Credit Europe Bank (Suisse) SA, Geneva

Report of the Statutory Auditor on the Financial Statements to the General Meeting of Shareholders

Financial Statements 2016

KPMG SA
Geneva, 5 April 2017
Ref. PHR/LC

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Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Credit Europe Bank (Suisse) SA, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes for the year ended 31 December 2016.

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 2016 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 SA

Philippe Ruedin	Laurence Cariou
Licensed Audit Expert	*Licensed Audit Expert*
Auditor in Charge	

Geneva, 5 April 2017

Enclosure:

- Financial statements (balance sheet, income statement, cash flow statement, statement of changes in equity and notes)
- Proposed appropriation of available earnings

Balance Sheet as at 31 December

		2016	2015
ASSETS	**Notes**	CHF '000	CHF '000
Liquid assets		60,253	9,885
Amounts due from banks		93,951	119,778
Amounts due from securities financing transactions	3.1	5,941	-
Amounts due from customers	3.2	306,779	298,484
Trading portfolio assets	3.3	1,751	1,540
Positive replacement values of derivative financial instruments	3.4	90,714	81,569
Financial investments	3.5	71,388	89,098
Accrued income and prepaid expenses		4,013	5,703
Tangible fixed assets	3.6	675	1,134
Other assets	3.7	1,665	1,828
Value adjustments under transitional provisions*	3.9	(25,850)	(24,797)
Total assets		**611,280**	**584,222**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Amounts due to banks		76,065	84,355
Liabilities from securities financing transactions	3.1	11,433	3,012
Amounts due in respect of customer deposits		282,824	256,500
Negative replacement values of derivative financial instruments	3.4	91,128	88,474
Accrued expenses and deferred income		1,848	1,501
Other liabilities	3.7	789	781
Provisions	3.9	93,668	90,851
Share capital	3.10	35,000	35,000
Statutory retained earnings reserve		9,634	8,809
Profit carried forward		4,115	11,293
Profit for the year		4,776	3,646
Total liabilities and shareholders' equity		**611,280**	**584,222**
Off-balance sheet transactions			
Contingent liabilities	3.2, 4.1	54,530	26,267
Irrevocable commitments	3.2	266	258
Credit commitments	3.2, 4.2	26,945	17,980
		81,741	**44,505**

(*) *The amount consisted of country risk provision related to balance-sheet positions that was classified under liabilities before 2015 (please see notes 2.4.9, 2.8 and 3.9 for more details).*

Income Statement
for the year ended 31 December

	Notes	2016 CHF '000	2015 CHF '000
Result from interest operations			
Interest and discount income		43,569	47,344
Interest and dividend income from trading portfolios		61	114
Interest and dividend income from financial investments		2,902	2,669
Interest expense		(24,658)	(34,498)
Gross result from interest operations		**21,874**	**15,629**
Changes in value adjustments for default risks and losses from interest operations	3.9	(5,178)	1,852
Subtotal net result of interest operations		**16,696**	**17,481**
Result from commission business and services			
Commission income from securities trading and investment activities		3,205	2,523
Commission income from lending activities		2,691	2,063
Commission income from other services		439	390
Commission expense		(1,250)	(867)
Subtotal results from commission business and services		**5,085**	**4,109**
Result from trading activities and the fair value option	5.2	4,216	4,221
Other result from ordinary activities			
Other ordinary income		22	106
Other ordinary expenses		(69)	(59)
Subtotal other result from ordinary activities		**(47)**	**47**
Operating expenses			
Personnel expenses	5.3	(10,763)	(9,442)
General and administrative expenses	5.4	(5,624)	(5,176)
Subtotal operating expenses		**(16,387)**	**(14,618)**
Gross income		**9,563**	**11,240**
Value adjustments on participations and depreciation and amortisation of tangible fixed and intangibles assets	3.6	(331)	(49)
Changes to provisions and other value adjustments, and losses	3.9	(2,750)	(6,425)
Operating result		**6,482**	**4,766**
Extraordinary income	5.5	3	277
Extraordinary expenses	5.5	(74)	-
Taxes	5.7	(1,635)	(1,397)
Profit for the year		**4,776**	**3,646**

Cash-flow Statement
for the year ended 31 December

CHF '000	2016		2015	
	Source of funds	**Use of funds**	**Source of funds**	**Use of funds**
Cash flow from operating activities (internal financing)				
Profit for the year	4'776	-	3'646	-
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	331	-	49	-
Provisions and other value adjustments	2'817	-	6'438	-
Change in value adjustments for default risks and losses from interest operations	5'111	-	-	1'838
Accrued income and prepaid expenses	1'690	-	3'417	-
Accrued expenses and deferred income	347	-	-	825
Dividend paid during the year	-	10'000	-	15'000
Subtotal	**15'072**	**10'000**	**13'550**	**17'663**
Cash flow from transactions in respect of participations,				
tangible fixed assets and intangible assets				
Other tangible fixed assets	-	(128)	-	62
Subtotal	**-**	**(128)**	**-**	**62**
Cash flows from banking operations				
Medium and long-term business (> 1 year)				
Other liabilities	9	-	-	306
Amounts due from customers	-	24'940	-	12'854
Financial investments	19'705	-	-	14'319
Other accounts receivable	163	-	-	5'663
Short-term business				
Amounts due to banks	-	8'290	-	44'210
Liabilities from securities financing transactions	8'421	-	3'012	-
Amounts due in respect of customer deposits	26'324	-	50'846	-
Negative replacement values of derivative financial instruments	2'654	-	30'163	-
Amounts due from banks	25'827	-	28'260	-
Amounts due from securities financing transactions	-	5'941	5'903	-
Amounts due from customers	12'587	-	3'295	-
Trading portfolio assets	-	211	10'094	-
Positive replacement values of derivative financial instruments	-	9'145	-	24'394
Financial investments	-	1'995	-	16'454
Liquidity				
Liquid assets	-	50'368	-	9'198
Subtotal	**95'690**	**100'890**	**131'573**	**127'398**
Total	**110'762**	**110'762**	**145'123**	**145'123**

