

# BCGE Group half-year results as at 30 June 2024

Press conference  
8 August 2024



# MEMORANDUM

## EXECUTIVE SUMMARY

Nicolas Krügel CEO

## FINANCIAL DETAILS

Frédéric Vernet CFO

## CONCLUSION

Nicolas Krügel CEO



## **GROWTH**

- Accelerated growth in business volumes, both in terms of loans and assets under management
- Resilience of operating profit and net profit



## **COST CONTROL**

- Increase in expenses driven by strong business volumes and substantial investment
- Stable cost/income ratio



## **HIGHLIGHTS**

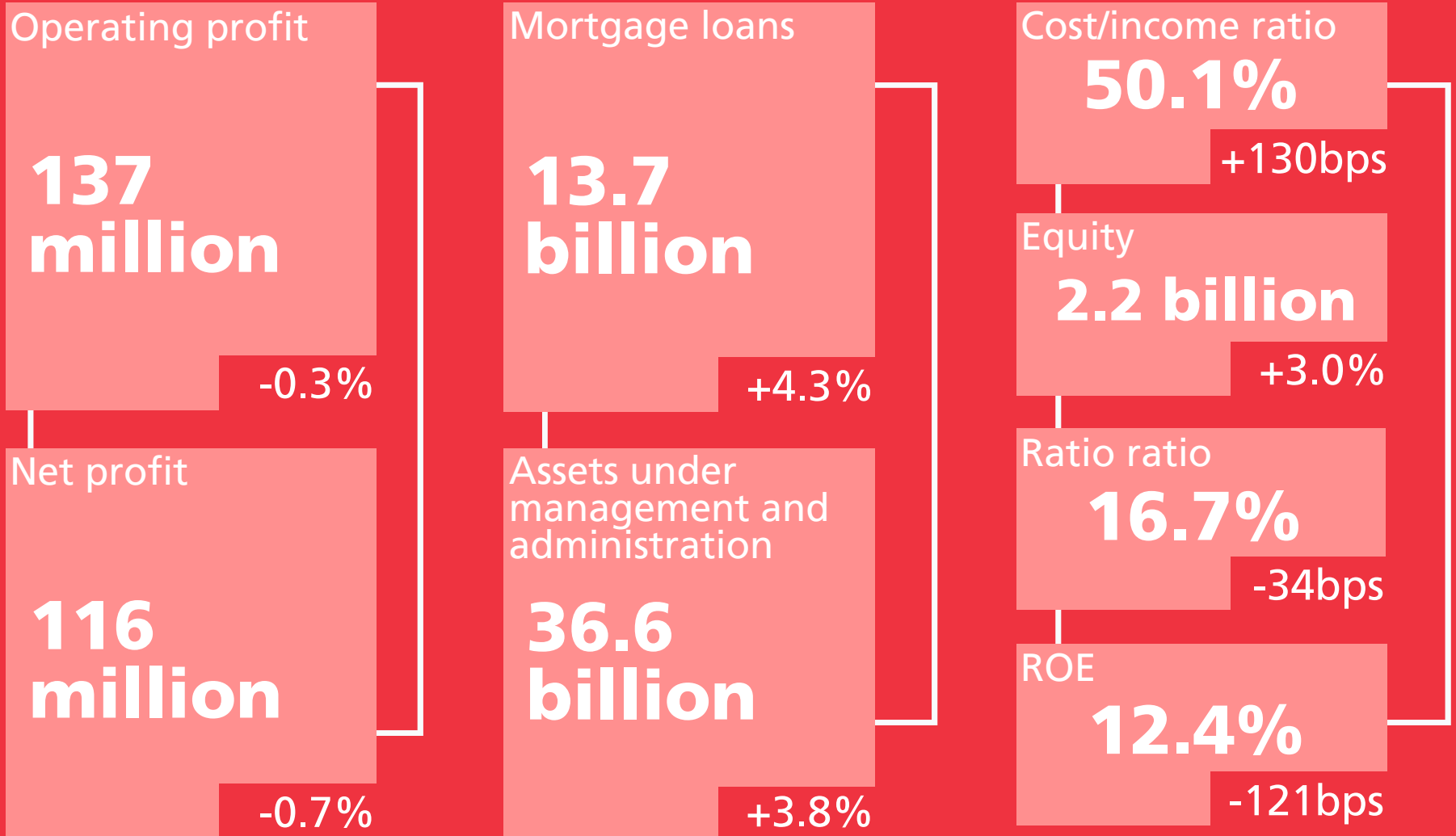
- Issue of a senior social loan
- Capital increase by La Foncière
- Acquisition of Mont-Fort Funds AG



## **RISK MANAGEMENT**

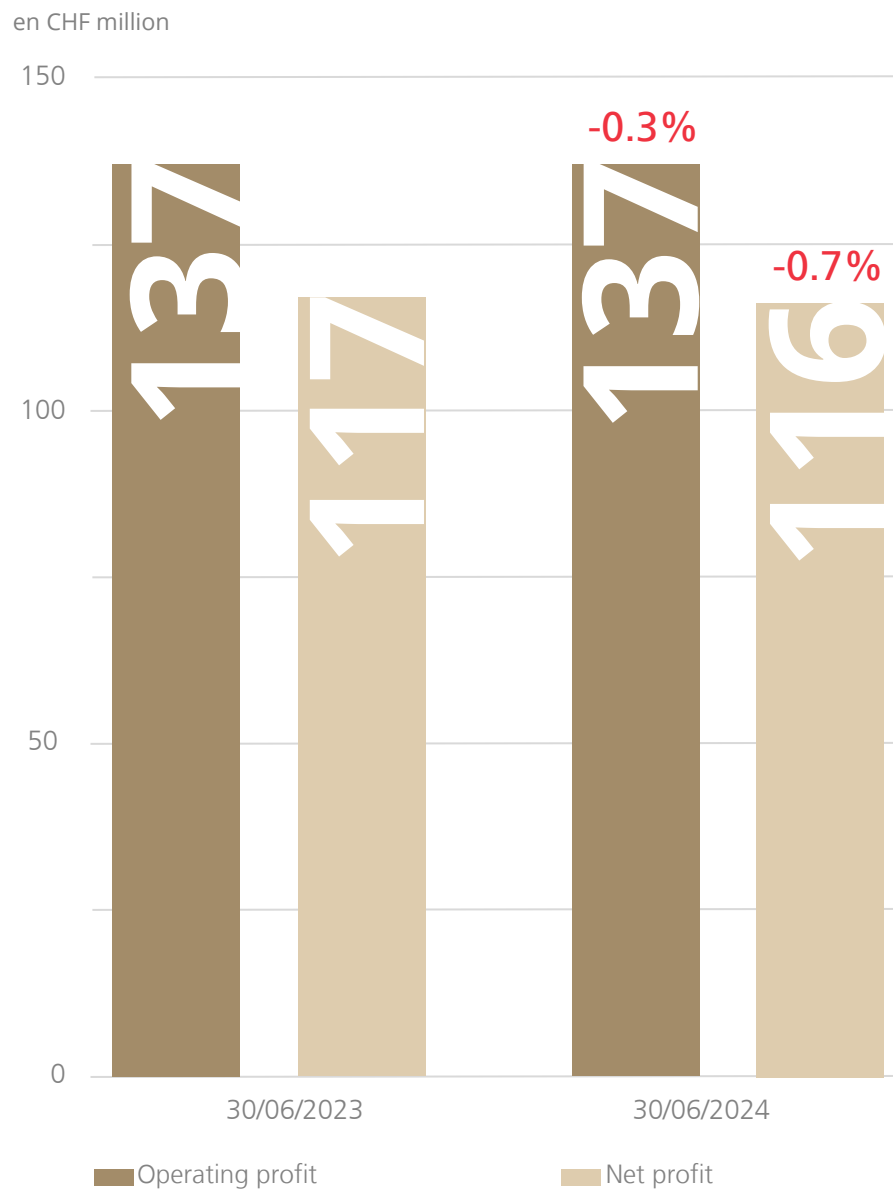
- Broad business model, based on 14 core businesses
- Diversified, high-quality assets in an uncertain economic climate

