Bellevue
Group

Half-year report 2013

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Dear shareholders

Global stock markets tacked on more gains, especially at the beginning of the first half of 2013, and that has led to an initial recovery in market activity. The turnover on the SIX Swiss Exchange rose above the record lows from the previous year but it is still far below historical average levels. Slightly higher demand for stocks was also apparent in the new money inflows into European equity funds, after two years of outflows. Investors are still viewing equity markets with considerable skepticism, however, as they wait for signs of a general improvement in the overall economic environment. The expected rotation from bonds into equities, which would have a positive effect on Bellevue Group in its three business areas of asset management as well as brokerage and corporate finance, has not yet transpired.

Bellevue Group remains in the profit zone

Amid this challenging market environment Bellevue Group earned a net profit of CHF 6.5 million and stabilized its business model. Fee and commission-based business represents the Group's main source of income and it generated operating income of CHF 19.6 million. In the absence of major corporate finance transactions and due to the streamlining of our product offerings in the asset management business, operating income was 5% below the prior-year figure. Personnel and general expense amounted to CHF 18.1 million, a decrease by 4.6% compared to the prior-year period. Both Bank am Bellevue and Bellevue Asset Management were profitable and they contributed CHF 4.0 million and CHF 2.6 million, to the Group's consolidated operating profit. Although Bellevue Group has set more ambitious mid-term targets, these interim results were in line with expectations.

Steady investment outperformance – Increase in assets under management

Bellevue Group again delivered above-average gains for investors. The highly experienced Research Team at Bank am Bellevue achieved a performance of 20.8% with its Top 5 recommendations in the first half of 2013 and clearly beat the Swiss Market Index SMI (+12.9%). All Bellevue Research recommendations resultet in an aggregated performance of 18.7% and were likewise far better than the SMI. This outperformance reflects the experience and proprietary expertise of Bellevue Group in the Swiss stock market.

Above-average returns were also realized by many of the investment strategies in the Group's asset management business. The top performer was BB Biotech, which achieved an overall return of 33.8% in CHF (including cash payout). Investors showed strong interest in BB Entrepreneur Europe and BB African Opportunities

Walter Knabenhans, Chairman of the Board of Directors, and Urs Baumann, Chief Executive Officer of Bellevue Group

and new money inflows at these funds were accordingly high. BB Entrepreneur Europe was launched in April 2009 and it passed the EUR 100 million mark in June. Share buybacks at BB Biotech and the final adjustments in Bellevue Asset Management's product range led to an outflow of funds. However, total client assets managed by Bellevue Asset Management rose by 14% to CHF 2.2 billion thanks to a strong investment performance and the inflow of new money. Bellevue Group's total assets under management amounted to CHF 3.8 billion at the end of June 2013, up from CHF 3.6 billion at the end of 2012.

Solid base for planned expansion of business activities

A focused business model combined with a strong balance sheet and clearly limited risk exposure gives Bellevue Group attractive prospects for future growth. Our attention is focused entirely on the operational side of the business. We will take advantage of selective opportunities to expand our business if and when appropriate. At the same time, with our proven equity research and investment competence, we will benefit directly from any increase in investor appetite for risk.

We are actively pursuing the sustainable development of Bellevue Group together with our hardworking staff. Their untiring efforts are very much appreciated. We also thank all our shareholders and business partners for their ongoing trust and support.

Urs Baumann
Chief Executive Officer

Walter Knabenhans
Chairman of the Board of Directors

Consolidated income statement

CHF 1 000	Note	1.1.–30.6.13	1.7.–31.12.12 restated	1.1.–30.6.12 restated	Δ to 30.6.12
Interest income		262	559	553	−291
Dividend income		3 534	0	1 111	+2 423
Interest expense	1.4	−41	−59	−83	+42
Net interest income		**3 755**	**500**	**1 581**	**+2 174**
Fee and commission income		19 683	17 114	20 729	−1 046
Fee and commission expense		−62	−70	−74	+12
Net fee and commission income		**19 621**	**17 044**	**20 655**	**−1 034**
Securities trading		134	−5	209	−75
Foreign exchange trading		168	39	112	+56
Net trading income		**302**	**34**	**321**	**−19**
Income from other financial assets at fair value		1 513	124	2 426	−913
Income from the sale of associated companies		73	0	0	+73
Other ordinary income		1 080	50	2 733	−1 653
Other ordinary expense		−2	−4	−3	+1
Other income		**2 664**	**170**	**5 156**	**−2 492**
Total operating income		**26 342**	**17 748**	**27 713**	**−1 371**
Personnel expenses	1.4	−12 459	−11 793	−11 838	−621
Other operating expenses	1.4	−5 615	−6 934	−7 099	+1 484
Depreciation		−1 369	−1 397	−1 398	+29
Valuation adjustments and provisions	3.5	0	0	1 867	−1 867
Total operating expenses		**−19 443**	**−20 124**	**−18 468**	**−975**
Profit before tax		**6 899**	**−2 376**	**9 245**	**−2 346**
Taxes	1.4	−391	465	−1 129	+738
Group net profit		**6 508**	**−1 911**	**8 116**	**−1 608**
Basic earnings per share (in CHF)		+0.63	−0.15	+0.79	−0.16
Diluted earnings per share (in CHF)		+0.63	−0.15	+0.79	−0.16

