FONDATION GENÈVE PLACE FINANCIÈRE

GENEVA FINANCIAL CENTER

ANNUAL REPORT

2020

The Geneva Financial Center

Established in 1991 by the 80 banks that were members of the Geneva Stock Exchange, the Geneva Financial Center (GFC) is the city's umbrella association for this sector, which generates 35,600 jobs and accounts for 13% of Geneva's GDP. It is based on three pillars: private and institutional wealth management, commodity trade financing, and commercial and retail banking. Few financial centers offer such a wide range of talent and such a dense network of finance-related activities: international lawyers, insurance and inspection companies, audit firms and shipping companies. This chain of expertise is instrumental in attracting numerous multinationals. The Geneva Financial Center cluster is unrivalled anywhere in the world. Its mission is to develop an optimal business environment for all the financial center's partners.

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Message from the President

May the financial center emerge stronger from the Covid-19 pandemic!

This activity report provides an overview of the main issues that were addressed by the Geneva Financial Center in the past 12 months.

Last year's most noteworthy event will surely be the impact of the Covid-19 pandemic (see page 7). It has affected all aspects of banking and financial sector activity. In the commercial banking and lending field, we saw an unprecedented mobilisation of the banks with the Covid-19 credits programme guaranteed by the Swiss federal government. A statistical balance sheet can be drawn up for Switzerland as a whole: over 136,000 SMEs, or one in five, made use of these measures. And more than CHF 8 out of 10 credits were granted to small and very small enterprises. The total volume of funds made available stands at CHF 16.8 billion. In Geneva, the amount paid out for this purpose apparently exceeded CHF 1 billion. In other words, the banking institutions rose to the challenge and responded to the applications made by their client enterprises.

With regard to private and institutional wealth management, financial intermediaries were faced with extremely volatile markets during the pandemic. Between late February and mid-March 2020, equity markets fell by around 30%. There has been a strong recovery since mid-April. The banks, independent managers and asset managers have had to meet the expectations of a highly destabilised local and international clientele. As the economic survey conducted by the GFC (see page 5) shows, the Geneva establishments benefited from strong net inflows into money market funds, a trend that was confirmed in the quarterly and later in the annual results published by the banks based in Geneva. These net inflows into money market funds largely come from foreign clients, thereby demonstrating the attractiveness of the Geneva Center in an international comparison, especially in troubled times.

The organisation of the banks was also affected. The introduction of remote working was implemented in record time and on a large scale, since this measure affected as many as 80% of all teams. Such an exercise required substantial resources in terms of human capital, technological solutions and support, not to mention concerns about data security. Clients also had to familiarise themselves with these new technologies at a time when travel was no longer possible. At this point tribute should be paid to the staff who rapidly implemented these measures while the financial markets were suffering from severe turbulence and tens of thousands of applications for Covid-19 credits from companies had to be processed.

The importance of bilateral relations with the EU

The aforementioned factors show that the financial center proved to be exceptionally resilient and is well placed to surmount the current difficulties. The SNB takes the view that Swiss banks in general benefit from strong equity capital, which enables them to address the heightened risks of economic collapse caused by the pandemic. The rating agency Standard & Poor's comes to the same conclusion.

However, if the banking and financial sector is to continue playing this leading role when we emerge from the crisis, the political, legal and fiscal background must be favourable. In particular, this requires progress in the bilateral relations with the European Union (see page 14). The EU is a key market for Swiss wealth management since almost 40% of the private assets managed on a cross-border basis from Switzerland originate from EU Member States, representing assets of more than CHF 1,000 billion. On September 27, 2020, optimism prevailed in the aftermath of the clear rejection by the Swiss people of the "initiative for moderate immigration" (see page. 14). Unfortunately, this vote did not suffice to give new impetus to the discussions with a view to the signing of the Institutional Agreement negotiated with Brussels (see page 14). On May 26, 2021, the Geneva Financial Center noted with regret the Federal Council's

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President

decision not to sign this Agreement. In the future, it will be essential to stabilise and strengthen bilateral relations with the EU. Particular account must be taken of the financial sector's concerns over access to the market. In this context, it would be fundamentally incorrect to think that the United Kingdom might benefit to a greater extent than Switzerland from its agreement on Brexit. This treaty does not cover financial services. These will be the subject of separate negotiations which are a long way from completion at this stage. In other words, the City operators have lost the European passport which enabled them to provide their services to EU clients from London with no restrictions whatsoever. Their fate is therefore no more enviable than that of their Swiss counterparts (see page 14).

Sustainable finance: an adequate framework for a rapidly expanding center of excellence

The financial center's success obviously does not depend solely on harmonious relations with our big European neighbour. Measures taken internally can also accelerate the growth of innovative areas of banking and financial activities. The latest figures published by Swiss Sustainable Finance (SSF) show that the attraction of sustainable finance is not flagging (see page 17). In 2020, assets managed according to sustainability criteria attained 1,520 billion, 31% up on the previous financial year. In order to meet an increasingly growing demand and redirect financial flows towards a more sustainable economic model, the banks, asset managers and independent managers have developed various strategies.

These cutting-edge skills must be accompanied by a regulatory and fiscal framework to achieve the maximum impact. For example, to strengthen the attractiveness of Geneva and Switzerland as a center for issuing and trading green bonds, withholding tax (see page 12) and stamp duty (see page 12) cannot continue in their present form. They are insurmountable obstacles to the growth of the sustainable capital market in our country. This is why the reform of these two taxes initiated several years previously, but delayed on many pretexts, must be concluded at long last. Published on April 21, 2021, the Federal Council's Dispatch is clearly a step in the right direction.

The CO_2 Act (see page 10) is also an integral part of this landscape of incentives. This legislation focuses on a combination of financial incentives, investments, innovations and new technologies. The Act gives every enterprise the opportunity of reconciling economic efficiency and climate protection. Through the Climate Fund, it also aims to redirect capital flows towards greater sustainability. The Swiss people will decide the future of this legislation when they vote on June 13, 2021.

In conclusion, the Swiss and Geneva Financial Center has been able to retain the confidence of its local and international clientele, despite all the problems posed by the Covid-19 pandemic. For it to continue to merit that trust, it will have to build on its acquired experience, but also innovate constantly in technology and sustainable finance in order to be able to respond to the new challenges. The firm commitment of the authorities will also be vital to establish rules for our country that do not coerce but are competitive and provide incentives. Last but not least, the banking and financial institutions would be nothing without their employees, who provided awe-inspiring proof of this during the crisis.

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The Current Economic Situation

The Geneva Financial Center has been conducting an economic survey of banks and independent managers in the Center since 2002. The results obtained reflect their opinions and perception of the progress of their business environment and the outlook for the financial center.
The outcomes of the 2020-2021 economic survey show that financial intermediaries remain a resilient pillar of the Geneva economy, contributing over 13% of cantonal GDP, in the face of a challenging situation which is putting pressure on their margins.

After a difficult first half, which saw the net profit of a majority of banks and wealth managers decline, the second half of 2020 benefited from a return to profitability, in particular with more assets under management. A number of factors explain this difficult start to the year. Firstly, increased pressure on margins, negative interest rates and slightly higher costs impacted the profitability of financial players. Secondly, the results for the first six months suffered from market volatility and the concern of the majority of clients who were destabilised by the sudden emergence of the Covid-19 pandemic and the uncertainties over its progression.

In wealth management, one of the three pillars of the Geneva Financial Center, alongside commercial and retail banking and commodity trade finance, several rising indicators confirm the dynamism and attractiveness of the Financial Center. The market share figures for cross-border private wealth management published regularly by the Boston Consulting Group emphasise Switzerland's importance in this sector. Despite an increasingly competitive environment, the Swiss Financial Center retains its leadership position with a market share of 25%. The increase in net fund inflows in the first half of 2020 is a sure sign of renewed confidence, with the Middle East and Asia remaining key geographical areas. Conversely, Europe is still the most complex market and is becoming less attractive.

