



First half 2006

Lausanne/22.08.2006



- BCV Group in H1 2006 A. Zeller
- Financial results H1 2006 P. Kiener
- Outlook for full year 2006 A. Zeller

- **BCV Group in H1 2006** **A. Zeller**

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Key points

Excellent financial results

**Successful launch of the project
CroisSens and of the new BCV brand**

Record first half 2006 results

**Continued revenue
increase**

CHF 563 mn

**Change
YoY**

+11%

Jump in gross profit

CHF 283 mn

+24%

**Strong rise in net
profit**

CHF 342 mn

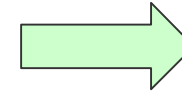
+38%

Main trends in H1 2006 business volumes

CHF mn (rounded)

ESTIMATE

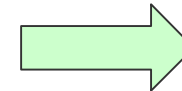
Increase in mortgage volumes ¹



+400

+2.5%

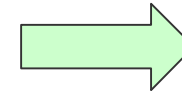
Slight decrease in other credit volumes ¹



-120

-2%

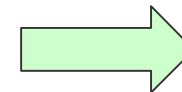
Higher AuM



+1'043

+1.5%

Slightly positive trend in client deposits



+99

+1%

Volume increase in structured products



+265

+20%

CroisSens: Achievements

- Successful client transfer between client advisors leading to an improved monitoring of client needs
- Reorganization of sales teams finalized: redeployment of those 350 employees across the 9' region network in their new functions
- Launch of BCV's new brand conveying both notions of professionalism and client proximity
- Start of the revamp of 10 points of sales
- 630 man/days of training to optimize client service

- Healthy volume trends for the first half
 - Mortgages (+3%)
 - Off balance sheet volumes (+4.4%)
 - Savings and other client deposits (+3%)
- Increased commercial time for client advisors (+25%)
 - Set up of specialized support units for the front in credit mortgage business
- Commercial success of the structured product "Protec"
- First large scale sales campaign of financial products by telephone (~40'000 calls), favourable feedback from client base

Corporate banking

- Overall stable credit volumes; slight increase for SME's (+0.6%) and a decrease for the large corporate clients (-3%) in a further declining market
- Strong volume growth (+25%) in a buoyant trade finance market
- Margin pressure in real estate, public corporations and certain SME's
- Continued rigorous risk management and strengthened quality of loan book resulting in very low new provisioning needs (CHF 5 mn)
- Step by step implementation of the call center for SME's

- Increase in AuM despite difficult equity markets in Q2
- Increase private client volumes (structured products CHF +200 mn, mortgages CHF +80 mn)
- Increase from 5 to 9 in the number local advisory centers in the Canton
- Launch of 4 new investment funds by Gérifonds and other new strategic partners
 - AMC Pro Active Swiss (CHF 123 mn)
 - BCV Diapason Commodity Fund (CHF 140 mn)
 - AMC Pro Active World ex US & Western Europe (CHF 74.5 mn)
 - BCV Dynagest International Bond Expo (CHF) (CHF 175 mn)
- Launch of Portfolio 3, a new pension fund product

- Increased revenues (+56%) as a result of higher market volatility during Q2
- Good trading performance in equities, mostly due to derivative products
- Higher gross profit contribution (+120%)
- e-Forex: Strong rise in forex transactions through the Group's dedicated forex internet platform (+150% YoY)
- Wider selection of structured products : +17% in issuance volume, +20% in total volumes

Other key events during H1 2006

- Decision to buy back another tranche of CHF 400mn participation capital owned by the State of Vaud
- Improved rating by Standard & Poor's in January from "A–" to "A"
- Appointment of Aimé Achard in charge of the Business support division
- Revision of cantonal law dealing with BCV
 - Following a parliamentary initiative, counter-proposal of the Cantonal executive
 - Parliamentary process under way

Program

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Key figures

CHF mn (rounded)	H1 2005	H1 2006	Variation
Total revenues	507	563	+11%
Gross profit	228	283	+24%
Net profit (before minority interests)	248	342	+38%
	31.12.05	30.06.06	
Total assets	34'875	35'542	+2%
AuM	71'751	72'794	+1.5%

