BERGOS

2022

REPORT ON THE 34th FINANCIAL YEAR

2022

REPORT ON
THE 34TH FINANCIAL YEAR

BERGOS PRIVATE BANK

BERGOS

In TCHF	2020	2021	2022
Operating profit	4.052	4.558	6.014
Operating income	3.960	4.380	5.482
Net fee and commission income	27.473	28.893	29.720
Income from trading activities	4.899	5.606	4.868
Net interest income	3.582	3.534	8.186
Operating expenses	30.736	32.606	35.405
In CHF million			
Total assets	714	828	751
Assets under management (incl. custody accounts)	6.854	7.272	7.096
Net new funds (incl. custody accounts)	388	-13	395
In % of assets under management	+5.7	-0.2	+5.6
Eligible equity	32	34	36
Required equity	13	15	15
Number of employees (full-time equivalent)	103,9	113,7	112,1

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

2022 marked our second 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 thus 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. An additional focus lies on services beyond the financial sector, such as Art Consult and Multi Family Office Services.
Bergos – Human Private Banking. Our 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.

Report on the 34th Financial Year

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Governing Bodies

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Executive Chairman Climate Asset Management, London

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Partner of Bergos AG, Zurich

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Chairman of the Board of Directors of Neutra Treuhand AG, Basel

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

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Markus Zwyssig, Managing Partner
Till Christian Budelmann*

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

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„The world is full of opportunities that need to be acknowledged. The crises should not obscure our view of them.“

CHRISTOF KUTSCHER

01

FOREWORD

CHRISTOF KUTSCHER

Chairman of the Board of Directors

Dear Clients, Friends and Colleagues

ENDLESS CRISES OR ENDLESS OPPORTUNITIES?

The flood of bad news never seems to end! After Covid-19 and the resulting disruption of supply chains came the Russian invasion of Ukraine, a brutal war of aggression in the heart of Europe, with no apparent prospect of a peaceful resolution. Soaring inflation rates propelled by the energy crisis unleashed by the war in Ukraine, central banks that have raised interest rates to a level we haven't seen in 30 years, and the attendant risk of recession. China threatens to invade and occupy Taiwan, which has the world's biggest microchip production capacity. The consequences of climate change and endangered biodiversity are manifesting in the form of extreme weather events like droughts and floods, as well as unstable ecosystems.

Have I forgotten something? I'm sure I have!

When we peruse the daily news, we often only see crisis everywhere and so we forget that we live in a world of largely efficient financial markets. We form new assessments on the basis of new information, but that's where it usually ends. We digest surprising news, good or bad, even though it may be only marginally relevant for investors. We do not know whether, when and how the various crisis scenarios enumerated above will come to an end, and yet it is important that we conduct our assessments with the necessary humility.

It is a well-known phenomenon that financial market volatility is greater in downturns than in upturns. This means that we tend to react much more strongly to shocks than to "boring" normalisation phases. It takes a cool-headed asset manager to avoid the traps laid by market shocks. Under the leadership of our new Board of Directors member and Chief Investment Officer, Till C. Budelmann, Bergos successfully practiced this philosophy in the past year, proving that crisis always brings opportunity to those who react with equanimity and farsightedness. Such opportunities need to be identified and seized. As proven at Bergos, this approach is the basis of a sound investment strategy.

The ability to master crisis and adapt to change is a universally required quality. Commercial enterprises and national economies are constantly striving – in the background, invisible to most – to adapt to changed conditions, better understand the preferences of their customers, produce better goods or services more efficiently. Many changes happen in the background and we don't even notice them. On the other hand, crisis not mastered only at the level of government only, but also at the microeconomic level. Without much fanfare, enterprises take the necessary steps to adapt to changing conditions. Markets reflect this tendency.

Thinking about adaptability at the enterprise level brings me back to Bergos. Besides making the many investment decisions that steered our bank safely through turbulent markets, we took a big step in our digitalisation strategy last year by successfully developing and implementing a new core banking system, which can be likened to a bank's engine. Most clients will not even have noticed, or so we hope, that we now have a state-of-the-art system with many new features. While they may well have noticed our new, improved e-banking platform with more intuitive functions, it would still be better, as it is with most changes, if they didn't even notice them at all!

While we were in the process of introducing our new system, we clearly understood that competent digital solutions make us stronger as human beings. By making our banking processes easier and faster, they give us the chance to spend more time with our clients. And so it makes perfect sense to consider the possibilities of technology in a fast-changing environment. Artificial intelligence is a prime example: Although people have been talking about it and speculating about it for many years, few have had to confront it head-on. Admittedly, some asset managers have bet on this technology, but with limited success to date.

We have recently been following the hype surrounding ChatGPT, an electronic tool that makes it possible to generate answers to complex questions. I am unable to judge whether this is truly a breakthrough even though enthusiasts proclaim that it is: It "will change the world", "revolutionise work and education" and so on. Sceptics decry the system as being primitive and full of defects while a third faction is mainly preoccupied with the potential detrimental effects of such technology. At any rate, however, the vociferous response from all these different schools of thought suggests that progress is being made in the development of artificial intelligence (AI). AI technologies and that the debate on the implications of artificial intelligence has only just begun.

Bill Gates made the following observation: "We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten. Don't let yourself be lulled into inaction!". This apt observation can be reduced to a simple formula: much hype at first, fundamental changes if any, only later.

This brings me to another topic with longer-term implications: The National Association of College and University Business Officers (NABUCO), to which more than 1,700 higher education institutions in the United States and Canada belong, conducts an annual study of the investment success of university endowments. Since 1998, major endowment funds have easily outperformed traditional portfolios composed of 70% stocks and 30% bonds by generating annualised returns of 3.1%, which equates to total capital appreciation of more than 100% over this period.

We at Bergos are in the process of developing a broader range of alternative investments to offer you, our clients, mostly in cooperation with successful partners. A good example of such a collaboration in the real estate sector is our NBS Alliance.

We are also working on other alternative investment solutions, whether in venture capital, private debt, or private equity. A critical factor to consider in this regard is the fact that the gap between well performing and poorly performing asset managers is much greater in the class of alternative investments than in the class of liquid investments. It is therefore important to put together a top-quality offering of alternative investment opportunities by collaborating with experts in the relevant fields. Alternative investment instruments are playing an increasingly important role in our clients' portfolios. What make these investments attractive is the low degree of correlation between investment outcomes, combined with solid income streams. There is an upside to the long commitment period (illiquidity), namely that such investments cannot be quickly liquidated in a panicked reaction to thunder and lightning in the bond markets.

HUMAN PRIVATE BANKING

We have dedicated ourselves to this approach, knowing full well how important it is to people to be given a choice. That is why we give our clients a choice between more liquid investments and long-term alternative investments, or what is even better in many cases, a combination of these two asset categories as a suitable strategy for their investment portfolios.

We urge you to speak with your investment advisor at Bergos, because what matters is not just to pursue the theoretically best investment strategy, but also to feel comfortable with it. Not every opportunity appeals to every investor. Furthermore, not all investments are easy to understand. In recommending new opportunities, it is often beneficial to approach the client with an understanding of his or her investments and personal investment strategy. And that is what we are here for! It is our fiduciary obligation to implement the right strategy for you. And we know full well that protecting your wealth means more than just investing the assets you entrust to us. The world is full of opportunities, but they need to be seen first. Crises should not prevent us from seeing them.

02

OBSERVATIONS

DR. PETER RASKIN

CEO & Partner

200 years younger in just two years!

Bergos only became an independent Swiss private bank on 1 January 2021. Tracing its roots to its former parent company Joh. Berenberg, Gossler & Co. KG, which was founded in 1590, Bergos is both the world's second oldest bank and one of the youngest. Mentioning this fact always provokes a chuckle or sometimes even an expression of enthusiasm in one's interlocutor. Nevertheless, this simple statement, though perhaps delivered with a wink of the eye, conceals a unique fact, namely that the transformation of our bank from a dependent subsidiary to an independent Swiss private bank presents not only challenges, but also remarkable opportunities, both of which should be embraced with courage. After all, to simply go on as before, resting on the laurels of our former parent company's ven-

„The task was to create something completely new, contemporary and forward-looking, building on the already existing and established."

DR. PETER RASKIN

erable history, was not an option for us, the new shareholders. Instead, we strove to build on the foundation of an illustrious past while creating something entirely new, contemporary, and forward-looking.

Being able to draw on the experience of a centuries-old history is truly a great privilege. As Berenberg's subsidiary, we can proudly look back on a remarkable success story in which we too played a part. We were firmly embedded in the culture of our parent company. The pros and cons of so many decisions were always weighed in consultation with the parent company. The venerable tradition of a Hamburg bank founded and led by honourable Hanseatic merchants more than 430 years ago was also our tradition. Berenberg Bank (Schweiz) AG, whose CEO I became in 2009, was ultimately a dependent bank in Switzerland controlled by German owners and shaped by Hanseatic traditions. Our goals were subordinated to those of the parent company and were often rather short-term in nature. Strategically important decisions were made for us in Hamburg. While we were indeed legally independent, like any other subsidiary we were bound to pursue the goals of the parent company: to pay good dividends, ensure constant compliance with the laws and regulations of both Switzerland and Germany, to be successful of course, and otherwise not attract too much attention. And these things we did well. For decades, we cultivated strong, long-term client relationships, grew our business successfully, and held our own despite the many regulatory challenges.

