

2018 Half-Year Results

Analysts' Presentation
23 August 2018



Waiver of liability. While we make every reasonable effort to use reliable information, we make no representation or warranty of any kind that all information contained in this document is accurate or complete. We disclaim all liability or responsibility for any loss, damage or injury that may result directly or indirectly from this information. The information and opinions contained in this document are representative of the situation on the date this document was prepared and may change at any time, particularly as a result of changes in the general market trend, interest rates and exchange rates, and legislative and/or regulatory changes. We have no obligation to update or modify this document.

No offer or recommendation. This document was prepared for information purposes only and does not constitute a request for an offer, or an offer to buy or sell, or a personalized investment recommendation. Before you conduct any transaction, we recommend that you contact your advisors to carry out a specific examination of your risk profile and that you seek information about the risks involved. One such source of information is the SwissBanking brochure "Special Risks in Securities Trading" (available at BCV offices and on the BCV website: www.bcv.ch/static/pdf/en/risques_particuliers.pdf). In particular, we draw your attention to the fact that prior performance must not be taken as a guarantee of current or future performance.

Interests in certain securities and relations with third parties. BCV, its affiliate companies and/or their directors, managers and employees may hold or have held interests or positions in certain securities, which they may buy or sell at any time, or acted or traded as market maker. They may have or have had business relationships with the issuers of certain securities, or provide or have provided them with corporate finance services, capital market services or any other financial services.

Distribution restrictions. Certain transactions and/or the distribution of this document may be prohibited or subject to restrictions for persons in jurisdictions other than Switzerland (particularly Germany, the UK, the USA and US persons). The distribution of this document is only authorized to the extent allowed by the applicable law.

Trademarks and copyright. The BCV logo and trademark are protected by law. This document is subject to copyright and may not be reproduced unless the reproduction mentions its author, copyright and all the legal information it contains. Prior written authorization from BCV is required to use this document for public or commercial purposes.

Introduction
Pascal Kiener, CEO

H1 2018 financial results
Thomas W. Paulsen, CFO

Outlook
Pascal Kiener, CEO

Continuous growth in all key businesses

Revenues stable (-1%) in the ongoing negative-interest-rate environment

Operating profit slightly down (-2%)

Net profit up 15% year on year to CHF 188m, including a capital gain from the disposal of a building as announced in the FY 2017 results

H1 2018 key figures

CHF (rounded), unaudited figures



Revenues

493m

-1%

Operating profit

200m

-2%

Net profit

188m

+15%

Total assets

45.9bn

+1%

AuM

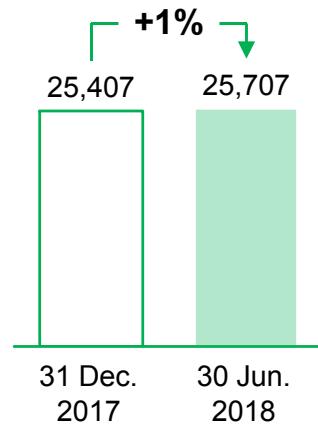
87.9bn

+2%

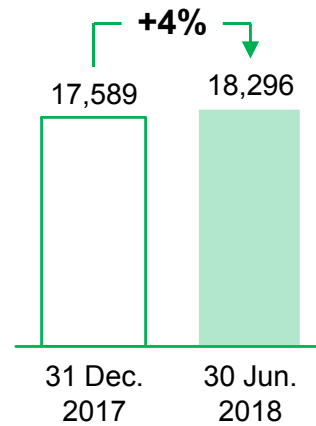
Main business trends

CHF millions (rounded), unaudited figures

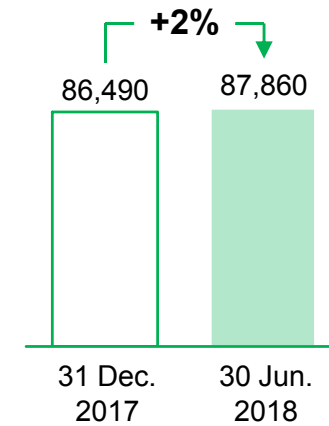
Mortgage loans



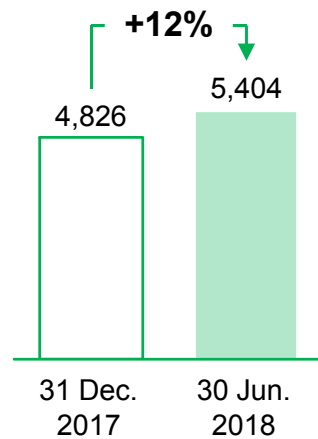
Savings deposits



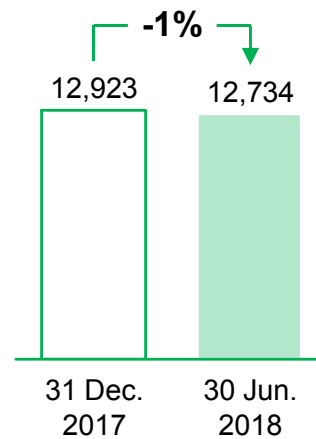
AuM



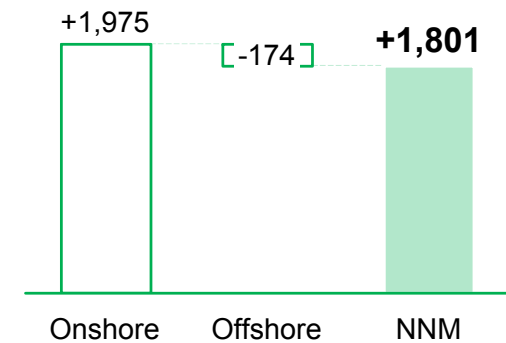
Other loans



Other client deposits



Net new money



Fabienne Freymond Cantone appointed to the Board of Directors by the Vaud Cantonal Government, replacing Luc Recordon as of 26 April 2018

Jean-François Schwarz appointed to the Board of Directors by the Vaud Cantonal Government, replacing Paul-André Sanglard as of 1 January 2019

CHF 284m distributed to shareholders in May; i.e., CHF 33 per share or a dividend yield of 4.5%¹

AA rating from S&P since 2011 with a stable outlook

Aa2 rating from Moody's with a stable outlook

Note

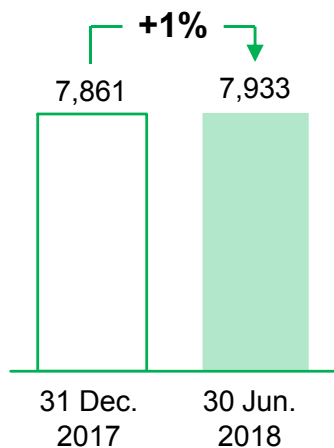
(1) Based on closing price at 29 December 2017

