

 Banque Cantonale de Genève

# Group annual results as at 31 December 2023

Press conference dated 5 March 2024

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# Contents

## 2023 Annual Results

1. Record net profit
2. Positive trend for key performance indicators
3. Sharp rise in business turnover
4. Revenue growth driven by interest margin
5. BCGE: a major financier of Geneva's economy
6. Client deposits pass the CHF 20 billion mark
7. Increase in gross interest margin (+36.5%)
8. Solid commissions
9. Assets under management and administration grow to CHF 35.3 billion
10. Embracing new technologies that benefit clients
11. Continued increase in shareholders' equity (+10.1%)
12. 2023 share performance: +25.3%
13. 15,237 shareholders (including 14,831 private shareholders)
14. Dividends up by 18%
15. BCGE created value for all its stakeholders over 3 years
16. The Bank has created more than CHF 2.1 billion in value since 2000

Strategic outlook for 2024

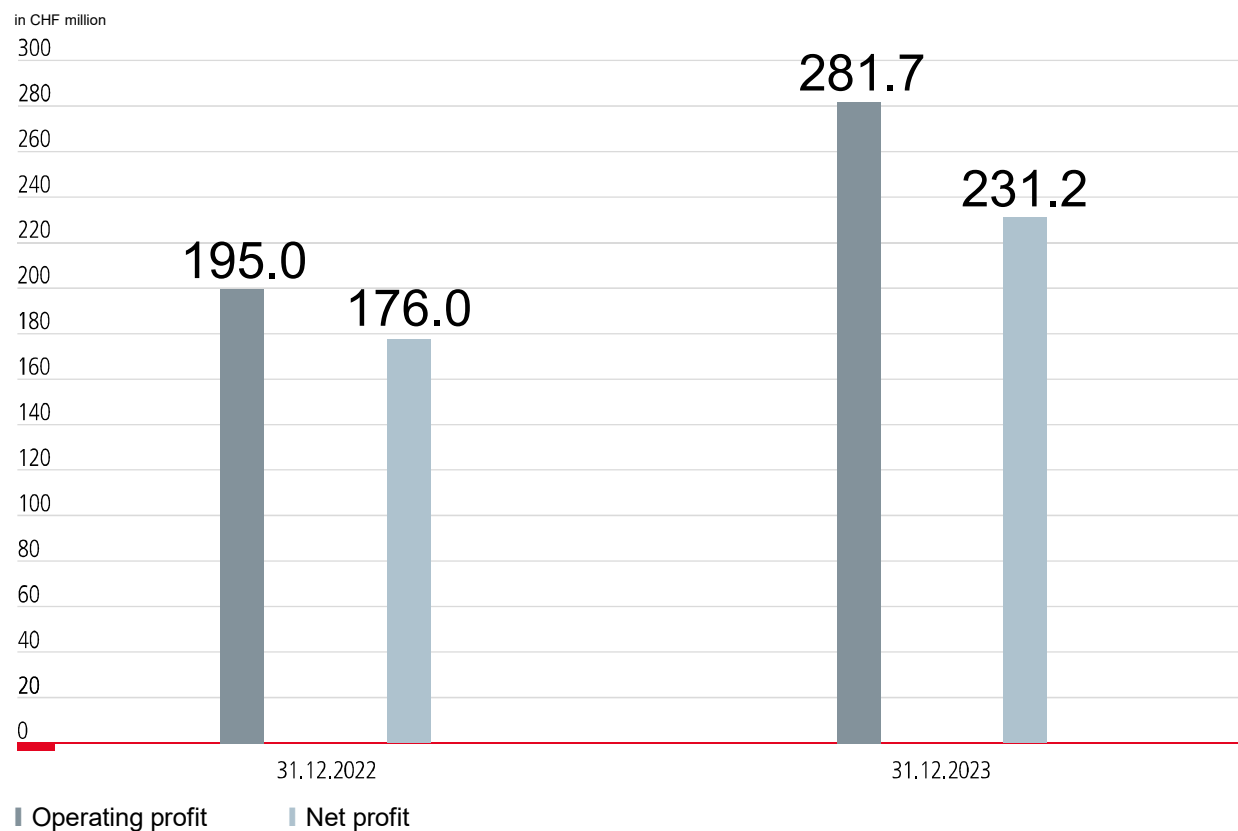


# 2023 Annual Results



# 1. Record net profit

- Net profit: CHF 231.2 million (+31.4%)<sup>1</sup>
- Operating profit: CHF 281.7 million (+44.5%)



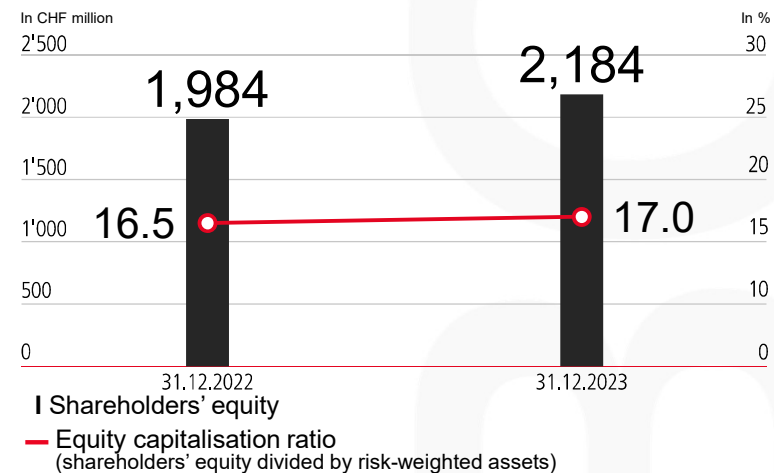
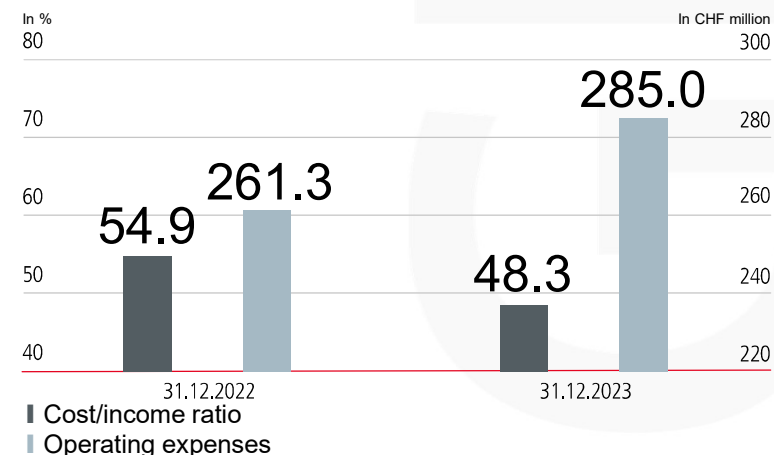
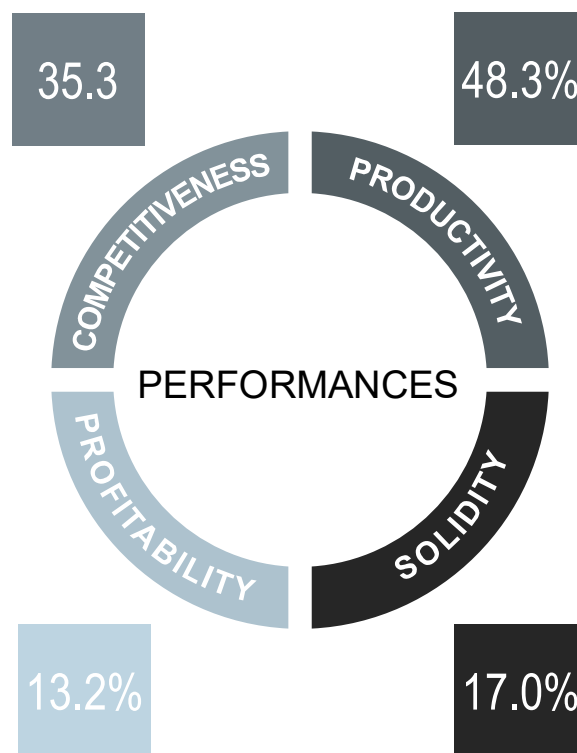
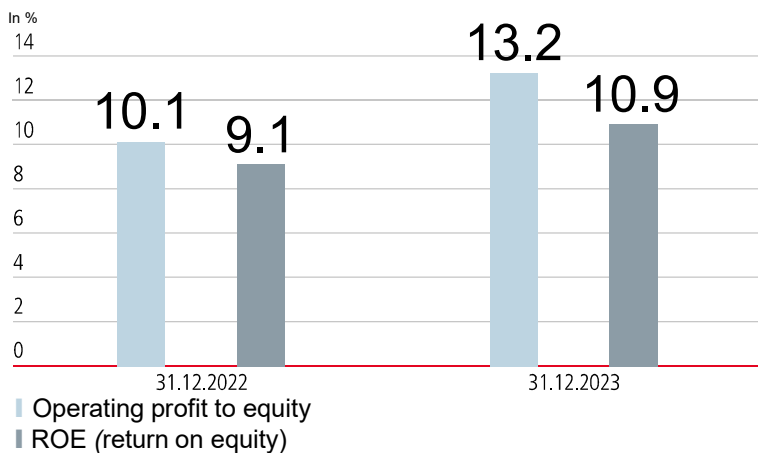
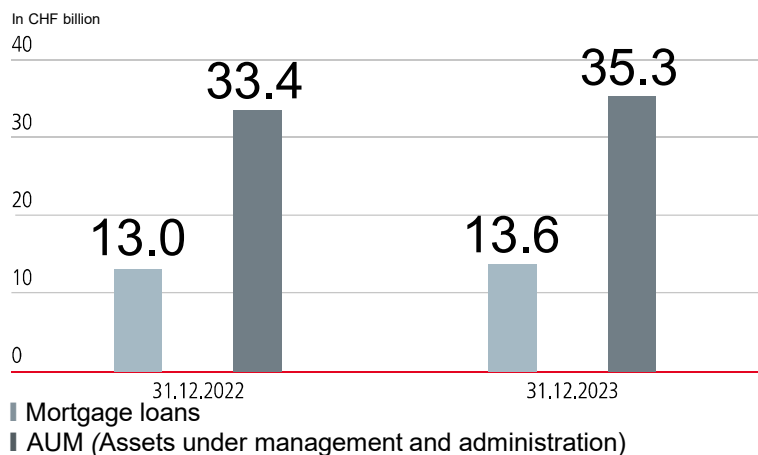
## Executive summary 2023

