

A black and white photograph of a city waterfront, likely Zurich, Switzerland. The scene features a large, ornate church with a prominent spire in the background. In the foreground, a river flows, with a small motorboat moving across it. The sky is filled with dramatic, dark clouds. A semi-transparent red rectangular box is overlaid on the middle of the image, containing the text 'Annual Report 2022' in white.

Annual Report 2022

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Management Report

Business review

The main focus in the 2022 financial year was on continuing the restructuring measures started in recent years and building up the existing and newly developed business areas. The range of services was consolidated and streamlined, and further processes were stabilised. InCore Bank now operates in the following service areas: brokerage & global custody, digital asset banking, product structuring services, paying agent services, plug & bank technology platform (powered by SOBACO), back office business process outsourcing (BPO) and payment services.



In particular, the product structuring and paying agent services units were newly established and expanded. Strategic alliances and partnerships were formed in these areas. As a result, they will already become the elementary new earnings pillars for the 2023 financial year.

Sales and earnings in the traditional brokerage & global custody and FX segments were up significantly. These increases were driven by the substantial growth in asset holdings in global custody, as well as growth in cash holdings,

and are the result of professional treasury management. At CHF 4.26 million, trading activities increased considerably by 56.6% (previous year: CHF 2.72 million) due to the larger cash holdings.

In the areas of plug & bank technology platform and BPO (i.e. full outsourcing), InCore Bank benefited from the positive developments in its own customers' business activities. These therefore remained the most profitable business units.

Despite significant market corrections, AUC increased by 8.5% to CHF 11.4 billion and sales increased by 15.2%. The result from commission business and services rose by a considerable 9.2% to CHF 22.76 million (previous year: CHF 20.89 million). With the passing on of negative interest rates and the change in interest rate policy in Q4 after many years, a profit of CHF 0.89 million was generated in the interest business (previous year: CHF 0.12 million).

In the area of digital asset banking for B2B customers, InCore Bank was able to acquire additional new banks and banking groups, thereby establishing itself as a major digital asset player in the Swiss market. Following the successful launch of the company's own 24/7 online trading platform in 2021, InCore Bank applied for and received approval from FINMA in 2022 for a potential staking service and formed a partnership with SDX for Ethereum staking.

In 2022, the most customer growth was recorded in the payment services segment, which has evolved into a key area for InCore Bank. Due to the new customers for this service, various processes had to be further adapted and expanded.

To cope with the substantial growth and the potential operational risks associated with it, the main focus was

on continuing the restructuring that had already begun within the organisation. At the beginning of 2022, the bank announced the reinforcement of the management with Bruno Meyer as Head of Corporate Services. The Customer Relationship & Sales team at InCore Bank was also completely restructured. At the end of 2022, it already had seven employees. In particular, the reorganisation enables a clear separation of 1st, 2nd and 3rd lines of defence and thereby supports the further expansion and development of the business activities of InCore Bank. The matrix structure introduced in 2021 has been retained to ensure clear product responsibility. The restructuring also included a clear allocation of markets.

With the expansion, personnel costs increased disproportionately by 25.0% to CHF 10.25 million (previous year: CHF 8.20 million). In 2022, the number of employees increased from 52 headcounts to 69. A further increase in employees is expected in 2023. To provide enough space for all employees, InCore Bank also completed a modern, large-scale expansion of the office space.

This expansion and the growth in business also led to a corresponding increase in general and administrative expenses to CHF 12.77 million (previous year: CHF 11.49 million). For the financial year ended 2022, a net profit of CHF 3.75 million (previous year: CHF 3.12. million) was generated, which corresponds to an increase of 20.2%. This is an extremely encouraging development, especially in view of the market correction and the restructuring of InCore Bank. It is the result of efforts to expand the market and optimise operations, which demonstrate the company's promising evolution.

Outlook

In the coming financial year, InCore Bank will continue systematically expanding its business areas to support the company's evolution into a full-service B2B transaction bank. In particular, InCore Bank intends to continue positioning itself as one of the leading banks in the market for digital asset banking and paying agent services.

The pipeline of new customers remains well-filled. InCore Bank continues to see a very high level of interest in the payment services segment. There are already various prospects for BPO and plug & bank technology platform services, as well as for brokerage & global custody. Due to the systematic expansion of customer relationship and sales activities, further growth in the number of new customers can be expected overall.

With the targeted expansion of InCore Bank and the continued focus on growth, we can continue to expect positive business development in the coming financial year.

Peter Haist

Chairman of the Board of Directors

Mark Dambacher

CEO



Organization

Management Board

Name	Residence	Function	Comments
Peter Haist	Stetten	President	
Hans G. Syz-Witmer	Küsnacht	Vice President	
Prof. Dr. Dr. Christian Wunderlin	Zullwil	Member	
Sonja Stirnimann*	Risch	Member	
Amedeo C. Vaccani	Zollikon	Member	
Dr. Daniel Diemers*	Zug	Member	

Audit Committee

Name	Residence	Function	Comments
Sonja Stirnimann*	Risch	Chair	
Prof. Dr. Dr. Christian Wunderlin	Zullwil	Member	

The Company would not be required to have an audit committee under the relevant provisions of FINMA Circular 2008/24 «Supervision and internal Control of Banks».

Risk Committee

Name	Residence	Function	Comments
Prof. Dr. Dr. Christian Wunderlin	Zullwil	Chair	
Sonja Stirnimann*	Risch	Member	

* Independent members of the Board of Directors within the meaning of the provisions of the Swiss Financial Market Supervisory Authority FINMA

Internal audit

Grant Thornton AG (new since January 1, 2022; previously Thomas Schmidig, Baar)

Auditors

PricewaterhouseCoopers Ltd, Zurich

Executive Board

Name	Function
Mark Dambacher	Chairman of the Executive Board
René Hertach	Vice Chairman of the Executive Board
Fabian Bieli	Member
Bruno Meyer	Member (since March 1, 2022)
Barbara Schreier Kraus	Member of the Extended Executive Board (until Feb. 15, 2022)



Peter Haist

Chairman of the Board
of Directors



Hans G. Syz-Witmer

Vice Chairman of the Board
of Directors

Board of Directors

Peter Haist (born 1963) has served as InCore Bank Ltd's Chairman of the Board of Directors since January 2020. Prior to this, from 2017 to 2019, he was a member of the Executive Board and responsible for strategy and business development. Since 2006, he has been the CEO of the SOBACO Group, where he also held various other senior positions from 1995 onward, including Head of Marketing, Sales & Key Account Management. Prior to this, he managed the IT department of Bankers Trust Zurich for five years after working at JPMorgan Zurich as a project manager, analyst and programmer for five years.

Peter Haist is a trained banker and has a degree in business information systems. He also has a Master of Advanced Studies (MAS) ZFH in Business Consulting. He is currently a board member at SOBACO Holding Ltd and SOBACO Solutions Ltd and he serves as Chairman of the Supervisory Board of SOBACO Betax Ltd, Regensburg (Germany).

Hans G. Syz-Witmer (born 1957) has been InCore Bank Ltd's Vice Chairman since 2009 (Chairman from 2007 to 2009). He has also been Chairman of the Board of Directors of Maerki Baumann & Co. Ltd since 1998. Since 2016, he has served as Vice Chairman of the Board of Directors of Maerki Baumann Holding Ltd (Chairman from 2007 to 2016), which holds a significant stake in InCore Bank Ltd. He has been a member of the Board of Directors of CHSZ-Holding Ltd since 2003.

