



Annual Report 2022

BankMed (Suisse) SA

TABLE OF CONTENTS

CEO MESSAGE	2
BOARD OF DIRECTORS	3
EXECUTIVE COMMITTEE	5
CAPITAL ADEQUACY DISCLOSURES	7
FINANCIAL STATEMENTS 2022	8
REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS	8
BALANCE SHEET	10
OFF-BALANCE SHEET	11
INCOME STATEMENT	12
STATEMENT OF CHANGES IN EQUITY	13
NOTES TO FINANCIAL STATEMENTS	14
1. COMMENTS ON BUSINESS ACTIVITIES AND NUMBER OF EMPLOYEES	14
2. ACCOUNTING POLICIES AND VALUATION PRINCIPLES	14
3. RISK MANAGEMENT	15
4. NOTES	16
PROPOSED APPROPRIATION OF AVAILABLE EARNINGS	29

CEO MESSAGE

Our Bank achieved a remarkable recovery during 2022. Our operating results showed a significant improvement, in spite of one non-recurring charge due to the Russian crisis. We have therefore maintained our sound financial indicators, with a capital adequacy ratio at 49.88% end of 2022, compared to the 10.5% minimum regulatory requirement, and 471.15% **liquidity** coverage ratio, against a minimum of 110% required.

All through 2022, a sequence of unprecedented macroeconomic disruptions occurred. The war in Ukraine was undoubtedly the most dramatic and important development of the year. Beyond the human tragedy, the international sanctions had serious costs for the world economy.

Russia being a major Commodities' exporter, the world economy has been confronted with a commodity supply shock, with consequences for both growth and inflation. The latter has continued to surprise on the upswing in 2022, reaching multi-decade highs around the world. In September, U.S. consumer prices index spiked with a 9.1% increase from a year earlier, reaching its highest level in 40 years, driven by rising prices for gasoline, food and services.

The inflationary surge led to the end of the "easy money" period as central banks started a tightening monetary policy cycle. For example, The FED has started hiking interest rates in March 2022 from an initial 0.25% to reach 4.50% in December to counter inflation that has turned out to be more resilient than expected.

The year 2022 will be recorded as one of the few years in which both equities and fixed income markets experienced a double-digit decline. Commodities however were the best performing asset class. At the end of year, the Bloomberg Commodity Spot Index was up 11.6%. Crude oil prices increased by 60% towards the beginning of the summer. However, performance was not positive in all commodity subsegments. Industrial metals ended the period in negative territory as Covid's blockades in China weighed on industrial activity and threatened to curb metal imports.

The past year saw the launch of BankMed Suisse SA's discretionary management, and the reinforcement of its advisory services. Our equity performance tool tracks 1,200 listed stocks worldwide, and the quantitative filter we apply allows us to propose a monthly selection of stocks that outperform by 6.11% the MSCI World in 2022. We have also set up and updated a complete investment universe, in line with regulatory requirements.

The macroeconomic context and geopolitical risks led our investment committee, since its first meeting on January 2022, to adopt a defensive approach that was maintained throughout the year. This was reflected within portfolios by the implementation of a relatively short duration exposure on fixed income instruments and an overweight of commodities at the expense of equities.

Such conservative allocation allowed our portfolios to outperform most of their peers. Our USD Balanced Model Portfolio posted a relative performance well above the private banking benchmarks (our balanced dollar portfolio outperformed the industry average by 5.5%).

Our development journey will continue throughout 2023 and beyond. We are grateful to our customers and all our external partners for their extended trust and cooperation, and we look forward for a growing and successful collaboration.

Fadi Halout
Chief Executive Officer

BOARD OF DIRECTORS

DURING THE YEAR 2022, THE BOARD OF DIRECTORS WAS COMPOSED BY 8 MEMBERS, AS FOLLOWS:

Michel Accad

Chairman of the Board of Directors

Mr. Michel Accad is the Executive General Manager of Bankmed and serves as an Executive Member on Bankmed's Board of Directors.

Mr. Accad serves also as Chairman – General Manager of MedInvestment Bank and as Executive General Manager of Saudi Lebanese Bank.

Mr. Accad served as the Group Chief Executive Officer of Al-Ahli Bank of Kuwait (ABK) from May 2014 to April 2020. He assumed this position after having successfully led the turnaround of Gulf Bank, another Kuwaiti lender, and contributed to its return to profitability following the 2008 crisis.

Prior to that, from 2006 to 2009, Michel was the Assistant Chief Executive of Arab Bank PLC, based in Amman. Within this capacity, he had direct responsibility over all banking businesses globally, including Corporate and Investment Banking, Consumer Banking, Private Banking and Wealth Management, Treasury, and Credit.

Before moving to Arab Bank, Mr. Accad spent 27 years with Citigroup, which he joined in 1979. His last post with Citi was Managing Director and CEO for the Middle East and North Africa (MENA) Division, a unit that spanned presence in 10 countries and contributed over \$1 BN to Citi's bottom line.

Mr. Accad holds MBA with Honors from the University of Texas at Austin in 1978.

Raya Haffar El Hassan

Member of the Board of Directors

Ms. Raya El Hassan serves as Chairperson of Bankmed S.A.L. as of October 2020 and served as an Independent Member on Bankmed's Board of Directors since December 2011. She is also a Board Member of MedInvestment Bank S.A.L, Saudi Lebanese Bank S.A.L.

From January 2019 until January 2020, Ms. El-Hassan served as the Minister of Interior and Municipalities in Lebanon. Before that, she served as the Chairman-General Manager of Tripoli's Special Economic Zone.

Prior to that, from November 2009 until June 2011, Ms. El-Hassan served as the Minister of Finance in Lebanon. Earlier in her career, Ms. El-Hassan was the Advisor to the Minister of Economy and Trade.

Ms. El Hassan holds a Bachelor's degree in Business Administration from the American University of Beirut, and a Master's Degree in Business Administration from the George Washington University. In 2019, Ms. El-Hassan was awarded an Honorary Doctorate in Humane Letters from the Lebanese American University and an Honorary Doctorate in Business Administration from the Beirut Arab University.

