



Interim Report

Consolidated financial statements at 30 June 2015

Letter from the Chairman and CEO

We delivered very strong H1 2015 results despite the uncertain global economic climate, once again attesting to the resilience of our diversified business model. Revenues were up 3% to CHF 518.6m, spurred primarily by customer-driven forex activity. Top-line growth coupled with a firm grip on operating expenses, which fell 2%, resulted in a 9% rise in operating profit. Net profit was up 17% to CHF 179.4m, mainly because of the gain on the sale of our stake in Swisscanto.

H1 2015 was marked by the Swiss National Bank's surprise announcement on 15 January that it was dropping the EUR/CHF 1.20 floor and further lowering the negative interest rate on sight deposit accounts. As expected, the Swiss and Vaud economies slowed as a result. Nevertheless, current forecasts for 2015 still put growth at 1.0% in Vaud and 0.8% in Switzerland as a whole.

In May, Moody's raised our long-term deposit rating by two notches, from A1 to Aa2, which is equivalent to the AA rating awarded to us by Standard & Poor's since 2011. BCV remains one of the world's best-rated banks among those not backed by a formal government guarantee.

At the last Annual Meeting, our shareholders re-elected Reto Donatsch for a further four-year term as member of the Board of Directors. They also approved the proposed dividend of CHF 32 per share, representing a total payout of CHF 275m. Since 2008, we have paid our shareholders – starting with our majority shareholder, the Canton of Vaud – a total of over CHF 2.3bn in dividends, which represents 87% of our cumulative net earnings. The BCV share performed remarkably well in H1 2015, and total shareholder return – i.e., stockmarket performance plus dividend payments – came in at 13.6% for the six months ended 30 June 2015, once again one of the highest in the banking sector.



Olivier Steimer
Chairman of the Board of Directors

Pascal Kiener
CEO

Against this backdrop, we continued to implement our *stratégie2018* plan, with a focus on improving customer service quality and offering a full array of multichannel banking services. One of the first major initiatives was the overhaul of our BCV website, which we have now made more user-friendly and brought increasingly in line with today's customer needs. In H1 2015, we also launched our new ad campaign, highlighting the many ways in which we have a real, positive impact on the local community and economy.

On behalf of the Board of Directors and the Executive Board, we would like to thank our shareholders for their trust. We also wish to express our gratitude to our customers for choosing to bank with BCV and to all our employees for their hard work and efficiency each and every day.

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

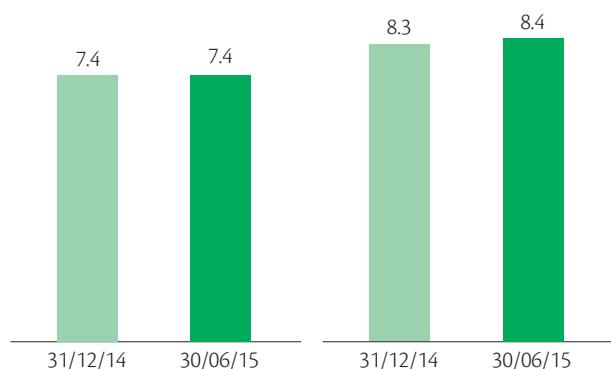
Retail Banking

Continued momentum

The Retail Banking Sector experienced continued growth in business volumes, in line with prior periods. The mortgage book grew 0.7% to CHF 7.4bn in a slowing real-estate market. Savings accounts and other deposits were up 0.9% to CHF 8.4bn. Retail Banking's H1 revenues rose 8.4% to CHF 98m. This led to a strong 18% increase in operating profit, to CHF 50m.

