

Press release

(Ad hoc announcement pursuant to Art. 53 LR)

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 237m. 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.

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.

Lausanne, Switzerland, 19 August 2021

*Unaudited figures

2022 calendar

17 February	Full-year 2021 results
5 April	Publication of the 2021 Annual Report (on www.bcv.ch)
5 May	Annual Shareholders' Meeting in Lausanne
18 August	Half-year 2022 results

Banque Cantonale Vaudoise – Contacts

Daniel Herrera, Communications Director
Tel.: +41 21 212 28 61
Email: daniel.herrera@bcv.ch

Gregory Duong, Investor Relations
Tel.: +41 21 212 20 71
Email: gregory.duong@bcv.ch

The above text is a translation of the original French document; only the French text is authoritative.

Consolidated balance sheet

(unaudited – in CHF millions)

	30/6/2021	31/12/2020	Absolute change	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		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

(unaudited – in CHF millions)

	30/6/2021	31/12/2020	Absolute change	Change as %
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

Consolidated income statement

(unaudited – in CHF millions)

	2021 H1	2020 H1	Absolute change	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