



**ANNUAL  
REPORT 2020**

 **BCGE**

# BCGE Group

## Consolidated key figures

| <b>Balance sheet</b> (in CHF millions) | 2020   | 2019   | 2018   | 2017   | 2016   |
|--|--------|--------|--------|--------|--------|
| Balance sheet total                    | 27,542 | 24,919 | 23,034 | 22,671 | 21,393 |
| Advances to clients                    | 17,593 | 17,025 | 16,603 | 15,692 | 14,973 |
| Client deposits and borrowings         | 21,375 | 18,965 | 18,056 | 17,981 | 16,315 |
| Shareholders' equity                   | 1,716  | 1,667  | 1,570  | 1,472  | 1,386  |

| <b>Results</b> (in CHF millions)             | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|------|------|------|------|------|
| Net profit from interest operations          | 216  | 231  | 247  | 210  | 206  |
| Result from commission business and services | 116  | 120  | 117  | 107  | 100  |
| Result from trading activities               | 30   | 31   | 29   | 30   | 26   |
| Other ordinary income                        | 5    | 37   | 16   | 19   | 17   |
| Total operating income                       | 367  | 420  | 409  | 366  | 349  |
| Operating expenses                           | 237  | 239  | 232  | 223  | 222  |

| <b>Operating profit</b> (in CHF million)     | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|------|------|------|------|------|
| <b>Result of the period</b> (in CHF million) | 105  | 97   | 91   | 82   | 79   |

| <b>Assets under management and administration</b> (in CHF billion) | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|------|------|------|------|------|
| 31.8   | 30.4 | 26.7 | 26.4 | 23.1 |      |

| <b>Total number of employees</b> | 2020  | 2019  | 2018  | 2017  | 2016  |
|----------------------------------|-------|-------|-------|-------|-------|
| • by full-time work units        | 819.6 | 780.4 | 760.6 | 748.3 | 737.6 |
| • by people                      | 873   | 833   | 811   | 799   | 791   |

| <b>Ratios</b> (%)                   | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------------------|------|------|------|------|------|
| Shareholders, equity / total assets | 6.2  | 6.7  | 6.8  | 6.5  | 6.5  |
| Market capitalisation to equity     | 66.7 | 84.0 | 88.1 | 80.2 | 77.3 |
| Operating profit to equity          | 6.7  | 10.1 | 10.5 | 8.9  | 8.1  |
| Return on Equity (ROE)              | 6.2  | 5.9  | 5.9  | 5.6  | 5.8  |
| Costs / income                      | 64.7 | 56.9 | 56.7 | 60.8 | 63.4 |
| Capital coverage                    | 16.2 | 16.1 | 15.6 | 15.0 | 13.2 |

| <b>Figures per share</b> (in CHF) | 2020  | 2019 | 2018 | 2017 | 2016 |
|-----------------------------------|-------|------|------|------|------|
| Shareholders' equity              | 238   | 232  | 218  | 204  | 193  |
| Operating result                  | 16    | 23   | 22   | 18   | 15   |
| Net profit                        | 15    | 13   | 13   | 11   | 11   |
| Dividend per CHF 50 share         | 3.75* | 3.75 | 3.4  | 2.9  | 2.8  |

| <b>Stock market data</b> (parent company)             | 2020  | 2019  | 2018  | 2017  | 2016  |
|---|-------|-------|-------|-------|-------|
| High and low share prices (in CHF)                    |       |       |       |       |       |
| • high  | 204   | 206   | 198   | 166   | 149   |
| • low   | 155   | 192   | 162   | 148   | 129   |
| • close   | 159   | 195   | 192   | 164   | 149   |
| Market capitalisation (in CHF million at 31 December) | 1,145 | 1,400 | 1,382 | 1,180 | 1,072 |
| Number of shares in thousands (historic information)  | 7,200 | 7,200 | 7,200 | 7,200 | 5,721 |
| Book equity / number of shares                        | 242   | 234   | 221   | 207   | 195   |

\* Proposal submitted to the Annual General Meeting on 29.04.2021.

# Overview

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Sebastianna Scilipoti, Switzerland's 2020 Junior International Tennis Federation number one player. BCGE's new sports ambassador since 1 January 2021 (see the other sportspeople sponsored by BCGE on pages 26 and 27 of this report).

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

# Key points 2020

## Performance indicators remain high

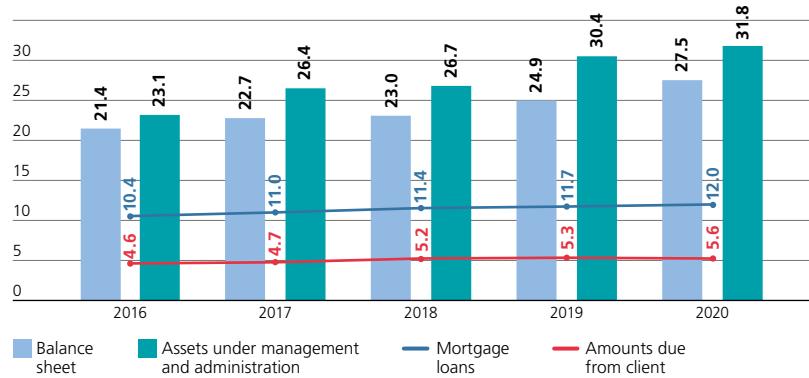
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While total income is lower due to the economic downturn and non-recurring elements, the Bank's competitiveness remains intact. Business volume is increasing with the growth of mortgage lending and assets under management and administration.

**31.8**  
**billion**  
in assets under  
management and  
administration

### Changes in the balance sheet and major business areas

in CHF billion



**1,716**  
**million**  
of shareholders'  
equity

### Evolution of shareholders' equity

in CHF million



# Message from the Chairman

## 2020, against a backdrop of resilience: strategic, organisational and individual

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Prof. Gilbert Probst

Being a member of a Board of Directors today means playing an increasingly demanding and specialised role, in a context that is increasingly volatile, uncertain, complex and ambiguous. It is a different world, one that presents new challenges and new expectations not only for company executives and directors, but also for boards of directors, who have to demonstrate far-sightedness and resilience, while remaining focused on the long-term vision of the institution they are committed to. This was never truer than in 2020, an unusual and unprecedented year in so many respects.

### **Creating value and ensuring the resilience needed for growth**

A Board of Directors is, by definition, an organ of control and supervision; but more than that, as it remains actively involved, in close collaboration with the Executive Board, in planning the company's direction of travel. It is responsible for thinking clearly and strategically to create value and to guarantee the resilience that is required for growth and business continuity.

Resilience of the sort that BCGE was able to show in the unique year of 2020, marked by the Covid-19 pandemic crisis, with all its human, economic and financial consequences; consequences that were critical for everyone, for the Bank, its clients, its staff and the public authorities. These consequences confirmed the importance and the credibility of a bank like BCGE as a key partner in the regional economy.

### **BCGE remains confident and continues to expand its business**

The wide range of impacts that this crisis had on different sectors of our national and cantonal economies required massive counter-cyclical policies to reduce inequalities, at a time when it was still impossible to gauge the depth and granularity of the effects of the recession. Nonetheless, BCGE continues to be confident, pursuing its business expansion by relying on its diverse expertise and market segment-orientated business model; a model in line with the demands of the economies of Geneva and Switzerland (see *the organisation chart as of 1 March 2021 on page 12 of this report*), while remaining highly flexible and innovative.

Exceptional situations call for exceptional measures and in 2020, all involved had to demonstrate great powers of adaptation, and recall the fundamental principles of crisis management: prevention/anticipation, preparation/organisation, reactivity/effectiveness. The good news is that BCGE is well equipped to deal with this sort of crisis; it's part of its DNA. For 20 years, the Board of Directors and the Executive Board have followed an approach based on a targeted growth strategy, careful risk-taking and disciplined management of resources. At the same time, it has remained open to strategic, organisational and individual opportunities that will improve the Bank's overall strength.

In 2020 again, despite the crisis, BCGE showed how strong it is. Its performance indicators remain high. Business volumes are growing, with a well diversified revenue structure; operating expenses are well under control. The equity coverage ratio is excellent and the proposed dividend is very attractive. The Group's development prospects are intact: all its medium-to-long-term projects remain in place, such as augmented digitalisation and energy transition.

### **Exemplary commitment to continuity in client service**

BCGE is a *leading* Swiss bank with a diversified product range, standing out as a multi-service pillar of the regional economy. Based on a core of traditional activities, BCGE's business model has been regularly updated in order to broaden the skills and services on offer.

Value can be created by means of long-term orientation. This is achieved with the support of a far-sighted Board of Directors and an Executive Board that makes full use of a clear strategy, based on a sophisticated, annually-reviewed planning process; but primarily through the exemplary commitment of the Bank's teams and units to business continuity for all its clients: private individuals, entrepreneurs and investors.

A cantonal bank provides a service essential to individuals, families and companies. Thus, at the peak of the crisis, BCGE's teams were called upon to serve on the front line, with each person quite naturally putting in an extraordinary effort on site in a variety of roles. They needed to be fully operational in a degraded health environment, adhering to federal government rulings while providing personal and effective client service.

In a challenging context that demanded even more foresight and creativity than usual from every colleague, they were all agents of change. There was indeed a paradigm change in working methods, requiring swift application of practical solutions – novel yet highly secure – to deal with a constantly changing situation, while maintaining professional standards and awareness of client needs.

### **A spirit of innovation to implement practical and original solutions**

Measures implemented to maintain BCGE's operational continuity included distributing critical functions over a number of sites, and securely deploying teleworking technology, in a tightly organised and fair manner. Social and psychological support was provided, along with protection of persons at risk. Communication with staff, clients and partners continued in digital form. Teams were offered distance training so that they could continue to comply with legal and regulatory requirements, but also to back up their general expertise; exclusive interactive online lectures were organised for private and institutional clients (see *Dialogue magazine*, Winter 2020/21). This enriching experience gave rise to innovative ideas and perspectives for the future.

### **Learning from the crisis**

Being able to anticipate what lies over the horizon has allowed BCGE to find a way through numerous crises over the years, and to draw lessons from them. One of these lessons has been to emphasise training at all levels, including for the Executive Board. Indeed, Board members have been called upon to build up their skills on an ongoing basis, through programmes regularly organised by the Bank on targeted topics. It also offers its senior executives the opportunity to take part in an annual three-day seminar, the Management Championship. This year, it focused on Swiss army-style crisis management training, including periodic testing of BCGE's continuity plan, in conditions made as realistic as possible.

This is where we can put into perspective the strategic, organisational and individual resilience that has allowed the BCGE Group to stand out, to contain the effects of the crisis on its business and to confirm its strength.

**"The BCGE Group's development prospects are intact: all its medium-to-long-term projects remain in place, such as augmented digitalisation and energy transition."**

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I wish to thank warmly all those BCGE staff for their commitment and determination, their loyalty and sense of responsibility, as well as our clients, our shareholders and partners – regulators, suppliers, public authorities – for their sustained confidence in our institution.

### **On a personal note**

These thanks are particularly meaningful for me, as I will be stepping down from my duties as Chairman of the Board of Directors at the next Annual General Meeting on 29 April 2021. The end of my term as Chairman, in conformity with the articles of association, is a moment of considerable emotion for me. In four years, I have had the satisfaction of seeing how BCGE has developed and grown, and I wish my successor, and the Bank, every success in the future.



**Gilbert Probst**  
Chairman of the Board of Directors

# Message from the Chief Executive Officer

## A stress test successfully passed

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Blaise Goetschin

2020 was a year in which the Bank's strength was tested. After an uninterrupted series of improving results and steadily rising competitiveness and wealth-creation indices, the past year bears the marks of an adverse environment. Operating profit contracted to CHF 113 million, though this did not prevent net profit from achieving an historic high of 105 million. Key figures, such as mortgage lending (CHF 12.0 billion, up 2.8%) or assets under management and administration (CHF 31.8 billion, up 4.5%) bear witness to remarkable resilience. 2020 was indeed a complicated year. Our teams were faced with many challenges simultaneously.

Pre-eminent among these were the following: operational management of the Bank during a pandemic; individualised guidance of companies experiencing difficulties due to lockdown rules; increased risks and price volatility in the international commodities markets; the fall in the dollar exchange rate and its effects on total income; and the persistent precariousness of the CHF and Euro interest rate market, which year after year erodes the interest margin.

And yet... the Bank keeps going. Increased equity, business growth, staff expansion, stable dividend: all these provide tangible evidence of the BCGE Group's solidity in the face of this severe *stress test*. The Bank has emerged intact, indeed strengthened, from this test. Its business and financial outlook is positive. Three aspects of this state of preparedness for the future deserve to be highlighted.

### Pillar of financial security

The acute economic crisis that was immediately triggered by the lockdown measures demonstrated the benefit, indeed the sheer necessity, of being able to rely on a robust and responsive cantonal bank. Economists often talk of 'safe havens'; BCGE provided an excellent example of such a thing from late February 2020 right through to the end of the year.

- The first pillar of security: equity and liquidity remained abundant throughout the crisis, which allowed the Bank to operate normally. Liquidity in fact benefited from the migration of deposits towards the safest institutions (CHF 16.9 billion, +12.9%).
- The second pillar: the extensive network of branches and subsidiaries in the canton of Geneva and the main Swiss economic centres. This day-to-day proximity to private and corporate clients meant that decisions could be taken rapidly and effectively. It allowed many clients to withstand the rigours of the lockdown measures, finding

relief in terms of payments and financing or adapting their financial structures. The Bank also provided support for its limited-mobility clients, such as vulnerable persons shielding, by helping them to do their banking in coordination with the Department of Social Cohesion (DCS).

- Third pillar: the effective provision of cantonal and federal support, in close cooperation with those bodies assisting companies and self-employed people, i.e. the *Fondation d'aide aux entreprises* and the *Office de cautionnement romand*. This meant that two thousand temporary Covid-19 loans, totalling CHF 200 million, were granted to client companies in record time.
- Finally, the fourth pillar of financial security provided by BCGE was the preponderant role in the Geneva economy built up over many years, allowing it to number 20,609 companies and institutions among its clients and provide them with a total of CHF 10.2 billion in lending of all types.

It is at these key moments in the economic history of the region that one becomes aware of the advantage of having such a powerful instrument to sustain the fabric of the business world, from one-person operations to large-scale international companies.

### A strategy to anticipate changes in society

2020 also saw increased emphasis on issues concerning ethical corporate behaviour towards society and the environment. "Sustainable finance" and "ESG standards" (i.e. relating to a company's environmental, societal and governance impact) have been among the most frequently cited concepts that reflect the changing outlook of those people for whom the primary consideration when formulating and implementing corporate strategies is their impact on society. BCGE anticipated developments of this kind several years ago. The first thing to understand is that the 24 Swiss cantonal banks are intrinsically public-private organisations whose primary aim is to develop the economy and the entrepreneurial environment. In this sense, BCGE, like its cantonal cousins, fully subscribes to the UN's 8<sup>th</sup> sustainable development goal of "Decent work and economic growth".

But BCGE has gone much further and developed its Ethical and Environmental Responsibility Policy (EERP). Every year, the report dedicated to our range of commitments and objectives is increasingly detailed and specific (*see page 28 of this report*). The "Responsible performance" approach is being applied progressively to most of our products and services.

This year, an ESG category has been added to most of the sectors in the 'Best of' wealth management mandates. In future, the Bank intends to provide its clients with an external and independent rating in terms of ESG or SRI (*socially responsible investment*) covering all its investment products, starting with the Synchrony investment funds. In its lending business, the Bank is participating in the energy transition, encouraging dialogue with corporate clients and taking care to avoid all forms of discrimination in sectors or business areas in the economies of Geneva and Switzerland.

### **Operating efficiency: essential for the Group's growth**

BCGE and its subsidiaries have achieved a high degree of operating efficiency. This operating platform is ready to handle significantly increased business volumes and manage a strategy which today covers 14 main business lines (see *the table on page 14 of this report*) on 31 sites in Switzerland, France and elsewhere in the world. The power and the resilience of our IT systems is based on close cooperation with leading suppliers, namely Swisscom and Finnova. The Bank's remarkable productive stability is based on three pillars: attention to uncluttered architecture, a strong culture of defence against cyber risks and ongoing dialogue at the highest level with the best external experts. The successive lockdowns were handled without technical incidents, either for the Bank, or for its clients.

The digitalisation strategy, stage by stage, allows us to stay in the running in terms of benchmarking all our products in a keenly competitive environment, both banking and non-banking, while ensuring the highest safety standards. Opening accounts or granting mortgages online have become standard practice. Cashless payment apps, such as Twint, were very quickly adopted by our individual clients. Business loans for SMEs have also become available online as of this year. Clients have a growing need for objective and neutral advice when faced with the innumerable options and possibilities that digitalisation offers them. New modes of consuming banking services require banks to provide human and personalised accessibility, in the form of meetings, telephone conversations or other means of communication. By way of example, the Bank has extended its online banking to Sundays (from 9 am to 1 pm) since 20 September 2020.

### **Conclusion**

Despite an exceptionally unfavourable environment, the Bank has demonstrated exemplary resilience. The maintenance of S&P's rating and positive forecast attests to this.

While innovative strategy, operational robustness and high-quality services provided effective shields, our operating continuity and the achievement of our main results were above all the work of our staff of all disciplines and seniority. They accomplished this with a great deal of commitment and self-sacrifice, particularly in maintaining critical functions and in welcoming and guiding clients, despite the risks associated with the pandemic. Remote working was deployed during the acute phases, within a highly secure IT and data protection framework. Fortunately, none of our colleagues required hospital treatment. There were only a few localised cases of quarantine, with the diligent and enlightening support of the Bank's consulting doctor and the ad hoc task force, which was in continuous operation from 11 February to 31 December 2020.

I can only conclude by expressing my profound gratitude to all the professionals at BCGE, their families and friends, and to the Bank's partners. We may therefore begin 2021 standing on solid foundations, and able to contemplate a brighter horizon.



**Blaise Goetschin**  
CEO

# BCGE Group Portrait

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1816

## BCGE, banking solutions made in Geneva

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

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

The BCGE Group has 21 branches in Geneva and offers some of its services through offices in Zurich, Lausanne, Basel, Paris, Lyon and Annecy. It has representation offices in Dubai and Hong Kong. It currently has 873 staff (or 820 full-time equivalents as of 31.12.2020).

BCGE is listed on the Swiss stock exchange, SIX Swiss Exchange (stock no. 35 049 471) and is rated A+/positive/A-1 by the Standard & Poor's (S&P) rating agency.

[bcge.ch](http://bcge.ch)



New branch in Grand-Saconnex



1993

With its headquarters in Lyon and branches in Annecy and Paris, Banque Cantonale de Genève (France) SA (BCGEF) is a wholly-owned BCGE subsidiary. It offers financing services to businesses and real estate professionals, in addition to wealth management for private clients. BCGE France contributes to the development of the economic zone stretching from Lyon to Geneva; it has a staff of 65 as of 31.12.2020.

## Despite the economic situation severely impacted by the health crisis, BCGEF maintained a very good level of profitability.

Net profit was EUR 9.8 million, equal to 2019. The resilience of the French real estate market contributed to the increase in healthy loans outstanding of EUR +87.5 million to 803 million, with risk cost maintained at a very low level. In private management, assets under management are stable at EUR 530 million in a very volatile market context.

In this disrupted environment, BCGEF proved itself agile and pursued its development projects: renovating offices in Lyon and Annecy, creating its future platform for everyday banking services (planned to go live in 2021) and increasing its staff, in particular on its Executive Board and in private management.

In the area of refinancing, BCGE (France) continues to benefit from the support of its parent company. Growth in deposits constitutes a growing source of its refinancing.

[bcgef.fr](http://bcgef.fr)



2008

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

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

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

## Capital Transmission SA has CHF 43.0 million net invested in 15 companies

In 2020, Capital Transmission SA undertook one new operation, made two reinvestments and removed a holding from its portfolio following repayment.

[capitaltransmission.ch](http://capitaltransmission.ch)




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**BCGE invests  
in a personalised  
neighbourhood service  
with a dense network  
of branches and  
automated banking  
facilities.**

## DIMENSION

2015

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

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

A company specialised and recognised in its field, Dimension is a key partner for entrepreneurs in analysing the value-creation potential of their companies and carrying out company transfer operations.

**In 2020, Dimension SA was commissioned to carry out 11 company transfer projects and over 25 evaluation and consultancy briefs.**

[dimension.ch](http://dimension.ch)

## LOYAL FINANCE

2019

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

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

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

**In 2020, Loyal Finance AG took over management of most of the BCGE Group's bond funds.**

[loyalfinance.ch](http://loyalfinance.ch)

# A leading bank in Switzerland

## Contributing to Geneva's economic reach

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

### **A financial policy aiming at longevity**

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

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

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

### **A response adapted to each market segment**

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

Five of the Bank's fourteen business lines are centred on individual clients: day-to-day banking services, fundamental financial planning, savings and pensions, private banking and private finance. These represent one-third of the Bank's total income. Of the eight business lines devoted to companies and institutions, four are concerned with lending. These are, namely, corporate finance, business real estate finance, public authorities finance and trade finance. The remaining business lines are strategic financial advice, financial markets, services to institutional investors and services to banks and insurance companies. The fourteenth business line creates and manages investment funds offered to the Bank's clients or distributed through investment platforms.

Two-thirds of the Group's total income is achieved with public and private companies and institutions.

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

The Bank maximises use of its available equity, while ensuring its continued existence with a safety margin defined in the regulatory and financial framework. Having achieved an optimum level of capital utilisation, the current focus of growth is on less capital-intensive areas of business.

### **Strategic priorities for 2021**

- Principal partner for the regional economy and for SMEs.**
- Leading financer of privately-owned and social housing in Geneva.**
- Recognised and effective private banking adviser in Switzerland and internationally.**
- Expertise in asset management and investment funds.**
- Vehicle of Geneva's economic power and trade in Switzerland and worldwide.**
- Innovative agent of banking digitalisation.**
- Guiding corporate and personal clients through the energy transition.**



## LOOKING AHEAD

BCGE, innovative agent  
of banking digitalisation.

# Operating structure

## As of 1 March 2021

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|  |   |  |
|--|---|--|
|  <b>Executive Board</b> |  <b>Finance Division</b> |  <b>Geneva Division</b> |
| <b>Blaise Goetschin</b><br>Chief Executive Officer,<br>(CEO)   | <b>Frédéric Vernet</b><br>Member of the<br>Executive Board, CFO, CRO*                                     | <b>Pierrette Jaton Klopfenstein</b><br>Member of the<br>Executive Board                                    |
| <b>Chief of Staff</b><br><b>Leadership and Planning</b><br>Irene Diez                                    | <b>Finance Chief of Staff</b><br>Jérémie Linder   | <b>Chief of Staff and</b><br><b>Business Development</b><br>Christelle Didier                              |
| <b>Corporate Affairs</b><br><b>and Communication</b><br>Christophe Weber                                 | <b>ALM (Asset and Liability</b><br><b>Management)</b><br>Marc Doerks                                      | <b>Private Banking</b><br><b>Swiss Clients</b><br>Franco Furcolo   |
| <b>Marketing</b><br>Christian Hamm   | <b>Financial Management</b><br>Marc Doerks ( <i>interim</i> )   | <b>SMEs and</b><br><b>Self-employed Finance</b><br>Claude Bagnoud  |
| <b>Human Resources</b><br>Elisabeth Ray Tang   | <b>General Accounting</b><br>Yvan Nicolet   | <b>Online Banking</b><br>Paulo Oliveira  |
|  | <b>Financial Markets &amp; Treasury</b><br>Pierre Sauvagnat   | <b>Right Bank Sector</b><br>Alexandre Scala  |
|  | <b>Risk control</b><br>Nicolas Dervaux  | <b>Left Bank Sector</b><br>David Bottoli   |
|  | <b>Credit Appraisal</b><br>François Kirchhoff   | <b>Centre Sector</b><br>André Thiévent   |
|  | <b>Legal and Compliance</b><br>Philippe Marti   | <b>West Sector</b><br>Pierre-Olivier Vialla  |
|  | <b>Compliance</b><br>Yael Hen Marie-José Bratcov  |  |
|  | <b>Litigation</b><br>Marius Hämmig  |  |
|  | <b>Legal</b><br>René-Christian Métraller  |  |

\* CFO: Chief Financial Officer  
CRO: Chief Risk Officer



## Corporate Division

**Virginie Fauveau**  
Member of the  
Executive Board

**Chief of Staff Corporates and Business Development**  
Patrick Senger

**Swiss Corporate Clients**  
Grégoire Borlat

**Multinationals and International Institutions**  
Grégoire Borlat

**Real Estate and Construction**  
Charles Kaser

**Public Authorities**  
Alain Voirol

**Participations and Workout**  
Sébastien Collado

**Personal Finance and Staff Banking**  
Nicolas Bezague

**Corporate Finance**  
Ozren Bakaric

**Corporate Advisory**  
Ozren Bakaric

**Private Equity**  
Frédéric Tixier



## CAPITAL TRANSMISSION SA

Frédéric Tixier



## DIMENSION SA

Arthur Magis



## International Division

**Yves Spörri**  
Member of the  
Executive Board

**International Chief of Staff**  
Josiane Tistouret

**International Private Banking**  
Claudio Pietroforte

**International Private Clients**  
Maria-Teresa Lopez Bouffard

**Private Banking Switzerland**  
Zurich: Christoph Habluetzel  
Basel: Oliver Riberzani  
Lausanne: Marc Bussard

**International Private Banking Geneva**  
Team 1: Laurent Juget (*interim*)  
Team 2: Olivier Ernoult  
Team 3: Laurent Juget

**Independent Asset Managers**  
Stéphane Cuerel

**Global Commodity Finance**  
Nicolas Demierre

**Commodity Trade Finance**  
CTF 1: Serge Chesternine  
CTF 2: Danila Mariotti  
CTF 3: Nicolas Demierre (*interim*)

**Global Commodity Finance Operations**  
Philippe Maillart

**Credit and Transaction Management**  
Olivier Thyssen

**Banks and Insurance Companies**  
Boris Bijleveld

**French Corporate Clients**  
Catherine Raphoz



## BCGE (FRANCE) SA

Eric Wesse



## Asset Management Division

**Constantino Cancela**  
Member of the  
Executive Board

**Asset Management Chief of Staff**  
Ingo Bionda

**Institutional Investors**  
Michel Gada

**Wealth Solutions**  
Albert Gallegos

**Wealth Planning**  
Albert Gallegos

**Financial Assets Advisory**  
Thierry Angele

**BCGE Asset Management**  
Urs Ziegler

**Investment Office**  
Valérie Lemaigre

**Private Portfolio Management**  
Axel Moser

**Institutional Portfolio Management**  
Bruce Crochat



## LOYAL FINANCE AG

Hans Tarnutzer



## Operations Division

**Jean-Marc Joris**  
Member of the  
Executive Board

**Organisation**  
Benito Perez

**Banking Operations Services Centre**  
Jean-Michel Comte

**Credits and Banking Services Centre**  
Patrick Boero

**IT**  
Daniel Stocco

**Logistics and Purchase Management**  
Céline Orlandini

# Business model

## Organisation by market segment

14

| MANAGEMENT ENTITIES <sup>1</sup>        |                 |                    |                        |                           |
|---|-----------------|--------------------|------------------------|---------------------------|
| PARENT COMPANY                          |                 |                    |                        |                           |
| MAIN BUSINESS LINES                     | Geneva Division | Corporate Division | International Division | Asset Management Division |
| RETAIL BANKING                          |                 |                    |                        |                           |
| Day-to-day banking services             |                 |                    |                        |                           |
| Savings and pensions                    |                 |                    |                        |                           |
| Financial advice                        |                 |                    |                        |                           |
| Private banking                         |                 |                    |                        |                           |
| Personal loans                          |                 |                    |                        |                           |
| COMPANIES                               |                 |                    |                        |                           |
| Corporate finance                       |                 |                    |                        |                           |
| Commercial real estate finance          |                 |                    |                        |                           |
| Financing public authorities            |                 |                    |                        |                           |
| Global commodity finance                |                 |                    |                        |                           |
| Strategic financial consultancy and M&A |                 |                    |                        |                           |
| Financial markets                       |                 |                    |                        |                           |
| Institutional investors                 |                 |                    |                        |                           |
| Banks and insurance companies           |                 |                    |                        |                           |
| INVESTMENT PRODUCTS                     |                 |                    |                        |                           |
| Collective investment products          |                 |                    |                        |                           |

<sup>1</sup> Number of staff: figures as at 31.12.2020.

| SUBSIDIARIES  |  | DIGITAL   |   |
|---|--|---|---|
| <b>Finance Division</b><br>Frédéric Vernet  | <b>Finance Division</b><br>Jean-Marc Joris   |  <b>Banque Cantonale de Genève (France) SA</b><br>Eric Wesse   |  <b>CAPITAL TRANSMISSION</b><br>Frédéric Tixier  |
| 99 staff in Geneva  | 156 staff in Geneva  | 65 staff in Lyon, Annecy and Paris  | – staff <sup>2</sup> in Geneva and Zurich   |
| <ul style="list-style-type: none"> <li>Provides a structured, effective and adaptable framework, generating competitive financial conditions for the Bank and its front office units.</li> <li>Implements risk prevention and detection procedures and ensures the efficiency of compliance and internal control systems.</li> <li>Carries out specialised checks in the lending area by means of intensive quality controls.</li> <li>Reduces the Group's exposure to legal risks through preventive action and collaboration with the best external consultants.</li> <li>Undertakes the Bank's financial and strategic planning and also deploys stress test scenarios.</li> </ul> | <ul style="list-style-type: none"> <li>Provides the BCGE Group with an operational service-generating platform, in line with the business line strategies, within a highly productive, economical and dependable framework.</li> <li>Plans implementation of a technology strategy that allows the Bank to anticipate and adapt to rapid and significant changes in the sector.</li> <li>Guides front-office teams along the path towards digitalisation by using it to benefit clients and administrative and control processes.</li> </ul> | <ul style="list-style-type: none"> <li>Real estate, commercial and housing finance: promotion, estate agents, long-term heritage real estate, and historic partnership in two real estate companies.</li> <li><i>Corporate banking:</i> medium- to long-term company financing and transfer operations.</li> <li>Private management: helping business leaders manage their personal wealth and professional assets, supplying asset management and wealth engineering expertise.</li> </ul> |  <b>DIMENSION</b><br>Arthur Magis <sup>3</sup>   |
|   |  |   |  <b>LOYAL FINANCE AG</b><br>Hans Tarnutzer   |
|   |  |   |  <b>AVANTAGE SERVICE.CH</b><br>Markus Guniat <ul style="list-style-type: none"> <li>Avantage service is the main online savings and loans application (within Switzerland only).</li> <li>Opening accounts and arranging financing for private clients.</li> </ul> |

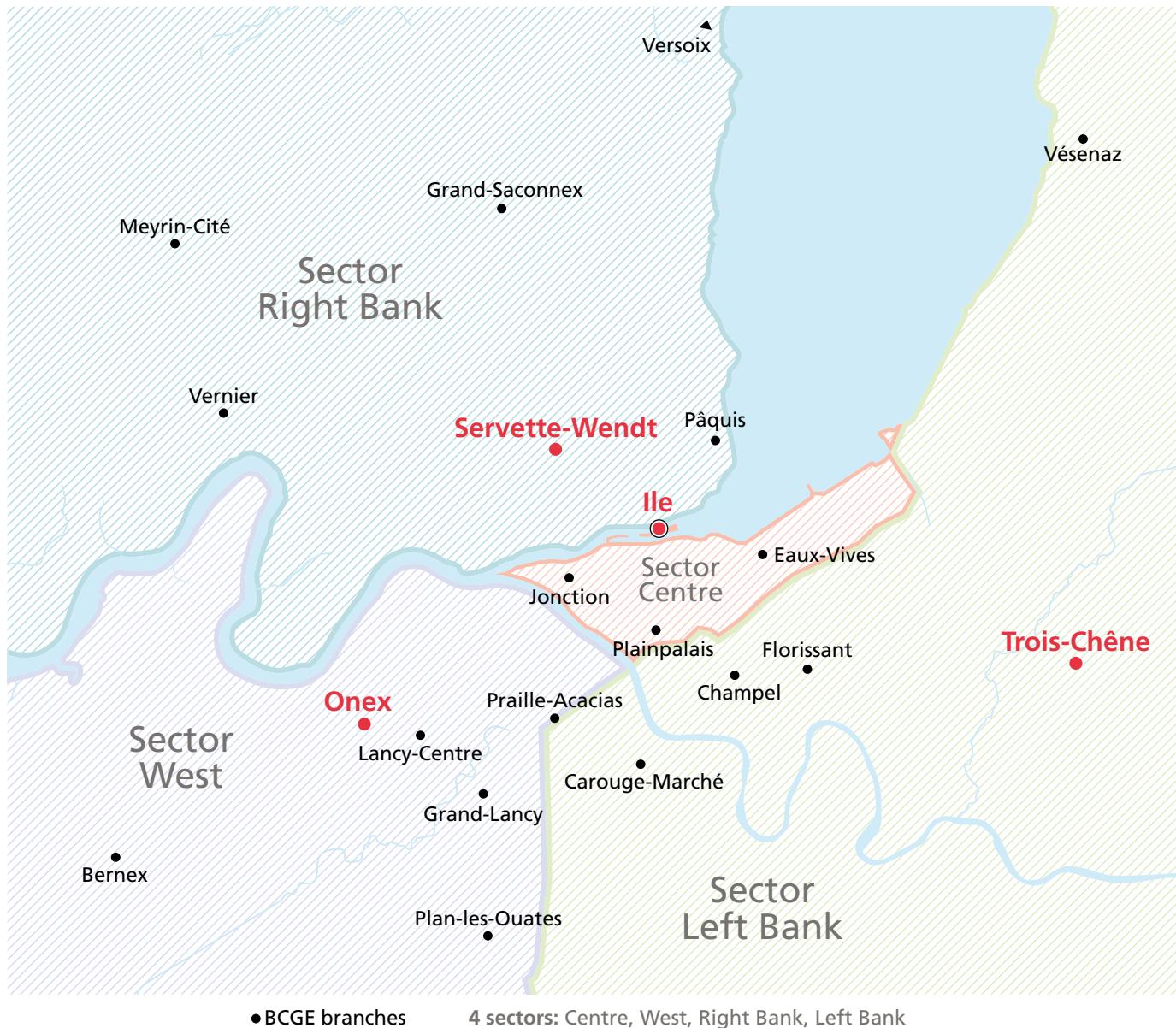
<sup>2</sup> Capital Transmission's operations are managed by the Corporate Division staff.

<sup>3</sup> Since 01.07.2020 (until 30.06.2020: Claude Romy).

