

2020 Key Business & Financial Information



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A. MANAGEMENT REPORT

2020: Disruption & Acceleration

Who can remember a year more life-changing than 2020 in our recent history? Very sadly, over a million lives were lost in the pandemic, oil prices turned negative, we experienced a very sudden and severe market crash and protests swept the streets. Countries from East to West were successively hit by the pandemic, restaurants and shops were shut down, our most favourite and much appreciated cultural and sports events were cancelled while Tom Hanks was one of the first celebrities, followed by some of our major political leaders, to announce that he had tested positive for Covid-19. All plans, goals, and predictions for the year went suddenly out of the window with this new black swan.

At the same time, 10 years of technology advancements seemed to happen in mere months. Looking back on this highly unusual year, one thing stands out loud and clear: change is hard, but alike other challenges, it can be overcome and can even bring new perspectives - with the help, of course, of major stimulus plans and relief packages.

Many of our clients have been impacted by this pandemic, sometimes affecting their immediate well-being and sometimes jeopardising their ambitions. Always with their best interest in mind, our staff have been tenacious, decisive and demonstrated a strong entrepreneurial spirit throughout this difficult situation. They have had a real impact on the bank's long-term growth strategy and the unchanged quality of service offered to our clients. We would like to seize this opportunity to once again thank them for their professionalism and dedication.

ONE swiss bank kept moving forward, 2020 having been a year of growth consolidation and acceleration. We saw our hard work result in the achievement of several important milestones and we can be proud to remain on the track of sustainable profitability. One significant example is the completion of the asset purchase agreement with a Swiss-based bank in Zurich that brought 1 billion CHF of new clients' assets.

On an operational level, we have continued our efforts to strengthen our structure and adapt it to the demands of the complex world in which we operate. Thus, we have partially modified our organisation by strengthening certain functions and improving several processes in order to increase efficiency.



2021: Vade Retro Coronas

Many are still wondering what recovery could look like with possible new lockdowns and delays in vaccination programmes that might trigger more market volatility. Another concern is the perspective of high inflation in a world where nations and companies are heavily indebted and social inequalities are increasing.

Where the uncertainties are multiple, the given elements are the tectonic movements that have taken place in different areas from technology to the fight against global warming. The most obvious and immediate changes in the long run are related to consumers' spending or social interactions. The post-pandemic world will continue to put well-established businesses under pressure and to create market surprises, bringing new horizons and new opportunities for investors.

In terms of our own business development, we opened in February 2021 an office in Zurich with 10 new seasoned employees. This strategic move is a major event for our bank as we aim to rapidly become a known player in this important financial centre and demonstrates our determination to grow and offer an agile and tailor-made banking model to a clientele of local and international entrepreneurs as well as large Swiss-German families.

In parallel, we are actively working to finalise the merger initiated last year with Banque Profil de Gestion. This operation offers promising perspectives for our Bank with strong synergies foreseen between the private banking and asset management divisions. In terms of assets under management, the merged entity is expected to reach CHF 4.5 billion, taking ONE swiss bank into a new dimension.

Last but certainly not least, as the economy moves into recovery, 2021 was declared the International Year of Creative Economy for Sustainable Development at the 74th United Nations General Assembly. It is an opportunity for all of us to take responsibility and participate actively in the change towards a more inclusive and sustainable future. At ONE swiss bank, we are fully committed to making tomorrow a better place with the launch of a thematic investment solution called "ONE Impact". In addition to the financial solutions offered to our clients, we intend to obtain our B-Corp certification. Besides all this, we have many other projects and operations in the pipeline to realise our growth ambitions and offer a dynamic, sustainable and modern banking model. Our passion is stronger than ever and we look forward to the challenges and promising opportunities ahead of us.

4 March 2021



Nicolas Rosenthal
Chairman of the Board



Grégoire Pennone
Chief Executive Officer

2020

HIGHLIGHTS

CHF **1.46**
billion
Clients Assets
▲
+208% in 2021

CHF **447.2**
million
Total Assets
▲
+27% vs 2019

570%
Liquidity Ratio
(LCR)

CHF **24.9**
million
shareholders equity
(CET1)
▲
+13.3% vs 2019

CHF **1.9**
million
net profit
Above budget

44
employees

Launch of an
ESG
investment
strategy
“ONE Impact”

Launch of an
innovation
thematic
investment
strategy
“ONE Human 2.0”

B-Corp
certification
initiated



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KEY FIGURES COMMENTS

The year 2020 was marked for ONE swiss bank by numerous achievements despite a difficult context due to the Covid-19 pandemic and a difficult year in terms of markets, especially for the treasury activity.

