Credit Europe Bank
(Suisse) SA

ANNUAL REPORT 2023

Content

Statement from our Chairperson & CEO

The steepest interest rate hiking cycle in decades has set global economic activity on a course that remains difficult to map and affects the balance sheet's growth and financial performance. During the last quarter of 2023, the headline inflation has begun to decline mainly due to the easing of energy and food prices.

Economic activity held up better than expected in 2023 despite aggressive central bank tightening, banking sector turmoil, and geopolitical stress.

Several factors contributed: Restrictive monetary policy raised borrowing costs but did not kick off a tightening in broader financial conditions. Corporate margins were generally healthy, consumption was resilient, an easing in global supply chain bottlenecks helped cool inflation, and labour supply recovered.

Developed markets' central banks have likely now reached the end of their respective hiking cycles. Investors' attention has turned to the timing and amplitude of expected interest rate easing.

The outlook for commodity markets remained uncertain in 2023, with recent improvements in the global economic outlook failing to bolster commodity prices due to softer global demand and ample supplies. Alongside the global economic slowdown, weakened private consumption, business spending, and capital investment suppressed the commodity demand and constrained price growth.

Global energy prices are anticipated to decline further into 2024, driven by a slowdown in global energy demand. Projected global economic growth is forecasted to slow to 2.7% in 2024, as the delayed impact of tight financial conditions hampers global economic activity, particularly across advanced economies.

Average prices of food commodities are expected to continue moderating in 2024, aided by an improved outlook for grain supply, particularly soybeans and corn. However, disruptions in energy supply and price volatility could raise farming production costs, including transportation and fertilizers, thereby increasing food prices and the risk of global food insecurity.

Prices of key industrial metals remained stable in Q4 2023 and are expected to remain stable throughout 2024. Slower economic growth in China and ongoing issues in its real estate market have been the primary factors limiting the price growth of industrial metals.

Under the above-mentioned factors in the economies and in the commodity markets, the Bank had an excellent performance in terms of the profitability in 2023, mainly driven by the Trade Finance and Corporate Banking as well as the Treasury trading activities. Total Revenues increased to CHF 35.7 million in 2023 from CHF 31.9 million in 2022 and a record Profit Before Tax (PBT) of CHF 16.5 million was achieved (in 2022 CHF 13.7 million). We would like to mention proudly that the Bank had no Non-Performing Loan (NPL) in 2023 thanks to its prudent risk approach and risk management culture.

Concerning its liquidity, the Bank continued its strategy of diversifying its funding sources and successfully monitored its Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) requirements.

With the policy of maintaining a solid equity base the total Tier 1 Equity reached CHF 134.5 million and had a Capital Adequacy Ratio (CAR) of 28.09% at the end of 2023.

We would like to thank our clients and correspondents for their confidence, to express our sincere gratitude to our shareholders and board members, to the management and all the staff for their unwavering dedication and teamwork, which led to success despite the challenging circumstances. ◆

Chairperson **Eric W. Fiechter**
(served until end of 2023)

Chief Executive Office **Levent Karaca**

16.5
million – CHF
Profit before tax

The Bank had an excellent performance in terms of the profitability in 2023

CEB AT A GLANCE

Credit Europe Bank (Suisse) SA in brief

34

years of existence in Switzerland

HISTORY

Credit Europe Bank (Suisse) SA, "the Bank", is a bank incorporated under laws of Switzerland in 1990 and operates all of its activities through its headquarters in Geneva, Switzerland. The Bank is fully owned by Credit Europe Bank NV, the Netherlands and under the consolidated supervision of the Dutch Parent Bank.

Credit Europe Bank N.V. (CEB) is a public limited company with a full banking license, established in 1994 in the Netherlands. The bank is headquartered in Amsterdam and has approximately 1,000 employees in seven countries. It operates 18 branches, 41 ATMs, and around 8,000 point-of-sale terminals. More than 650,000 retail and corporate customers around the world entrust their financial affairs to CEB.

OUR VISION & MISSION

- Our vision is to be the preferred bank in our core markets.
- Our mission is to provide financial services that create value for customers.

OUR CORE VALUES

Dynamism

With our passion and energy, we are agile in responding to challenges and changes. Our "can do" attitude enables us to focus on delivering solutions and meeting the expectations of our stakeholders.

Diversity

We promote diversity as one of the main aspects of our corporate culture. Our diversified background and footprint in different regions allow us to view matters relevant to our stakeholders from different perspectives.

Expertise

We are experts in selected markets and selected products, enabling us to deliver solutions tailored to the needs of our customers.

OUR BASE VALUES

Customer focus

The success of our customers is our own success. Therefore, we take all our decisions with our customers' interests in mind.

Professionalism

Our professionalism embraces and stimulates the necessary staff skills, qualifications, knowledge, and diversity. Our colleagues undertake their tasks with competence and integrity, and it is through teamwork that we achieve our goals.

Integrity

Our culture of integrity generates trust and confidence through ethical behavior and compliance with laws, regulations, and guidelines.

Transparency
Transparency is a vital best practice in our products and services, accounting standards, and management decision-making

BANK BUSINESS MODEL AND STRATEGY

We are a Swiss Bank regulated by FINMA, Switzerland's Banking Supervision Authority and through the consolidated supervision of our Parent Bank, by DNB, the Netherlands' Banking Supervision Authority. We strictly adhere and comply with the regulations of both authorties. In conjuction with our strong presence in emerging economies, we have been able to build a state of the art expertise distinguishing us from other banks.

This unique identity is captured in our three core values: dynamism, diversity, and expertise. It is adherence to these values that enables us to meet the challenges of today's increasingly volatile, uncertain, and complex world.

With decades of experience in international trade and commodity finance, we have gained extensive experience and expertise in connecting our customers in key importing and exporting countries.

We serve clients engaged in international trade finance and continue to increase our focus in structured trade and commodity finance transactions. We also provide access to our Treasury platform and propose tailor made financial products to corporate entities.

RISK MANAGEMENT

Continual focus on risk awareness is an integral part of Credit Europe Bank Group (CEB) culture. The risk appetite of CEB is established in conjunction with the Parent Bank and our business plan and is aligned with its vision and mission statements. The risk appetite of CEB is defined at the consolidated level and applies to all its subsidiaries and branch offices, with the main principles set by the Management and approved by the Board of Directors. This risk appetite is then translated into policies and procedures that define practices to ensure adherence to risk limits during the Bank's day-to-day activities.

CORPORATE GOVERNANCE

Board of Directors

Eric W. Fiechter	Chairperson (Independent, served until end of 2023)
Otto Bruderer	Vice-Chairperson (Independent, appointed Chairperson as of January 2024)
Murat Özyeğin	Member of the Board (appointed Vice-Chairperson as of January 2024)
E. Murat Başbay	Member of the Board
Senol Aloglu	Member of the Board

The Management

Levent Karaca	Chief Executive Officer
Y. Aykut Çimir	Deputy Chief Executive Officer
M. Bulent Ilgün	Deputy Chief Executive Officer' *Responsible for Treasury and Financial Institutions*

Information about the board of directors

ERIC W. FIECHTER
Chairperson
(Independent, served until end of 2023)

Mr. Fiechter who was born in 1949, graduated from the Geneva Law School in 1973 and, after one year of postgraduate research at the University of Basle, he obtained his master's degree from New York University in 1975. He was admitted to the Geneva Bar in 1977, after having practiced law for one year in New York at Serko & Simon and at what has become Fox Horan & Camerini, LLP. He practiced under the banner of Secretan Troyanov from 1979 until 2011. He practiced in the "Banking and Finance", "Corporate and Commercial" and "Trust and Private Clients" groups of Secretan Troyanov and thereafter worked with Des Gouttes & Associés. He was Deputy Judge at the Geneva Court of Appeals from 1997 to November 2011. Since 2013, he is the Managing Director of ASBS Pte. Ltd., Singapore. Mr. Fiechter continues to work as attorney-at-law with Des Gouttes & Associés for legal work that requires completion either within or outside of Geneva. Since September 1993, he has been a Board Member of Credit Europe Bank (Suisse) SA. ◆

Dr. OTTO BRUDERER
Vice-Chairperson
(Independent, appointed Chairperson as of January 2024)

Mr. Bruderer, born in 1952, after completing his studies in economics and law in 1978, earned his doctorate from the HSG in 1980. He then started his career at the UBS in Zurich in the corporate finance department where he worked for three years before becoming assistant of the board's director. After another two years Dr. Otto Bruderer went to New York where he was responsible for UBS Securities in the corporate finance department again. When he came back to Switzerland in 1987, he stayed loyal to the UBS and acted as Manager of M&A Europe during five years. Since September 1993, he has been a Board Member of Credit Europe Bank (Suisse) SA. ◆

MURAT ÖZYEĞIN

Member of the Board

(Appointed Vice-Chairperson as of January 2024)

Born in 1976, Mr. Özyeğin joined Fiba Group in 2003. He is the Head of Strategic Planning & Business Development of Fiba Group, Executive Board Member of Fina and Fiba Holding and Chairman of all Fiba Group's non-banking businesses. Additionally, he is Chairman of the Board of Endeavor Turkey, Executive Board Member of Hüsnü M. Özyeğin Foundation, Turkish Industry & Business Association (TUSIAD), Member of the Board of Trustees of Özyeğin University and World Wildlife Fund, Member of Global Relations Forum and Member of Global Advisory Council of Harvard University. Since May 2019, he has been a Board Member of Credit Europe Bank (Suisse) SA. ◆

E. MURAT BASBAY

Member of the board

Mr. Başbay was born in 1968 and holds a BSc degree in business administration from Bosphorus University in Istanbul. He began his career in 1992 at Arthur Andersen Worldwide and worked in Istanbul and Dubai offices. In 1997 he joined the founding team of Credit Europe Bank in Russia. In 1999 he joined the management team of Credit Europe Bank NV in the Netherlands and he took an active role in the expansion of the Bank as CFO and Member of the Managing Board. Mr. Başbay returned to Russia in 2005 as CEO. Under his leadership, the Russian subsidiary of Credit Europe Bank N.V. grew substantially. As of June 2010 he became CEO of Credit Europe Group until the end of 2021 and currently, he works as advisor to CEB NV's credit committee. Since May 2011, he has been a Board Member of Credit Europe Bank (Suisse) SA. ◆

SENOL ALOGLU

Member of the Board

A graduate in business administration from Bogazici University, Istanbul, and having an MBA from UvA Business School, Amsterdam, Senol Aloglu started his banking career in Turkey in 1987 and joined the Fiba Group in 1991. He worked in banking and leasing operations of Fiba Group until his appointment in 2000 to CEB as Country Manager for the Dutch Operations. In 2005, he was appointed as a Managing Board Member and with effect from 1 January 2022 he took over the CEO role in Amsterdam's office. Mr. Aloglu, who is a Dutch national, is responsible for corporate governance, corporate banking, bank relations, treasury, retail banking, human resources, and internal audit in the Netherlands. ◆

Information about the management

LEVENT KARACA
Chief Executive Officer

Mr. Karaca was born in 1970 in Turkey. He has an MBA degree in Finance and Economics from Marmara University in Istanbul.