- > Growing number of private and corporate clients
- > Controlled operating costs
- > Modest cost of risk
- > Operating profit up significantly
- > Coverage ratio and return on equity at an excellent level
- > Dividend up sharply<sup>2</sup>

<sup>1</sup> Including an extraordinary result of CHF 10.5 million

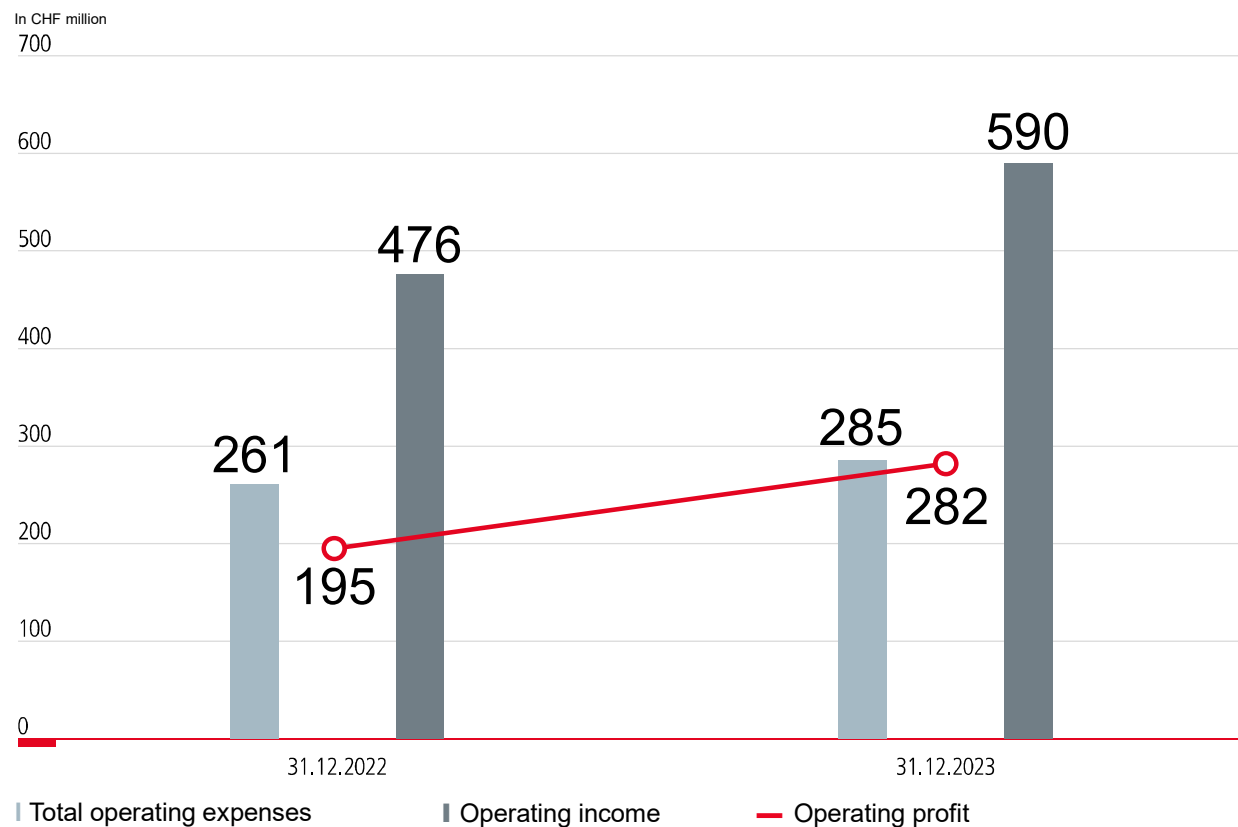
<sup>2</sup> Proposal to be submitted to the Annual General Meeting on 23/04/2024

## 2. Positive trend for key performance indicators



### 3. Business turnover rose sharply

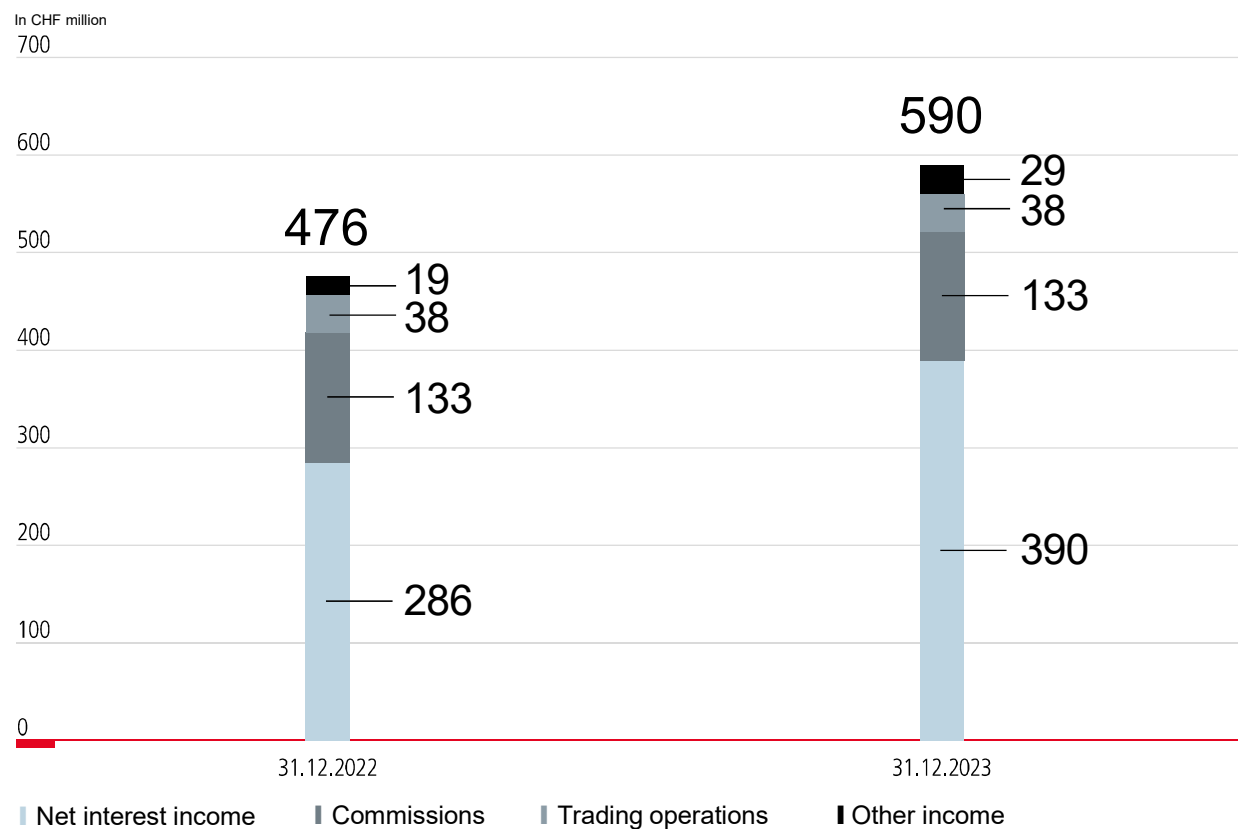
- Total revenues: CHF 589.9 million (+24.0%)
- Operating expenses: CHF 285.0 million (+9.1%)



