



BCV AT A GLANCE – 2007

Overview of BCV

Our foundations

Banque Cantonale Vaudoise (BCV) was founded on 19 December 1845 by the Vaud Cantonal Parliament (Grand Conseil vaudois) as a société anonyme de droit public (i.e., a corporation organized under public law). The Canton of Vaud is BCV's majority shareholder, with 67% of the share capital. BCV is listed in the Vaud Commercial Register and is subject to all applicable legislation. BCV's legal status is defined in the Cantonal Act Governing the Organization of Banque Cantonale Vaudoise (LBCV) of 20 June 1995, as amended 25 June 2002 and 30 January 2007. BCV's commitments are not underwritten by the Canton, although a limited cantonal guarantee applies to deposits with Caisse d'Epargne Cantonale Vaudoise, a savings institution managed by the Bank.

Our core businesses

With revenues close to CHF 1.1bn in 2007 and total assets of CHF 35bn, we rank among Switzerland's top five banks by assets. BCV is the country's second-largest cantonal bank, employing 2,045 people. Our four core business areas are: retail banking, with a network of 69 staffed outlets throughout the Canton of Vaud; wealth management for both private and institutional clients; corporate banking; and trading. We offer a comprehensive range of financial services to all client segments. BCV Group comprises three main subsidiaries: two fund management/administration firms and a boutique private bank. In 2007, the Group transferred the assets and operations of Unicable SA to IBM (Switzerland) and reached an agreement to dispose of its holding in subsidiary A&G SA.

Our missions

Pursuant to Article 4 of the LBCV, as amended 1 April 2007, BCV's corporate mandate is 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. Also, as part of our community focus, we provide mortgage financing in Vaud. The amended law also stipulates that BCV is to be guided by the principles of economically, environmentally and socially sustainable development. More generally, our missions are to create value for our shareholders and clients, to be a benchmark employer, and to be a good corporate citizen.

Our recent history

Since the Bank was founded in 1845, it has considerably expanded its business in the Canton, mainly through organic growth. In the 1990s, however, the banking industry in Vaud underwent major consolidation. BCV acquired Banque Vaudoise de Crédit in 1993 and merged with Crédit Foncier Vaudois in 1995. From 1996 to 2000, we moved to diversify our operations, particularly in international trade finance, offshore wealth management, and trading. The result was a rise in total assets from approximately CHF 15bn at the beginning of the 1990s to over CHF 35bn in 2007. In addition, BCV Group's total assets under management have grown from CHF 28bn in 1996 to over CHF 84bn today.

In 2001 and 2002, substantial credit-risk provisions had to be created following an in-depth assessment of loan-book quality. This resulted in significant bottom-line losses in each of those two years, as well as a substantial decline in equity capital. Two recapitalizations, in 2002 and early 2003, were necessary to strengthen the Group's capital base. The Canton provided most of the funds raised on both occasions. In 2007, the Bank closed this chapter of its history by repurchasing the final tranche of participation-certificate capital.

Our strategy

In 2005, we initiated the second phase of our strategy, the CroisSens growth project, which was launched in 2006. (The term "CroisSens" is a play on words in French combining growth, vision, meaning, belief, and a clear sense of direction.) This project aims to maximize the Bank's growth potential by taking advantage of our unrivaled presence in our local market, the Canton of Vaud. We have reorganized our local distribution structure into nine different regions in order to strengthen ties with customers, and we are modernizing our network. Our retail footprint is set to rise from 69 to 75 branches; employee training has been stepped up; and our range of services has been tailored to provide optimal solutions for all client segments. In 2007, these efforts paid off for the Group in terms of renewed business growth and an improved image. Finally, BCV initiated a strategic project with Zurich Cantonal Bank aimed at pooling the two banks' IT and back-office activities.

Our vision for BCV is informed by two core values: close ties to our customers and professionalism of our staff. These values guide us in the pursuit of our ultimate goal of creating value for clients, shareholders and employees.

