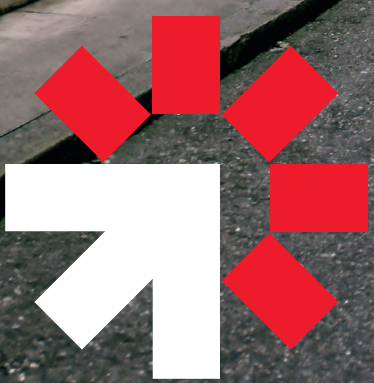


# Annual Report 2023.





1661  
VECTI  
ET NOBILIT  
ACRIPPA  
D'AVBIONE  
CAPTANE TOGENDIT  
POETE  
DEFENSOR DE LA FOI  
1551-1597







# Content.

<b>2</b>	<b>Message from our Chairman and CEO</b>
<b>6</b>	<b>BCP at a glance</b>
<b>9</b>	<b>Commodity Trade Finance</b>
<b>13</b>	<b>Wealth Management</b>
<b>16</b>	<b>Financial Performance</b>
<b>18</b>	<b>Corporate Governance</b>
<b>24</b>	<b>Risk Management</b>
<b>26</b>	<b>ESG</b>
<b>29</b>	<b>Auditor's Report &amp; Financial Statement</b>
<b>56</b>	<b>Directory</b>



# A Message from our Chairman and Chief Executive Officer.

Having celebrated our 60th anniversary in 2023, we would like to begin by reflecting on our journey, built on supportive, caring and reliable client services and ethical core values.

As an expert bank with an entrepreneurial ethos, we are proud to offer added-value operations thanks to a client-centric approach since our creation in 1963.

On the occasion of this important milestone, we extend our heartfelt gratitude to all our stakeholders for their unwavering support, particularly our clients, to whom we renew our commitment to upholding these values in the years to come. With solid foundations, bolstered by our highly skilled staff and strong capital base, we are confident to achieve our business objectives as we look ahead.

## **Celebrating 60 years of strategic excellence**

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Since our establishment in 1963, BCP has operated two primary pillars of activity in Geneva: Commodity Trade Finance and Wealth Management. Over the years, we have remained steadfast in our mission, offering customers a distinct business model centered on delivering exceptional service quality within these specialized business segments. This enduring strategy, now spanning six

decades, has been characterized by agility, adaptability, fair business practices and an unconditional commitment to ethical conduct. These core values are not only integral to BCP, but also fundamental to our clients. Today, as we continue to uphold these principles, they remain pivotal in shaping our ongoing achievements and guiding our path forward.





**Alain Bruno Lévy**  
Chairman



**Naci Sigin**  
Chief Executive Officer





### Thriving in a turbulent operating environment

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In 2023, like the whole industry, we encountered a series of geopolitical, economic, and market challenges, necessitating a resilient response. The ongoing conflict between Ukraine and Russia, along with escalating sanctions, continued to influence market dynamics, while a shift in commodity financing towards Asia reflected evolving global economic landscapes, impacting trade volumes. The outbreak of an additional war in the Middle East further fragmented and disrupted global trade flows.

Like all banks in the sector, these geopolitical factors adversely impacted our core business segments. In addition, commodity prices declined due to lower global demand and stabilized supply chains, resulting in decreased commercial income.

**Despite these challenges, we remained vigilant, committed to our agile strategy with a cautious stance. Being nimble in seizing opportunities, together with a prudent approach to risk management and effective cost control proved to be essential strategies which enabled us to navigate the turbulent operating conditions.**

Furthermore, the high interest rate environment played a significant role during the year, driven by central banks' efforts to combat inflation. This ultimately benefited the Bank's earnings thanks to increased net interest margins.

BCP's ability to adapt, coupled with a robust risk management approach, enabled the Bank to weather the complexities of the landscape, sustain operational stability, and achieve excellent net income.

### Building success: A forward-thinking strategy rooted in solid foundations

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**Our consistent and dedicated business strategy focused on customer-centricity and agility enabled us to continue to enhance and strengthen our product offerings and services.**

In the year under review, our Wealth Management department developed nicely with the addition of several senior professionals. Our investment solutions platform, defined by our deep expertise in global markets and state-of-the-art portfolio construction skills, have enabled us to protect our clients' assets while delivering at the same time attractive relative performances.

Additionally, we further reinforced our Commodity Trade Finance activity by diversifying into new sectors and geographies while mitigating risks through new products and risk distributions. We accomplished this while significantly reinforcing the Bank's capital base, which, at CHF 655 million, including reserves for banking risks as of December 31, 2023, ensures financial stability for our clientele.

### 2023: A year of high-performance

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As a Swiss bank operating in non-CHF major currencies due to our business model and international market presence, we faced certain challenges throughout the year, including unfavorable foreign exchange rates and complex market and geopolitical conditions.

However, our adherence to a consistent long-term strategy, coupled with diversification efforts, responsive approach, and a favorable interest rate environment, enabled us to achieve record profitability.





In 2023, we reported a net profit of CHF 44.0 million, after a voluntary allocation of CHF 20 million to the Bank's reserves for general banking risks, resulting in an economic profit of CHF 64.0 million, a 4% increase from the previous year's CHF 61.4 million. Our strong financial position is evidenced by key financial ratios: a return on tangible equity of 10.2%, a cost-income ratio of 42% (below the Swiss banking average), and a non-performing loans ratio of 0.3%, reflecting our diligent risk management practices. We are comfortable serving our clients with our ample liquidity and solid capital base.

#### Economic outlook for 2024

As we anticipate the year ahead, two critical factors will significantly influence our operating environment: the trajectory of financial markets and, more importantly, the evolution of geopolitical dynamics. The latter represents the primary risk factor for our economic forecast.

In recent months, the effects of ongoing conflicts between Russia and Ukraine, as well as in the Middle East, coupled with monetary policy tightening to curb inflation, have exerted downward pressure on global economic growth.

However, at the time of writing, we observe a gradual decline in inflation alongside resilient economic growth, despite some resistance in price indices. IMF projections now indicate global growth rates of 3.1 percent in 2024 and 3.2 percent in 2025, which is below the historical pre-pandemic average of 3.8 percent (2000–2019). Anticipating a further decline in inflation to meet central banks' inflation targets, we foresee gradual interest rate cuts by the central banks starting from the second half of 2024 as part of their soft-landing policy.

#### Framing our future with confidence

As many uncertainties remain, particularly regarding the trajectory of the geopolitical conditions, we will continue to operate within our vigorous and diligent risk management framework while aiming at maintaining our cost-income ratio at the current level. Within this complex environment, we remain committed to being proactive and responsive in identifying opportunities in 2024.

**Drawing on our 60 years of experience successfully steering through uncertain and challenging terrain, we are confident in our ability, once again, to meet our performance and business objectives in the year ahead.**

Consistent with our long-term vision and business model, we intend to continue investing in our operational infrastructural needs and in human capital while further growing organically.

#### Sincere thanks to all our stakeholders

In the words of the Roman statesman and philosopher Cicero, "Gratitude is not only the greatest of virtues, but the parent of all others."

**Therefore, we cannot conclude these introductory remarks without expressing our deepest gratitude to our clients and correspondents for entrusting us; to our staff for their dedication and hard work; and to our Board of Directors and shareholders for their unwavering support and confidence.**

Together, we are laying strong, reliable and sustainable foundations to navigate the years ahead with assurance.

 **60**  
years of  
unwavering  
commitment



# BCP at a glance.

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

## Four key pillars

### 1 Deep expertise

#### A specialist bank

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

#### An experienced team

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

### 2 Strong DNA

#### Agility

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

#### Customer-focused

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

### 3 Solid financials

#### Robust foundations

Our strong Tier 1 capital adequacy ratio, amounting to 18.8% at the end of the year 2023, reflects the high quality of our assets. Moreover, we have always maintained our Tier 1 ratio above 13% since 2008, comfortably above the 10.5% minimum set by the Swiss regulator FINMA for category 5 banks.