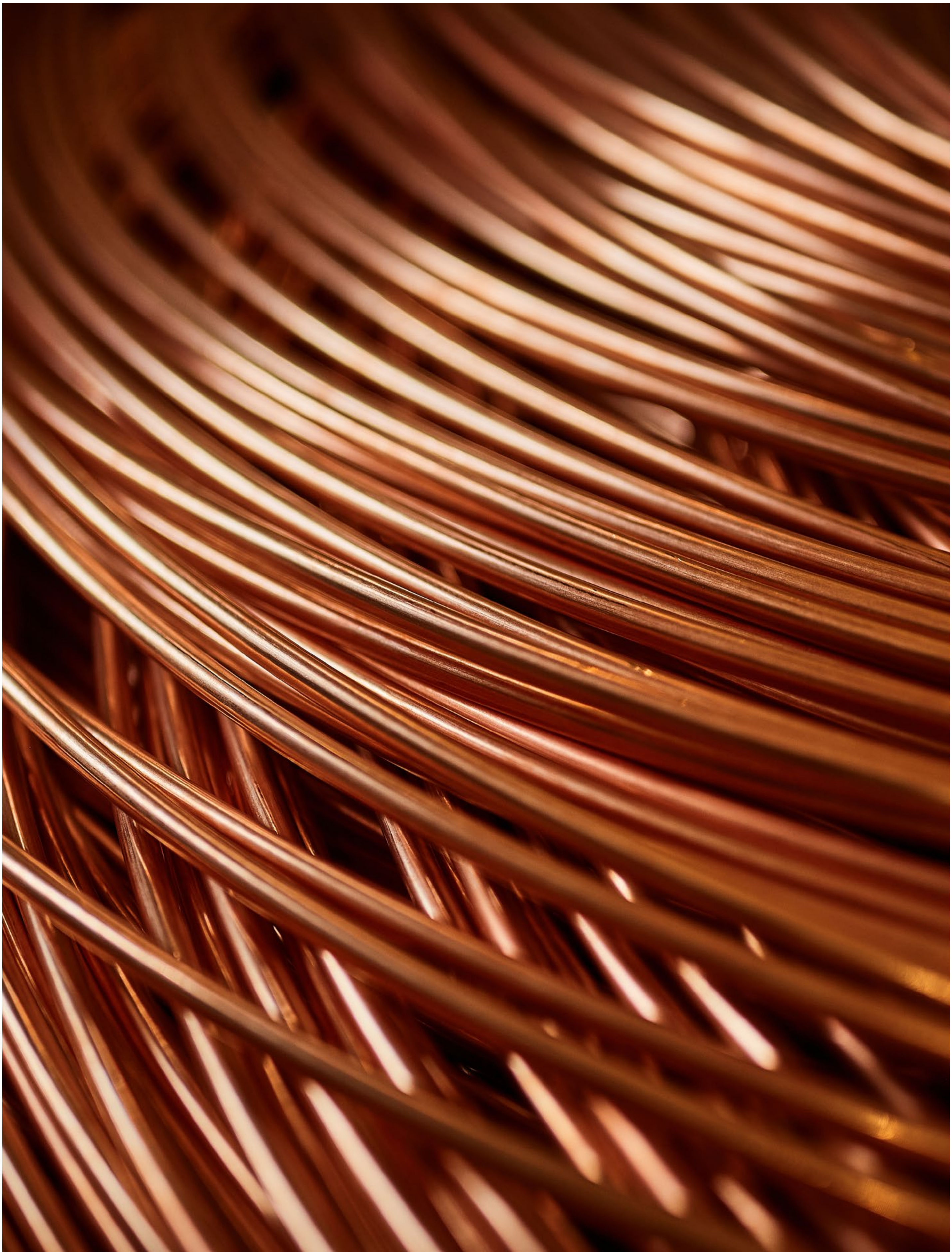
He began his career in Istanbul with Finansbank AS, worked for Banque de Bosphore in Paris, France and in 2000 he joined Credit Europe Bank NV. From 2000 until 2006 he worked with the Belgian branch of the bank, responsible for the set-up of the corporate- as well as retail division of such branch. In 2006 he moved to Russia to work as Head of the Corporate Banking division and member of the management team. He returned to Amsterdam in 2010 to become Division Director Corporate Banking responsible for the corporate banking activities of the bank on consolidated level. Mr. Karaca was the Managing Board Member of Credit Europe Bank NV responsible from Corporate Banking and Legal (2012-2019). Since March 2019, he has been the CEO of the Credit Europe Bank (Suisse) SA. ◆

YAVUZ AYKUT CIMIR
Deputy Chief Executive Officer

Yavuz Aykut Cimir was born in 1966 in Turkey. He has a Major in Finance from the Bosphorus University, Business Administration in Istanbul. His career started in auditing with Ernst & Young, Istanbul Office (1988-1993), and in the New York Office (for 1 year) and became Senior Auditor. Afterwards, he joined Fiba Holding A.S. as Group Head – Internal Audit and Financial Coordination in 1993 and worked until 1996. He has been with the Credit Europe Bank (Suisse) SA since August 1996. ◆

MEHMET BULENT ILGUN
Deputy Chief Executive Officer
(Responsible for Treasury and Financial Institutions)

Mr. Ilgun was born in 1975 and has a Major in Economics from Bilkent University in Ankara, Turkey. He served as senior dealer in treasury at Finans Invest A.S. in Istanbul followed by 10 years at Credit Europe Bank in Russia where he served as a Deputy CEO and Head of Treasury. For four years, he was also a Member of the Management Board Credit Europe Bank in Russia. He has been Head of Rates and FX trading for Russia operations and Head of Treasury at Deutsche Bank Moscow Ltd. since July 2010. He was responsible for Deutsche Bank's industry leading local rates and FX business in Russia and CIS region. In 2015, he appointed as Co-Head of Markets, Russia & CIS responsible for the debt, derivatives, structuring, fixed income as well as debt capital markets, sales trading, local structuring trading and research. In 2016, he rejoined CEB group as the Deputy CEO responsible from Treasury and Financial Institutions of the Credit Europe Bank (Suisse) SA.



FINANCIAL AND NON-FINANCIAL REVIEW

Financial highlights & review

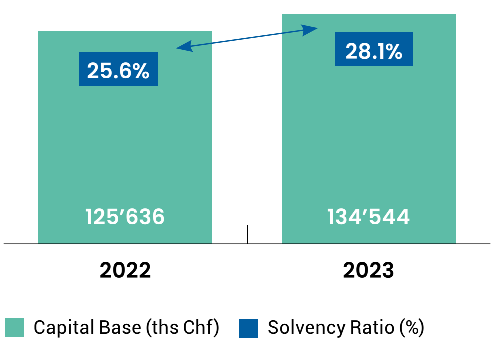
FINANCIAL HIGHLIGHTS

Amount expressed in Swiss Francs – thousands

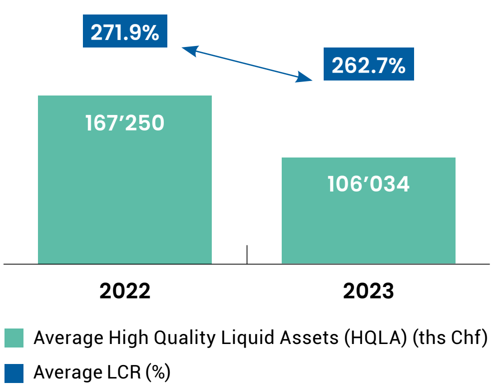
	31.12.2023	31.12.2022	2023 vs 2022 Change
Receivables from Banks	92'137	224'575	-59%
Receivables from Customers	304'513	253'786	20%
Total Assets	572'512	663'555	-14%
Bank Borrowings	61'769	137'300	-55%
Customer Deposits	327'081	358'030	-9%
Capital Base	134'544	125'636	7%
Trade Finance Volume (USD – millions)	9'259.49	11'710.03	-21%
BIS (%)	28.09%	25.61%	
Operating Income *	35'712	31'919	12%
Operating Expense	17'671	17'543	1%
Operating Profit *	18'041	14'373	26%
Net Income	14'156	11'762	20%

** Before "Changes in value adjustments for default risks and losses from interest operations"*

CAPITAL BASE & SOLVENCY RATIO



LIQUIDITY COVERAGE RATIO (LCR)



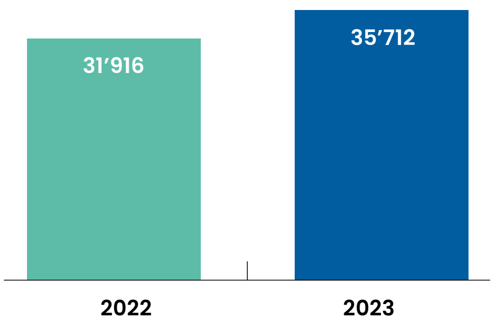
FINANCIAL REVIEW

In 2023, the Bank demonstrated exceptional performance in both Corporate Banking and Treasury activities, despite facing challenges from the Russian-Ukrainian crisis, commodity price volatility, and ongoing inflation pressures, which adversely impacted the trade finance business. Thanks to its diversified trade finance portfolio and its resilience in manoeuvring trade finance activity volumes reached USD 9.3 billion in 2023 (2022: USD 11.7 billion).

Total Assets declined by 14% compared to prior year, at CHF 573 million after deducting a country risk provision of CHF 20.5 million. Although the Receivables from Customers increased by 20%, the decline in Total Assets was primarily due to a decrease in Receivables from Banks, mainly driven by the reduction in discounted letter of credits.

