

## Press release

### **Positive business trend at BCV Group in Q1 2014, with revenues and operating profit both up**

**In the first quarter of 2014, BCV Group experienced business growth in line with the trend observed in the second half of 2013. Revenues were up 1% and operating profit rose 2% (+CHF 2m) to CHF 117m.\***

#### **Revenues up**

BCV Group's Q1 2014 revenues edged up 1% year-on-year to CHF 248m. The rise primarily reflected a 1% increase in interest income to CHF 125m and a 3% increase in fee and commission income to CHF 88m. Trading income declined by CHF 4m (-13%) to CHF 26m. Other ordinary income amounted to CHF 9m.

#### **Effective cost control**

Total operating expenses were stable at CHF 131m. Following the transfer on 1 July 2013 of 80 IT specialists from IBM, personnel costs were up 4% to CHF 86m; other operating expenses were down 4% to CHF 45m. Operating profit rose 2% to CHF 117m, reflecting the increase in revenues.

#### **Growth in total assets and AuM**

Total assets were up 1% to CHF 40.7bn. Mortgage lending grew by 1% or CHF 195m YTD to CHF 23.6bn. Other loans remained stable at CHF 5.4bn (-1%).

On the liabilities side, savings deposits grew a further 1% (+CHF 162m) to CHF 13.0bn, while other customer accounts remained stable at CHF 15.4bn.

The Group's assets under management rose 2% (+CHF 1.7bn) to CHF 85.6bn. Net new money amounted to CHF 582m 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, 1 May 2014

\* 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 text is authoritative.



Banque Cantonale Vaudoise

## Consolidated balance sheet

(unaudited – in CHF millions)

	31/3/2014	31/12/2013	Absolute change	Change as %
Cash and cash equivalents	4 666	4 669	-3	-
Money-market instruments	32	39	-7	- 18
Due from banks	1 658	1 609	49	+ 3
Loans and advances to customers	5 384	5 434	-50	- 1
Mortgage loans	23 570	23 375	195	+ 1
Trading portfolio assets	875	932	-57	- 6
Financial investments	3 258	3 146	112	+ 4
Non-consolidated holdings	50	50	-	-
Tangible fixed assets	588	602	-14	- 2
Intangible assets	31	32	-1	- 3
Accrued income and prepaid expenses	226	196	30	+ 15
Other assets	369	370	-1	-
<b>Assets</b>	<b>40 707</b>	<b>40 454</b>	<b>253</b>	<b>+ 1</b>
Total subordinated assets	-	-	-	-
Money-market paper issued	21	43	-22	- 51
Due to banks	1 989	1 921	68	+ 4
Customer savings and investment accounts	12 961	12 799	162	+ 1
Other customer accounts	15 433	15 452	-19	-
Medium-term notes	73	81	-8	- 10
Bonds and mortgage-backed bonds	6 118	6 064	54	+ 1
Accrued expenses and deferred income	199	224	-25	- 11
Other liabilities	451	377	74	+ 20
Value adjustments and provisions	152	171	-19	- 11
<b>Liabilities</b>	<b>37 397</b>	<b>37 132</b>	<b>265</b>	<b>+ 1</b>
Reserves for general banking risks	704	704	-	-
Equity capital	86	86	-	-
Capital reserve	192	192	-	-
Own equity securities	-22	-11	-11	- 100
Retained earnings	2 350	2 071	279	+ 13
Minority interests - equity	-	-	-	-
Net profit for 2013	-	280	-280	-
<b>Shareholders' equity</b>	<b>3 310</b>	<b>3 322</b>	<b>-12</b>	<b>-</b>
<b>Total liabilities and shareholders' equity</b>	<b>40 707</b>	<b>40 454</b>	<b>253</b>	<b>+ 1</b>
Total subordinated liabilities	-	-	-	-

**Consolidated income statement**

(unaudited – in CHF millions)

	2014 1/1 - 31/03	2013 1/1 - 31/03	Absolute change	Change as %
Interest and discount income	164.0	170.4	- 6.4	- 4
Interest and dividend income from financial investments	13.1	14.2	- 1.1	- 8
Interest expense	- 52.1	- 61.1	- 9.0	- 15
<b>Net interest income</b>	<b>125.0</b>	<b>123.5</b>	<b>+ 1.5</b>	<b>+ 1</b>
Fees and commissions on lending operations	12.9	10.7	+ 2.2	+ 21
Fees and commissions on securities and investment transactions	71.3	72.6	- 1.3	- 2
Fees and commissions on other services	20.6	18.8	+ 1.8	+ 10
Fee and commission expense	- 16.6	- 16.6	–	–
<b>Net fee and commission income</b>	<b>88.2</b>	<b>85.5</b>	<b>+ 2.7</b>	<b>+ 3</b>
<b>Net trading income</b>	<b>26.2</b>	<b>30.1</b>	<b>- 3.9</b>	<b>- 13</b>
Profit on disposal of financial investments	0.2	0.5	- 0.3	- 60
Total income from holdings	–	–	–	–
Real-estate income	2.8	2.8	–	–
Miscellaneous ordinary income	5.6	2.2	+ 3.4	+ 155
Miscellaneous ordinary expenses	- 0.1	- 0.2	- 0.1	- 50
<b>Other ordinary income</b>	<b>8.5</b>	<b>5.3</b>	<b>+ 3.2</b>	<b>+ 60</b>
<b>Total income from ordinary banking operations</b>	<b>247.9</b>	<b>244.4</b>	<b>+ 3.5</b>	<b>+ 1</b>
Personnel costs	- 85.6	- 82.6	+ 3.0	+ 4
Other operating expenses	- 45.0	- 46.9	- 1.9	- 4
<b>Operating expenses</b>	<b>- 130.6</b>	<b>- 129.5</b>	<b>+ 1.1</b>	<b>+ 1</b>
<b>Operating profit</b>	<b>117.3</b>	<b>114.9</b>	<b>+ 2.4</b>	<b>+ 2</b>