

# Interim Report

Consolidated financial statements at 30 June 2019





## Letter from the Chairman and the CEO

After losing some momentum in 2018, global economic growth stabilized in the first half of this year. However, factors including the US-China trade war, geopolitical tensions in several regions, sluggish growth in the eurozone, and the ongoing Brexit discussions continued to pose a threat and kept visibility low going forward. Swiss economic institutes have thus revised down their forecasts for Vaud GDP growth to 1.6% for 2019 and 1.5% for 2020. The forecast for Switzerland as a whole is 1.4% for 2019 and 2020.

Against this backdrop, our first-half results were very solid in spite of the ongoing negative-interest-rate environment. Volumes grew across our four main business lines. Total revenues were up 2% year on year to CHF 502m, and operating profit rose 5% to CHF 209m. Consolidated net profit came in at CHF 182.4m, spurred by the rise in operating profit and the new lower corporate tax rate in Vaud Canton, of 13.8%, which took effect on 1 January 2019. This marked our second-highest H1 net profit in the past ten years, exceeded only by the H1 2018 figure which was driven up by a non-recurring gain of CHF 34m on a real-estate disposal.

Our financial strength was once again recognized by the two main agencies that rate BCV. Standard & Poor's and Moody's reaffirmed their credit ratings of AA and Aa2, respectively, both with a stable outlook. BCV is therefore one of the best rated banks in the world without an explicit government guarantee.

On 1 July, we became a signatory to the United Nations Principles for Responsible Investment (UNPRI). This formalizes our commitment to economically, environmentally, and socially sustainable development – principles that have guided our work for many years now – and will help us more effectively communicate our strategy in that area.



**Jacques de Watteville**  
Chairman of the Board of Directors

**Pascal Kiener**  
CEO

At our Annual Shareholders' Meeting in May, BCV shareholders approved all items on the agenda by a large majority. They accepted the Board of Directors' recommendation to increase the dividend by CHF 2 to CHF 35 per share. This represents a dividend yield of 4.7% based on the 2018 closing share price. Since 2008, we have paid out close to CHF 3.5bn to our shareholders, equivalent to over half of our current market capitalization.

Finally, we are pleased to report that BCV is the most recommended bank in Vaud, according to a 2018 survey conducted by LINK Institute, an independent market research firm. This type of recognition means a lot to us, since high-quality customer service is a cornerstone of our business strategy. We are grateful to all our customers and shareholders for their continued trust and loyalty. On behalf of the Board of Directors and the Executive Board, we would also like to thank each and every BCV employee for their hard work and dedication.

Jacques de Watteville

Pascal Kiener



## Business sector review

### Retail Banking

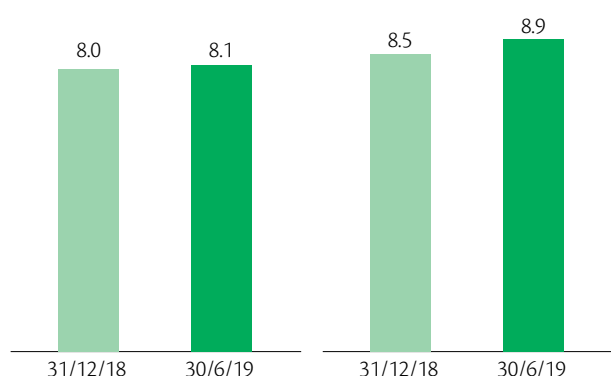
#### Continued growth and firm cost control

During the first half of the year, Retail Banking launched two ad campaigns aimed at families and young people in Vaud, both of which were highly successful in attracting new customers. The sector is also working to continually improve its services, with a particular focus on digital banking.

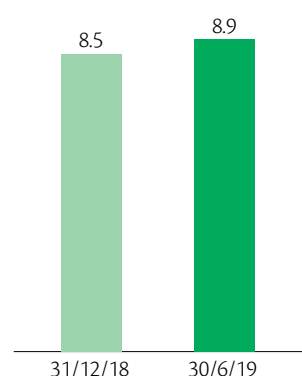
Retail banking's business volumes continued to expand steadily over the first half: the mortgage book grew 1%, passing the CHF 8bn mark to reach CHF 8.1bn, and savings accounts and other deposits were up 5% to CHF 8.9bn.

Revenues remained steady year on year at CHF 84m (+0.4%). Operating profit, however, jumped 30% to CHF 16m due to a decline in operating costs coupled with a change in indirect costing.

*Mortgage loans*  
In CHF billions



*Customer deposits*  
In CHF billions



	H1 2019	H1 2018
Total revenues (CHF millions)	84.5	84.1
Operating profit (CHF millions)	15.7	12.1
Cost/income ratio (excluding goodwill amortization and write-downs)	79%	83%
ROE	9.3%	6.9%
Headcount	360	358

2018 figures were adjusted to facilitate like-for-like comparison

### Corporate Banking

#### Results still strong across all segments

The Vaud economy is still feeling the effects of a slowdown in global growth, but is being underpinned by a firm domestic market. The latest economic forecasts point to continuing resilience, with the Canton's GDP growth expected to come in at 1.6% for 2019 and 1.5% for 2020. In this climate, Corporate Banking business volumes continued to expand in all three segments. Total lending and off-balance-sheet commitments were up 2% to CHF 17.6bn, while deposits declined 9% to CHF 8.7bn due to stricter application of negative interest rates to some large customers.

