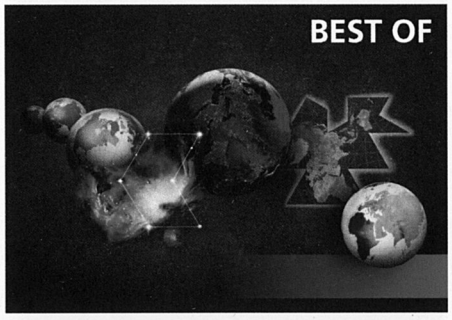


ANNUAL REPORT 2021

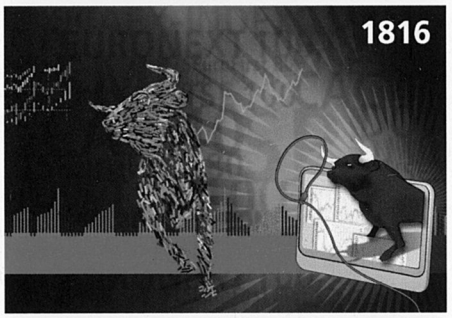
BCGE

Four pictures to show how BCGE entered the 21st century

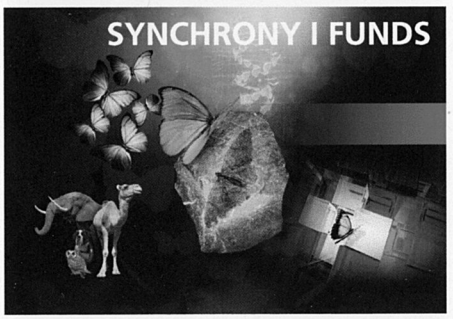
BCGE decided to illustrate its 2021 annual report with visuals that symbolise its four well-known key products[1].



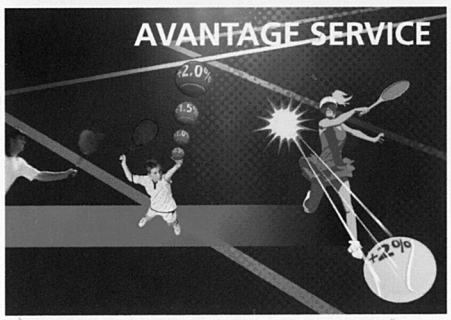
The Best of mandate embodies the eight principles of BCGE's investment philosophy, one of which states: "A high degree of diversification increases yield and reduces risk". This implies going out and looking for performance wherever it is to be found in the world. This is why the Earth was chosen to visually represent Best of, with three images of the planet showing the five continents. The constellation symbolises the eight principles of our investment philosophy. A vision of the earth at night from space features the lights of the great centres of population, while the icosahedral map projection represents the globe in its entirety. The stylistic representation of our planet from three angles adopts the pop art style that is emblematic of BCGE.



The name adopted for the 1816 online trading platform symbolises the technology of the end of the 20th century, in the service of a bank founded in 1816, thus combining tradition and modernity. Originally, the opening up of most world markets was graphically represented with an image of the planet; later the bull – as in "bull market", and a symbol of optimism – became the emblem of BCGE|1816. In a sign of the times, the bull is tamed with the computer mouse cable. As technologies evolved, a smartphone replaced the computer, and the mouse stands for the permanent accessibility of the platform. Meanwhile, as the platform developed, 1816 became a trademark, with its own bull symbol logo.



For over 25 years, BCGE asset management has developed the Synchrony Funds range, with a management direction based on five leading principles: selectivity, stability, conviction, transparency and simplicity. This approach is symbolised by a butterfly's wings, referencing "chaos theory" as illustrated by the butterfly effect, and reflecting the search for order hidden beneath apparent confusion. The transparent portfolios allocation process is orientated towards pure assets and rejects opaque financial products. The robustness of its organisation (symbolised by the fossil impression of a butterfly on a rock), the stability of its decision-making model, the expertise of the financial centre: all these help explain the widespread popularity of Synchrony funds in Switzerland and worldwide.



The visual representation and the name of "Avantage service" – BCGE's loyalty programme – are clearly tennis-inspired; the sport is widely followed in Switzerland, thanks to the number of top-level players in the country. Four tennis balls stand for the four levels of extra interest rates that Avantage service offers all Swiss residents: they are a constant and informative feature of the communication for this programme. In an extension of this visual medium for Avantage service and as part of its sponsorship of young Swiss sporting talent, the Bank appointed brilliant tennis junior Sebastianna Scilipoti as its loyalty programme's ambassador.

[1] The description of the four products above does not constitute an offer, invitation or recommendation to buy or to sell the financial products mentioned, which are not intended for persons subject to the jurisdiction of a state where legislation and regulations in force prohibit access to such information.

Overview

Snapshot

2 BCGE Group key consolidated figures
3 2021 performance – all indicators are up

Introduction

4 Message from the Chairman, Manuel Leuthold
2021, a demanding year in the service of Geneva's economy
6 Message from the Chief Executive Officer, Blaise Goetschin
2021, a year of great progress.

Presentation of the BCGE Group

10 Operational organisation as at 1 March 2022
12 Geographical organisation
14 Local presence
15 Digital banking
16 Business model
18 Banking and financial services
19 Corporate strategy
20 Risk management
22 Stock exchange listing
26 Human resources
28 Ambassadors
29 Ethical and Environmental Responsibility Policy (EERP)

49 Shareholder information, corporate governance

Comments on the Group financial statements

74 Record net profit and dividend

78 Deloitte – Report on audit of consolidated financial statements

81 Consolidated financial statements 2021 and notes, BCGE Group

116 Deloitte – Report on audit of annual financial statements

119 Annual financial statements 2021 and notes, parent company

141 Proposed allocation of profit

Inside back cover **Addresses**

Editor's note: In this report, for ease of reading and without discriminatory intent, the masculine gender has sometimes been chosen, in accordance with grammatical norms which allows the masculine gender to be used as a neutral value to designate a group of people including both males and females.

BCGE Group
Key consolidated figures[1]

Balance sheet (in CHF million)	2021	2020	2019	2018	2017
Balance sheet total	28,294	27,542	24,919	23,034	22,671
Advances to clients	18,356	17,593	17,025	16,603	15,692
Client deposits and borrowings	22,831	21,375	18,965	18,056	17,981
Shareholders' equity	1,827	1,716	1,667	1,570	1,472
Results (in CHF million)					
Net profit from interest operations	228	216	231	247	210
Result from commission business and services	136	116	120	117	107
Result from trading activities	34	30	31	29	30
Other ordinary income	41	5	37	16	19
Total operating income	439	367	420	409	366
Operating expenses	254	237	239	232	223
Operating profit (in CHF million)	174	113	165	161	128
Result of the period (in CHF million)	125	105	97	91	82
Assets under management and administration (in CHF billion)	34.1	31.8	30.4	26.7	26.4
Total number of employees					
• by full-time work units	834.1	819.6	780.4	760.6	748.3
• by people	886	873	833	811	799
Ratios (%)					
Shareholders equity / total assets	6.5	6.2	6.7	6.8	6.5
Market capitalisation to equity	63.3	66.7	84.0	88.1	80.2
Operating profit to equity	9.7	6.7	10.1	10.5	8.9
Return on Equity (*ROE*)	7.0	6.2	5.9	5.9	5.6
Costs / income	57.8	64.7	56.9	56.7	60.8
Capital coverage	16.5	16.2	16.1	15.6	15.0
Figures per share (in CHF)					
Shareholders' equity	254	238	232	218	204
Operating profit	24	16	23	22	18
Net profit	17	15	13	13	11
Dividend per CHF 50 share	4.5*	3.75	3.75	3.4	2.9
Stock market data (parent company)					
High and low share prices (in CHF)					
• high	175	204	206	198	166
• low	153	155	192	162	148
• close	161	159	195	192	164
Market capitalisation (in CHF million at 31 December)	1,156	1,145	1,400	1,382	1,180
Number of shares in thousands (historic information)	7,200	7,200	7,200	7,200	7,200

* Proposal submitted to the General Meeting on 3 May 2022.

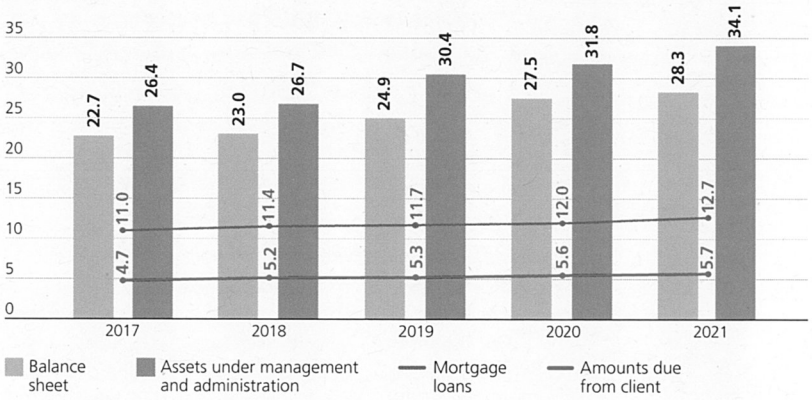
[1] See page 74, Comment on the group accounts – Record level of net profit and dividend.

Performance in 2021
All indicators are up[1]

The Bank's excellent performance shows its ability to capture the economic recovery. Turnover has progressed strongly and profit is up. Productivity is comparable with the best of Swiss universal banks conducting international business[1].

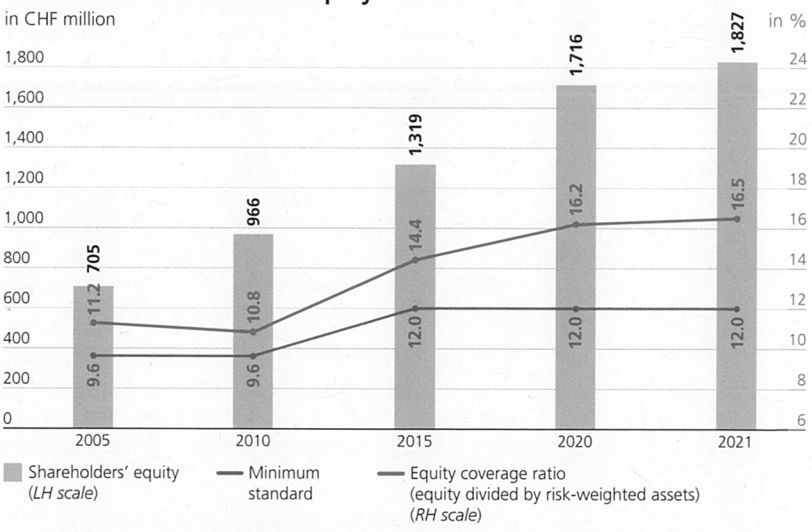
34.1
billion
in assets under management and administration

Changes in the balance sheet and major business areas
in CHF billion



1,827
million
of shareholders' equity

Evolution of shareholders' equity
in CHF million

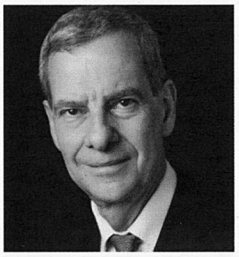


Rating

Standard & Poor's (S&P)
AA-/A-1+/Stable[2]

[1] See note on page 2.
[2] See note on page 23.

Message from the Chairman
2021, a demanding year in the service of Geneva's economy



Manuel Leuthold

Very good results

Banque Cantonale de Genève achieved its best ever result in 2021. All the Bank's lines of business contributed to this excellent performance. It is important to point out that this result was obtained while maintaining full control of risk and making reasonable use of our equity base.

2021: a demanding year

2021 came to very satisfactory conclusion, but it was a year that presented us with numerous challenges.

Over the 12 months, we had to manage the various aspects of the pandemic, in all its shifting forms. This required great efforts of the whole organisation, to be able to continuously offer high quality service while keeping our staff and clients safe.

The economic environment generated many great uncertainties, even if, in the end, growth was achieved. Most sectors of our economy have posted very solid results, despite shortages of components (particularly electronic) and despite the spike in raw materials prices and the increase in value of the Swiss franc.

We were kept busy during the past year by the return of inflation and its effect – until now surprisingly slight – on rising interest rates. Indeed, the level of interest rates and their movements have a very significant impact on the management of our balance sheet, which plays a major part in our lending and deposit business. Monitoring rates therefore required all our attention.

The property market as a whole saw very strong growth. This is good news for people in that market and for property owners, but requires of us, as lenders, additional prudence as we continue to assist our clients in bringing their projects to fruition.

With the strong rebound in the economy, commodity prices rose rapidly. This boosted the sales volumes and the results of our clients in that area, leading them to ask us to increase our commitments to them at short notice.

Fortunately, the financial markets as a whole – perhaps with the exception of the emerging markets – saw growth that was as strong as it was unexpected. This had a very favourable impact on the volume of our assets under management and on our clients' activity in this area.

Continuing (over-) regulation

2021 saw the entry into force of numerous new regulations affecting both the management of our business and our clients. The body of new regulations being generated is growing ever larger and more complex. Applying these and keeping to the tight deadlines imposed on us weighs down the whole organisation.

Moreover, implementing most of these new rules makes great demands on our IT systems, making us still more dependent on our internal resources and even more on our external service providers.

Supporting our clients

Our bank, by virtue its statutory mission, works for the benefit of its clients and guides them in their projects and their various markets, both within and beyond the frontiers of Geneva and Switzerland. This pronounced international character is a special feature of BCGE, which distinguishes it from most of the other cantonal banks.

The guidance we offer is not only geographical in scope but also takes into account clients' business lines: we strive to achieve a detailed understanding of their wide range of activities and what makes them successful. This understanding allows us to achieve the best possible grasp of our clients' needs, providing appropriate and creative solutions, supported by faultless execution of day-to-day transactions.

Our staff worked tirelessly to accomplish this level of service, always keeping the relationship with our clients as the focus of their thinking and their efforts.

The importance of good governance

The Board of Directors also works to ensure that the Bank's business is undertaken within a framework of exemplary governance. The Bank must be able to carry out its tasks free of all political or ideological influence, concentrating on its mission of serving the Canton, its economy and its population, while creating value for its shareholders.

Governance is an integral part of the concept of sustainability that we put into practice, and which develops year by year, thus guaranteeing its stability.

In the course of several decades, Banque Cantonale de Genève has acquired insight into the management of its responsibilities to society. It commits itself to its community and all its stakeholders – shareholders, clients and staff – by offering its services equitably, supporting socially responsible activities, creating value for the public authorities, and by undertaking its statutory mission of contributing to the development of the economy.

More specifically, the BCGE Group's environmental responsibility is based on four areas of impact: companies, the Bank's own financial investments, financial asset management for its clients, and financing the economy. The forms taken by these commitments are presented on pages 40–41 of this report.

It is worth noting that the committees of the Board of Directors are playing an increasingly important role in governance.

Lastly, the creation of a new "Legal and Compliance" division, whose head will be a member of the Executive Board, is a sign of the importance that the Bank's managing structures ascribe to the sound governance of our institution.

What should we do with this good result?

An important duty of the Board of Directors is to distribute the value created by the Bank among its various stakeholders: the shareholders, the State, the staff and management, the Bank itself and our clients, and society in general.

The dividend proposed to the General Meeting is 20% higher than last year's. If our earnings increase, it is only reasonable that our shareholders, who supply us with the capital we need, should also benefit.

Taxes increase as earnings grow. The State, which provides us with the conditions favourable to carrying out our business, must also reap the reward.

In good years, the remuneration of staff and management increases. These are the people who have produced this very good result, by virtue of their attentive presence, commitment and willingness to do well.

The Bank must be able to count on the necessary means to ensure its development. An appropriate share of the earnings must be reinvested in the numerous projects that enable us, now as in the future, to go on being an active servant of our canton, its economy and its people.

"An important duty of the Board of Directors is to distribute the value created by the Bank among its various stakeholders: the shareholders, the State, the staff and management, the Bank itself and our clients, and society in general."

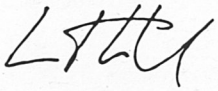
Lastly, our clients must also benefit from the continuous strengthening of our range of products and services, because we would not be here without them.

This distribution of rewards implies maintaining a delicate balance: reconciling the legitimate expectations of the stakeholders with the constraints born of the long-term management of an institution as large and complex as our Bank.

Conclusion

As we leave the excellent financial year of 2021 behind us, I should like to thank the members of the Board of Directors for their support, the Executive Board of the Bank and all the staff for their commitment, our shareholders for their confidence in us, and our clients for their loyalty.

Together, we can approach 2022 with confidence and optimism.



Manuel Leuthold
Chairman

Message from the Chief Executive Officer
2021, a year of great progress



Blaise Goetschin

The advantage of prosperous years such as 2021 is that they do not call for too many retrospective explanations. BCGE has kept up a long tradition of growth in its results: turnover of CHF 439.2 million (+19.8%), which positions the Bank among the leading cantonal banks; key competitiveness indicators such as mortgage lending at CHF 12.7 billion (+5.5%); and assets under management and administration of CHF 34.1 billion (+7.5%) showing positively Olympic form.

The signals of productivity (*cost income ratio* at 57.8%) and operating profitability (+9.7%) showed remarkable increases, especially considering of the economic context of the year under review.

This annual success can be attributed entirely to our strategies and our teams, who were resilient despite their working conditions made precarious by the pandemic, and who showed supreme capability in their markets and client relationships. We also needed to be supportive of companies and individuals who faced difficulties resulting from successive lockdown measures.

2021 was a year of great progress, as recognised by the Standard & Poor's (S&P) ratings agency, which put BCGE Group into its "AA" category. The Bank is well placed to continue on its upward path. Its business and financial outlook is positive. Three aspects of this state of preparedness for the future deserve to be highlighted.

Dynamic management of the brand, and brands...

As far as brands are concerned, the cantonal banks are at an advantage and a disadvantage, at the same time. **Their advantage** is their historically powerful position in their home cantonal markets. People have a strong attachment to their canton's bank. In terms of market penetration, the Swiss cantonal banks have a dominant position, across all the generations and socio-professional segments. In a recent study, the BCGE brand achieved a 32% score in a "top of mind" awareness test. Of the people asked, 92% correctly associated the logo (the red K) with the brand. This brand strength is an asset which we need to cherish.

The disadvantage is that the effectiveness of this goodwill does not extend beyond the borders of the canton. Some institutions – often the smaller cantonal banks – do not suffer from this problem. Bigger banks such as BCGE, however, which have to work with an economy that is very open to Switzerland and the rest of the world, are very much obliged to build an external identity. This requires them to develop distinct brands to support many of their activities and market segments.

Dynamic brand management has led us to develop a specific identity for the investment funds (Synchrony), the management mandates (Best Of), digital banking (Avantageservice.ch) and online trading (1816). Some specialised entities operate under their own brands, such as Dimension (company development and transfer), Capital Transmission (private equity) and Loyal (institutional bond management).

While promotion of a wide range of brands, including BCGE itself, comes at a cost, this specific branding policy allows us to adapt to individual market requirements and to respond to the needs of each community (private individuals, companies, institutional clients, and so on). By patiently constructing these brands, giving them legal protection and rooting them in the minds of the clients in the various segments, we are building a valuable capital asset and creating shareholder value.

Strategies with broad perspectives and strict standards

The strategies of our 14 business lines (*see pages 16-17, 18 and 19 of this report*) are based on broad, open perspectives, while being framed by strict and stable principles and standards.

By "broad perspectives", we mean that these strategies are intended to ensure that the Bank's offers in each business area are among the most competitive. This may mean local leadership in everyday banking services, thanks to the dense branch network; or being one step ahead of the competition, thanks to the originality of the financial ideas offered in property development or the way mortgage lending is structured.

By "open perspectives", we mean supporting Geneva's economy in all its facets: this could be by offering micro-enterprises a very simple and inexpensive business loan, available online, or by providing commodity traders with a documentary credit service that is personalised, international and highly responsive. This strategic dynamism is also visible in the Group's growing international presence, whether this is in France, in the excellent results of our BCGE France subsidiary, or in the Middle East and Asia, which are seeing growth in the private banking, commodity finance and correspondent banking business lines.

By "strict principles", we mean, as a counterweight to entrepreneurial dynamism, the uncompromising maintenance of risk management and the disciplined application of our fundamental principles of engagement (as regards investment, property finance and corporate finance). Specifically, this means that each field of activity has very demanding compliance requirements and tight controls at every level.

As regards principles, rigorous adherence to our investment philosophy provides us with a solid foundation. It translates into excellent performance by our discretionary management mandates and our investment funds; a particularly distinguished performance this year, notably in the management of Swiss equities, large caps and small and medium securities.

This combination of attacking strategies and disciplined frameworks allows the Group to face up to the competition, which consists mainly of multinational banks, without exposing itself to excessive risks.

The primacy of human beings over machines

Here is another dimension to the Group's state of preparedness for the future: the staff – with their skills, their talent, their charisma.

While recent years have been marked by the advances of "bank tech" and digitalisation, with its extreme form, dehumanised virtual banking, it seems that human beings are still at the centre of the economic system. This is BCGE's core belief: it makes the personalised link between its advisers, its experts and its clients the cornerstone of its development.

The Group's long-standing motto, "I know my banker" is being revitalised by the wave of depersonalisation that is striking many service industries.

The complete renovation of BCGE's Versoix branch is an embodiment of this policy of ascribing value to discussion, the readiness to listen and the sharing of ideas on life's big financial decisions. The network of branches in Geneva, the subsidiaries in Lausanne, Zurich and Basel, and our representation offices in Dubai and Hong Kong, are welcoming and well-equipped places. There, people can talk about specifics in detailed conversations, the kind that produce the best solutions.

The Group puts much effort into training. A detailed account of this is given on pages 26–27 of this report. The Bank introduces many young people to working life through a number of channels, while allowing older and more experienced colleagues to prolong their contribution to the Group's success beyond official retirement age. The Bank's pension fund allows contributions up to the age of 70. The Bank gives its staff the opportunity throughout their careers to take training courses in technical subjects, in management development through a micro-MBA module, or in crisis management, in collaboration with the Swiss army.

Putting human interaction first does not mean underestimating the importance of technology. The aim is rather to use technology to enhance the effectiveness and perceptiveness of the adviser or the expert. Their administrative load is taken over by IT so that they can give the best of their time to advising people and designing optimum financial systems.

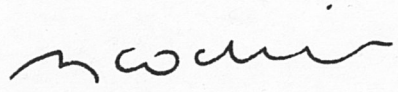
Conclusion

Despite a mixed and uncertain economic environment, the Bank has obtained results of great quality. Such results are not born of sporadic achievements or one-off successes. They are the fruit of long-term projects and deep-rooted structural progress.

Synergy effects between the regional, national and international networks grow with each of the numerous collaborative ventures developed between distant offices. Exceptional long-term performance, like that of the "Best of" blockbuster, grows out of the continuous improvement of processes all along the production chain. Similarly, the progressive digitalisation of business and administration processes means that the Bank now receives almost a third of its new clients directly on line.

Strong brands, outward looking and well regulated strategies, and teams of experienced professionals: together they make a promising combination for meeting the challenges to come.

We cannot continue on this adventure without taking the time to express sincere gratitude to all BCGE's professionals and the families and friends who supported them, and to all the Bank's partners. We can begin 2022 on solid foundations, and with a winning spirit.



Blaise Goetschin
CEO

Best of®

state of the art
wealth management

2003

Best of mandates break through the 1,000 barrier.

2001 BCGE Best of®

Creation and marketing of the Best of discretionary management mandate, with 12 investment profiles, in four currencies.

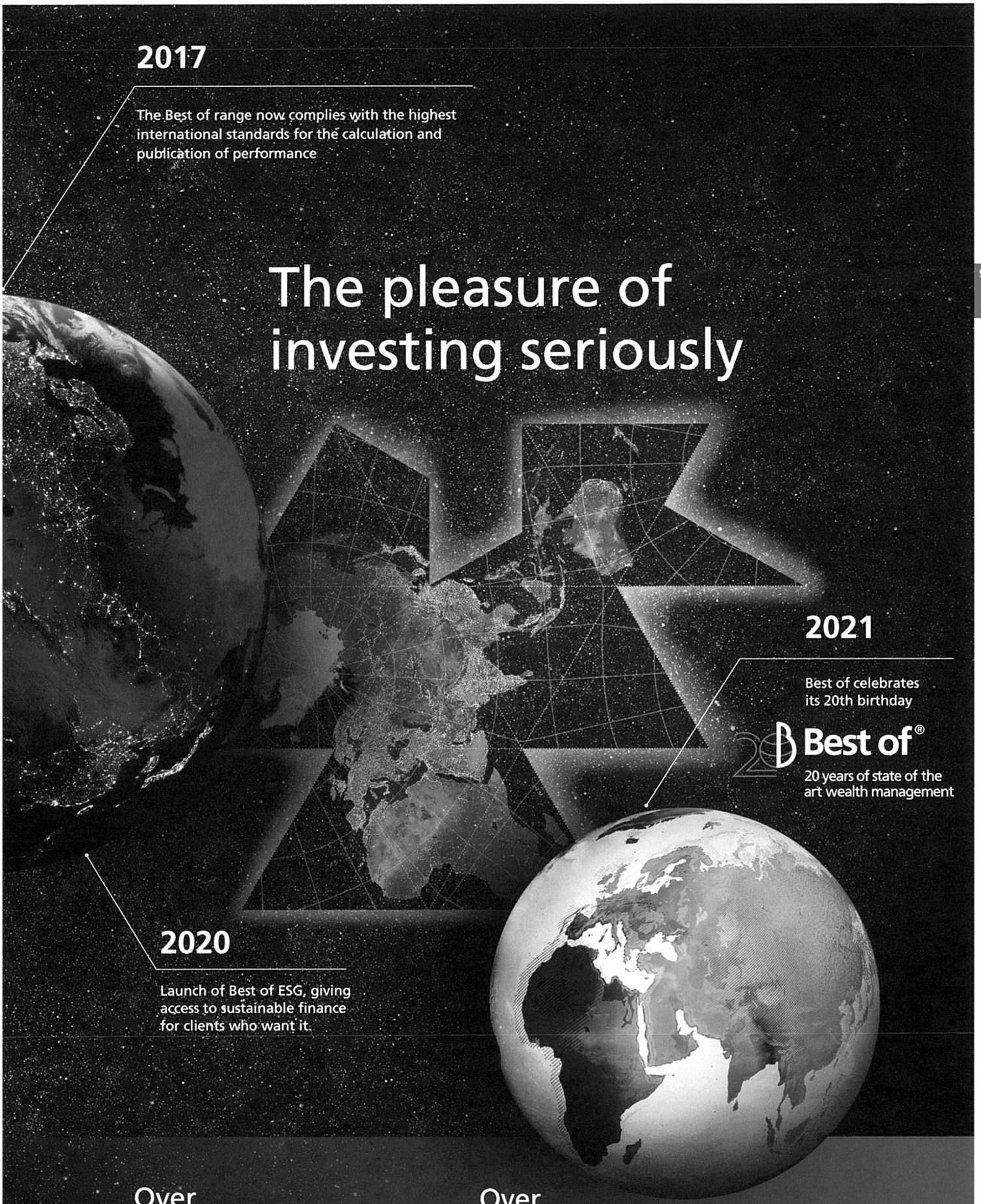


2005

Signature of the largest Best of management mandate, totalling CHF 14 million.

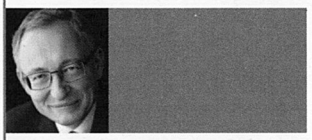
2010

The number of Best of mandates passes the 4,000 mark.


2017
The Best of range now complies with the highest international standards for the calculation and publication of performance
The pleasure of investing seriously
2021
Best of celebrates its 20th birthday
20 Best of®
20 years of state of the art wealth management
2020
Launch of Best of ESG, giving access to sustainable finance for clients who want it.
Over
6,000
mandates
Over
CHF 1.7 billion
invested

Operating structure
As at 1 March 2022

Executive Board



Blaise Goetschin
Chief Executive Officer, (CEO)

Chief of Staff, Leadership and planning
Irene Diez

Corporate affairs and Communication
Christophe Weber

Marketing
Christian Hamm

Human Resources
Elisabeth Ray Tang

Finance Division



Frédéric Vernet
Member of the Executive Board, CFO, CRO*

Finance Chief of Staff
Jérémy Linder

ALM (Asset and Liability management)
Marc Doerks

General Accounting
Yvan Nicolet

Financial Control
Louis Ghaleb

Financial Markets & Treasury
Pierre Sauvagnat

Risks
Nicolas Dervaux

Valuation and credit risks

Operating risk and data

Regulatory oversight and risk reporting

Geneva Division



Pierrette Jaton Klopfenstein
Member of the Executive Board

Branch network management and business development
Christelle Didier

Online Banking
Paulo Oliveira

SMEs and Self-employed
Claude Bagnoud

Private banking Swiss clients
Franco Furcolo

Sector Centre
André Thiévent

Sector West
Pierre-Olivier Vialla

Sector Right Bank
Alexandre Scala

Sector Left Bank
David Bottoli

International Division



Yves Spörri
Member of the Executive Board

International Chief of Staff
JosianeTistounet

Private Banking Switzerland
Oliver Riberzani

Zurich
Basel
Lausanne

International Private Banking
Claudio Pietroforte

International Private Clients

International Private Banking Geneva

Independent Asset Managers

Representation offices
Dubai
Hong Kong

Global Commodity Finance
Nicolas Demierre

Commodity Trade Finance

Global Commodity Finance Operations

Credit and Project Management

Transaction Management

Banks and Insurance Companies
Boris Bijleveld

French Corporate Clients
Catherine Raphoz

BCGE (France) SA



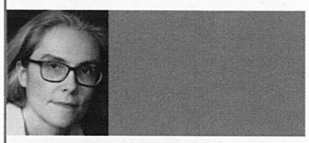
Eric Wesse
Until 31.03.2022



Sébastien Collado
From 01.04.2022

*CFO: Chief Financial Officer
CRO: Chief Risk Officer
CIO: Chief Investment Officer

Corporate Division



Virginie Fauveau
Member of the Executive Board

Chief of Staff Corporates and Business Development
Catherine Million

Public Authorities
Alain Voirol

Corporate Finance
Ozren Bakaric

Swiss Corporate Clients
Grégoire Borlat

Real Estate and Construction
Sylvie Hoecht

Multinationals and International Institutions
Grégoire Borlat

Participations and Workout
José-Luis Rivera

Personal Finance and Staff Banking
Nicolas Bezaguet

Capital transmission SA



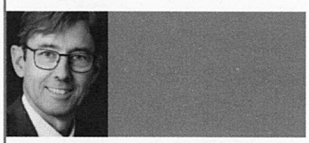
Frédéric Tixier

Dimension SA



Arthur Magis

Asset Management Division



Urs Ziegler
Member of the Executive Board, CIO*

Asset Management Chief of Staff
Ingo Bionda

Institutional Investors
Michel Gada

Investment Office and Chief Economist
Valérie Lemaigre

Balanced Portfolio Management
Axel Moser

Institutional Portfolio Management
Bruce Crochat

Wealth Solutions
Albert Gallegos

Wealth Planning

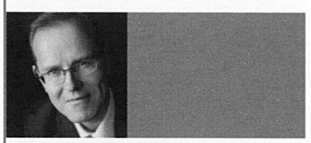
Financial Assets Advisory

Loyal finance AG



Bernhard Urech

Legal and Compliance Division



Philippe Marti
Member of the Executive Board

Compliance
Stiliano Ordolli

Tax Compliance
Yael Hen Marie-José Bratcov

Litigation
Marius Hämmig

Legal
René-Christian Métrailler

Operations Division



Jean-Marc Joris
Member of the Executive Board

Services Centre Credits and Banking
Patrick Boero

Services Centre Banking Operations
Jean-Michel Comte

IT
Daniel Stocco

Logistics and Purchasing Management
Céline Orlandini

Organisation
Benito Perez

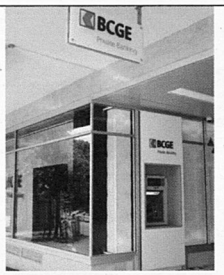
BCGE Group
An international presence on 31 sites

BCGE

BCGE
REPRESENTATION OFFICES



Geneva 1816
(head office)
Blaise Goetschin



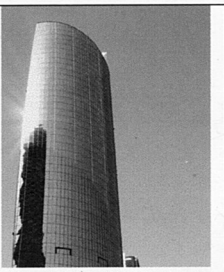
Lausanne 1997
Marc Brussard



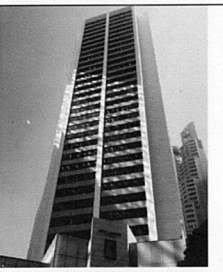
Zurich 1997
Florian Annoni *interim*



Basel 2019
Oliver Riberzani



Dubai 2010
Mario Al-Jebouri



Hong Kong 2011
Renaud Chambolle

BCGE, banking solutions made in Geneva

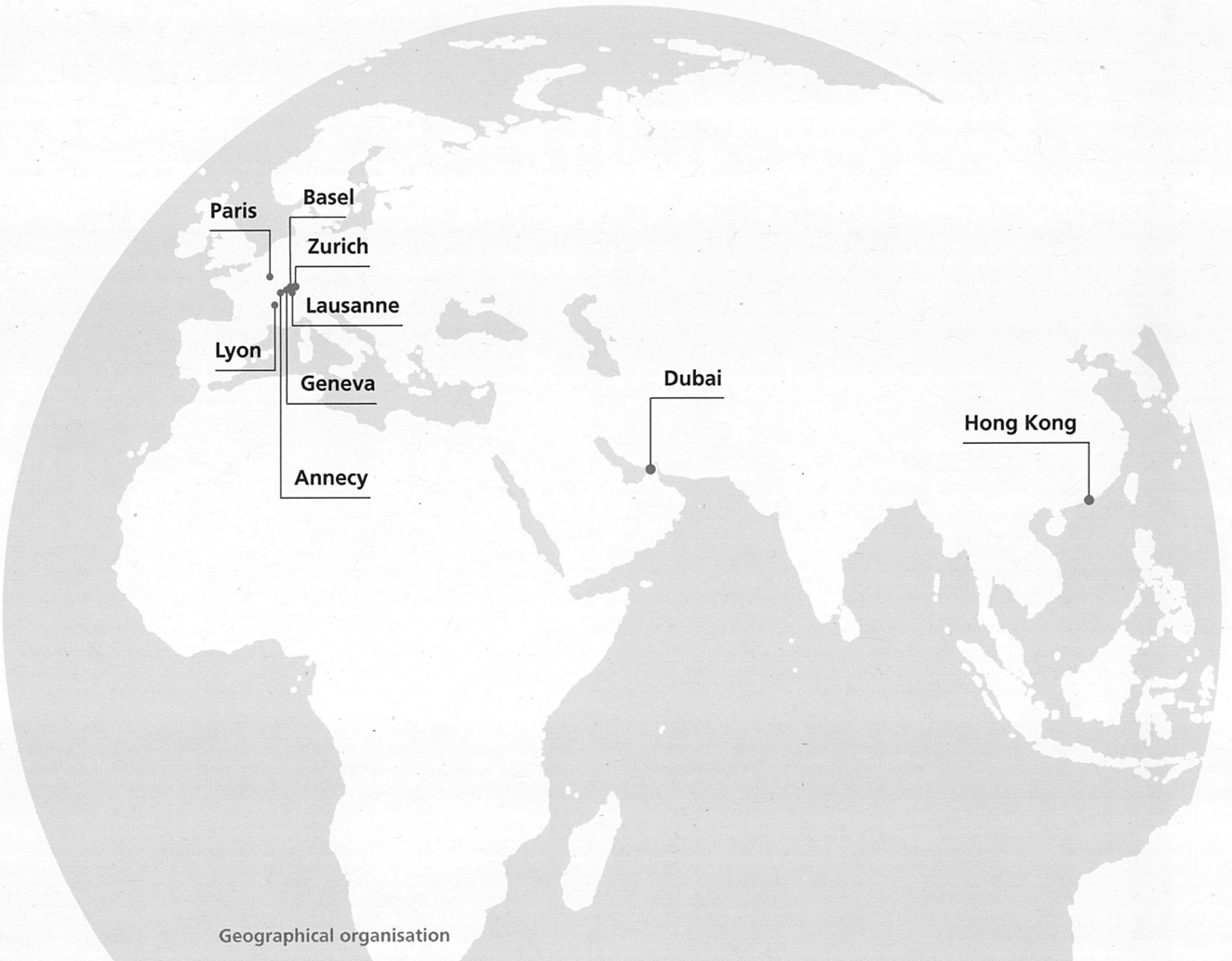
A universal bank since 1816, BCGE provides high-quality services to personal, corporate and institutional clients in Geneva and its surrounding area. It plays a vital role in supporting and boosting the regional economy.

BCGE is active in the following areas: retail banking services, private banking, asset management, investment funds, pension planning advice, mortgages and corporate and public authority lending. It operates a trading room and offers services in financial engineering, valuation and transfer of companies, private equity and trade finance.

The BCGE Group has 21 branches in Geneva and offers some of its services through offices in Zurich, Lausanne, Basel, Paris, Lyon and Annecy. It has representation offices in Dubai and Hong Kong. It currently has 886 staff (or 834 full-time equivalents as at 31.12. 2021).

BCGE is listed on the Swiss stock exchange, SIX Swiss Exchange (stock no. 35 049 471 / ISIN CH0350494719) and is rated AA-/A-1+ stable by the Standard & Poor's rating agency (*see the note on page 23*).

bcge.ch



Geographical organisation

Banque Cantonale de Genève (France) SA



Annecy 1993

Philippe Bouganim



Lyon 1993

Eric Wesse
Until 31.03.2022
Sébastien Collado
from 01.04.2022



Paris 2010

Nicolas Charavner

With its headquarters in Lyon and branches in Annecy and Paris, Banque Cantonale de Genève (France) SA (BCGEF) is a wholly-owned BCGE subsidiary.

It offers financing services to businesses and real estate professionals, in addition to wealth management for private clients.

BCGE France contributes to the development of the economic zone stretching from Lyon to Geneva; it has a staff of 68 as at 31.12.2021.

Despite the economic situation that continued to be uncertain and severely impacted by the health crisis, BCGEF maintained a very good level of profitability.

Net profit achieved a record high of EUR 11.1 million, an increase of 12.7%. The dynamism of the French property market contributed to non-impaired lending growth of EUR +77.1 million to EUR 880 million. In private banking, assets under management grew by 6.4% to 564 million, benefiting from the development of business activity and the rebound in the financial markets.

Significant advances were also made in the banks structural projects, with the launch of the day-to-day banking services platform, the current deployment of the private banking strategy and the continuing staff recruitment programme.

In the area of refinancing, BCGE (France) continues to benefit from the support of the its parent company. Client deposits constitute a complementary source of funding.

bcgef.fr

CAPITAL TRANSMISSION

AUTHENTIC SWISS PRIVATE EQUITY

Frédéric Tixier **2008**

Capital Transmission SA, Geneva, is a private equity investment company, that aims to create sustainable added value for the firms it invests in.

Capital Transmission undertakes equity investment in business transfer and expansion operations mainly in the Geneva region. It also operates in Switzerland and, in certain specific cases, in Europe.

It has investment capacity that allows it to support companies and executives over the long term and to assist their projects by acquiring minority shares, or through mezzanine loans.

Capital Transmission SA has CHF 76.7 million net invested in 20 companies.

In 2021, Capital Transmission SA undertook five new transactions, three reinvestments and no disposals.

capitaltransmission.ch

DIMENSION

Arthur Magis **2015**

Dimension SA is an independent entity, founded in 1994, specialising in the sale, acquisition and evaluation of companies.

The company, based in Lausanne, Geneva and Zurich, has been part of the BCGE Group (as a wholly-owned subsidiary) since 2015.

A company specialised and recognised in its field, Dimension is a key partner for entrepreneurs, by helping them present their companies in the best light and by carrying out company transfer operations.

In 2021, Dimension SA conducted seven company transfer projects and eight evaluation and consultancy briefs.

dimension.ch

LOYAL FINANCE

Bernhard Urech **2019**

Loyal Finance AG is an independent wealth management company created in Zurich in 1991 with the status of a collective investment scheme manager. The company is a recognised bond management specialist, principally active with institutional investors in German-speaking Switzerland.

Having obtained the necessary licences, BCGE acquired ownership of 60% of the equity of Loyal Finance AG at the end of May 2019. The balance of 40% will be formally transferred in 2023, in accordance with the staged acquisition plan.

This acquisition strengthens the BCGE Group's bond management expertise, along with its client relations and service at national level. The Loyal Finance AG subsidiary has been consolidated since 1 June 2019.