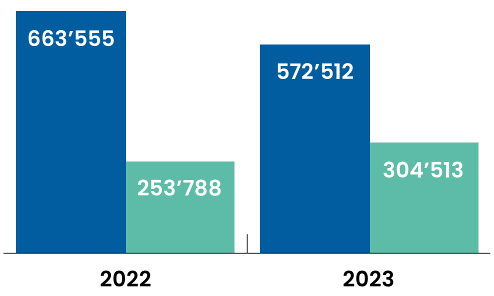
TOTAL REVENUE (WITHOUT PROVISIONS)

Amount expressed in Swiss Francs – thousands



TOTAL ASSET & LOANS TO CUSTOMER

Amount expressed in Swiss Francs – thousands



The Bank has maintained its diversified funding sources consisting of customer deposits, bilateral arrangements and money market instruments. Nevertheless, the Customer Deposits increased significantly as a result of the business models implemented and trust built in the Bank by its clients.

Total Operating Income exceeded expectations by reaching CHF 35.7 million in 2023. It corresponded to a 12% increase compared to previous year. The Operational Expenses remained at the same level as in 2022. Thus, Operating Profit reached to CHF 18 million and Net Income arrived at 20% increase over the previous year, reaching CHF 14.1 million in 2023.

The Bank has decided to distribute dividend from its Net Income in the amount of CHF 6.350 million.

It is worth mentioning the Bank's prudent provisioning policy in terms of Reserves for general banking risks and Country risk. Those Reserves are different from the "Specific Provisions" (please refer to notes 2.8 and 3.9 in the audit report). The Bank allocates Reserves for general banking risks from its operating income throughout the years, accumulating a total of CHF 73.5 million by December 31, 2023. After deduction of 14% deferred income tax impact, CHF 63.2 million is recognized as Tier I capital. Following a deduction of CHF 6.35 million dividend payment decision, the Bank has strengthened its Capital Base at CHF 134.5 million, leading to a BIS ratio of 28.09% in 2023.

It is also important to underline that the Bank has a very conservative country risk provisioning policy for the countries below investment grade for which the Bank has outstanding exposure. Accordingly, the Provision on country risks was CHF 21 million at the end of 2023. It should be also considered as an additional capital buffer although it is not considered as capital base. ◆

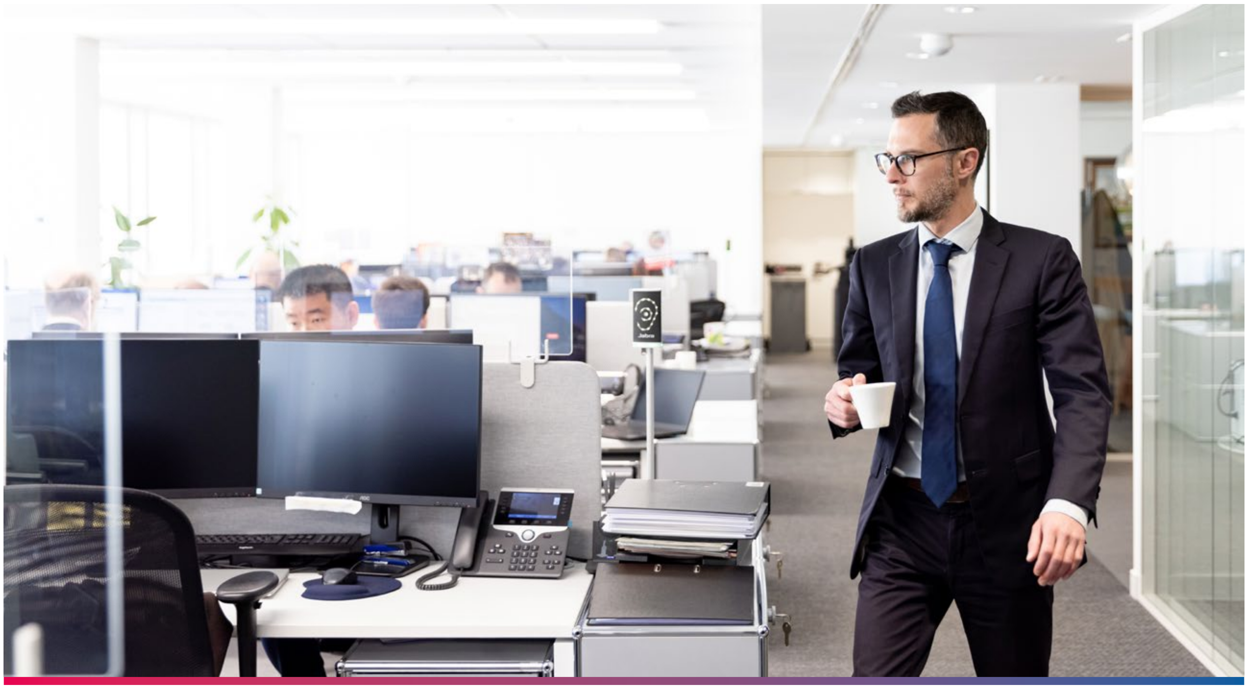
Presentation of the Eligible Regulatory Capital, as well as Capital Adequacy & Leverage Ratio and Liquidity Ratios

Based on the circular 2016 / 1 "Disclosure-Banks" margin no. 12 & 13, we used the exemption option of disclosure requirement as our Parent Company (Credit Europe Bank NV) publishes[1] comparable information at a group level therefore the Bank only discloses Table KM1 annually under Annex 2 of the same circular.

1 Please see consolidated disclosure of Credit Europe Bank "Risk Management and Capital Adequacy Pillar III Report" under link: https://www.crediteuropebank.com/about-us/financial-information

CAPITAL ADEQUACY & LEVERAGE RATIO

	Available capital (amounts)	31.12.2023	31.12.2022
1	Common Equity Tier 1 (CET1)	134'544	125'636
2	Tier 1	134'544	125'636
3	Total capital	134'544	125'636
	Risk-weighted assets (amounts)		
4	Total risk-weighted assets (RWA)	479'030	490'525
4a	Minimum capital requirements (CHF)	38'322	39'242
	Risk-based capital ratios (as a percentage% of RWA)		
5	CET1 ratio (%)	28.09%	25.61%
6	T1 ratio (%)	28.09%	25.61%
7	Total capital ratio (%)	28.09%	25.61%
	Additional CET1 requirements (buffers) as a percentage of RWA		–
8	Capital conservation buffer requirement according to Basel minimum requirements (%)	2.50%	2.50%
9	Countercyclical buffer requirement according to Basel minimum requirements (%)	–	–
10	Bank G-SIB and/or D-SIB additionnal requirements	–	–
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 (%)	20.09%	17.613%
	Target capital ratios according to Annex 8 of the Capital Adequacy Ordinance (CAO) (% of RWA)		
12a	Capital conservation buffer according to CAO' Annex 8 (%)	2.50%	2.50%
12b	Countercyclical capital buffer according to CAO' Art. 44 and Art. 44a (%)	–	–
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 + contercyclical buffer according to CAO' Art. 44 and 44a	10.50%	10.50%
	Basel III Leverage Ratio		
13	Total Basel III leverage ratio exposure measure (CHF)	672'661	741'661
14	Basel IIII Leverage Ratio	20.00%	16.94%



MINIMUM CAPITAL REQUIREMENTS	Approach used	31.12.2023	Approach used	31.12.2022
Credit risk	SA-BIS	33’298	SA-BIS	35’061
of which price risk from the equity securities in the banking book				
No counterparty related risk	SA-BIS	452	SA-BIS	476
Market risk	Standardized approach	132	Standardized approach	216
of which interest-rate instruments (general and specific market risk)		*70*		*145*
of which equity shares		-		-
of which foreign currencies and precious metals		*62*		*71*
of which commodies		-		-
Operational risk	Basic indicator approach	4’400	Basic indicator approach	3’489
Total minimum Capital Requierements		**38’322**		**39’242**

LIQUIDITY COVERAGE RATIO (LCR)

The Bank has implemented its Liquidity Policy as an integral part of the asset and liability management process in order to mitigate the liquidity risk. The Bank monitors its Liquidity Coverage Ratio (LCR) closely and has kept LCR ratio always above 100% that is the legal minimum requirement for Banks in 2023.

LIQUIDITY COVERAGE RATIO (LCR)	Q4'2023	Q3'2023	Q2'2022	Q1'2022	Q4'2022
No counterparty related risk	121'994	78'462	130'487	93'192	189'752
Net cash outflow	43'941	36'676	47'451	33'407	56'276
Short-term Liquidity Coverage Ratio' LCR (in %)	278%	214%	275%	279%	337%

NET STABLE FUNDING RATIO (NSFR)

Net Stable Funding Ratio (NSFR) is the second liquidity risk measurement tool within Basel III. It is a long-term structural ratio and provides the Bank incentives to use stable sources of funding while implementing its strategy. The Bank monitors its NSFR closely and has kept NSFR ratio always above 100%. ◆

NET STABLE FUNDING RATIO (NSFR)	31.12.2023	31.12.202
Available Stable Refinancing	297'207	337'735
Required Stable Refinancing	201'078	183'006
Net Stable Funding Ratio, NSFR (in %)	148%	185%

Non-financial review

HEALTHY AND STABLE BANK

As CEB Group, we continuously enhance our risk and capital management capabilities through detailed assessments and monitoring. Having a strong capital base and maintaining the Bank's risk appetite within its risk profile is one of the main pillars of CEB Group's strategy. Through detailed budgeting and internal capital adequacy assessment processes in accordance with its three years business plan considering worst-case scenarios, CEB Group ensures that it holds enough capital buffer to cover its material risks while maintaining a healthy balance sheet and profitable business over the next three years. The Bank maintained its strong capital ratios throughout the years and as of December 31, 2023, our Common Equity Tier 1 (CET1) ratio, which represents our CET1 capital as a percentage of our risk-weighted assets, stood at 28.09%. In addition, with a 1:5 capital to asset leverage, the Bank has a very low leverage ratio. On the asset side, enhancing asset quality continues to be a focal point for the Bank. In terms of asset quality, we are dedicated to have a low Non-Performing Loan (NPL) ratio. In this regard, CEB applies a Non-Performing Exposure (NPE) strategy where realistic and sufficiently ambitious NPL reduction targets and the operational plan to achieve these targets are defined. We proudly report that we had no NPLs at the end of 2023. On the liabilities side, the Bank has a stable, and diversified funding base.

