

2023 Full-Year Results

Analysts' presentation
8 February 2024



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Introduction

Pascal Kiener, CEO

FY 2023 financial results

Thomas W. Paulsen, CFO

Conclusion

Pascal Kiener, CEO

Business activity still firm as Vaud and Swiss economies show resilience

Revenues up 12% driven by positive interest rates

Record financial results: operating profit of CHF 541m and net profit of CHF 469m, both up 21%

Proposal to increase the 2023 dividend to CHF 4.30 per share; distribution target range raised

FY 2023 key figures

CHF (rounded)



Revenues

1.16bn

+12%

Operating profit

541m

+21%

Net profit

469m

+21%

Total assets

58.9bn

-1%

AuM

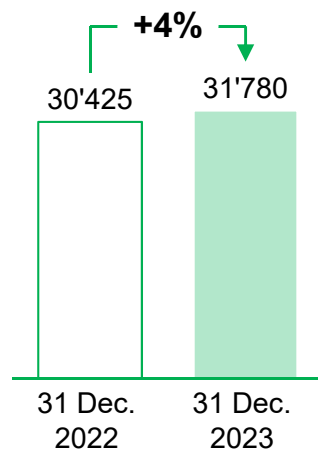
112.9bn

+4%

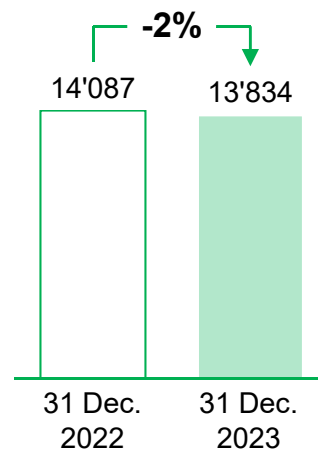
Main business trends

CHF millions (rounded)

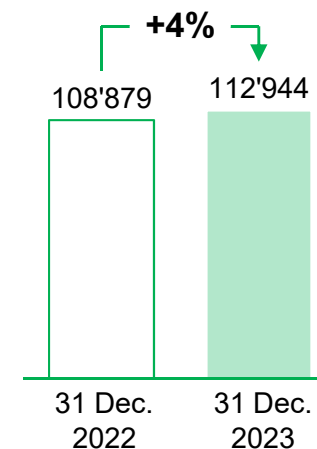
Mortgage loans



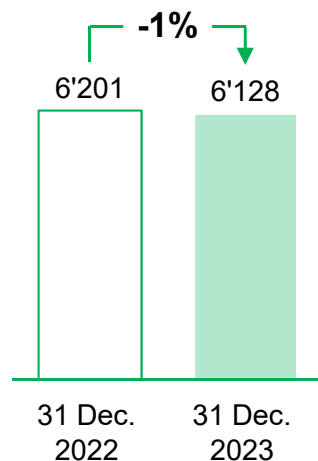
Sight deposits^{1,2}



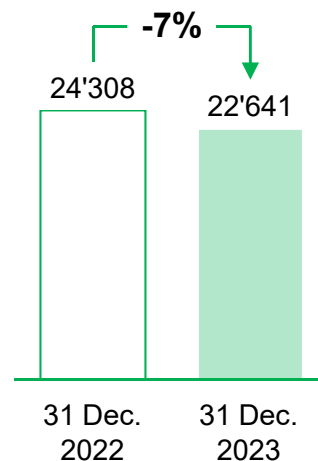
AuM³



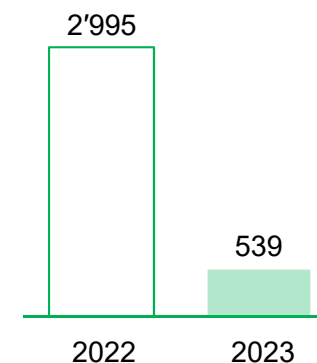
Other loans



Other client deposits²



Net new money³



Note

- (1) Including savings deposits
- (2) Aggregate change in the sum of the items Sight deposits and Other client deposits: -CHF 1.9bn (-5%), impacted by a treasury withdrawal by an institutional client
- (3) 2023 figure reflects the impact of a treasury withdrawal by an institutional client as well as an outflow of custody-only assets from another institutional client

Very solid financial and ESG ratings

Financial ratings



SD/D	CC	CCC-	CCC	CCC+	B-	B	B+	BB-	BB	BB+	BBB-	BBB	BBB+	A-	A	A+	AA-	AA	AA+	AAA
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C	Ca	Caa3	Caa2	Caa1	B3	B2	B1	Ba3	Ba2	Ba1	Baa3	Baa2	Baa1	A3	A2	A1	Aa3	Aa2	Aa1	Aaa
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ESG ratings



CCC	B	BB	BBB	A	AA	AAA
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Excl.	C	B-	B+	A-	A+
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F	D-	D	C-	C	B-	B	A-	A
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- Financial ratings reaffirmed. BCV is among the 20 best-rated banks in the world without an explicit government guarantee

- MSCI's second-highest rating
- "Leader" category

- Ethos' second-highest rating

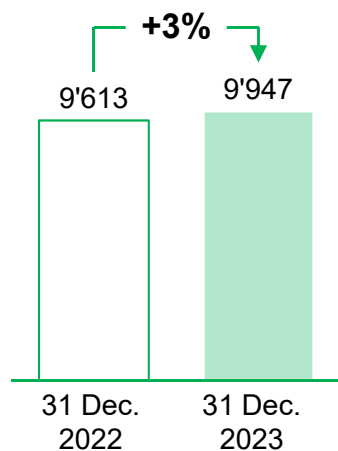
- Climate score

Retail Banking

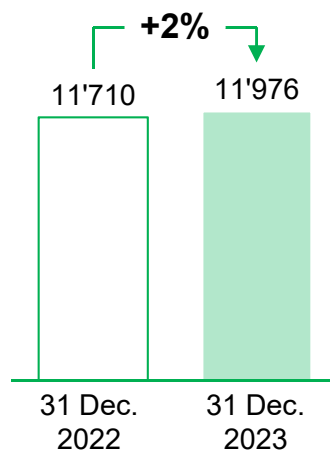
CHF millions (rounded)¹



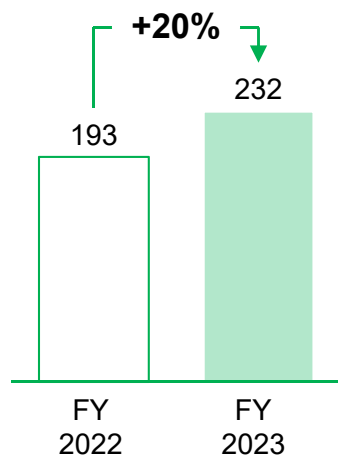
Mortgage loans



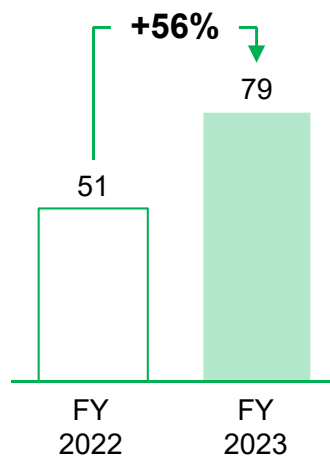
Customer deposits



Revenues



Operating profit

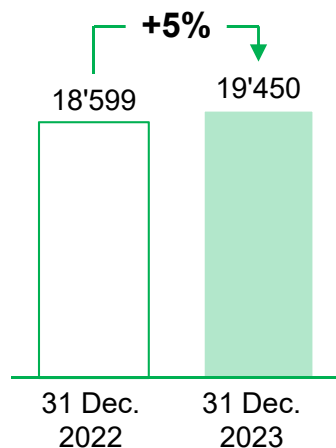


- Continuing rise in mortgage loans in a slowing real-estate market, especially during the first half
- Continuing cash inflows from customers
- Revenues and operating profit up

