

ANNUAL REPORT 2021



BANQUE DE COMMERCE ET DE PLACEMENTS

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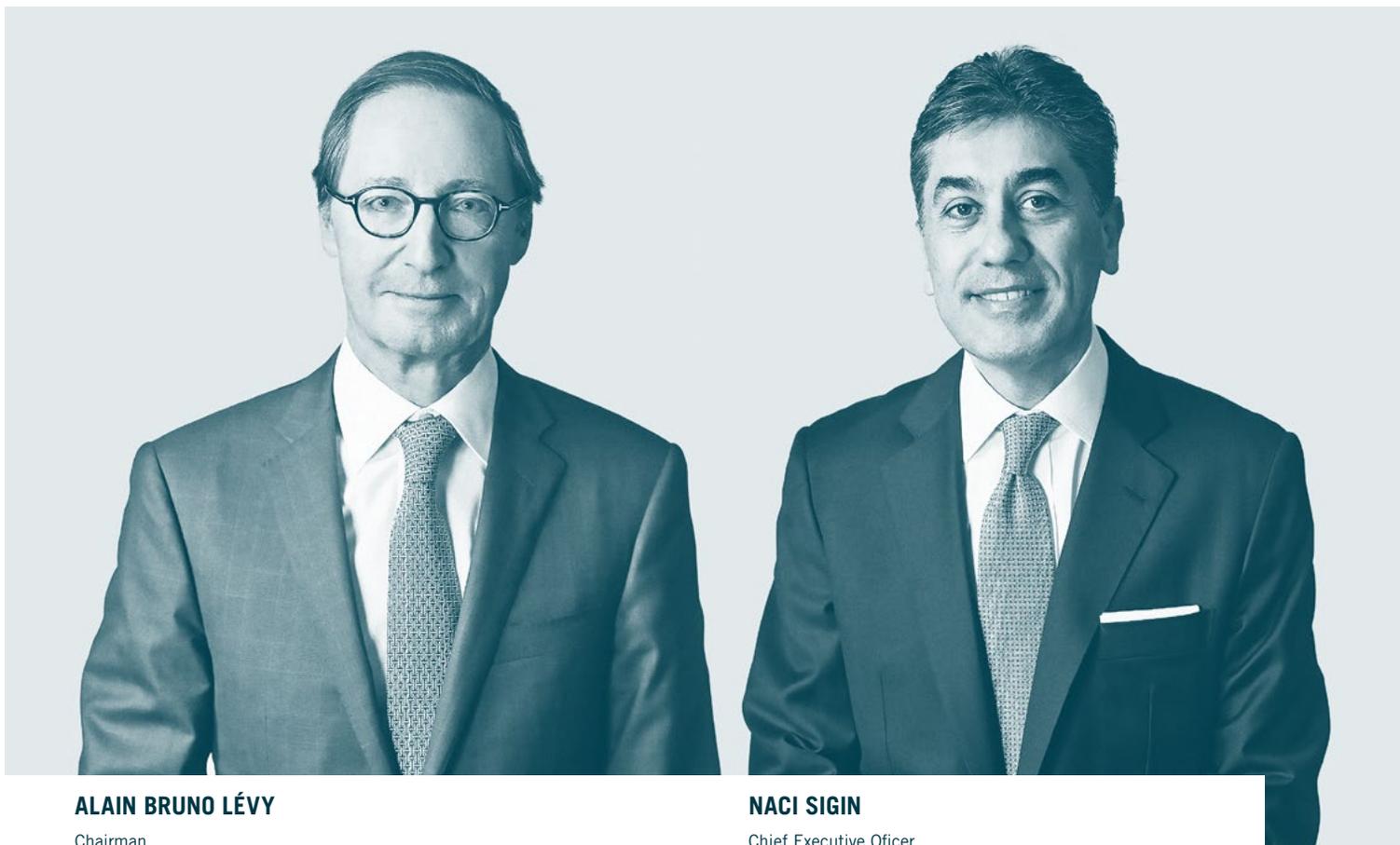
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DIRECTORY

INTERVIEW WITH OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER



ALAIN BRUNO LÉVY

Chairman

NACI SIGIN

Chief Executive Officer

2021 was a successful year for BCP. We exceeded our targets across the board, while remaining on track with the implementation of our long-term strategy. After a significant rebound following the turmoil induced by the COVID-19 outbreak, 2021 was a year of robust dynamics which confirmed the strength of our strategy and positioning. Here, Dr. Alain Bruno Lévy, Chairman of the Board of Directors, and Mr. Naci Sigin, Chief Executive Officer, analyze the year, before sharing their strategy and outlook for the future.

A positive operating environment in 2021

After 2020, which demanded high levels of resilience from BCP to face the challenges of the disrupted operating environment brought on by the global health crisis, the year 2021 was marked by a strong global economic recovery, restored market confidence and solid commercial dynamics. At BCP, we pursued our long-term business strategy with prudence, patience, and consistency. Global financial markets started to recover in November 2020, bolstered by hopes of a certain return to normality, and waves of vaccine campaigns against COVID-19, which led to improved growth expectations for 2021.

Throughout 2021, this optimistic outlook, combined with our converging client relationship management enabled us to scale up business activity in our core segments. In Commodity Trade Finance, we progressively returned to our ordinary credit accommodation, while continuing to privilege compliance, risk management, and cautious attention to asset quality. Within our Wealth Management activity, we remained fully committed to serving our customers with expert, tailor-made advice and investment services.

During the year, commercial dynamics remained robust thanks to the combination of three factors. First, BCP's long-term customer focused strategy and bilateral loyalty increased global business volumes. In addition, certain clients shifted to BCP following the retreat of some financing banks from the CTF industry and a change to their strategy in the aftermath of the 2020 frauds crisis. Rising commodity prices also globally boosted the volume of financing needs.

Robust dynamics and risk management

Benefiting from the combined positive effects of the economic recovery and our consistent long-term strategy, we were very active in our business lines all year. Our qualitative cash and non-cash loan portfolio pursued its growth, albeit remaining within our strict internal risk guidelines. Hence, despite the rapid progress of commodity prices, we consolidated our credit leverage expansion in a prudent and sustainable manner during the course of the year. In parallel, global fixed income and equity markets remained strong, and we closely monitored our market risks metrics within our internal risk -parameters.

In a buoyant - but still uncertain - environment marked by the pandemic and political conflict, we persistently accommodated our customers in all our core businesses in line with our key risk and return objectives.

Solid results and profitability

In terms of financial results for 2021, after a complex year due to the COVID crisis, we remained loyal to our global strategy and were able to seize opportunities prudently yet with agility. Hence, we concluded the year with solid profitability.

Thanks to our intense operational activity while remaining cautious, throughout the year, BCP's total income grew by CHF 65.9 million compared to the previous year (which was however an extraordinary year impacted by the COVID-19 crisis), to reach CHF 103.7 million. For the year 2021, the Bank published a net profit of CHF 22.9 million. This corresponds to a satisfactory economic profit of CHF 40.6 million, if we exclude the impact of the free general banking provisions of CHF 20 million that we voluntarily constituted.

The Bank's balance sheet expanded by 9% compared to the previous year end, closing the year at CHF 3.8 billion. Our strong earnings also enabled us to increase our reserves for general banking risks, which contributed to further reinforcing our shareholders' funds, at CHF 554.3 million. Our ratios further confirm our commercial effectiveness and operational efficiency with an 8% Return on Tangible Equity and a cost-income ratio at 52%, which is well below the Swiss banking sector's average over the past years. Furthermore, our Tier 1 capital adequacy ratio remained robust at 13.3%, and BCP's NPL ratio was recorded at the very moderate level of 0.9% for 2021.

Sound and transparent long-term strategy

During the COVID-19 crisis, we remained true to our core strategy within our Commodity Trade Finance and Wealth Management key segments, with our renowned, high service customer-centric approach.

At the same time, we continued to prioritize the preservation of our high asset quality at all stages of our credit decisions.