non audited
figures

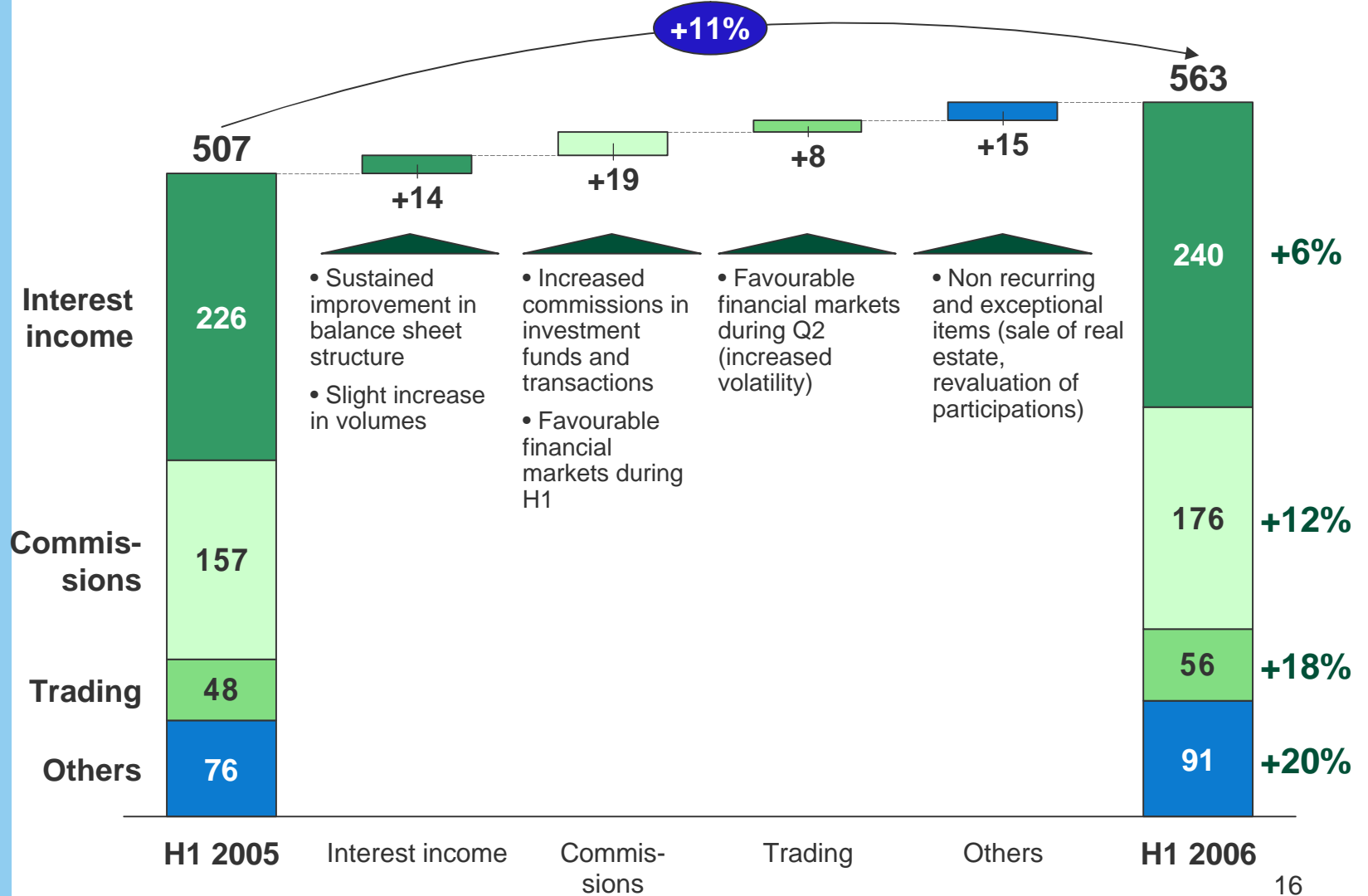
P&L in H1 2006

CHF mn (rounded)				
	H1 2005	H1 2006	Variation	
Total revenues	506.6	562.5	+56	+11%
Operational expenses	-278.2	-279.9	+2	+0.6%
Gross profit	228.4	282.6	+54	+24%
Depreciations	-42.9	-46.4	+4	+9%
Value adjustments, provisions, losses	-8.4	-8.3	-0	-1%
Extraordinary income	80.6	125.8	+45	+56%
Extraordinary expenses	-0	-0.1	+0	n/a
Taxes	-10.1	-11.3	+1	+12%
Net profit (before minority interests)	247.6	342.3	+95	+38%

non audited
figures

Revenues increase by 11%

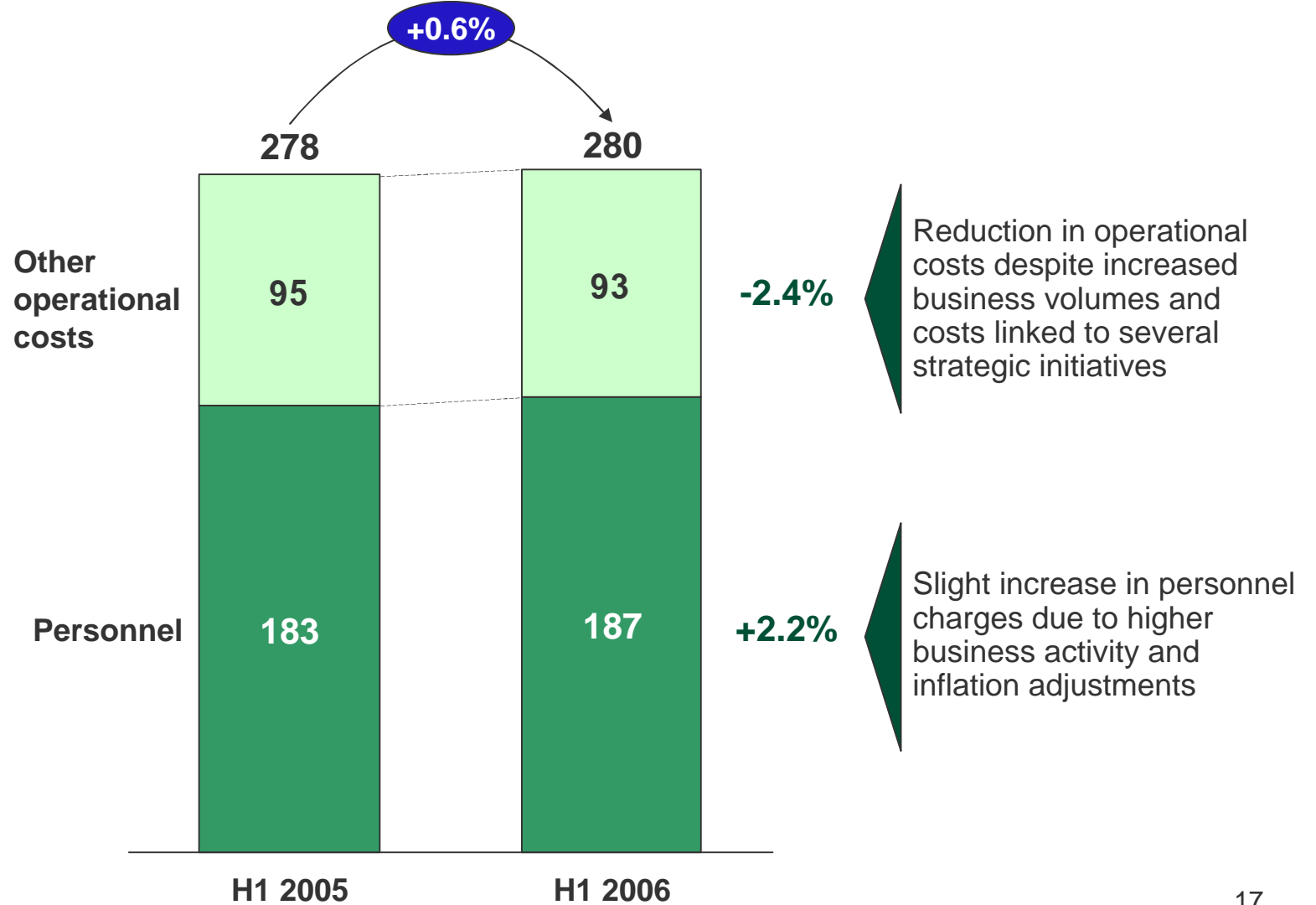
CHF mn (rounded)



