

dreyfus
BANQUIERS
1813

Annual Report 2021

Your wealth, our responsibility.

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Five-year summary

in million CHF	2021	2020	2019	2018	2017
Tier 1 capital	558.5	569.3	550.8	542.2	525.6
Balance sheet total	2 815.2	2 622.5	2 364.7	2 542.7	2 545.6
Net interest income	14.4	12.2	23.4	21.3	18.7
Net income from commission business and services	103.9	92.0	89.4	91.4	91.9
Profit from trading	10.8	9.9	8.8	9.9	10.0
Other ordinary profit	2.3	14.7	1.7	-1.3	1.4
Net revenues	131.4	128.8	123.3	121.3	122.0
Operating expenses	-82.0	-82.8	-90.8	-77.0	-74.4
Changes to provisions and other value adjustments, and losses	-5.4	-1.9	-0.9	-2.0	-0.7
Operating result	44.0	44.1	31.6	42.3	46.9
Profit	32.7	30.6	28.9	29.5	27.1
Number of staff (the number of full-time positions on annual average)	209	206	207	203	199
Tier 1 capital / Balance sheet total (in %)	19.8	21.7	23.3	21.3	20.6
Profit / Core capital (in %)	5.9	5.4	5.3	5.4	5.2
Operating expenses / Net revenues (in %)	62.4	64.3	73.6	63.5	61.0
Profit / staff (in CHF)	156 459	148 544	139 614	145 321	136 251

Board of Directors and Management

As of General Meeting of March 14, 2022

Board of Directors

Andreas Guth, Chairman
Alexis Blum,
Deputy Chairman
Pierre Dreyfus,
Deputy Chairman

Otto E. Bargezi
Corina Eichenberger-Walther
Dr. Christian Katz
Pierre Poncet
Dr. Rudolf Roth-Olum
Bernard Soguel-dit-Picard
François Voss

Dr. Sebastian Burckhardt,
Secretary of the Board of
Directors

Audit and Risk Committee

Dr. Rudolf Roth-Olum,
Chairman
Otto E. Bargezi
Pierre Dreyfus
Andreas Guth

Remuneration and Nomination Committee

Andreas Guth, Chairman
Alexis Blum
Pierre Dreyfus
Corina Eichenberger-Walther

Internal Auditor

Stefan Merz, Internal Auditor
Philipp Müller,
Executive Auditor

External Auditors

KPMG Ltd

Management

Executive Committee

Stefan Knöpfel,
Chief Executive Officer
Dr. Theodor Lang,
Deputy Chief Executive
Officer

Michael Fringeli
Dr. Beat Lehmann
Richard Mayr
Dr. Daniel Witschi
Nicolas Wyss

Managing Directors

Thierry Bloch
Dieter Minelli
Olivier Wohlhauser Terry

Executive Directors

Marius Baumann
Jacques Buchs
David Couso
Markus Dändliker
Stéphane Fiechter
Daniel Gisler
Roger Glaus
Amos Gutermann
David Jermann
Matthias Loetscher
Clarisse Lyssy
Rolf Meister
René Michel
Dominik Schneider
Guido Schneider
Beat Staub

Directors

Beat Angst
Silvio Bächtiger
Yann Barth
François Beck
Jonathan Bellaiche
Stephan Bernet
Philippe Blum
Oliver Born
Fabrice Bourquin
Pascal Bucher
Philippe Burnier
Francescantonio Candio
Marino Cavallo
Didier Chabloz
Van Trung Dam
Claudio Del Fante
Hans-Kaspar Denzler
Sven Dreher
Roland Erne
Markus Flückiger
Thomas Frei
Björn Fricker
Hubert Frund
Nicole Gouëlle
Christoph Gudemann
Manuel Guth
Rudolf Gyax
Roland Henz
Urs Kaufmann
Thomas Krüsi
Adrian Lehmann
Manuel Lüthi
Felix Mangold
Christian Meier
Daniel Meier

Dr. Philippe Meyer
Lukas Müller
Lionel Oeuvray
Andrea Piccardo
Rui Ramires
Nico Ramstein
Manuel Roth
Daniel Schärer
Bernard Schultz
Matthias Sutter
Sacha Vicente
Oliver Wittlin
Eric Zurbuchen
Philipp Zwicky

Representation Israel

Nir Mendelovitz

Members of the Board of Directors

Andreas Guth (1955), lic. rer. pol., executive Chairman since 19 March 2002. Chairman of the Remuneration and Nomination Committee, member of the Audit and Risk Committee.

Joined the Bank in 1979. 1991–2002 Chief Executive Officer and 1996–2002 Delegate of the Board of Directors.

Education: Studies in Economics at the University of Basel.

Additional activities and mandates: Chairman of the Board of Directors of Dreyfus Söhne & Cie Mandata AG, Basel; member of the Board of Directors of Terrain- und Finanzgesellschaft Basel AG; Committee member of the Association of Swiss Asset and Wealth Management Banks (VAV); member of the SIX Regulatory Board.

Alexis Blum (1953), DEA, executive Deputy Chairman since 19 March 2001. Member of the Remuneration and Nomination Committee.

Joined the Bank in 1983.

Education: Studies in Mathematical Economics and Maîtrise ès lettres from the University of Paris.

Additional activities and mandates: Chairman of the Board of Directors of Terrain- und Finanzgesellschaft Basel AG; member of the Board of Directors of Dege Holding AG, Basel.

Pierre Dreyfus (1949), ingénieur, executive Deputy Chairman since 19 March 2002. Member of the Remuneration and Nomination Committee, member of the Audit and Risk Committee.

Joined the Bank in 1992.

Education: Ecole Spéciale des Travaux Publics, Paris, and MBA INSEAD Fontainebleau.

Otto E. Bargezi (1941), lic. rer. pol., executive member of the Board of Directors since 25 March 2014. Member of the Audit and Risk Committee.

Joined the Bank in 1964. Member of the Executive Committee from 1991–2002; Chief Executive Officer from 2002–2014 and Delegate of the Board of Directors 1996–2014.

Education: Graduate studies at the Institut Universitaire de Hautes Études Internationales, Geneva.

Additional activities and mandates: Member of the Board of Directors of Dreyfus Söhne & Cie Mandata AG, Basel; member of the Board of Directors of Terrain- und Finanzgesellschaft Basel AG, Basel.

Corina Eichenberger-Walther (1954), lic. iur.; Advocate and Mediator.