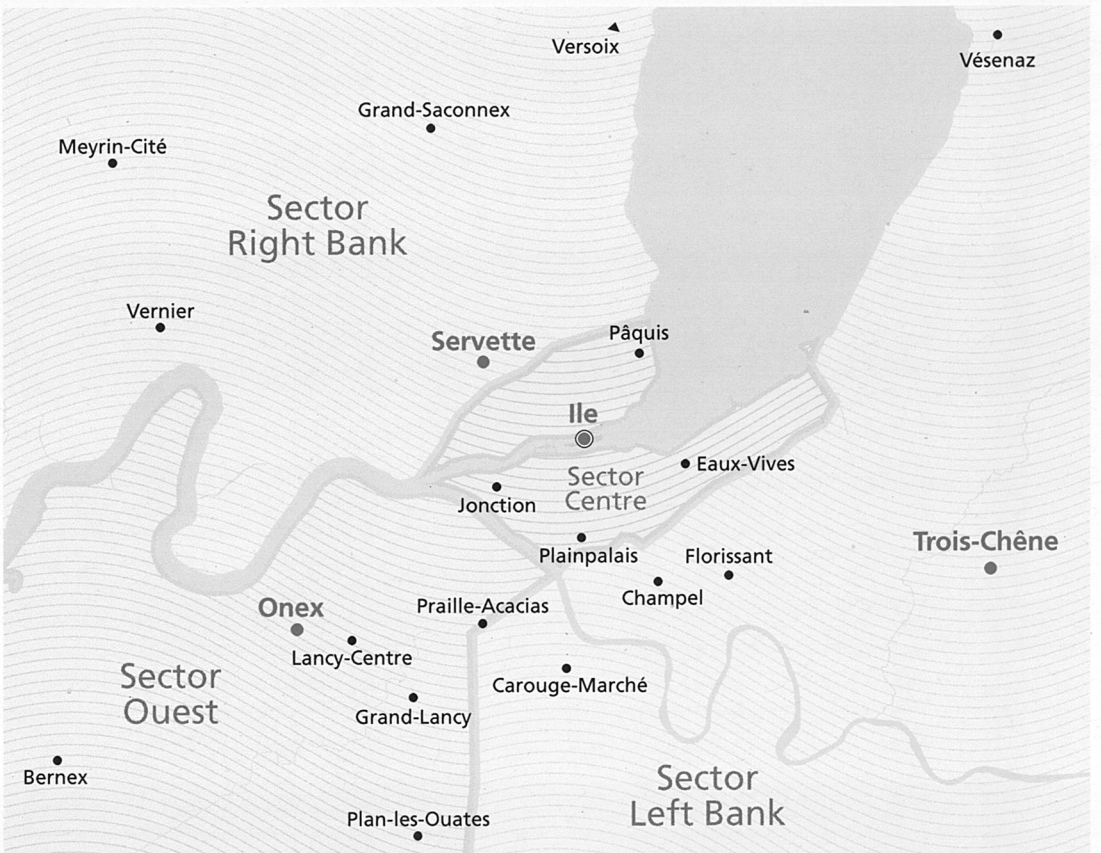
loyalfinance.ch

Proximity
BCGE is rooted in Geneva's local neighbourhoods and districts

BCGE is a resolutely technological yet human bank that is both open to the world and rooted in its region. It is a powerful point of reference able to offer top-level advice and expertise.

Digitalisation to be closer to clients. The new Versoix branch, opened on 9 December 2021, incorporates the latest developments in banking technology.





● **Four main branches (◉ Head office)**

Four sectors Centre, West, Right Bank, Left Bank

● 21 BCGE branches, the densest network in the canton, ensuring proximity and personal client service.

Digital banking
Secure and resource-friendly access to BCGE's digital interfaces

AVANTAGESERVICE.CH

Become a client and finance your home online

Swiss residents can register independently with BCGE, 100% on line, via the Avantageservice.ch website, 24 hours a day, seven days a week, selecting the branch they wish to advise them. Avantageservice.ch is BCGE's self-service site, available in French, English and German, benefiting from the loyalty programme that allows you to earn up to 2% extra interest. This multilingual platform allows you to set up a home loan agreement in Switzerland within about 15 minutes, seven days a week, 24 hours a day.

Netbanking

Online Banking

The Netbanking platform allows individual clients and companies to manage their accounts and their deposits independently, 24 hours a day, seven days a week. Over 106,000 regular users interact remotely via a custom area that is in continuous development. The online call and advice centre, with its 25 staff, assists and guides clients from Monday to Friday 7:30 a.m. to 7:30 p.m., on Saturday 9 a.m. to 4 p.m. and on Sunday the 9 a.m. to 1 p.m. The e-banking advisers hold several information sessions every month, either online or in our offices, to guide them through BCGE's digital services.

BCGE

The bank in your pocket

The Mobile Netbanking smartphone app gives clients access to Netbanking wherever they may be: secure and easy to use, ergonomic, with biometric authentication, and simplified payment entry (with a scanner function for QR-bills and payment slips).

BCGE

Card management from your smartphone

This application allows clients to use their mobile phones to check and manage their credit and debit cards, to track their expenditure, to authorise or block payments online, and to control use of each card by country or geographical area.

BCGE

Immediate money transfer between Swiss bank clients

This smartphone solution allows clients to transfer money immediately and at any time to their phone contacts, without needing to know or enter their bank account number, and to any Swiss bank affiliated to Twint. This nationwide system can also be used to pay at numerous shops and websites in Switzerland.

esafe by BCGE

BCGE's electronic safe

e-safe is a digital safe, accessible from the client area, in which all types of important electronic documents can be saved and stored in a secure space, free of charge and located in Switzerland, with no limits on duration or volume.

1816®

Online trading platform

With over 11,000 users, the online trading platform, accessible through Netbanking and Mobile Netbanking, continued to develop in 2021. It can be used to buy and sell securities directly in the financial markets, simply and safely, and at very favourable rates, for transactions on Swiss, European and North American markets. The financial information portal Yourmoney.ch provides the investor with a complete financial dashboard, in French, English and German.

BCGE | Business link®

A financial data transfer solution

Business link allows business clients to connect their accounting software to BCGE securely, so that they can receive their electronic statements in international standard formats and submit payment slip files generated by their software for execution. This solution, used in single or multi-bank mode, can be combined with *Netbanking* and *Mobile Netbanking*.

FORXCHANGE by BCGE

Foreign exchange transactions for professionals

The *ForXchange* platform, which is mainly intended for SMEs and companies with significant foreign exchange volumes, facilitates completely independent spot or future foreign exchange transactions.

Prêt professionnel
investissement et fonds de roulement

Online loans for SMEs

With the help of the BCGE business loan, SMEs and the liberal professions can finance their investments and cover their working capital requirements. Available online, this solution allows them to obtain a quick decision, on attractive terms, for stable funding at a fixed rate determined in advance. In addition to business loans, the leasing of vehicles for business use and the leasing of capital goods can also be requested online.

Leasing
moins de CHF, plus de km

Personal loans – vehicle leasing

The procedure is simple: using their device of choice, clients can decide on the solution best suited to their situation for their personal loan or vehicle leasing, or indeed for a sustainable renovation project, then complete the application and send it. They will receive a response within 24 hours.

gfi by BCGE

eGFI platform

Independent asset managers dealing with BCGE can use the eGFI platform to check their clients' positions and transactions, and also place stock exchange orders (individual or grouped).

Business model
Organisation by strategic activity

MANAGEMENT ENTITIES[1]
PARENT COMPANY

Finance Division	Geneva Division	International Division	Corporate Division	Asset Management Division
Frédéric Vernet	Pierrette Jaton Klopfenstein	Yves Spörri	Virginie Fauveau	Urs Ziegler[2]
58 staff in Geneva	254 staff in Geneva	136 staff in Geneva, Lausanne, Basel, Zurich, Hong Kong and Dubai	55 staff in Geneva and Zurich	36 staff in Geneva and Zurich
• Provides a structured, effective and adaptable framework, generating competitive financial conditions for the Bank and its front office units. • Implements risk prevention procedures and ensuring the efficiency of compliance and the internal control system. • Carries out specialised checks in the lending area by means of intensive quality controls. • Undertakes the Bank's financial and strategic planning, and deploying stress test scenarios.	• Specifically dedicated to serving Geneva, its people, its small businesses, its tradespeople and its independent professionals. • Dense network of 21 branches and automated banking throughout the canton. • 24-hour online banking. • 7-day hotline. • Specialised private banking unit for Geneva clients.	• Contributes to the reach of Geneva's economy in Switzerland, France and internationally. • Consultancy and financing for companies active in international trade and import-export of commodities. • International private banking: wealth management and personalised banking services for non-resident private clients (Swiss or foreign). • Real estate finance in Rhone Alpes and Ile-de-France for resident Swiss and cross-border clients, directly or in collaboration with Banque Cantonale de Genève (France) SA. • Monitors relationships with banks and insurance companies, with a "bank services for banks" approach. • BCGE branches in Lausanne, Zurich and Basel.	• Dedicated to medium-sized and large companies, multinationals, international organisations, large associations, foundations, diplomatic missions and NGOs. • Leader in professional real estate in Geneva. • Financial partner for public authorities in Geneva and Switzerland. • Comprehensive financial planning for directors of private companies or public authorities. • Mergers and acquisitions, private equity and financial engineering.	• Advises institutional clients on investment strategies. • Centralised management of all the Group's investment mandates, funds and instruments. • Distributes the Group's investment products in Swiss and foreign markets.

MAIN BUSINESS LINES

RETAIL BANKING						
Day-to-day banking services						
Savings and pensions						
Financial advice						
Private banking						
Personal loans						
COMPANIES						
Corporate finance						
Commercial property finance						
Financing public authorities						
Global Commodity Finance						
Strategic financial consultancy and M&A						
Financial Markets						
Institutional investors						
Banks and Insurance Companies						
INVESTMENT PRODUCTS						
Collective Investment products						

[1] Number of staff: **figures as at 31.01.2022** taking account of the new division created on 01.01.2022.

[2] From 01.01.2022 / up to 31.12.2021: Constantino Cancela

SUBSIDIARIES

DIGITAL

Legal and Compliance Division

Philippe Marti[3]

45 staff
in Geneva

- Provides a monitoring function, as regards adherence to statutory and regulatory requirements applicable to the Group; especially in the area of money laundering, in order to ensure exemplary behaviour by the Group in the jurisdictions concerned.
- Reduces the Group's exposure to legal risks through preventative action and collaboration with the best external consultants.
- Manages risk positions to best advantage and minimising potential losses from impaired loans by means of rigorous litigation management.

Operations Division

Jean-Marc Joris

157 staff
in Geneva

- Provides the BCGE Group with an operational service production platform that is able to serve all the business line strategies and regulatory requirements within a highly productive framework.
- Reduces IT and logistics costs by means of a strategy of continuous renegotiation.
- Defines and implements a technological strategy and an organisational plan that allows the Bank to anticipate and adapt to rapid and significant changes in the sector that affect its markets.
- Defines and implements a holistic physical and IT security system.

Banque Cantonale de Genève (France) SA

Sébastien Collado[4]

71 staff
in Lyon, Annecy and Paris

- Real estate, commercial and housing finance: promotion, estate agents, long-term heritage property.
- Corporate banking: medium- and long-term company financing and transfer operations.
- Private management: helping business leaders manage their personal wealth and professional assets, by applying the Group's asset management and wealth engineering expertise.

CAPITAL TRANSMISSION

Frédéric Tixier

4 staff[5]
in Geneva and Zurich

- Private equity.
- Equity finance.
- Management buyout.
- Minority participations.

DIMENSION

Arthur Magis

5 staff
in Lausanne, Geneva and Zurich

- Business sale consultancy.
- Business acquisition consultancy.
- Financial evaluation and business improvement.
- Strategic financial consultancy.

LOYAL FINANCE AG

Bernhard Urech[6]

6 staff
in Zurich

- Institutional management.
- The Group's bond management expertise centre.

AVANTAGESERVICE.CH

Markus Guniat

- Avantage service is the main online savings and loans application (within Switzerland only).
- Opening accounts and arranging financing for private clients.

[3] From 01.01.2022

[4] From 01.04.2022 / up to 31.03.2022: Eric Wesse

[5] Capital Transmission's operations are taken over by the Corporate Division staff.

[6] From 01.11.2021 / up to 31.10.2021: Hans Tarnutzer

Top-level advice and expertise
Banking and financial solutions made to measure

Retail banking

Day-to-day banking services

GE CH

Current accounts
Individual accounts
Bank cards
Credit cards
Safe deposit boxes
Currencies

Online banking services

GE CH

Netbanking
Mobile Netbanking app
BCGE Twint app
Main digital wallets
Electronic safe (e-Safe)

Saving

GE CH

Short-, medium-and long-term (Avantage service)
Savings accounts
Cash bonds

Pension planning

GE CH F

Pensions advice
2nd and 3rd pillar accounts
Life insurance contracts
Fund-based savings plan
Annuities

Investments

GE CH F INT

Securities custody
Online stocktrading
Investment funds and structured funds
Property funds
Actively-managed tracker certificates
Fund-based savings plans
Precious metals

Private banking

GE CH F INT

Discretionary management mandates
Investment advice mandates
Lombard loans
Term and trustee deposit accounts
Estate planning
Private equity mandates

Housing financing

GE CH F

Main residences
Secondary residences
Construction or renovation loans

Consumer financing

GE CH

Vehicle leasing
Personal loans
Sustainable renovation loans

Companies

Corporate finance, cash management and exports

GE CH F

SMEs and large companies
Independent and self-employed persons
State and related entities
Municipalities and municipal property trusts
Parastatal institutions and churches
Real estate foundations under public law
Public authorities in Switzerland
Non-profit making bodies

Property and construction finance

GE CH F

Real estate investors
Real estate development
Commercial real estate and real estate agents
Construction companies

International commodity trade finance

GE CH INT

Trade transaction financing
Structured financing
Forfaiting

Financial services and markets for banks and insurance companies

GE CH INT

Currencies
Online forex platform
Online stock trading
Securities, investment funds
Metals
Capital markets
Cash
Banknotes

Multinationals and international institutions

GE CH INT

Corporate advice

GE CH F

Strategic financial consultancy
Mergers and acquisitions (M&A) (Dimension)

Equity finance

GE CH F INT

Minority participation,
Mezzanine finance,
Management buyout,
company transfer,
capital increase
(Capital Transmission)

Institutions

Finance and cash management

GE CH

Private and public pension funds
Private and public foundations
Family offices
State institutions

Services to independent wealth managers

GE CH

eGFI platform

Asset management

GE CH F INT

Made-to-measure mandates
Active Swiss and foreign equity management
Quantitative management
Balanced management
Bond management
ESG management
Private equity mandates

Investor advice

GE CH F INT

Financial engineering
Interest rate management advice
Exchange rate management advice
Investment advice

Financial services and markets

GE CH F INT

Stock markets
Currencies
Online forex platform
Metals
Issues
Capital markets
Cash

GE — Geneva
CH — Swiss market
F — French market – through BCGE (France)
INT — International markets – all the operations are agreed and registered in Switzerland. In Dubai and Hong Kong, BCGE acts through its representation offices licensed by the respective authorities. These offices limit themselves to promoting the Bank's activities and do not carry out operations.

A leading bank in Switzerland
A response adapted to each market segment

BCGE is a bank with a strategy aimed at long-term, sustainable success. It is active on behalf of private individuals (natural persons) and companies or institutions (legal entities).

A financial policy aiming at longevity

To respond competitively to the needs of such a diverse clientèle, the Bank develops specific business lines, organised into strategic activity portfolios. BCGE's business model is that of a universal bank. A number of horizontal operational principles determine the overall structure.

The main financial objective is for the Bank to grow steadily in value. This value is based on the expected total of free cash flow. The increase in total free cash flow depends essentially on the organic and qualitative growth of business (the incremental growth business model).

Strategic decisions and operational management prioritise long-term growth in the Bank's equity (reflected by market capitalisation) – if necessary, to the detriment of short-term profitability. The intention is to avoid under-investment or an excessively raised risk profile, and to ensure that the Bank's ethical practice is not diminished in any way.

A response adapted to each market segment

BCGE calibrates its business lines, commercial policy and resources on the basis of a detailed study of markets, an evaluation of how accessible these are and what potential they have. Its ambition is to occupy the number one position in Geneva itself while contributing to the reach of Geneva's economy in Switzerland, France and internationally.

Five of the 14 business lines are centred on individual clients: day-to-day banking services, fundamental financial planning, savings and pensions, private banking and private finance. These represent one-third of the Bank's total income.

Of the eight business lines devoted to companies and institutions, four are concerned with lending: corporate finance, business property finance, public authorities finance and trade finance. The remaining business lines are strategic financial advice, financial markets, services to institutional investors and services to banks and insurance companies.

The fourteenth business line creates and manages investment funds offered to the Bank's clients or distributed through investment platforms. Two-thirds of the Group's turnover is achieved with public and private companies and institutions.

The Bank manages this portfolio of business areas with the aim of optimising the profitability/risk ratio of each, while fostering operational synergies among them. It builds competitive positions and seeks to attain leadership in each of its business lines. It capitalises on its reputation as a safe, transparent and innovative bank.

BCGE maximises use of its available equity, while ensuring its continued existence with a safety margin defined in the regulatory and financial framework. Having achieved an optimum level of capital use, the current priority for growth focuses on areas of business that use less equity.

Strategic priorities for 2022

- **Core partner for the regional economy and SMEs**
- **Key player in the financing of private and social housing in Geneva.**
- **Recognised and effective advisory services for Swiss and international private banking.**
- **Expertise in asset management and investment funds.**
- **Major contributor to the influence of Geneva's economy and trade in Switzerland and around the world.**
- **Innovative leader in digital banking.**
- **Partner to corporate and private clients in the energy transition process.**

Risk Management
Evolution of governance and intensification of risk control[1]

In 2021, the Bank further refined and improved its risk management system[1] in order to coordinate, at the highest level, risk control in the front office units, the Risk business unit, the ALM (Asset and Liability Management) department, and the legal and compliance functions (jointly instituted as a division on 01.01.2022)[2].

16.49%

Group equity coverage
31.12. 2021

All these units monitor risk positions, controlling and modelling them so that the Bank can maintain the right balance between risk and revenue. Their role is also to monitor and report to the highest level information on adherence to the regulatory framework and the limits set by the higher supervisory authorities and the relevant bodies within the Bank.

The Risk and Asset and Liability Management committees

Every month, **the risk committee (CRISK)** undertakes an analysis of the main risks (credit, country, interest rate, market, liquidity, own investment, operational, non-compliance and legal, reputational, strategic), together with environmental and social risks. The CRISK gathers the information from the other committees. This inventory is compiled in the form of reports and examination of positions held. In the Banque Cantonale de Genève (France) subsidiary, a specific risks committee examines the situation monthly.

The asset and liability management committee (CALM), which monitors the balance sheet and interest rate risks, also meets each month. It monitors the exposure to interest rate risk, measuring income sensitivity and sensitivity of the net present value of shareholders' equity, analyses internal transfer rate margins and monitors the liquidity coverage ratios required by regulations, together with risks from the Bank's investments on its own account.

Establishing rolling equity coverage planning for the next few years requires outstanding coordination between the front office and risk control units and ALM. The Bank's decision to allocate equity limits by area of strategic business forms a solid basis on which to achieve objectives, while complying with the level of coverage.

Risk limits are established for all the business activities set out in the strategic and financial plans, in order to set the maximum acceptable exposure by type of operation. The yield from operations, in terms of income from interest and commissions, is weighed up against the costs of the transaction and against the risks incurred.

In terms of the FINMA circular 2011/2, BCGE is classified in category 3 and the minimum threshold of its equity coverage ratio is 12% (*NB: the countercyclical buffer will lead to a minimum threshold of 12.7%, following the restoration of this to 2.5% at the end of September 2022*).

Business planning takes these requirements into consideration in growth forecasts, in order to guarantee this level of equity coverage. The minimum threshold is easily covered; the publication requirements relating to shareholders' equity are available on the Bank's website (**bcge.ch – About BCGE> Publications > Financial reports**.)

Credit risk

The coronavirus crisis, which in Switzerland started in the first quarter of 2020, has had a powerful impact on the entire world economy, on companies and on individuals. Its effect was felt in the Bank's activities at several levels: primarily in operations and logistics, in various financing undertaken within our Bank (in particular for companies and the Covid-19 loans that BCGE granted), but also in respect of markets and ALM (asset and liability management). The experience acquired in 2020 made it possible to manage the various waves of Covid-19 in 2021 taking a long-term view rather than a crisis approach.

[1] See also on pages 91–94, Summary presentation – Consolidated, Point 3. Risk Management.
[2] See on pages 10–11 (Operating structure) and 16–17 (Business model).

The Bank made available Covid-19 loans totalling approximately CHF 200 million between March and August 2020, to meet the challenge of this unprecedented crisis. By the end of 2021, the Bank had recorded early repayment of approximately 15% of the Covid loans granted.

Despite the crisis, the property market may still overheat and the regulator continues to express concern on this issue. The Bank is maintaining its prudent lending policy, while developing anticipatory and monitoring solutions specific to property risk.

Despite the gravity of the pandemic situation, individual value corrections remained very low in 2021.

Country risk

Country risks are widely diversified. Leaving aside France, where the Bank does a significant amount of business through its French subsidiary Banque Cantonale de Genève (France) SA, country limits are applied in particular to international trade financing and to client banks. 2021 was marked by tensions in respect of Ukraine, US and European sanctions against Russia, and the political and economic crisis in Turkey.

Market risks

2021 was an excellent stock market year, with a slight increase in interest rates and the appearance of inflation, which the Swiss National Bank considers temporary at this stage. There may be interest rate rises in 2022. These should be calibrated by the central banks in order to maintain economic growth and so limit market volatility.

Market risks in terms of trading are limited, given the voluntarily targeted trading activity on the Bank's proprietary trading. At the end of 2021, this portfolio mainly comprised BCGE shares, for which the Bank acts as the market-maker (supporting the share's liquidity). Checks on the progress of the share and the quantities held are made daily.

Proprietary investment risk

The long-term investment portfolio amounted to CHF 1.88 billion as at 31.12.2021. These investments protect against liquidity risks; their yield also contributes to results and they allow the Bank to diversify its commitments. 78.3% of the long-term investments are rated AAA, with other securities being in the AA+ to A- range.

BCGE's commitments in the Private Equity Nostro portfolio were CHF 244 million at the end of December 2021. Risks are limited and long-term yields ensured by means of rigorous fund selection methods, and by the diversified investment strategy in terms of geography, currency and business sector.

Operational risks

Operational risks are systematically identified, monitored and declared. Risk mapping and related checks are put in place and regularly assessed, to provide as complete an overall view of operational risks as possible.

Legal and compliance risks

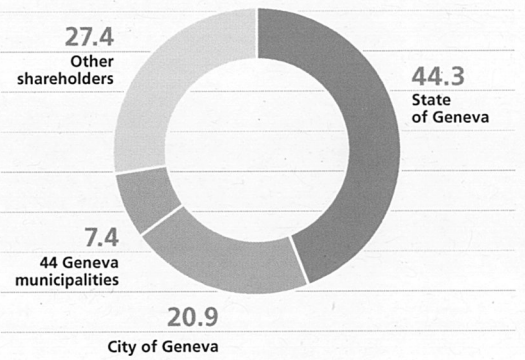
In 2021, the Bank put in place a new tool to automate the monitoring and reporting of compliance risks. This effort will continue during 2022, allowing increasingly precise monitoring of the risks associated with transactions and compliance.

Stock exchange listing
The BCGE share price is progressively adjusting its intrinsic value

The yield on the BCGE share in 2021 was CHF 4.50, i.e. 9% of the nominal value (proposed to the AGM on 03.05.2021). The 2022 dividend therefore represents a 20% increase from the previous year.

- The share was stable in 2021, increasing slightly in value, taking market capitalisation to CHF 1.156 billion, with an equity value of CHF 1.827 billion.
- The Bank's fundamentals are excellent, and this is likely, in the final analysis, to be recognised by the markets.
- There is significant potential for growth, because while at 31.12.2021 the market price was CHF 160.5, the intrinsic equity value per share is CHF 257.6.

Share ownership and voting rights
(%)

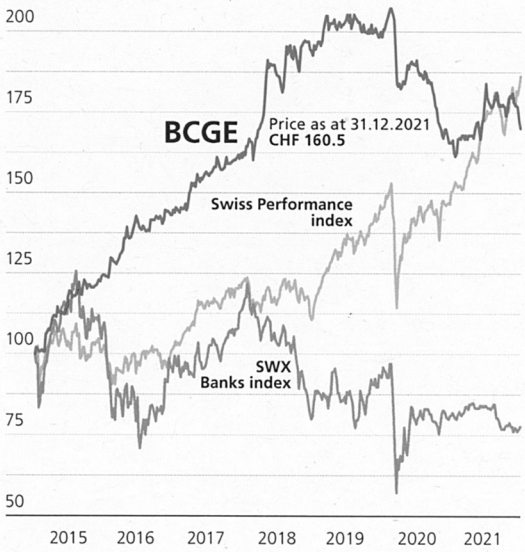


	2021	2020	2019	2018	2017
Data per share (in CHF)					
Shareholders' equity	254	238	232	218	204
Operating profit	24	16	23	22	18
Net profit	17	15	13	13	11
Dividend per CHF 50 share	4.5*	3.75	3.75	3.4	2.9
Stock market data (parent company)					
High and low share prices (in CHF)					
• high	175	204	206	198	166
• low	153	155	192	162	148
• close	161	159	195	192	164
Market capitalisation (in CHF million at 31 December)	1,156	1'145	1,400	1,382	1,180
Number of shares in thousands (historic information)	7,200	7,200	7,200	7,200	7,200

* Proposal submitted to the General Meeting on 3 May 2022.

Comparative evolution of the share price

from 2015 to 2021



Evolution of shareholders' equity and market capitalisation from 2000 to 2020

in CHF millions



BCGE stock exchange reference (symbol)	
Swiss stock exchange listing	SIX Swiss Exchange
Reuters	BCGE.S
Bloomberg	BCGE SW
Telekurs	BCGE
Stock number	35 049 471
ISIN number	CH0350494719

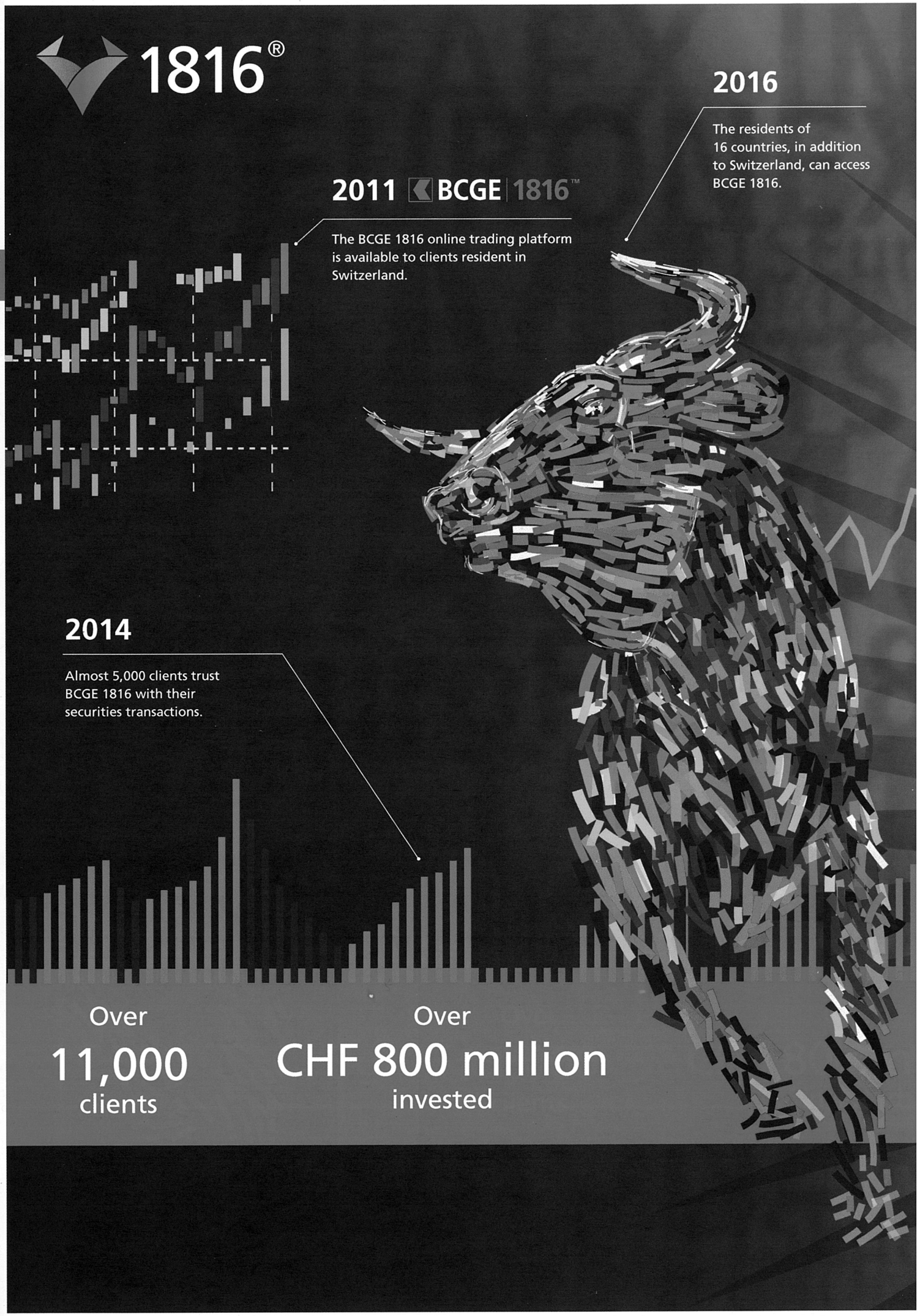
Structure of BCGE capital of CHF 360 million	Number of shares
Registered shares, par value CHF 50	7,200,000

Rating

Standard & Poor's (S&P)
AA-/A-1+/Stable[1]

[1] On 04.11.2021, the Standard & Poor's (S&P) rating agency upgraded the rating of Banque Cantonale de Genève to AA-/A-1+/Stable. Both ratings were increased, namely the AA- rating, which evaluates long-term commitments, and the A-1+ rating, which refers to short-term commitments. "Stable" indicates the development prospects for the institution.

"This rating, from an independent agency, attests to the progressing results achieved by the Bank in recent years, to the resilience of its business model during the pandemic crisis, as well as to its development prospects." **Blaise Goetschin, CEO, BCGE.**


1816®
2016
The residents of 16 countries, in addition to Switzerland, can access BCGE 1816.
2011 BCGE 1816™
The BCGE 1816 online trading platform is available to clients resident in Switzerland.
2014
Almost 5,000 clients trust BCGE 1816 with their securities transactions.
Over
11,000
clients
Over
CHF 800 million
invested

2017

BCGE 1816 becomes 1816, with a new logo and new advertising. Clients resident in Switzerland can access investment funds.

Invest on line with a dependable bank

2020

The number of investors passes the 10,000 mark.



2021

The residents of 45 countries, in addition to Switzerland, can access 1816.

A solid company culture
Respect at the heart of the client relationship; a motivating public service mission; a responsible company

Neighbourhood service

2021 was a complex year for all the teams, who were nonetheless able to stay on course, even during the worst periods of the pandemic crisis. The results are excellent, and all the business lines of the Bank share the credit for them. Despite the restrictions on meeting clients face to face, the Covid lockdowns and the obligatory home working, **the BCGE branch network staff fully maintained their service to the public at large** (particularly the help offered to companies in the form of Covid loans). Given the precarious operating conditions, the business performance must be considered exceptional.

Objective and useful advice

Meanwhile, the entry into force of the **Financial Services Act (FinSA)**, setting out the rules for financial service providers aimed at protecting investors, was seen to be **fully compatible with BCGE's advice-giving philosophy**. Providing clients with transparent information and adhering to a systematic documentation classification process are part of the Bank's historical standards. The **FinSA training, delivered to over 150 advisers in 2021**, encompasses the ethics of advice-giving as applied at BCGE for several years. Similarly, the interests of the client whose needs have been well understood have always prevailed over any policy of persuasive selling of services or products.

Expertise of the teams

Moreover, in order to continue **to respond to statutory and regulatory developments, and also to strengthen the skills of the teams,** the Bank arranges thematic training sessions. In 2021, over 80% of parent-company staff took training courses lasting an average six days on subjects such as: sanctions regimes, regulatory developments, security and crime prevention, data protection, cybercrime, FinSA, SAQ certification (recommended by Finma for all professions in direct contact with clients – a sort of "front-office employee driving licence" guaranteeing a high level of recognised banking expertise). The BCGE investment philosophy also constitutes a major part of training.

Staff employability

One of the virtues of the Bank's training programme is also that it raises the staff employability level, as most of the **BCGE training leads to qualifications**. Since 2016, BCGE has worked in partnership with the Latin cantonal banks (BCL) for its adviser certification and continuing re-certification programmes, to maintain technical knowledge levels. It collaborates closely with the Institut Supérieur de Formation Bancaire (ISFB), Visioncompliance, Fintelligence and Mendo. **In 2021, over 133 new front-office business certifications were obtained by the Bank's client advisers.**

Spirit of innovation

The Bank also organises the Management Championship, an annual three-day seminar **for its senior executives, to promote the spirit of enterprise and innovation**. In 2021, this central event in the Bank's process of governance was held in Zurich. Its focus was on such topical issues as the challenges of environmental policy and biodiversity in corporate strategy; the challenges of a financial world going through accelerated digitalisation; and the central banks and their vision of sustainable development.

Career development

In addition, **BCGE employs 32 young trainees**, of whom 26 are taking external courses with the aim of achieving a CFC, a diploma or a federal diploma of higher education: apprentices, trainees, high school graduates or students at HEG (Geneva School of Business Administration) or with AKAD Banking+Finance. Every summer, **it offers between 20 and 40 two-month internships to Geneva students and regularly takes on university graduates as trainees** (9 in 2021) in areas such as finance, compliance, organisation or taxation.

Lastly, **the Bank consistently manages its succession process** to prepare the handover from staff approaching retirement age, to ensure continuity in the high-level specialist roles, and to guide the professional development of its staff of all ages. Moving from one business unit to another, gaining experience in one of the Bank's subsidiaries or becoming a branch manager just a few years after finishing an apprenticeship: all these are normal occurrences at BCGE.

Similarly, pension fund regulations allow optional flexibility as regards retirement age. Staff are expected to be willing to adapt, but at the same time, attractive development opportunities are available to those with ambition.

Specific remuneration models

At the end of 2021, 886 staff worked for the BCGE Group, i.e. 834 full-time equivalents. The headcount grew 1.5% compared to 2020. Personnel costs rose 7.67% (CHF 159.1 million versus CHF 147.8 million in 2020) as a result of the recruitment of highly skilled staff, adjustments to payrolls and variable components due to a high level of business performance.

Approximately 300 front-office staff benefit from **a mainly quantitatively-based variable remuneration policy. Depending on the business line (private banking, global trade finance, branch network, institutional investors, lending etc.), specific models have been developed to meet BCGE's strategic objectives**. These include penalty criteria if administrative and control duties have not been fully executed, in particular as regards compliance and anti-money-laundering. They are aligned with the interests of clients and those of the Bank – in particular risk management – and set a high value on disciplined administrative management. They reduce the arbitrary element in decisions regarding remuneration awards.

Advantageous staff conditions

Staff also benefit from **substantial indirect financial benefits**, such as BCGE share option schemes and preferential conditions for banking services. They are enrolled in the BCGE pension fund, one of the best in the Swiss financial centre, with generous risk cover.

Staff support structures

The **Staff Committee**, comprising five to seven elected members and representatives of the Bank's various business units is **the main point of contact with the Executive Board and Human Resources** to express staff concerns and contribute to a direct and transparent dialogue. **Staff can also receive completely confidential support**, in the case of professional or private difficulties, via **two independent external resources: the Service social Inter-Entreprises (https://ssie-ge.ch/)**, which promotes healthy and constructive working environments, and **a trusted professional mediator**, who assists on an ad hoc basis in the event of personal difficulties or conflict.

In practice...

A fair employer

On the basis of data at 30 September 2021, the Bank commissioned consultants RH Comp-On to verify, in line with the SGS Fair-ON-Pay certification standard, compliance with gender salary equality. The Logib analysis compliant with all federal guidelines shows that the gender pay gap is within the 5% tolerance limit. SGS thus **awarded BCGE its "Fair-ON-Pay+" certificate, which qualifies the company as a fair employer and highlights its sustainable commitment to equal pay.**

A responsible employer

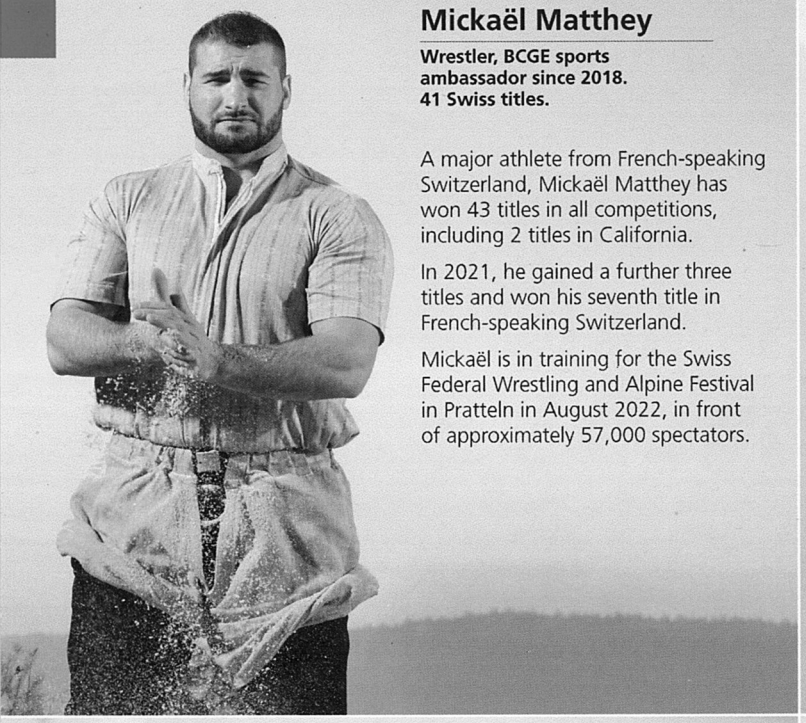
In 2021, BCGE again received the "1+ for all Responsible Employer" label, which is presented to companies offering permanent contracts to suitably qualified Geneva residents registered with the cantonal employment office. Awarded for a period of two years by the Department of the Economy and Employment (DEE), the **"1+ for all" label recognises local commitment to employment and social integration through work.**

A company that trains its people

- BCGE is a recipient company of the "We train pros – a company that trains people" seal. **This seal**, awarded by the State Secretariat for Training, Research and Innovation (SEFRI) jointly with the cantons, **tells a company's clients and business partners that the company has an apprenticeship programme**. It is a powerful symbol in favour of vocational education, recognising companies that are committed to training.
- BCGE received the **"Company that provides training and supports performance sport" for the training year 2021/2022, awarded by Swiss Olympic**. It takes pride in being involved in this programme, which aims to help young elite athletes get their first paid professional experience, and allows them to organise their working time around their training and competitions.

Approved 2021/2022
Entreprise formatrice favorable au sport de performance

Commitment and performance
BCGE supports top-level athletes as ambassadors for the institution



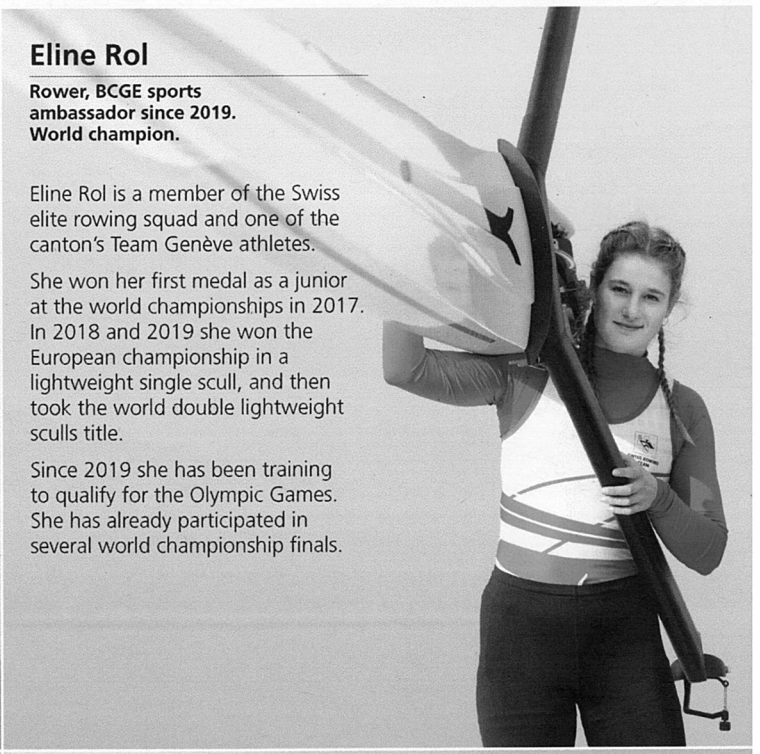
Mickaël Matthey

**Wrestler, BCGE sports ambassador since 2018.
41 Swiss titles.**

A major athlete from French-speaking Switzerland, Mickaël Matthey has won 43 titles in all competitions, including 2 titles in California.

