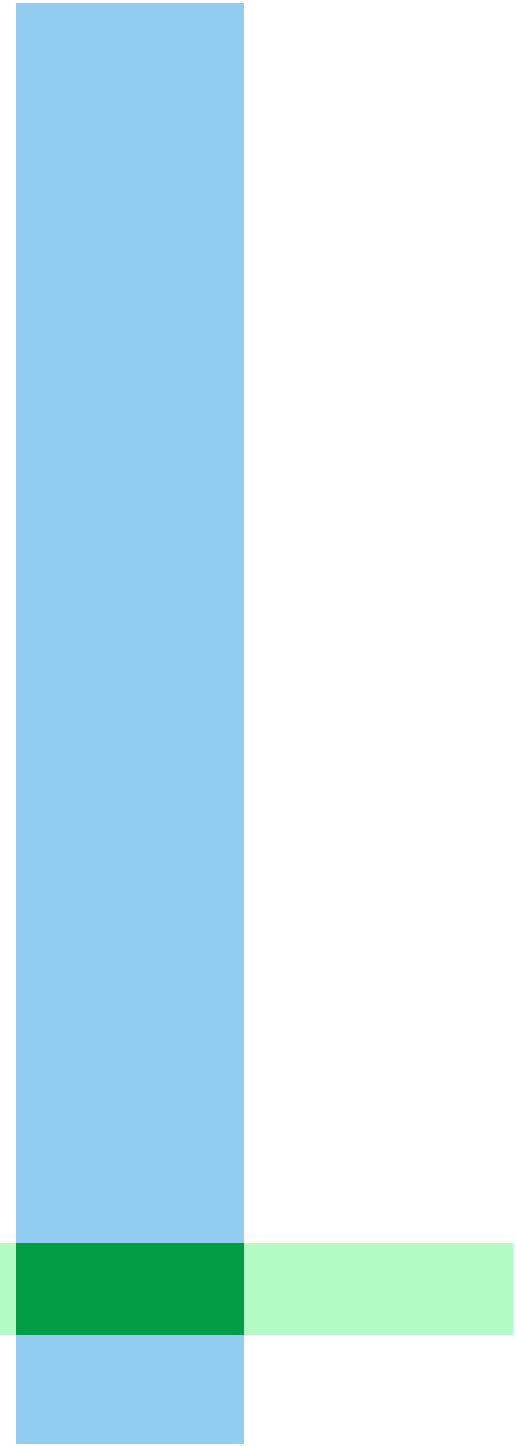
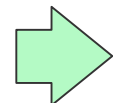


# BCV Group - Background and strategy

London, October 2<sup>nd</sup> 2006



- 
- 1. Introduction to BCV**
  2. BCV history and strategic repositioning
  3. Strategy going forward

# Legal structure and capital

(as of 30.08.2006)

## n By-laws

- Public limited company without state guarantee
- Main shareholder: Canton of Vaud with 67.3% of the group's registered share capital and 100% share of the participation certificates
- The cantonal bank status requires a minimal 33% shareholder stake level from the State of Vaud.

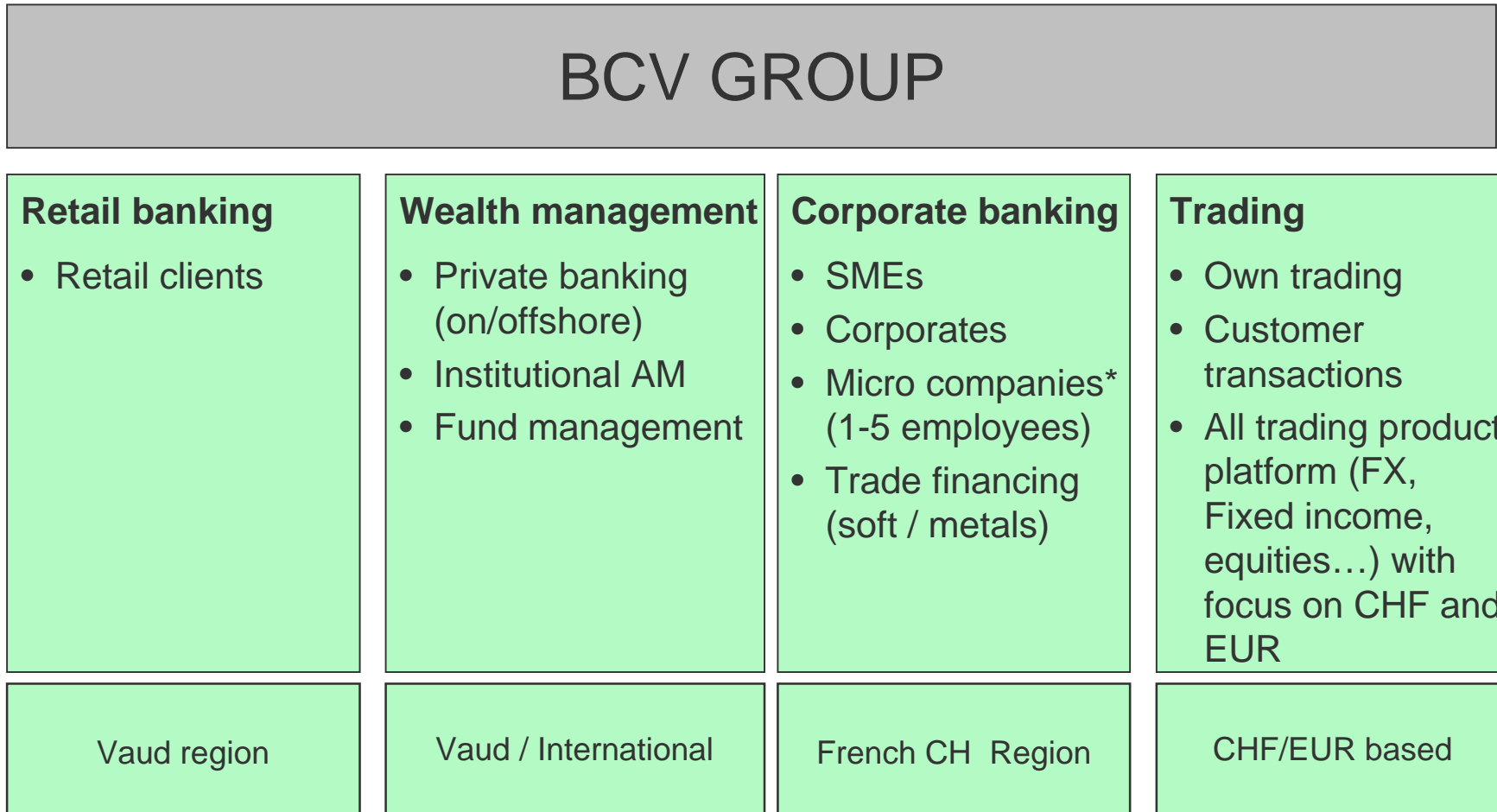
## n Share capital

- CHF 535.3 mn or 8'565'190 reg. shares of CHF 62.5 par value (listed on the SWX)