# Local presence

## 21 branches close to the homes and workplaces of Genevans

16



● 4 main branches



Onex



Servette-Wendt



Ile ● Head office

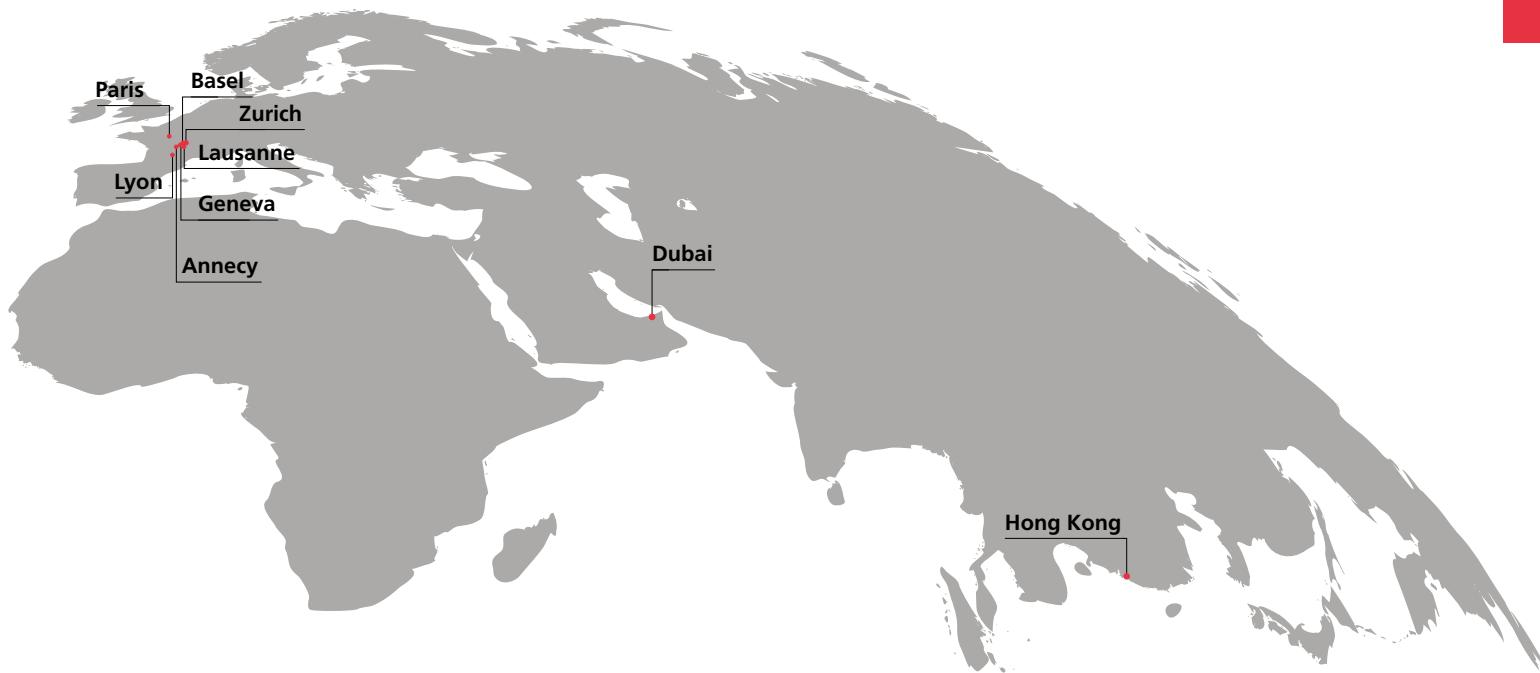


Trois-Chêne

# International presence

## Infrastructure serving Geneva's economic reach

17



**Geneva** 1816  
(Head office)



**Lausanne** 1997  
Marc Brussard



**Basel** 2019  
Oliver Riberzani



**Zurich** 1997  
Christoph Habluetzel

**CAPITAL TRANSMISSION**  
Geneva, Zurich 2008

**DIMENSION**  
Lausanne, Geneva 2015

**LOYAL FINANCE AG**  
Zurich 2019

### BC GE representation offices



**Dubai** 2010  
Mario Al-Jebouri



**Hong Kong** 2011  
Renaud Chambolle

**Banque Cantonale de Genève (France) SA**



**Annecy** 1993  
Philippe Bouganim



**Lyon** 1993  
Eric Wesse



**Paris** 2010  
Nicolas Charavner

# The BCGE share

## Still significant growth potential

18

The yield on the BCGE share in 2020 was 7.5% of the nominal value (proposed to the AGM on 29 April 2021). The 2021 dividend is therefore unchanged from the previous year.

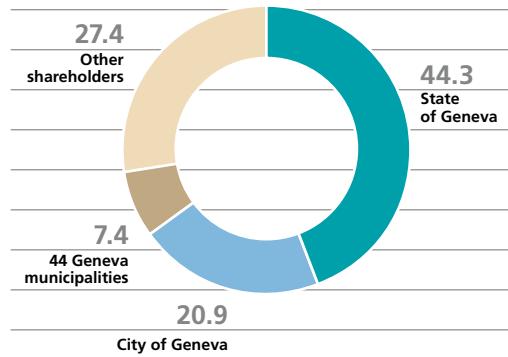
### Comparative evolution of the share price

from 2017 to 2020



- Over the year, the BCGE share experienced a correction, after a decade of significant growth. This correction can be understood in the context of investor anxiety about the banking sector.
- The Bank's fundamentals are excellent and this is likely to be recognised by the markets.
- The Bank's market capitalisation in 2020 was CHF 1.145 billion, while shareholders' equity was valued at CHF 1.716 billion.
- There is significant potential for growth, because while at 31.12.2020 the market price was CHF 159.0, the intrinsic equity value per share is CHF 242.40.

### Share ownership and voting rights (%)



|  | 2020              | 2019 | 2018 | 2017 | 2016 |
|--|-------------------|------|------|------|------|
| <b>Data per share<sup>1</sup> (in CHF)</b> |                   |      |      |      |      |
| Shareholders' equity                       | 238               | 232  | 218  | 204  | 193  |
| Operating result                           | 16                | 23   | 22   | 18   | 15   |
| Net profit                                 | 15                | 13   | 13   | 11   | 11   |
| Dividend per CHF 50 share                  | 3.75 <sup>2</sup> | 3.75 | 3.4  | 2.9  | 2.8  |

### Stock market data (parent company)

High and low share prices (in CHF)<sup>1</sup>

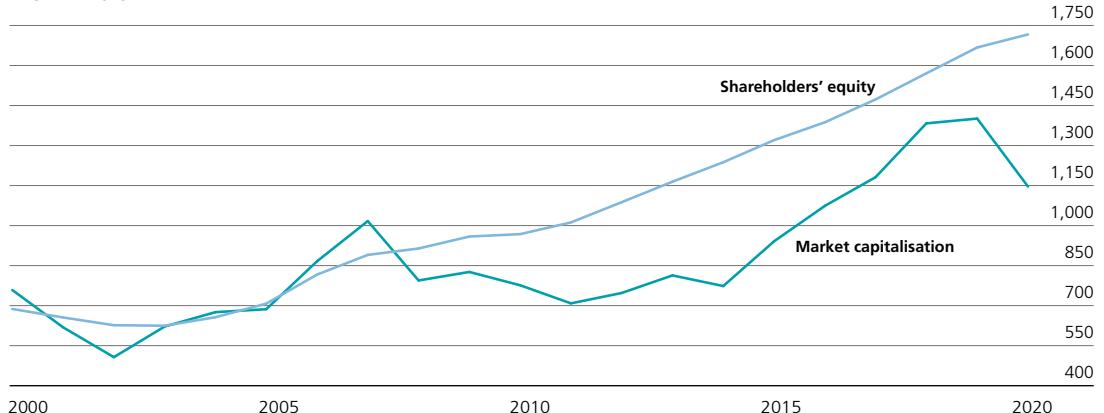
|   |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|
| • high  | 204   | 206   | 198   | 166   | 149   |
| • low   | 155   | 192   | 162   | 148   | 129   |
| • close   | 159   | 195   | 192   | 164   | 149   |
| Market capitalisation (in CHF million at 31 December) | 1,145 | 1,400 | 1,382 | 1,180 | 1,072 |
| Book equity / number of shares <sup>1</sup>           | 242   | 234   | 221   | 207   | 195   |

<sup>1</sup> Adjusted in line with the capital structure existing from 2 February 2017.

<sup>2</sup> Proposed to the AGM on 29 April 2021.

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

in CHF millions



### BCGE stock exchange reference (symbol)

|                              |                    |
|------------------------------|--------------------|
| Swiss stock exchange listing | SIX Swiss Exchange |
| Reuters                      | BCGE.S             |
| Bloomberg                    | BCGE SW            |
| Telekurs                     | BCGE               |
| Stock number                 | 35 049 471         |
| ISIN number                  | CH0350494719       |

### Structure of BCEG capital of CHF 360 million

|                  |
|------------------|
| Number of shares |
| 7,200,000        |

# Made-to-measure solutions

## A complete range of banking and financial services

20

### Retail banking

#### Day-to-day banking services



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

#### Online banking services



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

#### Savings



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

#### Pension planning



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

#### Investments



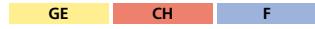
Securities custody  
Online stock trading  
Investment funds and structured funds  
Property funds  
Actively-managed tracker certificates  
Fund-based savings plans  
Precious metals

#### Private banking



Discretionary management mandates  
Mandate for investment advice  
Lombard loans  
Term and trustee deposit accounts  
Estate planning  
Private equity mandates

#### Housing financing



Main residences  
Secondary residences  
Construction or renovation loans

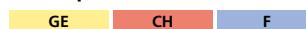
#### Consumer financing



Vehicle leasing  
Personal loans

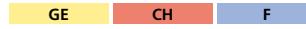
### Companies

#### Corporate finance, cash management and exports



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

#### Real estate and construction financing



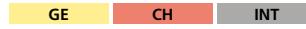
Real estate investors  
Real estate development  
Commercial real estate and real estate agents  
Construction companies

#### International commodity trade finance



Trade transaction financing  
Structured financing  
Forfaiting

#### Financial services and markets for banks and insurance companies

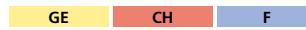


Currencies  
Online forex platform  
Online stock trading  
Securities, investment funds  
Metals  
Capital markets  
Cash  
Banknotes

#### Multinationals and international institutions



#### Corporate advice



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

#### Equity finance



Minority participation,  
Mezzanine finance, Management buyout  
(Capital Transmission)

### Institutions

#### Finance and cash management



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

#### Services to independent wealth managers



eGFI platform

#### Asset management



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

#### Investor advice



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

#### Financial services and markets



Stock markets  
Currencies  
Online forex platform  
Metals  
Issues  
Capital markets  
Cash



International markets – all the operations are agreed and registered in Switzerland. BCGE acts in Dubai and Hong Kong through its representation offices licensed by the respective authorities. These offices limit themselves to promoting the Bank's activities and do not carry out operations.

# Digital banking and innovation

## Targeted and secure digital interfaces

21

BCGE provides its clients with easy access to digital interfaces, while placing an emphasis on personalised advice. It develops targeted applications, ensuring data security.

### Becoming a client in just a few clicks



You can become a Bank client in a matter of a few clicks on the [avantageservice.ch](#) and [bcge.ch](#) websites, using the device of your choice. These sites provide greater convenience and independence with their extended hours of service; clients are identified remotely and do not need to visit a branch.

### Day-to-day online banking

### Netbanking

The Netbanking platform is available to over 96,000 users. Since 2020, it has been possible to order banknotes for home delivery in Switzerland and to reload prepaid SwissBankers cards online via Netbanking. The BCGE online call and advice centre, with its 25 staff, is now available seven days a week, having extended its hours to Sunday 9 a.m. – 1 p.m. in addition to Monday to Friday 7:30 a.m. – 7:30 p.m and Saturday 9 a.m. – 4 p.m., either by telephone (+41 58 211 21 00) or by online messaging.

### Mobile banking



The Mobile Netbanking smart phone app enables biometric face recognition for the latest generation telephones. The "scan" function on payment slips in mobile Netbanking has been improved and allows QR invoices to be processed. Netbanking clients on computers can use their smartphone as a scanner.

Every month, more than 30,000 users connect to the Mobile Netbanking app: the number of payments has increased by over 35%.

The BCGE Twint app, dedicated to immediate money transfers to other bank clients in Switzerland, can be used to make payments to businesses and internet shopping sites. The number of users has more than doubled in one year (17,000), while the number of transactions and their volume have almost trebled.

### Digital identity



SwissSign Group aims to create a unique, Switzerland-wide digital identity standard. BCGE owns 3% of the company. Since June 2020, the [avantageservice.ch](#) online mortgage solution has been using SwissID for loan underwriting and obtaining financing contracts.

### BCGE's electronic safe



e-safe, accessible from the client online solutions area, allows free storage all kinds of electronic documents (bank statements, bills, payment slips, ID documents etc.) in a secure area hosted in Switzerland, with no restriction on time or volume. Over 3,300 clients have activated a digital safe of this kind.

### Online trading platform



With its over 10,000 users, the 1816 online trading platform 1816 continued to grow in 2020, the number of transactions increasing threefold over that period. Integrated within Netbanking and Mobile Banking, it enables clients to buy and sell securities directly on the financial markets. The financial information portal [Yourmoney.ch](#) provides the investor with a complete financial dashboard.

### A financial data exchange solution



Business link optimises companies' payments and cash management by setting up a direct connection between their financial software and BCGE.

### Specialised online transaction platforms

### FOR X CHANGE

by BCGE

The ForXchange online currency exchange platform, which is mainly intended for SMEs and companies doing business abroad, facilitates spot or future currency transactions, with access to the market-makers.

### Digitalisation of loan applications for SMEs



Business clients can now apply for a loan for an investment or to finance their working capital directly on the BCGE website. This is another way the Bank shows its willingness to make entrepreneurs' lives easier.

### eGFI platform



Independent asset managers dealing with the Bank can use the secure eGFI platform to check their clients' positions and online operations.

# Wide-ranging and systematic monitoring

## Risk management is omnipresent at several levels

22

The front-office units take prime responsibility for any risks associated with the business they handle, assisted by the support units. They are also backed up by the specialised second-level control departments which monitor risks on an aggregate basis.

### Specifically, these second-level departments are the Compliance and Risk Control departments.

These units monitor and control risks, modelling them so that the Bank can maintain the right balance between risk and revenue. Their role is also to monitor and report at the highest level on information regarding compliance with the framework and limits established by the regulatory environment and by the relevant bodies within BCGE and the external authorities.

Through various operating committees, these departments communicate their analyses, their follow-up on implemented processes and the information required for managing every type of risk.

The coronavirus crisis, which in Switzerland started in the first quarter of 2020, has had a powerful impact on the entire world economy, on companies and on individuals. Its effect was felt in the Bank's activities at several levels: primarily in operations and logistics, in various financing arrangements put in place within our Bank (in particular for companies and the Covid-19 loans that BCGE granted), but also in the markets and ALM (asset and liability management). It was a real challenge, but a challenge that was met with vigour in a very short space of time and one that showed risk management to be effective in all areas.

# 16.15%

Group equity coverage  
at the end of December 2020

### The Asset and Liability Management committees

The Risk Committee (CRISK) analyses the risk situation every month and reviews information from the other committees. This inventory is compiled in the form of reports and examination of positions held.

- In the Banque Cantonale de Genève (France) subsidiary, a specific risks committee examines the situation monthly.
- Another committee does so for risks related to international trade finance.
- The asset and liability management committee (CALM), which monitors the balance sheet and interest rate risks, also meets each month. It studies exposure to interest rate risk, measuring income sensitivity and sensitivity of the net present value of shareholders' equity, analyses internal transfer rate margins and monitors the liquidity coverage ratios required by regulations.

In terms of the FINMA circular 2011/2, BCGE is classified in "category 3" and the minimum threshold of its equity coverage ratio is 12% (NB: the counter-cyclical buffer, which took the minimum threshold to 12.6%, was suspended due to the Covid-19 crisis). Business planning takes these requirements into consideration in growth forecasts, in order to guarantee this level of equity coverage. The minimum threshold is easily covered; the publication requirements relating to shareholders' equity are available on the Bank's website ([bcge.ch](http://bcge.ch) – About BCGE > Publications > Financial reports.)

Establishing rolling equity coverage planning for the next few years requires outstanding coordination between front office and risk control units. The Bank's decision to allocate equity limits by area of strategic business forms a solid basis on which to achieve objectives while complying with the level of coverage. Risk limits are established for all the business activities set out in the strategic and financial plans, in order to set the maximum acceptable exposure by type of operation. The yield from operations, in terms of income from interest and commissions, is weighed up against the costs of the transaction and against the risks incurred.

## The following types of risk are distinguished:

### Credit risk

(see also page 89)

The Bank made available Covid-19 loans totalling approximately CHF 200 million between March and August 2020, to meet the challenge of this unprecedented crisis. Analysts predicted a V-shaped scenario (i.e. a relatively rapid return to normal).

However, we are up against a crisis that is likely to persist. The impact that it may have on all the Bank's lending has been carefully monitored since it started. Credit risk, which was already predominant at BCGE, is even more preponderant in the current situation.

There is still speculation about the real estate market overheating and the regulator continues to express concern on this issue despite the crisis. The Bank is therefore maintaining its cautious lending policy.

The breakdown of lending by tranche is stable. As in previous years, for loans of less than CHF 1,000,000, there is a wide distribution, with a mode value (i.e. the most frequently occurring number) of approximately CHF 500,000. The distribution of loans of between CHF 1,000,000 and CHF 10,000,000 shows a steady decline, whereas the distribution of loans for amounts greater than CHF 10,000,000 increased by a few points.

### Country risk

Country risks are widely diversified. Leaving aside France, where the Bank does a significant amount of business through its French subsidiary Banque Cantonale de Genève (France) SA, country limits are applied to international trade and to client banks in particular.

### Market risk

(see also pages 90 and 102, point 5.21)

Market trading risks are limited, in view of the deliberate reduction in the Bank's proprietary trading. At the end of 2020, this portfolio mainly comprised BCGE shares, for which the Bank acts as the market-maker (supporting the share's liquidity). Checks on the progress of the share and the quantities held are made daily.

The Swiss franc represents the majority of the Bank's balance sheet, the remainder being in USD and EUR. The Bank has little exposure to foreign currency transaction risks. It follows and covers its currency positions and banknote stocks on a daily basis.

The long-term investment portfolio amounted to CHF 2.0 billion in December 2020. These investments protect against liquidity risks; their yield also contributes to results and they allow the Bank to diversify its commitments. 76% of the long-term investments are rated AAA, with other securities being in the AA+ to A- range.

BCGE's commitments in the Private Equity Nostro portfolio were CHF 166 million at the end of December 2020. Risks are limited and long-term yields ensured by means of rigorous fund selection methods, and by the diversified investment strategy in terms of geography, currency and business sector.

### Operational risk

(see also page 91)

Operational risks are actively monitored and additional measures are implemented to deal with new developments, thereby strengthening internal control systems. Risk mapping and related checks are put in place and regularly tracked, to provide an overall view of well-controlled operational risks.

# Values and expertise

## Exemplary commitment by the staff for continuity of service to clients

Throughout 2020, BCGE completely fulfilled its mission of supporting and boosting the regional economy by providing high-quality service, even at the height of the crisis linked to the COVID-19 pandemic.



Staff in our branch network successfully complied with health measures while remaining true to the principles of proximity and meeting clients' needs as fully as possible.

In a challenging context that demanded even more foresight and creativity than usual from every colleague, they were all agents of change; thereby confirming their exemplary commitment to society and the Bank's operational continuity.

### Remuneration models aligned with the interests of clients and the Bank

At the end of 2020, 873 staff worked for the BCGE Group, i.e. 820 full-time equivalents. These numbers were stable compared with 2019. Personal expenses were down 0.14% (CHF 147.762 million, compared with CHF 147.973 million in 2019).

Approximately 300 front-office staff benefit from a mainly quantitatively-based variable remuneration policy. Depending on the business line (private banking, global trade finance, branch network, institutional investors, lending etc.), specific models have been developed to meet BCGE's strategic objectives. They are aligned with the interests of clients and those of the Bank – in particular risk management – and set a high value on disciplined administrative management. They reduce the arbitrary element in salary decisions.

## 2,624 days

of training taken by staff in Switzerland, i.e. 3.5 days per parent company staff member

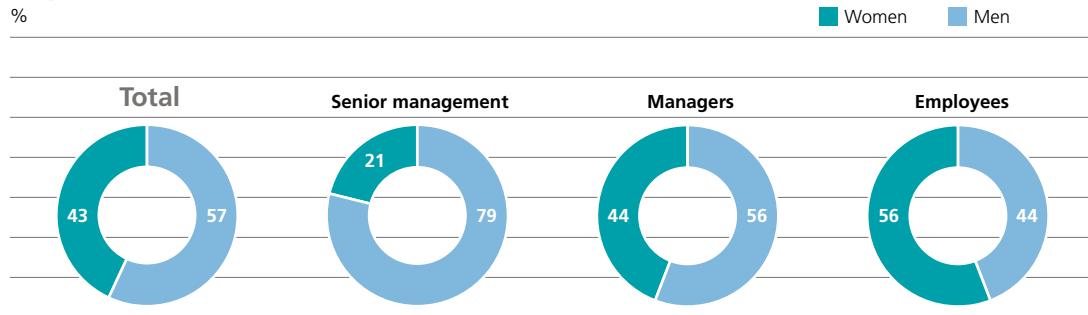
### A fair employer that recognises a historic commitment to equal pay

On the basis of data from 31.07.2020, the Bank commissioned consultants RH Comp-On to audit the relative pay levels of its male and female staff, in accordance with the SGS Fair-ON-Pay certification (837 staff were taken into account). According to a Logib analysis compliant with all federal guidelines, the gender pay gap in the company is within the 5% tolerance limit. On this basis, SGS issued its Fair-ON-Pay+ certificate, which qualifies the company as a fair employer and highlights its sustainable commitment to equal pay. As required by the Gender Equality Act (LEg), the equal pay analysis was subsequently checked by an independent auditor and formally acknowledged.

### A responsible employer

In 2020, BCGE again received the *1+ for all* "Responsible employer" Label, which is presented to companies offering permanent contracts to suitably qualified Geneva residents registered with the cantonal employment office. Awarded to the canton's businesses and public institutions for a period of two years by the Department of Security, Employment and Health (DSES), the *1+ for all* Label recognises local commitment to employment and social integration through work.

### Proportion of women and men at 31.12.2019



## A company that trains its people

BCGE permanently employs 31 people undergoing training, of whom 25 are taking external courses with a view to obtaining a CFC, a federal diploma or certificate, while they are working at the Bank. These apprentices, trainees, high school graduates or part-time students at HEG (Geneva School of Business Administration) or with AKAD Banking+Finance are coached in their profession by practical trainers, who prepare them for their future role as bank client advisers.

In 2020, a BCGE apprentice, studying for the HEG bachelor's degree in Business Economics, received one of the top three marks for his dissertation on a financial topic. He was awarded a distinction for his paper entitled, "Does a change in an ESG rating bring about a positive/negative change in the valuation of a listed company?"

Moreover, the Bank regularly recruits graduates (nine in 2020) in trainee manager positions or as interns in business areas such as finance, compliance, organisation or taxation.

## Fostering the spirit of innovation

The Bank offers its senior executives the opportunity to take part in an annual three-day seminar, the Management Championship, with the aim of fostering a spirit of initiative and innovation.

In 2020, this key event for BCGE management took place at the General Staff College in Kriens, Lucerne, to make effective use of the Swiss Army's facilities and training know-how. By means of a variety of practical scenarios, the teams were able to train themselves in crisis management and, in particular, take the BCGE's periodically-held continuity plan test. This preparation proved extremely useful in the operational management of the pandemic.

In addition, the health situation in 2020 meant that training sessions were switched to distance mode in record time, in order to continue to meet legal and regulatory requirements and to strengthen the general skills of the teams. This was done in direct collaboration with the staff of the Bank's various business lines, who were fully involved at each stage. This was a positive and enriching experience, which generated innovative ideas and perspectives for the future development of digitally-based training.

---

**"BCGE's proactive and focused strategic model implies the mobilisation of finely tuned expertise in highly diverse technical areas, the ability to negotiate in several languages and cultures, and a complete understanding of the regulations applicable in the countries concerned. Relying initially on internal staff promotion, the Bank invests, within the limits the time available to its employees, in training and career development involving sequential postings in several business areas and markets."**

Blaise Goetschin, CEO (Annual Report 2019)

# Shared convictions From preparation to performance

26

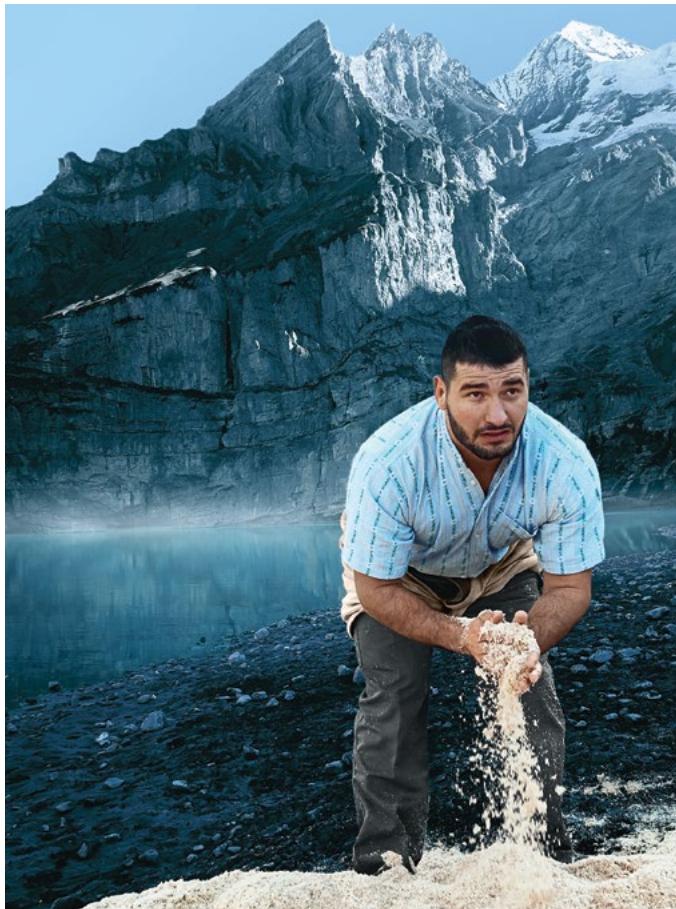
BCGE sponsors five top-level sports men and women as institutional ambassadors: the four athletes from French-speaking Switzerland pictured in action below and, since 1 January 2021, Sebastianna Scilipoti, Switzerland's 2020 Junior International Tennis Federation number one player (*pictured throughout this report*).



**Séverine Pont-Combe, ski-mountaineer**

BCGE ambassador since 2018  
Swiss and world champion

Internationally renowned (with an impressive track record in ski mountaineering and trail running), Séverine has excelled with 10 Swiss and 2 world championship titles. She is also a four-time winner of the legendary *Patrouille des glaciers* event while her team took second place on the podium at the race on 21 April 2018. At the beginning of the 2019 season, she was awarded the title of Swiss individual champion.



**Mickaël Mathey, wrestler**

BCGE ambassador since 2018  
38 Swiss titles

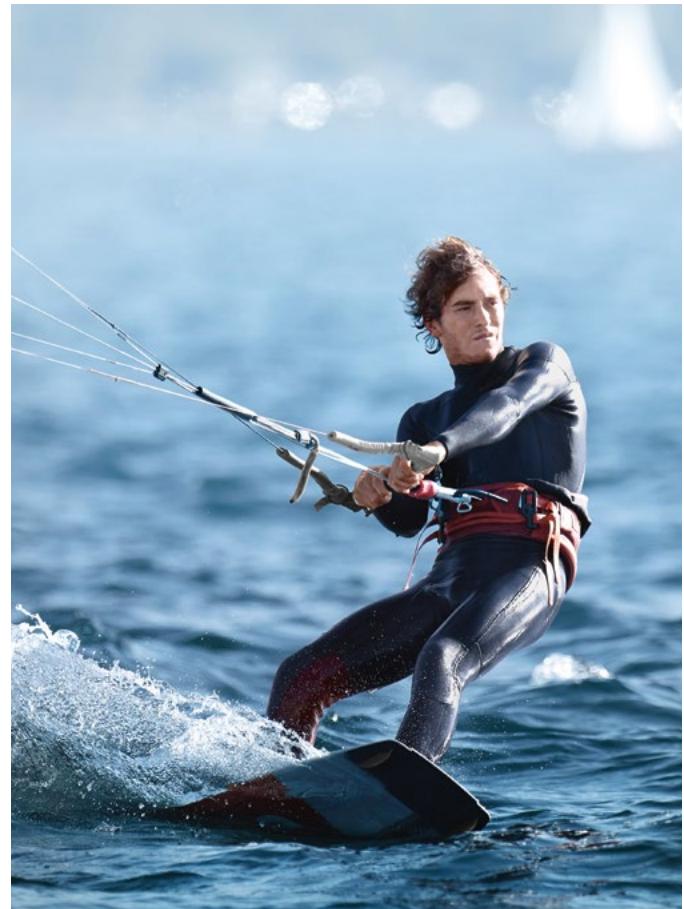
A major athlete from French-speaking Switzerland, Mickaël has won 40 titles in all competitions, including 2 titles in California. On 13 May 2018, he was co-winner of the Geneva title at the Geneva Cantonal Festival at Anières. In 2019 he won six titles in French-speaking Switzerland, thus becoming the region's vice-champion. Winner of the only competition in 2020 (due to Covid), in Lausanne.

These are long-term partnerships built on strong principles, common to sport and finance, based on respect for strict rules, shared convictions and application of distinctive methodical choices. BCGE is proud to be represented by elite Swiss athletes who embody the same values of commitment and performance as the Bank.



**Eline Rol, rower**  
BCGE ambassador since 2019  
World champion

A member of the Canton's Geneva Team athletes. In 2017, Eline finished third in quadruple sculls at the Junior World Championships. In 2018 she took the lightweight single sculls title in the European Under-23 Championships. In July 2019, she won the title of Under-23 World Champion with Sofia Meakin in the lightweight double sculls Olympic category, in Florida. She was the recipient of the "Best Female Hope 2019" award at the "Geneva Night of Sport".



**Maxime Chablot, kiteboarder**  
BCGE ambassador since 2019  
Junior world champion

After a remarkable start on skis, Maxime switched to kiteboarding. Third in the overall ranking at the GKA Air Games and in Turkey at the at the World Kiteboarding Championships Elite in 2018, he participated in the Youth Olympic Games in Buenos Aires. Maxime was voted "Junior Sailor of the Year 2017 & 2018" by Swiss Sailing. In 2020, he won the year's only freestyle kiteboard competition (due to Covid) in Brazil at the GKA Kite World Tour event.

# Ethical and environmental responsibility policy

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# Ethical and environmental responsibility policy

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

This service is precisely set out in law: it consists of contributing to the development of the economy of Geneva and its region. At the same time, BCGE is, by force of circumstance, an "ordinary" Swiss bank, subject to market laws and expected to be competitive and profitable.

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### 1. Introduction

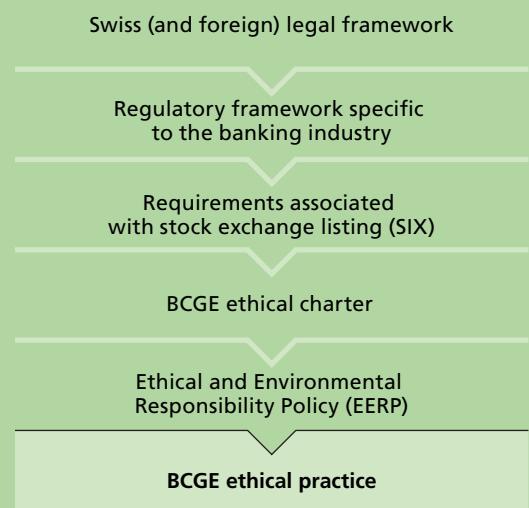
The Bank's stock-market listing testifies to the desire of its public-sector shareholder to see it fully subjected to the competitive environment without any special protection or favour. BCGE therefore has to reconcile these two aims with the existential necessity of adapting to the highly dynamic demand in the banking market, in the face of over a hundred competitors in the financial centre of Geneva.

Fully cognizant of this challenge, in 2003 the government (the State Council and the Grand Council by its vote) appended to the relevant act an ethical charter corresponding to the realities of the banking market and to the moral requirements created by the emergence of the concepts of "sustainable development" and "corporate social responsibility" (CSR).

For several years, BCGE has adopted conduct inspired by its charter of ethics and its responsibilities to society. It does so as much out of respect for its own values as out of strategic and commercial interest. Indeed, the very fact of being open to scrutiny by the regional economic community as a public-law banking institution, listed on the stock exchange and rated by a major rating agency, obliges it to behave irreproachably in terms of reputational risk.

There is another key parameter: Swiss banking's highly normative environment that sets numerous limits (which we will not repeat here, even though they are measures with CSR effects); to these may be added the very intense monitoring undertaken principally by FINMA<sup>1</sup>, but also by the SNB<sup>1</sup>, as well as in accordance with federal and cantonal requirements (MROS, MPC, SECO, COMCO<sup>1</sup>).

BCGE's Ethical and Environmental Responsibility Policy (EERP) supplements this normative environment by voluntarily including societal, environmental and ethical aspects. In this way, it specifies the framework within which BCGE aims to undertake its business and conduct its relationships with its stakeholders. It can be summarised graphically thus:



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

## 2. General background

Our operating landscape is evolving to take increasing account of sustainable development issues, such as human rights, the environment, the reporting of non-financial matters and responsible investment.

Following adoption of the Paris Agreement on climate change (2015) and national commitments to the 17 United Nations Sustainable Development Goals (SDGs) by 2030, the issue of global warming has also taken on considerable importance. The Swiss financial market supervisory authority (FINMA) is planning to reinforce transparency rules concerning the risks that climate change and the energy transition could present for financial institutions. In terms of content, the approach taken is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), most of which are internationally recognised.<sup>2</sup>

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

The Bank's ethical and environmental responsibility policy, which formalises its sustainable development process, details how its corporate social responsibility (CSR) is integrated within its activities. The policy stems partly from the Bank's founding documents:

- the Banque Cantonale de Genève Act (LBCGe),
- the Ethical Charter of the Banque Cantonale de Genève (adopted by the BCGE Annual General Meeting of Shareholders and by the Grand Council of Geneva in 2003), and on the documentation available at the Swiss level, including:
  - the Swiss Code of Good Practice for Corporate Governance (economiesuisse, 2002, updated in 2007, 2014 and 2016);
  - the Position Paper and Action Plan of the Federal Council on corporate social and environmental responsibility (Swiss Confederation, 2020);
  - the Guidelines for the integration of ESG considerations into the advisory process for private clients (Swiss Bankers Association, 2020).

## 3. Principles and stakeholders

### Corporate ethical and environmental responsibility

The corporate Ethical and Environmental Responsibility Policy (EERP) comprises a set of standards focusing on working conditions, human rights, the environment and preventing corruption. These standards aim "to optimise the utility of the company for its stakeholders and to avoid or mitigate the possible negative effects of their activities" (SECO). This concept therefore takes into account the impact that a company has on society (S) and the environment (E). To these elements can be added the concept of good corporate governance (G), considered "the key element of sound corporate social responsibility" (economiesuisse: Swiss Code of Good Practice for Corporate Governance).

The EERP is intended to go beyond the regulatory requirements embodied in the legislative texts, without, however, impeding the everyday running of the Bank: "The primary and most important function of a business with regard to society consists in its economic success, because it ensures that jobs are generated, taxes are paid and thus, at the same time, the foundation for prosperity and the national economies is laid" (economiesuisse). The EERP pursues objectives relating to the community in general, and especially to the company's stakeholders, i.e. those who participate in it and those who are influenced by its activity. Attaining these objectives contributes to the Bank's longevity.

### Stakeholders: the shareholders

The presence of a variety of shareholders among the stakeholders reminds the Bank that it is acting within a competitive system rather than protected by monopolistic practices, as is the case with major public utilities, for example. Its shareholders are vital to it, as they provide the equity base and risk capital needed for all banking activities. It is important to motivate them with a high level of earnings and a well-balanced dividend policy. As can be seen, BCGE's shareholder base is a particular one, as it is mixed (public and private), with an important

<sup>2</sup> The Task Force on *Climate-related Financial Disclosures* (TCFD) recommends that companies and the financial sector practise transparency and publish information on the risks and opportunities that climate change and the energy transition present for their organisation.

role played by the State of Geneva, the City of Geneva and the Geneva Municipalities in addition to a growing community of private shareholders, mainly comprising clients and employees. The listing of BCGE shares on the stock market constitutes a pledge of transparency and, in its own right, imposes a highly demanding code of conduct on the company.