David Bueche*

Member of the Board of Directors

Chairman of the Audit Committee

Mr. Bueche holds a Master in Business Administration from HEC Lausanne and is a Swiss Chartered Professional Accountant. He is an independent member of several Board of Directors and Audit Committees of companies subject to the supervision of FINMA.

He joined Arthur Andersen Geneva in 1986 as part of the « audit financial market » division and was promoted in 1997 to the partnership in the audit division. In 2002, he joined Baker Tilly Spiess (member of Baker Tilly International, the 10th worldwide largest auditing network) as partner and head of the financial market department and worked essentially with a wide variety of Swiss and international clients (internal audit, financial expertise, consulting, tax advice, directorship).

Since 2019, he is Managing Partner of DLB Consilium Sarl, Geneva, a business consulting company.

Tania Moussallem

Member of the Board of Directors

Member of the Audit Committee

Mrs. Moussallem has a career in banking and is currently Advisor to EGM and COO, Assistant Executive General Manager at BankMed. She sits in several Boards of Directors and committees.

She has chaired The Financial Alliance for Women from May 2015 to June 2019. In 2015, she has been selected among the most influential women in the Arab Banking Sectors by the Union of Arab Banks and is the recipient of several awards.

Her career started at Société Générale de Banque au Liban where she held several managerial positions in the Corporate and Investment Banking Division.

She then joined BLC Bank in 2008 as Head of Strategic Development and Financial Management Group and later took the responsibility of the Support and Marketing Group in 2014. Mrs. Moussallem was a member of the Board of Directors of USB Bank (Cypriot subsidiary of BLC Bank) and a member of several committees in BLC Bank.

She holds a Master's degree in Finance & Communication from Ecole Supérieure des Sciences Economiques et Commerciales ESSEC, France and a BA from the American University of Beirut.

Bruno Desgardins*

Member of the Board of Directors

Mr Desgardins has more than 38 years of experience in the banking industry in Paris and in Geneva. After starting its career as a financial analyst, he took over the responsibility of the Trade Finance for South European countries for Banque de l'Union Européenne.

Then, Bruno joined NSM Bank to head the Institutional Department for foreign clients, before taking over the Research Department. In 1995, Bruno was hired by ABN AMRO to manage its Corporate Finance's M&A activities. In Geneva since 2000, he spent the last 20 years at Banque Eric Sturdza holding there a management role.

Nicolas Killen*

Member of the Board of Directors

Member of the Audit Committee

A graduate of the faculty of Law of the University of Geneva in 1986 and holding a LL.M degree from the Duke University School of Law, Mr. Killen is admitted to the Geneva Bar and the New York Bar in 1990, first joining Skadden Arps Slate Meagher & Flom in New York as an associate and Borel & Barbey in Geneva in 1992. He becomes a partner of the firm in 1999 and is managing partner since 2011.

Antoine Raphael*

Member of the Board of Directors

Mr. Raphael has over 35 years of banking and financial services consulting experience stemming from the positions he held at CIBC, Citigroup, Gulf Bank, Arab Bank, Booz Allen Hamilton and Strategy in Canada, Switzerland and in the MENA region. He also sat on the board of a number of investment funds in Guernsey, the Netherlands and the UK.

**Reference of independent Board member according to FINMA Circular 2017/1*

EXECUTIVE COMMITTEE

THE EXECUTIVE COMMITTEE IS COMPOSED OF 5 MEMBERS, CHAIRED BY MR. FADI HALOUT.

Fadi Halout

Chief Executive Officer (CEO)

Mr. Halout, BankMed (Suisse) CEO since November 2019, has over 20 years of experience in the Banking and finance industry.

He was previously Head of Private Banking Europe at Europe Arab Bank, based in London, in addition to his role as acting Country Head for France. From 2004 to 2016, he was the Country CEO for National Bank of Abu Dhabi in France, where he led many major transactions with large European corporates, Middle Eastern Sovereign Wealth Funds, and High Net Worth Individuals.

Mr. Halout started his career with Philippe Investment Management in Paris, before joining BFO –Credit Agricole Indosuez as Product Development Manager and later BLC Bank France as Head of Marketing & Financial Products.

Guest speaker in several conferences, he was elected President of the foreign banks association in France (CBEF), from 2013 to 2017, where he serves now as Honorary President & Board Member. He is currently lecturer in Corporate Strategy at Dauphine University, Paris. From 2001 to 2005, he was lecturer in asset management at Dauphine University. He co-founded an economic think tank in Paris in 2009.

He holds an Executive MBA joint degree from HEC Paris, London School of Economics and New York University; and a Master's degree in Industrial Organization from Paris Dauphine University.

Laurent Perusset

Chief Investment Officer (CIO)

Mr. Perusset is the Chief Investment Officer of BankMed (Suisse) since May 2020

He is a Swiss national with more than 30 years of banking experience. He started his career in 1989 as a fixed income trader at the Geneva stock exchange for Darier & Cie. In 1995 he joined Banque Ferrier Lullin as Head of Fixed Income and Member of Treasury Committee of the bank.

From 2000 to 2010, Laurent joined Union Bancaire Privée as Head of Investment Research & Advisory, Member of the Investment Strategy Committee.

In 2010, he was appointed by Barclays Bank (Suisse) SA as Head of Investment & Global Research, looking after the advisory services in Switzerland and the pan-European ex-UK discretionary mandates. He was also the Chairman of Barclays' Pension Fund in Switzerland.

He later on joined again Union Bancaire Privée as Global Advisory Head, Member of the Investment Committee with the objectives to develop and re-design the Advisory Offering. Right after, he was appointed by Edmond de Rothschild in Geneva as Head of Advisory department which included the Research, the Structured Product and the Advisory teams for the International Private Banking division and was also member of the Global Investment Committee.

Before joining Bankmed (Suisse) SA as Chief Investment Officer, Laurent served as Head of Investment Solution for the Singalliance Group.

Fernand Cendan

Chief Operation and Risk Officer (COO/CRO)

Mr. Cendan is the Chief Operating Officer of BankMed (Suisse) since November 2018.

Prior to joining BankMed (Suisse), he spent 10 years at Merrill Lynch (Bank) Suisse SA in Geneva, holding different positions, 5 years at KBL (Switzerland) Ltd, as Head of Operations, 5 years at SEB Private Bank SA in Geneva, as Chief Operating Officer and 2 years at Lombard Odier in Geneva.

