

KALEIDO



ANNUAL 2021 REPORT

DYNAMIC.
TRUSTED.
INNOVATIVE.



Kaleido Privatbank AG, Zurich

Annual financial statement for the financial year ended December 31, 2021
and report of the statutory auditors

BOARD OF DIRECTORS



Urs E. Hottiger
Chairman (Independent Member)

Mr Hottiger completed his studies at the University of St. Gallen (HSG) with a master's degree in Law. Mr Hottiger worked from 1984 to 1992 at UBS in their Trading & Sales Department. From 1992 until 2015 he worked for Credit Suisse in various senior management positions in Private Banking, Asset Management, Operational Risk and Corporate functions.

Mr Hottiger became a member of the Supervisory Board in August 2015 and was appointed as Chairman in March 2016.

Søren Mose
Board Member (Independent Member)

Mr Mose is a dual Danish and Swiss citizen. He holds an MBA from Henley Management College and a bachelor's degree in Credit and Commerce from Aarhus Business University. Mr Mose is the former CEO of SAXO Bank Schweiz and former CEO of Jyske Bank Schweiz. Today, Mr Mose's responsibilities among others include serving as Chairman of TWINT AG, Board Member and Chairman of Risk Committee of SIX AG, Chairman Altoo AG, and a Board Member of Tissot Velodrome Suisse AG.

Mr Mose became a member of the Board in December 2015.



Uldis Upenieks
Board Member

Mr Upenieks holds a Master's of Business Administration from Riga Technical University. He also studied at Riga Graduate School of Law and studied Governance in Banking at INSEAD. He has worked in the financial industry and related areas for over 22 years and has been a certified anti-money laundering specialist (CAMS) since 2007. Currently, he serves as the Chief Compliance Officer of Citadele Group and is a member of the Management Board of Citadele banka.

Mr Upenieks was appointed as a member of the Board in 2019.



BOARD OF DIRECTORS



Reto Jauch
Board Member

Mr Jauch completed his studies in history and economics at the University of Zurich and the Université de Montreal. He is former Managing Director of A.T. Kearney Europe, leading and managing 10 European office locations. Since 2002 Mr Jauch is the Founding Partner of Jauch Associates, a Board Advisory and Executive Search firm with offices all over the world. In 2019, the firm expanded its partnership and now trades as Schulthess Zimmermann & Jauch.

Elizabeth Critchley
Board Member

Ms Critchley completed a First Class Honours Degree in Mathematics at the University College in London. She is the former Founding Partner at Resolution LLP. Until forming Resolution Operations, Ms Critchley was a Managing Director at Goldman Sachs International, where she ran the European FIG Financing Business. Currently, Ms Critchley serves as Managing Partner at Ripplewood LLP in London.



Johan Akerblom
Board Member

Mr Akerblom holds a Master of Science in Industrial management and Engineering from the Lund Institute of Technology. He is an experienced General Manager with more than 15 years of banking experience. Mr Akerblom is the CEO and Chairman of the Management Board of Citadele Bank which he joined in 2018. Prior to joining Citadele Bank, he worked for SEB as Chief Financial Officer for its Baltic business division in 2016 and 2017 and prior to that Johan Akerblom was Chief Financial Officer and member of the Management Board of SEB AG, SEB's German subsidiary.



EXECUTIVE BOARD



Rolf Bauer
Chief Executive Officer

Mr Bauer joined Kaleido Private Bank as CEO in 2020. He brings along many years of experience in business with very wealthy families, family offices, and companies. He was formerly Head of Family Solutions Switzerland at Credit Suisse and Head of the International Family Office EMEA at Deutsche Bank Switzerland. Mr Bauer studied Economics at the University of Basel and has been a member of the Board of the Institute for Law and Economics (IFF-HSG) at the University of St. Gallen since 2015.

Gian Nay
Chief Operating Officer

Mr Nay joined Kaleido Private Bank as COO in 2020. He holds a Master's of Economics from the University of St. Gallen (HSG) and is a CFA Charterholder. Mr Nay has extensive private banking experience and held various top management positions with Credit Suisse before joining Kaleido. Mr Nay is highly skilled in strategy and corporate development, bank operations, business building and innovation management. He is also a Board Member and Fintech mentor.



Boriss Prudnikovičs
Member of the Executive Board

Mr Prudnikovičs graduated from Riga Technical University, Riga, Latvia, and obtained a master's degree in Economics. Mr Prudnikovičs has been with Citadele Group since 1998, focusing primarily on the back office and securities aspects of the business. He has been with Kaleido Private Bank since 2004 and is responsible for treasury and trading as well as asset management.





MANAGEMENT REPORT

The past year was extraordinary for Kaleido Private Bank. A complete strategic realignment took place, which goes far beyond a simple rebranding. We reached important milestones in our transformation and successfully set the foundations for sustainable future growth. Kaleido moved away from being a pure transaction bank to an agile, flexible boutique bank. With the intended strategic realignment, we focus on wealth management and digital services. What normally takes years, Kaleido Private Bank achieved in months. Along with the comprehensive changes of the bank, significant investments were made.

At the beginning of last year, Kaleido moved to new office premises with modern IT infrastructure located in the vibrant Seefeld area in the heart of Zurich. Simultaneously we introduced a new way of collaboration with the cloud-based MS Office 365, which is part of our daily work processes. These fundamental changes marked the start of a new era that resulted in a change of mindset among employees. After all, change happens in the minds of employees, not on paper.

During the year, process automation took place and Kaleido became part of the InCore Bank/SOBACO private banking hub. Resource-intensive ancillary banking activities were meaningfully outsourced with a scalable solution at Incore, allowing Kaleido to focus entirely on its clients. Since July 1st, 2021, the bank is using the modern core banking system Finnova and is thus considered a modern institution that has digital capabilities. We ended the past year with an archive clean-up and a far-reaching digitalisation of the company. In the course of these extensive improvements, Kaleido is responding to client needs in a flexible, agile manner and providing an optimal service.

