

Press release

Positive business trend at BCV Group in Q1 2013, with slightly lower operating profit

In the first quarter of 2013, BCV Group experienced business growth in line with the trend observed in 2012, with volumes rising slightly. However, interest income was down as a result of the low-interest-rate environment and prudent liquidity management, and this led to a CHF 6m decline in operating profit to CHF 115m.*

Top line challenged by low-interest-rate environment

BCV Group's Q1 2013 revenues were down 4% year-on-year to CHF 244m. The decline primarily reflected a 7% decrease in interest income to CHF 124m. There were three main reasons for this. The first was the continuing low-interest-rate environment. Second, in order to limit bank-counterparty risk exposure, the Bank placed its liquid assets mainly with the Swiss National Bank. Finally, the strategic voluntary reduction in mortgage lending growth in 2012 weighed on this revenue stream in Q1 2013. Fee and commission income stood at CHF 85m (–3%), while trading income climbed by 11% to CHF 30m thanks in large part to the rebound in structured product issuance. Other ordinary income amounted to CHF 5m (–9%).

Effective cost control

Total operating expenses fell to CHF 130m. Personnel costs dropped by 2% to CHF 83m, and other operating expenses decreased by 1% to CHF 47m. The decline in revenues was reflected in Q1 operating profit, which was off by 5% at CHF 115m.

Growth in total assets and AuM

Total assets were up 4% to CHF 41.5bn. Mortgage lending grew by 0.8% (+CHF 188m) YTD to CHF 23.1bn, in line with the Bank's controlled growth target of 4% per year. Other loans remained stable at CHF 5.1bn.

On the liabilities side, savings deposits grew a further 3% (+CHF 318m) to CHF 12.6bn. Other customer accounts advanced 7% (+CHF 1.1bn) to CHF 16.0bn.

The Group's assets under management (AuM) expanded by 6% (+CHF 4.6bn) to CHF 86.4bn. Net new money amounted to CHF 1.3bn for the period.

Shareholders' Meeting proposal

As previously announced, the Board of Directors will propose an ordinary dividend of CHF 22 as well as a distribution of CHF 10 per share out of paid-in reserves at the Group's Annual Shareholders' Meeting being held today in Lausanne. This proposal reflects the Board's confidence in BCV's earnings capacity going forward.

Lausanne, Switzerland, 25 April 2013

* unaudited figures

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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 version is authoritative.

Consolidated balance sheet

(unaudited – in CHF millions)

	31/3/2013	31/12/2012	Absolute change	Change as %
Cash and cash equivalents	5 887	4 735	1 152	+ 24
Money-market instruments	37	26	11	+ 42
Due from banks	1 805	2 007	-202	- 10
Loans and advances to customers	5 120	5 094	26	+ 1
Mortgage loans	23 052	22 864	188	+ 1
Trading portfolio assets	955	667	288	+ 43
Financial investments	3 188	3 101	87	+ 3
Non-consolidated holdings	53	52	1	+ 2
Tangible fixed assets	612	621	-9	- 1
Intangible assets	35	37	-2	- 5
Accrued income and prepaid expenses	240	198	42	+ 21
Other assets	474	398	76	+ 19
Assets	41 458	39 800	1 658	+ 4
Total subordinated assets	–	–	–	–
Money-market paper issued	2	3	-1	- 33
Due to banks	2 549	2 444	105	+ 4
Customer savings and investment accounts	12 613	12 295	318	+ 3
Other customer accounts	15 975	14 908	1 067	+ 7
Medium-term notes	119	131	-12	- 9
Bonds and mortgage-backed bonds	5 979	5 837	142	+ 2
Accrued expenses and deferred income	218	231	-13	- 6
Other liabilities	521	461	60	+ 13
Value adjustments and provisions	176	175	1	+ 1
Liabilities	38 152	36 485	1 667	+ 5
Reserves for general banking risks	704	704	–	–
Equity capital	86	86	–	–
Capital reserve	277	275	2	+ 1
Own equity securities	-22	-11	-11	- 100
Retained earnings	2 260	1 949	311	+ 16
Minority interests - equity	1	1	–	–
Net profit for 2012		311	-311	
Shareholders' equity	3 306	3 315	-9	–
Total liabilities and shareholders' equity	41 458	39 800	1 658	+ 4
Total subordinated liabilities	–	–	–	–

Consolidated income statement

(unaudited – in CHF millions)

	2013 1/1 - 31/03	2012 1/1 - 31/03	Absolute change	Change as %
Interest and discount income	170.4	181.3	- 10.9	- 6
Interest and dividend income from financial investments	14.2	14.5	- 0.3	- 2
Interest expense	- 61.1	- 63.3	- 2.2	- 3
Net interest income	123.5	132.5	- 9.0	- 7
Fees and commissions on lending operations	10.7	14.3	- 3.6	- 25
Fees and commissions on securities and investment transactions	72.6	73.2	- 0.6	- 1
Fees and commissions on other services	18.8	17.9	+ 0.9	+ 5
Fee and commission expense	- 16.6	- 17.4	- 0.8	- 5
Net fee and commission income	85.5	88.0	- 2.5	- 3
Net trading income	30.1	27.0	+ 3.1	+ 11
Profit on disposal of financial investments	0.5	1.0	- 0.5	- 50
Total income from holdings	–	–	–	–
Real-estate income	2.8	2.5	+ 0.3	+ 12
Miscellaneous ordinary income	2.2	2.4	- 0.2	- 8
Miscellaneous ordinary expenses	- 0.2	- 0.1	+ 0.1	+ 100
Other ordinary income	5.3	5.8	- 0.5	- 9
Total income from ordinary banking operations	244.4	253.3	- 8.9	- 4
Personnel costs	- 82.6	- 84.6	- 2.0	- 2
Other operating expenses	- 46.9	- 47.6	- 0.7	- 1
Operating expenses	- 129.5	- 132.2	- 2.7	- 2
Operating profit	114.9	121.1	- 6.2	- 5