BCV Group
Full year 2006 results and strategy update

Brocket Hall, 28.03.2007

BCV

Content

- BCV Group in 2006
- Strategy update

Key points

Record results

Buy-back of all remaining PC's

BCV on the right track to further create shareholder value

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Record results

	2006	YoY %
Continued revenue growth	CHF 1'101 mn	+6%
Improved gross profit	CHF 536 mn	+10%
Significant net profit gain	CHF 534 mn	+17%

Business volume trends positive in 2006

CHF mn (rounded)		ESTIMATE
Increase in mortgage volumes [1]	+871	+5.5%
Slight increase in other credit volumes [1]	+115	+2.0%
Significant increase in AuM	+9'024	+13%
Positive trend in client deposits	+812	+4.5%
Volume increase in structured products [2]	+403	+51%

[1] Excl. impaired loans
[2] Volumes outstanding

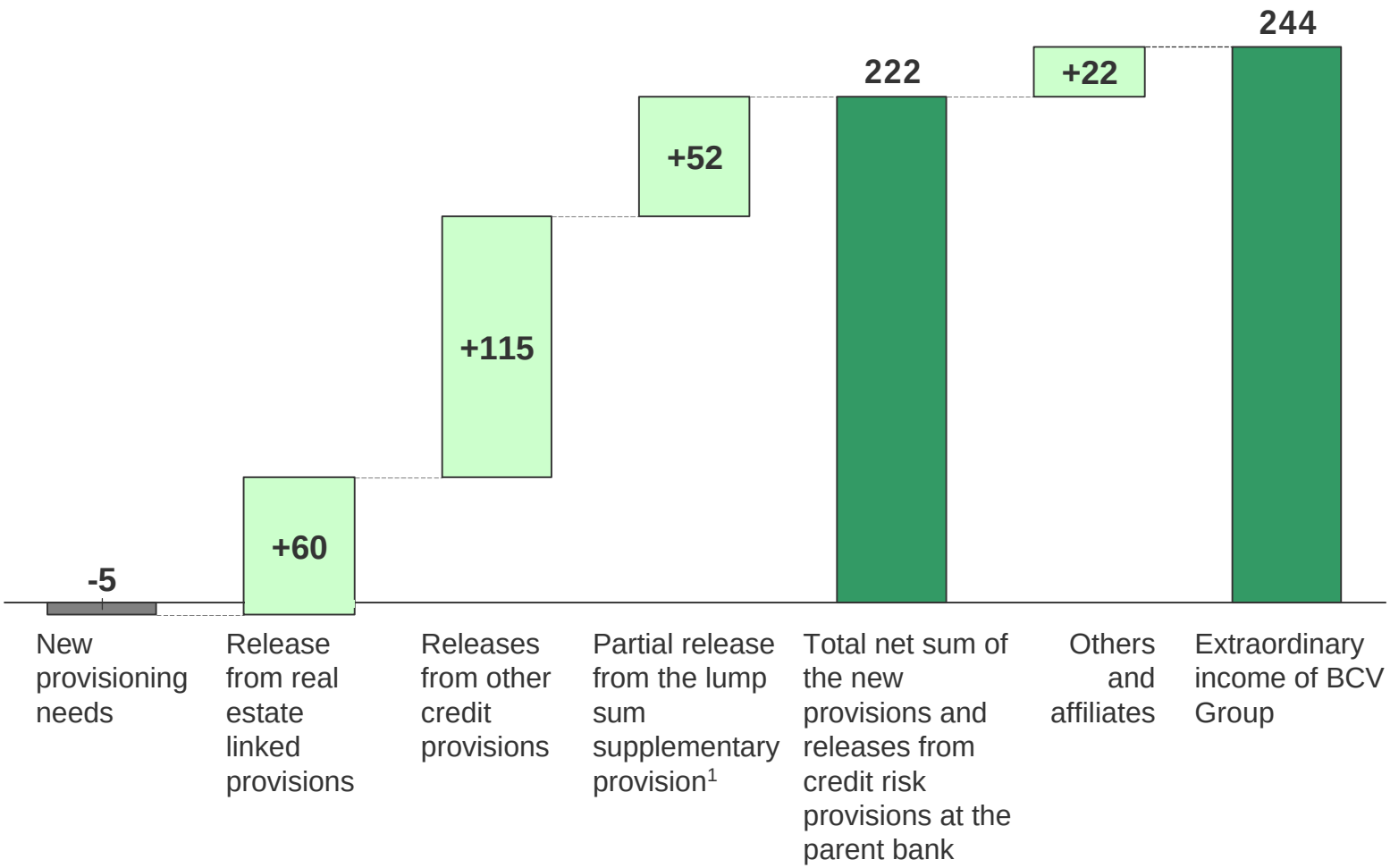
P&L in 2006

CHF mn (rounded)	2005	2006	Change	
Total revenues	1'037.7	1'101.2	+64	+6%
Operational expenses	-552.0	-565.1	+13	+2%
Gross profit	485.7	536.1	+51	+10%
Depreciations	-91.1	-91.1	-0	-0%
Value adjustments, provisions, losses	-16.0	-7.7	-8	-52%
Extraordinary income	211.0	244.2	+33	+16%
Extraordinary expenses	-112.5	-123.8	+11	+10%
Taxes	-20.3	-23.3	+3	+15%
Net profit (before minority interests)	456.8	534.4	+78	+17%