#### **Stakeholders: clients**

Clients are decisive for a bank's success. BCGE aims to retain the loyalty of individual clients and their families as well as that of companies,

over several generations if possible. This long-term commitment demands a great respect for the client's interests and a very high level of quality advice (including the ethical practice aspect). The production processes of its banking services must offer the best quality and be formalised in order to provide consistency over time. The partnership with the client base aims to satisfy needs of a financial nature. Satisfaction surveys must regularly demonstrate a good fit between client needs and the services offered by the Bank. The Bank's marketing approach and business initiatives are designed to satisfy established needs, generate true utility and further clients' long-term interests. Comprehensive and varied documentation ensures the transparency of the Bank's offer of products and services. It provides its clients with a clear and regular account of its analysis of the economic situation.

#### **Stakeholders: staff**

In a services and advisory company, the quality, commitment and loyalty to the company of employees are preconditions for its survival and growth. A company mindful of its future development does its best to maintain the loyalty of the staff it recruits and to energise them. In addition to its obligation to reward individual performance and competence fairly, it should treat its staff with respect, in a non-discriminatory manner, and support their professional development. BCGE's human resources policy puts these principles into practice.

#### **Stakeholders: the community**

This general concept covers several areas, including the equitable distribution of services (non-discriminatory location, fair tariffs etc.); supporting socially responsible activities; creating value for public authorities (taxes, fees, donations, salaries paid etc.); and fulfilling its statutory mission of contributing to the development of the economy. In the field of corporate finance, specific rules of engagement must enable small businesses and tradespeople to be treated with fairness and respect. In the area of lending and investment, care must be taken that projects that are contrary to the Bank's principles of social responsibility are not supported. Moreover, clients must be offered investment vehicles that contribute to the development of a sustainable economy and which are both credible and high-yielding. Finally, at local level, the Bank regularly reports on its view of the Geneva economy and takes part in specialist regional research.

## **4. Objectives**

---

BCGE's principal objective is to ensure its economic success, in line with its mission of serving the community, as stipulated in article 2 of the Banque Cantonale Act of 24 June 1993. Economic success enables value to be created for public and private shareholders in the form of dividends, taxes and increased wealth.

The complementary objective of BCGE is to meet society's ethical and environmental expectations that go beyond purely statutory obligations based on the respect of legal requirements, agreements between social partners or other contracts.

Fulfilment of these expectations – as expressed through internationally recognised standards and guidelines – is a means by which BCGE can contribute to sustainable development.

## 5. Objectives by stakeholder and 2020 evaluations

### Shareholders

| Objectives  | Action   | Effectiveness measurement criteria  |
|---|--|---|
| To operate a form of corporate governance that complies with the stakeholders' highest expectations             | <p>Adhere strictly to legal and regulatory requirements</p> <p>Provide complete and transparent information for shareholders</p> <p>Adopt a transparent remuneration policy that rewards expertise and responsibilities and ensures the principle of independent salary decision-making processes</p> <p>Monitor the remuneration systems for the Board of Directors and the Executive Board so that they are in line with the wealth-creation interests of the shareholders</p> | <p>Annual General Meeting procedure and voting results</p> <p>Quality of the annual report</p> <p>★ ★ ★</p>                                   |
| To inspire loyalty in our community of public and private shareholders  | <p>Operate a strategic plan that ensures the long-term development and growth of the Bank</p> <p>Ensure open institutional communication and regular meetings with analysts</p> <p>Produce publications that are of use to economic decision-takers in Geneva and to the Bank's clients</p>  | <p>Return on equity (ROE)</p> <p>Investor communication</p> <p>Level of equity coverage</p> <p>Number of client shareholders</p> <p>★ ★ *</p> |
| To guarantee shareholders a return in line with the market and compatible with the Bank's long-term development | Ensure that there is a balanced and prudent distribution policy  | <p>Dividend</p> <p>Market capitalisation</p> <p>Return on the share</p> <p>★ ★ ★</p>  |

★ ★ ★ Objectives fully achieved.

★ ★ Some improvements and projects under way.

★ Priority area for improvement.

## Clients

| Objectives  | Action  | Effectiveness measurement criteria   |
|---|---|--|
| <b>To protect our clients' financial privacy</b>  | <p>Guarantee adherence to legal and ethical standards as regards client data protection</p> <p>Put in place all the security measures needed to protect clients' personal data</p> <p>Guarantee that all data processing is on an adequate legal basis</p> <p>Deploy all the efforts necessary to guarantee absolute IT security</p>  | <p>No occurrence of information leaks (complaints)</p> <p>★ ★ ★</p>  |
| <b>To offer competitive services that meet the needs of consumers and companies</b>   | <p>Inform clients of the advantages and risks associated with the Bank's products</p> <p>Ensure a moderate e-brokerage policy (no encouragement of speculation)</p> <p>Ensure a transparent retrocessions policy</p> <p>Operate a fair marketing policy</p>   | <p>No justified criticism in the specialised press</p> <p>★ ★ ★</p>  |
| <b>To select clients so as to avoid associating the Bank with practices worthy of criticism</b>                                 | <p>Avoid accusations of complicity in money-laundering</p> <p>Carefully select clients who use deposit and lending services, avoiding relationships which may be worthy of criticism</p> <p>Develop systematic checking processes for situations which may be pre-identified as involving reputational risk</p> <p>Ensure that the Bank adheres to normal ESG standards in international trade finance</p> <p>Prevent over-indebtedness in the private lending business</p> <p>Attribute country risk lines on the basis of in-depth analyses</p> | <p>Number of reputational incidents</p> <p>★ ★ ★</p>   |
| <b>To make available financial services for investment and pension planning that respect the long-term interests of clients</b> | <p>To seek the best investment solutions for clients</p> <p>Develop simple and clearly understandable products oriented towards the long-term and not short-term speculation</p> <p>Allow investors to check their mandates at regular intervals</p> <p>Apply strict financing standards in the lending business</p> <p>Advise our clients in matters of financial and wealth security (advice plan: "BCGE Bastion")</p>  | <p>Absence of justified complaints, legal cases or referrals to the ombudsman regarding the Bank's mandates, financial products, advice, or tariffs</p> <p>★ ★ ★</p> |

## Clients

| Objectives   | Action   | Effectiveness measurement criteria   |
|--|--|--|
| <b>To give all our clients access to plainly-worded quality information</b>                                    | <ul style="list-style-type: none"> <li>Publish explanatory documents about our services and key financial issues</li> <li>Organise themed lectures on specific topics for our clients every year</li> </ul>  | <p>Holding of planned events and presence rates</p> <p>★ ★ ★</p> <p><i>The number of events and contacts has been reduced due to the lockdown measures</i></p>                                     |
| <b>To effectively organise complaints procedures</b>   | <ul style="list-style-type: none"> <li>Have in place an administrative work order on processing complaints</li> <li>Ensure regular tracking of complaints through reporting at Executive Board level</li> <li>Keep an inventory of complaints against the Bank and regularly inform the Board of Directors about this</li> <li>Ensure regular monitoring of satisfaction rates in the reports</li> <li>Undertake mystery client enquiries on a regular basis</li> </ul>  | <p>Client satisfaction rate</p> <p>Number of cases referred to the ombudsman</p> <p>Number of complaints</p> <p>★ ★ ★</p>  |
| <b>To treat all clients equally, whatever the level of their assets</b>  | <ul style="list-style-type: none"> <li>Apply a uniform tariff for services, whatever the extent of the client's resources</li> <li>Refuse to segment clients in a manner that excludes or downgrades those with modest assets</li> <li>Develop loyalty programmes (Avantage service)</li> </ul>  | <p>Review by the Executive Board, check on tariffs by the Management Control department</p> <p>★ ★ ★</p>   |
| <b>To offer clients the chance to access environmentally aware and socially responsible financial products</b> | <ul style="list-style-type: none"> <li>Develop the "Responsible performance" programme (communication, expansion of the product range, etc.)</li> <li>Include a responsible investment (RI) product offering as part of the asset management business</li> <li>Implement the commitments undertaken under the auspices of the United Nations Principles for Responsible Investment (UNPRI)</li> <li>Train professionals (managers, analysts, advisers) in the importance of responsible investment (RI)</li> <li>Apply preferential rates in financing projects that are especially respectful of the environment (Minergie mortgage, Rénovation durable project loan, "green" leasing)</li> </ul> | <p>Provision of a complete range of products under the "Responsible performance" label</p> <p>Growth of ESG / IR assets</p> <p>Progressive introduction of independent ESG rating</p> <p>★ ★ ★</p> |

## Staff

| Objectives   | Action   | Effectiveness measurement criteria   |
|--|--|--|
| <b>To offer working conditions that stimulate creativity and a high level of productivity</b>      | <p>Provide the Human Resources department with resources and responsibility</p> <p>Maintain a regular dialogue with the Staff Committee and give it the means to accomplish its task</p> <p>Avoid job specifications that are too repetitive and foster internal development</p> <p>Cooperate with the mediator and the <i>Service Social Inter-entreprises</i></p> <p>Ensure high-quality internal communication</p> <p>Recognise entrepreneurial spirit, collaboration between group departments or entities and exceptional performance through the award of prizes</p> | <p>Audits by the cantonal inspection and workplace relations department (OCIRT)</p> <p>Number of Employment Tribunal cases and decisions</p> <p>★★★</p>  |
| <b>To ensure equality of opportunity without regard to origin, gender, nationality or religion</b> | <p>Value talent and personal commitment</p> <p>Support training, encourage career development</p> <p>Ensure the Bank's political and ideological neutrality</p> <p>Guarantee a selection system (in terms of recruitment and promotion) that is impartial and fair</p> <p>Ensure that equal pay requirements are being adhered to</p>  | <p>File on non-adherence to these principles (possible evidence)</p> <p>External certification attesting to equal pay practice</p> <p>Respect legal criteria as regards gender representation</p> <p>★★★</p> |
| <b>To provide opportunities for career development</b>   | <p>Draw up a systematic and demanding training policy</p> <p>Monitor talents and ensure adequate career progression</p> <p>Evaluate performance objectively and confidentially</p> <p>Encourage employees to maintain and develop their expertise</p>  | <p>Changes in the annual training budget</p> <p>Number of positions filled by internal promotion</p> <p>★★★</p>  |
| <b>To align remuneration purely in the interest of the company, clients and shareholders</b>       | <p>Put in place clear and precise internal rules</p> <p>Align remuneration policies with long-term strategies and the interest of the clients</p>  | <p>Staff turnover rate</p> <p>Loss of talent</p> <p>Proportion of equity owned by staff</p> <p>★★★</p>   |
| <b>To encourage environmentally-friendly transport</b>   | <p>Encourage use of public transport for business travel</p> <p>Financially support purchase of Geneva public transport (TPG) annual season tickets</p> <p>Encourage car sharing</p>   | <p>Monitoring of this programme</p> <p>★★★</p>   |

## Staff

| Objectives   | Action   | Effectiveness measurement criteria                    |
|--|--|---|
| <b>To promote integrity and the CSR approach in management</b> | <p>Train all senior managers in the values, strategies, methods and terminology used within the Bank while respecting the management styles specific to the various business lines</p> <p>Transmit the BCGE values: courage and independence of mind, integrity, commitment and hard work, attention to detail and ability to make the theoretical concrete</p> <p>Promote team building in the annual management championship</p> | <p>Holding of regular courses / events</p> <p>★★★</p> |

## The Community

| Objectives  | Action  | Effectiveness measurement criteria  |
|---|---|---|
| <b>To create value for the public authorities</b>                   | <p>Ensure the long-term development of the Bank</p> <p>Respond to all the needs of the public authorities in terms of financing, deposits and advice</p> <p>Remain the leading provider of social or cooperative housing finance in Geneva</p>  | <p>Taxes, duties, salaries, jobs, other contributions</p> <p>Volume of financing of social and cooperative housing</p> <p>★★★</p> |
| <b>To support investment in Geneva</b>                              | <p>Measure investments and major expenditure in the Geneva economy through use of the strategic indicators</p> <p>Favour local suppliers, if quality and price are equal</p>  | <p>Publication of investments in the Geneva community<br/>(see table on page 38 of this report)</p> <p>★★★</p>                    |
| <b>To promote respectful and efficient use of natural resources</b> | <p>Optimise use of natural resources in renovation work</p> <p>Promote recycling of waste</p> <p>Raise employee and partner awareness of the importance of environmental issues</p> <p>Select suppliers on the basis of their adherence to the labour and environmental standards in force</p> <p>Reduce the consumption of resources through an active outsourcing policy</p> <p>Produce bank services with partners that have ethically and environmentally respectful policies</p> | <p>Adherence to internal directives</p> <p>★★★</p>  |

## The Community

| Objectives  | Action   | Effectiveness measurement criteria  |
|---|--|---|
| <b>To be geographically accessible and available to all</b>   | <p>Maintain local services</p> <p>Operate opening times that suit clients</p> <p>Ensure assistance is provided to disabled people in the branches</p> <p>Support local social action by means of a dedicated budget</p> <p>Work closely with the <i>Fondation Patrimoine</i></p> <p>Participate actively in the FinanceMission project of the Union des Banques Cantonales Suisse (www.financemission.ch)</p>  | <p>Measures to benefit reduced-mobility clients</p> <p>Number of branches and automated banking facilities available to clients</p> <p>Ability to respond to clients seven days a week</p> <p>Number of associations supported in adherence to the established criteria</p> |
| <b>To protect the environment</b>   | <p>Set environmental impact reduction objectives in the strategic plan (in terms of heating, paper consumption, carbon footprint, etc.)</p> <p>Ensure ESG selectivity in terms of long-term investments, capital investment (private equity) and lending in general</p> <p>Adopt ambitious eco-efficiency measures that are proportionate to the Bank's size and which are inspired by the ISO 14001 environmental management standard</p>   | <p>Environmental balance sheet</p> <p>Minimum long-term exposure to environmentally-sensitive borrowers</p>   |
| <b>To operate an ethical and environmental responsibility policy (EERP) in line with external realities</b> | <p>Follow developments in public debate (e.g. publication in 2019 of a study on sustainable development in partnership with CCIG [Geneva Chamber of Commerce, Industry and Services] and OCSTAT [Cantonal Statistical Office])</p> <p>Support the EERP committee, which is responsible for examining the implementation of the ethical and environmental responsibility policy, and propose improvements</p> <p>Organise regular meetings of the EERP committee and prepare follow-up reports for the Executive Board</p> <p>Sustainable finance leader appointed (Mr Laurent Brossy, Institutional manager)</p> | <p>Dialogue with our clients and acknowledgement of the environmental dimension in our lending decisions</p> <p>Iterative adaptation of the EERP</p>  |

## 6. Mission, roles and responsibilities

### Successfully blending a public mission and the need for profitability

In accordance with article 2 of the Banque Cantonale de Genève Act of 24 June 1993, "the principal aim of the Bank is to contribute to the economic development of the canton and of the region [...] It shall be managed according to tried and tested ethical banking principles." BCGE harmoniously combines its public mission with the need to be a profitable commercial enterprise: it has no monopolistic advantage nor any cantonal guarantee.

BCGE's corporate ethical and environmental responsibility policy (EERP) constitutes an additional framework that goes further than the regulatory requirements of the law and the supervisory authorities (Swiss National Bank, FINMA etc.) and allows the Bank to undertake its activities in harmony with each of its stakeholders, without impeding the running of its business.

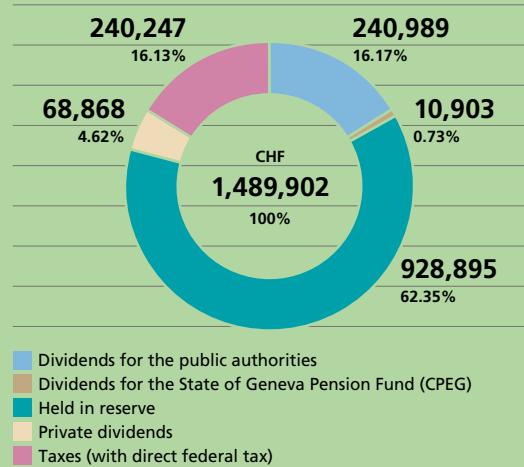
### Governance and organisation

In order to strengthen the governance and administration of the EERP, BCGE reorganised it, as of 2020:

- The Board of Directors adopts the Ethical and Environmental Responsibility Policy and informs shareholders of its application by means of the annual report.
- The Executive Board sets the operational objectives within this policy at Bank level, monitors the achievement of these and produces a succinct report for the Board of Directors.
- Created at the end of 2019, the EERP committee examines the implementation of the policy, formulates positions and proposes improvements to the Bank's various business lines. The committee, made up of representatives of the various divisions and key business lines, reports directly to the chief executive officer (CEO).

### Breakdown of cumulative results 2000-2020

Estimate, in CHF thousands



### Monetary economic impact on Geneva

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

|  | Taxes paid in 2020, including business and tourism taxes (in CHF 1,000) | Proportion of total taxes paid (%) | Rate of tax, excluding VAT (%) |
|--|---|------------------------------------|--------------------------------|
| Canton of Geneva and Geneva municipalities | 14,188  | 57.1                               | 11.0                           |
| Other Swiss cantons and municipalities     | 98  | 0.4                                | 0.1                            |
| Swiss Confederation                        | 6,420   | 25.8                               | 5.7                            |
| Foreign                                    | 4,156   | 16.7                               | 3.7                            |
| <b>Total</b>                               | <b>24,862</b>   | <b>100.0</b>                       | <b>21.0</b>                    |

See also point 5.39 on pages 110 and 137.

In 2020, the BCGE Group paid the equivalent of CHF 206 per household in dividends and taxes to the Canton of Geneva and the Geneva municipalities, i.e. over CHF 40.2 million. Since 2000, it has created value of CHF 1.5 billion, with 78% of this amount – CHF 1.16 billion – accruing to the public authorities.

The Group paid suppliers in Switzerland CHF 99.1 million for goods and services. A major proportion of this amount was paid to Geneva-based companies or to the Geneva entities of companies invoiced in other Swiss cantons, such as Swisscom.

#### Taxation paid

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

## 7. Values and convictions: partnerships and local support

BCGE provides targeted support for local initiatives and events linked to Canton of Geneva entities.

#### FinanceMission: a social undertaking by the cantonal banks

Jointly founded by the 24 cantonal banks and the teacher federations of German-speaking and French-speaking Switzerland, the aim of the FinanceMission Association is to promote financial competence in young people. BCGE supports this project, which plays an important role in combating indebtedness.

**FinanceMission**

[financemission.ch](http://financemission.ch)

#### Prix de l'artisanat

BCGE has sponsored the *Prix de l'Artisanat* [Skilled Trades Prize] since 1999. It was created in 1991 and aims annually to highlight the skills of a Geneva tradesperson, their commitment to training the next generation and the transmission of their knowledge. Presented under the aegis of the *Association des Communes Genevoises* (acg.ch), it is awarded by the State of Geneva to illustrate the richness and diversity of the canton's skilled trades. The *Prix de l'artisanat* 2020 was awarded to Pianos Service Pierre Fuhrer, a repairer, tuner and builder of pianos in Carouge.

#### Sponsorship of athletes from French-speaking Switzerland

As part of its *Image* campaign to showcase sporting disciplines, BCGE sponsors a number of athletes from French-speaking Switzerland: Séverine Pont-Combe (ski-mountaineer), Mickaël Matthey (wrestler), Maxime Chablot (kiteboarder), Eline Rol (rower) and, since 2021, Sebastianna Scilipoti, the no. 1 ITS Junior 2020 (International Tennis Federation) tennis player. These partnerships are based on traditional Swiss values. They are long-term relationships, which give BCGE the opportunity to illustrate the strong values that sports and finance have in common, manifesting respect for strict rules, the application of distinct, methodical choices, and shared principles.

#### Sponsorships

The Bank's sponsorships are an integral part of its overall marketing plan and focus on popular local events. BCGE's support is provided in exchange for services such as promoting certain of the Bank's products and services, and making its business lines and brand image better known.

## Donations

In general, applications for donations that the Bank receives are periodically examined together by a committee, with a view to supporting, each in turn, charitable, social or humanitarian associations in Geneva and the region. BCGE's financial support of this kind is primarily used to fund causes within the region, and to provide direct and immediate assistance to persons in precarious economic circumstances. In 2020, BCGE supported over 35 local charitable associations, especially those providing emergency aid to people in particularly precarious circumstances due to Covid-19.

In parallel to this, the *Fondation Immobilière Patrimoine* (FIP) [Heritage Property Foundation] was founded by BCGE in 1996, with the aim of supporting cultural, social and sporting activities of general interest in the Canton of Geneva and the region. After receiving its initial funding from BCGE, the FIP is now an independent foundation. Its budget is devoted in equal proportions to the three aspects of its mission (cultural, social and sporting), while it focuses on associations and projects in Geneva.

## 8. Environmental impact management

### A daily task

Every day, BCGE is reducing its environmental footprint by improving the management and energy efficiency of its buildings. It does this by using recycled paper (or paper from sustainably managed forests), by reducing its overall consumption and by practising responsible waste management.

### Building rehabilitation

BCGE is continuing to remodel and renovate its premises in an economical and environmentally-friendly way, collaborating with the cantonal authorities, architects and engineering offices; prime examples of this are the fitting out of the new Grand-Saconnex branch and the window seal replacement programme at the Quai de l'Île building. Whenever building work is undertaken, BCGE pays particular attention to the materials used (whether it purchases them itself or they are provided by sub-contractors), and to its suppliers, making sure that they fulfil their obligation to sort their waste.

### Concentrating the Bank's core activities on two operational sites

The environmental benefits are shown by the improvements in environmental costs/needs ratios for this area of infrastructure. BCGE is optimising its workspace ratio by concentrating its non-branch activities on two sites. The Bank has two main sites: one essentially sales-orientated (Quai de l'Île) and the other for operations, administration and training (in Lancy).

### Green IT and energy performance

BCGE, which adheres to the principle of 'green IT', is improving the energy performance of its computer equipment. When acquiring new equipment, BCGE takes decisions based on

| Consumables                                  | 2020      | 2019      | 2018      | 2017      | 2016      |
|--|-----------|-----------|-----------|-----------|-----------|
| Paper purchases (number of sheets) of which: | 3,503,000 | 4,082,100 | 6,105,000 | 6,011,000 | 6,393,000 |
| FSC wood fibres                              | 21,000    | 104,100   | 60,000    | 61,000    | 67,000    |
| FSC eucalyptus fibres                        | 2,762,000 | 3,113,000 | 4,220,000 | 4,175,000 | 4,251,000 |
| 100% recycled                                | 720,000   | 865,000   | 1,825,000 | 1,775,000 | 2,075,000 |
| Paper destroyed (in tons)                    | 54        | 49        | 75        | 61        | 54        |
| PET recovered (kg)                           | 1,316     | 1,201     | 1,546     | 1,336     | 1,198     |
| IT components recovered (kg) <sup>1</sup>    | 580       | 194       | 125       | 292       | 781       |

<sup>1</sup> IT components are only weighed when delivered to the recycling plant, prior to which they are stored in a warehouse.

economic and ecological criteria. Continuous renewal of all IT infrastructure thus enables access to the latest technology (virtualisation, centralised storage, sharing computer capacity), while ensuring compliance with future environmental data centre standards. Mindful of the need for simplification and optimisation, BCGE has chosen to host the majority of its IT infrastructure in an external data centre, thus enabling reduced electricity consumption and heat generation.

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

#### **Responsible purchasing policy**

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

#### **Waste management**

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

#### **Transport and green mobility**

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

BCGE encourages the use of public transport by giving its employees a free TPG (Geneva public transport) season ticket together with an incentive allowance. 29% of employees working in Geneva benefit from these, at a total cost of CHF 180,320, which is entirely paid for by BCGE. Special conditions are offered to staff at sites outside Geneva. The Bank also recommends that its staff use land-based public transport as much as possible for business travel.

Besides this, having the highest-density of branches in the canton of Geneva (21 branches) fosters proximity, so that travel by clients can be kept to a minimum.

## Reduction of energy consumption and cost optimisation

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

With this in view, it took part in the Energy Department's (OCEN) cantonal electricity supply project (NOE), and today is participating in the 'Ambition Négawatt Vision' programme of its energy supplier, SIG. As in previous years, BCGE was awarded the SIG-éco21 certificate for its commitment.

Wishing to make a meaningful contribution to reducing greenhouse gas emissions, the Bank will invest over CHF 20 million to connect its Ile headquarters to the GeniLac thermal network. This is a major sustainable energy innovation for the city, using the water of Lake Geneva to cool and heat buildings. An innovative project on a canton-wide scale. The system, using only 100% renewable energy, will in time enable the building to be heated and cooled with no CO<sub>2</sub> emissions.

The work to link up with the GeniLac thermal network started in 2020. This operation, along with the work required to update production (undertaken in partnership with SIG), will be completed in 2021. Work to refurbish the building will be carried out over the next few years, to make it compatible with the new heating and cooling system.

## Raising staff awareness of biodiversity

Since 2016, the Bank has been managing three beehives installed on the roof of one of its buildings. The Beekeeping department was created on the initiative of some motivated staff members. Aim: to raise the awareness of Bank staff to the problem of bee population decline, which is linked to biodiversity loss, use of neonicotinoids<sup>3</sup>, the Asian giant hornet and global warming. From the start, it was decided to manage the beehives 'in-house', and the Beekeeping department was set up. This now has 23 members, who look after the hives and monitor the bee colonies<sup>4</sup>. As most of the members of the department were beginners in the field, an internal training course was organised and a mentoring system was put in place.

The Beekeeping department is proud of how this initiative has 'taken off'. Since 2019, two members of the department have benefited from swarms from the Bank's hives, having decided to go in for beekeeping in their own spare time. Other members are also thinking of acquiring hives.

The creation of this department stems from a broader way of thinking about ethical and environmental responsibility within the Bank and its management.

### ENTREPRISE ENGAGÉE 2020



|                         | 2020      | 2019      | 2018      | Change 2020–2019 |
|-------------------------|-----------|-----------|-----------|------------------|
| Electricity (kWh)       | 3,642,816 | 3,730,053 | 3,798,889 | -87,237          |
| Gas (kWh)               | 970,504   | 890,754   | 909,693   | 79,750           |
| Water (m <sup>3</sup> ) | 11,728    | 9,515     | 10,747    | 2,213            |

Source: SIG

<sup>3</sup> Class of insecticides acting on the central nervous system of insects and used in agriculture to protect plants. Due to their effect, they are contributing to the disappearance of pollinating insects, particularly bees.

<sup>4</sup> Colony of bees that separate from the mother hive in order to establish themselves in a new location and found a new colony.

## 9. Responsible finance and investment

### "Responsible performance" product offer

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

### Over 20 years of commitment and innovation

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

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

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

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

*Signatory of:*



### Responsible financing

In the face of developments in society, and concerned to meet the needs of its clients, BCGE has developed a range of financing services inspired by the principles of 'sustainable development'. Respectful of ethical and environmental requirements, these services are also useful, competitive and efficient.

In order to guide its clients through the renovation or purchase of a property that meets the highest standards, BCGE offers advantageous financing conditions. BCGE mortgage loans for individual clients are the ideal solution for financing a property that complies with the *Minergie* energy-saving standard. This is a 'green' option which enables clients to optimise their comfort while respecting the environment and obtaining attractive financing conditions. The *Rénovation durable* project loan gives home-owners the opportunity to finance sustainable renovation work at a preferential rate.

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

### Global commodity finance

Switzerland is one of the world's biggest platforms for trading energy, metals, minerals and agricultural products. It is the world leader in the trading of sugar, cotton, vegetable oils and cereals. The Swiss commodity trading industry employs approximately 35,000 people and generates 4.8% of the country's GDP. There are about 550 commodity trading companies in Switzerland, most of which are based in the Lake Geneva region, and mainly in Geneva itself (source: SECO and STSA).

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

Decisions to grant credit include environmental, social and governance (ESG) criteria in the client risk analysis. This approach has been honed and refined since it was introduced in 2013. The analysis is undertaken from three angles: the history of the company concerned, the action taken by the company, and its level of exposure in its market. The conclusions of this analysis lead to the granting – or not – of credit facilities but have no bearing on the charges applied. This underscores the fact that the lending criteria are absolute and non-negotiable.

#### **Responsible investments and asset management**

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

BCGE Asset Management administers several funds and mandates that are dedicated to responsible investment. For example, exposure to the Swiss equity market can be gained through strategies that select investments on the basis of traditional financial and non-financial criteria. Specifically, what distinguishes the approach adopted from competing products is that it systematically includes ESG criteria in its fundamental and company valuation analysis. BCGE Asset Management also offers a multi-management SRI (socially responsible investment) fund which fulfils the requirements of Swiss occupational pensions and invests solely in assets generally recognised as responsible or sustainable.

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

To make the ESG profile of the financial products on offer more transparent, BCGE prepares reports based on information supplied by the external rating agency MSCI ESG Research.

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

The assets of the BCGE Group that are managed according to responsible investment strategies total over CHF 1.3 billion, i.e. approximately 17% of all assets.

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BCGE has  
a *Responsible*  
performance  
investment policy,  
which can be  
viewed at [bcge.ch](http://bcge.ch)





## GOING ALL OUT TO WIN

BCGE, principal partner  
for the regional economy  
and for SMEs.



# Shareholder information and corporate governance

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# Shareholder information and corporate governance

## 1. Group structure and shareholding

### 1.1 Group structure

#### 1.1.1 Presentation of the Group operating structure

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

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

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

BCGE operates subsidiaries and branches. The portrait of the Group and its subsidiaries can be found on pages 8 and 9 of this report, and the geographical organisation on pages 16 and 17.

The scope of consolidation is presented at point 1.1.3 on page 50 and at point 2 on page 86 of this report.

Banque Cantonale de Genève is thus organised, as of 01.01.2021, in six divisions managed by the members of the Executive Board.

The organisation chart of BCGE as at 01.03.2021, taking account of the organisational changes announced throughout 2020, appears on pages 12 and 13 of this report.

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

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

The missions of the divisions can be found on pages 14 and 15 of this report.

#### 1.1.2 Listed companies

The Bank is listed on the SIX Swiss Exchange. As the 7,200,000 registered shares are listed, the market capitalisation is calculated on the basis of a price of CHF 159 as of 31.12.2020.

|                       |                   |
|-----------------------|-------------------|
| Market capitalisation | CHF 1,145 million |
| Stock number          | 35,049,471        |
| ISIN number           | CH0350494719      |

### 1.1.3 Scope of consolidation<sup>1</sup>

In particular, the complete scope of consolidation includes, at 31.12.2020, these subsidiary companies which are at least 50% owned:

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

## 1.2 Major shareholders

Information on the major shareholders known to BCGE:

### Major shareholders' equity interests

As of 31.12.2020

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

The publication of acquisitions of equity stakes during the 2020 financial year can be consulted using the following link:

<https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>

## 1.3 Cross holdings

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

<sup>1</sup> The complete scope of consolidation is shown on page 86.

## 2. Capital structure

---

### 2.1 Capital

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

### 2.2 Authorised or conditional capital

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

### 2.3 Changes in the share capital

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

### 2.4 Shares and participation certificates

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

All the shares have the same financial and ownership rights.

There are no participation certificates.

### 2.5 Profit-sharing certificates

There are no profit-sharing certificates.

### 2.6 Transfer restrictions and registration of nominees

#### 2.6.1 Transfer restrictions

The Constitution of the Canton of Geneva, article 189, para. 2, states that the Canton and the Municipalities must hold the majority of the votes attaching to the Bank's share capital. Article 7, para. 3 of the Banque Cantonale de Genève Act (LBCGe; entered into force 28 January 2017) specifies that the Canton, the City of Geneva and the other municipalities represented by the Association of Geneva Municipalities must enter into a shareholders' agreement governing the minimum number of shares that each public authority is required to hold. On 30.04.2018, the Cantonal Department of Finance published a press release reporting that a shareholders' agreement of this type had been concluded.

#### 2.6.2 Reasons for granting exceptions

No exemptions are granted.

#### 2.6.3 Registration of nominees

At 31.12.2020, the Bank's articles did not include any provision allowing inclusion of nominees in the register of shareholders.

#### 2.6.4 Procedure

Restrictions on transfer can only be lifted by a change in the Banque Cantonale de Genève Act (LBCGe, ge.ch –Geneva legislation section), subject to a referendum.

### 2.7 Convertible bonds and options

BCGE has not issued any convertible bonds or options.

### 3. Board of Directors

#### 3.1 Members

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

No Director:

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



**Gilbert Probst**

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

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



**Jean Olivier Kerr**

born 19 June 1956, Swiss.  
Vice-chairman, elected in 2017 by the shareholders.  
Member of the Appointments and Remuneration Committee.

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



**Michel Pasteur**

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

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



**Michèle Costafrolaz**

born 2 August 1954, French. Elected in 2017  
by the shareholders other than the public  
authorities. Chairman of the Control Committee  
since 16 May 2018.

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



**Gina Empson**

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

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


**Serge Fasel**

born 28 January 1957, Swiss.  
Member, appointed in 2018 by the Municipal Council of Geneva.  
Member of the Risk and Strategy Committee.

Holds a law degree from the University of Geneva and passed the Geneva bar exam in 1991. He has been a member of the FBT Avocats legal practice in Geneva since 1993 and manages its judicial group. He has long experience both in cases held in ordinary courts and in national and international arbitration. His areas of activity include all forms of commercial litigation, in particular in banking and finance. He is also active in the areas of bankruptcy law, labour law and economic crime. He is also a deputy judge at the Court of Justice and has completed a course in military law. FBT has undertaken litigation work for the Bank for many years.


**Bernard Girod**

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

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


**Jean-Marc Mermoud**

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

A graduate civil engineer, he joined F. Simond, the construction and contracting company, of which he became chairman and managing director in 1994. Deputy Chairman of the Board of Directors of CGN Belle Epoque SA, Lausanne. Member of the Board of Directors of CGN SA Group. Partner in SNC Mistral et Cie, chairman of COOPLOG Société Coopérative pour la Création de Coopératives de Logement and of Société Coopérative COOPLOG "Troènes". Director of COOPLOG Société pour la Création de Coopératives d'Habitation SA, Carouge, and of Sociétés Coopérative COOPLOG "Pont-Rouge", in Geneva, "Clos Pestalozzi", Geneva, and "Clos de la Forêt", Geneva.


**John Tracey**

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

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


**Angela de Wolff**

born 10 June 1968, Swiss and Italian.  
Member, appointed by the State Council in 2010.  
Chairman of the Risk and Strategy Committee.

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

**Member of the Board of Directors until 05.05.2020  
(resigned at the Annual General Meeting)**

**Grégoire Carasso**

born 12 September 1980, Swiss.  
Member, appointed in 2014 by the Municipal Council of Geneva.  
Member of the Risk and Strategy Committee.

A graduate in international history and politics (IHEID) and the holder of an MBA from the University of Geneva. After working in several of Geneva's SMEs, he joined the University of Geneva in 2007 as Vice-Chancellor for Academic Affairs, as a director of the Global Studies Institute from 2013, and since 2016 as a doctoral candidate.

**New member of the Board of Directors from 05.05.2020  
(Annual General Meeting)**

**Sophie Dubuis**

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

Sophie Dubuis holds a diploma in tourism management from HES-SO Valais-Wallis and in team management from CRPM Lausanne, together with an Executive MBA in project management from the University of Geneva, as well as being a qualified coach. She is a partner at RHconseil SA, chairman of the Fondation Genève Tourisme & Congrès and the Geneva Trade Federation, and a member of the Swiss Employers' Union. In addition, she has held a range of management positions: at Bucherer SA, the International Conference Centre Geneva (CICG), Palexpo and Forum Fribourg.

