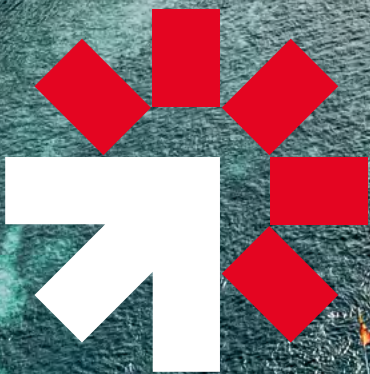


# Annual Report 2022.









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# A Message from our Chairman and Chief Executive Officer.

Agile, trustworthy and supportive: these are core values that have formed the foundation of BCP's success for many years. As we prepare to celebrate our 60th anniversary, we are proud to unveil our new branding, which expresses these enduring values along with our vision for the future.

In 2022, as always, we stood by our clients, supporting and guiding them through an especially turbulent year. With customary resilience and agility, we overcame the many challenges we faced throughout the year to achieve strong financial results.

Looking ahead, while the outlook for the global economy in 2023 remains fragile, we can rely on our 60 years of experience across multiple geographies to safely navigate even the most complex environments. We are confident in our ability to partner with our clients and counterparts to achieve our shared goals and ambitions.



**Alain Bruno Lévy**  
Chairman



**Naci Sigin**  
Chief Executive Officer





### Our values are the key to our success

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As we prepare to celebrate our 60th anniversary in 2023, we would like to begin this introduction to our annual report by recalling the values upon which our bank has built its success.

We combine the know-how of a Swiss Bank with a decidedly global, multicultural outlook. Our presence in Geneva, Luxembourg and Dubai gives us a global reach. We pride ourselves on being a trustworthy partner, supporting entrepreneurs around the world to achieve success.

**What makes BCP truly unique, however, is our excellence in our two areas of specialization: commodity trade finance and wealth management. Six decades of hands-on experience in both developed and emerging markets enables us to adapt with agility to a constantly changing environment. We have cultivated close relationships with clients and partners, carefully building a network of trust that spans the globe. Lastly, our commitment to ethics is the central ingredient of our long-term sustainability, as it ensures our clients' interests are always at the heart of our decision-making, regardless of the vagaries of the markets.**

### Looking back at 2022: resilience and agility in the face of geopolitical and macro-economic challenges

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We started 2022 in a context of continued economic recovery following the downturn

at the height of the Covid-19 crisis. However, that upward momentum soon reversed, as the world was thrown into the throes of the war in Ukraine. Skyrocketing energy and food prices fed high inflation, to which governments responded by raising interest rates, putting downward pressure on growth. In response to this challenging environment, we further reinforced our compliance and credit risk management throughout the year, adapting with agility to continue offering a high standard of service to our clients.

At the first signs that war in Ukraine was imminent, we immediately ceased all financing activity in the affected area, which prior to that represented a significant portion of global commodity trade routes. Despite the complexity of the task, we were able to swiftly reposition and, as our clients pivoted to new sourcing areas and changed their trade flows, to capitalize on opportunities that emerged in several regions where we already had considerable expertise, such as the Middle East and Africa.

### A successful year for BCP

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In a context of rising interest rates and high commodity prices caused by the supply shock, BCP achieved strong financial results this year, demonstrating resilience while remaining faithful to our long-term strategy.

We closed 2022 with a declared net profit of CHF 41.4 million, after the voluntary addition of CHF 20 million to the Bank's reserves for general banking risks. Hence, the Bank's actual economic profit was CHF 61.4 million, 43% higher than the CHF 42.9 million of the previous year. Key financial ratios also reflect the Bank's strong financial position:



our return on tangible equity increased from 8% at end of 2021 to 11% at end of 2022, our cost-income ratio fell from 52% to 40% over the same period, and our non-performing loans ratio remained below 1%, as in 2021. In parallel, our Tier 1 capital adequacy ratio increased from 13.5% in December 2021 to 18.2% in December 2022, demonstrating our strong capital base.

In addition to its robust financial performance, the Bank further developed its operational capacity in 2022, which was also a year of many developments and investments in our human resources, IT capabilities, and projects to better serve our clients while further reinforcing our risk management tools.

### **Economic Outlook for 2023**

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As we start the new year, the global growth outlook appears to be deteriorating. The world still faces strong economic headwinds, rampant inflation, a persistent energy crisis, trade restrictions, and high levels of debt.

While six months ago, the IMF projected global growth of 3% in 2023, at time of writing, the forecast has been revised down to 1.7%. Slower growth will affect both advanced and emerging economies. Subdued investment as well as weak productivity and international trade have raised the specter of recession in several parts of the world.

Despite this climate of uncertainty, our track record proves that we have the ability to navigate adverse environments such as the one facing us today. We are well-equipped to overcome challenges with our customary

adaptability to achieve our objectives, while providing our clients with high quality banking services.

### **Looking to the future with confidence**

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**The year ahead promises to be complex and challenging, but we are determined to continue investing in our core banking segments, human talents, as well as our infrastructure. Our entrepreneurial spirit allows us to better understand our clients and anticipate their needs. As a partner bank, we strive to keep their interests and priorities at the heart of our decision-making. That is why, in 2023, we plan to further enhance and expand the range of products and services we offer our clients.**

As reflected in this report, we have also updated and aligned the BCP brand with our vision for the future, along with our commitment to the core values that have formed the foundation of our success for the past 60 years.

### **Sincere thanks to all our stakeholders**

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Lastly, we are deeply grateful to our Clients and Correspondents for placing their trust in us, to our Staff for their devotion and hard work, and to our Board of Directors and Shareholders for their continuous support and confidence.



# BCP at a glance.

BCP was established in 1963 as a Swiss bank and segments its activities into two well-established core businesses: Commodity Trade Finance and Wealth Management. These are reinforced by our expert Treasury and Financial Institutions services. BCP enjoys a solid reputation as a high-quality service provider in all of these banking fields. The Bank serves an ever-growing number of customers and banks across the globe, with a wide range of innovative, tailor-made and value-added products and services.

## Four key pillars

### 1 Deep expertise

#### **A specialist bank**

For the last 60 years, BCP has specialized in commodity trade finance and wealth management. Our excellence, built on our long-standing expertise in these two areas and our deep knowledge of both developed and emerging markets, is further reinforced by expert services in Treasury and financial products.

#### **An experienced team**

We have assembled a culturally diverse team with broad experience across multiple geographies, operations and products. This enables us to act decisively, while building close, long-lasting relationships with our clients and partners.

### 2 Strong DNA

#### **Agility**

BCP's human scale and efficient organization not only allow us to get to know our clients exceptionally well, but also support agile decision-making in fast-moving markets, based on transparent risk limits.

#### **Customer-focused**

Our team draws on their cultural knowledge and experience to tailor solutions that align with our clients' global outlook. Our highly skilled staff is proud to offer high-quality services based on a customer-centric and business solution-focused approach.

### 3 Solid financials

#### **Robust foundations**

Our strong Tier 1 capital adequacy ratio, amounting to 18.2% at the end of the year 2022, reflects the high quality of our assets. Moreover, we have always maintained our Tier 1 ratio above 13% since 2004, comfortably above the 10.5% minimum set by the Swiss regulator FINMA for category 5 banks.

#### **Credit quality**

BCP's investment grade rating (BBB- by Fitch Ratings) confirms our financial stability and sound risk management.

### 4 High regulation

#### **Swiss standards**

As a Swiss bank, BCP is supervised by FINMA, the Swiss financial markets supervisory authority. While the BCP Luxembourg branch and BCP DIFC representative office in Dubai are also regulated respectively by the CSSF and DFSA, we apply the same high standards of governance across all our locations.

#### **Conservative approach to risk**

We excel at evaluating and managing risk, enabling us to adapt with agility to changing market conditions and maintain our financial stability, even in times of economic and geopolitical disruption.





## Two core businesses with a large array of services



### Commodity trade finance (CTF)

With trade finance as its traditional core activity, BCP offers specialized expertise and high-quality services, managed by a team of experienced senior staff.

- Personalized approach to commodity trade finance, through a full range of financing schemes: Structured trade finance, Documentary instruments, Syndications
- Access to a wide range of treasury services specifically designated for CTF customers
- Seamless service through a network of more than 1 000 active bank relationships around the world



### Wealth management (WM)

With an open architecture approach, BCP has a tradition of excellence in portfolio management and high efficiency in transactional services for high-net-worth individuals.

- Customized asset management services: Portfolio management, Extended or transaction-by-transaction advisory services, Custody services
- High expertise in emerging markets fixed-income securities
- Secured lending (Lombard loans, guarantees and fully covered L/Cs)
- General banking services for wealth management clients

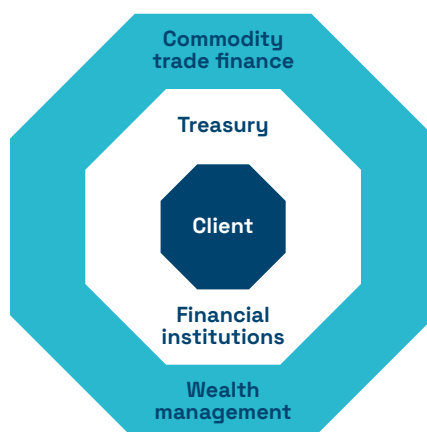
## Reinforced by expert services linked to

### Treasury

In addition to the Bank's asset, liability and liquidity management, BCP's Treasury department supports the Bank's core activities. Treasury offers the Bank's customers financial products enabling them to effectively manage their treasury and capital.

### Financial institutions

The Financial Institutions team manages all aspects of relations with other financial institutions enabling the execution of commodity trade finance and treasury transactions with the Bank.



## Geographical presence in three locations



### Switzerland

Headquartered in Geneva, BCP offers the safety of a highly regulated environment and the expertise of a Bank located at the center of one of the main world commodity trading hubs.

### Luxembourg

In the heart of the Eurozone's premier fund management centre, the Branch, regulated by the CSSF, engages in proprietary Treasury services.

### Dubai

With a long-standing strategic interest in the region, we maintain a constant presence in the United Arab Emirates through a representative office: Banque de Commerce et de Placements SA, DIFC Representative Office, Regulated by the DFSA.

**Founded under Swiss Banking Law and Regulations, BCP is supervised by FINMA, the Swiss financial markets supervisory authority. Headquartered in Geneva, BCP also operates a branch in Luxembourg, and maintains a presence in Dubai through its DIFC representative office.**







**Commodity  
Trade Finance  
In-depth  
expertise and  
high-quality  
services.**





# Customized solutions and long-term commitment to clients.

**“As a specialist in commodity trade finance for 60 years, we have developed unique sectoral expertise and industry knowledge of the commodities supply chain. Our customer-centric approach supports and secures our clients’ international trades. A long-term commitment to our clients and high standard of service is what sets us apart.”**



 **Pierre Galtie**  
Head of Commodity  
Trade Finance

## **2022 operating environment: a reshuffling of the global order**

Far from being a year of post-pandemic recovery with a welcome rebalancing of commodities supply, 2022 was marked by an historic breakdown of the global energy order and tectonic shifts in the global commodities markets.