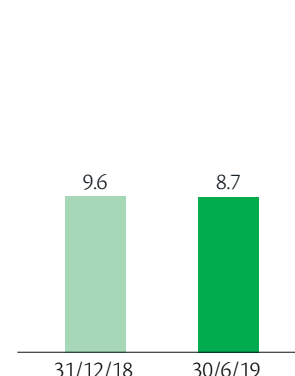
The SME segment grew further, with a 3% increase in lending and off-balance-sheet commitments and a 3% rise in deposits. In the Large Corporates segment, lending and off-balance-sheet commitments remained flat (+0.5%), while deposits fell 22% as a result of stricter application of negative interest rates. Trade Finance posted a 9% year-on-year increase in average transaction volumes, maintaining the high levels achieved in the second half of 2018.

Corporate Banking revenues as a whole climbed 1% to CHF 134m, and operating profit also rose 1% to CHF 78m.

*Lending and off-balance-sheet commitments*  
In CHF billions



*Customer deposits*  
In CHF billions



	H1 2019	H1 2018
Total revenues (CHF millions)	134.2	132.9
Operating profit (CHF millions)	78.5	77.7
Cost/income ratio (excluding goodwill amortization and write-downs)	35%	35%
ROE	9.6%	8.8%
Headcount	188	186

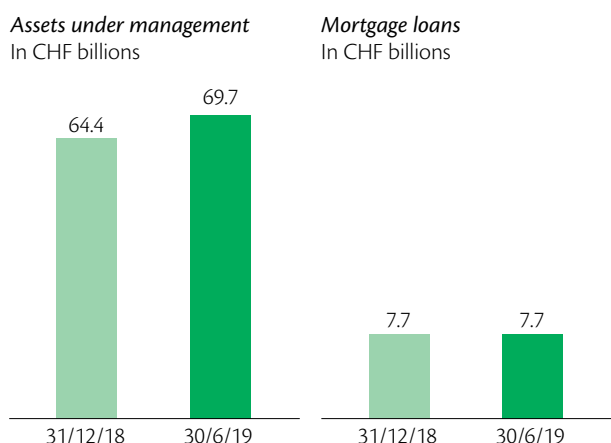
2018 figures were adjusted to facilitate like-for-like comparison

## Wealth Management

### Growth in assets under management

Assets under management grew 8% to CHF 69.7bn during the first half, driven by buoyant financial markets as well as new money inflows from institutional and onshore private banking clients. There were very limited outflows from the offshore wealth-management business.

Wealth Management revenues held steady at a solid CHF 179m (0%), and operating profit rose 3% to CHF 67m.



	H1 2019	H1 2018
Total revenues (CHF millions)	179.1	179.2
Operating profit (CHF millions)	66.9	65.1
Cost/income ratio (excluding goodwill amortization and write-downs)	61%	61%
ROE	30.4%	27.5%
Headcount	499	498

2018 figures were adjusted to facilitate like-for-like comparison

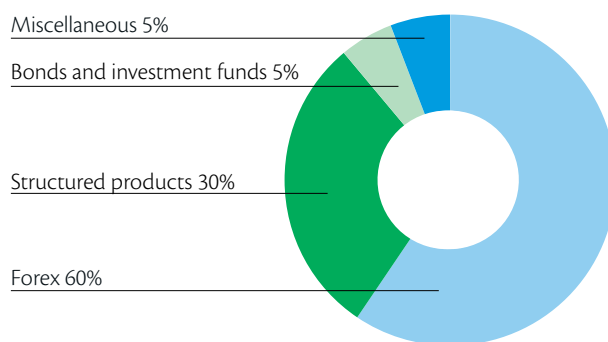
## Trading

### Other segments offset lower volumes in forex

Forex trading volumes were down versus the year-earlier period, but this was offset by higher volumes in the equities, bonds, fixed income, and structured products segments. Nevertheless, forex trading still accounts for 60% of the sector's revenues.

Trading revenues as a whole came in at CHF 25m, up 2% from CHF 24m in H1 2018. Operating profit stood at CHF 10m, versus CHF 9m a year earlier (+10%).

### Breakdown of trading income



	H1 2019	H1 2018
Total revenues (CHF millions)	24.7	24.2
Operating profit (CHF millions)	10.4	9.5
Cost/income ratio (excluding goodwill amortization and write-downs)	56%	59%
ROE	27.8%	15.7%
Headcount	55	57

2018 figures were adjusted to facilitate like-for-like comparison

## Consolidated financial statements at 30 June 2019 (Unaudited)

### BCV Group H1 2019 operating profit up 5%

BCV Group delivered very solid H1 results despite the ongoing negative-interest-rate environment. Revenues were up 2% to CHF 502m, and operating profit rose 5% to CHF 209m. At CHF 182m, net profit was just 3% off the year-earlier figure despite a CHF 34m non-recurring gain in H1 2018. The effect of this non-recurring gain was mostly offset by higher operating profit and lower tax expense in H1 2019.

