

2020 Full-Year Results

Analysts' presentation
18 February 2021



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Introduction

Pascal Kiener, CEO

FY 2020 financial results

Thomas W. Paulsen, CFO

Conclusion

Pascal Kiener, CEO

Business volume growth in line with trend in previous years

Revenues down 6% to CHF 945m mainly due to Covid-19 crisis and persistent negative interest rates

Continuing strict cost control partly offset the revenue decrease. Operating profit down 11% to CHF 373m

Net profit of CHF 331m, down 9% from the record net in 2019 but nevertheless solid, as illustrated by an ROE of 9.3%, the highest among cantonal banks

Proposal to maintain the dividend at CHF 3.60 per share

FY 2020 key figures

CHF (rounded)



Revenues

945m

-6%

Operating profit

373m

-11%

Net profit

331m

-9%

Total assets

53.2bn

+10%

AuM

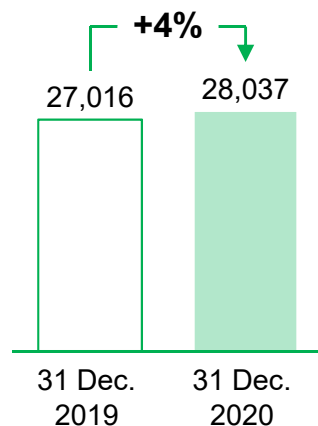
103.2bn

+5%

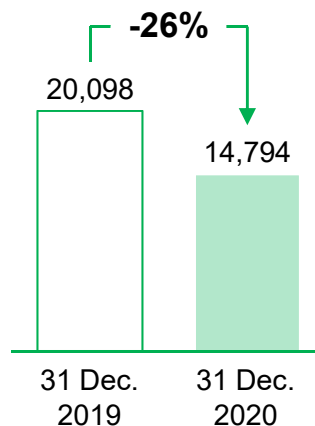
Main business trends

CHF millions (rounded)

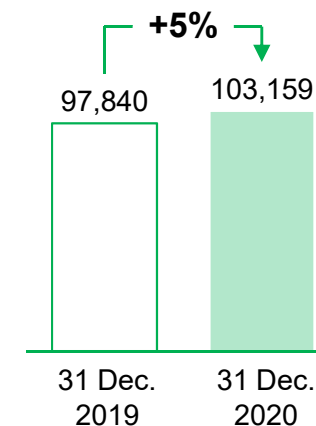
Mortgage loans



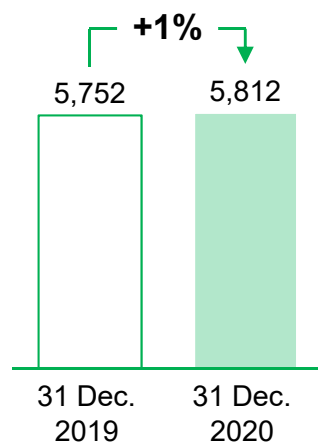
Sight deposits^{1,2}



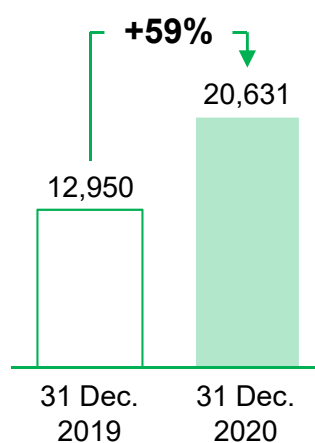
AuM



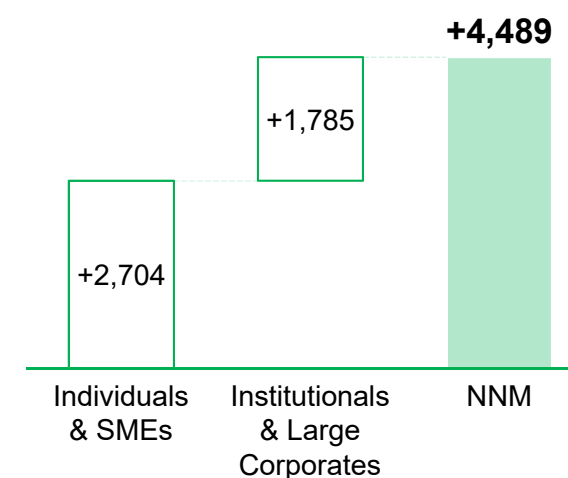
Other loans



Other client deposits²



Net new money



Note

(1) Including savings deposits

(2) Reclassification of accounts for payment transactions; aggregate change in the sum of the items Sight deposits and Other client deposits: +CHF 2,377m (+7%)

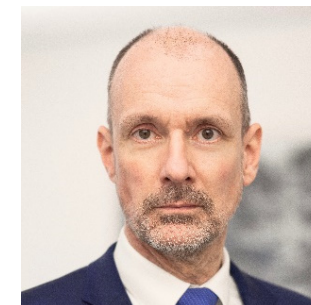
Board of Directors

Eftychia Fischer was appointed as the new Chair to succeed Jacques de Watteville as of 1 January 2022



Executive Board

Fabrice Welsch appointed to the Bank's Executive Board as head of the Asset Management & Trading Division as of 1 January 2021



Pierre-Alain Urech to be proposed as new Board member at the next AGM



Other highlights (1/2)

Long-term strategic partnership with Ethos in sustainable investment products



Publication of our 2019 Sustainability Report, in line with GRI standards and available in both French and English



1-notch upgrade of our CDP score, from B to A-, placing us in the “leadership” category



Other highlights (2/2)

AA rating from S&P with
a stable outlook



10-for-1 stock split

Aa2 rating from Moody's
with a stable outlook



Added to MSCI World



Added to STOXX Europe
600



CHF 310m distributed to
shareholders in May for the 2019
fiscal year; i.e., CHF 36 per share or
a dividend yield of 4.6%¹

Note

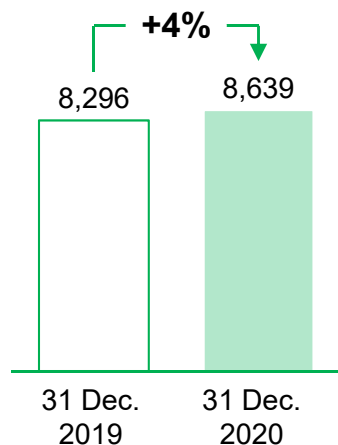
(1) Based on closing price at 31 December 2019

Retail Banking

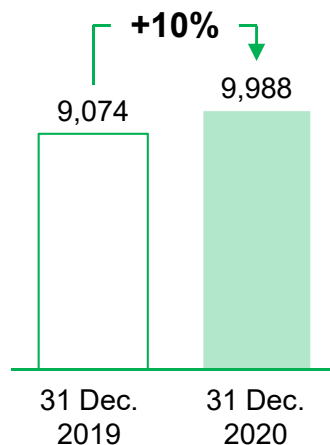
CHF millions (rounded)¹



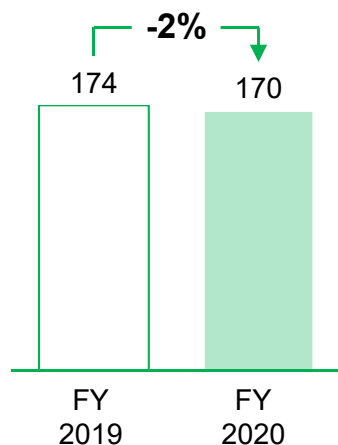
Mortgage loans



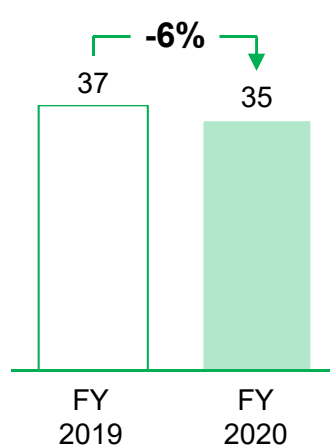
Customer deposits



Revenues



Operating profit

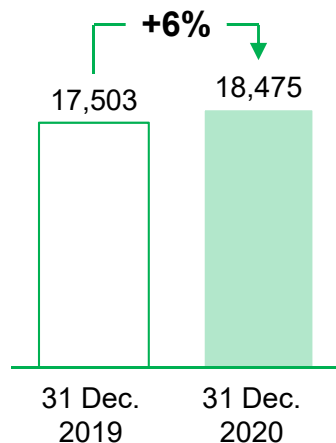


- Continuing controlled rise in mortgage loans focused on certain regions in an active real-estate market
- Slowdown in customer transactions during the pandemic:
 - Fewer payment transactions (credit/debit cards & ATMs)
 - Fewer forex transactions
 - Increase in deposits and savings
- Revenues and operating profit down 2% and 6%, respectively