In 2021, he gained a further three titles and won his seventh title in French-speaking Switzerland.

Mickaël is in training for the Swiss Federal Wrestling and Alpine Festival in Pratteln in August 2022, in front of approximately 57,000 spectators.



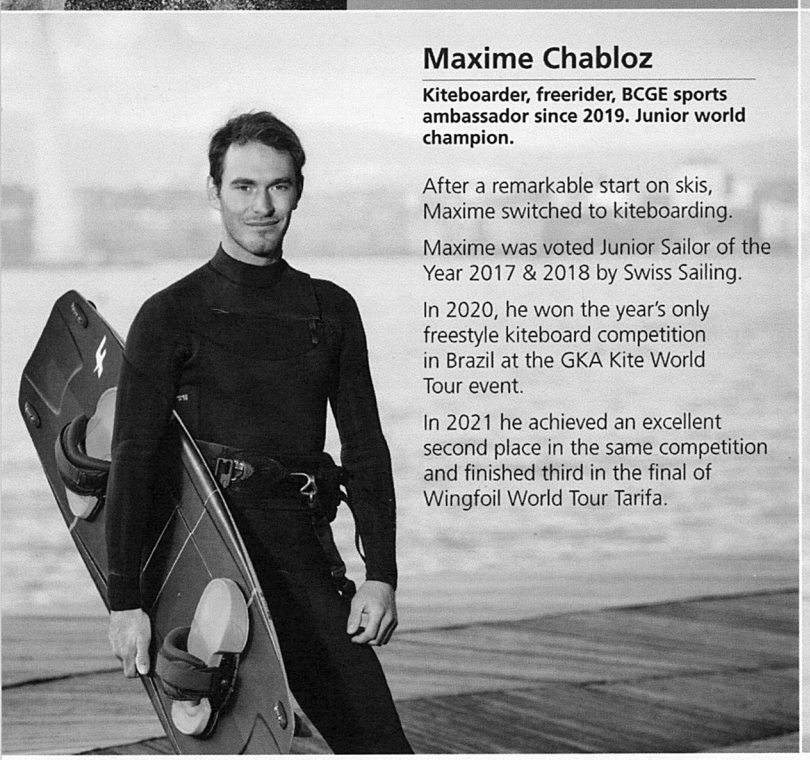
Eline Rol

**Rower, BCGE sports ambassador since 2019.
World champion.**

Eline Rol is a member of the Swiss elite rowing squad and one of the canton's Team Genève athletes.

She won her first medal as a junior at the world championships in 2017. In 2018 and 2019 she won the European championship in a lightweight single scull, and then took the world double lightweight sculls title.

Since 2019 she has been training to qualify for the Olympic Games. She has already participated in several world championship finals.



Maxime Chabloz

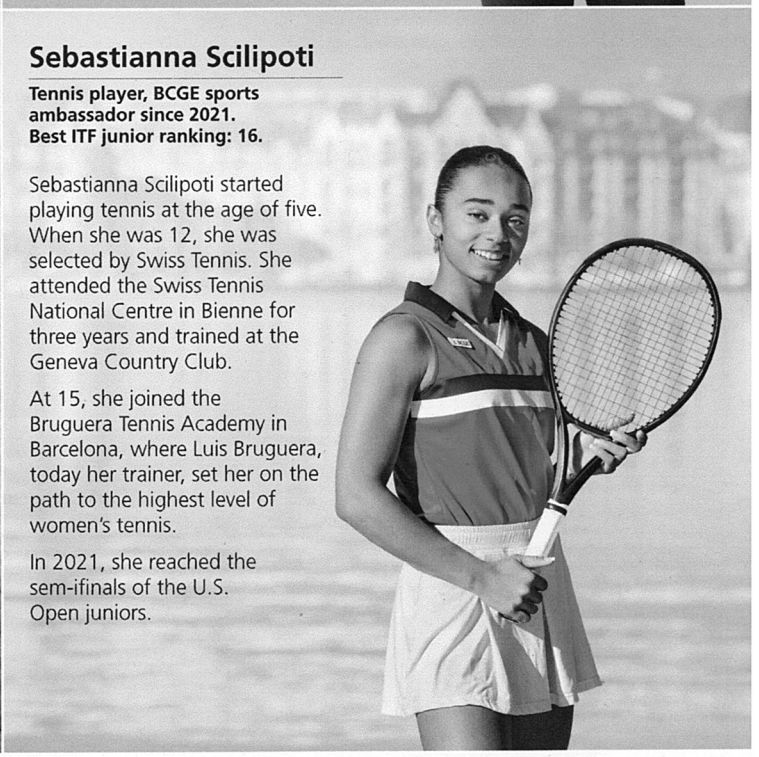
Kiteboarder, freerider, BCGE sports ambassador since 2019. Junior world champion.

After a remarkable start on skis, Maxime switched to kiteboarding.

Maxime was voted Junior Sailor of the Year 2017 & 2018 by Swiss Sailing.

In 2020, he won the year's only freestyle kiteboard competition in Brazil at the GKA Kite World Tour event.

In 2021 he achieved an excellent second place in the same competition and finished third in the final of Wingfoil World Tour Tarifa.



Sebastianna Scilipoti

**Tennis player, BCGE sports ambassador since 2021.
Best ITF junior ranking: 16.**

Sebastianna Scilipoti started playing tennis at the age of five. When she was 12, she was selected by Swiss Tennis. She attended the Swiss Tennis National Centre in Bienne for three years and trained at the Geneva Country Club.

At 15, she joined the Bruguera Tennis Academy in Barcelona, where Luis Bruguera, today her trainer, set her on the path to the highest level of women's tennis.

In 2021, she reached the sem-ifinals of the U.S. Open juniors.

Banque Cantonale de Genève is proud to be represented by elite Swiss athletes who embody the same values of commitment and performance as the Bank. These are long-term partnerships built on strong principles, common to sport and finance, based on respect for strict rules, shared convictions and application of distinctive methodical choices. Within the scope of their partnership, the four athletes take part in exclusive BCGE events for young people, in which they talk about their sporting careers and the work they have put in to be able to reach championship level. They also allow their images to be used to illustrate the Bank's various marketing and communication materials.

Ethical and environmental responsibility policy

A cantonal bank is by nature based on the concept of serving a community

Ethical and environmental responsibility policy
Overview

1.	**Introduction**	31
2.	**Context**	31
3.	**Ethical and Environmental Responsibility Policy (EERP)**	32
4.	**Stakeholders – Objectives and evaluation 2021**	32
5.	**Values and convictions – partnerships and local support**	42
6.	**Monetary economic impact on Geneva**	43
7.	**Environmental impact management**	44
8.	**Responsible financing and investment**	46

1. Introduction

In accordance with article 2 of the Banque Cantonale de Genève (BCGE) Act of 24 June 1993, "the principal aim of BCGE is to contribute to the economic development of the canton and of the region [...] It shall be managed according to tried and tested ethical banking principles."

The BCGE's stock-market listing testifies to the desire of its public-sector shareholder to see it fully subjected to the competitive environment without any special protection or favour.

There is another key parameter: Swiss banking's increasingly dense normative environment that sets numerous limits, comprising the very intense monitoring undertaken principally by FINMA[1], but also by the SNB[1], as well as federal and cantonal requirements (MROS MROS, MPC, SECO, COMCO[1]).

2. Context

BCGE is an "ordinary" Swiss bank, subject to market laws, that is expected to be competitive and profitable. Its main objective is to ensure that it is economically successful, in line with its mission of service to the community.

Moreover as a financial actor, it must comply with existing regulations, ensure effective risk management and ethical behaviour within all its business lines, and maintain regular, accurate and transparent reporting.

The Bank therefore has to reconcile these two aims with the existential necessity of adapting to the highly dynamic demand in the banking market, in the face of over a hundred competitors in the financial centre of Geneva.

Fully cognizant of this challenge, the government (the Council of State and the Great Council) appended to the relevant act an ethical charter[2] corresponding both to the realities of the banking market and to the moral requirements generated by the concepts of "sustainable development" and "corporate social responsibility" (CSR).

Thus for many years, the Bank has followed a course of conduct inspired by its ethical charter and its social responsibilities, in compliance with its own values as well as its strategic and commercial interest. The fact of being open to scrutiny by the regional economic community as a public-law banking institution, listed on the stock exchange and rated by a major rating agency, obliges it to behave irreproachably for the sake of its reputation.

BCGE's Ethical and Environmental Responsibility Policy (EERP) supplements this course of conduct, as well as the normative environment, by voluntarily including social, environmental and ethical considerations. **It specifies the framework within which BCGE aims to undertake its business and conduct its relationships with its stakeholders.**



[1] FINMA FINMA Swiss Financial Market Supervisory Authority
SNB Swiss National Bank
MRO Money Laundering Reporting Office Switzerland
MPC Office of the Attorney General of Switzerland
SECO State Secretariat for Economic Affairs
COMCO Competition Commission
OCIRT Cantonal inspection and workplace relations department

[2] The BCGE Ethical Charter was adopted by the BCGE General Meeting of Shareholders and by the Great Council of Geneva in 2003

3. Ethical and Environmental Responsibility Policy (EERP)

EERP formalises the Bank's sustainable development process and details how its corporate social responsibility (CSR) is integrated within BCGE's activities.

It is based in part on the Bank's fundamental texts: the Banque Cantonale de Genève Act (LBCGe), the Banque Cantonale de Genève Ethical Charter, and the documentation available at Swiss level, including the following:

- The Swiss Code of Best Practice for Corporate Governance, economiesuisse, February 2016.
- Position and Action Plan of the Federal Council on corporate social and environmental responsibility, January 2020.
- Sustainability in Switzerland's financial sector, Federal Council report, June 2020.
- Sustainable finance in Switzerland: from pioneer to a premier international hub, Swiss Bankers Association publication, June 2020.
- Guideline for the integration of ESG[1] considerations into the advisory process for private clients, Swiss Bankers Association, June 2020
- Comment la Suisse peut-elle rendre les flux financiers compatibles avec les objectifs climatiques? [How can Switzerland make financial flows compatible with climate targets?], Federal Council report, November 2021.

BCGE's EERP constitutes an additional framework that goes further than the regulatory requirements established in laws and set by the supervisory authorities.

It allows the Bank to undertake its activities in harmony with each of its stakeholders, without impeding the operation of its business.

In order to ensure active governance and administration of the PREE, BCGE has defined an organisation incorporating the management bodies at the highest level:

- The Board of Directors adopts the Ethical And Environmental Responsibility Policy and informs shareholders of its application by means of the annual report.
- The Executive Board sets the operational objectives within this policy at Bank level, checks that these have been achieved and produces an annual report for the Board of Directors.
- The EERP committee examines the implementation of policy, formulates positions and proposes improvements to the Bank's various business lines. The committee, made up of representatives of the various divisions and key business lines, reports directly to the Chief Executive Officer (CEO).

4. Stakeholders – Objectives and evaluation 2021

The objectives of the ethical and environmental responsibility policy (EERP), vis-à-vis the community in general and the stakeholders in particular, contribute to BCGE's long-term future existence.

In the following pages, the objectives and their evaluation for 2021 are discussed in relation to each category of stakeholder:

- **shareholders: page 33,**
- **clients: pages 34 – 35,**
- **staff: pages 36 – 37,**
- **community: pages 38 – 39,**

according to the following rating scale:

★★★ Objectives fully achieved

★★ Some improvements and projects under way

★ Priority area for improvement

[1] ESG: Environmental, Social and Governance

The shareholders

Its shareholders are vital, as they provide the equity base and the risk capital needed for all banking activities. It is important to motivate them with a high level of earnings and a well-balanced dividend policy. Economic success enables value to be created for public and private shareholders in the form of dividends, taxes and increased wealth. As can be seen, BCGE's shareholder base is a particular one, as it is mixed (public and private), with an important role played by the State of Geneva, the City of Geneva and the Geneva Municipalities in addition to a growing number of private shareholders, mainly comprising clients, staff and institutions.

Objectives	Action	Effectiveness measurement criteria
To operate a form of corporate governance that complies with the stakeholders, highest expectations	Ensure compliance with legislation, regulations and recognised good practice standards. Provide complete and transparent information for shareholders. Keep to the principles of separation of functions, clear definition of the perimeter of responsibility and political neutrality, except as regards issues directly affecting the Group's interests. Adopt a transparent remuneration policy that rewards expertise and responsibilities and ensures the principle of independence in salary decision-making processes. Monitor the remuneration systems for the Board of Directors and the Executive Board so that they are in line with the wealth-creation interests of the shareholders.	General Meeting procedure and voting results Quality of the annual report Ratings-agency ratings ★★★
To inspire loyalty in our community of public, private and institutional shareholders	Operate a strategic plan that ensures the long-term development and growth of the Bank. Ensure open institutional communication and regular meetings with analysts. Produce publications that are of use to economic decision-takers in Geneva and to the Bank's clients.	Return on equity (ROE) Investor communication Level of equity coverage Number of client shareholders ★★☆
To guarantee shareholders a return in line with the market and compatible with the Bank's long-term development	Ensure that there is a balanced distribution policy.	Dividend Market capitalisation Return on the share ★★★

The clients

Clients are a decisive factor for a Bank's success. BCGE aims to retain the loyalty of individual clients and their families as well as that of companies, over several generations if possible. This long-term commitment demands a great respect for the clients' interests and a very high level of quality advice (including the ethical practice aspect). The production processes of its banking services must offer the best quality and be formalised in order to provide consistency over time. In the field of business finance, specific rules of engagement must enable small firms and tradespeople to be treated with fairness and respect. In the area of lending and investment, care must be taken that projects contrary to the Bank's principles of social responsibility are not supported. Moreover, clients must be offered investment vehicles that contribute to the development of a sustainable economy and which are both credible and high-yielding.

Objectives	Action	Effectiveness measurement criteria
To offer competitive services that meet the needs of clients	Develop a wide range of banking products for individual and business clients: creation, transmission and takeover. Carry out independent market studies to improve the range of services offered: quality of service, equipment level, client satisfaction. Inform clients of the advantages and risks associated with the Bank's products. Ensure a transparent retrocessions policy. Operate a fair marketing policy.	No justified criticism in the specialised press Results of market studies and service quality tests ★★★
To protect the personality and fundamental rights of persons who are the subject of data processing	Guarantee the respect of the legal framework as regards the protection of personal data (Swiss Data Protection Act – LPD). Train staff in personal data protection. Apply a continuous improvement process as regards personal data protection.	No information leaks (complaints/claims) ★★☆
To ensure the security of data and combat cybercrime	Guarantee the protection of information systems and data administered by the Bank. Ensure that the information system is confidential, appropriate in terms of access granted to users, and that its operation is uninterrupted. Train staff in matters of cyber risks and IT systems security. Apply a continuous process of securely protecting the information system against all new cyber threats.	No significant security incidents (complaints/claims) ★★★
To select clients so as to avoid associating the Bank with practices worthy of criticism	Carefully select clients who use deposit and lending services, avoiding relationships which may cause problems. Prevent the services of the Bank being misused for money laundering or to finance terrorism Develop systematic checking processes for situations which may be pre-identified as involving reputational risk. Ensure that the Bank adheres to usual ESG (Environmental, Social and Governance) standards in international trade finance. Award lines of credit in accordance with country risk and on the basis of in-depth analyses. Apply strict financing standards in the lending business.	No reputational incidents ★★★

Objectives	Action	Effectiveness measurement criteria
To make available financial services for investment and pension planning that respect the long-term interests of clients	Seek the best investment solutions for clients. Develop simple and clearly understandable products orientated towards the long term and not short-term speculation. Allow investors to check their mandates at regular intervals. Advise clients in matters of financial and wealth security (advice plan: "BCGE Bastion").	Absence of justified complaints, legal cases or referrals to the ombudsman regarding the Bank's mandates,financial products, advice, or tariffs ★★★
To give all clients access to plainly worded, high-quality financial information	Publish explanatory documents about BCGE services and key financial issues. Organise themed lectures on specific topics for clients every year.	Holding of scheduled events, attendance rate, client satisfaction measurement ★★☆ *The number of events and contacts was reduced 2021 in due to the lockdown measures*
To effectively organise complaints and claim procedures	Have in place administrative and procedural instructions for processing complaints. Ensure regular tracking of complaints through reporting at Executive Board level. Keep an inventory of complaints against the Bank and regularly inform the Board of Directors about this. Ensure regular monitoring of satisfaction rates in the reports. Undertake mystery client enquiries on a regular basis.	Client satisfaction rate Number of cases referred to the ombudsman Number of complaints justified ★★☆
To treat all clients equally, whatever the level of their assets	Apply a uniform pricing system for services, whatever the extent of the client's resources. Refuse to segment clients in a manner that excludes or downgrades those with modest assets. Develop loyalty programmes (Avantage service).	Review by the Executive Board, pricing controls by the Marketing department ★★★
To offer financial products that incorporate ESG (Environmental, Social and Governance) criteria	Develop the "Responsible performance" programme communication, expand the product range. Maintain a range of responsible investment (RI) products as part of the asset management business. Increase transparency in terms of the ESG profile of the financial products offered. Implement the commitments undertaken under the auspices of the United Nations Principles for Responsible Investment (UNPRI). Train professionals (managers, analysts, advisers) in the importance of responsible investment (RI). Apply preferential rates in financing projects that are especially respectful of the environment (Minergie mortgage, Sustainable renovation project loan, "green" leasing, etc.	Provision of a complete range of products under the "Responsible performance" label Growth of ESG / IR assets Progressive introduction of independent ESG rating of investment products ★★★

The staff

In a services and advisory company, the quality, commitment and loyalty to the company of its staff are preconditions for its survival and growth. A company mindful of its future development does its best to motivate and maintain the loyalty of the staff it recruits. In addition to its obligation to reward individual performance and expertise fairly, it should treat its staff with respect, in a non-discriminatory manner, and support their professional development. BCGE's human resources policy puts these principles into practice *(see further information on pages 26 – 27 of this report)*.

Objectives	Action	Effectiveness measurement criteria
To offer working conditions that stimulate creativity and a high level of productivity	Provide the Human Resources department with responsibilities and the means for action. Maintain a regular dialogue with the Staff Committee and give it the means to accomplish its task. Avoid job specifications that are too repetitive, and foster internal development. Cooperate with the mediator and the Service Social Interentreprises. Ensure high-quality internal communication. Recognise entrepreneurial spirit, collaboration between group departments or entities and exceptional performance through the awarding of prizes. Provide facilities encouraging physical exercise: bicycle parking, changing rooms, sporting activities on site etc.	Audits by the cantonal inspection and workplace relations department (OCIRT) Number of Employment Tribunal cases and decisions ★★★
To ensure equality of opportunity without regard to origin, gender, nationality or religion	Ensure the Bank's political and ideological neutrality. Value talent and personal commitment. Support training with ambitious course contents, encourage career development. Guarantee a selection system (in terms of recruitment and promotion) that is impartial and fair. Apply sanctions when this standard is not respected. Ensure that equal pay requirements are being adhered to.	Adherence to stated principles External certification attesting to equal pay practice (Fair-ON-Pay) Respect legal criteria as regards gender representation ★★★

Objectives	Action	Effectiveness measurement criteria
To provide opportunities for career development	Monitor talents and ensure career progression is prepared for. Facilitate internal mobility. Evaluate performance objectively and confidentially. Encourage employees to maintain and develop their skills.	Changes in the annual training budget Number of positions filled by internal promotion ★★☆
To develop a high level of skills, favourable to personal professional development	Implement a systematic and demanding training policy (front office, control and risks). Ensure staff employability. Obtain recognition as the best employers in the financial centre.	Award of SAQ (Swiss Association for Quality) certifications Training days per employee Keeping "1+ for all", "Entreprises formatrices", "Fair-ON-Pay" ★★★
To align remuneration purely in the interest of the company, clients and shareholders	Put in place clear and precise internal rules. Align remuneration policies with long-term strategies and the interest of the shareholders and clients. Offer share option plans to all staff to involve them in long-term performance.	Staff turnover rate Loss of talent Proportion of equity owned by staff ★★★
To promote an attitude of integrity and responsibility in management	Train all senior managers in the values, strategies, methods and terminology used within the Bank, while respecting the management styles specific to the various business lines. Transmit BCGE's values: courage and independence of mind, integrity, commitment and hard work, attention to detail and ability to make the theoretical concrete. Promote team building in the annual management championship.	Regular holding of management development courses / events ★★★

The community

This general concept covers several areas, including the equitable distribution of services (non-discriminatory location and fair pricing system); supporting socially responsible associations; creating value for public authorities (taxes, fees, donations, salaries paid); and fulfilling its statutory mission of contributing to the development of the economy.

Objectives	Action	Effectiveness measurement criteria
To create value for the public authorities	Ensure the long-term development of the Bank. Respond to all the needs of the public authorities in terms of financing, deposits and advice. Remain the leading provider of social or cooperative housing finance in Geneva.	Taxes, duties, salaries, jobs, other contributions Volume of financing of social and cooperative housing ★★★
To support investment in Geneva	Measure investments and major expenditure in the Geneva economy through use of the strategic indicators. Favour local suppliers, if quality and price are equal.	Publication of investments in the Geneva community *(see table on page 43 of this report)* ★★☆
To contribute to the strength of the Geneva financial centre by profiling itself as a major provider of banking expertise	Train apprentices and graduate trainees. Offer summer internships to Geneva students. Contribute actively to developing training institutions. Maintain the expertise and decision centre in Geneva.	Number of young people inducted into the training programmes (high school leavers, graduate trainees, apprentices) Retention of the "1+ pour tous", "Entreprise formatrice" labels ★★☆
To be geographically accessible and available to all	Maintain neighbourhood services by adapting the branch concept and the services offered. Ensure the progress of digital services: the phygital branch is part of the ATAWAD (any time, any where, any device) concept, with the digitalisation of our processes and a multichannel approach. Keep practical opening times. Ensure that disabled people are helped in the branches.	Number of branches and automated / digital banking facilities available to clients Measures to benefit reduced- mobility clients Ability to meet client satisfaction seven days a week ★★★

Objectives	Action	Effectiveness measurement criteria
To support social action	Support local social action by means of a dedicated budget. Work closely with the Fondation Patrimoine. Participate actively in the social projects of the Association of Swiss Cantonal Banks: FinanceMission and jeunesetbudget.ch	Number of associations supported in adherence to the established criteria ★★★
To promote respectful and efficient use of natural resources	Optimise use of natural resources in renovation work. Promote recycling of waste. Raise staff and partner awareness of the importance of environmental issues. Select suppliers on the basis of their adherence to employment law and environmental standards in force. Reduce the consumption of resources through an active outsourcing policy. Produce bank services with partners that have ethical and environmentally respectful policies.	Adherence to internal directives ★★★
To encourage environmentally-friendly transport	Prioritise use of public transport for business travel. Keep to an environmentally-friendly transport policy for staff (encouraging use of public transport, etc.).	Monitoring of programme ★★★
To operate an ethical and environmental responsibility policy (EERP) in line with external realities	Follow developments in public debate (e.g. publication in 2019, of a study on sustainable development, in partnership with CCIG [Geneva Chamber of Commerce, Industry and Services] and OCSTAT [Cantonal Statistical Office]. Support the committee responsible for examining the implementation of the ethical and environmental responsibility policy and proposing improvements. Organise regular meetings of the EERP committee and prepare follow-up reports for the Executive Board. Sustainable finance leader appointed (Mr Laurent Brossy, Institutional Portfolio Manager).	Iterative adaptation of the EERP ESG rating of the BCGE Group by an independent agency (*MSCI ESG Research*) ★★★
To protect the environment	Set environmental impact reduction objectives in the strategic plan (in terms of heating, paper consumption, etc.) Carbon audit to be undertaken by an independent body. Ensure ESG[1] selectivity in terms of long-term investments, capital investment (private equity) and lending in general. Adopt ambitious eco-efficiency measures that are proportionate to the Bank's size and which are inspired by the ISO 14001 environmental management standard.	Environmental audit Carbon audit Minimum long-term exposure to environmentally-sensitive borrowers ★★★

[1] Environmental, Social and Governance

Environmental responsibility
BCGE Group
Four areas of impact

The company

Systematic effort to reduce the environmental footprint

- Reduced consumption of resources (i.e. energy, consumables etc.) and responsible waste management.
- Building rehabilitation.
- Green IT concept.
- Responsible purchasing policy, aiming at respect for the environment.
- Travel and support for environmentally friendly transport for staff (Geneva public transport, Swiss Federal Railways etc.)

Electricity consumption

- 100% hydropower at all the Geneva sites.
- 100% renewable for the Lausanne, Basel and Zurich subsidiaries.

Heating

- **GeniLac** (renewable energy) for the Quai de l'Ile head office (currently being installed), with an investment of over CHF 20 million.
- In premises owned by BCGE, natural gas is mainly used.

Carbon audit

- Complete CO_2 audit carried out by Swiss Climate (*see page 44*).
- Awarded the CO_2 Fooprint label.
- Process leading to carbon neutrality.

The SIG éco21 certificate attesting to the implementation of promised energy performance measures that allow reduction of electricity consumption and greenhouse gases.

Financial investments on its own account

In terms of its own financial assets, the Group is chiefly exposed to first-class bond issuers (AAA – A).

Share of energy in long-term investments

Share of direct investments in fossil fuels in 2021: only 0.74%.

BCGE's exposure to the energy sector is therefore very low in terms of the Bank's investment portfolio and negligible in terms of the balance sheet.

Environmental impact

The company	Financial investments on its own account
Low	Nil
BCGE is a model company in terms of reducing its direct environmental impact. **It is a public-private partnership and 77% of the added value created goes back to the public authorities.** **It is rated "A" by MSCI ESG Research and"NEUTRAL" by S&P Global (independent ratings).**	**Minimal share of fossil energy in BCGE's own assets.**

Management of financial assets for clients

Responsible investments (ESG)[1]

In 2021, the assets of the BCGE Group that are managed in line with responsible investment strategies grew strongly, to a total of almost CHF 2.4 billion, representing approximately 25% of assets under management.

Locally mobilised savings are mainly used to fund loans to the regional economy (on the circular economy principle).

A range of "Responsible performance" services to meet the highest ethical and environmental standards

Clients who wish to do so may subscribe to investment vehicles fulfilling ESG[1] criteria.

One of the Bank's objectives is to identify the shares of companies that best contribute to improving quality of life (Synchrony (LU) World QualiLife Stocks fund).

Signatory to the United Nations Principles for Responsible Investment (UNPRI).

The "ESG[1] profiles" of the Synchrony funds (governed by Swiss law) are systematically and transparently disclosed.

The analyses are based on the research and the evaluations supplied by **MSCI ESG Research** (independent rating body).

Private cryptocurrencies are prohibited, due to their compliance risk and their poor carbon profile.

Financing the economy

As the principal provider of finance for housing– in particular social – in Geneva, the Bank is assisting and financing the energy transfusion of local residential buildings.

A local pillar of SME finance, the Bank talks to its clients about the energy transition and guides them through the issues.

Provider of finance to import-export companies, including commodity trading companies.

- The Bank examines the environmental profile of each client.
- It finances commercial transactions that benefit the public (food, heating, transport).

Low

The apportioned assets are orientated in line with the clients' preferences.

For over 20 years, BCGE has provided them with ESG[1] investment solutions.

Moderate

In accordance with its mandate, BCGE is at the service of all companies.

It does not discriminate in the granting of credit or in its conditions.

It assists and facilitates the energy transition by means of its financing and advice.

[1] ESG: Environmental, Social and Governance

5. Values and convictions – partnerships and local support

BCGE offers targeted support to social initiatives and local events, and regularly works with associations active at cantonal level.

- **Raising young people's awareness of budget management: a concrete social commitment by the cantonal banks[1]**

FinanceMission

Helping young people understand the value of money and to manage it responsibly from a young age: these are the aims of the FinanceMission initiative, devised by the teachers' federations of French-speaking and German-speaking Switzerland and the 24 cantonal banks[1].

jeunesetbudget.ch

Launched by the cantonal banks, the online magazine jeunesetbudget.ch deals with matters relating to children and money. It gives parents access to information, advice and pointers about issues such as pocket money, cash gifts, budgeting, debt etc.

BCGE supports projects that help promote the financial education of young people and that lay the foundations of conscious and competent money management.

- **Promoting the wealth and diversity of skilled trades in Geneva**

BCGE has sponsored the *Prix de l'Artisanat* [craftsmanship award] since 1999. It was created in 1991 and aims annually to highlight the skills of a Geneva tradesperson, their commitment to training the next generation and the transmission of their knowledge. Presented under the aegis of the Association des Communes Genevoises (acg.ch), it is awarded by the State of Geneva to illustrate the richness and diversity of the canton's skilled trades.

The 2021 *Prix de l'Artisanat* was awarded to Matthias Bieri, a cheesemaker from the Geneva municipality of Avully, who, as a young entrepreneur, aims to apply a strong sense of sustainable development to the production process.

The awards ceremony traditionally includes a film to present the prize-winning business. The video, and its predecessors, are available on BCGE's YouTube channel(*youtube.com/c/BanqueCantonaledeGenève*).

- **Encouraging top-level Swiss athletes, the institution's ambassadors**

BCGE sponsors Swiss elite athletes Séverine Pont-Combe (alpine skier) from 2018 to 31.12.2021, Mickaël Matthey (wrestler) since 2018, Eline Rol (rower) since 2019, Maxime Chabloz (kiteboarder, freerider) since 2019, Sebastianna Scilipoti (tennis player) since 2021.

These athletes, BCGE ambassadors[2], uphold the same values of commitment and performance as the Bank. These are long-term partnerships built on principles common to sport and finance, contingent upon respect for strict rules, the application of distinctive methodical choices and shared convictions.

- **Neighbourhood sponsorships**

The Bank's chosen sponsorship activities are an integral part of its overall marketing plan and focus on popular local events. These sponsorship activities are based on shared values and reciprocity in terms of visibility and recompense; particularly the promotion of the Bank's products and services in accordance with the priorities defined by the Bank, as well as the development of awareness of its business lines and its brand image.

In 2021, BCGE established around 30 sponsorship agreements aimed at supporting local events relating to culture, sport, real estate and the economy.

[1] The cantonal banks are grouped within the Association of Swiss Cantonal Banks (UBCS), which stands for the common interests of its members vis-à-vis third parties.

[2] To find out more about the athletes, go to page 28 of this report and to bcge.ch/en/partenariats > Patronage and Sponsoring > Sports sponsoring

To see interviews with the athletes: Dialogue Winter 2020/21 p. 22–23, Dialogue Summer 2021 p. 20–21, Dialogue Winter 2021/2022 p. 22, and BCGE's YouTube channel I Playlist BCGE I Nos ambassadeurs sportifs.

- **A commitment to social well-being through a policy of targeted donations**

Requests for donations received by the Bank are periodically examined together by a committee, with a view to supporting, each in turn, charitable, social or humanitarian associations in Geneva and the region; direct help is also extended to persons in precarious situations.

The Bank may, on an ad hoc basis, call upon the Fondation immobilière Patrimoine (FIP) [Heritage Property Foundation], founded by BCGE in 1996, with the aim of supporting cultural, social and sporting activities of general interest in the Canton of Geneva and the region.

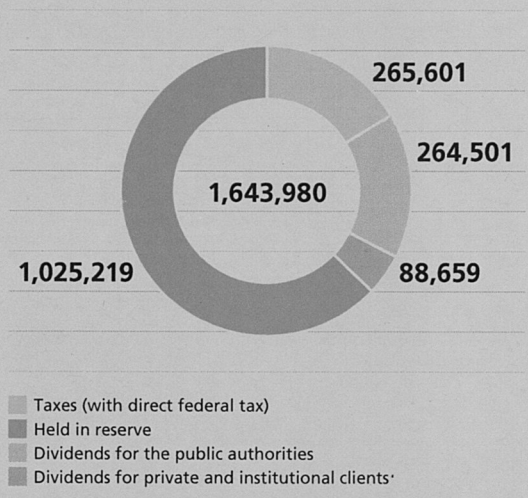
In 2021, BCGE supported nearly 40 local charitable associations, active in the following areas: poverty relief among young people, women, families and the elderly (with a focus on housing, meals, and financial, social, administrative and legal aid); physical and mental disability (assistance and daily activities, participation in sport); medical /preventative health research and support for people ill at home or in hospital; social reintegration and assistance to marginalised people.

6. Monetary economic impact on Geneva

The constitutional mission of the Banque Cantonale de Genève is realised in the form of the services offered to its clients, to companies and to Geneva's public and parastatal organisations, and by generating dividends, stock market gains and taxes, which directly benefit Geneva's public authorities.

In 2021, the BCGE Group paid the equivalent of **CHF 256** per household in dividends and taxes to Canton of Geneva and the Geneva municipalities, i.e. a total of nearly **CHF 50.5 million**. Since 2000, it has created more than CHF 1.6 billion in value, with **78%** of this amount – **CHF 1.27 billion** – going to the public authorities.

Breakdown of results 2000-2021
In CHF thousands



The Group paid suppliers in Switzerland **CHF 103.5 million** for goods and services. A major proportion of this amount was paid to Geneva-based companies or to the Geneva entities of companies invoiced in other Swiss cantons, such as Swisscom.

The Bank's tax policy focuses on meeting all direct and indirect tax payment requirements, as a company and as an employer, in all the countries in which it operates, and attributing income and costs in line with the location where operations are recorded.

	Taxes paid in 2021, including business and tourism taxes (in CHF 1,000)	Proportion of total taxes paid (%)	Rate of tax, excluding VAT (%)
Canton of Geneva and Geneva municipalities	15,136	49.2	7.7
Other Swiss cantons and municipalities	797	2.6	0.5
Swiss Confederation	10,709	34.8	6.1
Foreign	4,129	13.4	2.4
Total	**30,771**	**100.0**	**16.7**

See also point 5.39 on pages 113 and 140.

7. Environmental impact management

A daily effort

Every day, BCGE monitors its impact on the environment, for example by progressively diminishing its carbon footprint, improving the management and energy efficiency of its buildings, using recycled paper (or paper from sustainably managed forests), by reducing its overall consumption, and by practising responsible waste management.

Reducing the Bank's carbon footprint

BCGE manages, measures and is reducing its carbon footprint and its consumption of resources. **The Bank commissioned the Swiss Climate company to undertake a carbon audit in 2021, on the basis of 2020 data.** This provides an overview of its carbon status, so that it can monitor the situation and take action to reduce its impact.

CO_2 assessment

In 2020, BCGE's carbon footprint was assessed as 1,955 tons of CO_2 equivalent. This assessment, which the Bank will strive to improve, will serve as a benchmark for future years.

Emissions (tons of CO_2)	2020	Share as %
Heating	846	43%
Commuter journeys	601	31%
Paper, printing and dispatch	173	9%
IT equipment	149	8%
Business travel	98	5%
Restaurants	50	2%
Electricity consumption	17	1%
Waste	14	1%
Water	8	0%
Total emissions	**1,955**	–
Total emissions per FTE	**2.6**	–

Source: Swiss Climate SA

The Swiss Climate CO_2 Footprint label

In 2021, BCGE was awarded Swiss Climate's CO_2 Footprint label. The Swiss Climate label, which is awarded to companies implementing an overall climate strategy, has been recognised by PUSCH[1] (the Swiss practical environmental foundation) as being the best in the area of climate protection. It is also validated by an independent auditor that adheres to the ISO 14064-1 and the Greenhouse Gas Protocol international standards, guaranteeing its traceability and independence.

CERTIFIED
CO₂ FOOTPRINT
by Swiss Climate

Building rehabilitation

BCGE is continuing to transform and renovate its premises in a cost-effective, environmentally-friendly manner, working with the cantonal authorities, architects and engineering firms; as during the remodelling project at the new Versoix branch. Each time it renovates a branch, BCGE achieves a substantial energy saving of an average 30%.

Since October 2021, BCGE's head office at Quai de l'Ile has been connected to the GeniLac thermal network. The buildings are now cooled and heated by the water of Lake Geneva, by means of a system using 100% renewable energy, which will eventually produce no CO_2 emissions. This is only the first stage of vast project to completely renovate our head office building, in which the energy aspect predominates.

[1] Pusch is committed to conservation of the environment, the sustainable use of resources and to richly biodiverse habitats. Thanks to its practical knowledge and concrete action, the foundation helps municipalities, schools and companies to conserve the environment. It provides a huge range of continuing education courses, information days, material to raise public awareness and practical courses on the environment. Over 60,000 school pupils and thousands of adults benefit from these every year. Pusch is a recognised public interest organisation, with legal entitlement, and does not depend on any political party.(*pusch.ch/fr/pusch-en-bref*).

Green IT and energy performance

BCGE, which adheres to the principle of "green IT", is improving the energy performance of its computer equipment. When it has to choose new equipment, the Bank takes decisions based on economic and environmental criteria. Continuous renewal of all IT infrastructure thus enables access to the latest technology (virtualisation, centralised storage, sharing computer capacity), while ensuring compliance with future environmental data centre standards. Mindful of the need for simplification and optimisation, BCGE has chosen to host the majority of its IT infrastructure in an external data centre, thus enabling reduced electricity consumption and heat generation.

At the same time, the Bank is continuing to expand its videoconferencing system, particularly to link with more distant sites. The aim is to foster staff communication, while reducing business travel.

Responsible purchasing policy

Whenever building work is undertaken, BCGE pays particular attention to the materials used (whether it purchases them itself or they are provided by sub-contractors), and to its suppliers, making sure that they fulfil their obligation to sort their waste.

When purchasing or acquiring capital equipment or ordering consumables, the Logistics department applies the BCGE Group's purchasing conditions, which emphasise respect for the environment. It adheres to the responsible business purchasing guide published by the canton's Sustainable Development Service (SCDD).

Waste management

Within the ambit of recycling, BCGE's facilities management pursues its mission responsibly, by centralising and sorting business consumables (paper, used ink cartridges, IT components) on the Bank's premises. Staff contribute by disposing of personal waste (batteries, plastics, aluminium) at dedicated collection points. Each employee has two waste bins, one for paper, the other for non-recyclable waste. Since 2019, BCGE has recycled its coffee capsules.

Transport and green mobility

Most internal mail deliveries are made by a service provider who is requested to use vehicles in the least polluting category of the Euro 5 standard. City-centre deliveries are performed on foot, and light mail is delivered by a supplier using bicycle couriers. To assist in technical maintenance operations in its various buildings, the Bank possesses a 100% electric utility vehicle.

BCGE encourages the use of public transport by providing staff with a free TPG (Geneva public transport) season ticket together with an incentive allowance. 25% of employees working in Geneva benefit from these, at a total cost of CHF 177,855, which is entirely covered by the Bank. Special conditions are offered to staff at sites outside Geneva. The Bank also recommends that when its staff travel on business, they take trains and other public transport as much as possible.

Moreover, with the highest density of branches in the canton of Geneva (21 branches), BCGE promotes the concept of proximity to clients, enabling them to minimise their car journeys and to use the public transport links connecting all the Group's branches.

Consumables	**2021**	2020	2019	2018	2017
Paper purchases (number of sheets) including:	**5,163,000**	3,503,000	4,082,100	6,105,000	6,011,000
FSC wood fibres	**69,000**	21,000	104,100	60,000	61,000
FSC eucalyptus fibres	**3,654,000**	2,762,000	3,113,000	4,220,000	4,175,000
100% recycled	**1,440,000**	720,000	865,000	1,825,000	1,775,000
Paper destroyed (in tons)	**55**	54	49	75	61
PET recovered (kg)	**1088**	1,316	1,201	1,546	1,336
IT components (kg)[1]	**80**	580	194	125	292

[1] IT components are only weighed when delivered to the recycling plant, prior to which they are stored in a warehouse.

