



BCV AT A GLANCE – 2009

Overview of BCV

Our legal status

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 66.95% 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 on 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 of CHF 976m in 2009 and total assets of CHF 35.7bn, we rank among Switzerland's top five banks by assets. BCV is the country's second-largest cantonal bank, employing 2,126 people. Our four core business areas are: retail banking, with a network of 68 staffed branches and 180 ATMs 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 six subsidiaries: a small private bank, three fund management/administration firms and two service companies.

Our missions

Pursuant to Article 4 of the amended LBCV, which took effect on 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 strategy

At the end of 2008, we modified our strategy in order to focus our efforts on our front lines and generate organic growth in our core markets. Management decided that the best way to ensure profitable growth going forward is the business model of a universal bank with solid local roots. Through our new strategy, *BCVPlus*, we intend to

strengthen our position as a full-service bank in the Vaud region and be recognized as a leading financial institution in Switzerland, particularly for private and institutional asset management.

With *BCVPlus*, we are targeting:

- renewed impetus in retail banking, particularly mortgage lending, by improving front-line execution and overall sales-support efficiency while tapping into the potential inherent in our large client base;
- growth in private wealth management, primarily in Vaud, and institutional asset management both within Vaud Canton and elsewhere in Switzerland;
- a greater role for SME-related activities;
- enhanced volumes and profitability in the Trade Finance and Large Corporates business lines, in accordance with the Bank's risk profile;
- a significant reduction in proprietary risk-taking in trading activities, which will now center on customer-driven business volumes, following our withdrawal from the equity-derivative trading business line.

Management is convinced that quality of execution is a key factor in setting ourselves apart from the competition and driving our success. With this in mind, we launched a series of internal initiatives in 2009 to simplify processes, develop our employees' skill sets, improve customer service and revitalize our sales and marketing approach.

The Group aims to achieve sustainable growth, with revenues expanding by 4-5% and operating profit by 5-8% per year. The long-term targets are 13-14% for ROE, 57-59% for cost/income and 13% for the Tier 1 capital ratio. These strategic objectives should be viewed from a multi-year perspective.

In the coming years, the Bank intends to pay a stable ordinary dividend, which may rise gradually within a range of CHF 20 to CHF 25 per share, depending on business growth. Furthermore, it will optimize equity by making an additional annual distribution of CHF 10 per share. As announced at the end of 2008, the Bank plans to maintain this distribution level for the next four to five years barring any significant changes in the economic or regulatory environment.

Our vision for BCV is informed by two of our core values: close ties to our customers and professionalism in 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)	2009	2008	Change as %
Total assets	35 733	35 239	1%
Total income	976	928	5%
Operating profit	470	423	11%
Net profit	301	358	– 16%
Assets under management	76 209	66 766	14%

Ratios

Cost / income ratio ¹⁾	60%	63%	
ROE	9.5%	11.2%	
BIS capital adequacy ratios			
Tier 1 capital ratio	17.8%	16.4%	
Total capital ratio	17.8%	16.2%	

¹⁾ Excluding goodwill amortization and write-downs.

2009 highlights

BCV turned in a very solid performance despite the challenging economic environment:

- Business volumes were sharply up.
- Operating profit climbed 11% to CHF 470m.
- The need for new provisions was moderate, confirming the quality of our loan book.
- At over CHF 300m, net profit remained strong.

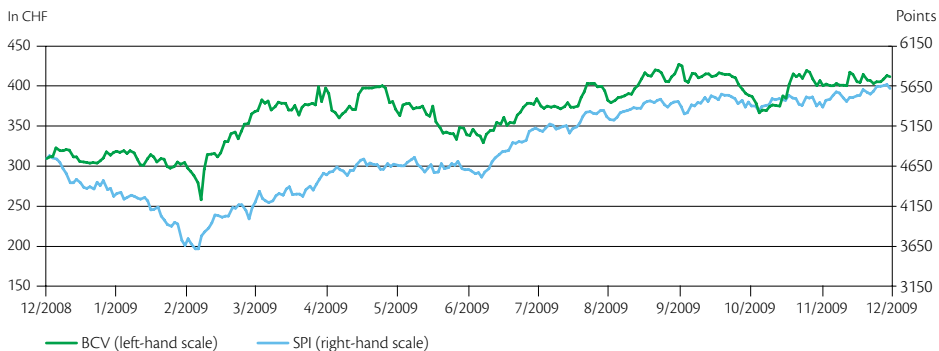
We began to implement our new strategy, BCVPlus:

- We changed our organization and appointed three new members to our Executive Board.
- We significantly reduced proprietary risk-taking in trading activities, in part by withdrawing from equity-derivative trading.
- We launched a series of multi-year strategic initiatives aimed at streamlining our operations, enhancing efficiency and improving the quality of our customer service.