non audited figures

Rigorous cost control

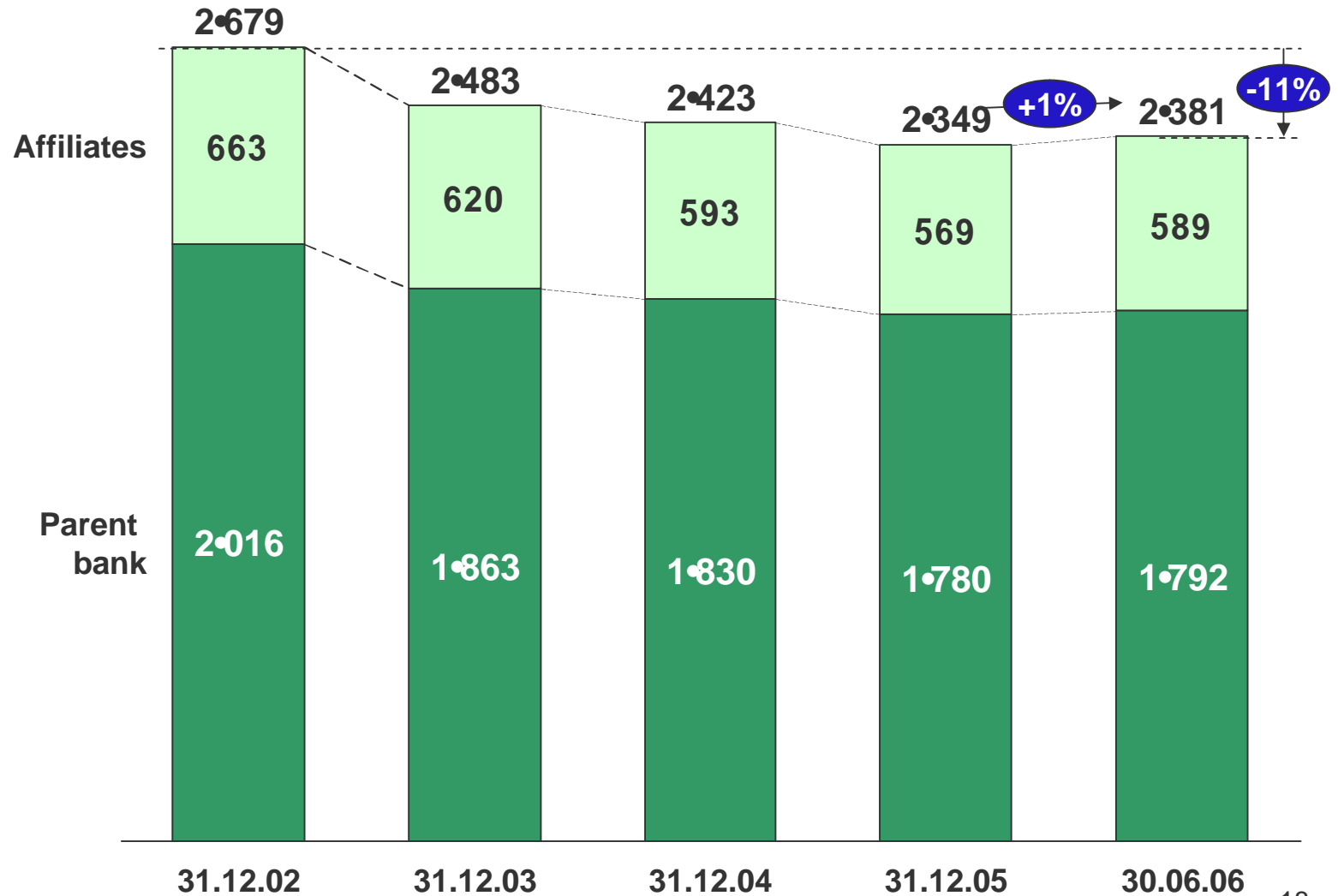
Trend in operational costs, CHF mn (rounded)



non audited figures

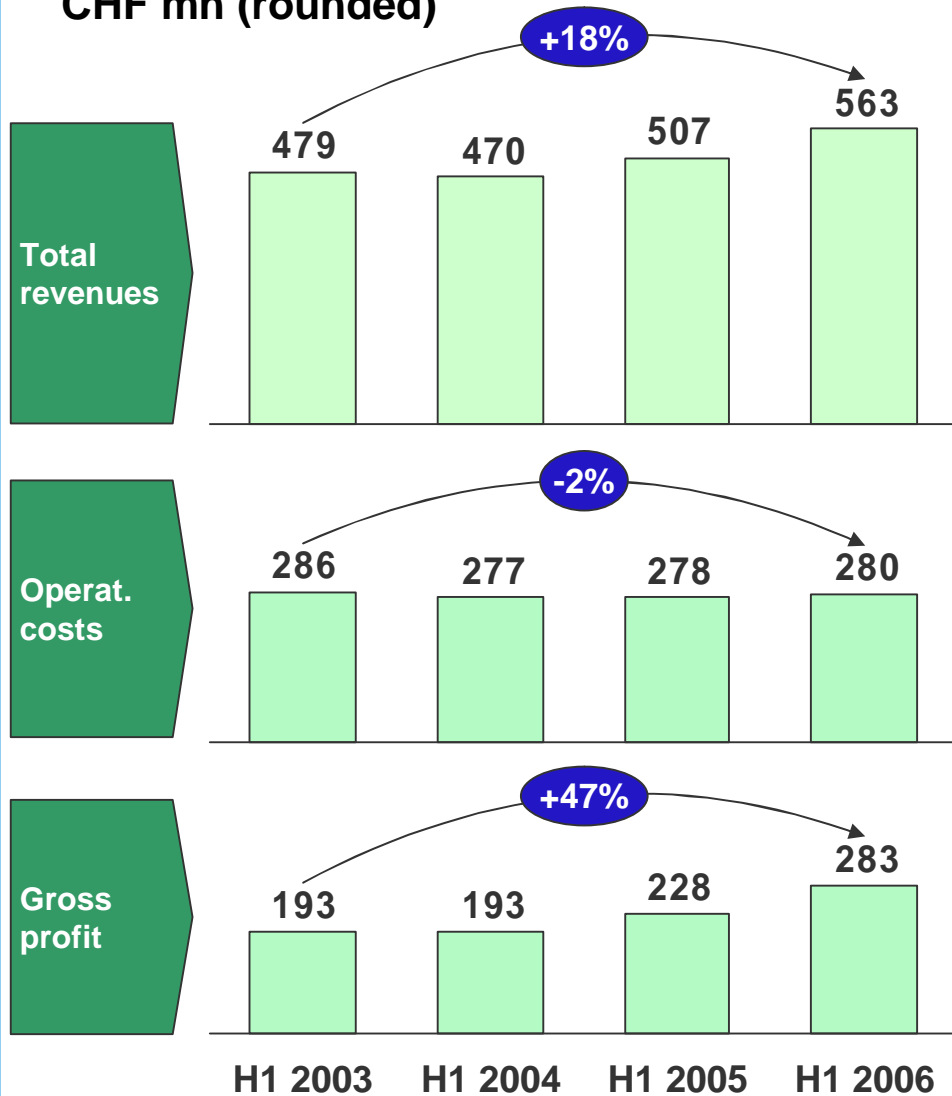
Stable staff numbers after a period of declines