- > Growth in turnover reflects timely strategic positioning, capturing the dynamism of economic growth sectors
- > BCGE has become one of the top cantonal banks in terms of earnings
- > Operating expenses are keeping pace with company growth
- > Investments in digitalisation and business development remain sustained

## 4. Revenue growth driven by interest margin

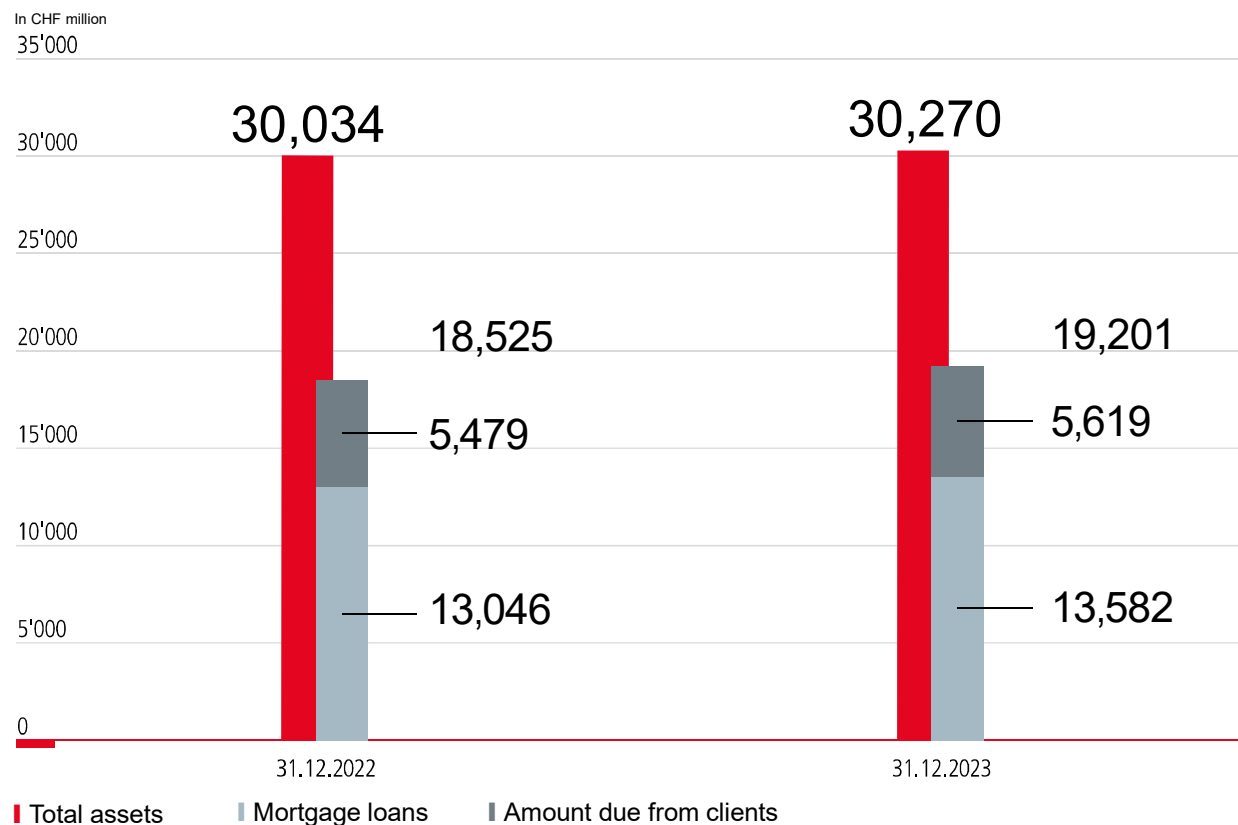
■ The Bank was able to make the most of the change in the interest rate regime thanks to dynamic ALM management and its large deposit and savings base.



- > The increase in interest income is also supported by the increase in outstanding loans
- > Commissions remain at a high level, supported by day-to-day banking services and asset management
- > Trading operations boosted by foreign exchange activity
- > Other results grew, thanks in particular to equity financing for SMEs

## 5. BCGE: a major financier of Geneva's economy

■ The Bank granted loans worth CHF 19.2 billion to companies and private individuals (+CHF 677 million)



- > The Bank is currently serving 22,092 corporate clients<sup>1</sup> (+735 since 31/12/2022)
- > Loans to companies and public authorities increased by CHF 140 million
- > Mortgage loans up 4.1%<sup>2</sup>
- > The share of mortgage loans in the balance sheet total (45%) reflected disciplined asset diversification

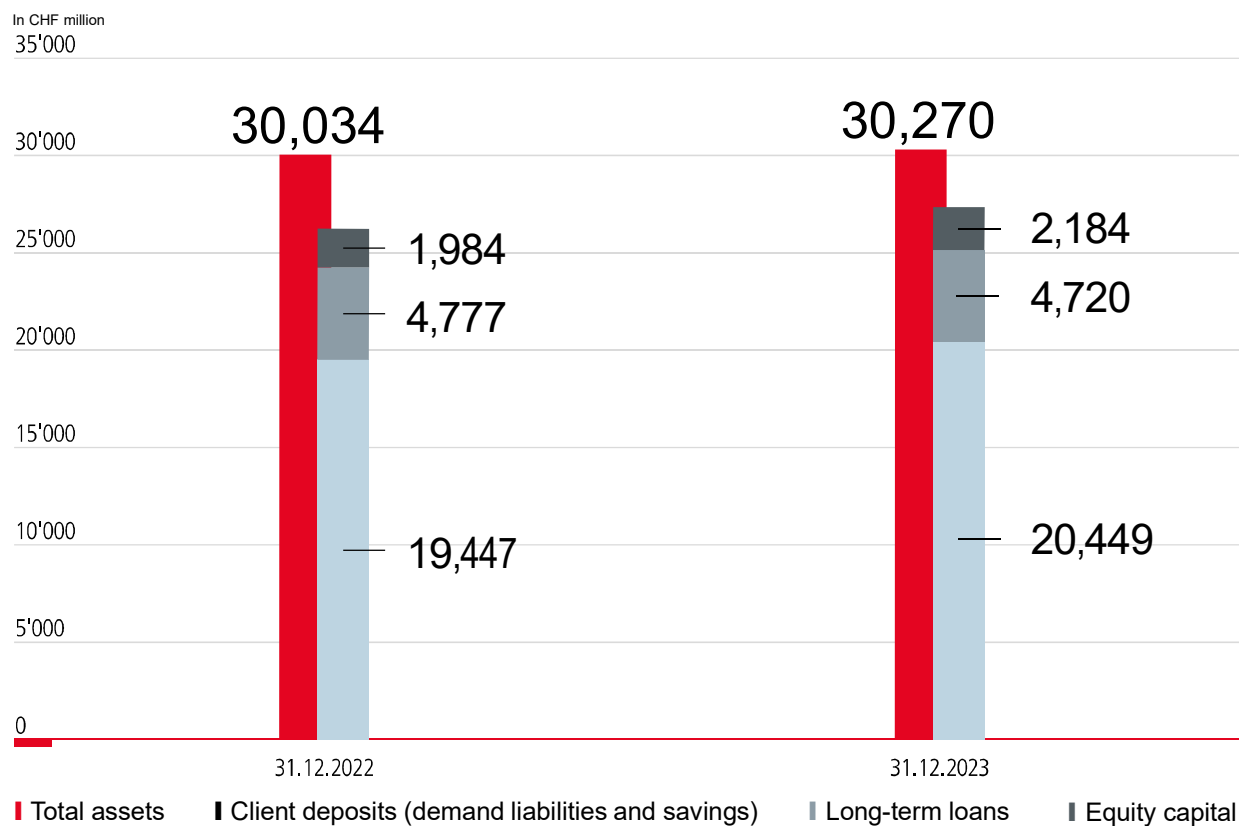
<sup>1</sup> Independent & institutional businesses

