

2022 Full-Year Results

Analysts' presentation
9 February 2023



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Introduction
Pascal Kiener, CEO

FY 2022 financial results
Thomas W. Paulsen, CFO

Conclusion
Pascal Kiener, CEO

Key messages



Revenues up 3% at CHF 1bn

Net profit up 3% to a record CHF 388m

Proposal to increase the dividend to CHF 3.80 per share

New 2023–2027 distribution horizon with a higher distribution range

FY 2022 key figures

CHF (rounded)



Revenues

1.0bn

+3%

Operating profit

448m

+4%

Net profit

388m

+3%

Total assets

59.4bn

+6%

AuM

108.9bn

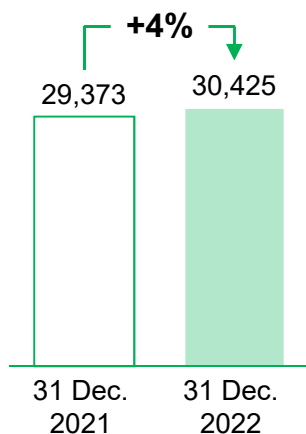
-4%

Main business trends

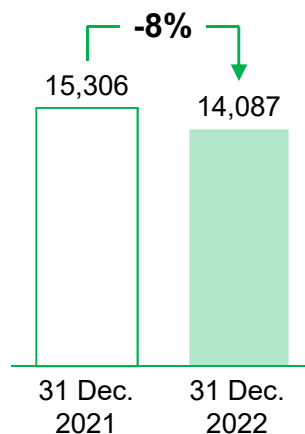


CHF millions (rounded)

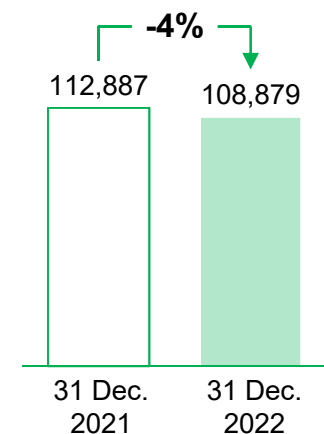
Mortgage loans



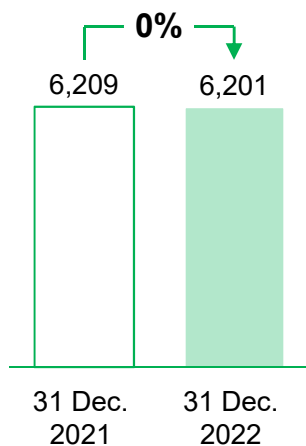
Sight deposits^{1,2}



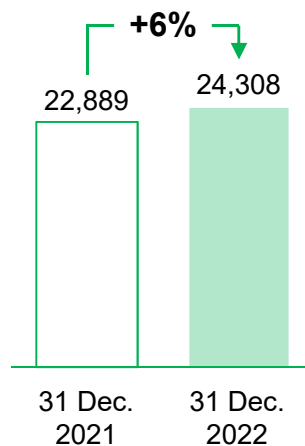
AuM



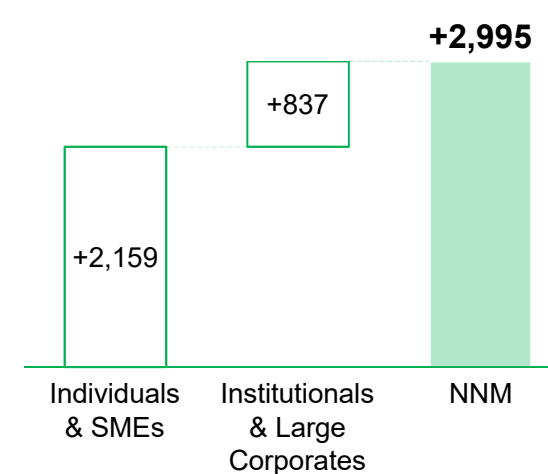
Other loans



Other client deposits²



Net new money



Note

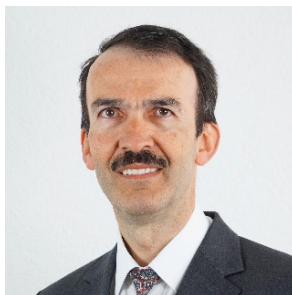
(1) Including savings deposits

(2) Aggregate change in the sum of the items Sight deposits and Other client deposits: +CHF 199m (+1%)

New Board member appointments

Board of Directors

Stefan Fuchs appointed by the Vaud Government as member of the Board of Directors and chair of the Audit and Risk Committee, to replace outgoing member Peter Ochsner as of 1 July 2023



Executive Board

Christian Steinmann appointed to BCV's Executive Board as head of the Private Banking Division as of 1 November 2022



Other highlights in 2022

“Most recommended bank” in Vaud Canton for the fourth year in a row, according to the LINK research institute



Added to STOXX Europe 600 in September



Added to MSCI World in November



Obtained ISAE 3402 certification, attesting to the quality of BCV’s asset management offering



CHF 318m distributed to shareholders in May for the 2021 fiscal year; i.e., CHF 3.70 per share or a dividend yield of 5.2%¹

Note

(1) Based on closing price at 30 December 2021

Very solid financial and ESG ratings

Financial ratings



AA (stable) since 2011



Aa2 (stable) since 2015

ESG ratings



Upgrade to **AA**



Stable at **A-**



Upgrade to **A-**

- Financial ratings reaffirmed. BCV is one of the 20 best rated banks in the world without an explicit government guarantee

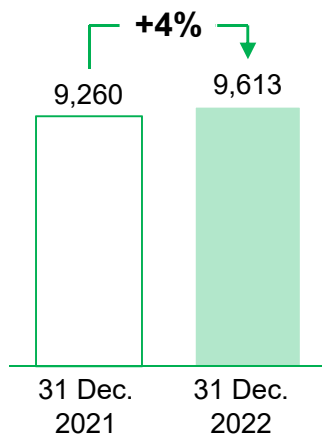
- Tied for best rating among Swiss cantonal banks
- BCV now in MSCI's "Leader" category
- Ethos' second-highest rating
- "Leadership" category

Retail Banking

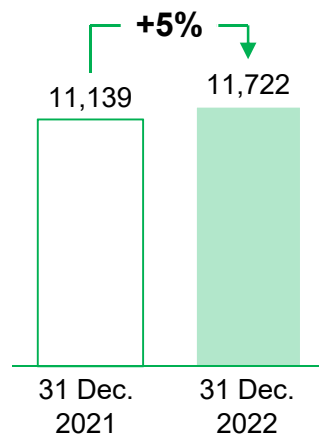
CHF millions (rounded)¹



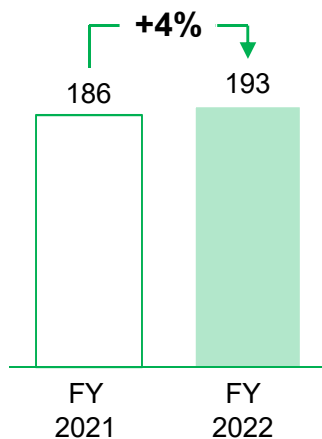
Mortgage loans



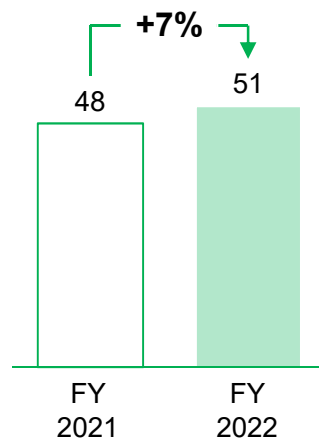
Customer deposits



Revenues



Operating profit



- Continuing rise in mortgage loans in a dynamic real-estate market
- Continuing cash inflows from customers
- Revenues and operating profit up

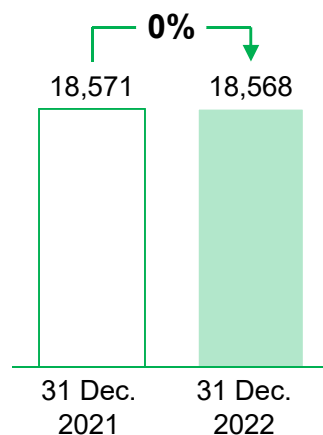
Note
(1) 2021 figures were adjusted to facilitate like-for-like comparison