We remained focused on our corporate values, while building long-term relationships with our various stakeholders. Our results, which have been fruitful once again in 2021, demonstrate that our consistent approach and firm standing by our long-term strategy were the right choice and further reaffirm the validity and strength of our positioning.

Pursuing our ESG approach

At BCP, we are fully committed to being a responsible institution. Therefore, we believe that further integrating ESG elements into the daily conduct of our core businesses has become essential.

During the year, we reaffirmed our commitment to an environmentally and socially responsible approach to doing business. Being fully aware of the footprint that our present financing decisions and investments may have over the long term, BCP is keen to positively contribute towards a more sustainable future, by further integrating global sustainability, respect for human rights, and climate goals into our business strategy.

In terms of governance, we have been working on adopting best practice recommendations at several levels. Being an active member of the Swiss Trading and Shipping Association (“STSA”), BCP has proactively interacted on best recommendations and actions applicable to the industry. We are also proud that in 2021 we became a partner of Sustainable Finance Geneva and a member of Swiss Sustainable Finance.

Our outlook for 2022

As we enter 2022, the global economic recovery is continuing its course. However, momentum has waned, as geopolitical tensions are weighing heavily on the markets. The Russia/Ukraine conflict in particular has significantly escalated, and market turbulence has risen which together amplify volatility both on commodities and financial markets. In addition, it is commonly agreed that the inflationary environment will persist rather than be temporary, and will also stall global economic growth in 2022.

However, thanks to our long-term strategy, committed staff members, and successful track record in navigating adverse operating environments, we remain confident and cautiously optimistic regarding future challenges.

We intend to pursue our growth, both exogenous and endogenous, based on a quantitative and qualitative strengthening of our portfolios in all our core businesses. At the same time, we will continue our important work centered around good practices. Last but not least, we will keep on prioritizing all the human, ethical and quality of service values that are at the source of our DNA, while further strengthening our competitive edge.

Sincere thanks to all our stakeholders

We would like to take the opportunity of these opening pages to extend our heartfelt thanks to our esteemed correspondents and customers for their continued trust and loyalty to BCP during the year.

We would also like to express our gratitude to our shareholders for their continuous support and confidence in our long-term strategy, as implemented by the Board of Directors who work hand in hand with the General Management to set the business principles of BCP according to the high standards of the Swiss financial center.

Last but not least, we would like to praise all our staff members for their unwavering commitment and devoted work throughout the year. Their high degree of solidarity, teamwork, and resilience have been key to weathering the COVID-19 crisis, and achieving a successful year.

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. 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 will strategically maintain a presence in Dubai through a representative office, after consolidating the corporate activities of its former branch with the Head office.

FOUR KEY PILLARS

DEEP EXPERTISE

A SPECIALIST BANK

BCP is a specialist bank with a high level of expertise in Commodity Trade Finance and Wealth Management, reinforced by expert services in Treasury and financial products.

AN EXPERT BANK

Our driving force is the collective skills and expertise of our employees within our highly specialized business pillars. In terms of geography, BCP offers key expertise in emerging markets' operations and products.

SOLID FINANCIALS

STRONG CAPITALIZATION

BCP's Tier 1 capital ratio has always been above 13% since 2004, which far exceeds the minimum requirement of 10.5% set by FINMA for category 5 banks.

SOLID CAPITAL ADEQUACY RATIO

BCP'S financial soundness is reflected in its solid Tier 1 capital ratio at the end of 2021.

INVESTMENT GRADE RATING

BCP is rated BBB- by Fitch.

HIGH REGULATION

A SWISS BANK

BCP is supervised by FINMA, the Swiss financial markets supervisory authority. We deploy the same high standards of risk governance and service quality in our offices of Luxembourg and Dubai, which are also strongly regulated respectively by the CSSF and the DFSA.

STRICT RISK MANAGEMENT

Risk management is very important to BCP. This has enabled the Bank to maintain financial stability and soundness over the years, even during economic and geopolitical disruption.

STRONG DNA

MEDIUM-SIZED

BCP's human scale and efficient organization facilitates fast and flexible decision-making based on transparent risk limits.

CUSTOMER-FOCUSED

With highly skilled staff throughout the whole service chain, BCP's experts apply a customer-centric and business solution-focused approach.

HIGH-QUALITY SERVICES

We are proud to offer high-quality, tailor-made services based on our extensive experience and solid network, particularly in emerging markets.

TWO CORE BUSINESSES

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.

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.



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.

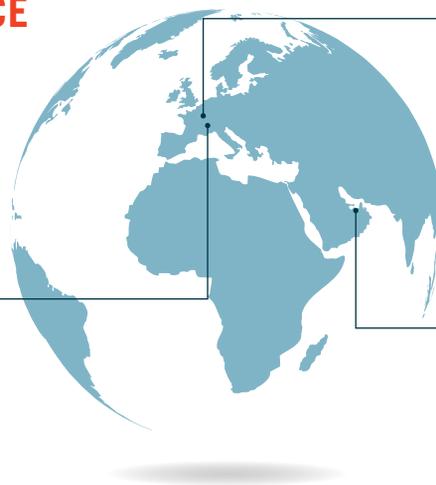
FINANCIAL INSTITUTIONS

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 international exchanges.



Luxembourg

In the heart of the Eurozone's premier private banking center, the Branch provides clients with the full range of Treasury services. To better serve our customers, all asset management services have been consolidated and are offered from our platform in Geneva.

Dubai

In the course of the year, we have consolidated our corporate activities at the Head Office's level in order to further reinforce our risk controls. Keeping our strategic interest in the region, we have decided to maintain our presence in the UAE through a representative office going forward.



**COMMODITY
TRADE
FINANCE**

2 AREAS OF EXPERTISE



**WEALTH
MANAGEMENT**

- 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 1000 active bank relationships around the world

WITH A LARGE ARRAY OF SERVICES

- 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





COMMODITY TRADE FINANCE

Customized solutions and
long-term commitment to clients

“A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.”

Winston Churchill

As a Bank that has specialized in Commodity Trade Finance (“CTF”) since its foundation in 1963, BCP has become one of the leading players in the industry, focusing primarily on the financing of international trade across a wide spectrum of products ranging from energy, soft commodities, to ferrous and non-ferrous metals.

Our experience, expertise, and unique approach to business are the key elements which have truly differentiated us since the outbreak of the COVID-19 pandemic.

Since 2020, we have dealt with the successive waves of COVID and their adverse effects - such as disruptions to supply chains and high volatility - and faced these with resilience and high levels of adaptability.

After 2019 and 2020, which saw a sharp retreat in the demand for commodities, in 2021 the need for raw materials bounced back strongly, with most commodity prices following an ascending trend, in a context of strong economic recovery. Despite the proclaimed commodity ‘super cycle’ following low investments in production capacities of the last few years, market dynamics remain fragile. Logistics and supply of raw materials are struggling to keep the recovery pace while tensions in world geopolitics are now precariously high.

In this context, in 2021, we focused more than ever on the pillars at the heart of our mission: sustainability, adaptability, and commitment to our clients.

Our values, which are at the heart of our common entrepreneurial project, are a recognized reference within the CTF industry. Our high-quality services and deep understanding of clients’ needs in order to accommodate them on a long-term basis are at the core of our customer-centric approach.

One factor that has been particularly decisive over the past two years is the complexity of our operating conditions. The pandemic, and ensuing massive frauds within the industry, together with major banks pulling out of commodity markets, high volatility, and geopolitical tensions have contributed to a particularly complex backdrop. In this extraordinarily challenging environment, we have doubled-down on adherence to our long-term views and values, and actively draw on our values as our guiding principles. In the face of such complexity, simplicity can be a strength. Hence, during 2021, we remained close to our customers and concentrated on the essential principles of our CTF activity with the aim of providing our clients with sustainable solutions. Integrity, competence, trust, availability, creativity and team spirit may seem like simple words



yet they represent powerful principles. These together with the Bank's resources, have given us the means to address the expectations of our clients and the market.

