

BCV Presentation

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Vontobel Summer Conference
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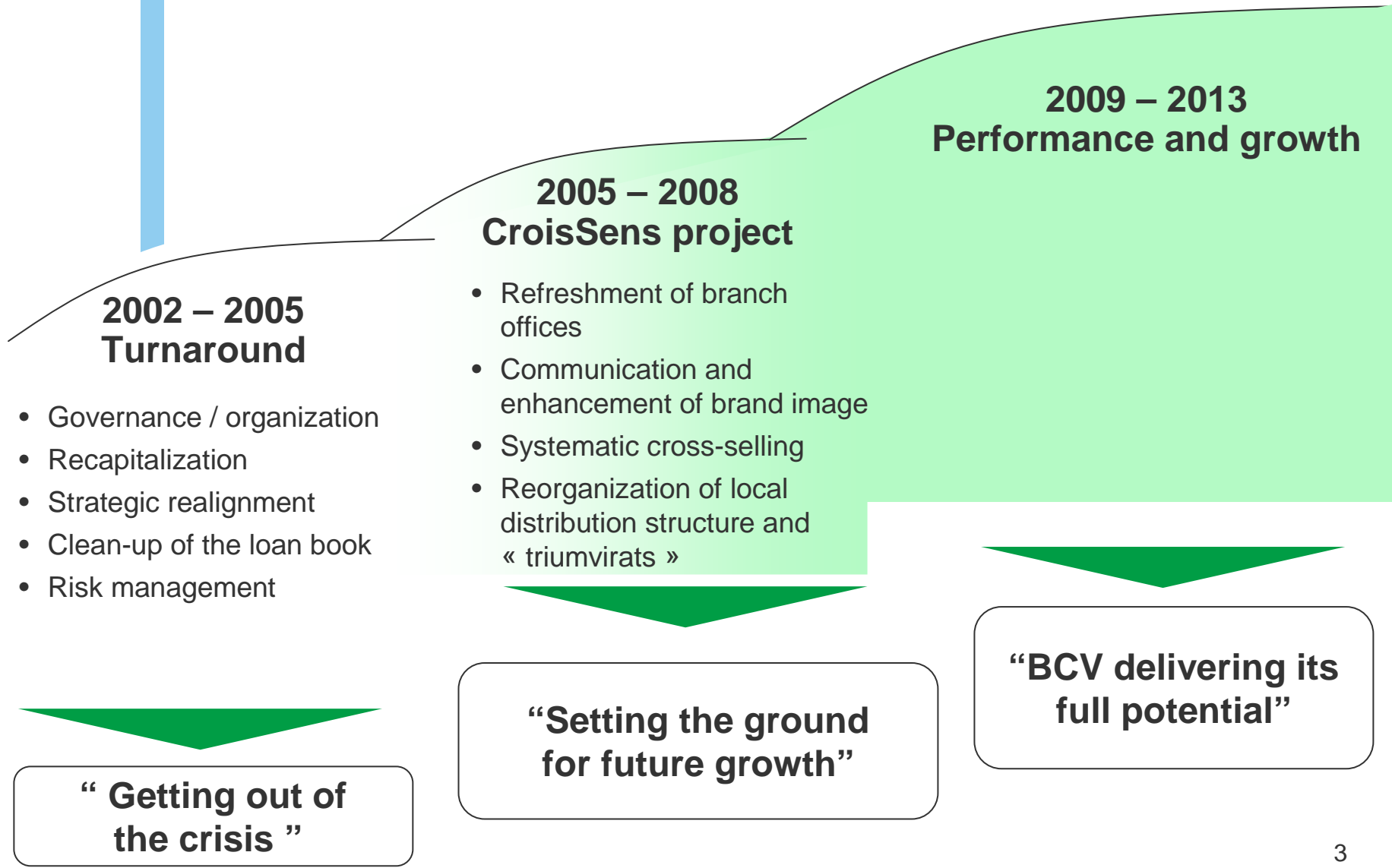


Agenda



- **BCV's business and financial strategy**
- FY 10 and Q1 11 financial results
- Shareholding and rating

Continued strategic evolution



The three BCV strategic choices

1 Value proposition for investors

2 Business model

3 Strategic development

1 Value proposition for investors

Value creation



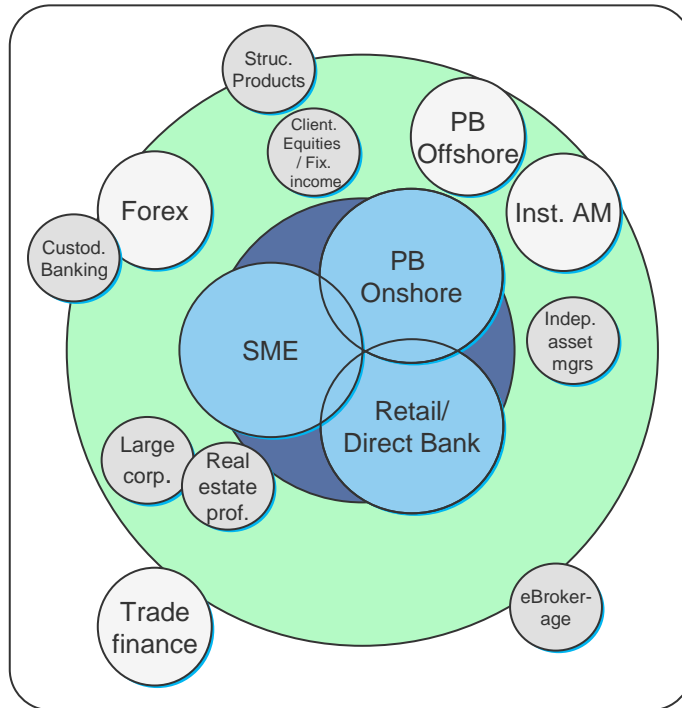
Double-digit growth

Stability

Not a long-term option
for a cantonal bank

- Earnings stability
- Low risk profile
- High payout
- Reasonable growth for lasting value creation

