

2021 Half-Year Results

Analysts' presentation
19 August 2021



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Introduction

Pascal Kiener, CEO

HY 2021 financial results

Thomas W. Paulsen, CFO

Outlook

Pascal Kiener, CEO

Increase in revenue by 3% mainly driven by fee and commission income and new mortgage loans

Continued strict cost control, in line with previous years

Operating profit up 13% year on year to CHF 203m, and net profit up 10% to CHF 173m

HY 2021 key figures

CHF (rounded), unaudited figures



Revenues
493m
+3%

Operating profit
203m
+13%

Net profit
173m
+10%

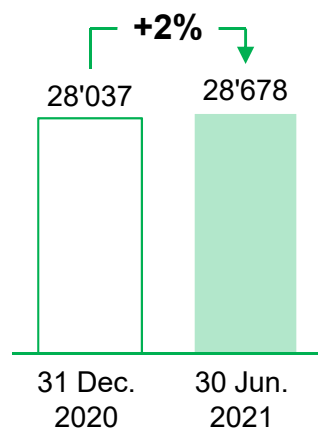
Total assets
55.6bn
+4%

AuM
110.2bn
+7%

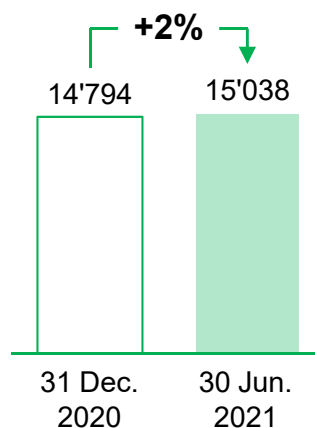
Main business trends

CHF millions (rounded), unaudited figures

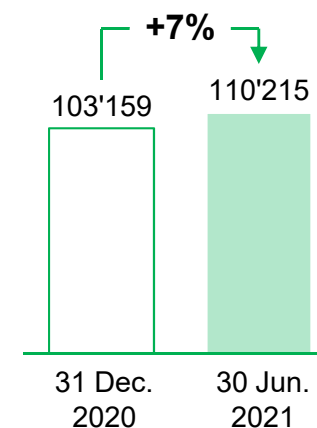
Mortgage loans



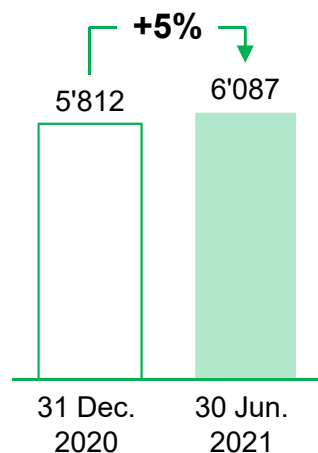
Sight deposits^{1,2}



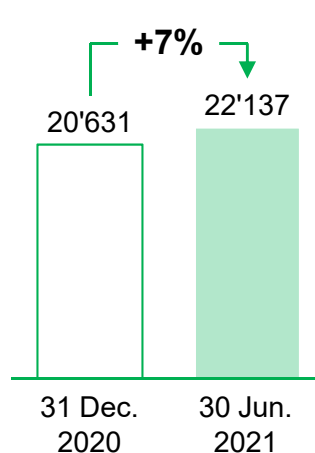
AuM



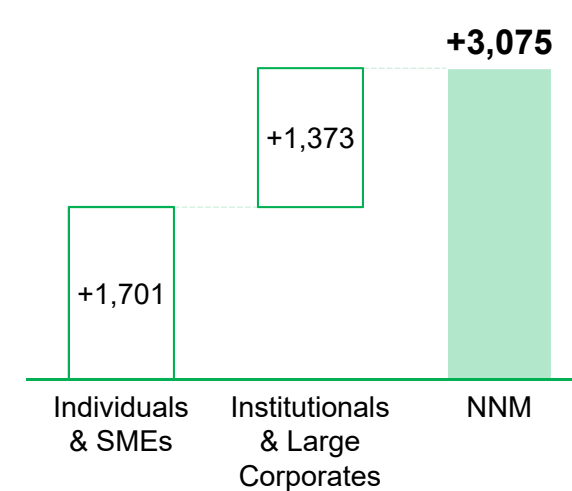
Other loans



Other client deposits²



Net new money



Note

(1) Including savings deposits

(2) Aggregate change in the sum of the items Sight deposits and Other client deposits: +CHF 1.75bn (+5%)

Other highlights

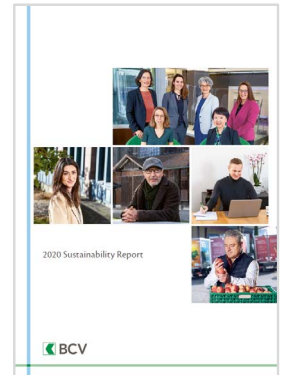
AA rating from S&P
with a stable outlook



Aa2 rating from
Moody's with a stable
outlook



Publication of our 2020
Sustainability Report, in
line with GRI standards
and available in both
French and English



CHF 310m distributed to
shareholders in May for the 2020
fiscal year; i.e., CHF 3.60 per
share or a dividend yield of 3.7%¹

Note

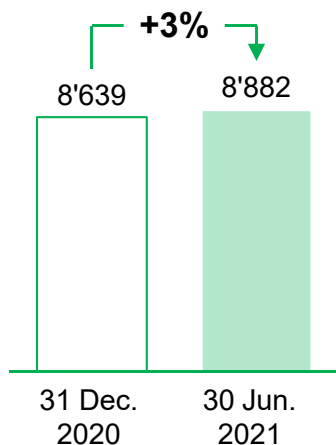
(1) Based on closing price at 30 December 2020

Retail Banking

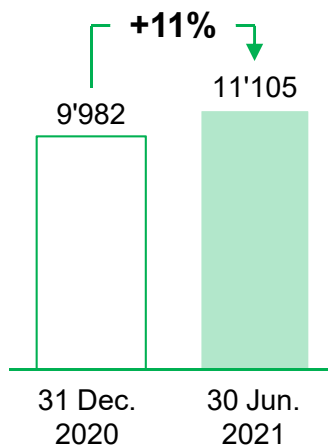
CHF millions (rounded)¹



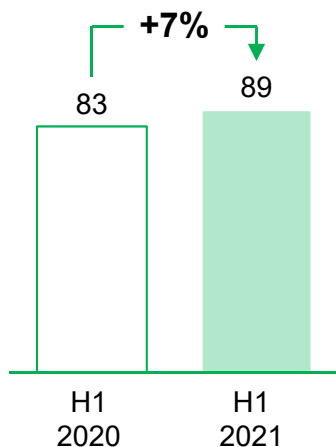
Mortgage loans



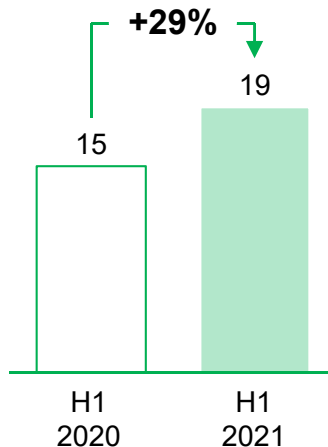
Customer deposits



Revenues



Operating profit

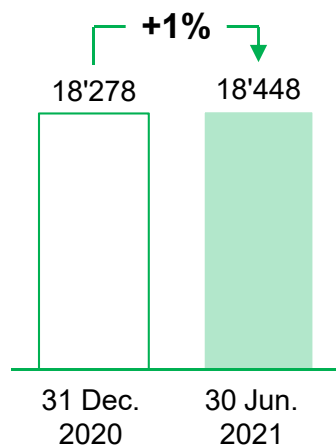


- Continuing rise in mortgage loans focused on certain regions in a dynamic real-estate market
- Strong traction in asset allocation funds
- Continuing, strong cash inflows from customers
- Revenues and operating profit up 7% and 29%, respectively, as the operating environment gradually returns to normal