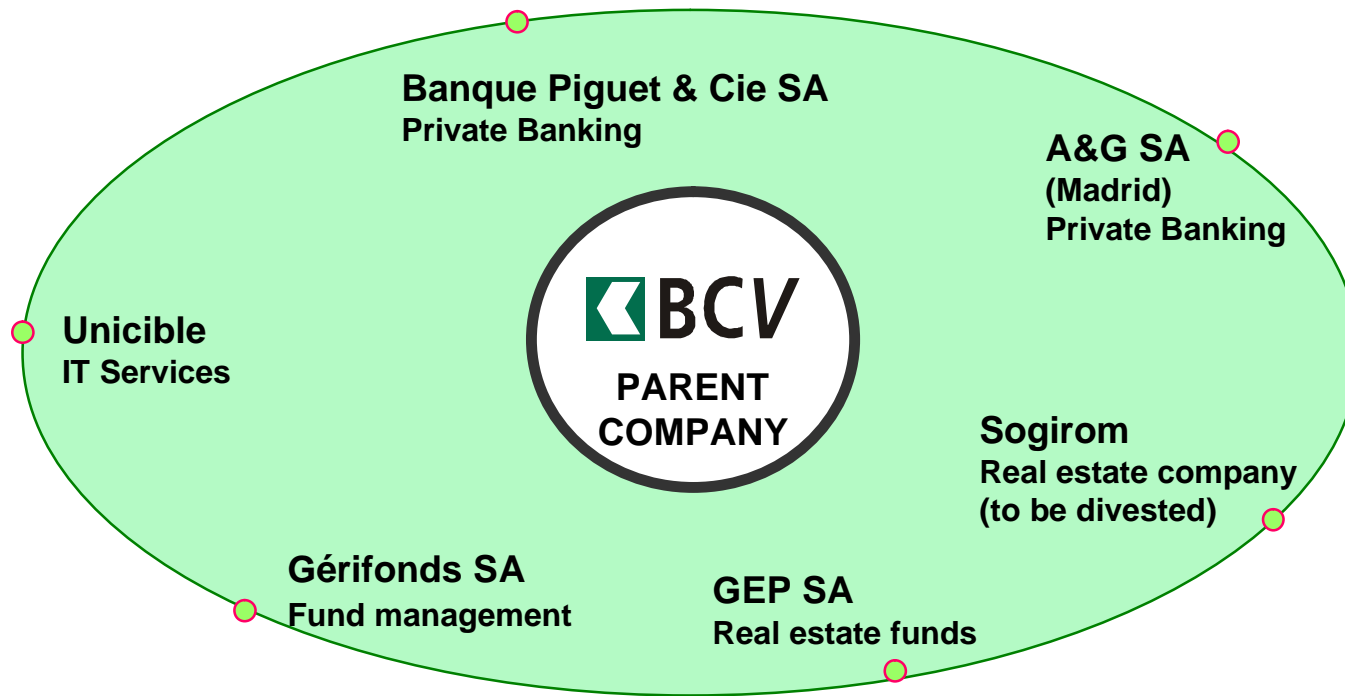
## n PC's

- CHF 460.5 mn or 7'367'790 participation certificates of CHF 62.5 par value (not listed)

# BCV has four main business areas



# Main affiliates within the BCV Group



## Key data (as of 31.12.2005)



(in CHF rounded)

	31.12.2005	31.12.2004	Var %
n <b>Total assets</b>	34.9 bn	32.3 bn	+ 8.0%
n <b>Equity</b>	3.2	2.9 bn	+10.6%
n <b>AUM</b>	71.7 bn	64.1 bn	+12.0%
n <b>Full time equivalents</b>	2349	2423	- 3.1%
<hr/>			
n <b>Revenue</b>	1037.7 mn	944.1 mn	+9.9%
n <b>Net profit*</b>	454.2 mn	334.9 mn	+35.6%

Source: BCV annual report and press release

\* After minorities

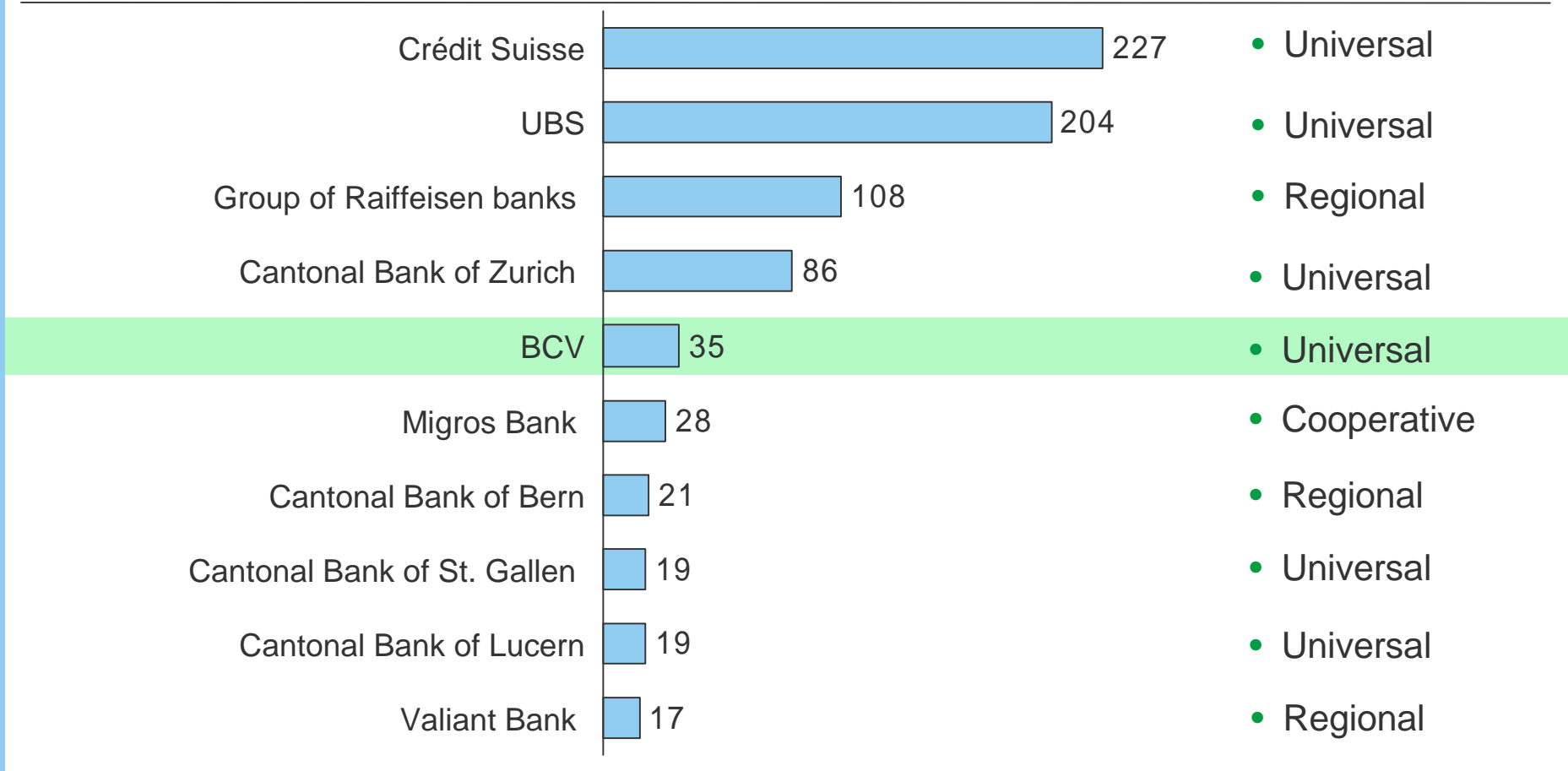
# BCV, the fourth largest universal Swiss bank