In 2021, our activity recorded strong performance, demonstrating that our agility and size are a strength when it comes to delivering on client needs for fast decision-making and accommodating their demands in a timely manner.

During the year under review, our Commodity Trade Finance Department has demonstrated:

- a stronger and well diversified client base with resilient business flow,
- proven adaptability and proactivity to meet ever evolving client needs, and
- a capacity to offer new products and solutions to our clients.

This was achieved while successfully onboarding new talent in our teams.

These combined factors resulted in an unprecedented organic growth and contribution to BCP's balance sheet, and further increased our franchise within the CTF community. Based on our DNA and positive market dynamics, and thanks to our colleagues' commitment and clients' trust, 2021 was a strong and successful year for our CTF activity.

We maintained high levels of commitment to our sustainability efforts, and continued to apply stringent best practice principles while integrating even more ESG criteria within our daily operations.

Looking ahead, 2022 has already embedded new challenges. A commodities super cycle, bullish markets, demand recovery and supply trends will shape the coming months. Furthermore, de-bottlenecking, geopolitical tensions (in particular the Ukraine conflict), and higher volatility will undoubtedly create market turbulence. The year ahead also requires that we collectively address the demand for decarbonisation and a need for energy transitions, whilst simultaneously meeting public preference for inexpensive energy supplies. In this context, although nothing is guaranteed, we remain confident that our values and DNA, together with our proven resilience and dedication to our clients will demonstrate as before, our ability to achieve our targets going forward.

Last but not least, I would like to thank all the CTF teams for their dedication and professionalism. Composed of 12 different nationalities, their passion, action, initiative, collaboration and ambition reflect our mindset and commitment to serving our clients and our stakeholders.

PIERRE GALTIE
Head of Commodity Trade Finance



FRANCOIS GA
Head of Wealth Man



WEALTH MANAGEMENT

High-quality services
and deep expertise in
emerging markets

“What does not kill me makes me stronger.”

Friedrich Wilhelm Nietzsche

Whether that famous sentence is attributed to Nietzsche, Goethe or Alexander the Great, the conveyed message is universal and timeless. The worldwide COVID-19 pandemic we have navigated during the two past years has proven this claim as BCP exits this pandemic stronger.

BCP Wealth Management (“WM”) is a specialized service provider that, for decades has nurtured a long-term approach to client relationships and needs. We are delighted to report that, during the course of this year, BCP WM was able to pursue its ordinary business to our clients’ full satisfaction.

During a disruption of such magnitude and duration, new needs have emerged for our clients. In this context, BCP, which has not only a deep understanding of its clients, their businesses and particularities, but also a good degree of flexibility, has been able to adjust swiftly and provide a high and attentive level of service to its customers throughout the year.

The undisrupted and flawless interaction between clients and WM relationship managers was made possible by BCP’s state-of-the-art IT system. The COVID-19 crisis not only demonstrated that the back-up procedures already in place were efficient, but also accelerated the digitalisation of the Bank. This further improved our processes and allowed an even more comfortable and convenient experience for communications between clients and their relationship managers.

Portfolio management and advisory services are the core businesses of the WM Department. We also have the ability to provide ancillary services, such as transactional facilities, on a very selective basis.

Traditionally, BCP’s WM clientele is mainly composed of entrepreneurs for whom the global services of our Bank are particularly well suited, which has been especially true during the pandemic period.

With its open architecture approach, BCP has a tradition of excellence in portfolio management. BCP is able to select financial investments from all over the world from dedicated platforms and databases, which allows the Bank to be 100% advice-driven. In addition, we choose to concentrate on geographical regions in which we hold high expertise, enabling us to provide real value-added services to our clients.

In 2021, financial results were satisfactory, while the introduction of the new FinSA regulation led to a complete re-think of the asset management offering within the WM Department.



Aided by a strong performance from stock markets, the revenues of the WM Department in 2021 increased compared to 2020. Signing new mandates in the context of the introduction of FinSA on January 1st, 2022 will certainly also contribute to further increasing the revenues of the Wealth Management Department, going forward.

During the year under review, new mandates were prepared in order to be compliant with the new regulatory environment. Investment grids were re-thought and a new schedule of fees was prepared for 2022. These new mandates have generally been positively welcomed by our clientele, and also served as a perfect opportunity to proactively reassess our clients' needs in terms of portfolio management.

Looking ahead, from March 2022, the WM Department will experience a new impetus following the appointment of Mr. Marco Grilli as Department Head, who is current Head of WM-RM (Relationship Management). Mr. Grilli replaces Mr. Gautier, who will then retire.

New resources will be allocated to the department to foster the development of our client portfolio within our core markets. We also expect the increasing ability for clients and prospective clients to be able to travel again in 2022 to be a positive factor that will contribute to our development strategy. The highest-quality video-conference will never fully replace a face-to-face meeting for strengthening links with the clients.

With the new services offering, we have already started to reorganize the asset management division of the WM Department, in order to give to the relationship managers a more focused information, aimed to enhance investment ideas for the clients.

Under the new Department head, the investment materials produced by the asset management team will be revisited, rendering them even more useful for both the relationship managers and our clients. The functioning of the various asset management committees will be reviewed in parallel. In line with the Bank's philosophy, BCP WM will continue contributing to the Bank's efforts towards sustainability and applying more ESG criteria within our daily operations, in particular at the level of the investments proposals that we make.

Last but not least, at the time of my retirement, I would like to warmly thank the WM Department team as well as all the support functions for their great work and commitment during the past years, as well as our clients for their trust in our institution. I am confident that the development strategy carried forward by my successor will further enhance BCP's WM services and be beneficial to our clients.

FRANÇOIS GAUTIER
Head of Wealth Management

FINANCIAL PERFORMANCE 2021

After 2020, a chaotic year punctuated by waves of the COVID-19 pandemic, high market volatility and high-profile fraud cases in the commodities trade finance business, 2021 also looked set to be highly uncertain. In reality, most economies rebounded strongly and corporate earnings quickly recovered, aided by ongoing accommodative monetary policies, an upturn in domestic demand and the vaccine rollout, which helped society, consumer spending and the economy get back on its feet. However, during the year, the combined effects of multiple COVID waves, constraints for producers and surging consumer demand generated supply-chain bottlenecks and unexpected levels of inflation. Within this context of an upturn in consumption, energy prices rose steeply compared to other commodities, with average crude oil (WTI) prices soaring by some 73% compared to 2020. For the commodities trade finance business, the Bank was successfully able to take advantage of favourable market conditions, benefitting from both higher values of financed goods and increased business volumes. Regarding currencies, the impact of foreign exchange rates was slightly negative, as the Swiss franc continued, on average, to strengthen against the dollar.

Total income returned to levels above the CHF 100.0 million mark and increased by CHF 65.9 million compared to last year to CHF 103.7 million. Even if we exclude the significant impact of last year's credit losses booked under Change in value adjustments for default risks, adjusted Total income actually grew by CHF 18.7 million (+22%), which underlined the solid rebound of the Bank's revenue streams.



Gross result from interest operations (which excludes the impact of Change in value adjustment for default risks) closed at CHF 45.3 million and grew by CHF 8.3 million compared to last year. Despite pressure on margins due to competitive market conditions and persisting negative interests on CHF and EUR, the stronger business volumes enabled the Bank to record higher net interest income compared to last year. The higher activity was also reflected in the growth of total balance sheet by almost CHF 300 million (+9%) to CHF 3.8 billion, as well as the increase of customer lending balance which reached CHF 2.2 billion (+10%). Customer deposits remained very high at CHF 1.5 billion, while the Bank had to continue to increase its liquid assets (placements with central banks) to CHF 620.3 million in order to meet LCR and NSFR requirements. The latter ratio is particularly demanding for BCP which is mostly active in commodities trade finance, since a higher part of short-term lending (which characterizes CFT business) has to be financed by longer-term borrowings.

Following the difficult year 2020 marked by important credit losses, Change in value adjustment for default risk substantially decreased by CHF 47.2 million to just CHF 0.6 million.

