

# 2015 Full-Year Results

Analysts' Presentation  
18 February 2016



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**Introduction**  
**Pascal Kiener, CEO**

FY 2015 financial results  
Thomas W. Paulsen, CFO

Outlook  
Pascal Kiener, CEO

Revenues up 2%, spurred by an excellent trading performance, and despite negative-interest-rate environment

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Net profit up 14%, driven in part by the sale of BCV's stake in Swisscanto

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Satisfactory outcome on USA/Switzerland tax program

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Proposal to increase the dividend by CHF 1, from CHF 32 to CHF 33

# 2015 key figures

CHF (rounded)<sup>1,2</sup>



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Revenues  
1.03bn  
+2%

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Operating profit  
399m  
+5%

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Net profit  
336m  
+14%

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Total assets  
43.4bn  
+4%

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AuM  
88.0bn  
+2%

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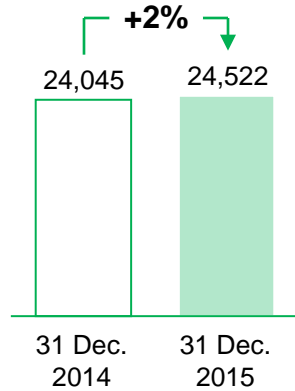
Note

- (1) Using new Swiss GAAP for banks
- (2) 2014 figures were adjusted to facilitate like-for-like comparison

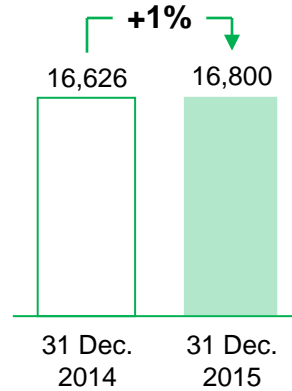
# Main business trends

CHF millions (rounded)<sup>1,2</sup>

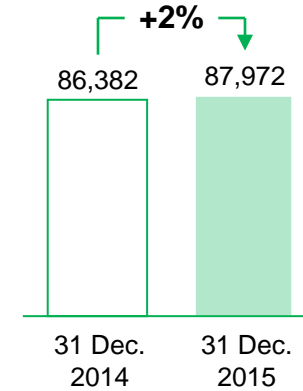
## Mortgage loans



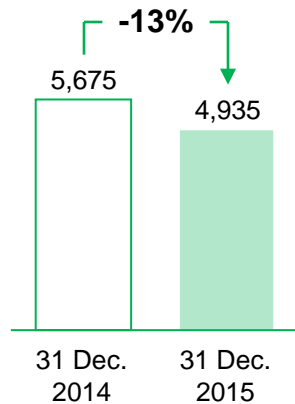
## Savings deposits



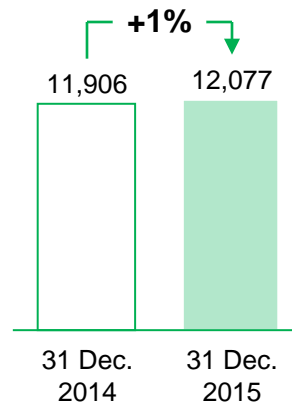
## AuM



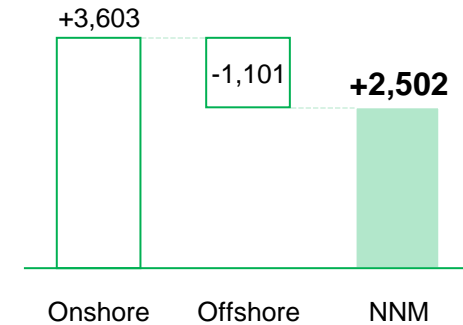
## Other loans



## Other client deposits



## Net new money



Note

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Non-prosecution agreement signed with the US Department of Justice, including the payment of a settlement of USD 41.7m by the Bank

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Reto Donatsch re-elected as member of the Board of Directors at the last AGM

The Vaud Cantonal Government appointed Peter Ochsner to BCV's Board of Directors

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CHF 275m distributed to shareholders in April

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S&P reaffirmed its AA rating for the fifth year running

Moody's raised BCV's long-term rating by two notches to Aa2 and the standalone rating by one notch to a2

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Sale of BCV's stake in Swisscanto

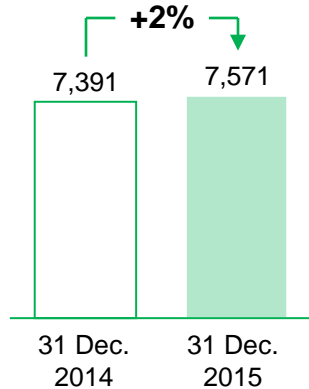
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# Retail Banking

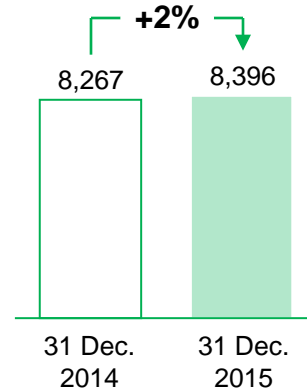
CHF millions (rounded)<sup>1,2</sup>



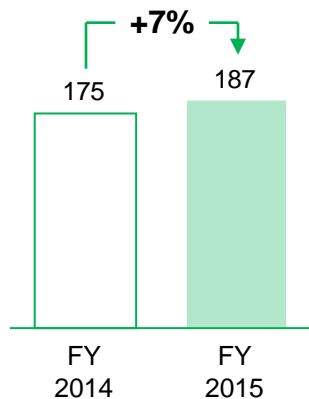
## Mortgage loans



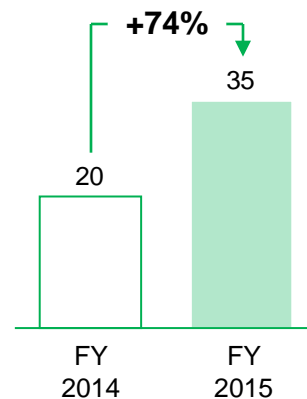
## Customer deposits



## Revenues



## Operating profit



- Controlled growth in mortgage loans
- Continued rise in customer deposits, but at a slower pace
- Increase in revenues and operating profit as a result of measures to enhance productivity, and strong forex activity

