

 Banque Cantonale de Genève

BCGE Group: Annual results as at 31 Dec 2022

1st March 2023 Press Conference

Blaise Goetschin
CEO

Frédéric Vernet
CFO

Summary

2022 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 contributor of the financing of Geneva's economy
6. Significant increase in client deposits
7. Increase in gross interest margin (+16.2%)
8. Commissions stayed strong amid changing economic current
9. Assets under management and administration retained value of CHF 33.4 billion
10. Embracing new technologies that benefit clients
11. Continued increase in shareholders' equity (+8.6%)
12. 15,506 shareholders (including 15,107 private shareholders)
13. 2022 share performance +11.8%
14. Dividends up by 22%
15. The bank created value for all its stakeholders
16. Nearly CHF 1.9 billion in value created since 2000

Key 2022 achievements

Strategic outlook for 2023



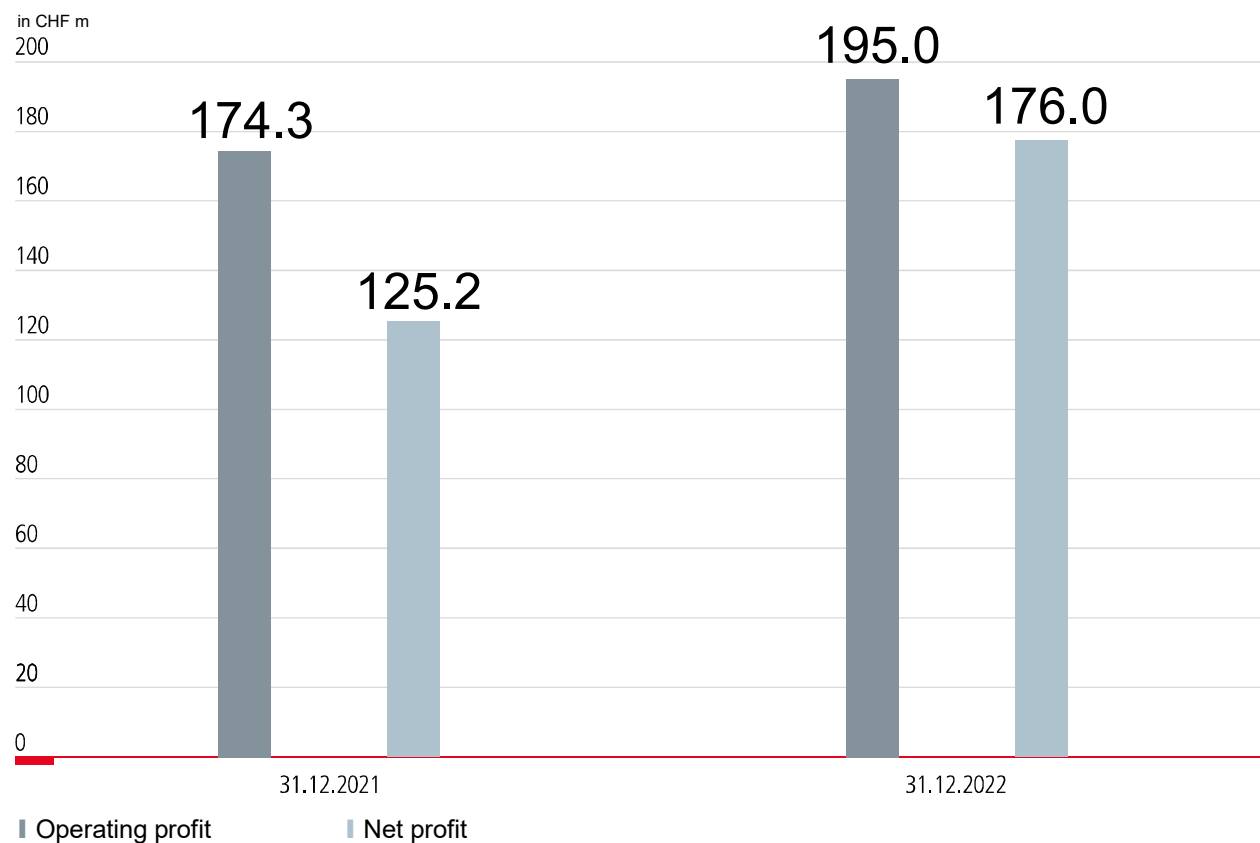
Annual Results 2022



1. Record net profit

■ Net profit: CHF 176.0 million (+40.5%)¹

■ Operating profit: CHF 195.0 million (+11.9%)



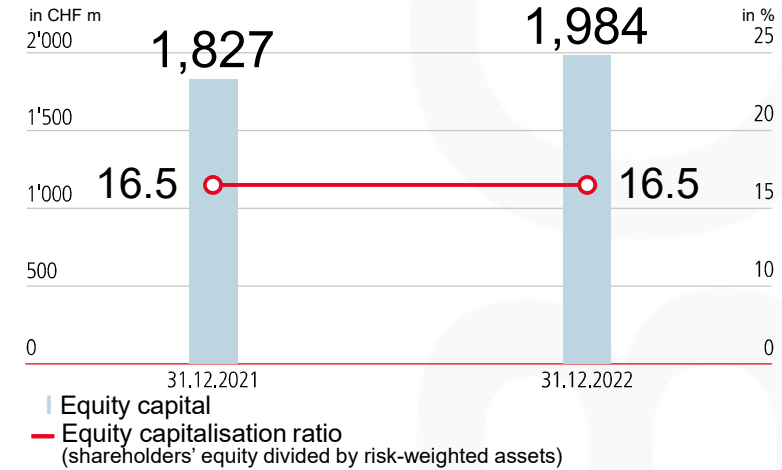
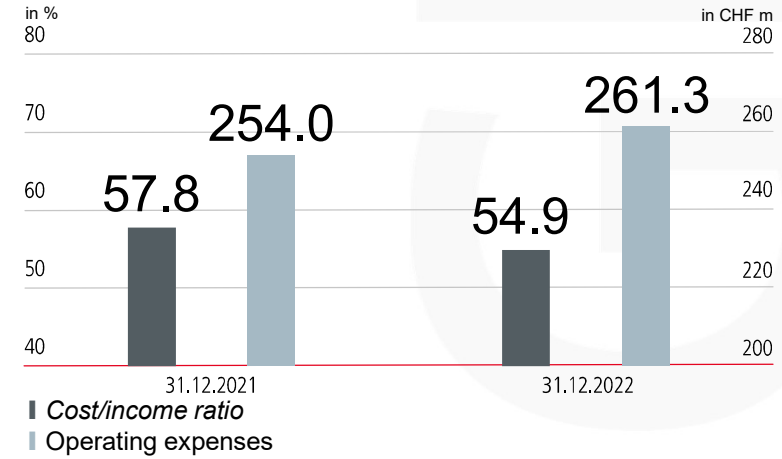
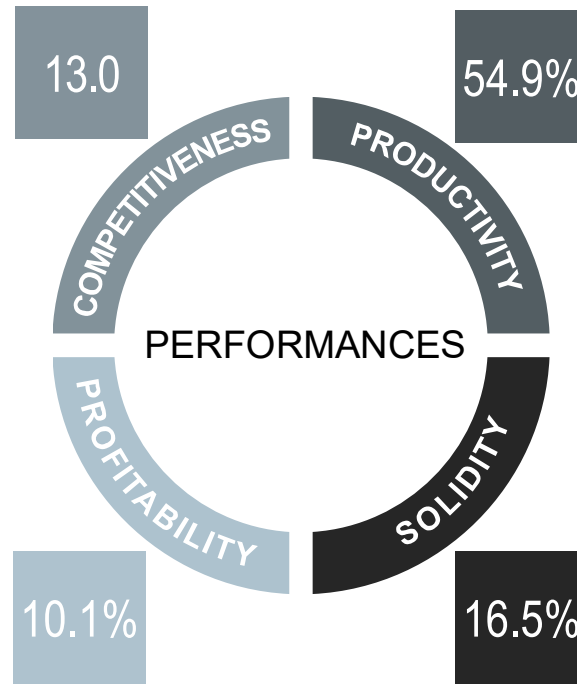
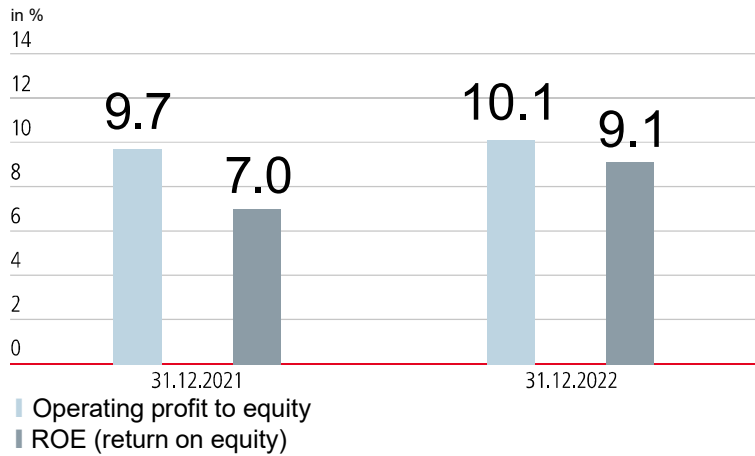
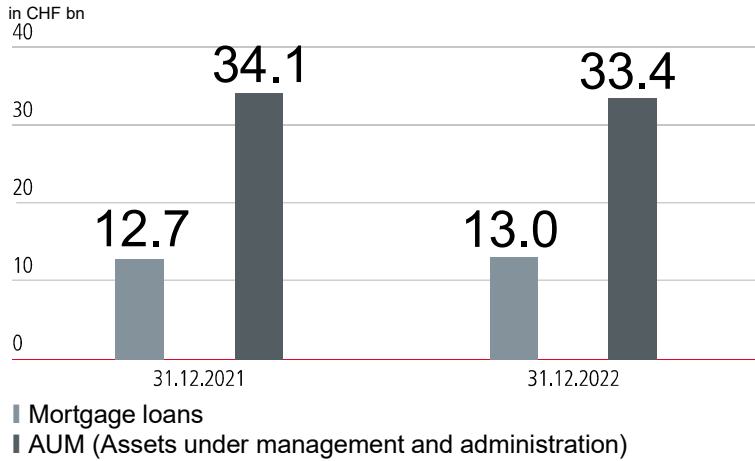
Executive summary 2022