Mortgage loans

In CHF billions, rounded



Customer deposits

In CHF billions, rounded



	H1 2014	H1 2015
Total revenues (CHF millions)	90.5	98.2
Operating profit (CHF millions)	42.6	50.1

2014 figures were restated to facilitate like-for-like comparison

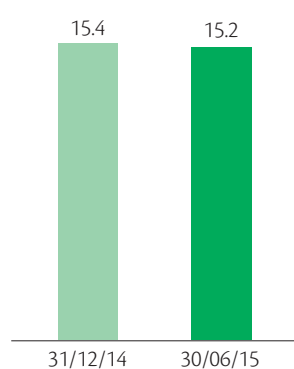
Corporate Banking

Good performance driven by solid SME business

The Corporate Banking Sector saw a 1.7% decrease in lending and off-balance-sheet commitments, to CHF 15.2bn. Customer deposits were down 1.4% to CHF 7.5bn. The SME segment continued to expand, with loan volumes up 1.6% and deposits rising 5.6%. Large Corporates, however, saw a 6.3% decrease in lending and off-balance-sheet commitments against a backdrop of abundant market liquidity, as well as a 6.0% decrease in short-term client deposits. Trade Finance continued to feel the effects of the economic slowdown, particularly the drop in commodity prices. Nevertheless, the Corporate Banking Sector's revenues grew by 4.4% to CHF 131m, and operating profit was up 4.8% to CHF 109m, thanks to strong forex trading volumes.

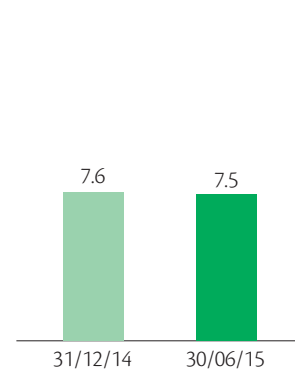
Loans/Off-balance-sheet commitments

In CHF billions, rounded



Deposits

In CHF billions, rounded



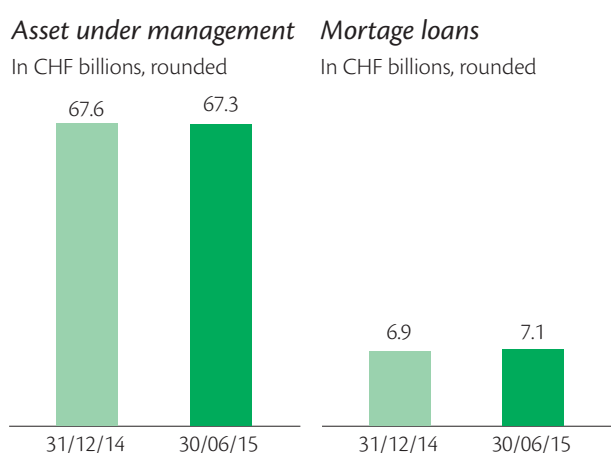
	H1 2014	H1 2015
Total revenues (CHF millions)	125.9	131.4
Operating profit (CHF millions)	104.2	109.2

2014 figures were restated to facilitate like-for-like comparison

Wealth Management

Growth in onshore business

AuM were stable, ending the period at CHF67.3bn (−0.4%). Inflows of net new money from the onshore business were very strong and offset the outflows of offshore assets that we had expected. However, foreign-currency translation had a negative impact owing to the rise in the Swiss franc. Mortgage loans continued to grow in a slowing real-estate market, reaching CHF7.1bn (+2.5%). Overall, revenues rose 1.8% to CHF175m, and operating profit was up 6.3% to CHF97.5m.



	H1 2014	H1 2015
Total revenues (CHF millions)	172.4	175.5
Operating profit (CHF millions)	91.7	97.5

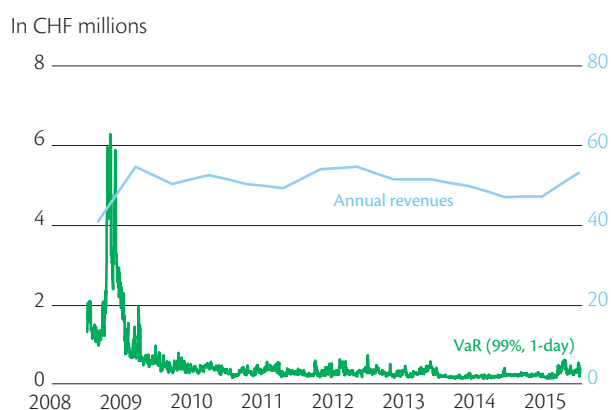
2014 figures were restated to facilitate like-for-like comparison

