



BCV at a glance 2014



BCV at a glance

Key figures

(in CHF millions)	2014	2013	Change as %
Total assets	42 068	40 454	4
Total income	993	991	0
Operating profit	476	471	1
Net profit	296	280	6
Assets under management	86 382	83 850	3

Ratios

Cost/income ratio ¹	60%	61%
ROE	9.0%	8.5%
CET1 ratio ²	17.1%	17.8%
Total capital ratio	17.2%	17.9%

¹⁾ Excluding goodwill amortization and write-downs

²⁾ Determined according to the Basel III approach since 1 January 2013

2014 highlights

BCV's net profit was up 6% in a mixed environment

- Business volumes grew in all core businesses on the back of a resilient local economy.
- Revenues were nevertheless flat at CHF 993m, owing to the ongoing decline in interest rates and the impact of the geopolitical environment on our international trade finance activities.
- Operating profit edged up 1% to CHF 476m thanks to firm cost control.

BCV's credit ratings were reaffirmed, underscoring our financial solidity

- Standard & Poor's reaffirmed BCV's long-term rating of AA and stable long-term outlook.
- Moody's maintained BCV's long-term rating of A1 and raised the outlook on the Bank's stand-alone rating from stable to positive.

We continued to improve our key processes as part of *stratégie2018*

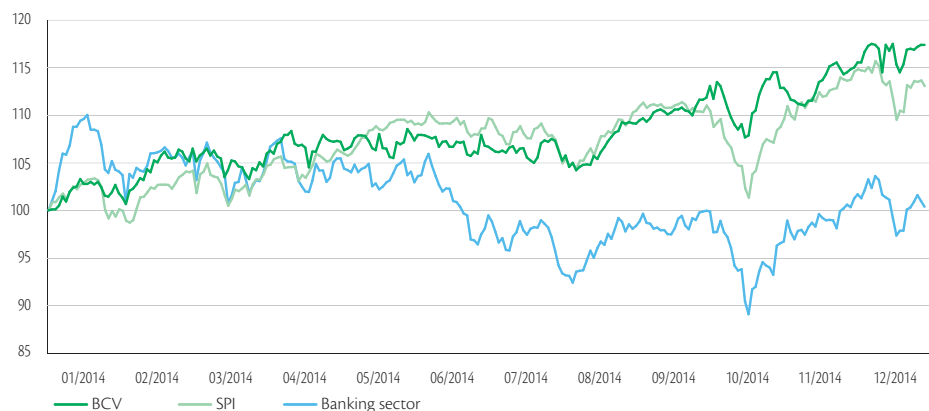
- We re-engineered our process for managing retail mortgage loans and will complete the roll-out in 2015.
- We have made major changes to our retail call center, improving response times and overall customer service.

Shareholders received CHF 32 per share

- We paid an ordinary dividend of CHF 22 and distributed CHF 10 per share out of paid-in reserves, thus returning a total of more than CHF 275m or CHF 32 per share to our shareholders.
- This payout, together with our share performance, equates to a total return of 17.4% – the best among banking stocks in Switzerland.

The BCV share

Total shareholder return¹



¹⁾ 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

	2010	2011	2012	2013	2014
Number of shares outstanding (in thousands)	8 606	8 606	8 606	8 606	8 606
Period-end share price (in CHF)	491.00	456.25	484.75	486.50	539.00
Share price high/low (unadjusted, in CHF) - high	507	547	519	559	541
- low	397	392	442	445	473
Dividend per share (in CHF)	22.0	22.0	22.0	22.0	22.0 ¹⁾
Dividend yield ²⁾ (in %)	4.5	4.8	4.5	4.5	4.1
Total payout ³⁾ (in CHF)	32.0	32.0	32.0	32.0	32.0 ¹⁾
Total payout yield ²⁾ (in %)	6.5	7.0	6.6	6.6	5.9

¹⁾ Dividend to be proposed at the Shareholders' Meeting on 23 April 2015

²⁾ Relative to the period-end share price

³⁾ Total amount distributed to shareholders in the form of an ordinary dividend together with a distribution out of paid-in reserves

Share ownership structure

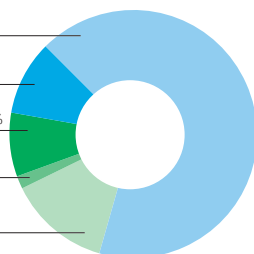
Registered shares owned by the Canton of Vaud 67%

