



2024 Annual Report



BCV at a glance

2024 highlights

Global economy remains steady despite decreasing visibility

- In a less inflationary environment, central banks cut their policy rates to support global output, which was steady but lacked real momentum. Global GDP growth eased slightly to 3.2%, and remained uneven across geographies: the US again posted solid figures, while the eurozone showed continued weakness. Forward visibility was lower as a result of growing geopolitical tensions.
- The economies of both Switzerland and the Canton of Vaud held up well, however, with each expanding by around 1% in 2024. While the weak economic trend in neighboring countries impacted Switzerland's export-driven sectors, consumer spending stayed solid and unemployment remained low (2.4% on average in Switzerland and 3.9% in Vaud).

We posted the second-best financials in our history

- We delivered the second-best full-year results in our history, excluding exceptional items, following our record year in 2023.
- Our revenues were stable at CHF 1.16bn, while operating expenses rose by 3% to CHF 557m, mainly reflecting inflation-driven salary increases, the insourcing of IT hosting services, and Bank projects, including in cybersecurity and asset management. Operating profit stood at CHF 515m (-5%).
- Net profit came in at CHF 441m (-6%), which remains well above pre-pandemic levels. That corresponds to an ROE of 11.5% - one of the best in BCV's peer group.

We are proposing a 2024 dividend of CHF 4.40 per share

- Given our confidence going forward and our solid financial position, the Board of Directors is recommending that shareholders approve a CHF 0.10 increase in our ordinary dividend to CHF 4.40 per share, for a total payout of CHF 379m.

We continued to make progress in our strategic focus areas

- We pressed ahead with our digital strategy, rolling out around a dozen new features across all our platforms.
- Several years ago, we launched a major bank-wide program to continuously improve our service quality and recommendation rate. Our hard work in this area has paid off: BCV has now been the most-recommended bank in Vaud Canton since 2018, or for seven straight years.
- Our sustainability report is being published at the same time as our annual report and will be submitted to a vote at our Annual Shareholders' Meeting on 8 May 2025. The sustainability report includes the carbon-reduction targets we have set by business line in keeping with the commitments of both the Canton and the federal government. This report complies with Switzerland's Ordinance on Climate Disclosures, which took effect in 2024.

Key figures – 5-year overview

Balance sheet (in CHF millions)	2020	2021	2022	2023	2024
Total assets	53 186	55 952	59 397	58 870	60 629
Advances to customers	33 849	35 582	36 626	37 908	40 166
Customer deposits	35 424	38 195	38 395	36 475	37 672
Shareholders' equity	3 574	3 644	3 713	3 855	3 927

Assets under management (in CHF millions)¹

Assets under management	103 159	112 887	113 539	117 296	124 164
<i>cash and cash equivalents</i>	31 729	33 736	39 524	37 551	38 456
<i>investment funds</i>	27 402	30 927	27 156	28 766	32 990
<i>shares</i>	22 336	23 906	21 298	23 581	23 206
<i>bonds</i>	8 536	8 925	9 088	10 262	11 193
<i>other</i>	13 156	15 393	16 474	17 136	18 320

Headcount

Full-time equivalents	1 909	1 932	1 957	1 982	2 089
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Income statement (in CHF millions)

Total income	945	1 005	1 039	1 160	1 155
Operating expenses	495	505	517	541	557
Depreciation and amortization of fixed assets and impairment on equity investments	72	72	70	76	82
Other provisions and losses	5	-1	5	2	2
Operating profit	373	429	448	541	515
Net profit	331	379	388	469	441

Liquidity and capital ratios²

Net Stable Funding Ratio (NSFR)	124%	125%	124%	120%	118%
Liquidity Coverage Ratio (LCR)	136%	157%	129%	129%	129%
Leverage Ratio	5.8%	5.6%	5.5%	5.6%	5.5%
Tier 1 capital ratio	17.7%	17.2%	17.6%	17.9%	16.8%
Total capital ratio	17.8%	17.3%	17.7%	18.0%	16.9%

Income ratios

Operating profit/average shareholders' equity	10.5%	12.0%	12.3%	14.5%	13.4%
Cost/income ratio ³	58.7%	56.7%	56.6%	53.2%	55.2%
Operating profit per employee (in CHF thousands)	195.8	221.9	230.5	276.7	251.1
ROE	9.3%	10.7%	10.7%	12.5%	11.5%

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

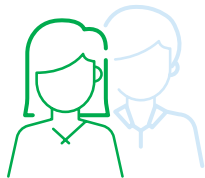
Long term	Aa2 / stable	Aa2 / stable	Aa2 / stable	Aa2 / stable	Aa2 / stable
Short term	Prime-1	Prime-1	Prime-1	Prime-1	Prime-1

¹ 2022 and 2023 figures were adjusted to facilitate like-for-like comparison, following the change in the scope of assets under management as of the 2024 fiscal year.

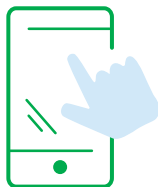
² More detailed information on Group and parent company liquidity and capital ratios can be found in the Basel III Pillar 3 report, which is available at www.bcv.ch.

³ Excluding goodwill amortization and write-downs

Here are some examples of how we've executed on our commitment to corporate social responsibility



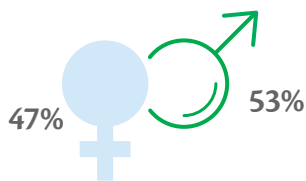
1 in 2 people in Vaud banks with BCV



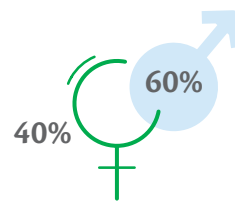
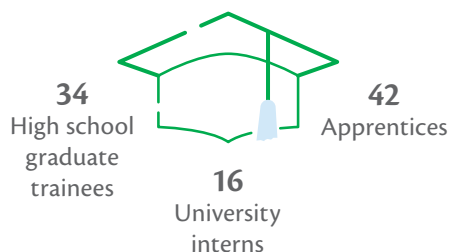
80% of our customers use our digital banking services



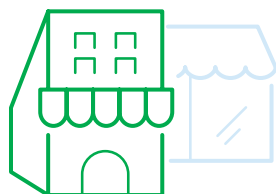
We provide 1 in 3 mortgage loans in Vaud



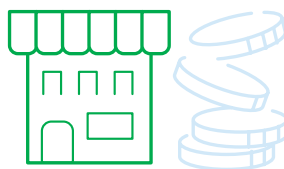
Personal banking advisors



Staff



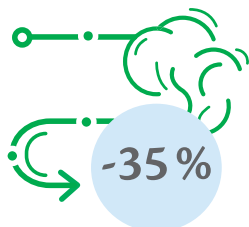
1 in 2 Vaud small businesses banks with BCV



Over 150 new businesses financed



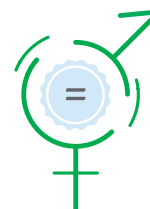
3 in 4 Vaud pension funds count on BCV



Our target for cutting greenhouse gas emissions by 2030



We work with 600 local vendors



Fair-ON-Pay equal pay certification

For more details on CSR at BCV please see our 2024 Sustainability Report.

Our reports

Annual report

This report contains BCV's consolidated and parent-company financial statements. It also provides information on our activities in 2024, including a review of each of our business sectors and an overview of the overall economic environment. You will find other key information as well, especially in the chapters on risk management and corporate governance.

Sustainability report

This report describes how BCV Group incorporates sustainability issues into its activities and is guided by these concerns. It offers a broad, transparent view of what we are doing to fulfill our commitment to promoting economically, socially, and environmentally sustainable development, and to address questions of ethics and corporate governance. The report is drawn up annually in line with the Global Reporting Initiative (GRI) standards, which are the worldwide reference for reporting on sustainable development issues. This year, the report also includes a broad range of climate-related information in compliance with Switzerland's new ordinance on climate disclosures, which stipulates in part that disclosures be made in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Pillar 3 report

Our Pillar 3 report provides investors, analysts, rating agencies, and regulators with in-depth information on risk management at BCV, including detailed information about the Bank's capital adequacy, risk-assessment methods, and risk levels in 2024. The report was drawn up in accordance with the Pillar 3 disclosure requirements set forth in the Basel III Accord and in Circular 2016/1 "Disclosure – banks" issued by the Swiss Financial Market Supervisory Authority (FINMA). The Pillar 3 report is issued on a half-yearly basis, with reporting dates at 30 June and 31 December.



100%

of our Swiss asset allocation funds incorporate ESG criteria



The equivalent amount per household that BCV paid out to Vaud Canton and municipalities



Standard & Poor's rating

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Letter from the Chair and the CEO

Slower economic growth worldwide and in Switzerland

The world economy remained subdued in 2024, with growth of 3.2% according to the International Monetary Fund. Economic output remained firm in the US but lacked momentum in the eurozone and China. One bright spot last year was the decline in inflation in both Europe and the US, paving the way for the European Central Bank and the US Federal Reserve to start loosening monetary policy in the summer.

The global economic environment weighed on the macro trend here at home. Vaud's economy expanded by an estimated 1.2%, while for Switzerland as a whole growth was estimated at 0.9%. However, domestic consumer spending held up well, unemployment stayed fairly low,

and job creation continued. With inflation hovering below 2% since mid-2023, the Swiss National Bank sharply reduced its policy rate, taking it from 1.75% in March down to 0.50% in December.

Strong financial results

BCV Group delivered strong results in 2024. As expected, our 2024 financials fell short of the record levels achieved in 2023, as a result of a less favorable interest-rate environment. Operating profit decreased 5% to CHF 515m, while net profit declined 6% to CHF 441m. These figures nevertheless represent the second-best full-year performance in BCV's history, excluding exceptional items. Our return on equity was 11.5% – one of the highest in our peer group.



Eftychia Fischer
Chair of the Board of Directors

Pascal Kiener
CEO

Dividend increased

In line with the new dividend target range announced in 2024, the Board of Directors will recommend that shareholders approve a CHF 0.10 increase in our ordinary dividend to CHF 4.40 per share, for a total payout of CHF 379m.

Sustainability at BCV

BCV is committed to sustainability, and our 2024 Sustainability Report describes our many initiatives in this area – we encourage you to read it. This year's sustainability report also includes a discussion of our climate impacts, in line with Switzerland's new ordinance on climate disclosures. The report describes the Bank's new climate strategy and the targets we have set for cutting our greenhouse gas emissions. These targets are in line with the commitments made by the Swiss federal government and the Canton of Vaud to achieve net-zero by 2050, in accordance with the Paris Agreement.

The 2024 Sustainability Report, published alongside this Annual Report, will be submitted to a vote at our Annual Shareholders' Meeting on 8 May 2025. Last year, over 99% of shareholders approved our 2023 report, which was the first to be voted on.

In recognition of our extensive efforts to address all aspects of sustainability, a number of rating agencies have given our Bank strong ESG scores. MSCI ESG has assigned the Bank an ESG rating of AA, the agency's second-highest score, placing BCV in the "Leader" category. Ethos has reaffirmed the Bank's A- rating, the second-highest score. ISS ESG has upgraded BCV's rating to C and placed the Bank in the "Prime" category. These scores make BCV one of the best-rated cantonal banks in terms of non-financial metrics. We're also one of the highest-rated banks in the world when it comes to financial metrics, with AA and Aa2 ratings from Standard & Poor's and Moody's.

The BCV share

Our share price reached a record high in February 2024, capping off a two-year bull run, but then gave back ground, ending the year down 23% at CHF 83.50. Despite the CHF 4.30 per-share dividend for the 2023 financial year, our total shareholder return was -19% in 2024. The BCV

share has nevertheless delivered remarkable long-term performance, with an average total shareholder return of 12% per year since 2008. That's one of the best performances among banks listed on the SIX Swiss Exchange.

Ongoing implementation of our strategy and expansion of our digital services

We're continuing to execute successfully on our strategy of serving as a universal bank with solid local roots. For instance, our efforts to enhance service quality were once again recognized by the people of Vaud, who have named BCV the most recommended bank in Vaud Canton for the past seven years in a row. In digital banking, our developers are working hard to constantly improve the features and user experience of our online services. Today, our mobile applications are among the highest-rated banking apps in Switzerland and have strong traction with our customers.

Acknowledgments

None of these achievements would have been possible without the unfailing dedication of all BCV Group employees, and we offer them our sincere gratitude on behalf of BCV's Board of Directors and Executive Board. We would also like to thank our customers – both individuals and businesses – for the trust they place in us every day. Lastly, we're grateful to all our shareholders for their continued loyalty and support.



Eftychia Fischer



Pascal Kiener

Who We Are

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Who We Are

Overview of BCV

Our legal status

BCV (Banque Cantonale Vaudoise) 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, 8 December 2020, and 12 November 2024. 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 1.16bn in 2024 and total assets of CHF 60.6bn, BCV Group is Switzerland's sixth-largest banking group. BCV, the Group's main entity, is the country's fourth-largest universal bank and second-largest cantonal bank. It is also the largest bank in Vaud, with a network of nearly 60 staffed branches and more than 160 ATMs at over 100 locations throughout the Canton. BCV can also be easily reached online and by telephone. The Bank's organizational structure is based on four client-oriented divisions: Retail Banking, Private Banking, Corporate Banking, and Asset Management & Trading. It offers a comprehensive range of financial services to all client segments. BCV Group had 2,089 full-time-equivalent employees at 31 December 2024. At that date, in addition to the parent company, BCV Group comprised the private bank Piguët Galland & Cie SA, the fund management firm Gérifonds SA (with its Luxembourg-based subsidiary), and the real-estate fund management company GEP SA (Société pour la gestion

de placements collectifs). The full scope of consolidation at 31 December 2024 is described on page 141.

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 LBCV 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 recent history

Since the Bank was founded in 1845, it has considerably expanded its business in the Canton. In the 1990s, the banking industry in Vaud underwent major consolidation. BCV acquired Banque Vaudoise de Crédit in 1993 and merged with Crédit Foncier Vaudois in 1995. From 1996 to 2000, we moved to diversify our operations, particularly in international trade finance, offshore wealth management, and trading. Total assets more than doubled between 1990 and 2000 as a result. Following an in-depth assessment of loan-book quality in 2001 and 2002, BCV Group carried out two recapitalizations, in 2002 and 2003. The Canton provided most of the funds raised on both occasions.

From 2003 to 2005, we successfully refocused operations on our four core businesses while remaining active in selected niche activities offering strong potential in terms of both growth and profitability. From 2005 to 2008, we implemented the second phase of that strategy to take full advantage of our unrivaled presence in our local

market, the Canton of Vaud. That project included the reorganization of our local distribution structure into nine regions in order to strengthen ties with customers.

In 2007, the Bank repurchased the final tranche of the participation-certificate capital created in the 2003 recapitalization. On 15 April 2008, the Vaud Cantonal Parliament voted to authorize the Cantonal Government to reduce the Canton's stake in our share capital from 66.95% to 50.12%. The Cantonal Government's decision not to sell any shares, first announced on 25 November 2008 and reaffirmed on 16 July 2010, remains unchanged.

Starting in 2008, we implemented a series of strategic plans based on our business model as a universal bank with solid local roots. These strategic phases have driven the Bank forward following the 2002–2007 phase where we refocused our activities on the Canton of Vaud, and have paved the way for new strategic focus areas – leveraging our high-quality service to set ourselves apart from the competition, further expanding our multichannel products and services to meet our customers' needs across all channels (branches, call centers, and online), and continuing to enhance our digital offering.

As part of the growth strategy for our onshore wealth management business, BCV Group acquired Banque Franck Galland & Cie SA in 2011. This bank was merged with Banque Piguet & Cie SA, a BCV subsidiary since 1991, creating Piguet Galland & Cie SA, a major wealth manager in French-speaking Switzerland.

In 2019, the Board of Directors and Executive Board conducted a new in-depth review of the Bank's strategy, in light of the numerous challenges facing the banking sector and the overall economy. The review confirmed that the strategy would continue on the same course and identified additional targeted improvements.

Our strategy

Our current strategy – *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 strategy 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, in particular by fostering continuous skills development among our employees
- sharpening our focus on corporate social responsibility (CSR) measures, including a wider range of socially responsible investment options, banking products, 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 55% to 57% and an ROE (based on current shareholders' equity) of 10% to 12%. We consider a CET1 ratio of 13% to be a minimum threshold.

In line with the approach adopted over the last 15 years, BCV decided in 2022 to extend its dividend policy for another five years. And in view of our record financial results in 2023, we have also increased our dividend target range. Beginning with the 2023 reporting period, the Bank intends to pay an ordinary dividend of CHF 4.30 to 4.70 per share, barring significant changes in the economic or regulatory environment or in the Bank's situation.

Given the importance that we ascribe to our core values, we have put in place a long-term employee information and training program. Our values are also an integral part of employee performance reviews.

Our values

We have defined four values that are central to our strategy and culture: responsibility, performance, professionalism, and close ties with our customers and the broader community. We believe that a key to long-term success is ensuring that all our employees share a common culture built around core values. The values described below underpin all our actions – as well as our interactions with customers and colleagues.

Close ties

As a Swiss cantonal bank, BCV maintains a deep connection with the local community that goes back a century and a half. Our employees use their on-the-ground presence in Vaud Canton and knowledge of the local community to fully appreciate and understand the needs and expectations of BCV's customers.

Professionalism

Every employee is committed to delivering the best possible service to customers. To achieve this, our people draw on the best practices in their respective fields of expertise and constantly seek to expand their skills and knowledge.

Performance

At BCV, we set ourselves ambitious goals across the board. Our people are results-oriented. They systematically seek pragmatic and effective solutions to the challenges that arise every day.

Responsibility

BCV employees demonstrate responsible professional behavior. This includes taking responsibility for their actions, being conscientious in their work, and being loyal to the company.

Who We Are

The BCV Share

The world's largest stock markets pushed higher last year on a broad-based decline in interest rates despite growing geopolitical uncertainty.

Most of the main indices posted gains last year, although to varying degrees. After gaining 8% in the first half, the SMI lost momentum and finished the year at 11,601 (+4%). Other European indices held up better in the second half, including the STOXX Europe 600 (+5%), and the DAX (+19%). The CAC40, burdened by a low growth outlook and political instability in France, dropped 3%.

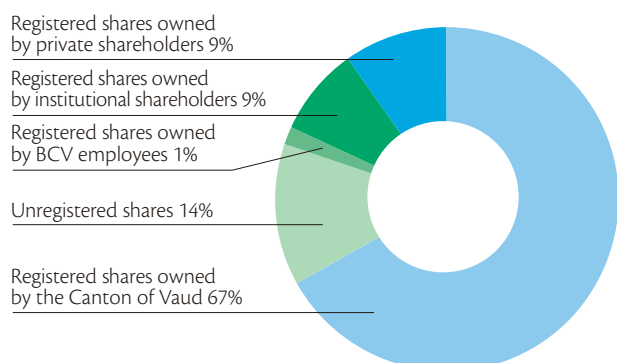
US indices put in a strong performance, shrugging off uncertainty stemming from the presidential election and inflationary concerns; inflation ultimately normalized, giving the Fed the breathing room it needed to enact a rate cut in September – its first since 2020. The Dow Jones Industrial Average added 13% yet was eclipsed by the S&P 500 (+23%) and the Nasdaq composite (+26%), which were driven up by AI-related tech stocks. In Asia, the Shanghai Stock Exchange gained traction in the second half to finish the year up 15%, while the Nikkei advanced just over 19%.

2024 was difficult for the BCV share. After rising by a total of 53% in 2022 and 2023, our share price contracted by 23% last year, dropping from CHF 108.50 to CHF 83.50 over the period. And despite the dividend payout of CHF 4.30 per share in May, the total shareholder return in 2024 was –19%. That said, even with the down year in 2024, BCV's average total shareholder return since 2008 is 12% per year – a remarkable performance that remains one of the best among banks listed on the SIX Swiss Exchange.

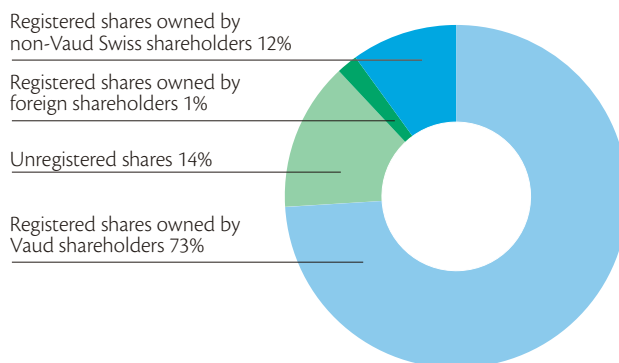
BCV's market capitalization was CHF 7.2bn at 31 December 2024, the third largest in the Swiss banking sector after UBS and Julius Baer. With an average trading volume of CHF 5.3m in 2024, the BCV share was the fourth most liquid banking stock on the SIX Swiss Exchange.

At 31 December 2024, 17,447 BCV shareholders were listed in the share register (up 9% on the prior year), 16,463 of which were individuals.

Share ownership structure

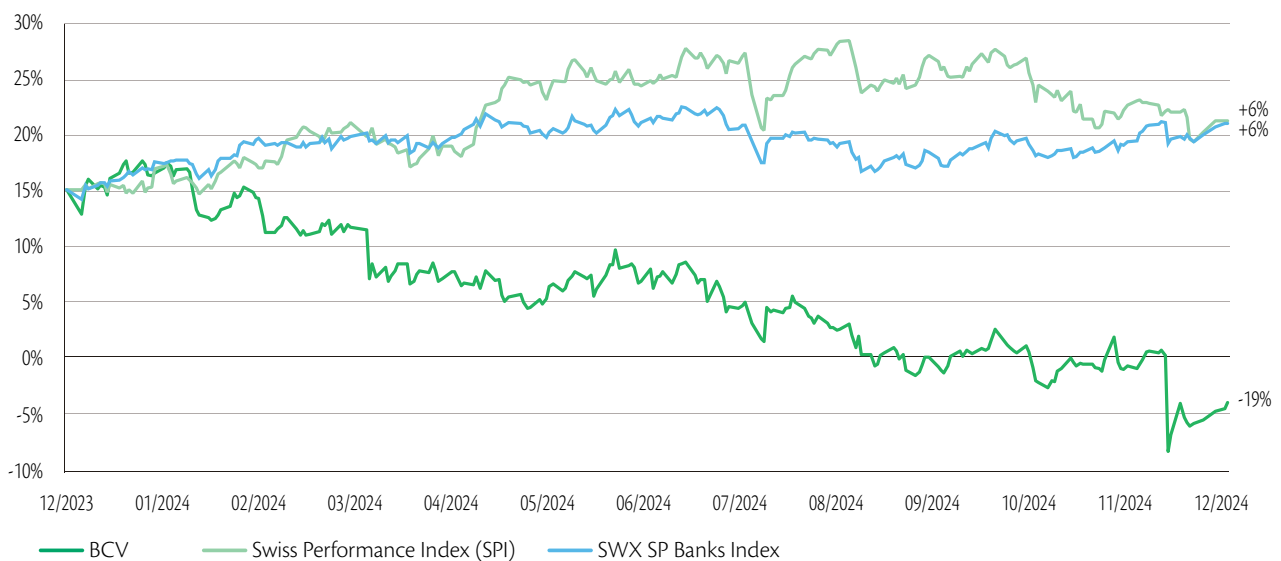


Share ownership by geographical zone



Listed on:	SIX Swiss Exchange	Standard & Poor's	
Par value:	CHF 1.00	Long-term credit rating:	AA / stable
Swiss security number:	53 175 175	Short-term credit rating:	A-1+
ISIN code:	CH0531751755	Moody's	
Ticker symbol:	BCVN	Long-term credit rating:	Aa2 / stable
		Short-term credit rating:	Prime-1

Total shareholder return¹



¹ Stockmarket performance over the period plus dividends and capital distributions

	2020 ²	2021	2022	2023	2024
Number of shares outstanding (in thousands)	86,062	86,062	86,062	86,062	86,062
Period-end share price (in CHF)	96.30	70.80	88.75	108.50	83.50
Share price high / low (unadjusted, in CHF)					
– high	101.40	101.60	98.80	108.50	112.50
– low	67.50	67.30	70.70	81.20	79.15
Adjusted EPS ³ (in CHF)	3.85	4.41	4.52	5.46	5.13
Dividend per share (in CHF)	3.60	3.70	3.80	4.30	4.40 ⁴
Dividend yield ⁵ (as %)	3.7	5.2	4.3	4.0	5.3

² Amounts adjusted for the 10-for-1 stock split on 28 May 2020

³ Reported net profit after minority interests over average number of shares outstanding over the period

⁴ Dividend to be proposed at the 2025 Shareholders' Meeting

⁵ Relative to the period-end share price

Who We Are

Our Missions

Under the Cantonal Act Governing the Organization of Banque Cantonale Vaudoise (LBCV), BCV's purpose as a full-service bank with a regional focus is to contribute to the development of all sectors of the economy of our home region, the Canton of Vaud, and to the financing of public-sector entities, as well as to help meet demand for mortgage lending in the Canton. Furthermore, these missions apply across the Canton and entail a particular focus on the principles of economically, environmentally, and socially sustainable development. Our role as a cantonal bank is to produce positive impacts for all our stakeholders – our customers, shareholders, employees, and the people of Vaud. As a modern company mindful of our duties and obligations, we have defined a series of objectives for our Bank:

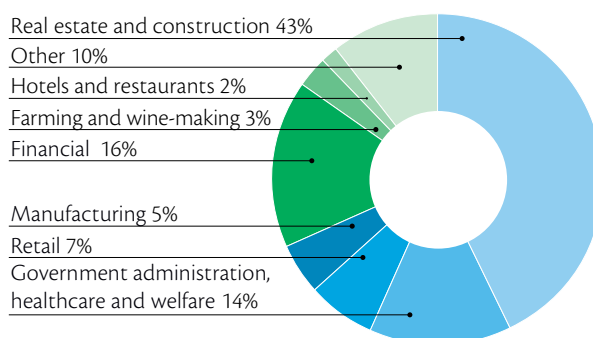
1. contributing to the development of all sectors of the economy of our home region, the Canton of Vaud, and to the financing of public-sector entities, as well as helping meet demand for mortgage lending in the Canton
2. meeting our clients' needs with high-quality financial products and services
3. paying particular attention to the principles of economically, environmentally, and socially sustainable development
4. creating lasting value for shareholders
5. being a benchmark employer
6. playing an active role in the community.

1. Contributing to the economic development of the Canton of Vaud

We are the leading bank in Vaud. The surveys and studies we regularly conduct to assess our market position, along with the fact that half of the Canton's people and companies bank with us, show that we are an integral part of life in Vaud. Thanks to our concerted and ongoing efforts to improve service quality, and despite increasingly fierce competition, BCV is perceived as solid, reliable, and competent. Indeed, we have witnessed a significant influx of new funds as a result of expanded business with existing clients and the arrival of many new clients. According to surveys, BCV has been the most recommended bank in the Canton since 2018.

Our strong market position in the Canton is the result of several factors: our extensive on-the-ground presence, our understanding of the needs of both individual and business customers, our know-how, our professionalism, and our responsible approach to banking. As the leading bank in Vaud Canton and in accordance with Article 4 of the LBCV, we are committed to contributing to the development of all sectors of the economy across our home region and to the financing of public-sector entities, as well as helping meet demand for mortgage lending in the Canton.

Business loans by sector

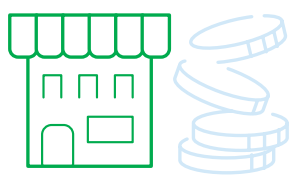


Source: BCV

Around 80% of our lending is in the Canton of Vaud

Our loan book covers all of our client segments across the entire Canton, with the people and businesses of Vaud accounting for 77% of total lending volumes. At end-2024, 50% of our outstanding customer loans were to individuals and 50% to companies across all sectors of the economy as well as public-sector entities.

We work with companies through every stage of their development: from startup and growth to maturity and succession. Our partnerships with growing and mature businesses are well known, but our role in business creation and succession is less so. In 2024, we financed over 65 business successions for a total of over CHF 80m and provided around CHF 90m in financing to get over 150 startups off the ground in Vaud Canton.



Over
150
new
businesses
financed

In addition, BCV supports Innovaud, the Vaud Cantonal Government's platform for promoting innovation in Vaud Canton, through an annual contribution of CHF 50,000. As part of the Innovaud project, in 2022 we renewed our commitment to the Foundation for Innovation and Technology (FIT), agreeing to provide CHF 500,000 in funding per year for a further eight years.

These activities are part of an initiative launched several years ago. For example, we have published guides to setting up a business, in collaboration with the Vaud Chamber of Commerce and Industry (CVCI). We also conduct seminars in collaboration with the CVCI and GENILEM (a startup support organization). For example, 80 people participated in the "Financer son entreprise" ("Finance your business") webinar in 2024.

Working with clients in difficulty

In line with our mission, we aim to continue our relationship for as long as possible with businesses and individuals that, for one reason or another, run into temporary difficulties. Specialized staff work with these clients in order to find solutions that will help them restore their financial stability.

Naturally, continuing the business relationship is only possible if the company or individual can be reasonably expected to return to a sustainably sound financial position without any distortion of competition. Our procedures in this respect follow clearly defined rules that meet the highest ethical standards. We have shown that we can manage difficult cases effectively by looking for constructive solutions and working proactively on a case-by-case basis.

2. Meeting our clients' needs

Close ties with our customers

Our local presence is of key strategic importance. We are the Canton's top employer in banking and the most widely accessible bank in Vaud thanks to our dense retail network, which includes nine regional centers of expertise and nearly 60 branch offices across the Canton (see our retail map and list of branch addresses on pages 206–209).

We believe that our branch footprint effectively aligns with the needs of the dynamic and diversified community and economy that we serve, and we enhance our network each year to meet those needs.

Being close to our customers also means being increasingly accessible and in step with changing lifestyles. This is reflected in the convenient opening hours of our branches, with appointments with BCV advisors available Monday through Friday from 8am to 7pm. We also provide our customers with information and services remotely: our Customer Service Center is available every weekday from 7:30am to 7:30pm, and customers can contact our center's advisors through traditional channels – such as telephone, email, and the post – or through our instant messaging service. Our advisors provide answers to customers' questions on topics spanning day-to-day banking, investments, and loans in videoconference

sessions or via call-back for individuals who make a request on our website. In 2024, our Customer Service Center handled 725,000 customer contacts – a sharp increase compared to 2023 as customers reached out for support with new cybersecurity measures and our digital banking services. Our banking hotline for businesses and self-employed people is available between 8am and 6pm, Monday to Friday. Last year, our advisors handled around 100,000 customer contacts, which was on par with the 2023 figure.

We also offer automated services through our network of over 160 ATMs in more than 100 locations across Vaud. In 2024, around six million transactions were carried out via our ATMs – a slight decrease on the previous year, reflecting the growing use of paperless payment methods. In 2024, debit card transactions were up 2% and BCV TWINT transactions were up 40%.

A broad digital proposition

Our corporate and individual clients are also increasingly taking advantage of the 24/7 access provided by our online banking services through our website, www.bcv.ch, and our online banking platform accessible via BCV-net on a computer or via BCV Mobile on a smartphone.

Currently, nearly 80% of our customers bank online and more than nine out of every ten payments are made on

BCV-net or BCV Mobile. Our customers are increasingly using their smartphones to access our online banking services. More than 90% of e-banking logins are via our BCV Mobile app, and over 70% of users now do their online banking exclusively on their smartphones.

Customers can carry out a wide range of banking operations themselves using our online banking services. From our website, anyone can now open an account, apply for a loan, or use our enhanced investment proposal tool, which includes an option to filter for funds that integrate environmental, social, and governance criteria (ESG) into the investment process. BCV-net and BCV Mobile offer a wide range of features beyond viewing account balances and entering and checking payments. For example, customers can generate QR-bills, access our secure messaging system, and use the financial cockpit functions to monitor their income and expenses and manage their cards, while corporate clients can manage employees' access rights. Customers can also schedule a videoconference meeting with their advisor, and apply for and manage certain loans (e.g., fixed-term advances for businesses or mortgage-loan renewals for individual customers).

Thanks to its features and user-friendly interface, BCV Mobile is one of the highest-rated banking apps in Switzerland. We will continue to expand the services and features available in BCV-net and BCV Mobile, always with an eye to further enhancing the user experience.

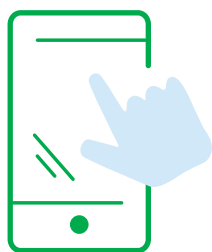
Comparison of mortgage loans, other loans, and workforce distribution, by region

	Broye	Lavaux	Nord Vaudois	Nyon	Morges	Riviera	Chablais	Gros- de-Vaud	Lausanne
Mortgages	4%	11%	16%	14%	13%	10%	8%	9%	15%
Other loans	4%	8%	17%	13%	12%	9%	11%	9%	17%
Workforce distribution	3%	5%	11%	10%	9%	9%	5%	6%	43%

Sources: BCV; Statistique Vaud
Mortgages: real-estate lending including fixed-term loans secured by a mortgage
Workforce distribution: Structural Business Statistics, 2022

BCV TWINT mobile payment

Our BCV TWINT app has been growing in popularity every year since it was launched in 2017. In 2024, the number of active users grew by over 10% to 175,000. TWINT is a payment app developed by the Swiss banking sector that allows users to pay for in-store and online purchases, transfer money to other TWINT users, buy public transportation tickets, and pay for parking in many locations. The total number of transactions surpassed 30 million in 2024.



80%
of our customers
use our digital
banking services

BCV's TradeDirect platform remains one of the most competitively priced online brokerage services in Switzerland and continued to attract new customers in 2024. This platform provides access to 35 stock exchanges and over 100,000 investment vehicles and has powerful market-tracking, search, and analytical tools. Users can enter orders, manage their portfolios, track individual stocks, stay up to date with the latest market news, and view ratings and analyses provided by research firm TheScreener.

In wealth management, our BCV Conseil advisory services include an online platform – fully integrated into our BCV Mobile app – where customers can speak with their dedicated advisor, manage their portfolio, and stay informed with our expert analysis of the latest financial news.

We share economic and market insights with the public via a dedicated website, pointsforts.ch, where we publish analyses from our specialists, videos of their guest appearances on the "Votre argent" segments broadcast on La Télé Vaud Fribourg, and an array of articles covering investments, financial planning, real estate, and the Vaud economy.

These various physical and digital distribution channels allow us to offer rapid, practical, and efficient services that customers can access whenever and wherever they need.

High-quality customer care and a full range of banking services

We constantly strive to fulfill our mission as Vaud's cantonal bank by providing a wide range of products and services through various digital and physical channels, meeting the needs of the individuals, businesses, pension funds, and public-sector entities in our community. We focus in particular on service quality – a strategic priority and differentiating factor for our Bank – and in 2015 we set up a bank-wide program to continually improve the quality of our customer interactions and the wider BCV customer experience. That long-term, ongoing effort has been recognized by the people of Vaud. Since 2018, BCV has consistently been named the most recommended bank in the Canton, according to independent surveys carried out among representative samples of Vaud residents.

We have a comprehensive service-quality monitoring system based on data gathered from customer satisfaction surveys and other key indicators within the organization. This system enables us to meet our objectives in this area and measure customer satisfaction. It also helps us identify concrete ways in which we can improve our products and services. For example, in response to feedback we obtained via this system, BCV Mobile users can now receive alerts when a service that is free of charge up to a certain level reaches that level, such as after a certain number of withdrawals from their savings account.

As for our specific banking solutions, we offer our personal banking customers a comprehensive and constantly evolving range of products and services. Customers of all ages, whether working or in school, can choose the BCV banking pack that best fits their daily banking needs and open it online or at a BCV branch. On some banking packs, the monthly fee is waived for customers who hold a certain amount of assets at BCV (e.g., CHF 10,000 or more for the Direct banking pack).



We provide 1 in 3
mortgage loans in Vaud

Personal banking customers can also take out mortgage loans to meet their home financing needs. Our Start Immo offer, with its preferential lending terms, has had strong traction with first-time home buyers. In addition, our Green Bonus loans offer preferential terms on financing for energy-efficient properties (i.e., with an eco-rating of A on at least one of the three criteria of the CECB® certificate and no score below B, or Minergie-A or Minergie-P certification) or that are undergoing energy-efficient renovations eligible for a cantonal subsidy (both primary residences and rental properties). Property owners can also carry out a CECB® Plus energy audit – which consists of a cantonal energy certificate for buildings plus an analysis of potential green renovations – for a reduced price. Our guide on energy-efficient renovations helps our customers learn more about this topic.

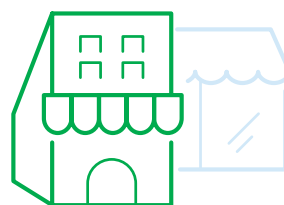
In addition, customers with expectations in the area of socially responsible investing (SRI) can choose from the asset allocation funds in our ESG and ESG Ambition ranges. They can even open an investment savings account as a gift for a child. Personal-banking customers can sign up for third-pillar individual retirement accounts, with the option of investing part or all of their savings in investment funds.

BCV offers a comprehensive advisory service that addresses all financial, tax, pension, and estate-planning issues that customers and their loved ones may face. Our advisors provide personalized financial planning support that takes into account customers' overall financial situation, helping them build their savings, prepare for retirement, and achieve other financial goals. Through our partnership with the Swiss Philanthropy Foundation, our personal-banking customers can donate all or part of their estate to existing philanthropic initiatives or to a new initiative that aligns with their interests.

In wealth management, we offer a full range of investment solutions: clients may enter into a discretionary management agreement, where we manage their assets, or they may choose to simply benefit from our advice through an advisory agreement. All our wealth management customers can draw on the support of their advisor and, through an online platform accessible via BCV-net and BCV Mobile, manage their portfolio and stay informed with financial news articles written by our experts. The Bank also complies with the Swiss Bankers Association's guidelines on integrating ESG preferences into investment advice and portfolio management. For both our discretionary management and advisory services, we ask clients about their SRI preferences and offer a wide range of investment solutions that meet their needs and align with market best practices.

Our regional footprint means we have advisors throughout the Canton; customers appreciate knowing that our specialists are close by when they want to talk over their financial situation or the larger economic picture. We help our customers stay on top of market and economic news through talks and round-tables, both online and in-person, and a regular newsletter.

In corporate banking, BCV offers a comprehensive range of products and services, including financing, treasury management, interest-rate and forex hedging, investing, occupational pension solutions, and advisory services at all stages of the company's life, from startup to succession. That means we can meet the needs of a very diverse clientele, from artisans serving the local market to multinationals conducting business the world over. And for help navigating the energy transition, our corporate clients can enjoy a reduced price on PEIK energy-efficiency audits and CECB® Plus audits, while our Green Bonus offer provides them with preferential terms on loans used to finance energy-efficiency renovations.



1 in 2 Vaud small
businesses
banks with BCV

We partner with the main Vaud business associations and other trusted local companies to offer BCV clients special deals to help them create or manage their businesses – such as discounts on payment terminals and online accounting software. We also continued our efforts to provide local businesses with help and guidance and keep them informed of developments affecting them. To that end, we held various events and released short videos on key topics such as risk management, cybersecurity, and the energy transition. We also issued a guide in association with PME magazine to help business owners manage risks and plan for retirement.

In asset management and trading, investors can take advantage of BCV's investment strategy and proven expertise through our comprehensive range of advisory and other services together with investment products, from investment funds and structured products to management agreements and asset allocation funds in both specific and global investment universes. To continue meeting our clients' needs in personal and institutional asset management – areas in which BCV is a leading player – we have focused on investment solutions that incorporate ESG criteria. Our Bank is playing an active role in this field. All of our asset allocation funds for individual clients (strategic funds) incorporate ESG criteria in order to bolster risk management over the long term. We also work with several organizations to support our SRI approach, including Swiss SRI specialist Ethos, with which we entered into a strategic partnership in 2020.



3 in 4 Vaud pension funds count on BCV

Together with Ethos, we created two new index funds, one for Swiss equities and the other for Swiss-franc bonds, as well as an Article 9 fund (under EU law) based on Ethos's positive impact methodology. BCV's investment range also includes a physical gold ESG fund.

In structured products, we offer capital-protection, yield-enhancement, and participation products. Our AMC Access360 tool allows investment professionals to manage their investment strategies directly online, through actively managed certificates. We also continued to expand the range of structured products we issue via deritrade®, Vontobel's multi-issuer platform for derivative instruments, with the goal of eventually offering one of the most comprehensive product ranges on the platform.

These products and services show that we are continually striving to meet our customers' needs and improve our service quality.

Given the current and upcoming regulatory changes affecting financial products, we are adapting our service model and product range accordingly. Our aim is to ensure that all individual and corporate customers are well-informed and provided with a high degree of protection and high-quality service across all our physical and digital distribution channels. With regard to our institutional clients, BCV's Asset Management Department complies with the ISAE 3402 Type II standard on the effectiveness of internal controls for the full range of services we provide – from client onboarding to performance reporting.

3. Acting on the principles of sustainable development

The principles of economically, environmentally, and socially sustainable development are innately linked to BCV's mission and our success in the Vaud market. We see this link as a chance to create a virtuous circle that allows us to be both competitive and socially responsible. That is how we can maximize the benefits we bring to all our stakeholders – by creating value for our customers, shareholders, employees, and the people of Vaud all while doing our part to address economic, social, and environmental issues. For more than 15 years, we have shared the details of our sustainable development performance as well as the impacts of our Bank's activities across Vaud in our sustainability report.

As part of the strategic plan we defined in 2019, called *vista* (see the Overview of BCV and BCV in 2024 chapters), we have enhanced our approach to CSR. We have created dedicated CSR organizational and governance structures. In addition, since 2020 we have been publishing our sustainability report annually in both French and English, with added content to bring the report into line with the international Global Reporting Initiative (GRI) Standards. That report is being published alongside our annual report and will be submitted to a vote at our Annual Shareholders' Meeting, which will be held on 8 May 2025 in Lausanne. This year, we expanded several chapters of the sustainability report, in compliance with the Swiss Federal Council's Ordinance on Climate Disclosures. The report describes the climate strategy adopted by the Bank, which sets greenhouse gas emissions reduction targets in line with the Paris Agreement, the Swiss government's targets, and the Vaud climate plan. The sustainability report is available in both English and French on our website at www.bcv.ch/en/home/la-bcv/responsabilite-d-entreprise/isr.html. This page also contains our sustainability policy, which describes the relevant guidelines and principles we have adopted in our business lines and operations.

Our emissions-reduction targets are reflected in our range of banking solutions. An example of this is our Green Bonus offer, which consists of attractive interest rates on financing for home purchases or renovations or for commercial equipment, as long as certain ESG criteria are met. We also offer reduced prices on CECB® Plus and PEIK audits, which property owners and businesses can use to identify measures to make their property or commercial equipment more energy-efficient.

BCV is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of Swiss Sustainable Finance, which aims to strengthen Switzerland's position as a hub for sustainable finance. We have made it possible for institutional and individual clients to build portfolios that integrate ESG criteria. And through our ESG Ambition range, we offer strategic funds that use one or more SRI approaches and that allocate at least 25% of their assets to thematic products (equity and bond investments in companies that provide solutions to the challenges of sustainable development). More information can be found on our website at <https://www.bcv.ch/en/home/la-bcv/responsabilite-d-entreprise/isr.html>.



100%

of our Swiss asset allocation funds
incorporate ESG criteria

Our range of products incorporating ESG criteria includes those managed in collaboration with Swiss SRI specialist Ethos. This partnership, which we entered into in 2020, currently covers seven Ethos funds. Under our agreement, Ethos is responsible for carrying out ESG analyses, exercising voting rights at shareholders' meetings in accordance with its own guidelines, and actively engaging in dialogue with investee companies to encourage them to improve their ESG practices. BCV's Asset Management Department's role is to select investments and build the portfolio, taking Ethos's ratings into account, and to conduct financial and risk analyses.

Ethos and BCV's asset management team will work together closely in order to strengthen this partnership over the coming years and create a center of expertise in sustainable finance in Switzerland.

Our Ethos partnership has produced results. BCV-managed funds Ethos II - Ethos Swiss Sustainable Equities and Ethos - Equities Sustainable World ex-CH were again awarded

FNG's three-star label, the highest ranking awarded by FNG, in 2024. This independent label was created by Forum Nachhaltige Geldanlagen, an association specializing in SRI in Germany, Austria, and Switzerland. It is awarded to funds that meet FNG's quality standards for sustainable investments and pass an independent audit conducted by the University of Hamburg.

We guide our customers towards investments that incorporate ESG criteria and progressively gear portfolios toward the goals of the Paris Agreement, the Swiss government, and the Vaud climate plan. We also work with the Center for Risk Management (CRML) at the University of Lausanne's Faculty of Business and Economics (HEC) to analyze Switzerland's real-estate investment market. The CRML has published two reports on incorporating ESG criteria into this asset class, and at the end of 2023, it launched a new ESG rating system for Swiss real-estate funds, called PRESS (Public Real Estate Sustainability Switzerland) scores. Its scores are derived from publicly available information to ensure they are comparable and to boost transparency on this market.

Among the three dimensions of sustainable development, economic development is, of course, fundamental for a bank. The previous sections of this chapter have illustrated some of the ways we contribute to the local economy and serve individuals and businesses in Vaud. To continue achieving our objective of contributing to the economic development of our Canton, we must ensure that our foundations are solid and that our vision for BCV leads to steady profitability going forward. In keeping with this mission, our strategy targets sustainable growth and a moderate risk profile. That approach benefits all our stakeholders.

The principles of sustainable development underpin the actions we take to enable employees to reach their full potential and are reflected in our involvement in the local community. Yet another example of this approach concerns the environment. We continued our efforts to reduce our energy consumption and environmental footprint in 2024. We have already cut the CO₂ emissions from our operations by 31% from 2019 levels and are on track to reach our target of a 35% reduction by 2030. In addition to the measures we are taking to reduce our carbon footprint, we finance projects with positive social and environmental impacts in Vaud and outside

Switzerland that offset the equivalent amount of greenhouse gas emissions associated with our operations.

BCV's longstanding commitment to sustainable economic development is reflected in the Bank's ESG scores. MSCI ESG has given the Bank an ESG rating of AA, the agency's second-highest rating, placing BCV in the "Leader" category, and Ethos reaffirmed our A- rating, its second-highest score. CDP's climate rating for the Bank is B, its third-highest score. In early 2025, ISS ESG upgraded BCV's rating to C and placed the Bank in the "Prime" category.

4. Creating lasting value for shareholders

At BCV, we are committed to creating lasting value for our shareholders. In keeping with this mission, our strategy targets sustainable growth and a moderate risk profile. We have therefore adopted a dividend policy aimed at generating attractive returns for all our shareholders over the long term.

Under our distribution policy, which we set out in 2008, we will have paid out a total of CHF 5.1bn to our shareholders for the 2008 to 2024 financial years. Over the same period, the BCV share price more than doubled, making it one of the best-performing stocks in the Swiss banking sector. That share-price appreciation, coupled with the distributions paid out over the years, equates to an average total shareholder return of over 12% per year.

Our financial strength, solid market position and status as a cantonal bank have won recognition from the rating agencies. We have had a long-term rating of AA with Standard & Poor's since 2011 and a long-term rating of Aa2 with Moody's since 2015. Both agencies' ratings are accompanied by a stable outlook. Our ratings attest to the Bank's ongoing efforts in recent years, in terms of both strategy and operations. The rating agencies' most recent credit opinions can be found in the Investor Relations section of our website, www.bcv.ch/en/home/la-bcv/investor-relations/for-bondholders/ratings-history.html.

5. Being a benchmark employer

BCV is one of Vaud’s leading employers and the largest employer in the Canton’s banking sector. We consider our dynamic human resources policy to be crucial to both our mission and our strategy. As set out in our Code of Professional Conduct, we aim to foster a working environment in which differences are respected and qualifications, skills, and achievements are valued. We are dedicated to creating a fair and diverse workplace with equal opportunities for all staff. Skills development is a key employee success factor. We encourage training as a driver of staff motivation and knowledge management.

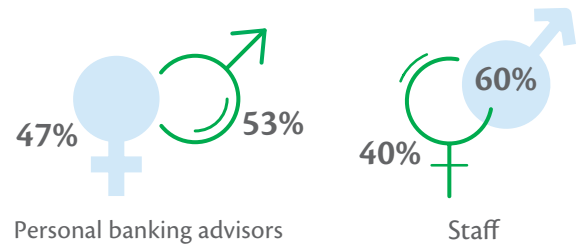
A common corporate culture is an integral part of our human resources policy. At the heart of this culture are BCV’s four core values: responsibility, performance, professionalism, and close ties with our customers and the broader community. These values are also central to the ethical principles described in the code of conduct in force within BCV Group. This code of conduct, which is available on our website, was reviewed and expanded in 2021.

Staff

At the end of 2024, BCV Group had 2,089 employees on a full-time-equivalent (FTE) basis, up slightly from the prior year. The parent company accounts for the largest share of the workforce, with a total of 2,039 employees, or 1,863 FTEs. In 2024 we filled 298 positions: there were 201 outside hires and 97 people transferred internally. Apart from retiring staff, average staff turnover was 7.7% in 2024.

In terms of gender equality, the parent company had 821 female employees (40% of the workforce) at the end of 2024. Women accounted for 31% of managers (443 positions) and 18% of all senior managers (64 positions). We are committed to fostering equal opportunity, which includes encouraging women’s representation at all levels of responsibility. We aim to have 25% of senior leadership positions held by women by 2030. We have introduced a range of measures to help achieve this goal, such as making gender parity a particular focus in our trainee selection process and, for employees with a newborn child, offering parental leave that far exceeds legal requirements.

In addition, women manage 28% of our branches (nine positions), where they play a key role in running our retail network. There were 507 employees (25% of the Bank’s staff) working part time at the end of the year.



Every two years, BCV commissions a third-party polling service to conduct an anonymous survey of all staff members in order to obtain their opinions on working conditions, workplace relations, and satisfaction with supervisors and, more generally, to determine employee buy-in and commitment. 83% of employees took part in the last survey, which took place in 2024. The findings showed that employee buy-in remains high. Once again, the results were considered very good in comparison with those at other companies in almost all areas studied, but especially in terms of support for the Bank’s strategy and confidence in senior management.

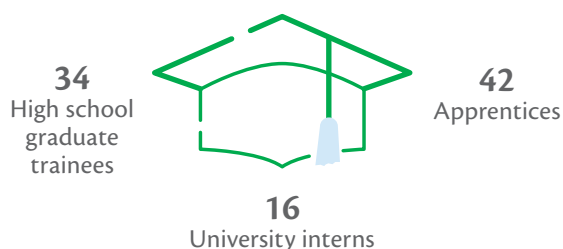
Equal pay

In compliance with the amended Swiss Federal Gender Equality Act, in 2021 we hired Comp-On SA, a human-resources consulting firm specializing in employee compensation, to conduct a pay analysis of all employees. The results showed that BCV’s compensation meets Swiss federal requirements on gender-equal pay. The analysis was approved by the Consortium of Social Partners for Equal Pay in Banks (CeParEB).

Beyond meeting Swiss legal requirements, we were awarded the Fair-ON-Pay certification by Comp-On SA and SGS. This certification, which is valid for four years and included an interim audit in 2023, recognizes BCV’s equal pay practices over the long term.

Focus on training

In 2024, BCV provided job training for 100 trainees, including 42 apprentices, 34 high school graduate trainees, 16 university interns, and eight participants in our “Rejoignez-nous” training program for people moving into banking after a career break.



BCV is one of the Canton's main providers of professional training. We have our own training center with around 180 instructors, three-quarters of whom work elsewhere within the Bank.

The training center focuses on skills development for all of the Bank's employees. Client advisors in particular require regular training to be able to keep pace with constant changes in client needs and the regulatory environment. To that end, our training center delivers courses on socially responsible investing and on addressing the issue of energy-efficiency renovations in the mortgage-lending advisory process. We also adopted a certification system used by several other banks that is in line with the ISO 17024 standard and recognized by the Swiss Association for Quality (SAQ). Some 243 client advisors had received their certification by end-2024.

The ninth edition of BCV's Micro MBA program, offered in collaboration with the Entrepreneurial Leadership program at the University of Geneva's School of Economics and Management, ran from March 2023 to October 2024. The 16 participants developed interdisciplinary and project management skills. In addition, 25 BCV employees received post-secondary degrees from outside institutions in 2024, with BCV's support. Through these actions, we are laying the groundwork to fill future leadership roles within the Bank.

Employee benefits

BCV Group provides its employees with comprehensive pension coverage well in excess of the minimum legal requirements. The staff pension fund is run as a defined-contribution plan for purposes of retirement benefits, and as a defined-benefit plan for purposes of death and disability benefits.

At the end of 2024, pension fund members comprised 2,210 employees, 1,964 of whom were working at the parent company, and another 1,479 pension recipients, including 1,088 retirees.

BCV takes several kinds of action in the interest of employees' health. A key focus is on prevention, for instance by providing flu shots and financing the Bank's employee sports association.

6. Playing an active role in the community

Our local community is important to us, and we take our responsibilities as a corporate citizen in Vaud Canton seriously. In addition to the purely economic aspects of our mission, we provide support for cultural and sporting activities as well as outreach initiatives. Our commitment has not wavered.

Cultural activities are a fundamental part of life in Vaud and a key component of our sponsorship policy. Last year we supported the following cultural events and organizations: the Paléo Music Festival, the Cully Jazz Festival, the 4 Seasons Festival, the Blues Rules Crissier Festival, the Red Pigs Festival, the musical “Sorcière,” the Théâtre du Jorat, the Théâtre de Beausobre, the Théâtre Benno Besson, the show “La Revue de Lausanne,” the Vevey Festival of Images, Lausanne-Pully Museum Night, the Swiss Museum of Games, the Fondation Vaudoise pour la Culture, the Fondation du Conservatoire de Lausanne, and Platform 10 (i.e., the Musée Cantonal des Beaux-Arts, or MCBA, in Lausanne).