- > Private and corporate growth
- > Operating expenses contained
- > Modest cost of risk
- > Operating profit up significantly
- > Coverage ratio and return on equity at an excellent level
- > Dividend up sharply²

¹ This includes an extraordinary gains of CHF 34.6 million.

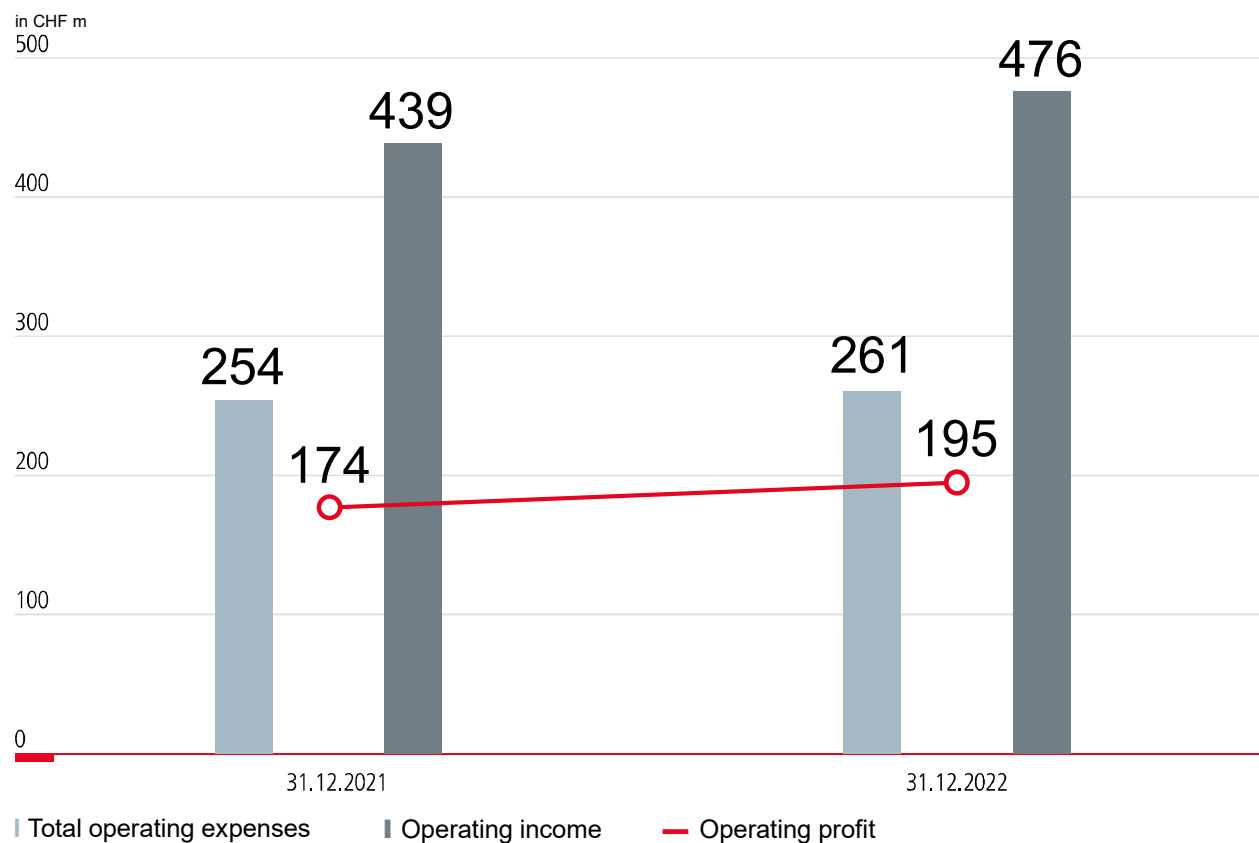
² Proposal to be submitted to the Annual General Meeting on 02/05/2023.

2. Positive trend for key performance indicators



3. Business turnover rose sharply

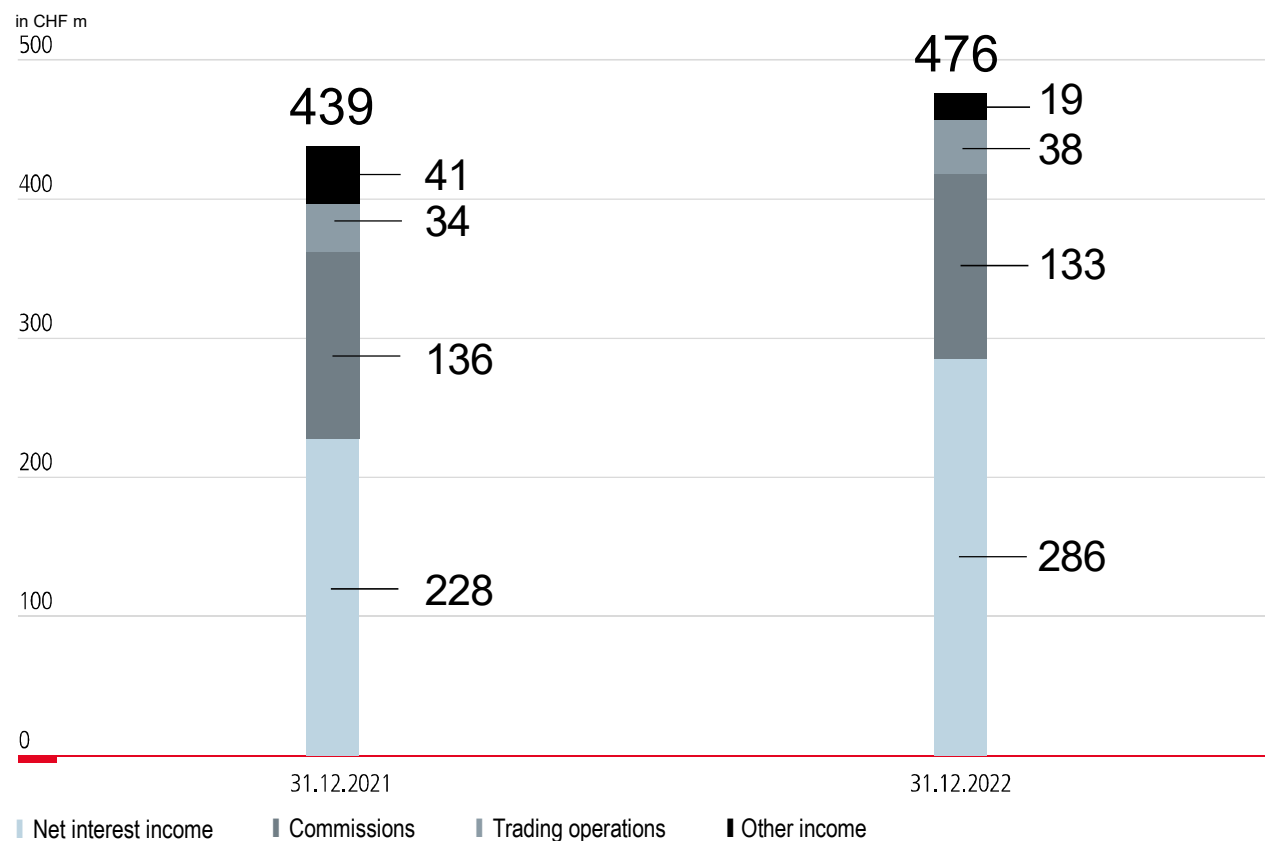
- Total revenues: CHF 475.7 million (+8.3%)
- Operating expenses: CHF 261.3 million (+2.9%)