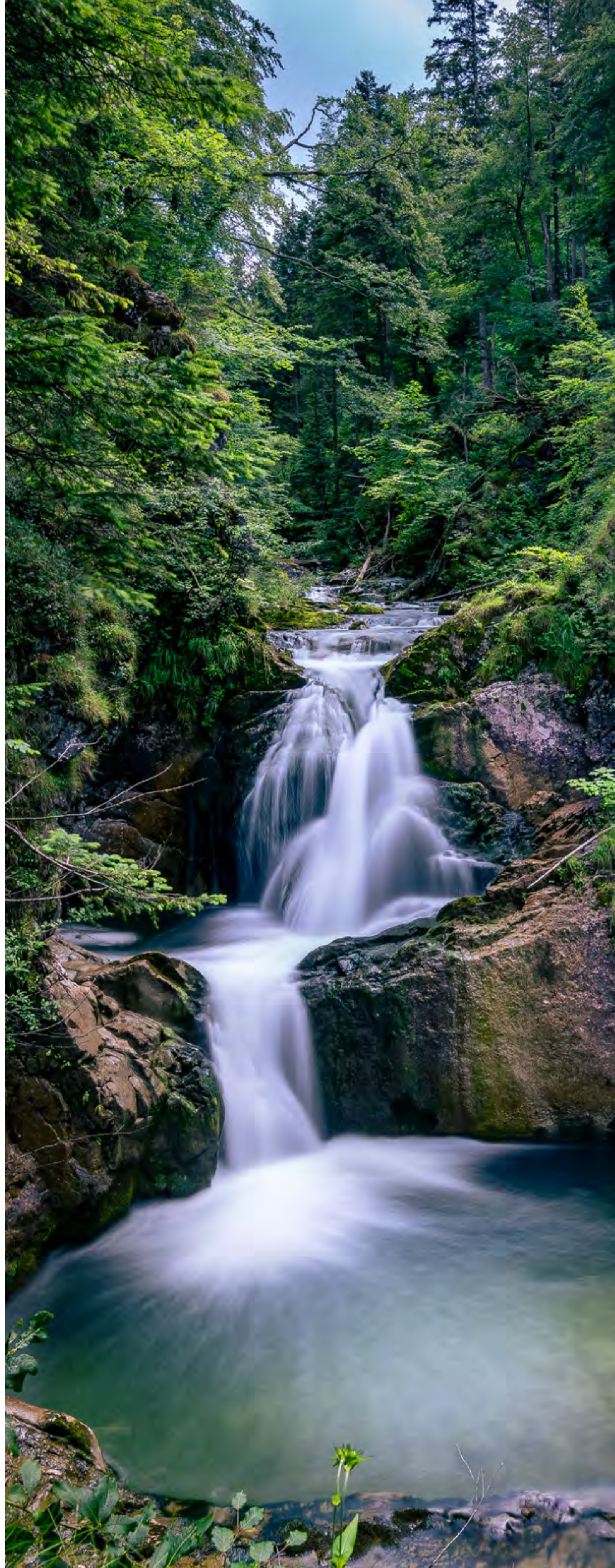
When we bought the bank in 2018, we were well aware of the need to proceed cautiously in light of the bank's roots and traditions. We were faced with the task of preserving what was good and proven, ensuring continuity, and preserving trust. For these reasons, we agreed with the seller to proceed in two steps. First, Berenberg retained a 19.9% equity stake, knowing full well that it would also have to sell this 19.9% stake as of 31 December 2020. By this means, we sought to ensure continuity, build trust, and above all demonstrate that the split from the parent bank was extremely amicable and that the parent company would continue to cooperate with us in many respects. And this approach worked out perfectly. But everything had to change when we finally attained full independence at the start of 2021.

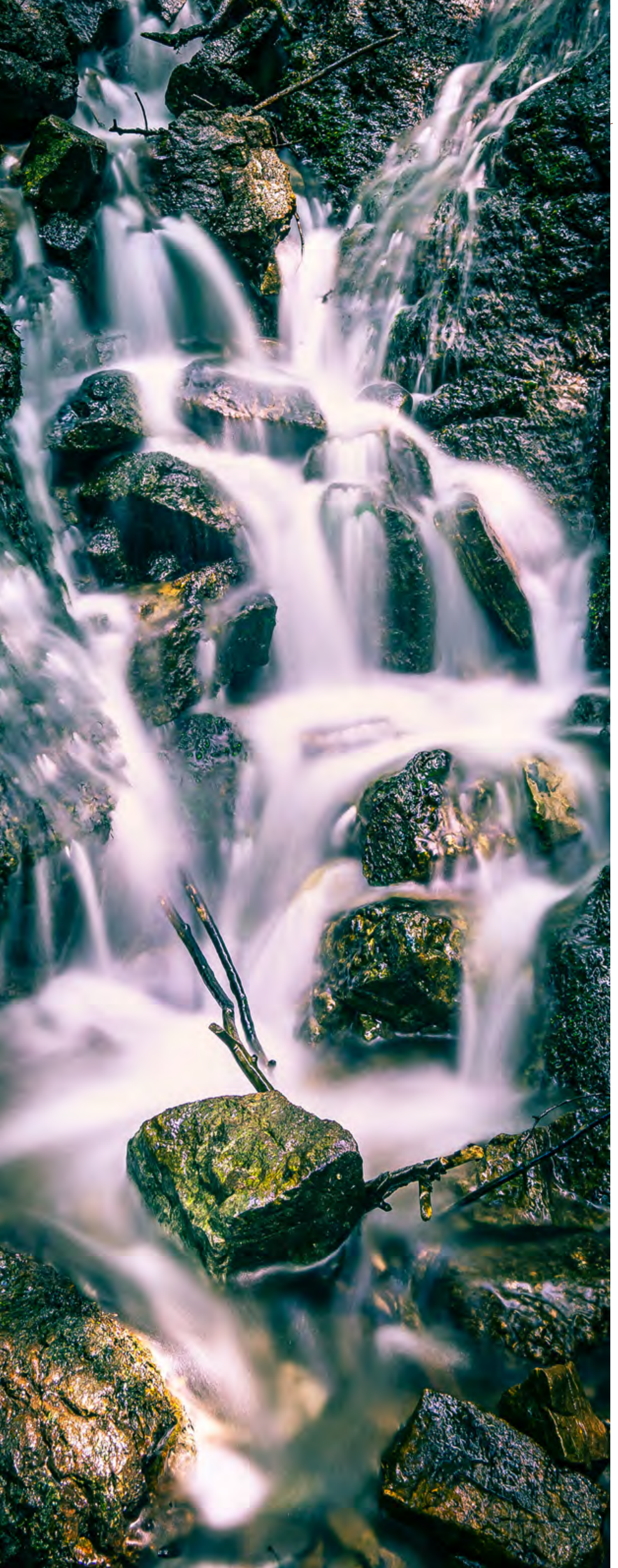
As an independent Swiss private bank, Bergos now had to forge its own identity. We had to formulate our own long-term strategy, establish and pursue very long-term goals, emancipate ourselves from the former parent company, prove our worth as an independent bank in the market, recruit and retain the right employees to pull off this transformation, preserve what was good, forge a new identity as a highly competent, self-confident bank and be publicly perceived as such by the public. All, it was a great opportunity for us, to create a modern, forward-looking bank on the foundation of proven success, one that differs from other banks in a positive way. Above all, however, we had to become a much younger bank. We had to question and where necessary discard long-established ways of thinking, hierarchical management styles, stubborn adherence to cherished traditions and indulging in memories. We had to instil an atmosphere of change much like that which prevails in start-ups or other young enterprises, clearly recognise the challenges of the future, recruit modern-minded, often younger people with a passion for our bank, empower them, and give them the wherewithal to make an impact. In effect, we had to convert an old tanker ship into an ultra-modern, extremely agile speedboat charting a clear course and crewed by a highly motivated team of professionals. And we had to do that in the shortest time, even in the face of unforeseeable crises like Covid-19 and Putin's war in Ukraine. And so the question was (and still is), in what fields of action must we strive?

TRADITIONAL BANKING SERVICES VERSUS ARTIFICIAL INTELLIGENCE AND PRIVATE MARKETS

To begin with, we had to further professionalise our traditional asset management and advisory services. But we also had to critically question everything now and then because there may well come a time, perhaps even soon, when human beings who analyse markets and securities will have to compete with new, automated functions driven by artificial intelligence (AI). They will have to prove their superiority over computer programmes when it comes to analysing large quantities of data. We must take care to defend our core business so that we do not ultimately become nothing more than a clearing and settlement platform competing only with online brokers. It is therefore important not to perceive AI as a threat, but rather as an opportunity. We must recognise the great advantages of AI and put them to use in our day-to-day business while never underestimating the importance of the human factor. In a mid-sized private bank like ours, people will always play a crucial role as intermediaries between investment solutions and clients. Under the leadership of its CIO Till C. Budelmann, Bergos has optimised its investment processes further and thanks to that, produced very good, even excellent results in its first years as an independent bank. Guided by our "human private banking" approach, which is the only one of its kind in the world, we do not focus solely on investments, but consider all factors of the client's life experience such as family, businesses, and other personal circumstances - in short, the person as a whole. By means of this approach, we have staked out a unique place in the market. And even though this "human private banking" approach of ours cannot be replaced with AI, we must nevertheless harness the advantages of AI for our own purposes. As a first step in this direction, we replaced our core banking system, the "heart" of all our IT systems, with a new, ultra-modern system last year. In this way, we laid the foundation that will enable us to put to good use for ourselves and our clients all innovations of the kind developed by fintechs, for example. Besides optimising our existing services, however, we must also be able to offer our clients entirely new services.

As a bank devoted to the management of highly complex assets, we must not only remain competitive in our traditional business, but also above all make it possible for our clients to seize opportunities in private markets. Asset classes like private equity, private debt, real estate, and venture capital are becoming more important by the day and we therefore must include them in our product and service offerings.. After all, this could well be the main way we can differentiate ourselves in the future. In line with our best-in-class approach, we are cooperating with outstanding asset managers and creating platforms from which our clients can invest in these kinds of assets. In fact, they can already invest in venture capital and real estate from our new platforms. Other asset classes will be made available to our clients in the course of 2023. We are far from the final destination and perhaps it is accurate to say that we have only just begun. What really matters, however, is that we have recognised the





necessity of becoming a younger, more modern bank including when it comes to our investment solutions.

DIVERSITY VERSUS THE TRADITIONAL MINDSET OF OLD-SCHOOL BANKERS

No bank can succeed in the world of the future by stubbornly clinging to virtues and traditions that have become entrenched over decades or even centuries, or by dwelling on the good old days and retelling the same old anecdotes. Instead, we need to face the challenges of the future and put to good use the diversity gifted to us by modern life to the benefit of our clients, our bank, and our people. As an enterprise steeped in tradition, we must be careful not to gaze lovingly upon the past, never tiring of trumpeting virtues and values that we may not even be able to assess anymore. Is it not presumptuous to believe we can tell which values and virtues of the past are still valid today, and which are not? Is it not more important and rewarding these days to foster a plurality of values rather than dictating the values, and virtues we expect of our employees and our clients? Are not all values that are embodied in the fundamental order of a liberal democracy and grounded in a Christian conception of human life essentially comparable? And is it not objectionable to proclaim certain values without actually practicing them? Even a cursory glance at the officially stated values of many banks will show that they all appear to be very similar. But if you actually observe the public actions of these banks and their top-level executives, you might indeed wonder if they have truly internalised these values or if they were merely suggested by outside marketing firms. Is it not much better instead to create an environment in which employees and clients of different ethnic backgrounds, skin colours, religions, and genders can work together in the best way possible? Ultimately, that is the best and only way to reflect the cosmopolitan worldviews of our clients and perceive the truly important changes in the world that must be taken into account in making decisions about investments and taking care of highly complex, mostly international assets. Here again, we must become younger and read the signs of the times. The maxim "He who does not move with the times will be removed over time" is truer now than ever before.