As of 31.12.2005

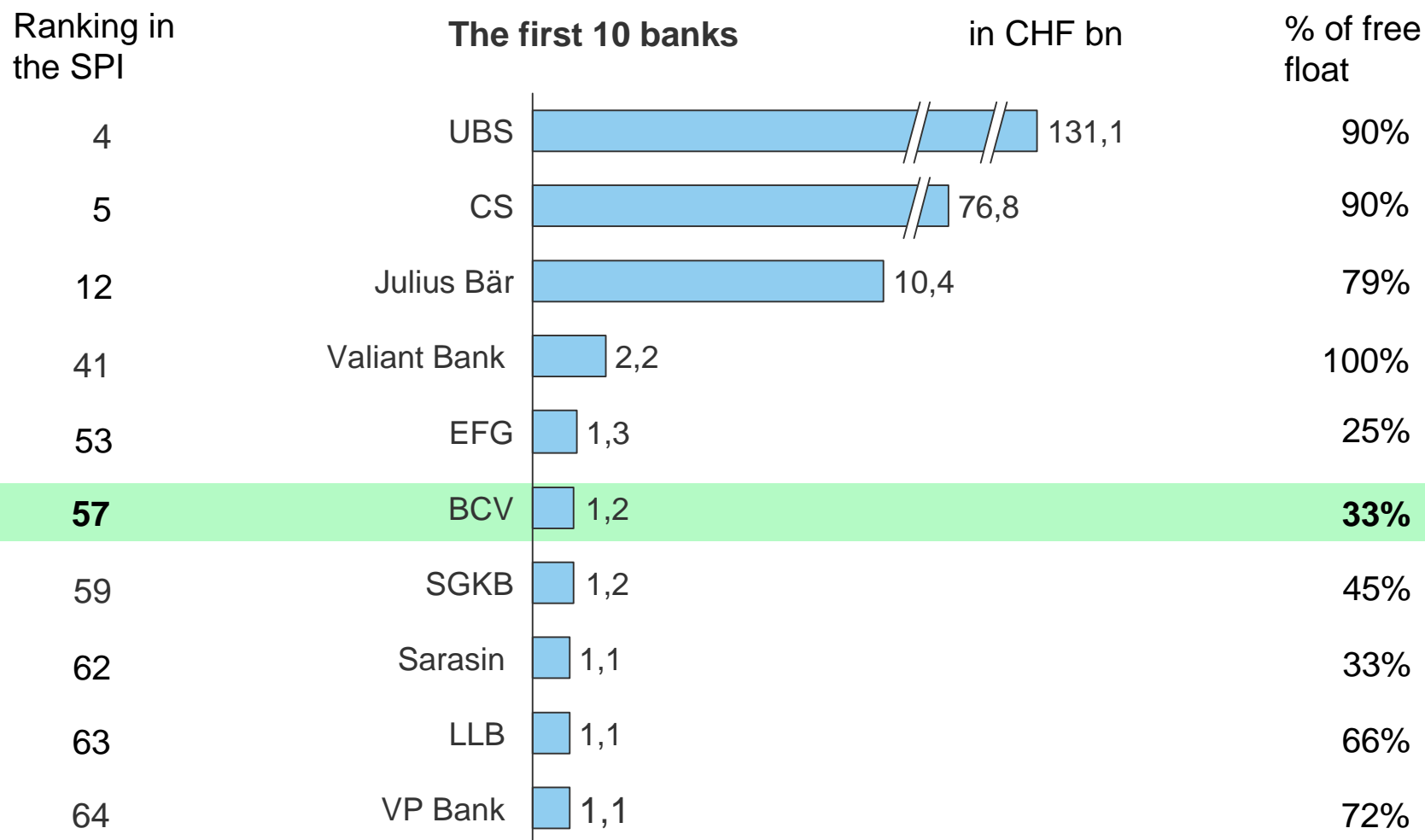
Total assets (CHF bn)

Type



\*Swiss activities only  
Sources: annual reports

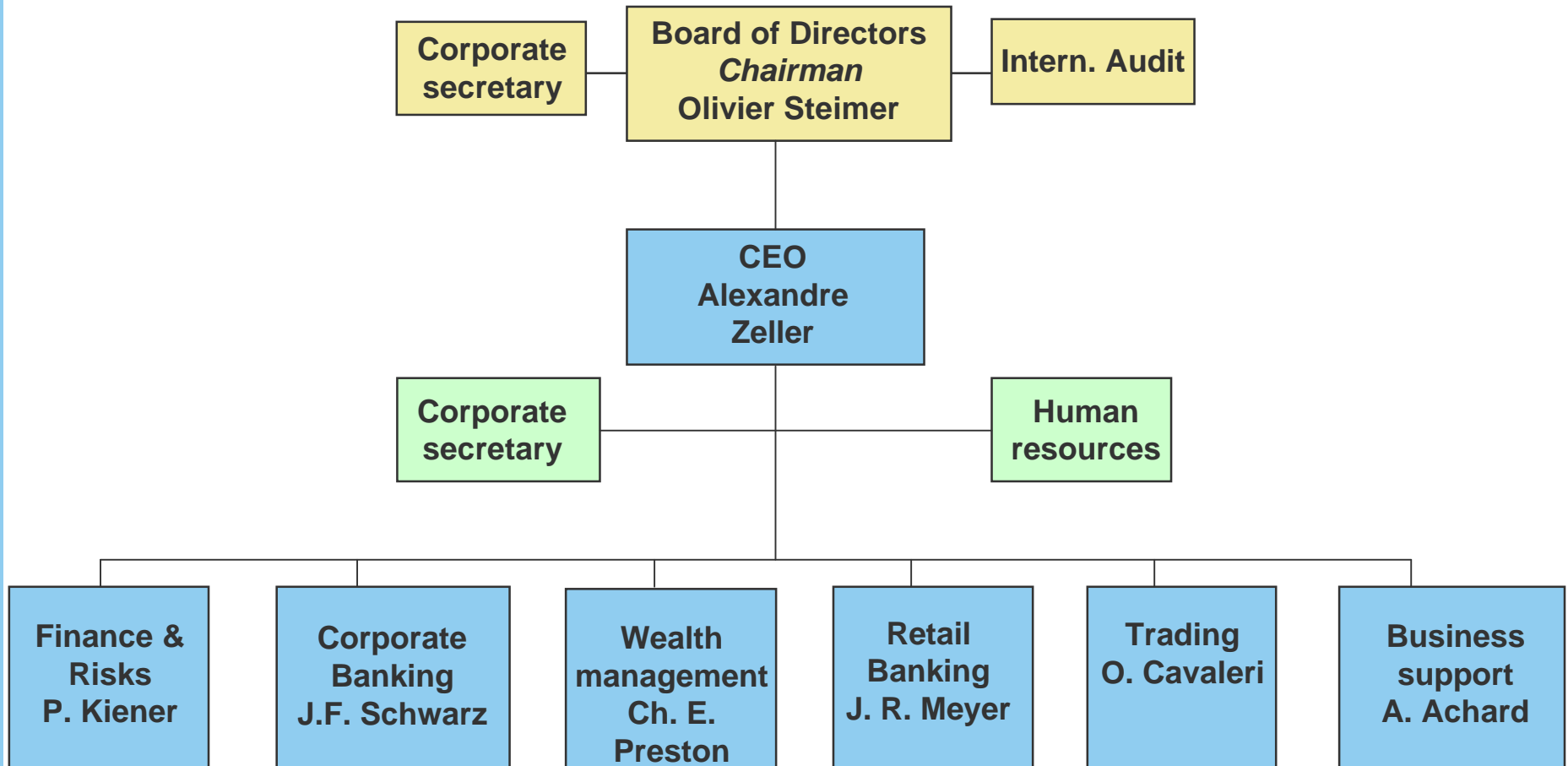
# BCV: 6th largest capitalisation (free float) among Swiss banks



