

Interim Report

Consolidated financial statements at 30 June 2021



Letter from the Chairman and the CEO

The Covid-19 crisis continued in the first half of 2021, although the situation gradually improved as the vaccination campaign progressed and protective measures were eased. The pandemic is not over and certain restrictions remain in effect, but a semblance of normal life has returned to our home canton of Vaud. That said, visibility remains very limited. New coronavirus strains could necessitate further public health measures and weigh on the recovery.

The economic climate is currently improving, with full-year growth expected to reach 3.6% in Switzerland and 3.1% in Vaud. Although the public health crisis took a major toll on a number of sectors, its overall impact was not as dire as feared back in spring 2020. GDP did decline last year in both Vaud Canton and Switzerland as a whole, but by much less than forecast at the start of the crisis. Vaud GDP decreased by 1.8% while Swiss GDP fell by 2.7% versus the 5%–7% decline initially estimated.

The current monetary situation is unusual. The strong recovery in the US and the eurozone has sparked inflationary pressure. However, central banks are keeping their monetary policies extremely loose for now, in the belief that the price rises simply reflect Covid-19 base effects.

Against that backdrop, we had solid volume growth in three key business lines: retail banking, SMEs, and onshore wealth management. We also issued CHF 642m (+2%) in new mortgage loans amid a buoyant real-estate market. Assets under management, bolstered by both positive financial-market trends and new fund inflows, expanded by 7% to more than CHF 110bn. Revenues were up 3% to CHF 493m, and operating profit rose 13% to CHF 203m, bringing that figure close to pre-Covid-19 levels. Net profit grew 10% to CHF 173m.

BCV fulfilled its role as a responsible corporate citizen during the pandemic by maintaining the measures put in place to protect its employees and customers, while continuing to provide a full range of banking services to the people and businesses of Vaud. In addition, we once again offered local SMEs the possibility to suspend two principal repayments on their loans.

Like last year, shareholders could not physically attend our Annual Meeting. It was unfortunate that we couldn't see our shareholders in person and talk with them. Shareholders were nevertheless able to exercise their voting rights through the independent proxy, and a large proportion of them did so, approving all resolutions by a



Jacques de Watteville
Chairman of the Board of Directors

Pascal Kiener
CEO

significant majority. BCV paid a dividend of CHF 3.60 per share in May, for a total payout of CHF 310m. Since 2008, we have returned close to CHF 3.7bn to our shareholders.

We released our 2020 Sustainability Report in tandem with our Annual Report. The sustainability report is prepared in accordance with Global Reporting Initiative (GRI) Standards. This year we included additional information on topics such as BCV's socially responsible investment strategy, which encompasses all our personal and institutional client segments. The report also contains BCV's results from the Paris Agreement Capital Transition Assessment (PACTA) climate compatibility test, which was sponsored by the Swiss Federal Office for the Environment. The test is an assessment tool that gives banks and institutional investors insight into the indirect impact that the portfolios they manage have on climate change, as well as their portfolios' exposure to climate-related risks.

For the past ten years, Standard & Poor's has ranked BCV among the world's most financially sound banks, with an unchanged AA credit rating. In addition, Moody's reaffirmed our Aa2 rating early this year.

On behalf of the Board of Directors and Executive Board, we wish to thank each and every BCV employee for their dedication and for the energy they put into serving our customers every day. We are also grateful to all our customers for the trust they place in us, and to our shareholders for their loyalty.


Jacques de Watteville


Pascal Kiener

Business sector review

Retail Banking

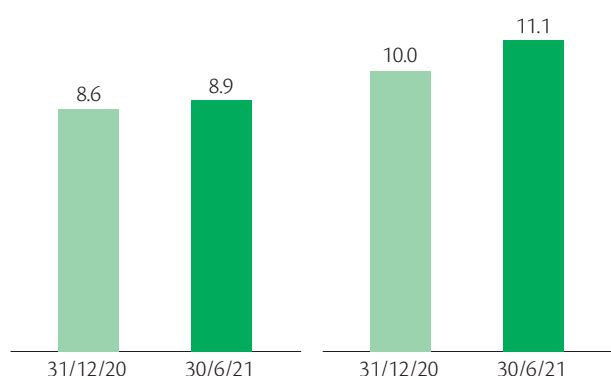
A gradual return to normal

The Covid-19 pandemic continued in the first half of 2021, although a semblance of normal life returned during the summer as the vaccination campaign progressed and lockdown measures were eased.