The Bank maintained a strict control over the quality of its credit portfolio and no new difficult credit cases were recorded in 2021, despite the growing activity.

The strong increase of Result from commissions by CHF 12.4 million (+28%) to CHF 57.4 million was another outcome of the intense activity of the Bank in 2021. This excellent performance was driven by outstanding documentary credit volumes which represented the highest volume recorded in BCP's history.

Result from trading activities at CHF 1.7 million was down by CHF 1.2 million compared to last year. This was essentially due to higher unrealised losses recorded in the Bank's securities trading portfolio, which suffered from the negative returns of most major bond markets in 2021. Other result from ordinary activities was also affected by adverse bond markets conditions and declined by CHF 0.8 million compared to last year.

The growth of the Bank's business volumes had a direct impact on Operating expenses which increased by 12% compared to last year to CHF 54.1 million. Personnel expenses at CHF 40.3 million grew by CHF 4.7 million (+13%), as a result of higher variable remuneration costs resulting from the strong financial performance and higher average headcount (average number of FTE employees increased from 160.7 in 2020 to 166.6 in 2021). General and administrative expenses at CHF 13.8 million increased by CHF 0.9 million (+7%), as the pending litigations relating to last year's credit losses cases continue to require important legal expenses and implementation of new banking regulations generated substantial consultancy and auditor fees.



Despite the increase of expenses, Cost/income ratio (excluding the impact of Change in value adjustments for default risks and losses from interest operations) remained well below standards of Swiss banking industry and closed at 52%. This ratio demonstrates the Bank's strong ability to manage its growth and resources.

After constitution of new Reserves for general banking risks of CHF 20.0 million, Net profit closed at CHF 22.9 million, which was well above (+CHF 17.4 million) last year's net result. However, if we measure the economic performance of the Bank and eliminate the impact of credit losses and voluntary reserves, the adjusted net profit would have reached CHF 40.6 million, which would have been CHF 11.3 million (+39%) above the 2020 adjusted net profit. The Bank returned to high standard net profits and resumed its solid organic growth. In summary, while 2020 was a year of business resilience, 2021 was definitely a year of growth and strong financial performance for BCP.

The shareholders' funds (comprising Shareholders' equity and Reserves for general banking risks, which qualify as Tier I capital) increased by CHF 42.9 million (+8%) to CHF 554.3 million.

The capital adequacy ratio (CET1 ratio as per Basel III rules) slightly declined to 13.3%, but remained well above the minimum levels required by FINMA at 10.5%.

Total retained earnings available for appropriation amounted to CHF 104.2 million and it was decided on March 14, 2022 at the Ordinary General Meeting of the Shareholders to distribute a dividend of CHF 10.0 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 (i) to (iv) 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.

(I) GENERAL ASSEMBLY OF SHAREHOLDERS:

- 69.33% Borak SA
- 30.67% Yapi Kredi Bankasi (49.9% 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.

(II) BOARD OF DIRECTORS

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.

(III) COMMITTEES ESTABLISHED BY DELEGATION OF THE BOARD OF DIRECTORS:

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.



(III.A.) 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
- Mehmet Ali Karamehmet Member, ad interim until March 2021
- Philippe R. Ziegler, Member from March 2021

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

(III.B.) AUDIT & RISK COMMITTEE:

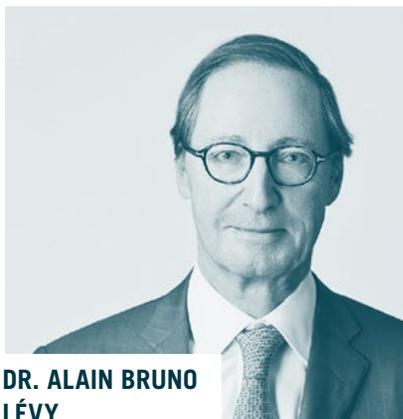
The Audit & Risk Committee comprises the two following members of the Board of Directors:

- Alfred Grelli, Chairman
- Mehmet Ali Karamehmet, 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.

THE BOARD OF DIRECTORS OF BCP WAS COMPOSED IN 2021 OF THE SIX FOLLOWING MEMBERS:



DR. ALAIN BRUNO LÉVY

Chairman (Independent)

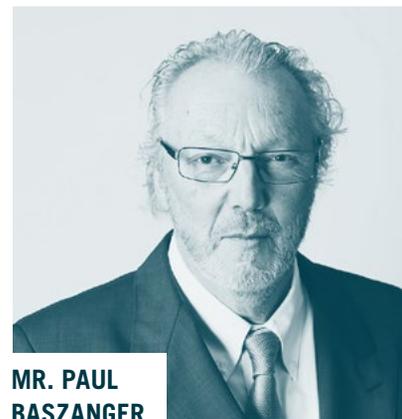
After graduating in law with a Doctor Degree from the University of Freiburg, Dr. Lévy was admitted to the Bar in Geneva in 1983. He started his career in 1976 within the legal department of the Swiss Federal Banking Commission (supervisory authority of the financial sector, before FINMA). He then joined 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. ERHAN ADALI

Vice Chairman (Represents Yapi Kredi)

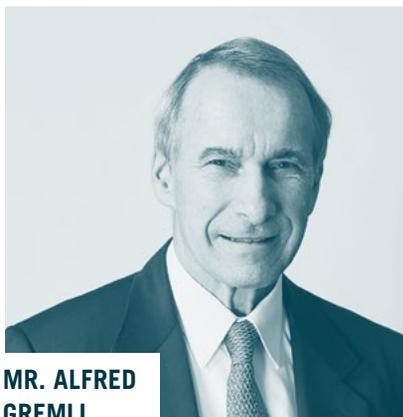
After graduating from the Faculty of Political Sciences, Public Administration at Istanbul University in 1987, Erhan Adali began his professional career at Garanti Bankasi as an Internal Auditor. After serving in various positions, Mr. Adali worked as the Corporate Branch Manager, Commercial Banking Regional Manager and Coordinator in SME Banking Marketing between 1997 and 2005. He worked as the CEO of Garanti Pension and Life Company from 2005 to 2012 and continued to serve as Executive Vice President of Credits at Garanti Bank until 2015. He served as a member of Board of Garanti Leasing and Garanti Mortgage in 2015-2017. Mr. Adali has been Assistant General Manager in charge of Corporate and Commercial Banking and a Member of the Executive Committee of Yapi Kredi Bank since March 2018. He is also a Member of the Board of Directors of Yapi Kredi Factoring, Yapi Kredi Leasing, Yapi Kredi Bank Azerbaijan and Yapi Kredi Bank Malta. Mr Adali has been a Member of the Board of Directors of BCP from March 2019 until the end of May 2021.



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.



MR. ALFRED GREMLI

Member (Independent)

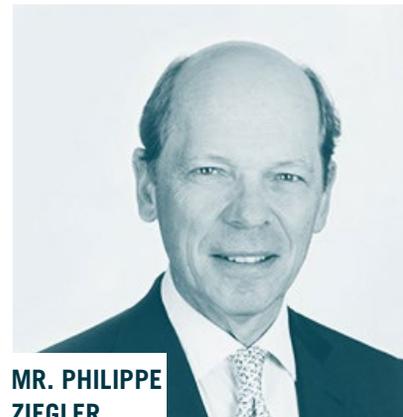
Mr. Gremlı started his professional training with Credit Suisse (CS) in the early 1960's after completing his education in Zurich. He was in training in Lausanne, New York and San Francisco before opening CS offices in Singapore and Tehran in the 1970's. Upon his return to Switzerland, he became Head 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. Gremlı 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 KARAMEHMET

Member (Represents Borak)

Mr. Karamehmet 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. Karamehmet 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.