The year brought plenty of surprises and uncertainties: strong disruption and dislocation in the commodity markets continued due to supply chains that had not fully recovered from the fallout of the Covid pandemic. These were further stressed by the Russian invasion in Ukraine, global inflation, high price volatility and the highest rise in mostly USD denominated commodities for 18 years.

The combination of these turbulent headwinds led to an unprecedented reshuffling of commodity flows, illuminating structural challenges - and the need for changes - going forward.

On the other hand, a positive aspect of this complex environment was societies and governments waking up to the importance of supply chain reliability, and the role that traders, intermediaries and service providers play in bringing optimal solutions. Without a swift and efficient adaptation between

demand and supply at a bearable price, world energy and food supplies would have been even more strained.

Overall, the year was dominated by fragile economic conditions and high uncertainties, bringing new challenges and opportunities.

## **Our long-term commitment to our clients**

In 2022, more than ever, our clients have had to operate against a backdrop of challenging supply chains, volatile commodity prices and the demand for a global transition to a low carbon economy. In this context, BCP Commodity Trade Finance continued to demonstrate resilience, agility and integrity. Our positive mindset provides clients with optimum levels of support and confidence in our ability to navigate turbulent times.

This remains true as we prepare to celebrate the sixtieth anniversary of our institution in 2023: our experience and knowledge of the market, together with the Bank's aligned resources enable us to meet the expectations of our most demanding customers whilst remaining focused and close to our clients.



### Strong principles drive a record year

In this world of complexity where nothing is granted, our principles remain simple: favor an entrepreneurial approach and foster straightforward discussions. It is this foundation that proved particularly valuable throughout a challenging and disruptive year. As supply chains experienced significant reshuffling, we adapted quickly and responded efficiently to new market needs. Our Commodity Trade Finance teams continued to be proactive while behaving responsibly and ethically within this new paradigm.

By staying aligned to our principles, we managed to extract significant value for our clients. In parallel, we grew BCP's Commodity Trade Finance franchise and posted a strong record performance. This would not have been achieved without the robust commitment of our colleagues, teams and partners, to whom we would like to extend our most sincere thanks.

### Uncertainty and brighter prospects on the horizon

Looking ahead, both the world at large and the commodity industry seem poised for more uncertainty and volatility. The ongoing war in Ukraine, inflation, low global growth, tight spare supply capacity and price volatility are just some of the challenges that, along with our clients, we will be facing throughout 2023.

But there are also brighter prospects on the horizon. A need to secure strategic energy supplies and stabilize prices is sparking a shake-down of national industrial energy models. The current disruption and a desire to escape high prices will catalyze a shift in industrial models in Europe and across the world. This should accelerate a global energy transition, creating opportunities in emerging markets and in dynamic new sectors.

To all our valued clients - we look forward to being by your side and to committing all our energy and expertise to your year ahead.



**Strive not to be a success, but rather to be of value**

**Albert Einstein  
(1879-1955)**









# Wealth Management Safeguarding Generational Wealth.



# Protecting, Growing and Transmitting Generational Wealth with Trust and Confidence.

**“BCP Wealth Management aims to advise and support individuals, families, and entrepreneurs throughout the entire cycle of generational wealth creation. Our mission is to protect, grow and transmit our clients’ wealth accumulated over years, leveraging established trust and confidence.”**



**Marco Grilli**  
Head of Wealth  
Management

## **2022: a difficult macroeconomic and geopolitical context**

In 2022, the levels of optimism that characterised the very first part of the year were swiftly cut short by the violent outbreak of conflict in Ukraine. The arrival of war on European soil triggered a cascade of turning points. As the conflict deepened, the worsening geopolitical context and deteriorating macro-economic developments impacted global markets, leading to increased uncertainty and volatility. Moreover, a surge in energy prices and the disruption of supply chains led to higher inflation rates. After years of low interest rates, central banks were forced to raise interest rates sharply to fight inflation. This drastic change in economic situation led BCP Wealth Management to reassess its yearly strategy and reassess risks, on a market-based approach.

2022 marked a new cycle for BCP Wealth Management with the appointment in March of Marco Grilli as Head of Wealth Management. We defined new ambitions and a new strategy, including a set of financial targets for the coming three-year cycle (2023-2025).

## **BCP records good results despite a challenging environment**

The combined effect of the Russian-Ukrainian war, persistent inflation and swift

tightening from central banks affected asset prices and investor sentiment. Against this backdrop, we stood steadfastly by our customers, to support and guide them through these troubled times. Our customer-centric approach, which places client services and asset preservation front and centre, was more of a priority than ever. We take pride in being the trusted advisor to every one of our clients.

We welcomed new assets and helped our clients to reposition their investments in response to interest rate increases, seeking higher yield through short-term fixed-income strategies.

Thanks to our agility, independence, and expert staff members, BCP Wealth Management delivered strong revenues and was an important contributor to the Bank’s overall results for 2022.

## **Sustainable growth and maintaining risk and cost discipline**

In order to better serve our clients, in 2022 we established an ambitious three-year program to enhance our clients’ revenues and improve productivity and efficiency, while further strengthening risk culture. One of these steps was accelerating our investments in technology and human resources, enabling us to implement a new value proposition for High Net Worth clients.



Our people are our most valuable assets. Throughout the year we invested in talent, hiring skilled professionals in all segments to enhance our services and provide best-in-class advice to our clients. BCP offers a working environment which values diversity and an entrepreneurial spirit, and which encourages employees to achieve their full potential.

In 2022 we also invested in digital tools and technology to continue improving operational efficiency, with a focus on automating processes and providing clients with online access to their portfolios. Several growth initiatives were launched to accelerate the modernisation of our operational framework.

#### **Holistic approach based on an open architecture framework**

BCP Wealth Management provides a comprehensive service for wealthy individuals and families. Our holistic approach is built on independent advice and services. We consider each client individually and operate according to an open architecture model that seeks out the best investment solutions without any bias.

Our independence sustains our ability to innovate and source new investment solutions. Clients decide how much involvement they wish to dedicate to

their investment process, from delegating their wealth management to actively taking advantage of BCP investment advisory services. A full range of personalised services and bespoke solutions are available.

#### **Perspectives for 2023**

As we entered 2023, geopolitical tensions remained high. These will continue to spark volatility within markets, as well as weak growth until the end of the first semester. The second half of the year could lead to production-led recovery and stabilizing rates, even though overall consumer sentiment may remain defensive until the end of the year. If central banks do not become too restrictive in policy tightening, major economies should avoid falling into recession.

At the time of writing, the macroeconomic outlook remains uncertain. Nevertheless, we are fully confident in our ability to deliver on our 2023 objectives and to implement our three-year program efficiently.

Above all, BCP Wealth Management remains focused on its primary mission, one that has seen us resiliently weather times of global turmoil. That is, to remain alongside our clients, efficiently guiding them by offering best-in-class advice, bespoke services and seamless solutions.



**Lasting change is a series of compromises. And compromise is all right, as long as your values don't change.**

**Jane Goodall  
(1934 -)**





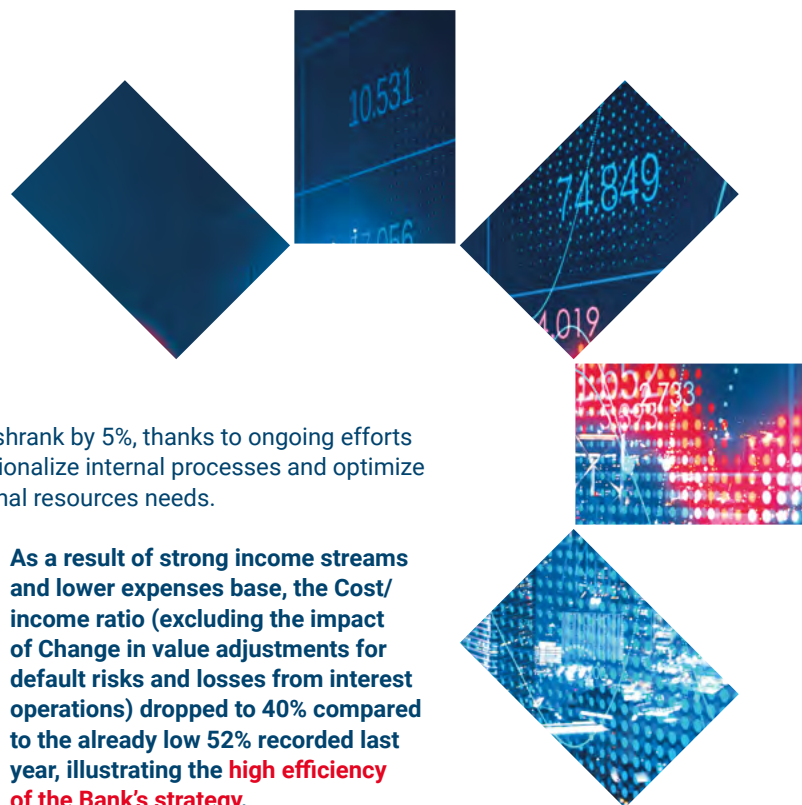
# Financial Performance 2022.

## A Year of Successful Adaptation to Unexpected Challenges

As has been the case in recent years, 2022 also brought its share of unexpected events and new economic upheavals. The sudden war in Ukraine triggered disruptions in supply chains, generating a brutal surge in all commodity and energy prices, fuelling inflation to unforeseen levels and jeopardizing economic growth. In response, most Central Banks, after years of accommodative monetary policies, sharply raised their interest rates with the aim of finding the right balance between containing inflation and minimizing recession risks. Financial markets reacted very negatively and recorded strong corrections in both stock and bond prices, the likes of which had not been seen for many years. All these factors influenced the way that the Bank managed its business this year, whilst also enabling the Bank to once again demonstrate its capacity to successfully adapt to a tumultuous geopolitical and fast-moving economic environment.

**Business volumes suffered from the quick exit from Russian and Ukrainian markets and other consequences of the conflict, but the Bank nevertheless managed to deliver an excellent performance this year. This was all the more remarkable as Total income reached its highest level ever at CHF 129.5 million and closed CHF 25.7 million (+25%) above the previous year. This historical result could be achieved thanks to outstanding net interest earnings and very solid commission income.**

Gross result from interest operations (which excludes the impact of Change in value adjustments for default risks) climbed to CHF 67.0 million, which was CHF 21.7 million (+48%) above last year. The impact of the decline in customer lending volumes from CHF 2.2 billion to CHF 1.8 billion was more than compensated by higher net interest margins, which were helped by the rising interest rates environment. The Bank aligned



its short-term lending rates to the new market conditions, but could successfully contain the rise of its financing costs. In addition, the cost of placements with central banks in order to meet liquidity requirements also declined following the SNB and ECB 's decisions to finally abandon negative interests.

Change in value adjustment for default risk at CHF 2.4 million comprised CHF 5.1 million of provisions on bad debts and CHF 4.1 million of provisions for default risks on financial investments which suffered from difficult bond market conditions. These provisions were largely compensated by important recoveries of CHF 6.7 million received on bad debts incurred in 2020.

