

# BCGE GROUP RESULTS AS AT 31 DECEMBER 2023



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### Impressum

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Only the French version shall be binding

## Record profit and dividend

BCGE posted a remarkable performance for 2023. Net profit rose by 31.4% to reach a record CHF 231.2 million. Revenues rose by 24.0% to CHF 589.9 million, reflecting the Bank's timely strategic positioning, which has enabled it to capture the dynamism of buoyant economic sectors. Performance indicators remain high. Assets under management and administration rose to CHF 35.3 billion while client receivables and mortgage loans totalled CHF 19.2 billion. Operating profit rose significantly to CHF 281.7 million. Shareholders' equity increased 10.1% to CHF 2.184 billion, and the coverage ratio reached 17.0%, demonstrating BCGE is part of a circle of well-capitalised and sound banks. The dividend to be proposed at the General Meeting of Shareholders reflects an increase of 18%, amounting to a record CHF 6.50. Barring a significant deterioration in the economy or a sharp drop in interest rates, the Bank expects overall earnings for 2024 to be comparable to those of this past year.

- **Bank revenues surpass the CHF 500 million mark**

2023 proves to have been a record year for BCGE with net profit increasing 31.4% to CHF 231.2 million (including an extraordinary result of CHF 10.5 million) and operating profit up 44.5%, for a total of CHF 281.7 million. Growth in revenues, which rose 24.0% to CHF 589.9 million, reflects the Bank's ability to capture the dynamism of buoyant economic sectors. Assets under management and administration increased 5.5% to CHF 35.3 billion while client and mortgage loans rose a total of 3.7% to CHF 19.2 billion. Net interest income reached CHF 390 million while commissions totalled CHF 133 million and trading income CHF 38 million. Operating expenses are keeping pace with company growth and have grown to CHF 285 million, with a cost/income ratio that at 48.3% falls just under 50%. Reflecting the success of international business, the share of revenues in EUR and USD stands at 23.5%. The Group created 43 new jobs in 2023, bringing its total employee count to 917 (full-time equivalents).

- **BCGE: a major financier of Geneva's economy and the region**

Loans granted by the Bank to companies and private individuals increased by CHF 677 million, now totalling CHF 19.2 billion. More than 22,000 businesses trust BCGE to support them, an increase of 735 from last year. The moderate share of mortgages in the Bank's balance sheet total (45%) is evidence of the high degree of diversification of its business lines and markets.

- **Growth in assets under management and administration**

Private client assets rose CHF 870 million over the period to CHF 19.7 billion. The net contribution of new discretionary mandates was CHF 227 million while funds in the Synchrony range totalled CHF 3.9 billion. The online trading platform 1816 passed the 12,000-investor threshold. Institutional client assets rose 6.7% to CHF 15.6 million.

- **Continued increase in shareholders' equity**

Shareholders' equity continued to grow, increasing by CHF 200 million to CHF 2.184 billion. At 17.0%, the consolidated equity coverage ratio proved excellent, well above the required 12.7%. This and the Bank's Standard & Poor's AA-/A-1+/Stable rating demonstrate that BCGE is part of a circle of well-capitalised and sound banks confirmed in 2023.

- **BCGE share performance: +25.3%**

The BCGE share price rose sharply in 2023 and ended the period at CHF 225.0. Nevertheless, the share's market value is still 74% lower than its book value, which stands at CHF 303.3. Compared to the reported equity value of CHF 2.184 billion, the Bank's market capitalisation amounts to CHF 1.620 billion. The stock's upside potential therefore remains significant.

- **Slight decrease in the number of private shareholders**

The overall number of private and institutional shareholders decreased in 2023, coming to a total of 15,237 shareholders, of which 14,831 private shareholders. Despite this change, the free float remains widely distributed, with 83% of shareholders holding between 1 and 50 shares. The percentage of Bank employees that are Bank shareholders remains stable at 76%. Together, these employees own 3.1% of the Bank's capital.

## Highlights

### ▪ **Strategic priorities**

For 2024, our strategic priorities are to be a(n):

- Core partner for the regional economy and SMEs
- Key player in the financing of private and social housing in Geneva
- Private banking specialist for the Swiss and international economies
- Expert in asset management and investment funds
- Important pillar of influence in Geneva's economy, Swiss trade, and around the world
- Promoter of banking digitalisation, accessible to all and with a human touch
- Source of support for corporate and private clients looking to optimise their energy consumption

### ▪ **Outlook for 2024**

The Bank continues to expand and capture the dynamism of growth sectors. It is able to do so thanks to the diversity of its expertise and the alignment of its business model with the specific demands of the Geneva and Swiss economies.