### 3.2 Other activities and vested interests

**Gilbert Probst**

Member of the *Stiftung zur Förderung der systemorientierten Managementlehre* foundation, St. Gallen.

**Jean Olivier Kerr**

Member of the Boards of Directors of Oceana Shipping AG, Renens and Navemar SA, Fribourg.

**Michel Pasteur**

Member of the Board of Directors of The Forum Finance Group SA, Geneva.

**Michèle Costafrolaz**

Chairman of the Board of Directors of ID Logistics SA, Geneva. Member of the boards of directors of Coninco Explorers in Finance SA, Vevey and Helvetia Conseils & Révisions SA, Geneva. Manager of Mesoblast International Sàrl.

**Gina Empson**

Member of the Board of Directors of Fondation Genesia (pension fund) and the Genèveroule association, Geneva. Managing director of Gracia101 Talent Solutions Sàrl.

**Serge Fasel**

N/A.

**Bernard Girod**

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

**Jean-Marc Mermoud**

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

**John Tracey**

Member of the Board of Directors of Swiss Land Estates SA, Geneva. Senior executive coach at I. J. Martin & Co Ltd., Zurich. Councillor with the Lancy Economic Council. Member of the Board of the H. Dudley Wright Foundation, Geneva.

**Angela de Wolff**

Chairman of Conser Invest S.A., Geneva. Member of the executive committee of the Sustainable Finance Geneva association (until 30.06.2020); member of the Board of Directors of Swiss Sustainable Finance, Zurich (until 30.06.2020). Member of the boards of directors of the Swiss Investment Fund for Emerging Markets SA (SIFEM AG), Berne, and of the Fondation Audemars-Watkins, Geneva.

**Grégoire Carasso**

(member until 05.05.2020 – resigned at AGM)

Member of the Grand Council (PS) in Geneva. Member of the Board of Directors of Transvoirie SA, Satigny.

**Sophie Dubuis**

(new member since 05.05.2020 – AGM)

Member of the Board of Directors of Migros Geneva/France, member of the management committee of FER (*Fédération des Entreprises Romandes*), Chairman of Thyon Région Tourisme SA and of the *Les Genevoises PLR* association (until September 2020).

### 3.3 Ordinance against excessive pay awards

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

### 3.4 Election and duration of appointments

The eleven directors are elected or appointed as follows:

- five members appointed by the State Council;
- two members appointed by the City of Geneva;
- one member appointed by the other Geneva municipalities;
- three members individually elected by the shareholders other than the public authorities, at the General Meeting;
- The State Council nominates the chairman from among the directors.

The duration of a director's appointment is four years, renewable twice. If the appointment is made during a term, the duration of the appointment is limited to the duration of the term. The appointment ends on the day of the General Meeting following the date on which a director has reached his/her seventieth birthday at the latest. The procedures for appointing and proposing candidates are governed by article 11 of the Bank's Articles of Association<sup>1</sup> and article 12 of the LBCGe<sup>2</sup>.

<sup>1</sup> bcge.ch – About BCGE

> Organisation > Regulatory framework.

<sup>2</sup> www.ge.ch – Geneva legislation section.

| Director            | Year first appointed | Current term ends | Number of times reappointed | Eligible for reappointment |
|---------------------|----------------------|-------------------|-----------------------------|----------------------------|
| Gilbert Probst      | 2017                 | 2021              | 1                           | no                         |
| Jean Olivier Kerr   | 2017                 | 2022              | 1                           | yes                        |
| Michel Pasteur      | 2018                 | 2022              | 0                           | yes                        |
| Michèle Costafrolaz | 2017                 | 2022              | 1                           | yes                        |
| Gina Empson         | 2014                 | 2022              | 1                           | yes                        |
| Serge Fasel         | 2018                 | 2022              | 0                           | yes                        |
| Bernard Girod       | 2018                 | 2022              | 0                           | yes                        |
| Jean-Marc Mermoud   | 2010                 | 2022              | 2                           | no                         |
| John Tracey         | 2010                 | 2021              | 2                           | no                         |
| Angela de Wolff     | 2010                 | 2022              | 2                           | no                         |
| Grégoire Carasso    | 2014                 | 2020 <sup>1</sup> | 1                           | yes                        |
| Sophie Dubuis       | 2020 <sup>2</sup>    | 2022              | 0                           | yes                        |

### 3.5 Internal organisation

#### 3.5.1 Allocation of tasks within the Board of Directors

Chairman of the Board: Gilbert Probst.

Deputy chairman of the Board: Jean Olivier Kerr.

Secretary to the Board: Michel Pasteur

#### 3.5.2 Committees of the Board of Directors

##### Appointments and Remuneration Committee

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

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

It is composed of four members of the Board of Directors: John Tracey, Chairman, Jean Olivier Kerr, Gina Empson and Bernard Girod, members. It meets when an appointment requires it to do so but at least once a year. In 2020, it met six times.

##### Risk and Strategy Committee

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

It is composed of four members of the Board of Directors: Angela de Wolff, Chairman, Jean-Marc Mermoud, Grégoire Carasso (*until AGM of 2020, resigned*), Serge Fasel and Sophie Dubuis (*appointed at AGM of 05.05.2020*). In 2020, it met six times.

##### Control Committee

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

Its members are Michèle Costafrolaz, Chairman, and Michel Pasteur, both directors, and Alain Heck, appointed by the State Council. In principle, the Control Committee meets at least once a fortnight. In 2020, the Control Committee held 26 ordinary meetings (26 in 2019).

<sup>1</sup> Resigned at 2020 General Meeting.

<sup>2</sup> Appointed at 2020 General Meeting.

### **3.5.3 Working methods**

The Board of Directors meets at least 15 times a year (Art. 17, para. 1 of the Bank's Articles of Association). In 2020, it met 15 times, with meetings lasting an average of four hours. The level of participation in these meetings was 100%. It is chaired by the Chairman of the Board of Directors or, in his/her absence, by the Deputy Chairman or Secretary. It may hold extraordinary meetings if business so requires or at the request of four of its members or of the auditors.

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

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

The Chief Executive Officer or his/her replacement participates with a consultative vote in the meetings of the Board of Directors but does not take part in the votes or the elections. He/she may require the presence of other members of the Executive Board or third parties if he/she deems it necessary. In 2020, this was the case at each meeting of the Board of Directors.

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

The Board of Directors can set up standing or ad hoc committees to study particular subjects. These committees have no decision-making authority and are responsible for reporting to the Board of Directors. The Chairman of the Board of Directors may attend committee meetings. In 2020, the Board had two standing committees, in addition to the Control Committee: an Appointments and Remuneration Committee and a Risk and Strategy Committee.

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

### **3.6 Powers of the Board of Directors and the Executive Board<sup>1</sup>**

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

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

<sup>1</sup> According to the regulation that was in force in 2017. Its amendment was approved by FINMA on 20.02.2018.

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

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

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

Management and organisational regulations provide for powers to decide on:

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

### **3.7 Information and control mechanisms**

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

- The Chairman of the Board of Directors is provided with weekly reports of the Executive Board's meetings;
- Report by the Chairman of the Executive Board at each meeting of the Board of Directors on the progress of business;
- Quarterly risk reports by the Chief Risk Officer;
- Quarterly report of results by the Chief Financial Officer;
- Reports on control tasks carried out within the Group by the internal audit manager and half-yearly follow-up of the internal and independent audits;
- Verbal report on the activity of the control committee at each meeting, by its Chairman;
- Half-yearly presentation of balanced scorecards for the divisions by their managers (Executive Board members);
- Half-yearly reports by the independent auditors.

### **Internal Audit**

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

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

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

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

Consisting of 9 auditors as of 31.12.2020, the Internal Audit is headed by Monique Seiss Baudry, who holds a master's degree in economics from the University of Geneva, a certificate of advanced studies (CAS) in compliance management, a Certified Internal Auditor (CIA) diploma, Certification in Risk Management Assurance (CRMA) from the Institute of Internal Auditors (IIA) and the Asset-Liability Management (ALM) certificate awarded by the *Groupe des Ecoles Nationales d'Economie et de Statistique* (GENES) of Paris.

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

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

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



**Monique Seiss Baudry**

Internal Audit  
(reports to the Board of Directors)

## 4. Executive Board<sup>1</sup>

### 4.1 Members

At 31.12.2020<sup>1</sup>, the Executive Board comprises seven members, chaired by Mr Blaise Goetschin. It is appointed for an indeterminate period; its members are retired on reaching the legal age of retirement, in the absence of any previous agreement between the Board of Directors and the Executive Board member concerned.

No member of the Executive Board:

- has permanent management or consultancy functions for groups with major Swiss or foreign interests,
- holds an official position or a political mandate.



**Blaise Goetschin**

born 1 September 1957, Swiss.  
CEO.

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



**Pierrette Jaton Klopfenstein**

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

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



**Virginie Fauveau**

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

Holder of a master's degree in financial engineering from ESLSCA, Paris, Virginie Fauveau started her career at Banque Vernes, a Paris merchant bank. Benefiting from nearly 25 years of professional experience, gained mainly in family firms and in several financial institutions in France and Switzerland, in particular with Lombard Odier et Cie in Geneva, she developed consultancy expertise in corporate governance, transfer and finance. She joined BCGE's Corporate Finance department in 2008, becoming its head in 2010 and subsequently director of Capital Transmission, the Bank's private equity subsidiary (until 31.12.2019). In January 2020 she was appointed to the Executive Board, with responsibility for the Corporate division.



**Yves Spörri**

born 17 September 1968, Swiss.  
Head of the International Division.

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

<sup>1</sup> See organisation chart as of 1 March 2021 on pages 12 and 13, and business model on pages 14 and 15.



### **Constantino Cancela**

born 11 May 1956, Swiss and Spanish.  
Head of the Asset Management Division.

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



### **Jean-Marc Joris**

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

Holder of a degree in business and finance from ICHEC, Brussels. In 1993, worked in the Capital Markets department of Dexia Luxembourg. From September 1993 to June 1997, project manager in the Information Risk Management department of KPMG. From June 1997 to March 2002, deputy manager and head of business development at ING Baring Private Bank in Geneva. April 2002, member of the management of Banque Cantonale de Genève in charge of the Organisation department and interim manager of the IT department. He has been a member of the Executive Board since 1 July 2003 and currently heads the Operations division.

## **New member of the Executive Board as of 01. 01.2021<sup>1</sup>**



### **Frédéric Vernet**

born 25 June 1974, French.  
Head of the Finance Division (CFO).  
Deputy to the Chief Executive Officer.  
Chief Risk Officer (CRO) from 01.03.2021.

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

## **Member of the Executive Board having taken retirement on 31.12.2020**



### **Eric Bourgeaux**

born 31 May 1956, Swiss and French.  
Head of the Finance Division (CFO)  
until 31.12.2020 (retiring).

A graduate of the Ecole Supérieure de Commerce of Paris and holder of a DECS degree. From 1981 to 1982, auditor and consultant with KPMG, Paris. From 1982 to 1986, auditor with Price Waterhouse in Geneva. From 1986 to 1988, manager of Asea Capital, which subsequently became the ABB World Treasury Center in Geneva. From 1988 to 1996, manager and then general manager of Nokia Finance International BV, Geneva. From 1998 to 2000, director of Clariden Bank. and from 1997 to 2000 manager of André & Cie, Lausanne. He was head of the Finance and Risk Control division, and a member of the BCGE Executive Board from 01.01.2000 to 31.12.2020.

## 4.2 Other activities and vested interests

### Blaise Goetschin

Chairman of the Boards of Directors of the Mortgage Bond Centre of the Swiss cantonal banks, Zurich, Capital Transmission SA, Geneva, Dimension Corporate Finance SA, Geneva (merged with Dimension SA in December 2020) and Dimension SA, Lausanne. Chairman of the Supervisory Board at Banque Cantonale de Genève (France) SA, Lyon. Deputy Chairman of the Higher Institute for Training in Banking in Geneva. Committee member of the Board and the appointments and remuneration committee of the Union of Swiss Cantonal Banks, Basel. Member of the Boards of Directors of the Swiss Bankers' Association, Basel, of economiesuisse, Zurich and of Investissements Fonciers SA, Lausanne. Member of the boards of the Professional Pension Fund of the Banque Cantonale de Genève, of the Geneva Financial Centre Foundation and of the Fondation H. Dudley Wright, Geneva. Member of the board of the Geneva Association for Real Estate Owners.

### Pierrette Jaton Klopfenstein

Treasurer of the Saubraz Development Association. BCGE representative member on the board of the GENILEM association (from 01.02.2021)

### Virginie Fauveau

Member of the Board of Directors of Dimension SA, Lausanne (since 04.03.2020) and of Dimension Corporate Finance SA, Lausanne (since 24.03.2020 until the merger with Dimension SA, Lausanne in December 2020). Member of the technical committee of the Union of Geneva Employers' Associations (UAPG) (since 01.01.2020).

### Yves Spörri

Member of the Board of Directors of Dimension SA, Lausanne (until 04.03.2020) and the Supervisory Board of Banque Cantonale de Genève (France) SA, Lyon. Member of the Board of Directors of Dimension Corporate Finance SA, Geneva (until 24.03.2020). Chairman of the Board of Directors of Loyal Finance AG, Zurich.

**Constantino Cancela:** N/A

**Jean-Marc Joris:** N/A

### Frédéric Vernet

(new member of the Executive Board as of 01.01.2021): N/A

### Eric Bourgeaux

(member of the Executive Board until 31.12.2020 – retired) Chairman of Swiss Public Finance Solutions, Geneva. Member of the Board of Capital Transmission SA, Geneva. Member of the Supervisory Boards at Banque Cantonale de Genève (France) SA, Compagnie Foncière Franco- Suisse SAS, Lyon, and Compagnie Foncière du Saint Gothard SAS, Puteaux, France.

## 4.3 Supplementary information to be added by issuers subject to ERCO

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

## 4.4 Service contracts

The Bank has not entered into any service contracts.

## 5. Remuneration, participations and loans

### 5.1 Contents and procedure for setting remuneration and participation programmes

#### Remuneration of the Board of Directors

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

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

#### Fixed remuneration of the Board of Directors

In remuneration for their work on behalf of the Board of Directors and its committees, BCGE Directors receive fixed annual compensation plus compensation for their office. The Board can also decide to compensate specific assignments undertaken by its members or to bring in external experts; it has an annual budget of CHF 50,000 available for this purpose. In 2020, the Board did not make use of this supplementary budget.

#### Share option plan

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

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

#### Variable remuneration of the Board of Directors

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

#### Remuneration policy for all employees

The regulations relating to employee remuneration fall under the authority of the Board of Directors. The regulations applicable to the period under review were approved by the Board on 11 November 2015 and last amended on 17 December 2020.

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

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

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

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

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

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

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

<sup>1</sup> The moratorium is cancelled in the event of the end of employment, except for staff whose employment contract is terminated by retirement or disability; in this case, they may choose to maintain the moratorium.

<sup>2</sup> The Board of Directors may decide each year to modify the proportion of blocked shares and cash attributed to members of the Executive Board.

<sup>3</sup> The moratorium is maintained beyond the end of the employment contract for members of the Executive Board.

<sup>4</sup> From 25 years' service.

The blocking periods for the Bank's shares acquired by all parent company staff through the share option schemes and the associated tax conditions are explained in the table above and at point 5.22 of the parent company accounts (page 129).

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

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

#### Share option schemes for all employees

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

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

#### Principles of the Executive Board's remuneration

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

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

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

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

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

#### **Fixed remuneration of the Executive Board**

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

#### **Variable remuneration of the Executive Board**

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

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

This budget is used if the operating results for the year under review are higher than the average of two out of the three previous years, which was the case in 2020. Total compensation for members of the Executive Board may therefore vary to a certain extent from year to year depending on whether or not the additional budget is allocated.

Both overall and as a trend, the variable component of the Executive Board's remuneration should not exceed the fixed component. In 2020, variable remuneration, including share option schemes, represented between 27.50% and 54.52% of total remuneration.

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

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

#### **5.2. Information to be supplied by issuers subject to ERCO**

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

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

The remuneration report is on page 129, point 5.22 of this report.

## 6. Shareholders' participation rights

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### 6.1 Limitation and representation of voting rights

#### 6.1.1 Statutory provisions

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

#### 6.1.2 Granting of exemptions during the period under review

Not applicable

### 6.2. Quorum

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

### 6.3 Convening of Shareholders' Meetings

The General Meeting is held annually within six months of the end of the financial year. An Extraordinary General Meeting may be convened as often as necessary. One or more shareholders together representing at least one tenth of the share capital, may also convene an Extraordinary General Meeting, indicating their objective in doing so. One or more shareholders representing shares totalling a par value of CHF 1 million may propose in writing an item for the agenda, within 40 days preceding the General Meeting. If necessary, the Independent Auditor may also convene an Extraordinary General Meeting. The General Meeting must be convened by the Board of Directors at least 20 days in advance by placing a notice in the *Feuille d'avis officielle de la République et canton de Genève* and in the *Feuille officielle suisse du commerce*.

### 6.4 Agenda items

The Board of Directors is required to place on the agenda individual proposals which are subject to a vote, provided that they are presented in writing by shareholders at least 20 days before the General Meeting. No decision can be made on matters that are not on the agenda, except for a decision to convene an Extraordinary General Meeting, to institute a special inspection or to elect an independent auditor.

### 6.5 Share registration

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

## 7. Taking control and defensive measures

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### 7.1 Obligation to make an offer

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

### 7.2 Takeover provisions

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

## 8. Independent auditor

At the Ordinary General Meeting, the mandate of the Bank's independent auditor, Deloitte SA, was renewed for 2020.

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

The mandate of the independent auditors is renewed each year by the General Meeting of shareholders.

The auditor-in-charge, within the meaning of the legal provisions applicable to banks, has been Alexandre Buga since 2019. The term of the statutory auditors is renewed annually by the General Meeting of shareholders.

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

### 8.2 Independent auditors' fees

These auditor's fees are paid to Deloitte.

|                           | 31.12.2020     | 31.12.2019     |
|---------------------------|----------------|----------------|
| Audit of the BCGE Group   | 613,000        | 596,500        |
| <i>of which BCGE only</i> | <i>519,000</i> | <i>544,000</i> |

Ex-VAT and fee disbursements

### 8.3 Additional fees

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

|                           | 31.12.2020    | 31.12.2019    |
|---------------------------|---------------|---------------|
| Audit of the BCGE Group   | 75,000        | 66,000        |
| <i>of which BCGE only</i> | <i>75,000</i> | <i>66,000</i> |

Additional fees amounting to CHF 308,000, not connected with the audit, were paid in 2020 to a company in the Deloitte network (CHF 469,000 in 2019). These fees were mainly in regard to work concerning the preparation of tax statements.

### 8.4 Information on the independent auditors

In 2020, the auditor was asked to attend (part-time) three meetings of the entire Board of Directors and eight meetings with the Control Committee. These meetings related to the planning and presentation of work linked to auditing the BCGE Group.

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

## 9. Information policy

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

| Channels                     | Languages    | Frequency    | Form  | Where available  |
|------------------------------|--------------|--------------|---|--|
| Website                      | Fr / En / De | permanent    | electronic publication  | <a href="http://bcge.ch">bcge.ch</a> – About BCGE  |
| Annual report                | Fr / En      | annual       | <ul style="list-style-type: none"> <li>• electronic publication</li> <li>• printed</li> </ul> | <a href="http://bcge.ch">bcge.ch</a> – About BCGE > Publications available in branches and at the Bank's head office or via <a href="mailto:info@bcge.ch">info@bcge.ch</a> |
|                              | En           |              |   |  |
| General Meeting              | En           | annual       | live  | event or "live online"   |
| Financial information        | Fr / En / De | permanent    | electronic publication  | <a href="http://bcge.ch">bcge.ch</a> – About BCGE > Publications   |
| press releases               | Fr / En / De | occasional   | published and sent electronically   | <a href="http://bcge.ch">bcge.ch</a> – About BCGE > News > press releases  |
| Press conferences on results | En           | twice a year | live  | event or "live online"   |
| Institutional publications   | Fr / En      | regular      | electronic publication  | <a href="http://bcge.ch">bcge.ch</a> – About BCGE > Publications   |
| Dialogue Magazine            | Fr / En      | twice a year | <ul style="list-style-type: none"> <li>• electronic publication</li> <li>• printed</li> </ul> | <a href="http://bcge.ch">bcge.ch</a> – About BCGE > Publications available in branches and at the Bank's head office or via <a href="mailto:info@bcge.ch">info@bcge.ch</a> |
|                              | En           |              |   |  |
| Electronic mailbox           | Fr / En / De | permanent    | N/A   | <a href="mailto:info@bcge.ch">info@bcge.ch</a> / <a href="mailto:communication@bcge.ch">communication@bcge.ch</a>  |

## Contacts

**Corporate affairs and communication**  
[communication@bcge.ch](mailto:communication@bcge.ch)

Christophe Weber (spokesperson)  
Tel. +41 (0)22 809 24 02  
[christophe.weber@bcge.ch](mailto:christophe.weber@bcge.ch)

Grégory Jaquet (assistant spokesperson)  
Tel. +41 (0)22 809 32 39  
[gregory.jaquet@bcge.ch](mailto:gregory.jaquet@bcge.ch)

**Financial analyst**  
Marc Doerks

Tel. +41 (0)22 809 34 80  
[marc.doerks@bcge.ch](mailto:marc.doerks@bcge.ch)

**Banks and insurance companies**  
Boris Bijleveld  
Tel. +41 (0)22 809 34 73  
[boris.bijleveld@bcge.ch](mailto:boris.bijleveld@bcge.ch)

**Proprietary Investment Office**  
Pierre Sauvagnat  
Chief Investment Officer  
Tel. +41 (0)22 809 35 30  
[pierre.sauvagnat@bcge.ch](mailto:pierre.sauvagnat@bcge.ch)

## FAST REACTIONS

BCGE, vehicle of Geneva's  
economic power and trade in  
Switzerland and worldwide.



# Comments on the Group financial statements

## Resilient economic performance

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Banque Cantonale de Genève recorded a resilient economic performance for the financial year 2020.

- Net profit increased to CHF 105.0 million (+8.4%). Although turnover declined by 12.8% to CHF 367 million due to the recession and non-recurring items, the Bank remains competitive.
- Business volume increased, with mortgage loans exceeding CHF 12 billion (+2.8%) while assets under management and administration increased by +4.5% to CHF 31.8 billion.
- The Bank's productivity, with a cost income ratio of 64.7%, is at a good level for a universal bank with international activities.
- The Group also created 39 new jobs in 2020.
- Shareholders' equity rose steadily (+CHF 49.6 million, +3.0%) to reach a total of CHF 1.716 billion resulting in an excellent equity ratio.
- The dividend proposed to the General Meeting remains unchanged compared to the previous year at CHF 3.75.

### Main consolidated figures for the financial year 2020

| Results, in CHF thousand | 31.12.2020        | 31.12.2019 | Variation 2020 vs. 2019 |        |
|--------------------------|-------------------|------------|-------------------------|--------|
| Operating income         | 366,719           | 420,328    | -53,609                 | -12.8% |
| Operating expenses       | 237,296           | -239,295   | -1,999                  | -0.8%  |
| Operating profit         | 112,995           | 165,378    | -52,383                 | -31.7% |
| Net profit               | 104,962           | 96,814     | 8,148                   | 8.4%   |
|                          |                   |            |                         |        |
| ROE (return on equity)   | 6.2%              | 5.9%       | 3 basis points          | 5.2%   |
| Dividend                 | 7.5% <sup>1</sup> | 7.5%       | -                       | 0%     |

### Balance sheet volumes, in CHF thousand

|  |            |            |                 |       |
|--|------------|------------|-----------------|-------|
| Balance sheet total                        | 27,541,692 | 24,919,240 | 2,622,452       | 10.5% |
| Mortgage loans                             | 12,005,607 | 11,678,303 | 327,304         | 2.8%  |
| Assets under management and administration | 31,756,641 | 30,402,606 | 1,354,035       | 4.5%  |
| Shareholders' equity                       | 1,716,341  | 1,666,736  | 49,605          | 3.0%  |
|  |            |            |                 |       |
| Tier 1 capital ratio                       | 15.04%     | 15.08%     | -4 basis points | -0.3% |
| Available regulatory capital ratio         | 16.15%     | 16.09%     | 6 basis points  | 0.4%  |
| Employees (full-time equivalents)          | 820        | 780        | 39 <sup>2</sup> | 5.0%  |

<sup>1</sup>Proposal submitted to the Annual General Meeting on 29.04.2021

<sup>2</sup>Due to rounding (staff numbers have increased from 780.4 to 819.6).

## **Key performance indicators remain at a good level**

The Bank's economic performance has been resilient despite many challenges. Turnover declined to CHF 366.7 million, but this result is due to non-recurring and cyclical factors. The net interest margin is influenced in particular by the constitution of provisions for credit risks.

In parallel, net profit rose to CHF 105.0 million and business volume is also on the rise. Operating expenses of CHF 237.3 million were kept under control thanks to high productivity (cost income ratio of 64.7%).

The Group created 39 new jobs in 2020 and the number of employees now stands at 873 employees (or 820 full-time equivalents).

Net interest income remained stable at CHF 216 million (–6.7%). Commission revenues declined slightly to CHF 116 million (–4%), with its share of turnover reflecting the active diversification of income sources and risks. The share of revenues in EUR and USD amounted to 29.8% of turnover, reflecting a healthy diversification of the business lines and services provided.

## **Reliable partner in financing Geneva's economy**

The Bank granted a total of CHF 18 billion in loans to companies and individuals, up CHF 568 million in 2020 (+3.3%). Mortgage loans exceeded the CHF 12 billion threshold and represent 44% of the balance sheet total, a proportion that reflects the efficient diversification of the Bank's balance sheet. Loans to companies and public authorities increased by CHF 240 million (to CHF 5.6 billion).

Since 31 December 2019, 628 corporate clients joined a client base of more than 20,000 companies. In a year marked by the health crisis, the Bank granted around 2,000 Covid loans totalling almost CHF 200 million.

## **Assets under management and administration crossed the threshold of CHF 31 billion**

Total assets under management and administration increased by CHF 1.4 billion, split almost equally between private and institutional clients. Private banking activities were boosted with more than 1,140 new management mandates from the Best of range. Investment funds also grew to CHF 3.3 billion (+6.3%), reflecting the success of the Synchrony brand.

## **Continued increase in shareholders' equity**

Shareholders' equity continued to grow (+CHF 49.6 million, up 3%) to reach a total of CHF 1.7 billion. An additional CHF 1 million of shareholders' equity has been created since 2005.

BCGE belongs to the circle of well-capitalised and sound banks. The rating agency Standard & Poor's confirmed the Bank's A+/positive/A-1 rating on 06.02.2020.

## **The Bank passes the milestone of 15,000 shareholders**

The number of private and institutional shareholders of the Bank is increasing every year. The number of individuals and companies that have joined the ranks of its shareholders increased by +235 individuals and companies. The Bank thus registered 15,068 shareholders as of 31 December 2020 compared to 14,833 at the end of 2019.

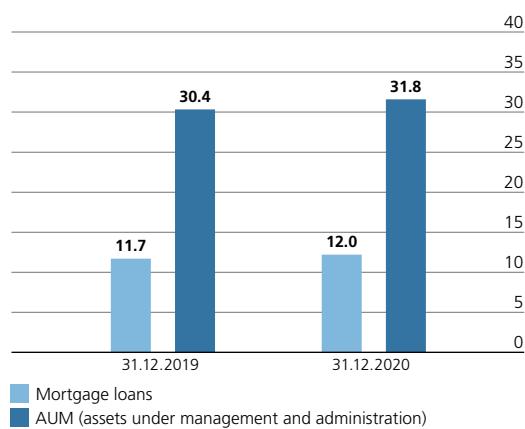
The shareholder base is well diversified (83% of shareholders known to the Bank hold between one and fifty shares). 77% of BCGE employees are shareholders, holding 2.7% of the Bank's capital.

## The potential for an increase in market capitalisation remains significant

The Bank's market capitalisation declined last year for the first time after a decade of significant growth. It stands at CHF 1.145 billion for 2020, while shareholders' equity amounts to CHF 1.716 billion. With an intrinsic value of CHF 242.4, the BCGE share thus has a significant growth margin.

### Changes in mortgage lending and AUM

in CHF billion

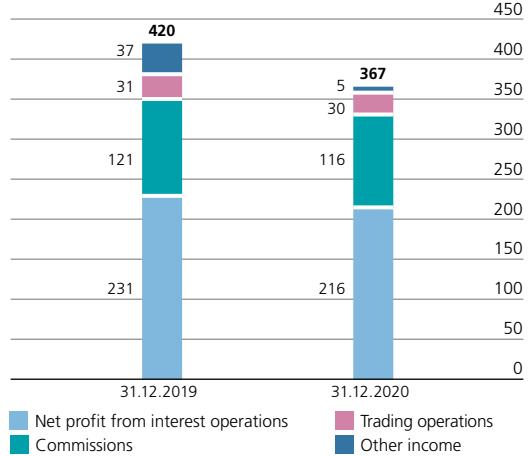


## The proposed dividend remains stable

The dividend submitted for approval by the General Meeting is stable at 7.5% of the nominal value. The Bank's contribution to public authorities, mainly the State and Geneva municipalities, in the form of taxes and dividends, totals CHF 50 million for the 2020 financial year.

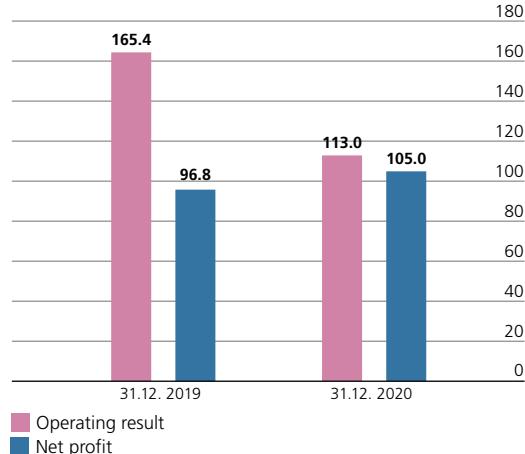
### Changes in revenues

in CHF million



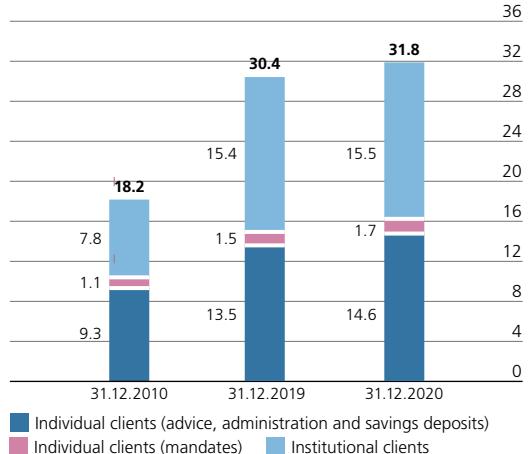
### Changes in operating income and net profit

in CHF million



### Increase in assets under management and administration

in CHF billion



## Strategic priorities for 2021

The Bank is currently working on seven strategic priorities, summarised on page 10 of this report.

The Bank is continuing its business expansion despite a recessionary economic environment. It relies on the diversity of its skills and on the alignment of its business model with the specific demands of the Geneva and Swiss economy.

Barring any further decline in the economic situation and taking into account the very positive commercial developments, the Bank expects overall earnings to increase slightly over this year.



Gilbert Probst  
Chairman of the Board of Directors



Frédéric Vernet  
Chief Financial Officer

## Outlook for 2021

- **The growth of high added-value business and the loyalty of its client base reaffirm the BCGE's favourable strategic positioning.**
- **The Bank's financial strength makes it a safe and stable custodial address.**
- **The Bank expects low interest rates and a deteriorated economic climate to continue, factors which are likely to affect its interest margin and commission revenues.**
- **The increase in lending will remain moderate due to the regulations governing capital requirements and a policy of caution.**
- **The Bank is stepping up the development of its business areas that are less capital-intensive (private banking, asset management, investment funds, mergers and acquisitions and financial engineering advice).**



## Statutory Auditor's Report

To the General Meeting of Banque Cantonale de Genève, Genève

## Report on the Consolidated Financial Statements

### Audit opinion

We have audited the consolidated financial statements of Banque Cantonale de Genève and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2020 and the consolidated income statement, consolidated statement of cash flows and statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 81 to 110) give, in all their significant aspect, a true and fair view of the consolidated financial position of the Group as at December 31, 2020 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with the Swiss accounting rules for banks and comply with Swiss law.

### Basis for Opinion

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

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

### Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority (FAOA)

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



## Key audit matters

The book values of amounts due from customers and mortgage loans amount respectively to CHF 5,587 mios and CHF 12,006 mios (total of balance sheet of CHF 27,542 mios). These total amounts of credit are presented net of value adjustments made up for KCHF 104,280 and including a value adjustment for latent risks. The value adjustments are individually estimated and include an inherent part of significant judgement from Management. With regard to the level of credit granted, the value adjustments for default risk are considered as a key audit matter. Please refer to pages 87 to 89 and to table 5.02 of the notes to the financial statements on the page 93 for further information.

## Audit procedures

We performed walk through procedures in order to evaluate the adequacy of the design and implementation of controls of the credit granting process, the follow-up and the valuation processes of value adjustments for default risk (adjustment rules). Furthermore, we performed substantive procedures consisting of : Testing a sampling of different types of credit (mortgage, commercial and Global Commodity Finance), including those which were not identified by the bank as impaired, in order to build up our own opinion and to evaluate the need of an impairment and whether it has been properly recognized; Review of assumptions retained by the Group for the value adjustments on the different credits; Review of files which are closely monitored due to higher risks of default but not yet adjusted; Valuation of the judgement level applied by the Group and testing that the value adjustments have been approved in accordance with internal authorization rules; Send audit instructions and get confirmation on the amount of value adjustments. Send audit instructions and obtain insurance on amounts due from customer and value adjustments; Sending confirmation requests to the external lawyers consulted in the context of major recovery files in 2020; Follow the evolution of the main significant and risky files identified by the Group and check the correct booking of these value adjustments Based on our procedures performed, we have collected sufficient appropriate audit evidences in order to cover the risk of valuation of value adjustments for default risks.



## Key audit matters

Due to its activity of universal and cantonal bank involving a significant number of clients, BCGE is exposed to litigation risk. A list of litigation cases, procedures and prosecutions is established by Management. The valuation of those provisions includes an inherent part of judgement from the Management. Please refer to page 90 and to table 5.16 of notes to the financial statements on page 100 for further information.

## Audit procedures

We tested the adequacy of the design and the implementation of key controls for legal risks regarding the identification, the valuation of provisions and the proper recording of related litigation provision. Furthermore, we performed substantive procedures consisting of: Review of the list of litigation cases, procedures and prosecutions established by the Management; Review of the assumptions used by Management for the estimation of the level of provision of the significant cases; and Interview with the Head of Legal and the Management; Sending confirmations requests to the external lawyers consulted in 2020 in connection with litigation or potential litigation; Test the proper recording of these provisions. Based on the procedures performed, we have collected sufficient appropriate audit evidences to cover the risk of valuation of the litigation provision.

