ARAB BANK
SWITZERLAND

61ST ANNUAL REPORT 2022

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ARAB BANK (SWITZERLAND) LTD.

SUMMARY

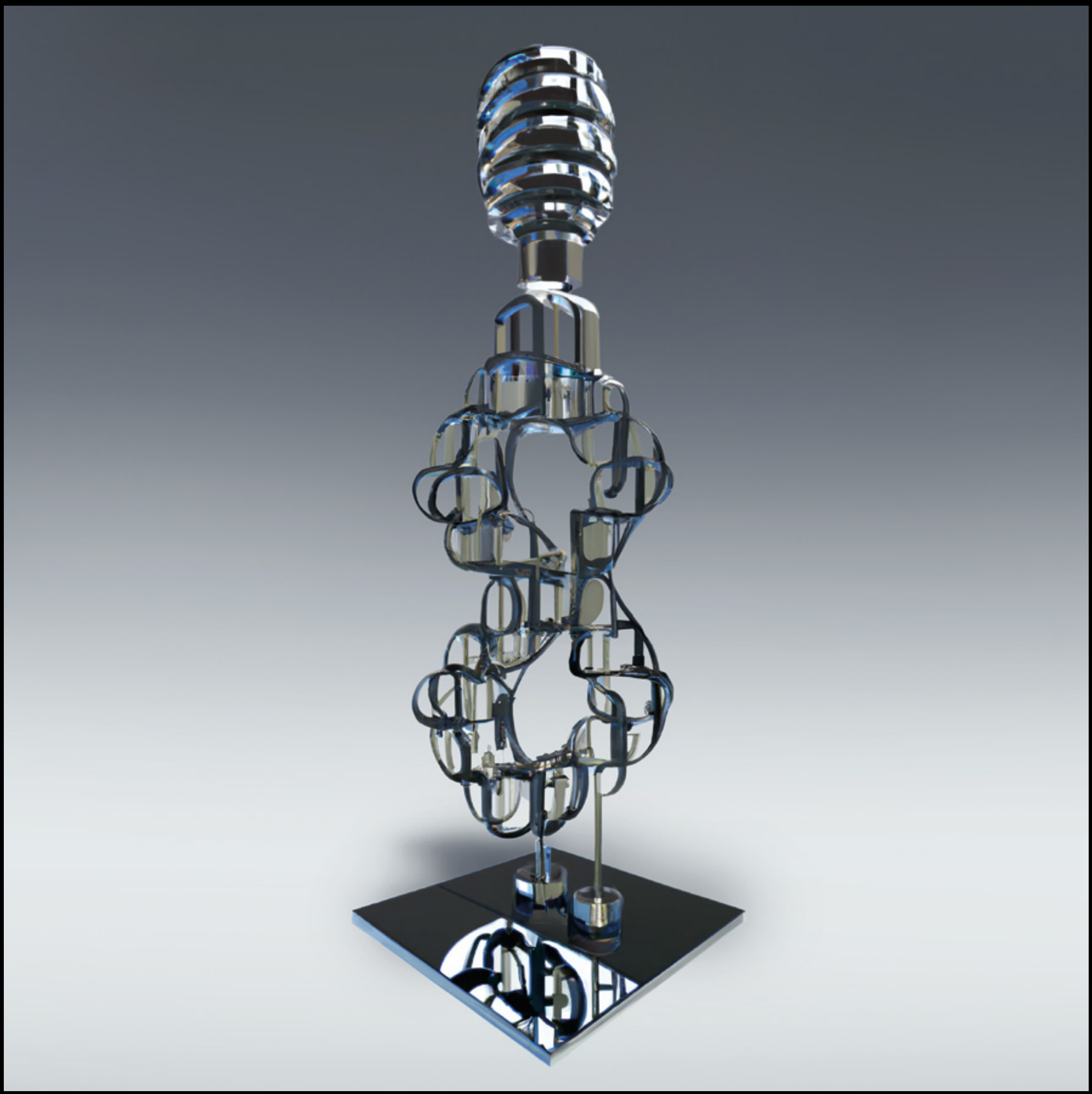
AI ART
IS NOT ART ?

Last year's annual report was about "The Virtual Madness of NFTs" in which we announced, "watching closely the developing trends in the NFT space". A crypto winter later, given the resilience of the Art market in general and Digital Art NFTs in particular, we have decided to position ourselves as a custodian of choice of Digital Art NFTs, as well as a collector and a promoter of artists. Indeed, we are the first bank to start a Digital Art collection (check our website : https://artbyarabbank.ch) and to launch an annual prize dedicated to Digital Art. We believe we are witnessing a new era in Art that will be considered as a major turning point by future generations.

One sector of Digital Art in particular is making headlines, especially since the successful launch of ChatGPT in November 2022; Artificial Intelligence (AI) generated art.

This 75 million usd art category went from "AI art is not art" to the most sought after genre. Prices of the top 10 collections surged three fold since the end of 2022. The top artists in that category are: Obvious, Claire Silver, Refik Anadol, Pindar Van Arman, Roope Rainisto, Robbie Bharat, Helena Sarin. They have all been linked to reputable institutions such as MOMA, Pompidou, LACMA, Sotheby's, Christie's etc….

To illustrate this annual report we have decided to use AI and have prompted it to generate dematerialised sculptures representing the singular characteristics of Digital Assets.



ARAB BANK ANNUAL REPORT 2022

Arab Bank (Switzerland) Ltd. is an independent company founded in 1962 according to Swiss law, specialized in wealth management for a sophisticated clientele, in trade finance activities and in treasury activities.

The Bank operates also via its subsidiary Arab Bank (Switzerland) Lebanon S.A.L., Lebanon and cooperates with its associate company Ubhar Capital SAOC, Oman.

Arab Bank (Switzerland) Ltd. is a sister company of Arab Bank PLC, Amman (Jordan), a leading financial institution, which has a wide network in the Arab world and major financial centres.

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Board of Directors
Wahbe A. Tamari Chairman
Jean-Pierre Roth Vice-Chairman*
Alessandro Bizzozero Member*
Pierre-Olivier Fragnière Member*
Omar M. Kamal Member*
Gérard Lohier Member*
Claude Suchet Member*

*Reference of independent board member according to FINMA circular 2017/1

Executive Management
Serge Robin CEO
Jean-Pierre Daccache Head Wealth Management, Deputy CEO
Mark de Snaijer COO
Rani Jabban Head of Treasury
Rachid Jami Head of Credit
Imed Khammari CRO
Jean-Yves Mathey-Doret Head of Compliance
Patrick Pillon Head of Legal
Richard Rochat CFO
Stéphane Sépède Head of Commodity Trade Finance

Internal Audit
Marie-Françoise Assar

Auditors
Ernst & Young SA

MESSAGE OF CHAIRMAN AND CEO

Dear Customers,
Dear Shareholders,

Arab Bank (Switzerland) Ltd. has celebrated its 60th Anniversary in 2022, reaffirming its unique positioning as a major cultural partner in Geneva and as a pioneer in Digital Assets. Between Orient and Occident, between Tradition and Modernity, between Physical and Digital Art we have explored different worlds from the Orchestre de Suisse Romande to Trio Joubran and finishing with obvious, the artists behind the first major sale by Christie's of an Artificial Intelligence generated Art.
As a pioneer in Digital Assets we have introduced the custody of Digital Art NFTs as a new service, because we reckon that Digital Art will be a major genre in the coming years. Indeed, as a bank we can offer safe custody and a seamless inclusion of an art collection in the financial wealth of our clients.
Furthermore, ABS has started its own collection of Digital Art NFTs and has created the first corporate yearly award dedicated to Digital Art.
More than ever we want to remain at the cutting edge of innovation and a major actor in the Digital Assets ecosystem. The FTX debacle has actually vindicated our initial choice to build our offering on a safe institutional grade custody solution that we fully control and then plug in trading and other services.

For us regulation of the sector is unavoidable and needed protect investors from scams, and fraudulent practices. However, we still think that we are witnessing just the beginning of a major shift that was started by the publication of the Satoshi white paper in 2008.

The game changer of this year or we should say the epoch making milestone was definitely the Strategic Partnership that we signed with Bank Gonet & Cie S.A. We took a majority stake in one of the oldest genuine Swiss Private Banker. This venture will allow us to almost double our AuMs in one transaction, it opens a completely new line of client base, mainly Swiss clients, but also international customers outside the Middle East, which remain our natural Landscape. Also, as we are ambitious to roll-out an acquisition strategy in Europe and more particular in Switzerland, this unique brand will allow us to position ourselves as a credible consolidation's player.

2022, unlike in the past two decades, where investors could largely rely on the traditional asset-allocation trade, that bond investments protect when equities sell off. Bond markets saw the biggest correction in modern times on central banks rushing in to reign high inflation, which hit the highest levels since the early 1980s. Stock markets had to recalibrate, working off excesses of economic stimulus and leverage. Our focus was on delivering good investment advices and actively managing the asset allocation. Our view that the post-pandemic world will have characteristics of stagflationary tendencies helped us to anticipate the challenges. The world has entered a secular inflationary

environment with disinflationary periods in between. The structural problems remain on the commodity shortages, the negative consequences from the large fiscal spending and the de-globalization. The prize of taming inflation will come at the cost of a slowdown in economic growth and increase of unemployment.
With the escalated geopolitical situations, the unthinkable happened. The Russia-Ukraine war has higher commodity prices as a consequence. But also the tremors in the crypto space will have ramifications on the financial world. All that while Covid has remained an unpredictable variable. Market volatility can be expected to persist given the many moving parts. The world witness a macro shifts like not many before. However, with global markets pricing in a recession for 2023, the pressure will mount on policy makers to act once more. As economies will undoubtedly recover, interesting opportunities lie ahead.

In a landscape full of headwinds, namely several pandemic waves, a war, a sky-high inflation, a stock market selloff and the next episode in this grim mini-series, which appears to be a potential recession, we have continued to surf on the wave, that translated in our best year ever. Total operating income, without value adjustments due to default risks, came at CHF 128 million, which translate in an increase of 61% compared to last year. Wealth Management franchise displayed a growth of 5%, Commodity Trade Finance and Treasury & FX expanded by 28% and 121% respectively.
From a "resilience" mind-set in 2020, we have moved to an "adaptability" attitude in 2021 and we managed to roll-out a one bank business model in 2022 by "cross selling" between our three disciplines around our clients & prospects. More and more complex money is requesting from us Wealth Management Solutions Trade Finance and Treasury & FX, including digital assets, offering. By now we became a unique player in the Swiss market landscape by our large scope of activity that our clients can benefit from.

Wealth Management team continued to grow by adding well in excess of CHF 912 million of net inflows thus eclipsing the

results of 2021. This growth is supported by a broadening investment offering spanning from a unique real estate platform through our open-ended fund offering and our club deal opportunities to our private equity select investments and ultimately to our advisory offering. Our business is a business of people, we have strengthened our team in all departments by making the right hires and bringing in new talent to consistently deliver the service our clients have become accustomed to. Above all, our people have proven to be a team focused on delivering a second to none service to clients, with an approach geared to problem solving in a flexible and efficient manner. This can do environment coupled with our people has helped us continue to grow our AuMs; assets under management exceeded CHF 6'000 mil-

lion; it seems just like yesterday we were still aiming to go past CHF 4'000 million.
The economic hardships in Lebanon persevere and take a turn for the worse. Still, our team in Lebanon, through sheer perseverance and hard work, managed to deliver strong results and turned the difficult situation in the country to its advantage by distinguishing itself from other providers by consistently raising the bar on the quality of service provided to clients.
Our digital platform has now been in use for over a year and is expectedly delivering a better client experience while freeing our relationship managers to be more available to support our clients. The platform is now both a tool allowing the digital onboarding of clients and supporting a comprehensive system to allow investment advisors to use a tailor made portfolio management system enhanced with all the regulatory safeguards in light of the Federal Act on Financial Services (FinSA) in force since January 2020. We will continue to enhance our digital footprint in 2023 with multiple add-ons to the existing software. In Q1 of 2023, our clients will benefit from a client portal dedicated to each client coupled with a secure digital signature which will allow us to communicate in a safe and encrypted environment all the while streamlining our ways of communication. Our ambition is to continue to develop new tools and investment products to respond to a fast changing environment with you, our clients and partners, first in mind.

CTF booked its most successful year in 2022. This was achieved in a context of increasingly negative pressures in the global macro-economic situation. The Ukrainian conflict initiated major disruption to international trade flows which triggered a spike across all key commodity markets. Prices and volatility increased across the board which required more prudent risk monitoring which the Bank continues to follow. The discipline has by now a presence in most key commodities around the globe with important volumes of trade in and around the Black Sea regions; however, our client base is agile and was able to quickly pivot to alternative markets. To continue to serve its clients and maintain the growth of the business, CTF adapted and shifted to new flows within the Bank's existing risk framework. In parallel, CTF hired seasoned bankers across the Metals and Agri desks; bringing fresh expertise in diversified geographies. New clients were on boarded within this framework, resulting in an organic growth and diversification of the business and exposures, without compromising on both the Bank's risk management and the quality of service.
It pursued the development of the franchise, enlarging its footprint across the business, entering 2023 with a stronger and more balanced positioning across all three commodity clusters.

The FI department was reinforced as well to develop newer markets and strengthen the correspondent network serving these.

As far as Treasury & FX are concerned, the lift upward of all yielded curves have allowed us to regain profitability that we had lost in the last two years. The revenue generated by the Swap business have been revamped. We also want to highlight that we have launched series of Treasury products that have allowed our clients to take advantage of our creativity in a better referential on the interest rates front.

IT, more than ever, has been the anchor of all front and support functions, as we have expanded and improved the offering, coupled with a digitalisation journey. The numbers of seasoned hires as dedicated resources and investment have allowed us to constantly raise the bar with our demanding standards as benchmark. All enhancements and developments are done to better serve our clients and continuously improve their experience while ensuring better risk controls. As projects have expanded in importance, especially in the field of Crypto currencies and Block-chain, these hired specialists have insured that IT development keeps our franchise up to speed in the ever-evolving digital ecosystem.

On behalf of our Board of Directors, Executive Committee and ourselves, we would like to thank all of our clients for trust and commitment for have embarked in a journey with us or simply have continued to walk with us in a mutual understanding and connectivity. This only thanks to their demanding needs that we have been pushed to extract the best of our platform and offering. We have continuously pursued our efforts to enhance and strengthen our platform and organization with new talents and processes to be equipped to navigate in an appropriate risk-controlled environment. Our Institution is in an ideal position to execute on all three lines of business with many cross-selling opportunities. In 2022, Trade Finance activity, which after having been launched in 2021, has become a true business contributor this year, by aiming to finance both consumer goods and various commodities on behalf of Wealth Management clients, Forex and Digital Assets that serves all type of client base from CTF to Private Clients.

We would also like to thank our shareholders for their continuous support, as well as our colleagues, who delivered a stellar performance last year in terms of qualitative and quantitative results through sheer dedication and an unwavering commitment to the highest standards of professionalism despite an ever challenging paradigm in terms of geopolitical and economic paradigm.

Wahbe A. Tamari	Serge Robin
Chairman	CEO

BOARD OF DIRECTORS

THE BOARD OF DIRECTORS IS COMPOSED OF SEVEN NON-EXECUTIVE MEMBERS, CHAIRED BY MR WAHBE A. TAMARI.

Wahbe A. Tamari
Chairman of the Board of Directors
Chairman of the Remuneration Committee
Member of the Board Credit Committee

Wahbe A. Tamari is a graduate of Webster University Geneva, with a bachelor's Degree in Management and is a Harvard Business School Owner/President Management (OPM43) Program Alumni.

Currently, he is Chairman of Arab Bank (Switzerland) Ltd, Member of the Board of Arab Bank PLC, Vice Chairman of Oman Arab Bank, Chairman of Arabia Insurance Company SAL and he also serves on various committees.

Mr Tamari sits on the Board of several real estate companies including Solidere International Ltd (Dubai) and other family held companies in Switzerland and abroad.

Mr Tamari has over 40 years' experience in banking, wealth management, commodities trading, real estate and insurance. He started his career at Sucafina S.A, one of the leading coffee trade houses in the world, where he held several positions from trader to CEO and now sits on its Board among others of several organizations including The Tamari Foundation.

He belongs to the Board of LIFE (Lebanese International Finance Executives) and is a member of the Welfare Association and YPO Gold Alpine Chapter and Emirates Gold (Young President Organization Gold).

Jean-Pierre Roth
Vice-Chairman of the Board of Directors
Vice-Chairman of the Remuneration Committee

Jean-Pierre Roth, completed his doctorate in economics in Geneva at the Graduate Institute of International Studies. In 2009, the University of Neuchâtel awarded him an honorary PhD in economics. He joined the Swiss National Bank in 1979. On 1 May 1996, the Federal Council appointed him Vice-Chairman of the Governing Board of the SNB and Chairman (Governor) on 1 January 2001.

Mr Roth represented Switzerland as Governor of the Washington-based International Monetary Fund (IMF). From 1 March 2006 to the end of February 2009, he was Chairman of the Board of Directors of the Bank for International Settlements in Basel. At the end of March 2007, he was designated Switzerland's representative in the Financial Stability Forum. He retired from the SNB on 31 December 2009.

