

To our shareholders

Consolidated financial statements at 30 June 2008

BCV GROUP KEY FIGURES AT 30 JUNE 2008 – 5-YEAR OVERVIEW (UNAUDITED)

(in CHF millions)

	2004	2005	2006	2007	2008
Balance sheet at 30 June					
Total assets ¹	32 801	33 733	35 543	35 005	34 085
Advances to customers	22 701	21 692	21 675	22 495	22 859
Customer deposits and bonds	24 877	24 862	24 775	26 024	26 899
Shareholders' equity	2 694	3 111	3 505	3 661	3 291
Assets under management	61 337	68 934	72 794	85 174	75 913
Key income-statement data					
Total income	470	507	563	592	420
Operating expenses	277	278	280	284	254
Gross profit	193	228	283	308	166
Net profit	198	248	342	318	192
Ratios					
Shareholders' equity / total assets	8.2%	9.2%	9.9%	10.5%	9.7%
SFBC capital adequacy ratio	158%	177%	191%	199%	179%
BIS Tier 1 capital ratio	13.7%	16.1%	17.5%	18.1%	16.4%
BIS total capital ratio	15.0%	16.6%	17.8%	18.2%	16.3%
Cost / income ratio ²	68%	63%	58%	56%	70%
Interest margin on total assets	1.22%	1.38%	1.39%	1.57%	1.52%
ROE	15.1%	16.3%	20.2%	17.8%	11.7%

¹⁾ Beginning with the 2007 reporting period, positive and negative replacement values of derivative financial instruments have been netted. This accounting treatment is in line with applicable SFBC financial reporting standards.

²⁾ Excluding goodwill amortization and write-downs.

LETTER FROM THE CHAIRMAN AND THE CEO

Dear Fellow Shareholders,

Following the end of a period that was favorable to the banking sector as a whole, BCV Group's first-half financial results were mixed. The Bank's main revenue streams held up relatively well amid troubled financial markets, although our trading activities posted a loss as announced in the first quarter. The loss in trading, combined with the effects of recent disposals and of the forecast decline in other ordinary income back to normal levels, pulled our H1 net profit down to CHF 192m.

Financial markets are in crisis, soaring commodity prices have spurred inflation, and there are growing fears of a global recession. Against this backdrop, many people are concerned about the financial solidity of their banks. In this respect, it is important to remember how much we have strengthened our financial position over the last few years. BCV is now a comfortably capitalized banking group with a healthy balance sheet and restored earnings capacity. As a result, we have been able to return CHF 400m to our shareholders this year via the dividend payment and a par-value reduction. Management remains committed to the equity optimization and dividend strategy unveiled on 5 March.

BCV recognizes that regularly changing the composition of its Board of Directors and Executive Board is an integral part of good governance. Thus, several changes have been made since the start of the year: the Board of Directors gained two new members, Stephan A.J. Bachmann and Pierre Lamunière; Pascal Kiener became CEO on 1 May and will continue as acting CFO until a successor is appointed; and on 1 August, the Executive Board gained a new member, Markus Gygax, who will take charge of the Retail Division from 1 October. Another important governance issue is minority shareholder rights, and here, we have lowered the number of shares required to have an item entered on the agenda of the Shareholders' Meeting.

Furthermore, the Bank welcomes the Vaud Cantonal Parliament's decision to reduce its stake in BCV's capital to its traditional holding of 50.12%. This will restore a sustainable balance between our majority shareholder and our minority shareholders.

Despite difficult conditions in the banking sector, BCV is moving forward as planned. We would like to thank all our employees for their diligence and commitment. Our thanks also go to our customers and of course to you, our shareholders, for your continuing trust.



Olivier Steimer
Chairman of the Board



Pascal Kiener
CEO

A handwritten signature in black ink, appearing to read 'Steimer'.

Olivier Steimer

A handwritten signature in black ink, appearing to read 'Kiener'.

Pascal Kiener

BUSINESS SECTOR REVIEW

H1 08 net profit of CHF 192m

BCV Group's first-half financial results were mixed. Net interest income, the Bank's main revenue stream, held up well despite difficult market conditions. In line with the announcement made in Q1, trading operations posted a loss. The loss in trading, combined with the effects of recent disposals and of the forecast decline in other ordinary income back to normal levels, pulled H1 net profit down to CHF 192m.