We also support a number of outreach initiatives that help bring together the local community. These include: Société Vaudoise d'Utilité Publique (an association of social-service institutions), Pro Senectute Vaud (an organization that helps senior citizens), La Paternelle (a not-for-profit mutual insurance company for orphans),

the Vaud Red Cross, Ma Vie Ton Sang, the Vaud chapter of the Blue Cross in French-speaking Switzerland, the Fondation Mère Sofia, the Ligue Vaudoise contre le Cancer, the Association of Families with Children with Cancer in French-speaking Switzerland, Association Cerebral Vaud (an organization that supports people with cerebral palsy and their families), Fondation Pro-XY (which supports caregivers), Vaud Famille (an information platform for local families), and the Fondation Compétences Bénévoles (an organization that provides support services to charities).

The future of Vaud is taking shape in its schools. Last year we presented prizes at schools across the Canton (including primary schools, secondary schools, and universities) and provided support for Lausanne's Centre Sports-Etudes for school-age athletes and the 42 Lausanne computer programming school.

Sports activities are also a key part of the social fabric of Vaud and are central to our sponsorship policy. Last year we sponsored a number of sports clubs and events, including: FC Lausanne-Sport, the Yverdon Sport Academy, Vaud Générations Champions, the Association Cantonale Vaudoise de Football, the Lausanne Hockey Club, the Lausanne 20K, the Fondation d'Aide aux Sportifs Vaudois, the Mérite Sportif Vaudois, the Summer Bike Marathon, the Traîne-Savates running race, the La Favorite cycling race, Vaud Tennis Padel, and the Leysin Tobogganing Park.

We also support various other important initiatives in the Canton, including the Forum de l'Economie Vaudoise, the Forum des 100, the Forum Economique de la Côte, the Forum Economique de l'Ouest Lausannois, the PERL awards, the Mérites de l'Economie awards, and the Enterprise for Society Center (E4S).

We have links with programs that allow staff members to take part in humanitarian and environmental initiatives in association with non-governmental organizations. In 2024, we supported the following programs: Don du Sang, a blood-donation program; the yearly orange-sale fundraiser by the NGO Terre des Hommes; and the "bike to work" challenge, which encourages people to ride their bikes on a daily basis. Groups of employees also took part in environmental and social initiatives, including a community effort to remove invasive

plants and to plant trees. Other employees took part in a volunteer event run by Samedi du Partage Vaud. At that event, our colleagues collected non-perishable food items at shopping centers in Vaud for charities and other social-service institutions.



Bike to work:
15,245 km
covered by bike or
on foot

As part of our commitment to nature and biodiversity conservation in the Canton of Vaud, we put in place a new initiative, Terre Vaud Eau, in 2023. Under that initiative, we provided funding for three projects in 2023–2024: converting a reservoir into a natural habitat in the village of L'Isle; protecting the common midwife toad in the Vallée de Joux, working with staff from the Jura Vaudois Nature Park; and creating a biodiversity-rich wet meadow in Yens with the association Maison de la Rivière. In the area of biodiversity, BCV also supports the Printemps d'abeilles association.

BCV acts on its commitment to playing an active role in the Vaud community in other ways too. The Château de Montagny is a BCV-owned property nestled among 3.4 hectares of vineyards above the village of Lutry. The estate, operated by J&M Dizerens, received the Bourgeon Bio Suisse label after opting to forgo synthetic chemicals. BCV also has an art collection that comprises more than 2,400 works. Some are displayed in BCV's buildings, while others are shown at temporary exhibits in the Canton, for example, at the Musée Cantonal des Beaux-Arts in Lausanne. BCV and other cantonal banks, together with educators, back FinanceMission, a Swiss-wide initiative to promote financial literacy and teach adolescents how to manage their money, and www.junesetbudget.ch, an online resource that helps parents talk about money matters with their children.

Another initiative close to our heart is BCV Solidarity. In 2012, we decided to replace the end-of-year gift to

employees with an annual donation in our employees' name to a humanitarian project somewhere in the world. Every year, a different project is chosen by a working group selected from a pool of volunteers. In 2024, BCV Solidarity supported a project run by SWISSAID to improve water access and hygiene practices for 5,200 people living in a rural commune in south-west Niger made up of seven villages. The project consists of drilling wells, installing water lines and distribution points, and equipping five schools and two health centers with sanitary facilities. Activities will also be carried out to promote better hygiene in the community.

In addition, BCV supports its employees' involvement in the community, thereby contributing to their personal development. In 2024, over 200 staff members were actively involved in a variety of societies, associations, and other organizations of a social, political, cultural, or sporting nature. However, BCV has a policy not to provide any type of formal support to any political party or organization.

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Year in Review

Economic Environment

The global economy remained subdued in 2024, with GDP growth slowing from 3.3% to 3.2% year on year against a backdrop of persistent geopolitical tensions. While the US economy was robust, there was little momentum in the eurozone. Inflation continued to fall, allowing central banks to start loosening monetary policy.

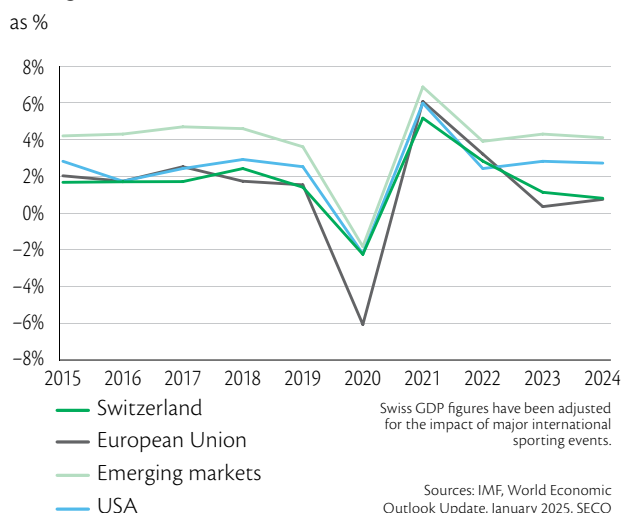
In Switzerland and Vaud Canton specifically, growth edged down as a result of the global climate. In Switzerland as a whole, growth weakened from 1.2% in 2023 to 0.9% in 2024, while in Vaud it fell from 1.4% to 1.2%. However, Switzerland had lower inflation than neighboring countries, and the Swiss National Bank was able to pivot to cutting policy rates ahead of other central banks.

Lack of momentum in the world economy

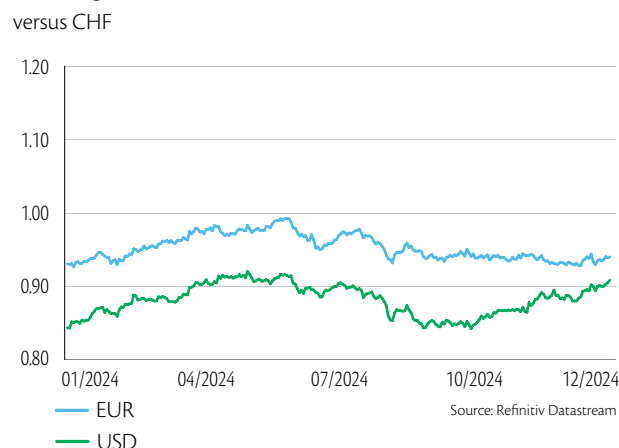
“Global growth is expected to remain stable, yet underwhelming.” In the fall 2024 edition of its *World Economic Outlook*, the International Monetary Fund (IMF) painted a fairly gloomy picture for global economic growth. “However, notable revisions have taken place beneath the surface, with upgrades to the forecast for the United States offsetting downgrades to those for other advanced economies – in particular, the largest European countries,” the IMF explained. Overall, the backdrop was mixed. On one hand, geopolitical tensions remained high. On the other, inflation continued to fall, moving close enough to 2% on both sides of the Atlantic that central banks were able to start easing their monetary policy.

In the January 2025 update to its *World Economic Outlook*, the IMF put its GDP growth estimate for 2024 at 3.2%, as output stagnated relative to the 2023 rate of 3.3%. In advanced economies, growth was steady year over year at 1.7%. The US stood out for the strength of its economy,

GDP growth around the world



Exchange rates



with output expanding by 2.8% in 2024 (2023: 2.9%), while growth in the eurozone remained weak, going from 0.4% to 0.8%. The German economy suffered from the headwinds experienced by its manufacturers. In emerging economies, growth slowed from 4.4% to 4.2%. The deceleration was particularly marked in China, where GDP growth went from 5.2% to 4.8%.

Buoyant financial markets

In 2024, stock-market indices continued to rise while long-term sovereign bond yields turned upward in the US and the eurozone. In the US, the S&P 500 rose 23.3% to 5,882 points, while the eurozone’s blue-chip EURO STOXX 50 Index gained 8.3%. In Switzerland, the Swiss Market Index (SMI), made up of the largest companies listed on the SIX Swiss Exchange, experienced a more limited gain of 4.2%, closing at 11,601 points. The MSCI emerging-market index gained 5.1% in US dollar terms.

In the bond markets, US long-term sovereign yields continued to rise despite lower inflation and the pivot to monetary easing. The yield on 10-year US Treasuries started the year at 3.87% and rose to 4.57% by year-end, while the Federal Reserve cut its fed funds target range from 5.25–5.50% to 4.25–4.50%. In the eurozone, the yield on the 10-year German Bund rose from 2.00% to 2.36%, and the European Central Bank cut its deposit facility rate from 4.0% to 3.0%. In Switzerland, the 10-year government bond yield

moved against the prevailing trend, falling from 0.70% at the start of the year to 0.23% at the end, while the Swiss National Bank reduced its policy rate from 1.75% to 0.50%.

Those movements came against an economic and financial backdrop in which inflation continued to ease around the world. After finishing 2023 at 3.4%, annual inflation in the US was down to 2.9% a year later. In the eurozone, inflation ended 2024 at 2.4%, down from 2.9% a year earlier. In Switzerland, inflation had already fallen below 2% in 2023 and, in 2024, declined from 1.7% in December 2023 to 0.6% one year later.

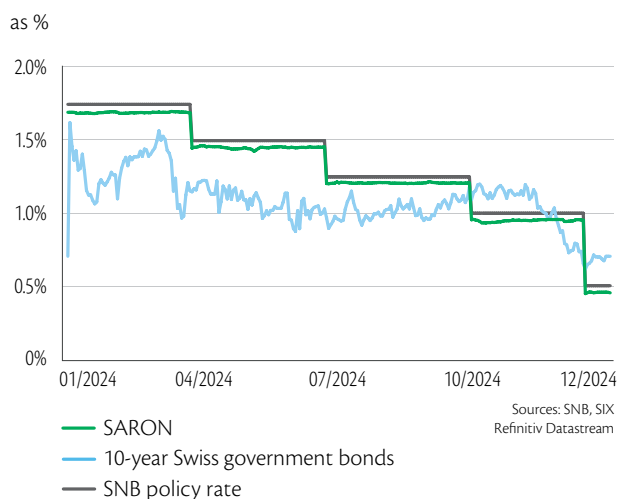
In the precious metals market, the gold price ended the year up 27.1% at USD 2,625 per ounce. In Swiss-franc terms, gold rose 37.3% to CHF 76,304 per kilogram.

In the currency markets, the euro rose slightly against the Swiss franc. It was worth CHF 0.93 at the start of the year and CHF 0.94 at the end, an increase of 1.1%. The dollar, meanwhile, posted a larger gain, rising 7.8% from CHF 0.84 to CHF 0.91.

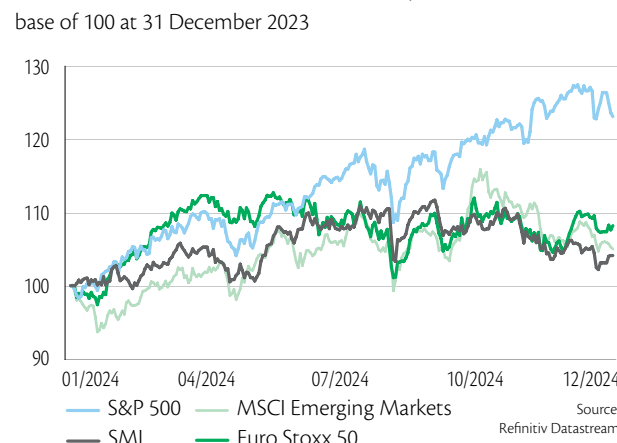
Weaker growth in the Swiss economy

Switzerland was affected by the lack of momentum in the global economy. Growth weakened slightly, slowing from 1.2% in 2023 to 0.9% in 2024 according to February 2025 estimates. The domestic economy remained solid, but

Interest rates



Stock-market indices in local currency terms



some export-focused industries were held back by slower growth in their destination markets.

Conditions remained relatively good in the labor market. The number of full-time-equivalent jobs rose by 1.0% to 4.3m in 2024. In the fourth quarter of 2024, employment was up 0.4% year on year to 1.0m in the secondary sector and up 1.1% to 3.3m in the tertiary sector. The unemployment rate rose slightly, from 2.0% on average in 2023 to 2.4% in 2024.

Exports recovered in 2024 after falling the previous year, rising by 3.2% to a record CHF 282.9bn. This was mainly due to a 10.0% increase in exports of chemicals and pharmaceuticals, according to the Federal Office for Customs and Border Security. Exports of food, beverages, and tobacco rose by 2.3%, driven by coffee derivatives. Exports were down in other categories, including machinery and electronics (-2.6%), watches (-2.8%) and precision instruments (-2.1%). In terms of destination markets, exports to Europe (+3.9%) and North America (+6.1%) were solid, while exports to Asia decreased by 1.8%.

Vaud economy hampered by the eurozone

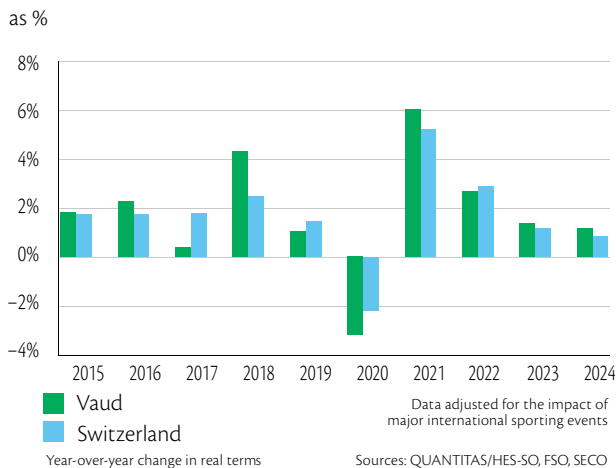
Vaud Canton’s economy followed a similar trajectory to the rest of Switzerland, with GDP growth slowing from 1.4% in 2023 to 1.2% in 2024. It was supported by the chemicals, pharmaceuticals and service industries, while manufacturing was weighed down by the weak global economy, according to estimates published by the Commission Conjoncture Vaudoise (CCV) in January 2025. The fall economic survey of the Vaud Chamber of Commerce and Industry (CVCI) showed that although the trend had weakened, business sentiment remained solidly positive in services but had fallen in manufacturing.

The Vaud job market was relatively buoyant. The number of full-time-equivalent jobs rose by 1.1% overall, with a 1.1% increase in both the secondary and tertiary sectors. The unemployment rate went from 3.3% on average in 2023 to 3.9% in 2024.

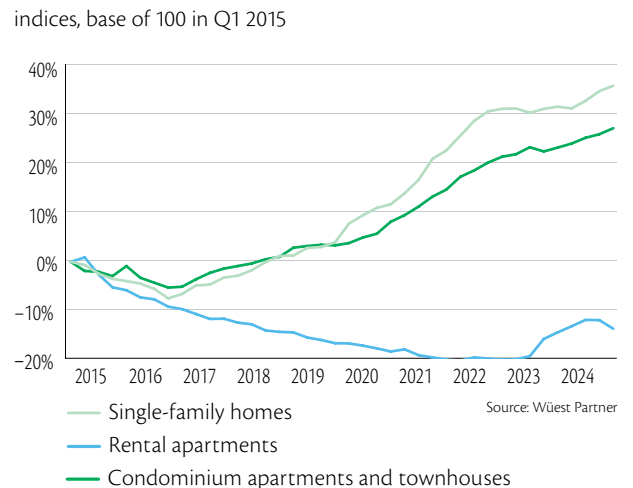
Real-estate market still dynamic

The Vaud real-estate market remained firm in 2024, as mortgage rates declined. While the number of owner-occupied properties changing hands was broadly stable, prices rose: they were up 3.3% year on year for single-

Vaud and Swiss GDP growth



Real-estate prices in Vaud



family homes and 3.2% for condominium apartments and townhouses, according to Wüest Partner figures. Prices reached new all-time highs by the end of 2024.

High prices limited the pool of potential buyers, but demand was boosted by interest rates, which were low in historical terms, as well as by population growth. The supply of new homes remained low: the number of new home starts per year in Vaud averaged just over 5,000 between 2018 and 2022, and this figure declined to 4,500 in 2023 and 2024.

The investment real-estate market remained solid. Prices rose 1.1% nationally in 2024 and are now at historically high levels. However, rental property construction has fallen in recent years and the vacancy rate in the Canton of Vaud remained low, edging down from 0.98% in 2023 to 0.96% in 2024. After having fallen by around 20% between 2014 and 2022, asking rents have since risen by 8.2%, including a 0.9% gain in 2024.

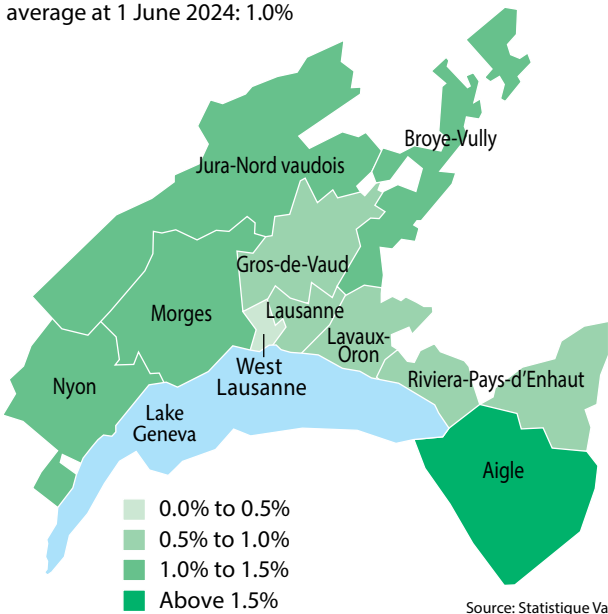
Outlook

As 2025 began, the outlook was mixed. Global economic growth remained moderate despite lower inflation and central banks’ pivot to cutting rates. In early spring, visibility

decreased when the new US administration applied high tariffs on a wide range of goods imported from numerous countries, including Switzerland.

These developments could weigh on growth in many countries. Switzerland is among them. At the time of writing, it was difficult to quantify the impact of the new tariffs given the uncertainty surrounding their repercussions – including any retaliatory measures taken by the affected countries.

Housing vacancy rates in Vaud
average at 1 June 2024: 1.0%



BCV Immobilier

In 2024, BCV published another issue of *BCV Immobilier*, a periodic report on the Vaud real-estate market that first appeared in 2017. Last year’s edition included a feature about energy efficiency renovations on older homes and the associated return on investment, which is of major importance for homeowners. Although no substitute for advice from a real-estate professional, these 24-page guides provide valuable information to prospective buyers, homeowners, individuals, and businesses wanting to keep up to date with market developments.

The reports (in French only) can be downloaded from the BCV website at www.bcv.ch.

Economic sectors in the Canton

Primary sector

According to AGIR (the agricultural information agency for French-speaking Switzerland), 2024 was the third-warmest year since records began in 1864 and weather conditions were challenging for farmers. A mild winter, rainy spring, stormy summer and wintry fall had an adverse impact on income from both crops and livestock. The value of Vaud's farming output fell 2.4%, according to data from the Federal Statistical Office (FSO). Income from arable farming was down, due in particular to declines in major

crops and feed crops. Income from livestock was largely unchanged, rising by 0.2%.

For winegrowers, weather conditions and fungal diseases caused the amount of grapes collected to fall by 19.6% year on year to 23.1m kilos, according to Vaud's Department of Agriculture and Winegrowing. As a result, 2024 was one of Vaud's least productive harvests this century in volume terms. However, given last year's wet weather conditions, the Department of Agriculture and Winegrowing expects 2024 to be a good vintage in terms of fermentation and the development of flavors. Barrel-tasted 2024 wines are fresh and fruity and could develop surprisingly well.

Vaud Canton and Switzerland in figures

	Vaud	Switzerland
Area	3,212 km ²	41,285 km ²
Population (end-2024) ¹	855,749 residents	9,049,726 residents
Population density	266 residents/km ²	219 residents/km ²
Working population ²	432,781	4,769,684
Number of companies ³	65,756	714,963
Primary sector	5.8%	7.1%
Secondary sector	12.9%	13.6%
Tertiary sector	81.3%	79.3%
Jobs	487,063	5,561,101
Primary sector	2.7%	2.9%
Secondary sector	15.8%	19.8%
Tertiary sector	81.5%	77.3%
Unemployment rate (2024 average)	3.9%	2.4%
GDP (2024 est.) ⁴	CHF 66.2bn	CHF 822.8bn
GDP/inhabitant	CHF 77,303	CHF 90,925

¹ Vaud: Source = Statistique Vaud; Switzerland: Source = estimate based on quarterly FSO data

² Permanent residents aged 15 and over, 2023

³ A company or part of a company (e.g., a workshop or factory) located in a given place, 2022

⁴ Data adjusted for the impact of major international sporting events

Sources: FSO, Statistique Vaud, SECO, Commission Conjoncture Vaudoise

Further increase in the Vaud population

Vaud Canton's population rose by 9,450 (+1.1%) to 855,750 in 2024 according to estimates from Statistique Vaud. The pace of growth was therefore similar to the average recorded in the previous five years (+9,930 people, or 1.2%, per year). The Canton's foreign-born population rose by 6,430 (2.3%), outpacing the increase in its Swiss population, which grew by 3,020 (0.5%). Foreigners now make up 34.0% of Vaud's population.

The Canton's largest foreign community – and the one that grew most in 2024 – consists of people from France, of whom there are 61,120, making up 21.0% of the foreign-born population. Vaud's other main foreign communities comprise people from Portugal (18.4%) and Italy (10.2%).

Among the regions, West Lausanne experienced the largest increase in its population (+4.0%), while increases elsewhere ranged between 0.5% and 1.6%. As regards the age distribution of Vaud's population, the fastest-growing category in 2024 consisted of people aged 65 and over (+1.9%), while the number of people aged 20–64 rose by 1.0% and under-20s by 0.7%.

Secondary sector

The sluggish global economy meant that Vaud's manufacturers had a mixed year in 2024. The CVCI's fall survey showed a deterioration in business sentiment among manufacturing companies. Business conditions for domestically oriented firms, particularly those in the construction industry, remained broadly stable in 2024.

Manufacturing

In its assessment at the end of 2024, the CCV noted that Vaud's manufacturers were suffering from the lack of

momentum in the world economy and the strong Swiss franc. Weak demand was still the main factor holding back business activity for 54% of the companies taking part in the survey. The situation was tough in the metallurgy, machinery, and equipment segments but improved in chemicals. Although some segments may continue to experience headwinds holding back business growth, Vaud's manufacturers were expecting an improvement overall, with slightly positive trends in exports and new orders.

Construction

Business conditions in the construction industry were decent overall, with a large number of building projects underway in the Canton of Vaud. However, order backlogs were down and labor shortages remained a problem in both structural and non-structural works. The number of people working in the sector fell by 2.4% (or 693) year on year to 28,610. The number of new building permits declined both for newbuild properties and for extension, conversion, and refurbishment projects, according to the CCV.

2024 growth by economic segment in Vaud

Growth above 2%

Chemicals, pharmaceuticals, rubber, glass, metallurgy, etc.
 Water and electricity production and distribution
 Transport, postal services, telecommunications, publishing
 Government administration, healthcare, education, sports, etc.

Growth of 0.5% to 2%

Hotels and restaurants
 Construction
 Food, textiles, leather, wood, paper
 Finance and insurance

Growth of -0.5% to +0.5%

Real estate, business services, etc.

Contraction of 0.5% to 2%

Wholesale and retail distribution, repairs, etc.

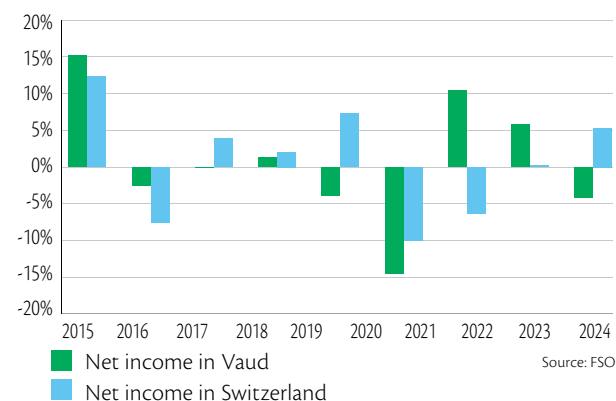
Contraction of more than 2%

Machinery, instruments, watches, etc.
 Primary sector

Sources: QUANTITAS/HES-SO, FSO, SECO

Change in farming income

as %



Tertiary sector

In the CVCI's fall 2024 survey, there was only a marginal decline in the business sentiment indicator for the services sector, with business confidence remaining relatively high. The situation varied between different types of services, but the sector played its traditional supportive role for the economy as a whole.

Wholesale and retail distribution

As in 2023, business conditions deteriorated overall in 2024 for both small stores and major players in this segment. The CCV noted a decline in sales volumes and earnings in particular. The FSO's national retail sales figures again showed that food sales were robust, up 1.6% in nominal terms and 1.3% in real terms. With the exception of information and communication hardware, where sales were on an uptrend, sales in other categories – such as clothing and furniture – fell in nominal terms. In volume terms, however, performance was mixed, and sales levelled off in apparel.

Hospitality services

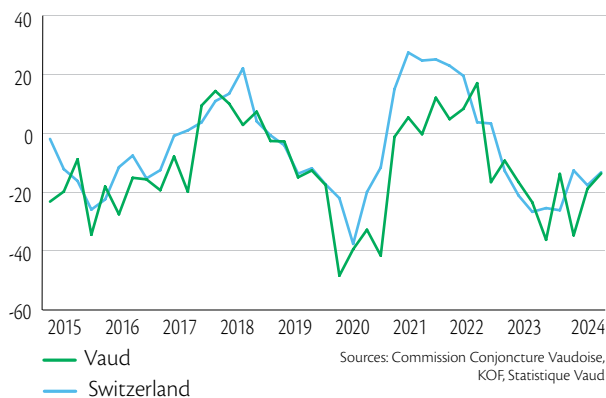
Hotels and restaurants had mixed fortunes in 2024. In Vaud's hotels, overnight stays by foreign tourists rose by 8.1%, offsetting the 4.8% decline among Swiss guests and resulting in a 1.2% increase on aggregate. Although the average room occupancy rate was relatively stable compared with 2023, half of the hotels surveyed said that their revenues had fallen. Restaurants were hit hard by consistently poor weather conditions last year. As a result, business levels were adversely affected by both a smaller number of diners and a major ongoing labor shortage.

Services

As in 2023, business levels remained robust in services, and particularly in business services. However, earnings fell slightly in the transport, information, and communications segment, according to the CCV. This broadly positive climate meant that labor shortages were the main obstacle to business performance (with 35% of survey respondents reporting this as a problem) ahead of economic conditions, legislation and weak demand (30%).

Composite index of business sentiment in manufacturing

net positive responses



Business sentiment in construction

net positive responses



Structure of the Vaud economy

Sectors and segments	Share of Vaud GDP (2024)	Full-year growth (2015–2024)	Jobs (2022)	Share of total jobs (2022)
Primary sector	0.9%	0.0%	13,025	2.7%
Agriculture, forestry, hunting, fishing	0.9%	0.0%	13,025	2.7%
Secondary sector	22.5%	3.3%	77,171	15.8%
Food, textiles, leather, wood, paper	2.0%	-1.4%	11,163	2.3%
Chemicals, pharmaceuticals, rubber, glass, metallurgy, etc.	11.3%	11.1%	11,332	2.4%
Machinery, instruments, watches, etc.	4.7%	1.2%	19,014	3.9%
Water and electricity production and distribution	1.4%	-1.9%	4,583	0.9%
Construction	4.2%	0.0%	31,079	6.4%
Tertiary sector	76.8%	1.5%	396,867	81.5%
Wholesale and retail distribution, repairs, etc.	11.7%	-1.2%	55,543	11.4%
Hotels and restaurants	1.7%	0.1%	21,985	4.5%
Transport, postal services, telecommunications, publishing	4.7%	0.6%	25,399	5.2%
Finance and insurance	7.4%	2.3%	18,159	3.7%
Real estate, business services, etc.	24.2%	2.1%	100,734	20.7%
Government administration, healthcare, education, sports, etc.	26.2%	2.4%	168,060	34.5%
Other	0.9%	0.8%	6,987	1.4%
Total Vaud GDP (after adjustments)	100.0%	1.8%	487,063	100.0%

Sources: FSO, SECO, Commission Conjoncture Vaudoise. GDP figures have been adjusted for the impact of major international sporting events.

Regional overview

The broad trends discussed in the previous pages were reflected in the various regions of the Canton of Vaud. However, each region has specific points worth mentioning.

Aigle

The Aigle region remained one of Vaud’s fastest-growing in population terms. The number of people living there rose by 1.6% in 2024 – below the highest increase in the Canton (West Lausanne: +4.0%) but above the cantonal average (+1.1%). Despite reduced construction activity, the housing vacancy rate rose from 1.57% in 2023 to 1.81% at 1 June 2024. As regards the residential real-estate market, prices of detached single-family homes (+4.3%) rose by more than the Vaud average (+3.3%) according to Wüest Partner figures, while the increase in condominium apartment and townhouse prices was similar to the cantonal average (+3.2%). The unemployment rate rose from 3.6% on average in 2023 to 4.2% in 2024. For hotels in Alpine resorts, poor weather conditions during part of the summer led to a 4.4% decrease in overnight stays, with the increase in foreign tourists failing to make up for the decline among Swiss guests.

Broye-Vully

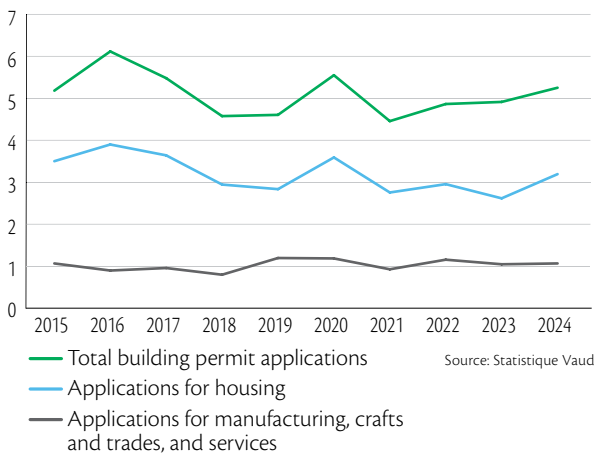
This region has experienced one of the Canton’s highest rates of population growth for several years now, and the number of people living in Broye-Vully rose by a further 1.5% in 2024, the third-largest increase in Vaud. There was a decline in homebuilding, and the housing vacancy rate fell from 1.51% to 1.31%. Local real-estate prices rose faster than the cantonal average, for both detached single-family homes (+4.3%) and condominium apartments and townhouses (+4.4%), according to Wüest Partner figures. The local unemployment rate increased from 3.6% in 2023 to 4.3% in 2024. Among the region’s business hubs, Swiss Aeropole continued to grow, both as a commercial airport – with the IATA airport code of “VIP”, standing for “Very welcome In Payerne” – and as a technology park home to around 30 companies. An influx of investment is on the horizon for the airport after the Payerne town council greenlighted a feasibility study for infrastructure work.

Gros-de-Vaud

Gros-de-Vaud had been one of the Canton’s fastest-growing regions from 2000 to around 2020, but its population growth has been slightly slower than the Vaud average since then (0.9% in 2024). The housing vacancy rate dropped

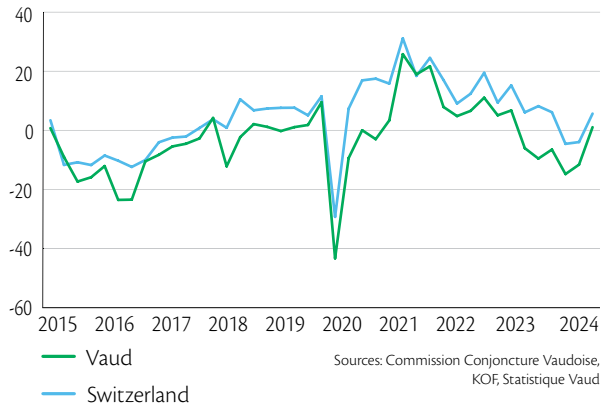
Value of work from building permit applications in Vaud

in CHF billions



Business sentiment in the retail sector

net positive responses



from 0.89% to 0.67% last year. Homebuilding recovered following a dip, boosted by projects such as the Osiris eco-district in Echallens developed by the Fonds Immobilier Romand and other partners, which welcomed around 800 residents in 2024. Prices of detached single-family homes were up 3.4% last year, while condominium apartment and townhouse prices rose 3.1%, with both of these rates close to the cantonal average. The local unemployment rate rose from 2.0% to 2.4%, but remained the lowest in Vaud. Although the general slowdown in economic growth had a limited impact on Gros-de-Vaud’s economy, farmers had a difficult 2024, particularly those growing grains, because of poor weather conditions for part of the year.

Jura-Nord Vaudois

The number of people living in the region rose by 0.8% in 2024, slightly less than the cantonal average (+1.1%). Although homebuilding activity declined, it remained relatively firm and the proportion of homes lying vacant was relatively stable (1.21% in 2023 and 1.25% in 2024). The region remains a sought-after residential location. Prices of detached single-family homes were up 3.4% last year according to Wüest Partner, a rate similar to the cantonal average, while condominium apartment and townhouse prices rose by an above-average 4.9%. The local unemployment rate increased from 3.0% to 3.5%.

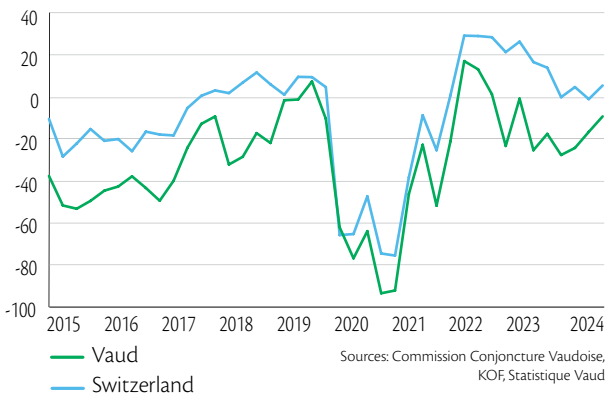
Manufacturers in segments like machinery, precision instruments, and plastic injection molding felt the effects of the economic slowdown. However, the Y-Parc science and technology park continued to develop, attracting new companies and onboarding a new director.

Lausanne

The population of the region around Vaud’s capital city grew by 0.7% last year. Its housing market remained as stretched as ever, and its vacancy rate was nearly unchanged, going from 0.61% in 2023 to 0.62% in 2024 – the Canton’s second-lowest figure after West Lausanne. Construction activity remained solid, with a number of ongoing projects including the Plaines-du-Loup eco-district. Prices of detached single-family homes were up 2.4% last year according to Wüest Partner, while condominium apartment and townhouse prices rose 1.6%. In both cases, prices increased by less than the cantonal average. The unemployment rate rose from 4.1% to 4.8%. Overall, the region’s economy – which is heavily dependent on retail and other services – felt the effects of the economic climate and structural changes affecting local commerce, as well as disruptions resulting from major construction projects in both Lausanne and West Lausanne. The region’s hotels recorded a 5.1% increase in overnight stays.

Sales index in the hotel and restaurant industry

net positive responses



Sales index in the services sector

net positive responses



Lavaux-Oron

The Lavaux-Oron region's population grew 0.9% in 2024. The housing vacancy rate declined from 0.92% to 0.82%. Residential real-estate prices were a mixed bag, according to Wüest Partner figures: prices for detached single-family homes rose by 5.4% – the highest increase in the Canton in 2024 – while prices of condominium apartments and townhouses climbed 0.5%, less than in all other regions. Residential construction activity remained robust, underpinned by strong demand. Because of a lack of available land, some smaller existing houses are being demolished to make space for new blocks of condominium apartments or townhouses intended for sale or rent. Although Lavaux-Oron's unemployment rate rose from 2.4% to 2.9%, the economic outlook is good, with businesses reporting strong order books and stable pricing. All sectors are experiencing a shortage of staff.

Morges

The number of people living in the Morges region rose by 0.5% in 2024, the lowest increase in the Canton together with Nyon. Despite subdued levels of residential construction, the proportion of homes lying vacant rose from 0.83% in 2023 to 1.04% in 2024. This did not prevent the region from seeing some of the Canton's largest increases in real-estate prices, which rose by 4.8% for detached single-family homes and 5.7% for condominium apartments and townhouses, according to Wüest Partner. The local unemployment rate rose from 2.5% to 2.9%. The Morges region's economy is highly diverse, and most of its companies reported business conditions that were at least satisfactory. Overnight stays in hotels in the Nyon-Morges region rose by 3.6%. Businesses continued to have trouble hiring staff and struggled to find sites for manufacturing and light-industrial activities.

Nyon

The number of people living in the Nyon region rose by 0.5% in 2024, ranking it alongside Morges as the Canton's slowest-growing region in population terms. Residential construction activity was solid, particularly in the rental segment. The housing vacancy rate remained stable at 1.25% (2023: 1.22%). With regard to residential real-estate prices, Wüest Partner reported varying trends: prices of detached single-family homes rose 1.9%, less than

the Vaud average, while condominium apartment and townhouse prices posted above-average growth of 4.7%. While the region is very diverse economically – it is home to the headquarters of various multinationals as well as a life sciences hub – its unemployment rate rose from 2.9% to 3.5% last year. Overnight stays in hotels in the Nyon-Morges region rose by 3.6%.

West Lausanne

The West Lausanne region is undergoing rapid development, including through numerous construction projects and an expansion of the Lausanne tram network. The number of people living in West Lausanne increased by 4.0% in 2024, making it the Canton's fastest-growing region in population terms. It is also Vaud's busiest region in terms of construction activity, mainly consisting of residential properties intended for rental, and accounted for a quarter of new homes coming onto the Canton's market in both 2023 and 2024. Despite that, the region's housing vacancy rate was nearly unchanged at 0.47% (2023: 0.46%), the lowest in Vaud. Prices of detached single-family homes rose 3.2% according to Wüest Partner, while condominium apartment and townhouse prices rose 2.6%. The unemployment rate rose from 3.8% to 4.6%.

Riviera-Pays-d'Enhaut

This region's population increased by 0.6% in 2024, significantly less than the cantonal average. Residential construction declined as homebuilders abandoned projects and because of the ongoing revision of Montreux's land-use plan. As a result, the proportion of homes lying vacant fell from 1.16% in 2023 to 0.85% in 2024. Prices of detached single-family homes rose 1.6% according to Wüest Partner, less than the cantonal average, while growth in condominium apartment and townhouse prices was above average at 4.0%. The local unemployment rate increased from 3.9% to 4.4%. Overnight stays in hotels in the Montreux-Riviera area edged down by 0.1%. There are some major construction projects underway or planned in the region, such as the refurbishment of the Montreux Music & Convention Centre (2M2C) and the redevelopment of Grand-Rue in the center of Montreux.

Economic structure by BCV region

	Aigle	Broye-Vully	Gros-de-Vaud	Jura-Nord-vaudois	Lausanne	Lavaux-Oron	Morges	Nyon	West Lausanne	Riviera-Pays-d'Enhaut
Population at end-2024	49,993	47,862	48,555	96,731	175,147	65,729	88,875	107,535	85,955	89,367
Population growth in 2024	+1.6%	+1.5%	+0.9%	+0.8%	+0.7%	+0.9%	+0.5%	+0.5%	+4.0%	+0.6%
Proportion of Canton's population	5.8%	5.6%	5.7%	11.3%	20.5%	7.7%	10.4%	12.6%	10.0%	10.4%
Jobs (2022)	23,788	19,226	18,128	52,358	147,637	23,823	47,621	49,037	64,394	41,051
Proportion of Canton's jobs	4.9%	3.9%	3.7%	10.7%	30.3%	4.9%	9.8%	10.1%	13.2%	8.4%
Jobs in the primary sector	5.5%	8.3%	6.7%	4.6%	0.1%	5.8%	5.0%	3.3%	0.2%	1.8%
Jobs in the secondary sector	20.3%	23.1%	30.2%	28.9%	6.6%	15.6%	21.3%	14.7%	19.1%	10.1%
Jobs in the tertiary sector	74.2%	68.6%	63.3%	66.5%	93.3%	78.6%	73.6%	82.0%	80.7%	88.0%
Average unemployment in 2024	4.2%	4.3%	2.4%	3.5%	4.8%	2.9%	2.9%	3.5%	4.6%	4.4%
Change in unemployment in 2024	+0.6%	+0.7%	+0.4%	+0.5%	+0.7%	+0.5%	+0.4%	+0.6%	+0.9%	+0.5%

Sources: Statistique Vaud, FSO

Year in Review

BCV in 2024

BCV Group delivered strong results for FY 2024. Revenues were stable at CHF 1.16bn in a less favorable interest-rate environment. Compared with the Bank's record 2023 year, operating profit decreased 5% to CHF 515m, while net profit declined 6% to CHF 441m. These figures nevertheless represent the second-best full-year performance in BCV's history, excluding exceptional items.

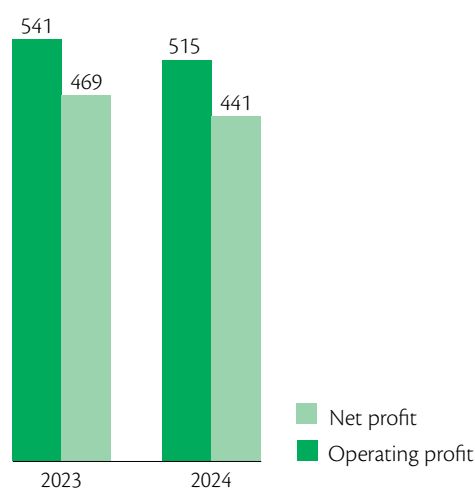
A lackluster global economy

Global economic growth edged down from 3.3% in 2023 to 3.2% in 2024, with the International Monetary Fund (IMF) stating in its World Economic Outlook that it expected growth to remain "stable yet underwhelming." However, the IMF also pointed to divergent trends across geographies. Economic growth was robust in the US, coming in at 2.9% in 2023 and 2.8% in 2024, while the eurozone had a tough year, with output expanding by 0.8% in 2024 versus 0.4% in 2023. Overall, growth stagnated at 1.7% across industrialized countries and dropped from 4.4% to 4.2% in emerging-market economies. China experienced a noticeable loss of momentum, with GDP growth down from 5.2% to 4.8%. In addition, global geopolitical tensions remained high. On a brighter note, inflation continued to ease, getting close enough to the 2% target for central banks in the US and Europe to begin loosening their monetary policies.

The Swiss and Vaud economies reflected the lackluster global trend. Swiss GDP growth slowed, from 1.2% in 2023 to 0.9% in 2024, according to the Swiss State Secretariat for Economic Affairs' February 2025 estimates. Similarly, growth in Vaud fell from 1.4% in 2023 to 1.2% for 2024, according to data published by the Commission Conjoncture Vaudoise in January 2025. Consumer spending nevertheless held up well, and the unemployment rate stayed relatively low, averaging 2.4% in Switzerland and 3.9% in Vaud. Inflation was lower in Switzerland than in neighboring countries, and the Swiss National Bank was the first central bank to pivot to rate-cuts.

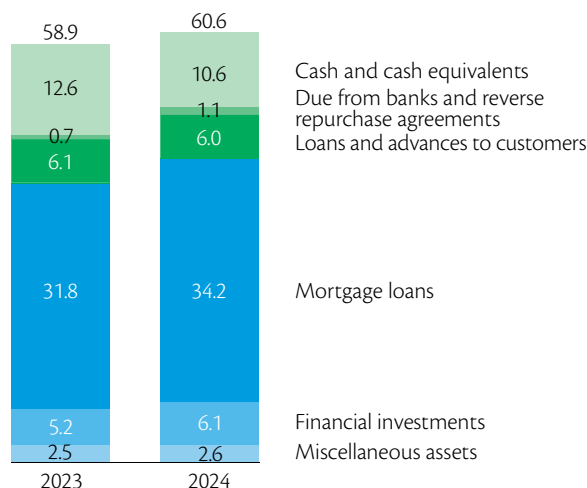
Operating and net profit

in CHF millions



Assets

in CHF billions



The Vaud real-estate market was buoyant last year. Demand was fueled by falling mortgage rates – which were already low by historical standards – and continued population growth, although the record high prices limited the pool of potential buyers. The supply of new residential properties continued to fall short, and prices were up across the board: they rose by 3.3% for detached single-family homes and by 3.2% for condominium apartments and townhouses, according to Wüest Partner figures.

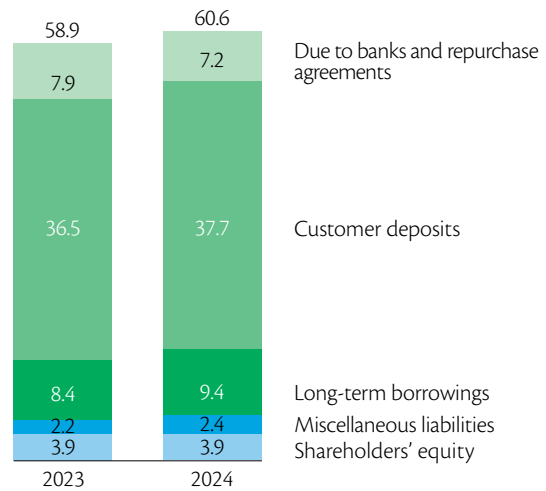
Continued growth in customer-driven business volumes

Mortgage lending expanded 8%, or CHF 2.4bn, to CHF 34.2bn in a dynamic real-estate market. Other loans decreased 3% to CHF 6.0bn, reflecting ongoing Covid-19 loan reimbursements. On the liabilities side, customer deposits grew 3% to CHF 37.7bn.

The Group’s assets under management rose 6%, or CHF 6.9bn, to CHF 124.2bn. Net new money amounted to CHF 3.2bn, and came from all client segments: individuals in Switzerland, SMEs, institutional clients, and large corporates. Investment performance drove AuM up by another CHF 3.6bn.

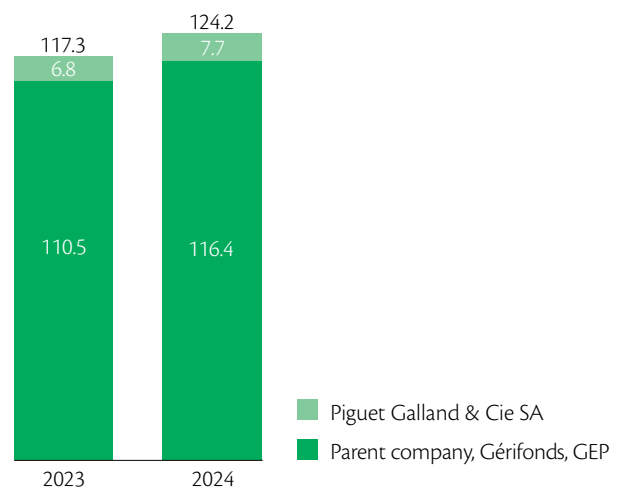
Liabilities and shareholders’ equity

in CHF billions



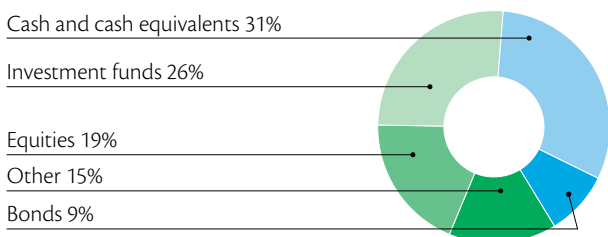
Assets under management¹

in CHF billions

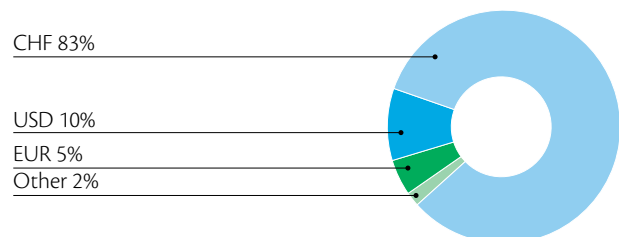


¹ The 2023 figure was adjusted to facilitate like-for-like comparison, following the change in the scope of assets under management as of the 2024 fiscal year.

Assets under management by investment type



Assets under management by currency



Financial results

Total revenues were stable year on year at CHF 1.16bn. Net interest income fell 7% to CHF 554m. Strong growth in lending volumes, which were up 6%, only partially offset the effects of an interest-rate environment that was less favorable than in 2023. Fee and commission income was up 9% to CHF 369m, reflecting favorable financial-market trends and firm personal-banking transaction volumes. Net trading income increased 2% to CHF 195m, underpinned mainly by customer-driven forex volumes. Other ordinary income rose 9% to CHF 38m.

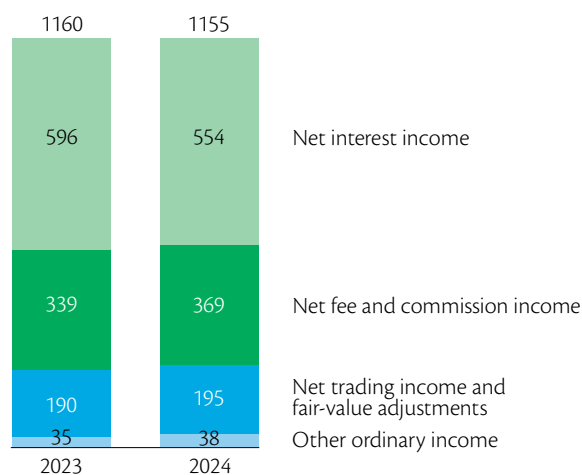
Operating expenses were up 3% to CHF 557m. Personnel costs climbed 6% to CHF 387m, mainly reflecting inflation-driven salary increases, the insourcing of IT hosting services, and Bank projects, including in cybersecurity and asset management. Other operating expenses fell 4% to CHF 170m. Depreciation and amortization rose 8% to CHF 82m. Operating profit declined 5% to CHF 515m.

The Bank's tax expense rose 1% to CHF 75m despite the decline in taxable income, following the implementation of the OECD's minimum corporate tax rate. Net profit contracted 6% to CHF 441m. This nonetheless represents the second-best bottom line in the Bank's history, excluding exceptional items. The ROE of 11.5% is one of the highest in BCV's peer group.

The cost/income ratio went from 53.2% to 55.2%. The net interest margin decreased from 1.01% to 0.91%. Shareholders' equity rose 2% to CHF 3.9bn. The Group's Common Equity Tier 1 (CET1) ratio at 31 December 2024 was 16.8%, and the leverage ratio was 5.5%.

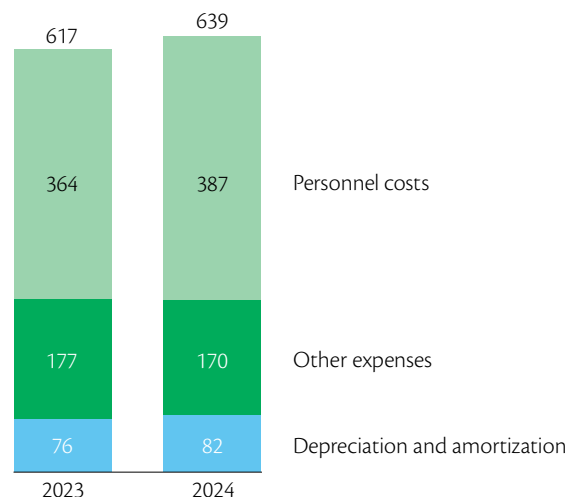
Revenues

in CHF millions



Operating expenses, depreciation, and amortization

in CHF millions



Business sector overview

Retail Banking

The Retail Banking Sector experienced a strong business trend in 2024. The mortgage book expanded by 7% to CHF 11.0bn on the strength of Vaud's still-strong real-estate market. Customer deposits continued to grow, ending the year up 2% to CHF 12.2bn. Sector revenues rose a strong 15% to CHF 267.2m, driving a 38% jump in operating profit to CHF 110.6m. The Digital & Multichannel Banking Department, part of the Retail Banking Sector, continued to build out its offering and added around a dozen new features and functions across all channels.

Corporate Banking

The Corporate Banking Sector achieved firm business growth in 2024, overcoming the sluggish economy. The SME segment, which drives the Sector's business, held up well despite the rise in the Swiss franc. Business activity was brisk in the Real-Estate Professionals segment, especially in the first half, and the business trend was also firm in Large Corporates. Trade Finance kept business volumes at moderate levels in light of geopolitical tensions. Lending and off-balance sheet commitments grew 7% to CHF 20.6bn, while deposits expanded 4% to CHF 12.5bn. The Sector's revenues increased by 2% to CHF 279.6m, and operating profit rose 4% to CHF 168.6m. The corporate loan book remained healthy, and new provisioning needs were low throughout the year.

Wealth Management

As in recent years, the Wealth Management Sector experienced a solid business trend in 2024, driven in part by bullish financial markets. The Sector continued to work actively to expand its range of socially responsible investment solutions for both private-banking and institutional clients. The Sector's assets under management rose 9% to CHF 88.0bn thanks to new fund inflows from institutional clients and the financial markets' positive performance. Sector revenues and operating profit both grew by 5%, with revenues coming in at CHF 460.4m and operating profit at CHF 215.9m.

Trading

BCV's Trading Sector focuses on customer-driven transactions for personal-banking and corporate clients. In a period of high geopolitical tensions and policy-rate cuts by central banks, the Sector's currency trading business posted gains on the previous year. Structured products activity also increased, particularly in the third quarter. Trading revenues expanded 2% to CHF 59.1m, and operating profit grew 7% to CHF 31.9m. Risk levels stayed extremely low, as the Sector does not engage in proprietary trading.