Balance Sheet

On 31 December 2020, total balance sheet of the Bank is amounting CHF 447.2 million, a +27% increase compared to the previous annual financial year. This increase is mainly resulting from the acquisition of a client portfolio (CHF 131.4 million) which has been transferred to the Bank on 4 December 2020. This resulted in an increase in liquid assets and amounts due from banks of CHF 104.2 million (+49%) and customer deposit liabilities of CHF 102.9 million (+34%). The liquidity ratio (LCR) reaches 570% as of 2020 year-end.

The decrease in liabilities to banks (CHF -4.1 million) is explained by the Bank's desire to repay its commitments and to finance customer loans with its equity. Loans and advances to customers have decreased as of 2020-year end (CHF -6,8 million) linked to a temporary decrease in the volume of Lombard loans.

The regulatory equity of the Bank has increased by CHF +3.3 million, to reach CHF 24.9 million on 31.12.2020 (31.12.2019: CHF 21.7 million). Hence, the regulatory ratio (CET 1) is amounting 20.47%, compared to a minimal regulatory capital objective of 10.5%.

As of 31 December 2020, total clients' assets held by the Bank is amounting CHF 1'464 million (31.12.19: 1'426 million).

Income Statement

The Bank shows a 2020 net profit of CHF 1.9 million, above budget (CHF +1.7 million). Economies of scale initiated in 2019, following the merger of GSB and Banca Arner, have had full effect in 2020, as certain costs have no longer been doubled in 2020 (in particular for the banking system and related IT applications and infrastructure). Several projects generated non-recurring costs for the Bank, as the change of its IT internal infrastructure.

Market volatility over the year 2020 increased client operations volumes and increased brokerage commissions. Despite client assets under management level below expectations, banking revenues have been robust and close to budget. Treasury activities generated revenues of CHF 2.0 million despite a difficult year in terms of markets and interest rates. The extraordinary income of CHF 3.7 million related to acquisition of the above-mentioned client portfolio.



B. FINANCIAL INFORMATION FOR THE YEAR ENDING 31 DECEMBER 2020

Balance sheet

(CHF)	31.12.2020	31.12.2019
Assets		
Liquid assets	136'189'304	123'463'160
Amounts due from banks	181'102'468	89'629'289
Amounts due from customers	69'159'321	76'000'343
Trading portfolio assets	4'984'546	-
Positive replacement values of derivative financial instruments	1'118'442	521'000
Financial investments	47'901'924	47'568'181
Accrued income and prepaid expenses	1'027'191	1'345'903
Tangible fixed assets	1'135'193	2'406'476
Intangible assets	3'467'109	4'858'732
Other assets	1'163'803	5'594'137
Total assets	447'249'301	351'387'221
Liabilities		
Amounts due to banks	5'675'955	9'784'860
Amounts due in respect of customer deposits	407'169'589	304'201'605
Negative replacement values of derivative financial instruments	3'117'226	1'914'313
Accrued expenses and deferred income	1'974'769	1'999'414
Other liabilities	562'381	6'141'254
Provisions	365'778	822'629
Total liabilities	418'865'698	324'864'075
Reserves for general banking risks	500'000	500'000
Bank's capital	25'000'000	25'000'000
Statutory capital reserve	4'707'582	4'707'582
Loss carried forward	-3'684'436	-
Result of the period (gain/-loss)	1'860'457	-3'684'436
Total equity	28'383'603	26'523'146
Total liabilities and equity	447'249'301	351'387'221
Subordinated liabilities	-	5'500'000
Of which subject to debt waiver	-	5'500'000
Off-balance sheet transactions		
Contingent liabilities	4'354'749	4'874'912
Irrevocable commitments	1'058'000	1'262'000



Income Statement

(CHF)	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
Interest and discount income	1'188'801	1'946'598
Interest and dividend income from trading operations	59'895	-
Interest and dividend income from financial investments	40'923	309'792
Interest expense	465'940	103'016
Gross result from interest operations	1'755'559	2'359'406
Changes in value adjustments for default risks and losses from interest operations	283'779	-11'181
Sub-total net result from interest operations	2'039'338	2'348'225
Commission income from securities trading and investment activities	9'804'746	10'263'021
Commission income from lending activities	11'746	42'373
Commission income from other services	2'155'813	1'271'586
Commission expense	-1'903'559	-2'199'322
Sub-total result from commission business and services	10'068'746	9'377'658
Result from trading activities and the fair value option	1'704'405	1'948'736
Result from the disposal of financial investments	483'687	816'593
Other ordinary income	35'205	263'214
Other ordinary expenses	-92'825	-146'906
Sub-total other result from ordinary activities	426'067	932'901
Personnel expenses	-7'312'694	-7'879'499
General and administrative expenses	-5'703'063	-7'447'718
Sub-total operating expenses	-13'015'757	-15'327'217
Value adjustments on participations, amortisation of tangible fixed assets and intangible assets	-2'091'698	-2'820'088
Changes to provisions and other value adjustments, and losses	-444'945	-57'880
Operating result	-1'313'844	-3'597'665
Extraordinary income	3'755'589	65'256
Extraordinary expenses	-458'090	-
Taxes	-123'198	-152'027
Result of the period (gain/-loss)	1'860'457	-3'684'436



