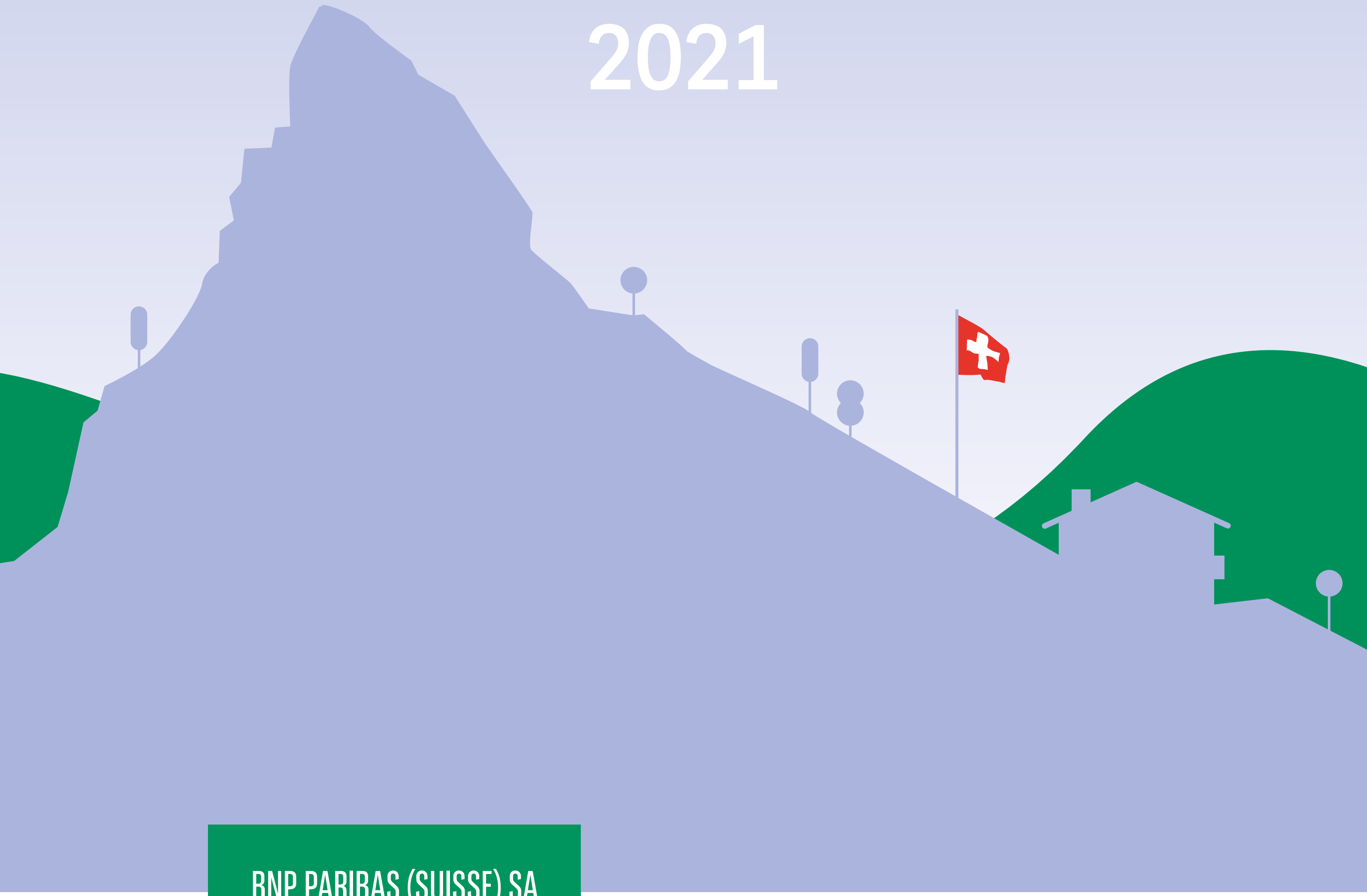
Annual Report 2021



BNP PARIBAS (SUISSE) SA

BNP PARIBAS

The bank
for a changing
world

Annual Report 2021
BNP Paribas (Suisse) SA

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Editorial

During 2021, still largely marked by the COVID-19 pandemic, our employees strived to pursue our most important objective: to serve our clients in the best possible way, from Geneva, Zurich and Lugano.

Editorial

We continually adapted throughout the year to ensure that our clients in Switzerland were well taken care of, large and medium-sized Swiss companies, multinationals, financial institutions, domestic and international wealthy individuals, as well as entrepreneurs. As an expert, strong and diversified financing partner, with a deep understanding of local and international markets, we have worked to support and advise our clients with all their specific projects and needs. Once again, this year, our clients have renewed their trust in BNP Paribas and we thank them.

The trust placed in us can rely on sustainable finance development, which is at the heart of the purpose and strategy of the BNP Paribas Group and our bank in Switzerland. In April 2021, our group became a founding member of the "Net-Zero Banking Alliance", and in Switzerland, we were an active participant in the second edition of the "Building Bridges" international sustainable finance summit.
While our bank has acted as a book runner in traditional financing operations for the issuance of shares, bonds or syndicated financing, it has also supported companies in "Revolving Credit Facility" financing operations with CSR* indicators and in the issuance of sustainable development bonds.
Our commitment to a more sustainable world is further reflected in our wealth management activities through innovative products and services that position us as pioneers, and enable us to offer our clients a unique and personalized journey. Hence, for both discretionary management and portfolio advisory, we offer clients the possibility to align their portfolios with their ethics.

This trust can also rely on our integration within the BNP Paribas Group and its integrated and diversified model, providing a high level of continuity of service within our global group. In 2021, we continued to transform the business models of our Corporate & Institutional Banking and Wealth Management businesses, in order to continue to improve the efficiency of the services offered to our clients. Our withdrawal from "Specialised Trade Services" and our strategic objective to more closely align ourselves with the group's business models are better positioning us today to deal with the conflict in Ukraine. We are going to pursue the growth strategy of our businesses in Switzerland for the years to come. As part of our 2025 Plan, we have already strengthened our position in the Investment Banking market especially with the Life Sciences & Tech and

Merger & Acquisitions departments and our Wealth Management activity focuses on its strategic client segments, entrepreneurs and families in Switzerland, Germany and the Middle East.

This trust can finally rely on our history and our values. 2022 marks our 150 years of presence in Switzerland. Since the end of the 19th century and the contribution to the financing of the Gotthard and Simplon tunnels, we have been proud to contribute to the development of the Swiss economy. We are also proud to be fully engaged in the Swiss society not only through the daily actions of our employees but also through the actions of the BNP Paribas Foundation, which supports and builds numerous partnerships with local associations. For example, the BNP Paribas Swiss Foundation co-founded with réalise the "Opportunity, Training today for tomorrow's jobs" programme, which aims to promote equal opportunities throughout Switzerland in the transition to a sustainable, digital and inclusive economy. In 2021, we also received the Swiss LGBTI-Label alongside six other companies and organisations. This Label distinguishes institutions in Switzerland that practise an open and inclusive culture for LGBTI people.

On behalf of BNP Paribas (Suisse) SA, I share with you my pride in having supported our customers and employees throughout 2021 and the crises we have experienced, and in having demonstrated the resilience of our bank, which more than ever is preparing for the next 150 years of BNP Paribas in Switzerland.

Arnaud Zeitoun
CEO BNP Paribas (Suisse) SA

* CSR: Corporate & Social Responsibility

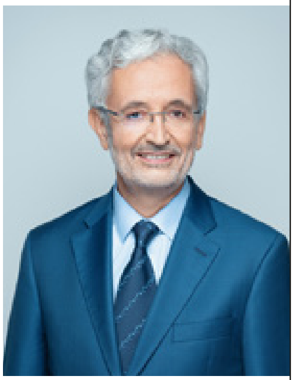
Governance

The Board is made up of 10 directors for whom the mandatory term of office is 3 years.

The Board of Directors is responsible for overseeing the company's main objectives.
It has three general powers:

1. Assessing the company's strategic decisions
2. Participating in the smooth running of the company
3 Controlling and monitoring all transactions linked to the activities of BNP Paribas (Suisse) SA.

The Board of Directors for BNP Paribas (Suisse) SA is composed as follows:



Yves MARTRENCHAR
Chair of the Board of Directors,
of the Credit Committee
and of the Compensation Committee

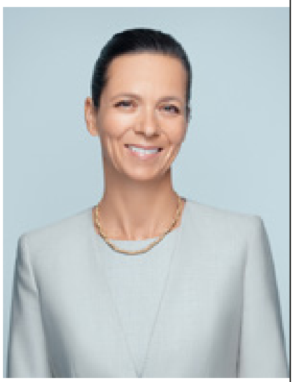
Other mandates

- Vice-President of the Board of the association Foyer de Grenelle

Christian BOVET *
Vice-Chair of the Board of Directors
Chair of the Audit and Risk Committee
Member of the Compensation Committee

Other mandates

- Research Member of the Scientific Committee of the “Concurrences” review
- Member of the Board of the Fondation Carpe Vitam International
- Member of the Board of the Société Académique de Genève



Carole ACKERMANN *
Board Member
Member of the Compensation Committee

Other mandates
- Member of the Board of Directors of Allianz Suisse, Wallisellen
- Member of the Board of Directors of BKW AG, Bern
- Member of the Board of Directors of BVZ Holding AG, Zermatt
- Senior Lecturer at the University of St. Gallen
- Chair of EHL Holding SA, Lausanne

Herbert BOLLIGER *
Board Member
Member of the Audit and Risk Committee

Other mandates
- Board Member, Eldora Holding SA
- Board Member, MTH Retail Group Holding
- Board Member, Menu and More AG

Yannick JUNG
Board Member
Member of the Credit Committee
Member of the Compensation Committee

Vincent LECOMTE
Board Member
Member of the Credit Committee
Member of the Compensation Committee

Marina MASONI *
Board Member
Member of the Audit and Risk Committee

Other mandates
- Vice-chair of the Board of Fondazione Teatro dell'Architettura (Mendrisio)
- Member of the Board of Fondazione Ferdinando e Laura Pica-Alfieri
- Chair of Ticinomoda, Associazione fabbricanti e operatori ramo abbigliamento del Cantone Ticino (Lugano)
- Member of the Board of the Chamber of Commerce, Canton of Ticino

Thomas MENNICKEN (since 20 April 2021)
Board Member
Member of the Audit and Risk Committee
Member of the Credit Committee
Risk Manager for BNP Paribas SA (Paris)

Franciane RAYS (since 20 April 2021)
Board Member
Member of the Compensation Committee
Member of the Audit and Risk Committee

Yves SERRA*
Board Member
Member of the Audit and Risk Committee
Member of the Credit Committee

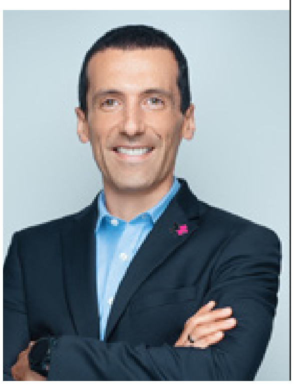
Other mandates

- Chair of the Board of Directors of Stäubli Holding AG
- Vice-Chair of the Board of Directors of Georg Fischer AG
- Advisor to Recruits Holdings Tokyo Japan
- Sustainable Committee Advisor at Asset Management ONE (Tokyo)

** Directors fulfilling the criteria of independence in accordance with FINMA Circular 2017/1*

The General Management at BNP Paribas in Switzerland supports the Swiss subsidiary in developing and making strategic, innovative and sustainable decisions.

The General Management of BNP Paribas (Suisse) SA is composed as follows:



Arnaud ZEITOUN
Chief Executive Officer

Enna PARISET
CEO of Corporate & Institutional Banking

Other mandates
- Head of Territory of BNP Paribas in Switzerland
- Vice-Chair of the Board of Directors, Arval (Switzerland) SA
- Chair of the Board, BNP Paribas Swiss Foundation
- Member of Committee of the Association of Foreign Banks in Switzerland (AFBS)
- Member of the Board of the Chamber of Commerce France Switzerland (CCIFS)

Hubert MUSSEAU
CEO of Wealth Management

Other mandates
- Board Member, BNP Paribas Swiss Foundation

Lionel Berthier
Head of Human Resources

Other mandates

- Member of the Board of the Pension Foundation of BNP Paribas (Switzerland)
- Member of the Association of Banking HR Directors in Geneva

Charles GINDRE
Chief Administrative Officer

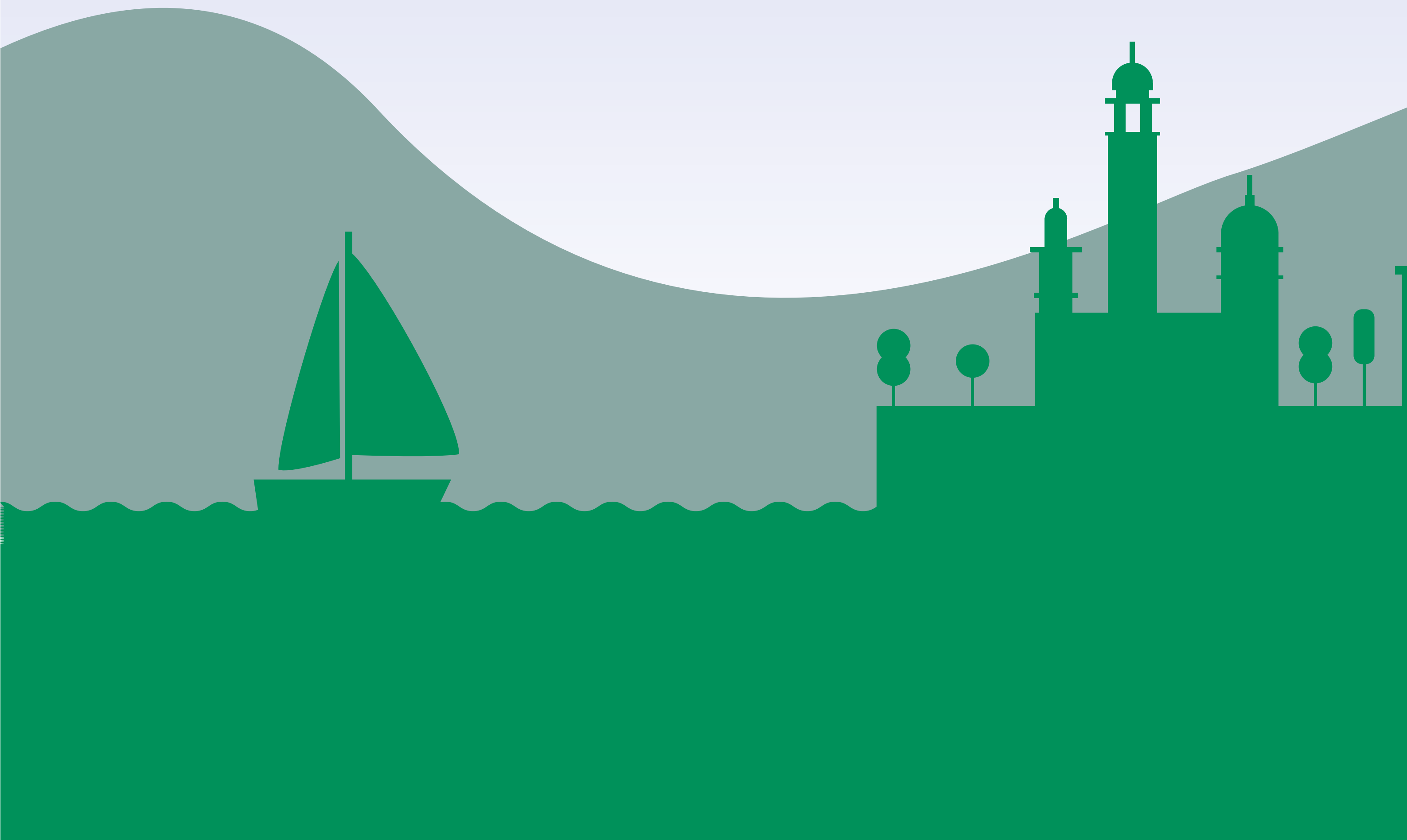
Other mandates

- Member of the Board of the Pension Foundation of BNP Paribas (Switzerland)
- Auditor of the charity PSE (Pour un Sourire d'Enfant), Switzerland

Nicolas GUILLAUD
Chief Risk Officer

Véronique GEORGES
Chief Operating Officer
since 1st June 2022

Key figures



A consolidated net income of CHF 37 million reflecting the impact of extraordinary income partly offset by withdrawing from the transactional commodity finance business, with Corporate and Institutional Business (CIB) and Wealth Management proving their resilience, and a solid consolidated balance sheet.