Joined the Bank as independent member of the Board of Directors on 19 March 2013. Member of the Remuneration and Nomination Committee.

Education: Law degree from the University of Basel, followed by bar exams. Mediation diploma specialising in economics, environment and management.

Additional activities: Counsel at Liatowitsch & Partner law firm, Basel.

FDP member of the Swiss National Council from 2007–2019; member of the Security Policy Committee NC and the Control Committee NC; Member of various boards of directors and foundation boards.

Dr. Christian Katz (1967)

Joined the Bank as independent member of the Board of Directors on 18 March 2019.

Education: Studies in Economics at the University of St. Gallen (HSG).

Additional activities and mandates: Owner of Consulting firm Mainstrait AG; Member of various boards of directors, especially in the financial and fintech sector; CEO of Helveteq AG; 2009–2015 CEO of the Swiss Exchange SIX.

Pierre Poncet (1952), MBA.

Joined the Bank as independent member of the Board of Directors on 13 March 2014.

Education: MBA INSEAD Fontainebleau.

Additional activities and mandates: Limited Partner at Bordier & Cie, Geneva; Member of the Geneva Chamber of Commerce and Chairman from 2013–2017; member of the Board of Directors of PKB Bank, Lugano; member of the Board of Directors of Naef Holding SA, Geneva.

Dr. Rudolf Heinrich Roth-Olum (1954), lawyer, joined the Bank on 13 March 2010 as independent member of the Board of Directors. Chairman of the Audit and Risk Committee.

Education: Law degree from the Universities of Basel and Geneva followed by bar exams; Bachelor in Business Management.

Additional activities: Owner of RothBoard-Advisory RBA GmbH; counsel at Kendris Ltd.

Bernard Soguel-dit-Picard (1944), executive member of the Board of Directors since 13 March 2017. Joined the Bank in 1961.

Between 1967 and 1971 worked in a US brokerage firm.

Education: US stock broker licence of the New York Stock Exchange.

François Voss (1930), Docteur en droit, joined the Bank as member of the Board of Directors on 19 March 2002.

Education: Diploma from the Institut d'études politiques de Paris; Diploma from the Institut des hautes études internationales.

Additional activities and mandates: Special advisor to the Lazard Group; Chairman of the Board of Directors of Objectif Patrimoine Croissance, Paris.

Dr. Sebastian Burckhardt (1954), M.C.J., joined the Bank as Secretary of the Board of Directors on 15 March 2005 (non-member).

Additional activities: Lawyer and notary; partner at Vischer AG, Zurich/ Basel.

Members of the Executive Committee

Stefan Knöpfel (1960), Chief Executive Officer since 1 April 2014. Chief Risk Officer.

Joined the Bank as Head of Trading in 2002; member of the Executive Committee since 2004; 2006–2014 Deputy Chief Executive Officer. Previously member of the Executive Committee of BNP Paribas Private Bank (Suisse) SA, Geneva.

Education: Executive BBA from the Graduate School of Business Administration, Zurich.

Additional activities and mandates: Member of the Board of the Association of Basel Banks; Member of the Board of Directors of Midas Wealth Management S.A., Luxembourg.

Dr. Theodor Lang (1973), Deputy Chief Executive Officer since 13 March 2017. Chief Compliance Officer.

Joined the Bank in 2012 as Head of Legal & Risk; member of the Executive Committee since 2014. Previously partner, branch manager and Head of Legal & Compliance at Schweizerische Treuhandgesellschaft AG, Basel.

Education: Law degree from the Universities of Basel and Lausanne followed by bar exams.

Michael Fringeli (1968), member of the Executive Committee since 1 January 2021. Head of Investment Advisory & Client support.

Joined the Bank in 1986 and was Deputy Head of Clients & Investments 2018–2020.

Education: Certified International Investment Analyst CIIA, Certified International Wealth Manager CIWM.

Dr. Beat Lehmann (1960), member of the Executive Committee since 19 March 2002. Head of IT.

Joined the Bank in 1998 as Head of Internal Audit. Previously Head of Finance at Aquametro AG, Therwil.

Education: Studies in Economics at the University of Basel.

Richard Mayr (1964), lic. rer. pol., member of the Executive Committee since 1 January 2010. Head of Services & Administration.

Joined the Bank in 1989. Head of Clients and Investments 1999–2014.

Education: Studies in Economics at the University of Basel.

Dr. Daniel Witschi (1962), member of the Executive Committee since 19 March 2013. Head of Clients & Investments.

Joined the Bank in 2001 and held posts of Chief Economist and CIO.

Previously Head of Global Economic & Financial Market Research at UBS Brinson in Basel, Zurich and Chicago.

Education: Studies in Economics at the University of Basel, CFA Chartered Financial Analyst.

Nicolas Wyss (1973), Business Economist FH, member of the Executive Committee since 1 July 2020. Head of Trading, external asset managers and offices.

Joined the Bank in 2018. Previously in a lead position at UBS (Switzerland) AG.

Education: University of Applied Sciences and Arts Basel, Executive Programme INSEAD Fontainebleau.

Additional activities and mandates: Member of the Board of Directors of Midas Wealth Management S.A., Luxembourg.

Management report

2021 was marked by the persistence of the Covid-19 pandemic and various related restrictions. Nevertheless, according to the observations of the International Monetary Fund (IMF), the global economy expanded significantly in real terms, and Switzerland was also able to benefit from this. The provision of the global supply of goods and services, especially in the area of digital components, suffered from bottlenecks. This also had a material impact on supply chains, while energy prices also rose strongly. In this environment, financial markets – especially equities of developed economies – closed 2021 well above expectations.

At the beginning of the current year, however, geopolitical tensions in Eastern Europe and Asia increased. Coupled with the fear of rising interest rates, it led to a weaker start of equity markets.

Our family-owned establishment has been able to generate a remarkable result in the 208th year of its existence. At the same time, many strategically for the future relevant topics and projects have kept us very busy. We shall elaborate further about these topics and projects later. In summary, we can state that the net revenues, (i.e. the sum of the various business areas), increased to CHF 131.4 million. This is an especially strong result, since in the previous year an extraordinary capital gain of CHF 16.6 million was recorded from the sale of part of our Euroclear participation. Furthermore, the new regulatory framework (i.e. Federal

Act on Financial Services) led to an evolution in the range of services offered with the introduction of an advisory mandate. Today most of our clients are served either through an advisory, or through a wealth management mandate. Consequently, our operations and tariffs had to be adapted. It was therefore a very time consuming and labour-intensive year to ensure our new services were implemented smoothly. In addition, the positive stock market momentum strengthened the result from the commissions, advisory and wealth management businesses.

