

Press release

(Ad hoc announcement pursuant to Art. 53 LR)

BCV Group H1 2023 net profit up 22%

BCV Group delivered excellent H1 results, with revenues up 11% to CHF 582m, operating profit up 22% to CHF 276m, and net profit up 22% to CHF 240m.*

Revenues up 11% to CHF 582m

Total revenues were up 11% year on year to CHF 582m. Net interest income grew 23% to CHF 290m on the steep rise in interest rates. Fee and commission income declined 6% to CHF 169m, mainly reflecting lower customer activity on the financial markets and a reduction in trade finance exposures due to the current geopolitical situation. Net trading income climbed 26% to CHF 105m, mainly on active balance-sheet management. Other ordinary income totaled CHF 19m (–30%).

Operating profit up 22% to CHF 276m

Operating expenses were up 3% to CHF 269m. Personnel costs were up 2% to CHF 181m. Other operating expenses rose 6% to CHF 88m in an inflationary environment. Depreciation and amortization was almost stable (+1%) at CHF 36m. Operating profit was up 22% to CHF 276m.

Net profit up 22% to CHF 240m

The Bank recorded a tax expense of CHF 37m. Net profit was up 22% to CHF 240m. That corresponds to an ROE of 12.9% – one of the highest in BCV's peer group.

Total assets stable

Total assets amounted to CHF 58.9bn, edging down 1% (CHF 0.5bn) from the end-2022 figure. Cash and cash equivalents, which are mainly held as SNB sight deposits, totaled CHF 12.8bn (–1%). Mortgage lending expanded 2%, or CHF 754m, to CHF 31.2bn in a softening real-estate market. Other loans fell 2% to CHF 6.1bn, as increased corporate lending only partially offset Covid-19 loan reimbursements and the reduction in trade finance activity.

On the liabilities side, customer deposits edged down 2% to CHF 37.5bn, on lower deposits from large corporates and institutional clients.

Net fund inflows

The Group's assets under management rose 3% to CHF 112.3bn. Net new money totaled CHF 0.7bn (+1%) and came from individuals in Switzerland,

SMEs, and institutional clients. Investment performance drove AuM up by CHF 2.7bn (+2%).

CHF 327m paid out to shareholders

In accordance with its dividend policy, BCV distributed CHF 3.80 per share to its shareholders in May, for a total payout of CHF 327m. The dividend was up CHF 0.10 per share and represents a total dividend yield of 4.3% based on BCV's 2022 closing share price.

Solid financial position

The Bank's CET1 ratio stood at 17.5% at 30 June 2023 and shareholders' equity amounted to CHF 3.6bn, attesting to BCV's financial solidity. Standard & Poor's has once again reaffirmed its AA rating for BCV with a stable outlook, and Moody's has maintained its Aa2 rating, also with a stable outlook.

Very solid ESG ratings

BCV's longstanding commitment to sustainable economic development is reflected in the Bank's ESG scores. MSCI has given the Bank an ESG rating of AA, the agency's second-highest score, placing BCV in the "Leader" category. Ethos has reaffirmed the Bank's A- rating, the second-highest score. In addition, CDP included BCV in its "Leadership" category in 2022 based on the Bank's rating of A-, which is also the organization's second-highest score.

Changes to the Board of Directors

Peter Ochsner, a member of BCV's Board of Directors appointed by the Vaud Cantonal Government and the chair of the Audit and Risk Committee, stepped down from the Board on 30 June 2023 after seven years of service. The Bank would like to express its warmest thanks to Mr. Ochsner for his significant contributions as a member of the Board. On 1 July 2023, Mr. Ochsner was succeeded on the Board and the Audit and Risk Committee by Stefan Fuchs, who was appointed by the Vaud Cantonal Government. Mr. Fuchs worked for over 35 years first for the auditing and consulting firm Andersen and then for Ernst & Young (EY) following the merger of those two firms in 2002. Over the course of his career, Mr. Fuchs has acquired extensive experience and has served in various audit-related executive functions.

Outlook

Barring a significant change in the financial markets or the overall economic situation, FY 2023 business development is expected to trend along the same lines as in previous reporting periods.

Lausanne, Switzerland, 17 August 2023

*Unaudited figures

2024 calendar

8 February	Full-year 2023 results
25 March	Publication of the 2023 Annual Report (on www.bcv.ch)
25 April	Annual Shareholders' Meeting in Lausanne
22 August	Half-year 2024 results

Banque Cantonale Vaudoise – Contacts

Daniel Herrera, Communications Director

Tel.: +41 21 212 28 61

Email: daniel.herrera@bcv.ch

Gregory Duong, Investor Relations

Tel.: +41 21 212 20 71

Email: gregory.duong@bcv.ch

The above text is a translation of the original French document; only the French text is authoritative.