Key figures

BALANCE SHEET
in CHF millions

LOANS & ADVANCES TO CUSTOMERS
4,167

BALANCE SHEET TOTAL
13,614

CUSTOMER DEPOSITS
9,115

EQUITY
1,526

RATIOS
in %

SOLVENCY RATIO
21.41

LEVERAGE RATIO
6.79

LCR LIQUIDY RATIO
161.13

PROFIT & LOSS

in CHF millions

BANKING INCOME

359

EXCLUDING CHANGES IN VALUE ADJUSTMENTS FOR CREDIT RISKS AND LOSSES LINKED TO INTEREST OPERATIONS

GROUP NET INCOME

37

ASSETS UNDER MANAGEMENT

in CHF millions

27,770

2021 banking income (excluding changes in value adjustments for credit risks and losses linked to interest operations) of CHF 359 million declined CHF 63 million or 14.9% from its 2020 level. The factor behind this fall was the withdrawal from the transactional commodity finance business decided in the third quarter of 2020.

Extraordinary income of CHF 213.8 million was recognised for 2021, mainly from the capital gain on the sale of a building.

The 2021 consolidated net income of BNP Paribas (Suisse) SA Group was CHF 37.2 million, compared with a loss of CHF 361.5 million in 2020.

The BNP Paribas (Suisse) Group has a solid balance sheet, with assets totalling CHF 13.6 billion, CHF 4.2 billion of loans and advances to customers, CHF 9.1 billion of customer deposits, and CHF 1.5 billion of equity.

The various ratios at 31 December 2021 comfortably exceed the minimum regulatory requirements: consolidated Common Equity Tier 1 (CET1) ratio of 21.41%, leverage ratio of 6.79% and a liquidity coverage ratio (LCR) of 161.13%.

The BNP Paribas (Suisse) Group's client assets dropped to CHF 27.8 billion at 31 December 2021, a slight decrease of 1.5%.

Management report

Economic environment and market trends

After the slowdown of 2019 and the sharp downturn in 2020 as a result of the COVID-19 pandemic, **a return to world economic growth** set the tone for 2021. The gradual reopening of economies, made possible by the acceleration of vaccination campaigns, resulted in a strong, widespread recovery, driving up commodity prices; the price of oil rose by 58.7% in 2021. Despite vaccination, the successive waves of the pandemic have sustained a degree of jitteriness and, above all, have restricted supply chains upstream of production processes, leading to price increases. Over 2021 as a whole, world economy thus showed a sharp recovery, with global GDP rising by 5.9%, after shrinking by 3.1% in 2020. Industrialised countries recorded a 5.0% rise in GDP. Increases ranged from 1.6% in Japan and 7.2% in the United Kingdom, with rises of 6.7% in France, 6.2 in Italy, 5.6% in the United States, 4.9% in Spain, 3.3% in Switzerland and 2.7% in Germany. Emerging and developing countries also enjoyed strong growth, with GDP up by 6.5%. Once again, the Chinese economy fared better than other major economies, achieving GDP growth of 8.1% in 2021, compared with 2.3% in 2020.

From the beginning of 2021, confronted with the increasing momentum of growth and the risk of overheating in the US economy, the Federal Reserve endeavoured to limit expectations of **monetary policy** tightening, while leaving the variation margin for its key rate at 0–0.25%. From June, investors began to envisage the possibility that the Fed would raise its key rates earlier than expected. As inflationary pressures strengthened over the months, the Fed announced a reduction in the amount of securities purchases in early November. In 2021, the ECB chose not to change its key rates, which were already low (-0.50% for the deposit facility). The Swiss National Bank also left its key rates unchanged, at -0.75%.

Stock market performance has largely been influenced by health risks, with good news such as the rapid availability of effective vaccines against the virus, interspersed with adverse news including the third wave in continental Europe, the Delta variant in Asia, and the emergence of the Omicron variant at the end of the year, mixed with fears of inflationary risks and a rise in long rates. All these factors, in addition to the good results published by companies in the fourth quarter, led global equities to record a rise of 16.8% in 2021 (MSCI All Countries World index in US dollars) following 14.3% in 2020 and 24.1% in 2019. US equities outperformed (+26.9% for the S&P 500), followed by Eurozone equities (+21% for the Eurostoxx 50). Japanese stocks underperformed (+10.4% for the Topix) and emerging equities ended the year down 4.6% (MSCI Emerging index in US dollars), penalised by the sharp drop in Chinese equities (-22.8% for the MSCI China in US dollars).

The top story in the **foreign exchange market** in 2021 was the Fed's tightening of monetary policy. This supported the US dollar, and caused it to appreciate against most major currencies. The euro thus lost 7% and the Swiss franc 3% against the US currency, while the Japanese yen depreciated against it by more than 10%. Most emerging currencies have also lost ground to the US dollar. By contrast, the Chinese renminbi outperformed the greenback.

BNP Paribas Group

On the strength of its integrated, diversified model, relying on business platforms and customer franchises that are leaders in Europe and with an advantageous international position, the BNP Paribas Group recorded a sustained performance in 2021.

2021 net banking income totalled EUR 46.2 billion, up 4.4% on 2020. Operating expenses were EUR 31.1 billion, an increase of 3.0% compared with 2020. The cost of risk rose to EUR 2.9 billion, down 48.8% on 2020, representing 34 basis points of outstanding customer loans. Net income (Group Share) amounted to EUR 9.5 billion in 2021, a sharp increase on 2020 (+34.3%).

The BNP Paribas Group's balance sheet is in very good shape. Its Common Equity Tier 1 ratio stood at 12.9% at 31 December 2021, up 10 basis points from its level at 31 December 2020. The leverage ratio stood at 4.1%. The liquidity coverage ratio was 143% at 31 December 2021, which represents an instantly available liquidity reserve of EUR 452 billion.

BNP Paribas (Suisse) SA

BNP Paribas (Suisse) SA is 99.99%-owned by BNP Paribas SA, Paris. It is active in corporate and investment banking and in wealth management, with all the requisite support functions.

Corporate & Institutional Banking (CIB) focuses on meeting the needs of large and mid-sized corporate clients in Switzerland, multinationals, and financial institutions. Wealth Management's primary avenue of development in Switzerland is serving the needs of the major domestic and international fortunes and supporting entrepreneurs with their projects.

BNP Paribas (Suisse) SA is in charge of cash management for all of its businesses and those of its Monaco subsidiary. It also provides an information systems hub and back office services for some of the BNP Paribas Group's Swiss and foreign entities. Conversely, it outsources certain activities to BNP Paribas Group units, such as IT development, supplier invoice processing, a number of its back office activities, the Swift payments platform, and payment messages filtering and monitoring.

BNP Paribas (Suisse) SA has branches in Lugano, Zurich and Guernsey, as well as Wealth Management subsidiaries in Monaco and the United Arab Emirates.

As an extension of the actions already undertaken to adapt its operational model to better serve its clients and improve its long-term competitiveness, BNP Paribas (Suisse) SA announced in early November 2021 a third corporate plan that could affect up to 47 people in Geneva and impact some of the CIB Operations teams and the IT teams responsible for the implementation and support of the Wealth Management application, whose activities will be transferred to the BNP Paribas Group dedicated platforms in Portugal, Spain and India.

Consolidated financial statements

BNP Paribas (Suisse) SA's consolidated financial statements include the financial statements of BNP Paribas (Suisse) SA and its subsidiaries BNP Paribas Wealth Management Monaco SA (Monaco) and, since 30 June 2020, BNP Paribas Wealth Management (DIFC) Ltd, Dubai.

Its total consolidated balance sheet amounted to CHF 13.6 billion at 31 December 2021, down CHF 2.8 billion compared with year-end 2020.

On the asset side, its cash consisting of deposits with the SNB decreased by CHF 1.9 billion to CHF 2.4 billion. Receivables from banks, chiefly from the BNP Paribas Group, increased by CHF 0.2 billion to CHF 1.7 billion. Loans and advances to customers fell by 22.2% or CHF 1.2 billion to CHF 4.2 billion. CIB accounted for CHF 0.9 billion of this decline following the withdrawal from the transactional commodity finance business decided on in September 2020, with Wealth Management recording a fall of CHF 0.3 billion. Mortgage loans mount to CHF 1.9 billion which is stable compared to 2020. Trading assets grew slightly, by CHF 0.1 billion to CHF 1.2 billion. Non-current financial assets remained unchanged at CHF 1.7 billion.

On the liabilities side, liabilities to banks – mainly to the BNP Paribas Group – stood at CHF 2.3 billion, down CHF 2.6 billion compared with 2020, and should be seen in connection with the reduction in SNB deposits and loans and advances to customers. Customer deposits rose remained unchanged at CHF 9.1 billion.

Off-balance sheet items – contingent liabilities, irrevocable commitments and credit commitments – amounted to CHF 4.9 billion, down CHF 0.6 billion or 11.6% compared with year-end 2020.

In the profit and loss account, gross interest income came to CHF 133.6 million, down CHF 49.6 million or 27.0% compared with 2020 as a result of the withdrawal from the transactional commodity finance business. The CHF 131.6 million change in value adjustments for credit risks and losses linked to interest operations is a sharp decrease of 67.0% compared with 2020 (CHF 398.3 million), but still remains high due to provisions for items in the transactional commodity finance business and the corporate loan portfolio. Fee and commission income of CHF 154.6 million was down 6.0%. The result from trading activities and the fair value option remained stable at CHF 30.7 million. Other ordinary income was down CHF 3.7 million or 8.5% to CHF 39.7 million, in tandem with the lower revenues received from the BNP Paribas Group.

Operating expenses were slightly up 1.3% to CHF 424.9 million compared with 2020. Personnel expenses fell by CHF 13.7 million, or -4.6%, to CHF 284.1 million, while other operating expenses of CHF 140.8 million rose by CHF 19.3 million, or +15.9%, mainly due to costs related to transformation projects (CHF 7.7 million), reorganisation of operating buildings (CHF 4.5 million), legal fees (CHF 3.7 million) and outsourcing costs (CHF 3.0 million).

Changes in provisions and other value adjustments and losses had a negative impact of CHF 3.2 million, compared with CHF 10.9 million in 2020. The main factor at work was the cost of the restructuring plans announced in 2019, 2020 and 2021.

Although a clear improvement compared to 2020, operating income remains in the red by CHF 211.6 million (CHF 418.7 million in 2020), due to the decline in gross income from interest and commission operations, as well as negative change in value adjustments for credit risks and losses linked to interest operations, following the cessation of the transactional commodity financing business.

Extraordinary income was CHF 213.8 million, mainly from a capital gain realised on the sale of a building.

Taxes, a net income of CHF 35.5 million compared to a net income of CHF 55.9 million in 2020, reflects the restatement of the CHF 97.2 million release of the provisions for unrealised gains recorded in the statutory financial statements of BNP Paribas (Suisse) SA for an amount of CHF 675.0 million, partly offset by the release of deferred tax asset of CHF 55.9 million recorded in respect of the 2020 tax loss carry-forwards of BNP Paribas (Suisse) SA for an amount of CHF 387.5 million, and by the current tax expense for this entity of CHF 6.6 million.

The 2021 consolidated net income before tax of BNP Paribas (Suisse) SA Group was CHF 1.8 million, compared with a loss of CHF 417.5 million in 2020. Its performance was heavily affected by non-recurring items, which made a contribution of CHF 64.9 million in 2021 compared with CHF -359.9 million in 2020, chiefly as a result of the capital gain on the sale of a building, partly offset by negative changes in value adjustments for credit risks and losses related to interest operations from provisions for items in the transactional commodity finance business currently being closed and the corporate loan portfolio. Excluding non-recurring items, the 2021 consolidated net loss before tax was CHF 63.1 million versus a loss of CHF 57.6 million in 2020.

The 2021 consolidated net income of BNP Paribas (Suisse) SA Group was CHF 37.2 million, compared with a loss of CHF 361.5 million in 2020.

The BNP Paribas (Suisse) Group's client assets were CHF 27.8 billion at 31 December 2021 versus CHF 28.2 billion at the end of 2020, a slight decline of 1.5%. This CHF 0.4 billion decline in assets reflects CHF 1.6 billion in net capital outflows, CHF 1.5 billion in positive performance and currency effects and CHF 0.3 billion in other negative effects.

Basel III ratios

Under the Basel III capital and risk diversification rules, BNP Paribas (Suisse) SA uses the advanced internal ratings-based approach (A-IRB) to calculate its capital requirements for credit and counterparty risk in the financing businesses, and the standardised approach for other businesses. The market risk capital requirements are calculated using the standardised approach and those for operational risk using the basic indicator approach.

The Banking and Savings Ordinance which entered into force on 30 April 2014, classifies financial institutions into five categories based on various criteria, such as total assets, assets under management, preferential deposits and capital requirements, to determine the level of capital buffer required under Pillar 2 (Art. 2 / Annexe 3). Based on these criteria, BNP Paribas (Suisse) SA is classified in Category 3, which implies a capital buffer of 50% under Pillar 2, or a minimum capital ratio of 12% (8% under Pillar 1 + 50% of 8% under Pillar 2), consisting of 7.8% in respect of Common Equity Tier 1 (CET 1), 1.8% in respect of Additional Tier 1 (AT1) and 2.4% in respect of Tier 2 capital.

At 31 December 2021, the overall consolidated capital adequacy ratio under Basel III stood at 21.41%, up from 19.78% at 31 December 2020. This increase of 163 basis points reflects a 23.5% decline in the total risk-weighted assets denominator. It fell CHF 1.7 billion compared with 31 December 2020, which was slightly more than the 17.2% reduction (CHF 243.3 million) in the total capital numerator. Since there is no Tier 2 capital, the consolidated Common Equity Tier 1 (CET1) ratio and the consolidated Tier 1 capital ratio are identical to the total capital adequacy ratio.

The consolidated leverage ratio was 6.79% at 31 December 2021, compared with 8.86% at 31 December 2020, ahead of the minimum requirement of 3.0%. Note that CHF 4.3 billion in SNB assets were excluded from the calculation of the ratio at 31 December 2020, in line with the temporary easing measures introduced by FINMA as a result of the COVID-19 pandemic. These measures were not extended after that date.

The consolidated liquidity coverage ratio (LCR) was 161.13% at 31 December 2021 compared with 185.99% at 31 December 2020.

A list of the key metrics required by FINMA in accordance with margin no. 13 of Circular 2016/1 concerning 2021 with comparative figures for 2020 is provided in the appendix.

In accordance with margin no. 5 of FINMA Circular 2008/22, BNP Paribas (Suisse) SA does not disclose Pillar 3 capital data as similar information to that required in Switzerland is published by the BNP Paribas Group in France (see 2021 Universal registration document and annual financial report, chapter 5, Risks and Capital Adequacy – Pillar 3, available at http://invest.bnpparibas.com).

Remuneration policy

1. Guiding principles

The remuneration policy of BNP Paribas (Suisse) SA and its consolidated subsidiaries (BNP Paribas Wealth Management Monaco and BNP Paribas Wealth Management DIFC) is in line with the guidelines set by the BNP Paribas Group.

The principles regarding the composition and development of remuneration are common to the entire Group and are in line with the objectives of Risk Management. The remuneration policy in particular aims to discourage excessive risk-taking and to avoid incentives that could give rise to conflicts of interest.