Corporate Banking

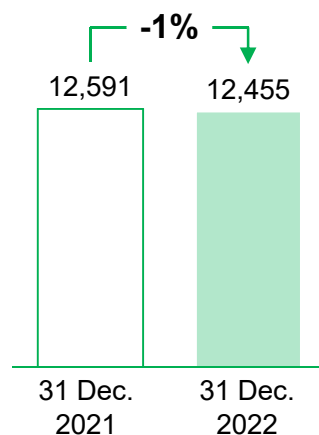
CHF millions (rounded)¹



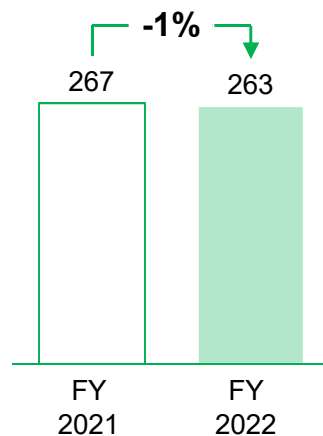
Loans/off-BS commitments



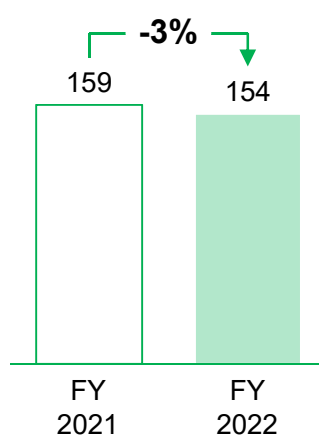
Customer deposits



Revenues



Operating profit



- SMEs
 - Loans/off-BS commitments up 2%
 - Covid-19 bridge-loan repayments of almost CHF 150m in 2022 (ca. 50% of total Covid loanbook paid off)
 - Deposits up 4%
- Real-estate firms
 - Mortgages up 10%
 - Deposits down 3%
- Large Corporates
 - Loans/off-BS commitments up 2%
 - Deposits down 17% in a rapidly evolving interest rate environment
- Trade Finance
 - Average business volume down 16% on lower commodity prices in H2 and the pause in activities in Ukraine and Russia
- Credit risk
 - Businesses resilient
 - Limited provisioning needs

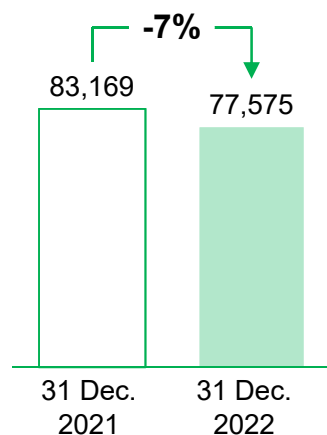
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Wealth Management

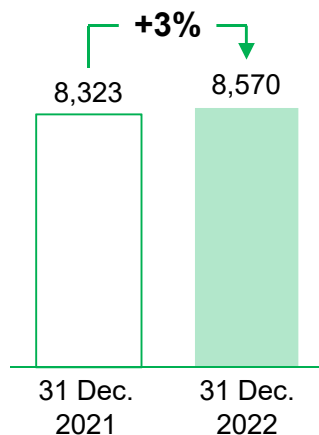
CHF millions (rounded)¹



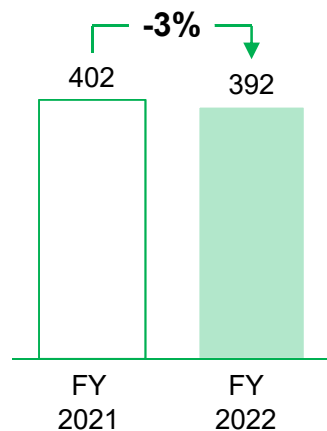
AuM



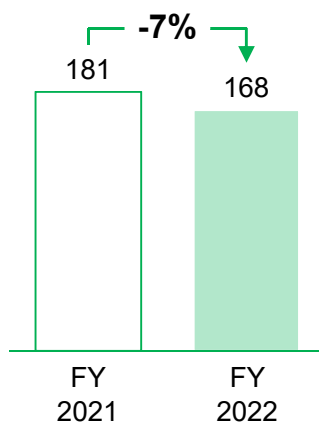
Mortgage loans



Revenues



Operating profit



- AuM lower due to negative market performance, partially offset by NNM from both private banking and institutional clients
- Continuing rise in mortgage loans in a dynamic real-estate market
- Revenues and operating profit down on financial market downtrend (lower AuM and fewer transactions)

Note

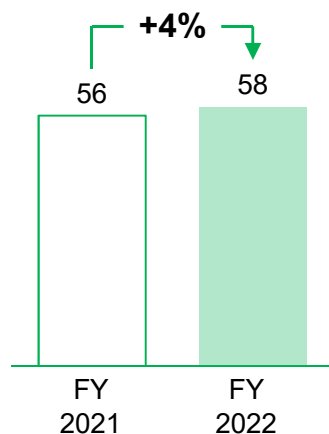
(1) 2021 figures were adjusted to facilitate like-for-like comparison

Trading

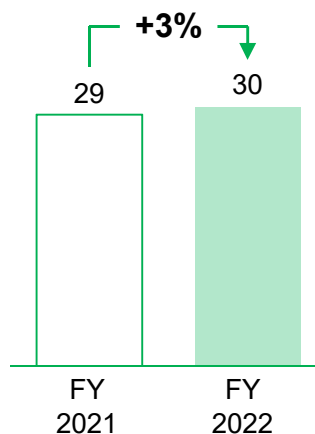
CHF millions (rounded)¹



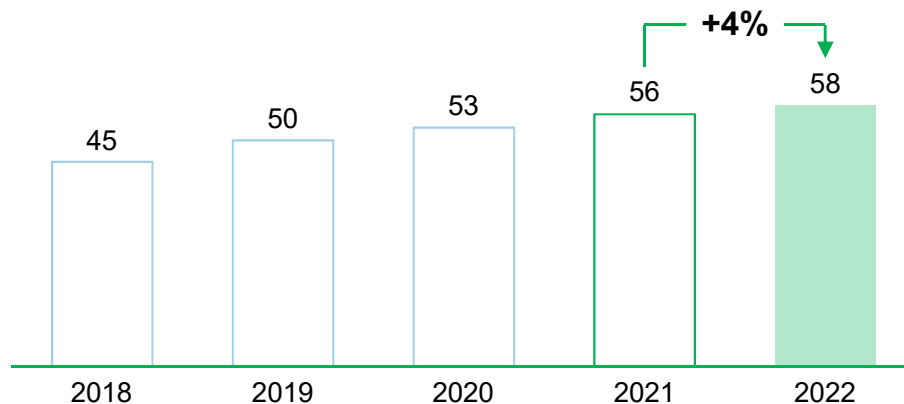
Revenues



Operating profit



Revenues time series²



- Trading activity essentially client-driven
- Forex trading up sharply on high volatility – forex accounted for more than 68% of overall Trading revenues
- Activity in structured products segment lower compared to a very strong 2021
- Revenues up 4% and operating profit up 3%, and at a high level

Note

(1) 2021 figures were adjusted to facilitate like-for-like comparison

(2) No adjustment except for 2021 to facilitate like-for-like comparison with 2022

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Income statement

CHF millions (rounded)



	FY 2021	FY 2022	Change	
Total income from ordinary banking operations	1,005	1,039	+34	+3%
Operating expenses	-505	-517	+12	+2%
Depreciation & amortization of fixed assets and impairment on equity investments	-72	-70	-2	-3%
Other provisions and losses	1	-5	+6	+963%
Operating profit	429	448	+19	+4%
Net extraordinary income	12	1	-11	-90%
Taxes	-63	-61	-2	-3%
Net profit	379	388	+9	+3%

Total income from banking operations

CHF millions (rounded)



Total income from ordinary banking operations

	FY 2021	FY 2022		+34	+3%
	1,005	1,039			
	464	464	Net interest income	+0	+0%
	357	343	Commissions & fees	-14	-4%
	143	189	Trading	+46	+32%
	40	43	Other	+3	+6%
	FY 2021	FY 2022			

- **Net interest income** – Stable
- **Commissions & fees** – Down on bearish financial markets and low Trade Finance activity
- **Trading** – Strongly up due to high volatility in FX markets and active balance sheet management

Net interest income

	FY 2021	FY 2022		-11	-2%
	473	462	NII before loan impairment charges/reversals	-11	-2%
	-8	3	Loan impairment charges/reversals	-11	-134%
	464	464	Net interest income	+0	+0%
	FY 2021	FY 2022			