EMPOWERING THE NEXT GENERATION

All banks claim to be especially interested in serving the next generation. But if you look more closely, you will realise that they actually only want to win and keep them as clients. After all, they will someday inherit large sums of money, right? But what is new about that, pray tell? Have people not been inheriting wealth for thousands of years? Banks that only now recognise this fact must have been asleep for many years or even decades.

Truly understanding the next generation means something else, namely that the achievements of technology, the availability of information to everyone everywhere and at all times, new ways of conveying knowledge, and new fields of study have permanently changed the lives of younger people in particular. They do things very differently from how we did than we did when we were young. Therefore, they also have different expectations of their bank and their employer. And that is precisely where one must begin. As a bank, we must actively engage with the next generation regardless of how much wealth they

200 YEARS YOUNGER IN JUST TWO YEARS!

possess. And above all, we should seek to learn from them, particularly on the question of how a bank must change in order to remain attractive over the long term. And I am talking about much more than just “cool apps”. When I talk about the next generation, moreover, I mean not “only” clients, but employees as well. After all, they too have completely different expectations of their employer and live their lives differently than we did perhaps 30 years ago.

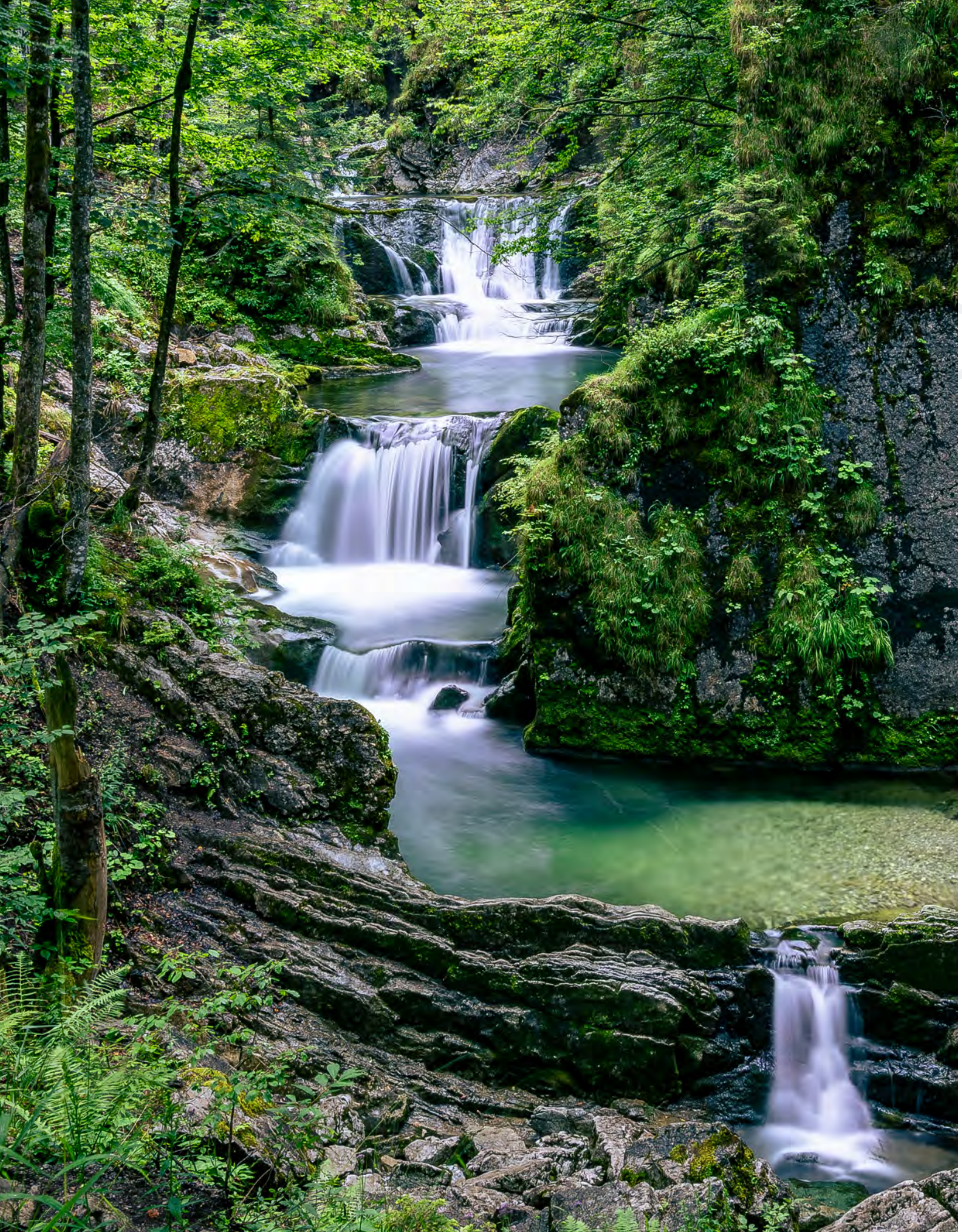
At Bergos, we work closely with the next generation of clients, partners, and employees. It is from them we have learned, for example, the importance of offering platforms that facilitate the free exchange of information on a wide variety of topics and having them tested by the next generation. Another thing we have learned from them is that the need for human contact, human interaction, and face-to-face conversation is great and is perhaps even growing in spite of the myriad possibilities of digitalisation. Here too, our “human private banking” approach comes into play. We accommodate these very wishes in our five communities.

As a clear sign that we have no intention of folding the new world of the next generation into the old world, much less subordinating the former to the latter, but rather regard them as people in their own right who are of great importance to our bank, we have created a dedicated website for the next generation, separate from the bank’s regular website, at www.bergosnext.ch. This is where we present content created specifically for our next-generation communities such as articles on particular topics, podcasts, events, etc., in a special design. To our knowledge, we are the only bank to date to offer such a website designed specifically to meet the needs of the younger generation. Finally, we go to great lengths to promote young employees. We strive to be seen as a highly attractive employer where young people are given project responsibilities at a very early stage of their employment so that they can see and feel the impact of their work. This aspect of our work also makes it clear that even a bank with an illustrious history is in need of rejuvenation.

As the CEO of Bergos, whom the seller has given the privilege of organising and driving the legal separation of our bank from the Berenberg Group and the acquisition of our bank by outstanding entrepreneurial families, and whom the new co-owners have given the task of transforming

our organisation into a modern, contemporary bank, I quickly realised the paramount necessity of becoming a much younger bank, in spite of our many long-established traditions. This transformation must be reflected everywhere: in our In our product and service offerings. The way we treat each other. The way we think. And the way people perceive us. It is also in this light that our various advertising motifs must be seen. They are different, fresher, sometimes even rather cheeky and humorous. Above all, they show that we do not take ourselves too seriously, despite the seriousness of our business.

When the Chairman of our Board of Directors said to me recently: “We have succeeded in making Bergos 200 years younger in just two years”, it became very clear to me that we are on the right track. And in the next two years, we will need to make Bergos another 230 years younger!



03

BUSINESS
DEVELOPMENT STATEMENT/
STATUS REPORT

The Management of Bergos AG

DR. PETER RASKIN

MARKUS ZWYSSIG

TILL C. BUDELMANN

The Management of Bergos AG

MACROECONOMIC ENVIRONMENT

War in Europe, energy crisis, and the highest inflation in more than 40 years in many parts of the world: Rarely has the global economy had to absorb as many concurrent shocks as in 2022. After a good start to the year, the Russian invasion of Ukraine and the rise in energy and food prices dampened or even stalled the economic recovery from the Covid-19 pandemic in many parts of the world from late February onward. Thanks only to the strong start at the beginning of the year, the global economy expanded by around 3.0% in 2022, after growth of around 6.2% in 2021 when the global economy recovered remarkably fast from the deepest recession in the post-WW II era. The main drivers of economic growth weakened progressively over the course of 2022. As a further exacerbating factor, nearly all the major central banks of the world were late in tightening the reins of monetary policy (which they then proceeded to do with great vigour, however) in a bid to get rampant inflation under control.

In the United States, the oversized fiscal stimulus with which the country had supported consumer demand in the pandemic years of 2020 and 2021 finally ran out last year. After initially recovering relatively quickly from the economic consequences of the pandemic, the United States posted economic growth of only 2.1% in 2022, less than many other regions of the world. By contrast, the Eurozone still managed to generate economic growth of 3.5% in 2022 after 5.2% growth in 2021, following the 6.5% contraction in economic output in 2020. The economic growth in 2022 was especially supported by the service sector. Particularly in the summer and despite the high prices, quite a few consumers dipped into the savings they had accumulated during the pandemic lockdowns, when restaurants and cinemas were closed. After treating themselves to somewhat normal summer holidays again, many consumers refrained from further spending in the autumn and winter due to the extraordinarily high energy and food prices.

With economic growth of around 2% in 2022, Switzerland lagged behind many other countries in Europe, but that was mainly due to the fact that the country had initially fared much better during the pandemic, at least economically, than other countries such as Germany, France, Italy, the United Kingdom and for that reason the

Swiss economy did not have as much to make up after the pandemic. Thanks to the high proportion of renewable energy in the Swiss energy mix, the burst of inflation unleashed by Putin's war against Ukraine, especially in Europe, was comparatively mild in Switzerland.

After having recovered rather well initially from the first waves of the pandemic in 2021, China's economy was increasingly hampered by the consequences of the Chinese government's rigid zero-Covid strategy over the course of 2022. In response to the spread of ever more contagious virus variants, China was forced to shut down the world's biggest port in Shanghai for nine full weeks in the spring. For that reason, China only generated growth of 3.0% in 2022.

There are already signs of considerable divergences in some cases between the world's major economies in 2023. Europe has apparently been able to avoid natural gas shortages. Therefore, economic growth could take off again in the spring or summer after slowing in the winter. Also, in Switzerland, the economy could restart again in the spring or summer after the winter slump. In the United States, the exceptionally aggressive reversal of monetary policy could trigger a temporary phase of weak economic growth. In China, the sudden abandonment of the zero-Covid strategy may initially fuel a brief growth spurt, but it will probably fade already in the autumn under the weight of the growing structural problems.

