

## Press release

2009 financial results

### Operating profit up 11% at BCV Group

**BCV Group posted very strong 2009 financial results despite the challenging economic environment. Revenues increased 5% to CHF 976m on sharply rising business volumes that testified to strong customer loyalty and confidence in the Bank. Operating profit was up 11% to CHF 470m. At over CHF 300m, net profit remained strong even though Group earnings are no longer boosted by extraordinary items. The Board of Directors will propose a CHF 21 dividend and a CHF 10 par-value reimbursement at the next Shareholders' Meeting, in line with the dividend policy and the equity-optimization strategy announced in 2008. These two operations will return CHF 267m to shareholders.**

#### Revenues up 5%

Total revenues rose by 5% to CHF 976m.

Interest income edged up 1% to CHF 508m. This rise was smaller than the growth in business volumes, as a result of the Bank's prudent approach to liquidity management. In keeping with this approach, the substantial fund inflows recorded during the period were placed mainly at the Swiss National Bank (SNB).

Fee and commission income dropped just 3% to CHF 329m. There was a 7% decline in fees and commissions on wealth management activities, but fees and commissions on lending operations rose 14% on the back of strong business volumes.

Trading income bounced back after a poor showing in 2008, coming in at CHF 99m even as the Bank's risk profile improved. Customer-driven forex transactions played a major role in this turnaround.

Other ordinary income declined 13% to CHF 41m. This reflects a fall-off in sales of financial investments, which were at very high levels in recent years as a result of the Group's realignment strategy.

#### Operating profit up 11% to CHF 470m

Total operating expenses held steady at CHF 506m, in line with the Bank's cost control strategy. Personnel costs expanded 2% to CHF 316m owing to new hires, particularly in onshore wealth management. Other operating expenses contracted by 3% to CHF 189m.

Operating profit rose 11% to CHF 470m, driven by revenue growth combined with strict cost control. The cost/income ratio improved to 60% from 63% at year-end 2008.

**Net profit at CHF 301m**

Depreciation and write-offs edged up 3% to CHF 79m. The need for new provisions remained moderate, testifying to the resilience of the Bank's loan book in an unfavorable economic environment. Value adjustments, provisions and losses were up 12% overall to CHF 18m.

As expected, extraordinary income decreased substantially to CHF 17m, which is 87% below the 2008 figure of CHF 130m. Despite the marked decline in extraordinary items, net profit remained solid at CHF 301m.

**Robust growth in customer business volumes**

Total assets edged up by 1% to CHF 35.7bn. This stable aggregate trend reflects two partially offsetting factors: the significant increase in customer business volumes and the Bank's strategic reduction in proprietary trading activities.

Mortgage lending volumes showed a strong 9% rise, up CHF 1.5bn to reach CHF 18.8bn. Other loans remained stable at CHF 5.5bn. Trading portfolio assets and other assets fell by CHF 874m, in line with the decision to reduce proprietary trading activities. By end-2009 BCV had completely implemented the previously announced withdrawal from equity-derivative trading.

In order to limit bank-counterparty risk, BCV reduced amounts due from banks by 29% to CHF 5.5bn. Cash holdings with the SNB therefore rose by CHF 859m to CHF 1.4bn, and financial investments grew by CHF 1.3bn (+85%) to CHF 2.9bn through added placements in top-grade bonds.

The liabilities side showed solid growth reflecting strong customer trust in the Bank: customer savings deposits expanded CHF 1.3bn (+15%) to CHF 9.8bn, and other customer accounts were up CHF 501m (+4%) to CHF 13.6bn.

Shareholders' equity remained stable at CHF 3.2bn. Capital ratios were maintained at comfortable levels, with the FINMA capital adequacy ratio at 176% and the BIS Tier 1 ratio (Basel II IRB) at 17.8%.

**Substantial rise in AuM, with CHF 3.1bn in fund inflows**

The Group's assets under management rose by CHF 9.4bn (+14%) to CHF 76.2bn. Net new money for the period amounted to a strong CHF 3.1bn.

**Proposal to redistribute CHF 267m to shareholders**

For the third successive year, BCV Group is moving ahead with the previously announced capital-management strategy. A proposal to reduce the share's par value by CHF 10 and to increase the dividend from CHF 20 to CHF 21 per share will be submitted by the Board of Directors at the Annual Shareholders' Meeting on 29 April. If this proposal is adopted, BCV will return CHF 267m to its shareholders.