#### Credit quality

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

### 4 High regulation

#### Swiss standards

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

#### Conservative approach to risk

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





## Two core businesses with a large array of services



### Commodity trade finance (CTF)

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

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



### Wealth management (WM)

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

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

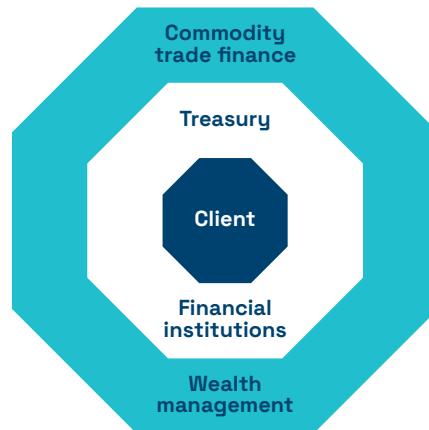
## Reinforced by expert services linked to

### Treasury

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

### Financial institutions

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



## Geographical presence in three locations



### Switzerland

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

### Luxembourg

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

### Dubai

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

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







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



# A customer-centric approach: Our commitment to long-term relationships.

**“As a renowned Swiss banking specialist in commodity trade finance with a legacy spanning six decades, we embody expertise and a customer-centric ethos.”**



**→ Pierre Galtie**  
Head of Commodity  
Trade Finance

Throughout our history, we have always remained committed to delivering coherent service and tailored solutions for clients worldwide. With a robust global infrastructure and sectoral knowledge, we navigate complex market landscapes with agility and resilience. Our CTF teams are dedicated to fostering meaningful long-term relationships, and this underscores our commitment to creating value beyond transactions.

**As we look to the challenges and opportunities ahead, we stand ready to leverage our expertise and insights to support our clients in negotiating evolving and more complex market dynamics.**

## **Celebrating 60 years: A testament to service excellence**

As BCP commemorates its 60th anniversary, we look back on the year 2023 as a pivotal juncture for the Bank, not only as a marker in our institutional history but as a profound testament to our consistent dedication to serving our clients.

Having successfully steered through ever-changing markets and needs, we managed once again to conclude a positive year and further develop our commodity trade finance franchise across the world. Beyond our core trade finance supply chain financing activity, we have continued to provide additional products in order to better accommodate our clients' needs. Our foundational values remain steadfast: an unyielding commitment

to delivering meaningful service and expertise. This is what defines our organizational DNA and has consistently propelled us forward.

## **2023: Charting success amidst challenges**

The year brought with it a multitude of significant new challenges, ranging from unprecedented interest rate hikes to the relentless pressure of inflation and the inertia of sluggish market conditions. A robust dollar, the surge in oil prices, high interest rates, and the sagging performance of the Chinese economy cast ominous shadows over emerging markets. Overall, weak activity in China, coupled with uncertainty around the trajectory of strong growth in the USA going forward translated into hawkish markets and a gloomy view of the global economic outlook.

In parallel, the year has confirmed a significant new paradigm where previous ideal free trade and economy globalization concepts have been put at serious stress. A new world economic commodity segmentation has seen the light with new regulatory standards and a reshaping of commodity markets.

**Despite these headwinds, we chartered these turbulent waters with agility and resilience, continuing to forge close partnerships with our clients, making quick wins, and adapting to shifting market currents to reassert ourselves as a reliable partner.**



Our expansive global infrastructure, together with our sectoral expertise and strong execution capabilities, played a pivotal role in facilitating the timely delivery of bespoke solutions that catered to the diverse needs of our clientele. From Europe to Africa, the Americas and APAC, we extended our financial support, transcending geographical boundaries and forging enduring relationships.

### **Fostering meaningful long-term client relationships**

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Testament to our commitment to cultivating robust long-term connections was our inaugural client event hosted by BCP's Commodity Trade Finance team during the Geneva Commodity Week in late November. This friendly gathering was a vibrant occasion and brought together clients from across the globe for a laid-back evening that underscored our mutual commitment to creating value.

### **Anticipating opportunities: Insights and projections for 2024**

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Looking ahead to 2024, beyond the specter of mounting sovereign debts and persistent inflationary pressures, we anticipate, above all, a landscape shaped by geopolitical tensions. Against the backdrop of pivotal elections in key countries (including the USA, Taiwan, EU, India and Russia) together with ongoing geopolitical conflicts and tensions, the threat of uncertainty looms large, with potential new disruption risks to global supply chain markets.

**Yet amidst the ongoing challenges lie abundant opportunities. There are prospects within natural resources, as the imperative of the global energy transition and investing in renewed production capacities gathers momentum.**

With a growing global population coupled with rising green transformation challenges, there is still a global demand for commodities resources. This requires new investments not only to replenish production capacity but to fuel the energy transition and the shift to more sustainable growth.

As our clients grapple with a continually evolving landscape, we stand ready to offer our support, particularly in the renewable energy segment. We will leverage our expertise and insights to seize emergent opportunities and address obstacles.

### **Sailing forward with gratitude and confidence**

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**In closing, our heartfelt gratitude goes to our esteemed colleagues for their unwavering resilience, tireless efforts, adaptability, and expert skills, as well as to our clients for their trust and confidence during a challenging year.**

As we set sail towards the uncharted waters of the future, we remain steadfast in our mission alongside our clients, and look forward to unparalleled growth and success on the horizon.

 **Life is either a daring adventure or nothing.**

**Helen Keller**







# Wealth Management Safeguarding Generational Wealth.





# Safeguarding, nurturing and transmitting generational wealth with integrity and confidence .

“BCP Wealth Management is dedicated to safeguarding, nurturing and passing on generational wealth for its clients. With a steadfast commitment to excellence, we embark on a journey alongside our customers, offering tailored solutions to protect, grow and transmit their assets with integrity and confidence. Through personalized service and a global perspective, BCP Wealth Management stands as a trusted partner, guiding clients through economic cycles and ensuring their financial well-being for generations to come.”



➔ **Marco Grilli**  
Head of Wealth  
Management

## **Navigating geopolitical influences in financial markets**

The year 2023 was marked by a series of dramatic events, from devastating earthquakes to wars in Eastern Europe and the Middle East. Throughout the year, geopolitical tensions continued to exert a significant influence on financial markets worldwide. Trade disputes, regional conflicts and political uncertainties had varying impacts on different asset classes, prompting investors to adjust their portfolios in response to evolving scenarios and policy developments.

## **Economic trends amidst global dynamics**

The global financial markets and world economy experienced dynamic yet challenging times in 2023. Various factors, including the aforementioned geopolitical tensions, but also technological advancements and policy shifts influenced market dynamics and economic trends.

**Despite uncertainties, the global economy demonstrated resilience, with moderate expansion observed across regions.**

Emerging markets, fueled by robust domestic demand and infrastructure investments,

outpaced advanced economies in terms of growth. However, concerns over inflation and supply chain disruptions persisted, impacting consumer confidence and corporate planning.

## **Federal Reserve's response to inflationary pressures**

In response to continued inflationary pressures, the Federal Reserve, like other major central banks, executed a series of interest rate hikes during 2023. These measures aimed to temper economic growth and mitigate inflationary risks. The decision to raise interest rates was driven by escalating prices for goods and services, coupled with supply chain disruptions. The Federal Reserve sought to maintain price stability and safeguard the purchasing power of the US dollar. Consequently, financial markets experienced adjustments, with fixed-income securities witnessing changes in yields and equity markets facing heightened volatility.

## **Equity markets led by Artificial Intelligence (AI)**

The year 2023 saw a significant milestone in the evolution of Artificial Intelligence (AI) technologies, with transformative advancements influencing various sectors. AI applications continued to impact industries, driving innovation, automation and improved decision-making.





Advancements in technology also played a pivotal role in shaping financial markets. We saw surging investor interest among listed companies, particularly the so-called Magnificent Seven (the tech companies Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla).

**BCP Wealth Management resilience and growth**

Despite adverse exchange rate effects, BCP Wealth Management demonstrated resilience, achieving positive results in 2023.

**Our Wealth Management department generated total income exceeding previous years and budgetary expectations, while keeping costs under control.**

Strategic investments in portfolio management capabilities and technology infrastructure, alongside newly recruited talent contributed to the Bank's Wealth Management growth trajectory.

**Enhancing client experience and risk management**

BCP Wealth Management prioritizes the delivery of top-notch investment management products and services to clients.

**During the year we enriched the client experience by introducing new products, capabilities, and coverage, including the launch of a mobile e-banking solution.**

Moreover, rigorous risk management practices, including enhanced customer due diligence and collateralized lending activities, continue to safeguard the Bank's reputation and financial stability.

**BCP Wealth Management: Your trusted financial partner**

BCP Wealth Management stands as a trusted financial partner, providing comprehensive wealth management services that are customized to clients' needs. With a global approach focused on long-term goals, experienced relationship managers take the time to understand their clients and deliver personalized client experiences, guiding clients through economic cycles

and preserving and transmitting their assets with confidence. BCP Wealth Management places interpersonal relationships and tailored investment solutions at the core of its approach. Its strength lies in acting as advisors rather than mere sellers, and offering personalized solutions.

**Diverse investment solutions**

BCP Wealth Management offers a range of investment solutions, including discretionary and advisory mandates, tailored to clients' preferences and investment objectives. The Bank's Asset Management and Advisory division specializes in diversified investments across thematic equities, emerging markets and alternative investments. With an investment philosophy grounded in a structured process and an open architecture, the priority of BCP Wealth Management is to source the best investments for clients and to drive innovation and yield generation, without bias.