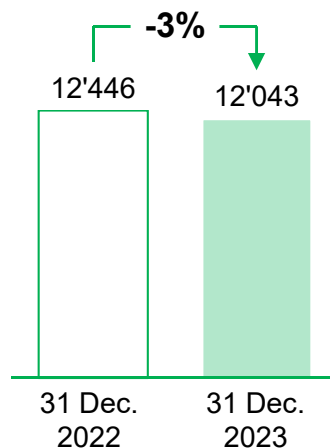
Note

(1) 2022 figures were adjusted to facilitate like-for-like comparison

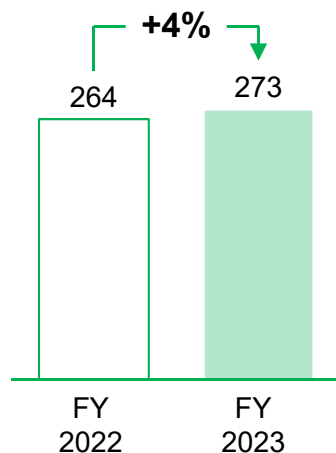
Loans/off-BS commitments



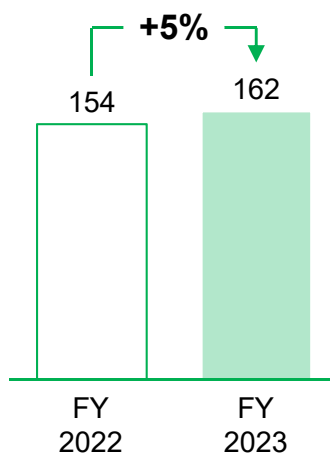
Customer deposits



Revenues



Operating profit



- SMEs
 - Loans/off-BS commitments (excl. Covid-19 bridge-loans) up 3%
 - Covid-19 bridge-loan repayments of CHF 131m in 2023 (ca. 70% of total Covid loanbook paid off)
 - Deposits up 4%
- Real-estate firms
 - Mortgages up 12%
 - Deposits down 4%
- Large Corporates
 - Loans/off-BS commitments up 15%
 - Deposits down 8% on a treasury withdrawal by an institutional client; up 25% excluding that withdrawal
- Trade Finance
 - Average business volumes down 28% on geopolitical tensions, lower commodity prices, and weaker US dollar
- Credit risk
 - Businesses resilient
 - Limited provisioning needs

Note

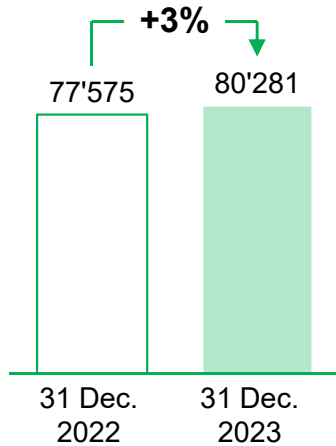
(1) 2022 figures were adjusted to facilitate like-for-like comparison

Wealth Management

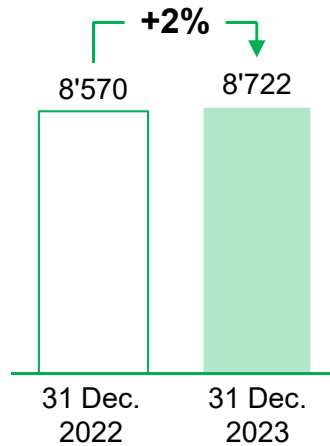
CHF millions (rounded)¹



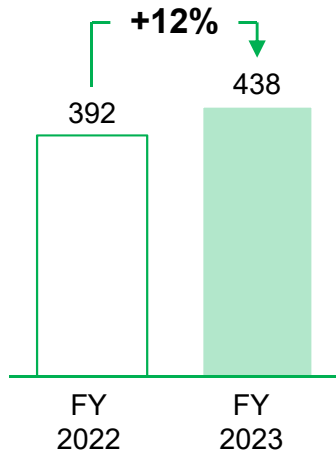
AuM



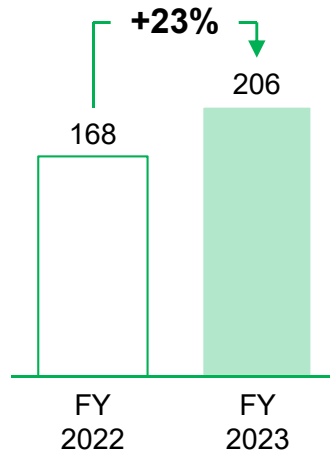
Mortgage loans



Revenues



Operating profit



- AuM higher thanks to positive market performance and NNM from both private banking and institutional clients
- Continuing rise in mortgage loans in a softening real-estate market, especially during the first half
- Revenues and operating profit strongly up on positive interest rates

Note

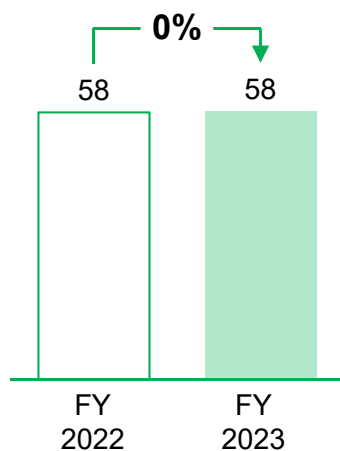
(1) 2022 figures were adjusted to facilitate like-for-like comparison

Trading

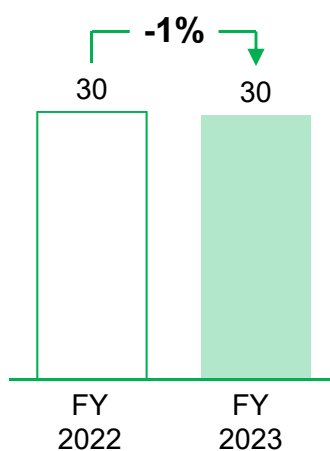
CHF millions (rounded)¹



Revenues

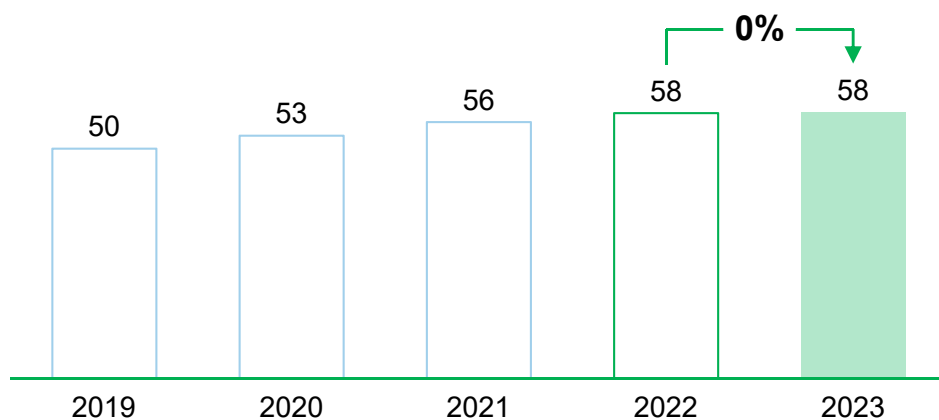


Operating profit



- Forex trading down – forex accounted for close to 60% of overall Trading revenues
- Structured products volumes up
- Revenues and operating profit stable

Revenues time series²



Note

- (1) 2022 figures were adjusted to facilitate like-for-like comparison
- (2) No adjustment except for 2022 to facilitate like-for-like comparison with 2023

Introduction
Pascal Kiener, CEO

FY 2023 financial results
Thomas W. Paulsen, CFO

Conclusion
Pascal Kiener, CEO

Income statement



CHF millions (rounded)

	FY 2022	FY 2023	Change	
Total income from ordinary banking operations	1,039	1,160	+121	+12%
Operating expenses	-517	-541	+24	+5%
Depreciation & amortization of fixed assets and impairment on equity investments	-70	-76	+6	+9%
Other provisions and losses	-5	-2	-3	-69%
Operating profit	448	541	+93	+21%
Net extraordinary income	1	2	+1	+56%
Taxes	-61	-74	+13	+22%
Net profit	388	469	+81	+21%

Total income from banking operations – focus on BSM



CHF millions (rounded)

Total income from ordinary banking operations

FY 2022		FY 2023			
1,039		1,160			+121 +12%
464		596		Net interest income (NII)	+132 +28%
343		339		Commissions & fees	-4 -1%
189	43	190	35	Trading income	+1 +1%
				Other	-8 -19%

- **Net interest income** – Up sharply
- **Commissions & fees** – Slightly down mainly due to lower Trade Finance volumes
- **Trading** – Stable
- **Other income** – Down, reflecting a real-estate disposal in the prior-year period

Impact of balance-sheet management (BSM) on NII and trading

FY 2022		FY 2023			
464		596			+132 +28%
502		654		NII before BSM	+152 +30%
-38		-58		Charges induced by BSM	+20 +53%
189		190			+1 +1%
108		101		Trading income before BSM	-7 -6%
81		89		Income from BSM	+8 +10%
+43		+31		Net income from BSM	-12 -28%

- **Economic net interest income** (i.e., NII before BSM + Net income from BSM) up CHF 140m
 - NII before BSM up CHF 152m
 - Net income from BSM down CHF 12m
- Client-driven **trading income** before BSM down CHF 7m to CHF 101m

