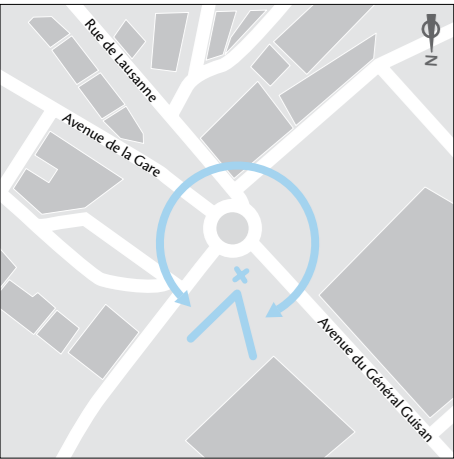


*Risk management is crucial to the banking business. BCV Group allocates substantial resources to continually improving this core skill.*





Avenue Général-Guisan, Vevey, December 2009

## 1. Global risk management

### 1.1 Objectives

The business of banking is to take on strategic/business risk, credit risk and market risk in order to create added value. Indirectly, this entails exposure to operational risk. BCV manages these risks in an integrated and coherent manner, using a process that encompasses all of the Bank's activities. The goals of the risk management process at BCV are to:

- ensure that BCV's risk exposure is evaluated, monitored and reported in a manner that is appropriate to the economic and regulatory environment;
- ensure that BCV's risk-taking capacity is in line with its risk profile;
- ensure that BCV earns optimal returns on the risks that it takes and hence on the equity capital committed.

### 1.2 Principles

Risk management at BCV is based on the following ten principles:

1. BCV takes on strategic/business risk, credit risk and market risk with the aim of generating added value.
2. BCV seeks to minimize its exposure to operational risk.
3. Every risk that BCV takes must fall clearly within the purview of the Group's businesses.
4. BCV ensures transparency in all the risks that it takes and enters into a transaction only when it knows how to manage the resulting risks.
5. BCV's risk management process looks at all sources of risk in a consistent way and monitors their potential impact.
6. BCV applies uniform definitions, methodological approaches and organizational principles in managing risk.
7. BCV continually improves its risk management organization, processes and methods.
8. The maximum level of risk taken by BCV is in line with its risk tolerance with respect to net profit fluctuations and with its available capital.
9. BCV works constantly to foster a culture of risk management and to develop its skills in this field. In particular, the Bank follows industry best practices and the recommendations of the Basel Committee.
10. BCV is committed to having full in-house expertise in all the risk management techniques that it uses.

### 1.3 Classification of risks

BCV monitors four categories of risk in all of its activities:

- strategic/business risk, which arises from economic or regulatory changes that have an adverse effect on the Bank's strategic choices in the case of strategic risk, or from competitive changes that have an adverse effect on business decisions for a given strategy in the case of business risk.
- credit risk, which arises from the possibility that a counterparty may default. Credit risk exists before and during settlement of a transaction;
- market risk, which arises from potential adverse changes in market parameters, particularly prices, implied volatility and other base effects on the markets (e.g., correlation between assets, market liquidity). Liquidity risk in terms of the Bank's refinancing capacity is also deemed to be a component of market risk. Market risk exists on the trading book and the banking book.
- operational risk, which arises from a possible inadequacy or failure relating to processes, people and/or information systems within and outside the Bank. Operational risk includes the risk of non-compliance, i.e., the risk of the Bank breaching legal requirements, standards and regulations.

BCV analyzes and manages these risks on the basis of their potential impact. Three kinds of impact are considered:

- the financial impact, that is, a decrease in the Bank's net profit and/or the value of its capital;
- the regulatory impact, that is, inquiries, sanctions, increased monitoring or a restriction on banking activities;
- the reputational impact on the image the Bank projects to the outside world.

### 1.4 Governance

All risks in all areas of the Bank are managed according to the same basic principles of governance and organization. The main responsibilities in the area of risk management may be summarized as follows.