As an entrepreneur, Hans G. Syz-Witmer is the owner of Condor Films Ltd and holds various seats on other boards of directors and foundation boards, for example at Aquila & Co. Ltd (member of the Board of Directors), the Schulthess Klinik (Vice Chairman of the Board of Trustees), the Tonhalle-Gesellschaft Zurich (Vice Chairman and Treasurer), the Kongresshaus Foundation (Vice Chairman of the Board of Trustees), the Baugarten Zurich Genossenschaft und Stiftung (President of the Board of Trustees and Board of Directors), Friedrich Steinfels Ltd (member of the Board of Directors), the Arthouse Movie Commercio Ltd (member of the Board of Directors) and the Prof. Dr. Max Cloëtta Foundation (member of the Board of Trustees).

Christian Wunderlin (born 1968) is a Federally Certified Accounting and Controlling Expert. He has a Federal Diploma in Business Information Systems, an MBA from the University of Rochester, a DBA from the University of Bradford (Finance) and a PhD from the University of Bern (business information systems). Due to the current developments in the field of cybercrime, Christian Wunderlin has undergone further training to become a CISSP Certified Information Systems Security Professional, CCSP Certified Cloud Security Professional, CISM Certified Information Security Manager, IT Security Officer BSI, CISA Certified Information Systems Auditor as well as ISO 27001 Auditor/Lead Auditor und TISAX Auditor (Assessment Professional). Christian Wunderlin has more than 20 years of managerial experience in the IT industry. From 2007 to 2015, he was a lecturer at the Institute of Financial Services Zug IFZ (Lucerne University of Applied Sciences and Arts), alongside which he also served on various boards of SMEs.

He currently serves as a member of the Board of Directors of Bank Cler, AMAG Leasing Ltd, Aveniq Ltd, Netcloud Ltd, newhome.ch Ltd. and Quality1 Ltd. Christian Wunderlin also serves on the boards of various medium-sized companies in the finance/insurance, IT and architecture/real estate sectors.

Sonja Stirnimann (born 1975) is a Certified Public Accountant and has an International Executive MBA in Financial Services & Insurance. She also has a business administration degree and is a Certified Fraud Examiner (CFE). She is the founder and owner of Structuul Ltd, which specializes in the prevention and investigation of financial and cyber crimes within the wider field of governance, risk & compliance. Before starting Structuul, she held various positions in the areas of auditing and consulting, corporate compliance, and financial controlling and reporting, including at Ernst & Young, UBS, Holcim, Deloitte and BDO.

Sonja Stirnimann is also Chairman of the Board of Directors of Structuul Ltd, member of the Board of Directors of Apiax Ltd, Chairman of the Audit Committee of Glarner Kantonalbank and serves on the board of EXPERTSuisse Ltd.



**Prof. Dr. Dr.
Christian
Wunderlin**

Member of the Board
of Directors
Chairman of the
Risk Committee
Member of the
Audit Committee



Sonja Stirnimann

Member of the Board
of Directors
Chair of the
Audit Committee
Member of the
Risk Committee



Amedeo C. Vaccani

Member of the Board
of Directors

Amedeo C. Vaccani (born 1955) has a degree in mechanical engineering and an MBA from Harvard Business School. He is the founder and a managing partner of A. Vaccani & Partner Ltd, which has been providing management consulting and cross-border M&A services since 1992. He has also managed a Swiss private equity investment company since 1996. Prior to this, he worked for ABB Ltd. as Business Area Manager Resource Recovery, and at ABB W+E Umwelttechnik Ltd as its CEO.

Amedeo C. Vaccani currently holds the position of Chairman of the Board of Directors at SOBACO Holding Ltd, at SOBACO Solutions Ltd and at Rhincodon Corporation Ltd.



Dr. Daniel Diemers

Member of the Board
of Directors

Daniel Diemers (born 1972) studied economics and social sciences at the University of St. Gallen (HSG) and the Rotterdam School of Management (RSM), and he has completed a PhD on the subject of virtual knowledge communities. He is also the author of several books, studies and specialist articles. With more than 20 years' experience as a strategy consultant, he accompanies businesses on their journey into the digital future.

Daniel Diemers is co-founder and Chairman of the Board of Directors of SNGLR, a deep tech lab, consulting firm and venture capital fund focused on exponential technologies such as longevity, smart mobility/smart cities, artificial intelligence and blockchain/metaverse.

Furthermore, Daniel Diemers is a member of the Board of Directors of TAAL Distributed Information Technologies Inc. (CNSX:TAAL), FiCAS Ltd and Flov Technologies Ltd as well as on the Expert Council of the Swiss Blockchain Federation.

Executive Board

Mark Dambacher (born 1968) has been the CEO of InCore Bank since March 2015. Before assuming this role, he held various management and specialist positions, including three years in charge of compliance & risk control, relationship management, and accounting. Before joining the newly founded InCore Bank Ltd as Head of Process Management in 2006, he spent many years at PricewaterhouseCoopers as a senior manager in the Global Risk Management Services division and at KPMG as a senior consultant in the Financial Services division.

Mark Dambacher is a trained banker and has an MSc in Business Engineering. He is also a Certified Information Systems Auditor. He does not currently serve on any boards.

René Hertach (born 1963) has served as Head of Brokerage and Deputy CEO since April 1, 2019. From 2007 until assuming his current role, he was Head of Information Technology (IT Operations and Development) at InCore Bank Ltd, which was created as a spin-off of Maerki Baumann in 2007. He had headed Maerki Baumann's IT department for more than 16 years, prior to which he spent seven years at Telekurs.

René Hertach is a Federally Certified Mechanic and a trained IT systems programmer. He is also a qualified mainframe system specialist and network architect. He does not currently serve on any boards.



Mark Dambacher

Chief Executive Officer (CEO)



René Hertach

Deputy CEO



Fabian Bieli

Member of the Board of Directors

As Head of Business Process Outsourcing, Fabian Bieli (born 1974) is responsible for Business Process Outsourcing securities administration, securities settlement, and payment transactions/central register.

After obtaining a bachelor's degree in Business Administration, he successfully completed the MAS in Leadership and Management in 2012. He acquired his extensive knowledge while working in senior positions in various back office departments at a large Swiss private bank. He has been in charge of InCore Bank Ltd's back office operations since 2009. He does not currently serve on any boards.



Bruno Meyer

Member of the Board of Directors
(from March 1, 2023)

Bruno Meyer (born 1969) has served as Head of Corporate Services at InCore Bank since March 2022. Prior to this, he was the Chief Risk Officer and a member of the Executive Board at Falcon Private AG. He also held various positions at Credit Suisse in Zurich and New York for many years, including in controlling and risk management. He is the CEO and a member of the board of the Swiss Risk Association.

Bruno Meyer has a master's degree in materials science from ETH Zurich and has completed an executive education programme in corporate finance at London Business School. He does not currently serve on any other boards.



Key Figures

Key Figures

in 1 000 CHF	2022	2021
Profit	3 770	3 121
Result from commission business and services	22 762	20 840
Result from trading activities	4 262	2 722
Result from interest operations	886	120
Operating expenses	-23 016	-19 647
Total balance sheet	337 519	332 108
Eligible capital	25 841	23 171
Required capital	10 000 ¹⁾	10 000 ¹⁾
Surplus capital	15 841	13 171
Number of employees (full-time equivalents)	63.70	47.15

¹⁾ Minimum own funds according to Banking Ordinance Art. 15.



