

# KALEIDO



## ANNUAL REPORT

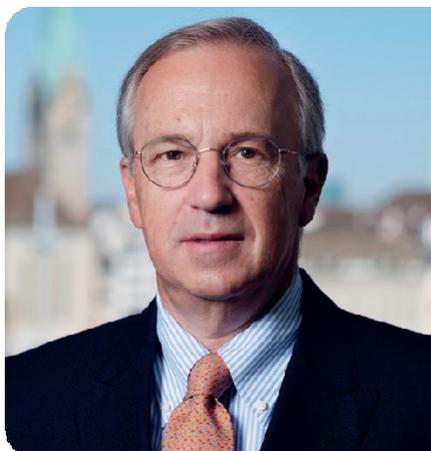
# 2022



# Kaleido Privatbank AG, Zurich

Annual financial statement for the financial year ended December 31, 2022  
and report of the statutory auditor

## 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.



**Johan Akerblom**  
Vice-Chairman

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.

## 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.



**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.



## 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 challenging, marked by economic difficulties and geopolitical turmoil. The ongoing war in Ukraine brought supply chain disruptions and instability in the global energy market, which contributed to increased volatility across global financial markets, including rising inflation and interest rates. In the face of such uncertainty, we have prioritized bringing stability and guidance to our clients, who may be concerned about what the future holds.

After undergoing significant changes in the previous year - including rebranding, restructuring our team, and implementing a new banking system - 2022 was an important year for Kaleido: We shifted our focus from large-scale transformations to smaller, yet impactful improvements. These refinements allowed us to build upon the foundation we established in the prior year and set the stage for exponential growth in the future.

Despite the uncertainty and challenges of the past year, we have made great progress and are proud to have established ourselves as a modern boutique private bank. Our focus on providing the best possible service for our clients, combined with our dedication to innovation and growth, has brought us to an exciting point in our development. As we move into 2023, we remain focused on achieving our strategic goals and upholding our commitment to delivering value for our clients, stakeholders, and employees.

Our financial performance in 2022 highlights our commitment to investing in innovation and progress, laying the foundation for sustainable growth in the long term. Despite incurring losses of CHF 5.241 million in 2022, these investments have enabled a significant improvement from the previous year. Kaleido remains confident that these strategic efforts are necessary for securing a profitable future as a leading boutique wealth management provider.

The changes in our financial performance are the results of growth in client assets, a rise in lending volume (including mortgages), and a reduction in operational expenses, as we have streamlined our employee costs through digital advancements. Simultaneously, our high operational expenses incurred in 2021 were due to major transformation efforts, which have now been completed, which allowed us to focus on smaller, but significant, advancements in 2022.

We have successfully expanded our client base, in alignment with our new strategy and adjusted risk appetite, leading to a near doubling of assets under management, reaching CHF 726.923 million. This provides a solid foundation for sustainable risk-optimized growth and enables us to deliver exceptional value to our clients in the long term. While the increase in client assets and the reduction in operational expenses are significant, we fell short of our growth targets for the year 2022, partly due to the challenging market conditions and the broader difficulties, faced by the banking sector overall.

Although they may have seemed small from the outside, the changes we made last year had a significant impact on our internal operations. One example is our adoption to the full suite of Office 365 solutions including Power Apps, such as

Power BI and Power Automate, for our in-house digital projects. These tools have allowed us to streamline processes, increase transparency, and prioritize the most pressing issues. Overall, they have helped us to be more efficient and effective in our work.

By implementing automated systems for tasks such as invoice management and archiving, we have been able to streamline our workflows and reduce the risk of errors. Our transition to a more digital process has allowed us to gain a clearer overview of our operations. These automation efforts have resulted in significant improvements, including increased efficiency, improved security for sensitive documents, enhanced visibility and accessibility, and improved compliance. Overall, automation has had a positive impact on our business.

We have re-launched our website to better reflect our status as a modern boutique private bank and to enhance the experience of our clients. To improve our marketing efforts and better serve our clients, we have implemented new tools and upgraded our CRM system. These updates allow us to perform more effective marketing campaigns and provide our advisors with a better understanding of our client's needs and preferences. Our enhanced CRM system enables us to deliver a higher level of personalized service to our clients and helps us build a stronger relationship with them.

In the past year, we have worked hard on developing innovative products and services that align with our client's values, interests, and needs. From specialized investment strategies and customized portfolios to flexible financing options and secure digital asset services, we strive to offer a full range of solutions that meet our client's diverse requirements.

As we enter 2023, Kaleido is poised for growth. We have set ambitious targets for the year and are well-equipped to achieve them, thanks to the groundwork we have laid in the past year. Our previous investments and efforts are now starting to pay off, and we are excited to continue expanding our offerings beyond banking by developing innovative solutions. This year, we are determined to set a strong growth trajectory and make the most of our readiness.