Reduction of energy consumption and cost optimisation

To minimise the environmental impact of its electricity consumption, BCGE has opted for environmentally-friendly power, 100% hydro-generated in Switzerland, offered by its current supplier, SIG. When modernising its facilities, the Bank undertakes energy efficiency measures and systematically seeks to implement environmentally-efficient solutions.

Since 2015, the collated energy efficiency of the 21 branches and the two main sites has improved continuously, attaining 121.4% by the end of 2020.

ENTREPRISE ENGAGÉE 2021

SIG

	2021	2020	2019	Change 2021–2020
Electricity (kWh)*	**3,494,497**	3,642,816	3,730,053	-148,319
Gas (kWh)*	**815,400**	970,504	890,754	-155,104
Thermal energy (kWh of heat)*	**312,731**	–	–	312,731
Water (m^3)	**13,559**	11,728	9,515	1,831

*Since October 2021, BCGE's head office has been connected to the GeniLac thermal network (renewable energy). Source: SIG

Raising staff awareness of biodiversity

Since 2016, BCGE has been managing a number of beehives installed on the roof of one of its buildings. The Beekeeping department was created on the initiative of some motivated staff members. The aim: to raise the awareness of Bank staff to the problem of bee population decline, which is linked to biodiversity loss, use of neonicotinoids[1], the Asian giant hornet and global warming. From the start, it was decided to manage the beehives "in-house", and the Beekeeping department was set up.

This now has 25 members, who look after the hives and monitor development of the bee colonies[2]. As most of the members of the department were beginners in the field, an internal training course was organised and a mentoring system was put in place. The creation of this department stems from a broader way of thinking about ethical and environmental responsibility within the Bank.

8. Responsible finance and investment

"Responsible performance" service offering

Being by nature and by virtue of its statutory mission a community service project, BCGE is committed to a sustainable and ethical approach. Its concern for the development of society and the needs of its clients leads the Bank to offer a range of banking products embodying the highest ethical and environmental standards. This "Responsible performance" range is offered in addition to the Bank's more traditional products and can be freely chosen by the client.

Over 20 years of commitment and innovation

BCGE offers its clients investment vehicles that contribute to the development of a sustainable economy and society and that are both credible and high-yielding.

In the financing area, BCGE plays an active role in making clients attractive offers for sustainable business ventures.

In terms of investment, in the course of over 20 years it has been offering solutions that incorporate sustainability (ESG – Environmental, Social and Governance) factors, following an approach that aims to improve performance while reducing specific risks.

[1] Class of insecticides acting on the central nervous system of insects and used in agriculture to protect plants. Their effects are contributing to the disappearance of pollinating insects, particularly bees.

[2] Colony of bees that separate from the mother hive in order to establish themselves in a new location and found a new colony.

As a signatory to the United Nations Principles for Responsible Investment (UNPRI), BCGE Asset Management is committed to integrating environmental, social and governance (ESG) factors within its investment processes in a progressive, relevant and appropriate manner.

Signatory of:

PRI Principles for Responsible Investment

Responsible financing

BCGE offers a range of financing services inspired by the principles of "sustainable development". Respectful of ethical and environmental requirements, these services are also competitive, effective and evolving.

The aim of the **Prêt hypothécaire pour habitation Minergie®** [mortgage loan for Minergie housing] is to support clients when they renovate or buy a property that meets the highest Minergie performance standards. This product makes it possible to finance 100% of the additional investment required for obtaining the Minergie® energy-saving standard, for all types of property, without the need to provide more funds (on a maximum of 10% of the cost of construction, excluding cost of the land).

The Sustainable renovation project loan, which may be applied for directly online or at one of BCGE's branches, gives home owners the opportunity to finance sustainable renovation work at a preferential rate of interest.

BCGE vehicle leasing offers a particularly attractive rate for financing electric or low fuel consumption vehicles. This special low rate applies to the least polluting vehicles appearing on the list drawn up by the canton.

Global Commodity Finance

Switzerland is the world leader in the trading of sugar, cotton, vegetable oils and cereals. The Swiss commodities trading industry directly employs approximately 10,000 people – in addition to many indirectly created jobs – and generates 4% of gross domestic product (GDP). Switzerland is one of the world's biggest platforms for trading energy, metals, minerals and agricultural products. It numbers about 550 commodity trading companies, most of which are based in the Lake Geneva region, and mainly in Geneva itself (source: STSA and RTS).

BCGE works with these companies as part of its mission to contribute to economic development. The business centres on transactional finance of bulk commodities moving between a country of origin towards a consuming country, thus responding actively to the needs of the real economy.

Decisions to grant credit include environmental, social and governance (ESG) criteria in the client risk analysis. This approach has been honed and refined since it was introduced in 2013.

The analysis is undertaken from three angles: the history of the company concerned, the action taken by the company, and its level of exposure in its market. The conclusions of this analysis lead to the granting – or not – of credit facilities but have no bearing on the charges applied. This underscores the fact that the lending criteria are absolute and non-negotiable.

Responsible investments and asset management

More and more investors expect investment specialists to base their investment decisions not only on traditional financial criteria, but also on environmental, social and governance (ESG) factors. **In this respect, BCGE aims to satisfy the financial requirements of its clients by means of a responsible investment approach that is based on systematic inclusion of ESG factors in the financial analysis.** This approach, which is both pragmatic and inclusive, is based on the conviction that good practice in terms of ESG aspects is capable of sustaining long-term performance.

BCGE Asset Management administers several funds and mandates that are dedicated to responsible investment. For example, exposure to the Swiss equity market can be gained through strategies that select companies on the basis of traditional financial criteria as well as environmental, social and governance criteria. What distinguishes the approach on offer is that it systematically includes ESG factors in its fundamental and company valuation analysis. BCGE Asset Management also offers a multi-management ESG fund which fulfils the requirements of Swiss occupational pensions and invests solely in assets generally recognised as responsible or sustainable.

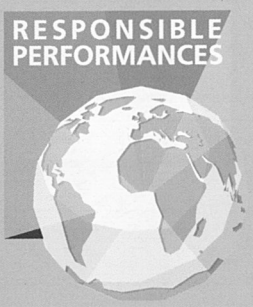
The Best of mandate, BCGE's wealth management flagship, is also available in an ESG version. The Best of ESG mandates, created in 2020, and Best of Swiss Economy ESG are aimed in particular at clients convinced by the BCGE investment philosophy and the principles of the Best of mandate, who nonetheless wish to apply a sustainability filter to the management of their wealth. Managed according to open-architecture principles, these mandates comprise ESG Synchrony funds and sustainable third-party funds.

BCGE is increasing the transparency in terms of the ESG profile of the financial products offered. To do so, it is basing itself on the research and evaluation produced by external ratings agency MSCI ESG Research. This supplementary information, which takes into account the carbon footprint of the portfolios, is intended for clients who wish to know more about the "ESG performance" of their investments.

The Bank has implemented a policy of excluding controversial activities in all its direct equities investment. This applies to cluster munitions, anti-personnel mines and nuclear weapons destined for countries that have not signed the Treaty on the Non-Proliferation of Nuclear Weapons. In so doing, BCGE is following the recommendations of The Swiss Association for Responsible Investments (SVVK-ASIR).

In 2021, the assets of the BCGE Group that are managed in line with responsible investment strategies grew strongly, to a total of almost CHF 2.4 billion, representing approximately 25% of assets under management.

BCGE has a Responsible performance investment policy. which can be viewed at bcge.ch



BCGE IS COMMITTED

Shareholder information and corporate governance Overview

1.	**Group structure and shareholding**	51
1.1	Group structure	51
1.1.1	*Presentation of the Group operating structure*	51
1.1.2	*Listed company*	51
1.1.3	*Scope of consolidation*	52
1.2	Major shareholders	52
1.3	Cross holdings	52
2.	**Capital structure**	53
2.1	Capital	53
2.2	Authorised or conditional capital	53
2.3	Changes in share capital	53
2.4	Shares and participation certificates	53
2.5	Profit sharing certificates	53
2.6	Transfer restrictions and registration of nominees	53
2.6.1	*Restrictions on transfer*	53
2.6.2	*Reasons for granting exceptions*	53
2.6.3	*Registration of nominees*	53
2.6.4	*Procedure*	53
2.7	Convertible bonds and options	53
3.	**Board of Directors**	54
3.1	Members	54
3.2	Other activities and vested interests	56
3.3	Ordinance against excessive pay awards	56
3.4	Election and duration of appointments	56
3.5	Internal organisation	57
3.5.1	*Allocation of tasks within the Board of Directors*	57
3.5.2	*Committees of the Board of Directors*	57
3.5.3	*Working methods*	58
3.6	Powers of the Board of Directors and the Executive Board	58
3.7	Information and control mechanisms	60
4.	**Executive Board**	62
4.1	Members	62
4.2	Other activities and vested interests	64
4.3	Supplementary information to be added by issuers subject to ERCO	64
4.4	Management contracts	64

5. Remuneration, participations and loans 65

5.1 Contents and procedure for setting remuneration and participation programmes 65
5.2 Information to be supplied by issuers subject to ERCO 67
5.3 Information to be supplied by issuers not subject to ERCO 67

6. Shareholders' participation rights 68

6.1 Limitation and representation of voting rights 68
6.1.1 Statutory provisions 68
6.1.2 Granting of exemptions during the period under review 68
6.2 Quorum 68
6.3 Convening of General Meetings 68
6.4 Agenda items 68
6.5 Share registration 68

7. Takeovers and defensive measures 68

7.1 Obligation to make an offer 68
7.2 Takeover provisions 68

8. Independent auditor 69

8.1 Duration of the audit mandate and of the mandate of the auditor-in-charge 69
8.2 Independent auditor's fees (in CHF) 69
8.3 Additional fees (in CHF) 69
8.4 Information on the independent auditor 69

9. Information policy 70

10. Trading lock-up periods 71

Shareholder information and corporate governance

1. Group structure and shareholding

1.1 Group structure

1.1.1 Presentation of the Group operating structure

The Banque Cantonale de Genève (hereafter BCGE) is a limited company established by public law according to Article 763 of the Swiss *Code des obligations*. It has the status of a cantonal bank as defined by the Federal Banking Act.

The "Bank was registered in the Geneva Trade Register on 17 December 1993 and conducts its business under the registered name "Banque Cantonale de Genève SA".

The registered office and management of the Bank are in Geneva.

BCGE operates subsidiaries and branches.
The portrait of the Group and its subsidiaries can be found on pages 12–13 and 14 of this report.

The scope of consolidation is presented at point 1.1.3 on page 52 and at point 2 on page 89 of this report.

Banque Cantonale de Genève is thus organised, as of 1 January 2022, in seven divisions managed by the members of the Executive Board.

The missions of the divisions can be found on pages 16–17 of this report.

Coordination of the divisions and benefits from synergies applicable across all divisions are ensured on the one hand by the CEO and his staff and, on the other, by a matrix operating structure.

The functional capability of this structure is reinforced by various strategic committees which have been allocated major responsibilities or controls by the Executive Board.

The operating structure of BCGE as at 1 March 2022, taking account of the organisational changes announced, appears on pages 10–11 of this report.

1.1.2 Listed company

The Bank is listed on the SIX Swiss Exchange. As the 7,200,000 registered shares are listed, the market capitalisation is calculated on the basis of a price of CHF 160.50 as at 31 December 2021.

Market capitalisation	CHF 1,156 million
Stock number	35,049,471
ISIN number	CH0350494719

1.1.3 Scope of consolidation[1]

In particular, the complete scope of consolidation includes, at 31.12.2021, these subsidiary companies which are at least 50% owned:

- Banque Cantonale de Genève (France) SA, Lyon, share capital EUR 30 million;
- Capital Transmission SA, Geneva, share capital CHF 2 million;
- Dimension SA, Lausanne, share capital CHF 160,000;
- Rhône Saône Courtage Sàrl, Lyon, share capital EUR 10,000;
- Rhône Saône Léman SNC, Lyon, share capital EUR 10,000;
- Loyal Finance AG Zurich, share capital CHF 200,000;
- Swiss Public Finance Solutions SA, Geneva, share capital CHF 400,000.

1.2 Major shareholders

Information on the major shareholders known to BCGE:

Major shareholders' equity interests

As at 31.12.2021

Shareholders	Registered shares	Total votes	Total nominal value	% capital and votes
State of Geneva	3,187,715	3'187'715	159,385,750	44.27%
City of Geneva	1,502,646	1,502,646	75,132,300	20.87%
44 Geneva municipalities	534,649	534,649	26,732,450	7.43%
Sub-total, public authorities	**5,225,010**	**5,225,010**	**261,250,500**	**72.57%**
State of Geneva Pension Fund (CPEG)	428,800	428,800	21,440,000	5.96%
Total major shareholders	**5,653,810**	**5,653,810**	**282,690,500**	**78.53%**
Other shareholders	1,546,190	1,546,190	77,309,500	21.47%
Existing capital	**7,200,000**	**7,200,000**	**360,000,000**	**100%**

The publication of acquisitions of equity stakes can be consulted using the following link: ser-ag.com/fr/resources/notifications-market-participants/significant-shareholders.html#/

1.3 Cross holdings

BCGE is not aware of the existence of any cross-holdings exceeding 5% of the capital or of the totality of shares.

[1] The complete scope of consolidation is shown on page 89.

2. Capital structure

2.1 Capital

The capital of the Bank currently amounts to CHF 360,000,000.

2.2 Authorised or conditional capital

There are no provisions in the Articles authorising the Board of Directors to increase the capital (authorised increase) or to permit a conditional capital increase (conversion or option rights).

2.3 Changes in the share capital

No changes have been made to the share capital over the last three years.

2.4 Shares and participation certificates

The share capital is composed entirely of registered shares, listed on the SIX Swiss Exchange, with a par value of CHF 50, i.e. a total of 7,200,000 shares, all fully paid up.

All the shares have the same financial and ownership rights.

There are no participation certificates.

2.5 Profit-sharing certificates

There are no profit-sharing certificates.

2.6 Transfer restrictions and registration of nominees

2.6.1 Transfer restrictions

The Bank's articles contain an anti-fiduciary clause stating that a buyer is included on the shareholders' register with voting rights only to the extent that they expressly declare that they acquired the shares in their own name and on their own account. Moreover, the Constitution of the Canton of Geneva, article 189, para. 2, states that the Canton and the Municipalities must hold the majority of the votes attaching to the Bank's share capital. Article 7, para. 3 of the Banque Cantonale de Genève Act (LBCGe; in force since 1 April 2016) specifies that the Canton, the City of Geneva and the other municipalities represented by the Association of Geneva Municipalities must enter into a shareholders' agreement governing the minimum number of shares that each public authority is required to hold.

2.6.2 Reasons for granting exceptions

No exemptions are granted.

2.6.3 Registration of nominees

As at 31 December 2021, there is no statutory or regulatory provision allowing inclusion of nominees in the register of shareholders.

2.6.4 Procedure

Article 3, para. 11 of the Bank's Articles Of Association states that the Board of Directors may specify the procedures and adopt the necessary regulations in respect of application of the said Article. The said regulations must state in which cases the Board or any committee appointed by it may authorise exceptions to the limitation on inclusion or to the regulation in respect of fiduciaries or nominees. To date, no such regulation has been promulgated.

2.7 Convertible bonds and options

BCGE has not issued any convertible bonds or options.

3. Board of Directors

3.1 Members

The Board of Directors is composed of 11 non-executive members. They are independent within the meaning of FINMA Circular 2017/1: Corporate governance – banks.

No Director:

- has any operational position within BCGE or any BCGE Group company;
- is or has been a member of the Executive Board of BCGE or of a BCGE Group company during the last three financial years preceding the period under review;
- has any close business relationships with BCGE or a BCGE Group company.



Manuel Leuthold

born 21 December 1959, Swiss.
Chairman, appointed by the State Council of Geneva in 2021 (General Meeting of 29 April 2021).

Manuel Leuthold has been Chairman of compenswiss, the Swiss Federal Social Security Funds OAI/II/IC, Geneva, since January 2016. He is also a member of the board of directors of several Swiss companies. Mr Leuthold has extensive experience in the banking sector. He worked for more than 30 years in various groups, during which time he held senior positions in commercial and institutional client management as well as in commodities trading finance. He holds Master's degrees in law and economics from the University of Geneva.



Jean Olivier Kerr

born 19 June 1956, Swiss.
Elected in 2017 by the shareholders other than the public authorities. Deputy Chairman since 2018. Member of the Appointments and Remuneration Committee until 20 May 2021. Chairman of the Appointments and Remuneration Committee since 20 May 2021.

With postgraduate degrees from the International Agri-food Management Institute (IGIA) and from the Institute for Advanced Studies in Rural Law and Agricultural Economics (IHEDREA, Paris), Jean-Olivier Kerr's expertise is in risk management, strategy analysis and execution, and organisational change management and leadership. Having joined Cargill as a trader in 1980, he occupied various positions in Paris, Amsterdam, Milan, Geneva and Minneapolis before being appointed Manager at Cargill Europe, Geneva (1999–2007), then Vice-chairman of Cargill International, Geneva (2008–2014). He is a member of Entreprendre Suisse Romande, the business creation network in French-speaking Switzerland.



Michel Pasteur

born 20 December 1953, Swiss.
Secretary, appointed by the State Council of the canton of Geneva in 2018.
Member of the Control Committee.

Michel Pasteur is a graduate in commercial and industrial sciences, with a specialisation in financial management (finance option), from the University Geneva and holder of a Swiss Federal Chartered Diploma in Accountancy. He began his career as an auditor with a major international trustee company. Within an international firm of auditors, he managed numerous bank and investment company audits. Having been a member of the executive committee and compliance department manager of a large international banking group in Switzerland, in 2006 he joined a large private bank as its compliance officer. Since 2014 he has been an independent compliance consultant.



Michèle Costafrolaz

born 2 August 1954, French. Member, elected in 2017 by the shareholders other than the public authorities. Chairman of the Control Committee since 2018.

A graduate of the Lyon School of Management in Finance and Accounting, the expertise of Michèle Costafrolaz is in financial audit and business advisory services in the accounting and financial field. Starting her career in external audit with Deloitte Haskins & Sells in Paris in 1977, she occupied several management positions in the company before becoming Managing Partner-Audit with Deloitte SA, Geneva (1984–2013). An accredited senior auditor with the Federal Audit Oversight Authority, Ms Costafrolaz has been a founding shareholder and board member of MCT Audit & Advisory, Geneva since 2013. She was Chairman of the audit committee of the Global Alliance for Improved Nutrition foundation from 2015 to 2018, and has been a member of the Supervisory Board of Ermewa Holding SA, France, since 2014 and Chairman of the audit committee since 2018.



Sophie Dubuis

born 25 September 1974, Swiss.
Member, appointed in 2020 by the Administrative Council of the City of Geneva.
Member of the Risk and Strategy Committee.

A holder of qualifications in tourism management from HES-SO Valais and in team management from CRPM Lausanne. Having trained in management in Lausanne and holding an Executive MBA in Project Management from the University of Geneva, Sophie Dubuis is also a qualified coach. She is a partner at RHconseil SA, Chairman of the *Fondation Genève Tourisme & Congrès* and a member of the Swiss Employers' Union. In addition, she has held a range of management positions: at Bucherer SA, the International Conference Centre Geneva (CICG), Palexpo and Forum Fribourg.



Gina Empson

born 23 March 1958, Swiss and British.
Member, appointed by the State Council of the Canton of Geneva in 2014. Member of the Appointments and Remuneration Committee.

Gina Empson holds a BSc degree in Finance and Economics from the University of Southampton, UK. A member of the Institute of Chartered Accountants in England & Wales since 1983, a licensed auditor and a member of EXPERTsuisse. Appointed by PriceWaterhouse Group as an auditor in Geneva in 1984. Over 30 years' experience in the financial sector, including 10 years with the Serono/BioChem Group, as a financial analyst for Fabio Bertarelli, founder of Serono, then as head of the Group's operating and commercial subsidiaries. In 1999, she founded ICS Corporate Services SA, Geneva, an independent fiduciary company, then, in 2009, The Business Harbour Sàrl, Geneva, a salary hosting company.



Serge Fasel

born 28 January 1957, Swiss.
Member, appointed in 2018 by the Administrative Council of the City of Geneva.
Member of the Risks and Strategy Committee until 20 May 2021. Member of the Appointments and Remuneration Committee since 20 May 2021.

Serge Fasel holds a law degree from the University of Geneva and was admitted to the Geneva Bar in 1991. He has been a member of the FBT Avocats legal practice in Geneva since 1993 and manages its judicial group. He has extensive experience both in cases heard in ordinary courts and in national and international arbitrage. His areas of activity include all forms of commercial litigation, in particular in banking and finance. He is also active in the areas of bankruptcy law, labour law and economic crime. He is also a deputy judge at the Court of Justice and has completed a course in military law. FBT has undertaken litigation work for the Bank for many years.



Bernard Girod

born 5 February 1956, Swiss.
Member, appointed by the State Council of the Canton of Geneva in 2018. Member of the Appointments and Remuneration Committee.

Bernard Girod, who holds a technician and mechanics diploma, has enjoyed a long career as an entrepreneur. He is chairman of the board of Serbeco, Satigny, and ED Energie Durable and director of ProP SA, Satigny. He is also a member of several boards of directors, including that of Autobritt Genève, and chairman of CAD Energie 1 SA, Confignon and Mobilitri SA, Satigny.



Jean-Marc Mermoud

born 15 July 1955, Swiss.
Member, appointed in 2010 by the Association of Geneva Municipalities. Member of the Risk and Strategy Committee.

Jean-Marc Mermoud is a graduate civil engineer. Having joined F. Simond, the construction and contracting company, he became its chairman and managing director in 1994. Deputy Chairman of the board of directors of CGN Belle Epoque SA, Lausanne. Member of the board of directors of CGN SA Group. Partner in SNC Mistro et Cie, chairman of *COOPLOG Société Coopérative pour la Création de Coopératives de Logement and of Société Coopérative COOPLOG "Troènes"*. Director of *COOPLOG Société pour la Création de Coopératives d'Habitation SA,* Carouge, and of *Sociétés Coopérative COOPLOG "Pont-Rouge"*, in Geneva, "Clos Pestalozzi", Geneva, "Clos de la Forêt", Geneva, and, since 2021, of "Petit-Bouchet", Geneva.

New member of the Board from 29 April 2021 (General Meeting)



Jean-Philippe Bernard

born 16 June 1958, Swiss and French.
Member, elected in 2021 by the shareholders other than the public authorities. Chairman of the Risk and Strategy Committee since 20 May 2021.

The holder of a civil engineering degree from the *Ecole Polytechnique Fédérale de Lausanne*, Jean-Philippe Bernard has a wealth of experience in the areas of risks and controls, strategy and management, organisation, and security. Active in various consultancy firms and banks, in 1999 Mr Bernard founded BERYL Management Sàrl, of which he was owner and managing director until its sale in 2013, and CEO until 2019. Since 2020, he has been an independent expert and consultant on strategic missions.

Chairman of the Board until 29 April 2021 (General Meeting)



Gilbert Probst

born 17 September 1950, Swiss.
Chairman, appointed by the State Council of the Canton of Geneva in 2017.

Gilbert Probst is holder of a Doctorate and a Master's degree in economics and social sciences from the University of St Gallen. Honorary professor, director of the Public-Private Partnership Centre at the Geneva School of Economics and Management (GSEM), and co-founder and chairman of the Swiss Board Institute (Geneva) and vice-chairman of the Institute of Directors for Switzerland. From 2007 to 2016, Gilbert Probst was managing director at the World Economic Forum (WEF). He is the founder of the Geneva Public-Private Partnership Centre, the Geneva Knowledge Forum (University of Geneva), the Centre for Organizational Excellence (University of St Gallen) and of the Strategic Knowledge Group. He has been a member of numerous boards of directors of Swiss companies and of foundations such as the Swiss Banking School foundation (2002 – 2006).

Member of the Board until 29 April 2021 (General Meeting)



John Tracey

born 29 October 1950, Swiss and British. Member, elected in 2010 by the shareholders other than the public authorities. Chairman of the Appointments and Remuneration Committee until 29 April 2021.

John Tracey holds a *business studies and international marketing* degree from the University of Leeds. His career in marketing, communication and other management functions with Procter & Gamble in Geneva spans almost 35 years. A former director of Procter & Gamble International and a previous head of external relations at the Geneva head office.

Member of the Board until 30 November 2021 (resigned[1])



Angela de Wolff

born 10 June 1968, Swiss and Italian. Member, appointed by the State Council of the Canton of Geneva in 2010. Chairman of the Risk and Strategy Committee until 20 May 2021. Member of the Risk and Strategy Committee from 20 May 2021 until 30 November 2021.

Angela de Wolff Holds an HEC degree and an MSc from Lausanne University, together with a Master's degree in International Business Management and a financial analyst diploma. She was a financial analyst for several years in a number of institutions, including Lombard Odier & Cie. She is a co-founder of the Sustainable Finance Geneva association, which strives to promote responsibility and sustainable development in finance.

[1] Incompatible with a new term, according to article 12a LBCGe.

3.2 Other activities and vested interests

Manuel Leuthold
(Chairman of the Board of Directors since 29 April 2021 – General Meeting)
Chairman of the boards of directors of: VARIA US Properties AG, Zug; Patrimonium Asset Management AG; Baar, Enki Capital SA, Nyon; NID SA, La Chaux-de-Fonds; Banque Cramer & Cie SA, Geneva (until 19 April 2021). Vice-chairman of the board of directors of Crédit Agricole Next Bank (Suisse) SA, Geneva (until 28 April 2021). Chairman of the committee, *COPTIS Association Suisse des Professionnels en Titrisation Immobilière* [Swiss association of property securitisation professionals], Petit-Lancy. Chairman and founder of ML Leuthold SA, Petit-Lancy. Member of the boards of directors of: FUNDIM SA, Lausanne; Sustainable Real Estate Investment SICAV, Zurich; Clinique Générale-Beaulieu Holding SA, Genève; Clinique Générale-Beaulieu SA, Genève; Fondation patronale de Prévoyance de la Clinique Générale-Beaulieu SA, Genève (until 31 December 2021); Milliet SA, Crissier (until 5 May 2021); Banco Itaù (Suisse) SA, Zurich (until 29 April 2021). Member of the committee of the Association of Swiss Asset and Wealth Management Banks, Zurich (until 9 June 2021).

Jean Olivier Kerr
Member of the boards of directors of Oceana Shipping AG, Renens and Navemar SA, Fribourg.

Michel Pasteur
Member of the board of directors of The Forum Finance Group SA, Geneva.

Michèle Costafrolaz
Chairman of the board of directors of ID Logistics SA, Geneva. Member of the boards of directors of Coninco Explorers in Finance SA, Vevey (until 24 June 2021), and Helvetia Conseils & Révisions SA, Geneva. Manager of Mesoblast International Sàrl.

Sophie Dubuis
Member of the board of directors of Migros Geneva/France, member of the management board of FER (*Fédération des Entreprises Romandes*), and chairman of Thyon Région Tourisme SA.

Gina Empson
Member of the board of directors of Fondation Genesia (pension fund) and of the Genèveroule association, Geneva. Managing director of Gracia101 Talent Solutions Sàrl.

Serge Fasel
N/A.

Bernard Girod
Chairman of Fondation 14-16 Jean-Simonet, Carouge, and of the *Les Recycleurs de Genève* association, Geneva; vice-chairman of Le CARÉ (Caritas Accueil Rencontres Echanges), Geneva. Member of the committee of ASTAG (Swiss Road Transport Association), Geneva.

Jean-Marc Mermoud
Chairman of the board of the Nelly Gygax Foundation, Pregny-Chambésy. Member of the Geneva Liberal Radical Party (PLR).

Jean-Philippe Bernard
(new member since 29 April 2021 – General Meeting)
Managing partner since 2007 at MV4 Production Sàrl and partner of OPICS Services Sàrl since 2021.

Gilbert Probst
(Chairman until 29 April 2021– General Meeting)
Member of the Stiftung zur Förderung der systemorientierten Managementlehre foundation, St. Gallen.

John Tracey
(member until 29 April 2021– General Meeting)
Member of the board of directors of Swiss Land Estates SA, Geneva. Senior executive coach at I. J. Martin & Co Ltd., Zurich. Councillor with the Lancy Economic Council. Member of the Board of the H. Dudley Wright Foundation, Geneva.

Angela de Wolff
(member until 30 November 2021 – resignation: see note on page 55)
Chairman of Conser Invest S.A., Geneva. Member of the boards of directors of the Swiss Investment Fund for Emerging Markets SA (SIFEM AG), Berne, and of the Audemars-Watkins (Geneva) and Race for Water (Lausanne) foundations (until 31 December 2021).

3.3 Ordinance against excessive pay awards

BCGE is not subject to the Ordinance against excessive pay awards in listed public limited liability companies (ERCO).

3.4 Election and duration of appointments

The 11 directors are elected or appointed as follows:
- Five members appointed by the State Council of the Canton of Geneva;
- Two members appointed by the City of Geneva;
- One member appointed by the other Geneva municipalities;
- Three members individually elected by the General Meeting; at the time of these elections, the public authorities do not have the right to vote in respect of the shares that they are required to hold pursuant to the LBCGe and the articles of association.

The duration of a director's appointment is four years, renewable twice. If the appointment is made during a term, the duration of the appointment is limited to the duration of the term. The appointment ends on the day of the General Meeting following

Director	Year first appointed	Current term ends	Number of times reappointed	Eligible for reappointment
Manuel Leuthold[1]	2021	2022	0	yes
Jean Olivier Kerr	2017	2022	1	yes
Michel Pasteur	2018	2022	0	yes
Michèle Costafrolaz	2017	2022	1	yes
Sophie Dubuis	2020	2022	0	yes
Gina Empson	2014	2022	1	yes
Serge Fasel	2018	2022	0	yes
Bernard Girod	2018	2022	0	yes
Jean-Marc Mermoud	2010	2022	2	no
Jean-Philippe Bernard[2]	2021	2022	0	yes
Gilbert Probst[3]	2017	2021	1	no
John Tracey[3]	2010	2021	2	no
Angela de Wolff[4]	2010	2021	2	no

[1] Chairman of the Board of Directors since 29 April 2021 – General Meeting.
[2] Member of the Board of Directors since 29 April 2021 – General Meeting.
[3] Mandate ended at the General Meeting of 29 April 2021.
[4] Resigned: see note on page 55.

the date on which a director has reached his/her seventieth birthday at the latest. The procedures for appointing and proposing candidates are governed by article 12a of the LBCGe[1] and article 9 para. 2 of the Bank's Articles of Association[2].

3.5 Internal organisation

3.5.1 Allocation of tasks within the Board of Directors

Chairman of the Board: Gilbert Probst until 29 April 2021 / Manuel Leuthold From 29 April 2021 (General Meeting).

Deputy Chairman of the Board: Jean Olivier Kerr.

Secretary to the Board: Michel Pasteur

3.5.2 Committees of the Board of Directors

Appointments and Remuneration Committee
The role of the Appointments and Remuneration Committee is to propose the appointment of the Chief Executive Officer, his/her Deputy and the members of the Executive Board and to give notice of senior management appointments.

It gives notice of the remuneration of the Chief Internal Auditor as put forward by the Control Committee and proposes changes to the Regulations relating to remuneration of the members of the Board of Directors and the Executive Board.

It is composed of four members of the Board of Directors: Jean-Olivier Kerr, Chairman since 20 May 2021 (John Tracey, Chairman until 29 April 2021 – General Meeting – end of term), Gina Empson, Serge Fasel since 20 May 2021, and Bernard Girod, members. It meets when an appointment requires it to do so but at least once a year. In 2021, it met eight times.

Risk and Strategy Committee
The Risk and Strategy Committee studies the risk environment in which the Bank operates or intends to operate. It gives the Board of Directors prior notice of any important decision of a strategic nature or relating to identifying and managing risks.

It is composed of four members of the Board of Directors: Jean-Philippe Bernard, Chairman since 20 May 2021 (Angela de Wolff, Chairman until 20 May 2021, then member until her resignation on 30 November 2021), Serge Fasel Until 20 May 2021, Sophie Dubuis and Jean-Marc Mermoud, members. In 2021, it met six times.

Control Committee
The Control Committee takes its powers and duties from article 24 and subsequent of the Bank's Articles of Association. Among other things, the Control Committee aims to supervise compliance with the legal, statutory and regulatory provisions applicable to the Bank, as well as bank practices, and to ensure liaison and coordination between the Board of Directors, internal audit and the independent auditor. It is composed of three members, two directors appointed by the Board of Directors and the third member appointed by the State Council. The member of the Control Committee appointed by the State Council cannot be a civil servant. He/she is subject to banking secrecy.

The members appointed by the Board of Directors are as follows: Michèle Costafrolaz, Chairman, and Michel Pasteur. The member appointed by the State Council of the Canton of Geneva is Alain Heck. In principle, the Control Committee meets at least once every two weeks. In 2021, it held 26 ordinary meetings (26 in 2020).

[1] ge.ch > Geneva legislation section.
[2] bcge.ch – About BCGE > Organisation > Regulatory framework.

3.5.3 Working methods

The Board of Directors meets at least 15 times a year (Art. 17, para. 1 of the Bank's Articles of Association). In 2021, it met 15 times, with meetings lasting an average of four hours. The level of participation in these meetings was 100%. It is chaired by the Chairman of the Board of Directors or, in his/her absence, by the Deputy Chairman or Secretary. It may hold extraordinary meetings if business so requires or at the request of four of its members or of the auditors.

The Board can only make decisions if the majority of its members are present. Decisions are made by simple majority of the members present and the Chairman casts the deciding vote if there is a tie.

Minutes are taken of each meeting, approved at the next meeting and signed by the Chairman of the meeting and the Secretary. The members of the Board of Directors must be able to consult files relating to the points placed on the agenda twenty-four hours before the meeting starts at the latest.

The Chief Executive Officer or his/her replacement participates with a consultative vote in the meetings of the Board of Directors but does not take part in the votes or the elections. He/she may require the presence of other members of the Executive Board or third parties if he/she deems it necessary. In 2021, this was the case at each meeting of the Board of Directors.

Should there be conflicts of interest, the members of the Board of Directors must decline to make any comment whenever they are directly or indirectly involved. It is the duty of the Secretary to give notice of the occurrence of a potential conflict of interest when dealing with a particular matter.

The Board of Directors can set up standing or ad hoc committees to study particular subjects. These committees have no decision-making authority and are responsible for reporting to the Board of Directors. The Chairman of the Board of Directors may attend committee meetings. In 2021, the Board had two standing committees, in addition to the Control Committee: an Appointments and Remuneration Committee and a Risk and Strategy Committee.

In order to deal with the increasing complexity of banking business, the members of the Board of Directors benefit from training sessions regularly organised by the Bank. Each member is able to request training in a specific area from the Chairman, who has a budget for this purpose.

3.6 Powers of the Board of Directors and the Executive Board

The powers and duties of the Board of Directors are defined in article 14 of the Bank's Articles of Association and in article 12 of the LBCGe. In addition, the management and organisational guidelines dictate that the Board of Directors decides on:

1. the strategic and financial plan and, on its proposal by the Executive Board and with prior notice by the Risk and Strategy committee, the risk management master plan. The Board of Directors takes responsibility for regulating, putting in place and monitoring effective risk management, together with the management of overall risks, on a consolidated basis;
2. the appropriate organisation of the Bank;
3. the annual budget put forward by the Executive Board;
4. approval, on its proposal by the Control Committee, of a three-year plan of the tasks to be carried out by the Internal Audit department to cover all controls deemed necessary;
5. the overall framework for limiting risk;
6. granting overall credit risk parameters, as well as granting loans which are within its powers;
7. risk-related policies, particularly regarding credit, rates, countries and insurance, put forward by the Executive Board; it reviews these policies as required by events;
8. information to be obtained in the risk management area;
9. the strategic framework for the Executive Board's role in setting lending rates and savings deposit rates;
10. the strategic framework for the Executive Board's role in cash management, foreign exchange, investments and share deposits as well as other securities;

11. the Bank's policy regarding property assets;
12. approval of any permanent acquisition or disposal of holdings;
13. acquisition and disposal of any capital equipment used by the Bank, of any holdings representing long-term financial investments as well as premises, unless otherwise stipulated in the Executive Board's powers as defined in article 24 ch. 3 of these regulations;
14. cancellation of debts, observance of out-of-court settlements, postponing debts or transfers of debts for amounts higher than CHF 2,000,000 or if the commitment was the subject of a decision by the Board of Directors;
15. the appointment within it of two directors as members of the Control Committee and the appointment of its chairman;
16. the appointment of the members of the Executive Board;
17. the appointment of the Chief Risk Officer (CRO);
18. the appointment of the deputy members of management and the members of management;
19. the policy relating to salaries and employee insurance;
20. the salaries and variable remuneration of the members of the Executive Board and members of the Internal Audit department;
21. periods of prohibition of the purchase and sale of shares in the Bank or other sensitive shares for staff and units during closed periods;
22. ratifying proposals for appointments of representatives of the Bank as directors of holdings included in the scope of consolidation;
23. the appointment of representatives of the employer within the Council of the staff pension fund on the proposal of the Executive Board.

The powers and responsibilities of the Executive Board are defined in article 21 of the Bank's Articles of Association. Additionally, management and organisational regulations provide for the following tasks:

1. to prepare and submit the strategic and financial plans of the Bank and the risk management master plan to the Board of Directors;
2. to draw up the necessary documents and proposals for the senior management of the Bank to make decisions;
3. to prepare the annual budget and submit it to the Board of Directors;
4. to ensure that the structures and organisation of the Bank comply with legal obligations and the best practices of the profession;
5. to ensure that the Bank has a sufficiently high profile in economic circles;
6. to guarantee that the decisions of the Bank's senior management are correctly implemented;
7. to propose for ratification the appointment of representatives of the Bank as directors of holdings included in the scope of consolidation;
8. to propose for ratification the appointment of representatives of the Bank as directors of holdings not included in the scope of consolidation.

The management and organisational regulations state that, in addition to the powers expressly attributed to it by the law and the Articles of Association, the Executive Board shall decide on:

1. setting interest rates within the strategic framework provided by the Board of Directors;
2. loans, cash management, investments, foreign-exchange operations and securities investment in accordance with the guidelines of the Board of Directors;
3. acquisition and disposal of any capital equipment used by the Bank, representing long-term financial investments and premises not intended for use by the Bank, for an amount not exceeding CHF 5,000,000. This ceiling does not apply to negotiable securities, which are authorised within the general framework for limiting risk;
4. the maintenance and renewal of real estate for a maximum of CHF 3,000,000 per building;
5. the appointment of executives and commercial agents;
6. setting the salaries of all the Bank's staff except itself and the Internal Audit employees;
7. internal regulations on Bank operations, to the extent that they are not governed by law, the Articles of Association or these regulations;
8. supervising compliance with regulations on liquidity, shareholders' equity and risk sharing;
9. determining the necessary rules for the application of risk management and submitting these for approval by the Board of Directors;
10. submitting the system of overall limits to the Board of Directors for approval; this includes in particular market operation limits, bank limits or country limits;
11. regularly submitting to the Board of Directors reports on business development (financial statements, analyses, major transactions and events, etc.) and any other reports that may be requested by the Board;
12. preparing a quarterly list of all the major risks as defined by the Federal Ordinance on share capital and risk sharing by banks and securities dealers (OFR), for the Board of Directors.

3.7 Information and control mechanisms

The Board of Directors periodically evaluates information resources, their content and their adequacy to its needs, as well as the internal control system. It evaluates its effectiveness, and whether it is adequate for the activity and the Bank's size. It sets up an information system among the Bank units of which the Chairman of the Board is the guarantor. The Executive Board informs the Board of Directors of the progress of the Bank's business at each meeting and reports on the issues. The Chairman of the Board of Directors, the Executive Board, the Control Committee, the Internal Audit department and the independent auditor must provide the Board of Directors with any information that would enable it to perform its supervisory function, particularly on the progress of business and operations in various sectors, including subsidiaries. This is executed in the following ways, among others:

- the Chairman of the Board of Directors is provided with weekly reports of the Executive Board's meetings;
- report by the Chairman of the Executive Board at each meeting of the Board of Directors on the progress of business;
- quarterly risk reports by the Chief Risk Officer;
- quarterly report of results by the Chief Financial Officer;
- Reports on control tasks carried out within the Group by the internal audit manager and half-yearly follow-up of the internal and independent audits;
- Verbal report on the activity of the control committee at each meeting, by its Chairman;
- Half-yearly reports by the independent auditors.

Internal Audit

Internal Audit is an independent unit of the Executive Board, reporting directly to the Board of Directors. It carries out regular controls on all the Bank's business and that of its subsidiaries and therefore has an unlimited right to information. Its organisation, its field of activity and its operations are governed by Article 16A of the Banque Cantonale de Genève Act (LBCGe), Articles 28 and 29 of the Bank's Articles of Association, by Articles 28 to 31 of the Bank's Management and Organisational Regulations and by the Charter on Internal Audit approved by the Board of Directors.

