

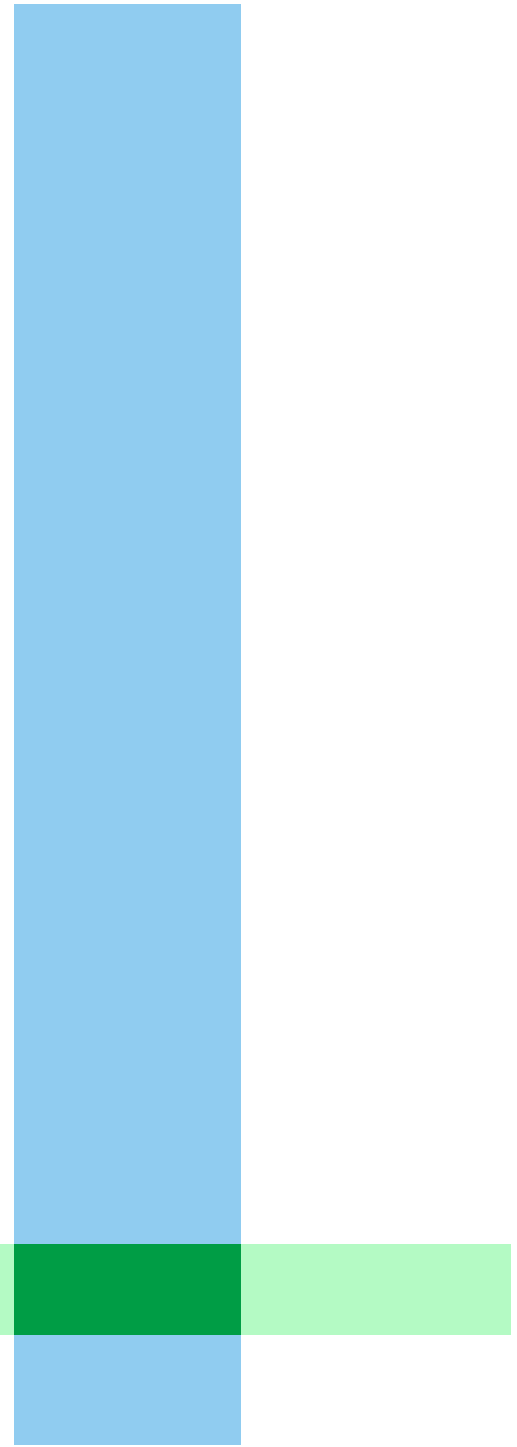
BCV – New Corporate Strategy

Conference call

Lausanne, November 25 2008



BCV

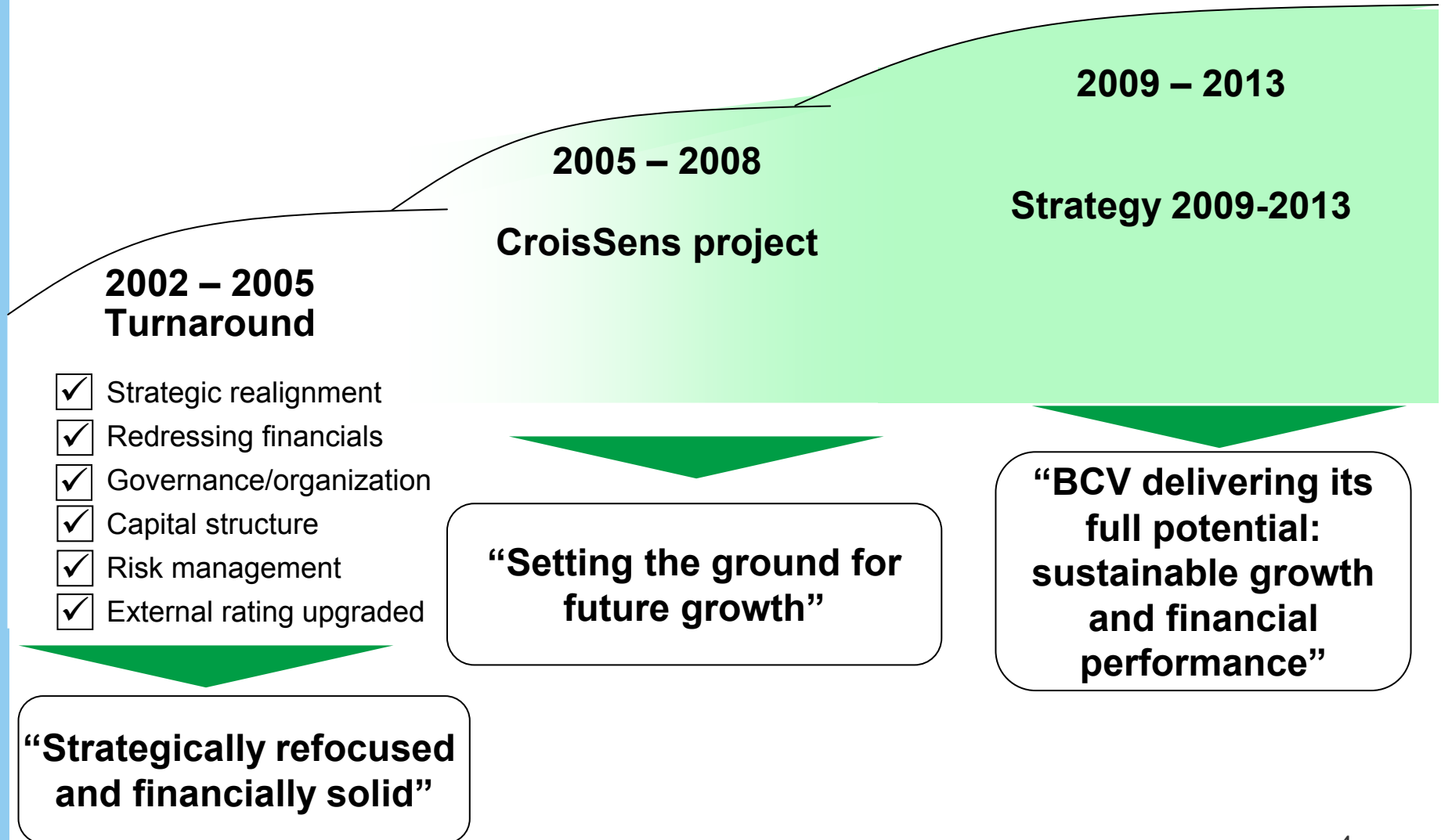


- 1. Key points on Q3 2008 results**
2. Glance at 2003-2007
3. Group strategy
4. Organizational changes
5. Financial aspects

Key points on Q3 2008 results

- Main revenue streams (interest, commissions) resilient despite challenging markets
- Trading income already positive in Q3 2008 – in line with expectations
- Net new money of CHF 251m
 - Onshore business : private clients and SMEs, CHF +1.1bn
 - Large corporates and Trade Finance clients: CHF -0.8bn (mostly term and fiduciary deposits)

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BCV One page assessment of CroisSens project

Objectives of CroisSens project

- Lay down solid foundations for future BCV development
- Regain internal and external momentum after turnaround phase

Success

- Renewed branch network
- Improved cross selling between units
- BCV brand branding
- Improved motivation among staff
- Drop in market share halted
- Mortgage volume increase on target
- No material impact of CroisSens on C/I ratio
- Regional front line organization fully in place to exploit market potential