Total income from banking operations – focus on NII



CHF millions (rounded)

Total income from ordinary banking operations

		1,039	1,160	+121	+12%
		464	596	+132	+28%
		343	339	-4	-1%
		189	190	+1	+1%
		43	35	-8	-19%
FY 2022	FY 2023				

- **Net interest income** – Up sharply
- **Commissions & fees** – Slightly down mainly due to lower Trade Finance volumes
- **Trading** – Stable
- **Other income** – Down, reflecting a real-estate disposal in the prior-year period

Net interest income

		462	597	+135	+29%
		3	-1	+4	+120%
		464	596	+132	+28%
FY 2022	FY 2023				

- **NII before loan impairment charges/reversals** – Strongly up on positive interest rates
- **Loan impairment charges/reversals** – Low new provisioning needs

Operating expenses, depreciation and amortization



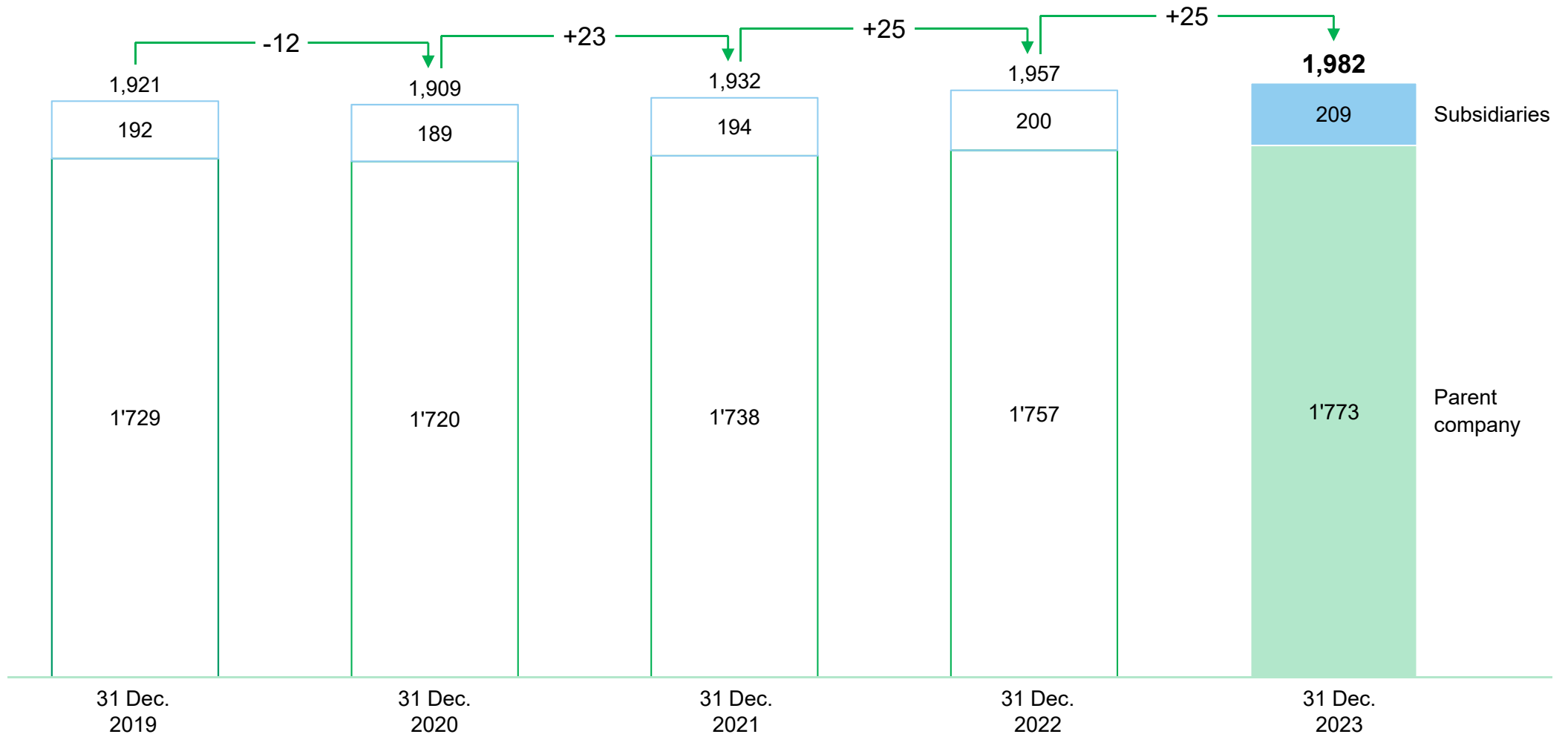
CHF millions (rounded)

	FY 2022	FY 2023		
	586	617		+31 +5%
	353	364	Personnel costs	+11 +3%
	164	177	Other operating expenses	+13 +8%
	70	76	Depreciation & amortization	+6 +9%
	FY 2022	FY 2023		

- **Personnel costs** up due to salary increases
- **Other operating expenses** up, mainly reflecting higher costs on IT and financial information providers, as well as the general inflationary environment
- **Depreciation & amortization** up

Headcount

Full-time equivalents at period-end



Assets

CHF billions (rounded)



31 Dec. 2022	31 Dec. 2023		-0.5	-1%
59.4	58.9			
12.9	12.6	Cash and equivalents	-0.3	-2%
1.3	0.7	Due from banks and reverse repo agreements	-0.6	-48%
6.2	6.1	Loans and advances to customers	-0.1	-1%
30.4	31.8	Mortgage loans	+1.4	+4%
5.8	5.2	Financial investments	-0.6	-10%
2.8	2.5	Other assets	-0.3	-12%

- **Cash and equivalents** – Slight decrease 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 real-estate market showing some signs of slowdown
- **Financial investments** – SNB bill redemptions

Liabilities and equity

CHF billions (rounded)



	31 Dec. 2022	31 Dec. 2023		-0.5	-1%
	59.4	58.9			
	7.0	7.9	Due to banks	+0.9	+14%
	38.4	36.5	Customer deposits	-1.9	-5%
	7.9	8.4	Bonds and mortgage-backed bonds	+0.5	+6%
	2.4	2.2	Other liabilities	-0.2	-8%
	3.71	3.86	Shareholders' equity	+0.15	+4%

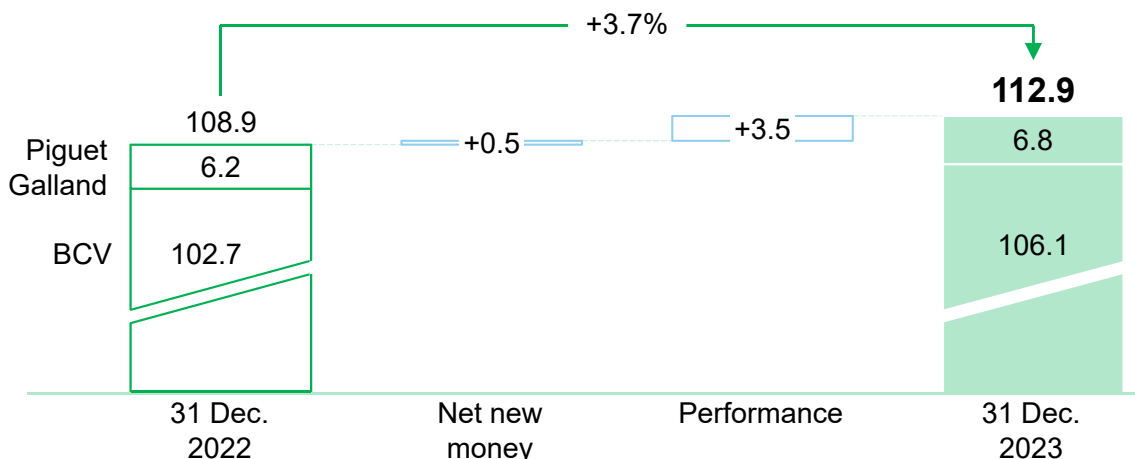
- **Customer deposits** up across all business lines, offset by a treasury withdrawal by an institutional client
- **Bonds and mortgage-backed bonds** – Continuous increase in debt issued by the cantonal banks' Swiss Pfandbriefzentrale (mortgage bond institution)
- **Shareholders' equity** – Ongoing increase

Assets under management

CHF billions (rounded)

