	0	0	0	0	1.238
Other assets	2.615	0	0	0	0	0	2.615
Total assets recognised in the balance sheet	238.535	160.487	348.605	53.052	3.767	23.115	827.561
Claims deriving from forward exchange securities	51.990	276.636	173.432	10.019	1.969	12.159	526.205
Total assets	290.525	437.123	522.037	63.071	5.736	35.274	1.353.766
Liabilities							
Due to banks	130	1.328	4.078	9	0	1.818	7.363
Due to client deposits							
Negative replacement values of derivative financial instruments	68.524	282.770	347.421	52.960	1.444	18.313	771.432
Accrued expenses and deferred Income	4.573	0	0	0	0	0	4.573
Other liabilities	6.467	140	77	0	0	0	6.684
Provisions	1.466	0	0	0	0	0	1.466
Capital resources	199	0	0	0	0	0	199
Statutory profit reserve	10.000	0	0	0	0	0	10.000
Voluntary profit reserves	2.900	0	0	0	0	0	2.900
Equity capital	22.007	0	0	0	0	0	22.007
Retained earnings brought	-3.063	0	0	0	0	0	-3.063
Forward	31	0	0	0	0	0	31
Profit	3.969	0	0	0	0	0	3.969
Total balance sheet liabilities	117.203	284.238	351.576	52.969	1.444	20.131	827.561
Delivery payables from forward exchange transaction	174.065	152.713	170.231	10.013	4.280	14.903	526.205
Total liabilities	291.268	436.951	521.807	62.982	5.724	35.034	1.353.766
Net position per currency	-743	172	230	89	12	240	0

Information on off-balance-sheet transactions

Contingent receivables and liabilities TCHF

	31.12.2021 TCHF	31.12.2020 TCHF
Credit guarantees and similar items	10.267	11.668
Other contingent liabilities	0	0
Total contingent liabilities	10.267	11.668

Contingent receivables deriving from tax loss carried forward	0	0
Other contingent receivables	0	0
Total contingent receivables	0	0

Fiduciary transactions TCHF

	31.12.2021 TCHF	31.12.2020 TCHF
Fiduciary placements with third-party banks	478.231	564.098
Fiduciary placements at Group companies and affiliated companies	0	0
Fiduciary credits for third-party accounts	0	0
Total	478.231	564.098

Assets under management TCHF

	31.12.2021 TCHF	31.12.2020 TCHF
Type of assets under management		
Assets in collective funds managed by the Bank	141.337	145.062
Assets in funds managed by the Bank	1.967.064	1.765.890
Other assets under management	4.363.804	4.139.388
Total assets under management (incl. double-counted)	6.472.205	6.050.340
Thereof: double-counted	85.341	89.713
Total assets under management (incl. double-counted) at the start of the reporting year	6.050.340	6.047.982
+/- Net inflow of new funds or net outflow of funds	-15.923	187.949
+/- Price development, interest, dividends and foreign currency development	437.788	-185.591
Total assets under management (incl. double-counted) at the end of the reporting year	6.472.205	6.050.340

The clients' assets include account balances, trust funds and all portfolio holdings. Only assets held for custody purposes (custody assets) are not included. These comprise shares held by clients in their companies.

The net inflow/outflow of new funds is the balance of all incomings and outgoings of money and securities. The interest credited to or invoiced to the clients is regarded as an internal accounting entry and is therefore not taken into account.

Information on the income statement

Significant refinancing income under the interest and discount income item as well as from significant negative interest TCHF

	2021 TCHF	2020 TCHF
Negative interest on lending activities (reduction of interest income)	-1.102	-1.107
Negative interest on deposit-taking activities (reduction of interest expense)	1.459	1.067

Personnel expenses TCHF

	2021 TCHF	2020 TCHF
Salaries (attendance fees and fixed remuneration payable to banking authorities,	20.468	19.039
salaries and supplements)	1.824	1.576
Bank contributions to staff pension funds	1.567	1.410
Other social benefits	498	262
Other personnel expenses		
Total	24.357	22.287

Other administrative expenses TCHF

	2021 TCHF	2020 TCHF
Premises costs	1.257	1.614
Costs of information and communication technology	3.521	3.374
Costs of vehicles, machinery, furniture and other equipment	188	126
Auditors' fee	90	135
- Thereof: for accounting and regulatory auditing	90	135
- Thereof: for other services	0	0
Other operating expenses	3.193	3.200
Total	8.249	8.449

Notes regarding significant losses, extraordinary income and expenses, significant reversals of hidden reserves, reserves for general banking risks and released valuation adjustments and provisions. There are no significant extraordinary income and no extraordinary expenses

The reported extraordinary income in the amount of TCHF 473 represents unexpected Legal costs from the past by former shareholders. There are no extraordinary expenses.