Full time equivalents



Significant increase in operational performance over 4 years

CHF mn (rounded)



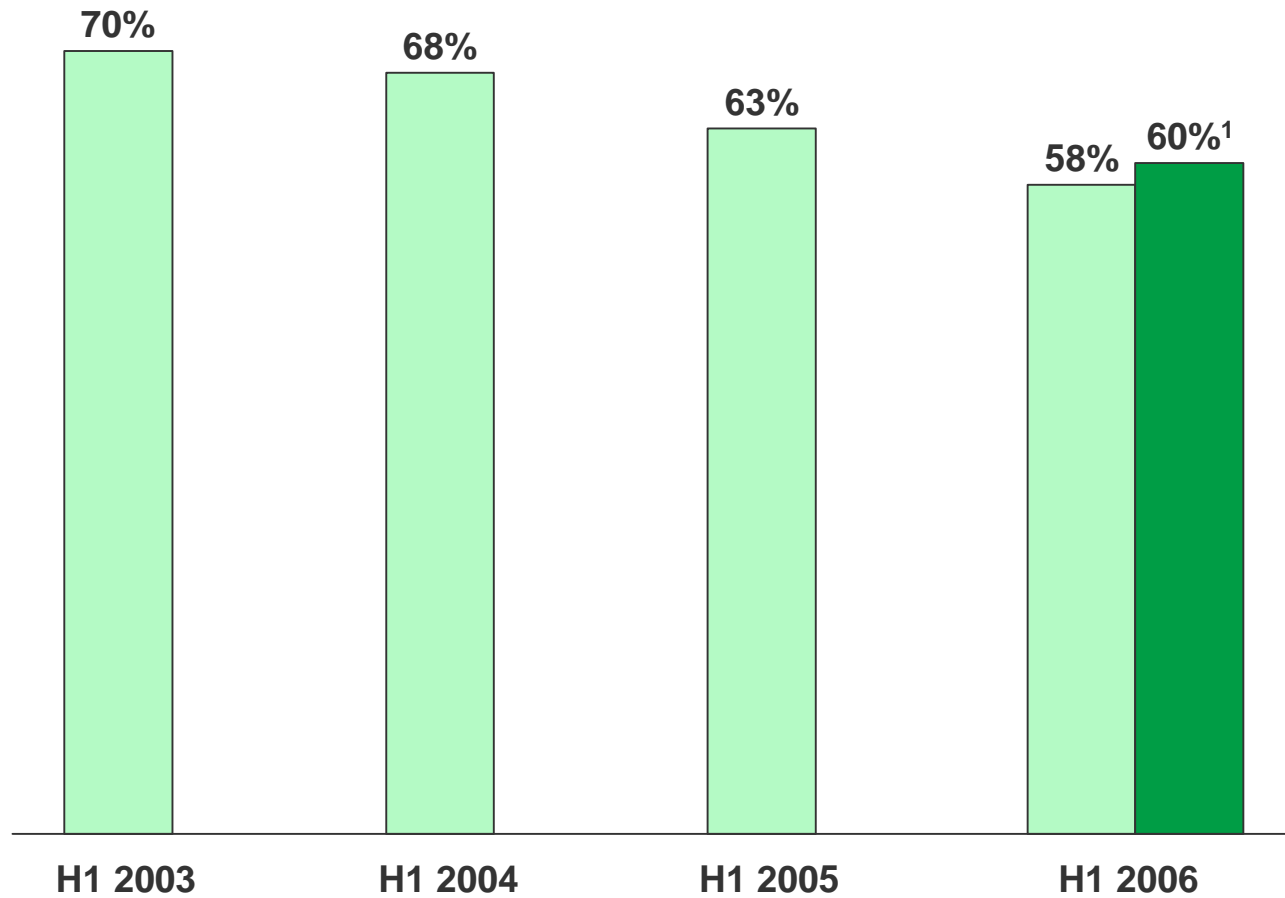
- Significant improvement despite strategic realignment
- Improved risk profile
- Favourable economic environment

- Stable operational costs
- Financing of other strategic projects through several reductions in other activities and divestments