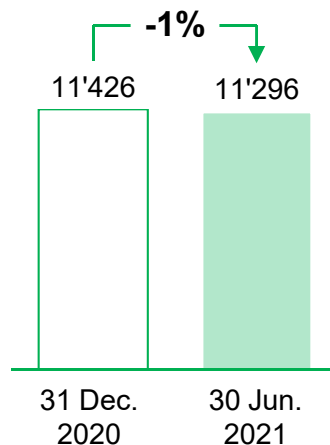
Note

(1) 2020 figures were adjusted to facilitate like-for-like comparison

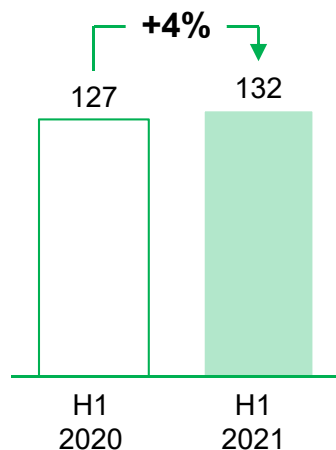
Loans/off-BS commitments



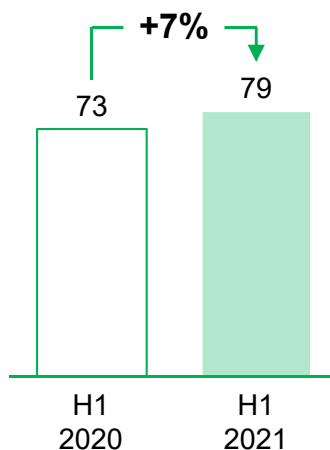
Customer deposits



Revenues



Operating profit



- SMEs and real-estate clients
 - Various factors show resilience of Vaud SMEs:
 - Overall stability in credit limits granted/ drawn down
 - Approx. 10% of the Covid-19 bridge loans paid back
 - Deposits up 6%
 - Mortgages up 2%
- Large Corporates
 - Loans / off-balance-sheet commitments down 9%
 - Deposits down (-11%), following tighter conditions on negative interest rates
- Trade Finance
 - Gradual recovery of business activity, but still below its pre-pandemic level
- Credit risk
 - Overall, credit portfolio remains sound and companies resilient
 - Provisioning needs mainly due to an isolated default not related to the Covid-19 crisis

Note

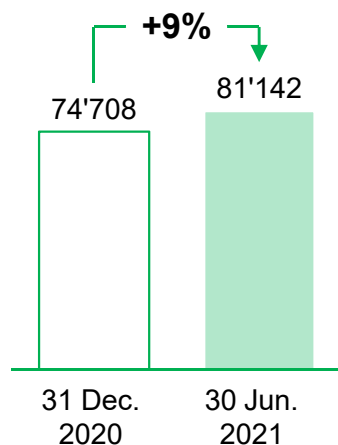
(1) 2020 figures were adjusted to facilitate like-for-like comparison

Wealth Management

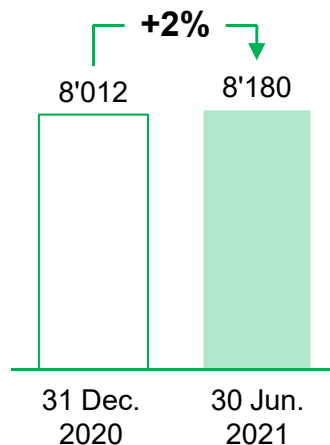
CHF millions (rounded)¹



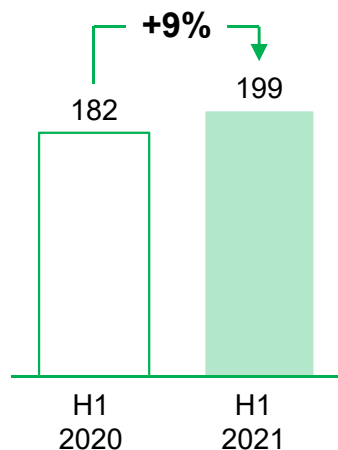
AuM



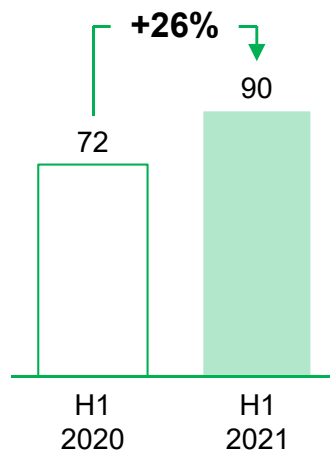
Mortgage loans



Revenues



Operating profit



- Increase in AuM
 - NNM from both private banking and institutional clients
 - Positive performance of financial markets
- Increase in mortgage loans in a dynamic real-estate market
- Robust fee and commission income driven by strong client trading activity in buoyant markets

Note

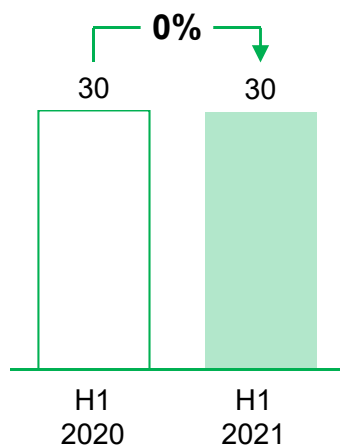
(1) 2020 figures were adjusted to facilitate like-for-like comparison

Trading

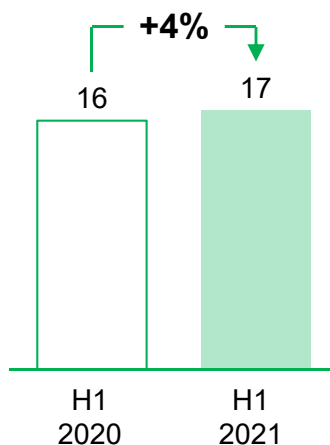
CHF millions (rounded)