# Key indicators



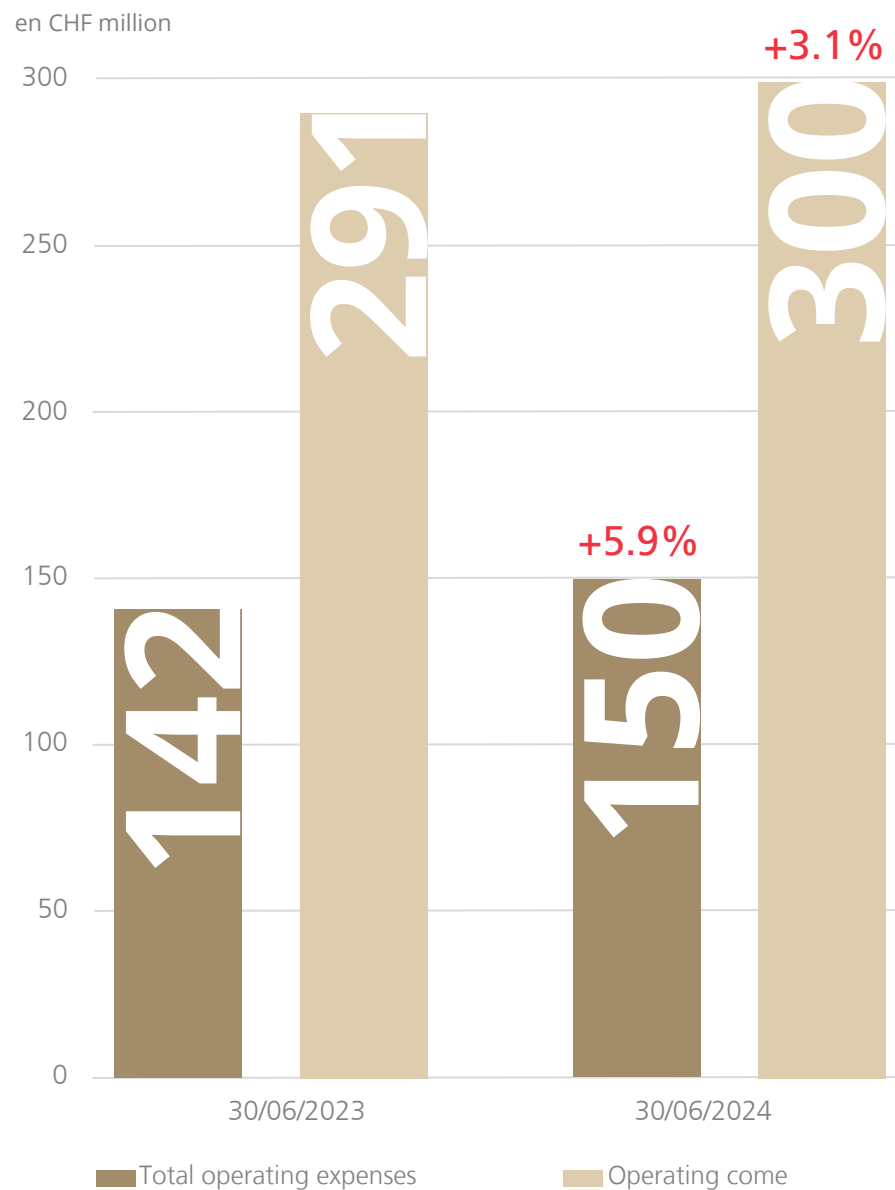
# Resilient operating profit and net profit

- ▶ Operating profit remained at a record level, driven by growth in all the Bank's business segments and good risk management.
- ▶ Operating profit and net profit showed remarkable resilience amid falling interest rates.