Trading

Strong rise in client-driven forex business

With the Swiss franc gaining more than 15% against the euro since the SNB dropped the EUR/CHF floor of 1.20 on 15 January, forex trading volumes were once again high. Issuance of structured products also rose on the back of heightened uncertainty. Overall, trading income was up 47.8% to CHF35.0m, and operating profit rose 76.2% to CHF23.2m.

Value at Risk



	H1 2014	H1 2015
Total revenues (CHF millions)	23.7	35.0
Operating profit (CHF millions)	13.2	23.2

2014 figures were restated to facilitate like-for-like comparison

Consolidated financial statements at 30 June 2015

Operating and net profit up sharply in H1 2015

BCV Group recorded very good results in H1 2015 on the back of top-line growth and extraordinary items. Revenues increased 3% to CHF 519m, driven primarily by excellent trading performance. With continued firm cost control, operating profit grew 9% to CHF 260m. Net profit rose 17% to CHF 179m, mainly following the sale of our stake in Swisscanto.

Solid top-line growth

Total revenues rose 3% year-on-year to CHF 519m. In an environment marked by negative interest rates, interest income fell by 3% to CHF 246m. Fee and commission income edged down 2% to CHF 171m. There was a sharp rise in customer-driven trading income, which grew 52% (+CHF 27m) to CHF 80m as a result of the high level of forex trading since the Swiss National Bank dropped the EUR/CHF currency floor. Other ordinary income was stable at CHF 22m.

Operating profit at CHF 260m (+9%)

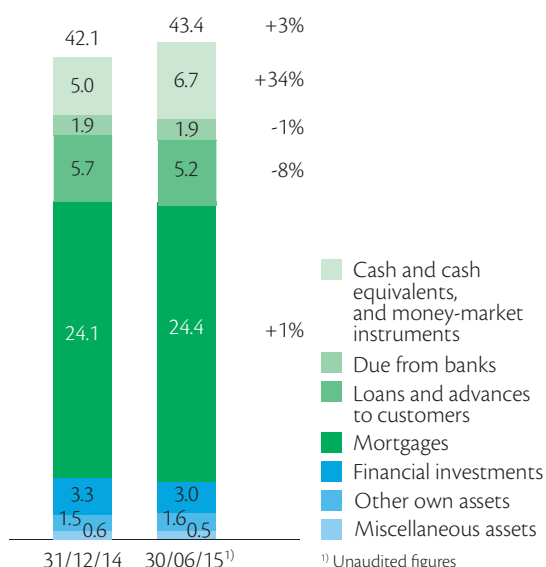
Operating expenses declined 2% to CHF 258m. Personnel costs decreased 1% to CHF 170m, and other operating expenses were down 4% to CHF 88m. As a result, operating profit jumped 9% to CHF 260m.

Net profit at CHF 179m (+17%)

Depreciation and write-offs decreased 7% to CHF 39m. Value adjustments, provisions and losses amounted to CHF 26m. Extraordinary income came in at CHF 35m, consisting primarily of releases of credit-risk provisions and the proceeds from the sale of our stake in Swisscanto, as announced in 2014. Net profit rose sharply (+17%) to CHF 179m. The cost/income ratio improved from 60% to 57%.

