Full year 2007 results

Conference call
Lausanne, March 5 2008

Program

- BCV Group in 2007 — A. Zeller
- Financial results 2007 — P. Kiener
- New financial targets — P. Kiener
- Conclusion — A. Zeller

Program

Very good financial results – second best performance in the Group's history

BCV turned the page

Preparing for the future : IT-BO and financial strategies

Program

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Second best performance in the Group's history

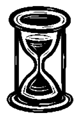
	2007	YOY change	Like-for-like change[1]
Revenues	CHF 1'088 mn	-1%	+4%
Gross profit	CHF 529 mn	-1%	+3%
Net profit (before minority interests)	CHF 477 mn	-11%	-8%

[1] Without the transfer in activities from Unicible

BCV turned the page

- Final buy-back of the remaining participation capital thanks BCV's solid financials ü

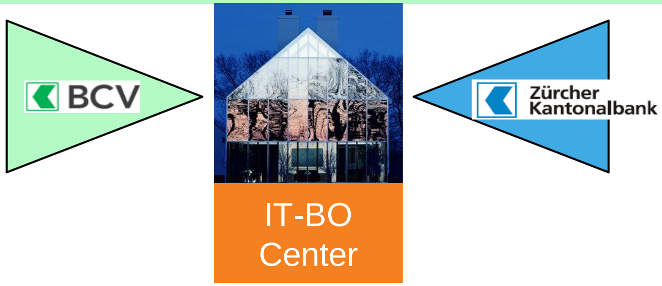
- BCV's new mission statement confirmed ü

- Main shareholder's (State of Vaud) intention to reduce it's stake down to it's historical level of 50.12% 

Other highlights in 2007

- IT-BO joint venture with the cantonal bank of Zurich (ZKB) and transfer of IT activities to IBM
- Decision to sell the Group’s stake in A&G (Spain)
- Dynamic business trend and network revamp due to CroisSens project
- Joint venture (Swiss One Finance SA part of the Aduno Group) which will pool together the consumer credit activities of BCV, Cashgate AG and Raiffeisen
- Improved credit rating by Standard & Poors (from A stable to A+ stable) and new A1 rating on BCV by Moody's (A1)

IT-BO strategy : new developments



Transfer of activities from Unicible to IBM

- Assets and personnel transfer of Unicible to IBM as of June 1st 2007
- Finalized transfer during H2 2007 of client and supplier contracts
- No impact on the level and quality of service

Launch of a joint-venture with ZKB

- Joint project launch in September 2007
- Approximately 20 working groups ~200 staff members of both banks
- Work progressing as planned

Main trends in 2007 business volumes

CHF mn (rounded)

ESTIMATE

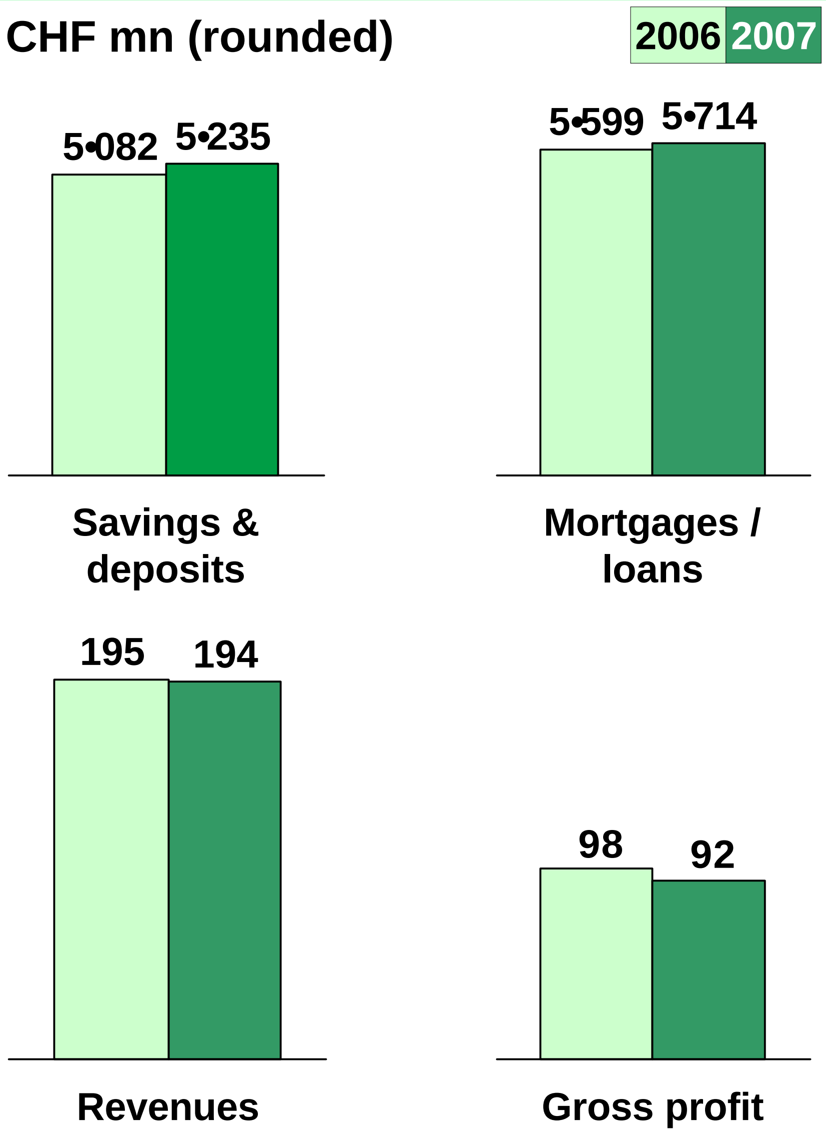
Increase in mortgage volumes [1]	+483	+2.9%
Growth in other credit volumes[1]	+413	+7.4%
Rise in AuM's	+3'574	+4.4%
Strong increase in client deposits	+2'231	+11.9%
Volume increase in structured products [2]	+228	+19.0%

[1] Excl. effects from impaired loans reductions
[2] Volumes in circulation

Retail banking

- Overall business volumes increasing by CHF 578 mn
  - Mortgage loans +3.0%
  - Off balance sheet +12.4% (e.g. funds, structured products)
  - Savings and other deposits +3.0%
- Increased penetration rate from 48 to 50 %
- High level of activity for the Call center (375'000 calls and 32'500 e-mails)
- Successful client transfer to other divisions (approximately CHF 171 mn in business volumes)
- Continued optimization of the retail network with the transformation of 30 points of sales in 2007

CHF mn (rounded)