Statement of changes in equity
for the year ended 31 December

	Share capital	Statutory retained earnings reserve	Profit carried forward	Profit for the year	Total
Equity at 31 December 2015	**35,000**	**8,809**	**11,294**	**3,646**	**58,749**
Transfer of profit to retained earnings	-	-	3,646	(3,646)	-
Dividends and other distributions	-	825	(10,825)	-	(10,000)
Net income for the year	-	-	-	4,776	4,776
Equity at 31 December 2016	**35,000**	**9,634**	**4,115**	**4,776**	**53,525**

Notes to the Financial Statements
31 December 2016
(Amount expressed in Swiss Francs thousands unless otherwise stated)

1. Business Activities

Credit Europe Bank (Suisse) SA is a bank incorporated under laws of Switzerland and performs all of its activities through its headquarters in Geneva.

The Bank started its operations in 1990 and has activities on trade and corporate finance, private banking and treasury operations.

The Bank has no branches or representative offices at the end of 2016. The representative office in Turkey was closed by the end of February 2016.

The Bank has outsourced its IT systems and back office operations with a third party in Switzerland since October 2007.

2. Significant accounting and valuation principles

The Bank's bookkeeping and accounting and valuation principles are in accordance with the Swiss Code of Obligations, the Swiss Banking Act and its related ordinance, as well as with the statutory provisions and directives issued by the FINMA. The financial statements as at 31st December 2016 are presented in accordance with the reliable assessment principles defined in the accounting rules for banks, securities dealers, financial groups and conglomerates (ARB) : FINMA Circ. 15/01 "Accounting – banks" (hereafter "FINMA Circ. 15/01"). The accompanying reliable assessment statutory single-entity financial statements present the economic situation of the Bank such that third party can form a reliable opinion. The financial statements are allowed to include hidden reserves.

2.1 General valuation principles

The financial statements are prepared on the assumption that the entity is a going concern and will continue its operations for the foreseeable future. Therefore the financial statements are prepared using the going concern basis of accounting.

The transitional provision which requires value adjustments to be deducted from asset items is applied for the country risk provision only. The value adjustments concerned are disclosed separately in the notes to the annual financial statements in the Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year.

The disclosed balance sheet items are valued individually.

2.2 Revenue and expense recognition

Interest income and expense as well as fiduciary deposit commissions, custody fees and account maintenance fees are recorded on accrual basis. All other commissions are recognized as income and expense when they are collected or paid. Asset related negative interest is debited to "Interest and discount income".

2.3 Changes to accounting and valuation principles

No change in accounting principles during the year. However, option commissions have been reclassified from “Commission income” to “Result from trading activities and the fair value option” in 2016, with previous year figures restated.

2.4 Financial instruments

2.4.1 Liquid assets, amounts due from banks and amounts due from customers

These items are reported in the balance sheet at their nominal value, less individual valuation adjustments for any impaired receivables.

2.4.2 Securities financing transactions

The term securities financing transactions includes repurchase and reverse repurchase transactions, securities lending and securities borrowing. Repurchase transactions (repos) are recorded as cash deposits with own securities as collateral. Reverse-repurchase transactions (reverse repos) are treated as receivables against collateral in the form of securities. The exchanged cash amount are recorded at nominal value on the balance sheet. Securities lending transactions are treated as repos if they are subject to daily margining and secured by cash. Securities received and delivered are not recognised or derecognised in the balance sheet until the economic control of the contractual rights comprised in the securities is transferred.

2.4.3 Amounts due to banks and amount due in respect of customers deposits

These items are recognised at their nominal value.

2.4.4 Securities and precious metals held for trading purposes

Securities held for trading purposes are securities, which were either acquired for generating a profit from short term fluctuations in price or dealer’s margin, or are securities included in a portfolio in which a pattern of short term profit taking exists. After initial recognition, trading securities are valued at fair value based on quoted bid prices. All related realized and unrealised gains or losses are recognized in trading income. The cost of financing of such securities is recorded as interest expense.

2.4.5 Financial investments

Investment securities with fixed or determinable payments and fixed maturity where Management has both the intent and the ability to hold to maturity are classified as financial investments. In addition, long term debt instruments such as participations in securitisations, which are not held for short term gain, but not necessarily until maturity, are classified as financial investments. The management determines the appropriate classification of its investments at the time of purchase.

2.4.5 Financial investments (Continued)

Financial investments intended to be held to maturity are valued based on the acquisition cost principle with the agio/disagio (premium/discount) accrued/deferred over the residual term to maturity (accrual method). The agio/disagio is accrued/deferred over the residual term to maturity via the "Accrued income and prepaid expenses" or "Accrued expenses and deferred income". Value adjustment for default risk are recorded immediately under "Changes in value adjustments for default risk and losses from interest operations".

If held-to-maturity financial statements are sold or reimbursed early, the realised gains and losses, which correspond to the interest component, are accrued/deferred over the residual term to maturity of the transaction via the captions "Other assets" or "Other liabilities".

Financial investments intended not to be held to maturity are valued at the lower of cost and market value, gains and losses are recognized in other ordinary income or other ordinary expense.

Interest earned whilst holding financial securities is reported as interest and dividend income from financial investments.

2.4.6 Positive and negative replacement values of derivative financial instruments

Derivative instruments include foreign exchange contracts such as swaps, options and forwards, securities options, interest swaps. The significant part of the derivative instruments are clients' positions that are covered with counterparts in the market.

The valuation is done according to the fair value and the positive and negative replacement value is recorded in the corresponding caption. The fair value is based on market prices and option pricing models.

The realised result from trading operations and the unrealised result from valuation relating to trading operations are recorded via the caption "Result from trading operations and use of the fair value option".

2.4.7 Tangible fixed assets

The fixed assets are stated at cost less accumulated depreciation over the estimated operating life, except for paintings.