- The Board of Directors establishes BCV's policy for managing risk and decides the strategy it will pursue in taking on risk.
- The Audit & Risk Committee ensures that the risk management policy set by the Board of Directors is implemented and applied.
- The Executive Board is responsible for the implementation and application of risk management procedures and for monitoring the Bank's risk profile. The Executive Board Risk Committee is responsible for proposing a risk policy and strategy (RPS), closely monitoring the Bank's risk profile, and steering all developments and enhancements in risk management at BCV. The committee is chaired by the Chief Financial Officer (CFO), and includes the CEO, other division heads, and the Chief Risk Officer (CRO).
- Division heads are responsible for conducting and monitoring the activities of their divisions, regardless of whether the division has a front-line, steering or business support role. They have initial responsibility for overseeing, identifying and managing the strategic, business, credit, market and operational risks arising from the activities of their divisions.
- The CRO is in charge of the Risk Management Department and develops the methods and models used for the management of credit risk, market risk and operational risk. He monitors the Bank's overall exposure to the four risk categories and is responsible for the Bank's risk reporting.
- For all credit risk exposures taken by the Bank, the Credit Management Division, under the Chief Credit Officer (CCO), is responsible for risk analysis and, up to the limit of its approval authority (see below), for the granting of credit as well as the monitoring of risk exposures on a counterparty basis.

## 1.5 Risk Management Department

The Risk Management Department is the central pillar of the Bank's credit-, market- and operational-risk management. Its mission is to develop and continually improve the Bank's methods and guidelines for managing risk; to foster a culture of risk management among staff in all the Bank's divisions; to monitor the Bank's risk profile and risk-taking strategy; and to oversee and execute risk reporting. The Risk Management Department is also responsible for the overnight monitoring of market risk for BCV's trading floor.

The Risk Management Department has a staff of around twenty people that combine highly developed technical skills with extensive experience in managing banking risks. The risk management staff works in close collaboration with the Bank's various divisions to implement and maintain controls commensurate with the risks that are taken.

## 1.6 BCV risk profile - key indicators

The main indicators of the Bank's risk profile are summarized below.

## 2. Managing credit risk

### 2.1 Customer credit risk

Managing credit risk is a core competence at BCV. Each phase of the business of extending credit calls for particular expertise in managing risk.

- First, the lending decision is based on processes and methods of credit risk analysis that ensure an objective and factual assessment while still meeting the operational imperatives of the business.
- Second, outstanding loans are continuously monitored, not just on an individual basis but also at the level of the portfolio as a whole. This approach allows monitoring of the credit risk profile to ensure that it remains consistent with strategic objectives, and makes early detection of increases in risk indicators possible.
- Third, loans that have become impaired are managed differently, following clearly defined procedures which are designed to assist the debtor in distress as much as possible and thereby protect the interests of the Bank, as well as those of its depositors, creditors and shareholders.

The three phases of customer credit activities are described in more detail on the next page.

### BCV risk profile

		31/12/06	31/12/07	31/12/08	31/12/09
<b>BCV Group capital adequacy</b> (determined according to Basel II since 2009)	• FINMA capital requirements (CHF millions)	1692	1726	1650	1677
	• FINMA capital adequacy ratio	199%	179%	180%	176%
	• BIS capital requirements (CHF millions)	1451	1517	1464	1328
	• BIS Tier 1 capital ratio	18.3%	16.3%	16.4%	17.8%
	• BIS Total capital ratio	18.5%	16.3%	16.2%	17.8%
<b>Non-impaired loans (parent company)</b>	• Customer loans, on- and off-balance-sheet <sup>1</sup> (CHF bn)	21.5	22.7	23.2	25.2
	• Expected loss ratio	28 bps	23 bps	22 bps	22 bps
<b>Impaired loans (parent company)</b>	• Impaired loans (CHF bn)	1.3	0.8	0.6	0.6
	• As a % of total customer loans and due from banks	4.6%	2.6%	2.2%	1.9%
	• Specific provisioning ratio	65%	61%	57%	49%
<b>Market risk on the trading book</b> (parent company)	• Trading: VaR (CHF m, 1-day, 99%)	1.6 <sup>2</sup>	2.4	1.9	0.3
	• Nostros: VaR (CHF m, 180-day, 99%)	16.3 <sup>3</sup>	5.8 <sup>3</sup>	13.4	6.1
<b>Market risk on the banking book</b> (parent company)	• VaR (% of economic value of equity capital, 90-day, 99%)	3.4%	3.9%	4.4%	3.3%
<b>Operational risk (parent company)</b>	• New provisions and direct losses (CHF m)	2.7	3.5	6.6	2.2

