



BCGE Group results
as at 31 December 2022

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Impressum

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Only the French version shall be binding

Highlights

Record profit and dividend

BCGE performed extremely well in 2022 with net profit up 40.5%, reaching CHF 176.0 million. Turnover rose sharply by 8.3% to CHF 475.7 million, reflecting the Bank's ability to capture the dynamism of the most buoyant economic sectors. At year's end, all performance indicators were up high, driven by an increase in client and business volumes. Assets under management and administration stood at CHF 33.4 billion, while client receivables and mortgage loans amounted to CHF 18.5 billion. Shareholders' equity rose steadily to CHF 1.984 billion (+8.6%). Operating profit rose sharply to CHF 195.0 million (+11.9%) with a solid capital cover of 16.5%. Barring a deterioration in the economic situation and given projected business developments, the Bank expects an increase in the overall earnings for the year. The dividend to be proposed to the General Meeting of Shareholders reflects an increase of 22%, amounting to CHF 5.50.

- **Sharp rise in business turnover**

BCGE recorded an excellent performance in 2022 with a 40.5% increase in net profit, totaling CHF 176.0 million (including extraordinary gains of CHF 34.6 million) and an operating profit of CHF 195 million (+11.9%). Increased business volumes reflect the Bank's good strategic positioning, capturing the dynamism of the most buoyant economic sectors. Assets under management and administration rose to CHF 33.4 billion, while client and mortgage loans totalled CHF 18.5 billion. Revenue growth was driven by the interest margin; the Bank successfully navigated the change in interest rates and minimised the effects of the stock market on its commissions, most clients remaining invested. Total turnover amounted to CHF 475.7 million (+8.3%). Net interest income reached CHF 286 million, while commissions totalled CHF 133 million and trading income CHF 38 million. The proportion of turnover in EUR and USD hit 29.7%, reflecting the success of the Bank's international business focus. To benefit private, corporate, and institutional clients, the Bank invested in new skills and technologies, bringing its operating expenses to CHF 261.3 million. The Group's workforce grew by 39 new positions and now totals 874 employees (full-time equivalents).

- **BCGE: helping to finance Geneva's economy**

The Bank granted CHF 18.5 billion in loans to companies and individuals. 21,357 companies have their accounts with BCGE, an increase of 595 companies in the past year. The moderate share of mortgages in the bank's balance sheet total (43%) is evidence of its highly diversified business model.

- **Resilience in asset management and administration**

Private client assets increased by CHF 475 million to CHF 18.8 billion (+2.6%). The net inflow into new discretionary mandates was CHF 231 million. Synchrony's range of 41 funds totalled 3.5 billion. The online trading platform 1816 passed the 11,700-investor mark. Institutional client assets reflected market performance, falling to CHF 14.6 billion (-7.6%).

- **Continued increase in shareholders' equity**

Equity continued to grow, increasing by CHF 156 million to a total of CHF 1.984 billion. The consolidated equity coverage ratio remained strong, reaching 16.5%, well above the required standard of 12.7%. BCGE is one of a few well-capitalised and secure banks, as demonstrated by its Standard & Poor's AA-/A-1+/Stable rating.

- **More than 15,500 shareholders**

The number of private and institutional shareholders rose in 2022. An increase of 83 shareholders brought the total number of shareholders to 15,506, of which 15,107 private shareholders. This is good news since floating capital is widely distributed; 83% of shareholders hold between 1 and 50 shares. It is also worth noting that 75% of the Bank's employees are shareholders and hold 3.0% of capital.

- **BCGE share performance: +11.8%**

BCGE share price rose strongly in 2022 and ended the period at CHF 179.50. Share market value is 64% of its book value (CHF 278.70) At CHF 1.292 billion of market capitalisation, the potential for appreciation remains significant (equity of CHF 1.984 billion).