# Increase in turnover

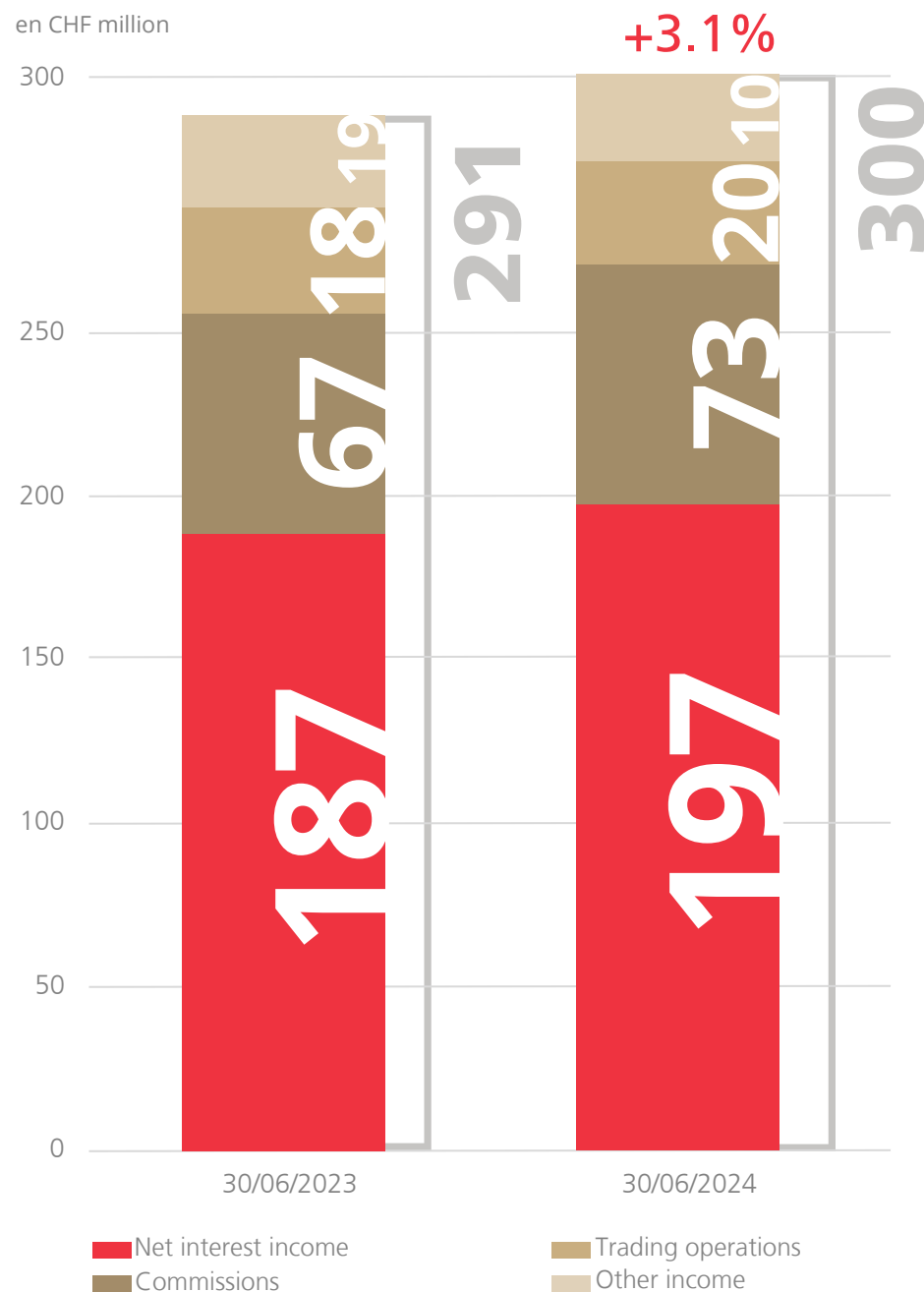
- ▶ Turnover is up, reflecting strategic positioning that fully captures the dynamism, both domestic and international, of the Geneva economy.
- ▶ Operating expenses reflect the trend of investment in digitalisation and commercial development.





## Diversity of turnover

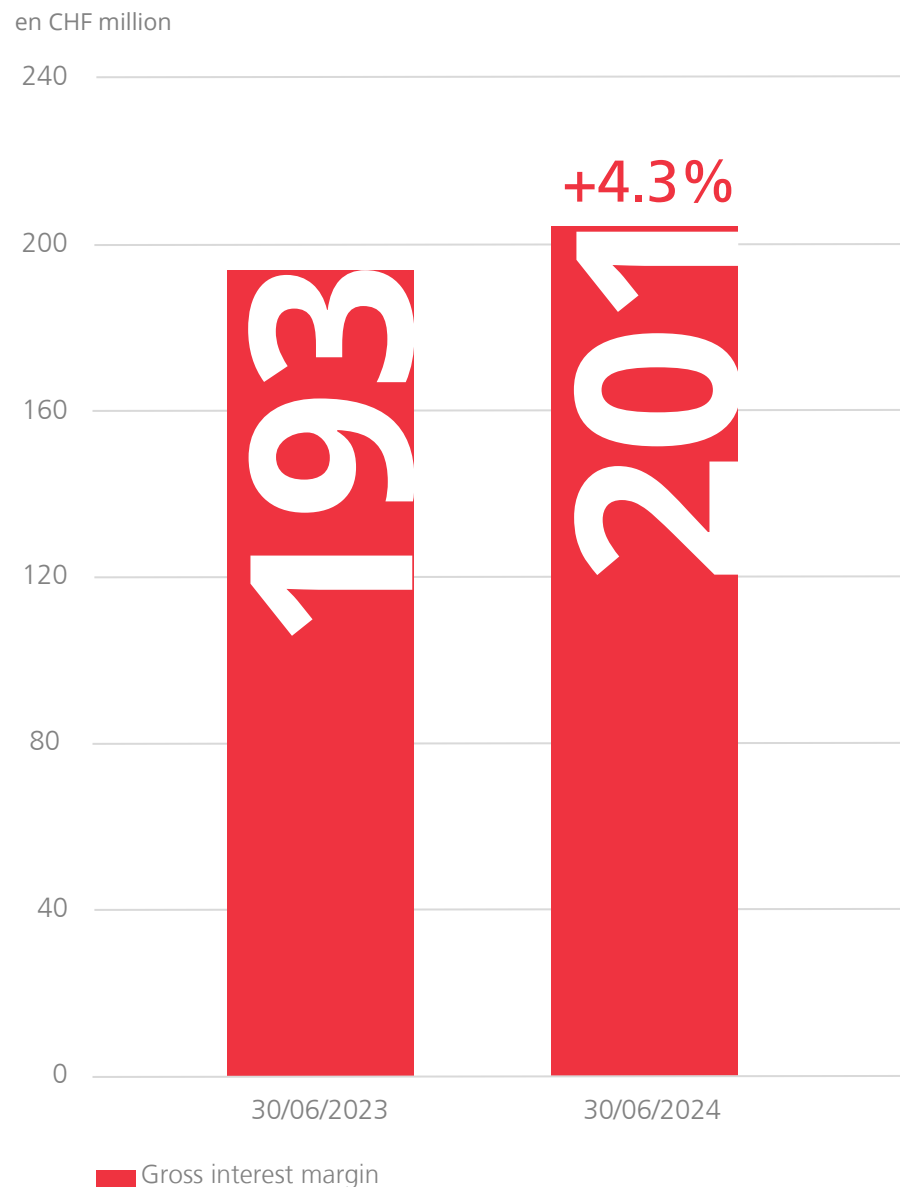
- ▶ Net interest income rose satisfactorily, reflecting growth in financing and efficient ALM management.
- ▶ Commissions reached a record level, driven by wealth management, securities transactions and banking services.
- ▶ Growth in trading operations was boosted by foreign exchange activities.
- ▶ Other results were influenced by equity financing for SMEs and fluctuations in the value of the Bank's own financial assets.



# Robust interest margin

- ▶ Gross interest margin topped the CHF 200 million mark, setting a new record.
- ▶ This remarkable increase was achieved against a backdrop of falling interest rates and a slight steepening of the yield curve (2-10 year spread).
- ▶ Growth in financing volumes, combined with an effective ALM strategy, enabled the Bank to maintain its margin rate.

