

FINANCIAL REPORT

2022



UNION BANCAIRE PRIVÉE



The cover features a background image of a modern building with a white, curved facade and a blue sky. A large teal rectangle is positioned in the upper right, containing the title text. The year '2022' is printed in teal below the teal rectangle.

Consolidated annual financial statements

2022

FINANCIAL HIGHLIGHTS FOR THE GROUP

	2022 in CHF millions	2021 in CHF millions	Variation in CHF millions	Variation in %
Net profit	210.4	201.2	9.2	4.6%
Operating result	241.2	244.5	(3.3)	(1.3%)
Client assets (in CHF billions)	140.4	160.4	(20.0)	(12.5%)
Total operating income	1,213.3	1,133.9	79.4	7.0%
Net result from interest operations	320.1	206.9	113.2	54.7%
Net fees and commissions income	764.9	815.0	(50.1)	(6.2%)
Profit on trading operations and on fair value options	121.1	105.1	16.0	15.2%
Total operating expenses	826.6	754.5	72.1	9.6%
Personnel expenses	610.1	554.7	55.4	10.0%
General and administrative expenses	216.5	199.8	16.7	8.4%
Depreciation, value adjustments, provisions and losses	145.5	135.0	10.5	7.8%
Total assets	38,761.3	38,784.7	(23.4)	(0.1%)
Shareholders, equity	2,571.5	2,478.2	93.3	3.8%
Share capital	300.0	300.0	-	-
Capital reserves	867.3	867.3	-	-
Reserves and retained earnings	963.2	894.0	69.2	7.7%
Reserves for general banking risks	230.4	215.4	15.0	7.0%
Staff members (as at 31 December)	1,960	1,904	56.0	2.9%
Net profit per staff member (in CHF thousands)	107.3	105.7	1.6	1.5%
Operating cost/income ratio	68.1%	66.5%	-	-
Cost/income ratio after depreciation	79.3%	78.1%	-	-
Return on equity (ROE)	8.5%	8.4%	-	-
Shareholders, equity/total assets ratio	6.6%	6.4%	-	-
Tier 1 capital ratio	26.7%	25.2%	-	-
Liquidity coverage ratio (LCR)	304.6%	274.5%	-	-
Leverage ratio (LERA)	5.6%	5.4%	-	-
Net stable funding ratio (NSFR)	194.2%	162.6%	-	-

Consolidated balance sheet as at 31 December

(in CHF thousands)

	2022	2021
Assets		
Cash and cash equivalents	1,553,557	5,574,847
Due from banks	3,476,661	3,196,097
Due from securities financing transactions	1,777,545	364,460
Due from clients	8,389,859	10,491,593
Mortgages	2,351,902	2,171,942
Trading portfolio assets	191,619	1,660,339
Positive replacement values of derivative financial instruments	1,374,951	530,245
Other financial instruments at fair value	1,318,047	2,103,184
Financial investments	17,513,156	11,494,630
Accrued income and prepaid expenses	205,706	174,392
Non-consolidated participations	3,529	3,550
Tangible fixed assets	309,471	305,769
Intangible assets	233,767	218,650
Other assets	61,574	495,014
Total assets	38,761,344	38,784,712
Total subordinated claims	-	-

(in CHF thousands)

	2022	2021
Liabilities		
Due to banks	1,989,336	609,258
Liabilities from securities financing transactions	3,630,585	5,127,130
Due in respect of client deposits	26,949,521	26,487,668
Liabilities from trading portfolios	25	
Negative replacement values of derivative financial instruments	1,413,056	1,050,003
Liabilities from other financial instruments at fair value	1,362,784	2,294,641
Bond issues and central mortgage institution loans	335,000	335,000
Accrued expenses and deferred income	357,342	313,395
Other liabilities	113,124	56,965
Provisions	39,027	32,484
Total liabilities	36,189,800	36,306,544
Reserves for general banking risks	230,413	215,375
Share capital	300,000	300,000
Capital reserves	867,336	867,336
Reserves and retained earnings	963,152	894,047
Minority interests in equity	267	180
Group profit	210,376	201,230
of which minority interests in Group profit	150	106
Total equity	2,571,544	2,478,168
Total liabilities and equity	38,761,344	38,784,712
Total subordinated liabilities	-	-

Off-balance sheet transactions as at 31 December

(in CHF thousands)

	2022	2021
Contingent liabilities	621,779	627,659
Irrevocable commitments	678,723	63,857
Liabilities to pay up shares and to make additional payments	746,745	1,008,314
Credit commitments (deferred payments)	1,412	4,090

Consolidated statement of income

(in CHF thousands)

	2022	2021
Consolidated statement of ordinary income and expenses on banking operations		
Result from interest operations		
Interest and discount income	482,161	177,050
Interest and dividends from financial investments	146,733	83,206
Interest expense	(303,771)	(53,402)
Gross result from interest operations	325,123	206,854
Changes in value adjustments and provisions for default risks and losses from interest operations	(5,000)	
Net result from interest operations	320,123	206,854
Fees and commissions		
Commission income on securities trading and investment transactions	778,930	830,682
Credit-related fees and commissions	3,711	3,491
Other fees and commissions income	3,853	3,964
Commission expense	(21,619)	(23,123)
Fees and commissions	764,875	815,014
Result from trading activities and the fair value option	121,114	105,070
Other result from ordinary activities		
Result from the disposal of financial investments	2,326	1,840
Income from participations	2,901	3,762
of which, from participations reported using the equity method		426
of which, from other non-consolidated participations	2,901	3,336
Result from real estate	715	279
Other ordinary income	1,284	1,171
Other ordinary expenses		(49)
Other result from ordinary activities	7,226	7,003
Total income	1,213,338	1,133,941

(in CHF thousands)

	2022	2021
Operating expenses		
Personnel expenses	(610,123)	(554,675)
General and administrative expenses	(216,502)	(199,785)
Total operating expenses	(826,625)	(754,460)
Value adjustments on participations and depreciation of tangible and intangible fixed assets	(136,000)	(131,603)
Changes to provisions and other value adjustments and losses	(9,474)	(3,403)
Operating result	241,239	244,475
Extraordinary income	29,250	111
Changes in reserves for general banking risks	(15,039)	
Taxes	(45,074)	(43,356)
Group profit	210,376	201,230
of which minority interests in Group profit	150	106

Consolidated cash flow statement

(in CHF thousands)

	2022		2021	
	Source of funds	Use of funds	Source of funds	Use of funds
Cash flow from operating income (internal sources)				
Group profit	210,376		201,230	
Value adjustments on participations, depreciation on tangible fixed assets and intangible assets	136,000		131,603	
Provisions and other value adjustments	9,474		3,000	
Accrued income and prepaid expenses		31,313		16,517
Accrued expenses and deferred income	43,948		18,086	
Other items		29,781	2,193	
Dividend from the previous financial year		132,000		130,000
Subtotal	206,704		209,595	
Cash flow from equity capital transactions				
Share capital, bearer participation capital, endowment capital, etc.				
Changes in reserves for general banking risks	15,039			
Reserves				
Subtotal	15,039		-	
Cash flow from transactions in participations, tangible fixed assets and intangible assets				
Non-consolidated participations	26,833			795
Real estate		15,722		
Other tangible fixed assets		63,216		59,544
Intangible assets		75,881		55,402
Subtotal		127,986		115,741
Cash flow from banking activities				
Medium- and long-term transactions (>1 year)				
Due to banks				
Due in respect of client deposits				
Other liabilities	56,157			21,286
Due from clients		26,364		236,737
Mortgages		222,319		155,113
Financial investments		4,064,523		1,744,120
Bond issues and central mortgage institution loans			335,000	
Other assets	433,441			76,619


(in CHF thousands)

	2022		2021	
	Source of funds	Use of funds	Source of funds	Use of funds
Short-term transactions				
Due to banks	1,380,078		16,588	
Liabilities from securities financing transactions		1,496,545		1,276,109
Due in respect of client deposits	461,853		1,593,366	
Liabilities from trading portfolios	25			241
Negative replacement values of derivative financial instruments	363,053			267,824
Liabilities from other financial instruments at fair value		931,856	501,980	
Due from banks		280,565		657,234
Due from securities financing transactions		1,413,085		268,873
Due from clients	2,170,457			667,002
Mortgages				59,041
Trading portfolios assets	1,468,720			70,232
Positive replacement values of derivative financial instruments		1,954,003	95,197	
Other instruments at fair value	785,136			649,170
Financial investments		844,707	2,045,422	
Cash and cash equivalents				
Cash and cash equivalents	4,021,290		1,468,194	
Subtotal		93,757		93,854
Total	11,361,953	11,361,953	6,265,342	6,265,342

Statement of shareholders' equity

(in CHF thousands)

	Share capital	Capital reserve	Retained earnings reserve	Reserves for general banking risks	Foreign exchanges reserves	Own shares (negative item)	Minority interests in equity	Result of the period	Total
Total shareholders' equity as at 31/12/2021	300,000	867,336	894,047	215,375	-	-	180	201,230	2,478,168
Attribution of previous year's result			69,124				106	(69,230)	-
Foreign exchange differences			(19)				(19)		(38)
Acquisition of equity									-
Dividends and other distributions								(132,000)	(132,000)
Other allocations to (transfers from) the reserves for general banking risks				15,038					15,038
Group profit for the financial year 2022								210,376	210,376
Total shareholders' equity as at 31/12/2022	300,000	867,336	963,152	230,413	-	-	267	210,376	2,571,544

A photograph of a modern building at night, featuring large glass windows and a dark facade. The interior lights are on, and the building is reflected in the foreground. A large teal rectangle is overlaid on the right side of the image, containing the title text.

Appendix to the consolidated annual financial statements

Company name, legal form and registered head office

Union Bancaire Privée, UBP SA is a limited company registered in Switzerland and based in Geneva.

Activities

For details on the Group's business activities, see the activity report.

Acquisitions

On 28 January 2022, the acquisition of the business of Danske Bank International Luxembourg was finalised, with a total of CHF 5.6 billion worth of assets and 48 employees (full-time equivalent) transferred.

Valuation and accounting principles

Basic principles

The accounting, measurement and presentation principles applied to the Group and individual company financial statements comply with the Swiss federal act on banks and savings banks, its implementing ordinance, FINMA's "Accounting rules for banks, securities dealers, financial groups and conglomerates" (ARB), and FINMA Circular 2020/1.

The consolidated financial statements provide a true and fair picture of the Union Bancaire Privée Group's net worth, financial position and earnings.

The principal accounting methods consistently used to determine the Group's net worth and earnings are as follows:

Consolidated holdings

Holdings of more than 50% are fully consolidated if the Bank has control, i.e. if the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Assets and liabilities, as well as income and expense, are integrated in full (100%). Minority shareholders interests in net assets and net profit are stated separately in the consolidated balance sheet and statement of income.

Holdings of 20% to 50% are accounted for under the equity method. The net assets and net profit corresponding to those holdings are reflected in the consolidated financial statements in proportion to the Group's percentage stake.

Minor holdings and those of less than 20% are recognised as unconsolidated holdings at their purchase price, after deduction of any depreciation necessary.

Elimination of intra-group items

All items stated in the balance sheet and statement of income (including off-balance-sheet transactions) resulting from business relationships between Group companies are eliminated in the consolidated financial statements.

Transaction accounting

All transactions are recognised and measured according to recognised principles and are in principle recognised in the balance sheet at their value date, or at their settlement date for money transfers and cash securities transactions.

Matching principle

Income and expenses are recognised in the period to which they relate. Accruals and prepayments are made to ensure income and expenses are matched to the proper accounting period.