2 Solid business model with low risk profile



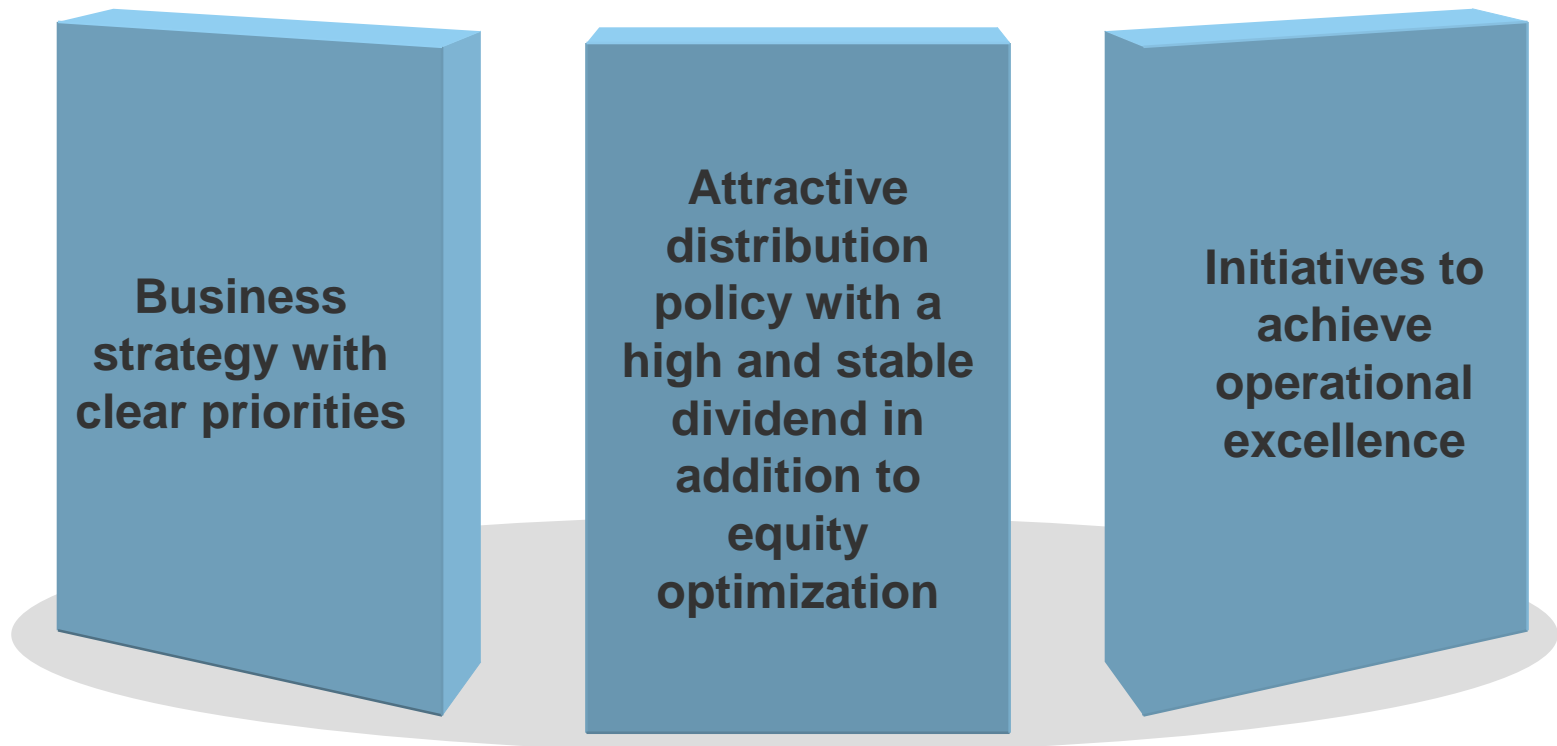
**3 core businesses bring stability:
Retail banking, SMEs and PB
onshore**

**10 out of the 11 other businesses
generate synergies with the 3
core businesses**

**BCV only develops businesses
with a low risk profile or
recognized expandable know-
how outside the canton**

**Proprietary trading and
investment activities have been
divested**

Strategic development: the pillars of BCVPlus



Main strategic business developments

Grow at the same pace as the market

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

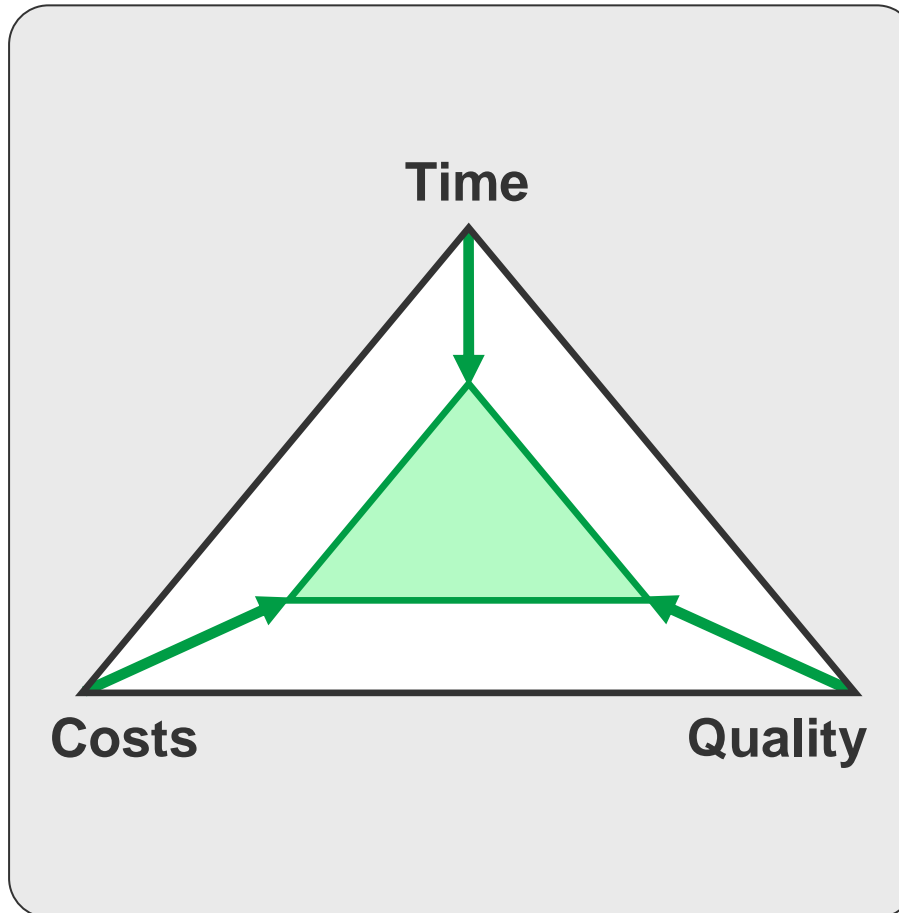
Institutional asset management

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

Trade finance

Large corporates

Targeting operational excellence



A bank-wide strategic approach

A differentiating factor in a mature sector

Contributes to earnings growth

Turns a good bank into an excellent bank

Continuously optimizing time, costs and quality variables

Main strategic initiatives

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

Growth targets

Revenues

+ 4-5% p.a.