Note

(1) Using new Swiss GAAP for banks

(2) 2014 figures were adjusted to facilitate like-for-like comparison

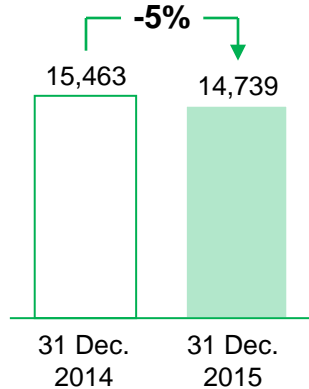


# Corporate Banking

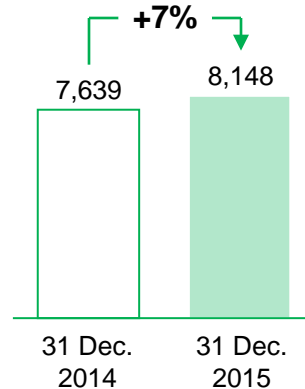
CHF millions (rounded)<sup>1,2</sup>



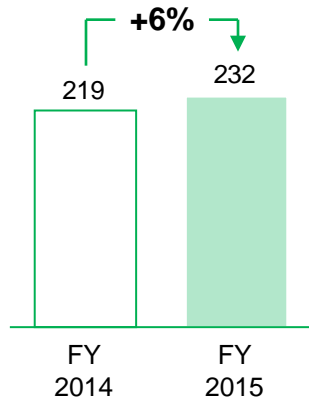
## Loans/off-BS commitments



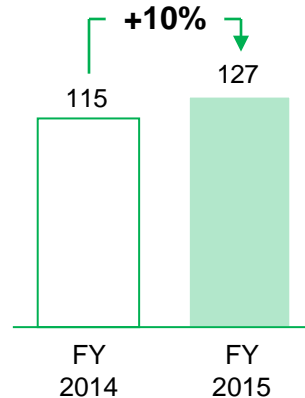
## Customer deposits



## Revenues



## Operating profit



- SMEs
  - Rise in mortgage loans (+2%) and slight rise in loans and advances (+0.3%)
  - Customer deposits up 8.6%
- Large Corporates
  - Decrease in business volumes (lending: -12%)
  - Increase in deposits (+12%), but highly volatile
- Trade Finance
  - Further decrease in business volumes due to decline in commodity prices and lower transaction volumes
- Very low new provisioning needs

Note

(1) Using new Swiss GAAP for banks

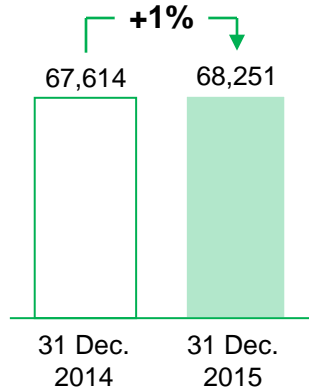
(2) 2014 figures were adjusted to facilitate like-for-like comparison

# Wealth Management

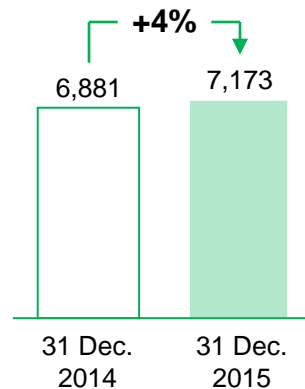
CHF millions (rounded)<sup>1,2</sup>



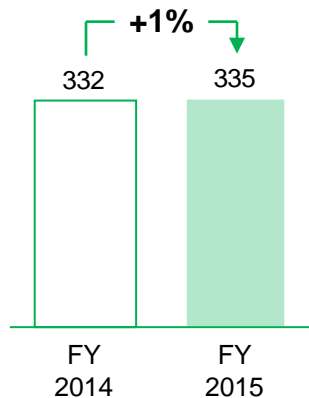
## AuM



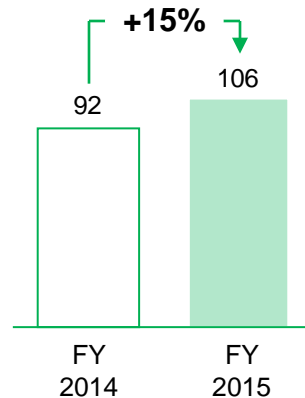
## Mortgage loans



## Revenues



## Operating profit



- Business trend continued:
  - Contraction in offshore volumes, as expected
  - Robust development in onshore activities
- Institutional AM: Net new assets high, especially in the German-speaking part of Switzerland, which represented approximately one third of inflows in 2015
- Revenues and operating profit up

Note

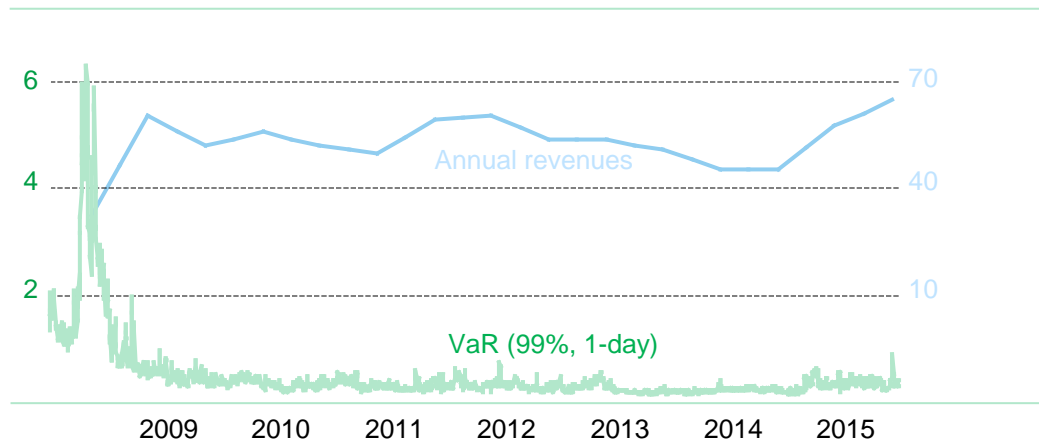
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# Trading

CHF millions (rounded)<sup>1,2</sup>

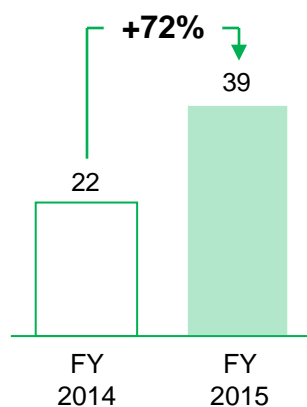
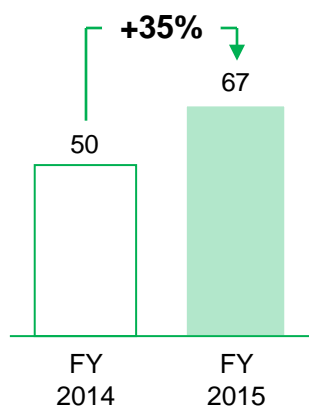
## VaR vs. Annual revenues



- Strong increase in customer-driven forex trading:
  - Following the SNB’s decision to drop the CHF/EUR floor
  - Solid business development
- Increase in structured products activity (revenues up 8%)
- Revenues and operating profit strongly up

## Revenues

## Operating profit



Note  
 (1) Using new Swiss GAAP for banks  
 (2) 2014 figures were adjusted to facilitate like-for-like comparison

Introduction  
Pascal Kiener, CEO

**FY 2015 financial results**  
**Thomas W. Paulsen, CFO**

Outlook  
Pascal Kiener, CEO

# New accounting rules applying

## "Old" Swiss banking GAAP

Interest income

Interest expense

### Net interest income

Net fee and commission income

Net trading income

Other ordinary income

### Total income from ord. banking op.

Operating expenses

### Operating profit

Depreciation and write-offs

Value adjustments, provisions and losses

### Profit on ordinary banking operations before extraordinary items and taxes

Net extraordinary income/expense

Taxes

### Net profit

## "New" Swiss banking GAAP

Interest income

Interest expense

### Net interest income before loan impairment charges/reversals

Loan impairment charges/reversals

### Net interest income (NII)

Net fee and commission income

Net trading income and fair-value adjustments

Other ordinary income

### Total income from ord. banking op.

Operating expenses

Deprec. & amort., impairment on equity invest.