Below expectations

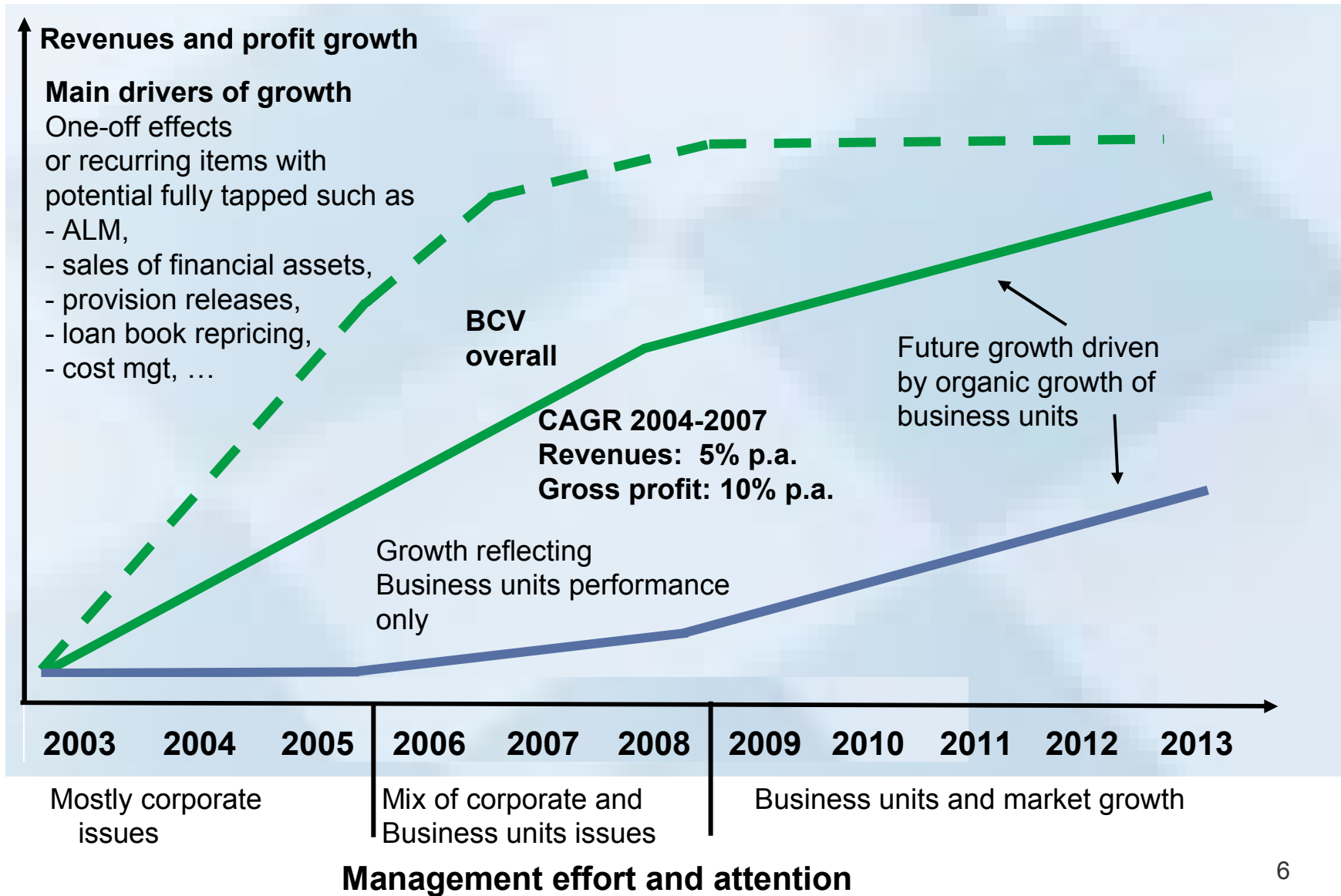
- Growth in affluent segments (number, AUM)
- Overall front line execution
- Time available for front line people to develop existing and new customers (still too much administrative load)
- Leveraging existing customer relationship (share of wallet)
- Improvement in trough-put time for credit processes

- Tough competition
- Time to change the organization underestimated
- Implementation needed a more rigorous approach



Future BCV growth will come from Business units growth

ILLUSTRATIVE



BCV Building on its assets, BCV can further improve

Main assets....

- Solid balance sheet with high equity level
- Further improved brand strength due to financial crisis
- Largest branch network in Vaud region
- Strong ties with local community especially through new regional organization
- Strong customer franchise