# **Deloitte.**

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## **Responsibility of the Board of Directors for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the Swiss accounting rules for banks and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Responsabilité de l'organe de révision pour l'audit du Groupe**

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

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

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

## **Report on Other Legal and Regulatory Requirements**

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

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

### **Deloitte SA**

  
Alexandre Buga  
Licensed Audit Expert  
Auditor in Charge

  
Sophie Morin  
Licensed Audit Expert

Geneva, February 18, 2021

# BCGE Group 2020 consolidated financial statements and notes

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# Essential regulatory key figures

## Consolidated

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|  |  | 2020       | 2019       |
|--|--|------------|------------|
| <b>Equity taken into consideration</b> in CHF 1,000  |  |            |            |
| 1 Core Equity Tier 1 capital (CET1 <sup>1</sup> )  |  | 1,682,938  | 1,633,130  |
| 2 Core Equity Tier 1 capital (T1 <sup>2</sup> )  |  | 1,907,593  | 1,857,920  |
| 3 Total capital  |  | 2,048,639  | 1,981,870  |
| <b>Risk-weighted assets (RWA<sup>3</sup>)</b> in CHF 1,000   |  |            |            |
| 4 RWA <sup>3</sup>   |  | 12,683,868 | 12,282,103 |
| 4a Minimum capital requirements  |  | 1,014,709  | 982,568    |
| <b>Risk-based capital ratios</b> as percentage of RWA <sup>3</sup>   |  |            |            |
| 5 CET1 ratio <sup>1</sup>  |  | 13.3%      | 13.3%      |
| 6 Core capital ratio   |  | 15.0%      | 15.1%      |
| 7 Total equity ratio   |  | 16.2%      | 16.1%      |
| <b>CET1<sup>1</sup> buffer requirements</b> as percentage of RWA <sup>3</sup>  |  |            |            |
| 8 Capital buffer according to Basel minimum standard (2.5% from 2019)  |  | 2.5%       | 2.5%       |
| 9 Countercyclical buffers (art. 44a OFR <sup>4</sup> ) according to Basel minimum standard   |  | –          | –          |
| 10 Additional capital buffer according to international or domestic systemic risk  |  | –          | –          |
| 11 Total of bank CET1-specific requirements according to Basel minimum standard <sup>1</sup>   |  | 2.5%       | 2.5%       |
| 12 CET1 <sup>1</sup> available to cover buffer requirements according to Basel minimum standard (after deduction of CET1 <sup>1</sup> allocated to cover minimum requirements and if applicable to cover TLAC <sup>5</sup> requirements) |  | 8.2%       | 8.1%       |
| <b>Target capital ratios according to Annex 8 OFR<sup>4</sup></b> as percentage of RWA <sup>3</sup>  |  |            |            |
| 12a Capital buffer according to Annex 8 OFR <sup>4</sup>   |  | 4.0%       | 4.0%       |
| 12b Countercyclical buffers (art. 44 and 44a OFR <sup>4</sup> )  |  | 0.0%       | 0.6%       |
| 12c Target CET1 <sup>1</sup> (en %) ratio according to Annex 8 OFR <sup>4</sup> with addition of countercyclical buffers according to art. 44 and 44a OFR <sup>4</sup>   |  | 7.8%       | 8.4%       |
| 12d Target T1 <sup>2</sup> (en %) ratio according to Annex 8 OFR <sup>4</sup> with addition of countercyclical buffers according to art. 44 and 44a OFR <sup>4</sup>   |  | 9.6%       | 10.2%      |
| 12e Total target capital ratio according to Annex 8 OFR <sup>4</sup> with addition of countercyclical buffers according to art. 44 and 44a OFR <sup>4</sup>  |  | 12.0%      | 12.6%      |
| <b>Basel III leverage ratio</b>  |  |            |            |
| 13 Total assets  |  | 23,197,006 | 25,815,100 |
| 14 Basel III leverage ratio (core capital as percentage of total assets)   |  | 8.2%       | 7.2%       |

### Liquidity coverage ratio (LCR<sup>6</sup>)

|   |           |           |
|---|-----------|-----------|
| 15 LCR <sup>6</sup> : numerator: total high-quality liquid assets | 7,131,688 | 5,461,317 |
| 16 LCR <sup>6</sup> denominator: total net cash outflows          | 4,218,989 | 3,656,844 |
| 17 Liquidity coverage ratio, LCR <sup>6</sup>                     | 169%      | 149%      |

<sup>1</sup> Common equity tier 1.

<sup>2</sup> Tier 1.

<sup>3</sup> Risk weighted assets.

<sup>4</sup> Capital Adequacy Ordinance.

<sup>5</sup> Total loss-absorbing capacity.

<sup>6</sup> Liquidity coverage ratio.

All the publication requirements relating to shareholders' equity will be available on the Bank's website at the latest by 30.04.2021 (bcge.ch – About BC GE > Publications > Financial reports.) The Bank applies the standard international approach, otherwise known as SA-BIS, for the regulatory disclosures of credit risk, the standard approach for market risk and the base indicator approach for operational risk.

### Risk of interest rate changes in the banking book

In the event of a change in the interest rate curve, the market value of the Bank's equity would oscillate between CHF –147.4 million (in the event of an interest rate rise of 100 basis points) and CHF 167.5 million (in the event of an interest rate fall of 100 basis points). The impact on revenues would vary respectively between CHF –12.1 million and CHF –2.4 million, with a floor benchmark rate of 0% for client services.

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

## Consolidated

| <b>Assets</b>   | Notes | 31.12.2020<br>in CHF 1,000 | 31.12.2019<br>in CHF 1,000 | Change<br>in CHF 1,000 |
|---|-------|----------------------------|----------------------------|------------------------|
| Liquid assets   | 5.23  | 6,474,360                  | 4,746,110                  | 1,728,250              |
| Amounts receivable from banks                                       | 5.23  | 732,421                    | 475,895                    | 256,526                |
| Amounts due from securities financing transactions                  | 5.23  | –                          | –                          | –                      |
| Amounts due from clients  | 5.23  | 5,587,154                  | 5,346,513                  | 240,641                |
| Mortgage loans  | 5.23  | 12,005,607                 | 11,678,303                 | 327,304                |
| Trading portfolio assets  | 5.03  | 53,729                     | 50,717                     | 3,012                  |
| Positive replacement values of derivative financial instruments     | 5.04  | 15,953                     | 16,756                     | –803                   |
| Financial investments   | 5.05  | 2,210,757                  | 1,956,852                  | 253,905                |
| Accrued expenses and deferred income                                |       | 37,131                     | 28,236                     | 8,895                  |
| Participations  | 5.06  | 53,613                     | 60,702                     | –7,089                 |
| Tangible fixed assets   | 5.08  | 120,102                    | 121,584                    | –1,482                 |
| Intangible assets   | 5.09  | 615                        | 795                        | –180                   |
| Other assets  | 5.10  | 250,250                    | 436,777                    | –186,527               |
| <b>Total assets</b>   |       | <b>27,541,692</b>          | <b>24,919,240</b>          | <b>2,622,452</b>       |
| Total subordinated claims   |       | 20,627                     | 23,969                     | –3,342                 |
| <i>of which, subject to mandatory conversion and/or debt waiver</i> |       | –                          | –                          | –                      |
| <b>Liabilities</b>  |       |                            |                            |                        |
| Amounts due to banks  | 5.23  | 3,385,977                  | 3,275,195                  | 110,782                |
| Liabilities arising from securities financing transactions          | 5.23  | 817,425                    | 544,762                    | 272,663                |
| Amounts due in respect of client deposits                           | 5.23  | 16,883,771                 | 14,948,006                 | 1,935,765              |
| Trading portfolio liabilities                                       | 5.03  | 511                        | 1,159                      | –648                   |
| Negative replacement values of derivative financial instruments     | 5.04  | 12,562                     | 8,010                      | 4,552                  |
| Cash bonds  | 5.23  | 1,100                      | 2,180                      | –1,080                 |
| Bond issues and central mortgage institution loans                  | 5.15  | 4,491,155                  | 4,016,855                  | 474,300                |
| Accrued expenses and deferred income                                |       | 97,848                     | 115,890                    | –18,042                |
| Other liabilities   | 5.10  | 122,057                    | 328,257                    | –206,200               |
| Provisions  | 5.16  | 12,945                     | 12,190                     | 755                    |
| Reserves for general banking risks                                  | 5.16  | 230,000                    | 245,000                    | –15,000                |
| Bank's capital  | 5.17  | 360,000                    | 360,000                    | –                      |
| Capital reserve   |       | 320,358                    | 319,859                    | 499                    |
| Retained earnings reserve   |       | 741,301                    | 676,887                    | 64,414                 |
| Currency translation reserve  |       | –19,836                    | –19,642                    | –194                   |
| Own shares  |       | –20,832                    | –12,593                    | –8,239                 |
| Minority interests in equity capital                                |       | 388                        | 411                        | –23                    |
| Profit / loss (result of the period)                                |       | 104,962                    | 96,814                     | 8,148                  |
| <i>of which minority interests in consolidated profit</i>           |       | –12                        | 25                         | –37                    |
| <b>Total liabilities</b>  |       | <b>27,541,692</b>          | <b>24,919,240</b>          | <b>2,622,452</b>       |
| Total subordinated liabilities                                      | 5.15  | 334,655                    | 442,355                    | –107,700               |
| <i>of which, subject to mandatory conversion and/or debt waiver</i> | 5.15  | 334,655                    | 442,355                    | –107,700               |

### Off-balance-sheet transactions

|   |      |         |           |          |
|---|------|---------|-----------|----------|
| Contingent liabilities                                  | 5.28 | 916,005 | 1,104,078 | –188,073 |
| Irrevocable commitments                                 | 5.02 | 817,116 | 834,957   | –17,841  |
| Commitments to free up and execute additional transfers | 5.02 | 178,565 | 163,858   | 14,707   |
| Approved credit line                                    | 5.29 | 118,180 | 51,244    | 66,936   |

# Profit and loss account items

## Consolidated

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| <b>Result from interest operations</b>  | Notes | 31.12.2020<br>in CHF 1,000 | 31.12.2019<br>in CHF 1,000 | Change<br>in CHF 1,000 |
|---|-------|----------------------------|----------------------------|------------------------|
| Interest and discount income  | 5.33  | 260,230                    | 291,258                    | -31,028                |
| Interest and dividend income from trading portfolios  |       | 36                         | 74                         | -38                    |
| Interest and dividends from financial investments   |       | 5,891                      | 9,010                      | -3,119                 |
| Interest expenses   |       | -21,187                    | -61,123                    | 39,936                 |
| <b>Gross result from interest operations</b>  |       | <b>244,970</b>             | <b>239,219</b>             | <b>5,751</b>           |
| Changes in value adjustments for default risks and losses from interest operations                                |       | -29,343                    | -8,051                     | -21,292                |
| <b>Subtotal net result from interest operations</b>   |       | <b>215,627</b>             | <b>231,168</b>             | <b>-15,541</b>         |
| <b>Result from commission business and services</b>   |       |                            |                            |                        |
| Commission income from securities trading and investment activities   |       | 56,170                     | 50,777                     | 5,393                  |
| Commission income from lending activities   |       | 33,838                     | 40,889                     | -7,051                 |
| Commission income from other services   |       | 34,120                     | 38,087                     | -3,967                 |
| Commission expense  |       | -8,503                     | -9,309                     | 806                    |
| <b>Subtotal result from commission business and services</b>  |       | <b>115,625</b>             | <b>120,444</b>             | <b>-4,819</b>          |
| <b>Result from trading activities and the fair value option</b>   |       |                            |                            |                        |
| <b>Subtotal result from trading activities and the fair value option</b>  | 5.32  | <b>30,377</b>              | <b>31,429</b>              | <b>-1,052</b>          |
| <b>Other ordinary income</b>  |       |                            |                            |                        |
| Income from sale of financial investments   |       | -6,800                     | 16,054                     | -22,854                |
| Income from participations  |       | 6,147                      | 14,250                     | -8,103                 |
| Result from real estate   |       | 1,080                      | 945                        | 135                    |
| Other ordinary income   |       | 10,864                     | 7,950                      | 2,914                  |
| Other ordinary expenses   |       | -6,201                     | -1,912                     | -4,289                 |
| <b>Subtotal other results from ordinary activities</b>  |       | <b>5,090</b>               | <b>37,287</b>              | <b>-32,197</b>         |
| <b>Total operating income</b>   |       | <b>366,719</b>             | <b>420,328</b>             | <b>-53,609</b>         |
| <b>Operating expenses</b>   |       |                            |                            |                        |
| Personnel expenses  | 5.34  | -147,762                   | -147,973                   | 211                    |
| General and administrative expenses   | 5.35  | -89,534                    | -91,322                    | 1,788                  |
| <b>Subtotal operating expenses</b>  |       | <b>-237,296</b>            | <b>-239,295</b>            | <b>1,999</b>           |
| Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets | 5.36  | -15,285                    | -15,400                    | 115                    |
| Changes to provisions and other value adjustments and losses  | 5.36  | -1,143                     | -255                       | -888                   |
| <b>Operating profit</b>   |       | <b>112,995</b>             | <b>165,378</b>             | <b>-52,383</b>         |
| Extraordinary income  | 5.36  | 127                        | 70                         | 57                     |
| Extraordinary expenses  | 5.36  | -                          | -                          | -                      |
| Change in reserves for general banking risks  | 5.36  | 15,000                     | -30,000                    | 45,000                 |
| Taxes   | 5.39  | -23,160                    | -38,634                    | 15,474                 |
| <b>Profit / loss (result of the period)</b>   |       | <b>104,962</b>             | <b>96,814</b>              | <b>8,148</b>           |
| <i>of which minority interests in Group profit</i>  |       | <i>-12</i>                 | <i>25</i>                  | <i>-37</i>             |

# Presentation of the cash flow statement

## Consolidated

(in CHF 1,000)

|   | 2020          |               | 2019          |               |
|---|---------------|---------------|---------------|---------------|
|   | Cash inflow   | Cash outflow  | Cash inflow   | Cash outflow  |
| <b>Cash flow from operating income (internal financing)</b>   |               |               |               |               |
| Result of the period  | 104,962       | –             | 96,814        | –             |
| Change in reserves for general banking risks  | –             | 15,000        | 30,000        | –             |
| Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets | 15,285        | –             | 15,400        | –             |
| Provisions and other value adjustments  | 755           | –             | –             | 300           |
| Accrued income and prepaid expenses <sup>1</sup>  | –             | 8,895         | 651           | –             |
| Accrued expenses and deferred income <sup>1</sup>   | –             | 18,042        | 14,344        | –             |
| Other positions   | –             | 19,673        | –             | 48,085        |
| Previous year's dividend  | –             | 27,000        | –             | 24,480        |
| Special allocation to the State of Geneva   | –             | 5,400         | –             | 4,896         |
| <b>Subtotal</b>   | <b>–</b>      | <b>26,992</b> | <b>–</b>      | <b>79,448</b> |
| <sup>1</sup> cf. Circular 2020/1.   |               |               |               |               |
| <b>Cash flows from transactions relating to equity</b>  |               |               |               |               |
| Recognised in reserves  | 282           | –             | –             | 1,237         |
| Change in own equity securities   | –             | 8,239         | 613           | –             |
| <b>Subtotal</b>   | <b>7,957</b>  | <b>–</b>      | <b>624</b>    | <b>–</b>      |
| <b>Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets</b>      |               |               |               |               |
| Participations  | 6,520         | –             | 434           | –             |
| Other tangible fixed assets   | –             | 11,289        | –             | 14,687        |
| Intangible assets   | –             | –             | –             | 900           |
| <b>Subtotal</b>   | <b>6,534</b>  | <b>–</b>      | <b>15,153</b> | <b>–</b>      |
| <b>Cash flow from banking activities</b>  |               |               |               |               |
| <i>Medium and long-term transactions (more than 1 year)</i>   |               |               |               |               |
| Amounts due to banks  | –             | 4,000         | –             | 95,887        |
| Amounts due in respect of client deposits   | –             | 1,953         | 1,556         | –             |
| Cash bonds  | –             | 1,080         | –             | 360           |
| Bonds   | 92,300        | –             | 253,600       | –             |
| Central mortgage institution loans  | 382,000       | –             | 352,000       | –             |
| Amounts receivable from banks   | 273           | –             | 20            | –             |
| Amounts due from clients  | –             | 209,670       | –             | 153,165       |
| Mortgage loans  | –             | 327,304       | –             | 290,634       |
| Financial investments   | –             | 257,658       | –             | 71,490        |
| <i>Short-term transactions</i>  |               |               |               |               |
| Amounts due to banks  | 114,782       | –             | 844,623       | –             |
| Liabilities arising from securities financing transactions  | 272,663       | –             | 63,676        | –             |
| Amounts due in respect of client deposits   | 1,937,718     | –             | 302,174       | –             |
| Trading portfolio liabilities   | –             | 648           | –             | 1,220         |
| Negative replacement values of derivative financial instruments   | 4,552         | –             | 3,733         | –             |
| Amounts receivable from banks   | –             | 256,799       | –             | 11,908        |
| Amounts due from securities financing transactions  | –             | –             | 49,205        | –             |
| Amounts due from clients  | –             | 30,971        | 21,782        | –             |
| Trading portfolio assets  | –             | 3,012         | 10,065        | –             |
| Positive replacement values of derivative financial instruments   | 803           | –             | –             | 4,040         |
| Financial investments   | 3,753         | –             | –             | 1,940         |
| <b>Liquidity</b>  |               |               |               |               |
| Liquid assets   | –             | 1,728,250     | –             | 1,335,461     |
| <b>Subtotal</b>   | <b>12,501</b> | <b>–</b>      | <b>63,671</b> | <b>–</b>      |
| <b>Total balances</b>   | <b>26,992</b> | <b>26,992</b> | <b>79,448</b> | <b>79,448</b> |

# Statement of shareholders' equity

## Consolidated

(in CHF 1,000)

|  | Bank's capital | Statutory capital reserve | Statutory earnings reserve | Reserves for general banking risks | Currency translation reserve | Own shares (negative item) | Minority interests | Result of the period | Total            |
|--|----------------|---------------------------|----------------------------|------------------------------------|------------------------------|----------------------------|--------------------|----------------------|------------------|
| <b>Equity at start of current period</b>                                     | <b>360,000</b> | <b>319,859</b>            | <b>773,701</b>             | <b>245,000</b>                     | <b>-19,642</b>               | <b>-12,593</b>             | <b>411</b>         | <b>1,666,736</b>     |                  |
| Acquisition of own shares  |                |                           |                            |                                    |                              | -15,806                    |                    |                      | -15,806          |
| Disposal of own shares   |                |                           |                            |                                    |                              | 7,730                      |                    |                      | 7,730            |
| Profit/(loss) from the disposal of own shares                                |                | 163                       |                            |                                    |                              | -163                       |                    |                      | -                |
| Currency translation differences   |                |                           |                            |                                    | -194                         |                            |                    |                      | -194             |
| Dividends and other distribution   | 336            | -27,000                   |                            |                                    |                              |                            |                    |                      | -26,664          |
| Special allocation to the State of Geneva (20% of the dividend paid)         |                |                           | -5,400                     |                                    |                              |                            |                    |                      | -5,400           |
| Other allocations to (transfers from) the reserves for general banking risks |                |                           |                            | -15,000                            |                              |                            |                    |                      | -15,000          |
| Other allocations to (transfers from) the other reserves                     |                |                           |                            |                                    |                              | -23                        |                    |                      | -23              |
| Profit / loss (result of the period)   |                |                           |                            |                                    |                              |                            | 388                | 104,962              | 104,962          |
| <b>Equity at end of current period</b>                                       | <b>360,000</b> | <b>320,358</b>            | <b>741,301</b>             | <b>230,000</b>                     | <b>-19,836</b>               | <b>-20,832</b>             | <b>388</b>         | <b>104,962</b>       | <b>1,716,341</b> |

# Summary presentation

## Consolidated

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

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

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

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

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

#### Activity report

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

| Staff numbers                 | 31.12.2020 | 31.12.2019 |
|-------------------------------|------------|------------|
| Full-time equivalents         | 819.63     | 780.40     |
| Average full-time equivalents | 810.13     | 772.84     |
| Headcount                     | 873.00     | 833.00     |
| Average headcount             | 868.50     | 824.25     |

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

In February 2018 a popular cantonal initiative entitled "BCGE must repay the 3.2 billion lent by the State!" was filed. Having obtained a sufficient number of signatures, this initiative was declared to be null and void by the State Council in February 2019. The initiators appealed against this decision. With the ruling of 6 February 2020, the Constitutional Chamber of the Court of Justice of the Republic and Canton of Geneva rejected the appeal. An appeal to the Federal Court was lodged by the initiators, but this was definitively dismissed on 28 August 2020.

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

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

#### Agreements with the majority shareholder

Chapter 5 of article 33 of the Bank's Articles of Association, adopted by the General Meeting of 3 May 2005, formalises the repayment of loans granted by the State of Geneva to the *Fondation de valorisation* of the Banque Cantonale de Genève at the start of the previous decade. The Bank makes repayments pro rata to the dividends distributed to shareholders (20% of the dividends paid). Following the *Fondation's* dissolution, the State Council, in accordance with the decree of 21 October 2011, set the remaining amount of the loans to be repaid by the Bank at CHF 370,661,634 on 31 December 2009. For the 2020 financial year, an amount of CHF 5.4 million will be paid, provided that the Board of Directors' proposed dividend is adopted by the General Meeting. As a result, a total amount of CHF 49,000,000 will have been repaid since 2009, thus bringing repayments made by the Bank to a total of CHF 76.5 million since the Bank's consolidation in 2000.

## 2. Accounting and valuation principles

### Terms of reference

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

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

### Closing date for the consolidated accounts

The accounts are closed on 31 December of each year.

### Scope of consolidation

Firms whose consolidation makes an important financial difference have been included in these financial statements as follows:

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

- **Goodwill**

Goodwill and the difference of first consolidation are shown on the balance sheet as "intangible assets" and depreciated through the profit and loss account over a maximum period of 10 years.

- **Intercompany transactions**

Liabilities and receivables, as well as income and expenses from intercompany transactions, are eliminated.

- **Treatment of foreign currency exchange differences**

Other assets, balance sheet debt and depreciation and amortisation of tangible assets of entities domiciled outside Switzerland and recorded in foreign currencies are converted into Swiss francs at the rate applying at year end. Income statement items of these entities, other than depreciation and amortisation of tangible assets, are converted into CHF at the average closing rates of the 12 months of the year. The shareholders' equity of these entities is converted at the historic average rates of each balance-sheet item. The resulting exchange differences are directly accounted for in equity under "Foreign exchange reserve."

### Valuation methods

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

### Recording dates

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

### Currencies, banknotes and precious metals

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

| Main currencies | Unit<br>(currency) | Exchange rate<br>31.12.2020 | Exchange rate<br>31.12.2019 |
|-----------------|--------------------|-----------------------------|-----------------------------|
| US dollar       | 1                  | 0.8799                      | 0.9648                      |
| Euro            | 1                  | 1.081                       | 1.0843                      |
| Pound sterling  | 1                  | 1.1997                      | 1.2749                      |
| Yen             | 100                | 0.8536                      | 0.8892                      |

### Consolidation process

- **Share capital consolidation**

During the purchase of an equity interest, the net book value of the equity in the consolidated company is offset against the proportion of the company's total net assets those shares represent. Any difference is recorded either as a valuation adjustment on the consolidated balance sheet or as goodwill. Capital is consolidated according to the purchase method, which allows for the compensation of the equity interest purchase price with the part that the Group holds in revalued shareholders' equity (monetary value of net assets) at the time of the acquisition.

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

#### **Liquid assets**

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

#### **Due from banks, clients and mortgage loans**

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

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

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

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

The Bank has also decided to anticipate regulatory changes by making value adjustments on non-impaired loans/receivables for inherent default risks.

#### **Amounts due/liabilities from securities financing transactions**

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

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

#### **Trading portfolio assets**

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

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

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

#### **Hedging operations**

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

#### **Financial investments**

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

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

### **Tangible fixed assets**

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

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

### **Taxes**

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

### **Amounts due to banks**

Receivables and liabilities are recorded at their face values.

### **Amounts due in respect of client deposits**

Receivables and liabilities are recorded at their face values.

### **Positive and negative replacement values of derivative financial instruments**

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

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

### **Provisions**

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

### **Reserves for general banking risks**

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

### **Contingent liabilities**

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

### **Irrevocable commitments**

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

### **Commitments related to additional payments and further contributions for shares**

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

### **Change in accounting principles**

Entry into force of Circular 2020/1 and OEPC-FINMA.

## **3. Risk control**

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

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

### **Basic principles**

The risk segments and their limits for each business type are established by the Board of Directors. These enable allocation of equity and ensure diversification of the risks taken. Similarly, in accordance with regulatory provisions, the Board of Directors sets the country limits and bank limits, taking account of financial fluctuations and geopolitical risks. The Executive Board monitors all risks through constant supervision of business activities and through monitoring by specific committees.

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

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

BCGE belongs in the category 3 defined by FINMA circular 2011/2, notably with a balance sheet in excess of CHF 15 billion. The FINMA has set the threshold for this category at 12% of equity capital coverage.

#### **Consolidated supervision**

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

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

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

#### **Types of risks**

- **Credit risk**

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

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

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

Risk for commercial loans is assessed every year.

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

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

Non-performing and impaired loans are assessed individually and the reduction in value is expressed in adjustments to individual valuations.

Non-performing loans and collateral obtained are valued at liquidation value, taking into account any individual adjustment for the debtor's solvency. Off-balance sheet transactions are also included in this assessment.

In addition to individual value adjustments, the Bank calculates value adjustments for inherent default risks. Value adjustments for inherent default risks are calculated by measuring risk-weighted lending exposures, grouping them in homogeneous portfolios and multiplying them by their default coefficient. If used, the reconstruction of the amount drawn off is reconstituted in a linear manner, over a maximum of five years and starting in the financial year after the amount has been drawn. The Executive Board is able to use the adjustments as soon as the provisions for risks are more than twice the size of the annual risk.

Risks associated with international trade finance are permanently monitored and subjected to specific analysis. The dedicated IT system connected to the risk control system performs situation analyses, which monitors each client with their ratings, limits and outstanding loans. Commodity analyses complete these forms of monitoring.

Country commercial limits are in place for the international trading business and checked on a daily basis by the Risk Control department. Country limits for direct risks (the debtor's country of incorporation) and indirect risks (the country of economic risk) were regularly reviewed throughout the year under review. They are the subject of a weekly report presented to the committee dealing with international trade finance.

- **Concentration risks**

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

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

- **Market risks**

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

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

***The main market risks to which the Group is exposed are the following:***

- ***Rate risks***

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

- ***Exchange-rate risks***

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

- ***Share-price risks***

Share-price risks concern the changes in values of share positions and instruments that behave in a similar way to shares.

- ***Liquidity risk***

Loan limits for other banks are tightly controlled in response to increased risks. Investments in money markets have largely been replaced by investments of the repurchase agreement type. With great prudence, and with repo operations being continued, money market business is conducted with a number of partner banks and the Swiss public authorities, in compliance with strict limits. BCGE continues to act with great prudence by maintaining high levels of liquidity and managing a bond portfolio that is widely diversified and to which sale and repurchase agreements can be applied.

This means that credit facilities can be obtained with a large number of counterparties. Bonds included under the long-term financial investment item are restricted to those with AAA ratings or at least A– or equivalent.

Since 2015 and the appearance of negative rates, assets deposited with the SNB have increased greatly in line with the tax-exempt amounts.

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

#### • Operating risks

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

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

#### • Legal risks

Since 1 February 2020, the Legal and Compliance business unit has been attached to the Finance division. Its mission is to identify legal risks, defend the Bank's interests and support asset managers in their client relationships. It is involved once a risk has been identified. It assesses the problem and, if appropriate, retains an external lawyer with whom it handles the case. The funding of legal risks is examined on a case-by-case basis. Provisions for legal risks are booked as liabilities under "Provisions".

#### **Business policy for use of derivative financial instruments**

The Bank uses derivative financial instruments in particular to protect itself from interest rate changes. These hedging operations, which are included in the concept of hedge accounting, are decided within the framework of asset and liability management. They are evaluated in a manner analogous to the hedged operation and are undertaken exclusively with external counterparties. In the case of operations recorded on the balance sheet, the value of which is posted at nominal value, the replacement value of the derivative financial instruments is neutralised under the corresponding items.

#### **Relationship between underlying operations and hedging transactions**

Following a hedging operation, the relationship is established between the financial instrument and the underlying operation concerned. The valuation of the items changes in inverse proportion in order to reduce exposure. The documentation pays particular attention to the aims of the risk management strategy associated with the hedging transaction and the effectiveness assessment method. The relationship between the underlying transaction and the hedging transactions is subjected to regular forward-looking assessment.

#### **Measurement of hedging effectiveness**

The effectiveness of the hedge relationship is measured by means of the underlying operation or the macrohedge of the portfolio as a whole and is re-examined regularly. Operations for which the hedge relationship is no longer effective, or partially so, are allocated to the trading result. No absence of effectiveness was observed in 2020.

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

## Consolidated

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

(in CHF 1,000)

|  | 31.12.2020     | 31.12.2019     |
|--|----------------|----------------|
| Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions   | –              | –              |
| Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions  | 817,425        | 544,762        |
| 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   | 827,305        | 552,831        |
| <i>with unrestricted right to resell or pledge</i>   | <i>827,305</i> | <i>552,831</i> |
| 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 | –              | –              |
| <i>of which, repledged securities</i>  | <i>–</i>       | <i>–</i>       |
| <i>of which, resold securities</i>   | <i>–</i>       | <i>–</i>       |

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

(in CHF 1,000)

|  | Type of collateral  |   |                  |                              |
|--|---------------------|---|------------------|------------------------------|
|  | Secured by mortgage | Other collateral                          | Unsecured        | Total                        |
| <b>Loans (before netting with value adjustments)</b>       |                     |   |                  |                              |
| <b>Amounts due from clients</b>                            | <b>1,155,633</b>    | <b>1,143,829</b>                          | <b>3,382,658</b> | <b>5,682,120</b>             |
| <b>Mortgage loans</b>                                      | <b>12,014,919</b>   | –   | –                | <b>12,014,919</b>            |
| Residential property                                       | 10,005,957          | –   | –                | 10,005,957                   |
| Office and business premises                               | 1,456,553           | –   | –                | 1,456,553                    |
| Commercial and industrial premises                         | 387,299             | –   | –                | 387,299                      |
| Others   | 165,110             | –   | –                | 165,110                      |
| <b>Total loans (before netting with value adjustments)</b> | <b>13,170,552</b>   | <b>1,143,829</b>                          | <b>3,382,658</b> | <b>17,697,039</b>            |
| <b>31.12.2020</b>  | <b>13,170,552</b>   | <b>1,143,829</b>                          | <b>3,382,658</b> | <b>17,697,039</b>            |
| <b>31.12.2019</b>  | <b>12,683,174</b>   | <b>887,979</b>                            | <b>3,539,971</b> | <b>17,111,124</b>            |
| <b>Total loans (after netting with adjustments)</b>        |                     |   |                  |                              |
| <b>31.12.2020</b>  | <b>13,161,240</b>   | <b>1,125,485</b>                          | <b>3,306,036</b> | <b>17,592,761</b>            |
| <b>31.12.2019</b>  | <b>12,678,250</b>   | <b>828,518</b>                            | <b>3,518,048</b> | <b>17,024,816</b>            |
| <b>Off-balance sheet</b>                                   |                     |   |                  |                              |
| Contingent liabilities                                     | –                   | 57,755                                    | 858,250          | 916,005                      |
| Irrevocable commitments                                    | –                   | 16,122                                    | 800,994          | 817,116                      |
| Commitments to free up and execute additional transfers    | –                   | –   | 178,565          | 178,565                      |
| Credit commitments   | –                   | –   | 118,180          | 118,180                      |
| <b>Total off-balance sheet</b>                             | <b>–</b>            | <b>–</b>                                  | <b>–</b>         | <b>–</b>                     |
| <b>31.12.2020</b>  | <b>–</b>            | <b>73,877</b>                             | <b>1,955,989</b> | <b>2,029,866</b>             |
| <b>31.12.2019</b>  | <b>–</b>            | <b>123,079</b>                            | <b>2,031,058</b> | <b>2,154,137</b>             |
| <b>Impaired loans / receivables</b>                        |                     |   |                  |                              |
| <b>Consolidated</b>  | Gross debt amount   | Estimated liquidation value of collateral | Net debt amount  | Individual value adjustments |
| <b>31.12.2020</b>  | <b>334,538</b>      | <b>239,989</b>                            | <b>94,549</b>    | <b>91,632</b>                |
| <b>31.12.2019</b>  | <b>153,631</b>      | <b>71,426</b>                             | <b>82,205</b>    | <b>80,518</b>                |

The increase in impaired loans/receivables in 2020 is linked, in particular, to new instances from sectors affected by restrictions due to the health crisis.

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

(in CHF 1,000)

| Assets  | 31.12.2020    | 31.12.2019    |
|---|---------------|---------------|
| <b>Trading portfolio assets</b>   |               |               |
| Debt securities, money market securities / transactions                                       |               |               |
| of which, listed  | 974           | 102           |
| Equity investments  | 974           | 102           |
| Precious metals and commodities   | 110           | 53            |
| Other trading portfolio assets  | 52,645        | 49,826        |
| <b>Total assets</b>   | <b>53,729</b> | <b>50,717</b> |
| of which, securities eligible for repo transactions in accordance with liquidity requirements | –             | –             |
| <b>Liabilities</b>  |               |               |
| <b>Trading portfolio assets</b>   |               |               |
| Equity investments  | –             | 2             |
| Other trading portfolio liabilities   | 511           | 1,157         |
| <b>Total liabilities</b>  | <b>511</b>    | <b>1,159</b>  |

## 5.04 Presentation of derivative financial instruments (assets and liabilities)

(in CHF 1,000)

|                              |                             | Trading instruments         |                             |                 | Hedging instruments         |                             |                 |
|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------|-----------------------------|-----------------------------|-----------------|
|                              |                             | Positive replacement values | Negative replacement values | Contract volume | Positive replacement values | Negative replacement values | Contract volume |
| Interest rate instruments    | Swaps                       | 1,811                       | 1,811                       | 27,908          | 54,771                      | 222,971                     | 8,414,004       |
|                              | Options (OTC <sup>1</sup> ) | 10,038                      | 10,038                      | 72,723          | –                           | –                           | 49,785          |
| Currencies / precious metals | Forward contracts           | 11,196                      | 12,110                      | 1,439,345       | 6,279                       | 34,564                      | 2,783,117       |
|                              | Options (OTC <sup>1</sup> ) | 448                         | 448                         | 62,576          | –                           | –                           | –               |

### Total before netting agreements

|  |               |               |                  |               |                |                   |
|--|---------------|---------------|------------------|---------------|----------------|-------------------|
| <b>31.12.2020</b>                      | <b>23,493</b> | <b>24,407</b> | <b>1,602,552</b> | <b>61,050</b> | <b>257,535</b> | <b>11,246,906</b> |
| of which, based on an evaluation model | 12,297        | 12,297        | 163,207          | 54,771        | 222,971        | 8,463,789         |
| <b>31.12.2019</b>                      | <b>21,994</b> | <b>21,327</b> | <b>1,865,740</b> | <b>55,670</b> | <b>213,446</b> | <b>8,881,384</b>  |
| of which, based on an evaluation model | 11,365        | 11,365        | 188,560          | 52,569        | 188,230        | 7,085,044         |

<sup>1</sup> Over the counter.Positive replacement values  
(cumulative)                          Negative replacement values  
(cumulative)

### Total after netting agreements

|                   |               |               |
|-------------------|---------------|---------------|
| <b>31.12.2020</b> | <b>15,953</b> | <b>12,562</b> |
| <b>31.12.2019</b> | <b>16,756</b> | <b>8,010</b>  |

|                         |                              |               |
|-------------------------|------------------------------|---------------|
| Central clearing houses | Banks and securities dealers | Other clients |
|-------------------------|------------------------------|---------------|

### Breakdown by counterparty

|   |            |              |               |
|---|------------|--------------|---------------|
| <b>Positive replacement values<br/>after netting agreements</b> | <b>280</b> | <b>2,058</b> | <b>13,615</b> |
|---|------------|--------------|---------------|

## 5.05 Breakdown of financial investments

(in CHF 1,000)

|  | <b>Book value</b> |                  | <b>Fair value</b> |                  |
|--|-------------------|------------------|-------------------|------------------|
|  | 31.12.2020        | 31.12.2019       | 31.12.2020        | 31.12.2019       |
| Debt securities  | 2,058,867         | 1,811,544        | 2,113,142         | 1,857,279        |
| <i>of which, intended to be held to maturity</i>   | 1,876,239         | 1,624,209        | 1,928,484         | 1,668,022        |
| <i>of which, not intended to be held to maturity</i>   | 182,628           | 187,335          | 184,658           | 189,257          |
| Equity investments   | 151,292           | 144,358          | 189,266           | 160,371          |
| <i>of which, qualified participations<sup>1</sup></i>  | 15,867            | 13,813           | 15,867            | 13,813           |
| Buildings & vehicles   | 598               | 950              | 598               | 950              |
| <b>Total</b>   | <b>2,210,757</b>  | <b>1,956,852</b> | <b>2,303,006</b>  | <b>2,018,600</b> |
| <i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i> | 1,711,818         | 1,419,694        | 1,758,478         | 1,457,168        |

<sup>1</sup> At least 10% of capital or votes.