2. Remuneration structure

Directors' remuneration consists of a fixed component that varies according to the office held (Chair, Vice-Chair, Member) plus remuneration for their duties that may vary in accordance with their participation on various committees. From 1 January 2018, directors not satisfying the independence requirements laid down in FINMA Circular 2017/1 do not receive any remuneration in respect of their duties as a director.

Employee remuneration consists of base salary and variable remuneration. The importance of each total remuneration element may vary based on the business line/function.

An employee's base salary consists of his or her fixed remuneration paid according to the employee's qualifications and responsibilities and the skills and involvement in the tasks assigned, and, if appropriate, additional fixed remuneration associated, in particular, with the specific job requirements.

Variable remuneration at BNP Paribas (Suisse) SA is neither guaranteed nor a contractual right. It is set each year on a discretionary basis in accordance with the pay policy for the relevant year taking into account the Group's financial capacity and governance principles in force. Variable remuneration is determined in such a way as to avoid implementing incentives that may result in conflicts of interest between employees and clients, or failure to respect compliance rules. Regardless of any disciplinary measures taken, failure to comply with the applicable rules or procedures, or breaches of the Code of Conduct, Rules and Regulations or of the arrangements for the evaluation and management of risks automatically result in a reduction in or loss of variable remuneration. Remuneration for employees in the support and control functions is determined independently from that of the business lines whose transactions they authorise and control, in a fully objective manner and free from any conflicts of interest.

The variable remuneration may be supplemented by a medium or long-term retention or remuneration programme or any other appropriate instrument whose objective is to encourage retention of the Group's key or high-potential employees by incentivising them to focus on the growth of value added.

3. Governance

The Board of Directors defines the framework and key guidelines of the remuneration policy. To that end, a Remuneration Committee approves the policy and remuneration proposals submitted to it.

The Board of Directors ensures that the remuneration systems comply at all times with the BNP Paribas Group's directives and the applicable Swiss banking regulations, drawing on the work of the Remuneration Committee.

Appendix

In thousands of CHF

Value at	31.12.2021	31.12.2020
Key metrics for regulatory purposes in accordance with margin no. 13 to FINMA Circular 2016/1		
Available capital (CHF)		
Common equity Tier 1 capital (CET1) (CHF)	1 173 600	1 416 929
Tier 1 capital (T1) (CHF)	1 173 600	1 416 929
Total capital	1 173 600	1 416 929
Risk-weighted assets (RWA) (CHF)		
RWA	5 480 834	7 164 731
Minimum capital requirements (CHF)	438 467	573 178
Risk-adjusted capital ratios (as a % of RWA)		
CET1 Ratio (%)	21,41%	19,78%
Core capital ratio (%)	21,41%	19,78%
Tier 1 ratio (%)	21,41%	19,78%
CET1 capital buffer requirements (as % of RWA)		
Capital conservation buffer requirement according to Basel minimum standards (2.5% from 2019) (%)	3,30%	3,30%
Countercyclical capital buffer requirement (art. 44a CAO) according to Basel minimum standards (%)	0,00%	0,00%
Bank G-SIB and/or D-SIB additional requirements (%)	0,00%	0,00%
Total of bank CET1 specific buffer requirements according to Basel minimum standards (%)	3,30%	3,30%
CET1 available after meeting the bank's minimum capital requirements (after deducting the CET1 allocated to cover the minimum requirements and, where appropriate, cover TLAC requirements) (%)	13,41%	11.78%
Target equity ratios in accordance with annex 8 of the CAO (as a % of RWAs)		
Capital buffer in accordance with Appendix 8 of CAO (%)	4,00%	4,00%
Countercyclical buffers (Art.44 and 44a of CAO) (%)	0,00%	0,00%
Target CET1 ratio (as %) in accordance with Appendix 8 of the CAO plus countercyclical buffers in accordance with Art. 44 and 44a of CAO	7,80%	7,80%
Target T1 ratio (as %) in accordance with Appendix 8 of CAO plus countercyclical buffers in accordance with Art. 44 and 44a of CAO	9,60%	9,60%
Target total capital ratio (%) in accordance with annex note 8 of the CAO plus countercyclical buffers in accordance with Art. 44 and 44a of the CAO	12,00%	12,00%
Basel III leverage ratio		
Total Basel III leverage ratio exposure (CHF)	17 275 166	15 987 300
Basel III leverage ratio (Tier 1 capital as a % of total exposures)	6,79%	8,86%
Liquidity coverage ratio (LCR) (*)		
LCR numerator: total high-quality liquid assets (CHF)	7 728 903	8 296 208
LCR denominator: total net cash outflows (CHF)	5 425 713	5 885 324
Liquidity coverage ratio (LCR) (in %)	142,45%	140,96%

(*) Average end-of-month values for the relevant quarter.

Consolidated financial statements at 31 December 2021

Consolidated balance sheet at 31 December 2021

In CHF / with prior-year comparative data

Assets	**31.12.2021**	**31.12.2020**
Cash and cash equivalents	2 368 059 547	4 295 710 231
Due from banks	1 719 970 655	1 480 782 913
Reverse repurchase agreements	-	-
Loans and advances to customers	4 167 371 538	5 355 819 259
Mortgages	1 947 147 299	1 963 699 146
Income from trading activities	1 188 067 341	1 095 043 046
Positive mark-to-market values of derivative financial instruments	156 817 075	187 248 843
Financial investments	1 655 387 726	1 627 234 371
Accrued income and prepaid expenses	134 380 840	109 747 830
Non-consolidated holdings	607 029	613 793
Tangible fixed assets	15 917 631	72 373 731
Intangible assets	8 794 230	9 913 249
Other assets	251 622 852	263 373 103
Total assets	**13 614 143 763**	**16 461 559 515**
Total subordinated debt	-	-

Liabilities	**31.12.2021**	**31.12.2020**
Due to banks	2 271 108 010	4 909 117 405
Liabilities from securities financing transactions	-	-
Customer deposits	9 114 876 481	9 120 963 239
Commitments from trading activities	157 430 176	152 738 647
Negative mark-to-market values of derivative financial instruments	172 091 494	260 971 246
Accrued income and prepaid expenses	196 220 720	243 841 419
Other liabilities	117 880 094	120 799 044
Provisions	58 220 918	163 252 720
Reserves for general banking risks	135 948 560	135 948 560
Share capital	320 270 600	320 270 600
Capital reserve	2 586 518	2 586 518
o/w tax-exempt capital contributions	-	-
Retained earnings	1 038 779 385	1 400 323 609
Currency translation reserve	(8 364 431)	(7 576 392)
Own shares (negative)	(132 876)	(132 876)
Consolidated net profit	37 228 113	(361 544 224)
Total liabilities and shareholder's equity	**13 614 143 763**	**16 461 559 515**
Total subordinated liabilities	-	-

Consolidated off-balance sheet transactions at 31 December 2021

In CHF / with prior-year comparative data

	31.12.2021	31.12.2020
Contingent liabilities	2 009 169 431	1 875 409 992
Irrevocable commitments	2 851 114 796	3 630 438 515
Credit commitments	84 915 845	91 285 911

Consolidated income statement for the year ended 31 December 2021

In CHF / with prior-year comparative data

	31.12.2021	31.12.2020
Result from interest operations		
Interest income	178 053 616	292 473 153
Interest income and dividends from trading activities	3 484 632	2 984 749
Interest income and dividends from non-current financial assets	7 091 050	10 121 072
Interest expenses	-55 014 226	-122 408 448
Gross result from interest operations	**133 615 072**	**183 170 526**
Changes in value adjustments for loan losses and losses linked to interest transactions	-131 568 797	-398 287 850
Subtotal, net result from interest operations	**2 046 275**	**-215 117 324**
Result from commission business and services		
Fees income from securities and investment activities	152 601 867	142 252 141
Fees income from lending activities	23 683 136	38 998 506
Fees income from other services	11 565 990	13 903 533
Fees expenses	-33 213 523	-30 730 893
Sub-total, Result from commission business and services	**154 637 469**	**164 423 288**
Result from trading activities and the fair value option	**30 714 188**	**30 358 865**
Other ordinary banking income and expenses		
Gains/(losses) on the disposal of non-current financial assets	1 965	-3 391
Income from investments	-	-
Real estate income	964 474	1 063 951
Miscellaneous ordinary income	38 965 541	42 843 264
Miscellaneous ordinary expenses	-237 715	-522 033
Subtotal, net other ordinary banking income and expenses	**39 694 264**	**43 381 791**
Operating expenses		
Employee benefits expenses	-284 119 901	-297 838 635
Other operating expenses	-140 754 253	-121 495 616
Subtotal, operating expenses	**-424 874 154**	**-419 334 251**
Value adjustments to investments, depreciation of tangible fixed assets, and amortisation of intangible assets.	-10 561 931	-11 486 093
Changes in provisions and other value adjustments, losses	-3 231 656	-10 883 992
Operating profit/(loss)	**-211 575 543**	**-418 657 717**
Extraordinary income	213 792 623	1 480 334
Extraordinary expenses	-440 028	-309 460
Taxes	35 451 061	55 942 620
Net profit/(loss) for the year	**37 228 113**	**-361 544 224**

Consolidated cash flow statement for the year ended 31 December 2021

In thousands of Swiss francs / with comparative figures for the previous year

	31.12.2021		31.12.2020	
	Sources of funds	Uses of funds	Sources of funds	Uses of funds
Net profit for the year	**37 228**	**-**	**-361 544**	**-**
Value adjustments to investments, depreciation of tangible fixed assets, and amortisation of intangible assets	10 580	-	11 486	-
Provisions and other value adjustments	-	105 032	-	7 818
Changes in value adjustments for credit risks and losses	3 232	-	10 884	-
Accrued income and prepaid expenses	-	24 633	-	2 230
Accrued expenses and deferred income	-	47 621	33 845	-
Other assets	11 750	-	-	28 686
Other liabilities	-	2 919	35 568	-
Prior year's dividend	-	-	-	-
Cash flows from operating income	**62 790**	**180 205**	**-269 762**	**38 733**
Reserves entries	-	-	-	16 982
Translation difference	-	788	160	
Cash flows from equity transactions	**-**	**788**	**160**	**16 982**
Non-consolidated holdings	7	-	6 782	-
Real estate	34 636	-	-	3 243
Other tangible fixed assets	14 240	-	-	9 621
Intangible assets	-	1 879	-	1 646
Cash flows from movements related to investments, tangible fixed assets and intangible assets	**48 883**	**1 879**	**6 782**	**14 510**
Cash flows from banking operations				
Due to banks	-	330 748	-	380 479
Customer deposits	-	133	-	25
Due from banks	-	20 000	215 000	-
Loans and advances to customers	59 941	-	403 644	-
Mortgage loans	112 034	-	200 492	-
Other financial instruments measured at fair value	-	-	-	-
Financial investments	-	92 844	101 052	-
Medium- and long-term operations (> 1 year)	**171 975**	**443 724**	**920 188**	**380 504**
Due to banks	-	2 307 261	-	2 595 504
Liabilities from securities financing transactions	-	-	-	-
Customer deposits	-	5 954	1 115 717	-
Trading portfolio liabilities	4 692	-	4 730	-
Negative mark-to-market values of derivative financial instruments	-	88 880	21 609	-
Due from banks	-	219 188	105 702	-
Loans and advances to customers	1 125 275	-	3 236 239	-
Mortgage loans	-	95 482	-	188 768
Trading portfolio assets	-	93 024	139 560	-
Positive mark-to-market values of derivative financial instruments	30 432	-	16 360	-
Financial investments	64 691	-	55 604	-
Short-term operations	**1 225 090**	**2 809 789**	**4 695 521**	**2 784 272**
Liquid assets				
Cash and cash equivalents	1 927 651	-	-	2 117 888
Balance	**3 436 387**	**3 436 387**	**5 352 889**	**5 352 889**

Statement of changes in consolidated equity as at 31 December 2021

Figures in thousands of Swiss francs / with comparative figures for the previous year

	Share capital	Capital reserve	Retained earnings	Reserves for general banking risks	Currency translation reserve	Treasury shares	Net profit for the year	Total
Equity at 31.12.2020	**320 271**	**2 587**	**1 400 324**	**135 949**	**-7 576**	**-133**	**-361 544**	**1 489 877**
Effect of exchange rate differences	-	-	-	-	-788	-	-	-788
Dividend and other distributions	-	-	-	-	-	-	-	-
Transfers affecting other reserves	-	-	-361 544	-	-	-	-361 544	-
Consolidated profit	-	-	-	-	-	-	37 228	37 228
Equity at 31.12.2021	**320 271**	**2 587**	**1 038 779**	**135 949**	**-8 364**	**-133**	**37 228**	**1 526 316**

Notes to the consolidated financial statements at 31 December 2021

in CHF '000 / unless otherwise stated

1. Business review and employees

The BNP Paribas (Suisse) Group (hereinafter "the Group") is made up of BNP Paribas (Suisse) SA (hereinafter "the Bank") and its subsidiaries.

The scope of consolidation is presented in Chapter 2 (a) below.

BNP Paribas (Suisse) SA, which has its head office in Geneva, has branches in Lugano, Zurich and Guernsey, as well as subsidiaries in the United Arab Emirates and Monaco.

BNP Paribas (Suisse) SA is active in all areas of corporate and investment banking and in wealth management, with all the requisite support functions.

In corporate and investment banking, the Bank's activities encompass the financing of large and medium-sized Swiss companies, multinationals and financial institutions, primary market issues and placements, and proprietary trading in the foreign exchange, fixed-income and equity derivatives markets.

The wealth management business focuses on international high net-worth clients and is conducted through the Bank and its subsidiary in Monaco.

BNP Paribas (Suisse) SA is in charge of cash management for all banking businesses and for its subsidiary in Monaco. It provides an information systems hub and back office services for some of the BNP Paribas Group's Swiss and foreign entities. Conversely, it outsources a number of activities to BNP Paribas Group entities. These include the back office activities for bond trading outsourced to BNP Paribas SA, Paris, the administration/accounting and back office activities for equity derivatives to BNP Paribas Arbitrage, Paris, supplier invoice processing to BNP Paribas India Solutions Private Ltd, Mumbai, certain IT developments to BNP Paribas Group units (Singapore, Mumbai), part of the back office activities to BNP Paribas SA, Lisbon branch, and the Swift payments platform for Wealth Management and CIB, and payment messages filtering and monitoring to BNP Paribas SA, Paris.

BNP Paribas (Suisse) SA has share capital of CHF 320.3 million and is 99.99%-owned by BNP Paribas SA, Paris.

At 31 December 2021, the Group had 1,056 FTE employees (2020: 1,220 employees), broken down as follows:

Switzerland: 916 employees (2020: 1,085 employees)
International: 140 employees (2020: 135 employees)

The Group's average headcount in 2021 was 1,116 employees (2020: 1,293 employees).

2. Significant accounting policies

The consolidated financial statements of the Group comprising BNP Paribas (Suisse) SA and its subsidiaries have been prepared in accordance with the by-laws, the Swiss Code of Obligations, the Swiss Federal Law on Banks and the circulars on the preparation of financial statements issued by the Swiss Financial Market Supervisory Authority (FINMA). Accordingly, the consolidated financial statements of the Group have been prepared to present a true and fair view of the Group's assets and liabilities, financial position and result of operations.

The significant accounting principles are governed by FINMA Circular 2020/1 "Accounting – banks" and by the FINMA Accounting Ordinance (FINMA-AO), which came into force on 1 January 2020. The introduction of FINMA Circular 2020/1 and the FINMA-AO had no material impact on the financial statements and the accounting principles applied remained unchanged.

a) Accounting Principles

Consolidated subsidiaries

Significant subsidiaries in which the Bank directly or indirectly owns more than 50% of the share capital are fully consolidated. The individual financial statements of those subsidiaries are adjusted to comply with the accounting policies described below. The balance sheets and income statements of each subsidiary are aggregated and any intragroup commitments, loans, income and expenses are eliminated on consolidation.