Consolidated statement of comprehensive income

CHF 1 000	1.1.–30.6.13	1.7.–31.12.12 restated	1.1.–30.6.12 restated	Δ to 30.6.12
Group net profit in the income statement	**6 508**	**–1 911**	**8 116**	**–1 608**
Other comprehensive income (net of tax)				
Items that may be reclassified subsequently to net income				
Currency translation adjustments	74	–32	–3	+77
Gains and losses arising on revaluation of financial assets at fair value through other comprehensive income	–1 394	1 804	492	–1 886
Profits on financial instruments transferred to retained earnings	0	0	0	+0
Items that will not be reclassified subsequently to net income				
Remeasurements of post employment benefit obligations IAS 19	1 070	338	1 453	–383
Total comprehensive income	**6 258**	**199**	**10 058**	**–3 800**

Consolidated balance sheet

CHF 1 000	Note	30.6.13	31.12.12 restated	30.6.12 restated	Δ to 31.12.12
Assets					
Cash		251 445	246 912	171 337	+4 533
Due from banks		125 309	87 253	97 485	+38 056
Due from clients		97 009	12 327	17 408	+84 682
Trading portfolio assets		1 323	653	888	+670
Positive replacement values		8 879	3 004	1 884	+5 875
Other financial instruments at fair value	3.1	24 769	27 881	44 310	−3 112
Accrued income and prepaid expenses		1 945	1 727	1 612	+218
Financial investments	3.3	35 577	38 414	50 192	−2 837
Associated companies		520	47	48	+473
Property and equipment		521	746	999	−225
Goodwill and other intangible assets	3.4	55 141	56 283	57 425	−1 142
Current tax assets		8 740	8 981	6 359	−241
Deferred tax assets	1.4	185	407	562	−222
Other assets		601	1 290	1 941	−689
Total assets		**611 964**	**485 925**	**452 450**	**+126 039**
Liabilities					
Due to banks		131 239	18 931	14 833	+112 308
Due to clients		306 122	285 610	256 804	+20 512
Negative replacement values		9 020	2 872	1 659	+6 148
Accrued expenses and deferred income		7 003	7 026	6 676	−23
Current tax liabilities		2 758	2 311	1 980	+447
Deferred tax liabilities		5 745	6 282	6 114	−537
Provisions	1.4	976	2 144	2 529	−1 168
Other liabilities		1 314	800	2 758	+514
Total liabilities		**464 177**	**325 976**	**293 353**	**+138 201**
Share capital		1 047	1 047	1 047	+0
Capital reserves		27 250	27 250	27 250	+0
Unrealized gains and losses recognized in other comprehensive income		18 933	19 257	17 115	−324
Currency translation adjustments		−433	−507	−475	+74
Retained earnings	1.4	101 350	115 074	116 503	−13 724
Treasury shares		−360	−2 172	−2 343	+1 812
Total shareholder’s equity		**147 787**	**159 949**	**159 097**	**−12 162**
Total liabilities and shareholder’s equity		**611 964**	**485 925**	**452 450**	**+126 039**

Statement of shareholder's equity

CHF 1 000	Note	2013	2012 restated
Share capital			
On January 1		1 047	1 050
Share capital reduction		0	–3
On June 30		**1 047**	**1 047**
Capital reserves			
On January 1		27 250	27 250
Change during period under review		0	0
On June 30		**27 250**	**27 250**
Unrealized gains and losses recognized in other comprehensive income			
On January 1		19 257	15 170
Change in unrealized gains and losses on financial instruments		–1 394	492
Remeasurements of post employment benefit obligations IAS 19		1 070	1 453
On June 30		**18 933**	**17 115**
Currency translation adjustments			
On January 1		–507	–472
Change during period under review		74	–3
On June 30		**–433**	**–475**
Retained earnings			
On January 1	1.4	115 074	147 265
Group net profit	1.4	6 508	8 116
Dividends and other cash distributions		–20 940	–34 585
Income from the sale of own shares		325	–194
Share capital reduction		0	–1 194
Employee stock ownership plan		383	–2 905
On June 30		**101 350**	**116 503**
Treasury shares	3.6		
On January 1		–2 172	–2 369
Purchases		–1 162	–7 415
Disposals		2 974	6 244
Share capital reduction		0	1 197
On June 30		**–360**	**–2 343**
Total shareholder's equity	3.5		
On January 1		159 949	187 894
On June 30		**147 787**	**159 097**

Consolidated cash flow statement (condensed)

CHF 1 000	1.1.–30.6.13	1.1.–30.6.12
Cash at the beginning of the period [1)]	**246 912**	**122 731**
Net cash flow from operating activities	19 949	60 026
Net cash flow from investing activities [1)]	3 638	23 146
Net cash flow from financing activities	−19 128	−34 563
Currency translation effects	74	−3
Cash at the end of the period [1)]	251 445	**171 337**

[1)] Securities that are eligible for repos were considered cash and cash equivalents in the past. This classification has been changed. From now on, they will no longer be considered cash and cash equivalents.The change was made retrospectively to 1 January 2012 and the previous year adjusted accordingly.

CHF 1 000	1.1.–30.6.12
Cash at the beginning of the period	
Before restatement	148 728
Restatement	−25 997
After restatement	122 731
Net cash flow from investing activities	
Before restatement	18 146
Restatement	5 000
After restatement	23 146
Cash at the end of the period	
Before restatement	192 334
Restatement	−20 997
After restatement	171 337

Notes to the Consolidated Financial Statements

1 Accounting principles

1.1 Basis of presentation

The condensed consolidated interim financial statements of Bellevue Group AG, Küsnacht, have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” and should be read in conjunction with the consolidated annual financial statement for the year ended December 31, 2011. The preparation of the consolidated interim financial statements requires management to make assumptions and estimates that have an impact on the balance sheet values and items of the income statement in the current financial period. In certain circumstances, the actual values may diverge from these estimates.