Mr. Cendan has more than 25 years of experience in the Banking industry and assumed responsibility for several strategic projects related to operations, ICT implementation and restructuring.

He holds a Federal Certificate of Proficiency in Commercial Business.

Michel Trolliet

Head of Compliance and Central File

Mr. Trolliet is the Head of Compliance and Central File of BankMed (Switzerland) since April 2017.

Prior to joining BankMed (Switzerland), he was responsible of various operational sectors, with Credit Suisse and CA Indosuez Wealth Management as well as in other private banks in Geneva.

Mr. Trolliet has more than 30 years of experience in the Banking industry, mainly in operational areas and control.

Patrice Richard

Head of Financial Control

Mr. Richard has been the Head of Financial Control of BankMed (Suisse) for the last 24years. He is a member of Risk and the Credit Committee. He graduated from ESC of Blecheins.

Prior to joining BankMed (Suisse), Mr. Richard worked at Barclays (Suisse) for a period of 8 years.

CAPITAL ADEQUACY DISCLOSURES

	31.12.2022 (in K CHF)			
Composition of eligible capital				
Common Equity Tier 1 (CET +1) Capital	70 549			
Additional Tier 1 (AT1) Capital	-			
Tier 2 Capital	-			
Total Eligible capital	70 549			
Composition of required capital				
Credit risk	9 637			
Non counterparty- related risks	209			
Credit valuation adjustment	13			
Market risk	243			
Operational risks	1 212			
Total required capital	11 314			
Capital ratios				
CET 1 Capital ratio	49.88%			
Ratio T1	49.88%			
Ratio regarding the regulatory capital	49.88%			
Regulatory capital target ratios according to FINMA 11/2 (including the countercyclical buffer)	10.50%			
Leverage ratio				
Tier 1 Capital	70 549			
Exposure measure	383 538			
Leverage ratio	18%			
LIQUIDITY RATIO				
	Q1 2022 (average)	Q2 2022 (average)	Q3 2022 (average)	Q4 2022 (average)
Liquidity coverage				
Total high quality liquid assets	79 423	76 512	71 195	75 615
Total net cash flows	25 221	25 412	22 440	17 865
Liquidity coverage ratio	314.91%	301.09%	317.27%	423.26%



FINANCIAL STATEMENTS 2022

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS



Phone 022 322 24 24
www.bdo.ch

BDO Ltd
Route de Meyrin 123
Case postale 150
1215 Genève 15

STATUTORY AUDITOR'S REPORT

to the general meeting of

BankMed (Suisse) SA, Geneva

Report on the Audit of the financial statements

Opinion

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

In our opinion the financial statements (pages 10 to 29) comply with Swiss law and the Bank's articles of incorporation.

Basis for opinion

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

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

Other point

The financial statements for the year ended 31 December 2021 have been audited by another auditor who has issued an unmodified audit opinion on these financial statements as of 13 April 2022.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

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

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

Auditor's responsibilities for the Audit of the financial statements

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

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

Report on other legal and regulatory requirements

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

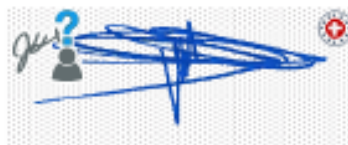
We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Geneva, 29 March 2023

BDO Ltd



Isabelle Cartier-Rumo
Licensed Audit Expert



Damien Repond
Licensed Audit Expert
Auditor in charge

BALANCE SHEET

At December 31st, 2022
 (with 2021 comparative figures)

<i>in CHF</i>	NOTES	2022	2021
ASSETS			
Liquid assets		50,774,030	108,981,375
Amounts due from banks		173,310,291	271,400,113
Amounts due from customers	4.2	48,037,770	66,715,171
Mortgage loans	4.2	41,102,064	43,125,257
Positive replacement values of derivative financial instruments	4.4	645,719	19,240
Financial investments	4.5	60,533,849	48,615,367
Accrued income and prepaid expenses		1,566,107	1,250,036
Participations	4.6 & 4.7	1	1
Tangible fixed assets	4.8	3,343,245	3,787,526
Other assets	4.10	38,329	478,077
Total assets		379,351,404	544,372,163
Total subordinated claims		-	-
Of which subject to mandatory conversion and /or debt waiver		-	-
LIABILITIES			
Amounts due to banks		8,885,076	9,416,334
Amounts due in respect of customers deposits		296,122,511	458,932,982
Negative replacement values of derivative financial instruments	4.4	598,640	487,422
Accrued expenses and deferred income		1,666,329	1,374,541
Other liabilities	4.10	245,367	674,952
Reserves for general banking risks	4.16	3,922,047	5,424,433
Bank's capital	4.17	30,000,000	30,000,000
Statutory retained earnings reserve		3,601,000	3,601,000
Profit carried forward		34,460,499	42,812,463
Profit/(Loss) (result of the period)		(150,065)	(8,351,964)
Total liabilities		379,351,404	544,372,163
Total subordinated liabilities		-	-
Of which subject to mandatory conversion and /or debt waiver		-	-

OFF-BALANCE SHEET

At December 31st, 2022
(with 2021 comparative figures)

<i>in CHF</i>	NOTES	2022	2021
Contingent liabilities	4.28	3,345,247	3,788,977
Irrevocable commitments		606,000	572,000

INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31st, 2022
(with 2021 comparative figures)

