

## Press release

### BCV Group H1 2019 operating profit up 5%

**BCV Group delivered very solid H1 results despite the ongoing negative-interest-rate environment. Revenues were up 2% to CHF 502m, and operating profit rose 5% to CHF 209m. At CHF 182m, net profit was just 3% off the year-earlier figure despite a CHF 34m non-recurring gain in H1 2018. The effect of this non-recurring gain was mostly offset by higher operating profit and lower tax expense in H1 2019.\***

#### Revenues up

Total BCV Group revenues were up 2% year on year to CHF 502m. Net interest income rose 4% to CHF 253m. Fee and commission income increased 1% to CHF 161m. Net trading income, which derives mainly from client forex trading activities, totaled CHF 60m (–9%). Other ordinary income amounted to CHF 28m (+9%).

#### Operating profit at CHF 209m

Operating expenses were stable at CHF 255m. A 1% increase in personnel costs, to CHF 171m, was offset by a 1% reduction in other operating expenses, which stood at CHF 84m. Depreciation and amortization was flat at CHF 36m. Operating profit rose by a solid 5% to CHF 209m.

#### Net profit at CHF 182m

At CHF 182m, net profit was just 3% off the year-earlier figure despite a CHF 34m non-recurring gain in H1 2018 resulting from a non-core real-estate disposal. The effect of this non-recurring gain was mostly offset by higher operating profit and lower tax expense following the reduction in Vaud Canton's corporate tax rates.

#### Slight uptick in lending and stable deposits

Total assets amounted to CHF 47.1bn (–2%). Cash and cash equivalents, which mainly comprise SNB deposits, totaled CHF 7.7bn (–6%). Mortgage lending rose 1.2%, or CHF 319m, to CHF 26.4bn. Other loans increased 6% to CHF 6.0bn, driven by solid momentum in corporate banking volumes across all segments.

On the liabilities side, customer deposits were stable at CHF 31.3bn. Personal banking and SME deposits rose, while large corporate and institutional deposits fell.

**Increase in AuM**

The Group's assets under management expanded 6% to CHF 92.8bn, and net new money totaled CHF 757m. Net new money was composed mainly of assets from onshore personal banking, SME, and institutional clients.

**CHF 301m paid out to shareholders**

In accordance with its dividend policy, BCV returned CHF 35 per share to its shareholders in May, for a total payout of CHF 301m. The payout was up CHF 2 per share on the prior year and represents a total dividend yield of 4.7% based on BCV's 2018 closing share price.

**Solid financial position**

The Bank's total capital ratio was 16.8% at 30 June 2019 and shareholders' equity amounted to CHF 3.4bn, attesting to BCV's financial solidity. In the first half of the year, Standard & Poor's once again reaffirmed the AA rating with a stable outlook it assigned to BCV in 2011, and Moody's maintained its Aa2 rating, also with a stable outlook, first awarded in 2015.

**Outlook**

Barring a significant deterioration in the financial markets and/or the overall economic situation, FY 2019 results are expected to trend along the same lines as in prior years.

**Lausanne, Switzerland, 22 August 2019**

\*Unaudited figures.

**2020 calendar:**

27 February	Full-year 2019 results
30 March	Publication of the 2019 Annual Report (on <a href="http://www.bcv.ch">www.bcv.ch</a> )
30 April	Annual Shareholders' Meeting in Lausanne
20 August	Half-year 2020 results

**Contacts:**

Jean-Pascal Baechler, Press Officer

Phone: +41 21 212 22 51

Email: [jean-pascal.baechler@bcv.ch](mailto:jean-pascal.baechler@bcv.ch)

Gregory Duong, Investor Relations

Phone: +41 21 212 20 71

Email: [gregory.duong@bcv.ch](mailto:gregory.duong@bcv.ch)

**Note to editors:**

This press release is being issued outside the trading hours of the SIX Swiss Exchange in order to comply with the principles of ad hoc disclosure pursuant to the SIX listing rules.

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

## Consolidated balance sheet

(unaudited – in CHF millions)

