

Press Release – 27.02.2024

BPS (SUISSE) – Results for the 2023 financial year

Record result: the best ever (+72%)

The development of BPS (SUISSE)'s business was broadly positive, despite the uncertainties and critical issues that arose throughout the financial year.

Concurrent to the repeated increase in interest rates due to the action of the central banks, the Bank's treasury was called upon to ensure careful and effective cash management, in line with a commercial policy which appropriately addresses the collection and use of client funds.

These aspects, enhanced by expectations regarding possible rate changes, have also been transferred to the asset management and investment advisory sector, seeking new positions of balance after seven years of negative rates.

Both of these aspects required product and service proposals to be reworked, combining innovative proposals with traditional solutions and taking into account the changed environmental context and current business environment.

Staff

The workforce consists of 369 employees, an increase of 10 compared to the end of the previous financial year.

Generational change management appears to be one of the most important projects to be carried out for BPS (SUISSE). As part of this, succession planning efforts have been adapted with the aim of identifying and increasing internal skills capable of supporting turnover. Reviewing roles is both a prerequisite and a need to successfully adapt to a quickly evolving market.

Sales network

The branch network, which remains unchanged, is made up of 21 operational units, including one in the Principality of Monaco, in addition to the direct banking virtual branch and the representative office in Verbier, in the canton of Valais, Switzerland. The property portfolio has seen extraordinary development, in particular the expansion and renovation of the property in Saint Moritz (Graubünden, Switzerland). Work here will be completed during the first half of 2024, and should be awarded the highest energy rating, in line with the Bank's ESG objectives.

Press Release – 27.02.2024

Products and services

Of particular note is the implementation of the new *online trading* system which is used through the *GoBanking* platform (the Bank's *e-banking* platform), on both *desktop* and *mobile*. This allows clients to operate independently on a wide range of financial instruments listed on the major world markets.

Projects for introducing new sub-funds in *Popso (Suisse) Investment Fund SICAV* (a unit trust set up under Luxembourg law, of which BPS (SUISSE) is a manager) are in advanced stages.

The *investment fund savings plans* have made rapid progress, satisfying customers thanks to the possibility of variable contents and investment horizons that can be changed at the savers' choice.

Throughout the year, new products aimed at *retail* clients were introduced, such as the *Mastercard Debit* in euros, and the services that can be activated online were expanded for the various types of cards.

In the pension area, the collaboration with *Privor Vorsorgestiftung* (a foundation which specialises in investment funds) remained on track, complementing *Life Benefit* custody accounts, a foundation promoted at the time by the Bank, with assets entirely made up of cash and particularly favourable treatment for clients of other BPS (SUISSE) services or products.

BALANCE SHEET DATA

Numbers in Client activities

Customer deposits benefited from the good performance of net inflows (or *net new money*). While the recovery of both equity and bond prices was offset by the devaluation of euro assets upon conversion into the national currency.

The numerical data shows CHF 5,633,000,000 (+4% compared to the previous year), of which CHF 3,411,000,000 (-3%) as direct deposits and CHF 2,222,000,000 (+16%) as indirect.

Client loans increased to CHF 5,529,000,000 (+3%), of which CHF 4,977,000,000 (+4%) were issued in the form of mortgage loans, relating almost exclusively to residential properties, and CHF 552,000,000 (-6%) as other credits. The progression was made cautiously, taking into account the possible medium-term effects of the increase in interest rates, with the aim of maintaining risk at the current reassuring levels.

Press Release – 27.02.2024

RESULTS – INCOME STATEMENT

The *income statement* showed largely positive results. With reference to the development of certain revenue components, some distinctive features are highlighted below.

The *net result from interest operations* decreased to CHF 33,902,000 (-49%), despite the growth of the loan portfolio and its low risk. The decrease is due to the impact of the euro portion in the refinancing of loans charged at higher rates than the Swiss franc, the franc being by far in the majority in client financing disbursement.

This effect is purely technical, being offset under the *result from trading activities and the fair value option item*, as the funding in euros for treasury refinancing is systematically converted into Swiss francs, without any exchange rate risk (*currency swap* transactions).

The *net commission and service income* was set at CHF 24,973,000 (=). The slight decrease in income from securities trading and investment activities, due to appreciation of the Swiss franc against the European currency, was offset by the increase in commission income from other services.

The result from trading activities and the fair value option increased to CHF 62,534,000 (+525%) due to the effect of the aforementioned currency swap transactions, more than offsetting the decline in the net result from interest operations item. The management data relating to trading activities showed improvement compared to the previous year.

Operating expenses increased to CHF 80,327,000 (+5%), of which CHF 55,429,000 (+4%), as personnel expenses, following reinforcement of the structure and salary adjustments due to inflation, and CHF 24,898,000 (+7%) as other general and administrative expenses, due to the impact of IT and property developments.

The *operating result*, net of amortisation and provisions, increased to CHF 35,906,000 (+70%) while the *profit (result for the period)* amounted to CHF 28,165,000 (+72%).

Both values constitute the best result historically achieved by the Bank and are very satisfactory.

GENERAL MEETING OF SHAREHOLDERS

In accordance with Article 22 of the Articles of Association, at the General Meeting of Shareholders, the Board of Directors recommends that a dividend of CHF 4,050,000 be paid

Press Release – 27.02.2024

to shareholders and that the difference of CHF 24,115,000 be paid to the *statutory retained earnings reserve*.

Cultural Section 2023

The 2023 Annual Report features a cultural insert dedicated to Audrey Hepburn (1929-1993) 30 years after the death of the actress and icon of style and humanity.