



BCV at a glance 2011



# BCV at a glance

## Key figures

(in CHF millions)	2011	2010	Change as %
Total assets	37 903	35 585	7
Total income	1 017	996	2
Operating profit	486	480	1
Net profit	301	314	- 4
Assets under management	77 097	75 849	2

## Ratios

Cost / income ratio <sup>1</sup>	60%	59%	
ROE	9.3%	9.8%	
BIS capital adequacy ratios			
Tier 1 capital ratio	16.8%	17.6%	
Total capital ratio	16.8%	17.6%	

<sup>1)</sup> Excluding goodwill amortization and write-downs.

## 2011 highlights

### BCV turned in strong 2011 financial results:

- Business volumes continued to rise on the back of a dynamic local economy.
- Revenues increased 2%, surpassing the CHF 1bn mark.
- Net profit came in at CHF 301m.

### BCV was upgraded by both S&P and Moody's:

- Standard & Poor's raised our long-term credit rating by one notch, making BCV one of only a handful of banks not backed by a formal government guarantee to be rated AA.
- Moody's raised our Bank Financial Strength Rating to the long-term equivalent of A3 from Baa1.

### BCVPlus continued apace, with a number of concrete achievements, including:

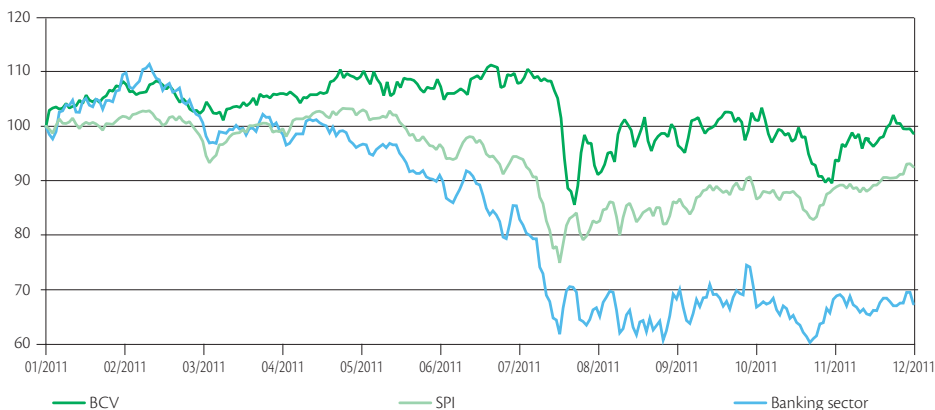
- We successfully integrated Piguet Galland & Cie SA within the set timeframe.
- Our representative office in Zurich dedicated to institutional asset management became fully operational.
- We made numerous customer service improvements, such as the launch of our BCV Mobile app for smartphones and tablets, and our new youth savings account, which offers a preferential interest rate and is aimed at helping our younger customers get used to managing their savings.

### We continued to deliver attractive returns to our shareholders:

- We paid out CHF 22 in the form of an ordinary dividend and a further CHF 10 per share out of paid-in reserves, thus returning a total of more than CHF 275m to our shareholders.

# The BCV share

## Total shareholder return<sup>1</sup>



<sup>1</sup> Stockmarket performance over the period plus dividends and capital distributions

Listed on:	SIX	Ticker symbols:
Par value:	CHF 10	– Bloomberg: BCVN
Swiss security number:	1 525 171	– Telekurs: BCVN
ISIN code:	CH0015251710	– Reuters: BCVNS

	2007	2008	2009	2010	2011
Number of shares outstanding (in thousands)	8 606	8 606	8 606	8 606	8 606
Period-end share price (in CHF)	501.00	317.75	411.00	491.00	456.25
Share price high / low (unadjusted, in CHF) – high	652	479	427	507	547
– low	480	249	260	397	392
Dividend per share (in CHF)	14.0	20.0	21.0	22.0	22.0 <sup>1</sup>
Dividend yield <sup>2</sup> (in %)	2.8	6.3	5.1	4.5	4.8
Total payout <sup>3</sup> (in CHF)	46.5	30.0	31.0	32.0	32.0 <sup>1</sup>
Total payout yield <sup>2</sup> (in %)	9.3	9.4	7.5	6.5	7.0

<sup>1</sup> Dividend to be proposed at the Shareholders' Meeting on 3 May 2012.

<sup>2</sup> Relative to the period-end share price.

<sup>3</sup> Total amount distributed to shareholders in the form of an ordinary dividend together with a par-value reimbursement or a distribution out of paid-in reserves.