Highlights of the year

Dividend

The Board of Directors is recommending that at BCV's Annual Shareholders' Meeting on 8 May 2025 shareholders approve an ordinary dividend of CHF 4.40 per share, up CHF 0.10 on the prior-year figure. If the payout is approved, we will distribute CHF 379m to our shareholders. The Canton of Vaud will receive CHF 254m of that amount, together with CHF 32m in cantonal and municipal taxes, for a total of CHF 286m.

This is in line with the distribution policy that we first adopted in 2008. In addition, in late 2023, we raised our target dividend range. For the five years starting with the 2023 reporting period, we intend to pay an ordinary dividend of CHF 4.30 to CHF 4.70, barring significant changes in the economic or regulatory environment or in the Bank's situation. For the 2008 to 2024 financial years, we will have paid out a total of CHF 5.1bn to our shareholders.

Credit ratings reaffirmed

Standard & Poor's maintained our long-term rating of AA, with a stable outlook, a rating we were first assigned in 2011. Moody's reaffirmed our long-term rating of Aa2, which it first assigned to us in 2015, also with a stable outlook.

Very solid ESG ratings

Our longstanding commitment to sustainable economic development is reflected in our ESG scores. MSCI ESG maintained the Bank's ESG rating of AA, the agency's second-highest rating, placing BCV in the "Leader" category. Ethos reaffirmed the Bank's A- rating, its second-highest score, while ISS ESG recently upgraded BCV's rating to C and placed the Bank in the "Prime" category.

Changes to the Board of Directors and Executive Board

Ingrid Deltenre has decided to step down from the BCV Board of Directors at the upcoming Annual Shareholders' Meeting. She was elected to the Board on 1 May 2014 and, several months later, appointed to the Compensation, Promotions, and Appointments Committee, which she chaired from 2020 to 2024.

At the upcoming Annual Shareholders' Meeting, the Board of Directors will recommend that Sandra Hauser be elected to replace Ms. Deltenre. Ms. Hauser has extensive experience in technology, finance, and management. She holds a master's degree in computer science from ETH Zurich (1995) and a diploma in financial analysis and portfolio management from AZEK (1999). Until 2023, she held various technology management positions at financial institutions and services companies including UBS, Avaloq, and Zurich Insurance Company. She has served on the boards of Assura (2013–2022) and Urner Kantonalbank (2018–2024), and since 2024 has been a board member of Cembra Money Bank. Ms. Hauser is the managing director of areas GmbH, a consulting firm she founded in 2014.

In addition, BCV's Board of Directors appointed Anne Maillard to the Bank's Executive Board as head of the Retail Banking Division. Ms. Maillard, who previously served as COO and head of the products and services division on the executive board of Banque Cantonale de Fribourg (BCF), replaced José F. Sierdo, who has held the position since 2014 and will retire on 30 June 2025. Under his leadership, BCV's retail division delivered strong performance. He oversaw the modernization of BCV's branch office network, the strengthening of his division's advisory capacities, and the rollout of numerous digital banking functions. He also contributed

to the development of the TWINT payment app in Switzerland.

Anne Maillard was initially scheduled to join the Bank on 1 July 2025, but her arrival was brought forward to 1 April 2025. Ms. Maillard, a Swiss citizen born in 1969, possesses deep expertise in retail banking. Before joining BCF in 1998, she worked at Swiss Bank Corporation in Zurich and the Fribourg Chamber of Commerce, Industry, and Services. She went on to hold several management positions at BCF, joining the bank's executive board as head of the branch network division in 2017 and becoming head of the products and services division in 2022. Ms. Maillard holds an economics degree from the University of St. Gallen (HSG) and has completed Stanford University's Executive Program.

Key projects and investments

Key projects

In 2024, we continued to invest in our digital banking services. We made our online banking platform – accessible via BCV-net on a computer or via BCV Mobile on a smartphone – even more user-friendly and added a number of new features.

We continued to execute on our corporate social responsibility strategy. We made progress in a number of areas, including socially responsible investing (SRI), lending, reducing our direct environmental footprint, and being a responsible employer. In SRI, we continued to build out our product range for all customers, integrate ESG criteria into our investment products, and further develop the partnership we entered into in 2020 with Ethos, a foundation that plays a leading role in SRI in Switzerland. We intend to press ahead on all these initiatives going forward.

Investments

In recent years, we have been investing regularly in our IT system, spread over infrastructure, equipment, maintenance, and development. Detailed figures are available on page 142.

Strategy and outlook

In 2019, the Board of Directors and Executive Board conducted a review of the strategy in place since 2014 and defined a new strategic plan for the years to come. This plan builds on those we have been implementing for more than ten years and positions the Bank to respond to future challenges.

The strategic plan developed in 2019 – called *vista* – aims to maintain the positive trend that the Bank's business lines have been experiencing over the past few years. It 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. 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, in particular by fostering continuous skills development among our employees

- sharpening our focus on corporate social responsibility (CSR) measures, including a wider range of socially responsible investment options, banking products, and mortgage solutions.

In addition, the focus on service quality and our core values reflects our belief that a common culture shared by all employees is one of the key success factors for our strategy. From this foundation, we intend to generate sustainable growth and stable earnings going forward.

Financial targets

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 55% to 57% and an ROE (based on current shareholders' equity) of 10% to 12%; we consider a CET1 ratio of 13% to be a minimum threshold.

Business trends at the main subsidiaries

Piguet Galland & Cie SA

Piguet Galland & Cie SA is a private bank with its head office in Yverdon-les-Bains and five other branch offices across French-speaking Switzerland, in Geneva, Lausanne, Nyon, Neuchâtel, and La Chaux-de-Fonds. It provides comprehensive wealth advisory services and personalized investment solutions to private and institutional clients based primarily in Switzerland.

In 2024, Piguet Galland & Cie recorded a 15% decrease in net profit to CHF 11.7m. Revenues from banking operations were up 3% and operating expenses increased 8%. AuM rose CHF 914m, or 13%, to CHF 7.7bn on the financial-market uptrend and net new money of CHF 363m for the year.

Gérifonds SA

Gérifonds SA is the fund administrator for BCV and 12 other fund managers. At year-end, assets of funds under management were up CHF 2.8bn (+15%) to CHF 21.6bn, with net new money totaling CHF 1.5bn. At 31 December 2024, Gérifonds managed 138 funds, 94 of which were registered in Switzerland and 44 in Luxembourg.

Gérifonds' 2024 revenues increased 8% to CHF 19m, and net profit was up 14% to CHF 6m.

GEP SA

GEP SA manages and administers the Fonds Immobilier Romand (FIR), a listed, Swiss-registered real-estate fund launched in 1953 and open to private investors. According to its latest annual report, FIR had a portfolio of 4,328 residences in 154 buildings, most of which are in the Lake Geneva region.

At 31 December 2024, total assets were CHF 1.7bn (+5%) and rental income stood at CHF 88m (+5%). FIR remains financially robust, with a highly selective growth strategy and a debt ratio of 13.7%.

FIR further enhanced the energy efficiency of the buildings in its portfolio, reducing their CO₂ emissions by 13% last year. It also purchased buildings in prime locations and

continued to market 96 rental units in the new OSIRIS eco-district in Echallens, which were delivered in Q3 2023.

In an increasingly uncertain environment, FIR intends to keep its dividend stable while also generating capital appreciation over the long term.

Year in Review

Business Sector Reports

Retail Banking

- The Retail Banking Sector experienced a strong business trend in 2024. The mortgage book expanded by 7% to CHF 11.0bn on the strength of Vaud's still-strong real-estate market. Customer deposits continued to grow, ending the year up 2% to CHF 12.2bn.
- Sector revenues rose a strong 15% to CHF 267.2m, driving a 38% jump in operating profit to CHF 110.6m.
- The Digital & Multichannel Banking Department, part of the Retail Banking Sector, continued to build out its offering and added around a dozen new features and functions across all channels.

Business and strategy

In 2024, Retail Banking employed 367 people. They serve the banking needs of over 400,000 individuals with assets of up to CHF 500,000 or mortgages of up to CHF 1.2m. In addition to current accounts, savings accounts, and home loans, BCV offers a full range of banking products such as investments, financial planning services, and trading via our online platform, TradeDirect (www.tradedirect.ch).

Most of BCV's customers first came to the Bank for retail banking services. We offer a comprehensive range of distribution channels: close to 60 branch offices providing dense coverage of Vaud, a network of over 160 ATMs across the Canton, a highly efficient call center, and one of Switzerland's most comprehensive online banking platforms, which can be accessed using a computer or smartphone.

Our retail banking operations are an integral part of our image as the bank of choice for the people of Vaud. We

provide advice to customers in all phases of their lives, offering ongoing support through our broad array of products and services.

Retail Banking's experienced management and comprehensive product range also make it a key training ground for BCV's staff. Many employees working in BCV's other business areas started their careers as trainees, interns, or employees in Retail Banking. Retail continues to fulfill this role and frequently transfers staff to BCV's other divisions.

2024 business report

Residential real-estate prices started heading back upward, thanks in part to lower interest rates throughout 2024 and continued population growth in Vaud. The Canton's housing vacancy rate continued to trend downward, to 0.96%, which is well below its long-term equilibrium rate (estimated at 1.2%). The Sector's mortgage book expanded by 7% or CHF 674m to CHF 11.0bn. Customer deposits in the Sector were also up, increasing 2% to CHF 12.2bn.

We kept pushing ahead on enhancements to our digital distribution channels. Last year, we delivered around a dozen new features and improvements. These include new security options in BCV Mobile and BCV-net and an enhanced BCV-net interface, as well as the ability for eligible customers to subscribe asset-allocation funds and sign up for BCV Start Invest as self-service features on BCV-net. Our digital platforms continue to gain traction among our customers, with the number of connections to BCV-net and BCV Mobile rising again in 2024. Nearly 80% of our customers now use our digital banking services, and more than nine out of every ten payments are carried out online.

The Retail Banking Sector posted sharp growth in both revenues, up 15% to CHF 267.2m, and operating profit, up 38% to CHF 110.6m.

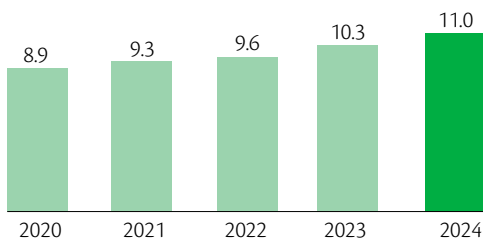
Objectives and outlook

Over the next few years, Retail Banking will aim to maintain its position as the bank of choice for the people of Vaud while constantly adapting to evolving customer expectations and market trends. We will continue implementing various initiatives to deliver an improved customer experience embracing all of our distribution channels. Our aim is to offer our customers a seamless and efficient experience across all distribution channels.

2020–2024 financial data

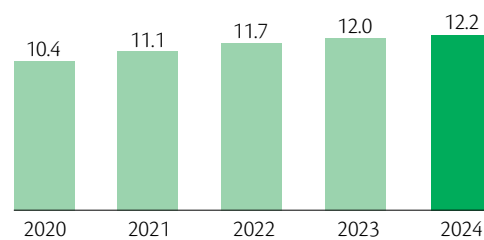
Mortgage loans

In CHF billions



Customer deposits

In CHF billions



Key figures

	2024	2023
Total revenues (CHF millions)	267.2	232.2
Operating profit (CHF millions)	110.6	80.1
Cost/income ratio (excluding goodwill amortization and write-downs)	58%	64%
ROE	33.7%	26.0%
Headcount	367	362

2023 figures were adjusted to facilitate like-for-like comparisons.

Corporate Banking

- The Corporate Banking Sector achieved firm business growth in 2024, overcoming the sluggish economy. The SME segment, which drives the Sector's business, held up well despite the rise in the Swiss franc. Business activity was brisk in the Real-Estate Professionals segment, especially in the first half, and the business trend was also firm in Large Corporates. Trade Finance kept business volumes at moderate levels in light of geopolitical tensions.
- Lending and off-balance sheet commitments grew 7% to CHF 20.6bn, while deposits expanded 4% to CHF 12.5bn.
- The Sector's revenues increased by 2% to CHF 279.6m, and operating profit rose 4% to CHF 168.6m.
- The corporate loan book remained healthy, and new provisioning needs were low throughout the year.

Business and strategy

The Corporate Banking Sector comprises four front-line departments: SMEs, Real-Estate Professionals, Large Corporates, and Trade Finance. The product range covers all financing needs (e.g., construction loans, financing of production equipment, working capital, and international trade finance) and provides cash-management services along with instruments for hedging exchange-rate and interest-rate risk.

Corporate Banking is continuing to expand its SME customer base in order to consolidate its already-strong presence in the Vaud economy. More than half of the Canton's SMEs bank with BCV. The Sector's Large Corporates Department offers a broad range of services to companies elsewhere in French-speaking Switzerland and, on a more selective basis, in German-speaking areas of the country. The Lake Geneva region is a global center for commodities trading and is home to a large number of trading firms. BCV has recognized strengths in serving these companies, particularly in the key markets in which we specialize, such as metals, soft commodities, and energy. The Sector focuses on certain key markets and systematically monitors all of its trade finance transactions.

2024 business report

The Corporate Banking Sector's results last year varied by business line.

Vaud SMEs again showed resilience despite the Swiss franc's rise against the euro and the dollar in a low-visibility macro environment. In the latest surveys, business leaders in this segment were generally optimistic, which suggests that volumes may expand in 2025 and further out.

Large Corporates also held up well amid moderate economic growth in Switzerland, with business volumes continuing to grow.

Business in the Real-Estate Professionals segment was particularly brisk, especially in the first half, driven by real-estate funds.

In Trade Finance, business levels were further weighed down by geopolitical tensions and by a decline in commodity prices in the second half. Average volumes declined 10%.

Overall, Sector lending and off-balance-sheet commitments rose 7% to CHF 20.6bn despite the ongoing repayment of Covid-19 loans. New provisioning needs were low in 2024, and deposits rose 4% to CHF 12.5bn.

The Corporate Banking Sector's revenues grew 2% to CHF 279.6m, while operating profit climbed 4% to CHF 168.6m.

Objectives and outlook

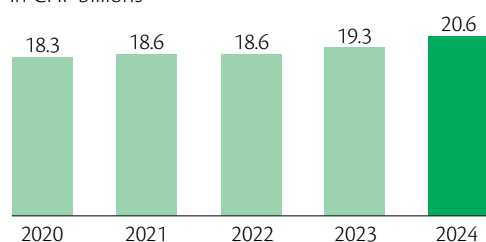
Corporate Banking will seek to increase its presence among local SMEs and real-estate professionals and ensure maximum responsiveness to their needs, standing with them during these still-uncertain economic times and throughout their life cycle – from creation to succession.

The Trade Finance and Large Corporates businesses will maintain their approach, based on maximizing profitability in line with the Bank's risk profile.

2020–2024 financial data

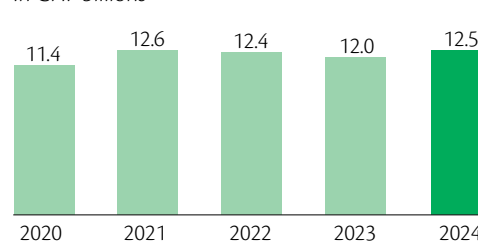
Lending and off-balance-sheet commitments

In CHF billions



Customer deposits

In CHF billions



Key figures

	2024	2023
Total revenues (CHF millions)	279.6	273.4
Operating profit (CHF millions)	168.6	162.1
Cost/income ratio (excluding goodwill amortization and write-downs)	36%	37%
ROE	9.8%	10.2%
Headcount	188	187

2023 figures were adjusted to facilitate like-for-like comparisons.

Wealth Management

- As in recent years, the Wealth Management Sector experienced a solid business trend in 2024, driven in part by bullish financial markets.
- The Sector continued to work actively to expand its range of socially responsible investment solutions for both private-banking and institutional clients.
- The Sector's assets under management rose 9% to CHF 88.0bn thanks to new fund inflows from institutional clients and the financial markets' positive performance.
- Sector revenues and operating profit both grew by 5%, with revenues coming in at CHF 460.4m and operating profit at CHF 215.9m.

Business and strategy

BCV Group's wealth management business comprises the activities of the parent company and those of its subsidiaries Piguët Galland & Cie SA, GÉRIFONDS SA (which has its own subsidiary in Luxembourg), and GEP SA. Within the parent company, wealth management is shared by two divisions: the Private Banking Division serves affluent and high-net-worth individuals, whereas the Asset Management & Trading Division works with institutional clients. With 582 employees in wealth management, BCV Group has a major regional presence in private banking. We are also Vaud Canton's leading institutional asset manager.

Because BCV operates in all areas of banking, efforts to attract private clients can be coordinated with other business sectors, creating valuable synergies. For example, the Bank's private banking business benefits from a steady stream of high-potential referrals from Retail Banking, whose client base includes most of the people living in the Canton, and from Corporate Banking, which is very active on the local business scene. BCV is already the leading institutional asset manager in Vaud Canton. We are now pressing ahead with our strategy to grow this business elsewhere in Switzerland. To achieve this, we are capitalizing on the occupational pension expertise we have gained through AVENA, which manages the assets of more than 1,100 member companies for nearly 17,000 fund members. Having traditionally focused our activities

in French-speaking Switzerland, we have expanded our business in the German-speaking part of the country by leveraging our investment skills and our ability to create high-value-added financial products.

Piguët Galland & Cie SA is a 99.7%-owned subsidiary of BCV. It was created following the merger between Banque Piguët & Cie SA and Banque Franck Galland & Cie SA, which BCV acquired in 2011. It operates out of Geneva, Lausanne, Yverdon-les-Bains, Nyon, Neuchâtel, and La Chaux-de-Fonds. Piguët Galland & Cie SA aims to be one of the leading wealth managers in French-speaking Switzerland.

GÉRIFONDS SA, which is a wholly owned subsidiary, provides BCV and other partners with valuable expertise in creating, distributing, managing, and administering investment funds. Its expertise and leading position in the fund market in French-speaking Switzerland have enabled it to build a solid and rapidly expanding portfolio of clients outside BCV Group.

GEP SA, founded in 1953, is a wholly owned subsidiary of BCV. It has unique expertise in real-estate fund management. It manages Fonds Immobilier Romand (FIR), a Swiss-registered real-estate fund listed on the SIX Swiss Exchange that invests mainly in residential properties in French-speaking Switzerland.

2024 business report

The financial markets again gained ground in 2024, underpinning a solid overall performance by BCV's investment products.

We are launching a number of new index funds for Swiss equities and CHF-denominated bonds this year. The 2024 decision to launch the new funds was based on factors including BCV's position as a universal bank offering the full range of products and services and our status as a recognized wealth manager in the Swiss banking sector, which recently lost a major player. The funds will track three indices – the SPI 20, SPI, and SBI AAA-BBB – and several of them will be included in our socially responsible investment solutions.

The Sector's assets under management rose 9% in 2024 to CHF 88.0bn. This reflected significant inflows, mainly

from institutional clients, and strong financial market performance.

In a trend also seen in Retail Banking, there was strong traction in mortgage lending to private-banking clients, which expanded by 5% to CHF 8.7bn in a still-strong real-estate market.

Wealth Management revenues increased 5% to CHF 460.4m, and operating profit rose 5% to CHF 215.9m.

Objectives and outlook

We will press ahead with the growth strategy that we implemented several years ago in private onshore wealth management, with the aim of becoming the market leader in Vaud Canton.

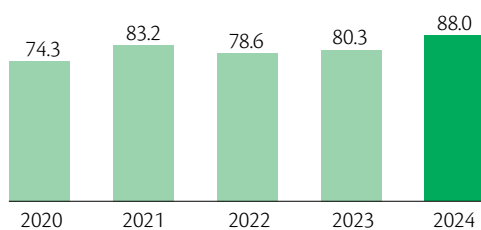
In institutional asset management, we aim to continue growing our business in Vaud and the rest of French-speaking Switzerland, as well as in the German-speaking part of the country through our representative office in Zurich. As a creator and distributor of investment products, Asset Management will continue to design innovative investment strategies. We will keep developing our product range in line with client needs and new investment styles, particularly in the area of socially responsible investing.

Piguet Galland & Cie SA is aiming to grow its business in French-speaking Switzerland's wealth management market with the ongoing support of its parent company, BCV.

2020–2024 financial data

Assets under management¹

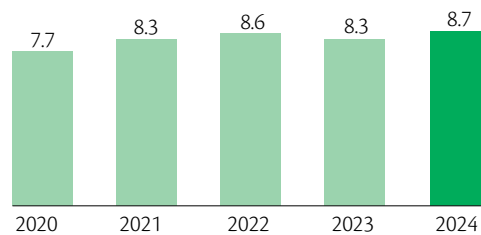
In CHF billions



¹ 2022 and 2023 figures were adjusted to facilitate like-for-like comparison, following the change in the scope of assets under management as of the 2024 fiscal year.

Mortgage loans

In CHF billions



Key figures

	2024	2023
Total revenues (CHF millions)	460.4	437.7
Operating profit (CHF millions)	215.9	204.8
Cost/income ratio (excluding goodwill amortization and write-downs)	53%	53%
ROE	48.2%	47.6%
Headcount	582	549

2023 figures were adjusted to facilitate like-for-like comparisons.

Trading

- **BCV's Trading Sector focuses on customer-driven transactions for personal-banking and corporate clients. In a period of high geopolitical tensions and policy-rate cuts by central banks, the Sector's currency trading business posted gains on the previous year. Structured products activity also increased, particularly in the third quarter.**
- **Trading revenues expanded 2% to CHF 59.1m, and operating profit grew 7% to CHF 31.9m.**
- **Risk levels stayed extremely low, as the Sector does not engage in proprietary trading.**

Business and strategy

We aim to meet our customers' trading needs and to offer them a broad array of products and services. To achieve this, we have one of the largest trading floors in French-speaking Switzerland. Our traders operate directly on the SIX Swiss Exchange. Our Trading Sector focuses on investment and hedging products (currencies, equities, bonds, derivatives, and structured products) that are aimed at clients based mainly in Switzerland. Customers can also use our free BCV e-FOREX app to carry out spot, forward, and swap forex transactions, 24 hours a day, six days a week.

Our trading floor focuses on client transactions. This means that the Bank's risk levels are low.

The Sector's activities come under the Asset Management & Trading Division, which encompasses asset management, investment policy, occupational pensions, and the trading floor. That combination enables us to make the most of synergies between the trading floor and the Asset Management Department, helping us to provide investment products that are responsive to customer needs and consistent with our investment policy.

2024 business report

The Swiss franc lost ground to the euro and the US dollar in the first half of 2024 before firming up over the summer, when rising economic and geopolitical tensions sent investors on a search for safe havens. The franc then remained stable against the euro but declined considerably versus the dollar from October onward, shedding nearly 10% in just over three months. This bout of weakness was due in large part to the solidity of the US economy.

Currency trading income was up 3% and accounted for more than 60% of overall Trading revenues. Structured product issuance also expanded, especially in the third quarter. Full-year revenues for the Sector as a whole climbed 2% to CHF 59.1m, and operating profit was up 7% to CHF 31.9m.

The Sector's risk profile remained very low, with an average Value-at-Risk (1-day, 99%) of around CHF 0.1m over the course of the year. In other words, at any point in the year, there was a 99% chance that our trading floor would not lose more than CHF 0.1m on a given day.

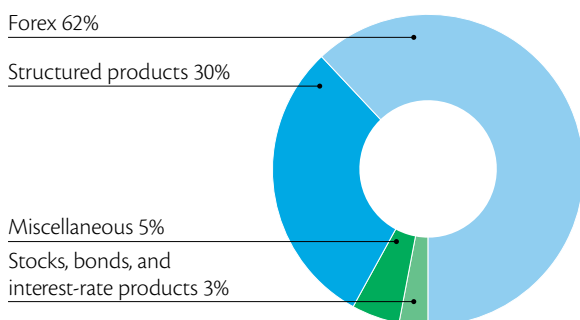
Objectives and outlook

In the coming years, the Trading Sector will further develop its range of services to focus on customers' core trading needs. Our products for both hedging and investment purposes will continue to meet strict transparency criteria.

In forex and structured products, the Sector will seek to win new customers and build on existing relationships by offering excellent service and products.

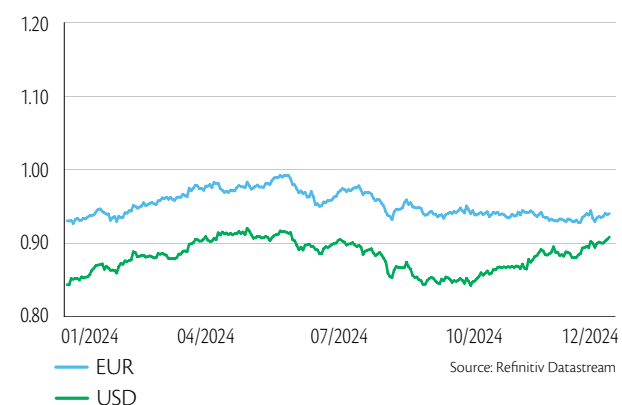
2024 financial data

Breakdown of trading income by market segment



Exchange rates

versus CHF



Key figures

	2024	2023
Total revenues (CHF millions)	59.1	58.0
Operating profit (CHF millions)	31.9	29.8
Cost/income ratio (excluding goodwill amortization and write-downs)	45%	48%
ROE	38.0%	33.7%
Headcount	51	50

2023 figures were adjusted to facilitate like-for-like comparisons.

Risk Management

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Risk Management

1. General approach

1.1 Objectives

The business of banking is to take on strategic and business risk, market risk, and credit risk in order to create economic profit. Indirectly, this entails exposure to operational risk. BCV manages these risks in an integrated and coherent manner, using a process that encompasses all of the Bank's activities. The goals of the risk-management process at BCV are to ensure that:

- BCV's risk exposure is evaluated, monitored, and reported in a manner that is appropriate to the economic and regulatory environment
- BCV's risk-taking capacity is in line with its risk profile
- BCV earns optimal returns on the risks that it takes and hence on the equity capital committed.

1.2 Principles

Risk management at BCV is based on the following ten principles:

1. BCV takes on strategic and business risk, credit risk, and market risk with the aim of generating economic profit.
2. BCV seeks to minimize its exposure to the operational risk it is exposed to as a result of its activities.
3. Every risk that BCV takes must fall clearly within the purview of the Bank's businesses and be in line with the targeted risk profile.
4. The level of risk taken by BCV is in keeping with its risk tolerance with regard to net profit fluctuations and the targeted level of share capital.
5. BCV takes and maintains positions only when it knows the risks and is able to manage them.
6. BCV assesses and monitors all risks for their potential financial impact (decreases in profit and/or capital), regulatory impact (that could lead to restrictions on the right to conduct business), and impact on the Bank's reputation.
7. The same definitions, methodological approaches, and

organizational principles are applied in managing risk bank-wide.

8. BCV continually refines its methods and its risk-assessment and monitoring processes, selecting the most appropriate approach for each set of risks taken.
9. BCV fosters a culture of risk management and aims to be highly skilled in this field. The Bank follows industry best practices and the recommendations of the Basel Committee.
10. BCV strives for full in-house expertise in all the risk-management models and tools that it uses.

1.3 Classification of risks

BCV monitors four categories of risk in all of its activities:

- **Strategic and business risk**, which arises from economic or regulatory changes that could have an adverse effect on the Bank's strategic choices in the case of strategic risk, or from competitive or economic changes that could have an adverse effect on business decisions for a given strategy in the case of business risk.
- **Credit risk**, which arises from the possibility that a counterparty may default. Credit risk is inherent in all lending exposure.
- **Market risk**, which arises from potential adverse changes in market parameters, particularly prices, implied volatility, and other market base effects (e.g., correlation between asset prices and market liquidity). Liquidity risk, both in terms of possible difficulties with the structural funding of activities and potential problems with short-term liquidity management, is also deemed to be a component of market risk. Market risk is inherent in all market exposure.
- **Operational risk**, which arises from a possible deficiency or failure relating to inadequate processes, people, and/or information systems, or malicious behavior. Operational risk includes the risk of non-compliance, i.e., the risk of the Bank breaching legal requirements, standards, and regulations. Operational risk is inherent in the Bank's business activities and operational procedures.

BCV analyzes and manages these risks on the basis of their potential impact. Three kinds of impact are considered:

- the **financial impact**, that is, a decrease in the Bank's net profit, the book value of its capital, and/or the economic value of its capital
- the **regulatory impact**, that is, an intervention by the authorities as a result of a failure by the Bank to comply with its legal and regulatory obligations
- the **reputational impact**, that is, negative publicity concerning the Bank; the severity of the impact will depend on the reaction of the Bank's main stakeholders.

1.4 Governance

All risks in all areas of the Bank are managed according to the same basic principles of governance and organization. The main responsibilities in the area of risk management may be summarized as follows:

- The Board of Directors establishes BCV's fundamental risk-management principles and decides the strategy it will pursue in taking on risk. It is also responsible for high-level oversight of the Bank's risk profile. As part of this, the Board of Directors monitors the Bank's main risk factors and exposures, including those related to the climate.
- The Audit and Risk Committee ensures that risk management at BCV is implemented and operational, as decided by the Board of Directors.
- The Executive Board is responsible for ensuring that risk-management procedures are implemented and operational, and for monitoring the Bank's risk profile. It monitors and assesses the Bank's main risk factors and exposures, including those related to the climate. As part of this, it monitors strategic and business risk and supervises the Executive Board Risk Management Committee in monitoring and reporting these risks. The committee is chaired by the Chief Financial Officer (CFO) and includes the CEO, other division heads, and the head of the Risk Management Department.
- Division heads are responsible for conducting and monitoring the activities of their divisions, regardless of whether the division has a front-line, steering, or business-support role. They have initial responsibility for overseeing, identifying, and managing the strategic, business, credit, market, and operational risks arising from the activities of their divisions.
- The CFO also assumes the role of Chief Risk Officer. The CFO, with the support of the Risk Management

Department, puts forward risk-management policy and strategy, monitors the Bank's aggregate risk profile, is responsible for capital adequacy, and helps foster a culture of risk management among staff. Together with the Compliance Department, the CFO ensures that due diligence is taken to combat money laundering and the financing of terrorism, monitor market abuse, and comply with economic sanctions.

- The Credit Management Division, under the Chief Credit Officer (CCO), is responsible for analyzing risk for all types of credit risk assumed by the Bank and, up to the limit of its approval authority (see below), for credit decisions, as well as for monitoring risk exposures on a counterparty basis. The CCO is also responsible for developing and monitoring the models used to measure credit risk, particularly those used in the lending process, and for setting and implementing the criteria and rules governing lending decisions and monitoring.
- The Risk Management Department is responsible for setting up, implementing, monitoring, and adapting the Bank's oversight principles and methods for credit, market, and operational risk; monitoring the Bank's risk profile; and overseeing and executing risk reporting. It ensures that the Bank's main risk factors and exposures, including those related to the climate, are taken into consideration in these processes. The Department also ensures that the Bank's operational internal control system is effective and in keeping with the Bank's needs by coordinating the work of the entities responsible for level 2 oversight; it is also in charge of submitting all risk reports to the Bank's governing bodies. Finally, it is responsible for the overnight monitoring of market risk for BCV's trading floor.
- The Compliance Department is responsible for setting up, implementing, monitoring, and adapting the internal regulations and control system needed to combat money laundering and the financing of terrorism, monitor market abuse, and comply with economic sanctions and tax law. The Department also has oversight responsibility in the area of investor protection. It is actively involved in raising employees' awareness of the respective obligations and carries out independent checks to ensure that internal regulations are in line with the Bank's activities.
- The Security Department is responsible for setting up, implementing, monitoring, and adapting the system that keeps the Bank's operations, IT systems, and data secure, and the people, infrastructure, and assets within the Bank safe and secure. It pays particular attention to

cybercrime. It also makes sure that measures put in place to manage crisis situations and ensure business continuity remain effective and adequate over time.

2. Credit risk

Managing credit risk is a core competency at BCV. Each phase of the business of extending credit calls for particular expertise in managing risk.

- First, the lending decision involves processes and methods for analyzing credit risk that ensure an objective and factual assessment while still meeting the operational imperatives of the business.
- Second, outstanding loans are continuously monitored, not just on an individual basis but also at the level of the loan portfolio as a whole. This approach allows the credit-risk profile to be monitored to ensure that it remains consistent with strategic objectives, and makes early detection of increases in risk possible.
- Third, impaired loans are managed differently, following clearly defined procedures that are designed to assist the debtor in distress as much as possible and thereby protect the interests of the Bank, as well as those of its depositors, creditors, and shareholders.

The three phases of customer credit activities are described in more detail below.

2.1 Lending decisions

Risk strategy and credit policy

Loans to customers represent the Bank's largest asset position. BCV takes on credit risk with the aim of building a high-quality loan portfolio. Its customer credit risk stems primarily from mortgage loans to individuals and businesses, other types of business loans, as well as other types of exposure to financial institutions and public-sector entities. For each of the various customer segments, the Bank sets limits in terms of maximum exposure, types of credit services offered, and targeted average quality expressed in terms of expected loss and required capital. Credit risk exposure to other banks arises mainly from treasury management, from BCV's trading activities in over-the-counter derivatives, from securities and payment transactions (settlement), and from bank guarantees on trade-finance operations. The Bank reviews the limits applicable to each counterparty at least once a year. The risk strategy and credit policy are reviewed regularly.

Separation of powers and lending authority

Sales (i.e., front-office) functions are kept strictly separate from credit analysis and approval functions. Employees in front-office departments are responsible for developing customer relationships, and promoting and pricing loan products, whereas the Finance & Risks Division is responsible for managing relationships with and credit limits for financial institutions.

<i>BCV risk profile</i>		31/12/21	31/12/22	31/12/23	31/12/24
BCV Group capital adequacy ¹	• Risk-weighted assets (CHF billions)	19.3	19.1	19.4	20.9
	• Total capital ratio	17.3%	17.7%	18.0%	16.9%
	• Tier 1 capital ratio	17.2%	17.6%	17.9%	16.8%
Non-impaired loans (parent company)	• Customer loans, on and off balance sheet ² (CHF billions)	36.6	37.4	38.6	41.3
	• Expected loss ratio (relative to amount drawn)	9 bps	7 bps	7 bps	6 bps
Impaired loans (parent company)	• Impaired loans ³ (CHF billions)	0.1	0.1	0.1	0.1
	• As a % of total customer loans and due from banks	0.3%	0.3%	0.3%	0.3%
	• Specific provisioning ratio	57%	60%	56%	60%
Market risk in the trading book (parent company)	• Trading Dept.: VaR ⁴ (CHF millions, 1-day, 99%)	0.1	0.1	0.2	0.1
	• Asset mgt. nostro portfolio: VaR ⁴ (CHF millions, 180-day, 99%)	0.1	0.1	0.0	0.0
Market risk in the banking book (parent company)	• Sensitivity of capital to a 100-bp rise in interest rates (CHF millions)	-399.8	-299.2	-335.4	-347.6
Operational risk (parent company)	• New provisions and direct losses (CHF millions) ⁵	-0.9	5.5	1.0	0.6

¹ Determined according to Basel III since 2013

² Excluding financial investments (bonds)

³ Net commitments (commitments to impaired borrowers for which the provision is above 0)

⁴ Average VaR for the year

⁵ Including gains and changes in provisions

Credit analysis and approval, along with the monitoring of credit limits, are the domain of the Credit Management Division, headed by the CCO. Analysis of credit risk is based on tools (rating models) developed by dedicated independent teams, and on assessments by credit analysts. Some low-risk forms of lending, such as standard mortgage loans, are approved on the basis of standardized criteria through an automated credit analysis, using scores obtained from rating models defined by the Bank.

Approval limits for lending are based on the amount of the loan and the level of expected loss. Depending on the magnitudes of these two factors, a loan may require the approval of an analyst, a sector credit committee, the CCO, the Executive Board Credit Committee, or the Board of Directors. Approval limits are specified in the Bank's lending policy rule book, which is approved by the Board of Directors.

Analysis of default risk

Assessing a counterparty's default risk is the centerpiece of credit-risk analysis. Each counterparty is assigned an internal default rating that reflects its probability of default. The Bank applies seven main ratings, which are divided into a further 16 clearly defined sub-ratings. Default-risk assessment consists of applying a rating model and supplementing this evaluation with analysts' assessments, which are based on established guidelines and criteria. Different rating models are used for counterparties with different characteristics, but the choice of rating model for a particular counterparty is governed by strictly defined considerations. Barring a few exceptions, the rating models that the Bank uses meet the requirements of the Basel III Accord for Internal Ratings-Based (IRB) approaches. The models are under the responsibility of the Risk Management Department and are subject to independent validation and continuous improvement.

Analysis of collateral

For any loan, the calculated loan-to-value ratio and expected loss given default depend directly on the valuation of the collateral. Collateral is valued according to current market conditions and the assessments of real-estate experts. The valuation is reviewed at predetermined intervals and whenever certain clearly defined events occur. The Bank determines the value of real estate in accordance with the recommendations of the Swiss Bankers Association. Single-family homes are valued using

a hedonic method. Multi-unit residential and commercial properties are valued on the basis of their revenue yield. When a loan is granted, the loan-to-value ratio and expected loss given default are established on the basis of the current value of the collateral. The Bank applies loan-to-value criteria that are in line with common practice in the Swiss banking industry.

Expected loss and risk-adjusted pricing

For all loan products, interest rates are determined individually, taking into account the cost of the loan and the Bank's ROE objectives. The cost of the loan includes the funding or replacement cost, the administrative cost, and the expected loss. Expected loss is determined as a function of the counterparty's probability of default (i.e., its internal counterparty default rating) and the loss given default. The loss given default depends in turn on the amount exposed to credit risk and the value of the collateral.

In trade finance, expected loss is calculated for each transaction in accordance with a model based on the Basel III slotting criteria. This approach enables the Bank to price all loans in a way that best reflects the quality of each transaction.

Collateral management

BCV has entered into collateral management agreements with most of its bank counterparties, covering all its trading activities in derivatives. These agreements significantly reduce the Bank's exposure to credit risk.

2.2 Credit monitoring

Monitoring

A system of alerts and internal renewal reviews is used to detect individual situations in which risk has increased. The system of alerts is based on close monitoring of exceeded limits and on other factors (including automatic re-ratings) that may indicate situations of increased risk or even impairment. Whenever instances of exceeded limits are detected, specific actions are taken by BCV's credit advisors and analysts. The system of internal renewal reviews sets a maximum time interval between credit analyses for positions of a given size and for counterparties for which no intervention has been required because no alert has been triggered. This time interval is set according to the nature of the credit and the type of counterparty.

Analyzing the loan portfolio

The risk profile of the loan portfolio is reviewed quarterly. For each customer segment, credit-risk exposures, risk-weighted assets, expected loss (amount and rate), provisioned commitments, value adjustments, and risk concentration indicators are analyzed and compared with prior years. Changes in the exposures on specific portfolios, including portfolios exposed to climate-related risk factors, are also analyzed. The results of these analyses are reported to management. Every year, the Bank evaluates the potential impact of adverse economic scenarios in order to assess its capital adequacy. This type of evaluation is also applied to specific loan portfolios so as to better understand their risk profiles.

2.3 Managing impaired loans

Credit recovery management policies

Impaired loans are managed by the Credit Recovery Management Department within the Credit Management Division. Each case is handled according to a strategy that has been developed using criteria which, for business borrowers, take into account the possibility of successful turnaround as well as the borrower's willingness to collaborate actively with the Bank.

Provisioning

The Bank establishes specific provisions for each impaired loan. The need for provisions is determined individually for each impaired loan based on an analysis performed according to a clearly defined procedure. In this analysis, collateral is taken at its liquidation value. This is the net amount that the Bank could expect to obtain by liquidating the collateral at current market conditions, after deducting the expenses of realizing the transaction and any costs of owning the collateral. The liquidation value is obtained by applying a haircut.

2.4 Exposure to credit risk

The parent company's total credit-risk exposure amounted to CHF 42.7bn at 31 December 2024, a year-on-year increase of 6.8%. At CHF 1.3bn, bank-counterparty lending represented 3% of total credit-risk exposure.

For non-bank-counterparty lending, the Bank's business is largely with customers located in Vaud Canton and accounts for 77% of this type of lending. BCV's corporate

loan book reflects the economic structure of the Canton, albeit with a somewhat larger exposure to real estate and construction (43%).

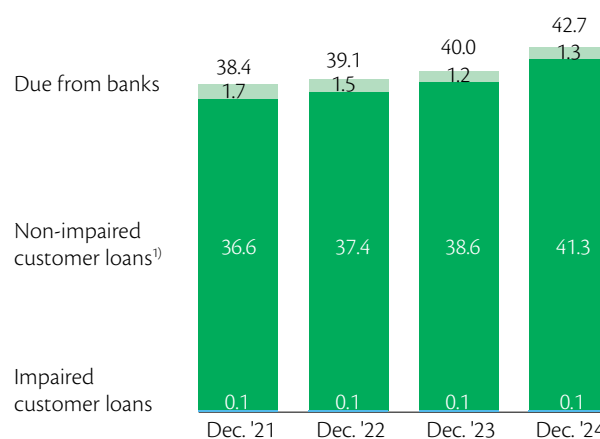
The 2024 breakdown by sector was generally stable compared with 2023. Retail and private banking clients remained the largest sector in total non-impaired loan-book exposures, at 50% at end-2024.

The low expected-loss ratio and impaired-loan level attest to the quality of the Bank's loan book. The expected-loss ratio on drawn loans reflects counterparty quality, the degree of credit coverage, and the amount of undrawn limits. For non-impaired customer loans as a whole, the expected loss ratio was 6 basis points, or 5 basis points excluding trade-finance exposures. Impaired loans were CHF 119m and represented 0.3% of total exposures.

The Basel III Pillar 3 report, available on the Bank's website, www.bcv.ch, contains more detailed information on the risk profile of the Bank's loan portfolio.

Customer loans and amounts due from banks

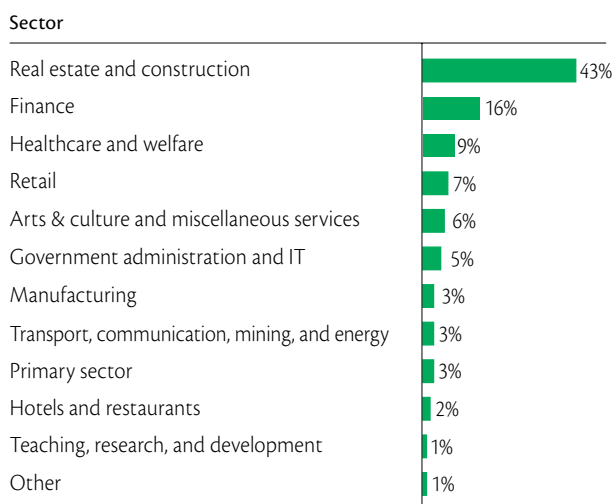
CHF billions, on and off balance sheet, for the parent company¹



¹ Excluding financial investments

Customer loans by economic sector

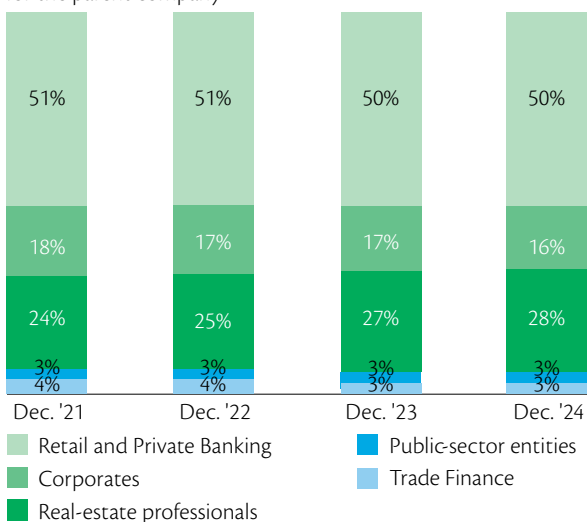
as a % of on-balance-sheet corporate loan exposure, for the parent company,¹ at 31 December 2024



¹ Excluding financial investments

Customer loans by segment

as a % of total non-impaired customer loan exposure, for the parent company



¹ Excluding financial investments

Customer loans by geographical zone

as a % of on-balance-sheet customer loan exposure, for the parent company¹

Client domicile	31/12/2023	31/12/2024
Vaud Canton	79%	77%
Rest of Switzerland	19%	20%
Europe + North America	1%	1%
Other	2%	2%

¹ Excluding financial investments

3. Market risk

BCV takes on market risk in conducting its trading activities and also in managing its interest-rate risk on the banking book. With appropriate risk management, the Bank can expect to earn a return commensurate with the risk that it takes.

3.1 Market risk on the trading book

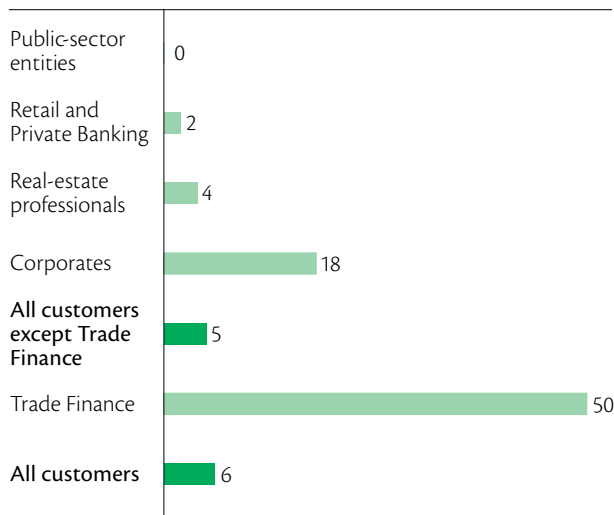
All trading activities are managed by the Trading Department within the Asset Management & Trading Division. The Trading Department carries out market transactions primarily in equities, fixed-income instruments, forex, and precious metals on behalf of clients. It has also acquired expertise in structured products. The Trading Department is active along the entire structured product value chain, from issuing to market-making.

All new types of products and instruments issued by the Asset Management & Trading Division are approved by the Division's Product and Instrument Committee (PIC), which is chaired by the Executive Board member in charge of the Asset Management & Trading Division and includes the head of the Asset Management Department,

Expected loss rate

excluding workout costs, expressed in basis points of drawn customer loans, including OTC derivatives, at 31 December 2024

Customer segments



the head of the Back Office Department, the head of the Investment Policy Department, the head of the Risk Management Department, and the head of the Trading Department. This process ensures that before a new type of product is launched, all requirements in the areas of risk management, asset and liability management (ALM), treasury management, back offices, legal, compliance, and IT have been met.

For all trading positions, overnight monitoring of market risk is under the responsibility of the Market Risk Unit within the Finance & Risks Division's Risk Management Department. This ensures that control of market risk is performed independently of the Asset Management & Trading Division. The Market Risk Unit uses the following risk control metrics in particular:

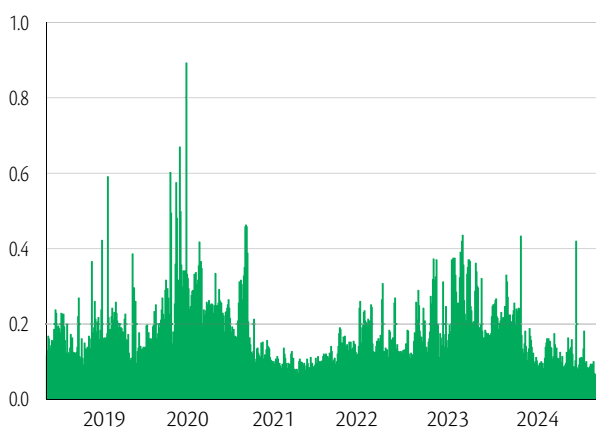
- historical overnight value-at-risk (VaR) with a one-day time horizon and a confidence level of 99%
- analysis of potential losses using static stress tests
- sensitivity metrics.

Limits have been established for each of the metrics currently in use. Limit utilization is monitored and reported daily by the Market Risk Unit.

Market risk arising from the trading book remains only a marginal source of risk for the Bank. Throughout 2024, VaR for the trading book remained low, at an average of around CHF 0.1m.

VaR in the trading portfolio (1-day, 99%)

in CHF millions



3.2 Market risk on the banking book

The main components of market risk on the banking book are interest-rate risk and liquidity risk.

3.2.1 Interest-rate risk on the banking book

Exposure to interest-rate risk on the banking book arises from differences between the size and term maturities of assets and liabilities. Movements in the yield curve and changes in customer behavior give rise to interest-rate risk, which has a direct effect on the Bank's interest income and the economic value of its equity capital.

The strategy and limits for interest-rate risk are defined by the Executive Board's Asset and Liability Management Committee (ALCO) and then approved by the Board of Directors. The ALM and Financial Management (ALM-FM) Department of the Finance & Risks Division is responsible for operational management of interest-rate risk on the banking book.

Here, the goal is to control the interest margin and the duration of equity.

Exposure to interest-rate risk is measured in terms of equity duration, yield-curve sensitivity of the economic value of equity capital, and loss of interest margin under interest-rate and client-behavior stress scenarios.

3.2.2 Liquidity risk on the banking book

Exposure to liquidity risk arises from the Bank's obligation to honor its commitments to its clients and counterparties, meet regulatory requirements, and ensure that it can continue funding its activities. Liquidity risk is addressed through short-term liquidity management and long-term funding management. BCV's strategy is to minimize liquidity risk using these two dimensions. The Bank limits its exposure to liquidity risk by ensuring that it has a sound balance sheet, including a liquidity reserve to cover the impact of a major liquidity outflow, as well as a sustainable and diversified long-term funding structure so that it can expand its activities. This involves maintaining the safety margins set by the Board of Directors relative to regulatory requirements and balance sheet ratios.

The framework for liquidity management is drawn up by the Executive Board's ALCO and approved by the Board

of Directors. The ALM-FM Department, which includes the Bank's treasury management team, is responsible for operational management of long-term funding and short-term liquidity.

Exposure to liquidity risk is calculated using a broad spectrum of indicators, including components of the liquidity reserve, market indicators, regulatory ratios, and simulations of funding needs based on several scenarios.

4. Operational risk

The Bank takes a comprehensive approach to managing operational risk in general and has designed specific approaches to the key risks managed by Compliance and Security. Further information on these types of risk is provided below.

The Bank's operational-risk management concept is based on the Basel Committee's principles of best practice and is in keeping with FINMA Circular 2008/21 on operational risks. It is designed to mitigate operational risk factors by identifying areas for improvement and strengthening the Bank's operational and management control systems. In particular, the Bank aims to reduce its exposure to:

- breaches of laws, regulations, standards, and Bank directives, including the potential occurrence of a control-related risk event (i.e., resulting from a design flaw in the internal control system, non-compliant implementation of that system, or a lack of rigor in carrying out internal controls)
- erroneous or malicious actions taken by employees, suppliers, bank counterparties, customers, or other parties external to the Bank
- inadequacies of IT systems (e.g., applications, interfaces, and hardware) and communication systems (e.g., telephone, fax, email, and social networks)
- inappropriate infrastructure
- an organizational structure that is not adapted to the Bank's activities, both in terms of processes (methods, procedures, organizational structure, etc.) and governance (rules, policies, directives, manuals, etc.)
- natural hazards.

Operational risk factors can give rise to risk events. The Bank categorizes potential risk events as follows:

- non-compliance, that is, a failure to comply with laws, regulations, standards, and Bank directives

- internal fraud
- external fraud, including cyberattacks that specifically target the Bank's clients
- events related to human resources
- events linked to customer relations and business practices
- loss of operating resources
- failure of BCV's information systems, including those connected with cyberattacks
- events related to transaction and process management.

Reviews are carried out periodically to assess the extent to which the main operational risks are mitigated. These are supplemented by ad-hoc reviews, for instance if a potential new threat emerges, if FINMA submits a specific request, or if a major risk materializes at another bank. These reviews and analyses are conducted by the Risk Management Department and by functional skills centers (e.g., the Compliance and Security departments). The aim of the reviews is to reveal possible improvements to the Bank's risk-management system, and particularly to operational and managerial controls.

In addition to identifying risks, the Bank exhaustively and systematically gathers information on and analyzes the main operational events arising from the Bank's activities. These events are recorded in a dedicated operational-risk-management application and analyzed on a monthly basis. In order to monitor the Bank's operational-risk profile, tolerance limits are set for operational events in general and for each category of event.

If an important operational-risk event occurs, the Bank bases its response on clearly defined incident management measures, such as the Business Continuity Plan.

5. Key compliance risks

The key risks managed by Compliance relate to the risks inherent in money laundering and the financing of terrorism, in market abuse, in conducting a business relationship with – or receiving or transferring funds for – an individual or legal entity that is subject to economic sanctions, or that is tax non-compliant, and in providing inappropriate investment advice. It also covers the respective control-related risks, such as the possibility that there is a design flaw in the internal control system, that implementation of the internal control system is non-compliant, or that internal controls are not rigorously carried out. These control-

related risks stem from the Bank's regulatory requirement to have due diligence systems in place.

The Bank's approach to these inherent risks is in line with its position as a full-service bank with solid local roots. BCV's client relationships are representative of its locally focused core businesses and the other business activities that BCV conducts as a full-service bank, either because these activities offer strong synergies with the Bank's core businesses or because they offer solid profitability (e.g., trade finance). In all its business activities, the Bank prioritizes high-quality client relationships and does not enter into client relationships if there is a higher inherent risk in terms of money laundering and the financing of terrorism, market abuse, economic sanctions, or tax compliance, and it aims to provide appropriate investment advice.

To manage control-related risks, the Bank makes sure that the internal control system it sets up and implements is in line with its risk profile and relevant reference standards. It also ensures that the system is properly applied throughout the Bank. The internal control system is periodically reviewed so that it remains adapted to the above inherent risks as they evolve.

The Compliance Department acts as the support and control function for these areas across the Bank. It has primary responsibility for conducting regulatory intelligence and monitoring and implementing changes to compliance-related rules, procedures, and processes. In addition, it provides employees with training and ongoing support on how to implement compliance-related rules and procedures. The Compliance Department also conducts level 2 oversight, which consists of controlling front-line businesses' implementation of the regulations within the Department's purview.