COMPLIANCE

The Bank endeavors to maintain a company culture and business strategy whereby CEB Group's core and base values and standards of professional conduct are maintained at every business level and within all its activities. These standards include national and international regulations (Swiss and European legislation for the Bank), regulations issued by the relevant local supervisory authorities, generally accepted business standards, and CEB's own internal standards, including ethical principles. CEB ensures adherence to its integrity, ethical standards and its compliance risks are identified and managed in a timely manner, covering anti-money laundering, anti-terrorist financing, sanctions and restrive measures, customer tax integrity, anti-bribery, anti-corruption and anti-fraud.

EFFECTIVE FINANCIAL RISK MANAGEMENT

Continual focus on risk awareness is an integral part of the Bank's culture. The risk appetite of the Bank is established in conjunction with the Bank's business plan and is aligned with its vision and mission statements. The risk appetite of the Bank is defined at the consolidated level and applies to all its subsidiaries and branch offices. This risk appetite is then translated into policies and procedures that define practices to ensure adherence to risk limits during the Bank's day-to-day activities. Given the risk appetite framework, the Management, in cooperation with the relevant committees and functions, select the key risk indicators (KRIs) and corresponding risk tolerance levels to be monitored. These KRIs are an integral part of the Bank's operating processes, risk management, and internal control framework and are ultimately reported periodically to the Management and Board of Directors and reviewed by the relevant committees.

ESG STRATEGY

CEB Group has elevated its sustainability efforts to further integrate sustainability into its operational processes and business activities. Toward the end of 2021, a dedicated sustainability officer was hired to streamline sustainability governance and develop the capacity to complete sustainability reporting in line with international standards. The Sustainability Committee has been reorganized at CEB NV level to include interdisciplinary project teams focusing on the most material ESG topics, such as climate change, ESG risk assessment, disclosure, and diversity and inclusion. Chaired by the Group CEO, it was restructured to include members from each key business function, ensuring an interdisciplinary approach and effective communication of ESG-related updates within the Group. The Sustainability Committee approved the Sustainability Policy in 2022. The Policy outlines the Group's approach to implementing environmental, social and governance (ESG) components into its business operations and conducting business by adopting a 'people, planet and profit-oriented approach.

CEB Group continues to pursue its four-year action plan 2021-2024, as submitted to De Nederlandsche Bank (based on the European Central Bank (ECB) Expectations), that includes the implementation of comprehensive assessment and management risks, as well as disclosure of climate related and environmental risks. In the direction of adopting a sector-specific approach to tailor its ESG approach, CEB Group developed the following sector-specific policy and business plan for Fossil Fuel Policy.

Initially discussed as a Coal Policy, the Policy was soon updated to include the Oil & Gas sector and renamed the Fossil Fuel Policy. Together with a phase-out timeline targeted to the end of 2024 for thermal coal direct financing, this Policy also includes certain risk appetite limits and prohibited activities with regards to some segments of the fossil fuel. Additionally, regarding trade financing activities for metallurgical coal, CEB will follow the technological advances in low carbon alternatives (e.g., electrification of steel production) and revisit the timing of a total exit from coal.

Furthermore, our Parent Bank took a decisive step and became a Member of the Partnership for Carbon 41 Accounting Financials (PCAF) in 2022. CEB Group has committed to the montoring and disclosing its financed emissions, along with its operational carbon footprint, in the upcoming period.

VALUE-ADDING AND RESPONSIBLE PRODUCTS

Corporate Banking and anti-fraud

The products and services offered by the Corporate Banking Division can be listed as Structured Trade Commodity Finance and medium to long-term Project Finance in Geneva. Being one of the major business lines of CEB, trade finance is well positioned to support customers' transactions flows across the globe. In all corporate banking activities, "product responsibility" means CEB's direct or indirect position and value creation with respect to the following criteria:

- ESG risk governance
- Ensuring Tax integrity
- Implementing strong AML measures
- Combating corruption terrorism financing
- Sensitivity for National and international sanctions

CEB's strict compliance with best practices in the above-mentioned criteria is not only important for alignment with the requirements of national and international regulators but also for the Bank's own ethical approach to legal, social, and environmental issues. CEB's Integrity Risk Appetite Statement, 'KYC Policies' and 'ESG Risk Assessment Framework' documents clearly address the Bank's position with respect to the above-mentioned criteria in detail. Compliance in these areas entails CEB following strict customer due diligence (CDD), transaction due diligence (TDD) and ESG risk-assessment procedures within the frame of its activities. All CDD and ESG procedures conducted for new and existing clients of the Bank must be in line with its clearly determined policies on the above-mentioned criteria, such as sustainability, social responsibility, tax integrity, AML, corruption and PEPs, terrorist financing, and sanctions. As per well-established TDD procedures, each and every transaction intermediated by CEB for its clients is also checked and filtered within the frame of the above-mentioned policies. ◆

Business activities

TRADE FINANCE AND CORPORATE BANKING

The geopolitical landscape for the year 2023 has been characterized by a mix of ongoing tensions, trade disputes and collaborations that have significant implications for the Trade Commodity Finance activity.

The current Russian-Ukrainian war continues to impact the global trading for the agricultural and energy markets while the conflict in the Middle East severely disrupted the maritime supply chain.

These major events had three direct consequences for the supply chain of our customers and, ultimately, our business activities:

- **Diversification of energy sources.** European countries, historically reliant on Russian natural gas, have accelerated their efforts to diversify their energy sources leading to increasing LNG imports from the United States & Qatar, as well as investments in renewable energy infrastructures and exploration of alternative gas supplies via pipelines from North Africa and the Caspian region.
- **Rerouting of oil supplies.** The sanctions imposed on Russia by Western countries have caused a significant rerouting of oil exports. Russia has turned towards Asian markets, notably China and India, offering crude at discounted rates.
- **Shifts in grain markets.** The war has severely disrupted exports from Ukraine and Russia – both being major grain producers – leading importers to seek substitute suppliers in Brazil, Canada and the US. This shift has strained these alternative markets and inflated global food prices.

Targeted adjustments in benchmark interest rates by central banks and existing monetary policies have a direct impact on commodity pricing, financing costs and investment decisions within our sector. These specific monetary policies influence the financing strategies employed by our clients, demanding heightened responsiveness to fully leverage emerging opportunities and navigate in this evolving economic landscape.

To address these new market changes, Credit Europe Bank has undertaken a major

diversification of its portfolio, increasing both the number of customers by 25% and the geographical areas in which the Bank is active. The Bank is concentrating its development on emerging markets, key drivers in the organization of world trade, driven both by their exports of raw materials and their key roles as importers of refined goods.

The Bank's commercial teams have therefore undertaken several business trips during 2023, notably in Africa, South America and India, to accompany and support their customers' future operations and to initiate new business relationships.

The expectations for global commodity finance are shaped by the same developing trends and challenges experienced in 2023 such as geopolitical shifts, technological advances and sustainability initiatives. Most importantly, 2024 will be an election year in more than 70 countries and might reshuffle commodity trading routes following the broader geopolitical realignments. Countries will re-evaluate their alliances and trade partnerships based on their energy and food security as well as their respective economic interests. ◆

Looking ahead to 2024, in this fast-moving environment, we remain confident that our values and our team of highly experienced professionals are perfectly aligned for success in the next coming years.

FINANCIAL INSTITUTIONS

Financial Institutions (FI) department is responsible for all aspects of the Bank's relationships with financial institutions (including non-banking financial institutions) across the globe. The team specializes in relationship management, business origination, limit management, due diligence, wholesale funding and secondary market syndications.

Over the years, the Bank has created an extensive worldwide network of FI counterparts both in developed and emerging countries that enables the execution of commodity and trade finance and treasury transactions.

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TREASURY

Treasury department is mainly responsible from the asset and liability management of the Bank within risk management guidelines and principles. In addition, thanks to their in-depth market knowledge and client oriented focus, Treasury provides financial products for institutional clients enabling them to manage effectively their risks and cashflow activities.

Treasury by using up to date technology, performs its business by installing efficient risk management techniques, taking into account global market trends, regulations and other risk factors. ◆

AUDITORS' REPORT 2023

KPMG SA
Esplanade de Pont-Rouge 6
PO Box
CH-1211 Geneva

+41 58 249 25 15
kpmg.ch

Report of the Statutory Auditor to the General Meeting of
Credit Europe Bank (Suisse) SA, Geneva

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Credit Europe Bank (Suisse) SA (the Company), which comprise the balance sheet as at 31.12.2023, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (pages 34 to 57) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and 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, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

Board of Directors' Responsibilities 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 Company'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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and 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.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

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

KPMG SA

Philippe Ruedin Licensed Audit Expert Auditor in Charge	Roman Pradervand Licensed Audit Expert

Geneva, 28th March 2024

Amount expressed in Swiss Francs thousands unless otherwise stated

BALANCE SHEET AS AT 31 DECEMBER

ASSETS	31.12.2023	31.12.2022	Notes
Liquid assets	100’318	100’324	
Amounts due from banks	92’137	224’575	
Amounts due from customers	304’513	253’786	3.2
Trading portfolio assets	18’869	36’196	3.3
Positive replacement values of derivative financial instruments	22’867	18’967	3.4
Financial investments	18’096	21’119	3.5
Accrued income and prepaid expenses	9’163	2’456	
Tangible fixed assets	5’647	5’951	3.6
Other assets	902	181	3.7
Total assets	**572’512**	**663’555**	

LIABILITIES AND SHAREHOLDERS’ EQUITY			
Amounts due to banks	61’769	137’300	
Amounts due in respect of customer deposits	327’081	358’030	
Negative replacement values of derivative financial instruments	22’937	18’307	3.4
Accrued expenses and deferred income	6’761	7’490	
Other liabilities	2’186	783	3.7
Provisions	586	390	3.9
Reserves for general banking risks	73’551	72’270	3.9
Share capital	35’000	35’000	3.10
Statutory retained earnings reserve	12’097	11’509	
Profit carried forward	16’388	10’714	
Profit for the year	14’156	11’762	
Total liabilities and shareholders’ equity	**572’512**	**663’555**	

Off-balance sheet transactions			
Contingent liabilities	431’888	405’199	3.2’ 4.1
Irrevocable commitments	5’805	456	3.2
	437’693	**405’655**	