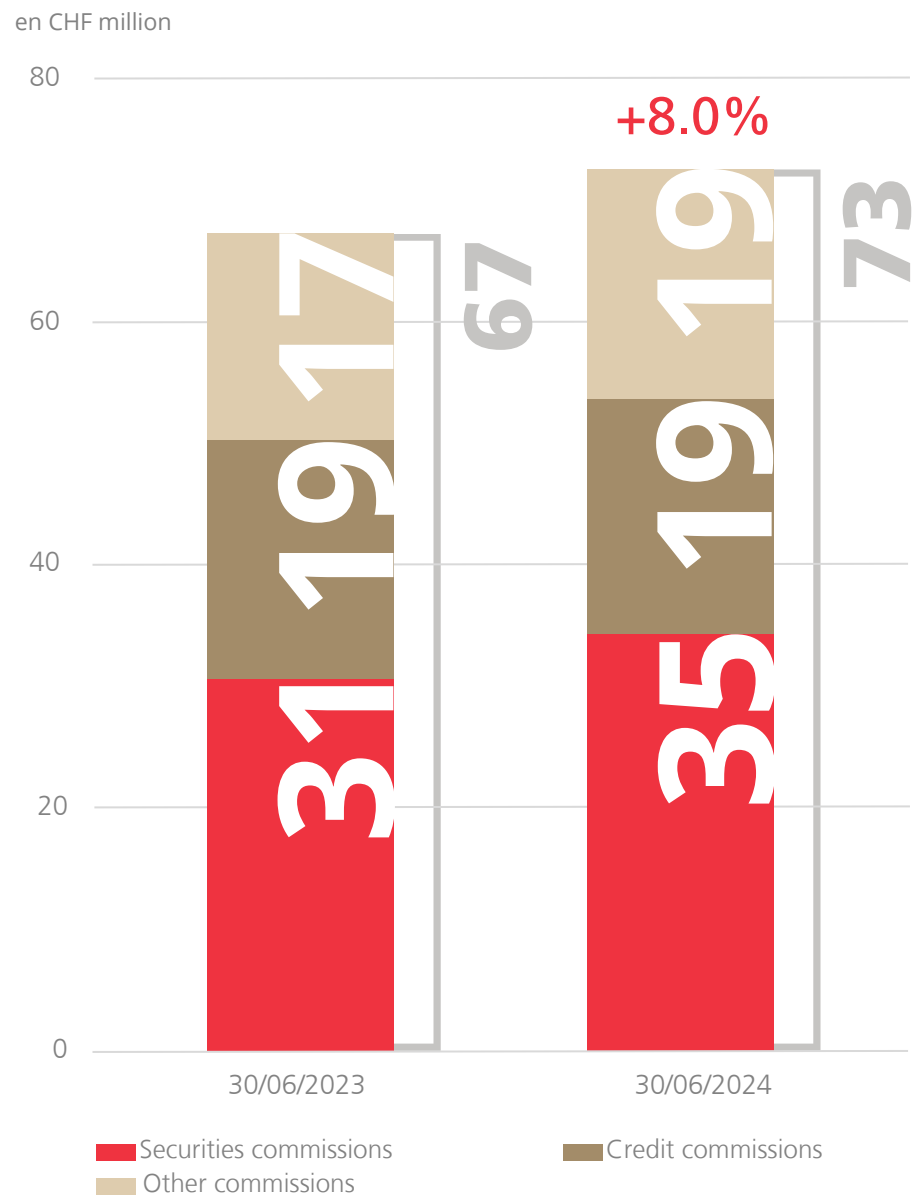
Margin rate  
**1.31 %**  
-1bps





# Record commission results

- ▶ The 12% rise in securities commissions was driven by the success of management mandates, investment funds and favourable trends in asset values.
- ▶ The decline in lending fees mainly reflects the slowdown in the French subsidiary's real estate financing business (-1%).
- ▶ Other commissions reflect business growth in retail banking in branches and online (+11%).



# Balanced receivables and deposits

- ▶ The share of mortgage loans in the balance sheet total (44%) reflects a high level of asset diversification.
- ▶ Well-diversified client deposits have contributed to financial strength. They are the primary source of refinancing for loans granted.
- ▶ Liquidity ratios are at an excellent level, exceeding regulatory requirements.