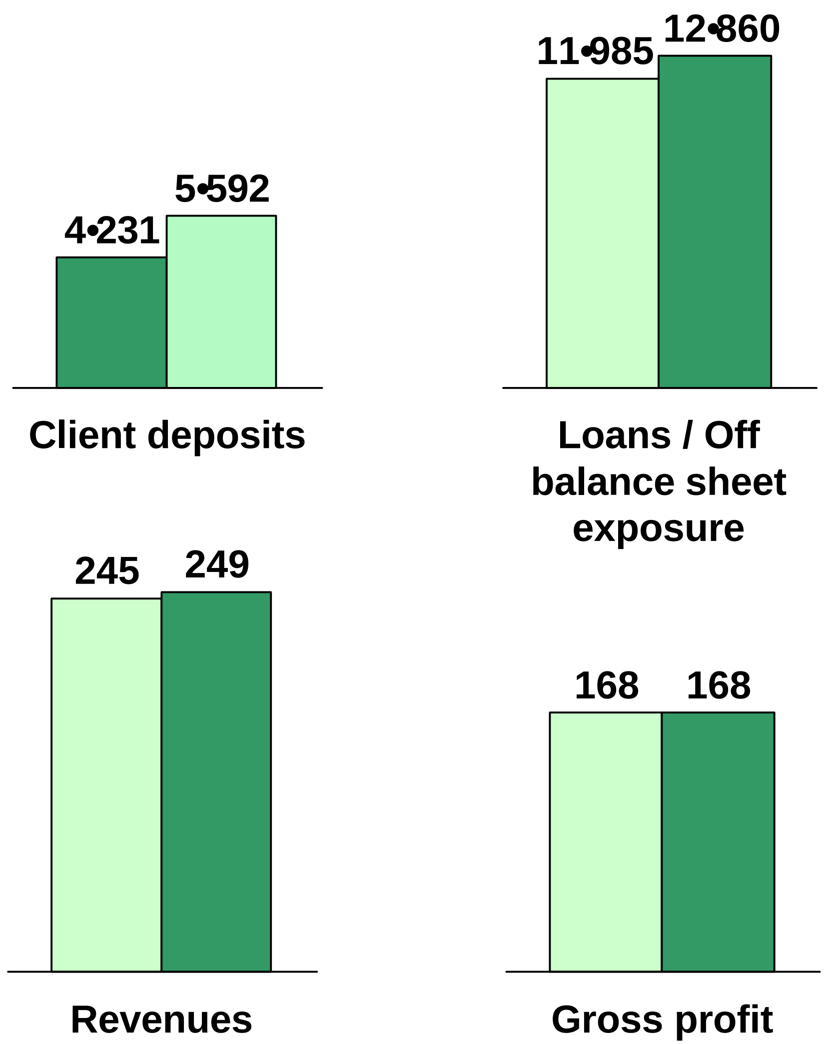


Corporate banking

- CHF 875 mn increase in loans and off balance sheet exposure
  - SME +0.6%
  - Large corporates +7.6%
  - Trade finance +35.9%
- Significant rise in client deposits in all business areas (+1'361 mn, +32%)
- Product mix optimization for the SME segment (SME plain vanilla internet based loans, Corporate Libor Account)
- Continued pressure on commercial credit margins
- Watchful risk management control : provisioning needs remain at single digit levels, below CHF 10 mn

CHF mn (rounded) [1]

2006 2007



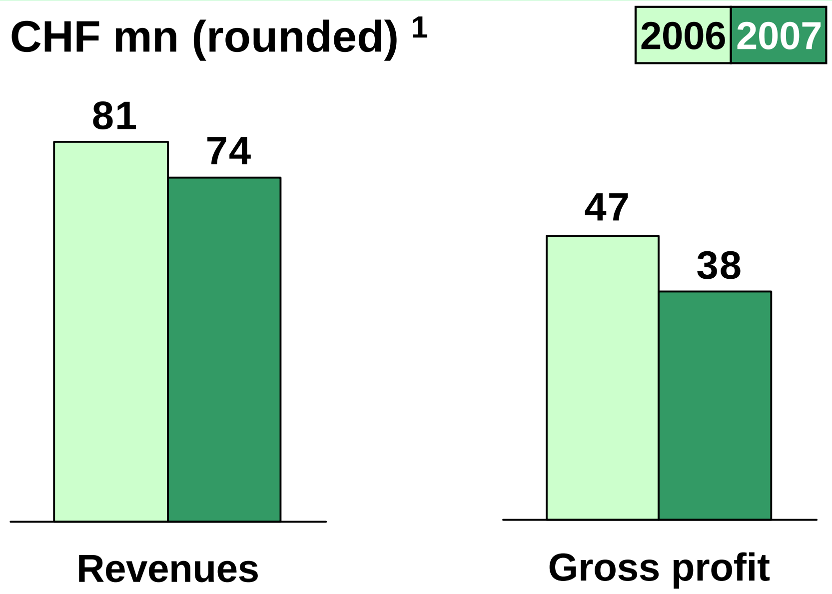
[1] 2006 figures were adjusted as a result of the transfer of a Private equity activity of the Corporate banking sector to the Corporate Center

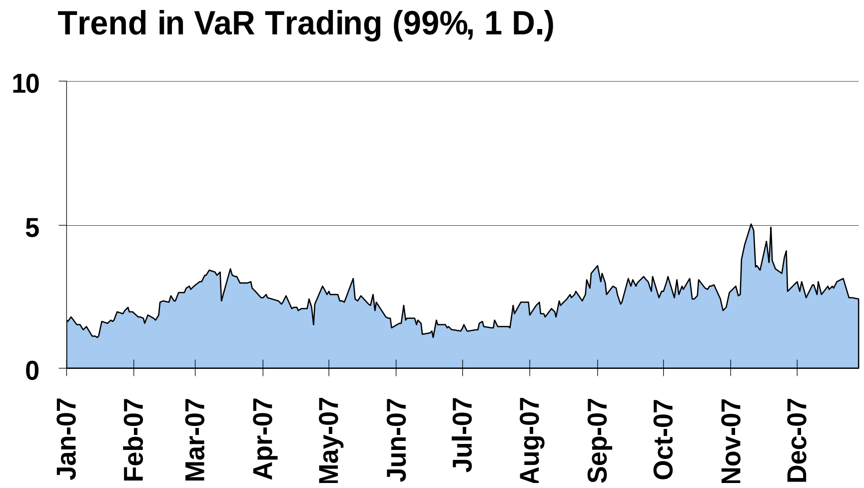
Wealth management

- No subprime exposure for the Bank or its client base
- Very good performance of its investment strategy in very difficult financial markets
- Net New Money increase of CHF 753 mn driven by both institutional and private banking activity
- Cooperation in its hedge fund business with a respected alternative fund management company, Gottex
- Improved results at Piguet SA (net profit +46%)
- Intensive marketing efforts, in particular with the launch of a new advertising campaign

Trading

- Rise in structured products in circulation (CHF +228 mn to CHF 1'426 mn). In 2007, BCV issued 310 structured products (+24%)
- Trading portfolios are invested in neither subprime nor structured credit products
- Fall in revenues and gross profit attributable to difficult financial markets :
  - Lower level of activity in interest and bond markets
  - Lower revenues from Swiss stock market derivatives
  - Increased demand in structured products, currency and depositary banking activities in a favorable market
- Slightly increased VAR (approximately CHF 4 mn by year end) as a result of higher market volatilities





[1] 2006 figures were adjusted as a result of the transfer of the Depositary banking activity of the Corporate center to Trading

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Changes in accounting presentation standards

Profit & loss account

- **All revenues and fees from commissions** directly linked to trading operations are shown under "Trading revenues"
- No impact on gross profit

Balance sheet

- **Netting of replacement values**
- As of 31.12.2006 the total balance sheet sum of CHF 36.5 bn (as published last year) is reduced down to CHF 33.0 bn (newly adjusted figures)

In order to allow for comparisons, 2006 figures were adjusted

Key figures

CHF mn (rounded)

	2006	2007	Variation
Total revenues	**1'101**	**1'088**	**-1%**
Excl. Unicible	**1'002**	**1'043**	**+4%**
Gross profit	**536**	**529**	**-1%**
Excl. Unicible	**504**	**519**	**+3%**
Net profit (before minority interests)	**534**	**477**	**-11%**
	31.12.06	**31.12.07**	
Total balance sheet[1]	**33'031**	**35'337**	**+7.0%**
AuM's	**80'775**	**84'349**	**+4.4%**