<sup>1</sup> Including OTC derivatives since 31 December 2009, but excluding financial investments (bonds)

<sup>2</sup> Former VaR model transposed to 1-day horizon

<sup>3</sup> Former method (180-day, 97.5%)

## 2.1.1 The lending decision

### Risk strategy and credit policy

Loans to customers represent the Bank's largest asset position. BCV takes on credit risk with the aim of building a quality loan portfolio, primarily by lending to counterparties in Vaud Canton. For each of the various customer segments, the Bank sets limits in terms of maximum exposure, types of credit services offered and targeted average quality expressed in terms of expected loss and regulatory capital requirements. The risk strategy and credit policy are reviewed regularly.

### Separation of powers and lending authority

Sales (i.e., front-office) functions are kept strictly separate from credit analysis and approval functions. Employees in front-office departments are responsible for developing customer relationships, loan products, and loan-product pricing, whereas credit analysis and approval are the domain of the Credit Management Division, headed by the CCO. Analysis of credit risk is based on tools (rating models) developed by the Risk Management Department, and on assessments by credit analysts. Some low-risk forms of lending such as standard mortgage loans are directly approved by the front office on the basis of scores obtained from rating models defined by the Risk Management Department.

Approval limits for customer lending are based on the amount of the loan and the level of expected loss. Depending on the magnitudes of these two elements, a loan may require the approval of an analyst, a sector credit committee, the CCO, the Executive Board Credit Committee or the Board of Directors. Approval limits are specified in the Bank's lending policy rule book validated by the Board of Directors.

### Analysis of default risk

The counterparty's credit rating is the centerpiece of default risk analysis. BCV assigns each counterparty to a risk category reflecting a certain probability of default. The Bank's risk scale comprises seven main risk categories that are further divided into 17 clearly defined sub-categories. A credit rating is obtained by applying a rating model and supplementing this evaluation with analysts' assessments, which are based on established guidelines and criteria. Different rating models are used to rate counterparties with different characteristics, but the choice of rating model for a particular counterparty is governed by strictly defined considerations. The main rating models are those for individuals, businesses borrowing small amounts, SMEs, real-estate investors, large corporations, public-law entities and banks. The models are of the type known as "scoring" models and use both financial and qualitative variables. They are based on statistical techniques and have been developed to meet the requirements of the Basel II agreement for Internal Ratings-Based (IRB) approaches. The Risk Management Department is responsible for the ongoing validation and improvement of the rating models.

### Reconciliation of BCV's default-risk categories with agency credit ratings

BCV	S&P	Moody's	Fitch
B1	AAA AA	Aaa Aa	AAA AA
B2	A BBB	A Baa	A BBB
B3	BB	Ba	BB
B4			
B5	B	B	B
B6	CCC CC	Caa Ca	CCC CC
B7	C	C	C
	D		D