Disclosure

Disclosure

Key metrics (KM1)	in 1 000 CHF	2022	2021 ¹⁾
Eligible capital			
1 Common Equity Tier 1 (CET1)		25 841	23 171
2 Tier 1 (T1)		25 841	23 171
3 Total capital		25 841	23 171
Risk-weighted assets (RWA)			
4 RWA		104 188	81 786
Minimum capital requirement		10 000¹⁾	10 000¹⁾
Risk-based capital ratios (% of RWA)			
5 CET1 ratio (%)		24.80	28.33
6 Tier 1 ratio (%)		24.80	28.33
7 Total capital ratio (%)		24.80	28.33
Additional CET1 buffer requirements (% of RWA)			
8 Capital conservation buffer requirement according to Basel minimum requirements (2.5% from 2019) (%)		2.50	2.50
9 Countercyclical buffer requirement (Art. 44a ERV) according to Basel minimum requirements (%)		0.00	0.00
11 Total of bank CET1 specific buffer requirements according to Basel minimum requirements (%)		2.50	2.50
12 CET1 available after meeting the bank's minimum capital requirements (%)		16.80	20.33
Target capital ratios according to Annex 8 of the Capital Adequacy Ordinance (CAO) (% of RWA)			
12a Capital conservation buffer according to CAO, Annex 8 (%)		2.50	2.50
12b Countercyclical capital buffer according to CAO, Art. 44 and 44a (%)		0.00	0.00
12c CET1 capital target (%) according to CAO, Annex 8 and countercyclical buffer according to CAO, Art. 44 and 44a		7.00	7.00
12d T1 capital target according to CAO, Annex 8 and countercyclical buffer according to CAO, Art. 44 and 44a (%)		8.50	8.50
12e Total capital target according to CAO, Annex 8 and countercyclical buffer according to CAO, Art. 44 and 44a (%)		10.50	10.50
Basel III Leverage Ratio			
13 Total Basel III leverage ratio exposure measure		366 710	359 879
14 Basel III Leverage Ratio		7.05	6.44

¹⁾ Minimum own funds according to Banking Ordinance Art. 15.

	Ø 4th quarter	Ø 3rd quarter	Ø 2nd quarter	Ø 1st quarter	Ø 4th quarter
in 1 000 CHF	2022	2022	2022	2022	2021
Liquidity Coverage Ratio (LCR)					
15 Numerator of LCR: Total high quality liquid assets	208 855	240 926	261 521	269 617	251 159
16 Denominator of LCR: Total net cash outflow	131 340	165 850	200 629	206 955	194 220
17 Liquidity Coverage Ratio, LCR (%)	159.02	145.27	130.35	130.28	129.32
				2022	2021
Net Stable Funding Ratio (NSFR)					
18 Available stable funding				82 760	68 531
19 Required stable funding				41 181	25 886
20 Net Stable Funding Ratio, NSFR (%)				200.97	264.74

Overview of risk-weighted assets (OV1)

	in 1 000 CHF	2022	2021	2022
		RWA	RWA	Minimum capital requirements
Credit risk		66 313	45 786	5 305
Market risk		1 038	4 688	83
Operational risk		36 838	31 313	2 947
Amounts below the thresholds for deduction (subject to 250% risk weight)		-	-	-
Total		104 188	81 787	8 335

Approaches used to determine the minimum capital requirements

Credit risk: International standardised approach SA-BIZ

Market risk: De-minimis approach

Operational risk: Basic indicator approach

There have been no significant changes compared with the figures for the previous period.

Liquidity: Liquidity risk management (LIQA)

The willingness of payment is monitored and guaranteed in line with the regulatory requirements. The Board of Directors defines the risk tolerance by setting specific limits for liquidity, refinancing and diversification. Potential negative effects on liquidity are identified immediately through the quarterly assessed early warning indicators. Decreases of clients assets are periodically analysed and compared with historical stress events and regulatory outflow rates. In addition to short-term bank investments, we hold repo-eligible bonds in the financial investments as liquidity reserves. The refinancing of the loans is mainly done through broadly diversified customer deposits.

Credit risk: Credit quality of assets (CR1)

	in 1 000 CHF	Gross book values of		Allowances / impairments	Net values
		defaulted exposures	non-defaulted exposures		
1 Loans (excl. debt securities)	-	-	126 919	-	126 919
2 Debt securities	-	-	2 946	-	2 946
3 Off-balance sheet exposures	-	-	32	-	32
4 Total	-	-	129 897	-	129 897

The definition of defaulted positions corresponds to those of impaired loans, i.e. for these claims it is unlikely that the debtor will be able to meet its future obligations. Impaired loans, as well as any collateral, are to be valued at liquidation value and value adjusted taking into account the creditworthiness of the debtor.

Credit risk: Credit risk migration techniques - Overview (CR3)

	Exposures unsecured / book value	Exposures secured by collateral: secured amount	Exposures secured by financial guarantees or credit derivatives: secured amount
	in 1 000 CHF		
Loans (incl. debt securities)	129 865	-	-
Off-balance sheet exposures	32	-	-
Total	129 897	-	-
of which defaulted	-	-	-

The Bank does not apply any risk mitigation techniques within the meaning of the capital adequacy regulations.

Operational risk: General information (ORA)

Operational risks are explained in the annual report 2021 at the following points:

Management report, section operational risks: page 4-5

Notes on risk management, section operational risks: page 34

For the calculation of the minimum capital requirements the basic indicator approach is applied.

Interest rate risk: Objectives and policies concerning the risk management of the interest rate risk in the banking book (IRRBB)

a) Description of how the bank defines IRRBB for purposes of risk control and measurement.

Interest rate risk is the risk to a bank's equity and income arising from interest rate movements. Changes in interest rates affect the economic value of a bank's assets, liabilities and off-balance sheet items (present value perspective). They also affect the income from interest operations (income perspective). Of the three forms of interest rate risk, the bank primarily considers the interest rate reset risk and secondarily the option risk in the case of variable-interest deposits without a fixed term. The basis risk is negligible.

b) Description of the bank's overall IRRBB management and mitigation strategies. Examples: Monitoring EVE and NII in terms of established limits, hedging practices, stress testing, outcomes analysis, the role of independent auditing (if not specifically described elsewhere for risks), the role and practices of the ALCO, the bank's practices to ensure appropriate model validation, and timely updates in response to changing market conditions.

The management of interest rate risks is an important element within the risk management process. On the basis of the guidelines defined in the framework concept by the Board of Directors and taking into account the size of the bank as well as the type, scope, complexity and risk content of the business activities (proportionality principle), the interest rate risk should be kept within the defined risk tolerance.

c) The periodicity of the calculation of the bank's IRRBB measures and a description of the specific metrics that the bank uses to gauge its sensitivity to IRRBB.

The Bank calculates the interest rate risk quarterly on the basis of regulatory requirements. The measures shown in the disclosure are identical to the internal measures.

d) A description of the interest rate shock and stress scenarios that the bank uses to estimate changes to economic value and earnings.

Standard market software is used to create the interest rate risk report. The internal interest rate risk measurement system takes into account the six standard interest rate shock scenarios defined in FINMA's circular «Interest rate risks» as well as any additional interest rate shock scenarios specified by FINMA.

e) If modeling assumptions used in the bank's internal measurement system for interest rate risk (i.e. the EVE metric generated by the bank for purposes other than disclosure, such as for assessment of risk-bearing capacity) differ considerably from the modeling assumptions prescribed in Table IRRBB1 for the disclosure (see description under Table IRRBB1), the bank must provide a description of those assumptions and of their directional implications and explain its rationale for making those assumptions (e.g. historical data, published research, management judgment and analysis).

The published results correspond to the values used for internal interest rate risk management. EVE takes into account cash flows from interest-sensitive assets, liabilities (including all free deposits) and off-balance-sheet items in the banking book and trading book. Hidden reserves are also taken into account, regardless of whether they are counted as T2 capital, but not core capital (T1 capital).

f) A general description of how the bank hedges its IRRBB, as well as the associated accounting measures.

In accounting, the balance sheet values are shown at their nominal value.