- The growth of high added-value business and the loyalty of its client base reaffirm BCGE's favourable strategic positioning.
- The Bank's financial strength makes it a safe and stable financial guardian.
- The Bank expects a moderate drop in interest rates and a contracting economy, conditions likely to slow growth in revenue.
- The increase in lending will remain measured due to the regulations governing shareholders' equity and a policy of caution, particularly in real estate financing.
- The Bank is continuing to develop businesses that require less capital (e.g. private and institutional wealth management, business advice) and offers a wider range of services for businesses, such as equity financing and M&A.

Barring a significant deterioration in the economy or a sharp drop in interest rates, the Bank expects overall earnings for the year to be comparable to those of this past year.

## Highlights

### Main consolidated figures for the 2023 financial year

<b>Results (in CHF thousands)</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Variation 2023 vs 2022</b>	
Operating income	589,876	475,667	114,209	24.0%
Operating expenses	284,950	261,291	23,659	9.1%
Operating profit	281,720	194,986	86,734	44.5%
Net profit	231,240	175,950	55,290	31.4%
ROE (return on equity)	10.87%	9.09%	178 basis points	19.6%
Dividend per share (in CHF)	6.50 <sup>1</sup>	5.50	1.00	18.2%

<b>Balance sheet volumes (in CHF thousands)</b>	<b>31.12.2023</b>	<b>31.12.2022</b>		
Total assets	30,269,565	30,034,414	235,151	0.8%
Mortgage loans	13,582,289	13,045,695	536,594	4.1%
Assets under management and custody	35,264,056	33,411,277	1,852,779	5.5%
Shareholder equity	2,183,526	1,983,651	199,875	10.1%
Tier 1 capital ratio	16.08%	15.27%	81 basis points	5.3%
Ratio of regulatory capital available	17.01%	16.46%	55 basis points	3.4%
Staff (full-time equivalents)	917	874	43	4.9%

<sup>1</sup> Proposal to be submitted to the Annual General Meeting on 23 april 2024

## Consolidated balance sheet – BCGE Group

ASSETS	31.12.2023	31.12.2022	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Liquid assets	6,710,001	6,715,699	(5,698)	(0.1)
Amounts due from banks	700,448	1,162,774	(462,326)	(39.8)
Amounts due from securities financing transactions	389,992	718,692	(328,700)	(45.7)
Amounts due from customers	5,619,271	5,478,939	140,332	2.6
Mortgage loans	13,582,289	13,045,695	536,594	4.1
Trading portfolio assets	63,335	51,132	12,203	23.9
Positive replacement values of derivative financial instruments	22,595	12,355	10,240	82.9
Financial investments	2,648,593	2,339,186	309,407	13.2
Accrued income and prepaid expenses	66,870	49,896	16,974	34.0
Participations	72,044	69,198	2,846	4.1
Tangible fixed assets	107,237	128,315	(21,078)	(16.4)
Intangible assets	-	333	(333)	(100.0)
Other assets	286,890	262,200	24,690	9.4
<b>Total assets</b>	<b>30,269,565</b>	<b>30,034,414</b>	<b>235,151</b>	<b>0.8</b>
Total subordinated claims	48,090	46,223	1,867	4.0
<i>of which subject to mandatory conversion and / or debt waiver</i>	-	-	-	-
LIABILITIES	31.12.2023	31.12.2022	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Amounts due to banks	2,084,209	3,125,773	(1,041,564)	(33.3)
Liabilities from securities financing transactions	100,000	18,490	81,510	440.8
Amounts due in respect of customer deposits	20,449,267	19,446,818	1,002,449	5.2
Trading portfolio liabilities	2,728	1,565	1,163	74.3
Negative replacement values of derivative financial instruments	30,826	9,438	21,388	226.6
Cash bonds	3,282	740	2,542	343.5
Bond issues and central mortgage institution loans	4,719,535	4,776,505	(56,970)	(1.2)
Accrued expenses and deferred income	151,661	133,080	18,581	14.0
Other liabilities	536,716	532,518	4,198	0.8
Provisions	7,815	5,836	1,979	33.9
Reserves for general banking risks	290,000	270,000	20,000	7.4
Bank's capital	360,000	360,000	-	-
Statutory capital reserve	291,315	299,171	(7,856)	(2.6)
Statutory retained earnings reserve	1,059,968	921,818	138,150	15.0
Currency translation reserve	(36,545)	(29,467)	(7,078)	24.0
Own shares (negative item)	(12,452)	(14,292)	1,840	(12.9)
Minority interests in own capital	-	471	(471)	(100.0)
Profit/loss (result of the period)	231,240	175,950	55,290	31.4
<i>of which minority interests in profit &amp; loss account</i>	-	62	(62)	(100.0)
<b>Total liabilities</b>	<b>30,269,565</b>	<b>30,034,414</b>	<b>235,151</b>	<b>0.8</b>
Total subordinated liabilities	241,535	331,545	(90,010)	(27.1)
<i>of which subject to mandatory conversion and / or debt waiver</i>	241,535	245,000	(3,465)	(1.4)
OFF-BALANCE-SHEETS TRANSACTIONS	31.12.2023	31.12.2022	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Contingent liabilities	1,028,702	914,546	114,156	12.5
Irrevocable commitments	976,413	768,782	207,631	27.0
Obligations to pay up shares and make further contributions	272,183	304,085	(31,902)	(10.5)
Credit commitments	18,453	114,811	(96,358)	(83.9)