Foreign currency translation

The balance sheets of Group companies prepared in foreign currencies are translated into Swiss francs at the exchange rate effective on the balance sheet date, with the exception of equity, which is translated at historical rates. For the statement of income, average annual exchange rates are used. Differences resulting from differing rates are recognised under equity as part of retained earnings.

In the individual financial statements of Group companies, assets and liabilities denominated in foreign currencies are translated into local currency at the exchange rate effective on the balance sheet date. Income and expenses are converted at the rate in force at the time of their recognition, at the exchange rate valid at the end of the month in question, or at a hedging rate if the currency risk was hedged.

Exchange rates of major foreign currencies vs. CHF:

	Average rates			
	31/12/22	31/12/21	2022	2021
USD	0.92520	0.91115	0.93698	0.91478
GBP	1.11292	1.23411	1.17285	1.25779
EUR	0.98742	1.03616	1.03493	1.07932

Liquid assets, receivables from banks and clients

These items are stated at their nominal value. Known and foreseeable risks are reflected in individual value adjustments, which are deducted directly from the corresponding balance sheet items.

Securities financing transactions

The Group carries out securities repo and reverse repo transactions as part of its cash management activities, along with securities lending and borrowing transactions on behalf of clients.

The cash exchanged and accrued interest are recognised on the balance sheet at nominal value. A balance-sheet entry only takes place where the party transferring the securities also transfers the economic decision-making power. As regards securities lending and borrowing, transactions in which the Group acts as principal are recognised in the balance sheet, while those carried out on behalf of clients, as agent, are treated in accordance with rules relating to fiduciary transactions.

Trading portfolio assets and liabilities from trading portfolios

Positions held in a trading portfolio are valued at market prices on the balance-sheet date. They include positions that are not acquired for long-term investment purposes or to hedge client subscriptions to securities-based certificates issued by the Bank. Realised and unrealised profits and losses are included in the income statement under the line "Result from trading activities and the fair value option". Securities that are not traded regularly are stated at their acquisition cost after deduction of any depreciation necessary (i.e. at the lower of market and acquisition cost).

Interest and dividend income from positions held in trading portfolios are credited to "Result from trading activities and the fair value option". Funding costs are deducted, at the market rate, from trading income and credited to "Interest and discount income".

Other financial instruments measured at fair value and liabilities resulting from financial instruments measured at fair value

The Group allows its clients to subscribe certificates, which mainly correspond to units in baskets of shares and bonds.

The amount of client certificate subscriptions is included on the liabilities side of the balance sheet under "Liabilities resulting from other financial instruments at fair value". The amounts corresponding to the underlying financial assets are included on the asset side of the balance sheet under "Other financial instruments at fair value".

The difference between the amount of client subscriptions on the liabilities side and the securities positions that cover the certificates on the asset side arises mainly from a cash component that has not yet been invested and that is recognised under liquidity on the asset side of the balance sheet, or from positions hedged by derivatives.

Financial investments

Financial investments include long-term holdings of securities and precious metal positions. In principle, debt securities, both fixed- and floating-rate, are held until maturity. Equity securities are valued at the lower of market and acquisition cost. For debt securities, the difference between nominal value and purchase cost is allocated over the residual life of the security and included under "Interest and dividend income from financial investments". Gains and losses resulting from positions sold before maturity or redeemed early, are allocated to the income statement over the residual term of the transaction, and are included in the line "Interest and dividends from financial investments". Precious metals are measured at market prices on the balance-sheet date. They are mainly used to cover client assets in metals accounts.

Non-consolidated participations

Minor holdings and those of less than 20% are recognised in "Non-consolidated participations" at their purchase price, less any economically necessary value adjustments.

Tangible fixed assets

Buildings, equipment, fixtures and fittings, and computer programs that have been bought, as well as the fees of third parties relating to software in development, are depreciated over a period that is calculated according to their useful economic life. The book values are reviewed periodically for any impairment in value.

Buildings and other property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

- buildings: 67 years
- fixtures and fittings: 8 years
- IT hardware, software and telecoms equipment: 3 to 10 years

Intangible assets

If, when acquiring a business or a client portfolio, the costs of acquisition are higher than the net assets acquired, the difference represents acquired goodwill. Goodwill is capitalised in the balance sheet and amortised on a straight-line basis over the estimated useful life. An impairment test is conducted every balance sheet date to determine the recoverable amount. If it is lower than the book value, a value adjustment is made. Given the Group's ability to maintain the value of acquired assets as shown in various acquisitions in the past, the estimated useful life is 10 years.

Provisions

Provisions are made for all potential and identifiable risks existing at the balance-sheet date.

Income tax

Current income taxes are calculated on the basis of the applicable tax laws in the individual countries and recorded as an expense in the period in which the related profits are made. They are shown as liabilities in the balance sheet under "Accruals and deferred income".

The tax effects arising from temporary differences between the book value and tax value of assets and liabilities are recorded as deferred taxes under "Provisions" on the liabilities side of the balance sheet. Recognised timing differences correspond mainly to the reserve for general banking risks. Deferred taxes are calculated using expected future tax rates.

Employee pension plans

The Group has a number of employee pension benefit institutions in Switzerland and abroad, most of which comprise defined-contribution plans. The adjusted contributions for the period are shown as personnel costs in the statement of income. The corresponding adjustments to assets or liabilities and the claims and commitments arising from statutory, regulatory or contractual requirements are shown in the balance sheet. An annual study is conducted to determine whether the pension fund presents a financial benefit (surplus) or a financial commitment (deficit) from the Bank's viewpoint. The basis of evaluation is composed of the contracts, annual financial statements of pension institutions

established in Switzerland in accordance with the Swiss GAAP RPC 26, and other calculations showing the financial position and surplus or deficit of each pension plan according to actual conditions.

A surplus is recorded in the Bank's financial statements only if the Bank is legally permitted to use this surplus either to reduce or reimburse the employer contributions, or for purposes outside the framework of the regulatory benefits. In the event of a deficit, a provision is set aside only if the Bank has decided to or is required to participate in its financing. When the surplus and/or deficit is recorded in the statement of income, it is recognised under "Personnel costs". In the balance sheet, the surplus is recognised under "Other assets", whereas a deficit is recognised under "Provisions".

Reserves for general banking risks

Accounting rules for banks expressly authorise the creation of a reserve for general banking risks, which may be treated as equity capital.

Derivative instruments and their replacement value

Derivative instruments include options, futures and swaps on equities, stock indices, currencies, commodities and interest rates, forward rate agreements, and forward contracts on currencies, securities and commodities. Derivative instruments are marked-to-market. Realised and unrealised profits and losses from trading positions and changes in fair value are stated under "Result from trading activities and the fair value option". Hedging transactions related to interest-rate and currency risk management are valued according to the rules applicable to the underlying position and reported accordingly in the statement of income. In the case of an advance sale of an interest-rate hedging instrument valued on the principle of accrued interest, the realised profit or loss is deferred and reported in the statement of income over the initial term of the instrument sold. If the impact of the hedging transactions is greater than that of the hedged positions, the surplus fraction is treated as a trading transaction. Positive and negative replacement values on transactions carried out on a proprietary trading basis are reported in special asset or liability items, as are those entered into on behalf of clients on OTC contracts.

Subcontracted services

For the activities carried out by the Singapore and Hong Kong branches, the Bank subcontracts the management, development and maintenance of its banking software as well as its back-office activities to the company Azqore (Switzerland) SA.

Subcontracted services are governed by a detailed service level agreement and monitored through frequent quality and results assessments. The Bank has entrusted the development and maintenance of a large portion of its software applications to IBM. Operations under this subcontracting agreement started on 1 January 2019.

Auditor

The Group's auditor has been Ernst & Young SA since 1990, with Raphaël Thürler as head auditor since 2019.

Global risk management

General principles

The risk management mandate defined by the Board of Directors via the Board's Risk Committee, and the Executive Committee is set out in the "Bank Risk Policy & Risk Governance Framework" and the "Bank's Liquidity Risk Tolerance & Risk Appetite Framework", as well as in internal directives and procedures. The aim is to ensure that risks associated with the Group's activities are identified, assessed and managed, for the benefit of both clients and shareholders. The Group therefore places great importance on having high-quality human resources and IT systems and infrastructure, and promotes an internal risk management culture. This integrated, rigorous approach to risk management ensures a reliable risk management process and is crucial to our success.

The process is based on comprehensive and detailed guidelines and effective information management systems for monitoring, controlling and reporting all significant risks. To ensure that risk is taken in a cautious, measured way in keeping with our commercial strategy, we apply a conservative risk management framework when planning and conducting our business activities. In terms of organisational structure, the Group has three levels of risk management/risk controlling responsibilities:

- Overall strategic guidance and supervision, performed by the Board of Directors, via the Board's Risk Committee, which is responsible for determining general risk policy and risk management strategy (risk vision, risk appetite and risk control standards);
- Management and operational supervision by the Executive Committee and the Risk Committee (formulation and implementation of risk management strategies);
- Risk control, primarily by the independent Risk Management unit, as well as the Compliance Department and the Credit Risk Department.

Risk monitoring is carried out in the Group's various business divisions – Treasury & Trading, Wealth Management, Asset Management, and COO – as follows:

- a) Independent risk oversight, risk alert systems and crisis scenarios;
- b) Governance and risk vision;
- c) "Daily Risk Snapshot" – identification, measurement and reporting of the Bank's consolidated risk profile in relation to the risk tolerance threshold defined by the Board's Risk Committee, i.e. market, liquidity, credit and operational risk – for members of the Risk Committee, and a monthly report for the Board's Risk Committee and the Executive Committee for analysis and review;
- d) Wealth Management & Asset Management investment process control ("investment suitability"), performance measurement/portfolio analytics assessment, operational risk assessment;

- e) Risk management system selection/design and maintenance; and
- f) Risk measurement relating to derivatives/structured products and new products and activities being developed.

Market risk

Market risks arising through the Group's treasury and trading activities are managed within the framework defined in the internal "Market Risk Manual", and its appendices "Stress Scenario Analysis" and "Market Risk Limits", and according to a system of integrated limits, established at various levels and consisting of the following:

- Position limits (market value / intraday valuation);
- Sensitivity limits (duration, delta, gamma, vega);
- Value at risk (VaR);
- Maximum loss (stop loss); and
- Primary market exposure, issuer and country limits.

That management is supplemented by stress scenario simulations, risk-adjusted performance measurement (RAPM) and VaR backtesting.

Daily consolidated reports regarding market risk exposure, stress VaR, and RAPM are generated by Risk Management for the Risk Committee and the departments concerned, and submitted monthly to the Board's Risk Committee and the Executive Committee for analysis and review.

In addition, a consolidated stress-scenario analysis is carried out, and submitted to the Board's Risk Committee, the Executive Committee, the Risk Committee, and to the departments concerned. This analysis is based on full revaluation (for linear and non-linear positions) and covers the worst historical events and the resulting liquidity situations (e.g. 1987 equity crash, 1992 ERM crisis, 1994 bond-market crisis, 2008 global financial crisis), as defined in the stress-scenario manual for market risk.

The Bank uses the standard approach to assess the capital required to hedge market risk in the trading book.

Interest rate risk in the Bank's portfolio

As regards asset-liability management (ALM), the Bank uses a centralised approach based on three levels:

- 1) The Board's Risk Committee and the Executive Committee;
- 2) The Asset & Liability Committee (ALCO); and
- 3) The Treasury Desk.