Amount expressed in Swiss Francs thousands unless otherwise stated

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

	31.12.2023	31.12.2022	Notes
Result from interest operations			
Interest and discount income	55’431	24’246	
Interest and dividend income from trading portfolios	12	47	
Interest and dividend income from financial investments	(6)	271	
Interest expense	(39’110)	(9’818)	
Gross result from interest operations	16’327	**14’746**	
Changes in value adjustments for default risks and losses from interest operations	1’303	(1’452)	3.9
Subtotal net result of interest operations	**17’630**	**13’294**	
Result from commission business and services			
Commission income from securities trading and investment activities	279	292	
Commission income from lending activities	8’955	12’169	
Commission income from other services	374	364	
Commission expense	(210)	(244)	
Subtotal results from commission business and services	**9’398**	**12’581**	
Result from trading activities and the fair value option	**9’969**	**4’655**	**5.2**
Other result from ordinary activities			
Other ordinary income	20	21	
Other ordinary expenses	(2)	(87)	
Subtotal other result from ordinary activities	18	(66)	
Operating expenses			
Personnel expenses	(12’612)	(12’393)	5.3
General and administrative expenses	(5’059)	(5’150)	5.4
Subtotal operating expenses	(17’671)	(17’543)	
Gross income	**19’344**	**12’921**	
Value adjustments on participations and depreciation and amortisation of tangible fixed and intangibles assets	(1’204)	(702)	
Changes to provisions and other value adjustments’ and losses	–	–	
Operating result	18’140	12’216	
Extraordinary income	158	2	5.5
Extraordinary expense	(478)	–	5.5
Change in reserves for general banking risks	(1’281)	1’456	5.5
Taxes	(2’383)	(1’915)	5.6
Profit for the year	**14’156**	**11’762**	

Amount expressed in Swiss Francs thousands unless otherwise stated

CASH-FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER

	2023		2022	
	Source of funds	Use of funds	Source of funds	Use of funds
Cash flow from operating activities (internal financing)				
Profit for the year	14’156	–	11’762	–
Change in reserves for general banking risks	1’281	–	–	1’456
Value adjustments on participations’ depreciation and amortisation of tangible fixed assets and intangible assets	1’204	–	702	–
Provisions and other value adjustments	196	–	7	–
Change in value adjustments for default risks and losses	–	3’644	1’450	–
Accrued income and prepaid expenses	–	6’707	–	151
Accrued expenses and deferred income	–	729	5’359	–
Dividend paid during the year	–	5’500	–	–
Subtotal	**16’837**	**16’580**	**19’280**	**1’607**
Cash flow from transactions in respect of participations’ tangible fixed assets and intangible assets				
Other tangible fixed assets	–	900	–	3’441
Subtotal	**–**	**900**	**–**	**3’441**
Cash flows from banking operations Medium and long-term business (> 1 year)				
Amounts due to banks	–	19’686	–	11’373
Other liabilities	1’403	–	–	165
Amounts due from customers	4’961	–	26’424	–
Financial investments	3’023	–	13	–
Other accounts receivable	–	721	416	–
Short-term business				
Amounts due to banks	–	55’845	–	17’251
Liabilities from securities financing transactions	–	–	–	18’305
Amounts due in respect of customer deposits	–	30’949	83’062	–
Negative replacement values of derivative financial instruments	4’630	–	–	1’887
Amounts due from banks	133’741	–	–	53’915
Amounts due from securities financing transactions	–	–	–	–
Amounts due from customers	2’341	55’688	27’730	–
Trading portfolio assets	17’327	–	–	33’040
Positive replacement values of derivative				
financial instruments	–	3’900	4’171	–
Financial investments	–	–	–	–
Liquidity				
Liquid assets	6	–	–	20’112
Subtotal	**167’432**	**166’789**	**141’816**	**144’675**
Total	**184’269**	**184’269**	**161’096**	**149’723**

Amount expressed in Swiss Francs thousands unless otherwise stated

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

	Share capital	Statutory retained earnings reserve	Profit carried forward	Reserves for general banking risks	Profit for the year	Total
Equity at 31 December 2022	**35’000**	**11’509**	**10’714**	**72’270**	**11’762**	**141’255**
Transfer of income to retained earnings	–	–	11’762	–	(11’762)	–
Dividends and other distributions	–	588	(6’088)	–	–	(5’500)
Other allocations to (transfers from) the reserves for general banking risks	–	–	–	1’281	–	1’281
Net income for the year	–	–	–	–	14’156	14’156
Equity at 31 December 2023	**35’000**	**12’097**	**16’388**	**73’551**	**14’156**	**151’192**

Notes to the Financial Statements 31 December 2023

1. BUSINESS ACTIVITIES

Credit Europe Bank (Suisse) SA is a bank incorporated under laws of Switzerland and performs all of its activities through its headquarters in Geneva.

The Bank started its operations in 1990 and has activities on trade and corporate finance as well as treasury operations.

The Bank has no branches or representative offices at the end of 2023. As at December 31. 2023. the Bank had 62.6 full-time equivalent employees (2022: 57.4).

The Bank has outsourced in accordance with FINMA Circ. 18 / 03 its IT systems with its Parent Bank (Credit Europe Bank NV) in the Netherlands since October 2022.

2. SIGNIFICANT ACCOUNTING AND VALUATION PRINCIPLES

The Bank's bookkeeping and accounting and valuation principles are in accordance with the Swiss Code of Obligations. the Swiss Banking Act and its related ordinance. as well as with the statutory provisions and directives issued by the FINMA. The financial statements are presented in accordance with FINMA Accounting Ordinance and FINMA Circular 2020 / 1 Accounting Banks. The accompanying reliable assessment statutory single-entity financial statements present the economic situation of the Bank such that third party can form a reliable opinion. The financial statements are allowed to include hidden reserves.

2.1 General valuation principles

The financial statements are prepared on the assumption that the entity is a going concern and will continue its operations for the foreseeable future. Therefore the financial statements are prepared using the going concern basis of accounting.

The disclosed balance sheet items are valued individually.

2.2 Revenue and expense recognition

Interest income and expense are recorded on accrual basis. Certain types of trade finance commissions (such as commitment. confirmation and letter of credit opening) are recorded on accrual basis and all other commissions are recognized as income and expense when they are collected or paid. Asset related negative interest is debited to "Interest and discount income". The interest component of the Bank's own currency swaps is recorded under interest income or expenses.

2.3 Changes to accounting and valuation principles

No change in accounting principles during the year.

2.4 Financial instruments

2.4.1 Liquid assets. amounts due from banks and amounts due from customers

These items are reported in the balance sheet at their nominal value. less individual valuation adjustments for any impaired receivables.

2.4.2 Securities financing transactions

The term securities financing transactions includes repurchase and reverse repurchase transactions. securities lending and securities borrowing. Repurchase transactions (repos) are recorded as cash deposits with own securities as collateral. Reverse-repurchase transactions (reverse repos) are treated as receivables against collateral in the form of securities. The exchanged cash amount are recorded at nominal value on the balance sheet. Securities lending transactions are treated as repos if they are subject to daily margining and secured by cash. Securities received and delivered are not recognised or derecognised in the balance sheet until the economic control of the contractual rights comprised in the securities is transferred.

2.4.3 Amounts due to banks and amount due in respect of customers deposits

These items are recognised at their nominal value.

2.4.4 Trading portfolio assets

Securities held for trading purposes are securities. which were either acquired for generating a profit from short term fluctuations in price or dealer's margin. or are securities included in a portfolio in which a pattern of short term profit taking exists. After initial recognition. trading securities are valued at fair value based on quoted bid prices. All related realized and unrealised gains or losses are recognized in Results from trading activities and the fair value option. The cost of financing of such securities is recorded as interest expense.

2.4.5 Financial investments

Investment securities with fixed or determinable payments and fixed maturity where Management has both the intent and the ability to hold to maturity are classified as financial investments. In addition. long term debt instruments such as participations in securitisations. which are not held for short term gain. but not necessarily until maturity. are classified as financial investments. The management determines the appropriate classification of its investments at the time of purchase.

Financial investments intended to be held to maturity are valued based on the acquisition cost principle with the agio / disagio (premium / discount) accrued / deferred over the residual term to maturity (accrual method). The agio / disagio is accrued / deferred over the residual term to maturity via the "Financial investments". Value adjustment for default risk are recorded immediately under "Changes in value adjustments for default risk and losses from interest operations".

If held-to-maturity financial investments are sold or reimbursed early. the realised gains and losses. which correspond to the interest component. are accrued / deferred over the residual term to maturity of the transaction via the captions "Other assets" or "Other liabilities".

Financial investments intended not to be held to maturity are valued at the lower of cost and market value. gains and losses are recognized in other ordinary income or other ordinary expense.

Interest earned whilst holding financial securities is reported as interest and dividend income from financial investments.

2.4.6 Positive and negative replacement values of derivative financial instruments

Derivative instruments include foreign exchange contracts such as swaps. options (foreign exchange. commodity) and forwards. securities options. interest and commodity swaps. The derivative instruments also includes clients' positions that are covered with counterparts in the market.

The valuation is done according to the fair value and the positive and negative replacement value is recorded in the corresponding caption. The fair value is based on market prices and option pricing models.

The realised result from trading operations and the unrealised result from valuation relating to trading operations are recorded via the caption "Result from trading operations and use of the fair value option".

2.4.7 Tangible fixed assets

The fixed assets are stated at cost less accumulated depreciation over the estimated operating life. except for paintings.

Depreciation is computed using the straight-line method. commencing within the month of assets are in use with the following rates:

Furniture and fixtures	20%
IT equipment	20 to 33.3%
Leasehold improvements	over the term of the lease
Paintings	not subject to depreciation. but subject to regular impairment reviews

The carrying values of each tangible fixed assets are reviewed for impairment periodically. If the asset is impaired. the book value is reduced to match the recoverable value and the impairment is recorded via the caption "Value adjustments on participations and amortisation of tangible fixed assets and intangible assets".

Realised gains from the sale of tangible fixed assets are recorded via the caption "Extraordinary income" and realised losses are recorded via the caption "Extraordinary expense".

2.4.8 Provisions

In accordance with ordinary banking practice. other provisions are made in terms of risks existing at the balance sheet date.

Legal and factual obligations are valued regularly. If an outflow of resources is likely and can be reliably estimated. a provision must be created.

Provisions are released via the income statement if they are no longer needed and cannot be used for other similar purposes at the same time.

