

SWISS BANKERS



Annual Report

2021

Key Figures

Number of employees at the end of the reporting year
(in full-time equivalents: 87.1)

117



Completed further education

4



Sales partners in Switzerland, Liechtenstein
and Germany

215



Number of tickets sold by our sales partners
in the reporting year

39,208



Card loading volume

640.2 million

(+5.2% compared to previous year)



Sales volume of foreign currency banknotes

76.2 million

(+9.8% compared to previous year)



Number of transactions 2021

8.8 million

(+4.3% compared to previous year)



Number of customers who have used
the Send service

1,129



Number of app downloads 2021

454,352

(+23.0% compared to previous year)



Number of registered cards in the app

364,114

(+7.2% compared to previous year)



Swiss Bankers Prepaid Services Group

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Swiss Bankers Prepaid Services Ltd, Grosshöchstetten

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Dear Clients, Shareholders and Staff

After the restrictions in the Corona year 2020, the 2021 business year was marked by the fight against the COVID 19 pandemic and the associated gradual opening of significant parts of public life in the second quarter and the renewed closure in the fourth quarter. As a result, Swiss Bankers was able to realise significant year-on-year growth in card and cash notes sales volumes from the second quarter of 2021 onwards. However, the phased travel restrictions as well as the changing measures to combat the COVID 19 pandemic throughout the year and the associated poor plannability of international travel continued to strongly influence Swiss Bankers' business in 2021.

Prepaid card and banknote sales volume totalled CHF 717.1 million, 5.7% above the previous year. From the second quarter onwards, international travel picked up again, resulting in growth of 18.8%. The Money Send business segment recovered slightly better than the Prepaid business segment. Total revenues amounted to CHF 32.2 million, which corresponds to a growth of 1.4% compared to the previous year. Due to the still weak European and intercontinental business as well as the trend towards ecommerce payments with generally lower transaction amounts, the commission income could not be increased to the same extent as the sales volume. Expenditure, consisting of commission, personnel and general & administrative expenses as well as losses, increased by 3.6% from CHF 33.4 million to CHF 34.6 million. Despite the higher number of transactions, commission expenses were significantly reduced compared to the previous year. Operating expenses were materially influenced by one-time effects in fraud prevention (CHF -1.8 million) and for the strategic project Diana (expansion of international business; CHF -1.3 million). The operating loss after special effects for 2021 thus amounted to CHF 2.5 million. Adjusted for the two one-time effects, Swiss Bankers 2021 achieved an operating profit of CHF 0.6 million. In the previous year, reserves for general banking risks were released, resulting in an annual loss of CHF 0.4 million in 2020.

In the 2021 business year, the Diana strategy project, which aims to expand the international expansion, was the focus of the further development of the existing business. Swiss Bankers comprehensively revised its strategy in 2017 and has since repositioned itself. The prepaid business segment has been extensively digitalised and modernised in recent years (including new products, expansion of the app, digital cards, online on-boarding, new market presence) and the new business segments Remittance (Send) and Digital Solutions have been successfully launched. For the next step of the transformation strategy, a successful and sustainable market entry into new growth markets in Europe, high investments in technology, marketing and personnel are required. Swiss Bankers has developed market entry strategies with business plans for four target markets. The external market interest in Swiss Bankers as a target was corroborated and substantiated in the summer of 2021 with the support of an international advisor.

We stand for our brand values: Sustainable, Innovative and International as well as Simplicity, Safety and Connection.



Bernard Burkhalter (Chairman of the Board of Directors) and Hans-Jörg Widiger (CEO)

With the signing of a share purchase agreement in December 2021, Swiss Bankers found in DDM Group a new owner with extensive international experience. It will acquire 100% of the share capital. The transaction is still subject to regulatory approval. The change in shareholders will have no impact on Swiss Bankers' clients. They can continue to expect secure and innovative payment products and personal service.

At the end of 2021, Swiss Bankers had around 572,000 card customers (previous year: 590,000) and around 64,000 banknote customers (previous year: 148'000). The number of banknote customers in particular shows how strongly Swiss Bankers is dependent on the travel activities of its customers in the Money Send business segment. The significantly weaker decline in card customers, on the other hand, is the result of the product restructuring of recent years. Whereas in 2017 almost 100% of card sales were still generated with the Travel prepaid card, in 2021 more than every third transaction was already attributable to the new card products launched since then. This shows that Swiss Bankers' card products have established themselves in the everyday lives of Swiss Bankers' customers, not least thanks to the digital offers, and are no longer only used as a means of payment for travel.

FOREWORD

This broad support for Swiss Bankers' products is also illustrated by the newly entered partnership with the business software provider KLARA. The KLARA expense management system enables simple and automatic booking, of expenses for SMEs in Switzerland. In addition to the simplified booking an additional payment solution has been integrated into the expense management system as an option for the payment of expenses: The Value prepaid card from Swiss Bankers is fully integrated into the KLARA accounting solution and thus offers numerous advantages over a conventional credit card.

At the end of 2021, the Travel prepaid card in Swiss francs was also launched for direct sales. In the first quarter of 2022, the currencies Euro and US dollars will follow.

Despite these further development steps, the transformation of Swiss Bankers is not yet complete. It will continue to accompany the company in the future in order to be able to benefit from the expected digitalisation boost from the acceleration and spread of new technologies. As already mentioned, Swiss Bankers was able to take another important step in 2021. Swiss Bankers Prepaid Services Ltd was sold to the DDM Group on 17 December 2021. The share purchase agreement can be completed as long as the regulatory conditions of the Swiss Financial Market Supervisory Authority FINMA and the Financial Market Authority Liechtenstein FMA are met. In the course of this sale, the digitalisation strategy of Swiss Bankers will be further advanced, and the company will be aligned on a successful growth course both nationally and internationally. Swiss Bankers can now implement the digital transformation and specialisation in the business areas of prepaid, send and digital solutions of recent years internationally.

With the resulting growth opportunities, the challenges posed by the rapid developments in the payment sector are mastered. These changes require excellently trained and specialised employees as well as a modern and efficient infrastructure. Due to the associated increase in fixed costs, profitability must be improved through higher volumes.

The transformation of Swiss Bankers' client offering is well advanced. In the area of digitalisation of the client offering, Swiss Bankers already has the necessary unique selling points and is thus ready for the time after the COVID 19 pandemic.

On behalf of the Board of Directors and the Executive Management, I would like to thank our clients, distribution partners and shareholders. It is their trust, their loyalty and their pleasure in our products that spur us on and motivate us to special achievements every day. Special thanks also go to the drivers of our innovative strength in the midst of this change: our employees, who work with extraordinary commitment every day to expand Swiss Bankers' leading position as a Swiss prepaid and remittance provider.



Bernard Burkhalter

Chairman of the Board of Directors
Swiss Bankers Prepaid Services Ltd

Sustainable

We have a stable position and benefit from decades of experience. We act in a sustainable manner, both in our business model and with our products.



Swiss Bankers Products and Services

The company was founded in 1975 as Swiss Bankers Travelers Cheque Center. In 2008, the company changed its legal form to a public limited company under the name Swiss Bankers Prepaid Services Ltd ("Swiss Bankers" for short) and obtained a banking licence in 2011.

In 2012, the subsidiary Swiss Bankers Prepaid Services (Liechtenstein) Ltd was founded, which is responsible for distribution in Liechtenstein and other foreign markets. In 2020, the e-money licence was renewed in accordance with PSD2.

In 2017, the corporate strategy was fundamentally revised and consistently oriented towards the digitalisation of services and products. Since then, Swiss Bankers has consistently pursued this path, which is reflected in the comprehensive new payment offerings, including mobile payment and money transfer to Mastercard cards.

Prepaid cards from Swiss Bankers – flexible and digital

Swiss Bankers cards can be used at around 70 million Mastercard acceptance points worldwide. The cards are available in the classic physical form or as digital cards. The latter can be easily and flexibly stored for contactless payment on a mobile phone, smartwatch or other wearables.

A major advantage of prepaid cards is that they are easy and uncomplicated to issue, as neither a credit check nor the opening of a bank account is required. The cards can be issued, loaded and used immediately.

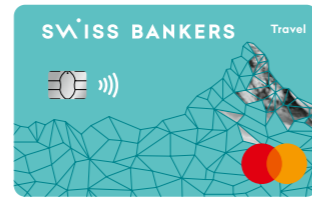
Foreign currency banknote mailing service

Many Swiss banks use the Swiss Bankers banknote dispatch service for their customers. Orders can be placed in more than 70 currencies via branches, the call centre or integrated in e-banking. Dispatch is simple, fast and direct to the bank's customers.

Seamless Integration – Digital Solutions

Financial institutions and companies can also obtain Swiss Bankers products and the Swiss Bankers app as a white-labelling solution, as is the case for Credit Suisse, for example.

In addition, various APIs (Application Programming Interfaces) are available to enable seamless integration of a wide variety of use cases. Be it the ordering of cards and banknotes, the instant top-up of cards, the transfer of credit between cards, and similar.



Travel – the prepaid card for travelling

Swiss Bankers Travel is the leading prepaid card in Switzerland and is offered by over 140 distribution partners. These include many Swiss and Liechtenstein banks as well as the SBB.

Travel is primarily used by Swiss Bankers clients for travel, whether in e-commerce for travel preparations or for secure payment during the trip. The card is characterised by an attractive pricing model, whereby fees are only charged when the card is actually used.

Travel is offered in Swiss francs, Euros and US dollars. Card loading is easily made by bank transfer or payment by credit card or by PostFinance card, or at the points of sale of our sales partner. In the event of loss or theft, the card will be replaced quickly, worldwide and free of charge.



Life – the prepaid card for every day

Swiss Bankers Life Life is the ideal payment card – for young or old – for everyday use and focuses on an uncomplicated lifestyle. Life can be used at Swiss Bankers or one of the sales outlets quickly and easily. Life has an affordable annual fee and offers free card loading and secure ecommerce purchases.



Value – the prepaid card for businesses

Swiss Bankers Value card is the simple solution for business clients to reimburse expenses and outlays via prepaid cards or to send flexible amounts of money to employees and clients. Frequent applications can be found with travel and congress organisers, but various UN organisations also use the card, for example to compensate congress participants or to pay for project costs abroad.



Prime – the prepaid card for high demands

Worldwide liquidity even for high payment demands – that's what Swiss Bankers Prime offers. The card is tailored to the special needs of private banking clients. Clients from over 200 countries use this exquisite service. Prime is offered by many private banks, and the trend is rising.



Send – innovative global money transfer

The new money transfer service Send allows money to be transferred easily and inexpensively worldwide. Currently, 27 countries are available to receive money, with new corridors being added continuously.

There is now also the option of transferring money directly to a Mastercard card. Foreign payments can thus be processed more easily, quickly and cheaply than, for example, via SWIFT.

In addition to money transfers to Mastercard cards, the Send service also supports transfers to bank accounts and digital wallets (eWallets). In addition, orders for cash withdrawals or collections can be placed at cash-out stations (cash points) in various countries.

The innovative Send money transfer service is available to all Swiss Bankers card customers. However, the service can also be used by people who do not have a Swiss Bankers card via the Swiss Bankers app.



Swiss Bankers App – everything simply from one app

The Swiss Bankers app has been an integral part of the Swiss Bankers product range since 2016. The app is available to all Swiss Bankers customers free of charge for downloading and now forms the core of the diverse prepaid and money transfer services.

The app functionalities are continuously expanded and optimised to meet new requirements. Over the course of time, the app has become the most important communication and interaction channel with Swiss Bankers' clientele.

With the app, Swiss Bankers customers always have their cards with them and can find out about transactions at any time. Essential settings can be made easily, such as blocking or unblocking cards, setting a new PIN code or blocking payments in certain countries and regions.

The app also supports the on-boarding of new customers and their online identification. In addition, the app uses biometric security features and supports the latest security standards such as Mastercard Identity Check.