Source: SWX, as of 28.08.2006

# Organisational chart

 Executive board



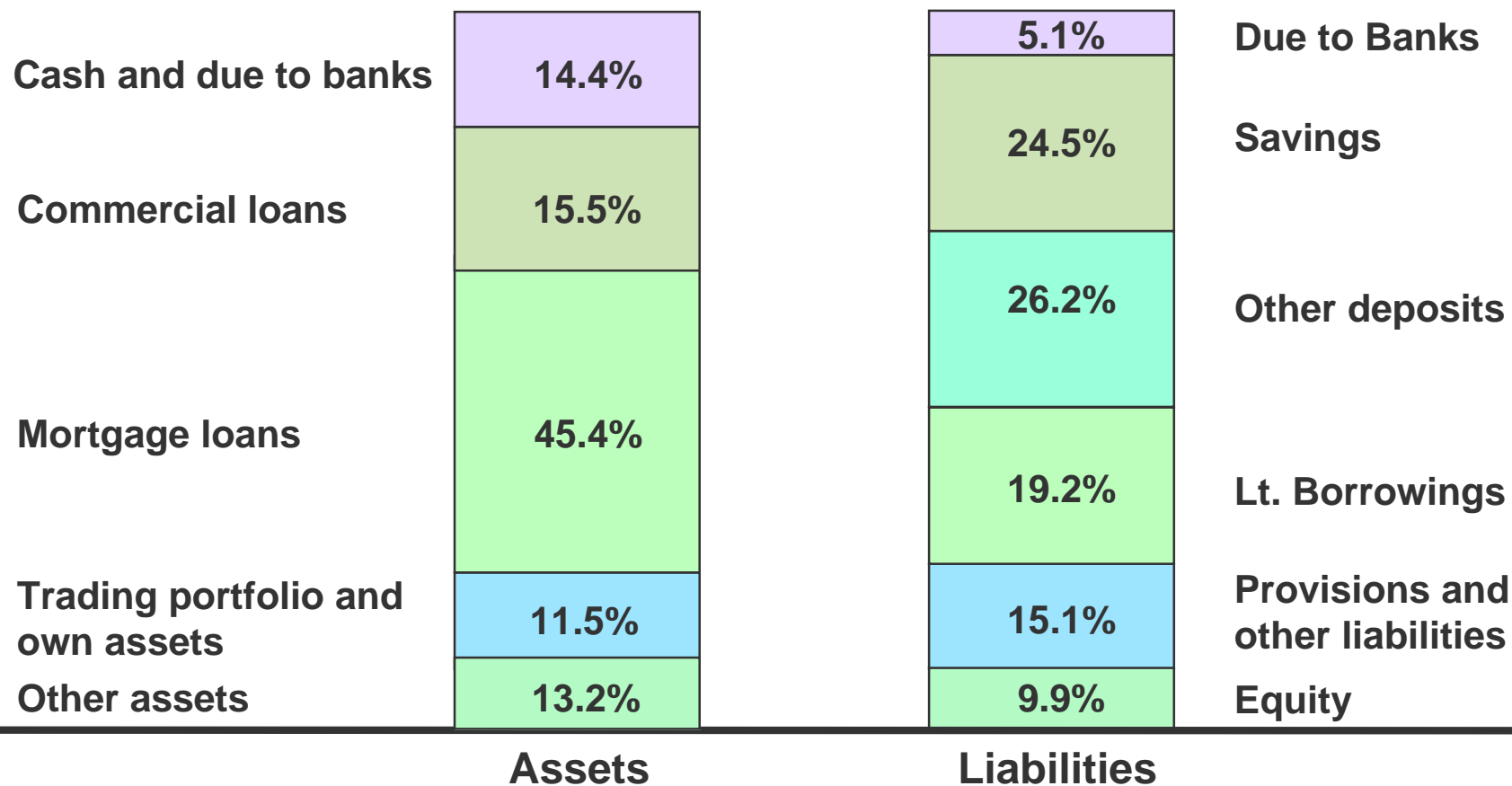
# Consolidated balance sheet (as of 30.06.2006)\*



(rounded) – BCV Group

**CHF 35.5 bn**

**CHF 35.5 bn**



\*Non-audited figures

# Key figures by business areas

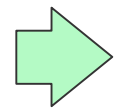
(in CHF mn, rounded) – 2005 Group

	Corporate Banking	Retail Banking	Wealth management	Trading
Revenue	226.2	266.1	293.0	58.7
Gross profit	152.7	156.5	175.0	29.6
ROE*	8.6%	13.4%	59.0%	10.6%
Cost/Income	0.46	0.69	0.59	0.61

Source: annual report 2005

\*Based on net profit considering expected losses (not actual losses) and calculatory taxes

