



ANNUAL REPORT 2009



BCGE GROUP CONSOLIDATED KEY FIGURES

| | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|--------|--------|--------|--------|--------|
| Balance sheet (in CHF millions) | | | | | |
| Total assets | 14,115 | 13,690 | 12,498 | 12,571 | 12,783 |
| Total assets Loans to clients | 11,258 | 10,017 | 10,305 | 10,362 | 10,996 |
| Client deposits and borrowings | 12,404 | 12,072 | 11,207 | 11,175 | 11,569 |
| Shareholders' equity | 957 | 912 | 888 | 814 | 705 |
| Income (in CHF millions) | | | | | |
| Interest income | 188 | 213 | 201 | 192 | 183 |
| Commission income | 99 | 93 | 98 | 95 | 88 |
| Trading income | 18 | 17 | 17 | 17 | 14 |
| Other ordinary income | 28 | -4 | 6 | 19 | 10 |
| Total income | 333 | 319 | 322 | 323 | 295 |
| Operating expenses | 218 | 218 | 210 | 205 | 195 |
| Gross profit | 115 | 101 | 112 | 118 | 101 |
| Depreciation, valuation adjustments, Provisions and losses, and extraordinary income | 44 | 33 | 35 | 57 | 55 |
| Interim profit (in CHF millions) | 85 | 62 | 101 | 106 | 58 |
| Net profit (in CHF millions) | 72 | 68 | 77 | 61 | 46 |
| Assets managed and administered (in CHF billion) | 18.0 | 16.7 | 14.1 | 13.2 | 12.5 |
| Total staff | | | | | |
| • in full-time equivalent units | 777.8 | 788.6 | 783.6 | 775.5 | 762.7 |
| • in number of persons | 838 | 845 | 848 | 843 | 832 |
| Ratios (in %) | | | | | |
| Shareholders' equity/Total assets | 6.8 | 6.7 | 7.1 | 6.5 | 5.5 |
| Gross profit/Shareholders' equity | 12.0 | 11.1 | 12.6 | 14.5 | 14.3 |
| Return on equity (ROE) | 7.5 | 7.5 | 8.7 | 7.5 | 6.5 |
| Expenses/Income | 65.4 | 68.3 | 65.2 | 63.5 | 65.9 |
| Data per bearer share (in CHF) | | | | | |
| Shareholders' equity | 266 | 253 | 247 | 226 | 196 |
| Gross profit | 32 | 28 | 31 | 33 | 28 |
| Net profit | 20 | 19 | 21 | 17 | 13 |
| Dividend | 6.5* | 6 | 6 | 5 | 3 |
| Stock market data (parent company) | | | | | |
| History of bearer share price (in CHF) | | | | | |
| • high | 250 | 282 | 297 | 245 | 197 |
| • low | 172 | 210 | 240 | 190 | 182 |
| • at year-end | 229 | 220 | 282 | 240 | 190 |
| Market capitalisation (in CHF millions at 31 December) | 824 | 792 | 1,015 | 864 | 684 |
| Number of shares in thousands | 5,721 | 5,721 | 5,721 | 5,721 | 5,721 |
| Book value per share | 273 | 260 | 253 | 231 | 200 |

* Proposed to the Annual General Meeting of 4 May 2010.

Standard & Poor's rating

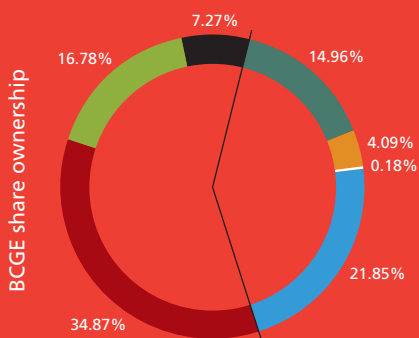
Banque Cantonale de Genève: A/A-1/Stable
(latest rating as at 22 December 2009)

BCGE stock exchange reference (symbol)

| | |
|------------------------|--------------------|
| Stock exchange listing | SIX Swiss Exchange |
| Reuters | BCGE.S |
| Bloomberg | BCGE SW |
| Telekurs | BCGE |
| Stock number | 164268 |
| ISIN number | CH 0001642682 |

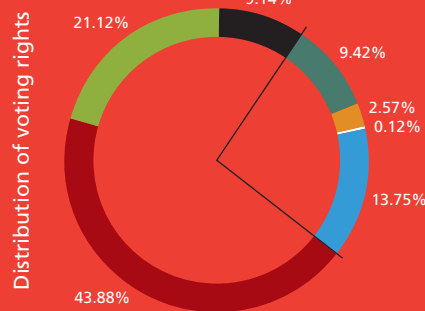
Structure of BCGE capital of CHF 360 millions

| | Number of shares |
|---|------------------|
| "A" registered shares, par value CHF 50 | 2,651,032 |
| "B" registered shares, par value CHF 50 | 1,590,620 |
| Bearer shares, par value CHF 100 | 1,479,179 |



Registered
State of Geneva
City of Geneva
Geneva municipalities

Bearer
State of Geneva
City of Geneva
Geneva municipalities
Private individuals



Registered
State of Geneva
City of Geneva
Geneva municipalities

Bearer
State of Geneva
City of Geneva
Geneva municipalities
Private individuals

Information

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BCGE: "made in Geneva" banking solutions
A UNIVERSAL BANK SINCE 1816, BCGE OFFERS EXTREMELY COMPETITIVE AND HIGH-QUALITY BANKING SERVICES TO PRIVATE, CORPORATE AND INSTITUTIONAL CUSTOMERS IN GENEVA AND ITS SURROUNDING AREA. BCGE IS ACTIVE IN THE FOLLOWING AREAS: EVERYDAY BANKING SERVICES, PRIVATE BANKING, ASSET MANAGEMENT, PENSION PLANNING, MORTGAGES, AND CORPORATE AND PUBLIC AUTHORITY LENDING. IT OPERATES A TRADING ROOM AND OFFERS FINANCIAL ENGINEERING, CORPORATE FINANCE AND GLOBAL COMMODITY FINANCE SERVICES. THE BCGE GROUP HAS 23 BRANCHES IN GENEVA AND ALSO HAS SUBSIDIARIES OR OFFICES IN LAUSANNE, LUGANO, ZÜRICH, LYON, ANNECY, PARIS AND HONG KONG. THE GROUP EMPLOYS 838 PEOPLE. BCGE IS LISTED ON THE SWISS STOCK EXCHANGE (SIX SWISS EXCHANGE).

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Message from the Chairman of the Board of Directors

Looking back on eight years as BCGE chairman

After nine years on the Bank's Board, eight of them as chairman, the rules require that I now retire. This gives me the opportunity to take stock of these years, which have been rich in challenges.



When I was elected chairman, I expressed the hope that the number of private shareholders would increase to the symbolic figure of 10,000, to provide the Bank with a wider and more diverse shareholder base. Progress in this area has been constant, with the number of client shareholders, that is to say those whose shares are deposited at the Bank, growing at a rate of three a day for eight years. In June 2002, there were fewer than 3,700 client shareholders; now their number is approaching 10,000. This increase has been steady, even when the crisis was at its worst, which is proof that investors recognise a business seriously managed for the long term when they see one.

This momentum is particularly noticeable at the Annual General Meeting, which for the last three years have been held at Bâtiment des Forces Motrices. Discussions with investors there have been fruitful, and I warmly invite everyone to come and take part in the governance of their Bank.

Excellent return on equity

Working in tandem with the CEO, I made it my business to see that the Bank achieve a return on equity (ROE) – a key accounting ratio – that was in line with the market. At 7.5%, that target has been achieved, particularly when seen in the context of the other cantonal banks, with which BCGE can certainly stand comparison. An increase has been programmed into the current strategic plan, and I am convinced that my successor will be able to unite the Board of Directors around this objective, so that it can give the Executive Board a mandate to proceed in this direction. Courage will be needed to take the right risks, commit to investments and accept the challenges of innovation, at the same time recognising the vital need to internationalise the bank so that it can continue to grow.

Steady growth in profits

During these last eight years, BCGE revived its profits. Whereas the Bank recorded a loss of CHF 28 million in 2002, it posted a consolidated net profit of 72 million for 2009. Thanks to this increasingly solid foundation, the Bank has been able to return to pay a dividend again, which is something I personally think is essential. It is only reasonable that those who have chosen to put their faith in the Bank by purchasing its shares should get something in return for doing so. To be more specific, the Bank started paying a dividend again in 2004. The 1% rate we began with exemplified another characteristic of the way the Bank is governed: prudence. Thereafter, it increased steadily, to reach 6% in 2007. On the basis of the 2009 results, the Board recommended at the Annual General Meeting a rate of 6.5%.

Shareholders' equity was also continually strengthened: from CHF 624 million at year-end 2002 to almost CHF one billion in 2009, an increase of over 50%.

Market recognition

These excellent results have been recognised by the market in a very visible manner, notably by the growth in the number of shareholders that I have just referred to, and also by the movement in the share price. The bearer share was changing hands at CHF 140 in June 2002, reaching CHF 229 at 31 December 2009; here too there was huge growth, in excess of 60%. But it is not just the market that has perceived the Bank's considerable progress: the Standard & Poor's agency, which analyses our accounts in great detail, first granted us a rating in 2004. The A- it gave us then was raised to an A on 12 December 2008, which made a fine milestone for the traditional "Escalade" holiday in Geneva.

Revised governance

The Bank completely revised its governance structures in 2005. We did away with the Bank Committee, defined the directors' areas of competence more closely and reduced the Board of Directors from fifteen to eleven members, increasing its efficiency in the process.

BCGE also drew up its ethical guidelines, which was presented to the Annual General Meeting of 20 May 2003 for approval before being ratified by the Great Council of Geneva.

A series of major modernisation projects

The Board has supported the Bank's major modernisation projects. There have been several: the IT migration in 2008; the selected refurbishment of branches as from 2007; consolidation of a profitable retail banking business; increasing market share in mortgages; first-class management in trade finance (a business which employs 6,000 people in Geneva); the integration of our Anker Bank branches into BCGE Private Banking and of Synchrony Asset Management into the parent company as BCGE Asset Management; and finally, the redeployment of our private banking business, thanks to a professional investment philosophy that emphasises objectivity, transparency, productivity and liquidity.

Indeed, BCGE has always had the sense to stay clear of destructive financial products of the subprime mortgage or Madoff variety, to mention the two most classic examples.

An innovative mechanism

In 2004, BCGE signed a tripartite agreement with the State of Geneva and the "Fondation de valorisation des actifs de la Banque Cantonale de Genève" on the reimbursement of the latter's operating expenses. The mechanism thus instituted is an excellent one for the Bank and its shareholders, including the State. The chosen formula was truly a great success as, after having been legally wound up in 2008, the "Fondation" ceased to exist on 31 December 2009, leaving only a residue of assets and receivables to the canton. For BCGE, this has been the last stage in a process which saw underperforming loans replaced by sound quality credits.

Having reached the end of my last mandate, I thus take my leave and use this occasion to thank all those with whom I have worked. The Board of Directors joins me in congratulating the Executive Board for the judicious manner in which it has fulfilled its duties; we would also like to express our gratitude to all the Bank's management and staff, and in so doing draw attention to their competence and efficiency. Without this excellent relationship, our Bank's projects would not have achieved the success that they have.



Michel Mattacchini
Chairman of the Board of Directors

Message from the Chief Executive Officer

More fundamental still than excellent annual results: the steady fulfilment of a long-term strategic plan

The Bank's financial performance improved substantially in 2009. Not only did our institution withstand the pernicious effects of the banking and financial crisis, it managed at the same time to strengthen considerably its role and presence on the banking market in Geneva and Switzerland. Income, cash flow and profitability all increased in parallel, and the basis of future growth took shape with a large rise in new clients (+13,000), new loans (+12 %) and a substantial increase in funds deposited (+10 %). But the Bank did even better in 2009 by making remarkable progress in the main components of its strategy. These priority areas can be summarised in just a few words: competence, co-operation, delegation, proximity and competitiveness. Below we shall see why mastering these factors is vital.



Raising the level of COMPETENCE in the advice given to individuals and companies

Competition, that constant striving to win and keep clients and retain their confidence, is based, when all is said and done, on the ability to deliver advice that is pertinent and honest at the same time.

The Bank makes a considerable investment in this commitment to strengthening the varied competences of its advisers. In a complex and ever-changing business environment, competence is primarily a matter of technical and scientific capability. But there is a human aspect to it too, and as such it is linked to intuition and wisdom. It is also a matter of professional ethics, in the sense that it makes the client's interests the primary focus. We are at pains to integrate these three aspects in the theoretical and practical training programmes for our advisory staff. Individual performance evaluation is based on an examination of these three elements.

The independent client satisfaction survey carried out in 2009 confirms that the quality of advice at BCGE has been improving continuously. Lastly, it is the same objective that makes the Bank one of Geneva's most important trainers of apprentices, interns and young professionals.

Capitalising on CO-OPERATION with other banks to strengthen our offering and share costs

Banking production is increasingly costly for a number of reasons: the bureaucracy imposed by regulators, a fragmented IT offering that is insufficiently standardised and too costly, the weight of the general framework conditions, the tax burden and energy and service costs, which are increasingly unfavourable for operations carried out in Switzerland.

Seeking partnerships with other players in the sector is a solution preferred by BCGE, which sees this as another way of affirming its operational independence. These partnerships may comprise traditional forms of co-operation with inter-cantonal institutions, such as Swisscanto and the Central Mortgage Bond Institute, or innovative bilateral links. Entrusting the administration of our investment funds to Gérifonds¹ in Prilly VD (BCV Group), our payment services to Sourcag² in Münchenstein BL (Cantonal Banks of Basle-City and Basle-Country) and our public finance consultancy business to Swiss Public Finance Solutions³, Geneva (BCGE, Crédit Foncier de France, Caisse d'Épargne) increases the efficiency of these three activities and reduces expenses considerably, as witnessed by the satisfactory development of the Bank's costs. 2009 also saw the signing of a mutual recommendation agreement between BCGE and Caisse d'Épargne Rhône-Alpes⁴ with the aim of establishing a stronger presence among cross-border commuters and Swiss living in France. New potential forms of co-operation are regularly analysed and several projects are currently being studied.

¹ as of 2002.

² as of 2009.

³ as of 2008.

⁴ as of 2010.

Only operate in business areas where BCGE excels – and DELEGATE the rest

The rising cost of banking operations referred to above makes it necessary to select from among those processes of the value-added chain that are carried out more effectively by the Bank and those that can be handled in common with larger-scale units.

Whether in IT or production operations, BCGE is advanced in its strategy of outsourcing. It has achieved a high level of sub-contracting in IT, and banking operations are also carried out by several external providers.

Delegated management requires, of course, a rigorous selection of suppliers and exacting management of contracts. But it also means that it is possible to benefit from a store of acquired skills and experience. Thus, at the beginning of 2010, BCGE launched its BCGE 1816 e-brokerage platform (for on-line securities brokerage), basing itself on a sophisticated solution already operational among a community of other users. This provides a tangible example of the advantages that are created by linking applications together, especially when one bears in mind the experience of other companies which have lost considerable sums or suffered setbacks in this area.

Being available to our individual and institutional clients means that we have to redefine the concept of PROXIMITY

Geneva clients are some of the most demanding in the world. Speed of execution, a capacity for rapidly responsive decision-making, multilingualism (in our branches, automated banking and internet banking) are the new realities to which we have to adapt our branch network and our front-end infrastructure.

The IT migration allowed us to acquire a high-performance technology platform. Not only did it assist greatly in improving production quality, it allows us to provide comprehensive advice to our clients in the locations closest to them. In addition to our network of 23 branches, including eleven that have been completely renovated (Bellevue, Bernex, Carouge-Marché, Champel, Grand-Lancy, Grand-Saconnex, Ile, Onex, Plan-les-Ouates, Servette-Wendt and Vésenaz) and a new one (Praille-Acacias), we have state-of-the-art automated banking equipment.

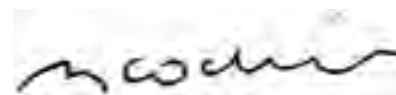
This “distributed intelligence” allows us to operate as closely as possible to our clients as we provide substantial and targeted advice. It also provides convenience and security for our growing numbers of elderly clients. Proximity is also a matter of language: the BCGE Netbanking website is also available in English, and the Bank issues its client statements in French, German, Italian and English.

Increasing COMPETITIVENESS by getting to grips with the international dimension of the Geneva market

Geneva is an exceptionally international city. 39% of Genevans, and hence of our private clients, are of foreign nationality or origin. Companies, too, are often based abroad. 53,000 cross-border commuters and between five and ten thousand employees of international organisations living in France come to work in Geneva every day; there are 20,000 Swiss living in France.

Moreover, the Swiss and Swiss companies are very internationally orientated. The Bank, unlike its sister institutions in the other cantons, does not benefit from a convenient hinterland as a source of business. It thus has to deal with the challenges that this cosmopolitanism presents and serve its clients appropriately, while operating in four main contexts. Its centre of gravity is its highly dense network in Geneva, where it has been present for 194 years. For the last thirteen years it has had a niche business in the other Swiss financial centres of Zurich, Lausanne and Lugano. In France, where it has had a base for fifteen years in the Rhône-Alpes region, it has now opened an office in Paris.