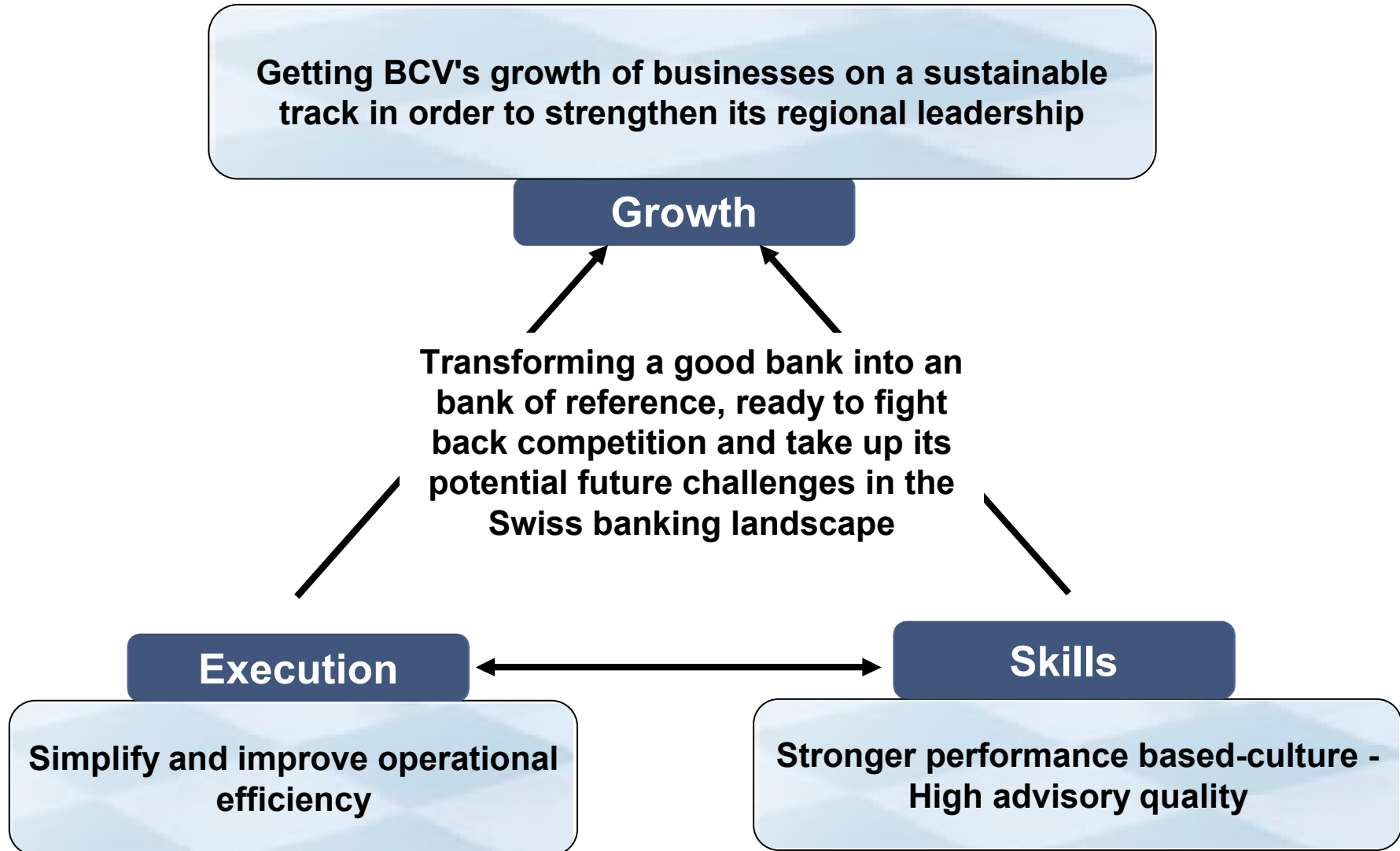


...main areas of improvements

- Priorities in business portfolio development not clear enough
- Overall execution efficiency
- Front line management and marketing/sales skills
- Complex internal processes
- Performance management

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The strategy in one chart





- BCV will be the long term **banking leader** among private individuals and corporates in the Vaud region as well as a **recognized player** at national level
- BCV will set itself apart benefiting from its first rate **client focus** and **quality of service**
- BCV aims to be among the **top performing cantonal/regional banks** both in terms of **profitability** and **growth**