All derivative financial instruments are measured at fair value. The valuation result of hedging instruments is recorded in the adjustment account. The positive and negative replacement values from derivative financial instruments are shown in the corresponding balance sheet items.

g) Description of key modeling and parametric assumptions used in calculating Δ EVE and Δ NI in Table IRRBB1 and in relation to the positions and currencies in Table IRRBBA1 according to the following breakdown:

In addition to the main currency, the Swiss franc, balance sheet transactions are conducted in foreign currencies. The following foreign currencies exceed 10% of the liabilities: EUR, USD.

g1) - g3)	Change in economic value of equity (Δ EVE)	Determination of cash flows: Consideration of interest margins and other components	Cash flows (capital and interest payments) whose effective or replicated interest rate
		Mapping procedure: Description of the cash flow mapping procedures used	reset data lie within the respective maturity band limits are reflected in the corresponding maturity band.
		Discount rates: Description of (product-specific) discount rates or interpolation assumptions	Cash flows are rolled out on the basis of external conditions (customer rate) and discounted using a SARON/SWAP curve.
g4)	Changes in net interest income (Δ NI)	Description of the process and key assumptions of the model used to determine the change in net interest income	Own forecast
g5)	Variable positions	Description of the procedure including central assumptions and parameters for determining the interest rate reset date and cash flows of variable items	Replication models are used to determine the new interest rates and cash flows for positions in category II. The assumptions are regularly reviewed and adapted where necessary.
g6)	Positions with repayment options	Description of the assumptions and procedures used to account for behavioural early redemption options	Cash flows (capital and interest payments)
g7)	Time deposits	Description of the assumptions and procedures used to account for behaviour dependent early deductions	whose effective or replicated interest rate reset data lie within the respective maturity band limits are reflected in the corresponding
g8)	Automatic interest rate options	Description of the assumptions and procedures for taking into account automatic, behavior-independent interest rate options	maturity band.

g9) Derivative positions	Description of purpose, assumptions and procedures of linear and non-linear interest rate derivatives	The change in the market value of non-linear derivatives is considered in the calculation of the internal interest rate risk indicator.
g10) Other assumptions	Description of other assumptions and procedures affecting the calculation of values in tables IRRBBA1 and IRRBB1, such as currency aggregation and correlation assumptions of interest rates	The cash flows take into account the nominal value (capital) and interest payments. Interest payments include the base rate and all margin components. Because the bank does not have a profit split system, the margin cash flow is not determined separately.

Interest rate risk: qualitative information to position structure and repricing (IRRBA1)

	Volume in TCHF			Average repricing maturity (in years)		Longest repricing maturity (in years) for positions with a modeled (not deterministic) repricing date	
	Total	of which	or total	Total	of which	Total	of which
		CHF			liabilities		CHF
Specified interest rate reset date							
Amounts due from banks	-	-	-	-	-	-	-
Amounts due from customers	-	-	-	-	-	-	-
Financial investments	2 925	2 000	-	2.06	1.36	-	-
Other assets	-	-	-	-	-	-	-
Amounts due to banks	-	-	-	-	-	-	-
Amounts due in respect of customer deposits	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-

	Volume in TCHF			Average repricing maturity (in years)		Longest repricing maturity (in years) for positions with a modeled (not deterministic) repricing date	
	Total	of which		Total	of which		
		CHF	or total liabilities		CHF	of which	
							CHF
Amounts due from banks	113 940	32 475	49 908	0.08	0.08	-	-
Amounts due from customers	10 290	778	109	0.22	0.22	-	-
Other assets	-	-	-	-	-	-	-
Amounts due in respect of customer deposits, on sight in private and current accounts	121 479	14 070	91 578	0.22	0.22	-	-
Other liabilities	156 754	35 210	57 196	0.08	0.08	-	-
Amounts due in respect of customer deposits, terminable but no transferable (savings deposit funds)	-	-	-	-	-	-	-
Total	405 388	84 533	198 791	0.14	0.13	-	-

Undefined interest rate reset date

Interest rate risk: quantitative information to present value and interest income (IRRBB1)

Period	in 1 000 CHF	ΔEVE		ΔNII	
		(Change of present value)		(Change of earnings value)	
		31.12.2022	Previous year	31.12.2022	Previous year
Parallel shock up		459	643	-2 922	-4 321
Parallel shock down		-454	-	2 862	4 225
Steeper shock		-558	-		
Flattener shock		668	-		
Short rates shock up		812	-		
Short rates shock down		-818	-		
Maximum		-818	-	-2 922	-4 321
Period		31.12.2022		Previous year	
Tier 1		25 841		23 171	

The image features several stacks of silver coins, likely Euro cents, arranged in a way that creates a sense of depth. The stacks are positioned on the left and right sides of the frame, with some coins in the foreground being more sharply focused than those in the background. A dark red horizontal bar is overlaid across the middle of the image, containing white text.

Balance sheet
Income statement

Balance sheet

in 1 000 CHF	31.12.2022	21.12.2021	Changes
Assets			
Liquid assets	185 894	238 605	-52 711
Amounts due from banks	116 628	70 234	46 394
Amounts due from customers	10 290	2 975	7 315
Positive replacement values of derivative financial instruments	16 890	12 449	4 441
Financial investments	3 111	3 115	-4
Accrued income and prepaid expenses	2 724	2 406	318
Participations	13	14	-1
Tangible fixed assets	1 638	2 037	-399
Other assets	331	273	58
Total assets	337 519	332 108	5 411
Liabilities			
Amounts due to banks	168 929	166 068	2 861
Amounts due in respect of customer deposits	121 479	126 918	-5 439
Negative replacement values of derivative financial instruments	16 485	12 540	3 945
Accrued expenses and deferred income	2 502	2 454	48
Other liabilities	1 254	745	509
Provisions	30	213	-183
Bank's capital	12 000	12 000	-
Statutory capital reserve	4 549	4 549	-
of which tax-exempt capital contribution reserve	4 549	4 549	-
Statutory retained earnings reserve	1 564	1 564	-
Profit carried forward	4 957	1 936	3 021
Profit	3 770	3 121	649
Total liabilities	337 519	332 108	5 411
Off-balance-sheet transactions			
Contingent liabilities	-	-	-
Irrevocable commitments	32	4	28

Income statement

in 1 000 CHF	2022	2021	Changes
Income and expenses from ordinary banking business			
Result from interest operations			
Interest and discount income	-806	-1 490	684
Interest and dividend income from trading portfolios	-	-	-
Interest and dividend income from financial investments	-2	-10	8
Interest expense	1 694	1 620	74
Gross result from interest operations	886	120	766
Changes in value adjustments for default risks and losses from interest operations	-	-	-
Net result from interest operations	886	120	766
Result from commission business and services			
Commission income from securities trading and investment activities	10 751	9 870	881
Commission income from other services	17 330	15 874	1 456
Commission expense	-5 319	-4 904	-415
Subtotal result from commission business and services	22 762	20 840	1 922
Result from trading activities and the fair value option	4 262	2 722	1 540
Other result from ordinary activities			
Other ordinary income	1 544	2 481	-937
Other ordinary expenses	-7	-608	601
Subtotal other result from ordinary activities	1 537	1 873	-336

in 1 000 CHF	2022	2021	Changes
Operating expenses			
Personnel expenses	-10 248	-8 202	-2 046
General and administrative expenses	-12 768	-11 445	-1 323
Subtotal operating expenses	-23 016	-19 647	-3 369
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-1 731	-1 623	-108
Changes to provisions and other value adjustments, and losses	17	-372	389
Operating result	4 717	3 913	804
Extraordinary income	-	-	-
Extraordinary expenses	-	-	-
Taxes	-947	-792	-155
Profit	3 770	3 121	649
Appropriation of profit			
Profit	3 770	3 121	649
Profit carried forward	4 957	1 936	3 021
Distributable profit	8 727	5 057	3 670
Appropriation of profit			
Allocation to statutory capital reserves	-	-	-
Allocation to statutory retained earnings reserve	-	-	-
Distributions on the share capital	-	-	-
Dividend distributions	-1 000	-100	-900
of which share of distributions from retained earnings	-	-	-
Profit carried forward	7 727	4 957	2 770

Statement of changes in equity

	Bank's capital	Capital reserve	Retained earnings reserve	Reserves for general banking risks	Voluntary retained earnings reserves and profit / loss carried forward	Own shares (negative item)	Profit	Total
Equity at start of current period	12 000	4 549	1 564	-	1 937	-	3 121	23 171
Appropriation of profit 2021								
– Dividend	-	-	-	-	-	-	-100	-100
– Net change in profit carried forward	-	-	-	-	3 021	-	-3 021	-
Profit	-	-	-	-	-	-	3 770	3 770
Equity at end of current period	12 000	4 549	1 564	-	4 958	-	3 770	26 841



**Notes to the financial
statements 2022**

Explanatory notes on business activities

Business activities

InCore Bank Ltd acts as a provider of comprehensive banking services for other financial intermediaries. The bank is able to provide the entire infrastructure that is needed for carrying out banking operations. This includes execution and settlement of trading and other banking transactions, securities custody including account and custodian account management, as well as operation of the corresponding systems. The bank also provides digital asset banking and product structuring services. InCore Bank Ltd is a member of the SIX Swiss Exchange. Access to other trading venues is ensured through electronic communication networks.