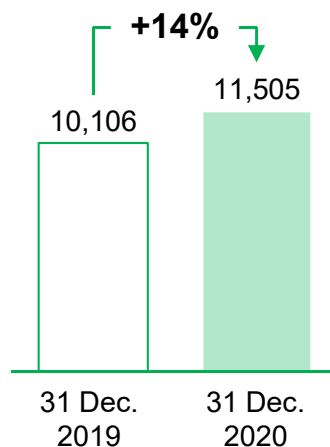
Note

(1) 2019 figures were adjusted to facilitate like-for-like comparison

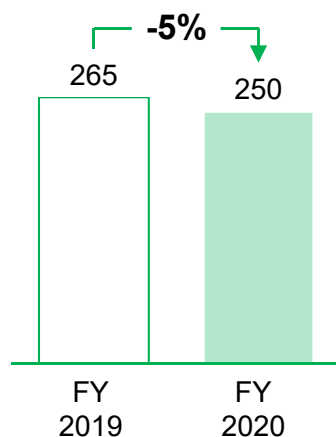
Loans/off-BS commitments



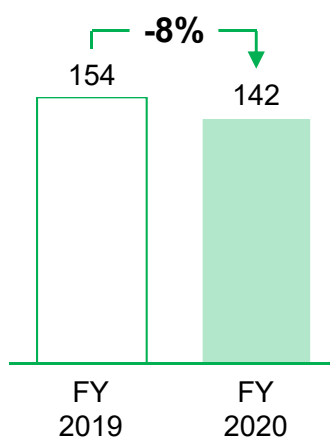
Customer deposits



Revenues



Operating profit



- SMEs
 - Loans / off-balance-sheet commitments up 8% (half Covid-19 bridge loans)
 - More than 6,000 Covid-19 bridge loans granted, representing over CHF 700m
 - Customer deposits up 17% partly due to Covid-19 bridge loans
- Large Corporates
 - Loans / off-balance-sheet commitments up 3%
 - Deposits up (+11%), with significant volatility
- Trade Finance
 - General decrease in activity coupled with voluntary reduction in business
 - Average business volumes were reduced by 21% compared with 2019
- Credit risk
 - CHF 17m increase in provisioning needs for a limited number of defaults
 - Overall, credit portfolio remains sound and companies resilient

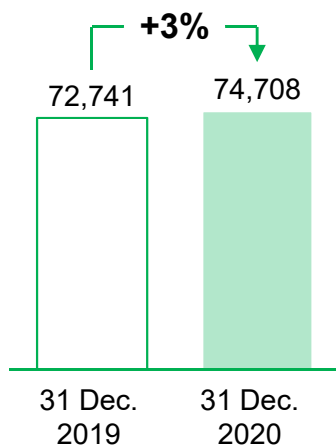
Note

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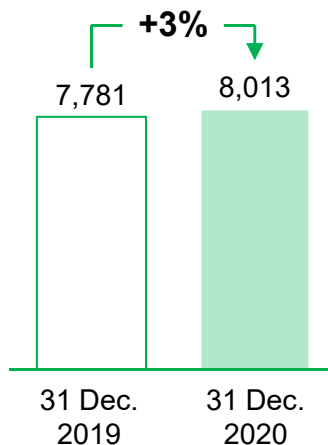
Wealth Management

CHF millions (rounded)¹

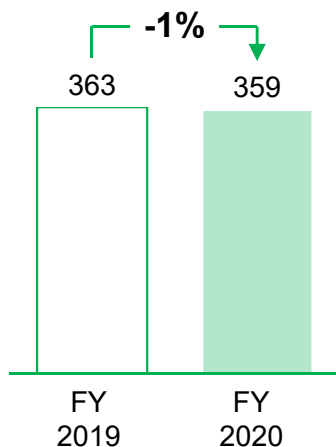
AuM



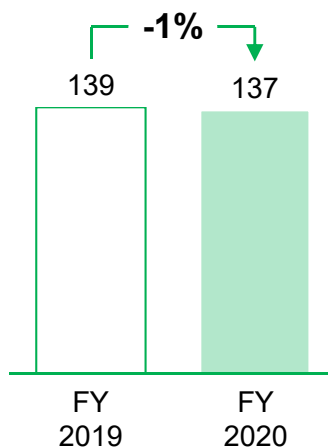
Mortgage loans



Revenues



Operating profit



- Increase in AuM
 - NNM from both private banking clients and institutionals
 - Positive performance of financial markets
 - Last transfer of Swisscanto funds in custody to ZKB
- Increase in mortgage loans
- Revenues and operating profit both edged down 1%
- Long-term strategic partnership with sustainability specialist Ethos to offer socially responsible investment products

Note

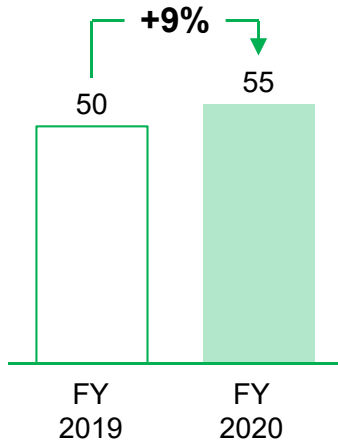
(1) 2019 figures were adjusted to facilitate like-for-like comparison

Trading

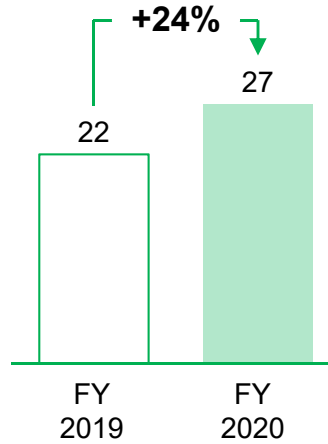
CHF millions (rounded)



Revenues

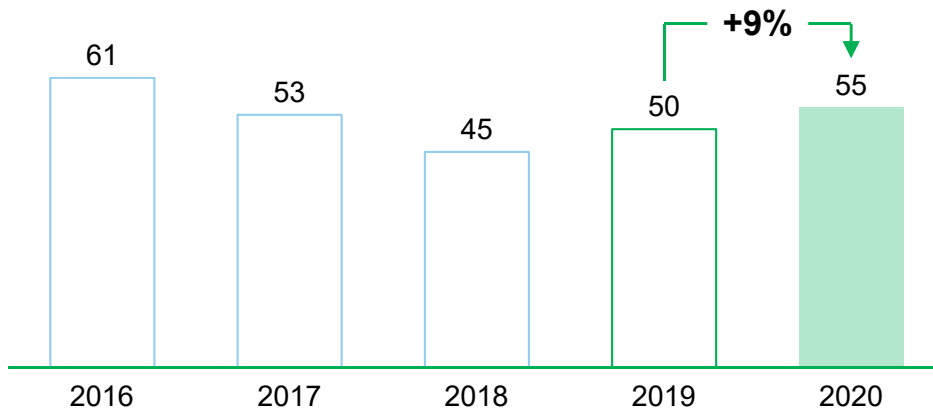


Operating profit



- Amid higher volatility, strong increase in Trading revenues
- Forex accounted for close to 70% of Trading revenues
- Revenues up 9% and operating profit up 24%