The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the consolidated annual financial statement, except for accounting policy changes made after the date of the annual consolidated financial statement.

1.2 Changes in accounting principles and interpretations

1.2.1 Implemented standards and interpretations

The following new or revised standards and interpretations were applied for the first time in fiscal year 2013:

- IAS 19 (revised) “Employee benefits” (effective for annual periods beginning on or after 1 January 2013, retrospective application, earlier application permitted); According to IAS 19R, the annual costs for defined benefit plans comprise the net interest costs, measured on the funded status applying the same discount rate for plan assets and DBO. Actuarial gains and losses (renamed to “remeasurements”) will be recognised immediately in other comprehensive income. The corridor approach or recognition immediately in profit or loss will no longer be permissible.
- Amendments to IAS 1 “Presentation of items of other comprehensive income” (effective for annual periods beginning on or after 1 July 2012, retrospective application, earlier application permitted). The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future.

Bellevue Group has analysed the impact of the above mentioned standards and interpretations. Please refer to note 1.4 on page 11 with respect to the impact.

- IFRS 7 (amendment) “Disclosures – offsetting financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2013, retrospective application). The amendment will require more extensive disclosures. The disclosures focus on quantitative information about recognized financial instruments that are offset in the statement of financial position, as well as financial instruments that are subject to master netting or similiar arrangements irrespective of whether they are offset.
- Amendments to IFRS 9 “Financial instruments” (effective 1 January 2015, retrospective application, early application permitted) The amendment includes guidance on financial liabilities and derecognition of financial instruments.
- IFRS 10 “Consolidated financial statements” (effective for annual periods beginning on or after 1 January 2013, retrospective application, earlier application permitted if together with IFRS 11, IFRS 12, IAS 27R and IAS 28R). IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC-12. IAS 27 is renamed and continues to be a standard dealing solely with separate financial statements.
- IFRS 11 “Joint arrangements” (effective for annual periods beginning on or after 1 January 2013, earlier application permitted if together with IFRS 10, IFRS 12, IAS 27R and IAS 28R).The definition of joint control is unchanged, but the new standard introduces new terminology – joint arrangements is now the umbrella term used to describe all of the arrangements, and there exist only two types i.e. joint operations and joint ventures.

- IFRS 12 “Disclosure of interests in other entities”, (effective for annual periods beginning on or after 1 January 2013, earlier application permitted); IFRS 12 sets out the required disclosures for entities reporting under the two new standards, IFRS 10 and IFRS 11 and replaces the disclosure requirements currently found in IAS 28 “Investments in associates‘.
- IFRS 13 “Fair value measurement”, (effective prospective for annual periods beginning on or after 1 January 2013, earlier application permitted). IFRS 13 explains how to measure fair value and aims to enhance fair value disclosures; it does not say when to measure fair value or require additional fair value measurements.
- IAS 27 (revised) “Separate financial statements”, (effective for annual periods beginning on or after 1 January 2013, earlier application permitted if together with IFRS 10, IFRS 11, IFRS 12 and IAS 28R). The revised standard contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.
- IAS 28 (revised) “Investments in associates and joint ventures” (effective for annual periods beginning on or after 1 January 2013, earlier application permitted if together with IFRS 10, IFRS 11, IFRS 12 and IAS 27R). The revised standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

Bellevue Group has analysed the impact of the above mentioned standards and interpretations. They have no significant impact on the consolidated financial statements.

1.2.2 Standards and interpretations that have not yet been implemented
The following new and amended standards and interpretations have to be applied for the financial year commencing after July 1, 2013, or later. Bellevue Group is not availing itself of the possibility of early application of these innovations:
- IFRS 7 (effective January 1, 2015) – Financial instruments – Disclosure – Additional disclosures on transition from IAS 39 to
- IFRS 9
- IFRS 9 (effective January 1, 2015) – Financial instruments – Classification and measurement
- IFRS 10 (effective January 1, 2014) – Consolidated financial statements – Exception from consolidation for “investment
- entities”
- IAs 32 (amended, effective January 1, 2014) – Financial instruments – Presentation – Offsetting of financial assets and
- liabilities

Bellevue Group is currently analysing the implications of the listed standards and interpretations.

1.3 Estimates, assumptions and the exercising of discretion by management

The main assumptions and estimates made in drawing up the condensed consolidated interim financial statements conformed to Group-wide accounting principles and were based on the assumptions applied on 31 December 2012. Exceptions were the items goodwill and “other intangible assets”, for which see the notes to the condensed consolidated interim financial statements, details on the consolidated balance sheet, item 3.4, “Goodwill and other intangible assets”, on page 17 and item 3.5 “provisions” on page 20.