# FINANCIALS

Balance Sheet  
Income Statement  
Statement of changes in equity  
Notes

## Balance sheet as of 31 December 2022 and 2021

<b>Assets</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Liquid assets	6'568'647	9'709'855
Amounts due from banks	26'975'605	29'557'442
Amounts due from customers	37'173'238	6'812'538
Mortgage Loans	7'188'890	-
Trading portfolio assets	11'669'222	60'880'828
Positive replacement values of derivative financial instruments	119'881	-
Financial investments	76'265'700	43'281'131
Accrued income and prepaid expenses	487'447	724'062
Tangible fixed assets	648'368	1'061'919
Other assets	202'988	210'936
<b>Total assets</b>	<b>167'299'986</b>	<b>152'238'711</b>
Total subordinated claims	-	-
<b>Liabilities</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Amounts due to banks	167'519	809'024
Amounts due in respect of customer deposits	154'443'923	132'040'101
Negative replacement values of derivative financial instruments	178'395	-
Accrued expenses and deferred income	1'553'920	3'205'093
Other liabilities	26'432	13'228
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 / loss carried forward	-4'408'735	3'864'680
Loss (result of the period)	-5'241'468	-8'273'415
<b>Total liabilities</b>	<b>167'299'986</b>	<b>152'238'711</b>
Total subordinated liabilities	-	-
<b>Off-balance-sheet transactions</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Contingent liabilities	279'525	364'029
Irrevocable commitments	210'000	356'000
Obligations to pay up shares and make further contributions	-	-
Credit commitments	-	-

# Income statement for the financial years ending on 31 December 2022 and 2021

	2022	2021
Result from interest operations		
- Interest and discount income	989'182	24'796
- Interest and dividend income from trading portfolios	378'792	756'219
- Interest and dividend income from financial investments	494'210	227'310
- Interest expense	349'519	548'226
Gross result from interest operations	2'211'703	1'556'551
Changes in value adjustments for default risks and losses from interest operations	-	-
<b>Subtotal net result from interest operations</b>	<b>2'211'703</b>	<b>1'556'551</b>
Result from commission business and services		
- Commission income from securities trading and investment activities	1'714'492	1'045'839
- Commission income from lending activities	171'162	8'250
- Commission income from other services	1'573'356	1'836'308
- Commission expense	-804'490	-399'501
<b>Subtotal result from commission business and services</b>	<b>2'654'520</b>	<b>2'490'896</b>
<b>Result from trading activities and the fair value option</b>	<b>-1'410'277</b>	<b>-506'419</b>
Other result from ordinary activities		
- Result from the disposal of financial investments	-	-
- Other ordinary income	26'510	24'200
- Other ordinary expenses	-	-
<b>Subtotal other result from ordinary activities</b>	<b>26'510</b>	<b>24'200</b>
Operating expenses		
- Personnel expenses	-5'526'992	-6'283'453
- General and administrative expenses	-3'540'552	-5'196'914
<b>Subtotal operating expenses</b>	<b>-9'067'544</b>	<b>-11'480'367</b>
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-413'551	-314'745
Changes to provisions and other value adjustments, and losses	-147'226	-1'531
<b>Operating result</b>	<b>-6'145'866</b>	<b>-8'231'415</b>

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

	<b>2022</b>	<b>2021</b>
Extraordinary income	910'909	-
Extraordinary expenses	-	-
Taxes	-6'511	-42'000
<b>Loss (result of the period)</b>	<b>-5'241'468</b>	<b>-8'273'415</b>
Compensation of losses		
Loss (result of the period)	-5'241'468	-8'273'415
Profit / loss carried forward from the previous period	-4'408'735	3'864'680
<b>Accumulated profit / loss</b>	<b>-9'650'203</b>	<b>-4'408'735</b>
Compensation of losses		
- The amount to be withdrawn from statutory retained earnings reserve	-	-
- The amount to be withdrawn from voluntary retained earnings reserves	-	-
<b>Profit / loss carried forward to the next period</b>	<b>-9'650'203</b>	<b>-4'408'735</b>

### Presentation of the statement of changes in equity 2022

	Bank's capital	Capital reserve	Voluntary retained earnings reserve	Reserves for general banking risks	Profit / loss carried forward	<b>Total</b>
Equity at start of current period	10'000'000	2'480'000	8'100'000	-	-4'408'735	<b>16'171'265</b>
Dividends and other distributions	-	-	-	-	-	-
Profit / loss (result of the period)	-	-	-	-	-5'241'468	<b>-5'241'468</b>
Equity at end of current period	10'000'000	2'480'000	8'100'000	-	-9'650'203	<b>10'929'797</b>

# Notes for the financial years ended December 31, 2022 and 2021

## 1. Notes on business activities and personnel

### General

Kaleido Private Bank is a limited company based on the Swiss code of obligations domiciled in Zurich, Switzerland. It is a 100% subsidiary of Citadele Bank, Riga, Latvia. Its business activities focus on private banking, concentrating on private and corporate clients based in Switzerland, Western Europe (in particular DACH Region) and selected other countries.

