



**BCGE Group results
as at 31 December 2021**

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Impressum

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Only the French version shall be binding

Highlights

Record net profit and dividend

The Banque Cantonale de Genève recorded an excellent economic performance for the 2021 financial year with net profit up 19.3% to CHF 125.2 million. Turnover rose sharply by 19.8% to CHF 439.2 million, reflecting the bank's ability to capture the economic recovery. Business volumes increased significantly, with mortgage loans up 5.5% to CHF 12.7 billion and assets under management and custody up 7.5% to CHF 34.1 billion. The bank's productivity is on a par with the best Swiss universal banks with international activities, with a cost income ratio of 57.8%. The bank also created 15 new specialised jobs in 2021. Shareholder equity is rising steadily (+6.5%, +CHF 111 million) to reach a total of CHF 1.827 billion with a coverage ratio of 16.5% well above the minimum requirement. Barring a deterioration in the economic situation and taking into account the projected commercial developments, the bank expects a slight increase in the overall earnings for 2022. The dividend proposed to the General Meeting will be increased by 20% to CHF 4.50.

- **All performance indicators are up**

The bank's excellent economic performance demonstrates its ability to capture the economic recovery. Business turnover rose sharply to CHF 439 million and net profit increased to CHF 125.2 million. Operating expenses of CHF 254 million reflect the investment dynamic. The bank's productivity is on a par with the best Swiss universal banks with international activities, with a cost income ratio of 57.8%. The bank created 15 new specialised jobs in 2021 and the number of employees now stands at 834 employees (full-time equivalents).

Net interest income reflects the growth in corporate and retail loans to CHF 228 million (+5.7%). Commissions rose to CHF 136 million (+17.7%) thanks to private banking with its network of branches in Geneva and Switzerland, and to international trade finance. The share of revenues in EUR and USD accounted for 27.5% of turnover, reflecting a healthy diversification of the business portfolio and the geographical scope of activities.

- **A major contributor to financing Geneva's economy**

The bank grants a total of CHF 18.4 billion in loans to companies and individuals, up by CHF 763 million in 2021. Mortgage loans reached CHF 12.7 billion and represent 45% of the balance sheet total, a proportion that reflects the efficient diversification of the bank's balance sheet. Loans to companies and public authorities increased by CHF 102 million (to CHF 5.7 billion). The bank now has 20,762 companies among its clients, an increase of 153 since 31 December 2020.

- **Assets under management and custody crossed the threshold of CHF 34 billion**

The bank continues to be highly competitive in asset management. Assets under management and custody showed record growth, up CHF 2.4 billion (+7.5%). This is due in particular to the influx of funds from private clients. Private banking grew strongly with more than 1,222 new management mandates from the Best of range. Investment funds rose by 21.7% to CHF 3.9 billion, reflecting the growing success of the Synchrony brand.

- **Continued increase in shareholder equity**

Shareholder equity increased by CHF 111 million (+6.5%) to over CHF 1.8 billion. This figure is the result of a constant increase which, since 2005, has seen the creation of more than CHF 1.1 billion of additional shareholder equity. BCGE belongs to the circle of well-capitalised and sound banks, as reflected by the upgrade of its rating by Standard & Poor's to AA-/A-1+/Stable on 4 November 2021.

- **355 new shareholders**

The number of private and institutional shareholders of the bank is increasing every year. The shareholder community grew by 355 persons or entities. The bank thus registered 15,423 shareholders as at 31 December 2021, including 15,051 private shareholders. The shareholder base is well diversified (83% of shareholders known to the bank hold between one and fifty shares). 77% of employees are shareholders, holding 2.6% of the bank's capital.

- **The share price is gradually approaching its intrinsic value**

The share price was stable in 2021, with a slight increase in the market capitalisation to CHF 1.156 billion and an equity value of CHF 1.827 billion. With a book value of CHF 257.6 and given the excellent results, the share has substantial upside potential.