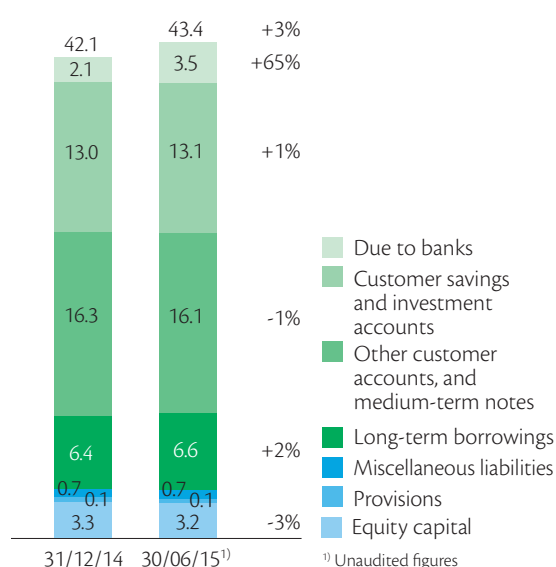
Assets

In CHF billions, rounded



Liabilities and equity

In CHF billions, rounded



Growth in the balance sheet

Total assets grew 3% to CHF43.4bn. Mortgage lending was up CHF308m (+1%) to CHF24.4bn. Other loans fell 8% to CHF5.2bn; most of this decrease was in the Trade Finance and Large Corporates businesses.

On the liabilities side, the expansion in customer savings and investment accounts continued, with a rise of CHF93m (+1%) to CHF 13.1bn. Other customer accounts declined CHF 206m (-1%) to CHF 16.0bn.

Stable AuM

Group assets under management (AuM) were flat at CHF86.4bn. Net new money for the period amounted to CHF1.9bn. This figure reflects onshore fund inflows of CHF2.4bn and offshore fund outflows, as anticipated (-CHF 517m).

Payouts to shareholders

In accordance with our distribution policy, we returned a total of CHF 32 per share, or CHF275m, to shareholders in April.

Solid financial position

Equity capital remained at a comfortable CHF3.2bn, equating to a capital ratio of 17.1%, which attests to the Bank's financial solidity.

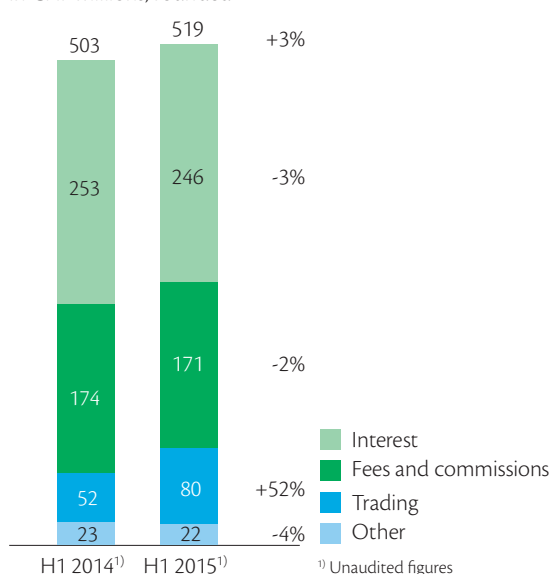
Rating agency Moody's raised BCV's long-term deposit rating by two notches, from A1 to Aa2, cementing our position as one of the best-rated financial institutions in the world.

Outlook

Barring a significant deterioration in the financial markets and the overall economic situation, FY 2015 results (excluding the extraordinary items recorded in H1) are expected to be in line with recent reporting periods.

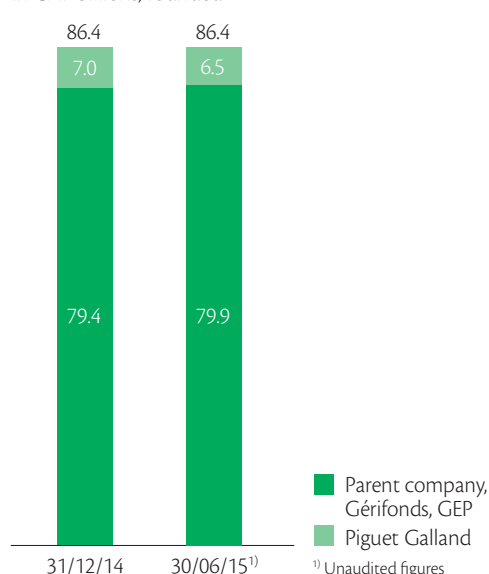
Revenues

In CHF millions, rounded



Assets under management

In CHF billions, rounded



BCV Group

Consolidated balance sheet (unaudited)