Country risk provisions related to the off-balance-sheet positions are presented in Provisions.

2.4.9 Taxes

Current income taxes are recurring. usually annual. taxes on profit and capital. Transaction-related taxes are not included in current taxes. Liabilities from current income and capital tax are disclosed via the caption "Accrued liabilities and deferred income". Expense due to income and capital tax is disclose in the income statement via the caption "Taxes".

Amount expressed in Swiss Francs thousands unless otherwise stated

2.4.10 Pension benefit obligations

Pension benefit obligations are all plans. schemes and arrangements to provide benefits for retirement. death or disability.

The economic impact of pension plans are deemed to be either an economic benefit (excess coverage) or an obligation (funding shortfall). In the case of excess coverage. an economic benefit arises if there is a potential positive effect on future cash flows and if it is permissible and intended to either use the surplus or lower the employer's contributions. Future economic benefits are always capitalized when recognition criteria are satisfied. In the case of a funding shortfall. an economic obligation exists if the conditions for creating a provision are met.

Determining the economic impact of the pension plan is based on the financial situation of the pension funds at its latest annual financial reporting date but not more than 12 months ago.

Pension benefit obligations are carried on the balance sheet under "Provisions". while benefits are recognized under "Other assets". Changes from the corresponding value in the previous financial year are recognized for the pension fund under "Personnel expenses". The same accounting method applies to adjusted contributions for the period.

The Bank has entered into a defined contribution pension plan with Allianz Switzerland for its employees.

2.4.11 Off-balance sheet transactions

Off-balance-sheet transactions are valued at nominal value. "Irrevocable commitments arising from documentary letters of credit are recorded in the position "Contingent liabilities".

2.5 Treatment of translation differences of foreign currencies

Gains and losses arising from foreign currency transactions are reflected in the statement of income as realised during the course of the period at the respective daily exchange rate. Foreign currency assets and liabilities have been translated into Swiss Franc equivalents at year-end foreign currency rates. Tangible fixed assets are valued using the historical exchange rates. The price gain or loss resulting from the currency translation is recorded via the caption "Result from trading operations and use of fair value option".

The year-end foreign currency rates for major currencies used for the translation into Swiss Franc are as follows:

	2023	2022
USD / CHF	0.8399	0.9203
EUR / CHF	0.9281	0.9843

2.6 Treatment of past-due interest

Past-due interest and the corresponding commissions are not included as interest income. Such transactions are interests and commissions that are over 90 days past due and not yet paid. Over 90 days. no accrued interest and commission is recorded in "Interest and discount income" until there is no more past-due interest longer than 90 days."

Past-due interest is not cancelled retroactively. The liabilities from the accumulated interest up to the expiry of the 90-day term (due unpaid interest and accumulated accrued interest) are written down via the caption "Change in value adjustments for default risks and losses from interest operations".

2.7 Recording of transactions

Transactions are entered into the balance sheet following the value date accounting principle

2.8 Risk management

The Risk Appetite of the Bank is established in conjunction with its business plan and aligned with the risk Appetite Policy of the Parent Bank defined at consolidated level. This risk appetite is then translated into policies and procedures that define practices to ensure adherence to risk limits during the Bank's day-to-day activities.

The Board of Directors (BoDs) approves the Risk Management Framework and Risk Appetite Policy based on the risks exposed by the Bank. Those policies and related controls are supported by the relevant data and risk management tools implemented by the Bank.

Risk controls are based on the limits set by the BoDs for each risk category to which the Bank is exposed. Value corrections and provisions deriving from the Bank's risk evaluations are executed whenever deemed necessary.

Credit risk

Credit risk is the risk that a client or counterparty to a financial asset fails to meet its contractual obligations and causes the Bank to incur a financial loss. Credit risk includes counterparty risks. country risks and sector risks. The Bank has implemented the controls in accordance with the Risk Management Framework and Risk Appetite Policy. Country risk and sector risk are monitored through limits defined by BoDs that are approved regularly by taking into consideration the Bank's capital base in order to control these exposures.

Credit risks are valued and controlled by the Credits Department. In addition. the Bank has implemented the Group credit internal rating system based on the qualitative and quantitative criteria of the counterparty.

The Bank monitors and mitigates its commercial credit risks through a careful diversification of its counterparties. being highly selective on the quality of the borrowers. requiring tangible guarantees and by means of adequate and appropriate limits. and by ensuring appropriate documentation is in place. The recovery capabilities of debtors' creditworthiness are assessed according to an internal risk rating evaluation based on Credits' Department credit analysis

The Bank maintains and follows closely Non-Performing Loans and Sub-standard Loans.

Loan provisioning on defaulted risks

Loans and other receivables are classified and monitored according to their estimated recoverability and our Borrower's creditworthiness.

Individual assessment is performed on commercial loan portfolio with significant exposures including sub-standard loans and nonperforming loans (please refer to note 3.2).

Measurement of required value adjustments for loans

An impaired loan. is a loan for which displays conclusive signs that future contractual payments of principal and / or interest are unlikely and which the debtor will probably be unable to repay. Impairments are individually assessed and evaluated.

A principle or interest overdue by more than 90 days after its respective due date is considered non- performing. if the necessary collaterals are not in place and there is objective evidence that the Bank will not be able to collect all amounts.

Impairment in value corresponds to the difference between the book value of the loan and the amount which the Bank expects to recover. after due consideration of the counterparty's risk and of the net proceeds from the realization of any collateral held.

When a loan is considered totally or partially uncollectible. a write-off of the principal amount is made against the previously established provisions.

Whenever possible. the Bank seeks to restructure loans by extending payment arrangements and / or negotiating new conditions rather than having to realize itself any underlying collateral. Renegotiated loans are no longer considered as past due. In particular. a loan is no longer considered impaired if capital and interest in arrears are repaid. the servicing of the debt has resumed normally. additional tangible guarantees have been obtained for a value in excess of the existing unsecured debt and other solvency criteria have been met.

Management continuously reviews restructured loans to ensure that all criteria are met and that future payments occur. These loans continue to be subject to an individual impairment assessment.

Valuation of collateral for loans

The Bank mitigates credit risk by obtaining collateral when possible. Note 3.1 describes the "Amounts due from customers". "Contingent liabilities". "Irrevocable commitments" and "Commitment credits" which are covered by collateral. and where the nature of collateral are classified as "mortgage collateral" and "other collateral".

Collateral values are periodically controlled by security category assessing their latest value. with shortfalls being identified in weekly exception reports. The financial standing of all borrowers is reviewed yearly. The Bank monitors any exposures outstanding beyond their maturity date. any overdue payments of interests and reviews any unauthorised overdrafts.

An immediate corrective action is taken by the Bank on any issue identified.

Country Risk Provisions

The Bank's approach to the management of country risk follows the guidelines of the Swiss Bankers' Association. The identification and evaluation of risks are under the responsibility of the Financial Control and Risk Management Department. Provisions for country risk are made for positions where the ultimate risk is in countries with ratings below A3 grades according to the Moody's rating agency. and also on the basis of maturity split and type of counterparty (e.g. bank. non-bank). Country risk provisions related to the balance-sheet positions are directly deducted from the corresponding asset and related to the off balance-sheet positions are presented in Provisions.

Market Risks

Market risks encompass the potential for financial loss due to fluctuations in market conditions. including interest rates. foreign exchange rates. commodity prices and equity prices.

For market risks related to trading operations. financial investments as well as foreign exchange activities. the Bank has set up its own limits as per the business rules. The controls are performed on a daily basis.

The interest rate risk on operations on both the balance sheet and off-balance-sheet are identified and controlled by the Asset Liability Management Committee of the Bank.

The measurement of Interest rate Risk of the Banking Book (IRRBB) is based on outcomes of both economic value performed under six regulatory interest rate shock scenarios and earning-based measurement according to regulatory shocks assuming instantaneous parallel upward and downward shifts.

The following indicators have been performed:

- Economic value of equity (EVE) sensitivity: a value-based interest rate risk measurement that evaluates the impact of interest rates movements in the net present value

of the interest rate sensitive instruments over their remaining life assuming a run-off balance sheet.
- Net interest income sensitivity (NII): an earnings-based interest rate risk measurement to evaluate the changes in expected future profitability within one-year time horizon resulting from interest rate movements.

Liquidity risks

The liquidity risks are controlled in accordance with the legal requirements. The short-term and long- term liquidity monitoring are made via the Liquidity Coverage Ratio and Net Stable Funding Ratio respectively. The bank respects on a permanent basis liquidity demand and maintains sufficient liquid assets with respect to the maturities of assets and liabilities.

Operational risks

The operational risks are mainly related with the organisational issues including electronic data processing. transaction processing. fraud. human resources and securing the assets of the Bank. The Bank has policies and procedures regarding the operational risks. which are reviewed and approved by the Board of Directors.

Legal and compliance risks

Legal and compliance risks are overseen by Compliance Department in coordination with the legal counsel. The Bank has internal rules and regulations for due diligence and anti-money laundering as required by the relevant laws and regulations. All legal cases and contractual agreements are under the supervision of the legal counsel.

2.9 Business policy regarding the use of derivative financial instruments and hedge accounting

Derivative instruments include foreign exchange contracts such as swaps. options and forwards. securities options. interest swaps. The gross replacement value of derivative contracts reflects the market value of all unsettled trades at the year-end. The positive replacement value is included in the caption “positive replacement values of derivative financial instruments” whereas the negative replacement value is represented in “negative replacement values of derivative financial instruments”.

The derivative instruments also contains positions with clients per their demands that are covered with counterparts in the market. Derivative financial instruments are also used by the Bank for own treasury risk management purposes. mainly to cover against interest rate and foreign currency risks.

The Bank does not apply hedge accounting.

2.10 Material events occurred after the balance sheet date

No significant event that could have an impact on the 2023 annual accounts has occurred after the closing date.

