

# 2022 Half-Year Results

Analysts' presentation  
18 August 2022



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

HY 2022 financial results  
Thomas W. Paulsen, CFO

Outlook  
Pascal Kiener, CEO

Ongoing rise in mortgage loans and other lending, customer deposits stable, decrease in assets under management

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Revenue up 6%, mainly driven by fee and commission income, trading income and lower provisioning needs

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Operating profit up 12% year on year to CHF 227m and net profit up 14% to CHF 197m – the highest first-half net profit in 15 years

# HY 2022 key figures

CHF (rounded), unaudited figures



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## Revenues

524m

+6%

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## Operating profit

227m

+12%

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## Net profit

197m

+14%

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## Total assets

59.1bn

+6%

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## AuM

107.2bn

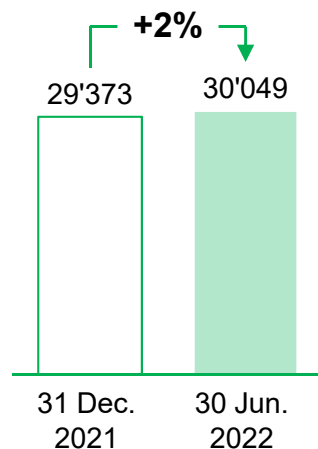
-5%

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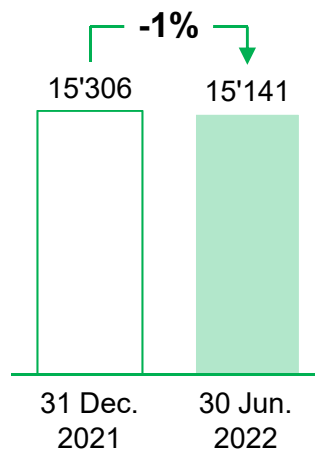
# Main business trends

CHF millions (rounded), unaudited figures

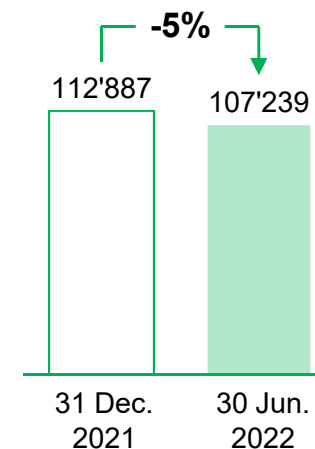
## Mortgage loans



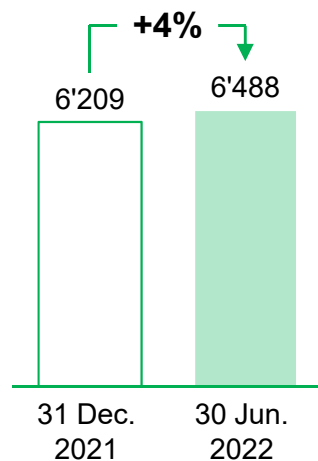
## Sight deposits<sup>1,2</sup>



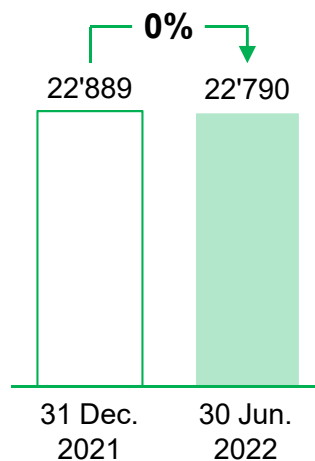
## AuM



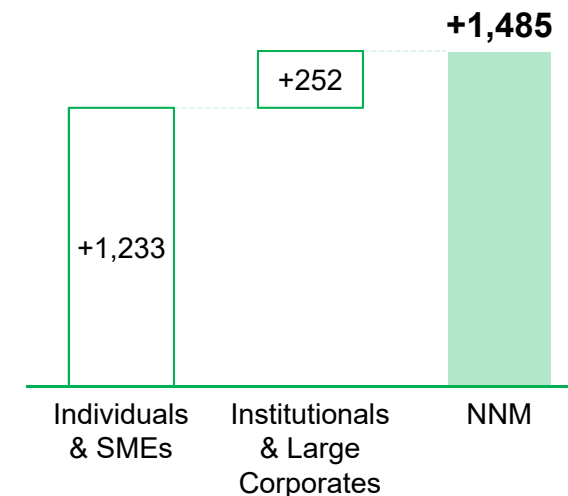
## Other loans



## Other client deposits<sup>2</sup>



## Net new money



Note

(1) Including savings deposits

(2) Aggregate change in the sum of the items Sight deposits and Other client deposits: -CHF 265m (-1%)

Peter Ochsner, member of the Board of Directors and chair of the Audit and Risk Committee, to step down from the Board on 30 June 2023 after seven years of service



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



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



ISAE 3402 certification attests 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%<sup>1</sup>

Note

(1) Based on closing price at 30 December 2021

# Very solid financial and ESG ratings

## Financial ratings

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**AA** (stable) since 2011



**Aa2** (stable) since 2015

## ESG ratings

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Upgrade to **AA**



Stable at **A-**

- Financial ratings reaffirmed. BCV is one of the 20 best rated banks in the world without an explicit government guarantee
- MSCI's second-highest rating
- BCV now in MSCI's "Leader" category
- Ethos' second-highest rating