(in CHF millions)	2015 30 June	2014 31 December	Absolute change	Change as %
Cash and cash equivalents	6666	4960	1706	34
Money-market instruments	38	29	9	31
Due from banks	1875	1898	-23	-1
Loans and advances to customers	5234	5714	-480	-8
Mortgage loans	24363	24055	308	1
Trading portfolio assets	967	849	118	14
Financial investments	3032	3259	-227	-7
Non-consolidated holdings	48	54	-6	-11
Tangible fixed assets	556	577	-21	-4
Intangible assets	25	27	-2	-7
Accrued income and prepaid expenses	103	117	-14	-12
Other assets	446	529	-83	-16
Assets	43353	42068	1285	3
Total subordinated assets	0	0	0	0
Money-market paper issued	2	5	-3	-60
Due to banks	3491	2111	1380	65
Customer savings and investment accounts	13107	13014	93	1
Other customer accounts	16046	16252	-206	-1
Medium-term notes	47	57	-10	-18
Bonds and mortgage-backed bonds	6597	6439	158	2
Accrued expenses and deferred income	221	217	4	2
Other liabilities	457	490	-33	-7
Value adjustments and provisions	142	142	0	0
Liabilities	40110	38727	1383	4
Reserves for general banking risks	704	704	0	0
Equity capital	86	86	0	0
Capital reserve	21	106	-85	-80
Own equity securities	-16	-13	-3	-23
Retained earnings	2269	2162	107	5
Minority interests - equity	0	0	0	0
Net profit for reporting period	179		179	
Net profit for 2014		296	-296	
Minority interests	0	0		
Shareholders' equity	3243	3341	-98	-3
Total liabilities and shareholders' equity	43353	42068	1285	3
Total subordinated liabilities	0	0	0	0

Consolidated off-balance-sheet transactions (unaudited)

(in CHF millions)	2015 30 June	2014 31 December	Absolute change	Change as %
Contingent liabilities	1219	1302	-83	-6
Irrevocable commitments	1138	1106	32	3
Commitments relating to calls on shares and other equity securities	113	113	0	0
Confirmed credits	20	33	-13	-39
Derivative financial instruments				
Gross positive replacement values	778	945	-167	-18
Gross negative replacement values	870	959	-89	-9
Values of underlyings	47711	50441	-2730	-5
Fiduciary transactions	250	263	-13	-5

BCV Group

Consolidated income statement (unaudited)