### 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 26 (25 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 3. Notes on Risk Management.

## 2. 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 as 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 and FINMA Accounting Ordinance. The underlying reliable assessment statutory single-entity financial statements present the Bank's economic situation in such a way that a third party can form a reliable opinion.

The applied principles and methods have not changed compared to the prior year.

The figures for the publication are rounded, but all calculations are based on non-rounded figures. Therefore, small rounding differences can arise.

Financial statements are prepared on the assumption that the Bank will continue as a going concern. All valuations are made on a going-concern basis.

### 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 recognized 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, 2022 and 2021

## Foreign currencies

Assets and liabilities in foreign currencies are valued at the applicable mid-rates as of the balance sheet date. Exchange gains and losses resulting from valuation are shown in "Result from trading activities". Transactions in foreign currencies during the year are converted at the exchange rate on the trade date. The following conversion rates were used for the major foreign currencies on the balance sheet date:

2022		2021	
USD	0.9249	USD	0.91262
EUR	0.9885	EUR	1.03642
GBP	1.1157	GBP	1.23425
CAD	0.6835	CAD	0.7202
SEK	8.8717	SEK	10.068652
NZD	0.5863	RUR	1.2160
AUD	0.6292	AUD	0.66216

## 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 except for 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 are 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.

## Treatment of overdue and endangered interest

Interest and corresponding commissions that have been due for more than 90 days are deemed overdue. Should a debtor be more than 90 days in arrears on interest payments, the interest due is allocated directly to the value adjustments. In this case, a credit to income is only made after the interest payment has been made. If a receivable is deemed to be non-recoverable, the client contract will be terminated, and any outstanding amounts will be written off with the client closure.

## Derivative financial instruments

The valuation of derivative financial instruments is based on fair value. Fair values are based on market value where an active market exists, quotes from traders, discounted cash flow models or models for option pricing. Such transactions are only entered for trading purposes. Realized and unrealized gains and losses are recorded and disclosed under "Result from trading activities".

## Treatment of refinancing and trading activity positions

Refinancing expenses for trading activities are charged to interest expense

# Notes for the financial years ended December 31, 2022 and 2021

## 3. Notes on risk management

The bank is active in the commission business and interest business. 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. The limits for credit and market risks are monitored constantly.

### **Credit risks**

Loans are granted to the bank's clients in return for first-class, readily marketable collateral or Swiss mortgage collateral. Unsecured loans or loans not secured by marketable collateral are only approved in justified, exceptional cases. The bank mainly issues collateralized loans (secured by assets and eligible securities deposited with the bank) and mortgage loans (secured by mortgage notes or a mortgage assignment). As a rule, Kaleido Private Bank grants collateralized loans against liquid securities in diversified portfolios. Loan-to-value ratios are conservative, to minimize the default risk.

### **Interest rate risks and other market risks**

Market risk reflects the potential loss on the bank's balance sheet positions, of which the value or cash flows depend on market fluctuations. The market risks of the bank are caused by positions with defined repricing maturity (interest rate change risk) and marginal by foreign currency positions (foreign exchange risk).

### **Liquidity risks**

The controlling of liquidity is observed and ensured within the scope of the banking law requirements.

### **Operational risks**

Operational risks are governed by internal regulations and directives on internal organization. In order to limit legal risks, the bank brings in external lawyers.

## 4. Methods used to identify default risks and determine the need for value adjustments

As an institution in the supervisory category 5, value adjustments for default risks on non-impaired loans need to be created for latent default risks.

Default risks are deemed latent and covered by value adjustments for latent default risks if, due to events that have already occurred by the date on which the annual financial statements were prepared, losses are expected but cannot yet be assigned to specific borrowers.

Due to the comprehensive review of loan applications as well as constant in-depth monitoring of the loan book, the bank has not experienced nor identified any latent default risks in the reporting period or prior periods.

# Notes for the financial years ended December 31, 2022 and 2021

## 5. Valuation of collaterals

For lombard loans, diversified portfolios with transferable financial instruments for which there is a liquid and active market are primarily accepted. The bank applies conservative loan-to-value rates to the market values to cover the market risk associated with liquid and marketable securities and determines the loan-to-value ratio.

In the mortgage business, an up-to-date collateral valuation is available for every loan granted. Valuations are dependent on the type and use of the property. The bank uses established 3<sup>rd</sup> parties, predominantly "Wüest Partner" to assess the value of the property.