Depreciation is computed using the straight-line method using the following rates:

Furniture and fixtures	20 %
IT equipment	20 to 33.3 %
Leasehold improvements	over the term of the lease
Paintings	not subject to depreciation, but subject to regular impairment reviews

Notes to the Financial Statements
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(Amount expressed in Swiss Francs thousands unless otherwise stated)

2.4.7 Tangible fixed assets (Continued)

The carrying values of each tangible fixed assets are reviewed for impairment periodically. If the asset is impaired, the book value is reduced to match the recoverable value and the impairment is recorded via the caption “Value adjustments on participations and amortisation of tangible fixed assets and intangible assets”.

Realised gains from the sale of tangible fixed assets are recorded via the caption “Extraordinary income” and realised losses are recorded via the caption “Extraordinary expense”.

2.4.8 Provisions

In accordance with ordinary banking practice, other provisions are made in terms of risks existing at the balance sheet date.

Legal and factual obligations are valued regularly. If an outflow of resources is likely and can be reliably estimated, a provision must be created.

Provisions are released via the income statement if they are no longer needed and cannot be used for other similar purposes at the same time.

Country risk provisions related to the off balance-sheet positions are presented in Provision for default risks. The Bank applied the transitional provisions of Article 69 para. 1 BO for country risk provisions.

2.4.9 Value adjustments under transitional provisions

The Bank has applied the transitional provisions of Article 69 para. 1 BO for country risk provisions related to the balance-sheet positions, also defined in the new FINMA Circ. 2015/1 marginal number 626.The value adjustments concerned are disclosed separately in the notes to the annual financial statements in the presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year.

2.4.10 Taxes

Current income taxes are recurring, usually annual, taxes on profit and capital. Transaction-related taxes are not included in current taxes. Liabilities from current income and capital tax are disclosed via the caption “Accrued liabilities and deferred income”. Expense due to income and capital tax is disclose in the income statement via the caption “Taxes”.

2.4.11 Pension benefit obligations

Pension benefit obligations are all plans, schemes and arrangements to provide benefits for retirement, death or disability.

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2.4.11 Pension benefit obligations (Continued)

The economic impact of pension plans are deemed to be either an economic benefit (excess coverage) or an obligation (funding shortfall). In the case of excess coverage, an economic benefit arises if there is a potential positive effect on future cash flows and if it is permissible and intended to either use the surplus or lower the employer's contributions. Future economic benefits are always capitalized when recognition criteria are satisfied. In the case of a funding shortfall, an economic obligation exists if the conditions for creating a provision are met.

Determining the economic impact of the pension plan is based on the financial situation of the pension funds at its latest annual financial reporting date but not more than 12 months ago.

Pension benefit obligations are carried on the balance sheet under "Provisions", while benefits are recognized under "Other assets". Changes from the corresponding value in the previous financial year are recognized for the pension fund under "Personnel expenses". The same accounting method applies to adjusted contributions for the period.

The Bank has entered into a defined contribution pension plan with Allianz Switzerland for its employees.

2.4.12 Off-balance-sheet transactions

Off-balance-sheet transactions are valued at nominal value.

2.5 Treatment of translation differences of foreign currencies

Gains and losses arising from foreign currency transactions are reflected in the statement of income as realised during the course of the period at the respective daily exchange rate. Foreign currency assets and liabilities have been translated into Swiss Franc equivalents at year-end foreign currency rates. Tangible fixed assets are valued using the historical exchange rates. The price gain or loss resulting from the currency translation is recorded via the caption "Result from trading operations and use of fair value option".

The year-end foreign currency rates for major currencies used for the translation into Swiss Franc are as follows:

	2016	2015
USD / CHF	1.0158	0.9901
EUR / CHF	1.0724	1.0802
CHF / TRY	3.4650	2.9560

2.6 Treatment of past-due interest

Past-due interest and the corresponding commissions are not included as interest income. Such transactions are interests and commissions that are over 90 days past due and not yet paid. Over 90 days, no accrued interest and commission is recorded in "Interest and discount income" until there is no more past-due interest longer than 90 days.

Notes to the Financial Statements
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2.6 Treatment of past-due interest (Continued)

Past-due interest is not cancelled retroactively. The liabilities from the accumulated interest up to the expiry of the 90-day term (due unpaid interest and accumulated accrued interest) are written down via the caption "Change in value adjustments for default risks and losses from interest operations".

2.7 Recording of transactions

Transactions are entered into the balance sheet following the value date accounting principle.

2.8 Risk management, market risks, credit risk and other risks

The Board of Directors has conducted an analysis of the main risks incurred by the Bank. This analysis is based on data and risk managements tools developed by the Bank and taking into consideration the risks to which the Bank is exposed. During this risk analysis, the Board of Directors took into consideration the existing internal control system to manage and reduce the risks.

Risk control is based on limits set for the various categories of risks to which the Bank is exposed. The necessity for value corrections and provisions resulting from current risk evaluation is taken into account each time the situation occurs.

Credit risks are valued and controlled by the Credit Administration Department. In addition, the Bank implemented the Group credit internal rating system based on the qualitative and quantitative criteria of the counterparty.

Credit risk is the risk that a client or counterparty to a financial asset fails to meet its contractual obligations and causes the Bank to incur a financial loss. It arises principally from the amounts due from customers, amounts due from banks and financial investments. Credit risk includes counterparty risks, country risks and sector risks. The Bank has established a Master Directive for Risk Management in which controls implemented by the Bank are described. Country risk and sector risk are monitored through limit based controls. The Board of Directors approves regularly country limits and sector limits by taking into consideration the capital base in order to control these exposures.

Regarding counterparty risk, the Bank monitors its credit risk for private banking clients by principally granting loans collateralized by securities and fiduciary deposits and by the application of margin limits based on the quality of collateral. For commercial credit risks, the Bank mitigates these credit risks through careful diversification, by being highly selective on the quality of the borrowers, by requiring tangible guarantees and by means of adequate and appropriate limits, and by ensuring appropriate documentation is in place. For commercial credit risk, the recovery capabilities of borrowers and debtor's creditworthiness is assessed according to an internal risk rating evaluation (scaled from 1 to 21, 1 standing for very high credit quality) based on credit analysis performed by the Credit Administration Department.