### Breakdown of counterparties by rating<sup>2</sup>

|                                | AAA to AA- | A+ to A- | BBB to BBB- | BB+ to B- | Below B- | Without rating |
|--------------------------------|------------|----------|-------------|-----------|----------|----------------|
| Debt securities,<br>book value | 1,939,123  | 98,922   | –           | –         | –        | 20,822         |

<sup>2</sup> In accordance with S&P ratings.

## 5.06 Presentation of participations

(in CHF 1,000)

|  | Acquisition cost | Accumulated amortisation changes in book value (valuation using the equity method) | Book value at previous yearend | 2020      |           |              | Changes in book value in the case of participations valued using the equity method/ depreciation reversals | Book Value as of end of current year | Market value |
|--|------------------|--|--------------------------------|-----------|-----------|--------------|--|--------------------------------------|--------------|
|  |                  |  |                                | Additions | Disposals | Depreciation |  |                                      |              |
| <b>Participations valued using the equity method</b> |                  |  |                                |           |           |              |  |                                      |              |
| Without market value                                 | 21,329           | 9,873  | 31,202                         | 357       | –4,635    | –            | –2,486   | 24,438                               | –            |

### Other participations

|                             |               |              |               |            |               |             |               |               |           |
|-----------------------------|---------------|--------------|---------------|------------|---------------|-------------|---------------|---------------|-----------|
| With market value           | 73            | –            | 73            | –          | –             | –           | –             | 73            | 73        |
| Without market value        | 30,259        | –832         | 29,427        | 259        | –15           | –569        | –             | 29,102        | –         |
| <b>Total participations</b> | <b>51,661</b> | <b>9,041</b> | <b>60,702</b> | <b>616</b> | <b>–4,650</b> | <b>–569</b> | <b>–2,486</b> | <b>53,613</b> | <b>73</b> |

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

| Company name and registered office           | Business                      |     | Bank's capital<br>(in CHF 1,000) | Share of capital<br>(in %) | Share of votes<br>(in %) | Held directly | Held indirectly |
|--|-------------------------------|-----|----------------------------------|----------------------------|--------------------------|---------------|-----------------|
| <b>Full consolidation</b>                    |                               |     |                                  |                            |                          |               |                 |
| Banque Cantonale de Geneve (France) SA, Lyon | Bank                          | EUR | 30,000                           | 100                        | 100                      | X             |                 |
| Rhône Saone Courtage Sàrl, Lyon              | Real estate brokerage         | EUR | 10                               | 100                        | 100                      |               | X               |
| Rhône Saône Léman SNC, Lyon                  | Real estate company           | EUR | 10                               | 100                        | 100                      |               | X               |
| Capital Transmission SA, Geneva              | Additions                     | CHF | 2,000                            | 100                        | 100                      | X             |                 |
| Dimension SA, Lausanne                       | Valuing and selling companies | CHF | 160                              | 100                        | 100                      | X             |                 |
| Swiss Public Finance Solutions SA, Geneva    | Financial advice              | CHF | 400                              | 100                        | 100                      | X             |                 |
| Loyal Finance AG, Zurich*                    | Asset management              | CHF | 200                              | 60                         | 60                       | X             |                 |

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

## Integration by the equity method

|  |                                |     |        |      |      |   |   |
|--|--------------------------------|-----|--------|------|------|---|---|
| Compagnie Foncière Franco-Suisse SAS, Lyon       | Real estate transactions       | EUR | 2,088  | 33.3 | 33.3 |   | X |
| Compagnie Foncière du Saint Gothard SAS, Puteaux | Real estate transactions       | EUR | 12,075 | 33.3 | 33.3 | X |   |
| Investissements Fonciers SA, Lausanne            | Institutional asset management | CHF | 1,000  | 42.0 | 42.0 | X |   |

## Other participations

|   |                                     |     |           |     |     |   |
|---|-------------------------------------|-----|-----------|-----|-----|---|
| Centrale de lettres de gage des banques cantonales suisses SA, Zurich | Issue of mortgage bonds             | CHF | 1,625,000 | 5.9 | 5.9 | X |
| SIX Group Ltd, Zurich   | Financial industry service provider | CHF | 19,522    | 1.6 | 1.6 | X |

## 5.08 Presentation of tangible fixed assets

(in CHF 1,000)

|   | 2020             |                          |                                 |                |               |                |                |                                      |
|---|------------------|--------------------------|---------------------------------|----------------|---------------|----------------|----------------|--------------------------------------|
|   | Acquisition cost | Accumulated depreciation | Book value at previous year end | Changes of use | Additions     | Disinvestments | Depreciation   | Book value as of end of current year |
| Bank buildings                              | 134,444          | -50,618                  | 83,826                          | -1,001         | -             | -              | -2,467         | 80,358                               |
| Other real estate                           | 21,802           | -8,504                   | 13,298                          | 1,001          | 1,765         | -              | -489           | 15,575                               |
| Proprietary or separately acquired software | 27,788           | -13,709                  | 14,079                          | -              | 9,733         | -              | -8,091         | 15,721                               |
| Other tangible fixed assets                 | 25,032           | -14,651                  | 10,381                          | -              | 1,557         | -1             | -3,489         | 8,448                                |
| <b>Total tangible fixed assets</b>          | <b>209,066</b>   | <b>-87,482</b>           | <b>121,584</b>                  | <b>-</b>       | <b>13,055</b> | <b>-1</b>      | <b>-14,536</b> | <b>120,102</b>                       |

## 5.09 Presentation of intangible assets

(in CHF 1,000)

|                                | 2020             |                          |                                 |           |                |              |                                      |
|--------------------------------|------------------|--------------------------|---------------------------------|-----------|----------------|--------------|--------------------------------------|
|                                | Acquisition cost | Accumulated depreciation | Book value at previous year end | Additions | Disinvestments | Depreciation | Book value as of end of current year |
| Goodwill                       | 900              | -105                     | 795                             | -         | -              | -180         | 615                                  |
| <b>Total intangible assets</b> | <b>900</b>       | <b>-105</b>              | <b>795</b>                      | <b>-</b>  | <b>-</b>       | <b>-180</b>  | <b>615</b>                           |

## 5.10 Breakdown of other assets and other liabilities

(in CHF 1,000)

|  | Other assets   |                | Other liabilities |                |
|--|----------------|----------------|-------------------|----------------|
|  | 31.12.2020     | 31.12.2019     | 31.12.2020        | 31.12.2019     |
| Changes in replacement values of derivative financial instruments  | 151,053        | 120,194        | -                 | -              |
| Interest rate components of financial investments intended to be held to maturity but sold prior to maturity       | 161            | 75             | 676               | 23             |
| Interest rate components of hedging transactions sold prior to maturity  | 11,542         | 9,988          | 26,846            | 18,368         |
| <b>Balance of the compensation account, recording valuation adjustments with no impact on the income statement</b> | <b>162,756</b> | <b>130,257</b> | <b>27,522</b>     | <b>18,391</b>  |
| Coupons  | -              | -              | -                 | 50             |
| Issuing / borrowing costs of bonds and mortgage-backed bonds of the CLG <sup>1</sup> to be depreciated             | 1,859          | 2,273          | -                 | -              |
| Spread of penalties for early loan repayments  | -              | -              | 21,784            | 14,912         |
| Operation of continuously linked settlement system under way   | 60,933         | 278,814        | 61,342            | 284,067        |
| Other internal banking transactions  | 12,552         | 12,579         | 5,843             | 5,396          |
| Indirect taxes   | 12,150         | 12,854         | 5,566             | 5,441          |
| <b>Total</b>   | <b>250,250</b> | <b>436,777</b> | <b>122,057</b>    | <b>328,257</b> |

<sup>1</sup>The Mortgage Bond Centre of the Swiss cantonal banks.

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

(in CHF 1,000)

|  | Book values | Effective commitments |
|--|-------------|-----------------------|
| <b>Pledged/assigned assets</b>   |             |                       |
| SNB  | 112,877     | -                     |
| SIX Swiss Exchange (Swiss electronic stock exchange)   | 26,455      | -                     |
| Mortgage Bond Centre of the Swiss cantonal banks:<br><i>nominal value of mortgage securities kept separately</i> | 5,781,341   | 3,687,000             |

## 5.12 Disclosure of liabilities relating to own pension schemes

|                                    | Number     |            | Value (in CHF 1,000) |            |
|------------------------------------|------------|------------|----------------------|------------|
|                                    | 31.12.2020 | 31.12.2019 | 31.12.2020           | 31.12.2019 |
| As custodian bank                  | -          | -          | 52,650               | 45,419     |
| Negative replacement values        | -          | -          | -                    | 38         |
| BCGE shares held by the Foundation | 60,000     | 60,000     | 9,540                | 11,670     |

## 5.13 Disclosures on the economic position of own pension schemes

(in CHF 1,000)

### a) Employer contribution reserves (ECR)

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

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

|                                  | Overfunding/<br>underfunding<br>at end of<br>current year <sup>1</sup> | Economic interest<br>of the Bank/financial group |            | Change in<br>economic<br>interest<br>(benefit/<br>obligation)<br>versus<br>previous year | Contributions<br>paid for<br>the current<br>period | Pension expenses<br>in personnel expenses |            |
|----------------------------------|--|--|------------|--|--|---|------------|
|                                  |  | 31.12.2020                                       | 31.12.2019 |  |  | 31.12.2020                                | 31.12.2019 |
| Pension schemes with overfunding | 13,196   | –  | –          | –  | 15,612   | 15,444                                    | 15,101     |

<sup>1</sup> The Pension Fund's audited annual accounts as of 31 December 2020 are not available. The surplus is based on the audited financial statements as of 31.12.2019.

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

## 5.14 Presentation of the issued structured products

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

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

(in CHF 1,000)

| 2020   |  |                                |            |                                      |                       |                |                                 |
|--|--|--------------------------------|------------|--------------------------------------|-----------------------|----------------|---------------------------------|
|  |  | Weighted average interest rate | Maturities | Amounts issued in foreign currencies | Amounts issued in CHF | Own bonds held | Book value in the balance sheet |
| Private CHF loan issued on 19.02.2020            | Non-subordinated                                 | 0.000%                         | 19.02.21   | –                                    | 200,000               | –              | 200,000                         |
| CHF loan issued on 10.06.2015                    | Non-subordinated                                 | 0.500%                         | 10.06.24   | –                                    | 150,000               | –              | 150,000                         |
| CHF loan issued on 23.04.2019                    | Non-subordinated                                 | 0.125%                         | 23.04.26   | –                                    | 120,000               | -500           | 119,500                         |
| Subordinated CHF loan issued on 28.06.2017       | Subordinated with PONV <sup>1</sup> clause       | 1.125%                         | 28.06.27   |                                      | 110,000               | –              | 110,000                         |
| AT1 type CHF long term loan issued on 28.06.2017 | Subordinated with PONV <sup>1</sup> clause       | 2.000%                         | N/A        | –                                    | 90,000                | -255           | 89,745                          |
| AT1 type CHF long-term loan issued on 12.11.2019 | Subordinated with PONV <sup>1</sup> clause       | 1.875%                         | N/A        | –                                    | 135,000               | -90            | 134,910                         |
| <b>Total</b>                                     |  | –                              | –          | –                                    | <b>805,000</b>        | <b>-845</b>    | <b>804,155</b>                  |
|  | Total non-subordinated                           | 0.191%                         |            |                                      | 470,000               | -500           | 469,500                         |
|  | Total subordinated with PONV <sup>1</sup> clause | 1.662%                         |            |                                      | 335,000               | -345           | 334,655                         |
| <b>Total</b>                                     |  | <b>0.804%</b>                  | –          | –                                    | <b>805,000</b>        | <b>-845</b>    | <b>804,155</b>                  |

<sup>1</sup> Point of non-viability (PONV).

| Overview of maturities of bonds outstanding | 2020          |  |   |   |   |                   | Total   |
|---|---------------|--|---|---|---|-------------------|---------|
|   | Within 1 year | More than 1 year and less than 2 years | More than 2 years and less than 3 years | More than 3 years and less than 4 years | More than 4 years and less than 5 years | More than 5 years |         |
| Bonds (nominal)                             | 200,000       | –                                      | –                                       | 150,000                                 | –                                       | 455,000           | 805,000 |
| Bonds (according to the balance sheet)      | 200,000       | –                                      | –                                       | 150,000                                 | –                                       | 454,155           | 804,155 |

|   | Amount    |
|---|-----------|
| Loans from central mortgage institution | 3,687,000 |

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

(in CHF 1,000)

|   | Previous year end | Use in Conformity with designated purpose | Reclassifications | Currency differences | Past due interest recoveries | New creations charged to income | Releases to income | Balance year year end |
|---|-------------------|---|-------------------|----------------------|------------------------------|---------------------------------|--------------------|-----------------------|
| Provisions for default risks  | 580               | –   | –                 | –2                   | –                            | 463                             | –                  | 1,041                 |
| Provisions for other business risks   | 1,101             | –386                                      | –                 | –                    | –                            | 464                             | –                  | 1,179                 |
| Other provisions  | 10,509            | –   | –                 | –                    | –                            | 257                             | –41                | 10,725                |
| <b>Total provisions</b>   | <b>12,190</b>     | <b>–386</b>                               | <b>–</b>          | <b>–2</b>            | <b>–</b>                     | <b>1,184</b>                    | <b>–41</b>         | <b>12,945</b>         |
| Reserves for general banking risks  | 245,000           | –   | –                 | –                    | –                            | –15,000                         | 230,000            |                       |
| <b>Value adjustments for default and country risks</b>  | <b>86,818</b>     | <b>–11,983</b>                            | <b>–</b>          | <b>–1,321</b>        | <b>1,873</b>                 | <b>31,581</b>                   | <b>–2,236</b>      | <b>104,732</b>        |
| <i>of which, value adjustments for default risks<br/>  in respect of impaired loans / receivables</i> | <i>80,518</i>     | <i>–11,983</i>                            | <i>–</i>          | <i>–1,321</i>        | <i>1,873</i>                 | <i>24,781</i>                   | <i>–2,236</i>      | <i>91,632</i>         |
| <i>including value adjustments<br/>  for latent risks</i>   | <i>6,300</i>      | <i>–</i>                                  | <i>–</i>          | <i>–</i>             | <i>–</i>                     | <i>6,800</i>                    | <i>–</i>           | <i>13,100</i>         |

See credit risk page 89.

## 5.17 Presentation of the Bank's capital

(in CHF 1,000)

|                                   | 31.12.2020      |                  |                               | 31.12.2019      |                  |                               |
|-----------------------------------|-----------------|------------------|-------------------------------|-----------------|------------------|-------------------------------|
|                                   | Total par value | Number of shares | Capital eligible for dividend | Total par value | Number of shares | Capital eligible for dividend |
| <b>Bank's capital</b>             |                 |                  |                               |                 |                  |                               |
| Single registered share of CHF 50 | 360,000         | 7,200,000        | 360,000                       | 360,000         | 7,200,000        | 360,000                       |
| <b>Share capital</b>              | <b>360,000</b>  | <b>7,200,000</b> | <b>360,000</b>                | <b>360,000</b>  | <b>7,200,000</b> | <b>360,000</b>                |
| <i>of which, fully paid up</i>    | <i>360,000</i>  | <i>7,200,000</i> | <i>360,000</i>                | <i>360,000</i>  | <i>7,200,000</i> | <i>360,000</i>                |
| <b>Total Bank's capital</b>       | <b>360,000</b>  | <b>7,200,000</b> | <b>360,000</b>                | <b>360,000</b>  | <b>7,200,000</b> | <b>360,000</b>                |

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

|  | Number<br>Equity securities |               | Value (in CHF 1,000)<br>Equity securities |              |
|--|-----------------------------|---------------|---|--------------|
|  | 31.12.2020                  | 31.12.2019    | 31.12.2020                                | 31.12.2019   |
| Members of the Board of Directors <sup>1</sup> | 1,316                       | 70            | 240                                       | 14           |
| Members of the executive bodies <sup>2,3</sup> | 1,791                       | 4,882         | 285                                       | 1,044        |
| Employees <sup>4</sup>                         | 22,653                      | 22,016        | 4,132                                     | 4,372        |
| <b>Total</b>                                   | <b>25,760</b>               | <b>26,968</b> | <b>4,657</b>                              | <b>5,430</b> |

<sup>1</sup> Number of bonus shares issued during the financial period.

<sup>2</sup> Paid in 2020 on the basis of 2019 results.

<sup>3</sup> Amounts calculated on the basis of the current year-end closing share price.

<sup>4</sup> However, the variable remuneration components have not yet been paid to employees, who have not been able to exercise their rights.

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

The contractual conditions for the attribution of the various plans are explained in point 5 of the section on Shareholder information and corporate governance, on page 63. Plans associated with the remuneration of the ordinary variable component and that are part of the profit-sharing plan at the time of share purchase are subject to a moratorium of between 5 and a maximum of 10 years, as the beneficiary chooses. The other profit-sharing plans are subject to a moratorium of 5 years.

## 5.19 Disclosure of amounts due from/to related parties

(in CHF 1,000)

|   | Amounts due from |            | Amounts due to |            |
|---|------------------|------------|----------------|------------|
|   | 31.12.2020       | 31.12.2019 | 31.12.2020     | 31.12.2019 |
| Holders of qualified participations           | 30,000           | 102,282    | 192,289        | 10,460     |
| Group companies                               | 5,623            | 30,461     | 3,697          | 2,390      |
| Linked companies                              | 1,486,746        | 1,489,582  | 224,371        | 213,083    |
| Transactions with members of governing bodies | 5,220            | 5,900      | 4,207          | 2,946      |
| Other related parties                         | 14               | –          | 52,650         | 45,457     |

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

Due to affiliates corresponds to the current accounts of these foundations created under public law.

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

Loans and liabilities in respect of qualifying persons result from banking transactions executed at conditions granted to public bodies.

## 5.20 Disclosure of holders of significant participations

|                                      | 31.12.2020         |              | 31.12.2019         |              |
|--------------------------------------|--------------------|--------------|--------------------|--------------|
|                                      | Nominal            | % of equity  | Nominal            | % of equity  |
| <b>Single registered shares</b>      |                    |              |                    |              |
| State of Geneva                      | 159,385,750        | 44.3         | 159,385,750        | 44.3         |
| City of Geneva                       | 75,132,300         | 20.9         | 75,132,300         | 20.9         |
| 44 Geneva municipalities             | 26,732,450         | 7.4          | 26,732,450         | 7.4          |
| <b>Sub-total, public authorities</b> | <b>261,250,500</b> | <b>72.6</b>  | <b>261,250,500</b> | <b>72.6</b>  |
| CPEG – State of Geneva Pension Fund  | 21,440,000         | 6.0          | 21,440,000         | 6.0          |
| Other shareholders                   | 77,309,500         | 21.4         | 77,309,500         | 21.4         |
| <b>Total</b>                         | <b>360,000,000</b> | <b>100.0</b> | <b>360,000,000</b> | <b>100.0</b> |

## 5.21 Disclosure of own shares and composition of equity capital

### Own shares

|   |                                  |         |
|---|----------------------------------|---------|
| BCGE shares   | Situation as of 1 January 2020   | 71,353  |
|   | Purchases                        | 91,256  |
|   | Sales                            | 42,296  |
|   | Situation as of 31 December 2020 | 120,313 |
| Average transaction price (average market value) in CHF |                                  | 176.2   |
| Shares held by its pension fund                         |                                  | 60,000  |

## 5.22 Disclosures in accordance with the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares and Art. 663b<sup>bis</sup> CO for banks whose equity securities are listed

Please see note 5.22 of the parent company accounts, page 129.

## 5.23 Presentation of the maturity structure of financial instruments

(in CHF 1,000)

|   | Due               |                  |                  |                       |                             |                  |                  |                   |
|---|-------------------|------------------|------------------|-----------------------|-----------------------------|------------------|------------------|-------------------|
|   | At sight          | Cancellable      | Within 3 months  | Within 3 to 12 months | Within 12 months to 5 years | After 5 years    | No maturity      | Total             |
| <b>Assets / financial instruments</b>                           |                   |                  |                  |                       |                             |                  |                  |                   |
| Liquid assets   | 6,474,360         |                  |                  |                       |                             |                  |                  | 6,474,360         |
| Amounts receivable from banks                                   | 212,326           | 19               | 365,083          | 154,774               | 219                         | –                | –                | 732,421           |
| Amounts due from securities financing transactions              | –                 | –                | –                | –                     | –                           | –                | –                | –                 |
| Amounts due from clients  | 1,163,325         | 243,879          | 1,227,073        | 436,354               | 1,545,858                   | 970,665          | –                | 5,587,154         |
| Mortgage loans  | 2,585             | 2,046,160        | 778,302          | 608,464               | 3,181,018                   | 5,389,078        | –                | 12,005,607        |
| Trading portfolio assets  | 53,729            | –                | –                | –                     | –                           | –                | –                | 53'729            |
| Positive replacement values of derivative financial instruments | 15,953            | –                | –                | –                     | –                           | –                | –                | 15,953            |
| Financial investments   | 160,193           | –                | 10,810           | 205,140               | 869,667                     | 964,349          | 598              | 2,210,757         |
| <b>Total</b>  | <b>31.12.2020</b> | <b>8,082,471</b> | <b>2,290,058</b> | <b>2,381,268</b>      | <b>1,404,732</b>            | <b>5,596,762</b> | <b>7,324,092</b> | <b>598</b>        |
|   | <b>31.12.2019</b> | <b>6,441,363</b> | <b>2,305,061</b> | <b>2,099,965</b>      | <b>1,309,105</b>            | <b>5,220,763</b> | <b>6,894,007</b> | <b>882</b>        |
|   |                   |                  |                  |                       |                             |                  |                  | <b>24,271,146</b> |

## Debt capital / financial instruments

|   |                   |                   |                  |                  |                  |                  |                  |                     |
|---|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Amounts due to banks  | 602,025           | 250,100           | 1,834,539        | 699,313          | –                | –                | –                | 3,385,977           |
| Liabilities arising from securities financing transactions      | –                 | –                 | 747,160          | 70,265           | –                | –                | –                | 817,425             |
| Amounts due in respect of client deposits                       | 10,185,754        | 5,481,936         | 653,829          | 561,953          | 299              | –                | –                | 16,883,771          |
| Trading portfolio liabilities                                   | 511               | –                 | –                | –                | –                | –                | –                | 511                 |
| Negative replacement values of derivative financial instruments | 12,562            | –                 | –                | –                | –                | –                | –                | 12'562              |
| Cash bonds  | –                 | –                 | 237              | 60               | 803              | –                | –                | 1,100               |
| Bond issues and central mortgage institution loans              | –                 | –                 | 230,000          | 68,000           | 1,133,000        | 3,060,155        | –                | 4,491,155           |
| <b>Total</b>  | <b>31.12.2020</b> | <b>10,800,852</b> | <b>5,732,036</b> | <b>3,465,765</b> | <b>1,399,591</b> | <b>1,134,102</b> | <b>3,060,155</b> | <b>– 25,592,501</b> |
|   | <b>31.12.2019</b> | <b>9,700,012</b>  | <b>5,272,397</b> | <b>2,884,210</b> | <b>1,245,906</b> | <b>756,272</b>   | <b>2,937,370</b> | <b>– 22,796,167</b> |

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

(in CHF 1,000)

|   | 2020              |                  | 2019              |                  |
|---|-------------------|------------------|-------------------|------------------|
|   | Switzerland       | Foreign          | Switzerland       | Foreign          |
| <b>Assets</b>   |                   |                  |                   |                  |
| Liquid assets   | 6,447,024         | 27,336           | 4,717,418         | 28,692           |
| Amounts receivable from banks                                   | 237,020           | 495,401          | 149,518           | 326,377          |
| Amounts due from securities financing transactions              | –                 | –                | –                 | –                |
| Amounts due from clients  | 3,386,068         | 2,201,086        | 2,989,332         | 2,357,181        |
| Mortgage loans  | 11,672,187        | 333,420          | 11,323,580        | 354,723          |
| Trading portfolio assets  | 53,707            | 22               | 50,692            | 25               |
| Positive replacement values of derivative financial instruments | 13,330            | 2,623            | 15,092            | 1,664            |
| Financial investments   | 1,849,029         | 361,728          | 1,440,331         | 516,521          |
| Accrued expenses and deferred income                            | 35,103            | 2,028            | 26,412            | 1,824            |
| Participations  | 37,938            | 15,675           | 37,583            | 23,119           |
| Tangible fixed assets   | 116,699           | 3,403            | 120,063           | 1,521            |
| Intangible assets   | 615               | –                | 795               | –                |
| Other assets  | 248,939           | 1,311            | 435,884           | 893              |
| <b>Total assets</b>   | <b>24,097,659</b> | <b>3,444,033</b> | <b>21,306,700</b> | <b>3,612,540</b> |
| <b>Liabilities</b>  |                   |                  |                   |                  |
| Amounts due to banks  | 1,089,213         | 2,296,764        | 1,259,119         | 2,016,076        |
| Liabilities arising from securities financing transactions      | 817,425           | –                | 544,762           | –                |
| Amounts due in respect of client deposits                       | 13,178,130        | 3,705,641        | 11,774,546        | 3,173,460        |
| Trading portfolio liabilities                                   | 511               | –                | 1,158             | 1                |
| Negative replacement values of derivative financial instruments | 2,498             | 10,064           | 1,433             | 6,577            |
| Cash bonds  | 1,063             | 37               | 2,143             | 37               |
| Bond issues and central mortgage institution loans              | 4,491,155         | –                | 4,016,855         | –                |
| Accrued expenses and deferred income                            | 93,086            | 4,762            | 111,553           | 4,337            |
| Other liabilities   | 120,259           | 1,798            | 326,444           | 1,813            |
| Provisions  | 12,945            | –                | 12,190            | –                |
| Reserves for general banking risks                              | 230,000           | –                | 245,000           | –                |
| Bank's capital  | 360,000           | –                | 360'000           | –                |
| Capital reserve   | 320,358           | –                | 319,859           | –                |
| Retained earnings reserve                                       | 741,301           | –                | 676,887           | –                |
| Own shares  | -20,832           | –                | -12,593           | –                |
| Currency translation reserve                                    | -19,836           | –                | -19,642           | –                |
| Minority interests in equity capital                            | 388               | –                | 411               | –                |
| Profit / loss (result of the period)                            | 104,962           | –                | 96,814            | –                |
| <b>Total liabilities</b>  | <b>21,522,626</b> | <b>6,019,066</b> | <b>19,716,939</b> | <b>5,202,301</b> |

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

(in CHF 1,000)

|                            | 2020              |             | 2019              |             |
|----------------------------|-------------------|-------------|-------------------|-------------|
|                            | Absolute          | % of equity | Absolute          | % of equity |
| <b>Assets</b>              |                   |             |                   |             |
| Europe • France            | 1,829,026         | 6.5         | 1,813,637         | 7.2         |
| • Luxembourg               | 191,872           | 0.7         | 192,637           | 0.8         |
| • Germany                  | 160,651           | 0.6         | 171,096           | 0.7         |
| • United Kingdom           | 134,906           | 0.5         | 94,287            | 0.4         |
| • Other European countries | 375,493           | 1.4         | 488,299           | 2.0         |
| United Arab Emirates       | 105,770           | 0.4         | 123,615           | 0.5         |
| United States and Canada   | 125,823           | 0.5         | 139,216           | 0.6         |
| Others                     | 520,492           | 1.9         | 589,753           | 2.3         |
| Assets held abroad         | 3,444,033         | 12.5        | 3,612,540         | 14.5        |
| Switzerland                | 24,097,659        | 87.5        | 21,306,700        | 85.5        |
| <b>Total assets</b>        | <b>27,541,692</b> | <b>100</b>  | <b>24,919,240</b> | <b>100</b>  |

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

(in CHF 1,000)

|  | Net foreign exposure/current year-end |              | Net foreign exposure/preceding year-end |              |
|--|---------------------------------------|--------------|---|--------------|
|  | Absolute                              | % of equity  | Absolute                                | % of equity  |
| <b>Rating category (according to SERV, Swiss insurance against export risks)</b> |                                       |              |   |              |
| 0/HI   | 2,975,134                             | 83.7         | 3,037,016                               | 82.5         |
| 1  | 11                                    | 0.0          | 5                                       | 0.0          |
| 2  | 135,326                               | 3.8          | 208,510                                 | 5.7          |
| 3  | 78,732                                | 2.2          | 47,037                                  | 1.3          |
| 4  | 9,110                                 | 0.3          | 58,197                                  | 1.6          |
| 5 and 6  | 169,145                               | 4.8          | 168,787                                 | 4.6          |
| 7  | 1,708                                 | 0.0          | 4,278                                   | 0.1          |
| <b>Total unrated</b>   | <b>184,086</b>                        | <b>5.2</b>   | <b>156,280</b>                          | <b>4.2</b>   |
| <b>Total</b>   | <b>3,553,252</b>                      | <b>100.0</b> | <b>3,680,110</b>                        | <b>100.0</b> |

The SERV rating is recognised by FINMA.

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

(in CHF 1,000)

|  | Currencies        |                  |                  |                |                |                |
|--|-------------------|------------------|------------------|----------------|----------------|----------------|
|  | CHF               | EUR              | USD              | GBP            | OTHER          | METALS         |
| <b>Assets</b>  |                   |                  |                  |                |                |                |
| Liquid assets  | 6,394,969         | 76,684           | 1,357            | 404            | 946            | —              |
| Amounts receivable from banks  | 24,287            | 48,662           | 541,559          | 4,388          | 25,565         | 87,960         |
| Amounts due from securities financing transactions                                     | —                 | —                | —                | —              | —              | —              |
| Amounts due from clients   | 2,478,892         | 1,846,392        | 1,224,779        | 13,532         | 23,559         | —              |
| Mortgage loans   | 11,843,513        | 156,771          | 5,323            | —              | —              | —              |
| Trading portfolio assets   | 1,082             | 2                | —                | —              | 1              | 52,644         |
| Positive replacement values of derivative financial instruments                        | 15,953            | —                | —                | —              | —              | —              |
| Financial investments  | 1,890,611         | 209,628          | 101,056          | 2,832          | 6,630          | —              |
| Accrued expenses and deferred income   | 35,103            | 2,028            | —                | —              | —              | —              |
| Participations   | 43,995            | 9,466            | 152              | —              | —              | —              |
| Tangible fixed assets  | 116,699           | 3'403            | —                | —              | —              | —              |
| Intangible assets  | 615               | —                | —                | —              | —              | —              |
| Other assets   | 187,887           | 1,396            | 60,153           | 762            | 52             | —              |
| <b>Total assets shown in balance sheet</b>   | <b>23,033,606</b> | <b>2,354,432</b> | <b>1,934,379</b> | <b>21,918</b>  | <b>56,753</b>  | <b>140,604</b> |
| Delivery entitlements from spot exchange, forward forex and forex options transactions | 420,752           | 1,133,407        | 2,487,988        | 177,660        | 49,742         | 15,489         |
| <b>Total assets</b>  | <b>23,454,358</b> | <b>3,487,839</b> | <b>4,422,367</b> | <b>199,578</b> | <b>106,495</b> | <b>156,093</b> |
| <b>Liabilities</b>   |                   |                  |                  |                |                |                |
| Amounts due to banks   | 832,737           | 566,602          | 1,835,584        | 35,452         | 24,205         | 91,397         |
| Liabilities arising from securities financing transactions                             | —                 | 113,505          | 703,920          | —              | —              | —              |
| Amounts due in respect of client deposits  | 13,385,660        | 1,915,258        | 1,435,252        | 70,664         | 41,627         | 35,310         |
| Trading portfolio liabilities  | 185               | 253              | 44               | 3              | 26             | —              |
| Negative replacement values of derivative financial instruments                        | 12,562            | —                | —                | —              | —              | —              |
| Cash bonds   | 1,100             | —                | —                | —              | —              | —              |
| Bond issues and central mortgage institution loans                                     | 4,491,155         | —                | —                | —              | —              | —              |
| Accrued expenses and deferred income   | 93,053            | 4,795            | —                | —              | —              | —              |
| Other liabilities  | 91,758            | 29,200           | 890              | —              | 209            | —              |
| Provisions   | 12,945            | —                | —                | —              | —              | —              |
| Reserves for general banking risks   | 230,000           | —                | —                | —              | —              | —              |
| Bank's capital   | 360,000           | —                | —                | —              | —              | —              |
| Capital reserve  | 320,358           | —                | —                | —              | —              | —              |
| Retained earnings reserve  | 741,301           | —                | —                | —              | —              | —              |
| Own shares   | -20,832           | —                | —                | —              | —              | —              |
| Currency translation reserve   | -19,836           | —                | —                | —              | —              | —              |
| Minority interests in equity capital   | 388               | —                | —                | —              | —              | —              |
| Profit / loss (result of the period)   | 104,962           | —                | —                | —              | —              | —              |
| <b>Total liabilities shown in the balance sheet</b>                                    | <b>20,637,496</b> | <b>2,629,613</b> | <b>3,975,690</b> | <b>106,119</b> | <b>66,067</b>  | <b>126,707</b> |
| Delivery obligations from spot exchange, forward forex and forex options transactions  | 2,928,875         | 776,217          | 447,409          | 93,440         | 39,012         | 29,474         |
| <b>Total liabilities</b>   | <b>23,566,371</b> | <b>3,405,830</b> | <b>4,423,099</b> | <b>199,559</b> | <b>105,079</b> | <b>156,181</b> |
| <b>Net position per currency</b>   | <b>-112,013</b>   | <b>82,009</b>    | <b>-732</b>      | <b>19</b>      | <b>1,416</b>   | <b>-88</b>     |

## 5.28 Breakdown and explanation of contingent assets and liabilities

(in CHF 1,000)

|  | 2020           | 2019             |
|--|----------------|------------------|
| Guarantees to secure credits and similar                           | 45,246         | 40,513           |
| Guarantees to provide guarantees and similar                       | 112,127        | 85,700           |
| Irrevocable commitments arising from documentary letters of credit | 757,932        | 977,165          |
| Other contingent liabilities                                       | 700            | 700              |
| <b>Total contingent liabilities</b>                                | <b>916,005</b> | <b>1,104,078</b> |

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

## 5.29 Breakdown of credit commitments

(in CHF 1,000)

|  | 2020           | 2019          |
|--|----------------|---------------|
| Commitments arising from deferred payments | 118,180        | 41,596        |
| Liabilities arising from acceptances       | –              | 9,648         |
| <b>Total credit commitments</b>            | <b>118,180</b> | <b>51,244</b> |

## 5.30 Breakdown of fiduciary transactions

(in CHF 1,000)

|  | 2020          | 2019           |
|--|---------------|----------------|
| Fiduciary investments with third-party companies | 82,969        | 185,576        |
| <b>Total fiduciary transactions</b>              | <b>82,969</b> | <b>185'576</b> |

## 5.31 Breakdown of managed assets and presentation of their development

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

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

(in CHF 1,000)

|   | 2020          | 2019          |
|---|---------------|---------------|
| Trading result from                         |               |               |
| Interest rate instruments (including funds) | 665           | 1,676         |
| Equity securities (including funds)         | 100           | 1             |
| Currencies                                  | 28,301        | 29,301        |
| Commodities/precious metals                 | 1,311         | 451           |
| <b>Total trading income</b>                 | <b>30,377</b> | <b>31,429</b> |

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

Negative interest on the lending business is recognised as a reduction in interest income and negative interest on borrowing as a reduction in interest costs.