**Looking to 2024**

BCP approaches the year 2024 with caution. Geopolitical tensions and the monetary policies of central banks will continue to bring uncertainties in the markets. The yield curve of US Treasury bonds has been inverted since July 2022, an unprecedented occurrence for over four decades. In the United States, this parameter typically predicts a recession. Fundamental indicators paint a different picture. The resilience of the American economy cushions the impact of rising interest rates, notably due to post-Covid fiscal stimulus measures, credit constraints, and a tight job market.

**BCP Wealth Management estimates that the probability of a US recession is low, and predicts a soft landing.**

As interest rates are expected to decline, bonds are likely to outperform monetary instruments. Given credit risks, high-quality bonds have been favored.

BCP Wealth Management is dedicated to standing by its clients to effectively guide their investment decisions for 2024. This commitment is underscored by our focus on expertise, trust, and the personalized attention we devote to each client.



**From a small seed a mighty trunk may grow.**

**Aeschylus**



# Financial Performance 2023.

**A year of high performance despite a complex geopolitical, economic, and market landscape.**

In 2023, central banks maintained their policies of high interest rates to combat inflation, which had contrasting effects on the financial sector.

An environment of rising interest rates triggered bankruptcies among a handful of medium-sized US banks, which greatly worried the market and indirectly precipitated the collapse of Credit Suisse, which was already weakened by numerous financial scandals and a risky strategy. In contrast, and despite the adverse impact on fixed-income investments, most banks showed impressive interest margins, benefiting fully from the normalization of rates and no longer having to bear the cost of negative interest rates. BCP was no exception and also took advantage of these market conditions.

However, continuing geopolitical tensions among Ukraine, Palestine, China, etc., higher borrowing costs and stagnating economies all squeezed the demand for loans, which affected the Bank's business volumes. Despite inflation, the prices of most commodities financed by the Bank declined (energy, fertilizers, metals, among others), as did average crude oil prices which fell 18% compared to last year. In addition, the strengthening of the Swiss franc against the US dollar and the Euro placed increased pressure on the Bank's revenue streams,

which are mostly denominated in those currencies.

**However, once again, these challenging conditions did not prevent the Bank from delivering an exceptional financial performance this year. Boosted by outstanding net interest earnings, total income, at CHF 138.1 million, reached its highest level in the Bank's history, exceeding last year's record by 7%.**

Gross result from interest operations (which excludes the impact of Change in value adjustments for default risks) jumped to CHF 84.1 million and exceeded last year by CHF 17.1 million (+26%). The rise of interest rates generated strong returns on placements with Central banks (for liquidity requirements) and other money market transactions, while the Bank could efficiently limit the growth of its financing costs. However, net interest earnings on fixed-income securities largely suffer from higher interest rates, as well as net interest on customer lending, as clients' appetite for loans fell as a result of more expensive funding costs. The contracting business activity was also illustrated by the decline of total Balance Sheet by 9% to CHF 3.2 billion, as well as customer lending, which fell down from CHF 1.8 billion at 31.12.2022 to CHF 1.5 billion at 31.12.2023.



Change in value adjustment for default risk at CHF 2.2 million comprised CHF 5.2 million of provisions on bad debts, which were partly compensated by recoveries of CHF 1.6 million received on bad debts incurred in 2022 and CHF 1.5 million of partial releases of provisions on financial investments.

Result from commissions amounted to CHF 55.5 million and decreased by CHF 11.5 million (-17%) compared to last year. Commissions suffered primarily from lower documentary credit volumes, but also from the strengthening of the CHF and the fall in the price of commodities financed by the Bank.

Result from trading activities was CHF 0.6 million below last year, essentially resulting from lower forex profits (higher swap costs), partially compensated by higher profits from securities trading. After the important negative performance of last year, Other result from ordinary activities, although still slightly negative, showed clear signs of recoveries in the valuation of the Bank's bonds portfolios.

Operating expenses at CHF 59.6 million increased by 13% compared to last year. Regarding personnel expenses, the Bank mostly reinforced its front office teams and some support units, reflected by the increase of average number of FTE employees from 160.1 in 2022 to 170.8 in 2023. Higher variable remuneration expenses related to the excellent financial performance, as well as higher salaries and social costs were the other factors for the growth of Personnel expenses. The increase of General and administrative expenses was essentially explained by higher legal fees pending to litigations for previous years' credit losses and higher consultancy fees for implementation of new regulations. Last but not least, inflation had a significant impact on the overall increase in the Bank's operating expenses.

**Despite the growth of expenses, BCP's high efficiency was again demonstrated by its low Cost/income ratio (excluding the impact of Change in value adjustments for default risks and losses from interest operations) at 42%, which was just slightly above the 40% recorded last year.**

Considering the excellent results and pursuing its prudent approach, the Bank constituted new Reserves for general banking risks of CHF 20.0 million. Therefore, the reported Net profit closed at CHF 44.0 million, which was CHF 2.5 million (+6%) above last year. If we exclude the impact of Reserves for general banking risks to measure the real economic performance of the Bank, the adjusted net profit would have reached CHF 64.0 million, which was no less than the best economic performance in BCP's history.

The Bank continued its constant and healthy organic growth and its Shareholders' funds (comprising Shareholders' equity and Reserves for general banking risks, which qualify as Tier I capital) reached CHF 654.7 million, which was CHF 49.0 million (+8%) above last year.

Along with the strong financial results, the capital adequacy ratio (CET1 ratio as per Basel III rules) improved to 18.8% (from 18.2% in 2022) and remained largely above the minimum FINMA requirements.

Total retained earnings available for appropriation amounted to CHF 140.8 million and it was decided on March 19, 2024 at the Ordinary General Meeting of the Shareholders to distribute a dividend of CHF 15.0 million to the shareholders and appropriate the balance to the Bank's equity.





# Corporate Governance.

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

## 1. General assembly of shareholders

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- 69.33% Borak SA
- 30.67% Yapi Kredi Bankasi (54.8% owned by Koç Holding)

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

## 2. Board of Directors

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

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

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

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

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



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

#### **Board credit committee**

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

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

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

#### **Audit & Risk Committee**

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

- Alfred Gremli, Chairman
- Mehmet Ali Karamahmet, Member

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

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

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

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

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



# The Board of Directors.

The Board of Directors of BCP was composed as of 31 December 2023 of the seven following members:

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



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

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



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

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



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

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



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





### Changes within the Board of Directors during the year 2023

Mr. Michel Wuest was appointed Member of the Board of Directors during the General Assembly held on the 14th of March 2023.

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



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

**Michel Wuest**  
Member (Independent)



After graduating from the University of Geneva in 1986 with a Degree in International Relations and Economics from the Graduate Institute of International Studies, Mr. Wuest started his Private Banking career in 1987 at Union Bancaire Privée in Geneva, where he was notably in charge of the Asian and Middle Eastern Discretionary Markets during ten years. He then

moved to Merrill Lynch Bank Suisse where he was appointed Head of Portfolio Management Europe and Middle East, before taking over the Private Banking business across Europe for the Bank. In 2006, Mr. Wuest joined UBS as Managing Director and Head of the newly created UHNW Clients department in Geneva. A couple of years later, he was promoted Sub Region Head Russia, Central and Eastern Europe. Early 2012, Mr. Wuest joined Julius Baer Bank in Geneva as Managing Director, Sub Region Head Emerging Markets. He became as well a member of the Emerging Markets Executive Management Committee and served as a Board Member at Julius Baer Monaco and Julius Baer Johannesburg, positions he held until his early retirement end of 2020. He then became a part time Professor in Economics at the Gymnase of Lausanne for the University of Lausanne bridge program, as well as later an advisor to BCP's CEO on Wealth Management related matters. Mr. Wuest became a Member of the Board of Directors of BCP in March 2023.

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



Mr. Ziegler graduated from the University of Namur, Belgium with a Bachelor and Master in Economics & Social Sciences, followed by a Post-Graduate Program in International Economy at the Graduate Institute of International and Development Studies in Geneva. He began his career with Banque Paribas in Geneva followed by a two-year tenure with Swiss Bank Corporation

in New York. In 1987, he became CFO of a large family-owned freight forwarding group in Belgium, and was then appointed Head of ING Bank's Trade and Commodities Finance Department in 1993. Mr. Ziegler joined BNP Paribas Switzerland in 1999. He spent 13 years with the bank, establishing both its Credit and Collateral Control Department, before heading the Energy & Commodity Finance Department. In December 2012, he founded Captiva Corporate Finance SA, a Geneva-based independent financial advisory & corporate finance company, with strong expertise non-exhaustively dedicated to Energy & Commodities players. Mr. Ziegler became a Member of the Board of Directors of BCP in March 2021.