Finally, the Bank is in the process of establishing two small representative offices in Asia and the Middle East. In its corporate banking business, BCGE works with companies of all sizes, up to the scale of multinationals that have a presence in all world markets. The Bank’s adaptation to the imperative requirements of its local client base leads it to recruit high-level talent, well used to sophisticated business practices and possessing the ability to work and develop in varied linguistic and cultural environments. This challenge also generates an admirable spirit of enterprise and innovative enthusiasm both in the working environment and in staff members themselves. Our Geneva clients are taking part in the globalisation process and expect us to do likewise. A proactive response is our institution’s best hope of future success.



Blaise Goetschin
Chief Executive Officer



Marcel Meier is managing director of bakery firm BISA, Boulangerie Industrielle, a BCGE client since 1991.



Retail Banking Services

JUST AS AN ARTISAN BAKER DAILY TURNS CEREALS INTO ALL KINDS OF DELICIOUS BREAD, BCGE'S 300 CLIENT ADVISERS PROVIDE HIGH-QUALITY FINANCIAL SOLUTIONS WITH A LONG TRADITION IN 23 BRANCHES EVERY DAY.

ESSENTIAL

Mission and strategy

A universal bank: innovative,
competitive and "made in Geneva"

8

First and foremost, BCGE is a leader in the Geneva market. It provides a wide range of banking services to a clientele of individuals, businesses and institutions. The parent company of the Banque Cantonale de Genève has its headquarters in Geneva, branches in Lausanne, Lugano and Zurich and a representative office in Hong Kong. The Banque Cantonale de Genève (France) subsidiary has offices in Lyon, Annecy and Paris. The Group also includes Capital Transmission, a subsidiary specialised in equity financing of SMEs, and Swiss Public Finance Solutions (SPFS), a joint venture with the Crédit Foncier de France Group and Caisse d'Épargne Rhône-Alpes, engaged in offering financial advice and intermediation services to public authorities on the Swiss market. As at 31 December 2009, the Group employed 838 people (778 full-time equivalents) and had total assets of CHF 14.1 billion.

PORTRAIT OF THE BCGE GROUP

BCGE

1816 Today a full-service regional bank, Banque Cantonale de Genève (BCGE) provides the community with the canton's densest banking network, with 23 branches, three 24-hour zones and 121 ATMs. BCGE is the major regional supplier of banking services for individuals and businesses, especially for the network of SMEs and the Geneva building and property sector. BCGE also offers private banking services and financial asset management for institutional clients. It plays a key role in supporting and boosting the regional economy. BCGE is listed on the Swiss stock exchange, SIX Swiss Exchange (symbol: BCGE). It employs 803 people.

Banque Cantonale de Genève (France) SA

1994 With its headquarters in Lyon and branches in Annecy and Paris, Banque Cantonale de Genève (France) SA is a 100%-owned BCGE subsidiary. It offers corporate finance and property services to businesses and self-employed professionals, in addition to wealth management for private clients. BCGE France is an efficient player within the dynamic economic zone that is taking shape between Lyon and Geneva; the opening of a branch in Paris in January 2010 represents a logical extension of this. The French subsidiary benefits from the support of the parent company in the area of refinancing. Banque Cantonale de Genève (France) SA employs 35 people.

SWISS PUBLIC FINANCE SOLUTIONS

2007 Benefiting from an ability to obtain considerable public financing and the experience of Swiss and French specialists in finance for public authorities, Swiss Public Finance Solutions (SPFS) offers finance models to public authorities in Geneva and Switzerland as well as to public-law corporations. It also develops long-term refinancing solutions for other cantonal and regional banks. SPFS is based in Geneva and owned by BCGE (50%), Crédit Foncier de France (40%) and Caisse d'Épargne Rhône-Alpes (10%). SPFS establishes contacts, defines requirements and draws up the operational plan: the participating banks then undertake the actual financing.

CAPITAL TRANSMISSION SA

2008 In Geneva, Capital Transmission SA finances and invests in business transfer and expansion operations in the region. It can finance up to CHF 50 million, which allows it to finance the long-term expansion of companies or enable their consolidation and transfer, by acquiring a minority share or through mezzanine financing. Capital Transmission does not participate in the management of the financed entities. It focuses on companies that have the potential to contribute to the regional economy and are likely to create jobs. The company completes the range of corporate finance services offered by BCGE.

Mission and strategy

A complete range of banking and financial services

BCGE, the only full-service Swiss bank with its decision-making centre in Geneva, offers a very complete range of services adapted to the needs of the diverse segments in the regional market. The range of business covers both individual clients living or working in Geneva and public or private companies and institutions.



Geneva headquarters.



BCGE Private Banking, Lausanne.



BCGE Private Banking, Lugano.



BCGE Private Banking, Zurich.

RETAIL BANKING SERVICES

The densest banking network in the canton

BCGE provides a network of branches that meets the needs of the canton's population. It offers the expertise of 246 client advisers and staff members, 23 branches, three 24-hour zones and 121 ATMs. Wishing to serve all its clients appropriately, BCGE assists in using this equipment by employing greeters in most of its branches.

A complete remote banking service

The Bank also makes its technology available via its remote banking capability: this is available over the Internet (www.bcge.ch), by mobile phone (text messages) or by telephone (BCGE Openline voice service 0848 80 00 80). Client advisers offer solutions on 022 809 22 24. Since the beginning of 2010, BCGE's Netbanking service offers the additional functionality of its BCGE 1816 online e-brokerage service.

All day-to-day banking services

The bank offers banking services such as current accounts, salary accounts, deposits and withdrawals, foreign exchange operations, safe deposit boxes and credit cards. It also offers financing solutions, such as leasing or personal credit, to assist clients with their short-term projects.

A wide range of savings solutions

In savings management, BCGE offers a variety of short-, medium- and long-term products, medium-term notes, money and bond market funds and fiduciary deposits, all with excellent conditions.

Experts in property finance

BCGE is one of the leaders in mortgage finance in the Canton of Geneva. It finances first- or second-home purchases in Geneva, in Switzerland and in the nearby part of France, particularly through its mutual recommendation agreement with Caisse d'Épargne Rhône-Alpes (CERA). Through BCGE (France), the Group is involved in property finance for individuals and professionals in several French regions.

Original and reassuring private banking

As a wealth-management bank for private and institutional clients, BCGE offers a complete range of services adapted to each client segment. The advice that the Bank provides is guided by an investment philosophy (see below) which encourages prudence and preservation of capital. Its presence in Geneva, Zurich, Lausanne, Lugano and its representative office in Hong Kong means that the Bank can advise and serve an increasingly international clientele.

A clearly stated investment philosophy

The Group recommends the application of its reassuring and economical financial model, which benefits from a track record of many years, as transparently explained in the BCGE Group Investment Philosophy brochure. This philosophy is embodied in the range of BCGE Best of investment mandates. Management of these is centralised, thus strictly uniform and homogeneous, irrespective of the size of assets and of which part of the Group is administering it. Depending on the client's investment objectives, the portfolios may also be managed by advisory services.

Local wealth management

Many branch clients appreciate the opportunity to entrust their wealth to their local adviser. To accommodate this preference, the 23 BCGE branches provide them with specialised staff offering high-quality services which focus on maintaining value and a performance that is in line with their risk-taking capacity. The Bank's experts place particular emphasis on a set of financial principles by which they can identify the varying priorities at different stages of the client's life. A specialised department analyses the client's personal situation and selects – in a completely independent manner – the best pension products on the market.

Real "made in Geneva" wealth management

The Group provides a wealth-management centre of competence which makes good use of the advantages of Geneva and Switzerland as financial centres. Its starting point is a philosophy of management that embodies the Bank's responsibilities to its clients and is the basis of all its actions. With a view to maintaining capital and high quality investment performance, the greatest importance is given to balancing risk control and return on assets.

THE BANK FOR SMALL, MEDIUM AND LARGE COMPANIES

With almost one in every two Geneva companies among its clientele, the Bank plays a key part in the canton's economic environment. A very significant volume of financing is provided to small and medium enterprises, allowing many businesses to operate and grow. For companies in the region, BCGE provides an essential alternative, notably as a supplier of credit on good conditions, a provider of solutions that are adapted to regional specifics and as an institution able to take banking decisions close to ground level.

A very wide range of company financing solutions

BCGE, together with its French subsidiary, offers financing and cash management solutions to all businesses, whether they are sole-owner-operated, SMEs or larger companies. The parent company has specialised departments for these various client segments. Moreover, the Bank offers financing solutions, such as overdrafts, fixed term advances, capital equipment leasing and numerous other facilities that companies require. The Bank's lending principles are summarised in a new brochure.

Property and construction specialist

Investors in property, developers and construction companies all find BCGE solutions for real estate financing and renovation for all kinds of property, be it for homes, offices or business premises. In France, these services are offered in the Rhône-Alpes region in particular and occasionally in Ile-de-France.

Expertise in international commodity trade finance

BCGE possesses a centre of excellence in the financing of commodities transactions, a key sector in Geneva, which is one of the world's hubs of international trade. The Bank's Global Commodity Finance business unit is active in structuring and making available short-term trade finance linked to the international commodities markets. It is active, in a balanced manner, in financing oil, energy, metals, grain and agricultural products. It also manages a well-targeted portfolio of structured loans. BCGE contributes to the creation of a diverse and sustained offering that complements banking and financial services in this segment of the Geneva financial centre, working alongside mainly foreign banks. The trading companies, which are geographically mobile worldwide, appreciate this capacity and availability of local finance.

Business transfer and acquisition

The transfer and acquisition of companies are operations that go well beyond the traditional relationship between banks and businesses. For this reason, BCGE has a specialised corporate finance team dedicated to advising business leaders on equity matters, mergers and acquisitions and structured equity finance. Its brief is to provide advice to clients when their company has reached a stage where they are considering a new development, such as a project or an acquisition, or when the time has come to transfer the business. It also operates through its Capital Transmission subsidiary (see page 8).

Financial engineering for companies

With BCGE Club CFO (Choix Financiers Optimisés, Optimised Financial Choices), the Bank offers financial managers in companies and public authorities and leaders of companies in the property field with a service providing expertise in financial strategy and risk control. Essentially, BCGE Club CFO offers advice in three areas: debt management, control of foreign-currency risk and cash-flow optimisation. It is also intended to be a forum for the exchange of ideas about financial management and risk control. Several times a year, it organises meetings that give financial decision-makers the opportunity to discuss topics of interest in depth.

Dynamic trading room in the Geneva financial centre

BCGE is one of the few banks in Geneva to give its clients the benefit of easy and personalised access to the financial markets, through its status as a member of the SIX Swiss Exchange, and holder of an A licence. The trading room operates under the open architecture principle and is completely independent in the choice of the products it recommends. The size of its teams favours personalised client relationships and flawless execution of market orders. It deals in currencies, equities, bonds, derivative/structured products and investment funds. The trading room also participates actively in the management of the Bank's assets and liabilities (ALM). In particular, it participates in capital-market operations.

Recognised competences in asset management

The BCGE Group offers solutions and high-level consultancy for financial asset management, incorporating quantitative and index management, for institutional and corporate clients. Its philosophy, based on open architecture, guarantees a totally independent choice of funds. The Group also offers products orientated towards sustainable development and social responsibility, as well as a Swiss secondary stocks fund.

INDIVIDUAL

Day-to-day banking services

Current-account operations
 Netbanking (online consultation and payments) and e-brokerage
 Salary accounts
 Young persons' accounts
 Solutions for commuters (cross-border or otherwise)
 Debit and credit cards

Savings

Short-, medium- and long-term
 Medium-term notes
 Pension planning

Housing finance

Main residence
 Second home
 Construction or renovation loans

Private banking

"Best of" discretionary investment management mandates
 Investment advisory services
 Financial planning
 Loans against securities

Service to independent wealth managers

Consumer financing

Credit cards
 Vehicle leasing
 Personal loans

CORPORATE

Corporate finance and cash management

SMEs
 Large corporations
 Professionals and self-employed

Property and construction finance

Property investors
 Property development
 Office property and public corporations
 Construction companies

Property and corporate finance in France

Property development
 Business transfer finance
 Medium-term business finance

International trade finance

Trade transaction financing
 Structured commodity financing

Financial services and markets

Currencies
 Equity funds
 Bonds
 Cash
 Capital markets

Company consultancy, BCGE Corporate Finance

Consultancy in financial and risk management
 Equity finance
 Mergers and acquisitions consultancy

INSTITUTIONAL

Finance and management of public bodies

State and related entities
 Municipalities and municipal property trusts
 Parastatal institutions and churches
 Public property trusts
 Public bodies outside the Canton of Geneva

Financial services and markets

Asset management

Passive mandates – index management
 Controlled-risk active investment mandates
 "Finest of" asset investment mandates
 Investment funds
 Long-term Swiss small and mid-cap investments
 Institutional investment advice

Optimised Financial Selection advice

Financial and risk management
 Cash management
 Debt management

A PRIVILEGED PARTNER FOR PUBLIC ENTITIES

Listening to the Geneva municipalities

BCGE enjoys a close relationship with Geneva's public entities and offers them appropriate financing and financial management solutions. It develops and provides a range of powerful, flexible and competitive products to meet their needs. The Bank makes available its knowledge and skills in the areas of debt management, interest cost-optimisation and financial risk control.

Major and long-term financing

The SPFS subsidiary (see page 8) was created to respond specifically to the needs of Swiss public entities in terms of large-scale, long-term financing. These solutions are also intended for public corporations. Furthermore, SPFS supplies long-term refinancing solutions to cantonal and regional banks.

ARTICLES OF ASSOCIATION AND CAPITAL

A wide shareholder base

Banque Cantonale de Genève is a public limited company pursuant to article 763 of the Code of Obligations, created according to the constitutional law of 12 March 1993, which came into effect on 1 January 1994 with the merger of the "Caisse d'épargne de la République et canton de Genève" (founded in 1816) and the "Banque Hypothécaire du canton de Genève" (founded in 1847). Its principal shareholder is the canton of Geneva, which holds 49.8% of the share capital. The City of Geneva and the municipalities of the canton hold 28.3% of the capital and 9,443 client shareholders hold a significant proportion of the bearer shares. To these should be added the shareholders who have deposited their securities with third-party establishments. In total, the float amounts to 21.9% of the capital.

Contributing to the development of the local economy

In accordance with article 2 of the Banque Cantonale de Genève Act of 24 June 1993, "the principal aim of the Bank is to contribute to the economic development of the Canton and of the region. As a full-service bank it shall handle all operations authorised by the Federal Banking Act of 8 November 1934. It shall be managed according to tried and tested economic and ethical banking principles." BCGE is classified by FINMA as a bank with an international dimension.

Partial state guarantee on saving deposits

The Canton of Geneva guarantees the refund of principal and interest of savings deposits and pensions at the Bank. The maximum guaranteed amount is set by article 4 of the Banque Cantonale de Genève Act. It is CHF 500,000 per saver and CHF 3 million for the vested benefits of each member deposited in cash with the Bank and for each pension fund. This guarantee, for which the Bank pays the State, comes in addition to the deposit guarantee at federal level.



ORGANISATION, TECHNOLOGY AND OPERATIONS
Jean-Marc Joris

CORPORATE BANKING
Claude Bagnoud

CEO
Blaise Goetschin

RETAIL BANKING
Johan Bernard
Alexander Kroon

PRIVATE BANKING
Jean-Louis Platteau

FINANCE AND RISK CONTROL
Eric Bourgeaux

Six complementary internal divisions

CEO

Blaise Goetschin, Chief Executive Officer

The CEO office is responsible for providing services across the BCGE Group as a whole. It supports the CEO in his leadership, planning and oversight responsibilities for the Bank, its divisions and its subsidiaries. It manages and documents his relationships with senior management and internal regulatory agencies as well as with external institutions and clients. It is responsible for marketing and product management and also supervises human resources and training, legal affairs, corporate communications, corporate affairs and investor relations. It constitutes a central body serving the whole bank in respect of litigation, workout and credit control.

Finance and Risk Control

Eric Bourgeois, Member of the Executive Board

The division's mission is to define and direct the Bank's financial strategy. It seeks strong and competitive financing and manages the financial structure in a dynamic manner. The division also monitors risks and ensures all the Bank's activities are subjected to controls. As the Bank has one of the few trading operations in French-speaking Switzerland, the division provides the Bank's clients with the best possible service for the full range of securities and foreign-exchange transactions. Financial engineering supports the Bank in its offering of innovative solutions to corporate and institutional clients in the areas of interest-rate and foreign-exchange risk management. The BCGE Asset Management business unit, specialised in quantitative and index management for institutional and corporate clients, is attached to this division.

Retail Banking

Johan Bernard Alexander Kroon, Member of the Executive Board

The division serves all the people of Geneva and residents of the canton and of the surrounding area. It offers its services to individuals, the self-employed, small businesses and professionals. The division has a relationship with one out of every two people in the canton. Through its network of 23 branches, three 24/7 banking zones and its 121 ATMs, the division provides banking services close to where clients live or work, offering a complete range of products and services, as well as a call centre, a website www.bcge.ch and e-brokerage, known as BCGE 1816. Its full-range advisory service is original, professional and offers high added value, allowing clients to carefully structure, protect and profit from their assets with a focus on financial planning.