Our balance sheet as of 31 December 2021 expanded to CHF 2'815 million and is characterised by a controlled increase in loans and mortgages offered to our clients.

After allocations to the reserves for general banking risks and taxes to be paid, the result is a profit of CHF 32.7 million, 6.7% higher than the previous year. The number of clients increased. On the other hand, a net assets outflow of CHF 437 million was recorded. However, the strong financial markets of 2021 compensated this and hence our assets under management rose to CHF 22.0 billion.

Moreover, various important topics kept us very busy in 2021. As a strategic milestone, we were able to complete the acquisition of a participation in a Luxembourg asset manager, Midas Wealth Management S.A.. At the end of this reporting period,

we owned 35% of the capital and have two of the five members of the Board of Directors. An increase to a 51% majority stake is planned for 2022 and a further expansion to 74% is planned for the end of 2023. Midas' business development performed strongly and an extraordinary dividend of EUR 1.0 million could already be collected in December 2021.

The Covid-19 pandemic has been with us for more than two years and has led to the accelerated implementation of various digitalisation projects. On the one hand, we are strengthening the interconnectivity across all of our offices. Therefore, allowing our departments to enact Business Continuity Management (BCM) procedures to react to possible business interruptions of our otherwise extremely stable IT Systems. On the other hand, we aim to allow our clients to be able in the future to increasingly access our range of services also digitally.

In the area of sustainable asset management, the so-called ESG scoring will be available at portfolio level in the future. A rating system of the individual positions in the portfolio will allow our clients to obtain additional information as well as overall reporting in this regard.

The average number of employees in 2021, converted to full positions, was 209 (previous year: 206). This includes various reinforcements also in connection with the above-mentioned projects.

Due to the focused and stable business model as well as the low fluctuation rate of our employees, the Board of Directors considers the business risks to be limited. The counterparties, most of which are classified as high quality, are monitored regularly, market risks are diversified as far as possible and interest rate risks are limited by managing duration. The Board of Directors has a well-functioning Audit and Risk Committee and has assessed the material risks. However, the ever-increasing regulation involves a great deal of effort and operational risks are constantly increasing.

Our annual contribution to the charitable Isaac Dreyfus-Bernheim Foundation again amounted to CHF 1.4 million.

In recent years, our bank has successfully developed its business activities cautiously without neglecting our proven principles. We are strongly oriented towards the needs of our valued clients and would like to continue to independently focus our client service on long-term, stable and expertly managed portfolios. We do this together with our employees, most of whom have been with us for many years, and to whom we owe our deepest gratitude. In this way, we can face the future – which will undoubtedly be challenging – with confidence.

Balance sheet

Assets

in CHF	31.12.2021		31.12.2020	
Liquid assets	610 753 401		670 733 753	
Amounts due from banks	75 572 894		199 683 373	
<i>Value adjustments</i>	-2 600 000	72 972 894	-2 200 000	197 483 373
Amounts due from securities financing transactions	384 951 000		346 593 500	
Amounts due from customers	693 304 942		434 263 993	
<i>Value adjustments</i>	-1 900 000	691 404 942	-1 700 000	432 563 993
Mortgage loans	115 995 700		77 571 300	
Trading portfolio assets	72 220 108		62 002 023	
Positive replacement values of derivative financial instruments	7 086 513		4 318 820	
Financial investments	823 315 566		823 992 327	
<i>Value adjustments</i>	-1 100 000	822 215 566	-1 300 000	822 692 327
Accrued income and prepaid expenses	4 469 598		4 297 407	
Participations	28 500 000		550 000	
Tangible fixed assets	2 002 000		2 002 000	
Other assets	2 584 750		1 737 641	
Total assets	2 815 156 472		2 622 546 137	
Total subordinated claims	0		0	

Liabilities

in CHF	31.12.2021	31.12.2020
Amounts due to banks	206 959 406	119 335 820
Liabilities from securities financing transactions	0	0
Amounts due in respect of customer deposits	1 956 904 255	1 876 964 250
Trading portfolio liabilities	0	0
Negative replacement values of derivative financial instruments	6 606 217	4 162 899
Accrued expenses and deferred income	5 339 651	1 797 208
Other liabilities	2 860 006	2 661 697
Provisions	29 000 000	28 700 000
Reserves for general banking risks	28 300 000	23 300 000
Bank's capital	30 000 000	30 000 000
Statutory retained earnings reserve	72 860 000	71 090 000
Voluntary retained earnings reserves	442 000 000	432 000 000
Profit carried forward	1 652 963	1 921 381
Profit	32 673 974	30 612 882
Total liabilities	2 815 156 472	2 622 546 137
Total subordinated liabilities	0	0

Off-balance-sheet transactions

in CHF	31.12.2021	31.12.2020
Contingent liabilities	52 724 261	59 010 421
Irrevocable commitments	74 608 593	78 615 213
Obligations to pay up shares and make further contributions	0	0
Credit commitments	0	0

Income statement

in CHF	2021	2020
Result from interest operations		
Interest and discount income	2 878 237	3 838 689
Interest and dividend income from financial investments	10 974 829	7 900 485
Interest expense	957 299	596 620
Gross result from interest operations	14 810 365	12 335 794
Changes in value adjustments for default risks and losses from interest operations	-400 000	-100 000
Subtotal net result from interest operations	14 410 365	12 235 794
Result from commission business and services		
Commission income from securities trading and investment activities	103 322 678	91 987 960
Commission Income from other services	1 988 980	1 348 300
Commission expense	-1 395 782	-1 326 844
Subtotal result from commission business and services	103 915 876	92 009 416
Result from trading activities and the fair value option	10 819 315	9 889 566
Other result from ordinary activities		
Result from the disposal of financial investments	86 055	16 597 362
Income from participations	1 041 300	200 000
Other ordinary income	1 778 468	1 158 582
Other ordinary expenses	-553 150	-3 279 654
Subtotal other result from ordinary activities	2 352 673	14 676 290
Operating expenses		
Personnel expenses	-65 508 001	-69 211 063
General and administrative expenses	-16 527 238	-13 655 025
Subtotal operating expenses	-82 035 239	-82 866 088
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	0	0
Changes to provisions and other value adjustments, and losses	-5 418 391	-1 876 694
Operating result	44 044 599	44 068 284