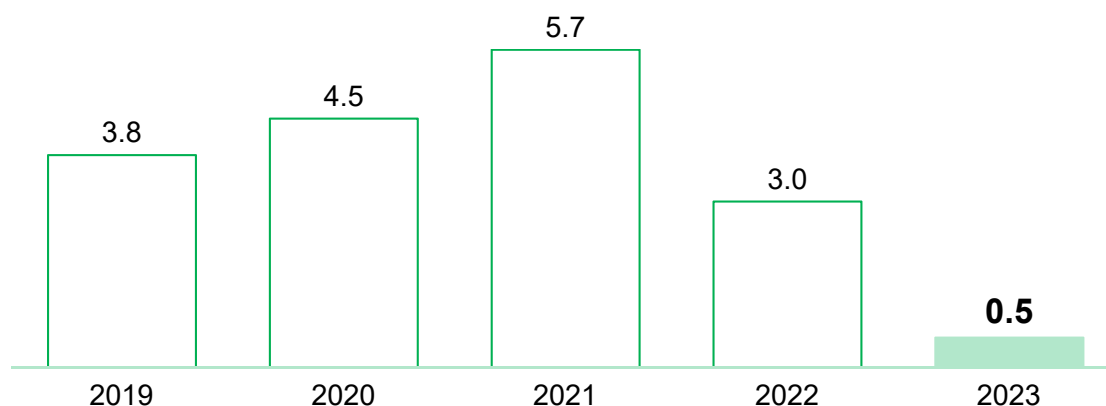


Assets under management



- AuM up 3.7% to CHF 112.9bn
 - Market performance of +CHF 3.5bn (+3.2%)
 - Net new money of CHF 0.5bn (+0.5%)

Net new money



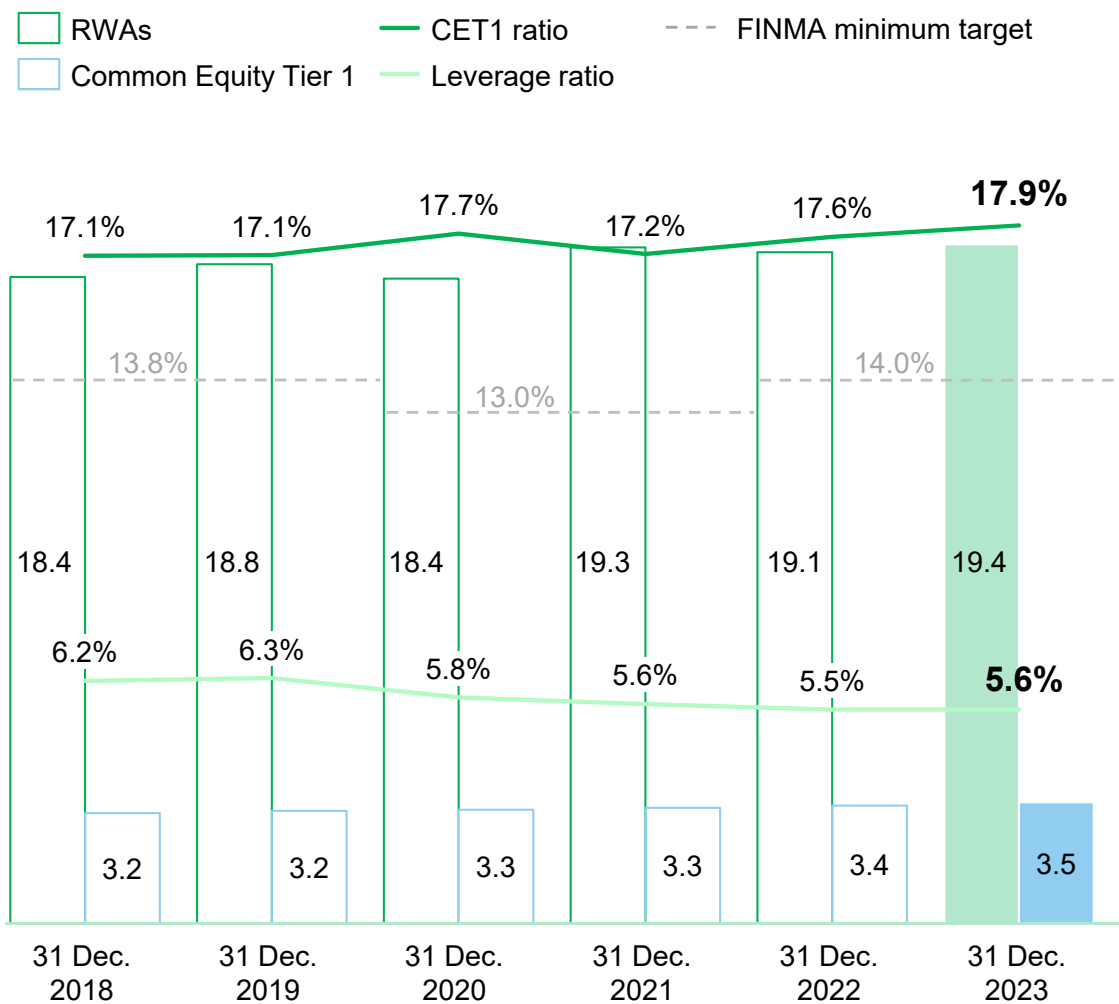
- Yearly onshore net inflows of CHF 0.6bn:
 - Positive net inflows across all business lines (individuals, SMEs, large corporates and institutionals)
 - Outflows concerning a treasury withdrawal by an institutional client and custody-only assets from another institutional client
- Negligible yearly offshore net outflows (-CHF 0.1bn)

Capital ratios

CHF billions (rounded)



Risk-weighted assets and CET1 ratio



CET1 ratio

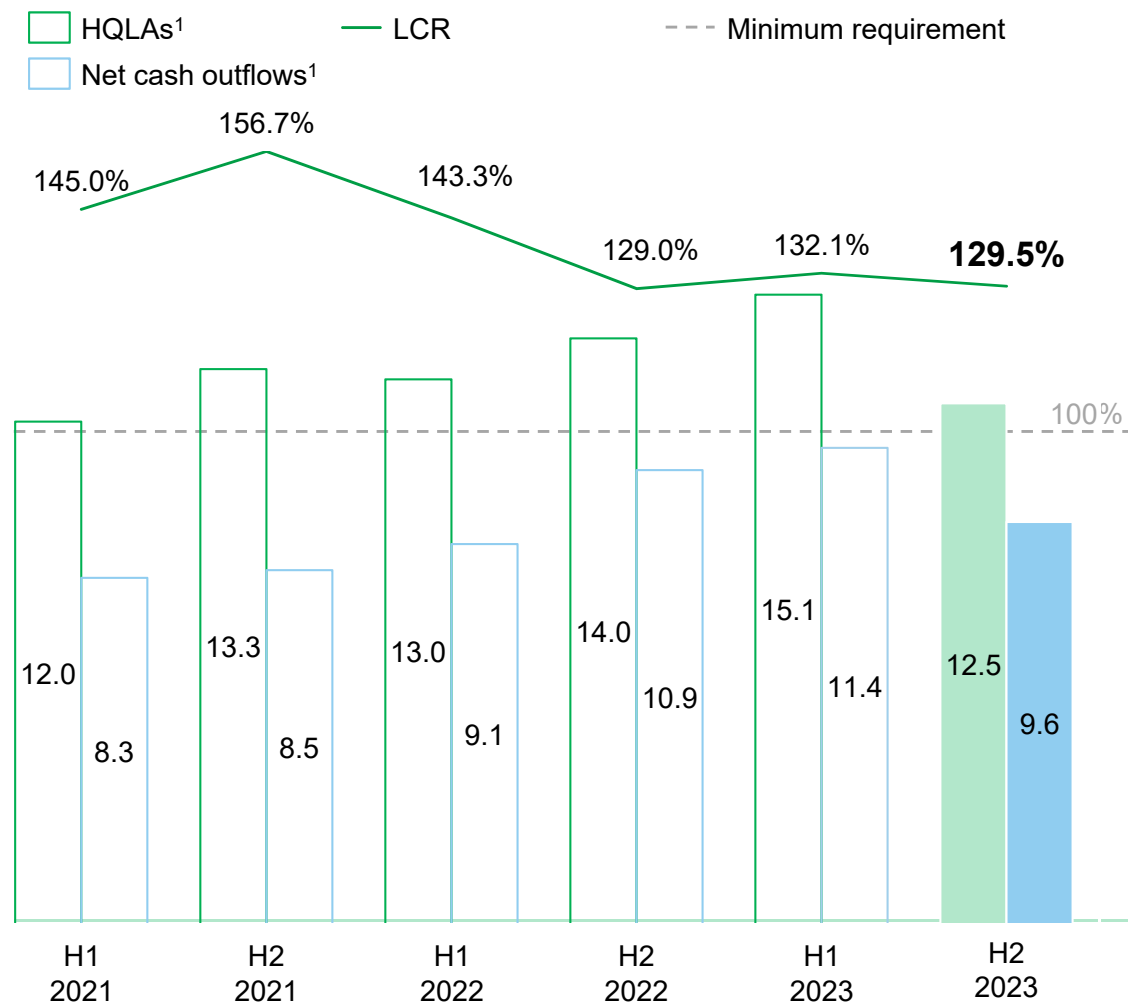
- CET1 ratio up, to 17.9%, vs. requirement of 14.0% based on total capital ratio
- Higher CET1 amount due to higher retained earnings