Other provisions and losses

### Operating profit

Net extraordinary income/expense

Taxes

### Net profit

**Loan impairment charges/reversals** now factored into net interest income

**Operating profit** is now after depreciation & amortization, provisions and losses

# Income statement

CHF millions (rounded)<sup>1,2</sup>



	FY 2014	FY 2015	Change	
<b>Total income from ordinary banking operations</b>	<b>1,010</b>	<b>1,026</b>	<b>+16</b>	<b>+2%</b>
<b>Operating expenses</b>	<b>-518</b>	<b>-514</b>	<b>-4</b>	<b>-1%</b>
Depreciation & amortization of fixed assets and impairment on equity investments	-80	-76	-4	-5%
Other provisions and losses	-34	-37	+3	+10%
<b>Operating profit</b>	<b>379</b>	<b>399</b>	<b>+20</b>	<b>+5%</b>
Net extraordinary income	3	29	+26	
Taxes	-85	-91	+6	+7%
<b>Net profit</b>	<b>296</b>	<b>336</b>	<b>+40</b>	<b>+14%</b>

Note

(1) Using new Swiss GAAP for banks

(2) 2014 figures were adjusted to facilitate like-for-like comparison

# Total income from banking operations

CHF millions (rounded)<sup>1,2</sup>

## Total income from ordinary banking operations

1,010		1,026			
FY 2014		FY 2015			
521		490		Net interest income	+16 +2%
343		332		Commissions & fees	-11 -3%
106		151		Trading	+45 +41%
40		53		Other	+13 +33%

- **NII** – Income under pressure due to negative rates, but decrease limited through appropriate balance-sheet management
- **Commissions & fees** – Slightly down due to further decline in Trade Finance and in Offshore Private Banking
- **Trading** – Strong increase in forex trading following SNB's removal of the EUR/CHF floor, and as a result of business development

## Net interest income

504		489		NII before loan impairment charges/reversals	-15 -3%
	16		1	Loan impairment charges/reversals	-15 n/s
521		490		Net interest income (NII)	-31 -6%
FY 2014		FY 2015			

- **NII before loan impairment charges/reversals** – Direct impact of negative rates
- **Loan impairment charges/reversals**
  - Lower loan impairment reversals in 2015 than in 2014
  - New loan impairment charges still at a low level

Note

(1) Using new Swiss GAAP for banks

(2) 2014 figures were adjusted to facilitate like-for-like comparison

# Operating expenses and amortization

CHF millions (rounded)<sup>1,2</sup>

	FY 2014	FY 2015		
	598	590		-8 -1%
	179	177	Other operating expenses	-2 -1%
	339	337	Personnel costs	-2 -1%
	80	76	Depreciation & amortization	-4 -5%
	FY 2014	FY 2015		

- Continued firm control of operating expenses
  - Over the last 3 years, operating expenses have dropped 0.6% p.a. on average
- Amortization and depreciation** continuously down since the integration of 80 IT specialists previously on IBM's payroll
- Cost / income** ratio down from 60% to 57%

Note

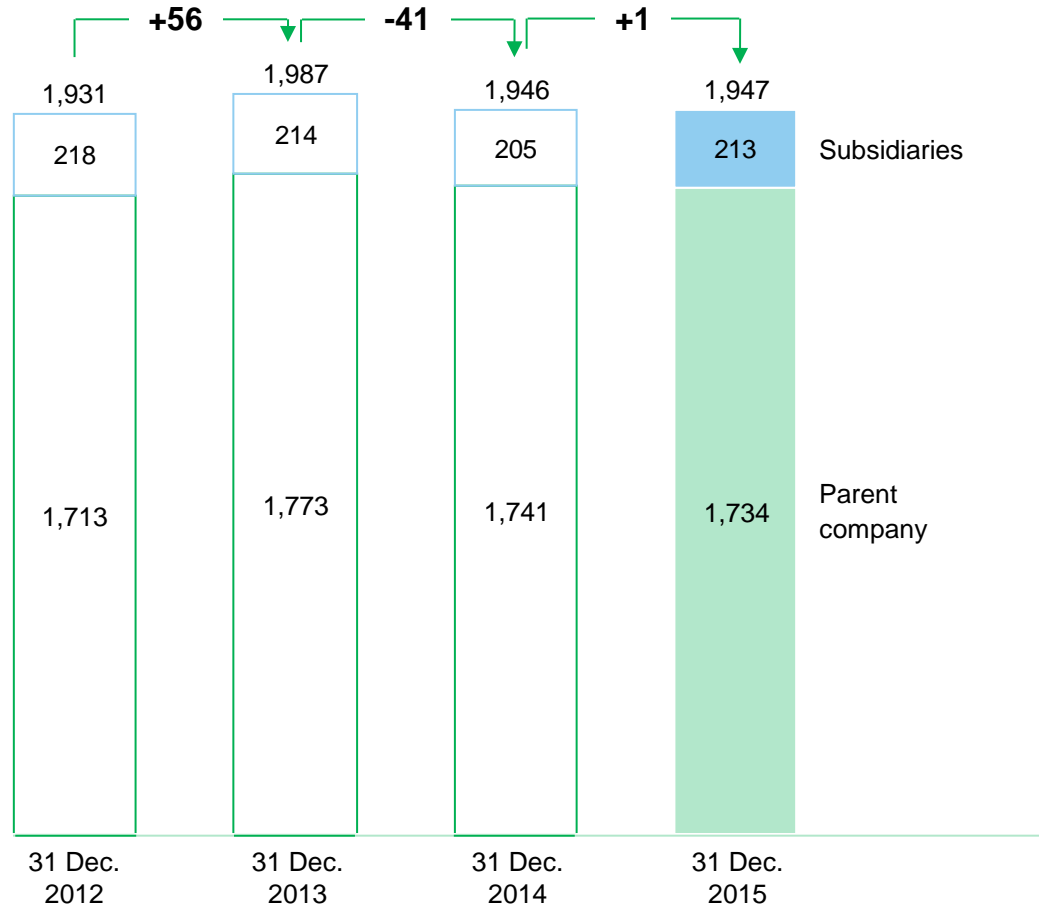
(1) Using new Swiss GAAP for banks

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# Headcount

Full-time equivalent at period-end



- Stable headcount at Group level
- Over the last 4 years, continuous decrease in headcount at the Parent Company on a like-for-like basis (i.e., adjusted for the integration of 80 IT specialists in 2013)

# Assets

CHF billions (rounded)<sup>1,2</sup>

		31 Dec. 2014	31 Dec. 2015		
		<b>41.8</b>	<b>43.4</b>	<b>+1.6</b>	<b>+4%</b>
5.0	Cash and equivalents	5.0	6.9	+1.9	+38%
1.9	Due from banks and reverse repo agreements	1.9	2.1	+0.2	+10%
5.7	Loans and advances to customers	5.7	4.9	-0.8	-13%
24.0	Mortgage loans	24.0	24.5	+0.5	+2%
3.3	Financial investments	3.3	3.1	-0.2	-4%
2.0	Other assets	2.0	1.9	-0.1	-6%