Amount expressed in Swiss Francs thousands unless otherwise stated

3. INFORMATION CONCERNING THE BALANCE SHEET

3.1 Breakdown of securities financing transactions (assets and liabilities)

	2023	2022
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	–	–
– of which' those with unrestricted right to resell or pledge	–	–

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

		Type of collateral			
LOANS (BEFORE NETTING WITH VALUE ADJUSTMENTS)		Secured by mortgage	Other collateral	Unsecured	Total
Amounts due from customers		–	16'084	308'734	324'818
Total loans (before netting with value adjustments)	2023*	–	16'084	308'734	324'818
	2022*	–	34'486	241'946	276'432
Total loans (after netting with value adjustments)	**2023**	**–**	**16'084**	**288'413**	**304'513**
	2022	**–**	**34'486**	**219'300**	**253'786**
OFF–BALANCE–SHEET					
Contingent liabilities		–	89'276	342'612	431'888
Irrevocable commitments		–	–	5'805	5'805
Total off–balance–sheet as of	**2023**	**–**	**89'276**	**348'417**	**437'693**
	2022	**–**	**130'949**	**274'706**	**405'655**

**The Country risk reserve provision amounting to CHF 20'305 was gross-up. (2022: CHF 22'645).*

TOTAL IMPAIRED LOANS / RECEIVABLES		Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Total impaired loans / receivables	**2023**	**–**	**–**	**–**	**–**
	2022	**–**	**–**	**–**	**–**

The specific provision for impaired loans and receivables is directly deducted from the corresponding asset.

Amount expressed in Swiss Francs thousands unless otherwise stated

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

ASSETS	2023	2022
Trading portfolio assets		
Debt and money market securities / transactions	18'869	36'196
– of which' listed	*18'869*	36'196
Equity interests	–	–
Total trading portfolio assets	**18'869**	36'196
Total assets	**18'869**	36'196
– of which' determined using a valuation model	–	–
– of which' securities eligible for repo transactions in accordance with liquidity requirements	–	–

3.4 Presentation of derivative financial instruments (assets and liabilities)

		Trading instruments		
		Positive replacement values	Negative replacement values	Contract volume
Interest rate instruments				
– Swaps		80	80	5'568
Foreign exchange / precious metals				
– Forwards		1'292	1'244	234'288
– Swaps		1'335	1'666	1'075'230
– Options (OTC)		1'677	1'677	318'412
Other				
– Swaps		2'621	2'408	169'222
– Options (OTC)		15'862	15'862	1'120'655
Total before netting agreements	**2023**	**22'867**	**22'937**	**2'923'375**
– of which' determined using a valuation model		17'539	17'539	1'439'067
Total before netting agreements	**2022**	**18'967**	**18'307**	**481'173**
– of which' determined using a valuation model		10'987	10'978	118'256

The Bank does not apply netting on financials to derivative financial instruments.

BREAKDOWN BY COUNTERPARTY		Central clearing houses	Banks and securities dealers	Other customers	Total
Positive replacement values	**2023**	**–**	**8'351**	**14'516**	**22'867**
	2022	–	6'460	12'508	18'968

Amount expressed in Swiss Francs thousands unless otherwise stated

3.5 Financial investments

	Book value		Fair value	
BREAKDOWN BY FINANCIAL INVESTMENTS	2023	2022	2023	2022
Debt instruments	18'096	21'119	16'431	17'092
– of which intended to be held to maturity	*18'096*	*21'119*	*16'431*	*17'092*
Total	**18'096**	**21'119**	**16'431**	**17'092**
– of which' securities eligible for repo transactions in accordance with liquidity requirements	*18'096*	*21'119*	*16'431*	*17'092*

BREAKDOWN OF COUNTERPARTIES BY S&P RATING	2023	2022
AA–	18'096	21'119
Total	**18'096**	**21'119**

3.6 Presentation of tangible fixed assets

			end of 2022	2023			end of 2023
	Aquisition cost	Accumulated depreciation	Book value	Additions	Disposals	Depreciation	Book value
Proprietary or separately acquired software	5'272	(1'962)	3'310	803	–	(829)	3'284
Leasehold improvements	2'494	(598)	1'896	6	–	(277)	1'625
Other tangible fixed assets	1'728	(983)	745	105	(14)	(98)	738
Total tangible fixed assets	**9'494**	**(3'543)**	**5'951**	**914**	**(14)**	**(1'204)**	**5'647**

Operating leases		within 1 year	from 1 to 3 years	from 3 to 5 years	> 5 years	Total
Future lease payments	2023	11	16	–	–	26
	2022	18	21	5	–	44

– Of which' may be terminated within one year: CHF zero (2022: CHF 8).

3.7 Breakdown of other assets and other liabilities

	Other assets		Other liabilities	
	2023	2022	2023	2022
Indirect taxes	16	8	818	452
Compensation account	755	–	–	–
Other	131	173	1'368	331
Total	**902**	**181**	**2'186**	**783**

Amount expressed in Swiss Francs thousands unless otherwise stated

3.8 Employees' benefits

The company has signed an affiliated contract with the collective foundation Allianz in Zurich. a collective pension fund applying the legal requirements on employees' benefits (LPP) in Switzerland. The Pension Fund is based on the principle of defined contributions. It is contributed to by the employer (60%) and the employees (40%) based on the contributions fixed in the pension plan rules.

The plan covers between the minimum salary of CHF 22.05 up to a maximum amount of CHF 150. As of December 31. 2023. 64 employees are covered (2022: 59 employees).

The employer's contributions are recognized in the profit and loss account as current charges for the period amounting to CHF 731 (2022: CHF 659).

Employer's contributions reserve

There is no employer's contributions reserve.

Economical advantage / liability and pension plan costs

Each year the Bank must determine if the degree of coverage or the particular situation of the Pension Fund presents an economic advantage or obligation from the Bank's point of view.

As of December 31. 2023. the Bank held no liabilities towards the Pension Fund. The coverage ratio of the Pension Fund scheme is 100% which is due to full reinsurance of the pension fund. There is no economic benefit or obligation resulting from the pension plan.

PRESENTATION OF THE ECONOMIC BENEFIT / OBLIGATION AND THE PENSION EXPENSES	Contributions paid for the reporting period	Pension expenses in personnel expenses	
	2023	**2023**	**2022**
Pension plans without overfunding / underfunding	720	731	659
Total	**720**	**731**	**659**

Amount expressed in Swiss Francs thousands unless otherwise stated

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

	Balance at end of 2022	Use in conformity with designated purpose	Past due interest' recoveries	New creations charged to income	Releases to income	Balance at end of 2023
Provisions for default risks	390	–	–	196	–	586
Other provisions	–	–	–	–	–	–
Total provisions	**390**	**–**	**–**	**196**	**–**	**586**
Reserves for general banking risks	**72'270**	**–**	**–**	**1'281**	**–**	**73'551**
Value adjustments for default and country risks	**24'126**	**–**	**–**	**(196)**	**(3'447)**	**20'483**
– of which' value adjustments for default risks in respect of impaired loans / receivables	–	–	–	–	–	–
– of which' value adjustments for country risks	*24'126*	–	–	*(196)*	*(3'447)*	*20'483*

As at December 31. 2023 "Provisions for default risks" only consist of country risk provisions related to off – balance sheet positions (please see note 2.8 for more details).

No taxation has been made on Reserves for general banking risks.

The country risk of CHF 3.4 million based on the Country Risk Reserve Policy of the Bank (it is not a specific provision or an impairment on the assets and please see note 2.8 for further details) has been released to income including the reversal of the country risk reserve associated with the sold loan.

As at December 31. 2023. in application of the country risk policy mentioned in note 2.8. the Bank has the following country risk reserves:

	2023	2022
Turkey	14'306	14'456
Other	6'763	10'060
Total	**21'069**	**24'516**

Amount expressed in Swiss Francs thousands unless otherwise stated

3.10 Share capital

	2023			2022		
	Total par value	No. of shares (unit)	Capital eligible for dividend	Total par value	No. of shares (unit)	Capital eligible for dividend
Share capital	1	35'000	35'000	1	35'000	35'000
– of which' paid up	*1*	*35'000*	*35'000*	*1*	*35'000*	*35'000*
Total Bank's capital	**1**	**35'000**	**35'000**	**1**	**35'000**	**35'000**

3.11 Disclosure of amounts due from / to related parties

	Amounts due from		Amounts due to	
	2023	2022	2023	2022
Holders of qualified participations	337	3	19'464	50'145
Linked companies	7'367	12'662	8'343	45'348

All balance sheet and off-balance-sheet transactions with related parties have been granted in an arm's length basis. (Please see note 4.2 for details regarding fiduciary transactions with group companies and linked companies).

3.12 Disclosure of holders of significant participations

Holders of significant participations and groups of holders of participations with pooled voting rights.

		2023		2022	
WITH VOTING RIGHTS	TYPE OF SHARES	Nominal value	Percentage of equity	Nominal value	Percentage of equity
Credit Europe Bank N.V.	Nominal	35'000	100%	35'000	100%
Main shareholders' of Credit Europe Bank NV			in%		in%
Credit Europe Group N.V.			100.00		100.00
– Of which: Fiba Holding A.S.			*89.31*		*89.31*
Fina Holding A.S.			*9.40*		*9.40*
Fiba Holding A.S					
– Of which: Hüsnü M. Özyeğin			*84.45*		*99.99*

Amount expressed in Swiss Francs thousands unless otherwise stated

3.13 Disclosure of composition of share capital

The Bank's equity is composed of 35.000 ordinary shares with a nominal value of CHF 1'000 each. which are entirely paid up. There is no specific restriction or corresponding reserve on these shares. Statutory retained earnings reserves are only distributable if they exceed 50% of the share capital. As at 31 December 2023. the amount of non- distributable reserves amounted to CHF 12.1 million (2022: CHF 11.5 million).