We pursued our capital-management strategy through a CHF 172m dividend and a CHF 86m par-value reduction, returning a total of CHF 258m to shareholders.

Investor information

BCV share price and the SPI



Listed on:	SIX	Ticker symbols:
Par value:	CHF 20	– Bloomberg: BCVN
Swiss security number:	1 525 171	– Telekurs: BCVN
ISIN code:	CH0015251710	– Reuters: BCVN.S

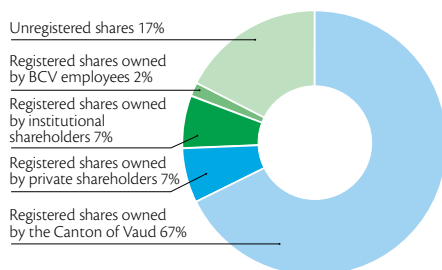
	2006	2007	2008	2009
Number of shares outstanding (thousands)	8,590	8,606	8,606	8,606
Period-end share price (in CHF)	587	501	318	411
Share price high/low (unadjusted, in CHF) – high	587	652	479	427
– low	389	480	249	260
Dividend per share (in CHF)	7.0	14.0	20.0	21.0 ¹
Dividend yield ² (%)	1.2	2.8	6.3	5.1
Total payout ³ (in CHF)	7.0	46.5	30.0	31.0 ¹
Total payout yield ² (%)	1.2	9.3	9.4	7.5

¹⁾ Dividend approved at the Shareholders' Meeting of 29 April 2010.

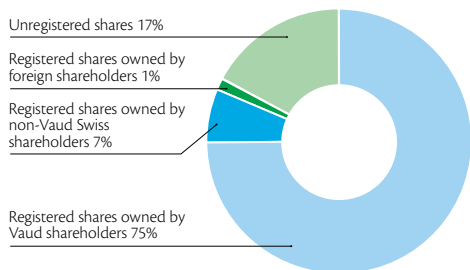
²⁾ Relative to the period-end share price.

³⁾ Total amount distributed to shareholders in the form of a dividend and a par-value reimbursement.

Share ownership structure



Share ownership by geographical zone



Key figures – 5-year overview

(in CHF millions)

2005 **2006** **2007** **2008** **2009**

Balance sheet at 31 December

Total assets ¹	32 233	33 031	35 337	35 239	35 733
Advances to customers	21 685	22 059	22 479	22 834	24 312
Customer deposits and bonds	24 638	25 120	27 490	28 134	29 517
Shareholders' equity	3 229	3 419	3 225	3 177	3 222

Assets under management

71 751	80 775	84 349	66 766	76 209
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Income statement

Total income	1 038	1 101	1 088	928	976
Operating expenses	552	565	559	505	506
Operating profit	486	536	529	423	470
Depreciation and write-offs	91	91	85	77	79
Value adjustments, provisions and losses	16	8	10	16	18
Net profit	457	534	477	358	301

Headcount

Full-time equivalents	2 349	2 390	2 045	1 914	1 939
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Ratios

Shareholders' equity / total assets	10.0%	10.3%	9.1%	9.0%	9.0%
FINMA capital adequacy ratio	196%	199%	179%	180%	176%
BIS Tier 1 capital ratio	17.8%	18.3%	16.3%	16.4%	17.8%
BIS Total capital ratio	18.5%	18.5%	16.3%	16.2%	17.8%

Operating profit / average shareholders' equity	15.0%	15.9%	15.5%	13.1%	14.7%
Cost / income ratio ²	61.8%	59.4%	59.0%	62.6%	59.8%
Operating profit per employee (in CHF thousands)	206.8	225.8	244.7	217.1	244.4
ROE	14.9%	16.0%	14.3%	11.2%	9.5%

Credit ratings

Standard & Poor's

Long term	A- / stable	A / stable	A+ / stable	AA- / stable	AA- / stable
Short term	A-2	A-1	A-1	A-1+	A-1+

Moody's

Long term			A1 / stable	A1 / stable	A1 / stable
Short term			Prime-1	Prime-1	Prime-1

¹⁾ Following changes to accounting principles applied in preparing the 2007 financial statements, the corresponding line items from 2005 and 2006 were adjusted.

²⁾ Excluding goodwill amortization and write-downs.