- Excellent operational performance

non audited figures

Reduction in cost/income ratio continues



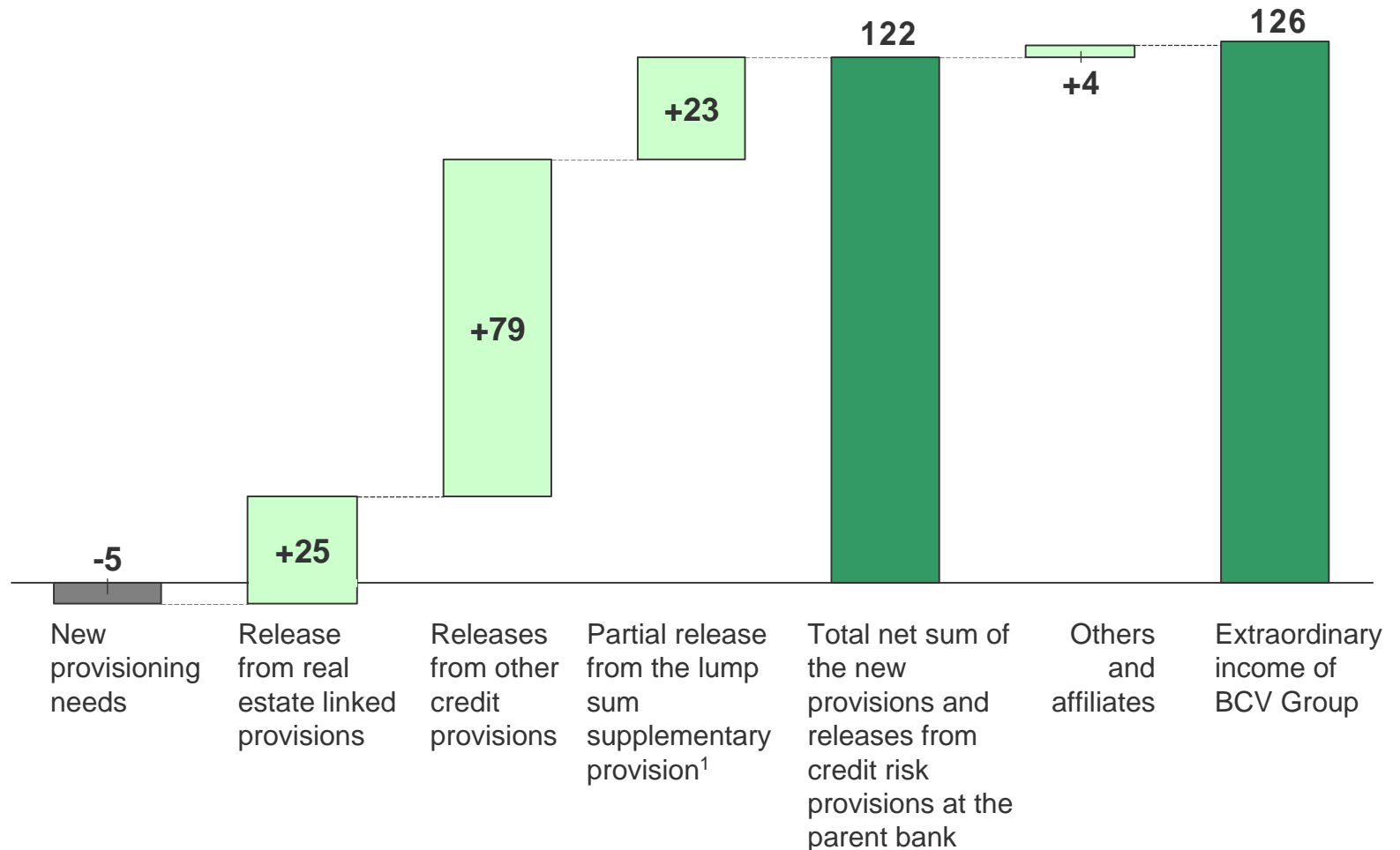
non audited figures

¹ Excl. exceptional items from "Other revenues" (revaluation of participations and sale of financial holdings)