Highlights

▪ **Strategic priorities**

For 2023, 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 economy.
- Expert in asset management and investment funds.
- Beacon for the influence of Geneva's economy and trade in Switzerland and around the world.
- Promoter of a banking digitalisation that is accessible to all and connects clients with Bank employees.
- Partner with corporate and private clients in the energy transition process.

▪ **Outlook for 2023**

The Bank continues to expand commercially and capture the dynamism of growth sectors. The Bank's bulwark is its diversified range of expertise and the ability of its business model to line up with the specific demands of the Geneva and Swiss economies.

- The growth of high value-added 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 interest rates to increase moderately and the economic situation to improve, factors which are likely to weigh on its interest margin but boost its commission income.
- The increase in lending will remain moderate due to the regulations governing capital requirements and a policy of caution, particularly in real estate financing.
- The Bank continues to develop its less capital-intensive businesses (private and institutional asset management, corporate advisory services) and will expand its corporate offer (equity financing and M&A).

Barring a deterioration in the economic situation and given projected business developments, the Bank expects overall earnings for the year to increase.

Highlights

Main consolidated figures for the 2022 financial year

Results (in CHF thousands)	31/12/2022	31/12/2021	Variation 2022 vs. 2021	
Operating income	475,667	439,240	36,427	8.3%
Operating expenses	261,291	253,996	7,295	2.9%
Operating profit	194,986	174,309	20,677	11.9%
Net profit	175,950	125,234	50,716	40.5%
ROE (return on equity)	9.09%	7.00%	209 basis points	29.9%
Dividend per share (in CHF)	5.50 ¹	4.50	1.00	22.2%
Balance sheet volumes (in CHF thousands)	31/12/2022	31/12/2021		
Total assets	30,034,414	28,293,691	1,740,723	6.2%
Mortgage loans	13,045,695	12,665,892	379,803	3.0%
Assets under management and custody	33,411,277	34,145,974	(734,697)	(2.2%)
Shareholder equity	1,983,651	1,827,222	156,429	8.6%
Tier 1 capital ratio	15.27%	15.11%	16 basis points	1.1%
Ratio of regulatory capital available	16.46%	16.49%	-3 basis points	(0.2%)
Staff (full-time equivalents)	874	834	39 ²	4.7%

¹ Proposal to be submitted to the Annual General Meeting on 02 May 2023.

² Due to rounding (staff numbers have increased from 834.1 to 873.6).