Factors such as the winter growth pause in Europe and lessening momentum in the United States, as well as the slow but steady easing of supply chain logjams, could lead to diminishing price pressures in the further course of 2023. Also considering the fact that the sharp rise in energy and food prices in 2022 will no longer show up in the year-on-year price comparisons, the rate of inflation could fall back to near 3% in the United States and in the Eurozone and even to around 1.5% in Switzerland by the end of 2023. In view of the worsening scarcity of workers in key sectors and the higher costs of achieving worthy climate protection goals, inflation rates could nevertheless remain higher than in most periods during the last ten years.

Highlights of 2022

JANUARY - RE-LAUNCH OF OUR WEBSITE

We began the year with exciting news: a new website! Since then, www.bergos.ch has attracted over 25'000 visitors who enjoy following our insights, our market commentaries, our regular podcasts, and our various news.

JULY – COOPERATION WITH BANK SEELIGER

The German private bank Bankhaus Seeliger in Wolfenbüttel, the founding of which dates back to 1794, announced that it will cooperate with Bergos for the purpose of offering modern, internationally oriented asset management services to its clients, to be provided by Bergos.

MARCH – TILL BUDELMANN BECAME PART OF OUR MANAGEMENT

In the Spring, the Board of Directors announced that it has appointed Mr. Till Christian Budelmann as the new member of the Executive Management Board. He joined Dr. Peter Raskin, CEO and Managing Partner, and Mr. Markus Zwyssig, Managing Partner, in heading our bank`s strategic development and operational management as the third member of the Executive Management Board.

JUNE – AWARDS

In the Summer, we were delighted to share the recognition our bank has won at the prestigious international Indigo Design Awards: Gold in the three categories: Branding; Website Design; Banking & Finances, and Silver in Animation & Illustration for Websites. In addition, Bergos was honoured to receive a number of significant design awards for its brand and website, as well as the new Bergos Next website. Especially notable are the German Design Award, several categories of AWWWARD, several categories of CSS Design Award.

JUNE – OUR NEW CORE BANKING SYSTEM

As Goethe said: "A man who intends to work rightly must select the most effective instrument." In June, we announced that our bank will take a significant step in its digital transformation: The introduction of new, customized solution for its Core Banking System. The path of optimization, development and innovation we are set out on serves one goal: to better meet the needs of our clients and make their experience with the bank as optimal as possible.

OCTOBER – NBS ALLIANCE

In October, real estate investor NAS, consulting firm Sollors & Co. and Bergos launched an investment platform for private markets, the NBS Alliance, which provides access to a multi-dimensional real estate portfolio. The first property purchased was the 88-meter high Horizon Tower in Eschborn near Frankfurt, encompassing 41,000 m2 of rental space.

DECEMBER – THE NEXT WEBSITE

A creative take on a traditional industry: Bergos NEXT is important to us! So we decided to create a stand-alone website and unique identity that represents the creative community of NEXT entrepreneurs, investors, innovators, collectors, movers and shakers. A fresh look showcasing dedicated content that stays true to our rich heritage. We are, after all, at the same time the second oldest bank in the world and the youngest!

OCTOBER – AD CAMPAIGN

An unusual, new approach to positioning a bank? Maybe! We believe that advertisement should do more than just "sell" products. It should make people smile, be witty and maybe a little provocative, and it should spark thoughts and conversations. In the Fall of 2022, we launched an advertisement campaign that does just that.

DECEMBER – THE YEAR OF PODCASTING

52 podcasts published on various topics, most of them in both German and English, which makes close to 100 sessions recorded.

NOVEMBER – SUMMA CUM LAUDE

In November, the "Elite Asset Managers Report" (Handelsblatt) named Bergos as one of the best asset managers in the German-speaking world, with the highest grade of "summa cum laude", for the second year in a row.

DECEMBER – CHRISTMAS INITIATIVE CHILDREN'S HOME

Children's eyes lit up at this year's Christmas charity event: Bergos employees fulfilled the wish lists of the four to fifteen-year-olds at the Weidheide children's home in Zurich. They bought the wished gifts, wrapped them and handed them over to the caregivers. In addition, they donated money for a vacation camp in the summer.

Financial Year

PROFIT

2022 will go down in history as the worst year for capital markets since the 2008 financial crisis. Neither stock markets nor bond markets could escape the downward spiral triggered by the war in Ukraine and the accompanying effects of rapidly rising energy prices, high inflation, and sharply higher interest rates. Many investors suffered heavy performance losses as a result.

In this uncertain market environment, many investors stayed on the side lines, which had a negative effect on securities trading volumes and therefore also commission income.

Whereas asset-based fee income was practically unchanged from the preceding year, the Bank was able to improve its net interest income significantly thanks to active treasury management after the end of the period of negative interest rates and the unexpectedly fast and sharp rise in interest rates beginning in the second half of the year.

Net operating income increased by 24% from CHF 4.38 million in the previous year to CHF 5.48 million in the past fiscal year. Profit after tax amounted to CHF 4.42 million, that being 11.3% higher than in the previous year.

ASSETS UNDER MANAGEMENT

Client assets under management and administration decreased slightly by 2.4% to CHF 7.1 billion (including custody accounts), mainly due to the negative market performance. On the other hand, new business exhibited a positive development despite the adverse market conditions. Net new client funds rose to CHF 388 million in 2022.

ASSETS UNDER MANAGEMENT

in CHF billion

BALANCE SHEET

Due to the interest rate turnaround over the course of the year and a professionalised approach to asset/liability management, our balance sheet was much more actively managed than in the preceding years. Treasury Management invested in top-quality interest-bearing securities, interbank deposits and interest rate swaps, generating considerable extra income that increased the Bank's operating performance. Towards the end of the year, moreover, the more attractive interest rates increasingly motivated our clients to reduce their cash holdings and transfer them to interest-bearing investments. As a result, the Bank's total assets declined by CHF 77 million to CHF 751 million. Due to the Bank's focus on off-balance sheet activities, its lending activities are mainly limited to Lombard-secured loans to clients. At the end of the year, the Bank held first-class bonds worth CHF 124 million in its investment portfolio.

EQUITY CAPITAL

At the end of the past fiscal year, the Bank's eligible equity capital amounted to CHF 36.3 million, slightly higher than in the previous year. Thus, the Bank's equity capital is well above the minimum level required by the Swiss Financial Market Supervisory Authority (FINMA). The total capital ratio of 19.2% was higher than in 2021 (18.0%) and well above the minimum 10.5% ratio required by the regulator. Bergos AG also handily meets the FINMA's requirements for bank lending and liquidity. At 4.8%, the Bank's Basel-III leverage ratio is above the required minimum of 3%. The Liquidity Coverage Ratio (LCR) at the end of 2022 was 247.6%, considerably higher than the threshold ratio of 100%. This short-term liquidity ratio is meant to ensure that the Bank holds sufficient liquid assets at all times to cover short-term liquidity outflows.

INCOME FROM OPERATING ACTIVITIES

The operating income generated in 2022 totalled CHF 42.8 million, that being roughly 12% higher than in the previous year. Commissions and service fees still represent the Bank's main source of income. At CHF 29.7 million, the income generated from these activities was 3% higher than in the previous year. The changed interest rate environment presented attractive opportunities for balance sheet management and was a major factor contributing to the improved operating result in 2022. The Bank's net interest income more than doubled to CHF 8.2 million.

The lower transaction activity also affected the Bank's trading income and result from the fair value option, which came to CHF 4.9 million, 13% less than in the previous year. In line with its prudent risk policy, the Bank only conducts trading activity on behalf of its clients and does not keep its own trading book.

OPERATING EXPENSES

Bergos AG continues to pursue a strategy of continuous and sustainable growth. Such a growth strategy can only succeed with the aid of employees who are committed to providing holistic support on the basis of a business model that is completely geared to fulfilling the needs of the Bank's clients. For this reason, our investment activities in the past fiscal year were focused on developing our human resources and optimising the range of products we offer to our clients.
The Bank's operating expenses increased by nearly 9% from CHF 32.6 million in the previous year to CHF 35.4 million in the past fiscal year. The increase resulted mainly from the higher average number of employees. Nevertheless, we managed to reduce the cost-income ratio from 85.8 % to 82.8%.

PERSONNEL AND NON-PERSONNEL EXPENSES

The personnel expenses of CHF 25.6 million were 5% higher than in the previous year. We want to serve our demanding clientele with first-class, comprehensive, long-term advice. Based on our conviction that the most important success factors in private banking are personal service, utmost professionalism, and a holistic approach to advisory services, we invest not only in the training of new employees, but also in the continuing education of our existing staff. Compared to 2021, general and administrative expenses increased significantly by 19% to CHF 9.8 million as a result of the investments made in a new banking system.

EMPLOYEE HEADCOUNT

At the end of 2022, our Bank had 112.1 employees on an adjusted full-time equivalent basis, that being roughly 2% fewer than in the previous year (113.7).

EMPLOYEES

on a full-time equivalent basis

DEVELOPMENT ACTIVITIES

The Bank expanded its offering of products and services in the past fiscal year. In addition to a US tech stock strategy, we launched the Bergos Alternative Credit Fund, which invests in the semi-liquid credit market. Our advisory services were enriched by the addition of ESG-centred advice.

In the real estate sector, we developed an investment platform with the NBS Alliance, which will cover investments across the capital structure on the basis of personalised risk-return preferences. Members of the NBS Alliance include Bergos AG, the real estate investor NAS Invest, and the corporate finance and asset

management firm Sollors & Co. NBS Alliance executed the first joint real estate project, the Horizon Tower Frankfurt Eschborn, in the form of a club deal.

The Bank's cooperation activities were extended to include a new partner whom we advise on the management of its asset management mandates.

TECHNOLOGY

To accelerate the digital transformation and optimise its work processes, the Bank conducted a comprehensive system evaluation in April 2022, on the basis of which it then introduced a new core banking platform as a first step. After a very brief project phase, the new platform was put into service on 1 January 2023. In the coming year, we will also implement a new advisory platform that will raise the quality of the advice we provide and the client experience to a completely new level. Digital support will permanently simplify and harmonise the client advisory process and ensure a uniformly high level of service quality. Thanks to the associated reduction of administrative expenses and added freedom of action, our advisors will be able to focus even more on fulfilling the individual needs of their clients.