Entities in which the Group directly or indirectly owns at least 20% of the voting rights are accounted for using the equity method, except for those which are not material or in which the Bank does not play an active management role.

The net difference on the elimination of balances resulting from the use of a different accounting method is recognised on the balance sheet under “Other assets” or “Other liabilities”.

Goodwill

Goodwill arising on acquisition is the difference between the cost and fair value of the net assets acquired. It is recognised under “Intangible assets”. It is amortised on a straight-line basis over 5 years.

Scope of consolidation

At 31 December 2021, the scope of consolidation includes the Group’s interest in BNP Paribas Wealth Management Monaco, a banking subsidiary with share capital of EUR 13.0 million, audited by Frank Vanhal and Jean-Humbert Croci in Monaco. It also includes the shareholding in BNP Paribas Wealth Management (DIFC) Ltd, a banking subsidiary with USD 9.0 million in share capital and audited by Deloitte.

Non-consolidated holdings

Minority holdings or investments below the materiality threshold for the consolidated financial statements are recognised in the balance sheet at their acquisition cost. A value adjustment is recognised for any prolonged impairment in value.

Non-consolidated holdings are recognised at acquisition cost. Non-consolidated holdings denominated in foreign currencies are translated at the exchange rate at the date of acquisition (historical cost convention).

A value adjustment is recognised for any prolonged impairment in value.

Non-consolidated holdings denominated in foreign currencies are refinanced in the same currency and translated at the year-end exchange rate.

Translation of foreign currency transactions and balance sheet items

Balance sheet items denominated in foreign currencies are translated into Swiss francs at the year-end exchange rate.
Off-balance sheet items are translated at the year-end exchange rate, except for forward currency transactions, which are translated at the exchange rate applicable to the remaining term to maturity.

Income and expenses in foreign currencies are translated into Swiss francs at the exchange rate prevailing on the transaction date. The only exception to this principle is the proportion of net revenue generated in US dollars by the Bank, which may be translated at the exchange rate used to hedge currency positions during the year and intended to cover the exchange rate risk against the Swiss franc of part of the net revenues generated in this currency.

The average USD/CHF exchange rate used to translate these US dollar revenues was CHF 0.9076 in 2021 (2020: CHF 0.9314).

At the end of 2020 and 2021, a hedging strategy had not been implemented to cover part of the 2021 or 2022 results respectively.

The following year-end exchange rates were used for the main currencies:

	31.12.2021	**31.12.2020**
USD/CHF	0.912149	0.881200
EUR/CHF	1.033100	1.080300
CHF/JPY*	1.262027	1.169250
GBP/CHF	1.229471	1.203350

**rate per 100 yen*

The average rates used for consolidation purposes at 31 December 2021 were USD/CHF 0.9142212 (31 December 2020: 0.9386705), and EUR/CHF 1.0812962 (31 December 2020: 1.0702959).

The income statement items of subsidiaries denominated in foreign currencies have been translated into Swiss francs at the average exchange rate for the year.

Financial year

The financial year corresponds to the calendar year.

Recognition of transactions

Transactions are recognised on their value date, with the exception of derivatives, securities and some transfers, which are recognised on the transaction date. The Bank's Senior Management believes that the impact of this treatment is not material.

Accrual accounting

Income is recognised when earned or accrued and expenses when incurred.

Loans and advances to customers

Loan and guarantee facilities granted to customers are measured at their face value, which is usually the net amount disbursed at the outset.

Impairment of loans and advances, mortgage loans, provisions for financing and guarantee commitments

The impairment model used for credit risk is based on expected losses. It is applied to all loans and advances to customers and to mortgage loans.

Three “stages” have been identified, each corresponding to a specific situation regarding the development of the counterparty credit risk since initial recognition of the asset:

- 12-month expected credit losses for non-impaired counterparties (“stage 1”): at the reporting date, the counterparty’s credit risk is subject to a provision for impairment of an amount equal to 12-month expected credit losses (resulting from the risk of default within the next 12 months)
- Expected credit losses at maturity for non-impaired counterparties (“stage 2”): the provision for impairment is measured at an amount equal to the lifetime expected credit losses if the credit risk of the counterparty has increased significantly since initial recognition, but is not impaired.
- Expected credit losses at maturity for impaired counterparties (“stage 3”): When a counterparty is impaired, the impairment provision is also measured at an amount equal to the expected credit losses at maturity.

Expected credit losses are defined as an estimate of credit losses (i.e., the present value of all cash shortfalls) weighted by the probability of occurrence of these losses over the expected life of the financial instruments. They are measured on an individual basis, for each exposures.

In practice, for exposures classified in stage 1 and stage 2, expected credit losses are measured as the product of the probability of default (PD), loss given default (LGD) and exposure at default (EAD), discounted at the effective interest rate of the exposure (EIR). They are based on the risk of default in the coming 12 months (stage 1) or the risk of default during the lifetime of the facility (stage 2).

For exposures classified in stage 3, expected credit losses are measured as the value, discounted at the effective interest rate, of all cash shortfalls over the life of the financial instrument. Cash shortfalls represent the difference between the cash flows that are contractually due and the cash flows that are expected to be received.

The methodology developed is based on existing concepts and methods (in particular the Basel framework and that adopted by the BNP Paribas Group) concerning exposures for which capital requirements for credit risk are measured using the IRBA methodology. This method is also applied to portfolios for which capital requirements for credit risk are measured according to the standardised approach.

Impairment is recognised on loans (“stage 3”) when there is objective evidence of impairment as a result of an event that occurred after arrangement of the loan, which affects the amount or timing of future cash flows, and its impact can be estimated reliably. Loans are analysed individually to determine whether such impairment exists. Similar arrangements apply to the provisions for financing and guarantee commitments given by the Group, whereby the probability that financing commitments will be drawn down is taken into account.

As soon as a counterparty enters “stage 3", the provision for this counterparty in “stage 1" or “stage 2" is reversed, with a new provision calculation according to the procedures previously described for exposures classified as “stage 3”.

On an individual basis, objective evidence of impairment is any observable data linked to one of the following events:

- The existence of amounts overdue for at least three months,
- Knowledge or observation of significant financial difficulties at the counterparty such that it is possible to conclude that a proven risk exists, whether or not any amounts are overdue,
- Concessions on the terms of loans that were granted solely as a result of the borrower's financial difficulties.

Expected credit losses take into account the estimated value of collateral (guarantees received), which is the value of the guarantee, up to the amount of the assets covered.

Non-bank collateral is measured on the basis of the fair value of the underlying asset (securities, metals, currencies, goods, etc.) pledged. For collateral in the form of a third-party pledge, the value is measured on the basis of the assets held by the third party in the Bank's books. Bank guarantees are assessed based on a review of the solvency of the guarantor bank.

For mortgage-backed collateral, the value is measured based on expert appraisals or established valuation methods.

Changes in the value of impaired assets are recognised through profit or loss under “Changes in value adjustments for credit risks and losses from interest operations”. Any subsequent increase in value arising from an objective cause after the impairment is also recognised through profit or loss under “Changes in value adjustments for credit risks and losses from interest operations”.

Impairment of a loan or an advance, plus related interest, is recognised as a separate provision that reduces the original value of the loan recognised as an asset. Provisions relating to off-balance sheet financial instruments, financing and guarantee commitments or disputes, are recognised in liabilities under “Provisions”.

A loan is impaired fully or partially through profit or loss and its provision is reversed to reflect the loss when all avenues of recourse available to the Bank for recovering the components of the loan and the guarantees have been exhausted or when it has been fully or partially forgiven.

Loans secured by property assets are recognised on the balance sheet under “Mortgage loans”.

Securities held for trading

Fixed or variable income securities held for trading are measured at market value.

Financial investments

Financial investments comprise interest-bearing securities that the Group intends to hold to maturity and investments in bonds, interest-bearing securities, shares or similar securities held for the sole purpose of earning a satisfactory return in the medium term but without any management involvement in the issuing companies.

Interest-bearing securities that the Bank intends to hold to maturity are measured at cost. The difference between the cost and redemption value of bonds is amortised on a straight-line basis until maturity (accrual method) and the amortisation charge is recognised through profit or loss under “Interest and dividend income from financial investments”.

Listed equities are measured at the lower of cost and market value. Unlisted equities are measured at the lower of cost or estimated intrinsic value. A provision is recognised for any shortfall versus acquisition cost under “Miscellaneous ordinary expenses”. Subsequent provision reversals are recognised under “Miscellaneous ordinary income”.

Securities lending and repurchase agreements

Repurchase agreements and lent securities remain on the balance sheet and are measured in accordance with the accounting principles applicable respectively to securities held for trading and financial investments provided that the Group retains the economic right of disposal over the relevant securities. Amounts received from the sale of securities under repurchase agreements or received as collateral for the securities lent are recognised on the balance sheet under “Liabilities from securities financing transactions”. Interest expenses on these commitments is recognised in the income statement on an accrual basis.

Reverse repurchase agreements and securities borrowing transactions are not recognised on the balance sheet unless the counterparty has transferred the right of disposal over the relevant securities. Amounts paid for the purchase of securities under reverse repurchase agreements or given as collateral for securities borrowing transactions are recognised under "Receivables from securities financing transactions". Interest income from these receivables is recognised in the income statement on an accrual basis.

Tangible fixed assets

Tangible fixed assets are measured at cost and depreciated on a straight-line basis over their estimated useful life.

If there is evidence of impairment or a change in estimated useful life, an exceptional write-down is made and the residual carrying amount is then depreciated over their new estimated useful life. Depreciation and exceptional write-downs are recognised in the income statement under "Value adjustments to investments, depreciation of tangible fixed assets, and amortisation of intangible assets". If the reasons for the exceptional write-down no longer apply, a full or partial reversal of the impairment charge taken in prior periods is recognised in extraordinary income.

The depreciation periods used for the main asset categories are as follows:
- **buildings:** 10 to 60 years depending on components
- **furnishings and furniture:** 5 years
- **office equipment:** 3 years
- **mobile telephones, tablets:** 2 years
- **other IT equipment:** 5 years
- **software:** 3-5 years
- **client portfolio (goodwill):** 5 years

Intangible assets

Goodwill relates to consolidated investments and business assets acquired from third parties and is amortised on a straight-line basis over five years. If there is evidence of impairment to goodwill or a change in its estimated useful life, an exceptional write-down is made and the residual carrying amount is then amortised over the new estimated useful life.

Other intangible assets include expenses incurred on software developed in-house. Upon entry into service, the software created by the Bank is recognised under tangible fixed assets.

Issues

The Bank carries out structured bond issues for its institutional clients, which are measured at market value.

Provisions

Provisions are taken for impairment of on- and off-balance sheet assets and for litigation risks. All value adjustments and provisions are recognised in the balance sheet under "Provisions", with the exception of provisions for financial investments, specific loan loss provisions and value adjustments for underlying risks, which are deducted from the corresponding asset on the balance sheet.

Employee benefit obligations

Obligations arising from existing pension plans are measured and provided for on the balance sheet using the actuarial method recommended in Swiss GAAP FER 16. Provisions correspond to the net present value of the obligation at the balance sheet date (see notes 3.12 and 3.13 below).

Derivative financial instruments

Derivative financial instruments are measured as follows:

- For arbitrage activities, changes in the fair value of instruments traded on organised markets are recognised through profit or loss under "Result from trading activities". This principle also applies to over-the-counter interest-rate swaps, in which case the market value is equal to the net present value of future cash flows.
- Gains or losses on derivative instruments designated as micro- or macro-hedges are measured and recognised in the same way as gains or losses on the hedged items. Macro-hedges are mainly used for managing balance sheet items with no fixed maturity. Gains or losses are recognised in interest income and expenses. Any difference compared with market value is recognised in the set-off account on the balance sheet.

Gross mark-to-market values shown on the balance sheet under "Positive mark-to-market values of derivative financial instruments" and "Negative mark-to-market values of derivative financial instruments" correspond to the market value of open derivative financial transactions from trading on behalf of clients and from proprietary trading at the balance sheet date. Gross positive mark-to-market values represent assets and gross negative mark-to-market values represent liabilities. The respective open positions at the balance sheet date are disclosed in note 3.4.

Gross positive and negative mark-to-market values of IRS and FRA entered into with the same counterparty are netted if a netting agreement has been signed with the counterparty.

Taxes

Group entities provide for taxes due in respect of prior periods, taxes on net income for the financial year, and taxes on equity at the end of the financial year in accordance with the rules and rates prevailing in their home country.

Where applicable, deferred tax assets or liabilities are recognised in respect of temporary differences, calculated using the liability method. Deferred tax assets and liabilities are not netted on the balance sheet.

Other indirect taxes and duties are recorded under "Other operating expenses".

Commission income

Commission income is recognised in the income statement when debited to the client. Fiduciary fees, fees charged per period, fees on syndicated loan participation and some financing fees are accounted for on an accrual basis.

Reserves for general banking risks

The Group recognises "Reserves for general banking risks" to cover the risks inherent in the banking business that are not covered by specific provisions. These reserves are recognised as equity and have been taxed.

Own shares

Own shares are deducted from equity under a separate line item entitled "Own shares".

Contingent liabilities, irrevocable and credit commitments

Off-balance sheet items are shown at their face value. Provisions are taken for identified risks and recognised as a liability on the balance sheet.

b) Risk management review

Introduction

The Bank's Board of Directors adopts its risk appetite guidelines based on a proposal submitted by Senior Management, including a Risk Appetite Statement for implementation, after an annual review of its adequacy by the Audit and Risks Committee.

The risk monitoring policy is described in the Risk Policy approved by the Bank's Board of Directors, which details the general risk policy, the trading policy, and the policy regarding interest rate risk. This Risk Policy sets the organisational framework, responsibilities and powers as regards risk management processes (identification, measurement, control, reporting and supervision).

Interest rate risk

The Bank is responsible for managing and monitoring all interest rate risk on forward and futures transactions carried out by Group entities. It is also responsible for ensuring compliance with the BNP Paribas Group's policies on managing structural interest rate risk on undated assets and liabilities carried on the balance sheets of the various entities (equity, customer sight deposits).

This operating framework is based on service contracts entered into by the Bank and the relevant Group entities, under which they agree to centralise all interest rate and counterparty risk with the Bank.

In addition to these positions, the Bank trades on its own account within the limits set in its internal regulations.

Under an active asset and liability management policy, the Group reinvests part of its non-interest-bearing customer sight deposits in medium- and long-term investments to benefit from a better rate than that offered by the money market. Similarly, a part of its equity is invested in long-term investments.

Other market risks

Only the Bank is authorised to trade in the equity, fixed-income and foreign exchange markets on its own account. The Bank trades in the financial markets in accordance with the regulatory requirements in force.

The main components of the Bank's risk management system in this area are:

- position limits for each business and maximum loss limits for trading;
- credit limits by counterparty;
- real time monitoring of trading activities and weekly performance analysis for interest rate transformation activities;
- a detailed system for reporting to the committees responsible for overseeing market and credit risk.

The Bank uses the internal value at risk model used by all BNP Paribas Group entities. The model uses simulation techniques and estimates potential losses on market activities based on the historical volatility of the main inputs (interest rates, currency rates, equity prices) likely to lead to a change in portfolio value and the historical correlations between those variables.

Other Group entities trade in derivative financial instruments on behalf of clients, mainly currency, equity and interest rate derivatives.

Credit risk

All Group entities apply the Group's credit risk management policy on a consistent basis.

Loans are classified according to an internal risk rating system which is used to measure the quality of credit portfolios at all times. There is a system of delegated signature authorities for granting loans, tailored to the needs of each individual entity. Each entity controls the risks related to loans granted, compliance with delegated signature authorities, and loan classification in accordance with the internal rating system.

The Bank's risk management department and the Board of Directors receive a consolidated risk report on a regular basis. Regular reports on any borrowers in a situation giving cause for concern are sent to the senior management of the relevant entity and the Bank. Any specific provisioning requirements are determined on a monthly basis.

