

## Press release

### **BCV Group reports 4% rise in operating profit at 30 September**

**BCV Group reported solid financial results for the nine months ended 30 September, in line with the trend observed in the first half of the year. Operating profit rose 4% to CHF 371m.\***

#### **Revenues up 3%**

Total revenues at 30 September were CHF 755m, a 3% year-on-year improvement. Interest income rose 1% to CHF 385m despite the Bank's prudent approach to liquidity management, with funds being placed primarily with the Swiss National Bank in light of uncertainties on the interbank money markets. Fee and commission income grew 7% to CHF 265m, mainly reflecting trends in lending and wealth management activities. Trading income was stable at CHF 73m, while other ordinary income increased 14% to CHF 32m as a result of real estate sales.

#### **Operating profit up 4% to CHF 371m**

Total operating expenses grew 3% to CHF 384m. Targeted hiring under the Bank's development strategy, particularly in private banking and asset management, combined with additional employee training and ordinary pay increases led to a 5% rise in personnel costs to CHF 240m. Other operating expenses were stable at CHF 143m. The trend in operating expenses, together with the top-line growth detailed above, drove a 4% rise in operating profit to CHF 371m.

#### **Rise in customer-driven business volumes**

Total assets increased 5% to CHF 37.6bn. Mortgage lending rose 5% (+CHF 878m) and totaled CHF 19.6bn at 30 September. Other loans were down 5% to CHF 5.3bn; this decline was mainly due to one-off operations and does not reflect any change in the Bank's lending policy.

On the liabilities side, the strong expansion in customer savings and investment accounts continued, with a 10% rise (+CHF 983m) to CHF 10.8bn. Other customer accounts declined 3% (-CHF 462m) to CHF 13.1bn.

**Assets under management slightly lower**

Group assets under management declined 1% to CHF 75.4bn, under the combined effect of the market downturn and a net outflow of CHF 251m. This net outflow of funds reflects two distinct factors. On one hand, the private-client and SME segments continued to attract net new money (+CHF 1.3bn). On the other, short-term deposits by large corporate and institutional clients contracted (-CHF 1.6bn) owing to the Bank's decision to keep deposit interest rates low in an environment marked by plentiful liquidity.

**Reto Donatsch slated to join the Board of Directors**

At its meeting on 5 November, BCV's Board of Directors decided to propose Reto Donatsch to replace outgoing Board member Jean-Luc Strohm at the Annual Shareholders' Meeting scheduled for 5 May 2011. Mr. Strohm, the current Vice Chairman, will step down next year after reaching the maximum age for BCV board members stipulated in the Cantonal Act Governing BCV.

Reto Donatsch is 60 years old and has extensive experience in the banking industry. Following a long career at Credit Suisse, he became CEO of Bank Leu Ltd and was subsequently Vice Chairman of that bank's board until 2007. Since then, Mr. Donatsch has served on the boards of several companies and foundations.

**Outlook**

Management is very satisfied with these results. They reflect strong client confidence in BCV and good business growth amid a slowly improving economy, despite ongoing challenges on the financial markets. Business development for 2010 as a whole is expected to trend along the same lines as in the first nine months of the year.

**Lausanne, Switzerland, 11 November 2010**

\* Figures are unaudited

Contact:

Christian Jacot-Descombes, Press Officer

Tel.: + 41 21 212 28 61

Email: [christian.jacot-descombes@bcv.ch](mailto:christian.jacot-descombes@bcv.ch)

Gregory Duong, Investor Relations Officer

Tel.: +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 entitled "Groupe BCV: hausse du bénéfice brut de 4% au 30 septembre 2010"; only the French version is authoritative.*

**Consolidated balance sheet**

(unaudited - in CHF millions)