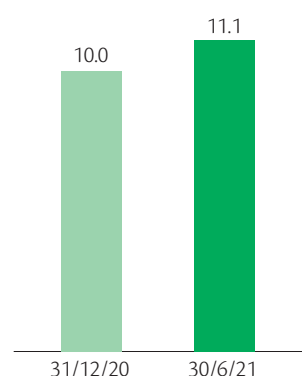
Unlike in 2020, all of BCU's branches stayed open in the first six months of this year, and only basic preventive measures like distancing and masks remained in effect in our branch offices. Overall, business activity returned to normal levels, with only a few remaining restrictions on international travel limiting our customers' need to exchange currency. Supported by a buoyant real-estate market, the mortgage book continued to expand, rising 3% to CHF 8.9bn. At the same time, customer savings and sight deposits rose by over CHF 1.1bn.

Retail Banking revenues increased 7% to CHF 89m, and operating profit was up 29% to CHF 19m.

Mortgage loans
in CHF billions



Customer deposits
in CHF billions



	H1 2020	H1 2021
Total revenues (CHF millions)	83.2	88.7
Operating profit (CHF millions)	15.1	19.4
Cost/income ratio (excluding goodwill amortization and write-downs)	79%	76%
ROE	9.4%	12.4%
Headcount	354	355

2020 figures were adjusted to facilitate like-for-like comparison

Corporate Banking

Vaud companies still resilient

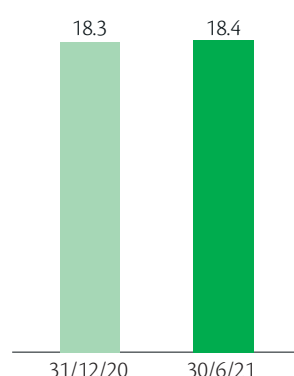
A number of sectors of the economy took a major hit during the Covid-19 crisis, but overall, last year's recession was not as severe as expected. Vaud GDP decreased by only 1.8%, significantly lower than the 5%–7% decline forecast early in the pandemic. The economy is currently improving and expected to grow by over 3% in 2021.

Total lending and off-balance-sheet commitments rose 1% to CHF 18.4bn, due to a number of factors: mortgage loans increased, the lending needs of SMEs remained stable, lending and commitments to Large Corporates decreased, and Trade Finance activity increased gradually while remaining below pre-pandemic levels. Customer deposits were stable at CHF 11.3bn (–1%).

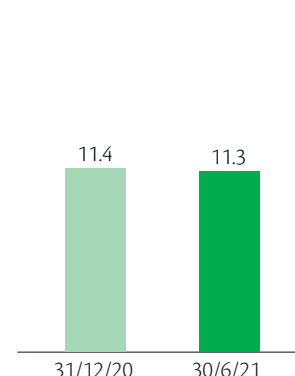
The corporate loan book remained healthy as Vaud businesses once again proved resilient in the face of adversity. Some loan impairment charges nevertheless had to be booked, mainly due to an isolated default unrelated to the Covid-19 crisis.

Corporate Banking revenues increased by 4% to CHF 132m, and operating profit was up 7% to CHF 79m.

Lending and off-balance-sheet
commitments
in CHF billions



Customer deposits
in CHF billions



	H1 2020	H1 2021
Total revenues (CHF millions)	127.3	131.9
Operating profit (CHF millions)	73.2	78.5
Cost/income ratio (excluding goodwill amortization and write-downs)	36%	35%
ROE	9.8%	10.2%
Headcount	187	195

2020 figures were adjusted to facilitate like-for-like comparison

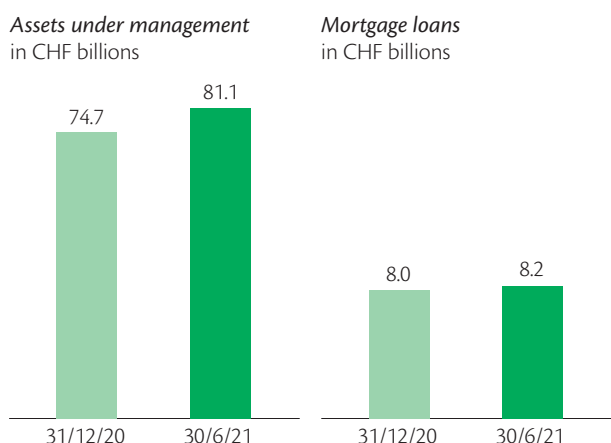
Wealth Management

Strong business trend

The ongoing economic recovery has fed bullish sentiment on financial markets. Spurred by large-scale government stimulus plans and growing corporate earnings, all global equity indices gained ground in the first half. The SMI rose by 11.6%, the STOXX Europe 600 by 13.5%, the S&P 500 by 14.4%, and the Nikkei by 4.9%. The Bloomberg Commodity Index (BCOM) climbed 21.1%, reflecting the robust across-the-board performance by commodities. Only bonds posted poor – and in some cases negative – returns in H1.