- **NII before loan impairment charges/reversals** – Slightly down as interest rates were negative until mid-September
- **Loan impairment charges/reversals** – Slight net reversals

Operating expenses, depreciation and amortization



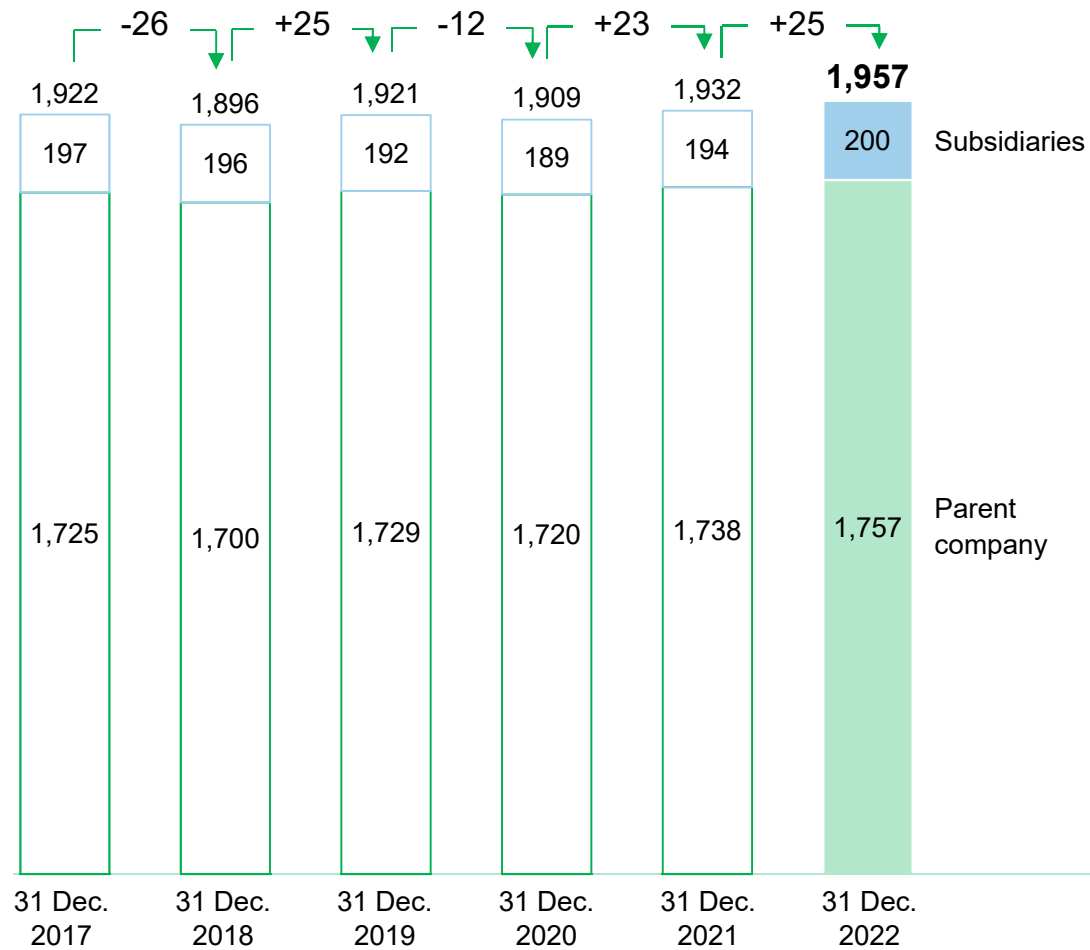
CHF millions (rounded)

	577	586		+9	+2%
	349	353	Personnel costs	+4	+1%
	156	164	Other operating expenses	+8	+5%
	72	70	Depreciation & amortization	-2	-3%
FY 2021		FY 2022			

- Slight increase in **personnel costs**
- **Other operating expenses** back to their pre-pandemic level mainly reflecting the resumption of cultural and sporting events supported by the Bank after a 2-year pause due to Covid-19
- **Depreciation & amortization** down