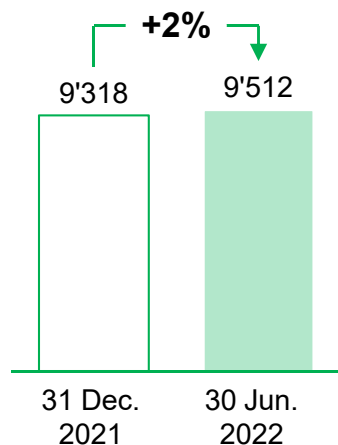


# Retail Banking

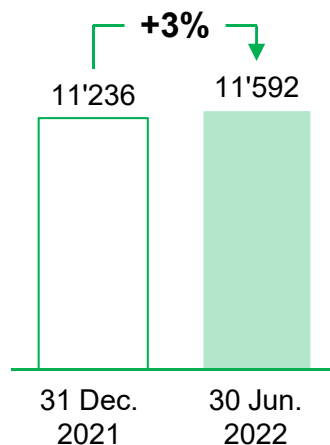
CHF millions (rounded)<sup>1</sup>



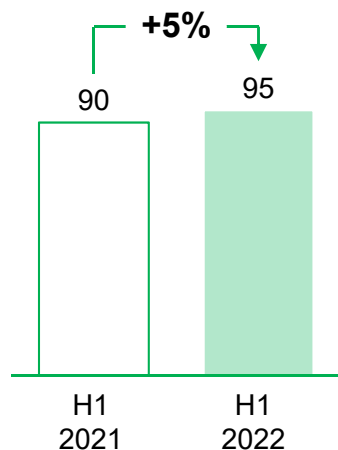
## Mortgage loans



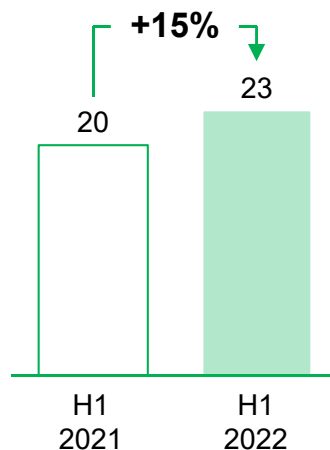
## Customer deposits



## Revenues



## Operating profit

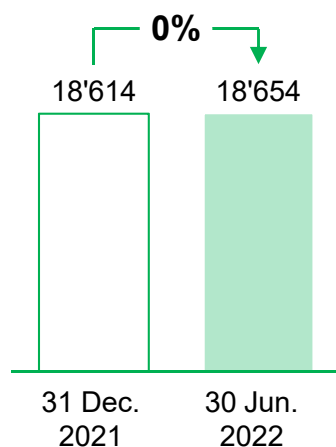


- Continuing rise in mortgage loans focused on certain regions in a still dynamic real-estate market in H1
- Continuing cash inflows from customers
- Revenues and operating profit driven up by the recovery of customer payment transactions (credit cards, ATMs, foreign currencies, etc.)

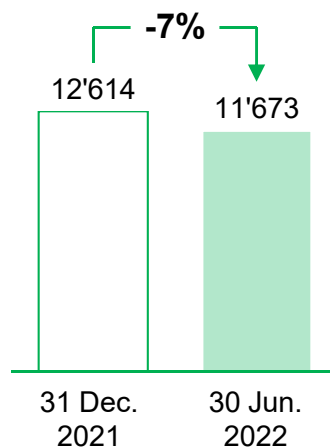
Note

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

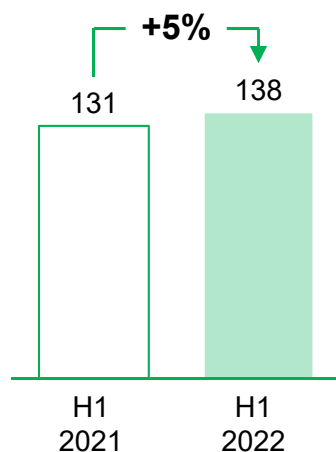
## Loans/off-BS commitments



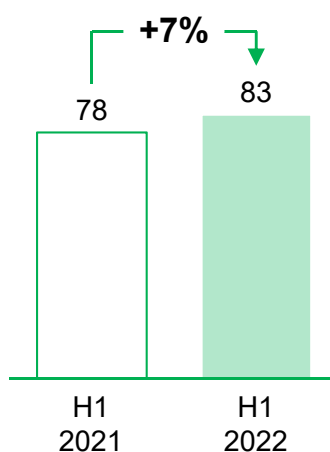
## Customer deposits



## Revenues



## Operating profit



- SMEs
  - Loans/off-BS commitments up 2%
  - Covid-19 bridge-loan repayments for close to CHF 70m in H1 (ca. 40% of total Covid loanbook paid off)
  - Deposits up 3%
- Real-estate firms
  - Mortgages up 6%
  - Deposits down 3%
- Large Corporates
  - Loans/off-BS commitments down 2%
  - Deposits down 18% in a rapidly evolving interest rate environment
- Trade Finance
  - Activity reduction in specific areas due to the current geopolitical environment
  - Rising commodity prices offset lower number of transactions
- Credit risk
  - Businesses resilient
  - Limited provisioning needs

Note

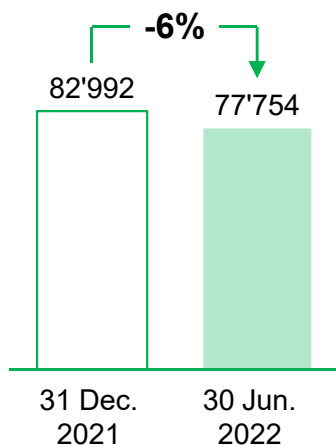
(1) 2021 figures were adjusted to facilitate like-for-like comparison

# Wealth Management

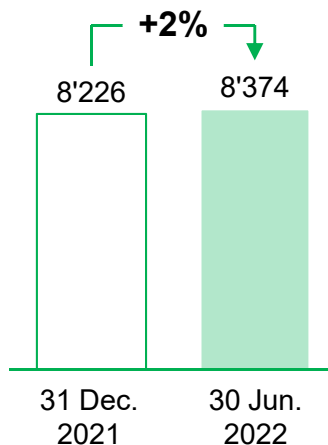
CHF millions (rounded)<sup>1</sup>



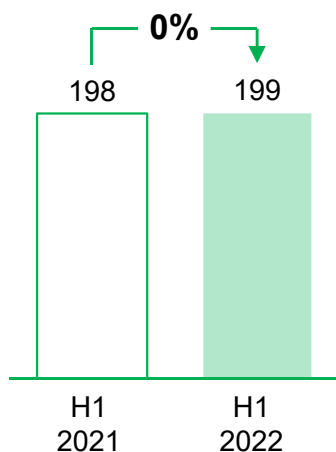
## AuM



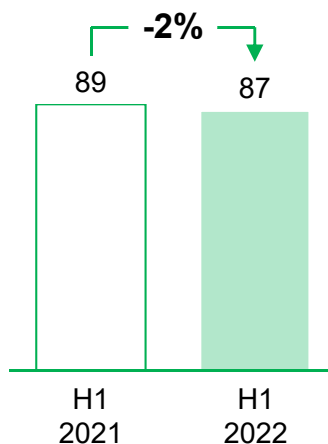
## Mortgage loans



## Revenues



## Operating profit



- Decrease in AuM
  - Negative performance of financial markets
  - NNM from both private banking and institutional clients
- Increase in mortgage loans in a still dynamic real-estate market in H1
- Revenues stable and operating profit slightly down (-2%)

Note

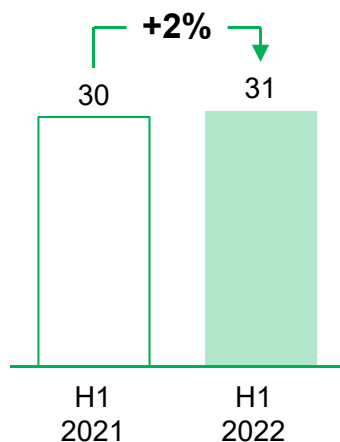
(1) 2021 figures were adjusted to facilitate like-for-like comparison

# Trading

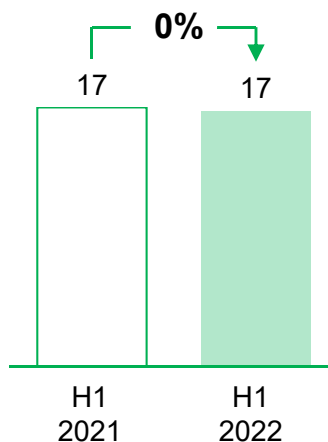
CHF millions (rounded)