Country risk

As regards sovereign risk, the Group is part of the centralised risk management system established by BNP Paribas SA, Paris.

The BNP Paribas Group has ad hoc committees that set limits by area and country, which include credit facilities granted by the Group. These committees are also responsible for regular analysis and measurement of country risk outside the EU and OECD. However, no provision is taken by the Bank or Group entities as BNP Paribas SA Paris is responsible for taking all requisite country risk provisions based on information reported by BNP Paribas Group entities.

Operational and reputational risk

The Group has dedicated units responsible for identifying, measuring and controlling risks related to the operational aspects of its business, and particularly with regard to compliance, information systems, and legal and tax risks.

An Internal Control Committee at the Bank meets at least twice a year to review the operational risk, permanent control, compliance and ethics management system, and to monitor implementation of recommendations made by the external or internal auditors.

In addition, BNP Paribas (Suisse) SA's General Management Committee conducts a quarterly review of any operational and litigation risks for which a provision has been established or is required in the Bank's financial statements.

c) Policy for the use of derivative financial instruments

Proprietary trading activities are confined to ALM Treasury transactions in accordance with banking rules and conducted in line with internal directives governing market (interest rate and currency) risk management.

The Group's entities trade in derivative financial instruments on behalf of their clients. Transactions cover foreign exchange (forward exchange and currency options), equity, stock index, fixed-income and precious metals options, and futures.

For Wealth Management transactions, Group entities calculate a risk equivalent to determine the amount of collateral required. The risk equivalent is either the mark-to-market value of the instruments plus an add-on or the usual margin calculated by the market.

Margin calls are made when the value of the assets provided as collateral is no longer adequate to cover the risk incurred.

d) Consolidated supervision

Consolidated supervision of the various Group entities is the responsibility of the Bank's Senior Management, which draws up reporting and control procedures. Senior Management monitors the operations of its subsidiaries on a regular basis within the limits set by the various boards of directors.

Members of the Bank's Senior Management sit on the boards of the Group's consolidated entities.

3. Balance sheet disclosures

3.1) Breakdown of repurchase and reverse repurchase agreements

	31.12.2021	31.12.2020
Book value of cash collateral delivered in connection with securities borrowing and reverse repurchase transactions[1]	-	-
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions*	-	-
Book value of securities held in connection with proprietary trading, securities lending or delivered as collateral in connection with securities borrowing as well as securities transferred in connection with repurchase agreements	134 450	138 603
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 inconnection with reverse repurchase agreements with an unrestricted right to resell or repledge	-	-

[1] *Prior to any netting agreements*

3.2) Analysis of collateral for loans and off-balance sheet transactions, plus impaired loans

		Nature of collateral			
		Mortgage collateral	Other collateral	No collateral	Total
Loans (before offsets from value adjustments)					
Loans and advances to customers		153 581	3 570 505	1 253 909	4 977 994
Mortgage loans		1 834 241	51 252	85 822	1 971 316
Real estate		1 320 672	45 926	85 473	1 452 071
Commercial and industrial property		462 122	4 846	349	467 317
Other		51 447	480	-	51 927
Total loans (before offsets from value adjustments)					
	31.12.2021	**1 987 822**	**3 621 757**	**1 339 731**	**6 949 310**
	31.12.2020	2 050 617	4 085 373	1 884 764	8 020 753
Total loans (after offset value adjustments)					
	31.12.2021	**1 895 736**	**2 898 218**	**1 320 565**	**6 114 519**
	31.12.2020	1 959 308	3 524 520	1 835 691	7 319 518

Off-balance sheet					
Contingent liabilities		-	79 072	1 930 098	2 009 169
Irrevocable commitments		8 181	370 807	2 472 126	2 851 115
Credit commitments		-	63 921	20 994	84 916
Total off-balance sheet commitments					
	31.12.2021	**8 181**	**513 800**	**4 423 219**	**4 945 200**
	31.12.2020	15 909	757 295	4 823 930	5 597 134

Impaired loans		Gross receivables	Realization value of a risk mitigants	Net receivables	Individual imperment charge / reversal
	31.12.2021	**1 035 278**	**203 370**	**831 908**	**831 908**[1]
	31.12.2020	847 709	198 598	649 111	649 111

[1] See 3.14 Analysis of value adjustments

The estimated value of collateral (guarantees received) is the estimated value of the guarantee used to calculate the value adjustment, up to the amount of the assets covered.

3.3) Breakdown of trading portfolio and other financial instruments at fair value (assets and liabilities)

Assets	31.12.2021	31.12.2020
Trading portfolio	**1 188 067**	**1 095 043**
Debt securities, money market instruments/transactions	299 244	268 399
listed	*299 244*	*268 399*
Equity securities	888 824	826 644
Total assets	**1 188 067**	**1 095 043**
o/w calculated using a valuation model	-	-
o/w repurchase agreements contracted for liquidity purposes	***167 836***	***157 103***

Commitments	31.12.2021	31.12.2020
Trading activities	**157 430**	**152 739**
Debt securities, money market instruments/transactions	157 430	152 739
listed	*157 430*	*152 739*
Total commitments	157 430	152 739
o/w calculated using a valuation model	-	-

3.4) Analysis of derivative financial instruments (assets and liabilities)

		Trading instruments			Hedging instruments		
		Positive mark-to-market values	Negative mark-to-market values	Contract volumes	Positive mark-to-market values	Negative mark-to-market values	Contract volumes
Fixed income instruments							
swaps		1 093	802	1 279 174	31 356	7 717	1 992 279
futures		-	-	-	-	-	-
options (OTC)		244	244	51 638	-	-	-
Total		**1 338**	**1 046**	**1 330 812**	**31 356**	**7 717**	**1 992 279**
Currencies, precious metals							
forward contracts		86 851	87 274	5 407 121	-	-	-
cross-currency interest rate swaps		17 119	18 333	1 585 248	324	40 250	3 095 553
options (OTC)		14 391	14 391	2 595 178	-	-	-
Total		**118 361**	**119 998**	**9 587 547**	**324**	**40 250**	**3 095 553**
Equities / Indices							
forward contracts		-	-	-	-	-	-
futures		2 358	-	891 253	-	-	-
options (OTC)		3 080	3 080	40 587	-	-	-
Total		**5 438**	**3 080**	**931 839**	**-**	**-**	**-**
Total after any netting agreements	**31.12.2021** o/w calculated using a valuation model	**125 137**	**124 125**	**11 850 198**	**31 680**	**47 967**	**5 087 832**
	31.12.2020 o/w calculated using a valuation model	**131 755**	**137 123**	**11 632 007**	**55 494**	**123 848**	**6 715 810**

		Positive mark-to-market values (cumulative)	Negative mark-to-market values (cumulative)
Total after taking into account netting agreements	**31.12.2021**	**156 817**	**172 091**
	31.12.2020	187 249	260 971

	Breakdown by counterparties		
	Central clearing houses	Banks and security dealers	Other clients
Positive mark-to-market values (prior to any netting agreements)	-	100 582	56 235

3.5) Breakdown of non-current financial assets

	Book value		Fair value	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Debt securities	1 320 945	1 265 544	1 321 016	1 265 619
held to maturity	*1 320 945*	*1 265 544*	*1 320 945*	*1 265 544*
Equity securities	397	398	73 065	68 206
Precious metals	331 334	357 971	331 334	357 971
Buildings, goods and vehicles	2 712	3 322	2 712	3 322
Total	**1 655 388**	**1 627 235**	**1 728 127**	**1 695 118**
o/w repurchase agreements contracted for liquidity purposes	*876 780*	*922 586*	*876 780*	*922 586*

Breakdown of counterparties according to S&P credit rating	from AAA to AA-	from A+ to A-	from BBB+ to BBB-	from BB+ to B-	lower than B-	no rating
Book value of debt securities	1 285 919	35 025				

3.6) Analysis of non-consolidated holdings

	Acquisition value	Book value at 31.12.2020	Changes of allocation	Investments	Divestments (incl. currency effect)	Value adjustments	Book value at 31.12.2021
Other investments							
with no equity value	607	614	-	-	-7	-	607
Total investments	**607**	**614**	-	**-**	**-7**	**-**	**607**

3.7) Disclosure of businesses in which the Bank holds a direct or indirect significant permanent interest

Company name and registered office	Main Business	Method of consolidation	Share capital (in 000s)	Share-holding (in %)	Voting rights (in %)	Direct /Indirect ownership
BNP Paribas Wealth Management (DIFC) Ltd	Banking	Full consolidation	USD 9,000	100.00	100.00	direct
BNP Paribas Wealth Management Monaco, Monaco	Banking	Full consolidation	EUR 12,960	100.00	100.00	direct

3.8) Tangible fixed assets

	Acquisition value	Cumulative depreciation and value adjustments	Carrying amount at 31.12.2020	Changes of allocation	Investments	Amortisation	Depreciation	Carrying amount at 31.12.2021
Owner-occupied property	113 667	-64 167	49 500	-14 299	-	-34 636	-565	-
Other buildings	-	-	-	-	-	-	-	-
Software acquired separately or developed internally	56 365	-55 262	1 103	755	671	-	-1 137	1 392
Other tangible fixed assets	138 111	-116 340	21 771	14 329	5 685	-20 596	-6 664	14 526
Leased property	-	-	-	-	-	-	-	-
- o/w owner-occupied property	-	-	-	-	-	-	-	-
- of which other buildings	-	-	-	-	-	-	-	-
- o/w other property, plant and equipment	-	-	-	-	-	-	-	-
Total tangible fixed assets	**308 143**	**-235 769**	**72 374**	**785**	**6 356**	**-55 232**	**-8 365**	**15 918**

Maturity schedule of off-balance sheet leasing commitments	Total	o/w due in 1 year	o/w due >1 – <=2 years	o/w due >2 – <= 3 years	o/w due >3 – <= 4 years	o/w due >4 – <= 5 years	o/w due after 5 years
Total leasing commitments	**18**	**18**	**-**	**-**	**-**	**-**	**-**

3.9) Analysis of intangible assets

	Cost	Cumulative amortisation	Carrying amount at 31.12.2020	Changes of allocation	Investments	Divestments	Amortisation	Carrying amount 31.12.2021
Goodwill	154 918	-147 837	7 081	-	-	-	-2 208	4 873
Other intangible assets	4 218	-1 387	2 832	-783	1 882	-3	-7	3 921
Total intangible assets	**159 136**	**-149 224**	**9 913**	**-783**	**1 882**	**-3**	**-2 215**	**8 794**

3.10) Breakdown of other assets and other liabilities

Other assets	31.12.2021	31.12.2020
Direct taxes	145 614	139 624
Indirect taxes	47 169	27 962
Settlement accounts	7 690	5 204
Clearing account	-	-
Deferred tax assets	908	56 089
Other	50 241	34 494
Total	**251 623**	**263 373**

Other liabilities	31.12.2021	31.12.2020
Settlement accounts	14 372	8 654
Indirect taxes	4 955	4 822
Other	98 553	107 323
Total	**117 880**	**120 799**

3.11) Disclosure of assets pledged or assigned as collateral for own commitments and assets subject to retention of title

Assets assigned as collateral were non-material at 31 December 2021, as they were at 31 December 2020.

3.12) Disclosure of commitments to own pension fund institutions

The credit balance on current accounts held by pension funds with the Bank at 31 December 2021 amounted to CHF 46.4 million (2020: CHF 53.2 million).

All the Bank's employees are members of a pension fund common to all BNP Paribas Group entities in Switzerland. The fund provides its affiliates with pension benefits in exchange for contributions.

The Bank's managers and Senior Management members are also affiliated with a supplementary pension fund in exchange for contributions.

The Bank measures its pension obligations using the actuarial method for pension funds.

3.13) Disclosures of the economic position of own pension fund institutions

Neither of the BNP Paribas (Suisse) Group pension funds is running at a technical deficit.

The latest audited annual financial statements for these pension funds at 31 December 2020 prepared in accordance with Swiss GAAP FER 26 show a coverage rate of:

- 123.2% for the BNP Paribas (Suisse) Group pension fund,
- 130.1% for the BNP Paribas (Suisse) Group executive supplementary pension fund.

Since there are no plans to use the pension fund surpluses to reduce employer contributions, to return them to the employer or to use them for an economic purpose other than paying out regulatory benefits, these surpluses do not represent an economic benefit for the Bank.

The Group's foreign subsidiaries have established defined contribution pension plans that are independent from those of the Bank.

	Estimated plan surplus at year-end 2021	Group's economic interest		Change in economic interest vs. previous year (economic benefit/commitment)	Contributions paid in 2021	Pension expenses in employee benefits expense	
		31.12.2021	31.12.2020			31.12.2021	31.12.2020
Pension funds with plan surplus/shortfall							
BNP Paribas Suisse Group pension fund	274 075	-	-	-	21 663	22 350	24 628
Executive supplementary pension fund in Switzerland	9 462	-	-	-	1 027	1 027	1 256

3.14) Analysis of value adjustments, provisions and reserves for general banking risks and changes during the reference period

	Balance at 31.12.2020	Uses as intended	Reclassifications	Foreign exchange differences	Interest in arrears, recoveries	New charges through profit or loss	Reversals through profit and loss	Balance at 31.12.2021
Provisions for deferred taxes[1]	97 200	-	-	-	-	-	-97 200	-
Provisions for pension commitments	-	-	-	-	-	-	-	-
Provisions for credit risks[2]	10 363	-464	-	-	-	3 927	-	13 826
Provisions for other operating risks	15 290	-2 396	-	-28	-	2 651	-68	15 449
Restructuring provisions[2]	31 668	-13 265	-	-	-	7 035	-4 778	20 660
Other provisions	8 732	-497	-	-54	-	207	-102	8 286
Total provisions	**163 253**	**-16 622**	**-**	**-82**	**-**	**13 820**	**-102 148**	**58 221**
Reserves for general banking risks[3]	**135 949**	**-**	**-**	**-**	**-**	**-**	**-**	**135 949**
Value adjustments for credit risks and country risks[2]	**712 850**	**-42 963**	**-**	**7 389**	**35 823**	**150 625**	**-13 862**	**849 862**
o/w value adjustments for impaired loans [4]	*649 111*	*-42 963*	-	*7 397*	*35 823*	*196 341*	*-13 801*	*831 908*
o/w which value adjustments for expected losses[5]	*63 739*	-	-	*-8*	-	*-45 716*	*-61*	*17 954*

[1] See note 5.7 Current and deferred tax
[2] See note 5.5 Significant losses
[3] See note 5.5 Significant losses
[4] See § 2.a) Impairment of loans and advances, mortgage loans, provisions for financing and guarantee commitments, stage 3
[5] See § 2.a) Impairment of loans and advances, mortgage loans, provisions for financing and guarantee commitments, stages 1 and 2

3.15) Analysis of the share capital

	31.12.2021			31.12.2020		
	Total par value	Number of shares	Share capital with dividend rights	Total par value	Number of shares	Share capital with dividend rights
Shares capital[1]	320 271	3 202 706	320 271	320 271	3 202 706	320 271
o/w paid-up	*320 271*	*3 202 706*	*320 271*	*320 271*	*3 202 706*	*320 271*
Total share capital	**320 271**	**3 202 706**	**320 271**	**320 271**	**3 202 706**	**320 271**

[1] The share capital is made up of 3,202,706 registered shares each with a par value of CHF 100 and is 99.99% owned by BNP Paribas SA, Paris.

3.16) Number and value of participation rights or options on such rights granted to any members of executive or governing bodies or to employees

	Number of performance shares granted		Share-based payment costs	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Senior executives	-	-	-	-
Employees	-	-	-	-
Total	**-**	**-**	**-**	**-**

3.17) Loans and commitments to related parties

Loans to members of the governing bodies

Loans to members of the governing bodies were not material at 31 December 2021 or 31 December 2020.