Headcount

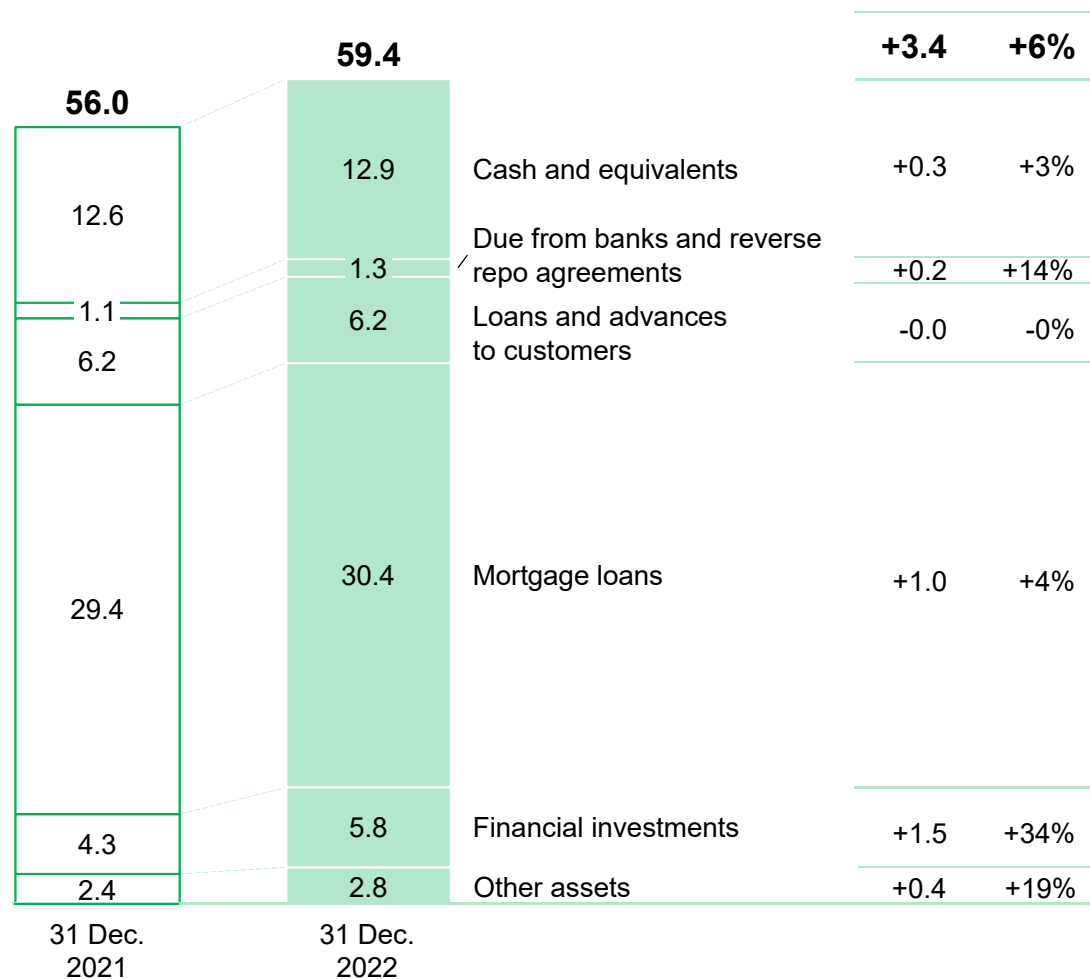
Full-time equivalents at period-end



- Increase in total headcount in the parent company and subsidiaries

Assets

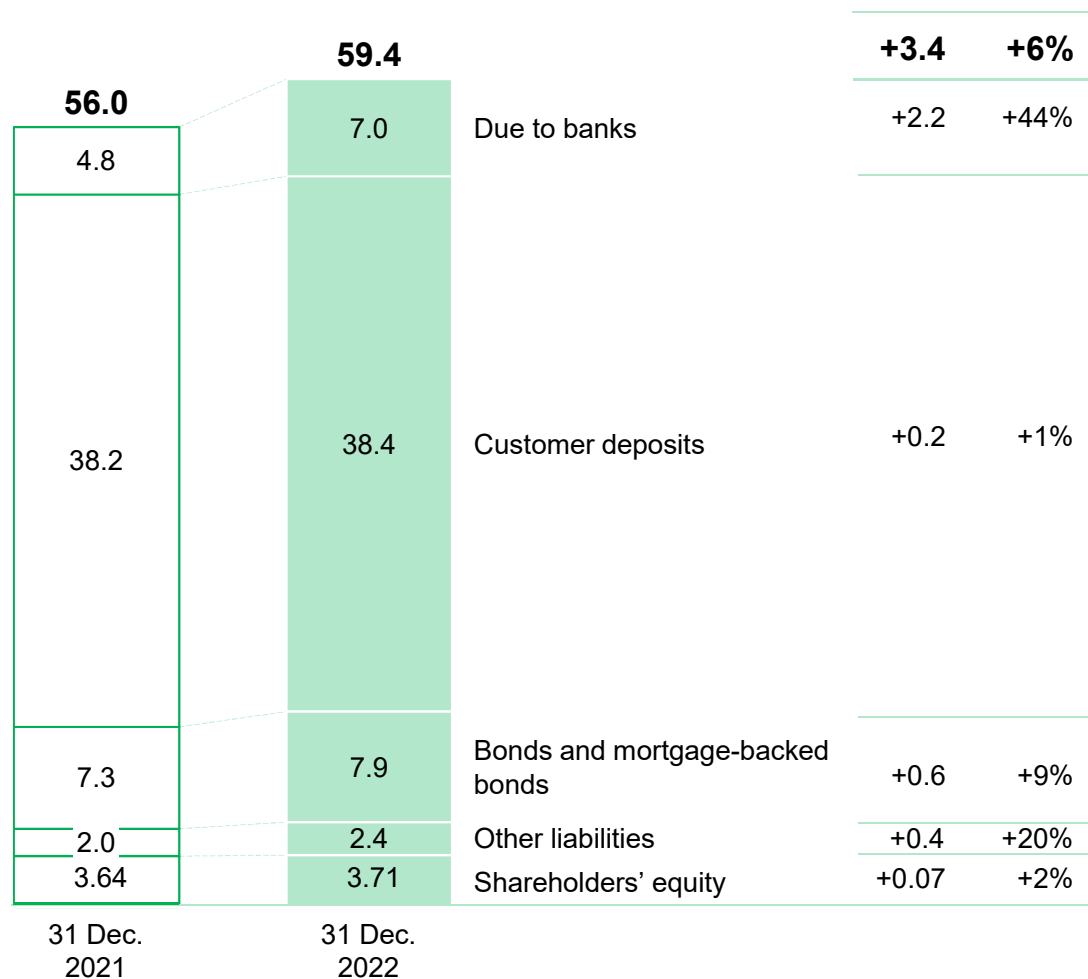
CHF billions (rounded)



- **Cash and equivalents** – Increase in SNB sight deposits
- **Loans and advances to customers** – Stable, as increased SME lending offset Covid-19 bridge loan reimbursements and lower Trade Finance activity
- **Mortgage loans** – Continuing growth in a still dynamic real-estate market

Liabilities and equity

CHF billions (rounded)



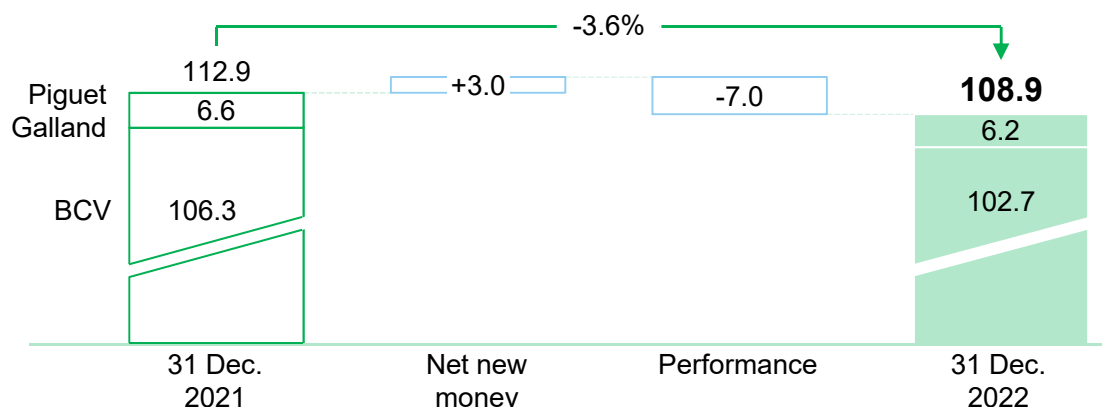
- Slower growth in **customer deposits**
- **Bonds and mortgage-backed bonds** – Increase in debt issued by the cantonal banks' Swiss Pfandbriefzentrale
- **Shareholders' equity** – Ongoing increase

Assets under management

CHF billions (rounded)

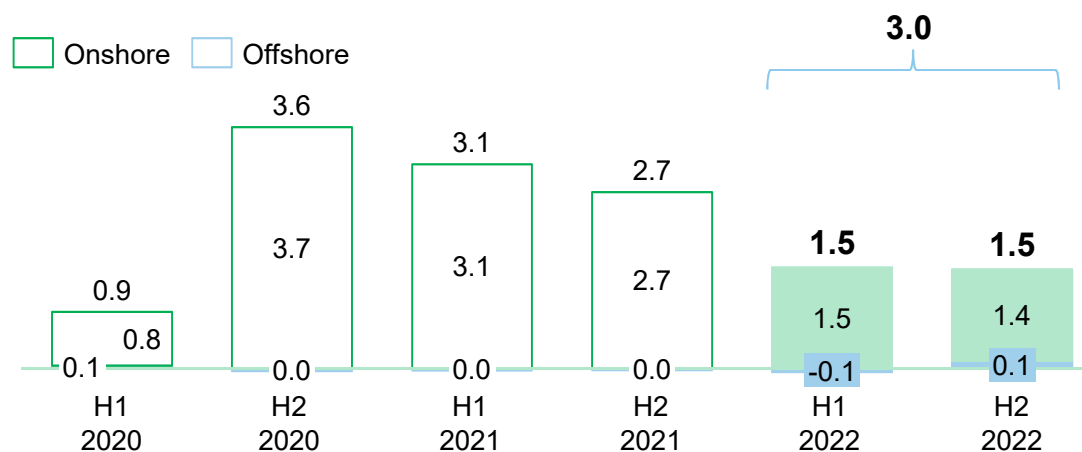


Assets under management



- AuM down 3.6% to CHF 108.9bn
 - Market performance of -CHF 7.0bn (-6.2%)
 - Net new money of CHF 3.0bn from all client segments (+2.7%)

Net new money



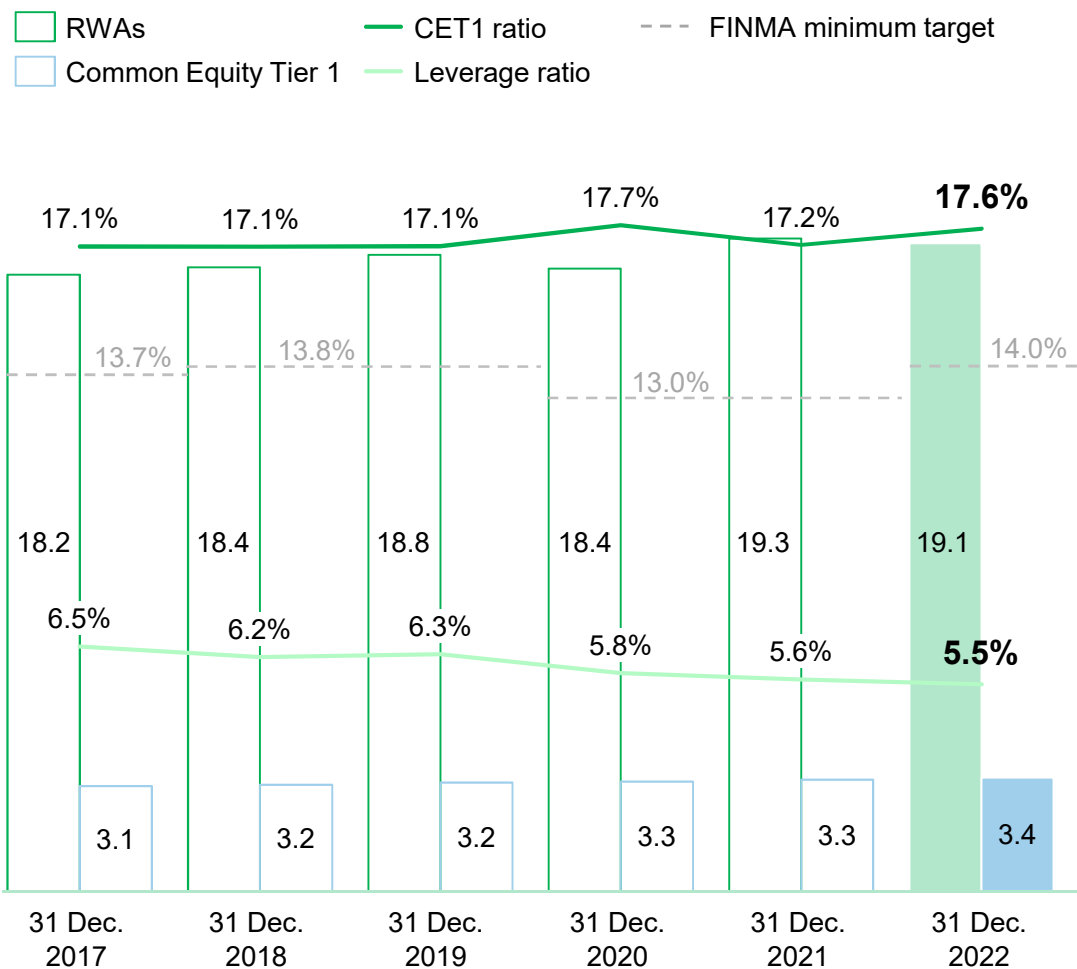
- Onshore net inflows of CHF 2.9bn:
 - CHF 2.1bn from personal banking customers and Vaud SMEs
 - CHF 0.8bn from institutionals and large corporates
- Negligible offshore net inflows (CHF 0.1bn)