Corporate Bodies and Chart of Organisation

Shareholders

Association of Swiss Cantonal Banks
 Credit Suisse (Switzerland) Ltd
 Entris Banking Ltd
 Raiffeisen Switzerland Cooperative
 PostFinance Ltd

Board of Directors

Bernard Burkhalter, Chairman
 Adrian Töngi, Vice Chairman
 Hans Ulrich Bacher
 Markus Locher
 Daniel Ritz
 Christoph Meister*
 Peter Held*

* Independent members pursuant to FINMA-Circular 17/1

Executive Management

Hans-Jörg Widiger, CEO
 Sascha Breite, CMO
 Simone Fischer, COO
 Dirk Blumenthal, CTO (until 31 August 2021)
 Paul Kreis, CIO (as of 16 August 2021)
 George M. Isliker, CFO/CRO

Auditors

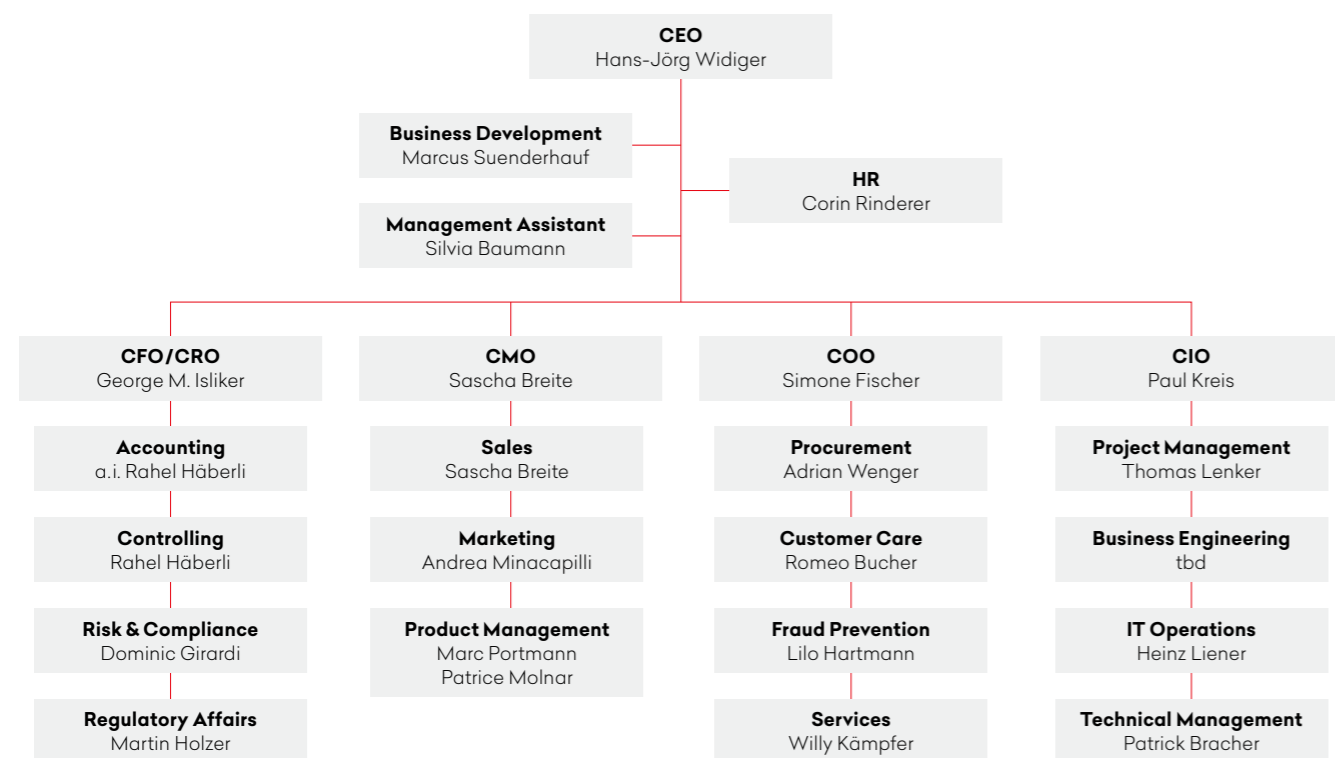
Ernst & Young Ltd
 3001 Berne
 Switzerland

Registered Office

Swiss Bankers Prepaid Services Ltd
 Kramgasse 4
 3506 Grosshöchstetten
 Switzerland
 Phone +41 31 710 11 11
 info@swissbankers.ch

In the 2021 financial year, 117 employees were engaged in the development and processing, distribution and servicing of prepaid cards, the service Send and the shipping service of travel payment funds.

The following organisation chart is valid as of 31 December 2021:



Board of Directors

Chairman

Bernard Burkhalter
 Born 1954

Current position: Management, support and processing of BEKB bank mandates and projects

Education: Commercial apprenticeship in banking, Federal Banking Diploma, Diploma in Business Administration KSZ, Diploma Swiss Banking School, Diploma SKU, Certificate Duke University USA, The Fuqua School of Business Executive Education Advanced Management Program

Committee: Member Nomination and Compensation Committee

Term of office: until the AGM 2023

Vice Chairman

Adrian Töngi
 Born 1963

Current position: Head of Banking Operations and Quality Assurance at Raiffeisen Schweiz Genossenschaft

Education: Dipl. Bankfachmann, Executive Program of the Swiss Finance Institute, Zurich

Committee: Member Nomination and Compensation Committee

Term of office: until the AGM 2022

Member

Hans Ulrich Bacher
 Born 1977

Current position: Head of Support / CFO and Member of the Executive Board at Entris Banking Ltd

Education: Doctorat en économie politique at the University of Lausanne (HEC), Master in Economics at the London School of Economics

Committee: Chairman Audit and Risk Committee

Term of office: until the AGM 2023

Member

Markus Locher
 Born 1978

Current position: Head Digital Banking Switzerland and Managing Director at Credit Suisse (Switzerland) Ltd

Education: Master of Arts in Economics, lic. oec. publ. at the University of Zurich

Committee: Member of the Audit and Risk Committee

Term of office: until the AGM 2023

Member

Daniel Ritz
 Born 1980

Current position: Head of Financial Accounting and Member of the Management Board at PostFinance Ltd

Education: Master of Arts in Management from the Universities of Bern and Fribourg, Bachelor of Arts in Business Information Systems from the University of Fribourg

Term of office: until the AGM 2024

Independent member

Christoph Meister
 Born 1953

Current position: Board mandates with Swiss Bankers CH/FL

Education: Dipl. Businessman, Business economist (HWV Berne), Certified Public Accountant, Former Partner Ernst & Young Ltd

Committee: Chairman Nomination and Compensation Committee, Member Audit and Risk Committee

Term of office: until the AGM 2022

Independent member

Peter Held
 Born 1954

Current position: Management consultant with a focus on strategy consulting mandates, member of the Board of Directors (additional mandate at Globaz SA, Le Noirmont)

Education: Business economist HWV (HWV Basel), Federal Dipl. Marketing Manager, EMBA Financial Services & Insurance

Term of office: until the AGM 2022

Swiss Bankers Prepaid Services Ltd was sold to the DDM Group as of 17 December 2021. The purchase agreement can be executed as soon as the regulatory approvals of the Swiss Financial Market Supervisory Authority FINMA and the Financial Market Authority Liechtenstein FMA have been obtained. The closing will also entail a new appointment of the Board of Directors.

Executive Management



Hans-Jörg Widiger
CEO

Born 1964
Dipl. Kfm./lic. oec.: Studied economics at the University of Duisburg (D); Senior Executive Program, Harvard Business School, Boston; Senior Executive Program, Columbia Business School, New York.

CEO of Swiss Bankers since 2017. Prior to that, Hans-Jörg Widiger was Managing Director of Gemalto AG, Aarau, from 2009 to 2016 and a member of the Board of Directors of ID pendant AG (Germany) and Trüb Estonia. From 2006 to 2009 he was a member of the Executive Board of Entris Ltd and from 2000 to 2005 a member of the Executive Board of Neue Aargauer Bank. Prior to that, Hans-Jörg Widiger held various positions at Credit Suisse, UBS and PwC from 1993 to 2000. He also serves on various boards of directors and is a member of the Advisory Board IFZ FinTech of the Institute of Financial Services Zug at the Lucerne University of Applied Sciences and Arts.

Sascha Breite
CMO

Born 1969
Master of Business Administration (MBA) with focus on International Marketing & Innovation at Henley Business School (University Reading, UK), apprenticeship as information electronics technician at Siemens (Munich, Germany).

As Chief Marketing Officer (CMO), Sascha Breite is responsible for sales, marketing and product management at Swiss Bankers. He is also Managing Director of Swiss Bankers Prepaid Services (Liechtenstein) Ltd. From 2000 to 2017, he was Managing Director of SIX Payment Services (Germany) with additional mandates as Head of Future Payments and Head Portfolio & Positioning at SIX Payment Services (Switzerland). Prior to that, he led the cross-site development of payment systems at Ingenico (Germany) from 1993 to 2000.

Simone Fischer
COO

Born 1979
Master of Science in Graphic Arts Publishing, University of Applied Sciences RIT, Rochester (USA); Multimedia Insinööri, University of Applied Sciences EVTEK, Espoo (FIN); Dipl.-Ing. COMEM+ in Print Media Management, La Haute Ecole d'Ingénierie et de Gestion du Canton de Vaud (HEIG-VD), Lausanne (CH).

Since 2018, Simone Fischer has been responsible for Procurement, Customer Care, Fraud Prevention and Services as Chief Operating Officer at Swiss Bankers. From 2014 to 2018 she was Head of Customer Service at Gemalto AG, Aarau. From 2005 to 2014, she was Product Manager Prinect and CtP at Heidelberg Schweiz AG, Berne, responsible for the sales and market introduction of all software products in the Swiss market. In both functions, Simone Fischer was deputy to the management.

Paul Kreis
CIO

Born 1978
Business IT specialist FH/Executive MBA from the Universities of Berne and Rochester.

Paul Kreis has been Chief Information Officer (CIO) at Swiss Bankers since August 2021 and is responsible for project management, application management, technical management and architecture. Paul Kreis brings over 15 years of payment experience. As CIO and member of the Executive Board at TWINT Ltd, he was responsible for the entire IT. Prior to that, he held various management positions in IT at PostFinance Ltd. He was Head of Development Card Acquiring & E-Payment, as Head Infrastructure & Rollout he was a member of the programme management team of the successful multi-year core banking transformation project and led the agile transformation

George Marc Isliker
CFO/CRO

Born 1964
Certified Public Accountant (CPA), Trust and Estate Practitioner (TEP), law studies at the University of St. Gallen (HSG).

In 2020, George M. Isliker joined Swiss Bankers as Chief Financial Officer and Chief Risk Officer. From 2011 to 2020, he was CFO/CRO of Valartis Group Ltd, Fribourg, Switzerland (stock listed). From 2004 to 2010, he was Head of Group Finance & Risk at VP Bank Group, Vaduz, Liechtenstein (stock listed). In 2003, he took a sabbatical year. From 1995 to 2002, he was Head of Finance and Head of Credit Department at the private banking group Hottinger & Cie Banquiers, Zurich, Switzerland, and from 1992 to 1995 as an auditor with the auditing firm KPMG, Zurich, Switzerland.

Business Environment and Current Developments

After the restrictions in the Corona year 2020, the 2021 financial year was dominated by combating the COVID 19 pandemic and the accompanying gradual opening of significant parts of public life. Swiss Bankers realised significant year-on-year growth in card and banknote sales volumes from the second quarter of 2021 onwards. However the phased travel restrictions continued to strongly influence Swiss Bankers' business in 2021. From the third quarter of 2021, private consumption has increased. This includes spending on foreign travel, which has increased noticeably, and with which Swiss Bankers recorded higher earnings in the second half of 2021 compared to the first half.

From the third quarter of 2021, private consumption has increased, which has also led to an increase in expenditure on foreign travel.

For the payment industry, as in the previous year, the trend towards more e- and m-commerce, digital and contactless payments, instant payments and the displacement of cash continues. This trend is also reflected in the use of Swiss Bankers card products. In addition, there has been an increase in both e-commerce and m-commerce transactions as well as digital and contactless terminals. The displacement of cash is also visible in Swiss Bankers' key figures.

This change in customer behaviour is a challenge that many established payment providers are facing. The new realities of consumers' and companies' lives need to be quickly adapted in the operating models of payment providers in order to meet the growing demands for digitalisation, efficiency, scalability, modularity and interoperability. The pandemic also shows that trends in behaviour establish themselves quickly and new developments must be introduced promptly.

Swiss Bankers 2021

Swiss Bankers has perceived the change in customer behaviour and was able to implement and commission various projects in 2021:

- Go-live KLARA
- Expansion Send (into various new countries)
- Expansion of product range in direct sales
- Preparation for internationalisation
- Successful sale of Swiss Bankers to DDM Group for the next strategic step

Swiss Bankers 2022

For Swiss Bankers, the year 2022 will be marked by preparations for internationalisation and subsequent selective market entry in European countries. Nevertheless, there will be some further developments in the Swiss Bankers project portfolio:

- Same-day card loading with bank transfers
- Expansion of product range in direct sales
- Expansion Send (more countries and money-receiving channels)

Swiss Bankers 2023

Future challenges include the adaptation of the product and service portfolio, the digitalisation of processes and the strengthening of partnerships due to internationalisation at both national and international level:

- Selective market entry in Europe
- Digital offerings - expansion and optimisation of digital products and channels
- Partnerships - tailor-made products and service solutions
- Mobile payments - tokenised cards and biometrics to promote mobile payments and third-party wallets
- Digitisation customer service

Innovation and Digital Solutions

One of the cornerstones of Swiss Bankers' corporate strategy is the consistent digitalisation of processes. Internally, this should lead to an increase in efficiency and a reduction in costs. Externally, the aim is to enable partners and customers to use payment products and services more easily, quickly and flexibly.

In order to achieve this, two factors play a decisive role: firstly, Swiss Bankers has adapted and decoupled the existing services for Swiss clients in such a way that they can be used entirely via programming interfaces (API) in the form of web services. This achieves the second success factor in the form of greater flexibility. The services, which can now be used more universally, can be combined to create new solutions that are much better able to meet the needs of partners and customers.

Digital solution using the example of expense management

Paying with a prepaid card is nothing new in and of itself. However, the decisive factor is the service concept in which the payment services are embedded and how these are made accessible to the target customers. The following example shows how expense management for Swiss SMEs can be significantly simplified through the clever combination of the Swiss Bankers prepaid cards and the digital KLARA ERP platform.

To obtain a typical corporate credit card for an employee, companies used to have to open an account at a bank, submit an application to the credit card issuer and ensure sufficient security for the credit line of the corporate cards. The settlement of expenses was then carried out on the basis of the credit card statement with the collected receipts, which in the case of an SME was often carried out by an external accounting department.

Strong together for common customers

In a cooperation between KLARA and Swiss Bankers, a fully digital expense solution for SMEs was created, which, in addition to the on-boarding of corporate clients, also enables the inexpensive and flexible use of expense cards. Companies can order a new expense card for their employees at any time without the hassle of paperwork. If one employee leaves the company, the same card can be transferred to another person.