1.4 Restatement due to IAS 19

CHF 1 000	31.12.12			30.6.12			1.1.12		
	Before accounting changes	Accounting changes	After accounting changes	Before accounting changes	Accounting changes	After accounting changes	Before accounting changes	Accounting changes	After accounting changes
Assets									
Deferred tax assets	111	+296	407	81	+481	562	891	+772	1 663
Total assets		**+296**			**+481**			**+772**	
Liabilities									
Provisions	583	+1 561	2 144	560	+1 969	2 529	2 460	+3 505	5 965
Total liabilities		**+1 561**			**+1 969**			**+3 505**	
Unrealized gains and losses recognized in other comprehensive income	17 466	+1 791	19 257	15 662	+1 453	17 115	15 170	+0	15 170
Retained earnings	118 130	−3 056	115 074	119 444	−2 941	116 503	149 998	−2 733	147 265
Total shareholder's equity		**−1 265**			**−1 488**			**−2 733**	
Total liabilities and shareholder's equity		**+296**			**+481**			**+772**	

CHF 1 000	1.7.–31.12.12			1.1.–30.6.12		
	Before accounting changes	Accounting changes	After accounting changes	Before accounting changes	Accounting changes	After accounting changes
Interest expense	−31	−28	−59	−41	−42	−83
Net interest income		**−28**			**−42**	
Personnel expenses	−11 707	−86	−11 793	−11 655	−183	−11 838
Other operating expenses	−6 901	−33	−6 934	−7 066	−33	−7 099
Total operating expenses		**−119**			**−216**	
Total profit before tax		**−147**			**−258**	
Taxes	433	+32	465	−1 179	+50	−1 129
Total group net profit		**−115**			**−208**	

2 Risk management and risk control

Bellevue Group's activity is subject to multiple financial risks including market, credit, liquidity and refinancing risks.

The condensed consolidated interim financial statements do not include the full information on the above mentioned risks, which the consolidated financial statements are required to present. These interim statements should therefore be read in conjunction with the consolidated financial statements in the 2012 Annual Report.

3 Details on the consolidated balance sheet

3.1 Fair value of financial instruments

CHF 1 000			30.6.13			31.12.12
	Book value	Fair Value	Deviation	Book value	Fair Value	Deviation
Assets						
Cash	251 445	251 445	0	246 912	246 912	0
Due from banks	125 309	125 309	0	87 253	87 253	0
Due from clients	97 009	97 009	0	12 327	12 327	0
Subtotal receivables	**473 763**	**473 763**	**0**	**346 492**	**346 492**	**0**
Financial investments	14 998	15 129	+131	15 995	16 487	+492
Financial assets at amortized cost	**488 761**	**488 892**	**+131**	**362 487**	**362 979**	**+492**
Trading portfolio assets	1 323	1 323	0	653	653	0
Positive replacement values	8 879	8 879	0	3 004	3 004	0
Other financial instruments at fair value	24 769	24 769	0	27 881	27 881	0
Financial investments	979	979	0	1 119	1 119	0
Subtotal other financial assets at fair value through profit and loss	**35 950**	**35 950**	**0**	**32 657**	**32 657**	**0**
Financial investments	19 600	19 600	0	21 300	21 300	0
Financial assets at fair value	**55 550**	**55 550**	**0**	**53 957**	**53 957**	**0**
Liabilities						
Due to banks	131 239	131 239	0	18 931	18 931	0
Due to clients	306 122	306 122	0	285 610	285 610	0
Financial liabilities at amortized cost	**437 361**	**437 361**	**0**	**304 541**	**304 541**	**0**
Negative replacement values	9 020	9 020	0	2 872	2 872	0
Financial liabilities at fair value	**9 020**	**9 020**	**0**	**2 872**	**2 872**	**0**

3 Details on the consolidated balance sheet

The fair values of financial instruments shown on the balance sheet were obtained by the following methods:

CHF 1 000	Level 1	Level 2	Level 3	Total
30.6.13				
Determination of fair value				
Trading portfolios	1 323	0	0	1 323
Derivative financial instruments	0	8 879	0	8 879
Other financial instruments at fair value	0	14 787	9 982	24 769
Financial investments at fair value	0	979	19 600	20 579
Total assets at fair value	**1 323**	**24 645**	**29 582**	**55 550**
Derivative financial instruments	0	9 020	0	9 020
Total liabilities at fair value	**0**	**9 020**	**0**	**9 020**

CHF 1 000	Level 1	Level 2 restated	Level 3 restated	Total
31.12.12				
Determination of fair value				
Trading portfolios	0	653	0	653
Derivative financial instruments	146	2 858	0	3 004
Other financial instruments at fair value	0	18 490	9 391	27 881
Financial investments at fair value [1]	0	1 119	21 300	22 419
Total assets at fair value [1]	**146**	**23 120**	**30 691**	**53 957**
Derivative financial instruments	0	2 872	0	2 872
Total liabilities at fair value	**0**	**2 872**	**0**	**2 872**

[1] Due to an error correction, three financial instruments will be reclassified from level 2 to level 3 with retroactive effect to 31 December 2012. Furthermore, an addition error of an insignificant amount was corrected. The consequences are as follows:

Other financial instruments at fair value on 31.12.12				
Before restatement	0	27 167	714	27 881
Restatement	0	−8 677	8 677	
After restatement	0	18 490	9 391	27 881

Financial investments at fair value on 31.12.12				
Before restatement	0	22 535	0	22 535
Restatement	0	−21 300	21 300	0
Correction	0	−116	0	−116
After restatement	0	1 119	21 300	22 419

Total assets at fair value on 31.12.12				
Before restatement	146	53 213	714	54 073
Restatement	0	−29 977	29 977	0
Correction	0	−116	0	−116
After restatement	146	23 120	30 691	53 957

Level-1-instruments
If a financial instrument is traded in an active market, its fair value is based on listed market prices or the prices quoted by traders. In the fair value hierarchy prescribed in IFRS 7, this type of financial instrument is classified as a level 1 instrument. The fair value of these positions corresponds to the current price (e.g. settlement price or closing price) multiplied by the number of units of the financial instruments held. In the case of foreign currencies and precious metals, generally accepted prices are applied.