Capital ratios

CHF billions (rounded)



Risk-weighted assets and CET1 ratio



CET1 ratio

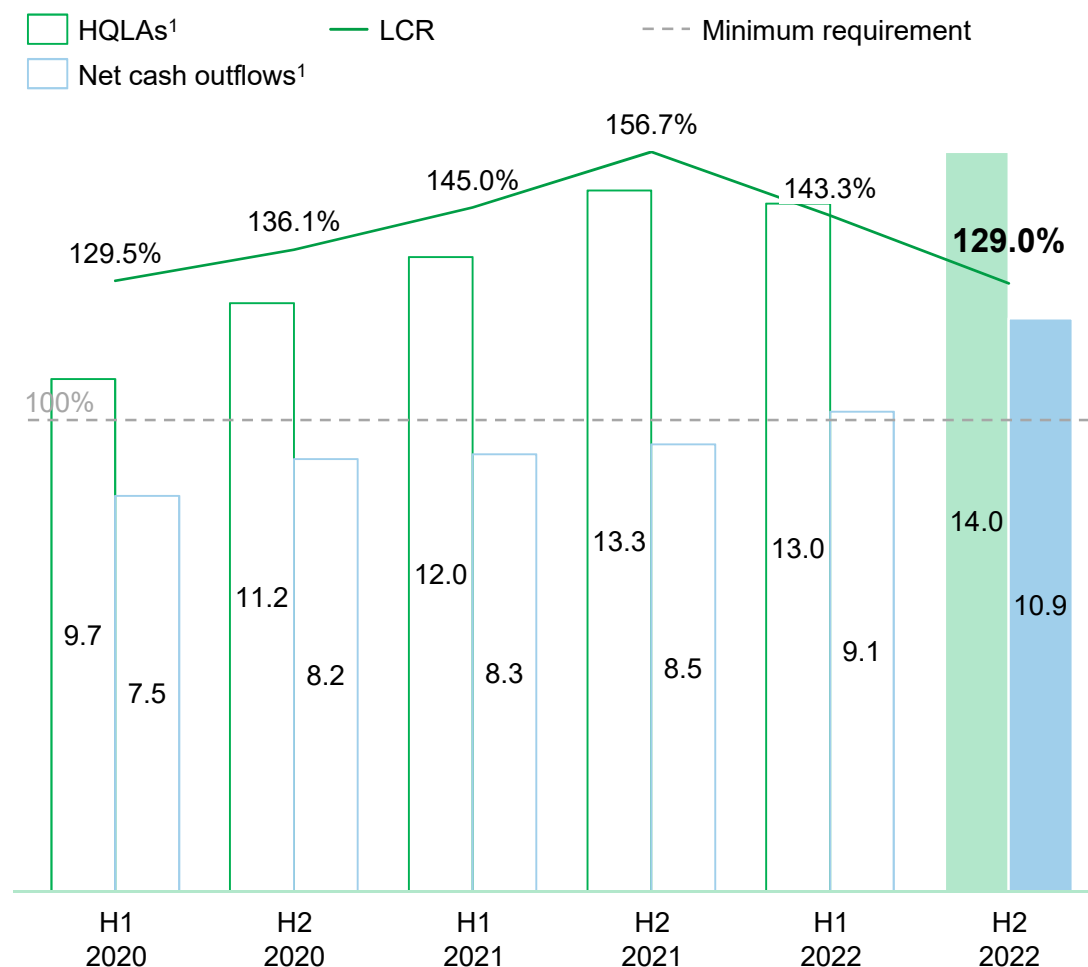
- CET1 ratio up to 17.6% due to:
 - Increase in retained earnings
 - Lower credit-risk RWA
- Requirement up to 14.0% following reactivation of the countercyclical buffer

Leverage ratio

- Leverage ratio at 5.5%, well above the requirement of 3.0%

Liquidity ratio (LCR)

CHF billions (rounded)

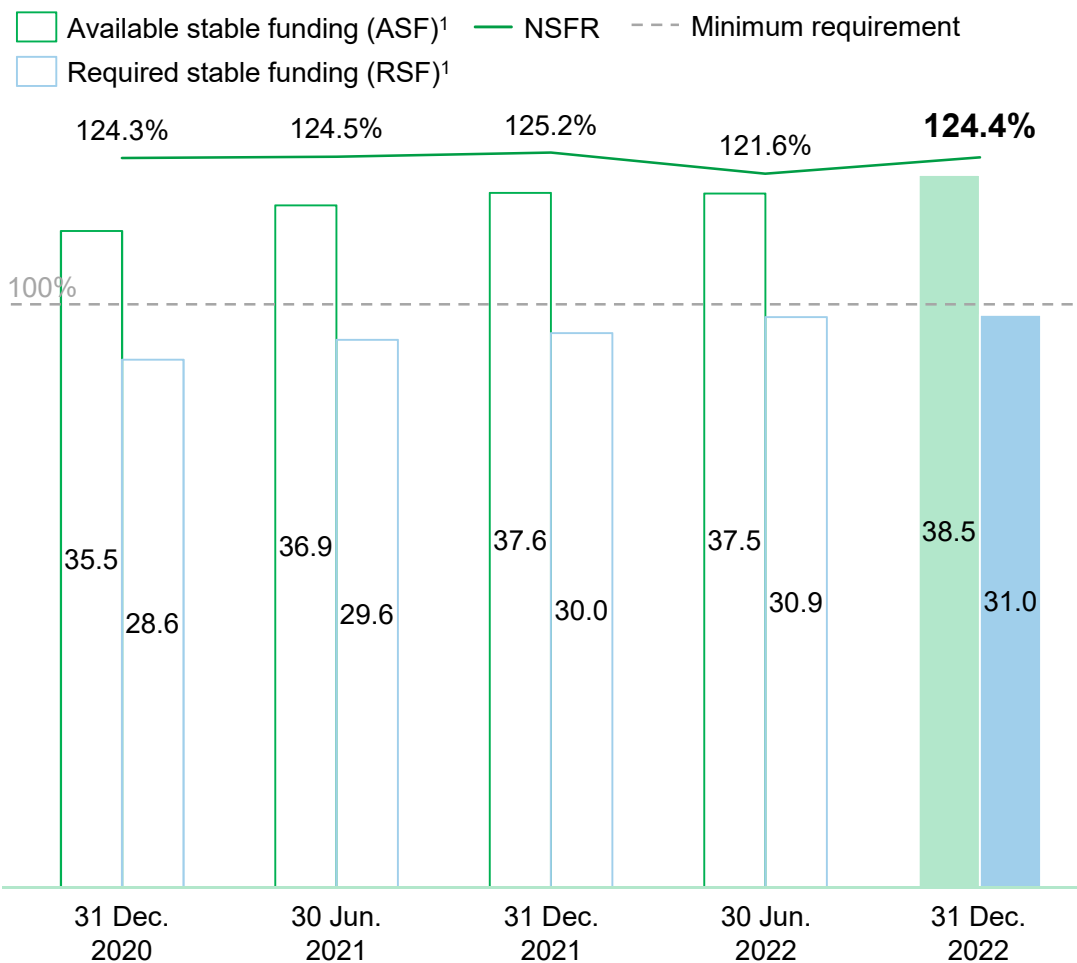


- LCR decreased by almost 14 points vs. H1 2022 mainly due to higher cash outflows
- LCR closer to target range and well above the minimum requirement of 100%
- Composition of the Bank's HQLAs
 - 73%: cash deposited with the SNB
 - 27%: mainly Swiss-issued securities rated between AAA and AA- and eligible as SNB collateral