Revenues time series



Introduction

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Conclusion

Pascal Kiener, CEO

Income statement

CHF millions (rounded)



	FY 2019	FY 2020	Change	
Total income from ordinary banking operations	1,002	945	-57	-6%
Operating expenses	-504	-495	-9	-2%
Depreciation & amortization of fixed assets and impairment on equity investments	-71	-72	+1	+1%
Other provisions and losses	-7	-5	-2	-31%
Operating profit	419	373	-46	-11%
Net extraordinary income	1	5	+4	N/A
Taxes	-57	-47	-10	-17%
Net profit	363	331	-32	-9%

Total income from banking operations

CHF millions (rounded)

Total income from ordinary banking operations

	FY 2019	FY 2020			
	1,002	945		-57	-6%
	507	459	Net interest income	-48	-9%
	323	310	Commissions & fees	-13	-4%
	128	139	Trading	+11	+9%
	44	36	Other	-8	-18%
	FY 2019	FY 2020			

- **Net interest income** – Down (explanation below)
- **Commissions & fees** – Down due to fewer personal banking transactions and voluntary reduction in Trade Finance exposure
- **Trading** – Increase amid higher market volatility
- **Other income** – Decrease compared with 2019, which included a non-recurring payout on a holding

Net interest income

	FY 2019	FY 2020			
	497	474	NII before loan impairment charges/reversals	-23	-5%
	+10	-15	Loan impairment charges/reversals	+25	+253%
	507	459	Net interest income	-48	-9%
	FY 2019	FY 2020			

- **NII before loan impairment charges/reversals** – Down due to the ongoing negative-interest-rate environment and voluntary reduction in Trade Finance activity
- **Loan impairment charges/reversals** – Increase due to isolated cases of defaulting companies, mainly in H1

Operating expenses, depreciation and amortization



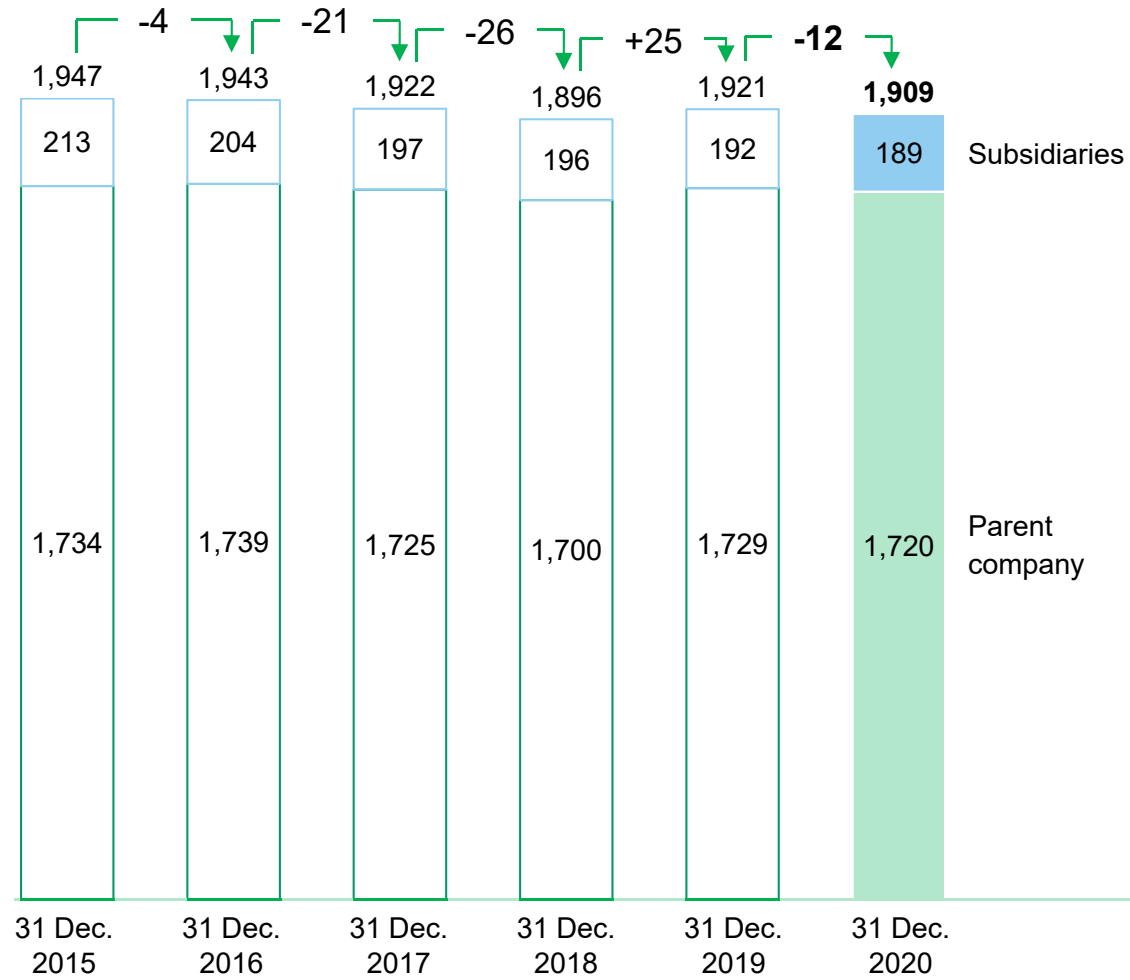
CHF millions (rounded)

	FY 2019	FY 2020			
	576	567		-9	-1%
	339	339	Personnel costs	-0	-0%
	165	156	Other operating expenses	-9	-5%
	71	72	Depreciation & amortization	+1	+1%
	FY 2019	FY 2020			

- **Continued firm control** of operating expenses
- **Personnel costs** stable
- **Other operating expenses** down thanks to lower IT running costs and reduced marketing expenses in the Covid-19 environment
- **Depreciation & amortization** stable

Headcount

Full-time equivalents at period-end



- Slight decrease in total headcount

Assets

CHF billions (rounded)