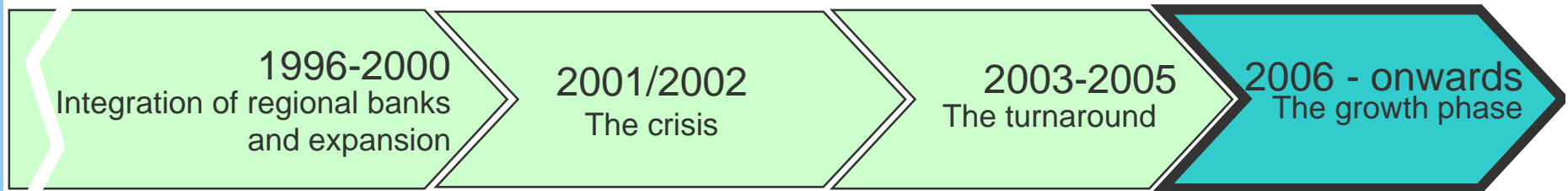
1. Introduction to BCV



**2. BCV history and strategic repositioning**

3. Strategy going forward

# Several phases in BCV's development



1993  
Takeover of  
BVCred by BCV



1996  
Merger between  
CFV and BCV



2001  
BCV: 1<sup>st</sup>  
recapitalisation of  
BCV CHF 600 mn  
P&L loss CHF 381

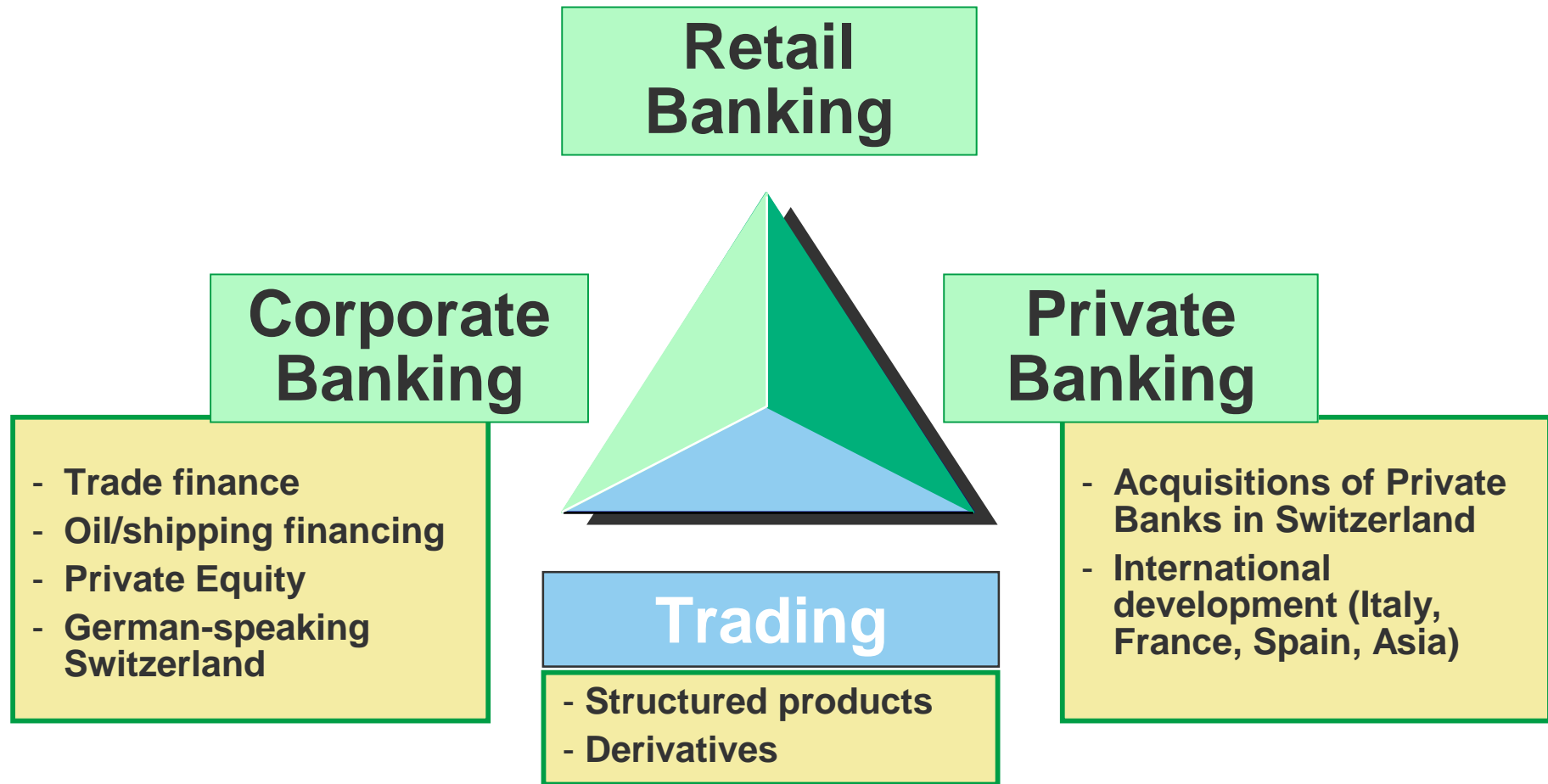


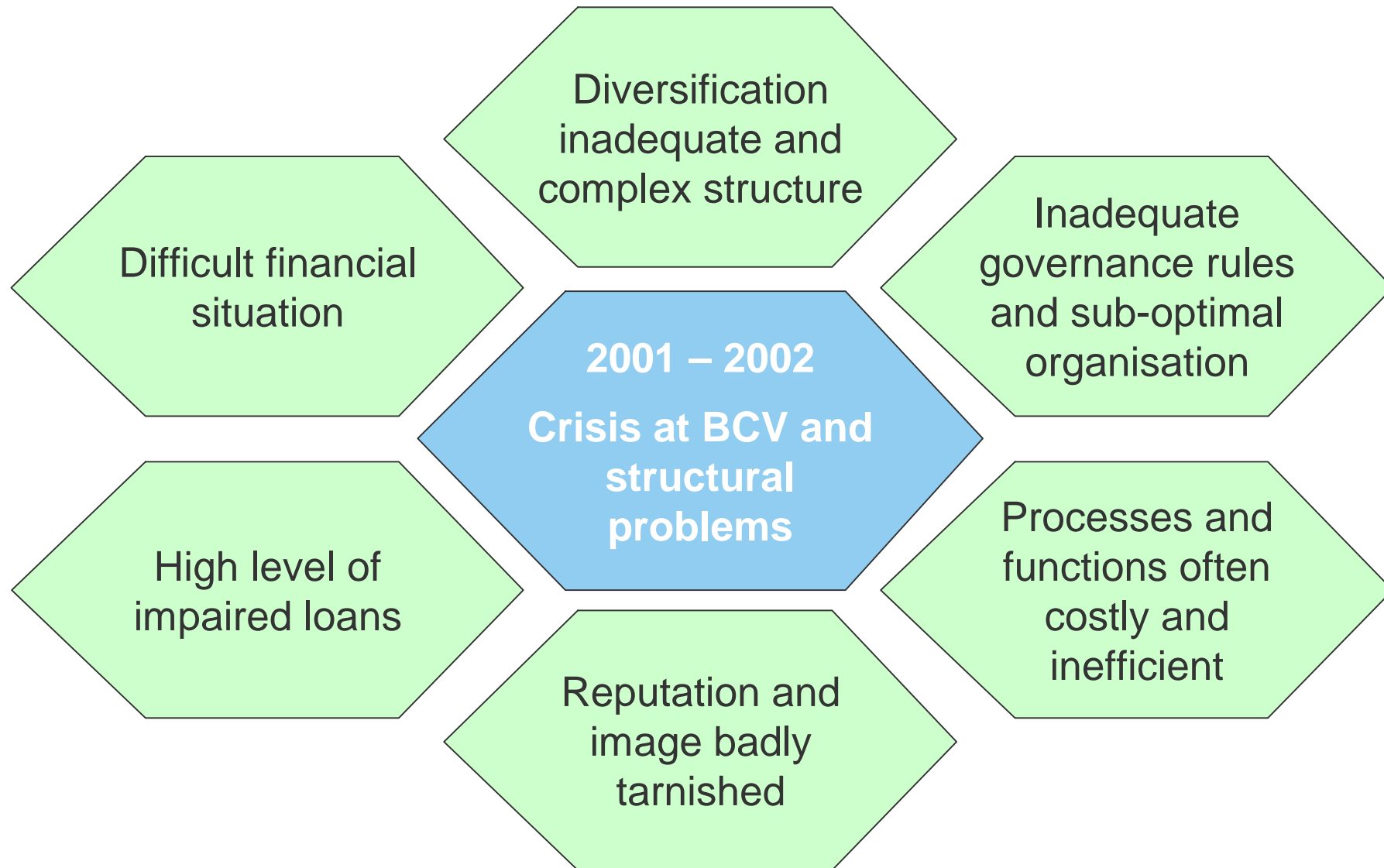
2002  
BCV: 2<sup>nd</sup>  
recapitalisation of BCV  
CHF 1250 mn  
P&L loss CHF 1200m