BCV at a glance

Key figures (in CHF millions)

	2007	2006	Change as %
Total assets	35 337	33 031	7%
Total income	1 088	1 101	– 1%
Gross profit	529	536	– 1%
Net profit	477	534	– 11%
Assets under management	84 349	80 775	4%

Ratios

Cost / income ratio ¹	59%	59%	
ROE	14%	16%	
BIS capital adequacy ratios			
Tier 1 capital ratio	16.3%	18.3%	
Total capital ratio	16.3%	18.5%	

¹ Excluding goodwill amortization and write-downs

Highlights in 2007

BCV posted very good financials:

- Revenues were stable at CHF 1.1bn (-1%) despite the transfer of Unicile's assets and operations.
- Gross profit was CHF 529m (-1%).
- Net profit stood at CHF 477m.

Our strong financial position allowed us to buy back the remaining participation-certificate capital.

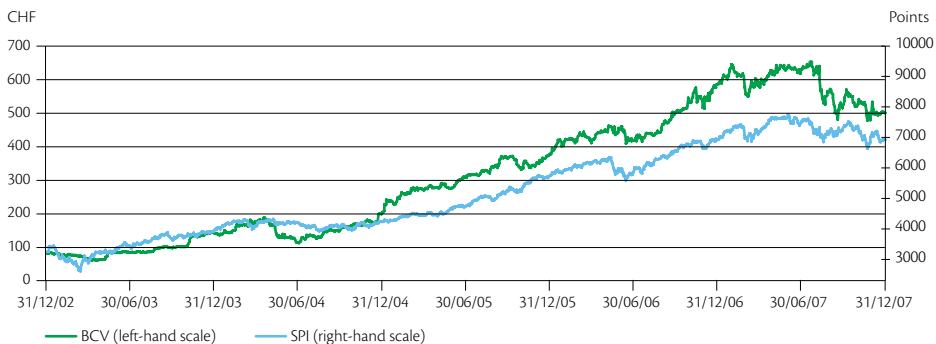
Moody's assigned us a credit rating of A1, and Standard & Poor's raised our rating from A (stable) to A+ (stable).

BCV's sights are now firmly set on the future:

- Our business trends are back on track thanks to our CroisSens growth project.
- We entered into a strategic IT and back-office partnership with Zurich Cantonal Bank.
- We transferred the assets and operations of our former IT subsidiary to IBM (Suisse) SA.
- Our image on the local market has improved significantly.

Investor information

BCV share price and SPI



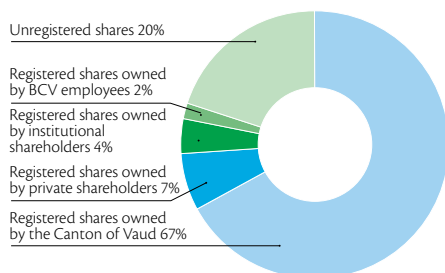
Listed on:	SWX	Ticker symbols:
Par value:	CHF 62.50	– Bloomberg: BCVN
Swiss security number:	1 525 171	– Telekurs: BCVN
ISIN code:	CH0015251710	– Reuters: BCVN.S

	2004	2005	2006	2007
Number of shares outstanding (thousands)	8 518	8 565	8 590	8 606
Period-end share price	204	378	587	501
Share price high/low (adjusted, in CHF) – high	208	378	587	652
– low	111	208	389	480
Dividend per share (in CHF)	3.00	4.50	7.00	14.0 ²
Dividend yield ¹ (%)	1.5	1.2	1.2	2.8
S&P long-term credit rating	A–, stable	A–, stable	A, stable	A+, stable
S&P short-term credit rating	A–2	A–2	A–1	A–1
Moody's long-term credit rating	–	–	–	A1
Moody's short-term credit rating	–	–	–	Prime–1

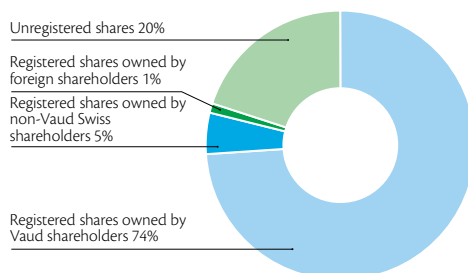
¹⁾ Relative to the period-end share price.

²⁾ Dividend to be proposed to the Shareholders' Meeting of 24 April 2008.