Extraordinary income generated by provision releases

Breakdown in extraordinary income in H1 2006, CHF mn

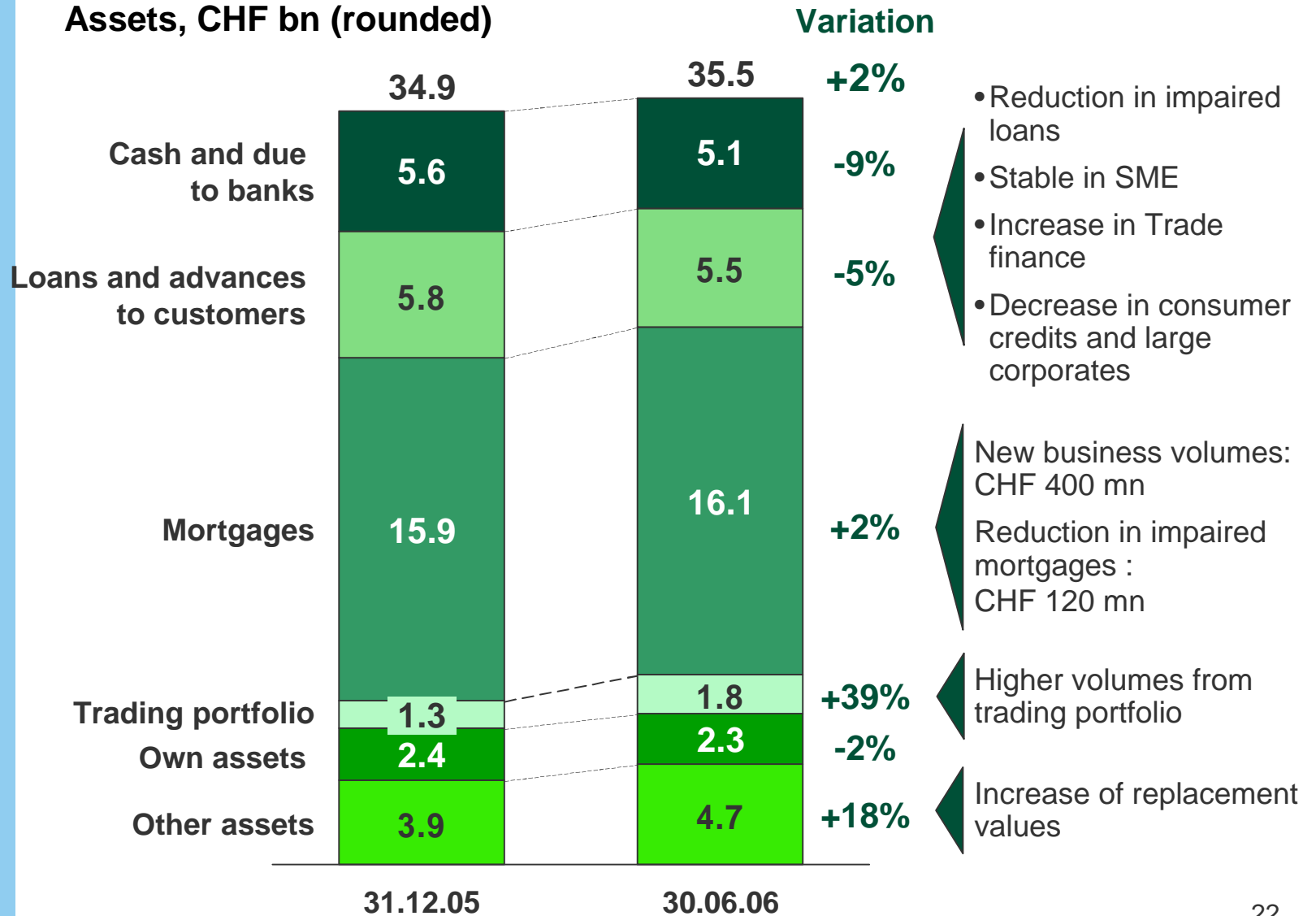
ESTIMATE



non audited figures

¹ Supplementary provisioning according to the SFBC rules

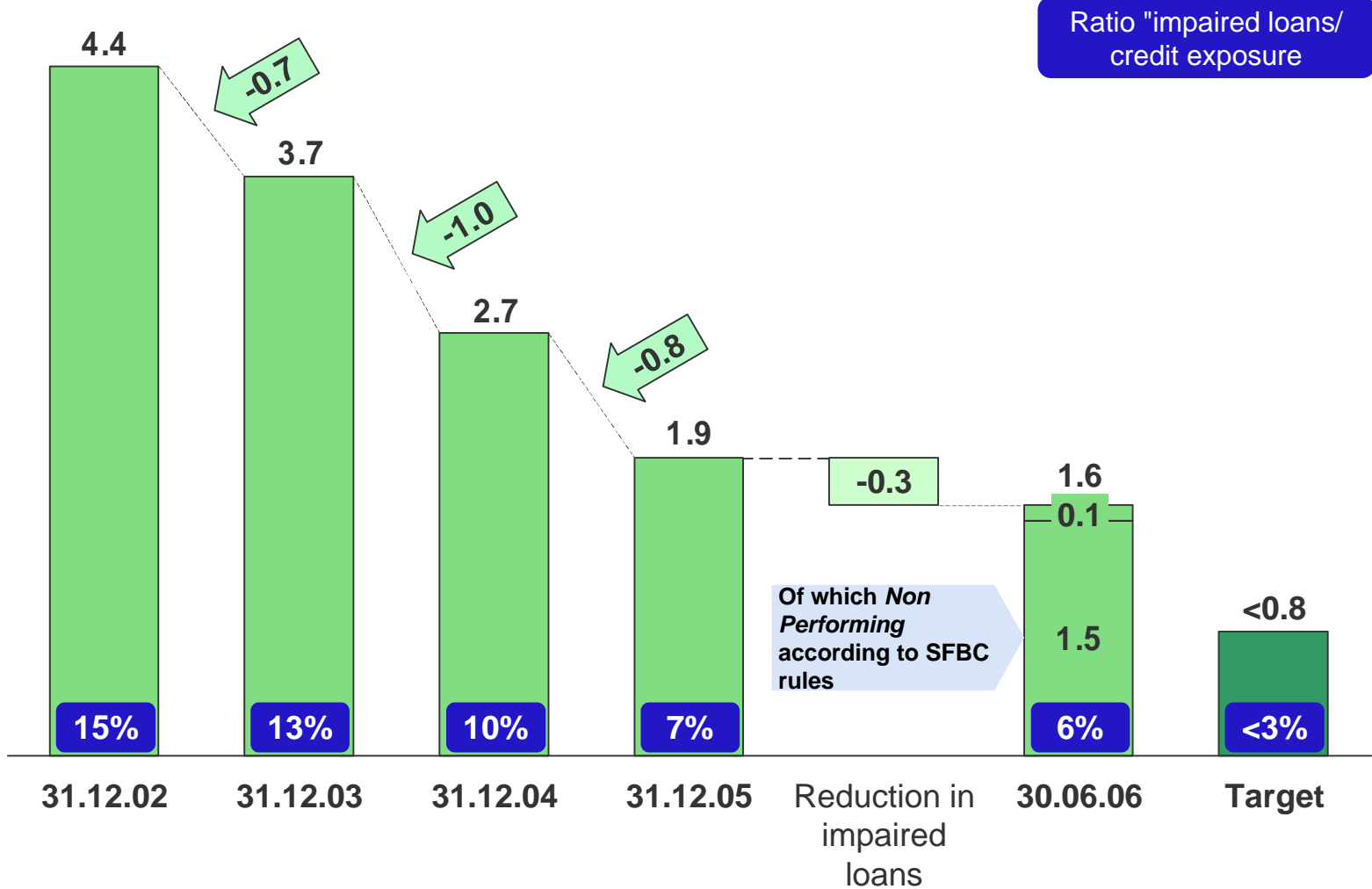
Trends in the balance sheet : assets