Note
(1) Simple average of figures at month-end

Net Stable Funding Ratio (NSFR)

CHF billions (rounded)

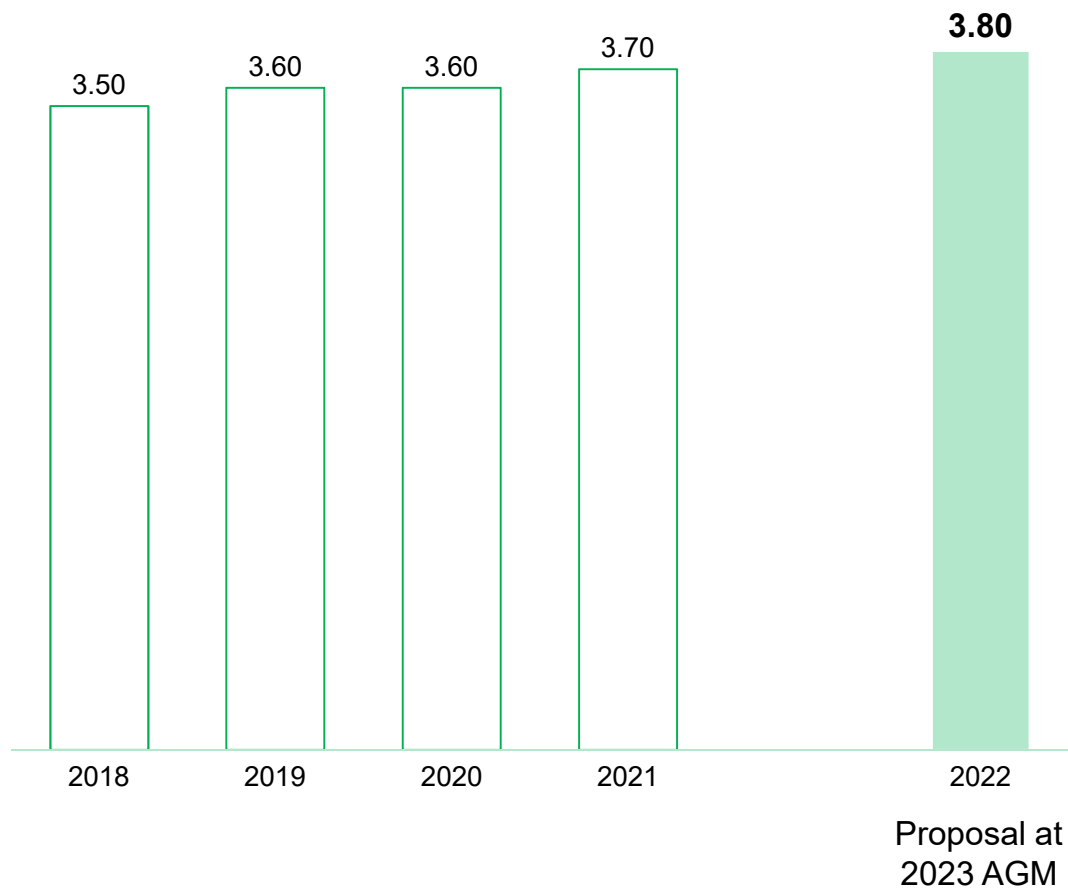


- Minimum requirement of 100% took effect on 1 July 2021
- NSFR stable

Note
(1) Figures at month-end

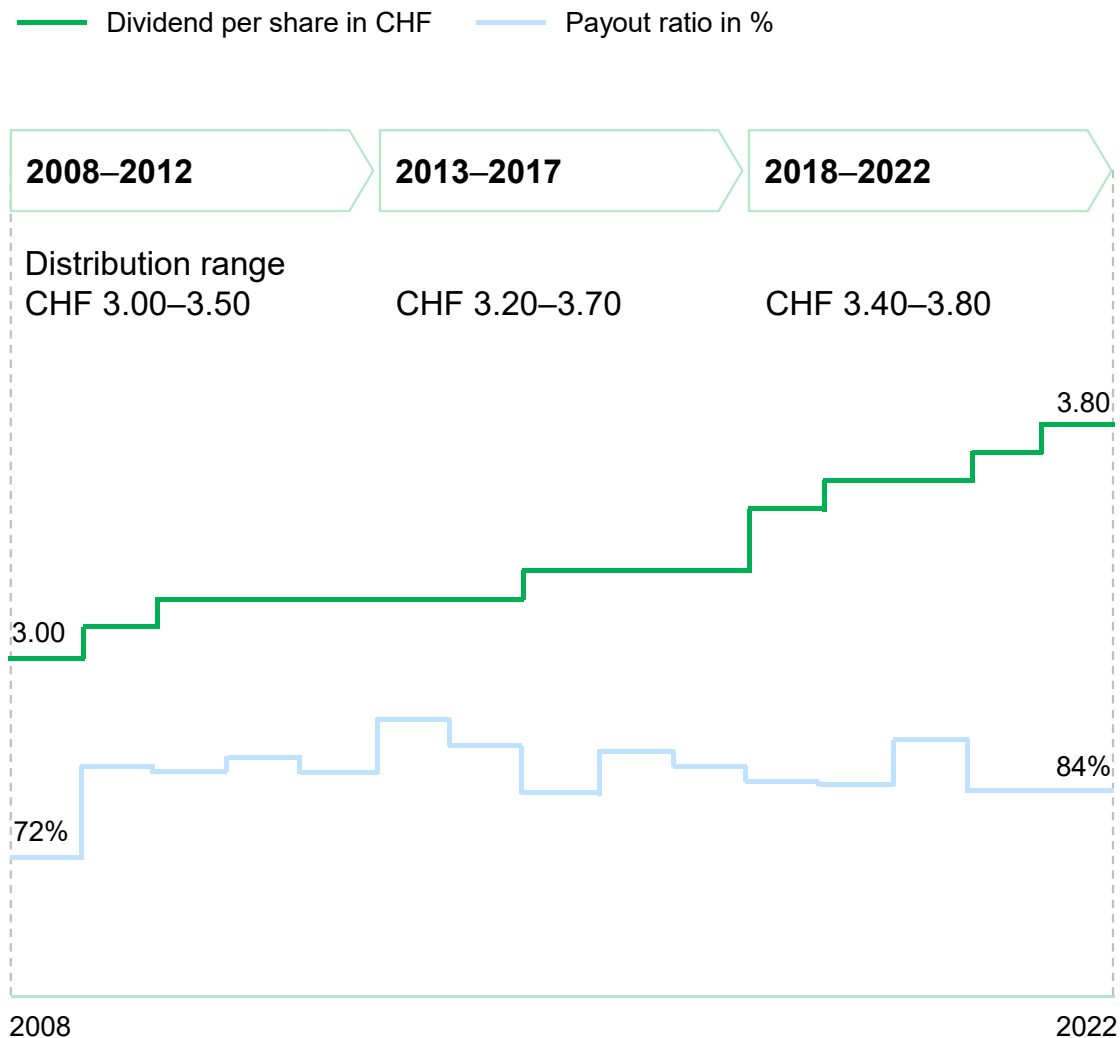
2022 dividend

CHF per share



- Current dividend policy (2018-2022)
 - Applicable as of the 2018 dividend
 - Between CHF 3.40 and CHF 3.80 per share
- Proposal at 2023 AGM: increase the ordinary dividend to CHF 3.80 per share (CHF +0.10)
 - Total payout: CHF 327m
 - 84% of 2022 net profit

Distribution policy extended for another five years with a higher range



2023–2027

CHF 3.80–4.20

Distribution policy extended using the same approach:

- Distribution range in CHF
- Five-year time horizon
- Stable or higher, barring structural changes