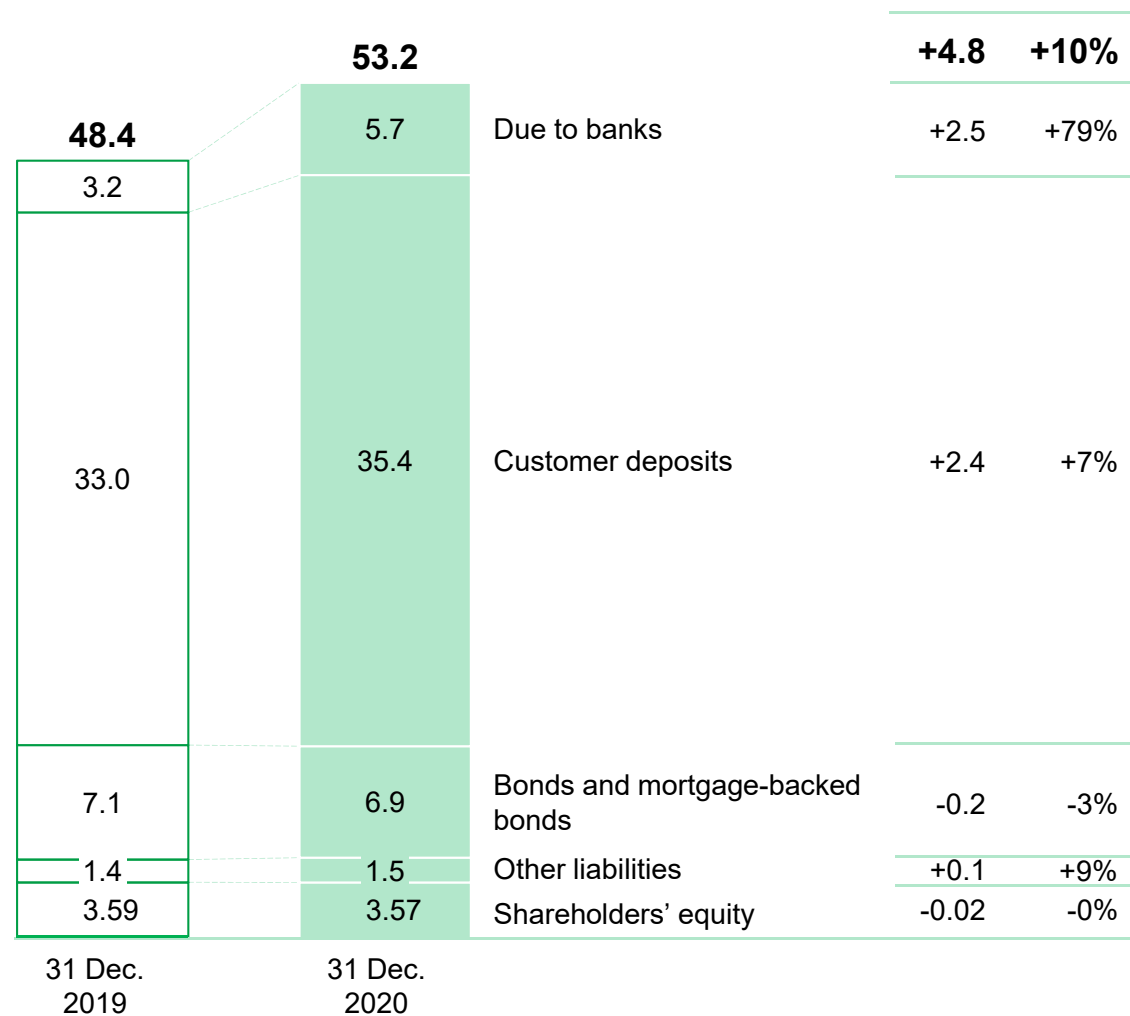


	31 Dec. 2019	31 Dec. 2020			
	48.4	53.2		+4.8	+10%
	8.4	11.6	Cash and equivalents	+3.2	+38%
	1.4	1.6	Due from banks and reverse repo agreements	+0.2	+11%
	5.8	5.8	Loans and advances to customers	+0.0	+1%
	27.0	28.0	Mortgage loans	+1.0	+4%
	3.8	4.1	Financial investments	+0.3	+7%
	2.0	2.1	Other assets	+0.1	+8%

- **Cash and equivalents** – SNB sight deposits up with higher exemption threshold
- **Loans and advances to customers** – Slightly up
 - More than 6,000 Covid-19 bridge loans granted, representing over CHF 700m
 - Lower Trade Finance activity
- **Mortgage loans** – Continuing steady growth in mortgage loans in an active real-estate market

Liabilities and equity

CHF billions (rounded)



- **Due to banks** – Rise primarily reflecting increased funding from the SNB and banks to optimize liquidity management
- **Customer deposits** – Continued increase mainly from retail and SME customers
- **Shareholders' equity** – Marginal decrease due to the new accounting rule on provisioning needs for non-impaired loans

Provisions for non-impaired loans

- Following the entry into force of the FINMA accounting ordinance on 1 January 2020, banks are required to set aside provisions for non-impaired loans
- At BCV, provisions for non-impaired loans amounted CHF 35m at 31 Dec. 2020

CHF 23m of On-balance-sheet impairment charges:

- CHF 4m in Due from banks
- CHF 12m in Other loans
- CHF 7m in Mortgage loans

Assets	Liabilities
Cash	Due to banks
-4	Customer deposits
Other loans	Bonds
-12	Provisions
Mortgage loans	+12
-7	Shareholders' equity
Other assets	-35

+CHF 12m in provisions for Off-balance-sheet commitments

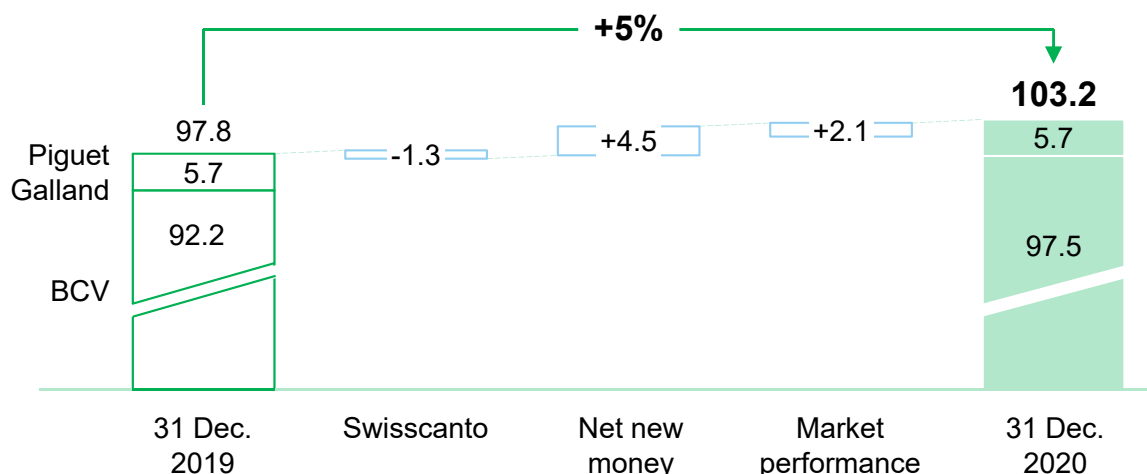
CHF 35m of provisions were built by drawing on Reserves for general banking risks under shareholders' equity

Assets under management

CHF billions (rounded)

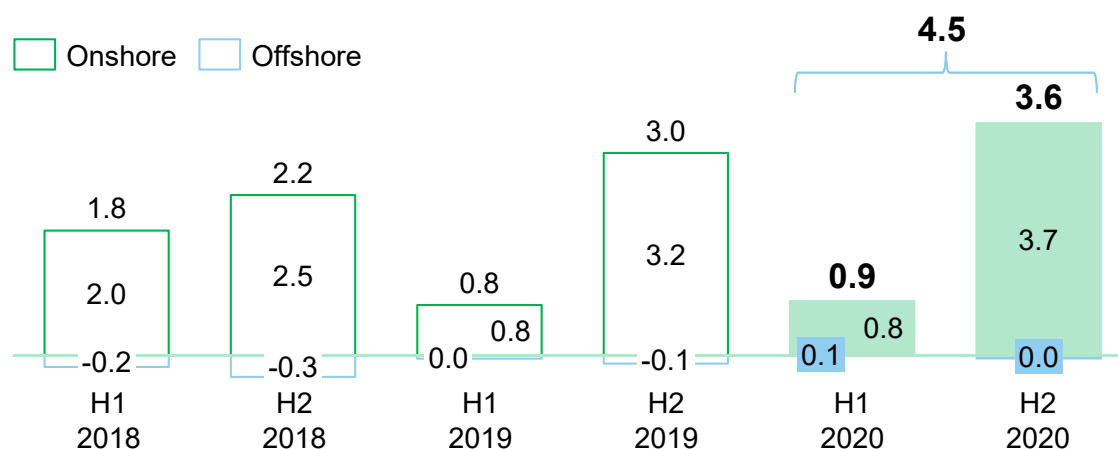


Assets under management



- AuM up 5% to CHF 103.2bn
 - Net new money of CHF 4.5bn
 - Positive market performance of CHF 2.1bn
 - Last transfer of Swisscanto funds in custody to ZKB with CHF 1.3bn in 2020