Level-2-instruments
If there is no active market, the fair value is determined on the basis of valuation models or other generally accepted valuation methods (primarily option pricing and discounted cash flow models). If all the significant inputs can be observed directly or indirectly in the market, the instrument is classified as a level 2 instrument. The valuation models take account of the relevant parameters such as contract specifications, the market price of the underlying asset, foreign exchange rates, yield curves, default risks and volatility.

Level-3-instruments
If at least one significant input cannot be observed directly or indirectly in the market, the instrument is classified as a level 3 instrument. These instruments essentially comprise private equity funds and unlisted equity instruments. The fair value of private equity funds is determined based on the last available net asset values, less necessary value adjustments according to own assessment. The fair value of unlisted equity instruments is determined with net asset value calculation, based on up-to-date available financial information (e.g. annual reports), less necessary value adjustments according to own assessment.

3 Details on the consolidated balance sheet

3.2 Level-3-Financial Instruments

CHF 1 000	30.6.13			31.12.12 restated		
	Other financial instruments at fair value	Financial investments at fair value	Total	Other financial instruments at fair value	Financial investments at fair value	Total
Assets						
Holding at the beginning of the year	9 391	21 300	30 691	10 086	18 500	28 586
Investments	774	0	774	762	0	762
Redemptions	0	0	0	–1 117	0	–1 117
Losses recognized in the income statement	0	0	0	–18	0	–18
Losses recognized as other comprehensive income	–206	–1 700	–1 906	0	0	0
Gains recognized in the income statement	23	0	23	–322	0	–322
Gains recognized as other comprehensive income	0	0	0	0	2 800	2 800
Total book value at balance sheet date	**9 982**	**19 600**	**29 582**	**9 391**	**21 300**	**30 691**

3.3 Financial investments

CHF 1 000	31.12.13	31.12.12
Valued at amortized cost		
Debt instruments	14 998	15 995
of which listed	14 998	15 995
Total	**14 998**	**15 995**
Valued at fair value		
Equity instruments [1]	19 600	21 300
of which unlisted	19 600	21 300
Debt instruments	979	1 119
of which unlisted	979	1 119
Total	**20 579**	**22 419**
Total financial investments	**35 577**	**38 414**
of which repo-eligible securities	9 998	9 996

[1] Change in value is recorded in the consolidated statement of comprehensive income

3 Details on the consolidated balance sheet

3.4 Goodwill and other intangible assets

CHF 1 000	Bank am Bellevue	Asset Management	Total
Goodwill			
Acquisition cost			
Balance as of 1.1.12	97 374	62 915	160 289
Balance as of 30.6.12	97 374	62 915	160 289
Balance as of 31.12.12	97 374	62 915	160 289
Balance as of 30.6.13	**97 374**	**62 915**	**160 289**
Accumulated valuation adjustments			
Balance as of 1.1.12	−65 374	−50 915	−116 289
Balance as of 30.6.12	−65 374	−50 915	−116 289
Balance as of 31.12.12	−65 374	−50 915	−116 289
Balance as of 30.6.13	**−65 374**	**−50 915**	**−116 289**
Net carrying values			
Balance as of 1.1.12	32 000	12 000	44 000
Balance as of 30.6.12	32 000	12 000	44 000
Balance as of 31.12.12	32 000	12 000	44 000
Balance as of 30.6.13	**32 000**	**12 000**	**44 000**

The reported goodwill for the two segments “Bank am Bellevue” and “Asset Management” stems from the acquisition of the Bank am Bellevue AG and Bellevue Asset Management by Bellevue Group AG (then: swissfirst AG) in 2005.

The discounted cash flow method is used to calculate the recoverable amount. The projected free cash flows for the respective cash-generating units are estimated based on five-year financial plans. The business plans of the respective segments serve as the basis for these estimates of projected free cash flows. These cash flows are discounted to present value.

Impairment tests were conducted again at the end of June of 2013. The discount rate used in these calculations was 8.2% (previous year: 7.7%) and the assumed growth rate was 1% (previous year: 1%). No further impairment losses were identified. Even at constant discount.

The following key parameters and their single components have been taken into account:
- income on the average assets under management and the expected return on assets (management- and performance fees)
- brokerage fees based on the expected average turnover
- other operating income and expenses

The Group expects in the medium and long term a favourable development of the market environment which is reflected in the respective growth of the key parameters such as assets under management and turnover, which will have a positive effect on the income situation.

The Group's approach to determine the key assumptions and related growth expectations is based on management's knowledge and reasonable expectations of future business, using internal and external market information, planned business initiatives andother reasonable intentions of management. For that purpose, the Group uses historical information by taking into consideration the current and expected market situations.

Changes in key assumptions: Deviations of future actual results achieved vs. forecasted/planned key assumptions, as well as future changes of any of the key assumptions based on a future different assessment of the development of relevant markets, and/or the businesses, may occur. Such deviations may result from changes in the market environment and the related profitability, required types and intensity of personnel resources, general and company specific driven personnel cost development and/or changes in the implementation of known or addition of new business initiatives and/or other internal and/or external factors. These changes may cause the value of the business to alter and therefore either increase or reduce the difference between the carrying value in the balance sheet and the unit's recoverable amount or may even lead to a partial impairment of goodwill.