Appropriation of profit

Profit

in CHF	2021	2020
Operational result	44 044 599	44 068 284
Extraordinary income	0	0
Extraordinary expenses	0	0
Changes in reserves for general banking risks	-5 000 000	-7 000 000
Taxes	-6 370 625	-6 455 402
Profit	32 673 974	30 612 882

Appropriation of profit

in CHF	2021	2020
Profit	32 673 974	30 612 882
Profit carried forward	1 652 963	1 921 381
Profit carried to the balance sheet	34 326 937	32 534 263
The board of directors proposes to the General Meeting the appropriation of the profit as follows:		
Allocation to statutory retained earnings reserve	-1 910 000	-1 770 000
Allocation to voluntary retained earnings reserves	-10 000 000	-10 000 000
Distributions relating to share capital	-17 400 000	-16 200 000
Other appropriations of profit	-3 117 397	-2 911 300
Profit carried forward	1 899 540	1 652 963

Statement of changes in equity

in 1000 CHF	Bank's capital	Retained earnings reserve	Reserves for general banking risks	Voluntary retained earnings reserves and profit carried forward	Profit	Total
Equity at beginning of reporting year (before appropriation of profit)	30 000	71 090	23 300	433 922	30 613	588 925
Dividends and other appropriations of profit					-19 111	-19 111
Allocations to the reserves for general banking risks			5 000			5 000
Allocations to reserves		1 770		9 732	-11 502	0
Profit					32 674	32 674
Equity at the end of reporting year (before appropriation of profit)	30 000	72 860	28 300	443 654	32 674	607 488

Eligible capital and exposure measure

in 1000 CHF	Reporting year	Prior year
Eligible capital	558 470	569 263
Exposure measure	2 844 793	2 685 651
Leverage ratio (Basel III) LERA (in %)	20	21

Liquidity coverage ratio (LCR)

in 1000 CHF	Average of end of month value 1st quarter	Average of end of month value 2nd quarter	Average of end of month value 3rd quarter	Average of end of month value 4th quarter	Average of end of month value 4th quarter Prior year
Stock of high quality liquid assets (HQLA)	864 348	933 804	968 340	825 796	862 971
Total net cash outflows	175 536	184 725	185 681	194 216	193 229
Liquidity coverage ratio LCR (in %)	492	506	522	425	447

Disclosure of own resources

(partial disclosure)

in 1000 CHF	Reporting year	Prior year
Common Equity Tier 1 capital (CET1)	558 470	569 263
Additional Tier 1 capital (AT1)	0	0
Tier 1 capital (T1)	558 470	569 263
Tier 2 capital (T2)	0	0
Eligible common equity	558 470	569 263
Sum of the risk-weighted positions	2 089 163	1 680 200
Credit risk	Approach applied	
	International approach (SA-BIS)	
	133 408	103 794
thereof price risk concerning stocks in the banking book	3 203	3 090
Non-counterparty risks	160	160
Market risk	De-minimis-approach	
	15 257	12 530
thereof on		
interest instruments	0	0
stocks	0	0
foreign currencies and precious metals	15 257	12 530
commodities	0	0
Operational risk	Basic indicator approach	
	18 308	17 932
Required common equity	167 133	134 416
Eligible / required capital (in %)	334	424

	Reporting year	Prior year
Regulatory common equity ratios		
CET1-ratio	26.73%	33.88%
T1-ratio	26.73%	33.88%
Ratio in respect to the regulatory common equity	26.73%	33.88%
CET1-Buffer requirements (as per the Basel minimum standards)		
Capital buffer	2.50%	2.50%
Anti-cyclical buffer	0.00%	0.00%
Overall buffer requirements	2.50%	2.50%
CET1 available to meet the buffer requirements	21.78%	25.88%
Common equity target ratio for CET1	7.40%	7.40%
Target (category 4-bank)	7.40%	7.40%
Anti-cyclical common equity buffer	0.00%	0.00%
Common equity target ratio for T1	9.00%	9.00%
Target (category 4-bank)	9.00%	9.00%
Anti-cyclical common equity buffer	0.00%	0.00%
Target for regulatory common equity	11.20%	11.20%
Capital buffer	3.20%	3.20%
Anti-cyclical common equity buffer	0.00%	0.00%
Minimum capital	8.00%	8.00%
Target (category 4-bank)	11.20%	11.20%
Available regulatory common equity	26.73%	33.88%

Other disclosure

(partial disclosure)

Overview of risk-weighted exposures

in 1000 CHF	risk-weighted exposures Reporting year	risk-weighted exposures Prior year	minimum capital Reporting year
Credit risk*	1 669 600	1 299 425	133 568
Market risk	190 713	156 625	15 257
Operational risk	228 850	224 150	18 308
Total	2 089 163	1 680 200	167 133

* incl. non-counterparty risks

Credit risk: credit quality of assets

in 1000 CHF	Gross carrying values of		Value adjustments and depreciation	Net values
	defaulted exposures	non-defaulted exposures		
Loans (excluding debt securities)	0	1 346 512	5 600	1 340 912
Debt securities	0	709 755	0	709 755
Off-balance-sheet transactions	0	127 333	0	127 333
Total	0	2 183 600	5 600	2 178 000

Credit risk: overview of mitigation techniques

in 1000 CHF	unsecured exposures carrying amount	secured exposures actual collateralized amount	exposures secured with financial guarantees or credit derivatives
Receivables (including debt securities)	881 818	1 174 450	0
Off-balance-sheet transactions	3 228	124 105	0
Total	885 046	1 298 555	0
thereof defaulted	0	0	0

Notes to the financial statements

1. Business name, legal form and domicile

Dreyfus Sons & Co. Ltd, Banquiers, was founded in Basel by Isaac Dreyfus-Bernheim in the year 1813. Since then the Bank has been located in Basel and has no branches elsewhere. We have inaugurated five representative offices in the recent past: the first one in Lausanne in 2011, then in Delémont in 2012 and subsequently in Zurich, Lugano and Tel Aviv in 2013. Although the Bank became a company limited by shares in the year 1942, its principal business activities are carried on in the traditional private banking style, that is, the individual and comprehensive management of assets entrusted to it. This includes the administration of family organizations, corporations, foundations and trusts. The Bank's equity is a multiple of the legal requirement and is mainly invested in the money and capital markets.

In order to enable the Bank to advise its clients by closely following financial markets it also trades – within appropriate limits – in securities, foreign exchange and precious metals as principal and as agent. As a rule, advances are granted only within the scope of assets under administration, i.e. to customers holding qualitatively and quantitatively adequate securities as coverage.