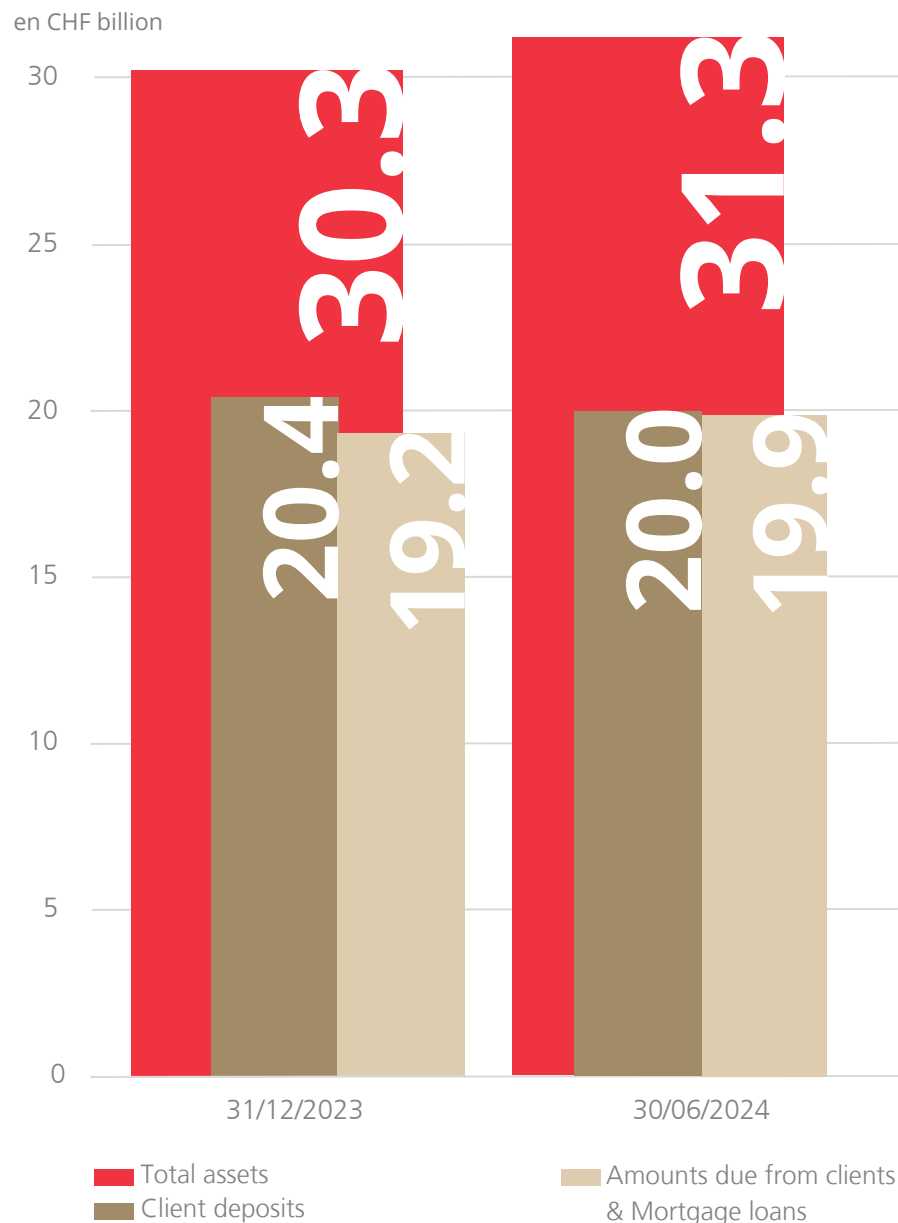
LCR

**151%**

NSFR

**137%**

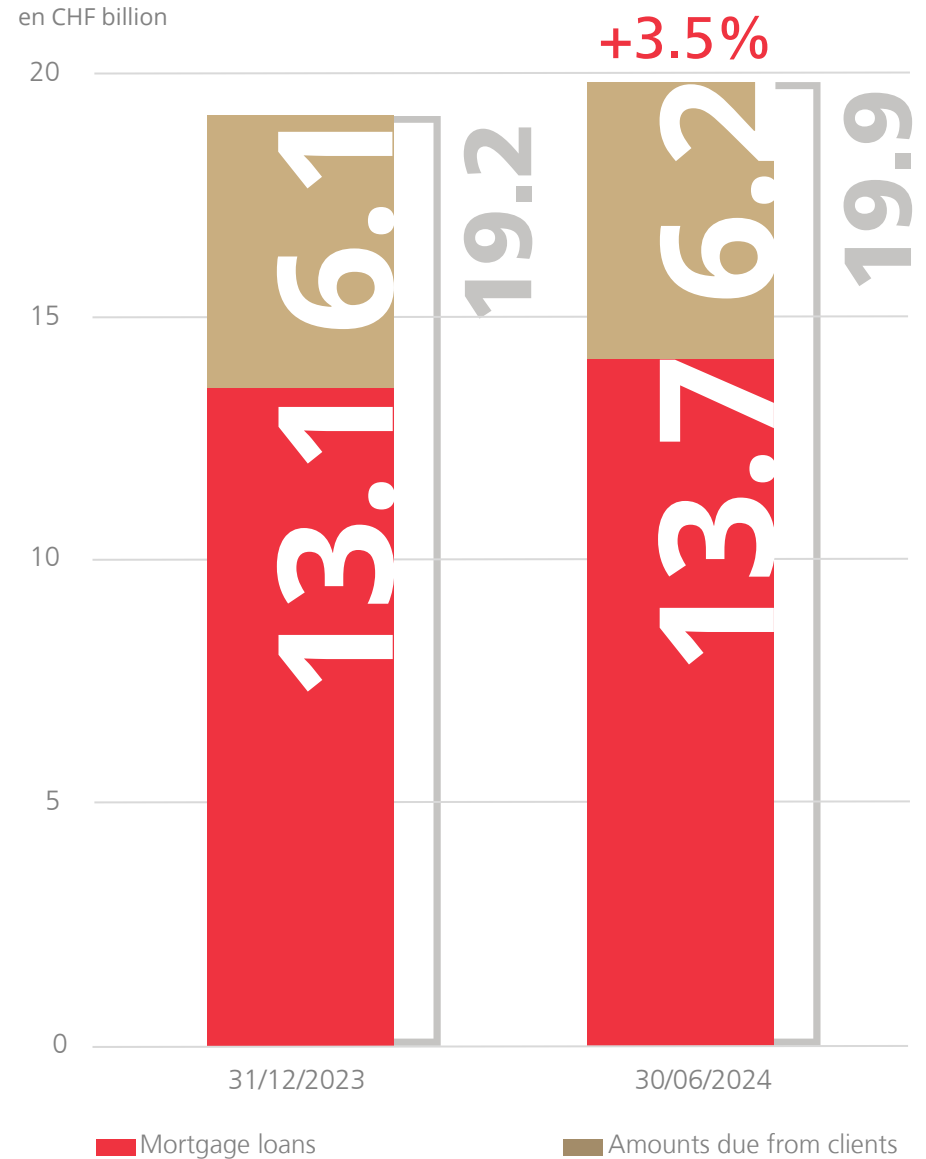
-430bps



# An increase in lending

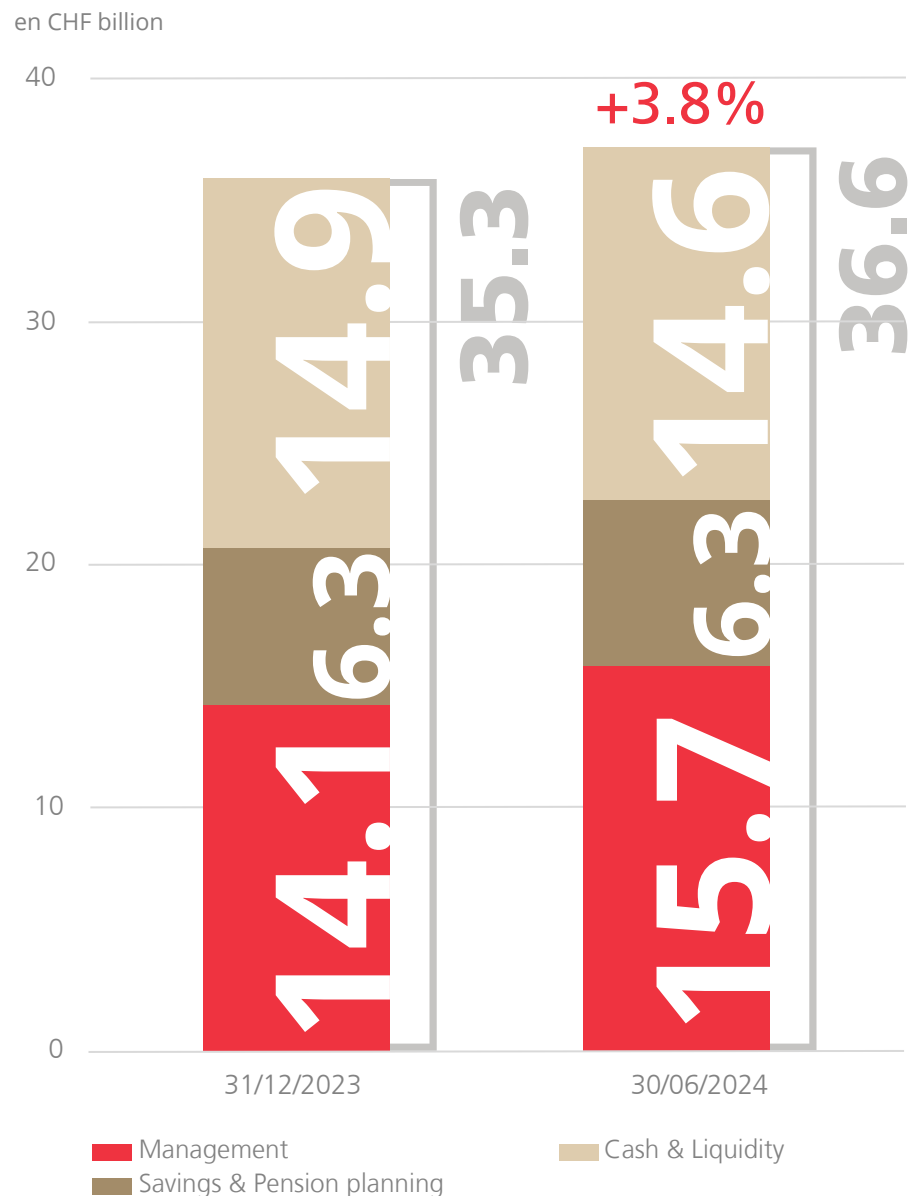
- ▶ Bank loans worth CHF 19.9 billion granted to companies and private individuals.
- ▶ The Bank favours moderate-risk financing. It is committed to building a diversified mortgage portfolio in a real estate market where fundamentals remain solid.
- ▶ The Bank remains true to its mission of supporting the Geneva economy, of which it is a major contributor. It serves more than 250,000 clients.

NPL  
**1.09%**  
+26bps



# An increase in assets under management and administration

- ▶ The growth in assets under management and administration demonstrates BCGE's commercial success and confirms client confidence in the Bank.
