

Half-year Group results as at 30 June 2021

## BCGE – Record net profit

**Geneva, 10 August 2021 – BCGE posted an excellent economic performance in the first half of the year. Net profit reached a record level of CHF 64 million (+16.3%) and all performance indicators were up. Assets under management and administration reached CHF 33.4 billion (+5.1%), mortgage loans CHF 12.4 billion (+3.1%) and equity capital CHF 1.754 billion (+2.2%). The operating profit on equity is at a very high level at 9% and capital coverage is optimal at 15.9%. Barring a deterioration in the economic situation and taking into account the very positive commercial developments, the bank expects an increase in overall earnings for the year, allowing for growth in equity capital and the dividend<sup>1</sup>.**

### Key consolidated figures for the first half of 2021

Results, in CHF thousand	30/06/2021	30/06/2020	Variation 2021 vs. 2020	
Operating income	205,342	183,132	22,210	12.1%
Operating expenses	125,353	117,751	7,602	6.5%
Operating profit	77,258	50,586	26,672	52.7%
Half-year profit	64,345	55,320	9,025	16.3%
<b>Balance sheet volumes, in CHF thousand</b>				
ROE (return on equity)	7.46%	6.73%	74 basis points	11.0%
Total assets	27,914,280	27,541,692	372,588	1.4%
Mortgage loans	12,376,849	12,005,607	371,242	3.1%
Assets under management and custody	33,365,744	31,756,641	1,609,103	5.1%
Equity capital	1,754,366	1,716,341	38,025	2.2%
Tier 1 capital ratio	14.58%	15.04%	-46 basis points	-3.1%
Ratio of regulatory capital available	15.92%	16.15%	-23 basis points	-1.4%
Staff (full-time equivalents) <sup>2</sup>	824	820	5	0.6%

### Turnover continues its strong growth trend

<sup>1</sup> Annual results will be published on 22 February 2022

<sup>2</sup> Due to rounding (staff numbers have increased from 819.60 to 824.40).

The bank's business model enables it to adapt well to the recovery of the Swiss and international economies. Assets under management and administration rose to CHF 33.4 billion (+5.1%) and mortgage loans to CHF 12.4 billion (+3.1%). Net profit reached a record level at CHF 64 million (+16.3%).

The bank recorded a marked increase in revenues (+12%) thanks to the contribution of all its business lines. Net interest income totalled CHF 104 million and, taking into account the early regulatory provisions for sound loans, reached a total of CHF 126 million<sup>3</sup>. Commissions rose to CHF 65.8 million (+11%) and trading operations to CHF 17.0 million (+11%). Turnover thus rose to CHF 205.3 million. The share of the Group's turnover in EUR and USD was 28.7%, reflecting the Group's focus on international business. Operating expenses remained under control at CHF 125.4 million and reflect the expansion of the Group, which is digitalising and making the transition to energy-efficient buildings and recruiting in cutting-edge areas. The Group's workforce grew by 27 new positions over the year to reach 824 employees (in full-time equivalents).

### **BCGE: a major contributor to the financing Geneva's economy**

The bank grants loans worth CHF 18.2 billion to companies and private individuals. Since 31 December 2020, an additional 255 businesses have joined the ranks of clients, bringing the total to 20,864 businesses (legal entities). Mortgage loans increased by a targeted CHF 12.4 billion (+3.1%). Their share in the balance sheet total is moderate (44.3%), reflecting a disciplined risk diversification policy.

### **Increase in assets management and administration**

Assets under management and administration rose to CHF 1.6 billion to reach the significant milestone of CHF 33 billion. Private clients were the main contributors to this remarkable growth, and private banking registered 1,053 new Best of management mandates during the half-year. Synchrony investment funds reached CHF 3.7 billion.

### **Equity capital continues to increase**

Equity capital increased by CHF 38 million (+2.2%), bringing it to CHF 1.754 billion. The consolidated equity capitalisation ratio is close to 16%. The bank belongs to the group of well-capitalised and secure banks, as reflected in its A+/Positive/A-1 rating, which was confirmed in 2021.

### **340 new shareholders**

The number of private and institutional shareholders has been growing year on year, reaching 15,408 on 30 June. The floating part of the capital is widely distributed as 83.3% of shareholders hold between 1 and 50 shares.

### **The BCGE share price grew by 8.5%**

The BCGE share price ended the half year period at CHF 172.50. The potential for growth remains high, since compared to the level of equity capital, the intrinsic value of the share stands at CHF 246.92.

### **Strategic priorities for 2021**

The strategic priorities that guide the BCGE's development are 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.
- Beacon for the influence of Geneva's economy and trade in Switzerland and around the world.
- Innovative leader in bank digitisation.
- Partner to corporate and private clients in the energy transition process.

### **Outlook for 2021**

The bank is stepping up the pace of business expansion, backed by the recovery of the Swiss and international economies. Its current impetus is based on the diversity of its skills and on the suitability of its business model to the demands of its clients.

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<sup>3</sup> Based on the excellent results of the first half of the year, the bank has decided to anticipate the regulatory provisions of sound loans / Expected Credit Losses allocation of CHF 25.6 million in full. See the notes to the financial statements for more details.

- The growth of high added-value 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 custodial address.
- The bank expects low interest rates and a deteriorated economic climate to continue, factors which are likely to affect its interest margin and commission revenues.
- The increase in lending remains moderate due to the regulations governing capital requirements and a policy of caution.
- The bank is promoting the development of its less capital-intensive businesses (private and institutional asset management, corporate advisory services, private equity).

Barring a deterioration in the economic situation and taking into account the very positive commercial developments, the bank expects an increase in overall earnings for the year, allowing for growth in equity capital and the dividend.

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**BCGE: Banking solutions made in Geneva**

*A universal bank since 1816, the BCGE provides high-quality banking services for private, business and institutional clients in Geneva and its surrounding area. BCGE develops the following business lines: everyday banking services, private banking, asset management, investment funds, pension planning, mortgages and lending to the private and public sectors. It runs a trading room and offers financial engineering, business valuation and transmission, private equity and trade finance services. The BCGE Group has 21 branches in Geneva and operates a number of its business lines in Zurich, Lausanne, Basel, Paris, Lyon and Annecy. It has representative offices in Dubai and Hong Kong. It employs 876 people (of whom 824 are full-time equivalents, as at 30 June 2021). BCGE is listed on the Swiss stock exchange, SIX Swiss Exchange (security no. 35 049 471) and is rated A+/positive/A-1 by Standard & Poor's (S&P).*