Link between the tables of FINMA Circular 2016/01 and regulatory reporting

KM1: Regulatory key figures

		31.12.2021 TCHF	31.12.2020 TCHF
	Eligible equity		
1	Tier 1 capital ratio (CET1)	33.919	31.939
2	Tier 1 capital (T1)	33.919	31.939
3	Total capital	33.919	31.939
	Risk-weighted positions (RWA)		
4	RWA	188.588	160.963
4a	Minimum own funds	15.087	12.877
	Risk-based capital ratio (% of RWA)		
5	CET1 ratio	17.99%	19.84%
6	Tier 1 capital ratio	17.99%	19.84%
7	Total capital ratio	17.99%	19.84%
	CET1- buffer requirement (% of RWA)		
8	Own funds buffer under Basel minimum standards (2.5% from 2019)	2.50%	2.50%
9	Anti-cyclical buffer (Art. 44a ERV) under Basel minimum standards	0.00%	0.00%
10	Additional equity buffer because of international or national system relevance	0.00%	0.00%
11	Total buffer requirements under Basel minimum standards in CET1 quality	2.50%	2.50%
12	Available CET1 to cover buffer requirements under Basel minimum standards (after deduction of CET1 to cover minimum require ments and where applicable to cover TLAC requirements)	9.99%	11.84%
	Target capital ratios under Appendix 8 ERV (% of RWA)		
12a	Own funds under Appendix 8 ERV	2.50%	2.50%
12b	Anti-cyclical buffer (Art. 44 and 44a ERV)	0.00%	0.00%
12c	Target CET1 ratio under Appendix 8 ERV plus anti-cyclical buffer under Art. 44 and 44a ERV	7.00%	7.00%
12d	Target T1 ratio under Appendix 8 ERV plus anti-cyclical buffer under Art. 44 and 44a ERV	8.50%	8.50%
12e	Target total capital ratio under Appendix 8 ERV plus anti-cyclical buffer under Art. 44 and 44a ERV	10.50%	10.50%
	Basel III leverage ratio		
13	Total commitment (in TCHF)	844.842	595.121
14	Basel III leverage ratio (core capital as % of total commitment)	4.01%	5.37%
	Liquidity coverage ratio (LCR)		
15	Total-high-quality, liquid assets (in TCHF)	161.699	150.189
16	Total net outflows (in TCHF)	76.704	69.817
17	LCR (Liquidity Coverage Ratio)	210.81%	215.12%
	Net stable funding ratio (NSFR)		
18	Available stable funding	510.370	435.361
19	Required stable funding	189.271	181.230
20	NSFR	269.65%	240.23%

	Liquidity ratio (LCR)	4th quarter	3rd quarter	2nd quarter	1st quarter	4. quarter previous year
15	Total-high-quality, liquid assets (in TCHF)	153.336	155.365	156.691	152.906	101.968
16	Total net outflows (in TCHF)	73.403	80.208	77.274	79.149	65.508
17	LCR (Liquidity Coverage Ratio)	208.90%	193.70%	202.77%	193.19%	155.66%

OV1: Overview of risk-weighted positions

		31.12.2021 TCHF RWA	31.12.2020 TCHF RWA	31.12.2021 TCHF Minimum own funds	in % RWA deviation
1	Credit risk	118.700	85.638	9.496	38.61%
20	Market risk	750	1.138	60	-34.09%
24	Operational risk	69.138	70.650	5.531	-2.14%
25	Amounts below the threshold de ductions (with 250% according to positionsto be risk-weighted)	0	0	0	0.00%
27	Total	188.588	157.426	15.087	19.79%

LIQA: Liquidity - Management of liquidity risk

Please see the notes to the "Liquidity risk" section.

CR1: Credit risk – Credit quality of assets

TCHF	a	b	c	in %
	Gross book values of			
	defaulted positions	not defaulted positions	Adjustments/ write-downs	Net value (a + b - c)
1 Receivables (excluding debt instruments)	0	645.373	0	645.373
2 Debt instruments	0	12.911	0	12.911
3 Off-balance-sheet positions	0	11.775	0	11.775
4 Total reporting year	0	670.059	0	670.059
Total previous year	0	578.808	10	578.798

More detailed definitions of internal default are given in the notes to the "Default risk" section.