2003  
BCV: A new  
strategy

# BCV from 1996 to 2000: expanding in new business areas





## Situation in 2002: financial data

**Sizeable and recurring net losses**

2001: **CHF -381 mn**  
2002: **CHF -1'200 mn**

**Extremely high level of impaired loans**

**CHF 4.36 bn**  
(15% of total loans)

**Operational inefficiencies**

Ratio cost/income: **75%**

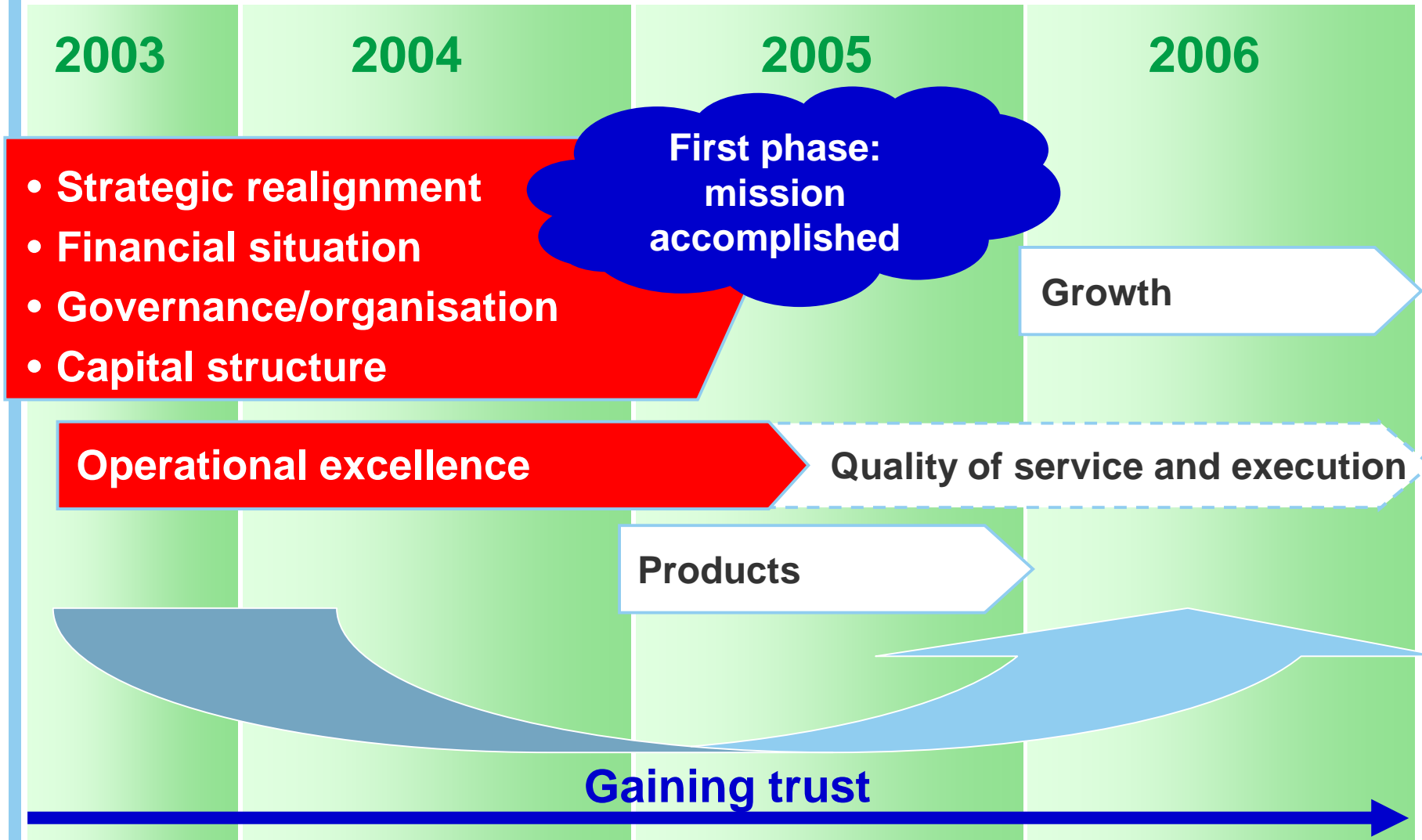
**Sub-optimal balance sheet structure**

Net interest margin : **1.25%**

**Insufficient equity level**

Tier 1: **5.5%**  
Tier 2: **7.5%**  
Equity ratio CFB: **76%**

# Successful first phase

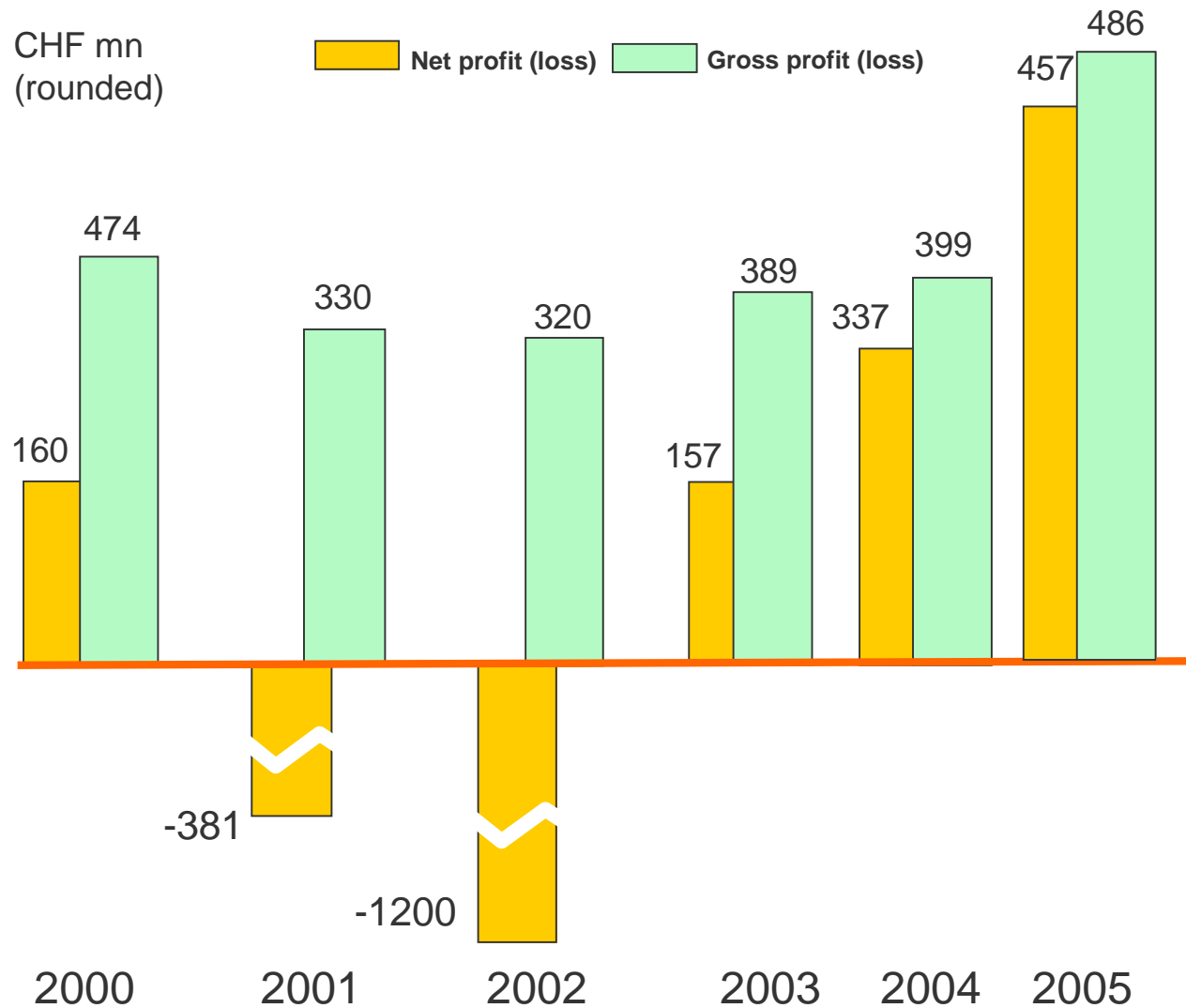


## We kept our word

- Financial turnaround skilfully mastered
- Successful strategic realignment on core businesses
- Significant reduction of impaired loans
- Reorganisation of the Bank now completed
- Greater transparency in the exchange of information with the State of Vaud
- Simplified capital structure with the decision to buy back the participation certificates
- Clearly defined financial targets with the aim to create value for our shareholders



# Improving gross and net profit



- Underlying business over the last 5 years has been very resilient
- Over the past 3 years gross profit is constantly improving
- Losses in 2001 and 2002 were not operational but reflected the long term accumulation of impaired loans