Highlights

▪ **The proposed dividend is significantly higher**

The dividend submitted to the General Meeting for approval is CHF 4.50 or 9% of the nominal value which represents an increase of 20%. The bank's contribution to public authorities, mainly the State and Geneva municipalities, in the form of taxes and dividends, totals CHF 61 million for the 2021 financial year.

▪ **Strategic priorities for 2022**

The bank is currently working on seven strategic priorities, summarised as follows:

- Core partner for the regional economy and SMEs
- Key player in the financing of private and social 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
- Partner to corporate and private clients in the energy transition process

▪ **Outlook for 2022**

The bank is continuing its commercial expansion by capturing the economic recovery. It relies on the diversity of its skills and on the alignment of its business model with the specific demands of the Geneva and Swiss economy.

- The growth of high added-value business and the loyalty of its client base confirm the BCGE's favourable strategic orientation
- The bank's financial strength makes it a safe and stable custodial address.
- The bank expects interest rates to remain low and the economic situation to improve, factors which are likely to weigh on its interest margin but which will boost its commission income.
- The increase in loans will remain moderate due to the regulations governing capital requirements and a policy of caution, particularly in real estate financing.
- The bank is stepping up the development of its less capital-intensive businesses (private and institutional asset management, corporate advisory services) and is expanding its corporate offer (private equity and M&A).

Barring a deterioration in the economic situation and taking into account the projected commercial developments, the bank expects a slight increase in the overall earnings for the year.

Highlights

Key consolidated figures for the financial year 2021

Results, in CHF thousand	31.12.2021	31.12.2020	Variation 2021 vs 2020	
Operating income	439,240	366,719	72,521	19.8%
Operating expenses	253,996	237,296	16,700	7.0%
Operating profit	174,309	112,995	61,314	54.3%
Net profit	125,234	104,962	20,272	19.3%
ROE (return on equity)	7.0%	6.2%	77 basis points	12.3%
Dividend per share in CHF	4.50 ¹	3.75	0.75	20.0%
Balance sheet volumes, in CHF thousand				
Total assets	28,293,691	27,541,692	751,999	2.7%
Mortgage loans	12,665,892	12,005,607	660,285	5.5%
Assets under management and custody	34,145,974	31,756,641	2,389,333	7.5%
Shareholder equity	1,827,222	1,716,341	110,881	6.5%
Tier 1 capital ratio	15.11%	15.04%	8 basis points	0.5%
Ratio of regulatory capital available	16.49%	16.15%	34 basis points	2.1%
Staff (full-time equivalents)	834	820	15 ²	1.8%

¹ Proposal to be submitted to the General Meeting on 3 May 2022.

² Due to rounding (staff numbers have increased from 819.6 to 834.1).