### Analysis of collateral

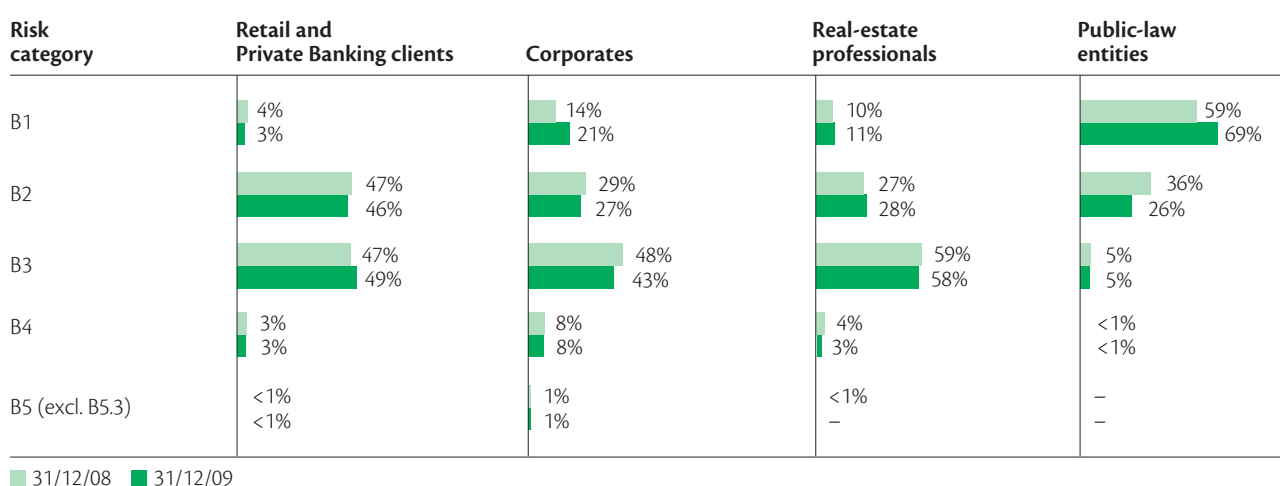
For any loan, the calculated loan-to-value ratio and expected loss given default (LGD) depend directly on the valuation of the risk mitigants pledged by the borrower. Collateral is valued according to current market conditions and the assessments of real-estate experts. The valuation is reviewed at predetermined intervals and whenever certain clearly defined events occur. The Bank determines the value of real estate in accordance with the recommendations of the Swiss Bankers Association (SBA). Individual housing units are valued by a method that takes into account the characteristics of the building, its age, state of upkeep and local market conditions. Multi-unit residential and commercial properties are valued on the basis of their revenue yield. When a loan is granted, the loan-to-value ratio and expected loss given default are established on the basis of the current value of the collateral. The Bank applies loan-to-value criteria that are in line with common practice in the Swiss banking industry.

### Expected loss and risk-adjusted pricing

For all loan products, interest rates are determined individually, taking into account the cost of the loan and the Bank's ROE objectives. The cost of the loan includes the refinancing cost, the administrative cost and the expected loss. Expected loss is determined as a function of the counterparty's probability of default (i.e., credit rating) and the loss that would be incurred in the event of default. The loss given default depends in turn on the limit and the value of the collateral.

### Exposure by main risk category

As a % of total non-impaired loans for each customer segment, excluding trade finance, for the parent company



In trade finance, expected loss is calculated for each transaction in accordance with a model based on the Basel II slotting criteria. With this approach, the Bank is able to price all loans in a way that best reflects the quality of each transaction.

### 2.1.2 Credit monitoring

#### Monitoring

A system of early warnings and internal renewal reviews is used to detect individual situations on which risk has increased. The warning system is based on close monitoring of limits being exceeded and of other factors (including automatic re-ratings) that may indicate situations of increased risk or even impairment. Whenever instances of limits being exceeded are detected, specific actions are taken by BCV's credit advisors and analysts. These actions are overseen by a supervisory entity in the CCO's organization. The system of internal renewal reviews sets maximum time intervals between credit analyses on credit positions of a given size and on counterparties for which no intervention has been required subsequent to an alert from the warning system. The renewal review interval is set according to the nature of the credit and the type of counterparty.

#### Analyzing the credit portfolio

The risk profile of the loan portfolio is reviewed quarterly. Credit risk exposures, distribution by risk class, distribution by loss given default, distribution by expected loss, and regulatory capital requirements are analyzed for each customer segment and reported to management.

### 2.1.3 Managing impaired loans

#### Credit recovery management policies

Impaired loans are managed by the Credit Recovery Department within the Credit Management Division. Each case is handled according to one of five possible strategies. The choice of strategy is based on established criteria that, for business borrowers, take into account the possibility of successful turnaround as well as the borrower's willingness to collaborate actively with the Bank. For the impaired loan portfolio as a whole, the Credit Recovery Department has been given specific objectives targeting impaired loan ratios that are comparable to those of large banks as well as other Swiss cantonal banks.