# The General Management.

The General Management of BCP was composed as of 31 December 2023 of the six following members:

**Mr. Naci Sigin**  
Chief Executive Officer



Mr. Sigin has been Chief Executive Officer of BCP since May 2009. He began his career in 1985 at Interbank A.S., Istanbul and joined Yapi Kredi Bank (BCP's 31% shareholder) in 1991 as Vice-President in Treasury. Mr. Sigin worked for Yapi Kredi for 13 years, heading its Treasury as an Executive Vice President until March 1999 when he was promoted to CEO of the Bank. He served as Yapi

Kredi's CEO for 5 years until December 2004, acting simultaneously as Chairman and board member in many of the bank's subsidiaries. Accordingly, Mr. Sigin held the position of Vice Chairman of BCP's Board of Directors from February 2003 to October 2004. From December 2004, he acted as financial advisor to several holding groups until May 2009 when he was appointed BCP's CEO. Mr. Sigin holds a BS/BA degree from the University of Central Florida, USA and an MBA from the Bosphorus University, Istanbul.

**Mr. Pierre Galtie**  
Commodity Trade Finance



After graduating from Paris Dauphine University in Corporate Finance, Mr. Galtié started his career at Banque Paribas in 1988 in the Sultanate of Oman, before joining the EMEA International Banking Department in Paris in 1990. He served as Vice President, Commodities and Trade Finance from 1992 to 1997. He was then appointed successively Director in 1997 and Managing

Director in 2004 in the Commodities Finance group of BNP Paribas Switzerland where he held various business development and management functions with a prime focus in Eastern Europe, CIS countries, and the Middle East. He served as Head of BNP Paribas Switzerland Commodities Coverage from 2015 to 2016. In December 2016, Mr. Galtié joined Natixis to open and head its representative office in Switzerland. Mr. Galtié was appointed to head BCP's Commodity Trade Finance Department in April 2019 and has been a member of General Management since July 2019.

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



Mr. Garcia obtained his Degree in Economics at the University of Geneva in 1987 and started his professional path at Trade Development Bank (American Express) as financial analyst. He continued his career at Lloyds Bank in Geneva, where he mainly served as Head of Financial Control for 14 years, developing in-depth command of accounting, management information systems,

financial reporting and budgeting. In 2004, he joined BCP as Head of the Financial Control division and, in October 2014, he was appointed CFO, including the supervision of Financial Control, Banking Operations and Information Technology divisions. Mr. Garcia has been a member of General Management since March 2016.



### Changes within the General Management during the year 2023

**Mr. Marco Grilli, Head of Wealth Management, was appointed Member of the General Management on the 20th of June, 2023.**

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



Mr. de Kalbermatten is a Swiss qualified lawyer, admitted to the Bar in Geneva in 2008. He started his career in a leading Swiss law firm in Geneva and rapidly acquired a wide range of experience in Swiss and international civil and criminal law as well as arbitration. In 2011, Mr. de Kalbermatten joined the Geneva branch of ING Bank advising on all aspects of

Swiss banking law including trade and corporate finance. Mr. de Kalbermatten then served as BNP Paribas(Switzerland) S.A. Geneva's legal advisor, for 7 years where he was appointed Head of Dispute Resolution. He joined BCP as senior legal advisor in 2021, and was appointed Head of the Legal & Compliance Department and member of General Management in March 2022.

#### **Marco Grilli** Wealth Management Member of the General Management



After graduating in Business Administration from the University of Applied Sciences in Lausanne, Switzerland, Mr. Grilli started his career in Wealth Management with UBS in 2003. He held the position of business manager for the African markets, then the role of Relationship Manager for UHNW clients for Emerging markets - Eastern Europe and Central Asia – from 2007 to

2012. He then joined Bank Julius Baer in 2015, serving initially as Senior Relationship Manager, before being appointed Team Head. Within Julius Baer, Mr. Grilli also served as Deputy Market Head for the Central and Eastern European markets, as well as Central Asia for the Geneva branch. He was also a member of the bank's management committee. Mr. Grilli completed his education at IMD Lausanne, and joined BCP in 2021 as Head of Client Relationship Management, before being appointed Head of the Wealth Management Department in 2022. He has been a member of the General Management since June 2023.

#### **Mr. Cedric Zimmermann** Risk Management



Mr. Zimmermann graduated in economics from the University of Geneva with a Bachelor Degree in 1998 and became Swiss chartered accountant in 2005. He started his professional career in 2000 with KPMG in Geneva where he gained a significant experience in banking audit, notably in the fields of wealth management, credits (trade finance, corporate credits and lombards) and

market activities. He continued his professional path at Compagnie Bancaire Helvétique (CBH) in Geneva where he was in charge of the bank's risk management from 2012 to 2015. In 2015, he joined BCP as Head of the Risk Management Department. He has been a member of General Management since July 2019.







# Risk Management.

BCP has continuously evolved and strengthened its risk management organization. Over the past years, the Bank has been developing an active risk management culture in its daily activities by reinforcing methods, controls and guidelines while adapting to the latest regulatory requirements.

## Risk culture

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

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

Risk Management follows 6 main risks which are detailed in the Notes to the 2023 financial statements.

## Risk governance

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

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

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

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



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

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

### **Risk Management Department**

The Risk Management Department's main objective is identifying, measuring, monitoring and reporting the main risks for the Bank.

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

➔ **6**

**Risk Management follows 6 main risks**



# ESG Environmental, Social and Governance strategy.

## BCP's commitment to sustainability

At BCP, we have been firmly rooted in sustainability principles for many years, be it in our own internal operating principles, or in our core businesses. Fully engaged on the path towards greater sustainability, BCP is committed to promoting acceptance and implementation of ESG factors both internally through its own processes and policies, and externally in the conduct of its core businesses. In our commitment to contribute to the implementation of more sustainable practices in the finance industry, we are a partner of Sustainable Finance Geneva and a member of Swiss Sustainable Finance. The main elements of our ESG approach are briefly summarized hereafter.







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

### **Commodity trade finance**

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

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

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

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



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

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

#### **1. Wealth Management**

True to our open-architecture approach, we put the best interests of each client at the core of our allocation process, and have decided to gradually increase the proportion of assets integrating ESG criteria. We successfully increased the proportion of our discretionary mandates composed of assets compatible with ESG criteria from 10% as of the end of 2021 to more than 20% as of the end of 2023, hence achieving our objectives.

#### **2. Treasury**

By the end of 2023, our nostro fixed income portfolio consisted of 16.5% in ESG-compliant bonds, significantly surpassing the 7.5% recorded at the end of 2021 and reflecting a 1.1% increase from the figures at the end of 2022. Of this 16.5% of holdings, 10.4% are invested in ESG-compliant green bonds, 4.8% in ESG-compliant sustainability bonds, and finally, 1.3% in ESG-compliant social bonds. We plan to gradually increase our share of ESG-compliant bonds to 25% by the end of 2025.

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

### **Ecology in the workplace**

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

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

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



# Auditor's Report & Financial Statement 2023.







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

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Banque de Commerce et de Placements SA (the Company), which comprise the balance sheet as at 31 December 2023, 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 accompanying financial statements (pages 34 to 55) comply with Swiss law and the Company's articles of incorporation.

#### **Basis for Opinion**

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

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

#### **Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

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



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

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

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

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

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

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

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





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

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

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

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

KPMG SA

Philippe Ruedin  
Licensed Audit Expert  
Auditor in Charge

Nicolas Narindal  
Licensed Audit Expert

Geneva, 16 February 2024



# Balance sheet.

<b>Assets</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Notes</b>
Liquid assets	543 969	561 674	
Amounts due from banks	478 008	511 619	
Amounts due from securities financing transactions	-	-	
Amounts due from customers	1 493 339	1 779 417	1.2.
Trading portfolio assets	5 248	18 172	1.3.
Positive replacement values of derivative financial instruments	12 055	5 437	1.4.
Financial investments	608 030	597 056	1.5.
Accrued income and prepaid expenses	32 359	23 688	
Tangible fixed assets	1 987	2 133	1.6.
Other assets	816	884	1.7.
<b>Total assets</b>	<b>3 175 811</b>	<b>3 500 080</b>	
Total subordinated claims	-	-	
<b>Liabilities</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Notes</b>
Amounts due to banks	1 000 142	1 111 081	
Liabilities from securities financing transactions	317 008	206 181	1.1
Amounts due in respect of customer deposits	1 133 877	1 531 646	
Negative replacement values of derivative financial instruments	7 022	4 328	1.4.
Accrued expenses and deferred income	51 423	35 813	
Other liabilities	1 237	198	1.7.
Provisions	10 386	5 114	
Reserves for general banking risks	275 000	255 000	1.9.
Share capital	75 000	75 000	1.10.
Statutory retained earnings reserve	26 969	24 898	
Voluntary retained earnings reserve	136 966	126 966	
Profit carried forward	96 783	82 418	
Profit / loss (result of the period)	43 998	41 437	
<b>Total liabilities</b>	<b>3 175 811</b>	<b>3 500 080</b>	
Total subordinated liabilities	-	-	
<b>Off-balance sheet transactions</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Notes</b>
Contingent liabilities	1 942 909	2 013 562	2.1.
Irrevocable commitments	112 669	86 991	
Credit commitments	200 102	131 321	2.2.