Corporate Banking

Claude Bagnoud, Member of the Executive Board

As a partner of businesses and public bodies in the canton and surrounding area, the Corporate Banking Division is in contact with approximately 5,000 large corporate or public-sector clients and so makes a decisive contribution to the economic life of Geneva. With a broad range of financing products, it provides loans to corporate clients for their working capital and projects, as well as supporting clients' merger and acquisition activities. The division provides financing for real-estate developments and the construction industry and is involved in the financing of international trade. It is also active in the French market with a dedicated department, in close co-operation with BCGE France.

Private Banking

Jean-Louis Platteau, Member of the Executive Board

The division is responsible for private-banking clients in Geneva, the rest of Switzerland, and abroad, operating from four locations: Geneva, Lausanne, Lugano and Zurich. It analyses the wealth situation of clients and offers investment solutions tailor-made to their particular needs. It implements the investment strategy of the Group. More than 9,100 clients have entrusted the Bank with the management of their assets. The division also offers a dedicated service for estate planning and global wealth analysis, pursuing innovative paths and proposing new products and services closely in line with the Bank's investment philosophy.

Organisation, Technology and Operations










Jean-Marc Joris, Member of the Executive Board

The division structures, manages and controls the Bank's information technology and is in charge of establishing and implementing the Bank's organisational architecture. Its mission is to improve customer service, optimise productivity and modernise equipment while closely following cost guidelines. It manages and controls the technical and administrative aspects of the Bank's business, to the standard required by the front-office teams and their clients. The division also carries out the Bank's operational activities and logistics tasks.







Organisation chart

As at 1 March 2009


















EXECUTIVE BOARD

| | |
|--|---|
|  | Blaise Goetschin ^{I, III, VI, VII} Chief Executive Officer |
|  | Mathias Baitan ^{VII} Chief of Staff & Planning |
|  | Misha Nagelmackers-Voinov Communications & Investor Relations |
|  | Elisabeth Ray Tang Human Resources |
|  | Philippe Marti ^{IV} Legal |
|  | Pierrette Jaton Klopfenstein Marketing |
|  | Emile Rausis ^{I, IV, V} RECOVERY, WORKOUT & CONTROLS |
|  | Bernard Matthey ^{IV} Debt Recovery & Workout |
|  | Alain Voirol ^{I, IV} Credit Expertise & Organisation |

RETAIL BANKING

| | |
|---|--|
|  | Johan B. A. Kroon ^{III, V, VII} Member of the Executive Board |
|  | Alexandre Scala (a.i.) ^I SMEs & Self-employed |
|  | Alexandre Scala Centre Sector |
|  | Giovanni Lo Bué North Sector |
|  | François Kirchhoff (a.i.) West Sector |
|  | Fabien Rei East Sector |
|  | Albert Gallegos Financial Planning Centre |
|  | Tiziano Magri Business Development & Branch Network |

CORPORATE BANKING

| | | |
|---|---|---|
|  | Claude Bagnoud ^{I, III, V} Member of the Executive Board | |
|  | Jérôme Monnier (a.i.) ^I Swiss Corporate Clients |  Jérôme Monnier French Corporate Clients |
|  | Charles Käser ^I Real Estate & Construction |  Maurice Pierazzi Corporate Finance |
|  | Patrick Senger Business Development & CB Chief of Staff | |
|  | Yves Spörri FINANCIAL INSTITUTIONS & PUBLIC BODIES | |
|  | Boris Bijleveld Financial Institutions |  Ronald Labbé Public Bodies |
|  | Nicolas de Saussure Personal Finance & International Institutions | |
|  | Pierre-Olivier Fragnière ^I GLOBAL COMMODITY FINANCE | |
|  | Philippe Terrier Metals Desk |  Serguei Chesternine Energy Desk |
|  | Ivan Pougner Soft Desk & Structured Deals |  Josiane Tistounet Risk & Collateral Department |
|  | Gérard Demierre Operations | |
|  | Alain Bochet BCGE (FRANCE) SA WHOLLY-OWNED BCGE | Eric Wesse ^{II} , Sales Department Christian Stampfli , Company Secretary Marie-Claude Boulmier , Administrative Director |



Monique Seiss Baudry
Internal Audit

PRIVATE BANKING

| | |
|--|--|
| | Jean-Louis Platteau ^{II, III, V} Member of the Executive Board |
| | Claudio Pietroforte BCGE PRIVATE BANKING GENEVA |
| | Franco Furcolo Swiss Clients |
| | Claudio Pietroforte (a.i.) European Clients |
| | Amin Khamsi ^{II} International Clients |
| | Frédéric Constantin Independent Porfolio Managers |
| | Marcel Tszanz BCGE PRIVATE BANKING ZURICH |
| | Marcel Tszanz (a.i.) Team Switzerland & Germany |
| | Aleksander Pesovic Team Eastern Europe |
| | Marcel Tszanz (a.i.) Team Asia |
| | Michael Chan Representative Office Hong Kong |
| | Armando Adamo BCGE Private Banking Lugano |
| | Racheleano Mecozzi BCGE Private Banking Lausanne |
| | Léonard Graz Business Development & PB Chief of Staff |

FINANCE & RISK CONTROL

| | |
|--|--|
| | Eric Bourgeaux ^{III, V, VI} Member of the Executive Board, CFO |
| | Marc Doerks Business Development & Finance Chief of Staff |
| | Pierre Sauvagnat ^{II, III} Financial Markets & Treasury |
| | Yvan Nicolet General Accounting |
| | Nadine Fournier Financial Control |
| | Michel Maignan ^{III, V, VI} Risk Management & Compliance |
| | Constantino Cancela ^{II} BCGE ASSET MANAGEMENT |
| | Pierre Weiss ^{II} Asset Management |
| | Thierry Angele Advisory |
| | Jean-Luc Lederrey ^{I, III} Financial Studies |
| | Constantino Cancela Investment Services |

**ORGANISATION,
TECHNOLOGY & OPERATIONS**

| | |
|--|--|
| | Jean-Marc Joris ^{VI, VII} Member of the Executive Board |
| | Caroline Cenzato Credit Administration |
| | Catherine Million Market Transactions |
| | Fabrice Fournier Clients & Services Administration |
| | Philippe Henderickx Daily Banking Services |
| | Christophe Marin Logistics |
| | Philippe Bailat ^{VI, VII} ORGANISATION & INFORMATION TECHNOLOGY |
| | Pierre Villanti ^{VII} Organisation |
| | Christian Kemper ^{VI} Information Technology |

^I Member of the Credit Committee
^{II} Member of the Investment Strategy Committee
^{III} Member of the ALM Committee
^{IV} Member of the Credit Risk Commission
^V Member of the Risk Committee
^{VI} Member of the Information Technology Strategy Committee
^{VII} Member of the Strategic Organisation Committee

Your Bank : at your service and close at hand

A network of 23 branches and 121 ATMs





1 Bellevue
Route de Lausanne 329
Beata Frey



2 Bernex
Rue de Bernex 284
Bernard Bessire



3 Carouge-Marché
Rue Saint-Victor 39
Benjamin Jeanroy



4 Champel
Avenue de Champel 45
Sandrine Charpin



5 Délices
Rue des Charmilles 1
Stéphane Bonnin (a.i.)



6 Eaux-Vives
Rue Versonnex 13
David Bottoli



7 Florissant
Route de Florissant 66
Maria-José Molla



8 Grand-Lancy
Place du 1^{er}-Août 1
Stéphane Kursner



9 Grand-Saconnex
Route de Ferney 169
Ghezal Hakami



10 Ile
Quai de l'Ile 17
Alexandre Scala



11 Jonction
Boulevard Saint-Georges 2
Stéphane Bonnin



12 Lancy-Centre
Route de Chancy 67
Nicolas Bézaguet



13 Meyrin-Cité
Rue De-Livron 19
Loris Rizzo



14 Onex
Avenue du Gros-Chêne 14
Cécile Huber-Luquiens



15 Pâquis
Place de la Navigation 10
Dominique R. Philippoz



16 Plainpalais
Rue de Carouge 22
Martial Cruchet



17 Plan-les-Ouates
Place des Aviateurs 5
Benjamin Trama



18 Praille-Acacias
Route des Acacias 49
Dominique Jean Ducret



19 Servette-Wendt
Avenue Wendt 54
Giovanni Lo Bue



20 Trois-Chêne
Rue de Genève 78
Fabien Rei



21 Vernier
Route de Vernier 219
Jean-Claude Buzzi



22 Versoix
Route de Suisse 37
Patrick Guex



23 Vésenaz
Route de Thonon 45/47
Juan Chinchilla

24-HOUR ATM ZONES

24 Corratierie
Rue de la Corratierie 4

25 Hôpital cantonal
Rue Micheli-du-Crest 22

26 Palexpo
Palais des Expositions

STAND-ALONE ATMS

27 Geneva International Airport – Departures

28 Geneva International Airport – Cargo air freight
Route Douanière

29 Centre commercial de Lancy-Centre

30 Halles de Rive
Boulevard Helvétique 27

31 Hôpital Beau-Séjour
Avenue Beau-Séjour 26

32 Hôpital de Belle-Idée
Chemin du Petit-Bel-Air 2

33 Hôpital des Trois-Chêne
Chemin du Pont-Bochet 3

34 Hôtel des finances
Rue du Stand 26

35 Mairie de Troinex
Chemin de la Grand-Cour 2

36 Parking du Mont-Blanc

37 Rue de la Servette 29

38 Services Industriels de Genève SIG
Chemin du Château-Bloch 2



Ely Troendle, a BCGE client since 1999, was born in Constantinople. She came to Geneva, where she met her husband, a future Swiss diplomat, and obtained a degree in law and economics. After a career abroad, she once again lives in Geneva.



Private Banking

TRANSPARENT

IT TAKES THE LIGHT OF DAY AND THE SKILL OF THE CUTTER TO REVEAL THE VALUE OF THE UNCUT STONE. IN THE SAME WAY, BY DIRECTING CLIENTS TOWARDS FUNDAMENTAL AND TIMELESS VALUES, BCGE'S PRIVATE BANKING ADVISERS PRESERVE AND DEVELOP THE VALUE OF THE ASSETS ENTRUSTED TO THEM.

Economic overview

2009: The Geneva economy was not unaffected by the world recession

The canton's economy as a whole contracted sharply in the first quarter of 2009, the process having started, indeed, as early as the second quarter of 2008. There were two reasons for this: the economy's degree of exposure to the rest of the world and the major role played in it by services, in particular the financial sector. While the first signs of recovery may have appeared in the spring of 2009, the economic indicators were all pointing firmly downwards throughout the year. The following summary on pages 22 to 25 is taken from the latest review by the Cantonal Statistics Office (OCSTAT), *Reflets conjoncturels de l'économie genevoise, supplément annuel 2010*.

Population

In 2009, the canton of Geneva's resident population grew by 4,189 (+0.9%, compared with +1.3% in 2008), a mainly positive increase, even though the housing market remained very tight and despite the local economy being hit by recession. Although the natural increase (the net difference between births and deaths) was positive in 2009 (+1,345), the demographic growth seen was mainly due to the number of people arriving in the canton exceeding those leaving (+2,844). This positive net migration is explained by a high rate of foreign immigration, but also by significant immigration of Swiss citizens. At the end of 2009, the canton had 457,628 inhabitants (453,439 at the end of 2008).

Employment¹

The slowdown in employment growth, which began in the fourth quarter of 2008, continued in 2009 (+0.4% on an annual average, compared with +2.4% in 2008). The fall was marked in the manufacturing (-2.8% annual average), where the number of jobs has been falling since the second quarter of 2009. In the services, on the other hand, employment was still increasing (+1%). At the end of 2009, the canton had 262,400 jobs, or approximately 800 more than a year earlier. According to the leading employment indicator, no significant improvement is expected in 2010.

In Switzerland as a whole, there was a considerable slowdown in the rate of jobs growth (+0.1% in 2009 on an annual average, compared with +2.6% in 2008). While the rise in the number of jobs in the services is analogous to that seen in the canton, in the manufacturing, the decline in employment (-1.9%), which began in the first quarter of 2009, was less marked than in Geneva (-2.8%).

Aggregate earnings

Aggregate earnings continued to rise throughout 2009, but at a slower rate than previously. It increased 4.5% in nominal terms (+7.5% in 2008; +7.8% in 2007). The last time there was a smaller rise was in 2004 (+1.4%). In real terms, taking account of the fall in the Geneva consumer price index, the 2009 rise in aggregate earnings was 5.0%, slightly higher than that observed in 2008 (+4.8%).

Foreign labour

Despite the world economic crisis, immigration into the canton remained steady in 2009. The recession was therefore not (yet) having a negative effect on the canton's attractiveness, inasmuch as the primary reason for foreign immigrants coming is gainful employment. Almost half of the persons arriving from the 27 EU member states come to the canton in order to work there. At the same time, foreign immigration, 80% of which is accounted for by persons of working age, continued at a high rate. The slowdown in economic activity was reflected in the lower growth rate of holders of a cross-border permit from May 2009. At the end of December 2009, the number of active cross-border commuters was estimated at 52,700 (+0.4%; +4.4% in 2008).

¹ Excluding agriculture, the international public sector and domestic services.

The labour market

The labour market situation deteriorated significantly in 2009. Between December 2008 and December 2009, the number of registered unemployed in Geneva increased by about 3,000 (+23.2%). In total, almost 16,000 unemployed persons were registered at the Cantonal Employment Office at the end of the year. At its lowest point, in July 2008, the unemployment total was about 12,000. At the end of 2009, the unemployment rate reached 7.2%, a rate not seen since February 2006. 2009 was also characterised by recourse to massive reductions in working hours, with the number of persons so affected increasing fourfold.

In Switzerland as a whole, even if the unemployment rate remained well below the rate in the canton, the situation deteriorated more markedly than in Geneva: the number of registered unemployed (173,000 at the end of December 2009) increased 45.5 % year-over-year. The unemployment rate reached 4.4 % at the end of 2009.

Industry

The spectacular deterioration in business activity recorded in industry from the end of 2008 affected the canton of Geneva somewhat more than Switzerland.

In Geneva, the peak of the crisis was in spring and summer 2009. From September-October, however, the business situation, while still poor, got no worse. Taken as a whole, export industries, including watchmaking, suffered particularly as a result of the economic turmoil of 2009. Companies which were on the whole orientated towards the domestic market fared comparatively better, even if the overall picture was negative.

Foreign trade

Geneva's exports were severely affected by the world economic crisis. With the continuation of the slowdown in activity that started in the fourth quarter of 2008, the value of exports in 2009 as a whole was CHF 11.1 billion (excluding precious metals, gemstones, works of art and antiques), falling sharply by 19.5 % compared with 2008. Since 1972, the first year for which cantonal figures are available, Geneva's exports had never seen such a big year-over-year fall. In Swiss franc terms, the 2009 level was slightly below that recorded in 2006 (11.5 billion).

At national level, the situation was just as critical. Exports fell 12.6 % between 2008 and 2009, to CHF 180.3 billion, a value close to that of 2006.

The value of imports into Geneva, meanwhile, showed a sharp 14.4 % fall compared to 2008, at CHF 8.1 billion (excluding precious metals, gemstones, works of art and antiques). While double-digit falls were seen in the first three quarters, the year ended with a rise in the fourth quarter.

At national level, imports totalled CHF 160.1 billion in 2009. Compared with 2008, they fell 14.3 %, a decline comparable with that observed in Geneva.

Construction

In 2009, 362 new buildings were constructed in the canton of Geneva (238 detached houses; 92 buildings for multiple occupation; eight buildings combining housing and business premises; 24 buildings containing solely business premises). This figure, together with the total volume and value of the buildings, showed a decline compared not only to 2008, but also to the preceding years. Nonetheless, developers remained relatively satisfied with their level of business, which suggests that construction has coped with the crisis better than other parts of the Geneva economy. This rather positive assessment, no doubt linked to the growth in volume and value of the buildings authorised and started at the end of 2009, points to an improved situation in 2010.

Housing and non-residential premises

Although up on 2008, the number of housing units built in 2009 (1,230) was still lower than the totals recorded prior to 2008. Taking into account renovations and demolitions, the net increase in housing units totalled 1,240, as compared to 1,350 on average over the last five years. On the other hand, although the number of housing units for which applications were made (2,135) showed a slight decrease, it remained relatively high, as did the number of housing units authorised (2,432).

As regards buildings intended for business purposes, the newly built square metre total in 2009 fell by 27 % compared to 2008, at 54,700 m². This was the smallest area built in any year since 1990.

Property services and service subsectors

In property services, business remained at a good level in 2009 and indeed improved in the fourth quarter. However, the fears anticipated at the end of 2008 were confirmed at the beginning of 2009: operating profits deteriorated in the first part of the year before returning, at the end of the year, to the levels of a year earlier. In brokerage and promotion, in parallel with the decline in demand, sale prices were down over the year, for the first time since the nineteen nineties.

After the fall observed at the beginning of the year, the level of business in other service subsectors¹ returned to a clearly satisfactory level from July. In Switzerland as a whole, the pattern was similar.