Leverage ratio

- 11 bp increase to 5.6%, vs. requirement of 3.0%

Liquidity ratio (LCR)

CHF billions (rounded)

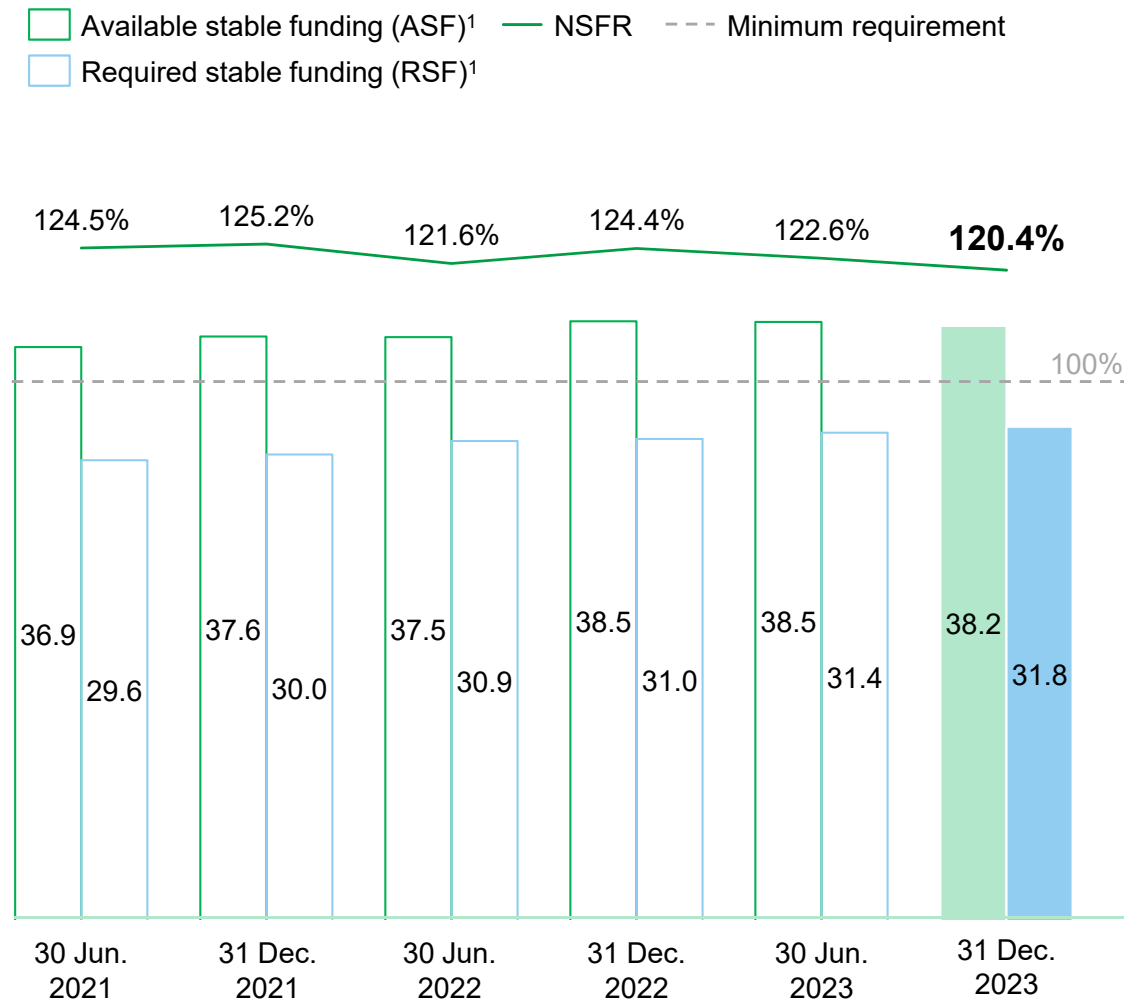


- LCR broadly stable (down 2.5 points vs. H1 2023)
- Symmetrical decrease in HQLAs and Net cash outflows due to lower volumes in balance-sheet management transactions following the reduction in available liquidity in the interbank market after SNB's balance-sheet reduction
- Composition of the Bank's HQLAs :
 - 70%: cash deposited with the SNB
 - 30%: mainly Swiss-issued, AAA to AA-rated securities eligible as SNB collateral

Note
(1) Average of figures at month-end

Net Stable Funding Ratio (NSFR)

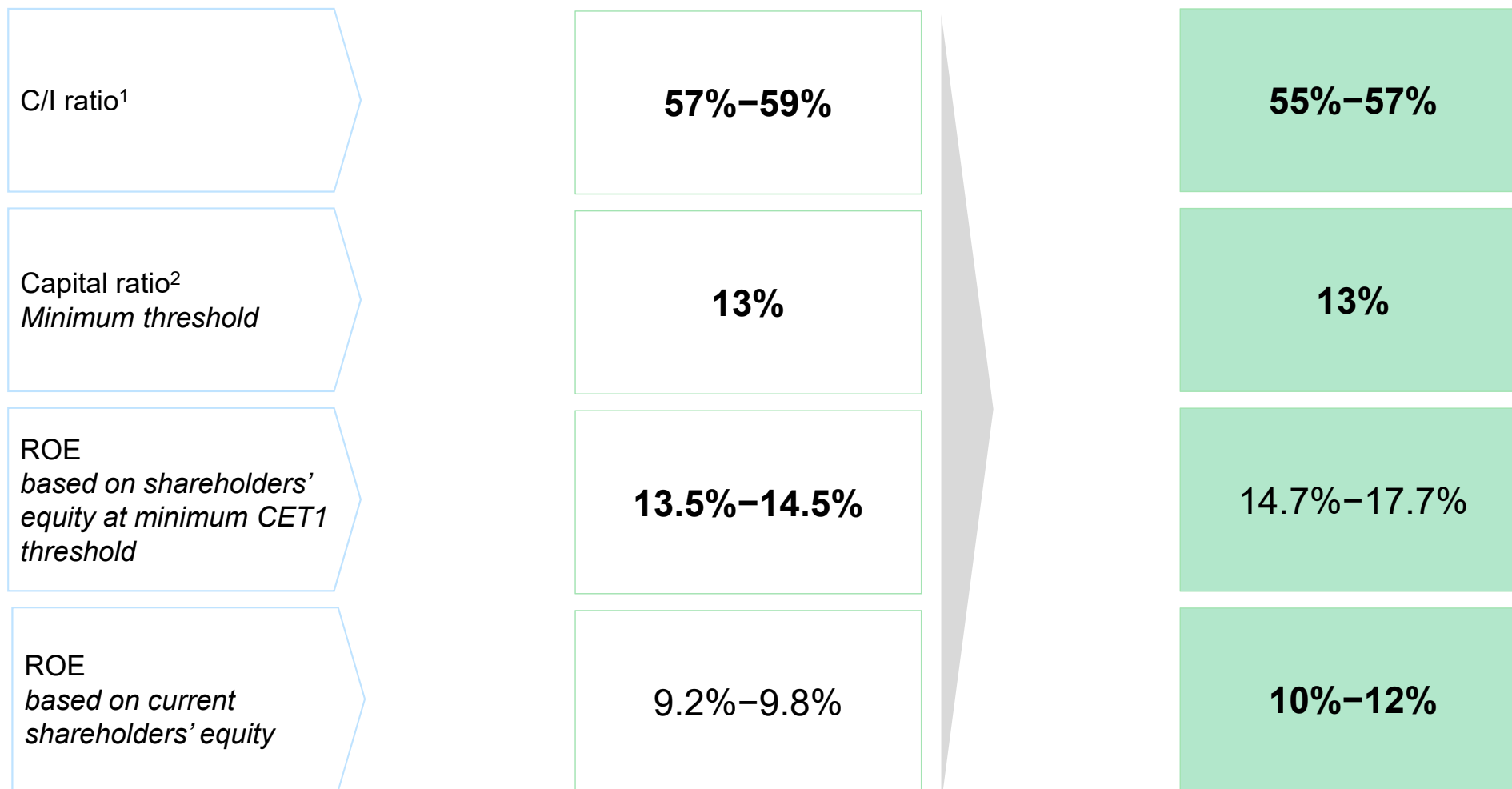
CHF billions (rounded)