The ALCO is in charge of final ALM decision-making within the policy and framework established by the Board's Risk Committee and the Executive Committee, and meets once a month or more frequently if necessary. The role of the ALCO is mainly strategic, taking a medium- to long-term view of the Bank's overall risk position, whilst the Treasury Desk focuses on day-to-day ALM.

ALM is conducted in compliance with the framework set down in the internal "ALM Risk Policy & Procedures Manual", and its

various appendices including "Liquidity Risk Manual", "Liquidity Contingency Funding Plan", "Funds Transfer Pricing", "ALM and Capital Management Policy for Local Entities" and "ALCO Risk Limits", and according to a system of integrated limits, established at various levels and consisting of the following:

- "High-crisis stress scenario" liquidity;
- Value and income effects arising from sensitivity to interest-rate shifts (+/-100bp);
- Value at risk (VaR); and
- Issuer and counterparty risk exposure.

These limits are supplemented by monthly ALM stress scenario analyses and impact simulations on net interest income (e.g. through shifts in the interest rate of +/-100bp, +/-200bp, or modelled on the global tightening of 1994).

Risk Management generates specific daily and consolidated monthly reports regarding interest rate risk on the balance sheet (ALM) and stress liquidity risk exposure for analysis and decision-making by the Group's top management. A consolidated ALM risk and stress liquidity risk report is submitted to the Board's Risk Committee, the Executive Committee, the Risk Committee and the departments concerned each month.

Interest-rate risk in the Bank's portfolio is influenced mainly by client loans, the investment portfolio and clients' current account balances. For the latter, the forecast impacts of interest rate increases and decreases (ALM risk) are based on the following assumptions: 37.5% of the amount due to clients at sight is taken with a maturity of 6 months, 37.5% with a maturity of 1 year, 20% with a maturity of 5 years and 5% with a maturity of 10 years. For capital (net of intangible assets and real estate) the maturity is set at 5 years. The Bank makes substantial use of interest-rate swaps to reduce interest-rate risk.

On 31 December 2022, ALM risk exposure based on a 100bp increase in interest rates was CHF 7.7 million in terms of economic value and CHF 2.8 million in terms of return value.

Credit risk

Credit risk concerns the risk of loss should a counterparty fail to honour its contractual obligations to repay a loan or fulfil any other predetermined financial obligation.

The Group has a clearly defined system for managing counterparty, settlement and country risk, based on various directives and procedures. Consolidated analysis is also carried out and submitted monthly to the Board's Risk Committee, the Executive Committee, the Risk Committee, and the departments concerned.

Credit risks concerning individual clients

Credit risk incurred by clients is managed according to the principles stipulated in the manual "Group Credit Policy" and related directives and procedures.

In principle, loans granted to private banking clients are secured by pledged collateral (Lombard loans). Credit risks include current account loans and advances, and risks arising from guarantees and transactions on derivatives, on forex, on securities, and on any other financial instruments.

The pledged portfolios are appraised individually by the Credit Risk Control unit and a loan rate assigned to each position, based on the type of instrument, its credit rating where applicable and its liquidity, together with the diversification of the investments. The assets are valued daily at the spot price. Supervision and daily management of loan rates are based on predefined safety thresholds (additional margin calls and realisation of pledged assets).

The Group's wealth and estate planning business may entail granting mortgages or loans that are partially or fully secured on pledged real estate. This type of loan is granted only on the basis of appraisal of the pledged property by an independent appraiser and the fixing of an adequate loan rate.

It is not the Group's policy to grant commercial loans.

In light of the margins applied to Lombard loans and the safety thresholds in place, there is little risk of default in this credit category. In respect of unsecured loans and those secured by less liquid assets, a loan shall be considered non-performing when a due date (for payment of interest and/or all or part of the principal) is exceeded by more than 90 days. If the borrower seems unlikely to be able to meet its commitments, the loan becomes a doubtful loan. In such an event, special provisions shall be set aside on a case-by-case basis, as determined by Executive Management and/or the Credit Committee and taking into account a detailed appraisal of any pledged assets. The interest shall be considered at risk when the credit limit granted is exceeded for longer than 90 days. As of that time, the interest is no longer credited to the statement of income.

As interest does not represent more than a third of the Bank's or the Group's income within the meaning of Art. 25, Para. 1, Sections b and c of FINMA's Accounting Ordinance, no adjustment has been made for default risks.

Credit risks concerning professional counterparties and country risk

Counterparty, settlement, and country risk is managed according to the principles set out in the manuals "Credit Risk Management (Counterparty & Settlement)" and "Country Risk Policy & Procedures Manual", and various appendices, including "Counterparty & Settlement Risk Limits", "Country Risk Limits", "Authorised Brokers List", and "Authorised Cash Correspondents & Custodians List".

Exposure to professional counterparty risk is assumed only with counterparties that have very high credit ratings. For OTC derivatives transactions, credit and counterparty risks

are managed and related risk limits monitored by applying the market-value method, using regulatory multiplication factors based on the Standardised Approach for Counterparty Credit Risk (SA-CCR). For such transactions, corresponding bilateral agreements (ISDA, CSAs with daily margining) are in place with the counterparties. Risk is limited by the use of an adequate, flexible system of limits adapted to each category of product and counterparty and to the settlement period. Operational limits on counterparty credit risk exposure is based on a dynamic model using CDS spreads and ratings – a matrix approach combining the least favourable 5-year CDS spreads and the counterparty's LT rating and comparing them to the counterparty's capital.

Daily and monthly consolidated reports regarding market risk exposure are generated by Risk Management for the Risk Committee and the departments concerned, and submitted monthly to the Board's Risk Committee and the Executive Committee.

The Bank uses the standardised approach to calculate regulatory capital requirements in relation to counterparty credit risk.

For all our products, the Group's exposure to country risk is calculated, monitored and reported by Risk Management to the departments concerned and to the Group's management bodies, on the basis of the credit-rating equivalent. Levels of provisioning for specific country risk exposure reflect ratings by Moody's, Standard & Poor's and Fitch. Country risk limits are set according to risk appetite, which depends on the strategic importance of a given country in credit and nostro activities, on credit ratings, and on CDS spreads.

The ongoing monitoring and controlling of counterparty and country risk for market and Treasury activities is managed centrally using a real-time system.

Operating risk

To manage and supervise operational risk, the Bank has set up a dedicated framework and system that it applies consistently throughout its operational entities and activities. The operational risk system is based on the following principles and key components, as specified in the operational risk manual and supplemented by various appendices including the "New Business/Product Risk Assessment", "Change Risk Assessment", "Cyber Risk", "IT Risk", "Outsourcing Risk", "Conduct Risk", "Compliance Risk Policies" and "Managerial & Functional Controls Framework", and other directives and procedures:

- Clear formulation of the policy, strategies and active supervision required to manage operational risk, as developed by the Board of Directors via the Board's Risk Committee and implemented by the Executive Committee;
- A common definition of operational risk, applied throughout the Group and encompassing all types of operational risk or incident liable to have a significant impact on the Group's activities;

- Clear lines of operational risk responsibilities from the Board's Risk Committee and the Executive Committee down to the Head of Operating Units and the Risk Control Units (Risk Management, Compliance);
- Detailed definition of the methodology used to identify, assess, monitor and control or reduce operational risk (risk event management, risk self-assessment, scenario analysis, change risk assessment, issue management and tracking, key risk indicators, comparative analysis, external event collection and analysis);
- Definition of the procedures for regular, efficient monitoring and reporting of operational risk profiles (use of risk mapping and risk indicators) by the Bank's entities and activities, for communication to the Group's top management, Executive Committee Board's Risk Committee and Audit Committee;
- Definition of emergency and business-continuity plans, to ensure that the Bank's activities may proceed uninterrupted;
- A clear procedure for assessing the operational risk inherent in the launch or use of new products, business activities, processes or systems; and
- Promotion of a sound internal operational-risk culture.

To ensure dynamic management and effective supervision of operational risk and to define proactive risk-reduction measures, the Bank has introduced a five-level organisational structure:

- Board's Risk Committee
- Audit Committee
- Risk Committee
- Independent Control Units (Risk Management, Compliance, Legal departments)
- Internal Audit, and
- Business Unit management teams

The Bank's priority is therefore to ensure that our risk management culture remains in place at all levels, and that our risk measurement and supervision process is independent and effective. The approach enables us to provide better information to our departments and department heads, thereby ensuring uniformity across the Bank, and to improve our risk management constantly as our business evolves.

The Bank uses the standardised approach to calculate regulatory capital requirements in relation to operational risk.

Reputation risk

Our reputation is one of our most precious assets. We therefore make every effort to prevent any damage to that reputation through effective global risk management as described above, and particularly as regards strategic and operational risks.

The Bank's conduct rules and business culture help to ensure that our fundamental values are respected and maintained.

If the Bank's reputation were to be damaged, that could adversely affect our business development and our position in the financial markets. The potential effects could include loss of revenue,

litigation, sanctions or increased supervision by the regulatory authorities, and a loss of client trust and loyalty.

Our strong commitment to protecting our reputation also enables us to underpin our values, grow our business with high-quality partners throughout the world, and attract and retain top staff.

We pay close attention to complex transactions, new product launches and initiatives to enter new markets.

The Risk Committee, Executive Committee and Board's Risk Committee carefully examine reputational risk on an ongoing basis.

Regulatory risk

Banks around the world are subject to a large number of new rules, including rules to ensure business transparency, compliance with international rules, the suitability of clients' investments relative to their profiles, tax transparency and the exchange of information with other countries, proper execution and management of market abuse risks. In response to those rules, we have strengthened our general control and compliance framework to avoid the risk of non-compliance with laws, regulations and circulars.

Almost all of our activities expose us to legal or regulatory risk. As a result, we have adopted directives for each of the Bank's business lines, including control steps, rules and responsibilities.

By strengthening our control framework, our compliance management and our skills, we can identify, measure, manage and supervise this risk in a suitable way, while complying with the strict standards imposed by regulators and other authorities.

The Compliance Department supervises and manages regulatory risk independently, resulting in directives that give rise to staff training courses, which have been enhanced and updated in view of new requirements arising today and in the future.

By highlighting potential underlying risks, the Compliance Department also makes strategic recommendations and carries out risk mitigation work for the Bank.

The Compliance Department regularly submits regulatory risk management reports to the Bank's various committees, including work required to manage the risk and steps to be taken to ensure that the Bank is compliant when conducting its business.

Significant events occurring after the balance sheet closing date

No significant events have taken place since 1 January 2023 that could have an impact on the financial statement as at 31 December 2022.

Breakdown of securities financing transactions (assets and liabilities)

(in CHF thousands)

	2022	2021
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions*	1,777,545	364,460
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions*	3,630,585	5,127,130
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	3,489,568	4,861,813
of which, those with unrestricted right to resell or pledge	3,489,568	4,861,813
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or pledge	1,802,391	382,191
of which, repledged securities		
of which, resold securities		

*before taking into account any netting contracts

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

(in CHF thousands)

	Type of collateral			Total
	Mortgage collateral	Other guarantees	Uncollateralised*	
Loans				
(before netting with value adjustments)				
Due from clients		8,281,682	112,552	8,394,234
Mortgages	2,351,902			2,351,902
Residential property	1,804,251			1,804,251
Office and business premises	547,651			547,651
Commercial and industrial premises				-
Other				-
Total loans (before netting with value adjustments)				
Financial year 2022	2,351,902	8,281,682	112,552	10,746,136
Financial year 2021	2,171,942	9,633,313	862,866	12,668,121
Total loans (after netting with value adjustments)				
Financial year 2022	2,351,902	8,277,307	112,552	10,741,761
Financial year 2021	2,171,942	9,628,727	862,866	12,663,535
Off-balance sheet				
Contingent liabilities		621,779		621,779
Irrevocable commitments		678,723		678,723
Liabilities to pay up shares and to make additional payments		746,745		746,745
Credit commitments (deferred payments)		1,412		1,412
Off-balance sheet total				
Financial year 2022	-	2,048,659	-	2,048,659
Financial year 2021	-	1,703,920	-	1,703,920
Impaired loans/receivables	Gross amount	Estimated realisable value of collateral	Net amount	Individual value adjustments
Financial year 2022	4,375		4,375	4,375
Financial year 2021	4,586		4,586	4,586

* Unhedged client loans include CHF 80 mn (CHF 835 mn in 2021) in loans to Swiss public entities (cities, cantons).