<sup>2</sup> 18% share of the Geneva banking market (SNB: 2023)



## 6. Client deposits pass the CHF 20 billion mark

■ 5.2% growth in deposits, reflecting clients' desire for security



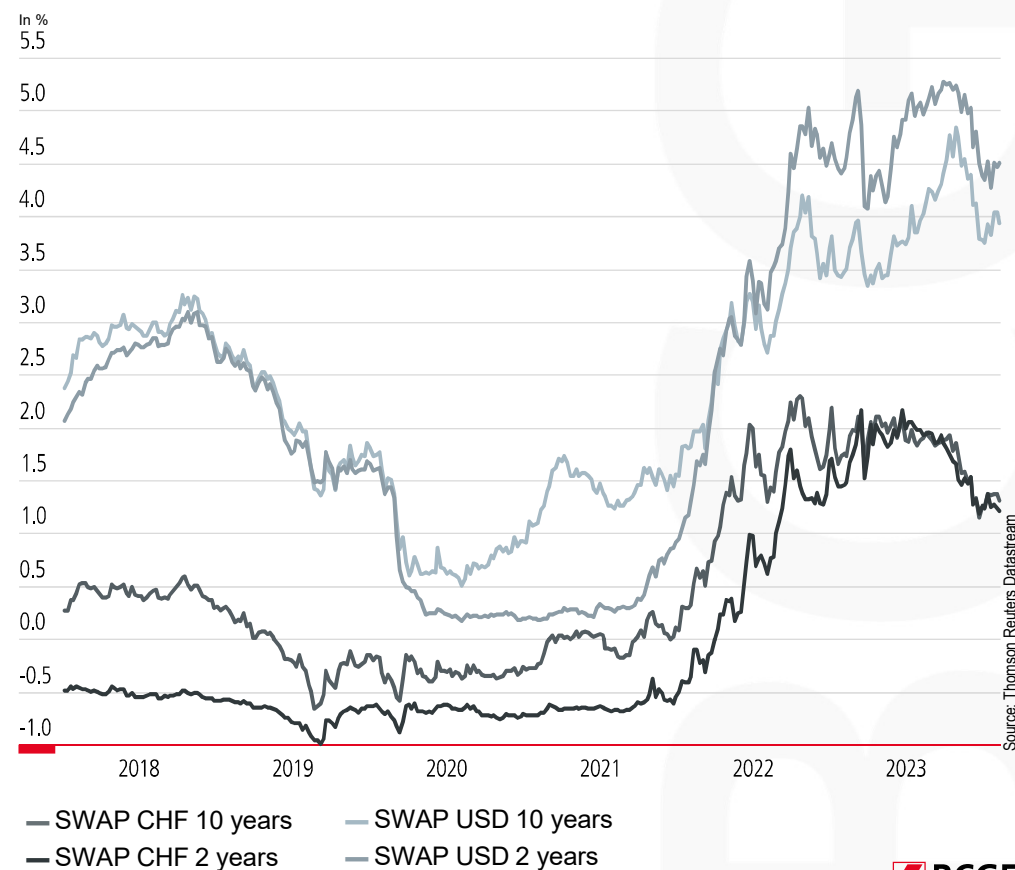
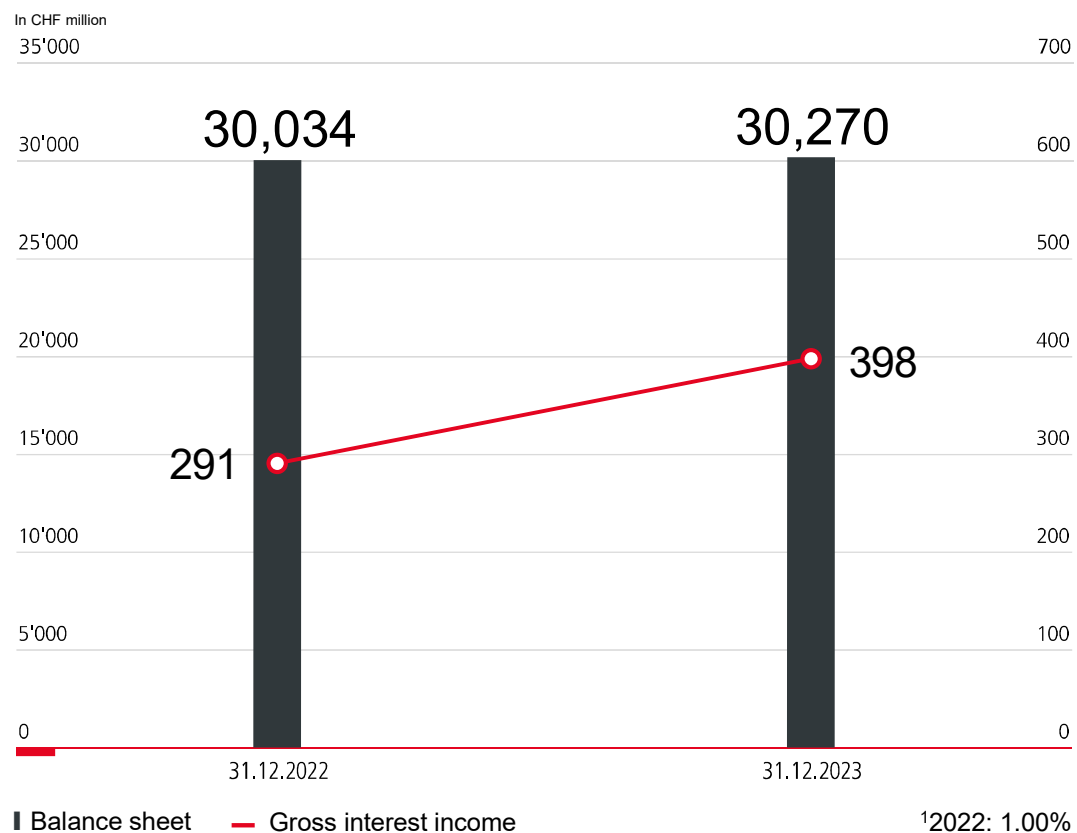
- > Well-diversified liability structure and liquidity ratios above regulatory requirements
- > The loyalty programme is made up of nearly 38,000 members (+3.4%)

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- > High coverage rate of mortgages by client deposits: 151% (2022: 149%)