The Bank maintains a list for Non-Performing Loans and Sub-standard Loans, in which risky loans are carefully followed up.

Notes to the Financial Statements
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(Amount expressed in Swiss Francs thousands unless otherwise stated)

2.8 Risk management, market risks, credit risk and other risks (continued)

Loan provisioning on the methods used to identify default risks

Loans and other receivables are classified and monitored as indicated below according to their recovery capabilities and debtor's creditworthiness:

Type of loans and other receivables	Credit quality level
Standard Loans	Internal rating from 1 to 18
Sub-standard Loans	Internal rating from 19 to 21

Sub-standard loans include performing forborne loans and loans of customers who are rated between 19 and 21 according to the internal rating.

Observation of negative trend in debtors' payment capability or cash flow positions, delays in principal and/or interest payments of more than 30 days after the due date, suffered credit quality deterioration revision of repayments terms.

Non-Performing Loans (NPLs)	Subject to individual assessment

Limited means of recovery, being overdue more than 90 days are some of the indicators of the NPL status, other signs/criteria should also be closely monitored; such as the debtor has been placed in bankruptcy or similar protection.

All significant exposures, including sub-standard loans and NPLs are subject to individual assessment. The commercial portfolio is reviewed every quarter based on the significance and impairment criteria. A limited review is conducted over the loans with signs of impairment on a monthly basis.

Individual assessment is performed on commercial loan portfolio with significant exposures including sub-standard loans and nonperforming loans.

As of 31st December 2016, individual assessment provision for impaired loans and receivables is valued at CHF 10,167 (Please refer to note 3.2).

Measurement of required value adjustments for loans

Impaired loan, defined as loan for which it is unlikely that the debtor will be able to fulfil his future obligations, are valued on an individual basis and the impairment is covered by individual valuation adjustment. A loan is considered impaired when there are conclusive signs that future contractual payments of principal and/or interest are unlikely.

A principle or interest overdue by more than 90 days after its respective due date is considered non-performing, if the necessary collaterals are not in place and there is objective evidence that the Bank will not be able to collect all amounts. Such loans are considered impaired and an allowance is established, which is classified as value adjustments and provisions.

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2.8 Risk management, market risks, credit risk and other risks (continued)

Impairment in value corresponds to the difference between the book value of the loan and the amount which the Bank can expect to recover, with due consideration for the counterparty risk and the net proceeds from the realization of any collateral held. These individually assessed value adjustments are directly deducted from the corresponding asset.

When a loan is considered totally or partially uncollectible, a write-off is made by charging against previously established provisions and the principal amount of the loan.

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and negotiating new loans conditions. Once the terms have been renegotiated, the loan is no longer considered as past due.

Management continuously reviews restructured loans to ensure that all criteria are met and that future payments are likely to occur. These loans continue to be subject to an individual impairment assessment.

A loan is no longer considered impaired if capital and interest in arrears are repaid, the servicing of the debt has resumed normally, additional tangible guarantees have been obtained for a value in excess of the existing unsecured debt and other solvency criteria have been met. Recoveries of loans with provisions and written off in earlier periods are recorded changes in value adjustments for default risk and losses from interest operations.

Valuation of collateral for loans, in particular key criteria for the calculation of the current market value and the lending value

The Bank tries to mitigate credit risk by obtaining collateral when possible. Note 3.1 describes the “Amounts due from customers”, “Contingent liabilities”, “Irrevocable commitments” and “Commitment credits” which are covered by collateral, and where the nature of collateral are classified as “mortgage collateral” and “other collateral”.

Collateral values are periodically controlled by types of security and latest value, with any shortfalls identified in weekly exception reports created automatically by the Bank’s system. The financial standing of borrowers is also regularly reviewed and updated throughout the year based on appropriate documents and regular communication with the clients. The Bank also performs regular monitoring on any exposures existing beyond their maturity date, regular monitoring of any overdue payments of interests and regular review on overdrafts arising which are not covered by approved credit lines.

An immediate corrective action is taken by the Bank if any issues are identified.

The Bank has defined a list of collaterals together with related values to be taken based on the Internal Business Rules. The lending values are calculated in accordance with those pre-defined percentages, in case secured loans are granted.

Notes to the Financial Statements
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(Amount expressed in Swiss Francs thousands unless otherwise stated)

2.8 Risk management, market risks, credit risk and other risks (continued)

When a commercial loan granted as unsecured becomes impaired, the Bank performs an individual assessment of impairment based on the net value of collaterals according to the type of assets pledged during the collection process:

Mortgage on real estate (depending on the amount and degree of the mortgage),
Customers cheques (according to the value of cheques received),
Pledge of goods,
Assignment of receivables, if any.

Regarding the estimation of the provision, the analysis on the recoverable amount is performed by the Credit Administration Department and then is discussed with Management for final decision. The detailed Forbearance and NPL List including the detail of provisions are presented to the Board of Directors every quarter.

For mortgage collateral, the Bank defines the market value of collaterals based on appraisal report obtained from independent and recognized experts selected by the Bank.

The Bank's approach to the management of country risk follows the guidelines of the Swiss Bankers' Association. The identification and evaluation of risks are under the responsibility of the Financial Control and Risk Management Department. Provisions for country risk are made for positions where the ultimate risk is in countries with ratings below A3 grades according to the Moody's rating agency, and also on the basis of maturity split and type of counter party (e.g. Turkey 0%-30%).

The interest rate risk on operations on both the balance sheet and off-balance sheet are identified and controlled by the Asset Liability Management Committee of the Bank. Interest rate changes may affect the Bank's current income (income effect) or from a reduction of future earnings which reduce the economic value of the eligible equity of the Bank (value effect).