5.1 Risk of money laundering and the financing of terrorism

By accepting funds and executing payment and financing transactions, the Bank is exposed to the inherent risk that one or several of its clients may be directly or indirectly involved in money laundering or the financing of terrorism. Banking supervision rules require banks to play a key role in combating money laundering and the financing of terrorism. For this purpose, they must have systems in place to detect signs of these activities. Determining the

economic background of client funds and the purpose of transactions is a central component of the due diligence process, which consists of monitoring client relationships and transactions made through the Bank.

The Bank's front-line businesses take initial responsibility for identifying money-laundering and terrorist-financing risks relating to both client relationships and transactions. The Compliance Department sets out the framework to be followed within the Bank, provides tools for implementing that framework, and supports and monitors the work of the front-line businesses.

Monitoring client relationships

For each client relationship, the Bank systematically identifies the contracting party, the beneficial owner, and/or the controlling owner. The entire client portfolio is constantly monitored in order to detect any individuals who have been convicted or are suspected of money laundering or terrorist financing, as well as politically exposed persons (PEPs) listed in public databases.

Each client relationship is categorized based on money-laundering and terrorist-financing risk factors, in alignment with the regulatory requirements set out in the Swiss Federal Anti-Money Laundering Act (AMLA) and the FINMA Anti-Money Laundering Ordinance (FINMA-AMLO), and with the risk profiles of the Bank's business activities. These categories are then used to determine the extent of monitoring and the decision-making authority applicable to each client relationship.

Client relationships showing signs of an increased risk of money laundering or terrorist financing must go through an approval process before they can be entered into and when periodically reviewed. This involves various levels of management, and approval by the Compliance Department is required in each case. The approval process draws on information provided by the Bank's front-line businesses and meets the strict in-house requirements set for each business line, especially regarding supporting documentation that must be provided.

For Private Banking and Trade Finance, client relationships are approved by specific review committees when relationships are entered into and reviewed. The Compliance Department takes part in those committee meetings and has veto power on client relationships.

Monitoring transactions

The Bank categorizes client transactions based on their size and the criteria set out in the AMLA and FINMA-AMLO relative to the Bank's risk profile. Dedicated software, configured for each of the Bank's business lines, is used to detect transactions that are at a high risk of money laundering or terrorist financing. The software's detection algorithms are calibrated to identify indicators relating to transaction frequency, volume, and type, as well as any unusual client behavior. If customer advisors become aware of any indications of money laundering or terrorist financing, particularly during interactions with clients or based on information from third parties, the Compliance Department is informed directly.

Clarifications on potential increased-risk transactions are made in accordance with the strict in-house requirements set for each of the Bank's business lines, and transactions representing the highest level of risk are approved by the Compliance Department.

Reporting suspected cases of money laundering

The Compliance Department, on behalf of the Bank, systematically reports suspected cases of money laundering or terrorist financing involving a client relationship or a transaction to the Money Laundering Reporting Office (MROS).

5.2 Risk of non-compliance with economic sanctions

Ensuring compliance with economic sanctions is an important obligation for the Bank. To the best of its knowledge, the Bank complies with the various sanction regimes that it is required to follow as a result of its business activities, the most important of which are the Swiss sanctions imposed by the State Secretariat for Economic Affairs (SECO), the US sanctions imposed by the Office of Foreign Assets Control (OFAC), and the European Union's sanctions. This mainly involves sanctions against countries or specific economic sectors, or sanctions intended to freeze individuals' or companies' assets.

The Compliance Department conducts due diligence at the start of each client relationship and continuously on its entire client portfolio, in order to detect individuals or companies that are subject to applicable economic sanctions. It also monitors incoming and outgoing transactions through its detection system and blocks suspicious transactions where necessary. It likewise monitors the securities of companies

that are subject to sanctions and prohibits clients from trading in those securities.

5.3 Risk of market abuse

Monitoring market abuse involves identifying instances of insider trading and market manipulation, in keeping with FINMA Circular 2013/8 and the Financial Market Infrastructure Act (FinMIA).

Trades by clients and employees are monitored through a dedicated computer system that detects any atypical returns and possible access to insider information. Individuals who are categorized as insiders based on information gathered from external databases are recorded as such in the Bank's computer systems, and their transactions are closely monitored by the Compliance Department.

The Bank's computer system also monitors trades in order to detect behavior that could constitute market manipulation, including buy and sell trades conducted on the same day on the same security.

6. Key security risks

The key risks managed by Security cover risks to IT security and to physical security:

- IT security risks, particularly risks relating to cybercrime, arise from exposure to the IT systems, data, and operations needed for the Bank to run smoothly.
- Physical security risks relate to the safety of people – clients, employees, partners, and external service providers – and the security of infrastructure, i.e., buildings and other premises containing Bank property, and all of the equipment that the Bank needs to operate.

The Bank is constantly evolving its security system to keep pace with these threats.

The Security Department is responsible for setting up, implementing, monitoring, and adapting the Bank's security system. It also makes sure that the safeguards and measures put in place to manage crisis situations and ensure business continuity remain effective and adequate over time. Its main missions are to:

- protect the Bank's IT systems, data, and operations by setting up and implementing a security system based on an analysis of threats, particularly regarding cybercrime

- keep people, infrastructure, and assets safe by setting up and implementing a range of related security measures, also based on an analysis of threats
- manage crisis situations and ensure business continuity by setting up and implementing measures to make sure that crises are handled effectively and the Bank can keep running its mission-critical business functions.

6.1 IT security risk

Three of the units within the Bank's Security Department are involved in protecting the Bank's IT systems, data, and operations. One unit is responsible for safeguarding the Bank against cybercrime, for developing the Bank's security architecture, and for managing cybersecurity incidents. A second unit covers the operational aspects of security, which include managing access rights and user IDs, ensuring continuous service and surveillance, and carrying out controls. A third unit is responsible for the Bank's security management system and for crisis and business continuity management. It also supervises the management and financial oversight of security-related projects for the Bank.

The Bank has a series of security measures in place to protect its IT systems and data. The measures are based on an analysis of the Bank's inherent exposure to threats, or to potential risk events, and are adapted to the Bank's specific needs and areas of business. The main threats and mitigating measures are summarized below.

Risk of system hacking and unauthorized access to data. Potential risk events include intrusions (e.g., as a result of malware or an insider's malicious intent) and attacks (e.g., denial of service) aimed at making certain IT channels unusable or causing a massive data breach. To limit this risk, the Bank has put in place a security system providing constant surveillance; it records and analyzes hacking attempts, conducts IT security intelligence, hires external providers to test the resilience of its IT systems, and works closely with the Swiss federal authorities in charge of combating cybercrime, such as the National Cyber Security Centre (NCSC). In addition, it has a crisis management plan, which is regularly tested and updated.

Risk of data theft or the breach of client data privacy. Potential risk events include a massive leak of confidential data by one or more employees of the Bank or by external individuals. Access to client data is centrally managed

and access rights are granted strictly on a need-to-know basis to limit this risk. Confidentiality levels are set by type of client data, and access is restricted accordingly. The Bank also controls all outgoing data streams (e.g., internal emails, internet, USB flash drives, and CDs) using data loss prevention technology, and an alert is triggered if client-identifying data are detected.

Risk of client identity theft. Potential risk events include the theft of client usernames and passwords or the misuse of resources made available to clients (e.g., payment software) in order to conduct fraudulent transfers of client funds. To limit this risk, the Bank puts in place various procedures adapted to each channel and client segment; these include client-authentication procedures, aimed in particular at ensuring the non-repudiation of transactions, and transaction-confirmation procedures. For BCV-net and TradeDirect, strong authentication is applied, and the level of protection is routinely reassessed. At the same time, the Bank regularly seeks to raise clients' awareness of the risks of hacking through articles, recommendations, and other information published on its website, www.bcv.ch.

6.2 Physical security risk

The Security Department has a unit responsible for protecting people, physical assets, and infrastructure within the Bank.

The Bank has implemented a series of measures to keep its people, assets, and infrastructure safe and secure. The measures are based on an analysis of the Bank's inherent exposure to threats, or to potential risk events, and are adapted to the Bank's specific needs and areas of business. The main threats and mitigating measures are described below.

Risks to personal safety. Potential risk events include accidents and verbal and physical attacks. To limit these risks, the Bank applies the Swiss government's directives on workplace health and safety and on prevention. It takes steps to raise employees' awareness and trains first aiders at its main sites. The Bank also focuses its efforts on managers, raising their awareness by providing training and putting in place employee monitoring tools.

Risk of physical theft. Potential risk events include the theft of assets, goods, or documents by individuals from inside or outside the Bank. Access to certain areas of the

Bank's premises is restricted and buildings are kept under constant surveillance to limit this risk. It is also insured against theft and raises branch employees' awareness of the issue through training.

Risk of damage to infrastructure. Potential risk events include a loss of operating resources as a result of events like a fire, power outage, pandemic, or natural disaster. To limit this risk, the Bank performs daily backups to its two data centers and has a data recovery plan that is tested regularly. In addition, the Bank has plans in place to ensure the continuity of critical business functions in the event of situations like a pandemic or a disaster. It also performs annual checks and updates on critical infrastructure.

7. Climate-related risk

The Bank's approach to managing climate-related risks is described in more detail in the climate-risk appendix of its 2024 Sustainability Report.

7.1 Introduction

The socioeconomic impacts of the physical hazards caused by climate change and of the transition to a low-carbon economy are increasing and can affect all economic agents, including the financial sector and banks.

The Bank integrates climate-related risk into its risk management framework in order to protect its interests and those of its customers. In keeping with the recommendations of supervisory authorities (i.e., FINMA and the Basel Committee), the Bank considers the physical hazards caused by acute and chronic climate events and the transition to a low-carbon economy – which is being driven in particular by changing legislation and societal expectations and by economic and technological developments – to be risk factors that could impact all categories of risk to which the Bank is exposed: strategic and business risk, credit risk, market risk, and operational risk.

As a full-service bank with solid local roots, BCV is exposed to climate-related risk factors in various ways. The main sources of exposure taken into account are:

- its lending activities, including mortgage financing and corporate financing, as well as trade finance
- its trading and investment activities, i.e., client-driven investments and proprietary assets;

- its operations, in particular the buildings it uses for its banking activities.

For each source of exposure, the Bank uses a specific approach to assess and monitor the associated climate-related risk factors. That approach is based on various time horizons that can exceed 10 years (short term: 0 to 3 years; medium term: 3 to 10 years; and long term: more than 10 years).

7.2 The Bank's overall exposure to climate-related risk factors

BCV's exposure to climate-related risk is very low. That stems from the fact that BCV operates primarily in Vaud Canton, which has a strongly services-oriented economy; the transition to a low-carbon economy has less of an impact on the services sector. In addition, BCV does not have significant operations in regions that are particularly exposed to physical hazards.

Based on current estimates, the potential impact of climate-related risk factors is well below that of the main risk factors for BCV's banking activities, such as a rise in interest rates, a sharp increase in the value of the Swiss franc, or a marked decline in immigration in the Canton of Vaud.

A summary of the assessment of the Bank's overall exposure to climate-related risk factors is discussed below with regard to the Bank's business activities and operational procedures (more detailed information about our exposures, mitigation measures, methodologies and monitoring approach is set out in our sustainability report starting on page 122).

7.2.1 Exposure to climate-related risk factors in lending activities

BCV's lending activities mainly comprise mortgage financing and corporate financing in the Canton of Vaud and, to a limited extent, trade finance. The mortgage lending business has little exposure to transition risk (relating to regulatory changes in heating and construction standards, for example) and very limited exposure to physical risk (i.e., through loans on properties in regions subject to natural hazards). The proportion of loans granted to companies in sectors most exposed to the energy transition is considered low; these loans are not concentrated in any one sector,

and no loans are granted to companies involved in the production of fossil-fuel energy.

The overall impact of climate-related risk factors on potential credit losses at the Bank is considered very low and well below that of other risk factors affecting lending, such as a rise in interest rates, a sharp increase in the value of the Swiss franc, or a marked decline in immigration in the Canton of Vaud.

7.2.2 Exposure to climate-related risk factors in client investments

As part of its asset-management activities, BCV makes investments at the request of its individual and institutional clients. The value of these client-driven investments may be affected by climate-related risk factors, such as stricter laws on greenhouse gas emissions, adverse public-image trends for certain business sectors or companies, changes in the value of resources, and extreme weather events like storms and heatwaves. These client-driven investments are considered to have only a very low overall exposure to market risk factors related to the energy transition. This is based on the results of the PACTA climate compatibility test run by the Swiss Federal Office for the Environment (SFOE), in which BCV took part for the third time in 2024. The 2024 test showed that BCV's portfolios have low overall exposure to the most carbon-intensive sectors of the economy and are less exposed than an aggregate portfolio of all banks participating in the test.

With regard to asset management activities, the Bank's reputation could be affected by controversies such as accusations of greenwashing. To mitigate this risk, BCV has introduced control processes and systems along its entire asset-management value chain, in accordance with FINMA guidelines and the recommendations of Asset Management Association Switzerland (AMAS), Swiss Sustainable Finance (SSF), and the Swiss Bankers Association (SBA).

7.2.3 Exposure to climate-related risk factors in the Bank's operations

With regard to its operations, and in particular the buildings it uses for its banking activities, BCV has very little exposure to climate-related risk. The Bank has taken various measures over the past several years to reduce its carbon footprint, especially when it comes to heating its buildings.

It also encourages employees to commute using public transportation or by walking or biking.

Principles governing the Bank's internal control system

The Bank's internal control system (ICS) was developed in accordance with the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Basel Committee, and pursuant to FINMA Circulars 2017/1 on corporate governance and 2023/1 on operational risks and resilience. The purpose of the ICS is to ensure that the Bank's activities are in line with its overall objectives. More specifically, the ICS enables the Bank to:

- achieve its performance objectives both in terms of profit and controlling profit fluctuations
- provide reliable information both internally and externally
- comply with legal, regulatory, and self-regulatory requirements.

The Bank has an overall ICS along with an operational ICS. The overall ICS is designed to ensure that the Bank's risk appetite is in keeping with its risk-taking capacity and that the overall risk-management framework appropriately addresses the risks identified. It comprises a set of measures and procedures that structure the Bank's operations and the orientation of its business. They include: robust governance mechanisms; a clearly defined organizational structure; coherent business goals that will ensure the Bank's longevity; established operating procedures for the Executive Board, the Board of Directors, and their committees; regular reviews of the Bank's overall and business-specific strategies, financial strategy, and risk policy (including key risk limits); and reports that are in line with the Bank's business activities and risk-management framework.

In terms of procedures, implementing an overall risk-management framework involves assigning tasks, responsibilities, and decision-making authority to employees and managers, and setting out the limits, deadlines, procedures, and rules to be followed and the forms and other documents to be used. The overall risk-management framework therefore touches upon all aspects of the Bank's operations.

The operational ICS ensures that managers and other employees comply with the operational procedures governing their work. Department heads are in charge of implementing and updating the procedures for their department and the related operational ICS, with the relevant division head having ultimate responsibility in this regard.

The operational ICS covers execution-related operational risks (EORs) and the controls put in place to mitigate them. An EOR arises from potential errors, failures, or non-compliance with rules, limits, or documentation requirements. EORs with Bank-wide relevance are referred to as key EORs. Controls are set up and documented at Bank level for each key EOR. These controls always include operational oversight by employees, conducted in the course of their work, and managerial oversight, conducted at each management level (up to the department head) to ensure that the previous level of oversight was properly carried out.

The ICS comprises three levels. The Executive Board is responsible for the first two levels (the Executive Board's ICS), while the Board of Directors oversees the third level:

- level one: operational oversight (1a) and managerial oversight (1b) based on the chain of command
- level two: controlling the appropriateness and effectiveness of level-one oversight by entities independent of the chain of command (e.g., Risk Management and Compliance)
- level three: periodic reviews of levels one and two by the Internal Audit Department, which is responsible for determining the principles, content, and schedule for these reviews.

The Executive Board assigns extensive oversight responsibility to managers, with centralized functional units providing support. The Executive Board also ensures the requisite separation of tasks to prevent conflicts of interest between level-one and level-two oversight.

Executive Board members collectively and individually attach great importance to ensuring that the operational ICS is of a high quality, effective, and adapted to the Bank's needs, and they implement the operational ICS rigorously, thereby serving as an example for department heads and all other Bank employees.

The operational ICS is set up and implemented factoring in the Bank's organizational structure, the characteristics of its business lines and functions, its risk levels, and the need to make effective use of the know-how available within the Bank.

Corporate Governance

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Corporate Governance

General principles

BCV is aware of its responsibilities and meets corporate governance requirements. It strives to:

- communicate transparently. The information provided in this chapter complies with the information-disclosure requirements contained in the Corporate Governance Directive issued by the SIX Swiss Exchange.¹
- apply the principal standards of corporate governance. BCV follows the recommendations contained in the Swiss Code of Best Practice for Corporate Governance² whenever they are compatible with its status as a corporation organized under public law.
- carry out regular reviews of its organization with regard to the Bank's present needs and future growth, and ensure that all members of management are involved in its operational procedures.
- materially and continuously improve the information it publishes, in particular by means of its annual report, Basel III Pillar 3 report, and sustainability report, which is prepared in accordance with Articles 964a, b, and c of the Swiss Code of Obligations and with the Ordinance on Climate Disclosures.

This chapter explains how the Bank puts these principles into practice. Additional information can be found in the Articles of Association⁽ⁱ⁾ and the Cantonal Act of 20 June 1995

Governing the Organization of Banque Cantonale Vaudoise (LBCV),⁽ⁱⁱ⁾ both of which are available on the BCV website.³

BCV is a corporation organized under public law that is exempt from the provisions of the Swiss Code of Obligations (CO) applicable to business corporations, in accordance with Article 763, paragraph 2, of the CO. Nevertheless, in the interest of good governance and given that BCV is publicly listed on the SIX Swiss Exchange, shareholders at the 1 May 2014 and 25 April 2024 Annual Shareholders' Meetings approved the inclusion of provisions in the Articles of Association⁽ⁱ⁾ regarding:

- the Independent Voting Representative (Article 18*bis* of the Articles of Association⁽ⁱ⁾)
- electronic voting (Article 18*bis*, paragraph 5, of the Articles of Association⁽ⁱ⁾)
- the ability to hold a fully or partly virtual Annual Shareholders' Meeting (Article 20, paragraph 4, of the Articles of Association⁽ⁱ⁾)
- the maximum number of positions outside BCV that may be held by members of the Board of Directors (Article 23 of the Articles of Association⁽ⁱ⁾) and the Executive Board (Article 29 of the Articles of Association⁽ⁱ⁾)
- the duties of the Compensation, Promotions and Appointments Committee (Article 30*bis* of the Articles of Association⁽ⁱ⁾)
- the length of the employment contracts of the members of the Executive Board (Article 28, paragraph 2, of the Articles of Association⁽ⁱ⁾)
- the compensation structure (Article 30*ter* of the Articles of Association⁽ⁱ⁾)
- the approval of compensation (Article 30*quater* of the Articles of Association⁽ⁱ⁾)
- unauthorized compensation (Article 30*quinquies* of the Articles of Association⁽ⁱ⁾).

¹ See the English translation of this text on the SIX website: <https://www.ser-ag.com/en/resources/laws-regulations-determinations/regulations.html>.

² An English translation of this text, by Prof. Peter Böckli, may be found at www.economiesuisse.ch.

³ See page 111 for the links to these documents.

The election and term of office of members of the Board of Directors continue to be governed by the LBCV⁽ⁱⁱ⁾ (see Article 12). An amendment to the LBCV⁽ⁱⁱⁱ⁾ which took effect on 1 March 2025, removes the age limit for members of the Board of Directors and stipulates a total term limit of 12 years (see section 3.4.1 below). In addition, BCV is required to continue providing compensation reports in the form of a section of its annual report (Article 30sexies of the Articles of Association⁽ⁱ⁾)

Following the reform of Switzerland's law on public limited companies that took effect on 1 January 2023, the Board of Directors proposed various changes to BCV's Articles of Association⁽ⁱ⁾ which were approved by shareholders at the Annual Shareholders' Meeting on 25 April 2024. The changes concern: approval of the Report on Non-financial Matters (Article 15(k)); the percentage of share capital required to convene a Shareholders' Meeting or to include an item of business on the agenda of a Shareholders' Meeting, to bring these figures in line with the law on public limited companies (Article 16, paragraph 4); broad or complex questions submitted to the Shareholders' Meeting (Article 17, paragraph 4); expanding the scope of the rule on unauthorized compensation to include close relations of members of the Board of Directors and the Executive Board (Article 30quinquies, paragraph 1(d) to (f)).

1. Group structure and shareholders

1.1 Group structure

1.1.1 Group operational structure (at 31 December 2024)

Details of all BCV Group companies are shown in note 10.7 (consolidated and non-consolidated holdings) to the consolidated financial statements, on page 141. BCV is the only listed company in the Group's scope of consolidation.

1.1.2 Listed companies included in the scope of consolidation

Company name	Banque Cantonale Vaudoise
Legal status	Corporation organized under public law, established on 19 December 1845 by Council Decree of the Vaud Cantonal Parliament (Grand Conseil vaudois) and governed by the Act ⁽ⁱⁱ⁾ of 20 June 1995, as amended on 25 June 2002, 30 January 2007, 2 March 2010, 8 December 2020, and 12 November 2024
Registered office	Place Saint-François 14 1003 Lausanne, Switzerland
Stock exchange listing	BCV shares are listed on the SIX Swiss Exchange
Market capitalization	At 31 December 2024, the value of BCV's listed shares with a par value of CHF 1 was CHF 7.2bn
Security number	53.175.175
ISIN code	CH0531751755

1.1.3 Unlisted companies included in the scope of consolidation (at 31 December 2024)

The parent company's Board of Directors and Executive Board also serve as the Board of Directors and Executive Board of the Group, which is not a holding company. Furthermore, relations between the Bank and its subsidiaries are governed by a Group directive.

At the operational level, each of the subsidiaries reports to a BCV division according to the type of business in which it engages.

Upon the recommendation of the parent company's Executive Board, the parent company's Board of Directors submits proposals to the subsidiaries' boards of directors concerning the appointment of, as a general rule, the majority of the members of those boards (including the chair) and of their CEOs.

The share capital of BCV's subsidiaries and the holdings of the parent company are shown in note 10.7 on page 141 of the consolidated financial statements.

1.2 Major shareholders

At 31 December 2024, the Canton of Vaud held 66.95% of the Bank's share capital and UBS Fund Management (Switzerland) AG held more than 3% but less than 5% of the Bank's share capital. No other shareholder is known to hold an interest of 3% or more in either the voting rights or capital. BCV Group is currently unaware of any shareholders' pacts. Registered shareholders other than the Canton of Vaud represented 19.3% of the Group's capital at 31 December 2024.

1.3 Cross-shareholdings

There are no cross-shareholdings between the Bank and any other company which exceed the limit of 5% of either the voting rights or capital.

2. Capital structure

Share capital (registered shares)	CHF 86,061,900
Authorized capital	None
Conditional capital	None
Employee stock options	None

2.1 Share capital

Information on the Bank's share capital and changes in 2022, 2023, and 2024 may be found in notes 3 and 5.12 to the parent company financial statements (pages 177 and 185). Additional information on the Group's capital is shown on page 123 of the consolidated financial statements.

At 31 December 2024, the Bank's share capital stood at CHF 86,061,900 and consisted of 86,061,900 registered shares with a par value of CHF 1.

2.2 Authorized and conditional capital

There was no authorized or conditional capital at 31 December 2024.

2.3 Capital structure at the end of the 2022, 2023, and 2024 financial years

There were no other changes in the capital structure over the past three financial years.

Number of shares

Share capital	31/12/2022	31/12/2023	31/12/2024
Share capital (fully paid-in registered shares)	86,061,900	86,061,900	86,061,900

Equity – Group

CHF millions

Equity	31/12/2022	31/12/2023	31/12/2024
Share capital (fully paid-in)	86	86	86
Capital reserves and retained earnings	2,961	3,103	3,175
Reserves for general banking risks	666	666	666
Minority interests in shareholders' equity	0	0	0
Total	3,713	3,855	3,927

2.4 Shares and participation certificates

Registered shares at 31 December 2024

Number of shares	86,061,900
Proposed ordinary dividend	CHF 4.40
Par value	CHF 1.00
Stock exchange listing	SIX Swiss Exchange
Voting rights	One voting right per share

There were no outstanding participation certificates at 31 December 2024.

2.5 Dividend-right certificates

BCV has not issued any dividend-right certificates.

2.6 Restrictions on transfers and registration of nominees

The terms governing transfers of registered shares are set out in Article 13 of BCV's Articles of Association.⁽ⁱ⁾

2.6.1 Restrictions on transfers

Under Article 13 of the Articles of Association,⁽ⁱ⁾ the transfer of any registered share and its entry in the share register shall be subject to approval by the Board of Directors. If the Board of Directors does not reject the request within 20 days, the acquirer shall be recognized as a shareholder with voting rights.

The Board of Directors may refuse to register an acquirer as a shareholder with voting rights:

- a) in respect of a shareholding exceeding five percent (5%) of the Bank's share capital held by a single shareholder or group of shareholders as defined by the Federal Act on Financial Market Infrastructure (FinMIA). That limit shall not apply to the Canton of Vaud or any third party to which the Canton of Vaud sells part of its shareholding, or to the takeover of a company or part of a company.
- b) if a shareholder does not expressly state, when requested to do so, that the shareholder has acquired the shares in the shareholder's own name and for the shareholder's

own account, that no contract to buy back or return such shares has been entered into, and that the shareholder bears the economic risk related to the shares. The Board of Directors shall not refuse the registration on the sole ground that the request was made by the acquirer's bank.

- c) if and so long as recognition of the shareholder could prevent the Bank from furnishing proof of the shareholder base required under Swiss federal law.

2.6.2 Exemptions granted during the financial year

No exemptions were granted during the financial year.

2.6.3 Registration of nominees

The Board of Directors may refuse to register an acquirer as a shareholder with voting rights unless the shareholder expressly states, when requested to do so, that the shareholder has acquired the shares in the shareholder's own name and for the shareholder's own account.

2.6.4 Privileges under the articles and transfer restrictions

At any Shareholders' Meeting convened to vote on the removal of a clause relating to restrictions on the transfer of registered shares, such removal shall be decided by an absolute majority of votes attached to the shares represented, where each share shall entitle the holder to one vote (Article 11, paragraphs 3 and 4, of the LBCV⁽ⁱⁱⁱ⁾), in compliance with the rules applicable to any resolution of the Shareholders' Meeting.

2.7 Convertible bonds and options

At 31 December 2024, there were no outstanding convertible bonds, warrants, structured products, or OTC options involving the BCV share and issued by BCV.

3. Board of Directors

3.1 Members of the Board of Directors

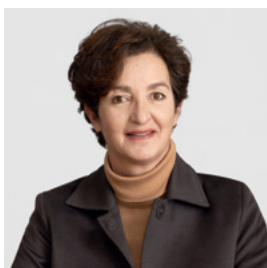
At 31 December 2024, the Board of Directors comprised only non-executive members. The Chair and members of the Board perform no other functions within BCV Group, and have not done so during the past three years.

The members of the Board of Directors maintain normal business relations with BCV and Group companies.

In accordance with Article 12, paragraph 2bis, of the LBCV⁽ⁱⁱ⁾ and Article 21, paragraph 3, of the Bank's Articles of Association,⁽ⁱ⁾ the Vaud Cantonal Government (VCG) gives an appointment letter to the members that it appoints to the Board of Directors. The VCG appoints four of the seven members of the Board; its appointees in 2024 were Eftychia Fischer, Fabienne Freymond Cantone, Stefan Fuchs, and Jean-François Schwarz. The purpose of the appointment letter is to describe the general framework of the mission entrusted to these members as VCG appointees to the Board and to define the full extent of their relationship with the Canton of Vaud in this regard. It addresses, in particular, the issues of loyally safeguarding the interests of both BCV and the Canton, complying with BCV's legal mandate, and exercising the VCG's power to appoint certain members of the Bank's governing bodies. The letter sets out the various factors that must be considered with respect to the governing bodies' organization, operation, and composition, as well as BCV's mission and strategy. Board members are called upon to ensure the implementation of a strategy that will allow the Bank to carry out its mandate under the best possible conditions, while generating a sufficient return to guarantee its financial soundness over the long term, and to contribute to defining objectives that take into account both its mission and its profitability (see also Article 24, paragraph 2, of the Bank's Articles of Association⁽ⁱ⁾). It also states what the VCG expects in terms of communication with Vaud Canton, BCV's shareholders, the financial community, and the public, bearing in mind the information-exchange agreement pursuant to the LBCV⁽ⁱⁱ⁾ and the Bank's Articles of Association⁽ⁱ⁾ (see in particular Article 24, paragraph 2). In 2024, the Audit and Risk Committee included two Board members appointed by the VCG (Stefan Fuchs, Committee Chair, and Jean-François Schwarz) – who therefore hold such an appointment letter – and one elected by shareholders

(Jack G. N. Clemons). The Board members are assigned to the various committees on the basis of their personal and professional abilities and their preferred fields, the aim being to protect the interests of the Bank, its shareholders, and all of its partners.

The seven members of the Board of Directors are independent members within the meaning of FINMA Circular 2017/1 "Corporate governance – banks." Three members are elected by shareholders and four are appointed by the VCG. Although the four members appointed by the VCG are given appointment letters, they are independent members in that they receive compensation for any BCV board-related activities from the Bank alone and do not receive any specific instructions from the VCG.



Eftychia Fischer

Dual Swiss and Greek citizen, 1963

Chair of the Board of Directors since 1 January 2022

Education

Bachelor's degree in physics from Imperial College London

Graduate of the Advanced Management Program (AMP) at the Wharton School at the University of Pennsylvania

Certified Chartered Financial Analyst (CFA) and Financial Risk Manager (FRM)

Career experience

After graduating with a bachelor's degree in physics from Imperial College London, she began her career in 1986 as an interest-rate derivatives trader at Société Générale Strauss Turnbull in London. She then held managerial positions at firms in Paris and Zurich, including J.P. Morgan & Co., Julius Baer, and EFG International, and joined UBP in 2010 as the Head of the Treasury & Trading Division. She took on an additional role as the Head of Asset Management at UBP from 2012 to 2015. Since 2015, she has served on the Board of Directors of Vaudoise Assurances.



Jean-François Schwarz

Swiss citizen, 1955

Vice Chair of the Board of Directors since 1 January 2020

Education

Master's degree in economics with a specialization in business administration from the University of Lausanne

Career experience

Jean-François Schwarz was appointed to the Board by the Vaud Cantonal Government, taking up his position on 1 January 2019. He was then appointed Vice Chair of the Board by the Vaud Cantonal Government on 1 January 2020. He has over 40 years of experience in the banking sector. He began his career at BCV in 1976 in corporate lending. From 1986 to 2003, he worked for Credit Suisse in Lausanne, New York, Zurich, and Geneva, where he took on important roles in the bank's lending and SME businesses. In 2003, he returned to BCV as a member of the Executive Board with responsibility for the Corporate Banking Division. He retired from the Executive Board in June 2017.



Jack G. N. Clemons

Dual Swiss and British citizen, 1966

Member of the Board of Directors since 21 April 2016

Education

Master's degree from Cambridge University

MBA from INSEAD, France

Fellow of the Institute of Chartered Accountants in England & Wales

Career experience

Jack G. N. Clemons was elected by shareholders at the Annual Shareholders' Meeting held on 21 April 2016 and joined the Board of Directors on that date. He started his career in auditing and subsequently became a partner at Deloitte. He then served as Chief Operating and Financial Officer for a pan-European internet group. In 2006, Mr. Clemons joined Lausanne-based Bata, a leading global manufacturer and retailer of footwear, as Chief Financial Officer; he was later appointed CEO, a position he held until 2015. Since then, he has served on the boards of several companies and foundations.



Ingrid Deltenre

Dual Swiss and Dutch citizen, 1960

Member of the Board of Directors since 1 May 2014

Education

Master's degrees in education, journalism, and biological anthropology from the University of Zurich

Career experience

Ingrid Deltenre was elected at the Annual Shareholders' Meeting on 1 May 2014 and joined the Board on that date. She held various executive positions in publishing before becoming CEO of Publisuisse in 2000. She was appointed to head up Schweizer Fernsehen, the leading public TV broadcaster in German-speaking Switzerland, in 2004, and held this position for six years. From 2010 until 2017, Ms. Deltenre was Director General of the European Broadcasting Union. She has since joined the boards of several companies.



Fabienne Freymond Cantone

Dual Swiss and Italian citizen, 1963

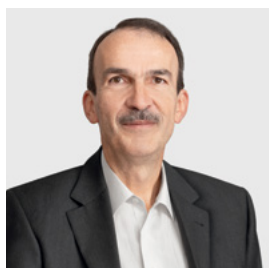
Member of the Board of Directors since 26 April 2018

Education

Master's degree in economics with a specialization in political economy from the University of Geneva

Career experience

Fabienne Freymond Cantone was appointed to the Board by the Vaud Cantonal Government, taking up her position on 26 April 2018. Ms. Freymond Cantone began her professional career at Arthur Andersen and then worked at Banca della Svizzera Italiana. She served on and subsequently presided over the finance committee of the Nyon municipal legislature from 1998 to 2006. She then served in the Nyon municipal government until 30 June 2021, including as the head of finance from 2006 to 2011. Ms. Freymond Cantone was a member of the Vaud Cantonal Parliament from 2002 to 2018. She served on its finance committee until 2012 and became chair of the parliament's control committee in 2017. Since then, she has served on the boards of several companies and foundations.



Stefan Fuchs

Swiss citizen, 1960

Member of the Board of Directors since 1 July 2023

Education

Apprenticeship in banking

Degree in business economics from ESCEA Management School, Zurich

Swiss-certified accountant

Career experience

Stefan Fuchs was appointed by the Vaud Cantonal Government and joined the Board on 1 July 2023. He also became Chair of the Audit and Risk Committee on that date. In 1991 he was licensed by the Swiss Federal Banking Commission as a lead auditor for banks, securities firms, and investment funds. He worked for over 35 years first for the auditing and consulting firm Andersen and then for Ernst & Young (EY) following the merger of those two firms in 2002. Mr. Fuchs has acquired extensive experience through auditing assignments in banking and asset management. From 2002, he served in various audit-related executive functions at EY, and in 2017 he took over responsibility for compliance, risk management, and professional standards in the financial sector as the professional practice director in EY's financial services division. He joined the financial services committee for EY Switzerland in 2020, which he stepped down from on 30 June 2023 when he retired.



Pierre-Alain Urech

Swiss citizen, 1955

Member of the Board of Directors since 1 January 2022

Education

Civil engineering degree from the Swiss Federal Institute of Technology Zurich (ETH Zurich)

Postgraduate degree in railways business management from the Swiss Federal Institute of Technology Lausanne (EPFL)

Courses in executive leadership, management, marketing, finance, and human resources in Switzerland and New York

Career experience

Pierre-Alain Urech was elected at the Annual Shareholders' Meeting on 29 April 2021 and joined the Board on 1 January 2022. He has been the chair of the Compensation, Promotions and Appointments Committee since 13 June 2024. He served on the Executive Board of Swiss Federal Railways (SBB) from 1995 to 2003, and as CEO of Romande Energie from 2004 to 2019. He is currently Vice Chair of the SBB Board of Directors. Mr. Urech has extensive experience in business management and strategy, risk management, and serving on boards of directors, and has deep roots in Vaud Canton. He serves on the boards of several companies.

3.2 Other activities and business relations (at 31 December 2024)

Eftychia Fischer	<ul style="list-style-type: none"> • Member of the Board of Directors of Vaudoise Assurances SA, Lausanne • Member of the Board of Directors of Alberca Foundation (single family office), Bahamas • Member of the Board of Directors of the Swiss School of Archaeology in Greece • Member of the Board of Trustees, the Management Committee, and the Nomination Committee of Avenir Suisse, Lausanne and Zurich • Member of the Advisory Boards of the University of Lausanne and of ACAD, Lausanne
Jean-François Schwarz	<ul style="list-style-type: none"> • Member of the Board of the Fondation pour le Maintien du Patrimoine Aéronautique (FMPA), Lausanne
Jack G. N. Clemons	<ul style="list-style-type: none"> • Fellow of the Institute of Chartered Accountants in England and Wales • Member of the International Board and Chair of the Audit Committee of the World Wide Fund for Nature (WWF), Gland • Member of the Board of Directors of DKSH Holding AG, Zurich • Member of the Board of Trustees and Chair of the Audit & Risk Committee of CIFOR-ICRAF, Bogor, Indonesia and Nairobi, Kenya
Ingrid Deltenre	<ul style="list-style-type: none"> • Member of the Board of Directors of Givaudan SA, Vernier • Member of the University of Zurich's EMBA Executive Committee • Member of Aufsichtsrat Deutsche Post/DHL, Bonn • Member of the Foundation Board of Aide Suisse à la Montagne, Adliswil • Member of the Board of Directors of SPS Holding AG, Zurich • Member of the Board of Directors of Sunrise, Glattpark • Member of the Board of Directors of Hochdorf Swiss Nutrition AG, Hochdorf
Fabienne Freymond Cantone	<ul style="list-style-type: none"> • Member of the regional committee of Radio Télévision Suisse Romande (RTSR), Lausanne, and Swiss Association of Broadcasting and Television (SRG-SSR), Bern • Committee Member of the Innovaud Association, Lausanne • Member of the Board of Directors of Transitec SA – optimized mobility, Lausanne • Committee member of EGW CCL – Central Financing Cooperative for Non-profit Housing Development, Olten • Chair of the Association Les Amis de la Rose de Nyon • Member of the following foundation boards: Fondation pour les Arts et la Culture Nyon, Fondation pour le Développement du Musée Romain, Fondation Abraham Hermanjat, Fondation Guido Comba, Nyon; Fondation Pro Vapore – Fondation pour la Sauvegarde des Huit Bateaux Belle Epoque du Lac Léman, Geneva; Fondation Rosa Helvetica, Zurich • Director of Fondation Esp'Asse, Nyon
Stefan Fuchs	<ul style="list-style-type: none"> • Member of the Board of Directors of Schroders Capital Management (Switzerland) AG, Zurich • Member of the Board of Directors of Schroders Capital Holding (Switzerland) AG, Zurich
Pierre-Alain Urech	<ul style="list-style-type: none"> • Vice Chair of the Board of Directors (Chair of the Risk and Compliance Committee, Chair of the Personnel and Organization Committee, and member of the Political Dialogue Committee) of SBB, Bern • Chair of the Board of Directors of Télé-Villars-Gryon-Diablerets SA, Villars-sur-Ollon (until 26 March 2024) • Member of the Board of Directors of Compagnie du Chemin de Fer Lausanne-Echallens-Bercher SA (LEB SA), as the representative of the Canton of Vaud

3.3 Limits on external mandates

Article 23 of the Articles of Association⁽ⁱ⁾ sets out limits on the number of positions outside BCV that may be held by members of the Board of Directors. In short, the maximum number of positions in the management or on the boards of directors of legal entities other than the Bank that must be recorded in the Commercial Register or a similar register abroad is 15, five of which may be held in publicly traded companies. These limits do not apply to positions at companies within the Group, companies in which the Bank holds a material interest, real-estate companies, pension funds, associations, foundations, and unpaid positions.

No member of the Board of Directors exceeded either of those limits in 2024.

3.4 Election and term of office

3.4.1 Principles

Pursuant to the Articles of Association,⁽ⁱ⁾ the Board of Directors is composed of seven, nine, or eleven members. The Chair and half of the other members are appointed by the Vaud Cantonal Government (Article 12, paragraph 1, of the LBCV⁽ⁱⁱ⁾ departs from Articles 698 and 710 of the Swiss Code of Obligations on this point). The remaining members are elected individually by shareholders at the Annual Shareholders' Meeting, with the Cantonal Government abstaining from voting.

Pursuant to Article 12, paragraph 5, of the LBCV⁽ⁱⁱ⁾ and in derogation of Article 710 of the Swiss Code of Obligations, the Chair and the other members of the Board of Directors shall be appointed to office for a renewable term of four years. Through the end of 2024, the total term of each member could not exceed 16 years and members were required to step down at the end of the calendar year in which they reached the age of 70. On 1 March 2025, an amendment to Article 12, paragraph 5, of the LBCV⁽ⁱⁱ⁾ took effect that reduces the total term limit to 12 years and removes the age limit for members of the Board of Directors (see the table below).

3.4.2 First election and term of office

The table opposite shows the terms of office of the current members of the Board.

3.5 Internal organization

3.5.1 Allocation of tasks

Eftychia Fischer, who was appointed by the Vaud Cantonal Government, chaired the Board of Directors in 2024. The current Vice Chair is Jean-François Schwarz. The other members are Jack G. N. Clemons, Ingrid Deltenre, Fabienne Freymond Cantone, Stefan Fuchs, and Pierre-Alain Urech.

Pursuant to the Articles of Association⁽ⁱ⁾ and the by-laws, the Board of Directors may delegate some of its responsibilities

Members of the Board of Directors	Year of birth	Date of first election	Latest possible expiration of term of office in 2024	Latest possible expiration of term of office as of 1 March 2025 ¹	Appointed by
Eftychia Fischer (Chair)	1963	30 April 2020	2033	2032	Vaud Government
Jean-François Schwarz (Vice Chair)	1955	1 January 2019	2025	2031	Vaud Government ²
Jack G. N. Clemons	1966	21 April 2016	2032	2028	Shareholders' Meeting ³
Ingrid Deltenre	1960	1 May 2014	2030	2026	Shareholders' Meeting ⁴
Fabienne Freymond Cantone	1963	26 April 2018	2033	2030	Vaud Government ⁵
Stefan Fuchs	1960	1 July 2023	2030	2035	Vaud Government
Pierre-Alain Urech	1955	1 January 2022	2025	2034	Shareholders' Meeting

¹ Under the LBCV, which was amended on 12 November 2024 and took effect on 1 March 2025

² Term of office renewed for three years by the Vaud Cantonal Government in 2023

³ Term of office renewed for four years at the 2024 Annual Shareholders' Meeting

⁴ Term of office renewed for four years at the 2022 Annual Shareholders' Meeting; in 2024, Ms. Deltenre decided to step down at the 2025 Annual Shareholders' Meeting

⁵ Term of office renewed for four years by the Vaud Cantonal Government in 2022

to committees drawn from among its members, except as otherwise provided by law.

The Board of Directors has set up an Audit and Risk Committee and a Compensation, Promotions and Appointments Committee. In principle, neither committee has decision-making powers. Their responsibility is to prepare Board resolutions and submit opinions. The Board of Directors may create other special committees to deal with matters that are submitted to the Board.

3.5.2 Committees: composition and terms of reference

Audit and Risk Committee

In 2024, the Audit and Risk Committee was made up of Stefan Fuchs (Chair), Jack G. N. Clemons, and Jean-François Schwarz.

The Audit and Risk Committee is tasked with ensuring the application and operation of risk control and management at BCV. It assists the Board of Directors in assessing the various types of risk faced by BCV, and in structuring and organizing the Bank's risk-management and control processes. It draws up opinions and recommendations for the Board after conducting a critical examination on a regular or case-by-case basis of the Group's main risks, the risk-management policy and strategy, reports on risks, and compliance with regulatory capital requirements.

The Committee reviews the Bank's financial data and the reports from the Chief Risk Officer, the head of Asset and Liability Management (ALM), and the Chief Compliance Officer every quarter and the reports from the head of Internal Audit and the head of the Legal Department every six months. It has no decision-making authority and submits its conclusions to the Board of Directors.

The Committee supervises the work of both the internal and external auditors. Together with the external auditors' representative, it examines the external auditors' recommendations concerning BCV's organization and risk-assessment policy and gives its opinion on the qualifications of the internal auditors and the cooperation of Bank units in audit procedures. The head of Internal Audit also briefs the Committee on matters pertaining to BCV's organization and operations and provides a risk analysis. Furthermore, the Committee gives its own

appraisal of the Internal Audit Department and reviews the status of litigation involving BCV.

The Committee meets for at least one full day every quarter to accomplish its duties, which are set out in detail in an Audit and Risk Committee Charter,⁽ⁱⁱⁱ⁾ and to review other matters related to its activities. An additional meeting is dedicated essentially to the closing of the annual accounts.

The head of Internal Audit, representatives of the external auditor, and the CFO attend all Committee meetings, with exceptions for certain specific subjects. Depending on the agenda, the meetings are also attended by other members of the Executive Board, the head of the Risk Management Department, the Chief Compliance Officer, the head of ALM and Financial Management, the head of Accounting, and the head of the Legal Department.

In addition to its risk-related role described above, the main task of the Audit and Risk Committee is to assist the Board of Directors in carrying out its supervisory duties and ensuring the integrity of the consolidated financial statements and financial reports. Furthermore, the Committee is responsible for ensuring the quality and independence of the work performed by both the internal and external auditors. It discusses the contents of the parent company's audit reports, together with those of the subsidiaries, as part of a consolidated review. It also oversees implementation of the auditors' recommendations. The Committee agrees on the annual and six-year audit plans for the internal auditor and is informed of the external auditor's prudential and financial audit strategy.

Apart from its regular duties, the Audit and Risk Committee attended a one-day training seminar in 2024 that focused on a number of topics related to risks and the evolving regulatory landscape, particularly in the areas of risks and new technology.

Once a year, the Audit and Risk Committee conducts a detailed evaluation of the internal (see section 3.7 below) and external auditors as well as a self-assessment.

Compensation, Promotions and Appointments Committee

In 2024, the Compensation, Promotions and Appointments Committee, which is expressly provided for in the Articles of Association⁽ⁱ⁾ (Article 30*bis*), consisted of Ingrid Deltenre (Chair until 12 June 2024), Fabienne Freymond Cantone, and Pierre-Alain Urech (Chair from 13 June 2024). The Chair of the Board and the CEO take part in an advisory capacity.

A charter adopted by the Compensation, Promotions and Appointments Committee stipulates that the Committee is to aid the Board of Directors in fulfilling its oversight obligations under the LBCV,⁽ⁱⁱ⁾ Articles of Association,⁽ⁱ⁾ and internal directives and regulations, especially in the areas of compensation, appointments, succession planning, corporate social responsibility (CSR), and governance.

The Committee, which has no decision-making authority, thus defines the profile required for the Chair and the other members of the Board of Directors, as well as for the CEO and the other members of the Executive Board. It draws up and prioritizes proposals for the selection and hiring of the Bank's senior executives and examines the Board of Directors' compensation system. It also prepares and prioritizes recommendations for the Board of Directors and the Shareholders' Meeting on decisions concerning the compensation of the Chair of the Board of Directors (in his or her absence), the CEO, and the Executive Board members. It also makes recommendations to the Board of Directors on the compensation of the head of Internal Audit, and on the Bank's overall compensation policy and level.

In addition, it is responsible for making recommendations on the Bank's sustainability policy and CSR strategy for the Board of Directors and periodically reassessing the strategy's suitability. It also provides recommendations to the Board concerning CSR-related decisions and the sustainability report. The head of CSR regularly submits reports to the Committee on the status of different projects being carried out at the Bank as part of the CSR strategy, which covers climate-related matters.

The Committee has the additional tasks of preparing and making recommendations for the Board of Directors on decisions concerning rules of good governance, including with respect to external positions held by members

of governing bodies and conflicts of interest. Lastly, it is responsible for assessing the independence of the members of the Board of Directors at least once a year.

3.5.3 Operational procedures of the Board of Directors and its committees

In 2024, the Board of Directors held 11 ordinary plenary meetings and four conference calls. Each meeting generally lasted three-quarters of a day, with the exception of a few full-day meetings. The Board of Directors also went on a two-and-a-half-day retreat, in part with the Executive Board. The retreats provide the Board of Directors with the opportunity to address strategic topics in greater depth, including the Bank's overall strategy and its strategies in the areas of human resources, finance, IT, and risk management.

The Board committees meet whenever required by the business at hand. In 2024, the Audit and Risk Committee met eight times (five full-day meetings and three meetings that lasted a few hours) and took part in a full-day training seminar; the Compensation, Promotions and Appointments Committee met six times (for an average of three hours each time) and took part in a full-day training seminar.

Members of the Board of Directors	2024 attendance rates
Efthychia Fischer	100%
Jack G. N. Clemons	100%
Ingrid Deltenre	100%
Fabienne Freymond Cantone	100%
Stefan Fuchs	100%
Jean-François Schwarz	99%
Pierre-Alain Urech	98%

Board members receive the minutes and all documents provided to the committees. The chair of each committee informs members at Board meetings of important issues addressed by the committees and answers any questions raised by them. See section 3.5.2 above for information on the committees' operational procedures.

The CEO attends all regularly scheduled Board meetings and retreats. Executive Board members attend whenever issues relating to their divisions are on the agenda.

Where necessary, outside specialists are invited to attend Board or committee meetings to present a specific topic.

The Board of Directors has adopted an operational procedure for working with the Executive Board, with a subject-by-subject description and schedule of the tasks to be performed. This *modus operandi*, which is periodically reviewed, establishes the frequency with which matters are handled by the two Boards, including their committees, and in which form. The objective is good governance by ensuring that all pertinent issues are addressed at the right level, that the time available to the boards and committees is allocated optimally, and that their involvement is fully consistent with their responsibilities (see also section 3.7). Since 2009, the Board of Directors has delegated more matters to the committees. Decision-making authority nevertheless rests with the Board.

3.5.4 Performance appraisal of the Board of Directors

The Board of Directors sets itself annual objectives, taking into account the goals set forth in the Articles of Association,⁽ⁱ⁾ as well as the Bank's strategy and risk policy. The Board carries out an analysis every six months to determine whether these objectives have been achieved and reviews and improves its procedures on a regular basis.

Furthermore, the Board meets once a year to evaluate the Chair's performance.

3.6 Powers

The Board of Directors establishes the Bank's general policy. It directs the Bank's affairs at the highest level and issues the necessary instructions. It also supervises the Bank's management and those entrusted with it. In addition, it verifies the accomplishment of BCV's corporate mandate, as defined in Article 4 of the LBCV.⁽ⁱⁱ⁾

The Board of Directors exercises the inalienable powers described in Article 24, paragraph 4, of the Articles of Association⁽ⁱ⁾ and carries out all duties that have not been assigned to BCV's other governing bodies pursuant to the LBCV,⁽ⁱⁱ⁾ the Articles of Association,⁽ⁱ⁾ or the by-laws.

It also has the following responsibilities:

The Board of Directors determines which companies belong to BCV Group, in accordance with the legal provisions applicable to the scope of consolidated supervision. Subject to the non-transferable and inalienable powers of the subsidiaries, it exercises the same powers relative to the Group, through the directives that BCV issues and the instructions that BCV gives its representatives within the Group.

It decides on the creation, acquisition, sale, and liquidation of subsidiaries, branches, and retail banking offices and of representative offices abroad. It approves the Bank's investment and growth policy and reviews it periodically. It ensures that systems for the preparation of financial statements and for financial planning are implemented and maintained and that these systems meet regulatory requirements and those related to internal and external audits.

The Board of Directors regulates, establishes, maintains, supervises, and regularly approves the internal control system (ICS). The relevant internal framework directive has been implemented. The Board regularly discusses its assessment of the appropriateness and effectiveness of the ICS with the Executive Board.

In terms of appointments, the Board of Directors has a number of responsibilities that fall outside the powers defined in Article 24, paragraph 4, of the Articles of Association.⁽ⁱ⁾ In agreement with the Vaud Cantonal Government, it determines the conditions governing the appointment of its Chair. It appoints and removes the head of Internal Audit along with all executives in that department with the rank of lead auditor or equivalent, and appoints and removes Bank executives with signing authority. It proposes its own compensation, together with that of its Chair and the Executive Board, to the Shareholders' Meeting (Article 30^{quater} of the Articles of Association.⁽ⁱ⁾ It sets the Bank's overall compensation level and the compensation of the head of Internal Audit. The Board also approves the conditions applicable to the Executive Board. It determines the method of signing used by the Bank, i.e., the joint signature of two persons.

The Board of Directors determines the organization and defines terms of reference by means of by-laws, the organization chart for divisions and departments, other regulations, and tables of terms of reference. In particular, it draws up the quantified terms of reference assigned to the Executive Board. It approves the Bank's lending policy upon the recommendation of the Executive Board, and the technical standards and regulations governing lending authority upon the recommendation of the Executive Board's Credit Committee. It also decides on the granting of loans to members of the Board of Directors and Executive Board.

It reviews the external auditor's annual reports and the activity reports submitted by the Internal Audit Department. It prepares the reports, accounts, and other documents and proposals to be presented to the Shareholders' Meeting and approves the strategic development and investment plans. It approves the budget and the objectives defined by the Executive Board.

The Board of Directors determines the Bank's financial strategy and risk-management policy and strategy and reviews their appropriateness periodically. In this way, it sets out the overall framework for balance-sheet and risk management for the Executive Board. It monitors implementation of balance-sheet and risk-management policy, in particular by reviewing periodic risk-assessment reports prepared in accordance with its instructions, as well as those required by the regulatory authorities.

For all other matters, refer to the operational procedure set up by the Board of Directors and described in section 3.5.3.

The Executive Board is responsible for managing and directly monitoring the Bank's business. Its powers include drawing up the terms and procedures of operations listed in Article 4 of the Articles of Association,⁽ⁱ⁾ as defined in Article 4 of the LBCV.⁽ⁱⁱ⁾ It has the power to institute legal proceedings and represent the Bank in a court of law; it keeps the Board of Directors informed of any such situation.

Furthermore, the Executive Board implements the decisions made by the Board of Directors. It ensures that the organization and internal audit procedure in place at BCV meet FINMA requirements on the supervision and internal control of banks and the relevant framework directive issued in this regard by the Board of Directors; to this effect, the Executive Board issues the necessary directives

and exercises appropriate oversight. It has adopted the ICS implementing directive.

The Executive Board draws up the Bank's financial strategy through the CFO, the risk-management policy and strategy through its Risk Management Committee, and the lending policy through its Credit Committee. It is responsible for preparing periodic risk-assessment reports in accordance with the instructions of the Board of Directors and prepares all documents that will be used in the decision-making and monitoring processes relative to operations and business dealings that involve special risks. It is responsible for overall risk management within the framework set by the Board of Directors, regularly verifies compliance with disclosure and reporting requirements defined by the regulatory authorities, and monitors compliance with risk-exposure limits set by the Board of Directors.