- > Turnover reflects good strategic positioning, capturing the dynamism of economic growth sectors
- > Current operating expenses are under control
- > Investments in digitalisation and business development are sustained

4. Revenue growth driven by interest margin

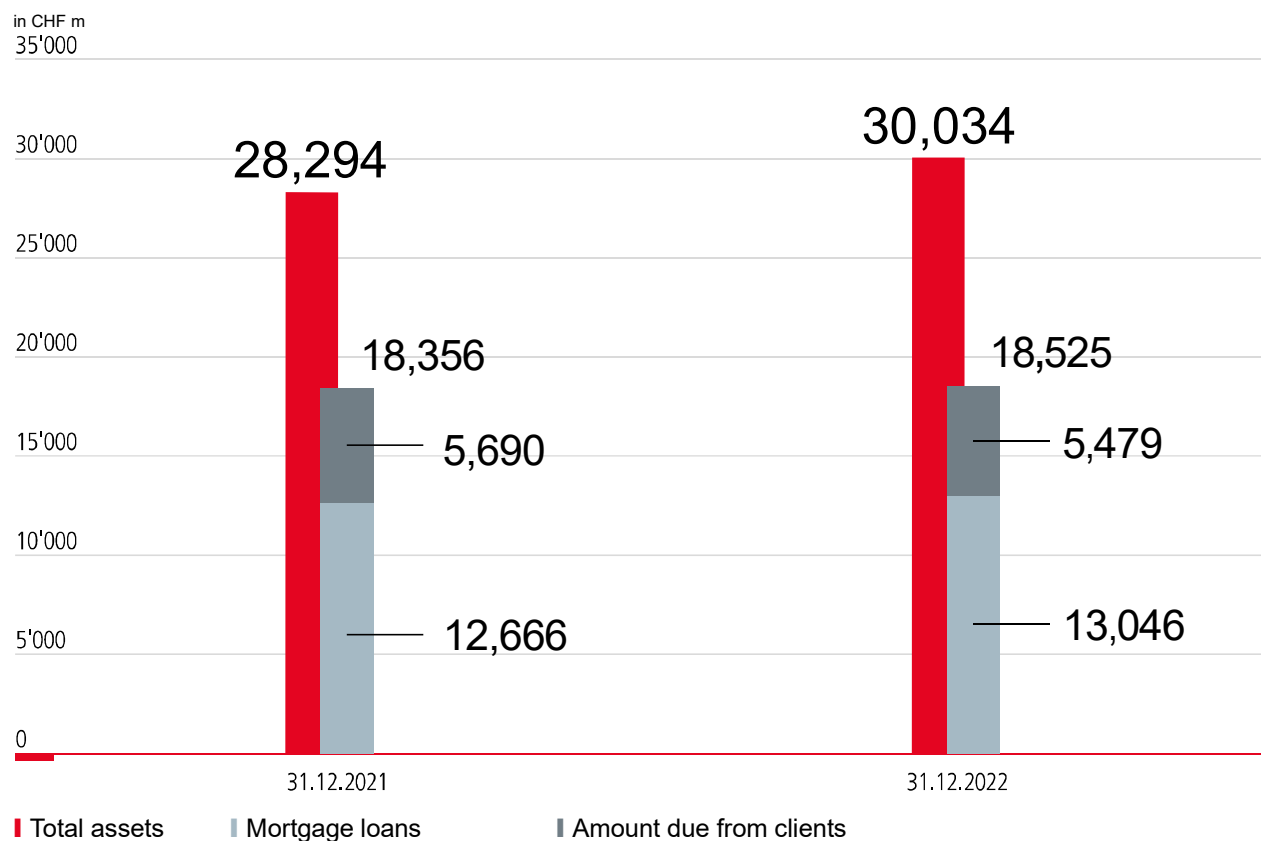
■ The bank successfully navigated the change in interest rates and minimised the effects of the stock market on its commissions



- > The increase in interest income is a result of the increase in outstanding loans and dynamic ALM management
- > Commissions reached a high level, driven by daily banking services and international trade finance
- > Trading operations boosted by foreign exchange activity
- > Other results influenced by fluctuations in the value of the Bank's own financial assets

5. BCGE: a major contributor of the financing of Geneva's economy

■ The bank granted loans worth CHF 18.5 billion to companies and private individuals (+CHF 169 million)



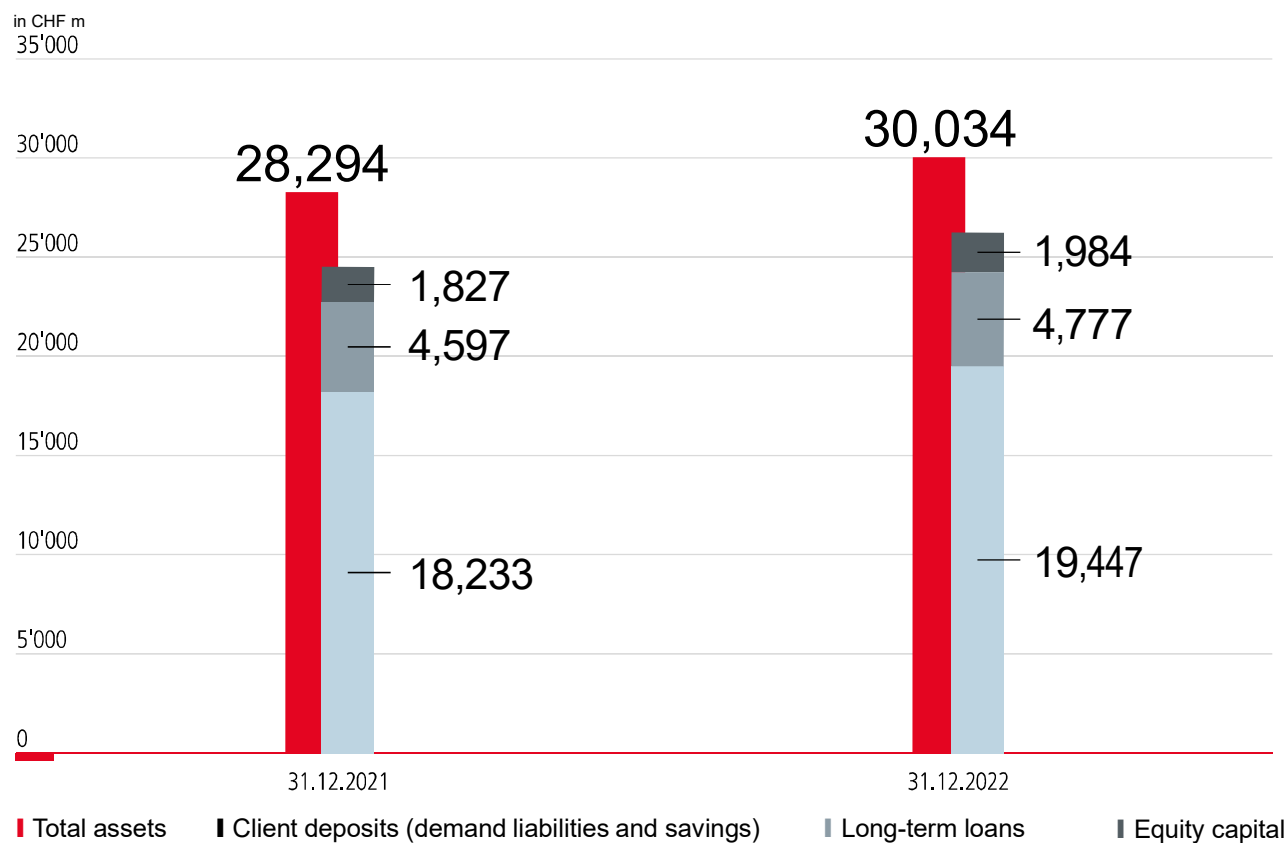
- > Mortgage loans up 3.0%¹
- > The share of mortgage loans in the balance sheet total (43%) reflected disciplined asset diversification
- > Loans to companies and public authorities stable; international trade financing down 12% for the year (price effects)
- > The bank is currently serving 21'357 corporate clients² (+595 since 31.12.21)