Consolidated balance sheet

(unaudited – in CHF millions)

	30/6/2023	31/12/2022	Absolute change	Change as %
Cash and cash equivalents	12,823	12,916	-92	-1
Due from banks	1,096	1,187	-90	-8
Reverse repurchase agreements	1	79	-78	-99
Loans and advances to customers	6,079	6,201	-122	-2
Mortgage loans	31,179	30,425	754	2
Trading portfolio assets	165	206	-41	-20
Positive mark-to-market values of derivative financial instruments	909	1,160	-251	-22
Other financial assets at fair value	955	897	57	6
Financial investments	5,140	5,757	-617	-11
Accrued income and prepaid expenses	93	70	23	33
Non-consolidated holdings	87	87	0	0
Tangible fixed assets	365	376	-11	-3
Intangible assets	0	0	0	n/a
Other assets	45	37	8	21
Assets	58,936	59,397	-461	-1
Total subordinated assets	0	0	0	0
<i>of which subject to mandatory conversion and/or conditional write-off</i>	0	0	0	0
Due to banks	5,996	5,975	21	0
Repurchase agreements	1,423	1,008	415	41
Customer deposits	37,500	38,395	-895	-2
Trading portfolio liabilities	2	3	-1	-35
Negative mark-to-market values of derivative financial instruments	278	450	-172	-38
Other financial liabilities at fair value	1,108	1,006	102	10
Medium-term notes	0	0	0	n/a
Bonds and mortgage-backed bonds	8,078	7,942	136	2
Accrued expenses and deferred income	168	154	15	10
Other liabilities	728	725	3	0
Provisions	26	27	-1	-3
Liabilities	55,307	55,683	-377	-1
Reserves for general banking risks	666	666	0	0
Share capital	86	86	0	0
Capital reserve	35	35	0	1
Retained earnings	2,615	2,554	61	2
Currency translation reserve	-2	-2	-0	-2
Own shares	-11	-14	3	19
Minority interests in equity	0	0	0	6
Net profit for reporting period	240		240	
Net profit for 2022		388	-388	
<i>of which minority interests</i>	0	0	0	17
Shareholders' equity	3,629	3,713	-84	-2
Total liabilities and shareholders' equity	58,936	59,397	-461	-1
Total subordinated liabilities	0	0	0	0
<i>of which subject to mandatory conversion and/or conditional write-off</i>	0	0	0	0

Consolidated off-balance-sheet transactions

(unaudited – in CHF millions)

	30/6/2023	31/12/2022	Absolute change	Change as %
Contingent liabilities	1,013	1,116	-103	-9
Irrevocable commitments	1,475	1,494	-19	-1
Commitments relating to calls on shares and other equity securities	243	243	0	0
Confirmed credits	36	37	-1	-3

Consolidated income statement

(unaudited – in CHF millions)

	2023 H1	2022 H1	Absolute change	Change as %
Interest and discount income	438.4	240.1	198.3	83
Interest and dividend income from financial investments	18.1	8.7	9.5	109
Interest expense	-168.5	-12.9	155.6	n/a
Net interest income before loan impairment charges/reversals	288.0	235.8	52.2	22
Loan impairment charges/reversals	2.0	-0.6	-2.6	-432
Net interest income after loan impairment charges/reversals (NII)	290.0	235.2	54.8	23
Fees and commissions on securities and investment transactions	144.0	152.2	-8.2	-5
Fees and commissions on lending operations	16.0	22.7	-6.6	-29
Fees and commissions on other services	37.8	35.2	2.6	7
Fee and commission expense	-29.3	-30.7	-1.4	-4
Net fee and commission income	168.6	179.4	-10.8	-6
Trading income on fixed-income instruments and equity securities	16.9	16.4	0.5	3
Trading income on foreign currencies, banknotes, and precious metals	91.3	70.7	20.6	29
Trading fee and commission expense	-3.6	-4.0	-0.4	-10
Net trading income and fair-value adjustments	104.6	83.0	21.6	26
Gains/losses on disposals of financial investments	0.4	10.0	-9.6	-96
Income from equity investments	4.4	3.8	0.6	16
<i>of which other non-consolidated holdings</i>	4.4	3.8	0.6	16
Real-estate income	2.6	3.2	-0.6	-18
Miscellaneous ordinary income	11.6	11.0	0.5	5
Miscellaneous ordinary expenses	-0.3	-1.4	-1.1	-80
Other ordinary income	18.8	26.7	-7.9	-30
Total income from ordinary banking operations	581.9	524.3	57.6	11
Personnel costs	-181.2	-177.7	3.5	2
Other operating expenses	-88.0	-83.1	4.9	6
Operating expenses	-269.2	-260.9	8.4	3
Depreciation and amortization of fixed assets and impairment on equity investments	-36.4	-36.0	0.5	1
Other provisions and losses	-0.5	-0.9	-0.4	-47
Operating profit	275.8	226.6	49.2	22
Extraordinary income	1.4	0.1	1.3	n/a
Extraordinary expenses	-0.0	-0.0	0.0	n/a
Taxes	-37.1	-29.9	7.2	24
Net profit	240.0	196.8	43.3	22
Minority interests	-0.0	-0.0	0.0	118
Net profit attributable to BCV shareholders	240.0	196.8	43.3	22