RISK MANAGEMENT

The Board of Directors continually addresses the principal 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 describes the tools and organisational structures used to identify, assess, monitor and report the defined risks within each risk category. Suitable processes have been established to ensure the timely identification and assessment of newly arising risks. The Bank's independent control units monitor risks and compliance with internal guidelines and the legal and regulatory requirements. Compliance and Risk Control regularly submit activity and risk reports to the Bank's top governing body. These reports describe the most important risks to which the Bank is exposed, along with the risk-minimising measures and controls implemented to avert financial losses and reputation risks.

04

REPORT

BUSINESS DIVISIONS / EMPLOYEES

DR. DOMINIK HELBERGER
Head of Private Banking International

JÜRG SONDEREGGER
Chief Risk Officer

VANESSA SKOURA
Head of Geneva Office

PHILIPP WÜRMLI
Head of Private Banking Switzerland

Extended Executive Board

PRIVATE BANKING

In line with our corporate philosophy of "Human Private Banking", our core service is designed to serve individual human beings. We provide comprehensive support to our clients in consideration of their overall life experience, meaning all aspects of life that could influence their wealth directly or indirectly. This approach looks beyond concrete investment decisions to contemplate all events arising from the client's life circumstances such as marriage and family, endeavours, and passions. Life-defining events can sometimes have much more consequential effects on one's wealth than concrete investment questions, such as whether to invest in Fund A or Fund B or in this stock or that stock. That is why we always focus on the individual.

Applying the amount of assets to be managed as a client segmentation criterion, like many asset managers do, is not compatible with our philosophy. Instead, we have assembled teams who specialise in the life experience of our clients.

FAMILY BUSINESSES

Bergos is a bank owned by entrepreneurial families. And that is why we are thoroughly familiar with the particular needs of family businesses. We often serve families across several generations. We consider the long-term protection and growth of our clients' wealth to be our primary mission.

WEALTHY INDIVIDUALS

We have an advanced understanding of the opportunities and challenges of complex private wealth. Such wealth is often established after the sale of businesses. Working with the client, we devise a financial plan, structure the client's wealth, and recommend investments that suit the client's needs.

MARITIME

Bergos has a long tradition of serving clients in the shipping industry. We have actively worked with international shipowners, shipping companies, holding and treasury companies, brokers and P&I Clubs in an atmosphere of trust and confidence for many long years. Backed by our in-depth knowledge of this sector, we can provide forward-looking, needs-based support to our shipping clients. We offer not only traditional asset management services, but also access to alternative forms of financing, as well as effective cash management and foreign currency management services.

Report on the 34th Financial Year

NEXT GENERATION

Taking responsibility for great wealth requires skill and experience. It should not become a burden for succeeding generations. That is why we have established a specialised Next Generation Desk as part of our NEXT Initiative. This is where we serve younger clients and teach them about investment through education programmes, event series, and networking events. This initiative helps the next generation find their way in the world of finance and often enough also in the world of business. It also helps them build a network of contacts. Our approach is rooted in the conviction that we must and can learn from the younger generation. We listen actively and add to our service offerings with the aim of meeting the special needs of a new generation of entrepreneurs, investors, thinkers and doers.

Bergos has defined various core markets in which most of our clients are at home. Our clientele is very international. And for that reason, our advisors possess extensive expertise in serving clients from many different parts of the world and taking their specific needs into account. Moreover, we have considerably enlarged our client base in Switzerland in the last few years. We intend to employ additional Swiss advisors as we continue to expand this work, not only from our headquarters in Zurich, but also from our branch in Geneva as the second most important financial centre in Switzerland, where we serve both Swiss and international clients.

INVESTMENTS

Bergos advises individual and institutional clients on the basis of their particular needs and preferences. We see ourselves as a long-term partner, one that first devises a strategy in consultation with the client and then implements the strategy either by way of an asset management mandate or an advisory mandate (“Active Advisory”).

The Chief Investment Office is responsible for formulating the Bank’s capital markets strategy. To this end, it coordinates a top-down analysis at the Bank. Interdisciplinary teams of experts draft in-depth assessments of macroeconomic developments (including central bank policies), equities, bonds, alternative investments and currencies. These assessments are presented to the Investment Committee, which serves as the central decision-making body for all questions related to the Bank’s investment strategy. Under the leadership of the Chief Investment Officer, the Investment Committee adopts the official capital markets strategy of Bergos, which forms the basis for all its investment decisions.

ASSET MANAGEMENT

Our asset management services are ideal for clients who do not wish to be constantly preoccupied with markets and investment issues. After we first define an investment strategy and objectives in consultation with the client, our experienced investment specialists manage the client’s investment portfolio. We offer our clients a wide range of discretionary investment strategies. Apart from bespoke strategies, our clients often take a strong interest in our core strategies such as “Core”, “Global ETF” or “Direct”.

We have expanded our selective stock-picking approach by considerably enlarging our analysis and portfolio management capacities. As a result, our clients can choose from a number of different regional portfolio modules: Global, Europe, USA, and Switzerland. We also offer specific strategies both on a single-stock basis and a fund basis.

ACTIVE ADVISORY

Our Active Advisory team is ideal for those clients who would rather make their own investment decisions on the basis of sound advice. The client has the option of determining the level of support provided by choosing one of three models that differ in terms of support intensity, frequency of advice and scope of monitoring.

In cooperation with external partners, we offer our clients an array of investment options comprising a large number of stocks, bonds and funds. Our experts generate recommendations for all key asset classes on the basis of the Bank’s official capital markets strategy.

ESG

We have enlarged the universe of ESG-conformant investment options and incorporated ESG into our advisory process. Our clients have the option of pursuing sustainable investment strategies in discretionary portfolio management, advisory mandates and/or investment funds.

Report on the 34th Financial Year

BERGOS FLEMING AG

This joint venture between Bergos (51%) and R.J. Fleming & Cie (49%) is an internationally active Multi-Family Office. It provides analytic support and advises clients in the investment of complex assets in all common asset classes. Particular emphasis is placed on structuring wealth for future generations. Aside from monitoring and supervising the asset managers we employ, we coordinate and supervise the overall investment strategy. We also offer services for succession planning and governance, as well as international corporate finance transactions.

ART CONSULT

Bergos Art Consult studies new and established trends in the world of art. We conduct thorough analysis as the basis for specialised recommendations tailored to the specific needs of our clients. Once a year, we appraise and review the collections entrusted to us and calculate their market value. The Art Consult Department sees itself to be a service provider. Thus, we do not primarily "sell" art; instead, we seek to provide conscientious advice and help our clients make sound decisions and avoid mistakes in their national and international transactions. Once again, our clients were highly satisfied with our services in the 2022 financial year.

EMPLOYEES

Human Private Banking: This statement of our Bank's positioning essentially expresses our conviction, strength, and aspiration to always place theperson at the centre of all our efforts. We take the same approach not only towards our clients, but towards our employees as well. As a values-driven enterprise, we can only be successful when our employees – whether client advisor or member of a corporate staff department – work together with our clients in an atmosphere of trust.
Then again, values are personal! They are formed and reinforced by one's personal context, experiences, and convictions. That is why we at Bergos do not dictate corporate values, but live out a culture that embraces a pluralism of values. Each Bergosian must know the values that drive, sustain, and inspire him or her. Nevertheless, we have agreed on three principles that represent the non-negotiable basis of all our activities.

RESPECT

Respect for the wishes and rights of others is the foundation of our culture. It is an indispensable prerequisite for our business and our lives.
We always show respect in all our dealings.

EMPATHY

The ability and willingness to understand the wishes and needs of other people from their perspective are essential for us. We always strive to understand the people we deal with.

OPEN-MINDEDNESS

We appreciate the infinite curiosity of human beings. A strong desire to learn more and a great interest in everything around us are fundamental: We are always open-minded.

We launched new initiatives to make Bergos an even more attractive employer in 2022.
As an expression of our active commitment to gender equality at our Bank, we introduced a paternity leave lasting up to 14 weeks. It is specifically meant to facilitate the re-integration of mothers into professional life.
Philanthropy is important to us. We grant our employees up to two days' paid leave a year to volunteer their time in support of charitable causes.
We have established a women's network and held a first event with our Board of Directors member Patricia Guerra.
We offer regular "Lunch & Learn" sessions, including with our Board of Directors member Silvie Mutschler-von Specht, to promote continuing education and the open exchange of ideas and opinions.

At the end of 2022, our organization had 112.1 employees (adjusted for part-time working), 52 of whom are female and 69 male. The average age of the women is 39, that of the men 43. With ten different nationalities, we are delighted about the many cultural backgrounds that make our team what it is.

Our team Bergosians are the heart, soul and face of our bank and shape our clients' experience with us. on a daily basis. We thank our Bergosians for their dedication and extraordinary work.

BUSINESS DIVISIONS / EMPLOYEES

Report on the 34th Financial Year

Focus on: Art in the year 2022 – Fineart as the mirror of society

DR. THOMAS KELLEIN
Head of Art Consult

More than ever, the world was a place on the move in 2022. As is well known, fine art serves as a perfect, often prophetic mirror of society, particularly in times of crisis.

In early January 2022, several weeks before the outbreak of the approaching war, we expressed the sentiment of many artists when we wrote "We are looking at the face of autocrats who will either encircle Ukraine or incite an attack on the capitol on the basis of an allegedly fraudulent election." We expressed our wish for "world art without war". Considering the likewise planned attack on government buildings in Brasilia that began in early 2023, there has been very little in the way of real change since then.

Our world is prone to many threats. Art responds to these threats with clairvoyance and clearly defined positions. That is perhaps why the art world has not been gripped by an economic crisis despite the war against Ukraine that began in February 2022 and the ensuing disruptions to the global economy. On the contrary, many auction houses and numerous galleries reported record sales. The calendar of international art shows was filled as much as before the pandemic.

Artists were more active and politically engaged than ever. The art world spoke out strongly against the Ukraine war that began in late February and against the suppression of the democracy movement in Iran that began in the autumn. Major Western museums showed their solidarity. The National Gallery in Berlin kept their doors open day and night for a full weekend, the museum naming itself "Our Space to Help" during this time.

In October, November and December, well-known artists, chief among them Shirin Neshat, staged spectacular performances in support of the democracy movement in Iran at the biggest art houses in New York and San Francisco. For the first time ever, the Biennale di Venezia held in 2022 showcased almost only female artists and was met with great acclamation in the art world. The show title "The Milk of Dreams" was meant as a message of peace. A large percentage of the almost two hundred female artists whose work was displayed at the Venice Pavilion and Arsenal had never before participated in an international art show. Many of the female artists who had not yet been discovered before 2022 were taken up by renowned galleries over the course of the summer.