CRB: Credit risk – additional disclosures on the Credit quality of assets

Outstanding or overdue receivables of more than 90 days, in line with our notes to the "Receivables" section: There are none.

These have been disclosed in the section "Collateral for coverage of receivables and off-balance sheet transactions. As well as impaired receivables.

CR3: Credit risk – Credit risk mitigation techniques - overview

TCHF	a	c	e&g
	Unsecured positions/book value	Positions secured by collateral, effectively collateralised amount	Positions secured by financial guarantees or credit derivatives, effectively collater-alised amount
Receivables (incl. debt instruments)	419.989	234.756	3.539
Off-balance-sheet positions	1.585	10.190	0
Total reporting year	421.574	244.946	3.539
of which defaulted	0	0	0
Total previous year	337.306	239.275	2.217

CR5: Credit risk – Positions according to positions category and risk weighting under the standard approach

TCHF 31.12.2021	a	b	c	d	e	f	g	h	i	j
Positions category / risk weighting	0%	10%	20%	35%	50%	75%	100%	150%	Other	Total credit risk positions
1 Central governments and central	162.632									162.632
2 Banks and security dealers			378.254		1.037		1			379.292
3 Public corporations and multilateral development banks			9.492							9.492
4 Companies										0
5 Retail						1.691	15.209	242		17.142
6 Participations								56		56
7 Other positions	397						1.238		0	1.635
8 Total reporting year	163.029	0	387.746	0	1.037	1.691	16.448	298		570.249
9 of which mortgage-backed receivables										0
10 of which overdue receivables										0
Total previous year	146.849	0	311.920	0	2.177	2.709	16.165	344	0	480.164

CCR3: Counterparty risk – Positions according to positions category and risk weighting under the standard approach

TCHF 31.12.2021	a	b	c	d	e	f	g	h	i	j
Positions category / risk weighting	0%	10%	20%	50%	75%	100%	150%	Others	Total of credit risk position	Total previous period
1 Central governments and central banks									0	0
2 Banks and security dealers			6.800	1.445					8.245	6.864
3 Public corporation and multilateral development banks			52						52	97
4 Companies									0	0
5 Retail						3	6		9	6
6 Equities									0	0
7 Other positions									0	0
8 Total reporting year	0	0	6.852	1.445	0	3	6	0	8.306	6.967
Total previous year	0	0	6.229	732	0	2	4	0	6.967	

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ORA: Operational risks – General information

Please refer to the comments in the "Operational risks" section.

Interest rate risks: Objectives and policies for interest rate management in the banking book (IRRBBA)

DISCLOSURE OF QUALITATIVE INFORMATION

A) IRRBB FOR PURPOSES OF RISK CONTROL AND MEASUREMENT

The following three forms of interest rate risks are considered:

- Interest rate resetting (mismatches between interest rate repricing maturities and final maturities)
- Basis risk (change in interest rates)
- There are no contracts with implicit options

B) STRATEGIES FOR THE CONTROL AND REDUCTION OF IRRBB

The Board of Directors has established an appropriate monitoring policy that is consistent with the business strategy of the risk policy. It defines the key points of the limit system and the most important report points. It also specifies the maximum interest rate risk positions by means of global limits. The Executive Board is responsible for the operational implementation of the risk policy for interest rate risks in the banking book. It submits a request for strategic limits to the Board of Directors and is responsible for the control of interest rate risks within the scope of the limits set by the Board of Directors. It approves the replicating products offered by the bank once a year or when necessary. The Accounting Department is responsible for the measurement and monitoring of compliance with the limits set by the Executive Board and approved by the Board of Directors and submits the Interest Rate Risk Report (ZIRU Statistics) to the Swiss National Bank on a quarterly basis. The Risk Control Department submits a quarterly report on its findings to the Board of Directors.

C) PERIODICITY AND DESCRIPTION OF THE IRRBB MEASURES

Interest rate risk measures are recalculated on a quarterly basis. EVE and NII calculations are performed using ALM Focus and FiRE, respectively.

D) INTEREST RATE SHOCK AND STRESS SCENARIO

EVE interest rate shock scenarios:

• Parallel shift up and down

• Steepener/flattener shock

• Increase and decrease in short-term interest rates

NII interest rate shock scenarios:

• Base scenario

• Parallel shift up and down

For us as a Category 5 bank, no further scenarios are required.