2002 – 2005
Turnaround

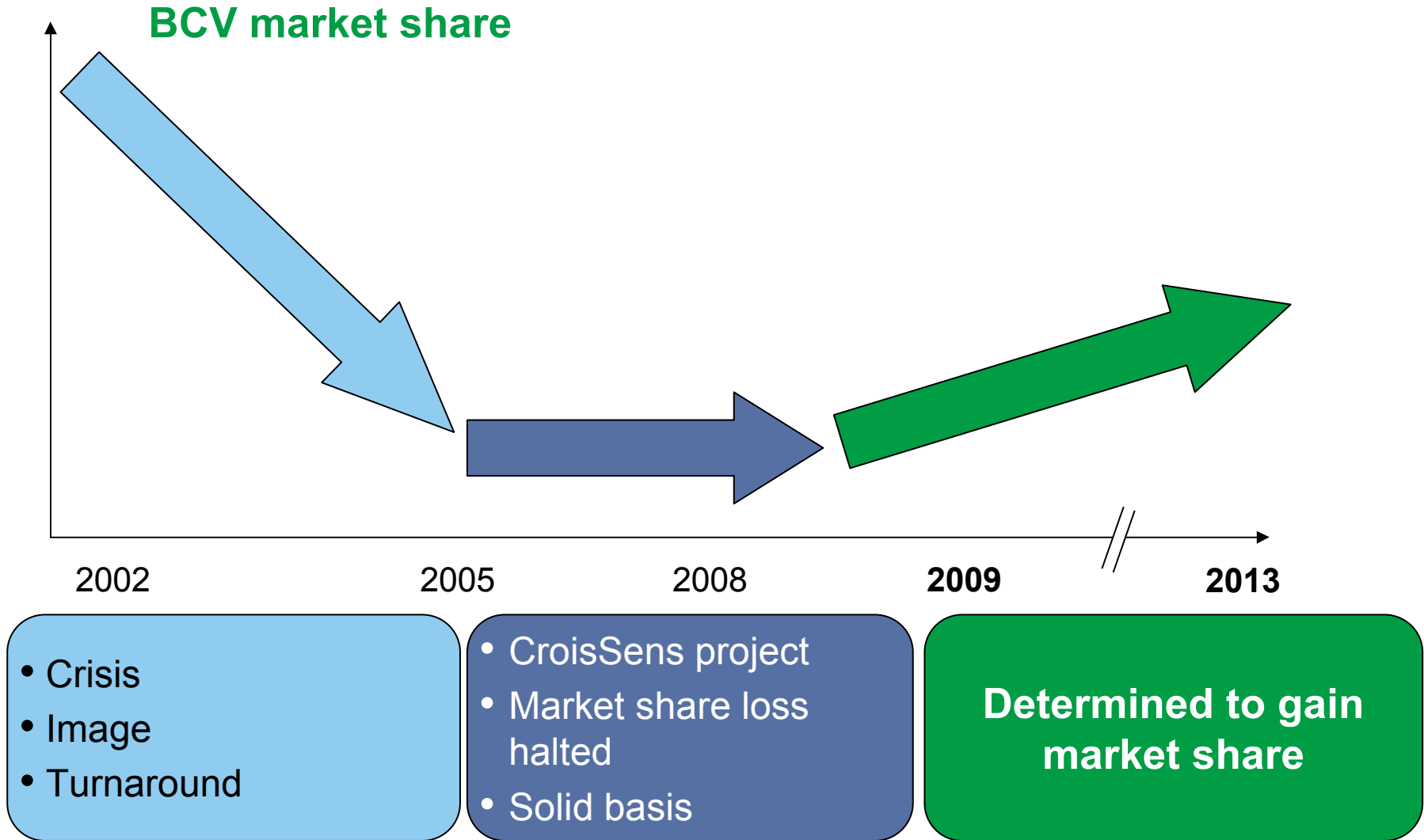
2005 – 2008
CroisSens project

2009 – 2013
Performance and growth

- **Continuity: BCV's business model and strategy showed strong resilience through the financial crisis**
- ⇒ **Fine tuning of the current business model and setting of clear priorities**
- ⇒ **Reduced risk profile**
- ⇒ **Operational excellence**
- ⇒ **Culture geared towards performance**

"BCV delivering its full potential": faster, more profitable growth with less volatility