Result from commissions at CHF 67.0 million remained strong and showed an increase of CHF 9.6 million (+17%) compared to last year. Although the price of most commodities escalated, the documentary credit volumes declined after last year's record. The Bank could nevertheless improve its margins with a focus on high added-value transactions and a selective approach for quality earnings.

Result from trading activities was in line with last year at CHF 1.5 million, while Other result from ordinary activities recorded a negative performance at CHF 3.6 million, reflecting unrealized losses on the Bank's bonds portfolios, which suffered from the impact of rising interest rates.

The Bank continued to closely monitor its Operating expenses, which declined by 3% compared to last year to CHF 52.5 million.

Following the closure of Dubai branch, the average number of FTE (full time equivalent) employees decreased from 166.6 in 2021 to 160.1 in 2022, which largely plained the decline in Personnel expenses. General and administrative expenses at CHF 13.2 million

also shrank by 5%, thanks to ongoing efforts to rationalize internal processes and optimize external resources needs.

**As a result of strong income streams and lower expenses base, the Cost/ income ratio (excluding the impact of Change in value adjustments for default risks and losses from interest operations) dropped to 40% compared to the already low 52% recorded last year, illustrating the high efficiency of the Bank's strategy.**

For prudence reasons, the Bank decided to constitute new Reserves for general banking risks of CHF 20.0 million and the reported Net profit amounted CHF 41.4 million, which was some CHF 18.5 million (+81%) above last year's net result. If we exclude the impact of Reserves for general banking risks to measure the real economic performance of the Bank, the adjusted net profit would have reached CHF 61.4 million, which represented the second highest economic performance in BCP's history.

The shareholders' funds (comprising Shareholders' equity and Reserves for general banking risks, which qualify as Tier I capital) continued their steady growth to close at CHF 605.7 million, which was CHF 51.4 million (+9%) above last year.

**The capital adequacy ratio (CET1 ratio as per Basel III rules) soared to 18.2% and confirmed the strength of the Bank's capital base.**

Total retained earnings available for appropriation amounted to CHF 123.9 million and it was decided on March 14, 2023 at the Ordinary General Meeting of the Shareholders to distribute a dividend of CHF 15.0 million to the shareholders and appropriate the balance to the Bank's equity.



# Corporate Governance.

BCP's corporate governance framework consists of its corporate bodies, listed in points (1) to (4) below, and internal regulations, which define the respective functions and authority of the governing bodies as well as other corporate governance rules, in line with Swiss banking laws and regulations, and international best practice standards.

## 1. General assembly of shareholders

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- 69.33% Borak SA
- 30.67% Yapi Kredi Bankasi (61.6% owned by Koç Holding)

The Shareholders elect Board members on an annual basis and approve required resolutions at the General Assembly of Shareholders, such as the consolidated financial statements and capital increases.

## 2. Board of Directors

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The Board of Directors is responsible for the overall strategic direction, supervision and control of the Bank, and appoints members of the General Management.

**As the body exercising the highest authority, supervision and control, the Board of Directors' responsibility to regulate, establish, maintain, supervise and regularly validate the Bank's internal control system commensurate with its size, complexity, structure and risk profile.**

The Board of Directors meets at least four times a year, in principle once every quarter, and may validly take decisions if a majority of its members are present. The decisions are taken by an absolute majority of the members present. On an exceptional basis, the Board may also take decisions by circular letter, in which case decisions may only be taken unanimously by the members who have expressed their opinion within the allotted time limit, provided that the latter represent an absolute majority of all the members of the Board. Each member has the option to request that a Board meeting be held to deal with the subject. Decisions taken through circular letters must be recorded in minutes and added to the minutes of the next Board of Directors' meeting.

## 3. Committees established by delegation of the board of directors

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The Board of Directors may establish committees to second it or entrust tasks to certain of its members. The Board of Directors has established a Board Credit Committee and an Audit & Risk Committee.





Tasks and powers delegated to committees or individuals, as well as the corresponding duties with respect to information, coordination and reporting, are regulated by the Board of Directors. In all cases, the Board of Directors remains collectively responsible for the delegated tasks.

#### **Board credit committee**

The Board Credit Committee comprises the two following members of the Board of Directors who have the powers and responsibilities to grant loans in accordance with BCP's internal regulations:

- Paul Baszanger, Chairman
- Philippe R. Ziegler, Member

The Board Credit Committee's decisions are taken unanimously and are formally communicated to the Board of Directors at the following ordinary meeting.

#### **Audit & risk committee**

The Audit & Risk Committee comprises the two following members of the Board of Directors:

- Alfred Gremli, Chairman
- Mehmet Ali Karamahmet, Member

**The Board of Directors has established an Internal Audit function which reports directly to the Audit & Risk Committee.**

The Audit & Risk Committee approves Internal Audit's annual risk assessments, audit objectives and programs. It examines Internal Audit's reports and takes any necessary

action required by the circumstances.

The Audit & Risk Committee also assesses the integrity of the financial statements, the internal control system relating to the establishment of financial reports, the effectiveness of the Bank's auditors and their cooperation with the Internal Audit function, as well as internal control systems not related to the establishment of financial reports, in particular those of legal and compliance, risk control and Internal Audit function. The Audit & Risk Committee discusses and assesses the global risk management framework, the bank's capital and liquidity planning and ensures that the risk strategies are in line with the defined risk tolerance and risk limits. The Audit & Risk Committee keeps the Board of Directors regularly informed about its activities, findings and corrective measures taken, if any.

#### **4. General management**

The General Management is responsible for the operational management of the Bank's business which reflects the business strategy approved by the Board of Directors, for managing the day-to-day business, the operational revenue and risk management, and for developing and maintaining effective internal processes and the necessary technological infrastructure.



# The Board of Directors.

The Board of Directors of BCP was composed as of 31 December 2022 of the six following members:



**Dr. Alain Bruno Lévy**  
Chairman  
(Independent)

After graduating in law with a Doctor Degree from the University of Freiburg, Dr. Lévy was admitted to the Bar in Geneva in 1983. He started his career in 1976 within the legal department of the Swiss Federal Banking Commission (supervisory authority of the financial sector, before FINMA). He then joined Junod, Muhlstein, Lévy & Puder (Geneva) law firm, becoming a partner in 1984 and teaching law at Freiburg University. Dr. Lévy served as Secretary to the Board of Directors of BCP from 1997 until 2010 when he was made a Member of the Board of Directors and, in March 2014, appointed Chairman.



**Mr. Gökhan Erün**  
Vice Chairman  
(Represents Yapi Kredi)

Mr. Erün graduated from Yeditepe University in Business Administration. He began his banking career at Garanti Bank Treasury Department in 1994. Between 1999 and 2004, Mr. Erün served as the Senior Vice President of Commercial Marketing and Sales Department. He became the CEO of Garanti Pension and Life in 2004, and was then appointed as Executive Vice President of Garanti Bank in September 2005. In September 2015, Mr. Erün became the Deputy CEO of Garanti Bank, in charge of Corporate Banking Coordination, Treasury, Treasury Marketing and Financial Solutions, Derivatives, Cash Management and Transaction Banking, and Financial Institutions. He also held positions in the Boards of various Garanti Bank subsidiaries. Since January 2018, Mr. Erün pursues his career as Yapi Kredi's Executive Director and CEO. He is also the CEO of Koç Financial Services and holds positions in the Boards of various Yapi Kredi Group subsidiaries. Mr. Erün has been appointed Member of BCP's Board of Directors in January 2022, and Vice Chairman in March 2022.



**Mr. Paul Baszanger**  
Vice Chairman  
(Independent)

After graduating in law from the University of Geneva, Mr. Baszanger started his career with Crédit Suisse, Geneva in 1970 where he gained his first professional experience, continuing with Banque de Paris et des Pays-Bas, Geneva in 1974, and Crédit Commercial de France (Suisse), Geneva in 1980 where he served as Deputy Manager. He became head of the commercial and credit activities at Bank Brussel Lambert (Suisse), Geneva in 1985. He was then appointed CEO of ING Belgium, Geneva Branch in 2001, a position he held until his retirement in 2011. Mr. Baszanger was appointed Member of the Board of Directors of BCP in July 2013 and has served as Vice Chairman since March 2014.



### Changes within the Board of Directors during the year 2022

In replacement of Mr. Erhan Adali who stepped down from his position, Mr. Gökhan Erün was appointed Member of the Board of Directors during the Extraordinary General Assembly held on January 10th, 2022, and Vice Chairman of the Board of Directors during the General Assembly that took place on the 14th of March 2022.



**Mr. Alfred Gremli**  
**Member**  
**(Independent)**

Mr. Gremli started his professional training with Credit Suisse (CS) in the early 1960's after completing his education in Zurich. He was in training in Lausanne, New York and San Francisco before opening CS offices in Singapore and Tehran in the 1970's. Upon his return to Switzerland, he became Head of Commercial Banking for the Middle East. In 1983, he completed the Senior Executive Program at Stanford University. In 1992, he became a Member of the Executive Board of CS with area responsibility for the Middle East and Asia. Following his retirement in 2004, he served CS as a Senior Advisor until 2009. Mr. Gremli became a Member of the Board of Directors of BCP in March 2007, and also acts as Chairman of the Audit Committee since 2014.



**Mr. Mehmet Ali Karamahmet**  
**Member**  
**(Represents Borak)**

Mr. Karamahmet graduated from the European University in Geneva. He has worked in various departments of BCP between 1998 and 2003, acquiring valuable banking experience. Since then, he has held several management positions within the Cukurova Group. Mr. Karamahmet was appointed Member of the Board of Directors of BCP in 2003, and also serves as a Member of the Audit Committee.



**Mr. Philippe Ziegler**  
**Member**  
**(Independent)**

Mr. Ziegler graduated from the University of Namur, Belgium with a Bachelor and Master in Economics & Social Sciences, followed by a Post-Graduate Program in International Economy at the Graduate Institute of International and Development Studies in Geneva. He began his career with Banque Paribas in Geneva followed by a two-year tenure with Swiss Bank Corporation in New York. In 1987, he became CFO of a large family-owned freight forwarding group in Belgium, and was then appointed Head of ING Bank's Trade and Commodities Finance Department in 1993. Mr. Ziegler joined BNP Paribas Switzerland in 1999. He spent 13 years with the bank, establishing both its Credit and Collateral Control Department, before heading the Energy & Commodity Finance Department. In December 2012, he founded Captiva Corporate Finance SA, a Geneva-based independent financial advisory & corporate finance company, with strong expertise non-exhaustively dedicated to Energy & Commodities players. Mr. Ziegler became a Member of the Board of Directors of BCP in March 2021.



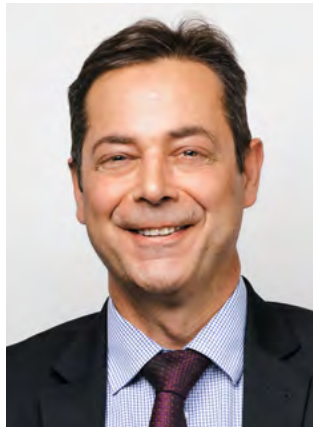
# The General Management.