Against this background, whether it is for private or institutional wealth management, access to the European market remains a strategic priority to maintain jobs, especially front-line jobs, on Swiss territory. In fact, Luxembourg continues to be seen as the preferred destination when activities are transferred abroad. All eyes are therefore on the Federal Council and the European Union whose discussions will determine whether progress can be made on the issue of market access (see page 14).

When it comes to employment, the news is reassuring. Operators in the banking sector employed 17,366 persons at the end of 2020, compared with 18,342 at the end of 2017, a fall of 5.3%. The financial center in the wider sense generated 35,617 jobs in the same period. This figure is marginally higher than in 2017, when there were 35,582 jobs. These statistics reflect the enormous resilience of the Geneva financial center. They also show that there is a direct relationship between the banking sector and the financial sector in the wider sense. The majority of employees who

The efforts made to meet the needs of clients who are becoming increasingly aware of sustainability will determine the future attractiveness of the financial center

Pandemic and financial center: national mobilisation is crucial

had unfortunately lost their jobs in banking have managed to find new employment with another company in the financial ecosystem.

More specifically, IT technology has seen its staff numbers increase in response to the digitisation of the financial sector. This demonstrates the commitment and investments made by financial players to complete the digital transition.

In the economic survey, the banks and independent wealth managers view these results with humility. They are cautious in 2021 because of the uncertain outlook in the wake of the Covid-19 pandemic and the market volatility that is likely to impact employment as well as profitability. In the wealth management sector, the efforts made for some years to meet the needs of clients who are becoming increasingly aware of sustainability will play a key role. The ongoing search for investment solutions in line with climate change consequently remains a key concern (see page 17).

The 2020-2021 economic survey leads to the following conclusion: the financial center is one of the sectors which have weathered the storm in 2020 most successfully. This finding is based on several factors. Firstly, as the Swiss National Bank (SNB) points out, Swiss banks are well endowed with equity, which enables them to manage the greater risks resulting from economic difficulties associated with the pandemic. In addition, the financial center has a good reputation abroad which helps reassure foreign investors. Lastly, due to its budgetary rigour, Switzerland enjoys robust financial health for which other countries envy us.

A KPMG study completed in July 2020, entitled "Clarity on Swiss Taxes, Securing Switzerland's attractiveness as a business location" provides a key insight into an assessment of the factors which might enable Switzerland and Geneva to emerge from the crisis less painfully. KPMG reviews the dimensions which contribute to the overall attractiveness of an economic centre. A democratic system, open markets, flexible employment contract legislation and legal certainty are some of the factors that fall into this category. Switzerland's highly developed innovation capability and its ability to attract talent are other central factors. This survey underlines the great flexibility shown by our country in responding to pressures for change.

This snapshot of the Geneva financial ecosystem taken in the summer of 2020 is particularly important in view of the impact of the Covid-19 pandemic on the economy. Some Swiss companies were shut down for many weeks and even months. In this context, the strength of the financial sector plays a vital role in the implementation of the economic policy measures decided by the Swiss federal government.

The Covid-19 credits programme devised by the Swiss federal government and the banks during the first wave of the pandemic came into effect in March 2020, on the basis of an emergency ordinance, and came to an end in late July 2020. The participating banks granted more than 136,000 Covid-19 credits throughout Swiss territory, with a total volume of just under CHF 17 billion. The branch thus made a substantial contribution to supporting SMEs that were confronted with a cash shortfall because of the pandemic.

On December 19, 2020, this emergency ordinance was transposed into ordinary law in the Covid-19 Joint and Several Guarantee Act. Unfortunately, this legislation has been contested by a referendum, which the Swiss people will be called on to decide on June 13, 2021.

In 2020, the financial sector has demonstrated its ability to mobilise to meet the needs of the economy and the Swiss population by cooperating closely with the Swiss federal government, FINMA, the SNB and politicians to deal with an unprecedented health and economic crisis.

3

Framework Conditions

1. Regulations during the COVID-19 Pandemic

The Coronavirus pandemic has had a direct impact on regulations governing the banking and financial sector. The Federal Council, SNB and FINMA have all had to intervene in this tense environment.

Federal Council COVID-19 Joint and Several Guarantee Ordinance

On March 25, 2020, the Government enacted an Ordinance designed to give enterprises rapid and unbureaucratic access to bank credits enabling them to cover their overheads despite substantial income shortfalls. The four guarantee agencies recognised by the Swiss federal government were asked to provide collateral in the form of joint and several guarantees to the banks which lent money to enterprises.

Two different procedures have been established for granting COVID-19 credits, depending on the amount requested.

- Credits of up to CHF 500,000 (COVID-19 credit)
- Credits of between CHF 500,000 and CHF 20 million (COVID-19 PLUS credit)

An initial total allocation of CHF 20 billion was released on March 26 and subsequently raised to CHF 40 billion on April 3, 2020.

The deadline for the credit applications expired on July 31, 2020. The total volume of funds granted totalled CHF 16.8 billion; more than 136,000 SMEs made use of this measure.

COVID-19 Joint and Several Guarantee Act

The Dispatch issued by the Federal Council on the COVID-19 Joint and Several Guarantee Act was published on September 18, 2020. The purpose of this text was to transpose into an ordinary law the COVID-19 Joint and Several Guarantee Ordinance that had been adopted by the Federal Council on March 25, 2020.

In December 2020, Parliament adopted this law without making any major changes with regard to the aforementioned ordinance. It merely extended the repayment period, which was increased from five to eight years.

Unfortunately, a referendum was launched against this legislation and the Swiss people will be asked to decide on this matter on June 13, 2021. It is to be hoped that this referendum will be rejected. Otherwise, the law would cease to apply in September 2021, thereby leaving a legal vacuum which would take months to fill. Such a scenario would jeopardise numerous jobs as well as emergency assistance.

FINMA: Exemptions for supervised institutions due to the COVID-19 crisis

At the same time, FINMA temporarily relaxed a number of rules on the debt ratio, risk spreading and identity checks based on the Anti-Money Laundering Act (AMLA).

FINMA: 2020 Risk Monitor

On November 11, 2020, FINMA published its 2020 Risk Monitor. The main feature this year was the COVID-19 pandemic which placed the financial system under severe pressure. This created new risks for the Swiss financial institutions. Hence, the supervisory authority considers that the recurring turbulence observed on the market and the resulting decline in liquidity present a significant short-term risk for the financial institutions. Moreover, the pandemic occasionally exacerbated existing risks. The default risk or changes made to loans granted to companies and corporate borrowings abroad will be added to the list of major risks identified by FINMA.

With regard to climate risk monitoring, readers are referred to the section on “Regulation and sustainable finance” below.

Deferred implementation of the final Basel III standards

On March 27, 2020, the Group of Central Bank Governors and Heads of Supervision (GHOS) decided to postpone the implementation of the final Basel III standards for one year, until January 1, 2023. The aim of this postponement is to enable the banks and regulators to address the immediate priorities relating to the impact of the COVID-19 pandemic on the banking system.

Framework Conditions

2. For a Competitive Legal and Regulatory Framework

Financial Services Act (FinSA) and Financial Institutions Act (FinIA)

On October 28, 2020, FINMA announced that the phase of implementing the institutional conditions required for the application of FinSA and FinIA had ended.

The supervisory authority approved the dossiers of five Supervisory Organisations (SO) which are authorised to supervise independent wealth managers and trustees. The latter have until the end of 2022 to obtain a licence from FINMA, which is conditional upon their affiliation to an SO. It is specified that as at June 30, 2020, 1,934 wealth managers and 272 trustees had expressed an interest in obtaining a licence.

FINMA also approved the applications by three registration bodies for client advisers. These bodies must ascertain whether registered advisers have the requisite qualifications and advanced training.

In addition, market players have access to two inspection bodies for the preliminary verification of their prospectuses.

Lastly, the Federal Department of Finance (FDF) has recognised four mediation providers in view of the fact that the SBA ombudsman is reserved for its own members.