For structured loans backed by a diverse mix of collateral a very prudent approach is chosen to determine the loan-to-value ratio. External professional partners are used to value the collateral.

## 6. Business policy for the use of derivative instruments

Derivative instruments are used for trading and hedging purposes. Trading takes place in standardized and OTC instruments for the bank's own account as well as for the account of clients.

This includes instruments for interest rates, currencies, equity instruments / indices and, to a lesser extent, precious metals.

As part of its risk management process, the bank uses derivatives mainly to hedge interest rate and foreign currency risks. Hedging transactions are mainly conducted with external counterparties.

The bank does not apply hedge accounting.

## 7. Material events after the balance sheet date

The shareholder has agreed on 8 March 2023, to increase the eligible capital by an additional CHF 5'000'000 to strengthen the capital position.

## 8. Premature resignation of the auditors

KPMG AG, Zurich, was elected by the Annual General Meeting as the bank's auditors. The auditors did not resign from their function.

# Notes for the financial years ended December 31, 2022 and 2021

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

### 9.1. 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
	Secured by mortgage	Other collateral	Unsecured	31.12.2022
Amounts due from customers	-	37'120'467	52'771	44'362'128
Mortgage loans	7'188'890			
<i>Residential property</i>	7'188'890			
<i>Other</i>	-			
<b>Total loans</b>	<b>7'188'890</b>	<b>37'120'467</b>	<b>52'771</b>	<b>44'362'128</b>
<i>Previous year</i>		6'798'043	14'495	6'812'538

Loans (after netting with value adjustments)	TYPE OF COLLATERAL			Total
	Secured by mortgage	Other collateral	Unsecured	31.12.2022
Amounts due from customers	-	37'120'467	52'771	44'362'128
Mortgage loans	7'188'890			
<i>Residential property</i>	7'188'890			
<i>Other</i>	-			
<b>Total loans</b>	<b>7'188'890</b>	<b>37'120'467</b>	<b>52'771</b>	<b>44'362'128</b>
<i>Previous year</i>		6'798'043	14'495	6'812'538

Off-balance-sheet	TYPE OF COLLATERAL			Total
	Secured by mortgage	Other collateral	Unsecured	31.12.2022
Contingent liabilities	-	279'525	-	279'525
Irrevocable commitments	-	210'000	-	210'000
<b>Total off-balance-sheet</b>	<b>-</b>	<b>489'525</b>	<b>-</b>	<b>489'525</b>
<i>Previous year</i>		720'029		720'029

	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
<b>Impaired loans / receivables</b>	-	-	-	-
<i>Previous Year</i>	-	-	-	-

# Notes for the financial years ended December 31, 2022 and 2021

## 9.2. Breakdown of trading portfolio and other financial instruments at fair value (assets and liabilities)

<b>Assets</b>	31.12.2022	31.12.2021
<i>Trading portfolio</i>		
Debt securities, money market securities / transactions	11'669'222	60'880'828
- of which, listed	11'669'222	60'880'828
Equity securities	-	-
Precious metals and commodities	-	-
Other trading portfolio assets	-	-
<b>Total assets</b>	<b>11'669'222</b>	<b>60'880'828</b>
- of which, securities eligible for repo transactions in accordance with liquidity requirements	987'482	25'600'402
No liabilities and other financial instruments		

# Notes for the financial years ended December 31, 2022 and 2021

## 9.3. Presentation of derivative financial instruments (assets and liabilities)

	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
<b>Interest rate instruments</b>						
Forward contracts incl. FRAs	-	-	-	-	-	-
Swaps	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Options (OTC)	-	-	-	-	-	-
Options (Exchange-traded)	-	-	-	-	-	-
<b>Foreign exchange / precious metals</b>						
Forward contracts incl. FRAs	119'881	178'395	16'292'160	-	-	-
Swaps	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Options (OTC)	-	-	-	-	-	-
Options (Exchange-traded)	-	-	4'671	-	-	-
<b>Equity securities / indices</b>						
Forward contracts incl. FRAs	-	-	-	-	-	-
Swaps	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Options (OTC)	-	-	-	-	-	-
Options (Exchange-traded)	-	-	-	-	-	-
<b>Credit derivatives</b>	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-

# Notes for the financial years ended December 31, 2022 and 2021

## Presentation of derivative financial instruments (assets and liabilities) (continued)

	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
<b>Total before netting agreements</b>	119'881	178'395	16'296'831	-	-	-
<i>Previous year</i>	-	-	-	-	-	-

	Positive replacement values	Negative replacement values
<b>Total after netting agreements</b>	119'881	178'395
<i>Previous year</i>	-	-