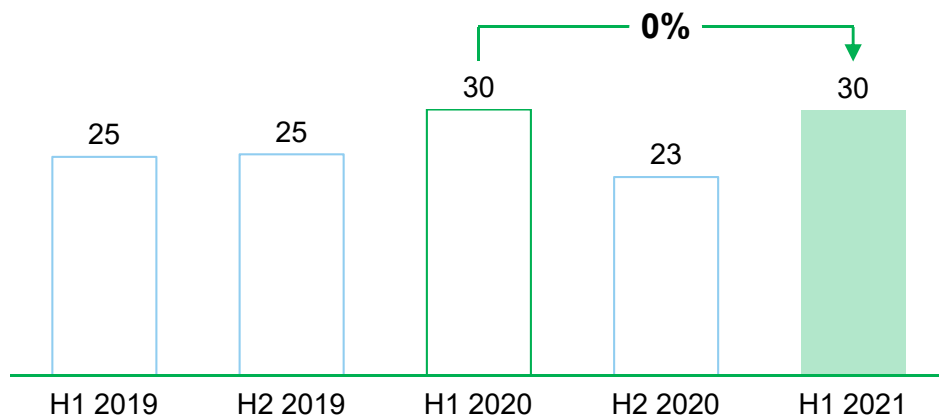
Revenues



Operating profit



Revenues time series



- Robust activity in structured products segment, with revenues up 57%, which offset lower forex trading
- Forex trading down 29% from a strong H1 2020, but still accounted for more than 50% of Trading revenues
- Revenues stable at a high level and operating profit up 4%

Note

(1) 2020 figures were adjusted to facilitate like-for-like comparison

(2) No adjustment except for 2020 to facilitate like-for-like comparison with 2021

Introduction

Pascal Kiener, CEO

HY 2021 financial results

Thomas W. Paulsen, CFO

Outlook

Pascal Kiener, CEO

Income statement

CHF millions (rounded), unaudited figures



	H1 2020	H1 2021	Change	
Total income from ordinary banking operations	477	493	+16	+3%
Operating expenses	-253	-256	+3	+1%
Depreciation & amortization of fixed assets and impairment on equity investments	-37	-37	-0	-0%
Other provisions and losses	-8	3	-11	-136%
Operating profit	179	203	+24	+13%
Net extraordinary income	3	0	-3	-93%
Taxes	-24	-30	+6	+23%
Net profit	158	173	+15	+10%

Total income from banking operations

CHF millions (rounded), unaudited figures

Total income from ordinary banking operations

H1 2020	H1 2021			
477	493		+16	+3%
229	227	Net interest income	-2	-1%
156	173	Commissions & fees	+17	+11%
73	72	Trading	-1	-2%
19	21	Other	+2	+13%

- **Net interest income** – Slightly down
- **Commissions & fees** – Up thanks to the good momentum in private and institutional wealth management
- **Trading** – Stable at a high level
- **Other income** – Slightly up

Net interest income

H1 2020	H1 2021			
242	237	NII before loan impairment charges/reversals	-5	-2%
-13	-10	Loan impairment charges/reversals	+3	+26%
229	227	Net interest income	-2	-1%

- **NII before loan impairment charges/reversals** – Down due to the ongoing negative-interest-rate environment and Trade Finance activity still below its pre-crisis levels
- **Loan impairment charges/reversals** – Lower net charge, mainly for an isolated case not related to Covid-19 crisis

Operating expenses, depreciation and amortization

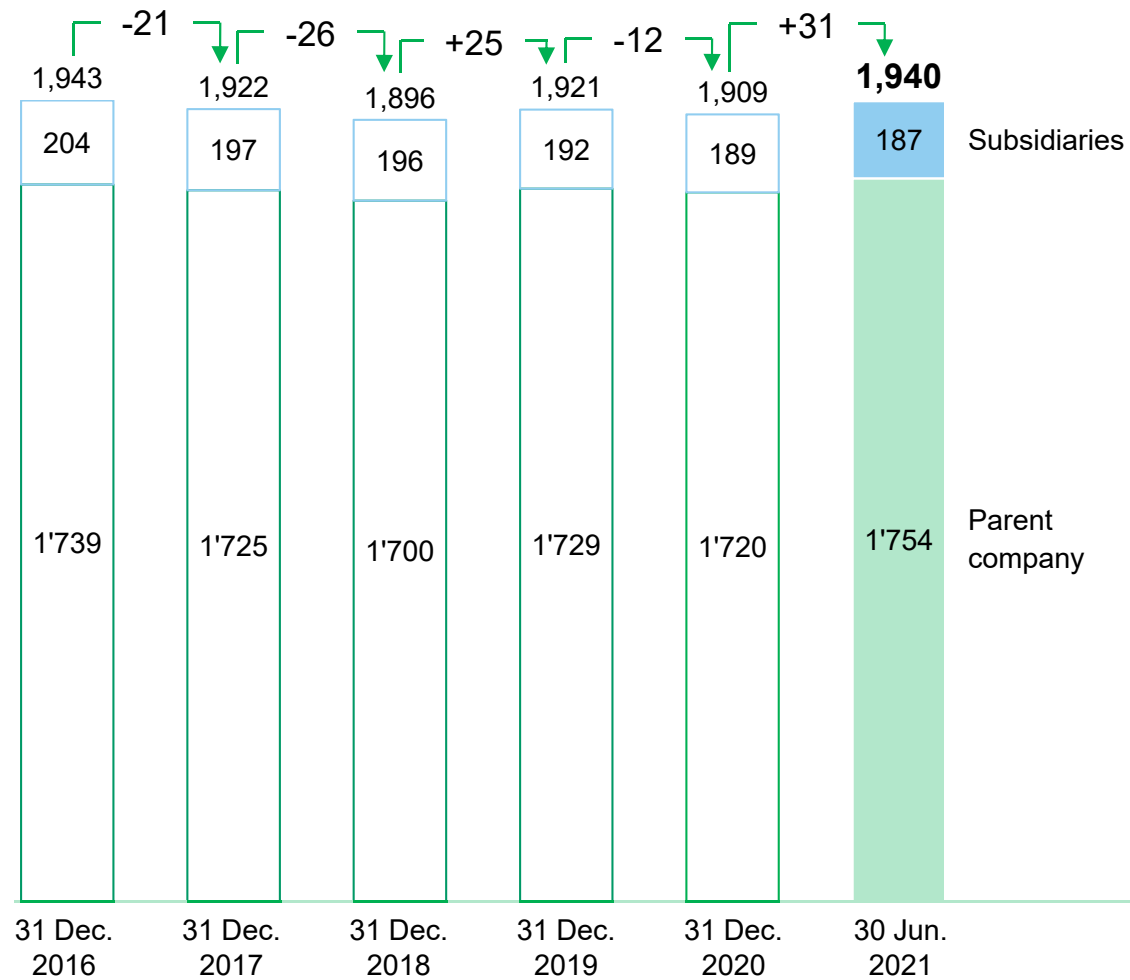
CHF millions (rounded), unaudited figures

