Banque de Commerce et de Placements SA

Full Rating Report

Ratings

Foreign Currency	
Long-Term IDR	BBB-
Short-Term IDR	F3
Viability Rating	bbb-
Support Rating	5
Sovereign Risk	
Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Financial Data

Banque de Commerce et de Placements SA

	31 Dec 18	31 Dec 17
Total assets (USDm)	3,702.9	5,406.7
Total assets (CHFm)	3,632.9	5,275.9
Total equity (CHFm)	507.4	478.8
Net income (CHFm)	31.6	29.3
Operating ROAA (%)	1.09	0.90
Operating ROAE (%)	10.02	9.10
Tier 1 ratio (%)	14.80	15.70
Fitch Core Capital/FCC-adjusted risk-weighted assets (%)	16.49	17.18
Equity/total assets (%)	13.97	9.08

Source: Fitch Ratings, Fitch Solutions

Related Research

Fitch Affirms Banque de Commerce et de Placements at 'BBB-'; Outlook Stable (July 2019)

Banque de Commerce et de Placements SA – Ratings Navigator (July 2019)

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Key Rating Drivers

Demonstrated Trade Finance Record: The Issuer Default Ratings (IDRs) and Viability Rating (VR) of Banque de Commerce et de Placements (BCP) benefit from the bank's demonstrated expertise in its core trade finance activities and its ability to adapt to changes in the numerous markets in which it operates. The bank is based in Geneva, one of the world's leading commodity trading hubs, which has proved advantageous in originating business.

Swiss Domicile; Emerging-Market Activities: Fitch Ratings' assessment of BCP's operating environment reflects the bank's domicile in Switzerland (AAA/Stable), regulation by the Swiss bank regulator FINMA, and access to a large base of core Swiss clients as well as the Swiss National Bank, where BCP places excess liquidity. The ratings also reflect significant cross-border activity, including business in and companies trading in weaker emerging markets.

Specialist Trade Finance Focus: BCP's ratings are partly constrained by the risks inherent in trade finance, especially taking into account the bank's fairly moderate size, niche franchise and high credit risk concentrations. It is also significantly exposed to operational risk, such as fraud and compliance, given the products and countries in which it operates.

Solid Risk Control Framework: Risks appear well managed, supported by the bespoke structuring of commodity finance transactions and internal risk limits. Risk management is also underpinned by continuous upgrades to BCP's internal control environment and processes.

Asset Quality Sensitive to Event Risk: BCP's impaired loans ratio can be volatile, reflecting high sensitivity to event risk from large business concentrations by obligor, industry and geography. BCP's non-performing asset ratio (including loan and non-loan exposures) increased slightly to 1.6% at end-2018, but remains low compared with trade finance peers' and appears to be proactively monitored with good provisioning.

Solid Profitability: Performance is satisfactory but can be variable over economic cycles, and earnings are dependent on maintaining strong business volumes, reflecting typically thin trade finance margins. Revenue fluctuations are mitigated by firm cost control and cost efficiency compares well with trade finance-focussed peers'.

Capital Commensurate with Risk: Capitalisation is highly sensitive to shocks given the bank's concentration and operational risks, but we view BCP's capital ratios as more commensurate with its risk profile than at its peers.

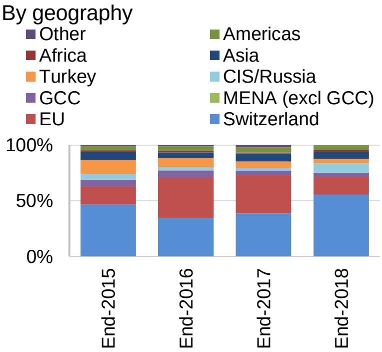
Adequate Funding Mix; Good Liquidity: BCP relies mainly on interbank debt and corporate deposits from trade finance customers, and the funding base is concentrated and short term. Liquidity is adequate given the short-term nature of trade finance assets and the fairly large holdings of liquid assets.

Rating Sensitivities

Ratings Sensitive to Financial Strength: The ratings could be downgraded if capital ratios weaken, or if management's solid track record is undermined due to a sharp decline in revenue or material operational or credit losses. Maintaining sound asset quality and strengthening earnings and capital could be moderately positive for BCP.

- Swiss domicile but activity is cross-border
- Specialist trade finance focus with ancillary treasury and wealth-management activities
- Experienced management with sound execution record
- Heightened operating risk from trade finance offset by risk control environment

Total Business Volume[a]
By geography



[a] Business Volume = Total assets + off-balance sheet
Source: Fitch Ratings; BCP

Operating Environment

Swiss Bank with Significant Exposure to Emerging Markets

Fitch's assessment of BCP's operating environment benefits from the bank's domicile in Switzerland. The country has a strong regulatory and legal framework, an established track record of economic strength and stability, and a highly developed financial market. Geneva's status as one of the world's leading commodity trading hubs has also proved advantageous to BCP in originating business. The assessment also takes into account the extent of international exposure in line with trade finance activities, including to emerging markets, although BCP's exposures also include significant liquidity placed with the Swiss National Bank and in other highly rated developed market securities.

Given the short-term nature of its transactions, the composition of BCP's business volumes by geography can be more volatile than those of a conventional commercial bank, giving BCP the flexibility to adjust its exposures based on market changes. BCP's largest country exposure is to Switzerland (over half of end-2018 business volumes), reflecting activity with Swiss-based trading companies and Swiss National Bank placements.