#### Provisioning

The Bank establishes specific provisions for each impaired loan. The need for provisions is determined individually for each loan based on an analysis performed according to a clearly defined procedure. In this analysis, collateral is taken at its liquidation value. This is the net amount that the Bank could expect to obtain by liquidating the collateral at current market conditions, after deducting the expenses of realizing the transaction and any costs of owning the collateral. Liquidation value is obtained by applying a discount determined by the Risk Management Department to current value.

## 2.2 Interbank credit risk

### 2.2.1 Risk strategy and credit policy

Credit risk exposure on other banks arises mainly from BCV's trading activities in over-the-counter derivatives, from treasury management, from payment transactions (unwinding), and from bank guarantees on trade-finance operations. In general, the Bank reviews bank-counterparty limits at least once a year.

### 2.2.2 Lending authority and monitoring

Authority to approve bank-counterparty limits is expressed in terms of limits on exposures before settlement and maximum settlement exposure. Depending on the magnitude of the limit, interbank credit may require the approval of the Board of Directors, the Executive Board Credit Committee or the Bank-Counterparty Committee. Approval limits are specified in the Bank's lending policy rule book.

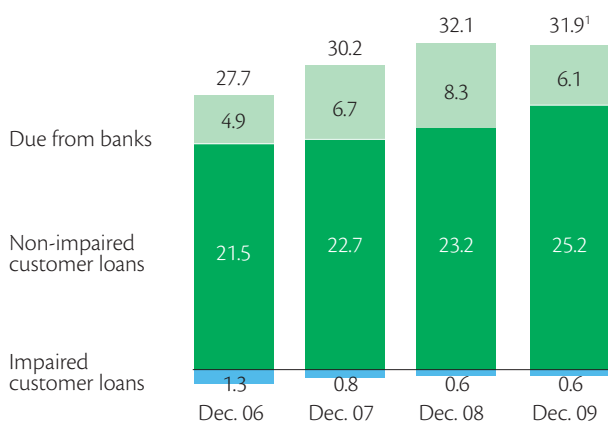
The Corporate, Trade Finance and Bank Credit Analysis Department, which reports to the CCO, is responsible for analyzing interbank credit risk and monitoring the utilization of the interbank credit limits.

### 2.2.3 Collateral management

BCV has entered into collateral management agreements with its main bank counterparties that cover all its trading activities in over-the-counter derivatives. These agreements significantly reduce the Bank's exposure to credit risk.

### Customer loans and amounts due from banks

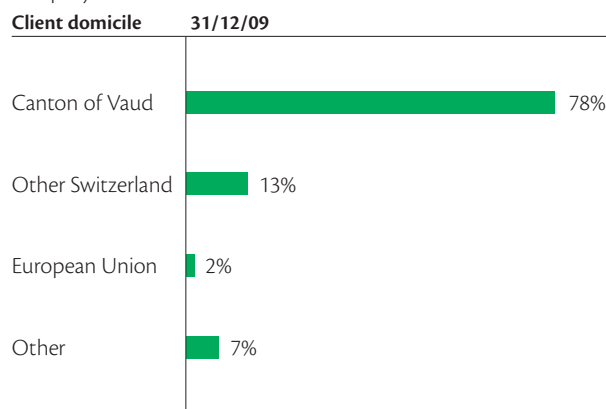
CHF billions, on- and off-balance sheet, for the parent company



<sup>1)</sup> Including OTC derivatives since 31 December 2009 but excluding financial investments

### Customer loans by geographical zone

As a % of on-balance-sheet customer loan exposure, for the parent company



### 2.3 Exposure to credit risk

The Bank's credit risk profile has continued to improve over the past three years. From the end of 2006 to the end of 2009, the reduction in impaired loans (–CHF 0.7bn) was more than offset by the increase in non-impaired loans (+CHF 3.7bn).

The Bank's credit business is largely with customers located in Vaud Canton and primarily reflects the economic structure of the Canton.

Individuals account for approximately 45% of credit exposure, underscoring the importance of retail banking and private banking at BCV. For corporates, credit exposure is relatively well diversified by sector.

BCV's non-impaired loan portfolio (i.e., the overall loan portfolio excluding impaired loans) shows growth in commercial lending and stable trade-finance volumes.