The Executive Board releases the financial statements after they are approved by the Board of Directors. It then prepares the cash-flow and shareholders' equity statements, which it releases in accordance with current regulations. It draws up the budget of foreseeable revenues and expenses and submits it to the Board of Directors. It sets the rates and conditions applicable to the Bank's various types of operations. It also coordinates the activities and processes of the divisions and the strategic units.

It may issue or decide to participate in public or private bond offerings for the Bank's own account; buy, sell, equip, or renovate buildings within the limits set by the Board of Directors; and carry out other own-account operations within the criteria specified by the Board of Directors. It may approve the outsourcing of activities in compliance with the FINMA directive.

Subject to the powers of the Board of Directors, it hires and dismisses employees, whose rights, obligations, and responsibilities are defined in the employee handbook. It appoints and removes senior executives in accordance with the powers granted to it under the by-laws. It makes recommendations on the Bank's overall compensation level to the Board of Directors through the Compensation, Promotions and Appointments Committee.

3.7 Monitoring the Executive Board

The Board of Directors supervises the Executive Board with the support of the Internal Audit Department, the external auditors, and the Board of Directors' committees in accordance with the operational procedures described in section 3.5.3, the objective of which is to ensure good governance.

The CEO attends all meetings of the Board of Directors, including retreats. The CFO is always present when there are items on the agenda concerning the financial statements, risks, asset and liability management (ALM), compliance, and legal matters. In principle, Executive Board members attend whenever issues relating to their division are under discussion. Executive Board members in charge of front-office divisions present a business review to the Board of Directors once a year. In addition to approving the half-year and full-year financial statements provided by the Financial Accounting Department and presented in detail to both the Audit and Risk Committee and the Board of Directors, the Executive Board sends (and in some cases presents) quarterly reports on the following issues to the Board of Directors: risks, compliance, equity, human resources, and investment policy. It also provides half-yearly reports on ALM, legal matters, and investor relations. The Board of Directors also reviews the parent company and consolidated financial statements for the first and third quarters.

The Risk Management chapter (pages 60–73) provides a summary of BCV's risk management procedures and an overview of its risk profile. Note 7 of the financial statements (pages 131–135) explains the principles applied by the Bank in assessing and managing risk. The Bank publishes a Basel III Pillar 3 report, which is updated every six months and can be found in the Investor Relations section of the BCV website (www.bcv.ch/en/About-us/Investor-Relations).

A Management Information System (MIS) was approved by the Board of Directors to monitor and steer performance across the Bank, broken down by segment. Monthly reports are sent to each manager of a specific segment and presentations are made to the Executive Board each month. The MIS contains information not only on financial performance but also on business activity, margins, risk, operational indicators, and human

resources. In addition, it includes market watches. At each Board of Directors meeting, the CEO provides updates on the budget and the operating environment based on the MIS reports. In addition, MIS summary reports are presented to the Board every quarter.

No member of the Board of Directors belongs to the Executive Board or exercises any management function whatsoever at the Bank or its subsidiaries, in compliance with the principle of independence stipulated in Swiss banking regulations.

Internal Audit

The Internal Audit Department is a constituent entity of BCV pursuant to Article 14 of the Articles of Association.⁽ⁱ⁾ It reports directly to the Board of Directors. It performs regular audits of all the Bank's operations and has an unlimited right to access information for this purpose. Its organization, sphere of operations, procedures, and cooperation with the external auditors are defined in its regulations. The Department is independent of the Executive Board. Its responsibilities extend to all entities directly or indirectly controlled by the Bank in the areas of banking, finance, and IT.

Every year, the head of the Internal Audit Department coordinates with the external auditors to draw up a six-year plan. That annual, multi-year audit plan is discussed with the executive boards of the parent company and BCV Group companies, approved by the Audit and Risk Committee, and submitted for information purposes to the Board of Directors. It may be changed during the year by the head of the Internal Audit Department, subject to approval by the Audit and Risk Committee.

The Internal Audit Department has complete freedom in preparing and executing its tasks and presenting its conclusions. After completing its work, the Department submits detailed audit reports to the Executive Board, the Audit and Risk Committee, and the Board of Directors and provides copies to the external auditor, with which it shares all of its conclusions. It also draws up half-yearly activity reports, which include an overview of all ongoing auditing activities within BCV Group. The report is intended for the Audit and Risk Committee and is also discussed at meetings of the Executive Board and the Board of Directors.

Supervision and regular evaluations of the Internal Audit Department are delegated to the Audit and Risk Committee. Every year, the Committee assesses the Department's cooperation with the external auditor, decides whether the Department is efficient and has the necessary resources and appropriate skills, and ensures that it performs its activities independently and objectively. The Audit and Risk Committee also has an objective external audit carried out at least once every five years, in accordance with international standards. This audit looks at all of the Internal Audit Department's systems and activities; the most recent one was conducted in 2021 and found that the Bank is in compliance with the standards issued by the Institute of Internal Auditors (IIA) and with the requirements of FINMA Circular 2017/01. Lastly, the Internal Audit Department is required to regularly develop and present a five-year internal audit strategy to the Risk and Audit Committee for approval; the most recent strategy was approved in 2019, and the next one is planned for 2025. The strategy is discussed at the meetings of the Executive Board and the Board of Directors and is communicated to the boards of other BCV Group companies.

The head of the Internal Audit Department attends all meetings of the Audit and Risk Committee, as well as meetings of the Executive Board and Board of Directors when required.

4. Executive Board

4.1 Members of the Executive Board

The CEO and other members of the Executive Board work under an employment contract with a 12-month notice period.

Information about members of the Executive Board at 31 December 2024 can be found on the following pages (NB: pursuant to Article 27 of the Articles of Association⁽ⁱ⁾ only the CEO is appointed by the Vaud Cantonal Government, while the other members are appointed by the Board of Directors).



Pascal Kiener

Swiss citizen, 1962

CEO since 1 May 2008 and CFO from 1 June 2003 until 31 December 2008

Education

MSc in mechanical engineering from the Swiss Federal Institute of Technology in Lausanne (EPFL)
MBA from INSEAD in Fontainebleau

Career experience

Between 1985 and 1991, Mr. Kiener worked as an engineer for Fides Informatics in Zurich and Hewlett Packard in Geneva. In 1993, he joined the consulting firm McKinsey & Company. In 2000, he was made partner and a member of the Management Committee of McKinsey Switzerland. He acquired experience in financial services, and in banking in particular, during these years as an advisor for leading financial institutions in Switzerland and other European countries. He managed large projects involving strategy, risk management, controlling, and business process re-engineering. Mr. Kiener joined BCV as CFO on 1 June 2003 and was appointed CEO on 1 May 2008.



Thomas W. Paulsen

Swiss citizen, 1965

CFO, member of the Executive Board with responsibility for the Finance & Risks Division since 1 January 2009

Education

Degree in economics from the Business and Economics Faculty of the University of Lausanne
MSc in economics from the London School of Economics
PhD in economics from the University of Lausanne

Career experience

Mr. Paulsen started his career in energy trading. In 1995, he joined the consulting firm McKinsey & Company, where he was elected Principal Associate in 2000. During his time at McKinsey, he managed a large number of strategic projects for financial institutions and major energy companies in Switzerland and throughout Europe, focusing particularly on the risk management aspects. Mr. Paulsen joined BCV in July 2002 as Chief Risk Officer (CRO), and in this capacity created and led the Risk Management Department. He was named CFO and head of the Finance & Risks Division on 1 January 2009.



Andreas Diemant

Swiss citizen, 1968

Member of the Executive Board with responsibility for the Corporate Banking Division since 1 September 2017

Education

BSc in business administration from the Bern University of Applied Sciences
Executive MBA from the Universities of Bern and Rochester

Career experience

Mr. Diemant began his career in insurance, working for Zürich Versicherungs-Gesellschaft and subsequently for La Suisse Assurances in Lausanne. He moved into banking in 1994 when he took a position at UBS in corporate banking for Switzerland's Mittelland region. Mr. Diemant then rose through the ranks across all corporate segments to reach the position of head of Institutional Clients, Switzerland & Global Asset Servicing. On 1 September 2017, he joined BCV's Executive Board as head of the Corporate Banking Division.



Christian Meixenberger

Swiss citizen, 1960

Member of the Executive Board with responsibility for the Business Support Division since 1 January 2017

Education

Degree in electronic engineering from the University of Neuchâtel
MBA from the University of Lausanne

Career experience

From 1987 to 1993, Mr. Meixenberger worked as a software engineer at the Swiss Center for Electronics and Microtechnology (CSEM) in Neuchâtel before joining Credit Suisse in Geneva, where he was in charge of business processes and IT. In 1997, he became head of IT at Banque Cantonale de Fribourg. He was then appointed to that bank's Executive Board as head of the Services Division in 2000. He took up his position as head of BCV's Business Support Division on 1 January 2017.



Bertrand Sager

Swiss citizen, 1966

CCO, member of the Executive Board with responsibility for the Credit Management Division since 15 February 2010

Education

Master of Law from the University of Lausanne
Advanced Management Certificate from INSEAD in Fontainebleau

Career experience

Mr. Sager began his career at Credit Suisse in 1991, where he was involved in various lending activities. He joined BCV in 1998 and was appointed to lead BCV's Credit Recovery Management Department in 2003. In this position, he played a key role in strengthening the Bank's balance sheet by reducing the volume of impaired loans. In addition, as a member of the Executive Board's Credit Committee since 2008, he has acquired a thorough understanding of BCV's lending activities. Mr. Sager was named Chief Credit Officer and appointed to the Executive Board with responsibility for the Credit Management Division on 15 February 2010.



José François Sierdo

Swiss citizen, 1963

Member of the Executive Board with responsibility for the Retail Banking Division since 3 March 2014

Education

Degree in economics and business administration from the Business and Economics Faculty of the University of Lausanne
MBA from IMD in Lausanne

Career experience

Mr. Sierdo began his banking career in 1993 in retail banking at UBS. He went on to do project finance in New York and lending in Zurich before working at Lombard Odier & Cie from 1998 to 2002. He then returned to UBS, where he held key managerial positions in retail, private, and corporate banking, including head of Private Banking for French-speaking Switzerland, CEO of UBS Luxembourg, and head of Corporate Clients for Switzerland. Before becoming a banker, he was a military pilot and a member of the Swiss Air Surveillance Wing. He joined BCV's Executive Board as head of the Retail Banking Division on 3 March 2014.



Christian Steinmann

Swiss citizen, 1971

Member of the Executive Board with responsibility for the Private Banking Division since 1 December 2022

Education

Swiss certified fiduciary advisor and Swiss certified tax expert
MBA from the New York University Stern School of Business, HEC Paris, and London School of Economics

Career experience

Mr. Steinmann began his career at the Vaud Cantonal Tax Administration in 1987. He then moved to Credit Suisse in 1995, where he worked in wealth planning for private banking clients and SMEs. After holding various management positions in the private banking division, Mr. Steinmann became responsible for all private clients for the greater Lausanne area in 2013, then regional head of private banking for French-speaking Switzerland in 2017. In 2020, he was also named regional head of French-speaking Switzerland. He took up his position as head of the Private Banking Division on 1 December 2022.



Fabrice Welsch

Dual Swiss and French citizen, 1966

Member of the Executive Board with responsibility for the Asset Management & Trading Division since 1 January 2021

Education

Graduate of the École Nationale de la Statistique et de l'Administration Économique (ENSAE) in Paris
Master of Advanced Studies in Finance
Certified actuary
Executive MBA from the Centre for Advanced Studies in Insurance (CHEA)
Graduate of the Swiss Finance Institute (Senior Management Program in Banking)

Career experience

After working briefly for the International Trade Centre, Mr. Welsch joined BNP Paribas as a financial controller and actuary. In 1996, he became the chief actuary at Phenix Assurances (Allianz Group) before becoming the company's head of life insurance, IT, and external partnerships. Mr. Welsch joined BCV on 1 January 2004 as head of the Bank's occupational pension and financial planning department. Under his leadership, the department has gained recognition as a center of expertise in this area. He took up his position as head of the Asset Management & Trading Division on 1 January 2021.

4.2 Other activities and business relations (at 31 December 2024)

Executive Board members also perform the following functions:

Pascal Kiener	<ul style="list-style-type: none"> • Member of the Board of Directors and the Board of Directors Committee of the Swiss Bankers Association • Member of the Board of Directors and the Board Committee of the Union of Swiss Cantonal Banks • Member of the Board of economiesuisse • Member of the Board of Directors and the Steering Committee of the Vaud Chamber of Commerce and Industry • Chair of the Fonds de Prévoyance en Faveur du Personnel de la BCV • Member of the Board of the BCV Foundation • Member of the Board of the Geneva Financial Center Foundation • Member of the Foundation Board of the Swiss Finance Institute, Zurich • Member of the Enterprise for Society (E4S) Advisory Board, Lausanne • Member of the CHUV (Lausanne University Hospital) Foundation Board, Lausanne • Member of the Foundation Board of Foot Avenir, Lausanne
Andreas Diemant	<ul style="list-style-type: none"> • Committee member of the Chambre Vaudoise Immobilière • Member of the Board of the Caisse de Pensions de la Banque Cantonale Vaudoise
Christian Meixenberger	<ul style="list-style-type: none"> • Member of the Board of Directors and of the Audit and Risk Committee of Viseca Payment Services SA • Member of the IT Infrastructure Committee of the Canton of Fribourg
Thomas W. Paulsen	<ul style="list-style-type: none"> • Vice Chair of the Board of Directors and member of the Audit and Risk Committee of Piguet Galland & Cie SA • Chair of the Swiss Cantonal Bank Issuing Committee • Member of the Board of Directors and Chair of the Audit Committee of the Swiss Cantonal Banks' Central Mortgage Bond Institution • Member of the Board of the Fonds de Prévoyance en Faveur du Personnel de la BCV • Member of the Foundation Board of ISREC
Bertrand Sager	<ul style="list-style-type: none"> • Member of the Board of Directors of GEP SA • Member of the Board of the Caisse de Pensions de la Banque Cantonale Vaudoise • Vice Chair of the Board of the Fondation de Prévoyance en Faveur de l'Encadrement Supérieur de la BCV • Member of the Board of the Fonds de Prévoyance en Faveur du Personnel de la BCV • Member of the Board of Directors and Treasurer of the Vaud Banking Association • Member of the Board of Directors and Treasurer of the Vaud Foundation for Banking Education • Judge for property disputes at the Eastern Vaud District Court • Member of the Management Committee of the Fonds Cantonal de Lutte Contre la Précarité
José F. Sierdo	<ul style="list-style-type: none"> • Member of the Board of Directors of TWINT AG and TWINT Acquiring AG
Christian Steinmann	<ul style="list-style-type: none"> • Member of the Board of the Institut Supérieur de Formation Bancaire (ISFB)
Fabrice Welsch	<ul style="list-style-type: none"> • Member of the Board of Directors and the Audit and Risk Committee of Banque Cantonale du Jura, Porrentruy • Member of the Board of Directors of Gérifonds, Lausanne • Member of the Tax Committee of the Vaud Chamber of Commerce and Industry (CVCI) • Member of the Board of the Caisse de Pensions de la Banque Cantonale Vaudoise

Internal organization of the Executive Board

The Executive Board may delegate its powers and duties as provided for in the by-laws, subject to applicable laws, Swiss Bankers Association agreements, circulars issued by FINMA and other supervisory authorities, and directives of the Board of Directors.

In particular, the Board may appoint committees to prepare and implement its decisions, make decisions, and oversee various matters.

The Executive Board has set up several committees, each of which consists of a chair and members appointed for an indefinite period by the Board and drawn from its own ranks or among senior executives.

In accordance with BCV's by-laws, the CEO has a right of veto, which must be duly recorded when used. In such cases, the CEO must inform the Chair of the Board of Directors.

Committee name, composition (at 31 December 2024)

Main roles

Risk Management Committee

Thomas W. Paulsen (Chair)
Pascal Kiener
Andreas Diemant
Bertrand Sager
Fabrice Welsch
Maxime Mermier

- Submits risk management policy and strategy proposals to the Executive Board for approval by the Board of Directors
- Ensures risk management and control processes are implemented and updated for the entire Bank and for all risk categories
- Monitors the Bank's overall risk profile
- Steers all the Bank's risk management projects

Asset and Liability Management Committee (ALCO)

Pascal Kiener (Chair)
Thomas W. Paulsen
Christian Steinmann
Andreas Diemant
José François Sierdo
Christopher Cherdel
Yves Crausaz
Sébastien Gyger

- Examines the exposure of the banking book to interest-rate risk and exchange-rate risk, as well as the Bank's exposure to liquidity risk
- Manages interest-rate-risk exposure on the balance sheet
- Manages the Bank's liquidity and funding

Credit Committee

Bertrand Sager (Chair)
Pascal Kiener
Andreas Diemant
José François Sierdo
Eric Longchamp

- Submits proposals concerning the Bank's lending policy, technical standards, and regulations governing lending authority to the Executive Board for approval by the Board of Directors
- Makes decisions on the granting of lending authority
- Makes decisions regarding the granting and renewing of major lending facilities, within the limits of its powers
- Monitors the Bank's loan portfolio, particularly the sector breakdown
- Oversees credit-limit and overdraft management

Information Technology Committee

Christian Meixenberger (Chair)
Pascal Kiener
Thomas W. Paulsen
José François Sierdo
Martin Dion
Serge Messin
Denys Papeil

- Submits IT strategy proposals and ensures that the strategy is aligned with BCV's overall business strategy
 - Makes decisions concerning BCV's IT sourcing strategy and ensures that strategy is correctly implemented
 - Establishes the budgetary framework and medium-term plan
 - Manages all aspects of the IT budget
 - Stays informed about major IT incidents and corrective measures that are planned or have been taken
 - Monitors strategic projects carefully and the Bank's project portfolio and IT developments more broadly
 - Oversees relations with suppliers, particularly for FINMA outsourcing contracts or major contracts
-

4.3 Limits on external positions

Article 29 of the Articles of Association⁽ⁱ⁾ sets out limits on the number of positions outside BCV that may be held by members of the Executive Board. In short, the maximum number of positions on the boards of directors of legal entities other than the Bank that must be recorded in the Commercial Register or a similar register abroad is five, two of which may be in publicly traded companies. These limits do not apply to positions at companies within the Group, companies in which the Bank holds a material interest, real-estate companies, pension funds, associations, foundations, and unpaid positions.

No member of the Executive Board exceeded either of those limits in 2024.

4.4 Management contracts

The Bank has not entered into any management contracts.

5. Compensation, shareholdings, and loans

5.1 Philosophy and principles underpinning BCV's compensation system

BCV is a universal bank with solid local roots that offers a large selection of products and services to both individuals and businesses. For this reason, it employs a wide range of profiles and skills in order to provide its customers with high-quality service. BCV offers attractive working conditions and a competitive compensation system designed to promote employee skills development and professionalism, and to attract and retain the talent that is integral to its long-term success and sustainable approach to doing business.

BCV's values

The Bank has defined four values that are central to its strategy and culture: responsibility, performance, professionalism, and close ties with customers and the broader community. The Bank's leadership believes that a key to long-term success is ensuring that all employees share a common culture built around core values. These values underpin all employees' actions, including their interactions with customers and colleagues. These values are also an integral part of employee performance reviews.

BCV's strategic plan: *vista*

BCV's current strategy – *vista* – was rolled out in 2019 and builds on those enacted in previous years. This strategy aims to maintain the positive trend that the Bank's business lines have been experiencing over the past few years. It is designed to position the Bank to respond to the main challenges it will face in the coming years. Its focus areas include:

- continuing to improve service quality along the entire value chain to create an even better customer experience
- enhancing the Bank's distribution channels (branches, digital services, and call centers) to give customers an integrated multichannel experience
- capturing more of the cross-selling potential inherent in BCV's universal bank business model
- implementing operational improvements through targeted measures
- increasing BCV's attractiveness as an employer, in particular by fostering continuous skills development among its employees
- sharpening the Bank's focus on corporate social responsibility (CSR) measures, including a wider range of socially responsible investment options, banking products, and mortgage solutions.

To ensure that the entire Bank – from the Executive Board on down – is working to execute this strategy, each employee is given individual performance objectives that stem directly from the focus areas set out in *vista*.

Performance reviews

BCV's performance review system is designed to help manage individual and team performance. This includes:

- encouraging employees to give their best in the workplace
- promoting a performance-based corporate culture
- recognizing employees for their performance
- promoting skills development
- fostering behavior that aligns with BCV's core values.

At an initial, mid-year review, line managers assess the progress made toward the main performance objectives set for each employee at the beginning of the year. The final performance review is carried out at the end of the year and covers four main points:

- the extent to which the performance objectives set at the beginning of the year were achieved

- the degree to which the position requirements, i.e., the responsibilities inherent in the post, were fulfilled
- whether the Bank's values were upheld and the appropriate behaviors demonstrated
- whether specific skills were acquired, if applicable.

Equal pay

BCV's compensation system guarantees equal pay regardless of origin or gender, in accordance with the principles set out in the Swiss Federal Act on Gender Equality (GEA).

Beyond meeting Swiss legal requirements, BCV was awarded the Fair-ON-Pay certification by Comp-On SA and SGS. This certification, which is valid for four years and includes a follow-up audit in the third year, recognizes the Bank's equal pay practices over the long term.

Say on pay

As stated in section 5.4 below, shareholders have been able to vote on the compensation of the Board of Directors and the Executive Board at the Annual Shareholders' Meeting since 2014. Specifically, shareholders vote on the fixed compensation of these bodies for the period from one Meeting to the next. The annual performance-based compensation for the entire Executive Board for the previous year and the number of shares available as long-term performance-based compensation under the plan beginning in the current financial year are also subject to votes at the Meeting.

Unauthorized compensation

Payment of the following types of compensation to members of the Board of Directors or the Executive Board is not authorized:

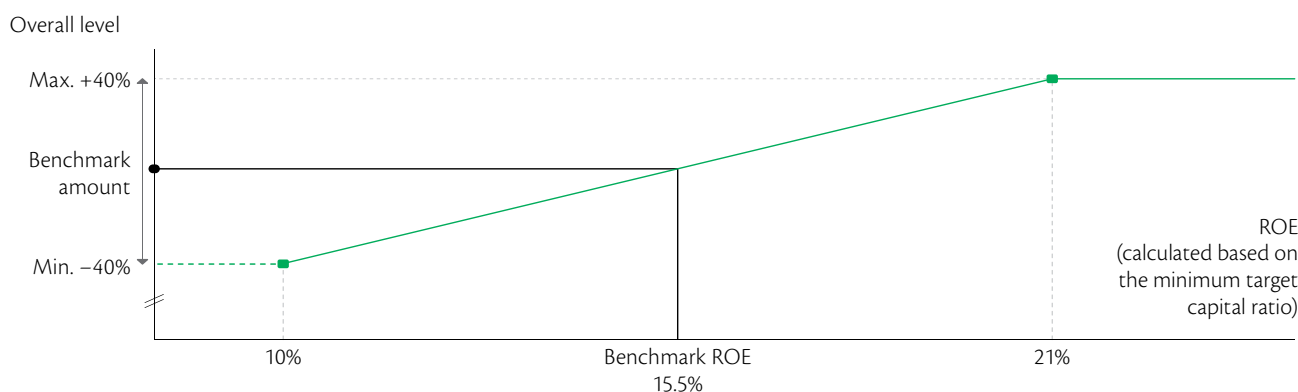
- any and all types of severance pay, although compensation due until the end of the contractual relationship is authorized
- advance payments
- success fees on the transfer or takeover of all or part of a company by the Bank or by companies controlled directly or indirectly by the Bank
- payments resulting from a covenant not to compete that exceed the average compensation for the past three fiscal years or from a covenant not to compete that is not justified by standard business practice
- payments made in connection with prior service in a governing body of the Bank that are not consistent with standard banking-sector practice
- sign-on bonuses that do not offset an established financial disadvantage.

Payment of any of the above types of compensation to members of the Board of Directors or the Executive Board of the Bank by other companies that are directly or indirectly controlled by the Bank is also not authorized.

Benchmarks and external consultants

In order to keep compensation in line with the market, every year the Bank participates in a salary survey carried

Annual performance-based compensation - Financial performance



out by specialized firm Willis Towers Watson. The survey is used to produce statistics on salary trends for virtually all banking positions, and they provide these numbers to BCV.

In 2024, apart from these statistical sources, the Bank did not call on the services of any other external consultants in order to determine the amounts that would be paid at each level of responsibility within the Bank, or to modify its compensation system. The Bank did not carry out any comparative studies on the compensation of the Executive Board last year.

5.2 Components of the compensation system

The components of the compensation system are base salary, annual performance-based compensation, and the employee share-ownership plan. In addition, the members of the Executive Board and department heads are eligible for long-term performance-based compensation.

No stock-option plans are offered as part of compensation.

	Base salary	Annual performance-based compensation	Long-term performance-based compensation	Share-ownership plan
Board of Directors	✓			
Executive Board	✓	✓	✓	✓
Department heads	✓	✓	✓	✓
All other employees	✓	✓		✓

Base salary

The base salary is the core component of compensation for all Bank employees. It is set individually, taking into account the person's job description, scope of responsibilities, and experience, as well as market values for equivalent positions obtained through salary surveys of a group of comparable companies.

Annual performance-based compensation

Annual performance-based compensation is compensation that varies each year based on the Bank's financial performance, adjusted following a qualitative evaluation. It is allocated to each employee on the basis of their individual year-end evaluation and the overall level of annual performance-based compensation allotted to their division and department.

	Cash	BCV shares
Board of Directors	-	-
Executive Board	70%	30% with at least a 5-yr lock-up period
Department heads	70%	30% with at least a 5-yr lock-up period
All other employees	> CHF 21,000: Choice of 100% or 70% < CHF 21,000: 100%	Choice of 0% or 30% with a 3-yr lock-up period 0%

Financial performance is measured by the return on equity (ROE), calculated taking shareholders' equity at the minimum target capital ratio of 13%. The overall level of annual performance-based compensation is calibrated to a benchmark amount. It varies linearly within a range of +/-40% of the benchmark amount, based on the Bank's ROE.

The *qualitative evaluation* measures the achievement of objectives stemming directly from the strategic plan *vista* and the completion of key projects; it is used to adjust the overall level of annual performance-based compensation within a range of +/-20%.

A portion of annual performance-based compensation is allocated in BCV shares with a lock-up period of between three and ten years, depending on the employee's level of responsibility. All BCV shares allocated for annual performance-based compensation are acquired by the Bank on the Swiss stock exchange in advance at market

price, over several trading days. No new market shares are issued, so there is no shareholder dilution.

Long-term performance-based compensation

The purpose of long-term performance-based compensation is to further long-term strategic development by generating lasting shareholder value and achieving the Bank’s strategic objectives. Only members of the Executive Board and department heads are eligible for long-term performance-based compensation, which is paid exclusively in BCV shares. Based on the overall share allocation, all eligible employees with the same level of responsibility receive the same number of shares; no distinctions are made between employees in the same category.

The share allocation for long-term performance-based compensation is determined based on the extent to which the financial objective and the strategic and qualitative objectives set at the start of each three-year plan have been achieved, with a new plan beginning each year.

The *financial objective* is measured in terms of economic profit, which is calculated on the basis of the profit generated after deducting the cost of equity using an approach that factors in the Bank’s risk level. The Bank’s three-year plan is considered fully executed if it generates the targeted level of economic profit, in which case 100% of the plan’s share allocation can be distributed. However, if economic profit is below 60% of the target, the share allocation linked to financial performance is reduced to zero.

The share allocation is then adjusted to reflect the extent to which the *strategic and qualitative objectives* have been achieved. These objectives relate to implementing the Bank’s strategy and driving change within its operations. An overall evaluation of the Bank’s achievement of its strategic and qualitative objectives is used to adjust the share allocation linked to financial performance. However, the number of shares distributed can never exceed 100% of the share allocation set for each plan.

Overall evaluation of strategic and qualitative objectives	Adjustment factor
Objectives achieved far above expectations	+40%
Objectives achieved above expectations	+20%
Objectives achieved	0%
Objectives partially achieved	-20%
Objectives not achieved	-40%

Starting in 2023, the long-term performance-based compensation plans now include a malus provision. If an employee eligible for long-term performance-based compensation commits a serious breach of BCV’s internal regulations or of professional standards, that person will be excluded from all ongoing plans under which they could have expected to receive BCV shares.

All BCV shares allocated for long-term performance-based compensation are acquired by the Bank on the Swiss stock exchange in advance at market price, over several trading days. No new market shares are issued, so there is no shareholder dilution.

Employee share ownership

An in-house subscription program is offered to all BCV employees each year in order to promote employee share ownership, which is considered an essential element of staff loyalty and identification with the Bank. This program entitles employees to subscribe shares at a reduced price. The number of shares that may be purchased under this program is determined by the level of responsibility inherent in an employee’s position and can range from 100 to 1,000 shares. The subscription price is set every year by the Board of Directors, typically by subtracting a fixed amount of around CHF 15 from the current share price.

With the aim of promoting a medium-term vision, the shares subscribed under this plan are subject to a three-year lock-up period.

All BCV shares allocated for employee share ownership are acquired by the Bank on the Swiss stock exchange in advance at market price, over several trading days. No new market shares are issued, so there is no shareholder dilution.

Members of the Board of Directors do not take part in the employee share-ownership plan.

Other compensation

BCV does not pay sign-on bonuses to compensate new hires for any loss of bonus due to changing jobs. This policy applies for hires at all levels of responsibility, including the Executive Board.

A seniority bonus equivalent to a month's salary is payable to all employees when they complete 10, 20, 30, or 40 years' service at BCV. Employees may opt to take extra vacation, i.e., up to 20 days for full-time staff, instead of the bonus, or they may opt to take half the bonus and half the extra vacation days. Members of the Executive Board must take their seniority bonus in the form of vacation days.

An amount for incidental expenses is paid to department heads and members of the Executive Board.

Occupational pension plans

Pursuant to the Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans of 25 June 1982, the Caisse de Pensions de la Banque Cantonale Vaudoise (the "Pension Fund") insures BCV's employees against the economic consequences of retirement, disability, and death.

The Pension Fund is an occupational pension institution independent from BCV. It is run by a pension board made up of at least six members, half of whom are appointed by the Bank and half of whom are elected by insured members. Its assets mainly comprise members' regulatory and voluntary contributions, the employer's regulatory and voluntary contributions, and the Pension Fund's investment income. The Pension Fund's assets are managed by the pension board in accordance with the commonly accepted principles of sound asset management, with the goal of obtaining the highest possible return while ensuring a careful distribution of risk.

Joining the Pension Fund is mandatory for all permanent and temporary employees and for all members of BCV's Board of Directors who have not yet reached retirement age or who are not receiving retirement benefits.

Senior executives (i.e., employees at management levels C, D, or E) and members of the Board of Directors insured with the Pension Fund are also members of the Fondation

de Prévoyance Complémentaire de la Banque Cantonale Vaudoise (the "Supplementary Fund").

The Supplementary Fund is run by a pension board made up of at least four members, half of whom are appointed by the employer and half of whom are elected by insured members.

The Supplementary Fund also has a separate pool of assets mainly comprising members' regulatory and voluntary contributions, the employer's regulatory and voluntary contributions, and the Supplementary Fund's investment income. The Supplementary Fund's assets are managed in accordance with recognized principles and in compliance with the provisions of federal investment law.

The Fonds de prévoyance en faveur du personnel de la BCV is an employer-operated fund. Its purpose is to assist BCV employees, where necessary, in dealing with the economic consequences of old age, disability, illness, or early retirement.

5.3 Compensation paid in 2024

Board of Directors

BCV's compensation system is designed in part to guarantee the independence of the Board of Directors in carrying out its various oversight and organizational functions. To this end, the members of the Board of Directors receive only fixed compensation composed of fees, compensation for sitting on the various committees, and expenses. Members of the Board do not receive separate annual variable performance-based compensation or long-term variable performance-based compensation.

The Bank does not make any occupational-pension contributions for the seven members of the Board of Directors. By law and in accordance with pension-fund regulations, members of the Board of Directors who are not receiving retirement benefits must join the Caisse de Pensions de la Banque Cantonale Vaudoise and pay all of their occupational-pension contributions themselves.

Overall fixed compensation between one Shareholders' Meeting and the next is subject to approval at the Shareholders' Meeting. In 2024, 99.18% of voting shareholders approved a maximum of CHF 1.4m in fixed compensation for the members of the Board of Directors for the period ending at the next Shareholder's Meeting on 8 May 2025.

Details of the compensation paid to the members of the Board of Directors in 2024 can be found in the tables on page 190.

In order to strengthen the Board of Directors' commitment to the Bank's long-term development, each member is required to own a minimum of 1,000 BCV shares. These shares must be acquired before the end of the member's first term and held throughout any subsequent terms served. Each member must acquire the shares on the market using their own funds and is not offered a preferential price.

Serving members of the Board of Directors are not granted any preferential terms for banking services. The Bank may grant loans and other credit facilities to members of the Board of Directors subject to the same conditions as those granted to customers.

Executive Board

Members of the Executive Board receive a base salary, annual performance-based compensation, long-term performance-based compensation, and incidental expenses. Members of the Executive Board may also take part in the annual employee share-ownership plan.

Details on the compensation paid to the members of the Executive Board in 2024 are given on page 191.

Base salary

The base salary of each member of the Executive Board is set individually, taking into account the person's experience, job description, and scope of responsibilities, as well as market values for equivalent positions.

The base salary is paid exclusively in cash, in 12 monthly installments.

Annual performance-based compensation

All members of the Executive Board are eligible for annual performance-based compensation.

Annual performance-based compensation paid to members of the Executive Board cannot exceed 100% of their base salary.

30% of the performance-based compensation for Executive Board members must be taken in BCV shares

with a lock-up period of between five and ten years, according to each Executive Board member's choice.

For the 2024 financial year, these shares will be allocated at the closing price on 19 May 2025, subject to shareholder approval of Executive Board compensation at the Annual Shareholders' Meeting. Based on the amount submitted to shareholders at the Annual Shareholders' Meeting, the ratio of the annual performance-based compensation to the base salary will be 87.1% for the 2024 financial year.

Long-term performance-based compensation

All members of the Executive Board are eligible for long-term performance-based compensation. At the start of each plan, the maximum number of BCV shares that can be allocated to the Executive Board cannot exceed a total value of CHF 1.2m (rounded), or CHF 150,000 for each Executive Board member.

The 2022–2024 plan, which ended on 31 December 2024, was based on the Bank's cumulative economic profit and the following strategic and qualitative objectives:

- growing the Bank's customer base in line with population growth in Vaud
- evolving the Bank's digital banking/multichannel services in line with its position as a "smart follower"
- improving service quality indicators under the Bank's "Smile" system
- achieving greater gender equality in management positions
- strengthening the Bank's CSR/sustainability strategy
- capturing the cross-selling potential between Divisions.

Economic profit reached 173% of the objective. In addition, the Board of Directors determined that the strategic and qualitative objectives were achieved.

For the plan ending on 31 December 2024, 16,216 shares were set aside for the members of the Executive Board, corresponding to a value of CHF 1,199,984 on the date on which the Board of Directors made its decision. After an assessment of the degree to which the objectives were achieved and taking into account the departure of an Executive Board member, 14,189 shares were distributed, equal to 87.5% of the total number approved at the 2022 Annual Shareholders' Meeting.

A new three-year plan, for which 11,336 shares have been set aside as approved by 99.01% of voting shareholders at the 2024 Annual Shareholder's Meeting held on 25 April 2024, began in 2024.

Employee share ownership

Executive Board members have the right to subscribe at most 1,000 shares at a subscription price set every year by the Board of Directors. With the aim of promoting a medium-term vision, the shares are subject to a three-year lock-up period.

Other employees

Compensation for non-executive employees includes the following components:

- base salary
- annual performance-based compensation
- long-term performance-based compensation (only for department heads)
- employee share-ownership plan.

Base salary

The base salary of each employee is set according to the job description and in line with current market practice. Salary increases depend on the extent to which skills-development objectives have been achieved.

The base salary is paid out in cash, in 13 monthly installments.

Annual performance-based compensation

All employees are eligible for annual performance-based compensation, provided their contracts have not been terminated. The overall level of annual performance-based compensation is broken down by division and then by department. Each employee then receives annual performance-based compensation based on their annual performance review.

The annual performance review results in an overall evaluation on a scale from one to five, where one corresponds to "does not meet expectations" and five to "greatly exceeds expectations." Each score and level of employee responsibility corresponds to an authorized range of annual performance-based compensation.

Overview of long-term performance-based compensation plans for the Executive Board

Starting year	Performance period	Year distributed	Number of shares set aside	Average cost per share	Initial cost of the plan for the Bank	Number of shares distributed	Market value (per share)	Market value of distributed shares
2018	2018 to 2020	2021	1,504	796.00	1,197,184	15,040 ¹	95.00 ¹	1,428,800
2019	2019 to 2021	2022	1,504	797.00	1,198,688	14,030 ¹	74.00 ¹	1,038,220
2020	2020 to 2022	2023	1,480	810.00	1,198,800	11,960 ¹	83.90 ¹	1,003,444
2021	2021 to 2023	2024	12,631	95.00	1,199,945	11,046	105.80	1,168,667
2022	2022 to 2024	2025	16,216	74.00	1,199,984	14,189	95.00	1,347,955

¹ Number of shares and market value adjusted for the 10-for-1 stock split on 28 May 2020

All employees are given the opportunity to express their level of satisfaction with their work situation over the past year and their career-development interests. This information is made available to their line manager and discussed during their review.

For department heads, 30% of annual performance-based compensation must be taken in BCV shares with a lock-up period of five to ten years. Other employees receiving annual performance-based compensation of CHF 21,000 or more may opt for full payment in cash, or 70% in cash and 30% in BCV shares with a lock-up period of three years. In the latter case, BCV increases the amount paid in shares by 30%. For the 2024 financial year, these shares will be allocated at the closing price on 14 March 2025. All other employees receive full payment of their annual performance-based compensation in cash.

Long-term performance-based compensation

Department heads receive long-term performance-based compensation on the same terms as Executive Board members.

Employee share ownership

All BCV employees may subscribe BCV shares at a reduced price. The number of shares that may be purchased is determined by the level of responsibility inherent in an employee's position and can range from 100 to 1,000 shares. The subscription price is set every year by the Board of Directors. With the aim of promoting a medium-term vision, the shares are subject to a three-year lock-up period.

5.4 Governance

Compliance with regulations

All Bank employees work in Switzerland and sign an employment contract governed by the Swiss Code of Obligations and federal legislation on employment and social insurance, including the related implementing ordinances.

In complying with Swiss federal law, the Bank undertakes to fulfill the commitments made by Switzerland with regard to the international conventions and standards issued by the International Labour Organization, particularly in the areas of forced labor and child labor.

BCV is a corporation organized under public law that is exempt from the provisions of the Swiss Code of Obligations (CO) applicable to business corporations, in accordance with Article 763, paragraph 2, of the CO.

Nevertheless, shareholders at the 1 May 2014 Annual General Meeting approved the recommendation of the Board of Directors to incorporate provisions into the Articles of Association⁽ⁱ⁾ regarding the duties of the Compensation, Promotions and Appointments Committee (Article 30bis of the Articles of Association⁽ⁱ⁾), the length of the employment contracts of the members of the Executive Board (Article 28, paragraph 2, of the Articles of Association⁽ⁱ⁾), the compensation system (Article 30ter of the Articles of Association⁽ⁱ⁾), the approval of compensation (Article 30quater of the Articles of Association⁽ⁱ⁾), and unauthorized compensation (Article 30quinquies of the Articles of Association⁽ⁱ⁾).

Entities responsible for compensation

Shareholders' Meeting

Each year at the Shareholders' Meeting, shareholders approve the total maximum amount of fixed compensation for the Board of Directors and the Executive Board up to the following Meeting. They also approve the total amount of annual performance-based compensation for the Executive Board for the past financial year, and the maximum total number of BCV shares available for long-term performance-based compensation under the plan beginning in the current year.

Board of Directors

The Board of Directors determines the Bank's compensation policies and corresponding payroll budget. It determines how the compensation system is implemented, in particular by making adjustments to base salaries, the overall levels of annual performance-based compensation, the number of shares that can be individually subscribed through the employee share-ownership plan, and the objectives to be met in connection with long-term performance-based compensation.

The Board of Directors sets the compensation of its members and the CEO. On the recommendation of the Compensation, Promotions and Appointments Committee, it also sets the compensation of the other members of the Executive Board.

Compensation, Promotions and Appointments Committee

In accordance with its committee regulations, the Compensation, Promotions and Appointments Committee analyzes all matters and proposals relating to compensation policies put forward by the Executive Board and makes recommendations to the Board of Directors for decision.

The Committee assesses the performance of the CEO in the CEO's absence, reviews the CEO's assessment report on members of the Executive Board, and makes recommendations to the Board of Directors on the compensation of Board members, the CEO, and the other members of the Executive Board.

Executive Board

The Executive Board examines and makes recommendations on all matters of compensation policy to the Compensation, Promotions and Appointments Committee, taking into account the Bank's business strategy and objectives.

CEO

The CEO sets annual objectives for each member of the Executive Board and assesses the extent to which they have been achieved at the end of the financial year. The CEO also determines the individual compensation of the other members of the Executive Board and recommends that compensation to the Compensation, Promotions and Appointments Committee for approval by the Board of Directors.

Human Resources

The Human Resources Department works with the CEO to put forward proposals to the Executive Board on all aspects of compensation policy. The Department is responsible for implementing the decisions taken by the Board of Directors and the Executive Board and for ensuring that compensation is accurately booked. These bookings are also reviewed each year by an external auditor.

5.5 Transparency concerning compensation, shareholdings, and loans by issuers with their registered office abroad

This point does not apply to BCV.

6. Shareholders' rights

Under Article 18 of the Articles of Association,⁽ⁱ⁾ each share entitles the holder to one vote. No shareholder shall be entitled to vote at a Shareholders' Meeting either personally or by proxy, or to exercise associated rights, unless entered in the share register. Shareholder status and the right to appoint a proxy shall be determined on the basis of the share register on the 20th day prior to the Shareholders' Meeting.

6.1 Restrictions on voting rights and shareholder proxies

6.1.1 Restrictions on voting rights

Under Article 12 of the Article of Association,⁽ⁱ⁾ the Bank shall recognize as shareholders only those persons and entities validly entered in the shareholder register. Only those persons and entities whose names appear in the register may exercise the rights attached to BCV shares, subject to the restrictions provided herein.

Shareholders without the right to vote may not exercise such a right or any other associated right. Shareholders with the right to vote may exercise all rights attached to the shares.

Under Article 13 of the Article of Association,⁽ⁱ⁾ the transfer of any registered share and its entry in the share register shall be subject to approval by the Board of Directors. If the Board of Directors does not reject the request within 20 days, the acquirer shall be recognized as a shareholder with voting rights.

The Board of Directors may refuse to register an acquirer as a shareholder with voting rights:

- a) in respect of a shareholding exceeding five percent (5%) of the Bank's share capital held by a single shareholder or group of shareholders as defined by the Federal Act on Financial Market Infrastructure (FinMIA). That limit shall not apply to the Canton of Vaud or any third party to which the Canton of Vaud sells part of its shareholding, or to the takeover of a company or part of a company.
- b) if a shareholder does not expressly state, when requested to do so, that the shareholder has acquired the shares in the shareholder's own name and for the shareholder's own account, that no contract to buy

back or return such shares has been entered into, and that the shareholder bears the economic risk related to the shares. The Board of Directors shall not refuse the registration on the sole ground that the request was made by the acquirer's bank.

c) if and so long as recognition of the shareholder could prevent the Bank from furnishing proof of the shareholder base required under Swiss federal law.

Under Article 16 of the Articles of Association⁽ⁱ⁾ (on convening a Shareholders' Meeting), one or more shareholders together representing no less than 5% of the share capital may request the convening of a Shareholders' Meeting. Shareholders together representing at least 0.5% of the share capital may request that an item of business be included on the agenda. The convening of a Shareholders' Meeting and the inclusion of an item of business on the agenda must be requested in writing, stating the business to be discussed and the motions to be submitted.

Any individual motion requiring a vote shall be submitted to the Chair of the Board of Directors in writing at least 45 days prior to the Meeting.

At any Shareholders' Meeting convened to vote on the removal of a clause relating to restrictions on the transfer of registered shares, such removal shall be decided by an absolute majority of votes attached to the shares represented, where each share shall entitle the holder to one vote (Article 11, paragraphs 3 and 4, of the LBCV⁽ⁱⁱ⁾), in compliance with the rules applicable to any resolution of the Shareholders' Meeting.

6.1.2 Exemptions granted during the financial year

During the 2024 financial year, no exemptions from the above restrictions were granted.

The rules governing attendance at Shareholders' Meetings are set forth in Articles 16 and 18 of the Articles of Association,⁽ⁱ⁾ the main provisions of which are shown in sections 6.3, 6.4, and 6.5 below.

6.2 Quorum provisions

Under Article 19 of the Article of Association,⁽ⁱ⁾ the Shareholders' Meeting shall have the power to transact business irrespective of the number of shares represented.

Resolutions put to the vote shall be decided by an absolute majority of the votes attached to the shares represented; in the event of a tie, the Chair shall have the deciding vote. Shares held by the Canton do not vote on the election of members of the Board of Directors carried out pursuant to Article 15(b).

6.3 Convening Shareholders' Meetings

Under Article 16 of the Article of Association,⁽ⁱ⁾ Shareholders' Meetings shall be convened by the Board of Directors at least once a year.

The Annual Meeting shall be held within six months following the financial year-end at the headquarters of the Bank or at any other place in the Canton of Vaud as may be determined by the Board of Directors.

Special Shareholders' Meetings may be convened as often as required.

If necessary, a Shareholders' Meeting may be convened by the Auditors.

6.4 Agenda

Under Article 16 of the Article of Association,⁽ⁱ⁾ one or more shareholders together representing no less than 5% of the share capital may also request the convening of a Shareholders' Meeting. Shareholders together representing at least 0.5% of the share capital may request that an item of business be included on the agenda. The convening of a Shareholders' Meeting and the inclusion of an item of business on the agenda must be requested in writing, stating the business to be discussed and the motions to be submitted.

Any individual motion requiring a vote shall be submitted to the Chair of the Board of Directors in writing at least 45 days prior to the Meeting.

6.5 Shareholder registration

Article 18, paragraph 2, of the Articles of Association⁽ⁱ⁾ stipulates that shareholder status and the right to appoint a proxy shall be determined on the basis of the share register on the 20th day prior to the Shareholders' Meeting.

Pursuant to paragraph 1 of the same Article, the right to vote at the Meeting shall be exercised by the shareholder registered in the share register or by the shareholder's proxy, who may not necessarily be a shareholder. At the Meeting held on 25 April 2024, Christophe Wilhelm, a Lausanne-based attorney, was elected to be the Independent Voting Representative until the end of the next Meeting, scheduled for 8 May 2025. Pursuant to Article 18bis, paragraph 5, of the Articles of Association,⁽ⁱ⁾ BCV will offer shareholders an electronic means of providing their instructions to the Independent Voting Representative for the Meeting.

7. Takeovers and defense measures

7.1 Obligation to make a bid

The Articles of Association⁽ⁱ⁾ do not contain an opting-out or opting-up clause based on the Financial Market Infrastructure Act (FinMIA).

7.2 Takeover clauses

There are no agreements or programs that would benefit members of the Board of Directors or the Executive Board or other BCV executives in the event of a takeover.

8. Auditors

8.1 Term of audit and length of service of lead auditor

The Board of Directors chose PricewaterhouseCoopers SA as its external auditor, within the meaning of the FINMA law and the Swiss Banking Act, for the 2024 financial year. At the Annual Shareholders' Meeting on 25 April 2024, BCV shareholders approved the Board's recommendation to appoint PricewaterhouseCoopers SA as the Bank's external auditor for 2024. PricewaterhouseCoopers SA has served as the external auditor within the meaning of the FINMA law and the Swiss Banking Act, as well as the external auditor for the Bank, since 2023. The lead auditor since 2023 has been Beresford Caloia, an audit expert licensed by the Federal Audit Oversight Authority and by FINMA.

Under Article 20 of the LBCV,⁽ⁱⁱ⁾ the Bank is required to regularly rotate the persons managing the audit and the auditing entity itself. A regular rotation is considered to be every seven years, according to the interpretation of the

Article by both the Canton of Vaud's Legal and Legislative Service and the Bank.

8.2 Audit fees

Fees invoiced by PricewaterhouseCoopers SA for its audits of the full-year consolidated financial statements, its prudential audit, and other statutory audits amounted to CHF 1,373,600 for the 2024 financial year.

Fees invoiced by PricewaterhouseCoopers SA in Switzerland and abroad for financial and statutory audits of other BCV Group companies were CHF 412,694 for the 2024 financial year.

Total fees invoiced by PricewaterhouseCoopers SA for audit services supplied to all the companies that make up BCV Group therefore amounted to CHF 1,786,294 in the reporting year.

8.3 Additional fees

Fees invoiced by companies within the PricewaterhouseCoopers SA group for other auditing and assurance services totaled CHF 124,500 for the parent company.

BCV subsidiaries paid no additional fees to companies within the PricewaterhouseCoopers SA group.

Total additional fees for the 2024 reporting period invoiced by PricewaterhouseCoopers SA in Switzerland and abroad for all BCV Group companies therefore amounted to CHF 124,500.

Full compliance with regulations concerning the independence of auditors has been verified by the Audit and Risk Committee.

8.4 Monitoring of external auditors

The Audit and Risk Committee scrutinizes the work of the external auditors. In particular, it monitors their independence and performance on behalf of the Board of Directors so that the Board can make an informed recommendation to the Shareholders' Meeting on whether to extend the appointment of the auditors. The external auditors submit a half-yearly activity report to the Audit and Risk Committee, which reviews the report at a meeting

in the presence of representatives of the external auditors. Furthermore, the Audit and Risk Committee conducts a detailed evaluation of the external auditors once a year.

The Audit and Risk Committee advises the Board of Directors on whether to approve the external auditors' fees on the basis of a retainer letter, which is reviewed every year. It also discusses how the audit should be planned and approached, as well as risk-evaluation procedures and coordination between the Bank's internal and external auditors. Non-auditing assignments are submitted for prior approval to the Audit and Risk Committee, which, together with the external auditors, verifies compliance with the rules of independence.

The Chair of the Board of Directors and the Chair of the Audit and Risk Committee receive copies of all the reports, certifications, and opinions issued by the external auditors in the course of their duties. Every year, the Audit and Risk Committee reviews the parent company's financial statements and regulatory reports and a summary of the reports submitted by the subsidiaries. The external auditors are regularly invited to attend Audit and Risk Committee meetings to discuss the results of their work, make recommendations on internal audit procedures, and be informed of reports by other persons invited to the meetings. In 2024, representatives of the external auditors partially attended four meetings of the Board of Directors and all ordinary meetings of the Audit and Risk Committee.

The Chair of the Board of Directors meets with the auditor in charge of the audit approximately once every quarter to see whether the work is proceeding as planned; the Chair of the Audit and Risk Committee attends once a year. The Chair of the Audit and Risk Committee also holds regular meetings with the auditor, at least once per quarter. If the Chair of the Audit and Risk Committee identifies any important issues, they submit their observations to all members of the Board of Directors, the Audit and Risk Committee, and the Executive Board.

9. Disclosure policy

9.1 Transparency

Pursuant to paragraphs 8 and 9 of Article 24 of the Bank's Articles of Association,⁽ⁱ⁾ the Board of Directors has a duty to remain informed. It shall also ensure that shareholders are properly and fairly informed about the Bank's situation,

insofar as this is consistent with business-related non-disclosure requirements, banking confidentiality, and securities laws. In particular, it shall reach an agreement governing disclosure of information to the Canton of Vaud.

9.2 Information-exchange agreement

BCV and the Canton of Vaud entered into an initial information-exchange agreement on 13 September 2004, which was followed by a second agreement on 7 October 2009. In 2015, the two parties negotiated a new information-exchange agreement, which was signed on 16 December 2015 and took effect on 1 January 2016.

This agreement commits the parties to increased transparency. In particular, it:

- sets out the content and frequency of information exchanges and the procedures for providing information, together with the type and frequency of meetings between representatives of the Canton and BCV
- defines the confidentiality rules governing these exchanges
- designates the persons who are to provide and receive information on behalf of the Bank and the Canton
- prohibits each party from exploiting for its own purposes the information received and provided
- specifies the legal principles that shall apply, in particular the obligation to make public any information that may affect the price of BCV shares.

9.3 Other information

Regular publications intended for shareholders are the annual report (published in late March/early April), the report on non-financial matters (published alongside the annual report), and the interim report at 30 June (published in August). Printed versions of these reports are available upon request from the following address: BCV, Publications, Post Office Box 300, 1001 Lausanne, Switzerland.

Information is provided to the public soon after the consolidated financial statements are approved by the Board of Directors, by means of a press release and press conference. In 2015, the Bank began publishing its financial statements in accordance with the new Swiss accounting standards for banks. As a result of these new accounting rules, the Bank reports its financial results on a half-yearly rather than a quarterly basis, which means that only results at 30 June and 31 December are released.

BCV also issues special press releases on important developments and business trends at the Bank as often as necessary.

The annual report, report on non-financial matters, interim report, and press releases are all posted on the BCV website (www.bcv.ch/en/home/la-bcv/investor-relations/reports.html). The annual report, report on non-financial matters, and interim report are published in French and English, while press releases are normally available in French, English, and German.

Basel III Pillar 3 reports, which are published half-yearly, and other data of particular interest to investors may also be consulted in the Investor Relations section of the BCV website (www.bcv.ch/en/home/la-bcv/investor-relations/reports.html).

BCV publishes notice of its Annual Shareholders' Meeting approximately 60 days in advance in the FOSC (Feuille officielle suisse du commerce). The invitation and the agenda of the Meeting are also published in the FOSC and several local daily newspapers. In addition, shareholders listed on the shareholder register at least 20 days before the Annual Shareholders' Meeting receive a personal invitation by mail or email, depending on their preference.