## Consolidated income statement – BCGE Group

	31.12.2023	31.12.2022	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
<b>RESULT FROM INTEREST OPERATIONS</b>				
Interest and discount income	572,926	306,466	266,460	86.9
Interest and dividend income from trading portfolios	204	60	144	240.0
Interest and dividend income from financial investments	17,243	5,641	11,602	205.7
Interest expense	(192,582)	(20,808)	(171,774)	825.5
<b>Gross result from interest operations</b>	<b>397,791</b>	<b>291,359</b>	<b>106,432</b>	<b>36.5</b>
Changes in value adjustments for default risks and losses from interest operations	(7,530)	(5,348)	(2,182)	40.8
<b>Subtotal net result from interest operations</b>	<b>390,261</b>	<b>286,011</b>	<b>104,250</b>	<b>36.4</b>
<b>RESULT FROM COMISSION BUSINESS AND SERVICES</b>				
Commission income from securities trading and investment activities	60,320	60,635	(315)	(0.5)
Commission income from lending activities	38,319	44,046	(5,727)	(13.0)
Commission income from other services	44,210	40,355	3,855	9.6
Commission expense	(9,789)	(12,287)	2,498	(20.3)
<b>Subtotal result from comission business and services</b>	<b>133,060</b>	<b>132,749</b>	<b>311</b>	<b>0.2</b>
<b>RESULT FROM TRADING ACTIVITIES AND THE FAIR VALUE OPTION</b>				
<b>Subtotal result from trading activities and the fair value option</b>	<b>37,900</b>	<b>37,784</b>	<b>116</b>	<b>0.3</b>
<b>OTHER RESULT FROM ORDINARY ACTIVITIES</b>				
Result from the disposal of financial investments	23,570	10,394	13,176	126.8
Income from participations	8,188	11,048	(2,860)	(25.9)
Result from real estate	1,262	1,104	158	14.3
Other ordinary income	5,390	7,830	(2,440)	(31.2)
Other ordinary expenses	(9,755)	(11,253)	1,498	(13.3)
<b>Subtotal other result from ordinary activities</b>	<b>28,655</b>	<b>19,123</b>	<b>9,532</b>	<b>49.8</b>
<b>Total operating income</b>	<b>589,876</b>	<b>475,667</b>	<b>114,209</b>	<b>24.0</b>
<b>OPERATING EXPENSES</b>				
Personnel expenses	(176,235)	(164,437)	(11,798)	7.2
General and administrative expenses	(108,715)	(96,854)	(11,861)	12.2
<b>Subtotal operating expenses</b>	<b>(284,950)</b>	<b>(261,291)</b>	<b>(23,659)</b>	<b>9.1</b>
"Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets"	(20,332)	(18,717)	(1,615)	8.6
Changes to provisions and other value adjustments, and losses	(2,874)	(673)	(2,201)	327.0
<b>Operating result</b>	<b>281,720</b>	<b>194,986</b>	<b>86,734</b>	<b>44.5</b>
Extraordinary income	10,525	34,583	(24,058)	(69.6)
Extraordinary expenses	(45)	-	(45)	-
Changes in reserves for general banking risks	(20,000)	(20,000)	-	-
Taxes	(40,960)	(33,619)	(7,341)	21.8
<b>Profit/loss (result of the period)</b>	<b>231,240</b>	<b>175,950</b>	<b>55,290</b>	<b>31.4</b>
<i>of which minority interests in profit &amp; loss account</i>	-	62	(62)	(100)