The exposures to unforeseen changes in the interest rates are controlled by simulations, which are performed periodically.

For other market risks related to trading operations, financial investments as well as foreign exchange activities, the Bank has set up its own limits as per the business rules. The controls are performed on a daily basis.

The liquidity risk is controlled in accordance with the legal requirements. The short term liquidity monitoring is made via the Liquidity Coverage Ratio. The bank respects on a permanent basis liquidity demand and maintains sufficient liquid assets with respect to the maturities of assets and liabilities.

The operational risks are mainly related with the organisational issues including electronic data processing, transaction processing, fraud, human resources and securing the assets of the Bank. The Bank has policies and procedures regarding the operational risks, which are reviewed and approved by the Board of Directors.

Notes to the Financial Statements
31 December 2016
(Amount expressed in Swiss Francs thousands unless otherwise stated)

2.8 Risk management, market risks, credit risk and other risks (continued)

The Compliance Officer controls legal and compliance risks in coordination with the legal counsel. The Bank has internal rules and regulations for due diligence and anti-money laundering as required by the relevant laws and regulations. All legal cases and contractual agreements are under the supervision of the legal counsel.

Some counterparty risks are reduced via sub-participations and silent sub-participations.

2.9 Business policy regarding the use of derivative financial instruments and hedge accounting

Derivative instruments include foreign exchange contracts such as swaps, options and forwards, securities options, interest swaps. The gross replacement value of derivative contracts reflects the market value of all unsettled trades at the year-end. The positive replacement value is included in the caption "positive replacement values of derivative financial instruments" whereas the negative replacement value is represented in "negative replacement values of derivative financial instruments".

The significant part of the derivative instruments are positions with clients per their demands that are covered with counterparts in the market. Derivative financial instruments are also used by the Bank for own treasury risk management purposes, mainly to cover against interest rate and foreign currency risks.

The Bank does not apply hedge accounting.

Notes to the Financial Statements
31 December 2016
(Amount expressed in Swiss Francs thousands unless otherwise stated)

3. Information concerning the balance sheet

3.1 Breakdown of securities financing transactions (assets and liabilities)

	2016	**2015**
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions	5,941	-
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions*	11,433	3,012
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	13,901	3,469
- *of which, those with unrestricted right to resell or pledge*	*13,901*	*3,469*
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 an unrestricted right to resell or repledge	7,211	-
- *of which repledged securities*	-	-
- *of which resold securities*	-	-

(*) Before netting agreements

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3.2 Presentation of collateral for loans / receivables and off-balance-sheet transactions, as well as impaired loans / receivables

		Type of collateral			
		Secured by mortgage	**Other collateral**	**Unsecured**	**Total**
Loans (before netting with value adjustments)					
Amounts due from customers		-	40,591	276,355	316,946
Total loans (before netting with value adjustments)	**2016**	**-**	**40,591**	**276,355**	**316,946**
	2015	-	*49,431*	*259,745*	*309,176*
Total loans (after netting with value adjustments)	**2016**	**-**	**40,591**	**266,188**	**306,779**
	2015	-	*49,431*	*249,053*	*298,484*
Off-balance-sheet					
Contingent liabilities		-	25,522	29,008	54,530
Irrevocable commitments		-	-	266	266
Credit commitments		-	11,409	15,536	26,945
Total off-balance-sheet as of	**2016**	**-**	**36,931**	**44,810**	**81,741**
	2015	-	*12,489*	*32,016*	*44,505*

		Gross debt amount	**Estimated liquidation value of collateral**	**Net debt amount**	**Individual value adjustments**
Total impaired loans / receivables	**2016**	**14,417**	**4,249**	**10,167**	**10,167**
	2015	*17,115*	*6,423*	*10,692*	*10,692*

The specific provision for impaired loans and receivables is directly deducted from the corresponding asset.

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3.3 Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities)

Assets	2016	2015
Trading portfolio assets		
Debt and money market securities / transactions	1,751	1,041
- *of which, listed*	-	-
Equity interests	-	499
Total trading portfolio assets	**1,751**	**1,540**
Total assets	**1,751**	**1,540**
- *of which, determined using a valuation model*	-	-
- *of which, securities eligible for repo transactions in accordance with liquidity requirements*	-	-

Listed definition refers to securities which are traded in recognized markets.

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3.4 Presentation of derivative financial instruments (assets and liabilities)

		Trading instruments		
		Positive replacement values	**Negative replacement values**	**Contract volume**
Interest rate instruments				
- Swaps		-	266	7,507
Foreign exchange / precious metals				
- Forward contracts		2,210	2,589	171,579
- Combined interest rate / currency swaps		18,107	17,876	2,560,697
- Options (OTC)		69,334	69,334	1,573,809
Equity securities / indices				
- Options (OTC)		1,063	1,063	2,057
Total before netting agreements	2016	**90,714**	**91,128**	**4,315,649**
- of which, determined using a valuation model		*70,397*	*70,397*	-
Total before netting agreements	2015	*81,569*	*88,474*	*4,248,629*
- of which, determined using a valuation model		*63,008*	*63,068*	-

The bank does not apply netting on financials to derivative financial instruments.

Breakdown by counterparty		**Central clearing houses**	**Banks and securities dealers**	**Other customers**	**Total**
Positive replacement values	2016	-	18,246	72,468	**90,714**
	2015	-	*12,851*	*68,718*	*81,569*

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3.5 Financial investments

	Book value		Fair value	
Breakdown by financial investments	**2016**	**2015**	**2016**	**2015**
Debt instruments	71,388	89,098	69,901	88,442
- of which intended to be held to maturity	*71,388*	*89,098*	*69,901*	*88,442*
Total	**71,388**	**89,098**	**69,901**	**88,442**
-of which, securities eligible for repo transactions in accordance with liquidity requirements	*19,995*	*19,612*	*20,034*	*19,718*

The Bank has classified its debt instruments into categories, by using credit ratings published by Moody's.