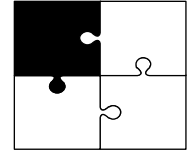
BCV aims to gain market share



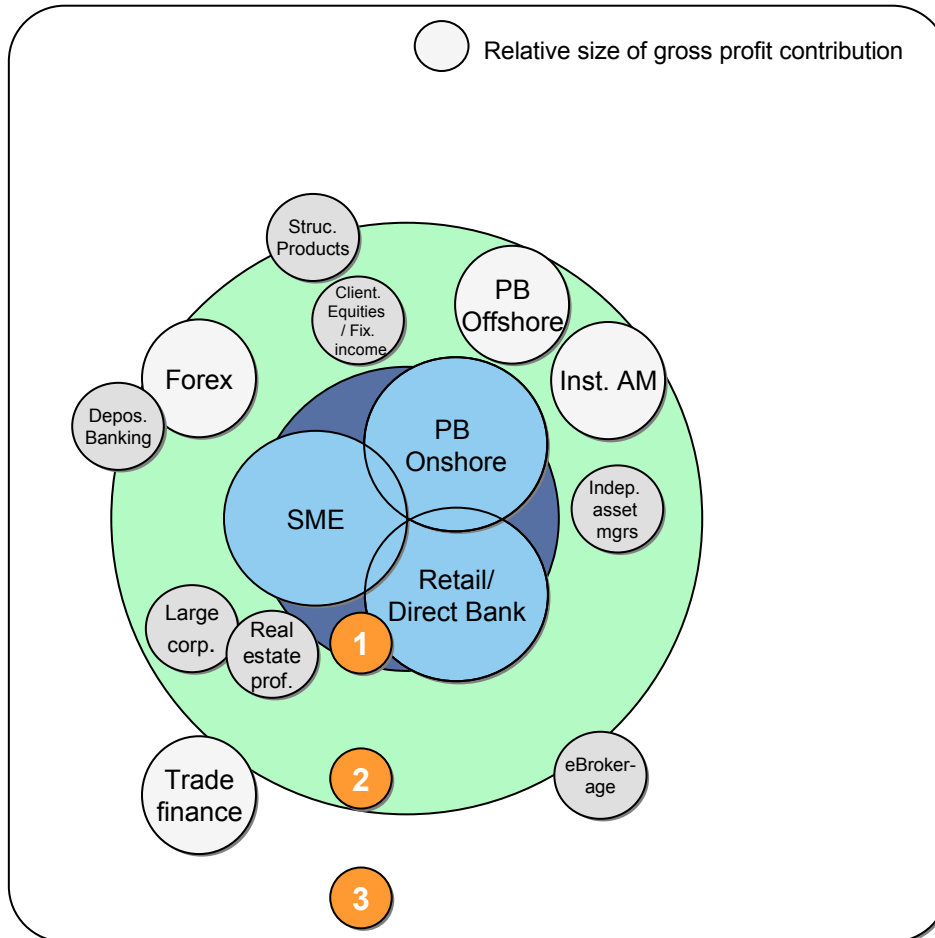
The 4 pillars of BCV's strategy



Portfolio of business activities

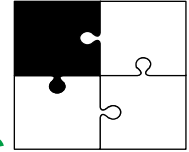


SIMPLIFIED

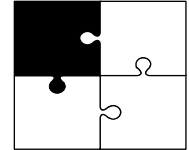


- BCV business portfolio is made up of :
- 1 **Three main core businesses** focusing on Vaud region and with a long historical tradition, integral part of the Bank's corporate mandate:
 - Retail banking
 - SME
 - PB Onshore
 - 2 **Other universal banking activities closely linked to other businesses** (synergies through skills, products, functional or client driven processes)
 - 3 **Other activities with looser synergies to three main business but with a clear role in the portfolio**

Underlying principles driving the changes in the portfolio's priorities



- Take into account that businesses have different characteristics and that resources are limited
- Differentiate business development in order to optimize growth, profitability and targeted risk profile
- Aim to stabilize the level of recurring earnings
- Exit businesses that do not fit in the portfolio



Strategic objectives and levers

Retail and direct banking (incl. eBrokerage)

Increase growth and improve operational efficiency in Retail banking

- Adapt client segmentation
- Capture the potential of inactive customers
- Develop alternative channels (e-channel, call center)
- Enhance the cross-selling with other business units

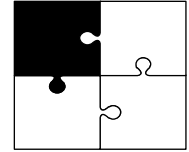
Private Banking (onshore and offshore)

Further develop Private Banking activities focusing on the growth of affluent customers in the Vaud region taking advantage from our high market share in real estate and improved brand recognition

- Hire new sales forces
- Continue improving sales efficiency
- offshore : adopt an opportunistic growth profile

Asset management

Pursue growth trend of the institutional Asset Management business leveraging our Vaud franchise and our performance track record to selectively grow our client base within Switzerland



Strategic objectives and levers

SME

Regain market share in SME business and increase risk adjusted bottom-line contribution

- Boost commercial activity and adapt client segmentation
- Review the role of call center in order to free-up sales capacity
- Increase slightly the risk appetite in line growth objectives

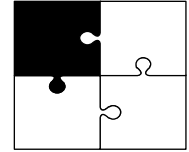
Real estate professionals

Maintain current positioning taking into account the potential upcoming slow-down on the real estate market

Trade Finance

Focus on profitability and adapt growth to the bank's overall risk profile

- In-depth review of client pricing and ROE
- Focus on specific markets, commodities and transaction types
- Adapt operational processes to enhance risk management capabilities



Strategic objectives and levers

Large corporate

Focus on profitability

- pricing lever
- optimize utilization of credit line facilities

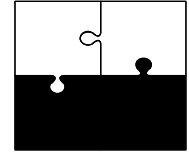
Trading

Focus trading activities on customer driven flows and reduce strongly proprietary trading

- Closing of equity derivatives trading activities
- No change planned in forex and structured products

Other businesses
(Depository banking, Indep. asset mgrs, financial planning...)

No major strategic changes foreseen



Significantly improve sales force effectiveness

Transform the marketing function to improve market intelligence and better support the sales force

Simplify the Bank's operations and increase operational efficiency focusing on selected key processes