### Revenues up

Total BCV Group revenues were up 2% year on year to CHF 502m. Net interest income rose 4% to CHF 253m. Fee and commission income increased 1% to CHF 161m. Net trading income, which derives mainly from client forex trading activities, totaled CHF 60m (-9%). Other ordinary income amounted to CHF 28m (+9%).

### Operating profit at CHF 209m

Operating expenses were stable at CHF 255m. A 1% increase in personnel costs, to CHF 171m, was offset by a 1% reduction in other operating expenses, which stood at CHF 84m. Depreciation and amortization was flat at CHF 36m. Operating profit rose by a solid 5% to CHF 209m.

### Net profit at CHF 182m

At CHF 182m, net profit was just 3% off the year-earlier figure despite a CHF 34m non-recurring gain in H1 2018 resulting from a non-core real estate disposal. The effect of this non-recurring gain was mostly offset by higher operating profit and lower tax expense following the reduction in Vaud Canton's corporate tax rates.

### Slight uptick in lending and stable deposits

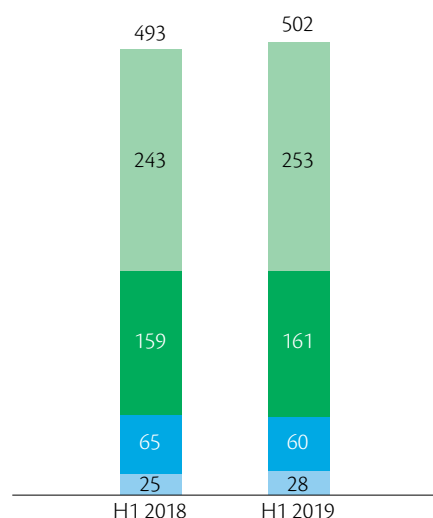
Total assets amounted to CHF 47.1bn (-2%). Cash and cash equivalents, which mainly comprise SNB deposits, totaled CHF 7.7bn (-6%). Mortgage lending rose 1.2%, or CHF 319m, to CHF 26.4bn. Other loans increased 6% to CHF 6.0bn, driven by solid momentum in corporate banking volumes across all segments.

On the liabilities side, customer deposits were stable at CHF 31.3bn. Personal banking and SME deposits rose, while large corporate and institutional deposits fell.

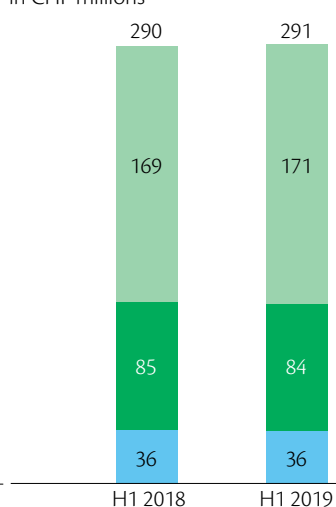
### Increase in AuM

The Group's assets under management expanded 6% to CHF 92.8bn, and net new money totaled CHF 757m. Net new money was composed mainly of assets from onshore personal banking, SME, and institutional clients.

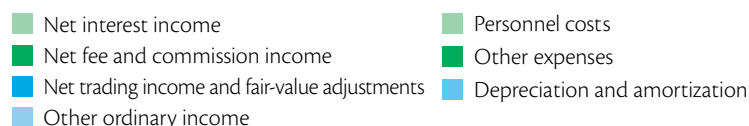
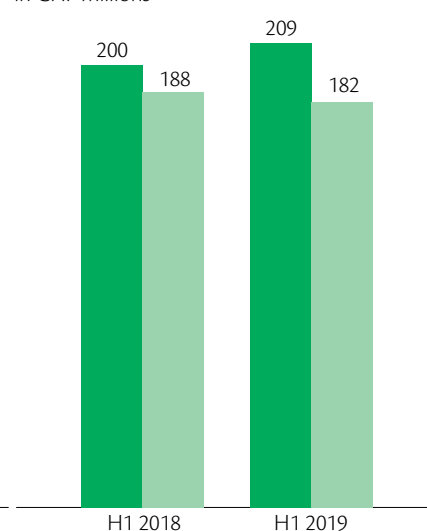
Revenues  
in CHF millions



Operating expenses, depreciation  
and amortization  
in CHF millions



Operating and net profit  
in CHF millions



### CHF 301m paid out to shareholders

In accordance with its dividend policy, BCV returned CHF 35 per share to its shareholders in May, for a total payout of CHF 301m. The payout was up CHF 2 per share on the prior year and represents a total dividend yield of 4.7% based on BCV's 2018 closing share price.