Mr Roth is now member of the Board of Directors of the Swatch Group, Chairman of MKS PAM Group (UK) and active in the Board of various Swiss Foundations. He is Vice-chairman of Arab Bank (Switzerland) Ltd. and Chairman of Arab Bank Switzerland (Lebanon) since 2019.

Alessandro Bizzozero
Member of the Board of Directors
Chairman of the Board Audit & Risk Committee
Member of the Board FinTech Committee

Alessandro Bizzozero obtained his Doctorate in Law at the University of Fribourg.

Mr Bizzozero has more than 30 years of experience in the banking and regulatory field. He started his career at the Swiss Federal Banking Commission (today FINMA) where he was deputy Director of the Department of banking authorizations and mutual funds. He then joined one of the big four audit companies as Director in charge of the Regulatory Department. He was also Chief Group Compliance Officer of an important Banking Group in Geneva. Finally, he set up BRP Bizzozero & Partners S.A., one of the worldwide leaders in cross-border financial regulation.

Former Director of the CAS in Compliance Management and lecturer at the University of Geneva, Mr Bizzozero also teaches at the HEG ARC of Neuchâtel and at the Centro Studi Villa Negroni of Lugano. He is also the author of several publications, including « Financial cross-border activities into and out of Switzerland ».

Mr Bizzozero is member of the Board of Directors of two other Swiss banks.

Pierre-Olivier Fragnière
Member of the Board of Directors
Member of the Board Credit Committee

Holder of a federal bank employee's certificate - the Professional Business School's diploma - and the UBS Banking and Management School diploma. Worked during all his career for large international banks and few years in the oil industry. Former member of various boards of directors in the banking sector and international companies.

In 2000, he joined Banque Cantonale de Genève for setting up and developing a specialised international trade financing unit.

From 2011 to 2019 member of the executive management board, and headed the bank’s international corporate and private banking division, contributing to the development of Banque Cantonale de Genève in both Switzerland and internationally.

Gérard Lohier
Member of the Board of Directors
Chairman of the Board Credit Committee
Member of the Board Audit & Risk Committee
Member of the Board FinTech Committee

Gérard Lohier joined in 1960 a French Banking Group which became through successive mergers BNP Paribas. He was given Commercial assignments in France and French Overseas Territories before being nominated Inspector and then Chief Inspector at Group level (1976).

In this position, Mr Lohier acquired the International exposure and banking expertise that lead to further overseas assignments:

Deputy General Manager, International Division UBA Lagos (1980),
Deputy General Manager BNP Switzerland Basel (1982),
Managing Director BNP International Financial Services Singapore (1985),
General Manager BICI de Côte d'Ivoire Abidjan (1988), Head of Territory BNP Paribas Switzerland Geneva (2000).

In the midst of his International career, Mr Lohier was nominated in Paris, Deputy General Manager of BNP Intercontinental (1992), Secretary General of BNP Investment Banking (1994) and, as Group Head of Corporate Banking (1997), member of the Bank's Group Executive Committee.

Mr Lohier was thus involved operationally and through his various Board positions, in almost all aspects of banking.

Dr Omar Kamal
Member of the Board of Directors
Chairman of the Board FinTech Committee
Member of the Board Credit Committee

Omar Kamal has more than 20 years' experience in the field of financial services. He was first a partner with Ernst & Young on the advisory and consulting side and then one of the initial founders and the CIO of a regional bank in the Middle East. Until August 2015, he was the co-Group CEO of a business group owned by a prominent family with global reach based in Geneva, Switzerland. For the last several years, Mr Kamal has been active in the space Venture Capital; his key focus has been FinTech domain.

Mr Kamal serves now on the board of a number of listed and unlisted companies amongst others, Tharisa mining (FTSE listed). In his various positions, he brings always a strategic contribution towards digital innovation and transformation.

Mr Kamal is a member of the Young President Organisation (YPO) and a Board member of YPO London Star.

Claude Suchet
Member of the Board of Directors
Member of the Board Audit & Risk Committee

Claude Suchet is Swiss-certified Banking Expert and Swiss-Certified chartered accountant. He was active by several Swiss banks from 1974 until the middle of the year 1991. At this date, he joined the supervision division of the Swiss Federal Banking Commission. Mr Suchet became in 2009 member of the Swiss Financial Market Supervisory Authority FINMA, in the context of the merge of the Authority in charge of the supervision of insurances and the Banking Commission.

In this new authority, the main task of Mr Suchet was the global monitoring of the banking prudential audit made by the external recognized audit firms. He was also regularly engaged in regulatory projects and initiatives. He was member of the special unit in charge notably of the Swiss accounting rules for banks. In this context, Mr Suchet was the observer of the FINMA by the Swiss GAAP FER. Finally, Mr Suchet was engaged by different international working groups created by the Basel Committee on banking supervision.

Mr Suchet retired from the FINMA on 30 June 2019. He his member since July 2019 of the Board of Arab Bank (Switzerland) Ltd. and its audit and risk committee. He collaborates with schools engaged in higher banking education and occasionally carries out consulting mandates for Swiss banking institutions.

EXECUTIVE COMMITTEE

THE EXECUTIVE COMMITTEE IS COMPOSED OF TEN MEMBERS, CHAIRED BY MR SERGE ROBIN.

Serge Robin
Chief Executive Officer (CEO)

Graduate in Economics and Quantitative analysis, Serge has 35 years' experience in Asset Management & Research, as well as client facing roles, and 25 years in the management of sizeable teams, including at CEO level.

After having spent a year as an auditor, Serge joined Lombard Odier as a research analyst on the Japanese market. He became Head of Research in 1994 and Head of Asset Management & Research in 1999. He was in charge of more than 200 staffs located in Geneva, Zurich, Amsterdam, London, Montreal and Hong-Kong. His team was managing both institutional and private money across all type of mandates and asset classes, including sectorial specialized funds, notably in the life science and technology domains. He also opened the Tokyo office, a marketing hub to develop Private Clients.

Serge then joined UBS in 2001 as Managing Director within a team whose mission statement was to build the « Family Business Group », a center of competence taking care of UHNW clients worldwide, which was renamed "Key Clients" later on.

In 2005, he was appointed CEO of Merrill Lynch Bank (Suisse) S.A. His mandate was to design and implement a growth strategy for Institutional and Private Clients with a focus on the Swiss onshore market. He revamped the whole management functions, structure and organization to support the growth plans.

In 2010, he joined Gonet, a Swiss Private Bank, as a Managing Partner.
Since 2018, he is the CEO of Arab bank (Switzerland) Ltd.

Jean-Pierre Daccache Head of Wealth Management (Deputy CEO)

Jean-Pierre is the holder of a Juris Doctor degree, he practiced law in the United States and internationally and has served as Legal Consultant in various capacities.

Prior to joining Arab Bank (Switzerland) Ltd., Jean-Pierre was a Managing Director and Global Sector Head at HSBC Private Bank where he managed the Upper-Gulf, Levant and North Africa region. He served on various regional and local executive committees.

Prior to HSBC, he was a Principal at Capital E advisors in New York, a boutique private equity firm. Earlier, he served as co-head of the MENA and Western European wealth management division at The Bank of New York in New York.

He is currently an active member of LIFE and was previously elected for two terms on its Board of Directors. Jean-Pierre is also actively involved with SEAL, a charitable organization registered as a 501 (C3) in the State of New York.

Rani Jabban
Head of Treasury and Financial Institutions

Rani is the holder of a Msc. in Economics and a graduate from Magistère Banque Finance from University Paris 2 Pantheon-Assas (1994).

In 1995, Rani worked as a Forex and Treasury dealer at BFO London (Credit Agricole group) and joined Credit Agricole (Suisse) S.A as senior manager FX advisory in 2000.

Since 2009, he is the Head of Treasury at Arab Bank (Switzerland) Ltd. Appointed to the Executive Committee in 2014, he is now in charge of Treasury, Trading, Financial Institutions and Marketing.

Richard Rochat
Chief Financial Officer

Richard holds an economic degree from the University of Geneva and is a Swiss Certified Public Accountant.

In 1994, Richard started his career as auditor at Ernst & Young. In 2008, he took the role of Head of Finance and Risks, member of the Executive Committee, in a newly implemented foreign bank branch in Switzerland. From 2009 to 2012, he was an auditor at KPMG and was an authorized banking auditor by the Swiss Financial Market Supervisory Authority FINMA.

Richard has been Chief Financial Officer and a member of the Arab Bank (Switzerland) Ltd. Executive Committee since 1 August 2012. Since 2014, he also chairs the Pension Fund of Arab Bank (Switzerland) Ltd.

Stéphane Sépède Head of Commodity Trade Finance

Stéphane has an established track-record in Commodity Trade Finance ("CTF") of over 20 years at top-tier institutions in Geneva.

He started at BNP Paribas in 2000, joining ING later in 2004 as a Relationship Manager. He became a Member of the Management in 2008. In 2010, Stéphane was hired by Société Générale to launch the CTF activity as Head of Operations. The Bank appointed him as Managing Director in 2014. He was instrumental in deploying blockchain ventures in the CTF ecosystem.

From 2018 and before joining Arab Bank (Switzerland) Ltd. in December 2020, Stéphane developed Advisory Services; notably in operational, credit and compliance risk domains.

Rachid Jami Head of Credit

Rachid is holder of a MSc. in economics from the Hassan II University of Casablanca.

Prior to joining Arab Bank (Switzerland) Ltd., he began his financial career in 2000 in Switzerland at American Express Geneva, followed by Banque Migros SA. He then joined Société Générale Suisse SA and BNP Paribas Suisse SA where he worked as a Senior Credit Analyst.

Rachid joined Arab Bank (Switzerland) Ltd. in May 2011 as Head of Credit. He was appointed to the Executive Committee in May 2018. Additionally, he serves as Deputy Chairman of the Bank's Credit Committees and acts as Secretary of the Board of Directors Credit Committee. He was Board Member of Arab Bank Pension Fund from 2014 to 2017 representing the Bank's employees.

Imed Khammari Chief Risk Officer

Imed holds a Master's Degree in Banking and Finance from the University of Lausanne.

From 2006 to 2012, he occupied the position of deputy Chief Risk Officer at Tradition Group. Before that, he worked for EFG group as senior risk auditor from 2003 to 2006. From 1998 to 2003, he was a risk manager at Ernst & Young.

Since June 2012, he occupies the position of Chief Risk Officer of Arab Bank (Switzerland) Ltd. and was appointed to the Executive Committee in April 2018.

Patrick Pillon Head Legal

Patrick holds a law degree from the University of Geneva and was admitted to the Geneva bar in 1997.

After working several years as a partner in a law firm in Geneva (Woodtli & Associés), he joined an international financial institution based in Switzerland (BNP Paribas Suisse SA) in 2000 as member of the Management and senior legal counsel specialized in commodity trade finance activities.

In 2009, he joined Arab Bank (Switzerland) Ltd. where he was appointed to the Executive Committee in May 2012. He is responsible for the Legal function and acts in addition as Secretary of the Board of Directors and of the Board Audit & Risk Committee.

Mark de Snaijer Chief Operating Officer

Mark is the holder of a doctorate in economics, thesis in industrial economics from the University of Berne.

During the 90ies and the first half of the 20ies, Mark worked at different sized banks as credit analyst, researcher, chief of staff and head of business development. From 2006 until 2009, he worked for Bank CIC (Suisse) in Basel, first as Head of Operations and Deputy COO and from 2007 as COO and member of the Executive Committee.

In 2010, he joined Arab Bank (Switzerland) Ltd., first as deputy COO and Head Client Services & Logistics, and in 2012 as COO and member of the Executive Committee. He is also the QI responsible officer of the Bank.

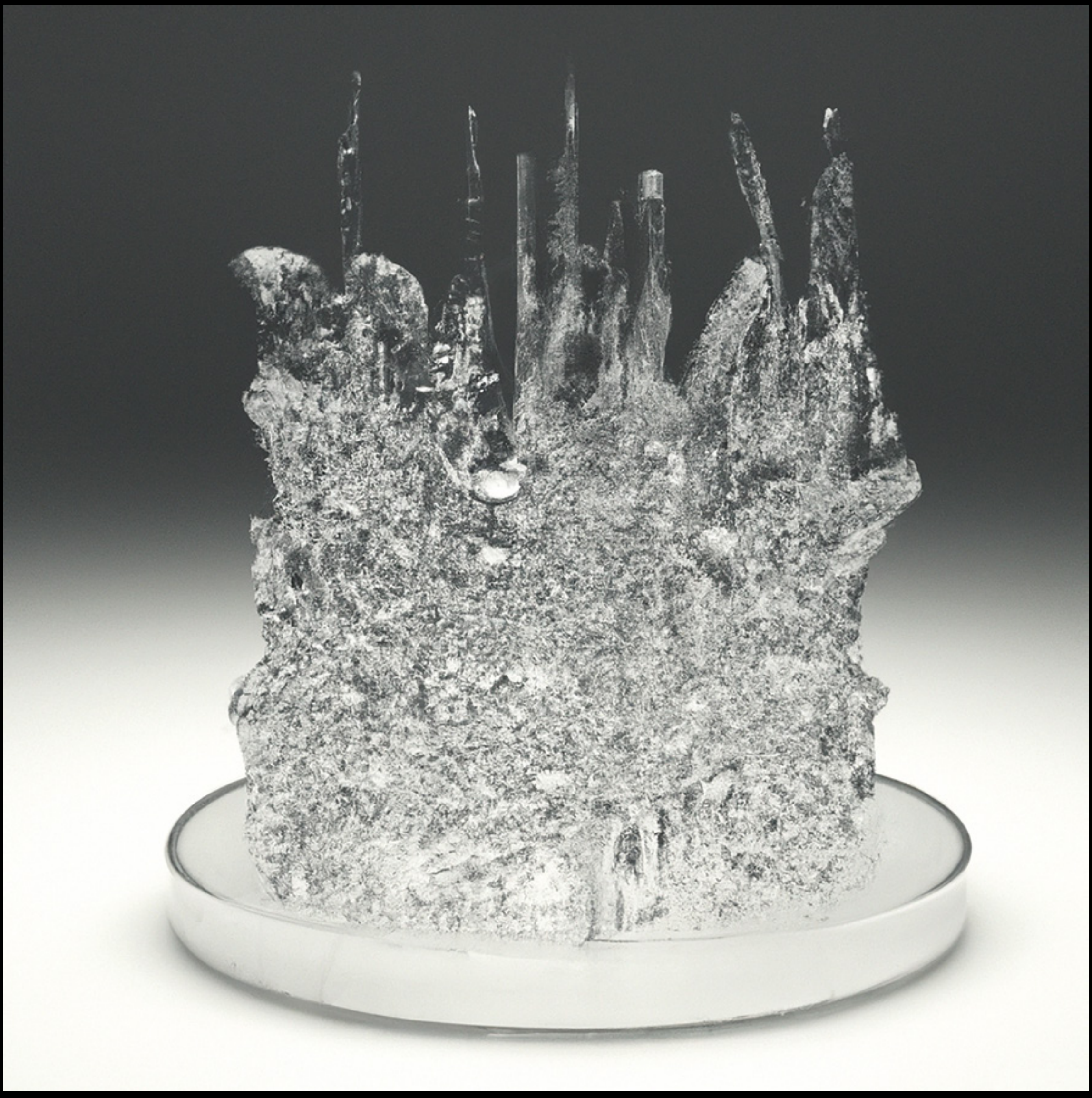
Jean-Yves Mathey-Doret Chief Compliance Officer

Jean-Yves has more than 25 years' involvement in the banking industry (financial and regulatory Audit, Finance and Compliance).

He holds an economic degree from the University of Geneva and is a Swiss Certified Public Accountant.

Jean-Yves started his career in 1985 in the audit field, as an auditor at Credit Suisse for a period of 13 years and then for Ernst & Young up to 2001. From 2001 until 2007, he worked as financial controller and deputy of the CFO for Bank Safdié in Geneva. He served as Compliance Swiss Region Head for Lombard Odier Group from 2007 until 2018 and as Chief Compliance Officer from 2018 until 2021 at Banque Cantonale Vaudoise.