### **New organization**

Under the strategy announced at the end of 2008, BCV aims to expand its presence in its various markets. The Bank has changed its organization in order to achieve this, and now has four resolutely customer-oriented front-line divisions, together with a division devoted solely to credit decisions.

The Executive Board added three new members in 2009. With the appointment of Bertrand Sager to head up the Credit Management Division from 15 February 2010, the Executive Board is now complete.

### **Vaud Cantonal Government renews information-exchange agreement and the terms of office of its appointees to the Board of Directors**

Since 2004, BCV's communications with the Vaud Cantonal Government have been governed by an information-exchange agreement. This document was updated last year. The new agreement specifies what kind of information the Bank must provide to the Canton and when such exchanges take place.

In addition, the Cantonal Government renewed the four-year terms of three of the members it appoints to BCV's Board of Directors: Olivier Steimer (Chairman), Luc Recordon and Paul-André Sanglard. The term of the Canton's fourth appointee, Stephan Bachmann, began two years ago and is not up for renewal.

### **Outlook**

Although the first signs of economic recovery are perceptible, Management expects the climate to remain difficult in 2010. It remains confident, however, in the Group's earnings capacity going forward.

**Lausanne, Switzerland, 25 February 2010**

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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 entitled "Groupe BCV : très bons résultats avec une hausse du bénéfice brut de 11%"; only the French version is authoritative.

## Consolidated balance sheet

(in CHF millions)

	31.12.2009	31.12.2008	Change	
			absolute	as %
Cash and cash equivalents	1 404.4	545.7	+ 858.7	+ 157
Money-market instruments	87.7	95.2	- 7.5	- 8
Due from banks	5 468.6	7 715.5	- 2 246.9	- 29
Loans and advances to customers	5 541.6	5 550.5	- 8.9	-
Mortgage loans	18 770.2	17 283.0	+ 1 487.2	+ 9
Trading portfolio assets	397.2	607.0	- 209.8	- 35
Financial investments	2 870.3	1 552.0	+ 1 318.3	+ 85
Non-consolidated holdings	80.8	81.8	- 1.0	- 1
Tangible fixed assets	597.3	607.2	- 9.9	- 2
Intangible assets	4.6	5.5	- 0.9	- 16
Accrued income and prepaid expenses	219.5	240.3	- 20.8	- 9
Other assets	290.8	954.8	- 664.0	- 70
<b>Assets</b>	<b>35 733.0</b>	<b>35 238.5</b>	<b>+ 494.5</b>	<b>+ 1</b>
Total subordinated assets	3.7	5.8	- 2.1	- 36
Total claims on non-consolidated holdings and significant shareholders	28.7	41.0	- 12.3	- 30
<i>of which claims on Vaud Canton</i>	2.0	9.2	- 7.2	- 78
Money-market paper issued	3.7	0.4	+ 3.3	+ 825
Due to banks	2 064.8	2 335.1	- 270.3	- 12
Customer savings and investment accounts	9 841.8	8 539.1	+ 1 302.7	+ 15
Other customer accounts	13 563.5	13 062.0	+ 501.5	+ 4
Medium-term notes	506.8	609.8	- 103.0	- 17
Bonds and mortgage-backed bonds	5 605.1	5 923.4	- 318.3	- 5
Accrued expenses and deferred income	225.5	257.3	- 31.8	- 12
Other liabilities	402.7	941.4	- 538.7	- 57
Value adjustments and provisions	297.3	393.1	- 95.8	- 24
<b>Liabilities</b>	<b>32 511.2</b>	<b>32 061.6</b>	<b>+ 449.6</b>	<b>+ 1</b>
Reserves for general banking risks	704.0	704.0	-	-
Equity capital	172.1	258.2	- 86.1	- 33
Capital reserve	356.9	354.7	+ 2.2	+ 1
Own equity securities	-7.2	-7.3	+ 0.1	+ 1
Retained earnings	1 681.0	1 497.0	+ 184.0	+ 12
Minority interests - equity	13.6	12.6	+ 1.0	+ 8
Net profit before minority interests	301.4	357.7	- 56.3	- 16
<i>Minority interests</i>	0.8	1.4	- 0.6	- 43
<b>Shareholders' equity</b>	<b>3 221.8</b>	<b>3 176.9</b>	<b>+ 44.9</b>	<b>+ 1</b>
<b>Total liabilities and shareholders' equity</b>	<b>35 733.0</b>	<b>35 238.5</b>	<b>+ 494.5</b>	<b>+ 1</b>
Total subordinated liabilities	121.0	132.3	- 11.3	- 9
Total liabilities to non-consolidated holdings and significant shareholders	1 646.3	1 239.1	+ 407.2	+ 33
<i>of which liabilities to Vaud Canton</i>	1 595.3	950.2	+ 645.1	+ 68