The Internal Audit meets the professional quality criteria of the supervisory authorities and professional organisations. In this regard, the Board of Directors has an external assessment of the Internal Audit carried out every five years, in addition to the annual assessments by audit firm Deloitte. The audit firms authorised by FINMA and appointed to carry out these assessments have confirmed to the Bank's management bodies that the Internal Audit performs its duties in accordance with IIA (Institute of Internal Auditors) standards and best practices.

The Head of Internal Audit establishes a three-year schedule of audits based on risk-mapping reviewed on an annual basis which is coordinated with that of the independent auditor and approved by the Board of Directors.

Based on the audit plan and at the end of the work, Internal Audit submits detailed reports relating to its audits to the Executive Board, the Control Committee and the Board of Directors, and presents them with half-yearly reports monitoring recommendations made and an annual activity report.

Consisting of nine auditors as at 31 December 2021, Internal Audit is headed by **Monique Seiss Baudry**, who holds a master's degree in economics from the University of Geneva, a certificate of advanced studies (CAS) in *Compliance in Financial Services*, a Certified Internal Auditor (CIA) diploma, certification in Risk Management Assurance (CRMA) from the Institute of Internal Auditors (IIA) and the Asset-Liability Management (ALM) certificate awarded by the *Groupe des Ecoles Nationales d'Economie et de Statistique* (GENES) of Paris.

Supervision and regular assessment of the Internal Audit is assigned to the Control Committee, which assess Internal Audit's performance annually, ensures that it has the necessary resources and appropriate skills and that it is performing its duties independently and objectively.

Members of the Internal Audit team collectively possess vast professional experience and all the skills needed for the proper performance of their audit assignments. They meet the highest criteria in terms of professional credentials ("category 1") as defined by the Institute of Internal Auditing Switzerland (IIAS) and based on the number of years of practice as auditors and their recognised professional qualifications.

Internal Audit comprises three sections, encompassing auditors with expertise in the Bank's main business lines, functions and areas of activity; these are, namely, lending and international trade finance, wealth management, compliance, risk management, asset and liability management (ALM), accounting and financial control, and IT and cyber-risks.



Monique Seiss Baudry
Head of Internal Audit
(reports to the Board of Directors)

4. Executive Board[1]

4.1 Members

As at 31 December 2021, the Executive Board comprised seven members, chaired by Blaise Goetschin. On 1 January 2022, a new division, Legal and Compliance, was created, taking the number of members of the Executive Board to eight[1]. It is appointed for an indeterminate period; its members are retired on reaching the legal age of retirement, in the absence of any previous agreement between the Board of Directors and the Executive Board member concerned.

No member of the Executive Board:
- has permanent management or consultancy functions for groups with major Swiss or foreign interests;
- holds an official position or a political mandate.



Blaise Goetschin
born 1 February 1957, Swiss.
CEO.

Holds a degree in Business Management from the HEC/Lausanne University. 1982, Senior auditor, PriceWaterhouse, Geneva. 1985, deputy vice president, Capital Markets, Credit Suisse, Zurich. 1988, senior vice president, CS Corporate Banking, New York. 1990, member of the Executive Board in charge of CS Corporate Finance in French-speaking Switzerland, Berne and Basel. 1993, Head CS Corporate Finance: private companies in Switzerland. 1995, head of Cantonal finance administration, Canton of Vaud. Major (retd.) Swiss Army 1998, CEO of Fiduciary Trust International Bank, Geneva (private banking and asset management), the Swiss subsidiary of the New York-based group. 1 October 2000, Chief Executive Officer of Banque Cantonale de Genève



Frédéric Vernet
born 25 June 1974, French.
Head of the Finance division (CFO).
Deputy to the Chief Executive Officer.
Chief Risk Officer (CRO) from 1 March 2021.

An IT and robotics engineer by training, with a master's degree in business administration from IAE (Paris) and a degree in civil engineering from the University of Lyon, Frédéric Vernet started his career in 1999 as a project engineer with Capgemini Ernst & Young. He joined Banque Cantonale de Genève in 2003 as organiser in charge of the credit+ project, to which he contributed by implementing a new front-to-back lending process. For two years from 2006, he managed the Network Management and Business Development department in the Retail and Networks division. In 2007, he created the MIS unit within the Finance and Risk Management division, where he developed the Bank's analytical reporting model. From 2012 to 2020, he headed the Financial Management department, where he put in place the strategic and financial plan. In January 2021 he was appointed to the Executive Board, with responsibility for the Finance division. Frédéric Vernet has also occupied the position of CRO (Chief Risk Officer) since 1 March 2021.



Pierrette Jaton Klopfenstein
born 24 April 1970, Swiss.
Head of the Geneva Division.

Holder of an HEC degree from the University of Lausanne, a Swiss federal marketing technician diploma, SAQ individual client adviser certification and an *advanced management diploma* from the University of St Gallen Executive School (ES-HSG), Pierrette Jaton Klopfenstein was initially active in the areas of pensions (with Swiss Life) and then marketing (BCV). She joined Banque Cantonale de Genève in 2003 as a product manager and then took responsibility for business development. Subsequently, she took charge of a number of departments: as Head of Marketing (2007–2011), Chief of Staff and Planning (2011–2012), Head of Logistics (2012–2013) and then as Head of the Centre sector of the Geneva division. She was appointed to the Executive Board as member responsible for the Geneva Division, from 1 April 2018.



Yves Spörri
born 17 September 1968, Swiss.
Head of the International division.

A graduate in agricultural engineering from the Swiss Federal Institute of Technology, Zurich (ETH). From 1994 to 2001, Yves Spörri held number of different positions in the correspondent banking department at Bank Kreiss AG in Frankfurt. In 2001, he joined the Banking Relationships section at Banque Cantonale de Genève as a manager, and was appointed a member of senior management in 2004, head of the Financial Institutions and Public Authorities department in 2007 and manager of the Banks and International Institutions business unit in 2011. In July 2016, he assumed responsibility for the Banks and Insurance Companies business unit and the Multinationals and International Institutions department. In January 2017 he was appointed to the Executive Board, as head of the Corporate and Institutional Clients division. In January 2020 he was appointed to the Executive Board with responsibility for the International division.



Virginie Fauveau
born 2 June 1970, Swiss and French.
Head of the Corporate Division.

Holder of a master's degree in financial engineering from ESLSCA, Paris, Virginie Fauveau started her career at Banque Vernes, a Paris merchant bank. Benefiting from nearly 25 years of professional experience, gained mainly in family firms and in several financial institutions in France and Switzerland, in particular with Lombard Odier et Cie in Geneva, she developed consultancy expertise in corporate governance, transfer and finance. She joined Banque Cantonale de Genève's Corporate Finance department in 2008, becoming its head in 2010 and subsequently director of Capital Transmission, the Bank's private equity subsidiary (until 31 December 2019). In January 2020 she was appointed to the Executive Board, with responsibility for the Corporate division.



Jean-Marc Joris

born 10 September 1968, Belgian.
Head of the Operations division.

Holder of a degree in business and finance from ICHEC, Brussels. In 1993, Jean-Marc Joris worked in the capital markets department of Dexia Luxembourg. From September 1993 to June 1997, project manager in the information risk management department of KPMG. From June 1997 to March 2002, deputy manager and head of business development at ING Baring Private Bank in Geneva. In April 2002, he joined Banque Cantonale de Genève as a member of management, responsible for the Organisation department and for the IT department on an interim basis. Member of the Executive Board since 1 July 2003. Head of the Operations division.

Member of the Executive Board having taken retirement on 31 December 2021



Constantino Cancela

born 11 May 1956, Swiss and Spanish.
Head of the Asset Management division until 31 December 2021 (retiring).

Awarded a degree in law from the University of Geneva in 1980. Constantino Cancela joined Société de Banque Suisse (SBS) in Geneva in 1981 as a trainee and occupied several roles up to the level of business director of SBS in 1991 (corporate banking, corporate lending and institutional clients). 1992–1993 administrative and financial director at Chopard. Returning to SBS, he became head of institutional clients for French-speaking Switzerland, until the merger with UBS. In 1999 he joined a multi-family office in Geneva to develop the asset management business there; he left this job in 2001 to join Banque Sarasin as institutional clients director for French-speaking Switzerland. In 2004, he joined BCGE Group, initially as director of the Synchrony Asset Management subsidiary, then as head of the BCGE Asset Management business unit and Group CIO since 2009. In this role, he chaired the Group's Strategy, Management and Securities Selection committees. Until 2018, he also sat on the Supervisory Board of the Bank's French subsidiary. In January 2020, he was appointed to the Executive Board with responsibility for the Asset Management division.

New members of the Executive Board as of 1 January 2021



Urs Ziegler

born 19 December 1964, Swiss.
Head of the Asset Management division.
Chief Investment Officer (CIO)

Holder of a political science degree from the University of Lausanne and a Certified International Investment Analyst (CIIA®), Urs Ziegler began his career with the Société de Banque Suisse (SBS) until its merger with UBS, where he became head of Product Management in the Corporate and Institutional Clients department. In 1998, he joined Julius Bär Asset Management as a Sales and Relationship Manager. In 2006, he was engaged by Banque Cantonale Vaudoise to head up Business Development in the Asset Management department. In December 2020, he joined Banque Cantonale de Genève as head of the BCGE Asset Management business unit. On 1 January 2022, he was appointed to the Executive Board with responsibility for the Asset Management division.



Philippe Marti

born 7 April 1962, Swiss and French
Head of the Legal and Compliance division.

Holder of a law degree from the University of Geneva and a member of the Geneva bar. Philippe Marti started at UBS in 1987, within the legal department, then in 1995 moved to Banque Populaire Suisse in Geneva (today Credit Suisse) as head of the legal department. 1997-2003, administrative management of legal services in the Suisse Romande private banking and retail business unit and member of management. In 2004, he joined BNP Paribas Private Bank (Switzerland) SA as assistant to the manager of the private bank legal department and as a member of management. In 2007, he joined Crédit Agricole (Suisse) SA as head of legal services in the private banking unit. During this period, he represented the Association of Foreign Banks in Switzerland in the working group of the legal affairs subcommittee of the Swiss Bankers Association and was in charge of revising the directive on the management mandate. At the beginning of 2010, he joined the BCGE Group as head of the legal department (CEO Office). In 2015, he was appointed head of the legal and litigation business unit. From 1 January 2020, he headed the Legal, Compliance and Litigation business unit within the Finance division. In January 2022, he was appointed to the Executive Board with responsibility for the newly-created Legal and Compliance division.

[1] See operating structure as at 1 March 2022 on pages 10-11, and business model on pages 16-17.

4.2 Other activities and vested interests

Blaise Goetschin
Chairman of the boards of directors of the Mortgage Bond Centre of the Swiss cantonal banks, Zurich (until 25 June 2021), Capital Transmission SA, Geneva and Dimension SA, Lausanne. Chairman of the Supervisory Board at Banque Cantonale de Genève (France) SA, Lyon. Deputy Chairman of the Higher Institute for Training in Banking in Geneva. Committee member of the Board and the appointments and remuneration committee of the Association of Swiss Cantonal Banks, Basel. Member of the boards of directors of the Swiss Bankers Association, Basel, of economiesuisse, Zurich and of Investissements Fonciers SA, Lausanne. Member of the boards of the occupational pension fund of the Banque Cantonale de Genève, of the Geneva Financial Centre Foundation and of the Fondation H. Dudley Wright, Geneva. Member of the board of the *Chambre Genevoise Immobilière* [Geneva association for real estate owners].

Frédéric Vernet
Chairman of the Supervisory Board of Banque Cantonale de Genève (France) SA, Lyon (from 29 April 2021).

Pierrette Jaton Klopfenstein
BCGE representative member on the board of the GENILEM association (from 1 February 2021) Treasurer of the Saubraz Development Association.

Yves Spörri
Chairman of the Supervisory Board at Banque Cantonale de Genève (France) SA, Lyon. Chairman of the Board of Directors of Loyal Finance AG, Zurich (until 27 May 2021).

Virginie Fauveau
Member of the Board of Directors of Dimension SA, Lausanne. Member of the technical commission of the Union of Geneva Employers' Associations (UAPG). Member of the board of the Mortgage Bond Centre of the Swiss cantonal banks, Zurich.

Jean-Marc Joris: N/A

Constantino Cancela
(Member of the Executive Board Until 31 December 2021 – retiring): N/A

Urs Ziegler
(new member of the Executive Board from 1 January 2022)
Chairman of the Board of Directors of Loyal Finance AG, Zurich (from 27 May 2021).

Philippe Marti
(new member of the Executive Board from 1 January 2022)
Chairman of the Board of Directors of Swiss Public Finance Solutions SA, Genève (SPFS). Member of the legal committee of the Association of Swiss Cantonal Banks. Member of the economiesuisse working group on financial markets.

4.3 Supplementary information to be added by issuers subject to ERCO

Banque Cantonale de Genève is not subject to ERCO (Excessive Remuneration ordinance).

4.4 Service contracts

The Bank did enter into any service contracts.

5. Remuneration, participations and loans

5.1 Contents and procedure for setting remuneration and participation programmes

Remuneration of the Board of Directors
Regulations relating to the BCGE Board of Directors' remuneration fall under the Board's authority; they were approved by the Board on 17 September 2010 and took retroactive effect on 1 July 2010. It was last amended on 17 December 2020 and came into effect retroactively on 5 May 2020.

Remuneration of members of the Board of Directors is based on their workload, their duties, the risks incurred, and on market and cantonal bank practices. Directors benefit from no preferential terms for BCGE services and are not members of its occupational pension fund.

Fixed remuneration of the Board of Directors
In remuneration for their work on behalf of the Board of Directors and its committees, BCGE Directors receive fixed annual compensation plus compensation for their office. The Board can also decide to compensate specific assignments undertaken by its members or to commission external experts; it has an annual budget of CHF 50,000 available for this purpose. In 2021, the Board did not make use of this supplementary budget.

Share option plan
Since 2019, directors who have sat on the Board for a full year, from one General Meeting to the next, may to receive, per CHF 3,000 tranche of remuneration, four bonus shares, on condition that two shares are purchased at market price. There is a moratorium on these shares for a period of five years, even if the directorship expires during that period.

The aim of this change is to associate the directors even more closely with BCGE's long-term performance. It respects the principle of aligning the interests of the shareholders with those of the management bodies.

Variable remuneration of the Board of Directors
In order to guarantee their independence and promote their interest in the Bank's long-term growth, members of the Board of Directors receive no variable remuneration.

Remuneration policy for all employees
The regulations relating to employee remuneration fall under the authority of the Board of Directors. The regulations applicable to the period under review were approved by the Board on 15 November 2015 and last amended on 17 December 2020.

Staff remuneration includes a basic salary, variable remuneration (not systematically granted) and share option schemes. The basic salary constitutes the majority of employees' remuneration and is assessed using several criteria: benchmarking, including market and competitor salary levels. Each year, the Board of Directors decides on changes in the fixed payroll.

The amount of variable remuneration is decided by the Board of Directors each year at year-end closing. It includes an amount for individual variable remuneration and, potentially, an additional amount if results for the current year show strong growth compared with the three previous years.

Part of the variable amount, the proportion of which may be as much as 50%, can be distributed as shares in the event of an additional budget being available. These shares are subject to a five to ten-year moratorium.

In certain front office business areas, such as private banking, trade finance, lending or network banking, partly or wholly quantitatively-based remuneration models defining the variable proportion of the salary have been implemented. They were developed taking account of the following main parameters:

- protection of the clients' interests;
- recognition of individual or collective competence;
- no incitement to take excessive risks;
- administrative rigour, correlation between variable remuneration and the Bank's revenues.

The remuneration of the compliance and control roles in the division management teams does not depend on the results of the entities they audit.

Plan	Criterion for attribution	Description	Moratorium period[1]
1 Ordinary variable remuneration	Minimum variable remuneration of CHF 3,000	4 bonus shares in tranches of CHF 3,000 on condition 2 shares are bought at market price	5 to 10 years, as preferred
Complementary amount	Level of consolidated annual results compared to the three preceding years	50% in shares for members of the Executive Board[2] and senior management, 20% in shares for other employees	5 years[3]
2 Length of service	From 3 years' service	From 4 to 14[4] shares	5 years
3 Loyalty	From 10 years' service and in 5-year tranches	CHF 4,000 in shares	5 years
4 Minority shareholdings	From one year's service	4 bonus shares on condition 4 shares are bought at market price	5 to 10 years, as preferred

[1] The moratorium is cancelled in the event of the end of employment, except for staff whose employment contract is terminated by retirement or disability; in this case, they may choose to maintain the moratorium.
[2] The Board of Directors may decide each year to modify the proportion of blocked shares and cash attributed to members of the Executive Board.
[3] The moratorium is maintained beyond the end of the employment contract for members of the Executive Board.
[4] From 25 years' service.

The blocking periods for the Bank's shares acquired by all parent company staff through the share option schemes and the associated tax conditions are explained in the table above and at point 5.22 of the parent company accounts on page 132.

Employees benefit from various preferential conditions on a number of BCGE banking services. The Bank provides them with services at no margin or at a small commercial margin. In addition to the amounts stated in the staff regulations, the terms and conditions for clients also apply.

No external consultant was used with regard to the introduction of remuneration policies.

Share option schemes for all employees
All the Bank's employees, including members of the Executive Board, benefit from four share option schemes enabling them to align their personal financial interests with those of the Bank. These plans provide for the free or conditional granting of BCGE shares subject to a five to ten-year moratorium on sale according to the employees choice for certain plans. When the granting of bonus shares involves a purchase by the employee, the shares acquired by the employee are blocked for the same period.

These plans are described in staff regulations, any changes to which must be submitted to the Board of Directors.

Principles of the Executive Board's remuneration
Remuneration of members of the Executive Board forms part of BCGE's overall remuneration policy. It aims to guarantee the Bank's competitiveness in a highly developed financial centre and enable it to attract and retain the best skills and talents. It takes individual responsibilities and performance assessments into account and reflects market realities.

Members of the Executive Board receive fixed and variable remuneration; they do not benefit from incentive plans in respect of new business in the areas of mortgage loans and wealth management, which are open to all Bank staff.

In addition, remuneration received by members of the Executive Board in the course of their duties on other Boards of Directors is passed on to the Bank in its entirety.

The contracts of employment of members of the Executive Board stipulate six to twelve months' notice of termination.

Remuneration of members of the Executive Board consists of the following items:

- **Fixed remuneration of the Executive Board**

The fixed portion of remuneration compensates members' basic duties, responsibilities and the achievement of standard objectives. This component is chiefly determined at time of appointment based on salary norms for comparable functions in the banking sector. It is then adjusted on the basis of changes in responsibilities and performance, in accordance with the same rules as those applicable to all the Bank's staff.

- **Variable remuneration of the Executive Board**

Variable remuneration of members of the Executive Board rewards exceptional individual or collective performance over and above their basic duties. The overall budget for the Executive Board's variable remuneration is determined by the Board of Directors. The Board of Directors makes its decision with reference to a model assessing the Bank's performance, based on profitability, productivity, competitiveness and risk control criteria.

The overall budget for variable remuneration is then shared among the Executive Directors based on the degree to which their individual objectives and their division's performance are achieved. In addition, in the event of the Bank's results being particularly positive, the Executive Board receives an additional one-off budget, 50% of which is paid in the form of Bank shares subject to a five-year moratorium.

This budget is used if the operating results for the year under review are higher than the average of two out of the three previous years, which was the case in 2021. Total compensation for members of the Executive Board may therefore vary to a certain extent from year to year depending on whether or not the additional budget is allocated.

Both overall and as a trend, the variable component of the Executive Board's remuneration should not exceed the fixed component. In 2021, variable remuneration, including share option schemes, represented between 55.03% and 65.42% of total remuneration.

The fixed and variable components of the remuneration of each member of the Executive Board are decided by the Board of Directors based on a proposal by the Chief Executive Officer (excluding his/her own remuneration) and notice being given by the Appointments and Remuneration Committee.

Members of the Executive Board, like all the Bank's other employees, are eligible for the four share option schemes described above.

5.2. Information to be supplied by issuers subject to ERCO

The Bank is not subject to ERCO (Excessive Remuneration ordinance).

5.3. Information to be supplied by issuers not subject to ERCO

The remuneration report is on page 132, point 5.22 of this report.

6. Shareholders' participation rights

6.1 Limitation and representation of voting rights

6.1.1 Statutory provisions

There are no limitations on voting rights, nor any clause in the Articles of Association that provide for the granting of exceptions to institutional representatives.

6.1.2 Granting of exemptions during the period under review

Not applicable

6.2. Quorum

The General Meeting shall be validly constituted, irrespective of the number of shares represented. Decisions and elections are by an absolute majority of the votes allocated to the shares represented. Decisions concerning the adoption and amendment of the Articles of Association, such as notice of a merger, split, transformation or dissolution of the Bank, require a two-thirds majority of the share capital. For a second round of voting in elections, if required, a relative majority suffices. In the event of a tie, the chairman of the General Meeting shall have the casting vote. Elections are by secret ballot. At the request of 30% of the voters represented, other decisions may also be made by secret ballot.

6.3 Convening of Shareholders' Meetings

The General Meeting is held annually within six months of the end of the financial year. An Extraordinary General Meeting may be convened as often as necessary. One or more shareholders together representing at least one tenth of the share capital, may also convene an Extraordinary General Meeting, indicating their objective in doing so. If necessary, the Independent Auditor may also convene an Extraordinary General Meeting. The General Meeting must be convened by the Board of Directors at least 20 days in advance by placing a notice in the *Feuille d'avis officielle de la République et canton de Genève* and in the *Feuille officielle suisse du commerce*.

6.4 Agenda items

One or more shareholders who represent shares totalling a par value of CHF 1 million may propose in writing an item for the agenda, within 40 days preceding the General Meeting.

6.5 Share registration

The Bank keeps a share register and only persons whose names are included in the share register as shareholders with voting rights are considered to be shareholders by the Bank and may exercise their right to vote at the General Meeting. In general, the share register is closed 20 days before the General Meeting. The precise date is communicated to the Swiss stock exchange on average two months before a General Meeting. No exemptions are currently planned.

7. Taking control and defensive measures

7.1 Obligation to make an offer

No statutory 'opting out' or 'opting up' provision exists.

7.2 Takeover provisions

There is no agreement nor any prepared programme for the benefit of members of the Board of Directors and/or the Executive Board in respect of takeovers.

8. Independent auditor

At the Ordinary General Meeting, the renewal of the mandate of the Bank's independent auditor, Deloitte SA, was accepted for 2021.

8.1 Duration of the audit mandate and of the mandate of the auditor-in-charge

The independent auditor is re-elected each year by the General Meeting of shareholders.

Since 2019, the auditor-in-charge, within the meaning of the legal provisions applicable to banks, has been Alexandre Buga.

The Bank issued a call for tenders for the selection of the independent auditor in 2018. The tender by Deloitte was accepted.

8.2 Independent auditor's fees (in CHF)

These auditor's fees are paid to Deloitte.

	31.12.2021	31.12.2020
Audit of the BCGE Group	617,000	613,000
of which BCGE only	*519,000*	*519,000*

Ex-VAT and fee disbursements

8.3 Additional fees (in CHF)

Additional audit fees essentially consist of the cost of a brief examination of the half-yearly consolidated financial statements as well as various other certifications required in accordance with specific legal requirements.

	31.12.2021	31.12.2020
Audit of the BCGE Group	75,000	75,000
of which BCGE only	*75,000*	*75,000*

Additional fees amounting to CHF 311,000, not connected with the audit, were paid in 2021 to a company in the Deloitte network (CHF 308,000 in 2020). These fees mainly relate to work concerning the preparation of tax statements.

8.4 Information on the independent auditor

In 2021, the auditor was asked to attend (part-time) three meetings with the Board of Directors as a whole and nine meetings with the Control Committee. These meetings mainly related to the planning and presentation of work linked to auditing the BCGE Group.

The Board of Directors, Control Committee and Internal Audit department receive reports from the auditor.

9. Information policy

- The Board of Directors expresses its views through its Chairman. The Chief Executive Officer is the official spokesperson of the Bank. He delegates the management of information to the Corporate Affairs and Communications department. The head of this department reports directly to him.
- Shareholders, clients and the public can access all relevant information on the BCGE Group using our website and our mobile app. Shareholders are invited to address their questions to the Board of Directors or to the Executive Board, particularly by using the info@bcge.ch e-mail address.
- Press releases are distributed according to news events and needs. The Bank also addresses journalists and financial analysts as a means of keeping its shareholders informed. It notifies them of business developments and prospects at press conferences and when it publishes annual and half-yearly results.
- The Bank maintains regular relations with the Geneva public authorities, particularly through conferences organised on its premises or theirs.
- The Bank regularly produces financial and corporate publications for investors and shareholders.

Channels	Languages	Frequency	Form	Where available
Website	Fr / En / De	permanent	electronic publication	bcge.ch – About BCGE
Annual report	Fr / En	annual	• electronic publication • printed	bcge.ch – About BCGE > Publications > Financial reports **available in branches and at the Bank's head office or via info@bcge.ch**
General Meeting	En	annual	live	event or "live online"
Financial information	Fr / En / De	permanent	electronic publication	bcge.ch – About BCGE > Publications > Financial publications
Press conferences on results	Fr	twice a year	live	event or "live online"
Press releases	Fr / En / De	occasional	published and sent electronically	bcge.ch – About BCGE > News > Press releases
Financial publications	Fr / En	regular	electronic publication	bcge.ch – About BCGE > Publications > Financial publications
Dialogue Magazine	Fr / En Fr	twice a year	• electronic publication • printed	bcge.ch – About BCGE > Publications > Dialogue **available in branches and at the Bank's head office or via info@bcge.ch**
Electronic mailbox	Fr / En / De	permanent	email	info@bcge.ch / communication@bcge.ch
BCGE LinkedIn page	Fr	permanent	digital communication	linkedin.com/company/bcge
BCGE YouTube page	Fr / En	permanent	digital communication	youtube.com/c/BanqueCantonaledeGenève

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10. Trading lock-up periods

A lock-up period associated with the preparation and publication of the Bank's results is announced by the head of the Finance division and starts at the latest two weeks before the close of the annual or half-year accounting period. This period ends when the results are published.

The lock-up period applies to the following persons:

- the members of the Executive Board;
- the members of the Board of Directors and member of the Control Committee appointed by the State Council;
- the Accounting and Management Control staff;
- the staff of the Risk business unit;
- the staff of Internal Audit;
- the director of the Financial Markets and Treasury department, as well as the staff in charge of the Bank's Treasury and market-making in the Bank's share;
- staff having access to the Executive Board's SharePoint, and those with access to the Finnova accounting module;
- all persons appointed by name by the head of the Finance division;

Persons subject to a lock-up period are prohibited from:

- carrying out personal transactions, i.e. to purchase or sell the Banque Cantonale de Genève registered share, on or off the stock market, directly or indirectly, through a third party (e.g. an asset manager) or not, by agreement with a third party or not, or to undertake any transaction having an economic effect similar to a sale or purchase of the Bank's shares;
- revealing in any manner whatever confidential information to other Bank staff or to third parties;
- advising others in respect of transactions in theBank's shares or other specifically designated securities.

S|Y|N|C|H|R|O|N|Y|Funds®

1996 BCGE
Asset Management

BCGE Asset Management experts dedicate themselves to creating and managing the first two investment funds in the range: Synchrony Swiss Government Bonds and Synchrony Swiss Equity.

2007

Expansion of the range with the launch of LPP funds, designed to optimise pension assets.

2012

Launch of an umbrella fund under Luxembourg law, marking the beginning of Synchrony's international development.

2014

Creation of the LPP 40 ESG fund, one of the products in the Responsible performance offer.

RESPONSIBLE PERFORMANCES

2017

The Synchrony (LU) Swiss All Caps fund is added to the Swiss equities range, an asset class for which the expertise of Synchrony is recognised and regularly receives awards.

REFINITIV LIPPER FUND AWARDS
2021 WINNER SWITZERLAND

Fly to quality!

Over
CHF 3.9 billion
in total assets

72
investment funds

2019

Adherence to PRI (United Nations)

Signatory of:

PRI Principles for Responsible Investment

2018

Range enlarged with the Synchrony Guardian fund, which protects the assets of persons under guardianship.

2021

Innovation with creation of the Synchrony (LU) World QualiLife Stocks fund, as a pragmatic response to the challenges of "sustainable finance"; a fund that selects shares in the companies that contribute most to quality of life.

Refinitiv Lipper Fund Awards, ©2021 Refinitiv. All rights reserved. Used under licence. Awarded to the Synchrony (LU) Swiss All Caps (CHF) A fund as the best fund over three years in the "Equity Switzerland" category

Comments on the Group financial statements Record net profit and dividend

Banque Cantonale de Genève recorded an excellent economic performance for the 2021 financial year with net profit up 19.3% to CHF 125.2 million[1].

- Turnover rose sharply by 19.8% to CHF 439.2 million, reflecting the Bank's ability to capture the economic recovery.
- Business volumes increased significantly, with mortgage loans up 5.5% to CHF 12.7 billion and assets under management and administration up 7.5% to CHF 34.1 billion.
- The Bank's productivity is on a par with the best Swiss universal banks with international activities, with a cost income ratio of 57.8%.
- The Bank also created 15 new specialised jobs in 2021.
- Shareholder equity is rising steadily (+6.5%, +CHF 111 million) to reach a total of CHF 1.827 billion with a coverage ratio of 16.5% well above the minimum requirement.

Main consolidated figures for the financial year 2021

Results, in CHF thousand	31.12.2021	31.12.2020	Variation 2021 vs. 2020	
Operating income	439,240	366,719	72,521	19.8%
Operating expenses	253,996	237,296	16,700	7.0%
Operating profit	174,309	112,995	61,314	54.3%
Net profit	125,234	104,962	20,272	19.3%
ROE (return on equity)	7.0%	6.2%	77 basis points	12.3%
Dividend per share in CHF	4.50[1]	3.75	0.75	20.0%

Balance sheet volumes, in CHF thousand

Balance sheet total	28,293,691	27,541,692	751,999	2.7%
Mortgage loans	12,665,892	12,005,607	660,285	5.5%
Assets under management and administration	34,145,974	31,756,641	2,389,333	7.5%
Shareholders' equity	1,827,222	1,716,341	110,881	6.5%
Tier 1 capital ratio	15.11%	15.04%	8 basis points	0.5%
Available regulatory capital ratio	16.49%	16.15%	34 basis points	2.1%
Employees (full-time equivalents)	834	820	15[2]	1.8%

[1] Proposal submitted to the General Meeting on 3 May 2022.
[2] Due to rounding (staff numbers have increased from 819.6 to 834.1).

[1] See the video with commentary on BCGE's 2021 results, available on the BCGE YouTube channel > Playlist BCGE I Nos résultats. This presentation also covers the Bank's priorities and outlook for 2022.

All performance indicators are up

The Bank's excellent economic performance demonstrates its ability to capture the economic recovery. Business turnover rose sharply to CHF 439 million and net profit increased to CHF 125.2 million. Operating expenses of CHF 254 million reflect the investment dynamic. The Bank's productivity is on a par with the best Swiss universal banks with international activities, with a cost income ratio of 57.8%. The Bank created 15 new specialised jobs in 2021 and the number of employees now stands at 834 employees (full-time equivalents).

Net interest income reflects the growth in corporate and retail loans to CHF 228 million (+5.7%). Commissions rose to CHF 136 million (+17.7%) thanks to private banking with its network of branches in Geneva and Switzerland, and to international trade finance. The share of revenues in EUR and USD accounted for 27.5% of turnover, reflecting a healthy diversification of the business portfolio and the geographical scope of activities.

A major contributor to financing Geneva's economy

The Bank grants a total of CHF 18.4 billion in loans to companies and individuals, up by CHF 763 million in 2021. Mortgage loans reached CHF 12.7 billion and represent 45% of the balance sheet total, a proportion that reflects the efficient diversification of the Bank's balance sheet. Loans to companies and public authorities increased by CHF 102 million to CHF 5.7 billion. The Bank now has 20,762 companies among its clients, an increase of 153 since 31 December 2020.

Assets under management and administration crossed the threshold of CHF 34 billion

The Bank continues to be highly competitive in asset management. Assets under management and administration showed record growth, up CHF 2.4 billion (+7.5%). This is due in particular to the influx of funds from private clients. Private banking grew strongly with more than 1,222 new management mandates from the Best of range. Investment funds rose by 21.7% to CHF 3.9 billion, reflecting the growing success of the Synchrony brand.

Continued increase in shareholders' equity

Shareholder equity increased by CHF 111 million (+6.5%) to over CHF 1.8 billion. This figure is the result of a constant increase which, since 2005, has seen the creation of more than CHF 1.1 billion of additional shareholder equity. BCGE belongs to the circle of well-capitalised and sound banks, as reflected by the upgrade of its rating by Standard & Poor's to AA-/A-1+/Stable on 4 November 2021[2].

355 new shareholders

The number of private and institutional shareholders of the Bank is increasing every year. The shareholder community grew by 355 persons or entities. The Bank thus registered 15,423 shareholders as at 31 December 2021, including 15,051 private shareholders. The shareholder base is well diversified (83% of shareholders known to the Bank hold between one and 50 shares). 77% of employees are shareholders, holding 2.6% of the Bank's capital.

[2] See note on page 23.

The share price is gradually approaching its intrinsic value

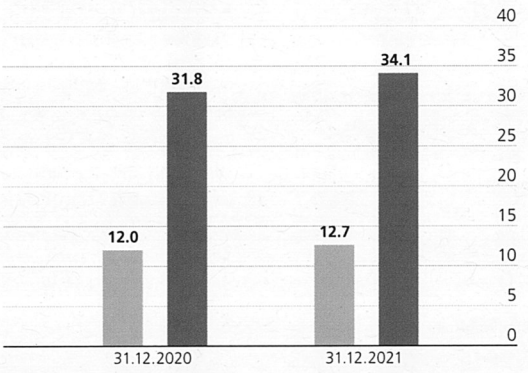
The share price was stable in 2021, with a slight increase in the market capitalisation to CHF 1.156 billion and an equity value of CHF 1.827 billion. With a book value of CHF 257.6 and given the excellent results, the share has substantial upside potential.

The proposed dividend is significantly higher

The dividend submitted to the General Meeting for approval is CHF 4.50 or 9% of the nominal value which represents an increase of 20%. The Bank's contribution to public authorities, mainly the State and Geneva municipalities, in the form of taxes and dividends, totals CHF 61 million for the 2021 financial year.

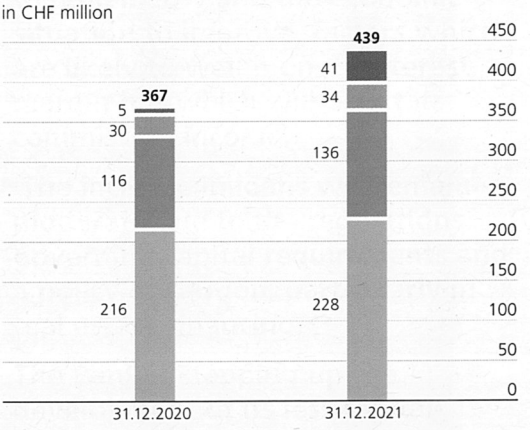
Changes in mortgage lending and AUM

in CHF billion



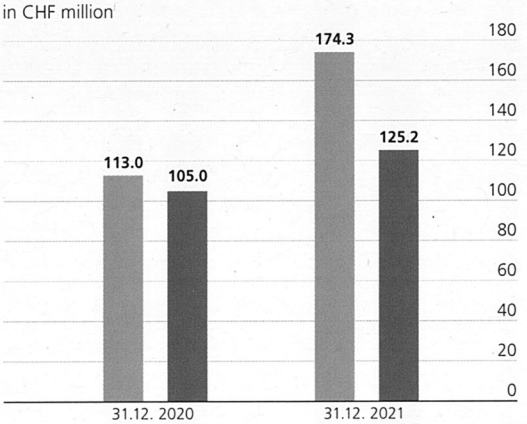
Changes in revenues

in CHF million



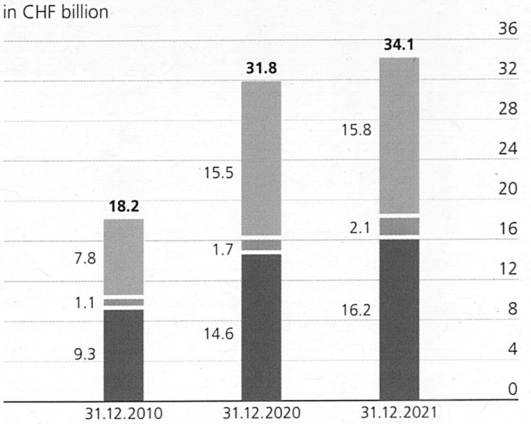
Changes in operating income and net profit

in CHF million



Increase in assets under management and administration

in CHF billion

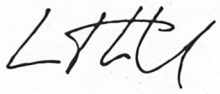


Strategic priorities for 2022

The Bank is currently working on seven strategic priorities, summarised on page 19 of this report.

The Bank is continuing its commercial expansion by capturing the economic recovery. It relies on the diversity of its skills and on the alignment of its business model with the specific demands of the Geneva and Swiss economy.

For 2022, barring a deterioration in the economic situation and taking into account the projected commercial developments, the Bank expects a slight increase in the overall earnings for the year



Manuel Leuthold
Chairman of the Board of Directors



Frédéric Vernet
Member of the Executive Board (CFO)

Outlook for 2022

- **The growth of high added-value business and the loyalty of its client base confirm BCGE's favourable strategic orientation.**
- **The Bank's financial strength makes it a safe and stable custodian address.**
- **The Bank expects interest rates to remain low and the economic situation to improve, factors which are likely to weigh on its interest margin but which will boost its commission income.**
- **The increase in loans will remain moderate due to the regulations governing capital requirements and a policy of caution, particularly in real estate financing.**
- **The Bank is stepping up the development of its less capital-intensive businesses (private and institutional asset management, corporate advisory services) and is expanding its corporate offer (private equity and M&A).**

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Statutory Auditor's Report

To the General Meeting of Banque Cantonale de Genève, Genève

Report on the consolidated financial statements

Audit opinion

We have audited the consolidated financial statements of Banque Cantonale de Genève and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 84 to 113) give, in all their material aspect, a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with the Swiss accounting rules for banks and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards (SAS). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority (FAOA)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Value adjustments for default risks on amounts due from clients and mortgage loans — *Risk level similar to previous year*

Key audit matters	Audit procedures
The book values of amounts due from clients and mortgage loans amount respectively to CHF 5,690 mio and CHF 12,666 mio (total of balance sheet of CHF 28,294 mio). These amounts are presented net of value adjustments of KCHF 116,485 including a value adjustment for inherent risks. The estimated value adjustments are based on internal regulations. The value adjustments include an inherent part of significant judgement from Management. Considering the amounts due from clients and mortgage loans, the value adjustments for default risks are considered as a key audit matter. Please refer to pages 90 to 93 and to note 5.02 of the notes to the financial statements on page 96 for further information.	We verified and tested the key controls relating to the credit activity, in particular the processes for granting credits, the monitoring of credits, the assessment of value adjustments for default risks (provisioning rules) and the controls relating to the determination of value adjustments for inherent default risks. We have concluded that we can rely on the verified key controls. Furthermore, we tested on a sample: • The different types of credit (mortgage, commercial and Global Commodity Finance), including those that had not been identified as eligible for value adjustment, in order to form our own opinion and to evaluate the need of an impairment and whether it has been properly recognised ; • Assumptions retained for the value adjustments ; • Credits which are closely monitored due to higher risks of default but not yet adjusted ; • The judgement level applied and approval of value adjustments in accordance with internal authorization rules ; • The opinions of external law firms consulted in the context recovery files ; • The correct booking of the value adjustments. Based on our procedures performed, we have collected sufficient appropriate audit evidences in order to cover the risk of valuation of value adjustments for default risks.

Valuation of the provisions for legal risks — *Risk level lower than previous year*

Key audit matters	Audit procedures
Due to its activity of universal and cantonal bank involving a significant number of clients, the Group is exposed to legal risks. A list of litigation cases, procedures and prosecutions is established by Management. The valuation of those provisions includes an inherent part of judgement from Management. Please refer to page 94 and to note 5.16 to the financial statements on page 103 for further information.	We tested the adequacy of the design and the implementation of key controls for legal risks regarding the identification, the valuation of provisions and the proper recording of related provisions. Furthermore, we performed substantive procedures consisting of : • Review of the list of litigation cases, procedures and prosecutions established by Management ; • Review of the assumptions used by Management for the estimation of the level of provision of the significant cases and discuss them with Management and Head of Legal ; • Sending confirmations requests to the external lawyers consulted in 2021 in connection with litigation or potential litigation ; • Test the proper recording of these provisions. Based on the procedures performed, we have collected sufficient appropriate audit evidences to cover the risk of valuation of the provisions for legal risks.