BCP is regulated by FINMA, and we view Swiss prudential standards as strong. BCP is subject to less stringent requirements than large Swiss banks, but its exposure to emerging markets means that it is subject to more scrutiny than similarly sized domestically focused banks.

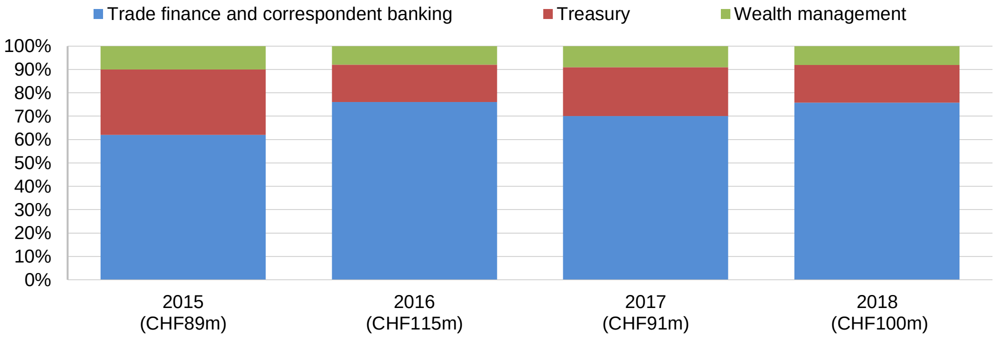
Company Profile

Trade Finance Focus; Some Diversification from Treasury and Wealth Management

BCP benefits from its long-standing presence as a trade finance bank with a more stable performance record and a more diversified business than trade finance peers. The business model is concentrated on trade finance, however, and our assessment of the company profile also factors in BCP's moderate size and niche franchise, focused on specialist commodity finance where its clients are mainly Swiss-based global trading companies.

BCP focuses on traditional commodity trade finance products such as letters of credit, letters of guarantee and documentary collections, and specialised structured commodity finance transactions. Transactions are primarily short term and self-liquidating, and are subject to stringent security documentation. BCP's activities are liability driven, with funding mainly from institutional deposits and interbank facilities.

Operating Income by Profit Centre



Source: Fitch Ratings; BCP

Trade finance and correspondent banking forms the bulk of BCP's revenues, although the contribution from treasury and wealth management activities reflects a more diverse franchise than that of specialist trade finance peers. Wealth management is an important ancillary business, attracting funds from high-net-worth clients from the Middle East and the Far East, although total assets under management remained relatively small at CHF1.1 billion at end-2018. The bank's competitive advantage is its ability and speed in providing bespoke

Related Criteria
[Bank Rating Criteria (October 2018)]
[Short-Term Ratings Criteria (May 2019)]

commodity finance solutions to a long-standing and core client base of Swiss trading companies, and relationships with trading companies based in Europe, MENA and Asia.

Management and Strategy

Experienced Management, Sound Record of Execution

Business model risks are high and the bank operates in some very challenging markets, but we believe these risks are partly offset by its strong management team, which has demonstrated generally sound execution of strategy over a long period. BCP's long-standing management team comprises trade finance professionals with extensive industry experience. Key person risk is well managed and is helped by the bank's efforts to institutionalise, including via investments in back-office systems. We view corporate governance as sound, supported by measures to strengthen the governance framework in recent years.

We view strategic objectives as well articulated and broadly consistent over time, although they can fluctuate moderately based on market conditions. The strategy is based on organic growth and diversification in terms of clients, new markets and commodities, which offsets the recent slower global trade volumes and changing operating conditions in some of the bank's traditionally important countries. However, the nature of the business requires management to respond flexibly as risks emerge or opportunities arise. BCP also focuses on maintaining its ancillary business activities, which will remain a small component of earnings but bring stability to the business model.

Risk Appetite

Prudent Underwriting Standards and Strengthened Risk Controls

BCP's risk appetite is modest and supported by a proactive monitoring framework, although the bank's business model drives inherently heightened operational risk. Risks are managed through conservative underwriting standards and internal limits and highly experienced staff with a sound knowledge of key markets and clients. BCP's enterprise-wide risk-management framework has been strengthened in line with international best practice, and risk controls are centralised and appear adequate for the size and complexity of the business.

Prudent underwriting standards have ensured good asset-quality metrics, although the nature of trade finance activities means that single-name concentration is high. Underwriting standards are supported by BCP's transaction structures and policies and procedures, and by the bank's proactive behaviour in tightening standards when countries, commodity prices and industries become volatile.

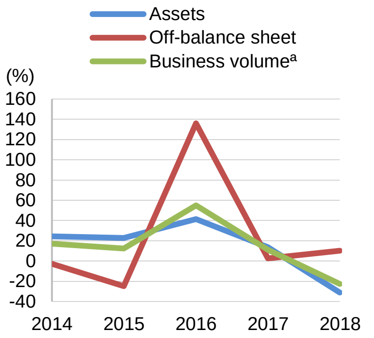
Commodity trade finance loans are highly structured so as to minimise risk, including country and commodity price risks. BCP only finances physical goods (soft or hard commodities) that are traded on global markets, and each transaction is assessed based on its merits by an experienced underwriter. Wealth-management lending is smaller scale and focuses mainly on Lombard and cash-collateralised loans. Country risk is managed through in-depth analysis of the many countries in which BCP operates, and with reference to internal country exposure limits. The bank also takes country risk insurance where appropriate.

Trade finance is complex and BCP is exposed to potentially significant operational risks from compliance, fraud and legal risks and human error, from every point of the transaction cycle starting from the documentation process. To offset these risks, the bank relies on technology and stringent documentation but also management expertise. In practice BCP's operational losses have been low, and loss events rare.