3.14 Presentation of the maturity structure of financial instruments

ASSETS / FINANCIAL INSTRUMENTS	At sight	Cancellable	within 3 months	within 3 and 12 months	within 12 months and 5 years	after 5 years	Total
Liquid assets	100'318	–	–	–	–	–	100'318
Amounts due from banks	45'493	–	44'651	1'993	–	–	92'137
Amounts due from customers	–	18'912	235'661	23'157	24'817	1'966	304'513
Trading portfolio assets	–	–	–	12'375	6'494	–	18'869
Positive replacement values of derivative financial instruments	–	–	2'883	12'729	7'255	–	22'867
Financial investments	–	–	–	–	5'023	13'073	18'096
Total	**145'811**	**18'912**	**283'195**	**50'254**	**43'589**	**15'039**	**556'800**
Previous period	**172'186**	**5'422**	**274'245**	**142'920**	**41'871**	**18'323**	**654'967**

DEBT CAPITAL / FINANCIAL INSTRUMENTS	At sight	Cancellable	within 3 months	within 3 and 12 months	within 12 months and 5 years	after 5 years	Total
Amounts due to banks	4'420	–	38'787	18'562	–	–	61'769
Liabilities fromsecurities financing transactions	–	–	–	–	–	–	–
Amounts due in respect of customerdeposits	93'638	–	233'443	–	–	–	327'081
Negative replacement values of derivative financial instruments	–	–	3'198	12'484	7'255	–	22'937
Total	**98'058**	**–**	**275'428**	**31'046**	**7'255**	**–**	**411'787**
Previous period	**173'521**	**–**	**279'989**	**33'109**	**27'018**	**–**	**513'637**

Amount expressed in Swiss Francs thousands unless otherwise stated

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

	2023		2022	
ASSETS	Domestic	Foreign	Domestic	Foreign
Liquid assets	100’318	–	100’324	–
Amounts due from banks	30’140	61’997	26’652	197’923
Amounts due from customers	122’398	182’115	105’024	148’762
Trading portfolio assets	–	18’869	–	36’196
Positive replacement values of derivative financial instruments	379	22’488	1’978	16’989
Financial investments	18’096	–	21’119	–
Accrued income and prepaid expenses	1’845	7’318	1’103	1’353
Tangible fixed assets	5’647	–	5’951	–
Other assets	902	–	181	–
Total assets	**279’725**	**292’787**	**262’332**	**401’223**

LIABILITIES				
Amounts due to banks	–	61’769	–	137’300
Liabilities from securities financing transactions	–	–	–	–
Amounts due in respect of customer deposits	207’213	119’868	195’174	162’856
Negative replacement values of derivative financial instruments	833	22’104	1’015	17’292
Accrued expenses and deferred income	4’811	1’950	3’014	4’476
Other liabilities	2’186	–	783	–
Provisions	586	–	390	–
Reserves for general banking risks	73’551	–	72’270	–
Share capital	35’000	–	35’000	–
Statutory retained earnings reserve	12’097	–	11’509	–
Profit carried forward	16’388	–	10’714	–
Profit for the year	14’156	–	11’762	–
Total liabilities	**366’821**	**205’691**	**341’631**	**321’924**

Amount expressed in Swiss Francs thousands unless otherwise stated

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

	2023		2022	
ASSETS	Absolute	%	Absolute	%
Switzerland	279’725	48.9%	262’331	39.5%
Rest of Europe	223’578	39.1%	218’724	33.0%
North America	62’770	11.0%	71’086	10.7%
Asia	6’439	1.1%	45’302	6.8%
Africa	–	0.0%	66’112	10.0%
Total assets	**572’512**	**100.0%**	**663’555**	**100.0%**

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

	2023		2022	
MOODY’S (Foreign exposure)	Absolute	%	Absolute	%
Aaa	97’371	32.2%	133’894	31.8%
Aa1 to Aa3	58’012	19.2%	66’118	15.7%
A1 to A3	2’407	0.8%	14’549	3.5%
Baa1 to Baa3	25’640	8.5%	23’555	5.6%
Ba1 to B3	115’061	38.0%	180’424	42.9%
Not rated	4’263	1.4%	2’174	0.5%
	302’754	**100.0%**	**420’714**	**100.0%**

Amount expressed in Swiss Francs thousands unless otherwise stated

3.18 Presentation of assets and liabilities broken down by the most significant currencies for the Bank

ASSETS	CHF	EUR	USD	TRY	GBP	Others	Total
Liquid assets	100'261	27	26	–	4	–	**100'318**
Amounts due from banks	563	8'988	78'995	71	212	3'308	**92'137**
Amounts due from customers	60	49'012	180'277	75'164	–	–	**304'513**
Trading portfolio assets	–	–	18'869	–	–	–	**18'869**
Positive replacement values of derivative financial instruments	22'867	–	–	–	–	–	**22'867**
Financial investments	18'096	–	–	–	–	–	**18'096**
Accrued income and prepaid expenses	832	785	1'022	6'524	–	–	**9'163**
Tangible fixed assets	5'647	–	–	–	–	–	**5'647**
Other assets	810	35	57	–	–	–	**902**
Total assets shown in balance sheet	149'136	58'847	279'246	81'759	216	3'308	**572'512**
Delivery entitlements from spot exchange' forward forex and forex options transactions*	233'200	154'833	397'137	24'860	2'329	–	**812'359**
Total assets	**382'336**	**213'680**	**676'383**	**106'619**	**2'545**	**3'308**	**1'384'871**

LIABILITIES	CHF	EUR	USD	TRY	GBP	Others	Total
Amounts due to banks	70	33'411	28'288	–	–	–	**61'769**
Amounts due in respect of customer deposits	4'726	42'173	275'827	839	216	3'300	**327'081**
Negative replacement values of derivative financial instruments	22'937	–	–	–	–	–	**22'937**
Accrued expenses and deferred income	4'436	1'141	1'184	–	–	–	**6'761**
Other liabilities	1'955	40	190	1	–	–	**2'186**
Provisions	586	–	–	–	–	–	**586**
Reserves for general banking risks	73'551	–	–	–	–	–	**73'551**
Share capital	35'000	–	–	–	–	–	**35'000**
Statutory retained earnings reserve	12'097	–	–	–	–	–	**12'097**
Profit carried forward	16'388	–	–	–	–	–	**16'388**
Profit for the year	14'156	–	–	–	–	–	**14'156**
Total liabilities	**185'902**	**76'765**	**305'489**	**840**	**216**	**3'300**	**572'512**
Delivery obligations from spot exchange' forward forex and forex options transactions*	175'163	154'263	371'330	112'485	2'329	–	**815'570**
Total liabilities	**361'065**	**231'028**	**676'819**	**113'325**	**2'545**	**3'300**	**1'388'082**
Net position per currency	**21'271**	**(17'348)**	**(436)**	**(6'706)**	**–**	**8**	**(3'211)**
Effect of country risk provision classification	**(20'483)**	**17'241**	**415**	**2'827**	**–**	**–**	**–**
Net position per currency before the effect of country risk provision classification	**788**	**(107)**	**(21)**	**(3'879)**	**–**	**8**	**(3'211)**

* All option positions are back-to-back and presented in notional. except for trading option positions. which are delta weighted.
For the presentation purposes the currency effect of country risk provisions related to the balance sheet positions are directly deducted from the corresponding assets and related currencies (please see note 2.8 for more details).

Amount expressed in Swiss Francs thousands unless otherwise stated

4. INFORMATION CONCERNING OFF-BALANCE SHEET TRANSACTIONS

4.1 Breakdown of contingent liabilities and contingent assets

CONTINGENT LIABILITIES	2023	2022
Guarantees to secure credits and similar	44'671	14'319
Irrevocable commitments arising from documentary letters of credit	387'217	390'880
Total contingent liabilities	**431'888**	**405'199**

4.2 Breakdown of fiduciary transactions

	2023	2022
Fiduciary deposits with third-party companies	7'801	92
Fiduciary investments with group companies and linked companies	23'467	24'278
Total fiduciary transactions	**31'268**	**24'370**

5. INFORMATION CONCERNING THE INCOME STATEMENT

5.1 Analysis of interest income and expense

Interest income and interest expense from forex swap transactions were CHF 6.3 million (2022: CHF 1.6 million) and CHF 25.6 million (2022: CHF 4 million) respectively.

5.2 Securities and precious metals held for trading purposes

	2023	2022
Trading results for own account	2'072	3'115
Trading for the account of customers	7'897	1'540
Total trading results	**9'969**	**4'655**

ANALYSIS BY UNDERLYING RISK AND BASED ON THE USE OF THE FAIR VALUE OPTION	2023	2022
Interest rate instruments and equity securities (incl. funds)	1'116	(727)
Foreign currencies and others	7'848	5'382
Commodities	1'005	–
Total result from trading activities	**9'969**	**4'655**

The Bank does not apply the fair value option.

Amount expressed in Swiss Francs thousands unless otherwise stated

5.3 Breakdown of personnel expenses

	2023	2022
Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies' salaries and benefits)	10'303	10'109
Social insurance benefits	1'828	1'666
Other personnel expenses	481	618
Total personnel expenses	**12'612**	**12'393**

5.4 Breakdown of general and administrative expenses

	2023	2022
Office space expenses	812	788
Expenses for information technology and communications technology	1'195	1'403
Expenses for vehicles' equipment' furniture and other fixtures' as well as operating lease expenses	485	600
Fees of audit firm(s) (Art. 961a no. 2 CO)	317	214
– of which' for financial and regulatory audits	*317*	*191*
– of which' for other services	*–*	*23*
Other operating expenses	2'250	2'145
Total general and administrative expenses	**5'059**	**5'150**

5.5 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 Bank has increased from its Reserves for general banking risks (please see note 3.9 for more details) by CHF 1'281. Extraordinary income was constituted by the correction of the tax expense provision from prior years and other duties. amounting to CHF 127 (2022: none) and CHF 5 (2022: none). respectively. In addition. sale of the fixed asset income was CHF 26 (2022: CHF 2). Extraordinary expense of CHF 478 was incurred for donations.

5.6 Presentation of current taxes. deferred taxes. and disclosure of tax rate

	2023	2022
Current year tax expenses	(2'383)	(1'915)
Total tax expenses	**(2'383)**	**(1'915)**
Effective tax rate	14%	14%

As at 31 December 2023. there were no losses carried forward (2022: none).

Amount expressed in Swiss Francs thousands unless otherwise stated

Proposed Appropriation of Retained Earnings

BOARD OF DIRECTORS' PROPOSED APPROPRIATION OF RETAINED EARNINGS AS AT DECEMBER 31, 2023

AVAILABLE PROFIT CARRIED FORWARD (in CHF)	2023
Profit carried forward at the beginning of the year	22'475'827
Dividend paid during the year	(5'500'000)
Transferred to the statutory retained earnings reserve	(588'084)
Profit carried forward after dividend distribution	16'387'743
Profit for the year	14'156'452
Available profit carried forward	**30'544'195**

PROPOSITION FOR DISTRIBUTION BY THE GENERAL MEETING OF SHAREHOLDERS	
Dividend proposed	6'350'000
To be transferred to the statutory retained earnings reserve	707'823
To be carried forward	23'486'372
Total	**30'544'195**

Credit Europe Bank (Suisse) SA

80, rue du Rhône
1204 Geneva – Switzerland
Tél: +41(22) 839 19 19
Fax: +41(22) 839 19 00