The services are provided through the head office in Schlieren / Zurich, Switzerland.

The majority of the bank's revenue (77%) comes from commission business and services. The result from trading activities contributes 18% to ordinary income, while other ordinary income contributes 5%.

Business segments

The main activities in the individual business segments are as follows:

- Execution and settlement of banking transactions (outsourcing service for other financial service providers) and operation of the technical and operational infrastructure and the corresponding applications. The bank provides its services to financial intermediaries based in Switzerland and the Principality of Liechtenstein.
- Transaction banking, i.e. brokerage and global custody including brokerage of securities, foreign currencies, precious metals and derivative financial

instruments, as well as brokerage and custody of digital assets. In addition, payment services are provided to regulated financial intermediaries. Actively Managed Certificates (AMCs) have recently been added to the service portfolio.

The bank provides its services primarily in Switzerland and Europe. As a broker and correspondent, it also maintains relationships with counterparties in Switzerland and abroad.

Commission business and services

Commission business and services mainly comprises brokerage and insourcing fees. These services are used solely by other regulated financial service providers. In addition, the reporting year again saw significant income in the area of payment transaction and from the brokerage and custody of digital assets.

Trading activities

Trading is limited to foreign exchange and precious metals. In this area, own positions are held to support automated settlement for outsourcing services and for the purpose of holding foreign currency reserves of financial intermediaries and converting them into Swiss francs.

Risk assessment

The Board of Directors and the Executive Board regularly address the material risks that the bank is exposed to. Since the bank only trades foreign exchange/precious metals on a small scale, these risks are primarily credit risks, operational risks (including money laundering risks) and liquidity risks. The risk mitigation measures, the internal controls and the reporting system are all incorporated into the risk assessment. In addition,

there is a strong emphasis on ensuring that the impact of these material risks on the annual financial statements is continuously monitored and assessed.

Risk management

Identifying, assessing, measuring, monitoring and managing risks associated with the banking business is of key importance to the bank. The core elements of risk management are: the risk policy, a comprehensive risk management and control concept, ensuring comprehensive reporting on all risks, and defining various risk limits including corresponding monitoring and reporting.

The risk management process periodically assesses all individual risks and, if necessary, adjusts the implemented measures. The internal control system is the main tool used for identifying and assessing risks. All risks that the bank is exposed to are recorded and evaluated in this ICS. The internal reporting system ensures appropriate and comprehensive reporting at different levels.

Both the Executive Board and the Risk Committee of the Board of Directors are regularly updated on the current risk situation in the form of a detailed quarterly risk report.

Credit risks

The bank does not engage in any lending activities. All of the amounts due to/from banks and customers that are disclosed in the balance sheet relate to relationships with other financial service providers that are used to settle trading transactions. To minimize counterparty risk, separate limits are defined which take into account the country, market and credit risks of the counterparties.

Market risks

Market risks for foreign exchange and precious metals are

limited by means of a clearly defined limit system. The bank uses current market values for valuations.

Liquidity risks

Liquidity risks are monitored continuously. The bank has a high level of liquidity.

Operational risks

The bank has internal regulations and policies and an appropriate control system for limiting and monitoring operational risks.

Default risks

Default risks mainly take the form of sight deposits as well as open derivative positions with other financial institutions. Default risks are determined daily for all counterparties on the basis of market values. Limits are also monitored daily.

Valuation of collateral

In addition, the required security (collateral for derivatives transactions) for customers is determined daily, and corresponding collateral is requested immediately. The requested collateral consists of sight deposits and securities valued at current prices.

Business policy regarding the use of derivatives and hedge accounting

To manage larger foreign currency holdings of the customer, forward forex transactions are concluded on the bank's own account. At present, no further positions in derivative financial instruments are held on own account. The bank does not currently use hedge accounting.

IT systems and business outsourcing

The bank has outsourced its finance function to Equilas

Ltd, Berne. This outsourcing is comprehensively governed in a contract in accordance with the regulations of the Swiss Financial Market Supervisory Authority. All employees of the service provider are subjected to banking secrecy, whereby the requirements for protecting customer data are fulfilled.

The standard Finnova banking software is used as the main information system. This system is operated by SOBACO Solutions Ltd, Schlieren. Detailed contractual provisions exist for this outsourcing. InCore Bank Ltd also uses various peripheral applications in conjunction with Finnova.

Customer documentation is printed and distributed by Maerki Baumann & Co. Ltd, Zurich.

Crypto Storage Ltd provides, maintains and develops infrastructure facilities for the encrypted storage and authorization of digital asset private keys.

Direct market access to the SIX Swiss Exchange and to national and international brokers makes it possible for securities transactions to be carried out fully electronically. The interbank applications of SIC, SIX SIS and SWIFT are used to clear and settle transactions. In addition, market information products provided by Bloomberg and SIX Financial Services are integrated into the bank's network. All essential system components within the network have a redundant configuration.

The bank's data centers are located at SOBACO Solutions Ltd, Schlieren, at two sites in Zurich.

Employees

As at the end of the year, the bank had 63.7 employees (FTE-based, previous year: 47.2). Average number of employees in 2022: 55.1 (previous year: 44.5).

Accounting and valuation principles

Principles

The reporting, accounting and valuation principles are based on the Swiss Code of Obligations, the Swiss accounting standards for banks as laid out in the Banking Act, its Ordinance and the implementing provisions of FINMA, and on the statutory provisions.

General principles

InCore Bank Ltd prepares true and fair view statutory single-entity financial statements. These present the bank's financial situation in a way that makes it possible for third parties to form a reliable opinion.

Assets, liabilities and off-balance-sheet transactions are valued separately. Accounts are kept and financial reports filed in the local currency (Swiss francs).

Consolidation

InCore Bank Ltd does not have any participations to be consolidated. Since January 12, 2017, InCore Bank Ltd has been fully consolidated within SOBACO Holding Ltd, Schlieren.

Recognition and accounting

We recognize all business transactions in the bank's books on the trade date and use them to determine the result as of that date. Spot transactions concluded but not yet settled are recognized applying the trade date accounting principle. Completed forward transactions are disclosed as off-balance-sheet transactions until the settlement date. After the settlement date, transactions are disclosed in the balance sheet.

Foreign currency translation

Balance sheet items denominated in a foreign currency are converted at the rate prevailing at the time of the transac-

tion (record date). Transactions in foreign currencies are translated at the exchange rate that applies on the date of the transaction. The effect of foreign currency adjustments is recorded in the income statement under «Result from trading activities and the fair value option».

For foreign currency translation as at the balance sheet date, the following exchange rates were used:

Currency	2022	2021
USD	0.9251	0.9126
EUR	0.9886	1.0364
GBP	1.1156	1.2343

Liquid assets

Liquid assets are recognized at nominal value.

Amounts due from/to banks

Amounts due from banks are recognized at nominal value less any necessary value adjustments for default risks. Amounts due to banks are recognized at nominal value.