E) DIFFERING MODEL ASSUMPTIONS

In the internal interest rate measurement system, the Bank currently uses model assumptions with static income effect and a currency-independent interest rate curve difference of 100 basis points. These are different from the disclosures made in the IRRBB 1 table.

F) HEDGES

Bergos offers short-term, currently secured Lombard loans with a maximum interest rate commitment risk of one year. This gives rise to a relatively low interest rate risk. The Bank does not conduct special hedging trades, as a general rule.

G) MODELLING AND PARAMETRIC ASSUMPTIONS

Loan extensions are done with the same maturities. Fixed-term financial assets are held to maturity, as a general rule.

ECONOMIC VALUE OF EQUITY (EVE)

1. The cash flows include interest rate margins from an external interest rate perspective.

2. Bergos uses the exact residual maturity for fixed positions and for positions with indefinite residual maturities, its own replication key.

3. Cash flows are discounted to present value with the currency-dependent LIBOR swap curve.

4. For the change in net interest income (NII), Bergos utilises the specification in FINMA-RS 2016/1 "Regulatory Disclosure Requirements".

5. The Bank uses static replication keys for the variable positions.

6. The Bank does not hold behaviour-dependent positions with early repayment options.

7. Moreover, no behaviour-dependent term deposits with early withdrawals are taken into account.

8. Bergos holds no positions with automatic interest rate options in the banking book.

9. The Bank uses interest rate derivatives to manage interest rate risk only in exceptional cases.

10. There are no further assumptions.

IRRBBA 1: Interest rate risks: Quantitative information on the position structure and resetting of interest rates

31.12.2021	TCHF			Average repricing maturities (in years)	
	Total	Thereof CHF	Thereof: other significant currencies that represent more than 10% of assets or liabilities in the balance sheet total	Total	Thereof CHF
Determined repricing maturity	318.926	51.403	259.636		
Receivables from banks	165.236		165.236	0.04	0.00
Receivables from customers	140.813	51.403	81.523	0.72	0.45
Money market mortgages					
Fixed-rate mortgages					
Financial investments	12.877		12.877	0.09	0.00
Other receivables					
Receivables from interest derivatives					
Liabilities to banks					
Liabilities from client deposits					
Medium-term notes					
Bonds and mortgage-backed loans					
Other liabilities					
Liabilities from interest derivatives					
Undetermined repricing maturity	1.120.111	87.825	885.550		
Receivables from banks	229.024	10.322	153.695	0.08	0.08
Receivables from customers	112.461	8.849	96.427	0.22	0.22
Variable mortgage claims					
Other demand receivables					
Demand liabilities in personal and current accounts	771.263	68.524	630.022	0.22	0.22
Other demand liabilities	7.363	130	5.406	0.08	0.08
Liabilities from client deposits, callable but not transferrable (savings)					
Total	1.439.037	139.228	1.145.186		

IRRBB 1: Interest rate risks: Quantitative information on present value and interest income

TCHF	EVE (change in economic value)		NII (change in net interest income)	
Period	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Parallel shift up	467	-56	-1.135	-1.540
Parallel shift down	-431	106	1.127	1.523
Steepener shock (1)	-844	-524		
Flattener shock (2)	972	550		
Increase in short-term interest rates	1.134	556		
Decrease in short-term interest rates	-1.141	-553		
Maximum	1.141	553	1.127	1.523
Tier 1 capital	33.919	31.939	33.919	31.939

Commentary on the significance of the values reported. The materiality of the published values and all significant material changes since the previous reporting period must be explained.

(1) Decrease in short-term interest rates in combination with increase in long-term interest rates.

(2) Increase in short-term interest rates in combination with a decrease in long-term interest rates. Excluding Tier 1, which used to meet going-concern requirements.

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Report of the statutory auditor

to the general shareholder's meeting of

Bergos AG, Zurich

As statutory auditors, we have audited the accompanying financial statements of Bergos AG which comprise the balance sheet, income statement, statement of changes in equity and notes (pages 82 - 115 of the annual report) for the year ended 31 December 2021.

Board of Directors' Responsibility

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

Auditor's Responsibility

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

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

Opinion

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

Report on Other Legal Requirements

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

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

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

Zurich, 22 March 2022

BDO Ltd

Patrick Liechti

Auditor in Charge
Licensed Audit Expert

Andreas Lenzenweger

Licensed Audit Expert

B E R G O S

PHOTOS CREDITS:

Photo credit: Raphael Dirren - Bergosian

We thank him for the lovely photographs

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