Assets under management rose 9% to CHF 81.1bn during the first half. This was a result of strong inflows of net new money from private banking and institutional clients as well as positive financial-market performance over the period.

Wealth Management revenues rose 9% to CHF 199m, and operating profit was up 26% to CHF 90m.



	H1 2020	H1 2021
Total revenues (CHF millions)	182.1	198.9
Operating profit (CHF millions)	72.0	90.4
Cost/income ratio (excluding goodwill amortization and write-downs)	58%	54%
ROE	34.3%	43.6%
Headcount	544	542

2020 figures were adjusted to facilitate like-for-like comparison

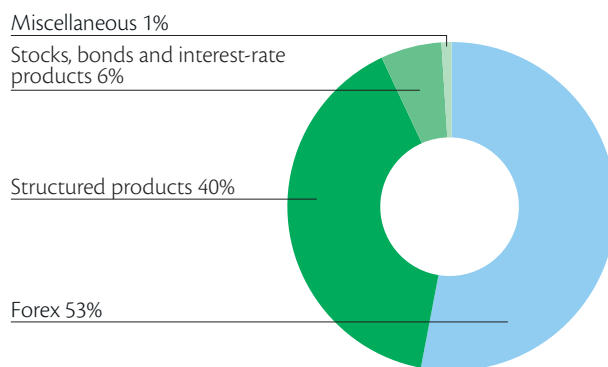
Trading

Revenues remain high

Structured product issuance was robust, with a 57% increase in structured product revenues offsetting a decrease in forex trading revenues, which were off 29% versus a strong H1 2020. That decline reflected lower customer-driven trading activities. Forex trading nevertheless accounted for more than 50% of overall Trading revenues in H1.

Trading revenues remained high at CHF 30m, and operating profit rose 4% to CHF 17m.

Breakdown of trading income by market segment



	H1 2020	H1 2021
Total revenues (CHF millions)	30.3	30.1
Operating profit (CHF millions)	16.3	16.9
Cost/income ratio (excluding goodwill amortization and write-downs)	45%	43%
ROE	39.2%	42.0%
Headcount	52	49

2020 figures were adjusted to facilitate like-for-like comparison

Consolidated financial statements at 30 June 2021 (Unaudited)

BCV Group H1 2021 net profit up 10% to CHF 173m

BCV Group delivered very good H1 results. Despite the impact of the Covid-19 pandemic and the continued negative-interest-rate environment, revenues were up 3% to CHF 493m, driven mainly by an increase in fee and commission income. Operating profit rose 13% year on year to CHF 203m on firm cost control. Net profit was up 10% to CHF 173m.

In response to the ongoing pandemic, BCV fulfilled its role by maintaining the measures put in place to protect its employees and customers, while continuing to provide a full range of banking services to the people and businesses of Vaud. In addition, BCV once again offered local SMEs the possibility to suspend two principal repayments on their loans.

Revenues up 3% to CHF 493m

Total revenues were up 3% year on year to CHF 493m. In the continued negative-interest-rate environment and with the Bank's Trade Finance exposure still intentionally reduced, net interest income before loan impairment charges declined 2% to CHF 227m. Net interest income was down just 1% to CHF 227m on lower loan impairment charges. Fee and commission income increased 11% to CHF 173m, bolstered by a strong business trend in private and institutional wealth management. Trading income was once again solid, edging down 2% to CHF 72m. Other ordinary income rose 13% to CHF 21m.

Operating profit at CHF 203m

Operating expenses were steady at CHF 256m (+1%). Personnel costs increased 3% to CHF 178m, reflecting the insourcing of around 20 IT specialists from IBM. Other operating expenses declined 2% to CHF 78m. Depreciation and amortization was flat at CHF 37m. Operating profit was up 13% to CHF 203m.

Net profit up 10% to CHF 173m

The Bank recorded a tax expense of CHF 30m. Net profit was up 10% to CHF 173m. That corresponds to an ROE of 9.7% – one of the highest in BCV's peer group.