# Income statement.

	2023	2022	Notes
<b>Result from interest operations:</b>			
– Interest and discount income	134 936	86 391	
– Interest and dividend income from trading portfolios	1 394	320	
– Interest and dividend income from financial investments	27 232	13 523	
– Interest expense	(79 501)	(33 235)	
<b>Gross result from interest operations</b>	<b>84 061</b>	<b>66 999</b>	
– Change in value adjustments for default risks and losses from interest operations	(2 167)	(2 484)	
<b>Subtotal net result from interest operations</b>	<b>81 894</b>	<b>64 515</b>	
<b>Result from commission business and services:</b>			
– Commission income from securities trading and investment activities	4 290	5 086	
– Commission income from lending activities	30 529	33 512	
– Commission income from other services	23 116	30 463	
– Commission expense	(2 431)	(2 038)	
<b>Subtotal result from commission business and services</b>	<b>55 504</b>	<b>67 023</b>	
<b>Result from trading business and the fair value option</b>	<b>939</b>	<b>1 543</b>	3.1.
<b>Other result from ordinary activities:</b>			
– Result from the disposal of financial investments	(3 281)	(531)	
– Result from real estate	3	10	
– Other ordinary income	3 079	5	
– Other ordinary expenses	-	(3 097)	
<b>Subtotal other result from ordinary activities</b>	<b>(199)</b>	<b>(3 613)</b>	
<b>Operating expenses:</b>			
– Personnel expenses	(44 378)	(39 348)	3.3.
– General and administrative expenses	(15 215)	(13 194)	3.4.
<b>Subtotal operating expenses</b>	<b>(59 593)</b>	<b>(52 542)</b>	
– Value adjustments on equity interests, depreciation on tangible fixed assets and amortization of intangible assets	(1 040)	(1 295)	
– Changes to provisions and other value adjustments, and losses	(35)	(7)	
<b>Operating result</b>	<b>77 470</b>	<b>75 624</b>	
– Extraordinary income	26	958	3.5.1.
– Extraordinary expenses	-	(17)	3.5.2.
– Changes in reserves for general banking risks	(20 000)	(20 000)	3.5.3.
– Taxes	(13 498)	(15 128)	3.7.
<b>Profit / loss (result of the period)</b>	<b>43 998</b>	<b>41 437</b>	



# Proposal for appropriation of profit.

	31.12.2023	31.12.2022
<b>Retained earnings available for appropriation:</b>		
- Profit / loss (result of the period)	43 998	41 437
- Profit carried forward from previous year	96 783	82 418
<b>Distributable profit</b>	<b>140 781</b>	<b>123 855</b>
<b>Proposal for appropriation of profit:</b>		
- Allocation to statutory retained earnings reserve	2 200	2 072
- Allocation to voluntary retained earnings reserve	10 000	10 000
- Dividend proposed	15 000	15 000
- New amount carried forward	113 581	96 783
<b>Distributable profit</b>	<b>140 781</b>	<b>123 855</b>

# Statement of changes in equity.

	Share capital	Statutory retained earnings reserves	Voluntary retained earnings reserves and profit/loss carried forward	Reserves for general banking risks	Result of the period	Total
<b>Equity at 01.01.2023</b>	<b>75 000</b>	<b>24 898</b>	<b>209 384</b>	<b>255 000</b>	<b>41 437</b>	<b>605 719</b>
Dividends and other distributions	-	-	-	-	(15 000)	(15 000)
Other allocations to (transfers from) the reserves for general banking risks	-	-	-	20 000	-	20 000
Other allocations to (transfers from) other reserves	-	2 071	24 365	-	(26 437)	(1)
Profit / loss (result of the period)	-	-	-	-	43 998	43 998
<b>Equity at 31.12.2023</b>	<b>75 000</b>	<b>26 969</b>	<b>233 749</b>	<b>275 000</b>	<b>43 998</b>	<b>654 716</b>





# Notes to the 2023 financial statements.

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

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

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

As at 31st December 2023, Banque de Commerce et de Placements had 175.1 full-time equivalent employees (2022: 168.9), of which 8 in Luxembourg and 2 in Dubai.

## **Business activities**

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

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

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

## **Accounting and valuation policies**

### **General principles**

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

These statutory single entity financial statements as at 31st December 2023 are established in conformity with the Directives of the FINMA circular 2020/1 Accounting-Banks and FINMA Accounting Ordinance (FINMA-AO). The financial statements are prepared using the reliable assessment principle and the incurred loss and latent default risk approaches.

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

### **Recording of transactions**

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

### **Conversion of foreign currencies**

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



and the fair value option". The Head Office and the branch use Swiss Francs as their functional currency.

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

	31.12.2023	31.12.2022
USD	0.8383	0.9212
EUR	0.9272	0.9846

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

These items are recognized at their nominal value or at cost value, less any necessary individual valuation adjustment.

Impaired loans, defined as loans for which it is unlikely that the debtor will be able to fulfill his future obligations, are valued on an individual basis and the depreciation is covered by individual valuation adjustments equivalent to the part of the amounts which are not secured by collaterals. The individual valuation adjustments are directly deducted from the related caption.

#### **Securities financing transactions**

Securities sold subject to a repurchase agreement (repos) remain in the balance sheet under "Trading portfolio assets" or "Financial investments", as long as the Bank maintains the economic ownership of the rights relating to the transferred securities. Cash amounts received relating to the sale of these securities or received as collateral for these loans are included in the balance sheet under "Liabilities from securities financing transactions".

Securities received subject to a reverse-repurchase agreement (reverse repos) are only brought on balance sheet if the Bank acquires the power to have use of the contractual rights attached to the securities transferred. Cash amounts paid relating to such transactions are reported under

"Amounts due from securities financing transactions".

#### **Trading portfolio assets**

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

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

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

#### **Financial investments**

The Bank's financial investments are classified into three categories: "long-term", "short-term" and "other" financial investments.

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

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

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

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

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

**Tangible fixed assets**

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

The principal types are as follows:

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

**Amounts due in respect of customer deposits**

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

**Provisions**

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

**Reserves for general banking risks**

Reserves for general banking risks are reserves constituted out of prudence with the objective of covering latent banking risks. Reserves for general banking risks have not been taxed. They are considered as eligible Common Equity Tier 1 (CET1) according to article 21 of the Swiss Capital Adequacy Ordinance (CAO), after deduction of latent tax.

**Pension fund liabilities**

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

The economic impact of pension plans is deemed to be either an economic benefit

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

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

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

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

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

**Derivative financial instruments**

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

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



### **Taxes**

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

Deferred tax is provided for latent tax risks.

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

## **Risk Management**

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### **Default risks**

Default risks, also known as credit risks, entail the potential loss the Bank might face if a counterparty fails to fulfill its legal obligations. The Bank's credit policy encompasses all exposures that could result in losses if counterparties are unable to repay their debts to the Bank.

The Bank mitigates credit risks through diversification, careful selection of borrowers based on quality, requiring tangible guarantees, and applying defined margins. Client quality is assessed using an internal rating model and objective solvency criteria, applicable to all customers. Additionally, specific guarantees related to trade finance are considered.

The Bank ensures ongoing supervision of default risks through regular client communication, periodic collateral value monitoring, and continuous financial standing reviews.

### **Market risks**

Market risks involve potential losses due to fluctuations in the value of positions caused by changes in securities, commodities, derivative financial instruments, and interest or exchange rates.

In the Bank's trading and financial investment portfolios, the market risks exposure is limited through investments in diversified fixed-income securities. Daily monitoring ensures compliance with established limits. Interest rate risks from on- and off-balance sheet operations are centrally managed by the ALM Committee, meeting weekly.

### **Country risks**

Country risks arise from economic and political changes in foreign countries.

The Bank follows a Country Risk Policy considering transaction types, maturities, and country ratings (Fitch and Moody's). Provisions are based on these criteria, and country risk exposure may be offset through collateral like guarantees, country risk insurance, and pledged assets, provided they are duly assigned and not subject to higher country risk.

The Bank adheres to Swiss Bankers Association guidelines on country risks.

### **Liquidity risks**

Liquidity risks are controlled in line with legal provisions. Regular supervision ensures the tradability of the Bank's proprietary positions.