**Operating
profit**

+ 5-8% p.a.

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

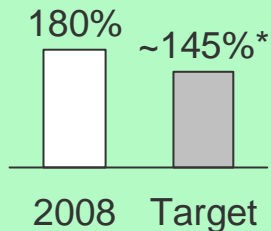
Attractive distribution policy in line with strategic development

Dividend policy

Aimed at paying a high dividend that increases slightly in line with business growth

Positioning BCV share as a yield investment

Equity optimization



Almost no opportunity for a major acquisition in Switzerland with accretive value

Limited equity needed to finance organic growth

Cautious stance in returning excess equity to shareholders

* According to FINMA requirements in 2008 – to be adjusted to new requirements

Distribution policy announced in 2008

Ordinary dividends

BCV aims to pay a stable dividend, increasing slightly in line with business growth, of between **CHF 20 and CHF 25 per share**

+

Equity optimization

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

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

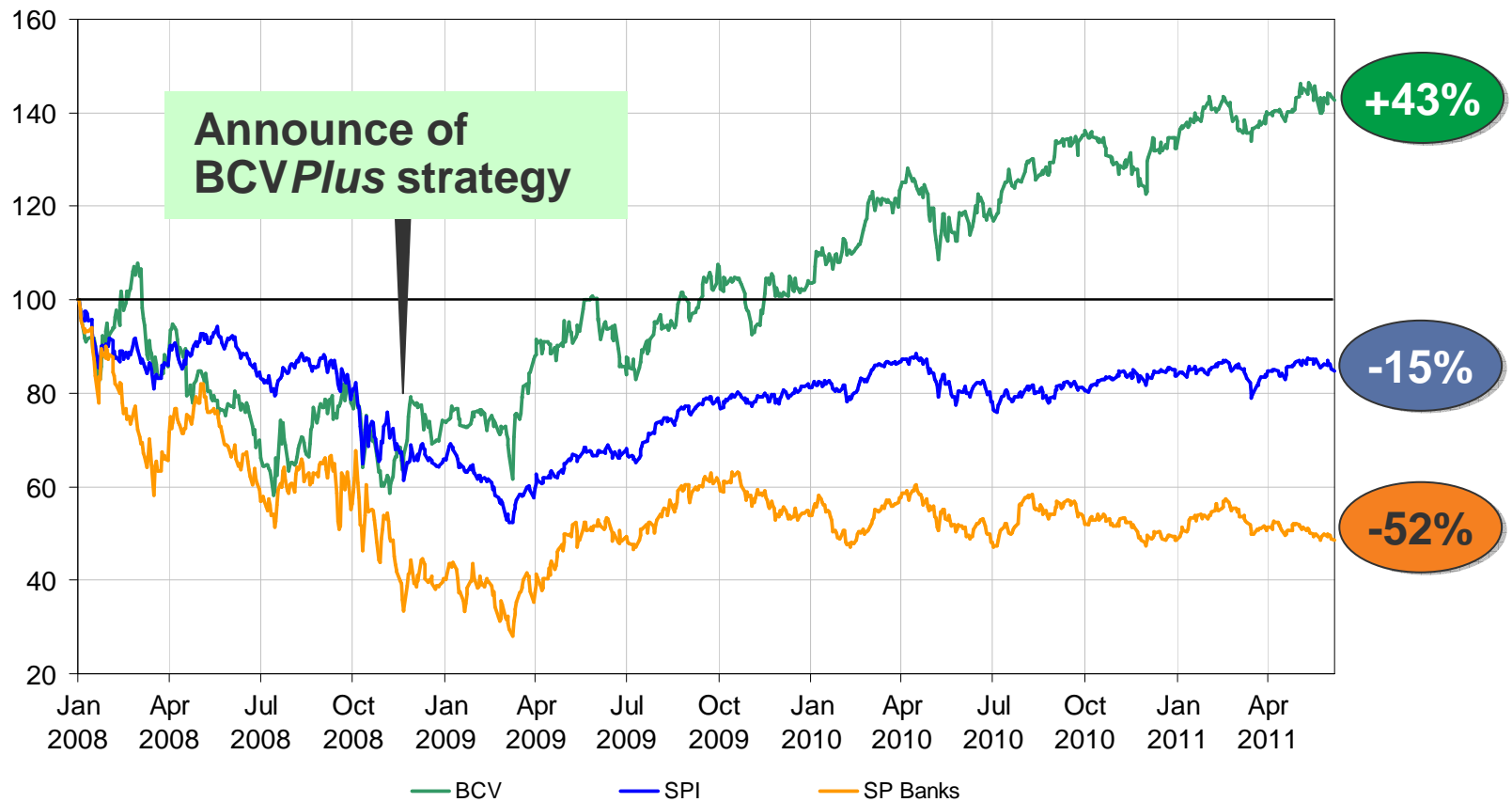
Distribution policy implemented

	2008	2009	2010
Ordinary dividend per share	CHF 20	CHF 21	CHF 22
Equity optimization per share	CHF 10	CHF 10	CHF 10
Total	CHF 258m	CHF 267m	CHF 275m
Total payout yield (Relative to period-end share price)	9.4%	7.5%	6.5%

CHF 800m distributed to shareholders out of net profit of CHF 973m over the last three years

