

Press release

BCV Group operating and net profit up slightly in H1 2014

The business trend at BCV Group in H1 2014 was in line with that observed in the first quarter. Revenues increased 1% to CHF 503m, operating profit grew 1% to CHF 239m, and net profit rose 2% to CHF 154m.*

Strong top line

Total revenues increased 1% year-on-year to CHF 503m. Interest income rose 2% to CHF 253m. Fee and commission income held steady at CHF 174m. Trading income was off CHF 7m to CHF 52m (–12%), due in particular to lower activity on the forex market. Other ordinary income amounted to CHF 23m.

Operating profit at CHF 239m

Operating expenses edged up 1% to CHF 263m. With the transfer of 80 IT specialists from IBM on 1 July 2013, personnel costs were up 3% to CHF 172m, while other operating expenses were down 3% to CHF 91m. Operating profit rose 1% to CHF 239m.

Net profit at CHF 154m

Depreciations and write-offs decreased 7% to CHF 41m, and value adjustments, provisions and losses fell 3% to CHF 7m. Extraordinary income came in at CHF 7m, mainly reflecting releases of credit-risk provisions. Net profit was up 2% to CHF 154m. The cost/income ratio improved from 61% to 60%.

Continued growth in customer-driven business volumes

Total assets expanded by 2% to CHF 41.2bn. Mortgage lending rose 1% or CHF 320m to CHF 23.7bn. Other loans remained stable at CHF 5.4bn.

On the liabilities side, the expansion in customer savings and investment accounts continued, with a rise of 2% (+CHF 251m) to CHF 13.1bn. Other customer accounts grew by 1% (+CHF 178m) to CHF 15.6bn.

Rise in AuM of 3%

Group assets under management (AuM) were up 3% (+CHF 2.5bn) to CHF 86.3bn. Net new money for the period amounted to CHF 51m. This figure reflects onshore fund inflows of CHF 546m and offshore fund outflows, as anticipated (–CHF 495m).

CHF 275m paid out to shareholders

In accordance with the distribution policy set out for the next 4 years, BCV returned a total of CHF 32 per share, or CHF 275m, to its shareholders in May.

Solid financial position

Equity capital remained at a comfortable CHF 3.2bn, equating to a capital ratio of 17.3%, which attests to the Bank's financial solidity.

Outlook

Barring a significant deterioration in the financial markets and the overall economic situation, business in H2 2014 is expected to trend along the same lines as in the first half.

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* Unaudited figures.

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Note to editors:

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



Banque Cantonale Vaudoise

Consolidated balance sheet

(unaudited – in CHF millions)

	30/6/2014	31/12/2013	Absolute change	Change as %
Cash and cash equivalents	5 051	4 669	382	+ 8
Money-market instruments	32	39	-7	- 18
Due from banks	1 760	1 609	151	+ 9
Loans and advances to customers	5 438	5 434	4	–
Mortgage loans	23 695	23 375	320	+ 1
Trading portfolio assets	880	932	-52	- 6
Financial investments	3 223	3 146	77	+ 2
Non-consolidated holdings	50	50	–	–
Tangible fixed assets	578	602	-24	- 4
Intangible assets	29	32	-3	- 9
Accrued income and prepaid expenses	175	196	-21	- 11
Other assets	329	370	-41	- 11
Assets	41 240	40 454	786	+ 2
Total subordinated assets	–	–	–	–
Money-market paper issued	2	43	-41	- 95
Due to banks	2 245	1 921	324	+ 17
Customer savings and investment accounts	13 050	12 799	251	+ 2
Other customer accounts	15 630	15 452	178	+ 1
Medium-term notes	66	81	-15	- 19
Bonds and mortgage-backed bonds	6 360	6 064	296	+ 5
Accrued expenses and deferred income	222	224	-2	- 1
Other liabilities	323	377	-54	- 14
Value adjustments and provisions	142	171	-29	- 17
Liabilities	38 040	37 132	908	+ 2
Reserves for general banking risks	704	704	–	–
Equity capital	86	86	–	–
Capital reserve	106	192	-86	- 45
Own equity securities	-11	-11	–	–
Retained earnings	2 161	2 071	90	+ 4
Minority interests - equity	–	–	–	–
Net profit for reporting period	154	–	154	–
Net profit for 2013	–	280	-280	–
Minority interests	–	–	–	–
Shareholders' equity	3 200	3 322	-122	- 4
Total liabilities and shareholders' equity	41 240	40 454	786	+ 2
Total subordinated liabilities	–	–	–	–

Consolidated off-balance-sheet transactions

(unaudited – in CHF millions)

	30/6/2014	31/12/2013	Absolute change	Change as %
Contingent liabilities	1 155	1 144	11	+ 1
Irrevocable commitments	1 067	1 140	-73	- 6
Commitments relating to calls on shares and other equity securities	91	93	-2	- 2
Confirmed credits	24	23	1	+ 4
Derivative financial instruments				
Positive replacement values	390	521	-131	- 25
Negative replacement values	484	585	-101	- 17
Values of underlyings	51 439	52 701	-1 262	- 2
Fiduciary transactions	293	316	-23	- 7

Consolidated income statement

(unaudited – in CHF millions)

	2014 1/1 - 30/06	2013 1/1 - 30/06	Absolute change	Change as %
Interest and discount income	328.2	339.2	- 11.0	- 3
Interest and dividend income from financial investments	27.7	29.5	- 1.8	- 6
Interest expense	- 102.9	- 120.8	- 17.9	- 15
Net interest income	253.0	247.9	+ 5.1	+ 2
Fees and commissions on lending operations	23.8	22.5	+ 1.3	+ 6
Fees and commissions on securities and investment transactions	142.3	145.0	- 2.7	- 2
Fees and commissions on other services	40.9	38.6	+ 2.3	+ 6
Fee and commission expense	- 32.6	- 33.2	- 0.6	- 2
Net fee and commission income	174.4	172.9	+ 1.5	+ 1
Net trading income	52.3	59.3	- 7.0	- 12
Profit on disposal of financial investments	2.0	1.0	+ 1.0	+ 100
Total income from holdings	3.4	8.5	- 5.1	- 60
Real-estate income	5.6	5.3	+ 0.3	+ 6
Miscellaneous ordinary income	11.9	4.4	+ 7.5	+ 170
Miscellaneous ordinary expenses	- 0.1	- 1.4	- 1.3	- 93
Other ordinary income	22.8	17.8	+ 5.0	+ 28
Total income from ordinary banking operations	502.5	497.9	+ 4.6	+ 1
Personnel costs	- 171.8	- 166.3	+ 5.5	+ 3
Other operating expenses	- 91.5	- 94.5	- 3.0	- 3
Operating expenses	- 263.3	- 260.8	+ 2.5	+ 1
Operating profit	239.2	237.1	+ 2.1	+ 1
Depreciation and write-offs on fixed assets	- 41.4	- 44.4	- 3.0	- 7
Value adjustments, provisions and losses	- 7.3	- 7.5	- 0.2	- 3
Profit on ordinary banking operations before extraordinary items and taxes	190.5	185.2	+ 5.3	+ 3
Extraordinary income	6.9	10.3	- 3.4	- 33
Extraordinary expenses	-	- 0.1	- 0.1	- 100
Taxes	- 43.8	- 44.6	- 0.8	- 2
Net profit before minority interests	153.6	150.8	+ 2.8	+ 2
Minority interests	-	- 0.1	- 0.1	- 100
Net profit	153.6	150.7	+ 2.9	+ 2