9.4 Links to main documents referenced

Document	Link
(i) Articles of Association	https://www.bcv.ch/content/dam/bcv/fichiers/statuts/Articles_of_Association.pdf
(ii) Cantonal Act of 20 June 1995 Governing the Organization of Banque Cantonale Vaudoise (LBCV)	https://www.bcv.ch/content/dam/bcv/fichiers/statuts/Cantonal_Act_BCV.pdf
(iii) Audit and Risk Committee Charter	https://www.bcv.ch/content/dam/bcv/fichiers/la-bcv/relations-investisseurs/Charte_CAR.pdf (in French only)

10. Restriction periods

The Bank's internal directives prohibit specific groups of employees and third parties from trading BCV shares during scheduled restriction periods related to BCV's financial results and during ad hoc restriction periods related to having access to privileged information.

10.1 Scheduled restrictions related to BCV's financial results

The following employees and members of governing bodies are subject to scheduled restrictions related to BCV's financial results:

- the Chair and other members of the Board of Directors
- the CEO and other members of the Executive Board, as well as their immediate staff
- the secretary of the Board of Directors and the corporate secretaries of the Executive Board
- department heads and regional managers
- all employees in the following departments: Controlling, Financial Accounting, ALM & Financial Management, Risk Management, Compliance, and Corporate Communications
- employees in other departments involved in processing financial results before they are announced to the press and who may be aware of these figures. The heads of these departments inform the employees concerned and draw up and send a list of their names to the Compliance Department
- the Investor Relations Officer
- employees in the Internal Audit Department.

The representatives of Vaud Canton designated in the information-exchange agreement between BCV and the Canton of Vaud (see section 9.2 on page 110) are also subject to these restriction periods. This concerns the members of the Vaud Cantonal Government, as well as certain related parties.

The restriction periods are determined based on the financial results release dates. They begin ten business days before the close of the half-year and full-year accounts and end the day after the results are released. The Compliance Department informs employees of the start and end date of each restriction period and checks that no transactions have been conducted by the people concerned during that period. Limit orders (both buy and sell, including stop-profit and stop-loss orders) placed by employees

subject to scheduled restrictions are canceled at the start of a restriction period.

10.2 Ad hoc prohibitions on trading BCV shares

Employees and third parties who hold privileged information about the BCV share are subject to an ad hoc trading prohibition. If an event occurs that could significantly affect the BCV share, an ad hoc restriction period may be ordered by the Chair of the Board of Directors or by the CEO, who informs the Compliance Department of the decision.

On the basis of a list of employees and third parties who have access to the privileged information, the Compliance Department will:

- identify the individuals subject to confidentiality
- draw up a watchlist that includes the confidential information held, the people with access to that information, and the periods of confidentiality
- inform the individuals concerned of the ad hoc prohibition on distributing the privileged information and trading the share for their own account
- verify that the individuals concerned confirm by email that they are aware of the ad hoc restriction period
- check that no transactions are conducted on the BCV share by the individuals concerned during the restriction period
- notify those involved of the end of the prohibition when the privileged information is publicly distributed.

The procedure for putting in place an ad hoc prohibition is set out in the related internal directive.

10.3 Permanent prohibition on trading derivatives of the BCV share

All Bank employees are permanently prohibited from trading derivatives on the BCV share. This includes, for example, warrants, futures, and structured products for which over one-third of the return depends on the performance of the BCV share.

11. Contacts

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2025 corporate calendar

8 May	Annual Shareholders' Meeting
12 May	Ex-dividend date ¹
13 May	Dividend record date ¹
14 May	Dividend payment ¹
21 August	2025 half-year results

¹ Ordinary dividend of CHF 4.40 per share, subject to approval at the Annual Shareholders' Meeting

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Financial Statements

Consolidated Financial Statements

1. Balance sheet (in CHF millions)

	Notes	31 / 12 / 24	31 / 12 / 23	Absolute change	Change as %
Cash and cash equivalents		10 614	12 602	- 1 988	- 16
Due from banks		1 139	662	477	72
Reverse repurchase agreements	10.1	0	0	0	n/a
Loans and advances to customers	10.2	5 959	6 128	- 170	- 3
Mortgage loans	10.2	34 207	31 780	2 427	8
Trading portfolio assets	10.3	317	229	88	38
Positive mark-to-market values of derivative financial instruments	10.4	510	719	- 209	- 29
Other financial assets at fair value	10.3	1 131	934	196	21
Financial investments	10.5/10.7	6 065	5 196	868	17
Accrued income and prepaid expenses		113	122	- 9	- 7
Non-consolidated holdings	10.6/10.7	87	87	0	0
Tangible fixed assets	10.8	379	381	- 2	- 1
Intangible assets	10.9	0	0	0	n/a
Other assets	10.10	111	30	81	274
Assets	10.20/10.21/10.22/10.24	60 629	58 870	1 759	3
Total subordinated assets		0	0	0	n/a
<i>of which subject to mandatory conversion and/or conditional write-off</i>		0	0	0	n/a
Due to banks		5 941	5 953	- 12	- 0
Repurchase agreements	10.1	1 253	1 977	- 725	- 37
Customer deposits		37 672	36 475	1 197	3
Trading portfolio liabilities	10.3	1	2	- 1	- 31
Negative mark-to-market values of derivative financial instruments	10.4	517	426	91	21
Other financial liabilities at fair value	10.3/10.14	1 564	1 132	432	38
Medium-term notes		4	2	2	101
Bonds and mortgage-backed bonds	10.14/10.15	9 444	8 443	1 001	12
Accrued expenses and deferred income		215	182	33	18
Other liabilities	10.10	80	400	- 321	- 80
Provisions	10.16	12	22	- 10	- 44
Liabilities	10.20	56 703	55 015	1 688	3
Reserves for general banking risks	10.16	666	666	0	0
Share capital		86	86	0	0
Capital reserve		35	35	0	0
Retained earnings		2 714	2 615	99	4
Currency translation reserve		- 2	- 2	0	2
Own shares		- 13	- 14	1	7
Minority interests in equity		0	0	0	n/a
Net profit		441	469	- 29	- 6
<i>of which minority interests</i>		0	0	- 0	n/a
Shareholders' equity		3 927	3 855	72	2
Total liabilities and shareholders' equity	10.21/10.24	60 629	58 870	1 759	3
Total subordinated liabilities		0	0	0	n/a
<i>of which subject to mandatory conversion and/or conditional write-off</i>		0	0	0	n/a

Consolidated off-balance-sheet transactions (in CHF millions)	Notes	31 / 12 / 24	31 / 12 / 23	Absolute change	Change as %
Contingent liabilities	10.2/11.1	1 013	1 050	– 37	– 4
Irrevocable commitments	10.2	1 763	1 400	363	26
Commitments relating to calls on shares and other equity securities	10.2	243	243	0	0
Confirmed credits	10.2/11.2	37	35	2	7

2. Income statement (in CHF millions)

	Notes	2024	2023	Absolute change	Change as %
Interest and discount income		968.8	936.0	32.8	3
Interest and dividend income from financial investments		50.7	36.7	14.0	38
Interest expense		-464.5	-376.0	88.4	24
Net interest income before loan impairment charges/reversals	12.1	555.0	596.7	-41.7	-7
Loan impairment charges/reversals		-1.4	-0.5	0.9	162
Net interest income after loan impairment charges/reversals (NII)		553.6	596.1	-42.6	-7
Fees and commissions on securities and investment transactions	12.2	318.0	288.4	29.6	10
Fees and commissions on lending operations		31.4	30.5	0.9	3
Fees and commissions on other services	12.3	85.8	79.3	6.4	8
Fee and commission expense		-65.7	-59.1	6.6	11
Net fee and commission income		369.5	339.1	30.4	9
Trading income on fixed-income instruments and equity securities		25.2	27.9	-2.7	-10
Trading income on foreign currencies, banknotes, and precious metals		177.8	169.8	8.1	5
Trading fee and commission expense		-8.2	-7.6	0.7	9
Net trading income and fair-value adjustments	12.4	194.8	190.1	4.7	2
Gains/losses on disposals of financial investments		3.0	0.5	2.6	541
Income from equity investments		7.0	6.8	0.2	3
<i>of which other non-consolidated holdings</i>		7.0	6.8	0.2	3
Real-estate income		3.5	5.0	-1.5	-30
Miscellaneous ordinary income		24.6	23.4	1.2	5
Miscellaneous ordinary expenses		-0.4	-1.0	-0.6	-61
Other ordinary income		37.7	34.6	3.0	9
Total income from ordinary banking operations		1 155.5	1 160.0	-4.5	-0
Personnel costs	12.5	-386.9	-364.1	22.7	6
Other operating expenses	12.6	-169.8	-176.6	-6.8	-4
Operating expenses		-556.7	-540.8	15.9	3
Depreciation and amortization of fixed assets and impairment on equity investments	12.7	-81.9	-76.1	5.8	8
Other provisions and losses	12.8	-2.0	-1.7	0.3	19
Operating profit	12.12	515.0	541.5	-26.5	-5
Extraordinary income	12.9	0.6	1.9	-1.3	-70
Extraordinary expenses	12.10	-0.0	-0.0	-0.0	n/a
Taxes	12.11	-74.9	-74.2	0.8	1
Net profit		440.6	469.2	-28.6	-6
Minority interests		-0.0	-0.0	-0.0	n/a
Net profit attributable to BCV shareholders		440.6	469.2	-28.6	-6

3. Cash flow statement (in CHF millions)

	Notes	Source of funds	2024 Use of funds	Net cash inflow / outflow	Source of funds	2023 Use of funds	Net cash inflow / outflow
Net profit for the year		441			469		
Change in reserves for general banking risks							
Depreciation and amortization of fixed assets and impairment on equity investments	12.7	82			76		
Provisions and other impairment charges/reversals	10.16	7	6		6	5	
Loan impairment charges/reversals	10.16	36	35		26	25	
Accrued income and prepaid expenses		9				52	
Accrued expenses and deferred income		33			29		
Extraordinary income: disposals of tangible fixed assets and equity holdings						2	
Dividend for the previous year			370			327	
Cash flow from operations		607	411	196	605	410	195
Distribution drawn from paid-in reserves		0			0		
Own shares		29	28		23	24	
Change in scope of consolidation, minority interests, and currency translation differences							
Cash flow from equity transactions		29	28	1	24	24	-0
Non-consolidated holdings	10.6		0			0	
Real estate	10.8		6		2	5	
Computer programs	10.8		48			69	
Other tangible fixed assets	10.8		25		0	8	
Cash flow from investments		0	80	-80	2	82	-80
Cash flow from banking operations							
Due to banks		270					
Customer deposits		240				44	
Medium-term notes		2			2		
Long-term borrowings	10.15	2 183	1 182		1 636	1 136	
Other liabilities			336			328	
Due from banks							
Loans and advances to customers			35			45	
Mortgage loans			2 428			1 355	
Financial investments			1 204			159	
Other receivables			81		7		
Medium- and long-term operations (over 1 year)		2 695	5 265	-2 570	1 646	3 067	-1 422
Due to banks			282			22	
Repurchase agreements			725		969		
Customer deposits		957				1 875	
Trading portfolio liabilities			1			1	
Negative mark-to-market values of derivative financial instruments		91				23	
Other financial liabilities at fair value		432			127		
Due from banks			477		524		
Reverse repurchase agreements					79		
Loans and advances to customers		210			115		
Trading portfolio assets			88			23	
Positive mark-to-market values of derivative financial instruments		209			442		
Other financial assets at fair value			196			37	
Financial investments		335			719		
Short-term operations		2 234	1 769	465	2 974	1 981	993
Cash and cash equivalents		1 988		1 988	314		314
Total		7 553	7 553	0	5 565	5 565	0

A net positive amount represents a cash inflow, while a net negative amount represents a cash outflow.

4. Statement of changes in equity (in CHF millions)

	Share capital	Capital reserve	Retained earnings	Reserves for general banking risks	Currency translation reserve	Own shares	Equity - minority interests	Net profit for the year	Total equity
Status at 1 January 2022	86	36	2 493	666	- 2	- 15	0	379	3 644
2021 dividend								- 318	- 318
Retained earnings			60					- 60	0
Purchases of own shares (at cost)						- 24			- 24
Disposals of own shares (at cost)						25			25
Gain on disposals of own shares and dividends		- 1							- 1
Effect of exchange-rate differences					- 0				- 0
Changes in scope and/or minority interests			- 0						- 0
Net profit for the year							0	388	388
Status at 31 December 2022	86	35	2 554	666	- 2	- 14	0	388	3 713
2022 dividend								- 327	- 327
Retained earnings			61					- 61	0
Purchases of own shares (at cost)						- 23			- 23
Disposals of own shares (at cost)						23			23
Gain on disposals of own shares and dividends		0							0
Effect of exchange-rate differences					- 0				- 0
Changes in scope and/or minority interests									0
Net profit for the year							0	469	469
Status at 31 December 2023	86	35	2 615	666	- 2	- 14	0	469	3 855
2023 dividend								- 370	- 370
Retained earnings			99					- 99	0
Purchases of own shares (at cost)						- 28			- 28
Disposals of own shares (at cost)						29			29
Gain on disposals of own shares and dividends		0							0
Effect of exchange-rate differences					0				0
Changes in scope and/or minority interests									0
Net profit for the year							0	441	441
Status at 31 December 2024	86	35	2 714	666	- 2	- 13	0	441	3 927

5. Company name, operations, and headcount

5.1 Company name, legal status, and head office

Banque Cantonale Vaudoise (BCV) was founded on 19 December 1845 by the Vaud Cantonal Parliament as a *société anonyme de droit public* (i.e., a corporation organized under public law). Its legal status is defined in the Cantonal Act Governing the Organization of Banque Cantonale Vaudoise (LBCV) of 20 June 1995, and its head office is in Lausanne.

5.2 Overview of operations

BCV operates as a full-service bank with a community focus. Its corporate mandate is to contribute to the economic development of its home region, the Canton of Vaud.

It offers a full range of services in retail banking, wealth management, corporate banking, and trading. Along with its traditional areas of business (savings & loans and wealth management), BCV engages in large-corporate financing and selected trade-financing operations in commodities (primarily softs and metals). It offers a broad portfolio of financial-market services, including equity and derivatives trading and fixed-income instruments. The Bank is also active in foreign-exchange trading and in developing and issuing structured products.

BCV is the parent company of a banking and financial group, which encompasses a private bank and three fund management companies.

5.3 Headcount

Full-time equivalents	31 / 12 / 24	31 / 12 / 23
Group	2 089	1 982
of which parent company	1 863	1 773

6. Accounting principles for the consolidated financial statements

6.1 Basis of preparation of consolidated financial statements

The consolidated financial statements of BCV Group have been prepared in accordance with the provisions of the Swiss Code of Obligations, the Swiss Federal Act on Banks and Savings Institutions and its implementing ordinance, the FINMA Accounting Ordinance (FINMA-AO), and FINMA Circular 2020/1 on accounting rules for banks. The financial statements provide a true and fair view of the assets, financial position, and results of BCV Group.

The consolidated financial statements are based on Group companies' full-year accounts, which are prepared in accordance with generally accepted accounting principles. The accounts are closed at 31 December of every year.

6.2 Scope of consolidation

Companies over which BCV has control and companies in which it has significant influence over their operations are fully consolidated. Significant influence is generally recognized by BCV when it makes a profit on and bears the risks of a company's operations.

Companies over which BCV has significant influence but no outright control (holdings of 20% to 50%) are accounted for using the equity method.

The following companies are not included in the scope of consolidation:

- holdings of no material significance in terms of financial reporting and risk
- significant holdings not acquired for strategic purposes and intended to be sold or liquidated within 12 months.

6.3 Basis of consolidation

Equity is consolidated using the acquisition method. The acquisition cost of a holding is offset against the equity existing on the date on which control is transferred. Any goodwill is carried on the balance sheet under “Intangible assets.”

6.4 Accounting and valuation principles

6.4.1 Cash and cash equivalents

Cash and cash equivalents comprise ordinary coins and banknotes and assets held with the Swiss National Bank; they are carried at nominal value.

6.4.2 Due from banks

Amounts due from banks are carried at nominal value less any impairment, as set out in note 7.2 under “Risk-assessment and risk-management principles.”

6.4.3 Reverse repurchase agreements

Receivables from cash collateral related to reverse repurchase agreements are carried at nominal value.

Reverse repurchase agreements are not recognized on the balance sheet unless the ownership rights pass to the Group.

6.4.4 Loans and advances to customers and Mortgage loans

Loans and advances to customers and Mortgage loans are carried at nominal value less any impairment, as set out in note 7.2 under “Risk-assessment and risk-management principles.”

6.4.5 Trading portfolio assets

Trading portfolio assets include positions in equity securities, debt securities, and precious metals and are held in order to take advantage of market-price fluctuations.

These positions are carried at fair value with reference to the prices quoted on the most representative market.

6.4.6 Positive mark-to-market values of derivative financial instruments

Derivative financial instruments recorded at the balance-sheet date are carried at fair value with reference to the prices quoted on the most representative market. For positions that are not traded on sufficiently liquid markets, fair value is determined using a valuation model. Any resulting positive mark-to-market values are recognized under this item.

Mark-to-market values relating to transactions with the same counterparty and hedged by a netting agreement are carried on the balance sheet at net value.

6.4.7 Other financial assets at fair value

Securities needed to hedge structured products issued by BCV and recorded as a liability are carried under this line item. These positions are carried at fair value with reference to the prices quoted on the most representative market. For positions that are not traded on sufficiently liquid markets, fair value is determined using a valuation model.

6.4.8 Financial investments

Financial investments include securities and precious metals acquired for medium- and long-term investment purposes, as well as equity securities held neither for trading nor as a long-term investment. Available-for-sale real estate acquired in connection with lending operations is also carried under this item.

Held-to-maturity interest-bearing securities are carried at cost, with premiums or discounts amortized over the remaining term of the instrument using the accrual method. Gains and losses arising from their sale or early redemption are recorded proportionally up to the initial maturity date of the securities. Any related loan impairment charges or reversals are recorded on the income statement under the corresponding line item.

Interest-bearing securities not intended to be held until maturity, as well as equity securities and available-for-sale real estate, are carried at the lower of cost or market value. As a general rule, impairment charges and reversals on these assets are recorded under “Miscellaneous ordinary expenses” or “Miscellaneous ordinary income.” Where impairment can be broken down into loan impairment and market-related impairment, loan impairment charges and reversals are recorded on the income statement under the corresponding line item.

6.4.9 Accrued income and prepaid expenses

This item mainly consists of accrued interest and other transitory assets.

6.4.10 Non-consolidated holdings

Non-consolidated holdings comprise equity securities that are held as a long-term investment, irrespective of voting rights. They also include the Group’s infrastructure-related holdings, particularly joint ventures. They are carried at cost less any impairment.

These holdings are reviewed for impairment at each balance-sheet date, based on whether there is an indication of a loss in value. If there is such an indication, the Group determines the realizable value of each asset.

The realizable value is the higher of the net fair value and the value in use. The asset is written down if its carrying value exceeds its realizable value. In this case, the carrying value is reduced to the realizable value and the difference is charged to the income statement under “Depreciation and amortization of fixed assets and impairment on equity investments.”

6.4.11 Tangible fixed assets

Tangible fixed assets are carried at cost. Software developed by the Bank for in-house use is carried at direct production cost, and the corresponding income is recorded under “Miscellaneous ordinary income.”

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives within the following limits:

- 50 years for real estate
- 10 years for technical facilities
- 5 years for furniture, fittings, machinery, and computer hardware
- 3 years for computer software.

Any depreciation recorded over an asset’s remaining estimated useful life or additional write-downs made subsequent to impairment reviews are charged to the income statement for the period, under “Depreciation and amortization of fixed assets and impairment on equity investments.”

These assets are reviewed annually for impairment. If there is a decline in value or a change in the useful life, the carrying value of the asset is written down and the written-down value is depreciated over the remaining estimated useful life of the asset.

6.4.12 Intangible assets

Any goodwill is carried on the balance sheet and amortized on a straight-line basis over its estimated useful life, up to a maximum of ten years.

Goodwill is reviewed for impairment at each balance-sheet date, based on whether there is an indication of a loss in value. In this case, the carrying value is reduced to the realizable value and the difference is charged to the income statement under “Depreciation and amortization of fixed assets and impairment on equity investments.”

6.4.13 Other assets

This item mainly comprises coupons, indirect taxes to be recovered, and any positive offset account balances.

6.4.14 Due to banks

Amounts due to banks are carried at nominal value.

6.4.15 Repurchase agreements

Commitments from cash collateral related to repurchase agreements are carried at nominal value.

Repurchase agreements are carried on the balance sheet and valued in the same way as financial investments, provided that the Group continues to be the beneficial owner.

6.4.16 Customer deposits

This item comprises all amounts due to non-bank customers, carried at nominal value.

6.4.17 Trading portfolio liabilities

Trading portfolio liabilities result from short positions in debt and equity securities that are established in order to take advantage of market price fluctuations. They are carried at fair value with reference to the prices quoted on the most representative market.

Securities borrowed to establish short positions are not recorded on the balance sheet insofar as BCV Group does not take ownership of the attached rights.

6.4.18 Negative mark-to-market values of derivative financial instruments

Derivative financial instruments recorded at the balance-sheet date are carried at fair value with reference to the prices quoted on the most representative market. For positions that are not traded on sufficiently liquid markets, fair value is determined using a valuation model. Any resulting negative mark-to-market values are recognized under this line item.

Mark-to-market values relating to transactions with the same counterparty and hedged by a netting agreement are carried on the balance sheet at net value.

6.4.19 Other financial liabilities at fair value

This item includes structured products that are issued by the Bank and carried at fair value with reference to a quoted market price or a valuation model. Subsequent revaluations are carried under "Net trading income and fair value adjustments."

6.4.20 Medium-term notes

Medium-term notes issued by the Bank are carried at nominal value.

6.4.21 Bonds and mortgage-backed bonds

This item consists of borrowings from the Central Mortgage-Bond Institution of Swiss Cantonal Banks, as well as bonds issued by the Bank. They are carried at nominal value; any discount or premium is recorded under accrued or deferred items and amortized over the term of the instrument under "Interest expense."

This line item also includes structured products that are issued by the Bank and whose host instrument and embedded derivatives are treated separately. In this case, the host instrument is recorded under this line item at nominal value as a debt issued by the Bank, while the embedded derivatives are carried as either positive or negative mark-to-market values. Any subsequent changes in fair value are recognized under "Net trading income and fair-value adjustments." Interest accrued in the interest-rate component is recorded under "Interest expense" using the accrual method.

Positions in bonds and structured products issued by BCV are deducted from this item.

6.4.22 Accrued expenses and deferred income

This item mainly consists of accrued interest, taxes due on Group companies' earnings and capital, and other transitory liabilities.

Direct tax is calculated in accordance with the matching principle and is recognized in the income statement under "Taxes."

6.4.23 Other liabilities

This item mainly comprises coupons, indirect taxes to be paid, and any negative offset account balances.

6.4.24 Provisions

This line item includes provisions necessary for business operations, provisions for hedging recognized and inherent risks of loss, credit-risk provisions for off-balance-sheet transactions, and provisions for deferred taxes.

Deferred taxes are calculated based on differences between tax values and book values. They are recognized in the income statement under "Taxes."

6.4.25 Reserves for general banking risks

To cover risks inherent in the banking business that are not already covered by specific provisions, the Group can set aside "Reserves for general banking risks." These reserves are part of shareholders' equity and are taxed or subject to a deferred tax.

6.4.26 Share capital

This line item consists of the Bank's share capital.

6.4.27 Capital reserve

The capital reserve comprises additional paid-in capital obtained through the issue of equity securities and the exercise of conversion rights and options, along with gains and losses realized and dividends received on own shares.

6.4.28 Retained earnings

This line item represents capital accrued by the Group; it consists primarily of appropriated retained earnings and the effect of changes in the scope of consolidation.

6.4.29 Currency translation reserve

Exchange-rate differences resulting from the translation of Group company accounts denominated in foreign currencies are recorded under this line item and not through profit or loss.

6.4.30 Own shares

Own shares (i.e., registered shares of Banque Cantonale Vaudoise) are deducted from shareholders' equity at cost. Dividend payments and gains and losses on disposals are allocated directly to the capital reserve.

6.4.31 Contingent liabilities

Contingent liabilities mainly comprise commitments to secure credits, issued in the form of bills of exchange, surety bonds, and guarantees, including irrevocable letters of credit, endorsements of re-discounted bills, advance payment guarantees, and similar facilities, such as pledges in favor of third parties.

This type of liability is contingent if, when the transaction is entered into, the main debtor has no debt towards a third party but may incur such debt at a later date.

6.4.32 Irrevocable commitments

This line item includes commitments to grant loans and other services that are unused but firm and irrevocable at the balance-sheet date, together with payment commitments relative to depositor-protection schemes.

6.4.33 Commitments relating to calls on shares and other equity securities

This line item includes commitments relating to calls on shares and other equity securities.

6.4.34 Confirmed credits

Commitments arising from deferred payments, as well as from acceptances and other confirmed credits, are included under this line item.

6.4.35 Pension-fund liabilities

Pension-fund liabilities are understood to mean obligations arising under pension plans and pension funds which provide retirement, death, and disability benefits.

When preparing its year-end accounts, the Group determines, for each pension fund, whether there are any assets (benefits) or liabilities (obligations) other than the contribution benefits and related adjustments. This assessment is based on the financial situation of the pension funds as shown in their interim accounts at 30 September.

Any liabilities are carried on the balance sheet under "Provisions," while any economic benefit is carried under "Other assets." Any changes from the corresponding value in the previous financial year are recognized for each pension fund under "Personnel costs."

Adjusted contributions for the period are also carried under "Personnel costs."

An economic liability arises if the Group decides or is obliged to participate in the financing of an underfunded pension fund, while an economic benefit arises if there is a potential positive effect on future cash flows as a result of pension-fund overfunding. Moreover, in the case of

overfunding, an economic benefit exists if there is a lawful intention to use the overfunding to reduce the employer's contributions, to refund the contributions to the employer by virtue of local legislation, or to use them for any economic purpose of the employer other than regulatory benefits.

6.5 Changes to accounting principles

No changes were made to the accounting principles in 2024.

6.6 Registration of business transactions

All transactions concluded up until the balance-sheet date are recorded on the date they are concluded and are valued according to the above accounting principles.

6.7 Foreign-currency translation

Transactions in foreign currencies during the year are translated at the exchange rates prevailing on the transaction date.

Assets and liabilities held in foreign currencies at the close of the financial year are translated into Swiss francs at the exchange rates prevailing on that date, provided that they are not valued at their historical rates.

Foreign-exchange gains and losses, including unrealized gains and losses on forward foreign-exchange contracts open at the balance-sheet date, are carried in the income statement. Balance-sheet items and off-balance-sheet transactions of foreign holdings are translated at year-end exchange rates set for the Group, with the exception of shareholders' equity invested in these holdings, which is translated at historical rates.

Income-statement items are translated at the average annual exchange rates set for the Group. Differences arising from the translation of shareholders' equity and the income statement are recorded directly in shareholders' equity.

Major currencies in CHF	2024		2023	
	Close	Average	Close	Average
Euro	0.9384	0.9501	0.9297	0.9714
U.S. dollar	0.9063		0.8417	

6.8 Funding of trading positions

The cost of funding securities held in the trading portfolios is netted against interest and dividend income from these portfolios and recorded under “Net trading income and fair-value adjustments.”

6.9 Rounding

The figures contained in the tables have each been properly rounded depending on the number of significant digits used for the table; this may result in discrepancies between listed column and row totals and the sum of individual column or row items.

7. Risk-assessment and risk-management principles

7.1 Introduction

The Board of Directors periodically analyzes the Bank's main risks. The analyses are based on the risk-management processes and methods in place, and contain a forward-looking evaluation of the risks to which BCV is exposed. In these analyses, the Board of Directors takes into account the Bank's existing control system for managing and mitigating risks.

BCV's risk-management objectives and approach are presented in the Risk Management chapter. This section explains in more detail the principles that the Bank applies in assessing risks.

7.2 Credit risk

7.2.1 Exposure to credit risk

Credit risk arises from the possibility that a counterparty might default on its financial obligations to the Bank. It corresponds to the default risk set out in FINMA-AO and includes settlement risk. All forms of credit commitments to bank and non-bank counterparties, whether on or off the balance sheet, represent a credit risk for the Bank.

The Bank distinguishes five types of exposure to credit risk:

- financial exposures, which are characterized by an outflow of funds
- off-balance-sheet commercial exposures, stemming from guarantees given by the Bank or obtained in respect of counterparties
- exposures resulting from derivatives contracts with positive mark-to-market values
- exposures resulting from repos/reverse repos and securities lending/borrowing transactions
- settlement exposures, which result from a time lag between when funds or securities are sent and when funds or securities are received in exchange.

Every position that entails credit risk is clearly assigned to one of these exposure categories. The Bank uses clearly defined methods for determining exposure levels by exposure category. Overall or specific limits are set for financial, off-balance-sheet commercial, and OTC derivatives exposures. Limits are likewise set for settlement exposures to bank counterparties. When positions are unwound through a simultaneous settlement system, such as CLS (Continuous Linked Settlement), settlement risk is not considered.

For trade-finance activities, credit risk is closely linked to country risk in emerging markets. In order to monitor this type of risk, the Bank analyzes and limits both its financial exposure (financial transfer risk) and non-financial exposure (risk that a physical transaction will not be unwound), particularly with respect to emerging markets.

7.2.2 Internal counterparty default ratings

The Bank considers a counterparty to be "in default" if one or more criteria are met (see definition of "in default" in note 7.2.5). Each counterparty is assigned a default rating based on clearly defined models. Each default rating is defined by an interval of default probabilities. Seven main ratings and 16 sub-ratings are used to classify counterparties according to their risk of default.

7.2.3 Loss given default and expected loss

Loss given default is the amount that the Bank stands to lose on a credit-risk exposure at the time that the counterparty defaults. Loss given default is determined for each credit-risk exposure by taking into account the credit limit and the coverage ratio, which is the value of the risk mitigants expressed as a percentage of the limit. For this purpose, collateral is taken at market value (see note 7.2.4).

For non-impaired credit-risk exposure, the Bank estimates the amount that it expects to lose in a "normal" year (i.e., in the middle of the economic cycle). This amount is called the 12-month expected loss.

For credit-risk exposures not relating to trade finance and real-estate development, the expected loss is determined based on the probability of default (PD), reflected in the counterparty default rating, loss given default (LGD), and exposure at default (EAD). These three risk variables are

calculated using internal models, many of which have received FINMA approval to be used as Internal Ratings-Based (IRB) approaches for determining regulatory capital requirements (see note 7.2.8). LGD and EAD models are structurally identical to the internal models used to determine regulatory capital requirements but are calibrated through the cycle to produce a conservative estimate of the expected loss over the entire cycle.

For trade-finance and real-estate-development exposures, the expected loss is estimated for each transaction, using an approach based on Basel III slotting criteria.

7.2.4 Market value of collateral

The Bank measures collateral on the basis of its market value, provided a suitable market exists. Various valuation methods are used, depending on the characteristics of the collateral and the sources of information about it. Each item of collateral is clearly assigned to a valuation method.

More specifically, the market value for a real-estate asset is the estimated price at which the asset would be likely to change hands on the measurement date, between knowledgeable, willing parties in an arm's length transaction, after an appropriate marketing process.

Provided their value is below a set amount, single-family homes, condominium apartments, and income-generating real estate are valued using hedonic pricing models or capitalization pricing models in collaboration with experts. Other types of real estate and real estate with values above the set amount are valued by experts.

7.2.5 Impaired loans and off-balance-sheet exposures

A loan or off-balance-sheet exposure is impaired when the counterparty is unlikely to be able to meet its future credit obligations. The counterparty is then "in default" and all its debts to the Bank are considered "non-performing."

A counterparty is "in default" when it is more than 90 days past due on any material credit obligation to the Bank or when the Bank considers that the counterparty is unlikely to pay its credit obligations to the Bank in full.

7.2.6 Overdue-interest loans

A loan is considered to be an "overdue-interest" loan when at least one of the following three criteria is met:

- Advances and mortgage loans: interest and fees are more than 90 days past due.
- Current-account credits: the agreed credit limit has been exceeded owing to insufficient payments in respect of interest and fees for more than 90 days.
- The credit has been called in by the Bank.

"Overdue-interest" loans are in principle impaired.

7.2.7 Provisions for credit risk

The purpose of credit-risk provisions is to recognize, at the balance-sheet date, the expected loss on impaired and non-impaired credit-risk exposures.

Provisions for non-impaired credit-risk exposures are determined individually by counterparty and meet the requirement to set aside provisions for inherent credit risks (Articles 25 and 28 FINMA-AO). The aim is to ensure that the Bank's provisions for non-impaired loans cover the expected loss. For provisioning purposes, the expected loss is calculated differently depending on the level of credit risk.

Provisions for non-impaired credit-risk exposures that have not been identified as high-risk are determined based on the 12-month expected loss, as described in note 7.2.3. These provisions are set aside for all bank and client loans, with the exception of derivatives contracts and securities lending and borrowing transactions, which have a low expected loss. The base assumption is that the Bank's expected-loss models provide reliable estimates of future annual losses. This assumption is tested each year by the units responsible for developing models and checked by an independent validation unit. The internal models have been approved for use under the IRB approach to determine the regulatory capital requirements for a large part of the Bank's credit-risk exposure (see the Bank's Basel III Pillar 3 report). They are calibrated using over ten years of past data (which includes periods of stress for the Bank).

Provisions for non-impaired credit-risk exposures that have been identified as high-risk are determined based on the expected loss at maturity. The probability of default for these exposures corresponds to the probability of default

at maturity. Heightened credit risks are identified for counterparties that are “reputed to be in financial difficulty” (RD). A counterparty is classified as RD when the criteria for “in default” are not met, but when the Bank considers there to be a high risk that part of its exposure to credit risk on the counterparty will not be recovered, or when a significant breach of contract on any of the forms of credit extended to the counterparty by the Bank has occurred and has not been remedied without a temporary or permanent exemption being granted.

Provisions for impaired credit-risk exposures, as defined in note 7.2.5, are determined individually by counterparty, pursuant to Article 24 FINMA-AO. The provision calculation takes into account total credit exposures to the counterparty on and off the balance sheet, the liquidation value of the collateral, market conditions, the quality of the counterparty’s management, and the counterparty’s ability and willingness to honor its commitments.

The liquidation value is the estimated net realizable value of the asset. It is calculated on the basis of the current market value of the asset, taking into account sell-by objectives, current market conditions, and selling costs (including any costs of holding the asset until sale and transaction-related costs).

As an exception, in the event of a major crisis, provisions for inherent credit risks can be used to cover impaired loans. A major crisis occurs when the new provisions for impaired exposures over a 12-month period are significantly higher (by a factor of two) than the expected loss on non-impaired exposures. However, once the crisis has ended, those provisions must be steadily built up again over a five-year period.

7.2.8 Regulatory capital requirements for credit risk

BCV has been applying the Foundation Internal Ratings-Based (FIRB) approach to determine the regulatory capital requirements for a large part of its credit-risk exposure since 2009, having obtained approval from FINMA in December 2008. The scope of this approach is detailed in the Bank’s Basel III Pillar 3 report. The International Standardized Approach (SA-BIS) is used for the remaining credit-risk exposure.

7.3 Market risk on the trading book

Market risk arises from the possibility of losses on the Bank’s trading book as a result of changes in market parameters, in particular the price and price volatility of the underlying security. Trading positions are positions in equities, fixed-income instruments, currencies, and precious metals. Positions in underlying instruments are classified as “simple” positions, whereas positions in futures contracts, swaps, or options are classified as “derivative” positions.

Each trading position is valued at the price quoted on a reference market or on the basis of price information calculated using a valuation model that incorporates observable market parameters.

The Bank manages its market risk on the trading book by setting limits in terms of net portfolio value, value-at-risk (VaR), stress loss, and sensitivity measures (Greeks).

VaR is a statistical measure. It is calculated with a 99% confidence interval. For a given time horizon, VaR represents the distribution of results by showing the best result among the worst 1% of possible results. It is measured at the portfolio and sub-portfolio levels. It is calculated on the basis of complete revaluations of positions by subjecting them to past changes in the various market parameters. For trading positions, the liquidation horizon is one day. For the Asset Management Department’s nostro (i.e., proprietary) portfolio, the liquidation horizon is six months.

Stress-loss analyses are used to measure potential losses that are not taken into account by VaR analysis. Stress scenarios seek to model the most adverse possible movements in risk factors. Scenarios are determined for all trading positions taken together as well as for the various sub-portfolios.

For all trading positions, the Bank uses static-portfolio stress scenarios to model short-term stress. Six-month scenarios are used for the Asset Management Department’s nostro portfolio, analyzing cumulative results over that period.

Sensitivity measures are used to monitor local exposure to risks arising from trading positions (i.e., marginal variations in risk factors). For trading book portfolios, the main sensitivity measures used are delta, gamma, vega, theta, and rho.

The Bank determines its capital requirements for market risk using the Standardized Approach (SA-BIS).

7.4 Market risk on the banking book

The Bank assesses market risk on positions in the banking book by measuring interest-rate risk and liquidity risk.

7.4.1 Interest-rate risk on the banking book

Interest-rate risk on the banking book arises from mismatches between exposures and term maturities among asset, liability, and off-balance-sheet positions. It is attributable to movements in the yield curve and changes in customer behavior. These variations directly affect the Bank's interest margin and the economic value of its share capital.

The Bank monitors two measures of loss arising from interest-rate risk on the balance sheet:

- loss of interest margin, which is both an economic loss and an accounting loss
- loss of economic value of share capital, which by definition is not reflected in the accounts.

Every month, the Bank calculates various measures of interest-rate risk, which enable it to monitor the impacts on the interest margin and the economic value of share capital:

- Static indicators: to monitor the economic value of share capital, the Bank calculates the duration of share capital and the sensitivity of share capital to an interest-rate shock. To monitor the net interest margin, the Bank calculates interest-rate gaps by residual maturity.
- Dynamic indicators: every month, the Bank prepares scenarios regarding interest rates and business volumes, combined with various hedging strategies. These dynamic simulations take into account customer behavior with respect to interest rates in order to simulate the interest margin and potential losses in circumstances that lie between a probable scenario and a stress scenario. For each scenario, indicators showing the duration and value of share capital are calculated for several future dates to measure the future exposure of share capital to interest-rate risk. These dynamic simulations are carried out for a three-year horizon.

In calculating all indicators, models are used to replicate variable-rate positions (adjustable-rate mortgages, traditional savings deposits with no fixed term, and sight deposits) in order to simulate as faithfully as possible the pace and magnitude of changes in customer interest rates as the market rate changes. These models are recalibrated periodically and submitted to the Executive Board's Asset and Liability Management Committee (ALCO) for approval.

7.4.2 Liquidity risk

Liquidity risk arises from the possibility that the Bank does not have the resources on hand to deal with the potential outflow of funds that could occur at any time in view of its commitments and changes in its assets and off-balance-sheet exposures. This risk is determined by the pace of withdrawals from customer deposits, the concentration of liabilities, the Bank's ability to raise funds, and prevailing terms and conditions in the interbank and capital markets.

The Bank monitors its exposure to liquidity risk by preparing maturity schedules for on-balance-sheet exposures and calculating balance-sheet ratios, and by modeling the future structure of its balance sheet using dynamic simulations. When conducting these simulations, the Bank also calculates regulatory ratios – i.e., the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) – at different future dates. These simulations enable the Bank to determine its long-term approach to funding, particularly as regards raising funds from the Central Mortgage-Bond Institution and on the bond market, as well as the size and composition of its liquidity reserve. The Bank also stress-tests its regulatory liquidity ratios.

In dynamic simulations, the Bank distinguishes exposures with a contractual maturity resulting in an actual transfer of liquidity from exposures with no contractual maturity, such as customer deposits. The Bank uses outflow models to measure the liquidity risk of exposures without a contractual maturity date; for each of these exposures, the Bank simulates an equivalent portfolio with set maturities and similar liquidity risk. These models are recalibrated periodically and submitted to the ALCO for approval.

7.5 Operational risk

Operational risk is inherent in the Bank's activities and arises from possible inadequacies or failures relating to processes,

people, and information systems within or external to the Bank. Operational risk factors arise from:

- changes in legislation, regulations, and values – particularly in Swiss and other legal and regulatory frameworks that are applicable to BCV – and in the expectations of customers and other stakeholders, and public opinion of the Bank
- erroneous or malicious behavior of employees, suppliers, bank counterparties, customers, or other parties external to the Bank
- inadequacies of information systems, infrastructure, or the Bank's organization
- natural hazards, including climate-related physical hazards, pandemics, and other natural phenomena (e.g., seismic, hydrological, and geological hazards).

The Bank monitors its exposure to operational-risk events using a classification with eight categories:

- non-compliance
- incidents linked to customer relations and commercial practices
- incidents related to transaction and process management
- internal fraud
- external fraud
- failure of information systems
- incidents related to human resources, including workplace safety
- losses of operating resources.

An operational-risk event that has occurred is booked directly as an outright loss. Provisions are recognized for the additional costs expected but not yet incurred. The Bank determines its regulatory capital requirements for operational risk according to the Standardized Approach (SA-BIS).

8. Use of hedge accounting

The Group uses derivatives as part of its asset- and liability-management strategy, primarily to hedge interest-rate risk. These transactions are recognized as macro and micro hedges, and net gains or losses after interest are recorded under "Interest and discount income" or "Interest expense." Changes in the fair value of hedging instruments are recognized in the offset accounts under "Other assets" or "Other liabilities."

Whenever derivatives are used for hedging purposes, records are kept of the transactions, the objectives and strategies of the Bank's unit in charge of managing market risk on the balance sheet, and the system used to monitor the effectiveness of the hedge.

The hedging instruments used are almost exclusively interest-rate swaps (IRSs), in which the Bank may be either the payer or the receiver; the large majority of these IRSs is denominated in Swiss francs. Micro hedges are used mainly to hedge the Bank's long-term borrowings (i.e., its own bond issues or issues made through the Central Mortgage-Bond Institution) and debt securities intended to be held until maturity and booked as financial investments. Macro hedges are used mainly to hedge fixed-rate mortgages.

Micro hedges are used to reduce the risk on a clearly defined underlying position. The hedges have the same nominal value and the same maturity as the hedged position, although a large underlying position may require several hedges.

Most macro hedges are used to hedge mortgage loans. The hedging instruments mature during the same month that the interest rates on the underlying mortgage loans expire.

In order to prevent any over-hedged positions, the nominal value of the underlying positions must be 10% higher than that of the hedging instrument in order to take account of any depreciation, impairment, early redemption, or repayment.

When entering into a hedging relationship, the Bank draws up documents stipulating the designation of the hedging instrument and the underlying transaction or group of transactions, together with their main features. The type of risk hedged and the system for assessing the effectiveness of the hedge are also provided.

As the Bank uses linear hedging (i.e., without an options component), there is a very close economic relationship between the underlying positions and the hedging instruments. For mortgage loans, the main difference between the hedging instrument and the underlying position is the interest rate, as the rate on the mortgage loans includes the Bank's margin.

Hedges are tested for their effectiveness every quarter. The main aim of the test is to ensure that the nominal value of the underlying positions is still at or above the nominal value of the hedging instrument. A forward-looking assessment of the hedging relationship is also conducted by measuring how the economic value of the hedging instrument and the hedged positions would be affected by a 100bp rise or fall in interest rates. To qualify as a hedge, the change in the value of the hedging instrument must offset the change in value of the underlying positions by between 80% and 125%.

Given that linear hedging is used, the hedges are unlikely to be ineffective. In the event of an over-hedged position, the excess portion of the derivative financial instrument is treated as a trading portfolio asset and recorded under "Net trading income and fair-value adjustments."

9. Significant events and events taking place after the closing date

9.1 Significant events

The Bank did not experience any significant events during the previous financial year.

9.2 Events taking place after the closing date

No event liable to have a material influence on the Group's financial statements took place after the closing date.

10. Notes to the consolidated balance sheet

10.1 Repurchase and reverse repurchase agreements (in CHF millions)

	31 / 12 / 24	31 / 12 / 23
Book value of claims arising from cash collateral pledged in connection with securities borrowing or reverse repurchase agreements ¹	0	0
Book value of liabilities arising from cash collateral received in connection with securities lending or repurchase agreements ¹	1 253	1 977
Book value of securities held for own account, lent or transferred as collateral in connection with securities borrowing or repurchase agreements	1 202	2 035
<i>of which those that can be sold or repledged without restriction</i>	1 202	2 035
Fair value of securities received as collateral in connection with securities lending and those received in connection with securities borrowing and under reverse repurchase agreements, which can be sold or repledged without restriction	0	0
<i>of which securities repledged as collateral</i>	0	0
<i>of which sold securities</i>	0	0

¹Before netting agreements

10.2 Risk mitigants for loans and off-balance-sheet transactions

Impaired loans (in CHF millions)

		Type of risk mitigant			Total
		Mortgage	Other	Unsecured	
Loans and advances to customers		578	2 150	3 309	6 037
Mortgages		33 967	168	84	34 219
<i>Residential real estate</i>		28 244	2	17	28 263
<i>Office and business premises</i>		3 058		3	3 061
<i>Commercial and industrial property</i>		1 544	1	6	1 551
<i>Other</i>		1 121	164	58	1 343
Loans (before impairment charges/reversals)	31 / 12 / 24	34 545	2 318	3 392	40 256
	31 / 12 / 23	31 970	2 807	3 225	38 003
Loans (after impairment charges/reversals)	31 / 12 / 24	34 545	2 318	3 302	40 166
	31 / 12 / 23	31 970	2 807	3 130	37 908
Contingent liabilities		0	237	776	1 013
Irrevocable commitments		443	2	1 318	1 763
Commitments relating to calls on shares and other equity securities				243	243
Confirmed credits				37	37
Off-balance-sheet transactions	31 / 12 / 24	443	239	2 374	3 056
	31 / 12 / 23	193	222	2 312	2 728

		Gross receivables	Realization value of risk mitigants	Net receivables	Individual impairment charge/reversal
Impaired loans and off-balance-sheet commitments	31 / 12 / 24	122	- 40	82	73
	31 / 12 / 23	133	- 57	77	73
Change (absolute)		- 12	- 17	6	0
Change (as %)		- 9	- 30	7	1

10.3 Trading portfolio assets and liabilities and other financial assets and liabilities at fair value (in CHF millions)

	31 / 12 / 24	31 / 12 / 23
Assets		
Debt securities	0	0
<i>of which listed</i>	0	0
Equity securities	6	6
Commodities and precious metals	311	223
Trading portfolio assets	317	229
Debt securities	7	4
Structured products	0	0
Other assets held in order to hedge issued structured products	1 124	930
Other financial assets at fair value	1 131	934
Total	1 448	1 163
<i>of which determined using a valuation model</i>	0	0
<i>of which securities eligible for repurchase agreements in accordance with liquidity regulations</i>	0	0
Liabilities		
Debt securities	0	0
<i>of which listed</i>	0	0
Equity securities	1	2
Other trading portfolio liabilities	0	0
Trading portfolio liabilities	1	2
Debt securities	0	0
Structured products	1 564	1 132
Other financial liabilities at fair value	1 564	1 132
Total	1 565	1 134
<i>of which determined using a valuation model</i>	28	10

10.4 Derivative financial instruments (in CHF millions)

	Trading instruments			Hedging instruments			
	Positive mark-to-market value	Negative mark-to-market value	Value of underlying asset	Positive mark-to-market value	Negative mark-to-market value	Value of underlying asset	
Swaps	48	48	612	176	243	10 317	
Futures			113				
Options (OTC)							
Interest-rate instruments	48	48	725	176	243	10 317	
Forward contracts and swaps	520	460	33 854				
Options (OTC)	29	25	1 710				
Foreign currencies and precious metals	548	485	35 564	0	0	0	
Futures			260				
Options (OTC)	36	40	601				
Equity securities and indices	36	40	860	0	0	0	
Total	31 / 12 / 24	632	573	37 149	176	243	10 317
<i>of which determined using a valuation model</i>		632	573	–	176	243	–
	31 / 12 / 23	774	844	48 672	423	61	9 058
<i>of which determined using a valuation model</i>		774	844	–	423	61	–

		Positive mark-to-market value	Negative mark-to-market value	Value of underlying asset
Breakdown				
Trading instruments		632	573	37 149
Hedging instruments		176	243	10 317
Total before netting agreements	31 / 12 / 24	808	815	47 467
	31 / 12 / 23	1 197	905	57 729
Total after netting agreements	31 / 12 / 24	510	517	47 467
	31 / 12 / 23	719	426	57 729
Change	absolute	– 209	91	– 10 263
	as %	– 29	21	– 18

Breakdown by counterparty

	Central clearing houses	Banks and securities dealers	Other clients
Positive mark-to-market value (after netting agreements)	162	169	179

10.5 Financial investments (in CHF millions)

	31 / 12 / 24		31 / 12 / 23	
	Book value	Fair value	Book value	Fair value
Debt securities	6 004	6 072	5 134	4 983
<i>of which securities intended to be held until maturity</i>	6 002	6 069	5 134	4 983
<i>of which securities available for sale</i>	3	3	0	0
Equity securities	25	69	27	82
<i>of which significant holdings (minimum of 10% of capital or voting rights)</i>	3	3	3	3
Available-for-sale real estate and goods acquired in connection with lending operations	36	37	36	37
Financial investments	6 065	6 178	5 196	5 102
<i>of which securities eligible for repurchase agreements in accordance with liquidity regulations</i>	5 982	–	5 114	–

Counterparty breakdown by rating

	AAA to AA–	A+ to A–	BBB+ to BBB–	BB+ to B–	Below B–	Not rated	Total
Book value of debt securities	5 727	10	5			263	6 004

The rating categories are based on Standard & Poor's ratings; they are used for the specific instruments to which the Bank has subscribed. If an instrument is not rated by Standard & Poor's, then a rating from another agency is used. Where there is no specific rating for a given instrument, the issuer's long-term rating is used, with the same order of rating agencies.

The Bank's unrated positions are in investment-grade debt securities issued by Swiss public-sector entities or by Switzerland's housing-construction bond issuer (EGW/CCL).

10.6 Non-consolidated holdings (in CHF millions)

	Cost	Accumulated impairment charges/ reversals	Book value at year-end	Changes in allocation or scope	Additions	Disposals	Impairment charges/ reversals	Book value at year-end	Market value
	2023							2024	2024
Holdings accounted for using the equity method	–	–	–					–	–
Other equity holdings	92	–6	87		0			87	2
<i>listed</i>	0	0	0					0	2
<i>unlisted</i>	92	–6	86		0			86	
Non-consolidated holdings	92	–6	87	0	0	0	0	87	2

10.7 Companies in which the Group has a significant long-term direct or indirect holding

With the exception of the parent company, none of the Group companies is listed on a stock exchange.

Fully consolidated Group companies

Company name and headquarters	Main business	Capital in millions	31 / 12 / 24			
			% of share capital held as %	% of voting rights held as %	% of stake held directly /indirectly as %	
Piguet Galland & Cie SA, Yverdon-les-Bains (Switzerland)	Private bank	CHF 24.4	99.7	99.7	99.7 / 0	
Gérifonds SA, Lausanne	Fund management	CHF 2.9	100	100	100 / 0	
Gérifonds (Luxembourg) SA, Luxembourg	Fund management	EUR 0.1	100	100	0 / 100	
Société pour la gestion de placements collectifs GEP SA, Lausanne	Fund management	CHF 1.5	100	100	100 / 0	

The scope of consolidation did not change relative to end-2023.

No companies are accounted for using the equity method.

Main non-consolidated holdings

Company name and headquarters	Main business	Capital in millions	31 / 12 / 24			
			% of share capital held as %	% of voting rights held as %	% of stake held directly /indirectly as %	
Central Mortgage-Bond Institution of Swiss Cantonal Banks Ltd, Zurich	Central mortgage-bond institution <i>- of which share capital not paid in</i>	CHF 2 225.0	13.6	13.6	13.6 / 0	
		CHF 1 800.0				
SIX Group Ltd, Zurich	Swiss stock exchange operator and provider of payment and other services	CHF 19.5	2.5	2.5	2.4 / 0.1	
Société vaudoise pour le logement (SVL) SA, Crissier (Switzerland)	Property developer for low-income housing	CHF 2.0	45.0	45.0	45 / 0	
Swiss Bankers Prepaid Services Ltd, Grosshöchstetten (Switzerland)	Development and sale of prepaid cards	CHF 10.0	3.2	3.2	3.2 / 0	
TWINT Ltd., Zurich	Swiss mobile payment system	CHF 12.8	3.2	3.2	3.2 / 0	
Viseca Payment Services Ltd., Zurich	Cashless payment services	CHF 25.0	4.8	4.8	4.8 / 0	

As the Bank's holding in SVL is not material in terms of the consolidated financial statements, it is not included in the scope of consolidation. At end-2023, SVL had total assets of CHF 11m and equity of CHF 1m.

Main equity security positions held under “Financial investments”

Company name and headquarters	Main business	Capital in millions	31 / 12 / 24		
			% of share capital held as %	% of voting rights held as %	% of stake held directly /indirectly as %
Banque Cantonale du Jura SA, Porrentruy (Switzerland)	Bank	CHF 42.0	4.8	4.8	4.8 / 0
Romande Energie Holding SA, Morges (Switzerland)	Purchase, sale, and management of equity holdings in the energy sector	CHF 28.5	3.0	3.0	3.0 / 0

10.8 Tangible fixed assets (in CHF millions)

	Cost	Accumulated depreciation and write-offs	Book value at year-end	Changes in allocation or scope	Additions	Disposals	Depreciation and write-offs	Book value at year-end
	2023							2024
Group premises	448	– 235	213	16	6		– 11	225
Other real estate	116	– 61	56	– 17	0		– 2	37
Furniture and fixtures	27	– 13	14	1	7		– 4	17
Computer programs	187	– 97	90		48		– 56	82
Other tangible fixed assets	52	– 42	9		18		– 9	19
Tangible fixed assets	829	– 448	381	0	80	0	– 82	379

10.9 Intangible assets (in CHF millions)

The Group has no intangible assets.