Amounts due/from in respect of precious metal account deposits are valued at fair value based on the prices quoted on the balance sheet date.

Amounts due from customers and amounts due in respect of customer deposits

Amounts due from customers are recognized at nominal value less any necessary value adjustments for default risks. Amounts due in respect of customer deposits are recognized at nominal value.

Value adjustments for default risks

Value adjustments for default risks are created for all identifiable default risks in accordance with the principle of prudence. An impairment is applicable where the

expected recoverable amount (including collateral) is lower than the book value of the receivable. Value adjustments for default risks are deducted directly from the corresponding asset items.

Receivables are impaired if the debtor is unlikely to be able to meet the corresponding payment obligations. Impaired receivables and any collateral have to be valued at the liquidation value, and the value must be adjusted taking the debtor's creditworthiness into account. Items are valued individually and the impairment is covered by individual value adjustments.

Latent default risks are determined using empirical data. The amount of the value adjustments is established using a systematic approach and the impairment is also covered by individual value adjustments.

If a receivable is deemed to be fully or partially unrecoverable or if a debt waiver is granted, it is written off and charged against the corresponding value adjustment.

Trading activities

Trading means entering into actively managed positions in order to profit from fluctuations in the market price. The classification in the trading portfolio is established and documented accordingly when the transaction is concluded.

Trading positions are generally valued at fair value. The fair value is always determined using a price set on a price-efficient and liquid market.

If, in exceptional cases, no fair value is ascertainable, the valuation and recognition follow the principle of the lower of cost or market value.

Price gains or losses from the sale or valuation are recognized under «Result from trading activities and the fair value option». Interest and dividend income from trading portfolios is recognized under «Interest and dividend income». The refinancing of trading positions is not offset against interest operations. The result from primary market trading activities relating to securities issuing operations is recognized in the item «Result from trading activities and the fair value option».

Positive and negative replacement values of derivative financial instruments (derivatives)

All derivative financial instruments are measured at fair value. The valuation result from trading activities is recognized in the income statement under «Result from trading activities and the fair value option». The valuation result from hedging instruments is reported in the compensation account, unless a change in book value has been recorded in the hedged item. If a change in book value has been recorded in the hedged item, the change in book value of the hedging transaction has to be reported via the same income statement item. In the case of macro hedges relating to interest operations, the balance may be reported either in the item «Interest and discount income» or under «Interest expense».

The result from the derivatives used for balance sheet structure management to manage interest rate risks is determined using the accrual method. The interest component is recognized by applying the compound interest method over the term to maturity. The past-due interest on the hedging position is shown in the compensation account under «Other assets» or «Other liabilities».

In the event of the premature sale of an interest hedging transaction that has already been recognized in the income

statement using the accrual method, the realized gains and losses that correspond to the interest component are not recognized immediately, but are instead accrued over the remaining term to maturity.

If the hedging relationship for a hedging transaction is no longer effective, or only partially, then the transaction is treated as a trading transaction in proportion to the ineffective part.

Financial investments

Debt securities intended to be held to maturity are valued and recognized at acquisition value, and the premium/discount (interest component) is accrued over the term (accrual method). Default-risk-related changes in book value are recognized immediately by means of a charge to the item «Changes in value adjustments for default risks and losses from interest operations». If debt securities are sold or repaid prior to maturity, the realized gains and losses that correspond to the interest component are not recognized immediately, but are instead accrued over the remaining term to maturity.

Debt securities not intended to be held until maturity (available for sale) are valued at the lower of cost or market value.

Equity securities are valued at the lower of cost or market value. In the case of financial investments valued at the lower of cost or market value, an upwards revaluation to (max.) the historical or amortized cost is recognized where the fair value falls below the acquisition cost and then recovers. The balance of the changes in book value is recognized under «Other ordinary expenses» or «Other ordinary income».

In the case of the disposal of financial assets valued at the lower of cost or market value, the entire realized result is recognized under «Result from the disposal of financial investments».

Participations

The term «participations» covers equity securities held by the bank in companies of an infrastructure nature, as well as securities held with the intention of a permanent investment, irrespective of the percentage of voting shares held. Participations are valued individually. The legal maximum limit is the acquisition value less economically necessary value adjustments.

Impairment testing is carried out on every balance sheet date. Any additional impairments have to be charged to the income statement under «Value adjustments on participations and depreciation and amortization of tangible fixed assets and intangible assets». The partial or full reversal of impairment is recorded in the item «Extraordinary income».

Tangible fixed assets

Tangible fixed assets are valued individually. Tangible fixed assets are recognized at acquisition cost and depreciated over their prudently estimated useful life. Impairment testing is carried out annually. If the impairment test establishes that there has been a change in the asset's useful life or an impairment, non-scheduled depreciation is applied and the residual value is depreciated over the remaining useful life.

The asset is subjected to scheduled depreciation on a straight line basis over its estimated useful life. The estimated useful life for each asset category is as follows:

Category	Useful life
Costs for central banking system	10 years
Other software, IT and communication equipment	maximum 3 years
Movables (renovation) / hardware	maximum 5 years
Other tangible fixed assets, installations in third-party properties	maximum 10 years

Realized gains from the disposal of tangible fixed assets are recognized under «Extraordinary income», and realized losses are recognized under «Extraordinary expenses».

Treatment of past-due interest

Interest and commission are past due if payment is more than 90 days overdue. After that point, any interest and commission accruing may no longer be credited to the income statement until the outstanding amounts have been settled. The receivables arising from interest and commission accrued up to the end of the 90 day period are written off via the item «Changes in value adjustments for default risks and losses from interest operations».

Provisions

A provision represents a probable obligation based on a past event, the amount and/or due date of which is uncertain but can be reliably estimated.

The amount of the provision is determined on the basis of an analysis of the past event concerned and of events occurring after the balance sheet date, if such analysis contributes to further clarifying the situation. The amount has to be estimated in accordance with the economic risk

posed, which is taken into account as objectively as possible. Where the time factor has a material impact, the amount of the provision must be discounted. The amount of the provision has to correspond to the expected future cash outflows. It must take account of the likelihood and reliability of these outgoing cash flows.

The sub-item «Other provisions» may contain hidden reserves.

Pension benefit obligations

The bank operates a contribution-based pension scheme for its employees in form of a semi-autonomous solution. A legally independent employer fund also exists to cushion financial hardship among employees and retired employees. Employer contributions are disclosed under «Personnel expenses».

Taxes

The current income taxes and capital taxes payable on the respective result of the period and the defining capital are calculated in accordance with the applicable tax reporting regulations. Liabilities from current income taxes and capital taxes have to be disclosed in the item «Accrued expenses and deferred income».

Deferred income taxes are not determined and recorded.

Off-balance-sheet transactions

Off-balance-sheet transactions are recognized at nominal value. For identifiable default risks, provisions are created as liabilities on the balance sheet.

Changes to the accounting and valuation principles

As of January 1, 2022, there was a change in the pension

plan from a full insurance solution to a semi-autonomous solution. Otherwise, there were no changes in the accounting and valuation principles.

Material events occurring after the balance sheet date

There have been no material events after the balance sheet date that significantly affect the bank's assets, liabilities, financial position or results of operations at December 31, 2022. The bankruptcy of two U.S. banks in March 2023 also have no impact on the Bank's net assets, financial position and results of operations as of December 31, 2022.