Retail Banking

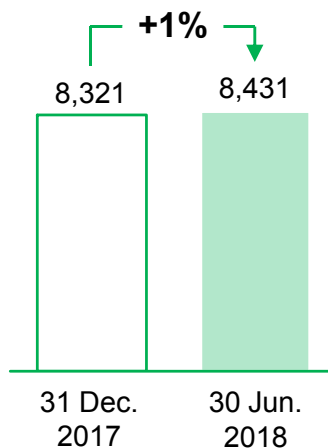
CHF millions (rounded)¹



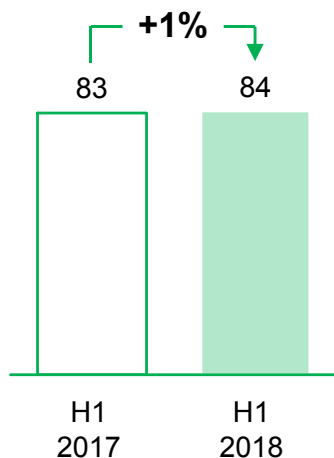
Mortgage loans



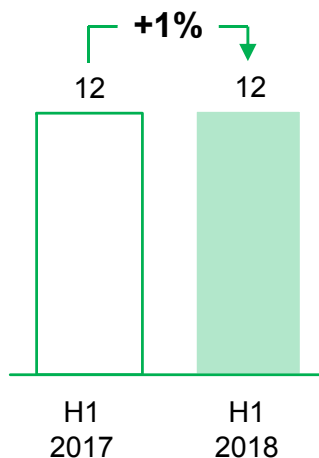
Customer deposits



Revenues



Operating profit

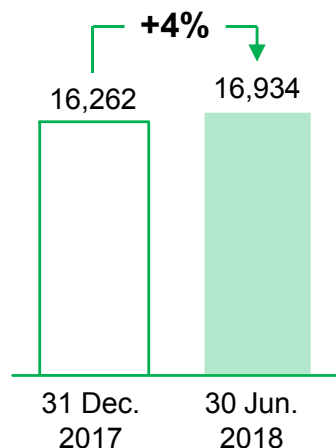


- Moderate but continual rise in mortgage loans
- Customer deposits stable – no negative interest rates charged to retail customers
- Revenues and operating profit up slightly

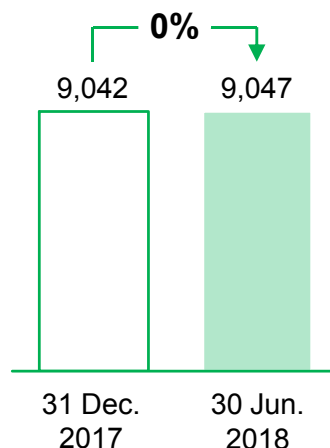
Note

(1) 2017 figures were adjusted to facilitate like-for-like comparison

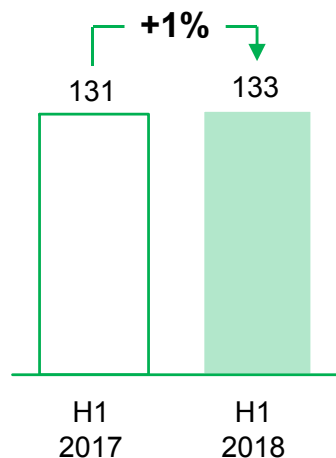
Loans/off-BS commitments



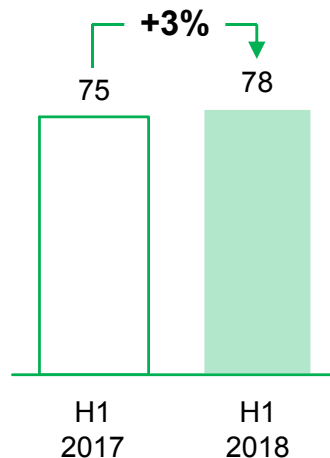
Customer deposits



Revenues



Operating profit



Solid momentum in all Corporate Banking businesses

- SMEs
 - Loans and off-balance-sheet commitments (+3%)
 - Customer deposits up 6%
- Large Corporates
 - Loans and off-balance-sheet commitments up 7%
 - Decrease in deposits (-9%), with negative interest rates charged to some customers
- Trade Finance
 - Average business volume up 5% on H1 2017
- Sound credit portfolio. Provisioning needs low in the first half

Note

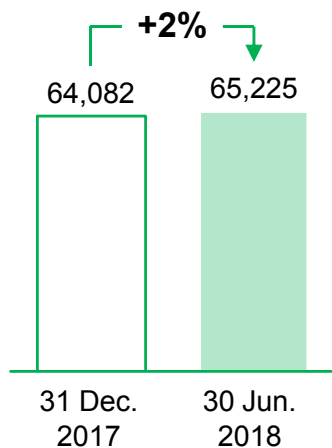
(1) 2017 figures were adjusted to facilitate like-for-like comparison

Wealth Management

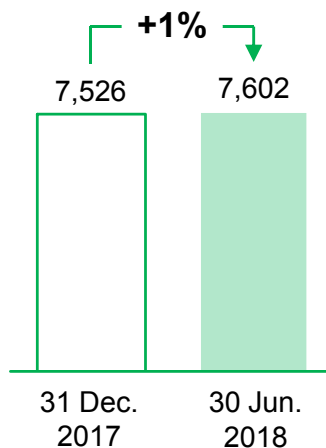
CHF millions (rounded)¹



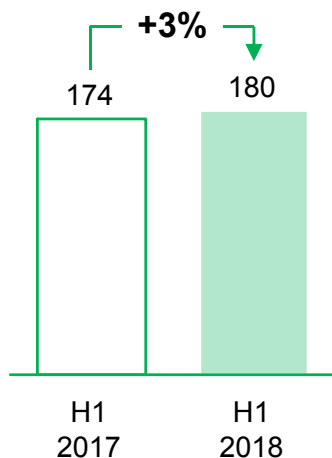
AuM



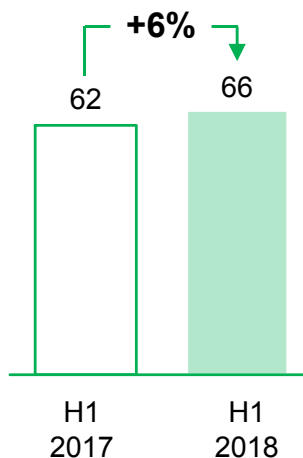
Mortgage loans



Revenues



Operating profit



- Higher AuM, in particular due to net new money inflows in institutional assets
- Offshore business stable, as expected following the Bank's realignment of this business in recent years
- Revenues up 3% and operating profit up 6%