Retail Banking: Stable in a difficult environment

During the first half of the year, Retail Banking's business volumes increased by CHF 189m. The mortgage-loan portfolio grew 1.2% to CHF 5.7bn. Other loan portfolios declined, mainly due to the transfer of consumer-credit operations. As a result, total lendings dropped by 0.8% to CHF 5.7bn. On the liabilities side, customer savings and investment accounts and other customer deposits climbed by 3% to CHF 5.4bn. In traditional savings products, the downtrend observed over the past few quarters appears to be bottoming out. The sector's revenues (-2% to CHF 96m) and its contribution to gross profit (CHF 46m) were lower, mainly reflecting the sale of BCV's consumer credit arm to Swiss One Finance. On a like-for-like basis, revenues were up 1% with no change in gross profit.

Corporate Banking: Expansion of business volumes and better financial performance

The Corporate Banking sector's business volumes generally showed strong growth. Lending volumes on the balance sheet along with off-balance-sheet commitments increased considerably, rising 9.1% to CHF 14.0bn. On the liabilities side, the 8.2% decline to CHF 5.1bn is the result of BCV's strategic reduction in the proportion of low-margin time deposits. In the SME segment, credit volumes were stable and the erosion of margins observed in recent quarters slowed significantly. The return on client assets has also improved. The Large Corporates segment reported a 35.9% jump in lending volumes, together with higher spreads. In trade finance, the commodities

market remained buoyant on the whole, and this underpinned a 15.2% rise in loans outstanding and a 31% increase in revenues despite the negative impact of the CHF/USD exchange rate. Total revenues climbed 9% to CHF 135m, and gross profit rose 12% to CHF 94m.

Wealth Management: Drop in revenues due to financial market turmoil

In the Wealth Management sector, assets under management fell by 5.4% (like-for-like) to CHF 56.8bn, primarily as a result of the downswing in global financial markets. Net new money amounted to CHF 613m overall (private + institutional clients). Mortgage loans and other lending advanced by 3.1% to CHF 4.7bn, in line with the market. On a like-for-like basis, revenues contracted 7% to CHF 190m and gross profit fell 12% to CHF 119m. The sector's contribution to gross profit was lower because of the exceptionally difficult conditions on financial markets and a slight rise in personnel costs. The sale of the Bank's stake in the Spanish company Asesores y Gestores Financieros (A&G) was finalized during the reporting period.

Trading: Loss due to equity-derivatives business

The Trading sector reported revenues of CHF -36m and an operating loss of CHF 53m for the period. The loss stems from the Group's equity-derivatives business and stem primarily from difficult and unusual trading conditions during March 2008, as well as the risk-reduction measures implemented during the second quarter. Management believes that trading risks in this segment have now been brought under control. In terms of client-driven business, forex- and metals-related revenues improved by 32%, helped by favorable market conditions. Structured-product volumes, on the other hand, fell by 22% owing to weaker demand in this area. Custody business volumes in private label funds and other custodian activities expanded by 15%. Management expects the Trading sector to turn a profit in H2.

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2008

Decline in total assets following reduced trading activities; decrease in AuM

Total assets fell 4% to CHF 34.1bn. This was due primarily to a drop in equity-derivative trading activities in accordance with the Bank's risk-reduction strategy and, to a lesser extent, to a decrease in interbank loans and commitments. Asset volumes relating to client-driven activities, on the other hand, were higher than at end-2007.