Net new money

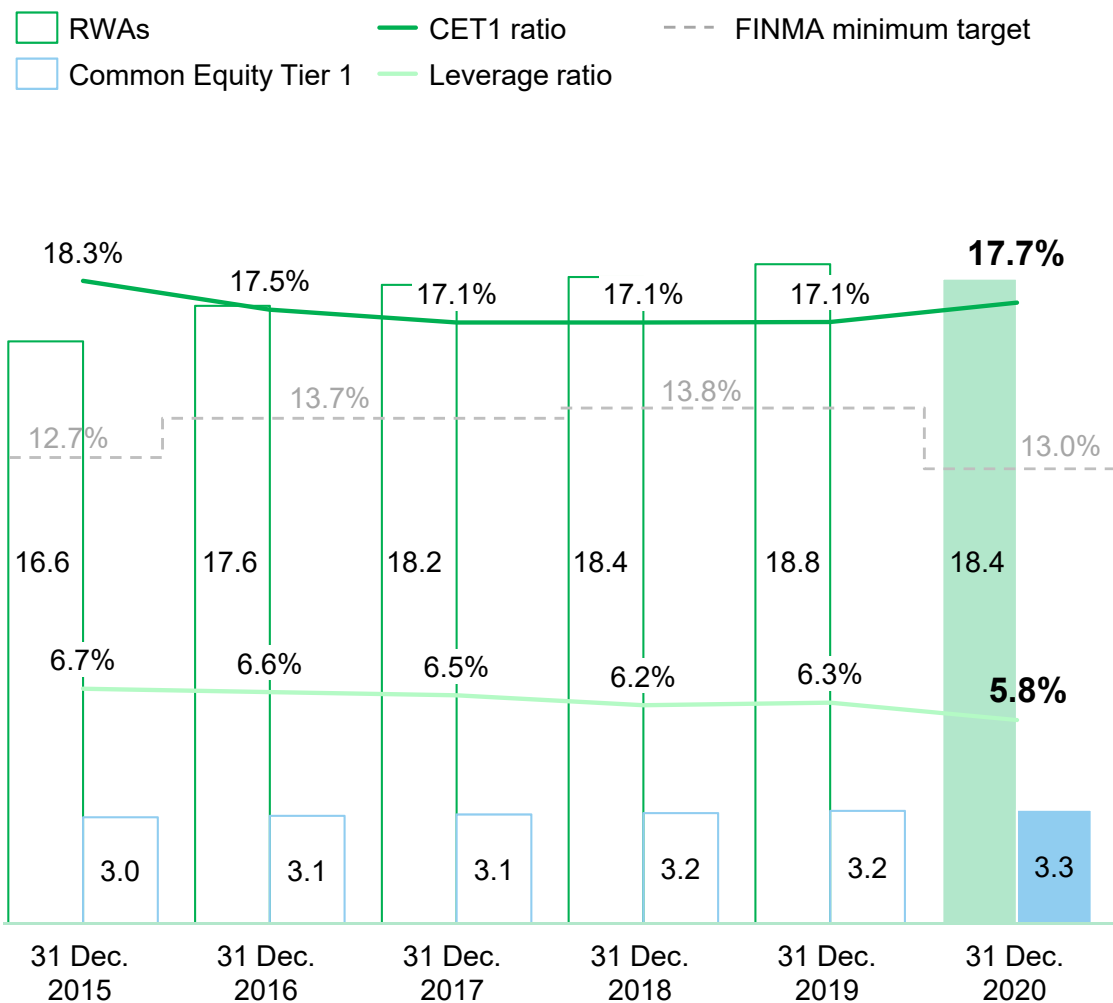


- **Onshore** net inflows of CHF 4.5bn
 - Net inflows from all customers: personal banking customers, Vaud SMEs, institutionals and large corporates
- **Offshore** negligible net inflows

Capital ratios

CHF billions (rounded)

Risk-weighted assets and CET1 ratio



CET1 ratio

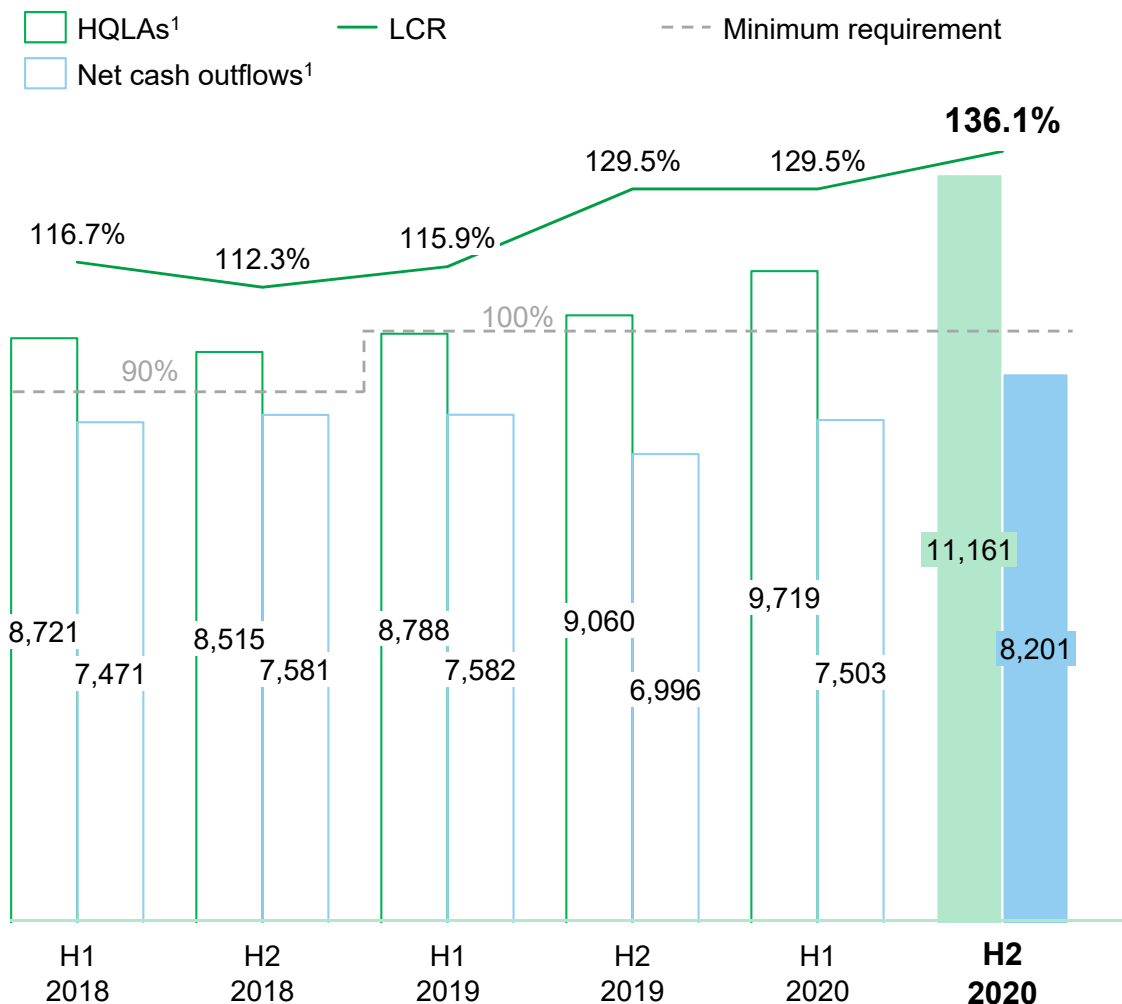
- CET1 ratio up, at 17.7%
 - Lower business volume in Trade Finance
 - Specific IRB multiplier adjusted by FINMA to reflect BCV's conservative approach in its internal models