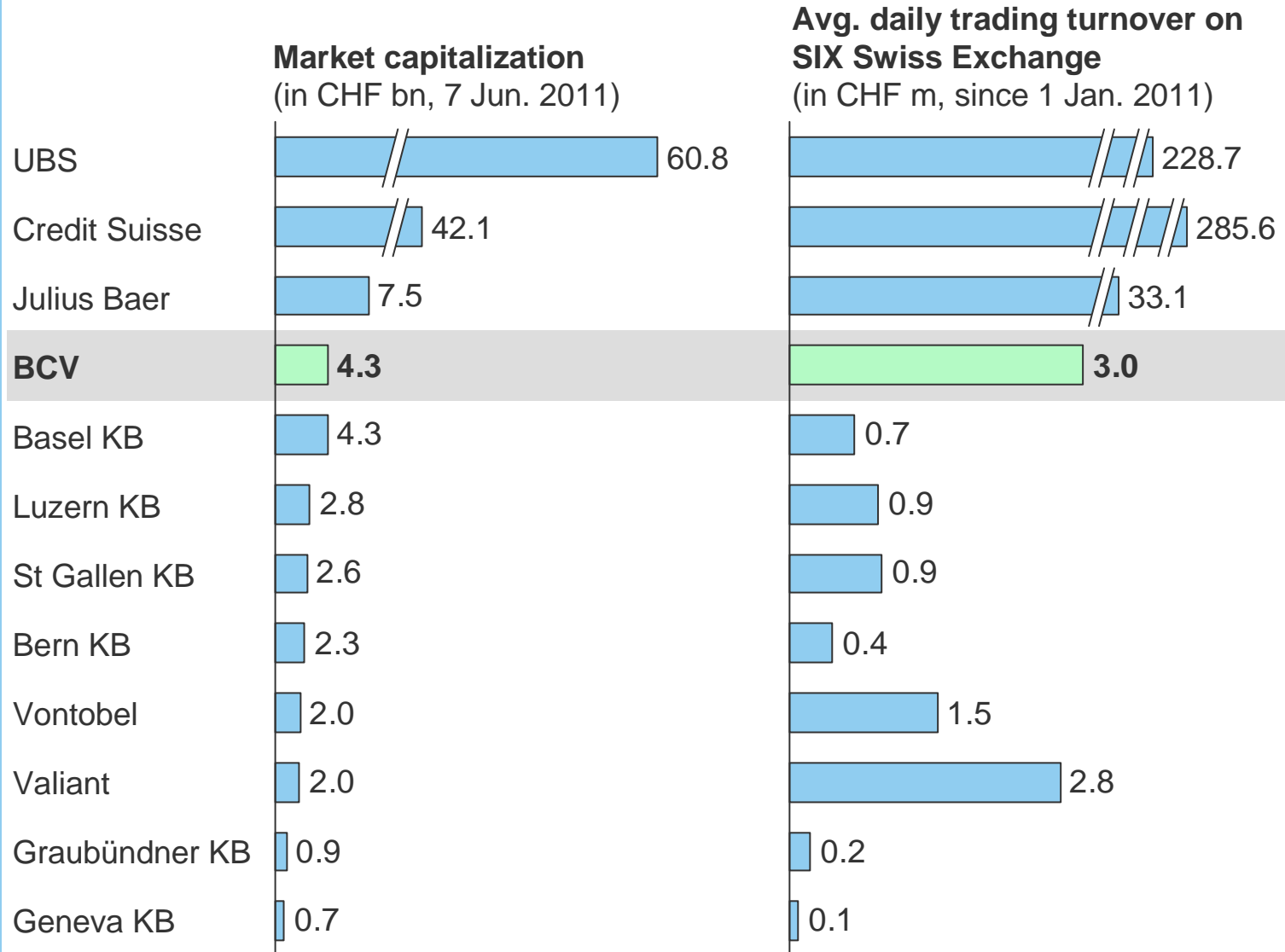
BCV shareholder return

Total return to shareholders¹ (from 01.01.2008 to 06.06.2011)

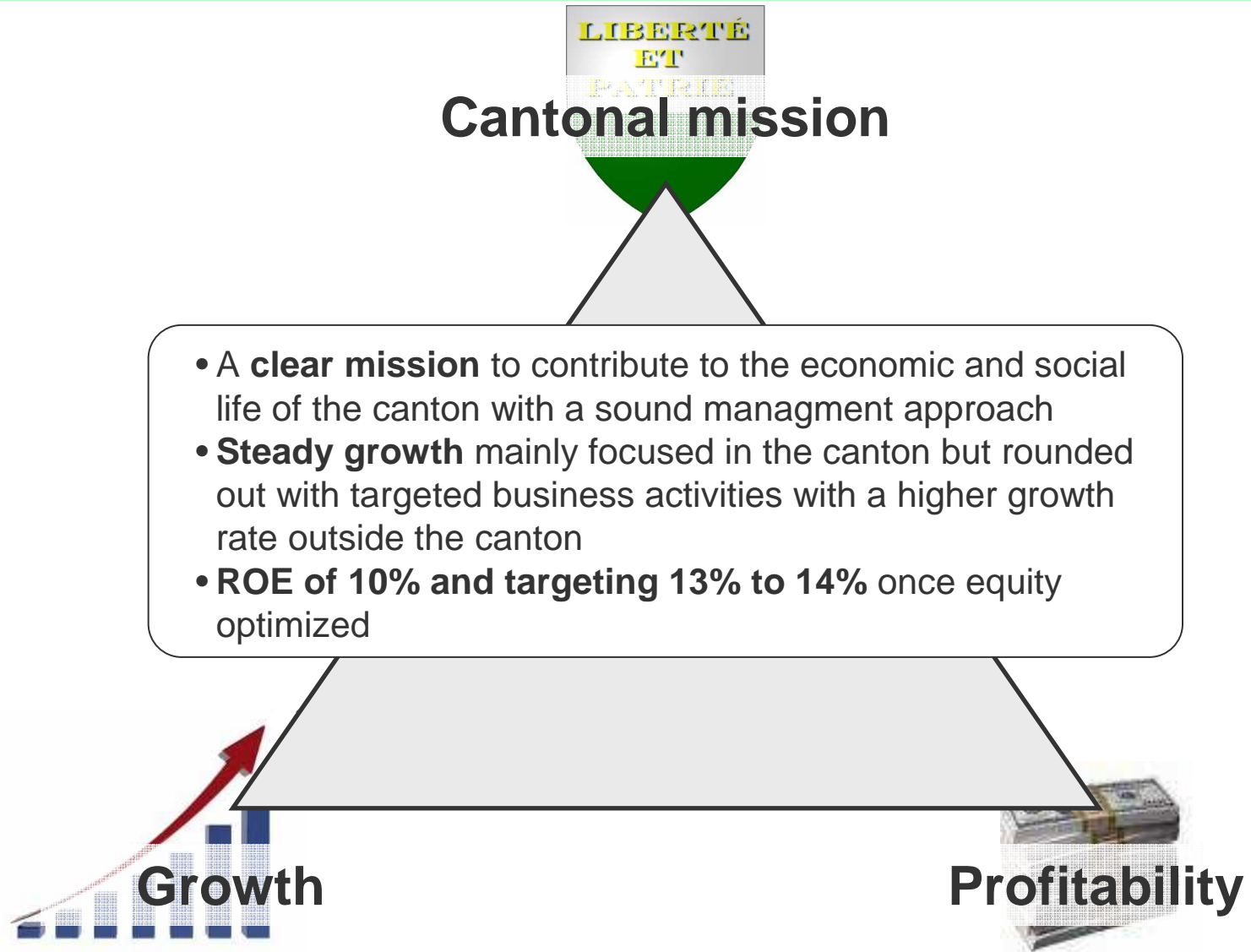


¹ Share price performance + dividend payment + capital distribution over the period
Source: Thomson Reuters Datastream