## Revenues

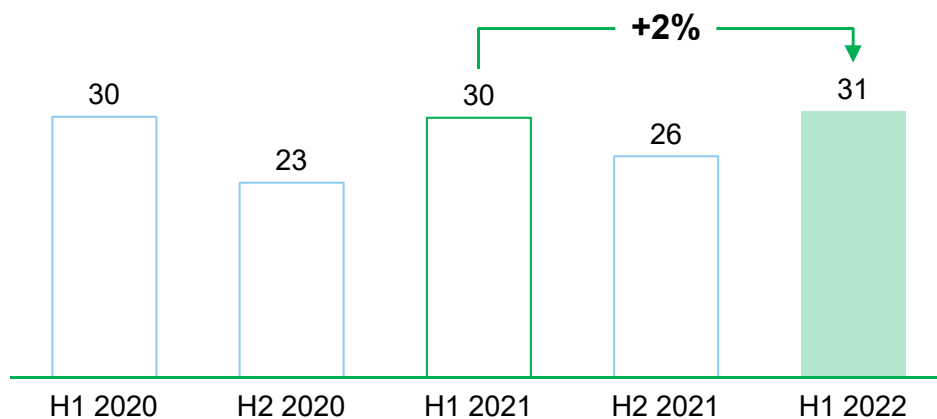


## Operating profit



- Forex trading up sharply on high volatility – forex accounted for more than 65% of overall Trading revenues
- Activity in structured products segment lower compared to record 2021
- Revenues up 2% and operating profit stable

## Revenues time series



### Note

- 2021 figures were adjusted to facilitate like-for-like comparison
- No adjustment except for 2021 to facilitate like-for-like comparison with 2022

Introduction

Pascal Kiener, CEO

**HY 2022 financial results**

**Thomas W. Paulsen, CFO**

Outlook

Pascal Kiener, CEO

# Income statement

CHF millions (rounded), unaudited figures



	H1 2021	H1 2022	Change	
<b>Total income from ordinary banking operations</b>	<b>493</b>	<b>524</b>	<b>+31</b>	<b>+6%</b>
Operating expenses	-256	-261	+5	+2%
Depreciation & amortization of fixed assets and impairment on equity investments	-37	-36	-1	-2%
Other provisions and losses	3	-1	+4	+131%
<b>Operating profit</b>	<b>203</b>	<b>227</b>	<b>+24</b>	<b>+12%</b>
Net extraordinary income	0	0	-0	-45%
Taxes	-30	-30	+0	+0%
<b>Net profit</b>	<b>173</b>	<b>197</b>	<b>+24</b>	<b>+14%</b>

# Total income from banking operations

CHF millions (rounded), unaudited figures

## Total income from ordinary banking operations

H1 2021		H1 2022			
493		524		+31	+6%
227		235		+8	+4%
173		179		+6	+3%
72		83		+11	+16%
21		27		+5	+26%
H1 2021		H1 2022			

- **Net interest income** – Up (see below)
- **Commissions & fees** – Up, driven by transactions from individual customers
- **Trading** – Up on high volatility in Forex market
- **Other income** – Up, on a real-estate disposal

## Net interest income

H1 2021		H1 2022			
237		236		-1	-0%
	-9		-1	-8	-94%
227		235		+8	+4%
H1 2021		H1 2022			

- **NII before loan impairment charges/reversals** – Slightly down; almost no impact of the SNB policy rate rise in H1
- **Loan impairment charges/reversals** – Very limited

# Operating expenses, depreciation and amortization

CHF millions (rounded), unaudited figures

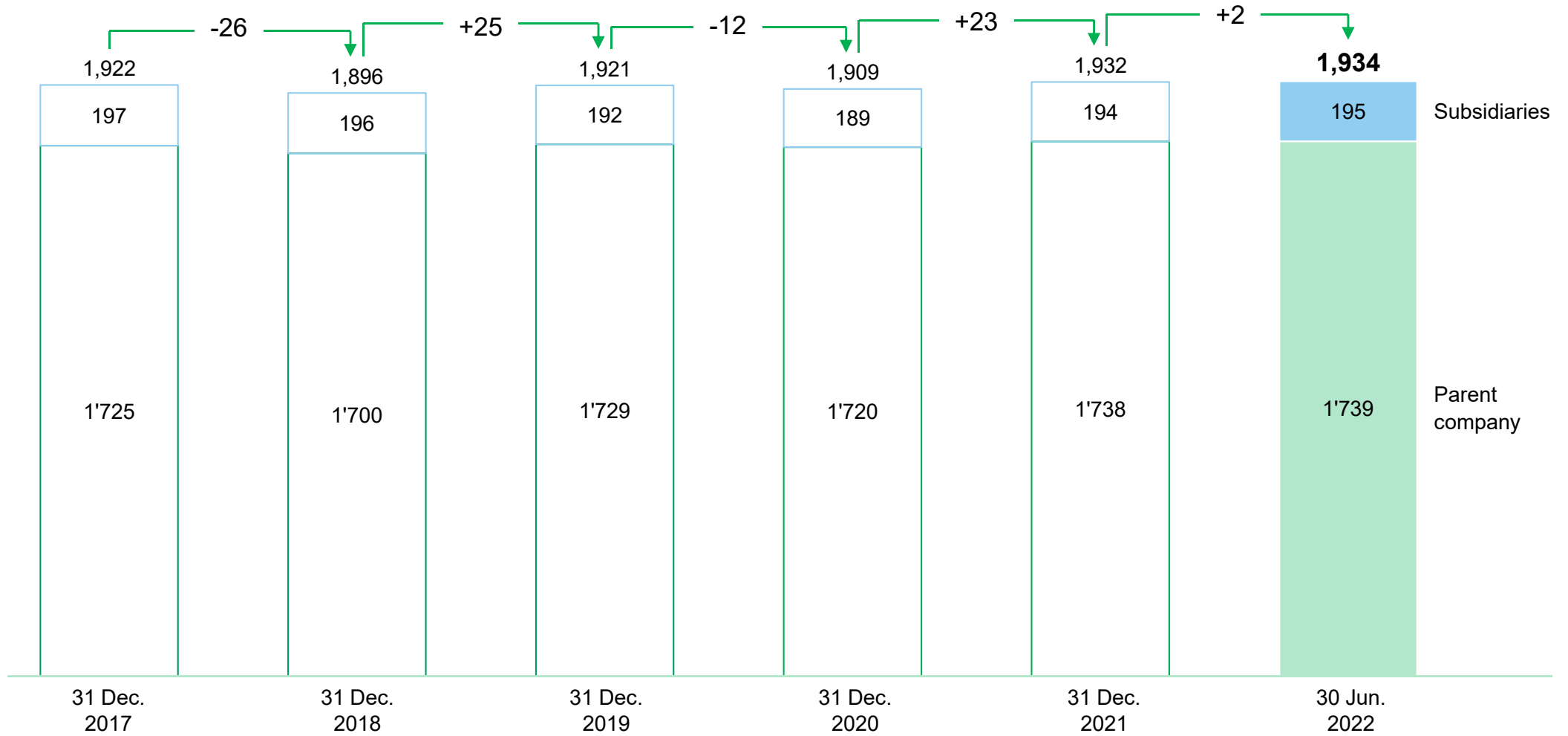
	H1 2021	H1 2022		
	293	297		+4 +1%
Personnel costs	178	178	-0	-0%
Other operating expenses	78	83	+5	+6%
Depreciation & amortization	37	36	-1	-2%