General information

One Swiss Bank SA (previously GS Banque SA) is a corporation under Swiss law, with registered headquarters in Geneva. In September 2004 the Bank obtained a licence from the Supervisory Body (FINMA, formerly the Swiss Federal Banking Commission) to carry out banking and securities dealer activities.

One Swiss Bank SA is the result of the merger of GS Banque SA and Banca Arner SA, two Swiss based banks. Both entities' shareholders, having the same entrepreneurial values, joined forces to create a new dynamic in order to develop a common bank. Effective on 4 March 2019, the two banks have merged to give birth to a new single legal entity with offices in Geneva and Lugano, named One Swiss Bank SA.

The Bank's field of activity extends primarily to the management of private assets, as well as the operation of a depositary bank for private and institutional clients. The Bank operates its activities from Geneva and Lugano.

On 31 December 2020, the number of full-time equivalent staff at the Bank was 39.95 employees (31 December 2019: 43.5 employees). The Bank outsources to a Swiss subsidiary of a major international banking group, its information technology and the administrative processing of its operations. In accordance with the requirements of FINMA, this outsourcing operates under a contractual and organisational framework which guarantees the quality of performance of client transactions, as well as the security and confidentiality of data and information handled by the outsourcing partner.

Significant events occurring after the balance sheet date

Asset deal

Since the closing date for the financial year 2020, the Bank acquired from a Swiss based bank a client portfolio of 481 client's accounts with assets of CHF 1'080 million, transferred on 5 February 2021. With this acquisition, the Bank opened an office in Zurich and onboarded an experienced team of 10 people. After the transfer, total client's assets held by the Bank is amounting CHF 2'391 million (31.12.2020: CHF 1'464 million).



Merger with Banque Profil de Gestion SA, Geneva

On 10 February 2021, two share purchase agreements have been signed formalising, on the one hand, the purchase by Banque Profil de Gestion SA (BPDG) of 100% of One Swiss Bank's share capital and, on the other hand, the sale by Banca Profilo SpA of the 60.4% of shares it holds in BPDG to One Swiss Bank's current shareholders. This operation will be followed by the merger of the two banks, enabling the merged bank to double its assets under management to about CHF 4.5 billion. It will also enable the merged bank to expand its range of services, particularly in asset management, and offer a wider range of products to meet as closely as possible the expectations of its clients.

The transaction is expected to be completed by 31 May 2021 and is subject to the formal approval of the relevant financial supervisory authorities.

Significant participants and groups of participants bound by voting agreements

	31.12.2020		31.12.2019	
	Nominal	% of equity	Nominal	% of equity
Holders with voting rights:				
HPF Holding de Participations de Famille SA	14'000'000	56.0%	14'000'000	56.0%
Giovanni Giacomo Schraemli	-	-	4'292'300	17.2%
Jean-Jacques Schraemli	4'292'300	17.2%	-	-
Cafmagil Trust	3'150'000	12.6%	3'150'000	12.6%
Paolo Del Bue	1'142'400	4.6%	1'142'400	4.6%
Edoardo Sciorilli Borrelli	805'100	3.2%	805'100	3.2%
Filippo Sciorilli Borrelli	805'100	3.2%	805'100	3.2%
Lavinia Sciorilli Borrelli Assink	805'100	3.2%	805'100	3.2%



Assets under management and presentation of their development

(in thousands of Swiss francs)	31.12.2020	31.12.2019
Types of managed assets:		
Assets in collective investment schemes managed by the Bank	66'042	69'841
Assets under discretionary asset management agreements	156'409	162'391
Other managed assets	1'122'644	1'035'818
Total managed assets (incl. double counting)	1'345'095	1'268'050
<i>of which: double counting</i>	<i>85'576</i>	<i>88'854</i>
Development of managed assets	31.12.2020	31.12.2019
Total managed assets (incl. double counting) beginning of the year	1'268'050	729'258
+/- Net new asset inflows / outflows	131'708	465'890
+/- Price gains/losses, interest, dividends & currency gains/losses	-45'052	63'089
+/- Other effects	-9'611	9'813
Total managed assets (incl. double counting) at end of the year	1'345'095	1'268'050