## Breakdown by counterparty

	Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreements)	-	88'065	31'816

# Notes for the financial years ended December 31, 2022 and 2021

## 9.4. Breakdown of financial investments

Financial investments	Book value		Fair value	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Debt Securities	76'265'700	43'281'131	73'463'680	44'089'455
- of which, intended to be held to maturity	76'265'700	43'281'131	73'463'680	44'089'455
- of which, not intended to be held to maturity (available for sale)	-	-	-	-
Equity securities	-	-	-	-
Precious metals	-	-	-	-
Real estate	-	-	-	-
<b>Total financial investments</b>	<b>76'265'700</b>	<b>43'281'131</b>	<b>73'463'680</b>	<b>44'089'455</b>
- of which, securities eligible for repo transactions in accordance with liquidity requirements	31'774'688	17'502'647	30'521'889	17'906'392

Financial investments	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Total
Debt securities: book value	48'271'741	19'769'857	8'224'102	-	76'265'700
<b>Total financial investments</b>	<b>48'271'741</b>	<b>19'769'857</b>	<b>8'224'102</b>	<b>-</b>	<b>76'265'700</b>
<i>Previous year</i>	23'850'826	14'057'758	5'372'547	-	43'281'131

The lowest rating of the following rating agencies: S&P, Moody's, Fitch

## 9.5. Presentation of tangible fixed assets

	2022						Book value as at end of current year
	Acquisition cost	Accumulated depreciation	Book value previous year end	Additions	Depreciation		
Proprietary or separately acquired software	1'509'836	731'097	778'739	-	345'546	433'193	
Other tangible fixed assets	553'424	270'243	283'180	-	68'005	215'175	
<b>Total tangible fixed assets</b>	<b>2'063'259</b>	<b>1'001'340</b>	<b>1'061'919</b>	<b>-</b>	<b>413'551</b>	<b>648'368</b>	

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, 2022 and 2021

## Operating leases

		within 1 year	from 1 to 5 years	> 5 years	Total*
Future lease payments	<b>Current year</b>	<b>313'668</b>	<b>1'254'670</b>	<b>862'586</b>	<b>2'430'924</b>
	<i>Previous year</i>	313'668	1'254'670	1'176'254	2'744'592

\*of which, commitments which can be terminated within one year: CHF 0 (2021: CHF 0)

## 9.6. Breakdown of other assets and other liabilities

	Other assets		Other liabilities	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Compensation account	3'760	25'146	-	-
Indirect taxes	25'727	19'613	21'473	13'228
Others	173'501	166'177	4'959	-
<b>Total</b>	<b>202'988</b>	<b>210'936</b>	<b>26'432</b>	<b>13'228</b>

## 9.7. Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership

	Book value		Effective commitments	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Pledged or assigned assets</b>	<b>2'213'361</b>	<b>2'183'123</b>	<b>2'213'361</b>	<b>2'183'123</b>

# Notes for the financial years ended December 31, 2022 and 2021

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

	Balance at previous year end	Use in conformity with designated purpose	Reclassifications	Past due interest, recoveries	New creations charged to income	Releases to income	Balance at current year end
Provisions for default risks	-	-	-	-	-	-	-
- of which provisions acc. to art. 28 para. 1 FINMA AO	-	-	-	-	-	-	-
- of which, provisions for latent risk	-	-	-	-	-	-	-
Provisions for other business risks	-	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-	-
<b>Total provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Value adjustments for default risks from impaired receivables	-	-	-	-	-	-	-
Value adjustments for latent risks	-	-	-	-	-	-	-
<b>Total value adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reserves for general banking risks</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 9.9. Presentation of the bank's capital

	31.12.2022			31.12.2021		
	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
<b>Total bank's capital</b>	<b>10'000'000</b>	<b>100'000</b>	<b>10'000'000</b>	<b>10'000'000</b>	<b>100'000</b>	<b>10'000'000</b>

# Notes for the financial years ended December 31, 2022 and 2021

## 9.10. Disclosure of amounts due from/to related parties

	Amounts due from		Amounts due to		Fiduciary investments	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Holders of qualified participations	3'613'134	8'643'699	-	98	-	12'005'516
Group companies	-	-	-	-	-	-
Linked companies	-	-	-	-	-	-
Transactions with members of governing bodies	-	-	-	-	-	-
Other related parties	-	-	-	-	-	-

Every transaction is in line with the market.