Deposit guarantee - Insolvency law - Segregation of intermediated securities

On June 16, 2020, the Federal Council adopted the Dispatch on a partial review of the Banking Act following a consultation procedure conducted between March and June 2019.

This draft text focuses on deposit guarantees. It stipulates that the time limit set for esisuisse to pay funds to the liquidator will be cut from 20 to 7 days. A further 7-day time limit will apply to payment of the guaranteed sum to depositors by the liquidator. The financing method will be changed as well. Instead of the additional liquidities that are currently required, the banks shall be required to hold on a permanent basis with a reliable sub-custodian first-class securities that can easily be sold or an amount of cash in Swiss francs equivalent to one half of the contributions that they are required to pay. Lastly, the maximum commitment will equate to 1.6% of the total guaranteed deposits, but at least CHF 6 billion.

The reform in question also applies to two other fields, the first being insolvency law in connection with restructuring plans and, secondly, the obligation imposed upon the banks to hold client securities separately from their own securities (segregation).

The National Council approved this draft at its session in March 2021. The Council of States will be asked to deliver its opinion at its session in summer 2021. If the draft is adopted by the two Chambers, it will enter into force in 2022 at the earliest.

Post Organisation Act (POA)

On June 5, 2020, the Federal Council opened a consultation procedure on a partial review of the POA. The purpose of this reform is to authorise PostFinance to grant mortgages and other forms of credit. There are also plans to partially privatise PostFinance.

The main arguments put forward against the proposal by right-wing politicians and business circles, including the SBA, are as follows:

- The fundamental question is to determine how to finance this universal service. The response must be found in the Confederation's budget and not by allowing a State-owned enterprise to intervene on private markets.
- The imposition of a new semi-state player on a market that is already highly competitive would not result in an improvement. On a market such as real estate and mortgages, knowledge of the field is essential. Otherwise, the risk-taking may prove to be disproportionate. The Swiss Post Office currently has no experience or operational expertise in lending practices.
- Lastly, there would be a distortion of competition on the French-speaking Swiss market where, unlike PostFinance, BCGE and BCV no longer benefit from a State guarantee.

On January 20, 2021, the Federal Council announced that it intended to privatise a majority stake in PostFinance to address the criticism expressed during the consultation procedure. This decision encountered stiff opposition from the left-wing parties and trade unions.

Regulation and technological change

Distributed ledger technology (DLT)

On September 25, 2020, the Federal Assembly unanimously adopted the Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology. This legislation is designed as a single amending act which includes changes to nine federal laws, involving both civil law and financial markets law.

The aim is to adapt the law regulating the securities market to provide a legal basis for trading rights through electronic ledgers. This involves amending the law on intermediated securities to specify the link with the new type of securities. The law also regulates the issue related to claiming cryptoassets in the event of bankruptcy.

In October 2020, the Federal Department of Finance (FDF) initiated a consultation procedure that will run until February 2, 2021, on the Ordinance that is designed to transpose the amendments contained in the aforementioned Act.

Electronic Identity Act

At the end of September 2019, the Federal Assembly adopted the Electronic Identity Act in a final vote. The principle of task-sharing between the State and private suppliers was approved: an "e-ID" may be provided by private companies which will, however, be authorised and inspected by an independent commission. The Swiss federal government will not intervene unless the private sector is unable to guarantee a secure system. Its role is therefore subsidiary.

This Act was contested in a referendum and put to the people on March 7, 2021. 64.4% of citizens voted against this legislation. It was opposed by all the cantons.

On March 10, 2021, the parties represented in Parliament tabled a motion entitled: "The State must implement reliable electronic identification". The State is asked to propose an e-ID that enables people to identify themselves for the online services provided by the authorities and private players.

Data protection

In the final vote during the session in autumn 2020, the Federal Assembly adopted the comprehensive reform of the Data Protection Act after resolving the last remaining controversy over the concept of high-risk profiling.

This decision was welcomed in business circles. However, they stressed the need for Swiss law to follow the European rules set out in the General Data Protection Regulation (GDPR) and avoid any "Swiss Finish".

The EU has yet to make a decision acknowledging the adequacy of Swiss law on this subject. This decision, which should have been made in May 2020, has been postponed.

On data protection, "economic circles have always stressed the need for Swiss law to follow European rules and avoid any Swiss Finish"

Regulation and sustainable finance

EU action plan for the development of sustainable finance

On March 8, 2018, the European Commission published its action plan for the development of sustainable finance. The aims are to redirect capital flows towards a more sustainable economy, integrate sustainability into risk management, and facilitate transparency and sustainable investments.

The technical experts group set up by the Commission completed its report on European taxonomy on March 9, 2020; this is designed to enable investors to determine which activities are regarded as sustainable from the environmental perspective. On April 21, 2021, the Commission published a package of measures intended to define its aims in this field.

Moreover, Swiss financial intermediaries and asset managers, in particular, had to do a considerable amount of work by March 10, 2021, to classify their products in line with the sustainability-related disclosure requirements set out in the "EU Sustainable Finance Disclosure Regulation" (SFDR). These provisions apply to all financial products intended for final investors who reside in the EU.

Report and guidelines of the Federal Council

On June 26, 2020, the Federal Council published a Report and Guidelines on Sustainable Development in the Financial Sector. The Report expresses an ambition shared by the branch to make Switzerland "a leading global center for sustainable financial services". The Government therefore sets out a general framework which it leaves to the players in the branch to define in detail, in accordance with the subsidiarity principle.

On December 11, 2020, the Government adopted concrete measures to improve transparency, strengthen risk analysis, and develop Switzerland's commitment at international level. Moreover, on January 12, 2021, it stated that all Swiss enterprises must provide financial information about their climate risks based on the TCFD (Task Force on Climate-related Financial Disclosures) standard.

FINMA Climate Risk monitor

For the record, on December 10, 2019, FINMA published its first Risk monitor. Among long-term risks, the supervisory authority identifies in particular climate risks. In its opinion, these risks may be placed in two categories: physical risks and transition risks. Physical risks relate to the threat of ever more disasters as well as the costs to the economy caused by natural disasters and gradual climate change. Transition risks are the result of environmental policy measures or disruptive technology.

On June 26, 2020, following the Federal Council's Report, FINMA specified the various aspects of its approach in the area of climate risk management, protection against the risks of greenwashing and the publication of climate-related financial risks.

Publications by the SBA, SFAMA and SSF

On June 4, 2020, the Swiss Bankers Association (SBA) published a brochure entitled "Sustainable finance: Switzerland is a pioneer and a leading international player". It also published a "Guide for the integration of ESG factors into the process of advising private clients".

On June 16, 2020, the Swiss Funds and Asset Management Association (SFAMA) and Swiss Sustainable Finance (SSF) jointly published a document entitled "Sustainable asset management: key messages and recommendations of SFAMA and SSF".

CO_2 Act

On September 23, 2020, the Federal Assembly finalised the new CO_2 Act, which introduces many incentives to reduce greenhouse gas emissions in line with the Paris Climate Agreement signed in 2015. Three quarters of CO_2 reductions will have to be achieved in Switzerland and the rest abroad.

> **The Swiss Financial Center plays a leading role in the international context and favours the development of sustainable finance**

Apart from the tax on private jet flights, the reform introduces a tax on airline tickets. There is an increase in the price of fuel oil and petrol. The law also provides for the creation of the Climate Fund with a view to encouraging measures to prevent global warming.

FINMA and the SNB will have to measure the climate-related financial risks at regular intervals. The new law does not impose any other obligations on banking and financial institutions.

The referendum against this law will be held together with the vote scheduled for June 13, 2021. The SBA, economiesuisse and the Geneva Financial Center (GFC) have already declared their support for this legislation.

European legislation: AIFM Directive

In August 2020, the European Securities and Markets Authority (ESMA) made proposals to the European Commission in the context of the reform of the AIFM (Alternative Investment Fund Managers) Directive. These suggestions refer in particular to the limitation of delegation, clarification of the concept of reverse solicitation, and the harmonisation of supervision of third country entities. A consultation on this Directive was held between October 22, 2020, and January 29, 2021.

