



# Who We Are





- **Overview**
- Our strategy
- Figures and ratios



**1845**

BCV was founded by the Vaud Cantonal Parliament as a corporation organized under public law

**1993-95**

Acquisition and merger with Banque Vaudoise de Crédit and Crédit Foncier Vaudois

**2002-03**

Recapitalization, change of the Board of Directors, change of the Executive Board, redefinition of the governance and strategy (focus on domestic businesses)

To offer a comprehensive range of banking services to the local community and to contribute to the development of all sectors of the Vaud economy and to the financing of the Canton's public-sector institutions and entities

To be guided by the principles of economically, environmentally and socially sustainable development

To create value for our shareholders and clients, to be a benchmark employer, and to be a good corporate citizen

## Retail banking

- Savings & home mortgages to retail customers located in Vaud

## Corporate banking

- Commercial banking to SMEs in Vaud and some larger Swiss companies
- Transaction based Trade Finance in metals and softs

## Wealth Management

- Private Banking mainly to onshore clients in Vaud
- Institutional Asset Management mainly in Vaud

## Trading

- Customer-driven business mainly in Forex

<b>Total assets</b>	<b>CHF 37.9bn</b>
<b>AuM</b>	<b>CHF 77.1bn</b>
<b>Total income</b>	<b>CHF 1,017m</b>
<b>Operating profit</b>	<b>CHF 486m</b>
<b>Net profit</b>	<b>CHF 301m</b>
<b>Tier 1 ratio</b>	<b>16.8%</b>
<b>ROE</b>	<b>9.3%</b>
<b>Total staff</b>	<b>2,042 FTEs</b>
<b>Branches</b>	<b>67 staffed + 54 automated banking centers</b>

Chief Executive Officer  
**P. Kiener**



Finance & Risks  
**T. Paulsen**



- Risk Management
- Financial Accounting
- Controlling
- ALM & Financial Management
- Compliance
- Legal

Credit Management  
**B. Sager**



- Credit Analysis SMEs, Real Estate and Retail
- Credit Analysis Corporate, TF, Country and Bank
- Credit Analysis Support
- Credit Recovery Management

Corporate Banking  
**J.-F. Schwarz**



- SMEs
- Large Corporates
- Trade Finance
- Marketing

Retail Banking  
**M. Gygax**



- Retail Banking Branch Offices
- Direct Banking
- Marketing

Private Banking  
**G. Haeberli**



- Private Banking
- Private Banking International
- Independent Asset Managers
- Financial Protection and Planning
- Marketing

Asset Management & Trading  
**S. Bichsel**



- Asset Management
- Investment Policy
- Equities & Fixed Income
- Foreign Exchange
- Marketing