Kaleido Private Bank succeeded in concluding new agreements and expanding its network to a total of seven renowned key partners. Therefore, Kaleido is able to connect the best. At the same time, we adjusted the pricing of our services and developed innovative asset management solutions. Since the transformation, Kaleido's offering goes far beyond the standard products of a private bank, which means that unique client wishes are adequately satisfied in the future.



In the course of last year, Kaleido welcomed new employees who quickly integrated themselves into the bank and became a significant part of the company. This allowed us to incorporate different ideas and views, which led to the improvement of everyday processes. In the following year, Kaleido succeeded in building up a financial intermediary's desk and a private banking team specifically focusing on the DACH region.

Kaleido Private Bank was awarded the CFI Award as Best Swiss Boutique Private Bank 2021 in the year of the strategic realignment. We received this award for the innovative solutions, the commitment to our customers and the changes that have taken place. In addition, we were able to celebrate the award "Best Boutique Private Bank Switzerland" by the European in October 2021. This confirmed to Kaleido that the accomplished changes and achievements did not go unnoticed in the market, spurring the motivation of employees at all levels of the company.

Due to the increasing regulation of the financial market, Kaleido has been focusing on compliance and advanced legal topics since last year. For example, Kaleido's terms and conditions were updated, client onboarding forms were adapted and a new AML strategy, including policies, was developed. At the same time, Kaleido reviewed its target markets and undertook extraordinary compliance efforts to reflect the more and more challenging regulatory environment.

In the pursuit of its transformation, Kaleido terminated clients who were not in line with the new strategy and the adjusted risk appetite. This is reflected in the decrease in the number of clients from 459 to 313 open accounts and the reduction of total assets by almost CHF 42 million. This results in an optimal basis for compliant and risk-optimised growth, on which the bank builds in the long term and delivers distinctive added value for clients.

In a nutshell, in 2021 we spent a lot of energy in transformation, building a network and laying the foundation for growth. The innovative changes and measures taken required the development of new cost structures in favour of Kaleido's long-term growth. This resulted in a profit after tax and depreciation of CHF -8.275 million for the 2021 financial year. Despite a decline from 2020, Kaleido Private Bank is convinced that all the efforts made were necessary to ensure sustainable performance and to foster long-term growth. Successful investments were relevant for the strategic realignment to enable Kaleido to become a leading and profitable boutique wealth management provider in the future. Contrary to the negative performance of 2021, there are positive prospects for successful and powerful growth acceleration in the coming year. Our attitude is to build on the positive development with which we ended the last quarter.

2022 is the year in which Kaleido is scaling up. Kaleido wants to set an extraordinary growth trajectory for 2022 and use the prepared groundwork efficiently. Past investments and efforts are beginning to bear fruit. We are striving to develop further innovative solutions beyond banking and plan to enter the world of digital assets in the coming year. Our ultimate goal is to help exclusive clients in our target markets, mainly in Western Europe and other selected countries. In the future, our clients will benefit from holistic solutions that are tailor-made for them through our expertise, technical skills and network. We aim to be the leading Swiss boutique private bank, recognised as an innovation pioneer and a trusted partner.



RELEVANT EVENTS AFTER 31.12.2021

Share purchase agreement between Citadele Bank and Trusted Novus Bank Limited

On January 20, 2022, Citadele Bank and Gibraltar-based Trusted Novus Bank Limited (TNB) entered into a share purchase agreement regarding the sale of all shares in Kaleido by Citadele Bank to TNB (the “Transaction”). The completion of the Transaction is subject to the satisfaction of certain conditions, including the approval from FINMA and the Gibraltar Financial Services Commission (the “GFSC”). It is intended that the completion of the Transaction shall take place as soon as possible, but at the latest twelve months after the signing date of the SPA.

Upon completion of the Transaction, TNB will hold all the shares and voting rights in Kaleido. This represents a major milestone in Kaleido’s ambition to become THE Swiss Boutique Bank leveraging collective intelligence. The future owner has a strong commitment and competence to continue supporting the new strategy of Kaleido and enable us to release the growth potential. In this context, it is also agreed that Trusted Novus Bank will support Kaleido with capital contribution.

About Trusted Novus Bank

Trusted Novus Bank opened its doors in 2020. However, the bank’s history goes back to 1855, making it the oldest bank in Gibraltar. The bank offers a comprehensive set of banking products and services to support customers’ everyday banking needs whether it is Private Banking, Corporate or Retail. The main focus is on the sustainability, reliability and performance of the services offered. The management of the TNB business is geared towards the interests of customers and stakeholders.

Russian invasion into Ukraine

On the 21st of February 2022, Russia officially recognized the Ukrainian regions of Donetsk and Luhansk as independent “People’s Republics” and with it broke the agreements of the Minsk Accords. This action is seen as the first step of the invasion of Ukraine by Russian military forces. At the time of writing, the war of Ukraine is still ongoing with uncertain outcome.

Resulting actions by major countries and organization such as the European Union and United Nations have already impacted the Swiss Financial Markets as well as the bank’s business and will continue to do so for the foreseeable future.

We assess the development as a severe political risk with significant escalation potential beyond Ukraine given latest statements of Wladimir Wladimirowitsch Putin. As a result of this geopolitical risk, we also identified derivative risks that could increase including operational, credit, market, business and operational risks which are part of the current Bank’s overall Risk Framework.

Specifically, at this stage, we have identified the following key risks:

- Non-compliance with sanctions rime of US/EU and other relevant governing bodies
- Deteriorating market and business environment impacting the Bank’s business
- Operational Risks due to cyber-attacks, increased workloads and outsourcing partners affected by the market situation

We have introduced several measures that minimize the aforementioned risks as well as limit financial impact given the current situation. At the time of writing, we do not foresee a likely major financial impact on our business.