This legislation is of considerable importance to the Swiss Financial Center insofar as it does not apply solely within the EU, but also to fund managers based outside the EU. An overly stringent restriction of the possibility of delegating to managers domiciled in third countries is obviously not desirable.

Responsible multinationals initiative

On November 29, 2020, Swiss citizens expressed their opinion on the popular initiative for "responsible enterprises"; this required Swiss enterprises to respect human rights and environmental standards in their activities abroad. This initiative was adopted by the people by a narrow majority of 50.7%. However, it was rejected by a majority of the cantons. As initiatives are required to secure a double majority, this result led to rejection of the initiative.

For business circles, including the Geneva Financial Center (GFC), the text of the initiative went way too far, as it applied to all the companies based in Switzerland and in particular the numerous exporting SMEs which are the pillars of our economy. In addition, the initiative disproportionately extended the responsibility of Swiss enterprises and provided for a reversal of the burden of proof. Lastly, the Swiss courts would have been called upon to resolve disputes in accordance with Swiss law, even if the alleged acts had taken place abroad, at the other end of the world.

It should also be recalled that, in June 2020, the Federal Assembly adopted an indirect counter-proposal which will come into effect following the rejection of the initiative. This counter-proposal sets out obligations of transparency in all business relationships and additional specific due diligence in connection with trade in certain metals, including gold.

On April 14, 2021, the Federal Council initiated a consultation lasting until July 14, 2021, on the provisions for implementing the indirect counter-proposal.

Prevention of money laundering and financing of terrorism

Third Enhanced Follow-up Report on Switzerland by the FATF

Following the publication of the enhanced follow-up report by the FATF in January 2020, Switzerland continued to implement measures designed to fill certain gaps. However, our country is regarded as "compliant" or "broadly compliant" on the great majority of the 40 Recommendations. It is deemed to be "partially compliant" on just 5 Recommendations.

Strengthening the fight against terrorism

In September 2020, the Federal Assembly adopted two sets of measures to strengthen the fight against terrorism.

Firstly, new criminal law provisions (Art. 260 ter and 260 sexies of the Swiss Criminal Code) which punish recruitment, training and travel for the purpose of terrorist acts and related financing activities. The Federal Council decided that these new provisions would come into effect on July 1, 2021.

The second section targets individuals who pose a threat, but against whom criminal proceedings cannot be initiated. These persons may be prohibited from entering certain places and required to report to a police station at specified times. Potentially dangerous persons may also be placed under house arrest.

This aspect, which is incorporated in the Federal Act on Police Measures to Combat Terrorism, was opposed in a referendum and will be put to the people's vote on June 13, 2021. Some people regard these rules as an attack on fundamental rights and personal freedoms.

Amendment of the Anti-Money Laundering Act (AMLA)

After turbulent debates, the Federal Assembly finally adopted the revised Anti-Money Laundering Act (AMLA) in March 2021.

The reform contains the following main elements:

- The right to notify will be retained. The distinction between the right and the obligation to notify will be defined in an ordinance.
- Financial intermediaries may terminate a business relationship if they do not receive a reply within 40 days after forwarding a notification to the MROS.
- Lastly, the proposal seeks to clarify the rules on the verification of beneficial owners' identities and on updating client information. The latter point merely codifies the practice followed by Swiss financial intermediaries. However, it is essential to ensure compliance by Switzerland with FATF recommendation No. 10.

However, Parliament refused to require persons providing services for companies or trusts (advisers) to comply with new due diligence obligations. They would have been subject to AMLA once they had become involved in the creation or administration of domiciliary companies or trusts, instead of being covered by this Act only if they transfer securities.

The Federal Assembly also refused to reduce the threshold of the due diligence obligations from CHF 100,000 to CHF 15,000 for cash transactions by traders in precious metals and precious stones.

Framework Conditions

3. For an Attractive Tax System

> **A reform of indirect taxation will create a dynamic that is likely to facilitate the development of new activities**

In Switzerland.

Reform of the Withholding Tax Act

For the record, the Federal Council held a consultation procedure until July 2020 on a proposed withholding tax reform. The purpose of this approach is to strengthen the Swiss capital market and extend the guarantee function of this tax at national level.

The reform proposal comprises two key elements:

- exemption from withholding tax for Swiss interest-bearing investments made by legal entities domiciled in Switzerland and by foreign investors;
- extension of the withholding tax to interest received by natural persons domiciled in Switzerland on foreign securities, including indirect investments.

Implementation of these two core aspects requires the involvement of the paying agents, i.e. primarily the banks as only they know whether the account holders are Swiss residents or foreigners.

The Financial Center welcomed the aspect of the reform relating to an exemption for Swiss interest-bearing investments. However, it was not in favour of extending the guarantee role of this tax and emphasised that the cost of implementing this new system would be very high.

Having regard to the criticism voiced during the consultation, the Federal Council decided to amend its proposal. It published its Dispatch on April 15, 2021. The reform now provides for the maintenance of withholding tax on interest on assets held at banks by natural persons in Switzerland, while abolishing the tax on all other types of interest for all investors. Moreover, the Government withdrew the proposal to strengthen the guarantee function. It pointed out that in order to achieve this objective, a complex new deduction system would have to be established or banking secrecy in tax matters limited.

Stamp duty

For the record, at the end of 2009, the PLR political party group had already tabled an initiative for the phased abolition of stamp duty. The parliamentary debates were suspended, particularly because of the priority given to the corporate tax reform (RFFA).

This parliamentary initiative was subsequently divided into two draft texts. The first concerns the abolition of stamp duty on equity capital issues. This abolition is supported by the Federal Council in order to restore the neutrality of financing and help Swiss companies absorb the losses caused by the COVID-19 pandemic. On December 17, 2020, the National Council decided not to suspend its work on this subject. The Council of States will address this issue at its summer 2021 session.

The second aspect concerns the abolition of stamp duty on trading activities and on insurance premiums. In its opinion of November 18, 2020, the Federal Council proposed not to examine this draft text because of the financial implications which are estimated to total nearly CHF 2 billion. On December 16, 2020, the National Council decided to postpone the debate on this proposal in order to conduct a discussion at the same time as the debate on the withholding tax reform.

In its Dispatch of April 21, 2021, on the withholding tax reform (see above), the Federal Council proposed abolishing stamp duty on trading in Swiss bonds, which is an encouraging first step, but is not sufficient.

Popular Initiative "Less tax on salaries, equitable taxation of capital (99% initiative)"

Tabled by the Young Socialists, this popular initiative seeks to impose a 150% tax on proportions of capital income which exceed a specified amount. The draft does not define "proportions of capital income". According to its initiators, this would apply to interest (including rents), dividends and capital gains. The initiative would clearly end the partial taxation of dividends and introduce a private capital gains tax.

According to the initiators, exceptions would be allowed solely for rental value and second and third pillar incomes, but the text of the initiative does not specifically mention them. Nor does it comment on the threshold to be defined.

Endorsing the Government's opinion, both Chambers rejected this initiative by a large majority without putting forward a counter-proposal.

At international level

Implementation by Switzerland of the international standard for the automatic exchange of information (AEOI)

In February 2021, 115 States and territories undertook to implement the OECD standard for the automatic exchange of information (AEOI). In its report, published at the end of 2020, this Organisation had announced that in 2019 nearly 100 jurisdictions had exchanged information about 84 million accounts involving nearly 10,000 billion euros.

In September 2020, Switzerland sent information about over 3 million accounts to 86 countries. It received almost as much information itself. It should be added that at the beginning of 2021, Switzerland had activated the AEOI with 102 jurisdictions.

Taxation of digital services

In line with its road map of May 2019, in October 2020 the OECD published new documents that address the two sections designed to resolve the tax challenges raised by the digitisation of the economy:

- The first proposes to partially redistribute the rights to tax profits by transferring them from the producing countries to the market jurisdictions (1st pillar)
- The second seeks to establish a global minimum tax rate on corporate profits (2nd pillar).