- **Cash and equivalents** – Increase in liquidity deposited with SNB following fund inflows
- **Loans and advances to customers** – Decrease in Trade Finance and Large Corporate lending as well as liquidity-management activities
- **Mortgage loans** – Limited growth in a decelerating real-estate market

Note

(1) Using new Swiss GAAP for banks

(2) 2014 figures were adjusted to facilitate like-for-like comparison

# Liabilities

CHF billions (rounded)<sup>1,2</sup>

31 Dec. 2014		31 Dec. 2015			
41.8	43.4			+1.6	+4%
2.1	3.0	Due to banks and repo agreements		+0.9	+40%
28.5	28.9	Customer deposits		+0.4	+1%
6.4	6.9	Bonds and mortgage-backed bonds		+0.5	+7%
1.4	1.3	Other liabilities		-0.1	-6%
3.3	3.4	Shareholders' equity		+0.1	+2%

- **Due to banks** – Fund inflows
- **Customer deposits** – Funds from individual and corporate clients stable
- **Bonds** – Increase in borrowings in order to manage long-term liquidity requirements and as a result of structured product issues

Note

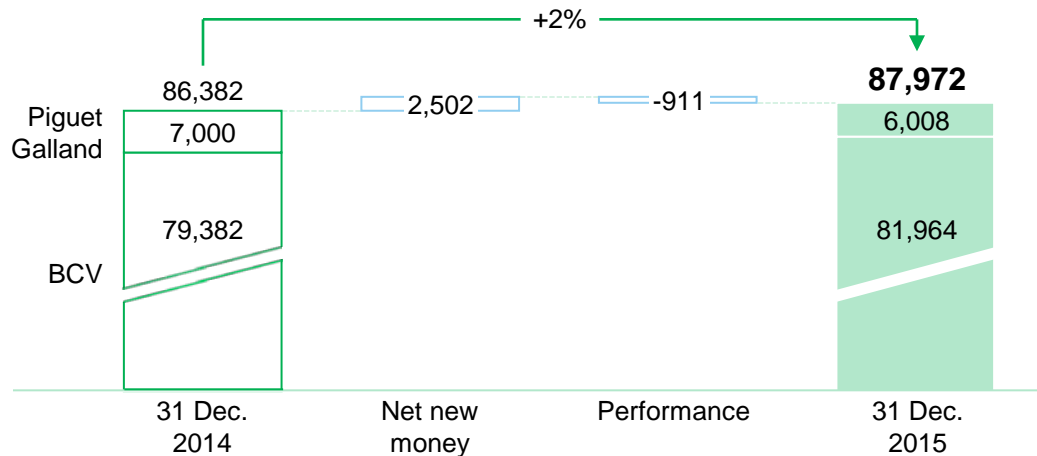
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# Assets under management

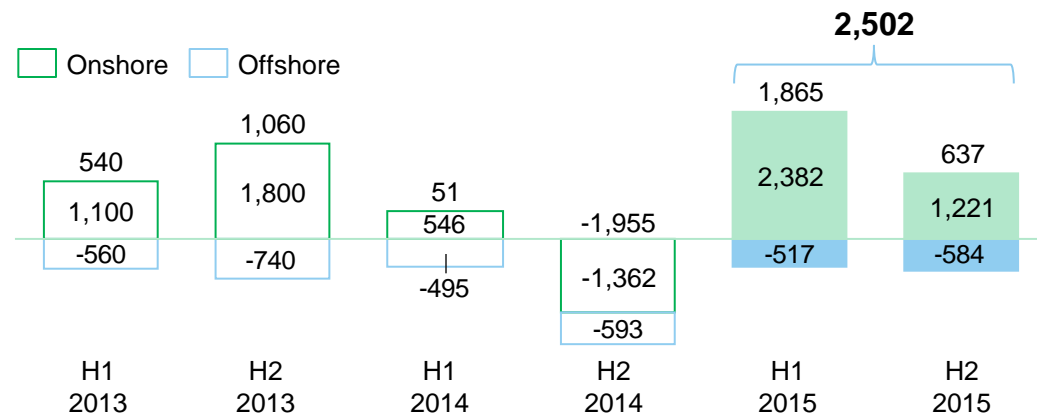
CHF millions (rounded)<sup>1,2</sup>

## Assets under management



- AuM up to CHF 88.0bn
- Negative impact of foreign-currency translation on the back of the Swiss-franc rise

## Net new money



## Net new money of +CHF 2.5bn

- Continued strong onshore inflows (+CHF 3.6bn), even considering reversal of large institutional client H2 14 outflow in H1 15
- Offshore outflows, as expected (-CHF 1.1bn)

Note

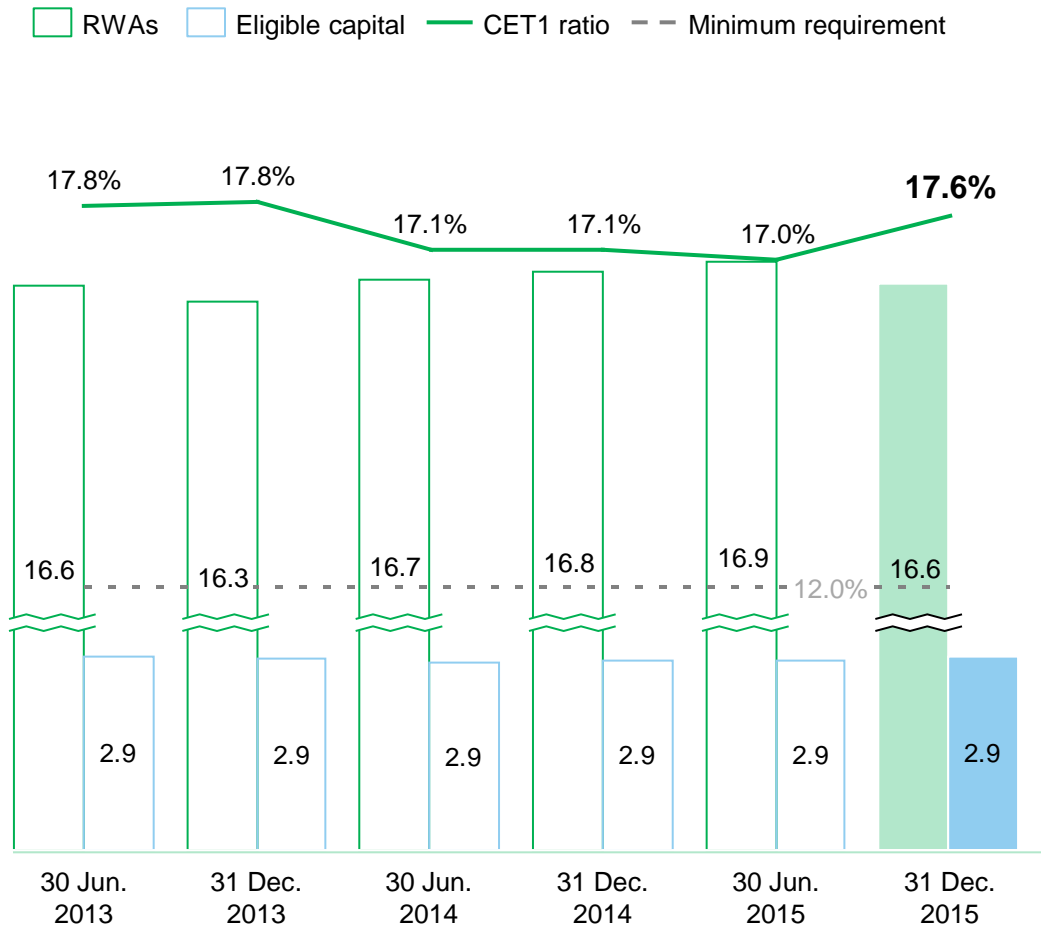
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# Capital ratios