At the same time, the solution includes fully automatic document recognition, including accounting processing. In addition, the company can flexibly transfer existing card balances between the prepaid cards if necessary.

SMEs thus benefit from lower management costs of expenses, as the costs for external accounting is significantly reduced. In addition, the formerly necessary collateral for the credit lines of the company cards is no longer required. And the efficiency gain, which was previously only reserved for larger companies, is thus also accessible to SMEs in the symbiosis of prepaid company card and digital ERP platform.

Flexible payment components as a success factor

Swiss Bankers sees the newly gained flexibility and automation of payment services as an essential key factor for future business success. More and more companies and organisations are shifting certain value-adding activities much closer to their end customers. Often, these are payment transactions, which take many different forms. By means of flexible, cost-effective payment components, new customer oriented solutions can be created for a wide range of industries.

Swiss Bankers is ready for the future of payment – secure and flexible, in real time and easy to integrate.

Payment services are needed by almost all large companies. Be it insurance companies that want to provide their customers with services in real time, regardless of where the customers are located. Or by shared-economy providers who only want to charge for services that are actually used.

Platform operators or internationally active companies in particular benefit from the flexible Swiss Bankers Payment components. For example, prepaid card accounts can be provided very easily for the international disbursement of funds. No matter where the payment recipient is located, cash can be withdrawn or other services can be paid for via the Mastercard network.

Swiss Bankers is ready for the future of payment – secure and flexible, in real time and easy to integrate.

Sustainability

One of Swiss Bankers' corporate values is sustainability. This refers not only to sustainability in the sense of the long-term orientation of Swiss Bankers' business strategy and long-term partnerships with clients, suppliers and distribution partners, but also to sustainability in terms of the harmony of actions with the environment.

Did you know that more than 80% of Swiss waste paper is recycled? That sounds like a lot, but one third of waste paper consists of inks and fillers that are not returned to the biological cycle and are disposed of as toxic hazardous waste.

Sustainability in the printing sector is often limited to making production as environmentally friendly as possible. However, less harmful still does harm in the end. Toxic substances can also accumulate in waste paper through repeated recycling, which is why most food manufacturers, for example, can almost only use new cardboard and plastic as packaging. Here, too, the environment is polluted.

There is another way

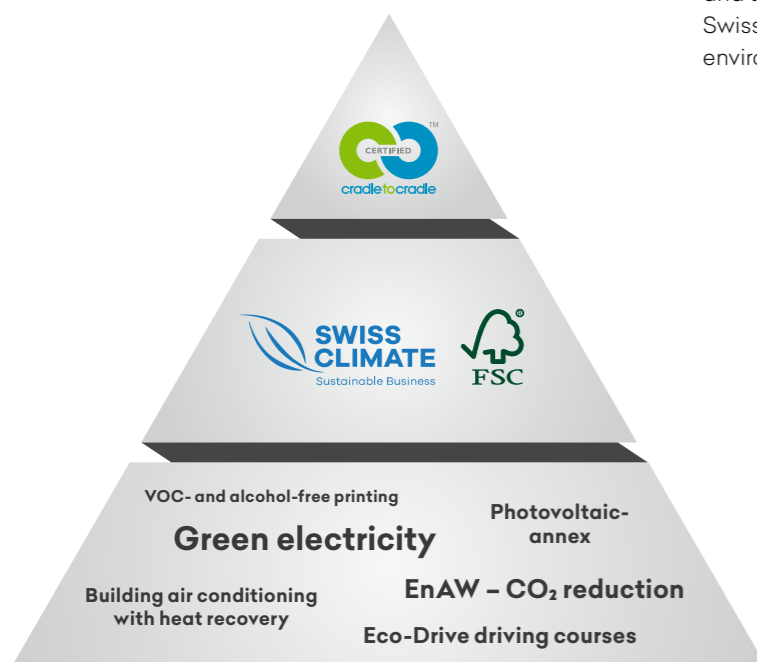
With the cradle-to-cradle principle, all production processes are designed and materials are selected in such a way that waste is avoided in the first place. Paper, cardboard, printing ink and glue are made exclusively from safe basic materials that are healthy for the biological cycle.

Since 2018, Swiss Bankers has been using 100% recyclable print production and now produces all its printed matter at a C2C-certified printing company in the Bernese Emmental. Whether card carriers, note cases, annual reports, brochures, flyers, stationery or business cards – theoretically, you can burn Swiss Bankers' printed matter in the garden and reuse it as fertiliser for your vegetable patch. Thanks to the production location in Switzerland and small-volume printing, environmentally damaging transports by lorry as well as waste can be significantly reduced.

Less bad is not good enough: Swiss Bankers sets on 100% sustainably produced printed matter from Switzerland.

Swiss Bankers continuously checks which printed products still need to be produced at all or whether they can even only be made available digitally. Printing nothing saves the most resources, which is why Swiss Bankers has dispensed with the production of sample cards and sample sets since 2019, for example.

The more companies use sustainable products according to C2C standards, the better known the process becomes and the fewer pollutants accumulate in the environment. Swiss Bankers is acting today to ensure a healthy and clean environment for future generations.



More information: swissbankers.ch/swiss-bankers/sustainability or voegeli.ch



Innovative

We are innovative, curious and bold. We identify opportunities and implement them into relevant solutions.

Management Report

Business Performance and Economic Situation

After the restrictions in the Corona year 2020, the 2021 financial year was dominated by the fight against the COVID 19 pandemic and the accompanying gradual opening of significant parts of public life. However, the phased travel restrictions as well as the changing measures to combat COVID 19 throughout the year and the associated difficulty in planning international travel continued to have a strong impact on Swiss Bankers' business in 2021. Nevertheless, significant growth was recorded from the second quarter onwards.

In accordance with Swiss accounting regulations for banks, the annual loss was CHF 5.2 million (previous year: annual loss of CHF 0.4 million). The 2021 business year was significantly influenced by one-time effects in the area of fraud prevention (CHF –1.8 million) and in the strategic project Diana (CHF –1.3 million). Adjusted for the two one-time effects, Swiss Bankers 2021 posted a net loss of CHF 2.1 million. The sales volume in 2021 amounted to CHF 717.1 million, an increase of 5.7% compared to 2020 (previous year: CHF 678.3 million). In the first quarter of 2021, Swiss Bankers suffered a year-on-year decline in sales volume of CHF 51.6 million or 26.0%. This is because the COVID 19 pandemic did not affect the comparative quarter of 2020 (Q1) until mid-March 2020, whereas in the first quarter of 2021 in Switzerland and in many other countries of the world, far-reaching lockdowns significantly restricted consumption. In the remaining quarters, Swiss Bankers was able to increase its sales volume by CHF 90.3 million or 18.8% compared to 2020. Thanks to this increase in sales volume, commission income rose by 2.5% and trading income (both exchange rate gains on customer foreign transactions and exchange rate gains on foreign currency banknotes) by 4.5%. As of 31 December 2021, operating income was CHF 32.2 million, compared to CHF 31.7 million in the previous year (+1.4%).

Overview of the 2021 business year

Overall, the 5.2% increase in the sales volume of the card business led to a 3.8% increase in the subscription volume. Commission income, which consists of loading commissions, annual fees and subscription fees, increased by 2.5% from CHF 20.9 million to CHF 21.4 million compared to the previous year.

The growth in the trading business is largely due to the fact that exchange rate gains from the sale of foreign currency banknotes increased by 24.7%. This reflects the fact that the clientele is by Swiss Bankers 2021 was able to travel internationally again and, therefore, relied on cash in foreign currencies. The increase in the sales volume of foreign currency banknotes amounted to 24.1%, with demand for Euros (+46.6%) in particular increasing significantly again. At the same time, demand for Swiss francs fell by 11.9% compared to the previous year.

The business with prepaid cards also showed that Swiss Bankers' clientele was able to travel a little more again, especially as of summer 2021. The number of withdrawals abroad increased by 7.2% in 2021. The level of withdrawals in Switzerland remained the same as in the previous year. Overall, at 58.7%, more withdrawal transactions took place abroad than in the previous year (56.9%).

Products

Travel is the leading prepaid card in Switzerland. Swiss Bankers' customers generally use Travel to pay in shops, restaurants and hotels – both locally and in e-commerce. In the year under review, Swiss Bankers' distribution partners issued around 26,000 new Travel cards despite the pandemic. In the previous year, around 31,000 new cards were sold.

Life, the prepaid card for everyday use, was loaded by around 48,000 customers with a volume of CHF 121.3 million. This corresponds to a growth of 18.9% in terms of customers and 19.9% in sales volume compared to 2020.

In total, Swiss Bankers recorded around 572,000 cardholders with earnings at the time of reporting (previous year: 590,000). They carried out 8.8 million transactions in 2021 (previous year: 8.4 million transactions). In the mobile payment sector, around 19,000 users used their card. The volume developed positively. Compared to the previous year, the transaction volume increased by 24.9% to CHF 19.8 million. The number of transactions rose by 21.7% to around 0.6 million.

The Swiss Bankers app had more than 360,000 users in 2021 (7.2% more than in the previous year).

Financial Situation

The Swiss Bankers Group's financing situation remains stable. The Group's equity amounted as of 31 December 2021 to CHF 49.9 million (31 December 2020: CHF 83.2 million). This corresponds to an equity ratio, i.e. equity as a percentage of total assets, of 12.4% (31 December 2020: 18.4%). Equity as at 31 December 2021 thus decreased by around CHF 33.2 million compared to 31 December 2020. Of this amount, CHF 28.0 million from an extraordinary dividend distribution reduced equity in the context of the sale of Swiss Bankers Prepaid Services Ltd to the DDM Group. The remaining CHF 5.2 million correspond to the consolidated loss for the year. In order to improve the capital structure in connection with the sale to the DDM Group, a further dividend payment of CHF 16.0 million was made in March 2022 to reduce equity.

Net liquidity decreased from CHF 432.3 million at the end of 2020 to CHF 382.2 million compared to the same period of the previous year. Financial assets held for short-term liquidity management amount to CHF 225.2 million at the end of 2021 (31 December 2020: CHF 247.1 million).

The cash flow statement 2021 is strongly influenced by the investment activities of the transformation process. In addition, CHF 2.0 million was invested in projects for products, digitalisation and automation in 2021.

Employees

In the course of their work, the employees of Swiss Bankers have over the years, made a decisive contribution to the success of the transformation through their identification with the company and their commitment to the goals of Swiss Bankers. They are of great importance for the success of Swiss Bankers and its future competitiveness. The recognition of individual performance is an important factor and it is a particular concern of the Board of Directors to acknowledge the performance of employees accordingly.

The Board of Directors and the Executive Management of Swiss Bankers would like to thank the employees for their commitment in the past year and for their continued high level of loyalty and the trust they place in Swiss Bankers. At the end of 2021, the Swiss Bankers Group – consisting of Swiss Bankers Prepaid Services Ltd and Swiss Bankers Prepaid Services (Liechtenstein) Ltd – employed 87.1 people (full-time equivalents, FTE). In the previous year, there were 92.0 employees (full-time equivalents, FTE).

Carrying Out a Group Risk Assessment

The Board of Directors monitors the risk management system and deals with all relevant risks on a quarterly basis as part of periodic reporting. Current risks are identified and assessed on an on-going basis. See also explanations on group risk management, pages 24 and 37 ff.

Each year, the Board of Directors conducts a structured analysis of the main risks to which the Group is exposed due to its business model. These include credit, market, liquidity, operational, strategic, business and operational, and reputational risks. The Board of Directors takes into account risk-mitigating measures, internal controls and findings from changes in political, economic, socio-cultural, legal, ecological or technological conditions. Based on this, the Board of Directors sets overall targets and risk limits, compliance with which is monitored on an on-going basis.

On this basis, strategic and organisational decisions are made to optimise Swiss Bankers' risk positions. An essential component of this is the design and further development of the internal control system, which is intended to address identified risks through suitable and stringent control measures and minimise their probability of occurrence.

The appropriate establishment of risk management and control processes, which ensure the identification, assessment, management, monitoring and reporting of material risks and the associated risk concentrations, aims to ensure that all risks are appropriately considered. A key objective is to create transparency about risks at an early stage and to reduce potential losses. The Board of Directors considers the structures and measures for controlling and monitoring material risks to be appropriate.

Description of the accounting-related internal control system

Swiss Bankers' internal control system comprises all principles, procedures and measures designed to ensure the effectiveness, efficiency and propriety of accounting as well as compliance with the relevant legal provisions. It is based on the international COSO model and comprises the components control environment, risk assessment process, accounting-related information systems, control activities and monitoring of the internal control system (ICS). COSO (Committee of Sponsoring Organisations of the Treadway Commission) is a voluntary organisation of the private sector in the United States of America, which aims to help improve the quality of financial reporting through ethical conduct, effective internal controls and good corporate governance.

There have been no significant changes since the balance sheet date that would require an adjustment to the internal control system.

Fraud prevention

Cyber and fraud risks are among the most significant operational risks for Swiss Bankers. The strong and increasing dependence on information and communication technologies and their networking can lead to pronounced vulnerabilities. Swiss Bankers has in recent years continuously developed and sharpened its monitoring and prevention of fraudulent transactions through various measures. In the year under review, Swiss Bankers continued to invest substantially in this area, both in terms of personnel and technology, in order to manage such risks.

Board of Directors

The Board of Directors of Swiss Bankers held four ordinary meetings, one extraordinary meeting and one strategy meeting in the past year. The Audit and Risk Committee of the Board of Directors met four times in 2021 and the Nomination and Compensation Committee of the Board of Directors met three times. In connection with the search for a new investor, a Steering Committee was appointed from among the shareholders, which met for a further eight meetings.