## Share ownership structure

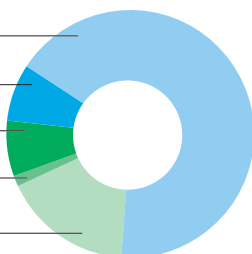
Registered shares owned by the Canton of Vaud 67%

Registered shares owned by private shareholders 8%

Registered shares owned by institutional shareholders 8%

Registered shares owned by BCV employees 1%

Unregistered shares 16%



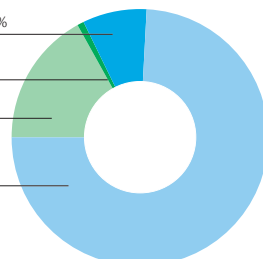
## Share ownership by geographical zone

Registered shares owned by non-Vaud Swiss shareholders 9%

Registered shares owned by foreign shareholders 1%

Unregistered shares 16%

Registered shares owned by Vaud shareholders 74%



# Consolidated balance sheet

(in CHF millions)	31 / 12 / 11	31 / 12 / 10	Change	
			absolute	as %
Cash and cash equivalents	1 711	389	1 322	340
Money-market instruments	28	1 935	- 1 907	- 99
Due from banks	3 128	3 018	110	4
Loans and advances to customers	5 894	5 247	647	12
Mortgage loans	22 071	20 254	1 817	9
Trading portfolio assets	573	478	95	20
Financial investments	2 975	2 879	96	3
Non-consolidated holdings	88	87	1	1
Tangible fixed assets	628	588	40	7
Intangible assets	35	4	31	775
Accrued income and prepaid expenses	206	198	8	4
Other assets	566	508	58	11
<b>Assets</b>	<b>37 903</b>	<b>35 585</b>	<b>2 318</b>	<b>7</b>
Total subordinated assets	1	2	- 1	- 50
Total claims on non-consolidated holdings and significant shareholders	4	11	- 7	- 64
<i>of which claims on the Canton of Vaud</i>	1	4	- 3	- 75
Money-market paper issued	6	1	5	500
Due to banks	2 352	2 016	336	17
Customer savings and investment accounts	11 620	10 885	735	7
Other customer accounts	14 087	12 879	1 208	9
Medium-term notes	209	275	- 66	- 24
Bonds and mortgage-backed bonds	5 384	5 284	100	2
Accrued expenses and deferred income	215	229	- 14	- 6
Other liabilities	523	522	1	0
Value adjustments and provisions	206	223	- 17	- 8
<b>Liabilities</b>	<b>34 602</b>	<b>32 314</b>	<b>2 288</b>	<b>7</b>
Reserves for general banking risks	704	704	0	0
Equity capital	86	86	0	0
Capital reserve	360	359	1	0
Own equity securities	- 8	- 7	- 1	- 14
Retained earnings	1 838	1 801	37	2
Minority interests - equity	20	14	6	43
Net profit before minority interests	301	314	- 13	- 4
<i>Minority interests</i>	- 1	1	- 2	- 200
<b>Shareholders' equity</b>	<b>3 301</b>	<b>3 271</b>	<b>30</b>	<b>1</b>
<b>Total liabilities and shareholders' equity</b>	<b>37 903</b>	<b>35 585</b>	<b>2 318</b>	<b>7</b>
Total subordinated liabilities	0	118	- 118	- 100
Total liabilities to non-consolidated holdings and significant shareholders	1 282	997	285	29
<i>of which liabilities to the Canton of Vaud</i>	1 246	942	304	32

# Consolidated income statement

(in CHF millions)	2011	2010	Change	
			absolute	as %
Interest and discount income	719.0	725.2	-6.2	-1
Interest and dividend income from financial investments	58.4	59.2	-0.8	-1
Interest expense	-261.1	-273.8	-12.7	-5
<b>Net interest income</b>	<b>516.3</b>	<b>510.6</b>	<b>5.7</b>	<b>1</b>
Fees and commissions on lending operations	64.0	66.4	-2.4	-4
Fees and commissions on securities and investment transactions	291.8	288.2	3.6	1
Fees and commissions on other services	73.1	68.4	4.7	7
Fee and commission expense	-71.9	-71.1	0.8	1
<b>Net fee and commission income</b>	<b>357.0</b>	<b>351.9</b>	<b>5.1</b>	<b>1</b>
<b>Net trading income</b>	<b>114.9</b>	<b>97.9</b>	<b>17.0</b>	<b>17</b>
Profit on disposal of financial investments	10.7	26.0	-15.3	-59
Total income from holdings	5.5	3.9	1.6	41
<i>of which other non-consolidated holdings</i>	5.5	3.9	1.6	41
Real-estate income	10.4	10.3	0.1	1
Miscellaneous ordinary income	9.4	10.0	-0.6	-6
Miscellaneous ordinary expenses	-7.0	-14.8	-7.8	-53
<b>Other ordinary income</b>	<b>29.0</b>	<b>35.4</b>	<b>-6.4</b>	<b>-18</b>
<b>Total income from ordinary banking operations</b>	<b>1 017.2</b>	<b>995.8</b>	<b>21.4</b>	<b>2</b>
Personnel costs	-339.2	-325.5	13.7	4
Other operating expenses	-192.3	-190.2	2.1	1
<b>Operating expenses</b>	<b>-531.5</b>	<b>-515.7</b>	<b>15.8</b>	<b>3</b>
<b>Operating profit</b>	<b>485.7</b>	<b>480.1</b>	<b>5.6</b>	<b>1</b>
Depreciation and write-offs on fixed assets	-83.9	-77.6	6.3	8
Value adjustments, provisions and losses	-19.8	-5.2	14.6	281
<b>Profit on ordinary banking operations before extraordinary items and taxes</b>	<b>382.0</b>	<b>397.3</b>	<b>-15.3</b>	<b>-4</b>
Extraordinary income	16.6	45.3	-28.7	-63
Extraordinary expenses	-7.8	-35.4	-27.6	-78
Taxes	-89.7	-93.1	-3.4	-4
<b>Net profit before minority interests</b>	<b>301.1</b>	<b>314.1</b>	<b>-13.0</b>	<b>-4</b>
Minority interests	1.0	-0.9	1.9	211
<b>Net profit</b>	<b>302.1</b>	<b>313.2</b>	<b>-11.1</b>	<b>-4</b>