[1] Adjusted due to accounting changes introduced in 2007

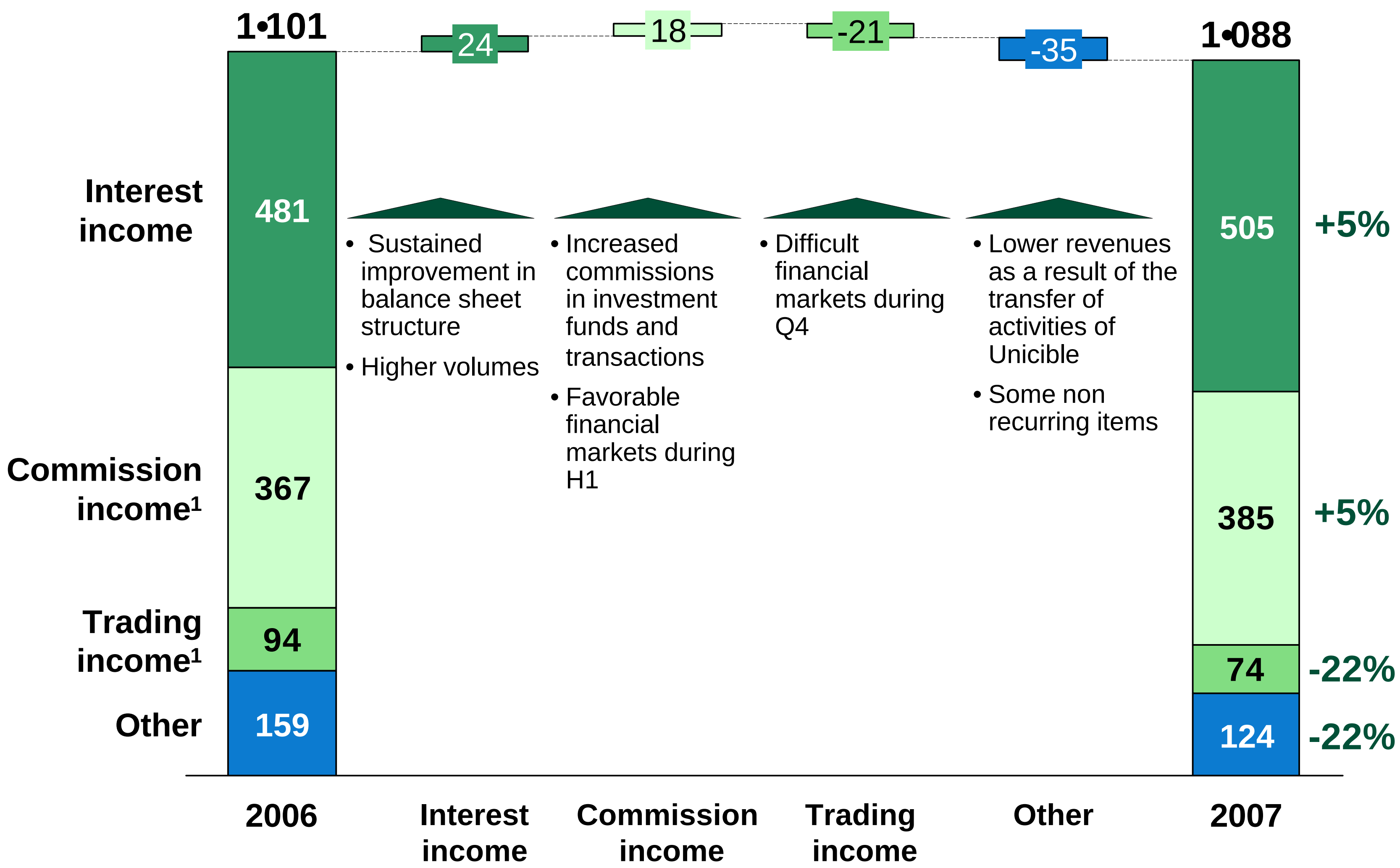
Profit and loss account in 2007

CHF mn (rounded)	2006	2007	Variation		Variation Like-for-like
Total revenues	**1'101**	**1'088**	-13	-1%	+4%
Operational expenses	**-565**	**-559**	-6	-1%	+5%
Gross profit	**536**	**529**	-7	-1%	+3%
Depreciations	**-91**	**-85**	-6	-6%	0%
Value adjustments, provisions, losses	**-8**	**-10**	+2	+25%	+24%
Extraordinary income	**244**	**283**	+39	+16%	+16%
Extraordinary expenses (of which allocation to general banking risks)	**-124** (-122)	**-141** (-140)	+17	+14%	+13%
Taxes	**-23**	**-99**	+76	+322%	+452%
Net profit (before minority interests.)	**534**	**477**	-57	-11%	-8%

[1] Excl. transfer of Unicible activities

Excl. Unicible, Group revenues were up 4%

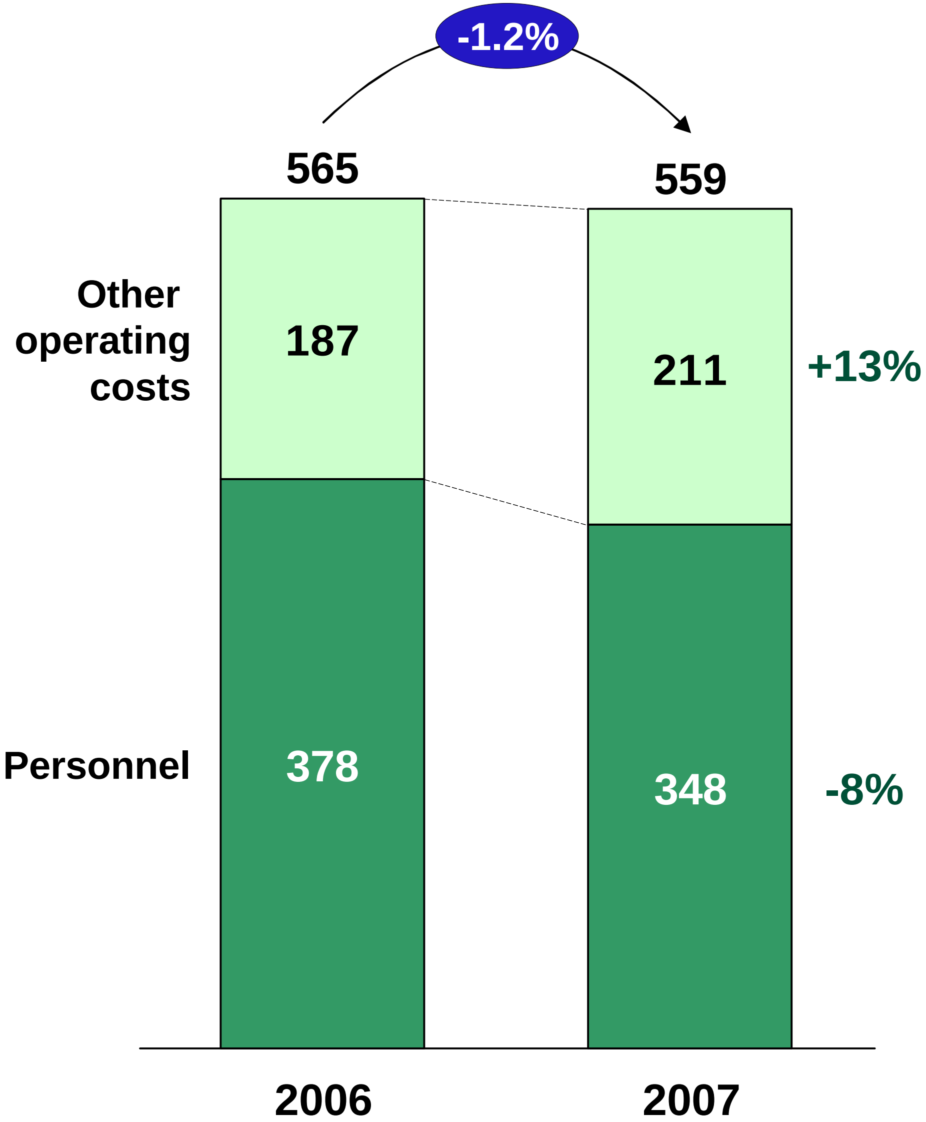
CHF mn (rounded)



