



je connais mon banquier je connais mon banquier

Financial security for your life ahead

je connais mon banquier je connais mon banquier
je connais mon banquier je connais mon banquier
je connais mon banquier je connais mon banquier
je connais mon banquier je connais mon banquier
je connais mon banquier je connais mon banquier
je connais mon banquier je connais mon banquier
je connais mon banquier je connais mon banquier
je connais mon banquier je connais mon banquier
je connais mon banquier je connais mon banquier

Pension Planning

je connais mon banquier je connais mon banquier
je connais mon banquier je connais mon banquier
je connais mon banquier je connais mon banquier
je connais mon banquier je connais mon banquier
je connais mon banquier je connais mon banquier

P R Δ E V I S I O[®]
by BCGE

BCGE financial pyramid



The food pyramid

The appeal of the food pyramid lies in the fact that it provides a model for healthy eating. It helps to visualise the various food groups and show the relative proportions for each of them: the food at the base is depicted in large quantities with volumes diminishing the higher up the pyramid you go. Any imbalance, especially at the lowest levels, jeopardises the integrity of the entire structure.

The pyramid encourages people to consume a wide variety of food in a balanced manner in order to obtain all the nutrients needed for good health. It's no different when it comes to the health of your finances...

In order to advise you and accompany you in the major financial decisions of your life, Banque Cantonale de Genève has developed an asset management philosophy enabling each person to balance and harmonise their economic situation, according to their financial possibilities, taking into account their interests, life stages and projects.

The main mission of this philosophy is to help you build, protect and secure a return on your assets. It is an innovative diagnostic method for structuring your finances in the best possible way.

The financial pyramid summarises our wealth management doctrine, which encompasses everything from cash in private accounts to financial investments, while also ensuring that savings and retirement requirements are met beforehand.

Our BCGE advisers are at your disposal to offer you personalised solutions to ensure the best allocation of your finances.

BCGE Praevisio index



Cash/liquid assets

The private account represents a reserve providing flexibility to make payments.

We recommend having one to two monthly incomes on this account.

The accumulated surplus would be better deposited in the form of savings, pension funds or investments.



Savings

We recommend building up a good level of savings so you can mobilise at short notice extra cash you might need for extraordinary expenses and private investments.

An amount equivalent to three or four monthly incomes is an average level that everyone can adapt according to their projects.



Pension planning

This level of the pyramid has a longer term horizon. Pension planning is a preventive form of financing prior to retirement, or for what has now become known as a second active life.

It is important to have sufficient income to maintain your previous standard of living.

Thus, we recommend, that a pension equivalent to 70-90% of one's last salary be available for retirement.

To this end, it is advisable to build up capital by first setting up a 3rd pillar A (private pension plan) and simultaneously assessing the potential for buybacks in the 2nd pillar (occupational pension plan).



Investments

Once the foundations of your financial security (cash, savings and pension) have been optimised, any excess assets should be invested according to a strategy consistent with your investor profile.



Private financing

Finance your personal projects without exceeding your credit potential by opting for a simple financing solution adapted to your financial capacity.

The Swiss pension system	5
Our approach: Praevisio	8
Why do you need to analyse your pension provision?	9
Our pension solutions	10
Glossary	14



What does the future hold in store for us? This is a question we all ask ourselves from time-to-time without really being able to answer it with much conviction. Whatever the case may be, it is important to plan your pension provision, to structure your assets and prepare your estate under the best possible conditions.

To ensure your financial future as well as that of your loved ones, Banque Cantonale de Genève offers you an original approach: Prævisio

This approach accompanies you at every important stage of your life and enables you to be financially independent and secure when you retire. You and your loved ones will benefit from effective protection against unforeseen events related to age, illness or accident.

The Swiss pension system

In Switzerland, pension planning is founded on the principle commonly referred to as the “three pillars”. This system combines State, occupational and private pensions as well as social-welfare insurance provision. The first two pillars should enable you to maintain

your standard of living and lifestyle to a reasonable degree, whereas the 3rd pillar will allow you to top up this income to levels you consider desirable. This makes the 3rd pillar a crucial optional component of your future financial security.