Loans and commitments to related companies

The following table shows (gross) loans and commitments to related companies (entities controlled by BNP Paribas SA Paris):

	Loans		Commitments	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Sight accounts	148 592	125 395	36 757	29 893
Term accounts	150 457	278 991	5 857	2 126 797

	Off-balance sheet	
Contingent liabilities	67 191	48 526
Irrevocable commitments	-	-
Guarantees	22 635	32 460

	Derivative financial instruments	
IRS	-	-
OTC interest-rate options	-	-
Forward currency transactions	-	-
OTC currency options	-	-
OTC securities options	-	-
Interest-rate futures	-	-
Securities futures	3 565 011	3 109 583
Dividend swaps	-	-

	Fiduciary transactions	
	-	-

Transactions with related companies are entered into on an arm's length basis.

Total loans and commitments to significant participants

Loans and commitments mainly comprise the balance of open interbank treasury transactions at the balance sheet date with BNP Paribas SA, Paris and its foreign branches.

	Loans		Commitments	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Sight accounts	198 123	224 756	170 561	266 377
Term accounts	1 383 411	1 085 619	2 149 784	2 662 714

	Off-balance sheet	
Contingent liabilities	390 452	362 296
Irrevocable commitments	15 312	11 812
Guarantees	-	-

	Derivative financial instruments	
IRS	3 271 453	2 188 408
OTC intrerest-rate options	-	-
Forward currency transactions	5 561 322	7 059 057
OTC currency options	353 236	343 208
OTC securities options	22 971	-
Dividend swaps	-	-

	Fiduciary transactions	
	2 243 829	2 953 182

Transactions with qualified participants are entered into on an arm's length basis.

As part of its international trade finance business, the Bank has issued guarantees to and received guarantees from BNP Paribas Group banks for the following amounts:

	31.12.2021	31.12.2020
Guarantees received	403 114	662 943
Guarantees furnished	764 433	826 509

The Bank has given BGL BNP Paribas SA (Luxembourg) a liability warranty covering any loss that might arise as a result of the litigation assumed by BGL BNP Paribas SA (Luxembourg) pursuant to its acquisition of and merger with UEB (Luxembourg), a former subsidiary of BNP Paribas (Suisse) SA.

3.18) Presentation of maturity structure of financial instruments

	Sight	Cancellable	Due					Total
			Less than 3 months	Between 3 months and 12 months	Between 12 months and 5 years	Over 5 years	Non-current	
Assets / financial instruments								
Cash and cash equivalents	2 368 060	-	-	-	-	-	-	2 368 060
Due from banks	308 931	1	541 617	4 421	490 000	375 000	-	1 719 971
Reverse repurchase agreements		-					-	-
Loans and advances to customers	-	315 201	2 275 375	558 485	882 326	135 984	-	4 167 372
Mortgage loans	-	18 788	226 230	925 238	574 305	202 587	-	1 947 147
Trading portfolio assets	888 824	-	15 941	53 561	121 014	108 728	-	1 188 067
Positive mark-to-market values of derivative financial instruments	156 817	-	-	-	-	-	-	156 817
Other financial instruments measured at fair value		-					-	-
Financial investments	331 731	-	-	127 289	846 892	346 764	2 712	1 655 388
31.12.2021	**4 054 362**	**333 991**	**3 059 163**	**1 668 994**	**2 914 537**	**1 169 063**	**2 712**	**13 202 821**
31.12.2020	5 991 092	696 770	3 479 866	1 750 625	2 729 273	1 354 590	3 322	16 005 538
Foreign funds / financial instruments								
Due to banks	119 848	-	1 569 234	195 384	386 428	213	-	2 271 108
Liabilities from securities financing transactions		-	-	-	-	-	-	-
Customer deposits	8 458 665	-	528 322	126 732	-	1 157	-	9 114 876
Trading portfolio liabilities	-	-	-	1 268	62 562	93 600	-	157 430
Negative mark-to-market values of derivative financial instruments	172 091	-	-	-	-	-	-	172 091
31.12.2021	**8 750 605**	**-**	**2 097 557**	**323 385**	**448 990**	**94 970**	**-**	**11 715 506**
31.12.2020	8 788 836	-	4 005 158	782 000	784 641	83 155	-	14 443 791

3.19) Breakdown of assets and liabilities by Switzerland and international

	31.12.2021			31.12.2020		
Assets	**Swiss**	**Interna-tional**	**Total**	**Swiss**	**Interna-tional**	**Total**
Cash and cash equivalents	2 367 075	985	2 368 060	4 293 971	1 739	4 295 710
Due from banks	7 001	1 712 970	1 719 971	4 158	1 476 625	1 480 783
Reverse repurchase agreements	-	-	-	-	-	-
Loans and advances to customers	733 275	3 434 097	4 167 372	1 229 291	4 126 529	5 355 819
Mortgage loans	333 172	1 613 975	1 947 147	243 216	1 720 483	1 963 699
Trading portfolio assets	1 098 489	89 579	1 188 067	1 018 600	76 443	1 095 043
Positive mark-to-market values of derivative financial instruments	34 730	122 087	156 817	49 546	137 703	187 249
Other financial instruments at fair value	-	-	-	-	-	-
Financial investments	1 038 870	616 518	1 655 388	1 076 750	550 484	1 627 234
Accrued income and prepaid expenses	117 413	16 967	134 381	92 875	16 873	109 748
Non-consolidated holdings	459	148	607	459	155	614
Tangible fixed assets	15 511	407	15 918	71 861	513	72 374
Intangible assets	8 589	205	8 794	9 706	208	9 913
Other assets	228 053	23 570	251 623	245 232	18 141	263 373
Total assets	**5 982 638**	**7 631 506**	**13 614 144**	**8 335 664**	**8 125 895**	**16 461 560**

	31.12.2021			31.12.2020		
Liabilities	**Swiss**	**International**	**Total**	**Swiss**	**International**	**Total**
Due to banks	393	2 270 715	2 271 108	677	4 908 441	4 909 117
Liabilities from securities financing transactions	-	-	-	-	-	-
Customer deposits	3 031 654	6 083 223	9 114 876	3 029 555	6 091 408	9 120 963
Trading portfolio liabilities	96 370	61 060	157 430	107 078	45 660	152 739
Negative mark-to-market values of derivative financial instruments	47 875	124 216	172 091	42 895	218 077	260 971
Liabilities from other financial instruments at fair value	-	-	-	-	-	-
Cash bonds	-	-	-	-	-	-
Bond issues and central mortgage institution loans	-	-	-	-	-	-
Accrued expenses and deferred income	170 273	25 947	196 221	224 077	19 764	243 841
Other liabilities	111 674	6 206	117 880	109 034	11 765	120 799
Provisions	44 496	13 725	58 221	151 911	11 342	163 253
Reserves for general banking risks	135 949	-	135 949	135 949	-	135 949
Share capital	320 271	-	320 271	320 271	-	320 271
Capital reserve	133	2 454	2 587	133	2 454	2 587
Retained earnings	1 030 349	8 430	1 038 779	1 385 806	14 518	1 400 324
Currency translation reserve	-8 364	-	-8 364	-7 576	-	-7 576
Own shares	-133	-	-133	-133	-	-133
Non-controlling interests	-	-	-	-	-	-
Consolidated net profit/(loss)	39 673	-2 445	37 228	-360 262	-1 283	-361 544
Total liabilities and shareholder's equity	**5 020 612**	**8 593 532**	**13 614 144**	**5 139 414**	**11 322 146**	**16 461 560**

3.20) Breakdown of total assets by country (according to where the operation is based)

	31.12.2021		31.12.2020	
	Absolute value	**Percentage**	**Absolute value**	**Percentage**
Africa	26 220	0%	95 532	1%
Asia	827 465	6%	812 307	5%
Caribbean	698 172	5%	584 507	4%
Europe	5 438 509	40%	6 054 176	37%
o/w France	*2 741 779*	*20%*	*2 789 999*	*17%*
o/w United Kingdom	*593 797*	*4%*	*543 983*	*3%*
Latin America	66 659	0%	174 645	1%
North America	558 686	4%	390 071	2%
Oceania	15 796	0%	14 657	0%
Swiss	5 982 638	44%	8 335 664	51%
Total assets	**13 614 144**	**100.00%**	**16 461 560**	**100.00%**

3.21) Breakdown of total assets based on the solvency of country groups (according to where the risk is located)

	Net international exposure at 31.12.2021		Net international exposure at 31.12.2020	
Rating class[1]	**in CHF**	**Percentage**	**in CHF**	**Percentage**
1	5 737 914	75,71%	6 108 857	75,60%
2	0	0,00%	0	0,00%
3	605 666	7,99%	512 378	6,34%
4	439 788	5,80%	695 735	8,61%
5	67 152	0,89%	93 334	1,16%
6	23 002	0,30%	85 296	1,06%
7	37 152	0,49%	59 524	0,74%
Unrated	668 313	8,82%	525 565	6,50%
Total assets	**7 578 988**	**100,00%**	**8 080 689**	**100,00%**

[1] *established using the Swiss Export Risk Insurance system*

3.22) Breakdown of assets and liabilities by currency

	CHF	EUR	USD	Other	Total
Assets					
Cash and cash equivalents	2 365 772	1 826	323	139	2 368 060
Due from banks	942 599	481 751	83 446	212 175	1 719 971
Loans and advances to customers	771 091	2 016 213	1 108 321	271 746	4 167 372
Mortgage loans	384 547	1 052 925	572	509 104	1 947 147
Trading portfolio assets	1 187 962	106	-	-	1 188 067
Positive mark-to-market values of derivative financial instruments	121 048	8 912	25 048	1 809	156 817
Financial investments	861 465	54 501	408 088	331 334	1 655 388
Accrued expenses and deferred income	100 373	10 771	22 169	1 068	134 381
Non-consolidated holdings	459	148	-	-	607
Tangible fixed assets	15 511	221	93	93	15 918
Intangible assets	8 589	205	-	-	8 794
Other assets	242 136	3 946	3 851	1 690	251 623
Total balance sheet assets	**7 001 552**	**3 631 523**	**1 651 911**	**1 329 159**	**13 614 144**
Settlement claims arising from delivery of currency spot, futures and options transactions	**1 352 957**	**2 786 703**	**5 737 459**	**2 439 577**	**12 316 696**
Total assets	**8 354 508**	**6 418 226**	**7 389 370**	**3 768 735**	**25 930 839**

	CHF	EUR	USD	Other	Total
Liabilities					
Due to banks	77 192	133 195	1 831 263	229 459	2 271 108
Customer deposits	1 632 569	3 397 726	2 913 406	1 171 176	9 114 876
Trading portfolio liabilities	157 430	-	-	-	157 430
Negative mark-to-market values of derivative financial instruments	151 351	15 839	4 629	272	172 091
Accrued expenses and deferred income	118 710	66 548	5 772	5 190	196 221
Other liabilities	75 025	22 813	19 784	258	117 880
Provisions	42 357	5 473	2 807	7 584	58 221
Reserves for general banking risks	135 949	-	-	-	135 949
Share capital	326 140	-5 870	-	-	320 271
Capital reserve	133	2 454	-	-	2 587
Retained earnings	1 030 459	14 693	-6 372	-	1 038 779
Currency translation reserve	-8 364	-	-	-	-8 364
Own shares	-133	-	-	-	-133
Consolidated net profit/(loss)	39 752	-2 336	-188	-	37 228
Total balance sheet liabilities and shareholder's equity	**3 778 569**	**3 650 535**	**4 771 101**	**1 413 939**	**13 614 144**
Settlement commitments arising from currency spot, futures and options transactions	**4 569 760**	**2 833 328**	**2 599 324**	**2 352 277**	**12 354 690**
Total liabilities and shareholder's equity	**8 348 329**	**6 483 863**	**7 370 426**	**3 766 216**	**25 968 834**
Net position by currency	**6 179**	**-65 637**	**18 945**	**2 519**	**-37 994**

4. Notes concerning off-balance sheet transactions

4.1) Breakdown of contingent assets and liabilities

	31.12.2021	31.12.2020
Loan collateral and related commitments	1 591 167	1 546 267
Warranties and similar	223 062	236 439
Irrevocable commitments under documentary credits	194 941	92 704
Total contingent liabilities	**2 009 169**	**1 875 410**

4.2) Breakdown of loans by commitment

	31.12.2021	31.12.2020
Commitments arising from deferred payments	8 997	19 810
Other guarantees	75 919	71 476
Total	**84 916**	**91 286**

4.3) Breakdown of fiduciary transactions

	31.12.2021	31.12.2020
Fiduciary deposits with third-party companies	-	-
Fiduciary deposits with related companies	2 243 829	2 953 182
Total	**2 243 829**	**2 953 182**

4.4) Assets under management

	31.12.2021	31.12.2020
Breakdown of administered assets		
Type of assets under management		
Assets under discretionary management mandates	4 533 014	4 401 310
Other assets under management	23 237 448	23 783 472
Total administered assets (including double-counted)	**27 770 463**	**28 184 782**
o/w counted twice	-	-

	31.12.2021	31.12.2020
Changes in administered assets		
Total initial administered assets (including double-counted)	**28 184 782**	**30 010 317**
+/- Net funds inflows/outflows	-1 607 593	-421 821
+/- Changes in prices, interest, dividends and exchange rates	1 542 694	-1 060 677
+/- Other effects	-349 420	-343 036
Total final administered assets (including double-counted)	**27 770 463**	**28 184 782**

Assets under management comprise retail and institutional client assets (balance sheet deposits, fiduciary deposits, securities portfolios) of all BNP Paribas (Suisse) Group entities. They do not include assets for which the Group acts only as custodian, which amounted to CHF 0 million (2020: CHF 325 million).

Net new inflows/outflows comprise all external inflows and outflows of cash and securities recorded on client accounts. They do not include internal flows of interest or commission entries or purchases of securities financed by loans. Similarly, external fund flows when client credit facilities are established (use of credit facility then repayment) are eliminated.

5. Notes to the consolidated income statement

5.1) Breakdown of the result from trading income and the fair value option

	31.12.2021	31.12.2020
Breakdown by business area		
Corporate Banking	4 076	4 204
Global Markets	7 494	3 975
ALM Treasury	2 555	3 530
Wealth Management	16 589	18 650
Total	**30 714**	**30 359**

	31.12.2021	31.12.2020
Result from use of fair value option		
Result from trading activities in:		
Fixed income instruments	9 722	8 147
Equity investments	2 073	-198
Currencies	20 100	22 197
Precious metals	-1 181	212
Total result from trading activities	**30 714**	**30 359**

5.2) Disclosure of significant refinancing revenues from interest income and expenses (and negative interest)

	31.12.2021	31.12.2020
Negative interest paid[1]	-27 533	-27 644
Negative interest received[2]	15 367	15 801

[1] *Interest expense derives from active operations recorded in interest income.*
[2] *Negative interest derives from passive transactions recorded in interest expense*

5.3) Breakdown of employee benefits expenses

	31.12.2021	31.12.2020
Salaries	-188 104	-210 549
cost of share-based payments and alternative forms of performance-related compensation	*-27 895*	*-27 290*
Social security benefits	-20 590	-21 271
Employer's contributions to pension funds	-23 377	-25 884
Other employee benefits related expenses	-52 049	-40 135
Total	**-284 120**	**-297 839**

5.4) Breakdown of other operating expenses

	31.12.2021	31.12.2020
Premises	-18 596	-12 560
Expenses related to information and communication technology	-42 499	-38 710
Charges relating to vehicles, machinery, furniture and other facilities, including operating leases	-913	-986
Auditors' fees	-1 149	-1 085
o/w for statutory audit and prudential audit services	*-1 149*	*-1 085*
Other operating expenses	-77 598	-68 154
Total	**-140 754**	**-121 496**

5.5) Significant losses, extraordinary income and expenses, significant releases of unrealised gains, reserves for general banking risks, and value adjustments and provisions released

Significant losses

The negative change in value adjustments for credit risks and losses from interest operations amounted to CHF 131,6 million in 2021. This largely reflected provisions set aside by the parent company for items in the transactional commodity finance business, which it decided to end at the end of September 2020, and for the corporate loan book. As an extension of the actions already undertaken to adapt its operational model to better serve its clients and improve its long-term competitiveness, the Bank announced in early November a 3rd corporate plan that could affect up to 47 people in Geneva and impact some of the CIB Operations teams and the IT teams responsible for the implementation and support of the Wealth Management application, whose activities will be transferred to the BNP Paribas Group dedicated platforms in Portugal, Spain and India. A provision for restructuring costs was set aside in 2021, which accounts for the lion's share of the changes in provisions and other value adjustments and losses totalling CHF 3.2 million, net of adjustments to the restructuring plan announced and covered by provisions in 2019 and 2020.