Details on the balance sheet

Overview of the coverage of receivables and off-balance sheet transactions as well as the impaired receivables

in 1 000 CHF		Type of collateral			
		Secured by mortgage	Other	Unsecured	Total
Loans (before netting with value adjustments)					
Amounts due from customers		-	-	10 290	10 290
Total loans (before netting with value adjustments)	2022	-	-	10 290	10 290
	2021	-	-	2 975	2 975
Total value adjustments offset against loans value adjustments					
	2022	-	-	-	-
	2021	-	-	-	-
Total loans (after netting with value adjustments)	2022	-	-	10 290	10 290
	2021	-	-	2 975	2 975
Off-balance-sheet					
Contingent liabilities		-	-	-	-
Irrevocable commitments		-	-	32	32
Total off-balance-sheet	2022	-	-	32	32
	2021	-	-	4	4
in 1 000 CHF		Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Impaired loans / receivables	2022	-	-	-	-
	2021	-	-	-	-

Presentation of derivative financial instruments (assets and liabilities)

in 1 000 CHF		Trading instruments			Hedging instruments		
		Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Interest rate instruments		-	-	-	-	-	-
Foreign exchange / precious metals		13 108	12 703	1 232 228	-	-	-
Forward contracts		13 103	12 698	1 230 656	-	-	-
Options (OTC)		5	5	1 572	-	-	-
Equity securities / indices		3 769	3 769	273 820	-	-	-
Futures		-	-	10 306	-	-	-
Options (exchange-traded)		3 769	3 769	263 514	-	-	-
Other		13	13	174 066	-	-	-
Futures		-	-	-	-	-	-
Options (exchange-traded)		13	13	174 066	-	-	-
Total before netting agreements							
		2022	16 890	16 485	1 680 114	-	-
		2021	12 449	12 540	1 967 405	-	-

in 1 000 CHF		Positive replacement values	Negative replacement values	Contract volume	
		Total after netting agreements		2022	16 890
		2021	12 449	12 540	1 967 405

Breakdown by counterparty

in 1 000 CHF		Central clearing houses	Banks and investment firms	Other
Positive replacement values (after netting agreements)	2022	-	16 889	1

Financial investments

in 1 000 CHF	2022		2021	
	Book value	Vair value	Book value	Vair value
Debt securities	2 946	2 778	2 950	2 917
of which own bonds and medium-term notes	-	-	-	-
of which, intended to be held to maturity	2 946	2 778	2 950	2 917
Equity securities	161	361	161	337
of which, qualified participations	-	-	-	-
Crypto assets	4	4	4	4
Total financial investments	3 111	3 143	3 115	3 258
of which, securities eligible for repo transactions in accordance with liquidity requirements	2 025	1 960	2 042	2 022

Breakdown of counterparties by rating

in 1 000 CHF	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Lower than B3	Without rating
Debt securities: book values	2 946	-	-	-	-	-

InCore Bank Ltd relies on Moody's rating classes.

Participations

in 1 000 CHF	Other partici- pations	Minority par- ticipations	Total partici- pations
Acquisition cost	-	20	20
Accumulated value adjustments and changes in book value	-	-6	-6
Book value previous year end	-	14	14
Value adjustments	-	-1	-1
Book value as at end of current year	-	13	13

All participations are without market value.

Tangible fixed asset

in 1 000 CHF	Central banking system	Proprietary or separately acquired software	Other tangible fixed assets	Total tangible fixed assets
Acquisition cost	18 239	277	666	19 182
Accumulated depreciation	-16 820	-143	-182	-17 145
Book value previous year end	1 419	134	484	2 037
Additions	-	-	1 331	1 331
Depreciation	-1 419	-92	-219	-1 730
Book value as at end of current year	0	42	1 596	1 638

Leasing obligations from operating leases

in 1 000 CHF	2022	2021
Multi-year leases until 2028 at the latest	1 374	950
of which due during the year	-	-

Other assets and liabilities

in 1 000 CHF	Other assets		Other liabilities	
	2022	2021	2022	2021
Settlement accounts	-	-	-	-
Indirect taxes	194	191	638	687
Other assets and liabilities	137	82	616	58
Total other assets and liabilities	331	273	1 254	745

Assets pledged or assigned to secure own obligations and assets subject to reservation of title

in 1 000 CHF	Verpfändete Aktiven		Effektive Verpflichtungen	
	2021	2020	2021	2020
Pledged / assigned assets	-	-	-	-
Financial investments	2 946	2 950	-	-

Details of the pension scheme

in 1 000 CHF	Overfunding / under- funding	Economic interest of the bank	Change recognised in profit or loss	Pension expenses	Pension expenses
	31.12.2022	2022 / 2021	2022	2022	2021
Economic benefit*	-	-	-	892	785
Total	-	-	-	892	785

*Pension plans without overfunding / underfunding

There ist no employer reserve.

Value adjustments and provisions, reserves for general banking risks

in 1 000 CHF	Balance at previous year end	Use in conformity with designated purpose	Reclassifications	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income	Balance at current year end
Other provisions	213	-198	-	15	-	-	-	30
Total provisions	213	-198	-	15	-	-	-	30
Reserves for general banking risks	-	-	-	-	-	-	-	-
Value adjustments for default and country risks	-	-	-	-	-	-	-	-

Banks's capital

in 1 000 CHF	2022			2021		
	Total par value	No. of shares	Capital eligible for dividend	Total par value	No. of shares	Capital eligible for dividend
Share capital	12 000	12 000	12 000	12 000	12 000	12 000
Total bank's capital	12 000	12 000	12 000	12 000	12 000	12 000

Non-distributable reserves

in 1 000 CHF	2022	2021
Non-distributable statutory capital reserve	4 549	4 549
Non-distributable statutory retained earnings	1 451	1 451
Total non-distributable reserves	6 000	6 000

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

in 1 000 CHF	2022		2021	
	Nominal	% of equity	Nominal	% of equity
with voting rights: Maerki Baumann Holding Ltd, Zurich ¹⁾	5 880	49	5 880	49
with voting rights: SOBACO Holding Ltd, Schlieren ³⁾	6 120	51	6 120	51

¹⁾ Owned by Dr. Carole Schmied-Syz, Erlenbach (21.8%) and Hans G. Syz-Witmer, Küsnacht (21.8%), CHSZ Holding Ltd, Zurich (51.3%) ²⁾, third-party shareholders (5.1%)

²⁾ Owned by Dr. Carole Schmied-Syz, Erlenbach (50%) and Hans G. Syz-Witmer, Küsnacht (50%)

³⁾ Owned by Peter R. Haist, Stetten (89%, previous year, 80%), Rhincodon Corporation Ltd, Zug (11%, previous year, 10%) ⁴⁾, Ramus Corporation Ltd, Zug (0%, previous year, 10%) ⁵⁾

⁴⁾ Owned by Amedeo C. Vaccani, Meilen (100%)

⁵⁾ Owned by Andres Zweig, Erlenbach (100%)

Disclosure of amounts due from / to related parties

in 1 000 CHF	2022		2021	
	Amounts due from	Amounts due to	Amounts due from	Amounts due to
Holders of qualified participations	-	-	-	-
Group companies	50	202	32	102
Other related parties	1 983	8 871	101	27 345

Explanations regarding conditions

The Bank confirms that all transactions with related parties have been conducted at arm's length.