	290	293		+3	+1%
	173	178	Personnel costs	+5	+3%
	80	78	Other operating expenses	-2	-2%
	37	37	Depreciation & amortization	-0	-0%
H1 2020		H1 2021			

- **Continued firm control** of operating expenses
- **Personnel costs** up following the transfer of 20 IT specialists
- **Other operating expenses** down mainly thanks to lower external IT costs
- **Depreciation & amortization** stable

Headcount

Full-time equivalents at period-end



- Increase in total headcount due to the insourcing of 20 IT specialists from IBM

Assets

CHF billions (rounded), unaudited figures

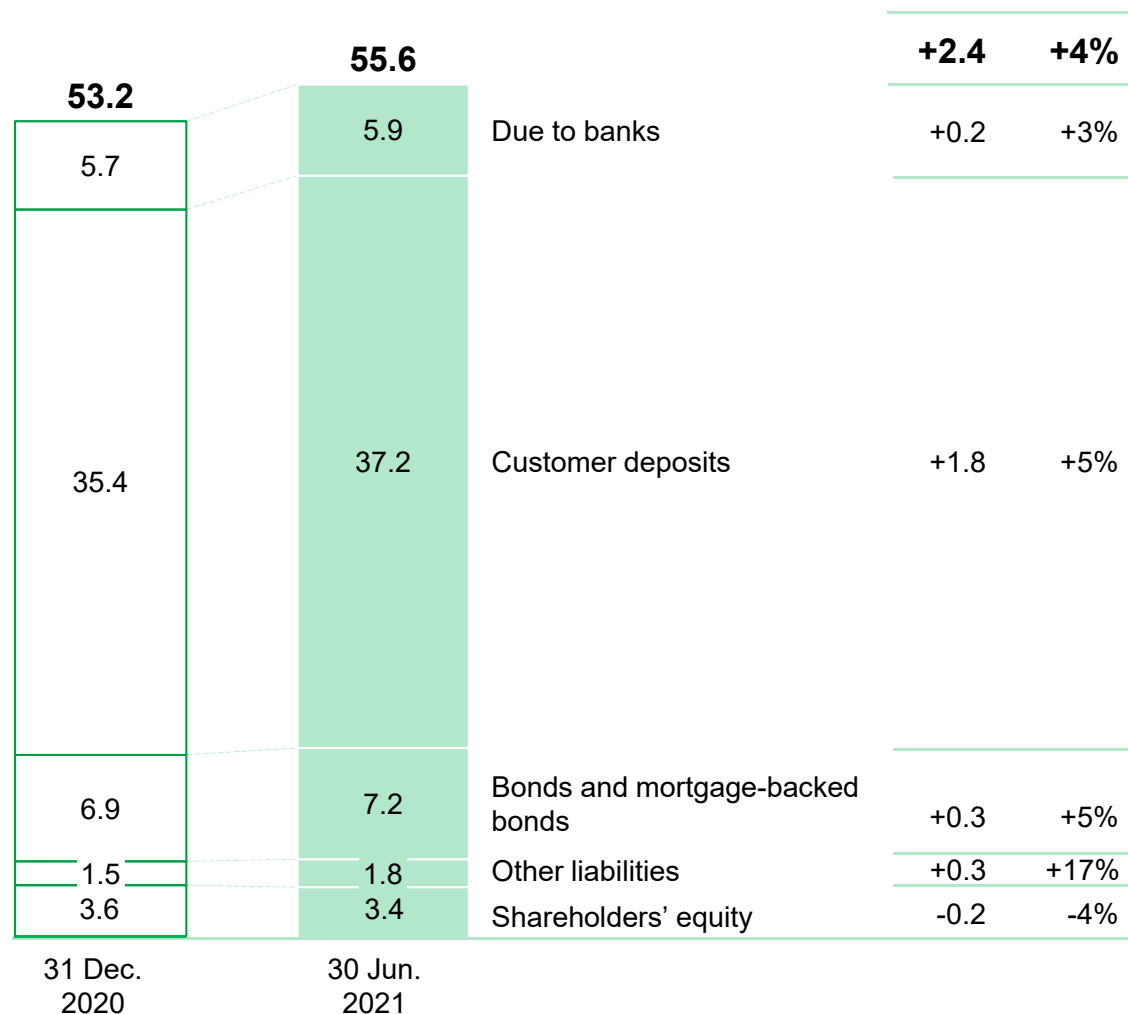


	31 Dec. 2020	30 Jun. 2021		+2.4	+4%
	53.2	55.6			
	11.6	11.7	Cash and equivalents	+0.1	+1%
	1.6	2.6	Due from banks and reverse repo agreements	+1.0	+64%
	5.8	6.1	Loans and advances to customers	+0.3	+5%
	28.0	28.7	Mortgage loans	+0.7	+2%
	4.1	4.1	Financial investments	-0.0	-1%
	2.1	2.4	Other assets	+0.3	+15%

- **Cash and equivalents** – SNB sight deposits stable at a high level
- **Loans and advances to customers** – Slightly up thanks to progressive recovery in Trade Finance activity, but still below its pre-Covid-19 crisis levels
- **Mortgage loans** – Continuing growth in a dynamic real-estate market. Policy focused on loan quality instead of volume growth

Liabilities and equity

CHF billions (rounded), unaudited figures

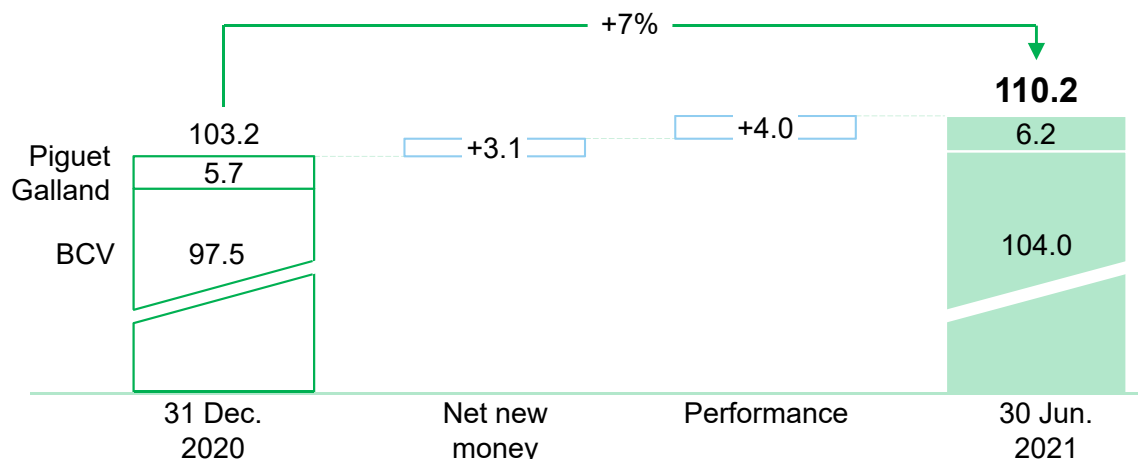


- **Due to banks** – Slightly up in connection with treasury management
- **Customer deposits** – Continued strong increase from individuals and SMEs
- **Bonds and mortgage-backed bonds** – Bond issue of CHF 150m under favorable market conditions in April
- **Shareholders' equity** – Seasonal decrease; dividend payment higher than net profit accrued over the first 6 months