Extraordinary income generated by provision releases

Breakdown in extraordinary income in 2006, CHF mn

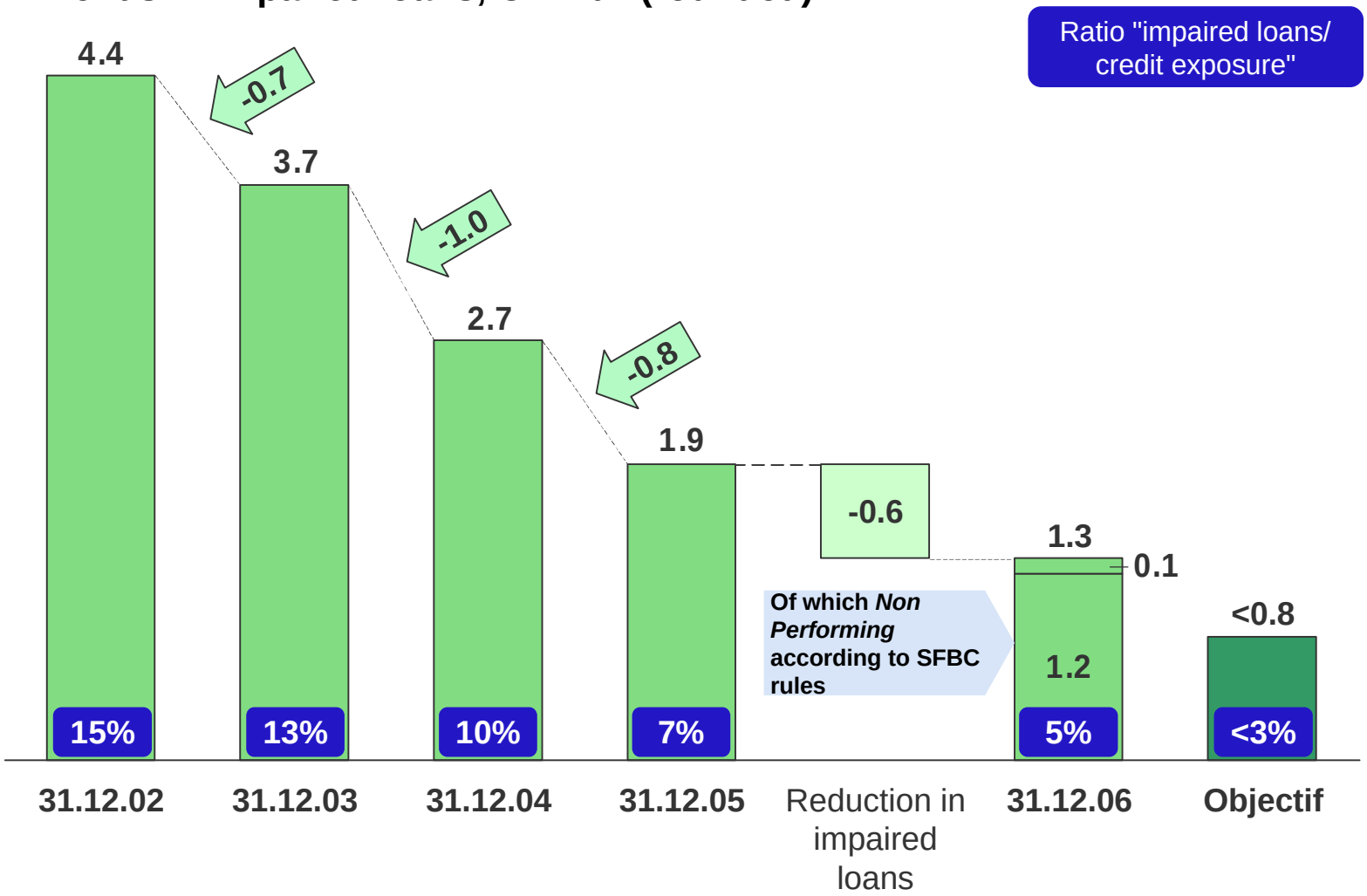
ESTIMATE



[1] Supplementary provisioning according to the SFBC rules

Volumes of impaired loans further reduced but at a lower pace

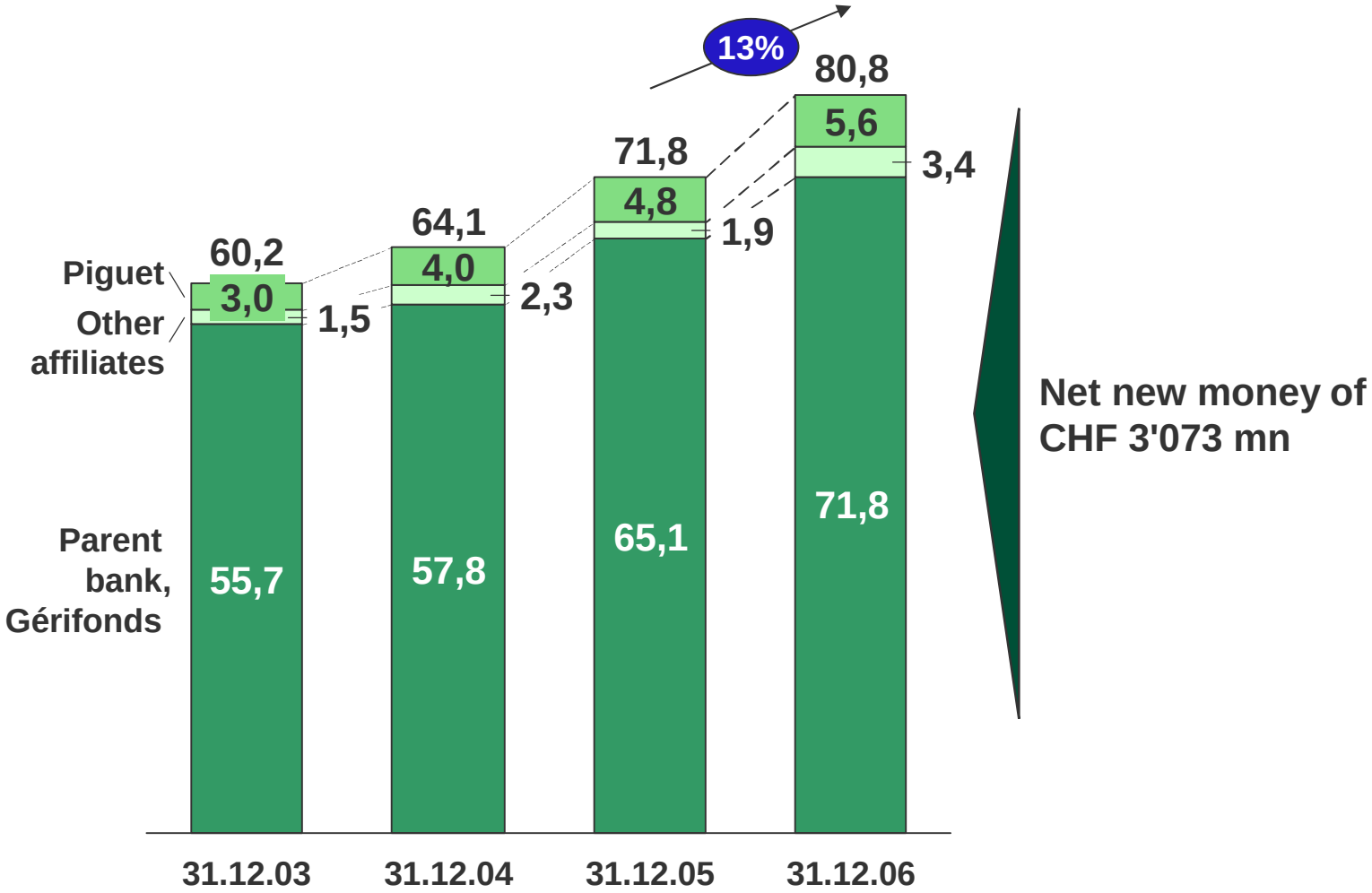
Trends in impaired loans, CHF bn (rounded)[1]