Maturity structure of current assets, financial assets and liabilities

in 1 000 CHF	Due							Total
	At sight	Cancel- lable	Within 3 months	Within 3 to 12 months	With- in 12 months to 5 years	After 5 years	No maturity	
Assets / financial instruments								
Liquid assets	185 894	-	-	-	-	-	-	185 894
Amounts due from banks	116 628	-	-	-	-	-	-	116 628
Amounts due from customers	10 290	-	-	-	-	-	-	10 290
Positive replacement values of derivative financial instruments	16 890	-	-	-	-	-	-	16 890
Financial investments	165	-	-	1 003	1 943	-	-	3 111
Total	2022	329 867	-	-	1 003	1 943	-	332 813
	2021	324 427	-	-	-	2 951	-	327 378
Debt capital / financial instruments								
Amounts due to banks	168 929	-	-	-	-	-	-	168 929
Amounts due in respect of customer deposits	121 479	-	-	-	-	-	-	121 479
Negative replacement values of derivative financial instruments	16 485	-	-	-	-	-	-	16 485
Total	2022	306 893	-	-	-	-	-	306 893
	2021	305 526	-	-	-	-	-	305 526

Balance sheet by domestic and foreign countries

in 1 000 CHF	2021		2020	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	185 894	-	238 605	-
Amounts due from banks	93 146	23 482	56 849	13 385
Amounts due from customers	2 674	7 616	2 282	693
Positive replacement values of derivative financial instruments	16 890	-	12 449	-
Financial investments	2 185	926	2 203	912
Accrued income and prepaid expenses	2 724	-	2 406	-
Participations	-	13	-	14
Tangible fixed assets	1 638	-	2 037	-
Other assets	331	-	273	-
Total assets	305 482	32 037	317 104	15 004
Liabilities				
Amounts due to banks	110 676	58 253	96 569	69 499
Amounts due in respect of customer deposits	1 438	120 041	1 521	125 397
Negative replacement values of derivative financial instruments	16 390	95	12 249	291
Accrued expenses and deferred income	2 502	-	2 454	-
Other liabilities	1 254	-	745	-
Provisions	30	-	213	-
Bank's capital	12 000	-	12 000	-
Statutory capital reserve	4 549	-	4 549	-
Statutory retained earnings reserve	1 564	-	1 564	-
Profit carried forward	4 957	-	1 936	-
Profit	3 770	-	3 121	-
Total liabilities	159 130	178 389	136 921	195 187

Assets by country or group of countries (domicile principle)

in 1 000 CHF	2022		2021	
	Absolute	Share as %	Absolute	Share as %
OECD countries	24 400	7.2	14 642	4.4
other countries	7 637	2.3	362	0.1
Total foreign receivables	32 037	9.5	15 004	4.5
Switzerland	305 482	90.5	317 104	95.5
Total assets	337 519	100.0	332 108	100.0

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

in 1 000 CHF	Bank's own country rating	Moody's	2022		2021	
			Net foreign exposure in CHF	Share as %	Net foreign exposure in CHF	Share as %
		Aaa – AA3	24 398	76.2	14 562	97.1
		A1 – A3	7 597	23.7	-	0.0
		Ba1 – Ba3	38	0.1	89	0.6
		Caa1 – C	0	0.0	87	0.6
		no Rating	4	0.0	266	1.8
Total			32 037	100.0	15 004	100.0

Assets and liabilities broken down by the most significant currencies for the bank

in 1 000 CHF	CHF	EUR	USD	GBP	other
Assets					
Liquid assets	185 894	-	-	-	-
Amounts due from banks	32 475	49 908	18 234	3 243	12 768
Amounts due from customers	778	109	7 773	7	1 623
Positive replacement values of derivative financial instruments	15 060	938	454	437	1
Financial investments	2 189	-	922	-	-
Accrued income and prepaid expenses	2 724	-	-	-	-
Participations	-	13	-	-	-
Tangible fixed assets	1 638	-	-	-	-
Other assets	331	-	-	-	-
Total assets shown in balance sheet	241 089	50 968	27 383	3 687	14 392
Delivery entitlements from spot exchange, forward forex and forex options transactions	492 619	351 046	295 016	37 872	54 853
Total assets	733 708	402 014	322 399	41 559	69 245

in 1 000 CHF	CHF	EUR	USD	GBP	other
Liabilities					
Amounts due to banks	35 210	57 196	28 258	10 182	38 083
Amounts due in respect of customer deposits	14 070	91 578	2 625	2 552	10 654
Negative replacement values of derivative financial instruments	14 655	938	454	437	1
Accrued expenses and deferred income	2 502	-	-	-	-
Other liabilities	1 249	4	-	-	1
Provisions	30	-	-	-	-
Bank's capital	12 000	-	-	-	-
Statutory capital reserve	4 549	-	-	-	-
Statutory retained earnings reserve	1 564	-	-	-	-
Profit carried forward	4 957	-	-	-	-
Profit	3 770	-	-	-	-
Total liabilities shown in the balance sheet	94 556	149 716	31 337	13 171	48 739
Delivery entitlements from spot exchange, forward forex and forex options transactions	639 077	252 338	291 103	28 849	20 479
Total liabilities	733 633	402 054	322 440	42 020	69 218
Net position per currency	75	-40	-41	-461	27

Breakdown of fiduciary business

in 1 000 CHF	2022	2021
Fiduciary investments with third-party companies	84 194	135 275 ¹⁾
Total fiduciary business	84 194	135 275 ¹⁾

¹⁾ Adjustment to Annual Report 2021. Amount not reported in previous year.

Details on the off-balance sheet

Managed assets

CHF Mio.	2021	2020
Type of managed assets		
Assets in collective investment schemes managed by the bank	-	-
Assets under discretionary asset management agreements	-	-
Other managed assets	-	-
Total managed assets	-	-
of which, double counting	-	-
Custody account management for financial intermediaries	11 396	10 508

The Bank does not conduct any client business of its own. The assets shown are exclusively assets of clients of other financial institutions and market participants that have been handed over to the Bank for safekeeping purposes. These custody assets also include cryptocurrencies.

Details on the income statement

Refinancing income in interest and discount income as well as from significant negative interest rates

No refinancing costs for the trading business are credited to interest and discount income.

Negative interest

in 1 000 CHF	2022	2021	Changes
Negative interest on the lending business (reduction of Interest and discount income)	1 153	1 593	-440
Negative interest on the borrowing business (reduction in interest expense)	1 882	1 713	169

Result from trading activities

in 1 000 CHF	2022	2021	Changes
Foreign exchange and notes and coins business	4 111	2 023	2 088
Precious metals business	56	646	-590
Securities trading	95	53	42
Total result from trading activities	4 262	2 722	1 540

Personnel expenses

in 1 000 CHF	2022	2021	Changes
Salaries	8 550	6 887	1 663
Social insurance benefits	1 581	1 289	292
Other personnel expenses	117	26	91
Total personnel expenses	10 248	8 202	2 046

General and administrative expenses

in 1 000 CHF	2022	2021	Changes
Office space expenses	332	291	41
Expenses for information and communications technology	8 726	7 883	843
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	5	5	0
Fees of audit firm(s) (Art. 961a no. 2 CO)	229	219	10
of which, for financial and regulatory audits	168	163	5
of which, for other services	70	56	14
Other operating expenses	3 476	3 047	429
Total general and administrative expenses	12 768	11 445	1 323

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

in 1 000 CHF	2022	2021
Expenses for current taxes	947	792
Total taxes	947	792
Average tax rate weighted on the basis of the operating result	20.08	20.24

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

Material losses / profit

In the financial year, a larger settlement gain (TCHF 50) resulted due to incorrect handling.

Value adjustments and provisions released

In the financial year the provisions recognized in 2021 for expected costs in connection with an old legal case were utilized (TCHF 183).

Significant release of hidden reserves

No hidden reserves were released during the financial year.



Report of the statutory auditors

Report of the statutory auditor

to the General Meeting of Incore Bank AG, Schlieren

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Incore Bank AG (the Company), which comprise the balance sheet as at 31 December 2022, income statement and statement of changes in equity for the year then ended and notes to the financial statements, including the accounting and valuation principles.

In our opinion, the financial statements (page 28 until 55) 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.

Other information

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

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 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

PricewaterhouseCoopers AG, Birchstrasse 160, P.O. Box, CH-8050 Zurich, Switzerland
Telephone: +41 58 792 44 00, www.pwc.ch

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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: <http://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.

PricewaterhouseCoopers AG



Thomas Romer
Audit expert
Auditor in charge



Adrian Oehri
Audit expert

Zurich, 27 March 2023





InCore Bank Ltd

Wiesenstrasse 17

CH-8952 Schlieren / Zurich

Telefon +41 44 403 93 00

Telefax +41 44 403 93 01

information@incorebank.ch

www.incorebank.ch