The General Management of BCP was composed as of 31 December 2022 of the five following members:



**Mr. Naci Sigin**  
Chief Executive Officer

Mr. Sigin has been Chief Executive Officer of BCP since May 2009. He began his career in 1985 at Interbank A.S., Istanbul and joined Yapi Kredi Bank (BCP's 31% shareholder) in 1991 as Vice-President in Treasury. Mr. Sigin worked for Yapi Kredi for 13 years, heading its Treasury as an Executive Vice President until March 1999 when he was promoted to CEO of the Bank. He served as Yapi Kredi's CEO for 5 years until December 2004, acting simultaneously as Chairman and board member in many of the bank's subsidiaries. Accordingly, Mr. Sigin held the position of Vice Chairman of BCP's Board of Directors from February 2003 to October 2004. From December 2004, he acted as financial advisor to several holding groups until May 2009 when he was appointed BCP's CEO. Mr. Sigin holds a BS/BA degree from the University of Central Florida, USA and an MBA from the Bosphorus University, Istanbul.



**Mr. Gilles Garcia**  
CFO, Financial Control,  
Operations & IT

Mr. Garcia obtained his Degree in Economics at the University of Geneva in 1987 and started his professional path at Trade Development Bank (American Express) as financial analyst. He continued his career at Lloyds Bank in Geneva, where he mainly served as Head of Financial Control for 14 years, developing in-depth command of accounting, management information systems, financial reporting and budgeting. In 2004, he joined BCP as Head of the Financial Control division and, in October 2014, he was appointed CFO, including the supervision of Financial Control, Banking Operations and Information Technology divisions. Mr. Garcia has been a member of General Management since March 2016.



**Mr. Pierre Galtie**  
Commodity Trade Finance

After graduating from Paris Dauphine University in Corporate Finance, Mr. Galtie started his career at Banque Paribas in 1988 in the Sultanate of Oman, before joining the EMEA International Banking Department in Paris in 1990. He served as Vice President, Commodities and Trade Finance from 1992 to 1997. He was then appointed successively Director in 1997 and Managing Director in 2004 in the Commodities Finance group of BNP Paribas Switzerland where he held various business development and management functions with a prime focus in Eastern Europe, CIS countries, and the Middle East. He served as Head of BNP Paribas Switzerland Commodities Coverage from 2015 to 2016. In December 2016, Mr. Galtie joined Natixis to open and head its representative office in Switzerland. Mr. Galtie was appointed to head BCP's Commodity Trade Finance Department in April 2019 and has been a member of General Management since July 2019.





**Mr. Alexandre  
De Kalbermatten**  
Legal and Compliance

Mr. de Kalbermatten is a Swiss qualified lawyer, admitted to the Bar in Geneva in 2008. He started his career in a leading Swiss law firm in Geneva and rapidly acquired a wide range of experience in Swiss and international civil and criminal law as well as arbitration. In 2011, Mr. de Kalbermatten joined the Geneva branch of ING Bank advising on all aspects of Swiss banking law including trade and corporate finance. Mr. de Kalbermatten then served as BNP Paribas (Switzerland) S.A. Geneva's legal advisor, for 7 years where he was appointed Head of Dispute Resolution. He joined BCP as senior legal advisor in 2021, and was appointed Head of the Legal & Compliance Department and member of General Management in March 2022.



**Mr. Cedric  
Zimmermann**  
Risk Management

Mr. Zimmermann graduated in economics from the University of Geneva with a Bachelor Degree in 1998 and became Swiss chartered accountant in 2005. He started his professional career in 2000 with KPMG in Geneva where he gained a significant experience in banking audit, notably in the fields of wealth management, credits (trade finance, corporate credits and lombards) and market activities. He continued his professional path at Compagnie Bancaire Helvétique (CBH) in Geneva where he was in charge of the bank's risk management from 2012 to 2015. In 2015, he joined BCP as Head of the Risk Management Department. He has been a member of General Management since July 2019.

#### **Changes within the General Management during the year 2022**

Mr. François Gautier, previously Head of Wealth Management, stepped down from his position of Member of the General Management further to his retirement on the 31st of March 2022. Mr. Alexandre de Kalbermatten replaced Mrs. Doriane Juan as Head of Legal and Compliance and was appointed as Member of the General Management on the 1st of March, 2022.





# Risk Management.

During the past years, BCP, like all major Swiss financial institutions, has further strengthened its risk management organization and reinforced its methods, controls and guidelines. The Bank has been developing an active risk management culture in its daily activities and regularly adapts to the new regulatory requirements.

## Risk culture

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BCP's risk culture is based on the following principles:

- The Bank develops a prudent approach, taking on risks only if they are in line with its risk strategy and the size of its business activity
- The Bank establishes clear risk tolerance criteria that set out the limits acceptable by the Bank
- The Bank aims at reducing its exposure to operational risks
- The Bank puts in place a strict segregation of tasks
- The Bank actively monitors risks and establishes resilient risk controls

Risk Management follows 6 main risks which are detailed in the Notes to the 2021 financial statements.

## Risk governance

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Achieving efficient risk management and control is possible by having a strong and functional risk governance. The Bank's risk governance framework rests on 3 lines of defense.

**The first line of defense is made up of the front-office (the business functions), whose role is to maintain effective processes, while managing risks on a daily basis through business controls and documented procedures.**

**The second line of defense is represented by the independent control bodies (Risk Management Department and Legal & Compliance Department), that report directly to the Board of Directors.**

**The third line of defense is the internal audit function outsourced by the Bank to a well-known audit firm.**



The Bank's governance is strengthened by various committees at Board and General Management level and a set of internal directives and policies that are reviewed and approved by the General Management and Board of Directors, in accordance with their level of authority.

The Board of Directors decides on the Bank's risk principles, risk strategy, risk appetite and risk policies. It is supported in its decisions by the Board Credit Committee, which is responsible for credit-related decisions, and the Audit & Risk Committee, which is responsible for overseeing the financial statements and financial reporting and taking care of audit matters. The General Management implements the risk framework and controls the Bank's risk profile. It delegates some of its competencies to a dedicated Risk Management Committee. Finally, the Heads of Departments are responsible for the controls in their respective divisions.

### Risk Management Department

The Risk Management Department's main objective is preserving the Bank's reputation and its financial strength.

It achieves this by being independent from the business-related functions and by continuously improving its principles, methods and the internal control system. To fulfil this objective, Risk Management relies on a series of relevant indicators for monitoring the Bank's risk profile and establishing appropriate reporting on a regular basis to the Board of Directors, the General Management and their respective committees.

➔ **6**

**Risk Management and Control follows 6 main risks**





# ESG Environmental, Social and Governance strategy.

## BCP's commitment to sustainability

At BCP, we have been firmly rooted in sustainability principles for many years, be it in our own internal operating principles, or in our core businesses. Fully engaged on the path towards greater sustainability, BCP is committed to promoting acceptance and implementation of ESG factors both internally through its own processes and policies, and externally in the conduct of its core businesses. The main elements of our ESG approach are briefly summarized hereafter.



**Integrating ESG into the daily conduct of our core businesses and our investments is increasingly important**

#### **Commodity trade finance**

##### **1. ESG at the core of our due diligence process**

ESG factors are a full part of our Know Your Customer ("KYC") and Know Your Transaction ("KYT") assessment. In order to foster the construction of a more resilient world, and prioritize risk management, we analyze companies through the lens of various strategic standards of good practice such as the United Nations Global Compact, and national and corporate governance codes, adhered to by our clients.

##### **2. Sustainability pillars in our financing decision-making process**

In addition to the solid governance framework that applies to our operations, monitoring the fundamental pillars associated with the environmental and social impact of the transactions we finance is also part of our long-term view of sustainability. Despite the disruption that has marked the energy sector all along the year 2022, we managed to maintain our ESG principles. Regarding the environment, our ambition is to help, when possible, to facilitate the transition to a less carbon-intensive economy, while taking a responsible approach to the necessary financing of sources of energy bearing a higher environmental impact. Our financing decision-making process integrates a key criterion that seeks to encourage our clients to adopt a transparent approach regarding the social components of their operations.



## **Taking an ESG approach to investments**

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Convinced that ESG investments are a way of offering opportunities to contribute to a more sustainable future whilst improving the resilience of portfolios over the long-term, Since 2021, we have set objectives aiming at further enhancing our sustainability approach by increasing the proportion of assets integrating ESG criteria, both in our own treasury investments and in our wealth management activities.

### **1. Wealth Management**

True to our open-architecture approach, we put the best interests of each client at the core of our allocation process, and have decided to gradually increase the proportion of assets integrating ESG criteria. As of the end of 2021, around 10% of our discretionary mandates were composed of assets compatible with the ESG criteria defined by Bloomberg. Our objective was to gradually increase the proportion to 15% at the end of 2022, which has been successfully achieved with a proportion measured above 20% at the end of the year 2022.

### **2. Treasury**

As of end 2021, 7.5% of our nostro fixed-income portfolio was constituted of green and sustainability bonds. We formally set an objective to gradually increase the proportion to 15% at the end of 2022. We have met and exceeded this goal, with a percentage of 15.4% at the end of 2022, among which 8.8% of our total bond holdings invested in ESG Compliant Green Bonds, 5.0% of our total bond holdings invested in ESG Compliant Sustainability Bonds and finally

1.6% of our total bond holdings invested in ESG Compliant Social Bonds. We maintain our target of 25% at the end of the year 2025.

**BCP is committed to embedding social well-being and engaging employees in supporting sustainability in the workplace**

## **Ecology in the workplace**

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As documented in our "Ecology in the workplace" internal directive, our objective is to participate to protecting the environment and in sustainable development by encouraging BCP members of staff to adopt sustainable practices at work, in the area of resources and energy consumption.

## **Social well-being and ethics in the workplace**

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Our Bank also strives to offer its workforce a safe and respectful working environment based upon a set of internal regulations and practices promoting an ethical way of doing business, as well as equality and diversity amongst our staff members, and a set of comprehensive measures aimed at health protection.





# Auditor's Report & Financial Statement 2022.



**KPMG SA**

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CH-1211 Geneva

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kpmg.ch

**Report of the Statutory Auditor to the General Meeting of  
Banque de Commerce et de Placement SA, Genève****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Banque de Commerce et de Placements SA (the Company), which comprise the balance sheet as at 31 December 2022, and the income statement, 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 accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

**Basis for Opinion**

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

**Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report from page 1 to 28, but does not include the financial statements and our auditor's report thereon.