- Minimum requirement of 100% came into force on 1 July 2021
- NSFR dropped by almost 2 points vs. 30 Jun. 2023:
 - Higher required stable funding (RSF), mainly due to increasing loans and mortgages
 - Slightly lower available stable funding (ASF), reflecting slightly lower retail deposits

Note
(1) Figures at month-end

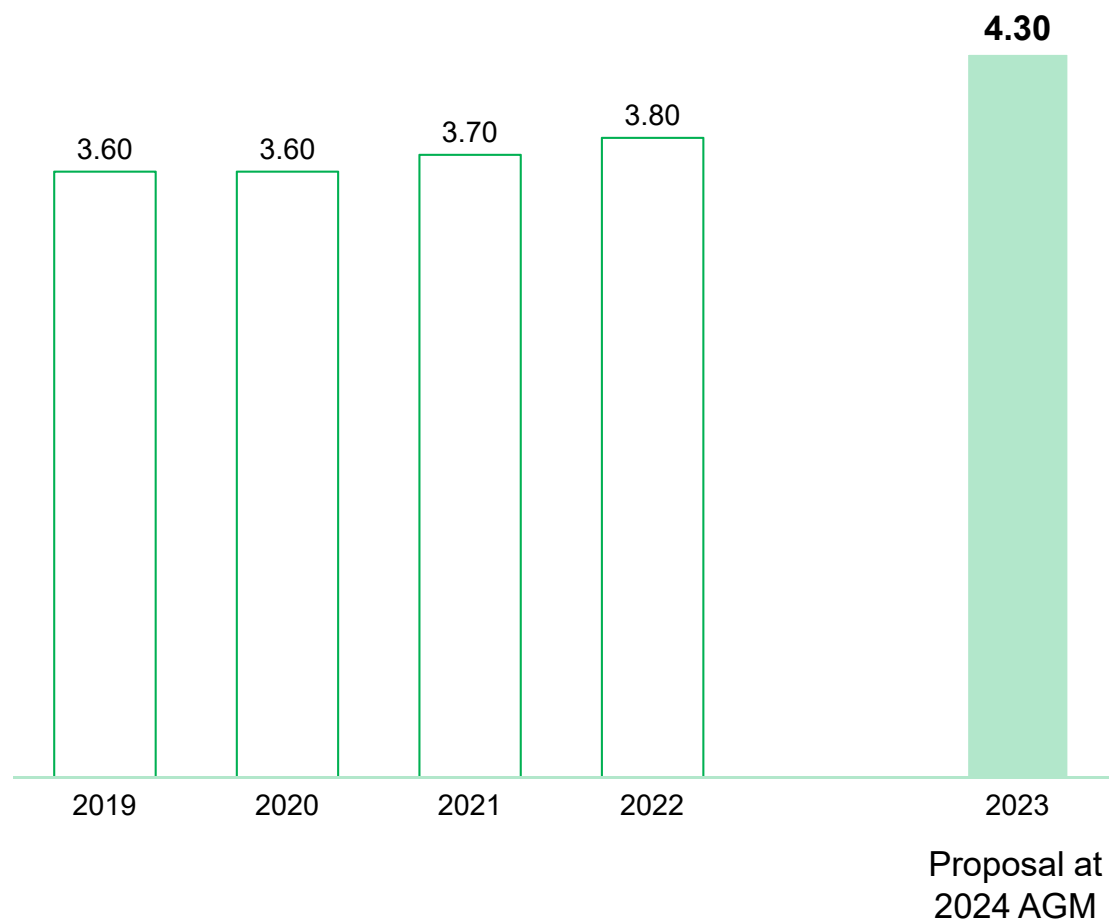
New target ratios



Note
 (1) Operating expenses + Depreciation and amortization (excl. goodwill amortization) / Total income from ordinary banking operations
 (2) Common Equity Tier 1 at Group level and parent company level

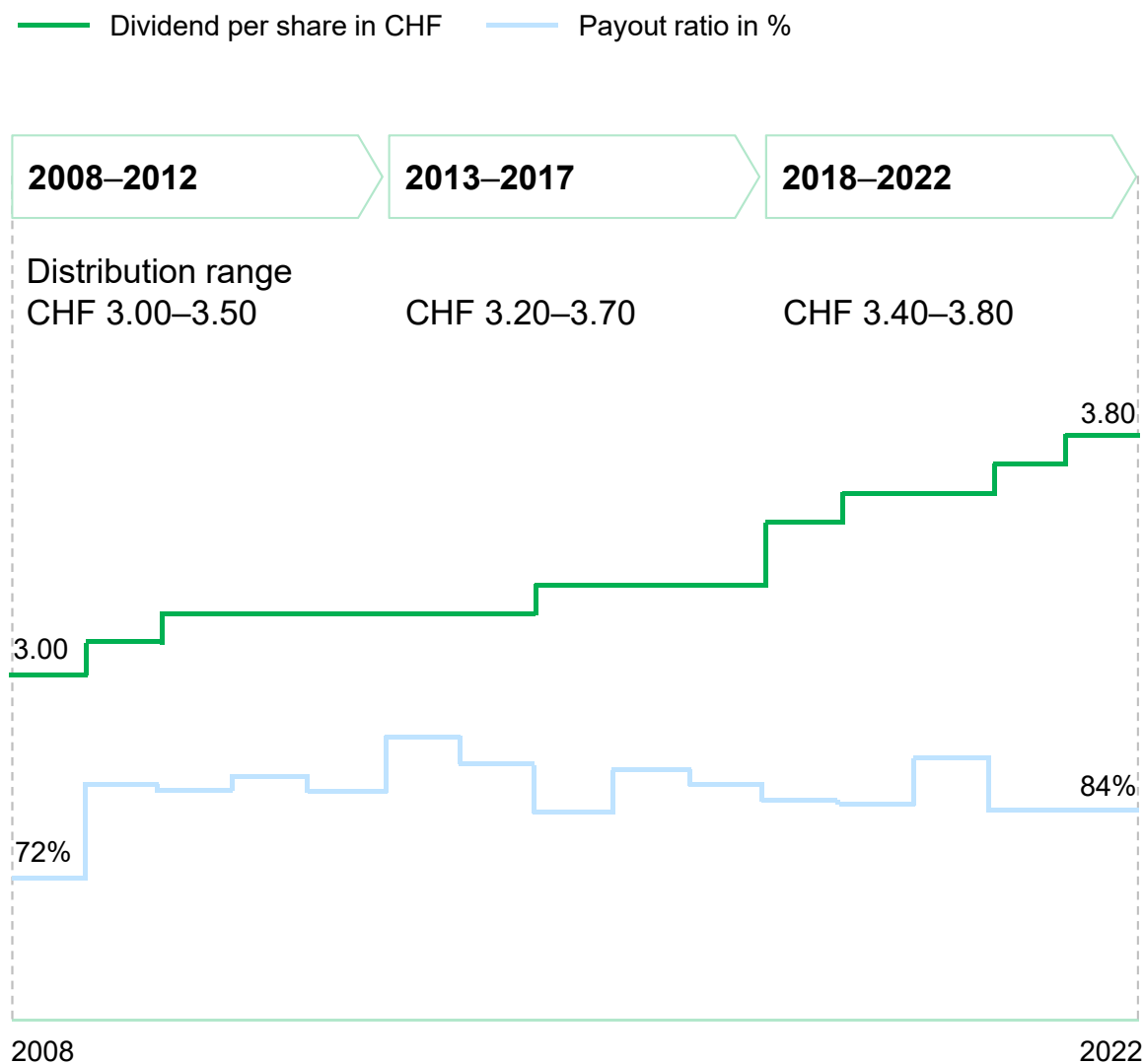
2023 dividend

CHF per share



- Proposal at 2024 AGM: increase the ordinary dividend to CHF 4.30 per share (CHF +0.50)
 - Total payout: CHF 370m
 - 79% of 2023 net profit

New five-year distribution range



2023–2027

CHF 4.30–4.70¹

Distribution policy extended using the same approach:

- Distribution range in CHF
- Five-year time horizon
- Stable or higher, barring significant changes in the economic or regulatory environment or in the Bank's situation

Note
 (1) Higher distribution range compared to that previously announced on 9 February 2023 between CHF 3.80 and CHF 4.20 per share