The OECD was already banking on a rapid solution based on a "uniform approach" in 2020. However, the pandemic and the US Presidential election campaign slowed the pace of negotiations. The OECD now expects to complete the procedure in mid-2021. In the event of failure to reach full agreement, the member states have adopted a report which defines the overall framework of this reform. With regard to the minimum tax rate, a figure of 12.5% is mentioned. The OECD has initiated a public consultation on these proposals which will run until December 14, 2020.

In April 2021, the Biden Administration proposed introducing a global minimum corporate tax rate. This might help to enable negotiations within the OECD to be brought to a successful conclusion at the Rome Summit in October 2021.

Against this background, in September 2020, the National Council's Economic Affairs and Taxation Committee (CER-N) refused to act on the parliamentary initiative seeking to introduce a tax on sales in Switzerland by the Internet giants when the profits made in Switzerland are evidently not taxed there. In particular, the Committee took the view that, in the light of the ongoing international negotiations, a unilateral decision by Switzerland would be detrimental to its fiscal attractiveness.

At the end of 2020, the Socialist Group tabled a motion in each of the Chambers asking the Federal Council to prepare a draft designed to tax the digital economy unless the OECD negotiations were successfully completed by June 2021. In the spring of 2021, the Council of States referred this motion back to the Committee.

Framework Conditions

4. Relations with the European Union

Institutional agreement with the EU

For the record, in June 2019, the Federal Council stated that it did not intend to sign the institutional agreement as it stood and had written to the European Commission seeking clarification of the following three points: salary protection, the prohibition of State aid, and the EU Citizenship Directive.

On September 28, 2020, the President of the European Commission, Ursula von der Leyen, asked the Federal Council to expedite the conclusion of this agreement. Shortly afterwards, on October 13, 2020, the Federal Council replaced Secretary of State Roberto Balzaretti with Mrs Livia Leu as chief negotiator with the EU. On the same occasion, following the vote on the limiting initiative, the Government announced the resumption of discussions with Brussels on the settlement of outstanding points.

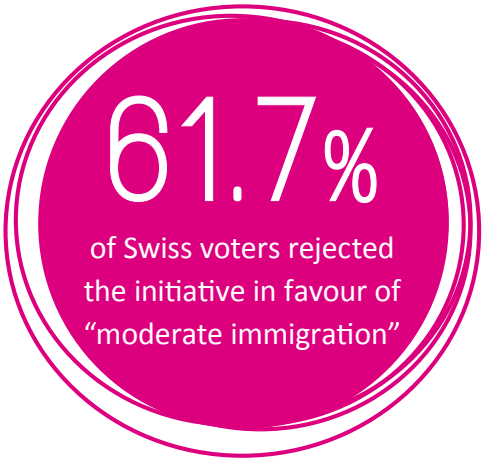
Unfortunately, the meeting held on April 23, 2021, in Brussels between the President of the Swiss Confederation, Guy Parmelin, and the President of the European Commission, Ursula von der Leyen, failed to break the deadlock.

On May 26, 2021, the Geneva Financial Center noted with regret the Federal Council's decision not to sign this Agreement. In the future, it will be essential to stabilise and strengthen bilateral relations with the EU, particularly in relation to access to the market for financial services.

It will be essential to stabilise and strengthen bilateral relations with the EU

Initiative against the bilateral agreements

On September 27, 2020, the Swiss people rejected by a clear majority of 61.7% the UDC initiative in favour of "moderate immigration" (limiting initiative). This legislation demanded the abolition of the agreement on freedom of movement of persons between Switzerland and the EU. Due to the guillotine clause, this initiative not only jeopardised the freedom of movement of persons, but also the provisions of Bilateral Agreements I.



Consequences of Brexit for Switzerland

After numerous twists and turns, the EU and the UK reached a trade and cooperation agreement in extremis on December 24, 2020. This treaty admittedly provides for the abolition of customs duties but restores border controls with effect from January 1, 2021, with import and export declarations required on both sides. Moreover, the treaty does not address financial services, which are to be the subject of separate negotiations. In the spring of 2021, a Memorandum of Understanding on this subject seems to have been concluded, but not yet signed. This document apparently has little substance beyond the creation of a discussion forum, in particular to settle matters of equivalence. For the UK financial center, this means that, as things stand, banks and financial intermediaries in the City have lost their European passport which allowed them to offer their services to clients in the EU from London without any restrictions.

As part of its "Mind the Gap" strategy, Switzerland has concluded a series of agreements with the United Kingdom to maintain the status quo in terms of bilateral relations with this important economic partner. Moreover, the two countries have expressed their intention to strengthen their financial relations on the basis of the concept of mutual recognition. The aim is to ensure mutual access to the market, which allows unobstructed cross-border services to be provided. Switzerland and the United Kingdom accordingly signed a joint declaration on June 30, 2020. The intention is to finalise the text of the agreement by the end of 2021, with a view to its formal conclusion in 2022.

4

Communication & Promotion

Media relations

On October 6, 2020, the Geneva Financial Center (GFC) invited representatives of the Swiss and foreign media to its traditional press conference.

This event was widely covered by the media. Three topics were of obvious interest to the journalists: the impact of the Covid-19 pandemic on the financial center (see page 7); the increasing commitment of financial players to sustainable finance (see page 17); the results of the 2020-2021 economic survey (see page 5) and, in particular, net new money growth in the first half of 2020.

These topics were presented by Yves Mirabaud (President), Laurent Ramsey (Vice-President) and Edouard Cuendet (Managing Director). On the subject of sustainable finance, the synergies between the GFC and the Swiss Bankers Association (SBA) were explained in the speech by Alexandre Roch, representing the SBA in Geneva. In June 2020, the bankers' umbrella association opened a branch in Geneva, which is hosted by the GFC and focuses on sustainable finance.

These four talks were underpinned by a common message. The banking sector remains a strong pillar of the economy and makes a decisive contribution to the GDP of the Canton of Geneva (13%). This is all the more remarkable as the duration of the crisis caused by the Coronavirus pandemic is uncertain in many respects Today, more than ever, measures must be taken to make the financial centre even more attractive and preserve jobs.

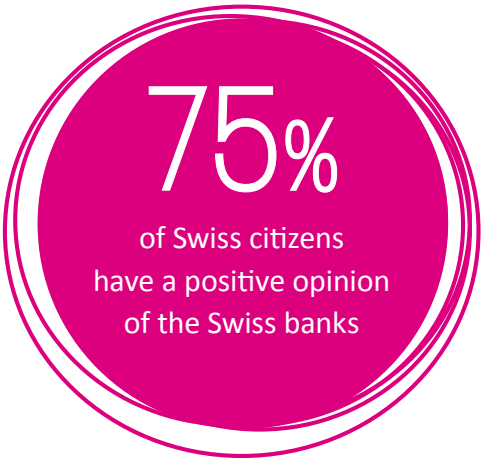
In this context, the need for a transition to a more resilient and sustainable economy is generally accepted in the Center, especially as Geneva occupies a unique position in sustainable finance.

After the crisis, the future of the Geneva financial center will be green", Bilan, 8 October 2020

2021 Survey about the banks in Switzerland

In May 2021, the Swiss Bankers Association (SBA) published its biennial opinion poll on the image of banks in Switzerland and topical banking issues. This survey, conducted by the gfs.bern research institute, provides a unique analysis of public opinion about the banking sector.

It shows that 75% of all Swiss citizens have a positive or very positive opinion of Swiss banks. That percentage has never been higher in the past 20 years. Moreover, 90% of respondents have a favourable opinion of their own bank. The qualities of the banking institutions that are mentioned include credibility, reliability and staff competence.



Sustainable finance

For the financial center, the priority is to redirect capital flows in order to meet the sustainable development targets set out in the Paris Climate Agreement or in the UN 2030 Agenda.