The negative change in value adjustments for credit risks and losses from interest operations amounted to CHF 398.3 million in 2020. This largely reflected provisions set aside by the parent company for four specific items in the commodity finance business and provisions for performing loans (stages 1 and 2) in tandem with the effects of the pandemic crisis. In addition, at the end of September, the Bank decided to shut down its business financing commodity trading, announcing a restructuring plan affecting up to 120 staff based in Geneva. A provision for restructuring costs was set aside in 2020, which accounts for the lion's share of the changes in provisions and other value adjustments and losses totalling CHF 10.8 million, net of adjustments to the restructuring plan announced and covered by provisions in 2019.

Extraordinary income

Extraordinary income amounted to CHF 213.8 million in 2021. This basically reflects a capital gain realised on the sale of a property.

Extraordinary income amounted to CHF 1.5 million in 2020. This reflects a CHF 0.4 million reversal of provisions taken in previous years and CHF 1.1 million in non-recurring income mainly from corrections to prior-year transactions.

Extraordinary expenses

Extraordinary expenses amounted to CHF 0.4 million in 2021. This relates to non-recurring expenses mainly from corrections to prior-year transactions.

Extraordinary expenses amounted to CHF 0.3 million in 2020. This relates to non-recurring expenses mainly from corrections to prior-year transactions.

5.6) Breakdown of operating profit between Switzerland and international markets according to where the operation is based

The amounts of income and expenses in the table below are shown before elimination of intragroup transactions:

	Swiss	International	Total
Result from interest operations			
Interest income	167 543	10 511	178 054
Interest income and dividends from trading activities	3 485	-	3 485
Interest income and dividends from non-current financial assets	7 091	-	7 091
Interest expenses	-53 611	-1 403	-55 014
Gross result from interest operations	**124 508**	**9 108**	**133 615**
Changes in value adjustments for credit risks and losses linked to interest transactions	-131 569	-	-131 569
Subtotal, net result from interest operations	**-7 061**	**9 108**	**2 046**
Result from commission business and services			
Fee income from securities and investment activities	119 570	33 032	152 602
Fee income from lending activities	23 118	565	23 683
Fee income from other services	10 169	1 397	11 566
Fees expenses	-32 224	-990	-33 214
Subtotal fee and commission income	**120 633**	**34 004**	**154 637**
Result from trading activities and the fair value option	**29 271**	**1 443**	**30 714**
Other ordinary banking income and expenses	**39 283**	**411**	**39 694**
Total operating income	**182 126**	**44 966**	**227 092**
Operating expenses			
Employee benefits expenses	-255 158	-28 962	-284 120
Other operating expenses	-122 175	-18 579	-140 754
Total operating expenses	**-377 333**	**-47 541**	**-424 874**
Value adjustments to investments, depreciation of tangible fixed assets, and amortisation of intangible assets	-10 396	-166	-10 562
Changes in provisions and other value adjustments, losses	-3 326	95	-3 232
Operating profit	**-208 929**	**-2 646**	**-211 576**

5.7) Current and deferred tax

	31.12.2021	31.12.2020
Current tax expenses	-6 578	-3 746
Reversal of provision for deferred tax liabilities	97 200	3 600
Increase in deferred tax assets	632	56 089
Reversal of deferred tax assets	-55 803	-
Total tax expense	**35 451**	**55 943**
Average tax rate	S.N	13,40%

In 2021, the CHF 97.2 million release of provisions for deferred tax liabilities reflects the restatement of the CHF 675 million release of the provisions for unrealised gains recorded in the Bank's statutory financial statements.
The CHF 0.6 million deferred tax asset relates to the tax loss carry-forwards recognised in the statutory financial statements of the Monaco-based subsidiary for CHF 2.4 million.
The reversal of the CHF 55.8 million deferred tax asset relates to the CHF 387.5 million tax loss carry-forwards recognised in the Bank's 2020 statutory financial statements, in accordance with the rules on the recognition of deferred tax assets. As a result, at the end of 2021 there were no longer any deferred tax assets related to losses carried forward.

In 2020, the CHF 3.6 million release of provisions for deferred tax liabilities reflects the restatement of the CHF 25.0 million release of the provisions for unrealised gains recorded in the Bank's statutory financial statements.
The CHF 56.1 million deferred tax asset relates to the CHF 387.5 million tax loss carry-forwards recognised in the Bank's statutory financial statements and the CHF 1 million in the Monaco-based subsidiary.

Report of the Statutory Auditor

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Report of the Statutory Auditor

To the General Meeting of
BNP Paribas (Suisse) SA, Geneva

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements of BNP Paribas (Suisse) SA, which comprise the consolidated balance sheet, consolidated income statement, consolidated statement of cash flows, statement of equity and notes to the consolidated financial statements (pages 33 to 75), for the year ended December 31, 2021.

Board of Directors' Responsibility

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2021 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss accounting principles applicable for Banks and comply with Swiss law.

Report on Other Legal Requirements

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

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

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

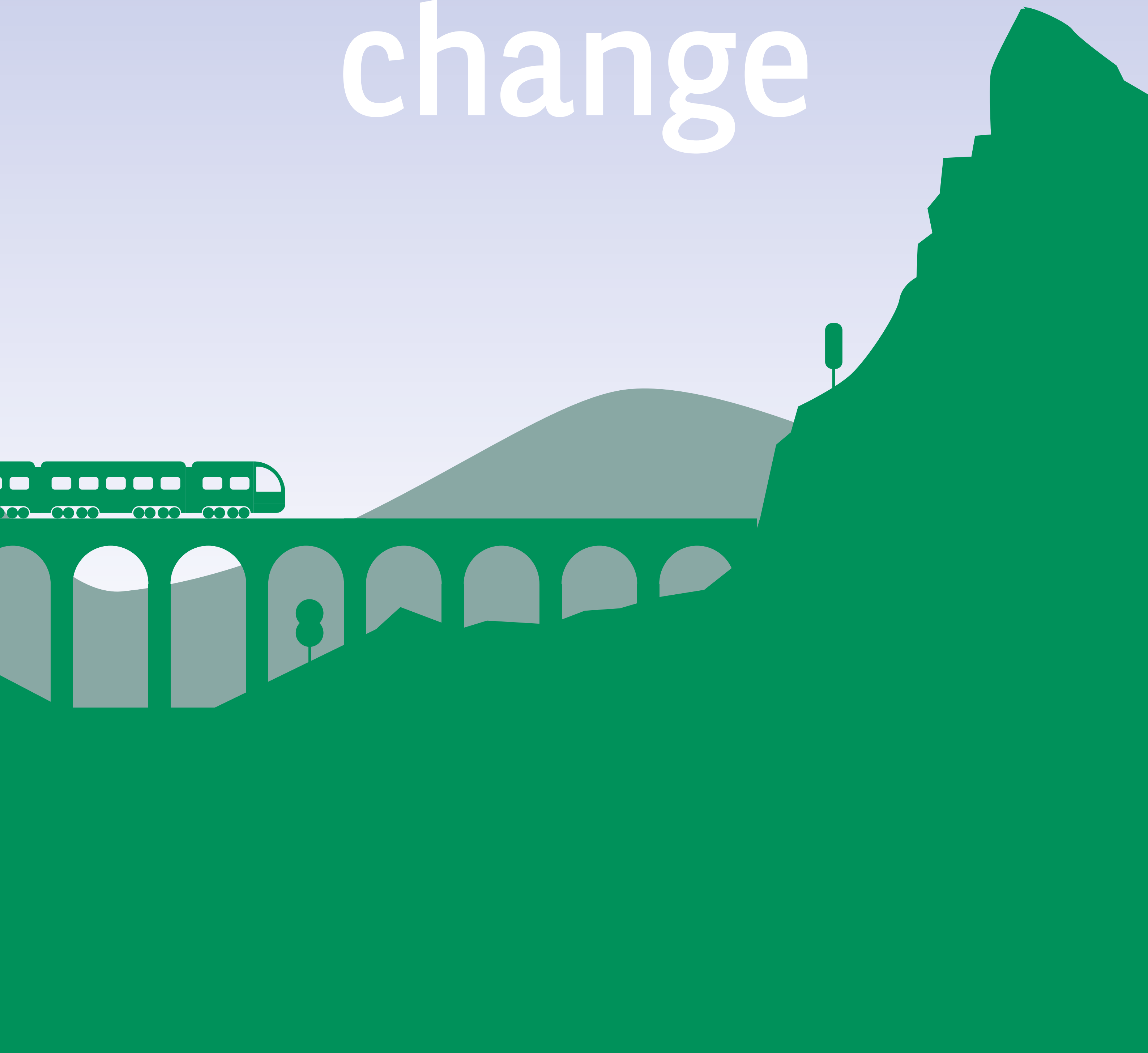
Deloitte SA

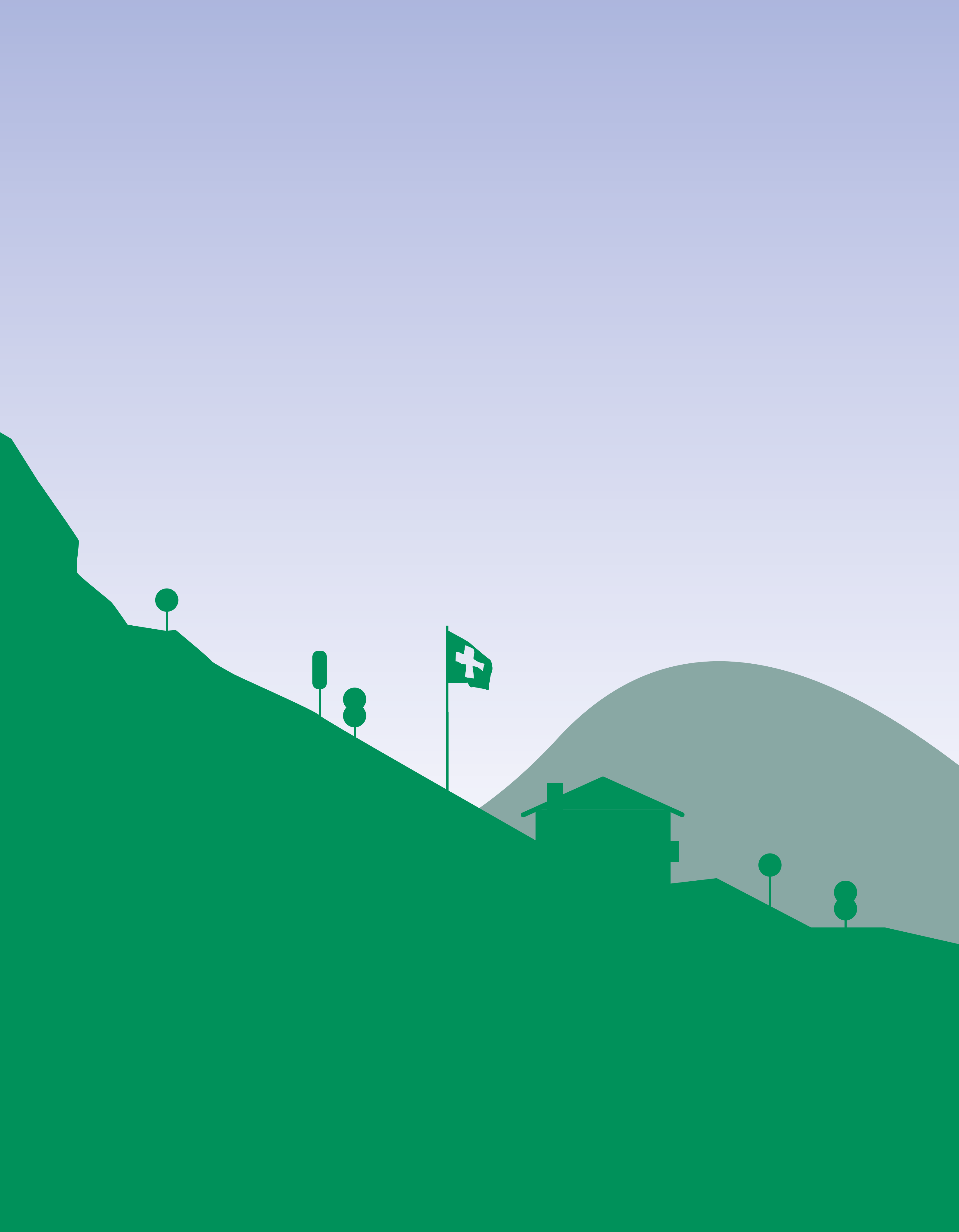
M. Meissner

Myriam Meissner	Alexandra Maillard
Licensed Audit Expert	Licensed Audit Expert
Auditor in Charge	

Geneva, March 30, 2022

Acting for change





Partnerships

SOLARIMPULSE

AROUND THE WORLD IN A SOLAR AIRPLANE

Solar Impulse Foundation

BNP Paribas is proud to have been a partner to the Solar Impulse Foundation (SIF), created by Bertrand Piccard, since 2017. This partnership, which began in Switzerland, is now in place at Group level.

"As a bank with a firm commitment to the sustainable economy and a partner to the Solar Impulse Foundation, we are building up our ability to channel funds towards innovative technologies that protect the planet," says Jean-Laurent Bonnafé, CEO of the BNP Paribas Group.

SIF's initial goal was to award a label to 1,000 solutions (products, projects, companies, etc.) combining profitability and eco-friendliness, with a view to promoting this portfolio to decision-makers and accelerating the transition to a low-carbon economy. BNP Paribas in Switzerland provided SIF with assistance and expertise by performing reputation checks to ensure that each of these solutions and their directors had a good reputation.
Staff at BNP Paribas in Switzerland engaging with the initiative voluntarily have spent over 2,700 hours conducting such analysis over the past four years, and had checked 1,131 solutions by 1 April 2022.

Although this skill-sharing is coming to an end, the group remains more committed to SIF than ever through the BNP Paribas Solar Impulse Venture investment fund, which was launched jointly on 16 February 2022. This fund is managed by BNP Paribas Agility Capital and aims to invest EUR 150 million in start-ups with strong potential and a firm commitment to the ecological transition, in order to help them develop and scale up faster.

Mainly based in Europe and the United States, the start-ups receiving support operate in an array of sectors including the energy transition, sustainable agriculture and food, and the circular economy. Each start-up selected by the fund will also receive the "Solar Impulse Efficient Solutions" label.

Swiss Open Geneva

The BNP Paribas Swiss Foundation is proud to be partnering since 2014 with the Swiss Open Geneva, a highlight of the international wheelchair tennis calendar. The 34th edition of the tournament took place between 16 and 20 July 2021.

This charity sports event brings together world-renowned athletes and countless volunteers, including staff at BNP Paribas in Switzerland, for an extraordinary tournament blending performance, respect and friendship.

In addition to financial support from the Foundation, around 20 BNP Paribas in Switzerland staff help organise the event by getting involved with meals, dishwashing up, bar work, setting up and clearing up. Every year, members of our team work alongside approximately one hundred volunteers to make sure the tournament runs smoothly.

Think Cinema - Rencontres 7e Art Lausanne

BNP Paribas extended in 2021 its commitment to and support for Think Cinema (Rencontres 7e Art Lausanne) by creating the Double Clap award.