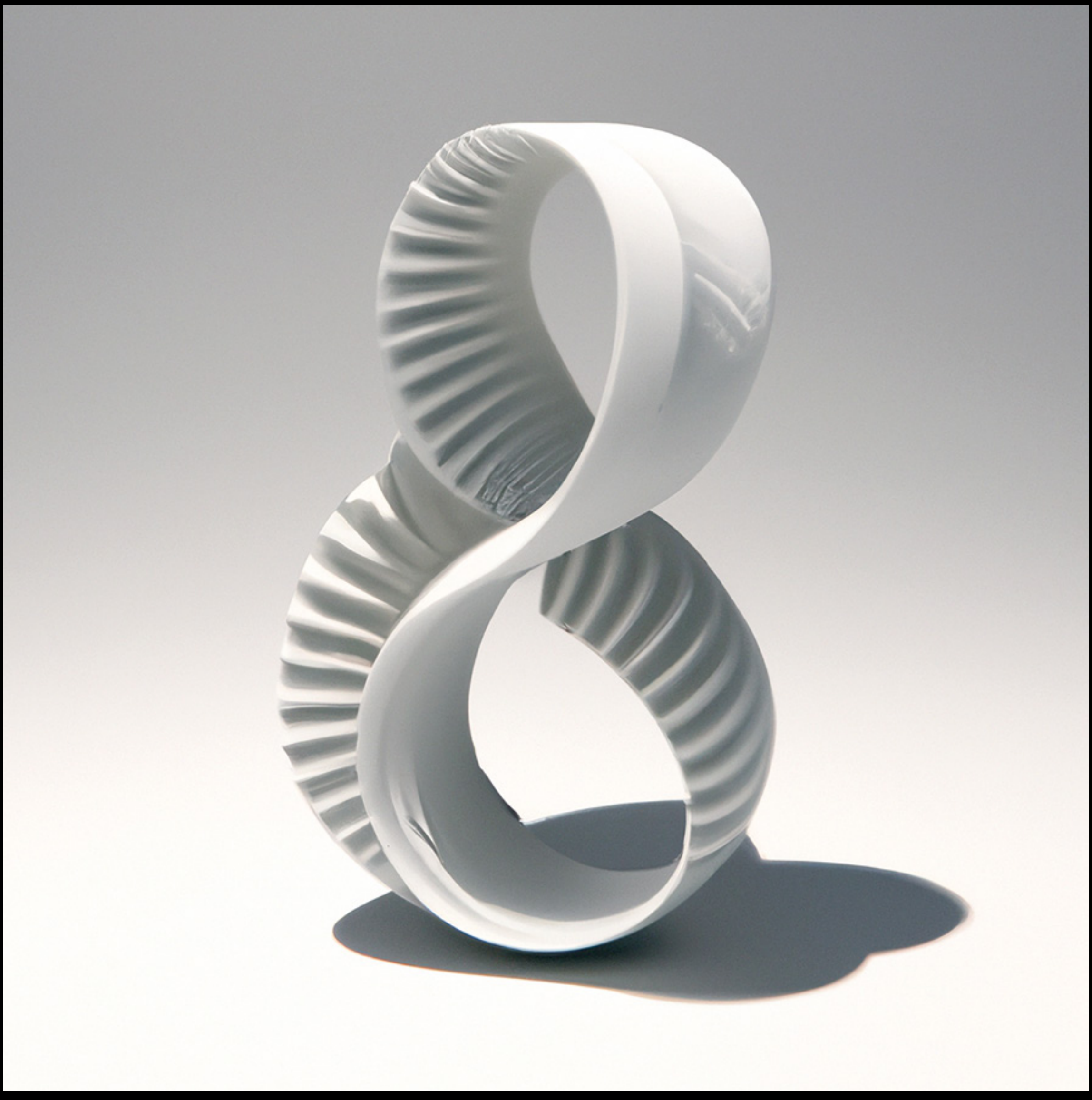
He joined Arab Bank (Switzerland) Ltd. in September 2021 as Chief Compliance Officer and member of the Executive Committee.



CONSOLIDATED FINANCIAL STATEMENTS 2022

CONSOLIDATED FINANCIAL HIGHLIGHTS

CHF MILLION	2022	2021	VARIANCE	VARIANCE %
Balance Sheet				
Balance sheet total	5 039	5 309	- 270	- 5
Amounts due from customers	1 210	1 397	- 187	- 13
Trading portfolio and financial investments	569	668	- 99	- 15
Shareholders' equity (before profit distribution)	609	575	34	6
Income Statement				
Results from interest operations	38	22	16	73
Results from commissions from business and services	55	45	10	22
Net income from trading operations	26	13	13	100
Other results from ordinary activities	0	- 2	2	100
Operating expenses	- 70	- 55	- 15	27
Gross Profit	49	23	26	113
Depreciation, provisions, value adjustments and losses	- 2	- 2	0	0
Operating result	47	21	26	124
Net extraordinary results, and change in reserves for general banking risks	- 5	- 1	- 4	400
Taxes	- 10	- 5	- 5	100
Consolidated profit for the period	32	15	17	113



COMMENTS ON CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET

Consolidated Income Statement

The group reported a net income of CHF 32.4 million for 2022, compared with CHF 15.2 million for 2021.
The three business lines, Commodity Trade Finance, Wealth Management and Treasury increased their operating income over 2022. The Wealth Management business performed well during a challenging year, attracting CHF 912 million in net new money and recording a 5% increase in operating revenues. The Commodity Trade Finance business recorded growth in operating revenues of 28% thanks to a strong increase in its activity volumes and profitability. Treasury raised its operating revenues by 121%, mainly thanks to interest results and to a lesser extent forex income.

Total operating income came to CHF 119.3 million, compared with CHF 78.5 million in the previous year.

Net interest income ended at CHF 38.2 million for 2022, compared to CHF 21.9 million for the previous year, driven by increase in interests rates. Commissions from business and services reached CHF 54.6 million, 20% higher than previous year, mostly attributable to the Wealth management and Commodity Trade Finance activities. The results from trading operations stood at CHF 25.8 million.

Operating expenses remain well controlled, totaling CHF 70.1 million for 2022. As a result, the bank reported a cost/income ratio of 59%, compared to 68% in 2021.

Consolidated Balance Sheet and Off-Balance Sheet

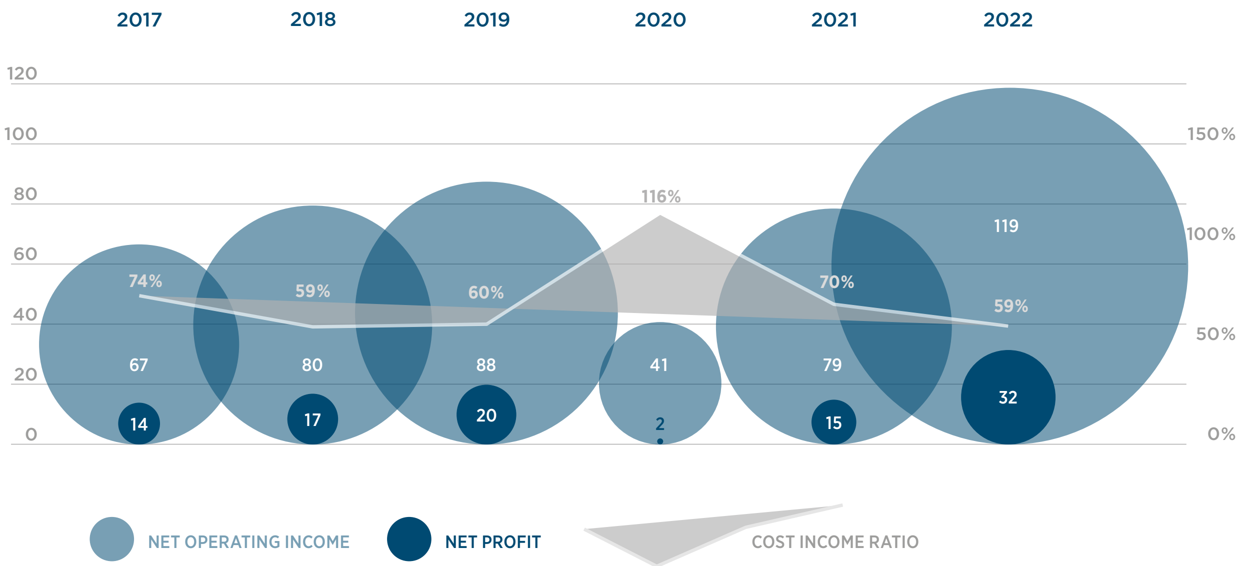
The bank's consolidated total assets decreased by 5% in 2022 to CHF 5.0 billion. The balance sheet remains liquid with an average balance of CHF 1.1 billion kept at the Swiss National Bank over the course of the year. Additionally, the bank holds over CHF 500 million in liquid securities. As such, the liquidity coverage ratio of Arab Bank (Switzerland) Ltd. is more than three times over the regulatory minimum.

Loans to customers were at CHF 1'210 million. The bank's mortgage book remains contained at CHF 177 million.

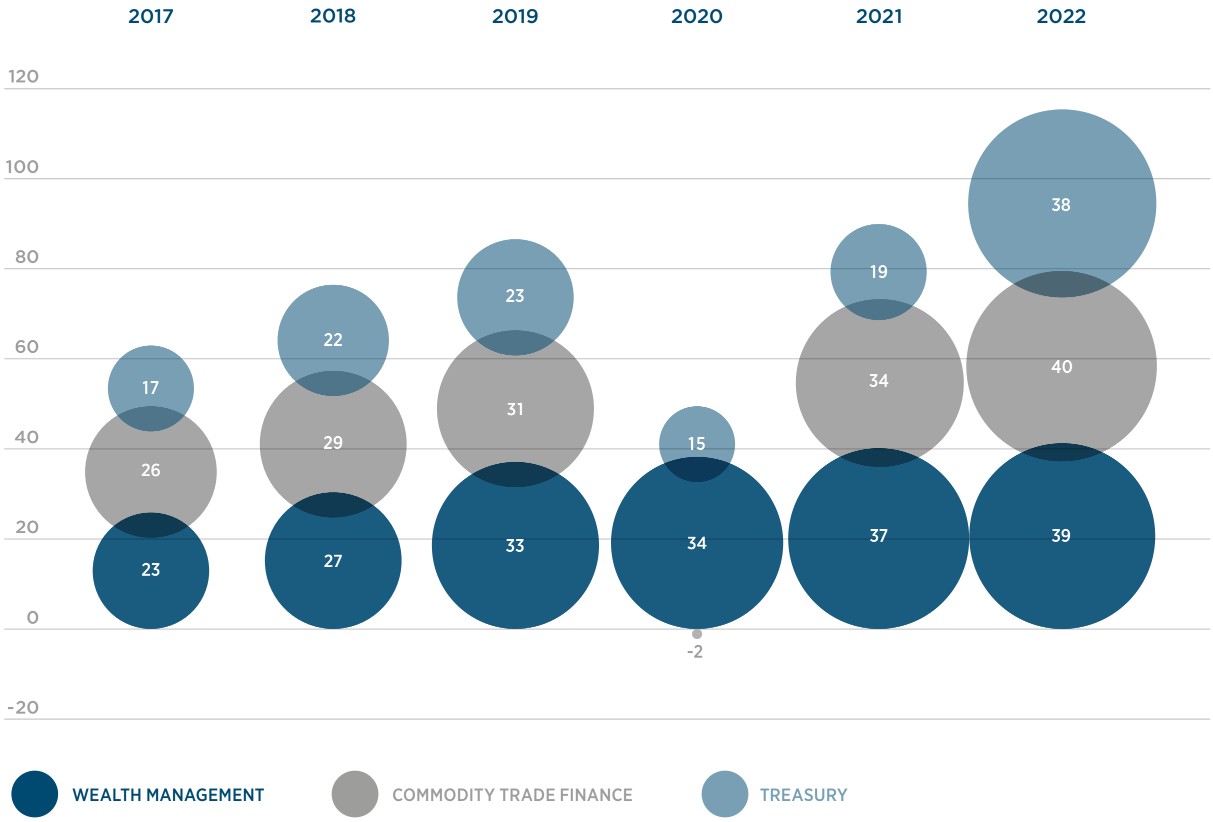
At year-end 2022 consolidated equity amounted to CHF 605.9 million (CHF 574.6 million at the end of 2021). The capital adequacy ratio remains well above regulatory requirements.

Assets under management have been on a rising trend in recent years and exceeded CHF 6.0 billion as of December 31, 2022.

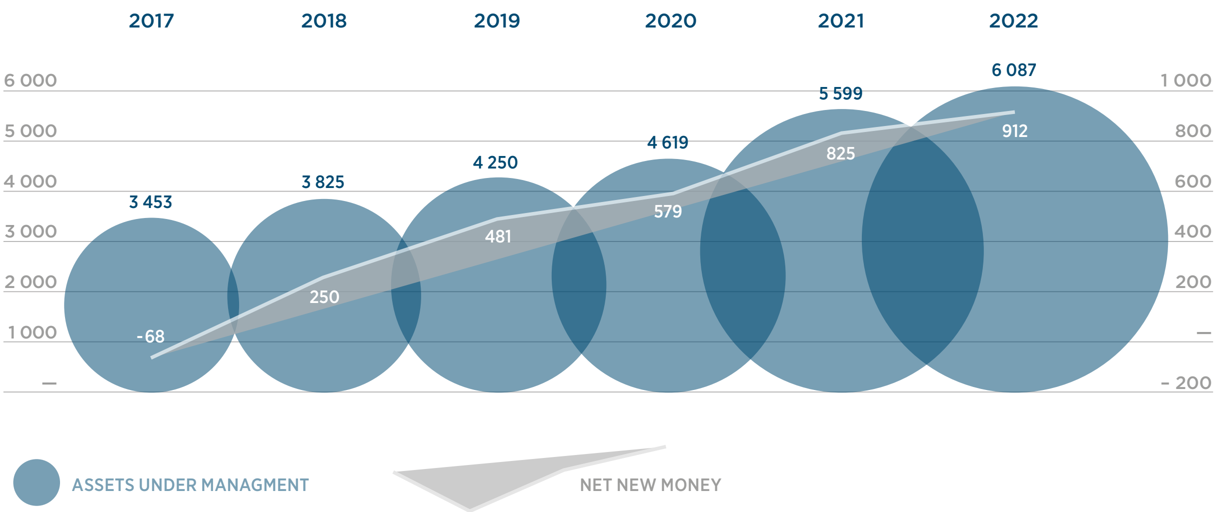
GLOBAL PERFORMANCE EVOLUTION
(IN MILLION CHF)



GROSS OPERATING INCOME BY BUSINESS LINE
(IN MILLION CHF)



ASSETS UNDER MANAGEMENT EVOLUTION
(IN MILLION CHF)



CONSOLIDATED BALANCE SHEET AND OFF-BALANCE SHEET TRANSACTIONS

AT DECEMBER 31, 2022

CHF	2022	2021	VARIANCE
Assets			
Liquid assets	816 408 605	1 188 882 543	- 372 473 938
Amounts due from banks	2 152 548 239	1 793 631 388	358 916 851
Amounts due from customers	1 210 452 462	1 396 772 480	- 186 320 018
Mortgage loans	177 343 440	187 667 999	- 10 324 559
Trading portfolio	8 370 978	21 390 925	- 13 019 947
Positive replacement values of derivatives	42 437 516	17 999 741	24 437 775
Financial investments	560 992 054	646 425 877	- 85 433 823
Accrued income and prepaid expenses	29 699 480	14 307 757	15 391 723
Participations	9 164 727	8 757 612	407 115
Tangible fixed assets	28 736 449	29 813 595	- 1 077 146
Other assets	2 708 905	3 559 191	- 850 286
Total assets	**5 038 862 855**	**5 309 209 108**	**- 270 346 253**
Total subordinated claims	115 691 800	114 121 371	1 570 429
Of which with conversion obligation and/or debt waiver	*0*	*0*	*0*
Liabilities			
Amounts due to banks	1 713 804 482	1 924 104 563	- 210 300 081
Amounts due to customers	2 608 927 464	2 743 036 396	- 134 108 932
Negative replacement values of derivatives	53 711 853	33 143 053	20 568 800
Accrued expenses and deferred income	49 436 829	28 017 416	21 419 413
Other liabilities	3 765 952	3 841 431	- 75 479
Provisions	3 313 535	2 432 054	881 481
Reserves for general banking risks	94 222 626	89 001 141	5 221 485
Share capital	26 700 000	26 700 000	0
Retained earnings	453 774 818	443 871 276	9 903 542
Reserves for currency translation	- 1 229 987	- 162 253	- 1 067 734
Consolidated profit for the period	32 435 283	15 224 031	17 211 252
Total liabilities	**5 038 862 855**	**5 309 209 108**	**- 270 346 253**
Off-balance sheet transactions			
Contingent liabilities	1 072 358 717	998 246 657	74 112 060
Irrevocable commitments	90 509 996	41 377 473	49 132 523
Credit commitments	141 603 076	9 145 683	132 457 393