CHF billions (rounded)

## Risk-weighted assets and CET1 ratio



### Phased-in CET1 ratio

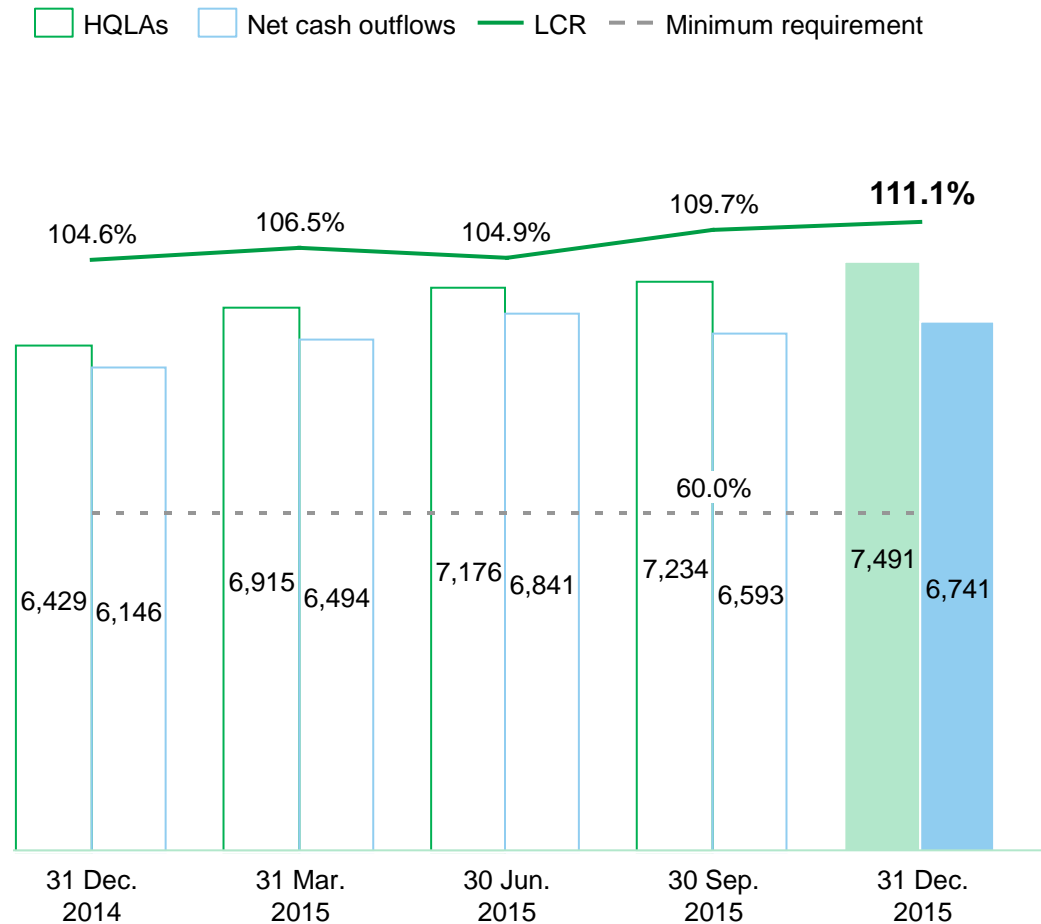
- Increase in ratio due to lower RWAs and higher eligible capital

### Look-through CET1 ratio

- Includes specific IRB multiplier as defined by FINMA, as applied at 31 Dec. 2015

# Liquidity ratio

CHF millions (rounded)



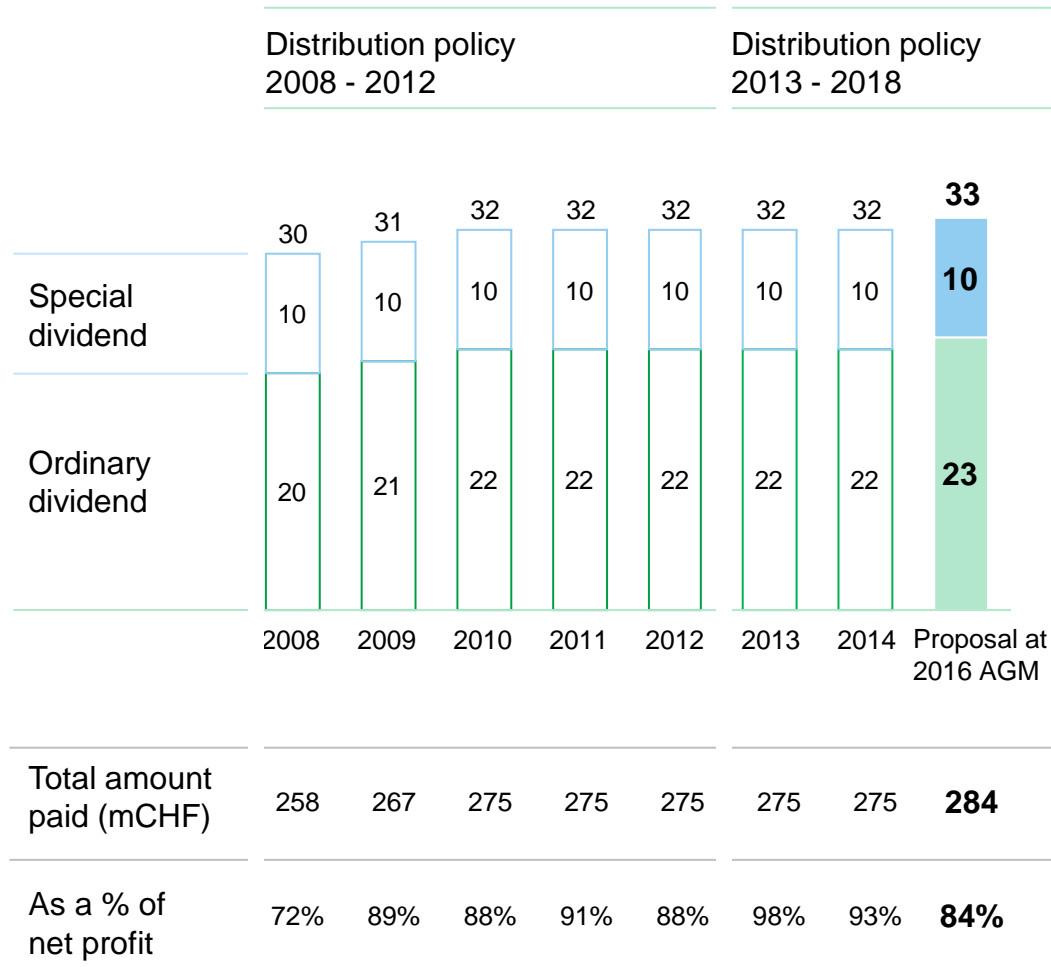
The **LCR** for all BCV Group currencies combined increased in 2015