The executive management team as well as the senior leadership team continues to closely monitor the developments in order to take appropriate actions if deemed necessary.



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Report of the Statutory Auditor to the General Meeting of Shareholders of

KALEIDO PRIVATBANK AG, Zurich

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Kaleido Privatbank AG, which comprise the balance sheet, income statement, statement of changes in equity and notes (page 14 to page 30), for the year ended 31 December 2021.

Board of Directors' Responsibility

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

Auditor's Responsibility

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

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

Opinion

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

Report on Other Legal Requirements

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

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

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

KPMG AG



Erich Schärli
Licensed Audit Expert
Auditor in Charge

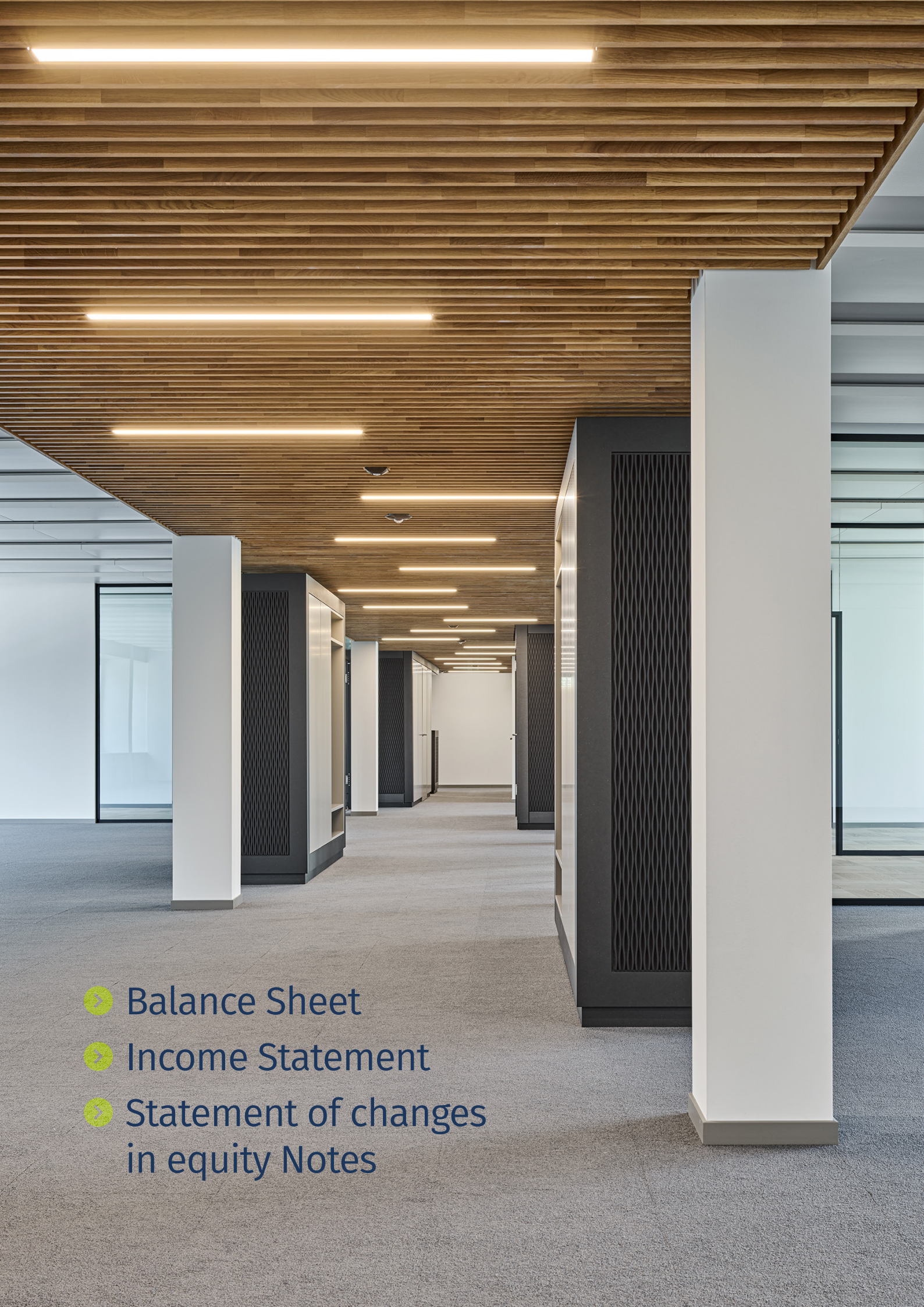


Sebastian Seubert
Licensed Audit Expert

Zurich, 20 April 2022



■ FINANCIALS

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- 🕒 Balance Sheet
 - 🕒 Income Statement
 - 🕒 Statement of changes in equity Notes

Balance sheet as of 31 December 2021 and 2020

	Swiss francs	
Assets	31/12/2021	31/12/2020
Liquid assets	9,709,855	16,848,898
Amounts due from banks	29,557,442	12,871,897
Amounts due from securities financing transactions	-	-
Amounts due from customers	6,812,538	7,233,411
Trading portfolio assets	60,880,828	122,069,983
Positive replacement values of derivative financial instruments	-	-
Financial investments	43,281,131	47,645,810
Accrued income and prepaid expenses	724,062	807,997
Tangible fixed assets	1,061,919	-
Other assets	210,936	360,304
Total assets	152,238,711	207,838,300
Total subordinated claims	-	-
Liabilities	31/12/2021	31/12/2020
Amounts due to banks	809,024	98
Amounts due in respect of customer deposits	132,040,101	181,031,384
Negative replacement values of derivative financial instruments	-	-
Accrued expenses and deferred income	3,205,093	2,327,560
Other liabilities	13,228	34,578
Provisions	-	-
Bank's capital	10,000,000	10,000,000
Statutory capital reserve	2,480,000	2,480,000
- of which tax-exempt capital contribution reserve	-	-
Voluntary retained earnings reserves	8,100,000	8,100,000
Profit carried forward	3,864,680	7,383,308
Loss (result of the period)	-8,273,415	-3,518,628
Total liabilities	152,238,711	207,838,300
Total subordinated liabilities	-	-
Off-balance-sheet transactions	31/12/2021	31/12/2020
Contingent liabilities	364,029	709,274
Irrevocable commitments	356,000	428,000
Obligations to pay up shares and make further contributions	-	-
Credit commitments	-	-