Three pillars system			
Pillar 1: AVS/AI/PC State pension Minimum guaranteed for basic living standards		Pillar 2: LPP Occupational pension Maintaining previous lifestyle	Pillar 3 Private pension Individual top-up
AVS AI	Supplementary benefits	Mandatory occupational pension (LPP) (Pillar 2a) Occupational pension beyond mandatory minimum (Pillar 2b)	Tied pension (Pillar 3a) Flexible pension (Pillar 3b)
Pay-as-you go system		Pre-funded system	Pre-funded system



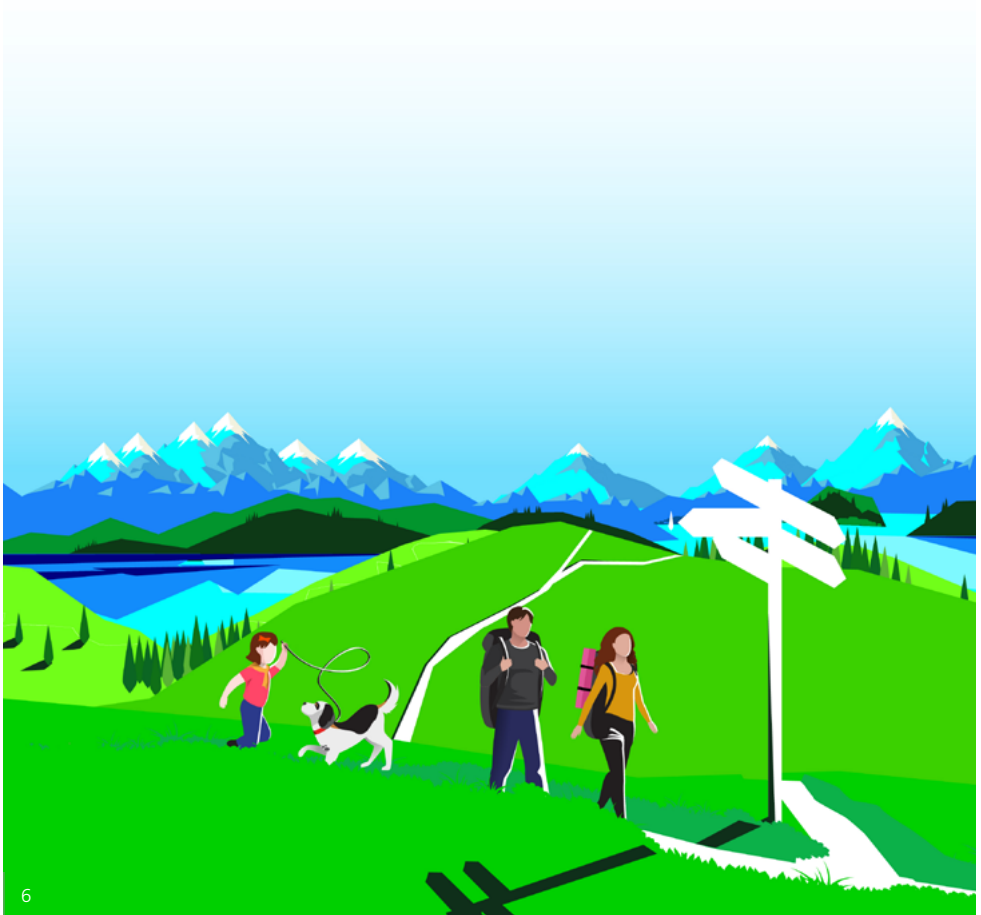
1st pillar: Old-Age and Survivor's Insurance (AVS) – State pension

The purpose of the 1st pillar is to ensure vital needs are covered. The pension plan is funded by what is commonly referred to as a “pay-as-you-go” system: the contributions of working people are used to pay pensions to beneficiaries (pensioners, survivors or invalids).

2nd pillar: Swiss Federal Law on Occupational Pensions (LPP)

The LPP, which is the 2nd pillar, is mandatory for all employees subject to AVS who earn above a set minimum threshold¹.