The expected loss ratio relative to the use of credits reflects counterparty quality, the degree of credit coverage and the amount of unused limits. For non-impaired customer loans as a whole, the expected loss ratio is 22 basis points, or 14 basis points excluding trade finance.

The distribution of credit exposure (excluding trade finance) to non-impaired borrowers across the main risk categories also shows that BCV has a solid loan book (see p.149).

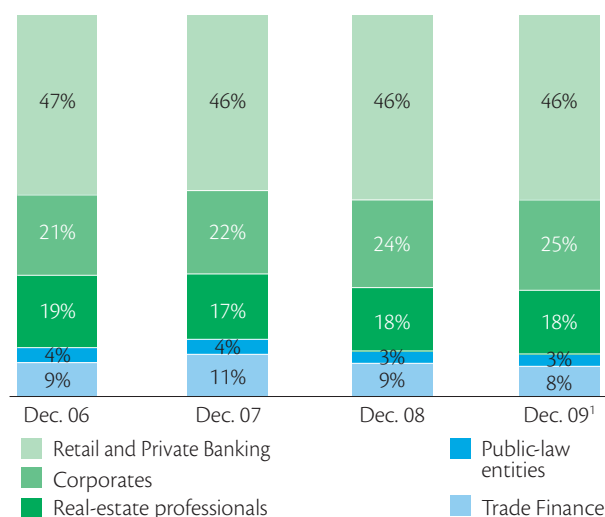
#### Customer loans by economic sector

As a % of on-balance-sheet customer loan exposure, for the parent company

Sector	31/12/09
Individuals	44.5%
Real estate and construction	20.8%
Commercial	10.2%
Finance	3.9%
Healthcare and welfare	3.6%
Other	3.3%
Manufacturing	3.2%
Transport and communication	3.0%
Government administration and IT	2.7%
Primary sector	2.1%
Hotels and restaurants	2.0%
Teaching, research and development	0.7%

#### Customer loans by segment

As a % of total non-impaired customer loans, for the parent company



<sup>1</sup> Including OTC derivatives beginning in December 2009

#### Expected loss rate

Expressed in basis points of customer loans, including OTC derivatives, at 31 December 2009

##### Customer segments

Public-law entities	4
Retail and Private Banking	7
Real-estate professionals	12
Corporates	30
Trade Finance	94

### 3. Market risk

BCV takes on market risk in conducting its trading activities and also to some degree in managing its interest-rate risk on the banking book. With appropriate risk management, the Bank can expect to earn a return commensurate with the risk that it takes.

#### 3.1 Market risk on the trading book

##### 3.1.1 Risk strategy and trading policy

All trading activities are within the Asset Management & Trading Division. A distinction is made between the trading portfolio, which includes all the trading departments' positions, and the financial management nostro portfolio, which is composed of the nostro positions managed by the Asset Management Department.

The trading departments carry out market operations for internal and external counterparties. They also engage in issuing, market-making, arbitrage and directional trading strategies, with a specialization in structured products. Trading positions are limited to underlyings in equities, fixed-income, forex and precious metals. The trading departments do not trade in proprietary trading in instruments with commodity underlyings. As part of its new strategy, which was announced in November 2008, BCV completely withdrew from its proprietary equity-derivative trading business line at the end of 2009.

The Asset Management Department manages the financial management nostro portfolio, which may be invested in equities, bonds, simple derivatives, structured products, funds and funds of funds. All of these positions (apart from those in funds and funds of funds) are on recognized exchanges or representative markets. While this portfolio used to focus on providing a return, it was significantly reduced and given a new role in 2009 under the new strategy. It is now used to assist in the creation of new Asset Management funds, while keeping risk-taking at a minimum.

##### 3.1.2 Organization

All new products and instruments from the trading departments have to be validated by the New Trading Product Committee (NTPC). This committee is chaired by the head of the Risk Management Department and includes the heads of the Asset Management & Trading Division, the Foreign Exchange Department, the Equities, Fixed Income & Structured Products Department and the Back Office Department. The process ensures that before a product is launched, all requirements have been met in the areas of risk management, ALM, treasury management, back offices, legal, compliance and IT.