<i>in CHF</i>	Notes	2022	2021
Interest & discount income		6,178,475	2,819,409
Interest & dividend income from financial investments		506,967	615,549
Interest expenses		(487,053)	95,367
Gross result from interest operations		6,198,389	3,530,325
Changes in value adjustments for default risks and losses from interest operations		(1,040,000)	(2,880,000)
Subtotal net result from interests' operations		5,158,389	650,325
Commission income from securities trading and investment activities		2,631,517	2,633,958
Commission income from lending activities		180,060	594,638
Commission income from other services		706,507	665,890
Commission expenses		(483,929)	(587,465)
Subtotal result of commissions from business and services		3,034,155	3,307,021
Result from trading activities	4.32	1,192,339	520,998
Other ordinary income		776	526,239
Other ordinary expenses	4.36	37,131	(151,307)
Subtotal result from ordinary activities		37,907	374,932
Personnel expenses	4.34	(6,156,659)	(6,144,611)
General and administrative expenses	4.35	(4,098,715)	(3,978,819)
Subtotal operating expenses		(10,255,374)	(10,123,430)
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	4.6 & 4.8	(490,029)	(4,878,701)
Changes in provisions and other value adjustments, and losses	4.16	(29,837)	-
Operating result		(1,352,451)	(10,148,855)
Extraordinary income	4.36	-	-
Extraordinary expenses		-	-
Changes in reserves for general banking risk	4.16 & 4.36	1,502,386	2,096,891
Taxes	4.39	(300,000)	(300,000)
(Loss of the period)		(150,065)	(8,351,964)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31st, 2022

<i>in CHF</i>	Bank's capital	Statutory retained earnings reserve	Profit carried forward	Reserves for general banking risks	Profit / (Loss) (Result of the period)	Total
Shareholder's equity at January 1, 2022	30,000,000	3,601,000	42,812,463	5,424,433	(8,351,964)	73,485,932
Allocation (usage) of the reserves for general banking risks*				(1,502,386)		(1,502,386)
Allocation to the statutory retained earnings reserve						-
Allocation to the profit carried forward			(8,351,964)		8,351,964	-
Profit/(Loss) (result of the period)					(150,065)	(150,065)
Shareholder's equity at December 31, 2022	30,000,000	3,601,000	34,460,499	3,922,047	(150,065)	71,833,481

*Please refer to note 36.

NOTES TO FINANCIAL STATEMENTS

1. COMMENTS ON BUSINESS ACTIVITIES AND NUMBER OF EMPLOYEES

Established in Switzerland since 1985, BankMed (Suisse) SA (hereafter “the Bank”) is a public limited company registered in the Swiss Commercial Register. Its registered office is located in Geneva, Rue du Mont Blanc 3.

The Bank’s primary business is advisory services for investments and trading of securities for private clients. The Bank is also providing loans to its private clients. The Bank does business at its main office in Geneva and with the support of its representative office in Lebanon (Beirut).

The total number of employees at the end of the year, on a full-time equivalent basis, is 32 employees (2021: 33 employees).

In accordance with the legal requirements of Circ.-FINMA 2018/3 Outsourcing - Banks, the Bank has outsourced its Core Banking System (Apsys) outsourced to FNZ. The Bank also relies on third parties for Compliance related systems.

2. ACCOUNTING POLICIES AND VALUATION PRINCIPLES

The Bank’s financial statements are prepared in accordance with the directives of the FINMA, in particular Circ.-FINMA 2020/1 Accounting – Banks and FINMA Accounting Ordinance (OEPC-FINMA).

Notes are numbered according to this circular. Those that are not relevant to BankMed (Suisse) SA (i.e., 4.1, 4.3, 4.9, 4.12, 4.14, 4.15, 4.18, 4.21, 4.22, 4.29, 4.37, 4.38, 4.40) have not been incorporated.

Amounts due from customers and mortgage loans

Amounts due from customers and mortgage loans are stated at their nominal value after deduction of individual value adjustments, if any are required. Collaterals are valued as follows:

- Cash and securities used as collateral for Lombard loans have a pledge value ranging from 50% to 100% of their market value depending on the type of assets;
- Real estate: Market value of the property assessed through a full appraisal made by a local valuator or validation of the purchase price by a local professional.

Value adjustments

For all latent and identifiable risks existing at the balance sheet date, value adjustments and provisions are established on a prudent basis according to art. 24 and 25 OEPC-FINMA. Value adjustments for ‘due from banks’, ‘due from customers’ and ‘mortgages loans’ are deducted from the corresponding asset. The Bank, as a category 5 institution, has decided not to constitute value adjustments for inherent risks of default or for expected losses as defined in art. 25 OEPC-FINMA and art. 28 OEPC-FINMA.

Replacement values of derivative financial instruments

The positive replacement values are accounted for in the balance sheet on the asset side, and the negative replacement values on the liability side, for all the derivative financial instruments, irrespective of the accounting treatment in the income statement.

Financial investments

Financial investments are accounted for at the lower of cost or market value. Financial investments include real estate by virtue of a credit transaction and intended for resale are valued at the lower of cost or liquidation value. Financial investments include also bonds intended to hold until maturity. These securities are valued at their nominal value, adjusted by the premium or discount on a pro-rata basis to maturity date (accrual method), less necessary value adjustments. The security equities are valued at the lower of cost or market value, and variations are booked in the income statement.

Participation

Participation is stated at acquisition cost, after deduction of impairment if required.

Tangible Fixed assets

Fixed assets are stated at historical cost, deducted from impairment if required, less straight-line depreciation over their estimated lives, as follows:

Nature of the goods	Estimated life
Fittings	8 years
Vehicles	5 years
Furniture and equipment	8 years
Hardware	10 years
Software	10 years

Change in presentation of financial statements:

The acquisition of the software was reclassified under tangible fixed assets for CHF 736,250 in 2022 and CHF 831,250 in 2021.

Taxes

The reserves for general banking risks are not taxed. Current taxes, in general income and capital taxes, are determined in accordance with fiscal requirements and recorded as an expense in the relevant period. Accruals of current taxes due are booked on the liabilities side under accrued expenses and deferred income.

Translation of foreign currencies

Assets, liabilities and off-balance sheet expressed in foreign currencies are translated at year-end exchange rates, except for the participations in company which is translated at the exchange rate ruling at the acquisition date. Income and expenses arising during the year are converted into Swiss francs at the exchange rate prevailing at the transaction date. Conversion differences are recorded in the income statement of the year.

Forward contracts are estimated at the forward exchange rates of the currencies at year-end. Gains and losses on forward foreign exchange positions are included in the exchange results of the year.

The main exchange rates ruling at the balance sheet date are as follows:

Currency	2022	2021
USD	0.9232	0.91160
EUR	0.9880	1.03755
GBP	1.1150	1.2341

Treatment of doubtful interest income

Interest due and unpaid for more than 90 days is considered as doubtful and a value adjustment is recorded. Interest is no longer recorded when the credit facility is considered unrecoverable.