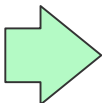
Source: BCV annual reports

# Sustained improvement of main key ratios

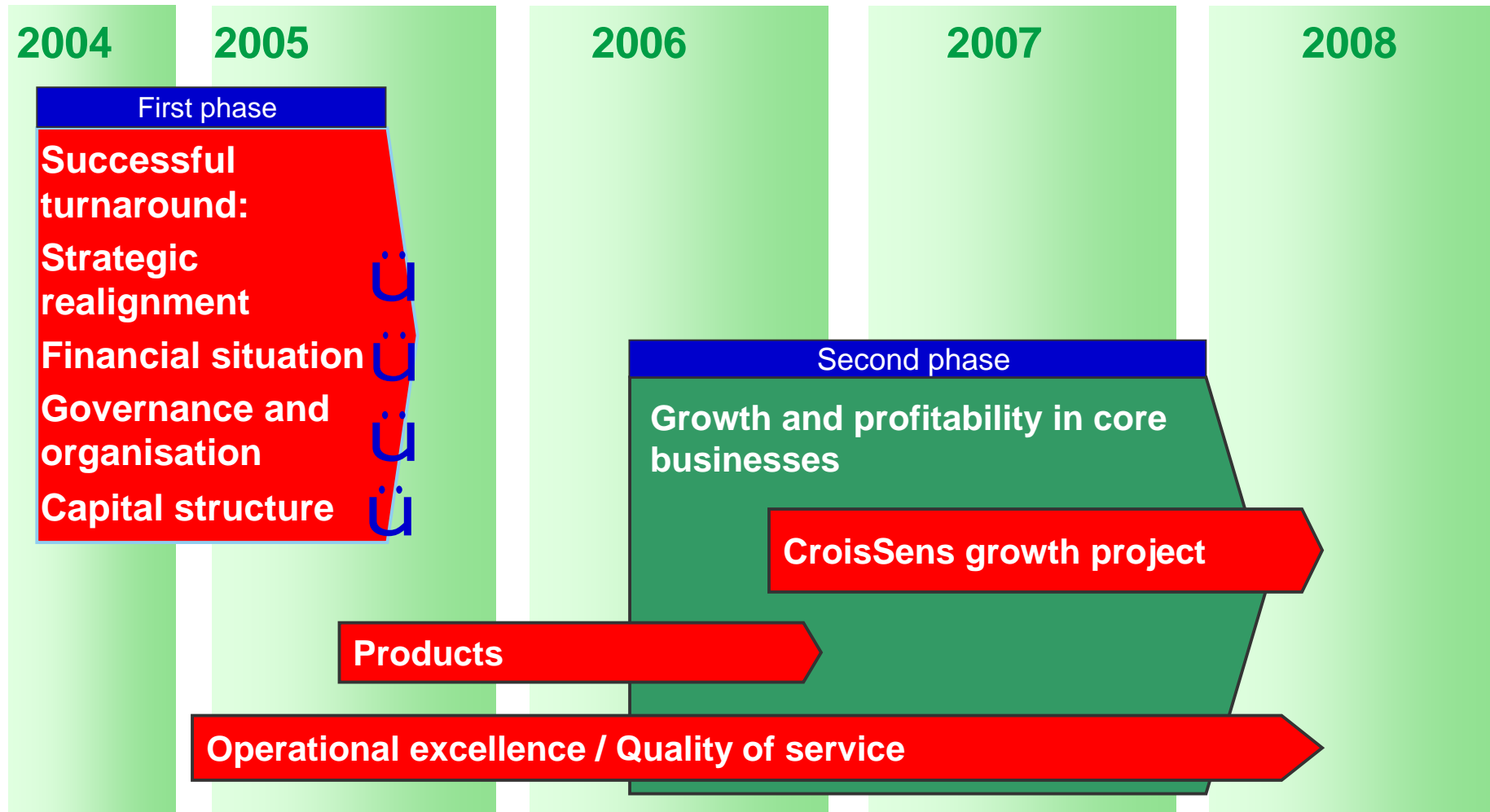
		2002	2003	2004	2005	30.06.06
<b>Quality and balance sheet structure</b>	Impaired loans / credit exposure	15%	13%	10%	7%	6%
	Client deposits / Loans to clients	68%	74%	78%	83%	83%
	Net interest margin	1.25%	1.23%	1.29%	1.40%	1.39%
		... with same level of replacement values as in 2005				1.47%
<b>Equity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

<sup>1</sup> Revaluation of participations and sale of financial holdings

non audited figures

1. **Introduction to BCV**
2. BCV history and strategic repositioning
-  3. Strategy going forward

# BCV has entered the second phase of its strategy



# Main strategic objectives

- Strengthen business growth and profitability of core businesses
- Further reduce the impaired loan portfolio
- Pursue the in-depth review and overhaul of management and business processes
- Plan additional buybacks of the participation certificates

# CroisSens program: Five key levers to strengthen BCV's market position



1

*Specific and differentiated value propositions for each customer segment*

- Improve our value proposition for key segments, e.g., affluent clients with a better adapted offer (proximity, service level, etc.)

2

*Increase the commercial time of our sales force*

- Focus the sales force on their core skills
- Streamline the administrative processes

3

*Increase our market presence*

- Additional and simplified/ more flexible point of sales in the high potential areas (growing regions) to respond to customer needs

4

*Intensify cross selling potential*

- Leverage the Group' in-depth knowledge on the region in order promote inter-divisional cross selling

5

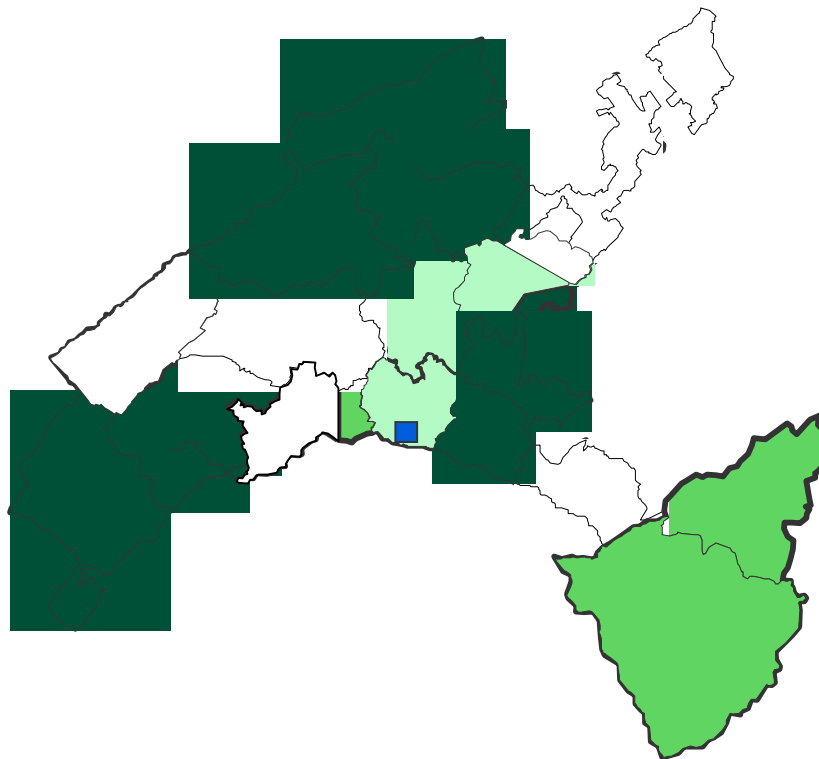
*Invest in sales skills*

- Provide the education, improved tools for a more efficient sales force

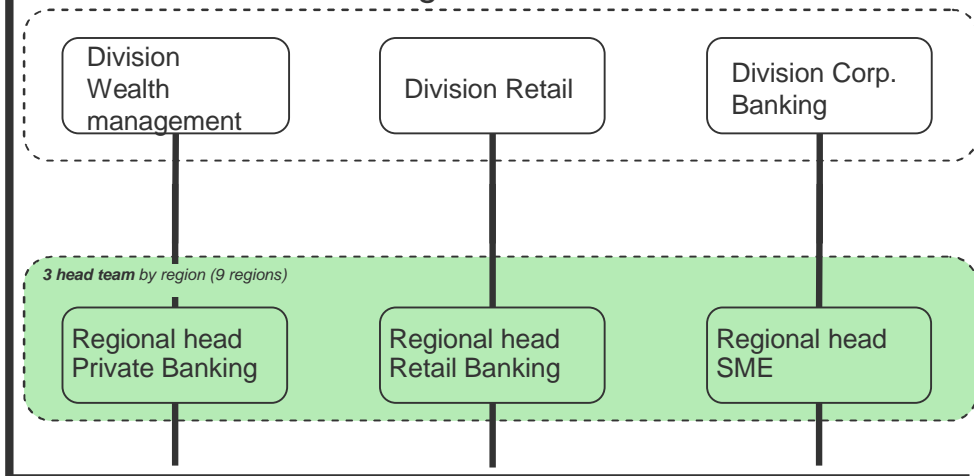
# CroisSens program: Network revamp

Split into 9 regions

- Rationale:
- Geography
  - Wealth distribution
  - Growth potential
  - Customer proximity