Moderate Market Risk

Market risk mainly arises from moderate foreign-exchange (FX) and interest-rate risks. Most of BCP's trade activities are denominated in US dollars and euros and FX risks are largely hedged. Interest-rate risk is tolerable, with BCP estimating that a 100bp rise in interest rates

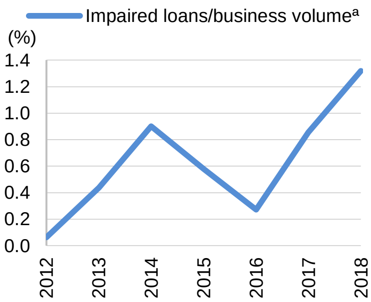
BCP Growth 2014-2018



[a] Business Volume = Assets and off-balance sheet
Source: Fitch Ratings; BCP

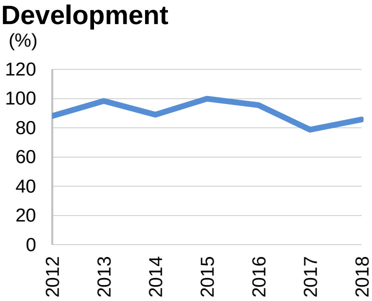
- Sound asset quality but sensitive to event risk
- Satisfactory performance; sensitive to economic cycles
- Adequate capitalisation relative to risk
- Good funding mix and adequate liquidity

Impairment Development



[a] Business volume= On- and off-balance sheet assets
Source: Fitch Ratings, BCP

Reserve Coverage Development



[a] Business volume= On- and off-balance sheet assets
Source: Fitch Ratings, BCP

would reduce its end-2018 equity by 1.1%. BCP mitigates commodity price risk through good diversification of the underlying goods financed, cash margins and hedging. Proprietary FX and fixed-income trading activity is relatively large and can lead to some volatility but is subject to daily monitoring against conservative internal limits.

Growth Volatility Reflects Transaction-Driven Business Model

Balance-sheet volumes can be volatile given market fluctuations and the overall short-term nature of the balance sheet. Total business volumes picked up in 2016-2017 due to BCP's diversification strategies into new markets and commodities, and slight recoveries in energy prices and more stable commodity prices. The decline in volumes over 2018 was driven by a decline in cash and central bank placements, reflecting the cessation during the year of trade facilitation activities with Iran as permitted under the Joint Plan of Action. We view volume volatility as manageable given stable internal capital generation and strong capitalisation, as well as strengthened risk management functions including increasing automation.

Financial Profile

Asset Quality

BCP's credit exposure is predominantly short term and highly liquid, reflecting the transaction-driven nature of its business. Default rates are low, although high counterparty concentrations make asset quality sensitive to event risk: the 10 largest end-2018 on- and off-balance-sheet corporate exposures represented around 2.5x Fitch Core Capital (FCC).

The volume of cash and central bank placements fell sharply to CHF510 million or 14% of total assets at end-2018 (2017: CHF2.2 billion; 42%), reflecting the cessation of Iran-related activities, although the balance sheet remains highly liquid overall and the end-1Q19 cash balance increased to CHF602 million. Surplus deposits are placed with the Swiss National Bank, Banque Centrale du Luxembourg and Swiss Euro Clearing.

Customer loans (CHF1.8 billion at end-2018) relate to commodity trade finance loans to trading companies. The bank takes some cash collateral but exposures are largely unsecured, apart from security documentation in favour of BCP. The vast majority of commodity finance matures within 30 days, allowing the bank to quickly deleverage or shift its focus if necessary. Interbank assets (CHF1 billion at end-2018) are a mix of short-term trade finance transactions and mainly short-term interbank placements. Credit exposure is mainly to Switzerland and European Union countries (combined almost three-quarters of end-2018 exposures), driven by central bank placements. BCP takes cash collateral for exposures to banks with low ratings.

BCP's securities book is small (CHF305 million at end-2018) and consists mainly of held-to-maturity corporate and government bonds with a typical duration of two to three years. Quality is adequate, with half of the end-2018 securities book to counterparties rated 'A-' or better, although 38% of the book is sub-investment grade, mainly reflecting Turkish securities. The bank has been reducing its exposure to Turkey and the country risk from this appears well managed, supported by key management having a good understanding of Turkey. Apart from the Turkey concentration, securities are diversified by country and largely relate to developed-market names, benefitting the bank's liquidity coverage ratio. Off-balance-sheet items mainly comprise contingent liabilities related to trade finance activities, and totalled CHF1.5 billion at end-2018.

The non-performing assets (NPA) ratio can fluctuate given the short-term nature of the balance sheet and counterparty concentrations inherent to trade finance activities. At end-2018 the NPA ratio, including interbank loans, was 1.6% (up from 1.4% at end-2017; the equivalent NPL ratio was 2.4%, up from 2.0% at end-2017). The ratio is driven by a small number of non-performing cases, reflecting the highly collateralised and short-term nature of the trade finance business and demonstrating the impact of the heightened single-name concentration inherent to BCP's activities.