CONSOLIDATED INCOME STATEMENT

AT DECEMBER 31, 2022

CHF	2022	2021	VARIANCE
Results from interest operations:			
Interest and discount income	69 254 424	21 782 843	47 471 581
Interest and dividend income from trading portfolio	11 548	10 937	611
Interest and dividend income from financial investments	8 255 951	5 245 595	3 010 356
Interest expense	- 30 794 246	- 4 130 345	- 26 663 901
Gross results from interest operations	**46 727 677**	**22 909 030**	**23 818 647**
Change in value adjustments due to default risk as well as losses from interest operations	- 8 564 825	- 1 055 950	- 7 508 875
Subtotal net results from interest operations	**38 162 852**	**21 853 080**	**16 309 772**
Results from commissions from business and services:			
Commission income from securities trading and investment activities	26 023 990	28 391 698	- 2 367 708
Commission income from lending activities	28 226 959	19 388 329	8 838 630
Commission income from other services	2 332 293	- 745 960	3 078 253
Commission expense	- 1 992 408	- 1 446 865	- 545 543
Subtotal results from commissions from business and services	**54 590 834**	**45 587 202**	**9 003 632**
Net income from trading operations	**25 759 270**	**12 669 672**	**13 089 598**
Other results from ordinary activities:			
Income from participations	362 560	- 1 783 421	2 145 981
of which participations valued according to the equity method	*362 560*	*- 1 783 421*	*2 145 981*
Results from real estate	340 224	293 080	47 144
Other ordinary income	738	6 377	- 5 639
Other ordinary expenses	80 764	- 77 746	158 510
Subtotal other results from ordinary activities	**784 286**	**- 1 561 710**	**2 345 996**
Total income	**119 297 242**	**78 548 244**	**40 748 998**
Operating expenses:			
Personnel expenses	- 49 174 359	- 39 405 220	- 9 769 139
General and administrative expenses	- 20 960 318	- 15 806 536	- 5 153 782
Subtotal operating expenses	**- 70 134 677**	**- 55 211 756**	**- 14 922 921**
Gross profit	**49 162 565**	**23 336 488**	**25 826 077**
Value adjustments on participations as well as depreciation on tangible fixed assets	- 2 003 424	- 2 268 979	265 555
Changes in provisions and other value adjustments as well as losses	- 184 511	- 210 625	26 114
Operating result	**46 974 630**	**20 856 884**	**26 117 746**
Extraordinary income	0	15 129	- 15 129
Extraordinary expenses	- 319	0	- 319
Change in reserves for general banking risks	- 5 221 485	- 336 283	- 4 885 202
Taxes	- 9 317 543	- 5 311 699	- 4 005 844
Consolidated profit for the period	**32 435 283**	**15 224 031**	**17 211 252**

CONSOLIDATED CASH FLOW STATEMENT

CHF 1000	2022 SOURCE OF FUNDS	2022 APPLICATION OF FUNDS	2021 SOURCE OF FUNDS	2021 APPLICATION OF FUNDS
Cash flow from operating business				
Profit for the period	32 435		15 224	
Reserves for general banking risks	5 221		336	
Value adjustments on participations as well as depreciation on tangible fixed assets	2 003		2 269	
Provisions and other value adjustments	9 758		2 290	
Reserves for currency translation		1 068	1 388	
Accrued income and prepaid expenses		15 392	6 948	
Accrued expenses and deferred income	21 420			2 743
Previous year dividend		5 340		3 204
Balance	49 037		22 508	
Cash flow from shareholder's equity transactions				
Recognised in reserves	20		2 629	
Balance	20		2 629	
Cash flow from transactions in participations and tangible fixed assets				
Participations		408		219
Real estate		240		105
Other tangible fixed assets		686		394
Balance		1 334		718
Cash flow from the banking business				
Medium to long-term business (>1 year)				
Other liabilities		75	2 433	
Amounts due from customers	191		182	
Mortgages loans	10 325			662
Financial investments	30 133			57 063
Other receivables	850		545	
Short-term business				
Amounts due to banks		210 301	117 622	
Amounts due to customers		134 108	503 118	
Negative replacement values of derivatives	20 569			21 757
Amounts due from banks		358 917		588 977
Amounts due from customers	177 252			361 035
Amounts due arising from trading transactions	13 020			13 241
Positive replacement values of derivatives		24 437	5 488	
Financial investments	55 301			28 753
Liquidity				
Liquid assets	372 474		417 681	
Balance		47 723		24 419
Total source of funds	49 057		25 137	
Total application of funds		49 057		25 137

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHF 1 000	SHARE CAPITAL	RESERVES FOR GENERAL BANKING RISKS	RETAINED EARNINGS	RESERVES FOR CURRENCY TRANSLATION	CONSOLIDATED PROFIT FOR THE PERIOD	TOTAL
Shareholders' equity as at December 31, 2021	26 700	89 001	443 871	- 162	15 224	574 634
Dividends and other distributions	0	0	0	0	- 5 340	- 5 340
Allocation to the reserves for general banking risks	0	5 222	0	0	0	5 222
Retained earnings brought forwards	0	0	9 904	0	- 9 884	20
Translation differences	0	0	0	- 1 068	0	- 1 068
Consolidated profit for the period	0	0	0	0	32 435	32 435
Shareholders' equity as at December 31, 2022	26 700	94 223	453 775	- 1 230	32 435	605 903

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1- BUSINESS ACTIVITIES AND PERSONNEL

Arab Bank (Switzerland) Ltd. ("Bank") is the main and parent company of Arab Bank (Switzerland) Group ("ABS Group"). Arab Bank (Switzerland) Ltd. is constituted according to Swiss law as an independent company. It started operations in 1962 in Zug, then moved its operations to Zurich soon afterwards. It opened a branch in Geneva in June 1964. The Bank headquarters were located in Zurich until their transfer to Geneva in 2012. The Bank has a branch in Zurich.

The focus of ABS Group services is on providing asset management and investment advisory as well as financial planning services for private and institutional clients, in addition to Commodity Trade Finance and other credit-related products and services for commercial and corporate clients.

ABS Group operates also via its subsidiary Arab Bank (Switzerland) Lebanon S.A.L., Lebanon and cooperates with its associate company Ubhar Capital SAOC, Oman.

ABS Group employed 157 people, of which 19 people abroad, on a full-time equivalent basis at the end of 2022 (previous year: 150 people, of which 16 people abroad).

FINMA's regime for banks of category 4 and 5

In 2018, the Swiss Financial Market Supervisory Authority FINMA has defined a new regime for banks of category 4 and 5 that have high levels of capital and liquidity. Participating institutions will be subject to a substantially less complex regulatory regime. The regulatory requirements regarding the risk-weighted assets, the net stable funding ratio and disclosure are reduced to a minimum. FINMA, in its February 25th, 2020 letter, has accepted Arab Bank (Switzerland) Ltd. in this regime.

BUSINESS ACTIVITIES

Wealth Management

Wealth Management caters and responds to the private banking needs of its predominantly Middle-Eastern clientele, providing it with tailor-made solutions and access to an open platform covering the full range of wealth management products, mainly investment management, such as advisory services and discretionary portfolio management as well as market research and digital assets services.

Commodity Trade Finance

The Bank has been active in Commodity Trade Finance for over a decade, gradually adding capacities and expertise. Commercial clients benefit from dedicated industry specialized teams who can structure and execute complex transactions with a bespoke approach. The Bank's professional execution has earned market recognition in a highly competitive environment both in Switzerland and overseas. Clients benefit from its extended network across the Middle East and North Africa. The Bank is continually supporting customers with their operations in Metals, Soft commodities and Energy; with Swiss banking standards and service excellence.

Credit / Financing products and services

ABS Group provides a comprehensive range of credit instruments (various types of loans such as Lombard loans, mortgages and guarantees) to its private banking clients enabling them to fund their commercial business or leverage their private portfolios. ABS Group also offers credit solutions including a comprehensive range of commercial loans and documentary products to its Commodity Trade Finance client's base of commodity trading companies, local exporters and large corporates.

Treasury and Foreign Exchange

ABS Group provides its clients with a wide range of products and services in Money Market, Foreign Exchange, Precious Metals and Securities Trading and Digital Assets.

RISK MANAGEMENT & CONTROL

General

ABS Group has established and implemented a comprehensive set of internal policies and procedures in order to manage and monitor the key risks to which it is exposed, and to ensure that Swiss laws and all the relevant guidelines and regulations issued by FINMA and Swiss Bankers Association, as well as the internal rules of ABS Group, are adhered to. Whenever risks are taken, they are identified, measured, monitored and mitigated accordingly.
In conformity with the Swiss Code of Obligations, the Board of Directors formally reviews annually the Bank's key risks and, whenever deemed necessary, takes appropriate measures.

Credit Risks

The Credit Policy defines the framework covering all credit activities of the Bank in line with the applicable laws, regulations and practice.

Credits and loans are granted according to clear rules, regulations and competencies. Lending ratios for all categories of collateral have been defined. credit risks are mitigated by strict monitoring of limits (counterparty, group, country) and the quality of the collaterals are assessed and reviewed on a regular basis.

The Bank has internal credit risk classification for trade finance transactions. Furthermore, the Bank ensures a good quality of the trade finance portfolio through internal standard & credit scorecard to assess the quality of the clients and the transactions. The financials of the clients are regularly reviewed during the year. The Bank ensures that the facilities granted are in line with the guarantees and collateral received and the value of recourse offered by the borrower.

Market risks

ABS Group defines various limits regarding the nature, quality, currency and duration of investments for the Banking and the Trading Book. Beside the daily management of the market risks by Treasury, ABS Group's Asset & Liability Committee monitors these risks and adherence to the limits on a continuous basis.

As a rule, interest rate risk is minimized by funding loans with matching maturities. ABS Group optimizes asset and liability management in accordance with the anticipated interest rate variation and the limits granted. ABS Group defines limits for refinancing gaps, for the Net Economic Value and monitors adherence to these limits on a regular basis.

Liquidity Risks

ABS Group monitors its liquidity in a way to ensure adequate levels at all times, in line with the regulatory requirements pertaining to the liquidity ratios.

Operational Risks

ABS Group has clear policies, regulations and procedures in place, and maintains an overall control infrastructure that is regularly amended to factor-in changes occurring in ABS Group. The assessment of the control framework is reviewed and validated on a regular basis by the Board of Directors upon the Audit and Risk Committee recommendation.

Legal & Compliance Risks

ABS Group implements comprehensive measures to ensure compliance with laws and regulations in order to mitigate legal and reputational risks. The Legal and Compliance departments are responsible for supervising these aspects. AML-related risk is subject to Compliance's continuous focus. Regulatory changes are followed-up upon and are duly and regularly reflected in the Group's policies.

Compliance ensures appropriate training of the Group's employees on all relevant subjects.

2- ACCOUNTING POLICIES AND VALUATION PRINCIPLES

General Principles

Accounting and valuation principles are governed by the Swiss Code of Obligations, the Federal Law on banks and savings banks, its ordinance and its execution by the Articles of Association and the rules and directives issued by the Swiss Financial Markets Supervisory Authority (FINMA).

The consolidated financial statements are presented with the "true and fair principle" in conformity with these rules.

Consolidation method

The entities directly or indirectly controlled by ABS Group are consolidated using the global integration method. The share capital is consolidated using the purchase method.

The entities held between 20% and 50% are accounted for under the equity method. The net assets and net profit of those entities are reflecting in the consolidated financial statements in proportion to the Group's percentage stake.

ABS Group's internal transactions, as well as the intercompany profits, are reported as elimination entries when establishing the consolidated financial statements.

Holdings less than 20% are recognized in non-consolidated participations and are reported in the balance sheet at acquisition value, after deduction of any impairment required by the circumstances.

Scope of Consolidation

The scope of the consolidation includes, as of 31 December 2022, the following entities:

- Arab Bank (Switzerland) Ltd. (ABS), the parent company,
- Arab Bank (Switzerland) Lebanon S.A.L., Lebanon, wholly owned by ABS, which activity is Private Banking. Share Capital is LBP 15'000 million (global integration method). Two cash contributions for a total amount of USD 2'217'274 have been paid in 2020.
- Ubhar Capital S.A.O.C, Oman, 34% owned by ABS, which provides investment services. Share Capital is OMR 14 million (equity method).

Recording of transactions

All operations executed at the date of the balance sheet were accounted for and evaluated according to recognized principles. The results of all operations executed are included in the income statement. Recording in the balance sheet of spot transactions, concluded but not yet settled, is done following the trade date accounting principles.

Timeliness of recognition

Income and expenses are booked as soon as they are acquired or accrued, or as they are incurred, and booked in the related year, and not on the date they are received or paid.

The most important valuation principles can be summarized as follows:

Foreign currency translations

Assets and liabilities denominated in foreign currencies are translated into Swiss francs at the exchange rates on the balance sheet closing date, except the participations which are translated at the historical rate. Income and expenses are converted at the exchange rate in force on the transaction date. Exchange gains and losses resulting from conversion into Swiss Francs of positions and operations denominated in foreign currencies are booked to Income from trading.

Translation of foreign currencies in ABS Group financial statements

For consolidation purposes, in order to convert into CHF the annual financial statements denominated in foreign currencies, the following methods have been applied.

For the balance sheet, the closing rate has been used, except for equity which has been converted using historical rates.

For the income statement, the average rate has been applied.

The resulting foreign exchange differences have been accounted for in the reserves for currency translation (equity), without impacting the income statement.

The rates applied for the conversion of the main currencies into Swiss francs are the following:

	CLOSING 31.12.2022	AVERAGE 2022
USD	0.9254	0.9503
EUR	0.9878	1.0043
GBP	1.1138	1.1774

Liquid assets and amounts due to / from banks

These balances are shown on the balance sheet at the nominal value after deduction of individual bad debt provisions, if any are required.

Claims and liabilities in respect of customers and mortgage loans

These amounts are recorded at their nominal value. Valuation adjustments are made for identifiable risks. General provisions exist for contingent risks. Lending against collateral is made within the generally accepted lending principles. These are stipulated in the internal rules and regulations. The valuation of real estate is based on market value, which is determined according to generally accepted valuation methods.

Potentially impaired customer loans are subject to individual valuation and, should the case arise, to an individual value adjustment, directly deducted from this caption, equivalent to the part of the amount which is not secured by collateral, as soon as the loan is reported impaired.

Interest and commission income, which is overdue for more than 90 days, will only be booked after payment.

Trading positions in securities and precious metals

Trading positions are generally valued at market prices on the balance sheet date.

Profits and losses on prices are booked to result from trading operations.

Replacement values of derivative financial instruments

Replacement values of derivative financial instruments are calculated and accounted for in order to take into account the cost or the gain resulting from a potential counterparty delivery failure.

The positive replacement values are accounted for in the balance sheet on the asset side, and the negative replacement values on the liability side, for all the derivative financial instruments outstanding at balance sheet date which would result from own account or customer transactions, irrespective of the accounting treatment in the income statement.

Financial investments

Financial investments include debt instruments with the intent to be held until maturity and other financial investments not held for trading.

Debt investments with the intent to be held until maturity are booked at their acquisition cost. The difference between the nominal value and the acquisition cost is spread over the period remaining to maturity (accrual method) and booked to the “interest and dividend income on financial investments”.

Other financial investments may include bonds or equity securities and are valued using the lower of cost or market value principle. Adjustments to value are recorded under “Other ordinary expenses” or “Other ordinary income”.

Tangible Fixed Assets

Fixed assets are stated in the balance sheet at their cost price and depreciated using the straight-line method over a period corresponding to the useful economic life of the different types of assets. The depreciation rates used are as follows:

- Bank building: maximum 50 years
- Building improvement costs: maximum 10 years
- Furniture and fixtures: maximum 5 years
- Vehicles: maximum 5 years
- Software: maximum 5 years
- IT hardware: maximum 3 years

Intangible assets
Any goodwill or acquisition difference resulting from the purchase of activities or firms is reported in the balance sheet under intangible assets. ABS Group depreciates any goodwill over its estimated useful life using the straight line method.

Valuation Adjustments and Provisions
Valuation adjustments and specific provisions are made for all identifiable risks existing at the balance sheet date.

Reserves for general banking risks
Reserves for general banking risks are reserves constituted out of prudence with the objective to cover additionnal banking risks. The underlying tax charge is posted to deferred tax provisions and is determined on the basis of tax rates in force.

The amount of KCHF 94'223 of reserves for general banking risks as of December 31, 2022 (2021: KCHF 89'001) includes an amount of KCHF 80'382 which has been subject to corporate taxes.

Taxes
Taxes are calculated in accordance with relevant tax laws and are either paid or provisioned for.

The caption taxes in the consolidated income statement includes current income taxes of ABS Group companies as well as deferred taxes. Deferred taxes are recorded in accordance with requirements. The tax effects arising from temporary differences between the carrying value and tax value of assets and liabilities are recorded as deferred taxes.

Current taxes are accrued for in the liability side of the balance sheet under accrued expenses, and deferred tax liabilities are reported under provisions. Deferred taxes are calculated based on the expected tax rates.

Policy applicable in respect of derivative financial instruments
The derivative financial instruments are mainly used in operations for the account of customers. To avoid any exposure, ABS Group concludes back-to-back transactions on the financial markets.

ABS Group uses financial derivative instruments when deemed adequate in order to hedge the foreign currency exposure on its revenues, an important proportion of which derives from underlying assets denominated in foreign currencies, particularly in USD and EUR.

Premiums paid or received in relation to these operations are recognized in the balance sheet within the lines positive and negative replacement values. They are reported prorata temporis in the income statement item which is subject to the hedge transaction until maturity.

The positive or negative replacement values are recognized in the balance sheet. Should a hedge transaction exceed the underlying amount to be covered (inefficiency), the amount resulting from the excess of hedge would be accounted for in the trading results.

Definition Client Assets & Net Increase / Decrease of Client Assets
Client assets are asset values of clients, for which ABS Group renders investment and advisory services. Custody portfolios and asset values, which are held exclusively for transaction and custodian purposes, are not included in the client assets. The same applies for loans and purely commercial clients. The net increase / decrease of client assets consists of the sum of all individual money deposits and payments as well as security incoming and outgoing deliveries, whereby new loans and loan repayments are accounted for. Interest and dividends credited to clients as well as debit interest, commissions and charges debited for bank services, are excluded from the calculation of the net increase/decrease of client assets, as they form part of the client performance – the same is valid for variations in client assets due to market currency and security prices.