[1]According to SFBC rules

Increase in assets under management

CHF bn (rounded)



All business sectors registering significant improvements

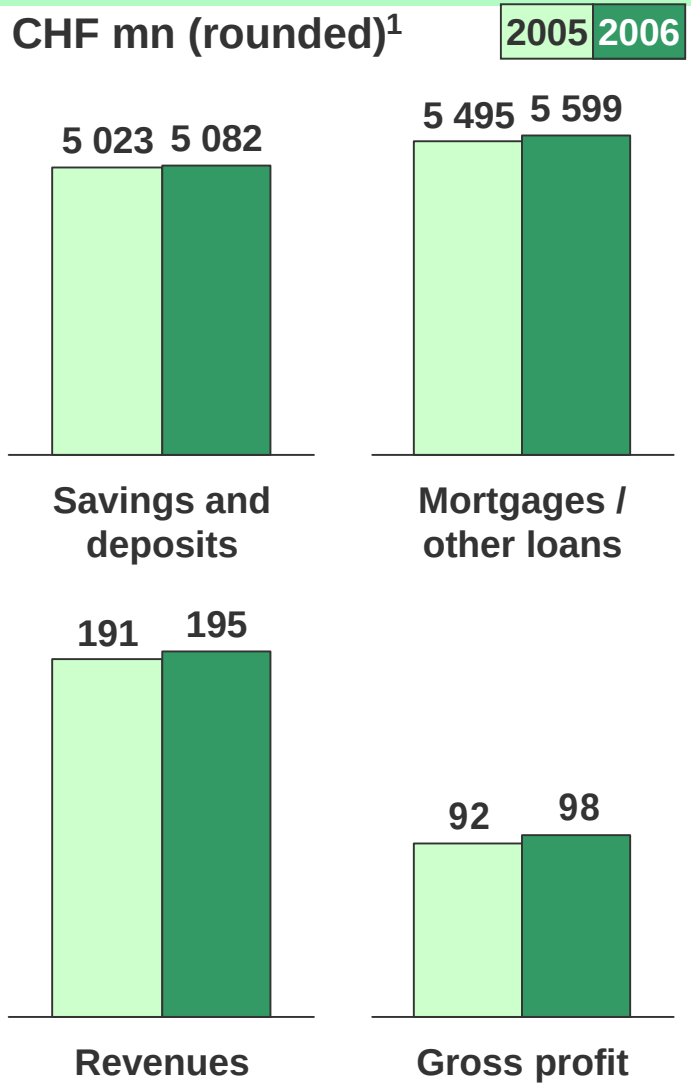
CHF mn (rounded)[1]

	Gross profit			Net profit		
	2005	2006	Variation	2005	2006	Variation
Retail banking	92	98	+6%	14	23	+67%
Wealth management	237	263	+11%	122	147	+20%
Corporate banking	155	170	+9%	44	67	+51%
Trading	30	32	+8%	14	16	+15%

[1] 2005 figures have been adjusted to facilitate comparison following CroisSens-related business sector realignments

Retail banking

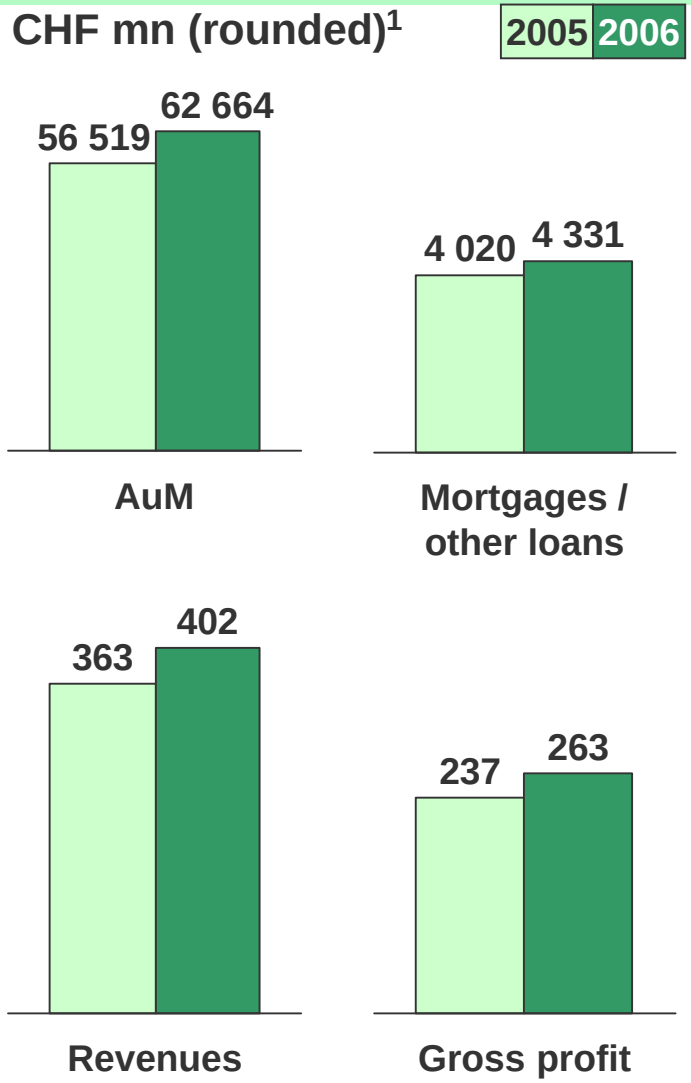
- Growth of CHF 448 mn in business volumes
  - Mortgage loans +3.5%
  - Off balance sheet items such as funds and structured products +16%
  - Savings and other client deposits +1.2%
- Market shares maintained
- Important transfers of volumes from high growth potential clients (round CHF 600 mn)
- Main effort on transformation continuing



[1] 2005 figures have been adjusted to facilitate comparison following CroisSens-related business sector realignments