- **Continued firm control** of operating expenses
- **Personnel costs** stable
- **Other operating expenses** up
  - Resumption of cultural and sporting events supported by BCV which could not take place in 2020 and 2021 due to the Covid-19 pandemic
  - Rising use and further development of digital banking offering
- **Depreciation & amortization** stable



# Headcount

Full-time equivalents at period-end



# Assets

CHF billions (rounded), unaudited figures

	31 Dec. 2021	30 Jun. 2022		+3.1	+6%
	<b>56.0</b>	<b>59.1</b>			
	12.6	12.9	Cash and equivalents	+0.3	+3%
	1.1	2.1	Due from banks and reverse repo agreements	+1.0	+87%
	6.2	6.5	Loans and advances to customers	+0.3	+4%
	29.4	30.0	Mortgage loans	+0.6	+2%
	4.3	4.7	Financial investments	+0.4	+10%
	2.4	2.8	Other assets	+0.4	+18%

- **Cash and equivalents** – SNB sight deposits stable at a high level
- **Loans and advances to customers** – Slightly up
- **Mortgage loans** – Continuing growth in a still dynamic real-estate market in H1. Approach focused on loan quality instead of volume growth

# Liabilities and equity

CHF billions (rounded), unaudited figures



	31 Dec. 2021	30 Jun. 2022		
	<b>56.0</b>	<b>59.1</b>		<b>+3.1 +6%</b>
	4.8	7.7	Due to banks	+2.9 +60%
	38.2	37.9	Customer deposits	-0.3 -1%
	7.3	7.4	Bonds and mortgage-backed bonds	+0.1 +1%
	2.0	2.4	Other liabilities	+0.4 +25%
	3.6	3.5	Shareholders' equity	-0.1 -3%

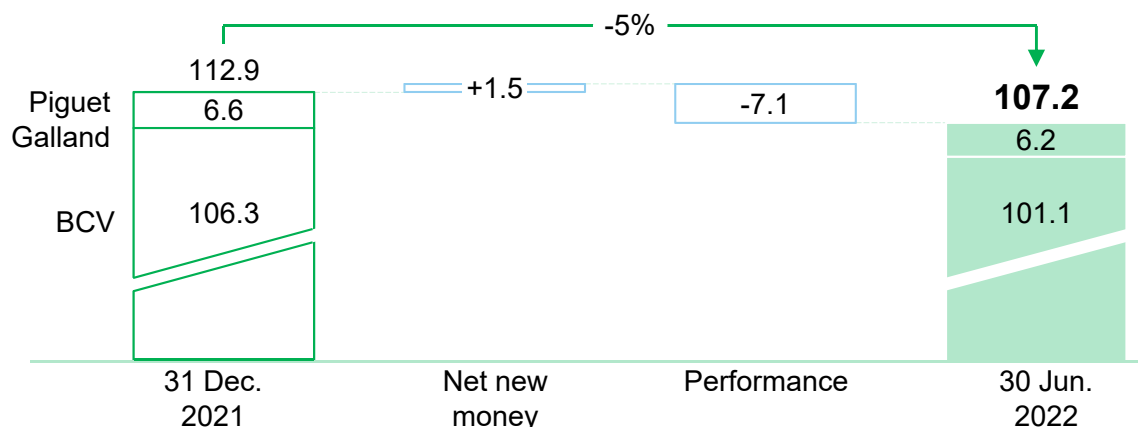
- **Due to banks** – Up, reflecting treasury management
- **Customer deposits** – Very slightly down: continued inflows from individuals and SMEs, outflows from large corporates and institutionals
- **Bonds and mortgage-backed bonds** – Stable
- **Shareholders' equity** – Seasonal decrease: dividend payment higher than net profit accrued over the first 6 months

# Assets under management

CHF billions (rounded)

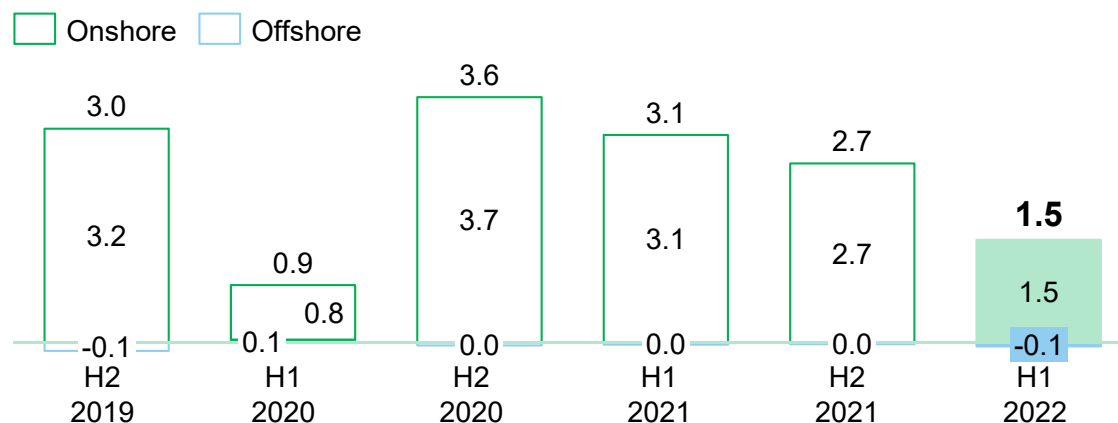


## Assets under management



- AuM down 5% to CHF 107.2bn
- Market performance of -CHF 7.1bn (-6%)
- Net new money of CHF 1.5bn (+1%)