(IV) 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 GENERAL MANAGEMENT OF BCP WAS COMPOSED IN 2021 OF THE SIX 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. FRANÇOIS GAUTIER

Wealth Management

Mr. Gautier gained his first experience with Bankers Trust International, London in mergers and acquisitions. He then held various positions in private banking and wealth management with United Overseas Bank, Geneva, Union Bancaire Privée, Geneva and Banque de Dépôts et de Gestion, Lausanne. He was CEO of Banque de Dépôts et de Gestion from 2000 to 2010, and joined BCP to head up its Wealth Management Department in 2010. He holds an engineering degree from the EPFL in Lausanne and an M.B.A. from INSEAD. Mr. Gautier is a former president of the Association Vaudoise des Banques, a former council member of Fondation Genève Place Financière, and a member of the strategic advisory board of EPFL. He has been a member of General Management since October 2014.



MRS. DORIANE JUAN

Legal and Compliance

After graduating in law from the University of Neuchâtel, Mrs. Juan was admitted to the Bar in 1989. She started her career as an independent lawyer in Neuchâtel before becoming a member of Mégevand and Grosjean's law firm (Geneva) in 1990. She then served as BNP Paribas Private Bank (Switzerland) S.A. Geneva's legal advisor and Member of the Management, for 13 years. In 2004, she became legal advisor for Deutsche Bank (Suisse) SA Geneva. From 2005 to 2008, Mrs. Juan held several compliance and legal management positions within the BNP Paribas Group in Geneva. She then acted as legal advisor in the commodities trading department of Banque Cantonale de Genève, deputy member of the Management. She joined BCP as legal advisor in 2011, and was appointed Head of the Legal & Compliance Department in February 2015. She has been a member of General Management since November 2020.



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.

RISK MANAGEMENT

Risk management within banks has undergone various changes in terms of organization and principles. Like all major Swiss financial institutions which have adapted to this new set of regulatory requirements, BCP has further strengthened its risk management organization over the past years while continuously reinforcing its methods, controls and guidelines.

RISK CULTURE

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.



6



Risk Management and Control
follows 6 main risks

RISK GOVERNANCE

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 which the Bank has outsourced 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.





ENVIRON- MENTAL, SOCIAL AND GOVERNANCE (ESG)

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. In 2021, we took this commitment a step further by integrating sustainability into our core businesses even more comprehensively. We became a partner of Sustainable Finance Geneva and a member of Swiss Sustainable Finance. As an active member of the Swiss Trading and Shipping Association (STSA), BCP also interacted on best recommendations and actions applicable to CTF industry players during the year. Moreover, we prepared an ESG summary guide outlining the main elements of our ESG approach, which is briefly summarized hereafter.



INTEGRATING ESG INTO THE DAILY CONDUCT OF OUR CORE BUSINESSES AND OUR INVESTMENTS IS INCREASINGLY IMPORTANT

COMMODITY TRADE FINANCE

A) 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.

B) 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. 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

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, in 2021 we decided to further enhance our sustainability approach by increasing the proportion of assets integrating ESG criteria, both in our own treasury investments and in our wealth management activities.

A) 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 today, around 10% of our discretionary mandates are composed of assets compatible with the ESG criteria defined by Bloomberg. Our objective is to gradually increase the proportion to 15% at the end of 2022. The same objective applies to our in-house BCP Emerging Markets Fixed Income Fund.

B) TREASURY

As of today, 7.5% of our nostro fixed-income portfolio is constituted of green and sustainability bonds. Our objective is to gradually increase the proportion to 15% at the end of 2022 and to reach 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

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

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

2021



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Report of the Statutory Auditor to the General Meeting of Shareholders of Banque de Commerce et de Placements SA, Geneva

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the financial statements of Banque de Commerce et de Placements SA, which comprise the balance sheet, income statement, statement of changes in equity and notes (pages 42 – 63) for the year ended 31 December 2021.

Board of Directors' Responsibility

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

Auditor's Responsibility

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

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

Opinion

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



Report on Other Legal Requirements

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

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

We 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 AG

Yvan Mermod
Licensed Audit Expert
Auditor in Charge

Patrizio Aggio
Licensed Audit Expert

Geneva, 23 February 2022

BALANCE SHEET

ASSETS	31.12.2021	31.12.2020	NOTES
Liquid assets	620 325	339 887	
Amounts due from banks	562 576	763 623	
Amounts due from securities financing transactions	-	-	
Amounts due from customers	2 194 667	1 988 290	1.2.
Trading portfolio assets	11 096	6 681	1.3.
Positive replacement values of derivative financial instruments	6 180	5 101	1.4.
Financial investments	366 307	346 770	1.5.
Accrued income and prepaid expenses	14 772	25 855	
Tangible fixed assets	2 692	3 251	1.6.
Other assets	891	856	1.7.
Total assets	3 779 506	3 480 314	
Total subordinated claims	-	-	
LIABILITIES			
Amounts due to banks	1 521 035	1 267 266	
Liabilities from securities financing transactions	140 620	140 640	1.1
Amounts due in respect of customer deposits	1 541 245	1 534 769	
Negative replacement values of derivative financial instruments	4 837	4 978	1.4.
Accrued expenses and deferred income	17 232	20 838	
Other liabilities	255	436	1.7.
Provisions	-	-	
Reserves for general banking risks	235 000	215 000	1.9.
Share capital	75 000	75 000	1.10.
Statutory retained earnings reserve	23 128	22 856	
Voluntary retained earnings reserve	116 966	116 966	
Profit carried forward	81 293	76 132	
Profit/loss (result of the period)	22 895	5 433	
Total liabilities	3 779 506	3 480 314	
Total subordinated liabilities	-	-	
OFF-BALANCE SHEET TRANSACTIONS			
Contingent liabilities	2 681 010	1 942 806	2.1.
Irrevocable commitments	16 906	34 305	
Credit commitments	71 727	248 621	2.2.

INCOME STATEMENT

	2021	2020	NOTES
Result from interest operations:			
Interest and discount income	50 938	47 418	
Interest and dividend income from trading portfolios	372	373	
Interest and dividend income from financial investments	9 709	9 647	
Interest expense	-15 729	-20 398	
Gross result from interest operations	45 290	37 040	
Change in value adjustments for default risks and losses from interest operations	-642	-47 804	
Subtotal net result from interest operations	44 648	-10 764	
Result from commission business and services:			
Commission income from securities trading and investment activities	4 588	4 651	
Commission income from lending activities	32 087	21 937	
Commission income from other services	22 716	19 861	
Commission expense	-1 936	-1 462	
Subtotal result from commission business and services	57 455	44 986	
Result from trading activities and the fair value option	1 675	2 840	3.1.
Other result from ordinary activities:			
Result from the disposal of financial investments	179	572	
Result from real estate	10	9	
Other ordinary incomes	20	216	
Other ordinary expenses	-267	-14	
Subtotal other result from ordinary activities	-58	784	
Operating expenses:			
Personnel expenses	-40 260	-35 465	3.3.
General and administrative expenses	-13 823	-13 011	3.4.
Subtotal operating expenses	-54 083	-48 476	
Value adjustments on equity interests, depreciation on tangible fixed assets and amortization of intangible assets	-1 597	-1 626	
Changes to provisions and other value adjustments, and losses	-12	-12	
Operating result	48 028	-12 269	
Extraordinary income	188	689	3.5.1.
Extraordinary expenses	-3	-373	3.5.2.
Changes in reserves for general banking risks	-20 000	20 000	3.5.3.
Taxes	-5 318	-2 614	3.7.
Profit/loss (result of the period)	22 895	5 433	

PROPOSAL FOR APPROPRIATION OF PROFIT

	31.12.2021	31.12.2020
Retained earnings available for appropriation:		
Profit / loss (result of the period)	22 895	5 433
Profit carried forward from previous year	81 293	76 132
Distributable profit	104 188	81 565
Proposal for appropriation of profit:		
Allocation to statutory retained earnings reserve	1 770	272
Allocation to voluntary retained earnings reserve	10 000	-
Dividend proposed	10 000	-
New amount carried forward	82 418	81 293
Distributable profit	104 188	81 565

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
Equity at 01.01.2021	75 000	22 856	193 098	215 000	5 433	511 387
Dividends and other distributions	-	-	-	-	-	-
Other allocations to (transfers from) the reserves for general banking risks	-	-	-	20 000	-	20 000
Other allocations to (transfers from) other reserves	-	272	5 161	-	-5 433	-
Profit/loss (result of the period)	-	-	-	-	22 895	22 895
Equity at 31.12.2021	75 000	23 128	198 259	235 000	22 895	554 282

NOTES TO THE 2021 FINANCIAL STATEMENTS

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 branches in Luxembourg and Dubai.