[1] Adjustments as a result of accounting changes in 2007

Trends in operating costs

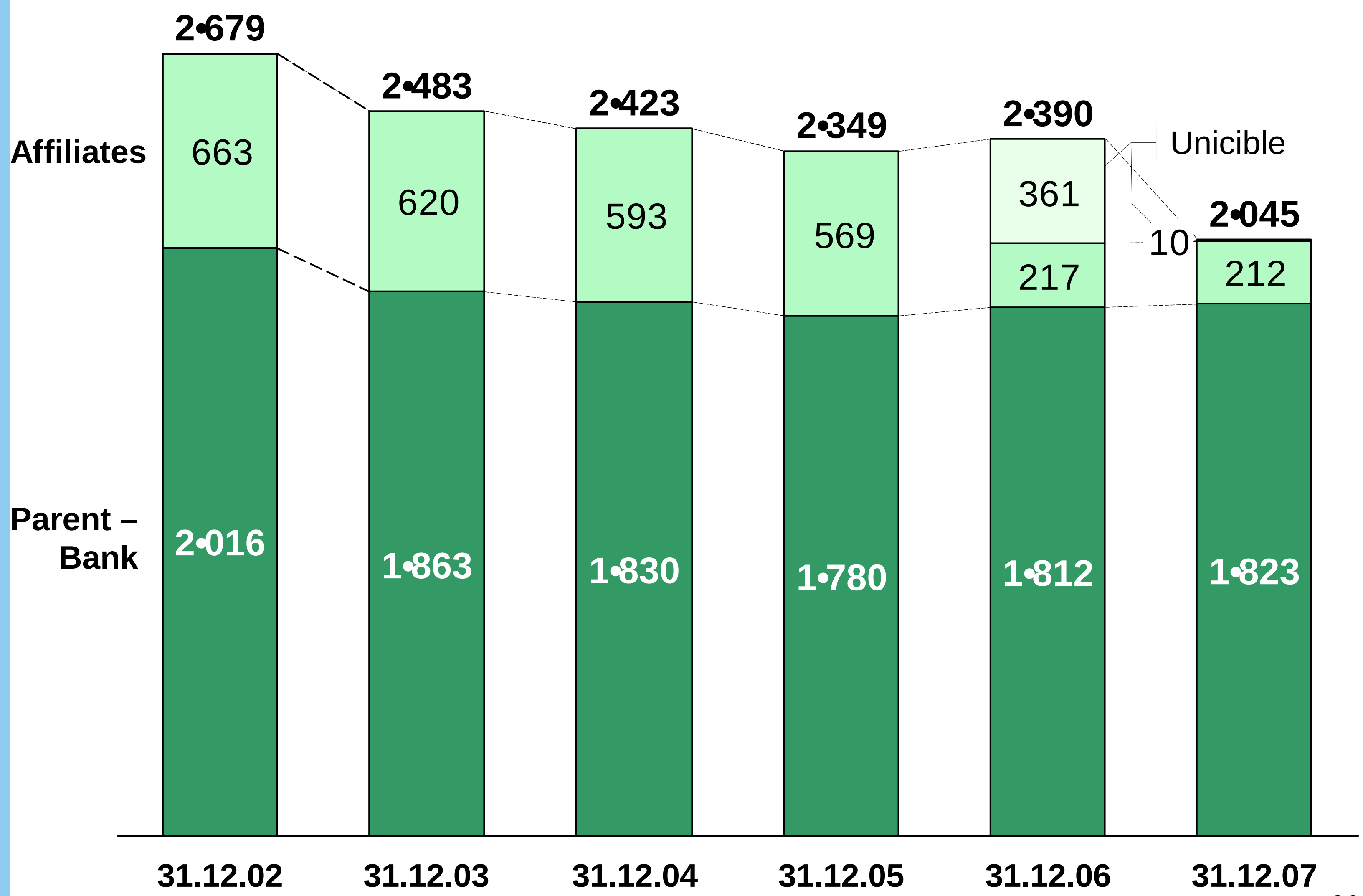
CHF mn (rounded)



- Overall, slightly lower operating costs, reduced by the transfer of Unicible activities and increased by higher business volumes and investments in IT and in the project CroisSens
- Excl. Unicible, operating costs were up 5%
- Change in costs structure between personnel and other operating costs due to the transfer of IT services
- Personnel costs under control : +1% excl. Unicible

Decline in staff numbers: transfer of Unicible employees to IBM (CH)