Breakdown of counterparties by rating	**2016**	**2015**
Aaa	9,246	-
Baa1 to Baa3	2,080	27,296
Ba1 to B3	38,954	33,567
Not rated	21,108	28,235
Total debt instruments	**71,388**	**89,098**

The amount which is presented under not rated caption consists of securities with external ratings from Fitch and Standard & Poor's (S&P) rating agencies.

Breakdown of not rated on the table above:

Rated by Fitch	**2016**	**2015**
AAA	-	8,645
BBB	3,059	2,990
BBB-	6,798	5,634
BB+	502	-
Total	**10,359**	**17,269**

Rated by S&P	**2016**	**2015**
AA-	10,749	10,966
Total	**10,749**	**10,966**

Total not rated by Moody's	**21,108**	**28,235**

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3.6 Presentation of tangible fixed assets

			end of 2015	2016			end of 2016
	Aquisition cost	**Accumulated depreciation**	**Book value**	**Additions**	**Disposals**	**Depreciation**	**Book value**
Proprietary or separately acquired software	3,159	(3,123)	36	69	-	(40)	65
Other tangible fixed assets	3,233	(2,135)	1,098	79	(276)	(291)	610
Total tangible fixed assets	**6,392**	**(5,258)**	**1,134**	**148**	**(276)**	**(331)**	**675**

As at 31 December 2016 the expertize values of the paintings have been reviewed for impairment and value difference of CHF 266 between carrying value and the recoverable value of assets has been recorded as an expense under “Value adjustments on participations and amortisation of tangible fixed assets and intangible assets”.

Operating leases (off-balance-sheet leasing obligations)		**within 1 year**	**from 1 to 3 years**	**from 3 to 5 years**	**Total**
Future lease payments	**2016**	**30**	**46**	**11**	**87**
	2015	*26*	*24*	-	*50*

- *Of which, may be terminated within one year: none (2015: CHF14)*

3.7 Breakdown of other assets and other liabilities

	Other assets		**Other liabilities**	
	2016	**2015**	**2016**	**2015**
Indirect taxes	95	80	157	62
Interest components of financial investments intended to be held to maturity but sold before maturity	1,498	1,625	632	709
Other	72	123	-	10
Total	**1,665**	**1,828**	**789**	**781**

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3.8 Employees' benefits

The company has signed an affiliated contract with the collective foundation Allianz in Zurich, a collective pension fund applying the legal requirements on employees' benefits (LPP) in Switzerland. The Pension Fund is based on the principle of defined contributions. It is contributed to by the employer (60%) and the employees (40%) based on the contributions fixed in the pension plan rules.

The plan covers between the minimum salary of CHF 21.1 up to a maximum amount of CHF 150. As of December 31, 2016, 65 employees are covered (2015: 55 employees).

The employer's contributions are recognized in the profit and loss account as current charges for the period amounting to CHF 573 (2015: CHF 509).

Employer's contributions reserve
There is no employer's contributions reserve.

Economical advantage / liability and pension plan costs
Each year the Bank must determine if the degree of coverage or the particular situation of the Pension Fund presents an economic advantage or obligation from the Bank's point of view.

As of December 31, 2016, the Bank held no liabilities towards the Pension Fund. The coverage ratio of the Pension Fund scheme is 100% which is due to full reinsurance of the pension fund. There is no economic benefit or obligation resulting from the pension plan.

Presentation of the economic benefit / obligation and the pension expenses

	Contributions paid for the reporting period	Pension expenses in personnel expenses	
	2016	**2016**	**2015**
Pension plans without overfunding / underfunding	593	573	509
Total	**593**	**573**	**509**

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3.9 Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year

	Balance at end of 2015	Use in conformity with designated purpose	Currency differences	New creations charged to income statement	Balance at end of 2016
Provisions for default risks	203	-	-	67	270
Other provisions	90,648	-	-	2,750	93,398
Total provisions	**90,851**	**-**	**-**	**2,817**	**93,668**
Value adjustments for default and country risks	**35,489**	**(4,915)**	**332**	**5,111**	**36,017**
- of which, value adjustments for default risks in respect of impaired loans / receivables	10,692	(4,915)	332	4,058	10,167
- of which, value adjustments for country risks	24,797	-	-	1,053	25,850

Provisions for default risks consist of country risk provisions related to off balance-sheet positions (please see notes 2.4.9 and 2.8 for more details).

Other provisions are provisions set aside to cover other banking risks explicit to credit exposures, and no taxation has been made on these provisions.

New creations of value adjustments for default risk of CHF 4.058 million relate to two new loans that became impaired in 2016. Those loans have been written off during the year. In addition, a loan exposure amounting to CHF 0.780 which was provisioned in 2015 was written-off in 2016.

As at December 31, 2016, in application of the country risk policy mentioned in note 2.8, the Bank has the following country risk reserves:

	2016	2015
Turkey	23,697	18,454
Other	2,423	6,546
Total	**26,120**	**25,000**

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3.10 Share capital

	2016			2015		
	Total par value	**No. of shares (unit)**	**Capital eligible for dividend**	**Total par value**	**No. of shares (unit)**	**Capital eligible for dividend**
Share capital (registered shares)	1	35,000	35,000	1	35,000	35,000
- of which, paid up	*1*	*35,000*	*35,000*	*1*	*35,000*	*35,000*
Total Bank's capital	**1**	**35,000**	**35,000**	**1**	**35,000**	**35,000**

3.11 Disclosure of amounts due from / to related parties

	Amounts due from		Amounts due to	
	2016	**2015**	**2016**	**2015**
Holders of qualified participations	2,407	5,343	1,795	6,121
Linked companies	66,798	76,494	148,882	167,787
Transactions with members of governing bodies	3,003	2,650	2,436	775

All balance sheet and off-balance-sheet transactions with related parties have been granted at arm's length.