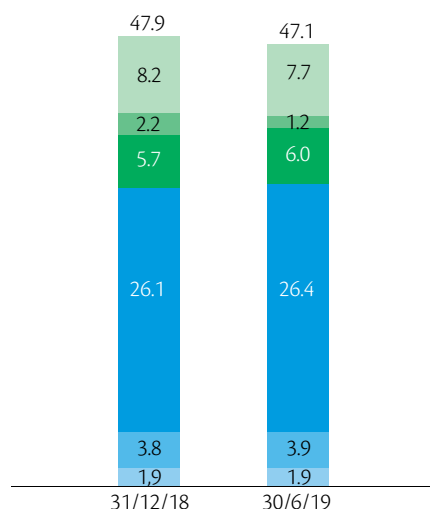
### Solid financial position

The Bank's total capital ratio was 16.8% at 30 June 2019 and shareholders' equity amounted to CHF 3.4bn, attesting to BCV's financial solidity. In the first half of the year, Standard & Poor's once again reaffirmed the AA rating with a stable outlook it assigned to BCV in 2011, and Moody's maintained its Aa2 rating, also with a stable outlook, first awarded in 2015.

### Outlook

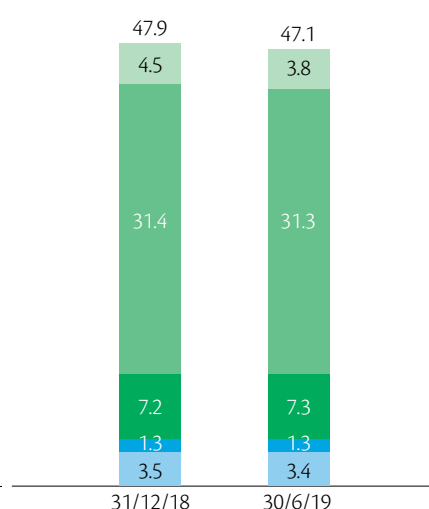
Barring a significant deterioration in the financial markets and/or the overall economic situation, FY 2019 results are expected to trend along the same lines as in prior years.

**Assets**  
in CHF billions



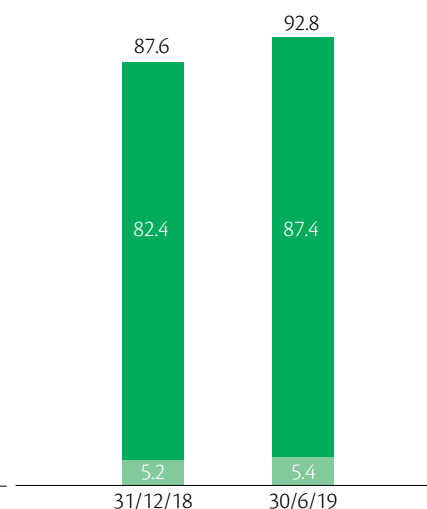
- Cash and cash equivalents
- Due from banks
- Loans and advances to customers
- Mortgage loans
- Financial investments
- Miscellaneous assets

**Liabilities and shareholders' equity**  
in CHF billions



- Due to banks
- Customer deposits
- Long-term borrowings
- Miscellaneous liabilities
- Shareholders' equity

**Assets under management**  
in CHF billions



- Parent company, Gérifonds, GEP
- Piguët Galland & Cie SA

## BCV Group

### Consolidated balance sheet (unaudited)

(in CHF millions)	30 / 6 / 19	31 / 12 / 18	Change absolute	Change as %
Cash and cash equivalents	7 724	8 235	- 511	- 6
Due from banks	957	1 921	- 964	- 50
Reverse repurchase agreements	282	314	- 32	- 10
Loans and advances to customers	6 027	5 677	349	6
Mortgage loans	26 398	26 079	319	1
Trading portfolio assets	254	334	- 80	- 24
Positive mark-to-market values of derivative financial instruments	257	268	- 11	- 4
Other financial assets at fair value	687	621	66	11
Financial investments	3 851	3 767	84	2
Accrued income and prepaid expenses	70	80	- 10	- 13
Non-consolidated holdings	69	70	- 1	- 2
Tangible fixed assets	427	445	- 19	- 4
Intangible assets	7	9	- 2	- 19
Other assets	125	42	83	196
<b>Assets</b>	<b>47 135</b>	<b>47 863</b>	<b>- 728</b>	<b>- 2</b>
Total subordinated assets	0	0	0	0
<i>of which subject to mandatory conversion and/or conditional write-off</i>	0	0	0	0
Due to banks	1 910	2 655	- 745	- 28
Repurchase agreements	1 932	1 809	122	7
Customer deposits	31 258	31 375	- 117	- 0
Trading portfolio liabilities	2	0	2	n/a
Negative mark-to-market values of derivative financial instruments	253	236	17	7
Other financial liabilities at fair value	826	766	60	8
Medium-term notes	4	7	- 2	- 35
Bonds and mortgage-backed bonds	7 321	7 244	77	1
Accrued expenses and deferred income	133	156	- 24	- 15
Other liabilities	82	77	5	6
Provisions	12	15	- 4	- 23
<b>Liabilities</b>	<b>43 731</b>	<b>44 341</b>	<b>- 609</b>	<b>- 1</b>
Reserves for general banking risks	701	701	0	0
Share capital	86	86	0	0
Capital reserve	35	35	0	1
Retained earnings	2 419	2 371	48	2
Currency translation reserve	- 1	- 1	- 0	- 3
Own shares	- 19	- 20	0	1
Minority interests in equity	0	0	- 0	- 11
Net profit for reporting period	182		182	
Net profit for 2018		350	- 350	
<i>of which minority interests</i>	0	0	- 0	- 46
<b>Shareholders' equity</b>	<b>3 403</b>	<b>3 522</b>	<b>- 118</b>	<b>- 3</b>
<b>Total liabilities and shareholders' equity</b>	<b>47 135</b>	<b>47 863</b>	<b>- 728</b>	<b>- 2</b>
Total subordinated liabilities	0	0	0	0
<i>of which subject to mandatory conversion and/or conditional write-off</i>	0	0	0	0
<b>Consolidated off-balance-sheet transactions</b>				
(in CHF millions)				
Contingent liabilities	1 854	1 863	- 9	- 0
Irrevocable commitments	1 467	1 623	- 156	- 10
Commitments relating to calls on shares and other equity securities	177	177	0	0
Confirmed credits	90	49	41	84