10.10 Other assets and liabilities (in CHF millions)

	31 / 12 / 24		31 / 12 / 23	
	Other assets	Other liabilities	Other assets	Other liabilities
Offset accounts	86	0	0	328
Indirect taxes	10	35	15	34
Coupons/coupons and securities due	0	2	1	1
Settlement accounts	4	22	2	10
Miscellaneous assets and liabilities	11	20	12	27
Other assets and liabilities	111	80	30	400

10.11 Assets pledged or assigned as collateral for own liabilities, and assets with reservation of title (in CHF millions)

	31 / 12 / 24		31 / 12 / 23	
	Amount or book value of pledge	Real liability	Amount or book value of pledge	Real liability
Cash and cash equivalents	1	0	2	0
Due from banks	339	293	179	175
Loans and advances to customers	138	119	294	278
<i>of which Covid-19 loans granted to customers</i>	129	115	213	200
Mortgages pledged or assigned to Central Mortgage-Bond Institution of Swiss Cantonal Banks	9715	7314	8555	6548
Financial investments	802	632	952	538
Total assets pledged or assigned	10994	8358	9982	7539

The Group has no assets with reservation of title.

Securities serving as collateral in connection with securities borrowing or repurchase agreements and that can be sold or repledged are shown in note 10.1.

10.12 Commitments relating to own occupational pension funds

BCV shares held by own occupational pension funds (in CHF millions)

	31 / 12 / 24	31 / 12 / 23
Customer deposits	133	153
Accrued income and prepaid expenses	0	0
Total	133	153

BCV's own occupational pension funds held no BCV shares at 31 December 2024 or at 31 December 2023.

10.13 Economic situation of own occupational pension funds (in CHF millions)

There were no employer contribution reserves at end-2024 or end-2023.

Economic benefit/liability and pension expenses	Surplus / deficit ¹	Economic benefit/liability			Contributions adjusted for the period 2024	Pension expenses included in "Personnel costs"	
		31 / 12 / 24	31 / 12 / 23	Change		2024	2023
Employer-financed pension funds: "Fonds de prévoyance en faveur du personnel de la BCV"	59.6	0	0	0	0.0	0.0	0.0
Pension funds with surpluses: "Caisse de pensions de la BCV" and "Fondation de prévoyance complémentaire en faveur de l'encadrement supérieur de la BCV"	83.7	0	0	0	40.2	40.2	37.6
Total²	143.3	0	0	0	40.3	40.3	37.6

¹ The surplus or deficit of a pension fund is based on its unaudited interim accounts at 30 September 2024.

² Since the intention is not to apply the surpluses to reduce or refund the employer's contributions, or for the employer to use them for any economic purpose other than regulatory benefits, there is no identifiable economic benefit to be recognized on the balance sheet.

Pension funds

BCV Group employees are members of the "Caisse de pensions de la Banque Cantonale Vaudoise" (CP BCV). Its purpose is to insure its members against the economic consequences of retirement, disability, and death by guaranteeing benefits in accordance with the terms of the pension-fund regulations. It is a provider of the compulsory insurance introduced under the Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (LPP) and provides coverage in excess of the minimum LPP requirements.

Senior executives insured with the CP BCV are also members of the "Fondation de prévoyance complémentaire de la Banque Cantonale Vaudoise," the purpose of which is to insure its members against the economic consequences of retirement, disability, and death by guaranteeing benefits in accordance with the terms of the pension-fund regulations.

The "Fonds de prévoyance en faveur du personnel de la BCV" is an employer-operated fund. Its purpose is to assist BCV employees, where necessary, in dealing with the economic consequences of old age, disability, illness, or early retirement.

10.14 Issued structured products (in CHF millions)

Underlying risk of embedded derivative	Carrying value				Total	
	Single treatment		Separate treatment			
	Recognized in trading portfolio liabilities	Recognized in other financial liabilities at fair value	Value of the host instrument	Value of the derivative		
Interest-rate instruments	–	0			0	
Equity securities	–	1 506	785	– 23	2 268	
Foreign currencies	–	57			57	
Commodities and precious metals	–	0			0	
Total	31 / 12 / 24	–	1 564	785	– 23	2 325
	31 / 12 / 23	–	1 132	640	– 28	1 744

All structured products issued by BCV comprise own debt securities.

Single accounting treatment

Structured products issued by the Bank and carried at fair value are booked under “Other financial liabilities at fair value,” with reference to a quoted market price or a valuation model. Subsequent revaluations are recognized under “Net trading income and fair-value adjustments.”

Separate accounting treatment

Structured products whose host instrument and embedded derivatives are treated separately are recognized as follows: the host instrument is recorded under “Bonds” at nominal value as a debt issued by the Bank, and the embedded derivatives are carried as either positive or negative mark-to-market values. Any subsequent changes in fair value are recognized under “Net trading income and fair-value adjustments.”

Interest accrued in the interest-rate component is recorded under “Interest expense” using the accrual method.

10.15 Bonds and mortgage-backed bonds (in CHF millions)

Rate	Year of issue	Nominal value	Maturity	Group-held	31 / 12 / 24 Amount outstanding	31 / 12 / 23
1.625%	2011	220	30/11/2026	30	190	
0.500%	2016	150	13/12/2028		150	
0.400%	2016	150	07/04/2031		150	
0.500%	2017	150	12/07/2029		150	
0.250%	2017	150	28/11/2025		150	
0.400%	2021	150	05/05/2036		150	
0.200%	2021	125	22/12/2033		125	
2.100%	2023	150	07/06/2032		150	
1.700%	2024	130	04/06/2038		130	
Bond issues by BCV Lausanne¹		1 375		30	1 345	1 255
<i>of which subordinated bonds</i>		0		0	0	0
Structured products issued (value of the host instrument)					785	640
Central Mortgage-Bond Institution of Swiss Cantonal Banks					7 314	6 548
Bonds and mortgage-backed bonds					9 444	8 443

¹None of these issues can be called in for redemption before the maturity date.

Long-term borrowings by maturity								31 / 12 / 24	
	2025	2026	2027	2028	2029	2030–2044	Total	Average	
Bond issues	150	190		150	150	705	1 345	0.7%	
Structured products	435	191	61	98			785	1.3%	
Central Mortgage-Bond Institution of Swiss Cantonal Banks	338	566	538	491	635	4 746	7 314	1.0%	
Total	923	947	599	739	785	5 451	9 444		

	Status at year-end 2023	New issues	Redemptions	Net change in own securities	Status at year-end 2024
Bond issues	1 255	225	– 135		1 345
Structured products	640	766	– 613	– 8	785
Central Mortgage-Bond Institution of Swiss Cantonal Banks	6 548	1 200	– 434		7 314
Total	8 443	2 191	– 1 182	– 8	9 444

10.16 Provisions

Reserves for general banking risks (in CHF millions)

	Status at year-end	Used as allocated	Changes in scope of consolidation	Currency translation differences	Recoveries, overdue interest	New provisions charged to income statement	Releases credited to income statement	Status at year-end
	2023							2024
Provisions for deferred taxes	1					0	-0	1
Provisions for credit risk	18	-10			0	6	-4	9
<i>of which provisions under Art. 28.1 FINMA-AO</i>	10	-10			0	2	-1	1
<i>of which provisions for inherent credit risk</i>	8				0	4	-3	8
Provisions for other operating risks	1	-0		0	0	1	-0	2
Other provisions	2	-0		-0	1	0	-2	1
Total provisions	22	-10	0	0	1	7	-6	12
Reserves for general banking risks¹	666							666
Provisions for credit risk and country risk	97	-13			7	36	-35	93
<i>of which provisions for impaired loans</i>	63	-13			7	28	-12	72
<i>of which provisions for inherent credit risk</i>	34				0	8	-23	20

¹Reserves for general banking risks are taxable.

10.17 Stock options and shares granted to members of the Board of Directors, Executive Board members and other employees
Employee share-ownership plans

	2024		2023	
	Shares (in units)	Value (in CHF)	Shares (in units)	Value (in CHF)
Members of the Board of Directors	0	0	0	0
Executive Board members	30 421	2 310 574	29 995	2 267 233
Other employees	259 682	12 903 709	255 010	12 416 937
Total	290 103	15 214 283	285 005	14 684 170

No stock options have been granted to members of the Board of Directors, Executive Board members, or other employees.

Employee share ownership

Annual performance-based compensation

For Executive Board members and department heads, 30% of their annual performance-based compensation must be taken in BCV shares with a lock-up period of five to ten years.

Other employees receiving annual performance-based compensation of CHF 21,000 or more may opt for full payment in cash, or 70% in cash and 30% in BCV shares with a lock-up period of three years. In the latter case, BCV increases the portion of shares by 30%.

Executive Board members are allocated their shares subject to approval at the Shareholders' Meeting. The number of shares allocated will be calculated based on the closing market price on 19 May 2025, rounded up to the nearest whole number.

Other employees will receive their shares at the end of April 2025. The number of shares allocated will be calculated based on the closing market price on 14 March 2025, rounded up to the nearest whole number. These employees have until 27 March 2025 to decide on the proportion they wish to receive in the form of shares. As their decision was not known at the time this report was published, the number of shares taken into account in the above table corresponds to the maximum possible number of shares.

The market prices used to calculate the number of shares will be those on 14 March 2025 and 19 May 2025, so they were not known at the time of writing. As a result, the maximum possible number of shares was calculated based on the closing market price on 13 March 2025, the date of the Board of Directors' final decision on this compensation.

Share-ownership plan

The Executive Board and other Group employees, with the exception of employees of Piguet Galland & Cie SA, were given the opportunity to subscribe to the share-ownership plan in April 2024 on the following terms:

- The number of shares that may be purchased is determined by the level of responsibility inherent in the employee's position.
- The subscription period ran from 14 to 27 March 2024.
- The subscription price was set at CHF 84.00 per share, and the market price used was CHF 104.50 (closing price on 13 March 2024, the day before the subscription period started).

The amounts (number of shares and value) shown in the table above correspond to the number of shares subscribed multiplied by CHF 20.50, which is the difference between the market price of CHF 104.50 and the subscription price of CHF 84.00.

Long-term performance-based compensation

At the beginning of each three-year share-ownership plan, participants are informed of the number of shares that will be allocated if all objectives are met in full. At the end of each plan, the Bank informs participants of the extent to which objectives have been met based on the Bank's financial results and strategic and qualitative performance. The number of shares initially allocated is multiplied by the level of attainment of the objectives in order to determine the number of shares allocated to each participant.

The amounts taken into account in the table on the previous page correspond to the expense recorded in 2024 for the various plans in progress.

Free shares

The Bank awards 20 BCV shares to apprentices, high school graduate trainees, and university interns who join the Bank after their training.

The number allocated and their value, based on the market price on the last business day of the month before the shares are awarded, are also shown in the table.

10.18 Receivables and commitments with respect to related parties (in CHF millions)

	31 / 12 / 24		31 / 12 / 23	
	Receivable	Commitment	Receivable	Commitment
Qualified shareholder	0	2 240	0	2 495
Affiliated companies	225	492	286	371
Governing bodies	30	17	27	17

Individuals and companies that hold at least 10% of voting rights are considered qualified shareholders.

Corporations organized under public law in Vaud Canton and public-private entities in which Vaud Canton has a qualified holding are considered affiliated companies.

Transactions with members of the Board of Directors were conducted on market terms. Receivables and commitments with respect to Executive Board members were granted on the standard terms for BCV employees. Transactions with related parties were conducted on market terms.

10.19 Own shares

Number of shares (in units)	Average transaction price	Total	Own shares
Status at 1 January 2024		86 061 900	173 310
<i>of which shares reserved for long-term performance-based compensation</i>			110 023
Purchases	104		271 151
Sales	100		– 292 321
Status at 31 December 2024		86 061 900	152 140
<i>of which shares reserved for long-term performance-based compensation</i>			115 709

Own shares were traded at market prices. The proceeds of the sale of own shares were allocated directly to the capital reserve.

10.20 Maturity structure of financial instruments (in CHF millions)

	Sight	Callable	Maturity				Fixed assets	Total	
			up to 3 months	3 to 12 months	12 months to 5 years	over 5 years			
Cash and cash equivalents	10 612	1						10 614	
Due from banks	862		181	96				1 139	
Reverse repurchase agreements								0	
Loans and advances to customers	31	1 208	1 545	559	1 300	1 316		5 959	
Mortgage loans	774	435	3 219	2 997	14 194	12 587		34 207	
Trading portfolio assets	317							317	
Positive mark-to-market values of derivative financial instruments	510							510	
Other financial assets at fair value	1 131							1 131	
Financial investments	27	100	83	194	2 092	3 533	36	6 065	
Current assets	31 / 12 / 24	14 264	1 745	5 028	3 846	17 586	17 435	36	59 940
	31 / 12 / 23	15 950	1 791	4 978	3 575	15 215	16 706	36	58 251
Due to banks	2 897	159	1 809	806	270			5 941	
Repurchase agreements			1 253					1 253	
Customer deposits	18 001	11 617	7 111	683	240	20		37 672	
Trading portfolio liabilities	1							1	
Negative mark-to-market values of derivative financial instruments	517							517	
Other financial liabilities at fair value	1 564							1 564	
Medium-term notes				1	3	0		4	
Bonds and mortgage-backed bonds			102	821	3 070	5 451		9 444	
Borrowed funds	31 / 12 / 24	22 980	11 775	10 275	2 311	3 583	5 471	56 395	
	31 / 12 / 23	19 940	14 263	11 411	1 187	2 445	5 164	54 410	

10.21 Breakdown of assets and liabilities by Swiss and foreign domicile (in CHF millions)

	31 / 12 / 24		31 / 12 / 23	
	Swiss	Foreign	Swiss	Foreign
Cash and cash equivalents	10 614		12 602	
Due from banks	477	662	248	414
Reverse repurchase agreements				
Loans and advances to customers	5 554	405	5 764	364
Mortgage loans	34 207		31 780	
Trading portfolio assets	317	0	229	
Positive mark-to-market values of derivative financial instruments	237	273	207	512
Other financial assets at fair value	351	780	310	624
Financial investments	4 810	1 254	4 107	1 089
Accrued income and prepaid expenses	112	1	121	0
Non-consolidated holdings	86	1	86	1
Tangible fixed assets	379	0	381	
Intangible assets				
Other assets	109	2	28	2
Assets	57 253	3 376	55 863	3 007
Total as %	94	6	95	5
Due to banks	3 341	2 600	3 098	2 855
Repurchase agreements	573	680	1 977	
Customer deposits	35 346	2 327	34 065	2 410
Trading portfolio liabilities	1		2	
Negative mark-to-market values of derivative financial instruments	113	404	215	212
Other financial liabilities at fair value	1 564		1 132	
Medium-term notes	4		2	
Bonds and mortgage-backed bonds	9 444		8 443	
Accrued expenses and deferred income	215	1	182	0
Other liabilities	79	0	400	0
Provisions	12		22	
Reserves for general banking risks	666		666	
Share capital	86		86	
Capital reserve	35		35	
Retained earnings	2 714		2 615	
Currency translation reserve	-2		-2	
Own shares	-13		-14	
Minority interests in equity	0		0	
Net profit	441		469	
Total liabilities and shareholders' equity	54 617	6 012	53 392	5 478
Total as %	90	10	91	9

10.22 Breakdown of assets by country/country group based on domicile (in CHF millions)

	31 / 12 / 24		31 / 12 / 23	
	Absolute value	as % of total	Absolute value	as % of total
Europe	2 495	4	2 375	4
Germany	743	1	910	2
United Kingdom	404	1	236	0
France	360	1	375	1
Luxembourg	349	1	308	1
Finland	125	0	24	0
Ireland	117	0	64	0
Netherlands	114	0	135	0
Sweden	93	0	77	0
Other	192	0	246	0
Asia	241	0	183	0
Latin America, the Caribbean	108	0	66	0
United States, Canada	384	1	214	0
Other	149	0	169	0
Foreign assets	3 376	6	3 007	5
Switzerland	57 253	94	55 863	95
Assets	60 629	100	58 870	100

10.23 Breakdown of foreign assets by solvency of the country group in which the risk is domiciled (in CHF millions)

Internal country rating	Standard & Poor's rating	31 / 12 / 24		31 / 12 / 23	
		Absolute value	as % of total	Absolute value	as % of total
1&2	AAA to AA-	3 041	88	2 714	88
3	A+ to A-	89	3	88	3
4	BBB+ to BBB-	63	2	29	1
5	BB+ to BB-	61	2	33	1
6	B+ to B-	137	4	174	6
7	CCC+ to C	24	1	18	1
Not rated	Not rated	45	1	24	1
Foreign exposure		3 459	100	3 080	100

10.24 Breakdown of assets and liabilities by currency (in CHF millions)

	CHF	EUR	USD	Other	Total
Cash and cash equivalents	10 589	21	2	1	10 614
Due from banks	271	364	295	209	1 139
Reverse repurchase agreements					0
Loans and advances to customers	4 931	360	643	24	5 959
Mortgage loans	34 204	3			34 207
Trading portfolio assets	6			311	317
Positive mark-to-market values of derivative financial instruments	479	28	3	0	510
Other financial assets at fair value	370	125	553	82	1 131
Financial investments	5 199	866	0	0	6 065
Accrued income and prepaid expenses	93	18	1	0	113
Non-consolidated holdings	86	0	1		87
Tangible fixed assets	379	0			379
Intangible assets					0
Other assets	115	3	-8	0	111
Positions carried as assets	56 722	1 789	1 491	628	60 629
Delivery claims arising from spot and forward transactions and options	10 154	8 648	13 738	4 565	37 105
Assets	31 / 12 / 24	66 876	10 437	5 193	97 734
	31 / 12 / 23	71 170	14 946	4 196	108 160
Due to banks	4 298	731	543	369	5 941
Repurchase agreements	1 093	160			1 253
Customer deposits	33 717	1 673	1 882	400	37 672
Trading portfolio liabilities	1				1
Negative mark-to-market values of derivative financial instruments	499	18	5	-4	517
Other financial liabilities at fair value	1 010	167	385	2	1 564
Medium-term notes	4				4
Bonds and mortgage-backed bonds	9 444				9 444
Accrued expenses and deferred income	201	7	7	1	215
Other liabilities	73	4	3	0	80
Provisions	9	0	3	0	12
Reserves for general banking risks	666				666
Share capital	86				86
Capital reserve	35				35
Retained earnings	2 714				2 714
Currency translation reserve	-2				-2
Own shares	-13				-13
Minority interests in equity	0				0
Net profit	441				441
Positions carried as liabilities	54 274	2 759	2 829	767	60 629
Delivery commitments arising from spot and forward transactions and options	12 700	7 662	12 329	4 334	37 025
Total liabilities and shareholders' equity	31 / 12 / 24	66 975	10 421	5 102	97 655
	31 / 12 / 23	71 257	14 874	4 078	108 222
Net position by currency	31 / 12 / 24	-99	16	71	92
	31 / 12 / 23	-87	72	-164	117

11. Notes to off-balance-sheet transactions

11.1 Contingent liabilities

Contingent receivables (in CHF millions)

	31 / 12 / 24	31 / 12 / 23	Absolute change	Change as %
Irrevocable and similar guarantees	440	602	- 163	- 27
Other guarantees	573	448	125	28
Contingent liabilities	1013	1050	- 37	- 4
Contingent receivables	0	0	0	0

11.2 Confirmed credits (in CHF millions)

	31 / 12 / 24	31 / 12 / 23	Absolute change	Change as %
Commitments arising from deferred payments	37	35	2	7

11.3 Fiduciary transactions (in CHF millions)

	31 / 12 / 24	31 / 12 / 23	Absolute change	Change as %
Fiduciary investments with third parties	656	799	- 143	- 18
Fiduciary loans	0	0	0	n/a
Fiduciary transactions	656	799	- 143	- 18

11.4 Assets under management (in CHF millions)

Breakdown	31 / 12 / 24	31 / 12 / 23 ¹	Absolute change	Change as %
Assets held by collective investment vehicles under own management	36 366	32 723	3 642	11
Assets under discretionary management agreements	22 583	19 885	2 698	14
Other assets under management	65 215	64 688	528	1
Total assets under management (incl. double-counted)	124 164	117 296	6 868	6
<i>of which double-counted</i>	<i>14 278</i>	<i>12 142</i>	<i>2 136</i>	<i>18</i>

Change	31 / 12 / 24	31 / 12 / 23 ¹	Absolute change	Change as %
Initial total assets under management (incl. double-counted)	117 296	113 539	3 757	3
Net fund inflows/outflows	3 248	253	2 995	n/a
Changes in prices, interest, dividends, and exchange rates	3 620	3 504	117	3
Final total assets under management (incl. double-counted)	124 164	117 296	6 868	6

¹ Prior-year figures were adjusted following an expansion in the scope of assets under management as of the 2024 fiscal year. Total assets under management (incl. double-counted) before the change in scope: CHF 108.9bn at 31/12/2022, CHF 112.9bn at 31/12/2023 and CHF 119.5bn at 31/12/2024.

Assets under management

All customer assets held or managed for investment purposes are included under “Assets under management.” As defined in the Swiss accounting rules for banks, assets under management comprise all customer deposit accounts, together with fiduciary investments and all duly valued assets in custody accounts. Assets held for investment purposes by institutional investors, companies, and individual customers, along with investment fund assets, are included unless they are custody-only assets for which the Group provides only safekeeping and corporate-action services. Deposits for which additional services are provided (such as investment management, advice, and fund administration) also come under “Assets under management.”

Net new money

Net new money, which is determined in accordance with the same scope as assets under management, is the sum of inflows from new customers, outflows from departing customers, and movements in the assets of existing customers during the financial year. Changes in assets under management resulting from price fluctuations, exchange-rate movements, interest and dividend payments, and commissions and fees are not part of the net new money calculation. Nor does it include changes in assets under management resulting from the acquisition, disposal, or closure of companies or complete business lines.

12. Notes to the consolidated income statement

12.1 Net interest income before loan impairment charges/reversals

Funding of trading positions and negative interest (in CHF millions)

	2024	2023	Absolute change	Change as %
Banks and reverse repurchase agreements	167.0	190.3	-23.3	-12
Customers	690.7	621.2	69.5	11
Interest and dividends on financial investments	50.7	36.7	14.0	38
Other interest income	111.2	124.6	-13.4	-11
Total interest income	1 019.5	972.7	46.8	5
Banks and repurchase agreements	135.1	110.1	25.0	23
Customers	232.6	182.8	49.8	27
Medium-term notes and bonds	96.8	83.2	13.6	16
Other interest expense	0.0	0.0	0.0	n/a
Total interest expense	464.5	376.0	88.4	24
Net interest income before loan impairment charges/reversals	555.0	596.7	-41.7	-7

Net interest income before loan impairment charges/reversals was not affected by negative interest in 2024 or 2023.

The cost of funding trading positions, credited to other interest income, was not material for 2024 or for 2023.

12.2 Fees and commissions on securities and investment transactions (in CHF millions)

	2024	2023	Absolute change	Change as %
Securities administration	50.1	47.0	3.1	7
Brokerage	39.0	30.6	8.3	27
Income from new issues	7.9	7.6	0.3	4
Management fees	81.6	72.7	8.9	12
Investment-fund operations	134.5	126.1	8.4	7
Other	4.9	4.3	0.6	14
Total	318.0	288.4	29.6	10

12.3 Fees and commissions on other services (in CHF millions)

	2024	2023	Absolute change	Change as %
Payment cards, ATMs, transfers, and checks	34.2	30.0	4.2	14
Administrative services for institutional clients, and statements	20.0	18.6	1.4	8
Account management fees	21.3	21.1	0.2	1
Document collection fees and bancassurance	5.0	4.3	0.7	15
Safe rentals, numbered accounts, and mail holding services	5.2	5.3	-0.0	-1
Total	85.8	79.3	6.4	8

12.4 Net trading income and fair-value adjustments (in CHF millions)

	2024	2023	Absolute change	Change as %
Breakdown by business sector				
Retail Banking	18.8	18.2	0.6	3
Corporate Banking	10.7	10.6	0.1	1
Wealth Management	26.0	24.1	1.9	8
Trading	51.2	55.8	-4.5	-8
Corporate Center	88.1	81.5	6.6	8
Total	194.8	190.1	4.7	2
Trading income and fair-value adjustments				
Trading income on fixed-income instruments and equity securities	25.2	27.9	-2.7	-10
Trading income on foreign currencies, banknotes, and precious metals	177.8	169.8	8.1	5
Total trading income and fair-value adjustments	203.0	197.7	5.3	3
<i>of which fair-value adjustments</i>	22.0	25.8	-3.8	-15
<i>of which fair-value adjustments on assets</i>	163.3	172.5	-9.1	-5
<i>of which fair-value adjustments on liabilities</i>	-141.3	-146.7	-5.3	-4
Trading fee and commission expense	-8.2	-7.6	0.7	9
Net trading income and fair-value adjustments	194.8	190.1	4.7	2

12.5 Personnel costs (in CHF millions)

	2024	2023	Absolute change	Change as %
Fixed and variable compensation	296.0	281.8	14.2	5
<i>of which charges related to share-based compensation and other variable compensation (including the portion paid in cash)</i>	46.2	48.8	-2.7	-5
Employee benefits	32.6	28.6	4.0	14
Contributions to staff pension funds	40.3	37.6	2.7	7
Other personnel expenses	18.0	16.2	1.9	12
Total	386.9	364.1	22.7	6

12.6 Other operating expenses (in CHF millions)

	2024	2023	Absolute change	Change as %
Premises	25.9	26.0	-0.1	-0
IT	64.7	75.3	-10.6	-14
Machinery, furniture, vehicles, etc.	2.9	3.8	-0.9	-24
Office supplies	1.1	1.1	-0.1	-7
Telecommunications and shipping	5.8	5.7	0.1	1
Marketing and communications, gifts, and subscriptions	18.7	17.7	1.0	6
Financial information	16.4	15.4	1.0	6
Auditor fees	1.9	1.9	0.0	0
<i>of which for financial and prudential audits</i>	1.8	1.7	0.1	4
<i>of which for other services</i>	0.1	0.2	-0.1	-37
Other professional fees	7.9	5.9	2.0	33
Payment transactions	14.6	13.7	1.0	7
Issuing fees	1.6	1.6	0.0	2
Miscellaneous operating expenses	8.2	8.4	-0.2	-2
Total	169.8	176.6	-6.8	-4

12.7 Depreciation and amortization of fixed assets and impairment on equity investments (in CHF millions)

	2024	2023	Absolute change	Change as %
Real estate	17.1	17.0	0.1	1
Computer programs	55.9	55.9	0.0	0
Other investments	8.9	3.2	5.7	179
Holdings	0.0	0.0	0.0	n/a
Total	81.9	76.1	5.8	8

12.8 Other provisions and losses (in CHF millions)

	2024	2023	Absolute change	Change as %
Provisions for credit risk	1.2	-0.4	1.6	418
Miscellaneous provisions	-0.9	1.1	-2.0	-177
Miscellaneous losses	1.6	0.9	0.7	77
Total	2.0	1.7	0.3	19

12.9 Extraordinary income (in CHF millions)

	2024	2023	Absolute change	Change as %
Disposals of tangible fixed assets	0.0	1.5	-1.5	-100
Other extraordinary income	0.6	0.4	0.2	53
Total	0.6	1.9	-1.3	-70

12.10 Extraordinary expenses (in CHF millions)

	2024	2023	Absolute change	Change as %
Miscellaneous extraordinary expenses	0.0	0.0	-0.0	n/a
Total	0.0	0.0	-0.0	n/a

12.11 Taxes (in CHF millions)

	2024	2023	Absolute change	Change as %
Direct federal tax	36.4	38.7	-2.2	-6
Cantonal and municipal taxes	33.2	35.2	-2.0	-6
Swiss supplementary tax ¹	5.1	0.0	5.1	n/a
Foreign taxes	0.2	0.2	0.0	5
Deferred taxes	-0.0	0.0	-0.0	-7
Total	74.9	74.2	0.8	1
Weighted average tax rate, based on operating profit	15%	14%		

¹ BCV Group became subject to the Swiss supplementary tax on 1 January 2024, following the adoption of the Swiss minimum taxation ordinance.

Tax breakdown by country	2024		2023	
	Absolute value	As % of total	Absolute value	As % of total
Switzerland	74.7	99.7	73.9	99.7
Luxembourg	0.2	0.3	0.2	0.3
Total	74.9	100.0	74.2	100.0

12.12 Breakdown of operating profit by Swiss and foreign origin (in CHF millions)

	2024		2023	
	Swiss	Foreign	Swiss	Foreign
Net interest income	553.6	0.0	596.2	-0.1
Net fee and commission income	357.2	12.3	326.1	13.0
Net trading income	194.7	0.0	190.0	0.1
Other ordinary income	37.7		34.6	
Total income from ordinary banking operations	1 143.2	12.3	1 146.9	13.1
Personnel costs	386.1	0.8	363.2	0.9
Other operating expenses	168.8	1.0	175.3	1.3
Operating expenses	554.9	1.8	538.5	2.3
Depreciation and amortization of fixed assets and impairment on equity investments	81.9	0.0	76.1	0.0
Other provisions and losses	2.0	0.0	1.7	
Operating profit	504.4	10.5	530.7	10.8

12.13 Earnings per share

	2024	2023
Net profit attributable to BCV Group shareholders (CHF millions)	440.6	469.2
Average number of shares in issue during the period (in units)	86 061 900	86 061 900
Average number of own shares held during the period (in units)	- 185 827	- 200 186
Average number of outstanding shares during the period (in units)	85 876 073	85 861 714
Basic earnings per share (CHF)	5.13	5.46

There are no ongoing financial transactions that would dilute earnings per share.

13. Other information

13.1 Regulatory capital requirements (in CHF millions)

	31 / 12 / 24	31 / 12 / 23
Common Equity Tier 1 (CET1) capital	3 519	3 465
Instruments and reserves	3 561	3 499
Regulatory adjustments	- 43	- 34
Additional Tier 1 (AT1) capital	0	0
Instruments	0	0
Regulatory adjustments	0	0
Tier 2 (T2) capital	20	25
Compulsory reserves in equities and general provisions	20	25
Regulatory adjustments	0	0
Total eligible capital	3 539	3 490
Risk-weighted assets		
Credit risk	18 297	16 810
Non-counterparty-related assets	484	491
Market risk	118	141
Operational risk	1 995	1 909
BIS required capital	20 894	19 352
BIS ratios		
CET1 ratio	16.8%	17.9%
T1 ratio	16.8%	17.9%
Total capital ratio	16.9%	18.0%
Leverage Ratio	5.5%	5.6%
Liquidity ratios		
Liquidity Coverage Ratio (LCR)	129%	129%
Net Stable Funding Ratio (NSFR)	118%	120%

In December 2008, the Bank obtained approval from FIN-MA to use the Basel Foundation Internal Ratings-Based approach to determine regulatory capital requirements for credit risk. It began applying this approach in 2009.

In accordance with Basel III Pillar 3 disclosure requirements, the Bank publishes a report containing information on its capital adequacy, risk-assessment methods, and the level of risk taken. The report also gives information on the Group and parent-company leverage and liquidity ratios.

The report is available in the Investor Relations section of the BCV website (www.bcv.ch).

13.2 Business sector information

13.2.1 Methodology

Results by business sector are presented at BCV Group level and are broken down according to the Bank's activities.

Retail Banking covers operations with retail customers who have up to CHF 500,000 in assets and no wealth-management services, or a mortgage loan worth up to CHF 1.2m. It also includes the Digital and Multichannel Banking Department, which works to expand the Bank's digital offering.

Corporate Banking handles SMEs (including micro-businesses), real-estate professionals, large corporations, public-sector enterprises, and trade finance.

Wealth Management addresses the needs of private and institutional clients. This sector also includes custody activities, occupational pensions, and the subsidiaries Piguet Galland & Cie SA, Gérifonds SA, and GEP SA.

Trading encompasses financial market transactions (forex, equities, fixed-income instruments, metals, options, derivatives, and structured products) conducted by the Bank on behalf of customers and for its own account, as well as custody activities.

The Corporate Center comprises the Board of Directors, executive management, the Human Resources Department, the Strategy & Organization Department, the Corporate Communications Department, the Service Quality Unit, the Finance & Risks Division (Risk Management, Financial Accounting, Controlling, ALM & Financial Management, Compliance, and Legal), the Credit Management Division (Credit Analysis, Credit Analysis Support, and Credit Recovery Management), and the Business Support Division (IT Solutions, IT Services, Facility Management & General Services, Back Office, and Security).

As a general rule, revenue is allocated to the sector to which the client or his/her advisor is attached.

For sectors dealing with clients, "Net interest income before loan impairment charges/reversals" corresponds to

the gross commercial margin, i.e., the difference between the customer rate and the money-market rate, taking into account the nature and duration of the transaction (Funds Transfer Pricing, or FTP, method).

For the Corporate Center, net interest income before loan impairment charges/reversals comprises the net gain/loss on asset and liability management, on interbank activities, and on fixed assets as well as gross interest on impaired loans handled by the Credit Recovery Management Department.

Loan losses correspond to expected losses for sectors dealing with clients. The difference between new provisioning needs and expected loan losses, together with loan impairment charges/reversals, changes in existing provisions, recoveries on repaid loans, and changes in provisions for non-impaired loans, are booked to the Corporate Center.

Income from customer-driven forex and structured-products trading is allocated to Trading, which reallocates part of this income to the business sector to which the client is attached.

"Other income" is allocated based on the nature of the item.

Operating expenses and depreciation and amortization are allocated in two stages. The first of these involves charging direct expenses to the sector that uses the resources (personnel, premises, IT, etc.). In the second stage, indirect expenses are allocated on the basis of services provided among sectors.

Taxes are calculated per sector according to the tax rates in effect.

Balance-sheet and off-balance-sheet volumes reflect client-related business. In general, following the same rule used for income, business volumes are allocated to the sector to which the client or his/her advisor is attached.

Customer business volumes and revenues in foreign currencies are booked to the relevant client-facing business sector using exchange rates set at the start of the year; any subsequent foreign-currency translation differences (see note 6.7) are booked to the Corporate Center.

The definition of assets under management can be found in note 11.4 to the consolidated financial statements.

Shareholders' equity is allocated to the business sectors at 13.0% of RWAs. Surplus equity is booked to the Corporate Center.

	Retail Banking		Corporate Banking	
	2024	2023	2024	2023
13.2.2 Customer business volumes by sector				
(in CHF millions)				
Loans and advances to customers ¹	107	126	4 940	5 012
Mortgage loans	11 009	10 336	13 722	12 391
Total customer loans	11 116	10 461	18 662	17 403
Customer deposits¹	12 227	11 994	12 538	12 028
Off-balance-sheet commitments¹	240	62	1 981	1 917
Assets under management (including double-counted)	15 733	15 046	18 925	20 018

13.2.3 Results by business sector (in CHF millions)

Net interest income before loan impairment charges/reversals	183.9	153.6	251.0	242.9
Loan impairment charges/reversals ²	-2.9	-2.7	-22.8	-21.2
Net interest income after loan impairment charges/reversals	181.0	150.9	228.1	221.7
Net fee and commission income	66.4	62.1	38.4	38.4
Net trading income	18.8	18.2	10.7	10.6
Other income	1.0	0.9	2.4	2.7
Revenues	267.2	232.2	279.6	273.4
Personnel costs	-48.7	-47.1	-33.3	-33.4
Operating expenses	-39.5	-39.5	-11.4	-11.5
Depreciation, amortization, and write-offs	-14.8	-14.2	-2.0	-1.9
Interdivisional billing	-53.1	-50.4	-61.3	-61.3
Other provisions and losses	-0.6	-0.9	-2.9	-3.1
Operating profit	110.6	80.1	168.6	162.1
Extraordinary income and expenses	0.0	0.0	0.0	0.0
Taxes ³ and minority interests	-16.6	-11.1	-25.3	-22.4
Net profit	94.0	69.0	143.3	139.8

13.2.4 Indicators

Average shareholders' equity (in CHF millions) ⁴	279	265	1 455	1 371
ROE (%)	33.7	26.0	9.8	10.2
Cost/income ratio (%) ⁵	57.8	64.4	35.7	36.7
Average headcount	367	362	188	187

2023 figures were adjusted to facilitate like-for-like comparison.

¹ Customer business volumes and revenues in foreign currencies are booked to the relevant client-facing business sector using exchange rates set at the start of the year; any subsequent foreign-currency translation differences (see section 6.7) are booked to the Corporate Center.

² Expected loan losses are allocated to the business sectors. The difference between new provisioning needs and expected loan losses is booked to the Corporate Center.

³ Taxes are calculated per business sector according to the tax rates in effect.

⁴ Equity is allocated to the business sectors at 13.0% of RWAs; surplus equity is booked to the Corporate Center.

⁵ Costs used for calculating the cost/income ratio per sector comprise: personnel costs; operating expenses; depreciation, amortization, and write-offs; and interdivisional billing. Income comprises income before loan impairment charges.

Wealth Management		Trading		Corporate Center		BCV Group	
2024	2023	2024	2023	2024	2023	2024	2023
830	900	-0	6	82	84	5 959	6 128
8 702	8 313	0	0	774	741	34 207	31 780
9 532	9 212	-0	6	856	825	40 166	37 908
11 446	11 334	2	17	1 459	1 102	37 672	36 475
140	67	9	9	687	673	3 056	2 728
88 025	80 942	0	0	1 481	1 291	124 164	117 296
169.5	172.8	10.6	7.0	-59.9	20.3	555.0	596.7
-2.0	-2.5	-0.0	-0.0	26.3	25.9	-1.4	-0.5
167.5	170.3	10.6	7.0	-33.6	46.2	553.6	596.1
265.7	242.4	-2.7	-4.8	1.7	1.0	369.5	339.1
26.0	24.1	51.2	55.8	88.1	81.5	194.8	190.1
1.2	0.8	0.0	0.0	33.1	30.1	37.7	34.6
460.4	437.7	59.1	58.0	89.3	158.8	1 155.5	1 160.0
-125.8	-117.9	-13.1	-13.2	-165.9	-152.5	-386.9	-364.1
-47.3	-44.2	-8.3	-8.5	-63.3	-72.9	-169.8	-176.6
-10.9	-9.8	-2.1	-2.4	-52.1	-47.8	-81.9	-76.1
-60.4	-60.2	-2.9	-3.6	177.7	175.6	0.0	0.0
-0.1	-0.7	-0.8	-0.5	2.4	3.6	-2.0	-1.7
215.9	204.8	31.9	29.8	-12.0	64.7	515.0	541.5
0.0	0.0	0.0	0.0	0.5	1.8	0.5	1.9
-32.4	-28.5	-4.8	-4.1	4.1	-8.2	-75.0	-74.2
183.4	176.4	27.1	25.7	-7.3	58.3	440.6	469.2
380	371	71	76	1 642	1 655	3 827	3 739
48.2	47.6	38.0	33.7	0	0	11.5	12.5
52.9	52.7	44.7	47.8	0	0	55.2	53.2
582	549	51	50	864	808	2 051	1 957

13.3 Consolidated income statement – 5-year overview (in CHF millions)

	2020	2021	2022	2023	2024
Interest and discount income	511.2	480.5	524.5	936.0	968.8
Interest and dividend income from financial investments	22.6	18.0	21.4	36.7	50.7
Interest expense	-59.4	-26.0	-84.2	-376.0	-464.5
Net interest income before loan impairment charges/reversals	474.4	472.6	461.7	596.7	555.0
Loan impairment charges/reversals	-15.1	-8.2	2.8	-0.5	-1.4
Net interest income after loan impairment charges/reversals (NII)	459.4	464.4	464.5	596.1	553.6
Fees and commissions on securities and investment transactions	266.6	312.1	291.6	288.4	318.0
Fees and commissions on lending operations	36.2	42.1	39.1	30.5	31.4
Fees and commissions on other services	63.0	67.8	73.1	79.3	85.8
Fee and commission expense	-55.5	-64.7	-60.4	-59.1	-65.7
Net fee and commission income	310.2	357.3	343.4	339.1	369.5
Trading income on fixed-income instruments and equity securities	21.6	38.2	27.5	27.9	25.2
Trading income on foreign currencies, banknotes, and precious metals	124.9	117.5	168.7	169.8	177.8
Trading fee and commission expense	-7.4	-12.5	-7.5	-7.6	-8.2
Net trading income and fair-value adjustments	139.2	143.2	188.7	190.1	194.8
Gains/losses on disposals of financial investments	2.0	4.3	10.1	0.5	3.0
Income from equity investments	6.5	5.5	5.5	6.8	7.0
<i>of which other non-consolidated holdings</i>	6.5	5.5	5.5	6.8	7.0
Real-estate income	7.1	7.0	6.6	5.0	3.5
Miscellaneous ordinary income	21.2	24.3	22.9	23.4	24.6
Miscellaneous ordinary expenses	-0.4	-0.6	-2.3	-1.0	-0.4
Other ordinary income	36.4	40.5	42.8	34.6	37.7
Total income from ordinary banking operations	945.2	1 005.4	1 039.4	1 160.0	1 155.5
Personnel costs	-339.2	-349.3	-352.9	-364.1	-386.9
Other operating expenses	-156.2	-155.8	-163.7	-176.6	-169.8
Operating expenses	-495.4	-505.2	-516.7	-540.8	-556.7
Depreciation and amortization of fixed assets and impairment on equity investments	-72.1	-72.0	-69.6	-76.1	-81.9
Other provisions and losses	-5.0	0.6	-5.4	-1.7	-2.0
Operating profit	372.7	428.8	447.7	541.5	515.0
Extraordinary income	4.8	12.6	1.2	1.9	0.6
Extraordinary expenses	-0.1	-0.2	-0.0	-0.0	-0.0
Change in reserves for general banking risks	0.0	0.0	0.0	0.0	0.0
Taxes	-46.7	-62.5	-60.6	-74.2	-74.9
Net profit	330.8	378.7	388.3	469.2	440.6
Minority interests	-0.0	-0.0	-0.0	-0.0	-0.0
Net profit attributable to BCV Group shareholders	330.8	378.7	388.3	469.2	440.6

13.4 Consolidated balance sheet – 5-year overview (in CHF millions)

	31 / 12 / 20	31 / 12 / 21	31 / 12 / 22	31 / 12 / 23	31 / 12 / 24
Cash and cash equivalents	11 550	12 600	12 916	12 602	10 614
Due from banks	1 347	952	1 187	662	1 139
Reverse repurchase agreements	236	158	79	0	0
Loans and advances to customers	5 812	6 209	6 201	6 128	5 959
Mortgage loans	28 037	29 373	30 425	31 780	34 207
Trading portfolio assets	312	200	206	229	317
Positive mark-to-market values of derivative financial instruments	321	368	1 160	719	510
Other financial assets at fair value	886	1 212	897	934	1 131
Financial investments	4 084	4 287	5 757	5 196	6 065
Accrued income and prepaid expenses	87	67	70	122	113
Non-consolidated holdings	69	86	87	87	87
Tangible fixed assets	412	393	376	381	379
Intangible assets	2	0	0	0	0
Other assets	31	46	37	30	111
Assets	53 186	55 952	59 397	58 870	60 629
Due to banks	2 948	3 378	5 975	5 953	5 941
Repurchase agreements	2 781	1 458	1 008	1 977	1 253
Customer deposits	35 424	38 195	38 395	36 475	37 672
Trading portfolio liabilities	1	2	3	2	1
Negative mark-to-market values of derivative financial instruments	329	273	450	426	517
Other financial liabilities at fair value	969	1 340	1 006	1 132	1 564
Medium-term notes	2	2	0	2	4
Bonds and mortgage-backed bonds	6 911	7 313	7 942	8 443	9 444
Accrued expenses and deferred income	145	139	154	182	215
Other liabilities	75	183	725	400	80
Provisions	27	24	27	22	12
Liabilities	49 612	52 308	55 683	55 015	56 703
Reserves for general banking risks	666	666	666	666	666
Share capital	86	86	86	86	86
Capital reserve	36	36	35	35	35
Retained earnings	2 472	2 493	2 554	2 615	2 714
Currency translation reserve	-2	-2	-2	-2	-2
Own shares	-15	-15	-14	-14	-13
Minority interests in equity	0	0	0	0	0
Net profit	331	379	388	469	441
Shareholders' equity	3 574	3 644	3 713	3 855	3 927
Total liabilities and shareholders' equity	53 186	55 952	59 397	58 870	60 629



Report of the statutory auditor

to the General Meeting of Banque Cantonale Vaudoise, Lausanne

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Banque Cantonale Vaudoise and its subsidiaries ('the Group'), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 119 to 160) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting rules for banks and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach



Overview

Overall group materiality: CHF 25'000'000

We conducted full scope audit work at Banque Cantonale Vaudoise and Piguet Galland & Cie SA. In addition, specific scope audits were carried out at GEP SA, Gérifonds SA and Gérifonds (Luxembourg) SA. Our audit scope addressed 100% of the operating result and 100% of the Group's assets.

As key audit matter the following area of focus has been identified:

Identification and valuation of the value adjustments related to amounts due from customers and mortgage loans which are impaired or presenting increased risks.

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with

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qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall group materiality	CHF 25'000'000
Benchmark applied	Operating result (profit before tax and changes in reserves for general banking risks and extraordinary elements)
Rationale for the materiality benchmark applied	We chose this benchmark because it is a generally accepted reference to measure the results of a group.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Identification and valuation of the value adjustments related to amounts due from customers and mortgage loans which are impaired or presenting increased risks

Key audit matter	How our audit addressed the key audit matter
<p>Mortgages and loans are one of the Group's main activities and represent approximately two thirds of its balance sheet as at 31 December 2024. The valuation of a counterparty's default risk relies largely on the use of rating methods developed by the Group. The valuation of the loans which are impaired or presenting increased risks relies on an analysis method that takes into account various elements such as market factors, the client's estimated willingness to repay and financial capacity or the estimation of the collateral's value. The analysis method used considers hypotheses and parameters over which the Group benefits from a margin of appreciation. Exposures that create greater uncertainty are typically those that result from unsecured loans or those that are subject to a collateral's loss of value.</p>	<p>Our procedures consisted in particular in assessing and testing the key controls related to the granting, recording and monitoring of mortgages and loans as well as the methodology used for the identification of default risk and the valuation of the loan impairment charges. For non-impaired exposures, we have verified and tested the following controls:</p> <ul style="list-style-type: none"> - controls to assess the risk of default as part of the counterparty rating process; - annual review by the Risk Management department of the credit risk model used as part of the IRB approach. <p>For exposures considered impaired, we tested and verified the following controls:</p> <ul style="list-style-type: none"> - controls relating to the identification of signs of failure in order to determine the scope of overdue and/or impaired exposures; - controls relating to the relevance and approval of the hypotheses and parameters of the internal model used to determine value adjustments;



Key audit matter	How our audit addressed the key audit matter
<p>For further information on methods regarding identification and valuation of the value adjustments related to amounts due from customers and mortgage loans which are impaired or presenting increased risks and value adjustments for non-impaired loans, refer to the following notes to the consolidated financial statements of Banque Cantonale Vaudoise as at 31 December 2024:</p> <ul style="list-style-type: none"> - Note 7.2 «Risk credit» (p. 131 to 133 of the Annual report) - Note 10.2 «Risk mitigants for loans and off-balance-sheet transactions, impaired loans» (p. 137 of the Annual report) 	<ul style="list-style-type: none"> - controls relating to the determination of the amount of value adjustments for default risk. <p>We have concluded that we can rely on the key controls verified. In addition, on the basis of sample tests, we verified that:</p> <ul style="list-style-type: none"> - the selected credit files were assigned to the corresponding rating class; - automatically generated alert reports are reliable; - the retained value of the collateral (market or liquidation value) has been established, respectively updated, in accordance with market practices; - the amount of value adjustments was determined in accordance with accounting principles; - the amount of value adjustments for non-impaired receivables which are not identified as increased risks was determined using the IRB approach implemented by the Group. <p>The methods applied to determine the need for value adjustments for both impaired and non-impaired receivables are appropriate.</p>

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with accounting rules for banks and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

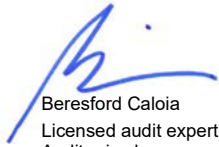


Report on other legal and regulatory requirements

In accordance with art. 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA



Beresford Caloia
Licensed audit expert
Auditor in charge



Marie-Eve Fortier
Licensed audit expert

Pully, 4 April 2025

Financial Statements

Parent Company Financial Statements

1. Balance sheet (in CHF millions)

	Notes	31 / 12 / 24	31 / 12 / 23	Absolute change	Change as %
Cash and cash equivalents		10 389	12 329	- 1 940	- 16
Due from banks		1 354	887	466	53
Reverse repurchase agreements	5.1	0	0	0	n/a
Loans and advances to customers	5.2	5 669	5 874	- 205	- 3
Mortgage loans	5.2	33 474	31 109	2 364	8
Trading portfolio assets	5.3	317	229	88	38
Positive mark-to-market values of derivative financial instruments	5.4	504	717	- 214	- 30
Other financial assets at fair value	5.3	1 131	934	196	21
Financial investments	5.5	6 040	5 172	868	17
Accrued income and prepaid expenses		111	121	- 10	- 8
Holdings		194	194	0	0
Tangible fixed assets		353	357	- 4	- 1
Other assets	5.6	102	20	82	410
Assets	5.18	59 637	57 944	1 692	3
Total subordinated assets		0	0	0	n/a
<i>of which subject to mandatory conversion and/or conditional write-off</i>		0	0	0	n/a
Due to banks		5 990	5 980	10	0
Repurchase agreements	5.1	1 253	1 977	- 725	- 37
Customer deposits		36 687	35 582	1 105	3
Trading portfolio liabilities	5.3	1	2	- 1	- 31
Negative mark-to-market values of derivative financial instruments	5.4	516	424	92	22
Other financial liabilities at fair value	5.3/5.10	1 564	1 132	432	38
Medium-term notes		4	2	2	101
Bonds and mortgage-backed bonds		9 444	8 443	1 001	12
Accrued expenses and deferred income		197	165	32	19
Other liabilities	5.6	74	389	- 315	- 81
Provisions	5.11	10	19	- 9	- 50
Liabilities		55 739	54 115	1 624	3
Reserves for general banking risks	5.11	666	666	0	0
Share capital	5.12/5.15/5.16	86	86	0	0
Regulatory capital reserve		7	7	0	0
<i>of which tax-exempt paid-in capital</i>		7	7	0	0
Regulatory retained earnings		87	86	0	0
Optional retained earnings		2 628	2 540	88	3
Own shares		- 13	- 14	1	7
Profit for the year		438	458	- 20	- 4
Shareholders' equity		3 898	3 829	69	2
Total liabilities and shareholders' equity		59 637	57 944	1 692	3
Total subordinated liabilities		0	0	0	n/a
<i>of which subject to mandatory conversion and/or conditional write-off</i>		0	0	0	n/a

Off-balance-sheet transactions (in CHF millions)	Notes	31 / 12 / 24	31 / 12 / 23	Absolute change	Change as %
Contingent liabilities	5.2	1 010	1 047	– 38	– 4
Irrevocable commitments	5.2	1 754	1 393	361	26
Commitments relating to calls on shares and other equity securities	5.2	243	243	0	0
Confirmed credits	5.2	37	35	2	7

2. Income statement (in CHF millions)

	Notes	2024	2023	Absolute change	Change as %
Interest and discount income		948.9	916.5	32.4	4
Interest and dividend income from financial investments		50.4	36.5	13.9	38
Interest expense		-457.4	-372.9	84.4	23
Net interest income before loan impairment charges/reversals		542.0	580.1	-38.1	-7
Loan impairment charges/reversals	7.1	-2.2	-0.9	1.3	142
Net interest income after loan impairment charges/reversal (NII)		539.8	579.2	-39.4	-7
Fees and commissions on securities and investment transactions		209.0	188.8	20.2	11
Fees and commissions on lending operations		31.3	30.4	0.9	3
Fees and commissions on other services		82.4	75.9	6.6	9
Fee and commission expense		-23.9	-20.3	3.7	18
Net fee and commission income		298.8	274.8	24.0	9
Trading income on fixed-income instruments and equity securities		25.2	27.9	-2.7	-10
Trading income on foreign currencies, banknotes, and precious metals		162.4	155.2	7.2	5
Trading fee and commission expense		-9.2	-8.4	0.8	9
Net trading income and fair-value adjustments	7.2	178.3	174.7	3.7	2
Gains/losses on disposals of financial investments		2.9	0.5	2.5	554
Income from equity investments		27.0	20.0	7.0	35
Real-estate income		3.1	4.9	-1.8	-37
Miscellaneous ordinary income		24.9	23.8	1.1	5
Miscellaneous ordinary expenses		-0.4	-1.1	-0.7	-64
Other ordinary income		57.5	48.1	9.5	20
Total income from ordinary banking operations		1074.6	1076.8	-2.2	-0
Personnel costs	7.3	-336.3	-317.0	19.3	6
Other operating expenses	7.4	-150.2	-158.4	-8.2	-5
Operating expenses		-486.5	-475.4	11.1	2
Depreciation and amortization of fixed assets and impairment on equity investments		-77.9	-72.9	5.0	7
Other provisions and losses	7.5	-2.3	-1.1	1.2	114
Operating profit		507.8	527.4	-19.6	-4
Extraordinary income	7.6	0.6	0.5	0.1	11
Extraordinary expenses	7.7	0.0	0.0	0.0	n/a
Taxes	7.8	-70.8	-70.0	0.8	1
Profit for the year		437.6	457.9	-20.3	-4
Appropriations	8				
Profit for the year		437.6	457.9		
Profit shown on the balance sheet		437.6	457.9		
Appropriation of profit					
- Allocation to optional retained earnings		58.9	87.8		
- Allocation to regulatory retained earnings		0.0	0.0		
- Distribution from distributable profit		378.7	370.1		

3. Statement of changes in equity (in CHF millions)

	Share capital	Capital reserve	Regulatory retained earnings	Reserves for general banking risks	Optional retained earnings	Own shares	Profit/loss for the year	Total equity
Status at 1 January 2022	86	7	87	666	2 425	- 15	375	3 631
Allocation to other reserves					56		- 56	0
2021 dividend							- 318	- 318
Purchases of own shares						- 23		- 23
Disposals of own shares						24		24
Gain on disposals of own shares and dividends			- 1					- 1
Profit/loss for the year							386	386
Status at 31 December 2022	86	7	86	666	2 481	- 14	386	3 698
Allocation to other reserves					59		- 59	0
2022 dividend							- 327	- 327
Purchases of own shares						- 23		- 23
Disposals of own shares						22		22
Gain on disposals of own shares and dividends			0					0
Profit/loss for the year							458	458
Status at 31 December 2023	86	7	86	666	2 540	- 14	458	3 829
Allocation to other reserves					88		- 88	0
2023 dividend							- 370	- 370
Purchases of own shares						- 27		- 27
Disposals of own shares						28		28
Gain on disposals of own shares and dividends			0					0
Profit/loss for the year							438	438
Status at 31 December 2024	86	7	87	666	2 628	- 13	438	3 898

4. Parent company name and accounting principles

4.1 Company name, legal status, and head office

Banque Cantonale Vaudoise (BCV) was founded on 19 December 1845 by the Vaud Cantonal Parliament as a *société anonyme de droit public* (i.e., a corporation organized under public law). Its legal status is defined in the Cantonal Act Governing the Organization of Banque Cantonale Vaudoise (LBCV) of 20 June 1995, and its head office is in Lausanne.