6 Consolidated balance sheet – BCGE Group

ASSETS	31.12.2021	31.12.2020	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Liquid assets	6,467,963	6,474,360	(6,397)	(0.1)
Amounts due from banks	857,787	732,421	125,366	17.1
Amounts due from securities financing transactions	-	-	-	-
Amounts due from customers	5,689,608	5,587,154	102,454	1.8
Mortgage loans	12,665,892	12,005,607	660,285	5.5
Trading portfolio assets	53,944	53,729	215	0.4
Positive replacement values of derivative financial instruments	17,094	15,953	1,141	7.2
Financial investments	2,124,776	2,210,757	(85,981)	(3.9)
Accrued income and prepaid expenses	38,535	37,131	1,404	3.8
Participations	64,042	53,613	10,429	19.5
Tangible fixed assets	128,684	120,102	8,582	7.1
Intangible assets	702	615	87	14.1
Other assets	184,664	250,250	(65,586)	(26.2)
Total assets	28,293,691	27,541,692	751,999	2.7
Total subordinated claims	29,853	20,627	9,226	44.7
<i>of which subject to mandatory conversion and / or debt waiver</i>	-	-	-	-
LIABILITIES	31.12.2021	31.12.2020	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Amounts due to banks	3,194,426	3,385,977	(191,551)	(5.7)
Liabilities from securities financing transactions	163,064	817,425	(654,361)	(80.1)
Amounts due in respect of customer deposits	18,233,404	16,883,771	1,349,633	8.0
Trading portfolio liabilities	3,925	511	3,414	668.1
Negative replacement values of derivative financial instruments	8,648	12,562	(3,914)	(31.2)
Cash bonds	803	1,100	(297)	(27.0)
Bond issues and central mortgage institution loans	4,597,245	4,491,155	106,090	2.4
Accrued expenses and deferred income	110,102	97,848	12,254	12.5
Other liabilities	148,490	122,057	26,433	21.7
Provisions	6,362	12,945	(6,583)	(50.9)
Reserves for general banking risks	250,000	230,000	20,000	8.7
Bank's capital	360,000	360,000	-	-
Statutory capital reserve	306,764	320,358	(13,594)	(4.2)
Statutory retained earnings reserve	827,544	741,301	86,243	11.6
Currency translation reserve	(24,442)	(19,836)	(4,606)	23.2
Own shares (negative item)	(18,287)	(20,832)	2,545	(12.2)
Minority interests in own capital	409	388	21	5.4
Profit/loss (result of the period)	125,234	104,962	20,272	19.3
<i>of which minority interests in profit & loss account</i>	21	(12)	33	(275.0)
Total liabilities	28,293,691	27,541,692	751,999	2.7
Total subordinated liabilities	334,745	334,655	90	0.0
<i>of which subject to mandatory conversion and / or debt waiver</i>	334,745	334,655	90	0.0
OFF-BALANCE-SHEETS TRANSACTIONS	31.12.2021	31.12.2020	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Contingent liabilities	1,328,273	916,005	412,268	45.0
Irrevocable commitments	731,444	817,116	(85,672)	(10.5)
Obligations to pay up shares and make further contributions	238,120	178,565	59,555	33.4
Credit commitments	117,903	118,180	(277)	(0.2)

Consolidated income statement – BCGE Group

	31.12.2021	31.12.2020	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
RESULT FROM INTEREST OPERATIONS				
Interest and discount income	249,803	260,230	(10,427)	(4.0)
Interest and dividend income from trading portfolios	40	36	4	11.1
Interest and dividend income from financial investments	4,558	5,891	(1,333)	(22.6)
Interest expense	(3,625)	(21,187)	17,562	(82.9)
Gross result from interest operations	250,776	244,970	5,806	2.4
Changes in value adjustments for default risks and losses from interest operations ¹	(22,866)	(29,343)	6,477	(22.1)
Subtotal net result from interest operations	227,910	215,627	12,283	5.7
RESULT FROM COMMISSION BUSINESS AND SERVICES				
Commission income from securities trading and investment activities	65,255	56,170	9,085	16.2
Commission income from lending activities	43,728	33,838	9,890	29.2
Commission income from other services	37,009	34,120	2,889	8.5
Commission expense	(9,948)	(8,503)	(1,445)	17.0
Subtotal result from commission business and services	136,044	115,625	20,419	17.7
RESULT FROM TRADING ACTIVITIES AND THE FAIR VALUE OPTION				
Subtotal result from trading activities and the fair value option	34,035	30,377	3,658	12.0
OTHER RESULT FROM ORDINARY ACTIVITIES				
Result from the disposal of financial investments	25,801	(6,800)	32,601	(479.4)
Income from participations	8,242	6,147	2,095	34.1
Result from real estate	1,246	1,080	166	15.4
Other ordinary income	6,943	10,864	(3,921)	(36.1)
Other ordinary expenses	(981)	(6,201)	5,220	(84.2)
Subtotal other result from ordinary activities	41,251	5,090	36,161	710.4
Total operating income	439,240	366,719	72,521	19.8
OPERATING EXPENSES				
Personnel expenses	(159,097)	(147,762)	(11,335)	7.7
General and administrative expenses	(94,899)	(89,534)	(5,365)	6.0
Subtotal operating expenses	(253,996)	(237,296)	(16,700)	7.0
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets ^{1,2}	(16,847)	(15,285)	(1,562)	10.2
Changes to provisions and other value adjustments, and losses	5,912	(1,143)	7,055	(617.2)
Operating result	174,309	112,995	61,314	54.3
Extraordinary income	13	127	(114)	(89.8)
Extraordinary expenses	-	-	-	-
Changes in reserves for general banking risks	(20,000)	15,000	(35,000)	(233.3)
Taxes	(29,088)	(23,160)	(5,928)	25.6
Profit / Loss	125,234	104,962	20,272	19.3
<i>of which minority interests in profit & loss account</i>	21	(12)	33	275.0