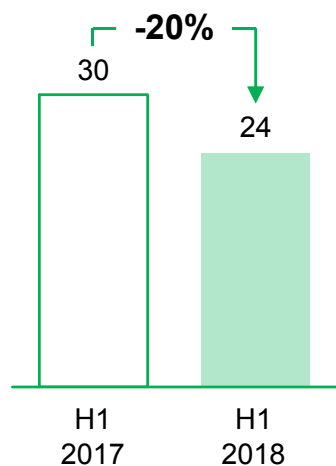
Note

(1) 2017 figures were adjusted to facilitate like-for-like comparison

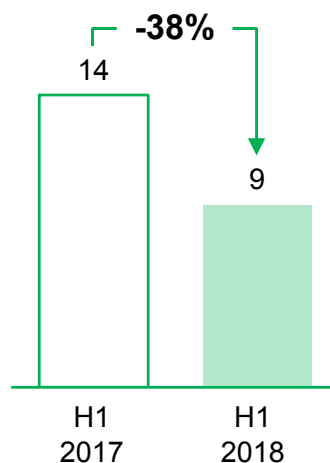
Trading

CHF millions (rounded)¹

Revenues

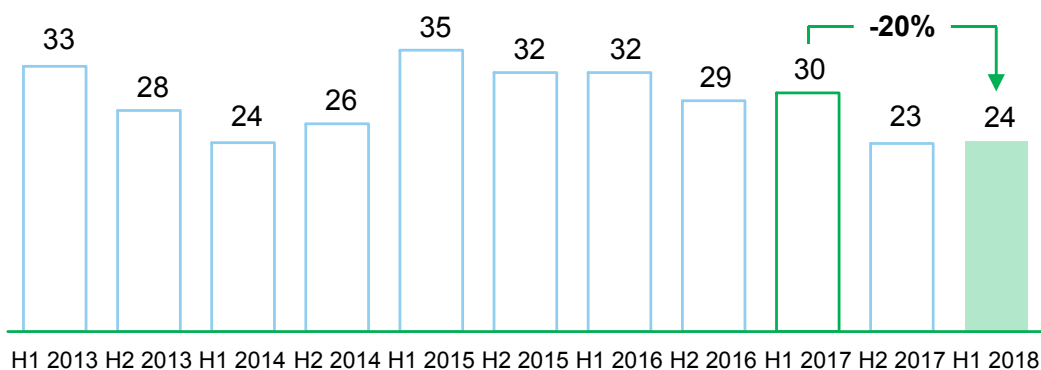


Operating profit



- Activity down in the three Trading businesses:
 - Forex
 - Equities, bonds, and fixed income
 - Structured products
- Revenues down 20% and operating profit down 38% on H1 2017, but still at good levels given the very low level of risk

Revenues time series¹



Note

- (1) 2017 figures were adjusted to facilitate like-for-like comparison
- (2) No adjustment except for H1 2017 to facilitate like-for-like comparison with H1 2018

Introduction
Pascal Kiener, CEO

H1 2018 financial results
Thomas W. Paulsen, CFO

Outlook
Pascal Kiener, CEO

Income statement

CHF millions (rounded), unaudited figures



	H1 2017	H1 2018	Change	
Total income from ordinary banking operations	496.7	492.9	-3.8	-1%
Operating expenses	-257.5	-254.4	-3.0	-1%
Depreciation & amortization of fixed assets and impairment on equity investments	-35.6	-35.8	+0.2	0%
Other provisions and losses	-0.2	-3.0	+2.8	N/A
Operating profit	203.5	199.8	-3.7	-2%
Net extraordinary income	1.4	33.8	+32.4	N/A
Taxes	-41.0	-45.9	+4.9	+12%
Net profit	163.8	187.6	+23.8	+15%

Total income from banking operations

CHF millions (rounded), unaudited figures

Total income from ordinary banking operations

H1 2017		H1 2018			
497		493		-4	-1%
247		243		-4	-2%
158		159		+1	+1%
69		65		-4	-5%
22		25		+3	+14%
H1 2017		H1 2018			

- **NII** – Slightly down in a low-interest-rate environment
- **Commissions & fees** – Slightly up
- **Trading** – Activity down but still at a good level

Net interest income

H1 2017		H1 2018			
251		247		-4	-2%
	-4		-4	0	-11%
247		243		-4	-2%
H1 2017		H1 2018			

- **NII before loan impairment charges/reversals** – Down compared to H1 2017 due to lower interest income
- **Loan impairment charges/reversals** – Stable compared to H1 2017

Operating expenses, depreciation and amortization

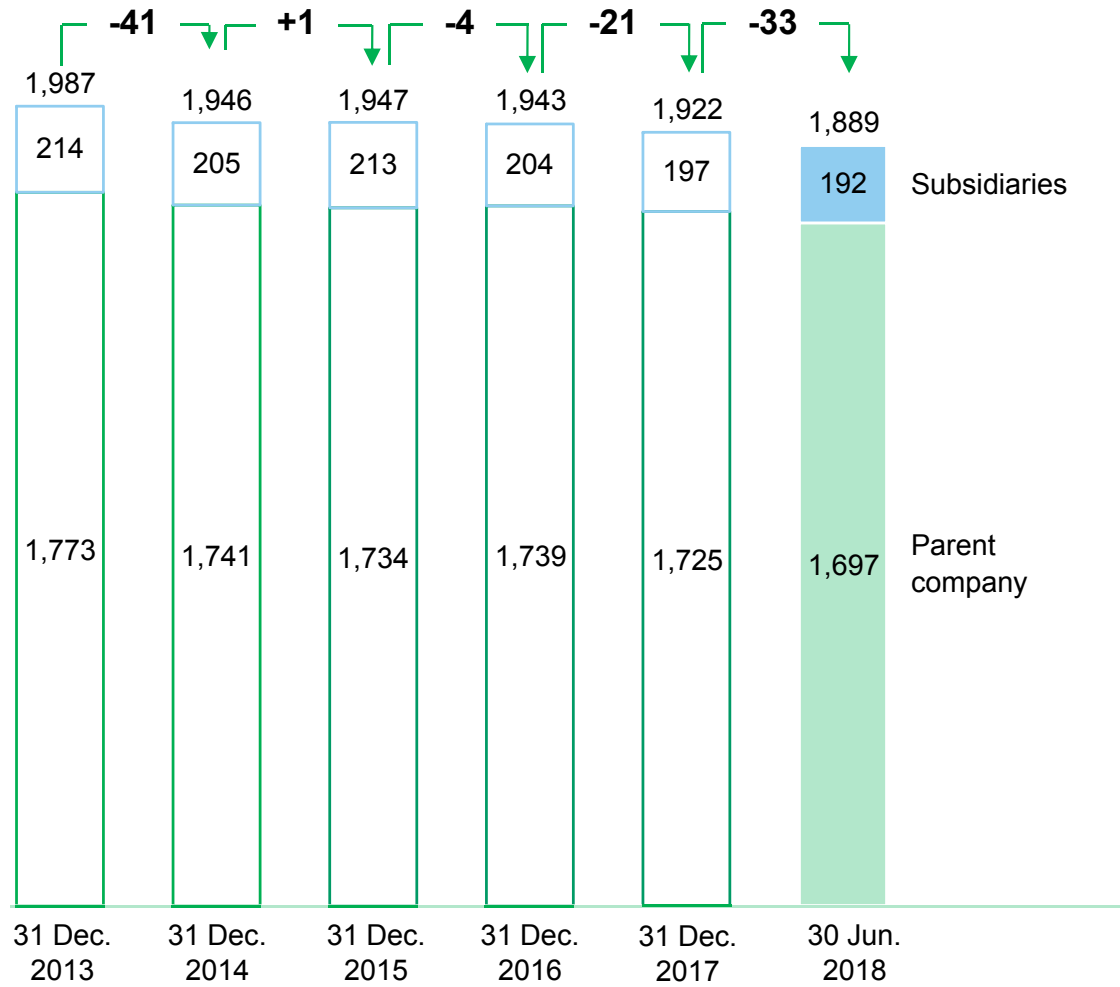
CHF millions (rounded), unaudited figures

