



BCV at a glance 2022



BCV at a glance

Key figures

(in CHF millions)	2022	2021	Change as %
Total assets	59 397	55 952	+ 6
Total income	1 039	1 005	+ 3
Operating profit	448	429	+ 4
Net profit	388	379	+ 3
Assets under management	108 879	112 887	- 4

Ratios

Cost/income ratio ¹	56.6%	56.7%
ROE	10.7%	10.7%
Tier 1 capital ratio	17.6%	17.2%
Total capital ratio	17.7%	17.3%

¹ Excluding goodwill amortization and write-downs

2022 highlights

Central banks tightened monetary policy and the economic outlook worsened

- Faced with strong inflationary pressure, central banks had to act swiftly and aggressively last year. The US Federal Reserve raised interest rates seven times and the European Central Bank four times. The Swiss National Bank hiked its policy rate by 175 basis points in just six months, bringing an end to nearly eight years of negative interest rates in Switzerland.
- At the same time, economic growth slowed in many countries, sparking fears of recession. Although forecasts for Switzerland were downgraded several times, growth remained positive in 2022 at around 2%.

We delivered very strong financial results – the highest since 2007

- Our revenues were once again above CHF 1bn, rising 3% on the prior year.
- Operating profit grew 4% to CHF 448m, as we kept the rise in operating expenses under firm control.
- Net profit increased 3% year on year to CHF 388m, corresponding to an ROE of 10.7% – one of the highest in our peer group.

We extended our distribution policy

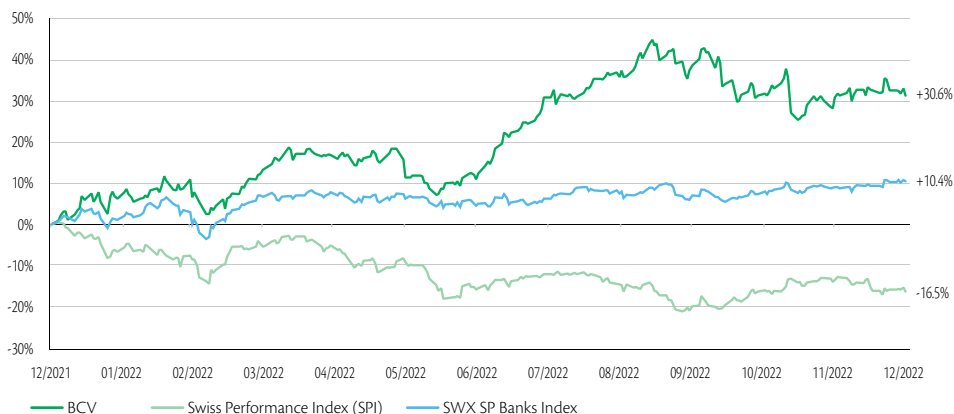
- Given the strength of our results, the Board of Directors is recommending that shareholders approve an ordinary dividend of CHF 3.80 per share, up CHF 0.10 on the prior-year figure, for a total payout of CHF 327m (84% of our net profit).
- In line with the approach adopted over the last 15 years, BCV extended its distribution policy for another five years with a higher dividend range. Beginning with the 2023 reporting period, we intend to pay an ordinary dividend of CHF 3.80–4.20, barring significant changes in the economic or regulatory environment or in the Bank's situation.

We continued to execute on our longstanding commitment to corporate social responsibility (CSR)

- Over the past several years, we have rolled out a number of initiatives covering all aspects of CSR. We are also strengthening our CSR-related communication in line with evolving regulatory requirements.
- Our ongoing efforts have been recognized by ESG ratings agencies and organizations. Last year, MSCI upgraded our ESG rating to AA, a tie for the highest score awarded to any Swiss cantonal bank, and our CDP score rose from B to A–, placing us in the “Leadership” category. Ethos, a leading Swiss SRI specialist, reaffirmed our A– rating, the second highest of five scores.