The organizational structure of Dreyfus Sons & Co. Ltd, Banquiers, is comparable to the one of a typical private bank. We have an Audit and Risk Committee under the chairmanship of Dr. Rudolf Roth-Olum, who is an independent member of the Board of Directors. Further members are Pierre Dreyfus, Otto E. Bargezi and Andreas Guth.

The Bank has outsourced some of its interbank services.

2. Accounting and valuation policies

The principles of accounting, presentation and valuation are governed by the provisions of the Swiss Code of Obligations Governing Corporations, the Federal Law on Banks and Savings Banks, its Ordinances and the guidelines of the Swiss Financial Market Supervisory Authority FINMA. The existing statutory single-entity financial statements present the bank's economic position in such a way that a third party can make a reliable assessment. The most significant principles of valuation are the following:

- Transactions are shown in the balance sheet at their date of completion.
- Assets and liabilities denominated in foreign currencies are converted into Swiss Francs at rates of exchange prevailing at the balance sheet date. Exchange gains and losses arising from the conversion of currencies are booked as Result from trading activities.

- Liquid assets, Amounts due to and due from banks and customers as well as Mortgage loans are presented at nominal value. At the moment there is no need for individual provisions. General value adjustments are being made for the latent risks in the dues from customers and banks. The reckoning thereof is based on the calculated default risk according to a recognised rating agency.
- Repurchase and reverse-repurchase agreement transactions are being booked as Amounts due, respectively liabilities from securities financing transactions.
- Securities and precious metals held in Trading portfolio assets are valued at fair value at the balance sheet date and the resultant profits and losses are included in the heading Result from trading activities including interest and dividends.
- Securities shown as Financial investments are held as long term investments. Debt instruments are shown in the balance sheet at nominal value and are valued according to the accrual method of valuation: premiums, respectively discounts on purchases, on sales prior to maturity or redemptions before maturity are entered in the books as Accrued income and prepaid expenses and apportioned to accounting periods as Interest and dividend income from financial investments. Equity securities are valued at the lower of cost or market. The cost is determined by weighted averages of the purchase prices. Money market papers are shown at market value prevailing at the balance sheet date.
- Majority owned participations are presented at acquisition cost net of any operational write-downs as per individual valuation.
- As a rule, Tangible fixed assets are written off in the year of acquisition. Most of the bank buildings were purchased generations ago and therefore the value shown in the balance sheet is significantly below the fire insurance value. Maintenance and renovation costs are debited to the profit and loss account when incurred. The fixed assets are being regularly reviewed and their valuations are adjusted when needed.
- Taxes owed on income and capital as part of current earnings are booked under Accrued expenses and deferred income.
- Forward positions are valued at prices based on residual time to expiration. Derivative financial instruments held for trading purposes are valued at market prices. Transactions entered into for hedging purposes are valued by the same method as applied to the underlying instruments. Replacement values of derivative financial instruments include positions of both the Bank and of its customers.
- The accounting and valuation principles remain unchanged.

3. Risk management

The identification, management, limitation and control of risks are extensively regulated by the Board of Directors, whereas the implementation of the bank's risk policy and risk control is the responsibility of the Executive Committee. All quantifiable risks are backed by an adequate underlying capital. Measures related to risks with respect to organization, personnel and infrastructure are implemented. A comprehensive management information system (MIS) informs the Board of Directors and the Executive Committee on a daily and monthly basis.

The Bank's liquidity management is based on the regulatory provisions of the supervisory authority. Short-, medium- and long-term liquidity management is integrated into the bank-wide risk management process. The Board of Directors establishes the risk tolerance for liquidity risk and ensures that the Executive Committee implements the specifications on liquidity risk tolerance with suitable control processes. Liquidity holdings are monitored on a daily basis and reported to various departments. Risk tolerance is defined in the form of a liquidity coverage ratio (LCR) and specific early-warning indicators are monitored as accompanying measures. Regular stress tests are carried out that take account of short-term and long-term liquidity shortfalls. An emergency plan is in place and updated on a regular basis to deal with acute liquidity bottlenecks, should they arise. Counterparties are defined by an internal rating system with corresponding limits.

As the Bank only grants loans through its asset management activities, interest rate risk is insignificant. The interest rates on loans are either fixed or regularly adjusted. Loans are funded through cli-

ent deposits on which interest paid – if any – can be reviewed at any time. Debt securities in financial investments are solely acquired to be held to final maturity. The specified collateral values and limits apply to all loan transactions. Further information on interest rate risk can be found on our website under “Publications – Interest rate risk management”.

For all risks known at balance sheet date, provisions and individual value adjustments are made. Contingent risks are covered by overall adjustments and provisions. The reckoning thereof is made according to internal rules following various methods and objectives. In the position Provisions the market risks are calculated according to the value at risk and operational risks according to the Basic indicator approach of Basel III.

The Bank is guided in its approach to operational risks by the principles outlined in the relevant regulatory provisions. It ensures that responsibilities are clearly defined, that risks are regularly identified, limited and monitored, and that an appropriate IT infrastructure is in place to safeguard the confidentiality of client data. Management of operational risks is the responsibility of managers at all levels of the hierarchy. Periodic procedural audits by internal and external auditors additionally support the proper conduct of business.

The identification, management and limitation of market risks in the trading portfolio are made on a daily basis. In general, only tradable instruments with a high degree of liquidity are used and attention is paid to a balanced diversification. Derivative financial instruments are used for transactions entered into for hedging purpose.

4. Information on the balance sheet

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Breakdown of securities financing transactions (assets and liabilities)

in 1000 CHF	Reporting year	Prior year
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions	384 951	346 594
Book value of obligations from cash collateral received in connection with securities lending and repurchase business	0	0
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	0	0
thereof with unrestricted right to resell or pledge	0	0
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with unrestricted right to resell or repledge	386 890	348 154
thereof repledged or resold securities	0	0

Collateral for loans and off-balance-sheet transactions, as well as impaired loans

in 1000 CHF	secured by mortgage	other collateral	unsecured	Total
Loans				
Amounts due from customers		673 503	19 802	693 305
Mortgage loans (residential property)	115 996			115 996
Total loans (before netting with value adjustments)				
Reporting year	115 996	673 503	19 802	809 301
Prior year	77 571	406 444	27 820	511 835
Total loans (after netting with value adjustments)				
Reporting year	115 996	671 603	19 802	807 401
Prior year	77 571	404 744	27 820	510 135
Off-balance-sheet				
Contingent liabilities		52 724		52 724
Irrevocable commitments		71 381	3 228	74 609
Obligations to pay up shares and make further contributions				0
Total off-balance-sheet				
Reporting year		124 105	3 228	127 333
Prior year		134 269	3 356	137 625

There are no impaired loans.