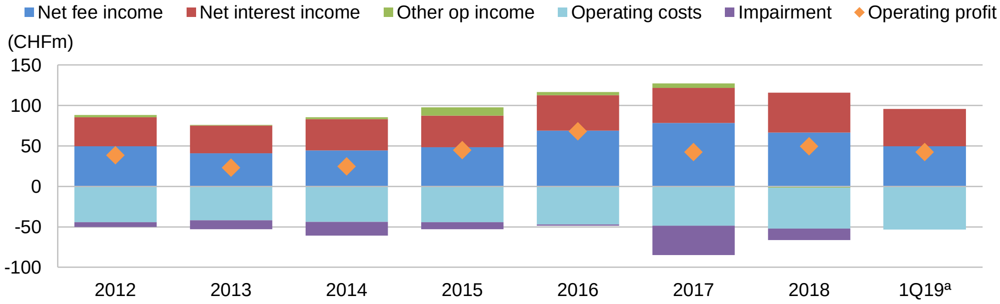
Strong non-performing loan reserve coverage is supported by specific provisioning (end-2018 specific provision coverage was 86%) and the bank's large stock of general reserves. Impairment charges to date have been comfortably absorbed by earnings, and the bank has a good track record in dealing with impairment cases proactively. BCP's average historical non-performing loan ratio also compares well with trade finance peers, mainly due to its focus on structured commodity financing.

Earnings and Profitability

Performance is sound but can vary over economic and interest-rate cycles. Trade finance margins are typically thin – although spreads are wider on higher-risk commodity trade financing – so revenue is dependent on volumes. Ancillary wealth management and treasury income provides good diversification and underpins operating income, although earnings from trading activity are volatile and sometimes opportunistic. Loan impairment charges are typically low but are sensitive to changes to global trading conditions and commodity prices.

Consistent Profitability but Revenues Can Fluctuate

Performance 2012-1Q19



[a] Pro-rated to full year
Source: Fitch Ratings; BCP

Pre-impairment operating profit declined to CHF64 million for 2018 (2017: CHF79 million) following record revenue levels in 2017, reflecting pressure on international trade flows due to geopolitical uncertainty. Treasury earnings contribution also declined year on year, mainly due to higher Swiss franc/US dollar swap costs.

Including impairment charges BCP's 2018 operating profit improved to CHF49 million (2017: CHF42 million), helped by the non-recurrence of heightened impairment levels in 2017. The bank also made CHF7 million in voluntary transfers to the reserve for general banking risks (2017: CHF10 million); Fitch categorises these transfers as non-operating.

Fee income (of CHF66 million for 2018) is the primary driver of revenues, reflecting the transaction-driven nature of the bank's activities. Net interest income (2018: CHF49 million) arises primarily from trade finance lending as well as treasury activities.

Year-to-date 2019 performance is down slightly compared to the previous year due to the cessation of Iran-related activities as well as greater US dollar swap costs. The shift in BCP's risk appetite to apply more emphasis on lower-risk but lower-margin energy activity from 3Q18, reflecting market uncertainty, will also squeeze margins. The bank targets volume growth to mitigate these factors, which we view as feasible, although growth assumptions are sensitive to changes in the market outlook. BCP has increased its focus on cost efficiency as a further mitigant to revenue pressure; cost efficiency compares well with peers, with the 2018 cost/income ratio reaching 44%.

Capitalisation and Leverage

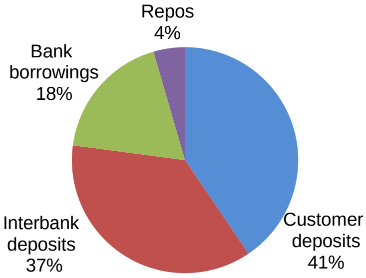
BCP's FCC/risk-weighted assets ratio was a strong 16.5% at end-2018 and can fluctuate from period to period with the shifts in (zero-weighted) liquid assets placed with central banks. BCP's CET1 ratio of 14.8% at end-2018 compares adequately with those of peers and is well above minimum requirements (minimum total capital ratio: 10.5% including buffers). The short-term nature of the balance sheet would enable BCP to quickly deleverage and therefore rebuild capital ratios, if ever needed. BCP's Basel leverage ratio was a healthy 10.4% at end-2018.

In common with other Swiss GAAP reporting banks, BCP sets aside a proportion of earnings into Tier 1-eligible reserves for general banking risks, which Fitch also includes in FCC. At end-2018, these reserves totalled CHF228 million and represented 45% of the FCC base.

Funding and Liquidity

Bank Debt Drives Funding

Funding by type; end-2018



Source: Fitch Ratings, BCP

Most of BCP's funding is via bank and customer deposits through relationships with trade finance and correspondent bank counterparties. Just over half of end-2018 liabilities are from bank counterparties, with the rest mainly corporate customer deposits. BCP's limited funding diversification and high reliance on short-term funding could be confidence sensitive and expensive during periods of stress but this is mitigated by the transaction-driven nature of the balance sheet. The wealth management segment also provides some limited funding diversification compared with trade finance-focused peers; end-2018 wealth management deposits totalled CHF426 million.

Liquidity is stable, well managed and supported by a large pool of mainly domestic liquid assets. Liquidity coverage is adequate, with the liquidity coverage ratio averaging 125% in 4Q18, and balance-sheet liquidity benefits from the short-term nature of BCP's loan book and from off-balance-sheet transactions being unfunded. The bank conducts liquidity stress testing under a range of scenarios, which show adequate coverage before management actions.

Support

Limited Institutional Support Possible

BCP is 69% owned by Borak SA, a holding company controlled by the Turkish Karamehmet family, and Yapi ve Kredi Bankasi A.S. (YKB; B+/Negative) is the minority owner. We believe that BCP's owners would be the primary source of external support if needed and base our Support Rating on our view of the likelihood of support from YKB, because Borak SA's ability to support BCP cannot be determined reliably.