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

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

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

**Board of Directors' Responsibilities for the Financial Statements**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors





**Banque de Commerce et de  
Placements SA, Genève**  
Report of the Statutory Auditor to the  
General Meeting on the Financial  
Statements

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



***Banque de Commerce et de  
Placements SA, Genève***  
Report of the Statutory Auditor to the  
General Meeting on the Financial  
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## **Report on Other Legal and Regulatory Requirements**

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

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG SA

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

Zoé Souclier  
*Licensed Audit Expert*

Genève, 20 February 2023



# Balance sheet.

Assets	31.12.2022	31.12.2021	Notes
Liquid assets	561 674	620 325	
Amounts due from banks	511 619	562 576	
Amounts due from securities financing transactions	-	-	
Amounts due from customers	1 779 417	2 194 667	1.2.
Trading portfolio assets	18 172	11 096	1.3.
Positive replacement values of derivative financial instruments	5 437	6 180	1.4.
Financial investments	597 056	366 307	1.5.
Accrued income and prepaid expenses	23 688	14 772	
Tangible fixed assets	2 133	2 692	1.6.
Other assets	884	891	1.7.
<b>Total assets</b>	<b>3 500 080</b>	<b>3 779 506</b>	
Total subordinated claims	-	-	
Liabilities	31.12.2022	31.12.2021	Notes
Amounts due to banks	1 111 081	1 521 035	
Liabilities from securities financing transactions	206 181	140 620	1.1
Amounts due in respect of customer deposits	1 531 646	1 541 245	
Negative replacement values of derivative financial instruments	4 328	4 837	1.4.
Accrued expenses and deferred income	35 813	17 232	
Other liabilities	198	255	1.7
Provisions	5 114	-	
Reserves for general banking risks	255 000	235 000	1.9.
Share capital	75 000	75 000	1.10.
Statutory retained earnings reserve	24 898	23 128	
Voluntary retained earnings reserve	126 966	116 966	
Profit carried forward	82 418	81 293	
Profit / loss (result of the period)	41 437	22 895	
<b>Total liabilities</b>	<b>3 500 080</b>	<b>3 779 506</b>	
Total subordinated liabilities	-	-	
Off-balance sheet transactions	31.12.2022	31.12.2021	Notes
Contingent liabilities	2 013 562	2 681 010	2.1.
Irrevocable commitments	86 991	16 906	
Credit commitments	131 321	71 727	2.2.



# Income statement.

	2022	2021	Notes
<b>Result from interest operations:</b>			
– Interest and discount income	86 391	50 938	
– Interest and dividend income from trading portfolios	320	372	
– Interest and dividend income from financial investments	13 523	9 709	
– Interest expense	-33 235	-15 729	
<b>Gross result from interest operations</b>	<b>66 999</b>	<b>45 290</b>	
– Change in value adjustments for default risks and losses from interest operations	-2 484	-642	
<b>Subtotal net result from interest operations</b>	<b>64 515</b>	<b>44 648</b>	
<b>Result from commission business and services:</b>			
– Commission income from securities trading and investment activities	5 086	4 588	
– Commission income from lending activities	33 512	32 087	
– Commission income from other services	30 463	22 716	
– Commission expense	-2 038	-1 936	
<b>Subtotal result from commission business and services</b>	<b>67 023</b>	<b>57 455</b>	
<b>Result from trading business and the fair value option</b>	<b>1 543</b>	<b>1 675</b>	3.1.
<b>Other result from ordinary activities:</b>			
– Result from the disposal of financial investments	-531	179	
– Result from real estate	10	10	
– Other ordinary income	5	20	
– Other ordinary expenses	-3 097	-267	
<b>Subtotal other result from ordinary activities</b>	<b>-3 613</b>	<b>-58</b>	
<b>Operating expenses:</b>			
– Personnel expenses	-39 348	-40 260	3.3.
– General and administrative expenses	-13 194	-13 823	3.4.
<b>Subtotal operating expenses</b>	<b>-52 542</b>	<b>-54 083</b>	
– Value adjustments on equity interests, depreciation on tangible fixed assets and amortization of intangible assets	-1 295	-1 597	
– Changes to provisions and other value adjustments, and losses	-7	-12	
<b>Operating result</b>	<b>75 624</b>	<b>48 028</b>	
– Extraordinary income	958	188	3.5.1.
– Extraordinary expenses	-17	-3	3.5.2.
– Changes in reserves for general banking risks	-20 000	-20 000	3.5.3.
– Taxes	-15 128	-5 318	3.7.
<b>Profit / loss (result of the period)</b>	<b>41 437</b>	<b>22 895</b>	



# Proposal for appropriation of profit.

	31.12.2022	31.12.2021
<b>Retained earnings available for appropriation:</b>		
- Profit / loss (result of the period)	41 437	22 895
- Profit carried forward from previous year	82 418	81 293
<b>Distributable profit</b>	<b>123 855</b>	<b>104 188</b>
<b>Proposal for appropriation of profit:</b>		
- Allocation to statutory retained earnings reserve	2 072	1 770
- Allocation to voluntary retained earnings reserve	10 000	10 000
- Dividend proposed	15 000	10 000
- New amount carried forward	96 783	82 418
<b>Distributable profit</b>	<b>123 855</b>	<b>104 188</b>

# Statement of changes in equity.

	Share capital	Statutory retained earnings reserves	Voluntary retained earnings reserves and profit/loss carried forward	Reserves for general banking risks	Result of the period	Total
<b>Equity at 01.01.2022</b>	<b>75 000</b>	<b>23 128</b>	<b>198 259</b>	<b>235 000</b>	<b>22 895</b>	<b>554 282</b>
Dividends and other distributions	-	-	-	-	-10 000	-10 000
Other allocations to (transfers from) the reserves for general banking risks	-	-	-	20 000	-	20 000
Other allocations to (transfers from) other reserves	-	1 770	11 125	-	-12 895	-
Profit / loss (result of the period)	-	-	-	-	41 437	41 437
<b>Equity at 31.12.2022</b>	<b>75 000</b>	<b>24 898</b>	<b>209 384</b>	<b>255 000</b>	<b>41 437</b>	<b>605 719</b>



# Notes to the 2022 financial statements.

 **bcp.bank**  
Banque  
de Commerce  
et de  
Placements  
SA

## **Name, legal form and domicile of the bank**

Banque de Commerce et de Placements SA, Geneva is a public limited company incorporated under the laws of Switzerland and a licensed bank under the supervision of the Swiss Financial Market Supervisory Authority FINMA. It performs the majority of its activity through its headquarter in Geneva. The Bank has a branch in Luxembourg and a representative office in Dubai.

As at 31st December 2022, Banque de Commerce et de Placements had 168.9 full-time equivalent employees (2021: 169.3), of which 8 in Luxembourg and 2 in Dubai.

## **Business activities**

The Bank offers its commercial and private clients, and financial institutions, the full range of services of a universal Swiss bank. It specializes in three main business activities: short-term commercial transactions, mainly related to international commodity trade finance, wealth management and treasury.

The granting of commercial and documentary credits to its clients represents a very important part of the Bank's activity. Other services offered by the Bank include discretionary asset management, fiduciary operations, fund transfers as well as trading in securities, foreign exchange and derivative products for the account of its clients.

The Bank undertakes, for its own account, trading in bonds and equities, as well as in foreign exchange and derivative financial instruments. Most of its inter-bank transactions are short term.

## **Accounting and valuation policies**

### **General principles**

The Bank's bookkeeping and accounting and valuation principles are in accordance with the Swiss Code of Obligations, the Swiss Federal Law on Banks and its related Implementing Ordinance, as well as with the statutory provisions and directives issued by the Swiss Financial Market Supervisory Authority FINMA.

These statutory single entity financial statements as at 31st December 2022 are established in conformity with the Directives of the FINMA circular 2020/1 Accounting-Banks and FINMA Accounting Ordinance (FINMA-AO). The financial statements are prepared using the reliable assessment principle and the incurred loss and latent default risk approaches.

Assets and liabilities and off-balance sheet transactions which are recorded under the same heading are valued individually.

### **Recording of transactions**

All transactions are reflected in the books at trade date. Unsettled spot transactions are recorded in the balance sheet according to the trade date accounting principle.

### **Conversion of foreign currencies**

Assets and liabilities denominated in foreign currencies are translated into Swiss francs at the exchange rates on the balance sheet closing date. Income and expenses in foreign currencies are converted at the exchange rates prevailing at the date they are booked. Exchange gains and losses resulting from conversion into Swiss Francs of positions and operations denominated in foreign



currencies are booked to “Result from trading activities and the fair value option”. The Head Office and the branch use Swiss Francs as their functional currency.

Exchange rates used for the conversion into Swiss Francs of the main foreign currencies on the year-end balance sheet closing date were as follows:

	31.12.2022	31.12.2021
USD	0.9212	0.9155
EUR	0.9846	1.0365

#### **Liquid assets, Amounts due from banks and Amounts due from customers**

These items are recognized at their nominal value or at cost value, less any necessary individual valuation adjustment. Impaired loans, defined as loans for which it is unlikely that the debtor will be able to fulfill his future obligations, are valued on an individual basis and the depreciation is covered by individual valuation adjustments equivalent to the part of the amounts which are not secured by collaterals. The individual valuation adjustments are directly deducted from the related caption.

#### **Securities financing transactions**

Securities sold subject to a repurchase agreement (repos) remain in the balance sheet under “Trading portfolio assets” or “Financial investments”, as long as the Bank maintains the economic ownership of the rights relating to the transferred securities. Cash amounts received relating to the sale of these securities or received as collateral for these loans are included in the balance sheet under “Liabilities from securities financing transactions”. Securities received subject to a reverse-repurchase agreement (reverse repos) are only brought on balance sheet if the Bank acquires the power to have use of the contractual rights attached to the securities transferred. Cash amounts paid relating to such transactions are reported under “Amounts due from securities financing transactions”.

#### **Trading portfolio assets**

The Bank’s trading portfolio assets are valued at fair value. Profits and losses on prices are booked to “Result from trading activities and the fair value option”.

#### **Replacement values of derivative financial instruments**

The replacement value corresponds to the market value of derivative financial instruments (see Derivative financial instrument section) outstanding on balance-sheet date arising from customer or proprietary transactions.

#### **Financial investments**

The Bank’s financial investments are classified into three categories: “long-term”, “short-term” and “other” financial investments.

Positions in the “long-term” portfolio (comprised exclusively of bonds) are intended to be held until maturity. They are booked at their acquisition cost. The difference between the nominal value and the acquisition cost is spread over the period remaining to maturity and booked to interest and dividend income from financial investments.

Value changes due to default risks are deducted from the related positions and are recognized in “Change in value adjustments for default risks and losses from interest operations” in the Profit & Loss Account.

Positions in the “short-term” portfolio (comprised exclusively of bonds) are valued at the lower of cost or market value.

“Other financial investments” may comprise real estate, securities or commodities resulting from credit activities and are valued at the lower of cost or market value.

Depreciations in value due to insolvency, as well as any subsequent recoveries in value, are booked to “Other ordinary expenses” or “Other ordinary income”.



**Tangible fixed assets**

Investments in fixed assets, which are used for more than one accounting period, are recorded in the balance sheet at acquisition cost, less cumulative depreciation and any other losses in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the different types of assets.

The principal types are as follows:

Building installations	8 years
IT hardware and software	5 years
Furniture, machines, vehicles	5 years

**Amounts due in respect of customer deposits**

Fiduciary deposits placed with the Bank's branch abroad are included in "Amounts due in respect of customer deposits" in the balance sheet.