At the time of preparation of these financial accounts, Bellevue Group's management does not assume that a reasonably possible change in a parameter underlying the impairment test would lead to a goodwill impairment.

3 Details on the consolidated balance sheet

CHF 1 000	Client base	Brand	Other	Total
Other intangible assets				
Acquisition cost				
Balance as of 1.1.12	78 617	1 179	3 237	83 033
Balance as of 30.6.12	78 617	1 179	3 237	83 033
Balance as of 31.12.12	78 617	1 179	3 237	83 033
Balance as of 30.6.13	**78 617**	**1 179**	**3 237**	**83 033**
Accumulated valuation adjustments				
Balance as of 1.1.12	–64 049	–1 179	–3 237	–68 465
Additions	–1 143			–1 143
Balance as of 30.6.12	–65 192	–1 179	–3 237	–69 608
Additions	–1 142			–1 142
Balance as of 31.12.12	–66 334	–1 179	–3 237	–70 750
Additions	–1 142			–1 142
Balance as of 30.6.13	**–67 476**	**–1 179**	**–3 237**	**–71 892**
Net carrying values				
Balance as of 1.1.12	14 568	0	0	14 568
Balance as of 30.6.12	13 425	0	0	13 425
Balance as of 31.12.12	12 283	0	0	12 283
Balance as of 30.6.13	**11 141**	**0**	**0**	**11 141**

The intangible assets for "Brand" and "Client base" stem from the acquisition of the Bank am Bellevue and Bellevue Asset Managment by Bellevue Group (then: swissfirst AG) in 2005. These intangible assets are amortized over a period of 5 to 15 years and are likewise tested for impairement in the procedure described under "Goodwill".

The estimated future depreciation of other intangible assets appears as follows:

2013 (1.7.–31.12.)	1 143
2014	2 285
2015	2 013
2016	1 200
2017	1 200
2018	1 200
2019	1 200
2020	900
Total	**11 141**

3 Details on the consolidated balance sheet

3.5 Provisions

CHF 1 000	Note	Actuarial BVG provisions	Other	2013 Total	2012 Total restated
Balance at the beginning of the year	1.4	2 144	0	2 144	5 965
Utilization in conformity with intended purpose		0	0	0	–33
New charge to profit and loss account		0	0	0	0
Write-backs credited to profit and loss account		0	0	0	–1 867
Remeasurements of post employment benefit obligations IAS 19		–1 168	0	–1 168	–1 921
Provisions as at the balance sheet date		**976**	**0**	**976**	**2 144**

Other provisions consist of provisions for business and process risks and other liabilities. Bellevue Group may be involved in litigation and is making provisions for current and impending proceedings if the competent sections think that payments or losses on the part of the Group companies are more likely to occur than not, and if their amount can be reliably estimated.

3 Details on the consolidated balance sheet

3.6 Share capital/Conditional capital/Authorized capital

	Number of shares	Par value CHF 1 000
Share capital (registered shares)		
Balance as of 1.1.12	10 500 000	1 050
Balance as of 30.6.12	10 470 000	1 047
Balance as of 31.12.12	10 470 000	1 047
Balance as of 30.6.13	**10 470 000**	**1 047**

The ordinary general meeting on March 19, 2012 voted in favor of the proposal to reduce Bellevue Group AG's share capital from CHF 1 050 000 to CHF 1 047 000. The reduction in share capital was duly registered in the Commercial Register on June 29, 2012.

Conditional capital		
Balance as of 1.1.12	1 000 000	100
Balance as of 30.6.12	2 000 000	200
Balance as of 31.12.12	2 000 000	200
Balance as of 30.6.13	**1 000 000**	**100**

The intended purpose of the conditional capital created at the general meeting of shareholders on December 15, 2006 was as follows:
- a sum of up to CHF 50 000 through the exercise of option rights granted to shareholders;
- a sum of up to CHF 50 000 through the exercise of option rights granted to employees and the member of the Board of Directors.

The ordinary general meeting on March 19, 2012 voted in favor of the proposal to create additional conditional capital. The intended purpose (in total) was as follows:
- a sum of up to CHF 100 000 through the exercise of option rights granted to shareholders;
- a sum of up to CHF 100 000 through the exercise of option rights granted to employees and the member of the Board of Directors.

The ordinary general meeting on March 18, 2013 voted in favor of the proposal to reduce the conditional capital. The intended purpose (in total) is as follows:
- a sum of up to CHF 50 000 through the exercise of option rights granted to shareholders;
- a sum of up to CHF 50 000 through the exercise of option rights granted to employees and the member of the Board of Directors.

No such option rights had been granted as of the balance sheet date.

Authorized capital		
Balance as of 1.1.12	0	0
Balance as of 30.6.12	0	0
Balance as of 31.12.12	0	0
Balance as of 30.6.13	**1 500 000**	**150**

At the Annual General Meeting held on 18 March 2013, a resolution was passed to create new authorised capital. The Board of Directors was authorised to increase the share capital, at any time, by a maximum amount of CHF 150 000 by 18 March 2015, by issuing no more than 1 500 000 fully paid registered shares with a nominal value of CHF 0.10 per share. The increases may be underwritten or may be effected in partial amounts. The issue price, the time of dividend entitlement and the type of contribution will be determined by the Board of Directors. After their acquisition, the newly issued registered shares shall be subject to the transfer limitations pursuant to Article 5 of the articles of association.