3. RISK MANAGEMENT

Credit Risks:

Counterparty risk: The Bank's credit limits are authorized annually. The customer credit limits are approved by either the Board of Directors, or The Credit Committee. The Risk department regularly monitors compliance with delegated authority and authorized limits as well as quality of the credits.

Country Risk: The Bank aims to ensure that its exposure to country risk is appropriately considered in its risk profile prudently managed in a way to minimise losses. Risk resulting from concentration of exposures to geographical regions. Country limits are approved by the Board of Director and annually reviewed. Potential loss of assets deposited or held in a foreign country. This can arise from political, economic, or social changes.

Market risks

Interest rate risk: The Bank's policy is to hedge its interest-rate risk by refinancing fixed-term advances and loans to customers at similar amounts, terms and currencies. The exposure is measured and limited in terms of capital sensitivity. The limits are monitored regularly.

Currency, money market and securities risks: Limits are set and monitored daily by management. The Board of Directors has sole authority to approve investments for own account.

Liquidity risk: Liquidity management aims to generate a solid position, allowing the bank to meet its payment obligations at all times by diversifying its sources of refinancing. Liquidity and funding limits are approved annually by the Board of Directors, taking into account business strategy and risk appetite.

Operational Risk - Risk to earnings and/or capital resulting from inadequate or failed internal processes, people, and systems or from external events. Operational risk comprises Fraud Risk, Business Continuity Risk, Information Security Risk (including Data Privacy, Data Loss Protection and Cybersecurity Risk), IT Service & Availability Risk (including Payments Processing Risk), Data Quality & Reliability Risk, Vendor & Suppliers Sourcing Risk, Talent Retention, and unauthorized Trading Risks

The Board of Directors annually reviews the operational risk Management policy. The business continuity plan also helps to ensure operational safety in the event of both Internal and external disaster.

Reputational risk: The Compliance officer monitors compliance with the regulations in force. In particular, he ensures that when entering into a business relationship, the duties of diligence are respected.

Legal risks: Management conducts an analysis of the legal risks to which the Bank is exposed. If a potential risk occurs, a severity review is conducted. Depending on risk assessment, the case is presented to the lawyer advice from the Bank. After analysis, the possibility of a need for provision is discussed.

4. NOTES

Methods used for the identification of default risks and for determining the need for value adjustments:

Identification of risk of default and value adjustment requirements Non performing loans are identified through lists of exceptions (limits breaches, collateral value, unpaid interest). Knowledge of the customers' activity also allows to assess the risk on an individual basis. Provisions are recorded for the impaired portion.

Lombards loans and other loans covered by securities : Loans and the value of pledged securities are verified daily. If the collateral value of the collateral is less than the amount of the credit, the bank requires either partial repayment or additional collateral. If the coverage gap grows or if there are exceptional market conditions, the bank realizes the collateral.

Unsecured loans : Unsecured loans are generally trade credits or account overruns granted to customers. For trade loans, the bank requests information on the company's business market annually or at shorter intervals. It requests audited financial statements and, where appropriate, interim closes. This information shall be reviewed with a view to identifying any increase in risk. If this phase shows that the credit is compromised, the bank constitutes a value adjustment.

Procedure for determining value adjustments and provision: New requirements for value adjustments and provisions shall consist of cover for the risks identified which are the result of an individual examination of the loan and pledges. Risk positions shall be revalued at each closing date and value adjustments adjusted accordingly if necessary.

Value adjustments for latent default risks are value adjustments for losses incurred which cannot yet be attributed to a separate borrower. Latent default risks arise from risks present on balance sheet day in an apparently sound credit portfolio, which will only become apparent at a later date. Their estimate is based in principle on values derived from experience.

Based on the bank's loss history, the average impaired credit loss rate is close to 0%. As a result, no provision was made.

Valuation of credit collateral : For Lombard loans and other loans covered by securities, only easily negotiable collateral (bonds, shares) is accepted. To hedge market risk, the bank applies reductions on the market price of securities accepted as collateral.

For Mortgages loan and loan secured mortgage, the value of the real estate cover handed over to the bank is established on the basis of external valuations, to which a specific advance rate is applied."

Off-balance-sheet transactions are treated in the same way, whether they are firm commitments or conditional guarantees."

Business policy when implementing derivative financial instruments, hedge accounting

Derivative financial instruments are used for trading purposes. The Bank does not apply hedge accounting. It is principally limited to forward foreign exchange transactions intended to partially hedge the foreign exchange risk on foreign currency positions on the balance sheet.

All of the Bank's derivative financial instruments are measured at fair value. Positive and negative replacement values of transactions on behalf of customers and for own account (hedging) are shown in the balance sheet under the headings "Positive replacement values of derivative financial instruments" and "Negative replacement values of derivative financial instruments". Fair value derives either from the price resulting from an efficient and liquid market or from the price offered by market makers. Results from derivatives are presented under "Result from trading activities". "

Subsequent event

There were no other subsequent events after the reporting date that require adjustment to or disclosure in the financial statements."

Note 4.2: Presentation of the collateral for loans and off-balance sheet transactions, as well as impaired loans / receivables

<i>in CHF</i>	TYPE OF COLLATERAL			
	Secured by mortgage	Other collateral	Unsecured	Total
Loans (before netting with value adjustments)				
Amounts due from customers		21,147,370	30,778,061	51,925,431
Mortgage loans (residential property)	41,102,064			41,102,064
Total loans (before netting with value adjustments)				
Current year	41,102,064	21,147,370	30,778,061	93,027,495
Previous year	43,125,257	36,990,650	33,789,505	113,905,412
Total loans (after netting with value adjustments)				
Current year	41,102,064	21,147,370	26,890,400	89,139,834
Previous year	43,125,257	36,990,650	29,724,522	109,840,429
Off-balance-sheet				
Contingent liabilities		3,268,527	76,720	3,345,247
Irrevocable commitments		606,000		606,000
Total off-balance-sheet				
Current year		3,874,527	76,720	3,951,247
Previous year		3,770,947	590,030	4,360,977
Impaired Loans / receivables				
	Gross amount	Estimated liquidation value of collateral	Net amount	Individual value adjustments
Current year	6,165,794	2,532,522	3,633,272	3,887,662
Previous year	9,455,743	4,888,923	4,566,820	4,064,983