## BCV Group

### Consolidated income statement (unaudited)

(in CHF millions)	2019 H1	2018 H1	Change absolute	Change as %
Interest and discount income	289.2	282.8	6.4	2
Interest and dividend income from financial investments	15.7	16.7	- 1.0	- 6
Interest expense	- 52.4	- 52.9	- 0.5	- 1
<b>Net interest income before loan impairment charges/reversals</b>	<b>252.5</b>	<b>246.5</b>	<b>5.9</b>	<b>2</b>
Loan impairment charges/reversals	0.7	- 3.5	- 4.2	- 118
<b>Net interest income after loan impairment charges/reversals (NII)</b>	<b>253.1</b>	<b>243.0</b>	<b>10.1</b>	<b>4</b>
Fees and commissions on securities and investment transactions	127.3	126.5	0.8	1
Fees and commissions on lending operations	24.6	22.9	1.7	7
Fees and commissions on other services	35.8	35.2	0.6	2
Fee and commission expense	- 26.6	- 25.2	1.4	5
<b>Net fee and commission income</b>	<b>161.2</b>	<b>159.4</b>	<b>1.7</b>	<b>1</b>
<b>Net trading income and fair-value adjustments</b>	<b>59.6</b>	<b>65.2</b>	<b>- 5.6</b>	<b>- 9</b>
Gains/losses on disposals of financial investments	0.3	0.8	- 0.6	- 70
Income from equity investments	12.4	10.8	1.6	15
<i>of which other non-consolidated holdings</i>	12.4	10.8	1.6	15
Real-estate income	3.8	3.7	0.2	4
Miscellaneous ordinary income	11.3	10.2	1.1	11
Miscellaneous ordinary expenses	- 0.1	- 0.1	- 0.1	- 53
<b>Other ordinary income</b>	<b>27.7</b>	<b>25.3</b>	<b>2.4</b>	<b>9</b>
<b>Total income from ordinary banking operations</b>	<b>501.6</b>	<b>492.9</b>	<b>8.7</b>	<b>2</b>
Personnel costs	- 170.8	- 169.1	1.7	1
Other operating expenses	- 84.1	- 85.3	- 1.1	- 1
<b>Operating expenses</b>	<b>- 255.0</b>	<b>- 254.4</b>	<b>0.5</b>	<b>0</b>
Depreciation and amortization of fixed assets and impairment on equity investments	- 35.7	- 35.8	- 0.1	- 0
Other provisions and losses	- 1.9	- 3.0	- 1.1	- 36
<b>Operating profit</b>	<b>209.0</b>	<b>199.8</b>	<b>9.3</b>	<b>5</b>
Extraordinary income	0.2	33.8	- 33.6	- 99
Extraordinary expenses	- 0.1	- 0.0	0.0	178
Taxes	- 26.8	- 45.9	- 19.1	- 42
<b>Net profit</b>	<b>182.4</b>	<b>187.6</b>	<b>- 5.3</b>	<b>- 3</b>
Minority interests	- 0.0	- 0.0	0.0	256
<b>Net profit attributable to BCV shareholders</b>	<b>182.4</b>	<b>187.6</b>	<b>- 5.3</b>	<b>- 3</b>

## BCV Group

### Statement of changes in equity (unaudited)

	Share capital	Capital reserve	Retained earnings	Reserves for general banking risks	Currency translation reserve	Own shares	Equity - minority interests	Net profit for the period	Total equity
(in CHF millions)									
<b>Status at 31 December 2018</b>	<b>86</b>	<b>35</b>	<b>2 371</b>	<b>701</b>	<b>- 1</b>	<b>- 20</b>	<b>0</b>	<b>350</b>	<b>3 522</b>
2018 dividend								- 301	- 301
Retained earnings			48					- 48	0
Purchases of own shares (at cost)						- 22			- 22
Disposals of own shares (at cost)						22			22
Gain on disposals of own shares and dividends		0							0
Currency translation differences					- 0				- 0
Changes in scope and/or minority interests			- 0				- 0		- 0
Net profit for reporting period								182	182
<b>Status at 30 June 2019</b>	<b>86</b>	<b>35</b>	<b>2 419</b>	<b>701</b>	<b>- 1</b>	<b>- 19</b>	<b>0</b>	<b>182</b>	<b>3 403</b>

# BCV Group

## Abridged notes to the financial statements

### Company name, legal status and head office

Banque Cantonale Vaudoise (BCV) was founded on 19 December 1845 by the Vaud Cantonal Parliament as a société anonyme de droit public (i.e., a corporation organized under public law). Its legal status is defined in the Cantonal Act Governing the Organization of Banque Cantonale Vaudoise (LBCV) of 20 June 1995, and its head office is in Lausanne.