3.12 Disclosure of holders of significant participations

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

		2016		2015	
	Type of shares	**Nominal value**	**Percentage of equity**	**Nominal value**	**Percentage of equity**
With voting rights:					
Credit Europe Bank N.V.	Nominal	35,000	100%	35,000	100%

		2016	2015
Main shareholders' of		in %	in %
Credit Europe Bank N.V.			
Credit Europe Group N.V.		100.00	100.00
Of which:	*Fiba Holding A.S.*	*89.31*	*89.31*
	Fiba Faktoring A.S.	*1.29*	*1.29*
	Fina Holding A.S.	*9.40*	*9.40*
Total		**100.00**	**100.00**

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3.13 Disclosure of composition of share capital

The Bank's equity is composed of 35'000 ordinary shares with a nominal value of CHF 1'000 each, which are entirely paid up. There is no specific restriction or corresponding reserve on these shares. Statutory retained earnings reserves are only distributable if they exceed 50% of the share capital. As at 31 December 2016, the amount of non-distributable reserves amounted to CHF 9.6 million (2015: CHF 8.8 million).

3.14 Presentation of the maturity structure of financial instruments

			Due				
	At sight	**Cancellable**	*within 3 months*	*within 3 and 12 months*	*within 12 months and 5 years*	*after 5 years*	**Total**
Assets / financial instruments							
Liquid assets	60,253	-	-	-	-	-	60,253
Amounts due from banks	86,349	-	7,202	400	-	-	93,951
Amounts due from securities financing transactions	-	-	5,941	-	-	-	5,941
Amounts due from customers	-	32,714	53,921	57,150	129,700	33,294	306,779
Trading portfolio assets	1,751	-	-	-	-	-	1,751
Positive replacement values of derivative financial instruments	90,714	-	-	-	-	-	90,714
Financial investments	-	-	-	18,449	23,666	29,273	71,388
Total	**239,067**	**32,714**	**67,064**	**75,999**	**153,366**	**62,567**	**630,777**
Previous period	*195,075*	*29,112*	*116,004*	*49,465*	*147,175*	*63,523*	*600,354*
Debt capital / financial instruments							
Amounts due to banks	469	-	2,994	72,602	-	-	76,065
Liabilities from securities financing transactions	-	-	11,433	-	-	-	11,433
Amounts due in respect of customer deposits	266,978	-	15,846	-	-	-	282,824
Negative replacement values of derivative financial instruments	91,128	-	-	-	-	-	91,128
Total	**358,575**	**-**	**30,273**	**72,602**	**-**	**-**	**461,450**
Previous period	*315,321*	-	*41,183*	*75,837*	-	-	*432,341*

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3.15 Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle

	2016		2015	
	Domestic	**Foreign**	**Domestic**	**Foreign**
Assets				
Liquid assets	60,253	-	9,885	-
Amounts due from banks	11,129	82,822	4,556	115,222
Amounts due from securities financing transactions	-	5,941	-	-
Amounts due from customers	28,889	277,890	26,536	271,948
Trading portfolio assets	1,751	-	1,041	499
Positive replacement values of derivative financial instruments	1,772	88,942	107	81,462
Financial investments	10,749	60,639	10,967	78,131
Accrued income and prepaid expenses	4,013	-	5,703	-
Tangible fixed assets	675	-	1,134	-
Other assets	1,665	-	1,828	-
Value adjustments under transitional provisions	-	(25,850)	-	(24,797)
Total assets	**120,896**	**490,384**	**61,757**	**522,465**

	2016		2015	
	Domestic	**Foreign**	**Domestic**	**Foreign**
Liabilities				
Amounts due to banks	-	76,065	-	84,355
Liabilities from securities financing transactions	-	11,433	-	3,012
Amounts due in respect of customer deposits	42,493	240,331	10,152	246,348
Negative replacement values of derivative financial instruments	3,436	87,692	39	88,435
Accrued expenses and deferred income	1,848	-	1,501	-
Other liabilities	789	-	781	-
Provisions	93,668	-	90,851	-
Share capital	35,000	-	35,000	-
Statutory retained earnings reserve	9,634	-	8,809	-
Profit carried forward	4,115	-	11,293	-
Profit for the year	4,776	-	3,646	-
Total liabilities	**195,759**	**415,521**	**162,072**	**422,150**

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3.16 Breakdown of total assets by country or group of countries (domicile principle)

	2016		2015	
ASSETS	**Absolute**	**%**	**Absolute**	**%**
Switzerland	120,896	19.0%	61,757	10.1%
Rest of Europe	418,511	65.6%	466,749	76.6%
North America	27,776	4.4%	42,213	6.9%
Africa	3,320	0.5%	2,411	0.4%
Asia	47,516	7.5%	24,723	4.1%
Australia / Oceania	19,111	3.0%	11,166	1.8%
Total assets	**637,130**	**100.0%**	**609,019**	**100.0%**

The total assets amount does not include the effect of country reserve that was classified under value adjustments under transitional provisions (please see notes 2.4.9, 2.8 and 3.9 for more details).

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

Net foreign exposure

	2016		2015	
Moody's	**Absolute**	**%**	**Absolute**	**%**
Aaa	30,464	5.9%	33,717	6.2%
Aa1 to Aa3	124,330	24.0%	111,144	20.3%
A1 to A3	12,564	2.4%	15,108	2.8%
Baa1 to Baa3	10,853	2.1%	346,888	63.4%
Ba1 to B3	322,716	62.4%	40,394	7.3%
Caa	10,158	2.0%	11	0.0%
Not rated	6,434	1.2%	-	0.0%
	517,519	**100.0%**	**547,262**	**100.0%**

The Bank’s net foreign exposure has been presented according to corresponding sovereign foreign currency long-term rating from Moody’s.

The total amount does not include the effect of country risk provisions that was classified as value adjustments on the asset side of the balance-sheet in accordance with transitional provisions of FINMA Circ. 2015/1 (please see notes 2.4.9, 2.8 and 3.9 for more details).