### **Operational risks**

Operational risks, comprising internal and external fraud risks, stem from direct or indirect losses due to inadequacies in procedures, human factors, systems, or external events. Internal rules and regulations, along with controls, limit such risks.

The Bank's Internal Auditors regularly verify internal control systems, reporting directly to the Board's Audit and Risk Committee.

### **Compliance and legal risks**

The Legal and Compliance department monitors the Bank's adherence to statutory regulations and due diligence obligations. It reviews new legislation from supervisory authorities, the Government, Parliament, or self-regulatory bodies, ensuring alignment with internal directives.



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

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

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

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

### Method used for the valuation of collateral

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

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

### Policy on the use of derivative financial instruments and hedge accounting

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The Bank undertakes, for its own and customer accounts, trading in derivative financial instruments, which may comprise Forward exchange operations (most of the derivatives trading activity), Options, Credit Linked Notes

(CLN), Forward Rate Agreements (FRA), Interest Rate Swaps (IRS), Cross Currency Swaps (CCS), Interest Rate Futures (IRF) and diverse structured products.

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

### Material events occurred after the balance sheet date

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None.



# 1. Information on the balance sheet.

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

	31.12.2023	31.12.2022
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions <sup>(*)</sup>	-	-
Book value of obligations resulting from cash collateral received in connection with securities lending and repurchase transactions <sup>(*)</sup>	317 008	206 181
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	339 656	211 075
– with unrestricted rights to resell or pledge	-	-
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or repledge	-	-
– of which, repledged securities	-	-
– of which, resold securities	-	-

<sup>(\*)</sup> Before netting agreements

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

### 1.2.1 Loans/receivables

		Secured by mortgage	Other collateral	Unsecured	Total
Amounts due from customers (before netting with value adjustments)		-	272 261	1 232 468	1 504 729
<b>Total loans (before netting with value adjustments)</b>	<b>31.12.2023</b>	<b>-</b>	<b>272 261</b>	<b>1 232 468</b>	<b>1 504 729</b>
	31.12.2022	-	456 999	1 332 331	1 789 330
<b>Total loans (after netting with value adjustments)</b>	<b>31.12.2023</b>	<b>-</b>	<b>272 261</b>	<b>1 221 078</b>	<b>1 493 339</b>
	31.12.2022	-	456 999	1 322 418	1 779 417

### 1.2.2 Off-balance sheet

Contingent liabilities		-	501 689	1 441 220	1 942 909
Irrevocable commitments		-	-	112 669	112 669
Credit commitments		-	-	200 102	200 102
<b>Total off-balance sheet transactions</b>	<b>31.12.2023</b>	<b>-</b>	<b>501 689</b>	<b>1 753 991</b>	<b>2 255 680</b>
	31.12.2022	-	881 189	1 350 685	2 231 874

### 1.2.3 Impaired loans

		Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
<b>Total impaired loans</b>	<b>31.12.2023</b>	<b>12 478</b>	<b>-</b>	<b>12 478</b>	<b>11 390</b>
	31.12.2022	14 364	-	14 364	9 913

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

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

	31.12.2023	31.12.2022
<b>Trading portfolio assets</b>		
Debt securities, money market securities/transactions	5 248	18 172
– of which, listed	2 314	18 065
Equity securities	-	-
Precious metals and commodities	-	-
Other trading portfolio assets	-	-
<b>Subtotal trading portfolio assets</b>	<b>5 248</b>	<b>18 172</b>
<b>Other financial investments at fair value</b>		
Debt securities	-	-
Structured products	-	-
Other	-	-
<b>Subtotal other financial investments at fair value</b>	<b>-</b>	<b>-</b>
<b>Total trading portfolio assets</b>	<b>5 248</b>	<b>18 172</b>
– of which, determined using a valuation model	-	-
– of which, securities eligible for repo transactions in accordance with liquidity requirements	-	393

### 1.4 Presentation of derivative financial instruments

		Trading instruments			Hedging instruments		
1.4.1 Derivative financial instruments		Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
<b>Interest rate instruments</b>							
	Interest Rate Futures (IRF)	-	30	2 711	-	-	-
<b>Foreign exchange/precious metals</b>							
	Forward contracts	9 025	3 976	846 821	-	-	-
	Options (OTC)	3 030	3 016	81 878	-	-	-
	<b>Total before netting agreements</b>	<b>12 055</b>	<b>7 022</b>	<b>931 410</b>	<b>-</b>	<b>-</b>	<b>-</b>
	– of which, determined using a valuation model	-	-	-	-	-	-
	<b>Total before netting agreements</b>	<b>5 437</b>	<b>4 328</b>	<b>500 674</b>	<b>-</b>	<b>-</b>	<b>-</b>
	– of which, determined using a valuation model	-	-	-	-	-	-
		Positive replacement values (cumulative)			Negative replacement values (cumulative)		
	<b>Total after netting agreements</b>	<b>12 055</b>			<b>7 022</b>		
		5 437			4 328		
1.4.2 Breakdown by counterparty		Central clearing houses	Banks and securities dealers	Other customers	Total customers		
	<b>Positive replacement values (after netting agreements)</b>						
	31.12.2023	-	8 078	3 977	12 055		
	31.12.2022	-	2 496	2 941	5 437		



## 1.5 Financial investments

	Book value		Fair value	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>1.5.1 Breakdown by financial investments</b>				
Debt securities	608 002	597 007	663 852	588 913
– of which, intended to be held until maturity	529 157	442 633	583 291	434 454
– of which, not intended to be held until maturity (available for sale)	78 845	154 374	80 561	154 459
Equity securities	-	-	-	-
– of which, qualified participations	-	-	-	-
Precious metals	-	-	-	-
Real estate	28	49	28	70
<b>Total financial investments</b>	<b>608 030</b>	<b>597 056</b>	<b>663 880</b>	<b>588 983</b>
– of which, securities eligible for repo transactions in accordance with liquidity requirements	12 761	140 498	12 507	139 886

	Book value	
	31.12.2023	31.12.2022
<b>1.5.2 Breakdown of counterparties rating</b>		
AAA to AA-	103 135	258 695
A+ to A-	255 191	165 606
BBB+ to BBB-	150 080	70 261
BB+ to B-	99 596	102 437
Without rating	-	8
<b>Total debt instruments</b>	<b>608 002</b>	<b>597 007</b>

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

## 1.6 Presentation of tangible fixed assets

### 1.6.1 Tangible fixed assets

	Acquisition cost	Accumulated depreciation	Book value 31.12.2022	2023					Book value 31.12.2023
				Reclassifications	Additions	Disposals	Depreciation	Reversals	
Bank building	-	-	-	-	-	-	-	-	-
Other real estate	-	-	-	-	-	-	-	-	-
Proprietary or separately acquired software	18 458	(16 983)	1 475	-	642	-	(722)	-	1 395
Other tangible fixed assets	14 588	(13 930)	658	-	252	-	(318)	-	592
<b>Total tangible fixed assets</b>	<b>33 046</b>	<b>(30 913)</b>	<b>2 133</b>	<b>-</b>	<b>894</b>	<b>-</b>	<b>(1 040)</b>	<b>-</b>	<b>1 987</b>

<b>1.6.2 Operating leases</b>		within 1 year	from 1 to 3 years	from 1 to 5 years	> 5 years	Total
<b>Future lease payments (office rental)</b>	31.12.2023	104	131	9 790	-	10 025
	31.12.2022	252	-	11 724	-	11 976



## 1.7 Breakdown of other assets and other liabilities

	Other assets		Other liabilities	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Rent guarantee deposit	243	301	-	-
Withholding taxes, stamp duties and VAT	541	404	1 213	194
Others	32	179	24	4
<b>Total</b>	<b>816</b>	<b>884</b>	<b>1 237</b>	<b>198</b>

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

### 1.8.1 General information

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

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

The Bank's contributions are booked in the year's operating expenses and are an integral part of its personnel expenses. At 31st December 2023 the Bank held no reserves for contributions and had no liabilities towards the Pension Fund.

On 31st December 2023, the Fund had 211 members (201 in 2022), of which 166 in activity (160 in 2022) and 45 pensioners (41 in 2022). Employees of Luxembourg branch and representative office of Dubai are not members of the Bank's Pension Fund in Switzerland.

On the basis of non audited financial statements as at 31st December 2023, the governing body of the Pension Fund estimates the coverage ratio according to article 44 of OPP 2 (Ordinance on Pension Funds) at approx. 104.4 % (100.5% at 31.12.2022).