Income statement for the financial years ending on 31 December 2021 and 2020

	Swiss francs	
	2021	2020
Result from interest operations		
- Interest and discount income	24,796	42,999
- Interest and dividend income from trading portfolios	756,219	1,885,427
- Interest and dividend income from financial investments	227,310	419,219
- Interest expense	548,226	500,126
Gross result from interest operations	1,556,551	2,847,771
Changes in value adjustments for default risks and losses from interest operations	-	-
Subtotal net result from interest operations	1,556,551	2,847,771
Result from commission business and services		
- Commission income from securities trading and investment activities	1,045,839	1,267,302
- Commission income from lending activities	8,250	7,000
- Commission income from other services	1,836,308	2,109,012
- Commission expense	-399,501	-477,615
Subtotal result from commission business and services	2,490,896	2,905,699
Result from trading activities and the fair value option	-506,419	-604,460
Other result from ordinary activities		
- Result from the disposal of financial investments	-	-
- Other ordinary income	24,200	-
- Other ordinary expenses	-	-
Subtotal other result from ordinary activities	24,200	0
Operating expenses		
- Personnel expenses	-6,283,453	-4,970,694
- General and administrative expenses	-5,196,914	-3,663,111
Subtotal operating expenses	-11,480,367	-8,633,805
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-314,745	-13,098
Changes to provisions and other value adjustments, and losses	-1,531	-
Operating result	-8,231,415	-3,497,893

Income statement, appropriation of profit, and presentation of statement of changes in equity

	Swiss francs	
	2021	2020
Extraordinary income	-	21,402
Extraordinary expenses	-	-
Taxes	-42,000	-42,137
Loss (result of the period)	-8,273,415	-3,518,628

Appropriation of profit

Loss (result of the period)	-8,273,415	-3,518,628
Profit carried forward	3,864,680	7,383,308
Distributable profit	-4,408,735	3,864,680

Appropriation of profit

- Allocation to statutory retained earnings reserve
- Allocation to voluntary retained earnings reserve
- Distributions from distributable profit

New amount carried forward	-4,408,735	3,864,680
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Presentation of the statement of changes in equity 2021

	Bank's capital	Capital reserve	Voluntary retained earnings reserve	Reserves for general banking risks	Profit carried forward	Total
Equity at start of current period	10,000,000	2,480,000	8,100,000	-	3,864,680	24,444,680
Dividends and other distributions						-
Profit / loss (result of the period)	-	-	-	-	-8,273,415	-8,273,415
Equity at end of current period	10,000,000	2,480,000	8,100,000	-	-4,408,735	16,171,265

Notes for the financial years ended December 31, 2021 and 2020

1. Notes on business activities and personnel

General

Kaleido Privatbank AG is a 100% subsidiary of Citadele Bank, Riga, Latvia. Its business activities focus on private banking, concentrating on private and corporate clients based in the Baltic states, CEE and Switzerland.

Business activities

The bank is engaged in private banking activities and generates profits from the investment of funds. In addition to account management and related services for private and corporate clients, the bank offers securities trading on behalf of clients and asset management services.

Employees

As of the end of the reporting year, the bank employed a staff of 25 (23 in the previous year).

Risk assessment according to Article 663b item 12

The Board of Directors undertakes an annual risk assessment. Additional information on risk management can be found under 2.4.

2. Accounting and valuation principles

2.1 Accounting and valuation principles

General principles

Accounting and valuation principles follow Switzerland's Code of Obligations, its Banking Act and the related ordinance, as well the Guidelines of the Swiss Financial Market Supervisory Authority (FINMA) governing financial statement reporting.

Accounting principles and valuation method

The accounting requirements applicable for banks, securities dealers, financial groups and conglomerates are applicable for financial years starting on 1 January 2020, as set out in FINMA Circular 2020/1.

Foreign currencies

Receivables and liabilities in foreign currencies are valued according to average exchange rates on the reporting date. The following exchange rates were used:

2021		2020	
USD	0.91262	USD	0.8829
EUR	1.03642	EUR	1.0841
GBP	1.23425	GBP	1.1951
CAD	0.7202	CAD	0.6902
SEK	10.068652	SEK	10.7923
RUR	1.2160	RUR	1.1900
AUD	0.66216	AUD	0.6758

Notes for the financial years ending on 31 December 2021 and 2020

Securities and precious metals trading portfolios

Short-term securities held at the bank's own risk are reported at market value on the reporting date.

Financial investments

Financial investments are valued according to the accrual method.

Fixed assets

According to group guidelines, fixed assets are depreciated over five years with the exception of IT equipment, which is depreciated over three years.

Deferrals

Interest expense and interest income, personnel and operating expenses are deferred. Commission income from securities business is booked at the time the transaction is entered in the income statement.

Valuation adjustments and provisions

Valuation adjustments are made and provisions set aside for all identifiable risks on the basis of the prudence principle.

Taxes

Owed and net income attributable to income tax are provided for under deferred income; excess pre-paid taxes are booked as pre-paid expenses.