Against this background, the banking and financial players have largely included the ESG (environmental, social and governance) criteria in all their activities, from capital market investments to lending.

The figures published in June 2020 by Swiss Sustainable Finance (SSF) show that sustainable investments are not declining. In fact, they increased by 31% in 2020 to CHF 1,520 billion. Moreover, according to the 2021 opinion poll conducted by the SBA and referred to above, some two thirds of the Swiss population believe that the banks are actively committed to protecting the environment.

The involvement of financial intermediaries is undoubtedly necessary for sustainable asset allocation. However, that is not enough. Investors must become actively involved in this coordinated approach. In fact, banks, asset managers and independent managers all act on their clients' instructions. Whether the clients are individuals or institutional investors (pension funds), they must be able to make their investment decisions with full knowledge of the facts. They should be provided with sufficient information about the ESG profile of the products offered. At the end of the day, it is they who decide!

The overarching economic structures, just like politicians and the authorities, also have their role to play in channelling financial flows. In particular, they are responsible for establishing the legal and regulatory framework needed to accompany the transition. In accordance with the liberal tradition, which is a hallmark of Switzerland, these rules must create incentives and not impose requirements.

It is striking that within 15 days in June 2020, the umbrella associations of the financial center published important texts designed to position Switzerland as a key international center (see page 10).

The Swiss tax framework must also change in order to make Geneva and Switzerland more attractive as a center for issuing and trading green bonds (see page 12).

Lastly, the CO_2 Act is perfectly in line with this set of incentives (see page 10). This text focuses on a combination of financial incentives, investments, innovations and new technologies. The Act gives every enterprise the possibility of reconciling economic efficiency and climate protection. The Climate Fund, provided for by this Act, demonstrates the redirection of capital flows towards enhanced sustainability.

Sustainable finance: all roads lead to Geneva

Building Bridges

Geneva is emerging as a global leader in sustainable finance. Its unique ecosystem will mobilise, between November 29 and December 2, 2021, for the second annual "Building Bridges Week". As its name implies, this major event seeks to build bridges between the financial center and the international community, in particular with the specific aim of accelerating the funding of the United Nations' 17 Sustainable Development Goals (SDO).

This initiative will bring together the financial industry, international Geneva, and the federal, cantonal and municipal authorities around central themes such as access to data, their measurability, quality and the legal and regulatory framework. Such an approach must enable a standardised classification of financial products in accordance with the ESG criteria, thereby combating greenwashing. The obstacles stopping investors in search of sustainable investments and projects that require capital from establishing relationships will also be discussed. Lastly, potential synergies between the worlds of finance, development and technology will be explored in the search for sustainable innovations.


Carlos

5

Education & Training

Encouraging excellence

One of the keys to the success of the financial center is its ability to attract the finest talent. Finance is a key sector of activity for employment and for the Geneva economy because it generates over 35,000 jobs and contributes 13% to cantonal GDP. Behind these figures are employees who have built up exceptional expertise. According to the survey by the Swiss Bankers Association (SBA) published in May 2021 (see page 17), 95% of Swiss citizens consider bank employees to be competent. And 93% of respondents are of the opinion that training in the Swiss banking sector sets the Geneva financial center apart from its foreign competitors.

The crisis created by the Coronavirus pandemic emphasised this trend, especially in the fields of technological innovation. In 2020, the Swiss Financial Center was better able than any other elsewhere in the world to mobilise and deliver in good time the aid which SMEs desperately needed. Other countries and financial centers did not have this ability or entered into commitments which they were then slow to translate into concrete action. This result was made possible by the mobilisation of all available human resources simultaneously with the introduction of remote working. In the spring of 2020, weekend work was introduced to manage the massive inflow of applications for Covid-19 credits. In Geneva, the banks rose to the challenge by responding to the credit applications made by their client companies. This decentralised system, which is characteristic of Swiss federalism, made the process easier because local banks already knew their counterparties and were therefore better able to meet their expectations without formalities and time wasting.

This Covid-19 operation gave the lie to an old myth that the Swiss banking system is the victim of technological obsolescence. The "Digital Pulse Check 4.0" study, conducted in January 2021 by the Swiss Finance Institute (SFI), moreover reveals that most of the banking institutions are progressively digitising their existing services or reviewing them to meet their clients' requirements. The skill and expertise of the employees who demonstrated their adaptability in the face of the Covid-19 crisis would play a key role in this strategy. These skills must be fostered by constantly updating knowledge in order to live up to clients' expectations for the management of private and institutional wealth or in commercial and retail banking.

Special attention must also be paid to newcomers to make sure that they acquire the skills needed for the professions of the future. Lastly, the banking sector can remain attractive only if it responds to the concerns of the younger generation, especially in connection with sustainable finance (see page 17) in its various business models.

In this context, training comes into play at every stage. It applies to traineeships as well as to in- service training and universities.

Education and training guarantee the financial center's expertise

University education: excellence and specialisation

According to "Employeurs Banques", the bank employers' association, the demands placed on the training of bank employees are gradually developing within the job descriptions and also between the training levels in order to respond to the numerous regulatory and technological challenges, as well as those in the field of sustainability. The level of bank employee training has increased within the last ten years. In 2009, 34% of bank staff started their career after basic professional training, far ahead of those who held a university degree (27%). In 2019, this proportion had reversed with 42% holding a university degree and 24% a Federal Certificate of Proficiency. This trend reversal has not been observed in other sectors of the economy where basic professional training is still dominant.

In order to guarantee the level of excellence of university education, the professions of tomorrow must be given pride of place. This particularly applies to sustainable finance, a field that attracts the younger generation. Generation Z, aged between 18 and 25, shows significant interest in studying and working in a sustainability-related sector. The CAS (Certificate of Advanced Studies) in sustainable finance offered by the Geneva School of Business Administration and the Certificate in Sustainable Investment awarded by the Institute for Studies in Finance and Banking (ISFB) contribute to this dynamic.

Continuing education: certification and employability

In a context in which the world of work is evolving at an increasingly rapid pace, employability is now the keyword. The ability of each individual to find and hold down a job is in fact crucial. Contrary to popular belief, employability is not only attained through education, but above all by in-service training. It is training that enables employees to be better prepared for new waves of regulation or technological innovation throughout their working lives. Certification has become a benchmark enabling employees to position themselves well on the employment market.

The survey conducted in May 2021 by the Swiss Bankers Association (SBA) (see page 17) reveals that continuing education is also a sine qua non for the financial center's digital success for the great majority of Swiss citizens. In Geneva, the Institute for Studies in Finance and Banking (ISFB) (see box) awards a "Certificate in Digital Finance", and the University of Geneva devised the Fintech Executive Education Programme in January 2020. The field of law is not lagging behind either, as the Centre for Banking and Financial Law has introduced a CAS in digital finance law.

With around one quarter of Swiss bank employees working in wealth management, this remains a predominant activity. The client advisor role is receiving particular attention and has benefited from SAQ CWMA (Certified Wealth Management Advisor) certification since 2017. On December 31, 2020, 7,085 wealth management advisors were CWMA certified in Switzerland, including some 2,800 in the French-speaking region. During the same period, the Institute for Training in Finance and Banking (ISFB), which is one of the accredited service providers in Geneva, awarded 446 SAQ CWMA certificates, and 564 candidates are currently working towards certification.

Choosing a career

When they move up to secondary school level II, students must choose their future educational pathway. To give them full knowledge of the facts at this stage of their education, the GFC has invested heavily in public-private partnerships in order to familiarise the young people concerned with the many job opportunities in banking and the different courses available to access those careers.

Basic training: a winning model

With a very high rate of successful induction into the world of work, apprenticeships make an important contribution to the success of the Swiss economy and must be emphasised. The latest survey by "Banks as Employers" confirms that the eminently practical dual training system remains one of the major assets of the job market which is so important for the Swiss banks.