Since 2020, ABS Group offers Digital Assets Services, including storage and trading. ABS Group stores all Digital Assets completely segregated from the bank's holdings and also segregated by client. These digital assets are included in the Client Assets.

Pension Plan

ABS Group only operates pension plan for its employees in Switzerland.

Arab Bank (Switzerland) Ltd. maintains legally separated welfare schemes for its 143 active insured parties at the date of the balance sheet (2021: 137) and 41 retired (2021: 41). The pension plan is based on the Swiss defined contribution system (defined contribution plans). The Bank carries approximately two thirds of the pension cost. The cost carried by the bank is shown under the information on the balance sheet (note "Information on payables to own employee pension fund").

The pension fund liabilities as well as the plan assets are legally separated from the Bank in fully funded independent foundations. Organization, management and financing of the pension plan are subject to Swiss Federal regulations and to the constitution of the foundations (trust deed) as well as the currently valid regulations of the pension plan.

Subsequent events

Arab Bank (Switzerland) Ltd. has signed a share purchase agreement to enter into a strategic partnership with Gonet & Cie SA. This transaction is subject to the regulators' approval.

3 - INFORMATION ON THE CONSOLIDATED BALANCE SHEET

AT DECEMBER 31, 2022

COLLATERAL FOR LOANS AND OFF-BALANCE SHEET TRANSACTIONS, AS WELL AS DOUBTFUL RECEIVABLES CHF 1000	TYPE OF COLLATERAL MORTGAGE 2022	OTHER 2022	UNSECURED 2022	TOTAL 2022
Loans (before offsetting any value adjustments)				
Amounts due from customers	0	537 965	719 720	1 257 685
Mortgage loans				
- Residential property	145 543	0	0	**145 543**
- Commercial property	31 800	0	0	**31 800**
- Commercial and industrial real estate	0	0	0	**0**
Total loans (before offsetting any value adjustments)	177 343	537 965	719 720	1 435 028
Previous year	*187 668*	*489 075*	*949 736*	*1 626 479*
Total loans (after offsetting any value adjustments)	**177 343**	490 733	719 720	1 387 796
Previous year	*187 668*	*447 036*	*949 736*	*1 584 440*
Off-balance sheet transactions				
Contingent liabilities	0	66 063	1 006 296	**1 072 359**
Irrevocable commitments	0	8 028	82 482	**90 510**
Credit commitments	0	0	141 603	141 603
Total off-balance sheet transactions	0	**74 090**	**1 230 381**	1 304 472
Previous year	*0*	*80 125*	*968 645*	*1 048 770*

CHF 1000	Gross amount due 2022	Estimated liquidation proceeds of the collateral 2022	Net amount due 2022	Individual value adjustments 2022
Doubtful receivables	48 068	836	47 232	47 232
Previous year	*42 864*	*825*	*42 039*	*42 039*

TRADING PORTFOLIO CHF 1 000	2022	2021
Assets - Trading portfolio		
Equity securities, funds and digital assets	8 371	21 391
Total assets - Trading portfolio	**8 371**	**21 391**
- of which securities allowed for repos as per liquidity provisions	*0*	*0*
- of which determined using a valuation model	*0*	*0*

DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS AND LIABILITIES)	TRADING INSTRUMENTS			HEDGING INSTRUMENTS		
	POSITIVE REPLACEMENT VALUE	NEGATIVE REPLACEMENT VALUE	CONTRACT VOLUME	POSITIVE REPLACEMENT VALUE	NEGATIVE REPLACEMENT VALUE	CONTRACT VOLUME
CHF 1 000	2022	2022	2022	2022	2022	2022
Interest rate instruments						
- Swaps	0	0	0	0	0	0
Foreign exchange / precious metal						
- Forward contracts	38 380	49 655	3 891 788	0	0	0
- Options (OTC)	2 122	2 120	148 766	0	0	0
Participations / indices						
- Options (exchange-traded)	1 936	1 936	96 971	0	0	0
Total before netting agreements	**42 438**	**53 712**	**4 137 524**	**0**	**0**	**0**
Previous year	*18 000*	*33 143*	*3 904 847*	*0*	*0*	*0*

CHF 1 000	Positive replacement value (cumulative) 2022	Negative replacement value (cumulative) 2022
Total after netting agreements	**42 438**	**53 712**
Previous year	*18 000*	*33 143*

BREAKDOWN ACCORDING TO COUNTERPARTIES CHF 1 000	CENTRAL CLEARING PARTIES 2022	BANKS AND SECURITIES DEALERS 2022	OTHER CLIENTS 2022	**TOTAL** 2022
Positive replacement values (after netting agreements)	0	18 633	23 805	42 438
Previous year	0	13 687	4 313	18 000

FINANCIAL INVESTMENTS CHF 1 000	BOOK VALUE 2022	BOOK VALUE 2021	FAIR VALUE 2022	FAIR VALUE 2021
Debt instruments	548 030	634 660	525 471	638 916
- of which held until maturity	*547 567*	*634 204*	*525 008*	*638 461*
- of which not intended to be held maturity (available for sale)	*463*	*456*	*463*	*456*
Equity securities, funds	12 962	11 766	16 898	13 236
Total	560 992	646 426	542 369	652 152
- of which securities allowed for repos as per liquidity provisions	*96 784*	*86 082*	*92 479*	*87 077*

BREAKDOWN OF THE COUNTERPARTY ACCORDING TO RATING CHF 1 000	2022 AAA TO AA-	A+ TO A-	BBB+ TO BBB-	BB+ TO B-	LOWER THAN B-	UNRATED	**TOTAL**
Debt instruments: book value	238 904	106 784	57 514	18 250	0	126 578	548 030

The above mentioned ratings have been issued by Standard & Poor's.

PARTICIPATIONS CHF 1000	ACQUISITION VALUE	ACCUMULATED VALUE ADJUSTMENTS	BOOK VALUE AS AT DECEMBER 31, 2021	2022 RECLASSIFICATIONS	INVESTMENTS	DISINVESTMENTS	VALUE ADJUSTMENTS	**BOOK VALUE AS AT DECEMBER 31, 2022**
Participations valued according to the equity method								
- with a market value	0	0	0	0	0	0	0	0
- with no market value	12 692	- 7 935	4 757	0	0	0	408	5 165
Other participations								
- with a market value	0	0	0	0	0	0	0	0
- with no market value	4 000	0	4 000	0	0	0	0	4 000
Total participations	**16 692**	**- 7 935**	**8 757**	**0**	**0**	**0**	**408**	**9 165**

COMPANIES IN WHICH ABS GROUP PERMANENTLY HOLDS DIRECT OR INDIRECT SIGNIFICANT PARTICIPATION	DOMICILE	BUSINESS ACTIVITY	COMPANY CAPITAL	SHARE OF CAPITAL IN%	DIRECT SHARE OF VOTING RIGHTS IN %	CONSOLIDATION METHOD
Arab Bank (Switzerland)* Lebanon S.A.L.	Lebanon	Bank	LBP 15 000 000 000	100.00	100.00	Global integration method
Ubhar Capital SAOC	Oman	Investment	OMR 14 000 000	34.00	34.00	Equity method
Taurus Group SA	Switzerland	Financial services	CHF 4 500 000	9.07	9.07	Non-consolidated

* In 2020, Arab Bank (Switzerland) Ltd. provided two cash contributions for a total of USD 2'217'274 to the capital of Arab Bank (Switzerland) Lebanon S.A.L.

TANGIBLE FIXED ASSETS CHF 1 000	ACQUISITION VALUE	ACCUMULATED DEPRECIATION	BOOK VALUE AS AT DECEMBER 31, 2021	2022 RECLASSIFICATIONS	2022 INVESTMENTS	2022 DISINVESTMENTS	2022 WRITE-OFFS / DEPRECIATION	2022 **BOOK VALUE AS AT DECEMBER 31, 2022**
Real estate (group building)	45 410	16 663	28 747	0	240	0	1 292	**27 695**
Software	2 650	1 845	805	0	474	0	536	**743**
Other tangible fixed assets	2 532	2 270	262	0	211	0	175	**298**
Total tangible fixed assets	**50 592**	**20 778**	**29 814**	**0**	**925**	**0**	**2 003**	**28 736**

OTHER ASSETS AND OTHER LIABILITIES CHF 1 000	OTHER ASSETS 2022	OTHER ASSETS 2021	OTHER LIABILITIES 2022	OTHER LIABILITIES 2021
Compensation account	138	13	0	0
Indirect tax	215	296	704	499
Escrow account	1 666	1 641	0	0
Outstanding dividends	0	0	141	130
Other	691	1 610	2 920	3 212
Total	**2 709**	**3 559**	**3 766**	**3 841**

INFORMATION ON PAYABLES TO OWN EMPLOYEE PENSION FUND CHF 1 000	2022	2021
Due to own pension plan	2 827	10 494

ECONOMIC SITUATION OF OWN EMPLOYEE PENSION SCHEME

ABS Group only operates pension plan for its employees in Switzerland. Please refer to the section “Pension Plan” in the notes of the consolidated financial statements.
As at December 31st 2022, there was no economic obligation to be booked in ABS Group's balance sheet or income statement.

EMPLOYER CONTRIBUTION RESERVES (ECR) CHF 1 000	NOMINAL VALUE AT YEAR END	WAIVER OF USE AT YEAR END	NET AMOUNT AT YEAR END		INFLUENCE OF ECR ON PERSONNEL EXPENSES	
	2022	2022	2022	2021	2022	2021
Pension schemes	0	0	0	0	0	- 536

PRESENTATION OF THE ECONOMIC BENEFIT / OBLIGATION AND THE PENSION EXPENSES CHF 1 000	OVERFUNDING/ UNDERFUNDING ESTIMATE AT YEAR END	ECONOMIC INTEREST OF THE BANK		CHANGE IN ECONOMIC IN-TEREST VERSUS PREVIOUS YEAR	CONTRIBUTION PAID	PENSION EXPENSES IN PERSONNEL EXPENSES	
	2022	2022	2021	2022	2022	2022	2021
Pension plans without overfunding/underfunding	0	0	0	0	0	4 604	3 639

VALUE ADJUSTMENTS AND PROVISIONS AS WELL AS RESERVES FOR GENERAL BANKING RISKS CHF 1 000	BALANCE AS AT DECEMBER 31, 2021	2022						
		USE IN CONFORMITY WITH DESIGNATED PURPOSE	RECLASSIFICATIONS	FOREIGN EXCHANGE DIFFERENCES	OVERDUE INTEREST, RECOVERIES	NEW ADJUSTMENTS DEBITED TO INCOME	RELEASES CREDITED TO INCOME	**BALANCE AS AT DECEMBER 31, 2022**
Provisions for deferred taxes	2 409	0	0	0	0	886	0	3 295
Provisions for other business risks	10	0	0	0	0	0	0	10
Other provisions	13	0	0	- 5	0	1	0	9
Total provisions	**2 432**	**0**	**0**	**- 5**	**0**	**887**	**0**	**3 314**
Reserves for general banking risks	**89 001**	**0**	**0**	**0**	**0**	**5 222**	**0**	**94 223**
Value adjustments for default risks and country risks	**42 039**	**0**	**0**	**312**	**- 543**	**9 107**	**0**	**50 915**
- of which value adjustments for default risks due to doubtful receivables	*42 039*	*0*	*0*	*312*	*- 543*	*9 107*	*0*	*50 915*

The amount of KCHF 94’223 of reserves for general banking risks as of December 31, 2022 (2021: KCHF 89’001) includes an amount of KCHF 80’382 which has been subject to corporate taxes.

AMOUNTS DUE FROM AND DUE TO RELATED PARTIES CHF 1 000	AMOUNTS DUE FROM 2022	AMOUNTS DUE FROM 2021	AMOUNTS DUE TO 2022	AMOUNTS DUE TO 2021
Associated companies	159 392	201 596	1 454 707	1 600 812
Transactions with members of governing bodies	151 485	180 540	7 228	156 171

The "Amounts due from" and "Amounts due to" associated companies represent the interbanks business concluded with Arab Bank PLC, Amman and its subsidiaries as well as ABS participation Ubhar Capital S.A.O.C.
The "Transactions with members of governing bodies" includes transactions granted at market conditions.

MATURITY STRUCTURE OF FINANCIAL INSTRUMENTS CHF 1 000	2022 AT SIGHT	REDEEMABLE BY NOTICE	DUE WITHIN 3 MONTHS	DUE WITHIN 3 TO 12 MONTHS	DUE WITHIN 12 MONTHS TO 5 YEARS	DUE AFTER 5 YEARS	**TOTAL**
Asset / financial instruments							
Liquid assets	816 409	0	0	0	0	0	816 409
Amounts due from banks	262 581	0	1 417 498	472 469	0	0	2 152 548
Amounts due from customers	0	670 140	396 891	143 410	0	11	1 210 452
Mortgages loans	0	127 995	19 446	6 772	21 113	2 017	177 343
Trading portfolio	8 371	0	0	0	0	0	8 371
Positive replacement values of derivatives	0	0	31 547	10 815	76	0	42 438
Financial investments	18 361	0	19 452	93 522	208 874	220 783	560 992
Total reporting year	1 105 722	798 135	1 884 834	726 988	230 063	222 811	4 968 553
Previous year	*1 521 786*	*947 846*	*1 995 290*	*305 639*	*294 776*	*187 434*	*5 252 771*
Liabilities / financial instruments							
Amounts due to banks	248 846	975 837	489 121	0	0	0	1 713 804
Amounts due to customers	2 455 196	22 674	128 005	3 052	0	0	2 608 927
Negative replacement values of derivatives	0	0	34 581	19 058	73	0	53 712
Total reporting year	2 704 042	998 511	651 707	22 110	73	0	4 376 443
Previous year	*2 820 955*	*1 082 979*	*788 770*	*7 510*	*70*	*0*	*4 700 284*

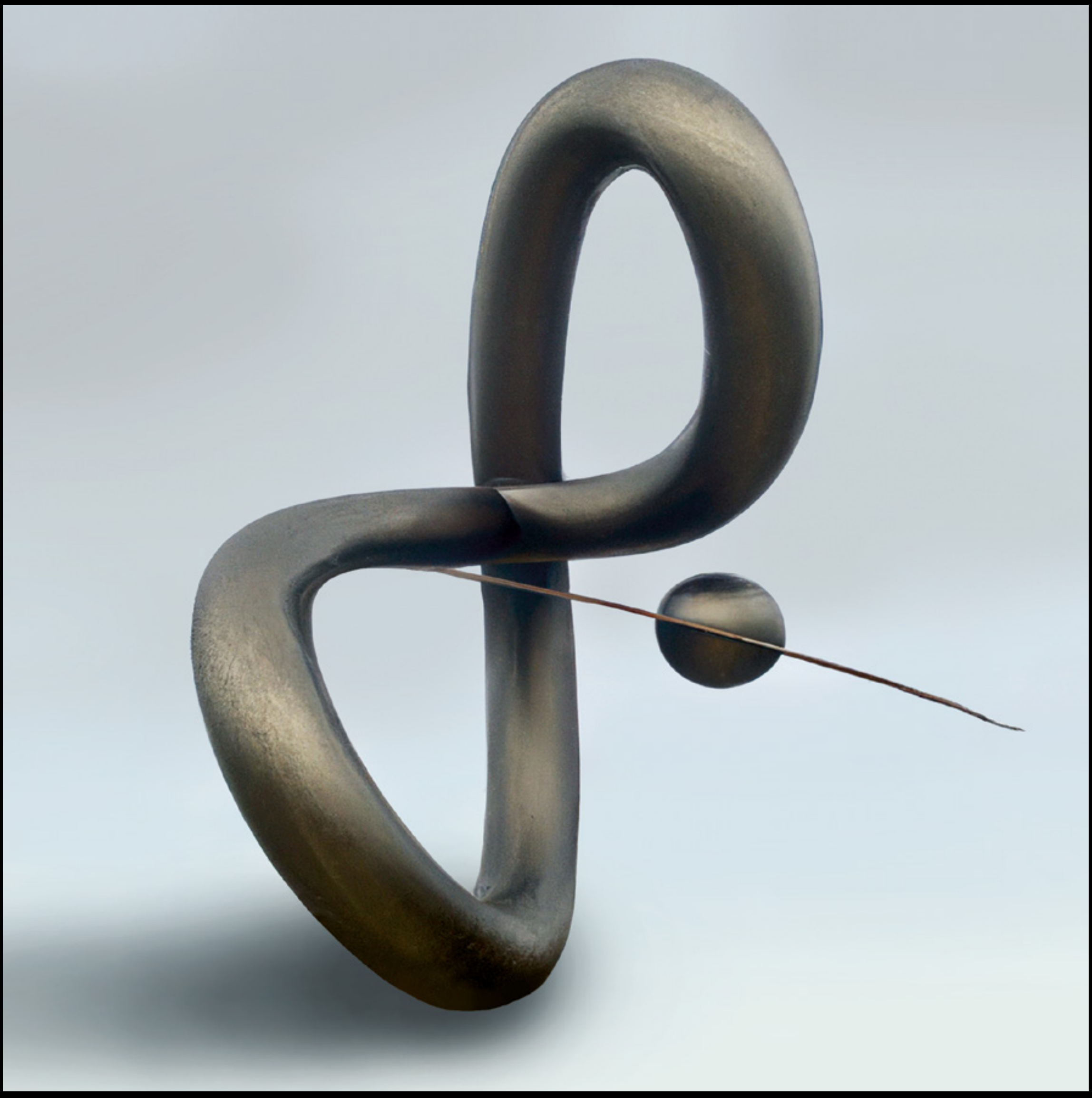
ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN CHF 1 000	2022 DOMESTIC	 FOREIGN	2021 DOMESTIC	 FOREIGN
Assets				
Liquid assets	815 663	746	1 187 857	1 026
Amounts due from banks	1 437 571	714 977	963 237	830 394
Amounts due from customers	396 894	813 558	431 720	965 052
Mortgages loans	62 298	115 045	62 686	124 982
Trading portfolio	13	8 358	0	21 391
Positive replacement values of derivatives	11 882	30 556	5 011	12 988
Financial investments	100 203	460 789	209 701	436 725
Accrued income and prepaid expenses	21 817	7 882	11 366	2 942
Participations	4 000	5 164	4 000	4 758
Tangible fixed assets	28 733	3	29 806	8
Other assets	2 586	123	3 407	152
Total assets	**2 881 660**	**2 157 201**	**2 908 791**	**2 400 418**
Liabilities				
Amounts due to banks	88 812	1 624 992	64 275	1 859 830
Amounts due to customers	258 582	2 350 345	202 858	2 540 179
Negative replacement values of derivatives	29 652	24 060	20 031	13 112
Accrued expenses and deferred income	47 115	2 322	27 804	213
Other liabilities	3 756	10	3 828	13
Provisions	3 304	10	2 418	14
Reserves for general banking risks	94 223	0	89 001	0
Share capital	26 700	0	26 700	0
Retained earnings	453 775	0	443 871	0
Reserves for currency translation	- 1 230	0	- 162	0
Consolidated profit for the period	32 435	0	15 224	0
Total liabilities	**1 037 124**	**4 001 739**	**895 848**	**4 413 361**