Wealth management

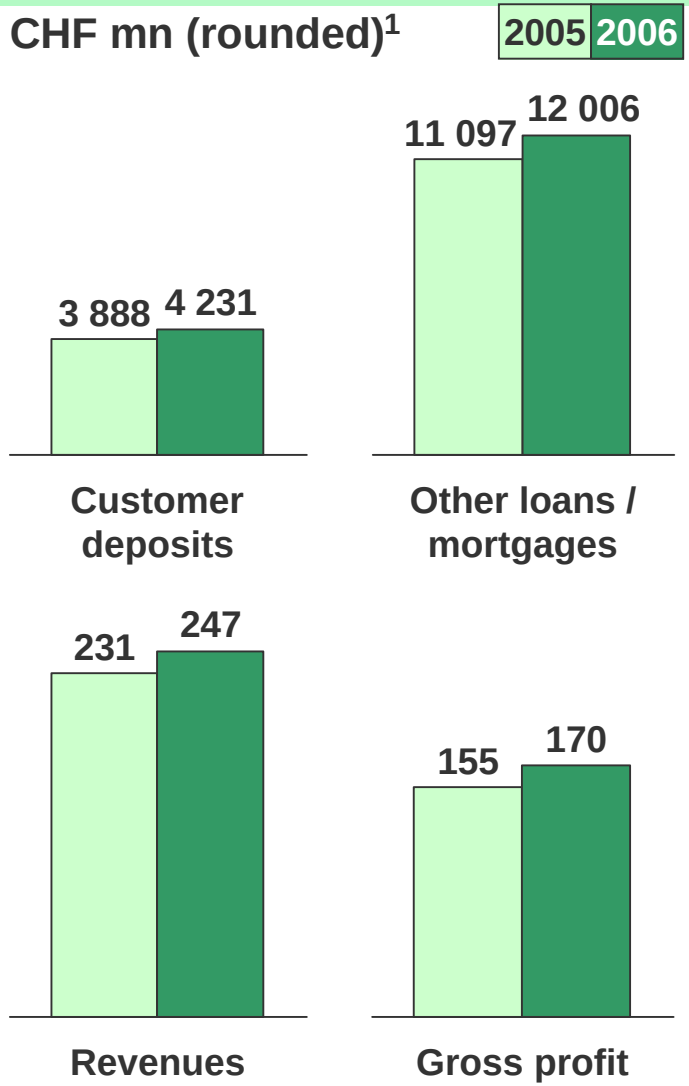
- Excellent results from our investment strategy and favourable financial markets
- Significant Net New Money increase mainly driven by demand from institutional clients
- Implementation of the new onshore strategy with CroisSens
- Launch of 12 new investment funds, some of which in partnership with specialist boutiques
- Improved public awareness of the Group's wealth management skills



[1] 2005 figures have been adjusted to facilitate comparison following CroisSens-related business sector realignments

Corporate banking

- CHF 909 mn in credit and off balance sheet growth
  - SME +3.4%
  - Large companies -5.3%
  - Trade finance +57%
- Growth in SME segment in line with favourable market conditions
- Positive trend with real estate professionals (CHF +111 mn) in a buoyant but very competitive market
- Strong demand in Trade finance for both metals and softs
- Rigorous risk management is paying off in form of very low new provisioning needs



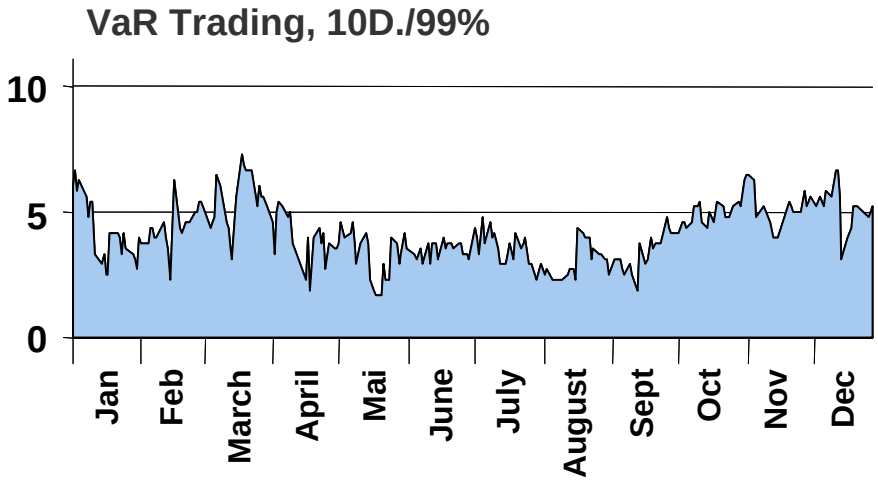
[1] 2005 figures have been adjusted to facilitate comparison following CroisSens-related business sector realignments

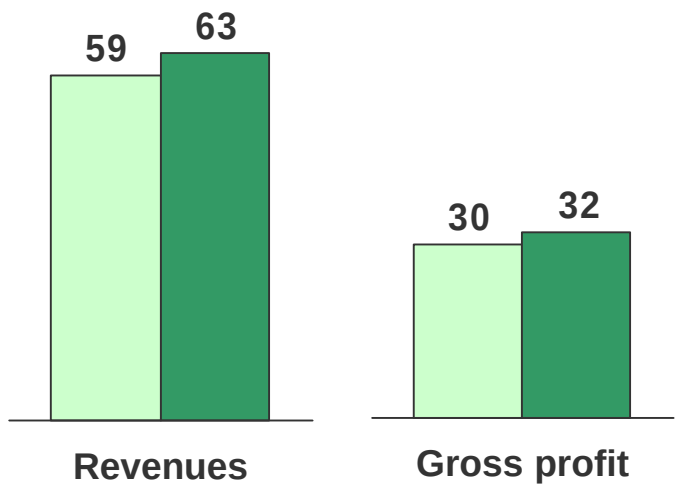
Trading

- Risk profile remains moderate (VaR CHF <10 mn) despite market increase
- Structured products outstanding making further headway (CHF +403 mn at CHF 1'198 mn)
- Wider product mix of structured products and additional partnerships for the placements of structured products
- Increased number of commercial and banking clients making use of the Group's internet distribution channel e-Forex

CHF mn (rounded)