Derivative financial instruments

Derivatives are stated at fair (market) value.

Notes for the financial years ended December 31, 2021 and 2020

2.2 Management of endangered interest

The management of endangered interest is implemented according to the guidelines on accounting standards.

2.3 Treatment of refinancing of trading activity positions

Refinancing expenses for trading activities are charged to interest expense.

2.4 Notes on risk management

The bank is mainly active in the commission business and, as a rule, does not incur significant credit or market risks. The limits for credit and market risks are monitored constantly.

Operational risks are governed by internal regulations and directives on internal organisation. In order to limit legal risks, the bank brings in external lawyers. The bank's governing body carries out an annual risk assessment and is regularly informed, through a management information system, about asset, financial, liquidity and earnings positions, and associated risks.

2.5 Business policy for the use of derivative instruments

Refinancing expenses for trading activities are charged to interest expense. The Bank may use derivative financial instruments as part of asset/liability management to hedge currency risks. The hedging transactions are valued analogously to the hedged underlying transactions. The Bank does not apply hedge accounting.

2.6 Reporting of transactions

All transactions are recorded on the transaction date and assessed according to the principles laid out above. All completed transactions are included in the income statement. Fixed term balance sheet transactions and forward contracts are recognised at their value date. Securities transactions are reported on the balance sheet as of the settlement date.

Notes for the financial years ended December 31, 2021 and 2020

3. Details on the individual items in the notes to annual financial statement

3.1 Presentation of collateral for loans / receivables and off-balance-sheet transactions, as well as impaired loans / receivables

Loans (before netting with value adjustments)	TYPE OF COLLATERAL			Total 31.12.2021
	Secured by mortgage	Other collateral	Unsecured	
Amounts due from customers		6,798,043	14,495	6,812,538
Total loans	0	6,798,043	14,495	6,812,538
<i>Previous year</i>	3,000,000	4,233,411	-	7,233,411

Loans (after netting with value adjustments)	TYPE OF COLLATERAL			Total 31.12.2021
	Secured by mortgage	Other collateral	Unsecured	
Amounts due from customers		6,798,043	14,495	6,812,538
Total loans	0	6,798,043	14,495	6,812,538
<i>Previous year</i>	3,000,000	4,233,411	-	7,233,411

Off-balance-sheet	TYPE OF COLLATERAL			Total 31.12.2021
	Secured by mortgage	Other collateral	Unsecured	
Contingent liabilities	-	364,029	-	364,029
Irrevocable commitments	-	356,000	-	356,000
Total off-balance-sheet	0	720,029	0	720,029
<i>Previous year</i>	-	1,137,274	-	1,137,274

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

Assets	31/12/2021	31/12/2020
Trading portfolio assets		
Debt securities, money market securities / transactions	60,880,828	122,069,983
- of which, listed	60,880,828	122,069,983
Equity securities	-	-
Precious metals and commodities	-	-
Other trading portfolio assets	-	-
Total assets	60,880,828	122,069,983
- of which, securities eligible for repo transactions in accordance with liquidity requirements	25,600,402	38,466,721
No liabilities		

Notes for the financial years ended December 31, 2021 and 2020

3.3 Breakdown of financial investments

Financial investments	Book value		Fair value	
Debt securities	31/12/2021	31/12/2020	31/12/2021	31/12/2020
- of which, intended to be held to maturity	43,281,131	47,645,810	44,089,455	49,497,085
- of which, not intended to be held to maturity (available for sale)	-	-	-	-
Equity securities	-	-	-	-
Precious metals	-	-	-	-
Real estate	-	-	-	-
Total financial investments	43,281,131	47,645,810	44,089,455	49,497,085
- of which, securities eligible for repo transactions in accordance with liquidity requirements	17,502,647	19,824,408	17,906,392	20,679,561

Financial investments	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-
Debt securities: book value	23,850,826	14,057,758	5,372,547	-
Total financial investments	23,850,826	14,057,758	5,372,547	0
Previous year	27,425,286	14,893,594	5,326,930	-

The lowest rating of the following rating agencies:

1. S&P
2. Moody's
3. Fitch

3.4 Presentation of tangible fixed assets

	2021					
	Acquisition cost	Accumulated depreciation	Book value previous year end	Additions	Depreciation	Book value as at end of current year
Other tangible fixed assets	1,261,226	1,261,226	0	1,376,664	314,745	1,061,919
Total tangible fixed assets	1,261,226	1,261,226	0	1,376,664	314,745	1,061,919

No Reclassifications and disposals

According to group guidelines, fixed assets are depreciated over five years with the exception of IT equipment, which is depreciated over three years.

Notes for the financial years ended December 31, 2021 and 2020

3.5 Breakdown of other assets and other liabilities

	Other assets		Other liabilities	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Compensation account	25,146	102,909	-	-
Indirect taxes	19,613	25,357	13,228	34,578
Others	166,177	232,038	-	-
Total	210,936	360,304	13,228	34,578

3.6 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership

	Book value	Effective commitments
	31/12/2021	31/12/2021
Pledged/assigned assets	2,183,123	2,183,123

3.7 Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year

	2021						Balance at current year end
	Previous year end	Use in conformity with designated purpose	Reclassifications	Past due interest, recoveries	New creations charged to income	Releases to income	
Provisions for default risks	-	-	-	-	-	-	-
Provisions for other business risks	-	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-	-
Total provisions	0	0	0	0	0	0	0

3.8 Presentation of the bank's capital

	31/12/2021			31/12/2020		
	Total par value	No. of shares	Capital eligible for dividend	Total par value	No. of shares	Capital eligible for dividend
Bank's capital						
Share capital, paid up	10,000,000	100,000	10,000,000	10,000,000	100,000	10,000,000
Total bank's capital	10,000,000	100,000	10,000,000	10,000,000	100,000	10,000,000

Notes for the financial years ended December 31, 2021 and 2020

3.9 Disclosure of amounts due from / to related parties

	Amounts due from		Amounts due to		Fiduciary investments	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Holders of qualified participations	8,643,699	3,910,212	98	98	12,005,516	18,457,025
Group companies	-	-	-	-	-	-
Linked companies	-	-	-	-	-	-
Transactions with members of governing bodies	-	-	-	104,914	-	-
Other related parties	-	-	-	-	-	-

Every transaction is in line with the market.