## HQLAs

- Cash deposited with the SNB makes up more than 60% of the Bank's HQLAs
- The remaining HQLAs are primarily Swiss-issued securities that have a credit rating of between AAA and AA- and that are eligible as collateral for SNB open-market transactions

# Distribution policy

CHF per share



- Distribution policy since 2008
- Proposal at 2016 AGM: Increase in the total distribution to CHF 33 per share, i.e., CHF 23 as an ordinary dividend and CHF 10 as a special dividend<sup>1</sup>
  - Total payout: CHF 284m
  - 84% of 2015 net profit

Note  
(1) Distribution out of paid-in reserves

Introduction  
Pascal Kiener, CEO

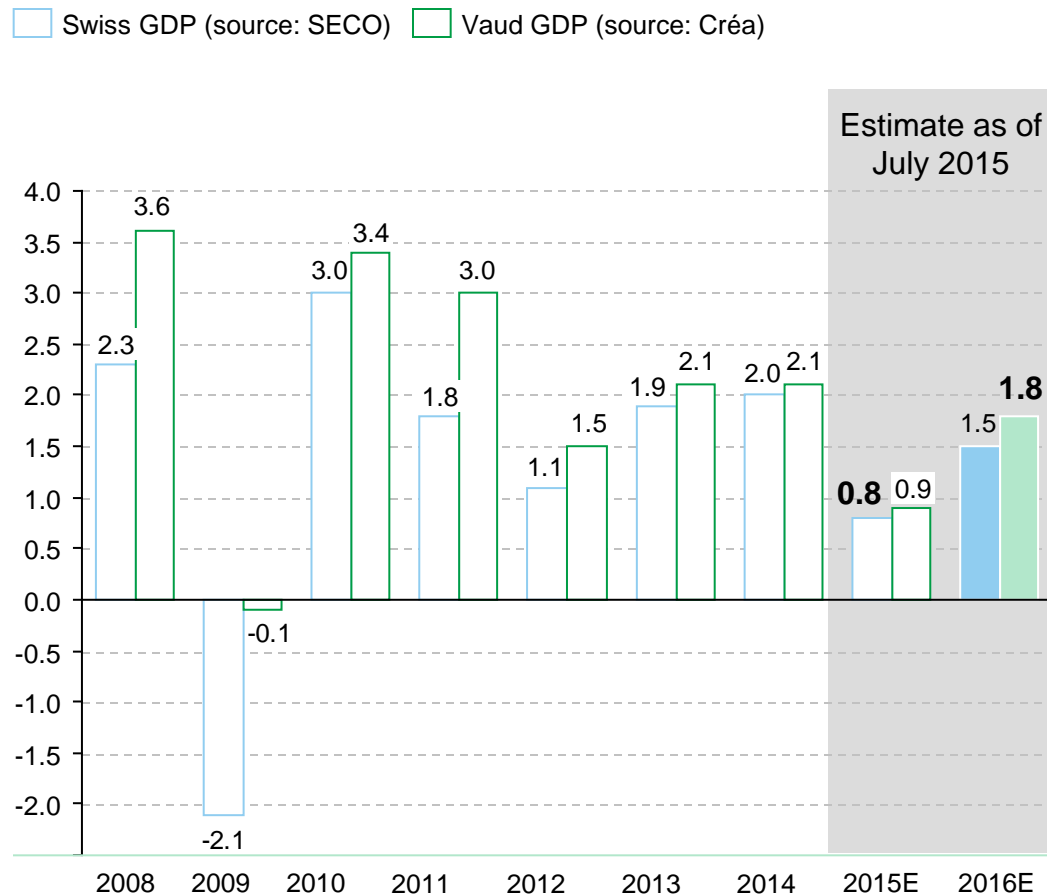
FY 2015 financial results  
Thomas W. Paulsen, CFO

**Outlook**  
**Pascal Kiener, CEO**



# Swiss and Vaud GDP

As a %



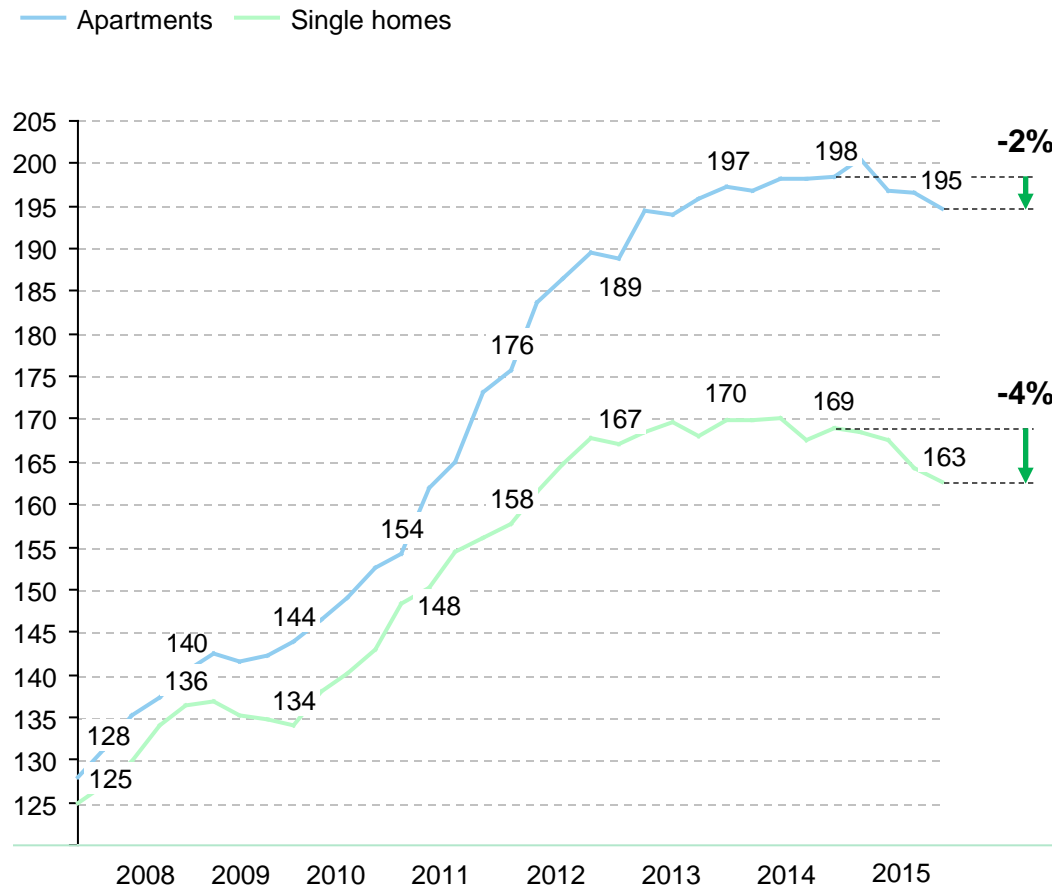
- In **2015**: Growth in Swiss and Vaud GDP was impacted by relative strength of the Swiss franc and global economic slowdown
- Forecast for **2016**: Slight recovery depending on movement in EUR/CHF exchange rate and global macro environment
  - Switzerland: +1.5%<sup>1</sup>
  - Vaud: +1.8%<sup>2</sup>