Deloitte.

Responsibility of the board of directors for the consolidated financial statements

The board of directors is responsible for the preparation of the consolidated financial statements that give a true and fair view of the consolidated financial position and its consolidated results of operations and its consolidated cash flows in accordance with the Swiss accounting rules for banks and comply with Swiss law. The board of directors is also responsible for the internal control deemed necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

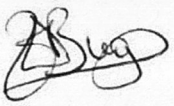
A more detailed description of our responsibilities in auditing financial statements is available on the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description is also part of our report.

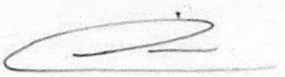
Report on other legal and regulatory requirements

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

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

Deloitte SA





Alexandre Buga
Licensed Audit Expert
Auditor in charge

Vida Gratteau
Licensed Audit Expert

Geneva, 17 February 2022

BCGE Group 2021 consolidated financial statements and notes Overview

Essential regulatory key figures 83

BCGE balance sheet items and off-balance-sheet transactions 84

Profit and loss account items – Consolidated 85

Presentation of the cash flow statement – Consolidated 86

Statement of shareholders' equity – Consolidated 87

Summary presentation – Consolidated 88

1. Registered name, legal form, registered office and goal 88
2. Accounting and valuation principles 89
3. Risk management 91

Details relating to the items in the notes to the consolidated financial statements 95

5.01 Breakdown of securities financing transactions (assets and liabilities) 95
5.02 Presentation of collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables 96
5.03 Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities) 97
5.04 Presentation of derivative financial instruments (assets and liabilities) 97
5.05 Breakdown of financial investments 98
5.06 Presentation of shareholdings 98
5.07 Disclosure of companies in which the Bank holds a permanent direct or indirect significant participation 99
5.08 Presentation of tangible assets 99
5.09 Presentation of intangible assets 100
5.10 Breakdown of other assets and liabilities 100
5.11 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership 100
5.12 Disclosure of liabilities relating to own pension schemes 100
5.13 Disclosure of the economic position of own pension schemes 101
5.14 Presentation of the issued structured products 101
5.15 Presentation of outstanding mandatory bonds, convertible bonds and mortgage bonds 102
5.16 Presentation of value adjustments and provisions, reserves for general banking risks and changes therein during the current year 103
5.17 Presentation of the Bank's capital 103

5.18	Number and value of equity securities or options on equity securities held by all executives and directors and by employees, and disclosures of any employee participation schemes	104
5.19	Disclosure of amounts due from/to related parties	104
5.20	Disclosure of holders of significant participations	105
5.21	Disclosure of own shares and composition of equity capital	105
5.22	Disclosures in accordance with the Ordinance against Excessive Compensation with respect to Listed Stock Corporations and Article 663b^{bis} CO for banks whose equity securities are listed	106
5.23	Presentation of the maturity structure of the financial instruments	106
5.24	Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle	107
5.25	Breakdown of total assets by country or group of countries (domicile principle)	108
5.26	Breakdown of total assets by credit rating of country groups (risk domicile)	108
5.27	Presentation of assets and liabilities broken down by the most significant currencies for the bank	109
5.28	Breakdown and explanation of contingent assets and liabilities	110
5.29	Breakdown of credit commitments	110
5.30	Breakdown of fiduciary transactions	110
5.31	Breakdown of managed assets and presentation of their development	110
5.32	Breakdown of the trading activities results and the fair value option	110
5.33	Disclosure of material refinancing income under the item Interest and discount income as well as material negative interest	111
5.34	Breakdown of personnel expenses	111
5.35	Breakdown of other operating expenses	111
5.36	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	111
5.37	Disclosure of and reasons for revaluations of investments and tangible fixed assets up to the acquisition value	111
5.38	Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment	112
5.39	Presentation of current taxes, deferred taxes, and disclosure of tax rate	113
5.40	Disclosures and explanations of the earnings per equity security in the case of listed banks	113

Essential regulatory key figures
Consolidated

	Equity taken into consideration in CHF 1,000	2021	2020
1	Core Equity Tier 1 capital (CET1[1])	1,787,231	1,682,938
2	Core Equity Tier 1 capital (T1[2])	2,011,976	1,907,593
3	Total capital	2,194,906	2,048,639
	Risk-weighted assets (RWA[3]) in CHF 1,000		
4	RWA[3]	13,311,471	12,683,868
4a	Minimum capital requirements	1,064,918	1,014,709
	Risk-based capital ratios as percentage of RWA[3]		
5	CET1 ratio[1]	13.4%	13.3%
6	Core capital ratio	15.1%	15.0%
7	Total equity ratio	16.5%	16.2%
	CET1 buffer requirements[1] as % ofRWA[3]		
8	Capital buffer according to Basel minimum standard (2.5% from 2019)	2.5%	2.5%
9	Countercyclical buffers (art. 44a OFR[4]) according to Basel minimum standard	–	–
10	Additional capital buffer according to international or domestic systemic risk	–	–
11	Total of bank CET1-specific requirements according to Basel minimum standard[1]	2.5%	2.5%
12	CET1[1] available to cover buffer requirements according to Basel minimum standard (after deduction of CET1[1] allocated to cover minimum requirements and if applicable to cover TLAC requirements[5])	8.5%	8.2%
	Target capital ratios according to Annex 8 OFR[4] as percentage of RWA[3]		
12a	Capital buffer according to Annex 8 OFR[4]	4.0%	4.0%
12b	Countercyclical buffers (art. 44 and 44a OFR[4])	0.0%	0.0%
12c	Target CET1[1] (en %) ratio according to Annex 8 OFR[4] with addition of countercyclical buffers according to art. 44 and 44a OFR[4]	7.8%	7.8%
12d	Target T1[2] (as %) ratio according to Annex 8 OFR[4] with addition of countercyclical buffers according to art. 44 and 44a OFR[4]	9.6%	9.6%
12e	Total target capital ratio (as %) according to Annex 8 OFR[4] with addition of countercyclical buffers according to art. 44 and 44a OFR[4]	12.0%	12.0%
	Basel III leverage ratio		
13	Total assets	29,828,305	23,197,006
14	Basel III leverage ratio (core capital as percentage of total assets)	6.7%	8.2%
	Liquidity coverage ratio (LCR[6])		
15	LCR[6]: numerator: total high-quality liquid assets	7,594,867	7,131,688
16	LCR[6] denominator: total net cash outflows	4,006,989	4,218,989
17	Liquidity coverage ratio, LCR[6]	190%	169%

[1] Common equity tier 1.
[2] Tier 1.
[3] Risk weighted assets.
[4] Capital Adequacy Ordinance.
[5] Total loss-absorbing capacity.
[6] Liquidity coverage ratio.

All the publication requirements relating to shareholders' equity will be available on the Bank's website at the latest by 30 April 2022 (bcge.ch – About BCGE > Publications > Financial reports.) The Bank applies the standard international approach, otherwise known as SA-BIS, for the regulatory disclosures of credit risk, the standard approach for market risk and the base indicator approach for operational risk.

Risk of interest rate changes in the banking book

In the event of a change in the interest rate curve, the market value of the Bank's equity would oscillate between CHF –88 million (in the event of an interest rate rise of 100 basis points) and CHF 97 million (in the event of an interest rate fall of 100 basis points). The impact on revenues would vary respectively between CHF –1.6 million and CHF 1.3 million, with a floor benchmark rate of 0% for client services.

BCGE balance sheet items and off-balance-sheet transactions
Consolidated

Assets	Notes	31.12.2021 in CHF 1,000	31.12.2020 in CHF 1,000	Change in CHF 1,000
Liquid assets	5.23	6,467,963	6,474,360	–6,397
Amounts receivable from banks	5.23	857,787	732,421	125,366
Amounts due from securities financing transactions	5.23	–	–	–
Amounts due from clients	5.23	5,689,608	5,587,154	102,454
Mortgage loans	5.23	12,665,892	12,005,607	660,285
Trading portfolio assets	5.03	53,944	53,729	215
Positive replacement values of derivative financial instruments	5.04	17,094	15,953	1,141
Financial investments	5.05	2,124,776	2,210,757	–85,981
Accrued expenses and deferred income		38,535	37,131	1,404
Participations	5.06	64,042	53,613	10,429
Tangible fixed assets	5.08	128,684	120,102	8,582
Intangible assets	5.09	702	615	87
Other assets	5.10	184,664	250,250	–65,586
Total assets		**28,293,691**	**27,541,692**	**751,999**
Total subordinated claims		29,853	20,627	9,226
of which, subject to mandatory conversion and/or debt waiver		–	–	–

Liabilities				
Amounts due to banks	5.23	3,194,426	3,385,977	–191,551
Liabilities arising from securities financing transactions	5.23	163,064	817,425	–654,361
Amounts due in respect of client deposits	5.23	18,233,404	16,883,771	1,349,633
Trading portfolio liabilities	5.03	3,925	511	3,414
Negative replacement values of derivative financial instruments	5.04	8,648	12,562	–3,914
Cash bonds	5.23	803	1,100	–297
Bond issues and central mortgage institution loans	5.15	4,597,245	4,491,155	106,090
Accrued expenses and deferred income		110,102	97,848	12,254
Other liabilities	5.10	148,490	122,057	26,433
Provisions	5.16	6,362	12,945	–6,583
Reserves for general banking risks	5.16	250,000	230,000	20,000
Bank's capital	5.17	360,000	360,000	–
Capital reserve		306,764	320,358	–13,594
Retained earnings reserve		827,544	741,301	86,243
Currency translation reserve		–24,442	–19,836	–4,606
Own shares		–18,287	–20,832	2,545
Minority interests in equity capital		409	388	21
Profit/loss (result of the period)		125,234	104,962	20,272
of which minority interests in consolidated profit		*21*	*–12*	*33*
Total liabilities		**28,293,691**	**27,541,692**	**751,999**
Total subordinated liabilities	5.15	334,745	334,655	90
of which, subject to mandatory conversion and/or debt waiver	5.15	*334,745*	*334,655*	*90*

Off-balance-sheet transactions				
Contingent liabilities	5.28	1,328,273	916,005	412,268
Irrevocable commitments	5.02	731,444	817,116	–85,672
Commitments to free up and execute additional transfers	5.02	238,120	178,565	59,555
Approved credit line	5.29	117,903	118,180	–277

Profit and loss account items
Consolidated

Result from interest operations	Notes	31.12.2021 in CHF 1,000	31.12.2020 in CHF 1,000	Change in CHF 1,000
Interest and discount income	5.33	249,803	260,230	–10,427
Interest and dividend income from trading portfolios		40	36	4
Interest and dividends from financial investments		4,558	5,891	–1,333
Interest expenses		–3,625	–21,187	17,562
Gross result from interest operations		**250,776**	244,970	**5,806**
Changes in value adjustments for default risks and losses from interest operations	5.16	–22,866	–29,343	6,477
Subtotal net result from interest operations		**227,910**	215,627	**12,283**
Result from commission business and services				
Commission income from securities trading and investment activities		65,255	56,170	9,085
Commission income from lending activities		43,728	33,838	9,890
Commission income from other services		37,009	34,120	2,889
Commission expense		–9,948	–8,503	–1,445
Subtotal result from commission business and services		**136,044**	115,625	**20,419**
Result from trading activities and the fair value option				
Subtotal result from trading activities and the fair value option	5.32	**34,035**	30,377	**3,658**
Other ordinary income				
Income from sale of financial investments		25,801	–6,800	32,601
Income from participations		8,242	6,147	2,095
Result from real estate		1,246	1,080	166
Other ordinary income		6,943	10,864	–3,921
Other ordinary expenses		–981	–6,201	5,220
Subtotal other results from ordinary activities		**41,251**	5,090	**36,161**
Total operating income		**439,240**	366,719	**72,521**
Operating expenses				
Personnel expenses	5.34	–159,097	–147,762	–11,335
General and administrative expenses	5.35	–94,899	–89,534	–5,365
Subtotal operating expenses		**–253,996**	–237,296	**–16,700**
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	**5.36**	**–16,847**	–15,285	**–1,562**
Changes to provisions and other value adjustments and losses	**5.16**	**5,912**	–1,143	**7,055**
Operating profit		**174,309**	112,995	**61,314**
Extraordinary income	5.36	13	127	–114
Extraordinary expenses	5.36	–	–	–
Change in reserves for general banking risks	5.16	–20,000	15,000	–35,000
Taxes	5.39	–29,088	–23,160	–5,928
Profit/loss (result of the period)		**125,234**	104,962	**20,272**
of which minority interests in Group profit		*21*	*–12*	*33*

Presentation of the cash flow statement
Consolidated

(in CHF 1,000)	2021		2020	
	Cash inflow	Cash outflow	Cash inflow	Cash outflow
Cash flow from operating income (internal financing)				
Result of the period	125,234	–	104,962	–
Change in reserves for general banking risks	20,000	–	–	15,000
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	16,847	–	15,285	–
Provisions and other value adjustments	–	6,583	755	–
Accrued income and prepaid expenses	–	1,404	–	8,895
Accrued expenses and deferred income	12,254	–	–	18,042
Other positions	92,019	–	–	19,673
Previous year's dividend	–	27,000	–	27,000
Special allocation to the State of Geneva	–	5,400	–	5,400
Subtotal	**–**	**225,967**	**–**	**26,992**
Cash flows from transactions relating to equity				
Recognised in reserves	–	4,498	282	–
Change in own equity securities	2,545	–	–	8,239
Subtotal	**1,953**	**–**	**7,957**	**–**
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets				
Participations	–	11,096	6,520	–
Other tangible fixed assets	–	24,472	–	11,289
Intangible assets	–	377	–	–
Subtotal	**35,945**	**–**	**6,534**	**–**
Cash flow from banking activities				
Medium and long-term transactions (more than 1 year)				
Amounts due to banks	–	–	–	4,000
Amounts due in respect of client deposits	–	299	–	1,953
Cash bonds	–	297	–	1,080
Bonds	90	–	92,300	–
Central mortgage institution loans	106,000	–	382,000	–
Amounts receivable from banks	–	179	273	–
Amounts due from clients	11,858	–	–	209,670
Mortgage loans	–	660,285	–	327,304
Financial investments	118,287	–	–	257,658
Short-term transactions				
Amounts due to banks	–	191,551	114,782	–
Liabilities arising from securities financing transactions	–	654,361	272,663	–
Amounts due in respect of client deposits	1,349,932	–	1,937,718	–
Trading portfolio liabilities	3,414	–	–	648
Negative replacement values of derivative financial instruments	–	3,914	4,552	–
Amounts receivable from banks	–	125,187	–	256,799
Amounts due from securities financing transactions	–	–	–	–
Amounts due from clients	–	114,312	–	30,971
Trading portfolio assets	–	215	–	3,012
Positive replacement values of derivative financial instruments	–	1,141	803	–
Financial investments	–	32,306	3,753	–
Liquidity				
Liquid assets	6,397	–	–	1,728,250
Subtotal	**188,069**	**–**	**12,501**	**–**
Total balances	**225,967**	**225,967**	**26,992**	**26,992**

Statement of shareholders' equity
Consolidated

(in CHF 1,000)

	Bank's capital	Statutory capital reserve	Statutory retained earnings	Reserves for general banking risks	Currency translation reserve	Own shares (negative item)	Minority interests	Result of the period	Total
Equity at start of current period	**360,000**	**320,358**	**846,263**	**230,000**	**–19,836**	**–20,832**	**388**		**1'716'341**
Acquisition of own shares						–3,537			–3,537
Disposal of own shares						5,714			5,714
Profit/(loss) from the disposal of own shares		–368				368			–
Currency differences					–4,606				–4,606
Dividends and other distribution		454	–27,000						–26,546
Special allocation to the State of Geneva (20% of the dividend paid)			–5,400						–5,400
Other allocations to (transfers from) the reserves for general banking risks				20,000					20,000
Other allocations to (transfers from) the other reserves		–13,680[1]	13,681[1]				21		22
Profit/loss (result of the period)								125,234	125,234
Equity at end of current period	**360,000**	**306,764**	**827,544**	**250,000**	**–24,442**	**–18,287**	**409**	**125,234**	**1,827,222**

[1] Of which 6,840 corresponding to the 2020 financial year.

1. Registered name, legal form, registered office and goal

Banque Cantonale de Genève (hereafter BCGE) is a limited company established by public law according to Article 763 of the Swiss Code des obligations; it has the status of a cantonal bank as defined by the Federal Banking Act. The Bank was registered in the Geneva Trade Register on 17 December 1993 and conducts its business under the registered name of "Banque Cantonale de Genève SA". The registered office and management of the Bank are in Geneva.

The Banque Cantonale de Genève Group provides the services of a regional full-service bank and has the particular role of contributing to the economic development of the Canton and of the region.

Its activities include providing mortgage lending and commercial and personal loans as well as loans for international trade. The Group is also active in asset management and manages public offerings and placements in the financial markets.

The Bank intends to develop its business activities despite an volatile national and international financial context. This development is based on the diversity of its skills and the fact that its business model is aligned with the specific features of Geneva's economy.

Activity report

The business component of the activity report appears in the Comment on the group accounts chapter (*see pages 74–77*). The Bank publishes its capital adequacy in the document entitled *Publication requirements relating to shareholders' equity*, in accordance with the Basel III guidelines, and applies the standard Swiss approach in respect of credit risk and the standard approach for market risk and operational risk.

Staff numbers	31.12.2021	31.12.2020
Full-time equivalents	834.13	819.63
Average full-time equivalents	824.53	810.13
Headcount	886.00	873.00
Average headcount	876.33	868.50

The Bank's strategy is to outsource its operations so as to concentrate on high value-added client business. Outsourcing relationships are governed by service level agreements (SLAs), in compliance with the FINMA 2018/3 circular on bank outsourcing. The contracts with Swisscom chiefly concern money transfer and securities operations (enabling a quality of service comparable with that offered by the best Swiss banking institutions), operation of the central IT system, the hosting thereof, data storage, the printing and sending of bulk documents and the maintenance of certain items of infrastructure.

Since 2020, BCGE has been engaged in litigation with an IT provider regarding a dispute concerning various services and the way they are invoiced. On 15 June 2021, the canton of Geneva's court of first instance handed down its judgement on this matter and ordered the former service provider to pay a total of CHF 36.8 million to BCGE (before interest and fees) and ordered BCGE to pay an amount of CHF 3.7 million. Costs and fees included, the judgement is in BCGE's favour to the tune of CHF 46.8 million in capital and interest. It should be noted that both parties have lodged appeals in respect of this judgement with the Geneva Court of Justice. As a result, the Bank has released provisions totalling CHF 10 million created in respect of this matter.

The world was hard hit by the Covid-19 pandemic in 2020 and 2021. The Bank showed its resilience during these two years and continued to offer its wide range of services, paying due attention to security and quality of execution while adapting its processes to ensure the safety of its clients and staff.

No significant event directly concerning the Bank occurred after the year-end date.

The current geopolitical situation and its development are being carefully observed and monitored.

Agreements with the majority shareholder

Chapter 5 of article 33 of the Bank's Articles of Association, adopted by the General Meeting of 3 May 2005, formalises the repayment of loans granted by the State of Geneva to the *Fondation de valorisation* of the Banque Cantonale de Genève at the start of the previous decade. The Bank makes repayments pro rata to the dividends distributed to shareholders (20% of the dividends paid). Following the Fondation's dissolution, the State Council, in accordance with the decree of 21 October 2011, set the remaining amount of the loans to be repaid by the Bank at CHF 370,661,634 on 31 December 2009. For the 2021 financial year, an amount of CHF 6.5 million will be paid, provided that the Board of Directors' proposed dividend is adopted by the General Meeting. As a result, a total amount of CHF 55 million will have been repaid since 2009, thus bringing repayments made by the Bank to a total of CHF 82.9 million since the Bank's consolidation in 2000.

2. Accounting and valuation principles

Terms of reference

The Group's consolidated accounts comply with the Code des obligations, the Federal Banking Act and its implementing ordinance, FINMA circular 2020/1 on accounting rules for banks (ARB-FINMA) and the FINMA accounting ordinance (OEPC-FINMA).

The Group accounts have been prepared according to the true-and-fair-view principle.

Closing date for the consolidated accounts

The accounts are closed on 31 December of each year.

Scope of consolidation

Firms whose consolidation makes an important financial difference have been included in these financial statements as follows: The scope of consolidation has not changed since 31 December 2020.

All Group companies in banking, finance and real estate, held as permanent assets in which the parent company has a direct or indirect stake of more than 50%, are fully consolidated. All permanently held Group companies in banking, finance and real estate, in which the parent company has a direct or indirect stake of between 20% and 50%, are consolidated under the equity method.

Balance sheet total	in CHF 1,000
Banque Cantonale de Genève, Geneva	28,096,995
Capital Transmission SA, Geneva	79,067
Investissements Fonciers SA, Lausanne	23,614
Swiss Public Finance Solutions SA, Geneva	11,191
Loyal Finance AG, Zurich	1,257
Dimension SA, Lausanne	693
Banque Cantonale de Genève (France) SA, Lyon	1,019,657
Compagnie Foncière du Saint Gothard SAS, Puteaux	28,193
Compagnie Foncière Franco-Suisse SAS, Lyon	34,347
Rhône Saone Courtage Sàrl, Lyon	39
Rhône Saône Léman SNC, Lyon	12

Consolidation process

- **Share capital consolidation**
  During the purchase of an equity interest, the net book value of the equity in the consolidated company is offset against the proportion of the company's total net assets those shares represent. Any difference is recorded either as a valuation adjustment on the consolidated balance sheet or as goodwill. Capital is consolidated according to the purchase method, which allows for the compensation of the equity interest purchase price with the part that the Group holds in revalued shareholders' equity (monetary value of net assets) at the time of the acquisition.
- **Goodwill**
  Goodwill and the difference of first consolidation are shown on the balance sheet as "intangible assets" and depreciated through the profit and loss account over a maximum period of 10 years.
- **Intercompany transactions**
  Liabilities and receivables, as well as income and expenses from intercompany transactions, are eliminated.
- **Treatment of foreign currency exchange differences**
  Other assets, balance sheet debt and depreciation and amortisation of tangible assets of entities domiciled outside Switzerland and recorded in foreign currencies are converted into Swiss francs at the rate applying at year end. Income statement items of these entities, other than depreciation and amortisation of tangible assets, are converted into CHF at the average closing rates of the 12 months of the year. The shareholders, equity of these entities is converted at the historic average rates of each balance-sheet item. The resulting exchange differences are directly accounted for in equity under "Foreign exchange reserve.

Valuation methods

The consolidated financial statements are based on the Group companies, individual annual financial statements using uniform accounting principles and valuation methods. Adjustments to conform to the "true and fair view" are generally made to own shares and bonds by deducting the corresponding liabilities.

Recording dates

All transactions are recorded on the books at the date of transaction.

Currencies, banknotes and precious metals

Positions held in currencies are converted into Swiss francs at the following year-end rates:

Main currencies	Unit (currency)	Exchange rate 31.12.2021	Exchange rate 31.12.2020
US dollar	1	0.9117	0.8799
Euro	1	1.0345	1.0810
Pound sterling	1	1.2311	1.1997
Yen	100	0.7920	0.8536

Income and expenses are converted at the rate applying on the transaction date. Exchange gains and losses arising from conversion are reported under the heading "Results from trading operations".

Liquid assets

Cash is reported on the balance sheet at its face value.

Due from banks, clients and mortgage loans

Receivables and liabilities are recorded at their face values. Pledged collateral is valued prudently, systematically and periodically, applying uniform principles and based, other than in exceptional cases, on a market value.

The Bank values real estate either using an expert system (hedonic approach) or by internal valuations for unusual or luxury items, or, in the case of income properties, by discounting future cash flows.

Receivables on the balance sheet are valued at no more than the value they represent for the Bank. Value adjustments made to cover potential losses known or estimated at the balance sheet date are booked as a reduction in the value of the corresponding assets. Interest and corresponding commissions which are unpaid 90 days from the due date are considered outstanding and are booked under value adjustments which are deducted from the corresponding assets. In such cases, they are only shown in the profit and loss account at the time when the payment is actually made.

For consumer-credit portfolios (personal loans and leasing) consisting of many similar loans, individual provisions are determined on a portfolio basis using general historical data.

Amounts due/liabilities from securities financing transactions

Amounts due/liabilities from transactions in securities or formerly operations using repurchase and reverse repurchase agreements are recorded on the books as follows:

- sums in cash that are transacted are recorded on the balance sheet;
- the transfer of securities is not recorded on the balance sheet as long as the seller retains the rights to them;
- the subsequent transfer of received securities is entered on the balance sheet. The subsequent transfer of received securities is entered on the balance sheet as a non-monetary liability at market value.

Trading portfolio assets

Securities held in portfolios are recorded on the balance sheet at their year-end market value. Results are recorded under "Results from trading operations and the fair value option".

In accordance with the Group's principle of true and fair view, own treasury bonds are not marked to market, but recorded at their face values and reported by reducing the corresponding liability positions.

Own treasury shares are recorded at Group level by deducting their acquisition cost from shareholders, equity, under a separate position called "Own shares". Payment of dividends and results of subsequent transfers are attributed to "Statutory capital reserve".

Hedging operations

The Bank uses derivative financial instruments to protect itself from market risks. Hedging transactions are valued in the same way as the hedged items and the result is recorded in the same accounting item.

Financial investments

Financial investments include securities held for the long term and companies bought for strategic purposes and which are likely to be sold in the medium term.

Other debt and equity investments are valued either using the principle of valuation at the lower of cost or market, or on the accrual principle for securities that are to be held to maturity. The net impact of the changes in value is recorded in ordinary income or expenses. Buildings acquired in the course of lending operations and intended for resale are carried on the balance sheet at cost, less any adjustments in value and liquidation costs, on the principle of lowest market value.

Tangible fixed assets

Fixed assets are carried on the balance sheet at acquisition cost and are subject to straight-line depreciation over their foreseeable life, not exceeding the following:

Bank buildings	100 years
Fixtures	10 years
Furniture and fittings	5 years
Office machines	5 years
Software and IT equipment	3 to 10 years depending on their life cycle

Taxes

An assessment of the taxes due for the year is entered into the accounts according to the income earned. The impact of delimiting the Group's taxes is shown under deferred taxes.

Amounts due to banks

Receivables and liabilities are recorded at their face values.

Amounts due in respect of client deposits

Receivables and liabilities are recorded at their face values.

Positive and negative replacement values of derivative financial instruments

Positions in financial instruments open at year end are reported at their market values, either by means of a valuation model in line with the type of derivative financial instrument in the "Positive/negative replacement values of derivative financial instruments" items and are accounted for according to the purpose of the underlying transaction:

- active trading positions, at market price in the income statement,
- hedging positions in accordance with the valuation of the underlying transaction hedged.

Provisions

Provisions include those intended to cover necessary operational risks, provisions for inherent default risks, valuation adjustments for off-balance-sheet default risks and provisions for deferred taxes.

Reserves for general banking risks

The reserves for general banking risks are precautionary reserves accumulated via the "Change in reserves for general banking risks" item to cover general business risks. These reserves are taxed.

Contingent liabilities

Contingent liabilities record, in particular, guarantees to secure credits issued in the form of bill guarantees, bank securities and sureties.

Irrevocable commitments

Irrevocable commitments relate to the granting of loans or other services that have not been used by the year end date but are granted definitively. Commitments to pay under the terms of the deposit guarantee are posted under this item.

Commitments related to additional payments and further contributions for shares

Commitments to pay under the terms of the deposit guarantee are posted under this item.

Change in accounting principles

There has been no change in accounting principles.

3. Risk Management

(see also pages 20–21)

The Board of Directors establishes risk policy according to legal requirements and the Executive Board applies this in all the Group's entities using the same methodology. The Bank has set up specialised risk committees for the parent company and the subsidiaries to enable it to assess, monitor and manage risks incurred.

The Board of Directors undertakes a quarterly analysis of the Group's principal risks. This analysis takes account of various sources available to the risk control function and is regularly reviewed by the Risk Committee and the Executive Board.

Basic principles

Aiming at targeted and controlled allocation of its equity, while ensuring that the risks taken are diversified, the Bank defines risk segments and applies limits to them in line with the business area. This procedure is validated by the Board of Directors. Similarly, in accordance with regulatory provisions, the Board of Directors sets the country limits and bank limits, taking account of financial fluctuations and geopolitical risks. The Executive Board monitors all risks through constant supervision of business activities and through monitoring by specific committees.

All members of the Executive Board are responsible for the revenues and costs from risk positions taken in their divisions, and must take the necessary action to manage and/or reduce risk.

Independent risk monitoring of the revenue-generating operating units is performed throughout the Bank. Hence, the Risk Control, Compliance and ALM departments underpin regular monitoring by the specialised front office and control functions. Their role is to anticipate, analyse, evaluate and inform the various dedicated committees on the financial, legal and compliance-related impacts of exposure to the risks, paying particular attention to thoroughness and the objective assessment of the risks incurred and potential risks impacting the Bank (financial and non-financial risks, including environmental and social risks and operational risks).

Consolidated supervision

The organisation of risk control within the Group is structured on the basis of the management principles used by the Bank in Geneva with the aim of ensuring a comprehensive understanding of risks and their uniform control at consolidated level.

The Risk and ALM departments in the Finance division consolidate the Group's overall positions. The distribution of reports and their systematic review with the front-office divisions during Risk (CRISK) and CALM (Asset and Liability Management) committee meetings provide a formal framework for this effective overall approach.

The results are reported to the Executive Board and the Board of Directors on a regular basis.

Types of risks

- **Credit risk**

Credit or counterparty risks are the loss the Group suffers if a counterparty defaults.

Credit is granted under a specific system of delegation of authority, based on the size of the loan, and subjected to a system of expert rating. This lays down different conditions which are to be applied depending on the borrower's financial situation and the type of transaction.

The Credit Committee examines applications within its competence and authorises operations in line with the delegated authority and the policy defined. This policy encompasses the undertakings of the Group's clients and corresponding institutions originating in the loan and guarantee issuance businesses, together with undertakings in respect of currency transactions.

Risk for commercial loans is assessed every year.

For mortgage loans, the interval for reviewing collateral is defined by the loan-to-value ratio and the type of property. In all cases, new risk indicators or an increase in existing risks result in specific analysis of the loan portfolios in question.

Ratings are allocated to borrowers by an expert rating system (10 grades from A+ to E-) and are updated by dedicated systems. Rating models are provided by a system used jointly by around 12 cantonal banks and other large financial institutions. A significant drop in ratings triggers a risk-assessment process, and if necessary, the setting up of valuation adjustments and the transfer of the case to the Participations and Workout department or the Litigation department.

Non-performing and impaired loans are assessed individually and the reduction in value is expressed in adjustments to individual valuations. Non-performing loans and collateral obtained are valued at liquidation value, taking into account any individual adjustment for the debtor's solvency. Off-balance sheet transactions are also included in this assessment.

To complement the valuation adjustments, the Bank, as a category 3 institution, makes valuation adjustments for inherent default risks, as defined in article 25 (1) (b) OEPC-FINMA. Non-impaired loans/receivables, unlike the other receivables described above, result from situations where it is apparent that debtors will be in a position to meet their future commitments. The method for calculating value adjustments for inherent default risks was defined by the Bank in 2019, and consists of grouping the volumes of risk weighted assets (RWA[1]) by activity segment, taking account of on- and off-balance sheet lending. Eight activity segments[2] were defined, and a loss coefficient was calculated for each one. These coefficients transcribe the loss estimated over a medium-term time horizon and are revised annually in the course of the review of the strategic and financial plan (SFP), based on the Bank's historical losses on the loan portfolio. The estimated potential loss may, moreover, be adapted to an appraisal value when the potential loss seems too low or inappropriate. By multiplying the risk-weighted assets by these loss coefficients, it is possible to calculate a valuation adjustment for inherent default risk relating to each activity

[1] RWA: Risk Weighted Assets.

[2] Consumer financing, Swiss property for private individual clients, Swiss property for corporate clients, Swiss corporate clients, property and corporates France, public authorities, trade finance, banks and financial markets.

segment. The sum of the amounts for these eight segments is equal to the overall amount of the valuation adjustments for the Bank's inherent risks. The volumes of risk-weighted assets by segment are re-evaluated at each year-end closing and the amounts of the value adjustments for inherent risks are adjusted in consequence. If the valuation adjustments made for inherent default risk are used, the amount drawn off is reconstituted in a linear manner, over a maximum of five years, starting in the financial year after the amount has been drawn. The Executive Board is able to use the valuation adjustments for inherent default risks as soon as the provisions made for risks are greater than the annual loss budget taken into account in the budget planning. The valuation adjustments for inherent default risks on amounts due from clients, mortgage loans and receivables from banks are deducted from the corresponding balance sheet items. The part attributable to off-balance-sheet positions and financial investments appears in the Provisions item. The Bank took the decision to make all its valuation adjustments for inherent default risks, in advance of the plan in the initial schedule, which was to complete the valuation adjustments by the end of 2023. The consolidated amounts are presented in note 5.16, page 103.

Country commercial limits are in place, mainly for international trade finance; they are monitored and and checked daily by the Risk department. Country limits for direct risks (the debtor's country of incorporation) and indirect (the country of economic risk) are validated annually by the Board of Directors and reviewed when the political or economic situation of a country changes.

- **Concentration risk**

Major risks (large risks in the meaning of art 95 FRO[3]) are continuously monitored and reported quarterly to the Board of Directors and to the independent auditors.

The integrated IT system for risk control calculates the funding requirements for each transaction and aggregates them by economic group. For the purpose of risk prevention, additional attention is paid to potential concentration of loans. These positions are constantly monitored and, if values approach thresholds, management is notified immediately. Simulations are systematically carried out in the run-up to prospective large operations.

- **Rate risk, liquidity risk, market risk and proprietary investment risk**

These risks reside in the potential for losses from exchange-rate fluctuations, interest rates and property prices and indices for any position held by the Group.

The control of these risks requires that open positions must be identified, measured and controlled. Evaluation of the trading portfolio and supervision of limits are carried out on a single ad hoc system, allowing risks incurred to be evaluated, and a report is produced on a daily basis. An independent department is tasked with permanently monitoring compliance with limits and stop-loss in the Financial Markets & Treasury department. The Bank has a policy of maintaining low exposure to market risks in commodities trading. In addition, the ALM (*asset and liabilities management*) Committee meets on a monthly basis. The Committee oversees management of the Bank's balance sheet in the light of potential changes in the business and financial market situation and other parameters. The ALM Committee monitors all financial risks.

- *Rate risk*

Rate risks are those risks arising from fluctuations in the value of non-trading portfolio positions as a result of changes in interest rates. Exposure to risk rates arises when maturity rates and asset volumes are mismatched with the refinancing of liabilities. These asymmetries are the cause of this risk and have an effect on interest income and on the Bank's equity valuation. Fixed rate or at-sight banking products without maturities are modelled in order to respond as effectively as possible to rate changes made when market rates move. These models are reviewed periodically and adapted to market conditions if necessary. Dynamic simulations are carried out in order to monitor revenue risks to the interest margin in the light of various rate scenarios. The policy on interest-rate risks is approved by the Board of Directors, which delegates operational management to the Executive Board. In compliance with legal requirements, the ALM Committee analyses the effects of rate fluctuations on income (short-term) and on value (long-term) and manages them within the limits defined by the Board of Directors.

[3] Capital Adequacy Ordinance.

- *Liquidity risk*

Loan limits for other banks are tightly controlled in response to increased risks. Investments in money markets have largely been replaced by investments of the repurchase agreement type. With great prudence, and with repo operations being continued, money market business is conducted with a number of partner banks and the Swiss public authorities, in compliance with strict limits. BCGE is keeping to its prudent approach, maintaining high levels of liquidity and managing a bond portfolio that is widely diversified and to which sale and repurchase agreements can be applied. This means that credit facilities can be obtained with a large number of counterparties at all times. Bonds included under the long-term financial investment item are restricted to those with AAA ratings or at least A- or equivalent.

The Bank manages its liquidity risk by monitoring exposure through use of a schedule of balance sheet items and balance sheet structure, and by calculating the regulatory liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR). It also manages the risk dynamically, by modelling the growth of business and the need for refinancing. Through its ALM committee, the Bank monitors liquidity risk within the limits set by the Board of Directors.

- *Exchange-rate risk*

Exchange positions that must be managed by the Bank mainly involve interest and commission income, mostly denominated in USD and EUR. Exchange-rate risks arising from the balance sheet, including treasury operations and transactions, are centralised and managed for the Bank as a whole. A hedging system is in place, enabling financial transactions to be executed that protect specific exchange positions while taking related costs into account.

- **Operational risk**

Operational risks are defined as the risk of losses resulting from inadequate or failing internal procedures, persons or systems or from external events. The level of automation of such processes together with internal control measures can limit these risks. The Bank has implemented a model of production processes to monitor points of control, function separation and validation in operations processing. The Operational Risk department ensures that the architecture is consistent. This makes it possible to monitor and record incidents with the aim of improving the operational risk system and more effectively detecting potential problems. Administrative instructions and other internal guidelines are regularly updated and made accessible to all staff members on the Bank's Intranet. Furthermore, the Bank monitors compliance with procedures and the analysis of information flows.

In this context, the Bank is also continuing to increase its measures to combat fraud and cyber attacks.

- **Non-compliance and legal risk**

These risks are the responsibility of the Legal and Compliance division, whose mission it is to:

- identify legal risks, defend the Bank's interests and support asset managers in their client relationships. It is involved once a risk has been identified. It assesses the problem and, if appropriate, retains an external lawyer with whom it handles the case. The funding of legal risks is examined on a case-by-case basis. Provisions for legal risks are booked as liabilities under Provisions;
- put in place a process for combating money-laundering, and monitoring sanctions and transactions that is appropriate and adapted to the Bank's activities. It will also monitor developments in regulations and internal instructions;
- institute cross-border rules.

Details relating to the items in the notes to the consolidated financial statements
Consolidated

5.01 Breakdown of securities financing transactions (assets and liabilities)

(in CHF 1,000)

	31.12.2021	31.12.2020
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions	–	–
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions	163,064	817,425
Book value of securities held for own account, lent or transferred as collateral for securities lending or repurchase transactions	167,859	827,305
with unrestricted right to resell or repledge	*167,859*	*827,305*
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	–	–
of which, repledged securities	–	–
of which, resold securities	–	–

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

(in CHF 1,000)

	Secured by mortgage			
	Type of collateral	Other collateral	Unsecured	Total
Loans (before netting with value adjustments)				
Amounts due from clients	**1,123,416**	**1,231,355**	**3,433,579**	**5,788,350**
Mortgage loans	**12,683,635**	**–**	**–**	**12,683,635**
Residential property	*10,492,754*	–	–	*10,492,754*
Office and business premises	*1,618,077*	–	–	*1,618,077*
Commercial and industrial premises	*417,366*	–	–	*417,366*
Other	*155,438*	–	–	*155,438*
Total loans (before netting with valuation adjustments)				
31.12.2021	**13,807,051**	**1,231,355**	**3,433,579**	**18,471,985**
31.12.2020	13,170,552	1,143,829	3,382,658	17,697,039
Total loans (after netting with valuation adjustments)				
31.12.2021	**13,789,308**	**1,221,295**	**3,344,897**	**18,355,500**
31.12.2020	13,161,240	1,125,485	3,306,036	17,592,761
Off-balance sheet				
Contingent liabilities	–	82,773	1,245,500	1,328,273
Irrevocable commitments	–	12,311	719,133	731,444
Commitments to free up and execute additional transfers	–	–	238,120	238,120
Credit commitments	–	–	117,903	117,903
Total off-balance sheet				
31.12.2021	**–**	**95,084**	**2,320,656**	**2,415,740**
31.12.2020	–	73,877	1,955,989	2,029,866

Impaired loans/receivables Consolidated	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
31.12.2021	**184,083**	**97,471**	**86,612**	**83,425**
31.12.2020	334,538	239,989	94,549	91,632

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

(in CHF 1,000)

Assets	31.12.2021	31.12.2020
Trading portfolio assets		
Debt securities, money market securities / transactions	–	974
of which, listed	–	*974*
Equity investments	113	110
Precious metals and commodities	53,731	52,645
Other trading portfolio assets	100	–
Total assets	**53,944**	**53,729**
of which, securities eligible for repo transactions in accordance with liquidity requirements	–	–

Amounts due to	31.12.2021	31.12.2020
Trading portfolio assets		
Equity investments	–	–
Other trading portfolio liabilities	3,925	511
Total liabilities	**3,925**	**511**

5.04 Presentation of derivative financial instruments (assets and liabilities)

(in CHF 1,000)

		Trading instruments			Hedging instruments		
		Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Interest rate instruments	*Swaps*	843	843	23,340	56,614	134,277	11,531,294
	Options (*OTC*[1])	7,181	7,181	57,599	–	1,006	200,000
Currencies / precious metals	Forward contracts	14,504	13,247	1,763,594	7,380	27,828	1,839,011
	Options (*OTC*[1])	486	486	151,020	–	–	–
Total before netting agreements							
31.12.2021		**23,014**	**21,757**	**1,995,553**	**63,994**	**163,111**	**13,570,305**
of which, based on an evaluation model [2]		*8,510*	*8,510*	*231,959*	*56,614*	*135,283*	*11,731,294*
31.12.2020		**23,493**	**24,407**	**1,602,552**	**61,050**	**257,535**	**11,246,906**
of which, based on an evaluation model [2]		*12,297*	*12,297*	*163,207*	*54,771*	*222,971*	*8,463,789*

[1] Over the counter.
[2] including instruments the evaluation of which is determined by a model populated essentially with market parameters.