Assets under management

CHF billions (rounded)

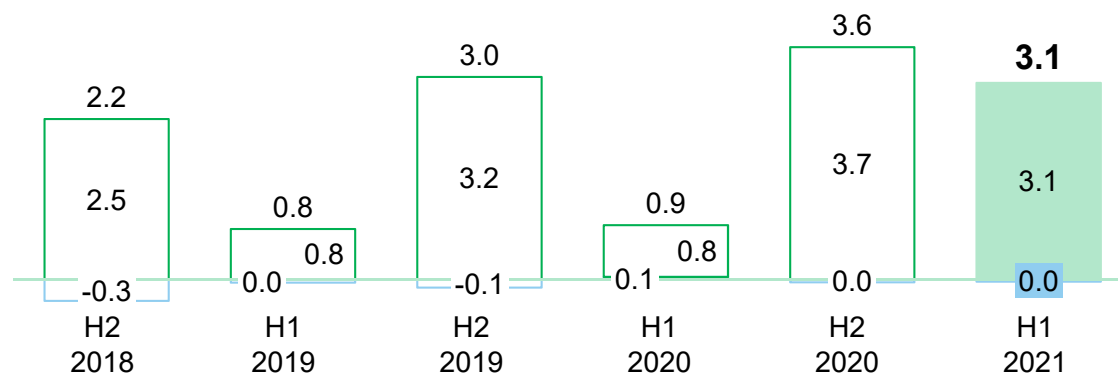
Assets under management



- AuM up 7% to CHF 110.2bn
- Net new money of CHF 3.1bn
- Market performance of CHF 4.0bn

Net new money

Onshore Offshore



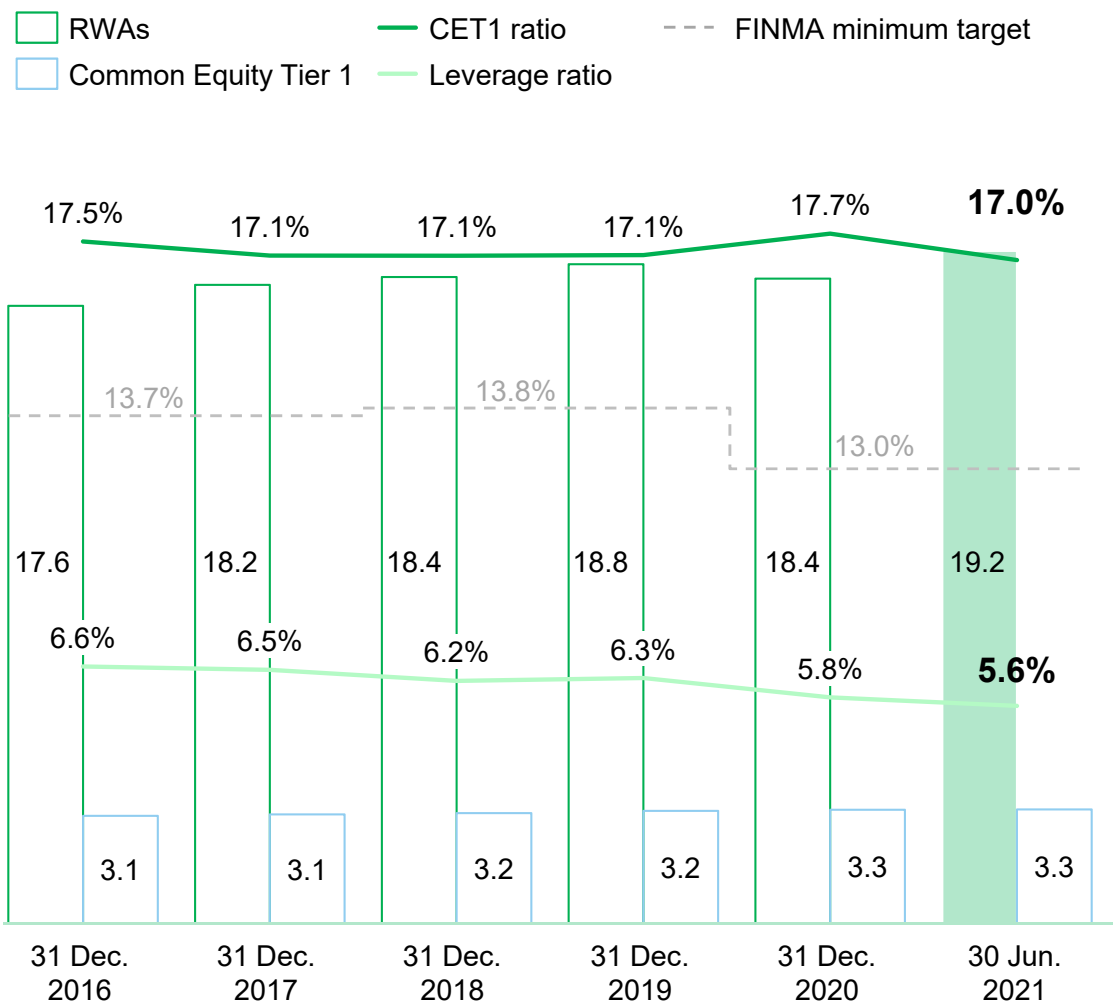
- Onshore net inflows of CHF 3.1bn:
 - CHF 1.7bn from personal banking customers and Vaud SMEs
 - CHF 1.4bn from institutionals and large corporates
- Negligible offshore net outflows (CHF 29m)

Capital ratios

CHF billions (rounded)