Consolidated balance sheet – BCGE Group

ASSETS	31/12/2022	31/12/2021	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Liquid assets	6,715,699	6,467,963	247,736	3.8
Amounts due from banks	1,162,774	857,787	304,987	35.6
Amounts due from securities financing transactions	718,692	-	718,692	n/a
Amounts due from customers	5,478,939	5,689,608	(210,669)	(3.7)
Mortgage loans	13,045,695	12,665,892	379,803	3.0
Trading portfolio assets	51,132	53,944	(2,812)	(5.2)
Positive replacement values of derivative financial instruments	12,355	17,094	(4,739)	(27.7)
Financial investments	2,339,186	2,124,776	214,410	10.1
Accrued income and prepaid expenses	49,896	38,535	11,361	29.5
Participations	69,198	64,042	5,156	8.1
Tangible fixed assets	128,315	128,684	(369)	(0.3)
Intangible assets	333	702	(369)	(52.6)
Other assets	262,200	184,664	77,536	42.0
Total assets	30,034,414	28,293,691	1,740,723	6.2
Total subordinated claims	46,223	29,853	16,370	54.8
<i>of which subject to mandatory conversion and / or debt waiver</i>	-	-	-	-
LIABILITIES	31/12/2022	31/12/2021	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Amounts due to banks	3,125,773	3,194,426	(68,653)	(2.1)
Liabilities from securities financing transactions	18,490	163,064	(144,574)	(88.7)
Amounts due in respect of customer deposits	19,446,818	18,233,404	1,213,414	6.7
Trading portfolio liabilities	1,565	3,925	(2,360)	(60.1)
Negative replacement values of derivative financial instruments	9,438	8,648	790	9.1
Cash bonds	740	803	(63)	(7.8)
Bond issues and central mortgage institution loans	4,776,505	4,597,245	179,260	3.9
Accrued expenses and deferred income	133,080	110,102	22,978	20.9
Other liabilities	532,518	148,490	384,028	258.6
Provisions	5,836	6,362	(526)	(8.3)
Reserves for general banking risks	270,000	250,000	20,000	8.0
Bank's capital	360,000	360,000	-	0.0
Statutory capital reserve	299,171	306,764	(7,593)	(2.5)
Statutory retained earnings reserve	921,818	827,544	94,274	11.4
Currency translation reserve	(29,467)	(24,442)	(5,025)	20.6
Own shares (negative item)	(14,292)	(18,287)	3,995	(21.8)
Minority interests in own capital	471	409	62	15.2
Profit/loss (result of the period)	175,950	125,234	50,716	40.5
<i>of which minority interests in profit & loss account</i>	62	21	41	195.2
Total liabilities	30,034,414	28,293,691	1,740,723	6.2
Total subordinated liabilities	331,545	334,745	(3,200)	(1.0)
<i>of which subject to mandatory conversion and / or debt waiver</i>	245,000	334,745	(89,745)	(26.8)
OFF-BALANCE-SHEETS TRANSACTIONS	31/12/2022	31/12/2021	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Contingent liabilities	914,546	1,328,273	(413,727)	(31.1)
Irrevocable commitments	768,782	731,444	37,338	5.1
Obligations to pay up shares and make further contributions	304,085	238,120	65,965	27.7
Credit commitments	114,811	117,903	(3,092)	(2.6)

Consolidated income statement – BCGE Group

	31/12/2022	31/12/2021	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
RESULT FROM INTEREST OPERATIONS				
Interest and discount income	306,466	249,803	56,663	22.7
Interest and dividend income from trading portfolios	60	40	20	50.0
Interest and dividend income from financial investments	5,641	4,558	1,083	23.8
Interest expense	(20,808)	(3,625)	(17,183)	474.0
Gross result from interest operations	291,359	250,776	40,583	16.2
Changes in value adjustments for default risks and losses from interest operations	(5,348)	(22,866)	17,518	(76.6)
Subtotal net result from interest operations	286,011	227,910	58,101	25.5
RESULT FROM COMMISSION BUSINESS AND SERVICES				
Commission income from securities trading and investment activities	60,635	65,255	(4,620)	(7.1)
Commission income from lending activities	44,046	43,728	318	0.7
Commission income from other services	40,355	37,009	3,346	9.0
Commission expense	(12,287)	(9,948)	(2,339)	23.5
Subtotal result from commission business and services	132,749	136,044	(3,295)	(2.4)
RESULT FROM TRADING ACTIVITIES AND THE FAIR VALUE OPTION				
Subtotal result from trading activities and the fair value option	37,784	34,035	3,749	11.0
OTHER RESULT FROM ORDINARY ACTIVITIES				
Result from the disposal of financial investments	10,394	25,801	(15,407)	(59.7)
Income from participations	11,048	8,242	2,806	34.0
Result from real estate	1,104	1,246	(142)	(11.4)
Other ordinary income	7,830	6,943	887	12.8
Other ordinary expenses	(11,253)	(981)	(10,272)	1,047.1
Subtotal other result from ordinary activities	19,123	41,251	(22,128)	(53.6)
Total operating income	475,667	439,240	36,427	8.3
OPERATING EXPENSES				
Personnel expenses	(164,437)	(159,097)	(5,340)	3.4
General and administrative expenses	(96,854)	(94,899)	(1,955)	2.1
Subtotal operating expenses	(261,291)	(253,996)	(7,295)	2.9
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(18,717)	(16,847)	(1,870)	11.1
Changes to provisions and other value adjustments, and losses	(673)	5,912	(6,585)	(111.4)
Operating result	194,986	174,309	20,677	11.9
Extraordinary income	34,583	13	34,570	n/a
Extraordinary expenses	-	-	-	-
Changes in reserves for general banking risks	(20,000)	(20,000)	-	0.0
Taxes	(33,619)	(29,088)	(4,531)	15.6
Profit/loss (result of the period)	175,950	125,234	50,716	40.5
<i>of which minority interests in profit & loss account</i>	62	21	41	195.2