**Provisions**

In respect to the principle of prudence, provisions can be created for all existing or latent risks of losses as of balance sheet date. These risks are periodically reviewed by the Management. If provisions are considered necessary, they are booked to the Profit and Loss Account when the risks are identified.

**Reserves for general banking risks**

Reserves for general banking risks are reserves constituted out of prudence with the objective of covering latent banking risks. Reserves for general banking risks have not been taxed.

They are considered as eligible Common Equity Tier 1 (CET1) according to article 21 of the Swiss Capital Adequacy Ordinance (CAO), after deduction of latent tax.

**Pension fund liabilities**

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

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

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

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

**Contingent liabilities, irrevocable commitments, contingent liabilities for calls and margins**

These transactions are recorded as off-balance sheet items at their nominal value. Provisions for any identified risks are booked to the Profit and Loss Account.

**Derivative financial instruments**

All derivative financial instruments are recorded at fair value and the gross replacement values of these contracts reflect the market values of all the open positions as of the balance sheet date. Positive and negative replacement values are recorded on the balance sheet.

Derivatives transactions for the Bank's own account are limited to trading operations only and related profits and losses are booked to "Result from trading activities and the fair value option".



### **Taxes**

In accordance with the tax rules which apply to it, the Bank determines and books current taxes due on the profits realized during the accounting period and on the taxable own funds at the end of the period, after taking into account any possible losses carried forward.

Deferred tax is provided for latent tax risks.

Provisions for direct current taxes are booked to liabilities in the balance sheet under "Accrued expenses and deferred income". Provisions for deferred taxes are booked to liabilities in the balance sheet under "Provisions".

### **Management of risks**

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#### **Default risks**

Default or credit risks represent the danger of a loss which the Bank would incur should a counterparty fail to meet its legal obligations. The Bank's credit policy covers all exposure which may entail losses if the counterparties are unable to reimburse part or all of their indebtedness towards the Bank.

The Bank mitigates credit risks, in particular through due attention to their diversification, by being highly selective on the quality of the borrowers, by requiring tangible guarantees and by applying defined margins. The quality of the clients is assessed according to standard (internal rating model), clearly defined and objective solvency criteria, which are applicable to all customers. Furthermore, the assessment also takes into account specific guarantees inherent to trade finance business in terms of documentation and risk coverage.

The Bank ensures that efficient supervision of default risks is maintained during entire loan periods through regular communication with the clients. Collateral values are periodically monitored by types of security. The financial standing of borrowers is also regularly reviewed and updated throughout the year based on appropriate documents.

Limits and loans are granted according to the client's capacity to service the debt and the value of the pledged collateral held by the Bank.

#### **Market risks**

Market risks represent the danger of losses occurring as a result of fluctuations in the value of a position caused by changes in prices of securities, commodities, derivative financial instruments and in interest or exchange rates.

In its trading and financial investment portfolios, the Bank limits its exposure to market risks through investments in good quality securities. The respect of limits established for proprietary trading operations is monitored on a daily basis.

Interest rate risks arising from both on- and off-balance sheet operations are managed and supervised centrally by the ALM (Assets and Liabilities Management) Committee of the Bank, which meets on a weekly basis.

#### **Country risks**

Country risks represent the danger of losses occurring as a result of economic and/or political changes in foreign countries.

The Bank has defined a Country Risk Policy, which takes into account types of transactions, their maturities and the ratings of countries (according to Fitch and Moody's) which may present a risk for transactions. Provisions are constituted based on these criteria.

Country risk exposure may be offset through collateral such as guarantees, country risk insurance and pledged assets provided that the collateral itself is duly assigned and pledged and not subject to a higher country risk. The Bank applies the guidelines issued by the Swiss Bankers Association with respect to country risks.

**Liquidity risks**

Liquidity risks are controlled in accordance with the relative legal provisions. The tradability of the Bank's proprietary positions is regularly supervised.

**Operational risks & internal control**

Operational risks are defined as risks of direct or indirect loss resulting from an inadequacy or failure due to procedures, human factors, systems or external events. Internal rules and regulations on organization and related controls enable the limitation of such risks. Internal control systems are regularly verified by the Bank's Internal Auditors who report their findings directly to the Board's Audit Committee.

**Compliance and legal risks**

The Bank's Compliance department controls the Bank's adherence to existing statutory regulations as well as to due diligence obligations incumbent on banks. The Bank's Compliance department also reviews new legislation being developed by the supervisory authorities, the Government, Parliament or various self-regulatory bodies and ensures that the Bank's internal directives are adapted to any new legislation or regulations.

**Method used for identifying default risk and determining the need for value adjustments**

A loan is considered doubtful, when it becomes unlikely that the counterparty will meet its legal obligations. In such a case, the Board of Directors, the General Management and/or the Loan Loss Provision Committee decides whether a value adjustment should be recorded on a case-by-case basis, taking into account the sureties.

A loan is no longer considered impaired if capital and interest in arrears are repaid, the servicing of the debt has resumed normally, additional tangible guarantees have been obtained for a value in excess of the existing unsecured debt and/or other solvency criteria have been met.

The Bank may also constitute value adjustments and provisions for other exposures presenting an increased risk.

**Method used for the valuation of collateral**

For trade finance credit activities, the collateral's values accepted as a pledge are analyzed on case-by-case basis and mostly depend on the nature and tradability (market value) of the sureties. Collateral values are periodically controlled.

For wealth management, the credit activities are essentially limited to Lombard loans and the collateral's value accepted as a pledge is a percentage of the market value of the assets held by client. The percentage varies according to the nature, currency, solvency and tradability of the assets.

**Policy on the use of derivative financial instruments, including explanations relating to the use of hedge accounting**

The Bank undertakes, for its own and customer accounts, trading in derivative financial instruments, which may comprise Forward exchange operations (most of the derivatives trading activity), Options, Credit Linked Notes (CLN), Forward Rate Agreements (FRA), Interest Rate Swaps (IRS), Cross Currency Swaps (CCS), Interest Rate Futures (IRF) and diverse structured products.

Although the Bank does not apply hedge accounting, it may use derivative financial instruments to manage its exposure to foreign exchange and interest rate risks. Profits and losses on these transactions are booked to "Result from trading activities and the fair value option".

**Material events occurred after the balance sheet date**

None.



## Notes to the 2022 financial statements

# 1. Information on the balance sheet.

## 1.1 Breakdown of securities financing transactions (assets and liabilities)

	31.12.2022	31.12.2021
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions(*)	-	-
Book value of obligations resulting from cash collateral received in connection with securities lending and repurchase transactions(*)	206 181	140 620
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	211 075	165 523
– with unrestricted rights to resell or pledge	-	-
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	-	-

(\*) Before netting agreements

## 1.2 Presentation of collateral for loans / Receivables and off-balance sheet transactions, as well as impaired loans / Receivables

### 1.2.1 Loans/receivables

		Secured by mortgage	Other collateral	Unsecured	Total
Amounts due from customers (before netting with value adjustments)		-	456 999	1 332 331	1 789 330
<b>Total loans (before netting with value adjustments)</b>	<b>31.12.2022</b>	<b>-</b>	<b>456 999</b>	<b>1 332 331</b>	<b>1 789 330</b>
	31.12.2021	-	463 165	1 753 444	2 216 609
<b>Total loans (after netting with value adjustments)</b>	<b>31.12.2022</b>	<b>-</b>	<b>456 999</b>	<b>1 322 418</b>	<b>1 779 417</b>
	31.12.2021	-	463 165	1 731 502	2 194 667

### 1.2.2 Off-balance sheet

Contingent liabilities		-	880 076	1 133 486	2 013 562
Irrevocable commitments		-	-	86 991	86 991
Credit commitments		-	1 113	130 208	131 321
<b>Total off-balance sheet transactions</b>	<b>31.12.2022</b>	<b>-</b>	<b>881 189</b>	<b>1 350 685</b>	<b>2 231 874</b>
	31.12.2021	-	494 843	2 274 800	2 769 643

### 1.2.3 Impaired loans

		Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
<b>Total impaired loans</b>	<b>31.12.2022</b>	<b>14 364</b>	<b>-</b>	<b>14 364</b>	<b>9 913</b>
	31.12.2021	48 964	-	48 964	21 942

Impaired loans decreased compared to last year, mainly due to recoveries and debt write-offs.



### 1.3 Breakdown of trading portfolios and other financial instruments at fair value (assets)

	31.12.2022	31.12.2021
<b>Trading portfolio assets</b>		
Debt securities, money market securities/transactions	18 172	11 096
– of which, listed	18 065	10 200
Equity securities	-	-
Precious metals and commodities	-	-
Other trading portfolio assets	-	-
<b>Subtotal trading portfolio assets</b>	<b>18 172</b>	<b>11 096</b>
<b>Other financial investments at fair value</b>		
Debt securities	-	-
Structured products	-	-
Other	-	-
<b>Subtotal other financial investments at fair value</b>	<b>-</b>	<b>-</b>
<b>Total trading portfolios and other financial instruments (assets)</b>	<b>18 172</b>	<b>11 096</b>
– of which, determined using a valuation model	-	-
– of which, securities eligible for repo transactions in accordance with liquidity requirements	393	-

### 1.4 Presentation of derivative financial instruments

		Trading instruments			Hedging instruments		
		Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
<b>1.4.1 Derivative financial instruments</b>							
<b>Interest rate instruments</b>							
Interest Rate Futures (IRF)		60	59	1 314	-	-	-
<b>Foreign exchange/precious metals</b>							
Forward contracts		2 751	1 823	409 741	-	-	-
Options (OTC)		2 626	2 446	89 619	-	-	-
<b>Total before netting agreements</b>	<b>31.12.2022</b>	<b>5 437</b>	<b>4 328</b>	<b>500 674</b>	<b>-</b>	<b>-</b>	<b>-</b>
– of which, determined using a valuation model		-	-	-	-	-	-
<b>Total before netting agreements</b>	<b>31.12.2021</b>	<b>6 180</b>	<b>4 837</b>	<b>744 921</b>	<b>-</b>	<b>-</b>	<b>-</b>
– of which, determined using a valuation model		-	-	-	-	-	-
		Positive replacement values (cumulative)			Negative replacement values (cumulative)		
<b>Total after netting agreements</b>	<b>31.12.2022</b>	<b>5 437</b>			<b>4 328</b>		
	31.12.2021	6 180			4 837		
<b>1.4.2 Breakdown by counterparty</b>		Central clearing houses	Banks and securities dealers	Other customers	Total customers		
<b>Positive replacement values (after netting agreements)</b>	<b>31.12.2022</b>	-	2 496	2 941	5 437		
	31.12.2021	-	2 433	3 747	6 180		



## 1.5 Financial investments

	Book value		Fair value	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>1.5.1 Breakdown by financial investments</b>				
Debt securities	597 007	366 237	588 913	369 771
– of which, intended to be held until maturity	442 633	289 962	434 454	292 818
– of which, not intended to be held until maturity (available for sale)	154 374	76 275	154 459	76 953
Equity securities	-	-	-	-
– of which, qualified participations	-	-	-	-
Precious metals	-	-	-	-
Real estate	49	70	70	70
<b>Total financial investments</b>	<b>597 056</b>	<b>366 307</b>	<b>588 983</b>	<b>369 841</b>
– of which, securities eligible for repo transactions in accordance with liquidity requirements	140 498	1 853	139 886	1 853

	Book value	
	31.12.2022	31.12.2021
<b>1.5.2 Breakdown of counterparties rating</b>		
AAA to AA-	258 695	98 328
A+ to A-	165 606	110 164
BBB+ to BBB-	70 261	41 102
BB+ to B-	102 437	116 635
Without rating	8	8
<b>Total debt instruments</b>	<b>597 007</b>	<b>366 237</b>

Rating for debt instruments according to Fitch/Standard & Poors rating classes.