¹ 18% share of the Geneva banking market (Source: BNS 2021)

² Legal entities

6. Significant increase in client deposits

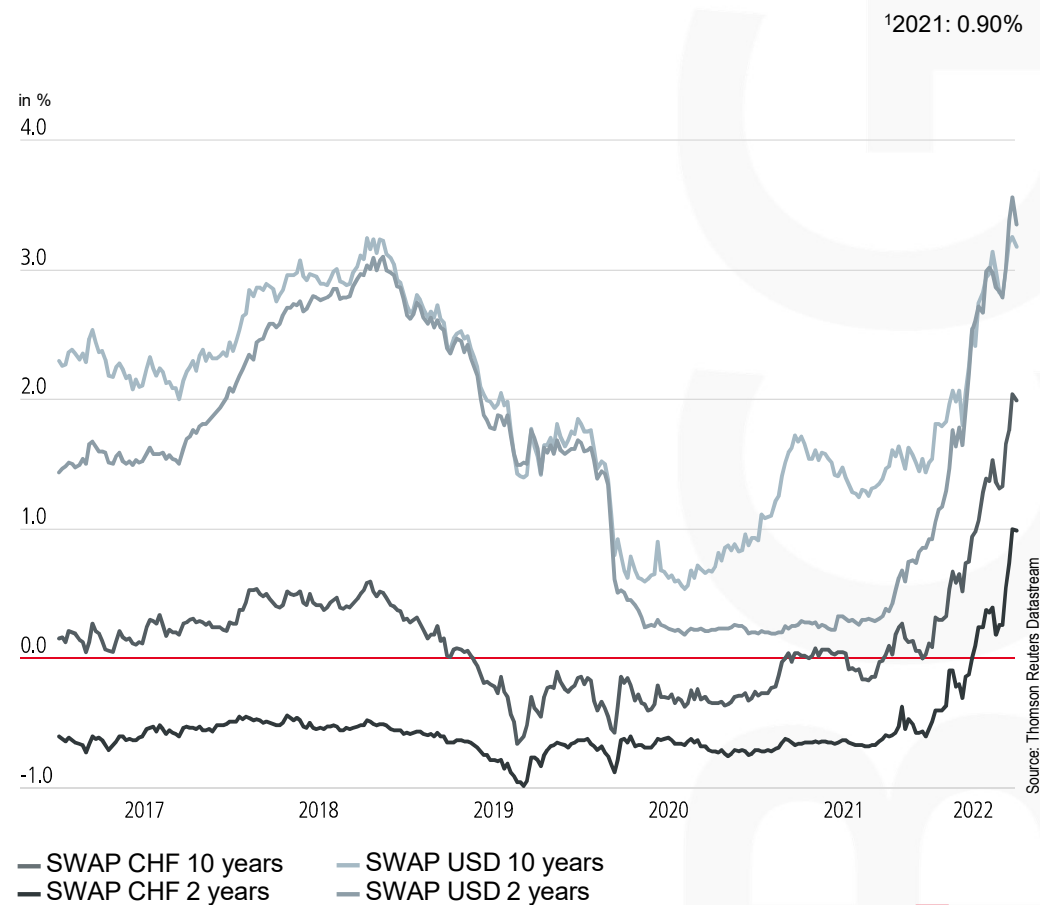
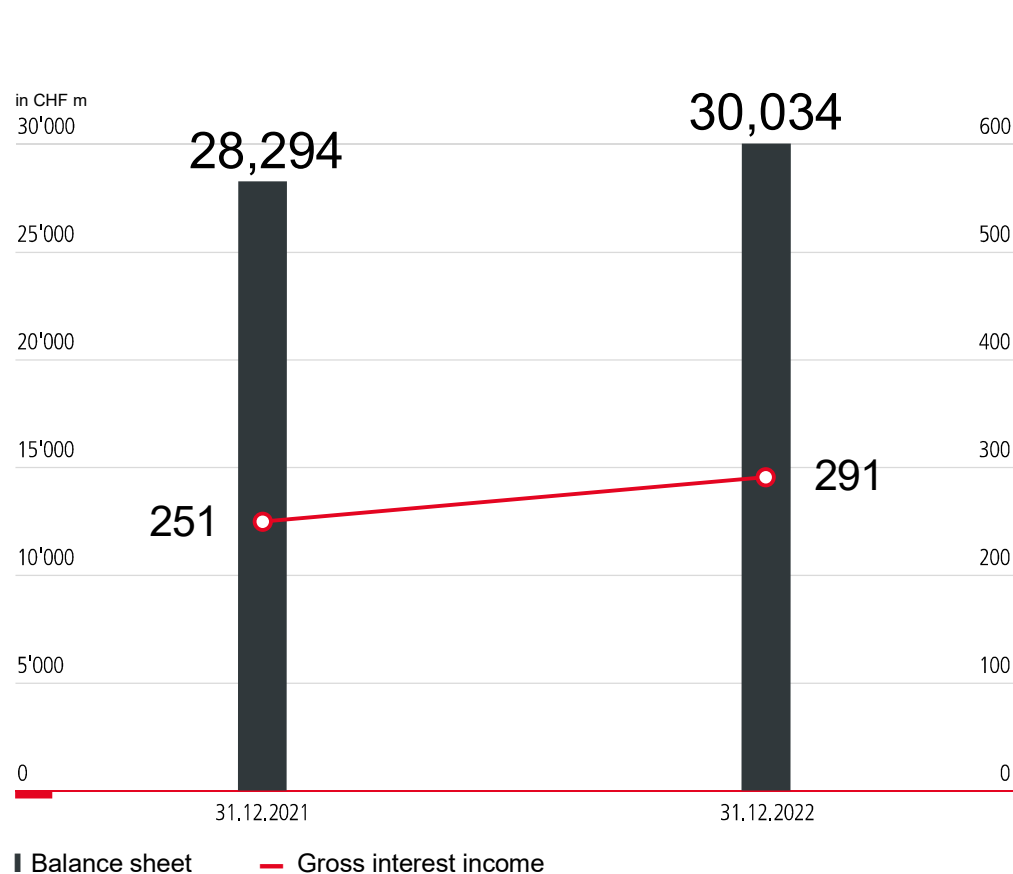
█ Deposits grew to CHF 19.4 billion (+6.7%), reflecting the appeal of a secure bank in a year of stock market and geopolitical uncertainties



- > Well-diversified liability structure and liquidity ratios above regulatory requirements
- > High coverage rate of mortgages by client deposits: 149% (2021: 144%)
- >  AVANTAGESERVICE.CH
36'648 clients in our loyalty programme