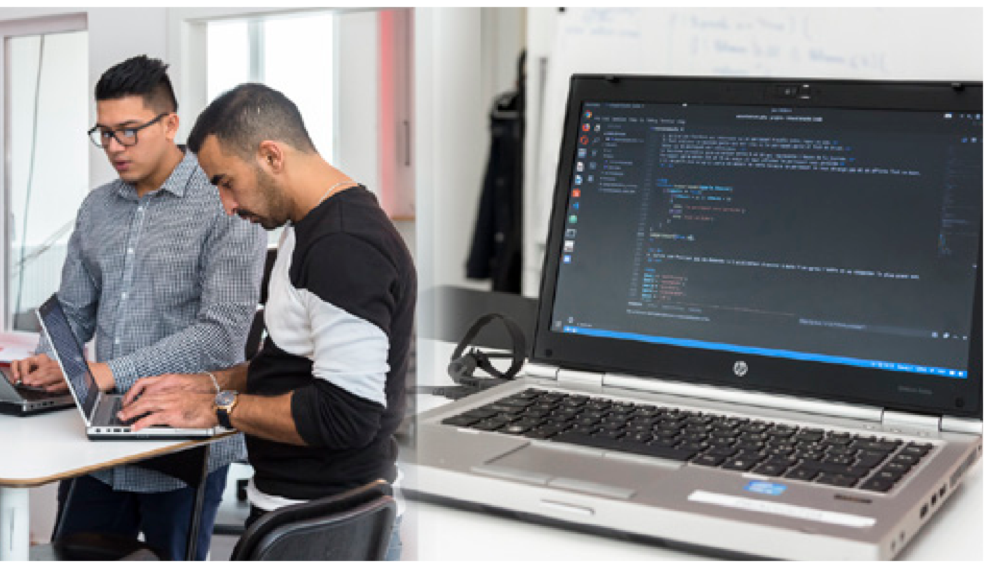
This award, with CHF 10'000 in prize money, is aimed at ECAL (Ecole Cantonale d'Art de Lausanne) students who make a short film of up to two minutes in length as part of their studies. The award offers students an opportunity to demonstrate their creativity and compete in a prestigious annual event.

Between 26 April and 2 May 2021, attendees at the fourth Think Cinema festival were also able to enjoy in-person and online interviews, masterclasses, round table discussions and special events with high-profile guests including Vincent Perez, Jean Dujardin, Doria Tillier and Bertrand Blier.

Opportunity – Training today for tomorrow's jobs

In 2019, the BNP Paribas Swiss Foundation joined forces with réalise, a social enterprise well-known in Geneva for its work to foster the professional integration of those on the margins of the labour market, to cofound the "Opportunity – training today for tomorrow's jobs" programme. The goal of this initiative is to promote equality of opportunity throughout Switzerland as part of the shift towards a sustainable, digital and inclusive economy.

It is built around three main pillars:
- Understanding the key sectors of the future economy (which will be sustainable and connected,
- Identifying employment opportunities related to these growth sector,
- Creating hands-on training courses that are accessible to all, including those who currently lack the skills expected in today's market.



The first phase in the Opportunity programme was to roll out a training course on the digital world across Switzerland. This course was launched by réalise in Geneva in 2018 with the help of Simplon – a French social enterprise that also has strong links to the BNP Paribas Group. The first two Opportunity centres opened their doors in 2021 in the cantons of Zurich and Vaud, and 30 people are already receiving training to become web developers.

By 2024, the Opportunity programme is aiming to roll out the adult education model created by réalise, which focuses on the most promising economic sectors for present and future employment, in between three and five Swiss cantons.

YOJOA

In light of its diversity and inclusion policy and the Foundation's commitment to combatting social isolation in all its forms, BNP Paribas in Switzerland has hosted three talented young people with a history of migration for a few weeks of work experience every year since 2018.

In partnership with the charity Yojoa (Youth Job Accelerator), the aim is to help these young people aged 18-30 into the workplace by offering them a chance to discover the corporate world in Switzerland, practise their French and even build their self-confidence.

Since 2018, 12 young people have had an opportunity to gain professional experience within the bank's various teams.

Staff engagement

Leadership for Women

Making progress on gender equality is a priority for BNP Paribas. That is why, with each passing year, the Group deepens its commitment to professional equality and ensuring gender balance among those in positions of responsibility.

In light of this ambition, and the overlap between the bank's Diversity & Inclusion and Learning & Development policies, BNP Paribas in Switzerland and Canada jointly launched a programme in 2021 entitled "Leadership for Women", which aims to accelerate female employees' career progression by developing their leadership skills.

With the sponsorship of managers in both countries, and the Group's Global Head of Diversity and Inclusion, 22 female staff members from Switzerland and Canada were therefore able to spend nine months following this brand new course where they learnt to get to know themselves better, understand what makes a leader and develop their own leadership skills.

Building on the success of the first cycle, another cycle is taking place in 2022 with the participation of female staff members in four countries: Switzerland, Canada, Portugal and Brazil.

Corporate volunteering

Encouraging staff members to engage in charity work is an essential part of BNP Paribas' proactive approach to achieving fairer and more sustainable growth. This is why the bank in Switzerland grants each staff member an annual quota of 16 hours to spend on voluntary projects during the working day.

582 staff members dedicated 2,551 hours to volunteering in 2021, representing a 40% increase versus 2020.

87 initiatives were organised to help 48 local charities committed to a wide range of causes, including sorting food waste, mentoring young people who are out of work, distributing meals to those in need, cleaning the banks of Lake Geneva, building insect hotels and helping local farmers.

"I was able to help the Partage charity make up meal bags for the poorest Genevans. [...] With so many parcels to prepare each week, the food bank relies heavily on volunteers to make sure parcels can be sent to other charities, such as Colis du Cœur, which distributes them. I really felt like I was making a difference by playing a part in a long chain of solidarity."
Bruno Marin, Head of ALMT

"When I helped distribute Colis du Coeur parcels, I met many dignified and polite people. Often, they were accompanied by young children who would thank us for the small selection of fruit, vegetables and essential items they received. Moreover, distributing parcels relies on a well-oiled, almost industrial, operation staffed by the various volunteers, who select items from the pallets of goods to put together the bags the beneficiaries receive, making sure nobody has to wait. In one half-day per week, they are able to distribute 1,500 to 3,000 parcels."
Charles Gindre, Chief Administrative Officer

Swiss LGBTI label

On 6 September 2021, BNP Paribas in Switzerland was awarded the Swiss LGBTI-Label at a ceremony held in the International Red Cross and Red Crescent Museum (MICR) in Geneva. This label is awarded to Swiss institutions with an open and inclusive culture towards LGBTI (lesbian, gay, bisexual, transgender and intersex) people.

Many gay, trans* and intersex people experience discrimination during their career, whether during the recruitment process or as part of day-to-day interactions with colleagues.

Within BNP Paribas in Switzerland and the wider Group, questions of Diversity & Inclusion are addressed at the highest levels of the organisation to combat discrimination in all its forms. The Swiss LGBTI Label recognises our commitment to LGBT+ issues and the specific measures we have taken over the past few years.

In 2019 we helped launch the Pride Switzerland network. This group, whose members include LGBT+ staff and their allies right the way up to senior management level, is aimed at fostering the inclusion of LGBT+ staff and preventing discrimination based on gender identity and sexual orientation. It is there to promote an inclusive, caring, trusting environment in which LGBT+ employees can be themselves and be fully accepted for who they are within the company.

Positive Impact Business

Next stop: decarbonised transport

BNP Paribas is committing human, technological and financial resources to encourage alternatives to cars with a thermal-combustion engine. To that end, the Group is helping finance the transition of car manufacturers such as Hyundai Motor Group, with which it has entered into a global partnership.

This includes financing by the Bank of the manufacturer's first hydrogen mobility project in Switzerland, Hyundai Hydrogen Mobility. In the first instance, 20 hydrogen-powered electric vans were financed within a CHF 50 million leasing programme over an eight-year period. This operation was conducted jointly with Global Banking in APAC and in EMEA, and BNP Paribas Leasing Solutions.

Building Bridges

The second edition of Building Bridges, the international sustainable finance summit, took place between 29 November and 2 December 2021. As the event's sponsor, BNP Paribas in Switzerland cemented its status as the market's leading bank in relation to sustainable finance.

Building Bridges is a joint initiative, launched in Geneva in 2019 by the Swiss public authorities, the financial community and the UN. The aim is to accelerate the transition to a global economic model in line with the Sustainable Development Goals, with finance acting as a catalyst.

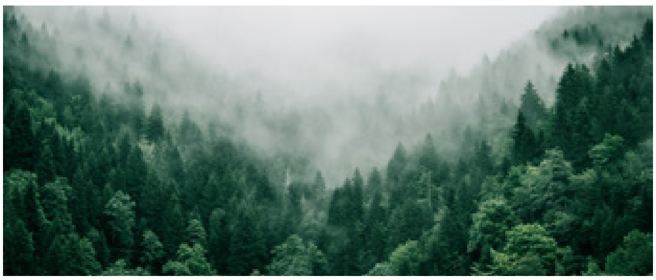
The summit relies on the unique ecosystem in Switzerland, as well as the country's international positioning on multilateralism and global renown as a financial centre.

The 2021 programme brought together a large Swiss and international panel made up of representatives of public authorities, the private sector and international organisations, attending over 70 events.

Several BNP Paribas directors, including Antoine Sire, Head of Company Engagement and a member of the Executive Committee of the BNP Paribas Group, had a chance to share their vision for topics such as developing sustainable finance, the ecological transition and how to take such matters into account in the finance industry.

Sustainable investment advice for Wealth Management clients

With increasing numbers of our clients keen to factor sustainability into their investment choices, BNP Paribas Wealth Management in Switzerland has developed an advisory service focused on sustainable investment. This sustainable advisory service allows clients to combine financial and non-financial preferences so as to invest in accordance with their convictions.



With a view to offering a personalised service, two types of client's profile have been defined. "Explorer" clients have an interest in sustainability but they are still quite cautious and do not want their entire portfolio to be managed according to a sustainable approach. They will only be offered sustainable products occasionally. "Engaged" clients, by contrast, would like to get more involved by adopting a responsible investor profile. This profile will have the same weight as their financial profile in determining the advice offered by the bank.

BNP Paribas Wealth Management's approach to sustainability issues relies on over 20 years of expertise and research within the Group's asset management and wealth management teams, coupled with numerous external sources. It is also the result of ongoing efforts to optimise the process, leading to the most accurate assessment possible of the extent to which client portfolios are aligned with a sustainable economy.

This unique internal method for assessing the sustainability of financial products has led to the creation of a transparent and coherent rating system, expressed in four-leaf clovers. The number of four-leaf clovers, on a scale of 0 to 10, expresses the extent to which a financial instrument incorporates environmental, social and governance (ESG) criteria. These ratings are now applied to all asset classes (funds, equities, bonds, ETFs, structured products, etc.), allowing for any financial instrument in the client's portfolio to be compared objectively.

In 2021, 15% of Wealth Management clients benefitted from an approach incorporating ESG criteria.

Recognition for our expertise

Outstanding UHNW Offering in Switzerland
2021 HIGHLY COMMENDED
PRIVATE BANKER INTERNATIONAL

Outstanding Private Bank for Diversity and Inclusion
2021 WINNER
PRIVATE BANKER INTERNATIONAL

WealthBriefing AWARDS SWISS 2021
IMPACT INVESTING
WINNER BNP Paribas Wealth Management

WealthBriefing AWARDS SWISS 2021
FOREIGN PRIVATE BANK
WINNER BNP Paribas Wealth Management

In 2021 BNP Paribas Wealth Management Switzerland was recognised by Private Banker International for its "Outstanding Offering UHNW offering in Switzerland" and as "Outstanding Bank for Diversity & Inclusion". At the annual WealthBriefing Swiss Awards 2021 BNP Paribas Wealth Management Switzerland received an award in the categories "Impact Investing" and "Foreign Private Bank".

These awards, which are a benchmark in our industry, reflect the high-quality work of our teams. This is yet more proof that we are on the right track with our strategic aims and vision.

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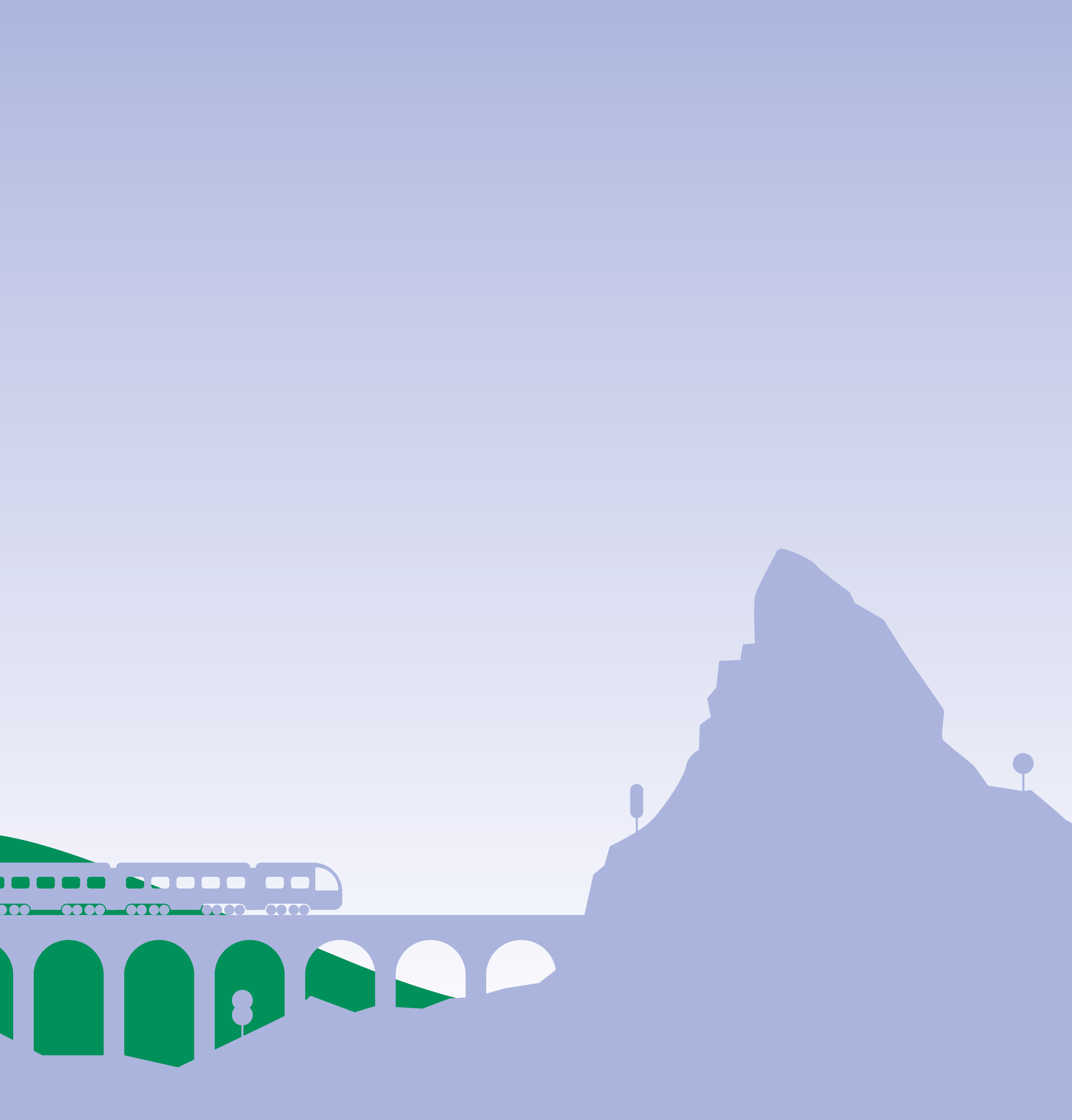

BNP PARIBAS (SUISSE) SA

BNP PARIBAS

The bank
for a changing
world