

Press release

BCV Group H1 2018 operating profit stable and net profit up

BCV Group delivered solid H1 results despite the ongoing negative-interest-rate environment. Revenues and operating profit were broadly stable, at CHF 493m (-1%) and CHF 200m (-2%), respectively. Net profit rose 15% to CHF 188m.*

Revenues steady

Total BCV Group revenues were broadly stable year on year at CHF 493m (-1%). Net interest income came in at CHF 243m, off 2%. Fee and commission income increased 1% to CHF 159m. Net trading income, which derives mainly from customer-driven trading activities, was down 5% on the year-earlier figure but nevertheless came in at a solid CHF 65m. Other ordinary income totaled CHF 25m (+14%).

Operating profit at CHF 200m

Operating expenses declined 1% to CHF 254m. Personnel costs and other operating expenses were down slightly year on year, at CHF 169m and CHF 85m, respectively. Depreciation and amortization was flat at CHF 36m. Operating profit amounted to CHF 200m (-2%).

Net profit up 15% to CHF 188m

As previously announced, extraordinary income was driven up to CHF 34m by a non-core real-estate disposal. Net profit consequently rose 15% to CHF 188m.

Balance sheet up slightly

Total assets expanded 1% to CHF 45.9bn. Cash and cash equivalents, which mainly comprise SNB deposits, totaled CHF 7.4bn (-8%). Mortgage lending rose 1%, or CHF 300m, to CHF 25.7bn. Other loans increased 12% to CHF 5.4bn driven by growth in corporate banking volumes across all segments.

On the liabilities side, customer deposits grew 2%, or CHF 519m, to CHF 31.0bn.

AuM rises 2%

The Group's assets under management expanded 2% to CHF 87.9bn, and net new money totaled CHF 1.8bn. The increase was driven mainly by strong growth in assets from personal banking, SME, and institutional clients.

CHF 284m paid out to shareholders

In accordance with its distribution policy, BCV returned CHF 33 per share to its shareholders in May, for a total payout of CHF 284m. This payout is unchanged from the prior year and represents a dividend yield of 4.5% based on BCV's 2017 closing share price.

Solid financial position

The Bank's total capital ratio was 16.5% and shareholders' equity amounted to CHF 3.4bn, attesting to BCV's financial solidity. In June, rating agency Moody's reaffirmed the Aa2 rating (with a stable outlook) assigned to BCV in 2015.

Outlook

Barring a significant deterioration in the financial markets and/or the overall economic situation, FY 2018 results are expected to trend along the same lines as in prior years.

Lausanne, Switzerland, 23 August 2018

*Unaudited figures.

2019 calendar

21 February	Full-year 2018 results
2 April	Publication of the 2018 Annual Report (on www.bcv.ch)
2 May	Annual Shareholders' Meeting in Lausanne
22 August	Half-year 2019 results

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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)

	30/6/2018	31/12/2017	Absolute change	Change as %
Cash and cash equivalents	7 383	8 044	-661	-8
Due from banks	1 414	1 013	401	40
Reverse repurchase agreements	321	499	-178	-36
Loans and advances to customers	5 404	4 826	578	12
Mortgage loans	25 707	25 407	300	1
Trading portfolio assets	232	186	46	25
Positive mark-to-market values of derivative financial instruments	299	282	18	6
Other financial assets at fair value	705	653	51	8
Financial investments	3 740	3 753	-14	-0
Accrued income and prepaid expenses	65	91	-26	-28
Non-consolidated holdings	70	70	-0	-0
Tangible fixed assets	434	519	-85	-16
Intangible assets	11	12	-2	-14
Other assets	76	57	19	33
Assets	45 860	45 415	446	1
Total subordinated assets	0	0	0	0
<i>of which subject to mandatory conversion and/or conditional write-off</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Due to banks	1 554	1 398	156	11
Repurchase agreements	1 364	1 350	15	1
Customer deposits	31 031	30 512	519	2
Negative mark-to-market values of derivative financial instruments	239	205	34	17
Other financial liabilities at fair value	851	812	38	5
Medium-term notes	11	15	-3	-24
Bonds and mortgage-backed bonds	7 205	7 392	-187	-3
Accrued expenses and deferred income	147	172	-26	-15
Other liabilities	81	87	-6	-7
Provisions	17	15	2	12
Liabilities	42 500	41 958	542	1
Reserves for general banking risks	701	701	0	0
Share capital	86	86	0	0
Capital reserve	35	121	-86	-71
Retained earnings	2 371	2 249	122	5
Currency translation reserve	-1	-1	-0	1
Own shares	-19	-19	0	-0
Minority interests in equity	0	0	-0	-10
Net profit for reporting period	188		188	
Net profit for 2017		320	-320	
<i>of which minority interests</i>	<i>0</i>	<i>0</i>	<i>-0</i>	<i>0</i>
Shareholders' equity	3 361	3 457	-96	-3
Total liabilities and shareholders' equity	45 860	45 415	446	1
Total subordinated liabilities	0	0	0	0
<i>of which subject to mandatory conversion and/or conditional write-off</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Consolidated off-balance-sheet transactions

(unaudited – in CHF millions)

	30/6/2018	31/12/2017	Absolute change	Change as %
Contingent liabilities	1 835	1 763	72	4
Irrevocable commitments	1 665	1 481	183	12
Commitments relating to calls on shares and other equity securities	177	177	0	0
Confirmed credits	20	18	3	15

Consolidated income statement

(unaudited – in CHF millions)

	2018 1/1 - 30/06	2017 1/1 - 30/06	Absolute change	Change as %
Interest and discount income	282.8	291.5	-8.7	-3
Interest and dividend income from financial investments	16.7	18.7	-2.0	-11
Interest expense	-52.9	-59.1	-6.2	-10
Net interest income before loan impairment charges/reversals	246.5	251.1	-4.5	-2
Loan impairment charges/reversals	-3.5	-4.0	-0.4	-11
Net interest income after loan impairment charges/reversals (NII)	243.0	247.1	-4.1	-2
Fees and commissions on securities and investment transactions	126.5	122.9	3.6	3
Fees and commissions on lending operations	22.9	24.0	-1.1	-5
Fees and commissions on other services	35.2	35.4	-0.2	-0
Fee and commission expense	-25.2	-23.8	1.4	6
Net fee and commission income	159.4	158.5	0.9	1
Net trading income and fair-value adjustments	65.2	69.0	-3.8	-5
Gains/losses on disposals of financial investments	0.8	1.0	-0.1	-15
Income from equity investments	10.8	5.7	5.1	90
Real-estate income	3.7	5.4	-1.8	-33
Miscellaneous ordinary income	10.2	10.4	-0.2	-2
Miscellaneous ordinary expenses	-0.1	-0.3	-0.2	-53
Other ordinary income	25.3	22.2	3.1	14
Total income from ordinary banking operations	492.9	496.7	-3.8	-1
Personnel costs	-169.1	-170.9	-1.8	-1
Other operating expenses	-85.3	-86.5	-1.3	-1
Operating expenses	-254.4	-257.5	-3.0	-1
Depreciation and amortization of fixed assets and impairment on equity investments	-35.8	-35.6	0.2	0
Other provisions and losses	-3.0	-0.2	2.8	n/a
Operating profit	199.8	203.5	-3.7	-2
Extraordinary income	33.8	1.4	32.4	n/a
Extraordinary expenses	-0.0	-0.0	0.0	n/a
Taxes	-45.9	-41.0	4.9	12
Net profit	187.6	163.8	23.8	15
Minority interests	-0.0	-0.0	-0.0	0
Net profit attributable to BCV shareholders	187.6	163.8	23.8	15