ASSETS BY COUNTRIES / REGIONS	2022 CHF 1 000	2022 %	2021 CHF 1 000	2021 %
Europe				
Switzerland	2 881 660	57.2	2 908 791	54.8
United Kingdom	490 217	9.7	503 985	9.5
France	110 397	2.2	59 497	1.1
Netherlands	74 127	1.5	46 262	0.9
Luxembourg	64 635	1.3	67 987	1.3
Germany	50 699	1.0	51 691	1.0
Malta	48 258	1.0	45 871	0.8
Austria	10 517	0.2	89 164	1.7
Norway	5 182	0.1	4 797	0.1
Turkey	3 575	0.1	24 138	0.5
Other Europe	45 430	0.9	105 063	2.0
Middle East				
United Arab Emirates	200 421	4.0	235 108	4.4
Lebanon	96 470	1.9	96 843	1.9
Jordan	99 302	2.0	124 734	2.3
Qatar	46 080	0.9	16 302	0.3
Other	37 206	0.7	89 362	1.7
America				
USA / Canada	111 186	2.2	112 004	2.1
Other American countries	157 695	3.1	151 877	2.8
Far East	187 811	3.7	290 341	5.4
Other countries	317 995	6.3	285 392	5.4
Total assets	**5 038 863**	**100.0**	**5 309 209**	**100.0**

BREAKDOWN OF TOTAL ASSETS ABROAD ACCORDING TO THE CREDIT RATING OF REGIONS (RISK DOMICILE PRINCIPLE)	NET EXPOSURE ABROAD 2022 CHF 1 000	NET EXPOSURE ABROAD 2022 %	NET EXPOSURE ABROAD 2021 CHF 1 000	NET EXPOSURE ABROAD 2021 %
AAA	296 987	14	319 183	13
AA+ - AA-	1 122 803	52	1 096 682	46
A+ - A	119 858	6	190 043	8
BBB+ - BBB-	80 424	4	135 741	6
BB+ - BB-	99 697	4	39 188	2
B+ - B-	300 151	14	346 705	14
CCC+ - D	96 472	4	96 843	4
Unrated	40 809	2	176 033	7
Total	**2 157 201**	**100**	**2 400 418**	**100**

The ratings used are the Standard & Poors (S&P) ratings for country risks.

ASSETS AND LIABILITIES BY CURRENCIES CHF 1000	2022 CHF	USD	EUR	OTHER
Assets				
Liquid assets	815 243	187	930	50
Amounts due from banks	873 015	964 073	159 141	156 320
Amounts due from customers	161 174	882 425	139 926	26 928
Mortgages loans	146 198	0	9 293	21 852
Trading portfolio	22	8 349	0	0
Positive replacement values of derivatives	38 380	3 924	71	64
Financial investments	188 787	280 412	90 669	1 124
Accrued income and prepaid expenses	19 112	9 289	570	729
Participations	10 952	- 1 787	0	0
Tangible fixed assets	28 733	0	0	4
Other assets	609	1 670	372	57
Total on-balance sheet assets	**2 282 223**	**2 148 540**	**400 972**	**207 127**
Delivery claims from spot exchange deals, forward exchange deals and currency options transactions	777 850	2 444 032	289 664	601 315
Total assets	**3 060 073**	**4 592 572**	**690 636**	**808 443**
Liabilities				
Amounts due to banks	24 718	1 503 234	102 364	83 488
Amounts due to customers	706 607	1 499 356	206 626	196 339
Negative replacement values of derivatives	49 655	3 927	72	57
Accrued expenses and deferred income	47 067	2 334	7	28
Other liabilities	2 525	1 231	0	9
Provisions	3 314	0	0	0
Reserves for general banking risks	94 223	0	0	0
Share capital	26 700	0	0	0
Reserves from capital contribution	0	0	0	0
Retained earnings	453 775	0	0	0
Reserves for currency translation	0	0	0	-1 230
Consolidated profit for the period	32 435	0	0	0
Total on-balance sheet liabilities	**1 441 018**	**3 010 084**	**309 069**	**278 692**
Delivery claims from spot exchange deals, forward exchange deals and currency options transactions	1 617 016	1 586 041	381 567	528 238
Total liabilities	**3 058 035**	**4 596 125**	**690 636**	**806 929**
Net positions	**2 039**	**- 3 552**	**0**	**1 513**



4 - INFORMATION ON CONSOLIDATED OFF-BALANCE SHEET TRANSACTIONS

CONTINGENT LIABILITIES CHF 1000	2022	2021
Credit guarantees and similar	18 929	22 135
Performance-related guarantees and similar	82 704	97 722
Irrevocable commitments due to documentary credits	970 726	878 390
Total contingent liabilities	**1 072 359**	**998 247**

CREDIT COMMITMENTS CHF 1000	2022	2021
Commitments arising from deferred payments	141 603	9 146
Total credit commitments	**141 603**	**9 146**

FIDUCIARY TRANSACTIONS CHF 1000	2022	2021
Fiduciary placements with third party companies	1 322 593	374 439
Fiduciary placements with Arab Bank Plc Amman and its subsidiaries as well as affiliated companies	56 222	47 128
Total fiduciary transactions	**1 378 815**	**421 567**

ASSETS UNDER MANAGEMENT CHF 1000	2022	2021
Type of assets under management		
Assets in collective investment schemes managed by ABS Group	211 870	170 008
Assets with administrations' mandate	234 906	278 656
Other client assets (including digital assets)	5 639 908	5 150 410
Total assets under management (including double-counting) 1)	**6 086 684**	**5 599 074**
- of which double counts	*211 870*	*170 008*
Total assets under management (excluding double-counting) 1)	**5 874 814**	**5 429 066**
Development of assets under management		
Total assets under management (including double-counting) at the beginning	**5 599 074**	**4 618 721**
+ / - Net new money inflows or outflows 2)	911 508	825 095
+ / - Market price trend, interest, dividends and currency development	- 423 898	155 258
Total assets under management (including double-counting) at the end	**6 086 684**	**5 599 074**

1) Client Assets are asset values of clients, for which ABS Group renders investment and consulting services, but without loans.
2) Sum of all individual money deposits and payments as well as security incoming and outgoing deliveries, whereby new loans and loan repayments are accounted for.

5 - INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

RESULTS FROM TRADING OPERATIONS CHF 1 000	2022	2021
Equity securities, funds	- 1 382	1 631
Foreign exchange	27 141	11 039
Total trading results	**25 759**	**12 670**

INFORMATION ON SIGNIFICANT NEGATIVE INTERESTS

In 2015, the Swiss National Bank (SNB) introduced negative interest rates on sight deposit account balances with SNB of -0.75% until 16 June 2022 and -0.25% until 22 September 2022. From 23 September 2022, the SNB reintroduced positive interest rates. The paid and accrued SNB negative interests for the year of 2022 amounted to CHF 4.2 million (2021: CHF 9.2 million).

PERSONNEL EXPENSES CHF 1 000	2022	2021
Salaries	41 325	33 403
Social insurance obligations	1 476	1 457
Pension fund	4 604	3 639
Other personnel expenses	1 769	906
Total personnel expenses	**49 174**	**39 405**

GENERAL AND ADMINISTRATIVE EXPENSES CHF 1 000	2022	2021
Office space expenses	913	602
Expenses for information technology and telecommunications	5 349	4 561
Outsourcing expenses	4 163	3 970
Expenses for furniture and other equipment	54	48
Audit fees	471	389
- of which for financial and regulatory audits	*360*	*360*
- of which for other services	*111*	*29*
Other operating expenses	10 011	6 235
Total general and administrative expenses	**20 960**	**15 807**

MATERIAL LOSSES, EXTRAORDINARY INCOME AND EXPENSES AS WELL AS RELEASE OF SIGNIFICANT HIDDEN RESERVES, RESERVES FOR GENERAL BANKING RISKS AND VALUE ADJUSTMENTS AND PROVISIONS NO LONGER NECESSARY CHF 1000	2022	2021
Extraordinary income		
Release of provisions	0	0
Other extraordinary income	0	15
Total extraordinary income	0	15
Extraordinary expenses		
Other extraordinary expenses	0	0
Total extraordinary expenses	0	0
Change in reserves for general banking risks		
Increase of reserves for general banking risks	- 5 221	- 336
Release of reserves for general banking risks	0	0
Total change in reserves for general banking risks	- 5 221	- 336

OPERATING RESULTS, BROKEN DOWN ACCORDING TO DOMESTIC AND FOREIGN ORIGIN, ACCORDING TO THE PRINCIPLE OF PERMANENT ESTABLISHMENT	2022			2021		
CHF 1000	DOMESTIC	FOREIGN	**TOTAL**	DOMESTIC	FOREIGN	**TOTAL**
Net results from interest operations	38 160	3	38 163	21 851	2	21 853
Results from commissions from business and services	54 586	5	54 591	45 442	145	45 587
Net income from trading	25 761	- 2	25 759	12 670	0	12 670
Other results from ordinary activities	422	363	784	220	- 1 782	- 1 562
Operating expenses	- 67 983	- 2 152	- 70 135	- 55 048	- 164	- 55 212
Value adjustments on participations as well as depreciation on tangible fixed assets	- 2 001	- 2	- 2 003	- 2 266	- 3	- 2 269
Changes in provisions and other value adjustments as well as losses	- 184	- 1	- 185	- 202	- 9	- 211
Operating result	48 760	- 1 785	46 975	22 667	- 1 811	20 856

CURRENT AND DEFERRED TAXES CHF 1000	2022	2021
Current taxes	8 432	5 255
Total current taxes	8 432	5 255

The average income tax rate was 14.3% of the results for the period before taxes in the current year (previous year: 14.4%).

Deferred taxes	8 432	57
Total deferred taxes	8 432	57

Deferred taxes were calculated using actual expected tax rates.

6 - CONSOLIDATED CAPITAL ADEQUACY AND LIQUIDITY DISCLOSURE

CHF 1000	2022	2021
Eligible capital		
Common Equity Tier 1 Capital (CET1)	590 654	559 732
Total eligible capital	**590 654**	**559 732**
Minimum capital requirements		
Minimum capital requirements	506 734	507 938
Total minimum capital requirements	**506 734**	**507 938**
Simplified leverage ratio		
Assets (without goodwill and participations) and off-balance sheet transactions*	6 334 170	6 349 221
Simplified leverage ratio	**9.3%**	**8.8%**

CHF 1000	Q4 2022 AVERAGE	Q3 2022 AVERAGE	Q2 2022 AVERAGE	Q1 2022 AVERAGE	Q4 2021 AVERAGE
Liquidity ratio					
Total High Quality Liquid Assets	1 229 641	1 362 909	1 185 452	1 422 391	1 534 826
Total Net Cash Outflows	369 166	556 650	622 177	546 806	496 121
Liquidity coverage ratio	**333%**	**245%**	**191%**	**260%**	**309%**

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To the General Meeting of
Arab Bank (Switzerland) Ltd., Geneva

Geneva, 15th February 2023

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion

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

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

Basis for opinion

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

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

Other information

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Ernst & Young Ltd

Stéphane Müller (Qualified Signature)
Licensed audit expert
(Auditor in charge)

Pierre-Antoine Merten (Qualified Signature)

FINANCIAL STATEMENTS 2022

BALANCE SHEET AND OFF-BALANCE SHEET TRANSACTIONS

AT DECEMBER 31, 2022

CHF	2022	2021	VARIANCE
Assets			
Liquid assets	816 400 976	1 188 870 698	- 372 469 722
Amounts due from banks	2 153 248 411	1 794 068 864	359 179 547
Amounts due from customers	1 210 440 969	1 396 749 641	- 186 308 672
Mortgage loans	177 343 440	187 667 999	- 10 324 559
Trading portfolio	8 370 975	21 390 921	- 13 019 946
Positive replacement values of derivatives	42 437 516	17 999 741	24 437 775
Financial investments	560 992 054	646 425 877	- 85 433 823
Accrued income and prepaid expenses	29 698 219	14 306 212	15 392 007
Participations	20 532 264	20 501 444	30 820
Tangible fixed assets	28 732 661	29 805 781	- 1 073 120
Other assets	2 585 763	3 407 194	- 821 431
Total assets	**5 050 783 248**	**5 321 194 372**	**- 270 411 124**
Total subordinated claims	115 691 800	114 121 371	*1 570 429*
of which with conversion obligation and / or debt waiver	*0*	*0*	*0*
Liabilities			
Amounts due to banks	1 715 024 490	1 924 995 131	- 209 970 641
Amounts due to customers	2 608 927 464	2 743 036 396	- 134 108 932
Negative replacement values of derivatives	53 711 854	33 143 052	20 568 802
Accrued expenses and deferred income	49 414 272	27 960 375	21 453 897
Other liabilities	3 755 759	3 828 390	- 72 631
Provisions	25 611 666	19 504 666	6 107 000
Reserves for general banking risks	80 381 634	80 381 634	0
Share capital	26 700 000	26 700 000	0
Legal retained earnings	22 735 500	22 735 500	0
Voluntary retained earnings	433 000 000	421 000 000	12 000 000
Profit brought forward	569 228	877 035	- 307 807
Profit for the period	30 951 381	17 032 193	13 919 188
Total liabilities	**5 050 783 248**	**5 321 194 372**	**- 270 411 124**
Off-balance sheet transactions			
Contingent liabilities	1 072 358 717	998 246 657	74 112 060
Irrevocable commitments	90 509 996	41 377 473	49 132 523
Credit commitments	141 603 076	9 145 683	132 457 393

INCOME STATEMENT

AT DECEMBER 31, 2022

CHF	2022	2021	VARIANCE
Results from interest operations:			
Interest and discount income	69 256 070	21 780 651	47 475 419
Interest and dividend income from trading portfolio	11 547	10 938	609
Interest and dividend income from financial investments	8 255 951	5 245 595	3 010 356
Interest expense	- 30 794 245	- 4 130 345	- 26 663 900
Gross results from interest operations	**46 729 323**	**22 906 839**	**23 822 484**
Change in value adjustments due to default risk as well as losses from interest operations	- 8 564 825	- 1 055 950	- 7 508 875
Subtotal net results from interest operations	**38 164 498**	**21 850 889**	**16 313 609**
Results from commissions from business and services:			
Commission income from securities trading and investment activities	26 023 990	28 391 698	- 2 367 708
Commission income from lending activities	28 226 959	19 388 329	8 838 630
Commission income from other services	2 326 770	1 467 308	859 462
Commission expense	- 5 265 645	- 3 805 094	- 1 460 551
Subtotal results from commissions from business and services	**51 312 074**	**45 442 241**	**5 869 833**
Net income from trading operations	**25 760 797**	**20 728 665**	**5 032 132**
Other results from ordinary activities:			
Results from real estate	340 223	293 080	47 143
Other ordinary income	586	5 153	- 4 567
Other ordinary expenses	80 764	- 77 745	158 509
Subtotal other results from ordinary activities	**421 573**	**220 488**	**201 085**
Total income	**115 658 942**	**88 242 283**	**27 416 659**
Operating expenses:			
Personnel expenses	- 47 045 097	- 39 277 754	- 7 767 343
General and administrative expenses	- 20 938 032	- 15 770 289	- 5 167 743
Subtotal operating expenses	**- 67 983 129**	**- 55 048 043**	**- 12 935 086**
Gross profit	**47 675 813**	**33 194 240**	**14 481 573**
Value adjustments on participations as well as depreciation on tangible fixed assets	- 2 001 353	- 7 265 673	5 264 320
Changes in provisions and other value adjustments as well as losses	- 7 265 760	- 4 666 882	- 2 598 878
Operating result	**38 408 700**	**21 261 685**	**17 147 015**
Extraordinary income	975 000	1 025 128	- 50 128
Extraordinary expenses	- 319	0	- 319
Taxes	- 8 432 000	- 5 254 620	- 3 177 380
Profit for the period	**30 951 381**	**17 032 193**	**13 919 188**