2005 2006

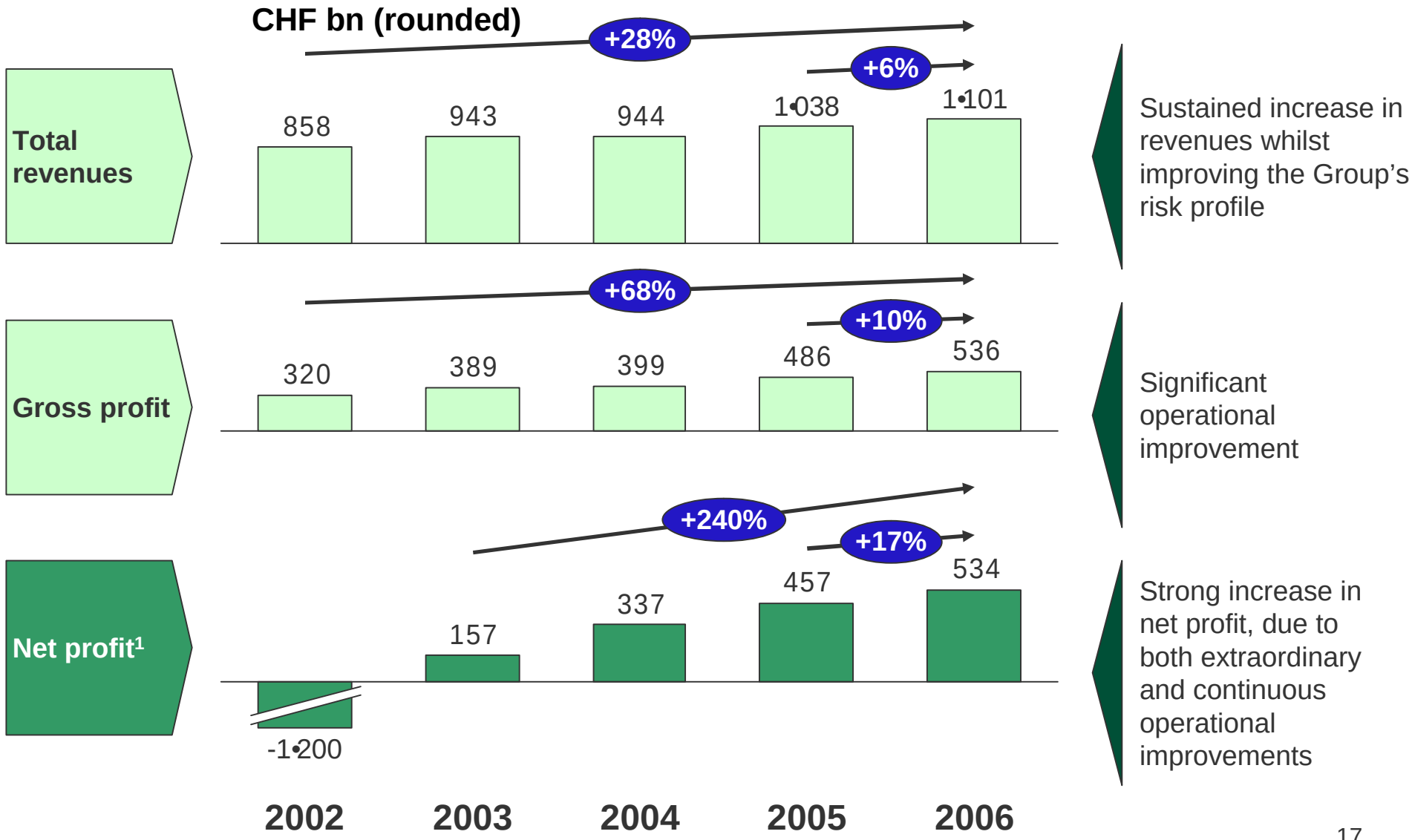




Proposals for the upcoming AGM

Priority dividend for participation capital (CHF 2.69 per PC)	**19.8 mn**
Proposed dividend of CHF 7.00 par reg. share, + 56% (2005: CHF 4.50)	**60.2 mn**
Buyback of the remaining PC's in 2007	**733.7 mn**

Revenues, gross and net profit over 5 years



[1] Before minority interests

Sustained improvement of main key ratios

		2002	2003	2004	2005	2006
Quality and balance sheet structure	Impaired loans / credit exposure	15%	13%	10%	7%	5%
	Client deposits / Loans to clients	68%	74%	78%	83%	85%
	Net interest margin	1.25%	1.23%	1.29%	1.40%	1.39%
		… with same level of replacement values as in 2005				***1.48%***
Equity	Equity ratio SFBC	76%	156%	185%	196%	199%
	Total capital ratio (BRI)	7.5%	15.1%	17.4%	18.5%	18.5%
Productivity	Cost/income (Excl. goodwill amort.)	75%	71%	67%	62%	59%
Financial performance	ROE (Net profit / average equity)	n/a	6.5%	12.4%	14.9%	16.0%

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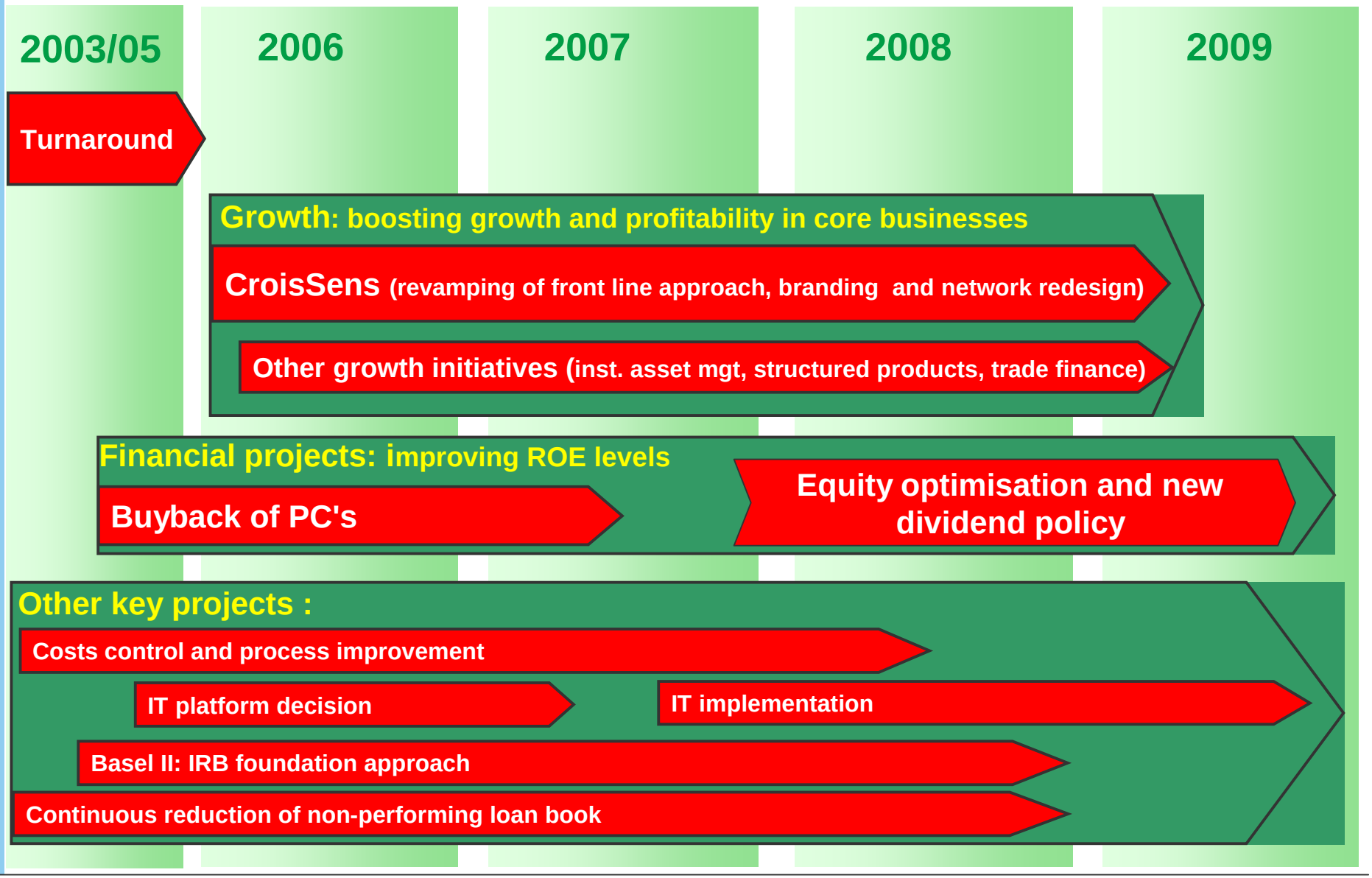
A mix of growth, financial and operational initiatives