Registered shares owned by private shareholders 10%

Registered shares owned by institutional shareholders 8%

Registered shares owned by BCV employees 2%

Unregistered shares 13%



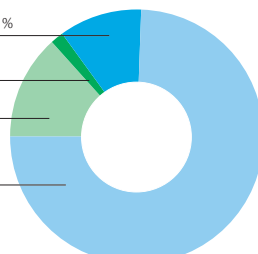
Share ownership by geographical zone

Registered shares owned by non-Vaud Swiss shareholders 11%

Registered shares owned by foreign shareholders 1%

Unregistered shares 13%

Registered shares owned by Vaud shareholders 75%



Consolidated balance sheet

(in CHF millions)	31 / 12 / 14	31 / 12 / 13	Change absolute	Change as %
Cash and cash equivalents	4 960	4 669	291	6
Money-market instruments	29	39	- 10	- 26
Due from banks	1 898	1 609	289	18
Loans and advances to customers	5 714	5 434	280	5
Mortgage loans	24 055	23 375	680	3
Trading portfolio assets	849	932	- 83	- 9
Financial investments	3 259	3 146	113	4
Non-consolidated holdings	54	50	4	8
Tangible fixed assets	577	602	- 25	- 4
Intangible assets	27	32	- 5	- 16
Accrued income and prepaid expenses	117	196	- 79	- 40
Other assets	529	370	159	43
Assets	42 068	40 454	1 614	4
Total subordinated assets	0	0	0	0
Total claims on non-consolidated holdings and significant shareholders	8	8	0	0
<i>of which claims on the Canton of Vaud</i>	5	5	0	0
Money-market paper issued	5	43	- 38	- 88
Due to banks	2 111	1 921	190	10
Customer savings and investment accounts	13 014	12 799	215	2
Other customer accounts	16 252	15 452	800	5
Medium-term notes	57	81	- 24	- 30
Bonds and mortgage-backed bonds	6 439	6 064	375	6
Accrued expenses and deferred income	217	224	- 7	- 3
Other liabilities	490	377	113	30
Value adjustments and provisions	142	171	- 29	- 17
Liabilities	38 727	37 132	1 595	4
Reserves for general banking risks	704	704	0	0
Equity capital	86	86	0	0
Capital reserve	106	192	- 86	- 45
Own equity securities	- 13	- 11	- 2	- 18
Retained earnings	2 162	2 071	91	4
Minority interests - equity	0	0	0	0
Net profit before minority interests	296	280	16	6
<i>Minority interests</i>	0	0	0	0
Shareholders' equity	3 341	3 322	19	1
Total liabilities and shareholders' equity	42 068	40 454	1 614	4
Total subordinated liabilities	0	0	0	0
Total liabilities to non-consolidated holdings and significant shareholders	1 357	1 287	70	5
<i>of which liabilities to the Canton of Vaud</i>	1 355	1 284	71	6

Consolidated income statement

(in CHF millions)	2014	2013	Change absolute	Change as %
Interest and discount income	652.5	672.7	-20.2	-3
Interest and dividend income from financial investments	54.2	56.3	-2.1	-4
Interest expense	-202.9	-227.5	-24.6	-11
Net interest income	503.8	501.5	2.3	0
Fees and commissions on lending operations	44.9	44.5	0.4	1
Fees and commissions on securities and investment transactions	280.0	285.4	-5.4	-2
Fees and commissions on other services	82.5	76.7	5.8	8
Fee and commission expense	-64.0	-65.3	-1.3	-2
Net fee and commission income	343.4	341.3	2.1	1
Net trading income	106.4	112.8	-6.4	-6
Profit on disposal of financial investments	3.2	1.8	1.4	78
Total income from holdings	4.3	9.6	-5.3	-55
<i>of which other non-consolidated holdings</i>	4.3	9.6	-5.3	-55
Real-estate income	11.0	11.5	-0.5	-4
Miscellaneous ordinary income	21.9	15.2	6.7	44
Miscellaneous ordinary expenses	-0.8	-3.1	-2.3	-74
Other ordinary income	39.6	35.0	4.6	13
Total income from ordinary banking operations	993.2	990.6	2.6	0
Personnel costs	-339.0	-337.3	1.7	1
Other operating expenses	-178.4	-182.1	-3.7	-2
Operating expenses	-517.4	-519.4	-2.0	-0
Operating profit	475.8	471.2	4.6	1
Depreciation and write-offs on fixed assets	-79.7	-85.7	-6.0	-7
Value adjustments, provisions and losses	-34.1	-42.7	-8.6	-20
Profit on ordinary banking operations before extraordinary items and taxes	362.0	342.8	19.2	6
Extraordinary income	19.2	21.3	-2.1	-10
Extraordinary expenses	0.0	-0.1	-0.1	-100
Taxes	-85.1	-83.9	1.2	1
Net profit before minority interests	296.1	280.1	16.0	6
Minority interests	0.0	0.0	0	0
Net profit	296.1	280.1	16.0	6