The Bank does not deduct financing costs from trading positions.

### **5.34 Breakdown of personnel expenses**

(in CHF 1,000)

|  | 2020           | 2019           |
|--|----------------|----------------|
| Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits) | 115,244        | 114,673        |
| <i>of which, expenses relating to share-based compensation and alternative forms of variable compensation</i>              | <i>5,376</i>   | <i>5,886</i>   |
| Social insurance benefits  | 28,337         | 28,498         |
| Other personnel expenses   | 4,181          | 4,802          |
| <b>Total personnel costs</b>   | <b>147,762</b> | <b>147,973</b> |

### **5.35 Breakdown of the other operating charges**

(in CHF 1,000)

|   | 2020          | 2019          |
|---|---------------|---------------|
| Office space expenses   | 9,723         | 9,271         |
| Expenses for information and communications technology  | 36,126        | 36,406        |
| Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses | 195           | 254           |
| Fees of audit firms   | 949           | 887           |
| <i>of which, for financial and regulatory audits</i>  | <i>919</i>    | <i>875</i>    |
| <i>of which, for other services</i>   | <i>30</i>     | <i>12</i>     |
| General and administrative expenses   | 42,541        | 44,504        |
| <b>Total other operating expenses</b>   | <b>89,534</b> | <b>91,322</b> |

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

Following changes in existing risks and the appearance of new risks during the past year, the Bank decided, during the first half of 2020, to release CHF 15 million from the item 'Reserves for general banking risks'. Moreover, provisions have been adjusted in view of the economic situation.

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

The Bank has not revalued its participations or tangible assets.

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

(in CHF 1,000)

|   | 2020            |                | 2019            |                |
|---|-----------------|----------------|-----------------|----------------|
|   | Switzerland     | Foreign        | Switzerland     | Foreign        |
| <b>Result from interest operations</b>  |                 |                |                 |                |
| Interest and discount income  | 239,344         | 20,886         | 271,754         | 19,504         |
| Interest and dividend income from trading portfolios  | 36              | –              | 74              | –              |
| Interest and dividends from financial investments   | 5,891           | –              | 9,010           | –              |
| Interest expenses   | –21,677         | 490            | –61,466         | 343            |
| <b>Gross result from interest operations</b>  | <b>223,594</b>  | <b>21,376</b>  | <b>219,372</b>  | <b>19,847</b>  |
| Changes in value adjustments for default risks and losses from interest operations                                | –28,723         | –620           | –6,158          | –1,893         |
| <b>Subtotal net result from interest operations</b>   | <b>194,871</b>  | <b>20,756</b>  | <b>213,214</b>  | <b>17,954</b>  |
| <b>Result from commission business and services</b>   |                 |                |                 |                |
| Commission income from securities trading and investment activities   | 54,852          | 1,318          | 49,439          | 1,338          |
| Commission income from lending activities   | 29,376          | 4,462          | 34,291          | 6,598          |
| Commission income from other services   | 32,864          | 1,256          | 36,765          | 1,322          |
| Commission expense  | –8,543          | 40             | –9,309          | –              |
| <b>Subtotal result from commission business and services</b>  | <b>108,549</b>  | <b>7,076</b>   | <b>111,186</b>  | <b>9,258</b>   |
| <b>Result from trading activities and the fair value option</b>   |                 |                |                 |                |
| <b>Subtotal result from trading activities and the fair value option</b>  | <b>30,377</b>   | <b>–</b>       | <b>31,429</b>   | <b>–</b>       |
| <b>Other ordinary income</b>  |                 |                |                 |                |
| Income from sale of financial investments   | –6,800          | –              | 16,054          | –              |
| Income from participations  | 8,898           | –2,751         | 11,497          | 2,753          |
| Result from real estate   | 1,080           | –              | 945             | –              |
| Other ordinary income   | 10,864          | –              | 7,950           | –              |
| Other ordinary expenses   | –6,201          | –              | –1,912          | –              |
| <b>Subtotal other results from ordinary activities</b>  | <b>7,841</b>    | <b>–2,751</b>  | <b>34,534</b>   | <b>2,753</b>   |
| <b>Total operating income</b>   | <b>341,638</b>  | <b>25,081</b>  | <b>390,363</b>  | <b>29,965</b>  |
| <b>Operating expenses</b>   |                 |                |                 |                |
| Personnel expenses  | –140,084        | –7,678         | –140,364        | –7,609         |
| General and administrative expenses   | –84,179         | –5,355         | –86,008         | –5,314         |
| <b>Subtotal operating expenses</b>  | <b>–224,263</b> | <b>–13,033</b> | <b>–226,372</b> | <b>–12,923</b> |
| Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets | –14,933         | –352           | –15,108         | –292           |
| Changes to provisions and other value adjustments and losses  | –1,143          | –              | –255            | –              |
| <b>Operating profit</b>   | <b>101,299</b>  | <b>11,696</b>  | <b>148,628</b>  | <b>16,750</b>  |

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

(in CHF 1,000)

|  | Rate in % <sup>1</sup> | 2020          | Rate in % <sup>1</sup> | 2019          |
|--|------------------------|---------------|------------------------|---------------|
| <b>Current tax</b>                     |                        |               |                        |               |
| Banque Cantonale de Genève             | 18.5%                  | 18,954        | 21.6%                  | 33,995        |
| Banque Cantonale de Genève (France) SA | 29.1%                  | 4,305         | 29.1%                  | 4,530         |
| Various <sup>2</sup>                   |                        | 51            |                        | 140           |
| <b>Deferred taxes</b>                  | <b>33.3%</b>           | <b>-150</b>   | <b>33.3%</b>           | <b>-31</b>    |
|  |                        | <b>23,160</b> |                        | <b>38,634</b> |

<sup>1</sup> Weighted average rate used, on the basis of the operating result.<sup>2</sup> The other Group companies do not have a significant tax item.

## 5.40 Disclosures and explanations of the earnings per equity security

(in CHF 1,000)

|   | 31.12.2020     | 31.12.2019    |
|---|----------------|---------------|
| <b>Net earnings to be allocated to the shareholders</b> | <b>104,962</b> | <b>96,814</b> |

### Registered shares

|   |              |              |
|---|--------------|--------------|
| Average number of shares in circulation | 7,200,000    | 7,200,000    |
| <b>Earnings per share (in CHF)</b>      | <b>14.58</b> | <b>13.45</b> |

Banque Cantonale de Genève does not transact financial instruments that might dilute its profits.

## BUILDING SUCCESS

BCGE, a recognised and effective private banking adviser in Switzerland and internationally.





## Statutory Auditor's Report

To the General Meeting of Banque Cantonale de Genève, Genève

### Report on the financial statements

#### Audit opinion

We have audited the financial statements of Banque Cantonale de Genève, which comprise the balance sheet as at 31 December 2020, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 118 to 138) give a true and fair view of the financial position and results of operations in accordance with the Swiss accounting rules for banks and comply with Swiss law and the company's articles of incorporation.

#### Basis for opinion

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

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

#### Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority (FAOA)

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

|  Key audit matters  | Audit procedures   |
|--|--|
| <p>The book values of amounts due from clients and mortgage loans amount respectively to CHF 4,731 mios and CHF 12,005 mios (total of balance sheet of CHF 27,335 mios) These total amounts of credit are presented net of value adjustments made up for CHF 89,312 and including a value adjustment for latent risks. The estimated value adjustments are based on the "Règlement des crédits". The value adjustments are individually estimated and include an inherent part of significant judgement from Management regarding the level and the timing of the accounting of the value adjustments. With regard to the level of credit granted, the value adjustments for default risk are considered as a key audit matter. Please refer to pages 87 to 89 and to table 5.02 of the notes to the financial statements on the page 122 for further information.</p> | <p>We performed walk through procedures in order to evaluate the adequacy of the design and implementation of controls of the credit granting process, the follow-up and the valuation processes of value adjustments for default risk (adjustment rules). Furthermore, we performed substantive procedures consisting of : Testing a sampling of different types of credit (mortgage, commercial and Global Commodity Finance), including those which were not identified by the bank as impaired, in order to build up our own opinion and to evaluate the need of an impairment and whether it has been properly recognised; Review of assumptions retained by the bank for the value adjustments on the different credits; Review of files which are closely monitored due to higher risks of default but not yet adjusted; Valuation of the judgement level applied by the bank and testing that the value adjustments have been approved in accordance with internal authorization rules; Sending confirmation requests to the external lawyers consulted in the context of major recovery files in 2020; Follow the evolution of the main significant and risky files identified by the bank and check the correct booking of these value adjustments Based on our procedures performed, we have collected sufficient appropriate audit evidences in order to cover the risk of valuation of value adjustments for default risks.</p> |

|  Key audit matters  | Audit procedures   |
|--|--|
| <p>Due to its activity of universal and cantonal bank involving a significant number of clients, BCGE is exposed to litigation risk. A list of litigation cases, procedures and prosecutions is established by Management. The valuation of those provisions includes an inherent part of judgement from the Management. Please refer to page 90 and to table 5.16 of notes to the financial statements on page 127 for further information.</p> | <p>We tested the adequacy of the design and the implementation of key controls for legal risks regarding the identification, the valuation of provisions and the proper recording of related litigation provision. Furthermore, we performed substantive procedures consisting of: Review of the list of litigation cases, procedures and prosecutions established by the Management; Interview with the Head of Legal and the Management regarding open and significant cases; Review of the assumptions used by Management for the estimation of the level of provision of the significant cases; Sending confirmations requests to the external lawyers consulted in 2020 in connection with litigation or potential litigation; Test the proper recording of these provisions. Based on the procedures performed, we have collected sufficient appropriate audit evidences to cover the risk of valuation of the litigation provision.</p> |

## Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

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

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

**Deloitte SA**



Alexandre Buga  
Licensed Audit Expert  
Auditor in charge



Sophie Morin  
Licensed Audit Expert

Geneva, February 18, 2021

# 2020 financial statements and notes, parent company

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

## Parent company

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| <b>Assets</b>   | Notes | 31.12.2020<br>in CHF 1,000 | 31.12.2019<br>in CHF 1,000 | Change<br>in CHF 1,000 |
|---|-------|----------------------------|----------------------------|------------------------|
| Liquid assets   | 5.23  | 6,456,481                  | 4,728,102                  | 1,728,379              |
| Amounts receivable from banks                                       | 5.23  | 1,413,081                  | 1,109,082                  | 303,999                |
| Amounts due from securities financing transactions                  | 5.23  | –                          | –                          | –                      |
| Amounts due from clients  | 5.23  | 4,731,370                  | 4,568,789                  | 162,581                |
| Mortgage loans  | 5.23  | 12,005,607                 | 11,678,303                 | 327,304                |
| Trading portfolio assets  | 5.03  | 53,607                     | 50,579                     | 3,028                  |
| Positive replacement values of derivative financial instruments     | 5.04  | 16,141                     | 16,756                     | –615                   |
| Financial investments   | 5.05  | 2,170,107                  | 1,919,150                  | 250,957                |
| Accrued expenses and deferred income                                |       | 34,638                     | 25,959                     | 8,679                  |
| Participations  | 5.06  | 89,056                     | 89,724                     | –668                   |
| Tangible fixed assets   | 5.08  | 116,655                    | 120,024                    | –3,369                 |
| Other assets  | 5.10  | 248,697                    | 435,854                    | –187,157               |
| <b>Total assets</b>   |       | <b>27,335,440</b>          | <b>24,742,322</b>          | <b>2,593,118</b>       |
| Total subordinated claims   |       | 3,893                      | 1,913                      | 1,980                  |
| <i>of which, subject to mandatory conversion and/or debt waiver</i> |       | –                          | –                          | –                      |
| <b>Liabilities</b>  |       |                            |                            |                        |
| Amounts due to banks  | 5.23  | 3,381,092                  | 3,258,976                  | 122,116                |
| Liabilities arising from securities financing transactions          | 5.23  | 817,425                    | 544,762                    | 272,663                |
| Amounts due in respect of client deposits                           | 5.23  | 16,760,462                 | 14,858,688                 | 1,901,774              |
| Trading portfolio liabilities                                       | 5.03  | 511                        | 1,159                      | –648                   |
| Negative replacement values of derivative financial instruments     | 5.04  | 12,562                     | 8,187                      | 4,375                  |
| Cash bonds  | 5.23  | 1,100                      | 2,180                      | –1,080                 |
| Bond issues and central mortgage institution loans                  | 5.15  | 4,491,155                  | 4,016,855                  | 474,300                |
| Accrued expenses and deferred income                                |       | 92,771                     | 111,004                    | –18,233                |
| Other liabilities   | 5.10  | 120,154                    | 326,343                    | –206,189               |
| Provisions  | 5.16  | 12,955                     | 12,190                     | 765                    |
| Reserves for general banking risks                                  | 5.16  | 230,000                    | 245,000                    | –15,000                |
| Bank's capital  | 5.17  | 360,000                    | 360,000                    | –                      |
| Statutory capital reserve   |       | 304,050                    | 310,890                    | –6,840                 |
| <i>of which, tax-exempt capital contribution reserve</i>            |       | 173,352                    | 180,192                    | –6,840                 |
| Statutory retained earnings reserve                                 |       | 672,907                    | 604,568                    | 68,339                 |
| Own shares  |       | –20,832                    | –12,593                    | –8,239                 |
| Profit carried forward/loss carried forward                         |       | 713                        | 957                        | –244                   |
| Profit / loss (result of the period)                                |       | 98,415                     | 93,156                     | 5,259                  |
| <b>Total liabilities</b>  |       | <b>27,335,440</b>          | <b>24,742,322</b>          | <b>2,593,118</b>       |
| Total subordinated liabilities                                      | 5.15  | 334,655                    | 442,355                    | –107,700               |
| <i>of which, subject to mandatory conversion and/or debt waiver</i> | 5.15  | 334,655                    | 442,355                    | –107,700               |
| <b>Off-balance-sheet transactions</b>                               |       |                            |                            |                        |
| Contingent liabilities  | 5.28  | 888,168                    | 1,075,273                  | –187,105               |
| Irrevocable commitments   | 5.02  | 690,514                    | 746,561                    | –56,047                |
| Commitments to free up and execute additional transfers             | 5.02  | 178,565                    | 163,858                    | 14,707                 |
| Approved credit line  | 5.29  | 118,180                    | 51,244                     | 66,936                 |

# Profit and loss account items

## Parent company

|  | Notes | 31.12.2020<br>in CHF 1,000 | 31.12.2019<br>in CHF 1,000 | Change<br>in CHF 1,000 |
|--|-------|----------------------------|----------------------------|------------------------|
| <b>Result from interest operations</b>   |       |                            |                            |                        |
| Interest and discount income   | 5.33  | 238,756                    | 270,984                    | -32,228                |
| Interest and dividend income from trading portfolios   |       | 36                         | 74                         | -38                    |
| Interest and dividends from financial investments  |       | 5,273                      | 8,066                      | -2,793                 |
| Interest expenses  |       | -21,263                    | -61,191                    | 39,928                 |
| <b>Gross result from interest operations</b>   |       | <b>222,802</b>             | <b>217,933</b>             | <b>4,869</b>           |
| Changes in value adjustments for default risks and losses from interest operations                                   |       | -27,799                    | -5,702                     | -22,097                |
| <b>Subtotal net result from interest operations</b>  |       | <b>195,003</b>             | <b>212,231</b>             | <b>-17,228</b>         |
| <b>Result from commission business and services</b>  |       |                            |                            |                        |
| Commission income from securities trading and investment activities  |       | 53,384                     | 48,382                     | 5,002                  |
| Commission income from lending activities  |       | 29,375                     | 34,291                     | -4,916                 |
| Commission income from other services  |       | 32,320                     | 36,282                     | -3,962                 |
| Commission expense   |       | -8,537                     | -9,309                     | 772                    |
| <b>Subtotal result from commission business and services</b>   |       | <b>106,542</b>             | <b>109,646</b>             | <b>-3,104</b>          |
| <b>Result from trading activities and the fair value option</b>  |       |                            |                            |                        |
| <b>Subtotal result from trading activities and the fair value option</b>   | 5.32  | <b>30,448</b>              | <b>31,590</b>              | <b>-1,142</b>          |
| <b>Other ordinary income</b>   |       |                            |                            |                        |
| Income from sale of financial investments  |       | -6,752                     | 16,047                     | -22,799                |
| Income from participations   |       | 8,351                      | 18,224                     | -9,873                 |
| Result from real estate  |       | 1,080                      | 945                        | 135                    |
| Other ordinary income  |       | 11,100                     | 8,156                      | 2,944                  |
| Other ordinary expenses  |       | -5,253                     | -112                       | -5,141                 |
| <b>Subtotal other results from ordinary activities</b>   |       | <b>8,526</b>               | <b>43,260</b>              | <b>-34,734</b>         |
| <b>Total operating income</b>  |       | <b>340,519</b>             | <b>396,727</b>             | <b>-56,208</b>         |
| <b>Operating expenses</b>  |       |                            |                            |                        |
| Personnel expenses   | 5.34  | -137,688                   | -138,888                   | 1,200                  |
| General and administrative expenses  | 5.35  | -83,212                    | -85,096                    | 1,884                  |
| <b>Subtotal operating expenses</b>   |       | <b>-220,900</b>            | <b>-223,984</b>            | <b>3,084</b>           |
| Value adjustments on participations, depreciation and amortisation<br>of tangible fixed assets and intangible assets | 5.36  | -16,180                    | -15,407                    | -773                   |
| <b>Changes to provisions and other value adjustments and losses</b>  | 5.36  | <b>-1,152</b>              | <b>-255</b>                | <b>-897</b>            |
| <b>Operating profit</b>  |       | <b>102,287</b>             | <b>157,081</b>             | <b>-54,794</b>         |
| Extraordinary income   | 5.36  | 82                         | 70                         | 12                     |
| Extraordinary expenses   | 5.36  | -                          | -                          | -                      |
| Change in reserves for general banking risks   | 5.36  | 15,000                     | -30,000                    | 45,000                 |
| Taxes  | 5.39  | -18,954                    | -33,995                    | 15,041                 |
| <b>Profit / loss (result of the period)</b>  |       | <b>98,415</b>              | <b>93,156</b>              | <b>5,259</b>           |

# Statement of shareholders' equity

## Parent company

| (in CHF 1,000)   | Bank's capital | Statutory capital reserve | Statutory capital reserve | Reserves for general banking risks | Profit brought forward | Own shares (negative item) | Result of the period | Total            |
|--|----------------|---------------------------|---------------------------|------------------------------------|------------------------|----------------------------|----------------------|------------------|
| <b>Equity at start of current period</b>                                     | <b>360,000</b> | <b>310,890</b>            | <b>604,568</b>            | <b>245,000</b>                     | <b>94,113</b>          | <b>-12,593</b>             | <b>1,601,978</b>     |                  |
| Acquisition of own shares  |                |                           |                           |                                    |                        | -15,806                    |                      | -15,806          |
| Disposal of own shares   |                |                           |                           |                                    |                        | 7,730                      |                      | 7,730            |
| Profit/(loss) from the disposal of own shares                                |                |                           | 163                       |                                    |                        | -163                       |                      | -                |
| Dividends and other distribution   |                |                           | 336                       |                                    | -27,000                |                            |                      | -26,664          |
| Special allocation to the State of Geneva (20% of the dividend paid)         |                |                           |                           |                                    | -5,400                 |                            |                      | -5,400           |
| Other allocations to (transfers from) the reserves for general banking risks |                |                           |                           | -15,000                            |                        |                            |                      | -15,000          |
| Other allocations to (transfers from) the other reserves                     | -6,840         | 67,840                    |                           |                                    | -61,000                |                            |                      | -                |
| Profit / loss (result of the period)   |                |                           |                           |                                    |                        |                            | 98,415               | 98,415           |
| <b>Equity at end of current period</b>                                       | <b>360,000</b> | <b>304,050</b>            | <b>672,907</b>            | <b>230,000</b>                     | <b>713</b>             | <b>-20,832</b>             | <b>98,415</b>        | <b>1,645,253</b> |

# Summary presentation

## Parent company

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

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

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

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

#### Activity report

The business of the Bank and outsourced activities are described in the notes to the consolidated accounts.

| Staff numbers         | 31.12.2020 | 31.12.2019 |
|-----------------------|------------|------------|
| Full-time equivalents | 746.95     | 716.85     |
| Headcount             | 797.00     | 766.00     |

### 2. Accounting and valuation principles

The financial statements of the parent company are drawn up according to Group principles with the exception of the restatement of certain items to present a true and fair representation of the consolidated financial statements, principally the treatment of BCGE bonds and treasury shares.

In addition, companies within the scope of consolidation and set out in note 2 to the summary presentation of the consolidated financial statements are valued at the acquisition cost less depreciation where judged appropriate.

### 3. Change in accounting principles

There has been no change in accounting principles.

### 4. Risk control

With regard to comments about risk control, readers are referred to point 3 of the Summary presentation of the consolidated financial statements.

# Details relating to the items in the notes to the annual financial statements

## Parent company

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

The parent company figures are identical to the consolidation figures because only the parent company handles these transactions. Please see note 5.01 to the consolidated accounts on page 92.

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

(in CHF 1,000)

|  | Type of collateral  |                  |                  |                   |
|--|---------------------|------------------|------------------|-------------------|
|  | Secured by mortgage | Other collateral | Unsecured        | Total             |
| <b>Loans (before netting with value adjustments)</b>       |                     |                  |                  |                   |
| <b>Amounts due from clients</b>                            | <b>503,140</b>      | <b>1,043,901</b> | <b>3,264,329</b> | <b>4,811,370</b>  |
| <b>Mortgage loans</b>                                      | <b>12,014,919</b>   | –                | –                | <b>12,014,919</b> |
| Residential property                                       | 10,005,957          | –                | –                | 10,005,957        |
| Office and business premises                               | 1,456,553           | –                | –                | 1,456,553         |
| Commercial and industrial premises                         | 387,299             | –                | –                | 387,299           |
| Other  | 165,110             | –                | –                | 165,110           |
| <b>Total loans (before netting with value adjustments)</b> | <b>12,518,059</b>   | <b>1,043,901</b> | <b>3,264,329</b> | <b>16,826,289</b> |
| <b>31.12.2020</b>  | <b>12,070,547</b>   | <b>738,584</b>   | <b>3,510,005</b> | <b>16,319,136</b> |
| <b>Total loans (after netting with adjustments)</b>        |                     |                  |                  |                   |
| <b>31.12.2020</b>  | <b>12,508,747</b>   | <b>1,025,557</b> | <b>3,202,673</b> | <b>16,736,977</b> |
| <b>31.12.2019</b>  | <b>12,065,623</b>   | <b>679,123</b>   | <b>3,502,346</b> | <b>16,247,092</b> |

### Off-balance sheet

|   |          |                |                  |                  |
|---|----------|----------------|------------------|------------------|
| Contingent liabilities                                  | –        | 57,795         | 830,373          | 888,168          |
| Irrevocable commitments                                 | –        | 16,122         | 674,392          | 690,514          |
| Commitments to free up and execute additional transfers | –        | –              | 178,565          | 178,565          |
| Credit commitments                                      | –        | –              | 118,180          | 118,180          |
| <b>Total off-balance sheet</b>                          | <b>–</b> | <b>73,917</b>  | <b>1,801,510</b> | <b>1,875,427</b> |
| <b>31.12.2020</b>                                       | <b>–</b> | <b>123,168</b> | <b>1,913,768</b> | <b>2,036,936</b> |
| <b>31.12.2019</b>                                       | <b>–</b> | <b>–</b>       | <b>–</b>         | <b>–</b>         |

### Impaired loans / receivables

|                   | Gross debt amount | Estimated liquidation value of collateral | Net debt amount | Individual value adjustments |
|-------------------|-------------------|---|-----------------|------------------------------|
| <b>31.12.2020</b> | <b>303,661</b>    | <b>223,717</b>                            | <b>79,944</b>   | <b>77,732</b>                |
| <b>31.12.2019</b> | <b>115,517</b>    | <b>48,566</b>                             | <b>66,951</b>   | <b>66,254</b>                |

The increase in impaired loans/receivables in 2020 is linked, in particular, to new instances from sectors affected by restrictions due to the health crisis.

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

The parent company position is close to that for the Group. Please see note 5.03 to the consolidated accounts on page 94.

## 5.04 Presentation of derivative financial instruments (assets and liabilities)

(in CHF 1,000)

|   |   | Trading instruments         |                             |   | Hedging instruments          |                             |                   |
|---|---|-----------------------------|-----------------------------|---|------------------------------|-----------------------------|-------------------|
|   |   | Positive replacement values | Negative replacement values | Contract volume                             | Positive replacement values  | Negative replacement values | Contract volume   |
| Interest rate instruments                                       | Swaps   | 1,811                       | 1,811                       | 27,908                                      | 54,771                       | 222,971                     | 8,414,004         |
|   | options (OTC <sup>1</sup> )                   | 10,038                      | 10,038                      | 72,723                                      | –                            | –                           | 49,785            |
| Currencies / precious metals                                    | Forward contracts                             | 11,384                      | 12,110                      | 1,449,766                                   | 6,279                        | 34,564                      | 2,783,117         |
|   | options (OTC <sup>1</sup> )                   | 448                         | 448                         | 62,576                                      | –                            | –                           | –                 |
| <b>Total before netting agreements</b>                          |   | <b>23,681</b>               | <b>24,407</b>               | <b>1,612,973</b>                            | <b>61,050</b>                | <b>257,535</b>              | <b>11,246,906</b> |
| <b>31.12.2020</b>   | <i>of which, based on an evaluation model</i> | 12,297                      | 12,297                      | 163,207                                     | 54,771                       | 222,971                     | 8,463,789         |
| <b>31.12.2019</b>   | <i>of which, based on an evaluation model</i> | 21,994                      | 21,505                      | 1,876,101                                   | 55,670                       | 213,446                     | 8,881,384         |
| 1 Over the counter.   |   | 11,365                      | 11,365                      | 188,560                                     | 52,569                       | 188,230                     | 7,085,044         |
| Positive replacement values<br>(cumulative)                     |   |                             |                             | Negative replacement values<br>(cumulative) |                              |                             |                   |
| <b>Total after netting agreements</b>                           |   | <b>16,141</b>               |                             |   | <b>12,562</b>                |                             |                   |
| <b>31.12.2020</b>   |   | 16,756                      |                             |   | 8,187                        |                             |                   |
|   |   |                             |                             | Central clearing houses                     | Banks and securities dealers | Other clients               |                   |
| <b>Breakdown by counterparty</b>                                |   |                             |                             |   |                              |                             |                   |
| <b>Positive replacement values<br/>after netting agreements</b> |   | <b>280</b>                  |                             |   | <b>2,058</b>                 |                             | <b>13,803</b>     |

## 5.05 Breakdown of financial investments

(in CHF 1,000)

|  | Book value       | Fair value       |                  |
|--|------------------|------------------|------------------|
|  | 31.12.2020       | 31.12.2019       | 31.12.2020       |
|  | 31.12.2019       |                  | 31.12.2019       |
| Debt securities  | 2,038,045        | 1,791,865        | 2,091,215        |
| <i>of which, intended to be held to maturity</i>   | <i>1,876,239</i> | <i>1,624,209</i> | <i>1,928,484</i> |
| <i>of which, not intended to be held to maturity</i>   | <i>161,806</i>   | <i>167,656</i>   | <i>162,731</i>   |
| Equity investments   | 131,464          | 126,335          | 169,438          |
| Precious metals  | –                | –                | –                |
| Buildings & vehicles   | 598              | 950              | 598              |
| <b>Total</b>   | <b>2,170,107</b> | <b>1,919,150</b> | <b>2,261,251</b> |
| <i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i> | <i>1,711,818</i> | <i>1,419,694</i> | <i>1,758,478</i> |
|  |                  |                  | 1,457,168        |

### Breakdown of counterparties by credit rating<sup>1</sup>

|                                | AAA to AA- | A+ to A- | BBB to BBB- | BB+ to B- | Below B- | Without rating |
|--------------------------------|------------|----------|-------------|-----------|----------|----------------|
| Debt securities,<br>book value | 1,939,123  | 98,922   | –           | –         | –        | –              |

<sup>1</sup> In accordance with S&P ratings.

## 5.06 Presentation of participations

(in CHF 1,000)

|                             | Acquisition cost | Accumulated value adjustments and changes in book value (valuation using the equity method) | Book value at previous year end | 2020         |            |               | Market value  |
|-----------------------------|------------------|---|---------------------------------|--------------|------------|---------------|---------------|
|                             |                  |   |                                 | Additions    | Disposals  | Depreciation  |               |
| <b>Other participations</b> |                  |   |                                 |              |            |               |               |
| With market value           | 73               | –   | 73                              | –            | –          | –             | 73            |
| Without market value        | 93,282           | –3,631  | 89,651                          | 1,362        | –15        | –2,015        | 88,983        |
| <b>Total participations</b> | <b>93,355</b>    | <b>–3,631</b>   | <b>89,724</b>                   | <b>1,362</b> | <b>–15</b> | <b>–2,015</b> | <b>89,056</b> |
|                             |                  |   |                                 |              |            |               | <b>73</b>     |

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

The parent company figures are identical to the consolidation figures. Please see note 5.07 to the consolidated accounts on page 96.

## 5.08 Presentation of tangible fixed assets

(in CHF 1,000)

|   |                  |                          |                                 |                |               |                | <b>2020</b>                       |
|---|------------------|--------------------------|---------------------------------|----------------|---------------|----------------|-----------------------------------|
|   | Acquisition cost | Accumulated depreciation | Book value at previous year end | Changes of use | Additions     | Depreciation   | Book value at end of current year |
| Bank buildings                              | 134,444          | -50,618                  | 83,826                          | -1,001         | -             | -2,467         | 80,358                            |
| Other real estate                           | 21,802           | -8,504                   | 13,298                          | 1,001          | 1,765         | -489           | 15,575                            |
| Proprietary or separately acquired software | 27,171           | -13,705                  | 13,466                          | -              | 8,410         | -8,086         | 13,790                            |
| Other tangible fixed assets                 | 20,730           | -11,296                  | 9,434                           | -              | 621           | -3,123         | 6,932                             |
| <b>Total tangible fixed assets</b>          | <b>204,147</b>   | <b>-84,123</b>           | <b>120,024</b>                  | <b>-</b>       | <b>10,796</b> | <b>-14,165</b> | <b>116,655</b>                    |

## 5.09 Presentation of intangible assets

The Bank has no intangible assets recorded on its books.

## 5.10 Breakdown of other assets and other liabilities

(in CHF 1,000)

|  | <b>Other assets</b> |                | <b>Other liabilities</b> |                |
|--|---------------------|----------------|--------------------------|----------------|
|  | 31.12.2020          | 31.12.2019     | 31.12.2020               | 31.12.2019     |
| Changes in replacement values of derivative financial instruments  | 151,053             | 120,194        | -                        | -              |
| Interest rate components of financial investments intended to be held to maturity but sold prior to maturity | 161                 | 75             | 676                      | 23             |
| Interest rate components of hedging transactions sold prior to maturity                                      | 11,542              | 9,988          | 26,846                   | 18,368         |
| Balance of the compensation account, recording valuation adjustments with no impact on the income statement  | 162,756             | 130,257        | 27,522                   | 18,391         |
| Coupons  | -                   | -              | 50                       |                |
| Issuing / borrowing costs of bonds and mortgage-backed bonds of the CLG <sup>1</sup> to be depreciated       | 1,859               | 2,273          | -                        | -              |
| Spread of penalties for early loan repayments  | -                   | -              | 21,784                   | 14,912         |
| Operation of continuously linked settlement system under way   | 60,933              | 278,814        | 61,342                   | 284,067        |
| Other internal banking transactions  | 11,180              | 11,656         | 3,960                    | 3,482          |
| Indirect taxes   | 11,969              | 12,854         | 5,546                    | 5,441          |
| <b>Total</b>   | <b>248,697</b>      | <b>435,854</b> | <b>120,154</b>           | <b>326,343</b> |

<sup>1</sup> The Mortgage Bond Centre of the Swiss cantonal banks.

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

The parent company figures are identical to the consolidation figures because only the parent company handles these transactions. Please see note 5.11 to the consolidated accounts on page 97.

## 5.12 Disclosure of liabilities relating to own pension schemes

The parent company figures are identical to the consolidation figures because only the parent company handles these transactions. Please see note 5.12 to the consolidated accounts on page 97.

## 5.13 Disclosures on the economic position of own pension schemes

(in CHF 1,000)

### a) Employer contribution reserves (ECR)

BCGE has not recognised contribution reserves in its books.

### b) Presentation of the economic benefit/obligation of the pension costs

(in CHF 1,000)

|                                     | Overfunding/<br>underfunding<br>at end of<br>current year <sup>1</sup> | Economic interest<br>of the Bank/financial group |            | Change in<br>economic interest<br>versus previous<br>year (economic<br>benefit/obligation)<br>versus previous year | Contributions<br>paid for the<br>current period | Pension expenses<br>in personnel expenses |            |
|-------------------------------------|--|--|------------|--|---|---|------------|
|                                     |  | 31.12.2020                                       | 31.12.2019 |  |   | 31.12.2020                                | 31.12.2019 |
| Pension schemes<br>with overfunding | 13,196   | –  | –          | –  | 15,389  | 15,221                                    | 14,969     |

<sup>1</sup> The Pension Fund's audited annual accounts as of 31 December 2020 are not available. The surplus is based on the audited financial statements as of 31.12.2019.

With the exception of two particular cases, the BCGE pension fund is the Group's main pension fund and covers all the employees of the parent company and the Swiss subsidiaries.

## 5.14 Presentation of the issued structured products

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

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

The parent company figures are identical to the consolidation figures because only the parent company issues bonds and only the parent company holds some of its issued bonds. Please see note 5.15 to the consolidated accounts on page 99.

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

(in CHF 1,000)

|   | Balance<br>year<br>year end | Use in<br>conformity<br>with<br>designated<br>purpose | Reclassifi-<br>cations | Currency<br>differences | Past due<br>interest<br>recoveries | New<br>creations<br>charged to<br>income | Releases<br>to income | Balance<br>year<br>year end |
|---|-----------------------------|---|------------------------|-------------------------|------------------------------------|--|-----------------------|-----------------------------|
| Provisions for default risks  | 580                         | –   | –                      | –2                      | –                                  | 463                                      | –                     | 1,041                       |
| Provisions for other business risks   | 1,101                       | –386  | –                      | –                       | –                                  | 474                                      | –                     | 1,189                       |
| Other provisions  | 10,509                      | –   | –                      | –                       | –                                  | 257                                      | –41                   | 10,725                      |
| <b>Total provisions</b>   | <b>12,190</b>               | <b>–386</b>   | <b>–</b>               | <b>–2</b>               | <b>–</b>                           | <b>1,194</b>                             | <b>–41</b>            | <b>12,955</b>               |
| Reserves for general banking risks <sup>1</sup>   | 245,000                     |   | –                      | –                       | –                                  | –  | –15,000               | 230,000                     |
| Value adjustments for default and country risks   | 72,554                      | –10,812   | –                      | –1,284                  | 2,075                              | 29,003                                   | –1,204                | 90,332                      |
| <i>of which, value adjustments for default risks in respect of impaired loans / receivables</i> | <i>66,254</i>               | <i>–10,812</i>  | <i>–</i>               | <i>–1,284</i>           | <i>2,075</i>                       | <i>22,703</i>                            | <i>–1,204</i>         | <i>77,732</i>               |
| <i>including value adjustments for latent risks</i>   | <i>6,300</i>                | <i>–</i>  | <i>–</i>               | <i>–</i>                | <i>–</i>                           | <i>6,300</i>                             | <i>–</i>              | <i>12,600</i>               |

<sup>1</sup> The creation or release of reserves for general banking risks are not subject to tax on income.