## 1.6 Presentation of tangible fixed assets

### 1.6.1 Tangible fixed assets

1.6.1 Tangible fixed assets				2022						
	Acquisition cost	Accu- mulated depreciation	Book value 31.12.2021	Reclassifi- cations	Additions	Disposals	Depreciation	Reversals	Book value 31.12.2022	
Bank building	-	-	-	-	-	-	-	-	-	
Other real estate	-	-	-	-	-	-	-	-	-	
Proprietary or separately acquired software	18 236	-16 396	1 840	-	524	-	-889	-	1 475	
Other tangible fixed assets	15 926	-15 074	852	-	212	-	-406	-	658	
<b>Total tangible fixed assets</b>	<b>34 162</b>	<b>-31 470</b>	<b>2 692</b>	<b>-</b>	<b>736</b>	<b>-</b>	<b>-1 295</b>	<b>-</b>	<b>2 133</b>	

<b>1.6.2 Operating leases</b>		within 1 year	from 1 to 3 years	from 1 to 5 years	> 5 years	Total
<b>Future lease payments (office rental)</b>	<b>31.12.2022</b>	<b>252</b>	<b>-</b>	<b>11 724</b>	<b>-</b>	<b>11 976</b>
	31.12.2021	2 697	144	-	-	2 841

These office rental contracts can be terminated within one year.

## 1.7 Breakdown of other assets and other liabilities

	Other assets		Other liabilities	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Rent guarantee deposit	301	308	-	-
Withholding taxes, stamp duties and VAT	404	415	194	194
Others	179	168	4	61
<b>Total</b>	<b>884</b>	<b>891</b>	<b>198</b>	<b>255</b>

## 1.8 Disclosure on the economic situation of own pension schemes

### 1.8.1 General information

The Bank provides occupational pension provision to its employees through the intermediary of an independent and autonomous Pension Fund institution which is subject to the legal requirements governing occupational pension provision (LPP) in Switzerland.

The Bank conforms with Swiss GAAP RPC 16. The Pension Fund is based on the principle of defined contributions. The Pension Fund is funded by both the employer and the employees according to the contributions defined in the rules of the Pension Fund.

The Bank's contributions are booked in the year's operating expenses and are an integral part of its personnel expenses. At 31st December 2022 the Bank held no reserves for contributions and had no liabilities towards the Pension Fund.

On 31st December 2022, the Fund had 201 members (180 in 2021), of which 160 in activity (147 in 2021) and 41 pensioners (33 in 2021). Employees of Luxembourg branch and representative office of Dubai are not members of the Bank's Pension Fund in Switzerland.

On the basis of not yet audited financial statements as at 31st December 2022, the governing body of the Pension Fund estimates the coverage ratio according to article 44 of OPP 2 (Ordinance on Pension Funds) at approx. 100.5% (111.4% at 31.12.2021).

### 1.8.2 Presentation of the economic benefit / obligation and the pension expenses

	Over-funding / under-funding estimate	Economic interest of the Bank		Change in economic versus previous year	Contribution paid	Pension expenses included in personnel expenses	
	31.12.2022	31.12.2022	31.12.2021		31.12.2022	31.12.2022	31.12.2021
Pension plans without overfunding / underfunding	-	-	-	-	-	-	-
Pension plans with overfunding	393	-	-	-	-	-3 754	-3 468
Pension plans with underfunding	-	-	-	-	-	-	-
<b>Total</b>	<b>393</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-3 754</b>	<b>-3 468</b>



## 1.9 Valuation adjustments and provisions, reserves for general banking risks, and changes therein during the current year

	Balance at 31.12.2021	Use in con- formity with designated purpose	Reclassifi- cations	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income	Balance at 31.12.2022
Provisions for deferred taxes	-	-	-	-	-	5 114	-	5 114
Provisions for pension benefit obligations	-	-	-	-	-	-	-	-
Provisions for default risks	-	-	-	-	-	-	-	-
Provisions for other business risks	-	-	-	-	-	-	-	-
Provisions for restructuring	-	-	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-	-	-
<b>Total provisions</b>	-	-	-	-	-	5 114	-	5 114
<b>Reserves for general banking risks</b>	<b>235 000</b>	-	-	-	-	20 000	-	<b>255 000</b>

Reserves for general banking risks have not been taxed.

<b>Value adjustments for default and country risks</b>	<b>21 942</b>	<b>-17 389</b>	<b>-</b>	<b>170</b>	<b>-</b>	<b>9 204</b>	<b>-</b>	<b>13 927</b>
- of which, value adjustments for default risk in respect of impaired loans / receivables	21 942	-17 389	-	294	-	5 066	-	9 913
- of which, value adjustments for latent risks	-	-	-	-124	-	4 138	-	4 014

Value adjustments for default and country risks are related to commercial credit activities and undergoing value change due to default risk on financial investments to be held to maturity.

No provision was made on an ongoing case against the Bank.

## 1.10 Bank's capital

	31.12.2022			31.12.2021		
	Total par value	Number of shares (unit)	Capital eligible for dividend	Total nominal value	Number of shares (unit)	Capital eligible for dividend
<b>Total Bank's capital</b>	<b>75 000</b>	<b>75 000</b>	<b>75 000</b>	<b>75 000</b>	<b>75 000</b>	<b>75 000</b>
- of which, paid up	75 000	75 000	75 000	75 000	75 000	75 000

The Bank did not hold own equity securities during the reporting period and had no contingent liabilities for the sale or purchase of own equity securities.



## 1.11 Amounts due from / to related parties

	Amounts due from		Amounts due to	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Holders of qualified participations	6 420	11 551	296	371
Group companies	-	-	-	-
Linked companies	13 747	16 660	156	6
Transactions with members of governing bodies	-	-	3 738	549
Other related parties	-	-	-	-
<b>Total amounts due from / to related parties</b>	<b>20 167</b>	<b>28 211</b>	<b>4 190</b>	<b>926</b>
Off-balance sheet transactions with related parties	3 951	7 803	5 005	33 152

The pricing and conditions applied by the Bank to the various types of operations with its related parties are in line with the market and executed on an arm's length basis.

## 1.12 Holders of significant participations

	31.12.2022		31.12.2021	
	At nominal value	Percentage of equity	At nominal value	Percentage of equity
<b>Holders of significant participations with voting rights</b>				
<b>Borak SA</b> (100% owned by the Karamehmet family)	52 000	69.33%	52 000	69.33%
<b>Yapi Ve Kredi Bankasi SA</b> (61.6% owned by Koç Holding)	23 000	30.67%	23 000	30.67%

## 1.13 Disclosure on own shares and composition of equity capital

The Bank does not hold ordinary own shares.

As at 31st December 2022, the Bank's equity was composed of 75 000 registered shares with a nominal value of CHF 1 000 each, entirely paid up.

Statutory retained earnings reserves are only distributable if they exceed 50% of the share capital. As at 31 December 2022, the amount of non distributable reserves amounted to CHF 24.9 Mio.



## 1.14 Maturity structure of financial instruments

				Due					Total
				within 3 months	within 3 to 12 months	within 12 months to 5 years	after 5 years	No maturity	
<b>1.14.1</b>									
<b>Assets / financial instruments</b>	At sight	Cancellable							
Liquid assets	561 674	-		-	-	-	-	-	561 674
Amounts due from banks	96 792	-		238 819	176 008	-	-	-	511 619
Amounts due from securities financing transactions	-	-		-	-	-	-	-	-
Amounts due from customers	-	466 319		1 297 619	15 401	78	-	-	1 779 417
Trading portfolio assets	18 172	-		-	-	-	-	-	18 172
Positive replacement values of derivative financial instruments	5 437	-		-	-	-	-	-	5 437
Financial investments	49	-		125 235	68 517	365 448	31 783	6 024	597 056
<b>Total</b>	<b>31.12.2022</b>	<b>682 124</b>	<b>466 319</b>	<b>1 661 673</b>	<b>259 926</b>	<b>365 526</b>	<b>31 783</b>	<b>6 024</b>	<b>3 473 375</b>
	31.12.2021	799 254	545 273	1 794 501	356 690	237 302	26 535	1 596	3 761 150

### 1.14.2 Debt capital / financial instruments

Amounts due to banks	240 394	-		766 384	35 213	69 090	-	-	1 111 081
Liabilities from securities financing transactions	-	-		26 050	146 440	33 691	-	-	206 181
Amounts due in respect of customer deposits	660 835	41 788		761 784	67 239	-	-	-	1 531 646
Negative replacement values of derivative financial instruments	4 328	-		-	-	-	-	-	4 328
<b>Total</b>	<b>31.12.2022</b>	<b>905 557</b>	<b>41 788</b>	<b>1 554 218</b>	<b>248 892</b>	<b>102 781</b>	<b>-</b>	<b>-</b>	<b>2 853 236</b>
	31.12.2021	1 203 517	7 239	1 184 053	648 504	164 424	-	-	3 207 737

## 1.15 Assets and liabilities by domestic and foreign origin in accordance with the domicile principle

	31.12.2022		31.12.2021	
	Domestic	Foreign	Domestic	Foreign
Liquid assets	312 708	248 966	373 808	246 517
Amounts due from banks	43 940	467 679	21 841	540 735
Amounts due from securities financing transactions	-	-	-	-
Amounts due from customers	900 415	879 002	1 075 463	1 119 204
Trading portfolio assets	1 765	16 407	2 888	8 208
Positive replacement values of derivative financial instruments	5 182	255	5 182	998
Financial investments	157 279	439 777	20 795	345 512
Accrued income and prepaid expenses	21 935	1 753	13 877	895
Tangible fixed assets	2 044	89	2 684	8
Other assets	564	320	886	5
<b>Total assets</b>	<b>1 445 832</b>	<b>2 054 248</b>	<b>1 517 424</b>	<b>2 262 082</b>
Amounts due to banks	114 721	996 360	92 123	1 428 912
Liabilities from securities financing transactions	-	206 181	8 372	132 248
Amounts due in respect of customer deposits	650 725	880 921	488 442	1 052 803
Negative replacement values of derivative financial instruments	4 324	4	3 251	1 586
Accrued expenses and deferred income	33 001	2 812	16 308	924
Other liabilities	197	1	252	3
Provisions	5 114	-	-	-
Reserves for general banking risks	255 000	-	235 000	-
Bank's capital	75 000	-	75 000	-
Statutory retained earnings reserve	24 898	-	23 128	-
Voluntary retained earnings reserve	125 000	1 966	115 000	1 966
Profit carried forward	77 663	4 755	22 810	58 483
Profit / loss (result of the period)	41 164	273	21 765	1 130
<b>Total liabilities</b>	<b>1 406 807</b>	<b>2 093 273</b>	<b>1 101 450</b>	<b>2 678 056</b>