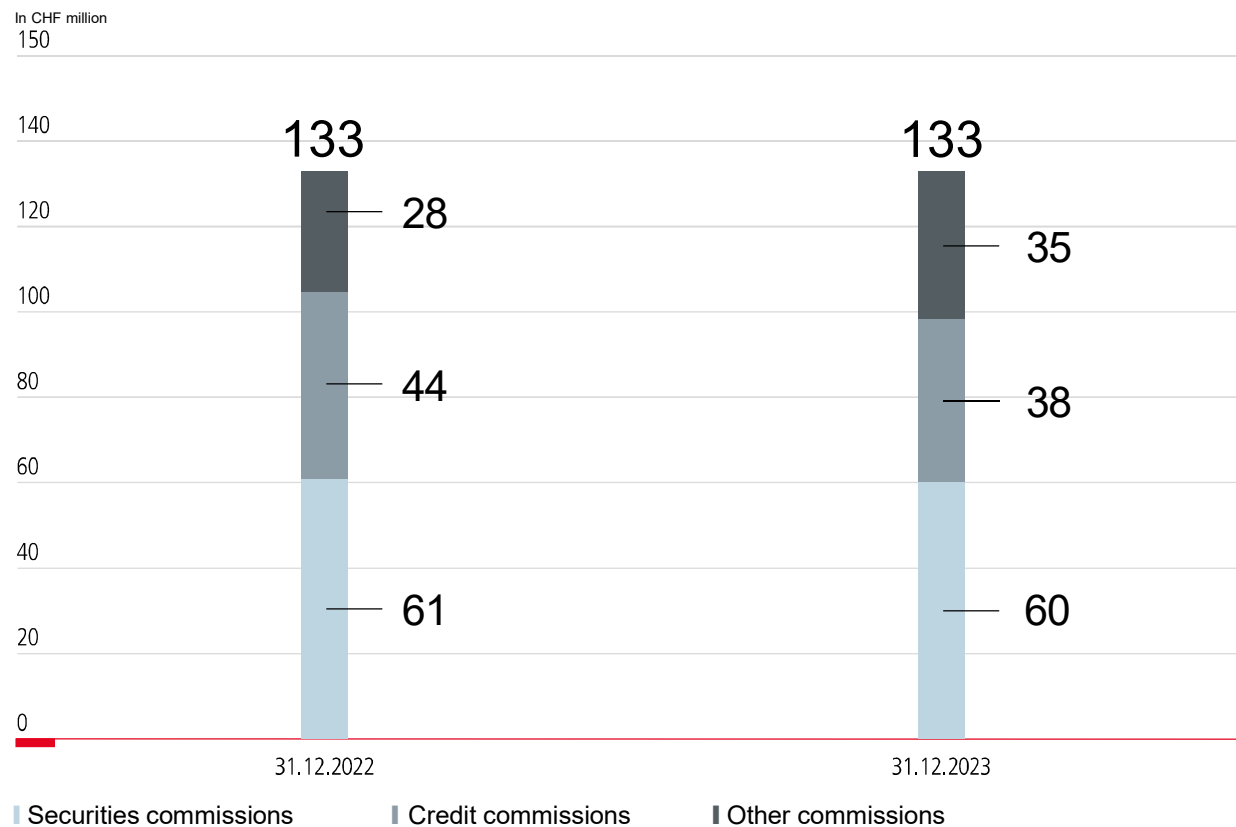
## 7. Increase in gross interest margin (+36.5%)

■ Growth in the volume of financing and a dynamic ALM strategy enabled the margin rate to reach 1.32%<sup>1</sup>



## 8. Solid commissions

Commissions account for a large proportion of total revenue (23%) thanks to the diversification of the Bank's activities



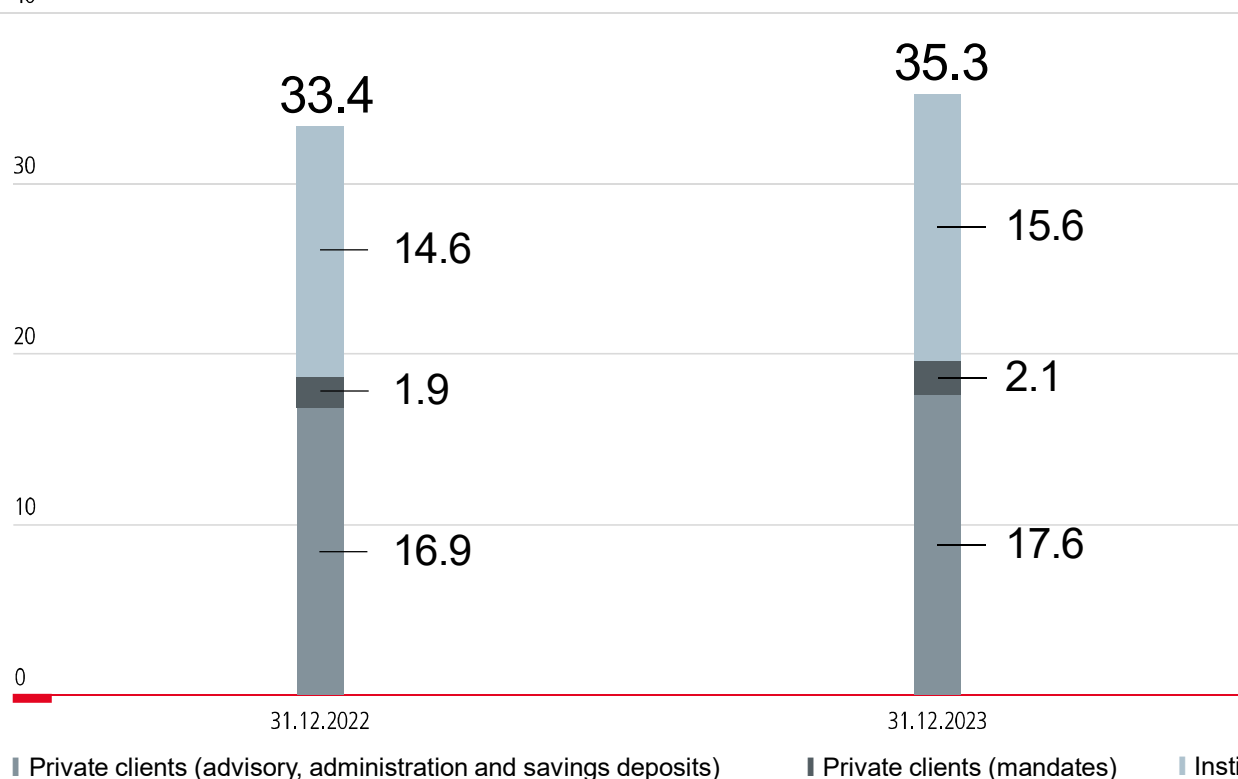
- > The 0.5% decline in securities commissions reflects a wait-and-see attitude on the part of investors, with clients remaining committed to management mandates
- > The 13.0% decrease in credit commissions mainly reflects the slowdown in international trade and currency fluctuations (USD)
- > Other commissions (+22.6%) attested to business growth concerning individuals (+5,487 clients), both in-branch and online

## 9. Assets under management & administration grow to CHF 35.3 billion

■ Private client assets increased by CHF 870 million to CHF 19.7 billion (+4.6%)

■ The number of institutional clients grew by 6.7%, representing a total of more than CHF 15 bn

In CHF billion  
40



■ Private clients (advisory, administration and savings deposits)

■ Private clients (mandates)