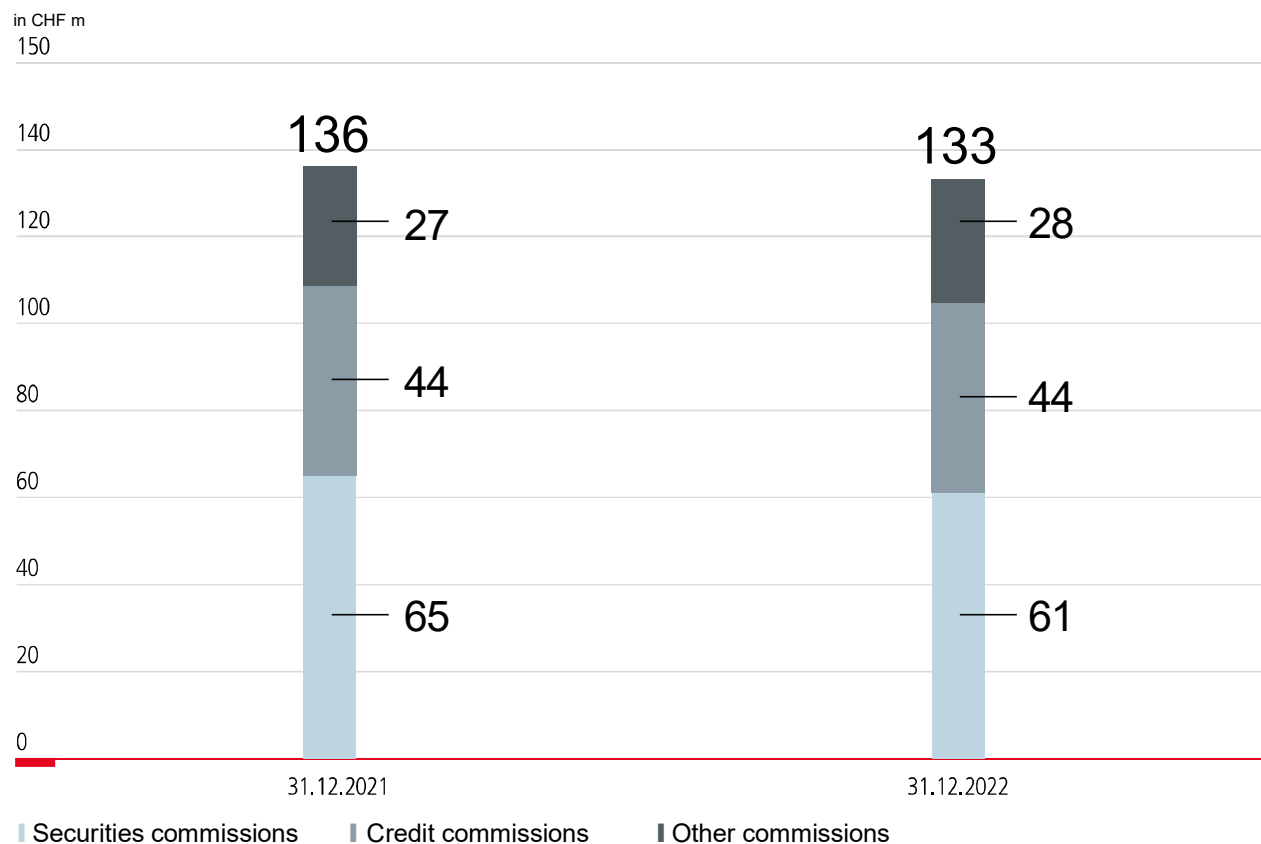
7. Increase in gross interest margin (+16.2%)

■ Growth in the volume of financing and an adapted ALM strategy enabled the margin rate to reach 1.00%¹



8. Commissions stayed strong amid changing economic current

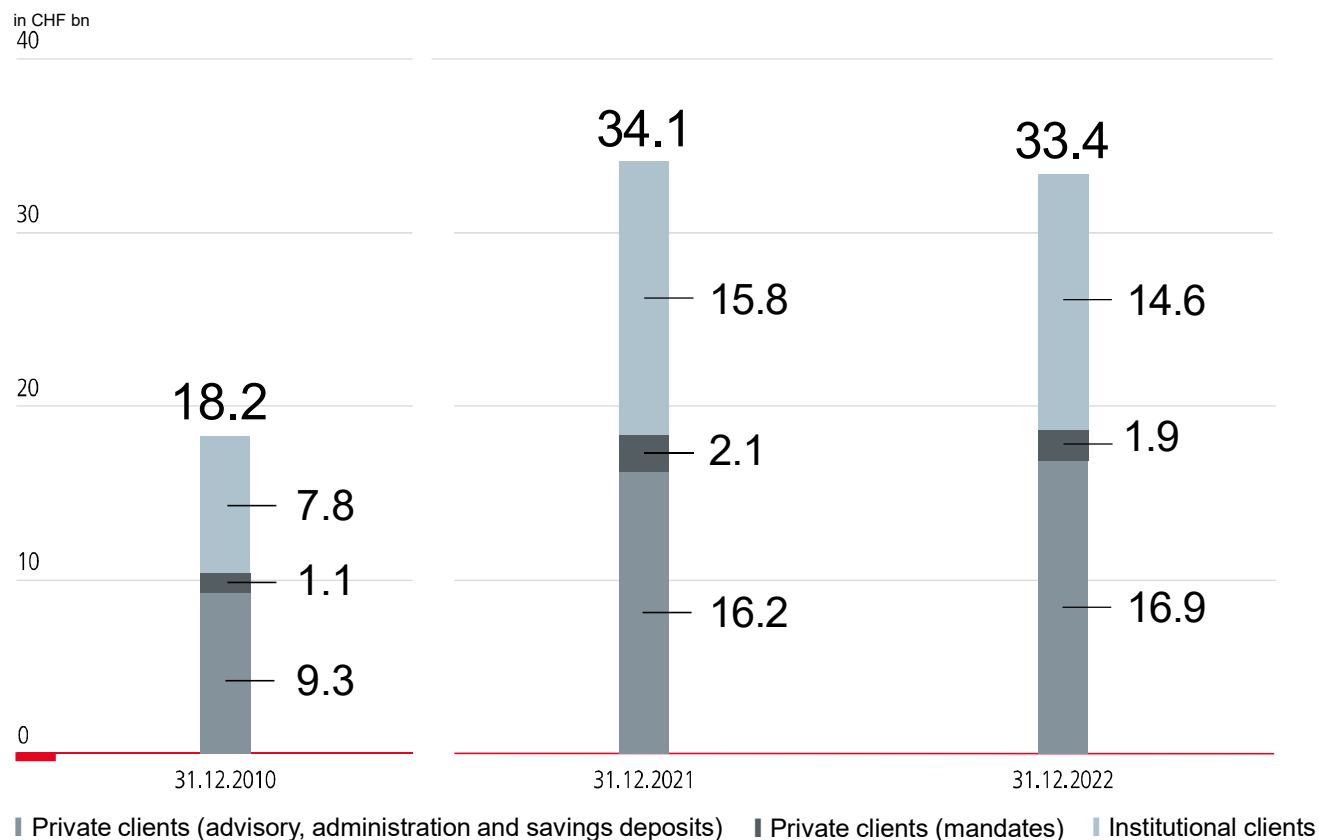
▮ The share of commissions in turnover is high (28%)



- > The evolution of securities commissions is correlated to that of assets (-7.1%); however, clients remained invested in management mandates
- > Credit fees (+0.7%) reflected a positively oriented economic environment
- > Other commissions (+3.7%) reflected business growth with individuals (+5,109 clients), both in branches and online

9. Assets under management and administration retained value of CHF 33.4 billion

- Private client assets increased by CHF 475 million to CHF 18.8 billion (+2.6%)
- Institutional client assets reflect market performance (-7.6%)



The net inflow into new discretionary mandates was CHF 231 million



The 41 investment funds total CHF 3.5 billion



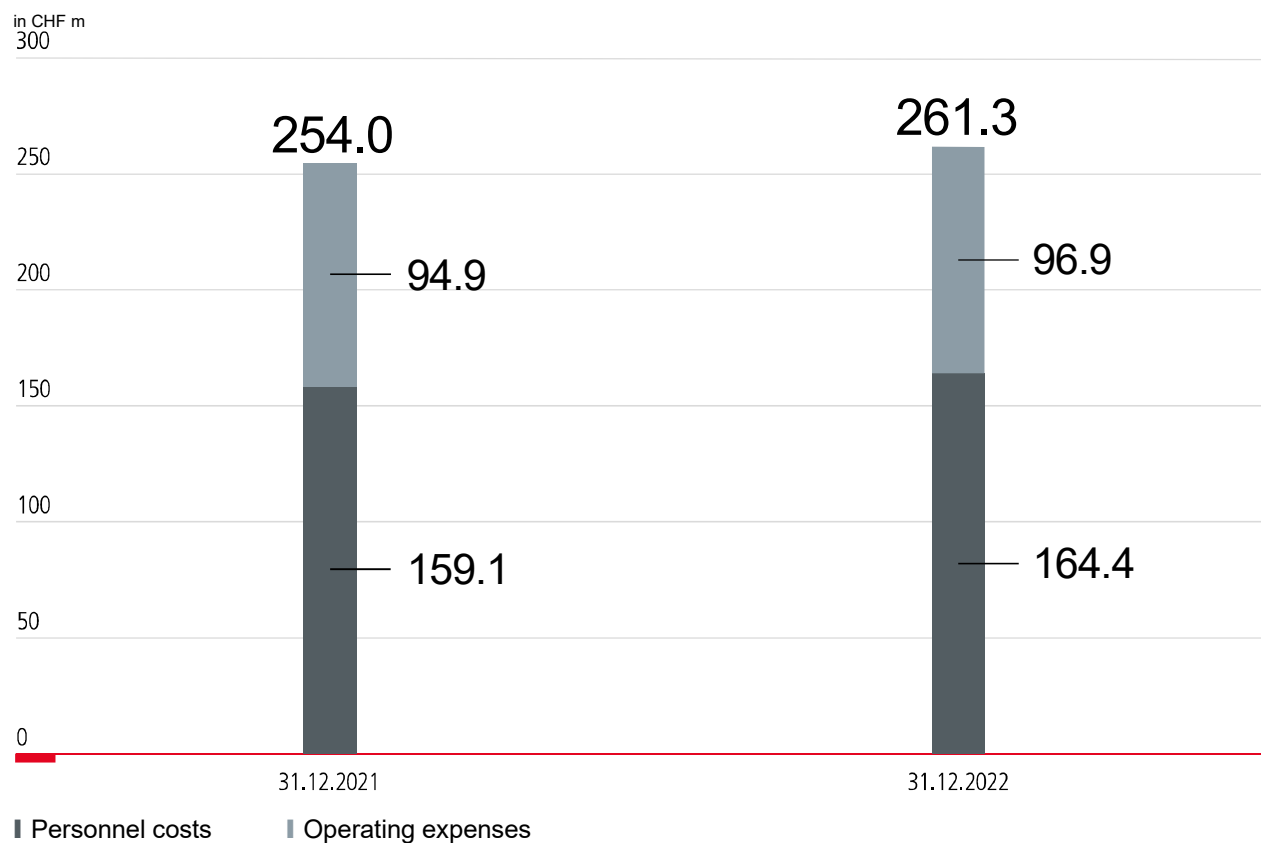
The online trading platform¹ passed the 11,700 investor threshold