Introduction

Pascal Kiener, CEO

FY 2023 financial results

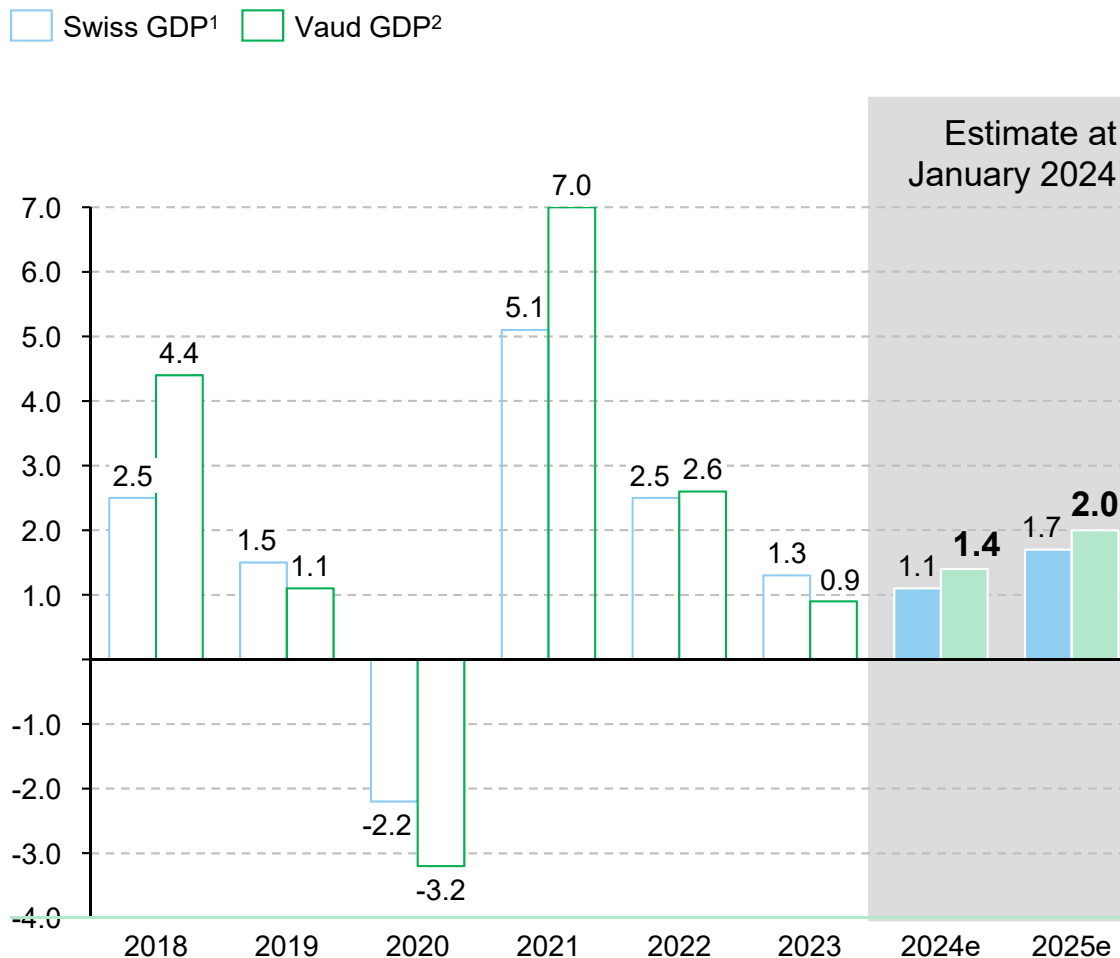
Thomas W. Paulsen, CFO

Conclusion

Pascal Kiener, CEO

Swiss and Vaud GDP growth

In %



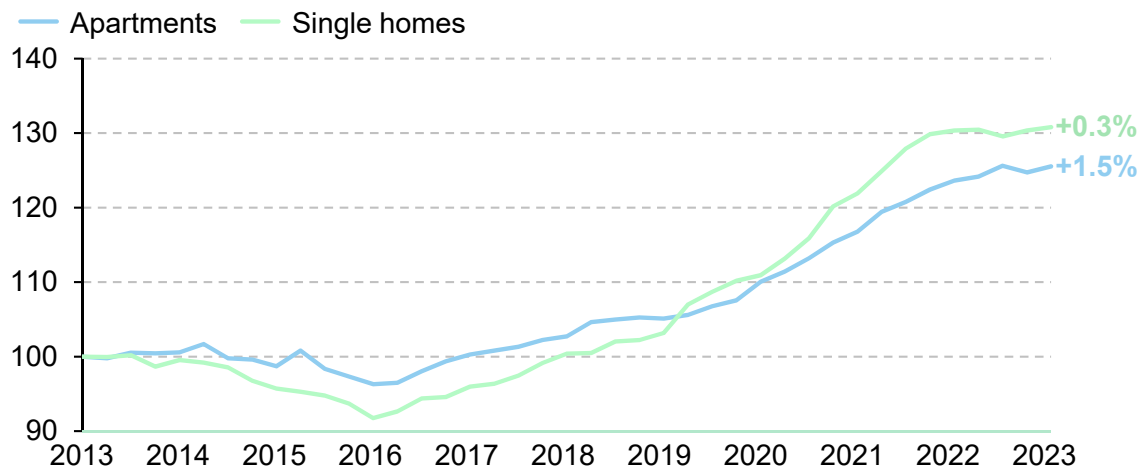
Note

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

(2) Source: Commission Conjoncture vaudoise

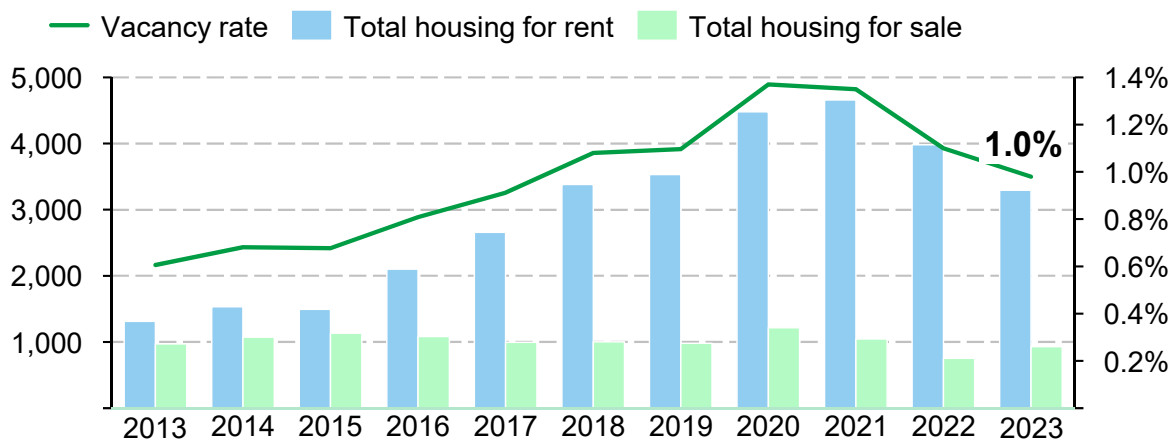
- Sluggish macro trends among Switzerland's main trade partners, with Switzerland's economy expected to be more resilient
- Swiss GDP growth should reach 1–1.2%. No sign of recession so far:
 - Steady population growth underpinned by robust immigration
 - Very low unemployment rate
 - Inflation rate back within SNB's target range

Transaction prices in Vaud (Basis 100 in Dec. 2013)



- Vaud real-estate transaction prices again up slightly after levelling off in 2022
- Real-estate market in 2023
 - Up 1.5% on apartments
 - Up 0.3% on single-family homes
- Prices supported by relatively low interest rates and strong demand driven by immigration

Vacant housing in Vaud



- For the third consecutive year, 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

Note
Source: Wüest Partner, Statistique Vaud

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

Financial results are expected to come in below the record 2023 numbers

Appendices



Income statement



CHF millions (rounded)