In Fitch's view, the probability of YKB providing support for BCP in case of need is possible but cannot be relied on. BCP's Support Rating of '5' reflects the weakening of YKB's ability to support, but also BCP's limited synergies with the YKB group.

Peer Analysis

Peer Comparison: Financial Indicators

Viability Rating	BCP bbb-		ATB b+		Fimbank bb-		TBI b-		UBAE b+		UBAF bb	
(%)	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total assets (USDm)	3,703	5,407	1,197	1,420	1,869	1,643	21,146	19,461	2,893	3,413	2,278	2,030
Business volumes (USDm)	5,211	6,786	1,944	2,205	2,060	1,998	34,253	33,716	3,880	4,451	4,814	4,481
Operating profit/risk weighted assets	1.61	1.52	2.49	2.14	1.01	0.97	4.83	7.59	-3.60	0.91	0.07	-0.30
Non-Interest expense/gross revenues	44.08	38.21	36.36	39.45	57.23	81.62	22.77	13.86	108.75	61.65	94.63	107.37
FCC/FCC-adjusted risk weighted assets	16.49	17.18	16.61	16.66	17.19	13.19	84.56	67.24	9.94	12.67	14.55	15.89
Risk weighted assets/total assets	84.68	52.84	83.63	89.23	79.54	74.25	17.93	24.55	56.78	63.23	110.18	122.63
Impaired loans/gross loans	3.61	3.25	3.83	1.41	13.57	8.54	50.18	40.90	30.39	9.87	2.23	2.62
Growth of total assets	-31.14	13.52	18.04	5.17	13.70	-5.79	8.66	-1.39	-11.23	-1.21	17.53	11.04
Loans/customer deposits	149.42	109.53	211.97	348.00	70.24	69.83	36.62	37.87	327.23	362.56	191.99	523.79

Peers (left to right): Arap Turk Bankasi A.S., Fimbank Plc, Trade Bank of Iraq, Banca UBAE S.p.A., Union de Banques Arabes et Francaises - U.B.A.F.
Source: Fitch Ratings; bank data

Banque de Commerce et de Placements SA
Income Statement

	31 Dec 2018 Year End CHFm Audited - Unqualified	As % of Earning Assets	31 Dec 2017 Year End CHFm Audited - Unqualified	As % of Earning Assets	31 Dec 2016 Year End CHFm Audited - Unqualified	As % of Earning Assets	31 Dec 2015 Year End CHFm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	68.0	2.19	54.4	1.77	41.8	1.51	34.1	1.42
2. Other Interest Income	9.5	0.31	7.2	0.23	8.0	0.29	7.5	0.31
3. Dividend Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	**77.5**	**2.49**	**61.6**	**2.01**	**49.8**	**1.80**	**41.6**	**1.73**
5. Interest Expense on Customer Deposits	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Interest Expense	28.0	0.90	18.4	0.60	6.1	0.22	2.9	0.12
7. Total Interest Expense	**28.0**	**0.90**	**18.4**	**0.60**	**6.1**	**0.22**	**2.9**	**0.12**
8. Net Interest Income	**49.5**	**1.59**	**43.2**	**1.41**	**43.7**	**1.58**	**38.7**	**1.61**
9. Net Fees and Commissions	66.4	2.14	78.5	2.56	68.9	2.49	48.6	2.02
10. Net Gains (Losses) on Trading and Derivatives	(1.0)	(0.03)	4.9	0.16	5.4	0.20	10.3	0.43
11. Net Gains (Losses) on Assets and Liabilities at FV	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Gains (Losses) on Other Securities	0.3	0.01	0.4	0.01	0.2	0.01	0.2	0.01
13. Net Insurance Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Operating Income	(1.1)	(0.04)	0.2	0.01	(1.7)	(0.06)	0.0	0.00
15. Total Non-Interest Operating Income	**64.6**	**2.08**	**84.0**	**2.74**	**72.8**	**2.63**	**59.1**	**2.46**
16. Total Operating Income	**114.1**	**3.67**	**127.2**	**4.14**	**116.5**	**4.22**	**97.8**	**4.07**
17. Personnel Expenses	36.1	1.16	34.0	1.11	34.5	1.25	31.9	1.33
18. Other Operating Expenses	14.2	0.46	14.6	0.48	12.4	0.45	12.4	0.52
19. Total Non-Interest Expenses	**50.3**	**1.62**	**48.6**	**1.58**	**46.9**	**1.70**	**44.3**	**1.84**
20. Equity-accounted Profit/ Loss - Operating	n.a.	-	n.a.	-	n.a.	-	n.a.	-
21. Pre-Impairment Operating Profit	**63.8**	**2.05**	**78.6**	**2.56**	**69.6**	**2.52**	**53.5**	**2.22**
22. Loan Impairment Charge	15.8	0.51	36.3	1.18	2.1	0.08	8.8	0.37
23. Securities and Other Credit Impairment Charges	(1.4)	(0.05)	n.a.	-	(0.4)	(0.01)	n.a.	-
24. Operating Profit	**49.4**	**1.59**	**42.3**	**1.38**	**67.9**	**2.46**	**44.7**	**1.86**
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Goodwill Impairment	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Non-recurring Income	0.1	0.00	0.1	0.00	0.0	0.00	0.0	0.00
28. Non-recurring Expense	1.5	0.05	0.0	0.00	0.0	0.00	n.a.	-
29. Change in Fair Value of Own Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-
30. Other Non-operating Income and Expenses	(7.0)	(0.23)	(10.0)	(0.33)	(34.0)	(1.23)	(7.0)	(0.29)
31. Pre-tax Profit	**41.0**	**1.32**	**32.4**	**1.06**	**33.9**	**1.23**	**37.7**	**1.57**
32. Tax expense	9.4	0.30	3.1	0.10	5.4	0.20	13.5	0.56
33. Profit/Loss from Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Net Income	**31.6**	**1.02**	**29.3**	**0.95**	**28.5**	**1.03**	**24.2**	**1.01**
35. Change in Value of AFS Investments	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Revaluation of Fixed Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Currency Translation Differences	n.a.	-	n.a.	-	n.a.	-	n.a.	-
38. Remaining OCI Gains/(losses)	n.a.	-	n.a.	-	n.a.	-	n.a.	-
39. Fitch Comprehensive Income	**31.6**	**1.02**	**29.3**	**0.95**	**28.5**	**1.03**	**24.2**	**1.01**
40. Memo: Profit Allocation to Non-controlling Interests	n.a.	-	n.a.	-	n.a.	-	n.a.	-
41. Memo: Net Income after Allocation to Non-controlling Interests	31.6	1.02	29.3	0.95	28.5	1.03	24.2	1.01
42. Memo: Common Dividends Relating to the Period	10.0	0.32	10.0	0.33	10.0	0.36	9.0	0.37
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Exchange rate	USD1 = CHF0.9811		USD1 = CHF0.9758		USD1 = CHF1.0178		USD1 = CHF0.9921	