## 5.17 Presentation of the Bank's capital

The parent company figures are identical to the consolidation figures. Please see note 5.17 to the consolidated accounts on page 100.

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

|  | Number<br>Equity securities |               | Value (in CHF 1,000)<br>Equity securities |              |
|--|-----------------------------|---------------|---|--------------|
|  | 31.12.2020                  | 31.12.2019    | 31.12.2020                                | 31.12.2019   |
| Members of the Board of Directors <sup>1</sup> | 1,316                       | 70            | 240                                       | 14           |
| Members of the executive bodies <sup>2,3</sup> | 1,791                       | 4,882         | 285                                       | 1,044        |
| Employees <sup>4</sup>                         | 22,645                      | 21,871        | 4,131                                     | 4,343        |
| <b>Total</b>                                   | <b>25,752</b>               | <b>26,823</b> | <b>4,656</b>                              | <b>5,401</b> |

<sup>1</sup> Number of bonus shares issued during the financial period.<sup>2</sup> Paid in 2020 on the basis of 2019 results.<sup>3</sup> Amounts calculated on the basis of the current year-end closing share price.<sup>4</sup> However, the variable remuneration components have not yet been paid to employees, who have not been able to exercise their rights.

Please see note 5.18 to the consolidated accounts on page 101.

## 5.19 Disclosure of amounts due from/to related parties

(in CHF 1,000)

|   | <b>Amounts due from</b> |            | <b>Amounts due to</b> |            |
|---|-------------------------|------------|-----------------------|------------|
|   | 31.12.2020              | 31.12.2019 | 31.12.2020            | 31.12.2019 |
| Holders of qualified participations           | 30,000                  | 102,282    | 192,289               | 10,460     |
| Group companies                               | 743,474                 | 730,808    | 50,277                | 37,958     |
| Linked companies                              | 1,486,746               | 1,489,582  | 224,371               | 213,083    |
| Transactions with members of governing bodies | 5,220                   | 5,900      | 4,207                 | 2,946      |
| Other related parties                         | 14                      | –          | 52,650                | 45,457     |

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

Due to affiliates corresponds to the current accounts of these foundations created under public law.

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

Loans and liabilities in respect of qualifying persons result from banking transactions executed at conditions granted to public bodies.

## 5.20 Disclosure of holders of significant participations

The parent company figures are identical to the consolidation figures. Please see note 5.20 to the consolidated accounts on page 102.

## 5.21 Disclosure of own shares and composition of equity capital

The parent company figures are identical to the consolidation figures. Please see note 5.21 to the consolidated accounts on page 102.

## 5.22 Disclosures in accordance with the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares<sup>1</sup> and Art. 663b<sup>bis</sup> CO

### Credits, loans, remunerations and shareholdings of the Board of Directors

|                                     | Remuneration<br>(before taxes)     |                                       | Loans <sup>2</sup> |                  | Number of BCGE shares<br>held at 31.12.2020 |              |                  |
|-------------------------------------|------------------------------------|---------------------------------------|--------------------|------------------|---|--------------|------------------|
|                                     | Fixed<br>compensation <sup>3</sup> | In locked up<br>shares <sup>4,5</sup> | Total              | Unlocked         | Locked up <sup>4</sup>                      | Total        | By<br>kin        |
| <b>Board of Directors</b>           |                                    |                                       |                    |                  |   |              |                  |
| Gilbert Probst, Chairman            | 280,500                            | 41,360                                | <b>321,860</b>     | 640,750          | 24  | 514          | 538 40           |
| Jean Olivier Kerr, Deputy Chairman  | 81,400                             | 13,454                                | <b>94,854</b>      | 4,000,000        | 1,200                                       | 178          | 1,378 0          |
| Michel Pasteur, Secretary           | 105,600                            | 17,441                                | <b>123,041</b>     | 0                | 0   | 218          | 218 0            |
| Grégoire Carasso (until 04.05.2020) | 24,176                             | 0                                     | <b>24,176</b>      | 6                | 6   | 6            | 6 6              |
| Michèle Costafralaz                 | 126,500                            | 20,929                                | <b>147,429</b>     | 0                | 0   | 268          | 268 0            |
| Sophie Dubuis (from 05.05.2020)     | 46,224                             | 7,129                                 | <b>53,353</b>      | 0                | 0   | 0            | 0 0              |
| Gina Empson                         | 70,400                             | 11,461                                | <b>81,861</b>      | 0                | 48  | 182          | 230 0            |
| Serge Fasel                         | 70,400                             | 11,461                                | <b>81,861</b>      | 0                | 40  | 146          | 186 0            |
| Bernard Girod                       | 70,400                             | 11,461                                | <b>81,861</b>      | 3,905,000        | 40  | 146          | 186 40           |
| Jean-Marc Mermoud                   | 70,400                             | 11,461                                | <b>81,861</b>      | 248,500          | 52  | 194          | 246 0            |
| Angela de Wolff                     | 77,000                             | 12,458                                | <b>89,458</b>      | 0                | 52  | 206          | 258 0            |
| John Tracey                         | 77,000                             | 12,458                                | <b>89,458</b>      | 1,000,000        | 92  | 206          | 298 40           |
| <b>Total, Board of Directors</b>    | <b>1,100,000</b>                   | <b>171,073</b>                        | <b>1,271,073</b>   | <b>9,794,250</b> | <b>1,548</b>                                | <b>2,258</b> | <b>3,806 120</b> |

| Previous year                      | Remuneration<br>(before taxes)     |   | Loans <sup>2</sup> |                   | Number of BCGE shares<br>held at 31.12.2019 |            |                |
|------------------------------------|------------------------------------|---|--------------------|-------------------|---|------------|----------------|
|                                    | Fixed<br>compensation <sup>3</sup> | In locked up<br>shares <sup>4,5,7</sup> | Total              | Unlocked          | Locked up <sup>4</sup>                      | Total      | By<br>kin      |
| <b>Board of Directors</b>          |                                    |   |                    |                   |   |            |                |
| Gilbert Probst, Chairman           | 280,500                            | 32,761                                  | <b>313,261</b>     | 640,750           | 24  | 16         | 40 40          |
| Jean Olivier Kerr, Deputy Chairman | 81,400                             | 11,057                                  | <b>92,457</b>      | 4,000,000         | 90  | 16         | 106 0          |
| Michel Pasteur, Secretary          | 105,600                            | 14,158                                  | <b>119,758</b>     | 0                 | 0   | 8          | 8 0            |
| Grégoire Carasso                   | 70,400                             | 10,099                                  | <b>80,499</b>      | 0                 | 40  | 52         | 92 40          |
| Michèle Costafralaz                | 126,500                            | 16,871                                  | <b>143,371</b>     | 0                 | 0   | 16         | 16 0           |
| Gina Empson                        | 70,400                             | 10,099                                  | <b>80,499</b>      | 0                 | 40  | 52         | 92 0           |
| Serge Fasel                        | 70,400                             | 9,507                                   | <b>79,907</b>      | 0                 | 0   | 8          | 8 0            |
| Bernard Girod                      | 70,400                             | 9,507                                   | <b>79,907</b>      | 3,925,000         | 40  | 8          | 48 40          |
| Jean-Marc Mermoud                  | 70,400                             | 10,395                                  | <b>80,795</b>      | 968,500           | 40  | 68         | 108 0          |
| Angela de Wolff                    | 77,000                             | 11,170                                  | <b>88,170</b>      | 0                 | 40  | 68         | 108 0          |
| John Tracey                        | 77,000                             | 11,170                                  | <b>88,170</b>      | 1,000,000         | 80  | 68         | 148 40         |
| <b>Total, Board of Directors</b>   | <b>1,100,000</b>                   | <b>146,794</b>                          | <b>1,246,794</b>   | <b>10,534,250</b> | <b>394</b>                                  | <b>380</b> | <b>774 160</b> |

<sup>1</sup> Please see the *Recueil systématique de la Confédération*, code 221.331.

<sup>2</sup> Maximum limits on Lombard loans, secured with securities or with mortgage guarantees.

<sup>3</sup> BCGE directors receive a fixed annual salary plus, in some cases, compensation for their office. The remuneration regulations are applied here. There has been no exception to their principles or procedures.

<sup>4</sup> There is a moratorium on BCGE shares for a period of five years. This moratorium on sales of shares is maintained in the event of leaving the Bank. BCGE has no stock option plan.

<sup>5</sup> The members of the Board of Directors benefit from a profit-sharing plan for each full year of service from one annual general meeting to the next: period from January to April 2020: average real purchase price at 11 June 2020 of CHF 182.14, expected value CHF 136.10. Period from May to December 2020: estimate on price at 31 December 2020 of CHF 159.00, expected value CHF 118.81).

In 2019: price at 12.06.2019 CHF 198.15, expected value CHF 148.07).

<sup>6</sup> No longer a member of the Board of Directors at 31.12.2020, so the corresponding number is not stated.

<sup>7</sup> Amounts calculated on the basis of a closing price at 31.12.2019 of CHF 194.50, expected value CHF 145.34 for 92.94% of the total amount.

## Executive Board remuneration, before tax

|   | Remuneration in cash |                       |                  | Remuneration in shares <sup>1,2,3</sup> | Total remuneration | Social security <sup>4</sup> |
|---|----------------------|-----------------------|------------------|---|--------------------|------------------------------|
|   | Fixed                | Variable <sup>1</sup> | Total            |   |                    |                              |
| Blaise Goetschin, CEO                         | 728,196              | 615,000               | 1,343,196        | 74,571                                  | 1,417,767          | 276,368                      |
| <b>Total, Executive Board<sup>8</sup></b>     | <b>2,770,842</b>     | <b>1,980,122</b>      | <b>4,750,964</b> | <b>186,293</b>                          | <b>4,937,256</b>   | <b>1,033,249</b>             |
| Blaise Goetschin, CEO (previous year)         | 728,196              | 821,361               | 1,549,557        | 244,898                                 | 1,794,455          | 304,589                      |
| <b>Total, Executive Board (previous year)</b> | <b>2,460,840</b>     | <b>2,503,693</b>      | <b>4,964,533</b> | <b>673,174</b>                          | <b>5,637,707</b>   | <b>1,097,411</b>             |

### The members of the Executive Board remitted their director's fees to BCGE as follows:

|   |                   |
|---|-------------------|
| Blaise Goetschin, CEO                         | 88,659.50         |
| Eric Bourgeaux, CFO                           | 33,957.00         |
| <b>Total, Executive Board</b>                 | <b>122,616.50</b> |
| Blaise Goetschin, CEO (previous year)         | 88,743.50         |
| <b>Total, Executive Board (previous year)</b> | <b>116,864.95</b> |

### Number of shares held by members of the Executive Board or their kin and loans granted

|   | Number of shares locked up during the 2020 financial year |                          |                        | Number of BCGE shares held at 31.12.2018 |               |               | Loans granted <sup>7</sup> |                  |
|---|---|--------------------------|------------------------|--|---------------|---------------|----------------------------|------------------|
|   | Free  |                          | Purchased <sup>6</sup> | Unlocked                                 | Locked up     | Total         |                            |                  |
|   | Unconditional   | Conditional <sup>5</sup> |                        |  |               | By kin        |                            |                  |
| Blaise Goetschin, CEO                         | 10  | 824                      | 414                    | 5,012                                    | 11,806        | 16,818        | 40                         | 130,000          |
| Eric Bourgeaux, CFO                           |   |                          |                        | 5,378                                    | 10,279        | 15,657        | 68                         | 400,000          |
| Pierrette Jaton Klopfenstein                  |   |                          |                        | 0  | 1,132         | 1,132         | 0                          | 465,000          |
| Virginie Fauveau                              |   |                          |                        | 242                                      | 452           | 694           | 0                          | 39,316           |
| Jean-Marc Joris                               |   |                          |                        | 0  | 2,402         | 2,402         | 40                         | 153,000          |
| Yves Spörri                                   |   |                          |                        | 548                                      | 1,783         | 2,331         | 0                          | 635,000          |
| Constantino Cancela                           |   |                          |                        | 1,282                                    | 1,999         | 3,281         | 0                          | 124,995          |
| <b>Total, Executive Board<sup>8</sup></b>     | <b>67</b>   | <b>1,724</b>             | <b>872</b>             | <b>12,462</b>                            | <b>29,853</b> | <b>42,315</b> | <b>148</b>                 | <b>1,947,311</b> |
| Blaise Goetschin, CEO (previous year)         | 1,069   | 824                      | 414                    | 5,114                                    | 11,811        | 16,925        | 40                         | 130,000          |
| <b>Total, Executive Board (previous year)</b> | <b>2,770</b>  | <b>2,112</b>             | <b>1,064</b>           | <b>8,402</b>                             | <b>34,867</b> | <b>43,269</b> | <b>104</b>                 | <b>2,008,000</b> |

<sup>1</sup> Paid in 2021 based on 2020 results.

<sup>2</sup> Shares subject to a 5 to 10-year moratorium, on the basis of the closing price (expected value) as of 31.12.2020. BCGE does not allocate stock options.

<sup>3</sup> Amounts calculated on the basis of a closing price of CHF 159.00 on 31.12.2020 (expected value).

<sup>4</sup> Cumulative amount of social insurance and pension fund contributions; projected figures based on total remuneration.

<sup>5</sup> Bonus shares received by the Executive Board, conditional on the simultaneous acquisition of shares at market price.

<sup>6</sup> Shares subject to moratorium acquired at the market price within the participation programmes.

<sup>7</sup> Maximum limits on Lombard loans, secured with securities or with mortgage guarantees.

<sup>8</sup> In 2020, the Executive Board had seven members, whereas there were six in 2019.

The principles of remuneration are explained on pages 63 and 65. No indemnity was paid indirectly to the members of the Executive Board. No indemnity was paid directly or indirectly, in 2020, to former members of the Board of Directors or to any person in close relationship with the members of the Board of Directors or the Executive Board.

At 31.12.2020, no indemnities not complying with market practices were awarded to any person in close relationship with the members of the Board of Directors or the Executive Board.

At 31.12.2020, no outstanding credits or loans not complying with market practices were awarded to any person in close relationship with the members of the Board of Directors or the Executive Board.

## 5.23 Presentation of the maturity structure of financial instruments

(in CHF 1,000)

|   | Due               |                  |                  |                       |                             |                  |                  | Total      |                   |
|---|-------------------|------------------|------------------|-----------------------|-----------------------------|------------------|------------------|------------|-------------------|
|   | At sight          | Cancellable      | Within 3 months  | Within 3 to 12 months | Within 12 months to 5 years | After 5 years    | No maturity      |            |                   |
| <b>Assets / financial instruments</b>                           |                   |                  |                  |                       |                             |                  |                  |            |                   |
| Liquid assets   | 6,456,481         |                  |                  |                       |                             |                  |                  | 6,456,481  |                   |
| Amounts receivable from banks                                   | 183,774           | –                | 365,083          | 155,081               | 618,802                     | 90,341           | –                | 1,413,081  |                   |
| Amounts due from securities financing transactions              | –                 | –                | –                | –                     | –                           | –                | –                | –          |                   |
| Amounts due from clients  | 1,164,468         | 226,145          | 1,199,920        | 301,703               | 1,068,827                   | 770,307          | –                | 4,731,370  |                   |
| Mortgage loans  | 2,585             | 2,046,160        | 778,302          | 608,464               | 3,181,018                   | 5,389,078        | –                | 12,005,607 |                   |
| Trading portfolio assets  | 53,607            | –                | –                | –                     | –                           | –                | –                | 53,607     |                   |
| Positive replacement values of derivative financial instruments | 16,141            | –                | –                | –                     | –                           | –                | –                | 16,141     |                   |
| Financial investments   | 131,464           | –                | 10,810           | 205,140               | 863,997                     | 958,098          | 598              | 2,170,107  |                   |
| <b>Total</b>  | <b>31.12.2020</b> | <b>8,008,520</b> | <b>2,272,305</b> | <b>2,354,115</b>      | <b>1,270,388</b>            | <b>5,732,644</b> | <b>7,207,824</b> | <b>598</b> | <b>26,846,394</b> |
|   | <b>31.12.2019</b> | <b>6,400,734</b> | <b>2,279,557</b> | <b>2,087,676</b>      | <b>1,207,994</b>            | <b>5,322,658</b> | <b>6,771,260</b> | <b>882</b> | <b>24,070,761</b> |

## Debt capital / financial instruments

|   |                   |                   |                  |                  |                  |                  |                  |                     |
|---|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Amounts due to banks  | 645,808           | 250,100           | 1,802,086        | 683,098          | –                | –                | –                | 3,381,092           |
| Liabilities arising from securities financing transactions      | –                 | –                 | 747,160          | 70,265           | –                | –                | –                | 817,425             |
| Amounts due in respect of client deposits                       | 10,089,968        | 5,481,968         | 633,066          | 555,460          | –                | –                | –                | 16,760,462          |
| Trading portfolio liabilities                                   | 511               | –                 | –                | –                | –                | –                | –                | 511                 |
| Negative replacement values of derivative financial instruments | 12,562            | –                 | –                | –                | –                | –                | –                | 12,562              |
| Cash bonds  | –                 | –                 | 237              | 60               | 803              | –                | –                | 1,100               |
| Bond issues and central mortgage institution loans              | –                 | –                 | 230,000          | 68,000           | 1,133,000        | 3,060,155        | –                | 4,491,155           |
| <b>Total</b>  | <b>31.12.2020</b> | <b>10,748,849</b> | <b>5,732,068</b> | <b>3,412,549</b> | <b>1,376,883</b> | <b>1,133,803</b> | <b>3,060,155</b> | <b>– 25,464,307</b> |
|   | <b>31.12.2019</b> | <b>9,660,729</b>  | <b>5,272,397</b> | <b>2,837,791</b> | <b>1,226,573</b> | <b>755,947</b>   | <b>2,937,370</b> | <b>– 22,690,807</b> |

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

(in CHF 1,000)

|   | 2020              |                  | 2019              |                  |
|---|-------------------|------------------|-------------------|------------------|
|   | Switzerland       | Foreign          | Switzerland       | Foreign          |
| <b>Assets</b>   |                   |                  |                   |                  |
| Liquid assets   | 6,447,024         | 9,457            | 4,717,418         | 10,684           |
| Amounts receivable from banks                                   | 236,403           | 1,176,678        | 148,902           | 960,180          |
| Amounts due from securities financing transactions              | –                 | –                | –                 | –                |
| Amounts due from clients  | 3,417,886         | 1,313,484        | 3,015,827         | 1,552,962        |
| Mortgage loans  | 11,672,187        | 333,420          | 11,323,580        | 354,723          |
| Trading portfolio assets  | 53,607            | –                | 50,579            | –                |
| Positive replacement values of derivative financial instruments | 13,518            | 2,623            | 15,092            | 1,664            |
| Financial investments   | 1,819,465         | 350,642          | 1,413,162         | 505,988          |
| Accrued expenses and deferred income                            | 34,638            | –                | 25,959            | –                |
| Participations  | 56,579            | 32,477           | 57,589            | 32,135           |
| Tangible fixed assets   | 116,655           | –                | 120,024           | –                |
| Other assets  | 248,697           | –                | 435,854           | –                |
| <b>Total assets</b>   | <b>24,116,659</b> | <b>3,218,781</b> | <b>21,323,986</b> | <b>3,418,336</b> |
| <b>Liabilities</b>  |                   |                  |                   |                  |
| Amounts due to banks  | 1,089,213         | 2,291,879        | 1,259,119         | 1,999,857        |
| Liabilities arising from securities financing transactions      | 817,425           | –                | 544,762           | –                |
| Amounts due in respect of client deposits                       | 13,180,850        | 3,579,612        | 11,777,207        | 3,081,481        |
| Trading portfolio liabilities                                   | 511               | –                | 1,158             | 1                |
| Negative replacement values of derivative financial instruments | 2,498             | 10,064           | 1,610             | 6,577            |
| Cash bonds  | 1,063             | 37               | 2,143             | 37               |
| Bond issues and central mortgage institution loans              | 4,491,155         | –                | 4,016,855         | –                |
| Accrued expenses and deferred income                            | 92,771            | –                | 111,004           | –                |
| Other liabilities   | 120,154           | –                | 326,343           | –                |
| Provisions  | 12,955            | –                | 12,190            | –                |
| Reserves for general banking risks                              | 230,000           | –                | 245,000           | –                |
| Bank's capital  | 360,000           | –                | 360,000           | –                |
| Statutory capital reserve                                       | 304,050           | –                | 310,890           | –                |
| Statutory retained earnings reserve                             | 672,907           | –                | 604,568           | –                |
| Own shares  | -20,832           | –                | -12,593           | –                |
| Profit carried forward/loss carried forward                     | 713               | –                | 957               | –                |
| Profit / loss (result of the period)                            | 98,415            | –                | 93,156            | –                |
| <b>Total liabilities</b>  | <b>21,453,848</b> | <b>5,881,592</b> | <b>19,654,369</b> | <b>5,087,953</b> |

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

(in CHF 1,000)

|                            | 2020              |             | 2019              |             |
|----------------------------|-------------------|-------------|-------------------|-------------|
|                            | Absolute          | % of equity | Absolute          | % of equity |
| <b>Assets</b>              |                   |             |                   |             |
| Europe • France            | 1,610,457         | 5.8         | 1,624,132         | 6.5         |
| • Luxembourg               | 191,239           | 0.7         | 191,271           | 0.8         |
| • Germany                  | 160,466           | 0.6         | 171,070           | 0.7         |
| • United Kingdom           | 132,366           | 0.5         | 91,738            | 0.4         |
| • Other European countries | 374,870           | 1.4         | 487,542           | 2.0         |
| United Arab Emirates       | 105,770           | 0.4         | 123,615           | 0.5         |
| United States and Canada   | 125,823           | 0.5         | 139,216           | 0.6         |
| Other                      | 517,790           | 1.9         | 589,752           | 2.3         |
| Assets held abroad         | 3,218,781         | 11.8        | 3,418,336         | 13.8        |
| Switzerland                | 24,116,659        | 88.2        | 21,323,986        | 86.2        |
| <b>Total assets</b>        | <b>27,335,440</b> | <b>100</b>  | <b>24,742,322</b> | <b>100</b>  |

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

(in CHF 1,000)

|  | Net foreign exposure/current year-end |              | Net foreign exposure preceding year-end |              |
|--|---------------------------------------|--------------|---|--------------|
|  | Absolute                              | % of equity  | CHF                                     | % of equity  |
| <b>Rating category (according to SERV, Swiss insurance against export risks)</b> |                                       |              |   |              |
| 0/HI   | 2,038,107                             | 77.9         | 2,203,386                               | 77.4         |
| 1  | 11                                    | 0.0          | 5                                       | 0.0          |
| 2  | 135,326                               | 5.2          | 208,510                                 | 7.3          |
| 3  | 78,732                                | 3.0          | 47,037                                  | 1.7          |
| 4  | 9,080                                 | 0.3          | 58,034                                  | 2.0          |
| 5 and 6  | 169,145                               | 6.5          | 168,787                                 | 5.9          |
| 7  | 1,708                                 | 0.1          | 4,278                                   | 0.2          |
| Without rating   | 184,275                               | 7.0          | 156,280                                 | 5.5          |
| <b>Total</b>   | <b>2,616,384</b>                      | <b>100.0</b> | <b>2,846,317</b>                        | <b>100.0</b> |

The SERV rating is recognised by FINMA.

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

(in CHF 1,000)

|  | Currencies        |                  |                  |                |                |                |
|--|-------------------|------------------|------------------|----------------|----------------|----------------|
|  | CHF               | EUR              | USD              | GBP            | OTHER          | METALS         |
| <b>Assets</b>  |                   |                  |                  |                |                |                |
| Liquid assets  | 6,394,969         | 58,805           | 1,357            | 404            | 946            | —              |
| Amounts receivable from banks  | 23,670            | 729,939          | 541,559          | 4,388          | 25,565         | 87,960         |
| Amounts due from securities financing transactions                                     | —                 | —                | —                | —              | —              | —              |
| Amounts due from clients   | 2,500,200         | 969,300          | 1,224,779        | 13,532         | 23,559         | —              |
| Mortgage loans   | 11,843,513        | 156,771          | 5,323            | —              | —              | —              |
| Trading portfolio assets   | 963               | —                | —                | —              | —              | 52,644         |
| Positive replacement values of derivative financial instruments                        | 16,141            | —                | —                | —              | —              | —              |
| Financial investments  | 1,861,047         | 198,542          | 101,056          | 2,832          | 6,630          | —              |
| Accrued expenses and deferred income   | 34,638            | —                | —                | —              | —              | —              |
| Participations   | 86,699            | 2,205            | 152              | —              | —              | —              |
| Tangible fixed assets  | 116,655           | —                | —                | —              | —              | —              |
| Other assets   | 187,646           | 84               | 60,153           | 762            | 52             | —              |
| <b>Total assets shown in balance sheet</b>   | <b>23,066,141</b> | <b>2,115,646</b> | <b>1,934,379</b> | <b>21,918</b>  | <b>56,752</b>  | <b>140,604</b> |
| Delivery entitlements from spot exchange, forward forex and forex options transactions | 420,752           | 1,143,828        | 2,487,988        | 177,660        | 49,742         | 15,489         |
| <b>Total assets</b>  | <b>23,486,893</b> | <b>3,259,474</b> | <b>4,422,367</b> | <b>199,578</b> | <b>106,494</b> | <b>156,093</b> |
| <b>Liabilities</b>   |                   |                  |                  |                |                |                |
| Amounts due to banks   | 832,735           | 561,718          | 1,835,585        | 35,452         | 24,205         | 91,397         |
| Liabilities arising from securities financing transactions                             | —                 | 113,505          | 703,920          | —              | —              | —              |
| Amounts due in respect of client deposits  | 13,387,524        | 1,789,772        | 1,435,419        | 70,664         | 41,773         | 35,310         |
| Trading portfolio liabilities  | 186               | 253              | 44               | 3              | 25             | —              |
| Negative replacement values of derivative financial instruments                        | 12,562            | —                | —                | —              | —              | —              |
| Cash bonds   | 1,100             | —                | —                | —              | —              | —              |
| Bond issues and central mortgage institution loans                                     | 4,491,155         | —                | —                | —              | —              | —              |
| Accrued expenses and deferred income   | 92,771            | —                | —                | —              | —              | —              |
| Other liabilities  | 91,671            | 27,384           | 890              | —              | 209            | —              |
| Provisions   | 12,955            | —                | —                | —              | —              | —              |
| Reserves for general banking risks   | 230,000           | —                | —                | —              | —              | —              |
| Bank's capital   | 360,000           | —                | —                | —              | —              | —              |
| Statutory capital reserve  | 304,050           | —                | —                | —              | —              | —              |
| Statutory retained earnings reserve  | 672,907           | —                | —                | —              | —              | —              |
| Own shares   | -20,832           | —                | —                | —              | —              | —              |
| Profit carried forward/loss carried forward  | 713               | —                | —                | —              | —              | —              |
| Profit / loss (result of the period)   | 98,415            | —                | —                | —              | —              | —              |
| <b>Total liabilities shown in the balance sheet</b>                                    | <b>20,567,912</b> | <b>2,492,632</b> | <b>3,975,858</b> | <b>106,119</b> | <b>66,212</b>  | <b>126,707</b> |
| Delivery obligations from spot exchange, forward forex and forex options transactions  | 2,939,138         | 776,217          | 447,409          | 93,440         | 39,012         | 29,474         |
| <b>Total liabilities</b>   | <b>23,507,050</b> | <b>3,268,849</b> | <b>4,423,267</b> | <b>199,559</b> | <b>105,224</b> | <b>156,181</b> |
| <b>Net position per currency</b>   | <b>-20,157</b>    | <b>-9,375</b>    | <b>-900</b>      | <b>19</b>      | <b>1,270</b>   | <b>-88</b>     |

## 5.28 Breakdown and explanation of contingent assets and liabilities

(in CHF 1,000)

|  | 2020           | 2019             |
|--|----------------|------------------|
| Guarantees to secure credits and similar                           | 24,084         | 19,161           |
| Guarantees to provide guarantees and similar                       | 105,452        | 78,247           |
| Irrevocable commitments arising from documentary letters of credit | 757,932        | 977,165          |
| Other contingent liabilities                                       | 700            | 700              |
| <b>Total contingent liabilities</b>                                | <b>888,168</b> | <b>1,075,273</b> |

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

## 5.29 Breakdown of credit commitments

The parent company figures are identical to the consolidation figures. Please see note 5.29 to the consolidated accounts on page 107.

## 5.30 Breakdown of fiduciary transactions

The parent company figures are identical to the consolidation figures. Please see note 5.30 to the consolidated accounts on page 107.

## 5.31 Breakdown of managed assets and presentation of their development

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

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

(in CHF 1,000)

|   | 2020          | 2019          |
|---|---------------|---------------|
| Trading result from                         |               |               |
| Interest rate instruments (including funds) | 665           | 1,676         |
| Equity securities (including funds)         | 100           | 1             |
| Currencies                                  | 28,372        | 29,462        |
| Commodities/precious metals                 | 1,311         | 451           |
| <b>Total trading income</b>                 | <b>30,448</b> | <b>31,590</b> |

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

The parent company figures are identical to the consolidation figures. Please see note 5.33 to the consolidated accounts on page 108.

### 5.34 Breakdown of personnel expenses

(in CHF 1,000)

|  | 2020           | 2019           |
|--|----------------|----------------|
| Salaries (attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits) | 108,803        | 109,172        |
| <i>of which, expenses relating to share-based compensation and alternative forms of variable compensation</i>      | <i>5,367</i>   | <i>5,857</i>   |
| Social insurance benefits  | 25,544         | 25,873         |
| Other personnel expenses   | 3,341          | 3,843          |
| <b>Total personnel costs</b>   | <b>137,688</b> | <b>138,888</b> |

### 5.35 Breakdown of the other operating charges

(in CHF 1,000)

|   | 2020          | 2019          |
|---|---------------|---------------|
| Office space expenses   | 8,671         | 8,315         |
| Expenses for information and communications technology  | 34,323        | 34,649        |
| Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses | 168           | 196           |
| Fees of audit firms <sup>1</sup>  | 842           | 811           |
| <i>of which, for financial and regulatory audits</i>  | <i>812</i>    | <i>799</i>    |
| <i>of which, for other services</i>   | <i>30</i>     | <i>12</i>     |
| General and administrative expenses   | 39,208        | 41,125        |
| <b>Total other operating expenses</b>   | <b>83,212</b> | <b>85,096</b> |

<sup>1</sup> Including the fees of audit companies other than the Auditors.

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

Following changes in existing risks during the past year, the Bank decided, during the first half of 2020, to release CHF 15 million from the item 'Reserves for general banking risks'. Moreover, provisions have been adjusted in view of the economic situation. Please see note 5.36 to the consolidated accounts on page 108.

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

The Bank has not revalued its participations or tangible assets.

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

BCGE is not operationally domiciled in foreign countries. All its profits are generated in Switzerland.

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

(in CHF 1,000)

|                     | Rate in % <sup>1</sup> | 2020   | Rate in % <sup>1</sup> | 2019   |
|---------------------|------------------------|--------|------------------------|--------|
| Current taxes, BCGE | 18.5%                  | 18,954 | 21.6%                  | 33,995 |

<sup>1</sup> Weighted average rate used, on the basis of the operating result.

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### **5.40 Disclosures and explanations of the earnings per equity security**

Please see note 5.40 to the consolidated accounts on page 110.

# Proposed appropriation of available earnings (in CHF 1,000)

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At the General Meeting, to be held on 29.04.2021,  
the Board of Directors will propose a dividend of 7.5% (2019: 7.5%).  
The amount available to the General Meeting to distribute is as follows:

|  | 31.12.2020     | 31.12.2019     |
|--|----------------|----------------|
| Result of the period   | 98,415         | 93,156         |
| Profit brought forward from the prior year                           | 713            | 957            |
| Release from the tax-exempt capital contribution reserve             | 6,840          | 6,840          |
| <b>Total available to the General Meeting</b>                        | <b>105,968</b> | <b>100,953</b> |
|  |                |                |
| Dividend of 7.5% (2019: 7.5%).                                       | 27,000         | 27,000         |
| <i>of which 1.9% tax-exempt dividend (2019: 1.9%).</i>               | 6,840          | 6,840          |
| Special allocation to the State of Geneva (20% of the dividend paid) | 5,400          | 5,400          |
| <b>Total distributed</b>   | <b>32,400</b>  | <b>32,400</b>  |
|  |                |                |
| Allocation to the legal reserve resulting from the earnings          | 66,000         | 61,000         |
| Other allocation to the legal reserve resulting from the earnings    | 6,840          | 6,840          |
| <b>Profit brought forward</b>  | <b>728</b>     | <b>713</b>     |

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Corporate affairs and communication department  
[communication@bcge.ch](mailto:communication@bcge.ch)

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Nathalie Vernaz,  
Corporate affairs and communication

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# Banque Cantonale de Genève SA

## Contact details

### **Head office**

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Quai de l'Ile 17 – CP 2251 – 1211 Genève 2  
Tel. +41 (0)58 211 21 00  
E-mail: [info@bcge.ch](mailto:info@bcge.ch)  
[bcge.ch](http://bcge.ch)

### **21 branches in Geneva**

### **Branches in Switzerland**

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**Lausanne:** Avenue de la Gare 50 – CP 159 – 1001 Lausanne – Tel. +41 (0)21 321 07 07  
**Basel:** Aeschengraben 10 – 4051 Basel – Tel. +41 (0)61 226 61 00  
**Zurich:** Lintheschergasse 19 – Postfach 4068 – 8021 Zurich – Tel. +41 (0)44 224 65 65

### **Subsidiaries**

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**Banque Cantonale de Genève (France) SA**  
[bcgef.fr](http://bcgef.fr)  
Tel. +33 (0)4 72 07 31 50  
**Lyon:** 20, place Louis-Pradel – 69001 Lyon  
**Annecy:** 1, rue Paul-Guiton – Villa Sienna – 74000 Annecy  
**Paris:** 5, rue de la Baume – 75008 Paris

**Capital Transmission SA**  
Tel. +41 (0)58 211 21 00  
[capitaltransmission.ch](http://capitaltransmission.ch)  
**Geneva:** Quai de l'Ile 17 – 1204 Genève  
**Zurich:** Lintheschergasse 19 – 8021 Zurich

**Dimension SA**  
[dimension.ch](http://dimension.ch)  
Tel. +41 (0)21 317 52 10  
Avenue de la Gare 20 – 1003 Lausanne (head office)  
Quai de l'Ile 17 – CP 2251 – 1211 Genève 2 (branch office)

**Loyal Finance AG**  
Postfach 38 – 8001 Zurich  
Tel. +41 (0)44 215 50 90  
[loyalfinance.ch](http://loyalfinance.ch)

### **Representation offices**

---

**Dubai:** Sheikh Zayed Road, Park Place – 14th Floor – PO Box 102810 – Dubai – UAE  
Tel. +971 4 329 83 00  
**Hong Kong:** Unit 1803 18/F Alexandra House – Chater Road 18 – Central – Hong Kong – China  
Tel. +852 280 81 80