BCV is the fourth listed Swiss bank



BCV reconciles its cantonal mission with growth and profitability





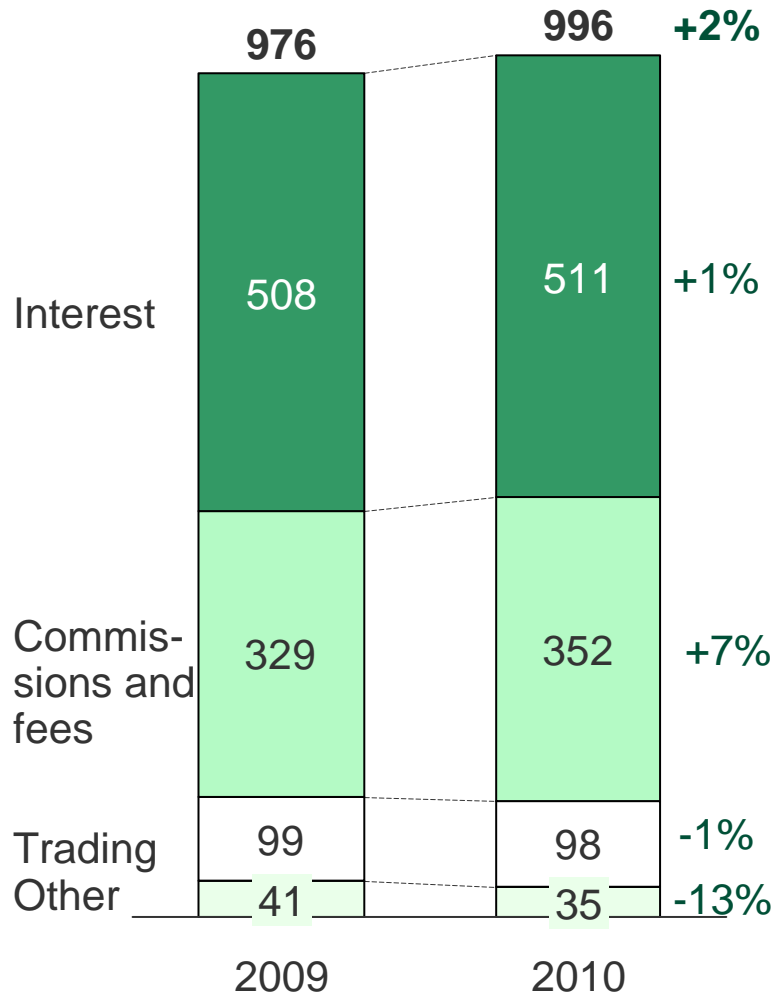
- BCV's business and financial strategy
- **FY 10 and Q1 11 financial results**
- Shareholding and rating

FY 2010 key numbers

		Change vs. 2009
Total assets	CHF 35.6bn	-0.4%
AuM	CHF 75.8bn	-0.5%
Total income	CHF 996m	+2%
Operating profit	CHF 480m	+2%
Net profit	CHF 314m	+4%
Tier 1 ratio	17.6%	
ROE	9.8%	
Total staff	1,986 FTEs	
Branches	68 staffed outlets + 45 automated banking centers	

Revenues

CHF millions (rounded)



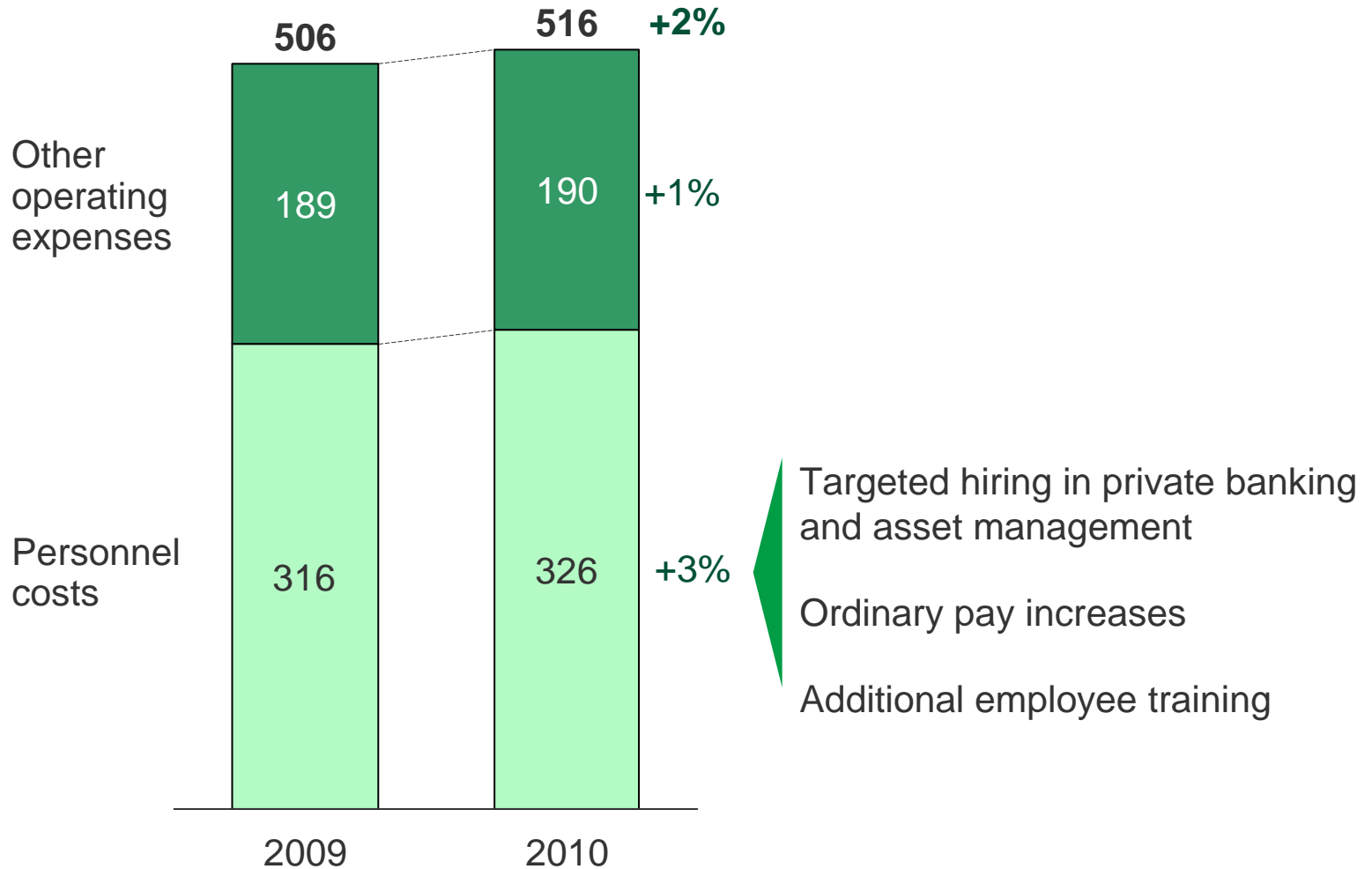
Interest income up slightly as a result of a prudent approach to liquidity management and a low interest-rate environment