	Positive replacement values (cumulative)	Negative replacement values (cumulative)
Total after netting agreements		
31.12.2021	**17,094**	**8,648**
31.12.2020	15,953	12,562

	Central clearing houses	Banks and securities dealers	Other clients
Breakdown by counterparty			
Positive replacement values after netting agreements	**–**	**1,572**	**15,522**

5.05 Breakdown of financial investments

(in CHF 1,000)

	Book value		Fair value	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Debt securities	1,904,660	2,058,867	1,924,090	2,113,142
of which, intended to be held to maturity	*1,710,774*	*1,876,239*	*1,728,208*	*1,928,484*
of which, not intended to be held to maturity	*193,886*	*182,628*	*195,882*	*184,658*
Equity investments	219,542	151,292	297,395	189,266
of which, qualified participations[1]	*28,424*	*15,867*	*28,424*	*15,867*
Buildings & vehicles	574	598	574	598
Total	**2,124,776**	**2,210,757**	**2,222,059**	**2,303,006**
of which, securities eligible for repo transactions in accordance with liquidity requirements	*1,630,948*	*1,711,818*	*1,645,953*	*1,758,478*

[1] At least 10% of capital or votes.

Breakdown of counterparties by rating[2]

	AAA to AA-	A+ to A-	BBB to BBB-	BB+ to B-	Below B-	Without rating
Debt securities, book value	1,831,987	72,673	–	–	–	–

[2] In accordance with S&P ratings.

5.06 Presentation of participations

(in CHF 1,000)

	2021								
	Acquisition cost	Accumulated amortisation changes in book value (valuation using the equity method)	Book value at year end	Investments	Disposals	Depreciation	Changes in book value in the case of participations valued using the equity method/ depreciation reversals	Book value as at end of current year	Market value
Participations valued using the equity method									
without market value	17,051	7,387	24,438	2,915	–658	–	1,196	27,891	–
Other participations									
with market value	73	–	73	–	–3	–	–	70	70
without market value	30,503	–1,401	29,102	7,646	–	–667	–	36,081	–
Total participations	**47,627**	**5,986**	**53,613**	**10,561**	**–661**	**–667**	**1,196**	**64,042**	**–**

5.07 Disclosure of companies in which the Bank holds a permanent direct or indirect significant participation

Company name and registered office	Business		Bank's capital (in CHF 1,000)	Share of capital (as %)	Share of votes (as %)	Held directly	Held indirectly
Full consolidation							
Banque Cantonale de Genève (France) SA, Lyon	Bank	EUR	30,000	100	100	X	
Rhône Saone Courtage Sàrl, Lyon	Real estate brokerage	EUR	10	100	100		X
Rhône Saône Léman SNC, Lyon	Real estate company	EUR	10	100	100		X
Capital Transmission SA, Geneva	Additions	CHF	2,000	100	100	X	
Dimension SA, Lausanne	Valuing and selling companies	CHF	160	100	100	X	
Swiss Public Finance Solutions SA, Geneva	Financial advice	CHF	400	100	100	X	
Loyal Finance AG, Zurich*	Asset management	CHF	200	60	60	X	
Integration by the equity method							
Compagnie Foncière Franco-Suisse SAS, Lyon	Real estate transactions	EUR	2,088	33.3	33.3		X
Compagnie Foncière du Saint Gothard SAS, Puteaux	Real estate transactions	EUR	12,075	33.3	33.3	X	
Investissements Fonciers SA, Lausanne	Institutional asset management	CHF	1,000	42.0	42.0	X	
Other participations							
Centrale de lettres de gage des banques cantonales suisses SA, Zurich	Issue of mortgage bonds	CHF	1,625,000	5.9	5.9	X	
SIX Group Ltd, Zurich	Financial industry service provider	CHF	19,522	1.6	1.6	X	

* Contractually, BCGE has undertaken to hold 100% of the shares of Loyal after a four-year transition phase, i.e. in 2023.

5.08 Presentation of tangible fixed assets

(in CHF 1,000)

				2021			
	Acquisition cost	Accumulated depreciation	Book value at previous year end	Additions	Disinvestments	Depreciation	Book value as at end of current year
Bank buildings	131,579	–51,221	80,358	–	–	–2,632	77,726
Other real estate	26,432	–10,857	15,575	–	–	–529	15,046
Proprietary or separately acquired software	34,734	–19,013	15,721	15,544	–	–9,564	21,701
Other tangible fixed assets	24,954	–16,506	8,448	8,959	–31	–3,165	14,211
Total tangible fixed assets	**217,699**	**–97,597**	**120,102**	**24,503**	**–31**	**–15,890**	**128,684**

5.09 Presentation of intangible assets

(in CHF 1,000)

	Acquisition cost	Accumulated depreciation	Book value at previous year end	2021 Additions	Disinvestments	Depreciation	Book value as at end of current year
Goodwill	900	–285	615	–	–	–180	435
Other intangible assets	–	–	–	377	–	–110	267
Total intangible assets	**900**	**–285**	**615**	**377**	**–**	**–290**	**702**

5.10 Breakdown of other assets and other liabilities

(in CHF 1,000)

	Other assets		Other liabilities	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Changes in replacement values of derivative financial instruments	62,805	151,053	–	–
Interest rate components of financial investments intended to be held to maturity but sold prior to maturity	389	161	444	676
Interest rate components of hedging transactions sold prior to maturity	62,285	11,542	71,204	26,846
Balance of the compensation account, recording valuation adjustments with no impact on the income statement	**125,479**	**162,756**	**71,648**	**27,522**
Coupons	–	–	–	–
Issuing / borrowing costs of bonds and mortgage-backed bonds of the CLG[1] to be depreciated	1,391	1,859	–	–
Spread of penalties for early loan repayments	–	–	26,361	21,784
Operation of continuously linked settlement system under way	39,482	60,933	39,754	61,342
Other internal banking transactions	12,757	12,552	6,493	5,843
Indirect taxes	5,555	12,150	4,234	5,566
Total	**184,664**	**250,250**	**148,490**	**122,057**

[1] The Mortgage Bond Centre of the Swiss cantonal banks.

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

(in CHF 1,000)

	Book values	Effective commitments
Pledged/assigned assets		
SNB	112,697	–
SIX *Swiss Exchange* (Swiss electronic stock exchange)	26,417	–
Mortgage Bond Centre of the Swiss cantonal banks: *nominal value of mortgage securities kept separately*	*6,100,156*	*3,793,000*

5.12 Disclosure of liabilities relating to own pension schemes

	Number		Value (in CHF 1,000)	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
As custodian bank	–	–	47,862	52,650
Negative replacement values	–	–	58	–
BCGE shares held by the Foundation	60,000	60,000	9,630	9,540

5.13 Disclosures on the economic position of own pension schemes

(in CHF 1,000)

a) Employer contribution reserves (ECR)

The BCGE Group has not recorded contribution reserves in its books.

b) Presentation of the economic benefit/obligation of the pension costs (in CHF 1,000)

	Overfunding/ underfunding at end of current year[1]	Economic interest of the bank/financial group		Change in economic interest (benefit/ obligation) versus previous year	Contributions paid for the current period	Pension expenses in personnel expenses	
		31.12.2021	31.12.2020			31.12.2021	31.12.2020
Pension schemes with overfunding	7,105	–	–	–	15,849	16,193	15,444

[1] The Pension Fund's audited annual accounts as at 31 December 2021 are not available. The surplus is based on the audited financial statements as at 31 December 2020.

The BCGE pension fund is the Group's main pension fund and covers all the employees of the parent company and the Swiss subsidiaries.

5.14 Presentation of the issued structured products

No positions were present on the closing date of the financial period under review or the previous financial period.

5.15 Presentation of outstanding mandatory bonds, convertible bonds and mortgage bonds

(in CHF 1,000)

		2021					
		Weighted average interest rate	Maturities	Amounts issued in foreign currencies	Amounts issued in CHF	Own bonds held	Book value in the balance sheet
Private CHF loan issued on 19.02.2021	Non-subordinated[1]	0.000%	19.02.22	–	200,000	–	200,000
CHF loan issued on 10.06.2015	Non-subordinated[1]	0.500%	10.06.24	–	150,000	–	150,000
CHF loan issued on 23.04.2019	Non-subordinated[1]	0.125%	23.04.26	–	120,000	–500	119,500
Subordinated CHF loan issued on 28.06.2017	Subordinated with PONV[2] clause	1.125%	28.06.27	–	110,000	–	110,000
AT1 type CHF long term loan issued on 28.06.2017	Subordinated with PONV[2] clause	2.000%	N/A	–	90,000	–255	89,745
AT1 type CHF long-term loan issued on 12.11.2019	Subordinated with PONV[2] clause	1.875%	N/A	–	135,000	–	135,000
Total		–	–	–	805,000	**–755**	**804,245**
	Total non-subordinated	0.191%	–	–	470,000	–500	469,500
	Subordinated with PONV[2] clause	1.662%	–	–	335,000	–255	334,745
Total		**0.804%**	–	–	**805,000**	**–755**	**804,245**

[1] Loans that cannot be cancelled before maturity.
[2] Point of non-viability (PONV).

Overview of maturities of bonds outstanding

	2021						
	Within 1 year	More than 1 year and less than 2 years	More than 2 years and less than 3 years	More than 3 years and less than 4 years	More than 4 years and less than 5 years	More than 5 years	Total
Bonds (nominal)	200,000	–	150,000	–	120,000	335,000	805,000
Bonds (according to the balance sheet)	200,000	–	150,000	–	119,500	334,745	804,245

	Amount
Loans from central mortgage institution	3,793,000

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

(in CHF 1,000)

	Previous year year end	Use in conformity with designated purpose	Reclassifications	Currency differences	Past due interest recoveries	New creations charged to income	Releases to income	Previous year end
Provisions for default risks[1]	1,041	–	–	–24	–	3,540	–463	4,094
of which, provisions for inherent default risks of off-balance sheet transactions	–	–	–	–	–	*3,060*	–	*3,060*
Provisions for other business risks	1,179	–631	–	–	–	558	–6	1,100
Other provisions	10,725	–1	–	–15	–	492	–10,033	1,168
Total provisions	**12,945**	**–632**	**–**	**–39**	**–**	**4,590**	**–10,502**	**6,362**
Reserves for general banking risks	230,000	–	–	–	–	**20,000**	–	**250,000**
Valuation adjustments for default and country risks	**104,732**	**–12,179**	**–**	**–622**	**2,998**	**26,509**	**–3,643**	**117,795**
of which, valuation adjustments for default risks in respect of impaired loans / receivables	*91,632*	*–12,179*	–	*–622*	*2,998*	*5,389*	*–3,643*	*83,575*
of which, valuation adjustments for inherent default risks	*13,100*	–	–	–	–	*21,120*	–	*34,220*

[1] Valuation adjustments for inherent default risks were made on the financial investments portfolio for a total amount of CHF 480,000. See comment in note 5.36

5.17 Presentation of the Bank's capital

(in CHF 1,000)

	31.12.2021			31.12.2020		
	Book book value	Number of shares	Capital eligible for dividend	Total book value	Number of shares	Capital eligible for dividend
Bank's capital						
Registered shares of CHF 50	360,000	7,200,000	360,000	360,000	7,200,000	360,000
Share capital	**360,000**	**7,200,000**	**360,000**	360,000	7,200,000	360,000
of which, fully paid up	*360,000*	*7,200,000*	*360,000*	*360,000*	*7,200,000*	*360,000*
Total Bank's capital	**360,000**	**7,200,000**	**360,000**	**360,000**	**7,200,000**	**360,000**

5.18 Number and value of equity securities or options on equity securities held by all executives and directors and by employees, and disclosures of any employee participation schemes

	Number Equity securities		Value (in CHF 1,000) Equity securities	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Members of the Board of Directors[1]	1,332	1,316	213	240
Members of the executive bodies[2,3]	6,827	1,791	1,143	285
Employees[4]	17,965	22,653	2,898	4,132
Total	**26,124**	**25,760**	**4,254**	**4,657**

[1] Number of bonus shares issued during the financial period.
[2] Paid in 2022 based on 2021 results.
[3] Amounts calculated on the basis of a closing share price on 31.12.2021 of CHF 160.5.
[4] However, the variable remuneration components have not yet been paid to employees, who have not been able to exercise their rights.

No options on the participation rights have been granted to the members of the Board of Directors or of the Executive Board, or to employees.

The contractual conditions for the attribution of the various plans are explained in point 5 of the section on Shareholder information and corporate governance, on page 65. Plans associated with the remuneration of the ordinary variable component and that are part of the profit-sharing plan at the time of share purchase are subject to a moratorium of between 5 and a maximum of 10 years, as the beneficiary chooses. The other profit-sharing plans are subject to a moratorium of 5 years.

5.19 Disclosure of amounts due from/to related parties

(in CHF 1,000)

	Amounts due from		Amounts due to	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Holders of qualified participations	184,247	30,000	19,433	192,289
Group companies	8,391	5,623	2,140	3,697
Linked companies	1,537,049	1,486,746	325,085	224,371
Transactions with members of governing bodies	4,988	5,220	2,247	4,207
Other related parties	4	14	47,920	52,650

Due from affiliates are mostly mortgages to property development foundations created under public law of the State of Geneva. Due to affiliates corresponds to the current accounts of these foundations created under public law.

Loans to officers of the Bank are mainly mortgage loans granted to directors and members of the Executive Board Members of the Executive Board benefit from the same conditions as those granted to the Bank's employees but members of the Board of Directors do not.

Loans and liabilities in respect of qualifying persons result from banking transactions executed at conditions granted to public bodies, which may be subject to significant fluctuations from one financial year to the next.

5.20 Disclosure of holders of significant participations

	31.12.2021		31.12.2020	
	Nominal	Share as %	Nominal	Share as %
Single registered shares				
State of Geneva	159,385,750	44.3	159,385,750	44.3
City of Geneva	75,132,300	20.9	75,132,300	20.9
44 Geneva municipalities	26,732,450	7.4	26'732'450	7.4
Sub-total, public authorities	**261,250,500**	**72.6**	261,250,500	72.6
CPEG– State of Geneva Pension Fund	21,440,000	6.0	21,440,000	6.0
Other shareholders[1]	77,309,500	21.4	77,309,500	21.4
Total	**360,000,000**	**100.0**	**360,000,000**	**100.0**

[1] No other shareholder holds more than 5% of the single type of registered share.

5.21 Disclosure of own shares and composition of equity capital

Own shares

BCGE shares	As at 01.01.2021	120,313
	Purchases	21,791
	Sales	35,339
	As at 31.12.2021	106,765
Average transaction price (average market value) in CHF		161.9
Shares held by its pension fund		60,000

5.22 Disclosures in accordance with the Ordinance against Excessive Compensation with respect to Listed Stock Corporations and art 663b^{bis} CO for banks whose equity securities are listed

Please see note 5.22 of the parent company accounts, page 132.

5.23 Presentation of the maturity structure of financial instruments

(in CHF 1,000)

			Due					
	At sight	Cancellable	Within 3 months	Within 3 to 12 months	Within 12 months to 5 years	After 5 years	No maturity	Total
Assets / financial instruments								
Liquid assets	6,467,963	–	–	–	–	–	–	6,467,963
Amounts receivable from banks	139,206	19	564,079	154,085	398	–	–	857,787
Amounts due from clients	1,154,795	228,691	1,388,457	413,000	1,386,412	1,118,253	–	5,689,608
Mortgage loans	2,092	2,054,189	815,806	588,599	3,348,093	5,857,113	–	12'665'892
Trading portfolio assets	53,944	–	–	–	–	–	–	53,944
Positive replacement values of derivative financial instruments	17,094	–	–	–	–	–	–	17,094
Financial investments	234,756	–	46,938	126,755	920,505	795,249	573	2,124,776
Total		–	–	–	–	–	–	–
31.12.2021	**8,069,850**	**2,282,899**	**2,815,280**	**1,282,439**	**5,655,408**	**7,770,615**	**573**	**27,877,064**
31.12.2020	8,082,471	2,290,058	2,381,268	1,404,732	5,596,762	7,324,092	598	27,079,981
Debt capital / financial instruments								
Amounts due to banks	675,383	168,437	1,614,773	735,833	–	–	–	3,194,426
Liabilities arising from securities financing transactions	–	–	54,442	108,622	–	–	–	163,064
Amounts due in respect of client deposits	11,264,617	5,791,437	500,676	676,674	–	–	–	18,233,404
Trading portfolio liabilities	3,925	–	–	–	–	–	–	3,925
Negative replacement values of derivative financial instruments	8,648	–	–	–	–	–	–	8,648
Cash bonds	–	–	20	43	740	–	–	803
Bond issues and central mortgage institution loans	–	–	257,000	104,000	1,374,500	2,861,745	–	4,597,245
Total							–	
31.12.2021	**11,952,573**	**5,959,874**	**2,426,911**	**1,625,172**	**1,375,240**	**2,861,745**	–	**26,201,515**
31.12.2020	10,800,852	5,732,036	3,465,765	1,399,591	1,134,102	3,060,155	–	25,592,501

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

(in CHF 1,000)

	2021		2020	
	Switzerland	Foreign	Switzerland	Foreign
Assets				
Liquid assets	6,438,527	29,436	6,447,024	27,336
Amounts receivable from banks	384,674	473,113	237,020	495,401
Amounts due from clients	3,593,123	2,096,485	3,386,068	2,201,086
Mortgage loans	12,316,147	349,745	11,672,187	333,420
Trading portfolio assets	53,927	17	53,707	22
Positive replacement values of derivative financial instruments	12,333	4,761	13,330	2,623
Financial investments	1,841,233	283,543	1,849,029	361,728
Accrued expenses and deferred income	35,808	2,727	35,103	2,028
Participations	45,139	18,903	37,938	15,675
Tangible fixed assets	123,990	4,694	116,699	3,403
Intangible assets	702	–	615	–
Other assets	182,921	1,743	248,939	1,311
Total assets	**25,028,524**	**3,265,167**	**24,097,659**	**3,444,033**
Liabilities				
Amounts due to banks	1,026,816	2,167,610	1,089,213	2,296,764
Liabilities arising from securities financing transactions	163,064	–	817,425	–
Amounts due in respect of client deposits	14,084,710	4,148,694	13,178,130	3,705,641
Trading portfolio liabilities	3,925	–	511	–
Negative replacement values of derivative financial instruments	530	8,118	2,498	10,064
Cash bonds	803	–	1,063	37
Bond issues and central mortgage institution loans	4,597,245	–	4,491,155	–
Accrued expenses and deferred income	105,222	4,880	93,086	4,762
Other liabilities	145,880	2,610	120,259	1,798
Provisions	6,030	332	12,945	–
Reserves for general banking risks	250,000	–	230,000	–
Bank's capital	360,000	–	360,000	–
Capital reserve	306,764	–	320,358	–
Retained earnings reserve	827,544	–	741,301	–
Own shares	–18,287	–	–20,832	–
Currency translation reserve	–24,442	–	–19,836	–
Minority interests in equity capital	409	–	388	–
Profit/loss (result of the period)	125,234	–	104,962	–
Total liabilities	**21,961,447**	**6,332,244**	**21,522,626**	**6,019,066**

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

(in CHF 1,000)

	2021		2020	
	Absolute	Share as %	Absolute	Share as %
Assets				
Europe • France	1,868,192	6.5	1,829,026	6.5
• Luxembourg	174,714	0.6	191,872	0.7
• Germany	143,326	0.5	160,651	0.6
• United Kingdom	100,313	0.4	134,906	0.5
• Other European countries	220,700	0.8	375,493	1.4
United Arab Emirates	70,705	0.2	105,770	0.4
United States and Canada	156,394	0.6	125,823	0.5
Other	530,823	1.9	520,492	1.9
Assets held abroad	**3,265,167**	**11.5**	3,444,033	12.5
Switzerland	25,028,524	88.5	24,097,659	87.5
Total assets	**28,293,691**	**100**	**27,541,692**	**100.0**

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

(in CHF 1,000)

	Net foreign exposure/ current year-end		Net foreign exposure/ preceding year-end	
	Absolute	Share as %	Absolute	Share as %
Rating category (according to SERV[1], Swiss insurance against export risks)				
0/HI	2,854,073	85.0	2,975,134	83.7
1	10	0.0	11	0.0
2	127,590	3.8	135,326	3.8
3	20,328	0.6	78,732	2.2
4	4,766	0.1	9,110	0.3
5 and 6	246,716	7.4	169,145	4.8
7	11,823	0.4	1,708	0.0
Total unrated	**91,318**	**2.7**	**184,086**	**5.2**
Total	**3,356,624**	**100.0**	**3,553,252**	**100.0**

[1] The SERV rating is recognised by FINMA.

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

(in CHF 1,000)

	Currencies					
	CHF	EUR	USD	GBP	OTHER	METALS
Assets						
Liquid assets	6,382,662	81,857	1,740	909	795	–
Amounts receivable from banks	138,881	68,044	579,808	5,831	26,603	38,620
Amounts due from securities financing transactions	–	–	–	–	–	–
Amounts due from clients	2,479,020	1,828,159	1,341,359	20,461	20,609	–
Mortgage loans	12,481,991	178,340	5,561	–	–	–
Trading portfolio assets	111	102	–	–	–	53,731
Positive replacement values of derivative financial instruments	17,094	–	–	–	–	–
Financial investments	1,840,808	158,756	113,959	3,046	8,207	–
Accrued expenses and deferred income	35,808	2,727	–	–	–	–
Participations	50,540	13,344	158	–	–	–
Tangible fixed assets	123,990	4,694	–	–	–	–
Intangible assets	702	–			–	–
Other assets	143,370	1,743	39,037	298	216	–
Total assets shown in balance sheet	**23,694,977**	**2,337,766**	**2,081,622**	**30,545**	**56,430**	**92,351**
Delivery entitlements from spot exchange, forward forex and forex options transactions	535,146	1,429,424	1,482,570	246,614	40,745	19,126
Total assets	**24,230,123**	**3,767,190**	**3,564,192**	**277,159**	**97,175**	**111,477**

Liabilities	CHF	EUR	USD	GBP	OTHER	METALS
Amounts due to banks	759,114	636,146	1,724,232	22,671	11,733	40,530
Liabilities arising from securities financing transactions	–	144,830	18,234	–	–	–
Amounts due in respect of client deposits	14,622,439	2,187,578	1,280,048	67,847	45,373	30,119
Trading portfolio liabilities	3,540	–	339	18	28	–
Negative replacement values of derivative financial instruments	8,648	–	–	–	–	–
Cash bonds	803	–	–	–	–	–
Bond issues and central mortgage institution loans	4,597,245	–	–	–	–	–
Accrued expenses and deferred income	105,191	4,911	–	–	–	–
Other liabilities	121,973	23,023	213	1	3,280	–
Provisions	6,362	–	–	–	–	–
Reserves for general banking risks	250,000	–	–	–	–	–
Bank's capital	360,000	–	–	–	–	–
Capital reserve	306,764	–	–	–	–	–
Retained earnings reserve	827,544	–	–	–	–	–
Own shares	–18,287	–	–	–	–	–
Currency translation reserve	–24,442	–	–	–	–	–
Minority interests in equity capital	409	–	–	–	–	–
Profit/loss (result of the period)	125,234	–	–	–	–	–
Total liabilities shown in the balance sheet	**22,052,537**	**2,996,488**	**3,023,066**	**90,537**	**60,414**	**70,649**
Delivery obligations from spot exchange, forward forex and forex options transactions	2,292,406	680,647	537,477	186,585	35,418	40,454
Total liabilities	**24,344,943**	**3,677,135**	**3,560,543**	**277,122**	**95,832**	**111,103**
Net position per currency	**–114,820**	**90,055**	**3,649**	**37**	**1,343**	**374**

5.28 Breakdown and explanation of contingent assets and liabilities

(in CHF 1,000)

	2021	2020
Guarantees to secure credits and similar	47,134	45,246
Guarantees to provide guarantees and similar	41,484	112,127
Irrevocable commitments arising from documentary letters of credit	1,238,955	757,932
Other contingent liabilities	700	700
Total contingent liabilities	**1,328,273**	**916,005**

Irrevocable commitments are linked mainly with the trade finance credit business and with commodities pricing.

5.29 Breakdown of credit commitments

(in CHF 1,000)

	2021	2020
Commitments arising from deferred payments	117,903	118,180
Liabilities arising from acceptances	–	–
Total credit commitments	**117,903**	**118,180**

5.30 Breakdown of fiduciary transactions

(in CHF 1,000)

	2021	2020
Fiduciary investments with third-party companies	50,280	82,969
Total fiduciary transactions	**50,280**	**82,969**

5.31 Breakdown of managed assets and presentation of their development

In accordance with FINMA circular 15/1 margin no. 229, the Bank is not obliged to publish this schedule.

5.32 Breakdown of the trading activities results and the fair value option

(in CHF 1,000)

Trading result from	2021	2020
Interest rate instruments (including funds)	119	665
Equity securities (including funds)	–7	100
Currencies	33,297	28,301
Commodities/precious metals	626	1,311
Total trading income	**34,035**	**30,377**

5.33 Disclosure of material refinancing income under the item Interest and discount income as well as material negative interest

(in CHF 1,000)

	2021	2020
Negative interest		
Negative interest on lending business (reduction in interest income)	–5,733	–3,409
Negative interest in borrowing (reduction in interest expense)	19,482	15,344

The Bank does not deduct financing costs from trading positions.

5.34 Breakdown of personnel expenses

(in CHF 1,000)

	2021	2020
Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits)	123,911	115,244
of which, expenses relating to share-based compensation and alternative forms of variable compensation	*3,425*	*5,376*
Social insurance benefits	30,112	28,337
Other personnel expenses	5,074	4,181
Total personnel costs	**159,097**	**147,762**

5.35 Breakdown of the other operating charges

(in CHF 1,000)

	2021	2020
Office space expenses	10,198	9,723
Expenses for information and communications technology	39,479	36,126
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	238	195
Fees of audit firms	924	949
– of which, for financial and regulatory audits	*811*	*919*
– of which, for other services	*113*	*30*
General and administrative expenses	44,060	42,541
Total other operating expenses	**94,899**	**89,534**

5.36 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

Following changes in risks, the Bank has adjusted provisions for these new circumstances.

Following the judgement handed down by the court of the first instance of the Canton of Geneva on 15 June 2021 in respect of a dispute between BCGE and an IT provider, the Bank released the provisions made in respect of this matter totalling CHF 10 million (*see page 88*).

5.37 Disclosure of and reasons for revaluations of investments and tangible fixed assets up to the acquisition value

The Bank has not revalued its participations or tangible assets.

5.38 Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment

(in CHF 1,000)

	2021		2020	
	Switzerland	Foreign	Switzerland	Foreign
Result from interest operations				
Interest and discount income	226,487	23,316	239,344	20,886
Interest and dividend income from trading portfolios	40	–	36	–
Interest and dividends from financial investments	4,558	–	5,891	–
Interest expenses	–4,375	750	–21,677	490
Gross result from interest operations	**226,710**	**24,066**	223,594	21,376
Changes in value adjustments for default risks and losses from interest operations	–21,142	–1,724	–28,723	–620
Subtotal net result from interest operations	**205,568**	**22,342**	194,871	20,756
Result from commission business and services				
Commission income from securities trading and investment activities	63,706	1,549	54,852	1,318
Commission income from lending activities	39,048	4,680	29,376	4,462
Commission income from other services	35,672	1,337	32,864	1,256
Commission expense	–9,988	40	–8,543	40
Subtotal result from commission business and services	**128,438**	**7,606**	108,549	7,076
Result from trading activities and the fair value option				
Subtotal result from trading activities and the fair value option	**34,035**	**–**	30,377	–
Other ordinary income				
Income from sale of financial investments	25,801	–	–6,800	–
Income from participations	5,896	2,346	8,898	–2,751
Result from real estate	1,246	–	1,080	–
Other ordinary income	6,943	–	10,864	–
Other ordinary expenses	–981	–	–6,201	–
Subtotal other results from ordinary activities	**38,905**	**2,346**	7,841	–2,751
Total operating income	**406,946**	**32,294**	**341,638**	**25,081**
Operating expenses				
Personnel expenses	–150,458	–8,639	–140,084	–7,678
General and administrative expenses	–88,939	–5,960	–84,179	–5,355
Subtotal operating expenses	**–239,397**	**–14,599**	–224,263	–13,033
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	**–16,447**	**–400**	–14,933	–352
Changes to provisions and other value adjustments and losses	**6,258**	**–346**	–1,143	–
Operating profit	**157,360**	**16,949**	101,299	11,696

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

(in CHF 1,000)

	Rate in %[1]	2021	Rate in %[1]	2020
Current tax				
Banque Cantonale de Genève	16.1%	25,354	18.5%	18,954
Banque Cantonale de Genève (France) SA	25.7%	4,142	29.1%	4,305
Various[2]	–	3	–	51
Deferred taxes	**33.3%**	**–411**	33.3%	–150
Total		**29,088**		**23,160**

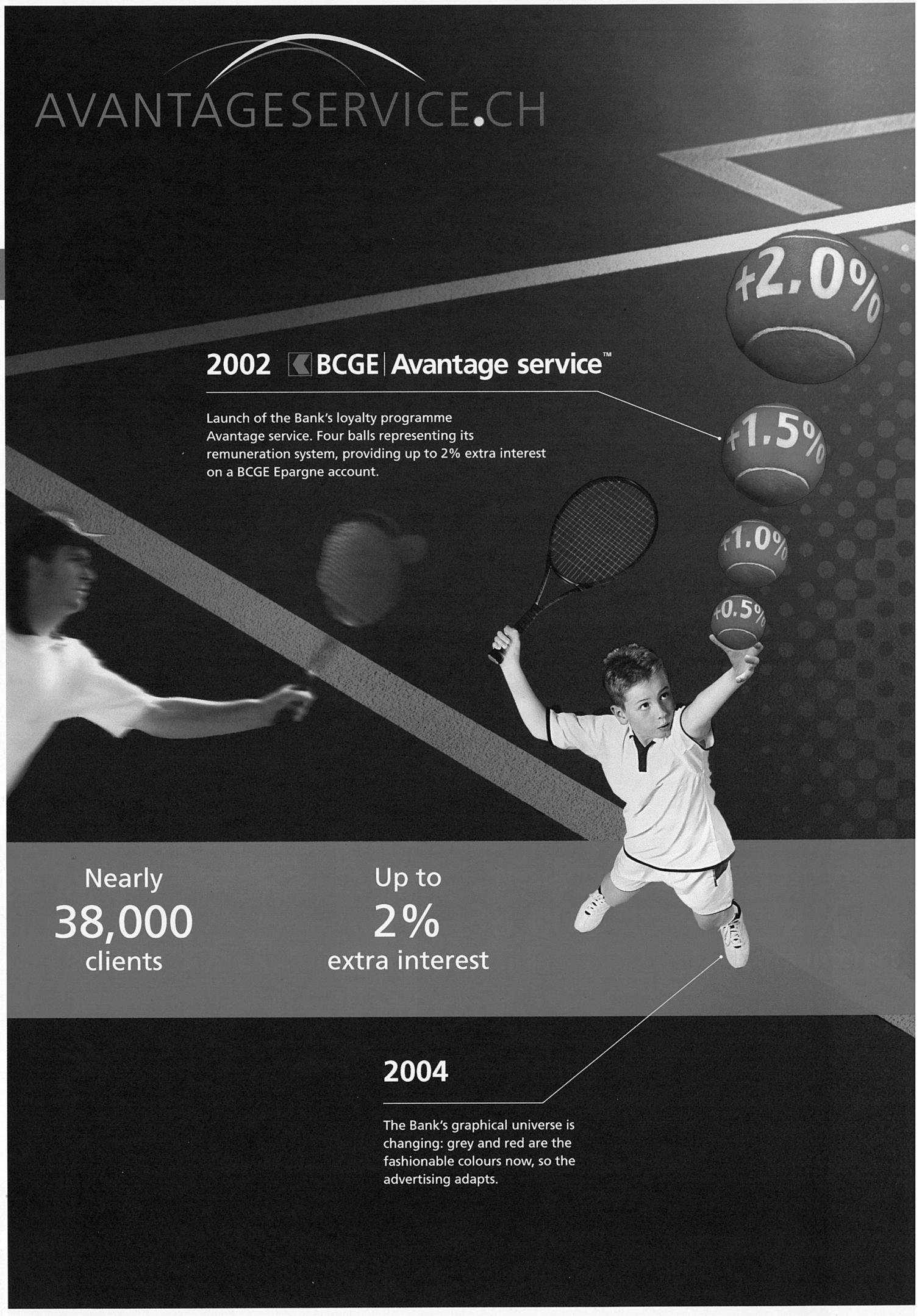
[1] Weighted average rate used on the basis of the operating result.
[2] The other Group companies do not have a significant tax item.

5.40 Disclosures and explanations of the earnings per equity security

(in CHF 1,000)

	31.12.2021	31.12.2020
Net earnings to be allocated to the shareholders	**125,234**	104,962
Registered shares		
Average number of shares in circulation	7,200,000	7,200,000
Earnings per share (in CHF)	**17.39**	14.58

Banque Cantonale de Genève has no outstanding transactions that might dilute its profits per share.



2002 BCGE | Avantage service™

Launch of the Bank's loyalty programme Avantage service. Four balls representing its remuneration system, providing up to 2% extra interest on a BCGE Epargne account.

Nearly
38,000
clients

Up to
2%
extra interest

2004

The Bank's graphical universe is changing: grey and red are the fashionable colours now, so the advertising adapts.


Your interests take precedence
2012
The pop art style becomes an essential component of the programme's new graphical presentation.
2017
Launch of the avantageservice.ch platform, which allows people to set up a home loan in less than 15 minutes, 100% on line. A major milestone in the digital transformation of Switzerland's banking landscape.
+2%

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Statutory Auditor's Report

To the General Meeting of Banque Cantonale de Genève, Genève

Report on the financial statements

Audit opinion

We have audited the financial statements of Banque Cantonale de Genève, which comprise the balance sheet as of 31 December 2021, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 121 to 141) as of 31 December 2021 comply with Swiss law and the company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards (SAS). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of Banque Cantonale de Genève in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority (FAOA)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Value adjustments for default risks on amounts due from clients and mortgage loans — *Risk level similar to previous year*

Key audit matters	Audit procedures
The book values of amounts due from clients and mortgage loans amount respectively to CHF 4,818 mio and CHF 12,666 mio (total of balance sheet of CHF 28,097 mio). These amounts are presented net of value adjustments of KCHF 101,102 including a value adjustment for inherent risks. The estimated value adjustments are based on internal regulations. The value adjustments include an inherent part of significant judgement from Management. Considering the amounts due from clients and mortgage loans, the value adjustments for default risks are considered as a key audit matter. Please refer to pages 90 to 93 and to note 5.02 of the notes to the financial statements on page 125 for further information.	We verified and tested the key controls relating to the credit activity, in particular the processes for granting credits, the monitoring of credits, the assessment of value adjustments for default risks (provisioning rules) and the controls relating to the determination of value adjustments for inherent default risks. We have concluded that we can rely on the verified key controls. Furthermore, we tested on a sample: • The different types of credit (mortgage, commercial and Global Commodity Finance), including those that had not been identified as eligible for value adjustment, in order to form our own opinion and to evaluate the need of an impairment and whether it has been properly recognised ; • Assumptions taken for the value adjustments ; • Credits which are closely monitored due to higher risks of default but not yet adjusted ; • The judgement level applied and approval of value adjustments in accordance with internal authorization rules ; • The opinions of external law firms consulted in the context recovery files ; • The correct booking of the value adjustments. Based on our procedures performed, we have collected sufficient appropriate audit evidences in order to cover the risk of valuation of value adjustments for default risks.

Valuation of the provisions for legal risks — *Risk level lower than previous year*

Key audit matters	Audit procedures
Due to its activity of universal and cantonal bank involving a significant number of clients, Banque Cantonale de Genève is exposed to legal risks. A list of litigation cases, procedures and prosecutions is established by Management. The valuation of those provisions includes an inherent part of judgement from Management. Please refer to page 94 and to note 5.16 of the financial statements on page 130 for further information.	We tested the adequacy of the design and the implementation of key controls for legal risks regarding the identification, the valuation of provisions and the proper recording of related provisions. Furthermore, we performed substantive procedures consisting of : • Review of the list of litigation cases, procedures and prosecutions established by Management ; • Review of the assumptions used by Management for the estimation of the level of provision of the significant cases and discuss them with Management and Head of Legal ; • Sending confirmations requests to the external lawyers consulted in 2021 in connection with litigation or potential litigation ; • Test the proper recording of these provisions. Based on the procedures performed, we have collected sufficient appropriate audit evidences to cover the risk of valuation of the provisions for legal risks.

Deloitte.

Responsibility of the board of directors for the financial statements

The board of directors is responsible for the preparation of the financial statements in accordance with legal requirements and the articles of incorporation. The board of directors is also responsible for the internal control deemed necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

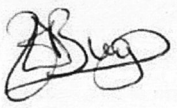
A more detailed description of our responsibilities in auditing financial statements is available on the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description is also part of our report.