Executive Management

In the reporting year, Dirk Blumenthal resigned as CTO at 31 August 2021 from Executive Management. Paul Kreis succeeded him as the new CIO as of 16 August 2021.

Business Development

Sales volume

In an environment still strongly influenced by the COVID 19 pandemic, the sales volume across all business units increased by 5.7% from CHF 678.4 million to CHF 717.1 million.

The sales volume of the card business increased by 5.2% to CHF 640.2 million. In retail banking, the increase was 9.6%. In Private Banking, on the other hand, a decrease of 6.3% was recorded.

The sales volume of banknote shipments increased by 9.8% to CHF 76.2 million in the past year. The sales volume in the cross-border business, introduced in 2019, quadrupled in the same period to around CHF 0.6 million.

Income statement

The success in the interest business is influenced on the one hand by the change in the balances on prepaid cards not yet drawn in Swiss francs, Euros or US dollars (float) and on the other hand by the amount of the new rate on investments that become available. The float, which is invested in the corresponding currency in bonds, medium-term notes, call and time deposits and current accounts, fell by 8.3% in 2021 from CHF 338.5 million (2020) to CHF 310.3 Mio. Net interest income amounted to CHF 2.2 million with a slightly lower risk profile (previous year: CHF 2.5 million). The average interest rate of the portfolio as at 31 December 2021 decreased accordingly to 0.67% (previous year: 0.70%).

Commission income was in line with the higher sales volume. The 5.7% increase in sales volume compared to the previous year led to commission income of CHF 21.4 million, which was 2.5% higher than in the previous year (CHF 20.9 million). Commission expenses, on the other hand, were decreased from CHF 12.3 million in the previous year to CHF 10.6 million with a minus of 14.0%. This reduction despite the higher sales volume was achieved because improvements in fraud prevention made it possible to significantly reduce the rising fees for transaction authorisations.

Income from trading includes foreign exchange gains from issuing prepaid cards and from sending cash in various currencies, i.e. from exchange rate gains on customer card transactions abroad and from trading in banknotes. Net trading income amounted to CHF 8.2 million in 2021 and was thus 4.5% higher than in the previous year (2020: CHF 7.9 million).

Personnel expenses increased from CHF 11.7 million in the previous year by 18.5% to CHF 13.9 million. New staff expert positions were already created in the course of 2020 as part of the transformation process, which had an impact on personnel expenses for a full year for the first time in 2021 despite the decrease in the number of full-time positions. In addition, the department responsible for fraud prevention was expanded. Compared to the previous year, a reclassification of two positions were made in personnel expenses. "External staff" and "Recruitment costs" are reported under general and administrative expenses in order to show only the actual expenses relating to Swiss Bankers employees under personnel expenses.

General and administrative expenses rose from CHF 8.1 million to CHF 9.1 million. On the one hand, this is due to additional marketing activities in 2021. On the other hand, the sale of Swiss Bankers Prepaid Services Ltd to the DDM Group resulted in higher expenses for consulting and external auditing in connection with additional audits compared to the previous period. Both special effects had an extraordinary impact on general administrative expenses. The aforementioned reclassification of two items ("External staff" and "External staff") from personnel to general expenses is also reflected in this item of the income statement.

Losses from fraudulent acts were reduced from CHF 1.4 million to CHF 1.1 million in the reporting year. This corresponds to a decrease of 18.0%. In the position "Losses" are CHF 0.5 million attributable to the BIN range attacks from 2020.

The EBTDA (Earnings before Taxes, Depreciation and Amortisation; operating result) is around CHF 0.8 million lower than the negative result of CHF 1.7 million in the previous year and amounts to an operating loss of CHF 2.5 million for 2021. Adjusted for two one-time effects, fraud prevention (CHF -1.8 million) and the strategic project Diana (CHF -1.3 million) this resulted in an operating profit of CHF 0.6 million.

Depreciation is practically at the same level as in 2020, increasing by 1.6% from CHF 3.5 million to CHF 3.6 million.

In the previous year, the reserves for general banking risks were released in the amount of CHF 4.8 million. Accordingly, the consolidated loss after taxes for the Group of CHF 5.2 million is CHF 4.8 million higher than in the previous year (2020: loss after taxes of CHF 0.4 million).

Temporary differences between the trading result and the tax result can lead to deferred tax liabilities or deferred tax assets having to be recognised at group level. This includes deferred tax assets in connection with the future allocation of the loss generated.

Statement of financial position

The balance sheet total reported as at 31 December 2021 of CHF 401.7 million falls by 11.0% compared to the previous year and is CHF 49.8 million lower than at 31 December 2020: CHF 451.4 million).

The above-mentioned extraordinary dividend payment of CHF 28.0 million and the negative annual result of CHF 5.2 million reduced equity by CHF 33.2 million or 39.9%, respectively, to CHF 49.9 million. For an overview, please refer to the consolidated statement of changes in equity on page 33.

Liabilities decreased by CHF 16.5 million or 4.5% from CHF 368.3 million as at 31 December 2020, mainly due to a decrease in liabilities from customer deposits, to CHF 351.7 million as at 31 December 2021.

Appropriation of profits

Due to the business development in 2021, the Board of Directors proposes to the Annual General Meeting on 29 April 2022 that no dividend be paid for the 2021 financial year.

Extraordinary Events

Special events after the balance sheet date

An Extraordinary General Meeting was held on 16 March 2022, which approved an extraordinary dividend of CHF 16.0 million. This distribution was made in the course of optimising the capital structure in connection with the sale of Swiss Bankers to DDM Group. Events after the balance sheet date are also disclosed in the Group financial statements of Swiss Bankers on page 37.

Segment reporting

Swiss Bankers has only one segment and reports only one business component of the Group. See also the notes to the Group financial statements on page 34.

Outlook

Expected development of the Swiss Bankers Group

Despite the continuing difficult business environment, Swiss Bankers is cautiously optimistic for 2022. Based on the current development of the pandemic, Swiss Bankers assumes that after two years of largely abstaining from travel, the growth that was achieved from April 2021 can be continued in 2022. Although the Swiss Bankers clientele will probably continue to travel significantly less in 2022 than before the pandemic, travel is expected to increase again due to relaxed regulations and greater planning certainty. Swiss Bankers is convinced that its attractive and diverse range of products and services will meet the needs of its clientele. The innovative mix of physically and digitally available products will facilitate the everyday life and travel activities of Swiss Bankers' clientele even after the COVID 19 pandemic.

Taking into account the strategic guidelines, Swiss Bankers will focus its activities in 2022 on preparing for international expansion as well as expanding its product range and the associated integration into a new group. This concerns both the organisation and the infrastructure. An important aspect of the expansion is the goal of increasing the Group's operating cash flow. In addition, the ongoing projects from 2021 will be continued in 2022 and new projects for market development and automation will be launched. For more information, see also the chapter on strategy and riskbearing capacity, page 24.

International

We think and act internationally. We develop solutions for international customers and operate with international partners on an equal footing.

Strategy and Risk-bearing Capacity

Swiss Bankers Prepaid Services Ltd together with Swiss Bankers Prepaid Services (Liechtenstein) Ltd form the Swiss Bankers Group. In addition to offices in Grosshöchstetten (near Berne) and Vaduz, Liechtenstein, Swiss Bankers also has offices in Zurich.

Strategic thrust

Today, Swiss Bankers' business activities include prepaid and money-sending solutions in Switzerland, in Liechtenstein and Germany for national and international clients and to provide innovative digital payment solutions for international markets.

Focused growth

One of the key challenges in the composition of a client product portfolio is to resolve the trade-off between optimising the expected return (capital appreciation including interest from the float less costs) within a certain period of time on the one hand and limiting the cost and loss risk on the other. Typically, the structure and composition of the products show a certain constancy over time, which implies a countercyclical behaviour and thus entails both opportunities and risks. Pro-cyclical behaviour would lead to strong annual changes in the necessary investments, which would entail increased transaction costs.

Measures to increase earnings and control costs

The biggest challenge is the necessary volume growth. Anyone who operates a payment business today must have excellently trained and specialised employees and modern and efficient infrastructures. This causes increasingly higher fixed costs and regular investments, regardless of whether a make-or-buy-strategy is pursued. Profitability can only be achieved through higher volumes. In addition, the pressure on margins and growth is increased by aggressive competitors. The role of a niche player in the consumer payment sector is thus increasingly under pressure.

All business units of the Group have already initiated or re-launched programmes to increase revenues or reduce costs in order to achieve the targeted increase in efficiency and profitability in a timely manner. In particular, management is working to increase short-term flexibility despite increasing challenges and complexity in determining additional investments to make the business model more scalable, especially in the area of commission and operating expenses, and generally continue to keep costs under control. Consistent risk management and compliance with risk-bearing capacity criteria remain key principles of the Group. The Swiss Bankers Group's internal control system (ICS) is continuously adapted and helps to manage operational risks efficiently.

Anyone who operates a payment business today must have excellently trained and specialised employees and modern and efficient infrastructures.

Increase in commission income

An important component to increase the overall return is to build new partnerships. Cooperation not only opens up the possibility of countering rising costs, but also of jointly developing and implementing investment projects. The Swiss Bankers Group is, therefore, in constant exchange with partners in order to share existing resources and optimise their use.

Risk situation of the Swiss Bankers Group

Risk management for risks on the asset side is based on the professional principles of value-oriented corporate management, which include the targeted assumption of risks and their professional control. Taking into account the basic principle of risk-bearing capacity, the profit-oriented assumption of risk is the focus of risk management.

Organisation of risk management

The Swiss Bankers Group has a central risk management organisation.

As the highest operational supervisory body, the Board of Directors is responsible for all risks of the Group and defines the corresponding risk policy. It is responsible for setting the annual risk budget, the limit structure and the maximum risk tolerance (quantitative and qualitative) in relation to the Group's risk-bearing capacity. Executive Management is responsible for the implementation of the risk management and control principles and ensures permanent compliance with the prescribed limits. For detailed information on risk monitoring and risk assessment, see the chapter Management Report starting on page 18.

The Swiss Bankers Group's business activities are currently exposed to the following main risks:

- Operational risks
- Liquidity risk
- Market risk (price risk, interest rate risk and foreign currency risk)

Cyber and fraud risks are among Swiss Bankers' most significant operational risks. In the year under review, the Swiss Bankers Group continued to invest significantly in this area, both in terms of personnel and technology.

Disclosure Requirements

Basic Regulatory Indicators (KM1)

The numbering corresponds to the requirements of FINMA-Circular 2016/1 "Disclosure Banks".

(in CHF thousand)

	31.12.2021	31.12.2020
ELIGIBLE OWN FUNDS		
1 Hard core capital (CET1)	49,935	83,152
2 Core capital (T1)	49,935	83,152
3 Total capital	49,935	83,152
RISK-WEIGHTED POSITIONS (RWA)		
4 RWA	220,228	234,871
4a Minimum own funds	17,618	18,790
RISK-BASED CAPITAL RATIOS (IN % OF RWA)		
5 CET1 ratio	22.67	35.40
6 Core capital ratio	22.67	35.40
7 Total capital ratio	22.67	35.40
CET1 BUFFER REQUIREMENTS (IN % OF RWA)		
8 Own funds buffer according to Basel minimum standards	2.50	2.50
9 Countercyclical buffer (Art. 44a ERV) according to Basel minimum standards	-	-
11 Total buffer requirements according to Basel minimum standards in CET1 quality	2.50	2.50
12 Available CET1 to cover buffer requirements according to Basel minimum standards (after deduction of CET1 to cover minimum requirements and, if applicable, to cover TLAC requirements)	14.67	27.40
CAPITAL RATIOS ACCORDING TO ANNEX 8 ERV (IN % OF RWA)		
12a Capital buffer according to Annex 8 ERV	2.50	2.50
12b Countercyclical buffer (Art. 44 and 44a ERV)	-	-
12c CET1 target ratio according to Annex 8 ERV plus countercyclical buffer according to Art. 44 and 44a ERV	7.00	7.00
12d T1 target ratio according to Annex 8 ERV plus countercyclical buffer according to Art. 44 and 44a ERV	8.50	8.50
12e Total capital target ratio according to Annex 8 ERV plus countercyclical buffer according to Art. 44 and 44a ERV	10.50	10.50
BASEL III LEVERAGE RATIO		
13 Total commitment	403,560	453,529
14 Basel III Leverage Ratio (core capital in % of total exposure)	12.37	18.33

(in CHF thousand)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
LIQUIDITY COVERAGE RATIO (LCR)					
15 Numerator of the LCR: Total high-quality liquid assets	108,224	121,819	127,519	134,279	132,965
16 Denominator of LCR: Total net cash outflow	50,110	41,924	41,855	44,537	40,600
17 Liquiditätsquote, LCR (in %)	215.97	290.57	304.67	301.50	327.50

(in CHF thousand)

	31.12.2021	31.12.2020*
NET STABLE FUNDING RATIO		
18 Available stable refinancing	358,793	-
19 Stable refinancing required	235,224	-
20 Funding ratio NSFR (in %)	152.53	-

* First required disclosure as of 31 December 2021

(in CHF thousand)

	RWA 31.12.2021	RWA 31.12.2020	Minimum own funds 31.12.2021
OVERVIEW OF RISK-WEIGHTED POSITIONS (OV1)*			
1 Credit risk	155,275	166,863	12,422
20 Market risk	575	475	46
24 Operational risk	48,838	53,488	3,907
25 Amounts below the threshold for deductions (positions to be risk-weighted at 250%)	5,850	2,750	468
27 Total	210,538	223,576	16,843

* According to FINMA-Circular 2016/1 "Disclosure Banks", non-counterparty related risks are not to be included in table OV1 for partial disclosure. Therefore, the sum of the minimum own funds is lower than in table KM1.