Banque de Commerce et de Placements SA
Balance Sheet

	31 Dec 2018 Year End CHFm	As % of Assets	31 Dec 2017 Year End CHFm	As % of Assets	31 Dec 2016 Year End CHFm	As % of Assets	31 Dec 2015 Year End CHFm	As % of Assets
Assets								
A. Loans								
1. Residential Mortgage Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	1,865.2	51.34	1,745.0	33.07	1,404.1	30.21	1,074.1	32.67
6. Less: Loan Loss Allowances	57.8	1.59	44.6	0.85	15.5	0.33	22.3	0.68
7. Net Loans	**1,807.4**	**49.75**	**1,700.4**	**32.23**	**1,388.6**	**29.88**	**1,051.8**	**31.99**
8. Gross Loans	**1,865.2**	**51.34**	**1,745.0**	**33.07**	**1,404.1**	**30.21**	**1,074.1**	**32.67**
9. Memo: Impaired Loans included above	67.4	1.86	56.7	1.07	16.2	0.35	22.3	0.68
10. Memo: Specific Loan Loss Allowances	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets								
1. Loans and Advances to Banks	992.3	27.31	1,100.2	20.85	1,135.6	24.43	1,122.1	34.13
2. Reverse Repos and Securities Borrowing	12.2	0.34	20.6	0.39	18.6	0.40	23.1	0.70
3. Derivatives	3.6	0.10	5.8	0.11	3.3	0.07	2.9	0.09
4. Trading Securities and at FV through Income	17.9	0.49	13.7	0.26	9.3	0.20	19.1	0.58
5. Securities at FV through OCI / Available for Sale	51.2	1.41	47.7	0.90	35.2	0.76	42.1	1.28
6. Securities at Amortised Cost / Held to Maturity	223.6	6.15	181.4	3.44	173.1	3.72	143.2	4.36
7. Other Securities	0.1	0.00	0.0	0.00	0.0	0.00	1.2	0.04
8. Total Securities	**292.8**	**8.06**	**242.8**	**4.60**	**217.6**	**4.68**	**205.6**	**6.25**
9. Memo: Government Securities included Above	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Memo: Total Securities Pledged	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Equity Investments in Associates	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	**3,108.3**	**85.56**	**3,069.8**	**58.19**	**2,763.7**	**59.46**	**2,405.5**	**73.17**
C. Non-Earning Assets								
1. Cash and Due From Banks	510.7	14.06	2,194.8	41.60	1,870.7	40.25	872.7	26.55
2. Memo: Mandatory Reserves included above	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	3.9	0.11	3.6	0.07	2.2	0.05	2.2	0.07
5. Goodwill	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Current Tax Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	10.0	0.28	7.7	0.15	11.1	0.24	7.2	0.22
11. Total Assets	**3,632.9**	**100.00**	**5,275.9**	**100.00**	**4,647.7**	**100.00**	**3,287.6**	**100.00**
Liabilities and Equity								
D. Interest-Bearing Liabilities								
1. Total Customer Deposits	1,248.3	34.36	1,593.2	30.20	1,903.1	40.95	930.7	28.31
2. Deposits from Banks	1,693.3	46.61	3,038.8	57.60	2,166.9	46.62	1,920.8	58.43
3. Repos and Securities Lending	138.6	3.82	123.9	2.35	74.8	1.61	n.a.	-
4. Commercial Paper and Short-term Borrowings	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Customer Deposits and Short-term Funding	**3,080.2**	**84.79**	**4,755.9**	**90.14**	**4,144.8**	**89.18**	**2,851.5**	**86.74**
6. Senior Unsecured Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Subordinated Borrowing	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Covered Bonds	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Long-term Funding	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Total LT Funding	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**
11. Memo: o/w matures in less than 1 year	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Total Funding	**3,080.2**	**84.79**	**4,755.9**	**90.14**	**4,144.8**	**89.18**	**2,851.5**	**86.74**
14. Derivatives	3.9	0.11	4.4	0.08	6.1	0.13	2.4	0.07
15. Total Funding and Derivatives	**3,084.1**	**84.89**	**4,760.3**	**90.23**	**4,150.9**	**89.31**	**2,853.9**	**86.81**
E. Non-Interest Bearing Liabilities								
1. Fair Value Portion of Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	17.6	0.48	19.1	0.36	24.2	0.52	26.1	0.79
4. Current Tax Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Deferred Tax Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Deferred Liabilities	23.3	0.64	16.9	0.32	22.7	0.49	n.a.	-
7. Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	0.5	0.01	0.8	0.02	0.4	0.01	11.6	0.35
10. Total Liabilities	**3,125.5**	**86.03**	**4,797.1**	**90.92**	**4,198.2**	**90.33**	**2,891.6**	**87.95**
F. Hybrid Capital								
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity								
1. Common Equity	507.4	13.97	478.8	9.08	449.5	9.67	396.0	12.05
2. Non-controlling Interest	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Total Equity	**507.4**	**13.97**	**478.8**	**9.08**	**449.5**	**9.67**	**396.0**	**12.05**
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as E	507.4	13.97	478.8	9.08	449.5	9.67	396.0	12.05
8. Total Liabilities and Equity	**3,632.9**	**100.00**	**5,275.9**	**100.00**	**4,647.7**	**100.00**	**3,287.6**	**100.00**
9. Memo: Fitch Core Capital	507.4	13.97	478.8	9.08	449.5	9.67	396.0	12.05
Exchange rate	USD1 = CHF0.9811		USD1 = CHF0.9758		USD1 = CHF1.0178		USD1 = CHF0.9921	