Retail

Following the deterioration seen since November 2008, the level of activity in Geneva's retail sector remained unsatisfactory throughout 2009. On an annual average, store visits were down, as was turnover. A slight improvement was, however, recorded in the fourth quarter.

¹ Sports, information and communication, corporate services, health and social action, arts, entertainment and recreational activities.

Hotels and restaurants

In 2009, Geneva's hotel sector was particularly badly hit by the world economic crisis. Whereas the number of overnight stays still grew slightly in 2008 (+0.2%), it fell sharply by 7.8% in 2009, to 2.7 million, a level close to that of 2006. The second half was slightly less negative than the first (-4.5% compared with -11.1%), and the year even closed with two months of growth. At national level, the picture was a little less grim. The number of overnight stays was 35.6 million, representing a 4.7% decline.

In 2009, the level of business for Geneva restaurants was poor, the low point being reached in the second quarter. Since then, the restaurant owners' appraisal of their business situation, while still negative, has not deteriorated further.

Air traffic

In 2009, the number of passengers using Geneva International Airport fell by about 200,000, representing a decline of 1.7% over a year. However, with a total of 11.3 million passengers, the 11 million threshold was passed for the second year running. As regards the whole of 2009, the first half, with the exception of April (Easter week), was down on 2008, the third quarter was stable, while the last quarter of the year was marked by a relatively big increase in airport use.

Vehicle registrations

In 2009, 13,954 new private passenger vehicles were registered in the canton of Geneva, i.e. 1,663 fewer than in 2008 (-10.6%). The number of new cars was thus down for the second year running (-7.7% from 2007 to 2008). From January to October 2009, year-over-year declines were recorded every month. November and December, on the other hand, showed increases. Contrary to 2008, Switzerland as a whole also experienced a decline in registrations (-7.5%).

Consumer prices

The general price level fell during most of 2009. Year-over-year, the Geneva consumer price index began a decline from January 2009 and only returned to positive territory in November and December. This was the longest period of decline recorded since the survey was started in September 1966. This development was linked principally to the fall in the price of petroleum products (motor fuel and fuel oil), which declined by over 30% in certain months. If these are excluded from the calculation, the index rose 0.8% on an annual average. This rise was mainly due to rent increases.



Nicolas Brunschwig is a partner in the Brunschwig group, a BCGE client.
The Group owns the Bon Génie and Grieder stores, which are located throughout Switzerland.



Distribution

MADE TO MEASURE

A CRAFTSMAN'S SKILL ALLOWS HIM TO TRANSFORM SPUN COTTON INTO BEAUTIFULLY WOVEN AND FASHIONED FABRICS THAT ARE A PLEASURE TO WEAR. OUR ADVISERS OFFER OWNERS OF COMPANIES THE FINANCIAL SERVICES THAT ALLOW THEM THE FLEXIBILITY AND FREEDOM OF MOVEMENT THEY NEED TO CARRY ON THEIR BUSINESS.

Business review 2009

Record business growth and renewed increase in profitability

BCGE's operating profit increased 37.8% in 2009 (CHF +23.4 million). Gross profit rose 13.9% to CHF 115.2 million. Net profit showed an excellent 5.1% increase to CHF 71.6 million. BCGE continued in its mission of providing finance for the Geneva economy, for business and individual customers alike; this activity grew strongly, increasing by an additional CHF 1,242 million. As a whole, gross operating profit increased by 4.6%, thanks particularly to a well diversified range of businesses and a firm control of expenses.

Return on equity
7.5%
in %



BCGE's total assets under management and administration grew by 8.2% (CHF 1,370 million), thereby passing the CHF 18 billion mark. Mortgage loans saw a record rise (CHF 812 millions). Thanks to the well-established attractiveness of deposits and savings, the refinancing rate of mortgages from savings accounts and current accounts reached 72.5%, providing a cushion against the financial crisis. At 7.5%, return on equity (ROE) compares very favourably with that of the other cantonal banks. The Board of Directors will propose that the Annual General Meeting approve a dividend of 6.5% (a rise of 8.3%), totalling CHF 23.4 million.

Group key figures for 2009 (in CHF 1,000)

| | 31.12.2009 | 31.12.2008 | Variation |
|--|------------|------------|------------|
| Net Profit | 71,588 | 68,121 | +3,467 |
| Gross Profit | 115,158 | 101,066 | +14,092 |
| Intermediate results | 85,403 | 61,990 | +23,413 |
| Dividends | 6.5 % | 6 % | - |
| Total Assets | 14,114,507 | 13,690,322 | +424,185 |
| Mortgage Loans | 7,603,809 | 6,791,969 | +811,840 |
| Client Loans | 3,654,665 | 3,224,928 | +429,737 |
| Assets under management and administration | 18,047,513 | 16,677,792 | +1,369,721 |
| Operating Profit | 333,202 | 318,643 | 14,559 |
| Interest Income | 188,049 | 212,806 | -24,757 |
| Commission Income | 99,351 | 92,707 | 6,644 |
| Operating Expenses | 218,044 | 217,577 | +467 |
| Employees (full-time equivalents) | 778 | 789 | -11 |

Renewed profits growth despite unstable markets

Interest income declined 11.6%, reflecting the impact of the fall in rates on lending profitability. This development was influenced by two contrary causes: on the one hand, a record increase in business and on the other, the high cost of rate protection. Defensive management of the interest margin, accompanied by implementation of rate protection structures, allowed a level of 1.50% to be attained (1.62% in 2008). Regarding volumes, two related phenomena can be observed. On the one hand, total mortgage lending increased considerably, by 12% or nearly CHF 812 million, to reach CHF 7.6 billion; on the other hand, client loans increased by 13.3%, or CHF 430 million. In total, new lending business of over CHF 1.2 billion was achieved, a remarkable result due to the Bank's competitiveness and its image, both of which remain intact as we enter the post-crisis period.

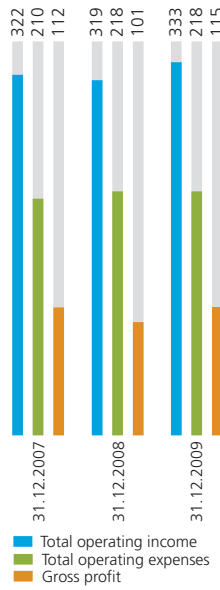
Wealth management benefiting from the absence of toxic financial products or concepts

Commission income from trading, securities and deposits, essentially the activities generated by institutional management and portfolio management, reflected investor reticence; it declined by 10.4% to CHF 45 million. This effect aside, income from wealth management fell only slightly, due to clients' propensity to stay with safe and very liquid investments. This performance needs to be emphasised, given the world stock market environment. The excellent performance of the investment mandates and the growth of assets under management and administration serve to underline the merits of the Group's investment philosophy, which is based on prudence and discipline.

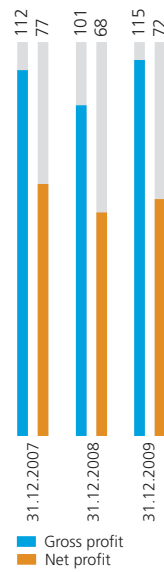
Profit on market capitalisation
in %



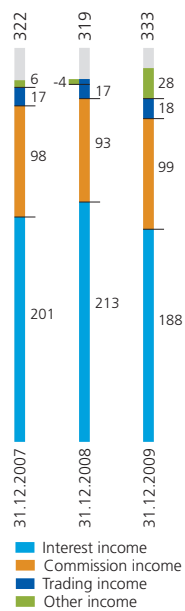
Gross profit increased in CHF millions



Net profit increased by over 5% in CHF millions



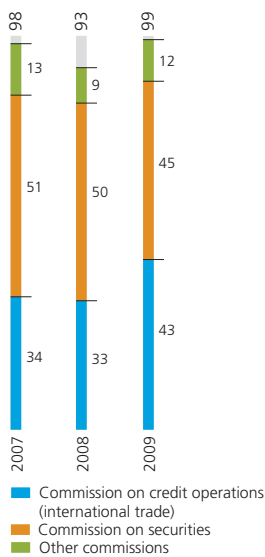
Increase in income despite unstable markets in CHF millions



Cost/income ratio improved in %



Strong contribution from global commodity finance to commission income increase in CHF millions



Growth in global commodity finance

Commission income grew by 7.2%, a result distinctly superior to the industry average. This can be explained by the strong contribution made by the volume of global commodity finance business, which produced an increase in commission income on credit operations of CHF 9.6 million, or 29%. This excellent result was achieved despite the extreme volatility of commodities markets, and was bolstered by the energy segment and the dynamism of trading in Geneva. Very short term credit operations, which are a feature of activities associated with international trade, were also affected by the slide in the dollar, the classic currency used for commodity trading and by the worldwide fall in exports.

A trading room that performs well in a complex environment

Trading income, generated by trading room activities, contributed positively despite the instability of the markets. Here again, this is a very pleasing result, given the overall slowdown and the potential risks in this business. The trading room sustains the business of the bank and its clients in several areas. It does not take large positions on its own account and works on a limited risk basis, fully in line with the Bank's investment philosophy. This has allowed it to remain unscathed by the great turmoil on the equity and bond markets.

Close involvement of staff in the Bank's success

Payroll expenses grew by 2.4%, or CHF 2.9 million. This reflects increased commitment by experienced and talented internal or external staff in key areas (private banking, trade finance, etc.). Year-on-year to 31 December, the number of staff fell slightly (eleven fewer full-time equivalents).

Investment continues

Despite the renovation of the customer service areas of four new branches at Onex, Plan-les-Ouates, Servette and Vésenaz, and an increased pace of investment, operating costs were held down (-2.5%) and reduced by CHF 2.4 million. This item was also affected by the installation of fifteen new ATMs. The cost/income ratio stood at 65.4%.

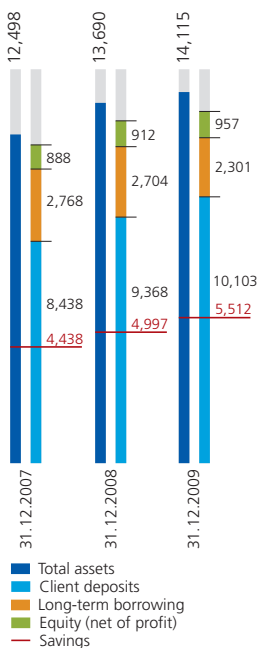
Increased cost of counterparty risks due to a slower-than-anticipated economic recovery

The low interest rate environment and investors' need for security have affected net profit, through the losses incurred by debtors. These are essentially companies or institutions which are experiencing difficulties, and for which the Bank has preventively funded part or all of the risk, even though no loan loss occurred. The valuation adjustments, provisions and losses item was allocated CHF 10.3 million (25.1 million in 2008).

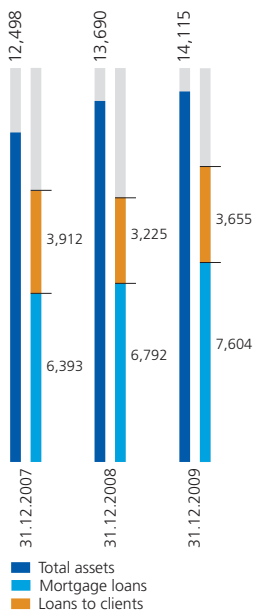
Client confidence greatly expands the balance sheet

The inflow of new client funds and the steady recovery in the economy increased total available liquidity. New clients totalled 13,029, more than the number gained in 2008. Net new money amounted to over CHF 900 million, in the form of savings, current accounts and medium-term notes as well as in wealth management. In total, BCGE manages and holds on deposit CHF 18 billion (+8.2%), demonstrating the trust the public places in cantonal banks, and in BCGE in particular.

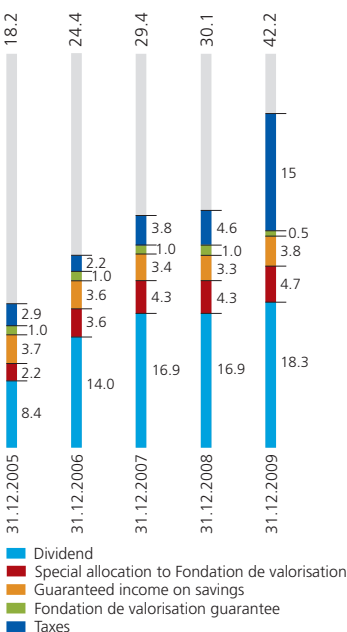
Very sound refinancing structure in CHF millions



Strong growth in loans to business and individuals in CHF millions



40% growth in contributions to public partners in CHF millions



Financial soundness confirmed

The Bank's equity amounted to CHF 957 million, equal to 6.8 % of total assets. At 142%, the capital ratio is very sound, attesting to the high quality of the BCGE balance sheet. The quality of this financial situation was recognised by the Standard & Poor's agency in December 2009, when it confirmed the Bank's rating of *AAA-1/stable*.

Increased financial contribution to public entities

The total financial contribution to public entities will amount to CHF 42.2 million (CHF 30.1 million in 2008), i.e. an increase of CHF 12.1 million (+40 %). In 2009, BCGE honoured its commitments on several fronts: by supporting the economy through its loans, maintaining its staffing levels and increasing its contribution to public bodies.

9,443 "client shareholders"

BCGE is pleased to see that the number of individual shareholders has continued to increase, as it gives evidence of a strong attachment to the Bank on the part of its clients and the wider Geneva community. As at 31 December 2009, 9,443 private individuals owned BCGE shares, an increase of 10.4 %. Of these individual shareholders, 77 % possess between one and twenty-five BCGE shares. This figure takes account only of shares deposited with BCGE. The dividend yield will be 6.5 % of the par value (as decided by the Annual General Meeting of 4 May 2010).

A positive outlook for a player mainly dedicated to the regional economy

Assuming some improvement in the economic situation in 2010, BCGE expects its earnings to increase slightly. The current business dynamic can be maintained and the Bank believes that it will be able to continue increasing its market share. As a key player in the financing of the regional economy, the Bank's level of business correlates closely with the development of that economy. Selectivity and risk control, of course, remain the priorities.

Due to persistently low interest rates and constant cost pressures, particularly in IT, the Bank is not anticipating increased profits in the current year.



Cousins Luc Perret and Jacques Martin are owners of Construction Perret SA, a company employing 300 people, and a BCGE client for nearly a century.



Construction

SOLID

STEEL RODS REINFORCE A CONCRETE WALL, GIVING IT STRENGTH AND ELEGANCE.
IN THE SAME WAY, CONSTRUCTION PROJECTS TAKE FORM. WITH THE SUPPORT
OF SPECIFICALLY TARGETED ADVICE FROM BCGE EXPERTS AND PERFECTLY
CONSTRUCTED FINANCING SOLUTIONS.

Key facts of 2009

An ability to remain robustly profitable

34

As in previous years, BCGE has demonstrated its capacity to remain robustly profitable: the Standard & Poor's rating agency confirmed its grade of A/A-1/Stable, and the development of its increasingly international business continued.

SOLIDITY

Rating confirmed

Last December, S&P announced that it was confirming the Bank's rating. These grades are widely heeded by financial professionals and have an influence on refinancing conditions. In its report, the agency stresses the Bank's large market share in the canton, especially in mortgages, savings and corporate finance. It also refers to BCGE's private banking growth in Geneva, Switzerland and France and to its role in international trade finance. S&P highlights the regular increase in the Bank's income in recent years and the strength of its equity ratios, which are unlikely to deteriorate. It also notes that the level of provisions has fallen sharply over the last few years and is at a satisfactory level. Lastly, it points out that impaired loans have been drastically reduced. It rounds off its opinion with the term "stable", underlining its conviction that the Bank's results are sustainable.

Increasingly international business

BCGE Group announced that it was establishing a presence in two international locations: Paris¹ and Hong Kong. The respective missions of the BCGE (France) subsidiary and the BCGE Asia representative office are the conduct of the Bank's affairs in France and the Asia-Pacific region.

The raison d'être of the Paris branch is to represent BCGE (France) SA in the Paris region and to develop relationships with an individual and business client base. The representative office in Hong Kong was opened in November with the intention of fostering our links with individual clients interested in wealth management. It will also provide institutional clients with a useful link to the competence centre at head office in matters of asset management. Moreover, it will serve as a sub-branch that facilitates contacts and give a higher profile to our global commodity finance business, which has increased considerably in importance in the region. As a representative office, it does not carry out banking operations, as all accounts are opened and managed at the Geneva head office in strictest adherence to the regulations in force.

¹ On 4 January 2010.

Key facts of 2009

BCGE's 23 branches have more and more time to listen to and advise their clients

The branch network's modernisation programme continued with the inauguration of four renovated branches. Mortgage loans for first or second homes saw a particularly exceptional rise, with a 20 % net increase in lending. Fixed rate mortgages in francs for properties in the nearby part of France more than doubled. The increase in retail client mortgage applications continued and there are now no fewer than 235,900 individual clients having a relationship with the bank, i.e. over half of Geneva's citizens, who use an ever-increasing range of services. Funds deposited at the Bank by this clientele also grew considerably. Internet banking continues to attract a growing number of individuals and SMEs, with a 14 % increase in the number of regular users.