	30/9/2010	31/12/2009	Change	
			absolute	as %
Cash and cash equivalents	768.9	1 404.4	- 635.5	- 45
Money-market instruments	2 448.6	87.7	+ 2 360.9	+ 2 692
Due from banks	4 581.9	5 468.6	- 886.7	- 16
Loans and advances to customers	5 254.8	5 541.6	- 286.8	- 5
Mortgage loans	19 648.0	18 770.2	+ 877.8	+ 5
Trading portfolio assets	478.6	397.2	+ 81.4	+ 20
Financial investments	2 931.6	2 870.3	+ 61.3	+ 2
Non-consolidated holdings	87.5	80.8	+ 6.7	+ 8
Tangible fixed assets	575.4	597.3	- 21.9	- 4
Intangible assets	3.9	4.6	- 0.7	- 15
Accrued income and prepaid expenses	276.3	219.5	+ 56.8	+ 26
Other assets	568.4	290.8	+ 277.6	+ 95
<b>Assets</b>	<b>37 623.9</b>	<b>35 733.0</b>	<b>+ 1 890.9</b>	<b>+ 5</b>
Total subordinated assets	2.3	3.7	- 1.4	- 38
Money-market paper issued	0.4	3.7	- 3.3	- 89
Due to banks	3 655.4	2 064.8	+ 1 590.6	+ 77
Customer savings and investment accounts	10 824.6	9 841.8	+ 982.8	+ 10
Other customer accounts	13 101.1	13 563.5	- 462.4	- 3
Medium-term notes	348.9	506.8	- 157.9	- 31
Bonds and mortgage-backed bonds	5 395.5	5 605.1	- 209.6	- 4
Accrued expenses and deferred income	264.3	225.5	+ 38.8	+ 17
Other liabilities	843.0	402.7	+ 440.3	+ 109
Value adjustments and provisions	233.9	297.3	- 63.4	- 21
<b>Liabilities</b>	<b>34 667.1</b>	<b>32 511.2</b>	<b>+ 2 155.9</b>	<b>+ 7</b>
Reserves for general banking risks	704.0	704.0	-	-
Equity capital	86.1	172.1	- 86.0	- 50
Capital reserve	358.7	356.9	+ 1.8	+ 1
Own equity securities	- 6.5	- 7.2	+ 0.7	+ 10
Retained earnings	1 800.4	1 681.0	+ 119.4	+ 7
Minority interests - equity	14.1	13.6	+ 0.5	+ 4
Net profit for 2009		301.4	- 301.4	
<b>Shareholders' equity</b>	<b>2 956.8</b>	<b>3 221.8</b>	<b>- 265.0</b>	<b>- 8</b>
<b>Total liabilities and shareholders' equity</b>	<b>37 623.9</b>	<b>35 733.0</b>	<b>+ 1 890.9</b>	<b>+ 5</b>
Total subordinated liabilities	119.1	121.0	- 1.9	- 2

## Consolidated income statement

(unaudited - in CHF millions)

	2010	2009	Change	
	1/1 - 30/9	1/1 - 30/9	absolute	as %
Interest and discount income	547.2	596.8	- 49.6	- 8
Interest and dividend income from financial investments	45.2	37.2	+ 8.0	+ 22
Interest expense	- 207.7	- 252.6	- 44.9	- 18
<b>Net interest income</b>	<b>384.7</b>	<b>381.4</b>	<b>+ 3.3</b>	<b>+ 1</b>
Fees and commissions on lending operations <sup>1</sup>	51.0	45.1	+ 5.9	+ 13
Fees and commissions on securities and investment transactions	214.2	206.5	+ 7.7	+ 4
Fees and commissions on other services <sup>1</sup>	50.9	47.6	+ 3.3	+ 7
Fee and commission expense	- 51.4	- 52.2	- 0.8	- 2
<b>Net fee and commission income</b>	<b>264.7</b>	<b>247.0</b>	<b>+ 17.7</b>	<b>+ 7</b>
<b>Net trading income</b>	<b>73.0</b>	<b>73.0</b>	<b>-</b>	<b>-</b>
Profit on disposal of financial investments	25.3	11.8	+ 13.5	+ 114
Total income from holdings	3.3	4.8	- 1.5	- 31
Real-estate income	7.5	7.6	- 0.1	- 1
Miscellaneous ordinary income	7.0	7.8	- 0.8	- 10
Miscellaneous ordinary expenses	- 10.6	- 3.5	+ 7.1	+ 203
<b>Other ordinary income</b>	<b>32.5</b>	<b>28.5</b>	<b>+ 4.0</b>	<b>+ 14</b>
<b>Total income from ordinary banking operations</b>	<b>754.9</b>	<b>729.9</b>	<b>+ 25.0</b>	<b>+ 3</b>
Personnel costs	- 240.2	- 229.0	+ 11.2	+ 5
Other operating expenses	- 143.3	- 143.1	+ 0.2	-
<b>Operating expenses</b>	<b>- 383.5</b>	<b>- 372.1</b>	<b>+ 11.4</b>	<b>+ 3</b>
<b>Operating profit</b>	<b>371.4</b>	<b>357.8</b>	<b>+ 13.6</b>	<b>+ 4</b>

<sup>1)</sup> To facilitate like-for-like comparisons, 2009 figures were adjusted following the reclassification of certain fees and commissions.