Increase in commissions and fees, mainly on wealth management business

Trading revenues once again high, thanks largely to customer-driven forex transactions

Operating expenses

CHF millions (rounded)



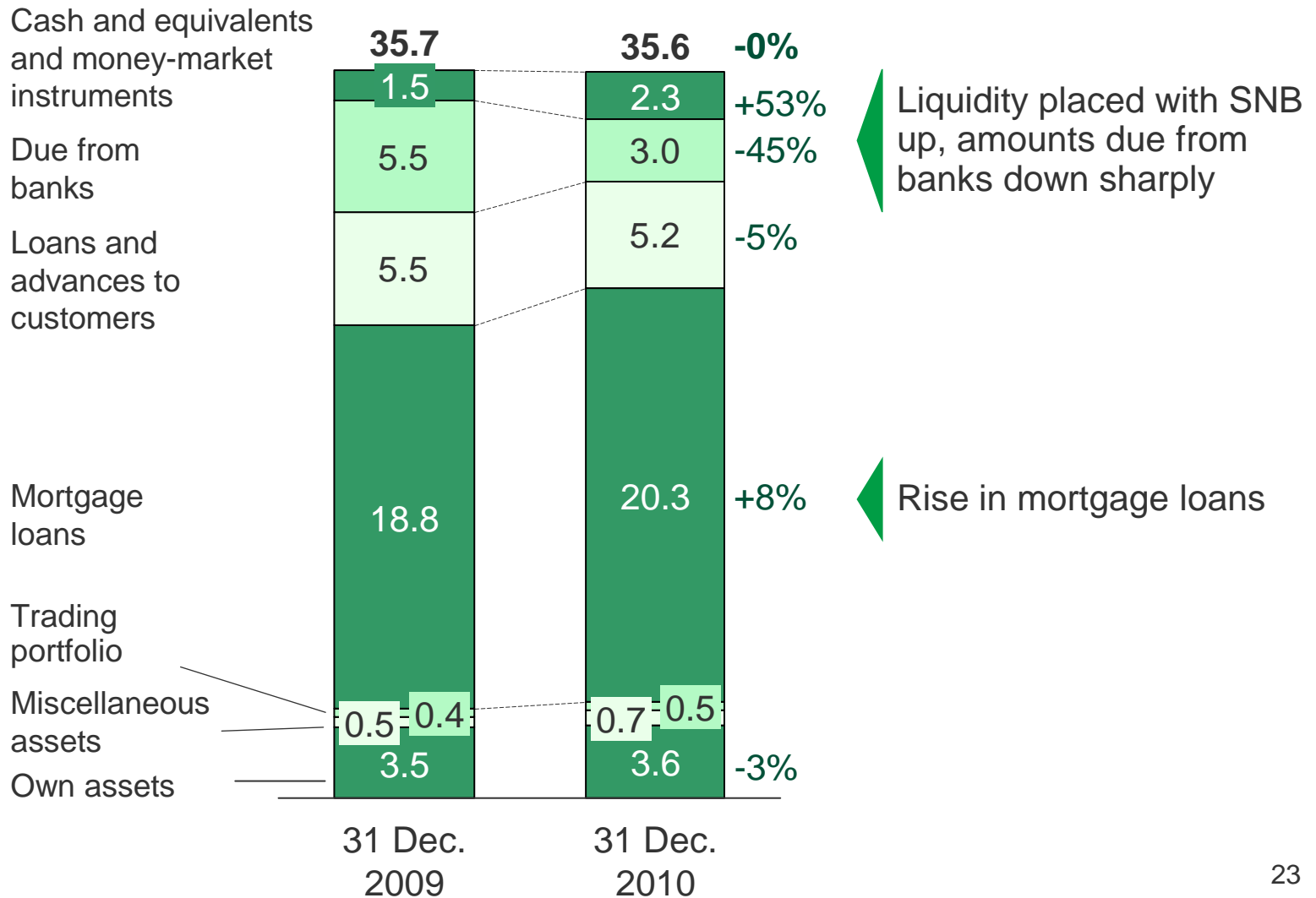
Income statement

CHF millions (rounded)

	FY 10	FY 09	Change	
Total revenues	996	976	+20	+2%
Operating expenses	-516	-506	+10	+2%
Operating profit	480	470	+10	+2%
Depreciation	-78	-79	-1	-2%
Value adjustments, provisions & losses	-5	-18	-13	-71%
Extraordinary income	45	17	+28	+168%
Extraordinary expenses	-35	-0	+35	-
Taxes	-93	-88	+5	+6%
Net profit (before minority interests)	314	301	+13	+4%