Leverage ratio

- With higher cash deposits at the SNB, 50 bp decrease in the leverage ratio to 5.8%, vs. requirement of 3.0%

Liquidity ratio (LCR)

CHF millions (rounded)



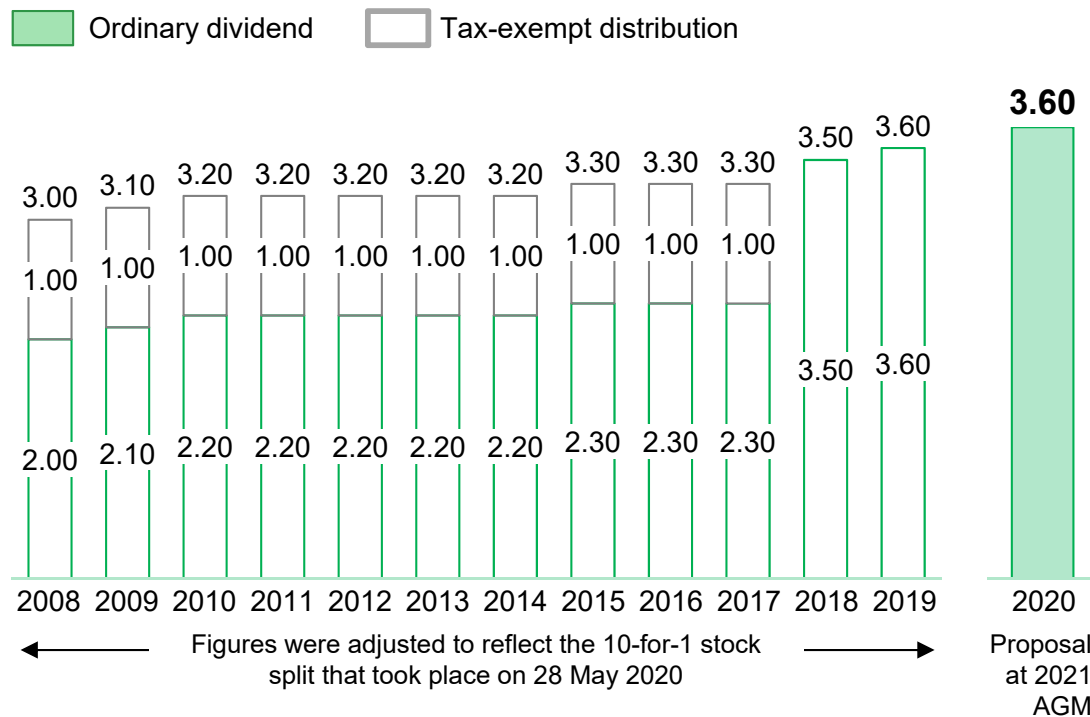
- **LCR** increased by 6.6 points since H1 2020 with an increase in HQLA (CHF 1.4bn) twice the size of the increase in NCO (CHF 0.7bn)
- Composition of the Bank's HQLAs
 - 75%: cash deposited with the SNB
 - 25%: mainly Swiss-issued, AAA- to AA-rated securities eligible as SNB collateral
- Transition phase is over: Minimum 100% requirement now fully loaded

Note

(1) Simple average of figures at month-end

2020 dividend

CHF per share



Total payout (CHFm)	
258	267
275	275
275	275
275	275
275	275
275	275
284	284
284	284
284	284
301	310
310	

As % of net profit	
72%	89%
88%	91%
88%	98%
93%	84%
92%	89%
86%	85%
94%	

- Current dividend policy (2018-2022)
 - Applicable as of the 2018 dividend
 - Between CHF 3.40 and CHF 3.80 per share

- Proposal at 2021 AGM: Dividend of CHF 3.60 per share
 - Total payout: CHF 310m
 - 94% of 2020 net profit

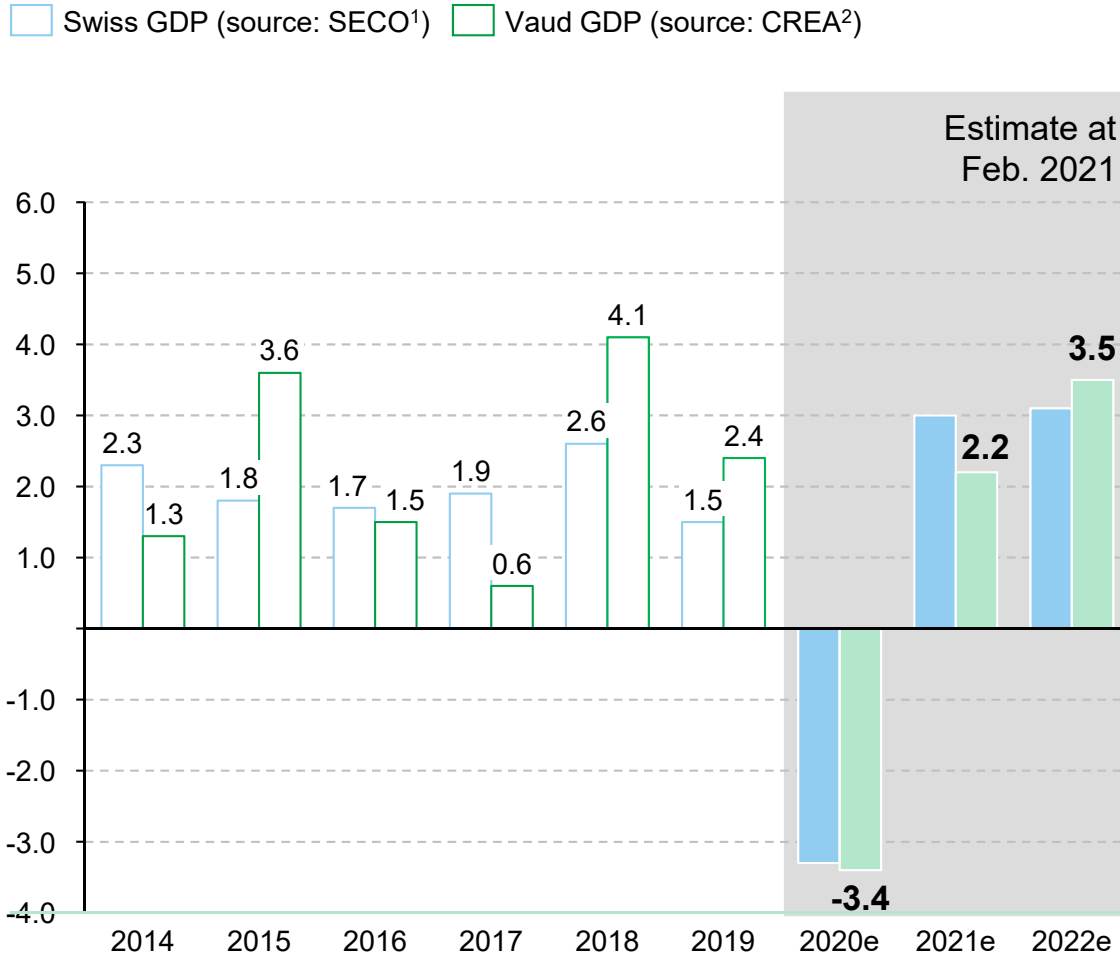
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Swiss and Vaud GDP growth