Significant expansion in the balance sheet

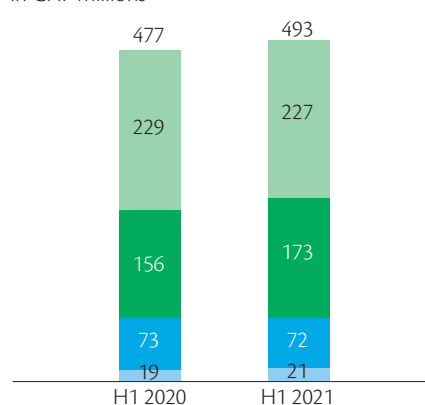
Total assets increased 4%, or CHF 2.4bn, to CHF 55.6bn, driven by large cash inflows. Cash and cash equivalents, which are mainly held as SNB sight deposits, rose 1% to CHF 11.7bn. Mortgage lending expanded 2%, or CHF 642m, to CHF 28.7bn, in a very dynamic real-estate market. Other loans increased 5% to CHF 6.1bn, primarily driven by a gradual uptick in Trade Finance business volumes.

On the liabilities side, customer deposits grew 5%, or CHF 1.8bn, to CHF 37.2bn.

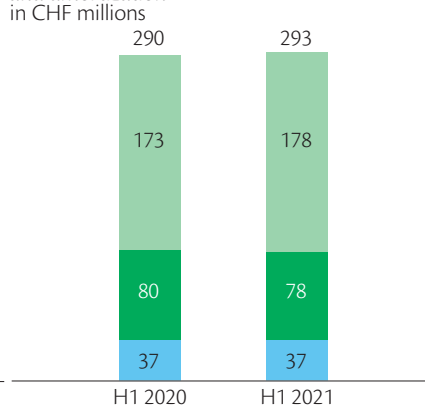
Net new money and increase in AuM

The Group's assets under management rose 7%, or CHF 7.1bn, to CHF 110.2bn. Net new money totaled CHF 3.1bn and came from individuals, SMEs, and institutional clients. The Bank's investment performance drove AuM up by CHF 4.0bn.

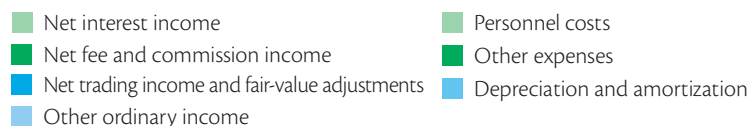
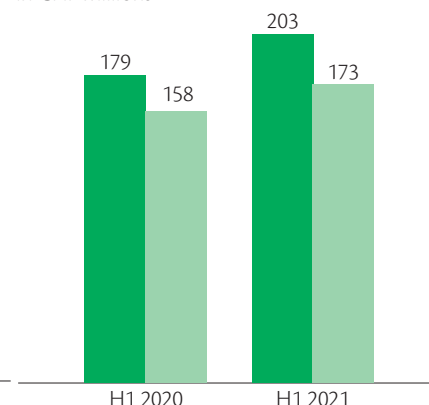
Revenues
in CHF millions



Operating expenses, depreciation
and amortization
in CHF millions



Operating and net profit
in CHF millions



Solid financial position

The Bank's total capital ratio stood at 17.2% at 30 June 2021 and shareholders' equity amounted to CHF 3.4bn, attesting to BCV's financial solidity. Within the last 18 months, Standard & Poor's has once again reaffirmed its AA rating for BCV with a stable outlook, and Moody's has maintained its Aa2 rating, also with a stable outlook.

CHF 310m paid out to shareholders

In accordance with its dividend policy, BCV returned an ordinary dividend of CHF 3.60 per share to its shareholders in May, for a total payout of CHF 310m. This payout was unchanged from the prior year and represents a total dividend yield of 3.7% based on BCV's 2020 year-end share price.

Fulfilling BCV's mission as Vaud's cantonal bank throughout the pandemic

In the first half of 2021, the Bank maintained the measures it had implemented to protect its customers and employees, while continuing to provide a full range of banking services to the people and businesses of Vaud. Remote working arrangements were kept in place for employees, and customers could visit BCV's branches or use various remote banking channels to carry out their day-to-day transactions and speak with their advisors. The Bank also offered on-site vaccination for employees and their families.

To help support local SMEs, the Bank offered them the possibility to suspend the 31 March and 30 June principal repayments on their loans (including mortgage loans, overdraft facilities, and capital goods loans). A similar measure was taken in 2020 (see the press releases of 19 March 2020 and 3 February 2021).