As at 31st December 2021, Banque de Commerce et de Placements had 169.3 full-time equivalent employees (2020: 157.6), of which 8 in Luxembourg and 12 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 2021 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 branches 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:

	31.12.2021	31.12.2020
USD	0.9155	0.8849
EUR	1.0365	1.0855

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.

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 branches 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

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 controlled 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 debts 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 OCCURED AFTER THE BALANCE SHEET DATE

None.

NOTES TO THE 2021 FINANCIAL STATEMENTS

1. INFORMATION ON THE BALANCE SHEET

1.1. BREAKDOWN OF SECURITIES FINANCING TRANSACTIONS (ASSETS AND LIABILITIES)

	31.12.2021	31.12.2020
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions (*)	-	-
Book value of obligations resulting from cash collateral received in connection with securities lending and repurchase transactions (*)	140 620	140 640
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	165 523	171 677
– 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)		-	463 165	1 753 444	2 216 609
Total loans (before netting with value adjustments)	31.12.2021	-	463 165	1 753 444	2 216 609
	31.12.2020	-	497 503	1 512 881	2 010 384
Total loans (after netting with value adjustments)	31.12.2021	-	463 165	1 731 502	2 194 667
	31.12.2020	-	497 503	1 490 787	1 988 290

1.2.2. OFF-BALANCE SHEET

Contingent liabilities		-	494 843	2 186 167	2 681 010
Irrevocable commitments		-	-	16 906	16 906
Credit commitments		-	-	71 727	71 727
Total off-balance sheet transactions	31.12.2021	-	494 843	2 274 800	2 769 643
	31.12.2020	-	338 409	1 887 323	2 225 732

1.2.3. IMPAIRED LOANS

		Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Total impaired loans	31.12.2021	48 964	-	48 964	21 942
	31.12.2020	49 771	982	48 789	22 094

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

In thousands of CHF

1.3. BREAKDOWN OF TRADING PORTFOLIOS AND OTHER FINANCIAL INSTRUMENTS AT FAIR VALUE (ASSETS)

	31.12.2021	31.12.2020
Trading portfolio assets		
Debt securities, money market securities/transactions	11 096	6 681
– of which, listed	10 200	6 227
Equity securities	-	-
Precious metals and commodities	-	-
Other trading portfolio assets	-	-
Subtotal trading portfolio assets	11 096	6 681
Other financial investments at fair value		
Debt securities	-	-
Structured products	-	-
Other	-	-
Subtotal other financial investments at fair value	-	-
Total trading portfolios and other financial instruments (assets)	11 096	6 681
– of which, determined using a valuation model	-	-
– of which, securities eligible for repo transactions in accordance with liquidity requirements	-	-

1.4. PRESENTATION OF DERIVATIVE FINANCIAL INSTRUMENTS

1.4.1. DERIVATIVE FINANCIAL INSTRUMENTS	TRADING INSTRUMENTS			HEDGING INSTRUMENTS		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Interest rate instruments						
Interest Rate Futures (IRF)	37	4	-	-	-	-
Foreign exchange/precious metals						
Forward contracts	3 747	2 442	698 446	-	-	-
Options (OTC)	2 396	2 391	46 475	-	-	-
Total before netting agreements	31.12.2021	6 180	744 921	-	-	-
– of which, determined using a valuation model	-	-	-	-	-	-
Total before netting agreements	31.12.2020	5 101	828 049	-	-	-
– of which, determined using a valuation model	-	-	-	-	-	-

		Positive replacement values (cumulative)	Negative replacement values (cumulative)
Total after netting agreements	31.12.2021	6 180	4 837
	31.12.2020	5 101	4 978

1.4.2. BREAKDOWN BY COUNTERPARTY

		Central clearing houses	Banks and securities dealers	Other customers	Total customers
Positive replacement values (after netting agreements)	31.12.2021	-	2 433	3 747	6 180
	31.12.2020	-	2 830	2 271	5 101

In thousands of CHF

1.5. FINANCIAL INVESTMENTS

1.5.1. BREAKDOWN BY FINANCIAL INVESTMENTS	BOOK VALUE		FAIR VALUE	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Debt securities	366 237	346 650	369 771	362 449
– of which, intended to be held until maturity	289 962	265 399	292 818	273 444
– of which, not intended to be held until maturity (available for sale)	76 275	81 251	76 953	89 005
Equity securities	-	-	-	-
– of which, qualified participations	-	-	-	-
Precious metals	-	-	-	-
Real estate	70	121	70	163
Total financial investments	366 307	346 770	369 841	362 612
– of which, securities eligible for repo transactions in accordance with liquidity requirements	1 853	7 966	1 853	7 701

1.5.2. BREAKDOWN OF COUNTERPARTIES RATING	BOOK VALUE	
	31.12.2021	31.12.2020
AAA to AA-	98 328	98 742
A+ to A-	110 164	112 770
BBB+ to BBB-	41 102	23 066
BB+ to B-	116 635	112 072
Without rating	8	-
Total debt instruments	366 237	346 650

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

1.6. PRESENTATION OF TANGIBLE FIXED ASSETS

1.6.1. TANGIBLE FIXED ASSETS	Acquisition cost	Accumulated depreciation	Book value 31.12.2020	2021					Book value 31.12.2021
				Reclas-sifications	Additions	Disposals	Depreciation	Reversals	
Bank building	-	-	-	-	-	-	-	-	-
Other real estate	-	-	-	-	-	-	-	-	-
Proprietary or separately acquired software	17 493	-15 222	2 271	-	743	-	-1 174	-	1 840
Other tangible fixed assets	15 631	-14 651	980	-	295	-	-423	-	852
Total tangible fixed assets	33 124	-29 873	3 251	-	1 038	-	-1 597	-	2 692

1.6.2. OPERATING LEASES		within 1 year	from 1 to 3 years	from 1 to 5 years	> 5 years	Total
Future lease payments (office rental)	31.12.2021	2 697	144	-	-	2 841
	31.12.2020	2 747	2 297	-	-	5 044

These office rental contracts can be terminated within one year.

1.7. BREAKDOWN OF OTHER ASSETS AND OTHER LIABILITIES

	OTHER ASSETS		OTHER LIABILITIES	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Rent guarantee deposit	308	316	-	-
Withholding taxes, stamp duties and VAT	415	420	194	392
Others	168	120	61	44
Total	891	856	255	436

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 2021 the Bank held no reserves for contributions and had no liabilities towards the Pension Fund.

On 31st December 2021, the Fund had 180 members (167 in 2020), of which 147 in activity (137 in 2020) and 33 pensioners (30 in 2020). Employees of Luxembourg and Dubai branches are not members of the Bank's Pension Fund in Switzerland.

On the basis of not yet audited financial statements as at 31st December 2021, the governing body of the Pension Fund estimates the coverage ratio according to article 44 of OPP 2 (Ordinance on Pension Funds) at approx. 112.4 % (106.0% at 31.12.2020).