■ Institutional clients

>  **Best of**<sup>®</sup>


The net inflow into new discretionary mandates was CHF 227 million

>  **SYNCHRONY** Funds<sup>®</sup>

The 40 investment funds totalled CHF 3.9 billion

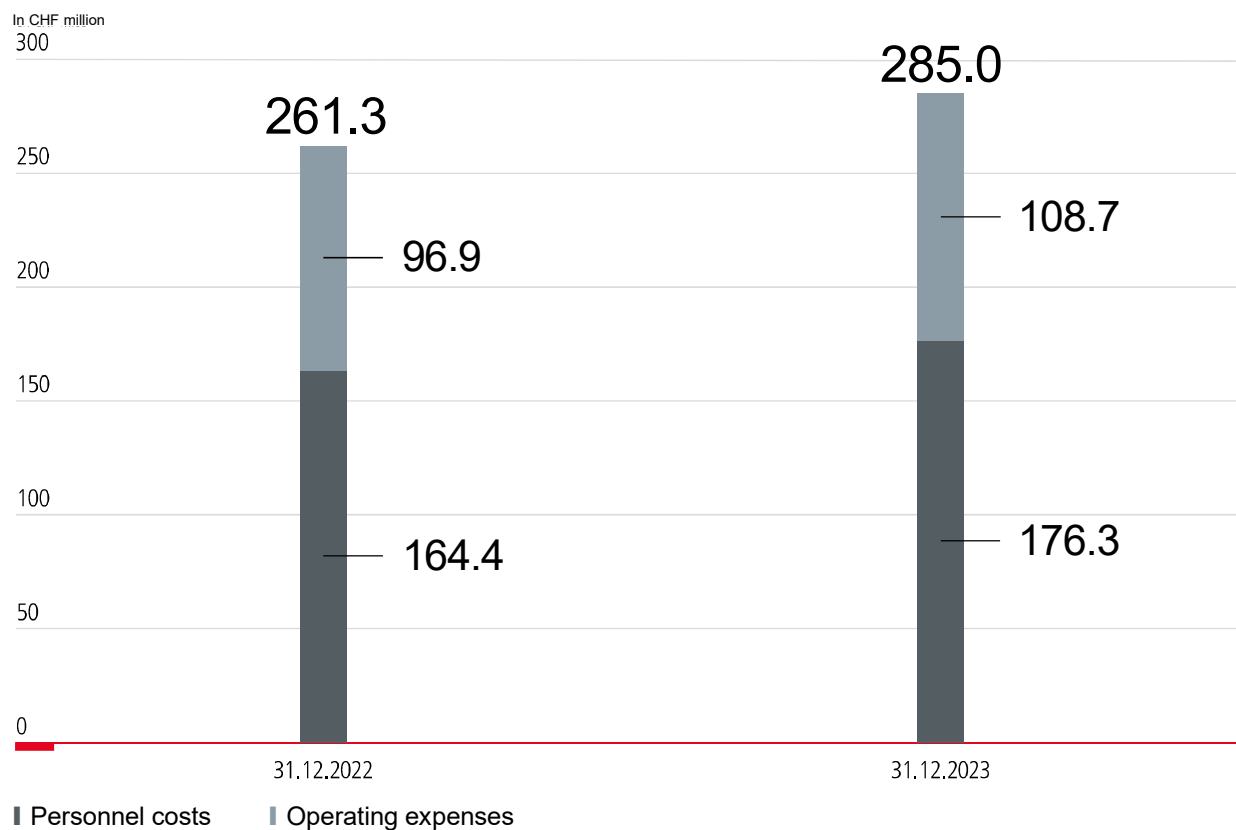
>  **1816**<sup>®</sup>

The online trading platform<sup>1</sup> passed the 12,000 investor threshold

<sup>1</sup>In association with the platform  **Yourmoney**

## 10. Embracing new technologies that benefit clients

- The Bank has been investing in digitalisation, IT security and energy efficiency
- The Group created 43 new jobs in 2023

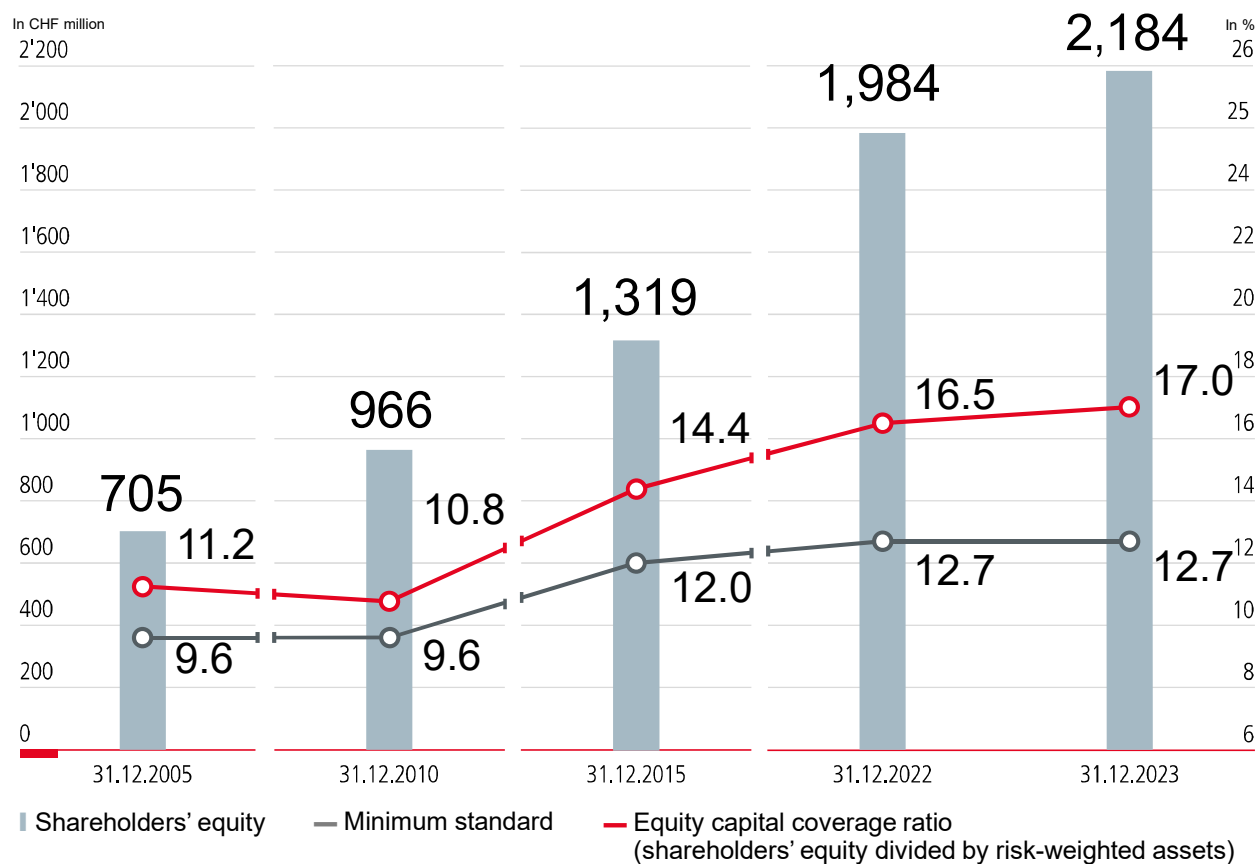


- > The BCGE Group employs 917 individuals (full-time equivalents) at over 31 sites
- > The Bank has introduced online subscriptions for Best of management mandates
- > The Bank has been modernising its branches (examples include the head office at Ile and the Vernier branch)
- > The Bank has received CO<sub>2</sub> Optimised certification



## 11. Continued increase in shareholders' equity (+10.1%)

- Shareholders' equity increased significantly by CHF 200 million
- Almost CHF 1.5 billion in additional equity since 2005



- > BCGE is one of an elite group of well-capitalised and sound banks
- > The consolidated equity capitalisation ratio exceeded 17.0% (required standard: 12.7%)
- > In February of 2023, the Bank successfully paid off a perpetual subordinated loan AT1/2017 (CHF 90 million) without having to reissue it
- > S&P rating (AA-/A-1+/Stable)

## 12. 2023 share performance: +25.3%

- The market value is 74% of the book value (CHF 303.3)
- With a market capitalisation of 1.6 billion, the potential for appreciation remains significant (equity value: CHF 2.2 billion)

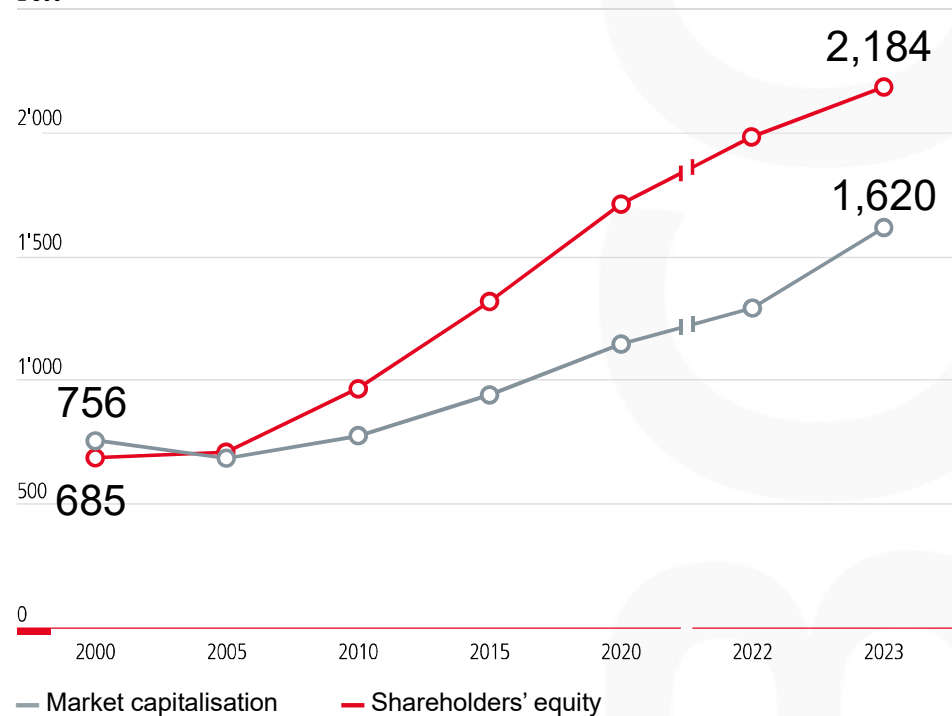
Comparative evolution of the share price from 2018 to 2023