BCV



CroisSens: successful project roll-out with first tangible impact

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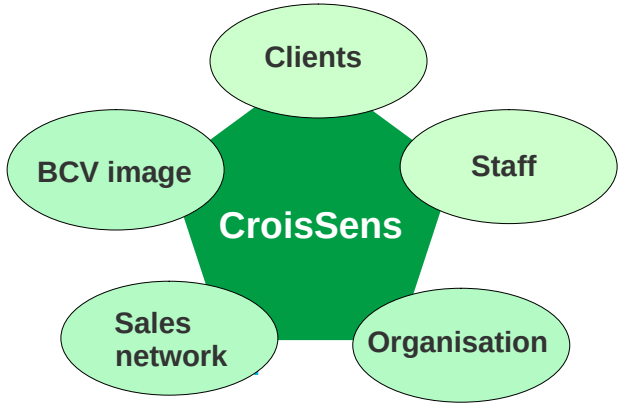
Roll-out

- Making headway as planned
- CHF 13mn in expenses and CHF 12mn in investments out of a total CHF 50mn earmarked over 3 years
- Major effort acting on several levels

Project to revamp core activities in Vaud Canton focusing on both individuals and SME's



Objectives :
- gaining market share in key segments
- boosting the Group's top line
- optimising cross-selling potential
- contributing to lower C/I

First effects

- Increase in revenues and net profit in all Divisions affected by CroisSens
- Increase in the pace of growth of the mortgage lending market
- Successful team work between Divisions
- Well perceived by clients and Group staff

Other selective sources of growth

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Growth in 2006 %

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

+57%
Credit volumes

Institutional asset management

- Excellent fund results based on continuous good performance 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

+10%
Revenue

Structured products

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

+51%
Business volumes

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

+36%
AuM

Main focus in 2007

- Continue growing its core businesses
- Highlight the Group's Wealth management expertise
- Continue the Group's current efforts (cost optimisation, improvement of processes, Basel II, training)
- Pursue the reduction of impaired loans
- Take a decision regarding the future of the Group's IT platform

Outlook in 2007

- Getting closer to its long term sustainable growth
- Favourable economic conditions
- Sustained revenue and gross profit growth – albeit at a slower pace than the past years

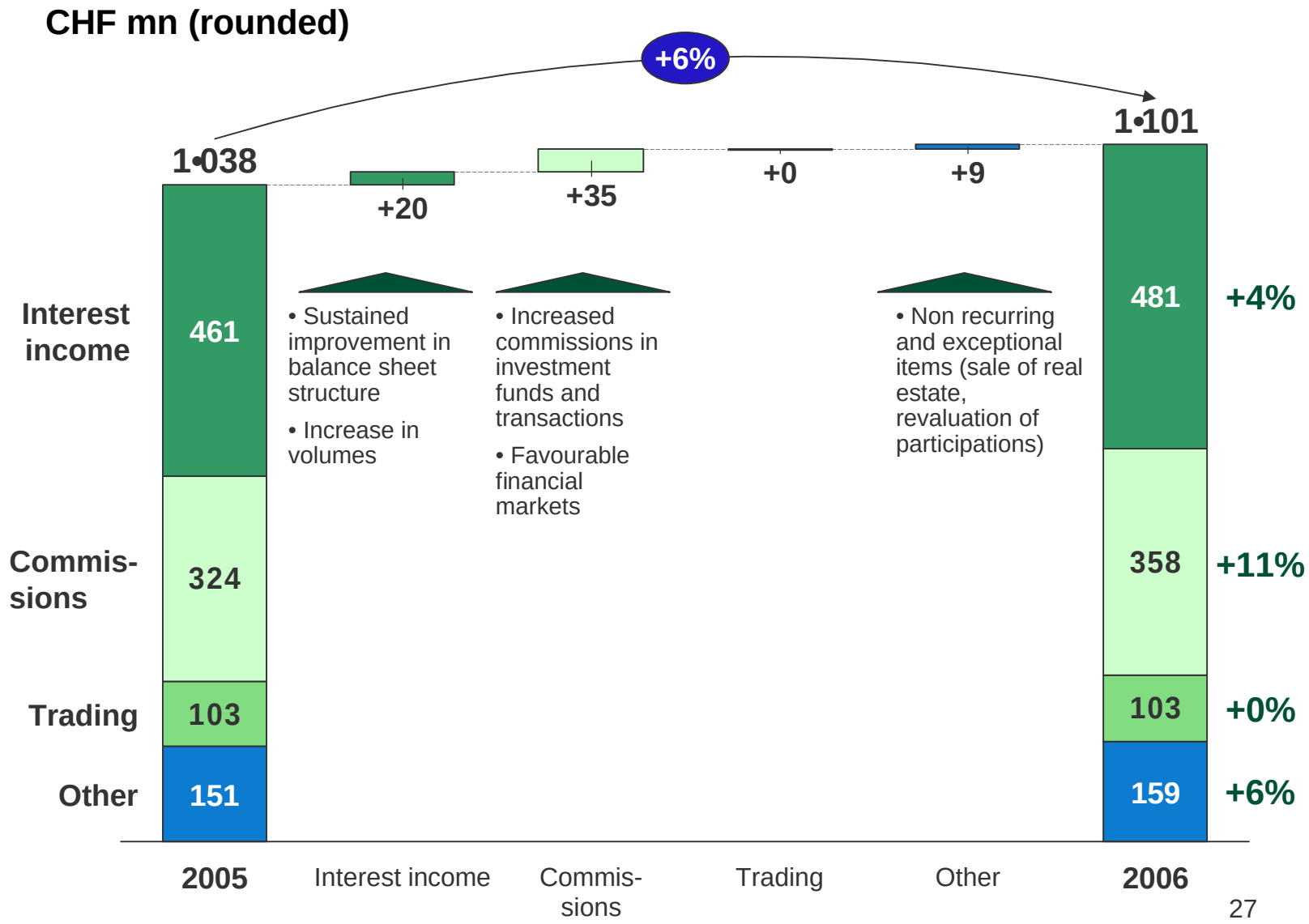
Optimising BCV's value proposition for shareholders