RETAIL BANKING

At the heart of a model branch

The branches at Grand-Lancy, Onex, Vésénaz and Servette-Wendt have been completely modernised in line with the innovative "model branch" concept. The number of completely renovated branches has thus reached twelve, including the new Praille-Acacias branch. BCGE is a bank which likes to stay close to its clients and the "model branch" concept puts the advisers at the heart of a relationship based on quality and a banker and client who know each other. In a highly competitive environment, the quality of advice is what makes the difference. This is why the number of advisers is constantly increasing, and why these advisers receive in-depth training. The welcome that the branches offer has been enhanced, with individual consultations taking place in meeting rooms that are suitable for calm and informed decision-making. Access to cash management operations that can be handled by automatic equipment has been extended and facilitated by a constantly increasing number of state-of-the-art machines (106 machines in 2008, 121 in 2009¹). New ATMs have been installed, for example, at Cointrin airport, in the Lancy shopping mall and in the headquarters of a multinational company in Geneva.

The Bank is also modernising its 24-hour zones situated outside its branches : the facility in the entrance lobby of Geneva's cantonal hospital has been completely refurbished and equipped with the latest generation equipment. Several safe deposit box vaults have been entirely renovated.

These modernisations have led to a reduced need for notes and coins, which increases overall security.

Dynamism seen in mortgages

Despite the competition on the Geneva property market, 2009 was a record year for growth in mortgage lending. Thanks to knowledge of the regional market and the relevance of its mortgage offering, BCGE Simplissimo was able to face the challenges of a difficult market, characterised by a lack of available properties and fierce competition in the mortgage lending segment. The growth of BCGE's business in this area continued in 2009, showing a net increase of over 20 % in mortgage lending for first and second homes in the individual segment. Fixed rate mortgages in francs, arranged in Switzerland for properties in the nearby part of France, more than doubled.

Spectacular development of BCGE Netbanking

BCGE Netbanking is an inseparable component of everyday banking services, and the use of internet banking is undergoing ceaseless expansion. Simplicity, speed, economy and security are all arguments in its favour, which all go some way to explaining the 14 % increase in numbers of regular users of BCGE Netbanking.

Big increase in savings

As the region's number one savings bank, BCGE proved very popular in 2009, meeting the needs of clients wishing to keep their assets safe. In 2009, savings funds deposited saw a sharp 19% increase to CHF 3 billion. To increase their savings income (up to 2 % more than base rate), a growing number of clients drew benefit from the BCGE Avantage service™ loyalty programme, which rewards clients who use several of the Bank's services. In 2009, 39% of savings accounts holders – or about 32,000 clients – earned interest bonuses in this way.

¹ 121 in Geneva as at 2 April 2010 and one in Lausanne.

Expansion of branch investment and finance

Equipped with a dynamic range of products based on a transparent and independent investment philosophy and meeting the highest professional and ethical standards, BCGE's wealth management (BCGE Best of investment mandates and BCGE Rainbow investment funds) are available throughout the branch network. These services have all seen an increase in funds under management, despite a particularly challenging year on the stock markets. This trend is a sign of the confidence that clients have in their bank.

Financing products and payment facilities prove very popular

Financing products such as vehicle leasing (up 80%), and payment cards, showed strong growth. Similarly, there was a great demand for Maestro debit cards, which now have the multi-account function (offering access to several accounts with one card), and also Mastercard and Visa credit cards.

A Swiss bank that is also the local bank

The number of cross-border commuters and of Swiss living in France continues to grow, and BCGE enjoys the recognition of both these groups: nearly 28,100 of them are clients. Aware of their specific needs, the Bank is constantly developing its offering by providing numerous made-to-measure solutions in retail banking, pension planning and mortgages.

BCGE Check-up provides a holistic summary of the client's financial situation

BCGE Check-up, the personalised financial advice system, continues to grow in popularity. Numerous clients have already benefited from this innovative approach. Over a lifetime, financial priorities will change, and the aim is to optimise each individual's wealth position, by making recommendations to help them anticipate their future situation more effectively.

Consolidation in the financial planning centre

BCGE occupies an important place in wealth management and advises all the generations. Its methodical approach, which takes account of objectives, time horizon and investor profile, means that an overall view of the makeup and future of a person's wealth can be obtained. BCGE Praevisio has met with great success: it comprises a personalised diagnosis allowing recommendations to be made in the areas of pension planning, investments and financial and estate planning. The pension planning products on offer have been selected on the market completely independently, on the basis of their performance and specific characteristics. Because of the turbulence on the financial markets, clients made a clear choice in favour of secure products such as the Epargne 3 account, which grew 12 % to CHF 261 million.

BCGE Private Banking increased its funds under management, reinforced its management teams in Zurich and Lugano and deployed a new strategy resolutely turned towards growth with an international dimension. An advisory service was also created.

PRIVATE BANKING ASSET MANAGEMENT

New markets

A sustained effort has been made to redeploy forces in the Swiss subsidiaries of Zurich, Lugano and Lausanne. In Zurich, structures were reinforced with an allocation of recognised competences to the markets of Central and Eastern Europe and the Asia-Pacific region. In Lugano, teams were strengthened and centred on the development of the Ticino and Southern European markets.

New organisation

Integration of the former Anker Bank, initiated in 2008, was completed in 2009. The various entities have been regrouped in a single Private Banking division, comprising three branches, the headquarters and a number of departments. A matrix approach has been applied to the division as a whole in order better to reflect the specific characteristics of the various geographical markets and to enable dedicated teams to respond proactively to the needs of clients.

Deposited funds under independent asset managers increase 40 %

The department in the service of independent asset managers continued its expansion in terms of asset acquisition, and funds deposited increased strongly. This record year was also marked by the development of a new dedicated IT application for independent fund managers to allow them to view their clients' funds more effectively (see page 44). It reinforces the Bank's position in this very competitive market segment, which is very demanding in terms of professionalism. It has now become an essential factor in the partnership between banks and independent asset managers.

Continued success in wealth planning

BCGE Private Banking continued to capitalise on its financial planning expertise in made-to-measure client advice in the area of pension and estate planning, portfolio consolidation and company transfer. This service enjoyed promising success, generating numerous consultations, and it is to be offered to clients of the other Swiss private banking entities in Lausanne, Lugano and Zurich.

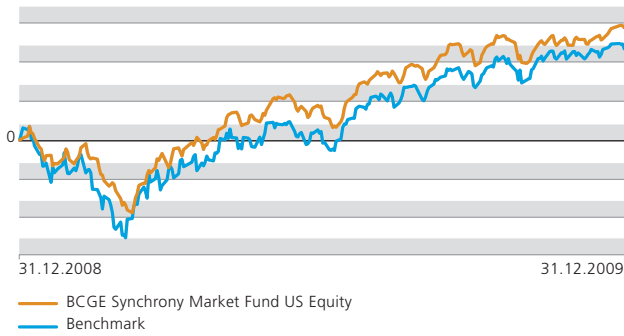
Development of business support

Business growth was accompanied by a considerable expansion in the volumes handled by the middle office support services, grouped within the Business Development and PB Chief of Staff department. Staff numbers were correspondingly increased.

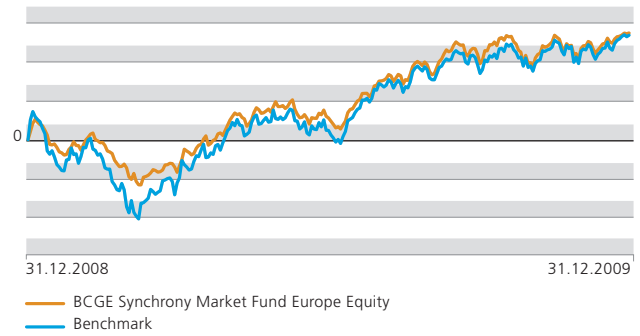
Expansion of private banking for BCGE (France)

Efforts undertaken to supplement its product range allowed the Bank to offer its clients the products best suited to the recovery that characterised 2009. In particular, the investment management mandate linked to life insurance, approved by the Financial Markets Authority (FINMA) since 2003, enjoyed very pleasing success. The BCGE (France) subsidiary benefited from the use of new IT applications enabling improvement and rationalisation of its wealth management, as well as its reporting.

Fund Growth
BCGE Synchrony Market Fund US Equity



Fund Growth
BCGE Synchrony Market Fund Europe Equity



28 staff focussed on asset management

The BCGE Asset Management business unit saw successful changes in 2009. It is made up of the following departments: actual Asset Management (mandate management), Advisory, Financial Studies (economic analysis and research on third-party funds and individual securities), and a services department. Together, these departments form BCGE's asset management centre of competence. Since May 2009, this 28-person team, which is known for its stability, dynamism and high level of trained expertise, has been grouped together at the Bank's Ile headquarters.

Creation of an Advisory department for private and institutional clients

2009 also saw the creation of a new department centred on personalised financial advice. One of the main duties of these specialists, experts in today's complex financial markets and the traps they can lay, is to back up the front-line managers in their work of identifying their clients' needs and the solutions they require. In so doing, they base themselves on the rigorous selection of the financial products available to the Bank, the Focus list. They also guide institutional clients who manage their own portfolios on the basis of the advice they receive.

Open architecture as a source of performance

The Financial Studies team is tasked with selecting external funds, according to open architecture principles, i.e. with complete intellectual and commercial independence. The funds are chosen on the basis of their intrinsic qualities and management needs, with a view to achieving very wide diversification in terms of style and manager. The aim is to identify the right managers, who should be effective and equipped with well-grounded and coherent convictions to inform their actions over time. In 2009, the selection of funds generated results that were positive in both absolute and relative terms; this is shown particularly by our specialised funds that are 100% invested in equities, namely the BCGE Rainbow World Equity and the two regional funds of funds, BCGE Synchrony Europe Equity and BCGE Synchrony US Equity.

Outperformance achieved

The asset allocation funds built on the basis of this selection also posted good returns. This was particularly the case with the BCGE Rainbow Fund. Offered to clients wishing to invest limited amounts, this is a flexible and economical investment product, with an excellent spread of first-class assets. The six profiles under the umbrella all generated returns superior to their benchmarks. In a year marked by investor prudence, they saw growth of 3.7% in the amounts invested, or "net new money", to reach a total of CHF 284 million invested at year-end.

Moreover, the BCGE Best of asset allocation mandates, offered on an individual basis to private clients with assets of CHF 100,000 upwards, also achieved their objectives, with thirteen out of the sixteen profiles outperforming their benchmarks. The assets entrusted to the Group through these mandates total over CHF 1 billion, representing growth of nearly 9% year-over-year.

A shower of stars for the investment funds

For the past several years, BCGE has developed, in addition to the balanced mandates based on open architecture, some specialised funds which are regularly recognised as being among the best in their respective categories.

In 2009, BCGE's Synchrony Swiss Government Bonds, awarded five stars by Morningstar, was once again named by Lipper as the best Swiss bond fund over five and ten years.

Again within the indexed area, the Swiss Equity fund, which retained its four stars and showed performance exactly in line with the SPI index, is perfectly suited to a "core-satellite" approach or to private clients who can thus diversify their exposure very broadly to the Swiss share market with limited funds.

The LPP Bonds fund, also awarded four stars, invests in Swiss bonds. It achieved particularly good returns in an environment that was difficult to assess.

Finally, the Swiss small-cap fund, BCGE Synchrony Swiss Small and Mid Caps, which also received four stars, once more delivered returns above its benchmark while remaining fully invested. This fund holds about 25 positions, chosen for the long term on the basis of financial, social and environmental criteria.

Growth of institutional funds

With an increase of 22.2 % in funds managed, of which 19.9 % were for mandates and 31.5 % for institutional funds, institutional management business had a positive 2009. In figures, total net institutional funds increased by CHF 436 million, CHF 90 million of which were in net contributions, to reach a level of CHF 2.4 billion at year-end.

In addition to these funds, the Group manages eight professional pension funds, two of which focus on sustainable development. These, too, are based on open architecture, and represent total funds under management of CHF 91.7 million.

To conclude, we would note that all these funds and mandates are managed according to the principles based on economic fundamentals and long-term vision as defined by BCGE's investment philosophy.

Key facts of 2009

Corporate banking: BCGE guaranteed the supply of credit in the crisis

Corporate business increased in most areas, thanks particularly to the acquisition of new clients and the development of new activities. Business was conducted in a difficult economic environment, requiring strict monitoring of risk levels and the maintenance of margins at a satisfactory level. Anxiety on the part of entrepreneurs holding back on investments and great vigilance on the Bank's part could have had a moderating effect on demand for credit. However, despite this environment, non-mortgage lending, extended for the most part to companies in the region, saw growth of CHF 596 million, or 28.3 %.

CORPORATE BANKING

Business development

The diversity of enterprises of all sizes is characteristic of the Geneva economy. In the course of its mission, BCGE develops banking services that are best suited to this clientele. Against this background, several types of business were conducted in 2009; the main examples are described below.

Business demand for credit remains intact

The year was marked by a need to carry out some particularly fine-toothed credit risk analysis. This did not prevent growth in corporate finance, where there was a sizeable and growing amount of new business and financing. Reinforcing the professional and motivated corporate business team allowed the Bank to establish excellent, low-risk business relationships with companies in Geneva and the rest of Switzerland. Geneva having withstood the 2009 economic crisis relatively well, and with an encouraging business outlook for 2010, the Bank is anticipating that its corporate lending business will continue to develop favourably.

Good level of lending to the property sector

The prices of buildings, flats and houses in Geneva remained at robust levels in 2009, correlating with low interest rate levels throughout the year. Construction prices were also steady. BCGE remained true to its solid and prudent long-term growth strategy. In the slowdown in both transactions and construction, BCGE was able to consolidate its mortgage lending to professionals at a higher level than in 2008 by increasing its market share.

Support for SMEs and the self-employed

The financing centre for SMEs and the self-employed offered support to small businesses buffeted by this period of turbulence. In the 2009 financial year, the cost of risk remained at a low level, bearing witness to the quality of the bank's portfolio in this segment. In conjunction with Relève PME, three seminars were organised in the context of company transfers on the topics of pension planning, tax and organisation.

Higher risk remuneration in international trade finance

Having considerably reduced its commitments in the first quarter of 2009 in the light of a still uncertain international context, the Bank prudently increased its level of lending while emphasising the best quality clients. The client portfolio was overweighted in the sectors offering the best economic environment and BCGE applied a very defensive policy regarding clients in difficult markets. Compared to 2008, risk was better rewarded in 2009, which meant excellent results could be achieved.

Financing of SME equity facilitated

Capital Transmission is a subsidiary of the Bank that is able to finance up to CHF 50 million; the company's mission is to participate in the financing of corporate takeover transactions (leveraged buyouts, management buyouts, transfers) or expansion by acquiring a minority share or through mezzanine financing in the context of leveraged buyouts and management buyouts.

Responding more effectively to the specific needs of CEOs

In 2009, the Personal Finance department merged with the Corporate Division. This move allowed the department to focus even more on its primary mission of providing high quality financial services to entrepreneurs and public figures. The entity offers high-end banking services to opinion-formers and business leaders. Whatever the level of their assets or the complexity of their needs, Personal Finance gives them access to complete and individually tailored wealth management.

Financial institutions: sustained level of business

In the area of services and links with other banks, BCGE coped well with the interbank crisis. Business with financial centre banks and pension funds achieved great success, particularly in terms of the financial markets, day-to-day banking services and the supply of banknotes, which showed an increase over the previous year. As regards non-OECD banks, the volume of documentary credit confirmation operations reached record levels, well up on the previous year. The volume of cash exchanges with banks in emerging countries reached CHF 5.5 billion, another record amount.

A dynamic trading room

The environment for the trading room remained difficult, despite the recovery in the stock markets seen from mid-March, and in Swiss bonds, from July. The first months of the year, in particular, were marked by the absence of bond counterparties, with currencies, fixed interest instruments and gold being highly volatile throughout the year. In this context, the trading room contributed significantly to the Bank's results. Activity on its clients' behalf is developing successfully on all the desks. Financial advice to clients in respect of debt and risk management, together with the financial engineering services of BCGE Club CFO, is meeting with increased interest. The trading room is also responsible for managing the Bank's own long-term investments. This year's results set a new record.

Moreover, the trading room's active participation in asset-liabilities management led to some excellent results achieved in a creative manner and while keeping risks under control.

Management of high-risk loans

The worsened economic situation had no real effect on the business managed by the specialists in those credits that have acquired higher-risk status. In fact, the volume of loans transferred to them has declined substantially.

Earnings from the management of property for non-banking use and intended for resale were also pleasing, as only two new buildings had to be acquired at auction and it proved possible to find buyers for five other properties. Profit totalled CHF 0.5 million and the portfolio has now been reduced to CHF 6.1 million for six properties.

Success of BCGE seminars

Over 600 business and public authority leaders took part in the series of seminars entitled "BCGE L'essentiel de la finance" ("The Essentials of Finance"), organised in September on some engaging topics: "economic intelligence" and "the power of the brand", especially, were addressed very thoroughly by several talented speakers.

For the third time, BCGE, the Geneva Chamber of Commerce, Industry and Services and the Cantonal Statistics Office (OCSTAT) jointly organised their economics seminar. The occasion was used to present and also publish a study comparing Geneva's framework conditions with those of Basle and Zurich. The event attracted a very large number of the region's decision-makers.