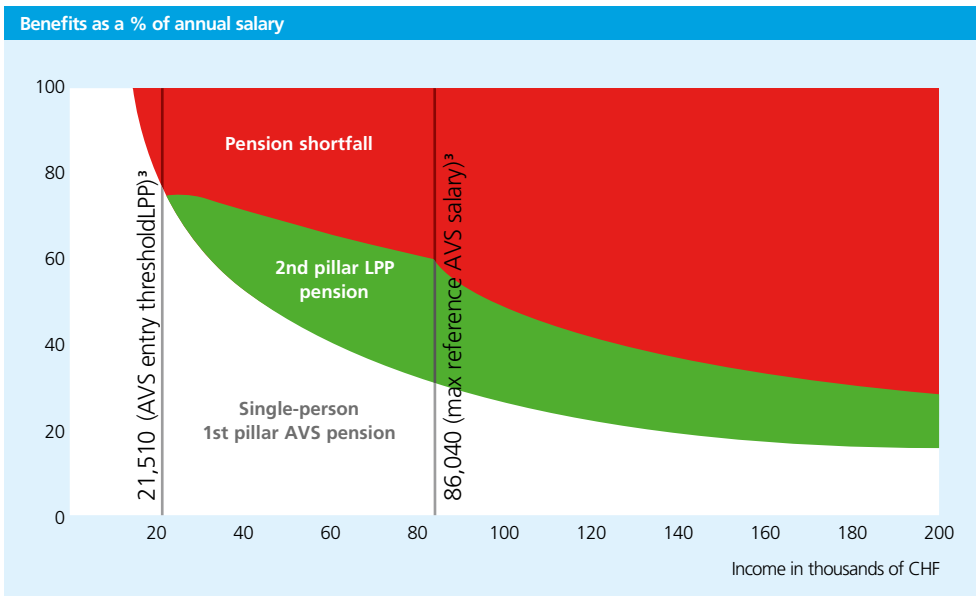
It is intended to ensure that the elderly, survivors and invalids, together with their 1st pillar benefits, maintain a reasonably decent standard of living. However, this often proves insufficient.



3rd pillar: Private pension plan

The 3rd pillar aims to fill in the gaps in pension benefits from the first two pillars as well as providing additional finance according to objectives freely set by each individual. It can be type 3b (funds available at any time) and type 3a (funds available on retirement).

Premiums paid into type 3a tied pension plans benefit from income tax relief up to a set maximum threshold².



The graph illustrates the levels of statutory old-age pensions (1st and 2nd pillars) as a percentage of the final salary paid to someone at retirement age (subject to full contributions and no shortfalls). The higher the income is, the less effective the statutory

pension will be in ensuring you will be able to maintain your previous standard of living. This shows the importance of individual pension plans that aim to fill the shortfall in order to maintain one's standard of living.

¹ All employees contributing to the AVS with a gross annual income above a certain amount (e.g. CHF 21,510 in 2022) are compulsorily insured
² For more information, please see our "Payment and other services" brochure
³ Indicative amount (for the year 2021)

Our approach: Praevisio

Banque Cantonale de Genève's approach is based on a financial analysis of your situation, an independent selection of the best pension products on the market, and personal guidance throughout your life. Our objective? To provide you with valuable advice to help you achieve financial independence,

whatever your objectives: buying real estate, safeguarding your future income, protecting your loved ones, structuring your assets, optimising your tax situation or preparing your estate.



Why do you need to analyse your pension provision?

The uncertain economic environment, together with an ageing population, is weakening the Swiss pension system. This situation puts constant pressure on the 1st and 2nd pillars which, for future generations, will have great difficulty in ensuring the current level of pensions. To safeguard your future and that of your family, it is essential to obtain a personal assessment.

At each important stage in your life and according to your situation, your BCGE adviser will suggest the level of analysis best suited to your needs and expectations in order to answer key questions such as:

- ▲ How can I build up assets while reducing my tax exposure?
- ▲ Am I properly insured?
- ▲ Are my sources of income providing enough?
- ▲ What benefits will I be entitled to if I am incapacitated due to illness or accident?
- ▲ Would my family and loved ones be financially secure if I were to die?
- ▲ Can I consider early retirement?
- ▲ In what form should I receive my occupational pension assets: income or capital?

On the basis of your current circumstances, your personal adviser will conduct a personalised analysis, in some cases with the support of a financial planner from our Pensions Advisory and Financial Planning Unit⁴. The aim is to identify any shortfalls in your pension provision, determine your insurance coverage needs, prepare your estate or structure your assets.

We offer four types of analysis:

Specific analysis



- ▲ Buying back contribution years in the LPP
- ▲ Impact of moving abroad

Pension analysis



- ▲ Analysis of risk cover
- ▲ Projection of future income

Asset transmission analysis



- ▲ Estate division
- ▲ Protection of heirs

Financial planning



- ▲ Asset structuring
- ▲ Presentation of scenarios for retirement

Our pension solutions

Banque Cantonale de Genève can offer you a range of secure, competitive and personalised pension solutions.

Epargne 3 account

By making regular payments into your Epargne 3 account as early as possible, you build up a retirement capital and benefit from tax savings. This solution is therefore the ideal complement to 1st and 2nd pillars to ensure your future financial independence.