Price rebased to 100 on 01.01.2018



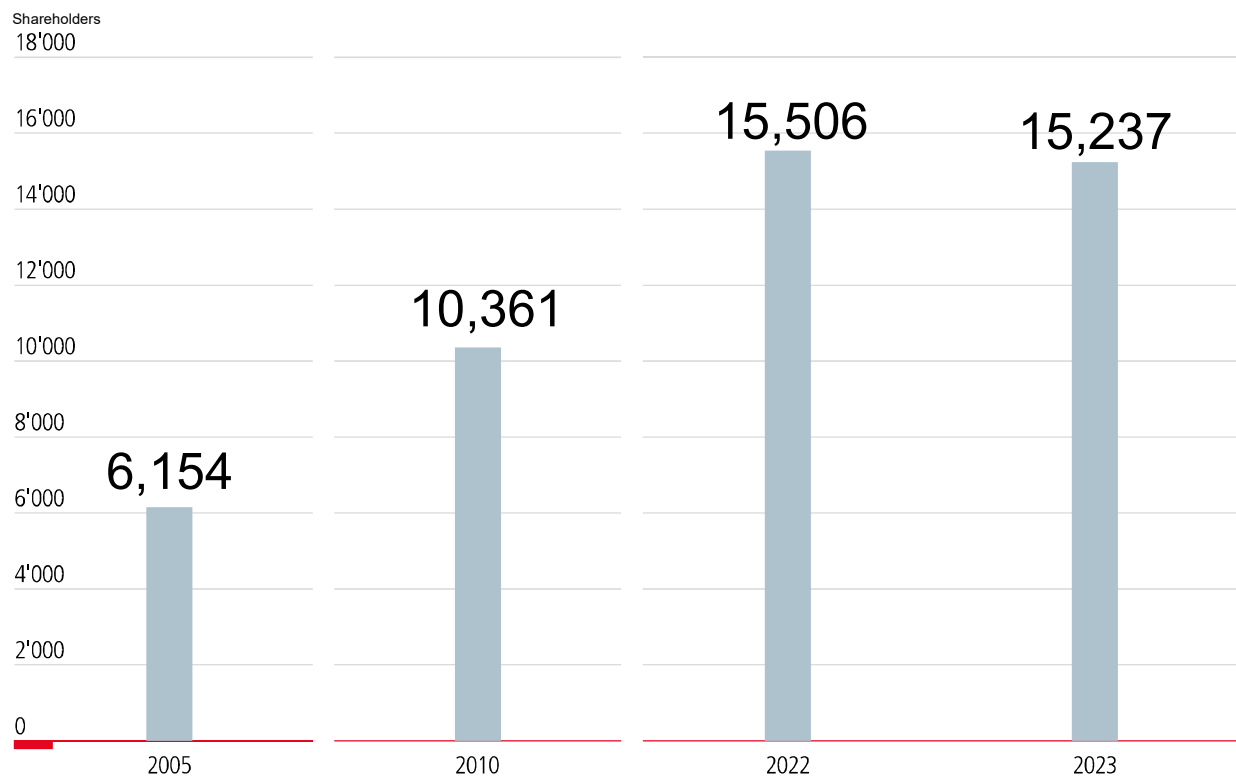
Evolution of equity capital and market capitalisation from 2000 to 2023

In CHF million  
2'500



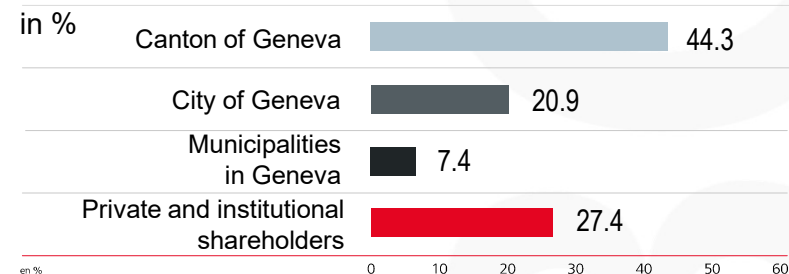
## 13. 15,237 shareholders, of whom 14,831 are private shareholders

■ Slight decline in the number of private shareholders



- > Shareholder base is broadly distributed (83% of shareholders own between 1 and 50 shares)
- > Alignment of interests between shareholders and employees (76% of BCGE employees are shareholders and hold 3.1% of the Bank's capital)

Breakdown of capital according to shareholding structure





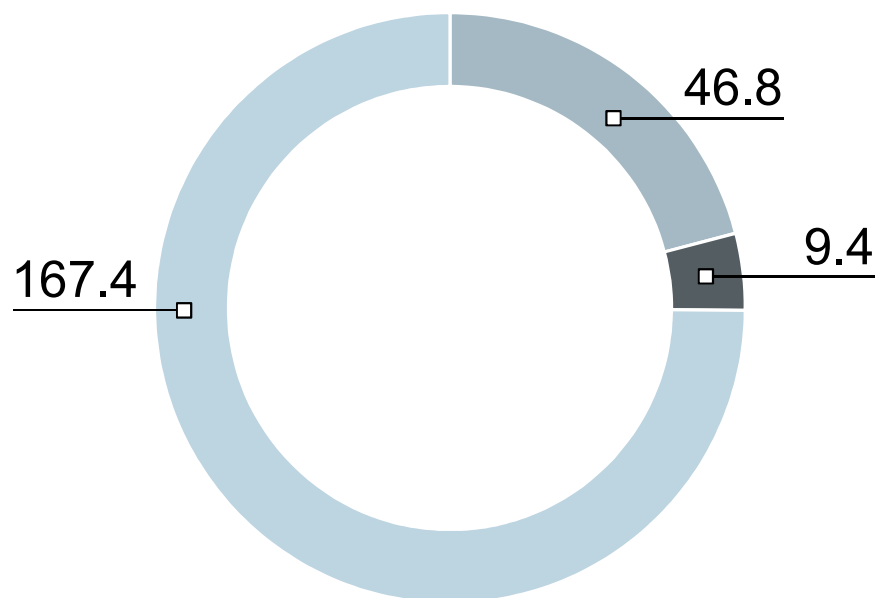
## 14. Dividends up by 18%

- Proposal to the General Meeting of Shareholders for a dividend of CHF 6.50 (+CHF 1.00)
- Payout ratio of 26.5% (dividend and special allocation/distributable profit)

Distribution of distributable profit of the parent company:

CHF 223.6 million

[including the withdrawal from the reserve resulting from tax-exempt capital contributions of 11.5 million (3.2%)]