¹In association with the platform



10. Embracing new technologies that benefit clients

- The bank has been investing in digitalisation, IT security and energy transition
- The BCGE group created 39 new jobs in 2022

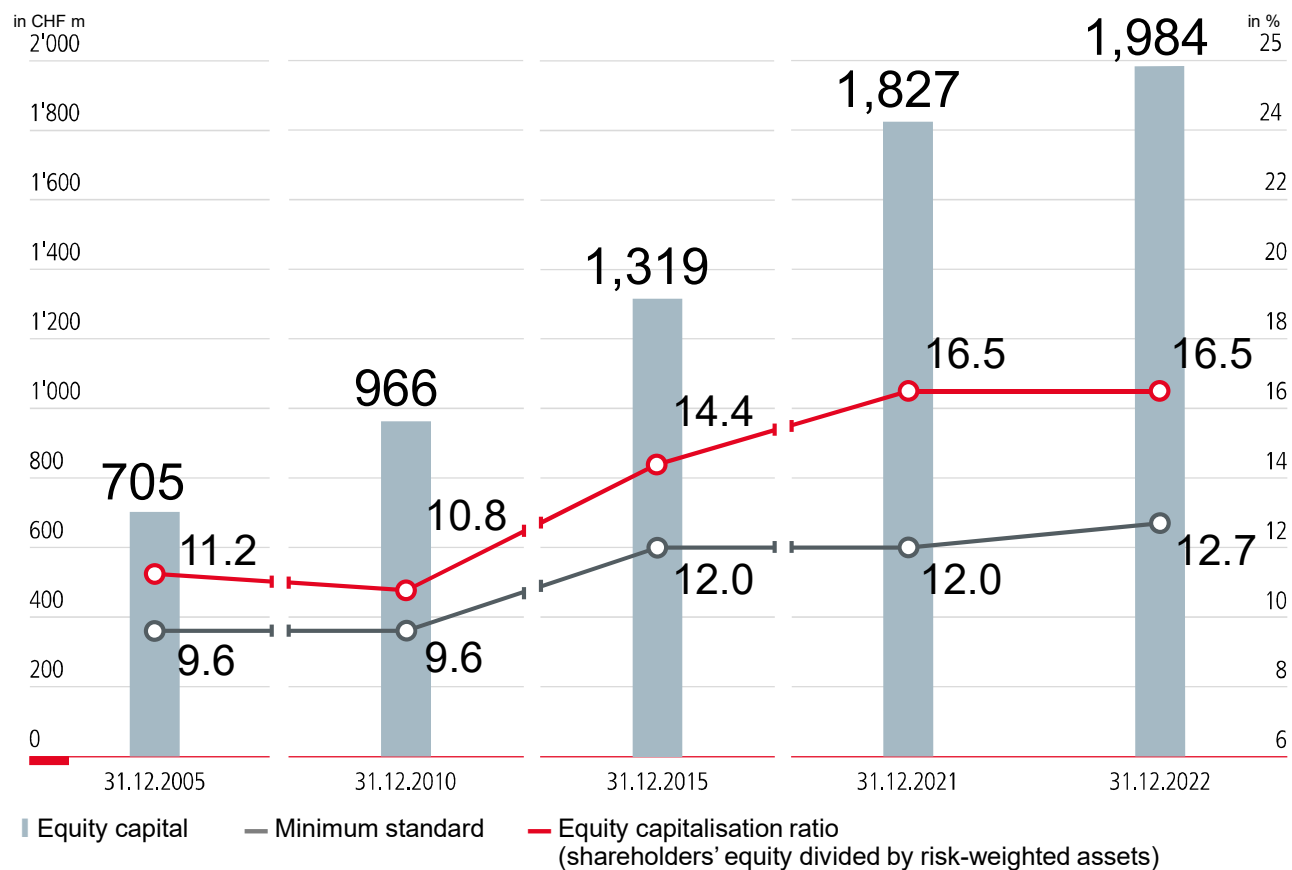


- > The BCGE group employs 874 individuals (full-time equivalents) spread over 31 sites
- > Several new services available online (BCGE Connect, Plan épargne fonds, account opening through the 1816 online trading platform)
- > The Bank joined the GeniLac® network and is now modernising its head office
- > The Bank became CO₂ Footprint certified in 2021 and is preparing its 2022 certification



11. Continued increase in shareholders' equity (+8.6%)

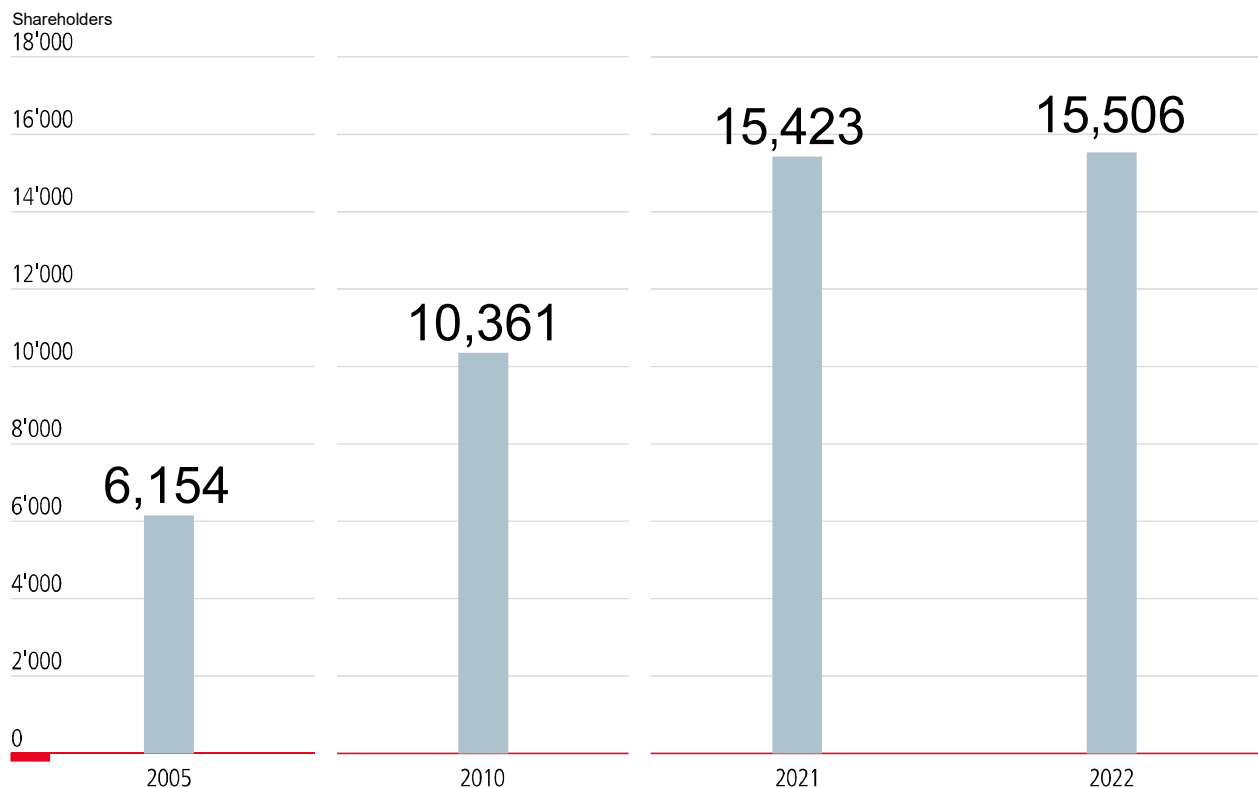
- Shareholders' equity increased by CHF 156 million
- Almost CHF 1.3 billion in additional equity since 2005