Note 4.4: Presentation of derivative financial instruments (assets and liabilities)

<i>in CHF</i>	Positive replacement values	Negative replacement values	Contract volumes
Trading instruments			
Interest rate instruments			
Forward agreements	271,067	261,530	6,654,470
Combined interest rate currency swaps	347,024	309,483	27,001,709
Options (OTC)	27,628	27,627	17,829,600
Total trading instruments before netting agreements at 31.12.2022	645,719	598,640	51,485,779
of which, determined using a valuation model	-	-	-
Total trading instruments after netting agreements at 31.12.2022	645,719	598,640	51,485,779
Previous year	19,240	487,422	57,407,057
Breakdown by counterparty	Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after nettings agreements) on 31.12.2022	-	159,919	485,800

Note 4.5: Breakdown of financial investments

<i>in CHF</i>	Book value		Fair value	
	2022	2021	2022	2021
Financial investments				
Debt instruments intended to be held to maturity	60,533,848	48,615,367	57,063,212	48,479,900
Equity securities	-	-	-	-
Funds	-	-	-	-
Real estate	-	-	-	-
Total	60,533,848	48,615,367	57,063,212	48,479,900
of which, securities eligible for repo transactions in accordance with liquidity requirements	-	-	-	-

Breakdown of counterparties by rating*

Book values	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated
Debt instruments	20,175,417	27,857,698	12,500,733	-	-	-

*The above rating is based on the credit rating from Standard & Poor's and Moody's.

Note 4.6: Presentation of participation

Investment in company <i>In CHF</i>	Acquisition cost	Value adjustment previous year	Book value previous year end	Value adjustment	Book value as at end of current year
Other participation without market value	5,015,000	(4,378,874)	1	-	1

As of December 31, 2022, the Bank holds a participation in SaudiMed Investment Co. Please refer to the Note 4.7.

Note 4.7: Presentation of companies in which the Bank holds a permanent direct or indirect significant participation

The Bank has a direct investment in SaudiMed Investment Co (the "Company"), based in Riyadh, in the Kingdom of Saudi Arabia, with a share capital of Saudi riyals 100 million. The Bank holds 17 % (held directly) of the Company's share capital and voting rights. This Company carries out advisory activities under the Saudi Capital Market regulations.

There are no permanent indirect participations.

Note 4.8: Presentation of tangible fixed assets

<i>in CHF</i>	Acquisition cost	Accumulated depreciation	Book value 2021	Additions	Disposals	Accumulated depreciation	Book value 2022
Softwares	3,275,560	(490,331)	2,785,229			(318,148)	2,467,081
Licenses (*)	950,000	(118,750)	831,250			(95,000)	736,250
Other tangible fixed assets	697,941	(526,894)	171,047	45,751		(76,884)	139,914
Total	4,923,501	(1,135,975)	3,787,526	45,751		(490,032)	3,343,245

The straight-line method of depreciation is used, and no margin used for the useful life is applied.

Note 4.10: Breakdown of other assets and other liabilities

<i>in CHF</i>	Other assets		Other liabilities	
	2022	2021	2022	2021
Income taxes recognized as assets	8,846	4,045	148,672	109,344
Clearing account	29,483	474,032	62,279	528,960
Other payables	-	-	34,416	36,648
Total	38,329	478,077	245,367	674,952

Note 4.11: Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership

The Bank had a guarantee for the rent of the premises for CHF 103'000 at end of 2022 and 2021.

Note 4.13: Disclosures on the economic situation of pension schemes

All employees of the Bank adhere to a collective pension scheme with Swiss Life. The plan is classified as defined contribution under Swiss law.

The pension plan of the Bank is reinsured with Swiss Life to guarantee cover of its assets. The pension plan therefore is 100 % covered (2021: 100%).

Economic benefit (obligation) and pension benefit expenses		
Pension schemes without own assets	2022	2021
<i>In CHF</i>		
Economic benefits (obligations)	-	-
Change in economic interest (economic benefit/obligation) versus previous year	-	-
Contributions paid for the period (including result from employer contribution reserves)	576,602	587,020
<i>Of which extraordinary contributions in the case of temporary measures to remove deficits</i>	<i>None</i>	<i>None</i>
Pension benefit expenses with their most important parameters – as part of the personnel expenses	576,602	587,020

Note 4.16: Presentation of value adjustments and provisions, reserves for general banking risk and changes therein during the current year

<i>in CHF</i>	Previous year end	Use in conformity with designated purpose	Reclassifications	Recoveries doubtful interest, exchange differences	New creations charged to income*	Releases to income statement	Balance, end of year
Other provisions	-	-	-	-	-	-	-
Total provisions	-	-	-	-	-	-	-
Reserves for general banking risks (**)	5,424,433	-	-	-	-	(1,502,386)	3,922,047
Value adjustments for default and country risks	4,064,983	-	-	(177,321)	-	-	3,887,662
<i>of which, value adjustments for default risks arising from impaired loans / receivables</i>	4,064,983	-	-	(177,321)	-	-	3,887,662
<i>of which value adjustments for default risks and losses from interest operations</i>	-	-	-	-	-	-	-

(**) Releases detailed in the note 36

Note 4.17: Presentation of the bank's capital

<i>in CHF</i>	Total nominal value	Number of shares	Dividend-bearing capital
Share capital	30,000,000	30,000	30,000,000

The Bank's capital is unchanged compared to previous year.

Note 4.19: Disclosure of amounts due from / to related parties

<i>in CHF</i>	Amounts due from		Amount due to	
	2022	2021	2022	2021
Holders of qualified participations	913	-	11,122,943	11,051,443
Group companies	-	-	-	-
Linked companies	-	-	3,921,302	9,148,687
Transactions with members of governing bodies	-	-	317,444	9,046
Other related parties	-	-	-	-

We confirm that transactions were concluded at arm's length with the Group.