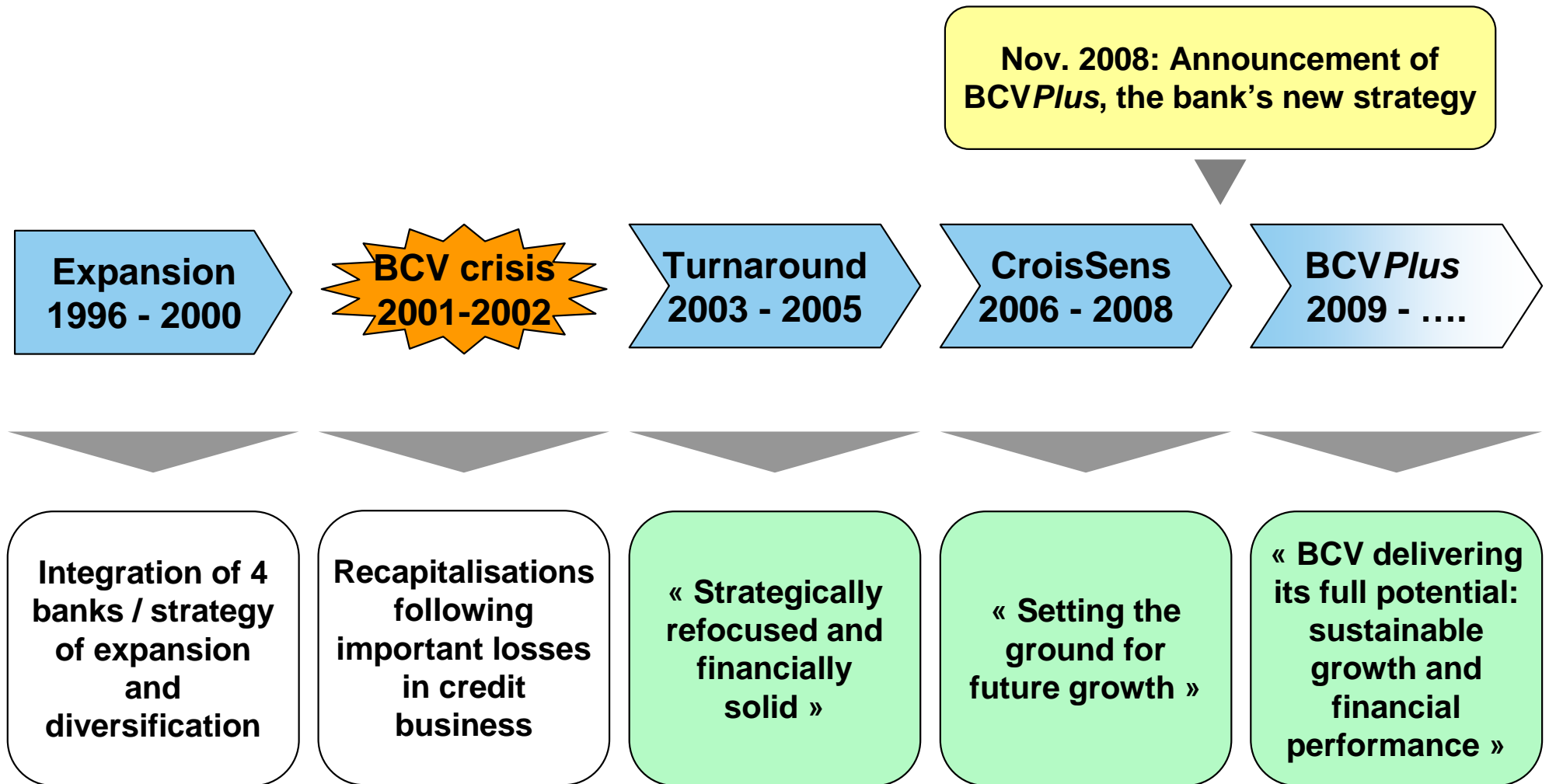
Business Support  
**A. Achard**



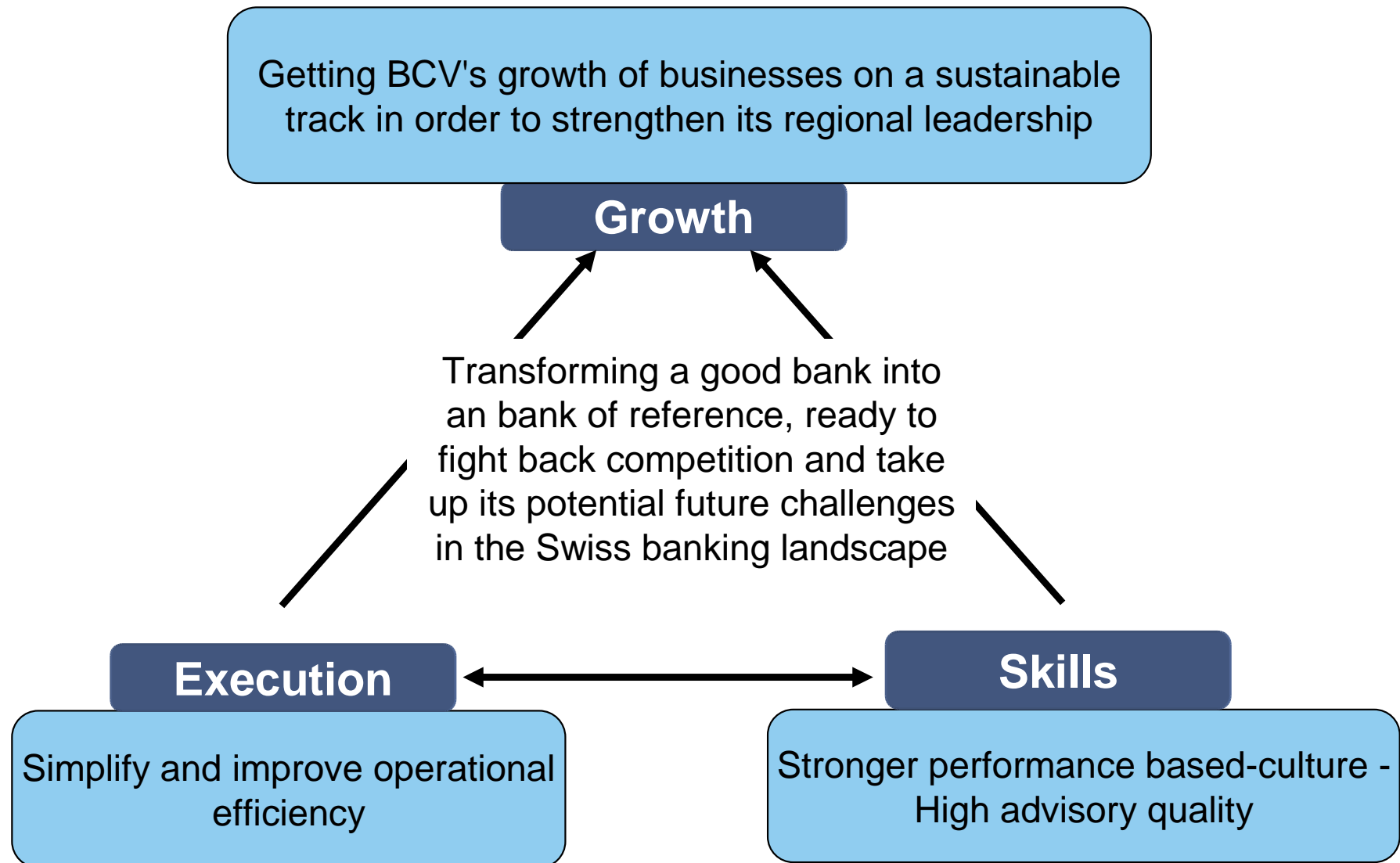
- Information Systems Management
- Back Office
- Global Custody
- Communications