Note

- (1) SECO (Switzerland's State Secretariat for Economic Affairs)
- (2) CREA (Lausanne University's Créa Institute of Macro-economics)

# Real estate in the Vaud region

Transaction prices in Vaud (Basis 100 in Dec. 2004)



- Moderate growth in real estate since 2013
- In 2015, prices on real-estate transactions were slightly down
  - -3.8% on single homes
  - -1.8% on apartments
- Transaction volumes in Vaud were down as well
  - -15% on single homes
  - -8% on apartments

Note  
Source Wuest and Partner

2016 business trend in line with 2015

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Revenues under pressure – expected to come in lower than in 2015

- Interest income still impacted by negative rates
  - Income from commissions & fees dependent on financial-market trend
  - 2016 trading income likely below record 2015 level
  - No extraordinary income expected in 2016
- 

Continued rigorous control of operating expenses

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Operating and net profit expected to be lower than in 2015, but still very robust

Beginning this year, BCV will report its financial results on a half-yearly rather than a quarterly basis, which means that only results at 30 June and 31 December will be released.

**12 November 2015**

Third-quarter 2015  
operating profit  
press release

**18 February 2016**

Full-year 2015  
results

**1 April 2016**

Publication of the  
2015 Annual Report

**21 April 2016**

Annual  
Shareholders'  
Meeting in Lausanne

**25 April 2016**

Ex-dividend date<sup>1</sup>

**26 April 2016**

Dividend record  
date<sup>1</sup>

**27 April 2016**

Dividend payment<sup>1</sup>

**18 August 2016**

Half-year 2016  
results

Note  
(1) Total amount distributed to shareholders in the form of an ordinary dividend of CHF 23 per share and a special distribution out of paid-in capital of CHF 10 per share, subject to approval at the Annual Shareholders' Meeting

## Appendices



# Income statement



CHF millions (rounded)<sup>1,2</sup>

	FY 2015	FY 2014	Abs	%
Interest and discount income	628.7	652.5	-23.8	-4
Interest and dividend income from financial investments	47.4	54.2	-6.8	-13
Interest expense	-186.9	-202.4	-15.5	-8
<b>Net interest income before loan impairment charges/reversals</b>	<b>489.2</b>	<b>504.3</b>	<b>-15.1</b>	<b>-3</b>
Loan impairment charges/reversals	0.9	16.3	-15.4	-94
<b>Net interest income after loan impairment charges/reversals (NII)</b>	<b>490.1</b>	<b>520.6</b>	<b>-30.5</b>	<b>-6</b>
Fees and commissions on securities and investment transactions	263.3	280.0	-16.7	-6
Fees and commissions on lending operations	42.7	44.9	-2.2	-5
Fees and commissions on other services	80.9	82.5	-1.6	-2
Fee and commission expense	-54.6	-64.0	-9.4	-15
<b>Net fee and commission income</b>	<b>332.3</b>	<b>343.4</b>	<b>-11.1</b>	<b>-3</b>
<b>Net trading income and fair-value adjustments</b>	<b>150.5</b>	<b>106.4</b>	<b>44.1</b>	<b>41</b>
Gains/losses on disposals of financial investments	11.4	3.2	8.2	256
Income from equity investments	15.3	4.3	11.0	256
Real-estate income	10.7	11.0	-0.3	-3
Miscellaneous ordinary income	22.1	21.9	0.2	1
Miscellaneous ordinary expenses	-6.8	-0.8	6.0	n/s
<b>Other ordinary income</b>	<b>52.7</b>	<b>39.6</b>	<b>13.1</b>	<b>33</b>
<b>Total income from ordinary banking operations</b>	<b>1,025.6</b>	<b>1,010.0</b>	<b>15.6</b>	<b>2</b>
Personnel costs	-337.2	-339.0	-1.8	-1
Other operating expenses	-177.0	-178.9	-1.9	-1
<b>Operating expenses</b>	<b>-514.2</b>	<b>-517.9</b>	<b>-3.7</b>	<b>-1</b>
Depreciation and amortization of fixed assets and impairment on equity investments	-75.6	-79.7	-4.1	-5
Other provisions and losses	-37.1	-33.8	3.3	10
<b>Operating profit</b>	<b>398.7</b>	<b>378.6</b>	<b>20.1</b>	<b>5</b>
Extraordinary income	28.6	2.6	26.0	n/s
Extraordinary expenses	-	-	-	-
Taxes	-91.0	-85.1	5.9	7
<b>Net profit</b>	<b>336.3</b>	<b>296.1</b>	<b>40.2</b>	<b>14</b>
Minority interests	-	-	-	-
<b>Net profit attributable to BCV Group shareholders</b>	<b>336.3</b>	<b>296.1</b>	<b>40.2</b>	<b>14</b>

Note

(1) Using new Swiss GAAP for banks

(2) 2014 figures were adjusted to facilitate like-for-like comparison

# Balance sheet



CHF millions (rounded)<sup>1,2</sup>

	31 Dec. 2015	31 Dec. 2014	Abs	%
Cash and cash equivalents	6,861	4,960	1,901	38
Due from banks	1,810	1,482	328	22
Reverse repurchase agreements	280	415	-135	-33
Loans and advances to customers	4,935	5,675	-740	-13
Mortgage loans	24,522	24,045	477	2
Trading portfolio assets	155	194	-39	-20
Positive mark-to-market values of derivative financial instruments	343	433	-90	-21
Other financial assets at fair value	581	485	96	20
Financial investments	3,140	3,259	-119	-4
Accrued income and prepaid expenses	106	117	-11	-9
Non-consolidated holdings	48	54	-6	-11
Tangible fixed assets	558	577	-19	-3
Intangible assets	23	27	-4	-15
Other assets	56	96	-40	-42
<b>Assets</b>	<b>43,418</b>	<b>41,819</b>	<b>1,599</b>	<b>4</b>
Due to banks	1,224	1,156	68	6
Repurchase agreements	1,738	960	778	81
Customer deposits	28,877	28,532	345	1
Negative mark-to-market values of derivative financial instruments	331	446	-115	-26
Other financial liabilities at fair value	666	564	102	18
Medium-term notes	40	57	-17	-30
Bonds and mortgage-backed bonds	6,873	6,439	434	7
Accrued expenses and deferred income	219	217	2	1
Other liabilities	35	44	-9	-20
Provisions	18	63	-45	-71
<b>Liabilities</b>	<b>40,021</b>	<b>38,478</b>	<b>1,543</b>	<b>4</b>
Reserves for general banking risks	704	704	–	–
Share capital	86	86	–	–
Capital reserve	292	106	186	175
Retained earnings	1,999	2,163	-164	-8
Currency translation reserve	-2	-1	-1	100
Treasury shares	-18	-13	-5	38
Minority interests in equity	–	–	–	–
Net profit	336	296	40	14
<i>Of which Minority interests</i>	–	–	–	–
<b>Shareholders' equity</b>	<b>3,397</b>	<b>3,341</b>	<b>56</b>	<b>2</b>
<b>Total liabilities and shareholders' equity</b>	<b>43,418</b>	<b>41,819</b>	<b>1,599</b>	<b>4</b>