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

	Over-funding / under-funding estimate	Economic interest of the Bank		Change in economic versus previous year	Contribution paid	Pension expenses included in personnel expenses	
	31.12.2023	31.12.2023	31.12.2022		31.12.2023	31.12.2023	31.12.2022
Pension plans without overfunding / underfunding	-	-	-	-	-	-	-
Pension plans with overfunding	4 744	-	-	-	-	(4 045)	(3 754)
Pension plans with underfunding	-	-	-	-	-	-	-
<b>Total</b>	<b>4 744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4 045)</b>	<b>(3 754)</b>



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

	Balance at 31.12.2022	Use in conformity with designated purpose	Reclassifications	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income	Balance at 31.12.2023
Provisions for deferred taxes	5 114	-	-	-	-	5 272	-	10 386
Provisions for pension benefit obligations	-	-	-	-	-	-	-	-
Provisions for default risks	-	-	-	-	-	-	-	-
Provisions for other business risks	-	-	-	-	-	-	-	-
Provisions for restructuring	-	-	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-	-	-
<b>Total provisions</b>	<b>5 114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 272</b>	<b>-</b>	<b>10 386</b>
<b>Reserves for general banking risks</b>	<b>255 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20 000</b>	<b>-</b>	<b>275 000</b>

Reserves for general banking risks have not been taxed.

<b>Value adjustments for default and country risks</b>	<b>13 927</b>	<b>(1 280)</b>	<b>-</b>	<b>(1 191)</b>	<b>-</b>	<b>5 243</b>	<b>(3 076)</b>	<b>13 623</b>
- of which, value adjustments for default risk in respect of impaired loans / receivables	9 913	(1 280)	-	(874)	-	5 243	(1 612)	11 390
- of which, value adjustments for latent risks	4 014	-	-	(317)	-	-	(1 464)	2 233

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

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

## 1.10 Share Capital

	31.12.2023			31.12.2022		
	Total par value	Number of shares (unit)	Capital eligible for dividend	Total nominal value	Number of shares (unit)	Capital eligible for dividend
<b>Total Bank share capital</b>	<b>75 000</b>	<b>75 000</b>	<b>75 000</b>	<b>75 000</b>	<b>75 000</b>	<b>75 000</b>
- of which, paid up	75 000	75 000	75 000	75 000	75 000	75 000

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

### 1.11 Amounts due from / to related parties

	Amounts due from		Amounts due to	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Holders of qualified participations	35 362	6 420	1 045	296
Group companies	-	-	-	-
Linked companies	11 072	13 747	182	156
Transactions with members of governing bodies	-	-	4 462	3 738
Other related parties	-	-	-	-
<b>Total amounts due from / to related parties</b>	<b>46 434</b>	<b>20 167</b>	<b>5 689</b>	<b>4 190</b>
Off-balance sheet transactions with related parties	5 632	3 951	3 624	5 005

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

### 1.12 Holders of significant participations

	31.12.2023		31.12.2022	
	At nominal value	Percentage of equity	At nominal value	Percentage of equity
<b>Holders of significant participations with voting rights</b>				
<b>Borak SA</b> (100% owned by the Karamehmet family)	52 000	69.33%	52 000	69.33%
<b>Yapi Ve Kredi Bankasi SA</b> (54.8% owned by Koç Holding)	23 000	30.67%	23 000	30.67%

### 1.13 Disclosure on composition of share capital

The Bank does not hold ordinary own shares.

As at 31st December 2023, the Bank share capital was composed of 75 000 registered shares with a nominal value of CHF 1 000 each, entirely paid up.

Statutory retained earnings reserves are only distributable if they exceed 50% of the share capital. As at 31 December 2023, the amount of non distributable reserves amounted to CHF 27.0 Mio.



## 1.14 Maturity structure of financial instruments

1.14.1 Assets / financial instruments		Due							Total
		At sight	Cancellable	within 3 months	within 3 to 12 months	within 12 months to 5 years	after 5 years	No maturity	
Liquid assets	543 969	-	-	-	-	-	-	-	543 969
Amounts due from banks	71 964	-	292 646	113 398	-	-	-	-	478 008
Amounts due from securities financing transactions	-	-	-	-	-	-	-	-	-
Amounts due from customers	-	700 992	787 582	4 540	225	-	-	-	1 493 339
Trading portfolio assets	5 248	-	-	-	-	-	-	-	5 248
Positive replacement values of derivative financial instruments	12 055	-	-	-	-	-	-	-	12 055
Financial investments	-	-	19 805	67 445	349 711	171 041	28	-	608 030
<b>Total</b>	<b>31.12.2023</b>	<b>633 236</b>	<b>700 992</b>	<b>1 100 033</b>	<b>185 383</b>	<b>349 936</b>	<b>171 041</b>	<b>28</b>	<b>3 140 649</b>
	31.12.2022	682 124	466 319	1 661 673	259 926	365 526	31 783	6 024	3 473 375

## 1.14.2 Debt capital / financial instruments

Amounts due to banks	220 163	-	553 346	201 484	-	25 149	-	-	1 000 142
Liabilities from securities financing transactions	-	-	99 222	217 786	-	-	-	-	317 008
Amounts due in respect of customer deposits	602 979	57 987	451 176	21 638	97	-	-	-	1 133 877
Negative replacement values of derivative financial instruments	7 022	-	-	-	-	-	-	-	7 022
<b>Total</b>	<b>31.12.2023</b>	<b>830 164</b>	<b>57 987</b>	<b>1 103 744</b>	<b>440 908</b>	<b>97</b>	<b>25 149</b>	<b>-</b>	<b>2 458 049</b>
	31.12.2022	905 557	41 788	1 554 218	248 892	102 781	-	-	2 853 236



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

	31.12.2023		31.12.2022	
	Domestic	Foreign	Domestic	Foreign
Liquid assets	168 458	375 511	312 708	248 966
Amounts due from banks	24 419	453 589	43 940	467 679
Amounts due from securities financing transactions	-	-	-	-
Amounts due from customers	808 539	684 800	900 415	879 002
Trading portfolio assets	-	5 248	1 765	16 407
Positive replacement values of derivative financial instruments	10 908	1 147	5 182	255
Financial investments	38 946	569 084	157 279	439 777
Accrued income and prepaid expenses	29 761	2 598	21 935	1 753
Tangible fixed assets	1 920	67	2 044	89
Other assets	379	437	564	320
<b>Total assets</b>	<b>1 083 330</b>	<b>2 092 481</b>	<b>1 445 832</b>	<b>2 054 248</b>
Amounts due to banks	65 960	934 182	114 721	996 360
Liabilities from securities financing transactions	-	317 008	-	206 181
Amounts due in respect of customer deposits	484 612	649 265	650 725	880 921
Negative replacement values of derivative financial instruments	7 022	-	4 324	4
Accrued expenses and deferred income	44 535	6 888	33 001	2 812
Other liabilities	1 237	-	197	1
Provisions	10 386	-	5 114	-
Reserves for general banking risks	275 000	-	255 000	-
Bank's capital	75 000	-	75 000	-
Statutory retained earnings reserve	26 969	-	24 898	-
Voluntary retained earnings reserve	135 000	1 966	125 000	1 966
Profit carried forward	91 129	5 654	77 663	4 755
Profit / loss (result of the period)	40 854	3 144	41 164	273
<b>Total liabilities</b>	<b>1 257 704</b>	<b>1 918 107</b>	<b>1 406 807</b>	<b>2 093 273</b>



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

	31.12.2023		31.12.2022	
	Absolute	in %	Absolute	in %
Europe	1 094 297	34.5%	882 749	25.2%
Switzerland	1 083 330	34.1%	1 445 832	41.3%
Turkey	159 175	5.0%	160 188	4.6%
North America	211 756	6.7%	203 896	5.8%
South America	20 805	0.7%	22 914	0.7%
Caribbean area	114 046	3.6%	112 938	3.2%
Africa	185 554	5.8%	284 519	8.1%
Middle East	102 222	3.2%	198 498	5.7%
Asia	184 964	5.8%	175 623	5.0%
Oceania	19 662	0.6%	12 923	0.4%
<b>Total assets</b>	<b>3 175 811</b>	<b>100.0%</b>	<b>3 500 080</b>	<b>100.0%</b>

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

Fitch (Long-Term rating scale)	Net foreign exposure 31.12.2023		Net foreign exposure 31.12.2022	
	Absolute	in %	Absolute	in %
AAA	600 918	28.7%	680 498	33.1%
AA+ AA-	647 506	30.9%	529 232	25.8%
A+ A-	175 445	8.4%	135 825	6.6%
BBB+ BBB-	227 097	10.9%	169 374	8.2%
BB+ BB-	31 972	1.5%	54 798	2.7%
B+ B-	297 473	14.2%	417 031	20.3%
CCC+ D- & not rated	112 070	5.4%	67 490	3.3%
<b>Total assets (foreign exposure)</b>	<b>2 092 481</b>	<b>100.0%</b>	<b>2 054 248</b>	<b>100.0%</b>