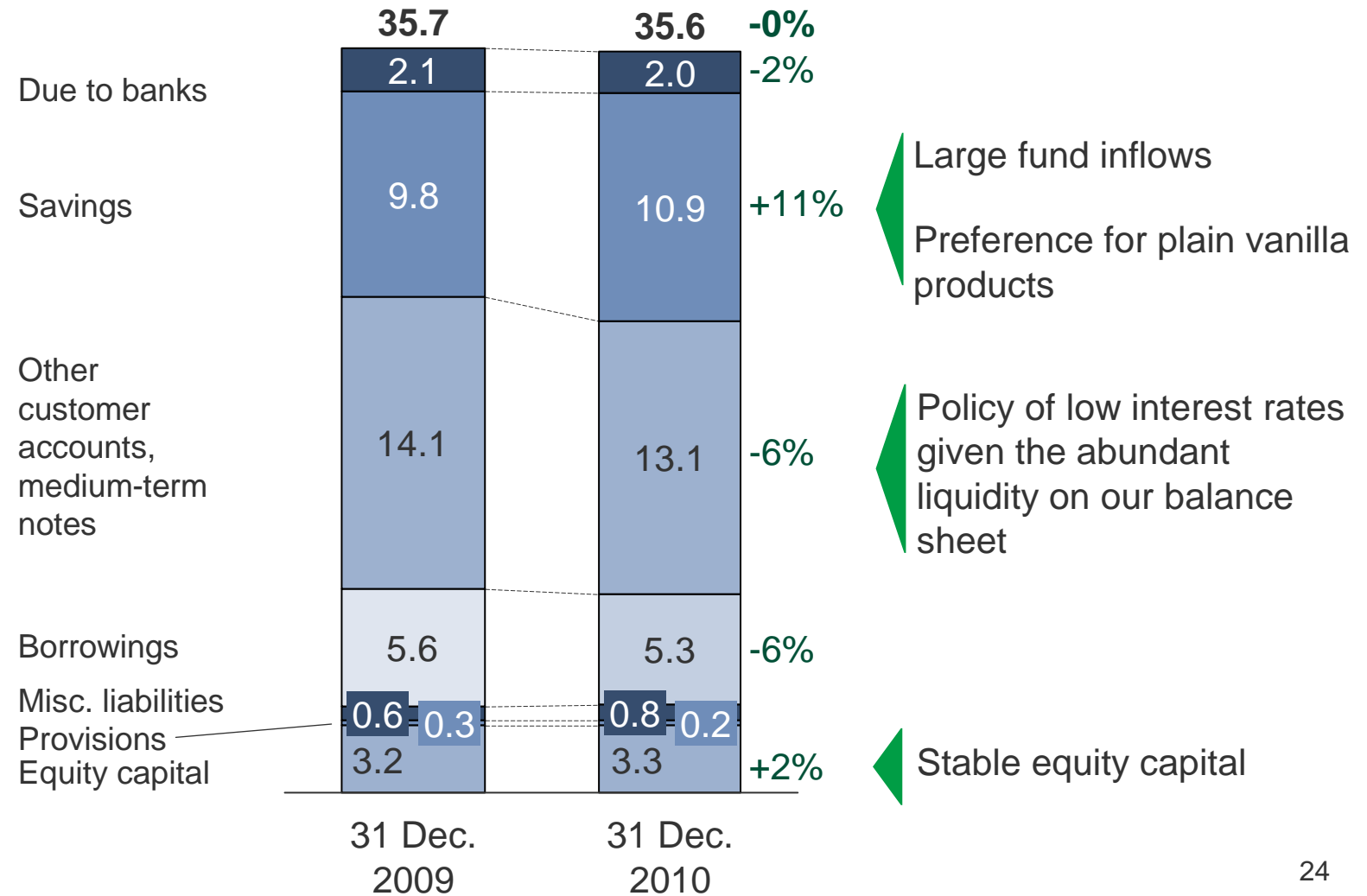
Assets

CHF billions (rounded)



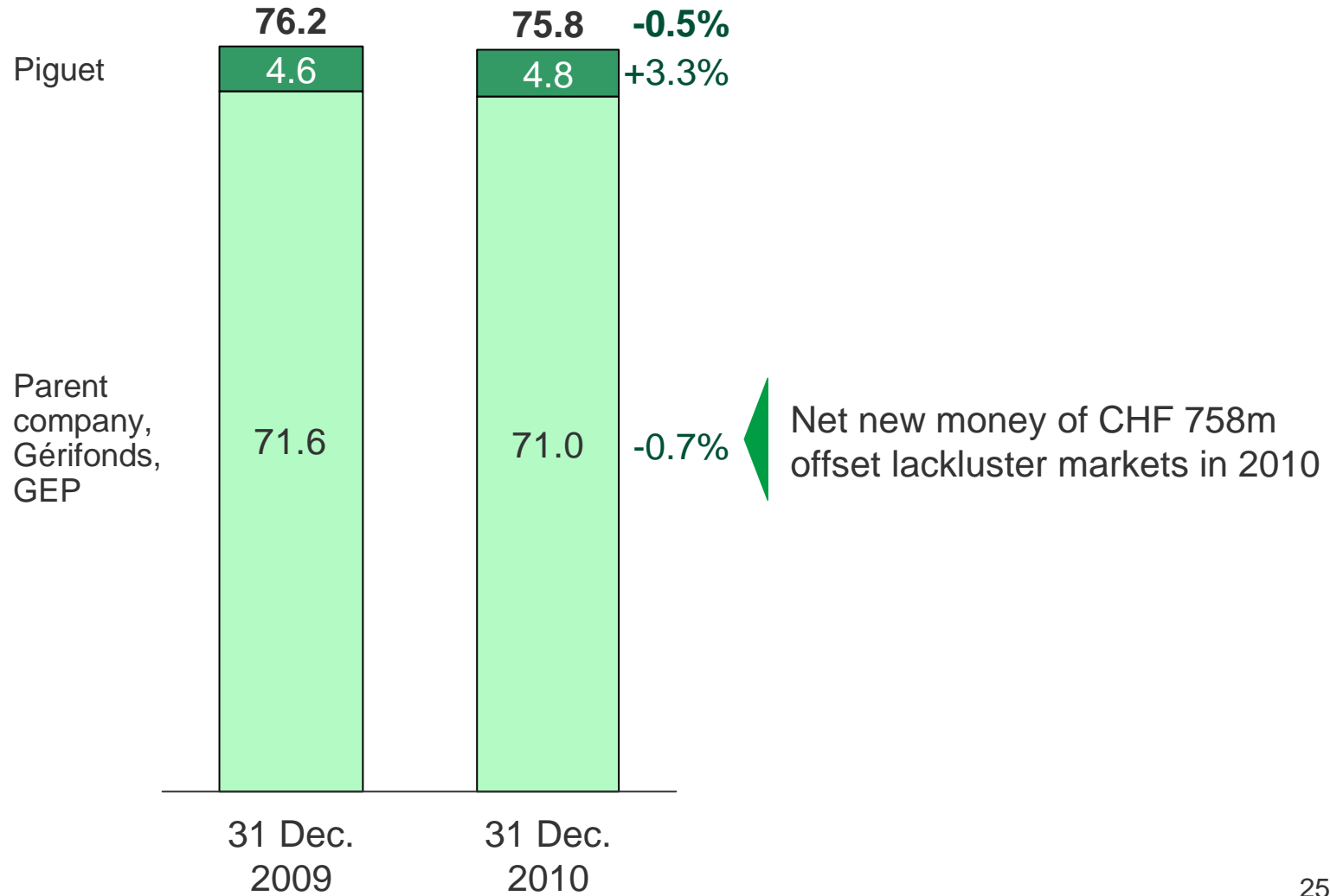
Liabilities

CHF billions (rounded)