The BCV share

Total shareholder return¹



¹ Stockmarket performance over the period plus dividends and capital distributions

Listed on:	SIX Swiss Exchange	Ticker symbols:	BCVN
Par value:	CHF 1	Swiss security number:	53 175 175
		ISIN code:	CH0531751755

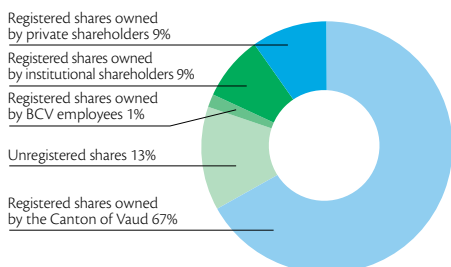
	2018	2019	2020 ²	2021	2022
Number of shares outstanding (in thousands)	8 606	8 606	86 062	86 062	<u>86 062</u>
Period-end share price (in CHF)	741.00	790.00	96.30	70.80	<u>88.75</u>
Share price high/low (unadjusted, in CHF) - high	823.00	820.00	101.40	101.60	<u>98.80</u>
- low	688.00	708.00	67.50	67.30	<u>70.70</u>
Dividend per share (in CHF)	35.0	36.0	3.60	3.70	<u>3.80³</u>
Dividend yield ⁴ (as %)	4.7	4.6	3.7	5.2	<u>4.3</u>

² All figures have been restated post 10-for-1 stock split of the BCV share on 28 May 2020

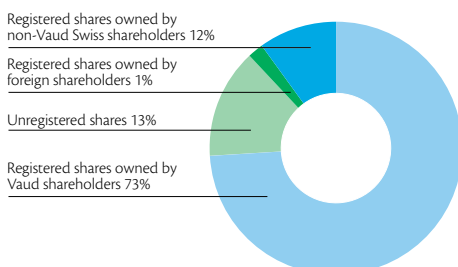
³ Dividend to be proposed at the 2023 Shareholders' Meeting

⁴ Relative to the period-end share price

Share ownership structure



Share ownership by geographical zone



Consolidated balance sheet

(in CHF millions)	31 / 12 / 22	31 / 12 / 21	Absolute change	Change as %
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
Total subordinated assets	0	0	0	0
<i>of which subject to mandatory conversion and/or conditional write-off</i>	0	0	0	0
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	0	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
Total subordinated liabilities	0	0	0	0
<i>of which subject to mandatory conversion and/or conditional write-off</i>	0	0	0	0

Consolidated income statement

(in CHF millions)	2022	2021	Absolute change	Change as %
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
<i>of which other non-consolidated holdings</i>	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	1039.4	1005.4	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

Overview of BCV

Our legal status

Banque Cantonale Vaudoise (BCV) was founded on 19 December 1845 by the Vaud Cantonal Parliament (Grand Conseil vaudois) as a société anonyme de droit public (i.e., a corporation organized under public law). The Canton of Vaud is BCV's majority shareholder, with 66.95% of the share capital. BCV is listed in the Vaud Commercial Register and is subject to all applicable legislation. Its legal status is defined in the Cantonal Act Governing the Organization of Banque Cantonale Vaudoise (LBCV) of 20 June 1995, as amended on 25 June 2002, 30 January 2007, 2 March 2010 and 8 December 2020. BCV's commitments are not underwritten by the Canton. However, customer deposits are covered by a nationwide system of investor protection concerning Swiss banks and securities dealers. This system insures deposits of up to CHF 100,000 per person and per bank.

Our core businesses

With revenues of CHF 1.04bn in 2022 and total assets of CHF 59.4bn, we rank among Switzerland's top five universal banks by assets. BCV is the country's second-largest cantonal bank and the largest bank in Vaud, with a network of nearly 60 staffed branches and more than 200 ATMs throughout the Canton. The Bank's organization is based on four client-oriented divisions: Retail Banking, Private Banking, Corporate Banking, and Asset Management & Trading. We offer a comprehensive range of financial services to all client segments. BCV Group had 1,957 full-time-equivalent employees at 31 December 2022. At that date, in addition to the parent company, BCV Group comprised a private bank, Piguet Galland & Cie SA, and two fund management firms, GÉrifonds SA and GEP SA (Société pour la gestion de placements collectifs).

Our missions

Pursuant to Article 4 of the LBCV, BCV's corporate mandate is to offer a comprehensive range of banking services to the local community and to contribute to the development of all sectors of the Vaud economy and to the financing of the Canton's public-sector institutions and entities. Also, as part of our community focus, we provide mortgage financing in Vaud. The law also stipulates that BCV is to be guided by the principles of economically, environmentally and socially sustainable development. More generally, our missions are to create value for our shareholders and clients, to be a benchmark employer, and to be a good corporate citizen.

Our strategy

Our current strategic phase – *vista* – was rolled out in 2019 and builds on those enacted in previous years. Our aim is to maintain the positive trend that the Bank's business lines have been experiencing over the past few years. This phase is also designed to position the Bank to respond to the main challenges we will face in the coming years, such as heightened competition, advancements in digital technology, and ever-changing customer needs.