## Consolidated statement of changes in equity – BCGE Group

CHF thousand	Bank's capital	Statutory capital reserve	Statutory retained earnings reserve	Reserves for general banking risks	Currency translation reserve	Own shares (negative item)	Minority interests	Result of the period	Total
<b>Equity at start of current period</b>	<b>360,000</b>	<b>299,171</b>	<b>921,818</b>	<b>270,000</b>	<b>(29,467)</b>	<b>(14,292)</b>	<b>471</b>	<b>175,950</b>	<b>1,983,651</b>
Acquisition of own shares						(6,287)			<b>(6,287)</b>
Disposal of own shares						9,502			<b>9,502</b>
Profit (loss) on disposal of own shares		1,375				(1,375)			-
Currency translation differences					(7,078)				<b>(7,078)</b>
Dividends and other distributions		489						(39,600)	<b>(39,111)</b>
Special allocation to the State of Geneva (20% of dividends paid)								(7,920)	<b>(7,920)</b>
Other allocations to (transfers from) the reserves for general banking risks				20,000					<b>20,000</b>
Other allocations to (transfers from) other reserves		(9,720)	138,150				(471)	(128,430)	<b>(471)</b>
Profit / loss (result of the period)								231,240	<b>231,240</b>
<b>Equity at end of current period</b>	<b>360,000</b>	<b>291,315</b>	<b>1,059,968</b>	<b>290,000</b>	<b>(36,545)</b>	<b>(12,452)</b>	<b>0</b>	<b>231,240</b>	<b>2,183,526</b>

## Condensed notes – BCGE Group

### ▪ Highlights

The chapter Highlights mentioned in pages 3 to 5 contain information regarding the economic factors that have influenced the results under review and their variations compared to the previous year.

### ▪ No significant event has occurred since the results were compiled.

## Detail of extraordinary income and expenses

	31.12.2023	31.12.2022
	CHF thousand	CHF thousand
<b>Extraordinary income</b>		
Residual extraordinary profit from a dispute with an IT service provider, resolved at the end of 2022	450	34,559
Proceeds from the sale of immaterial securities	139	-
Profit from the sale of a real estate product	9,922	-
Other	14	25
<b>Total</b>	<b>10,525</b>	<b>34,584</b>
<b>Extraordinary expenses</b>		
Non-operating expenses	-	-
Other	45	0
<b>Total</b>	<b>45</b>	<b>0</b>