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3.18 Presentation of assets and liabilities broken down by the most significant currencies for the Bank

	2016						
	CHF	**EUR**	**USD**	**TRY**	**GBP**	**Others**	**Total**
Assets							
Liquid assets	60,149	52	40	-	12	-	60,253
Amounts due from banks	858	14,574	76,601	314	134	1,470	93,951
Amounts due from securities financing transactions	-	-	5,941	-	-	-	5,941
Amounts due from customers	147	88,503	194,724	23,405	-	-	306,779
Trading portfolio assets	-	-	1,751	-	-	-	1,751
Positive replacement values of derivative financial instruments	90,714	-	-	-	-	-	90,714
Financial investments	10,749	-	60,639	-	-	-	71,388
Accrued income and prepaid expenses	445	1,318	2,135	113	2	-	4,013
Tangible fixed assets	675	-	-	-	-	-	675
Other assets	159	8	1,498	-	-	-	1,665
Value adjustments under transitional provisions	(25,850)	-	-	-	-	-	(25,850)
Total assets shown in balance sheet	**138,046**	**104,455**	**343,329**	**23,832**	**148**	**1,470**	**611,280**
Delivery entitlements from spot exchange, forward forex and forex options transactions (*)	148,413	880,682	1,952,250	732,582	355,550	246,172	4,315,649
Total assets	**286,459**	**985,137**	**2,295,579**	**756,414**	**355,698**	**247,642**	**4,926,929**
Liabilities							
Amounts due to banks	189	71,427	4,418	2	26	3	76,065
Liabilities from securities financing transactions	-	-	11,433	-	-	-	11,433
Amounts due in respect of customer deposits	2,119	26,025	243,096	900	1,990	8,694	282,824
Negative replacement values of derivative financial instruments	91,128	-	-	-	-	-	91,128
Accrued expenses and deferred income	1,163	91	572	22	-	-	1,848
Other liabilities	157	-	632	-	-	-	789
Provisions	93,668	-	-	-	-	-	93,668
Share capital	35,000	-	-	-	-	-	35,000
Statutory retained earnings reserve	9,634	-	-	-	-	-	9,634
Profit carried forward	4,115	-	-	-	-	-	4,115
Profit for the year	4,776	-	-	-	-	-	4,776
Total liabilities	**241,949**	**97,543**	**260,151**	**924**	**2,016**	**8,697**	**611,280**
Delivery obligations from spot exchange, forward forex and forex options transactions (*)	45,326	892,677	2,035,477	755,166	353,650	238,900	4,321,196
Total liabilities	**287,275**	**990,220**	**2,295,628**	**756,090**	**355,666**	**247,597**	**4,932,476**
Net position per currency	**(816)**	**(5,083)**	**(49)**	**324**	**32**	**45**	**(5,547)**

(*) Option positions are not delta weighted but all options are back-to-back.

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4. Information concerning off-balance sheet transactions

4.1 Breakdown of contingent liabilities and contingent assets

	2016	2015
Contingent liabilities		
Guarantees to secure credits and similar	2,935	4,340
Irrevocable commitments arising from documentary letters of credit	51,595	21,927
Total contingent liabilities	**54,530**	**26,267**

4.2 Breakdown of credit commitments

	2016	2015
Commitments arising from deferred payments	26,901	17,751
Commitments arising from acceptances	44	229
Total credit commitments	**26,945**	**17,980**

4.3 Breakdown of fiduciary transactions

	2016	2015
Fiduciary investments with third-party companies	99,823	257,659
Fiduciary investments with group companies and linked companies	346,923	370,984
Fiduciary loans	87,764	226,317
Total fiduciary transactions	**534,510**	**854,960**

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5. Information concerning the Income statement

5.1 Analysis of interest income and expense

Interest income and interest expense from forex swap transactions was CHF 8.4 million (2015: CHF 26.5 million) and CHF 19.9 million (2015: CHF 32.3 million) respectively.

5.2 Securities and precious metals held for trading purposes

Breakdown by business area

	2016	**2015**
Trading results for own account	515	74
Trading for the account of customers	3,701	4,147
Total trading results	**4,216**	**4,221**

Analysis by underlying risk and based on the use of the fair value option

	2016	**2015**
Interest rate instruments and equity securities (incl. funds)	310	379
Foreign currencies	3,906	3,842
Total result from trading activities	**4,216**	**4,221**

The Bank does not apply the fair value option.

5.3 Breakdown of personnel expenses

	2016	**2015**
Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits)	9,063	7,940
- of which, expenses relating to share-based compensation and alternative forms of variable compensation	-	-
Social insurance benefits	1,436	1,300
Other personnel expenses	264	202
Total personnel expenses	**10,763**	**9,442**

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5.4 Breakdown of general and administrative expenses

	2016	2015
Office space expenses	878	932
Expenses for information technology and communications technology	2,101	2,003
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	716	574
Fees of audit firm(s) (Art. 961a no. 2 CO)	278	304
- *of which, for financial and regulatory audits*	*255*	*283*
- *of which, for other services*	*23*	*21*
Other operating expenses	1,651	1,363
Total general and administrative expenses	**5,624**	**5,176**

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

The Bank has sold paintings in 2016 and the loss incurred amounting to CHF 74 was classified under extraordinary expenses. (2015: CHF 277, release provision from tax liability was classified under extraordinary income)

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

	2016	2015
Current year tax expenses	(1,635)	(1,397)
Total tax expenses	**(1,635)**	**(1,397)**
Weighted average tax rate	24%	24%

As at 31 December 2016, there were no losses carried forward (2015: none).

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Board of Directors' Proposed Appropriation of Retained Earnings as at December 31, 2016.

In CHF	**2016**
Available profit carried forward	
Profit carried forward at the beginning of the year	14'939'579
Dividend paid during the year	(10'000'000)
Transferred to the statutory retained earnings reserve	(825'000)
Profit carried forward after dividend distribution	**4'114'579**
Profit for the year	4'775'531
Available profit carried forward	**8'890'110**
Proposition for distribution by the General Meeting of Shareholders	
To be carried forward	8'890'110
Total	**8'890'110**