### Overview of operations and scope of consolidation

BCV operates as a full-service bank with a community focus. Its corporate mandate is to contribute to the economic development of its home region, the Canton of Vaud.

It offers a full range of services in retail banking, wealth management, corporate banking and trading. Along with its traditional areas of business (savings & loans and wealth management), BCV engages in large-corporate financing and selected trade-financing operations in commodities (primarily softs and metals). It offers a broad portfolio of financial-market services, including equity and derivatives trading and fixed-income instruments. The Bank is also active in foreign-exchange trading and in developing and issuing structured products.

BCV is the parent company of a banking and financial group. At 30 June 2019, in addition to the parent company, BCV Group comprised the private bank Piguet Galland & Cie SA and two fund management firms, Gérifonds SA and GEP SA (Société pour la gestion de placements collectifs). The Bank also has a branch in Guernsey (Banque Cantonale Vaudoise Guernsey Branch), which is active in structured products and fiduciary investments.

The scope of consolidation did not change relative to end-2018.

### Basis of preparation of consolidated financial statements

BCV Group's consolidated financial statements are prepared in accordance with the Swiss Federal Act of 8 November 1934 on Banks and Savings Institutions, the corresponding Ordinance of 30 April 2014 and the Swiss Accounting Rules for Banks, Securities Dealers, Financial Groups and Conglomerates of 27 March 2014 (FINMA Circular 2015/1). The financial statements give a true and fair view of the assets, financial position and results of BCV Group. The interim accounts have been drawn up in accordance with the same rules, principles and structure as the year-end accounts.

The accounting principles for the consolidated financial statements can be found on pages 118 to 124 of the 2018 Annual Report.

### Changes to accounting principles

No changes were made to the accounting principles in H1 2019.

### Factors that affected the Group's financial situation, and extraordinary income

There were no factors that had a significant impact on the Group's financial situation in H1 2019.

No extraordinary income of a material amount was recorded in H1 2019.

### Events taking place after the closing date

As at 21 August 2019, when this interim report was completed, the Group was not aware of any event liable to have a material influence on the Group's H1 2019 financial statements.

## Business sector information

	Retail Banking		Corporate Banking	
<b>Customer business volumes by sector</b> (in CHF millions)	<b>30 / 6 / 19</b>	<b>31 / 12 / 18</b>	<b>30 / 6 / 19</b>	<b>31 / 12 / 18</b>
Loans and advances to customers	101	85	4 897	4 640
Mortgage loans	8 091	8 003	9 797	9 594
<b>Total customer loans</b>	<b>8 192</b>	<b>8 088</b>	<b>14 695</b>	<b>14 234</b>
<b>Customer deposits</b>	<b>8 944</b>	<b>8 523</b>	<b>8 748</b>	<b>9 595</b>
<b>Off-balance-sheet commitments</b>	<b>75</b>	<b>67</b>	<b>2 934</b>	<b>3 085</b>
<b>Assets under management</b> (including double-counted)	<b>10 519</b>	<b>9 937</b>	<b>12 216</b>	<b>12 900</b>
<b>Results by business sector</b> (in CHF millions)	<b>H1 2019</b>	<b>H1 2018</b>	<b>H1 2019</b>	<b>H1 2018</b>
Net interest income before loan impairment charges/reversals	55.6	54.8	115.0	113.2
Loan impairment charges/reversals <sup>1</sup>	-1.7	-1.8	-16.0	-14.3
Net interest income after loan impairment charges/reversals	53.8	53.1	98.9	98.9
Net fee and commission income	22.3	22.4	28.1	26.8
Net trading income	7.7	8.0	5.0	5.0
Other income	0.6	0.6	2.2	2.2
<b>Revenues</b>	<b>84.5</b>	<b>84.1</b>	<b>134.2</b>	<b>132.9</b>
Personnel costs	-22.3	-22.2	-15.7	-15.6
Operating expenses	-22.9	-22.6	-5.7	-6.0
Depreciation, amortization and write-offs	-7.7	-7.7	-0.9	-0.8
Interdivisional billing	-15.2	-19.1	-29.6	-29.5
Other provisions and losses	-0.6	-0.5	-3.7	-3.2
<b>Operating profit</b>	<b>15.7</b>	<b>12.1</b>	<b>78.5</b>	<b>77.7</b>
Extraordinary income and expenses	0.0	0.0	0.0	0.0
Taxes <sup>2</sup> and minority interests	-2.0	-2.5	-10.4	-16.3
<b>Net profit</b>	<b>13.7</b>	<b>9.5</b>	<b>68.1</b>	<b>61.4</b>
<b>Indicators</b>	<b>H1 2019</b>	<b>H1 2018</b>	<b>H1 2019</b>	<b>H1 2018</b>
Average shareholders' equity (in CHF millions) <sup>3</sup>	295	277	1 412	1 392
ROE	9.3	6.9	9.6	8.8
Cost/income ratio <sup>4</sup>	79.0	83.3	34.6	35.3
Average headcount	360	358	188	186