Growth of cross-border business

BCGE's in-depth knowledge of the regional economic fabric makes it a sought-after partner for cross-border companies. The Entreprises France department serves both Swiss entities investing in France and French entities investing in Switzerland; its main focus is on the financing of company transfers and support for property companies in the broader frontier zone, the Rhône-Alpes region and the Swiss Lake Geneva area (the "Arc lémanique").

Despite the economic environment, income increased, by virtue of a concentration on high quality business with strong added value and opportunities in niche segments. New business growth was sustained throughout 2009. Moreover, the profitability level, exchange-rate-adjusted, was very satisfactory, and is to be explained in terms of increased mortgage lending.

BCGE (France) developing through selective and prudent growth

Operating with a slightly reduced staff of 35, the French subsidiary BCGE (France) saw net lending increase by over 13%, while the cost of risk was down by more than a third. However, the extremely low interest rates, which favoured borrowers, had a negative impact on BCGEF's return on assets, so that its earnings were lower than last year's. Thanks especially to government help, the property sector did well, whereas business transfer financing experienced a distinct slowdown in 2009.

As regards to asset management, the level of new funds in 2009 was satisfactory overall, and life assurance investments were favoured by investors.

The BCGE (France) supervisory board, the French equivalent of the board of directors, has five members. The Chairman is Blaise Goetschin (see page 77) and the Vice-Chairman is Eric Bourgeaux (see page 77). The four other members are Claude Bagnoud (see page 77), Constantino Cancela (see page 17), Georges Canto and Manuel Riera.



Georges Canto,
Member of the Supervisory Board
of BCGE (France)



Manuel Riera,
Member of the Supervisory Board
of BCGE (France)

Whether for the municipalities, the State or the major utilities, BCGE provides solutions tailored to the needs of Geneva's public entities. Through SPFS, it is also making its specialised skills available to other Swiss public entities.

FINANCIAL INSTITUTIONS AND PUBLIC ENTITIES

Controlling interest rate risks

In an environment undergoing major changes, following the sudden departure from Switzerland of several foreign lenders, BCGE has remained the reliable partner of several Geneva public authorities.

In particular, it has continued to support the canton of Geneva in developing its centralised cash flow administration and has stayed in touch with cantonal and municipal bodies by offering them the solutions that are best suited to their needs, while aiming for the best choices in terms of financial strategy and risk control.

BCGE has continued its business growth in a very pleasing way by financing several projects in the canton for a total value of over CHF 235 million.

After the start of operations in July 2008, 2009 saw the jointly-owned Swiss Public Finance Solutions subsidiary, SPFS, consolidate its Swiss public authorities financing business. It was the channel for CHF 156 million of BCGE finance.

Key facts of 2009

Three new platforms for clients

44

The first half of the year was largely devoted to optimising production and to improving and adapting the various modules of the Finnova software package, the heart of the Bank's IT system. This work has made it possible to make several banking processes more fluid, such as payments and foreign exchange and stock exchange operations. In the second half of the year, the Bank introduced new IT tools to facilitate risk analysis in loan processing.

MODERNISATION

Enhancement of the new IT platform

The Bank has deployed the new IAZI CIFI¹ property evaluation software, which uses the "hedonist" approach, comparing the value of any given property against a statistical database for the whole of Switzerland.

The Bank has also introduced the RSN² software package, with which it can evaluate the rating and pricing of loans granted to clients. This provides useful support for credit managers in the process of determining financing risk by providing a debtor evaluation and margin calculation on the basis of the identified risk in the case being analysed.

Three new platforms

The Bank has also rolled out two new consultation and transaction platforms for its institutional and private clients and is taking part in the development of a third.

The first is a new e-banking site dedicated to independent asset managers who work with the Bank. It allows them to view and value their clients' investments deposited at the Bank.

In 2008, a new stock trading platform was put in place, and in 2009 this enabled the establishment of relationships with new banking counterparties who have chosen the Bank as their main broker on the Swiss market.

The third platform will serve international trading operations; it has been developed jointly with six other banks under the supervision of the Geneva Trading and Shipping Association (GTSA). At present, the commodity trading companies, the banks' clients, exchange information with the banks by connecting to each of their banks' IT systems. The project currently being set up is a multibank communications platform, which will allow these companies to contact each of the banks by using just one communication protocol.

Simplification of the organisation

Thanks to IT migration and the outsourcing of money transfer operations, the Bank has been able to simplify its organisation and enjoy productivity gains, streamlined processes and an improved quality of its services.

The Bank has concentrated its organisation by reducing the number of its divisions. The Organisation & IT and the Operations and Controls divisions were merged on 1 September 2009, thereby reducing the number of divisions from six to five. The resulting division is known as Organisations, IT and Operations (OIO) and encompasses all operational activities.

This division now includes a business unit specialised in the organisation and technologies of information, which have common functions and objectives. The division encompasses five departments: Market Operations, Daily Banking Services, Client and Services Administration, Credit Administration and Logistics.

¹ CIFI: a Swiss property consultancy firm (IAZI in German).

² RSN: Risk Solutions Networks, a rating tool.

This re-organisation has the following specific goals:

- to concentrate operations within a single unit (simplifying management, shortening lines of command, making staff more multi-functional),
- to reduce certain infrastructure costs,
- to make the operational division more solid by giving it the necessary resources and autonomy to accomplish its production strategy
- to strengthen the skills and resources applied to the management of high risk credits and credit process control.

Reorganisation of jobs

The Bank is changing its IT outsourcing contract, initiated in 2003, regarding the deployment and maintenance of jobs. The new contract, signed in November 2009, was renewed with the Comit and Swisscom IT Services companies.

Concentration of staff on two sites

Thanks to the space gained by electronic filing and the reduced space required by IT terminals, the Bank has been able to cut the number of its sites from three to two, and thus bring together nearly all its central operations staff in the Ile and Lancy buildings.



Formerly CEO of Litasco, a subsidiary of Lukoil, Gati Al-Jebouri now occupies a key position in that group. Litasco, a very active petroleum products trading company, has been a BCGE client since 2001.



Trade Finance

BCGE'S TRADE FINANCE SPECIALISTS HELP HUNDREDS
OF GENEVA-BASED COMMODITY TRADING COMPANIES
DEVELOP THEIR BUSINESS WITH 'MADE IN GENEVA'
FINANCIAL SKILL

INGENIOUS

Risk control that is solidly built into the Bank's strategy

Ensuring the future of the Bank and its clients' assets

As a full-service bank with a broad range of activities, BCGE needs effective risk management in order to identify, measure and minimise the various risks inherent in all its business areas and operations. These risks turned out to be very serious in the 2009 environment. Risk control is omnipresent at a number of levels: in the front offices, which have responsibility for the risks associated with their business, in the back offices, and in the specialised second-level control departments.

CONTROL

Preventive control and portfolio control

Preventive controls are carried out for each transaction with a set of provisions and competences adapted in accordance with the operation types and amounts involved, so that any kind of misuse can be combated. A posteriori controls and centralised second-level controls are carried out for transaction portfolios, with the appropriate expertise and tools, to detect any unwarranted transactions or inappropriate behaviour.

Control method

The method used enables a quasi-direct link to transactions and the Bank's positions at the close of each day's business. It replicates all positions with or without exposure onto an ad hoc database, the financial datawarehouse (DWH). These positions are analysed and measured against amount limit and risk concentration standards, ratings, etc. Daily closing controls are adapted to credit risks, i.e. to counterparty default risks. Furthermore, market risks are constantly monitored by an ad hoc financial control department; they are further monitored at the close of business by the Risk Control and Compliance department on the basis of the daily report prepared by the Derivatives and Controls section.

Consistency

Control consistency is ensured by transferring all the Bank's positions into the financial datawarehouse and by using consistency methods with respect to compliance with limits, competences, regulations and calculated risks.

Basic principle

The basic principle is to authorise and promote all profitable business that respects regulatory constraints and that involves a level of risk that is considered acceptable.

The acceptability of a risk depends on strict compliance with legal and regulatory standards and then on the foreseeable financial risk (in terms of amount and probabilities). If the operation is of a type set out in the strategic business plan, risk frameworks are drawn up, in order to set the maximum acceptable exposure by type of business.

Within the risk framework, risks are estimated and calculated, if they are quantifiable, for each individual transaction. The yield of the transactions, in terms of interest income or commission income, are weighed up against the costs of the transaction and the risks incurred, measured by the amounts potentially at risk and the probabilities of occurrence.

Risk inventory

The risk structuring used is standard: reputational risk, legal risk, statutory and regulatory risk, compliance risk, credit risk, market risk, operational risk, fraud risk.

Organisation

The current stormy conditions have certainly proved the value of the risk management measures that have been in place for nearly ten years. The first operational controls are carried out on a continuous flow basis for each transaction so as to be preventive and to allow an immediate response. The Risk Control and Compliance department is structured on four pillars: the first three are Risk Control, which encompasses market risks and credit risks, and the Internal Control section, which monitors and controls operational risks. The Compliance section is the fourth pillar, having within its purview adherence to regulatory standards, mainly for accepting and monitoring clients. Formal checks on adherence to internal standards as regards credit, for example, are generated within the Organisation, IT and Operations division.

Operation of credit risk and market risk control

Credit risks are checked daily with regard to various aspects of controlling positions and adherence to limits. The risk committee meets monthly and the risk statement is presented and analysed, for example, in the form of reports and analyses of credit positions; the greatest risks are analysed. The monthly credit risk report is discussed and commented upon. Risk committees for each subsidiary also meet monthly, as a rule. A balance sheet management committee, the ALM committee (Asset and Liability Management), meet each month specifically to study interest rate risk.

Presentations are regularly given to the Executive Board, either on specific subjects or on the overall risk situation. Quarterly reports are produced for the Board of Directors on the risk summary, concentrated risks, shareholders' equity coverage and current issues. Presentations are also made to the Control Committee if it so requests.

Salient facts concerning financial risks in 2009

2009 was the year of every kind of risk, with the repercussions following the shocks of September 2008: the collapse of rates in the space of a few weeks in November 2008, cases of large-scale financial fraud, and revelations that there was massive under-capitalisations all had an impact on the financial world. Numerous bank bankruptcies occurred (a hundred in the United States alone) and the astronomical amounts of aid announced in 2008 were largely implemented in 2009, and in some cases completely repaid.

Swiss banking secrecy was seriously called into question outside the country, involving a multiplicity of actions, ranging from illegal transfers of lists abroad to temporary inclusion on an OECD "grey list". Tax amnesties with neighbouring countries had their effects too. The banking world was also marked by the mistrust banks shown towards each other. Econometric models and sometimes very sophisticated modes of operation – such as structured products, derivatives, hedge funds, which had been patiently built up over decades, revealed themselves to be based on some completely false foundations, particularly in terms of estimated liquidity. The Bank's investment philosophy had, in effect, been warning our clients about these risks since 2003.

As the months passed, CHF, USD and EUR interest rates were seen to erode steadily, despite being already extremely low, along with a marked steepening of the yield curve and, paradoxically, a noticeable recovery in the stock market indices and the prices of numerous commodities. All this might almost be enough to make one forget the risk associated with changes in the price of oil.

While financial risks are in the spotlight in these circumstances and for the banking world, one should not forget the slowdown in the Swiss economy, particularly in certain export-focused sectors; this has an immediate effect on credit risk. There has also been negative inflation over twelve months. It is hardly possible to imagine a riskier situation.

Salient facts concerning regulations

The key new feature was the entry into force of the Basle II regulations on equity calculation. BCGE chose, as did all the other cantonal banks bar one, to apply the standard Swiss procedure, known as SA-CH.

The chief new regulations published in circular form concerned the following;

- framework rules on self-regulation in wealth management,
- urgent measures to adjust the deposit guarantee
- a new due diligence framework contained within the law on money laundering (at 1 February 2009),
- remuneration systems for very large banks.
- residual risks in money transfers and securities transactions,
- a modification to the ordinance on equity for cantonal banks (BCGE was already compliant with the new standard)
- international mutual administrative assistance in stock exchange matters,
- directives on reverse repurchase agreements for cash or cash equivalents.

BCGE, like other banks, designed a crisis simulation with regard to its cash flow and the solidity of loans extended; this produced very satisfactory results.

Salient facts concerning BCGE risks

BCGE's rating was confirmed on 22 December 2009 to A/stable/A-1 (see page 34).

After BCGE's central IT system was changed in the autumn of 2008, the new system was bedded in over the following months, before the summer of 2009, in preparation for the installation of the Finnova software. This time was also used for the migration of the peripheral applications that had not migrated in autumn 2008, such as the risk management system, the MIS Management Information System, the trading room software and associated interfaces.

At 31 December 2009, the process of winding up the Fondation de valorisation involved the residual assets being distributed, on the one hand, for inclusion in the assets of the State of Geneva, and, on the other, for inclusion in a public law property trust.

Equity coverage for credit risks, market risks and regulatory risks, calculated according to the Basle II standard CH method, was 142 %.

Credit risk and allocation to provisions

Following the financial turbulence and the collapse of economic giants (car manufacturers, insurance companies), credit risk could have increased. Nonetheless, BCGE did not suffer from any sudden and general worsening in the quality of its debtors. There were some cases of new provisions, connected with conditions experienced by specific debtors and there was no significant deterioration in the loan portfolio. Some cases may emerge in 2010, but they are still few in number and they are still "performing" as at the publication of this report. A clear view of the situation is provided by a constant checking of debtors and adherence to limits, and the monthly credit risk report, which sets out a breakdown of loans in terms of their size and rating.

Allocation to provisions in 2009 of around CHF 30 million, set against reversal of previous provisions of approximately CHF 23 million, were mainly in respect of a few situations in the local watch-making industry and international trade finance. The reversal of an existing provision in fact compensates for the new allocation. The same is true in international metals and soft commodities trading. In the latter sector, the accrued losses were mainly old situations.

The breakdown of loans according to rating did not show any deterioration, while several new loans compensated for the reduction in Fondation de valorisation assets. More than half the total loans come within the two best classes of rating and over 90% of total loans are in the standard rating class. A moderate steepening of the nominal rates curve for clients is in line with the ratings: the rates are increased for loans with the lowest rating.

Breakdown of loans

The breakdown of loans according to amount tranches was satisfactory and stable; the loan chart shows, for amounts under CHF 1,000,000, a wide distribution with a mode (the most frequent number) at CHF 550,000; the distribution of loans between CHF 1,000,000 and CHF 10 million shows a steady reduction, while the chart for loans of amounts greater than CHF 10 million shows some accumulation points.

Fixed rate mortgage lending represented approximately 85% of total mortgage lending, the proportion for commercial mortgage lending being even greater.

Loans to individuals represented 30% of the Bank's assets.

Long-term investments portfolio

With the inflow of liquidity, the portfolio of long-term investments increased by CHF 560 million on 1 January 2009, to reach a total of CHF 1,175 million (in terms of their true value) in December 2009. While this portfolio of long-term investments is a cushion against liquidity risks, the aim is nonetheless to offset the zero profitability of the Confederation short-term paper and thus optimise positions, so that they create great resilience in terms of risk, while making a positive contribution by virtue of the portfolio's yield. Through this portfolio, the Bank diversifies its commitments. The process of renewing the portfolio has accelerated with a percentage reduction of exposure to banks and an overall increase in the rating, to AA+. More precisely, 62% of the long-term investments were on a rating of AAA in December 2009, the other securities being in a range from AA+ to A-.

In order to protect against a rise in rates, the modified Macaulay duration of the portfolio was reduced to less than two. In order to diversify the risk, Swiss securities accounted for only 72% of the overall amount, sovereign bonds more than half of the total, banks and mortgage bonds approximately 30%, public authority securities nearly 10%; only 10% were in industrial or service company bonds.

The interest income from these long-term investments was nearly CHF 15 million, up by CHF 2 million. A sub-portfolio comprising the Confederation bonds together with a few other securities was identified and treated on an accrued interest basis, and not mark-to-market, for securities held to maturity.

Market risks

There being little activity in the nostro portfolio, the market risks are limited and do not create great commitments. The main position in the portfolio is the position of about 105,000 BCGE shares, for which BCGE is of course the market-maker. Checks on the progress of the share and the quantities held are made daily; our recent VaR (Value-at-Risk) study, both for the value of the share itself and for the quantity held in the portfolio, shows that the daily VaR, on a one-day time horizon, with a 95% confidence interval and a decay factor of 0.94, oscillates around CHF 350,000, with some instances of CHF 300,000 and CHF 400,000 for a share portfolio of CHF 24.5 million, corresponding to a relative 1.5%. The VaR oscillated between CHF 475,000 and CHF 800,000 in the first half, when the volatility of the BCGE share was greater.

Market risks for the BCGE Best of portfolios

The BCGE Best of portfolios continue to meet the challenges of market risk with success. Checks carried out on BCGE Best of portfolios show that their compliance with strategic allocations is faultless, and that the solidity of these portfolios in bear markets and bull markets alike is remarkable. Control reports are issued quarterly, structured according to allocation types and currencies. A number of the BCGE funds continue to be nominated for awards.

Liquidity, repos and reverse repos

From spring 2008, controls on loan limits for other banks were tightened in response to increased risks. Investments in money markets were replaced by repos and reverse repos investments.

With great prudence, and with repo operations being continued, money market business was resumed with a number of partner banks, in compliance with strict limits.