At one of the world's leading private collections, the Rubell Collection in Miami, young artists from Accra, the capital of Ghana, were invited to serve as Artists in Residence, in a clear sign that the great respect for people of colour, which has been growing in the last few years, also extends to young artists who come directly from Africa. While the art world was especially vigilant and critical throughout the past year, an art auction in New York featuring 61 major works, both classically modern and contemporary, by the artist Paul Allen, who passed away in 2018, posted record sales of US$ 1.5 billion in late November. Never before had fine art so impressively proved its worth as an asset class.

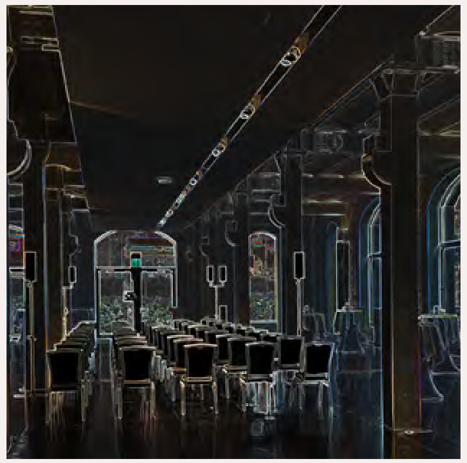
In essence, fine art expresses concern about our world, but also the quest for beauty wherever it is still lacking. Also from an economic perspective, it seeks to prove and that art is humanity's "greatest good". An emotional asset without equal.

As much as the most successful art sales in 2022 were associated with names like Andy Warhol, Claude Monet and Pablo Picasso, the high prices paid for the works of these and relatively few other artists are still the exception. The great majority of artists, well over than 90 percent, are hardly even known by name. Thus, the "greater good" they also pursue is only seldomly correlated with big money.

Insofar as something like systemic love can be credited to the world of fine art, it would be the always committed, often especially emphatic advocacy for human progress and democratically structured societies, which has united the art world now more than ever before.

FOCUS ON: ART MARKET

Focus on: Next Weekend 2022



The second "Bergos Next Weekend" held in September 2022 brought roughly 50 next gens to Hamburg. The city on the Elbe is still a very special place for us as the home of our former parent company, which was founded there in 1590.

"With our Next Weekend, we want to not only impart knowledge, but also foster exchanges among the members of this group; after all, many have similar questions and can learn from and support each other", said Dennis König, Head of the Next Generation Desk.

The event programm was just as diverse as the underlying motivation. After the first day, when Board of Directors member Claus-G. Budelmann gave his welcome address at the Anglo-German Club, the second day was devoted to lectures and presentations. Bergos Board of Directors member Dr Andreas Jacobs spoke about corporate responsibility, taking cocoa production as an example, and Nils Kohle spoke about his real estate start-up OWNR. The programme concluded with a tour of the Prototype Car Museum in the HafenCity district of Hamburg.

05

DETAILS

CORPORATE GOVERNANCE

Corporate structure

As of March 1st 2023, 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

MARKUS ZWYSSIG
(COO / CFO)

- IT / FACILITY
- CLIENT SUPPORT SERVICES
- BUSINESS PROJECT MANAGEMENT
- ACCOUNTING & CONTROLLING
- TRADING & EXECUTION
- BUSINESS INTELLIGENCE

TILL C. BUDELMANN
(CIO)

- CIO-OFFICE
- ACTIVE ADVISORY
- ASSET MANAGEMENT
- ART CONSULT
- CREDIT SERVICES
- PRODUCT MANAGEMENT / DEVELOPMENT

EXTENDED MANAGEMENT:

PHILIPP WÜRMLI
(HEAD OF PRIVATE BANKING CH)

- KEY CLIENTS
- EXTERNAL ASSET MANAGEMENT (EAM)

DR. DOMINIK HELBERGER
(HEAD OF PRIVATE BANKING INTERNATIONAL)

- MARITIME
- FAMILY ENTREPRENEUR
- INTERNATIONAL
- CLIENT ADVISOR
- OLYMP
- BUSINESS MANAGEMENT

VANESSA SKOURA
(HEAD OF GENEVA BRANCH)

- BERGOS FLEMING AG

JÜRG SONDEREGGER
(CRO)

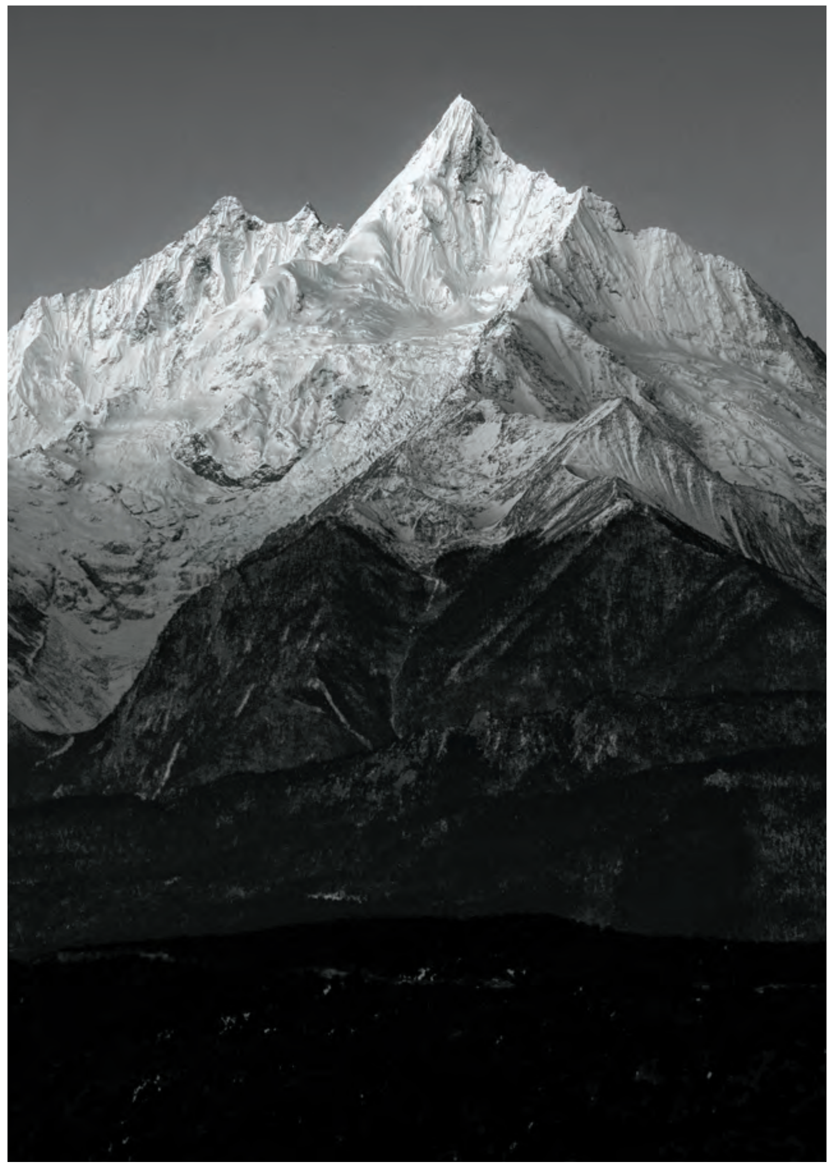
- LEGAL
- COMPLIANCE
- CLIENT ON-BOARDING
- RISK CONTROL
- TAX SERVICES

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 *(Adrian T. and Andreas W. Keller Family)*
24%	**CENTINOX B AG** HERGISWIL *(Michael Pieper Family)*
10%	**CLAUS-G. BUDELMANN** HAMBURG
10%	**NIANTIC HOLDING GMBH** HAMBURG *(Dr. Andreas Jacobs)*
9.5%	**A & S BETEILIGUNGEN AG** ZUG *(Sylvie Mutschler-von Specht Family)*
7.5%	**CARETINA VERMÖGENSVERWALTUNG** HAMBURG *(Hendrik de Waal)*
6%	**SAMUM VERMÖGENSVERWALTUNG** HAMBURG *(Dr. Hans-Wilhelm Jenckel)*
5%	**DR. PETER RASKIN** GRÜNINGEN
4%	**OTHERS**



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 AG's eligible equity amounted to CHF 36 million. The ratio of eligible equity to required equity, as stipulated by Basel III, was 240%. Therefore, our ratio remains significantly above the equity capitalisation requirements.

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.

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

In der Geschäftsleitung seit 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

Lic.iur. Unversity of Genenva

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

Member of the Board of Directors since 2019

MICHAEL PIEPER

CEO and Owner 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.

Report on the 34th Financial Year

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 an absolute majority of its members is present. According to the rules of procedure of the Board of Directors, votes and elections require an 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 specifically 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 assists 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 Cataldo Castagna, 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

	31.12.2022	31.12.2021
	TCHF	TCHF
Cash and cash equivalents	88.532	158.405
Due from banks	263.361	393.635
Due from clients	260.107	251.738
Trading transactions	0	0
Positive replacement values of derivative financial instruments	3.159	4.019
Financial assets	124.469	12.911
Accrued income and prepaid expenses	3.970	2.944
Participations	56	56
Fixed assets	3.522	1.238
Other assets	3.325	2.615
Total assets	**750.501**	**827.561**
Liabilities		
Due to banks	2.487	7.363
Due to client deposits	697.074	771.432
Negative replacement values of derivative financial instruments	3.250	4.573
Accrued expenses and deferred income	7.676	6.684
Other liabilities	942	1.466
Provisions	599	199
Share capital	10.000	10.000
Statutory profit reserve	137	2.900
Voluntary profit reserves	3.100	22.007
Equity capital	23.851	-3.063
Retained earnings carried forward	-3.063	31
Profit	31	3.969
	4.417	
Total liabilities	**750.501**	**827.561**

Off-balance-sheet transactions	31.12.2022	31.12.2021
	TCHF	TCHF
Contingent liabilities	9.642	10.267
Irrevocable commitments	1.470	1.508