- ▶ The increase in assets under management was driven by discretionary mandates and investment funds under the Synchrony funds brand.
- ▶ Net new assets from private and institutional clients amounted to CHF 352 million.

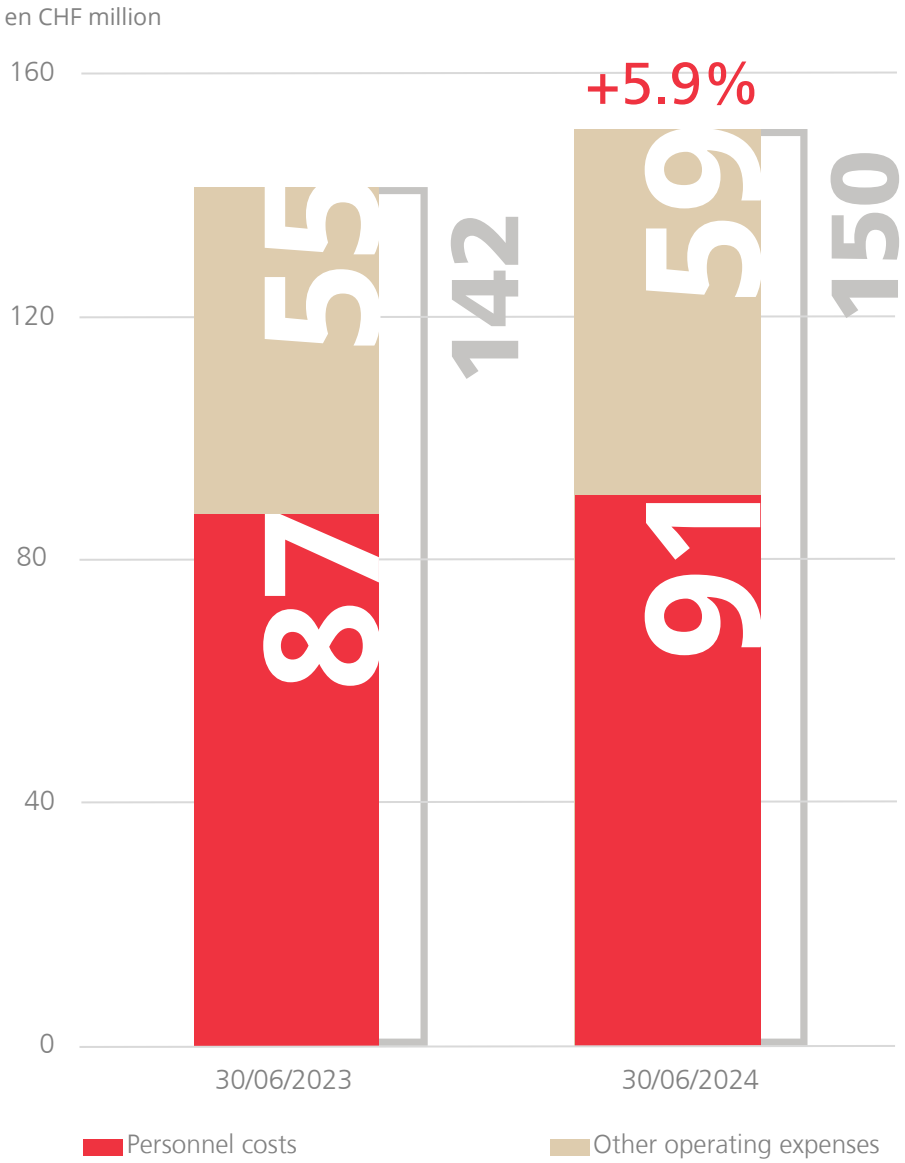


# Expenses: reflecting business momentum

- ▶ BCGE has been strengthening its teams in commercial and support functions to boost growth.
- ▶ The Bank has been maintaining its pace of investment, particularly in digital innovations, cyber risk prevention solutions and the energy transition.
- ▶ Numerous regulatory changes require investment to upgrade management tools. Operating expenses remain under control.