Trading portfolio (assets and liabilities)

in 1000 CHF	Reporting year	Prior year
Assets		
Debt securities	0	0
thereof listed	0	0
Equity securities	0	0
Precious metals	72 220	62 002
Total assets	72 220	62 002
thereof securities eligible for repo transactions	0	0
Liabilities		
Debt securities	0	0
thereof listed	0	0
Equity securities	0	0
Precious metals	0	0
Total liabilities	0	0

Derivative financial instruments (assets and liabilities)

in 1000 CHF	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Interest rate instruments						
Forward contracts incl. FRAs						
Swaps						
Futures						
Options (OTC)						
Options (exchange-traded)						
Foreign exchange / precious metals						
Forward contracts	7 079	6 598	1 049 875			
Futures			54 741			
Options (OTC)	8	8	2 395			
Options (exchange-traded)						
Equity securities / indices						
Forward contracts						
Futures						
Options (OTC)						
Options (exchange-traded)						
Other						
Forward contracts						
Futures						
Options (OTC)						
Options (exchange-traded)						
Total						
Reporting year	7 087	6 606	1 107 011			
Prior year	4 319	4 163	823 758			

The replacement values are without consideration of the netting contracts.

Breakdown by counterparty

Positive replacement values

in 1000 CHF	Central clearing houses	Banks and securities firms	Other customers	Total
Reporting year	0	5 955	1 132	7 087
Prior year	0	3 589	730	4 319

Financial investments

in 1000 CHF	Book value Reporting year	Book value Prior year	Fair value Reporting year	Fair value Prior year
Debt securities	709 755	684 048	721 847	707 015
thereof intended to be held to maturity	709 755	684 048	721 847	707 015
thereof not intended to be held to maturity	0	0	0	0
Equity securities	34 467	33 686	47 324	41 651
Precious metals	2 406	2 406	3 284	3 298
Money market papers	76 688	103 852	76 688	103 852
Real estate	0	0	0	0
Total	823 316	823 992	849 143	855 816
thereof securities eligible for repo transactions	351 960	344 685		

Breakdown of counterparties by rating (FINMA concordance table)

in 1000 CHF	1 & 2	3	4	5 & 6	unrated	Total
Book values of debt securities						
Reporting year	363 523	168 150	96 000	0	82 082	709 755
Prior year	376 090	127 288	85 329	10 000	85 341	684 048

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Participations

in 1000 CHF	Acquisition cost	Accumulated value adjustments	Book value at the end of prior year	Reporting year			Book value at the end of reporting year
				Additions	Disposals	Value adjustments	
Other participations							
with market value	0		0				0
without market value	550		550	27 950			28 500
Total participations	550		550	27 950			28 500

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Companies in which the bank holds a permanent direct or indirect significant participation

Company name and domicile	Business activity	Company capital (in 1000)	Share of capital (in %)	Share of votes (in %)	Held directly (in %)
Terrain- & Finanzgesellschaft Basel AG Basel	Financial institution	CHF 300	100	100	100
Dreyfus Söhne & Cie Mandata AG Basel	Financial institution	CHF 250	100	100	100
Midas Wealth Management S.A. Luxembourg	Financial institution	EUR 1 000	35	35	35

The participations are not significant for the assets and profit of the Bank, and therefore have not been consolidated. The participation in Luxembourg was acquired in the reporting year.

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Tangible fixed assets

in 1000 CHF	Acquisition cost	Accumulated depreciations	Book value at the end of prior year	Reporting year			Book value at the end of reporting year
				Additions	Disposals	Depreciations	
Bank buildings			2 000				2 000
Other real estate			2				2
Other tangible fixed assets			0				0
Total tangible fixed assets			2 002				2 002

Most of the bank buildings were purchased generations ago.

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Intangible assets

Nil

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Other assets and other liabilities

in 1000 CHF	Other assets Reporting year	Other assets Prior year	Other liabilities Reporting year	Other liabilities Prior year
Compensation account	0	0	0	0
Other assets and liabilities	2 584	1 738	2 860	2 662
Total other assets and other liabilities	2 584	1 738	2 860	2 662

Assets pledged or assigned to secure own commitments
and of assets under reservation of ownership

in 1000 CHF	Book values Reporting year	Book values Prior year	Effective commitments Reporting year	Effective commitments Prior year
Pledged / assigned assets				
Amounts due from banks	7 164	4 733	0	0
Financial investments	258 208	275 881	9 508	13 228
Total	265 372	280 614	9 508	13 228

Liabilities relating to own pension schemes

A legally separate pension fund as well as an employer-financed foundation has been established for the employees. The employer contributions are charged to personnel expenses. On the balance sheet date, the commitments to the pension funds totalled CHF 14.7 million (prior year CHF 18.8 million). There are no further obligations or claims regarding the transfer of economic benefits.

The financial statements of the pension fund are recorded in accordance with Swiss GAAP FER 26 and show a coverage ratio of 109.0% (prior year 107.2%). As per the not yet audited statement 2021 the pension fund shows a coverage ratio of 115.3%. The employer-financed foundation has no statutory commitments.

Economic situation of own pension schemes

Employer contribution reserves

in 1000 CHF	Nominal value Reporting year *	Nominal value Prior year
Employer-financed foundation	353	353
Pension fund	0	0
Total	353	353

* basis of the financial statement 2020 employer-financed foundation and pension fund

The Bank renounces to use the employer contribution reserves.
This has neither consequences on the balance sheet nor on the profit and loss account.