Approaches used to determine the minimum own funds:

- Credit risks: BIS standardised approach
- Market risks: BIS standard approach
- Operational risks: Basic indicator approach

There have been no significant changes compared to the figures of the previous period.

Liquidity Risk Management (LIQA):

The management of liquidity risks is explained in the Annual Report 2021 at the following point: Notes on risk management, section Liquidity and refinancing risks, page 38 f.

Operational risks – general disclosures (ORA):

Operational risks are explained in the Annual Report 2021 at the following point: Notes on risk management, section Operational risks, page 38. The basic indicator approach is used to calculate the required own funds for operational risks.

GROUP

(in CHF thousand)

		Gross carrying amounts of defaulted positions	Gross book values of non-defaulted positions	Value adjustments/ depreciation	Net values
CREDIT RISK: CREDIT QUALITY OF ASSETS (CR1)					
1	Receivables (excluding debt instruments)	-	113,361	70	113,291
2	Debt instruments	-	225,170	-	225,170
3	Off-balance sheet items	-	3,764	-	3,764
4	Total	-	342,295	70	342,225

(in CHF thousand)

		Unsecured positions/ book values	Collateralised loans positions, effective collateralised amount	Items secured by financial guarantees or credit derivatives, effective collateralised amount
CREDIT RISK: OVERALL VIEW OF RISK MITIGATION TECHNIQUES (CR3)				
	Receivables (incl. debt instruments)	338,461	-	-
	Off-balance sheet transactions	3,764	-	-
	Total	342,225	-	-
	<i>thereof defaulted</i>	-	-	-

Objectives and Guidelines for Interest Rate Risk Management of the Banking Book (IRRBB) – see tables below:

The Swiss Bankers Group does not pay interest on liabilities (card balances in Swiss francs, Euros and US dollars and unredeemed travellers cheques in CHF) and, therefore, has no interest rate risks. Deposits and parts of own funds are held in current accounts for the short and medium term, and excess liquidity is invested in fixed-term deposits, medium-term notes and liquid bonds (valued according to the accrual method) with high debtor quality. Changes in interest rates, therefore, have an impact on the Swiss Bankers Group's net interest income. In the run-up to the acquisition of financial assets, the Swiss Bankers Group's Investment Committee makes assumptions about client behaviour and derives from this how much capital can be invested in which term in order to ensure solvency at all times. The Swiss Bankers Group, therefore, replicates its liabilities in line with its investment strategy. As a result, the Swiss Bankers Group has similar maturities on the assets and liabilities side with regard to fixed interest rates.

The measurement and reporting of interest rate risks is carried out on a quarterly basis within the framework of the regulatory requirements.

(in CHF thousand)

		Volume	Average interest rate reset period (in years)	Maximum interest reset period* (in years)
	Total	thereof CHF	thereof CHF	thereof CHF
INTEREST RATE RISKS: QUANTITATIVE INFORMATION ON THE POSITION STRUCTURE AND INTEREST REDEFINITION (IRRBBA1)				
Specified interest rate reset date				
Receivables from banks	80,103	77,000	3,103	3.06 3.14 - -
Receivables from customers	5,000	5,000	-	5.40 5.40 - -
Financial assets	225,170	98,219	126,951	3.85 4.38 - -
Indefinite interest rate reset date				
Receivables from banks	27,628	8,596	19,032	0.08 0.08 - -
Receivables from customers	560	526	34	0.04 0.04 - -
Other receivables	49,780	48,983	797	- - - -
Other commitments	1,413	1,260	153	0.08 0.08 - -
Liabilities from customer deposits, callable but not transferable (savings deposits)	343,176	193,711	149,465	3.05 3.05 - -
Total	732,830	433,293	299,535	2.98 2.98 8 8

* For positions with modelled (non-deterministic) determination of the interest rate reset date

** Currencies that account for more than 10% of the assets or liabilities of the balance sheet total

(in CHF thousand)

	Change in present value 31.12.2021	Change in the capitalised earnings value 31.12.2021	Change in present value 31.12.2020	Change in the capitalised earnings value 31.12.2020
INTEREST RATE RISKS: QUANTITATIVE INFORMATION ON PRESENT VALUE AND INTEREST INCOME (IRRB1)				
Parallel shift upwards	-1,696	314	-7,652	342
Parallel shift downwards	1,754	-181	8,747	-342
Steeper shock*	128	0	-2,588	0
Flattener shock**	-416	0	1,156	0
Increase in short-term interest rates	-907	0	-1,670	0
Fall in short-term interest rates	929	0	1,703	0
Maximum	-1,696	-181	-7,652	-342
Core capital (Tier 1)		49,935		83,152

* Fall in short-term interest rates combined with rise in long-term interest rates

** Rise in short-term interest rates combined with fall in long-term interest rates

Consolidated Income Statement

(in CHF thousand)

	Note	2021	2020
INTEREST INCOME			
Interest and discount income		295	432
Interest and dividend income from financial investments		1,928	2,063
Gross interest income		2,223	2,495
Net interest income		2,223	2,495
COMMISSION AND SERVICES INCOME			
Commission income		21,428	20,912
Commission expenses		-10,557	-12,275
Commission and services income		10,871	8,637
INCOME FROM TRADING	17	8,215	7,862
OTHER ORDINARY INCOME			
Real estate income		78	77
Other ordinary income		244	399
Other ordinary expenses		-29	-32
Other ordinary income		293	444
OPERATING INCOME		21,602	19,438
OPERATING EXPENSES			
Personnel expenses	8, 18	-13,878	-11,709
General and administrative expenses	19	-9,073	-8,071
Operating expenses		-22,951	-19,780
GROSS LOSS		-1,349	-342
Depreciation of property, plant and equipment		-3,579	-3,523
Changes in provisions and other allowances and losses		-1,124	-1,371
BUSINESS RESULT		-6,052	-5,236
Change in reserves for general banking risks		-	4,800
Taxes	20	834	47
Consolidated net loss		-5,218	-389

Consolidated Statement of Financial Position

(in CHF thousand)

	Note	31.12.2021	31.12.2020
ASSETS			
Cash and cash equivalents	11	43,749	74,941
Receivables from banks	10, 11	107,731	104,750
Receivables from customers	1, 11	5,560	5,475
Financial assets	3, 4, 11	225,170	247,131
Accrued income and prepaid expenses		6,030	2,965
Property, plant and equipment	6	9,690	11,296
Other assets	7	3,747	4,877
Total assets	13, 14, 16	401,677	451,435
LIABILITIES			
Due to banks	10, 12	1,413	601
Due to customer deposits	12	343,176	363,691
Accrued expenses and deferred income		4,283	2,283
Other liabilities	7	2,671	1,508
Provisions	9	200	200
Reserves for general banking risks	9	-	-
Share capital		10,000	10,000
Capital reserve		9,116	9,116
Retained earnings		36,036	64,425
Consolidated loss for the year		-5,218	-389
Total liabilities	13, 16	401,677	451,435
OFF-BALANCE SHEET ITEMS			
Irrevocable commitments		3,764	4,188

Consolidated Cash Flow Statement

(in CHF thousand)

	2021	2020
CASH FLOW STATEMENT		
Consolidated loss	-5,217	-389
Depreciation of property, plant and equipment	3,579	3,524
Change in reserves for general banking risks	0	-4,800
Accrued income and prepaid expenses	-3,065	-1,170
Accrued expenses and deferred income	2,000	-466
Dividend previous year	0	-5,000
Cash flow from operating result	2,514	-7,913
Extraordinary dividend payment	-28,000	0
Cash flow from equity transactions	-28,000	0
Real estate	0	0
Acquired software	-1,929	-2,732
Other property, plant and equipment	-44	-260
Cash flow from transactions in property, plant and equipment	-1,973	-2,992
Medium and long-term business		
Receivables from banks	8,671	6,097
Receivables from customers	0	0
Financial assets	18,315	-1,642
Short-term business		
Due to banks	812	-319
Due to customer deposits	-20,515	-21,540
Other liabilities	1,163	-1,067
Receivables from banks	-11,653	8,521
Receivables from customers	-85	589
Financial assets	3,646	379
Other assets	1,130	934
Cash flow from banking business	1,484	-8,048
LIQUIDITY		
Decrease in cash and cash equivalents	-31,192	-19,341
Position at 1 January	74,941	94,282
Position at 31 December	43,749	74,941

Consolidated Statement of Changes in Equity

(in CHF thousand)

	Share capital	Capital reserve	Retained earnings	Consolidated result	Total
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY					
Equity at the beginning of the reporting year	10,000	9,116	64,425	-389	83,152
Dividends and other distributions			-28,000		-28,000
Other allocations from reserves			-389	389	0
Consolidated loss				-5,218	-5,218
Equity at the end of the reporting year	10,000	9,116	36,036	-5,218	49,934

Notes to the Consolidated Financial Statements

Accounting and Valuation Principles

Company name, legal form and registered office

Swiss Bankers Prepaid Services Ltd (Swiss Bankers), a public limited company with its registered office in Grosshöchstetten, Switzerland, together with Swiss Bankers Prepaid Services (Liechtenstein) Ltd (Swiss Bankers FL), a public limited company with its registered office in Vaduz, Liechtenstein, form the Swiss Bankers Group. Swiss Bankers holds a banking licence and is supervised by the Swiss Financial Market Supervisory Authority FINMA. Furthermore, the Swiss Bankers Group is subject to consolidated supervision by FINMA.

Business activity

The business activities of the Swiss Bankers Group include the issuing and reloading of prepaid cards in Swiss francs, Euros and US dollars in Switzerland, Liechtenstein and southern Germany, as well as the distribution service for travel payment means for clients of Swiss banks as well as the money transfer service Send.

As at 31 December 2021, the Swiss Bankers Group's headcount, full-time equivalents, amounted to 87.1 positions (previous year: 92.0 positions, full-time equivalents).

Preparation of financial statements

The accounting, reporting and valuation principles are based on the Swiss Code of Obligations, the Banking Act and its Ordinance, the FINMA Accounting Ordinance, the FINMA Guidelines and the provisions of the Articles of Association. These consolidated financial statements have been prepared in accordance with the principle of a true and fair view and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Swiss Bankers Group.

General valuation principles

The detailed items shown in a balance sheet item are valued individually (individual valuation).

Scope of consolidation

The consolidated financial statements include the financial statements of Swiss Bankers and those of the directly held, wholly owned subsidiary Swiss Bankers FL. The presentation of the consolidated financial statements are prepared in accordance with the economic approach.

Consolidation method

Swiss Bankers FL is included in the consolidated financial statements according to the full consolidation method. Group internal transactions and intercompany profits are eliminated in the preparation of the consolidated financial statements.

Consolidation period

The consolidation period corresponds to the respective calendar year, which is identical to the financial year of the group companies.

Recognition and accounting

All transactions are recorded in the Group's books on the trade date and are valued from that date in accordance with the established principles.

Conversion of foreign currencies

Receivables, liabilities and foreign currency holdings are valued at the year-end exchange rate. Resulting exchange rate gains and losses are recognised in the income statement under income from trading operations. All transactions are valued at the respective daily exchange rate.

The following exchange rates were used for currency translation as at the balance sheet date:

	2021	2020
EUR	1.0344	1.0801
USD	0.9144	0.8802

Cash and cash equivalents, due from banks, due to banks and receivables from customers

The balance sheet is drawn up at nominal value. Impaired receivables are accounted for with individual value adjustments.

Receivables from customers

The receivables from customers are outstanding debits from prepaid card charges and a fixed deposit with a non-bank. Outstanding debit balances from prepaid card charges are of a short-term nature and are usually settled within two days. All receivables from customers are reported at nominal value. Impaired receivables are taken into account with individual value adjustments.



Simplicity

Whether making classic bank transfers or trying out new trends: Swiss Bankers makes managing your everyday payments simple and straightforward.

Receivables are considered to be impaired in particular if it appears unlikely that the debtor will be able to meet his or her future obligations. The impairment is measured as the difference between the carrying amount of the receivable and the expected recoverable amount, taking into account the counterparty risk and the net proceeds from the realisation of any collateral.

Financial assets

Bonds and cash deposits are reported in this item. The acquired debt instruments are generally held to maturity and valued according to the accrual method. This means that any premium or discount paid on acquisition is accrued over the remaining term to maturity and derecognised. As a rule, cash liabilities are valued at nominal value. Identifiable default risks are taken into account with individual value adjustments. Foreign currency items are valued at the exchange rate on the balance sheet date. Both the creation and the release of operationally necessary value adjustments for default and country risks are recognised in the income statement under the item "Other operating income" or "Changes in value adjustments due to default risk and losses from interest business".

If debt instruments are sold before maturity or repaid early, realised gains and losses corresponding to the interest component are not recognised immediately but are deferred over the remaining term to maturity of the transaction. For financial assets valued at the lower of cost or market, the valuation is at fair value, but a write-up is recognised up to a maximum of the acquisition cost. The balance of the value adjustments is recorded under "Other ordinary expenses" or "Other ordinary income".

Accrued income and prepaid expenses

Accrued income and prepaid expenses serve to ensure the correct determination of assets and liabilities on the balance sheet date as well as the accrual of expenses and income in the income statement. They are valued at nominal value. Accruals for current taxes are reported under accrued expenses and deferred income.