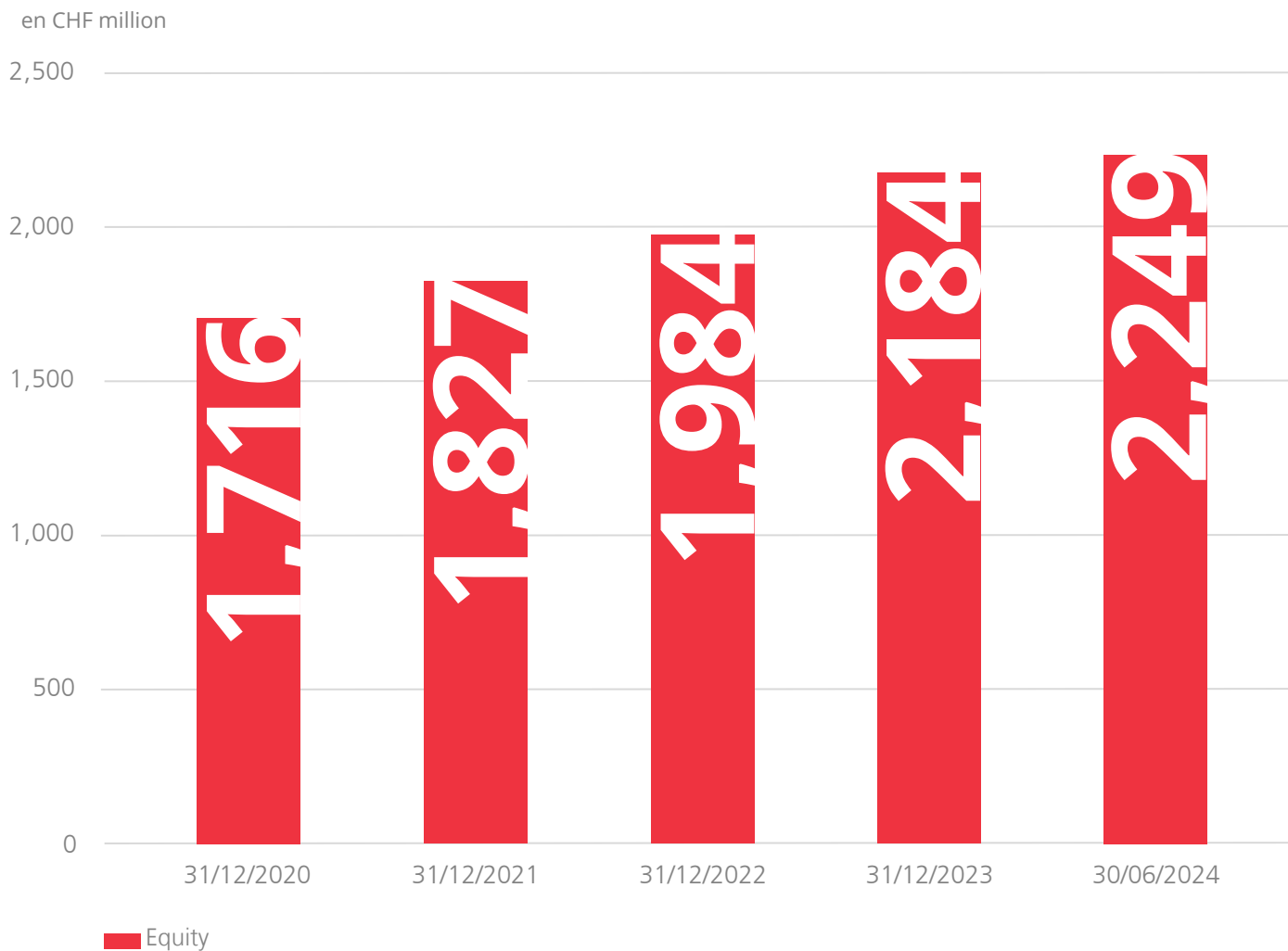
Cost/income  
**50.1%**  
 +130bp

ETP  
**942**  
 +25



# Continued increase in equity capital

- ▶ Equity rose by CHF 65 million. The Bank is well capitalised. Its S&P rating is AA-/A-1+/Stable.

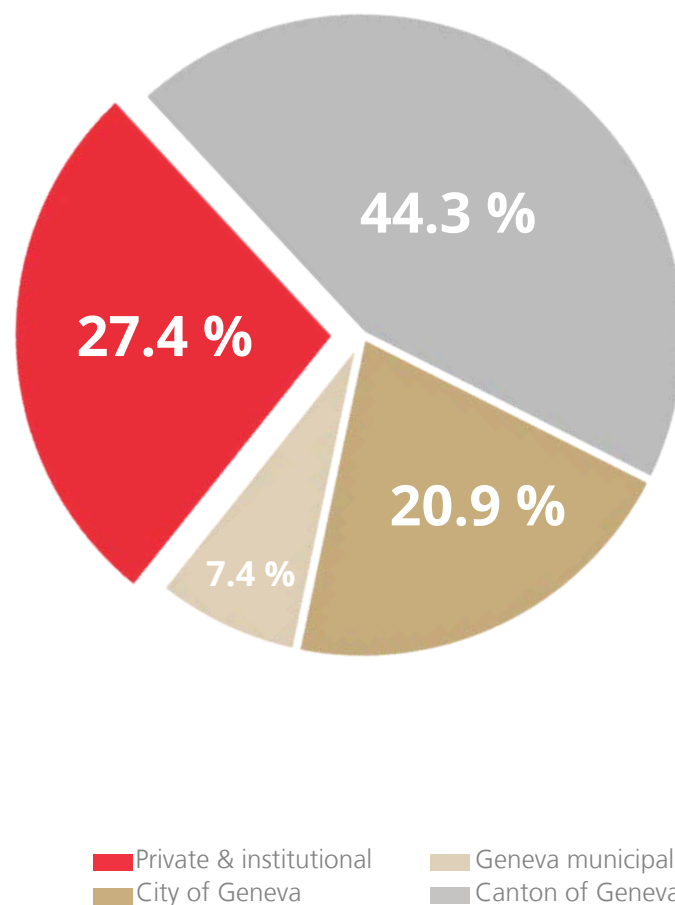
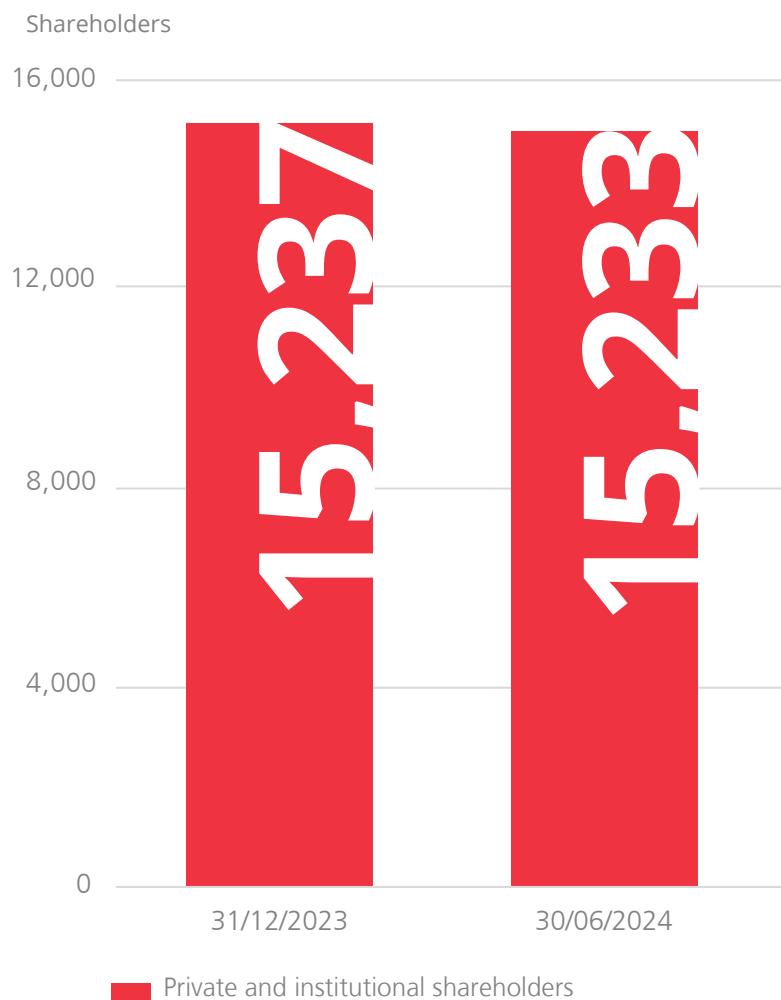