Banque de Commerce et de Placements SA
Summary Analytics

	31 Dec 2018 Year End	31 Dec 2017 Year End	31 Dec 2016 Year End	31 Dec 2015 Year End
A. Interest Ratios				
1. Interest Income/ Average Earning Assets	2.56	2.16	1.97	1.82
2. Interest Income on Loans/ Average Gross Loans	4.01	3.78	3.65	3.25
3. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	n.a.	n.a.	n.a.
4. Interest Expense/ Average Interest-bearing Liabilities	0.70	0.44	0.18	0.10
5. Net Interest Income/ Average Earning Assets	1.63	1.52	1.73	1.69
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.11	0.24	1.65	1.31
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.63	1.52	1.73	1.69
B. Other Operating Profitability Ratios				
1. Operating Profit/ Risk Weighted Assets	1.61	1.52	2.39	1.88
2. Non-Interest Expense/ Gross Revenues	44.08	38.21	40.26	45.30
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	22.57	46.18	2.44	16.45
4. Operating Profit/ Average Total Assets	1.09	0.90	1.80	1.38
5. Non-Interest Income/ Gross Revenues	56.62	66.04	62.49	60.43
6. Non-Interest Expense/ Average Total Assets	1.11	1.03	1.24	1.37
7. Pre-impairment Op. Profit/ Average Equity	12.94	16.90	16.78	13.94
8. Pre-impairment Op. Profit/ Average Total Assets	1.41	1.66	1.85	1.65
9. Operating Profit/ Average Equity	10.02	9.10	16.37	11.65
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	6.41	6.30	6.87	6.31
2. Net Income/ Average Total Assets	0.70	0.62	0.76	0.75
3. Fitch Comprehensive Income/ Average Total Equity	6.41	6.30	6.87	6.31
4. Fitch Comprehensive Income/ Average Total Assets	0.70	0.62	0.76	0.75
5. Taxes/ Pre-tax Profit	22.93	9.57	15.93	35.81
6. Net Income/ Risk Weighted Assets	1.03	1.05	1.01	1.02
D. Capitalization				
1. FCC/ FCC-Adjusted Risk Weighted Assets	16.49	17.18	15.85	16.67
2. Tangible Common Equity/ Tangible Assets	13.97	9.08	9.67	12.05
3. Equity/ Total Assets	13.97	9.08	9.67	12.05
4. Basel Leverage Ratio	n.a.	n.a.	8.20	n.a.
5. Common Equity Tier 1 Capital Ratio	14.80	15.70	14.80	15.40
6. Fully Loaded Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Tier 1 Capital Ratio	14.80	15.70	14.80	15.40
8. Total Capital Ratio	14.80	15.70	14.80	15.40
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	1.89	2.53	0.16	0.00
10. Impaired Loans less Loan Loss Allowances/ Equity	1.89	2.53	0.16	0.00
11. Cash Dividends Paid & Declared/ Net Income	31.65	34.13	35.09	37.19
12. Risk Weighted Assets/ Total Assets	84.68	52.84	61.02	72.24
13. Risk Weighted Assets - Standardised/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
14. Risk Weighted Assets - Advanced Method/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
E. Loan Quality				
1. Impaired Loans/ Gross Loans	3.61	3.25	1.15	2.08
2. Growth of Gross Loans	6.89	24.28	30.72	(10.42)
3. Loan Loss Allowances/ Impaired Loans	85.76	78.66	95.68	100.00
4. Loan Impairment Charges/ Average Gross Loans	0.93	2.52	0.18	0.84
5. Growth of Total Assets	(31.14)	13.52	41.37	22.73
6. Loan Loss Allowances/ Gross Loans	3.10	2.56	1.10	2.08
7. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	n.a.	n.a.
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	3.61	3.25	1.15	2.08
F. Funding and Liquidity				
1. Loans/ Customer Deposits	149.42	109.53	73.78	115.41
2. Liquidity Coverage Ratio	n.a.	98.50	103.00	n.a.
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids)	40.53	33.50	45.92	32.64
4. Interbank Assets/ Interbank Liabilities	58.60	36.21	52.41	58.42
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.
6. Growth of Total Customer Deposits	(21.65)	(16.28)	104.48	16.53