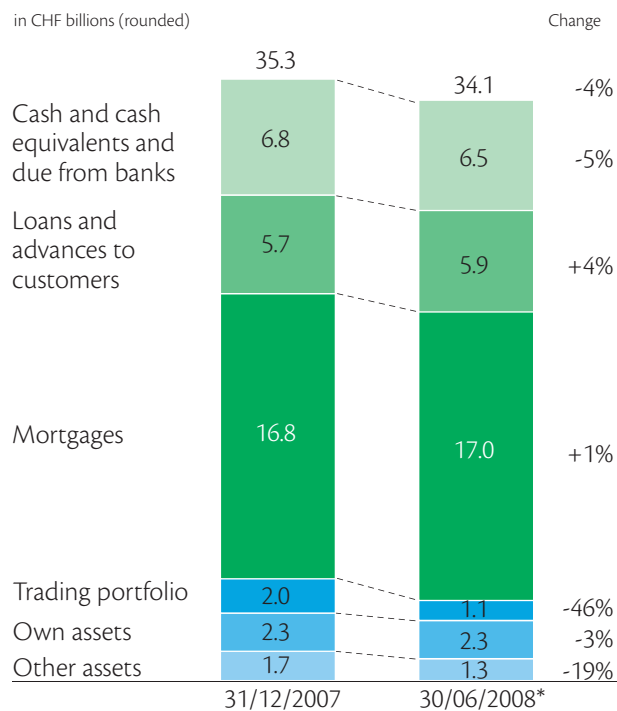
Among items on the assets side, mortgage lending expanded by CHF 180m (+1%) to CHF 17.0bn; excluding the reduction in impaired loans, this item was up 1.4% (CHF 240m). Other loans increased by 4% (CHF 199m); excluding the reduction in impaired loans and the transfer of consumer-credit operations, this item rose 6% to CHF 340m. The strategic reduction in risks related to equity-derivative trading implemented in H1 led to a CHF 937m decline in trading portfolio assets and a CHF 326m decrease in replacement values for derivative financial instruments (carried under "Other assets").

On the liabilities side, savings deposits held steady at CHF 8.1bn after a prolonged period of contraction. Other customer accounts dropped 3% to CHF 12.0bn, largely as a result of a decrease in the volume of low-margin time deposits. Medium-term notes jumped 24% to CHF 501m.

The Group's assets under management decreased 10% to CHF 75.9bn due to the disposal of A&G (CHF 3.9bn) and the unfavorable financial-market conditions. On aggregate, net new funds stood at CHF 342m, but this figure reflects new fund inflows of CHF 900m less a CHF 558m decline in low-margin time deposits.

Changes in assets*

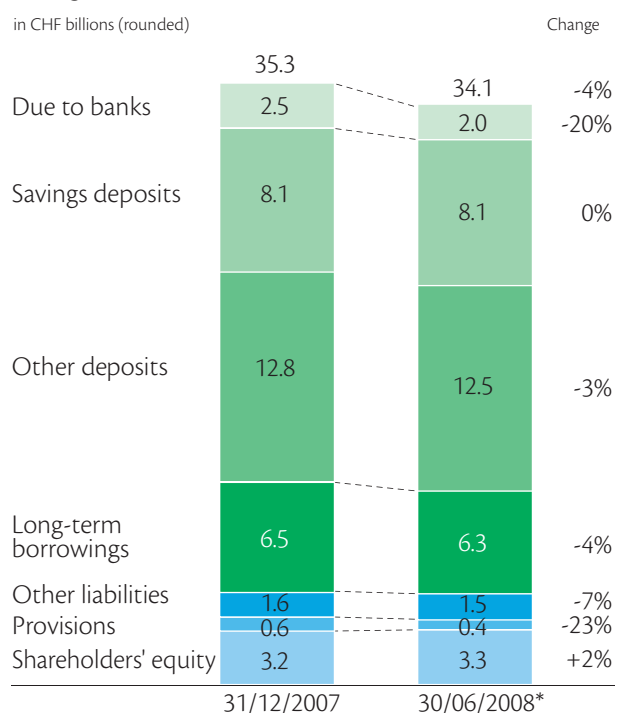
in CHF billions (rounded)



*H1 08 figures unaudited

Changes in liabilities*

in CHF billions (rounded)



*H1 08 figures unaudited

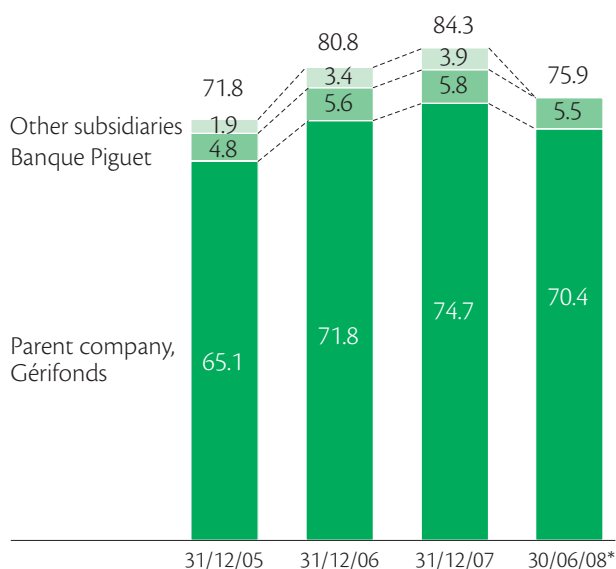
Revenues and gross profit down

First-half revenues fell 29% to CHF 420m. This was mainly due to trading losses, but also to the transfer of Unicable operations and the sale of the Group's stake in A&G. On a like-for-like basis, revenues dropped 22%. The breakdown of total revenues is as follows:

- Interest income, BCV's main revenue stream, rose 1% to CHF 257m despite the reduction in shareholders' equity following the final buyback of participation certificates for CHF 734m in 2007 and the CHF 120m dividend distribution in April 2008, which was sharply above the amount distributed the previous year;
- Fee and commission income decreased by 9% to CHF 176m; excluding the A&G sale, the decline was 4%;

Assets under management*

in CHF billions (rounded)



*H1 08 figures unaudited

- Trading activities posted a loss of CHF 45m, of which CHF 35m in Q1 and CHF 10m in Q2. This Q-on-Q improvement was a result of the risk-reduction strategy implemented at the beginning of the year. Management expects Trading to turn a profit H2, with the risks related to equity derivatives now sharply reduced;
- Other ordinary income fell 65% to CHF 32m. This reflected both the Unicable transfer and a base effect regarding sales of financial investments, which fell off from the exceptionally high levels of the year-earlier period. Excluding the Unicable transfer, other ordinary income fell 31%.

Total operating expenses were down 11% to CHF 254m (up 2% like-for-like), reflecting both the disposals and ongoing cost control.

- Personnel costs dropped 16% to CHF 156m; on a like-for-like basis, they remained virtually stable (+1%).
- Other operating expenses contracted by 1% to CHF 98m (up 3% like-for-like).

Gross profit declined by 46% to CHF 166m, mainly due to losses in trading operations.

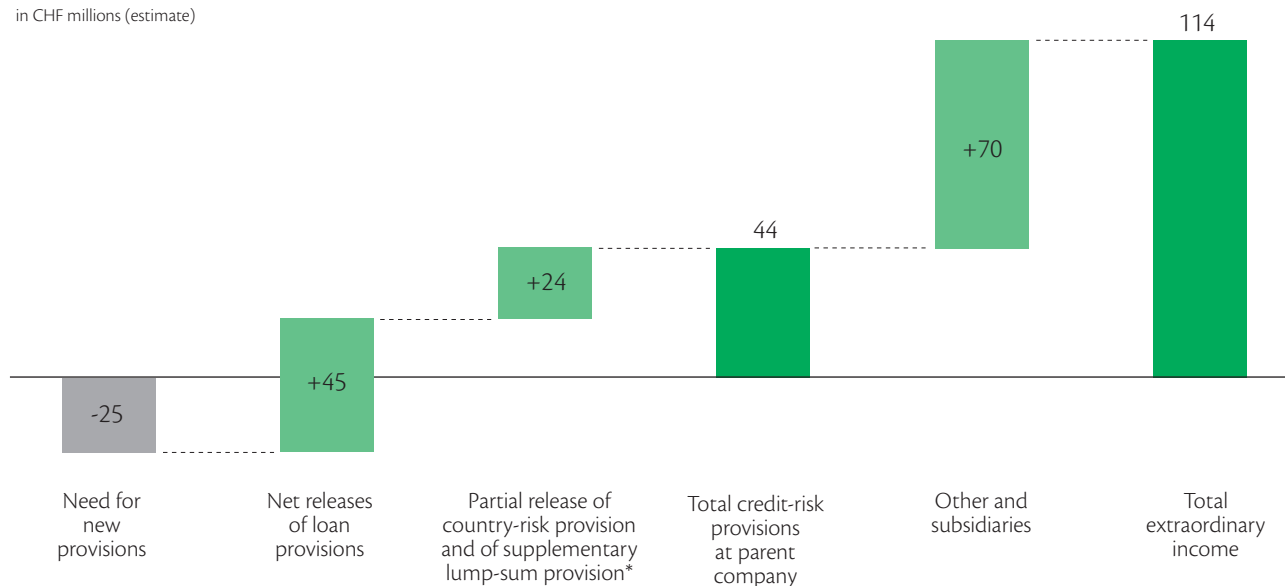
Net profit down

Net profit fell 39% to CHF 192m. In addition to the significant decline in revenues, net profit was impacted by other factors:

- Depreciation and write-offs dropped 14% to CHF 39m, while value adjustments were down 85% to CHF 1m;
- Although provision releases declined as expected, extraordinary income grew 27% to CHF 114m following the sale of A&G and the transfer of consumer-credit operations;
- In addition, the Bank's tax liability increased by 98% to CHF 46m since its tax credits have now been used up.