Outlook

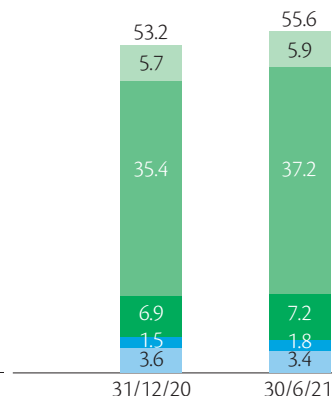
Barring a significant deterioration in the financial markets and/or the overall economic situation, FY 2021 results are expected to be in line with those recorded in the first half.

Assets
in CHF billions



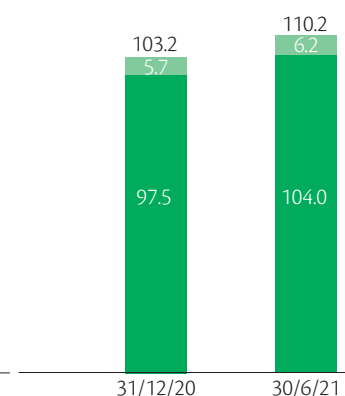
- Cash and cash equivalents
- Due from banks
- Loans and advances to customers
- Mortgage loans
- Financial investments
- Miscellaneous assets

Liabilities and shareholders' equity
in CHF billions



- Due to banks
- Customer deposits
- Long-term borrowings
- Miscellaneous liabilities
- Shareholders' equity

Assets under management
in CHF billions



- Piguet Galland & Cie SA
- Parent company, Gérifonds, GEP

BCV Group

Consolidated balance sheet (unaudited)

(in CHF millions)	30 / 6 / 21	31 / 12 / 20	Change absolute	Change as %
Cash and cash equivalents	11 696	11 550	146	1
Due from banks	2 408	1 347	1 061	79
Reverse repurchase agreements	193	236	- 43	- 18
Loans and advances to customers	6 087	5 812	275	5
Mortgage loans	28 678	28 037	642	2
Trading portfolio assets	342	312	29	9
Positive mark-to-market values of derivative financial instruments	338	321	17	5
Other financial assets at fair value	1 193	886	307	35
Financial investments	4 054	4 084	- 30	- 1
Accrued income and prepaid expenses	61	87	- 25	- 29
Non-consolidated holdings	69	69	0	0
Tangible fixed assets	394	412	- 18	- 4
Intangible assets	1	2	- 1	- 35
Other assets	49	31	18	59
Assets	55 564	53 186	2 378	4
Total subordinated assets	0	0	0	0
<i>of which subject to mandatory conversion and/or conditional write-off</i>	0	0	0	0
Due to banks	4 041	2 948	1 094	37
Repurchase agreements	1 867	2 781	- 914	- 33
Customer deposits	37 175	35 424	1 750	5
Trading portfolio liabilities	1	1	- 0	- 7
Negative mark-to-market values of derivative financial instruments	185	329	- 144	- 44
Other financial liabilities at fair value	1 333	969	364	38
Medium-term notes	2	2	- 0	- 4
Bonds and mortgage-backed bonds	7 226	6 911	315	5
Accrued expenses and deferred income	129	145	- 16	- 11
Other liabilities	142	75	67	90
Provisions	23	27	- 5	- 17
Liabilities	52 123	49 612	2 511	5
Reserves for general banking risks	666	666	0	0
Share capital	86	86	0	0
Capital reserve	36	36	0	1
Retained earnings	2 493	2 472	21	1
Currency translation reserve	- 2	- 2	0	2
Own shares	- 12	- 15	3	22
Minority interests in equity	0	0	0	1
Net profit for reporting period	173		173	
Net profit for 2020		331	- 331	
<i>of which minority interests</i>	0	0	0	30
Shareholders' equity	3 441	3 574	- 133	- 4
Total liabilities and shareholders' equity	55 564	53 186	2 378	4
Total subordinated liabilities	0	0	0	0
<i>of which subject to mandatory conversion and/or conditional write-off</i>	0	0	0	0
Consolidated off-balance-sheet transactions				
(in CHF millions)				
Contingent liabilities	1 727	1 754	- 27	- 2
Irrevocable commitments	1 426	1 440	- 14	- 1
Commitments relating to calls on shares and other equity securities	259	178	82	46
Confirmed credits	38	46	- 8	- 17

BCV Group

Consolidated income statement (unaudited)