(in CHF millions)	2015 1st half	2014 1st half	Absolute change	Change as %
Interest and discount income	315.4	328.2	-12.8	-4
Interest and dividend income from financial investments	24.1	27.7	-3.6	-13
Interest expense	-93.4	-102.9	-9.5	-9
Net interest income	246.1	253.0	-6.9	-3
Fees and commissions on lending operations	23.1	23.8	-0.7	-3
Fees and commissions on securities and investment transactions	136.5	142.3	-5.8	-4
Fees and commissions on other services	39.0	40.9	-1.9	-5
Fee and commission expense	-27.6	-32.6	-5.0	-15
Net fee and commission income	171.0	174.4	-3.4	-2
Net trading income	79.5	52.3	27.2	52
Profit on disposal of financial investments	2.3	2.0	0.3	15
Total income from holdings	5.1	3.4	1.7	50
Real-estate income	5.2	5.6	-0.4	-7
Miscellaneous ordinary income	12.3	11.9	0.4	3
Miscellaneous ordinary expenses	-2.9	-0.1	2.8	n/s
Other ordinary income	22.0	22.8	-0.8	-4
Total income from ordinary banking operations	518.6	502.5	16.1	3
Personnel costs	-170.3	-171.8	-1.5	-1
Other operating expenses	-88.0	-91.5	-3.5	-4
Operating expenses	-258.3	-263.3	-5.0	-2
Operating profit	260.3	239.2	21.1	9
Depreciation and write-offs on fixed assets	-38.7	-41.4	-2.7	-7
Value adjustments, provisions and losses	-26.1	-7.3	18.8	258
Profit on ordinary banking operations before extraordinary items and taxes	195.5	190.5	5.0	3
Extraordinary income	34.5	6.9	27.6	n/s
Extraordinary expenses	0	0	0	0
Taxes	-50.6	-43.8	6.8	16
Net profit before minority interests	179.4	153.6	25.8	17
Minority interests	0	0	0	0
Net profit	179.4	153.6	25.8	17

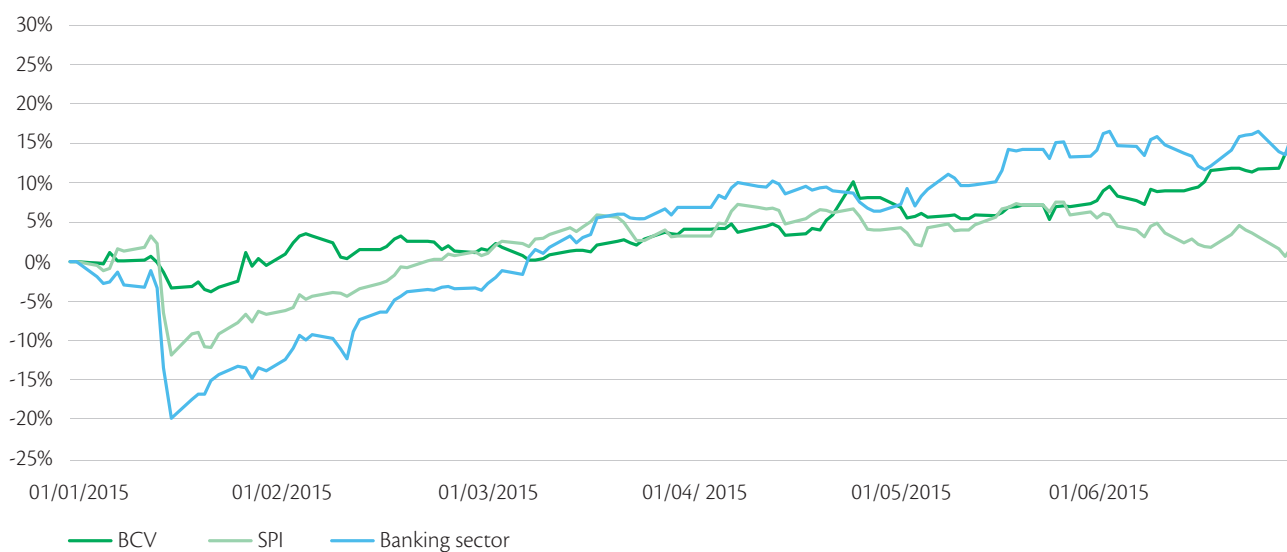
The BCV share

In the Swiss stockmarket, H1 2015 was marked by the Swiss National Bank's removal of the EUR/CHF currency floor on 15 January. In the two days following the announcement, the SMI fell more than 14%, but subsequently made up most of the lost ground and ended H1 down just 2.8%. Most other European indexes performed better, even though the Greek debt crisis flared up in mid-June: the DAX rose by 11.6%, the CAC40 by 12.1%, and the STOXX Europe 600 by 11.7%.