Breakdown of extraordinary income in H1 08

in CHF millions (estimate)



* Supplementary lump-sum provision as defined in SFBC financial reporting guidelines, fully released at 30 June 2008

Main changes

The Group sold its 50% stake in the Spanish wealth-management firm A&G early this year, bringing to a successful close the strategic realignment on core businesses initiated by Management in 2003. In March, BCV joined a pool of other banks in transferring its consumer-credit operations to Aduno Group; this led to the creation of Swiss One Finance, now Switzerland's third-largest consumer-credit company.

Outlook

Management expects the Bank's financials to continue their gradual return to normal levels in H2. This will include a further decline in extraordinary income, as previously announced. In addition, BCV will press ahead with the equity optimization and dividend strategy that it unveiled at the beginning of the year.

Barring extraordinary factors, Management expects trading operations to turn a profit in H2 thanks to the implementation of our risk-reduction strategy in this area.

Full-year 2008 net and gross profit will be affected by the poor trading performance early this year. However, Management remains confident in the growth potential of the Bank's main revenue streams.

BCV GROUP CONSOLIDATED BALANCE SHEET (UNAUDITED FIGURES)

(in CHF millions)	30.06.2008	31.12.2007	Change	
			absolute	as %
Cash and cash equivalents	297.4	353.1	-55.7	-16
Money-market instruments	112.1	100.1	12.0	12
Due from banks	6 091.2	6 364.2	-273.0	-4
Loans and advances to customers	5 890.4	5 691.1	199.3	4
Mortgage loans	16 968.1	16 788.2	179.9	1
Trading portfolio assets	1 109.5	2 046.0	-936.5	-46
Financial investments	1 563.8	1 589.1	-25.3	-2
Non-consolidated holdings	81.8	81.8	0	0
Tangible fixed assets	602.5	634.8	-32.3	-5
Intangible assets	6.0	11.7	-5.7	-49
Accrued income and prepaid expenses	283.2	272.5	10.7	4
Other assets	1 078.8	1 404.3	-325.5	-23
Assets	34 084.8	35 336.9	- 1 252.1	- 4
Total subordinated assets	3.1	6.7	-3.6	-54
Money-market paper issued	7.1	5.0	2.1	42
Due to banks	1 975.6	2 472.3	-496.7	-20
Customer savings and investment accounts	8 146.7	8 120.1	26.6	0
Other customer accounts	12 010.4	12 432.1	-421.7	-3
Medium-term notes	501.4	404.7	96.7	24
Bonds and mortgage-backed bonds	6 239.9	6 533.2	-293.3	-4
Accrued expenses and deferred income	329.9	368.5	-38.6	-10
Other liabilities	1 140.5	1 205.4	-64.9	-5
Value adjustments and provisions	442.1	570.5	-128.4	-23
Liabilities	30 793.6	32 111.8	- 1 318.2	- 4
Reserves for general banking risks	704.0	704.0	0	0
Equity capital	537.9	537.9	0	0
Capital reserve	354.1	352.8	1.3	0
Own equity securities	-7.3	-7.6	0.3	4
Retained earnings	1 497.6	1 145.4	352.2	31
Minority interests - equity	12.6	15.3	-2.7	-18
Net profit for reporting period	192.3		192.3	
Net profit for 2007		477.3	-477.3	
Minority interests	1.0	3.9		
Shareholders' equity	3 291.2	3 225.1	66.1	2
Total liabilities and shareholders' equity	34 084.8	35 336.9	- 1 252.1	- 4
Total subordinated liabilities	232.5	231.9	0.6	0