## Net new money



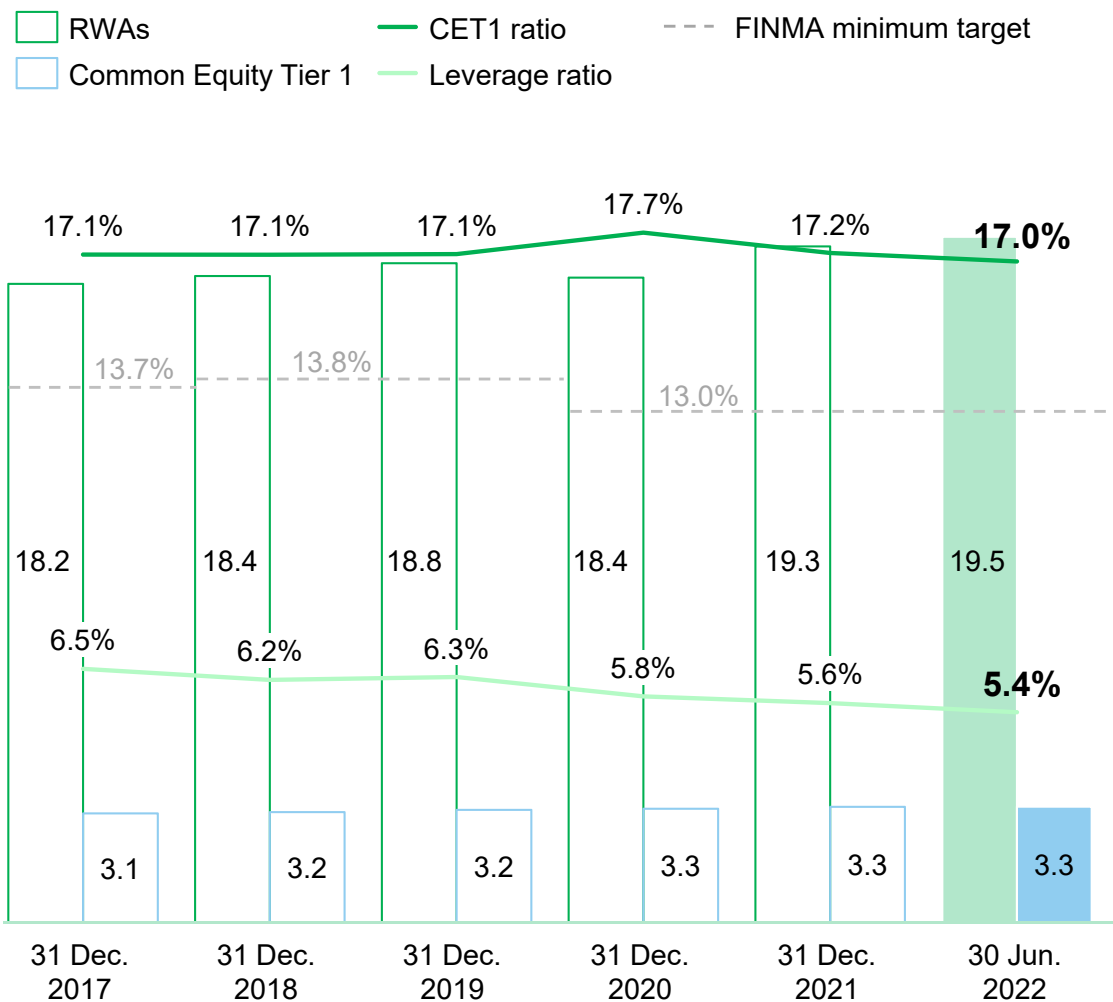
- Onshore net inflows of CHF 1.5bn:
  - CHF 1.2bn from personal banking customers and Vaud SMEs
  - CHF 0.3bn from institutionals and large corporates
- Negligible offshore net outflows (CHF 53m)

# Capital ratios

CHF billions (rounded)



## Risk-weighted assets and CET1 ratio



### CET1 ratio

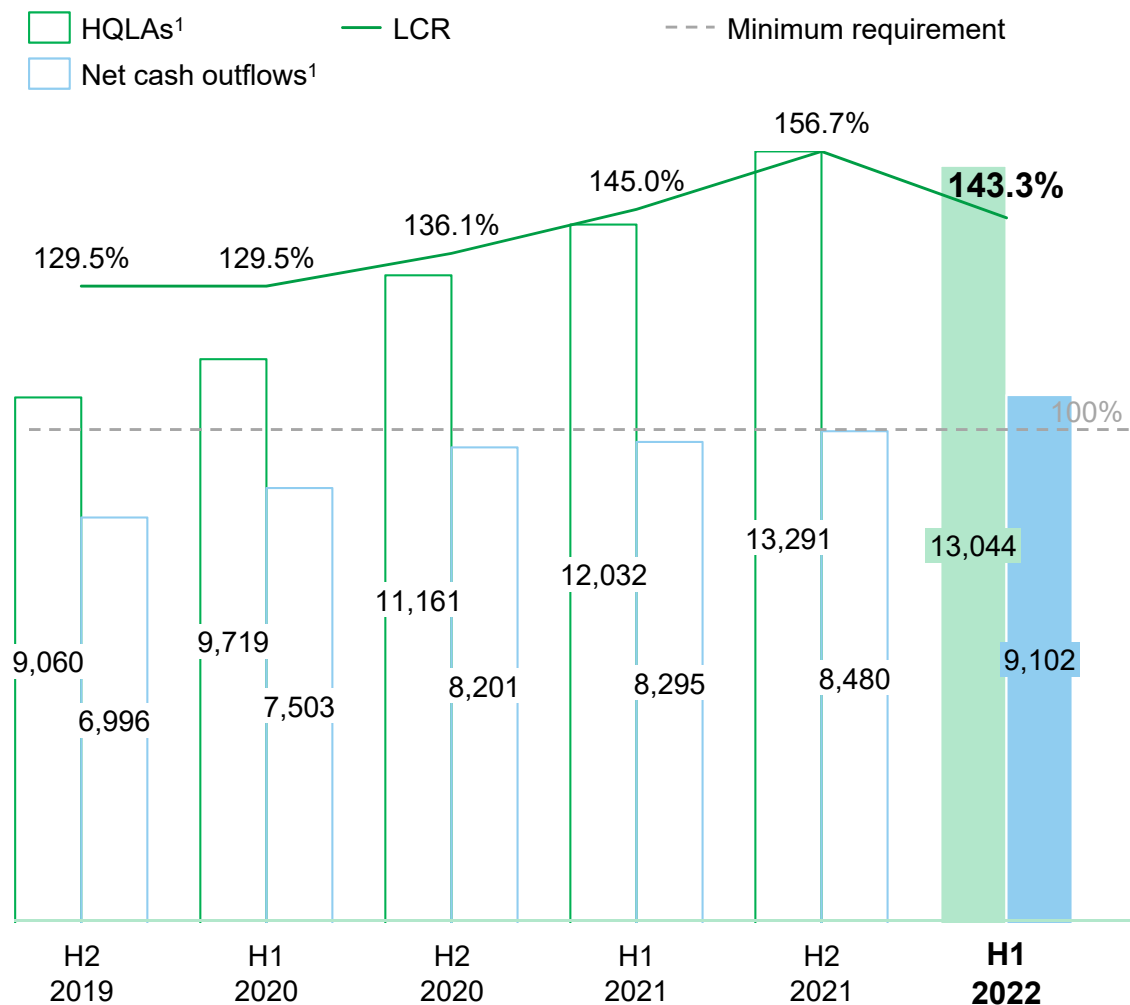
- CET1 ratio down, to 17.0 %, vs. requirement of 13.0%
- Reactivation of the countercyclical capital buffer on residential properties as of 30 September 2022, moving up the FINMA requirement to 14%

### Leverage ratio

- 24 bp decrease in the leverage ratio to 5.4%, vs. requirement of 3.0%

# Liquidity ratio (LCR)

CHF millions (rounded)