Income statement

Income and expenses from ordinary banking activities	2022	2021
	TCHF	TCHF
Interest income		
Interest and discount income	6.757	2.116
Interest and dividend income on trading activities	1	1
Interest and dividend income on financial assets	405	70
Interest expenses	1.023	1.347
Gross interest income	8.186	3.534
Changes to valuation adjustment for default risks and interest losses	0	0
Subtotal net interest income	**8.186**	**3.534**
Commission and service-fee income		
Commission income on securities and investments	30.601	30.819
Commission income on lending activities	128	124
Commission income on other services	1.152	576
Commission expenses	-2.161	-2.626
Subtotal commission and service-fee income	29.720	28.893
Income from trading activities and the fair value option	**4.868**	**5.606**
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	-25.616	--24.357
Other administrative expenses	-9.789	-8.249
Subtotal operating expenses	-35.405	-32.606
Valuation adjustments to shareholdings, depreciation and amortisation	-1.370	-1.005
Changes to provisions and other valuation adjustments as well as losses	-517	-42
Annual profit	**5.482**	**4.380**
Extraordinary income	27	577
Taxes	-1.092	-988
Profit	**4.417**	**3.969**

Allocation of retained earnings

	31.12.2022 TCHF	31.12.2021 TCHF
Profit	4.417	3.969
Retained earnings	31	31
Unallocated retained earnings	4.448	4.000
Allocation of retained earnings		
- Allocation to the general statutory profit reserve	-1.763	-200
- Distribution from unallocated retained profit	-512	-1844
- Distribution from retained earnings*	-2.142	-1.925
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
Further contributions/deposits		137						137
Acquisition of equity capital								0
Sale of treasury shares								0
Effects of the subsequent valuation of own capital shares								0
Dividends and other distributions							-1.925	-1.925
Other allocations (withdrawals) to the reserves for general banking risks								0
Other allocations (withdrawals) to the other reserves			200		1.844		-2.044	0
Profit/loss (profit for the reporting period)							4.417	4.417
Equity at the end of the reporting period	10.000	137	3.100	0	23.882	-3.063	4.417	38.473

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 112.1 employees (previous year: 113.7). The average annual number of full-time positions is 115.2.

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 124 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 reduced 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 focussing 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.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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 to 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 are 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 measures 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 31.12.2022	Rate on balance sheet date 31.12.2021
EUR	0.9850	1.0338
USD	0.9249	0.9145
GBP	1.1160	1.2351
JPY	0.6999	0.7941
CAD	0.6823	0.7182
SEK	8.8415	10.0786

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 after 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 effected 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-contribution 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 option 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 recognised 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

All property and equipment are now depreciated over 5 years. As a result, there will be no depreciation expenses in the area of software of around TCHF 180 for 2022.There were no other changes to the accounting and valuation principles.

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	257.248	2.859	260.107
Total loans (before netting with valuation adjustments)				
Reporting year	0	257.248	2.859	260.107
Previous year	0	249.282	2.456	251.738
Total loans (after netting with valuation adjustments)				
Reporting year	0	257.248	2.859	260.107
Previous year	0	249.282	2.456	251.738
Off-balance sheet				
Contingent liabilities	0	9.577	65	9.642
Irrevocable commitments	0	1.470	0	1.470
Total off-balance-sheet				
Reporting year	0	11.047	65	11.112
Previous year	0	11.749	26	11.775

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	0	0	0	0

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	31.12.2022 TCHF	31.12.2021 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	31.12.2022 TCHF	31.12.2021 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. 31.12.2022	Negative repl. val. 31.12.2022	Contract volumes	Positive repl. val. 31.12.2022	Negative repl. val. 31.12.2022	Contract volumes
Interest instruments						
- Future contracts incl. FRAs	0	0	0	0	0	0
- Swaps	0	0	0	0	268	31.713
Foreign exchange						
- Future contracts	3.159	2.982	315.542	0	0	0
Total before netting agreements						
Reporting year	4.019	4.573	526.205	0	268	31.713
Previous year	4.019	4.573	526.205	0	0	0

Total after netting agreements	Pos. replacement values (cumulative)	Neg. replacement values (cumulative)
Reporting year	3.159	3.250
Previous year	4.019	4.473

Breakdown according to counterparties	Central clearing offices	Banks and securities dealers	Other clients
Positive replacement values after netting agreements	0	1.837	1.322

Financial assets	Book value 31.12.2022 TCHF	Book value 31.12.2021 TCHF	Fair value 31.12.2022 TCHF	Fair value 31.12.2021 TCHF
Debt instruments	124.469	12.911	122.682	12.912
- Thereof: intended to be held to final maturity	124.469	12.911	122.682	12.912
Total financial assets	124.469	12.911	122.682	12.912
- 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	100.259	24.210	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 in TCHF

	Procurement value	Depreciation accumulated	Book value 31.12.2021	Reclassi-fications	Investments	Divestments	Depreciation	Book value 31.12.2022
Bank building	0	0	0	0	0	0	0	0
Software developed in-house or pur-chased externally	9.219	8.593	626	0	3.630	0	-1.140	3.116
Other fixed assets	9.327	8.715	612	0	24	0	-230	406
Objects in financial leasing	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Total fixed assets	18.546	17.308	1.238	0	3.654	0	-1.370	3.522

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

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Other assets and liabilities

	31.12.2022		31.12.2021	
	Other assets TCHF	Other liabilities TCHF	Other assets TCHF	Other liabilities TCHF
Balancing account	138	32	554	0
Strict clearing accounts	789	910	687	1.466
Other assets and liabilities	2.398	0	1.374	0
Total	3.325	942	2.615	1.466

Pledged or relinquished assets to hedge own liabilities as well as assets subject to reservation of ownership

	31.12.2022	
	Book value TCHF	Effective obligations TCHF
Relinquished account balances as security for futures	0	0
Assigned account balance for the purpose of deposit for future transactions	3.219	1.704

TRADING TRANSACTIONS

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 option 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 from previous year of the economic share	Paid pension scheme contributions for the reporting year	Pension expenses in personnel expenses	
	31.12.2022	31.12.2022	31.12.2021	(economic benefit or economic liability)		2022	2021
	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Pension schemes without surplus/ underfunding	0	0	0	0	0	1.903	1.842

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

	31.12.2021	Specific use	Transfers	Recoveries, overdue interest, currency differences	New creation charged to income statement	Reversal credited to income statement	31.12.2022
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	400	0	599
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	400	0	599
Valuation adjustments for default and country risks	0	-0	0	0	0	0	0
Thereof: valuation adjustments for default risks from impaired receivables	0	0	0	0	0	0	0
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 in TCHF

	31.12.2022			31.12.2021		
	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 as at 01.01.2021	150	3.000
Variable purchase price component from 2021	0	63
Disposals	0	
Status as at 31.12.2021	150	3.063
Purchases	0	0
Disposals	0	0
Status as at 31.12.2022	150	3.063

Significant shareholders and shareholder groups with voting ties

	31.12.2022		31.12.2021	
	Nominal TCHF	Share in %	Nominal TCHF	Share 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	10.00	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	600	6.00	500	5.00
Dr. Peter Raskin, Grüningen	500	5.00	500	5.00
Other (respective capital owners up to and including 5%)	400	4.00	500	5.00
Total capital resources	10.000	100.00	10.000	100.00

Indirect participants through a stake of more than 5% in

		31.12.2022 Share in %		31.12.2021 Share in %
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 in TCHF

	Receivables		Liabilities	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Qualified stakeholder	986	0	1.569	3.623
Group companies	0	0	254	142
Governing bodies	2.126	2.188	3.525	519

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 in 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	88.532	0	0	0	0	0	0	88.532
Due from banks	105.740	43.858	113.763	0	0	0	0	263.361
Due from clients	0	114.403	50.254	62.918	32.532	0	0	260.107
Trading activities	0	0	0	0	0	0	0	0
Positive replacement values of derivative financial instruments	3.159	0	0	0	0	0	0	3.159
Financial assets	0	0	10.210	29.210	85.049	0	0	124.469
Total Reporting year	197.431	158.261	174.227	92.128	117.581	0	0	739.628
Previous year	295.865	208.052	204.869	88.897	23.025	0	0	820.708
Debt capital / financial instruments								
Due to banks	2.487	0	0	0	0	0	0	2.487
Due to client deposits	677.244	0	19.830	0	0	0	0	697.074
Negative replacement values of derivative financial instruments	3.250	0	0	0	0	0	0	3.250
Total Reporting year	682.981	0	19.830	0	0	0	0	702.811
Previous year	783.368	0	0	0	0	0	0	783.368

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

	31.12.2022		31.12.2021	
	Domestic	Foreign	Domestic	Foreign
Assets				
Cash and cash equivalents	88.532	0	158.405	0
Due from banks	144.323	119.038	225.703	167.932
Due from clients	80.059	180.048	70.622	181.116
Trading activities	0	0	0	0
Positive replacement values of derivative financial instruments	760	2.399	847	3.172
Financial assets	20.403	104.066	0	12.911
Accrued income and prepaid expenses	3.113	857	2.604	340
Participations	56	0	56	0
Fixed assets	3.522	0	1.238	0
Other assets	3.301	24	2.615	0
Non-paid-in capital resources	0	0	0	0
Total assets	344.069	406.432	462.090	365.471
Liabilities				
Due to banks	388	2.099	3.900	3.463
Due to client deposits	81.924	615.150	94.145	677.287
Negative replacement values of derivative financial instruments	1.114	2.136	2.255	2.318
Accrued expenses and deferred income	7.665	11	6.684	0
Other liabilities	942	0	1.466	0
Provisions	599	0	199	0
Capital resources	10.000	0	10.000	0
Statutory capital reserves	137	0	0	0
Statutory profit reserves	3.100	0	2.900	0
Voluntary profit reserves	23.851	0	22.007	0
Equity capital	-3.063	0	-3.063	0
Retained earnings carried forward	31	0	31	0
Profit	4.417	0	3.969	0
Total liabilities	131.105	619.396	144.493	683.068

Assets by country/region (domicile principle)

Assets	31.12.2022 Absolute TCHF	31.12.2022 Share in %	31.12.2021 Absolute TCHF	31.12.2021 Share in %
Switzerland	344.069	45.85	462.090	55.84
Other Europe	253.175	33.73	252.826	30.55
North America	52.409	6.98	1.038	0.13
Caribbean	14.905	1.99	17.901	2.16
Latin America	7.714	1.03	6.926	0.84
Africa	16.118	2.15	17.277	2.09
Asia	27.910	3.72	33.161	4.01
Other countries	34.201	4.55	36.342	4.38
Total assets	750.501	100.00	827.561	100.00

Assets by credit rating of regions (risk domicile)