Market risk on trading positions is monitored overnight by the Market Risk Unit, which is part of the Risk Management Department headed by the CRO. This ensures that control of market risk is performed independently of the Asset Management & Trading Division. The Market Risk Unit also defines the risk control measures and validates the appropriateness of risk control for new trading products.

##### 3.1.3 Exposure to market risk on the trading book

Various techniques are used to measure exposure to market risk on the trading departments' trading portfolio:

- historical overnight Value-at-risk (VaR) with a 1-day time horizon and a confidence interval of 99%;
- analysis on potential losses using static stress tests and dynamic 6-month stress tests;
- sensitivity measures such as delta, gamma, vega, theta and rho.

Limits have been established for each of the measures currently in use. Limit utilization is controlled and reported daily by the Market Risk Unit.

VaR for the trading portfolio fell continuously in 2008 and 2009, and was affected by market turbulence in the spring and autumn of 2008 (see graph on page 153). Throughout 2009, the gradual withdrawal from the proprietary equity-derivative trading business line led to a reduction in VaR, which fell from CHF 2m to CHF 0.3m at year-end.

### 3.2 Market risk on the banking book

The main components of market risk on the banking book are interest-rate risk and liquidity risk.

#### 3.2.1 Interest-rate risk on the banking book

The exposure to interest-rate risk on the banking book arises from differences between the size and term maturities of assets and liabilities. Movements in the yield curve and changes in customer behavior give rise to interest-rate risk, which has a direct effect on the Bank's interest income and the economic value of its equity capital.

The Asset and Liability Management Committee of the Executive Board (ALCO) sets the strategy and the limits for interest-rate risk in line with BCV's financial strategy. The ALM and Financial Management (ALM-FM) Department of the Finance and Risks Division is responsible for operational management of interest-rate risk.

The goal of managing the banking book's interest-rate risk is to optimize the interest margin and raise the present value of future cash flows. In pursuit of this goal, BCV seeks a moderate level of interest-rate risk on the banking book, thereby limiting the risk of fluctuations in interest income.

Exposure to interest-rate risk is measured in terms of Value-at-risk (VaR), equity duration, yield-curve sensitivity of the economic value of equity capital, and loss of interest margin under interest-rate and client-behavior stress scenarios.

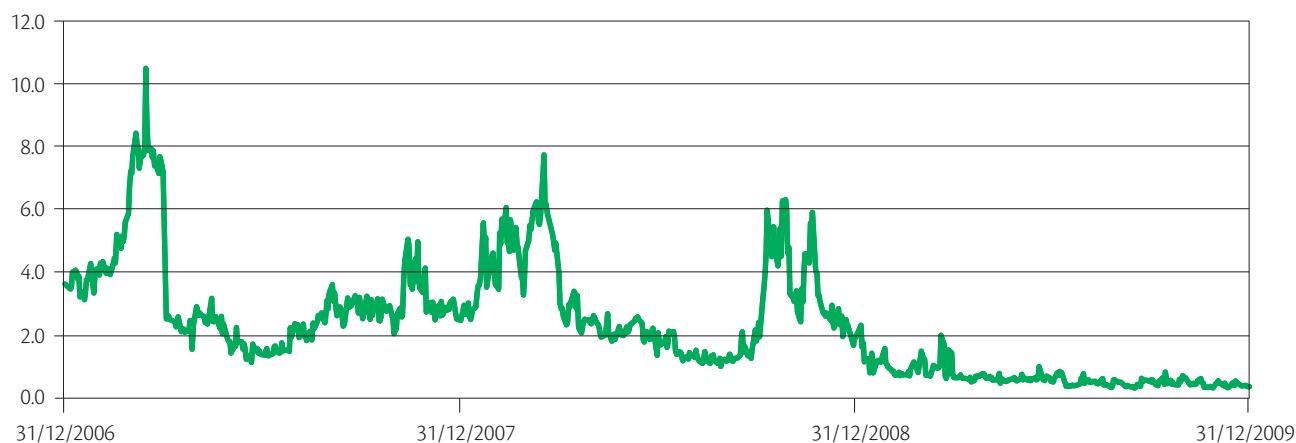
#### 3.2.2 Liquidity risk on the banking book

Exposure to liquidity risk arises from the Bank's obligation to be able to deal with the potential outflow of funds that might occur on any day as a result of the liabilities that it holds. BCV's strategy is to minimize liquidity risk in order to meet regulatory requirements while having an additional safety margin relative to these requirements.