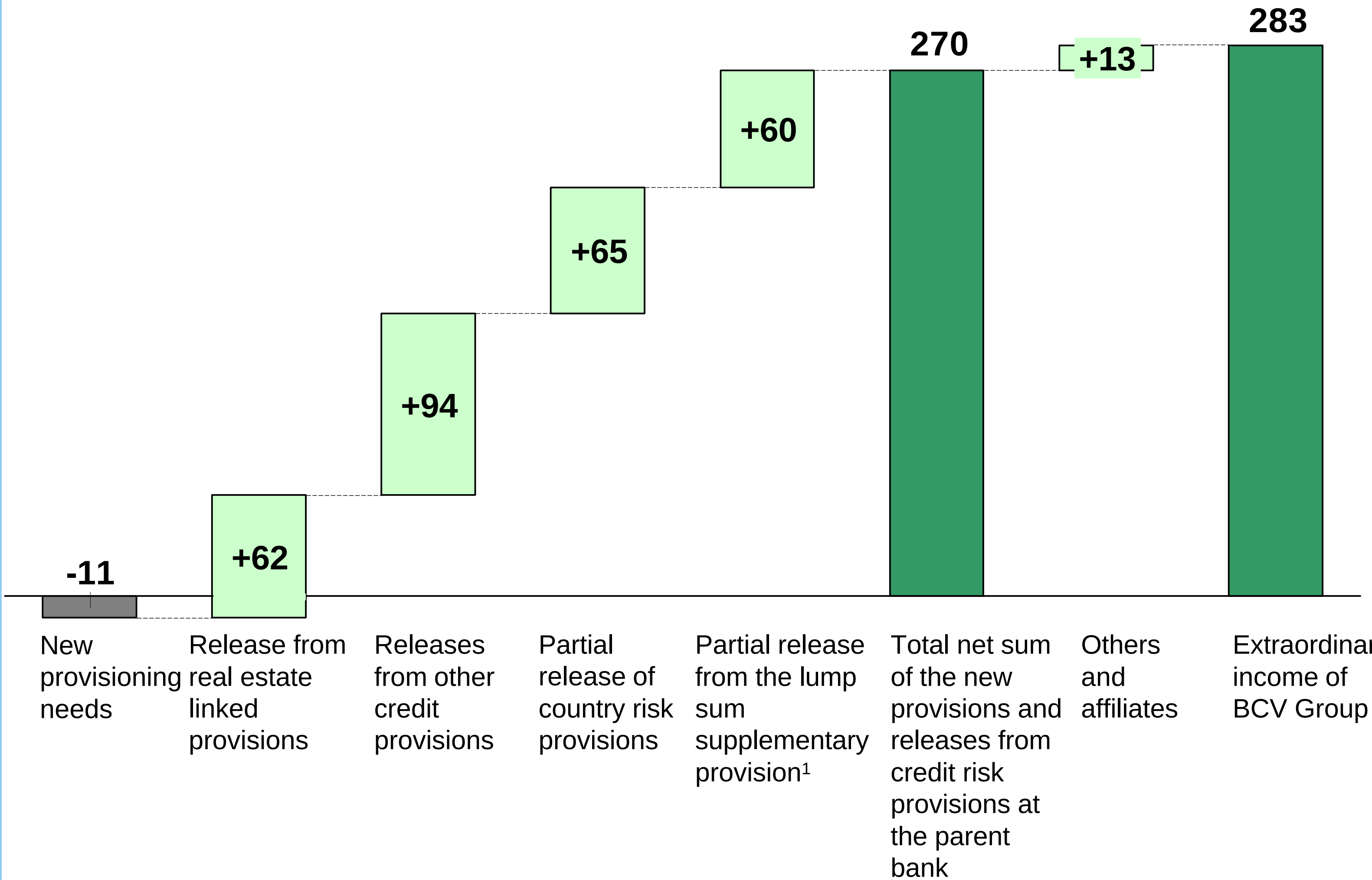
Full time equivalents



Extraordinary income generated by provision releases

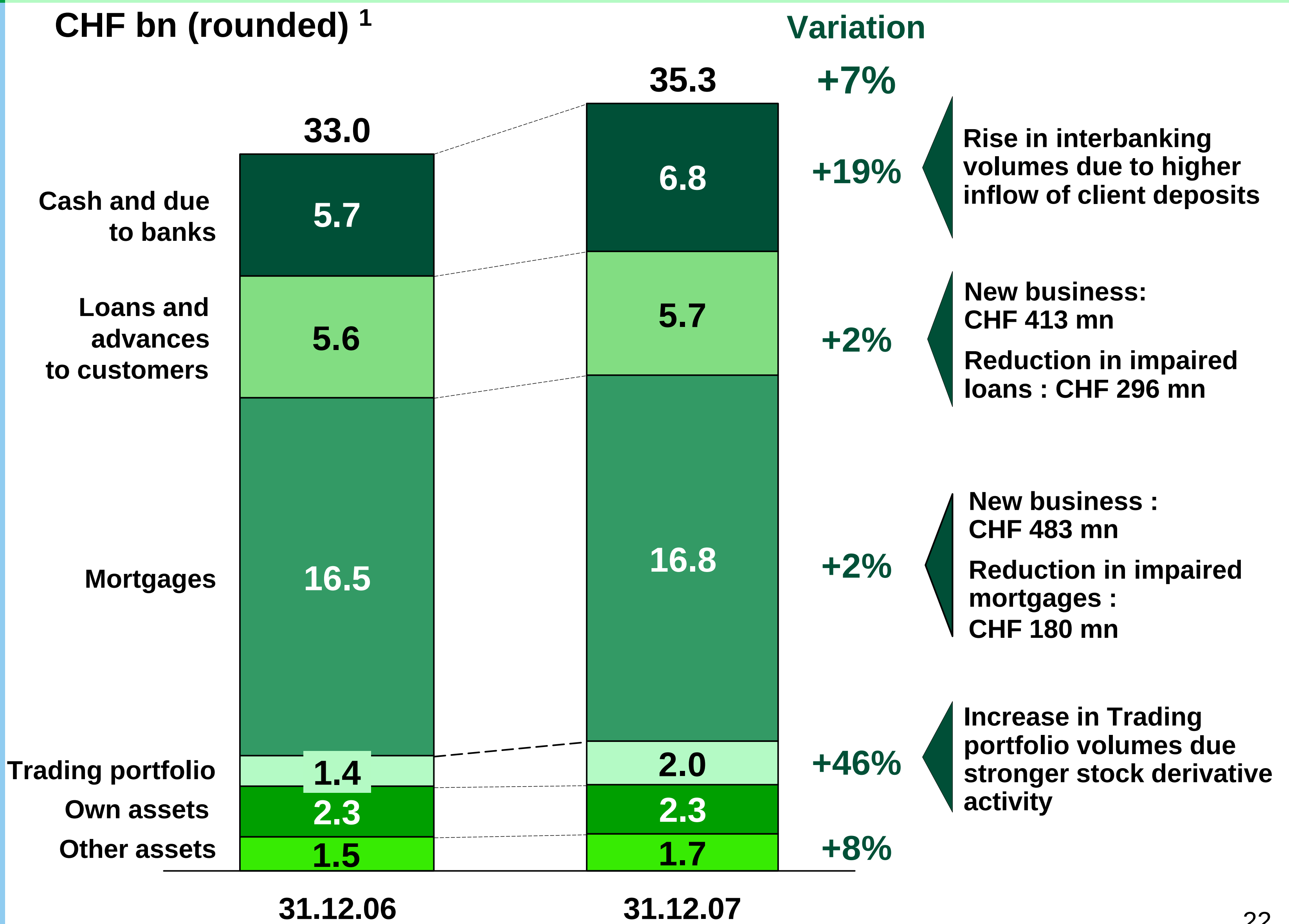
Breakdown in extraordinary income in 2007, CHF mn