Risk-weighted assets and CET1 ratio



CET1 ratio

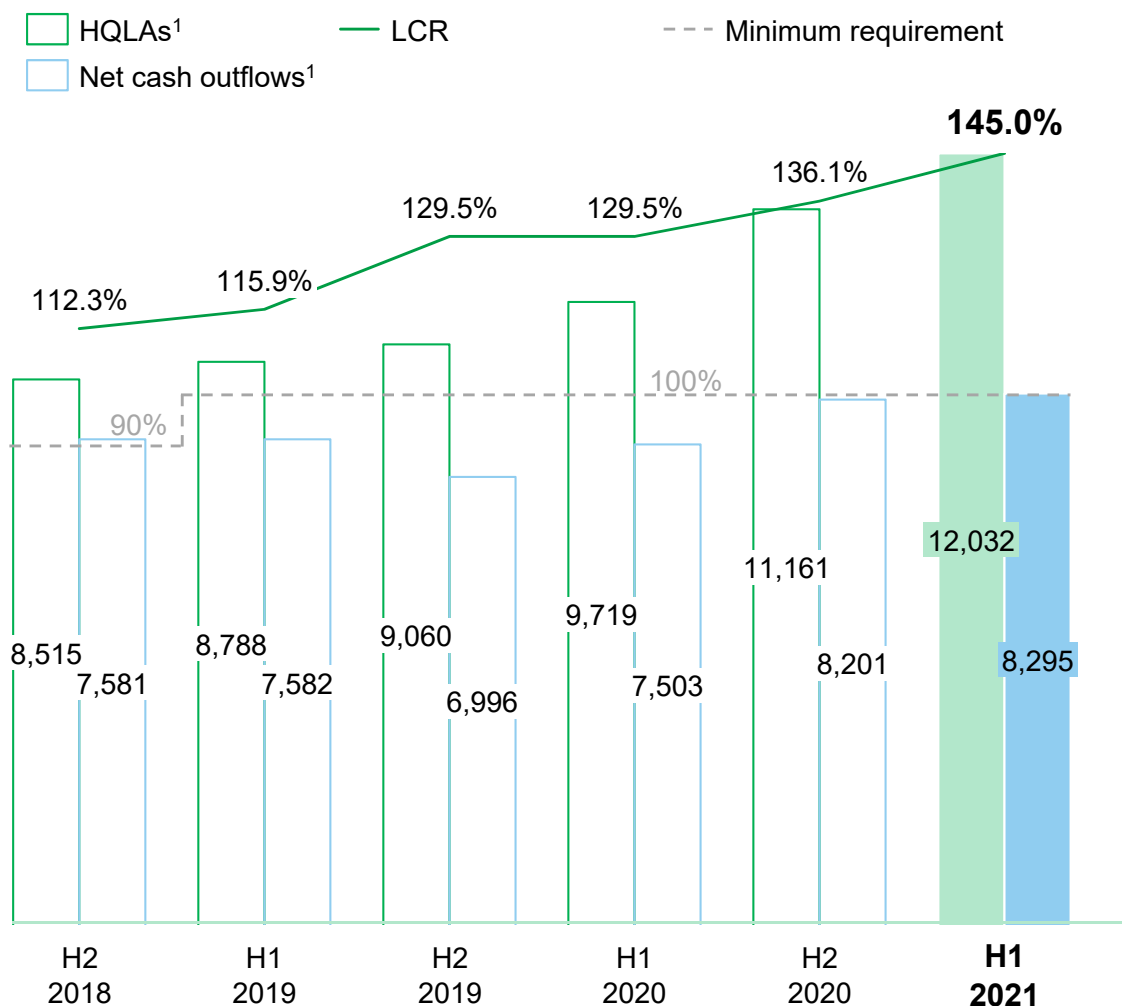
- Decrease in the CET1 ratio to 17.0% due to higher RWAs, mainly related to:
 - Higher business volumes in Trade Finance
 - Commitment to take part in the rights offering of the Central Mortgage-Bond Institution of Swiss Cantonal Banks

Leverage ratio

- Leverage ratio of 5.6%, vs. requirement of 3.0%

Liquidity ratio (LCR)

CHF millions (rounded)



- Optimization of treasury management pushed up LCR by 9 points vs. H2 2020
- Composition of the Bank's HQLAs
 - 76%: cash deposited with the SNB
 - 24%: mainly Swiss-issued, AAA- to AA-rated securities eligible as SNB collateral