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

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

Assets	CHF	EUR	USD	Others	Total
Liquid assets	168 067	375 808	69	25	543 969
Amounts due from banks	16 031	124 876	323 441	13 660	478 008
Amounts due from securities financing transactions	-	-	-	-	-
Amounts due from customers	25 036	100 912	1 351 942	15 449	1 493 339
Trading portfolio assets	-	177	4 963	108	5 248
Positive replacement values of derivative financial instruments	12 055	-	-	-	12 055
Financial investments	45 038	155 197	374 014	33 781	608 030
Accrued income and prepaid expenses	28 607	1 011	2 683	58	32 359
Tangible fixed assets	1 987	-	-	-	1 987
Other assets	644	104	23	45	816
<b>Total assets shown in the balance sheet</b>	<b>297 465</b>	<b>758 085</b>	<b>2 057 135</b>	<b>63 126</b>	<b>3 175 811</b>
Delivery entitlements from spot exchange, forward forex and forex options transactions	513 350	112 872	172 436	62 531	861 189
<b>Total assets</b>	<b>810 815</b>	<b>870 957</b>	<b>2 229 571</b>	<b>125 657</b>	<b>4 037 000</b>
<b>Liabilities</b>					
Amounts due to banks	58 213	150 191	751 173	40 565	1 000 142
Liabilities from securities financing transactions	-	-	317 008	-	317 008
Amounts due in respect of customer deposits	31 667	241 305	810 585	50 320	1 133 877
Negative replacement values of derivative financial instruments	7 022	-	-	-	7 022
Accrued expenses and deferred income	35 183	300	15 848	92	51 423
Other liabilities	1 209	3	4	21	1 237
Provisions	10 386	-	-	-	10 386
Reserves for general banking risks	275 000	-	-	-	275 000
Bank's capital	75 000	-	-	-	75 000
Statutory retained earnings reserve	26 969	-	-	-	26 969
Voluntary retained earnings reserve	136 966	-	-	-	136 966
Profit carried forward	96 783	-	-	-	96 783
Profit for the year	43 998	-	-	-	43 998
<b>Total liabilities shown in the balance sheet</b>	<b>798 396</b>	<b>391 799</b>	<b>1 894 618</b>	<b>90 998</b>	<b>3 175 811</b>
Delivery obligations from spot exchange, forward forex and forex options transactions	947	477 856	343 674	33 578	856 055
<b>Total liabilities</b>	<b>799 343</b>	<b>869 655</b>	<b>2 238 292</b>	<b>124 576</b>	<b>4 031 866</b>
<b>Net position by currency</b>	<b>11 472</b>	<b>1 302</b>	<b>(8 721)</b>	<b>1 081</b>	<b>5 134</b>



Notes to the 2023 financial statements

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

### 2.1 Breakdown of contingent liabilities and contingent assets

2.1.1 Contingent liabilities	31.12.2023	31.12.2022
Guarantees to secure credits and similar	581 805	458 957
Performance guarantees and similar	28 553	19 353
Irrevocable commitments arising from documentary letters of credit	1 332 551	1 535 252
Other contingent liabilities	-	-
<b>Total contingent liabilities</b>	<b>1 942 909</b>	<b>2 013 562</b>

2.1.2 Contingent assets	31.12.2023	31.12.2022
Contingent assets arising from tax losses carried forward	-	-
Other contingent assets	-	-
<b>Total contingent assets</b>	<b>-</b>	<b>-</b>

### 2.2 Breakdown of credit commitments

Credit commitments	31.12.2023	31.12.2022
Commitments arising from deferred payments	200 102	131 321
Commitments arising from acceptances	-	-
Other credit commitments	-	-
<b>Total credit commitments</b>	<b>200 102</b>	<b>131 321</b>

### 2.3 Breakdown of fiduciary transactions

Fiduciary transactions	31.12.2023	31.12.2022
Fiduciary deposits with third-party companies	9 755	10 514
Fiduciary investments with group companies and linked companies	-	-
Fiduciary loans	-	-
Other fiduciary financial transactions	-	-
<b>Total fiduciary transactions</b>	<b>9 755</b>	<b>10 514</b>

Notes to the 2023 financial statements

### 3. Information on the income statement.

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

##### 3.1.1 Breakdown by business area

	2023	2022
Trading results for own account	465	1 067
Trading for the account of customers	474	476
<b>Total result from trading activities</b>	<b>939</b>	<b>1 543</b>

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

	2023	2022
Foreign exchange	(363)	1 950
Interest rate instruments	288	481
Securities	1 014	(888)
Commodities/precious metals	-	-
<b>Total result from trading activities</b>	<b>939</b>	<b>1 543</b>
- of which, from fair value option	-	-

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

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

The item **Interest and discount income** does not comprises negative interest in 2023 (CHF 2.4 Mio in 2022).

#### 3.3 Breakdown of personnel expenses

Personnel expenses	2023	2022
Salaries	36 130	31 335
Social insurance benefits	3 240	3 214
Contributions to staff pension funds	4 135	3 832
Other personnel expenses	873	967
<b>Total personnel expenses</b>	<b>44 378</b>	<b>39 348</b>





### 3.4 Breakdown of general and administrative expenses

General and administrative expenses	2023	2022
Office space expenses	2 912	2 815
Expenses for information technology and communications technology	4 547	4 207
Expenses for vehicles, equipment, furniture and other fixtures	85	71
Fees of audit firm(s) (Art. 961a no. 2 CO)	478	466
– of which, for financial and regulatory audits	478	466
– of which, for other services	-	-
Other operating expenses	7 193	5 635
<b>Total general and administrative expenses</b>	<b>15 215</b>	<b>13 194</b>

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

3.5.1 Extraordinary income	2023	2022
– Reimbursement of legal fees	-	887
– Other extraordinary income	26	71
<b>Total extraordinary income</b>	<b>26</b>	<b>958</b>

3.5.2 Extraordinary expenses	2023	2022
– Other extraordinary expenses	-	(17)
<b>Total extraordinary expenses</b>	<b>-</b>	<b>(17)</b>

3.5.3 Change in reserves for general banking risks	2023	2022
– Allocation to reserves for general banking risks	(20 000)	(20 000)
– Withdrawals from the reserves for general banking risks	-	-
<b>Total change in reserves for general banking risks</b>	<b>(20 000)</b>	<b>(20 000)</b>

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

	2023		2022	
	Domestic	Foreign	Domestic	Foreign
- Interest income	150 290	13 272	86 714	13 520
- Interest expense	(71 697)	(7 804)	(23 189)	(10 046)
- Gross result from interest operations	78 593	5 468	63 525	3 474
- Change in value adjustments for default risks and losses from interest operations	(2 451)	284	(1 632)	(852)
<b>Subtotal net result from interest operations</b>	<b>76 142</b>	<b>5 752</b>	<b>61 893</b>	<b>2 622</b>
- Commission income from securities trading and investment activities	4 290	-	4 956	130
- Commission income from lending activities	30 529	-	33 512	-
- Commission income from other services	23 106	10	30 422	41
- Commission expense	(2 411)	(20)	(2 030)	(8)
<b>Subtotal result from commission business and services</b>	<b>55 514</b>	<b>(10)</b>	<b>66 860</b>	<b>163</b>
<b>Result from trading activities</b>	<b>(248)</b>	<b>1 187</b>	<b>602</b>	<b>941</b>
- Result from the disposal of financial investments	(3 259)	(22)	(691)	160
- Result from real estate	3	-	10	-
- Other ordinary results	3 009	70	(3 070)	(22)
<b>Subtotal other result from ordinary activities</b>	<b>(247)</b>	<b>48</b>	<b>(3 751)</b>	<b>138</b>
- Personnel expenses	(43 129)	(1 249)	(37 870)	(1 478)
- General and administrative expenses	(13 843)	(1 372)	(11 425)	(1 769)
<b>Subtotal operating expenses</b>	<b>(56 972)</b>	<b>(2 621)</b>	<b>(49 295)</b>	<b>(3 247)</b>
- Depreciation and amortisation of tangible fixed assets	(996)	(44)	(1 234)	(61)
- Changes to provisions and other value adjustments, and losses	(35)	-	(7)	-
<b>Operating result</b>	<b>73 158</b>	<b>4 312</b>	<b>75 068</b>	<b>556</b>

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

	2023	2022
- Current taxes	(8 226)	(10 014)
- Deferred taxes	(5 272)	(5 114)
<b>Total taxes</b>	<b>(13 498)</b>	<b>(15 128)</b>
- Average tax rate weighted on the basis of the operating result	10.6%	13.2%

As at 31st December 2023, there were no losses carried forward (2022: none).



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