The framework for liquidity management is set by the ALCO. The ALM-FM Department is responsible for operational management of liquidity risk and short-term funding. The Bank's treasury management team has a functional reporting line to ALM-FM.

#### Value-at-risk on the trading portfolio (1-day, 99%)

CHF millions



#### 4. Operational risk

The Bank's operational risk management concept is based on the Basel Committee's principles of best practice. This concept is based on a Bank-wide approach that yields a coherent, integrated view of these risks and that seeks to identify and improve control of factors that may trigger potential operational-risk events. The factors are the following:

- inappropriate or malicious actions taken by employees, external service providers, banking counterparties, customers or other parties external to the Bank;
- inadequacies of information systems, infrastructure and/or the Bank's organization.

Potential improvements in terms of processes, IT systems, infrastructure and organization are sought through self-assessments, which involve the Bank's upper management and are managed by the Risk Management Department.

If an important operational risk event occurs, the Bank bases its response on applying clearly defined incident management measures, such as the Business Continuity Plan (BCP).

Operational risk events are logged, reported and analyzed for the purpose of improving the risk control system.

#### 5. Main developments in risk management

Beginning with the formation of the Risk Management Department in 2002, BCV has followed an ambitious development program in this area. This program is based on our conviction that keeping risk under control is a strategic skill at BCV. As in past annual reports, a brief overview of past-year achievements and work planned for the current year is provided below.

In 2009, improvements in all areas of risk management were achieved, the most important of which are summarized below:

- Since the start of 2009, BCV has calculated its Pillar 1 regulatory capital requirements for credit risk using the Basel II Foundation Internal Ratings-Based (FIRB) approach. This was after FINMA formally approved the Bank's internal rating models at the end of 2008 and granted BCV authorization to apply this approach from the beginning of 2009.
- As part of Basel II Pillar 2, BCV adopted an integrated approach for analyzing stress scenarios, including an in-depth process for stress tests relating to credit risk. These analyses have improved the transparency of the Bank's risk profile and demonstrated that BCV is capable of absorbing major shocks without difficulty.
- The half-yearly reports on Basel II Pillar 3 were published on the BCV website. These reports provide in-depth information on risk management at BCV for investors, analysts, ratings agencies and other interested parties, in accordance with Basel II requirements. The information on credit risk relates to the FIRB approach and is particularly detailed.
- In terms of market risk, the Risk Management Department closely monitored the Bank's full withdrawal from its proprietary equity-derivative trading business line. In addition, new overnight monitoring reports containing new risk indicators were introduced for the trading activities in which BCV still remains active.

- At the end of 2009, BCV completed the first round of its self-assessment of the operational risks in each of its business lines that it began in 2007. The final step was the self-assessment of the Retail Banking Division's front-to-back activities. The managers of the functions concerned were actively involved in these assessments, which meant that potential improvements to processes and systems could be more easily identified and then implemented gradually. In addition, a new IT application for operational risk management, which also combines the needs of the Bank's Compliance Department and Security Unit, was put in place in 2009.

After seven years of major investment, BCV is now applying high quality risk management methods, models and applications. This is demonstrated by FINMA's authorization to use the FIRB approach. BCV will continue to invest in risk management in 2010, while at the same time ensuring that all business lines take full advantage of current risk management tools. The Bank has the following main targets:

- The monitoring of strategic and business risk will be improved, with increased monitoring of economic and regulatory changes.
- In terms of credit risk, the economic analysis and proactive monitoring of the credit portfolio will be improved. As is the case each year, all rating models will be back-tested. The Bank will continue to improve its rating models for default probability and loss given default. In addition, a new application to enable collateral management agreements to be managed more efficiently will be put in place.
- In terms of the market risk of trading activities, the Bank will continue to improve and simplify risk measures and reports so that they are better adapted to the new composition of the Asset Management & Trading Division's portfolios.
- The Bank will put in place leading indicators for operational risk through the new application for operational risk management.