For the business lines, we are targeting:

- Above-market growth in asset management, SMEs, and onshore private banking;
- At least market growth in retail banking;
- A focus on the profitability of our commodities trade finance and large corporates businesses;
- Continued development of our other business lines.

We have identified several strategic focus areas that will enable us to meet future challenges. These goals include:

- Continuing to improve our service quality along the entire value chain to create an even better customer experience;
- Enhancing our distribution channels (branches, digital services, and call centers) to give customers an integrated multichannel experience;
- Capturing more of the cross-selling potential inherent in our universal bank business model;
- Implementing operational improvements through targeted measures;
- Increasing our attractiveness as an employer and fostering continuous skills development among our employees;
- Sharpening our focus on corporate social responsibility (CSR) measures, including a wider range of sustainable banking products, socially responsible investment options, and mortgage solutions.

The Group aims to achieve sustainable growth, with revenues and operating profit trending along the same lines as in recent years. We are targeting a cost/income ratio of 57%–59% and a CET1 ratio of at least 13%; our ROE target based on this minimum target CET1 ratio is now 13.5%–14.5%. These targets should be viewed from a long-term perspective.

In line with the approach adopted over the last 15 years, BCV decided in 2022 to extend its dividend policy for another five years beginning with the 2023 reporting period. We intend to pay an ordinary dividend of CHF 3.80–4.20 per share, barring significant changes in the economic or regulatory environment or in the Bank's situation.

Key figures – 5-year overview

Balance sheet (in CHF millions)	2018	2019	2020	2021	2022
Total assets	47 863	48 352	53 186	55 952	59 397
Advances to customers	31 756	32 768	33 849	35 582	36 626
Customer deposits	31 375	33 048	35 424	38 195	38 395
Shareholders' equity	3 522	3 586	3 574	3 644	3 713

Assets under management (in CHF millions)

Assets under management	87 620	97 840	103 159	112 887	108 879
<i>cash and cash equivalents</i>	28 062	29 837	31 729	33 736	34 863
<i>investment funds</i>	21 817	25 217	27 402	30 927	27 165
<i>shares</i>	18 485	20 934	22 336	23 906	21 298
<i>bonds</i>	9 413	9 746	8 536	8 925	9 088
<i>other</i>	9 843	12 106	13 156	15 393	16 464

Headcount

Full-time equivalents	1 896	1 921	1 909	1 932	1 957
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Income statement (in CHF millions)

Total income	977	1 002	945	1 005	1 039
Operating expenses	500	505	495	505	517
Depreciation and amortization of fixed assets and impairment on equity investments	69	71	72	72	70
Other provisions and losses	5	7	5	- 1	5
Operating profit	403	419	373	429	448
Net profit	350	363	331	379	388

Liquidity and capital ratios¹

Liquidity coverage ratio (LCR)	113%	129%	136%	157%	129%
Leverage ratio	6.2%	6.3%	5.8%	5.6%	5.5%
Tier 1 capital ratio	17.1%	17.1%	17.7%	17.2%	17.6%
Total capital ratio	17.2%	17.3%	17.8%	17.3%	17.7%

Income ratios

Operating profit/average shareholders' equity	11.6%	11.9%	10.5%	12.0%	12.3%
Cost/income ratio ²	57.6%	57.7%	58.7%	56.7%	56.6%
Operating profit per employee (in CHF thousands)	211.8	219.3	195.8	221.9	230.5
ROE	10.1%	10.4%	9.3%	10.7%	10.7%

Credit ratings

Standard & Poor's

Long term	AA / stable	AA / stable	AA / stable	AA / stable	AA / stable
Short term	A-1+	A-1+	A-1+	A-1+	A-1+

Moody's

Long term	Aa2 / stable	Aa2 / stable	Aa2 / stable	Aa2 / stable	Aa2 / stable
Short term	Prime-1	Prime-1	Prime-1	Prime-1	Prime-1

¹ More detailed information on Group and parent company liquidity and capital ratios can be found in the Basel III Pillar 3 report, which is available at www.bcv.ch and on the BCV Investor Relations iPad app.

² Excluding goodwill amortization and write-downs

To order a printed copy of our Annual Report, go to:
<https://www.bcv.ch/en/home/la-bcv/commander-rapport-annuel.html>



Banque Cantonale Vaudoise
PO Box 300
1001 Lausanne
www.bcv.ch