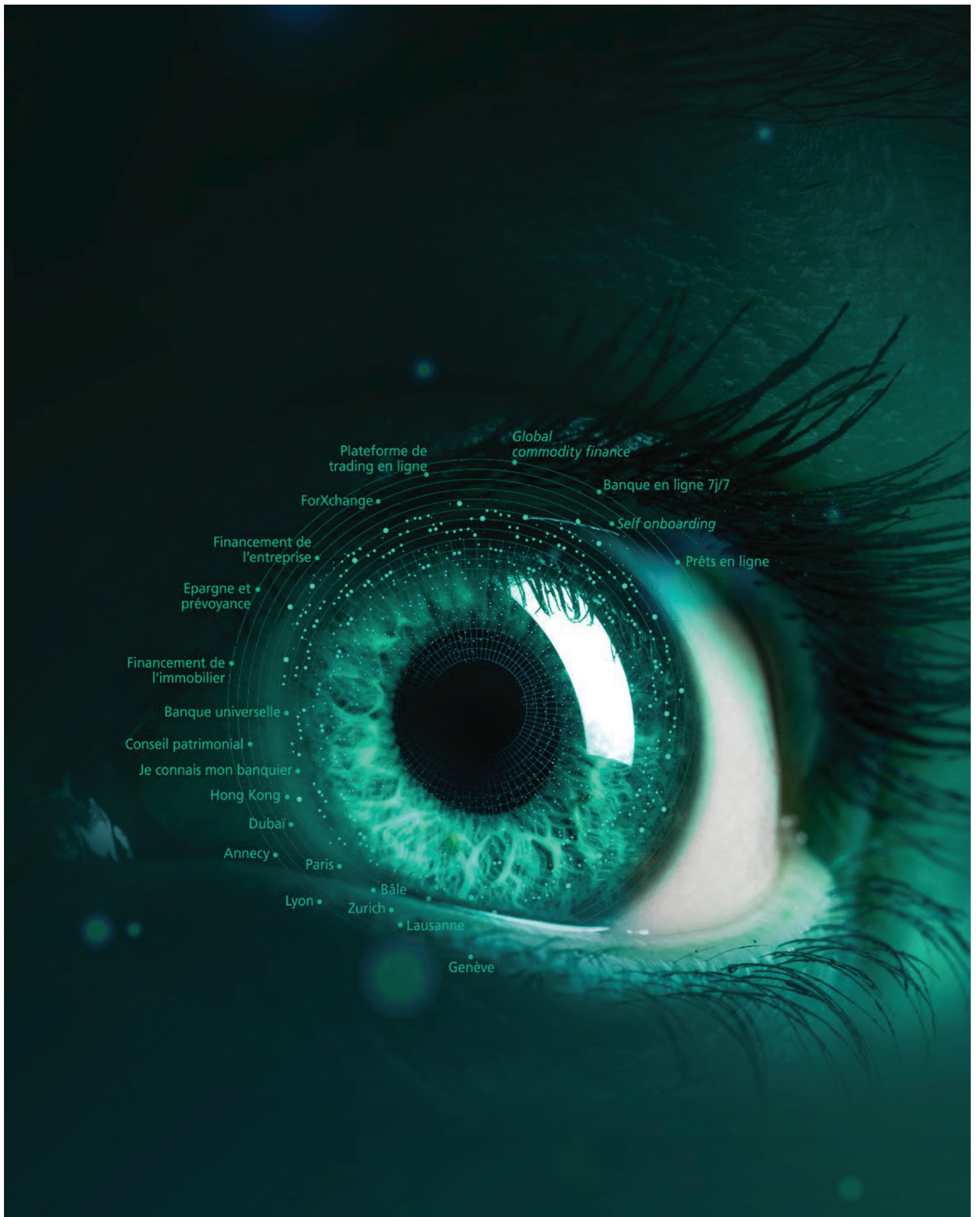
## Balance sheet – Parent company

ASSETS	31.12.2023	31.12.2022	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Liquid assets	6,668,964	6,692,591	(23,627)	(0.4)
Amounts due from banks	1,376,901	1,855,445	(478,544)	(25.8)
Amounts due from securities financing transactions	389,992	718,692	(328,700)	(45.7)
Amounts due from customers	4,829,015	4,637,910	191,105	4.1
Mortgage loans	13,582,289	13,045,695	536,594	4.1
Trading portfolio assets	63,326	51,119	12,207	23.9
Positive replacement values of derivative financial instruments	22,595	12,455	10,140	81.4
Financial investments	2,576,655	2,265,224	311,431	13.7
Accrued income and prepaid expenses	59,725	43,843	15,882	36.2
Participations	99,719	96,010	3,709	3.9
Tangible fixed assets	104,105	124,570	(20,465)	(16.4)
Intangible assets	-	78	(78)	(100.0)
Other assets	285,490	260,259	25,231	9.7
<b>Total assets</b>	<b>30,058,776</b>	<b>29,803,891</b>	<b>254,885</b>	<b>0.9</b>
Total subordinated claims	8,066	5,948	2,118	35.6
<i>of which subject to mandatory conversion and / or debt waiver</i>	-	-	-	-
LIABILITIES	31.12.2023	31.12.2022	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Amounts due to banks	2,078,036	3,089,611	(1,011,575)	(32.7)
Liabilities from securities financing transactions	100,000	18,490	81,510	440.8
Amounts due in respect of customer deposits	20,354,594	19,349,485	1,005,109	5.2
Trading portfolio liabilities	2,728	1,565	1,163	74.3
Negative replacement values of derivative financial instruments	30,920	9,485	21,435	226.0
Cash bonds	3,282	740	2,542	343.5
Bond issues and central mortgage institution loans	4,719,535	4,776,505	(56,970)	(1.2)
Accrued expenses and deferred income	145,329	127,727	17,602	13.8
Other liabilities	534,704	530,918	3,786	0.7
Provisions	7,334	5,300	2,034	38.4
Reserves for general banking risks	290,000	270,000	20,000	7.4
Bank's capital	360,000	360,000	-	-
Statutory capital reserve	279,570	289,290	(9,720)	(3.4)
<i>of which tax-exempt capital contribution reserve</i>	148,872	158,592	(9,720)	(6.1)
Statutory retained earnings reserve	953,131	828,080	125,051	15.1
Own shares	(12,452)	(14,292)	1,840	(12.9)
Profit carried forward / loss carried forward	-	421	(421)	(100.0)
Profit/loss (result of the period)	212,065	160,566	51,499	32.1
<b>Total liabilities</b>	<b>30,058,776</b>	<b>29,803,891</b>	<b>254,885</b>	<b>0.9</b>
Total subordinated liabilities	241,535	331,545	(90,010)	(27.1)
<i>of which subject to mandatory conversion and / or debt waiver</i>	241,535	245,000	(3,465)	(1.4)
OFF-BALANCE-SHEETS TRANSACTIONS	31.12.2023	31.12.2022	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Contingent liabilities	999,351	882,711	116,640	13.2
Irrevocable commitments	1,041,865	817,644	224,221	27.4
Obligations to pay up shares and make further contributions	272,183	304,085	(31,902)	(10.5)
Credit commitments	18,453	114,811	(96,358)	(83.9)