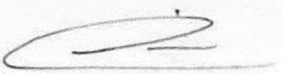
Report on other legal and regulatory requirements

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

Deloitte SA





Alexandre Buga
Licensed Audit Expert
Auditor in charge

Vida Gratteau
Licensed Audit Expert

Geneva, 17 February 2022

2021 financial statements and notes, parent company Overview

BCGE balance sheet items and off-balance-sheet transactions 121

Profit and loss account items 122

Statement of shareholders' equity 123

Summary presentation – parent company 124

1. Raison sociale, forme juridique, siège et but 124
2. Accounting and valuation principles 124
3. Change in accounting principles 124
4. Risk management 124

Details relating to the items in the notes to the annual financial statements 125

5.01 Breakdown of securities financing transactions (assets and liabilities) 125
5.02 Presentation of collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables 125
5.03 Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities) 126
5.04 Presentation of derivative financial instruments (assets and liabilities) 126
5.05 Breakdown of financial investments 127
5.06 Presentation of participations 127
5.07 Disclosure of companies in which the Bank holds a permanent direct or indirect significant participation (in CHF 1,000) 128
5.08 Presentation of tangible fixed assets 128
5.09 Presentation of intangible assets 128
5.10 Breakdown of other assets and liabilities 128
5.11 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership 129
5.12 Disclosure of liabilities relating to own pension schemes 129
5.13 Disclosure of the economic position of own pension schemes 129
5.14 Presentation of the issued structured products 129
5.15 Presentation of outstanding mandatory bonds, convertible bonds and mortgage bonds 129
5.16 Presentation of value adjustments and provisions, reserves for general banking risks and changes therein during the current year 130
5.17 Presentation of the Bank's capital 130
5.18 Number and value of equity securities or options on equity securities held by all executives and directors and by employees, and disclosures of any employee participation schemes 130

5.19	Disclosure of amounts due from/to related parties	131
5.20	Disclosure of holders of significant participations	131
5.21	Disclosure of own shares and composition of equity capital	131
5.22	Disclosures in accordance with the Ordinance against Excessive Remuneration in Listed Companies Limited by Art. 663b^{bis} CO	132
5.23	Presentation of the maturity structure of the financial instruments	134
5.24	Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle	135
5.25	Breakdown of total assets by country or group of countries (domicile principle)	136
5.26	Breakdown of total assets by credit rating of country groups (risk domicile view)	136
5.27	Presentation of assets and liabilities broken down by the most significant currencies for the Bank	137
5.28	Breakdown and explanation of contingent assets and liabilities	138
5.29	Breakdown of credit commitments	138
5.30	Breakdown of fiduciary transactions	138
5.31	Breakdown of managed assets and presentation of their development	138
5.32	Breakdown of the trading activities results and the fair value option	138
5.33	Disclosure of material refinancing income under the item Interest and discount income as well as material negative interest	138
5.34	Breakdown of personnel expenses	139
5.35	Breakdown of the other operating charges	139
5.36	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	139
5.37	Disclosure of and reasons for revaluations of investments and tangible fixed assets up to the acquisition value	140
5.38	Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment	140
5.39	Presentation of current taxes, deferred taxes, and disclosure of tax rate	140
5.40	Disclosures and explanations of the earnings per equity security in the 1 case of listed banks	140

BCGE balance sheet items and off-balance-sheet transactions
Parent company

Assets	Notes	31.12.2021 in CHF 1,000	31.12.2020 in CHF 1,000	Change in CHF 1,000
Liquid assets	5.23	6,450,913	6,456,481	–5,568
Amounts receivable from banks	5.23	1,603,467	1,413,081	190,386
Amounts due from clients	5.23	4,818,462	4,731,370	87,092
Mortgage loans	5.23	12,665,892	12,005,607	660,285
Trading portfolio assets	5.03	53,927	53,607	320
Positive replacement values of derivative financial instruments	5.04	17,094	16,141	953
Financial investments	5.05	2,050,589	2,170,107	–119,518
Accrued expenses and deferred income		35,164	34,638	526
Participations	5.06	94,903	89,056	5,847
Tangible fixed assets	5.08	123,962	116,655	7,307
Intangible assets	5.09	267	–	267
Other assets	5.10	182,355	248,697	–66,342
Total assets		**28,096,995**	**27,335,440**	**761,555**
Total subordinated claims		4,614	3,893	721
of which, subject to mandatory conversion and/or debt waiver		–	–	–

Liabilities				
Amounts due to banks	5.23	3,178,095	3,381,092	–202,997
Liabilities arising from securities financing transactions	5.23	163,064	817,425	–654,361
Amounts due in respect of client deposits	5.23	18,139,842	16,760,462	1,379,380
Trading portfolio liabilities	5.03	3,925	511	3,414
Negative replacement values of derivative financial instruments	5.04	9,076	12,562	–3,486
Cash bonds	5.23	803	1,100	–297
Bond issues and central mortgage institution loans	5.15	4,597,245	4,491,155	106,090
Accrued expenses and deferred income		104,875	92,771	12,104
Other liabilities	5.10	145,823	120,154	25,669
Provisions	5.16	6,190	12,955	–6,765
Reserves for general banking risks	5.16	250,000	230,000	20,000
Bank's capital	5.17	360,000	360,000	–
Statutory capital reserve		297,210	304,050	–6,840
of which, tax-exempt capital contribution reserve		*166,512*	*173,352*	*–6,840*
Statutory retained earnings reserve		745,833	672,907	72,926
Own shares		–18,287	–20,832	2,545
Profit carried forward/loss carried forward		728	713	15
Profit/loss (result of the period)		112,573	98,415	14,158
Total liabilities		**28,096,995**	**27,335,440**	**761,555**
Total subordinated liabilities	5.15	334,745	334,655	90
of which, subject to mandatory conversion and/or debt waiver	5.15	*334,745*	*334,655*	*90*

Off-balance-sheet transactions				
Contingent liabilities	5.28	1,299,105	888,168	410,937
Irrevocable commitments	5.02	794,218	690,514	103,704
Commitments to free up and execute additional transfers	5.02	238,120	178,565	59,555
Approved credit line	5.29	117,903	118,180	–277

Profit and loss account items
Parent company

Result from interest operations	Notes	31.12.2021 in CHF 1,000	31.12.2020 in CHF 1,000	Change in CHF 1,000
Interest and discount income	5.33	226,262	238,756	–12,494
Interest and dividend income from trading portfolios		40	36	4
Interest and dividends from financial investments		4,138	5,273	–1,135
Interest expenses		–3,791	–21,263	17,472
Gross result from interest operations		**226,649**	222,802	**3,847**
Changes in value adjustments for default risks and losses from interest operations	5.16	–19,953	–27,799	**7,846**
Subtotal net result from interest operations		**206,696**	195,003	**11,693**
Result from commission business and services				
Commission income from securities trading and investment activities		61,755	53,384	8,371
Commission income from lending activities		39,048	29,375	9,673
Commission income from other services		34,560	32,320	2,240
Commission expense		–9,947	–8,537	–1,410
Subtotal result from commission business and services		**125,416**	106,542	**18,874**
Result from trading activities and the fair value option				
Subtotal result from trading activities and the fair value option	5.32	**34,329**	30,448	**3,881**
Other ordinary income				
Income from sale of financial investments		25,637	–6,752	32,389
Income from participations		7,003	8,351	–1,348
Result from real estate		1,246	1,080	166
Other ordinary income		7,133	11,100	–3,967
Other ordinary expenses		–1,113	–5,253	4,140
Subtotal other results from ordinary activities		**39,906**	8,526	**31,380**
Total operating income		**406,347**	340,519	**65,828**
Operating expenses				
Personnel expenses	5.34	–148,051	–137,688	–10,363
General and administrative expenses	5.35	–87,380	–83,212	–4,168
Subtotal operating expenses		**–235,431**	–220,900	**–14,531**
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	5.36	**–19,111**	–16,180	**–2,931**
Changes to provisions and other value adjustments and losses	5.16	**6,109**	–1,152	**7,261**
Operating profit		**157,914**	102,287	**55,627**
Extraordinary income	5.36	13	82	–69
Extraordinary expenses	5.36	–	–	–
Change in reserves for general banking risks	5.16	–20,000	15,000	–35,000
Taxes	5.39	–25,354	–18,954	–6,400
Profit/loss (result of the period)		**112,573**	98,415	**14,158**

Statement of shareholders' equity
Parent company

(in CHF 1,000)	Bank's capital	Statutory capital reserve	Statutory retained earnings	Reserves for general banking risks	Profit brought forward	Own shares (negative item)	Result of the period	Total
Equity at start of current period	**360,000**	**304,050**	**672,907**	**230,000**	**99,128**	**–20,832**		**1,645,253**
Acquisition of own shares						–3,537		–3,537
Disposal of own shares						5,714		5,714
Profit/(loss) from the disposal of own shares			–368			368		–
Dividends and other distribution			454		–27,000			–26,546
Special allocation to the State of Geneva (20% of the dividend paid)					–5,400			–5,400
Other allocations to (transfers from) the reserves for general banking risks				20,000				20,000
Other allocations to (transfers from) the other reserves		–6,840	72,840		–66,000			–
Profit/loss (result of the period)							112,573	112,573
Equity at end of current period	**360,000**	**297,210**	**745,833**	**250,000**	**728**	**–18,287**	**112,573**	**1,748,057**

Summary presentation
Parent company

1. Registered name, legal form, registered office and goal

Banque Cantonale de Genève (hereafter BCGE) is a limited company established by public law according to Article 763 of the Swiss *Code des obligations*; It has the status of a cantonal bank as defined by the Federal Banking Act.

The Bank was registered in the Geneva Trade Register on 17 December 1993 and conducts its business under the registered name of "Banque Cantonale de Genève SA".

The registered office and management of the Bank are in Geneva.

Activity report

The business of the Bank, and outsourced activities are described in the notes to the consolidated accounts.

Staff numbers	31.12.2021	31.12.2020
Full-time equivalents	758.15	746.95
Headcount	807.00	797.00

2. Accounting and valuation principles

The financial statements of the parent company are drawn up according to Group principles with the exception of the restatement of certain items to present a true and fair representation of the consolidated financial statements, principally the treatment of BCGE bonds and treasury shares.

In addition, companies within the scope of consolidation and set out in note 7,600,000 pages 2 to the summary presentation of the consolidated financial statements are valued at the acquisition cost less depreciation where judged appropriate.

3. Change in accounting principles

There has been no change in accounting principles.

4. Risk Management

With regard to comments about risk control, readers are referred to point 3 of the Summary presentation of the consolidated financial statements.

Details relating to the items in the notes to the annual financial statements
Parent company

5.01 Breakdown of securities financing transactions (assets and liabilities)

The parent company figures are identical to the consolidation figures because only the parent company handles these transactions.
Please see note 5.01 to the consolidated accounts on page 95.

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

(in CHF 1,000)

	Secured by mortgage			
	Type of collateral	Other collateral	Unsecured	Total
Loans (before netting with value adjustments)				
Amounts due from clients	**363,079**	**1,093,006**	**3,445,736**	**4,901,821**
Mortgage loans	**12,683,635**	**–**	**–**	**12,683,635**
Residential property	*10,492,754*	*–*	*–*	*10,492,754*
Office and business premises	*1,618,077*	*–*	*–*	*1,618,077*
Commercial and industrial premises	*417,366*	*–*	*–*	*417,366*
Other	*155,438*	*–*	*–*	*155,438*
Total loans (before netting with value adjustments)				
31.12.2021	**13,046,714**	**1,093,006**	**3,445,736**	**17,585,456**
31.12.2020	12,518,059	1,043,901	3,264,329	16,826,289
Total loans (after netting with adjustments)				
31.12.2021	**13,028,971**	**1,082,946**	**3,372,437**	**17,484,354**
31.12.2020	12,508,747	1,025,557	3,202,673	16,736,977
Off-balance sheet				
Contingent liabilities	–	82,773	1,216,332	1,299,105
Irrevocable commitments	–	42,561	751,657	794,218
Commitments to free up and execute additional transfers	–	–	238,120	238,120
Credit commitments	–	–	117,903	117,903
Total off-balance sheet				**–**
31.12.2021	**–**	**125,334**	**2,324,012**	**2,449,346**
31.12.2020	–	73,917	1,801,510	1,875,427

Impaired loans/receivables	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
31.12.2021	**151,071**	**76,931**	**74,140**	**71,632**
31.12.2020	303,661	223,717	79,944	77,732

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

The parent company position is close to that for the Group. Please see note 5.18 to the consolidated accounts on page 97.

5.04 Presentation of derivative financial instruments (assets and liabilities)

(in CHF 1,000)

		Trading instruments			Hedging instruments		
		Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Interest rate instruments	*Swaps*	843	843	23,340	56,614	134,277	11,531,294
	options (*OTC*[1])	7,181	7,181	57,599	–	1,006	200,000
Currencies / precious metals	Forward contracts	14,504	13,675	1,773,561	7,380	27,828	1,839,011
	options (*OTC*[1])	486	486	151,020	–	–	–
Total before netting agreements							
31.12.2021		**23,014**	**22,185**	**2,005,520**	**63,994**	**163,111**	**13,570,305**
of which, based on an evaluation model [2]		*8,510*	*8,510*	*231,959*	*56,614*	*135,283*	*11,731,294*
31.12.2020		**23,681**	**24,407**	**1,612,973**	**61,050**	**257,535**	**11,246,906**
of which, based on an evaluation model [2]		*12,297*	*12,297*	*163,207*	*54,771*	*222,971*	*8,463,789*

[1] Over the counter.
[2] Including instruments the evaluation of which is determined by a model populated essentially with market parameters.

	Positive replacement values (cumulative)	Negative replacement values (cumulative)
Total after netting agreements		
31.12.2021	**17,094**	**9,076**
31.12.2020	16,141	12,562

	Central clearing houses	Banks and securities dealers	Other clients
Breakdown by counterparty			
Positive replacement values after netting agreements	**–**	**1,572**	**15,522**

5.05 Breakdown of financial investments

(in CHF 1,000)

	Book value		Fair value	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Debt securities	1,876,391	2,038,045	1,894,380	2,091,215
of which, intended to be held to maturity	*1,710,774*	*1,876,239*	*1,728,208*	*1,928,484*
of which, not intended to be held to maturity	*165,617*	*161,806*	*166,172*	*162,731*
Equity investments	173,625	131,464	251,479	169,438
Buildings & vehicles	573	598	573	598
Total	**2,050,589**	**2,170,107**	**2,146,432**	**2,261,251**
of which, securities eligible for repo transactions in accordance with liquidity requirements	*1,630,948*	*1,711,818*	*1,645,953*	*1,758,478*

Breakdown of counterparties by credit rating[1]

	AAA to AA-	A+ to A-	BBB to BBB-	BB+ to B-	Below B-	Without rating
Debt securities, book value	1,803,718	72,673	–	–	–	–

[1] In accordance with S&P ratings.

5.06 Presentation of participations

(in CHF 1,000)

				2021				
	Acquisition cost	Accumulated value adjustments and changes in book value (valuation using the equity method)	Book value at previous year end	Investments	Disposals	Depreciation	Book Value as at end of current year	Market value
Other participations								
With market value	73	–	73	–	–3	–	70	70
Without market value	94,629	–5,646	88,983	9,377	–	–3,527	94,833	–
Total participations	**94,702**	**–5,646**	**89,056**	**9,377**	**–3**	**–3,527**	**94,903**	**70**

5.07 Disclosure of companies in which the Bank holds a permanent direct or indirect significant participation (in CHF 1,000)

The parent company figures are identical to the consolidation figures. Please see note 5.07 to the consolidated accounts on page 99.

5.08 Presentation of tangible fixed assets

(in CHF 1,000)

				2021		
	Acquisition cost	Accumulated depreciation	Book value at previous year end	Additions	Depreciation	Book value at end of current year
Bank buildings	131,579	–51,221	80,358	–	–2,632	77,726
Other real estate	26,432	–10,857	15,575	–	–529	15,046
Proprietary or separately acquired software	32,794	–19,004	13,790	14,064	–9,475	18,379
Other tangible fixed assets	19,717	–12,785	6,932	8,717	–2,838	12,811
Total tangible fixed assets	**210,522**	**–93,867**	**116,655**	**22,781**	**–15,474**	**123,962**

5.09 Presentation of intangible assets

(in CHF 1,000)

				2021			
	Acquisition cost	Accumulated depreciation	Book value at previous year end	Additions	Disposals	Depreciation	Book value at end of current year
Other intangible assets	–	–	–	377	–	–110	267
Total intangible assets	**–**	**–**	**–**	**377**	**–**	**–110**	**267**

5.10 Breakdown of other assets and other liabilities

(in CHF 1,000)

	Other assets		Other liabilities	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Changes in replacement values of derivative financial instruments	62,805	151,053	–	–
Interest rate components of financial investments intended to be held to maturity but sold prior to maturity	389	161	444	676
Interest rate components of hedging transactions sold prior to maturity	62,285	11,542	71,204	26,846
Balance of the compensation account, recording valuation adjustments with no impact on the income statement	**125,479**	162,756	**71,648**	27,522
Coupons	–	–	–	–
Issuing / borrowing costs of bonds and mortgage-backed bonds of the CLG[1] to be depreciated	1,391	1,859	–	–
Spread of penalties for early loan repayments	–	–	**26,361**	21,784
Operation of continuously linked settlement system under way	39,482	60,933	39,754	61,342
Other internal banking transactions	11,039	11,180	3,835	3,960
Indirect taxes	4,964	11,969	4,225	5,546
Total	**182,355**	**248,697**	**145,823**	**120,154**

[1] The Mortgage Bond Centre of the Swiss cantonal banks.

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

The parent company figures are identical to the consolidation figures because only the parent company handles these transactions. Please see note 5.11 to the consolidated accounts on page 100.

5.12 Disclosure of liabilities relating to own pension schemes

The parent company figures are identical to the consolidation figures because only the parent company handles these transactions. Please see note 5.29 to the consolidated accounts on page 100.

5.13 Disclosures on the economic position of own pension schemes

(in CHF 1,000)

a) Employer contribution reserves (ECR)

BCGE has not recognised contribution reserves in its books.

b) Presentation of the economic benefit/obligation of the pension costs

(in CHF 1,000)

	Overfunding/ underfunding at end of current year[1]	Economic interest of the bank/financial group		Change in economic interest versus previous year(economic benefit/obligation) versus previous year	Contributions paid for the current period	Pension expenses in personnel expenses	
		31.12.2021	31.12.2020			31.12.2021	31.12.2020
Pension schemes with overfunding	7,105	–	–	–	15,603	15,945	15,221

[1] The Pension Fund's audited annual accounts as at 31 December 2021 are not available. The surplus is based on the audited financial statements as at 31 December 2020.

The BCGE pension fund is the Group's main pension fund and covers all the employees of the parent company and the Swiss subsidiaries.

5.14 Presentation of the issued structured products

No positions were present on the closing date of the financial period under review or the previous financial period.

5.15 Presentation of outstanding mandatory bonds, convertible bonds and mortgage bonds

The parent company figures are identical to the consolidation figures because only the parent company issues bonds and only the parent company holds some of its issued bonds. Please see note 5.15 to the consolidated accounts on page 102.

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

(in CHF 1,000)

	At previous year end	Use in conformity with designated purpose	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income	At end of current year
Provisions for default risks[1]	1,041	–	–24	–	3,590	–463	4,144
of which, provisions for inherent default risks of off-balance sheet transactions	–	–	–	–	*3,110*	–	*3,110*
Provisions for other business risks	1,189	–631	–	–	658	–6	1,210
Other provisions	10,725	–1	–	–	145	–10,033	836
Total provisions	**12,955**	**–632**	**–24**	**–**	**4,393**	**–10,502**	**6,190**
Reserves for general banking risks[2]	230,000	–	–	–	20,000	–	250,000
Valuation adjustments for default and country risks	90,332	**–8,879**	**–54**	**2,910**	**22,438**	**–2,485**	**104,262**
of which, valuation adjustments for default risks in respect of impaired loans / receivables	*77,732*	*–8,879*	*–54*	*2,910*	*2,558*	*–2,485*	*71,782*
of which, valuation adjustments for inherent default risks	*12,600*	–	–	–	*19,880*	–	*32,480*

[1] Valuation adjustments for inherent default risks were made on the financial investments portfolio for a total amount of CHF 480,000.
[2] The creation or release of reserves for general banking risks are not subject to tax on income.
See comment in note 5.36

5.17 Presentation of the Bank's capital

The parent company figures are identical to the consolidation figures. Please see note 5.17 to the consolidated accounts on page 103.

5.18 Number and value of equity securities or options on equity securities held by all executives and directors and by employees, and disclosures of any employee participation schemesteurs

	Number Equity securities		Value (in CHF 1,000) Equity securities	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Members of the Board of Directors[1]	1,332	1,316	213	240
Members of the executive bodies[2,3]	6,827	1,791	1,143	285
Employees[4]	17,698	22,645	2,855	4,131
Total	**25,857**	**25,752**	**4,211**	**4,656**

[1] Number of bonus shares issued during the financial period.
[2] Paid in 2022 based on 2021 results.
[3] Amounts calculated on the basis of a closing share price on 31.12.2021 of CHF 160.5.
[4] However, the variable remuneration components have not yet been paid to employees, who have not been able to exercise their rights.

Please see note 5.18 to the consolidated accounts on page 104.

5.19 Disclosure of amounts due from/to related parties

(in CHF 1,000)

	Amounts due from		Amounts due to	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Holders of qualified participations	184,247	30,000	19,433	192,289
Group companies	833,434	743,474	36,164	50,277
Linked companies	1,537,049	1,486,746	325,085	224,371
Transactions with members of governing bodies	4,988	5,220	2,247	4,207
Other related parties	4	14	47,920	52,650

Due from affiliates are mostly mortgages to property development foundations created under public law of the State of Geneva. Due to affiliates corresponds to the current accounts of these foundations created under public law.

Loans to officers of the Bank are mainly mortgage loans granted to directors and members of the Executive Board. Members of the Executive Board benefit from the same conditions as those granted to the Bank's employees but members of the Board of Directors do not.

Loans and liabilities in respect of qualifying persons result from banking transactions executed at conditions granted to public bodies, which may be subject to significant fluctuations from one financial year to the next.

5.20 Disclosure of holders of significant participations

The parent company figures are identical to the consolidation figures. Please see note 5.20 to the consolidated accounts on page 105.

5.21 Disclosure of own shares and composition of equity capital

The parent company figures are identical to the consolidation figures. Please see note 5.21 to the consolidated accounts on page 105.

5.22 Disclosures in accordance with the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares[1] and Art. 663b*bis* CO

Credits, loans, remunerations and shareholdings of the Board of Directors

	Remuneration (before taxes)			Loans[2]	Number of BCGE shares held at 31.12.2021			
	Fixed compensation[3]	In locked up shares[4,5]	Total		Unlocked	Locked up[4]	Total	By kin
Board of Directors								
Manuel Leuthold (from 30.04.2021), Chairman	188,028	17,591	**205,619**	0	0	0	0	0
Gilbert Probst (until 29.04.2021), Chairman	92,473	13,080	**105,553**	[7]	[7]	[7]	[7]	[7]
Jean Olivier Kerr, Deputy Chairman	85,462	13,262	**98,724**	3,000,000	1,200	340	1,540	0
Michel Pasteur, Secretary	105,600	16,777	**122,377**	0	0	428	428	0
Jean-Philippe Bernard (from 30.04.2021)	50,709	5,117	**55,826**	0	0	0	0	0
Michèle Costafrolaz	126,500	20,132	**146,632**	0	0	520	520	0
Angela de Wolff (until 30.11.2021)	67,008	3,988	**70,996**	[7]	[7]	[7]	[7]	[7]
Sophie Dubuis	70,400	8,154	**78,554**	0	0	30	30	0
Gina Empson	70,400	11,025	**81,425**	0	56	312	368	0
Serge Fasel	70,400	11,025	**81,425**	0	40	284	324	0
Bernard Girod	70,400	11,025	**81,425**	3,885,000	40	284	324	40
Jean-Marc Mermoud	70,400	11,025	**81,425**	241,500	66	318	384	0
John Tracey (until 29.04.2021)	25,385	3,988	**29,373**	[7]	[7]	[7]	[7]	[7]
Total, Board of Directors	**1,093,163**	**146,189**	**1,239,352**	**7,126,500**	**1,402**	**2,516**	**3,918**	**40**

Previous year	Remuneration (before taxes)			Loans[2]	Number of BCGE shares held at 31.12.2020			
	Fixed compensation[3]	In locked up shares[4,5]	Total		Unlocked	Locked up[4]	Total	By kin
Board of Directors								
Gilbert Probst, Chairman	280,500	41,360	**321,860**	640,750	24	514	538	40
Jean Olivier Kerr, Deputy Chairman	81,400	13,454	**94,854**	4,000,000	1,200	178	1,378	0
Michel Pasteur, Secretary	105,600	17,441	**123,041**	0	0	218	218	0
Grégoire Carasso (until 04.05.2020)	24,176	0	**24,176**	[6]	[6]	[6]	[6]	[6]
Michèle Costafrolaz	126,500	20,929	**147,429**	0	0	268	268	0
Sophie Dubuis (from 05.05.2020)	46,224	7,129	**53,353**	0	0	0	0	0
Gina Empson	70,400	11,461	**81,861**	0	48	182	230	0
Serge Fasel	70,400	11,461	**81,861**	0	40	146	186	0
Bernard Girod	70,400	11,461	**81,861**	3,905,000	40	146	186	40
Jean-Marc Mermoud	70,400	11,461	**81,861**	248,500	52	194	246	0
Angela de Wolff	77,000	12,458	**89,458**	0	52	206	258	0
John Tracey	77,000	12,458	**89,458**	1,000,000	92	206	298	40
Total, Board of Directors	**1,100,000**	**171,073**	**1,271,073**	**9,794,250**	**1,548**	**2,258**	**3,806**	**120**

[1] Please see the *Recueil systématique de la Confédération*, code 221.331.
[2] Maximum limits on Lombard loans, secured with securities or with mortgage guarantees.
[3] BCGE directors receive a fixed annual salary plus, in some cases, compensation for their office. The remuneration regulations are applied here. There has been no exception to their principles or procedures.
[4] There is a moratorium on BCGE shares for a period of 5 years. This moratorium on sales of shares is maintained in the event of leaving the Bank. BCGE has no stock option plan.
[5] The members of the Board of Directors benefit from a profit-sharing plan for each full year of service from one annual general meeting to the next: Period from January to April 2021: average real purchase price at 11 June 2021 of CHF 160.10, expected value CHF 119.64 (in 2020: price on 11 June 2020 CHF 182.14, expected value CHF 136.10). Period from May to December 2021: estimate on price at 31.12. 2021 of CHF 160.50, expected value CHF 119.94. Period from January to April 2020: average real purchase price at 11 June 2020 of CHF 182.14, expected value CHF 136.10. Period from May to December 2020: estimate on price at 31 December 2020 of CHF 159.00, expected value CHF 118.81).
[6] No longer a member of the Board of Directors at 31.12.2020, so the corresponding number is not stated.
[7] No longer a member of the Board of Directors at 31.12.2021, so the corresponding number is not stated.

Executive Board remuneration, before tax

	Remuneration in cash			Remuneration in shares[1,2,3]	Total remuneration	Social security contributions[4]
	Fixed	Variable[1]	Total	Variable	Total in CHF	Total
Blaise Goetschin, CEO	728,196	1,058,620	1,786,816	293,339	2,080,155	328,676
Total, Executive Board	**2,514,874**	**2,955,284**	**5,470,158**	**760,927**	**6,231,085**	**1,143,508**
Blaise Goetschin, CEO (previous year)	728,196	615,000	1,343,196	74,571	1,417,767	276,368
Total, Executive Board (previous year)	**2,770,842**	**1,980,122**	**4,750,964**	**186,293**	**4,937,256**	**1,033,249**

The members of the Executive Board remitted their director's fees to BCGE as follows:

(in CHF)	
Blaise Goetschin, CEO	78,113.52
Virginie Fauveau	7,493.98
Total, Executive Board	**85,607.50**
Blaise Goetschin, CEO (previous year)	88,659.50
Total, Executive Board (previous year)	**122,616.50**

Number of shares held by members of the Executive Board or their kin and loans granted

	Number of shares locked up during the 2021 financial year			Number of BCGE shares held at 31.12.2021				Loans granted[7]
	Free		Purchased[6]					
	Unconditional	Conditional[5]		Unlocked	Locked up	Total	By kin	
Blaise Goetschin, CEO	1,648	1,068	536	2,765	12,053	14,818	40	130,000
Frédéric Vernet				54	1,432	1,486	0	733,847
Pierrette Jaton Klopfenstein				28	1,361	1,389	0	455,000
Virginie Fauveau				280	598	878	0	23,304
Jean-Marc Joris				0	2,528	2,528	0	153,000
Yves Spörri				504	1,963	2,467	0	635,000
Constantino Cancela				3,599	0	3,599	0	158,702
Total, Executive Board	**4,159**	**2,668**	**1,348**	**7,230**	**19,935**	**27,165**	**40**	**2,288,853**
Blaise Goetschin, CEO (previous year)	10	824	414	5,012	11,806	16,818	40	130,000
Total, Executive Board (previous year)	**67**	**1,724**	**872**	**12,462**	**29,853**	**42,315**	**148**	**1,947,311**

[1] Paid in 2022 based on 2021 results.
[2] Shares subject to a 5 to 10-year moratorium, on the basis of the closing price (expected value) as at 31.12.2021. BCGE does not allocate stock options.
[3] Amounts calculated on the basis of a closing price of CHF 160.50 on 31.12.2021 (expected value).
[4] Cumulative amount of social insurance and pension fund contributions; projected figures based on total remuneration.
[5] Bonus shares received by the Executive Board, conditional on the simultaneous acquisition of shares at market price.
[6] Shares subject to moratorium acquired at the market price within the participation programmes.
[7] Maximum limits on Lombard loans, secured with securities or with mortgage guarantees.

The principles of remuneration are explained on pages 65– 67. No indemnity was paid indirectly to the members of the Executive Board. No indemnity was paid directly or indirectly, in 2021 to former members of the Board of Directors or to any person in close relationship with the members of the Board of Directors or the Executive Board.

At 31.12.2021, no indemnities not complying with market practices were awarded to any person in close relationship with the members of the Board of Directors or the Executive Board.

At 31.12.2021, no outstanding credits or loans not complying with market practices were awarded to any person in close relationship with the members of the Board of Directors or the Executive Board.

5.23 Presentation of the maturity structure of financial instruments

(in CHF 1,000)

			Due					
	At sight	Cancellable	Within 3 months	Within 3 to 12 months	Within 12 months to 5 years	After 5 years	No maturity	Total
Assets / financial instruments								
Liquid assets	6,450,913							6,450,913
Amounts receivable from banks	120,872	–	564,079	158,139	662,179	98,198	–	1,603,467
Amounts due from clients	1,158,386	211,535	1,383,379	253,972	923,882	887,308	–	4,818,462
Mortgage loans	2,092	2,054,189	815,806	588,599	3,348,093	5,857,113	–	12,665,892
Trading portfolio assets	53,927	–	–	–	–	–	–	53,927
Positive replacement values of derivative financial instruments	17,094	–	–	–	–	–	–	17,094
Financial investments	173,625	–	46,938	126,755	913,859	788,839	573	2,050,589
Total								
31.12.2021	**7,976,909**	**2,265,724**	**2,810,202**	**1,127,465**	**5,848,013**	**7,631,458**	**573**	**27,660,344**
31.12.2020	8,008,520	2,272,305	2,354,115	1,270,388	5,732,644	7,207,824	598	26,846,394
Debt capital / financial instruments								
Amounts due to banks	705,626	168,437	1,583,717	720,315	–	–	–	3,178,095
Liabilities arising from securities financing transactions	–	–	54,442	108,622	–	–	–	163,064
Amounts due in respect of client deposits	11,179,398	5,791,469	500,324	668,651	–	–	–	18,139,842
Trading portfolio liabilities	3,925	–	–	–	–	–	–	3,925
Negative replacement values of derivative financial instruments	9,076	–	–	–	–	–	–	9,076
Cash bonds	–	–	20	43	740	–	–	803
Bond issues and central mortgage institution loans	–	–	257,000	104,000	1,374,500	2,861,745	–	4,597,245
Total								
31.12.2021	**11,898,025**	**5,959,906**	**2,395,503**	**1,601,631**	**1,375,240**	**2,861,745**	**–**	**26,092,050**
31.12.2020	10,748,849	5,732,068	3,412,549	1,376,883	1,133,803	3,060,155	–	25,464,307

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

(in CHF 1,000)

	2021		2020	
	Switzerland	Foreign	Switzerland	Foreign
Assets				
Liquid assets	6,438,527	12,386	6,447,024	9,457
Amounts receivable from banks	382,778	1,220,689	236,403	1,176,678
Amounts due from clients	3,661,334	1,157,128	3,417,886	1,313,484
Mortgage loans	12,316,147	349,745	11,672,187	333,420
Trading portfolio assets	53,927	–	53,607	–
Positive replacement values of derivative financial instruments	12,333	4,761	13,518	2,623
Financial investments	1,780,881	269,708	1,819,465	350,642
Accrued expenses and deferred income	35,164	–	34,638	–
Participations	60,692	34,211	56,579	32,477
Tangible fixed assets	123,962	–	116,655	–
Intangible assets	267	–	–	–
Other assets	182,355	–	248,697	–
Total assets	**25,048,367**	**3,048,628**	**24,116,659**	**3,218,781**
Liabilities				
Amounts due to banks	1,026,816	2,151,279	1,089,213	2,291,879
Liabilities arising from securities financing transactions	163,064	–	817,425	–
Amounts due in respect of client deposits	14,088,014	4,051,828	13,180,850	3,579,612
Trading portfolio liabilities	3,925	–	511	–
Negative replacement values of derivative financial instruments	958	8,118	2,498	10,064
Cash bonds	803	–	1,063	37
Bond issues and central mortgage institution loans	4,597,245	–	4,491,155	–
Accrued expenses and deferred income	104,875	–	92,771	–
Other liabilities	145,823	–	120,154	–
Provisions	6,190	–	12,955	–
Reserves for general banking risks	250,000	–	230,000	–
Bank's capital	360,000	–	360,000	–
Statutory capital reserve	297,210	–	304,050	–
Statutory retained earnings reserve	745,833	–	672,907	–
Own shares	–18,287	–	–20,832	–
Profit carried forward/loss carried forward	728	–	713	–
Profit / loss (result of the period)	112,573	–	98,415	–
Total liabilities	**21,885,770**	**6,211,225**	**21,453,848**	**5,881,592**

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

(in CHF 1,000)

	2021		2020	
	Absolute	Share as %	Absolute	Share as %
Assets				
Europe • France	1,661,425	5.9	1,610,457	5.8
• Luxembourg	174,117	0.6	191,239	0.7
• Germany	143,154	0.5	160,466	0.6
• United Kingdom	98,089	0.3	132,366	0.5
• Other European countries	216,507	0.8	374,870	1.4
United Arab Emirates	70,705	0.3	105,770	0.4
United States and Canada	156,394	0.6	125,823	0.5
Other	528,237	1.9	517,790	1.9
Assets held abroad	**3,048,628**	**10.9**	3,218,781	11.8
Switzerland	25,048,367	89.1	24,116,659	88.2
Total assets	**28,096,995**	**100.0**	**27,335,440**	**100.0**

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

(in CHF 1,000)

	Net foreign exposure/ current year-end		Net foreign exposure preceding year-end	
	Absolute	Share as %	Absolute	Share as %
Rating category (according to SERV, Swiss insurance against export risks[1])				
0/HI	1,872,305	78.8	2,038,107	77.9
1	9	0.0	11	0.0
2	127,590	5.4	135,326	5.2
3	20,328	0.9	78,732	3.0
4	4,743	0.2	9,080	0.3
5 and 6	246,716	10.4	169,145	6.5
7	11,823	0.5	1,708	0.1
Without rating	91,318	3.8	184,275	7.0
Total	**2,374,832**	**100.0**	**2,616,384**	**100.0**

[1] The SERV rating is recognised by FINMA.

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

(in CHF 1,000)

	Currencies					
	CHF	EUR	USD	GBP	OTHER	METALS
Assets						
Liquid assets	6,382,662	64,807	1,740	909	795	–
Amounts receivable from banks	136,986	815,619	579,808	5,831	26,603	38,620
Amounts due from clients	2,538,685	897,348	1,341,359	20,461	20,609	–
Mortgage loans	12,481,991	178,340	5,561	–	–	–
Trading portfolio assets	96	100	–	–	–	53,731
Positive replacement values of derivative financial instruments	17,094	–	–	–	–	–
Financial investments	1,780,456	144,921	113,959	3,046	8,207	–
Accrued expenses and deferred income	35,164	–	–	–	–	–
Participations	90,812	3,933	158	–	–	–
Tangible fixed assets	123,962	–	–	–	–	–
Intangible assets	267	–	–	–	–	–
Other assets	142,804	–	39,037	298	216	–
Total assets shown in balance sheet	**23,730,979**	**2,105,068**	**2,081,622**	**30,545**	**56,430**	**92,351**
Delivery entitlements from spot exchange, forward forex and forex options transactions	535,145	1,439,392	1,482,570	246,614	40,745	19,126
Total assets	**24,266,124**	**3,544,460**	**3,564,192**	**277,159**	**97,175**	**111,477**
Liabilities	CHF	EUR	USD	GBP	OTHER	METALS
Amounts due to banks	759,114	619,814	1,724,232	22,671	11,734	40,530
Liabilities arising from securities financing transactions	–	144,830	18,234	–	–	–
Amounts due in respect of client deposits	14,625,255	2,091,103	1,280,145	67,847	45,373	30,119
Trading portfolio liabilities	3,540	–	339	18	28	–
Negative replacement values of derivative financial instruments	9,076	–	–	–	–	–
Cash bonds	803	–	–	–	–	–
Bond issues and central mortgage institution loans	4,597,245	–	–	–	–	–
Accrued expenses and deferred income	104,875	–	–	–	–	–
Other liabilities	121,956	20,373	213	1	3,280	–
Provisions	6,190	–	–	–	–	–
Reserves for general banking risks	250,000	–	–	–	–	–
Bank's capital	360,000	–	–	–	–	–
Statutory capital reserve	297,210	–	–	–	–	–
Statutory retained earnings reserve	745,833	–	–	–	–	–
Own shares	–18,287	–	–	–	–	–
Profit carried forward/loss carried forward	728	–	–	–	–	–
Profit/loss (result of the period)	112,573	–	–	–	–	–
Total liabilities shown in the balance sheet	**21,976,111**	**2,876,120**	**3,023,163**	**90,537**	**60,415**	**70,649**
Delivery obligations from spot exchange, forward forex and forex options transactions	2,302,846	680,647	537,477	186,585	35,418	40,454
Total liabilities	**24,278,957**	**3,556,767**	**3,560,640**	**277,122**	**95,833**	**111,103**
Net position per currency	**–12,833**	**–12,307**	**3,552**	**37**	**1,342**	**374**

5.28 Breakdown and explanation of contingent assets and liabilities

(in CHF 1,000)

	2021	2020
Guarantees to secure credits and similar	25,341	24,084
Guarantees to provide guarantees and similar	34,109	105,452
Irrevocable commitments arising from documentary letters of credit	1,238,955	757,932
Other contingent liabilities	700	700
Total contingent liabilities	**1,299,105**	**888,168**

Irrevocable commitments are linked mainly with the trade finance credit business and with commodities pricing.

5.29 Breakdown of credit commitments

The parent company figures are identical to the consolidation figures. Please see note 5.29 to the consolidated accounts on page 110.

5.30 Breakdown of fiduciary transactions

The parent company figures are identical to the consolidation figures. Please see note 5.30 to the consolidated accounts on page 110.

5.31 Breakdown of managed assets and presentation of their development

In accordance with FINMA circular 15/1 margin no. 229, the Bank is not obliged to publish this schedule.

5.32 Breakdown of the trading activities results and the fair value option

(in CHF 1,000)

Trading result from	2021	2020
Interest rate instruments (including funds)	119	665
Equity securities (including funds)	–7	100
Currencies	33,591	28,372
Commodities/precious metals	626	1,311
Total trading income	**34,329**	**30,448**

5.33 Disclosure of material refinancing income under the item Interest and discount income Interest and discount income as well as material negative interest

(in CHF 1,000)

	2021	2020
Negative interest		
Negative interest on lending business (reduction in interest income)	–5,733	–3,409
Negative interest on borrowing (reduction in interest expense)	19,565	15,461

The Bank does not deduct financing costs from trading positions.

5.34 Breakdown of personnel expenses

(in CHF 1,000)

	2021	2020
Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits)	116,952	108,803
of which, expenses relating to share-based compensation and alternative forms of variable compensation	*3,382*	*5,367*
Social insurance benefits	27,071	25,544
Other personnel expenses	4,028	3,341
Total personnel costs	**148,051**	**137,688**

5.35 Breakdown of the other operating charges

(in CHF 1,000)

	2021	2020
Office space expenses	9,113	8,671
Expenses for information and communications technology	36,915	34,323
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	122	168
Fees of audit firms	726	842
of which, for financial and regulatory audits	*660*	*812*
of which, for other services	*66*	*30*
General and administrative expenses	40,504	39,208
Total other operating expenses	**87,380**	**83,212**

5.36 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 parent company position is identical to that for the Group. Please see note 5.36 to the consolidated accounts on page 111.

5.37 Disclosure of and reasons for revaluations of investments and tangible fixed assets up to the acquisition value

The Bank has not revalued its participations or tangible assets.

5.38 Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment

BCGE is not operationally domiciled in foreign countries. All its profits are generated in Switzerland.

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

(in CHF 1,000)

	Rate in %[1]	2021	Rate in %[1]	2020
Current taxes, BCGE	16.1%	25,354	18.5%	18,954
Total		**25,354**		**18,954**

[1] Weighted average rate used on the basis of the operating result.

5.40 Disclosures and explanations of the earnings per equity security

Please see note 5.40 to the consolidated accounts on page 113.

Proposed appropriation of available earnings
Dividend of CHF 4.50 / share

At the General Meeting, to be held on 3 May 2022, the Board of Directors will propose a dividend of 9% (2020: 7.5%).

The amount available to the General Meeting to distribute is as follows:

(in CHF 1,000)	31.12.2021	31.12.2020
Result of the period	112,573	98,415
Profit brought forward from the prior year	728	713
Release from the tax-exempt capital contribution reserve	7,920	6,840
Total available to the General Meeting	**121,221**	**105,968**
Dividend of 9% (2020: 7.5%).	32,400	27,000
of which 2.2% tax-exempt dividend (2020: 1.9%).	*7,920*	*6,840*
Special allocation to the State of Geneva (20% of the dividend paid)	6,480	5,400
Total distributed	**38,880**	**32,400**
Allocation to the legal reserve resulting from the earnings	81,920	72,840
Profit brought forward	**421**	**728**

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