## 9.11. Disclosure of holders of significant participations

Holders of significant participations and groups of holders of participations with pooled voting rights	31.12.2022		31.12.2021	
	Nominal	% of equity	Nominal	% of equity
With voting rights:				
Direct: Citadele Bank, Riga, Latvia	10'000'000	100%	10'000'000	100.00%
Indirect:				
European Bank for Reconstruction & Development, London, UK	2'487'353	24.87%	2'495'000	24.95% (minus 1 share)
RA Citadele Holdings, LLC	2'229'546	22.30%	2'726'000	27.26% (plus 1 share)
Delan S.à.r.l.	991'229	9.91%	994'000	9.94%
EMS LB LLC	1'400'932	14.01%	993'000	9.93%
Amolino Holdings Inc.	1'071'689	10.72%	997'000	9.97%
Shuco LLC	781'542	7.82%	784'000	7.84%
Other participations, none of them exceeding 5 %	1'037'709	10.38%	1'011'000	10.11%

Without voting rights: none

# Notes for the financial years ended December 31, 2022 and 2021

## 9.12. Presentation of the maturity structure of financial instruments

	Due						31.12.2022
	At sight	Cancellable	within 3 months	within 3 to 12 months	within 12 to 5 years months	After 5 years	
<b>Assets/financial instruments</b>							
Liquid assets	6'568'647	-	-	-	-	-	6'568'647
Amounts due from banks	18'096'565	-	8'879'040	-	-	-	26'975'605
Amounts due from customers	35'786	16'986	9'851'967	27'268'500	-	-	37'173'238
Mortgage Loans	-	3'188'023	-	-	-	4'000'867	7'188'890
Trading portfolio assets	11'669'222	-	-	-	-	-	11'669'222
Positive replacement values of derivative financial instruments	119'881	-	-	-	-	-	119'881
Financial investments	-	-	-	17'730'143	54'780'385	3'755'172	76'265'700
<b>Total assets/financial instruments</b>	<b>36'490'101</b>	<b>3'205'009</b>	<b>18'731'007</b>	<b>44'998'643</b>	<b>54'780'385</b>	<b>7'756'039</b>	<b>165'961'183</b>
Previous year	100'043'938	-	636'892	7'192'224	33'540'487	8'828'253	150'241'794
<b>Debt capital/financial instruments</b>							
Amounts due to banks	167'518	-	-	-	-	-	167'518
Amounts due in respect of customer deposits	154'443'923	-	-	-	-	-	154'443'923
Negative replacement values of derivative financial instruments	178'395	-	-	-	-	-	178'395
<b>Total debt capital/financial instruments</b>	<b>154'789'837</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>154'789'837</b>
Previous year	132'849'125	0	0	0	0	0	132'849'125

# Notes for the financial years ended December 31, 2022 and 2021

## 9.13. Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle

Assets	31.12.2022		31.12.2021	
	Domestic	Foreign	Domestic	Foreign
Liquid assets	6'568'647	-	9'709'855	-
Amounts due from banks	21'144'614	5'830'991	20'913'743	8'643'699
Amounts due from customers	12'051'572	25'121'665	6'522'437	290'101
Mortgage loans	7'188'890	-	-	-
Trading portfolio assets	-	11'669'222	-	60'880'828
Positive replacement values of derivative financial instruments	119'881	-	-	-
Financial investments	5'408'252	70'857'448	5'670'042	37'611'089
Accrued income and prepaid expenses	487'447	-	415'817	308'245
Tangible fixed assets	648'368	-	1'061'919	-
Other assets	202'988	-	210'936	-
<b>Total assets</b>	<b>53'820'659</b>	<b>113'479'326</b>	<b>44'504'749</b>	<b>107'733'962</b>

Liabilities	31.12.2022		31.12.2021	
	Domestic	Foreign	Domestic	Foreign
Amounts due to banks	167'519	-	-	809'024
Amounts due in respect of customer deposits	19'369'819	135'074'104	19'809'751	112'230'350
Negative replacement values of derivative financial instruments	178'395	-	-	-
Accrued expenses and deferred income	1'553'920	-	3'205'093	-
Other liabilities	26'432	-	13'228	-
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 / loss carried forward	-4'408'735	-	3'864'680	-
Loss (result of the period)	-5'241'468	-	-8'273'415	-
<b>Total liabilities</b>	<b>32'225'882</b>	<b>135'074'104</b>	<b>39'199'337</b>	<b>113'039'374</b>

# Notes for the financial years ended December 31, 2022 and 2021

## 9.14. Breakdown of total assets by country or group of countries (domicile principle)

Assets	31.12.2022		31.12.2021	
	Absolute	Share as %	Absolute	Share as %
Europe without Switzerland	82'841'217	49.52%	88'488'962	58.13%
North America	14'017'497	8.38%	18'293'000	12.02%
Caribbean	1'036	0.00%	-	0.00%
Latin America	487	0.00%	1'000	0.00%
Africa	15'752'378	9.42%	2'000	0.00%
Asia	1'477	0.00%	-	0.00%
Oceania	865'235	0.52%	949'000	0.62%
Switzerland	53'820'659	32.17%	44'504'749	29.23%
<b>Total assets</b>	<b>167'299'986</b>	<b>100%</b>	<b>152'238'711</b>	<b>100.00%</b>