- Overview
- **Our strategy**
- Figures and ratios

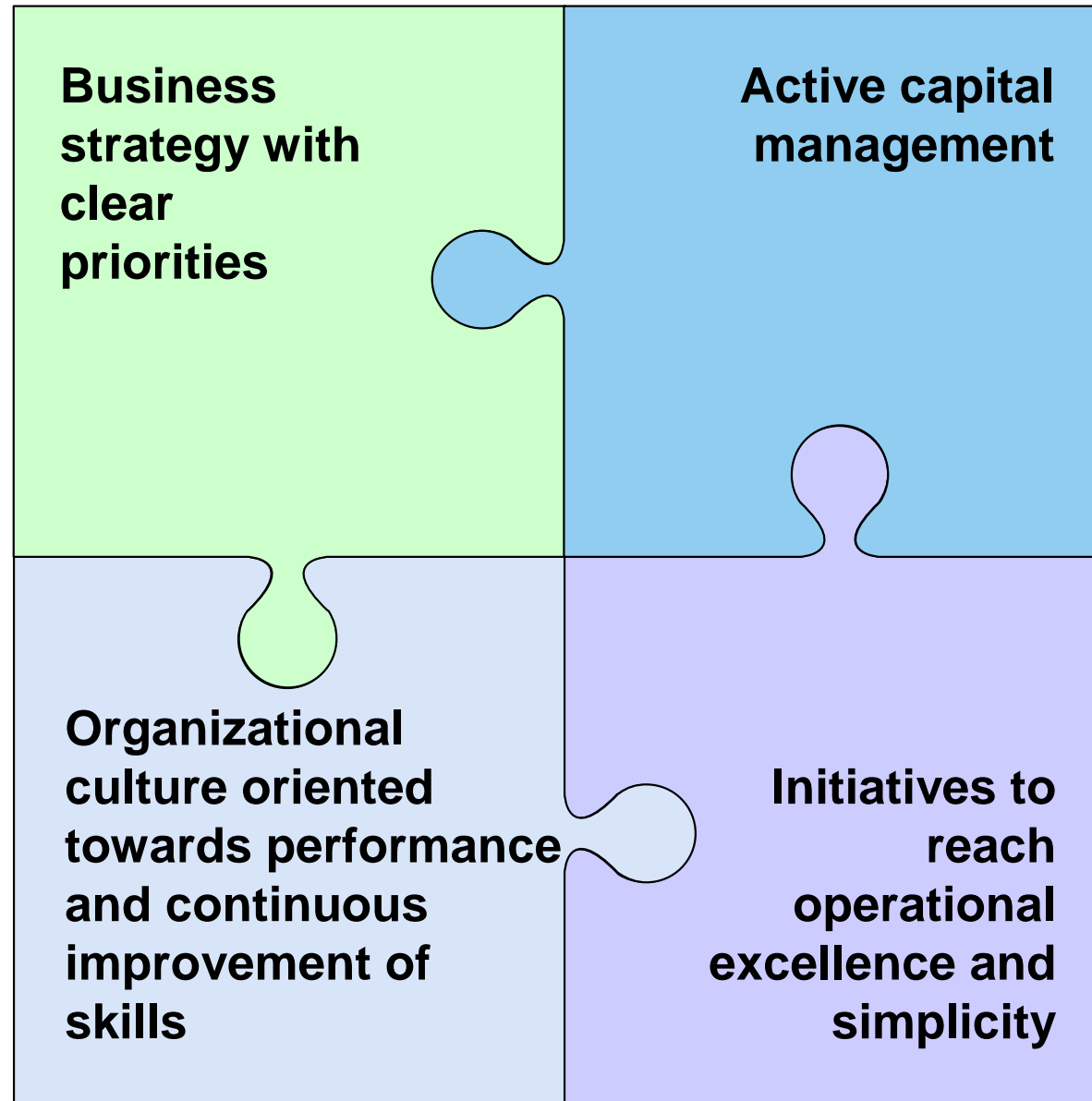


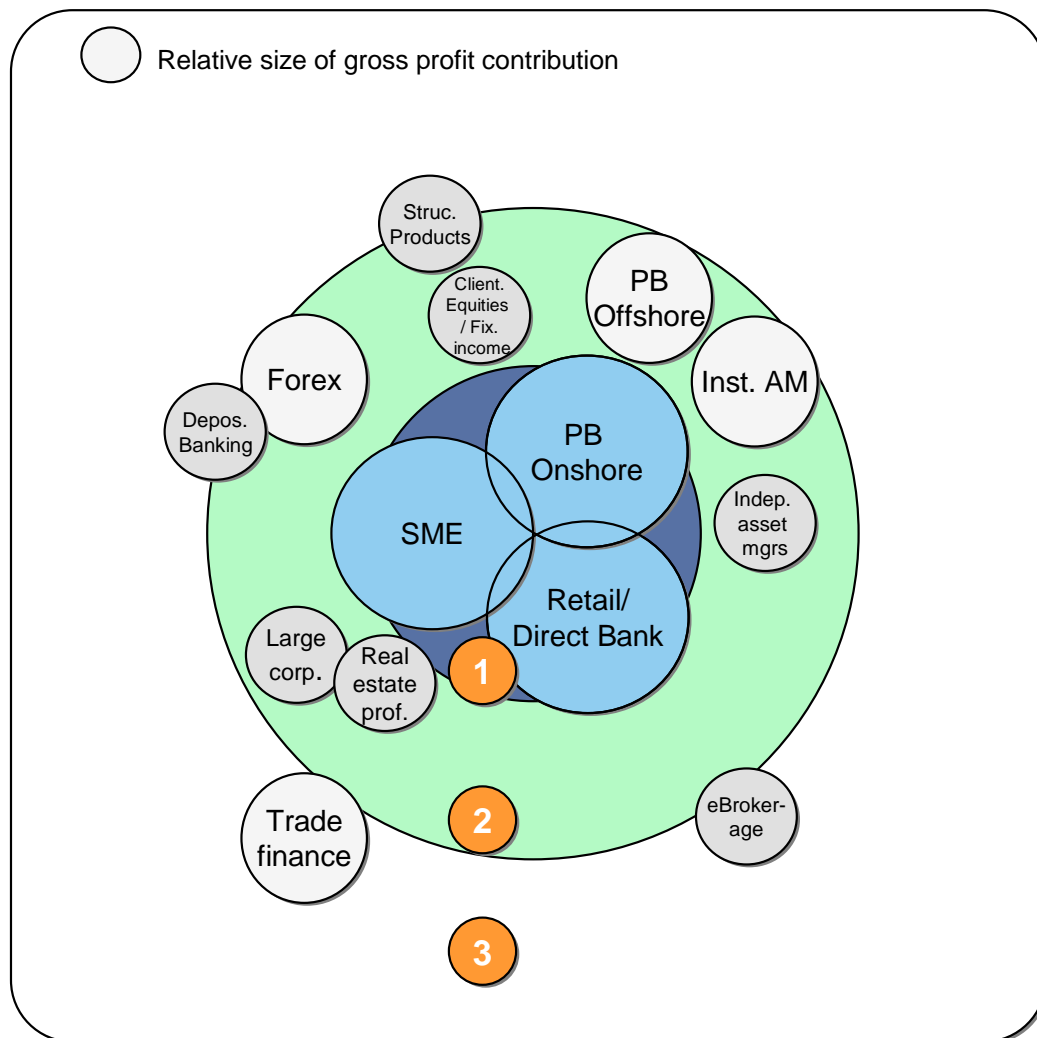
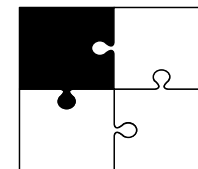
# The strategy 2009-2013 in one chart



- 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**

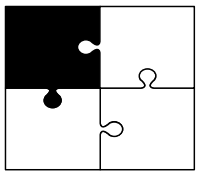
# The 4 pillars of BCV's strategy





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**



**Grow at market pace**

**Retail banking, SMEs, trading,  
PB offshore**

**Grow in the Vaud region**

**Private banking  
onshore**

**Grow in the French-speaking  
part of Switzerland**

**Piguet Galland & Cie SA**

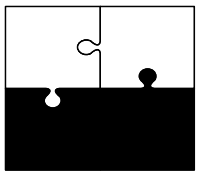
**Gain market share within  
Switzerland**

**Institutional asset management**

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

**Trade finance**

**Large corporates**



Significantly improve sales force effectiveness

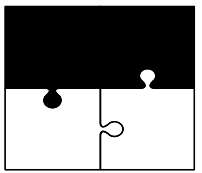
Transform the marketing function to improve market intelligence and better support the sales force

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



**Revenues**

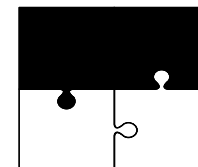
**+ 4-5% p.a.**

**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 (2011-2013)

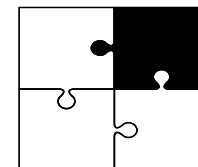
# Previously released strategic targets for key ratios confirmed