non audited figures

Volumes of impaired loans further reduced but at a lower pace

Trends in impaired loans, CHF bn (rounded)¹

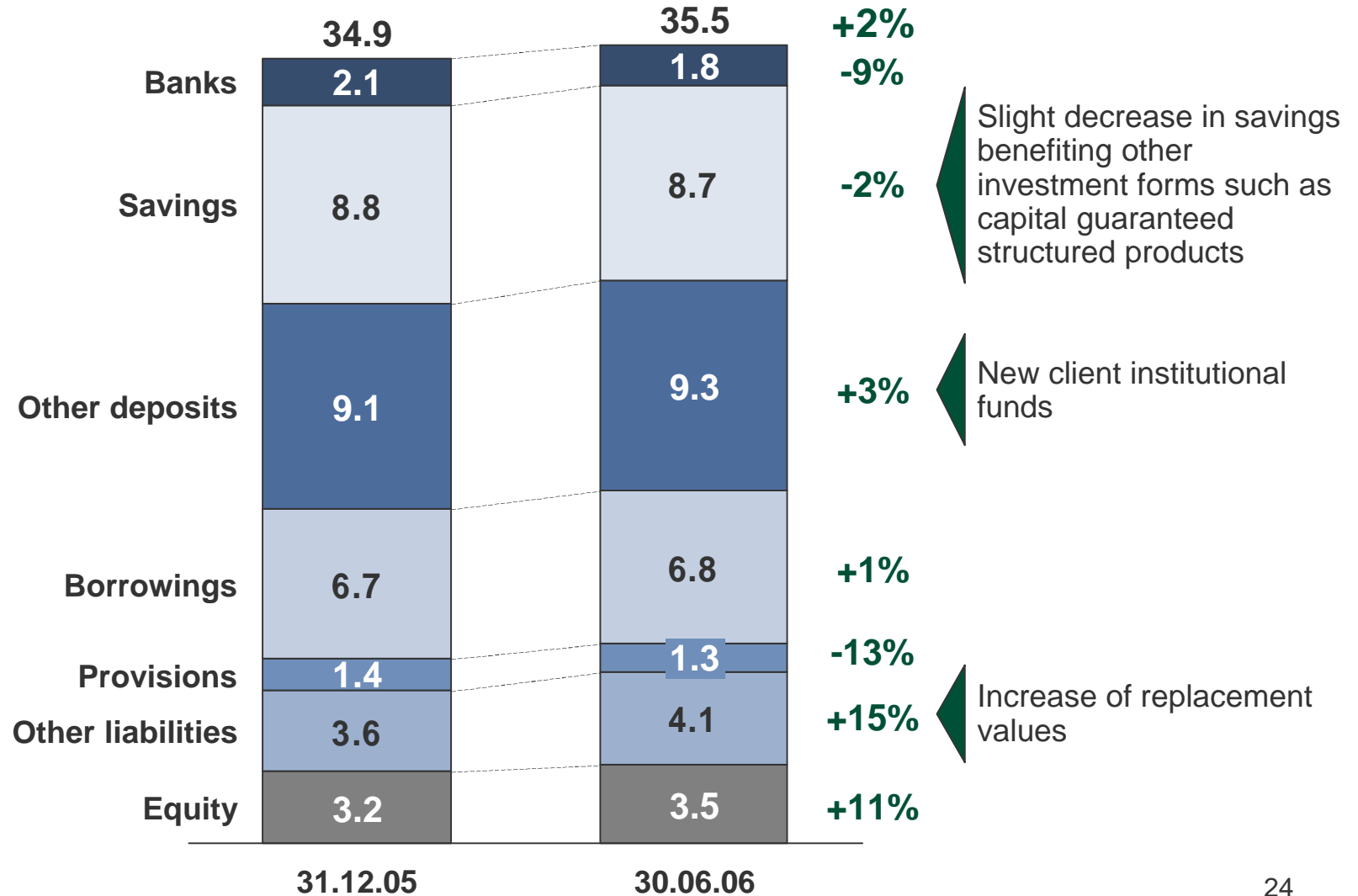


non audited figures

¹According to SFBC rules

Trends in the balance sheet : liabilities

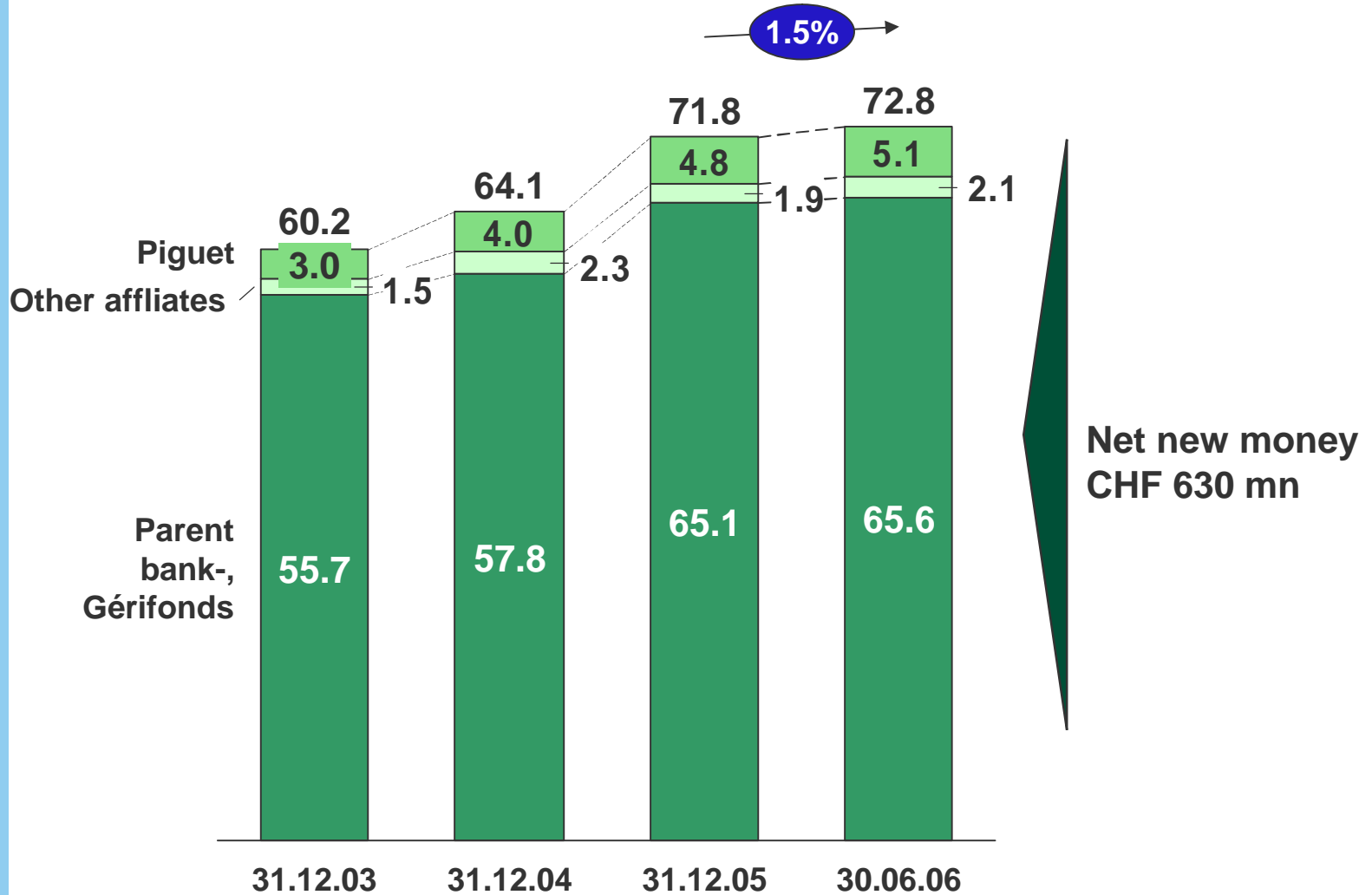
Liabilities, CHF bn (rounded)