	FY 2023	FY 2022	Abs	%
Interest and discount income	936.0	524.5	+411.5	+78
Interest and dividend income from financial investments	36.7	21.4	+15.3	+71
Interest expense	-376.0	-84.2	+291.8	+346
Net interest income before loan impairment charges/reversals	596.7	461.7	+135.0	+29
Loan impairment charges/reversals	-0.5	2.8	+3.3	+120
Net interest income after loan impairment charges/reversals (NII)	596.1	464.5	+131.7	+28
Fees and commissions on securities and investment transactions	288.4	291.6	-3.2	-1
Fees and commissions on lending operations	30.5	39.1	-8.7	-22
Fees and commissions on other services	79.3	73.1	+6.2	+9
Fee and commission expense	-59.1	-60.4	-1.4	-2
Net fee and commission income	339.1	343.4	-4.3	-1
Trading income on fixed-income instruments and equity securities	27.9	27.5	+0.4	+2
Trading income on foreign currencies, banknotes, and precious metals	169.8	168.7	+1.0	+1
Trading fee and commission expense	-7.6	-7.5	+0.1	+2
Net trading income and fair-value adjustments	190.1	188.7	+1.4	+1
Gains/losses on disposals of financial investments	0.5	10.1	-9.6	-95
Income from equity investments	6.8	5.5	+1.3	+23
Real-estate income	5.0	6.6	-1.6	-24
Miscellaneous ordinary income	23.4	22.9	+0.5	+2
Miscellaneous ordinary expenses	-1.0	-2.3	-1.2	-54
Other ordinary income	34.6	42.8	-8.2	-19
Total income from ordinary banking operations	1,160.0	1,039.4	+120.6	+12
Personnel costs	-364.1	-352.9	+11.2	+3
Other operating expenses	-176.6	-163.7	+12.9	+8
Operating expenses	-540.8	-516.7	+24.1	+5
Depreciation and amortization of fixed assets and impairment on equity investments	-76.1	-69.6	+6.4	+9
Other provisions and losses	-1.7	-5.4	-3.8	-69
Operating profit	541.5	447.7	+93.8	+21
Extraordinary income	1.9	1.2	+0.7	+56
Extraordinary expenses	-0.0	-0.0	+0.0	n/a
Taxes	-74.2	-60.6	+13.6	+22
Net profit	469.2	388.3	+80.9	+21
Minority interests	-0.0	-0.0	+0.0	n/a
Net profit attributable to BCV shareholders	469.2	388.3	+80.8	+21

Balance sheet



CHF millions (rounded)

	31 Dec. 2023	31 Dec. 2022	Abs	%
Cash and cash equivalents	12,602	12,916	-314	-2
Due from banks	662	1,187	-525	-44
Reverse repurchase agreements	0	79	-79	-100
Loans and advances to customers	6,128	6,201	-72	-1
Mortgage loans	31,780	30,425	+1,355	+4
Trading portfolio assets	229	206	+23	+11
Positive mark-to-market values of derivative financial instruments	719	1,160	-442	-38
Other financial assets at fair value	934	897	+37	+4
Financial investments	5,196	5,757	-560	-10
Accrued income and prepaid expenses	122	70	+52	+74
Non-consolidated holdings	87	87	0	0
Tangible fixed assets	381	376	+5	+1
Intangible assets	0	0	0	n/a
Other assets	30	37	-7	-20
Assets	58,870	59,397	-527	-1
Due to banks	5,953	5,975	-22	-0
Repurchase agreements	1,977	1,008	+969	+96
Customer deposits	36,475	38,395	-1,920	-5
Trading portfolio liabilities	2	3	-1	-26
Negative mark-to-market values of derivative financial instruments	426	450	-23	-5
Other financial liabilities at fair value	1,132	1,006	+127	+13
Medium-term notes	2	-	+2	n/a
Bonds and mortgage-backed bonds	8,443	7,942	+500	+6
Accrued expenses and deferred income	182	154	+29	+19
Other liabilities	400	725	-325	-45
Provisions	22	27	-5	-18
Liabilities	55,015	55,683	-669	-1
Reserves for general banking risks	666	666	0	0
Share capital	86	86	0	0
Capital reserve	35	35	0	+1
Retained earnings	2,615	2,554	+61	+2
Currency translation reserve	-2	-2	-0	-7
Own shares	-14	-14	-0	-2
Minority interests in equity	0	0	0	n/a
Net profit	469	388	+81	+21
<i>of which minority interests</i>	0	0	-0	n/a
Shareholders' equity	3,855	3,713	+142	+4
Total liabilities and shareholders' equity	58,870	59,397	-527	-1

Key performance indicators

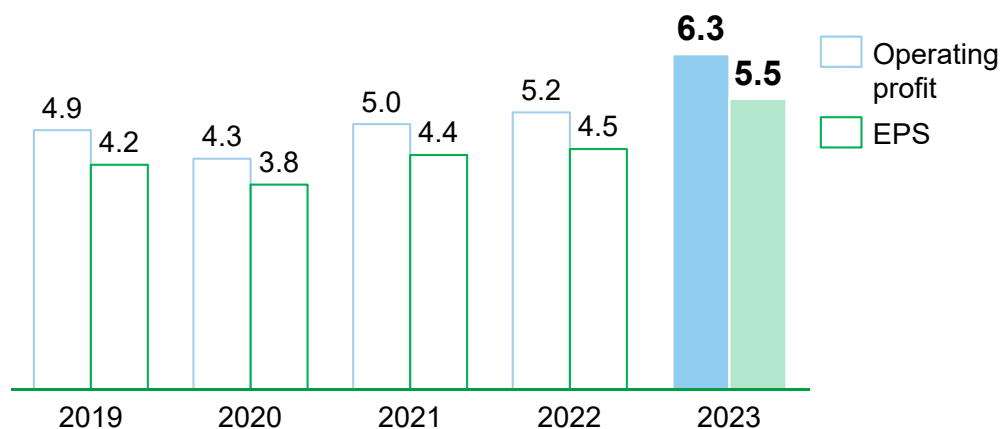


		31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022	31 Dec. 2023
Asset quality and balance sheet structure	Impaired loans/ credit exposure	0,5%	0.5%	0.4%	0.4%	0.3%
	Customer deposits/ loans to customers	101%	105%	107%	105%	96%
	Liquidity Coverage Ratio (LCR)	129%	136%	157%	129%	129%
	Interest margin	1.07%	0.94%	0.86%	0.79%	1.01%
Capital	CET1 ratio ¹	17.1%	17.7%	17.2%	17.6%	17.9%
	Leverage ratio	6.3%	5.8%	5.6%	5.5%	5.6%
Productivity	Cost/income ratio (excl. goodwill amortization)	57.7%	58.7%	56.7%	56.6%	53.2%
Financial performance	ROE (net profit/average equity)	10.4%	9.3%	10.7%	10.7%	12.5%

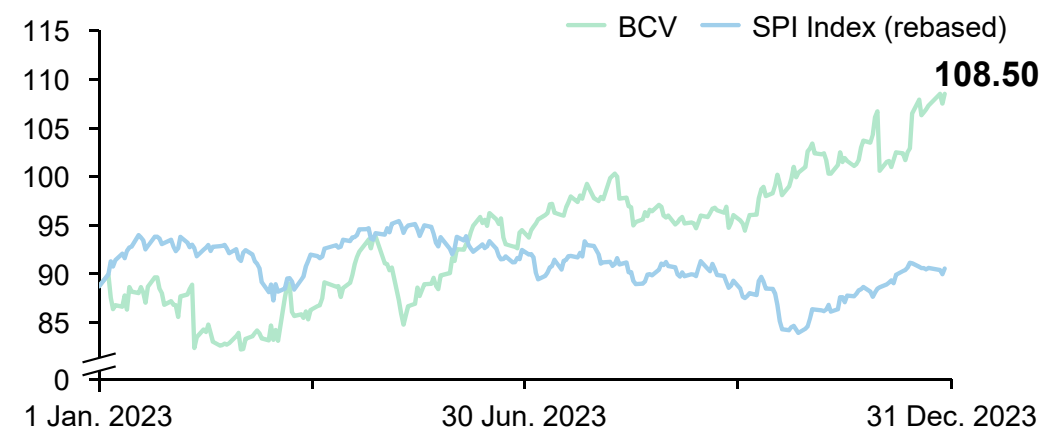
Note

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

Per share (CHF)¹



Stock price (CHF)



Key figures

	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022	31 Dec. 2023
Number of issued shares	8,606,190	86,061,900	86,061,900	86,061,900	86,061,900
Market capitalization (CHF billions)	6.80	8.29	6.09	7.64	9.34
High / low prices YTD	820.00 / 708.00	101.40 / 67.50	101.60 / 67.30	98.80 / 70.70	108.50 / 81.20

Note

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

8 February 2024

Full-year 2023
results

25 March 2024

Publication of the
2023 Annual and
Sustainability reports

25 April 2024

Annual
Shareholders'
Meeting in Lausanne

29 April 2024

Ex-dividend date¹

30 April 2024

Dividend record
date¹

2 May 2024

Dividend payment¹

22 August 2024

Half-year 2024
results

Note

(1) Total amount distributed to shareholders in the form of an ordinary dividend of CHF 4.30 per share, subject to approval at the Annual Shareholders' Meeting