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	306,764	827,544	250,000	(24,442)	(18,287)	409	125,234	1,827,222
Acquisition of own shares						(3,739)			(3,739)
Disposal of own shares						7,572			7,572
Profit (loss) on disposal of own shares		(162)				162			-
Currency translation differences					(5,025)				(5,025)
Dividends and other distributions		489						(32,400)	(31,911)
Special allocation to the State of Geneva (20% of dividends paid)								(6,480)	(6,480)
Other allocations to (transfers from) the reserves for general banking risks				20,000					20,000
Other allocations to (transfers from) other reserves		(7,920)	94,274				62	(86,354)	62
Profit / loss (result of the period)								175,950	175,950
Equity at end of current period	360,000	299,171	921,818	270,000	(29,467)	(14,292)	471	175,950	1,983,651

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

	31/12/2022	31/12/2021
	CHF thousand	CHF thousand
Extraordinary income		
The BCGE has been in dispute since 2010 with a former IT service provider regarding various IT offerings as well as billing methods. This dispute was settled at the end of 2022 and generated an extraordinary result for the bank.	34,559	-
Other	25	13
Total	34,583	13
Extraordinary expenses		
Total	-	-

Balance sheet – Parent company

ASSETS	31/12/2022	31/12/2021	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Liquid assets	6,692,591	6,450,913	241,678	3.7
Amounts due from banks	1,855,445	1,603,467	251,978	15.7
Amounts due from securities financing transactions	718,692	-	718,692	n/a
Amounts due from customers	4,637,910	4,818,462	(180,552)	(3.7)
Mortgage loans	13,045,695	12,665,892	379,803	3.0
Trading portfolio assets	51,119	53,927	(2,808)	(5.2)
Positive replacement values of derivative financial instruments	12,455	17,094	(4,639)	(27.1)
Financial investments	2,265,224	2,050,589	214,635	10.5
Accrued income and prepaid expenses	43,843	35,164	8,679	24.7
Participations	96,010	94,903	1,107	1.2
Tangible fixed assets	124,570	123,962	608	0.5
Intangible assets	78	267	(189)	(70.8)
Other assets	260,259	182,355	77,904	42.7
Total assets	29,803,891	28,096,995	1,706,896	6.1
Total subordinated claims	5,948	4,614	1,334	28.9
<i>of which subject to mandatory conversion and / or debt waiver</i>	-	-	-	-
LIABILITIES	31/12/2022	31/12/2021	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Amounts due to banks	3,089,611	3,178,095	(88,484)	(2.8)
Liabilities from securities financing transactions	18,490	163,064	(144,574)	(88.7)
Amounts due in respect of customer deposits	19,349,485	18,139,842	1,209,643	6.7
Trading portfolio liabilities	1,565	3,925	(2,360)	(60.1)
Negative replacement values of derivative financial instruments	9,485	9,076	409	4.5
Cash bonds	740	803	(63)	(7.8)
Bond issues and central mortgage institution loans	4,776,505	4,597,245	179,260	3.9
Accrued expenses and deferred income	127,727	104,875	22,852	21.8
Other liabilities	530,918	145,823	385,095	264.1
Provisions	5,300	6,190	(890)	(14.4)
Reserves for general banking risks	270,000	250,000	20,000	8.0
Bank's capital	360,000	360,000	-	-
Statutory capital reserve	289,290	297,210	(7,920)	(2.7)
<i>of which tax-exempt capital contribution reserve</i>	<i>158,592</i>	<i>166,512</i>	<i>(7,920)</i>	<i>(4.8)</i>
Statutory retained earnings reserve	828,080	745,833	82,247	11.0
Own shares	(14,292)	(18,287)	3,995	(21.8)
Profit carried forward / loss carried forward	421	728	(307)	(42.2)
Profit/loss (result of the period)	160,566	112,573	47,993	42.6
Total liabilities	29,803,891	28,096,995	1,706,896	6.1
Total subordinated liabilities	331,545	334,745	(3,200)	(1.0)
<i>of which subject to mandatory conversion and / or debt waiver</i>	<i>245,000</i>	<i>334,745</i>	<i>(89,745)</i>	<i>(26.8)</i>
OFF-BALANCE-SHEETS TRANSACTIONS	31/12/2022	31/12/2021	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
Contingent liabilities	882,711	1,299,105	(416,394)	(32.1)
Irrevocable commitments	817,644	794,218	23,426	2.9
Obligations to pay up shares and make further contributions	304,085	238,120	65,965	27.7
Credit commitments	114,811	117,903	(3,092)	(2.6)