2018 figures were adjusted to facilitate like-for-like comparison

<sup>1)</sup> Expected loan losses are allocated to the business sectors. The difference between new provisioning needs and expected loan losses is booked to the Corporate Center

<sup>2)</sup> Taxes are calculated per business sector according to the tax rates in effect

<sup>3)</sup> Equity is allocated to the business sectors at 13.8%; surplus equity is booked to the Corporate Center

<sup>4)</sup> Costs used for calculating the cost/income ratio per sector comprise: personnel costs; operating expenses; depreciation, amortization and write-offs; and interdivisional billing. Income comprises income before loan impairment charges

Wealth Management		Trading		Corporate Center		BCV Group	
30 / 6 / 19	31 / 12 / 18	30 / 6 / 19	31 / 12 / 18	30 / 6 / 19	31 / 12 / 18	30 / 6 / 19	31 / 12 / 18
690	672	0	0	338	280	6 027	5 677
7 702	7 661	0	0	809	821	26 398	26 079
8 392	8 333	0	0	1 147	1 101	32 425	31 756
13 218	12 820	2	27	346	410	31 258	31 375
63	69	11	11	504	480	3 587	3 712
69 726	64 411	0	0	345	372	92 806	87 620
H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018
59.6	60.0	1.8	1.6	20.6	16.9	252.5	246.5
-1.7	-1.6	-0.0	0.0	20.1	14.1	0.7	-3.5
57.9	58.4	1.8	1.6	40.7	31.0	253.1	243.0
109.8	109.1	0.1	0.1	0.8	0.9	161.2	159.4
10.3	10.5	22.8	22.5	13.9	19.3	59.6	65.2
1.1	1.2	0.0	0.0	23.7	21.3	27.7	25.3
179.1	179.2	24.7	24.2	79.1	72.5	501.6	492.9
-51.0	-50.6	-6.5	-6.9	-75.3	-73.9	-170.8	-169.1
-19.5	-19.5	-4.1	-4.9	-32.0	-32.3	-84.1	-85.3
-7.5	-7.1	-0.8	-0.6	-18.7	-19.6	-35.7	-35.8
-33.2	-34.3	-2.4	-1.8	80.5	84.7	0.0	0.0
-1.0	-2.7	-0.4	-0.5	3.8	4.0	-1.9	-3.0
66.9	65.1	10.4	9.5	37.5	35.4	209.0	199.8
0.0	0.0	0.0	0.0	0.1	33.7	0.1	33.7
-9.3	-14.2	-1.4	-2.0	-3.6	-10.8	-26.8	-45.9
57.6	50.9	9.0	7.5	34.0	58.3	182.4	187.6
H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018
379	371	65	95	1 366	1 324	3 516	3 459
30.4	27.5	27.8	15.7	0	0	10.4	10.8
60.5	60.7	56.2	58.8	0	0	57.7	58.1
499	498	55	57	803	807	1 905	1 907