(in CHF millions)	2021 H1	2020 H1	Change absolute	Change as %
Interest and discount income	241.9	262.4	-20.5	-8
Interest and dividend income from financial investments	9.2	12.8	-3.6	-28
Interest expense	-14.6	-33.4	-18.8	-56
Net interest income before loan impairment charges/reversals	236.5	241.8	-5.3	-2
Loan impairment charges/reversals	-9.5	-12.9	-3.4	-26
Net interest income after loan impairment charges/reversals (NII)	227.0	228.9	-1.9	-1
Fees and commissions on securities and investment transactions	149.4	131.0	18.3	14
Fees and commissions on lending operations	20.7	19.9	0.8	4
Fees and commissions on other services	32.9	31.2	1.7	5
Fee and commission expense	-29.5	-25.8	3.7	14
Net fee and commission income	173.5	156.3	17.2	11
Net trading income and fair-value adjustments	71.5	73.0	-1.6	-2
Gains/losses on disposals of financial investments	3.3	0.2	3.1	n/a
Income from equity investments	3.0	4.9	-1.9	-38
<i>of which other non-consolidated holdings</i>	3.0	4.9	-1.9	-38
Real-estate income	3.5	3.4	0.1	2
Miscellaneous ordinary income	11.4	10.4	0.9	9
Miscellaneous ordinary expenses	0.0	-0.2	-0.2	-100
Other ordinary income	21.2	18.8	2.4	13
Total income from ordinary banking operations	493.2	477.1	16.1	3
Personnel costs	-178.2	-173.3	5.0	3
Other operating expenses	-78.2	-79.6	-1.4	-2
Operating expenses	-256.4	-252.9	3.6	1
Depreciation and amortization of fixed assets and impairment on equity investments	-36.8	-37.0	-0.2	-0
Other provisions and losses	3.0	-8.2	-11.2	-136
Operating profit	202.9	179.0	23.9	13
Extraordinary income	0.2	3.1	-2.9	-93
Extraordinary expenses	-0.0	-0.0	-0.0	-61
Taxes	-29.8	-24.3	5.6	23
Net profit	173.3	157.8	15.5	10
Minority interests	-0.0	-0.0	0.0	86
Net profit attributable to BCV shareholders	173.3	157.8	15.5	10

BCV Group

Statement of changes in equity (unaudited)

	Share capital	Capital reserve	Retained earnings	Reserves for general banking risks	Currency translation reserve	Own shares	Equity - minority interests	Net profit for the period	Total equity
(in CHF millions)									
Status at 31 December 2020	86	36	2 472	666	- 2	- 15	0	331	3 574
2020 dividend								- 310	- 310
Retained earnings			21					- 21	0
Purchases of own shares (at cost)						- 20			- 20
Disposals of own shares (at cost)						23			23
Gain on disposals of own shares and dividends		0							0
Currency translation differences					0				0
Changes in scope and/or minority interests									0
Net profit for reporting period							0	173	173
Status at 30 June 2021	86	36	2 493	666	- 2	- 12	0	173	3 441

BCV Group

Abridged notes to the financial statements

Company name, legal status and head office

BCV (Banque Cantonale Vaudoise) 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.

Overview of operations and scope of consolidation

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. At 30 June 2021, in addition to the parent company, BCV Group comprised the private bank Pignatelli Galland & Cie SA and two fund management firms, Gérifonds SA and GEP SA (Société pour la gestion de placements collectifs). The Bank also has a branch in Guernsey (Banque Cantonale Vaudoise Guernsey Branch), which is active in structured products and fiduciary investments.

The scope of consolidation did not change relative to end-2020.

Basis of preparation of consolidated financial statements

The consolidated financial statements of BCV Group have been prepared in accordance with the Swiss Federal Act of 8 November 1934 on Banks and Savings Institutions, the corresponding Ordinance of 30 April 2014, the FINMA Accounting Ordinance (FINMA-AO) of 31 October 2019, and the Swiss accounting rules for banks, securities firms, financial groups, and financial conglomerates of 31 October 2019 (FINMA Circular 2020/1). The financial statements give a true and fair view of the assets, financial position, and results of BCV Group. The interim accounts have been drawn up in

accordance with the same rules, principles, and structure as the year-end accounts.

The accounting principles for the consolidated financial statements can be found on pages 120 to 126 of the 2020 Annual Report.

Changes to accounting principles

No changes were made to the accounting principles in H1 2021.

Factors that affected the Group's financial situation, and extraordinary income

There were no factors that had a significant impact on the Group's financial situation in H1 2021.

No extraordinary income of a material amount was recorded in H1 2021.

Events taking place after the closing date

As at 12 August 2021, when this interim report was completed, the Group was not aware of any event liable to have a material influence on the Group's H1 2021 financial statements.