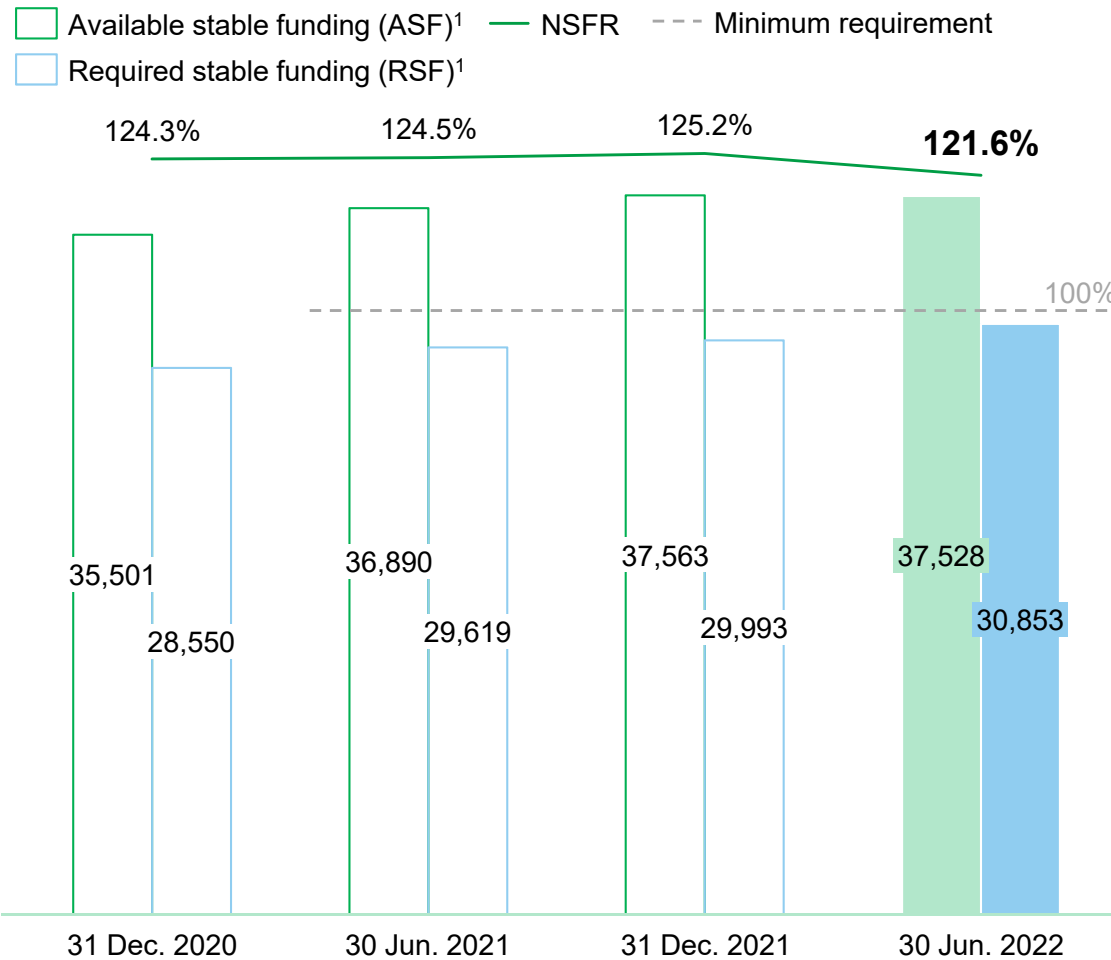


- LCR decreased by around 13 points vs. H2 2021 due mainly to increasing cash outflows
- Composition of the Bank's HQLAs
  - 78%: cash deposited with the SNB
  - 22%: mainly Swiss-issued, AAA- to AA-rated securities eligible as SNB collateral

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

# Net Stable Funding Ratio (NSFR)

CHF millions (rounded)



- Minimum requirement of 100% came into force on 1 July 2021
- NSFR dropped by almost 4 points vs. 31 Dec. 2021, with higher required stable funding (RSF) due mainly to increasing loans and mortgages