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

(in CHF thousands)	2022	2021
Assets		
Trading portfolio assets	191,619	1,660,339
Debt securities, money market securities/transactions	31,917	54,677
of which, listed	31,917	54,677
Equity interests	159,702	1,605,662
Precious metals and commodities		
Other financial instruments at fair value	1,318,047	2,103,184
Equity interests	899,719	1,643,038
Debt securities	418,328	459,770
Structured products		376
Total assets	1,509,666	3,763,523
of which, determined using a valuation model		
of which, securities eligible for repo transactions in accordance with liquidity requirements		
Liabilities		
Trading portfolios		
Equity interests*	25	
Other financial instruments at fair value		
Structured products (certificates)	1,362,784	2,294,641
Total liabilities	1,362,809	2,294,641

* for short positions (booked on settlement date)

Presentation of derivative financial instruments (assets and liabilities)

(in CHF thousands)

	Trading instruments			Hedging instruments		
	Positive replacement value	Negative replacement value	Contract volumes	Positive replacement value	Negative replacement value	Contract volumes
Interest-rate instruments						
Swaps	18,839	15,366	715,368	880,375	580,727	20,794,224
Futures	437	1,343	291,070			
Options (exchange-traded)	1,542	26,089	4,937			
Currency/Precious metals						
Forward contracts	279,299	205,817	33,666,970	178	178	10,626
Combined interest rate/currency swaps				128,138	335,640	12,990,414
Futures			53,424			
Options (OTC)	32,222	28,671	9,059,718			
Equity securities/Stock-index derivatives						
Swaps	9,605		763,997			
Futures	1,197	40,875	137,636			
Options (exchange traded)	23,120	178,349	741,487			
Other						
Futures			17,482			
Options (OTC)						

Total before impact of netting agreements						
Financial year 2022	366,261	496,510	45,452,089	1,008,691	916,545	33,795,264
Financial year 2021	346,610	395,987	43,752,924	183,634	654,016	27,626,513

Positive replacement values (cumulative)

Negative replacement values (cumulative)

Total after impact of netting agreements						
Financial year 2022			1,285,684			1,296,363
Financial year 2021			465,494			978,342

Breakdown of counterparties

	Central clearing houses	Banks and securities dealers	Other clients
Positive replacement values (after impact of netting agreements)			
Financial year 2022		269,478	524,257
Financial year 2021		43,608	196,711

Breakdown of financial investments

(in CHF thousands)	Book value		Fair value	
	2022	2021	2022	2021
Total debt securities	16,548,392	10,488,014	16,085,727	10,930,719
of which, intended to be held until maturity	16,548,392	10,488,014	16,085,727	10,930,719
of which, not intended to be held until maturity (available for sale)				
Equity interests	74,879	84,884	79,996	88,716
of which, qualified participations*				
Precious metals	889,885	918,211	889,895	918,211
Real estate		3,521		3,521
Total	17,513,156	11,494,630	17,055,618	11,941,167
of which, securities eligible for repo transactions in accordance with liquidity regulations	3,242,595	1,897,689		

*Where at least 10% of capital or votes is held.

Breakdown of counterparties by rating*

(in CHF thousands)	Book value
AAA to AA-	13,870,821
A+ to A-	959,497
BBB+ to BBB-	176,306
BB+ to B-	14,181
Below B-	
Unrated	1,527,587
Total	16,548,392

*The Bank uses the credit ratings issued by S&P, Moody's and Fitch.

Presentation of non-consolidated participations

(in CHF thousands)

	Acquisition cost	Cumulative depreciation and value adjustments (equity method)	Book value as at 31 December 2021	Reclassifications	Additions	Disposals and currency translation differences	Depreciation	Value adjustments equity method / write-back of depreciation	Book value as at 31 December 2022	Market value
Participations reported using the equity method										
with market value										
without market value	523		523			7			530	
Other participations										
with market value										
without market value	3,027		3,027		85	(113)			2,999	
Total participations	3,550	-	3,550	-	85	(106)	-	-	3,529	-

Disclosure of companies in which the Group holds a permanent direct or indirect significant participation

Name, registered office	Activities	Currency	Capital (in thousands)	Capital share (in %)	Votes share (in %)	Direct holding (in %)	Indirect holding (in %)
Consolidated subsidiaries							
UBP Asset Management (Bermuda) Ltd., Bermuda	Asset management	USD	12	100%	100%	60%	40%
Union Bancaire Privée (Europe) S.A., Luxembourg	Asset management bank	CHF	125,000	100%	100%	100%	
UBP Investments Co., Ltd., Japan	Asset management	JPY	350,000	100%	100%	100%	
UBP Asset Management (Europe) S.A., Luxembourg	Asset management	CHF	2,900	100%	100%	100%	
Nexam SA, Paris	Asset management	EUR	2,307	100%	100%		100%
Union Bancaire Gestion Institutionnelle (France) SAS, Paris	Asset management	EUR	3,152	100%	100%		100%
Union Bancaire Privée (Middle East) Ltd., Dubai	Asset management	USD	6,000	100%	100%	100%	
UBP Asset Management Asia Ltd., Hong Kong	Asset management	HKD	77,900	100%	100%	100%	
UBP Finance (Bahamas) Ltd., Nassau	Financial company	CHF	50	100%	100%	100%	
UBP Asset Management Taiwan Ltd., Taipei	Asset management	TWD	85,000	100%	100%	100%	
UBP Investment Management (Shanghai) Ltd., Chine	Asset management	CNY	30,000	75%	75%	75%	
UBP Investment Advisors SA, Geneva	Asset management	CHF	1,000	100%	100%	100%	
UBP Private Fund Management (Hainan)	Asset management	CNY	5,000	100%	100%	100%	

Presentation of tangible fixed assets

(in CHF thousands)

	Acquisition cost		Book value as at 31 December 2021	Current year				Book value as at 31 December 2022
		Cumulative depreciation		Additions	Disposals	Currency translation differences	Depreciation	
Bank buildings	310,555	(152,069)	158,486	15,722			(4,542)	169,666
Proprietary or separately acquired software	303,372	(179,823)	123,549	52,170		(13)	(63,371)	112,335
Other tangible fixed assets	57,897	(34,163)	23,734	11,390		(332)	(7,322)	27,470
Total tangible fixed assets	671,824	(366,055)	305,769	79,282	-	(345)	(75,235)	309,471

Presentation of intangible assets

(in CHF thousands)

	Acquisition cost		Book value as at 31 December 2021	Current year				Book value as at 31 December 2022
		Cumulative depreciation		Additions	Disposals	Currency translation differences	Depreciation	
Goodwill	499,514	(280,864)	218,650	75,866		15	(60,764)	233,767
Total intangible assets	499,514	(280,864)	218,650	75,866	-	15	(60,764)	233,767

Breakdown of other assets and other liabilities

(in CHF thousands)

	Other assets		Other liabilities	
	2022	2021	2022	2021
Compensation account		451,928	57,510	
Taxes and indirect taxes	50,758	28,868	18,439	17,157
Internal banking transactions	2,538	2,670	21,943	9,989
Other assets and liabilities	8,278	11,548	15,232	29,819
Total other assets and other liabilities	61,574	495,014	113,124	56,965

Disclosure of assets pledged or assigned to secure own commitments and of assets subject to reservation of title

(in CHF thousands)

	2022	2021
Book value of assets pledged or assigned as collateral	1,153,693	1,431,543
Firm commitments	1,129,186	1,431,192

Disclosure of liabilities to own pension funds' and number and nature of equity instruments of the bank held by own pension schemes

The UBP Group operates pension plans for the majority of its employees. Most of those plans apply the principle of defined contributions.

In Switzerland, the Fondation de Prévoyance de l'Union Bancaire Privée, UBP SA (pension fund) and the Fondation Complémentaire de l'Union Bancaire Privée, UBP SA (supplementary pension fund) are defined-contribution funds. Over 60.7% of the Group's employees are affiliated to those funds.

For the UBP entities outside Switzerland, local pension schemes apply. Most of them are defined-contribution plans. Such funds do not generate any commitments or benefits in addition to those presented on the balance sheet.

(in CHF thousands)

	31/12/2022	31/12/2021
Pension funds' commitments		
Due on client deposits	74,239	165,323

Disclosure of the economic situation of own pension funds

Employer's contribution reserves (ECR)

There are no employer's contribution reserves with the pension funds for the current or previous year.

Presentation of the economic benefit/economic obligation and the pension benefit expenses

(in CHF thousands)

	Surplus/ (deficit) 31/12/2022	Economic Interest of the Group		Change in economic interests compared to the previous year	Contributions paid for 2022	Pension benefit expenses within personnel expenses	
		2022	2021			2022	2021
Pension schemes with surplus	30,564				39,054	39,890	36,386

The Bank's governing bodies consider that any excess coverage within the meaning of Swiss GAAP recommendations (GAAP RPC 16) should be used to the benefit of the fund members and therefore no economic gain should ensue for the Group. As at 31 December 2022, there was neither gain nor loss to book on the Group's balance sheet or profit and loss account.

Presentation of structured products issued

Underlying risk of incorporated derivative (in CHF thousands)	Book value				Total
	Valued as a whole		Valued separately		
	Booked under trading operations	Booked under other financial instruments valued at fair value	Value of underlying instrument	Value of derivative	
Interest rate instruments					
With own debenture component (oDC)		302,789			302,789
Without oDC					-
Equity interests					
With oDC		1,059,995			1,059,995
Without oDC					-
Currencies					
With oDC					-
Without oDC					-
Commodities/precious metals					
With oDC					-
Without oDC					-
Total	-	1,362,784	-	-	1,362,784

Presentation of bonds outstanding and mandatory convertible bonds

(in CHF thousands)				
	Rate	Issued in	Nominal value	Maturity
Bonds issued by UBP*	0.20%	2022	335,000	15.12.2026

* No bond can be called before maturity.

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

(in CHF thousands)

	Position as at 31 December 2021	Used according to purpose	Reclassification	Currency differences	Past due interest/recoveries	New reserves charged to income	Dissolution of reserves credited to income	Position as at 31 December 2022
Provisions for deferred taxes								-
Provisions for pension benefit obligations	13,377	(524)				3,000		15,853
Provisions for default risks	4,000		1,086					5,086
Provisions for other business risks	15,107	(134)		34	81	3,000		18,088
Provision for restructuring	-							-
Other provisions	-							-
Total provisions	32,484	(658)	1,086	34	81	6,000	-	39,027
Reserves for general banking risks	215,375					15,039		230,414
Value adjustments for default and country risks	8,586	(384)	1,086	57	116	5,000	-	14,461
of which, value adjustments for default risks in respect of impaired loans/receivables	4,586	(384)		57	116	5,000		9,375
of which, value adjustments for latent risks	4,000		1,086					5,086

Presentation of the Bank's share capital

(in CHF thousands)

	2022			2021		
	Total nominal value	Number of shares	Dividend-bearing capital	Total nominal value	Number of shares	Dividend-bearing capital
Share capital	300,000	30,000	300,000	300,000	30,000	300,000
of which, paid-up capital			300,000			300,000
Total share capital	300,000	30,000	300,000	300,000	30,000	300,000

Number and value of equity securities or options on equity securities held by all executive management and board members and staff

The UBP Group does not grant any equity securities or options on equity securities to staff and the Bank's governing bodies, and there is no share participation scheme.