- Aiming for long term moderate but steady top line growth
- Improving recurrent gross profit in core businesses
- Optimising the Group's equity in order to improve ROE levels
- Preparing a new long term dividend policy once the buyback of the remaining PC's has been completed

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

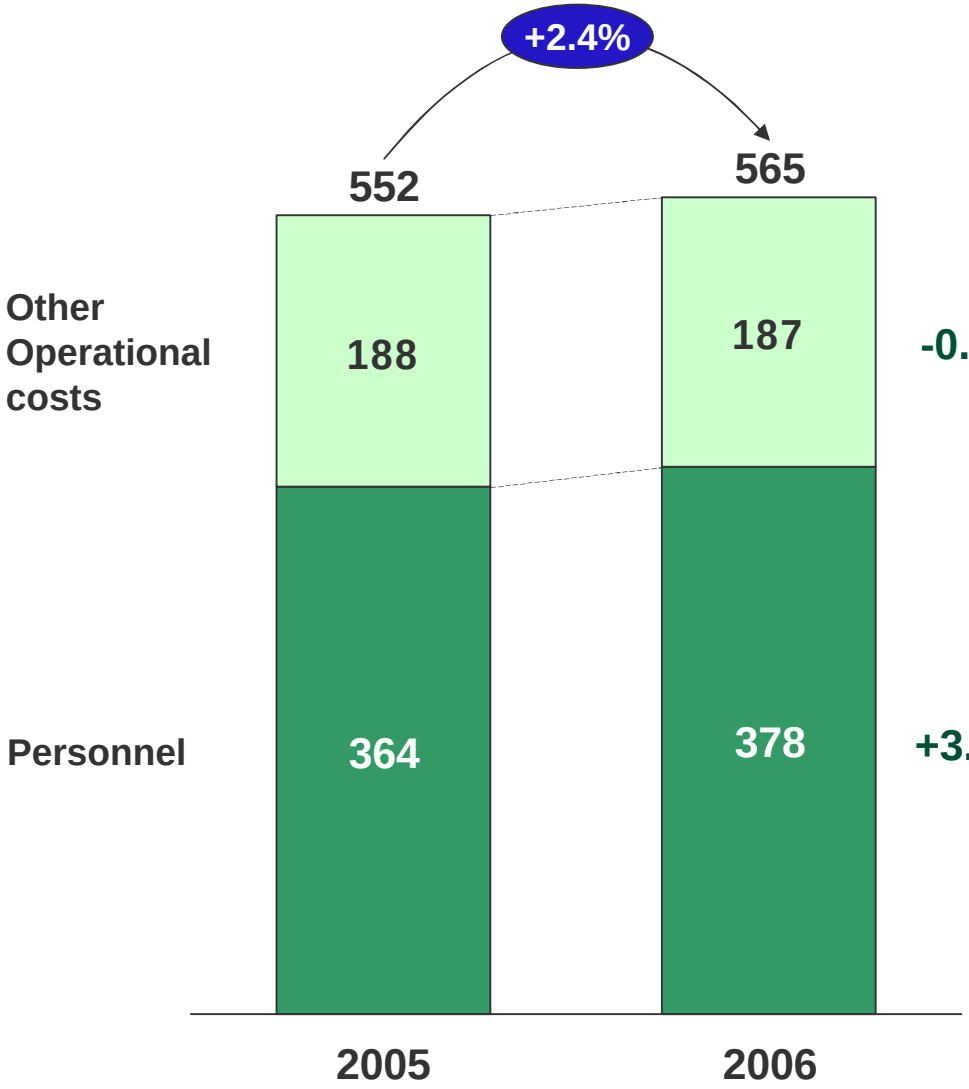
Backup

Revenues increase by 6%



Rigorous cost control

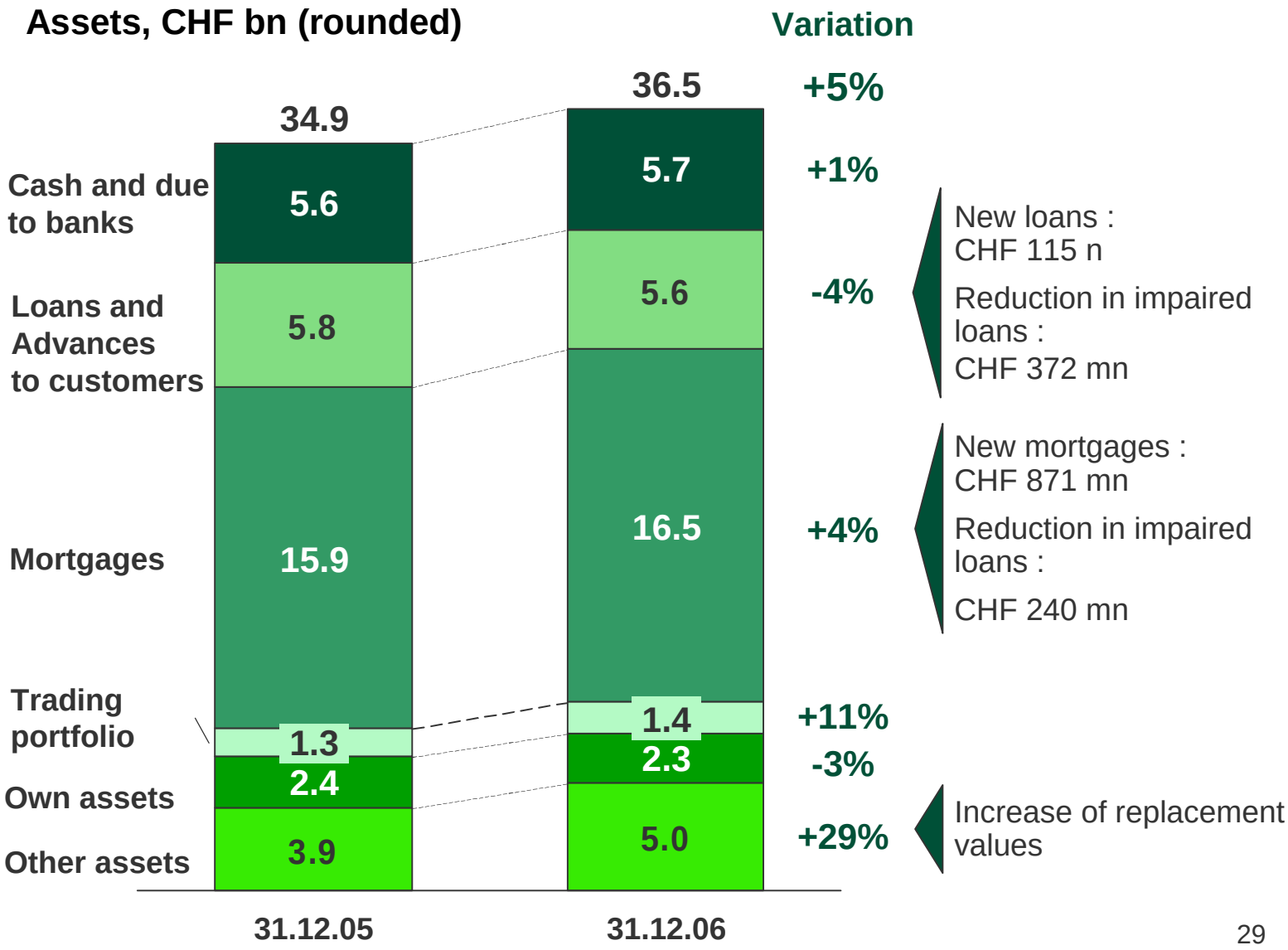
Trend in operational costs, CHF mn (rounded)