### 1.16 Breakdown of total assets by country / group of countries (domicile principle)

	31.12.2022		31.12.2021	
	Absolute	in %	Absolute	in %
Europe	882 749	25.2%	825 083	21.8%
Switzerland	1 445 832	41.3%	1 517 424	40.1%
Turkey	160 188	4.6%	346 792	9.2%
North America	203 896	5.8%	210 740	5.6%
South America	22 914	0.7%	37 043	1.0%
Caribbean area	112 938	3.2%	82 045	2.2%
Africa	284 519	8.1%	291 797	7.7%
Middle East	198 498	5.7%	136 803	3.6%
Asia	175 623	5.0%	325 157	8.6%
Oceania	12 923	0.4%	6 622	0.2%
<b>Total assets</b>	<b>3 500 080</b>	<b>100.0%</b>	<b>3 779 506</b>	<b>100.0%</b>

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

	Net foreign exposure 31.12.2022		Net foreign exposure 31.12.2021	
	Absolute	in %	Absolute	in %
<b>Fitch (Long-Term rating scale)</b>				
AAA	680 498	33.1%	678 367	30.1%
AA+ AA-	529 232	25.8%	425 256	18.8%
A+ A-	135 825	6.6%	193 253	8.5%
BBB+ BBB-	169 374	8.2%	63 905	2.8%
BB+ BB-	54 798	2.7%	438 559	19.4%
B+ B-	417 031	20.3%	262 807	11.6%
CCC+ D- & not rated	67 490	3.3%	199 935	8.8%
<b>Total assets (foreign exposure)</b>	<b>2 054 248</b>	<b>100.0%</b>	<b>2 262 082</b>	<b>100.0%</b>

The Bank does not use an internal rating system to manage country risk.



## 1.18 Assets and liabilities broken down by the most significant currencies for the bank

Assets	CHF	EUR	USD	Others	Total
Liquid assets	312 254	249 325	79	16	561 674
Amounts due from banks	16 948	119 652	332 443	42 576	511 619
Amounts due from securities financing transactions	-	-	-	-	-
Amounts due from customers	22 916	102 725	1 647 232	6 544	1 779 417
Trading portfolio assets	1 483	5 545	9 882	1 262	18 172
Positive replacement values of derivative financial instruments	5 437	-	-	-	5 437
Financial investments	166 576	112 480	281 230	36 770	597 056
Accrued income and prepaid expenses	20 138	948	2 587	15	23 688
Tangible fixed assets	2 133	-	-	-	2 133
Other assets	737	105	4	38	884
<b>Total assets shown in the balance sheet</b>	<b>548 622</b>	<b>590 780</b>	<b>2 273 457</b>	<b>87 221</b>	<b>3 500 080</b>
Delivery entitlements from spot exchange, forward forex and forex options transactions	215 906	28 251	132 051	69 873	446 081
<b>Total assets</b>	<b>764 528</b>	<b>619 031</b>	<b>2 405 508</b>	<b>157 094</b>	<b>3 946 161</b>
<b>Liabilities</b>					
Amounts due to banks	61 621	210 548	803 553	35 359	1 111 081
Liabilities from securities financing transactions	-	-	206 181	-	206 181
Amounts due in respect of customer deposits	32 520	195 216	1 249 481	54 429	1 531 646
Negative replacement values of derivative financial instruments	4 328	-	-	-	4 328
Accrued expenses and deferred income	26 819	118	8 846	30	35 813
Other liabilities	192	-	6	-	198
Provisions	5 114	-	-	-	5 114
Reserves for general banking risks	255 000	-	-	-	255 000
Bank's capital	75 000	-	-	-	75 000
Statutory retained earnings reserve	24 898	-	-	-	24 898
Voluntary retained earnings reserve	126 966	-	-	-	126 966
Profit carried forward	82 418	-	-	-	82 418
Profit for the year	41 437	-	-	-	41 437
<b>Total liabilities shown in the balance sheet</b>	<b>736 313</b>	<b>405 882</b>	<b>2 268 067</b>	<b>89 818</b>	<b>3 500 080</b>
Delivery obligations from spot exchange, forward forex and forex options transactions	15 215	213 640	148 909	67 347	445 111
<b>Total liabilities</b>	<b>751 528</b>	<b>619 522</b>	<b>2 416 976</b>	<b>157 165</b>	<b>3 945 191</b>
<b>Net position by currency</b>	<b>13 000</b>	<b>-491</b>	<b>-11 468</b>	<b>-71</b>	<b>970</b>



## 2. Information on off-balance sheet transactions.

### 2.1 Breakdown of contingent liabilities and contingent assets

2.1.1 Contingent liabilities	31.12.2022	31.12.2021
Guarantees to secure credits and similar	458 957	999 764
Performance guarantees and similar	19 353	23 814
Irrevocable commitments arising from documentary letters of credit	1 535 252	1 657 432
Other contingent liabilities	-	-
<b>Total contingent liabilities</b>	<b>2 013 562</b>	<b>2 681 010</b>

2.1.2 Contingent assets	31.12.2022	31.12.2021
Contingent assets arising from tax losses carried forward	-	-
Other contingent assets	-	-
<b>Total contingent assets</b>	<b>-</b>	<b>-</b>

### 2.2 Breakdown of credit commitments

Credit commitments	31.12.2022	31.12.2021
Commitments arising from deferred payments	131 321	71 727
Commitments arising from acceptances	-	-
Other credit commitments	-	-
<b>Total credit commitments</b>	<b>131 321</b>	<b>71 727</b>

### 2.3 Breakdown of fiduciary transactions

Fiduciary transactions	31.12.2022	31.12.2021
Fiduciary deposits with third-party companies	10 514	11 833
Fiduciary investments with group companies and linked companies	-	-
Fiduciary loans	-	-
Other fiduciary financial transactions	-	-
<b>Total fiduciary transactions</b>	<b>10 514</b>	<b>11 833</b>

## Notes to the 2022 financial statements

### 3. Information on the income statement.

#### 3.1 Breakdown of the result from trading activities and the fair value option

##### 3.1.1 Breakdown by business area

	2022	2021
Trading results for own account	1 067	1 148
Trading for the account of customers	476	527
<b>Total result from trading activities</b>	<b>1 543</b>	<b>1 675</b>

##### 3.1.2 Breakdown by underlying risk and based on the use of the fair value option

	2022	2021
Foreign exchange	1 950	1 850
Interest rate instruments	481	-214
Securities	-888	38
Commodities/precious metals	-	-
<b>Total result from trading activities</b>	<b>1 543</b>	<b>1 675</b>
– of which, from fair value option	-	-

#### 3.2 Disclosure of material refinancing income in the item interest and discount income as well as material negative interest

No refinancing income for the trading business is credited to the interest and discount income.

The item **Interest and discount income** comprises negative interest amounting to CHF 2.4 Mio in 2022 (CHF 3.7 Mio in 2021).

#### 3.3 Breakdown of personnel expenses

Personnel expenses	2022	2021
Salaries	31 335	32 694
Social insurance benefits	3 214	3 153
Contributions to staff pension funds	3 832	3 637
Other personnel expenses	967	776
<b>Total personnel expenses</b>	<b>39 348</b>	<b>40 260</b>



### 3.4 Breakdown of general and administrative expenses

General and administrative expenses	2022	2021
Office space expenses	2 815	3 095
Expenses for information technology and communications technology	4 207	4 233
Expenses for vehicles, equipment, furniture and other fixtures	71	64
Fees of audit firm(s) (Art. 961a no. 2 CO)	466	609
– of which, for financial and regulatory audits	466	609
– of which, for other services	-	-
Other operating expenses	5 635	5 823
<b>Total general and administrative expenses</b>	<b>13 194</b>	<b>13 823</b>

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

3.5.1 Extraordinary income	2022	2021
– Reimbursement of legal fees	887	-
– Other extraordinary income	71	188
<b>Total extraordinary income</b>	<b>958</b>	<b>188</b>

3.5.2 Extraordinary expenses	2022	2021
– Other extraordinary expenses	-17	-3
<b>Total extraordinary expenses</b>	<b>-17</b>	<b>-3</b>

3.5.3 Change in reserves for general banking risks	2022	2021
– Allocation to reserves for general banking risks	-20 000	-20 000
– Withdrawals from the reserves for general banking risks	-	-
<b>Total change in reserves for general banking risks</b>	<b>-20 000</b>	<b>-20 000</b>

### 3.6 Operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment

	2022		2021	
	Domestic	Foreign	Domestic	Foreign
- Interest income	86 714	13 520	50 085	10 934
- Interest expense	-23 189	-10 046	-11 242	-4 487
- Gross result from interest operations	63 525	3 474	38 843	6 447
- Change in value adjustments for default risks and losses from interest operations	-1 632	-852	-642	-
<b>Subtotal net result from interest operations</b>	<b>61 893</b>	<b>2 622</b>	<b>38 201</b>	<b>6 447</b>
- Commission income from securities trading and investment activities	4 956	130	4 137	451
- Commission income from lending activities	33 512	-	31 641	446
- Commission income from other services	30 422	41	22 461	255
- Commission expense	-2 030	-8	-1 647	-289
<b>Subtotal result from commission business and services</b>	<b>66 860</b>	<b>163</b>	<b>56 592</b>	<b>863</b>
<b>Result from trading activities</b>	<b>602</b>	<b>941</b>	<b>1 403</b>	<b>272</b>
- Result from the disposal of financial investments	-691	160	91	88
- Result from real estate	10	-	10	-
- Other ordinary results	-3 070	-22	-199	-48
<b>Subtotal other result from ordinary activities</b>	<b>-3 751</b>	<b>138</b>	<b>-98</b>	<b>40</b>
- Personnel expenses	-37 870	-1 478	-36 798	-3 462
- General and administrative expenses	-11 425	-1 769	-10 809	-3 014
<b>Subtotal operating expenses</b>	<b>-49 295</b>	<b>-3 247</b>	<b>-47 607</b>	<b>-6 476</b>
- Depreciation and amortisation of tangible fixed assets	-1 234	-61	-1 539	-58
- Changes to provisions and other value adjustments, and losses	-7	-	-9	-3
<b>Operating result</b>	<b>75 068</b>	<b>556</b>	<b>46 943</b>	<b>1 085</b>

### 3.7 Presentation of current and deferred taxes with indication of the tax rate

	2022	2021
- Current taxes	-10 014	-5 318
- Deferred taxes	-5 114	-
<b>Total taxes</b>	<b>-15 128</b>	<b>-5 318</b>
- Average tax rate weighted on the basis of the operating result	13.2%	-11.1%

As at 31st December 2022, there were no losses carried forward (2021: none).





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