Banque de Commerce et de Placements SA
Reference Data

	31 Dec 2018 Year End CHFm	As % of Assets	31 Dec 2017 Year End CHFm	As % of Assets	31 Dec 2016 Year End CHFm	As % of Assets	31 Dec 2015 Year End CHFm	As % of Assets
A. Off-Balance Sheet Items								
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	378.3	10.41	239.5	4.54	210.8	4.54	80.2	2.44
4. Acceptances and documentary credits reported off-balance sheet	983.0	27.06	953.4	18.07	954.8	20.54	422.9	12.86
5. Committed Credit Lines	27.0	0.74	152.4	2.89	144.4	3.11	52.0	1.58
6. Other Contingent Liabilities	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
7. Other Off-Balance Sheet items	91.0	2.50	n.a.	-	n.a.	-	n.a.	-
8. Total Assets under Management	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet								
1. Average Loans	1,694.0	46.63	1,438.7	27.27	1,143.7	24.61	1,050.5	31.95
2. Average Earning Assets	3,033.1	83.49	2,847.4	53.97	2,527.2	54.38	2,283.9	69.47
3. Average Total Assets	4,517.3	124.34	4,723.6	89.53	3,770.1	81.12	3,240.8	98.58
4. Average Managed Securitized Assets (OBS)	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Average Interest-Bearing Liabilities	3,979.1	109.53	4,211.2	79.82	3,309.6	71.21	2,821.7	85.83
6. Average Common equity	493.0	13.57	465.0	8.81	414.7	8.92	383.7	11.67
7. Average Equity	493.0	13.57	465.0	8.81	414.7	8.92	383.7	11.67
8. Average Customer Deposits	1,323.2	36.42	1,534.8	29.09	1,377.6	29.64	875.6	26.63
C. Maturities								
Asset Maturities:								
Loans & Advances < 3 months	1,772.5	48.79	n.a.	-	1,330.6	28.63	1,002.3	30.49
Loans & Advances 3 - 12 Months	34.8	0.96	n.a.	-	57.8	1.24	49.4	1.50
Loans and Advances 1 - 5 Years	0.1	0.00	n.a.	-	0.2	0.00	0.1	0.00
Loans & Advances > 5 years	0.0	0.00	n.a.	-	0.0	0.00	n.a.	-
Debt Securities < 3 Months	n.a.	-	n.a.	-	n.a.	-	9.5	0.29
Debt Securities 3 - 12 Months	n.a.	-	n.a.	-	n.a.	-	30.7	0.93
Debt Securities 1 - 5 Years	n.a.	-	n.a.	-	n.a.	-	132.4	4.03
Debt Securities > 5 Years	n.a.	-	n.a.	-	n.a.	-	37.0	1.13
Loans & Advances to Banks < 3 Months	868.6	23.91	n.a.	-	906.7	19.51	984.2	29.94
Loans & Advances to Banks 3 - 12 Months	123.7	3.40	n.a.	-	228.9	4.93	137.9	4.19
Loans & Advances to Banks 1 - 5 Years	0.0	0.00	n.a.	-	0.0	0.00	n.a.	-
Loans & Advances to Banks > 5 Years	0.0	0.00	n.a.	-	0.0	0.00	n.a.	-
Liability Maturities:								
Retail Deposits < 3 months	1,131.4	31.14	n.a.	-	1,756.6	37.80	872.2	26.53
Retail Deposits 3 - 12 Months	74.9	2.06	n.a.	-	102.7	2.21	50.6	1.54
Retail Deposits 1 - 5 Years	42.0	1.16	n.a.	-	43.8	0.94	7.9	0.24
Retail Deposits > 5 Years	0.0	0.00	n.a.	-	0.0	0.00	n.a.	-
Other Deposits < 3 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	1,449.0	39.89	n.a.	-	2,108.4	45.36	1,900.7	57.81
Deposits from Banks 3 - 12 Months	237.6	6.54	n.a.	-	58.5	1.26	20.1	0.61
Deposits from Banks 1 - 5 Years	6.7	0.18	n.a.	-	0.0	0.00	n.a.	-
Deposits from Banks > 5 Years	0.0	0.00	n.a.	-	0.0	0.00	n.a.	-
Senior Debt Maturing < 3 months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1- 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**
Fair Value Portion of Senior Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1- 5 Year	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**
Fair Value Portion of Subordinated Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets								
1. Risk Weighted Assets	3,076.4	84.68	2,787.6	52.84	2,835.8	61.02	2,374.9	72.24
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Asse	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	**3,076.4**	**84.68**	**2,787.6**	**52.84**	**2,835.8**	**61.02**	**2,374.9**	**72.24**
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	**3,076.4**	**84.68**	**2,787.6**	**52.84**	**2,835.8**	**61.02**	**2,374.9**	**72.24**
E. Fitch Core Capital Reconciliation								
1. Total Equity as reported (including non-controlling interests)	507.4	13.97	478.8	9.08	449.5	9.67	396.0	12.05
2. Fair-value adjustments relating to own credit risk on debt issued	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
6. Deferred tax assets deduction	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
7. Net asset value of insurance subsidiaries	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fund for general banking risks if not already included and readily convertible into equit	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Core Capital	**507.4**	**13.97**	**478.8**	**9.08**	**449.5**	**9.67**	**396.0**	**12.05**
Exchange Rate	USD1 = CHF0.9811		USD1 = CHF0.9758		USD1 = CHF1.0178		USD1 = CHF0.9921	

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.