Note

(1) Simple average of figures at month-end

Introduction

Pascal Kiener, CEO

HY 2021 financial results

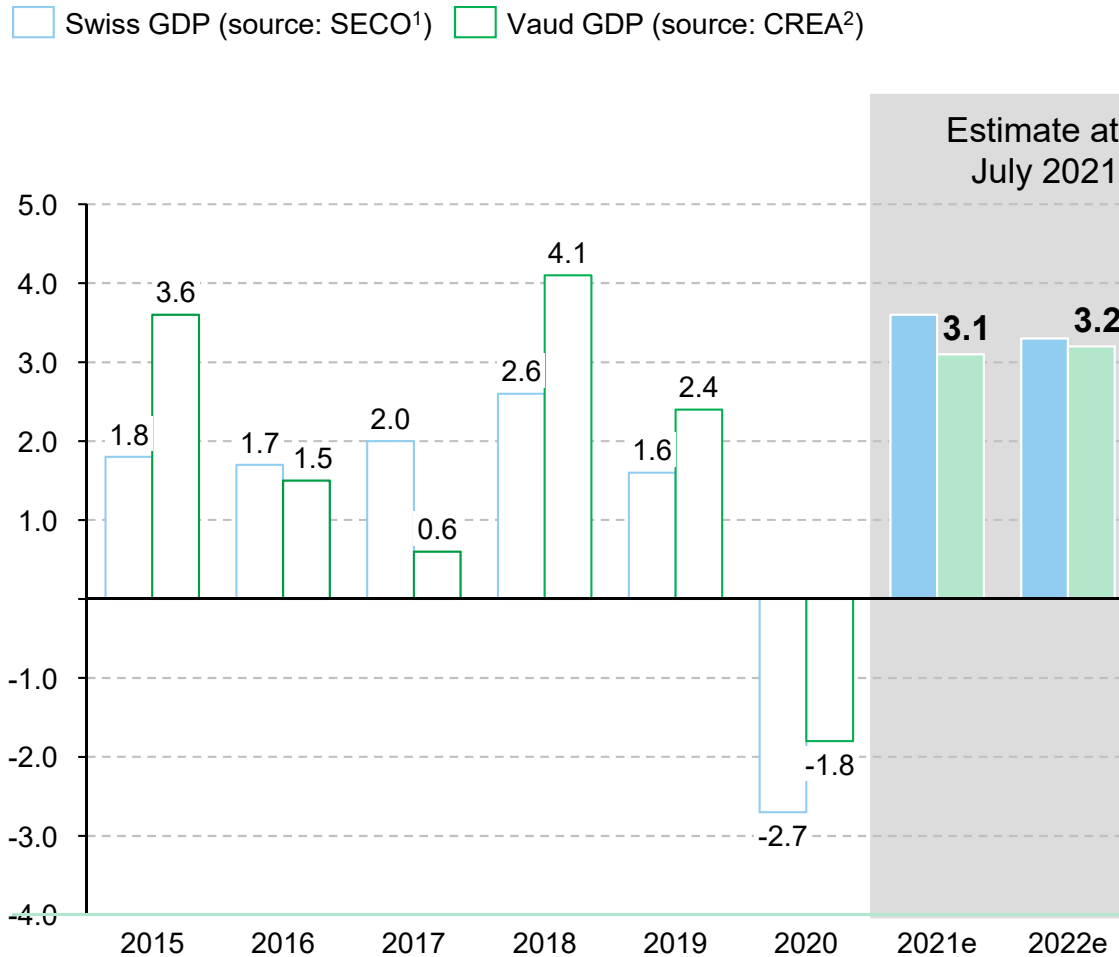
Thomas W. Paulsen, CFO

Outlook

Pascal Kiener, CEO

Swiss and Vaud GDP growth

In %



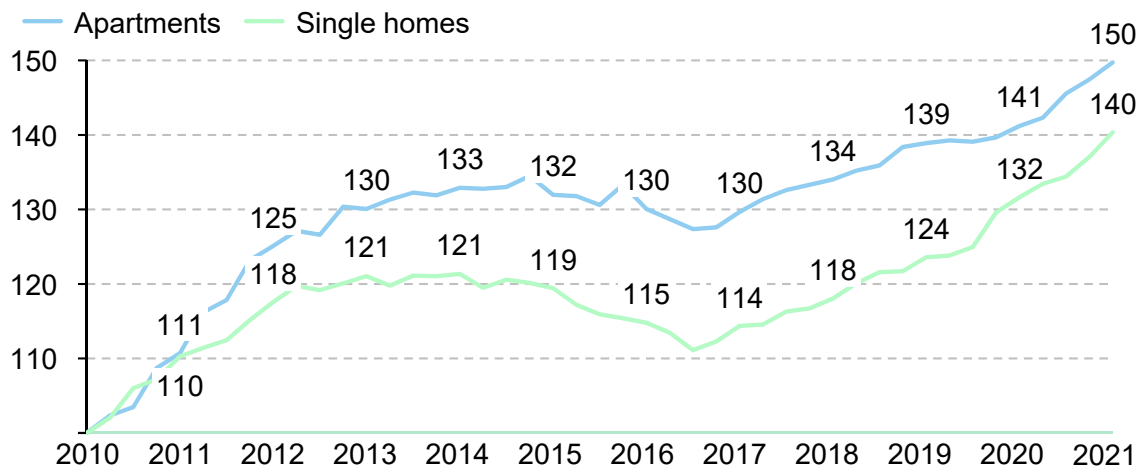
- 2020 recession was not as bad as expected: Vaud GDP contracted by 1.8% (vs. -5.5% as expected in May 2020, or -3.4% as estimated in Feb. 2021)
- In 2021: Swiss and Vaud GDP may increase by 3.6% and 3.1%, respectively
- Uncertainty about how the pandemic will develop

Note

(1) SECO = Switzerland's State Secretariat for Economic Affairs

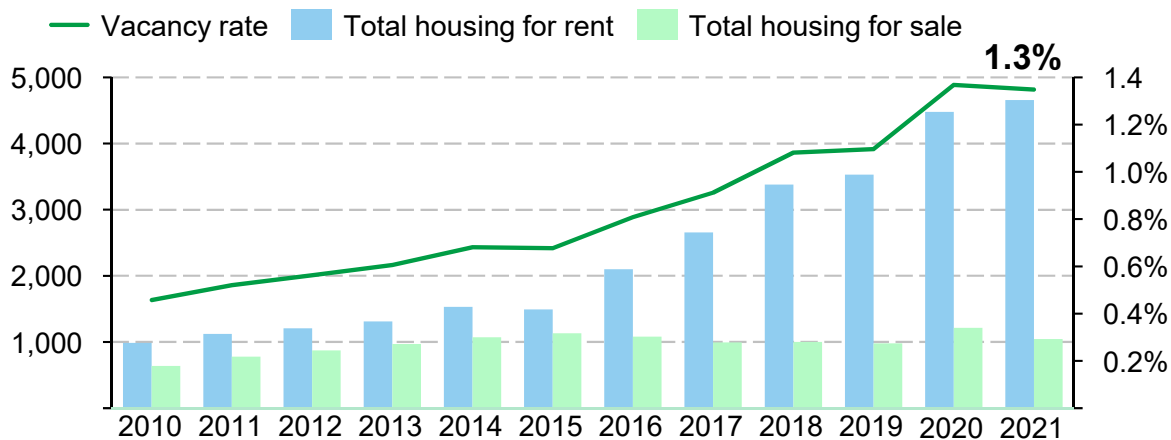
(2) CREA = Lausanne University's Cr a Institute of Macroeconomics

Transaction prices in Vaud (Basis 100 in Jun. 2010)



- Continuing increase in Vaud real-estate transaction prices since 2017
 - Up 3.7% p.a. on average on apartments
 - Up 4.3% p.a. on average on single-family homes
- Slight acceleration in population growth
 - After two years of stagnation
 - Driven by immigration

Vacant housing in Vaud



- For the first time since 2010, the vacancy rate is ticking lower
- BCV's mortgage policy remains clearly focused on loan quality instead of volume growth
- Targeting geographical areas with low vacancy rates

Source: Wüest Partner, Statistique Vaud

Revenue growth still constrained by persistent negative-rate environment

Continued firm control of operating expenses

Operating profit and net earnings in line with H1 2021 trend, provided the macro environment does not worsen

Appendices



Income statement

CHF millions (rounded), unaudited figures



	H1 2021	H1 2020	Abs	%
Interest and discount income	241.9	262.4	-20.5	-8
Interest and dividend income from financial investments	9.2	12.8	-3.6	-28
Interest expense	-14.6	-33.4	-18.8	-56
Net interest income before loan impairment charges/reversals	236.5	241.8	-5.3	-2
Loan impairment charges/reversals	-9.5	-12.9	-3.4	-26
Net interest income after loan impairment charges/reversals (NII)	227.0	228.9	-1.9	-1
Fees and commissions on securities and investment transactions	149.4	131.0	18.3	14
Fees and commissions on lending operations	20.7	19.9	0.8	4
Fees and commissions on other services	32.9	31.2	1.7	5
Fee and commission expense	-29.5	-25.8	3.7	14
Net fee and commission income	173.5	156.3	17.2	11
Net trading income and fair-value adjustments	71.5	73.0	-1.6	-2
Gains/losses on disposals of financial investments	3.3	0.2	3.1	N/A
Income from equity investments	3.0	4.9	-1.9	-38
Real-estate income	3.5	3.4	0.1	2
Miscellaneous ordinary income	11.4	10.4	0.9	9
Miscellaneous ordinary expenses	0.0	-0.2	-0.2	-100
Other ordinary income	21.2	18.8	2.4	13
Total income from ordinary banking operations	493.2	477.1	16.1	3
Personnel costs	-178.2	-173.3	5.0	3
Other operating expenses	-78.2	-79.6	-1.4	-2
Operating expenses	-256.4	-252.9	3.6	1
Depreciation and amortization of fixed assets and impairment on equity investments	-36.8	-37.0	-0.2	-0
Other provisions and losses	3.0	-8.2	-11.2	-136
Operating profit	202.9	179.0	23.9	13
Extraordinary income	0.2	3.1	-2.9	-93
Extraordinary expenses	-0.0	-0.0	-0.0	-61
Taxes	-29.8	-24.3	5.6	23
Net profit	173.3	157.8	15.5	10
Minority interests	-0.0	-0.0	0.0	86
Net profit attributable to BCV shareholders	173.3	157.8	15.5	10