3.10 Disclosure of holders of significant participations

Holders of significant participations and groups of holders of participations with pooled voting rights	31/12/2021		31/12/2020	
	Nominal	% of equity	Nominal	% of equity
With voting rights:				
Direct: Citadele Bank, Riga, Latvia	10,000,000	100.00%	10,000,000	100.00%
Indirect:				
European Bank for Reconstruction & Development, London, UK	2,495,000	24.95% (minus 1 share)	2,500,000	25.00% (minus 1 share)
RA Citadele Holdings, LLC	2,726,000	27.26% (plus 1 share)	2,241,000	22.41% (plus 1 share)
Delan S.à.r.l.	994,000	9.94%	996,000	9.96%
EMS LB LLC	993,000	9.93%	886,000	8.86%
NNS Luxembourg Investments S.à.r.l.	0	0%	886,000	8.86%
Amolino Holdings Inc.	997,000	9.97%	886,000	8.86%
Shuco LLC	784,000	7.84%	703,000	7.03%
Other participations, none of them exceeding 5 %	1,011,000	10.11%	902,000	9.02%
Without voting rights: none	-	-	-	-

Notes for the financial years ended December 31, 2021 and 2020

3.11 Presentation of the maturity structure of financial instruments

	Due						31/12/2021
	At sight	Cancellable	within 3 months	within 3 to 12 months	within 12 months to 5 years	after 5 years	Total
Assets/financial instruments							
Liquid assets	9,709,855	-	-	-	-	-	9,709,855
Amounts due from banks	29,438,760	-	118,682	-	-	-	29,557,442
Amounts due from securities financing transactions	-	-	-	-	-	-	0
Amounts due from customers	14,495	-	518,210	6,279,833	-	-	6,812,538
Trading portfolio assets	60,880,828	-	-	-	-	-	60,880,828
Positive replacement values of derivative financial instruments	-	-	-	-	-	-	0
Financial investments	-	-	-	912,391	33,540,487	8,828,253	43,281,131
Total assets / financial instruments	100,043,938	0	636,892	7,192,224	33,540,487	8,828,253	150,241,794
Previous year	149,781,718	-	4,773,515	6,390,385	26,224,136	19,500,245	206,669,999
Debt capital/financial instruments							
Amounts due to banks	809,024	-	-	-	-	-	809,024
Amounts due in respect of customer deposits	132,040,101	-	-	-	-	-	132,040,101
Negative replacement values of derivative financial instruments	-	-	-	-	-	-	0
Total debt capital/financial instruments	132,849,125	0	0	0	0	0	132,849,125
Previous year	181,031,482	-	-	-	-	-	181,031,482

Notes for the financial years ended December 31, 2021 and 2020

3.12 Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle

Assets	31/12/2021		31/12/2020	
	Domestic	Foreign	Domestic	Foreign
Liquid assets	9,709,855	-	16,848,898	-
Amounts due from banks	20,913,743	8,643,699	7,221,082	5,650,815
Amounts due from securities financing transactions	-	-	-	-
Amounts due from customers	6,522,437	290,101	4,680,355	2,553,056
Trading portfolio assets	-	60,880,828	4,203,042	117,866,941
Positive replacement values of derivative financial instruments	-	-	-	-
Financial investments	5,670,042	37,611,089	5,672,150	41,973,660
Accrued income and prepaid expenses	415,817	308,245	118,009	689,988
Tangible fixed assets	1,061,919	-	-	-
Other assets	210,936	-	360,304	-
Total assets	44,504,749	107,733,962	39,103,840	168,734,460

Liabilities	31/12/2021		31/12/2020	
	Domestic	Foreign	Domestic	Foreign
Amounts due to banks	-	809,024	-	98
Amounts due in respect of customer deposits	19,809,751	112,230,350	13,767,668	167,263,716
Negative replacement values of derivative financial instruments	-	-	-	-
Accrued expenses and deferred income	3,205,093	-	2,327,560	-
Other liabilities	13,228	-	34,578	-
Provisions	-	-	-	-
Bank's capital	10,000,000	-	10,000,000	-
Statutory capital reserve	2,480,000	-	2,480,000	-
Voluntary retained earnings reserves	8,100,000	-	8,100,000	-
Profit carried forward	3,864,680	-	7,383,308	-
Loss (result of the period)	-8,273,415	-	-3,518,628	-
Total liabilities	39,199,337	113,039,374	40,574,486	167,263,814

Notes for the financial years ended December 31, 2021 and 2020

3.13 Breakdown of total assets by country or group of countries (domicile principle)

Assets	31/12/2021		31/12/2020	
	Absolute	Share as %	Absolute	Share as %
Europe without Switzerland	88,488,962	58.13%	128,417,460	61.79%
North America	18,293,000	12.02%	36,178,000	17.41%
Caribbean	-	0.00%	-	0.00%
Latin America	1'000	0.00%	-	0.00%
Africa	2'000	0.00%	-	0.00%
Asia	-	0.00%	-	0.00%
Oceania	949,000	0.62%	4,139,000	1.99%
Switzerland	44,504,749	29.23%	39,103,840	18.81%
Total assets	152,238,711	100.00%	207,838,300	100.00%