Income statement – Parent company

	31/12/2022	31/12/2021	Variation	Variation
	CHF thousand	CHF thousand	CHF thousand	in %
RESULT FROM INTEREST OPERATIONS				
Interest and discount income	283,582	226,262	57,320	25.3
Interest and dividend income from trading portfolios	58	40	18	45.0
Interest and dividend income from financial investments	4,282	4,138	144	3.5
Interest expense	(19,563)	(3,791)	(15,772)	416.0
Gross result from interest operations	268,359	226,649	41,710	18.4
Changes in value adjustments for default risks and losses from interest operations	(4,485)	(19,953)	15,468	(77.5)
Subtotal net result from interest operations	263,874	206,696	57,178	27.7
RESULT FROM COMMISSION BUSINESS AND SERVICES				
Commission income from securities trading and investment activities	57,425	61,755	(4,330)	(7.0)
Commission income from lending activities	39,158	39,048	110	0.3
Commission income from other services	38,868	34,560	4,308	12.5
Commission expense	(12,287)	(9,947)	(2,340)	23.5
Subtotal result from comission business and services	123,164	125,416	(2,252)	(1.8)
RESULT FROM TRADING ACTIVITIES AND FAIR VALUE OPTION				
Subtotal result from trading activities and the fair value option	38,061	34,329	3,732	10.9
OTHER RESULT FROM ORDINARY ACTIVITIES				
Result from the disposal of financial investments	9,038	25,637	(16,599)	(64.7)
Income from participations	5,554	7,003	(1,449)	(20.7)
Result from real estate	1,104	1,246	(142)	(11.4)
Other ordinary income	7,413	7,133	280	3.9
Other ordinary expenses	(11,191)	(1,113)	(10,078)	905.5
Subtotal other result from ordinary activities	11,918	39,906	(27,988)	(70.1)
Total operating income	437,017	406,347	30,670	7.5
OPERATING EXPENSES				
Personnel expenses	(153,443)	(148,051)	(5,392)	3.6
General and administrative expenses	(88,400)	(87,380)	(1,020)	1.2
Subtotal operating expenses	(241,843)	(235,431)	(6,412)	2.7
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	(17,767)	(19,111)	1,344	(7.0)
Changes to provisions and other value adjustments, and losses	(1,279)	6,109	(7,388)	(120.9)
Operating result	176,128	157,914	18,214	11.5
Extraordinary income	34,583	13	34,570	n/a
Extraordinary expenses	-	-	-	-
Changes in reserves for general banking risks	(20,000)	(20,000)	-	-
Taxes	(30,145)	(25,354)	(4,791)	18.9
Profit/loss (result of the period)	160,566	112,573	47,993	42.6



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