Other material off-balance-sheet transactions

<i>in CHF</i>	Fiduciary transactions	
	2022	2021
Holders of qualified participations	125,381,246	153,107,808
Linked companies	20,256,065	-
Transactions with members of governing bodies	-	-

Services provided to affiliated companies (deposits and fiduciary) are provided on terms generally prevalent in the sector..

Note 4.20: Disclosure of holders of significant participations

Holders of significant participations and groups of holder of participation with pooled voting rights		2022		2021	
		Nominal	%	Nominal	%
With voting rights					
BANKMED SAL, Beirut	Direct	30,000	100%	30,000	100%
Without voting rights					
GroupMed (Holding) SAL, Beirut	Indirect	30,000	100%	30,000	100%
<i>GroupMed (Holding) SAL, Beirut:</i>					
Saadeddine Rafic Hariri, Beirut, Lebanon	Indirect	5,172	17.24%	5,172	17.24%
Teaminvest Holding SAL, Beirut, Lebanon	Indirect	7,500	25%	7,500	25%
Nazek Audi Hariri, Lebanon, Beirut	Indirect	4,656	15.52%	4,656	15.52%
OLT Holding SAL, Beirut, Lebanon	Indirect	12,672	42.24%	12,672	42.24%
<i>Via OLT Holding SAL, Beirut, Lebanon:</i>					
Ala Alkhawaja, Lebanon, Beirut (99.99%)	Indirect	12,672	42.24%	12,672	42.24%
<i>Via Teaminvest Holding SAL, Beirut, Lebanon:</i>					
Saadeddine Rafic Hariri, Beirut, Lebanon (99.99%)	Indirect	7,500	25%	7,500	25%

Note 4.23: Presentation of the maturity structure of financial instruments

<i>in CHF</i>	At sight	Redeemable	Within 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	No maturity	Total
Current assets								
Liquid assets	50,774,030	-	-	-	-	-	-	50,774,030
Amounts due from banks	30,764,691	-	142,545,600	-	-	-	-	173,310,291
Amounts due from customers	33,419,715	1,781,531	1,573,484	11,078,400	184,640	-	-	48,037,770
Mortgage loans	-	-	1,783,400	-	30,661,754	8,656,910	-	41,102,064
Positive replacement values of derivative financial instruments	645,719	-	-	-	-	-	-	645,719
Financial investments	-	-	5,996,785	12,405,413	42,131,650	-	-	60,533,848
	Total Current year	115,604,155	1,781,531	151,899,269	23,483,813	72,978,044	8,656,910	- 374,403,722
	Previous year	345,388,957	98,380,186	17,202,269	70,664,458	7,220,653	-	538,856,523
Debt Capital / financial instruments								
Amounts due to banks	1,969,076	-	6,916,000	-	-	-	-	8,885,076
Amounts due in respect of customer deposits	222,412,111	923,200	72,787,200	-	-	-	-	296,122,511
Negative replacement values of derivative financial instruments	598,640	-	-	-	-	-	-	598,640
	Total Current year	224,979,827	923,200	79,703,200	-	-	-	- 305,606,227
	Previous year	414,822,900	-	54,013,838	-	-	-	468,836,738

Note 4.24: Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle

<i>in CHF</i>	2022		2021	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	50,774,030	-	108,981,375	-
Amounts due from banks	97,006,001	76,304,290	193,887,574	77,512,539
Amounts due from customers	234,911	47,802,859	542,764	66,715,172
Mortgage loans	7,547,160	33,554,904	6,855,000	36,270,257
Positive replacement values of derivative financial instruments	-	645,719	19,240	-
Financial investments	2,498,976	58,034,873	-	48,615,367
Accrued income and prepaid expenses	640,255	925,851	996,261	253,774
Participations	-	1	-	1
Tangible fixed assets	3,343,245	-	3,787,526	-
Other assets	38,329	-	478,077	-
Total Assets	162,082,907	217,268,497	315,547,817	228,824,346

<i>in CHF</i>	2022		2021	
	Domestic	Foreign	Domestic	Foreign
Liabilities				
Amounts due to banks	2,913	8,882,163	18,564	9,397,770
Amounts due in respect of customer deposits	8,767,531	287,354,980	16,997,905	441,935,077
Negative replacement values of derivative financial instruments	214,733	383,907	487,422	-
Accrued expenses and deferred income	1,666,329	-	1,374,541	-
Other liabilities	245,367	-	674,952	-
Reserves for general banking risks	3,922,047	-	5,424,433	-
Bank's capital	30,000,000	-	30,000,000	-
Statutory retained earnings reserve	3,601,000	-	3,601,000	-
Profit carried forward	34,460,499	-	42,812,463	-
Profit (result of the period)	(150,065)	-	(8,351,963)	-
Total Liabilities	82,730,354	296,621,050	93,039,316	451,332,847

Note 4.25: Breakdown of total assets by country or group of countries (domicile principle)

Assets In CHF	2022	%	2021	%
Europe	242,345,129	64%	392,062,511	72%
<i>of which Switzerland</i>	164,975,000	43%	315,547,817	58%
North America	13,243,382	3%	15,860,181	3%
Middle East	85,079,283	22%	102,892,178	19%
<i>of which Lebanon</i>	23,549,309	6%	33,728,795	6%
Africa	2,764,169	1%	847,697	0%
Other countries	35,919,441	10%	32,709,597	6%
Total assets	379,351,404	100%	544,372,163	100%

Note 4.26: Breakdown of total assets by credit rating of country groups (risk domicile view)

S&P In CHF	2022	%	2021	%
AAA AA-	117,843,250	51%	119,444,526	50%
A+ A-	29,888,520	13%	51,745,184	21%
BBB+ BBB-	33,759,450	15%	20,691,143	9%
BB+ BB	146,120	-	-	-
B+ B-	10,235,248	4%	14,105,041	6%
CCC+ D-	22,321,440	10%	32,860,132	14%
Unrated	16,853,626	7%	619,564	0%
Total	231,047,654	100%	239,465,590	100%

Note 4.27: Presentation of assets and liabilities broken down by the most significant currencies for the Bank