	H1 2017	H1 2018			
	293	290		-3	-1%
	87	85	Other operating expenses	-2	-1%
	171	169	Personnel costs	-2	-1%
	36	36	Depreciation & amortization	0	0%
	H1 2017	H1 2018			

- Continued firm control of operating expenses
- Depreciation and amortization have stabilized after declining continuously since 2012

Headcount

Full-time equivalents at period-end



- Continued firm cost control

Assets

CHF billions (rounded), unaudited figures



45.4		45.9		+0.5		+1%	
8.0		7.4		-0.6		-8%	
1.5		1.7		+0.2		+15%	
4.8		5.4		+0.6		+12%	
25.4		25.7		+0.3		+1%	
3.8		3.7		-0.1		-0%	
1.9		1.9		-		-	
31 Dec. 2017		30 Jun. 2018					

- **Cash and equivalents** – Decrease in SNB sight deposits partly offset by an increase in amounts due from banks
- **Loans and advances to customers** – Up significantly, especially in the Large Corporates and Trade Finance segments
- **Mortgage loans** – Moderate but steady growth

Liabilities and equity

CHF billions (rounded), unaudited figures

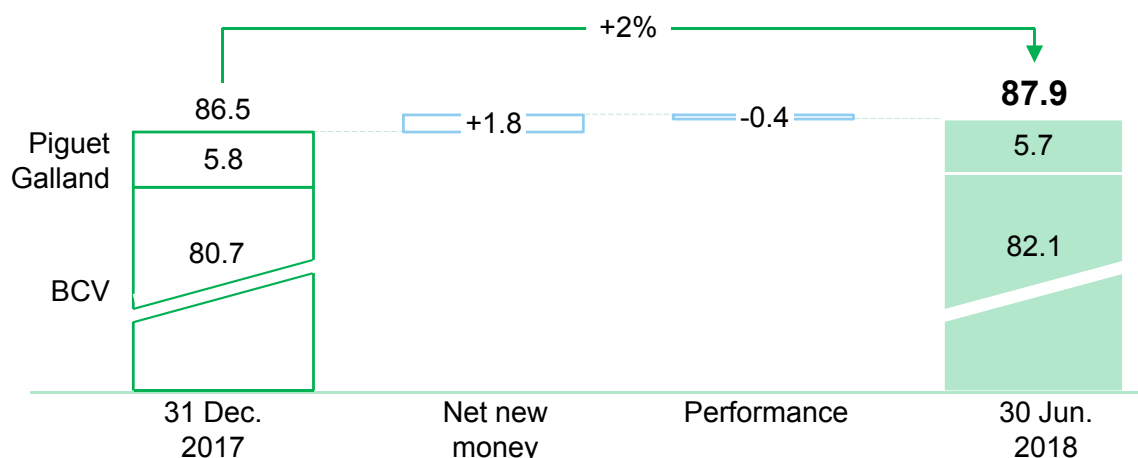
	31 Dec. 2017	30 Jun. 2018		+0.5	+1%
	45.4	45.9			
	2.7	2.9	Due to banks	+0.2	+6%
	30.5	31.0	Customer deposits	+0.5	+2%
	7.4	7.2	Bonds and mortgage-backed bonds	-0.2	-3%
	1.3	1.3	Other liabilities	+0.0	+0%
	3.5	3.4	Shareholders' equity	-0.1	-3%

- **Due to banks** – Increase mainly as a result of repo agreements
- **Customer deposits** – Slight increase
- **Shareholders' equity** – Stable

Assets under management

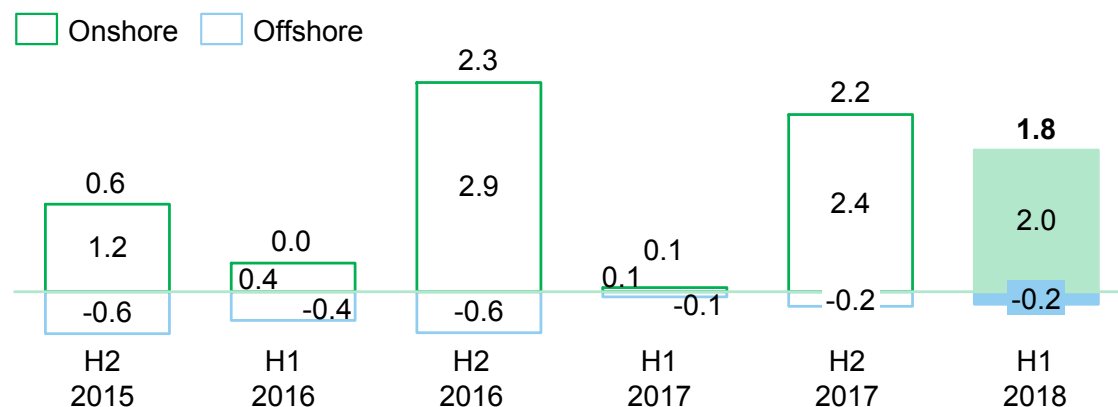
CHF billions (rounded)

Assets under management



- AuM up 2% to CHF 87.9bn
- Net new money of CHF 1.8bn
- Performance of -CHF 0.4bn