The BCV share gained 7.5% in H1 2015 despite trading ex-dividend. Total shareholder return – i.e., stockmarket performance plus the dividend payment of CHF 32 per share – stood at 13.6%, one of the best in the banking sector. And with around CHF 3.4m changing hands on a daily basis, the BCV share remained the fourth most-traded Swiss banking stock.

BCV's solid financial position also won recognition from the rating agencies. S&P reaffirmed its AA rating with a stable outlook for the fourth year in a row, and Moody's raised our long-term deposit rating by two notches, from A1 to Aa2, reflecting the agency's new methodology for rating banks. Moody's also raised the Bank's standalone rating one notch, from a3 to a2, with a stable outlook.

Total shareholder return¹⁾



¹⁾ Stockmarket performance over the period plus dividends and capital distributions

Key figures at 30 June – 5-year overview (unaudited)

(in CHF millions)	2011	2012	2013	2014	2015
Balance sheet at 30 June					
Total assets	37 555	39 835	40 388	41 240	43 353
Advances to customers	26 517	28 043	28 392	29 133	29 597
Customer deposits and bonds	30 190	32 757	34 503	35 106	35 797
Shareholders' equity	3 156	3 183	3 193	3 200	3 243

Assets under management¹	76 528	77 542	81 167	86 323	86 430
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H1 income statement

Total income	503	508	498	503	519
Operating expenses	269	266	261	263	258
Operating profit	234	242	237	239	260
Depreciation and write-offs	42	45	44	41	39
Value adjustments, provisions and losses	2	1	8	7	26
Net profit	154	157	151	154	179

Headcount at 30 June

Full-time equivalents	2 060	1 967	1 916	1 968	1 930
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Ratios at 30 June

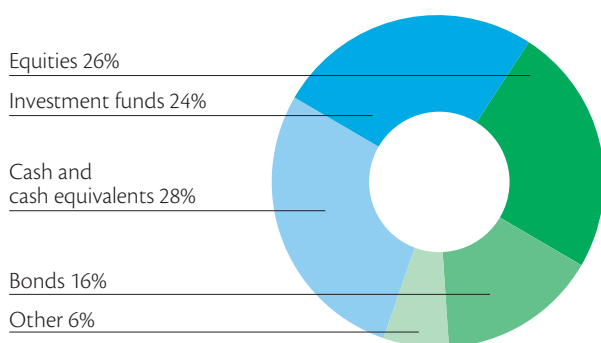
Shareholders' equity / total assets	8.4%	8.0%	7.9%	7.8%	7.5%
FINMA Tier 1 capital ratio ²	13.8%	13.3%	17.8%	17.1%	17.0%
BIS Total capital ratio ²	17.5%	16.8%	17.9%	17.3%	17.1%
Interest margin on total assets	1.47%	1.39%	1.20%	1.22%	1.15%
Cost / income ratio ³	62%	61%	61%	60%	57%
ROE	9.5%	9.5%	9.1%	9.3%	10.7%

¹⁾ 2011-2013 figures for assets under management were adjusted to exclude custody-only assets

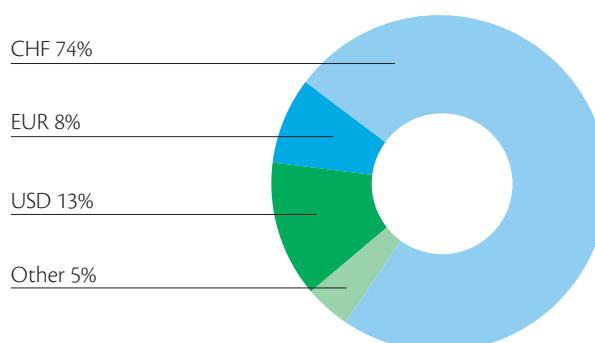
²⁾ Determined according to the Basel III approach from 1 January 2013

³⁾ Excluding goodwill amortization and write-downs

Breakdown in AuM by investment type



Breakdown in AuM by currency



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