ESTIMATE



[1] Supplementary provisioning according to the SFBC rules

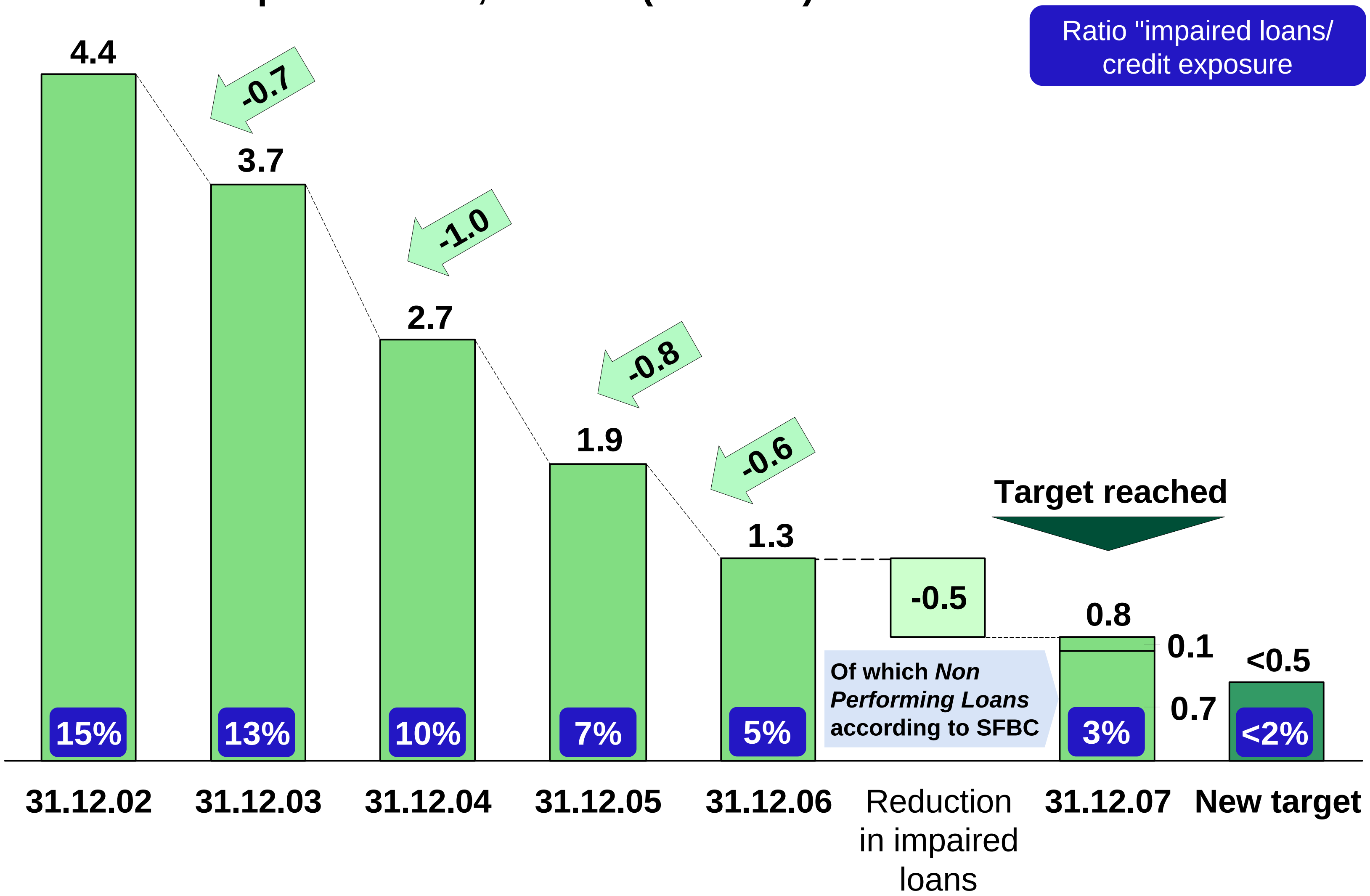
Trends in the balance sheet : assets



[1] Adjustments as a result of accounting changes in 2007

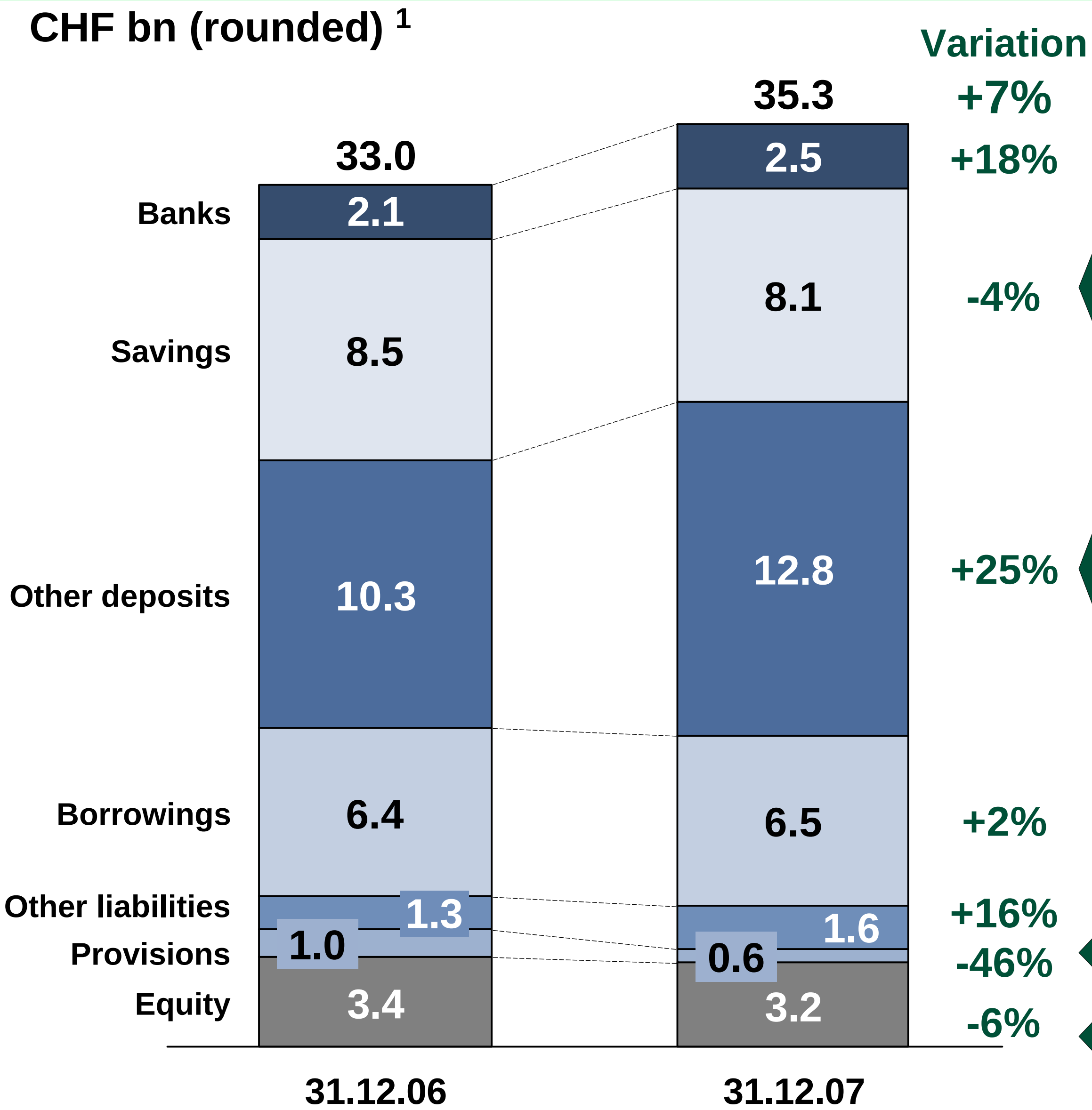
Volumes of impaired loans further reduced but at a lower pace

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



[1]According to SFBC rules

Trends in the balance sheet : liabilities



Decrease in saving deposits – less than market – and client shift to more attractive investment forms

Increasing demand from private and institutional clients for term deposits

New client institutional funds

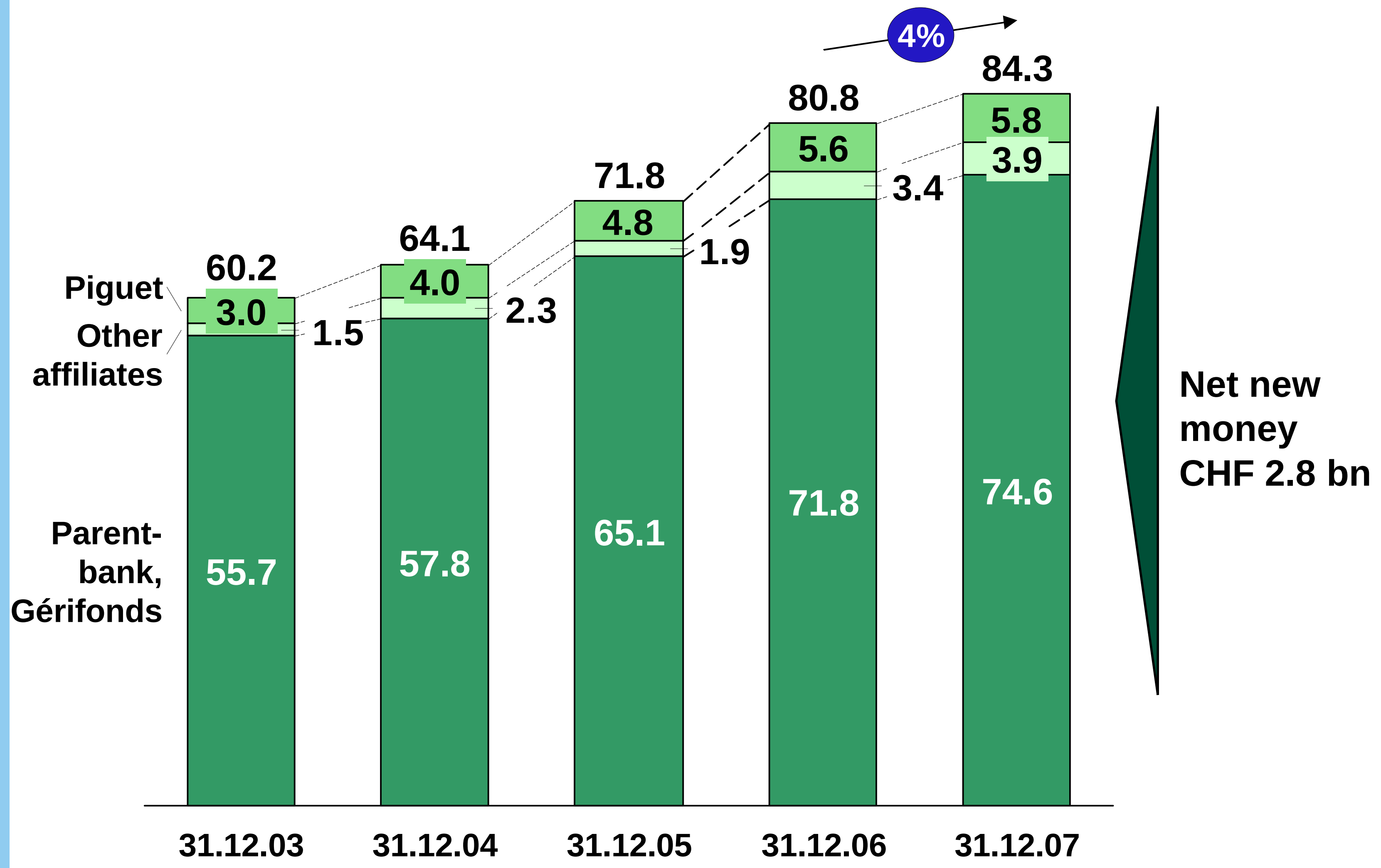
Continued reduction in provisions

Reduction due to buy-back of participation capital

1 Adjustments as a result of accounting changes in 2007

Increase in assets under management

CHF bn (rounded)