Disclosure of holders of significant participations

(in CHF thousands)

	2022		2021		
	Nominal	Participation rate	Nominal	Participation rate	
Major participants and groups of participants bound by voting agreements					
With voting rights	CBI Holding SA Genève	300,000	100%	300,000	100%

The de Picciotto family holds directly and indirectly 98.69% of CBI Holding SA voting rights and 94.97% of its share capital.

Disclosure of amounts due from/to related parties

Business relations with related parties

Related parties are those parties (natural persons or legal entities) able to influence the Bank's financial or operational decisions, either directly or indirectly, to a significant extent. Companies controlled either directly or indirectly by related parties are also considered related parties. Accordingly, Group companies, qualified participants, related companies (sister companies) and Directors and Senior Executives are all considered related parties.

The Bank engages in transactions with related parties in the normal course of its business. These transactions include advances, deposits and transactions on financial instruments (forex, securities etc.). All transactions are performed at the market value prevailing when they were initiated. The balance of transactions with related parties as at 31 December are as follows:

(in CHF thousands)	Due from clients		Due to clients	
	2022	2021	2022	2021
Qualified participants			351,323	352,900
Directors and Senior Executives	33,469	36,771	163,305	176,928

On-balance sheet and off-balance sheet transactions were executed under terms and conditions corresponding to market rates.

"Directors and Senior Executives" refers to the members of the Group's Board of Directors and Executive Committee.

These loans are secured by pledged assets, valued according to the criteria laid down by the Bank in its credit policy.

Presentation of the maturity structure of financial instruments

(in CHF millions)

	Due							Total
	At sight	Cancellable	Up to 3 months	3 to 12 months	12 months to 5 years	More than 5 years	No maturity	
Assets/Financial investments								
Cash and cash equivalents	1,554							1,554
Due from banks	411		3,066					3,477
Due from securities financing transactions			1,685	93				1,778
Due from clients	101	1,302	5,359	1,159	369	100		8,390
Mortgages			882	228	862	380		2,352
Trading portfolio assets	192							192
Positive replacement values of derivative financial instruments	1,375							1,375
Other financial instruments at fair value	1,318							1,318
Financial investments	256	3,909	3,255	1,227	5,320	3,546		17,513
Total								
Financial year 2022	5,207	5,211	14,247	2,707	6,551	4,026	-	37,949
Financial year 2021	10,658	2,585	14,409	2,670	4,952	2,309	4	37,587
Liabilities/Financial investments								
Due to banks	1,045		915	29				1,989
Liabilities from securities financing transactions			3,631					3,631
Due in respect of client deposits	14,504		11,068	1,378				26,950
Negative replacement values of derivative financial instruments	1,413							1,413
Liabilities from other financial instruments at fair value	1,363							1,363
Bond issues and central mortgage institution loans					335			335
Total								
Financial year 2022	18,325	-	15,614	1,407	335	-	-	35,681
Financial year 2021	27,122	-	8,283	164	335	-	-	35,904

Presentation of assets and liabilities in Switzerland and abroad by location

(in CHF millions)

	2022		2021	
	Swiss	Foreign	Swiss	Foreign
Assets				
Cash and cash equivalents	1,498	56	5,346	229
Due from banks	2,380	1,096	2,095	1,101
Due from securities financing transactions	1,500	278		364
Due from clients	584	7,806	1,383	9,109
Mortgages	260	2,091	262	1,910
Trading portfolio assets	159	33	1,506	154
Positive replacement values of derivative financial instruments	134	1,241	72	458
Other financial instruments at fair value	21	1,297	52	2,051
Financial investments	5,066	12,447	1,888	9,607
Accrued income and prepaid expenses	34	172	27	147
Non-consolidated participations	3	1	3	1
Tangible fixed assets	299	10	296	10
Intangible assets	151	82	152	67
Other assets	50	12	63	432
Total assets	12,139	26,622	13,145	25,640

(in CHF millions)

	2022		2021	
	Swiss	Foreign	Swiss	Foreign
Liabilities				
Due to banks	1,436	554	250	359
Liabilities from securities financing transactions		3,631		5,127
Due in respect of client deposits	2,377	24,573	2,495	23,993
Liabilities from trading portfolios				
Negative replacement values of derivative financial instruments	150	1,263	73	977
Liabilities from other financial instruments at fair value	949	414	1,665	630
Bond issues and central mortgage institution loans	335		335	
Accrued expenses and deferred income	185	172	173	141
Other liabilities	13	100	53	5
Provisions	38	1	32	
Reserves for general banking risks	230		215	
Share capital	300		300	
Capital reserves	867		867	
Reserves and retained earnings	963		894	
Minority interests in equity				
Group profit	210		201	
Total liabilities	8,053	30,708	7,553	31,232

Breakdown of all assets by country or country group (by principal domicile)

(in CHF millions)

	2022		2021	
	Absolute value	Part as a %	Absolute value	Part as a %
Assets				
Europe	22,818	58.9	23,280	59.9
North America	5,924	15.3	5,849	15.1
Caribbean offshore centres	2,880	7.4	3,666	9.5
South America	393	1.0	385	1.0
Africa	253	0.7	297	0.8
Asia	6,220	16.0	5,107	13.2
Australia/Oceania	273	0.7	201	0.5
Total assets	38,761	100.0	38,785	100.0

This distribution of assets by group of countries is based on clients' domicile rather than on risk domicile. The assets included in this statistic and appearing under non-OECD countries are for the most part hedged with assets deposited with our Bank.

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

(in CHF millions)

Ratings as per FINMA correspondence tables	Net foreign exposure 2022		Net foreign exposure 2021	
	In CHF	Part as a %	In CHF	Part as a %
AAA to AA-	21,176	87.0	16,544	80.4
A+ to A-	1,105	4.5	801	3.9
BBB+ to BBB-	384	1.6	207	1.0
BB+ to BB-	79	0.3	1,542	7.5
B+ to B-	163	0.7	97	0.5
Below B-	70	0.3	17	0.1
Unrated	1,350	5.5	1,356	6.6
Total	24,327	100.0	20,564	100.0

The Bank uses the credit ratings of S&P, Moody's and Fitch.

Presentation of assets and liabilities according to the Group's most important currencies

(in CHF millions)

	CHF	EUR	USD	Other	Total
Balance sheet by currency					
Assets					
Cash and cash equivalents	1,494	52	1	7	1,554
Due from banks	2,290	650	354	182	3,476
Due from securities financing transactions	1,500		278		1,778
Due from clients	965	2,567	3,036	1,822	8,390
Mortgages	291	867	71	1,123	2,352
Trading portfolio assets	172	17	2	1	192
Positive replacement values of derivative financial instruments	96	143	609	527	1,375
Other financial instruments at fair value	17	171	1,030	99	1,317
Financial investments	4,282	1,578	7,716	3,937	17,513
Accrued income and prepaid expenses	19	55	94	37	205
Non-consolidated participations	3			1	4
Tangible fixed assets	300	2	1	6	309
Intangible assets	234				234
Other assets	44	9	5	4	62
Total balance sheet assets	11,707	6,111	13,197	7,746	38,761
Delivery claims resulting from spot, forward and option transactions	4,533	17,995	23,071	17,336	62,935
Total assets	16,240	24,106	36,268	25,082	101,696

(in CHF millions)

	CHF	EUR	USD	Other	Total
Balance sheet by currency					
Liabilities					
Due to banks	912	287	719	72	1,990
Liabilities from securities financing transactions	400		3,061	170	3,631
Due in respect of client deposits	1,673	4,668	16,004	4,605	26,950
Liabilities from trading portfolios					-
Negative replacement values of derivative financial instruments	86	89	1,025	213	1,413
Liabilities from other financial instruments at fair value	6	176	1,181		1,363
Bond issues and central mortgage institution loans	335				335
Accrued expenses and deferred income	194	57	45	61	357
Other liabilities	(2)	71	(96)	140	113
Provisions	37		2		39
Reserves for general banking risks	230				230
Share capital	300				300
Capital reserves	867				867
Reserves and retained earnings	569	13	383	(2)	963
Minority interests in equity					-
Group profit	208			2	210
Total balance sheet liabilities	5,815	5,361	22,324	5,261	38,761
Delivery commitments resulting from spot, forward and option transactions	10,447	18,748	13,895	19,845	62,935
Total liabilities	16,262	24,109	36,219	25,106	101,696
Net position by currency	(22)	(3)	49	(24)	-

Breakdown and explanation of contingent assets and liabilities

(in CHF thousands)

	2022	2021
Contingent liabilities		
Guarantees to secure credits and similar	609,441	612,366
Irrevocable commitments arising from documentary letters of credit	12,338	15,293
Total contingent liabilities	621,779	627,659
Contingent assets arising from tax losses carried forward		
Total contingent assets	-	-

The heading "contingent liabilities" covers guarantees issued on behalf of clients. Like Lombard loans, such commitments are covered with pledged client assets.

The Commercial Court of Justice in London gave notice of civil action against the Bank and 36 other parties in September 2019. The main defendant is a former body of Kuwait's social security institution. The charges brought against it are of having levied undue commissions as part of its functions within the institution. Other defendants include other banks and natural persons charged with being involved in the payment or transfer of such commissions. Some of them have successfully contested the competency of the UK court in the case. While two banks among the defendants have successfully contested the competency of the UK judge, the case is ongoing for the other defendants, including our Bank. In order to be able to use documentation that is subject to banking secrecy regulations in its defence, the Bank has submitted to the UK judge a request for international assistance in obtaining the bank documents that are held in Switzerland for use in the UK-based case. The first-level court in Geneva agreed to the request, which was then rejected on appeal, and is now pending a verdict from the Federal Supreme Court. The Bank continues to contest the charges and deems the risk related to these proceedings very low and not warranting provisions.

Breakdown of credit commitments

(in CHF thousands)

	2022	2021
Commitments arising from deferred payments	1,412	4,090
Total	1,412	4,090

Breakdown of fiduciary transactions

(in CHF thousands)

	2022	2021
Fiduciary investments with third-party banks	600,483	605,093
Total	600,483	605,093

Breakdown of assets under management and presentation of their development

(in CHF millions)

	2022	2021
Breakdown of assets under management		
Assets in collective investment schemes managed by the Group	18,841	24,499
Assets in discretionary asset management mandates	24,323	32,954
Other assets under management	97,226	102,961
Total assets under management (including those counted twice)	140,390	160,414
of which those counted twice	9,601	12,611
Development of assets under management		
Total assets under management (including those counted twice) at beginning	160,414	147,413
+/- Net new money inflow or net new money outflow	(4,785)	1,881
+/- Price gains/losses, interest, dividends and currency gains/losses	(20,946)	7,294
+/- Other effects*	5,707	3,826
Total assets under management (including those counted twice) at end	140,390	160,414

Assets under management include all assets that are held for investment purposes by private banking clients, institutional clients and investment companies/funds. Accordingly, only those assets attributable to profit centres (the Wealth Management and Asset Management divisions) and whose profitability can be measured are taken into account. Assets deposited simply for safekeeping and intended solely for use in transactions/administration are excluded. Net inflows/outflows of new money comprise assets acquired from new or existing clients and assets withdrawn by existing clients or clients that have terminated their relations with the Bank. Their value is fixed on the transfer day (cash and/or tradable securities). The item excludes movements due to markets or quotation changes and the related income (interest/dividends), together with commissions and interest on loans.