## Income statement – Parent company

	31.12.2023	31.12.2022	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
<b>RESULT FROM INTEREST OPERATIONS</b>				
Interest and discount income	547,964	283,582	264,382	93.2
Interest and dividend income from trading portfolios	204	58	146	251.7
Interest and dividend income from financial investments	15,776	4,282	11,494	268.4
Interest expense	(191,419)	(19,563)	(171,856)	878.5
<b>Gross result from interest operations</b>	<b>372,525</b>	<b>268,359</b>	<b>104,166</b>	<b>38.8</b>
Changes in value adjustments for default risks and losses from interest operations	(6,424)	(4,485)	(1,939)	43.2
<b>Subtotal net result from interest operations</b>	<b>366,101</b>	<b>263,874</b>	<b>102,227</b>	<b>38.7</b>
<b>RESULT FROM COMISSION BUSINESS AND SERVICES</b>				
Commission income from securities trading and investment activities	56,588	57,425	(837)	(1.5)
Commission income from lending activities	34,865	39,158	(4,293)	(11.0)
Commission income from other services	41,728	38,868	2,860	7.4
Commission expense	(9,966)	(12,287)	2,321	(18.9)
<b>Subtotal result from comission business and services</b>	<b>123,215</b>	<b>123,164</b>	<b>51</b>	<b>0.0</b>
<b>RESULT FROM TRADING ACTIVITIES AND FAIR VALUE OPTION</b>				
<b>Subtotal result from trading activities and the fair value option</b>	<b>38,331</b>	<b>38,061</b>	<b>270</b>	<b>0.7</b>
<b>OTHER RESULT FROM ORDINARY ACTIVITIES</b>				
Result from the disposal of financial investments	13,897	9,038	4,859	53.8
Income from participations	7,446	5,554	1,892	34.1
Result from real estate	1,262	1,104	158	14.3
Other ordinary income	6,737	7,413	(676)	(9.1)
Other ordinary expenses	(9,489)	(11,191)	1,702	(15.2)
<b>Subtotal other result from ordinary activities</b>	<b>19,853</b>	<b>11,918</b>	<b>7,935</b>	<b>66.6</b>
<b>Total operating income</b>	<b>547,500</b>	<b>437,017</b>	<b>110,483</b>	<b>25.3</b>
<b>OPERATING EXPENSES</b>				
Personnel expenses	(165,050)	(153,443)	(11,607)	7.6
General and administrative expenses	(100,774)	(88,400)	(12,374)	14.0
<b>Subtotal operating expenses</b>	<b>(265,824)</b>	<b>(241,843)</b>	<b>(23,981)</b>	<b>9.9</b>
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(19,239)	(17,767)	(1,472)	8.3
Changes to provisions and other value adjustments, and losses	(2,901)	(1,279)	(1,622)	126.8
<b>Operating result</b>	<b>259,536</b>	<b>176,128</b>	<b>83,408</b>	<b>47.4</b>
Extraordinary income	10,332	34,583	(24,251)	(70.1)
Extraordinary expenses	-	-	-	-
Changes in reserves for general banking risks	(20,000)	(20,000)	-	-
Taxes	(37,803)	(30,145)	(7,658)	25.4
<b>Profit/loss (result of the period)</b>	<b>212,065</b>	<b>160,566</b>	<b>51,499</b>	<b>32.1</b>





Plateforme de trading en ligne

Global commodity finance

Banque en ligne 7j/7

ForXchange

Self onboarding

Financement de l'entreprise

Prêts en ligne

Epargne et prévoyance

Financement de l'immobilier

Banque universelle

Conseil patrimonial

Je connais mon banquier

Hong Kong

Dubai

Anncy

Paris

Lyon

Bâle

Zurich

Lausanne

Genève