BCGE adopted an extremely prudent measure by massively increasing liquidity to over CHF 1.5 billion (11% of total assets), instead of a few hundred million, in order to be prepared for all contingencies. This prudent attitude allowed us to be considered to be, throughout 2009, a partner with a large amount of liquidity. In the third quarter of 2009, regulation Basle II liquidity continued to be well above requirements, varying between CHF 900 million and CHF 1.5 billion, which is a very considerable amount.

Pension fund

The impact of the fall in financial markets on the assets of the Bank's employee pension fund has not jeopardised its current and future commitments in the compulsory part. The reserve ratio, after provisions for the fluctuation reserve in 2008, did not allow payment of interest in the pension fund framework. In 2009, returns from both stock exchange and property assets should make it possible to recover, after distribution of part of the returns, the whole of the securities fluctuation reserve and the unassigned funds. The Bank's employee pension fund reserve ratio complies with legal requirements.

Rate, balance sheet and refinancing risk

The sensitivity of the balance sheet to the value effect (economic value of equity) was kept to less than 7 % of its total and generally to less than 6 %. This sensitivity occurs in historically low interest conditions for short-term rates, Libor having remained at 0.25 % for a year, while there is a steepened yield curve, with a ten year rate at 2.25 %. CHF rates are 1.5 % to 2 % below USD and EUR rates.

Over 85 % of BCGE's assets are in CHF. New mortgage contracts and contract renewals for the most part returned very quickly to fixed medium term rates, from two to five years, or even to seven to ten years. With the sudden sharp interest-rate drop in November 2008, it is clear that the adaptation of models involves a degree of inertia and it will take some considerable time before the variable mortgage rate comes back below the fixed rates that currently apply. The indicative BCGE variable rate has already come down to 2.875 %.

The sudden sharp fall in rates at the end of 2008, and their subsequent erosion, which is still continuing (albeit with some oscillations at the long end), radically increased sensitivity, whereas the BCGE balance sheet was almost immunised overall in mid-2008. In this respect, 2009 saw a good deal of movement, in order to control sensitivity and not to suffer too much if a rise in rates occurred sooner than anticipated. These new post-shock conditions encouraged participation in several profitable swaps. It might be said, therefore, that the rate risk has been contained, while limiting as far as possible the cost to revenue sensitivity of participating in swaps.

Refinancing the balance sheet was achieved smoothly: the issues of the Central Mortgage Bond Institute of the Swiss Cantonal Banks (CLG) that had reached maturity were partly rolled over, in line with the reduced need for liquidity and the size of clients' deposits.

Business activity meant that the CHF 14 billion balance sheet threshold was approached, and the economic value of equity has now reached, in a stable manner, CHF 1,250 million. Savings are rising, and the rate of loan refinancing by current and savings accounts is over 75 %, the total of deposits having decisively passed the CHF five billion mark. Interest rate risk is identified and checked overall, and by product type and interest rate type, through the monthly ALM report.

Country risk

Country risk is highly diversified at BCGE. Leaving aside France, where the Bank does a relatively significant amount of business, both from Geneva and via its French subsidiary, country limits are restricted to the use of international trade and the use of client banks.

Country commercial limits are in place for international trading business and controlled by the Risks and Collaterals department within the Global Commodity Finance business unit, and also on a daily basis by the Risk Management and Compliance department.

Any overshoots are generally due to differences between the value date and the posting date. Indirect risks, or risks associated with the economic risk of the country relevant to the anticipated transaction, are also taken into account. They are the subject of a weekly report by the Credit Risk department. Particular attention is paid to checking due date extensions for transactions that are in principle limited to 90 or 180 days. Indirect risks occur particularly with former Soviet countries and are mainly associated with oil and gas trading.

Major risks

Major risks, in the regulatory sense of the term, are only regularly disclosed with regard to the Fondation de valorisation and the State of Geneva. Some banking limits or commitments towards international trade clients may sometimes occur at the use limit risk-weighted by 10 %.

Credit risk check

The classification of credit risks according to the different ratings was virtually unchanged from one year to the next, despite the world economic and financial crisis. The Basle II provisions having come into force at the beginning of 2009, the reporting methods of the Standard CH approach have been used for regulatory reporting. A systematic monthly check is carried out to ensure compliance with standards for the granting of loans.

Last year nearly 150 employees took the advanced credit training course, which was introduced in 2008. This represents over 60 training days.

Compliance

The coming into force of the new Due Diligence Agreement in July 2008 was followed up by some Finma statements in autumn 2009, to specify details of its implementation. The new IT system brought about a complete restructuring of the business rules in terms of the definition of compliance risks and the monitoring of unusual movements, which required some time for upgrading and adaptation.

Legal risks

The review of legal risks is presented half-yearly, and these are all under control.

Risk to reputation

The Bank's reputation has not been damaged. In fact, the absence of exposure to derivatives and frauds, together with the difficulties experienced by some Swiss and international banks, reduced this risk in 2009.

Internal control

The Internal Control division continues its work; internal control policies have been introduced.

Publication requirements concerning equity

This information is available on the Bank's website (www.bcge.ch/exigences-publications) on the basis of the March 2009 figures. The equity requirement to cover credit risks, market risks and operational risks is calculated at frequent intervals and published monthly. Parent company equity coverage varied between 125 % and 134 % during the year.



Martin Balters is CEO of Sécheron SA, a specialist manufacturer of electrical components for trains and metro systems, and a BCGE client.



Corporate Banking

PRECISE

JUST LIKE TECHNICIANS WHO TRANSFORM STEEL INTO SAFETY EQUIPMENT,
CORPORATE LOAN RELATIONSHIP MANAGERS HELP INDUSTRY LEADERS
TO SHAPE THEIR DAY-TO-DAY BUSINESS AND TO FINANCE THEIR INVESTMENTS
AND THEIR PROJECTS IN A PRECISE AND TIMELY MANNER.

Talents and skills

A committed employer in a bruised financial world

Despite a difficult 2009 for banks, BCGE continued to develop its skills base and proved its commitment to a social policy respectful of its staff. BCGE ranks as the canton's twenty-second largest employer and the eighth in the financial sector. BCGE is a committed provider of professional banking training.

TALENTS

Staff numbers slightly down

At the end of 2009, BCGE Group had 838 employees, or 778 full-time equivalents (FTEs). Compared with 2008, this was a decrease of 11 FTEs. This slight fall (-1.4%) stems particularly from the redundancy of several jobs created for the IT migration project that followed the outsourcing of money transfer operations. The productivity gains derived from this effective new tool will become increasingly evident through its use in the coming years. The Bank has also taken on several qualified employees in private banking and as client advisers.

An ambitious training policy

To increase still further the skills level of its staff and to support them as they develop their business practices, BCGE implemented an ambitious training policy in 2009. Coming after a year during which the main emphasis had been placed on the new IT system, training activities throughout the year were re-centred on banking fundamentals and on managerial competences.

The major efforts expended by BCGE in training its staff last year, a very eventful one in the financial sector, meant that 514 employees were able to take part in at least one course during the period. These included a number of managers from the branches who took courses totalling over twenty days to develop their skills in the area of property finance for individual clients. These intensive courses, developed internally with the assistance of property specialists, allowed the bank to add significantly to the numbers of staff skilled in the credit area.

BCGE now has 57 new staff members certified in property finance, wealth management and pension planning, taking the total of these qualifications held by Bank employees to 274. This continuous training effort is in line with the business strategy and has been supplemented by several specific courses on new products the Bank has developed, and by a number of targeted IT workshops.

Open architecture in the training area

Pursuing an open architecture policy in respect not only of wealth management but also in training, the Bank maintains links with a number of institutions to develop its staff's technical competences, namely the Ecole supérieure spécialisée en banque et finance, the University of Geneva, the Institut Supérieur de Formation Bancaire and the Swiss Training Centre for Investment Professionals. Now that the Ecole supérieure spécialisée en banque et finance (ESBF) has completed its first year, BCGE has its first federal graduate in banking economics.

The executive skills of the division, business unit and department heads were once again measured in the course of the traditional BCGE Management Championship, which took place in co-operation with the Cantonal Bank of Schwyz. Increasing management competence, along with technical skills, is the priority in the training field. In this area, a specific programme dealing with the use and utility of motivation was delivered to the Bank's senior management, and a seminar for recently appointed managers and assistant managers on the topic of BCGE's management style was organised at the beginning of the year. The Bank is also intensifying its co-operation with the Swiss Army's training centre in Lucerne in the matter of crisis handling methodology and managing difficult situations.

Remote learning

Wishing to make more intensive use of its remote learning platform, the Bank provided its entire staff with a complete training course on the law relating to money laundering. In order to harmonise the knowledge of staff working in Geneva and at other subsidiaries, and in the representative office, the course is available in several languages. The skills acquired in this way are supplemented with workshops or plenary information sessions. Also, a computer-assisted course on inheritance law was made available online during the year. Focusing on the statutory aspect and on the internal handling of estates, the course is the product of an internal course for managers; this entrepreneurial project was developed by the manager responsible for succession planning in the context of a final assignment for a micro-MBA.

A key player in professional training

As an essential player in local professional banking training, BCGE supplied the Geneva financial centre with new experts for the final apprenticeship examinations, thereby confirming its commitment to professional training. In this same context, the training managers for front-line apprentice training all completed the first stage of their practical trainer training; some even completed the second level. All the third-year learners passed their final apprenticeship examinations and were all taken on as employees. In mid-August, three young women and three young men began their banking apprenticeships with the Bank. This continual process of training and employing the next generation, essential for the local banking industry, also involves the recruitment of trainees, involving business traineeships for high-school diploma holders and university graduates. The latter receive practical training throughout their eighteen months at the Bank, which was very pleased to be able to take on all these trainees, who are now qualified bank employees with professional experience behind them.

Considerable numbers of employees are shareholders

As at 31 December 2009, 81% of the Group's staff (681) held BCGE bearer shares, having either acquired them through bonus plans or purchased them. In total, they own over 46,000 shares. Together with pensioners and other beneficiaries of preferential conditions, they held 53,251 shares as at the end of 2009.

Social action that is targeted and effective

BCGE puts at the disposal of staff going through temporary personal difficulties some complementary internal and external support services. For these purposes, the Bank has recourse to the Intercompany Social Service. BCGE has a seat on the committee of this external organisation, which provides the services of social workers to a certain number of companies, and it has chaired the organisation for three years. To prevent possible cases of harassment or professional misconduct, staff may also get in touch with an external mediator, in complete confidence.

The Human Resources department operates a structured company assistance procedure in the case of long-term absences. This regular follow-up is very well received by the staff concerned.

Pension fund

BCGE offers its employees an attractive plan to protect themselves against the economic consequences of old age, disability and death.

Its Professional Pension Fund is a semi-autonomous pension institution; it provides all the disability and death benefits through a private insurance company. The old age pension provision comprises two distinct levels, as follows:

- a basic defined benefits plan on a fixed proportion of salary up to 125% of the upper limit defined in article 8, parag. 1 LOB, and
- a complementary defined contributions plan on a fixed and variable part of the salary (bonus), exceeding the insurable limit in the basic plan. The eligible employee is free to contribute to the complementary plan. These two plans are limited to CHF 820,000 per annum.

The disability and death plan is based on defined benefits. The employer contributes at least up to twice the sum of the contributions of all employees.

Banking services on preferential conditions

Employees benefit from preferential conditions on a number of BCGE banking services. For example, on salary accounts, other preferential creditor accounts and mortgages, staff benefit from preferential rates close to market rates.

Health, flu and the rescue plan

The BCGE environment is smoke-free. In common with all the financial centre's institutions, BCGE has drawn up a rescue plan to be applied in the event of a pandemic. The main aim is to protect people and ensure the continuance of essential business, both in terms of providing the basic minimum of services to clients and limiting risks to the Bank.

Sport and leisure

The Bank provides its employees, their families and its pensioners with sports facilities at its Training Centre, including a swimming pool, tennis courts, a children's play area and a subsidised restaurant. A project to redevelop this site into a single training centre is scheduled to begin in 2010.

Internal communication

Apart from internal communications that are sent through the normal managerial channels, the Bank has an Intranet linking all staff. Not just an essential means of communication, it is also a fundamental working tool, since it contains all internal guidelines, electronic documents and the information needed by everyone.

Every year, staff are invited by the Executive Board to two information meetings, on the occasion of the yearly and half-yearly results. In addition, the setting of the year's strategic objectives is the subject of a presentation to senior management. Three times a year, the CEO leads a discussion on management topics for managerial staff.

BCGE Group also produces a magazine for staff and their families, which is published three times a year. The Bank's staff members regularly give colleagues presentations concerning an activity, a business area or a project in progress. These meetings take place between midday and 2 p.m. on a voluntary basis. The Bank organised three guided tours of exhibitions in Geneva museums for staff in 2009. To this may be added two visits to exhibitions, also guided, as part of the 450th anniversary of the University of Geneva.

Incentives for excellence and innovation

BCGE has an incentive plan to promote excellence, involving the award of three prizes, usually twice a year. The Prix Intrapreneur is awarded for imagination and creativity to employees who help conceive new ideas to generate improvements. The Prix Service Center is for achievement of productivity improvements and cost reductions. The Prix Service à la Clientèle is awarded in recognition of excellence in client service, in the form of an exceptional act or exemplary attitude.

The Human Resources Department and the Executive Board involve all staff in the process of recruiting new skills. A bonus is awarded to employees who contribute to the recruitment of a new staff member.

IT reorganisation in the Human Resources department

At the end of September 2008, all the Bank's applications were affected by the IT migration; on 1 January 2009 it was the turn of the Human Resources department to start using some new tools. The payroll software was changed, and an HR management portal was developed. Dealing with personnel files, training, appraisals, and the management of absences, the organisation chart and rates of activity, the new software will eventually make it possible to share with employees and their line managers all manner of useful data for active career management. The software was chosen after consultation with other cantonal banks in French-speaking Switzerland with a view to developing future synergies.



Bernard Gruson is the General Manager of the Geneva University Hospital, long-standing BCGE partners.



Public Services

FINANCING IS ESSENTIAL FOR A COMMUNITY TO DEAL WITH THE NEEDS AND CHALLENGES OF HEALTHCARE. THAT IS EXACTLY WHERE BCGE FINANCE ADVISERS COME IN. WORKING WITH PUBLIC AUTHORITIES IN THEIR DEVELOPMENT PROJECTS AND ALLOWING THEM TO BENEFIT THE CANTON'S INHABITANTS AND ECONOMIC PLAYERS.

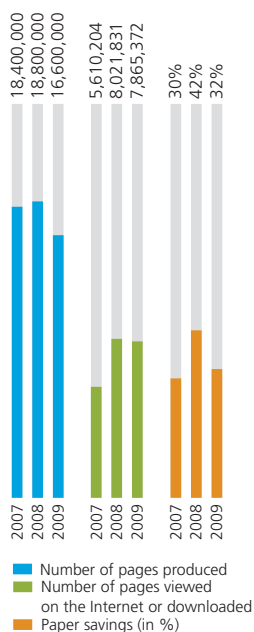
MOBILE

Managing the Bank in a spirit of respect for the principles of sustainable development

For conduct that is respectful of the environment and the Bank's partners

Beyond the respect for the laws and regulations that is an essential part of irreproachable business practice, BCGE conducts its affairs mindful of the ethical principles of integrity, loyalty, independence and transparency.

Progress in reducing production of paper documents



In terms of sustainable development, our way of doing business is based primarily on three essential elements: the active management of risks, the provision of environmentally-friendly financial services, and corporate ecology¹.

Active management of risks

The Bank integrates the identification and description of environmental and social risks in its analysis and management processes (see page 48, the chapter on risk control).

Another way of financing and investing

Within the BCGE socially responsible investment (SRI) product offering, the client is presented with a choice of environmentally-friendly financial products which respect financial analysis criteria on the one hand, and ecological and social factors on the other. The products are as follows:

- BCGE Simplissimo: mortgages finance investments in property that adheres to the Minergie energy-saving code. This "green" option allows users to be comfortable yet respect the environment at the same time.
- BCGE Leasing: BCGE offers a preferential rate for new vehicles with low fuel consumption and low emissions.
- BCGE Netbanking: the Internet banking solution that allows you to contribute actively to protecting the environment through the e-bills and e-document options, by saving on paper and reducing mail delivery.
- BCGE Praevisio: BCGE's financial planning services allow you to invest in two investment funds that take account of the principles of sustainable development. These funds are also available to institutional or qualified investors. The investments, like all the others made by the Bank, adhere to the principles of fairness.
- The BCGE Synchrony LPP 40 SRI fund invests solely in assets (shares, bonds, and investment funds) generally recognised as sustainable or socially responsible. These similar terms refer to a management approach in which the need for economic performance is associated with respect for the environment and a number of human and ethical values.
- The BCGE Synchrony Swiss Small and Mid Caps fund invests long-term in about 25 Swiss second-tier stocks (listed companies not included in the SMI), chosen on the basis of sustainability criteria. To be included, the companies must demonstrate financial, social and environmental criteria that are both in overall balance and individually above average.
- Swisscanto: this collective enterprise of the Swiss cantonal banks for investment and pension planning departments offers the Swisscanto Green Invest fund, a selection of shares in companies committed to sustainable development.
- BCGE Avantage service is a loyalty programme that consumes no paper, and does not offer cumbersome gadgets as rewards, but adds an interest bonus to your bank account – with no environmental impact.