	2010	2011	Targets	
<b>C/I ratio</b>	<b>59%</b>	<b>60%</b>	<b>57%-59%</b>	
<b>ROE</b>	<b>9.8%</b>	<b>9.3%</b>	<b>13%-14%</b>	Target ratio once capital optimized Under pressure in the short-term due to capital level well above target
<b>Tier 1</b>	<b>17.6%</b>	<b>16.8%</b>	<b>13%<sup>1</sup></b>	As from July 2011, FINMA requires a total equity ratio of 150%. BCV did not revise targets since more regulatory changes are possible in 2012 and the current equity ratio is well above requirements
<b>Equity ratio (FINMA)</b>	<b>175%</b>	<b>165%</b>	<b>145%<sup>2</sup></b>	

<sup>1</sup> From 12% to 13% following the move from Basel I to Basel II as reported in August 2009

<sup>2</sup> Target FINMA total capital ratio of 145%, of which 125% of core equity



## 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

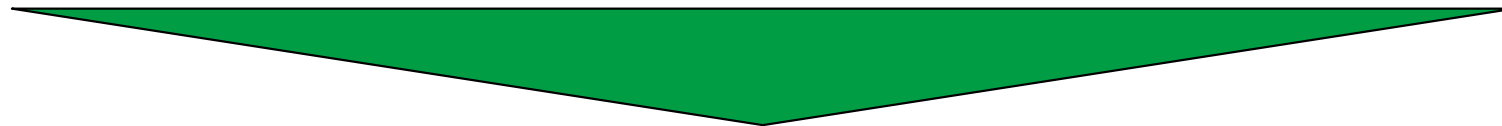
BCV aims to decrease steadily equity with an annual additional distribution payment of CHF 10 per reg. share

- Cautious stance in reaching the target capital ratios
- After five years, the FINMA capital ratio is likely to be covered by core equity in a ratio closer to **150%** than 125% (corresponding to a Tier 1 ratio of around **15%** rather than 13%)

Barring any significant changes in the economic environment and the regulatory framework or the Bank's financial situation, BCV intends to maintain this distribution level for the next five to six years following the announcement in 2008

# 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



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



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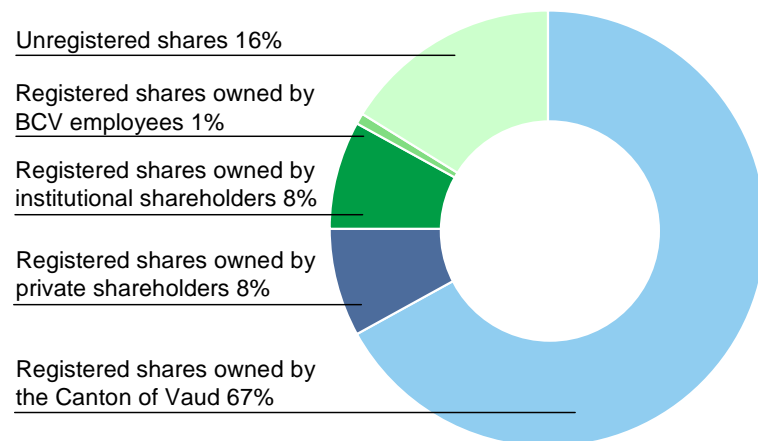
(in CHF millions)

	2007	2008	2009	2010	2011
<b>Balance sheet at 31 December</b>					
Total assets	35 337	35 239	35 733	35 585	37 903
Advances to customers	22 479	22 834	24 312	25 501	27 965
Customer deposits and bonds	27 490	28 134	29 517	29 323	31 300
Shareholders' equity	3 225	3 178	3 222	3 271	3 301
<b>Assets under management</b>	84 349	66 766	76 209	75 849	77 097
<b>Income statement</b>					
Total income	1 088	928	976	996	1 017
Operating expenses	559	505	506	516	531
Operating profit	529	423	470	480	486
Depreciation and write-offs	85	77	79	78	84
Value adjustments, provisions and losses	10	16	18	5	20
Net profit	477	358	301	314	301
<b>Headcount</b>					
Full-time equivalents	2 045	1 914	1 939	1 986	2 042