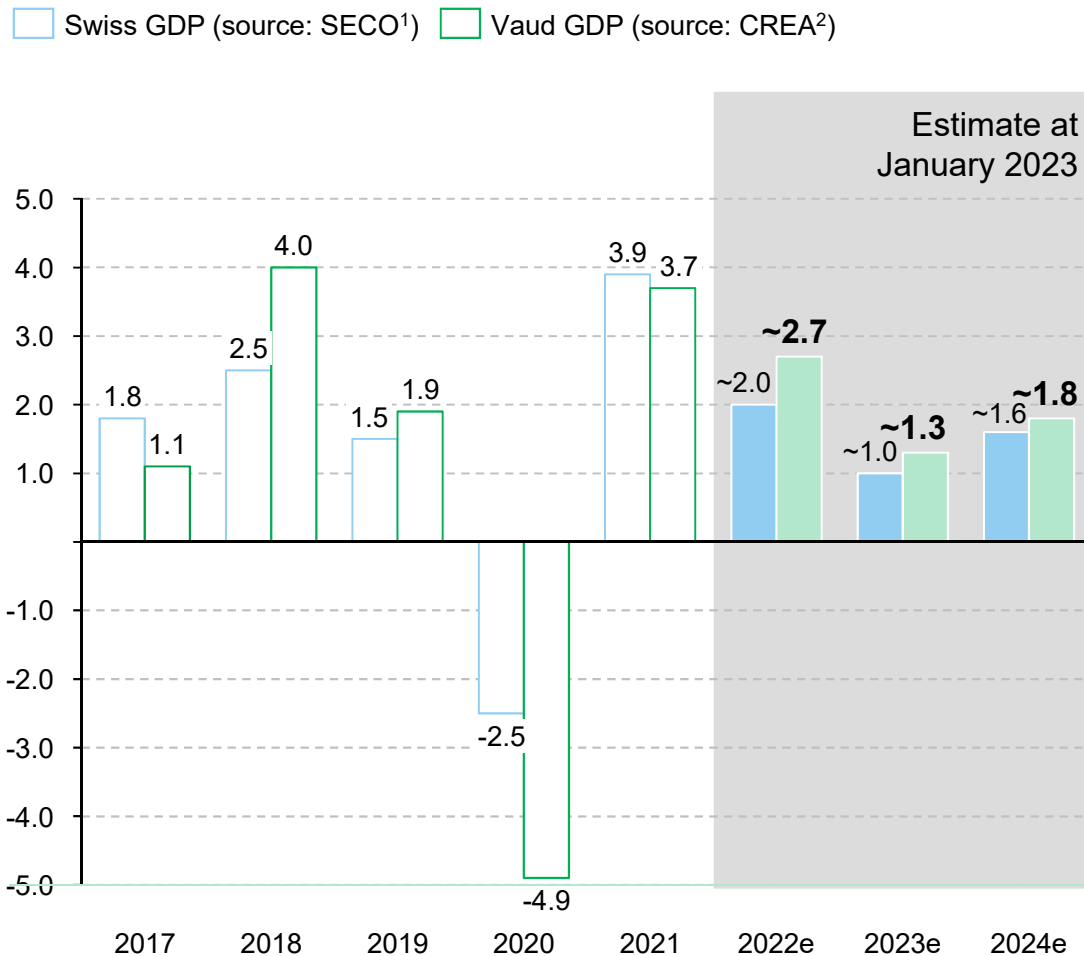
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Swiss and Vaud GDP growth

In %

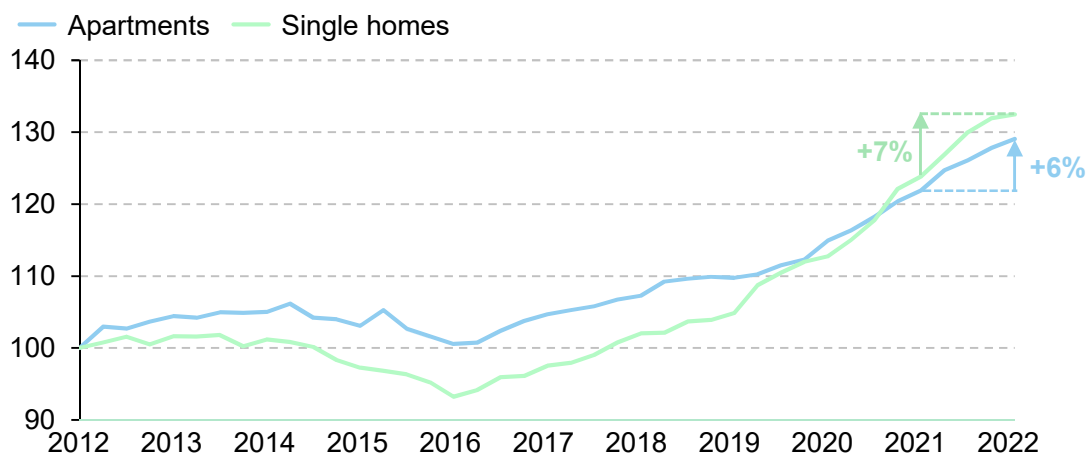


- In **2022**: inflation, rising interest rates and the geopolitical situation weighed on growth estimates, which were progressively revised downwards
- In **2023**: lower growth but no recession expected

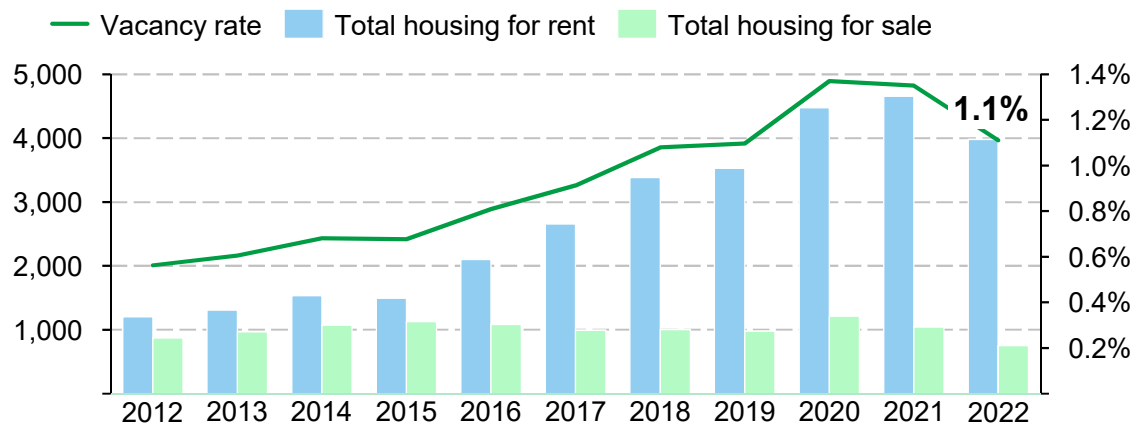
Note

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

Transaction prices in Vaud (Basis 100 in Dec. 2012)



Vacant housing in Vaud



Note
Source: Wüest Partner, Statistique Vaud

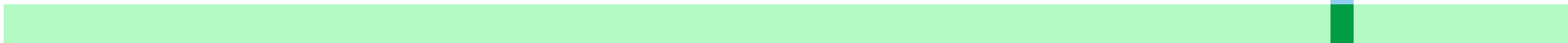
- Continuing increase in Vaud real-estate transaction prices since 2017, with a slight deceleration in recent months
- Still dynamic real-estate market in 2022
 - Transaction prices up 6% on apartments
 - Transaction prices up 7% on single-family homes
- Population growth of 1.1% in 2021, mainly driven by immigration (foreign + other Swiss cantons)
- In 2022, the vacancy rate has ticked lower
- BCV's mortgage policy remains unchanged:
 - Focused on loan quality instead of volume growth
 - Targets areas with low vacancy rates
- Slightly reduced volume growth going forward on higher interest rates

Easing pressure on income as interest rates return to positive territory, but financial markets still gloomy and uncertain and Trade Finance activity reduced due to the geopolitical situation

Business activity in line with previous years, provided the macro environment and financial markets do not change significantly

Continued firm control of operating expenses

Appendices



Income statement



CHF millions (rounded)