Assets under management (AuM)

CHF billions (rounded)



Key ratios at 31 December

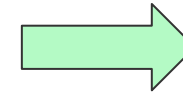
		2006	2007	2008	2009	2010
Asset quality and balance sheet structure	Impaired loans/ credit exposure	4.6%	2.6%	2.2%	1.9%	1.6%
	Customer deposits/ loans to customers	85%	93%	97%	98%	94%
	Interest margin	1.39%	1.53%	1.51%	1.45%	1.45%
Equity capital¹	FINMA capital adequacy ratio ¹	199%	179%	180%	176%	175%
	FINMA capital ratio ¹	15.9%	14.3%	14.4%	14.1%	14.0%
	BIS Tier 1 capital ratio ¹	18.3%	16.3%	16.4%	17.8%	17.6%
Productivity	Cost/income (excluding goodwill)	59%	59%	63%	60%	59%
Financial performance	ROE (net profit/ave. equity)	16.0%	14.3%	11.2%	9.5%	9.8%

¹ Since 1 January 2009, BCV's capital requirements have been determined in accordance with the Basel II Foundation IRB approach

Main business trends in Q1 2011

CHF (rounded)

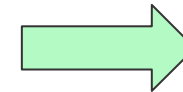
Increase in mortgage loans



+389m

+2%

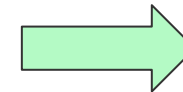
Rise in other loans to customers¹



+151m

+3%

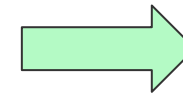
Increase in savings deposits



+235n

+2%

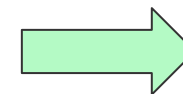
Rise in AuM (incl. CHF 3.2bn in assets managed by Banque Franck Galland)



+5.0bn

+7%

Net new money



+0.9bn

¹ Balance-sheet lending

Total income up 4%

CHF millions (unaudited)

	Q1 11	Q1 10	Change	
Net interest income	126.0	127.8	-1.8	-1%
Net fee, commission income	90.3	87.7	+2.6	+3%
Net trading income	28.6	23.0	+5.6	+24%
Other ordinary income	6.7	4.4	+2.3	+52%
Total income from ordinary banking operations	251.6	242.9	+13	+4%

Operating profit up 4%

CHF millions (unaudited)

	Q1 11	Q1 10	Change	
Total income	251.6	242.9	+8.7	+4%
Total operating expenses	-133.1	-129.1	+4.0	+3%
Operating profit	118.5	113.8	+4.7	+4%

Agenda

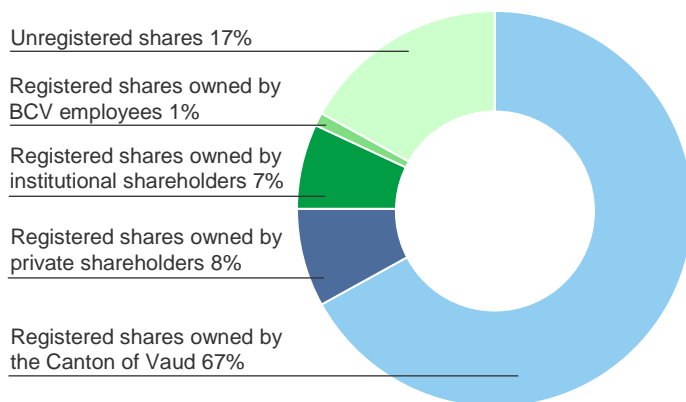


- BCV's business and financial strategy
- FY 10 and Q1 11 financial results
- **Shareholding and ratings**

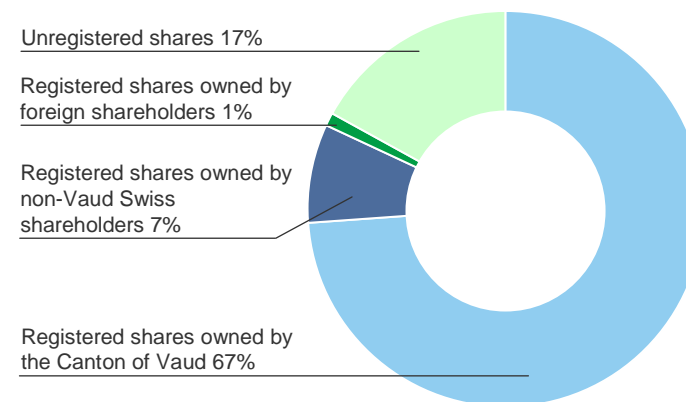
Share ownership structure

	2006	2007	2008	2009	2010
Number of shares outstanding (thousands)	8 590	8 606	8 606	8 606	8 606
Ordinary dividend per share (in CHF)	7.0	14.0	20.0	21.0	22.0 ¹
Ordinary dividend yield ² (%)	1.2	2.8	6.3	5.1	4.5
Total payout ³ (in CHF)	7.0	46.5	30.0	31.0	32.0 ¹
Total payout yield ² (%)	1.2	9.3	9.4	7.5	6.5

Share ownership structure



Share ownership by geographical zone



¹ Dividend to be proposed at the Shareholders' Meeting of 5 May 2011

² Relative to the period-end share price

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

Standard & Poor's

	2005	2006	2007	2008	2009	2010
Long term	A- (stable)	A (stable)	A+ (stable)	AA- (stable)	AA- (stable)	AA- (positive)
Short term	A-2	A-1	A-1	A-1+	A-1+	A-1+

Moody's

	2007	2008	2009	2010
Long term	A1 (stable)	A1 (stable)	A1 (stable)	A1 (stable)
Short term	Prime-1	Prime-1	Prime-1	Prime-1

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