Business sector information

	Retail Banking		Corporate Banking	
Customer business volumes by sector (in CHF millions)	30 / 6 / 21	31 / 12 / 20	30 / 6 / 21	31 / 12 / 20
Loans and advances to customers	136	113	4966	4930
Mortgage loans	8882	8639	10837	10589
Total customer loans	9018	8752	15803	15519
Customer deposits	11105	9982	11296	11426
Off-balance-sheet commitments	108	87	2645	2759
Assets under management (including double-counted)	13490	12061	14474	15567
Results by business sector (in CHF millions)	H1 2021	H1 2020	H1 2021	H1 2020
Net interest income before loan impairment charges/reversals	60.1	57.2	116.5	113.4
Loan impairment charges/reversals ¹	-1.6	-1.7	-14.8	-15.7
Net interest income after loan impairment charges/reversals	58.5	55.5	101.7	97.7
Net fee and commission income	22.3	20.7	23.7	23.3
Net trading income	7.3	6.5	4.6	4.5
Other income	0.5	0.6	1.9	1.8
Revenues	88.7	83.2	131.9	127.3
Personnel costs	-22.1	-21.7	-16.2	-15.7
Operating expenses	-18.5	-18.0	-5.2	-5.4
Depreciation, amortization and write-offs	-6.8	-7.3	-0.9	-0.9
Interdivisional billing	-21.1	-20.5	-28.6	-29.2
Other provisions and losses	-0.7	-0.6	-2.5	-3.1
Operating profit	19.4	15.1	78.5	73.2
Extraordinary income and expenses	0.0	0.0	0.0	0.0
Taxes ² and minority interests	-2.7	-2.1	-10.8	-10.1
Net profit	16.7	13.0	67.7	63.1
Indicators	H1 2021	H1 2020	H1 2021	H1 2020
Average shareholders' equity (in CHF millions) ³	271	277	1323	1288
ROE	12.4	9.4	10.2	9.8
Cost/income ratio ⁴	76.0	79.5	34.7	35.7
Average headcount	355	354	195	187

2020 figures were adjusted to facilitate like-for-like comparison

¹⁾ 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

²⁾ Taxes are calculated per business sector according to the tax rates in effect

³⁾ Equity is allocated to the business sectors at 13.0%; surplus equity is booked to the Corporate Center

⁴⁾ 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	
30 / 6 / 21	31 / 12 / 20	30 / 6 / 21	31 / 12 / 20	30 / 6 / 21	31 / 12 / 20	30 / 6 / 21	31 / 12 / 20
788	721	0	0	198	47	6087	5812
8180	8012	0	0	780	797	28678	28037
8967	8734	0	0	977	844	34765	33849
13449	13121	30	0	1294	894	37175	35424
80	80	9	0	609	492	3450	3418
81142	74708	0	0	1109	823	110215	103159
H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
62.5	60.7	1.8	2.0	-4.4	8.4	236.5	241.8
-1.5	-1.7	0.0	0.0	8.4	6.3	-9.5	-12.9
61.0	59.0	1.8	2.0	4.0	14.7	227.0	228.9
127.4	112.3	-1.3	-0.6	1.3	0.6	173.5	156.3
9.9	10.1	29.6	28.8	20.1	23.2	71.5	73.0
0.7	0.7	0.0	0.0	18.1	15.7	21.2	18.8
198.9	182.1	30.1	30.3	43.5	54.2	493.2	477.1
-55.1	-54.5	-6.2	-6.4	-78.5	-75.0	-178.2	-173.3
-19.3	-20.2	-3.7	-3.8	-31.4	-32.2	-78.2	-79.6
-6.9	-7.8	-1.2	-1.0	-21.1	-20.0	-36.8	-37.0
-27.5	-26.7	-1.8	-2.3	79.0	78.7	0.0	0.0
0.2	-0.9	-0.2	-0.5	6.2	-3.1	3.0	-8.2
90.4	72.0	16.9	16.3	-2.4	2.5	202.9	179.0
0.0	0.0	0.0	0.0	0.2	3.1	0.2	3.1
-13.3	-10.3	-2.3	-2.2	-0.7	0.5	-29.8	-24.3
77.2	61.7	14.6	14.0	-2.9	6.0	173.3	157.8
H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
354	359	70	72	1544	1581	3561	3576
43.6	34.3	42.0	39.2	0.0	0.0	9.7	8.8
53.9	58.5	43.1	44.6	0.0	0.0	58.2	58.8
54.2	54.4	49	52	791	769	1933	1905

The BCV share

In the first half of 2021, economic forecasts brightened considerably and financial markets gained momentum as the vaccination campaigns moved forward and protective measures gradually eased. All global equity indices ended the period in positive territory: in Europe, the SMI rose 11.6%, the DAX added 13.2%, and the CAC 40 climbed 17.2%. The main US indices posted double-digit growth, with the Dow Jones rising by 12.7%, the Nasdaq by 12.9%, and the S&P 500 by 14.4%. Gains in Asia were more modest than in Europe and the US, as the Nikkei grew 4.9% and the Shanghai Stock Exchange was up 3.4%.