Net new money



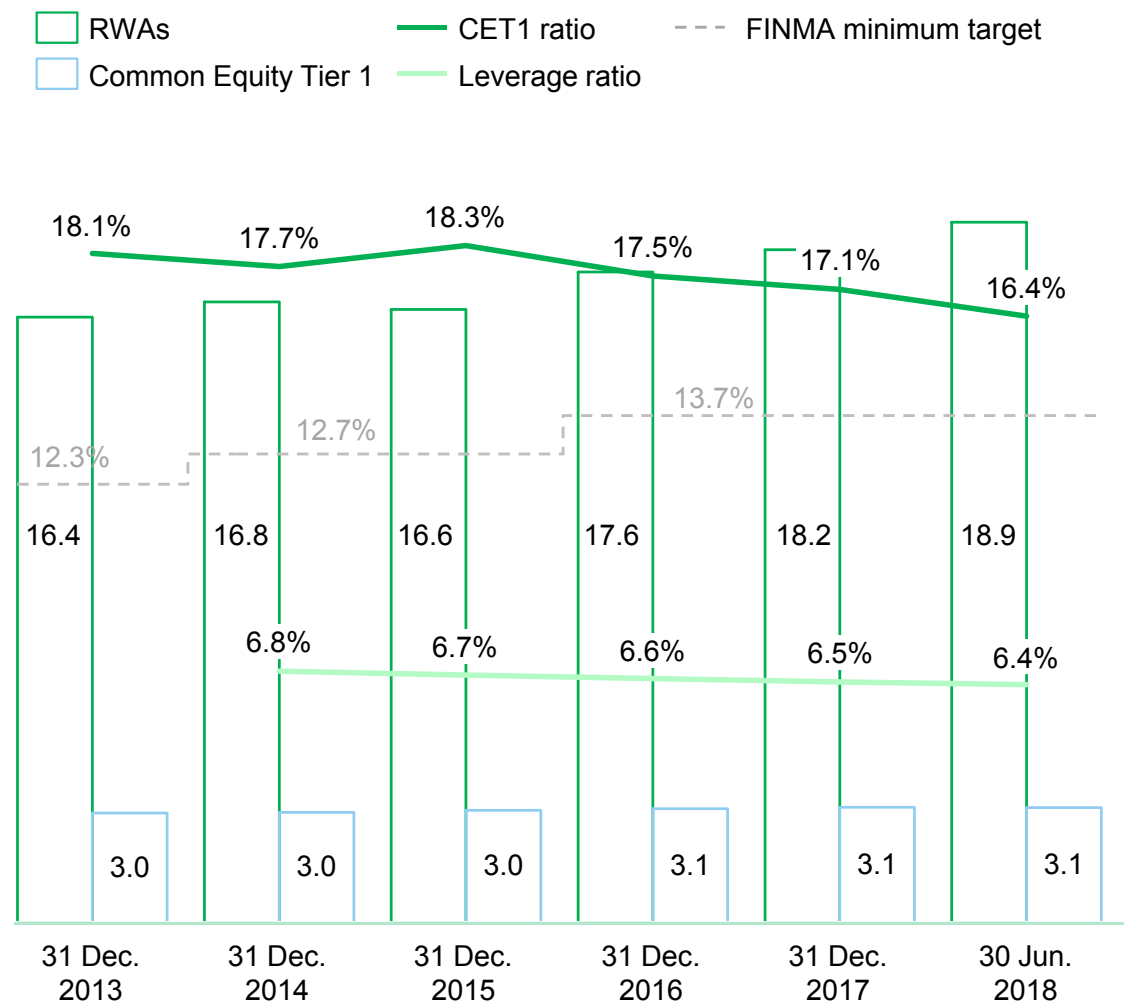
- Onshore net inflows of CHF 2.0bn:
 - Inflows from Retail, domestic Private Banking and SMEs (+CHF 1.2bn)
 - Inflows from institutional clients (+CHF 0.8bn)
- Offshore net outflows of CHF 0.2bn, in Private Banking

Capital ratios

CHF billions (rounded)



Risk-weighted assets and CET1 ratio



CET1 ratio

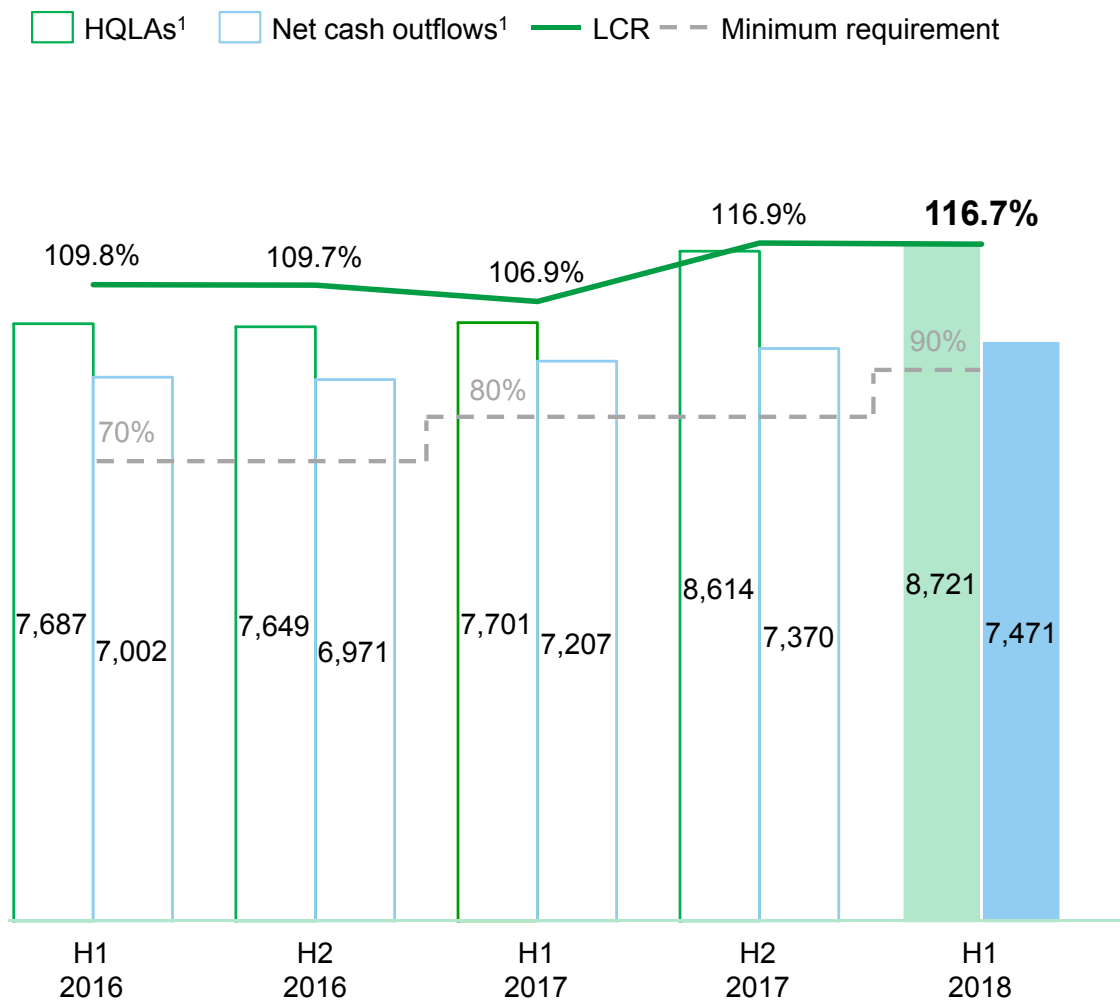
- Decrease in the CET1 ratio due to higher RWAs, mainly on:
 - Residential mortgages; driven up by the yearly increase in the specific IRB multiplier
 - Other loans; mainly in Corporate Banking segments
- Look-through CET1 ratio of 16.2%, including the fully-loaded specific IRB multiplier