In this field, leading players in the financial sector provide high quality supervision and apprenticeships, helping young people to explore a wide range of professions in finance. This commitment responds to the growing demand from young people who are keen to begin their working life and benefit from exciting and varied job opportunities.

The GFC accordingly maintains close contacts with the Department of Public Education, Training and Youth (DIP) and with the Office for Training and Professional and Continuing Education (OFPC) in the Canton of Geneva. In the second half of 2020, a meeting in two banking establishments brought together representatives of the Geneva Financial Center, Councillor of State Anne Emery-Torracinta, in charge of the DIP, and Gilles Miserez, Managing Director of the OFPC. Their discussions focused on the reform of corporate training programmes designed to adapt the Federal Certificate of Proficiency to the new reality in the field. With the same aim, the GFC is playing an active part in the work of the Swiss Bankers Association's (SBA) Education Committee.

Since 2016, the Geneva Financial Center has also deployed a strategy seeking to promote banking apprenticeships to middle-schools pupils in years 10 and 11. Regular presentations and practical workshops are being held. In 2020, the challenge was to continue holding the attention of this young audience, while adhering to the healthcare measures introduced by the Swiss federal government and the Canton of Geneva to deal with the Covid-19 pandemic. Two digital sessions, bringing together all the middle schools were held on December 14 and 15, 2020.

> **The school and companies work hand in hand to provide innovative basic training fit for the future**

Participation in the Board of the Institute for Training in Finance and Banking (ISFB)

As a key player in continuing education in the banking and financial sector, the ISFB assists in maintaining the competitiveness of the Geneva financial center. The GFC plays its part in particular through the presence of Christian Skaanild as President and Blaise Goetschin as Vice-President, as well as Jean-François Beausoleil and Edouard Cuendet as active members of the Board.

EVÉNEMENT

Zoom on Careers in Banking and Finance 2020

Organised each year by the Office for Training and Professional and Continuing Education (OFPC), the Zoom on Careers in banking was held in a digital format on December 9, 2020. Some seventy participants, keen on finding out more about the many careers in banking, took part remotely in a presentation about the Geneva Financial Center and were able to engage in a dialogue with recruitment professionals and trainees alike.

Training Fact Sheets

A wide variety of interesting careers are available in the financial sector. However, it is not always easy to determine which educational pathway matches one's aspirations and career objectives.

The GFC publishes a series of fact sheets that deal with the following areas:

- Economy and finance
- Management
- Banking operations
- Compliance, law, taxation and accounting
- International commodity trading

These fact sheets list the three training pathways that lead to a certificate or degree: full- time higher education, vocational training and continuing education

Skills guidelines

The Geneva Financial Center is the only organization in Geneva that issues skills guidelines for the banking professions, developed in collaboration with experts from banks in Geneva.

The GFC publishes skills guidelines for the following professions:

- Management assistant
- Compliance officer
- Central register employee
- Commercial client advisor
- Back office bank employee
- Wealth manager
- Commodity trade finance relationship manager
- Portfolio manager
- Risk management specialist

6

The Board

The Geneva Financial Center was established in 1991 by the 80 member banks of the Geneva Stock Exchange, with the aim of promoting the development and influence of the financial sector in the Lake Geneva region. The Board serves the interests of all financial sector participants and therefore aims to represent their diversity.

Commercial and wealth management banks

Yves Mirabaud * (President)	Chairman of the Board, Mirabaud & Cie SA
Laurent Ramsey * (Vice-President)	Managing Partner, Banque Pictet & Cie SA
Christophe Hentsch (until 27.11.2020)	Managing Partner, Banque Lombard Odier & Cie SA
Denis Pittet (since 27.11.2020)	Managing Partner, Banque Lombard Odier & Cie SA
Vincent Taupin * (since 01.05.2020)	CEO, Edmond de Rothschild (Suisse) SA

Cantonal banks

Blaise Goetschin *	CEO, Banque Cantonale de Genève
Pascal Kiener	CEO, Banque Cantonale Vaudoise

Major banks

Jean-François Beausoleil *	Director, Geneva Area, UBS SA
Pascal Besnard *	Area Manager Geneva, Managing Director, Credit Suisse (Suisse) SA

Foreign-owned banks

Jean-François Deroche *	CEO, CA Indosuez (Switzerland) SA
Peter Gabriele	CEO, JP Morgan (Suisse) SA

Partners

Dominique Fasel	Chairman of the Vaud Bankers' Association
Michel Juvet (until 11.05.2021)	President of the Institute for Studies in Finance and Banking and President of the GFC's Strategic Commission for the Banking Professions, Managing Partner, Bordier & Cie
Xavier Oberson	Attorney-at-Law with Oberson Abels SA
Christian Skaanild (since 11.05.2021)	President of the Institute for Studies in Finance and Banking and President of the GFC's Strategic Commission for the Banking Professions, Managing Partner, Bordier & Cie
André Tinguely	President of the Ordre Genevois d'Expert Suisse

* Members of the Bureau

7

The Secretariat

The Secretariat is responsible for implementing the strategic priorities defined by the Board.

Management, Accounting and General Administration

Edouard Cuendet	Managing Director
Teuta Sinani	Assistant

Communication

Chantal Bourquin	Head of Communications, Executive Officer

PARTICIPATION IN OTHER ORGANISATIONS

In 2020, the Geneva Financial Center was represented on many external committees and boards, in particular:

- The Retail Banking Committee of the Swiss Bankers Association
- The Education and Training Committee of the Swiss Bankers Association
- The Public Affairs Working Group of the Swiss Bankers Association
- The "Meinungsumfrage" (Opinion Surveys) Working Group of the Swiss Bankers Association
- The Strategy Committee of the Geneva Economic Development Office
- The Board of the Institute for Studies in Finance and Banking

FINANCIAL SUPERVISION

- The funds held by the Geneva Financial Center are managed by UBS Asset Management
- The accounts are kept by Société fiduciaire d'expertise et de révision SA (SFER), Geneva
- The auditor is the Verifid SA company, Geneva
- The 2020 accounts were approved at the Board meeting of May 11, 2021
- The Geneva Financial Center is recognised as a public interest foundation
- The Geneva Financial Center is supervised by the Cantonal Supervisory Authority for Foundations and Pension Schemes (ASFIP), Geneva.

8

Association de Soutien à la Fondation Genève Place Financière

The *Association de Soutien à la Fondation Genève Place Financière (ASFGPF)* was created in 2016 and brings together stakeholders in the financial center. As its name in French implies, its aim is to support the GFC and create closer links between financial center players.

Yves Mirabaud chairs this Association, whose Committee members are Pascal Besnard (Area Manager Geneva, Credit Suisse (Suisse) SA), Gabriele Odone (Market Head for Geneva, Bank Julius Bär & Co. Ltd), Bas Rijke (Managing Director and Member of the Executive Committee of Bank J. Safra Sarasin Ltd), and Edouard Cuendet (Managing Director of the GFC). The Committee's membership therefore reflects the financial center's diversity.