Share ownership structure



Share ownership by geographical zone



Key figures – 5-year overview

(in CHF millions)

	2003	2004	2005	2006	2007
Balance sheet at 31 December					
Total assets ¹	33 972	31 783	32 233	33 031	35 337
Advances to customers	23 208	22 112	21 685	22 059	22 479
Customer deposits and bonds	25 683	24 566	24 638	25 120	27 490
Shareholders' equity	2 563	2 920	3 229	3 419	3 225
Assets under management	60 248	64 071	71 751	80 775	84 349
Key income-statement data					
Total income	943	944	1 038	1 101	1 088
Operating expenses	554	546	552	565	559
Gross profit	389	399	486	536	529
Depreciation and write-offs	151	86	91	91	85
Value adjustments, provisions and losses	78	40	16	8	10
Net profit	157	337	457	534	477
Headcount					
Full-time equivalents	2 483	2 423	2 349	2 390	2 045
Ratios					
Shareholders' equity / total assets	7.5%	9.2%	10.0%	10.3%	9.1%
SFBC capital adequacy ratio	156%	185%	196%	199%	179%
BIS Tier 1 capital ratio	13.4%	16.5%	17.8%	18.3%	16.3%
BIS total capital ratio	15.1%	17.4%	18.5%	18.5%	16.3%
BIS risk-weighted assets at 31 December (in CHF millions)	18 464	17 224	17 612	18 140	18 962
Gross profit / average shareholders' equity	15.2%	13.7%	15.0%	15.9%	15.5%
Cost / income ratio ²	71.3%	66.5%	61.8%	59.4%	59.0%
Gross profit per employee (in CHF thousands)	156.6	164.7	206.8	225.8	244.7
ROE	6.5%	12.4%	14.9%	16.0%	14.3%
Credit ratings					
Standard & Poor's (S&P)	A-/negative / A-2	A-/stable / A-2	A-/stable / A-2	A / stable / A-1	A+/stable / A-1
Moody's					A1/Prime-1 stable

¹⁾ Following changes to accounting principles applied in preparing the 2007 financial statements, the corresponding line items from 2003 to 2006 were adjusted.

²⁾ Excluding goodwill amortization and write-downs

Consolidated balance sheet

(in CHF millions)

	31 / 12 / 07	31 / 12 / 06	Change	
			absolute	as %
Cash and cash equivalents	353.1	320.5	32.6	10
Money-market instruments	100.1	711.7	- 611.6	- 86
Due from banks	6 364.2	4 644.2	1 720.0	37
Loans and advances to customers	5 691.1	5 574.0	117.1	2
Mortgage loans	16 788.2	16 485.1	303.1	2
Trading portfolio assets	2 046.0	1 404.6	641.4	46
Financial investments	1 589.1	1 586.1	3.0	0
Non-consolidated holdings	81.8	83.5	- 1.7	- 2
Tangible fixed assets ¹	634.8	653.9	- 19.1	- 3
Intangible assets ¹	11.7	16.6	- 4.9	- 30
Accrued income and prepaid expenses	272.5	249.6	22.9	9
Other assets ²	1 404.3	1 300.8	103.5	8
Assets ²	35 336.9	33 030.6	2 306.3	7
Total subordinated assets	6.7	13.5	- 6.8	- 50
Total claims on non-consolidated holdings and significant shareholders	26.5	41.8	- 15.3	- 37
<i>of which claims on the Canton of Vaud</i>	<i>15.8</i>	<i>29.6</i>	<i>- 13.8</i>	<i>- 47</i>
Money-market paper issued	5.0	3.3	1.7	52
Due to banks	2 472.3	2 088.0	384.3	18
Customer savings and investment accounts	8 120.1	8 472.7	- 352.6	- 4
Other customer accounts	12 432.1	9 963.8	2 468.3	25
Medium-term notes	404.7	288.9	115.8	40
Bonds and mortgage-backed bonds	6 533.2	6 394.6	138.6	2
Accrued expenses and deferred income	368.5	260.4	108.1	42
Other liabilities ²	1 205.4	1 091.7	113.7	10
Value adjustments and provisions	570.5	1 048.6	- 478.1	- 46
Liabilities	32 111.8	29 612.0	2 499.8	8
Reserves for general banking risks	704.0	564.1	139.9	25
Equity capital	537.9	997.4	- 459.5	- 46
Own equity securities	- 7.6	- 7.2	- 0.4	- 6
Capital reserve	352.8	347.9	4.9	1
Retained earnings	1 145.4	968.2	177.2	18
Minority interests - equity	15.3	13.8	1.5	11
Net profit before minority interests	477.3	534.4	- 57.1	- 11
<i>Minority interests</i>	<i>3.9</i>	<i>4.2</i>	<i>- 0.3</i>	<i>- 7</i>
Shareholders' equity	3 225.1	3 418.6	- 193.5	- 6
Total liabilities and shareholders' equity ²	35 336.9	33 030.6	2 306.3	7
Total subordinated liabilities	231.9	381.4	- 149.5	- 39
Total liabilities to non-consolidated holdings and significant shareholders	893.2	240.0	653.2	272
<i>of which liabilities to the Canton of Vaud</i>	<i>660.6</i>	<i>205.7</i>	<i>454.9</i>	<i>221</i>