Your advantages

- ▲ Annual amount paid deductible from taxable income⁵
- ▲ Payment flexibility
- ▲ Indirect amortisation of your mortgage
- ▲ Additional Swisscanto Safe insurance to cover the risks of death and disability
- ▲ Possibility of investing in units of Synchrony LPP B (pension) investment funds⁶
- ▲ Additional Avantage interest bonus of 0.5% on your BCGE Epargne account⁷



Pension fund savings plan

By opting for a pension fund savings plan, you build up your retirement capital without thinking about it, via an Epargne 3 account. With a monthly investment option starting at CHF 100, this is ideal for people who want to boost their pension provision while benefiting from tax advantages.

Your advantages

- ▲ Regular monthly savings starting from CHF 100
- ▲ Investment in one or two Synchrony LPP Funds free of charge
- ▲ No administrative fee
- ▲ Opportunities for higher returns over the long term

Vested benefits account

The vested benefits account allows you to temporarily place your 2nd pillar pension assets, in accordance with the legal provisions⁵, whether or not you voluntarily terminate your employment contract, if you become self-employed or if your salary is lower than the minimum amount subject to mandatory insurance. You thus maintain your capital pending its transfer to another pension institution.

Your advantages

- ▲ Capital exempt from wealth tax
- ▲ Assets protected in the event of death

Vested benefits custody account

The vested benefits custody account enables you, in the event of a prolonged interruption in your gainful employment, to invest all or part of your pension assets (2nd pillar) in Synchrony LPP Funds and benefit from higher return opportunities over the long term.

Your advantages

- ▲ Capital exempt from wealth tax
- ▲ Benefit from return opportunities in the financial markets
- ▲ Investment that strictly complies with the legal framework for pension plans (OPP 2)

⁵ Maximum authorised payment available on bcge.ch/en/compte-epargne-3

⁶ On reaching the statutory retirement age, conversion into units of LPP A funds (possible excluding pension plan)

⁷ See conditions on bcge.ch/en/avantage-service

⁸ According to the Ordinance of 3 October 1994 on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits – Vested benefits ordinance (OLP)

Synchrony LPP multi-manager investment funds

The Synchrony LPP Funds, which are specially designed for pension assets (vested benefits and 3rd pillar A), are offered in four allocation profiles.

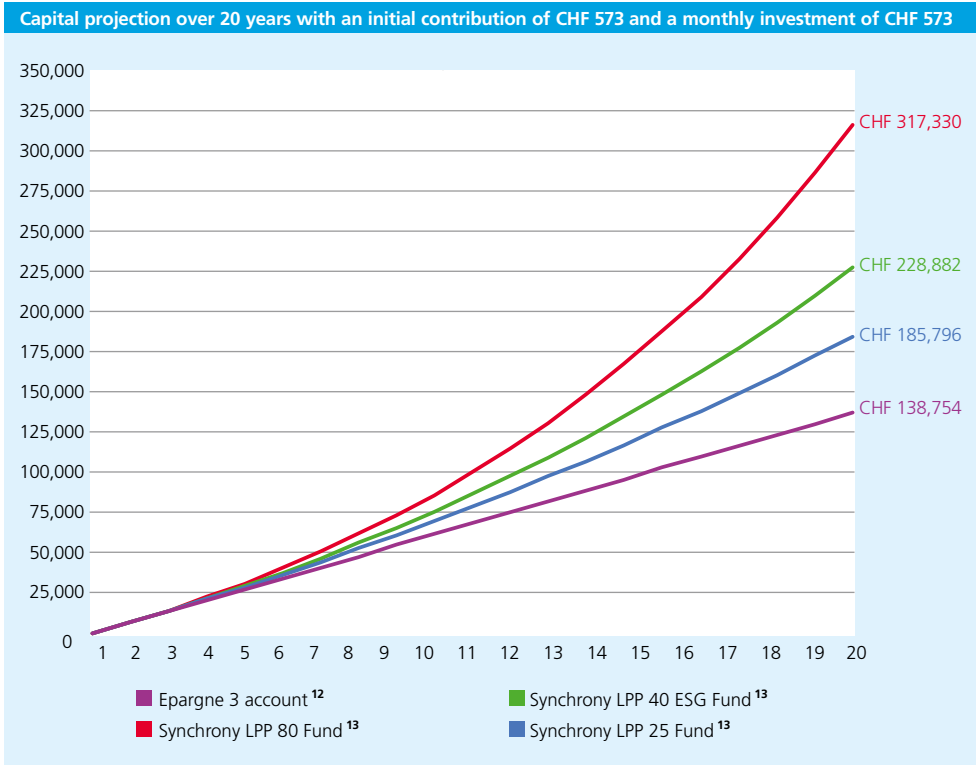
The balanced profile is also available with a sustainable ESG focus:

- ▲ **Environment:** considers all issues related to the impact of human activities on nature and the generation of environmental risks
- ▲ **Social or Societal:** considers the organisation of social interactions, including factors such as gender, human rights, relations with the civil community
- ▲ **Governance:** relates in particular to the alignment of interests between capital providers and company employees and managers

The aim is to boost your pension assets by taking advantage of the return opportunities offered by the financial markets. In accordance with the Swiss Federal Law on Occupational Pensions (LPP), at least 70% of the portfolios must be invested in CHF at all times.

Profile	Conservative	Defensive	Balanced	Balanced ESG ¹⁰	Dynamic
Investment Objectives	Favours safeguarding capital and income generated by bonds	Favours safeguarding capital and yield	Seeks a balance between fixed-income securities and capital gains	Seeks a balance between fixed-income securities and capital gains while favouring sustainable assets	Emphasis on generating capital gains while maintaining a minimum level of investment in bonds
Willingness to assume risks	<ul style="list-style-type: none"> ■ Below average ■ Minimum fluctuations in capital 	<ul style="list-style-type: none"> ■ Below average ■ Minimum fluctuations in capital 	<ul style="list-style-type: none"> ■ Average ■ Fluctuations in capital as low as possible 	<ul style="list-style-type: none"> ■ Average ■ Fluctuations in capital as low as possible 	<ul style="list-style-type: none"> ■ High ■ Allowance for significant capital fluctuations
Funds⁹	Synchrony LPP Bonds	Synchrony LPP 25	Synchrony LPP 40	Synchrony LPP 40 ESG	Synchrony LPP 80 ¹¹
Investment categories	<ul style="list-style-type: none"> <li style="margin-right: 10px;">■ AAA <li style="margin-right: 10px;">■ AA <li style="margin-right: 10px;">■ A ■ BBB <div style="margin-top: 10px;"> <ul style="list-style-type: none"> ■ Cash ■ Bonds ■ Equities ■ Swiss real estate </div>				
Investment horizon	Medium term	Medium term	Medium-long term	Medium-long term	Long term-very long term

Building up assets in a continuous and advantageous way: an example



⁹ Because of the bond positions, investment funds are affected by movements in interest rates. Fluctuations in value may also occur because of their exposure to equities
¹⁰ Environment, Social or Societal and Governance

¹¹ Please note that the equity component of the Synchrony LPP 80 fund can reach or even exceed 80%, which is a higher proportion than that of traditional pension funds. The fund may be subject to significant fluctuations in value due to its exposure to equities. The fund is therefore suitable for investors with a long-term investment horizon and a high risk tolerance.

¹² Projection based on the interest rate of the Epargne 3A account on 1 January 2022 (0.05%) with a first payment of CHF 573 and then a monthly payment of CHF 573 into the Epargne 3A account without any early withdrawal for 20 years

¹³ Projection based on the following assumptions: investment horizon of 20 years, with an initial investment of CHF 573 then a monthly investment of CHF 573 into a pension fund savings plan (via an Epargne 3 account) without any early withdrawals for 20 years. This projection, which is not based on expected returns but on average past performance, is provided for information purposes only. The information does not constitute an invitation or an offer to buy or sell securities or financial instruments. Past performance is no guarantee of future returns. Prior to any investment decision, investors must ensure that they are not violating the requirements applicable within their jurisdiction and must be familiar with the documents specific to the products concerned. If the currency of a financial instrument or service is different from your reference currency, foreign exchange fluctuations may result in lower or higher returns

Glossary

AI

Invalidity insurance is the mandatory State disability insurance covering the whole of Switzerland. Its purpose is to guarantee minimum means of subsistence for those insured people who have become disabled, with benefits in the form of services (rehabilitation assistance) or money (disability pension or allowances).

AVS

The Swiss State Old-Age and Survivors' Insurance fund, has been in force since 1948. It has been amended several times. Together with AI, AVS forms what is commonly known as the 1st pillar of the three pillar Swiss pension system. AVS aims to guarantee minimum subsistence payments for beneficiaries. AVS is a mandatory State-run fund. All persons living or working in Switzerland are compulsorily insured under it. AVS provides old-age and survivors' pensions, as well as allowances for the disabled and supplementary payments for those already in receipt of old-age pensions. All those insured and their survivors are entitled to benefits.