Consolidated off-balance-sheet transactions

(in CHF millions)	30.06.2008	31.12.2007	Change	
			absolute	as %
Contingent liabilities	1 822.2	1 325.7	496.5	37
Irrevocable commitments	678.6	421.3	257.3	61
Commitments relating to calls on shares and other equity securities	104.1	111.1	-7.0	-6
Confirmed credits	69.7	25.9	43.8	169
Fiduciary transactions	2 544.2	2 368.4	175.8	7
Derivative financial instruments				
Positive replacement values	3 081.5	4 398.3	-1 316.8	-30
Negative replacement values	3 003.1	4 086.6	-1 083.5	-27
Values of underlyings	100 778.3	148 694.1	-47 915.8	-32

BCV GROUP CONSOLIDATED INCOME STATEMENT (UNAUDITED FIGURES)

(in CHF millions)	2008	2007	Change	
	1.1 – 30.6	1.1 – 30.6	absolute	as %
Interest and discount income	521.3	494.8	26.5	5
Interest and dividend income from financial investments	22.1	21.0	1.1	5
Interest expense	-286.7	-260.5	26.2	10
Net interest income	256.7	255.3	1.4	1
Fees and commissions on lending operations	26.7	20.9	5.8	28
Fees and commissions on securities and investment transactions	156.0	178.2	-22.2	-12
Fees and commissions on other services	29.3	34.8	-5.5	-16
Fee and commission expense	-35.6	-40.7	-5.1	-13
Net fee and commission income	176.4	193.2	-16.8	-9
Net trading income	-44.7	53.6	-98.3	-183
Profit on disposal of financial investments.	20.1	34.9	-14.8	-42
Total income from holdings	2.7	2.5	0.2	8
Real-estate income	5.1	2.8	2.3	82
Miscellaneous ordinary income	5.8	49.5	-43.7	-88
Miscellaneous ordinary expenses	-2.1	0	2.1	-
Other ordinary income	31.6	89.7	-58.1	-65
Total income from ordinary banking operations	420.0	591.8	-171.8	-29
Personnel costs	-156.4	-185.3	-28.9	-16
Other operating expenses	-97.6	-98.8	-1.2	-1
Operating expenses	-254.0	-284.1	-30.1	-11
Gross profit	166.0	307.7	-141.7	-46
Depreciation and write-offs on fixed assets	-39.2	-45.6	-6.4	-14
Value adjustments, provisions and losses	-1.4	-9.4	-8.0	-85
Profit on ordinary banking operations before extraordinary items and taxes	125.4	252.7	-127.3	-50
Extraordinary income	114.1	89.6	24.5	27
Extraordinary expenses	-0.8	-1.3	-0.5	-38
Taxes	-46.4	-23.4	23.0	98
Net profit before minority interests	192.3	317.6	-125.3	-39
Minority interests	-1.0	-2.3	-1.3	-57
Net profit	191.3	315.3	-124.0	-39

CONSOLIDATED INCOME STATEMENT ON A LIKE-FOR-LIKE BASIS (UNAUDITED FIGURES)

The transfer of Unicible operations in 2007 and the sale of Spanish subsidiary Asesores y Gestores Financieros (A&G) in 2008 have an impact on various income-statement line items. For information and comparison purposes, the consolidated income statement on a like-for-like basis is as follows:

(in CHF millions)	2008	2007	Change	
	1.1 – 30.6	1.1 – 30.6	absolute	as %
Net interest income	256.7	255.3	1.4	1
Net fee and commission income	176.4	183.6	-7.2	-4
Net trading income	-44.7	53.6	-98.3	-183
Other ordinary income	31.6	46.0	-14.4	-31
Total income from ordinary banking operations	420.0	538.5	-118.5	-22
Personnel costs	-156.4	-154.5	1.9	1
Other operating expenses	-97.6	-95.1	2.5	3
Operating expenses	-254.0	-249.6	4.4	2
Gross profit	166.0	288.9	-122.9	-43
Depreciation and write-offs on fixed assets	-39.2	-40.9	-1.7	-4
Value adjustments, provisions and losses	-1.4	-7.9	-6.5	-82
Profit on ordinary banking operations before extraordinary items and taxes	125.4	240.1	-114.7	-48
Extraordinary income	114.1	89.5	24.6	27
Extraordinary expenses	-0.8	-0.1	0.7	700
Taxes	-46.4	-20.0	26.4	132
Net profit ex-Unicible and A&G	192.3	309.5	-117.2	-38
Net profit of activities disposed of in 2007 and 2008	0	8.1	-8.1	-100
Net profit before minority interests	192.3	317.6	-125.3	-39

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