	FY 2022	FY 2021	Abs	%
Interest and discount income	524.5	480.5	+44.0	+9
Interest and dividend income from financial investments	21.4	18.0	+3.4	+19
Interest expense	-84.2	-26.0	+58.3	+224
Net interest income before loan impairment charges/reversals	461.7	472.6	-10.9	-2
Loan impairment charges/reversals	2.8	-8.2	-10.9	-134
Net interest income after loan impairment charges/reversals (NII)	464.5	464.4	+0.1	+0
Fees and commissions on securities and investment transactions	291.6	312.1	-20.5	-7
Fees and commissions on lending operations	39.1	42.1	-3.0	-7
Fees and commissions on other services	73.1	67.8	+5.3	+8
Fee and commission expense	-60.4	-64.7	-4.2	-7
Net fee and commission income	343.4	357.3	-13.9	-4
Trading income on fixed-income instruments and equity securities	27.5	38.2	-10.7	-28
Trading income on foreign currencies, banknotes, and precious metals	168.7	117.5	+51.3	+44
Trading fee and commission expense	-7.5	-12.5	-5.0	-40
Net trading income and fair-value adjustments	188.7	143.2	+45.5	+32
Gains/losses on disposals of financial investments	10.1	4.3	+5.7	+132
Income from equity investments	5.5	5.5	+0.1	+1
Real-estate income	6.6	7.0	-0.4	-5
Miscellaneous ordinary income	22.9	24.3	-1.4	-6
Miscellaneous ordinary expenses	-2.3	-0.6	+1.6	+266
Other ordinary income	42.8	40.5	+2.3	+6
Total income from ordinary banking operations	1,039.4	1,005.4	+34.1	+3
Personnel costs	-352.9	-349.3	+3.6	+1
Other operating expenses	-163.7	-155.8	+7.9	+5
Operating expenses	-516.7	-505.2	+11.5	+2
Depreciation and amortization of fixed assets and impairment on equity investments	-69.6	-72.0	-2.4	-3
Other provisions and losses	-5.4	0.6	+6.0	+963
Operating profit	447.7	428.8	+18.9	+4
Extraordinary income	1.2	12.6	-11.4	-90
Extraordinary expenses	-0.0	-0.2	-0.2	-94
Taxes	-60.6	-62.5	-1.9	-3
Net profit	388.3	378.7	+9.6	+3
Minority interests	-0.0	-0.0	-0.0	-4
Net profit attributable to BCV shareholders	388.3	378.7	+9.6	+3

Balance sheet



CHF millions (rounded)

	31 Dec. 2022	31 Dec. 2021	Abs	%
Cash and cash equivalents	12,916	12,600	+316	+3
Due from banks	1,187	952	+234	+25
Reverse repurchase agreements	79	158	-79	-50
Loans and advances to customers	6,201	6,209	-9	-0
Mortgage loans	30,425	29,373	+1,052	+4
Trading portfolio assets	206	200	+5	+3
Positive mark-to-market values of derivative financial instruments	1,160	368	+792	+215
Other financial assets at fair value	897	1,212	-315	-26
Financial investments	5,757	4,287	+1,470	+34
Accrued income and prepaid expenses	70	67	+3	+5
Non-consolidated holdings	87	86	0	0
Tangible fixed assets	376	393	-17	-4
Intangible assets	0	0	0	N/A
Other assets	37	46	-9	-20
Assets	59,397	55,952	+3,445	+6
Due to banks	5,975	3,378	+2,597	+77
Repurchase agreements	1,008	1,458	-450	-31
Customer deposits	38,395	38,195	+199	+1
Trading portfolio liabilities	3	2	+1	+81
Negative mark-to-market values of derivative financial instruments	450	273	+177	+65
Other financial liabilities at fair value	1,006	1,340	-335	-25
Medium-term notes	-	2	-2	-100
Bonds and mortgage-backed bonds	7,942	7,313	+629	+9
Accrued expenses and deferred income	154	139	+14	+10
Other liabilities	725	183	+542	+296
Provisions	27	24	+3	+11
Liabilities	55,683	52,308	+3,376	+6
Reserves for general banking risks	666	666	0	0
Share capital	86	86	0	0
Capital reserve	35	36	-1	-4
Retained earnings	2,554	2,493	+60	+2
Currency translation reserve	-2	-2	-0	-5
Own shares	-14	-15	+1	+6
Minority interests in equity	0	0	0	+7
Net profit	388	379	+10	+3
<i>of which minority interests</i>	0	0	-0	-4
Shareholders' equity	3,713	3,644	+69	+2
Total liabilities and shareholders' equity	59,397	55,952	+3,445	+6

Key performance indicators

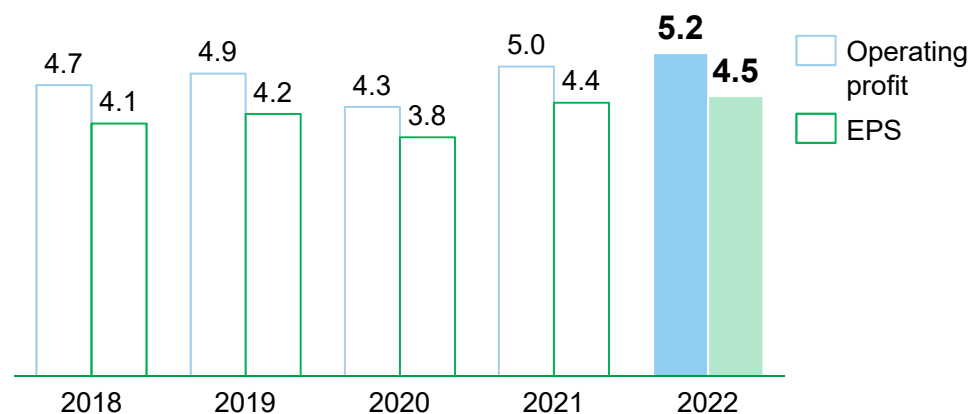


		31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022
Asset quality and balance sheet structure	Impaired loans/ credit exposure	0.6%	0,5%	0.5%	0.4%	0.4%
	Customer deposits/ loans to customers	99%	101%	105%	107%	105%
	Liquidity Coverage Ratio (LCR)	113%	129%	136%	157%	129%
	Interest margin	1.10%	1.07%	0.94%	0.86%	0.79%
Capital	CET1 ratio ¹	17.1%	17.1%	17.7%	17.2%	17.6%
	Leverage ratio	6.2%	6.3%	5.8%	5.6%	5.5%
Productivity	Cost/income ratio (excl. goodwill amortization)	57.6%	57.7%	58.7%	56.7%	56.6%
Financial performance	ROE (net profit/average equity)	10.1%	10.4%	9.3%	10.7%	10.7%

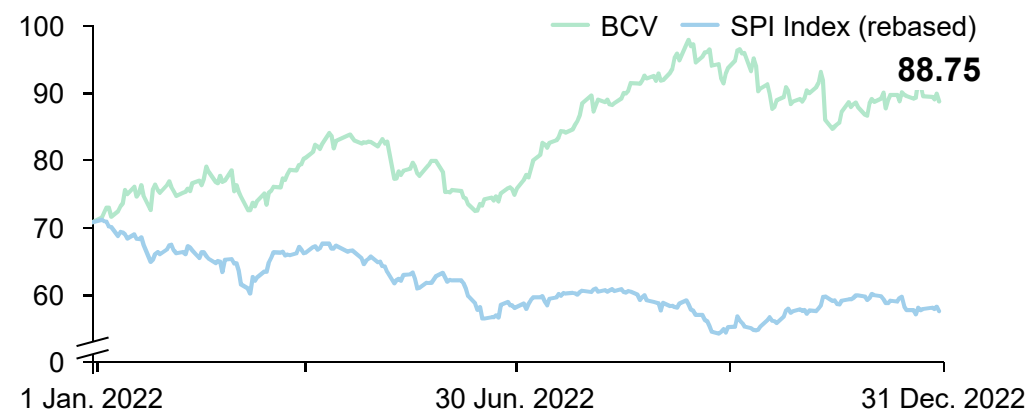
Note

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

Per share (CHF)¹



Stock price (CHF)



Key figures

	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022
Number of issued shares	8,606,190	8,606,190	86,061,900	86,061,900	86,061,900
Market capitalization (CHF billions)	6.38	6.80	8.29	6.09	7.64
High / low prices YTD	823.00 / 688.00	820.00 / 708.00	101.40 / 67.50	101.60 / 67.30	98.80 / 70.70

Note

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

9 February 2023

Full-year 2022
results

4 April 2023

Publication of the
2022 Annual Report

4 May 2023

Annual
Shareholders'
Meeting in Lausanne

8 May 2023

Ex-dividend date¹

9 May 2023

Dividend record
date¹

10 May 2023

Dividend payment¹

17 August 2023

Half-year 2023
results

Note
(1) Total amount distributed to shareholders in the form of an ordinary dividend of CHF 3.80 per share, subject to approval at the Annual Shareholders' Meeting