Equity ratio  
**16.7%**  
-34bps

Minimum requirement  
**12.7%**

# Evolution of the shareholder base

► The shareholder base remained stable over the first half of the year. With more than 15,000 shareholders, the free float is well diversified.





# BCGE share performance

- ▶ The BCGE share price rose sharply in the first half of the year. Market capitalisation is gradually approaching the equity value of CHF 312 on 30/06/2024.

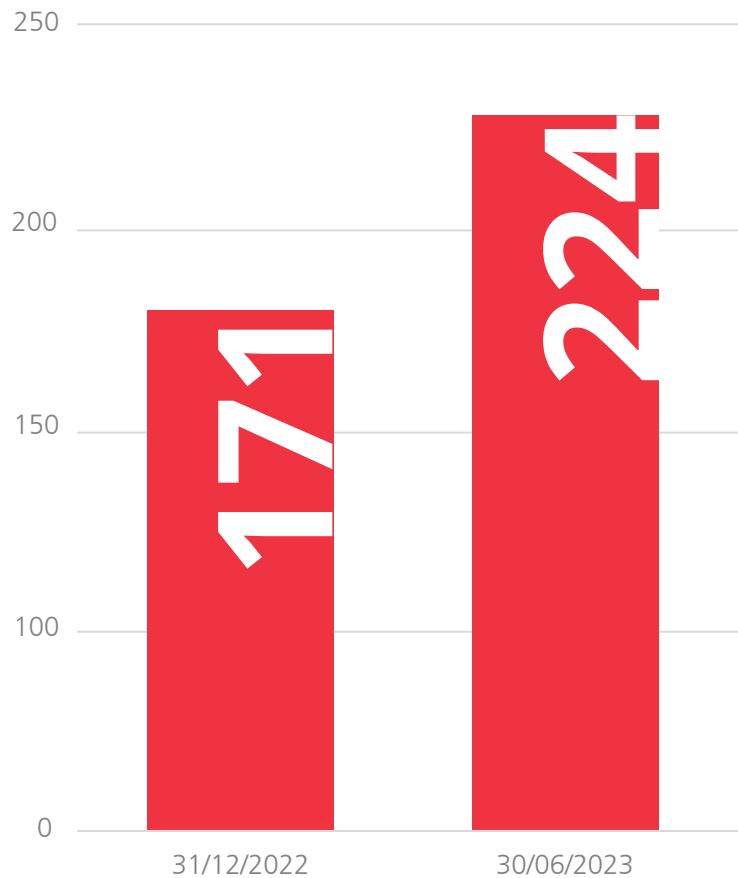
Index rebased, 01/01/2019 = 100



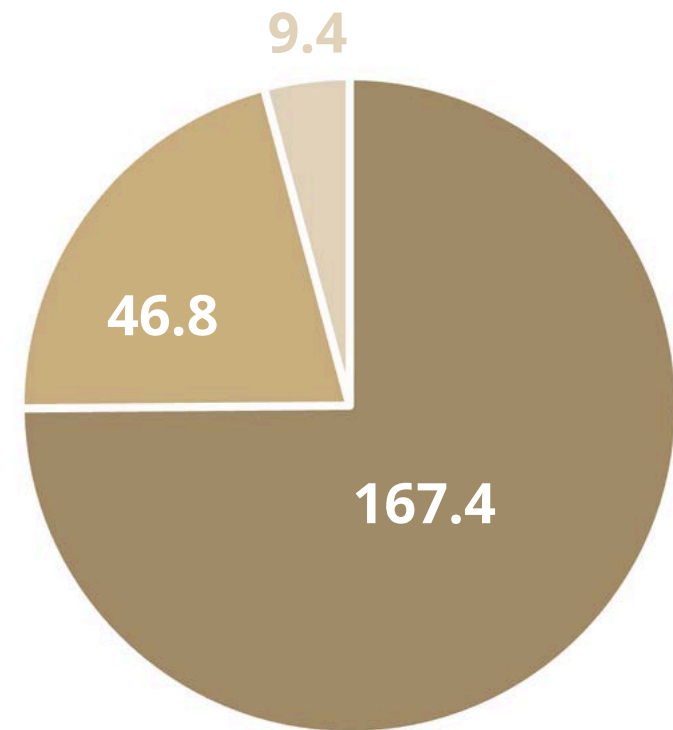
# Allocation of distributable profits

- ▶ At the Annual General Meeting held on 23 April 2024, shareholders approved the proposed allocation of distributable profits.

en CHF million



■ Distributable profit



in million

■ General legal reserve  
■ Dividend

■ Special allocation to the State of Geneva

# Macroeconomic outlook

► Outlook for the main Swiss economic indicators over the next six months.

GDP

2.0

Inflation

1.6

Unemployment ra

3.0

Key interest rates

1.0

10-year interest ra

1.3

Property price ind

3.1

EUR/CHF

0.96

USD/CHF

0.86

Crude oil-brent

(USDbarrel)  
105

**The results for the first half of the year reflect the Group's ability to create lasting value for its clients and shareholders.**

**For 2024, barring a major downturn in the economy, the Bank expects results to be slightly below those of 2023, a record year.**

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