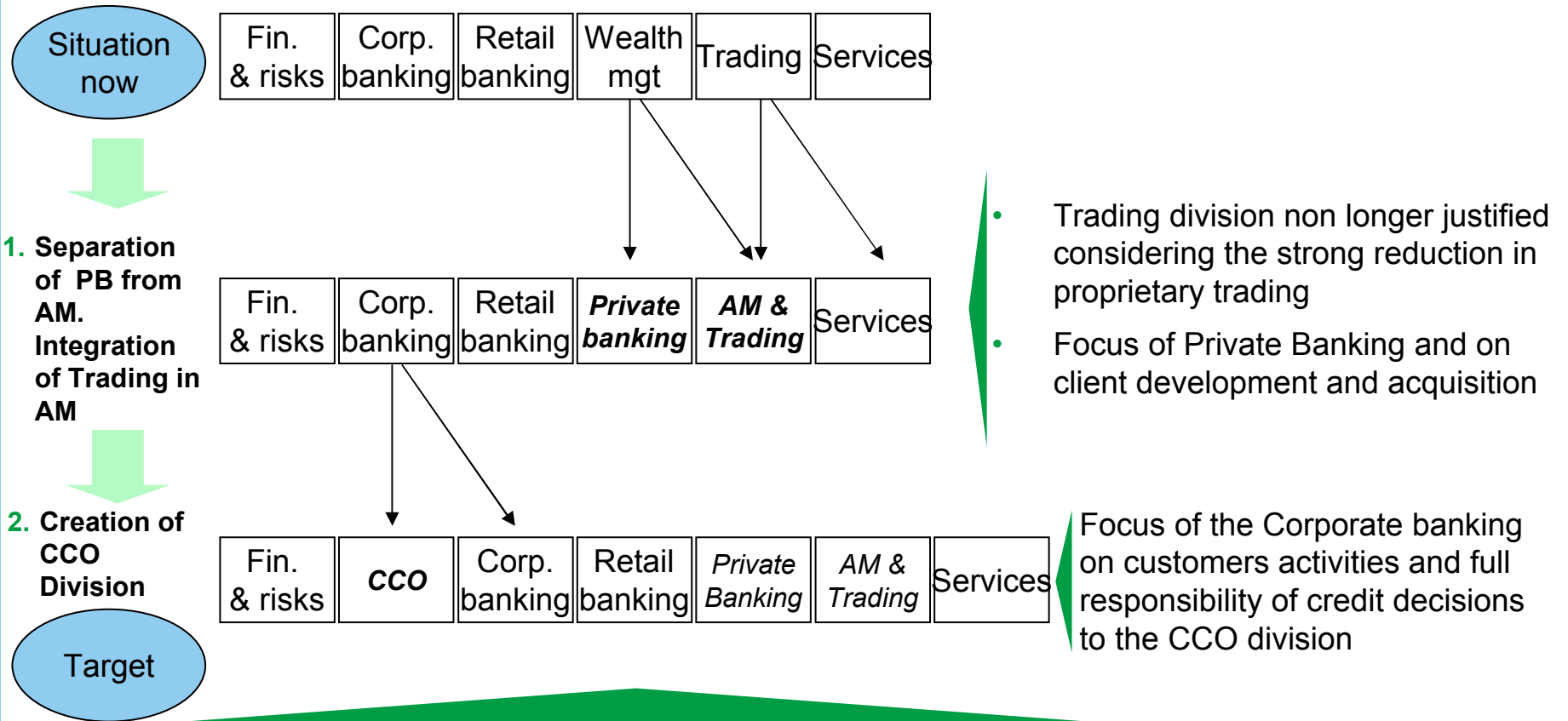
Target IT developments to support strategy and launch initiative to decide on long term IT solution

Roll out a new performance management framework throughout the organization to enforce alignment with new strategic objectives

Strengthen management and advisory skills

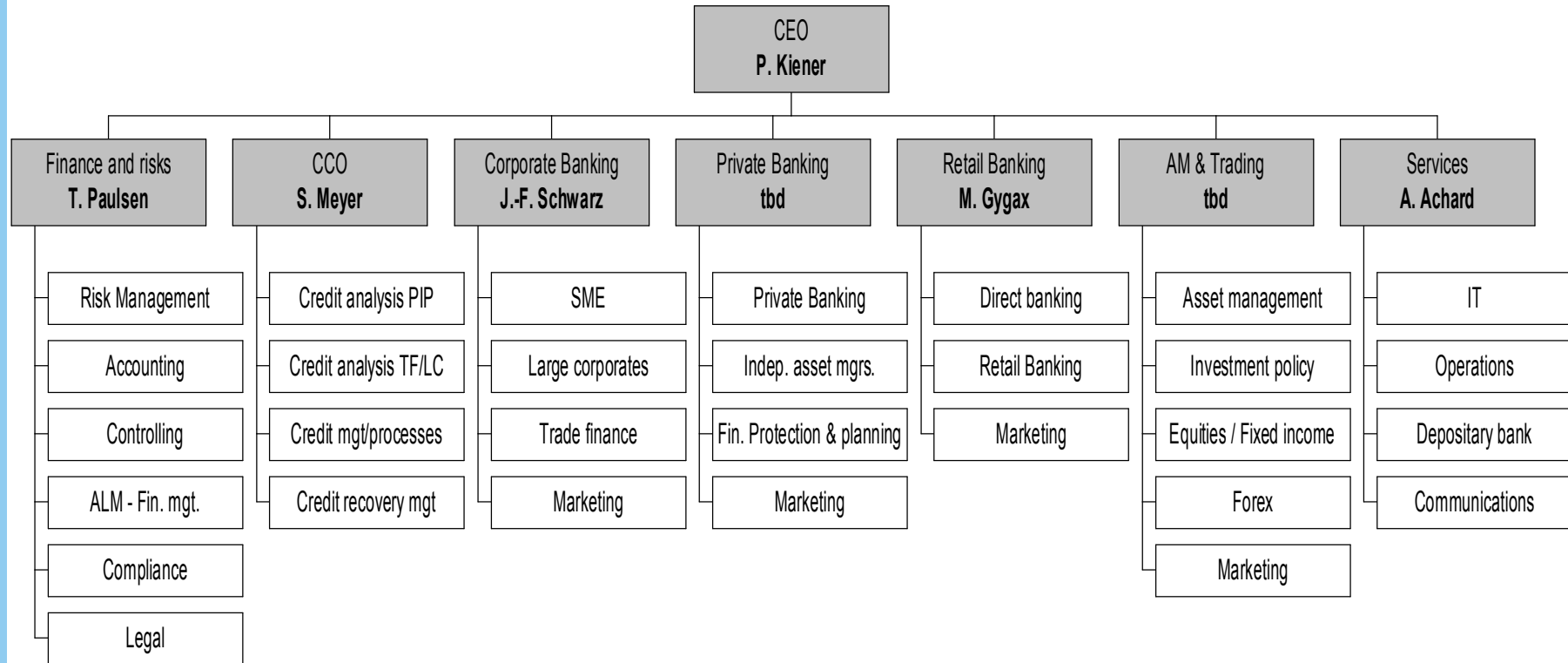
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Organisational changes: rationale