PROPOSED ALLOCATION OF EARNINGS

CHF	2022	2021	VARIANCE
Profit for the period	30 951 381	17 032 193	13 919 188
Profit brought forward	569 228	877 035	- 307 807
Profit brought forward at the end of the period	**31 520 609**	**17 909 228**	**13 611 381**
The Board of Directors proposes:			
Distribution of dividends	5 340 000	5 340 000	0
Allocation to voluntary retained earnings	26 000 000	12 000 000	14 000 000
Surplus allocated to profit brought forward	180 609	569 228	- 388 619
As stated above	**31 520 609**	**17 909 228**	**13 611 381**
Upon acceptance of this proposal, the dividend will be paid as follows:			
To the shareholders registered in the share book at March 29, 2023, per share of CHF 0.75	0.15000	0.15000	0.00000
Less 35% Swiss withholding tax	- 0.05250	- 0.05250	0.00000
Net per share	**0.09750**	**0.09750**	**0.00000**

STATEMENT OF CHANGES IN EQUITY

CHF 1 000	SHARE CAPITAL	LEGAL RETAINED EARNINGS	RESERVES FOR GENERAL BANKING RISKS	VOLUNTARY RETAINED EARNINGS AND PROFIT BROUGHT FORWARD	PROFIT FOR THE PERIOD	**TOTAL**
Shareholders' equity as at December 31, 2021	26 700	22 736	80 382	421 877	17 032	**568 727**
Dividends and other distributions	0	0	0	0	- 5 340	- 5 340
Other allocations to (transfers from) other reserves	0	0	0	11 692	- 11 692	0
Profit for the period	0	0	0	0	30 951	30 951
Shareholders' equity as at December 31, 2022	**26 700**	**22 736**	**80 382**	**433 569**	**30 951**	**594 338**

NOTES TO THE FINANCIAL STATEMENTS

1- BUSINESS ACTIVITIES AND PERSONNEL

Arab Bank (Switzerland) Ltd. is constituted according to Swiss law as an independent company. It started operations in 1962 in Zug, then moved its operations to Zurich soon afterwards. It opened a branch in Geneva in June 1964. The Bank headquarters were located in Zurich until their transfer to Geneva in 2012. The Bank has a branch in Zurich.

The Bank is a public company with 19'228 shareholders (who are also the shareholders of Arab Bank PLC in Amman, Jordan) at the end of 2022.

The focus of the services of Arab Bank (Switzerland) Ltd. is on providing asset management and investment advisory as well as financial planning services for private and institutional clients, in addition to Commodity Trade Finance and other credit-related products and services for commercial and corporate clients.

The Bank operates also via its subsidiary Arab Bank (Switzerland) Lebanon S.A.L., Lebanon and cooperates with its associate company Ubhar Capital SAOC, Oman. Arab Bank (Switzerland) Ltd. employed 138 people on a full-time equivalent basis at the end of 2022 (previous year: 134).

FINMA's regime for banks of category 4 and 5

In 2018, the Swiss Financial Market Supervisory Authority FINMA has defined a new regime for banks of category 4 and 5 that have high levels of capital and liquidity. Participating institutions will be subject to a substantially less complex regulatory regime. The regulatory requirements regarding the risk-weighted assets, the net stable funding ratio and disclosure are reduced to a minimum. FINMA, in its February 25th, 2020 letter, has accepted Arab Bank (Switzerland) Ltd. in this regime.

BUSINESS ACTIVITIES

Wealth Management

Wealth Management caters and responds to the private banking needs of its predominantly Middle-Eastern clientele, providing it with tailor-made solutions and access to an open platform covering the full range of wealth management products, Digital Assets, services, mainly investment management, such as advisory services and discretionary portfolio management as well as market research.

Commodity Trade Finance

The Bank has been active in Commodity Trade Finance for over a decade, gradually adding capacities and expertise. Commercial clients benefit from dedicated industry specialized teams who can structure and execute complex transactions with a bespoke approach. The Bank's professional execution has earned market recognition in a highly competitive environment both in Switzerland and overseas. Clients benefit from its extended network across the Middle East and North Africa. The Bank is continually supporting customers with their operations in Metals, Soft commodities and Energy; with Swiss banking standards and service excellence.

Credit / Financing products and services

Arab Bank (Switzerland) Ltd. provides a comprehensive range of credit instruments (various types of loans such as Lombard loans, mortgages and guarantees) to its private banking clients enabling them to fund their commercial business or leverage their private portfolios. Arab Bank (Switzerland) Ltd. also offers credit solutions including a comprehensive range of commercial loans and documentary products to its Commodity Trade Finance client's base of commodity trading companies, local exporters and large corporates.

Treasury and Foreign Exchange

The Bank provides its clients with a wide range of products and services in Money Market, Foreign Exchange, Precious Metals, Securities Trading and Digital Assets.

RISK MANAGEMENT & CONTROL

General

The Bank has established and implemented a comprehensive set of internal policies and procedures in order to manage and monitor the key risks to which it is exposed, and to ensure that all Swiss laws and all the relevant guidelines and regulations issued by FINMA and Swiss Bankers Association, as well as the internal rules of the Bank, are adhered to. Whenever risks are taken, they are identified, measured, monitored and mitigated accordingly.

In conformity with the Swiss Code of Obligations, the Board of Directors formally reviews annually the Bank's key risks and, whenever deemed necessary, takes appropriate measures.

Credit Risks

The Credit Policy defines the framework covering all credit activities of the Bank in line with the applicable laws, regulations and practice.

Credits and loans are granted according to clear rules, regulations and competencies. Lending ratios for all categories of collateral have been defined. credit risks are mitigated by strict monitoring of limits (counterparty, group, country) and the quality of the collaterals are assessed and reviewed on a regular basis.

The Bank has internal credit risk classification for trade finance transactions. Furthermore, the Bank ensures a good quality of the trade finance portfolio through internal standard & credit scorecard to assess the quality of the clients and the transactions. The financials of the clients are regularly reviewed during the year. The Bank ensures that the facilities granted are in line with the guarantees and collateral received and the value of recourse offered by the borrower.

Market Risks

The Bank defines various limits regarding the nature, quality, currency and duration of investments for the Banking and the Trading Book. Beside the daily management of the market risks by Treasury, the Bank's Asset & Liability Committee monitors these risks and adherence to the limits on a continuous basis.

As a rule, interest rate risk is minimized by funding loans with matching maturities. The Bank optimizes asset and liability management in accordance with the anticipated interest rate variation and the limits granted. The Bank defines limits for refinancing gaps for the Net Economic Value and monitors adherence to these limits on a regular basis.

Liquidity Risks

The Bank monitors its liquidity in a way to ensure adequate levels at all times, in line with the regulatory requirements pertaining to the liquidity ratios.

Operational Risks

The Bank has clear policies, regulations and procedures in place, and maintains an overall control infrastructure that is regularly amended to factor-in changes occurring in the Bank. The assessment of the control framework is reviewed and validated on a regular basis by the Board of Directors upon the recommendation of Audit Committee.

Legal & Compliance Risks

The Bank implements comprehensive measures to ensure compliance with laws and regulations in order to mitigate legal and reputational risks. The Legal and Compliance departments are responsible for supervising these aspects. AML-related risk is subject to Compliance's continuous focus. Regulatory changes are follow-up upon and are duly and regularly reflected in the Bank's policies.

Compliance ensures appropriate training of the Bank's employees on all relevant subjects.

2 - ACCOUNTING POLICIES AND VALUATION PRINCIPLES

General Principles

Accounting and valuation principles are governed by the Swiss Code of Obligations, the Federal Law on banks and savings banks, its ordinance and its execution by the Articles of Association and the rules and directives issued by the Swiss Financial Markets Supervisory Authority (FINMA).

The statutory financial statements are presented with reliable presentation in conformity with these rules.

Recording of transactions

All operations executed at the date of the balance sheet were accounted for and evaluated according to recognized principles. The results of all operations executed are included in the income statement. Recording in the balance sheet of spot transactions, concluded but not yet settled, is done following the trade date accounting principles.

Timeliness of recognition

Income and expenses are booked as soon as they are acquired or accrued, or as they are incurred, and booked in the related year, and not on the date they are received or paid.

The most important valuation principles can be summarized as follows:

Foreign currency translations

Assets and liabilities denominated in foreign currencies are translated into Swiss francs at the exchange rates on the balance sheet closing date, except the participations which are translated at the historical rate. Income and expenses are converted at the exchange rate in force on the transaction date. Exchange gains and losses resulting from conversion into Swiss Francs of positions and operations denominated in foreign currencies are booked to Income from trading.

The main exchange rates applied at closing date were as follows:

	31.12.2022	31.12.2021
USD	0.9254	0.9115
EUR	0.9878	1.0363

Liquid assets and amounts due to / from banks

These balances are shown on the balance sheet at the nominal value after deduction of individual bad debt allowances, if any are required.

Claims and liabilities in respect of customers and mortgage loans

These amounts are valued at their nominal value. Valuation adjustments are made for identifiable risks. General provisions exist for contingent risks. Lending against collateral is made within the generally accepted lending principles. These are stipulated in the internal rules and regulations. The valuation of real estate is based on market value, which is determined according to generally accepted valuation methods.

Potentially impaired customer loans are subject to individual valuation and, should the case arise, to an individual value adjustment, directly deducted from this caption, equivalent to the part of the amount which is not secured by collateral, as soon as the loan is reported impaired.

Interest and commission income, which is overdue for more than 90 days, will only be booked after payment.

Trading positions in securities and precious metals

Trading positions are generally valued at market prices on the balance sheet date.

Profits and losses on prices are booked to result from trading operations.

Replacement values of derivative financial instruments

Replacement values of derivative financial instruments are calculated and accounted for in order to take into account the cost or the gain resulting from a potential counterparty delivery failure.

The positive replacement values are accounted for in the balance sheet on the asset side, and the negative replacement values on the liability side, for all the derivative financial instruments outstanding at balance sheet date which would result from own account or customer transactions, irrespective of the accounting treatment in the income statement.

Financial investments

Financial investments include debt instruments with the intent to be held until maturity and other financial investments not held for trading.

Debt investments with the intent to be held until maturity are booked at their acquisition cost. The difference between the nominal value and the acquisition cost is spread over the period remaining to maturity (accrual method) and booked to the "interest and dividend income on financial investments".

Other financial investments may include bonds or equity securities and are valued using the lower of cost or market value principle. Adjustments to value are recorded under "Other ordinary expenses" or "Other ordinary income".

Participations

Participations, held as permanent investments, are recorded at acquisition cost, less appropriate depreciation where necessary.

Tangible Fixed Assets

Fixed assets are stated in the balance sheet at their cost price and depreciated using the straight-line method over a period corresponding to the useful economic life of the different types of assets. The depreciation rates used are as follows:

- Bank building: maximum 50 years
- Building improvement costs: maximum 10 years
- Furniture and fixtures: maximum 5 years
- Vehicles: maximum 5 years
- Software: maximum 5 years
- IT hardware: maximum 3 years

Valuation Adjustments and Provisions

According to the principle of prudence, valuation adjustments and specific provisions are made for all identifiable risks existing at the balance sheet date.

Additional general value adjustment could be recorded under "other provision", which are hidden reserves.

Reserves for general banking risks

Reserves for general banking risks are reserves constituted out of prudence with the objective of covering additional banking risks. The amount of KCHF 80'382 of reserves for general banking risks has been subject to corporate taxes.

Taxes

Taxes are calculated in accordance with relevant tax laws and are either paid or provisioned for.

Policy applicable in respect of derivative financial instruments

The derivative financial instruments are mainly used in operations for the account of customers. To avoid any exposure, the Bank concludes back-to-back transactions on the financial markets.

The Bank uses financial derivative instruments when deemed adequate in order to hedge the foreign currency exposure on its revenues, an important proportion of which derives from underlying assets denominated in foreign currencies, particularly in USD and EUR.

Premiums paid or received in relation to these operations are recognized in the balance sheet within the lines positive and negative replacement values.

They are reported prorata temporis in the income statement item which is subject to the hedge transaction until maturity.

The positive or negative replacement values are recognized in the balance sheet. Should a hedge transaction exceed the underlying amount to be covered (inefficiency), the amount resulting from the excess of hedge would be accounted for in the trading results.

Definition Client Assets & Net Increase / Decrease of Client Assets

Client assets are asset values of clients, for which Arab Bank (Switzerland) Ltd. renders investment and advisory services. Custody portfolios and asset values, which are held exclusively for transaction and custodian purposes, are not included in the client assets. The same applies for loans and purely commercial clients. The net increase / decrease of client assets consists of the sum of all individual money deposits and payments as well as security incoming and outgoing deliveries, whereby new loans and loan repayments are accounted for. Interests and dividends credited to clients as well as debit interests, commissions and charges debited for bank services, are excluded from the calculation of the net increase/decrease of client assets, as they form part of the client performance – the same is valid for variations in client assets due to market currency and security prices.

Since 2020, ABS offers Digital Assets Services, including storage and trading. ABS Group stores all Digital Assets completely segregated from the bank's holdings and also segregated by client. These digital assets are included in the Client Assets.

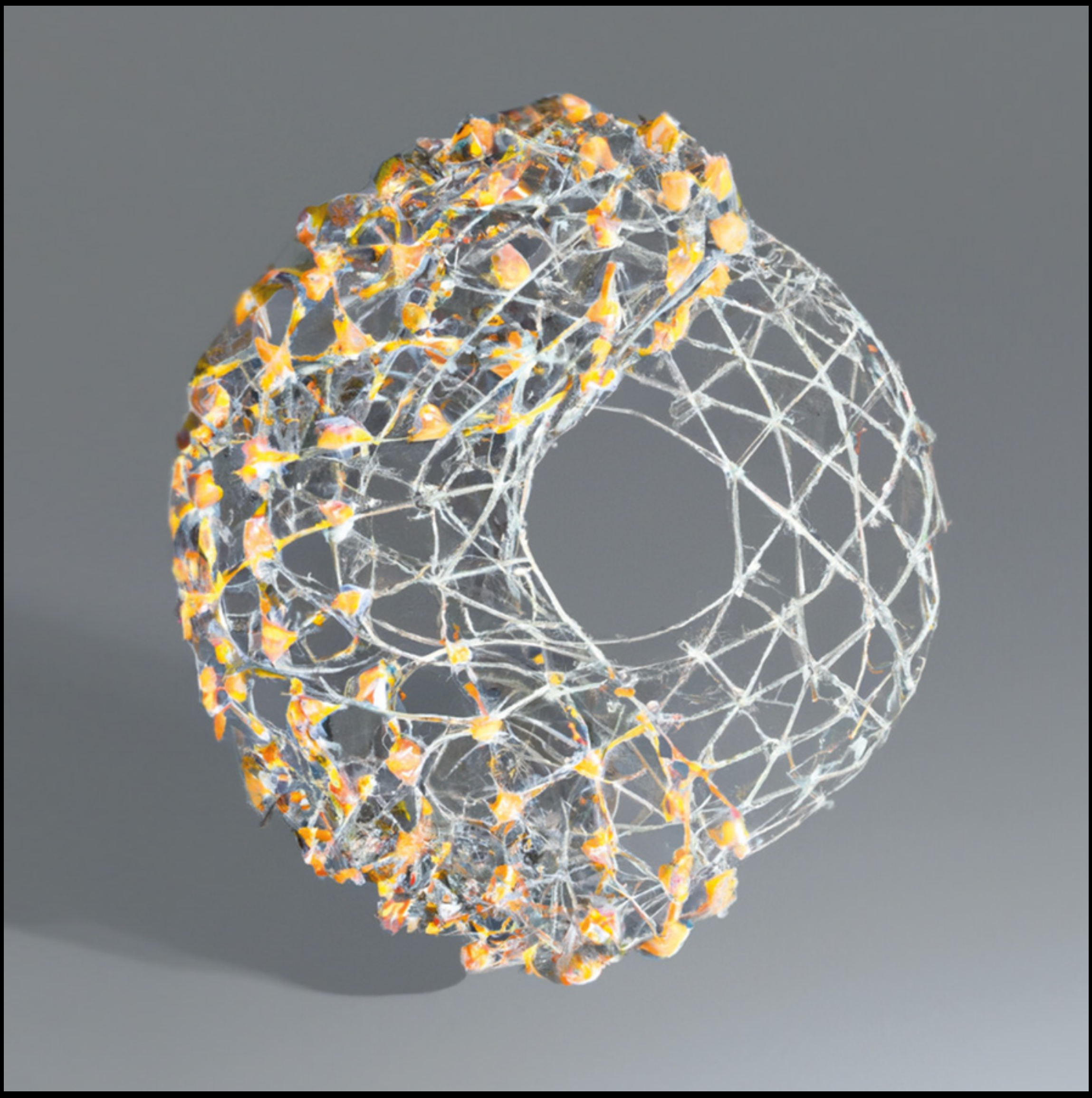
Pension Plan

Arab Bank (Switzerland) Ltd. maintains legally separated welfare schemes for its 143 active insured parties at the date of the balance sheet (2021: 137) and 41 retired (2021: 41). The pension plan is based on the Swiss defined contribution system (defined contribution plans). The Bank carries approximately two thirds of the pension cost. The cost carried by the bank is shown under the information on the balance sheet (note "Information on payables to own employee pension fund").