1.8.2. PRESENTATION OF THE ECONOMIC BENEFIT / OBLIGATION AND THE PENSION EXPENSES	Overfunding/ underfunding estimate	Economic interest of the Bank		Change in economic versus previous year	Contribution paid	Pension expenses included in personnel expenses	
	31.12.2021	31.12.2021	31.12.2020		31.12.2021	31.12.2021	31.12.2020
Pension plans without overfunding / underfunding	-	-	-	-	-	-	-
Pension plans with overfunding	11 150	-	-	-	-	-3 468	-3 289
Pension plans with underfunding	-	-	-	-	-	-	-
Total	11 150	-	-	-	-	-3 468	-3 289

In thousands of CHF

1.9. VALUATION ADJUSTMENTS AND PROVISIONS, RESERVES FOR GENERAL BANKING RISKS, AND CHANGES THEREIN DURING THE CURRENT YEAR

	Balance at 31.12.2020	Use in conformity with designated purpose	Reclassifi- cations	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income	Balance at 31.12.21
Provisions for deferred taxes	-	-	-	-	-	-	-	-
Provisions for pension benefit obligations	-	-	-	-	-	-	-	-
Provisions for default risks	-	-	-	-	-	-	-	-
Provisions for other business risks	-	-	-	-	-	-	-	-
Provisions for restructuring	-	-	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-	-	-
Total provisions	-	-	-	-	-	-	-	-
Reserves for general banking risks	215 000	-	-	-	-	-	20 000	235 000

Reserves for general banking risks have not been taxed.

	22 094	-1 567	-	771	-	644	-	21 942
Value adjustments for default and country risks	22 094	-1 567	-	771	-	644	-	21 942
– of which, value adjustments for default risk in respect of impaired loans/ receivables	22 094	-1 567	-	771	-	644	-	21 942
– of which, value adjustments for latent risks	-	-	-	-	-	-	-	-

Value adjustments for default and country risks are related to commercial credit activities.

1.10. BANK'S CAPITAL

	31.12.2021			31.12.2020		
	Total par value	Number of shares (unit)	Capital eligible for dividend	Total nominal value	Number of shares (unit)	Capital eligible for dividend
Total Bank's capital	75 000	75 000	75 000	75 000	75 000	75 000
– 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.

In thousands of CHF

1.11. AMOUNTS DUE FROM / TO RELATED PARTIES

	AMOUNTS DUE FROM		AMOUNTS DUE TO	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Holders of qualified participations	11 551	25 561	371	321
Group companies	-	-	-	-
Linked companies	16 660	15 604	6	16
Transactions with members of governing bodies	-	-	549	627
Other related parties	-	-	-	-
Total amounts due from / to related parties	28 211	41 165	926	964
Off-balance sheet transactions with related parties	7 803	12 539	33 152	20 103

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

HOLDERS OF SIGNIFICANT PARTICIPATIONS WITH VOTING RIGHTS	31.12.2021		31.12.2020	
	At nominal value	Percentage of equity	At nominal value	Percentage of equity
BORAK SA (100% owned by the Karamehmet family)	52 000	69.33%	52 000	69.33%
YAPI VE KREDI BANKASI SA (49.9% 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 2021, 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 2021, the amount of non distributable reserves amounted to CHF 23.1 Mio.

1.14. MATURITY STRUCTURE OF FINANCIAL INSTRUMENTS

1.14.1. ASSETS / FINANCIAL INSTRUMENTS			DUE					Total	
	At sight	Cancellable	within 3 months	within 3 to 12 months	within 12 months to 5 years	after 5 years	No maturity		
Liquid assets	620 325	-	-	-	-	-	-	620 325	
Amounts due from banks	154 000	-	317 999	90 577	-	-	-	562 576	
Amounts due from securities financing transactions	-	-	-	-	-	-	-	-	
Amounts due from customers	-	545 273	1 456 564	192 769	60	-	-	2 194 667	
Trading portfolio assets	11 096	-	-	-	-	-	-	11 096	
Positive replacement values of derivative financial instruments	6 180	-	-	-	-	-	-	6 180	
Financial investments	7 652	-	19 938	73 344	237 241	26 535	1 596	366 307	
Total	31.12.2021	799 254	545 273	1 794 501	356 690	237 302	26 535	1 596	3 761 150
	31.12.2020	680 803	688 786	1 628 911	176 857	242 680	32 194	121	3 450 352

1.14.2. DEBT CAPITAL / FINANCIAL INSTRUMENTS

Amounts due to banks	254 815	-	817 424	407 598	41 198	-	-	1 521 035	
Liabilities from securities financing transactions	-	-	24 271	116 348	-	-	-	140 620	
Amounts due in respect of customer deposits	943 865	7 239	342 358	124 557	123 226	-	-	1 541 245	
Negative replacement values of derivative financial instruments	4 837	-	-	-	-	-	-	4 837	
Total	31.12.2021	1 203 517	7 239	1 184 053	648 504	164 424	-	-	3 207 737
	31.12.2020	1 465 011	41 177	1 118 251	315 981	7 233	-	-	2 947 653

In thousands of CHF

1.15. ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN IN ACCORDANCE WITH THE DOMICILE PRINCIPLE

ASSETS	31.12.2021		31.12.2020	
	DOMESTIC	FOREIGN	DOMESTIC	FOREIGN
Liquid assets	373 808	246 517	62 839	277 048
Amounts due from banks	21 841	540 735	269 148	494 475
Amounts due from securities financing transactions	-	-	-	-
Amounts due from customers	1 075 463	1 119 204	847 896	1 140 394
Trading portfolio assets	2 888	8 208	1 885	4 796
Positive replacement values of derivative financial instruments	5 182	998	3 591	1 510
Financial investments	20 795	345 512	20 333	326 437
Accrued income and prepaid expenses	13 877	895	24 097	1 758
Tangible fixed assets	2 684	8	3 232	19
Other assets	886	5	760	96
Total assets	1 517 424	2 262 082	1 233 781	2 246 533
LIABILITIES				
Amounts due to banks	92 123	1 428 912	227 705	1 039 561
Liabilities from securities financing transactions	8 372	132 248	0	140 640
Amounts due in respect of customer deposits	488 442	1 052 803	337 573	1 197 196
Negative replacement values of derivative financial instruments	3 251	1 586	4 692	286
Accrued expenses and deferred income	16 308	924	18 147	2 691
Other liabilities	252	3	269	167
Provisions	-	-	-	-
Reserves for general banking risks	235 000	-	215 000	-
Bank's capital	75 000	-	75 000	-
Statutory retained earnings reserve	23 128	-	22 856	-
Voluntary retained earnings reserve	115 000	1 966	115 000	1 966
Profit carried forward	22 810	58 483	24 252	51 880
Profit/loss (result of the period)	21 765	1 130	-1 171	6 604
Total liabilities	1 101 450	2 678 056	1 039 323	2 440 991

1.16. BREAKDOWN OF TOTAL ASSETS BY COUNTRY / GROUP OF COUNTRIES (DOMICILE PRINCIPLE)

	31.12.2021		31.12.2020	
	Absolute	in %	Absolute	in %
Europe	825 083	21,80%	757 770	21,8%
Switzerland	1 517 424	40,10%	1 233 781	35,4%
Turkey	346 792	9,20%	294 757	8,5%
North America	210 740	5,60%	127 824	3,7%
South America	37 043	1,00%	4 342	0,1%
Caribbean area	82 045	2,20%	183 612	5,3%
Africa	291 797	7,70%	257 688	7,4%
Middle East	136 803	3,60%	344 325	9,9%
Asia	325 157	8,60%	267 645	7,7%
Oceania	6 622	0,20%	8 570	0,2%
Total assets	3 779 506	100,0%	3 480 314	100,0%

1.17. BREAKDOWN OF TOTAL ASSETS BY CREDIT RATING OF COUNTRY GROUPS (RISK DOMICILE VIEW)

FITCH (LONG-TERM RATING SCALE)	NET FOREIGN EXPOSURE 31.12.2021		NET FOREIGN EXPOSURE 31.12.2020	
	Absolute	in %	Absolute	in %
AAA	678 367	30,1%	683 166	30,4%
AA+ AA-	425 256	18,8%	751 635	33,5%
A+ A-	193 253	8,5%	26 524	1,2%
BBB+ BBB-	63 905	2,8%	56 945	2,5%
BB+ BB-	438 559	19,4%	363 630	16,2%
B+ B-	262 807	11,6%	272 015	12,1%
CCC+ D- & not rated	199 935	8,8%	92 617	4,1%
Total assets (foreign exposure)	2 262 082	100,0%	2 246 533	100,0%