Economic benefit / obligation and the pension expenses

in 1000 CHF	Surplus / Deficit Reporting year *	Economic part of the Bank		Contributions Reporting year	Welfare expenses on personnel expenses	
		Reporting year	Prior year		Reporting year	Prior year
Employer-financed foundation	20 656	0	0	0	1 500	6 000
Pension fund with coverage ratio	10	0	0	0	4 551	4 733
Total	20 666	0	0	0	6 051	10 733

* basis of the financial statement 2020 employer-financed foundation and pension fund

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Issued structured products

Nil

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Bonds outstanding and mandatory convertible bonds

Nil

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Value adjustments, provisions and reserves for general banking risks

in 1000 CHF	Previous year end	Use in conformity with designated purpose	Reclassifications (transfers)	Recoveries, past due interests, currency differences	New creations charged to income	Released to income	Balance at current year end
Provisions for other business risks	17 200	-1 700			1 000		16 500
Other provisions	11 500				1 000		12 500
Total provisions	28 700	-1 700	0	0	2 000	0	29 000
Reserves for general banking risks (taxed)	23 300				5 000		28 300
Value adjustments for default and country risks	5 200				400		5 600

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Bank's capital

	Total nominal value in 1000 CHF Reporting year	Number of shares Reporting year	Capital eligible for dividend in 1000 CHF Reporting year	Total nominal value in 1000 CHF Prior year	Number of shares Prior year	Capital eligible for dividend in 1000 CHF Prior year
Total share capital	30 000	30 000	30 000	30 000	30 000	30 000

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Participations and options on equity securities held by all executives and directors and by employees

Nil

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Amounts due from or to related parties

in 1000 CHF	Amounts due from Reporting year	Amounts due from Prior year	Amounts due to Reporting year	Amounts due to Prior year
Holders of qualified participations	16	155	121 654	128 950
Group companies	0	0	580	514
Members of governing bodies	5 194	2 733	12 093	14 199

There are no significant off-balance-sheet transactions.

Customary bank transactions are effected to personnel conditions.

Significant shareholders

The shares are in family ownership (descendants of the company's founder).

The following shareholders dispose of participations with more than 5% of the votes.

	Nominal value in 1000 CHF Reporting year	Percentage of equity Reporting year	Nominal value in 1000 CHF Prior year	Percentage of equity Prior year
Dege Holding Ltd, Basel	21 428	71.4	21 428	71.4
Catherine Dreyfus Soguel, Basel	4 286	14.3	4 286	14.3
Pierre Dreyfus, Basel	4 286	14.3	4 286	14.3
Total	30 000	100.0	30 000	100.0

Through the Dege Holding Ltd, Basel, the following members of the Dreyfus family as a group have a stake in the Bank: Andreas Guth, Basel; Nadia Guth Biasini, Basel; Tania Blum-Dreyfus, Gstaad; Alexis Blum, Basel; Dr. Cyrille Blum, Denges; Nathalie Moshnyager-Blum, Unterägeri.

Own shares

Nil

Compensations

Nil

Maturity structure of financial instruments

in 1000 CHF	at sight	at call	due within 3 months	due 3 to 12 months	due 12 months to 5 years	due after 5 years	Total
Assets / financial instruments							
Liquid assets	610 753						610 753
Amounts due from banks	70 889	2 084					72 973
Amounts due from securities financing transactions			384 951				384 951
Amounts due from customers		412 654	141 462	60 618	59 970	16 701	691 405
Mortgage loans		24 794		2 300	19 065	69 837	115 996
Trading portfolio assets	72 220						72 220
Positive replacement values of derivatives							
financial instruments	7 079		1	7			7 087
Financial investments	36 873		104 785	58 250	286 036	336 272	822 216
Total							
Reporting year	797 814	439 532	631 199	121 175	365 071	422 810	2 777 601
Prior year	857 954	248 668	578 009	200 837	379 475	349 016	2 613 959
Debt capital / financial instruments							
Amounts due to banks	204 589	2 370					206 959
Liabilities from securities financing transactions							0
Amounts due in respect of customer deposits	1 794 456	157 817		4 631			1 956 904
Negative replacement values of derivative financial instruments	6 598		1	7			6 606
Total							
Reporting year	2 005 643	160 187	1	4 638	0	0	2 170 469
Prior year	1 821 476	174 514	1	4 472	0	0	2 000 463

Assets and liabilities by domestic and foreign origin (domicile principle)

Assets

in 1000 CHF	Reporting year		Prior year	
	Domestic	Foreign	Domestic	Foreign
Liquid assets	610 753		670 734	
Amounts due from banks	13 695	59 278	104 891	92 592
Amounts due from securities financing transactions	384 951		268 535	78 059
Amounts due from customers	489 089	202 316	301 309	131 255
Mortgage loans	115 996		77 571	
Trading portfolio assets	72 138	82	61 992	10
Positive replacement values of derivative financial instruments	5 242	1 845	3 552	767
Financial investments	439 492	382 724	401 779	420 914
Accrued income and prepaid expenses	3 855	614	3 571	726
Participations	550	27 950	550	
Tangible fixed assets	2 002		2 002	
Other assets	2 584		1 738	
Total assets	2 140 347	674 809	1 898 224	724 323

Liabilities

in 1000 CHF	Reporting year		Prior year	
	Domestic	Foreign	Domestic	Foreign
Amounts due to banks	16 109	190 850	19 034	100 302
Liabilities from securities financing transactions				
Amounts due in respect of customer deposits	988 791	968 113	1 010 349	866 615
Negative replacement values of derivative financial instruments	2 832	3 774	1 835	2 328
Accrued expenses and deferred income	2 240	3 100	1 792	5
Other liabilities	2 860		2 662	
Provisions	29 000		28 700	
Reserves for general banking risks	28 300		23 300	
Bank's capital	30 000		30 000	
Statutory retained earnings reserve	72 860		71 090	
Voluntary retained earnings reserves	442 000		432 000	
Profit carried forward	1 653		1 921	
Profit	32 674		30 613	
Total liabilities	1 649 319	1 165 837	1 653 296	969 250

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Assets by country or group of countries (domicile principle)

	Reporting year		Prior year	
	in 1000 CHF	Share as %	in 1000 CHF	Share as %
Switzerland	2 140 347	76.1	1 898 224	72.4
Members of B.I.S.	533 090	18.9	512 573	19.5
Other foreign countries	141 719	5.0	211 749	8.1
Total assets	2 815 156	100.0	2 622 546	100.0

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Assets by credit rating of country groups (risk domicile view)

Net foreign exposure

FINMA concordance table	Reporting year		Prior year	
	in 1000 CHF	Share as %	in 1000 CHF	Share as %
1 & 2	577 850	85.6	574 793	79.2
3	23 597	3.5	14 966	2.1
4	41 112	6.1	46 306	6.4
5 & 6	10 575	1.6	578	0.1
unrated	21 675	3.2	88 979	12.2
Total	674 809	100.0	725 622	100.0