The pension fund liabilities as well as the plan assets are legally separated from the Bank in fully funded independent foundations. Organization, management and financing of the pension plan are subject to Swiss Federal regulations and to the constitution of the foundations (trust deed) as well as the currently valid regulations of the pension plan.

Subsequent events

Arab Bank (Switzerland) Ltd. has signed a share purchase agreement to enter into a strategic partnership with Gonet & Cie SA. This transaction is subject to the regulators' approval.



3 - INFORMATION ON THE BALANCE SHEET

AT DECEMBER 31, 2022

COLLATERAL FOR LOANS AND OFF-BALANCE SHEET TRANSACTIONS, AS WELL AS DOUBTFUL RECEIVABLES CHF 1000	TYPE OF COLLATERAL MORTGAGE 2022	OTHER 2022	UNSECURED 2022	**TOTAL** 2022
Loans (before offsetting any value adjustments)				
Amounts due from customers	0	537 956	719 720	**1 257 676**
Mortgage loans				
- Residential property	145 543	0	0	**145 543**
- Commercial property	31 800	0	0	**31 800**
- Commercial and industrial real estate	0	0	0	**0**
Total loans (before offsetting any value adjustments)	**177 343**	**537 956**	**719 720**	**1 435 019**
Previous year	*187 668*	*489 052*	*949 736*	*1 626 456*
Total loans (after offsetting any value adjustments)	**177 343**	**490 721**	**719 720**	**1 387 784**
Previous year	*187 668*	*447 014*	*949 736*	*1 584 418*
Off-balance sheet transactions				
Contingent liabilities	0	66 063	1 006 296	**1 072 359**
Irrevocable commitments	0	8 028	82 482	**90 510**
Credit commitments	0	0	141 603	**141 603**
Total off-balance sheet transactions	**0**	**74 090**	**1 230 381**	**1 304 472**
Previous year	*0*	*80 125*	*968 645*	*1 048 770*

CHF 1000	**Gross amount due** 2022	**Estimated liquidation proceeds of the collateral** 2022	**Net amount due** 2022	**Individual value adjustments** 2022
Doubtful receivables	**48 067**	**833**	**47 235**	**47 235**
Previous year	*42 863*	*825*	*42 038*	*42 038*

TRADING PORTFOLIO

CHF 1 000	2022	2021
Assets - Trading portfolio		
Equity securities, funds and digital assets	8 371	21 391
Total assets - Trading portfolio	**8 371**	**21 391**
– of which securities allowed for repos as per liquidity provisions	*0*	*0*
- of which determined using a valuation model	*0*	*0*

DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS AND LIABILITIES)	TRADING INSTRUMENTS			HEDGING INSTRUMENTS		
	POSITIVE REPLACEMENT VALUE	NEGATIVE REPLACEMENT VALUE	CONTRACT VOLUME	POSITIVE REPLACEMENT VALUE	NEGATIVE REPLACEMENT VALUE	CONTRACT VOLUME
CHF 1 000	2022	2022	2022	2022	2022	2022
Interest rate instruments						
- Swaps	0	0	0	0	0	0
Foreign exchange / precious metal						
- Forward contracts	38 380	49 655	3 891 788	0	0	0
- Options (OTC)	2 122	2 120	148 766	0	0	0
Participations / indices						
- Options (exchange-traded)	1 936	1 936	96 971	0	0	0
Total before netting agreements	**42 438**	**53 712**	**4 137 524**	**0**	**0**	**0**
Previous year	*18 000*	*33 143*	*3 904 847*	*0*	*0*	*0*

CHF 1 000	**Positive replacement value (cumulative)** 2022	**Negative replacement value (cumulative)** 2022
Total after netting agreements	**42 438**	**53 712**
Previous year	*18 000*	*33 143*

BREAKDOWN ACCORDING TO COUNTERPARTIES	CENTRAL CLEARING PARTIES	BANKS AND SECURITIES DEALERS	OTHER CLIENTS	**TOTAL**
CHF 1 000	2022	2022	2022	2022
Positive replacement values (after netting agreements)	0	18 633	23 805	**42 438**
Previous year	*0*	*13 687*	*4 313*	*18 000*

FINANCIAL INVESTMENTS CHF 1 000	BOOK VALUE 2022	2021	FAIR VALUE 2022	2021
Debt instruments	548 030	634 660	525 471	638 916
- of which held until maturity	*547 567*	*634 204*	*525 008*	*638 461*
- of which not intended to be held maturity (available for sale)	463	456	463	456
Equity securities, funds	12 962	11 766	16 898	13 236
Total	**560 992**	**646 426**	**542 369**	**652 152**
- of which securities allowed for repos as per liquidity provisions	*96 784*	*86 082*	*92 479*	*87 077*

BREAKDOWN OF THE COUNTERPARTY ACCORDING TO RATING CHF 1 000	2022 AAA TO AA-	A+ TO A-	BBB+ TO BBB-	BB+ TO B-	LOWER THAN B-	UNRATED	TOTAL
Debt instruments: book value	238 904	106 784	57 514	18 250	0	126 578	**548 030**

The above mentioned ratings have been mainly issued by Standard & Poor's.

OTHER ASSETS AND OTHER LIABILITIES CHF 1 000	OTHER ASSETS 2022	2021	OTHER LIABILITIES 2022	2021
Compensation account	138	13	0	0
Indirect tax	215	296	704	499
Escrow account	1 666	1 641	0	0
Outstanding dividends	0	0	141	130
Other	568	1 458	2 910	3 199
Total	**2 586**	**3 407**	**3 756**	**3 828**

INFORMATION ON PAYABLES TO OWN EMPLOYEE PENSION FUND CHF 1 000	2022	2021
Due to own pension plan	2 827	10 494

ECONOMIC SITUATION OF OWN EMPLOYEE PENSION SCHEME

All members of the Bank's staff are covered by defined contribution pension arrangements provided through pension institution in Switzerland.
As at December 31st 2022, there was no economic obligation to be booked in the Bank's balance sheet or income statement.
As at December 31st 2021, the coverage of the liabilities for the pension plans was 120.0%

EMPLOYER CONTRIBUTION RESERVES (ECR) CHF 1 000	NOMINAL VALUE AT YEAR END 2022	WAIVER OF USE AT YEAR END 2022	NET AMOUNT AT YEAR END 2022	2021	INFLUENCE OF ECR ON PERSONNEL EXPENSES 2022	2021
Pension schemes	0	0	0	0	0	- 536

PRESENTATION OF THE ECONOMIC BENEFIT / OBLIGATION AND THE PENSION EXPENSES CHF 1 000	OVERFUNDING/ UNDERFUNDING ESTIMATE AT YEAR END 2022	ECONOMIC INTEREST OF THE BANK 2022	2021	CHANGE IN ECONOMIC INTEREST VERSUS PREVIOUS YEAR 2022	CONTRIBUTION PAID 2022	PENSION PLAN EXPENSES IN PERSONNEL EXPENSES 2022	2021
Pension plans without overfunding/underfunding	0	0	0	0	0	4 604	3 639

VALUE ADJUSTMENTS AND PROVISIONS AS WELL AS RESERVES FOR GENERAL BANKING RISKS CHF 1 000	BALANCE AS AT DECEMBER 31, 2021	2022 USE IN CONFORMITY WITH DESIGNATED PURPOSE	RECLASSIFICATIONS	FOREIGN EXCHANGE DIFFERENCES	OVERDUE INTEREST, RECOVERIES	NEW ADJUSTMENTS DEBITED TO INCOME	RELEASES CREDITED TO INCOME	**BALANCE AS AT DECEMBER 31, 2022**
Provisions for other business risks	**10**	0	0	0	0	0	0	**10**
Other provisions	**19 495**	0	0	0	0	7 082	- 975	**25 602**
Total provisions	**19 505**	**0**	**0**	**0**	**0**	**7 082**	**- 975**	**25 612**
Reserves for general banking risks	**80 382**	**0**	**0**	**0**	**0**	**0**	**0**	**80 382**
Value adjustments for default risks and country risks	**42 038**	**0**	**0**	**315**	**- 543**	**9 107**	**0**	**50 918**
- of which value adjustments for default risks due to doubtful receivables	*42 038*	*0*	*0*	*315*	*- 543*	*9 107*	*0*	*50 918*

The amount of KCHF 80'382 of reserves for general banking risks has been subject to corporate taxes.

SHARE CAPITAL	2022 NOMINAL VALUE CHF 1 000	2022 QUANTITY CHF 0.75	2022 CAPITAL ELIGIBLE FOR DIVIDEND CHF 1 000	2021 NOMINAL VALUE CHF 1 000	2021 QUANTITY CHF 0.75	2021 CAPITAL ELIGIBLE FOR DIVIDEND CHF 1 000
Share capital	26 700	35 600 000	26 700	26 700	35 600 000	26 700
- of which paid up	*26 700*	*35 600 000*	*26 700*	*26 700*	*35 600 000*	*26 700*
Total share capital	**26 700**	**35 600 000**	**26 700**	**26 700**	**35 600 000**	**26 700**

AMOUNTS DUE FROM AND DUE TO RELATED PARTIES CHF 1 000	AMOUNTS DUE FROM 2022	AMOUNTS DUE FROM 2021	AMOUNTS DUE TO 2022	AMOUNTS DUE TO 2021
ABS Group companies	1 079	1 058	1 220	891
Associated companies	159 014	200 975	1 454 707	1 600 812
Transactions with members of governing bodies	151 485	180 540	7 228	156 171

The "Amounts due from" and "Amounts due to" associated companies represent the interbanks business concluded with Arab Bank PLC., Amman and its subsidiaries as well as ABS participation Ubhar Capital S.A.O.C.

The "Transactions with members of governing bodies" includes transactions granted at market conditions.

SIGNIFICANT SHAREHOLDERS	2022 NOMINAL VALUE CHF 1 000	2022 PERCENTAGE %	2021 NOMINAL VALUE CHF 1 000	2021 PERCENTAGE %
With voting shares				
Social Security Corporation, Amman (Jordan)	6 117 127	17.2	6 117 127	17.2

BREAKDOWN OF TOTAL ASSETS ABROAD ACCORDING TO THE CREDIT RATING OF REGIONS (RISK DOMICILE PRINCIPLE)	NET EXPOSURE ABROAD 2022 CHF 1 000	NET EXPOSURE ABROAD 2022 %	NET EXPOSURE ABROAD 2021 CHF 1 000	NET EXPOSURE ABROAD 2021 %
AAA	296 987	14	319 183	13
AA+ - AA-	1 122 803	52	1 096 682	45
A+ - A	119 858	5	190 043	8
BBB+ - BBB-	80 424	4	135 740	6
BB+ - BB-	107 225	4	39 188	2
B+ - B-	300 152	14	354 641	15
CCC+ - D	100 864	5	100 893	4
Unrated	40 809	2	176 033	7
Total	**2 169 122**	**100**	**2 412 403**	**100**

The ratings used are the Standard & Poor's (S&P) ratings for country risks.

4 - INFORMATION ON OFF-BALANCE SHEET TRANSACTIONS

FIDUCIARY TRANSACTIONS CHF 1 000	2022	2021
Fiduciary placements with third party companies	1 322 593	374 439
Fiduciary placements with Arab Bank PLC Amman and its subsidiaries as well as affiliated companies	56 222	47 128
Total fiduciary transactions	**1 378 815**	**421 567**

ASSETS UNDER MANAGEMENT CHF 1 000	2022	2021
Type of assets under management:		
Assets in collective investment schemes managed by the Bank	211 870	170 008
Assets with administrations' mandate	234 906	278 656
Other client assets	5 639 908	5 150 410
Total assets under management (including double-counting) 1)	**6 086 684**	**5 599 074**
- of which double counts	*211 870*	*170 008*
Total assets under management (excluding double-counting) 1)	**5 874 814**	**5 429 066**
Development of assets under management:		
Total assets under management (including double-counting) at the beginning	**5 599 074**	**4 618 721**
+ / - Net new money inflows or outflows 2)	911 508	825 095
+ / - Market price trend, interest, dividends and currency development	- 423 898	155 258
Total assets under management (including double-counting) at the end	**6 086 684**	**5 599 074**

1) Client Assets are asset values of clients, for which Arab Bank (Switzerland) Ltd. renders investment and consulting services, but without loans.
2) Sum of all individual money deposits and payments as well as security incoming and outgoing deliveries, whereby new loans and loan repayments are accounted for.

5 - INFORMATION ON THE INCOME STATEMENT

RESULTS FROM TRADING OPERATIONS CHF 1 000	2022	2021
Equity securities, funds	- 1 382	1 631
Foreign exchange	27 143	19 098
Total trading results	**25 761**	**20 729**

INFORMATION ON SIGNIFICANT NEGATIVE INTERESTS

In 2015, the Swiss National Bank (SNB) introduced negative interest rates on sight deposit account balances with SNB of -0.75% until 16 June 2022 and -0.25% until 22 September 2022. From 23 September 2022, the SNB reintroduced positive interest rates. The paid and accrued SNB negative interests for the year of 2022 amounted to CHF 4.2 million (2021: CHF 9.2 million).

PERSONNEL EXPENSES CHF 1 000	2022	2021
Salaries	39 660	33 321
Social insurance obligations	3 363	2 949
Pension fund	3 095	2 424
Other personnel expenses	928	585
Total personnel expenses	**47 045**	**39 278**

GENERAL AND ADMINISTRATIVE EXPENSES CHF 1 000	2022	2021
Office space expenses	909	596
Expenses for information technology and telecommunications	5 401	4 561
Outsourcing expenses	4 163	3 970
Expenses for furniture and other equipment	98	98
Audit fees	471	389
- of which for financial and regulatory audits	*360*	*360*
- of which for other services	*111*	*29*
Other operating expenses	9 895	6 155
Total general and administrative expenses	**20 938**	**15 770**

MATERIAL LOSSES, EXTRAORDINARY INCOME AND EXPENSES AS WELL AS RELEASE OF SIGNIFICANT HIDDEN RESERVES, RESERVES FOR GENERAL BANKING RISKS AND VALUE ADJUSTMENTS AND PROVISIONS NO LONGER NECESSARY CHF 1 000	2022	2021
Extraordinary income		
Release of provisions considered as hidden reserves	975	1 010
Other extraordinary income	0	15
Total extraordinary income	**975**	**1 025**
Extraordinary expenses		
Other extraordinary expenses	0	0
Total extraordinary expenses	**0**	**0**

CURRENT AND DEFERRED TAXES CHF 1 000	2022	2021
Current taxes	8 432	5 255
Total taxes	**8 432**	**5 255**

The average income tax rate was 14.3% of the results for the period before taxes in the current year (previous year: 14.3%).

6 - CAPITAL ADEQUACY AND LIQUIDITY DISCLOSURE

CHF 1 000	2022	2021
Eligible capital		
Common Equity Tier 1 Capital (CET1)	567 722	542 080
Total eligible capital	**567 722**	**542 080**
Minimum capital requirements		
Minimum capital requirements	506 778	507 957
Total minimum capital requirements	**506 778**	**507 957**
Simplified leverage ratio		
Assets (without goodwill and participations) and off-balance sheet transactions	6 334 723	6 349 463
Simplified leverage ratio	**9.0%**	**8.5%**

CHF 1 000	Q4 2022 AVERAGE	Q3 2022 AVERAGE	Q2 2022 AVERAGE	Q1 2022 AVERAGE	Q4 2021 AVERAGE
Liquidity ratio					
Total High Quality Liquid Assets	1 229 634	1 362 897	1 185 439	1 422 379	1 534 767
Total Net Cash Outflows	369 166	556 965	622 892	547 467	499 450
Liquidity coverage ratio	**333%**	**245%**	**190%**	**260%**	**307%**

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To the General Meeting of
Arab Bank (Switzerland) Ltd., Geneva

Geneva, 15th February 2023

Report of the statutory auditor

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Arab Bank (Switzerland) Ltd. (the Company), which comprise the statement of financial position as at 31 December 2022 the statement of income and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages [●] to [●]) 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 consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

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

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation.

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

Ernst & Young Ltd

Stéphane Müller (Qualified Signature)
Licensed audit expert
(Auditor in charge)

Pierre-Antoine Merten (Qualified Signature)