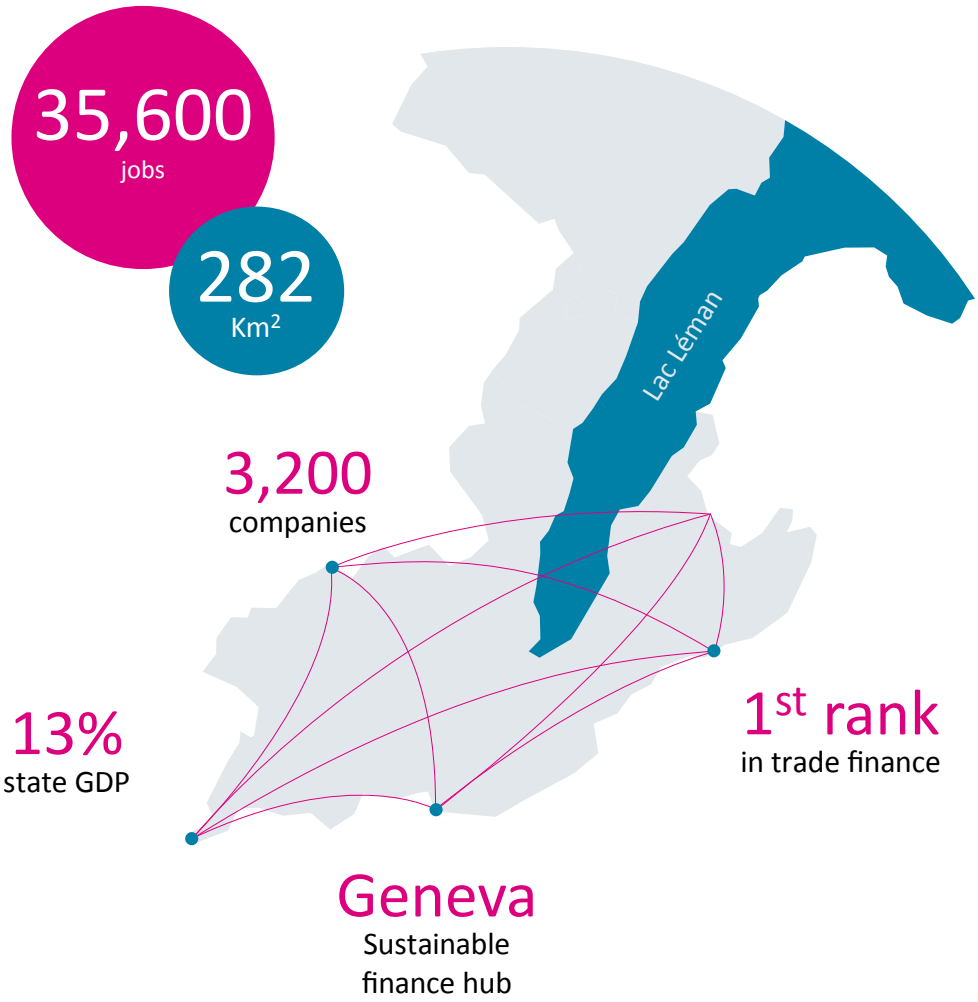
The General Meeting held on November 13, 2020, in virtual format due to the coronavirus pandemic confirmed the *ASFGPF's* sustained pace of growth. The Association attracts financial players representing the various areas of expertise which underpin the strength and diversity of the financial center. In particular, the Association welcomes the fact that leading players in the asset management sector in Geneva have joined, thereby bringing the number of its members up to 45.

Although the evolving health situation and the measures taken by the Federal Council and the Canton of Geneva prevented the organisation of face-to-face events, the sense of belonging to a sector that is vital to Geneva was strengthened by the exchange of information and dispatch of newsletters to *ASFGPF* members. These newsletters primarily focused on issues raised by the pandemic, namely in human resource management, introduction of remote working, and on-site safety measures, in particular those related to the reception of clients.

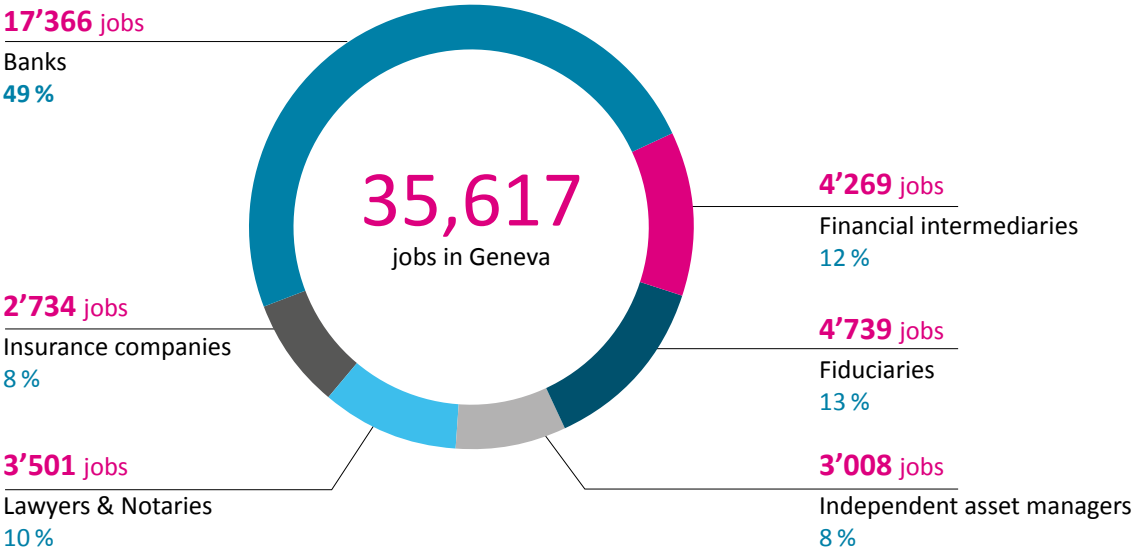
9

The Geneva financial center in figures

Geneva Financial Center



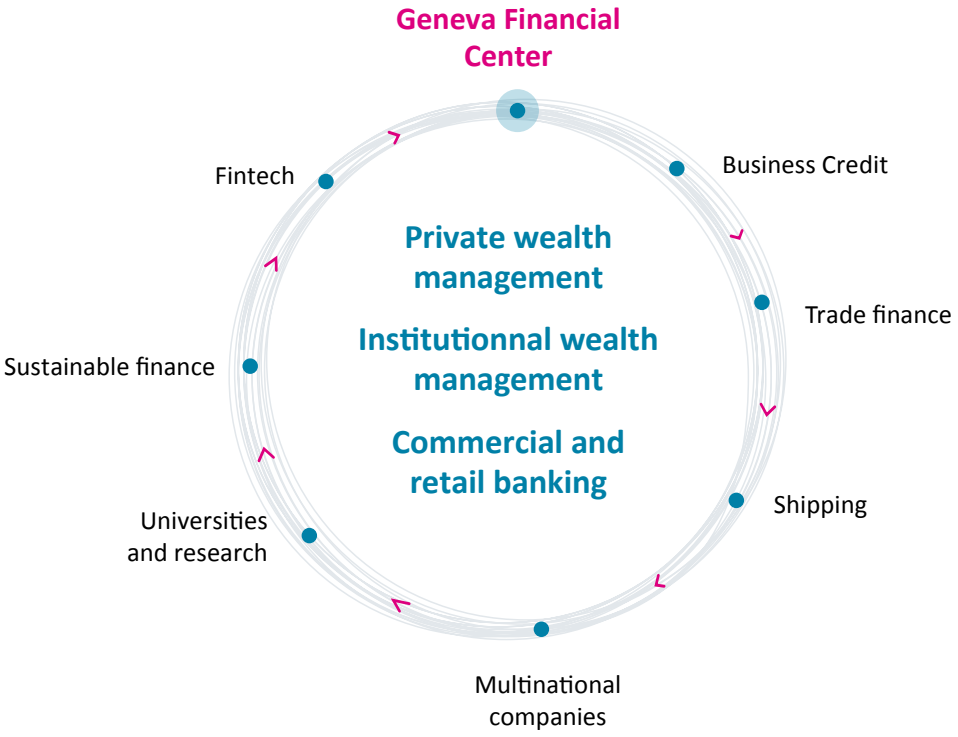
Number of employees in Geneva financial center



Sources : GFC/REG* - Répertoire des Entreprises du canton de Genève (DSE) - September 2020

Cluster effect

The Geneva financial center enjoys an excellent international reputation due to a 500-year tradition founded on strict ethical principles. With the presence of activities such as shipping and inspection, Geneva has a center of excellence and an economic cluster that are unparalleled worldwide. For instance, wealth management provides assets for underwring commodity trading and credits. This creates a need for other services, such as shipping and inspection. These services in turn help attract numerous multinational companies. Last but not least, this unique value chain enhances the quality of universities and research and contributes to making Geneva a key player in sustainable finance.



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