	30/6/2019	31/12/2018	Absolute change	Change as %
Cash and cash equivalents	7 724	8 235	-511	-6
Due from banks	957	1 921	-964	-50
Reverse repurchase agreements	282	314	-32	-10
Loans and advances to customers	6 027	5 677	349	6
Mortgage loans	26 398	26 079	319	1
Trading portfolio assets	254	334	-80	-24
Positive mark-to-market values of derivative financial instruments	257	268	-11	-4
Other financial assets at fair value	687	621	66	11
Financial investments	3 851	3 767	84	2
Accrued income and prepaid expenses	70	80	-10	-13
Non-consolidated holdings	69	70	-1	-2
Tangible fixed assets	427	445	-19	-4
Intangible assets	7	9	-2	-19
Other assets	125	42	83	196
<b>Assets</b>	<b>47 135</b>	<b>47 863</b>	<b>-728</b>	<b>-2</b>
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	1 910	2 655	-745	-28
Repurchase agreements	1 932	1 809	122	7
Customer deposits	31 258	31 375	-117	-0
Trading portfolio liabilities	2	0	2	n/a
Negative mark-to-market values of derivative financial instruments	253	236	17	7
Other financial liabilities at fair value	826	766	60	8
Medium-term notes	4	7	-2	-35
Bonds and mortgage-backed bonds	7 321	7 244	77	1
Accrued expenses and deferred income	133	156	-24	-15
Other liabilities	82	77	5	6
Provisions	12	15	-4	-23
<b>Liabilities</b>	<b>43 731</b>	<b>44 341</b>	<b>-609</b>	<b>-1</b>
Reserves for general banking risks	701	701	0	0
Share capital	86	86	0	0
Capital reserve	35	35	0	1
Retained earnings	2 419	2 371	48	2
Currency translation reserve	-1	-1	-0	-3
Own shares	-19	-20	0	1
Minority interests in equity	0	0	-0	-11
Net profit for reporting period	182		182	
Net profit for 2018		350	-350	
<i>of which minority interests</i>	0	0	-0	-46
<b>Shareholders' equity</b>	<b>3 403</b>	<b>3 522</b>	<b>-118</b>	<b>-3</b>
<b>Total liabilities and shareholders' equity</b>	<b>47 135</b>	<b>47 863</b>	<b>-728</b>	<b>-2</b>
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)

	30/6/2019	31/12/2018	Absolute change	Change as %
Contingent liabilities	1 854	1 863	-9	0
Irrevocable commitments	1 467	1 623	-156	-10
Commitments relating to calls on shares and other equity securities	177	177	0	0
Confirmed credits	90	49	41	84

## Consolidated income statement

(unaudited – in CHF millions)

	2019 H1	2018 H1	Absolute change	Change as %
Interest and discount income	289.2	282.8	6.4	2
Interest and dividend income from financial investments	15.7	16.7	-1.0	-6
Interest expense	-52.4	-52.9	-0.5	-1
<b>Net interest income before loan impairment charges/reversals</b>	<b>252.5</b>	<b>246.5</b>	<b>5.9</b>	<b>2</b>
Loan impairment charges/reversals	0.7	-3.5	-4.2	-118
<b>Net interest income after loan impairment charges/reversals (NII)</b>	<b>253.1</b>	<b>243.0</b>	<b>10.1</b>	<b>4</b>
Fees and commissions on securities and investment transactions	127.3	126.5	0.8	1
Fees and commissions on lending operations	24.6	22.9	1.7	7
Fees and commissions on other services	35.8	35.2	0.6	2
Fee and commission expense	-26.6	-25.2	1.4	5
<b>Net fee and commission income</b>	<b>161.2</b>	<b>159.4</b>	<b>1.7</b>	<b>1</b>
<b>Net trading income and fair-value adjustments</b>	<b>59.6</b>	<b>65.2</b>	<b>-5.6</b>	<b>-9</b>
Gains/losses on disposals of financial investments	0.3	0.8	-0.6	-70
Income from equity investments	12.4	10.8	1.6	15
Real-estate income	3.8	3.7	0.2	4
Miscellaneous ordinary income	11.3	10.2	1.1	11
Miscellaneous ordinary expenses	-0.1	-0.1	-0.1	-53
<b>Other ordinary income</b>	<b>27.7</b>	<b>25.3</b>	<b>2.4</b>	<b>9</b>
<b>Total income from ordinary banking operations</b>	<b>501.6</b>	<b>492.9</b>	<b>8.7</b>	<b>2</b>
Personnel costs	-170.8	-169.1	1.7	1
Other operating expenses	-84.1	-85.3	-1.1	-1
<b>Operating expenses</b>	<b>-255.0</b>	<b>-254.4</b>	<b>0.5</b>	<b>0</b>
Depreciation and amortization of fixed assets and impairment on equity investments	-35.7	-35.8	-0.1	-0
Other provisions and losses	-1.9	-3.0	-1.1	-36
<b>Operating profit</b>	<b>209.0</b>	<b>199.8</b>	<b>9.3</b>	<b>5</b>
Extraordinary income	0.2	33.8	-33.6	-99
Extraordinary expenses	-0.1	-0.0	0.0	178
Taxes	-26.8	-45.9	-19.1	-42
<b>Net profit</b>	<b>182.4</b>	<b>187.6</b>	<b>-5.3</b>	<b>-3</b>
Minority interests	-0.0	-0.0	0.0	256
<b>Net profit attributable to BCV shareholders</b>	<b>182.4</b>	<b>187.6</b>	<b>-5.3</b>	<b>-3</b>