Leverage ratio

- Leverage ratio stable at 6.4%, vs. requirement of 3.0%

Liquidity ratio

CHF millions (rounded)



- **LCR** has remained stable since H2 2017
- Composition of the Bank's HQLAs:
 - 64%: cash deposited with the SNB
 - 36%: mainly Swiss-issued, AAA- and AA-rated securities eligible as SNB collateral
- Minimum requirement increased by 10 percentage points each year until 2019

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

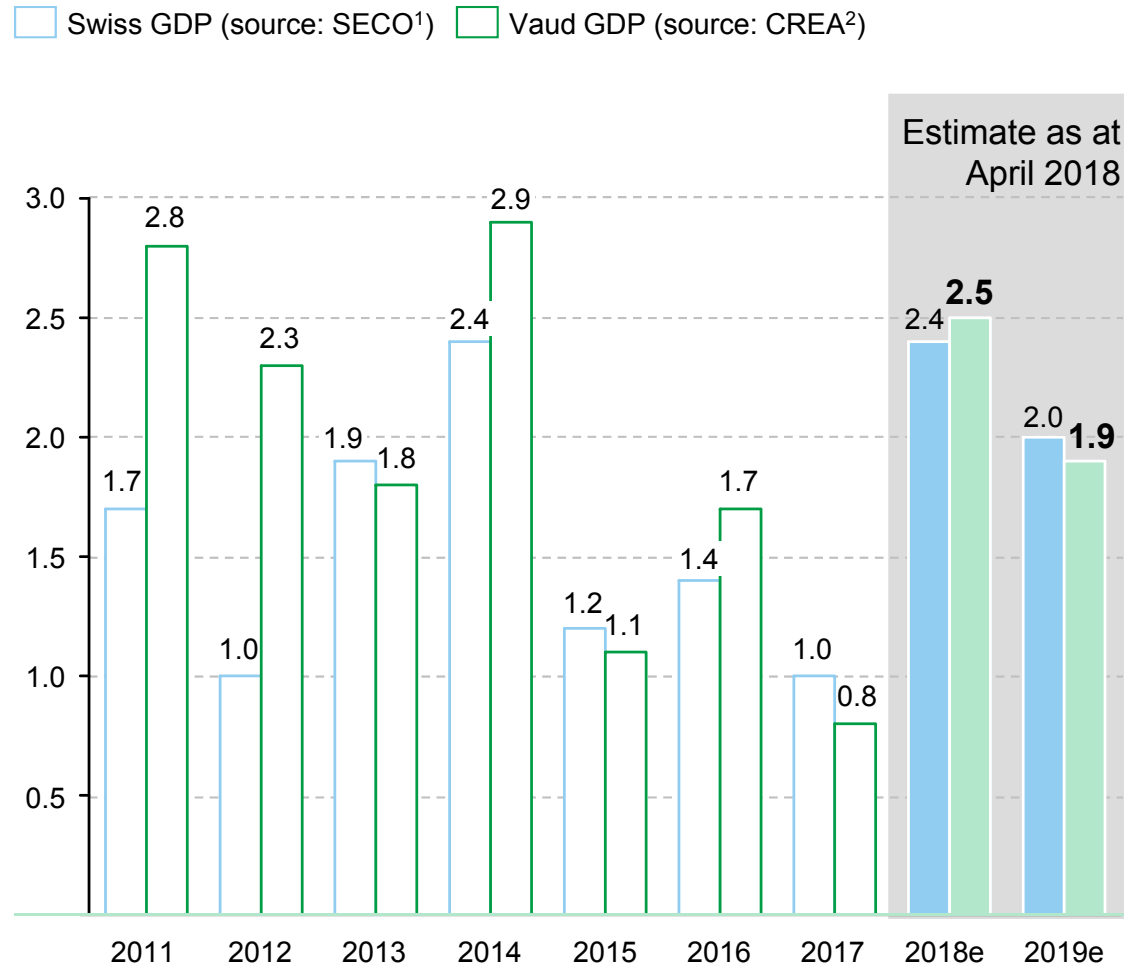
Introduction
Pascal Kiener, CEO

H1 2018 financial results
Thomas W. Paulsen, CFO

Outlook
Pascal Kiener, CEO

Swiss and Vaud GDP growth

As a %



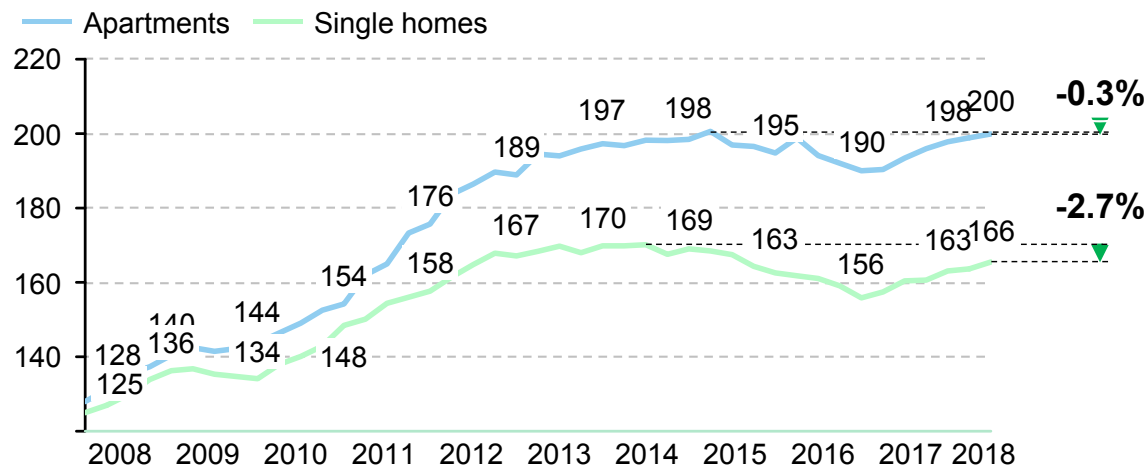
- In **2018**: Growth estimates for Swiss and Vaud GDP re-affirmed, as global economic recovery set to continue
- Economic development in Switzerland depends on two main factors:
 - Growth in Europe and the rest of the world
 - Exchange-rate fluctuations