The Board of Directors is entitled to exclude shareholders' subscription rights and allocate them to third parties, if such new shares are to be utilised for the acquisition of companies by share swaps, or for financing or refinancing the acquisition of companies, parts of companies or shareholdings, or of new investment projects of the company. Shares with subscription rights that have been granted but not exercised are to be placed at market conditions or otherwise in the interest of the company.

3 Details on the consolidated balance sheet

3.7 Treasury shares

	Number of shares	CHF 1 000
Own shares in trading portfolio of Bank am Bellevue		
Balance as of 1.1.12	5 400	71
Purchases	497 978	5 103
Disposals	–263 561	–2 831
Balance as of 30.6.12	239 817	2 343
Purchases	112 728	1 050
Disposals	–126 045	–1 221
Balance as of 31.12.12	226 500	2 172
Purchases	119 833	1 162
Disposals	–311 433	–2 974
Balance as of 30.6.13	**34 900**	**360**
Treasury shares held by Bellevue Group AG		
Balance as of 1.1.12	113 968	2 298
Purchases	236 670	2 312
Disposals	–320 638	–3 413
Share capital reduction	–30 000	–1 197
Balance as of 30.6.12	0	0
Purchases	0	0
Disposals	0	0
Balance as of 31.12.12	0	0
Purchases	0	0
Disposals	0	0
Balance as of 30.6.13	**0**	**0**

3 Details on the consolidated balance sheet

3.8 Assets pledged or assigned as collateral for own liabilities

CHF 1 000		30.6.13		31.12.12
	Carrying amount	Actual liability	Carrying amount	Actual liability
Due from banks	49 427	0	49 315	0
Financial assets	11 898	0	11 896	0
Total	**61 325**	0	**61 211**	0

4 Off-balance sheet and other information

4.1 Off-balance sheet

CHF 1 000	30.6.13	31.12.12
Contingent liabilities		
Credit guarantees	16 000	16 000
Total	**16 000**	**16 000**
Irrevocable commitments		
Rental commitments	4 154	5 314
Undrawn irrevocable credit facilities	180	180
of which payment obligation to “Einlagensicherung”	180	180
Total	**4 334**	**5 494**
Fiduciary transactions		
Fiduciary placements with third-party banks	0	0
Fiduciary credits	0	0
Total	**0**	**0**
Derivative financial instruments		
Positive replacement values	8 879	3 004
Negative replacement values	9 020	2 872
Contract volume	232 300	104 849
Securities lending and pension transactions		
Book value of liabilities from cash deposits in securtities lending and repurchase transactions	0	0
Book value of own holdings of securities lent in securitites lending or provided as collateral in securities borrowing, and transferred in repurchase transactions	11 066	10 570

CHF Mio.	30.6.13	31.12.12
Assets under management		
Assets with management mandate	2 245	1 975
Other assets under management	1 594	1 636
Total assets under management (including double counts)	**3 839**	**3 611**
of which double counts	−257	−313
Total assets under management (net)	**3 582**	**3 298**
Net new money	−284	−674

Calculation in accordance with table Q of the guidelines issued by the Swiss Financial Markets Supervisory Authority FINMA concerning accounting standards for financial institutions.

4 Off-balance sheet and other information

4.2 Transactions with related companies and persons

Legal entities and natural persons are considered to be related parties if one party has the ability to control the other or exercise significant influence over its financial or operational decisions.

CHF 1 000	Key management personnel [1]	Major shareholders [2]	Associated companies	Other related companies and persons [3]	Total
30.6.13					
Due from clients	0	0	0	0	0
Due to clients	4 955	31 766	0	224	36 945
1.1.-30.6.13					
Interest income	1	3	0	0	4
Interest expense	0	0	0	0	0
Fee and commission income	10	291	101	0	402
31.12.12					
Due from clients	153	0	0	0	153
Due to clients	5 378	42 353	0	101	47 832
1.1.-30.6.12					
Interest income	2	10	0	0	12
Interest expense	0	0	0	0	0
Fee and commission income	9	238	147	0	394

[1] Key management personnel: Board of Directors and Group Executive Board (excluding major shareholders)
[2] Major shareholders: see Corporate Governance, section Group structure and shareholders, page 6 of the annual report 2012
[3] Other closely related companies and persons: This includes all other natural persons and legal entities that have close personal, economic, legal or de facto ties with members of the Board of Directors or the Group Executive Board.

Loans to related parties are generally Lombard loans secured by pledged assets (securities portfolios).

The following conditions appied:
- Interest rate charged for secured loans: 2.00% (previous year: 2.00%), interest rate earned 0.00% (previous year: 0.00%)
- Commission rates: 0.205% (previous year: 0.205%)

4.3 Major foreign exchange rates

The following exchange rates were used for the major currencies:	30.6.13 Half year-end rate	1.1.– 30.6.13 Average rate	31.12.12 Half year-end rate	1.1.– 31.12.12 Average rate
EUR	1.22956	1.22952	1.20755	1.20385
USD	0.94475	0.93640	0.91505	0.93314

4.4 Events after the balance sheet date

No events have occured since the balance sheet date of June 30, 2013, that would hav a material impact on the interim financial statements.