Business sectors results vary in a more difficult environment

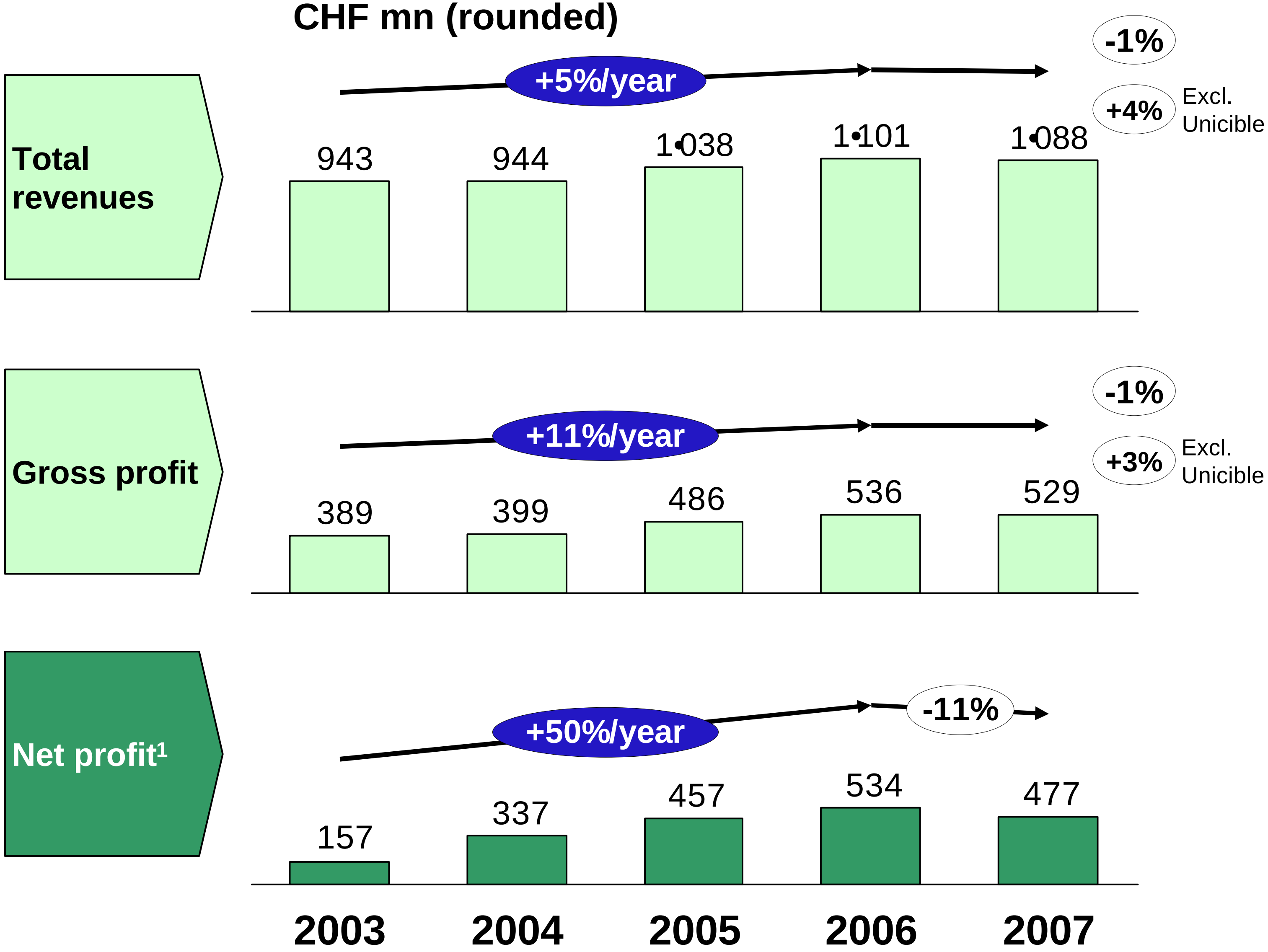
CHF mn (rounded)

	Gross profit			Net profit		
	2006	2007	Variation	2006	2007	Variation
Retail banking	98	92	-6%	23	19	-16%
Corporate banking	168[1]	168	0%	65[1]	67	+2%
Wealth management	263	262	0%	147	148	+1%
Trading	47[2]	38	-19%	25[2]	21	-18%

[1] 2006 figures were adjusted as a result of the transfer of a Private equity activity of the Corporate banking sector to the Corporate Center
[2] 2006 figures were adjusted as a result of the transfer of the Depositary banking activity of the Corporate center to Trading

Trend in revenues, gross and net profit over the last 5 years

CHF mn (rounded)



Sustained increase in revenues whilst improving the Group's risk profile

- Significant operational improvement
- Stabilization trend

Net profit still influenced by both non recurring elements and reduced tax levels

[1] Before minority interests

Sustained improvement of main key ratios

		2003	2004	2005	2006	2007
Quality and balance sheet structure	Impaired loans / credit exposure	13%	10%	7%	5%	3%
	Client deposits / Loans to clients	74%	78%	83%	85%	93%
	Net interest margin	1.23%	1.29%	1.40%	1.39%	1.53%
	With new accounting definition in 2007 (netting of replacement values)				*1.55%*	
Equity	Equity ratio SFBC	156%	185%	196%	199%	179%
	Total capital ratio (BRI)	15.1%	17.4%	18.5%	18.5%	16.3%
Productivity	Cost/income (Excl. goodwill amort.)	71%	67%	62%	59%	59%
Financial performance	ROE (Net profit / average equity)	6.5%	12.4%	14.9%	16.0%	14.3%

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BCV

Key points on the financial strategy

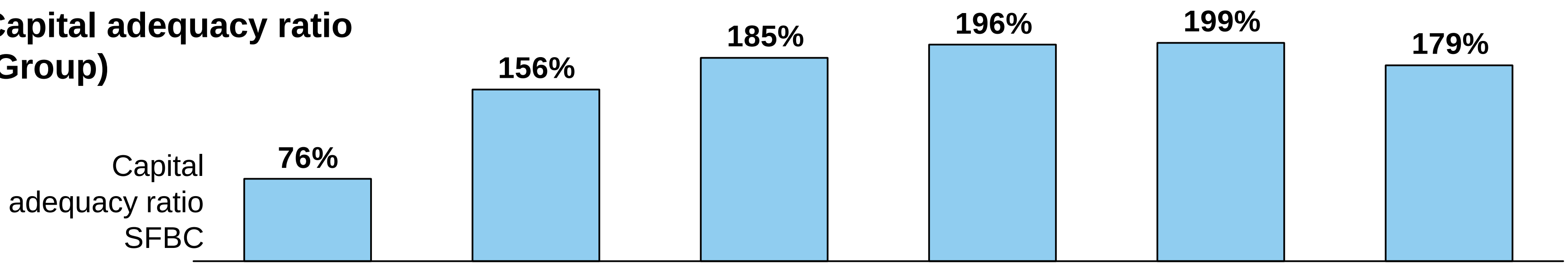
Strategy on shareholder's equity

Dividend policy

Financial targets

Trend in equity levels 2002 - 2007

Capital adequacy ratio (Group)