4.2 Accounting principles for the parent company financial statements

BCV's financial statements have been prepared in accordance with the provisions of the Swiss Code of Obligations, the Swiss Federal Act on Banks and Savings Institutions and its implementing ordinance, the FINMA Accounting Ordinance (FINMA-AO), and FINMA Circular 2020/1 on accounting rules for banks. The financial statements provide a true and fair view of the Bank's financial position that would enable a third party to form an accurate opinion of the Bank's financial situation.

Under Article 36, paragraph 1, of the implementing ordinance of the Swiss Federal Act on Banks and Savings Institutions and Article 86, paragraph 1, of the FINMA-AO, the parent company is exempt from certain requirements in preparing its annual financial statements and notes. As a result, the cash flow statement and a number of tables are provided only in the consolidated financial statements.

4.3 Accounting and valuation principles

The valuation principles used to draw up the parent company financial statements are the same as those used for the consolidated financial statements, with the exception of the following items:

4.3.1 Holdings

This line item comprises shares and other equity securities held as long-term investments. They are carried at cost less any impairment.

4.3.2 Own shares

Dividend payments on own shares and gains and losses on own-share disposals are allocated directly to regulatory retained earnings, while for the consolidated financial statements they are allocated to the capital reserve.

4.4 Changes to accounting principles

No changes were made to the accounting principles in 2024.

4.5 Risk-assessment and risk-management principles

Risk-assessment and risk-management principles for the parent company are the same as those for the Group; they are detailed in note 7 to the consolidated financial statements.

4.6 Use of hedge accounting

Information on the use of hedge accounting by the parent company is the same as for the Group; it is provided in note 8 to the consolidated financial statements.

4.7 Events taking place after the closing date

No event liable to have a material influence on the parent company's financial statements took place after the closing date.

5. Notes to the balance sheet

5.1 Repurchase and reverse repurchase agreements (in CHF millions)

	31 / 12 / 24	31 / 12 / 23
Book value of claims arising from cash collateral pledged in connection with securities borrowing or reverse repurchase agreements ¹	0	0
Book value of liabilities arising from cash collateral received in connection with securities lending or repurchase agreements ¹	1 253	1 977
Book value of securities held for own account, lent or transferred as collateral in connection with securities borrowing or repurchase agreements	1 202	2 035
<i>of which those that can be sold or repledged without restriction</i>	1 202	2 035
Fair value of securities received as collateral in connection with securities lending and those received in connection with securities borrowing and under reverse repurchase agreements, which can be sold or repledged without restriction	0	0
<i>of which securities repledged as collateral</i>	0	0
<i>of which sold securities</i>	0	0

¹ Before netting agreements

5.2 Risk mitigants for loans and off-balance-sheet transactions

Impaired loans (in CHF millions)

		Type of risk mitigant			Total
		Mortgage	Other	Unsecured	
Loans and advances to customers		577	1 870	3 299	5 746
Mortgages		33 234	168	84	33 485
<i>Residential real estate</i>		27 521	2	17	27 540
<i>Office and business premises</i>		3 046		3	3 050
<i>Commercial and industrial property</i>		1 544	1	6	1 551
<i>Other</i>		1 123	164	58	1 345
Loans (before impairment charges/reversals)	31 / 12 / 24	33 810	2 038	3 382	39 231
	31 / 12 / 23	31 290	2 569	3 212	37 071
Loans (after impairment charges/reversals)	31 / 12 / 24	33 810	2 038	3 294	39 142
	31 / 12 / 23	31 290	2 569	3 124	36 984
Contingent liabilities		7	227	776	1 010
Irrevocable commitments		437	2	1 315	1 754
Commitments relating to calls on shares and other equity securities				243	243
Confirmed credits				37	37
Off-balance-sheet transactions	31 / 12 / 24	444	228	2 371	3 043
	31 / 12 / 23	197	212	2 308	2 718

		Gross receivables	Realization value of risk mitigants	Net receivables	Individual impairment charge/reversal
Impaired loans and off-balance-sheet commitments	31 / 12 / 24	119	- 38	80	71
	31 / 12 / 23	121	- 50	71	67
Change (absolute)		- 2	- 11	9	4
Change (as %)		- 2	- 23	13	6

5.3 Trading portfolio assets and liabilities and other financial assets and liabilities at fair value (in CHF millions)

Assets	31 / 12 / 24	31 / 12 / 23
Debt securities	0	0
<i>of which listed on a recognized stock exchange</i>	0	0
Equity securities	6	6
Commodities and precious metals	311	223
Trading portfolio assets	317	229
Debt securities	7	4
Structured products	0	0
Other assets held in order to hedge issued structured products	1 124	930
Other financial assets at fair value	1 131	934
Total	1 447	1 163
<i>of which determined using a valuation model</i>	0	0
<i>of which securities eligible for repurchase agreements in accordance with liquidity regulations</i>	0	0

Liabilities	31 / 12 / 24	31 / 12 / 23
Debt securities	0	0
<i>of which listed on a recognized stock exchange</i>	0	0
Equity securities	1	2
Other trading portfolio liabilities	0	0
Trading portfolio liabilities	1	2
Debt securities	0	0
Structured products	1 564	1 132
Other financial liabilities at fair value	1 564	1 132
Total	1 565	1 134
<i>of which determined using a valuation model</i>	28	10

5.4 Derivative financial instruments (in CHF millions)

	Trading instruments			Hedging instruments			
	Positive mark-to-market value	Negative mark-to-market value	Value of underlying asset	Positive mark-to-market value	Negative mark-to-market value	Value of underlying asset	
Swaps	48	48	614	178	245	10 426	
Futures			113				
Options (OTC)							
Interest-rate instruments	48	48	727	178	245	10 426	
Forward contracts and swaps	519	464	34 028				
Options (OTC)	29	25	1 721				
Foreign currencies and precious metals	548	489	35 749	0	0	0	
Futures			260				
Options (OTC)	36	40	601				
Equity securities / indices	36	40	860	0	0	0	
Total	31 / 12 / 24	632	577	37 336	178	245	10 426
<i>of which determined using a valuation model</i>		632	577		178	245	
	31 / 12 / 23	782	844	48 897	424	68	9 167
<i>of which determined using a valuation model</i>		782	844	–	424	68	–

		Positive mark-to-market value	Negative mark-to-market value	Value of underlying asset
Breakdown				
Trading instruments		632	577	37 336
Hedging instruments		178	245	10 426
Total before netting agreements	31 / 12 / 24	809	822	47 762
	31 / 12 / 23	1 206	912	58 064
Total after netting agreements	31 / 12 / 24	504	516	47 762
	31 / 12 / 23	717	424	58 064
Change	absolute	– 214	92	– 10 301
	as %	– 30	22	– 18

Breakdown by counterparty

	Central clearing houses	Banks and securities dealers	Other clients
Positive mark-to-market value (after netting agreements)	162	186	156

5.5 Financial investments (in CHF millions)

	31 / 12 / 24		31 / 12 / 23	
	Book value	Fair value	Book value	Fair value
Debt securities	5 982	6 049	5 114	4 964
<i>of which securities intended to be held until maturity</i>	5 982	6 049	5 114	4 964
<i>of which securities available for sale</i>	0	0	0	0
Equity securities	23	66	22	77
<i>of which significant holdings (minimum of 10% of capital or voting rights)</i>	3	3	3	3
Available-for-sale real estate and goods acquired in connection with lending operations	36	37	36	37
Financial investments	6 040	6 152	5 172	5 078
<i>including securities eligible for repurchase agreements in accordance with liquidity regulations</i>	5 982	–	5 114	–

Counterparty breakdown by rating

	AAA to AA–	A+ to A–	BBB+ to BBB–	BB+ to B–	Below B–	Not rated	Total
Book value of debt securities	5 722					260	5 982

The rating categories are based on Standard & Poor's ratings; they are used for the specific instruments to which the Bank has subscribed. If an instrument is not rated by Standard & Poor's, then a rating from another agency is used. Where there is no specific rating for a given instrument, the issuer's long-term rating is used, with the same order of rating agencies.

The Bank's unrated positions are in investment-grade debt securities issued by Swiss public-sector entities or by Switzerland's housing-construction bond issuer (EGW/CCL).

5.6 Other assets and liabilities (in CHF millions)

	31 / 12 / 24		31 / 12 / 23	
	Other assets	Other liabilities	Other assets	Other liabilities
Offset accounts	86	0	0	322
Indirect taxes	10	33	15	33
Coupons/coupons and securities due	0	2	1	0
Settlement accounts	4	22	2	10
Miscellaneous assets and liabilities	1	17	3	24
Other assets and liabilities	102	74	20	389

5.7 Assets pledged or assigned as collateral for own liabilities, and assets with reservation of title (in CHF millions)

	31 / 12 / 24		31 / 12 / 23	
	Amount or book value of pledge	Real liability	Amount or book value of pledge	Real liability
Cash and cash equivalents	0	0	0	0
Due from banks	336	293	176	175
Loans and advances to customers	133	119	290	278
<i>of which Covid-19 loans granted to customers</i>	129	115	213	200
Mortgages pledged or assigned to Central Mortgage-Bond Institution of Swiss Cantonal Banks	9715	7314	8555	6548
Financial investments	802	632	952	538
Total assets pledged or assigned	10985	8358	9973	7539

BCV has no assets with reservation of title.

Securities serving as collateral in connection with securities borrowing or repurchase agreements and that can be sold or repledged are shown in note 5.1.

5.8 Commitments relating to own occupational pension funds
BCV shares held by own occupational pension funds (in CHF millions)

	31 / 12 / 24	31 / 12 / 23
Customer deposits	133	153

BCV's own occupational pension funds held no BCV shares at 31 December 2024 or at 31 December 2023.

5.9 Economic situation of own occupational pension funds (in CHF millions)

There were no employer contribution reserves at end-2024 or end-2023.

Economic benefit/liability and pension expenses	Surplus / deficit ¹	Economic benefit/liability			Contributions adjusted for the period 2024	Pension expenses included in "Personnel costs"	
		31 / 12 / 24	31 / 12 / 23	Change		2024	2023
Employer-financed pension funds:							
"Fonds de prévoyance en faveur du personnel de la BCV"	59.6	0	0	0	0.0	0.0	
Pension funds with surpluses:							
"Caisse de pensions de la BCV" and "Fondation de prévoyance complémentaire en faveur de l'encadrement supérieur de la BCV"	83.7	0	0	0	35.0	35.0	32.6
Total²	143.3	0	0	0	35.0	35.0	32.6

¹The surplus or deficit of a pension fund is based on its unaudited interim accounts at 30 September 2024.

²Since the intention is not to apply the surpluses to reduce or refund the employer's contributions, or for the employer to use them for any economic purpose other than regulatory benefits, there is no identifiable economic benefit to be recognized on the balance sheet.

Pension funds

BCV Group employees are members of the “Caisse de pensions de la Banque Cantonale Vaudoise” (CP BCV). Its purpose is to insure its members against the economic consequences of retirement, disability, and death by guaranteeing benefits in accordance with the terms of the pension-fund regulations. It is a provider of the compulsory insurance introduced under the Federal Act on Occupational Retirement, Survivors’ and Disability Pension Plans (LPP) and provides coverage in excess of the minimum LPP requirements.

Senior executives insured with the CP BCV are also members of the “Fondation de prévoyance complémentaire de la Banque Cantonale Vaudoise,” the purpose of which is to insure its members against the economic consequences of retirement, disability, and death by guaranteeing benefits in accordance with the terms of the pension-fund regulations.

The “Fonds de prévoyance en faveur du personnel de la BCV” is an employer-operated fund. Its purpose is to assist BCV employees, where necessary, in dealing with the economic consequences of old age, disability, illness, or early retirement.

5.10 Issued structured products (in CHF millions)

Underlying risk of embedded derivative	Carrying value				Total	
	Single treatment		Separate treatment			
	Recognized in trading portfolio liabilities	Recognized in other financial liabilities at fair value	Value of the host instrument	Value of the derivative		
Interest-rate instruments	–	0			0	
Equity securities	–	1 506	785	– 23	2 268	
Foreign currencies	–	57			57	
Commodities and precious metals	–	0			0	
Total	31 / 12 / 24	–	1 564	785	– 23	2 325
	31 / 12 / 23	–	1 132	640	– 28	1 744

All structured products issued by the Bank have a debenture component.

Single accounting treatment

Structured products issued by the Bank and carried at fair value are booked under “Other financial liabilities at fair value,” with reference to a quoted market price or a valuation model. Subsequent revaluations are recognized under “Net trading income and fair-value adjustments.”

Separate accounting treatment

Structured products whose host instrument and embedded derivatives are treated separately are recognized as follows: the host instrument is recorded under “Bonds” at nominal value as a debt issued by the Bank, and the embedded derivatives are carried as either positive or negative mark-to-market values. Any subsequent changes in fair value are recognized under “Net trading income and fair-value adjustments.”

Interest accrued in the interest-rate component is recorded under “Interest expense” using the accrual method.

5.11 Provisions

Reserves for general banking risks (in CHF millions)

	Status at year-end	Used as allocated	Changes in scope of consolidation	Currency translation differences	Recoveries, overdue interest	New provisions charged to income statement	Releases credited to income statement	Status at year-end
	2023							2024
Provisions for credit risk	18	- 10			0	6	- 4	9
<i>of which provisions under Art. 28.1 FINMA-AO</i>	10	- 10			0	2	- 1	1
<i>of which provisions for inherent credit risk</i>	8				0	4	- 3	8
Provisions for other operating risks	1	- 0			0	0	- 0	1
Other provisions	1	- 0				0	- 1	0
Total provisions	19	- 10	0	0	0	6	- 5	10
Reserves for general banking risks¹	666							666
Provisions for credit risk and country risk	90	- 8			6	34	- 32	91
<i>of which provisions for impaired loans</i>	57	- 8			6	26	- 11	71
<i>of which provisions for inherent credit risk</i>	33				0	8	- 21	20

¹ Reserves for general banking risks are taxable.

5.12 Share capital (in CHF millions)

Share capital	Par value	2024		2023	
		Number of shares (in units)	Total par value	Number of shares (in units)	Total par value
Registered share, fully paid-in	CHF 1.00			CHF 1.00	
Status at 1 January		86 061 900	86	86 061 900	86
No movement		0	0	0	0
Status at 31 December		86 061 900	86	86 061 900	86
<i>of which share capital qualifying for dividends</i>			86		86

Participation certificate capital

BCV does not have any participation certificate capital.

Conditional capital

BCV does not have any conditional capital.

Authorized capital

BCV does not have any authorized capital.

5.13 Stock options and shares granted to members of the Board of Directors, Executive Board members, and other employees Employee share-ownership plans

	2024		2023	
	Shares (in units)	Value (in CHF)	Shares (in units)	Value (in CHF)
Members of the Board of Directors	0	0	0	0
Executive Board members	30 421	2 310 574	29 995	2 267 233
Other employees	253 296	12 769 517	248 645	12 307 352
Total	283 717	15 080 091	278 640	14 574 585

No stock options have been granted to members of the Board of Directors, Executive Board members, or other employees.

Employee share ownership

Annual performance-based compensation

For Executive Board members and department heads, 30% of their annual performance-based compensation must be taken in BCV shares with a lock-up period of five to ten years.

Other employees receiving annual performance-based compensation of CHF 21,000 or more may opt for full payment in cash, or 70% in cash and 30% in BCV shares with a lock-up period of three years. In the latter case, BCV increases the portion of shares by 30%.

Executive Board members are allocated shares subject to approval at the Shareholders' Meeting. The number of shares allocated will be calculated based on the closing market price on 19 May 2025, rounded up to the nearest whole number.

Other employees will receive their shares at the end of April 2025. The number of shares allocated will be calculated based on the closing market price on 14 March 2025, rounded up to the nearest whole number. These employees have until 27 March 2025 to decide on the proportion they wish to receive in the form of shares. As their decision was not known at the time this report was published, the number of shares taken into account in the above table corresponds to the maximum possible number of shares.

The market prices used to calculate the number of shares will be those on 14 March 2025 and 19 May 2025, so they were not known at the time of writing. As a result, the maximum possible number of shares was calculated based on the closing market price on 13 March 2025, the date of the Board of Directors' final decision on this compensation.

Share-ownership plan

The Executive Board and other BCV employees were given the opportunity to subscribe to the share-ownership plan in April 2024 on the following terms:

- The number of shares that may be purchased is determined by the level of responsibility inherent in the employee's position.
- The subscription period ran from 14 to 27 March 2024.
- The subscription price was set at CHF 84.00 per share, and the market price used was CHF 104.50 (closing price on 13 March 2024, the day before the subscription period started).

The amounts (number of shares and value) shown in the table above correspond to the number of shares subscribed multiplied by CHF 20.50, which is the difference between the market price of CHF 104.50 and the subscription price of CHF 84.00.

Long-term performance-based compensation

At the beginning of each three-year share-ownership plan, participants are informed of the number of shares that will be allocated if all objectives are met in full. At the end of each plan, the Bank informs participants of the extent to which objectives have been met based on the Bank's financial results and strategic and qualitative performance. The number of shares initially allocated is multiplied by the level of attainment of the objectives in order to determine the number of shares allocated to each participant.

The amounts taken into account in the table on the previous page correspond to the expense recorded in 2024 for the various plans in progress.

Free shares

The Bank awards 20 BCV shares to apprentices, high school graduate trainees, and university interns who join the Bank after their training.

The number allocated and their value, based on the market price on the last business day of the month before the shares are awarded, are also shown in the table.

5.14 Receivables and commitments with respect to related parties (in CHF millions)

	31 / 12 / 24		31 / 12 / 23	
	Receivable	Commitment	Receivable	Commitment
Qualified shareholder	0	2 239	0	2 494
Group companies	249	67	238	63
Affiliated companies	225	492	286	371
Governing bodies	29	9	26	9

Individuals and companies that hold at least 10% of voting rights are considered qualified shareholders.

Corporations organized under public law in Vaud Canton and public-private entities in which Vaud Canton has a qualified holding are considered affiliated companies.

Transactions with members of the Board of Directors were conducted on market terms. Receivables and commitments with respect to Executive Board members were granted on the standard terms for BCV employees. Transactions with related parties were conducted on market terms.

5.15 Significant shareholder (in CHF millions)

	31 / 12 / 24			31 / 12 / 23		
	Number of shares (in units)	Total par value	Stake	Number of shares (in units)	Total par value	Stake
Voting rights						
Vaud Canton, direct interest	57 622 520	57.6	66.95%	57 622 520	57.6	66.95%

Shareholders with more than 5% of voting rights are considered significant shareholders.

5.16 Own shares and breakdown of share capital

Number of shares (in units)

	Average transaction price	Total	Own shares
Status at 31 December 2023		86 061 900	173 310
<i>of which shares reserved for long-term performance-based compensation</i>			110 023
Purchases	104		271 151
Sales	100		– 292 321
Status at 31 December 2024		86 061 900	152 140
<i>of which shares reserved for long-term performance-based compensation</i>			115 709

The breakdown of share capital is provided in note 5.12.

Own shares were traded at market prices. The proceeds of the sale of own shares were allocated directly to the capital reserve.

Non-distributable reserves

If the combined total of regulatory retained earnings and the regulatory capital reserve does not exceed half the amount of the Bank's share capital (i.e., CHF 43m), these line items can be used only to cover losses. There are no regulatory restrictions on how optional reserves can be used.

The Bank must set part of its reserves aside in order to meet regulatory capital requirements.

5.17 Compensation and loans granted to the Board of Directors and Executive Board

5.17.1 Compensation and loans granted to members of the Board of Directors and the Executive Board

Compensation breakdown (see pages 190–191)

Members of the Board of Directors

For 2024, the members of the Board of Directors in office in 2024 were accorded total compensation of CHF 1,400,000. Benefit expense resulting from compensation to the Board of Directors totaled CHF 141,933 (social security, unemployment insurance, accident insurance, and family allowances). The Bank does not make any occupational-pension contributions on behalf of the members of the Board. By law and in accordance with pension-fund regulations, members of the Board of Directors who are not receiving retirement benefits must join the "Caisse de pensions de la Banque Cantonale Vaudoise" and pay all of their occupational-pension contributions themselves.

Compensation comprises fees, remuneration, and expenses.

The Vice Chair receives additional fixed compensation of CHF 20,000. For the members of the Board committees – the Audit and Risk Committee and the Compensation, Promotions and Appointments Committee – annual compensation was set as follows: CHF 40,000 for the chair and CHF 20,000 for the other members of the Audit and Risk Committee; and CHF 20,000 for the chair and CHF 10,000 for the other members of the Compensation, Promotions and Appointments Committee.

The average compensation of Board members, excluding the Chair, amounted to CHF 128,333.

Since 1 November 2002, serving members of the Board of Directors have not been granted any preferential terms for banking services.

Members of the Executive Board

For 2024, the eight members of the Executive Board in office in 2024 were accorded total compensation of CHF 8,338,201. This includes annual performance-based compensation for an aggregate amount of CHF 4,060,000.

This compensation will be submitted to shareholders for approval at the Shareholders' Meeting on 8 May 2025. If approved, this amount will be paid in May 2025 in two parts: CHF 2,842,000 in cash and the remaining CHF 1,218,000 in the form of shares locked up for between five and ten years. Benefit expense resulting from compensation to the Executive Board totaled CHF 1,267,242 for occupational pensions and CHF 811,490 for other benefits (social security, unemployment insurance, accident insurance, income replacement, and family allowances), subject to approval of the proposed annual performance-based compensation at the Shareholders' Meeting.

Allocation of shares during 2024

Members of the Board of Directors

Since 2018, the members of the Board of Directors receive their compensation entirely in cash.

Members of the Executive Board

For 2024, Executive Board members in office at 31 December 2024 will receive a number of locked-up BCV shares equivalent to 30% of their annual performance-based compensation. The number of locked-up shares will be determined in accordance with the closing share price on 19 May 2025. They also subscribed to 6,000 locked-up shares under the employee share-ownership program.

Other fees and compensation

Members of the Board of Directors and Executive Board received no fees or other compensation from BCV that are not included in the above compensation. Moreover, all fees and other amounts received by Executive Board members representing BCV on the boards of directors of other companies are remitted to the Bank. In 2024, such payments to the Bank amounted to CHF 242,559.

Loans to members of the Board of Directors and Executive Board

Serving members of the Board of Directors are not accorded preferential terms on loans granted to them. For members of the Executive Board, as well as for all employees, the interest on variable-rate first mortgages was 2.10% at 31 December 2024. In 2024, the interest charged on short-term mortgage loans and on medium- and long-term fixed-rate loans was between 0.25 and 0.55 percentage points above market rates, depending on the term of the loan.

Share ownership

Members of the Board of Directors

Under a resolution adopted by the Board of Directors on 7 October 2002, each director is required to own a minimum of 1,000 BCV shares, which must be acquired before the end of their first term. At 31 December 2024, directors and their close relations¹ held a total of 43,062 BCV shares.

Members of the Executive Board

At 31 December 2024, Executive Board members and their close relations¹ held 158,685 BCV shares.

¹ For members of a BCV governing body, "close relations" refers to partners (a married or unmarried couple, or a married but separated couple), any other individual living under the same roof, and any legal entities that a member controls, is a beneficial owner of, or on whose management board the member serves.

Compensation of members of the Board of Directors for the 2024 financial year (in CHF)

		Fees	Committee-related compensation	Other	Total	Other benefits ¹
Eftychia Fischer	Chair	600 000	0	30 000	630 000	44 390
Jean-François Schwarz	Vice Chair	115 000	20 000	10 000	145 000	16 746
Jack G. N. Clemons	Member	95 000	20 000	10 000	125 000	15 698
Ingrid Deltenre	Member	95 000	15 108	10 000	120 108	14 344
Fabienne Freymond Cantone	Member	95 000	10 000	10 000	115 000	15 042
Stefan Fuchs	Member	95 000	40 000	10 000	145 000	22 524
Pierre-Alain Urech	Member	95 000	14 892	10 000	119 892	13 189
Total		1 190 000	120 000	90 000	1 400 000	141 933
Average compensation	Excluding Chair	98 333	20 000	10 000	128 333	16 257

¹ Social security, unemployment insurance, accident insurance, and family allowances. The Bank does not make any occupational-pension contributions on behalf of the members of the Board. By law and in accordance with pension-fund regulations, members of the Board of Directors who do not receive retirement benefits must join the “Caisse de pensions de la Banque Cantonale Vaudoise” and pay all of their occupational-pension contributions themselves.

Compensation of members of the Board of Directors for the 2023 financial year (in CHF)

		Fees	Committee-related compensation	Other	Total	Other benefits ¹
Eftychia Fischer	Chair	600 000	0	30 000	630 000	44 390
Jean-François Schwarz	Vice Chair	115 000	20 000	10 000	145 000	16 746
Jack G. N. Clemons	Member	95 000	20 000	10 000	125 000	15 698
Ingrid Deltenre	Member	95 000	20 000	10 000	125 000	16 710
Fabienne Freymond Cantone	Member	95 000	10 000	10 000	115 000	15 042
Stefan Fuchs	Member from 1 July 2023	47 500	20 000	5 000	72 500	11 262
Peter Ochsner	Member until 30 June 2023	47 500	20 000	5 000	72 500	8 373
Pierre-Alain Urech	Member	95 000	10 000	10 000	115 000	12 496
Total		1 190 000	120 000	90 000	1 400 000	140 717
Average compensation	Excluding Chair	98 333	20 000	10 000	128 333	16 055

¹ Social security, unemployment insurance, accident insurance, and family allowances. The Bank does not make any occupational-pension contributions on behalf of the members of the Board. By law and in accordance with pension-fund regulations, members of the Board of Directors who do not receive retirement benefits must join the “Caisse de pensions de la Banque Cantonale Vaudoise” and pay all of their occupational-pension contributions themselves.

Compensation of members of the Executive Board for the 2024 financial year (in CHF)

	Total		Pascal Kiener CEO	
	Shares (in units)		Shares (in units)	
Fixed salary		4 660 068		960 000
Annual performance-based compensation paid in cash ¹		2 842 000		490 000
Annual performance-based compensation paid in shares ^{1,2}		790 891		117 262
Shares acquired under employee share-ownership program ³	6 000	22 442	1 000	3 740
Stock options (BCV has no employee stock-option plan)	0		0	
Other		22 800		6 000
Total		8 338 201		1 577 002
<i>Previous year</i>		<i>8 675 397</i>		<i>1 635 886</i>
2022–2024 long-term performance-based compensation plan				
Shares allocated at CHF 95.00 per share ⁴	14 189	1 347 955	2 027	192 565
<i>Previous year</i>	<i>11 046</i>	<i>1 168 667</i>	<i>1 578</i>	<i>166 952</i>
Total		9 686 156		1 769 567
<i>Previous year</i>		<i>9 844 064</i>		<i>1 802 838</i>
Occupational pension		1 267 242		151 326
Other benefits ⁵		811 490		147 183
<i>Previous year</i>				
<i>Occupational pension</i>		<i>1 286 297</i>		<i>150 381</i>
<i>Other benefits⁵</i>		<i>832 930</i>		<i>150 337</i>

¹ Subject to approval at the 2025 Annual Shareholders' Meeting

² The number of shares will be calculated based on the market price on 19 May 2025, and rounded up to the nearest unit. The value of the shares (in Swiss francs) is discounted according to the duration of the share lock-up period.

³ Difference between the subscription price (CHF 84,00) and the market price on 13 March 2024 (CHF104,50) at its discounted value

⁴ Market price on 13 March 2025

⁵ Social security, unemployment insurance, accident insurance, income replacement and family allowances

Loans to members of governing bodies (in CHF)

31 / 12 / 24

	Position	Nominal	Secured	Unsecured	Drawn down
Board of Directors					
Eftychia Fischer	Chair	2 100 000	2 100 000		2 100 000
Jean-François Schwarz	Vice Chair	11 050 000	11 050 000		10 700 000
Jack G. N. Clemons	Member	365 000	365 000		365 000
Ingrid Deltenre	Member	0			
Fabienne Freymond Cantone	Member	0			
Stefan Fuchs	Member	0			
Pierre-Alain Urech	Member	0			
Total		13 515 000	13 515 000	0	13 165 000
Previous year		13 515 000	13 515 000	0	13 165 000
Executive Board					
Total		20 895 000	20 535 000	360 000	16 635 000
Previous year		15 203 000	15 203 000		13 609 000
Thomas W. Paulsen ¹	Member	5 754 000	5 754 000	0	5 104 000

¹ Largest individual loan granted to an Executive Board member

No loans were granted to close relations (i.e., persons living under the same roof) of the members of the Board of Directors and Executive Board on terms not in keeping with market practice.

For members of a BCV governing body, “close relations” refers to partners (a married or unmarried couple, or a married but separated couple), any other individual living under the same roof, and any legal entities that a member controls, is a beneficial owner of, or on whose management board the member serves.

Loans to companies with links to members of governing bodies (in CHF)

No loans were granted to companies with links to members of governing bodies.

Share and option ownership

		31 / 12 / 24	31 / 12 / 23
		Shares (in units)	Shares (in units)
Board of Directors			
Eftychia Fischer	Chair	1 110	1 060
Jean-François Schwarz	Vice Chair	36 910	36 910
Jack G. N. Clemons	Member	1 000	1 000
Ingrid Deltenre	Member	1 740	1 740
Fabienne Freymond Cantone	Member	1 002	1 002
Stefan Fuchs	Member	1 000	1 000
Pierre-Alain Urech	Member	300	300
Total		43 062	43 012
Executive Board			
Pascal Kiener	CEO	32 016	27 006
Andreas Diemant	Corporate Banking	12 528	9 434
Christian Meixenberger	Business Support	18 066	17 003
Thomas W. Paulsen	CFO	11 298	9 245
Bertrand Sager	Credit Management	46 916	42 790
José François Sierdo	Retail Banking	15 881	11 660
Christian Steinmann	Private Banking	2 249	449
Fabrice Welsch	Asset Management & Trading	19 731	15 605
Total		158 685	133 192

Members of the Board of Directors and Executive Board held no options at 31 December 2024.

5.17.2 Compensation and loans granted to former members of the Board of Directors and Executive Board

Compensation of former members of the Board of Directors and Executive Board for the 2024 financial year

No compensation was paid directly or indirectly to former members of the Board of Directors or Executive Board, or to their close relations, for the 2024 financial year.

For former members of the Board of Directors or Executive Board, “close relations” refers to partners (a married or unmarried couple, or a married but separated couple), any other individual living under the same roof, and any legal entities that a former member controls, is a beneficial owner of, or on whose management board the former member serves.

Loans granted to former members of the Board of Directors and Executive Board

Since 1 November 2002, serving members of the Board of Directors have not been granted any preferential terms for banking services, while former members who held office prior to this date continue to receive preferential terms that are in line with market practice for the banking industry.

Retired Executive Board members continue to receive preferential terms that are in line with market practice for the banking industry.

Jean-François Schwarz, a retired Executive Board member who receives a pension from the “Caisse de pensions de la Banque Cantonale Vaudoise,” joined the Board of Directors on 1 January 2019 and will continue to receive preferential terms, in line with market practice for the banking industry, on his fixed-term mortgage loans until they mature. He will receive no other preferential terms during his time in office, like the other members of the Board of Directors.

5.18 Breakdown of foreign assets by solvency of the country group in which the risk is domiciled (in CHF millions)

Internal country rating	Standard & Poor's rating	31 / 12 / 24		31 / 12 / 23	
		Absolute value	as % of total	Absolute value	as % of total
1&2	AAA to AA-	2 906	88	2 593	88
3	A+ to A-	86	3	87	3
4	BBB+ to BBB-	61	2	27	1
5	BB+ to BB-	59	2	33	1
6	B+ to B-	137	4	172	6
7	CCC+ to C	24	1	18	1
Not rated	Not rated	30	1	12	0
Foreign exposure		3 302	100	2 943	100

6. Notes to off-balance-sheet transactions

6.1 Fiduciary transactions (in CHF millions)

	31 / 12 / 24	31 / 12 / 23	Absolute Change	Change as %
Fiduciary investments with third parties	426	504	- 78	- 15

6.2 Assets under management

As BCV is not required to disclose these figures, they are provided voluntarily and only on a consolidated basis (see note 11.4 to the consolidated financial statements).

7. Notes to the income statement

7.1 Net interest income before loan impairment charges/reversals

Funding of trading positions and negative interest (in CHF millions)

	2024	2023	Absolute change	Change as %
Banks and reverse repurchase agreements	166.4	189.4	- 23.0	- 12
Customers	672.9	604.3	68.6	11
Interest and dividends on financial investments	50.4	36.5	13.9	38
Other interest income	109.6	122.9	- 13.3	- 11
Total interest income	999.4	953.0	46.4	5
Banks and repurchase agreements	135.1	110.1	25.0	23
Customers	225.5	179.7	45.8	26
Medium-term notes and bonds	96.8	83.2	13.6	16
Other interest expense	0.0	0.0	0.0	n/a
Total interest expense	457.4	372.9	84.4	23
Net interest income before loan impairment charges/reversals	542.0	580.1	- 38.1	- 7

Net interest income before loan impairment charges/reversals was not affected by negative interest in 2024 or 2023.

The cost of funding trading positions, credited to other interest income, was not material for 2024 or for 2023.

7.2 Net trading income and fair-value adjustments (in CHF millions)

	2024	2023	Absolute change	Change as %
Breakdown by business sector				
Retail Banking	18.8	18.2	0.6	3
Corporate Banking	10.7	10.6	0.1	1
Wealth Management	10.5	9.5	1.0	11
Trading	51.2	55.8	-4.5	-8
Corporate Center	87.1	80.6	6.5	8
Total	178.3	174.7	3.7	2
Trading income and fair-value adjustments				
Trading income on fixed-income instruments and equity securities	25.2	27.9	-2.7	-10
Trading income on foreign currencies, banknotes, and precious metals	162.4	155.2	7.2	5
Total trading income and fair-value adjustments	187.6	183.1	4.4	2
<i>of which fair-value adjustments</i>	22.0	25.8	-3.8	-15
<i>of which fair-value adjustments on assets</i>	163.3	172.5	-9.1	-5
<i>of which fair-value adjustments on liabilities</i>	-141.3	-146.7	-5.3	-4
Trading fee and commission expense	-9.2	-8.4	0.8	9
Net trading income and fair-value adjustments	178.3	174.7	3.7	2

7.3 Personnel costs (in CHF millions)

	2024	2023	Absolute change	Change as %
Fixed and variable compensation	256.8	245.2	11.5	5
<i>of which charges related to share-based compensation and other variable compensation (including the portion paid in cash)</i>	38.9	41.5	-2.6	-6
Employee benefits	28.6	25.1	3.5	14
Contributions to staff pension funds	35.0	32.6	2.4	7
Other personnel expenses	16.0	14.0	2.0	14
Total	336.3	317.0	19.3	6

In compliance with the Swiss Federal Gender Equality Act, we had a pay analysis of all employees carried out in 2021. The results showed that BCV's compensation meets Swiss legal requirements on gender-equal pay. We are also certified Fair-ON-Pay in recognition of our equal pay practices over the long term. This certification, which goes beyond Swiss legal requirements, is valid for four years and included an interim audit in 2023.

7.4 Other operating expenses (in CHF millions)

	2024	2023	Absolute change	Change as %
Premises	23.4	23.7	-0.3	-1
IT	57.8	69.4	-11.6	-17
Machinery, furniture, vehicles, etc.	2.9	3.8	-0.9	-24
Office supplies	0.9	0.9	-0.0	-2
Telecommunications and shipping	5.5	5.4	0.1	2
Marketing and communications, gifts, and subscriptions	17.0	15.8	1.2	8
Financial information	14.1	13.3	0.8	6
Auditor fees	1.5	1.5	0.0	1
<i>of which for financial and prudential audits</i>	1.4	1.3	0.1	6
<i>of which for other services</i>	0.1	0.2	-0.1	-37
Other professional fees	6.8	4.8	2.0	42
Payment transactions	14.6	13.7	1.0	7
Issuing fees	1.6	1.6	0.0	2
Miscellaneous operating expenses	4.1	4.6	-0.5	-11
Total	150.2	158.4	-8.2	-5

7.5 Other provisions and losses (in CHF millions)

	2024	2023	Absolute change	Change as %
Provisions for credit risk	1.2	-0.4	1.6	418
Miscellaneous provisions	-0.4	0.6	-1.0	-173
Miscellaneous losses	1.6	0.9	0.7	76
Total	2.3	1.1	1.2	114

7.6 Extraordinary income (in CHF millions)

	2024	2023	Absolute change	Change as %
Disposals of tangible fixed assets	0.0	0.2	-0.2	-100
Other extraordinary income	0.6	0.3	0.2	79
Total	0.6	0.5	0.1	11

7.7 Extraordinary expenses (in CHF millions)

	2024	2023	Absolute change	Change as %
Miscellaneous extraordinary expenses	0.0	0.0	0.0	n/a
Total	0.0	0.0	0.0	n/a

7.8 Taxes (in CHF millions)

	2024	2023	Absolute change	Change as %
Direct federal tax	34.5	36.6	-2.1	-6
Cantonal and municipal taxes	31.3	33.4	-2.0	-6
Swiss supplementary tax ¹	5.0	0.0	5.0	n/a
Total	70.8	70.0	0.8	1
Weighted average tax rate, based on operating profit	14%	13%		

¹ BCV Group became subject to the Swiss supplementary tax on 1 January 2024, following the adoption of the Swiss minimum taxation ordinance.

8. Proposal by the Board of Directors

At the Annual Shareholders' Meeting to be held on 8 May 2025, the Board of Directors will recommend the following appropriation of profit and distributions:

The proposed allocation of available earnings of CHF 437.6m is as follows:

	Dividend in CHF per registered share	Number of shares (in units)	Appropriation (in CHF millions)
Payment of an ordinary dividend	4.40	86 061 900	378.7
Allocation to regulatory retained earnings			0.0
Allocation to optional retained earnings			58.9
			437.6

If this proposal is adopted, the dividend will be payable, after deduction of Swiss withholding tax, at the Bank's head office and branches beginning on 14 May 2025.



Report of the statutory auditor

to the General Meeting of Banque Cantonale Vaudoise, Lausanne

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Banque Cantonale Vaudoise ('the Company'), which comprise the balance sheet as at 31 December 2024, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 174 to 197) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach



Overview

Overall materiality: CHF 24'000'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Identification and valuation of the value adjustments related to amounts due from customers and mortgage loans which are impaired or presenting increased risks.

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

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Overall materiality	CHF 24'000'000
Benchmark applied	Operating result (profit before tax and changes in reserves for general banking risks and extraordinary elements)
Rationale for the materiality benchmark applied	We chose this benchmark because it is a generally accepted reference to measure the results of a bank.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgments were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Identification and valuation of the value adjustments related to amounts due from customers and mortgage loans which are impaired or presenting increased risks.

Key audit matter	How our audit addressed the key audit matter
<p>Mortgages and loans are one of the Banque Cantonale Vaudoise's ('the Bank') main activities and represent approximately two thirds of its balance sheet as at 31 December 2024. The valuation of a counterparty's default risk relies largely on the use of rating methods developed by the Bank. The valuation of the loans which are impaired or presenting increased risks relies on an analysis method that takes into account various elements such as market factors, the client's estimated willingness to repay and financial capacity or the estimation of the collateral's value. The analysis method used considers hypotheses and parameters over which the Bank benefits from a margin of appreciation. Exposures that create greater uncertainty are typically those that result from unsecured loans or those that are subject to a collateral's loss of value.</p> <p>For further information on methods regarding identification and valuation of the value adjustments related to amounts due from customers and mortgage loans which are impaired or presenting increased risks and value adjustments for non-impaired loans, refer to the following notes to the consolidated and parent company financial statements of Banque Cantonale Vaudoise as at 31 December 2024:</p> <ul style="list-style-type: none"> - Note 7.2 «Risk credit» (p. 131 to 133 of the Annual report) 	<p>Our procedures consisted in particular in assessing and testing the key controls related to the granting, recording and monitoring of mortgages and loans as well as the methodology used for the identification of default risk and the valuation of the loan impairment charges. For non-impaired exposures, we have verified and tested the following controls:</p> <ul style="list-style-type: none"> - controls to assess the risk of default as part of the counterparty rating process; - annual review by the Risk Management department of the credit risk model used as part of the IRB approach. <p>For exposures considered impaired, we tested and verified the following controls:</p> <ul style="list-style-type: none"> - controls relating to the identification of signs of failure in order to determine the scope of overdue and/or impaired exposures; - controls relating to the relevance and approval of the hypotheses and parameters of the internal model used to determine value adjustments; - controls relating to the determination of the amount of value adjustments for default risk. <p>We have concluded that we can rely on the key controls verified. In addition, on the basis of sample tests, we verified that:</p>



Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> - Note 5.2 «Risk mitigants for loans and off-balance-sheet transactions, impaired loans» (p. 179 of the Annual report) 	<ul style="list-style-type: none"> - the selected credit files were assigned to the corresponding rating class; - automatically generated alert reports are reliable; - the retained value of the collateral (market or liquidation value) has been established, respectively updated, in accordance with market practices; - the amount of value adjustments was determined in accordance with accounting principles; - the amount of value adjustments for non-impaired receivables which are not identified as increased risks was determined using the IRB approach implemented by the Bank. <p>The methods applied to determine the need for value adjustments for both impaired and non-impaired receivables are appropriate.</p>

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.




Report on other legal and regulatory requirements

In accordance with art. 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to art. 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA



Beresford Caloia
Licensed audit expert
Auditor in charge

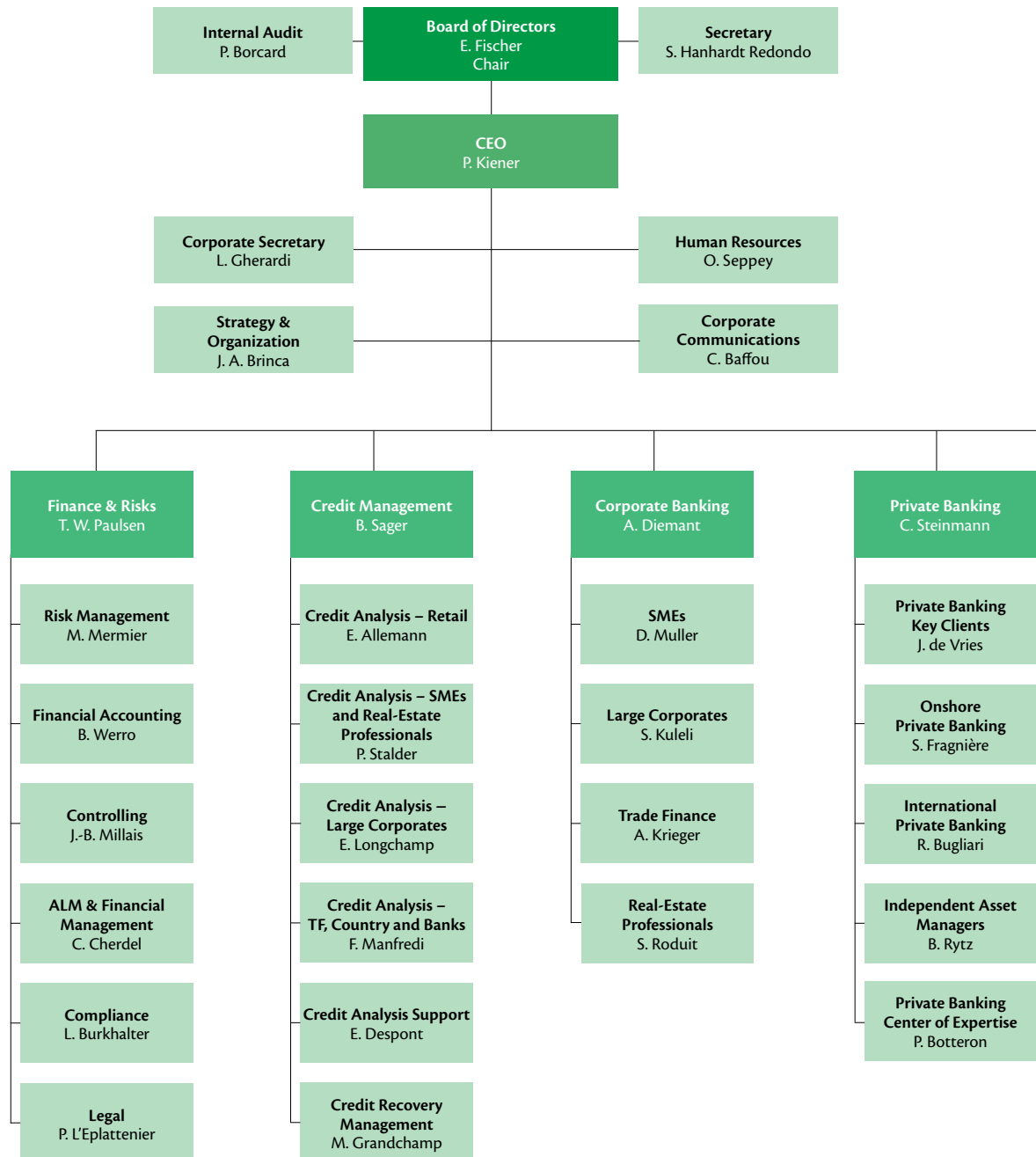


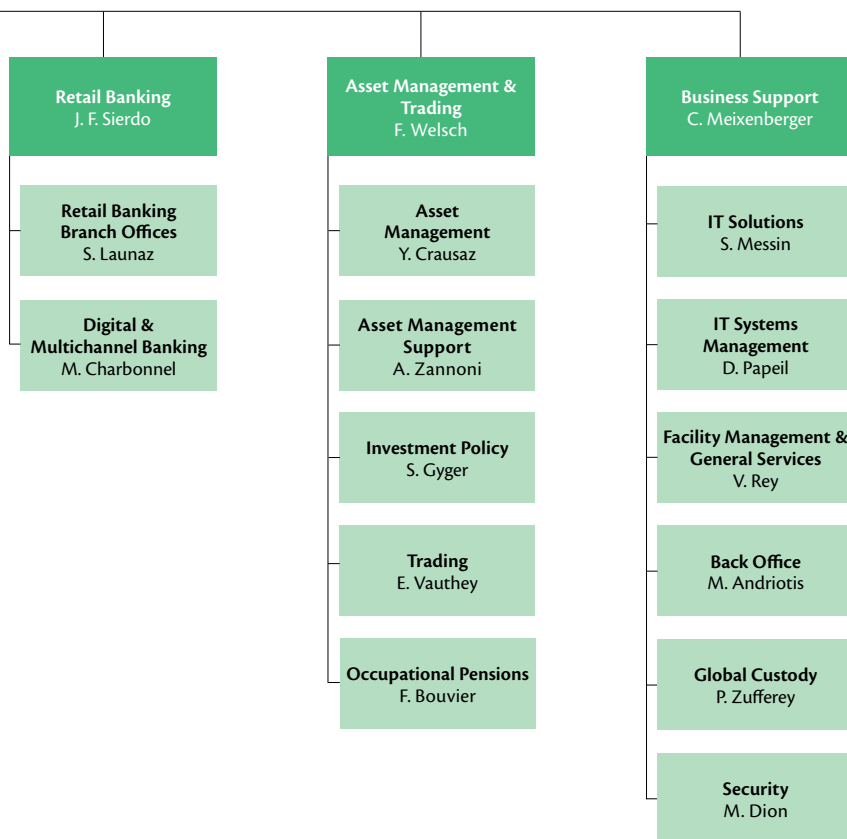
Marie-Eve Fortier
Licensed audit expert

Pully, 4 April 2025

Organization Chart

As at 1 March 2025





Retail Network

As at 1 March 2025



Regional Managers

As at 1 March 2025

Broye region

Retail banking
Private banking
SME

Cristina Martinez
Hubert Joye
Alexandre Berthoud, ad int.

Morges region

Retail banking
Private banking
SME

Cédric Weissert
Victor Ovelha
Patrick Blanc

Chablais region

Retail banking
Private banking
SME

Dario Bucci
Kevin Raymond
David Hunacek

Nord Vaudois region

Retail banking
Private banking
SME

Pascal Udry
Sandrine Duvoisin
Alexandre Berthoud

Gros-de-Vaud region

Retail banking
Private banking
SME

Aleksandar Radic
Christophe Millius
Stéphane Binggeli

Nyon region

Retail banking
Private banking
SME

Christophe Chérix
Valérie Grivel
Jean-Marc Pichon

Lausanne region

Retail banking
Private banking
SME

Jean-Daniel Dreifuss
Christophe Millius
Henri-Pierre Monney

Riviera region

Retail banking
Private banking
SME

Elena Lederrey
Vincent Mottier
Rachel Perroud

Lavaux region

Retail banking
Private banking
SME

David Platel
Cédric Molleyres
Cédric Ottet

Branch Offices

As at 1 March 2025

Broye region

Avenches

Route de Lausanne 9
Case postale
1580 Avenches

Lucens

Avenue de la Gare 4 A
Case postale
1522 Lucens

Payerne

Rue du Temple 9
Case postale
1530 Payerne

Chablais region

Aigle

Rue du Collège 2
Case postale
1860 Aigle

Bex

Rue Centrale 5
Case postale
1880 Bex

Château-d'Œx

Grand-Rue 82
Case postale
1660 Château-d'Œx

Les Diablerets

Les Ormonts 7
Case postale
1865 Les Diablerets

Leysin

Place du Marché
Case postale
1854 Leysin

Villars

Avenue Centrale 119
Case postale
1884 Villars

Villeneuve

Grand-Rue 1
Case postale
1844 Villeneuve

Gros-de-Vaud region

Cheseaux-sur-Lausanne

Rue du Pâquis 1
Case postale
1033 Cheseaux-sur-Lausanne

Echallens

Place de la Gare 7
Case postale
1040 Echallens

Moudon

Rue du Temple 10
Case postale
1510 Moudon

Penthalaz

Place Centrale 3
Case postale
1305 Penthalaz

Lausanne region

Bellevaux

Route Aloys-Fauquez 116
1018 Lausanne

Bergières

Avenue Bergières 42
Case postale
1000 Lausanne 22

Bussigny

Rue St-Germain 2 A
Case postale
1030 Bussigny

Chauderon

Place Chauderon 8
Case postale
1001 Lausanne

CHUV

Rue du Bugnon 46
Case postale
1011 Lausanne

Crissier

Centre MMM
Case postale
1023 Crissier

Écublens

Chemin du Croset 3
Case postale
1024 Écublens

Épalinges

Place de la Croix-Blanche 17
Case postale
1066 Épalinges

Lausanne – Gare

Place de la Gare 10
Case postale
1001 Lausanne

Ouchy

Avenue d'Ouchy 76
1006 Lausanne

Prilly

Route de Cossonay 21
Case postale
1008 Prilly

Renens

Rue du Midi 15
Case postale
1020 Renens

UNIL

Internef – Dorigny
Case postale
1015 Lausanne

Lausanne – St-François

Place St-François 14
Case postale
1001 Lausanne

Lavaux region

Chailly

Avenue de Chailly 10
Case postale
1000 Lausanne 12

Cully

Place de l'Hôtel de Ville 7
Case postale
1096 Cully

Lutry

Route de Lavaux 166
Case postale
1095 Lutry

Mézières

Rue du Théâtre 2
Case postale
1083 Mézières

Oron-la-Ville

Le Bourg 16
Case postale
1610 Oron-la-Ville

Pully

Rue de la Poste 8
Case postale
1009 Pully

Savigny

Place du Forum 2
Case postale
1073 Savigny

Morges region

Aubonne

Chemin du Mont-Blanc 2
Case postale
1170 Aubonne

Cossonay

Rue des Etangs 5
Case postale
1304 Cossonay-Ville

Denges

Route de Genève 107 B
Case postale
1026 Denges

Morges Hôtel-de-Ville

Place de l'Hôtel-de-Ville 2
Case postale
1110 Morges 1

St-Prex

Route de Rolle 2
Case postale
1162 St-Prex

Nord Vaudois region

Chavornay

Route d'Yverdon 2
Case postale
1373 Chavornay

Grandson

Place du Château 8
Case postale
1422 Grandson

Le Sentier

Grand-Rue 36
Case postale
1347 Le Sentier

Orbe

Place du Marché 9
Case postale
1350 Orbe

Ste-Croix

Rue Neuve 2
Case postale
1450 Ste-Croix

Vallorbe

Rue de l'Horloge 1
Case postale
1337 Vallorbe

Yverdon-les-Bains

Rue des Remparts 17
Case postale
1401 Yverdon-les-Bains

Nyon region

Coppet

Rue Froide 1
Case postale
1296 Coppet

Gland

Avenue du Mont-Blanc 14 A
Case postale
1196 Gland

Nyon

Rue Perdtemps 6
Case postale
1260 Nyon 1

Rolle

Grand-Rue 60
Case postale
1180 Rolle

Riviera region

Blonay

Route du Village 7
Case postale
1807 Blonay

Chexbres

Grand-Rue
Case postale
1071 Chexbres

Clarens

Avenue Vinet 15
Case postale
1815 Clarens

La Tour-de-Peilz

Grand-Rue 38
Case postale
1814 La Tour-de-Peilz

Montreux

Grand-Rue 50
Case postale
1820 Montreux

Vevey – Gare

Place de la Gare
Case postale
1800 Vevey 1

Vevey – Nestlé

Avenue Nestlé 55
Case postale
1800 Vevey 1

Thanks

BCV would like to thank its employees as well as the various external service providers involved in preparing this document.

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