- The new organization will lead to simpler and focused units
- Front-facing units will be more client driven
- Newly created CCO unit takes the risk-taking function to the executive board level

Targeted organization



Personnel changes and transitory measures

- On Jan. 1st 2009, the CCO Division will be created and the new CFO and CCO will assume their new functions
- M. Olivier Cavaleri, Head of Trading will leave the Bank on Jan. 31 2009 in order to pursue his career outside the Group
- M.Christopher E. Preston, Head of Wealth management will leave the Parent bank on March 31st at the latest in order to join the Group's affiliate Piguet & Cie as its new CEO
- The group targeted organization will take effect once BCV has named the new divisional Heads in H1 2009

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BCV Impact of new strategy on financial profile

- Increased stability of earnings
- Change and reduction of risk profile
 - Reduction of proprietary trading activities
 - Slow-down of trade finance growth to align with overall group growth
 - Long term, increase in SME business depending on the evolution of economic environment
- Growth targets slightly above previous targets despite new risk profile
- Reduced trading revenues but less volatile (estimated to approx. CHF 60 mn going forward versus an average of CHF 86 mn over the last 4 years)

Revenues

+ 4-5% p.a.

Gross profit

+ 5-8% p.a.

- Targets to be achieved in the mid-term (time necessary to implement the changes)
- Ambitious targets requiring BCV to gain market shares in targeted business areas
- Current financial crisis and economic slowdown will probably impact those strategic objectives in the short-term (2009-2010)

Previously released strategic targets for key ratios confirmed

	2007	2008 H1	Targets	
C/I ratio	59%	70%	57%-59%	
ROE	14%	11.7%	13%-14%	<ul style="list-style-type: none"> -target ratio once capital optimized -under pressure in the short-term due to capital level well above target
Tier 1	16.3%	16.4%	12%	
Equity ratio (SFBC)	179%	179%	145% ¹	Under current SFBC regulations

¹ Target SFBC total capital adequacy of 145%, of which 125% with core equity (BIS equivalents: Tier 1 ratio ~12%, Total capital ratio ~14%)

- Low levels of new equity requirements needed for growth
 - Stability/predictability of earnings
- Therefore high pay-out ratio (60-80%) and stable high dividend

- Excess capital will not be used to buy back shares neither from the market nor from the state of Vaud but will be returned to shareholders over time through reduction of share par value (max potential CHF ~250 mn) and dividend payments
- Due to the current financial crisis and potential economic slowdown, the period to optimize equity has been extended from 3-4 years to 5-6 years and no use of subordinated debt has been taken into account

High level of stable distribution

Ordinary dividends

BCV aims to pay a stable dividend –increasing slightly with business growth – between CHF 20 and CHF 25 per reg. share

+

Steady decrease of equity

Steady decrease of equity – annual additional distribution payment of CHF 10 per reg. share

- Cautious stance in reaching the target equity ratios
- After 6 years, SFBC ratio coverage with core equity more likely to be at 145% than 125% (corresponding to T1 at approx. 14% rather than 12%)

Barring any significant changes in the economic environment or the Bank's financial situation, BCV intends to maintain this distribution level for the next five to six years



Optimising BCV's value proposition for shareholders

- Aiming for long term 5-8% steady bottom line growth
- Aiming to reduce the stock's volatility by significantly reducing the company's earnings variability
- Improved risk profile in line with the company's perception among clients and shareholders
- Solid over the cycle earnings base ensuring the long term payment of stable dividends
- High yielding dividend between 10% - 12%*

BCVN: a defensive stock offering steady growth and an attractive risk/return profile