Property, plant and equipment

Investments in new tangible fixed assets exceeding a certain minimum amount are capitalised and valued according to the historical cost principle.

Subsequent to initial recognition, property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is charged on a scheduled basis over the estimated useful life on a straight-line basis from the acquisition value.

- Real estate (without land): max. 50 years
- IT hardware, office machines: 5 years
- Software, licences: 3 years
- Facility improvements: 8 years
- Furniture: 8 years
- Vehicles: 4 years

If there are indications of impairment, the value is reviewed. If the impairment test reveals a change in the useful life or a reduction in value, the residual book value is depreciated as scheduled over the remaining useful life or an unscheduled depreciation is made. Re-valuation on property is only carried out if there is an identifiable loss in value.

Realised gains from the disposal of property, plant and equipment are recognised under "Extraordinary income", realised losses under "Extraordinary expenses".

Taxes

Current taxes are recurring taxes, usually annually, on profits and capital. One-off or transaction-related taxes are not included in current taxes. Current tax on the profit for the period is determined in accordance with local tax regulations and is recognised as an expense in the period in which the related profits arise. Direct taxes due on current profits are recognised as accruals.

On untaxed reserves that are expected to be deductible for tax purposes, deferred taxes are calculated on the basis of the effective tax rate of the respective company and reported under provisions. The provision for deferred taxes is recognised in profit or loss. In the case of temporary differences, deferred tax assets on taxed reserves or loss carry-forwards are calculated on the basis of the effective tax rate of the respective company and reported under the item "Other assets". The deferred tax assets are recognised in the income statement.

Pension fund liabilities

The pension fund liabilities as well as the assets serving as cover are hived off into the legally independent BEKIBCBE pension fund foundation. All employees of Swiss Bankers and their surviving dependants are affiliated to this foundation within the framework of the statutory and regulatory provisions.

The employer contributions owed are recognised as personnel expenses in the income statement. The Swiss Bankers Group does not intend to use any economic benefit resulting from excess cover to reduce employer contributions. For this reason, any future economic benefit is not capitalised. On the other hand, any economic liability arising from a shortfall in cover is recognised under liabilities.

Provisions

Provisions are made for all risks identifiable on the balance sheet date that are based on an event in the past and represent a probable obligation, based on the estimated future outflow of funds.

Reserves for general banking risks

The reserves for general banking risks comprise the reserves segregated in a separate account and counted as own funds. The creation and dissolution – see 2020 business year – are carried out via the item "Changes in reserves for general banking risks" in the income statement.

Contingent liabilities, irrevocable commitments, deposit and additional funding obligations

The off-balance sheet is shown at nominal value. Provisions are made in the liabilities of the balance sheet for identifiable risks.

Retained earnings

The retained earnings encompass the profits generated by the Swiss Bankers Group itself and which were not distributed.

Client funds

Swiss Bankers does not break down and present the assets under management, as it does not manage any client assets, but only accepts assets from clients in connection with the loading of prepaid cards, which are fully disclosed under "Due to client deposits".

Changes compared to the previous year

There were no changes in the accounting and valuation principles compared to the previous year.

Events after the balance sheet date

An Extraordinary General Meeting was held on 16 March 2022, which approved an extraordinary dividend of CHF 16.0 million. This distribution was made in the course of optimising the capital structure in connection with the sale of Swiss Bankers to DDM Group.

Explanations on Risk Management

The Swiss Bankers Group pursues a sustainable and prudent risk policy. It pays attention to a balanced relationship between risk and return and actively manages the following risks:

- Quantifiable risks
 - Default risks (counterparty risks)
 - Country risks
 - Market risks
 - Liquidity and refinancing risks
- Non-quantifiable risks
 - Operational risks
 - Legal and reputational risks

The Board of Directors has laid down the risk policy in the risk framework concept. This is reviewed at least once a year by the Board of Directors and Executive Management. The risk management system is based on a risk assessment, which assesses the adequacy of the risk management system. Limits have been defined for the individual risks in regulations and directives, and compliance with these limits is monitored on an on-going basis.

Risk control is carried out by the Risk & Compliance department, which is independent of the operational business. Risk Control regularly informs Executive Management about compliance with the prescribed limits, its findings during the control activities and any measures to be taken. Executive Management informs the Board of Directors quarterly about the current overall risk situation and the development of risks. At least once a year, Risk Control reports to the Board of Directors on the overall risk situation and risk assessment of the Swiss Bankers Group and on its activities.

Default risks

Default risks are limited by means of risk distribution and quality requirements. For the approval of exposures with default risks, there is a risk-oriented competence system. Limits, market value developments and rating requirements are subject to ongoing monitoring. In the event of recognisable losses in value on individual assets due to creditworthiness, Executive Management decides on individual value adjustments. The expected recoveries from the individual assets are taken into account when measuring the individual value adjustments. In the event of rating downgrades below the minimum regulatory requirement of the Board of Directors, the respective positions are closely monitored, assessed by Executive Management and, if necessary, sold.

Country risks

Country risks represent the risk of loss resulting from country-specific events. To reduce the risk, maximum percentage rates are set for foreign exposures. Country risks are actively and dynamically managed and are mainly concentrated in Western Europe.

Market risks (interest rate risks)

The Swiss Bankers Group does not pay interest on deposits (card balances). Changes in interest rates are only reflected in net interest income when financial investments are reinvested.

Other market risks

Foreign currency risks result from obligations from the business with prepaid cards in Euros and US dollars as well as from the banknote holdings in foreign currencies at the dispatch service. Foreign currency risks are minimised by concluding transactions in matching currencies.

Liquidity and refinancing risks

The willingness to pay and the qualitative requirements for liquidity risk management are monitored and ensured within the framework of the provisions of banking law and internal regulations and directives.

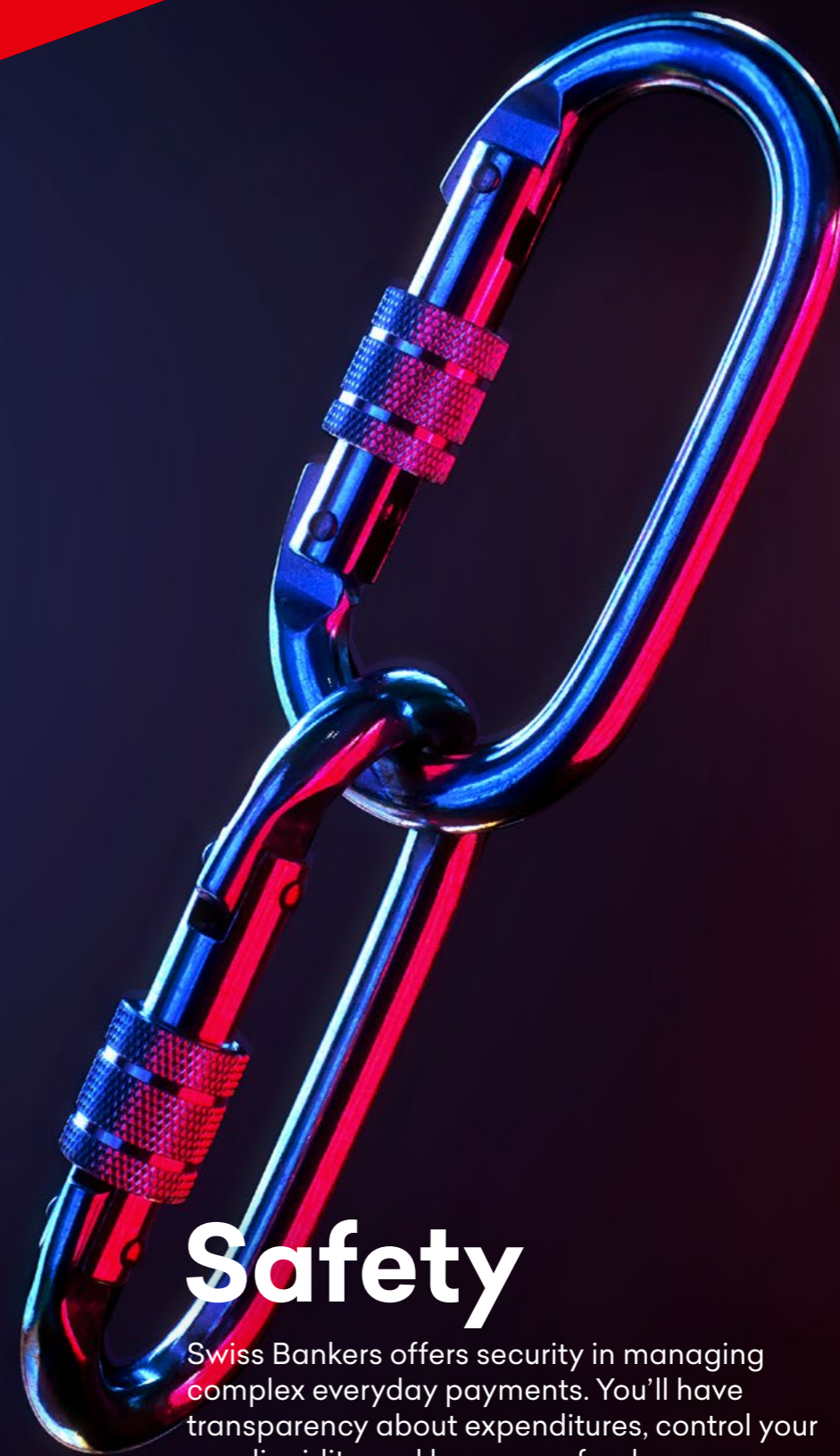
Operational risks

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. They are limited by means of internal regulations and directives on organisation and control. These requirements are primarily based on the quantitative and qualitative requirements of Circular 08/21 "Operational Risks – Banks" issued by the Swiss Financial Market Supervisory Authority FINMA. The internal audit department regularly reviews the internal control system and reports directly to the Board of Directors.

Compliance and legal risks

The Compliance function, which is performed by the Risk & Compliance department independent of the operational business, ensures that the business activities are in compliance with the applicable legal and regulatory requirements. The Compliance function monitors and analyses relevant legal developments and supports the Executive Management in implementing appropriate internal systems and processes to ensure compliance. It ensures that internal regulations and processes are adapted to regulatory developments and complied with.

Compliance regularly informs Executive Management about relevant facts and developments. For its part, Executive Management informs the Board of Directors about significant compliance risks. Once a year, Compliance prepares an updated compliance risk profile, an activity plan derived from it and an activity report and submits these documents to Executive Management and the Board of Directors.



Safety

Swiss Bankers offers security in managing complex everyday payments. You'll have transparency about expenditures, control your own liquidity and know your funds are secure.

Notes to the Consolidated Statement of Financial Position

(in CHF thousand)

	Mortgage coverage	Other coverage	Without coverage	Total
1. OVERVIEW OF COVERAGES				
Receivables from customers				
Total receivables reporting year (before offsetting against value adjustments)	0	0	5,560	5,560
Total receivables previous year (before offsetting against value adjustments)	0	0	5,475	5,475
Total receivables reporting year (after offsetting against value adjustments)	0	0	5,560	5,560
Total receivables previous year (after offsetting against value adjustments)	0	0	5,475	5,475

Off-balance sheet

Irrevocable commitments	0	0	3,764	3,764
Total off-balance sheet reporting year	0	0	3,764	3,764
Total off-balance sheet previous year	0	0	4,188	4,188

There are no loans other than receivables from customers.

(in CHF thousand)

	Gross debt amount	Estimated realisation proceeds of the collateral	Net debt amount	Individual value adjustments
Reporting year	0	0	0	0
Previous year	0	0	0	0

(in CHF thousand)

	Book value 2021	Market value 2021	Book value 2020	Market value 2020
3. FINANCIAL ASSETS				
Debt instruments	225,170	228,091	247,131	253,763
<i>with the intention to hold until maturity</i>	225,170	228,091	246,499	253,131
<i>held for sale</i>	-	-	632	632
<i>of which securities eligible for repo transactions in accordance with liquidity regulations</i>	59,681	61,017	71,365	74,007
Total financial assets	225,170	228,091	247,131	253,763

(in CHF thousand)

	Highest credit rating	Safe investment	Average rating	Speculative investment	Highly speculative investment	Default of payment/default	Without rating	Total
4. FINANCIAL ASSETS BY RATING								
Debt instruments at carrying amounts reporting year	93,335	70,742	41,025	0	0	0	20,068	225,170
Debt instruments at carrying amounts previous year	107,576	64,947	45,818	0	0	0	28,790	247,131

The Swiss Bankers Group uses the ratings of recognised rating agencies in accordance with FINMA's concordance table according to a bank-internal system.

	Seat	Business activity	Capital (in CHF thousand)	Share in capital (in %)	Share of votes (in %)	Direct ownership	Indirect ownership
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5. GROUP COMPANIES**Fully consolidated companies**

Swiss Bankers Prepaid Services Ltd*	Grosshöchstetten	Bank	10,000				
Swiss Bankers Prepaid Services (Liechtenstein) Ltd	Vaduz	E-Money Institute	450	100	100	x	

* Swiss Bankers Prepaid Services Ltd is the parent company, which is why the capital ratio is not stated.

The Liechtenstein subsidiary has no market value.