4.5 Approval of the consolidated interim financial statements

The Audit Committee has approved the consolidated interim financial statements at the meeting of July 23, 2013.

5 Segment reporting

CHF 1 000	Bank am Bellevue	Asset Management	Group	Total
1.1.–30.6.13				
Net interest income	3 743	13	–1	3 755
Net fee and commission income	9 171	10 450	0	19 621
Net trading income	163	126	13	302
Other income	6	1 601	1 057	2 664
Service from/to other segments	50	–45	–5	0
Operating income	**13 133**	**12 145**	**1 064**	**26 342**
Personnel expense	–5 163	–6 207	–1 089	–12 459
General expense	–3 146	–2 400	–69	–5 615
Service from/to other segments	112	–112	0	0
Depreciation and amortization	–633	–734	–2	–1 369
thereof on intangible assets	–600	–542	0	–1 142
Valuation adjustments and provisions	0	0	0	0
Operating expense	**–8 830**	**–9 453**	**–1 160**	**–19 443**
Profit before taxes	**4 303**	**2 692**	**–96**	**6 899**
Taxes	–261	–132	2	–391
Group net profit	**4 042**	**2 560**	**–94**	**6 508**
Additional information				
Segment assets	517 796	35 979	58 189	611 964
Segment liabilities	448 219	11 684	4 274	464 177
Custody assets (CHF million)	1 601	2 238	0	3 839
Net new money (CHF million)	–222	–62	0	–284
Capital expenditure	0	0	0	0
Number of staff full-time equivalent (at cutoff date)	38.9	40.0	2.6	81.5

[1] including double counts

Segment “Bank am Bellevue”

The services provided by Bank am Bellevue comprise trading in Swiss equities, the issue of securities and corporate finance services. Almost all of its clients are institutional investors. Fees and commissions are therefore its main source of income. Other banking services are not provided, or only to a limited extent. Segment reporting groups such services together and presents them under “Bank am Bellevue”.

Segment “Asset Management”

Bellevue Asset Management is an independent, highly specialised asset management boutique focusing on management of equity portfolios for selected regional and sector strategies, and on instituional assets. Bellevue Asset Management has consistently outperformed the benchmark indices and has assets under management exceeding CHF 2 billion in health care products. This makes Bellevue Asset Managment one of the world leaders in this specialised sector. Further core competences include management of investments in new markets, especially the regions of Africa, Eastern Europe, Russia and Asia, and in differentiated niche strategies focusing on Switzerland and Europa. Bellevue Asset Management’s investment philosophy focuses purely on active asset management, based on a bottom-up, research-driven approach to stock picking.

Segment “Group”

This segment is where the company‘s participations are held and managed and the related strategic, management, coordination and financing.

5 Segment reporting

CHF 1 000	Bank am Bellevue	Asset Management	Group	Total
1.1.–30.6.12 (restated)				
Net interest income	1 613	–79	47	1 581
Net fee and commission income	9 598	11 092	–35	20 655
Net trading income	271	49	1	321
Other income	69	5 078	9	5 156
Service from/to other segments	–26	38	–12	0
Operating income	**11 525**	**16 178**	**10**	**27 713**
Personnel expense	–4 870	–6 170	–798	–11 838
General expense	–3 604	–2 651	–844	–7 099
Service from/to other segments	–123	123	0	0
Depreciation and amortization	–628	–768	–2	–1 398
thereof on intangible assets	–600	–543	0	–1 143
Valuation adjustments and provisions	0	1 867	0	1 867
Operating expense	**–9 225**	**–7 599**	**–1 644**	**–18 468**
Profit before taxes	**2 300**	**8 579**	**–1 634**	**9 245**
Taxes	–445	–692	8	–1 129
Group net profit	**1 855**	**7 887**	**–1 626**	**8 116**
Additional information				
Segment assets	330 131	60 293	62 026	452 450
Segment liabilities	272 030	15 366	5 957	293 353
Custody assets (CHF million)	1 699	1 787	0	3 486
Net new money (CHF million)	5	–324	0	–319
Capital expenditure	0	9	0	9
Number of staff full-time equivalent (at cutoff date)	37.3	40.9	2.6	80.8

[1] including double counts

Investor Relations/Contacts

Investor Relations

Daniel Koller
Bellevue Group AG
Seestrasse 16
CH-8700 Küsnacht
Telephone +41 (0)44 267 67 00
Fax +41 (0)44 267 67 01
ir@bellevue.ch

Contacts

Bellevue Group AG
Seestrasse 16
CH-8700 Küsnacht
Telephone +41 (0)44 267 67 77
Fax +41 (0)44 267 67 78
info@bellevue.ch
www.bellevue.ch

Bank am Bellevue AG
Seestrasse 16
CH-8700 Küsnacht
Telephone +41 (0)44 267 67 67
Fax +41 (0)44 267 67 50
info@bellevue.ch
www.bellevue.ch

Bellevue Asset Management AG
Seestrasse 16
CH-8700 Küsnacht
Telephone +41 (0)44 267 67 00
Fax +41 (0)44 267 67 01
info@bellevue.ch
www.bellevue.ch

Editor
Bellevue Group AG, Küsnacht

Production
Neidhart + Schön AG, Zurich

Design and concept
Nadiv Visual Communication, Zurich

Photography
Tom Haller, Zurich

Art director
Tanja Chicherio

Accounting scientists
Daniel Koller, Michael Hutter