<i>in CHF</i>	CHF	EUR	USD	GBP	JPY	Others	TOTAL
Assets							
Liquid assets	50,691,720	30,806	34,016	17,488	-	-	50,774,030
Amounts due from banks	2,789,823	22,967,511	138,860,134	296,111	3,804	8,392,908	173,310,291
Amounts due from customers	248,506	6,508,640	38,308,546	830,099	2,120,476	21,503	48,037,770
Mortgage loans	6,942,000	16,501,795	6,118,046	11,540,223	-	-	41,102,064
Positive replacement values of derivative financial instruments	645,719	-	-	-	-	-	645,719
Financial investments	16,007,862	20,898,639	23,627,348	-	-	-	60,533,849
Accrued income and prepaid expenses	592,697	195,894	705,735	71,706	-	75	1,566,107
Participations	1	-	-	-	-	-	1
Tangible fixed assets	3,343,245	-	-	-	-	-	3,343,245
Other assets	38,329	-	-	-	-	-	38,329
Total assets	81,299,902	67,103,285	207,653,825	12,755,627	2,124,280	8,414,486	379,351,404

<i>in CHF</i>	CHF	EUR	USD	GBP	JPY	Others	TOTAL
Liabilities							
Amounts due to banks	208,803	8,537,322	67,023	19,866	5,582	46,480	8,885,076
Amounts due to customers	7,677,511	58,339,794	218,979,963	2,840,621	-	8,284,622	296,122,511
Negative replacement values of derivative financial instruments	598,640	-	-	-	-	-	598,640
Accrued expenses and deferred income	1,601,862	9,744	54,723	-	-	-	1,666,329
Other liabilities	245,367	-	-	-	-	-	245,367
Provisions	-	-	-	-	-	-	-
Reserves for general banking risks	3,922,047	-	-	-	-	-	3,922,047
Bank's capital	30,000,000	-	-	-	-	-	30,000,000
Statutory retained earnings reserve	3,601,000	-	-	-	-	-	3,601,000
Profit carried forward	34,460,499	-	-	-	-	-	34,460,499
Profit (result of the period)	(150,065)	-	-	-	-	-	(150,065)
Total liabilities shown in the balance sheet	82,165,664	66,886,860	219,101,709	2,860,487	5,582	8,331,102	379,351,404
Delivery obligations from spot exchange, forward forex and forex options transactions	9,290,000	3,458,000	19,149,549	17,438,600	2,102,550	-	51,438,700
Total Liabilities	82,165,664	66,886,860	219,101,709	2,860,487	5,582	8,331,102	379,351,404
Net position per currency	(12,133)	-	59,212	-	-	-	47,079

Note 4.28: Breakdown and explanation of contingent assets and liabilities

<i>in CHF</i>	2022	2021
Contingent assets	-	2,734,800
Contingent liabilities	3,345,247	3,788,977

The Bank received guarantees issued by the Head office as collateral. They are recorded under contingent assets.

Note 4.30: Breakdown of fiduciary transactions

<i>in CHF</i>	2022	2021
Fiduciary investments with third-party companies	176,276,263	86,361,815
Fiduciary investments with group companies and linked companies	125,381,246	153,107,808
Total fiduciary transactions	301,657,509	239,469,423

Note 4.31: Breakdown of managed assets and presentation of their development

<i>in CHF</i>	2022	2021
a) Type of managed assets		
Assets under discretionary asset management agreements	11,384,559	-
Other managed assets	776,812,537	897,217,288
Total managed assets (including double counting)	788,197,096	897,217,288
of which, double counting	-	-

b) Presentation of the development of assets under management

Total managed assets at beginning of the year	897,217,288	987,985,581
+/- net new money inflow or net new money outflow	(67,819,002)	(107,495,942)
+/- price gains / losses, interest, dividends and currency gains / losses	(41,201,190)	16,727,649
Total managed assets (including double counting) at end of the year	788,197,096	897,217,288

Other managed assets include client relationships for which the Bank performs safekeeping activities, revenue collection and carries out transactions based on client instructions.

Net new money inflow or net new money outflow do not include interests, commissions and fees charged to clients and represent the difference between inflows and outflows of clients, assets (cash and securities).

Note 4.32: Breakdown of the result from trading activities and the fair value option

<i>in CHF</i>	2022	2021
Foreign currencies and bank notes	1,192,339	520,998
Total	1,192,339	520,998

Note 4.33: Disclosure of material refinancing income in the item Interest and discount income as well as material negative interest

The negative impact paid on the interest margin for BankMed (Suisse) SA was CHF 574,277 for 2022 (CHF 984,579 for 2021).

And on liabilities side, amounts supported by clients was CHF 212,369 for 2022 and CHF 56,550 for 2021.

Note 4.34: Breakdown of personnel expenses

<i>in CHF</i>	2022	2021
Salaries	4,809,602	5,093,626
Social insurance benefits	1,252,827	1,045,897
Other personnel expenses	94,230	5,088
Total	6,156,659	6,144,611

Note 4.35: Breakdown of general and administrative expenses

<i>in CHF</i>	2022	2021
Office space expenses	684,280	380,023
Expenses for information and communications technology	2,347,080	2,429,804
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	66,195	57,319
Fees of audit firm*	275,362	393,781
Other operating expenses	725,798	717,892
Total	4,098,715	3,978,819

* Of which, for financial and regulatory audits CHF 269,142 (2021 : CHF 364,643) and, for other services CHF 6,220 (2021 : CHF 29,138).

Note 4.36: Explanations regarding material losses, extraordinary income and expenses, as well as material releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required

The reserve for General Banking risks has been released of CHF 1,502,386.

Note 4.39: Presentation of current taxes and disclosure of tax rate

<i>in CHF</i>	2022	2021
Expenses for current taxes	300,000	300,000
Total	300,000	300,000
<i>Average effective tax rate on income</i>	<i>0%</i>	<i>0%</i>
<i>Average effective tax rate on capital</i>	<i>0.4%</i>	<i>0.4%</i>

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

<i>in CHF</i>	2022	2021
Loss for the year	(150,065)	(8,351,964)
Loss carried forward	34,460,499	42,812,463
Total	34,310,434	34,460,499
Less: Allocation to statutory retained earnings reserves	-	-
Net amount carried forward	34,310,434	34,460,499