(in CHF thousand)

	Acquisition value	Depreciation to date	Carrying amount 31.12.2020	Investments	Restructuring/divestments	Depreciation	Carrying amount 31.12.2021
6. FIXED ASSETS SCHEDULE							
Property, plant and equipment							
Real estate							
Bank building	7,847	-4,155	3,692	0	0	-121	3,571
Other properties	1,896	-41	1,855	0	0	0	1,855
Acquired software	16,952	-12,378	4,574	1,935	-6	-3,133	3,370
Other equipment	4,022	-2,847	1,175	43	0	-324	894
Total property, plant and equipment	30,717	-19,421	11,296	1,978	-6	-3,578	9,690

GROUP

(in CHF thousand)

	Other assets 2021	Other liabilities 2021	Other assets 2020	Other liabilities 2020
7. OTHER ASSETS AND OTHER LIABILITIES				
Prepaid card inventory	588	0	257	0
Settlement accounts	152	287	2,788	260
Indirect taxes	165	177	176	172
Deferred income tax assets	2,340	0	1,100	0
Other assets and liabilities	502	2,207	556	1,076
Total other assets and other liabilities	3,747	2,671	4,877	1,508

(in CHF thousand)

	Over-/ underfunding 31.12.2021	Economic share of the Bank 31.12.2021	Economic share of the Bank 31.12.2020	Changes compared to the previous year in the economic share	Paid contri- butions for the reporting year	Pension fund expenditure in personnel expenses 2021	Pension fund expenditure in personnel expenses 2020
8. ECONOMIC BENEFIT/ECONOMIC OBLIGATION AND PENSION FUND EXPENDITURE							
Pension plans with overfunding					1,075	1,075	969
Total					1,075	1,075	969

As at 31 December 2020, the funding ratio of the pension fund was 116.0% (auditor's report dated 19 March 2021).

At the end of the reporting year, a coverage ratio of 121.5% is expected.

(in CHF thousand)

	Position 31.12.2020	Purpose uses	Transfers	Creation at the expense of income	Dis- solutions in favour of income	Position 31.12.2021
9. VALUE ADJUSTMENTS AND PROVISIONS AS WELL AS RESERVES FOR GENERAL BANKING RISKS RISKS AND THEIR CHANGES DURING THE COURSE OF THE REPORTING YEAR						
Provisions for deferred taxes	0					0
Provisions for employee benefit obligations	0					0
Other provisions	200					200
Total provisions	200					200
Reserves for general banking risks	0					0
Value adjustments for default risks and country risks	35			35	0	70
<i>of which value adjustments for latent risks</i>	<i>35</i>			<i>35</i>	<i>0</i>	<i>70</i>

(in CHF thousand)

	Receivables 2021	Liabilities 2021	Receivables 2020	Liabilities 2020
10. DISCLOSURES OF RECEIVABLES FROM AND LIABILITIES TO RELATED PARTIES				
Qualified related parties	106,756	1,018	94,758	578
Transactions with members of the executive bodies	0	0	0	0

The shareholders of Swiss Bankers are deemed to be qualified related parties. The Swiss Bankers Group conducts transactions with these shareholders at arm's length.

(in CHF thousand)

	At sight	Terminable	Due within 3 months	Due after 3 to 12 months	Due after 1 to 5 years	Due after 5 years	Immo- bilised	Total
11. MATURITY STRUCTURE OF FINANCIAL INSTRUMENTS								
Cash and cash equivalents	43,749	-	-	-	-	-	-	43,749
Receivables from banks	27,615	-	1,047	7,500	58,569	13,000	-	107,731
Receivables from customers	560	-	-	-	-	5,000	-	5,560
Financial assets	-	-	12,515	15,394	122,586	74,675	-	225,170
Total reporting year	71,924	-	13,562	22,894	181,155	92,675	-	382,210
Total previous year	92,839	1,000	11,990	25,654	173,966	126,848	-	432,297

12. MATURITY STRUCTURE OF FINANCIAL LIABILITIES

Due to banks	1,413	-	-	-	-	-	-	1,413
Due to customer deposits	343,176	-	-	-	-	-	-	343,176
Total reporting year	344,589	-	-	-	-	-	-	344,589
Total previous year	364,292	-	-	-	-	-	-	364,292

As the clients of the Swiss Bankers Group can withdraw their prepaid card balances and cash in their travellers cheques at any time, these liabilities are due at sight. The management of the assets side is based on empirical values and lies primarily in the medium-term maturity band.

GROUP

(in CHF thousand)

	Domestic 2021	Abroad 2021	Total 2021	Domestic 2020	Abroad 2020	Total 2020
13. BALANCE SHEET BY DOMESTIC AND FOREIGN COUNTRIES						
Assets						
Cash and cash equivalents	43,749	-	43,749	74,941	-	74,941
Receivables from banks	97,341	10,390	107,731	95,778	8,972	104,750
Receivables from customers	5,552	8	5,560	5,475	-	5,475
Financial assets	77,860	147,310	225,170	78,628	168,503	247,131
Accrued income and prepaid expenses	4,789	1,241	6,030	2,028	937	2,965
Property, plant and equipment	9,690	-	9,690	11,296	-	11,296
Other assets	3,492	255	3,747	2,088	2,789	4,877
Total assets	242,473	159,204	401,677	270,234	181,201	451,435
Liabilities						
Due to banks	1,408	5	1,413	596	5	601
Due to customer deposits	251,176	92,000	343,176	262,590	101,101	363,691
Accrued expenses and deferred income	4,243	40	4,283	2,063	220	2,283
Other liabilities	2,373	298	2,671	1,238	270	1,508
Provisions	200	-	200	200	-	200
Share capital	10,000	-	10,000	10,000	-	10,000
Capital reserve	9,116	-	9,116	9,116	-	9,116
Retained earnings	36,036	-	36,036	64,425	-	64,425
Consolidated loss	-5,218	-	-5,218	-389	-	-389
Total liabilities	309,334	92,343	401,677	349,839	101,596	451,435

	Position 2021 (in CHF thousand)	Share 2021 (in %)	Position 2020 (in CHF thousand)	Share 2020 (in %)
14. TOTAL ASSETS BROKEN DOWN BY COUNTRY OR GROUP OF COUNTRIES				
Switzerland	242,473	60.4	270,234	59.9
Europe	135,416	33.6	153,433	34.0
<i>thereof Germany</i>	5,583	1.4	9,397	2.1
<i>thereof Luxembourg</i>	8,608	2.1	8,850	2.0
<i>thereof Netherlands</i>	23,953	5.9	24,507	5.4
<i>thereof Norway</i>	4,172	1.0	8,496	1.9
<i>thereof France</i>	21,902	5.5	26,138	5.7
<i>thereof Finland</i>	2,106	0.5	4,381	1.0
<i>thereof Great Britain</i>	23,156	5.8	24,165	5.4
<i>thereof Sweden</i>	5,154	1.3	7,660	1.7
<i>thereof Belgium</i>	10,925	2.7	13,687	3.0
<i>thereof Liechtenstein</i>	10,376	2.6	8,975	2.0
<i>of which Rest of Europe</i>	19,481	4.8	17,177	3.8
Australia/New Zealand	7,084	1.8	7,177	1.6
United States	653	0.2	2,793	0.6
Other*	16,051	4.0	17,798	3.9
Total assets	401,677	100.0	451,435	100.0

* Including supranational bodies

	Net foreign exposure end of reporting year		Net foreign exposure end of previous year	
	(in CHF thousand)	Share (in %)	(in CHF thousand)	Share (in %)
15. BREAKDOWN OF THE FOREIGN TOTAL THE BALANCE SHEET BY CREDIT RATING OF THE COUNTRY GROUPS (RISK DOMICILE)				
Highest credit rating	147,184	92.4	166,567	92.0
Safe rated investment	10,158	6.4	10,195	5.6
Average rated investment	-	-	-	-
Speculative investment	-	-	-	-
Highly speculative investment	-	-	-	-
Default/non-payment	-	-	-	-
Without rating*	1,862	1.2	4,437	2.4
Total	159,204	100.0	181,199	100.0

* The foreign exposures in the "unrated" category are exclusively bonds issued by supranational entities.

The Swiss Bankers Group uses the ratings of recognised rating agencies in accordance with FINMA's concordance table according to a bank-internal system.

GROUP

(in CHF thousand)

	CHF	EUR	USD	Other	Total
16. BALANCE SHEET BY CURRENCY					
Assets					
Cash and cash equivalents	43,359	243	147	-	43,749
Receivables from banks	85,596	14,368	7,767	-	107,731
Receivables from customers	5,526	12	22	-	5,560
Financial assets	98,218	88,543	38,409	-	225,170
Accrued income and prepaid expenses	5,233	521	276	-	6,030
Property, plant and equipment	9,690	-	-	-	9,690
Other assets	3,562	-	-	185	3,747
Total assets	251,184	103,687	46,621	185	401,677
Liabilities					
Due to banks	1,260	101	52	-	1,413
Due to customer deposits	193,711	103,166	46,299	-	343,176
Accrued expenses and deferred income	4,272	11	0	-	4,283
Other liabilities	2,379	240	52	-	2,671
Provisions	200	-	-	-	200
Share capital	10,000	-	-	-	10,000
Capital reserve	9,116	-	-	-	9,116
Retained earnings	36,036	-	-	-	36,036
Consolidated success	-5,218	-	-	-	-5,218
Total liabilities	251,756	103,518	46,403	0	401,677
Net positions per currency	-572	169	218	185	0

Connection

We make the networked future available to everyone: Networking between friends, in other countries, and with products (IoT).



Notes to the Consolidated Income Statement

(in CHF thousand)

	2021	2020
17. INCOME FROM TRADING		
Foreign exchange income	8,215	7,862
<i>of which currency result on banknotes</i>	1,804	1,580
<i>of which foreign exchange earnings on card products</i>	6,411	6,282
Total income from trading	8,215	7,862

(in CHF thousand)

	2021	2020
18. PERSONNEL EXPENSES		
Salaries	11,290	9,592
Social benefits	2,306	1,796
Other personnel expenses*	282	321
Total personnel expenses*	13,878	11,709

* In the Annual Report 2020, the positions "External employees" and "Recruitment costs" were listed under personnel expenses. These were reclassified to general expenses in 2021. The reason for this is that personnel expenses shall only include effective expenses of Swiss Bankers employees. The expense from these two positions amounted to CHF 1.1 million for 2020, reducing personnel expenses from CHF 12.8 million to CHF 11.7 million in 2020.

(in CHF thousand)

	2021	2020
19. GENERAL AND ADMINISTRATIVE EXPENSES		
Rent	506	542
Expenditure for information and communication technology	1,407	1,205
Expenses for vehicles, machinery, furniture and other equipment	109	87
Fees of the audit firm	224	129
<i>of which for audit and supervisory review</i>	224	129
Other operating expenses*	6,827	6,108
Total material expenses*	9,073	8,071

* In the Annual Report 2020, the positions "External employees" and "Recruitment costs" were listed under personnel expenses. These were reclassified to general expenses in 2021. The reason for this is that personnel expenses should only show the actual expenses of Swiss Bankers employees. The expenses from these two items amounted to CHF 1.1 million for 2020, which increased the general expenses from CHF 6.9 million to CHF 8.0 million in 2020.

(in CHF thousand)

	2021	2020
20. TAXES		
Current taxes	56	63
Deferred taxes	-890	-110
Total taxes	-834	-47

The tax rate for the reporting year is 20.75% (previous year: 20.99%).



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To the General Meeting of
Swiss Bankers Prepaid Services Ltd, Grosshöchstetten

Berne, 31 March 2022

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Swiss Bankers Prepaid Services Ltd, which comprise the consolidated income statement, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and notes (pages 30 to 49), including a summary of significant accounting policies, for the year ended 31 December 2021.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the applicable financial reporting framework for banks and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements, which provide a true and fair view of the financial position, the results of operations and the cash flows, are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2021 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the applicable financial reporting framework for banks and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of 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

Philipp de Boer
Licensed audit expert
(Auditor in charge)

Adriano Guerra
Licensed audit expert

Swiss Bankers
Prepaid Services Ltd,
Grosshöchstetten

Income Statement

(in CHF thousand)

	Note	2021	2020
INTEREST INCOME			
Interest and discount income		288	400
Interest and dividend income from financial investments		1,928	2,063
Gross interest income		2,216	2,463
Net interest income		2,216	2,463
COMMISSION INCOME			
Commission income		21,240	20,748
Commission expenses		-10,472	-12,253
Commission income		10,768	8,495
INCOME FROM TRADING	12	8,007	7,644
OTHER ORDINARY INCOME			
Real estate income		78	77
Other ordinary income		391	547
Other ordinary expenses		-29	-32
Other ordinary income, net		440	592
OPERATING INCOME		21,431	19,194
OPERATING EXPENSES			
Personnel expenses	6, 13	-13,853	-11,685
General and administrative expenses	14	-8,890	-7,849
Operating expenses		-22,743	-19,534
GROSS LOSS		-1,312	-339
Depreciation of property, plant and equipment		-3,579	-3,523
Changes in provisions and other allowances and losses		-1,089	-1,365
OPERATING RESULT		-5,980	-5,227
Change in reserves for general banking risks		-	4,800
Taxes	15	-54	-60
Net loss		-6,034	-487

Statement of Financial Position

(in CHF thousand)

	Note	31.12.2021	31.12.2020
ASSETS			
Cash and cash equivalents		43,749	74,941
Receivables from banks	9	97,171	93,641
Receivables from customers	1, 9	6,388	6,299
Financial assets	3, 4, 9	225,170	247,131
Accrued income and prepaid expenses		6,020	2,952
Participations		450	450
Property, plant and equipment		9,690	11,296
Other assets	5	1,283	3,562
Total assets		389,921	440,272
LIABILITIES			
Due to banks		1,407	596
Due to customer deposits		336,330	356,213
Accrued expenses and deferred income		4,206	2,267
Other liabilities	5	2,306	1,490
Provisions	7	4,298	4,298
Reserves for general banking risks	7	-	-
Share capital	8, 10	10,000	10,000
Statutory capital reserve		9,116	9,116
<i>thereof reserve from tax-exempt capital contributions</i>		9,116	9,116
Retained earnings		28,680	56,680
Loss/profit carried forward		-388	99
Net loss		-6,034	-487
Total liabilities		389,921	440,272
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	1	8,040	8,351
Irrevocable commitments	1	3,764	4,188