Note

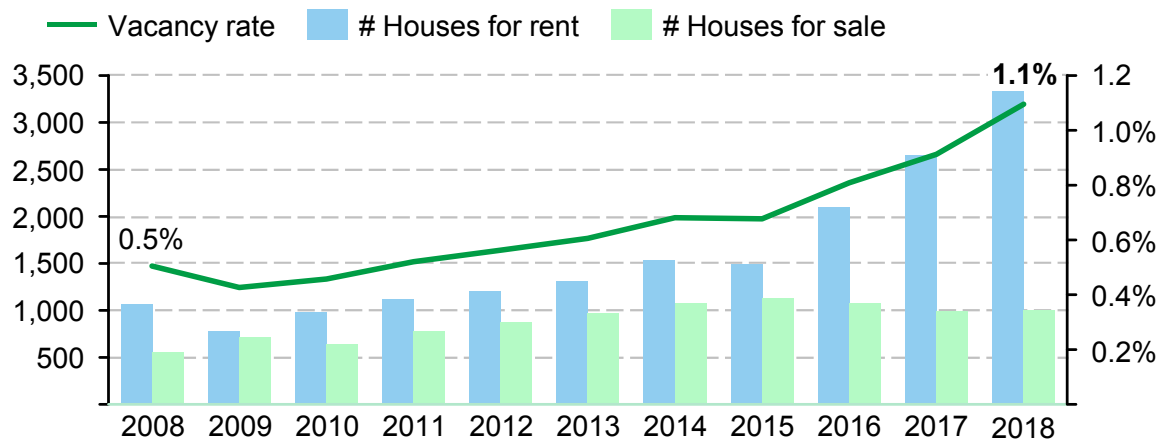
- (1) SECO (Switzerland's State Secretariat for Economic Affairs)
- (2) CREA (Lausanne University's Créa Institute of Macro-economics)

Real estate in the Vaud region

Transaction prices in Vaud (Basis 100 in Dec. 2004)



Vacant housing in Vaud



- Vaud real-estate market has levelled off since 2014
- In 2018, prices on Vaud real-estate transactions increased slightly, mainly due to a smaller supply of owner-occupied housing:
 - +1.0% on apartments
 - +1.5% on single-family homes
- Compared with the peak in 2014, prices are:
 - flat on apartments (-0.3%)
 - down on single-family homes (-2.7%)
- Ongoing increase in the vacancy rate driven by a larger supply of rental housing
- BCV mortgage loan policy unchanged

Source Wüest Partner, Statistique Vaud

Full-year business trends in line with H1 2018

Low revenue growth expected given the current interest-rate environment

Continued firm control of operating expenses

Excluding extraordinary items, FY operating and net profit are expected to be in line with previous years

15 February 2018

Full-year 2017
results

26 April 2018

Annual
Shareholders'
Meeting in Lausanne

23 August 2018

Half-year 2018
results

21 February 2019

Full-year 2018
results

2 April 2019

Publication of the
2018 Annual Report

2 May 2019

Annual
Shareholders'
Meeting in Lausanne

22 August 2019

Half-year 2019
results

Appendices



Income statement



CHF millions (rounded), unaudited figures

	H1 2018	H1 2017	Abs	%
Interest and discount income	282.8	291.5	-8.7	-3
Interest and dividend income from financial investments	16.7	18.7	-2.0	-11
Interest expense	-52.9	-59.1	-6.2	-10
Net interest income before loan impairment charges/reversals	246.5	251.1	-4.5	-2
Loan impairment charges/reversals	-3.5	-4.0	-0.4	-11
Net interest income after loan impairment charges/reversals (NII)	243.0	247.1	-4.1	-2
Fees and commissions on securities and investment transactions	126.5	122.9	+3.6	+3
Fees and commissions on lending operations	22.9	24.0	-1.1	-5
Fees and commissions on other services	35.2	35.4	-0.2	-0
Fee and commission expense	-25.2	-23.8	+1.4	+6
Net fee and commission income	159.4	158.5	+0.9	+1
Net trading income and fair-value adjustments	65.2	69.0	-3.8	-5
Gains/losses on disposals of financial investments	0.8	1.0	-0.1	-15
Income from equity investments	10.8	5.7	+5.1	+90
Real-estate income	3.7	5.4	-1.8	-33
Miscellaneous ordinary income	10.2	10.4	-0.2	-2
Miscellaneous ordinary expenses	-0.1	-0.3	-0.2	-53
Other ordinary income	25.3	22.2	+3.1	+14
Total income from ordinary banking operations	492.9	496.7	-3.8	-1
Personnel costs	-169.1	-170.9	-1.8	-1
Other operating expenses	-85.3	-86.5	-1.3	-1
Operating expenses	-254.4	-257.5	-3.0	-1
Depreciation and amortization of fixed assets and impairment on equity investments	-35.8	-35.6	+0.2	0
Other provisions and losses	-3.0	-0.2	+2.8	N/A
Operating profit	199.8	203.5	-3.7	-2
Extraordinary income	33.8	1.4	+32.4	N/A
Extraordinary expenses	-0.0	-0.0	0.0	N/A
Taxes	-45.9	-41.0	+4.9	+12
Net profit	187.6	163.8	+23.8	+15
Minority interests	0.0	0.0	0.0	0
Net profit attributable to BCV Group shareholders	187.6	163.8	+23.8	+15

Balance sheet



CHF millions (rounded), unaudited figures

	30 Jun. 2018	31 Dec. 2017	Abs	%
Cash and cash equivalents	7,383	8,044	-661	-8
Due from banks	1,414	1,013	+401	+40
Reverse repurchase agreements	321	499	-178	-36
Loans and advances to customers	5,404	4,826	+578	+12
Mortgage loans	25,707	25,407	+300	+1
Trading portfolio assets	232	186	+46	+25
Positive mark-to-market values of derivative financial instruments	299	282	+18	+6
Other financial assets at fair value	705	653	+51	+8
Financial investments	3,740	3,753	-14	-0
Accrued income and prepaid expenses	65	91	-26	-28
Non-consolidated holdings	70	70	0	-0
Tangible fixed assets	434	519	-85	-16
Intangible assets	11	12	-2	-14
Other assets	76	57	+19	+33
Assets	45,860	45,415	+446	+1
Due to banks	1,554	1,398	+156	+11
Repurchase agreements	1,364	1,350	+15	+1
Customer deposits	31,031	30,512	+519	+2
Negative mark-to-market values of derivative financial instruments	239	205	+34	+17
Other financial liabilities at fair value	851	812	+38	+5
Medium-term notes	11	15	-3	-24
Bonds and mortgage-backed bonds	7,205	7,392	-187	-3
Accrued expenses and deferred income	147	172	-26	-15
Other liabilities	81	87	-6	-7
Provisions	17	15	+2	+12
Liabilities	42,500	41,958	+542	+1
Reserves for general banking risks	701	701	0	0
Share capital	86	86	0	0
Capital reserve	35	121	-86	-71
Retained earnings	2,371	2,249	+122	+5
Currency translation reserve	-1	-1	-0	+1
Own shares	-19	-19	0	0
Minority interests in equity	0	0	-0	0
Net profit	188	320	-132	-41
<i>of which minority interests</i>	0	0	0	0
Shareholders' equity	3,361	3,457	-96	-3
Total liabilities and shareholders' equity	45,860	45,415	+446	+1