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

In thousands of CHF

1.18. ASSETS AND LIABILITIES BROKEN DOWN BY THE MOST SIGNIFICANT CURRENCIES FOR THE BANK

ASSETS	CHF	EUR	USD	OTHERS	TOTAL
Liquid assets	373 472	246 758	73	23	620 325
Amounts due from banks	9 807	117 447	353 524	81 797	562 576
Amounts due from securities financing transactions	-	-	-	-	-
Amounts due from customers	20 509	186 145	1 895 724	92 288	2 194 667
Trading portfolio assets	-	513	9 015	1 569	11 096
Positive replacement values of derivative financial instruments	6 180	-	-	-	6 180
Financial investments	26 446	57 425	245 189	37 247	366 307
Accrued income and prepaid expenses	11 820	548	2 385	18	14 771
Tangible fixed assets	2 692	-	-	-	2 692
Other assets	617	101	8	164	891
Total assets shown in the balance sheet	451 545	608 938	2 505 918	213 105	3 779 506
Delivery entitlements from spot exchange, forward forex and forex options transactions	210 108	165 719	266 636	72 261	714 724
Total assets	661 653	774 657	2 772 554	285 366	4 494 230
LIABILITIES	CHF	EUR	USD	OTHERS	TOTAL
Amounts due to banks	59 474	220 249	1 219 573	21 739	1 521 035
Liabilities from securities financing transactions	-	-	140 620	-	140 620
Amounts due in respect of customer deposits	26 586	329 891	1 139 571	45 197	1 541 245
Negative replacement values of derivative financial instruments	4 837	-	-	-	4 837
Accrued expenses and deferred income	13 225	63	3 939	6	17 233
Other liabilities	162	71	19	2	255
Provisions	-	-	-	-	-
Reserves for general banking risks	235 000	-	-	-	235 000
Bank's capital	75 000	-	-	-	75 000
Statutory retained earnings reserve	23 128	-	-	-	23 128
Voluntary retained earnings reserve	116 966	-	-	-	116 966
Profit carried forward	81 293	-	-	-	81 293
Profit for the year	22 895	-	-	-	22 895
Total liabilities shown in the balance sheet	658 565	550 274	2 503 722	66 945	3 779 506
Delivery obligations from spot exchange, forward forex and forex options transactions	350	223 385	271 565	218 135	713 435
Total liabilities	658 915	773 659	2 775 287	285 080	4 492 941
Net position by currency	2 738	997	-2 733	286	1 288

NOTES TO THE 2021 FINANCIAL STATEMENTS

2. INFORMATION ON OFF-BALANCE SHEET TRANSACTIONS

2.1. BREAKDOWN OF CONTINGENT LIABILITIES AND CONTINGENT ASSETS

2.1.1. CONTINGENT LIABILITIES	31.12.2021	31.12.2020
Guarantees to secure credits and similar	999 764	577 917
Performance guarantees and similar	23 814	24 455
Irrevocable commitments arising from documentary letters of credit	1 657 432	1 340 434
Other contingent liabilities	-	-
Total contingent liabilities	2 681 010	1 942 806

2.1.2. CONTINGENT ASSETS

Contingent assets arising from tax losses carried forward	-	-
Other contingent assets	-	-
Total contingent assets	-	-

2.2. BREAKDOWN OF CREDIT COMMITMENTS

CREDIT COMMITMENTS	31.12.2021	31.12.2020
Commitments arising from deferred payments	71 727	248 621
Commitments arising from acceptances	-	-
Other credit commitments	-	-
Total credit commitments	71 727	248 621

2.3. BREAKDOWN OF FIDUCIARY TRANSACTIONS

FIDUCIARY TRANSACTIONS	31.12.2021	31.12.2020
Fiduciary deposits with third-party companies	11 833	3 699
Fiduciary investments with group companies and linked companies	-	-
Fiduciary loans	-	-
Other fiduciary financial transactions	-	-
Total fiduciary transactions	11 833	3 699

NOTES TO THE 2021 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	2021	2020
Trading results for own account	1 148	1 821
Trading for the account of customers	527	1 019
Total result from trading activities	1 675	2 840

3.1.2. BREAKDOWN BY UNDERLYING RISK AND BASED ON THE USE OF THE FAIR VALUE OPTION

Foreign exchange	1 850	1 884
Interest rate instruments	-214	-94
Securities	38	1 050
Commodities/precious metals	-	-
Total result from trading activities	1 675	2 840
– 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 3.7 Mio in 2021 (CHF 3.3 Mio in 2020).

3.3. BREAKDOWN OF PERSONNEL EXPENSES

PERSONNEL EXPENSES	2021	2020
Salaries	32 694	28 299
Social insurance benefits	3 153	2 969
Contributions to staff pension funds	3 637	3 438
Other personnel expenses	776	759
Total personnel expenses	40 260	35 465

3.4. BREAKDOWN OF GENERAL AND ADMINISTRATIVE EXPENSES

GENERAL AND ADMINISTRATIVE EXPENSES	2021	2020
Office space expenses	3 095	3 092
Expenses for information technology and communications technology	4 233	4 548
Expenses for vehicles, equipment, furniture and other fixtures	64	66
Fees of audit firm(s) (Art. 961a no. 2 CO)	609	501
– of which, for financial and regulatory audits	609	501
– of which, for other services	-	-
Other operating expenses	5 823	4 804
Total general and administrative expenses	13 823	13 011

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	2021	2020
Release of provision for latent deferred taxes	-	-
Other extraordinary income	188	689
Total extraordinary income	188	689

3.5.2. EXTRAORDINARY EXPENSES

Other extraordinary expenses	-3	-373
Total extraordinary expenses	-3	-373

3.5.3. CHANGE IN RESERVES FOR GENERAL BANKING RISKS

Allocation to reserves for general banking risks	-20 000	-
Withdrawals from the reserves for general banking risks	-	20 000
Total change in reserves for general banking risks	-20 000	20 000

3.6. OPERATING RESULT BROKEN DOWN ACCORDING TO DOMESTIC AND FOREIGN ORIGIN, ACCORDING TO THE PRINCIPLE OF PERMANENT ESTABLISHMENT

	2021		2020	
	DOMESTIC	FOREIGN	DOMESTIC	FOREIGN
Interest income	50 085	10 934	42 700	14 738
Interest expense	-11 242	-4 487	-14 520	-5 878
Gross result from interest operations	38 843	6 447	28 180	8 860
Change in value adjustments for default risks and losses from interest operations	-642	-	-49 291	1 487
Subtotal net result from interest operations	38 201	6 447	-21 111	10 347
Commission income from securities trading and investment activities	4 137	451	4 115	536
Commission income from lending activities	31 641	446	20 770	1 167
Commission income from other services	22 461	255	19 114	747
Commission expense	-1 647	-289	-1 391	-71
Subtotal result from commission business and services	56 592	863	42 607	2 379
Result from trading activities	1 403	272	2 336	504
Result from the disposal of financial investments	91	88	391	181
Result from real estate	10	-	9	-
Other ordinary results	-199	-48	183	19
Subtotal other result from ordinary activities	-98	40	583	200
Personnel expenses	-36 798	-3 462	-32 058	-3 406
General and administrative expenses	-10 809	-3 014	-10 172	-2 840
Subtotal operating expenses	-47 607	-6 476	-42 230	-6 246
Depreciation and amortisation of tangible fixed assets	-1 539	-58	-1 542	-84
Changes to provisions and other value adjustments, and losses	-9	-3	-9	-3
Operating result	46 943	1 085	-19 366	7 097

3.7. PRESENTATION OF CURRENT AND DEFERRED TAXES WITH INDICATION OF THE TAX RATE

	2021	2020
Current taxes	-5 318	-2 614
Deferred taxes	-	-
Total taxes	-5 318	-2 614
Average tax rate weighted on the basis of the operating result	11,1%	21,3%

As at 31st December 2021, there were no losses carried forward (2020: none).



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