## 9.15. Breakdown of total assets by credit rating of country groups (risk domicile view)

Bank's own country rating	31.12.2022		31.12.2021	
	Net foreign exposure		Net foreign exposure	
	In CHF	Share as %	In CHF	Share as %
Aaa – Aa3	87'007'094	76.67%	91'613'962	85.04%
A1 – A3	10'362'119	9.13%	15'836'000	14.70%
Baa1 – Baa3	-	0.00%	281'000	0.26%
Ba1 – Ba2	15'752'378	13.88%	-	0.00%
Ba3	356'212	0.32%	-	0.00%
B1 – B3	-	0.00%	2'000	0.00%
Caa1 – C	1'523	0.00%	1'000	0.00%
<b>Total</b>	<b>113'479'326</b>	<b>100%</b>	<b>107'733'962</b>	<b>100.00%</b>

The bank's country rating uses the Moody's rating for the country's government bonds.

# Notes for the financial years ended December 31, 2022 and 2021

## 9.16. Presentation of assets and liabilities broken down by the most significant currencies for the bank

Assets	Currencies					31.12.2022
	CHF	EUR	USD	GBP	Others	Total
Liquid assets	6'568'647	-	-	-	-	6'568'647
Amounts due from banks	420'006	5'741'372	18'401'387	1'009'749	1'403'092	26'975'605
Amounts due from customers	13'417'993	609'025	23'146'220	-	-	37'173'238
Mortgage Loans	7'188'890	-	-	-	-	7'188'890
Trading portfolio assets	-	3'651'292	8'017'931	-	-	11'669'222
Positive replacement values of derivative FI	119'881	-	-	-	-	119'881
Financial investments	10'758'301	44'192'197	20'030'431	1'284'770	-	76'265'700
Accrued income and prepaid expenses	211'154	161'128	112'151	3'014	-	487'447
Tangible fixed assets	648'368	-	-	-	-	648'368
Other assets	202'988	-	-	-	-	202'988
<b>Total assets shown in balance sheet</b>	<b>39'536'228</b>	<b>54'355'014</b>	<b>69'708'120</b>	<b>2'297'533</b>	<b>1'403'092</b>	<b>167'299'986</b>
Delivery claims on forward transactions	2'682'268	-	13'612'697	-	-	16'294'964
<b>Total assets</b>	<b>42'218'495</b>	<b>54'355'014</b>	<b>83'320'816</b>	<b>2'297'533</b>	<b>1'403'092</b>	<b>183'594'950</b>
Liabilities	CHF	EUR	USD	GBP	Others	Total
Amounts due to banks	18'000	9'885	139'634	-	-	167'518
Amounts due in respect of customer deposits	16'123'167	54'196'300	80'427'047	2'294'487	1'402'922	154'443'923
Negative replacement values of derivative FI	178'395	-	-	-	-	178'395
Accrued expenses and deferred income	1'553'920	-	-	-	-	1'553'920
Other liabilities	26'432	-	-	-	-	26'432
Provisions	-	-	-	-	-	-
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 / loss carried forward	-4'408'735	-	-	-	-	-4'408'735
Loss (result of the period)	-5'241'468	-	-	-	-	-5'241'468
<b>Total liabilities shown in balance sheet</b>	<b>28'829'711</b>	<b>54'206'185</b>	<b>80'566'681</b>	<b>2'294'487</b>	<b>1'402'922</b>	<b>167'299'986</b>
Delivery obligations on forward transactions	13'788'071	-	2'562'604	-	-	16'350'675
<b>Total liabilities</b>	<b>42'617'782</b>	<b>54'206'185</b>	<b>83'129'285</b>	<b>2'294'487</b>	<b>1'402'922</b>	<b>183'650'660</b>
Net position per currency	-399'287	148'828	191'531	3'046	170	-55'710

# Notes for the financial years ended December 31, 2022 and 2021

## 9.17. Breakdown of contingent liabilities and contingent assets

<b>Contingent liabilities</b>	31.12.2022	31.12.2021
Guarantees to secure credits and similar	279'525	364'029
Performance guarantees and similar	-	-
Irrevocable commitments arising from documentary letters of credit	-	-
Other contingent liabilities	-	-
<b>Total contingent liabilities</b>	<b>279'525</b>	<b>364'029</b>

## 9.18. Breakdown of fiduciary transactions

<b>Fiduciary transactions</b>	31.12.2022	31.12.2021
Fiduciary investments with third-party companies	5'192'154	-
Fiduciary investments with group companies and linked companies	-	12'005'516
Fiduciary loans	-	-
<b>Total fiduciary transactions</b>	<b>5'192'154</b>	<b>12'005'516</b>