¹ The Bank has decided to set aside all of its value adjustments for inherent default risks, ahead of the initial schedule, which called for the full provision by the end of 2023. The amount set aside in 2021 is CHF 24.66 million, of which CHF 21.12 million is shown under "Changes in value adjustments for default risks and losses on interest transactions" and CHF 3.54 million under "Changes in provisions and other value adjustments, losses".

² Following the judgement handed down by the Court of First Instance of the Canton of Geneva on 15 June 2021 in a dispute between BCGE and an IT service provider, the Bank dissolved provisions set up in connection with this case in the amount of CHF 10 million.

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
Equity at start of current period	360,000	320,358	846,263	230,000	(19,836)	(20,832)	388	-	1,716,341
Acquisition of own shares						(3,537)			(3,537)
Disposal of own shares						5,714			5,714
Profit (loss) on disposal of own shares		(368)				368			-
Currency translation differences					(4,606)				(4,606)
Dividends and other distributions		454	(27,000)						(26,546)
Special allocation to the State of Geneva (20% of dividends paid)			(5,400)						(5,400)
Other allocations to (transfers from) the reserves for general banking risks				20,000					20,000
Other allocations to (transfers from) other reserves		(13,680)	13,681				21		22
Profit / loss (result of the period)								125,234	125,234
Equity at end of current period	360,000	306,764	827,544	250,000	(24,442)	(18,287)	409	125,234	1,827,222

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

	31.12.2021	31.12.2020
	CHF thousand	CHF thousand
Extraordinary income		
Participations sales	-	45
Other	13	82
Total	13	127
Extraordinary expenses		
Total	-	-

Balance sheet – Parent company

ASSETS	31.12.2021	31.12.2020	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Liquid assets	6,450,913	6,456,481	(5,568)	(0.1)
Amounts due from banks	1,603,467	1,413,081	190,386	13.5
Amounts due from securities financing transactions	-	-	-	-
Amounts due from customers	4,818,462	4,731,370	87,092	1.8
Mortgage loans	12,665,892	12,005,607	660,285	5.5
Trading portfolio assets	53,927	53,607	320	0.6
Positive replacement values of derivative financial instruments	17,094	16,141	953	5.9
Financial investments	2,050,589	2,170,107	(119,518)	(5.5)
Accrued income and prepaid expenses	35,164	34,638	526	1.5
Participations	94,903	89,056	5,847	6.6
Tangible fixed assets	123,962	116,655	7,307	6.3
Intangible assets	267	-	267	n/a
Other assets	182,355	248,697	(66,342)	(26.7)
Total assets	28,096,995	27,335,440	761,555	2.8
Total subordinated claims	4,614	3,893	721	18.5
<i>of which subject to mandatory conversion and / or debt waiver</i>	-	-	-	-
LIABILITIES	31.12.2021	31.12.2020	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Amounts due to banks	3,178,095	3,381,092	(202,997)	(6.0)
Liabilities from securities financing transactions	163,064	817,425	(654,361)	(80.1)
Amounts due in respect of customer deposits	18,139,842	16,760,462	1,379,380	8.2
Trading portfolio liabilities	3,925	511	3,414	668.1
Negative replacement values of derivative financial instruments	9,076	12,562	(3,486)	(27.8)
Cash bonds	803	1,100	(297)	(27.0)
Bond issues and central mortgage institution loans	4,597,245	4,491,155	106,090	2.4
Accrued expenses and deferred income	104,875	92,771	12,104	13.0
Other liabilities	145,823	120,154	25,669	21.4
Provisions	6,190	12,955	(6,765)	(52.2)
Reserves for general banking risks	250,000	230,000	20,000	8.7
Bank's capital	360,000	360,000	-	-
Statutory capital reserve	297,210	304,050	(6,840)	(2.2)
<i>of which tax-exempt capital contribution reserve</i>	<i>166,512</i>	<i>173,352</i>	<i>(6,840)</i>	<i>(3.9)</i>
Statutory retained earnings reserve	745,833	672,907	72,926	10.8
Own shares	(18,287)	(20,832)	2,545	(12.2)
Profit carried forward / loss carried forward	728	713	15	2.1
Profit/loss (result of the period)	112,573	98,415	14,158	14.4
Total liabilities	28,096,995	27,335,440	761,555	2.8
Total subordinated liabilities	334,745	334,655	90	0.0
<i>of which subject to mandatory conversion and / or debt waiver</i>	<i>334,745</i>	<i>334,655</i>	<i>90</i>	<i>0.0</i>
OFF-BALANCE-SHEETS TRANSACTIONS	31.12.2021	31.12.2020	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Contingent liabilities	1,299,105	888,168	410,937	46.3
Irrevocable commitments	794,218	690,514	103,704	15.0
Obligations to pay up shares and make further contributions	238,120	178,565	59,555	33.4
Credit commitments	117,903	118,180	(277)	(0.2)