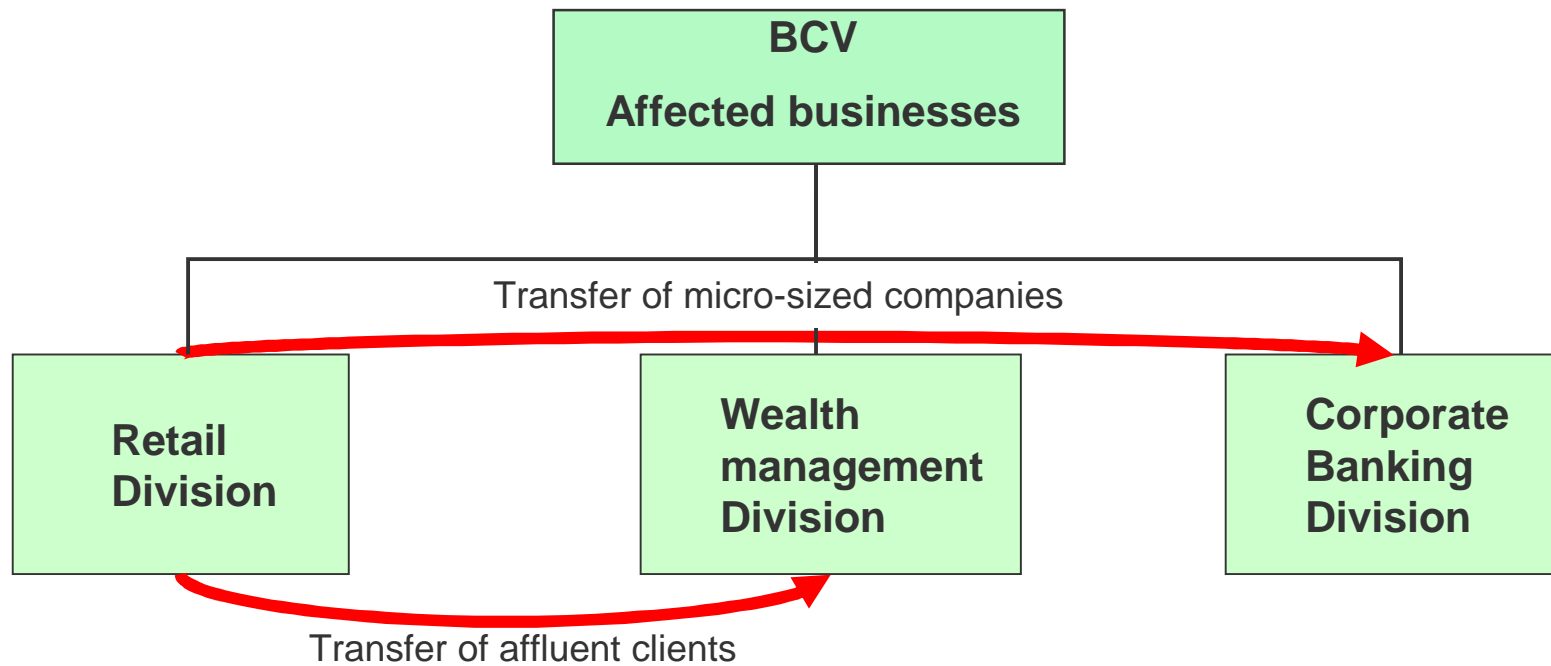
## Organization



## Network structure

1. More branches, 75 (69)
2. Less large branches but with competence centers
3. More new modern branches in attractive locations
4. Overall reduction of distribution costs

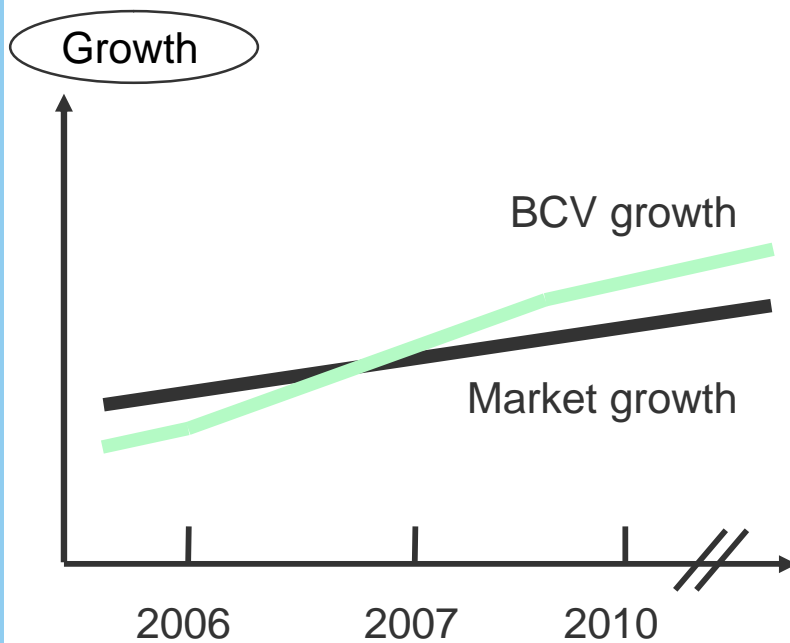
# Clear focus of divisional entities



<b>Customer</b>	Individual with assets < CHF 150'000	Affluent (>CHF 150'000) Private Banking	All SME's Selected large corp.
<b>Focus</b>	Standardization Efficiency Costs	Revenue Service	Risks

# The goal and impact of "CroisSens"

## Goal



## Impact

Stabilize market position by 2007

Strengthen the strong long term market position

Increase revenues due to additional volumes (deposits, AuM, mortgages) resulting in a lower C/I in the future

Despite costs associated to CroisSens, C/I ratio should remain unchanged in 2006

Investment of CHF 50 mn over the next 2-3 years with a payback period of 3 years

## Trade finance

- Market fundamentals in selected segments (softs and metals) remain positive
- Opportunities to increase BCV's risk exposure within the limits of the Group's current risk profile

## Institutional asset management

- Excellent fund results based on consistent outperformance of the Wealth management's investment strategy
- Growing recognition of BCV's good reputation as an asset manager is opening new growth opportunities in the rest of Switzerland

## Structured products

- One of the top 10 players in Switzerland, aiming for further market share gains

## Offshore PB in niche markets

- Sustained and double digit AuM growth for Banque Piguet & Cie, increasingly targeting Middle East and Latin American clients
- In Madrid, Asesores & Gestores Financieros, benefiting from the fast-growing onshore Spanish market

# BCV's risk/return profile



Lower volatility in earnings

+

Low sensitivity to interest rate changes

+

Healthy loan portfolio

=

Enhanced risk/return profile and high earnings visibility

# Optimising BCV's value proposition for shareholders



- Aiming for long term moderate but steady top line growth
- Improving recurrent gross profit growth in core businesses
- Optimising equity requirements in order to meet ROE targets over the long term
- Aiming for continuous dividend increases while considering the buyback of PCs'



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