Liabilities	31/12/2021		31/12/2020	
	Absolute	Share as %	Absolute	Share as %
Europe without Switzerland	64,293,374	42.23%	103,589,814	49.84%
North America	7,417,000	4.87%	7,748,000	3.73%
Caribbean	10,951,000	7.19%	25,525,000	12.28%
Latin America	23,000	0.02%	5,023,000	2.42%
Africa	12,483,000	8.20%	836,000	0.40%
Asia	16,944,000	11.13%	22,275,000	10.72%
Oceania	928,000	0.61%	2,267,000	1.09%
Switzerland	39,199,337	25.75%	40,574,486	19.52%
Total liabilities	152,238,711	100.00%	207,838,300	100.00%

3.14 Breakdown of total assets by credit rating of country groups (risk domicile view)

Bank's own country rating	31/12/2021		31/12/2020	
	Net foreign exposure		Net foreign exposure	
	In CHF	Share as %	In CHF	Share as %
Aaa - Aa3	91,613,962	85.04%	153,087,460	90.73%
A1 - A3	15,836,000	14.70%	13,079,000	7.75%
Baa1 - Baa3	281,000	0.26%	2,568,000	1.52%
Ba1 - Ba2	-	0.00%	-	0.00%
Ba3	-	0.00%	-	0.00%
B1 - B3	2'000	0.00%	-	0.00%
Caa1 - C	1'000	0.00%	-	0.00%
Total	107,733,962	100.00%	168,734,460	100.00%

Bank's own country rating: Moody's

Notes for the financial years ended December 31, 2021 and 2020

3.15 Presentation of assets and liabilities broken down by the most significant currencies for the bank

Assets	Currencies						31/12/2021
	CHF	EUR	USD	GBP	Metal ounces	Others	Total
Liquid assets	9,709,855		-	-	-	-	9,709,855
Amounts due from banks	112,640	14,736,817	12,184,564	274,831	732,897	1,515,693	29,557,442
Amounts due from securities financing transactions	-	-	-	-	-	-	0
Amounts due from customers	6,012,498	799,237	751	52	-	-	6,812,538
Trading portfolio assets	1,911,240	27,039,628	29,931,531	1,854,152	-	144,277	60,880,828
Positive replacement values of derivative FI	-	-	-	-	-	-	0
Financial investments	9,683,169	29,737,007	3,860,955	-	-	-	43,281,131
Accrued income and prepaid expenses	424,685	179,028	119,427	315	-	607	724,062
Tangible fixed assets	1,061,919	-	-	-	-	-	1,061,919
Other assets	210,936	-	-	-	-	-	210,936
Total assets shown in balance sheet	29,126,942	72,491,717	46,097,228	2,129,350	732,897	1,660,577	152,238,711
Delivery entitlements from forward forex	-	-	-	-	-	-	0
Total assets	29,126,942	72,491,717	46,097,228	2,129,350	732,897	1,660,577	152,238,711

Liabilities	Currencies						31/12/2021
	CHF	EUR	USD	GBP	Metal ounces	Others	Total
Amounts due to banks	98	808,926	-	-	-	-	809,024
Amounts due in respect of customer deposits	10,324,861	71,147,022	46,049,529	2,126,494	732,897	1,659,298	132,040,101
Negative replacement values of derivative FI	-	-	-	-	-	-	0
Accrued expenses and deferred income	3,205,093	-	-	-	-	-	3,205,093
Other liabilities	13,228	-	-	-	-	-	13,228
Provisions	-	-	-	-	-	-	0
Bank's capital	10,000,000	-	-	-	-	-	10,000,000
Statutory capital reserve	2,480,000	-	-	-	-	-	2,480,000
Voluntary retained earnings reserve	8,100,000	-	-	-	-	-	8,100,000
Profit carried forward	3,864,680	-	-	-	-	-	3,864,680
Loss (result of the period)	-8,273,415	-	-	-	-	-	-8,273,415
Total liabilities shown in balance sheet	29,714,545	71,955,948	46,049,529	2,126,494	732,897	1,659,298	152,238,711
Delivery obligations from forward forex	-	-	-	-	-	-	0
Total liabilities	29,714,545	71,955,948	46,049,529	2,126,494	732,897	1,659,298	152,238,711
Net position per currency	-587,603	535,769	47,699	2,856	0	1,279	0

Notes for the financial years ended December 31, 2021 and 2020

3.16 Breakdown of assets under management

In CHF thousands	31/12/2021	31/12/2020	Difference
Assets in own-managed funds	-	-	-
Assets with discretionary mandate	1,564	5,904	-4,340
Other client assets	379,590	417,366	-37,776
Total client assets (incl. double counts)	381,154	423,270	-42,116
- thereof double counts	-	-	-
Total client assets (incl. double counts) at beginning	423,270	487,226	-63,956
Net new asset inflow or net asset outflow	n/a	n/a	n/a
Share price development, interest rates, dividends, currency development	n/a	n/a	n/a
Other effects	n/a	n/a	n/a
Total client assets (incl. double counts) at the end	381,154	423,270	-42,116

Total client assets include assets associated with the settlement of investment-related transactions. Also included are treasury shares, as they are not considered to be client assets held exclusively for safekeeping purposes. Assets managed by the Bank with an asset management mandate may also be held in custody at third-party banks. Assets with a management mandate include client funds for which the Bank decides how the funds are invested. The other assets under management include those assets for which the client decides how they are invested. In the year under review no reclassifications were made from or to this category. Breakdown of asset developments not available due to migration of core-banking system.