## Consolidated off-balance-sheet transactions

(in CHF millions)

	31.12.2009	31.12.2008	Change	
			absolute	as %
Contingent liabilities	1 316.1	1 231.1	+ 85.0	+ 7
Irrevocable commitments	802.3	726.2	+ 76.1	+ 10
Commitments relating to calls on shares and other equity securities	97.7	100.1	- 2.4	- 2
Confirmed credits	82.7	54.6	+ 28.1	+ 51
<b>Derivative financial instruments</b>				
Positive replacement values	350.9	3 254.6	- 2 903.7	- 89
Negative replacement values	324.3	3 096.3	- 2 772.0	- 90
Values of underlyings	26 614.2	61 980.5	- 35 366.3	- 57
Fiduciary transactions	856.5	1 392.9	- 536.4	- 39

## Consolidated income statement

(in CHF millions)

	2009	2008	Change	
	1.1 - 31.12	1.1 - 31.12	absolute	as %
Interest and discount income	783.3	1 023.2	- 239.9	- 23
Interest and dividend income from financial investments	51.2	43.1	+ 8.1	+ 19
Interest expense	- 327.0	- 562.2	- 235.2	- 42
<b>Net interest income</b>	<b>507.5</b>	<b>504.1</b>	<b>+ 3.4</b>	<b>+ 1</b>
Fees and commissions on lending operations <sup>1</sup>	58.9	51.5	+ 7.4	+ 14
Fees and commissions on securities and investment transactions	276.6	298.9	- 22.3	- 7
Fees and commissions on other services <sup>1</sup>	64.6	62.4	+ 2.2	+ 4
Fee and commission expense	- 71.5	- 72.8	- 1.3	- 2
<b>Net fee and commission income</b>	<b>328.6</b>	<b>340.0</b>	<b>- 11.4</b>	<b>- 3</b>
<b>Net trading income</b>	<b>98.6</b>	<b>37.0</b>	<b>+ 61.6</b>	<b>+ 166</b>
Profit on disposal of financial investments	14.9	24.9	- 10.0	- 40
Total income from holdings	7.8	5.0	+ 2.8	+ 56
Real-estate income	11.2	12.5	- 1.3	- 10
Miscellaneous ordinary income	11.9	12.2	- 0.3	- 2
Miscellaneous ordinary expenses	- 4.9	- 7.8	- 2.9	- 37
<b>Other ordinary income</b>	<b>40.9</b>	<b>46.8</b>	<b>- 5.9</b>	<b>- 13</b>
<b>Total income from ordinary banking operations</b>	<b>975.6</b>	<b>927.9</b>	<b>+ 47.7</b>	<b>+ 5</b>
Personnel costs	- 316.4	- 310.3	+ 6.1	+ 2
Other operating expenses	- 189.2	- 194.3	- 5.1	- 3
<b>Operating expenses</b>	<b>- 505.6</b>	<b>- 504.6</b>	<b>+ 1.0</b>	<b>-</b>
<b>Operating profit</b>	<b>470.0</b>	<b>423.3</b>	<b>+ 46.7</b>	<b>+ 11</b>
Depreciation and write-offs on fixed assets	- 79.0	- 76.8	+ 2.2	+ 3
Value adjustments, provisions and losses	- 18.0	- 16.1	+ 1.9	+ 12
<b>Profit on ordinary banking operations before extraordinary items and taxes</b>	<b>373.0</b>	<b>330.4</b>	<b>+ 42.6</b>	<b>+ 13</b>
Extraordinary income	16.9	129.5	- 112.6	- 87
Extraordinary expenses	- 0.3	- 0.8	- 0.5	- 63
Taxes	- 88.2	- 101.4	- 13.2	- 13
<b>Net profit before minority interests</b>	<b>301.4</b>	<b>357.7</b>	<b>- 56.3</b>	<b>- 16</b>
Minority interests	- 0.8	- 1.4	- 0.6	- 43
<b>Net profit</b>	<b>300.6</b>	<b>356.3</b>	<b>- 55.7</b>	<b>- 16</b>

<sup>1)</sup> To facilitate like-for-like comparisons, 2008 figures were adjusted following the reclassification of certain fees and commissions.