*For 2021, this represents the acquisition of Millennium Banque Privée BCP (Suisse), and for 2022 the acquisition of Danske Bank International (Luxembourg).

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

(in CHF thousands)

	2022	2021
Breakdown by business area		
Trading result for own account	53,618	40,319
Trading for the account of clients	67,496	64,751
Total result from trading activities	121,114	105,070
Breakdown by type of activity and result from the use of the fair value option		
Result from trading activities on:		
Interest-rate instruments	13,851	12,466
Equity interests (including funds)	18,408	17,759
Foreign currencies, commodities, precious metals	88,855	74,845
Total result from trading activities	121,114	105,070
of which, from fair value option	12,357	14,120
of which, from fair value option on assets	(503,601)	128,432
of which, from fair value option on liabilities	515,958	(114,312)

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

Refinancing costs for trading portfolios and fair value option are debited at the market rate from the result from trading activities and the fair value option.

(in CHF thousands)

	2022	2021
Refinancing		
Refinancing costs for trading portfolios and fair value option	(6,680)	(8,874)
Negative interest		
Negative interest on investments	(10,908)	(32,436)
Negative interest on liabilities	10,246	10,644

Breakdown of personnel expenses

(in CHF thousands)

	2022	2021
Salaries	517,090	469,632
of which, costs relating to alternative forms of variable compensation	160,971	141,119
Social charges	70,232	64,182
Other personnel expenses	22,801	20,861
Total personnel expenses	610,123	554,675

Breakdown of general and administrative expenses

(in CHF thousands)

	2022	2021
Cost of office space	31,947	30,808
Cost of computer equipment, machines, furnishings, etc.	66,458	59,068
Fees of audit firms	3,817	3,383
of which, for financial and regulatory audits	3,074	2,858
of which, for other services	743	525
Other operating expenses	114,280	106,526
Total general and administrative expenses	216,502	199,785

Extraordinary income

Extraordinary income stood at CHF 29.250 million as at 31 December 2022. CHF 26.812 million of that amount was profits on the sale of a minority share and CHF 2.438 million came from the sale of a portfolio of mandates on a non-strategic market.

Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment

(in CHF thousands)

	2022		2021	
	Swiss	Foreign	Swiss	Foreign
Net result from interest operations	114,175	205,948	95,291	111,563
Net fees and commissions income	497,687	267,187	514,128	300,886
Result from trading activities and the fair value option	87,161	33,953	67,633	37,437
Result from the disposal of financial investments	2,237	89	2,106	(266)
Other ordinary net income	4,591	309	4,487	676
Total operating income	705,851	507,486	683,645	450,296
Personnel expenses	(387,497)	(222,626)	(350,606)	(204,069)
General and administrative expenses	(148,441)	(68,061)	(131,155)	(68,630)
Total operating expenses	(535,938)	(290,687)	(481,761)	(272,699)
Value adjustments on participations and depreciation of tangible and intangible fixed assets	(112,808)	(23,192)	(118,844)	(12,759)
Changes to provisions and other value adjustments and losses	(8,273)	(1,200)	(2,480)	(923)
Changes in reserves for general banking risks	(15,039)			
Operating result	33,793	192,407	80,560	163,915

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

(in CHF thousands)

	2022	2021
Provision for deferred taxes		
Dissolution of the provision for deferred taxes		
Charges for current taxes	45,074	43,356
Total taxes	45,074	43,356
Weighted average tax rate based on pre-tax result	18.68%	17.73%

The impact of the utilisation of previously unused losses carried over, out of the total amount of taxes for the fiscal year concerned, is CHF 0 (2021: CHF 0).

AUDITORS' REPORT ON THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

To the General Meeting of Union Bancaire Privée, UBP SA, Geneva

Opinion

We have audited the consolidated financial statements of Union Bancaire Privée, UBP SA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 6 to 45) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the applicable financial reporting framework for banks and comply with Swiss law.

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 consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Fair value measurement of financial instruments

Risk

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values can be based on quoted prices in active markets, on a valuation model where significant input parameters can be observed directly or indirectly in the market, or on a valuation model where significant input parameters cannot be observed in the market.

Valuations based on models are influenced to a significant extent by the assumptions applied, including interest rates, forward rates, spread curves, volatility and estimates of future cash flows. The determination of these assumptions involves the exercise of significant judgment.

In its consolidated balance sheet as of 31 December 2022, Union Bancaire Privée, UBP SA reports total financial assets at fair value of CHF 2.9 billion, including CHF 1.4 billion in derivative financial instruments, and financial liabilities at fair value of CHF 2.8 billion, including CHF 1.4 billion in derivative financial instruments. In view of the inherent exercise of judgment involved in the determination of these assumptions and the significance of these balance sheet items in the consolidated financial statements of Union Bancaire Privée, UBP SA, their valuation is an area of particular importance from an audit perspective. Accordingly, we have identified this as a key audit matter.

The corresponding accounting principles applied by Union Bancaire Privée, UBP SA are explained on pages 15 and 16 and additional information regarding financial instruments is presented on pages 22 and 23 of the notes to the consolidated financial statements.

Our audit response

Our audit procedures included an evaluation of the design and the operational effectiveness of relevant key controls over the calculation of fair values. These included controls over the underlying data, the fair value calculation and automatic update in the system, and the analysis of values outside tolerance limits.

Using comparisons with third-party sources, we tested the fair values that were directly available in an active market. Furthermore, based on a sample, we independently tested the fair value of financial instruments not directly available in an active market. Finally, we assessed the appropriateness of accounting policies used and adequacy of the disclosures in the consolidated financial statements.

Our audit procedures did not lead to any reservations concerning the fair value measurement of financial instruments

Recognition and measurement of goodwill

Risk

Union Bancaire Privée, UBP SA accounts for business combinations using the acquisition method, whereby the net assets of the acquired business are measured at the fair value of the consideration at the acquisition date. If the fair value of the consideration exceeds the fair value of the net assets acquired, goodwill is recognized.

Goodwill is amortised on a straight-line basis over the estimated useful life and is tested for impairment on an annual basis. The recoverable value that is determined as part of the impairment test is influenced to a significant extent by the assumptions that are used, the determination of which involves the exercise of significant judgment.

In its consolidated balance sheet as of 31 December 2022, Union Bancaire Privée, UBP SA, reports goodwill totaling CHF 233.8 million. Due to the judgment that goes into the valuation of goodwill, this is an area of particular importance from an audit perspective. Accordingly, we have identified this as a key audit matter.

The corresponding accounting principles applied by Union Bancaire Privée, UBP SA are explained on page 15 and additional information regarding goodwill is presented on page 27 of the notes to the consolidated financial statements.

Our audit response

During the course of our audit, we examined the valuation model used for the goodwill impairment test as well as significant assumptions, in particular, the estimated future cash flows generated by the business acquired. We assessed these assumptions on the basis of historical performance and current market conditions. Finally, we assessed the appropriateness of accounting policies used and adequacy of the disclosures in the consolidated financial statements.

Our audit procedures did not lead to any reservations concerning the recognition and measurement of goodwill.

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 consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with the applicable financial reporting framework for banks and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

Report on other legal and regulatory requirements

In accordance with Art. 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 the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Geneva, 16 March 2023

Ernst & Young SA



Raphaël Thürler
Licensed audit expert
Head auditor



Patrick Mettraux
Licensed audit expert



Annual
financial
statements
of the Bank
2022

Balance sheet as at 31 December

(in CHF thousands)

	2022	2021
Assets		
Cash and cash equivalents	1,524,173	5,450,412
Due from banks	3,655,109	3,557,783
Due from securities financing transactions	1,777,545	364,460
Due from clients	7,723,987	10,153,191
Mortgages	2,092,857	2,097,535
Trading portfolio assets	190,969	1,659,539
Positive replacement values of derivative financial instruments	1,374,449	529,961
Other financial instruments at fair value	1,318,047	2,103,184
Financial investments	17,010,015	11,187,272
Accrued income and prepaid expenses	162,273	130,285
Participations	194,823	157,759
Tangible fixed assets	306,333	302,974
Intangible assets	151,359	177,578
Other assets	50,806	488,775
Total assets	37,532,745	38,360,708
Total subordinated claims	4,705	5,678

(in CHF thousands)

	2022	2021
Liabilities		
Due to banks	3,100,618	1,651,557
Liabilities from securities financing transactions	3,630,585	5,127,130
Due in respect of client deposits	25,407,043	25,796,112
Liabilities from trading portfolios	25	
Negative replacement values of derivative financial instruments	1,412,852	1,050,125
Liabilities from other financial instruments at fair value	1,362,784	2,294,641
Bond issues and central mortgage institution loans	335,000	335,000
Accrued expenses and deferred income	312,260	271,249
Other liabilities	118,173	68,174
Provisions	37,941	33,484
Total liabilities	35,717,281	36,627,472
Reserves for general banking risks	117,599	102,560
Share capital	300,000	300,000
Reserves from capital contribution	728,336	728,336
of which, reserve from tax-exempt capital injection	560,000	560,000
Retained legal earnings	65,850	65,850
Optional reserves on profit	1,500	1,500
Profit (loss) brought forward	402,990	347,395
Annual profit	199,189	187,595
Total equity	1,815,464	1,733,236
Total liabilities and equity	37,532,745	38,360,708
Total subordinated liabilities*	275,373	275,373

*Relating to a facility made available by an entity of the group treated as AT1 for the calculation of the capital requirement.

Off-balance sheet transactions as at 31 December

(in CHF thousands)

	2022	2021
Contingent liabilities	587,461	603,294
Irrevocable commitments	666,269	57,682
Liabilities to pay up shares and to make additional payments	718,966	967,413
Credit commitments (deferred payments)	1,412	4,090

Statement of income

(in CHF thousands)

	2022	2021
Result from interest operations		
Interest and discount income	470,924	172,394
Interest and dividends from financial investments	141,449	82,384
Interest expense	(324,622)	(58,892)
Gross result from interest operations	287,751	195,886
Changes in value adjustments for default risks and losses from interest operations	(5,000)	
Net result from interest operations	282,751	195,886
Fees and commissions		
Commission income on securities trading and investment transactions	643,206	695,385
Credit-related fees and commissions	3,239	3,339
Commission income on other services	3,832	3,953
Commission expense	(39,351)	(38,309)
Fees and commissions	610,926	664,368
Result from trading activities and the fair value option	109,894	91,769
Other result from ordinary activities		
Result from the disposal of financial investments	2,243	1,840
Income from participations	49,348	43,924
Result from real estate	763	374
Other ordinary income	33,682	28,660
Other ordinary expenses	(5,270)	(3,926)
Other result from ordinary activities	80,766	70,872
Total income	1,084,337	1,022,895

(in CHF thousands)