Fund-linked life insurance

Fund-linked life insurance enables you to combine your pension cover with the prospect of earning an attractive return by investing in securities.

It offers several tax benefits: under the flexible personal pension arrangements, income earned on these investments is not subject to income tax or withholding tax, provided certain conditions are met.

LAA

Swiss Federal Law on Accident Insurance, dated 20 March 1981. This legislation relates to the mandatory State accident insurance, a personal insurance to cover the financial consequences of accidents at work, non-occupational accidents and work-related illness. The benefits provided seek to compensate for damage to health and ability to work in cases where those insured have had an accident or are suffering from a work related illness. Accident insurance in accordance with the LAA is provided by SUVA (Swiss National Accident Insurance Fund) and accredited private insurers.

Life annuities

Life annuities are paid annually, half-yearly, quarterly or monthly up to the death of the insured person. In the case of life annuities with premium refund, beneficiaries designated in the contract will receive, after the death of the insured person, the premiums paid in less the amount already paid out in annuities. In the case of life annuities without refund,

premiums paid in are retained by the insurer should the insured person die. In exchange, the insured annuity sum is higher. The life annuity continues to be paid as long as the insured person is still alive even if the total amount paid out in annuities exceeds the total sum of premiums paid in. Life annuities can, therefore, be regarded as a sort of "retirement pension" for the self-employed or as a top-up scheme for employed people's occupational pension cover.

LPP

The Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans relates to occupational pensions for employed workers, forming the 2nd pillar of the three pillar Swiss pension system. The occupational pension fund, together with AVS/AI 1st pillar benefits, must enable those of retirement age, their survivors and the disabled to maintain their previous standard of living in an appropriate way. All employees who pay into the AVS pension plan, starting from a minimum AVS pay threshold, are insured by their employers. The main benefits under LPP are: the payment of retirement, widows'/widowers' and orphan pensions, as well as disability pensions.

Pay-as-you-go system

Benefits paid out to pensioners are financed immediately, each year, out of contributions made by insured working people. In other words, no mathematical reserve is built up, since the income must only be equal to the expenditure at the time.

PC

Supplementary Benefits on top of AVS and AI are made available if pensions and other incomes fail to cover essential needs. They are a right and should not be confused with State or private-sector social welfare services. Together with AVS and AI, these Supplementary Benefits form a cornerstone of Switzerland's State welfare system.

Pre-funded system

This system consists of pre-funding expenditure from future liabilities by building up a capital reserve of the corresponding amount. In this way, each person provides for his own savings. This approach implies reserves being accumulated, unlike the pay-as-you-go system which involves covering expenses as they arise through income.

Pure risk insurance against incapacity to work

Insurance against a person's incapacity to work guarantees the insured person a replacement income, in the form of a regular pension, if that person is no longer able, for reasons of illness or accident, to undertake, either temporarily or permanently, their gainful employment. The sum to be paid out as a benefit will depend on the degree of incapacity, which is calculated on the basis of the actual loss of earnings by comparing income earned from work before the incapacity occurred with the income still being earned or that might be earned after the incapacity occurred.

Pure risk insurance against death

Pure risk insurance against death provides a guarantee for the family or any other person designated by the person who takes out the insurance. Depending on their needs, the insured person chooses the insurance cover, with a constant or decreasing benefit paid out in the event of death. This sort of insurance can also be used as collateral for a mortgage. If this mortgage loan is to be amortised annually, arrangements can be made whereby the premiums to cover the risk decrease each year by a fixed amount. With decreasing capital pure risk insurance, the agreed capital insured for the first year diminishes by a fraction over the lifetime of the contract. In the event of death of the insured person before the insurance expiry date, the capital still insured at the time of death is paid to beneficiaries. If the insured person is still alive when the contract expires, no benefit is paid out.





Banque Cantonale de Genève

Telephone: +41 (0)58 211 21 00
Email: info@bcge.ch
Website: bcge.ch

21 branches in Geneva

Head office:
Quai de l'Île 17
1204 **Geneva**

Private Banking in Switzerland

Quai de l'Île 17
1204 **Geneva**

Lintheschergasse 19
8001 **Zurich**

Avenue de la Gare 50
1003 **Lausanne**

Aeschengraben 10
4051 **Basel**

PREVISIO®
by BCGE