Managed assets presented in above table are held for investment, linked to the advisory and discretionary management services the Bank offers its clients, essentially private clients. The item "Total managed assets" comprises only client assets under "more-than-custody-only" relationships. Net new asset consists of new client acquisitions, client departures and inflows or outflows attributable to existing clients (whether in cash or securities). New or repaid client loans and overdrafts are not included in the net new money. Interest and dividend income from assets under management, market or currency movements as well as fees and commissions are not included in net new money. Effects resulting from any acquisition or disposal companies are not included in the net new money.

Development of managed assets in 2020 relate mainly to assets transferred as a result of the acquisition of a client book (asset deal) in December 2020 (KCHF 131'465).

In addition to managed assets, the Bank holds as well assets exclusively for custody and transaction settlement purposes ("custody assets") for institutional clients of CHF 119.4 million (31.12.19: 158.2 million).

As of 31 December 2020, total clients' assets held by the Bank is amounting CHF 1'464 million (31.12.19: 1'426 million).

As indicated under section - significant events occurring after the balance sheet date - the Bank acquired a client portfolio of about 481 clients' accounts with assets of CHF 1'080 million, transferred on 5 February 2021. With this transfer, the Bank opened an office in Zurich and onboarded an experienced team of 10 people. Following the transfer, total client's assets held by the Bank is amounting CHF 2'391 million (31.12.2020: CHF 1'464 million).



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Regulatory information

A. Eligible capital

(in thousands of Swiss francs)	31.12.2020	31.12.2019
Gross common equity Tier 1 capital		
(after mandatory deduction of own participating instruments)	30'208	30'208
of which non-controlling interests	-	-
of which innovative capital instruments	-	-
./. regulatory deduction	-	-
./. other elements to be deducted		
from common equity Tier 1 capital	-5'291	-8'543
of which loss carried forward	-3'684	-
of which result of the period	1'860	-3'684
of which Goodwill	-3'467	-4'859
Eligible common equity Tier 1 capital (net CET1)	24'917	21'665
+ complementary and additional equity	-	-
./. other deductions from complementary and additional equity and other deductions from capital	-	-
Total eligible capital	24'917	21'665

B. Capital required

(in thousands of Swiss francs)	Approach used	31.12.2020 Equity requirement
Credit risk	AS-BRI	7'287
• of which price-related risk related to investments in the Bank's portfolio		-
Risk not related to counterparties	AS-BRI	91
Market risk	Min.	243
• of which on interest-rate instruments (general and specific market risk)		-
• of which on equity securities		-
• of which on currencies and precious metals		-
• of which on commodities		243
Operational risk	Base indicator	2'116
Total		9'737
Ratio of eligible capital to capital required under Swiss law		256%



C. Capital ratios

(in thousands of Swiss francs)	31.12.2020	31.12.2019
Common equity Tier-one capital (net CET1)	24'917	21'665
Total regulatory capital (net T1 & T2)	24'917	21'665
Minimum capital required	9'737	8'381
Sum of risk weighted positions	121'719	104'763
Capital ratios (in % of risk weighted positions)		
Ratio CET1	20.47%	20.68%
Ratio T1	20.47%	20.68%
Total regulatory capital ratio	20.47%	20.68%
Countercyclical capital buffers	0.00%	0.00%
CET1 objective under Circ.-FINMA 11/2 increased by countercyclical capital buffers	7.00%	7.00%
T1 objective under Circ.-FINMA 11/2 increased by countercyclical capital buffers	8.50%	8.50%
Regulatory capital objective under Circ.-FINMA 11/2 increased by countercyclical capital buffers	10.50%	10.50%

D. Leverage ratio

(in thousands of Swiss francs)	31.12.2020	31.12.2019
Tier-one equity (tier 1)	24'917	21'665
Global exposure	315'028	353'460
Leverage ratio	7.91%	6.10%

E. Short term liquidity coverage ratio (LCR)

(in thousands of Swiss francs)	Q1.2020	Q2.2020	Q3.2020	Q4.2020
Sum of high-quality liquid assets (HQLA)	134'635	128'444	130'279	134'853
Sum of net cash outflows	20'303	23'884	22'418	23'658
Short term liquidity coverage ratio LCR (in %)	663%	538%	581%	570%
LCR ratio objective for the Bank (in %)	120%	120%	120%	120%

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