Statement of Changes in Equity

(in CHF thousand)

	Share capital	Statutory capital reserve	Retained earnings	Loss	Total
STATEMENT OF CHANGES IN EQUITY					
Equity at the beginning of the reporting year	10,000	9,116	56,779	-487	75,408
Dividends and other distributions			-28,000		-28,000
Other allocations of the other reserves			-487	487	0
Other allocations of the reserves for general banking risks					0
Loss				-6,034	-6,034
Equity at the end of the reporting year	10,000	9,116	28,292	-6,034	41,374

Proposal of the Board of Directors to the General Meeting of Shareholders

(in CHF)

	31.12.2021
COMPOSITION OF EQUITY	
Share capital	10,000,000.00
Capital reserve	9,115,712.19
Retained earnings	28,680,000.00
Accumulated loss	-6,422,206.29
<i>thereof loss carried forward</i>	-388,592.12
<i>thereof loss for the year</i>	-6,033,614.17
Total equity	41,373,505.90
DISTRIBUTION OF ANNUAL LOSS	
Annual loss 2021	-6,033,614.17
Off-set with retained earnings	-6,000,000.00
Loss carried forward	-33,614.17
COMPOSITION OF RETAINED EARNINGS	
Retained earnings as at 31.12.2021	28,680,000.00
Distribution of extraordinary dividend on 16.3.2022	-16,000,000.00
Off-set with retained earnings	-6,000,000.00
Voluntary retained earnings to new account as per AGM date	6,680,000.00
COMPOSITION OF LOSS CARRIED FORWARD	
Loss carried forward 2020	-388,592.12
Loss carried forward 2021	-33,614.17
Loss carried forward to new account	-422,206.29

Notes to the Financial Statements

Notes on Business Activities

Company name, legal form and registered office

Swiss Bankers Prepaid Services Ltd (Swiss Bankers), a public limited company with its registered office in Grosshöchstetten, is the parent company of the Swiss Bankers Group. It holds a banking licence and is supervised by the Swiss Financial Market Supervisory Authority FINMA.

Business activity

The parent company's business activities include the issuing and reloading of prepaid cards in Swiss francs, Euros and US dollars, the dispatch service for travel payment means for the clientele of Swiss banks, and the Send money transfer service. As of 31 December 2021, Swiss Bankers' headcount was 86.3 people (full-time equivalents, FTE). In the previous year, there were 91.2 employees (full-time equivalents, FTE).

Further information on business activities can be found in the consolidated financial statements.

Accounting and valuation principles

The accounting, reporting and valuation principles are based on the Swiss Code of Obligations, the Banking Act and its ordinance, the FINMA Accounting Ordinance, the FINMA guidelines and the provisions of the Articles of Association.

The financial statements of the parent company are reliably presented. In principle, the Group's accounting and valuation principles are applied. In contrast to the consolidated financial statements, the individual financial statements may contain hidden reserves. Hidden reserves can arise from depreciation on property, plant and equipment that exceeds what is necessary for business purposes. Furthermore, provisions may contain hidden reserves. At the parent company level, deferred tax assets are not calculated and recognised for temporary differences on taxed reserves; instead, they are recognised as contingent assets.

Participations

This balance sheet item includes the parent company's 100% interest in Swiss Bankers Prepaid Services (Liechtenstein) Ltd. The participation is valued at acquisition cost less any necessary depreciation.

Changes compared to the previous year

There were no changes in the accounting and valuation principles compared to the previous year.

Events after the balance sheet date

An Extraordinary General Meeting was held on 16 March 2022, which approved an extraordinary dividend of CHF 16.0 million. This distribution took place in the course of optimising the capital structure in connection with the sale of Swiss Bankers to DDM Group.

Risk assessment and management

The defined risks and compliance with them are reviewed on an on-going basis. For further information on Swiss Bankers' risk assessment and risk management, please refer to the notes to the consolidated financial statements.

Contingent liabilities, irrevocable commitments, deposit and additional funding obligations

The off-balance sheet is shown at nominal value. Provisions are made in the liabilities of the balance sheet for identifiable risks.

Notes to the Statement of Financial Position

(in CHF thousand)

	Mortgage coverage	Other coverage	Without coverage	Total
1. OVERVIEW OF COVERAGES				
Receivables from customers				
Total receivables reporting year (before offsetting against value adjustments)	0	0	6,388	6,388
Total receivables previous year (before offsetting against value adjustments)	0	0	6,299	6,299
Total receivables reporting year (after offsetting against value adjustments)	0	0	6,388	6,388
Total receivables previous year (after offsetting against value adjustments)	0	0	6,299	6,299

Off-balance sheet

Guarantees	0	0	8,040	8,040
Irrevocable commitments	0	0	3,764	3,764
Total off-balance sheet reporting year	0	0	11,804	11,804
Total off-balance sheet previous year	0	0	12,539	12,539

There are no loans other than receivables from customers.

The guarantees result from a guarantee agreement between the parent company Swiss Bankers and Swiss Bankers FL. The amount of the guarantee is based on the respective amount of the card balances of the subsidiary's clients plus a reserve amount.

(in CHF thousand)

	Gross debt amount	Estimated realisation proceeds of the collateral	Net debt amount	Individual value adjustments
2. IMPAIRED RECEIVABLES				
Reporting year	0	0	0	0
Previous year	0	0	0	0

(in CHF thousand)

	Book value 2021	Market value 2021	Book value 2020	Market value 2020
3. FINANCIAL ASSETS				
Debt instruments	225,170	228,091	247,131	253,763
with the intention to hold until maturity	225,170	228,091	246,499	253,131
held for sale	-	-	632	632
of which securities eligible for repo transactions in accordance with liquidity regulations	59,681	61,017	71,365	74,007
Total financial assets	225,170	228,091	247,131	253,763

(in CHF thousand)

	Highest credit rating	Safe investment	Average rating	Speculative investment	Highly speculative investment	Default of payment/default	Without rating	Total
4. FINANCIAL ASSETS BY RATING								
Debt instruments at carrying amounts reporting year	93,335	70,742	41,025	-	-	-	20,068	225,170
Debt instruments at carrying amounts previous year	107,576	64,947	45,818	-	-	-	28,790	247,131

Swiss Bankers uses the ratings of recognised rating agencies in accordance with FINMA's concordance table according to a bank-internal system.

(in CHF thousand)

	Other assets 2021	Other liabilities 2021	Other assets 2020	Other liabilities 2020
5. OTHER ASSETS AND OTHER LIABILITIES				
Prepaid card inventory	582	-	238	-
Settlement accounts	34	287	2,712	256
Indirect taxes	165	166	176	162
Other assets and liabilities	502	1,853	436	1,072
Total other assets and other liabilities	1,283	2,306	3,562	1,490

(in CHF thousand)

	Over-/underfunding 31.12.2021	Economic share of the Bank 31.12.2021	Economic share of the Bank 31.12.2020	Change compared to the previous year in the economic share	Paid contributions for the reporting year	Pension fund expenditure in personnel expenses 2021	Pension fund expenditure in personnel expenses 2020
6. ECONOMIC BENEFIT/ECONOMIC OBLIGATION AND PENSION FUND EXPENDITURE							
Pension plans with overfunding					1,060	1,060	954
Total					1,060	1,060	954

As at 31 December 2020, the funding ratio of the pension fund was 116.0% (auditor's report dated 19 March 2021). At the end of the reporting year, a coverage ratio of 121.5% is expected.

(in CHF thousand)

	Position 31.12.2020	Purpose uses	Transfers	Creation at the expense of income	Position 31.12.2021
7. VALUE ADJUSTMENTS AND PROVISIONS AS WELL AS RESERVES FOR GENERAL BANKING RISKS AND THEIR CHANGES DURING THE REPORTING YEAR					
Provisions for employee benefit obligations	0				0
Other provisions	4,298				4,298
Total provisions	4,298				4,298
Value adjustments for default risks and country risks	35			35	70
<i>of which value adjustments for latent risks</i>	<i>35</i>			<i>35</i>	<i>70</i>

(in CHF thousand)

	Total nominal value 2021	Number of shares 2021	Dividend entitled capital 2021	Total nominal value 2020	Number of shares 2020	Dividend entitled capital 2020
8. SHARE CAPITAL						
Share capital (fully paid up)	10,000	10,000	10,000	10,000	10,000	10,000
Total share capital	10,000	10,000	10,000	10,000	10,000	10,000

Swiss Bankers has neither authorised nor conditional capital. The legal reserves, not exceeding 50% of the nominal share capital, may only be used to cover losses or for measures that are suitable to bring the company through in times of poor business performance, to counteract unemployment or to mitigate its consequences. Thus CHF 5.0 million are not distributable.

(in CHF thousand)

	Receivables 2021	Liabilities 2021	Receivables 2020	Liabilities 2020
9. DISCLOSURES OF RECEIVABLES FROM AND LIABILITIES TO RELATED PARTIES				
Qualified related parties	106,495	977	93,670	578
Group companies	829	163	823	234
Transactions with members of the executive bodies	-	-	-	-

The main counterparties are the shareholders of Swiss Bankers (qualified related parties) and Swiss Bankers Liechtenstein (Group company). Swiss Bankers conducts standard transactions with these parties at arm's-length conditions.

	Nominal 2021 (in CHF thousand)	Share 2021 (in %)	Nominal 2020 (in CHF thousand)	Share 2020 (in %)
10. DISCLOSURES ON SHAREHOLDERS				
with voting rights:				
Association of Swiss Cantonal Banks	3,300	33.0	3,300	33.0
Credit Suisse (Switzerland) Ltd	2,500	25.0	2,500	25.0
Entris Banking Ltd	1,650	16.5	1,650	16.5
Raiffeisen Switzerland Cooperative	1,650	16.5	1,650	16.5
PostFinance Ltd	900	9.0	900	9.0
Total	10,000	100.0	10,000	100.0

	Net foreign exposure end of reporting year		Net foreign exposure end of previous year	
	(in CHF thousand)	Share (in %)	(in CHF thousand)	Share (in %)
11. BREAKDOWN OF THE TOTAL OF FOREIGN ASSETS BY CREDIT RATING BY COUNTRY GROUPS (RISK DOMICILE)				
Highest credit rating	137,939	92.0	158,779	91.5
Safe investment	10,158	6.8	10,195	5.9
Speculative investment	0	0.0	0	0.0
Highly speculative investment	0	0.0	0	0.0
Default/non-payment	0	0.0	0	0.0
Without rating*	1,862	1.2	4,437	2.6
Total	149,959	100.0	173,411	100.0

* The foreign exposures in the "unrated" category are exclusively bonds issued by supranational entities.

Swiss Bankers uses the ratings of recognised rating agencies in accordance with FINMA's concordance table according to a bank-internal system.

Notes to the Income Statement

(in CHF thousand)

	2021	2020
12. INCOME FROM TRADING		
Foreign exchange income	8,007	7,644
<i>of which currency result on banknotes</i>	1,803	1,580
<i>of which foreign exchange earnings on card products</i>	6,204	6,064
Total income from trading	8,007	7,644

(in CHF thousand)

	2021	2020
13. PERSONNEL EXPENSES		
Salaries	11,267	9,570
Social benefits	2,303	1,794
Other personnel expenses*	282	321
Total personnel expenses*	13,853	11,685

* In the Annual Report 2020, the positions "External employees" and "Recruitment costs" were listed under personnel expenses. These were reclassified to general expenses in 2021. The reason for this is that personnel expenses shall only include effective expenses of Swiss Bankers employees. The expense from these two positions amounted to CHF 1.1 million for 2020, reducing personnel expenses from CHF 12.8 million to CHF 11.7 million in 2020.

(in CHF thousand)

	2021	2020
14. GENERAL AND ADMINISTRATIVE EXPENSES		
Rent	479	517
Expenditure for information and communication technology	1,407	1,204
Expenses for vehicles, machinery, furniture and other equipment	108	87
Fees of the audit firm	169	91
<i>of which for audit and supervisory review</i>	169	91
Other operating expenses*	6,727	5,950
Total material expenses*	8,890	7,849

* In the Annual Report 2020, the positions "External employees" and "Recruitment costs" were listed under personnel expenses. These were reclassified to general expenses in 2021. The reason for this is that personnel expenses should only show the actual expenses of Swiss Bankers employees. The expenses from these two items amounted to CHF 1.1 million for 2020, which increased the general expenses from CHF 6.9 million to CHF 8.0 million in 2020.

(in CHF thousand)

	2021	2020
15. TAXES		
Current taxes	54	60
Total taxes	54	60

The tax rate for the reporting year is 20.75% (previous year: 20.99%).



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To the General Meeting of
Swiss Bankers Prepaid Services Ltd, Grosshöchstetten

Berne, 31 March 2022

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Swiss Bankers Prepaid Services Ltd, which comprise the income statement, balance sheet, statement of changes in equity and notes (pages 54 to 63), for the year ended 31 December 2021.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.




Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

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

Ernst & Young Ltd


Philipp de Boer
Licensed audit expert
(Auditor in charge)


Adriano Guerra
Licensed audit expert



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