- BCGE is known as being a well-capitalised and secure bank
- The consolidated equity capitalisation ratio exceeded 16.5% (required standard: 12.7%)
- The bank successfully paid off a perpetual subordinated loan AT1/2017 (CHF 90 million) without having to reissue it
- Rating S&P (AA-/A-1+/Stable)

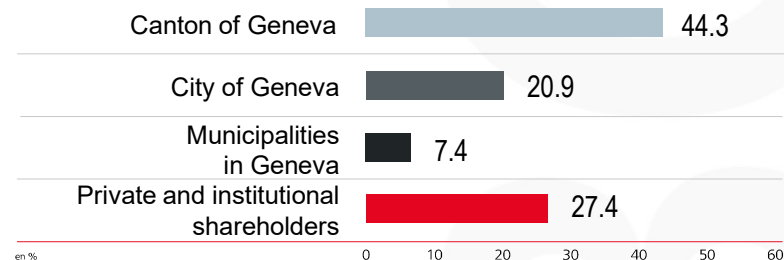
12. 15,506 shareholders, of whom 15,107 are private shareholders

■ The bank created 83 new jobs in 2022



- > Private shareholder base is broadly distributed (83% of shareholders own between 1 and 50 shares)
- > Alignment of interests between shareholders and employees (75% of BCGE employees are shareholders and hold 3.0% of the Bank's capital)

Breakdown of capital according to shareholding structure in %

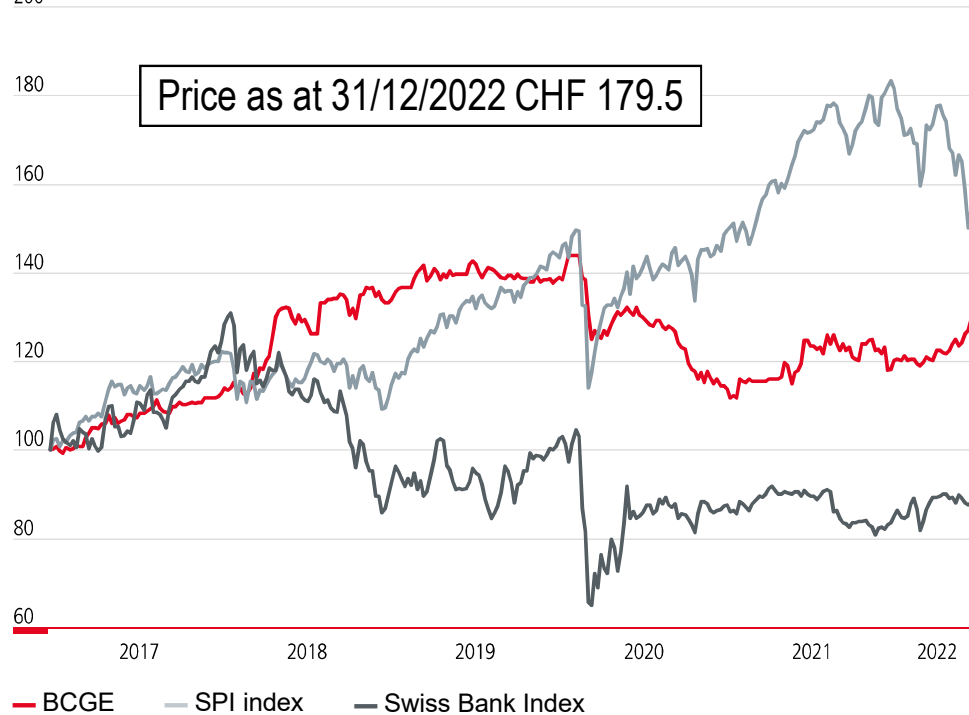


13. 2022 share performance +11.8%

- The market value is 64% of the book value (CHF 278.7)
- At CHF 1.292 billion of market capitalisation, the potential for appreciation remains significant (equity value: CHF 1.984 billion)

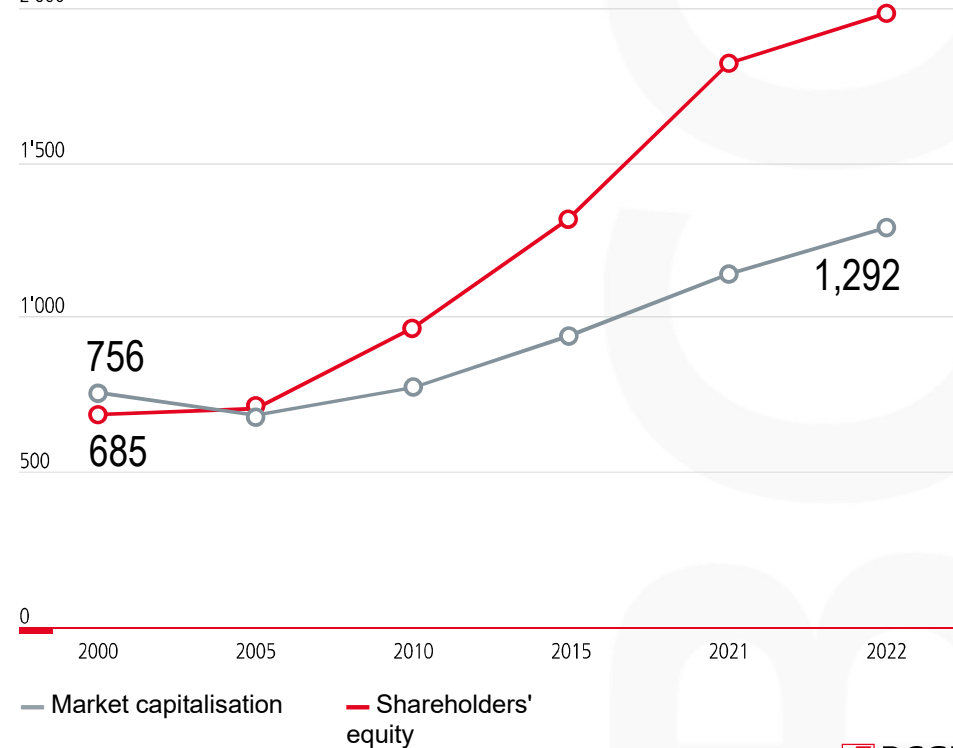
Comparative evolution of the share price from 2015 to 2022

Rebased index, 31.12.2006
200



Evolution of equity capital and market capitalisation from 2000 to 2022

in CHF m
2'000

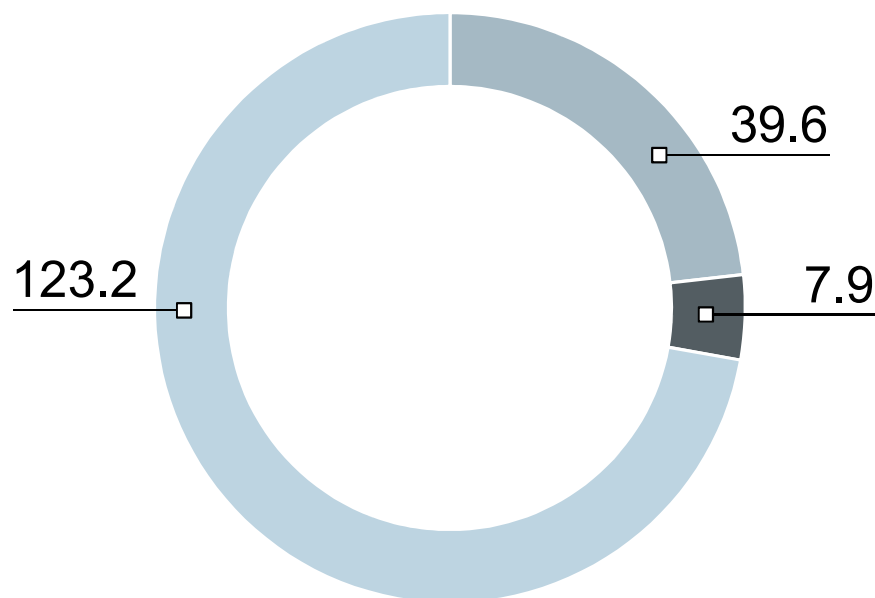


14. Dividends up by 22%

- Proposal to the General Meeting of Shareholders for a dividend of CHF 5.50 (+CHF 1.00)
- *Payout ratio* of 29.5% (dividend and special allocation/distributable profit)