In %

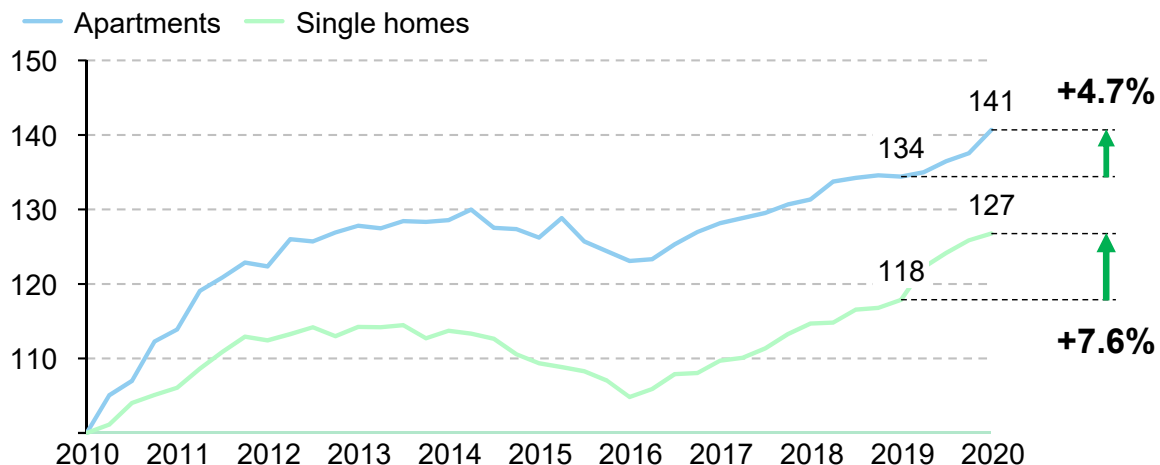


- In 2020: Swiss and Vaud GDP may shrink by 3.1% and 3.4%, respectively, which is nevertheless not as bad as other Western countries
- Relatively low visibility on how the pandemic will develop

Note

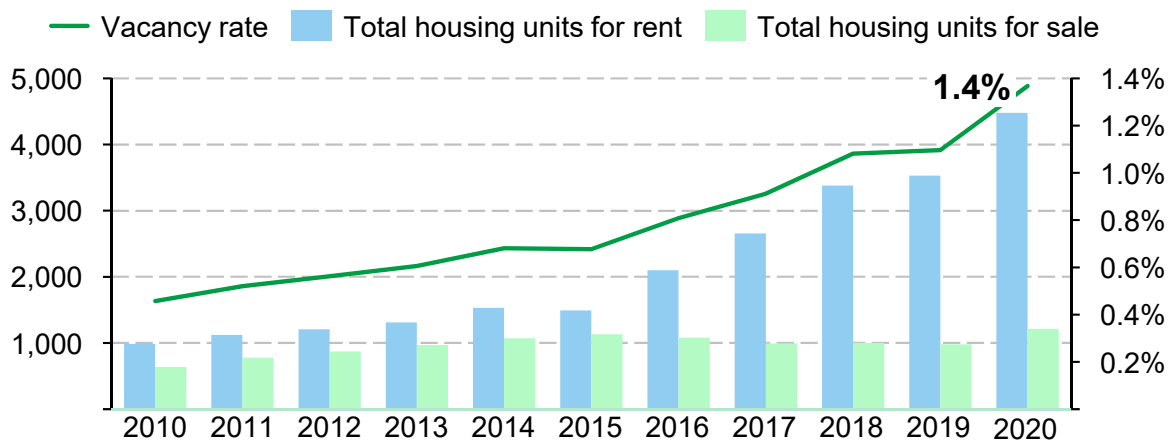
- (1) SECO = Switzerland's State Secretariat for Economic Affairs
- (2) CREA = Lausanne University's Créa Institute of Macroeconomics

Transaction prices in Vaud (Basis 100 in Dec. 2010)



- Prices on Vaud real-estate transactions have increased steadily in 2020
 - Up 4.7% on apartments
 - Up 7.6% on single-family homes
- Heightened competition
 - Driven by low-interest-rate offers
 - Non-bank competitors

Vacant housing in Vaud



- A larger supply of rental housing is pushing up the vacancy rate
- BCV's mortgage policy remains clearly focused on loan quality instead of volume growth
- Targeting geographical areas with low vacancy rates
- Cautious stance on the private buy-to-let segment

Source: Wüest Partner, Statistique Vaud

Appendices



Income statement



CHF millions (rounded)

	FY 2020	FY 2019	Abs	%
Interest and discount income	511.2	570.3	-59.1	-10
Interest and dividend income from financial investments	22.6	27.9	-5.3	-19
Interest expense	-59.4	-101.4	-42.0	-41
Net interest income before loan impairment charges/reversals	474.4	496.9	-22.4	-5
Loan impairment charges/reversals	-15.1	9.8	+24.9	+253
Net interest income after loan impairment charges/reversals (NII)	459.4	506.7	-47.3	-9
Fees and commissions on securities and investment transactions	266.6	259.4	+7.2	+3
Fees and commissions on lending operations	36.2	44.5	-8.3	-19
Fees and commissions on other services	63.0	73.6	-10.6	-14
Fee and commission expense	-55.5	-54.6	+0.9	+2
Net fee and commission income	310.2	322.9	-12.7	-4
Net trading income and fair-value adjustments	139.2	128.1	+11.0	+9
Gains/losses on disposals of financial investments	2.0	0.5	+1.5	+294
Income from equity investments	6.5	13.7	-7.2	-52
Real-estate income	7.1	7.5	-0.4	-6
Miscellaneous ordinary income	21.2	22.9	-1.7	-7
Miscellaneous ordinary expenses	-0.4	-0.3	+0.1	+27
Other ordinary income	36.4	44.3	-7.9	-18
Total income from ordinary banking operations	945.2	1,002.0	-56.8	-6
Personnel costs	-339.2	-339.3	-0.1	-0
Other operating expenses	-156.2	-165.2	-9.0	-5
Operating expenses	-495.4	-504.5	-9.1	-2
Depreciation and amortization of fixed assets and impairment on equity investments	-72.1	-71.3	+0.7	+1
Other provisions and losses	-5.0	-7.2	-2.2	-31
Operating profit	372.7	418.9	-46.2	-11
Extraordinary income	4.8	0.7	+4.1	N/A
Extraordinary expenses	-0.1	-0.2	-0.2	-68
Taxes	-46.7	-56.6	-9.9	-17
Net profit	330.8	362.9	-32.1	-9
Minority interests	-0.0	-0.0	+0.0	+9
Net profit attributable to BCV shareholders	330.8	362.9	-32.1	-9

Balance sheet



CHF millions (rounded)