As the economy recovered, defensive plays like BCV – which fared particularly well at the height of the pandemic – lost some of their appeal. Coming off the same cycle that pushed it to an all-time high, the BCV share had a more subdued first half in 2021: after soaring 21.9% in 2020, the share price lost 13.7% in H1 2021.

BCV has nonetheless earned a reputation as an income stock thanks to our attractive and consistently applied dividend policy. At this year's Annual Meeting, shareholders once again approved all resolutions, including the payout of a CHF 3.60-per-share dividend. This payout returned a total of CHF 310m to shareholders and represents a total dividend yield of 3.7% based on BCV's end-2020 share price.

As a direct result of our share price depreciating, BCV dropped below the required threshold for the STOXX Europe 600 just one year after we were added to that index. On 18 June 2021, the day BCV left the index, CHF 34m in BCV stock changed hands. The average daily trading volume in H1 was 69,000 shares, or CHF 6.3m, making the BCV share one of the six most-liquid banking stocks on the SIX Swiss Exchange.

Total shareholder return¹



¹ Stockmarket performance over the period plus dividends and capital distributions

Key figures – 5-year overview

Balance sheet (in CHF millions)	31 / 12 / 17	31 / 12 / 18	31 / 12 / 19	31 / 12 / 20	30 / 6 / 21
Total assets	45 415	47 863	48 352	53 186	55 564
Advances to customers	30 233	31 756	32 768	33 849	34 765
Customer deposits	30 512	31 375	33 048	35 424	37 175
Shareholders' equity	3 457	3 522	3 586	3 574	3 441

Assets under management (in CHF millions)					
Assets under management	86 490	87 620	97 840	103 159	110 215
<i>cash and cash equivalents</i>	26 977	28 062	29 837	31 729	32 718
<i>investment funds</i>	21 807	21 817	25 217	27 402	30 675
<i>shares</i>	19 871	18 485	20 934	22 336	24 134
<i>bonds</i>	9 764	9 413	9 746	8 536	8 812
<i>other</i>	8 071	9 843	12 106	13 156	13 876

Headcount					
Full-time equivalents	1 922	1 896	1 921	1 909	1 940

H1 income statement (in CHF millions)	2017	2018	2019	2020	2021
Total income	497	493	502	477	493
Operating expenses	257	254	255	253	256
Depreciation and amortization of fixed assets and impairment on equity investments	36	36	36	37	37
Other provisions and losses	0	3	2	8	- 3
Operating profit	203	200	209	179	203
Net profit	164	188	182	158	173

Liquidity and capital ratios ¹	31 / 12 / 17	31 / 12 / 18	31 / 12 / 19	31 / 12 / 20	30 / 6 / 21
Liquidity Coverage Ratio (LCR)	121%	112%	129%	136%	145%
Leverage Ratio	6.5%	6.2%	6.3%	5.8%	5.6%
Tier 1 capital ratio	17.1%	17.1%	17.1%	17.7%	17.0%
Total capital ratio	17.3%	17.2%	17.3%	17.8%	17.2%

H1 income ratios	2017	2018	2019	2020	2021
Operating profit/average shareholders' equity	11.9%	11.5%	11.9%	10.0%	11.3%
Cost/income ratio ²	58.2%	58.1%	57.7%	58.8%	58.2%
Annualized operating profit per employee (in CHF thousands)	212	210	219	188	210
ROE	9.6%	10.8%	10.4%	8.8%	9.7%

Credit ratings	31 / 12 / 17	31 / 12 / 18	31 / 12 / 19	31 / 12 / 20	30 / 6 / 21
Standard & Poor's					
Long term	AA / stable	AA / stable	AA / stable	AA / stable	AA / stable
Short term	A-1+	A-1+	A-1+	A-1+	A-1+
Moody's					
Long term	Aa2 / stable	Aa2 / stable	Aa2 / stable	Aa2 / stable	Aa2 / stable
Short term	Prime-1	Prime-1	Prime-1	Prime-1	Prime-1

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

² Excluding goodwill amortization and write-downs



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