Distribution of distributable profit of the parent company: CHF 170.7 million

[including the carry forward from 2021 and withdrawal from the reserve resulting from tax-exempt capital contributions of 9.7 million (2.7%)]



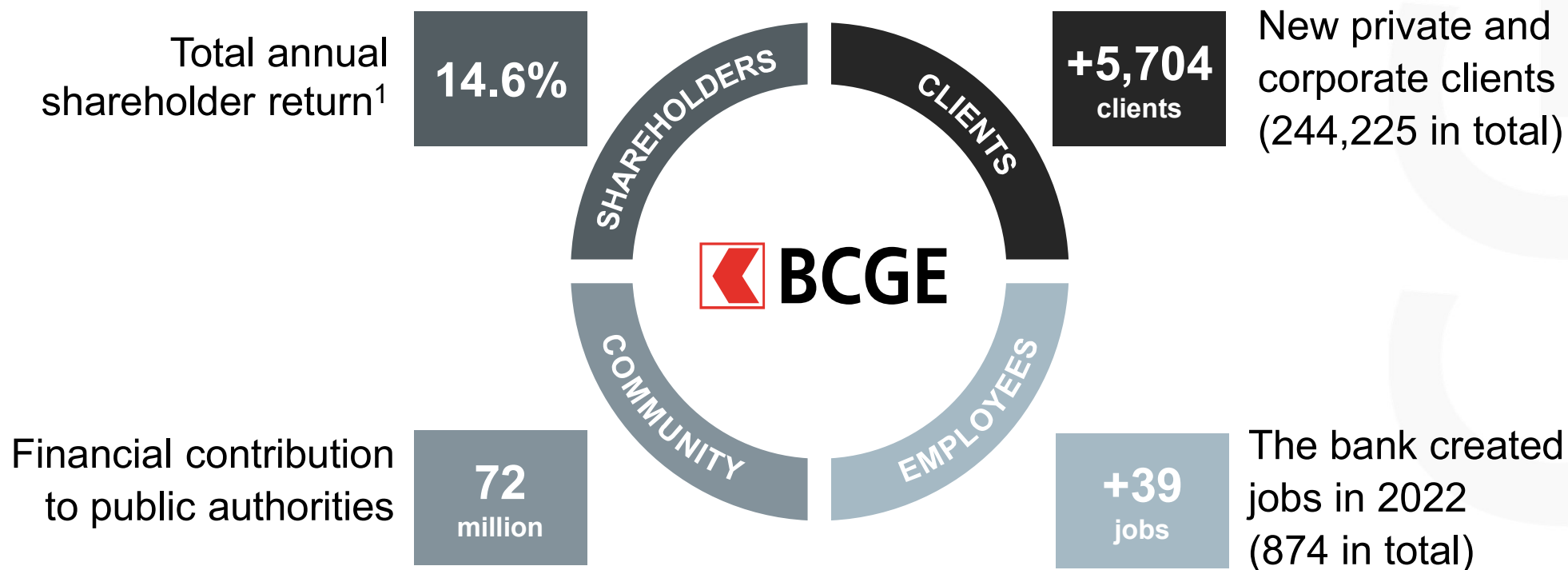
■ General legal reserve and carry forward

■ Dividend (proposal to the GMS of 02.05.2023)¹

■ Special allocation to the State of Geneva (art. 33 of the statutes)²

- > This balanced distribution policy enables the self-financing of equity capital to ensure the bank's growth
- > Dividend¹: 39.60 million
 - State of Geneva: 17.53 million
 - City of Geneva: 8.27 million
 - Geneva municipalities: 2.94 million
 - Private and institutional shareholders: 10.86 million
- > Special allocation²: 7.92 million

15. BCGE created value for all its stakeholders

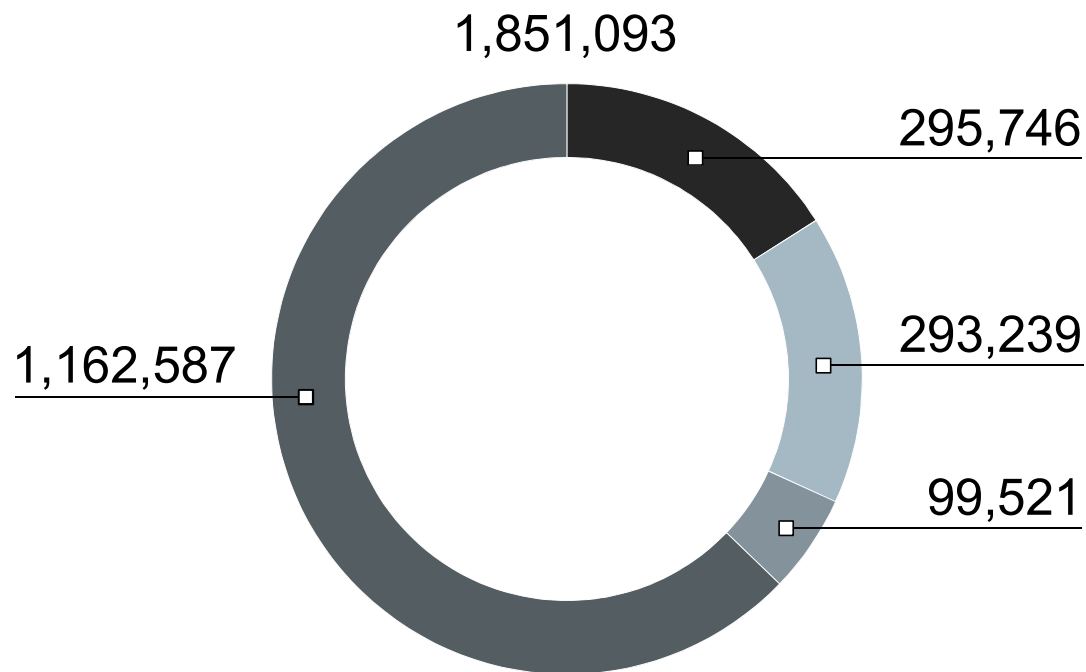


¹Capital gain plus dividend / share price at 31.12.2021 before tax

16. Nearly CHF 1.9 billion in value created since 2000

77% of this amount¹ has gone to public authorities (CHF 1.43 billion)

2000-2022 breakdown of profits
In CHF 1,000



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

¹ Including the amount allocated to reserves



Priorities and outlook 2023

Challenges and achievements

2022 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

Contributor to Geneva's economy and trade in Switzerland and around the world

Innovative leader in digital banking

The bank offers solutions that meet the sustainable finance preferences of its private and institutional clients

2022 Achievements

CHF 18.5 billion in financing allocated to the economy

CHF 13.0 billion (+CHF 380 million)
Growth of mortgage loans

CHF 18.8 billion (+CHF 475 million)
Growth of total private assets managed

Synchrony investment funds reach
CHF 3.5 billion

The share of the Group's turnover in EUR and USD is **29.7%**

35.2% of new accounts in 2022 were opened online

BCGE offers a Sustainable Renovation Project Loan to finance its clients' renovation work

*Our 2022 challenges were presented at the press conference on 09.08.2022

Strategic priorities for 2023

- 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
- Contributor to Geneva's economy and trade in Switzerland and around the world
- Promoter of a banking digitalisation accessible to all and with a human touch
- The bank offers solutions that meet the sustainable finance preferences of its private and institutional clients

Risks (top 5)

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

■ Outlook for 2023

BCGE is continuing its commercial expansion by taking advantage of 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 economies.

- The growth of high added-value business and the loyalty of its client base reaffirm the bank's favourable strategic positioning.
- The bank's financial strength makes it a safe and stable custodial address.
- The bank expects a moderate increase in interest rates and an improvement in the economic situation, factors which are likely to weigh on its interest margin but boost 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 is continuing to develop 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 projected business developments, the bank expects an increase in the overall earnings for the year.

Banque Cantonale de Genève

Quai de l'Île 17,
1204 Geneva

Tel: +41 (0)58 211 21 00

www.bcge.ch

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