	2022	2021
General administrative expenses		
Personnel expenses	(538,379)	(493,866)
General and administrative expenses	(189,853)	(172,328)
Total operating expenses	(728,232)	(666,194)
Value adjustments on participations and depreciation of tangible and intangible fixed assets	(125,573)	(135,034)
Changes to provisions and other value adjustments and losses*	(9,359)	(3,072)
Operating result	221,173	218,595
Extraordinary income	27,812	111
Changes in reserves for general banking risks	(15,039)	
Taxes	(34,757)	(31,111)
Net profit/(Loss)	199,189	187,595
Proposal of the Board		
Distribution of profit		
Annual profit	199,189	187,595
Profit (loss) brought forward from prior years	402,990	347,395
Total	602,179	534,990
The following distribution is proposed to the General Meeting of Shareholders:		
Profit distribution:		
- Distributions using retained earnings	132,000	132,000
Profit carried forward	470,179	402,990

Statement of shareholders' equity

(in CHF thousands)

	Share capital	Reserves from capital contribution	Retained earnings reserve	Reserves for general banking risks	Other reserves from results and retained earnings	Own shares (negative item)	Result of the period	Total
Total shareholders' equity as at 31/12/2021	300,000	728,336	65,850	102,560	348,895	-	187,595	1,733,236
Attribution of previous year's result					55,595		(55,595)	-
Other allocations / withdrawals affecting the reserve for general banking risks				15,039				15,039
Dividends and other payments							(132,000)	(132,000)
Group profit for the financial year 2022							199,189	199,189
Total shareholders' equity as at 31/12/2022	300,000	728,336	65,850	117,599	404,490	-	199,189	1,815,464



Appendix to
the annual
financial
statements
of the Bank

Valuation and accounting principles

The statutory annual single-entity financial statements present the Bank's economic position in such a way that a third party can make a reliable assessment ("reliable assessment of statutory single-entity financial statements"). Union Bancaire Privée's, UBP SA's valuation and accounting principles for the parent company correspond to those adopted by the Group, which are detailed in the Appendix to the Consolidated Annual Financial Statements of the Bank, except for the following valuation and accounting principle:

Participations

Participations comprise shares in companies, including real-estate companies, held as permanent investments. They are valued at acquisition cost, adjusted for depreciation and other necessary financial provisions. The principles applicable to the Group regarding derivative instruments, risk management and market risk are also applicable to Union Bancaire Privée, UBP SA.

Auditor

The Bank's auditors are Ernst & Young SA, and have been since 1990, with Raphaël Thürler as head auditor since 2019.

Breakdown of securities financing transactions (assets and liabilities)

(in CHF thousands)

	2022	2021
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions*	1,777,545	364,460
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions*	3,630,585	5,127,130
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	3,489,568	4,861,813
of which, those with unrestricted right to resell or pledge	3,489,568	4,861,813
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or pledge	1,802,391	382,191
of which, repledged securities		
of which, resold securities		

* before impact of possible netting agreements

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

(in CHF thousands)

	Type of collateral			Total
	Mortgage collateral	Other guarantees	Uncollateralised*	
Loans (before netting with value adjustments)				
Due from clients		7,622,436	110,926	7,733,362
Mortgages	2,092,857			2,092,857
Residential property	1,563,013			1,563,013
Office and business premises	529,844			529,844
Commercial and industrial premises				-
Other				-
Total loans (before netting with value adjustments)				
Financial year 2022	2,092,857	7,622,436	110,926	9,826,219
Financial year 2021	2,097,535	9,289,949	872,828	12,260,312
Total loans (after netting with value adjustments)				
Financial year 2022	2,092,857	7,613,061	110,926	9,816,844
Financial year 2021	2,097,535	9,280,363	872,828	12,250,726
Off-balance sheet				
Contingent liabilities		587,461		587,461
Irrevocable commitments		666,269		666,269
Liabilities to pay up shares and to make additional payments		718,966		718,966
Credit commitments (deferred payments)		1,412		1,412
Off-balance sheet total				
Financial year 2022	-	1,974,108	-	1,974,108
Financial year 2021	-	1,632,479	-	1,632,479
Impaired loans/receivables				
	Gross amount	Estimated realisable value of collateral	Net amount	Individual value adjustments
Financial year 2022	9,375		9,375	9,375
Financial year 2021	9,586		9,586	9,586

* Unhedged client loans include CHF 80 mn (CHF 835 mn in 2022) in loans to Swiss public entities (cities, cantons).

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

(in CHF thousands)

	2022	2021
Assets		
Trading portfolios	190,969	1,659,539
Debt securities, money market securities/transactions	31,917	54,677
of which, listed	31,917	54,677
Equity interests	159,052	1,604,862
Precious metals and commodities		
Other financial instruments at fair value	1,318,047	2,103,184
Equity interests	899,718	1,643,038
Debt securities	418,329	459,770
Structured products		376
Total assets	1,509,016	3,762,723
of which, determined using a valuation model		
of which, securities eligible for repo transactions in accordance with liquidity requirements		
Liabilities		
Trading portfolios		
Equity interests*	25	
Other financial instruments at fair value		
Structured products (certificates)	1,362,784	2,294,641
Total liabilities	1,362,809	2,294,641

* for short positions (booked on settlement date)

Presentation of derivative financial instruments (assets and liabilities)

(in CHF thousands)

	Trading instruments			Hedging instruments		
	Positive replacement value	Negative replacement value	Contract volumes	Positive replacement value	Negative replacement value	Contract volumes
Interest-rate instruments						
Swaps	18,839	15,366	715,368	880,375	580,727	20,794,224
Futures	437	1,343	188,872			
Options (exchange traded)	1,542	26,089	4,937			
Currency/Precious metals						
Forwards	278,797	205,613	33,682,673	178	178	10,626
Combined interest rate/currency swaps				128,138	335,640	12,960,891
Futures			48,874			
Options (OTC)	32,222	28,671	9,059,718			
Equity securities/Stock-index derivatives						
Swaps	9,605		722,568			
Futures	1,197	40,875	137,636			
Options (exchange traded)	23,120	178,349	741,487			
Other						
Futures			17,482			
Options (OTC)						

Total before impact of netting agreements						
Financial year 2022	365,759	496,306	45,319,615	1,008,691	916,545	33,765,741
Financial year 2021	346,327	396,109	43,742,152	183,634	654,016	27,597,292

	Positive replacement values (cumulative)	Negative replacement values (cumulative)
Total after impact of netting agreements		
Financial year 2022	1,286,480	1,301,440
Financial year 2021	477,934	981,299

Breakdown of counterparties

	Central clearing houses	Banks and securities dealers	Other clients
Positive replacement values (after impact of netting agreements)			
Financial year 2022	269,478	524,257	492,745
Financial year 2021	43,608	259,749	174,577

Breakdown of financial investments

(in CHF thousands)	Book value		Fair value	
	2022	2021	2022	2021
Total debt securities	16,045,251	10,181,733	15,588,936	10,621,909
of which, intended to be held until maturity	16,045,251	10,181,733	15,588,936	10,621,909
of which, not intended to be held until maturity (available for sale)				
Equity interests	74,879	83,807	79,996	88,486
of which, qualified participations*				
Precious metals	889,885	918,211	889,885	918,211
Real estate		3,521		3,521
Total	17,010,015	11,187,272	16,558,817	11,632,127
of which, securities eligible for repo transactions in accordance with liquidity regulations	3,163,212	1,897,689		

* where at least 10% of capital or votes is held

Breakdown of counterparties by rating*

(in CHF thousands)	Book value
AAA to AA-	13,376,692
A+ to A-	950,622
BBB+ to BBB-	176,306
BB+ to B-	6,570
Below B-	
Unrated	1,535,061
Total	16,045,251

*The Bank uses the credit ratings issued by S&P, Moody's and Fitch.

Presentation of intangible assets

(in CHF thousands)

	Acquisition cost	Cumulative depreciation	Book value as at 31 December 2021	Current year					Book value as at 31 December 2022
				Additions	Disposals	Currency translation differences	Depreciation		
Goodwill	440,410	(262,833)	177,577	24,834		29	(51,081)	151,359	
Total intangible assets	440,410	(262,833)	177,577	24,834	-	29	(51,081)	151,359	

Breakdown of other assets and other liabilities

(in CHF thousands)

	Other assets		Other liabilities	
	2022	2021	2022	2021
Compensation account		451,927	57,454	
Taxes and indirect taxes	42,267	24,868	10,368	12,885
Internal banking transactions	2,453	2,669	21,935	25,445
Other assets and liabilities	6,086	9,311	28,416	29,844
Total other assets and other liabilities	50,806	488,775	118,173	68,174

Disclosure of assets pledged or assigned to secure own commitments and of assets subject to reservation of title

(in CHF thousands)

	2022	2021
Book value of assets pledged or assigned as guarantee	1,094,941	1,418,179
Firm commitments	1,070,434	1,417,828

Disclosure of liabilities to own pension funds' and number and nature of equity instruments of the Bank held by own pension schemes

The UBP Group operates pension plans for the majority of its employees. Most of those plans apply the principle of defined contributions.

In Switzerland, the Fondation de Prévoyance de l'Union Bancaire Privée, UBP SA (pension fund) and the Fondation Complémentaire de l'Union Bancaire Privée, UBP SA (supplementary pension fund) are defined-contribution funds. Over 68.8% of the Group's employees are affiliated to those funds.

For the UBP entities outside Switzerland, local pension schemes apply. Most of them are defined-contribution plans. Such funds do not generate any commitments or benefits in addition to those presented on the balance sheet.

(in CHF thousands)

	31/12/2022	31/12/2021
Pension funds' commitments		
Due on client deposits	74,239	165,323

Disclosure of the economic situation of own pension funds

Employer's contribution reserves (ECR)

There are no employer's contribution reserves with the pension funds for the current or previous year.

Presentation of the economic benefit/economic obligation and the pension benefit expenses

(in CHF thousands)

	Surplus/ (deficit) 31/12/2022	Economic Interest of the Bank		Change in economic interests compared to the previous year	Contributions paid for 2022	Pension benefit expenses within personnel expenses	
		2022	2021			2022	2021
Pension schemes with surplus	30,564				34,723	35,559	32,763

The Bank's governing bodies consider that any excess coverage within the meaning of Swiss GAAP 16 recommendations (GAAP RPC 16) should be used to the benefit of the fund members and therefore no economic gain should ensue for the Group. As at 31 December 2022, there was neither gain nor loss to book on the Group's balance sheet or profit and loss account.

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

(in CHF thousands)

	Position as at 31 December 2021	Used according to purpose	Reclassification	Currency differences	Past due interest/recoveries	New reserves charged to income	Dissolution of reserves credited to income	Position as at 31 December 2022
Provisions for deferred taxes	-							-
Provisions for pension benefit obligations	13,377	(524)				3,000		15,853
Provisions for default risks	4,000							4,000
Provisions for other business risks	16,107	(134)		34	81	3,000	(1,000)	18,088
Provision for restructuring	-							-
Other provisions	-							-
Total provisions	33,484	(658)	-	34	81	6,000	(1,000)	37,941
Reserves for general banking risks	102,560					15,039		117,599
Value adjustments for default and country risks	13,586	(384)		57	116	5,000	-	18,375
of which, value adjustments for default risks in respect of impaired loans/receivables	9,586	(384)		57	116	5,000		14,375
of which, value adjustments for latent risks	4,000							4,000

Presentation of the Bank's share capital

(in CHF thousands)

	2022			2021		
	Total nominal value	Number of shares	Dividend-bearing capital	Total nominal value	Number of shares	Dividend-bearing capital
Share capital						
Non-share capital/Share capital	300,000	30,000	300,000	300,000	30,000	300,000
of which, paid-up capital			300,000			300,000
Total share capital	300,000	30,000	300,000	300,000	30,000	300,000

Number and value of equity securities or options on equity securities held by all executive management and board members and staff

The UBP Group does not grant any participation rights or options on such rights to staff and the Bank's governing bodies, and there is no share participation scheme.