■ General legal reserve

■ Dividend

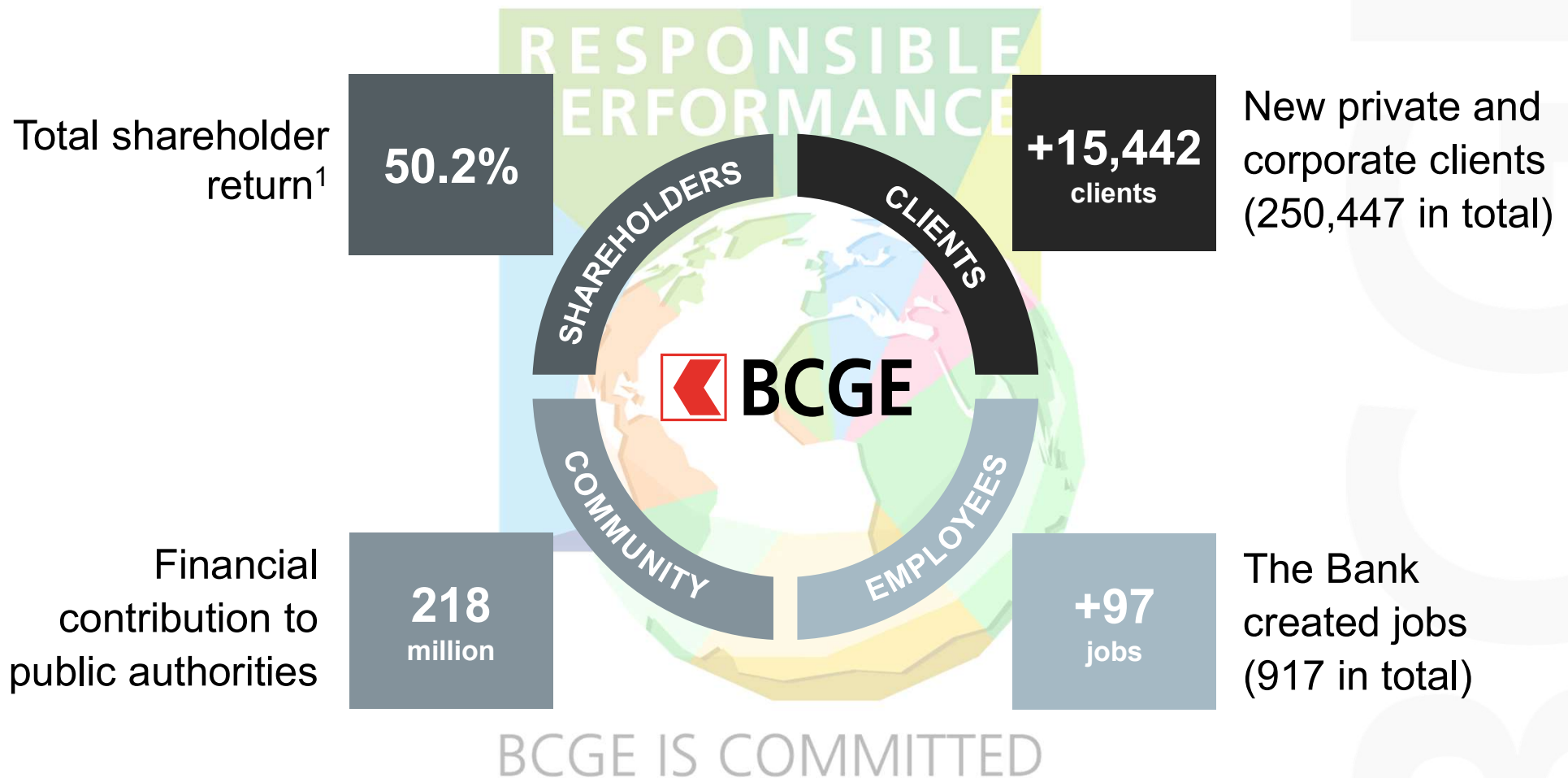
■ Special allocation to the State of Geneva

- > Our balanced distribution policy enables the self-financing of equity capital to ensure the Bank's growth
- > Dividend<sup>1</sup>: 46.80 million
  - State of Geneva: 20.72 million
  - City of Geneva: 9.77 million
  - Geneva municipalities: 3.47 million
  - Private and institutional shareholders: 12.84 million
- > Special allocation<sup>2</sup>: 9.36 million

<sup>1</sup> Proposal to the General Assembly on 23.04.2024

<sup>2</sup> According to Art. 33 of the Bank's articles of association

## 15. BCGE created value for all its stakeholders over 3 years

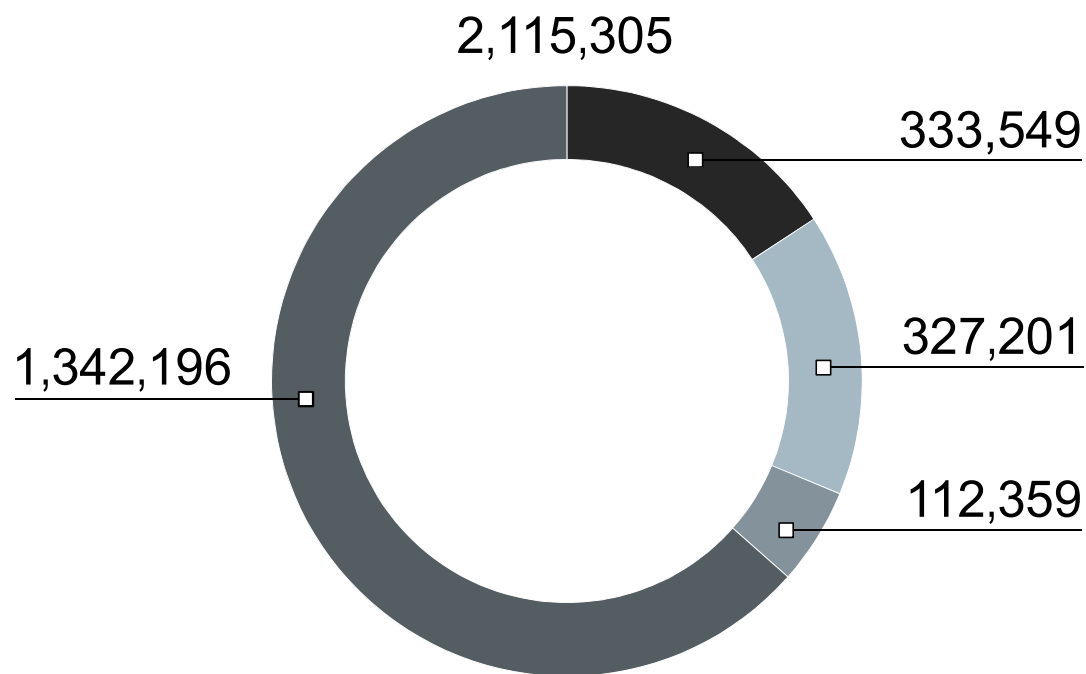


<sup>1</sup>Capital gain & dividend based on pre-tax share price at 31.12.2020

## 16. The Bank has created more than CHF 2.1 bn in value since 2000

77% of this amount<sup>1</sup> went to public authorities (CHF 1.63 billion)

2000-2023 breakdown of earnings  
In CHF 1,000



- Taxes (with direct federal tax)
- Dividends to public authorities
- Dividends to private and institutional shareholders
- Reserve allocation

<sup>1</sup> Including the amount allocated to reserves



# Priorities and outlook

## Challenges and achievements

### 2023 Challenges\*

Core partner for the regional economy and SMEs

Key player in the financing of private and public housing in Geneva

Recognised experience in advisory services for Swiss and international private banking

Expert in asset management and investment funds

An important pillar for influence of Geneva's economy and trade in Switzerland and around the world

Innovative leader in digital banking

Provider of solutions meeting the sustainable finance preferences of its private & institutional clients

### 2023 Achievements

**CHF 19.2 billion** in financing allocated to the economy

**CHF 13.6 billion** (+CHF 537 million) Growth of mortgage loans

**CHF 19.7 billion** (+CHF 870 million) Growth of total private assets managed

Synchrony investment funds total **CHF 3.9 billion**

The share of the Group's turnover in EUR and USD reaches **23.5%**

**37.0%** of new accounts in 2023 were opened online

Financing and advisory services to support the energy conversion of buildings

\*Our 2023 challenges were presented at the press conference held on 08.08.2023

## Strategic priorities for 2024

- 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
- An important pillar for influence of Geneva's economy and trade in Switzerland 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

### Risks (top 5)

- Economic risks
- Crime (economic, IT and physical)
- Geopolitical risk
- Costs of banking regulations
- Uncertainty over interest rates

## ■ 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 the 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 (private and institutional wealth management, business advice) and offers a wider range of services for businesses (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 that of last year's.**

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