Key performance indicators

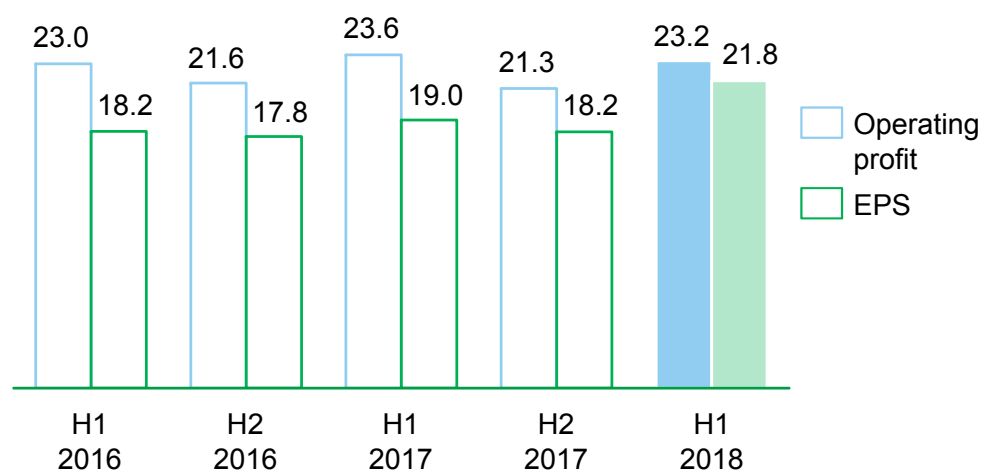


		31 Dec. 2014	31 Dec. 2015	31 Dec. 2016	31 Dec. 2017	30 Jun. 2018
Asset quality and balance sheet structure	Impaired loans/ credit exposure	0.7%	0.7%	0.7%	0.7%	0.6%
	Customer deposits/ loans to customers ¹	96%	98%	98%	101%	100%
	Interest margin	1.22%	1.14%	1.11%	1.12%	1.11%
Capital²	CET1 ratio	17.7%	18.3%	17.5%	17.1%	16.4%
	Total capital ratio	17.9%	18.4%	17.6%	17.3%	16.5%
	Leverage ratio	6.8%	6.7%	6.6%	6.5%	6.4%
Productivity	Cost/income ratio (excl. goodwill amortization)	60%	57%	59%	58%	58%
Financial performance	ROE (net profit/average equity)	9.0%	10.1%	9.1%	9.4%	10.8%

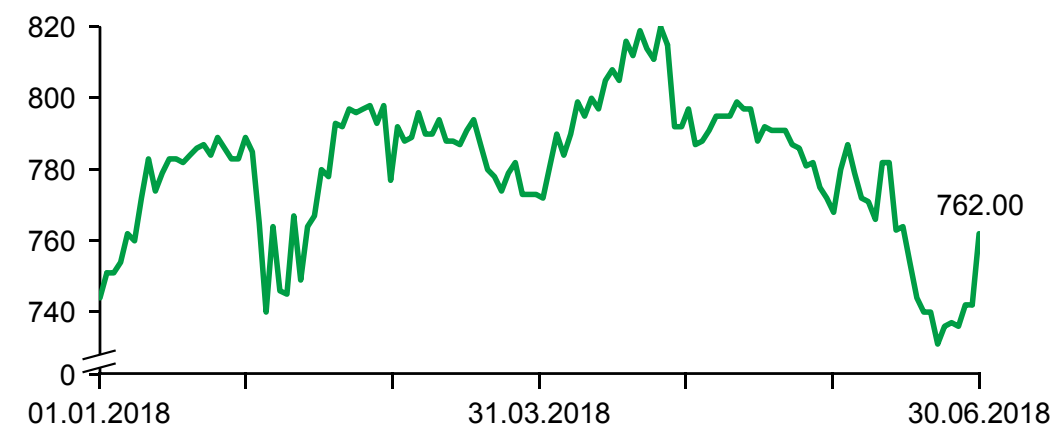
Note

- (1) 2014 figures were adjusted to facilitate like-for-like comparison
 (2) Ratios are calculated in accordance with FINMA Circular 2016/1, "Disclosure – banks"

Per share (CHF)



Stock price



Key figures

	31 Dec. 2014	31 Dec. 2015	31 Dec. 2016	31 Dec. 2017	30 Jun. 2018
Number of issued shares	8,606,190	8,606,190	8,606,190	8,606,190	8,606,190
Market capitalization (CHF billions)	4.64	5.48	5.56	6.33	6.56
High / low prices YTD	541.00 / 472.75	640.00 / 510.50	694.00 / 582.00	764.50 / 644.00	727.00 / 823.00

BCV Investor Relations iPad App

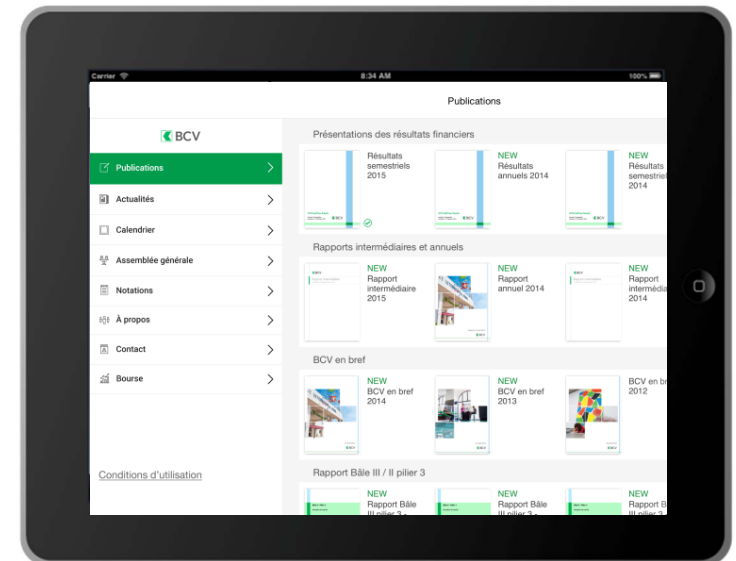


Our BCV Investor Relations app keeps you in touch with the latest developments at BCV Group

It brings together everything of interest to shareholders, investors and analysts, including:

- An overview of BCV
- Our key figures
- Annual and interim reports
- Press releases
- Pillar 3 reports
- BCV stock price and chart
- Corporate social responsibility reports
- Presentations for investors

The app also displays upcoming BCV events that you can add to your calendar at the push of a button. Shareholders can read the agenda for the next AGM and download all the relevant documents. The app displays BCV's credit rating, as well as credit opinions on the Bank. You can also contact BCV's Head of Investor Relations, whose email and phone number you'll find in the app.



Note
(1) iPad is a registered trademark of Apple Inc.