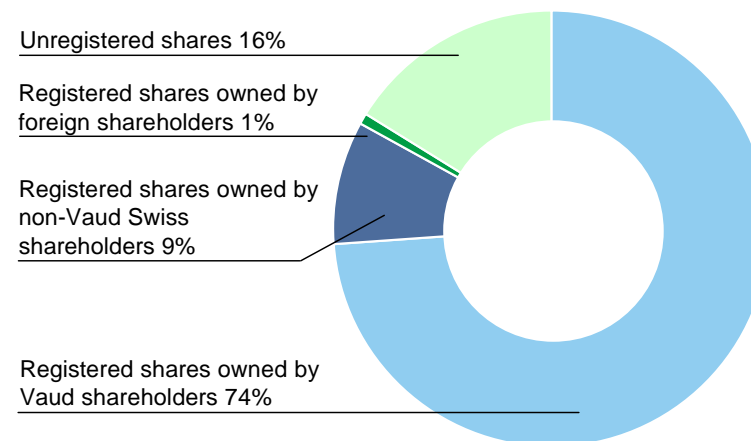
	2007	2008	2009	2010	2011
<b>Ratios</b>					
Shareholders' equity / total assets	9.1%	9.0%	9.0%	9.2%	8.7%
FINMA capital adequacy ratio	179%	180%	176%	175%	165%
BIS Tier 1 capital ratio	16.3%	16.4%	17.8%	17.6%	16.8%
BIS Total capital ratio	16.3%	16.2%	17.8%	17.6%	16.8%
Operating profit / avg. shareholders' equity	15.5%	13.1%	14.7%	14.9%	14.9%
Cost / income ratio	59.0%	62.6%	59.8%	59.5%	60.1%
Operating profit per employee (in CHF '000)	244.7	217.1	244.4	245.0	237.3
ROE	14.3%	11.2%	9.5%	9.8%	9.3%

	2007	2008	2009	2010	2011
Number of shares outstanding (thousands)	8 606	8 606	8 606	8 606	8 606
Ordinary dividend per share (in CHF)	14.0	20.0	21.0	22.0	22.0 <sup>1</sup>
Ordinary dividend yield <sup>2</sup> (%)	2.8	6.3	5.1	4.5	4.8
Total payout <sup>3</sup> (in CHF)	46.5	30.0	31.0	32.0	32.0 <sup>1</sup>
Total payout yield <sup>2</sup> (%)	9.3	9.4	7.5	6.5	7.0