Note  
 (1) Using new Swiss GAAP for banks                      (2) 2014 figures were adjusted to facilitate like-for-like comparison

# Key performance indicators

		2011	2012	2013	2014	2015
<b>Asset quality and balance sheet structure</b>	Impaired loans/ credit exposure	1.3%	1.2%	0.9%	0.7%	<b>0.7%</b>
	Customer deposits/ loans to customers <sup>1,2</sup>	90%	95%	96%	96%	<b>98%</b>
	Interest margin	1.48%	1.33%	1.23%	1.22%	<b>1.14%</b>
<b>Equity capital<sup>3</sup></b>	CET1 ratio	13.2%	14.4%	17.8%	17.1%	<b>17.6%</b>
	Total capital ratio	16.8%	18.4%	17.9%	17.2%	<b>17.7%</b>
	Capital adequacy ratio	165%	180%	224%	215%	<b>222%</b>
<b>Productivity</b>	Cost/income (excl. goodwill amortization)	60%	60%	61%	60%	<b>57%</b>
<b>Financial performance</b>	ROE (net profit/average equity)	9.3%	9.5%	8.5%	9.0%	<b>10.1%</b>

Note

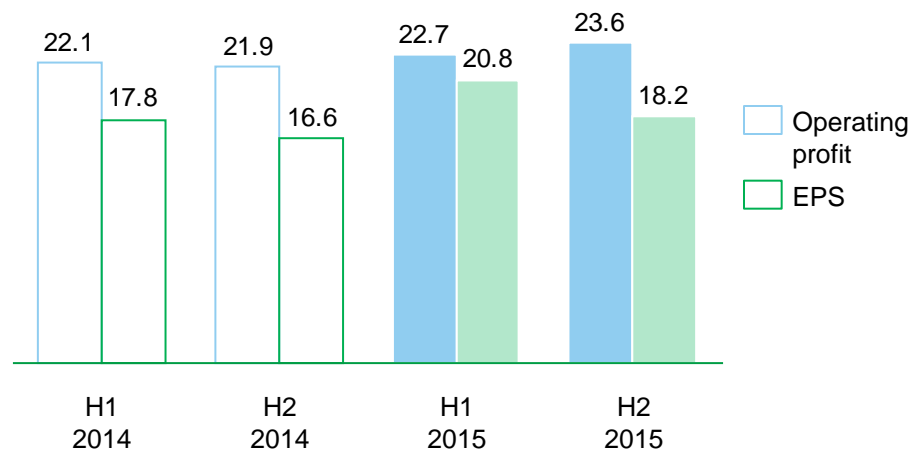
(1) Using new Swiss GAAP for banks

(2) 2011-2014 figures were adjusted to facilitate like-for-like comparison

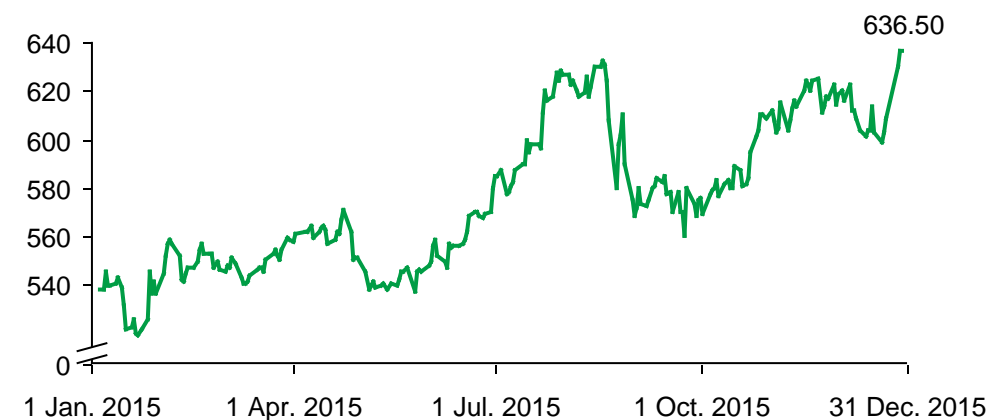
(3) Since 1 January 2009, BCV's capital requirements have been determined in accordance with the Basel II Foundation IRB approach; since 1 January 2013, BCV's capital requirements have been determined in accordance with Basel III principles



## Per share (CHF)



## Stock price



## Key figures

	31 Dec. 2015	31 Dec. 2014	31 Dec. 2013	31 Dec. 2012	31 Dec. 2011
Number of outstanding shares	8,606,190	8,606,190	8,606,190	8,606,190	8,606,190
Market capitalization (CHF billions)	5.48	4.64	4.19	4.17	3.93
High / low prices YTD	640.00 / 510.50	541.00 / 473.00	559.00 / 445.00	519.00 / 442.00	547.00 / 392.00

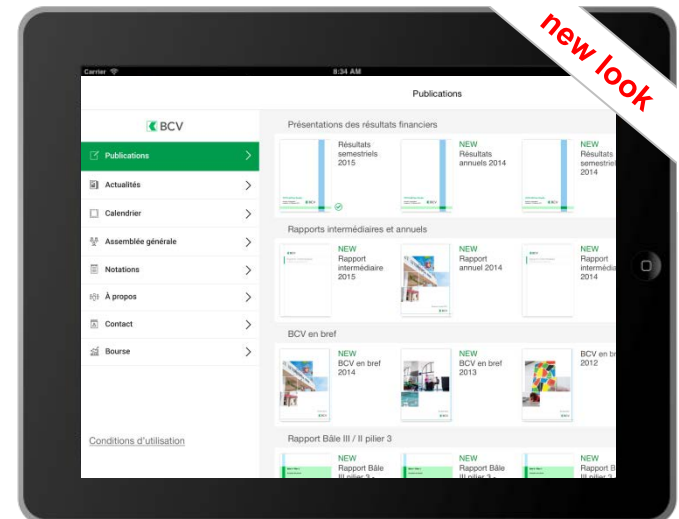
# BCV Investor Relations iPad App

The BCV Investor Relations app keeps you in touch with the latest developments at BCV Group

It brings together everything of interest to shareholders, investors and analysts, including:

- An overview of BCV
- Our key figures
- Annual and interim reports
- Press releases
- Pillar 3 reports
- BCV stock price and chart **new**
- Corporate social responsibility reports
- Presentations for investors

The app also displays upcoming BCV events that you can add to your calendar at the push of a button. Shareholders can read the agenda for the next AGM, as well as download all the relevant documents. The app displays BCV's credit rating, as well as credit opinions on the Bank. You can also contact BCV's Head of Investor Relations, whose email and phone number you'll find in the app.



Note  
(1) iPad is a registered trademark of Apple Inc.