Assets and liabilities by currencies

Assets

in 1000 CHF	CHF	USD	EUR	Other currencies	Total
Liquid assets	598 826	7 890	3 280	757	610 753
Amounts due from banks	12 715	4 536	6 760	48 962	72 973
Amounts due from securities financing transactions		310 250	47 564	27 137	384 951
Amounts due from customers	259 539	58 175	362 157	11 534	691 405
Mortgage loans	115 996				115 996
Trading portfolio assets				72 220	72 220
Positive replacement values of derivative financial instruments	5 410	1 067	493	117	7 087
Financial investments	608 040	107 524	102 712	3 940	822 216
Accrued income and prepaid expenses	4 156	171	141	1	4 469
Participations	550		27 950		28 500
Tangible fixed assets	2 002				2 002
Other assets	2 584				2 584
Total assets shown in the balance sheet					
Reporting year	1 609 818	489 613	551 057	164 668	2 815 156
Prior year	1 640 346	429 438	397 424	155 338	2 622 546
Delivery entitlements from forward forex and forex options transactions					
Reporting year	479 462	441 371	139 092	44 691	1 104 616
Prior year	328 160	323 347	128 768	42 354	822 629
Total assets					
Reporting year	2 089 280	930 984	690 149	209 359	3 919 772
Prior year	1 968 506	752 785	526 192	197 692	3 445 175

Cross rates

	Reporting year	Prior year
USD/CHF	0.9125	0.8812
EUR/CHF	1.0340	1.0823

Liabilities

in 1000 CHF	CHF	USD	EUR	Other currencies	Total
Amounts due to banks	61 852	59 700	79 768	5 639	206 959
Liabilities from securities financing transactions					0
Amounts due in respect of customer deposits	984 171	480 510	391 893	100 330	1 956 904
Negative replacement values of derivative financial instruments	4 989	1 030	479	108	6 606
Accrued expenses and deferred income	2 237		3 103		5 340
Other liabilities	2 860				2 860
Provisions	29 000				29 000
Reserves for general banking risks	28 300				28 300
Bank's capital	30 000				30 000
Statutory retained earnings reserve	72 860				72 860
Voluntary retained earnings reserves	442 000				442 000
Profit carried forward	1 653				1 653
Profit	32 674				32 674
<hr/>					
Total liabilities shown in the balance sheet					
Reporting year	1 692 596	541 240	475 243	106 077	2 815 156
Prior year	1 651 952	481 027	393 140	96 427	2 622 546
<hr/>					
Delivery obligations from forward forex and forex options transactions					
Reporting year	432 521	386 584	185 616	44 674	1 049 395
Prior year	328 051	268 089	128 736	42 342	767 218
<hr/>					
Total liabilities					
Reporting year	2 125 117	927 824	660 859	150 751	3 864 551
Prior year	1 980 003	749 116	521 876	138 769	3 389 764
<hr/>					
Net position per currency					
Reporting year	-35 837	3 160	29 290	58 608	
Prior year	-11 497	3 669	4 316	58 923	

5. Information on the off-balance-sheet transactions

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Contingent assets and liabilities

in 1000 CHF	Reporting year	Prior year
Guarantees to secure credits and similar	5 813	5 226
Other contingent liabilities	46 911	53 784
Total contingent liabilities	52 724	59 010

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Credit commitments

Nil

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Fiduciary transactions

in 1000 CHF	Reporting year	Prior year
Fiduciary investments with third banks	248 750	258 958
Total fiduciary transactions	248 750	258 958

Managed assets

in 1000 CHF	Reporting year	Prior year
Assets under discretionary asset management agreements	7 841 216	6 241 130
Other managed assets	14 133 360	13 138 201
Total managed assets ¹	21 974 576	19 379 331

- ¹ cash balances, fiduciary investments and value of total assets
The assets only held for custody purposes are not taken into account.

Development of managed assets

in 1000 CHF	Reporting year	Prior year
Total managed assets at beginning	19 379 331	19 660 512
+/- Net new money inflow or net new money outflow ²	-437 000	-220 400
+/- Price development, interests, dividends and currency development ³	3 032 245	-60 781
Total managed assets at end	21 974 576	19 379 331

- ² in- and outflows of cash and securities
³ with comprehension of the charges

6. Information on the income statement

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Result from trading activities and the fair value option

in 1000 CHF	Reporting year	Prior year
Result from trading activities from:		
Interest rate instruments	0	0
Equity securities	56	248
Foreign currencies	9 554	7 979
Precious metals and coins	1 209	1 663
Total result from trading activities	10 819	9 890

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Negative interests

in 1000 CHF	Reporting year	Prior year
Negative interests on lending business (reduction of the interest and discount income)	1 971	1 752
Negative interests on deposit business (reduction of the interest expense)	1 499	1 367

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Personnel expenses

in 1000 CHF	Reporting year	Prior year
Salaries	54 550	53 720
Social insurance benefits	10 248	15 036
Changes in book value for economic benefits and obligations arising from pension schemes	0	0
Other personnel expenses	710	455
Total personnel expenses	65 508	69 211

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General and administrative expenses

in 1000 CHF	Reporting year	Prior year
Office space expenses	2 411	1 567
Expenses for information and communication technology	6 694	5 823
Expenses for vehicles, equipment, furniture and other fixtures	164	56
Fees of audit firms	514	474
thereof for financial and regulatory audits	452	434
thereof for other services	62	40
Other operating expenses	6 744	5 735
Total general and administrative expenses	16 527	13 655

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

Nil

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Revaluations of participations and tangible fixed assets up to acquisition cost at maximum

Nil

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Operation result broken down according to domestic and foreign origin

The Bank has no foreign branch.

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Taxes

	Reporting year	Prior year
Expenses for current taxes on capital and income (in 1000 CHF)	6 371	6 455
Average tax rate weighted on the basis of the operating result	14.5%	14.6%

There are no loss carried forwards that would have an impact on income taxes.

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Earnings per equity security

Nil

Report of the Statutory Auditors to the General Meeting of Dreyfus Sons & Co Ltd, Banquiers, Basel

Report of the Statutory Auditors

As statutory auditor, we have audited the financial statements of Dreyfus Sons & Co Ltd, Banquiers, Basel, which comprise the balance sheet, income statement, statement of changes in equity and notes for the year ended December 31, 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 December 31, 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 further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG Ltd

Erich Schärli
Licensed Audit Expert
Auditor in Charge

Salome Zellweger
Licensed Audit Expert

Zurich, February 16, 2022

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