¹⁾ Following changes to SFBC directives on financial statement presentation standards which took effect on 1 January 2007, the corresponding line items for 2006 were reclassified.

²⁾ Following changes to accounting principles applied in preparing the 2007 financial statements, the corresponding line items for 2006 were adjusted.

Consolidated income statement

(in CHF millions)

	2007	2006	Change	
			absolute	as %
Interest and discount income	1 024.1	855.5	168.6	20
Interest and dividend income from financial investments	40.3	39.6	0.7	2
Interest expense	- 559.4	- 414.4	145.0	35
Net interest income	505.0	480.7	24.3	5
Fees and commissions on lending operations	41.9	35.8	6.1	17
Fees and commissions on securities and investment transactions ¹	356.0	336.7	19.3	6
Fees and commissions on other services	71.2	73.6	- 2.4	- 3
Fee and commission expense ¹	- 84.3	- 79.3	5.0	6
Net fee and commission income	384.8	366.8	18.0	5
Net trading income ¹	73.5	94.4	- 20.9	- 22
Profit on disposal of financial investments.	54.4	26.5	27.9	105
Total income from holdings	5.5	4.6	0.9	20
<i>of which holdings accounted for using the equity method</i>	0	0.9	- 0.9	- 100
<i>of which other non-consolidated holdings</i>	5.5	3.7	1.8	49
Real-estate income	8.6	6.8	1.8	26
Miscellaneous ordinary income	56.9	121.4	- 64.5	- 53
Miscellaneous ordinary expenses	- 1.2	0	1.2	
Other ordinary income	124.2	159.3	- 35.1	- 22
Total income from ordinary banking operations	1 087.5	1 101.2	- 13.7	- 1
Personnel costs	- 347.8	- 378.5	- 30.7	- 8
Other operating expenses	- 210.7	- 186.6	24.1	13
Operating expenses	- 558.5	- 565.1	- 6.6	- 1
Gross profit	529.0	536.1	- 7.1	- 1
Depreciation and write-offs on fixed assets	- 85.2	- 91.1	- 5.9	- 6
Value adjustments, provisions and losses	- 9.6	- 7.7	1.9	25
Profit on ordinary banking operations before extraordinary items and taxes	434.2	437.3	- 3.1	- 1
Extraordinary income	282.8	244.2	38.6	16
Extraordinary expenses	- 141.2	- 123.8	17.4	14
Taxes	- 98.5	- 23.3	75.2	323
Net profit before minority interests	477.3	534.4	- 57.1	- 11
Minority interests	- 3.9	- 4.2	- 0.3	- 7
Net profit	473.4	530.2	- 56.8	- 11

¹⁾ Following changes to accounting principles applied in preparing the 2007 financial statements, the corresponding line items for 2006 were reclassified.

Head office

Place Saint-François 14
Case postale 300
1001 Lausanne
Switzerland

Phone: +41 0848 808 880

Fax: +41 21 212 12 22

Telex: 454 304 bcvl ch

Swift code: BCVLCH2L

Clearing number: 767

www.bcv.ch

info@bcv.ch