Consolidated balance sheet

(in CHF millions)

	31 / 12 / 09	31 / 12 / 08	Change	
			absolute	as %
Cash and cash equivalents	1 404.4	545.7	858.7	157
Money-market instruments	87.7	95.2	- 7.5	- 8
Due from banks	5 468.6	7 715.5	- 2 246.9	- 29
Loans and advances to customers	5 541.6	5 550.5	- 8.9	- 0
Mortgage loans	18 770.2	17 283.0	1 487.2	9
Trading portfolio assets	397.2	607.0	- 209.8	- 35
Financial investments	2 870.3	1 552.0	1 318.3	85
Non-consolidated holdings	80.8	81.8	- 1.0	- 1
Tangible fixed assets	597.3	607.2	- 9.9	- 2
Intangible assets	4.6	5.5	- 0.9	- 16
Accrued income and prepaid expenses	219.5	240.3	- 20.8	- 9
Other assets	290.8	954.8	- 664.0	- 70
Assets	35 733.0	35 238.5	494.5	1
Total subordinated assets	3.7	5.8	- 2.1	- 36
Total claims on non-consolidated holdings and significant shareholders	28.7	41.0	- 12.3	- 30
<i>of which claims on the Canton of Vaud</i>	<i>2.0</i>	<i>9.2</i>	<i>- 7.2</i>	<i>- 78</i>
Money-market paper issued	3.7	0.4	3.3	825
Due to banks	2 064.8	2 335.1	- 270.3	- 12
Customer savings and investment accounts	9 841.8	8 539.1	1 302.7	15
Other customer accounts	13 563.5	13 062.0	501.5	4
Medium-term notes	506.8	609.8	- 103.0	- 17
Bonds and mortgage-backed bonds	5 605.1	5 923.4	- 318.3	- 5
Accrued expenses and deferred income	225.5	257.3	- 31.8	- 12
Other liabilities	402.7	941.4	- 538.7	- 57
Value adjustments and provisions	297.3	393.1	- 95.8	- 24
Liabilities	32 511.2	32 061.6	449.6	1
Reserves for general banking risks	704.0	704.0	0	0
Equity capital	172.1	258.2	- 86.1	- 33
Capital reserve	356.9	354.7	2.2	1
Own equity securities	- 7.2	- 7.3	0.1	1
Retained earnings	1 681.0	1 497.0	184.0	12
Minority interests - equity	13.6	12.6	1.0	8
Net profit before minority interests	301.4	357.7	- 56.3	- 16
<i>Minority interests</i>	<i>0.8</i>	<i>1.4</i>	<i>- 0.6</i>	<i>- 43</i>
Shareholders' equity	3 221.8	3 176.9	44.9	1
Total liabilities and shareholders' equity	35 733.0	35 238.5	494.5	1
Total subordinated liabilities	121.0	132.3	- 11.3	- 9
Total liabilities to non-consolidated holdings and significant shareholders	1 646.3	1 239.1	407.2	33
<i>of which liabilities to the Canton of Vaud</i>	<i>1 595.3</i>	<i>950.2</i>	<i>645.1</i>	<i>68</i>

Consolidated income statement

(in CHF millions)

	2009	2008	Change	
			absolute	as %
Interest and discount income	783.3	1 023.2	- 239.9	- 23
Interest and dividend income from financial investments	51.2	43.1	8.1	19
Interest expense	- 327.0	- 562.2	- 235.2	- 42
Net interest income	507.5	504.1	3.4	1
Fees and commissions on lending operations ¹	58.9	51.5	7.4	14
Fees and commissions on securities and investment transactions	276.6	298.9	- 22.3	- 7
Fees and commissions on other services ¹	64.6	62.4	2.2	4
Fee and commission expense	- 71.5	- 72.8	- 1.3	- 2
Net fee and commission income	328.6	340.0	- 11.4	- 3
Net trading income	98.6	37.0	61.6	166
Profit on disposal of financial investments	14.9	24.9	- 10.0	- 40
Total income from holdings	7.8	5.0	2.8	56
<i>of which other non-consolidated holdings</i>	7.8	5.0	2.8	56
Real-estate income	11.2	12.5	- 1.3	- 10
Miscellaneous ordinary income	11.9	12.2	- 0.3	- 2
Miscellaneous ordinary expenses	- 4.9	- 7.8	- 2.9	- 37
Other ordinary income	40.9	46.8	- 5.9	- 13
Total income from ordinary banking operations	975.6	927.9	47.7	5
Personnel costs	- 316.4	- 310.3	6.1	2
Other operating expenses	- 189.2	- 194.3	- 5.1	- 3
Operating expenses	- 505.6	- 504.6	1.0	0
Operating profit	470.0	423.3	46.7	11
Depreciation and write-offs on fixed assets	- 79.0	- 76.8	2.2	3
Value adjustments, provisions and losses	- 18.0	- 16.1	1.9	12
Profit on ordinary banking operations before extraordinary items and taxes	373.0	330.4	42.6	13
Extraordinary income	16.9	129.5	- 112.6	- 87
Extraordinary expenses	- 0.3	- 0.8	- 0.5	- 63
Taxes	- 88.2	- 101.4	- 13.2	- 13
Net profit before minority interests	301.4	357.7	- 56.3	- 16
Minority interests	- 0.8	- 1.4	- 0.6	- 43
Net profit	300.6	356.3	- 55.7	- 16

¹⁾ To facilitate like-for-like comparisons, 2008 figures were adjusted following the reclassification of certain fees and commissions.

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