	31 Dec. 2020	31 Dec. 2019	Abs	%
Cash and cash equivalents	11,550	8,384	+3,166	+38
Due from banks	1,347	1,186	+161	+14
Reverse repurchase agreements	236	239	-3	-1
Loans and advances to customers	5,812	5,752	+60	+1
Mortgage loans	28,037	27,016	+1,021	+4
Trading portfolio assets	312	277	+35	+13
Positive mark-to-market values of derivative financial instruments	321	273	+48	+18
Other financial assets at fair value	886	784	+102	+13
Financial investments	4,084	3,811	+273	+7
Accrued income and prepaid expenses	87	85	+1	+2
Non-consolidated holdings	69	69	0	0
Tangible fixed assets	412	433	-21	-5
Intangible assets	2	5	-3	-63
Other assets	31	36	-5	-13
Assets	53,186	48,352	+4,834	+10
Due to banks	2,948	1,703	+1,244	+73
Repurchase agreements	2,781	1,502	+1,279	+85
Customer deposits	35,424	33,048	+2,377	+7
Trading portfolio liabilities	1	2	-0	-27
Negative mark-to-market values of derivative financial instruments	329	213	+116	+54
Other financial liabilities at fair value	969	918	+52	+6
Medium-term notes	2	3	-1	-43
Bonds and mortgage-backed bonds	6,911	7,094	-183	-3
Accrued expenses and deferred income	145	154	-9	-6
Other liabilities	75	114	-38	-34
Provisions	27	16	+12	+73
Liabilities	49,612	44,766	+4,846	+11
Reserves for general banking risks	666	701	-35	-5
Share capital	86	86	0	0
Capital reserve	36	35	0	+1
Retained earnings	2,472	2,419	+53	+2
Currency translation reserve	-2	-2	-0	-1
Own shares	-15	-18	+2	+14
Minority interests in equity	0	0	-0	-0
Net profit	331	363	-32	-9
<i>of which minority interests</i>	0	0	0	+9
Shareholders' equity	3,574	3,586	-11	-0
Total liabilities and shareholders' equity	53,186	48,352	+4,834	10

Key performance indicators

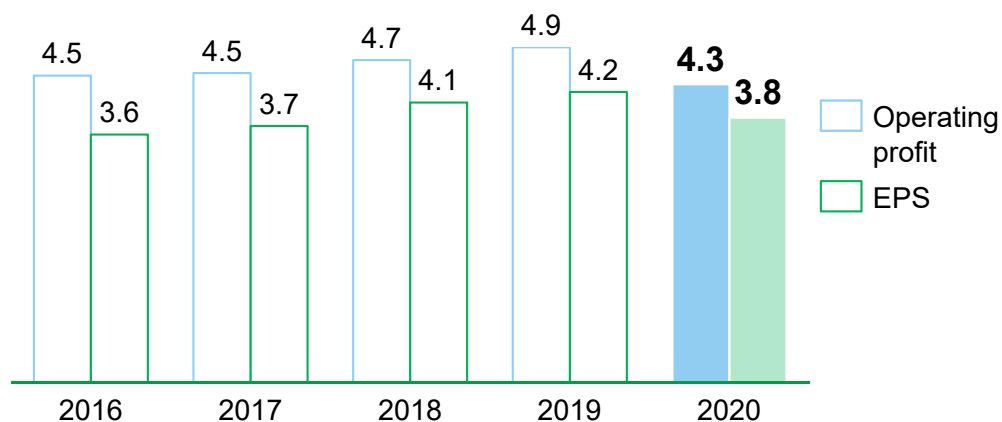


		31 Dec. 2016	31 Dec. 2017	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020
Asset quality and balance sheet structure	Impaired loans/ credit exposure	0.7%	0.7%	0.6%	0.5%	0.5%
	Customer deposits/ loans to customers	98%	101%	99%	101%	105%
	Liquidity Coverage Ratio (LCR)	113%	121%	113%	129%	136%
	Interest margin	1.11%	1.12%	1.10%	1.07%	0.94%
Capital	CET1 ratio ¹	17.5%	17.1%	17.1%	17.1%	17.7%
	Total capital ratio ¹	17.6%	17.3%	17.2%	17.3%	17.8%
	Leverage ratio	6.6%	6.5%	6.2%	6.3%	5.8%
Productivity	Cost/income ratio (excl. goodwill amortization)	59.4%	58.3%	57.6%	57.7%	58.7%
Financial performance	ROE (net profit/average equity)	9.1%	9.4%	10.1%	10.4%	9.3%

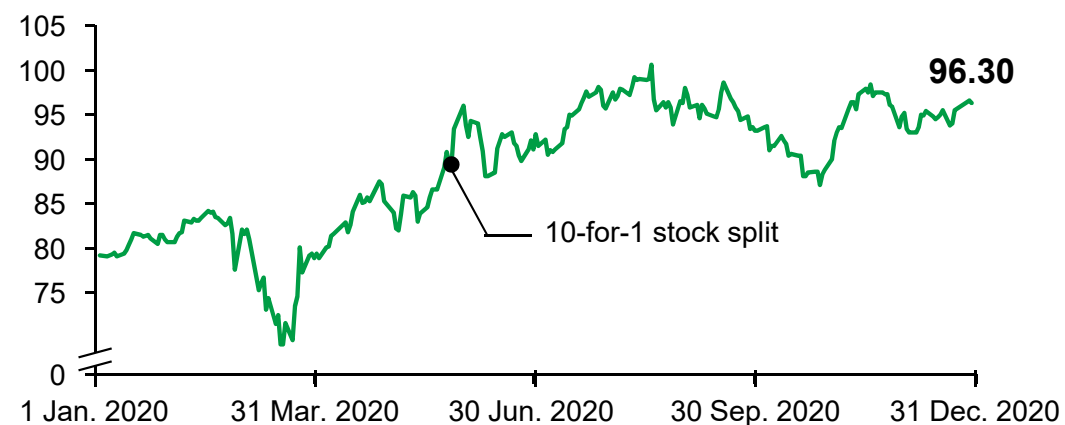
Note

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

Per share (CHF)¹



Stock price¹



Key figures

	31 Dec. 2016	31 Dec. 2017	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020 ¹
Number of issued shares	8,606,190	8,606,190	8,606,190	8,606,190	86,061,900
Market capitalization (CHF billions)	5.56	6.33	6.38	6.80	8.29
High / low historical prices	694.00 / 582.00	764.50 / 644.00	823.00 / 688.00	820.00 / 708.00	101.40 / 67.50

Note

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

18 February 2021

Full-year 2020
results

29 March 2021

Publication of the
2020 Annual Report

29 April 2021

Annual
Shareholders'
Meeting in Lausanne

3 May 2021

Ex-dividend date¹

4 May 2021

Dividend record
date¹

5 May 2021

Dividend payment¹

19 August 2021

Half-year 2021
results

Note

(1) Total amount distributed to shareholders in the form of an ordinary dividend of CHF 3.60 per share, subject to approval at the Annual Shareholders' Meeting

BCV Investor Relations iPad¹ App

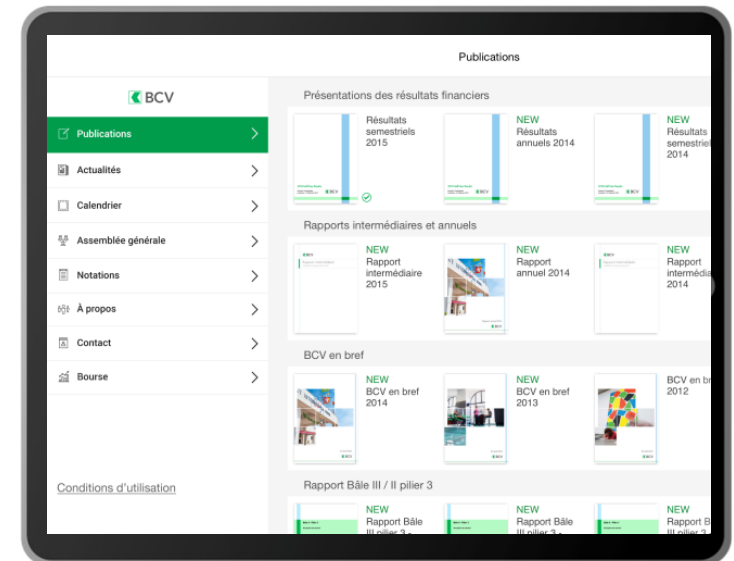


Our BCV Investor Relations app keeps you in touch with the latest developments at BCV Group

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
- Sustainability 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.