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 of CHF 993m in 2014 and total assets of CHF 42.1bn, we rank among Switzerland's top six banks by assets. BCV is the country's second-largest cantonal bank and the largest bank in Vaud, with a network of 66 staffed branches and more than 220 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 1,946 full-time-equivalent employees at 31 December 2014. 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

The *BCVPlus* strategy begun in 2008 was based on the business model of a universal bank with solid local roots. The success of this strategy led the Board of Directors and Executive Board in 2014 to maintain this model as the best way to ensure profitable growth going forward.

The new strategic phase – *stratégie2018* – follows on from our previous strategy and aims primarily to continue developing all of the Bank's business lines and improving internal processes. A moderate risk profile and active approach to equity capital management remain central to this strategy.

For the business lines, we are targeting:

- At-or-above market-rate growth in the retail banking and SME segments;
- Above-market growth in onshore private banking;
- Pursuit of niche growth drivers in asset management, structured products and trade finance;
- Continued development of our other business lines.

With *stratégie2018*, we will also work to improve our internal processes and sharpen our focus on the customer experience. This will involve:

- Improving customer-service quality through a series of targeted initiatives;
- Expanding multi-channel access to our products and services;
- Embarking on various projects to enhance our internal operations;
- Pressing ahead with our human resources strategy to continue developing our employees' skills sets.

BCV aims to achieve sustainable growth, with revenues and operating profit trending along the same lines as in recent years. We have set long-term targets of 12-13% for ROE, 57%-59% for the cost/income ratio, and 13% for Core Equity Tier 1 (CET1). These targets will be reached over a period of several years.

The Bank intends to pay an ordinary dividend of CHF 22-27 per share, as well as a special dividend of CHF 10 per share out of paid-in reserves. In early 2013, we announced that we planned to maintain this distribution level for the next five years, barring significant changes in the economic and regulatory environment or in the Bank's situation.

Key figures – 5-year overview

(in CHF millions)	2010	2011	2012	2013	2014
Balance sheet at 31 December					
Total assets	35 585	37 903	39 800	40 454	42 068
Advances to customers	25 501	27 965	27 958	28 809	29 769
Customer deposits and bonds	29 323	31 300	33 171	34 396	35 762
Shareholders' equity	3 271	3 301	3 315	3 322	3 341
Assets under management¹					
	74 426	75 063	79 129	83 850	86 382
Income statement					
Total income	996	1 017	1 010	991	993
Operating expenses	516	531	524	519	517
Operating profit	480	486	486	471	476
Depreciation and write-offs	78	84	86	86	80
Value adjustments, provisions and losses	5	20	4	43	34
Net profit	314	301	311	280	296
Headcount					
Full-time equivalents	1 986	2 042	1 931	1 987	1 946
Ratios					
Shareholders' equity/total assets	9.2%	8.7%	8.3%	8.2%	7.9%
FINMA capital adequacy ratio ²	175%	165%	180%	224%	215%
FINMA Tier 1 capital ratio ²	14.0%	13.2%	14.4%	17.8%	17.1%
BIS Total capital ratio ²	17.6%	16.8%	18.4%	17.9%	17.2%
Operating profit/average shareholders' equity	14.9%	14.9%	14.8%	14.3%	14.4%
Cost/income ratio ³	59.5%	60.1%	60.0%	60.6%	59.6%
Operating profit per employee (in CHF thousands)	245.0	237.3	246.2	241.0	241.6
ROE	9.8%	9.3%	9.5%	8.5%	9.0%
Credit ratings					
Standard & Poor's					
Long term	AA– / positive	AA / stable	AA / negative	AA / stable	AA / stable
Short term	A-1+	A-1+	A-1+	A-1+	A-1+
Moody's					
Long term	A1 / stable	A1 / stable	A1 / stable	A1 / stable	A1 / stable
Short term	Prime-1	Prime-1	Prime-1	Prime-1	Prime-1

¹⁾ 2010-2012 figures for assets under management were adjusted to exclude custody-only assets

²⁾ Determined according to the Basel III approach since 1 January 2013

³⁾ 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
info@bcv.ch