Note  
(1) Figures at month-end

Introduction

Pascal Kiener, CEO

HY 2022 financial results

Thomas W. Paulsen, CFO

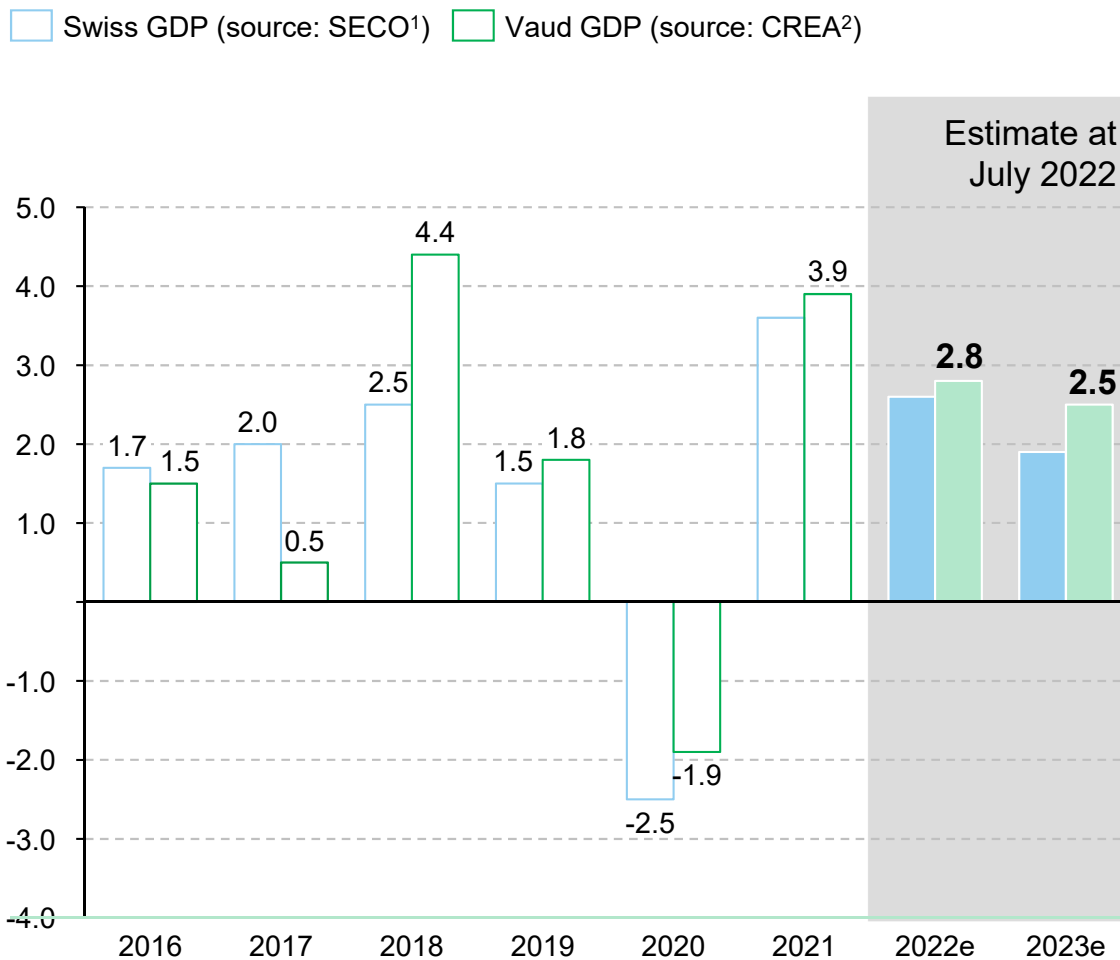
**Outlook**

**Pascal Kiener, CEO**



# Swiss and Vaud GDP growth

In %

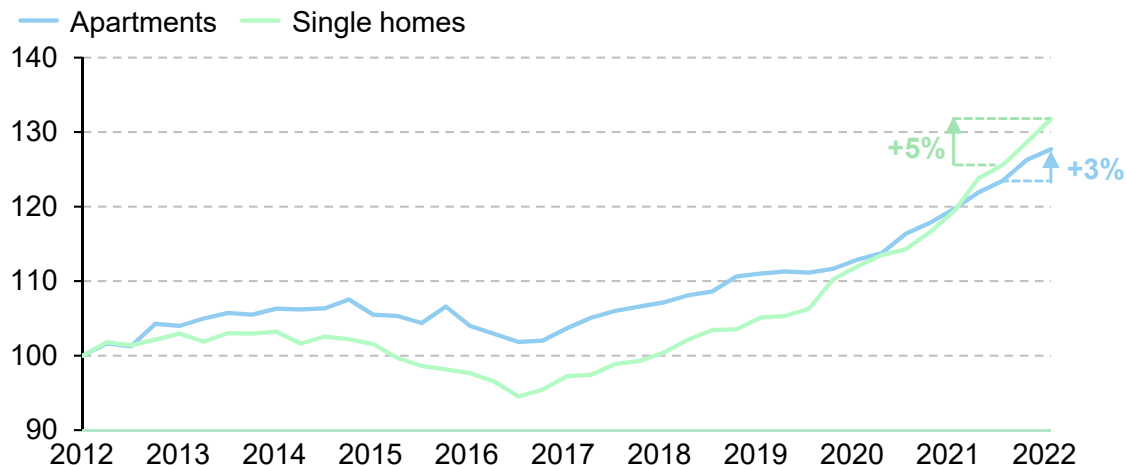


- Strong rebound in the economy in **2021**. Swiss and Vaud GDP increased by 3.6% and 3.9%, respectively
- In **2022**: inflation, rising interest rates and the geopolitical situation will weigh on growth estimates
- In **2023**: lower growth but no recession expected

Note

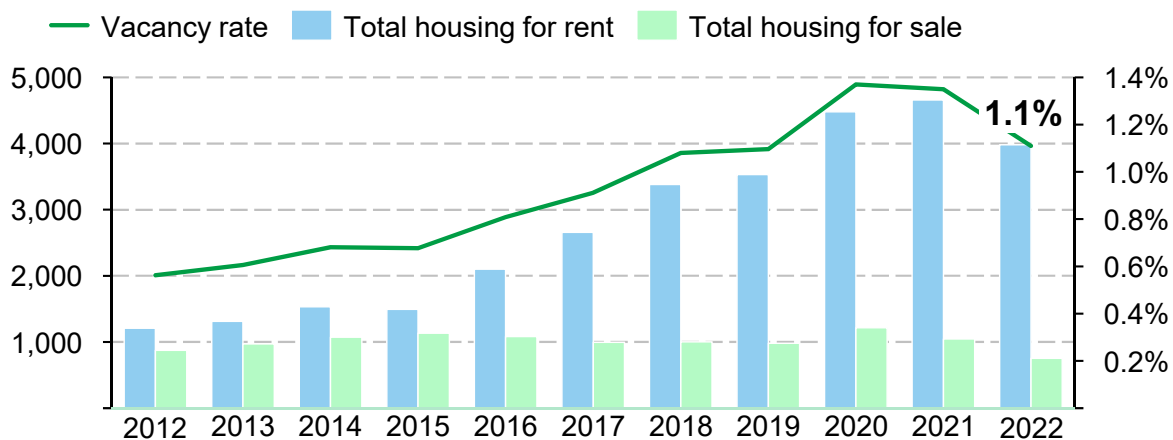
- (1) SECO = Switzerland's State Secretariat for Economic Affairs
- (2) CREA = Lausanne University's Créa Institute of Macroeconomics

## Transaction prices in Vaud (Basis 100 in Jun. 2012)



- Continuing increase in Vaud real-estate transaction prices since 2017
- Still dynamic real-estate market in H1
  - Up 3% YTD on apartments
  - Up 5% YTD on single-family homes
- Population growth of 1.1% in 2021, mainly driven by immigration (foreign + other Swiss cantons)

## Vacant housing in Vaud



- 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
- Reduced volume growth going forward on higher interest rates

Note  
Source: Wüest Partner, Statistique Vaud

H2 revenues expected to be lower than in H1 due to bearish financial markets and rising interest rates

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FY 2022 net profit expected to be in line with previous years, but lower than the near-record net profit posted in 2021

**Appendices**



# Income statement



CHF millions (rounded), unaudited figures

	H1 2022	H1 2021	Abs	%
Interest and discount income	240.1	241.9	-1.8	-1
Interest and dividend income from financial investments	8.7	9.2	-0.5	-6
Interest expense	-12.9	-14.6	-1.7	-11
<b>Net interest income before loan impairment charges/reversals</b>	<b>235.8</b>	<b>236.5</b>	<b>-0.7</b>	<b>-0</b>
Loan impairment charges/reversals	-0.6	-9.5	-8.9	-94
<b>Net interest income after loan impairment charges/reversals (NII)</b>	<b>235.2</b>	<b>227.0</b>	<b>+8.2</b>	<b>+4</b>
Fees and commissions on securities and investment transactions	152.2	149.4	+2.9	+2
Fees and commissions on lending operations	22.7	20.7	+1.9	+9
Fees and commissions on other services	35.2	32.9	+2.3	+7
Fee and commission expense	-30.7	-29.5	+1.2	+4
<b>Net fee and commission income</b>	<b>179.4</b>	<b>173.5</b>	<b>+5.9</b>	<b>+3</b>
Trading income on fixed-income instruments and equity securities	16.4	22.1	-5.7	-26
Trading income on foreign currencies, banknotes, and precious metals	70.7	56.6	+14.1	+25
Trading fee and commission expense	-4.0	-7.2	-3.1	-44
<b>Net trading income and fair-value adjustments</b>	<b>83.0</b>	<b>71.5</b>	<b>+11.5</b>	<b>+16</b>
Gains/losses on disposals of financial investments	10.0	3.3	+6.7	+200
Income from equity investments	3.8	3.0	+0.7	+24
Real-estate income	3.2	3.5	-0.3	-7
Miscellaneous ordinary income	11.0	11.4	-0.3	-3
Miscellaneous ordinary expenses	-1.4	0.0	+1.4	N/A
<b>Other ordinary income</b>	<b>26.7</b>	<b>21.2</b>	<b>+5.5</b>	<b>+26</b>
<b>Total income from ordinary banking operations</b>	<b>524.3</b>	<b>493.2</b>	<b>+31.2</b>	<b>+6</b>
Personnel costs	-177.7	-178.2	-0.5	-0
Other operating expenses	-83.1	-78.2	+4.9	+6
<b>Operating expenses</b>	<b>-260.9</b>	<b>-256.4</b>	<b>+4.5</b>	<b>+2</b>
Depreciation and amortization of fixed assets and impairment on equity investments	-36.0	-36.8	-0.9	-2
Other provisions and losses	-0.9	3.0	+3.9	+131
<b>Operating profit</b>	<b>226.6</b>	<b>202.9</b>	<b>+23.7</b>	<b>+12</b>
Extraordinary income	0.1	0.2	-0.1	-48
Extraordinary expenses	-0.0	-0.0	-0.0	-89
Taxes	-29.9	-29.8	+0.1	+0
<b>Net profit</b>	<b>196.8</b>	<b>173.3</b>	<b>+23.5</b>	<b>+14</b>
Minority interests	-0.0	-0.0	+0.0	+2
<b>Net profit attributable to BCV shareholders</b>	<b>196.8</b>	<b>173.3</b>	<b>+23.5</b>	<b>+14</b>