## Share ownership structure



## Share ownership by geographical zone



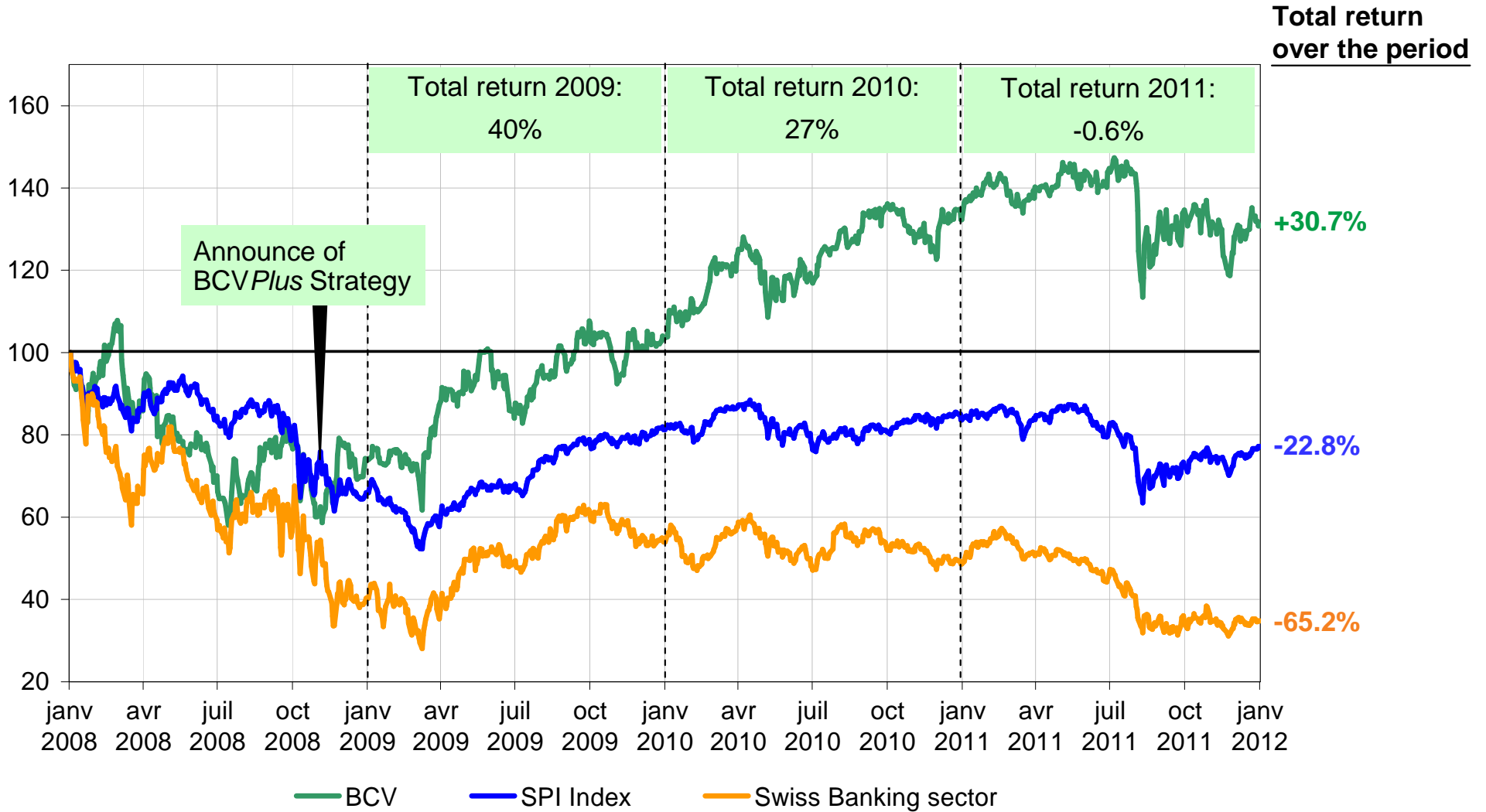
<sup>1</sup> Dividend to be proposed at the Shareholders' Meeting of 3 May 2012

<sup>2</sup> Relative to the period-end share price

<sup>3</sup> Total amount distributed to shareholders in the form of an ordinary dividend and a reimbursement of *agio* (paid-in capital above the nominal value)

# BCV total shareholder return

Total return to shareholders<sup>1</sup> (from 1 January 2008 to 31 December 2011)



<sup>1</sup> Share price performance + dividend payment + capital distribution over the period  
Source: Thomson Reuters Datastream

## Standard & Poor's

	2005	2006	2007	2008	2009	2010	2011
Long term	<b>A-</b> (stable)	<b>A</b> (stable)	<b>A+</b> (stable)	<b>AA-</b> (stable)	<b>AA-</b> (stable)	<b>AA-</b> (positive)	<b>AA</b> (stable)
Short term	<b>A-2</b>	<b>A-1</b>	<b>A-1</b>	<b>A-1+</b>	<b>A-1+</b>	<b>A-1+</b>	<b>A-1+</b>

## Moody's

	2007	2008	2009	2010	2011
Long term	<b>A1</b> (stable)	<b>A1</b> (stable)	<b>A1</b> (stable)	<b>A1</b> (stable)	<b>A1</b> (stable)
Short term	<b>Prime-1</b>	<b>Prime-1</b>	<b>Prime-1</b>	<b>Prime-1</b>	<b>Prime-1</b>

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