10 Income statement – Parent company

	31.12.2021	31.12.2020	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
RESULT FROM INTEREST OPERATIONS				
Interest and discount income	226,262	238,756	(12,494)	(5.2)
Interest and dividend income from trading portfolios	40	36	4	11.1
Interest and dividend income from financial investments	4,138	5,273	(1,135)	(21.5)
Interest expense	(3,791)	(21,263)	17,472	(82.2)
Gross result from interest operations	226,649	222,802	3,847	1.7
Changes in value adjustments for default risks and losses from interest operations	(19,953)	(27,799)	7,846	(28.2)
Subtotal net result from interest operations	206,696	195,003	11,693	6.0
RESULT FROM COMMISSION BUSINESS AND SERVICES				
Commission income from securities trading and investment activities	61,755	53,384	8,371	15.7
Commission income from lending activities	39,048	29,375	9,673	32.9
Commission income from other services	34,560	32,320	2,240	6.9
Commission expense	(9,947)	(8,537)	(1,410)	16.5
Subtotal result from commission business and services	125,416	106,542	18,874	17.7
RESULT FROM TRADING ACTIVITIES AND FAIR VALUE OPTION				
Subtotal result from trading activities and the fair value option	34,329	30,448	3,881	12.7
OTHER RESULT FROM ORDINARY ACTIVITIES				
Result from the disposal of financial investments	25,637	(6,752)	32,389	(479.7)
Income from participations	7,003	8,351	(1,348)	(16.1)
Result from real estate	1,246	1,080	166	15.4
Other ordinary income	7,133	11,100	(3,967)	(35.7)
Other ordinary expenses	(1,113)	(5,253)	4,140	(78.8)
Subtotal other result from ordinary activities	39,906	8,526	31,380	368.1
Total operating income	406,347	340,519	65,828	19.3
OPERATING EXPENSES				
Personnel expenses	(148,051)	(137,688)	(10,363)	7.5
General and administrative expenses	(87,380)	(83,212)	(4,168)	5.0
Subtotal operating expenses	(235,431)	(220,900)	(14,531)	6.6
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(19,111)	(16,180)	(2,931)	18.1
Changes to provisions and other value adjustments, and losses	6,109	(1,152)	7,261	(630.3)
Operating result	157,914	102,287	55,627	54.4
Extraordinary income	13	82	(69)	(84.1)
Extraordinary expenses	-	-	-	-
Changes in reserves for general banking risks	(20,000)	15,000	(35,000)	(233.3)
Taxes	(25,354)	(18,954)	(6,400)	33.8
Profit / Loss	112,573	98,415	14,158	14.4



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