# Balance sheet



CHF millions (rounded), unaudited figures

	30 Jun. 2022	31 Dec. 2021	Abs	%
Cash and cash equivalents	12,923	12,600	+323	+3
Due from banks	1,906	952	+954	+100
Reverse repurchase agreements	171	158	+13	+8
Loans and advances to customers	6,488	6,209	+278	+4
Mortgage loans	30,049	29,373	+676	+2
Trading portfolio assets	219	200	+18	+9
Positive mark-to-market values of derivative financial instruments	1,073	368	+705	+192
Other financial assets at fair value	944	1,212	-268	-22
Financial investments	4,715	4,287	+429	+10
Accrued income and prepaid expenses	59	67	-8	-12
Non-consolidated holdings	86	86	0	0
Tangible fixed assets	374	393	-19	-5
Intangible assets	0	0	0	N/A
Other assets	46	46	-0	-0
<b>Assets</b>	<b>59,053</b>	<b>55,952</b>	<b>+3,101</b>	<b>+6</b>
Due to banks	4,005	3,378	+627	+19
Repurchase agreements	3,739	1,458	+2,281	+156
Customer deposits	37,931	38,195	-265	-1
Trading portfolio liabilities	3	2	+2	+109
Negative mark-to-market values of derivative financial instruments	546	273	+272	+100
Other financial liabilities at fair value	1,127	1,340	-214	-16
Medium-term notes	1	2	-1	-58
Bonds and mortgage-backed bonds	7,406	7,313	+93	+1
Accrued expenses and deferred income	122	139	-18	-13
Other liabilities	625	183	+442	+242
Provisions	24	24	-0	-1
<b>Liabilities</b>	<b>55,527</b>	<b>52,308</b>	<b>+3,219</b>	<b>+6</b>
Reserves for general banking risks	666	666	0	0
Share capital	86	86	0	0
Capital reserve	36	36	0	+1
Retained earnings	2,554	2,493	+60	+2
Currency translation reserve	-2	-2	-0	-4
Own shares	-11	-15	+4	+24
Minority interests in equity	0	0	0	+7
Net profit of the reporting period	197		+197	
Net profit for 2021		379	-379	
<i>of which minority interests</i>	0	0	-0	-48
<b>Shareholders' equity</b>	<b>3,526</b>	<b>3,644</b>	<b>-118</b>	<b>-3</b>
<b>Total liabilities and shareholders' equity</b>	<b>59,053</b>	<b>55,952</b>	<b>+3,101</b>	<b>+6</b>

# Key performance indicators

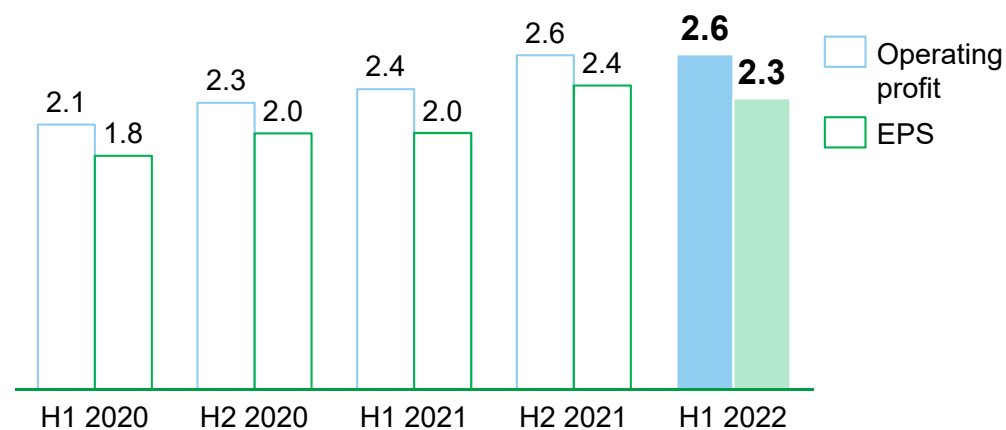


		31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	30 Jun. 2022
<b>Asset quality and balance sheet structure</b>	Impaired loans/ credit exposure	0.6%	0.5%	0.5%	0.4%	<b>0.4%</b>
	Customer deposits/ loans to customers	99%	101%	105%	107%	<b>104%</b>
	Liquidity Coverage Ratio (LCR)	113%	129%	136%	157%	<b>143%</b>
	Interest margin	1.10%	1.07%	0.94%	0.86%	<b>0.82%</b>
<b>Capital</b>	CET1 ratio <sup>1</sup>	17.1%	17.1%	17.7%	17.2%	<b>17.0%</b>
	<i>as of 30 Jun.</i>	16.4%	16.7%	17.7%	17.0%	
	Total capital ratio <sup>1</sup>	17.2%	17.3%	17.8%	17.3%	<b>17.1%</b>
<i>as of 30 Jun.</i>	16.5%	16.8%	17.9%	17.2%		
	Leverage ratio	6.2%	6.3%	5.8%	5.6%	<b>5.4%</b>
<b>Productivity</b>	Cost/income ratio (excl. goodwill amortization)	57.6%	57.7%	58.7%	56.7%	<b>56.5%</b>
<b>Financial performance</b>	ROE (net profit/average equity)	10.1%	10.4%	9.3%	10.7%	<b>10.8%</b>

Note

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

## Per share (CHF)<sup>1</sup>



## Stock price (CHF)



## Key figures

	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	30 Jun. 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	6.45
High / low prices YTD	823.00 / 688.00	820.00 / 708.00	101.40 / 67.50	101.60 / 67.30	84.20 / 70.70

Note

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



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**17 February 2022**

Full-year 2021  
results

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**5 May 2022**

Annual  
Shareholders'  
Meeting in Lausanne

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**18 August 2022**

Half-year 2022  
results

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**9 February 2023**

Full-year 2022  
results

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**4 April 2023**

Publication of the  
2022 Annual Report

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**4 May 2023**

Annual  
Shareholders'  
Meeting in Lausanne

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**17 August 2023**

Half-year 2023  
results

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