Rating class*	31.12.2022 Absolute TCHF	31.12.2022 Share in %	31.12.2021 Absolute TCHF	31.12.2021 Share in %
Rating class 1	342.097	96.53	275.986	95.26
Rating class 2	0	0	0	0
Rating class 3	391	0.11	0	0
Rating class 4	319	0.09	0	0
Rating class 5	267	0.08	1.141	0.5
Rating class 6	663	0.19	575	0.20
Rating class 7	7.975	2.25	8.511	2.94
No Rating	2.684	0.75	4.505	1.55
Total foreign assets	354.396	100.00	289.718	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	88.286	186	49	11	0	0	88.532
Due from banks	9.927	41.230	183.704	13.123	1.480	13.897	263.361
Due from clients	62.580	141.902	50.166	5.130	181	148	260.107
Trading activities	0	0	0	0	0	0	0
Positive replacement values of derivative financial instruments	3.159	0	0	0	0	0	3.159
Financial assets	20.403	61.377	42.689	0	0	0	124.469
Accrued income and prepaid expenses	2.948	477	526	17	1	1	3.970
Participations	56	0	0	0	0	0	56
Fixed assets	3.522	0	0	0	0	0	3.522
Other assets	3.287	12	14	12	0	0	3.325
Total assets recognised in the balance sheet	194.168	245.184	277.148	18.293	1.662	14.046	750.501
Claims deriving from forward exchange securities	47.317	96.945	137.991	26.378	0	6.911	315.542
Total assets	241.485	342.129	415.139	44.671	1.662	20.957	1.066.043
Liabilities							
Due to banks	40	1.877	531	39	0	0	2.487
Due to client deposits	128.555	220.908	297.232	34.859	1.653	13.867	697.074
Negative replacement values of derivative financial instruments	3.250	0	0	0	0	0	3.250
Accrued expenses and deferred Income	7.502	92	76	6	0	0	7.676
Other liabilities	913	7	13	9	0	0	942
Provisions	599	0	0	0	0	0	599
Capital resources	10.000	0	0	0	0	0	10.000
Statutory capital reserves	137	0		0	0	0	137
Statutory profit reserves	3.100	0	0	0	0	0	3.100
Voluntary profit reserves	23.851	0	0	0	0	0	23.851
Equity capital	-3.063	0	0	0	0	0	-3.063
Retained earnings brought forward	31	0	0	0	0	0	31
Profit	4.417	0	0	0	0	0	4.417
Total balance sheet liabilities							
Delivery payables from forward exchange transaction	179.332	222.884	297.852	34.913	1.653	13.867	750.501
	64.148	118.472	116.285	9.634	0	7.003	315.542
Total liabilities	243.480	341.356	414.137	44.547	1.653	20.870	1.066.043
Net position per currency	-1.995	773	1.002	124	9	87	0

Information on off-balance-sheet transactions

Contingent receivables and liabilities in TCHF

	31.12.2022 TCHF	31.12.2021 TCHF
Credit guarantees and similar items	9.642	10.267
Other contingent liabilities	0	0
Total contingent liabilities	9.462	10.267
Contingent receivables deriving from tax loss carried forward	0	0
Other contingent receivables	0	0
Total contingent receivables	0	0

Fiduciary transactions in TCHF

	31.12.2022 TCHF	31.12.2021 TCHF
Fiduciary placements with third-party banks	882.232	478.231
Fiduciary placements at Group companies and affiliated companies	0	0
Fiduciary credits for third-party accounts	0	0
Total	882.232	478.231

Assets under management inTCHF

	31.12.2022 TCHF	31.12.2021 TCHF
Type of assets under management		
Assets in collective funds managed by the Bank	116.138	141.337
Assets in funds managed by the Bank	1.990.754	1.967.064
Other assets under management	4.185.754	4.363.804
Total assets under management (incl. double-counted)	6.292.646	6.472.205
Thereof: double-counted	68.355	85.341
Total assets under management (incl. double-counted) at the start of the reporting year	6.742.205	6.050.340
+/- Net inflow of new funds or net outflow of funds	387.541	-15.923
+/- Price development, interest, dividends and foreign currency development	-567.100	437.788
Total assets under management (incl. double-counted) at the end of the reporting year	6.292.646	6.472.205

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 in TCHF

	2022 TCHF	2021 TCHF
Negative interest on lending activities (reduction of interest income)	-962	-1.102
Negative interest on deposit-taking activities (reduction of interest expense)	843	1.459

Personnel expenses in TCHF

	2022 TCHF	2021 TCHF
Salaries (attendance fees and fixed remuneration payable to banking authorities,	21.553	20.468
salaries and supplements)	1.903	1.824
Bank contributions to staff pension funds	1.686	1.567
Other social benefits	474	498
Other personnel expenses		
Total	25.616	24.357

Other administrative expenses in TCHF

	2022 TCHF	2021 TCHF
Premises costs	1.665	1.257
Costs of information and communication technology	3.781	3.521
Costs of vehicles, machinery, furniture and other equipment	213	188
Auditors' fee	285	90
- Thereof: for accounting and regulatory auditing	285	90
- Thereof: for other services	0	0
Other operating expenses	3.845	3.193
Total	9.789	8.249

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 is 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 requirements 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		
12b	Anti-cyclical buffer (Art. 44 and 44a ERV)	2.50%	2.50%
12c	Target CET1 ratio under Appendix 8 ERV plus anti-cyclical buffer under Art. 44 and 44a ERV	0.00%	0.00%
12d	Target T1 ratio under Appendix 8 ERV plus anti-cyclical buffer under Art. 44 and 44a ERV	7.00%	7.00%
12e	Target total capital ratio under Appendix 8 ERV plus anti-cyclical buffer under Art. 44 and 44a ERV	8.50%	8.50%
		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)	182.174	228.845	230.373	185.656	153.336
16	Total net outflows (in TCHF)	71.355	87.074	95.749	78.412	73.403
17	LCR (Liquidity Coverage Ratio)	255.31%	262.82%	240.60%	236.77%	208.90%

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	118.975	118.700	9.518	0.23%
20	Market risk	875	750	70	16.67%
24	Operational risk	69.138	69.138	5.531	0.00%
25	Amounts below the threshold deductions (with 250% according to positions to be risk-weighted)	0	0	0	0.00%
27	Total	188.988	188.588	15.119	0.21%

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	523.468	0	523.468
2 Debt instruments	0	124.469	0	124.469
3 Off-balance-sheet positions	0	11.112	0	11.112
4 Total reporting year	0	659.049	0	659.049
Total previous year	0	670.059	0	670.059

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)	398.740	246.780	2.417
Off-balance-sheet positions	1.651	9.461	0
Total reporting year	400.391	256.241	2.417
of which defaulted	0	0	0
Total previous year	421.574	244.946	3.539

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

TCHF 31.12.2022	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	156.348									156.348
2 Banks and security dealers			242.047		53.656		3			295.706
3 Public corporations and multilateral development banks			5.090							5.090
4 Companies							6	1		7
5 Retail	8				7.485	2.436	11.224			21.153
6 Participations								56		56
7 Other positions	388						3.522			3.910
8 Total reporting year	156.744	0	247.137	0	61.141	2.436	14.755	57	0	482.270
9 of which mortgage-backed receivables										0
10 of which overdue receivables										0
Total previous year	163.029	0	387.746	0	1.037	1.691	16.448	298	0	570.249

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

TCHF 31.12.2022	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			2.323	2.345					4.668	8.245
3 Public corporation and multilateral development banks									0	52
4 Companies									0	0
5 Retail					1.322	22			1.344	9
6 Equities									0	0
7 Other positions									0	0
8 Total reporting year	0	0	2.323	2.345	1.322	22	06	0	6.012	8.306
Total previous year	0	0	6.852	1.445	0	3	6	0	8.306	

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 results in 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.

Report on the 34th Financial Year

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, and its own replication key for positions with indefinite residual maturities.

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.

REGULATORY REPORTING

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	503.031	94.169	303.539		
Receivables from banks	164.701		163.770	0.04	0.00
Receivables from customers	148.270	53.299	93.299	0.69	0.63
Money market mortgages					
Fixed-rate mortgages					
Financial investments	124.122	20.500	10.362	1.34	1.45
Other receivables					
Receivables from interest derivatives	34.193	10.367	18.839	2.76	2.77
Liabilities to banks					
Liabilities from client deposits					
Medium-term notes					
Bonds and mortgage-backed loans					
Other liabilities					
Liabilities from interest derivatives	31.745	10.003	17.269	0.04	0.04
Undetermined repricing maturity	899.865	148.591	672.867		
Receivables from banks	105.740	9.927	68.205	0.08	0.08
Receivables from customers	114.394	10.069	100.486	0.22	0.22
Variable mortgage claims					
Other demand receivables					
Demand liabilities in personal and current accounts	677.244	128.555	501.768	0.22	0.22
Other demand liabilities	2.487	40	2.408	0.08	0.08
Liabilities from client deposits, callable but not transferrable (savings)					
Total	1.402.896	242.760	976.406		

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	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Parallel shift up	-4.260	467	-2.371	-1.135
Parallel shift down	4.471	-431	2.336	1.127
Steepener shock (1)	726	-844		
Flattener shock (2)	-1.475	972		
Increase in short-term interest rates	-2.706	1.134		
Decrease in short-term interest rates	2.804	-1.141		
Maximum	4.260	1.141	2.371	1.135
Tier 1 capital	36.331	33.919	36.331	33.919

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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STATUTORY AUDITOR'S REPORT

To the general meeting of Bergos AG, Zürich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bergos AG (the Company) which comprise the balance sheet as at December 31, 2022, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 80 to 113 of the annual report) comply with Swiss law and the articles of incorporation.

Basis for our Opinion

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

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

Other Information

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

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

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

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

Responsibilities of the board of directors for the Financial Statements

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

In preparing the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

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concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Standards on Audits of Financial Statements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 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 distribution 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 2023

BDO Ltd

Cataldo Castagna	Andreas Lenzenweger
Auditor in Charge	
Licensed Audit Expert	Licensed Audit Expert

BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.

The English version of the annual report for the year 2022 of Bergos AG is a faithful translation of the German original. In the case of deviations between the two versions, the German version shall be decisive.

BERGOS

As of 1 January 2021, Bergos AG is represented by its new logo. It is a meaningful emblem that captures the history and identity of our bank: in its center, the ship points to our historically grown connection to the shipping industry. It is flanked by a lion and a bear, symbols for our home city of Zurich and on the other for our former mother house, Joh. Berenberg, Gossler & Co. KG., respectively. The ship sails, strengthened by tailwind, on three waves that stand for the three ages of our bank in Switzerland: Berenberg Bank (Schweiz) AG, Bergos Berenberg AG and now your private bank Bergos AG.

SELECTED IMAGE CREDITS

Steffen Ricken

We thank him for the beautiful images...

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