Reduction in operational costs despite increased business volumes and costs linked to several strategic initiatives

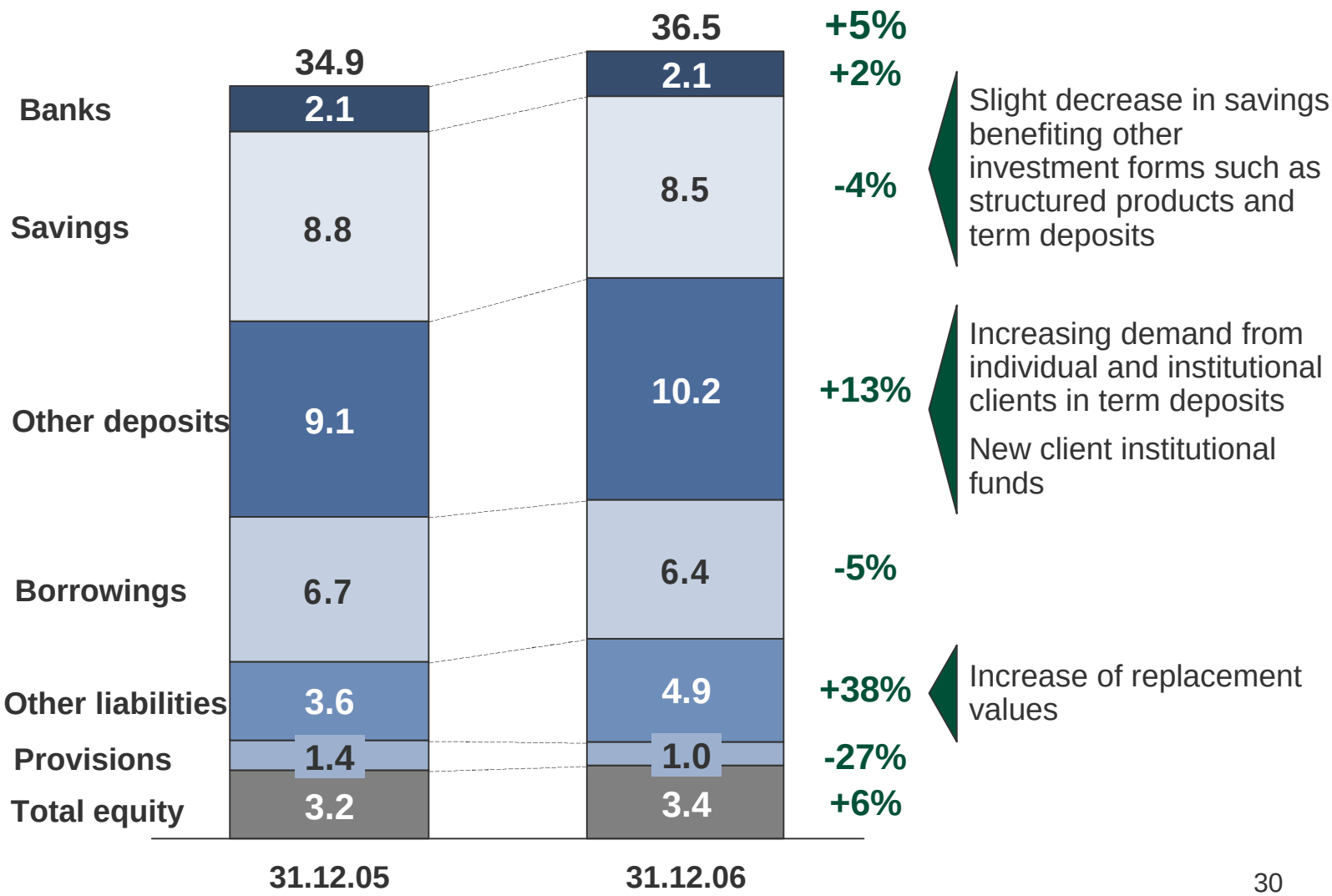
Increase in personnel charges due to higher business activity and inflation adjustments

Trends in the balance sheet : assets



Trends in the balance sheet : liabilities

Liabilities, CHF bn (rounded)



Comparison of keys ratios with financial targets

		2002	2006	Targets	
Quality and balance sheet structure	**Impaired loans / credit exposure**	15%	5%	<3%	Progress is important but efforts must be maintained
	Net interest margin	1.25%	1.39%	• 1.50%	Target almost reached
	… replacement values at level of 2005		*1.48%*		
Productivity	**Cost/income** (Excl. goodwill amort.)	75%	59%	60-63%	• Target reached • Optimisation to be pursued
Financial performance	**ROE** (Net profit / average equity)	n/a	16.0%	• 12%	Results still influenced by extraordinary and non recurring items