non audited figures

Slight increase in assets under management

CHF bn (rounded)



non audited figures

Sustained improvement of main key ratios

		2002	2003	2004	2005	30.06.06
Quality and balance sheet structure	Impaired loans / credit exposure	15%	13%	10%	7%	6%
	Client deposits / Loans to clients	68%	74%	78%	83%	83%
	Net interest margin	1.25%	1.23%	1.29%	1.40%	1.39%
		<i>... with same level of replacement values as in 2005</i>				1.47%
Equity	Equity ratio SFBC	76%	156%	185%	196%	191%
	Total capital ratio (BRI)	7.5%	15.1%	17.4%	18.5%	17.8%
Productivity	Cost/income (Excl. goodwill amort.)	75%	71%	67%	62%	58%
		<i>... Excl. exceptional items from "Other revenues" ¹</i>				60%
Financial performance	ROE (Net profit / average equity)	n/a	6.5%	12.4%	14.9%	20.2%

non audited figures

¹ Revaluation of participations and sale of financial holdings

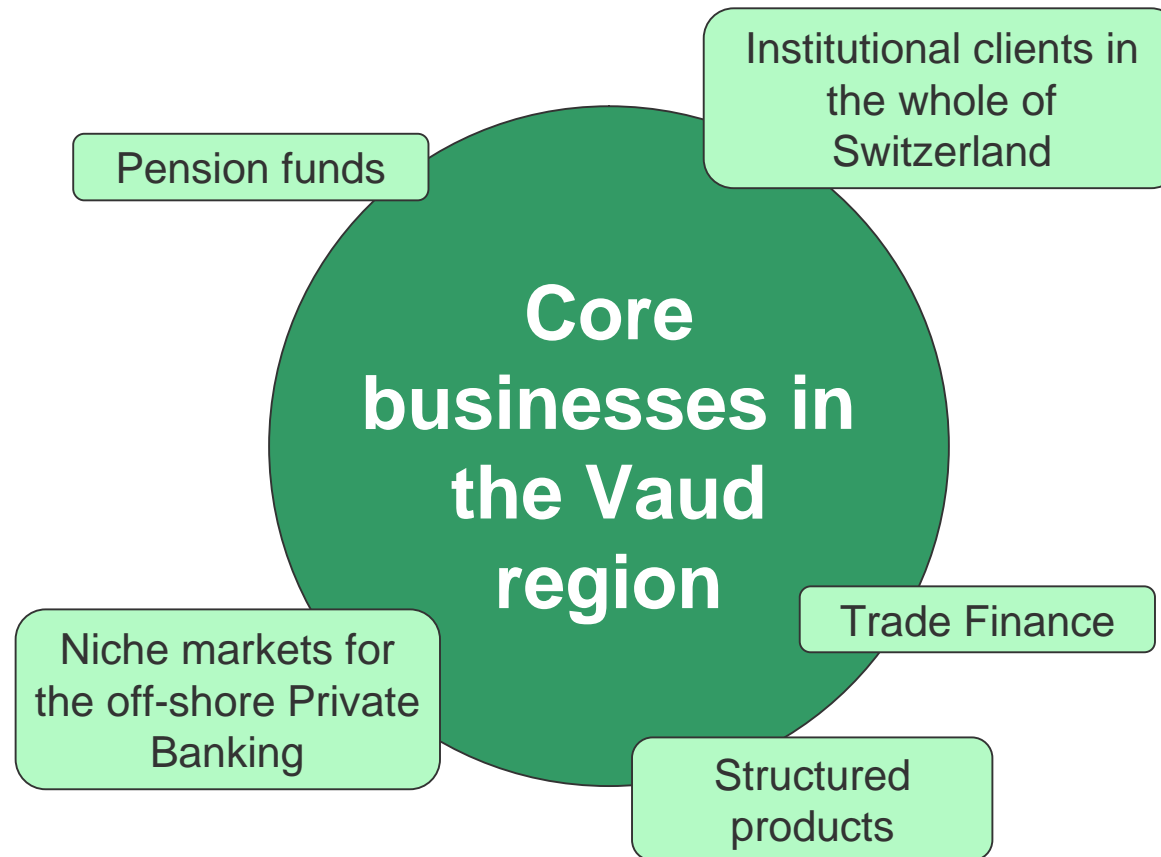
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Main strategic thrusts

- Strengthen core businesses: In particular through the project CroisSens
- Continue to improve processes, skills and cost control
- Tightly manage the risk profile and further reduce the volume of impaired loans
- Focalize on two vital resources: IT and staff

Main areas of growth for the next 4 years



Outlook for H2 2006

- Barring major changes in the direction of financial markets, BCV confirms its guidance of a YoY improvement in gross profit for the whole of 2006.
- However, the year-end percentage increase should be smaller than in H1 06 and the 2005 reporting period (non recurring items influencing H1 2006)
- Net profit should also be higher than the 2005 figure

Next meeting

November 14th 2006

Nine months results