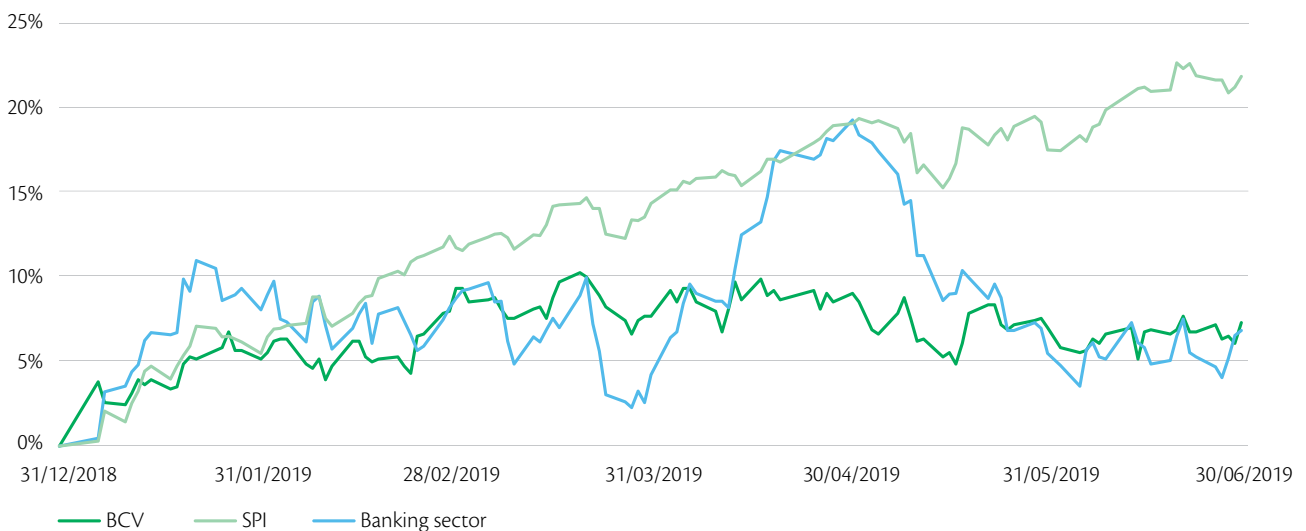
## The BCV share

Most stock markets rallied in the first half of 2019 after correcting in December 2018, when heightened uncertainty temporarily sparked fears of a recession. The SMI gained 17.4% in H1 2019 and then went on to reach an all-time high in early July. All other European indices also ended the period in positive territory: the STOXX Europe 600 was up 14.0%, the DAX rose 17.4%, and the CAC40 climbed 17.1%. US indices posted similar gains, with the Dow Jones increasing by 14.0% and the S&P 500 by 17.3%. The Nasdaq recorded the sharpest rise, adding 21.2%. The upward trends in stock markets were more uneven in the rest of the world: while the Shanghai Exchange climbed 19.4%, the Nikkei rose by just 6.3% and the MSCI Emerging Markets Index by just 9.2%.

The BCV share ended the first half up 2.6%. This share-price appreciation, coupled with the dividend of CHF 35 per share, brought the BCV share's total return to 7.3% at end-June.

BCV remains financially solid, as reflected in the Bank's Standard & Poor's and Moody's ratings of AA and Aa2, respectively. Both ratings were reaffirmed with a stable outlook, meaning BCV is one of the world's top-rated banks.

### Total shareholder return<sup>1</sup>



<sup>1</sup> Stockmarket performance over the period plus dividends and capital distributions

## Key figures – 5-year overview

<b>Balance sheet</b> (in CHF millions)	<b>31 / 12 / 15</b>	<b>31 / 12 / 16</b>	<b>31 / 12 / 17</b>	<b>31 / 12 / 18</b>	<b>30 / 6 / 19</b>
Total assets	43 418	44 085	45 415	47 863	47 135
Advances to customers	29 457	29 849	30 233	31 756	32 425
Customer deposits	28 877	29 245	30 512	31 375	31 258
Shareholders' equity	3 397	3 420	3 457	3 522	3 403

<b>Assets under management</b> (in CHF millions)					
Assets under management	87 972	85 382	86 490	87 620	92 806
<i>cash and cash equivalents</i>	24 900	26 009	26 977	28 062	28 022
<i>investment funds</i>	21 164	19 812	21 807	21 817	23 843
<i>shares</i>	22 891	21 588	19 871	18 485	20 450
<i>bonds</i>	13 156	11 029	9 764	9 413	9 927
<i>other</i>	5 861	6 945	8 071	9 843	10 565

<b>Headcount</b>					
Full-time equivalents	1 947	1 943	1 922	1 896	1 899

<b>H1 income statement</b> (in CHF millions)	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Total income	526	494	497	493	502
Operating expenses	259	258	257	254	255
Depreciation and amortization of fixed assets and impairment on equity investments	39	37	36	36	36
Other provisions and losses	27	1	0	3	2
Operating profit	202	198	203	200	209
Net profit	179	157	164	188	182

<b>Liquidity and capital ratios</b> <sup>1</sup>	<b>31 / 12 / 15</b>	<b>31 / 12 / 16</b>	<b>31 / 12 / 17</b>	<b>31 / 12 / 18</b>	<b>30 / 6 / 19</b>
Liquidity Coverage Ratio (LCR)	111%	113%	121%	112%	116%
Leverage Ratio	6.7%	6.6%	6.5%	6.2%	6.3%
Tier 1 capital ratio <sup>2</sup>	18.3%	17.5%	17.1%	17.1%	16.7%
Total capital ratio <sup>2</sup>	18.4%	17.6%	17.3%	17.2%	16.8%

<b>H1 income ratios</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Operating profit/average shareholders' equity	12.0%	11.6%	11.9%	11.5%	11.9%
Cost/income ratio <sup>3</sup>	56.9%	59.5%	58.2%	58.1%	57.7%
Annualized operating profit per employee (in CHF thousands)	209	204	212	210	219
ROE	10.7%	9.3%	9.6%	10.8%	10.4%

<b>Credit ratings</b>	<b>31 / 12 / 15</b>	<b>31 / 12 / 16</b>	<b>31 / 12 / 17</b>	<b>31 / 12 / 18</b>	<b>30 / 6 / 19</b>
Standard & Poor's					
Long term	AA / stable	AA / stable	AA / stable	AA / stable	AA / stable
Short term	A-1+	A-1+	A-1+	A-1+	A-1+
Moody's					
Long term	Aa2 / stable	Aa2 / stable	Aa2 / stable	Aa2 / stable	Aa2 / stable
Short term	Prime-1	Prime-1	Prime-1	Prime-1	Prime-1

<sup>1</sup> More detailed information on Group and parent company liquidity and capital ratios can be found in the Basel III Pillar 3 report, which is available at [www.bcv.ch](http://www.bcv.ch) and on the BCV Investor Relations iPad app.

<sup>2</sup> To facilitate like-for-like comparison, the ratios for 2015 and 2016 have been recalculated without subtracting the countercyclical buffer from regulatory capital, in accordance with FINMA Circular 2016/1 "Disclosure – banks"

<sup>3</sup> Excluding goodwill amortization and write-downs



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