# Notes for the financial years ended December 31, 2022 and 2021

## 9.19. Breakdown of the result from trading activities and the fair value option

<b>Result from trading activities from:</b>	2022	2021
Interest rate instruments (including funds)	-1'975'829	-1'124'618
Foreign currencies	565'552	615'488
Commodities/precious metals	-	2'711
<b>Total result from trading activities</b>	<b>-1'410'277</b>	<b>-506'419</b>
- of which, from fair value option on assets	-	-
- of which, from fair value option on liabilities	-	-

## 9.20. Disclosure of material refinancing income in the item interest and discount income as well as material negative interest

<b>Interest and discount income</b>	2022	2021
Debit interest from banks	69'175	8'139
Negative debit interest from banks	-41'259	-62'739
Debit interests from clients	961'265	79'396
Negative debit interest from clients	-	-
<b>Total Interest and discount income</b>	<b>989'182</b>	<b>24'796</b>

<b>Interest expense</b>	2022	2021
Credit interest from banks	-10'764	-9'020
Negative credit interest from banks	-	-
Credit interests from clients	-	-
Negative credit interest from clients	360'283	557'246
<b>Total Interest expense</b>	<b>349'519</b>	<b>548'226</b>

## 9.21. Breakdown of personnel expenses

<b>Personnel expenses</b>	2022	2021
Salaries	4'713'946	5'443'443
Social insurance benefits	813'046	840'010
Other personnel expenses	-	-
<b>Total</b>	<b>5'526'992</b>	<b>6'283'453</b>

# Notes for the financial years ended December 31, 2022 and 2021

## 9.22. Breakdown of general and administrative expenses

<b>General and administrative expenses</b>	2022	2021
Office space expenses	332'706	553'831
Expenses for information and communications technology	2'055'397	1'925'528
Fees of audit firms	388'338	941'846
- of which, for financial and regulatory audits	309'518	556'283
- of which, for other services	78'820	385'563
Other operating expenses	764'111	1'775'709
<b>Total</b>	<b>3'540'552</b>	<b>5'196'914</b>

## 9.23. Extraordinary income and expenses

<b>Extraordinary income</b>	2022	2021
Reversal of deferred bonuses from previous years that are no longer required	910'909	-
<b>Total extraordinary income</b>	<b>910'909</b>	<b>-</b>

## 9.24. Presentation of current taxes, deferred taxes and disclosure of tax rate

<b>Tax expense</b>	2022	2021
Income tax	-	-
Capital tax	-6'511	42'000
<b>Total tax expense</b>	<b>-6'511</b>	<b>42'000</b>

## 9.25. 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 2022.

## 9.26. 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 to Axa Leben AG, the cover ratio of 100 % is guaranteed as of 31 December 2022. Employer contributions amounted to CHF 404'186 (2021: CHF 390'595) and are reported under personnel expenses. The bank has no employer contribution reserve for the current and the previous reporting period. There are no liabilities due to the termination of employment contracts or future reductions in contributions from available funds in the current and previous reporting period.

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

# Notes for the financial years ended December 31, 2022 and 2021

## 10. Key metrics for disclosure

	2022	2021			
<b>Available capital (CHF)</b>					
1 Common Equity Tier 1 (CET1)	10'929'797	16'171'265			
2 Tier 1	10'929'797	16'171'265			
3 Total capital	10'929'797	16'171'265			
<b>Risk-weighted assets (CHF)</b>					
4 Total risk-weighted assets (RWA)	53'894'918	76'570'927			
4a Minimum capital requirements (CHF)	4'311'593	6'125'674			
<b>Risk-based capital ratios (as a percentage % of RWA)</b>					
5 CET1 ratio (%)	20.28%	21.10%			
6 T1 ratio (%)	20.28%	21.10%			
7 Total capital ratio (%)	20.28%	21.10%			
<b>Additional CET1 requirements (buffers) as a percentage of RWA</b>					
8 Capital conservation buffer requirements according to Basel minimum requirements (%)	2.50%	2.50%			
9 Countercyclical buffer requirements according to Basel minimum requirements (%)	2.50%	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 (%)	12.28%	13.10%			
<b>Target capital ratios according to Annex 8 of the Capital Adequacy Ordinance (CAO) (% of RWA)</b>					
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 (%)	2.50%	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	13.00%	10.50%			
<b>Basel III Leverage Ratio</b>					
13 Basel III leverage ratio exposure measure (CHF)	167'785'000	152'780'739			
14 Basel III Leverage Ratio	6.51%	10.60%			
<b>Short-term liquidity coverage ratio (LCR)</b>					
	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
15 LCR numerator: Total high quality liquid assets (HQLA) (CHF 1000)	52'015	55'912	56'857	59'299	59'506
16 LCR denominator: Total of net cash outflow (CHF 1000)	23'784	23'512	26'307	30'389	32'805
17 Short-term liquidity coverage ratio (LCR) (%)	217.38%	239.06%	232.05%	202.03%	181.40%

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

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