Balance sheet



CHF millions (rounded), unaudited figures

	30 Jun. 2021	31 Dec. 2020	Abs	%
Cash and cash equivalents	11,696	11,550	146	1
Due from banks	2,408	1,347	1,061	79
Reverse repurchase agreements	193	236	-43	-18
Loans and advances to customers	6,087	5,812	275	5
Mortgage loans	28,678	28,037	642	2
Trading portfolio assets	342	312	29	9
Positive mark-to-market values of derivative financial instruments	338	321	17	5
Other financial assets at fair value	1,193	886	307	35
Financial investments	4,054	4,084	-30	-1
Accrued income and prepaid expenses	61	87	-25	-29
Non-consolidated holdings	69	69	0	0
Tangible fixed assets	394	412	-18	-4
Intangible assets	1	2	-1	-35
Other assets	49	31	18	59
Assets	55,564	53,186	2,378	4
Due to banks	4,041	2,948	1,094	37
Repurchase agreements	1,867	2,781	-914	-33
Customer deposits	37,175	35,424	1,750	5
Trading portfolio liabilities	1	1	-0	-7
Negative mark-to-market values of derivative financial instruments	185	329	-144	-44
Other financial liabilities at fair value	1,333	969	364	38
Medium-term notes	2	2	-0	-4
Bonds and mortgage-backed bonds	7,226	6,911	315	5
Accrued expenses and deferred income	129	145	-16	-11
Other liabilities	142	75	67	90
Provisions	23	27	-5	-17
Liabilities	52,123	49,612	2,511	5
Reserves for general banking risks	666	666	0	0
Share capital	86	86	0	0
Capital reserve	36	36	0	1
Retained earnings	2,493	2,472	21	1
Currency translation reserve	-2	-2	0	2
Own shares	-12	-15	3	22
Minority interests in equity	0	0	0	1
Net profit of the reporting period	173		173	
Net profit for 2020		331	-331	
<i>of which minority interests</i>	0	0	0	30
Shareholders' equity	3,441	3,574	-133	-4
Total liabilities and shareholders' equity	55,564	53,186	2,378	4

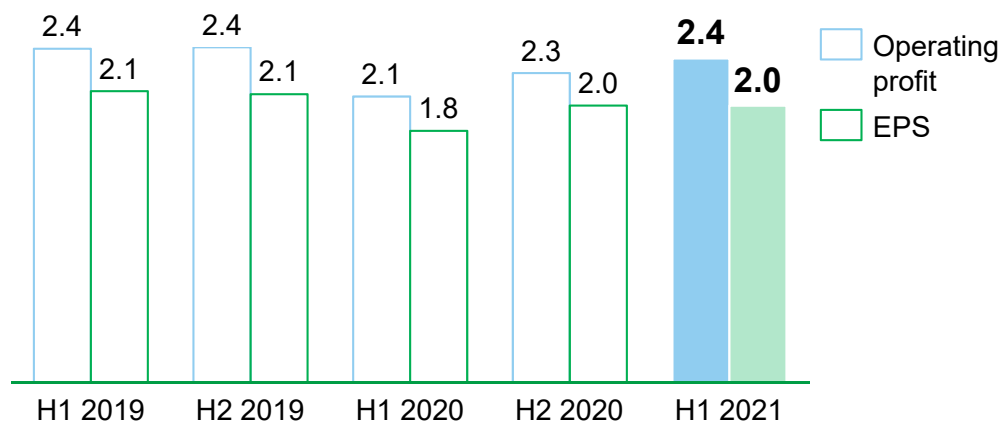
Key performance indicators

		31 Dec. 2017	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	30 Jun. 2021
Asset quality and balance sheet structure	Impaired loans/ credit exposure	0.7%	0.6%	0.5%	0.5%	0.5%
	Customer deposits/ loans to customers	101%	99%	101%	105%	107%
	Liquidity Coverage Ratio (LCR)	121%	113%	129%	136%	145%
	Interest margin	1.12%	1.10%	1.07%	0.94%	0.88%
Capital	CET1 ratio ¹ <i>as of 30 Jun.</i>	17.1% 17.1%	17.1% 16.4%	17.1% 16.7%	17.7% 17.7%	17.0%
	Total capital ratio ¹ <i>as of 30 Jun.</i>	17.3% 17.2%	17.2% 16.5%	17.3% 16.8%	17.8% 17.9%	17.2%
	Leverage ratio	6.5%	6.2%	6.3%	5.8%	5.6%
Productivity	Cost/income ratio (excl. goodwill amortization)	58.3%	57.6%	57.7%	58.7%	58.2%
Financial performance	ROE (net profit/average equity)	9.4%	10.1%	10.4%	9.3%	9.7%

Note

(1) Ratios are calculated in accordance with FINMA Circular 2016/1, "Disclosure – banks"

Per share (CHF)¹



Stock price (CHF)



Key figures

	31 Dec. 2017	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	30 Jun. 2021
Number of issued shares	8,606,190	8,606,190	8,606,190	86,061,900	86,061,900
Market capitalization (CHF billions)	6.33	6.38	6.80	8.29	7.15
High / low prices YTD	764.50 / 644.00	823.00 / 688.00	820.00 / 708.00	101.40 / 67.50	101.60 / 80.60

Note

(1) All figures have been restated post 10-for-1 stock split of the BCV share on 28 May 2020

18 February 2021

Full-year 2020
results

29 April 2021

Annual
Shareholders'
Meeting in Lausanne

19 August 2021

Half-year 2021
results

17 February 2022

Full-year 2021
results

5 April 2022

Publication of the
2021 Annual Report

5 May 2022

Annual
Shareholders'
Meeting in Lausanne

18 August 2022

Half-year 2022
results

BCV Investor Relations iPad¹ App

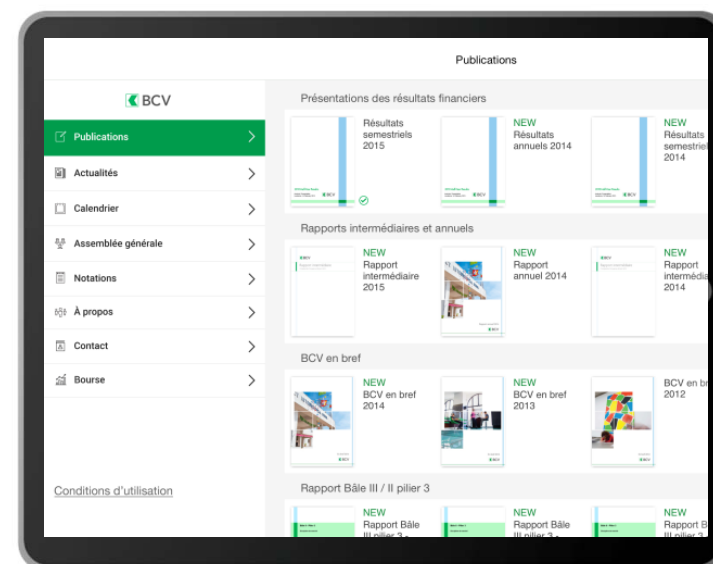


Our BCV Investor Relations app keeps you in touch with the latest developments at BCV Group

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

- An overview of BCV
- Our key figures
- Press releases
- Annual and interim reports
- Sustainability reports
- Pillar 3 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 and 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.