Disclosure of holders of significant participations

(in CHF thousands)

	2022		2021		
	Nominal	Participation rate	Nominal	Participation rate	
Major participants and groups of participants bound by voting agreements					
With voting rights	CBI Holding SA Genève	300,000	100%	300,000	100%

The de Picciotto family holds directly and indirectly 98.69% of CBI Holding SA voting rights and 94.97% of its share capital.

Disclosure of amounts due from/to related parties

Business relations with related parties

Related parties are those parties (natural persons or legal entities) able to influence the Bank's financial or operational decisions, either directly or indirectly, to a significant extent. Companies controlled either directly or indirectly by related parties are also considered related parties. Accordingly, Group companies, qualified participants, related companies (sister companies) and Directors and Senior Executives are all considered related parties.

The Bank engages in transactions with related parties in the normal course of its business. These transactions include advances, deposits and transactions on financial instruments (forex, securities etc.). All transactions are performed at the market value prevailing when they were initiated. The balance of transactions with related parties as at 31 December are as follows:

(in CHF thousands)	Due from clients		Due to clients	
	2022	2021	2022	2021
Qualified participants			351,323	352,900
Group companies	534,269	400,116	1,654,520	1,586,752
Directors and Senior Executives	33,469	36,771	163,305	176,928

Balance sheet and off-balance sheet transactions were executed under terms and conditions corresponding to market rates.

"Directors and Senior Executives" comprises the members of the Bank's Board of Directors and Executive Committee.

These loans are secured by pledged assets, valued according to the criteria laid down by the Bank in its credit policy.

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

(in CHF thousands)

Ratings as per FINMA correspondence tables	Net foreign exposure 2022		Net foreign exposure 2021	
	In CHF	Part as a %	In CHF	Part as a %
AAA to AA-	20,216	87.1	15,652	79.8
A+ to A-	1,031	4.4	752	3.8
BBB+ to BBB-	341	1.5	209	1.1
BB+ to BB-	78	0.3	1,519	7.8
B+ to B-	167	0.7	96	0.5
Below B-	70	0.3	17	0.1
Unrated	1,331	5.7	1,349	6.9
Total	23,234	100.0	19,594	100.0

The Bank uses the credit ratings of S&P, Moody's and Fitch.

Breakdown and explanation of contingent assets and liabilities

(in CHF thousands)

	2022	2021
Contingent liabilities		
Guarantees to secure credits and similar	575,123	588,001
Irrevocable commitments arising from documentary letters of credit	12,338	15,293
Total contingent liabilities	587,461	603,294
Contingent assets arising from tax losses carried forward		
Total contingent assets	–	–

The contingent liabilities cover guarantees issued on behalf of clients and commitments to make additional payments under subscription agreements. Like Lombard credits, such commitments are covered with pledged client assets.

The Commercial Court of Justice in London gave notice of civil action against the Bank and 36 other parties in September 2019. The main defendant is a former body of Kuwait's social security institution. The charges brought against it are of having levied undue commissions as part of its functions within the institution. Other defendants include other banks and natural persons charged with being involved in the payment or transfer of such commissions. Some of them have successfully contested the competency of the UK court in the case. While two banks among the defendants have successfully contested the competency of the UK judge, the case is ongoing for the other defendants, including our Bank. In order to be able to use documentation that is subject to banking secrecy regulations in its defence, the Bank has submitted to the UK judge a request for international assistance in obtaining the bank documents that are held in Switzerland for use in the UK-based case. The first-level court in Geneva agreed to the request, which was then rejected on appeal, and is now pending a verdict from the Federal Supreme Court. The Bank continues to contest the charges and deems the risk related to these proceedings very low and not warranting provisions.

Breakdown of credit commitments

(in CHF thousands)

	2022	2021
Commitments arising from deferred payments	1,412	4,090
Total	1,412	4,090

Breakdown of fiduciary transactions

(in CHF thousands)

	2022	2021
Fiduciary investments with third-party banks	600,483	605,093
Total	600,483	605,093

Breakdown of assets under management and presentation of their development

(in CHF millions)

	2022	2021
Breakdown of assets under management		
Assets in collective investment schemes managed by the Group	12,330	16,598
Assets in discretionary asset management mandates	15,057	18,810
Other assets under management	85,603	94,961
Total assets under management (including those counted twice)	112,990	130,369
of which those counted twice	9,318	12,389
Development of assets under management		
Total assets under management (including those counted twice) at beginning	130,369	116,284
+/- Net new money inflow or net new money outflow	(736)	2,457
+/- Price gains/losses, interest, dividends and currency gains/losses	(16,643)	7,802
+/- Other effects*		3,826
Total assets under management (including those counted twice) at end	112,990	130,369

Assets under management include all assets that are held for investment purposes by private banking clients, institutional clients and investment companies/funds. Accordingly, only those assets attributable to profit centres (the Wealth Management and Asset Management divisions) and whose profitability can be measured are taken into account. Assets deposited simply for safekeeping and intended solely for use in transactions/administration are excluded. Net inflows/outflows of new money comprise assets acquired from new or existing clients and assets withdrawn by existing clients or clients that have terminated their relation with the Bank. Their value is fixed on the transfer day (cash and/or tradable securities). The item excludes movements due to markets or quotation changes and the related income (interest/dividends), together with commissions and interest on loans.

* For 2021, this represents the acquisition of Millennium Banque Privée BCP (Suisse).

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

(in CHF thousands)

	2022	2021
Breakdown by business area		
Trading result for own account	53,676	40,256
Trading for the account of clients	56,218	51,513
Total result from trading activities	109,894	91,769
Breakdown by type of activity and result from the use of the fair value option		
Result from trading activities on:		
Interest-rate instruments	13,851	12,465
Equity securities (including funds)	18,466	17,699
Foreign currencies, commodities, precious metals	77,577	61,605
Total result from trading activities	109,894	91,769
of which, from fair value option	12,357	14,120
of which, from fair value option on assets	(503,601)	128,432
of which, from fair value option on liabilities	515,958	(114,312)

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

Refinancing costs for trading portfolios and fair value option are debited at the market rate from the result from trading activities and the fair value option.

(in CHF thousands)

	2022	2021
Refinancing		
Refinancing costs for trading portfolios and fair value option	(6,680)	(8,874)
Negative interest		
Negative interest on investments	(11,355)	(32,949)
Negative interest on liabilities	7,684	8,457

Breakdown of personnel expenses

(in CHF thousands)

	2022	2021
Salaries	457,534	419,777
of which, costs relating to alternative forms of variable compensation	145,940	127,495
Social charges	60,763	56,020
Other personnel expenses	20,082	18,069
Total personnel expenses	538,379	493,866

Breakdown of general and administrative expenses

(in CHF thousands)

	2022	2021
Cost of office space	27,331	26,524
Cost of computer equipment, machines, furnishings, etc.	65,191	57,615
Fees of audit firms	2,819	2,489
of which, for financial and regulatory audits	2,347	2,096
of which, for other services	472	393
Other operating expenses	94,512	85,700
Total general and administrative expenses	189,853	172,328

Extraordinary income

Extraordinary income stood at CHF 27.812 million as at 31 December 2022. Most of that amount, CHF 26.812 million, was profits on the sale of a minority share.

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

(in CHF thousands)

	2022	2021
Provision for deferred tax		
Dissolution of the provision for deferred taxes		
Charges for current taxes	34,757	31,111
Total taxes	34,757	31,111
Weighted average tax rate based on pre-tax result	15.71%	14.23%

The impact of the utilisation of previously unused losses carried over, out of the total amount of taxes for the fiscal year concerned, is CHF 0 (2021: CHF 0).

AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF THE BANK

To the General Meeting of Union Bancaire Privée, UBP SA, Geneva

Opinion

We have audited the financial statements of Union Bancaire Privée, UBP SA (the Company), which comprise the balance sheet as at 31 December 2022, the statement of income 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 50 to 71) 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 and 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our

audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Fair value measurement of financial instruments

Risk

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values can be based on quoted prices in active markets, on a valuation model where significant input parameters can be observed directly or indirectly in the market, or on a valuation model where significant input parameters cannot be observed in the market.

Valuations based on models are influenced to a significant extent by the assumptions applied, including interest rates, forward rates, spread curves, volatility and estimates of future cash flows. The determination of these assumptions involves the exercise of significant judgment.

In its balance sheet as of 31 December 2022, Union Bancaire Privée, UBP SA reports total financial assets at fair value of CHF 2.9 billion, including CHF 1.4 billion in derivative financial instruments, and financial liabilities at fair value of CHF 2.8 billion, including CHF 1.4 billion in derivative financial instruments. In view of the inherent exercise of judgment involved in the determination of these assumptions and the significance of these balance sheet items in the financial statements of Union Bancaire Privée, UBP SA, their valuation is an area of particular importance from an audit perspective. Accordingly, we have identified this as a key audit matter.

The corresponding accounting principles applied by Union Bancaire Privée, UBP SA are explained on pages 15 and 16 and additional information regarding financial instruments is presented on pages 58 and 59 of the notes to the financial statements.

Our audit response

Our audit procedures included an evaluation of the design and the operational effectiveness of relevant key controls over the calculation of fair values. These included controls over the underlying data, the fair value calculation and automatic

update in the system, and the analysis of values outside tolerance limits.

Using comparisons with third-party sources, we tested the fair values that were directly available in an active market. Furthermore, based on a sample, we independently tested the fair value of financial instruments not directly available in an active market. Finally, we assessed the appropriateness of accounting policies used and adequacy of the disclosures in the financial statements.

Our audit procedures did not lead to any reservations concerning the fair value measurement of financial instruments

Recognition and measurement of goodwill

Risk

Union Bancaire Privée, UBP SA accounts for business combinations using the acquisition method, whereby the net assets of the acquired business are measured at the fair value of the consideration at the acquisition date. If the fair value of the consideration exceeds the fair value of the net assets acquired, goodwill is recognized.

Goodwill is amortised on a straight-line basis over the estimated useful life and is tested for impairment on an annual basis. The recoverable value that is determined as part of the impairment test is influenced to a significant extent by the assumptions that are used, the determination of which involves the exercise of significant judgment.

In its balance sheet as of 31 December 2022, Union Bancaire Privée, UBP SA, reports goodwill totaling CHF 151.4 million. Due to the judgment that goes into the valuation of goodwill, this is an area of particular importance from an audit perspective. Accordingly, we have identified this as a key audit matter.

The corresponding accounting principles applied by Union Bancaire Privée, UBP SA are explained on page 15 and additional information regarding goodwill is presented on page 61 of the notes to the financial statements.

Our audit response

During the course of our audit, we examined the valuation model used for the goodwill impairment test as well as significant assumptions, in particular, the estimated future

cash flows generated by the business acquired. We assessed these assumptions on the basis of historical performance and current market conditions. Finally, we assessed the appropriateness of accounting policies used and adequacy of the disclosures in the financial statements.

Our audit procedures did not lead to any reservations concerning the recognition and measurement of goodwill.

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 consolidated financial statements, the stand-alone financial statements and our auditor's report thereon.

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

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

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

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 applicable financial reporting framework for banks, 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.

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

Report on other legal and regulatory requirements

In accordance with Art. 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 the financial statements according to the instructions of the Board of Directors.

Furthermore, we 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, 16 March 2023

Ernst & Young SA



Raphaël Thürler
Licensed audit expert
Head auditor



Patrick Mettraux
Licensed audit expert

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Printed in Switzerland on 100% recycled, carbon-neutral paper – March 2023

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UNION BANCAIRE PRIVÉE