# 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. Its 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, 30 January 2007 and 2 March 2010. BCV's commitments are not underwritten by the Canton. However, customer deposits are covered by a nationwide system of investor protection concerning Swiss banks and securities dealers. This system insures deposits of up to CHF 100,000 per person and per bank. In addition, a limited cantonal guarantee applies to deposits with Caisse d'Épargne Cantonale Vaudoise, a savings institution managed by the Bank.

## Our core businesses

With revenues exceeding CHF 1.0bn in 2011 and total assets of CHF 37.9bn, we rank among Switzerland's top five banks by assets. BCV is the country's second-largest cantonal bank and the largest bank in Vaud, with a network of 67 staffed branches and 210 ATMs throughout the Canton. The Bank's organization is based on four client-oriented divisions: Retail Banking, Private Banking, Corporate Banking and Asset Management & Trading. We offer a comprehensive range of financial services to all client segments. BCV Group had 2,042 full-time equivalent employees at 31 December 2011. At that date, in addition to the parent company, BCV Group comprised a private bank, Piguët Galland & Cie SA, and two fund management firms, Gérifonds SA and GEP SA (Société pour la gestion de placements collectifs).

## Our missions

Pursuant to Article 4 of the LBCV, 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 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 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 banking 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;
- very limited risk-taking in trading activities, which are centered on customer-driven business volumes.

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. These initiatives continue.

The Group aims to achieve sustainable growth, with revenues expanding by 4-5% and operating profit by 5-8% per year on average. The long-term targets are 13-14% for ROE, 57-59% for the cost/income ratio and 13% for the BIS 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 these distribution levels for five to six years counting from 2008, barring any significant changes in the economic or regulatory environment.

Our business strategy is guided by our ultimate goal of creating value for shareholders, clients and employees.

# Key figures – 5-year overview

(in CHF millions)	2007	2008	2009	2010	2011
<b>Balance sheet at 31 December</b>					
Total assets	35 337	35 239	35 733	35 585	37 903
Advances to customers	22 479	22 834	24 312	25 501	27 965
Customer deposits and bonds	27 490	28 134	29 517	29 323	31 300
Shareholders' equity	3 225	3 178	3 222	3 271	3 301
<b>Assets under management</b>	<b>84 349</b>	<b>66 766</b>	<b>76 209</b>	<b>75 849</b>	<b>77 097</b>
<b>Income statement</b>					
Total income	1 088	928	976	996	1 017
Operating expenses	559	505	506	516	531
Operating profit	529	423	470	480	486
Depreciation and write-offs	85	77	79	78	84
Value adjustments, provisions and losses	10	16	18	5	20
Net profit	477	358	301	314	301
<b>Headcount</b>					
Full-time equivalents	2 045	1 914	1 939	1 986	2 042
<b>Ratios</b>					
Shareholders' equity / total assets	9.1%	9.0%	9.0%	9.2%	8.7%
FINMA capital adequacy ratio	179%	180%	176%	175%	165%
BIS Tier 1 capital ratio	16.3%	16.4%	17.8%	17.6%	16.8%
BIS Total capital ratio	16.3%	16.2%	17.8%	17.6%	16.8%
Operating profit / average shareholders' equity	15.5%	13.1%	14.7%	14.9%	14.9%
Cost / income ratio <sup>1)</sup>	59.0%	62.6%	59.8%	59.5%	60.1%
Operating profit per employee (in CHF thousands)	244.7	217.1	244.4	245.0	237.3
ROE	14.3%	11.2%	9.5%	9.8%	9.3%
<b>Credit ratings</b>					
<b>Standard &amp; Poor's</b>					
Long term	A+ / stable	AA- / stable	AA- / stable	AA- / positive	AA / stable
Short term	A-1	A-1+	A-1+	A-1+	A-1+
<b>Moody's</b>					
Long term	A1 / stable	A1 / stable	A1 / stable	A1 / stable	A1 / stable
Short term	Prime-1	Prime-1	Prime-1	Prime-1	Prime-1

<sup>1)</sup> Excluding goodwill amortization and write-downs.



#### Head office

Place Saint-François 14  
Case postale 300  
1001 Lausanne  
Switzerland  
Phone: +41 21 212 10 00  
Swift code: BCVLCH2L  
Clearing number: 767  
[www.bcv.ch](http://www.bcv.ch)  
[info@bcv.ch](mailto:info@bcv.ch)

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