3.17 Breakdown of contingent liabilities and contingent assets

Contingent liabilities	31/12/2021	31/12/2020
Other contingent liabilities	364,029	709,274
Total contingent liabilities	364,029	709,274

3.18 Breakdown of fiduciary transactions

Fiduciary transactions	31/12/2021	31/12/2020
Fiduciary investments with third-party companies	-	25,349,285
Fiduciary investments with group companies and linked companies	12,005,516	18,457,025
Fiduciary loans	-	-
Total fiduciary transactions	12,005,516	43,806,310

Notes for the financial years ended December 31, 2021 and 2020

3.19 Breakdown of the result from trading activities and the fair value option

Result from trading activities from:	2021	2020
Interest rate instruments (including funds)	-1,124,618	-1,420,108
Foreign currencies	615,488	815,648
Commodities / precious metals	2,711	-
Total result from trading activities	-506,419	-604,460
- of which, from fair value option on assets	-	-
- of which, from fair value option on liabilities	-	-

3.20 Disclosure of material refinancing income in the item interest and discount income as well as material negative interest

Debit interest	2021	2020
Debit interest from banks	8,139	59,857
Negative debit interest from banks	-62,739	-111,511
Debit interests from clients	79,396	94,653
Negative debit interest from clients	-	-
Total interest receivable	24,796	42,999

The most of the negative debit interest from banks is from the account with the Swiss National bank.

Credit interest	2021	2020
Credit interest from banks	-9,020	-341
Negative credit interest from banks	-	-
Credit interests from clients	-	-
Negative credit interest from clients	557,246	500,467
Total credit interest	548,226	500,126

The negative credit interest from banks results from a Group company.

3.21 Breakdown of personnel expenses

Personnel expenses	2021	2020
Salaries	5,443,443	4,244,735
Social insurance benefits	840,010	554,902
Other personnel expenses	-	171,057
Total	6,283,453	4,970,694

Notes for the financial years ended December 31, 2021 and 2020

3.22 Breakdown of general and administrative expenses

General and administrative expenses	2021	2020
Office space expenses	553,831	606,810
Expenses for information and communications technology	1,925,528	1,406,379
Fees of audit firms		
- of which, for financial and regulatory audits	556,283	167,700
- of which, for other services*	385,563	332,394
Other operating expenses	1,775,709	1,149,828
Total	5,196,914	3,663,111

* invoiced by two third companies

3.23 Extraordinary income and expenses

Extraordinary income	2021	2020
Success in a legal case of the previous year	-	21,402
Total extraordinary income	0	21,402

3.24 Presentation of current taxes, deferred taxes and disclosure of tax rate

Tax expense	2021	2020
Income tax	-	-
Tax on assets	42,000	42,137
Total tax expense	42,000	42,137

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

There are no liabilities to the own pension fund and no equity instruments of the bank held by the bank's staff pension scheme as of 31 December 2021.

3.26 Disclosures on the economic situation of own pension schemes

"The bank uses a follow-on contract with the collective fund of Axa Leben AG, based on a defined contribution plan. "

According the Axa Leben AG, the cover ratio of 100 % is guaranteed as of 31 December 2021. Employer contributions amounted to CHF 390'595 (2020: CHF 222'371) and are reported under personnel expenses. The bank has no employer contribution reserve. There are no liabilities due to the termination of employment contracts or future reductions in contributions from available funds.

From 1 January 2019, the mentioned pension fund will no longer offer a full insurance, but will switch to a semi-autonomous solution. All employees have been informed since 13 November 2018.

Notes for the financial years ended December 31, 2021 and 2020

4. Key metrics for disclosure

		2021	2020			
Available capital (CHF)						
1	Common Equity Tier 1 (CET1)	16,171,265	24,444,680			
2	Tier 1	16,171,265	24,444,680			
3	Total capital	16,171,265	24,444,680			
Risk-weighted assets (CHF)						
4	Total risk-weighted assets (RWA)	76,570,927	100,258,018			
4a	Minimum capital requirements (CHF)	6,125,674	8,020,641			
Risk-based capital ratios (as a percentage % of RWA)						
5	CET1 ratio (%)	21.10%	24.40%			
6	T1 ratio (%)	21.10%	24.40%			
7	Total capital ratio (%)	21.10%	24.40%			
Additional CET1 requirements (buffers) as a percentage of RWA						
8	Capital conservation buffer requirements according to Basel minimum requirements (%)	2.50%	2.50%			
9	Countercyclical buffer requirements according to Basel minimum requirements (%)	0.00%	0.00%			
10	Bank G-SIB and/or D-SIB additional requirements	0.00%	0.00%			
11	Total of bank CET1 specific buffer requirements according to Basel minimum requirements (%)	2.50%	2.50%			
12	CET1 available after meeting the bank's minimum capital requirements (%)	13.10%	16.40%			
Target capital ratios according to Annex 8 of the Capital Adequacy Ordinance (CAO) (% of RWA)						
12a	Capital conservation buffer according to CAO, Annex 8 (%)	2.50%	2.50%			
12b	Countercyclical capital buffer according to CAO, Art. 44 and Art. 44a (%)	0.00%	0.00%			
12c	CET1 capital target (%) according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a	7.00%	7.00%			
12d	T1 capital target according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a	8.50%	8.50%			
12e	Total capital target according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a	10.50%	10.50%			
Basel III Leverage Ratio						
13	Basel III leverage ratio exposure measure (CHF)	152,780,739	208,761,574			
14	Basel III Leverage Ratio	10.60%	11.70%			
Short-term liquidity coverage ratio (LCR)		2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
15	LCR numerator: Total high quality liquid assets (HQLA) (CHF 1000)	59,506	63,948	79,372	90,845	99,312
16	LCR denominator: Total of net cash outflow (CHF 1000)	32,805	33,228	36,890	44,089	50,165
17	Short-term liquidity coverage ratio (LCR) (%)	181.40%	192.50%	215.20%	206.00%	198.00%

* According to Swiss Financial Market Supervisory Authority (FINMA) Circular 2016/1 we refer to the disclosures at parent company level (cblgroup.com) for additional key figures.



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