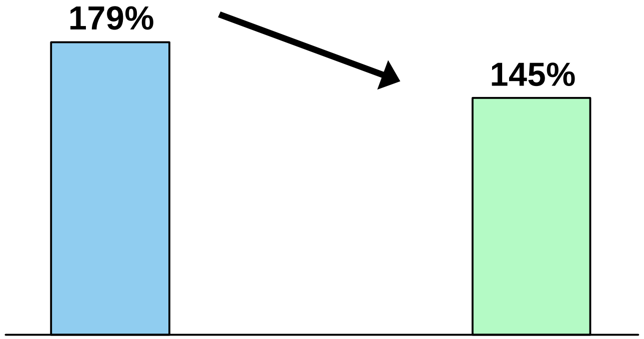
Tier 1 ratio BRI	5.5%	13.4%	16.5%	17.8%	18.3%	16.3%
Total capital ratio BRI	7.5%	15.1%	17.4%	18.5%	18.5%	16.3%
As of 31.12.	2002	2003	2004	2005	2006	2007

- Continued rise in the capital adequacy ratio due to :
  - Very good financial results, influenced by non recurring elements
  - sustained improvement in the Group's risk profile (strategic realignment and decrease in impaired loans)
- High equity levels were maintained in light of the important levels in impaired loans
- Decrease in the capital adequacy ratio in 2007 due to the last buy-back of participation capital for CHF 734 mn

Over time the Group aims for a capital adequacy ratio (SFBC) of 145%[1]

Capital adequacy ratio (Group)

Capital adequacy ratio SFBC



	31.12.07	Long term target
Tier 1 ratio BRI	**16.3%**	**~12%**
Total capital ratio BRI	**16.3%**	**~14%**

- Improved risk profile
- Impaired loans level below 3% of total credit exposure
- Sustainable net profit levels thanks to operational improvements

BCV's strategy in the long term is to run the business with optimized equity levels in adequacy with its low risk profile

[1] 125% in core equity and 20% in supplementary capital at Group level

Strategy on shareholder's equity (1/2)

Cashflows to shareholders	**BCV intends to optimize its equity base by distributing equity which is not deemed necessary for the Group's business development**
Internal growth	Recurring net profits amply sufficient to finance the Group's internal growth
External growth	• As things stand, no opportunities for external growth • As a matter of policy, the Group stays open to future possibilities regarding external growth as long as the projects will create shareholder value and meet the Group's strategy requirements

Strategy on shareholder's equity (2/2)

The goal is to optimize the Group's capital as soon as possible (~ 3 - 4 years) in adequacy with its financial strength

Reimbursement of par value

share buy-backs

extraordinary dividends

Participating in State's project of reducing its stake

- BCV will use various levers (reimbursement of par value, share buy-backs, extraordinary dividends, put options) in order to optimize its equity
- In addition, BCV does not exclude the possibility that it may participate, through share buy-backs, in the majority shareholder's (the State of vaud) project of reducing its stake down to 50,12% which is currently being reviewed by parliament

BCV

Dividend policy

The rationale :

- The participation capital was entirely bought back (until now one of the main priorities)
- End of the priority dividend paid on participation capital
- Stable bottom line and improved risk profile
- Group's intention to optimize the relation between it's cash flow generation and it's dividend policy

- BCV aims to significantly increase dividend levels
- **BCV aims long term for a payout ratio between 60-80%**

Key ratios and new financial targets

GROUP

		Targets today		New targets	
Equity	**Capital adequacy ratio**	Stated goal was to maintain comfortable equity levels in light of the important levels of impaired loans		**145%**	• Adapting the Group's equity levels to it's risk profile
	Tier 1 capital ratio (BRI)			**~12%**	
	Total capital ratio (BRI)			**~14%**	
Dividend payout ratio	(on the net profit, excl. extraordinary elements)	No targets ; priority was given to the buy-back of participation capital and the payment of preferred dividends		**60-80%**	• Increasing significantly the payout ratio
Cost/income	**Cost/ Income** (Excl. goodwill amort.)	**60-63%**	Î	**57-59%**	• Aims to keep tight cost controls despite strategic investments
ROE	**Net profit / average equity**	**• 12%**	Ì	**13-14%**	• This ratio will be influenced by the expected drop in extraordinary gains and the speed of the equity optimization process

First effects from the new financial strategy

Significant increase in ordinary dividends

Proposal to double the level of ordinary dividends from CHF 7 to CHF 14 per reg. share in order to reflect the Group's willingness to reach progressively the desired dividend payout levels

Reimbursement of more than half of the par value

Proposal for supplementary distribution by reimbursing CHF 32.50 of par value per reg. share (from CHF 62.50 to CHF 30)

Proposal of the board for the upcoming 2008 AGM

Proposed dividend of
CHF 14.00 per reg. share, + 100%
(2006: CHF 7.00)

120 mn

Proposed reimbursement of par value for CHF 32.50 per reg. share

(Par value from CHF 62.50 to CHF 30)

280 mn

In total CHF 46.50 per share

(Number of outstanding reg. shares : 8 606 190)

400 mn

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For 2008, the Group will pursue its current business strategy

Developing the core business

- Continuing to improve core businesses through the project CroisSens
- Selective growth strategy in specific areas (trade finance, structured products, asset management in Switzerland)
- Optimizing the risk/return of Trading activities (reduction of risk exposure to equity derivatives activities)

Growth

- Growth target in line with the market, or 3-5% in revenues and 4-7% in gross profit terms
- 2008 growth will depend on prevailing market conditions

Impaired loans

- Pursuit of impaired loans reductions with an end year 2008 target of less than CHF 500 mn

Strategic initiatives

- Ongoing implementation of joint venture in IT and Back-office operations with ZKB
- Finalization of Basel II project (Target : approval of IRB-F approach by end 2009)

Outlook in 2008

- Difficult and uncertain financial markets
- Strong and expected drop in extraordinary gains
- Full tax charge going forward

Gross profit similar to 2007

Reduction in net profit level

Financial calendar 2008

April 24	AGM
May 20	Q1 results
August 19	H1 results
November 11	9 months results

Changes in accounting principles

P&L

Beginning with the 2007 reporting period, commission income generated by and placement fees (“retrocessions”) charged to BCV’s issuance activities are netted and recognized under “Trading income". Previously, these items had been booked as income and expense, respectively, under the heading “Fee and commission income”. In addition, commission expenses directly related to nostro trading transactions are henceforth recognized under “Trading income". Previously, these expenses had also been booked under the heading “Fee and commission income”. The new accounting treatments of these items are in line with applicable SFBC financial reporting standards.

To facilitate like-for-like comparisons, these two items have been reclassified in the 2006 statements provided above. Following this operation, which involves an amount of CHF 8.4m for 2006, "Fee and commission income" has risen from CHF 358.4m (published) to CHF 366.8m (adjusted), while "Trading income" has declined from CHF 102.8m to CHF 94.4m. This reclassification has no effect on gross profit at 31 December 2006.

Balance sheet

Following changes to the directives of the Swiss Federal Banking Commission (SFBC directives), taking effect on 1 January 2007, computer programs are no longer carried under "Intangible assets". They are now carried under "Tangible fixed assets".

Beginning with the 2007 reporting period, positive and negative replacement values of derivative financial instruments have been netted. As a result of this accounting treatment, which is in line with the SFBC directives, "Other assets" and "Other liabilities" declined by CHF 3.2bn at 31 December 2007 and by CHF 3.5bn at 31 December 2006.

To facilitate like-for-like comparisons, the items "Tangible fIxed assets", "Intangible assets", "Other assets" and "Other liabilities" in the 2006 financial statements have been adjusted. Consequently, total assets at 31 December 2006 decreased from CHF 36.5bn (published) to CHF 33.0bn (adjusted).