Growth in BCGE Netbanking services



Corporate ecology

The Bank participates in minimising the direct environmental consequences of its business by reducing its consumption of energy and materials, as well as by managing its waste.

¹ Source: BCGE ethical guidelines, http://groupe.bcge.ch/pdf/charte_ethique.pdf.

Optimisation of IT-related energy consumption

In order to simplify and optimise its IT infrastructure, BCGE chose to house it in an information centre. This strategy has enabled the Bank to reduce electricity consumption and heat losses. The technology allows the use of server virtualisation technologies, breaking down the various servers into small virtual units, or by offering the option of bringing together small-scale components within one larger logic system. Moreover, centralised management of servers also means that their performance can be adapted to the energy available while maintaining agreed levels of service.

Management of recyclables and consumables

The utilities department pursues its recycling targets by centralising and sorting the consumables from the Bank's various buildings. At the same time, it pays particular attention to the environment when buying capital equipment or ordering consumables, either initially or on subsequent occasions, in compliance with BCGE's general purchasing conditions. Since 2008, 50% recycled paper has been replaced by 100% eucalyptus fibre paper bearing the FSC (Forest Stewardship Council) label.

The Forest Stewardship Council is a non-governmental organisation created in 1993 following the Rio conference. It promotes throughout the world a forest products industry that respects the environment and is sustainable from an economic and social point of view. FSC certification is awarded to paper from forests managed according to the standards drawn up by the organisation. Companies situated on the chain between the forest and the consumer can also obtain this certification, which is the case of the Bank's printer.

| | 2007 | 2008 | 2009 |
|--|------------|-----------|------------|
| Paper purchases (number of sheets) of which: | 10,225,000 | 9,750,000 | 12,950,000 |
| <i>FSC wood fibres</i> | 200,000 | 100,000 | 150,000 |
| 50% recycled | 6,025,000 | 0 | 0 |
| <i>FSC 100% eucalyptus fibres</i> | 0 | 4,650,000 | 6,500,000 |
| 100% recycled | 4,000,000 | 5,000,000 | 6,300,000 |
| Paper destruction (tonnes) | 61.3 | 114.8 | 78.1 |
| PET recovered (in kg) | 858 | 1,030 | 891 |
| Aluminium recovered (in kg) | 25 | 15 | 12 |
| Batteries recovered (in kg) | 12 | 7 | 25 |
| Toner cartridges (units) | 950 | 1,125 | 1,200 |

Continued search for sustainable solutions

The Logistics department manages the buildings infrastructure. In 2009, it proved possible to identify potential energy-saving improvements at l'Île and Lancy, in the Bank's main two buildings, within the cantonal energy department's (ScanE) "new electricity offer" (NOE) project.

Several corrective measures were introduced:

- Installation of Minergie low energy lighting in the Lancy administrative building, following the installation already carried out at the l'Île headquarters in 2008.
- Reduced air-conditioning timetable for buildings.
- Replacement of façade lighting and installation of new illuminated signs at headquarters.
- Correction of the power factor ($\cos \phi$).
- Reduced calibration of the water meter for the main buildings.
- Automatic cut-out for lift lighting in the main buildings, after a few minutes of inactivity.

Improvement in costs/needs/environmental ratios

Through the Logistics, BCGE has optimised its energy consumption by improving the workplace ratio through concentrating staff in two main buildings. The effects of the corrective measures can be seen clearly in the table summarising electricity and gas consumption (comparing 2008 and 2009).

| | Electricity 2008 (kWh) | Electricity 2009 (kWh) | Change (kWh) |
|-----------------|------------------------|------------------------|----------------|
| City centre | 2,056,165 | 1,947,465 | -108,700 |
| Lancy | 2,073,446 | 2,129,262 | 55,816 |
| Branches | 1,501,318 | 1,478,561 | -22,757 |
| Training centre | 90,549 | 97,858 | 7,309 |
| Total | 5,721,478 | 5,653,146 | -68,332 |

| | Gas 2008 (expressed in kWh) | Gas 2009 (expressed in kWh) | Change (kWh) |
|--------------------------|-----------------------------|-----------------------------|----------------|
| City centre | 835,182 | 777,832 | -57,350 |
| Branches | 7,612 | 3,367 | -4,245 |
| Total¹ | 842,794 | 781,199 | -61,595 |

¹ The Lancy building and the training centre do not use gas

Source: SIG

Keeping to our principles when renovating the branches

When renovating the branches, the Logistics department takes a particular interest in the impact of the materials used, whether they are purchased directly or used by sub-contractors:

- Use of certified wood (walls at branches).
- Replacement of chilled water air conditioning by a forced draught system.
- Replacement of fire extinguishers by BIO extinguishers.
- Ban on using paints with solvents.
- Compulsory sorting of waste by suppliers.
- Preference for suppliers using environmentally-friendly methods in calls for tenders.

Encouraging the use of public transport

BCGE encourages the use of public transport. At the beginning of 2009, it offered its staff several alternative ways of contributing to their travel costs (annual season TPG season ticket provided by the Bank or monthly travel allowance). On its intranet site, the Bank also proposed car-sharing schemes. Particularly favourable conditions are offered to staff at sites outside Geneva.

The future

Banque Cantonale de Genève will continue to shoulder its sustainable development responsibilities towards its clients, suppliers, employees and shareholders. Its main aims are as follows:

- to support its clients (individuals and businesses) in adopting paper-free payment transfers via BCGE Netbanking.
- to optimise available energy use (particularly low energy lighting and IT).
- to continue to offer a range of banking services that embodies ethical and ecological criteria to the greatest possible extent.

Shareholder information and corporate governance

Shareholder information and corporate governance

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The following report describes the management and supervisory principles of the BCGE Group. It is structured according to the Corporate Governance guidelines of the SIX Swiss Exchange (hereafter SIX) which applies to the year as at 31 December 2009 and is numbered according to it. Gaps in the numbering indicate that the corresponding paragraphs of the guidelines do not apply to BCGE.

1. GROUP AND SHAREHOLDER STRUCTURE

1.1 Group structure

1.1.1 Operational structure

The Banque Cantonale de Genève (hereafter BCGE) is a limited company established by public law according to Article 763 of the Swiss Code of Obligations. It has the status of a cantonal bank as defined by the Federal Banking Act. It was registered in the Geneva Trade Register on 17 December 1993 and conducts its business under the registered name of "Banque Cantonale de Genève SA". The registered office and management of the Bank are in Geneva. The Bank is listed on the SIX Swiss Exchange. Only the 1,479,174 bearer shares are listed. The capitalisation is calculated on the basis of a price of CHF 229.

| | |
|--|---|
| Stock number, bearer share | 164268 |
| ISIN number, bearer share | CH0001642682 |
| Stock market capitalisation (31.12.2009) | CHF 824,400,000, registered and bearer shares CHF 339 million (exact amount 338,730,846) million, bearer shares only |

The organisation chart of the BCGE Group is on pages 16 and 17. The underlying principles of this organisation are as follows:

- Banque Cantonale de Genève is organised in six divisions, run by members of the Executive Board of which the composition and responsibilities are described on page 15 of this report.
- Coordination of the divisions and benefits from synergies applicable across all divisions are ensured on the one hand by a matrix operating structure and on the other hand by the CEO and his office.
- The underlying operation of the above is reinforced by various committees which have been allocated major responsibilities or controls by the Executive Board. The principal committees are described in the table below:

| Principal committees | Responsibilities | Chairman | Deputy Chairman |
|---|---|---------------------|-------------------|
| Credit Committee | Decisions linked to credit business | Claude Bagnoud | Emile Rausis |
| Investment Strategy Committee | Investment strategy | Constantino Cancela | Jean-Luc Lederrey |
| Asset and Liability Management Committee | Analyses and monitors the financial policy and monitors the balance-sheet and rate risks | Blaise Goetschin | Eric Bourgeaux |
| Risk Committee | Analyses strategic risks and monitors related activities | Eric Bourgeaux | Emile Rausis |
| IT Strategy Committee | IT strategy and monitoring of its implementation | Eric Bourgeaux | Jean-Marc Joris |
| Credit Risk Commission | Decisions linked to specific credit businesses (litigation, workout) as well as non-strategic financial investments | Emile Rausis | Bernard Matthey |
| Strategic Organisation Committee | Supports the Organisation department and the Organisation and IT division in the implementation of global Bank projects | Jean-Marc Joris | Philippe Bailat |

1.1.3 Scope of consolidation

The scope of consolidation is shown on pages 93 and 99.

It particularly includes, as at 31 December 2009, the following companies (fully-owned subsidiaries):

- Banque Cantonale de Genève (France) SA (www.bcgef.fr), Lyon, share capital of EUR 15.25 million,
- Capital Transmission SA, Geneva, share capital of CHF 2 million.

1.2 Major shareholders

Information on the major shareholders known to BCGE as at 31 December 2009 is set out in the following table:

Voting rights of public bodies

as at 31 December 2009

| Shareholders | Bearer shares | A and B registered shares | Total votes | Par bearer share value in CHF | Par reg. share value in CHF | Total par value | % votes | % capital |
|-------------------------|------------------|---------------------------|------------------|-------------------------------|-----------------------------|--------------------|----------------|----------------|
| Canton of Geneva | 538,636 | 2,510,443 | 3,049,079 | 53,863,600 | 125,522,150 | 179,385,750 | 53.30 % | 49.83 % |
| City of Geneva | 147,270 | 1,208,106 | 1,355,376 | 14,727,000 | 60,405,300 | 75,132,300 | 23.69 % | 20.87 % |
| Municipalities | 6,809 | 523,103 | 529,912 | 680,900 | 26,155,150 | 26,836,050 | 9.26 % | 7.45 % |
| Total | 692,715 | 4,241,652 | 4,934,367 | 69,271,500 | 212,082,600 | 281,354,100 | 86.25 % | 78.15 % |
| Existing capital | 1,479,174 | 4,241,652 | 5,720,826 | 147,917,400 | 212,082,600 | 360,000,000 | 100 % | 100 % |

1.3 Cross holdings

The BCGE is not aware of the existence of any cross holdings exceeding 5% of the capital or of the totality of shares with voting rights.

2. CAPITAL STRUCTURE

2.1 Capital

The capital of the Bank currently amounts to CHF 360,000,000.

2.2 Authorised or conditional capital increases

There are at present no provisions in the Articles authorising the Board of Directors to increase the capital (authorised increase) or to permit a conditional capital increase (conversion or option rights).

2.3 Changes in the share capital

No changes have been made to the share capital over the last three years.

2.4 Shares and participation certificates

The capital is composed of "A" and "B" registered shares and bearer shares making a total of 5,720,826 shares, all fully paid-up:

- 2,651,032 "A" registered shares, each with a par value of CHF 50;
- 1,590,620 "B" registered shares, each with a par value of CHF 50;
- 1,479,174 bearer shares, each with a par value of CHF 100.

The bearer shares are listed on the SIX Swiss Exchange. The registered shares are exclusively held by Geneva public authorities and are not listed.

Each share grants the right to one vote (one share – one vote) as well as a proportional part of the net profits of the company.

There are no participation certificates.

2.5 Profit sharing certificates

There are no profit sharing certificates.

2.6 Transfer restrictions and registration of nominees

Registered shares are only transferable between public authorities. Additionally, each municipality is obliged to keep at least 2,010 "A" registered shares of a par value of CHF 50 each (Articles of Association, art. 4, www.bcge.ch/statuts).

Restrictions on transfer can only be lifted by a change in the Law on the Banque Cantonale de Genève (LBCGE, www.bcge.ch/loi-bcge), subject to a referendum.

With regard to the registration of nominees, this clause does not apply to Banque Cantonale de Genève.

2.7 Convertible bonds and options

The BCGE has not issued any convertible bonds or options.

3 TO 3.2 BOARD OF DIRECTORS

The Board of Directors is composed of 11 non-executive members. They are independent within the meaning of Circular FINMA 2008/24: Monitoring and Internal Control – Banks. The Board of Directors is chaired by Mr Michel Mattacchini.



Michel Mattacchini
born 20 February 1946, Swiss
Chairman from 1 June 2002 to 4 May 2010, elected to the Board of Directors at the 2001 General Meeting by the bearer shareholders.

Professional career

Holder of a federal banking diploma (CFC) and an Executive MBA from INSEAD (Fontainebleau), his banking career has been with Swiss Bank Corporation in Geneva and Basle and later in New York. He was subsequently placed in charge of the business division (multinationals), Swiss companies, real-estate, networks, branches, Rhône-Alpes and institutional investors. From 1999 to 2001 he was responsible for recovery management for French-speaking Switzerland at UBS. He retired from UBS SA in 2001 and continued working as an independent director and consultant.

Other activities

Director and Chairman of 022 Télégénève SA, Geneva. Director and Chairman of BISA, Boulangerie Industrielle SA. Director of Parking Plaine de Plainpalais SA and Parking de Villereuse SA. Director of TV Léman Bleu SA.



Jean-Claude Rivollet
born 12 August 1941, Swiss
Deputy Chairman, elected in 2002 by the bearer shareholders.

Professional career

He has held a federal diploma as a chartered accountant since 1970. Until 1982 he worked with the Bourquin Frères et Béran SA audit company. From 1982 to 1988 he worked as a self-employed chartered accountant in Geneva. Since 1989 he has been a managing director of Fiduciaire d'Expertise et de Révision SA in Geneva.

Other activities

Director of TV Léman Bleu SA.



Michel Terrier
born 22 July 1944, Swiss
Secretary of the Board of Directors until 4 May 2010, appointed in 2000 by the Association of Geneva Municipalities.

Professional career

Holder of a federal banking diploma (CFC). After training with Banque Pasche SA in Geneva, he joined Banque Scandinave en Suisse in 1965, which subsequently became Banque Edouard Constant SA. He left that institution in 1999 after being head of the cash management department (stock market, foreign exchange, bank listings). He is also active as a financial consultant.



Ion Bals
born 24 June 1942, Swiss
Member until 4 May 2010, elected to the Board in 2001 by the bearer shareholders. He is also a member of the "Appointments and Remuneration" Committee.

Professional career

Studied electronic engineering at the Federal Polytechnic. Managing director of Orbisphère from 1985 to 1999 and Chairman of the Board of Directors of Orbisphère from 1992 to 1999.

Other activities

Member of the Fondation immobilière Patrimoine. Member of the Board of the H. Dudley Wright Foundation in Geneva. He is also a member of the Board of Directors of Omnisens, a start-up company operating on the Federal Polytechnic site in Lausanne.



Asma Benelmouffok
born 1 February 1966, Swiss
Member, appointed in 2004 by the State Council to represent the Canton's registered shareholders. She is also Chairwoman of the "Appointments and Remuneration" Committee.

Professional career

Holds a law degree from the University of Geneva and passed the Geneva bar exam in 1991. Has practised import-export law abroad and was appointed legal consultant to UEB, a subsidiary of BNP, in 1993. From 1998 onwards, Director of the Legal and Recovery (workout) departments and created a unit to combat money laundering. She also played an active role in the merger of BNP and PARIBAS and has been a member of the Board of BNP PARIBAS (SUISSE) SA since 2001, where she is Director of Legal Affairs and Workout. Since April 2004 she has run her own business negotiation and mediation company.

Other activities

Member of the Board of Directors of NBAD Private Bank (Suisse) SA. Member of the University of Geneva audit Committee.

Note

No Director

- has any operational position within BCGE or any BCGE Group company,
- is or has been a member of the Executive Board of BCGE or of a BCGE Group company during the last three financial years preceding the period under review,
- has any close relationships with BCGE or a BCGE Group company.



Bernard Clerc
born 27 February 1946, Swiss
Member, appointed by the Geneva City Council
in 2002.

Professional career

A civil servant, he trained as a social worker at the Social Studies Institute in Geneva, where he worked for various Geneva social services. He was formerly in charge of research at the Hospice Générale de Genève and retired in 2008.

Other activities

Member of the Board of the pension fund of Banque Cantonale de Genève and member of the Association for Taxation of Financial Transactions for the Assistance of Citizens (ATTAC-Geneva).



Mariane Grobet-Wellner
born 22 May 1947, Swiss and Swedish
Member until 4 May 2010, appointed to the Board of
Directors by the Geneva State Council in 2000.

Professional career

Has a degree in economics and works as a freelance economist. Worked with Mr Joseph Ziegler, an FIR accountant from 1976 to 1992. Member of the cantonal ICC (later FID) taxation appeal board from 1981 to 2001; member of the cantonal commission of experts determining levels of funding for rental properties (LIPP III) since 2002.

Other activities

Member of the Executive Committee of Asloca-Geneva since 1980. Elected to the Geneva Great Council in 1997 and re-elected in 2001 and 2005 on the Socialist party list (until 31 October 2009). Member of the Emilie Gourd Foundation board since 2001. Chair of the UOG (Université ouvrière de Genève – Geneva Workers' University) since 2006.



Fabienne Knapp
born 9 February 1965, Swiss
Member, appointed by the State Council in 2006
Also a member of the Control Committee.

Professional career

Holder of a degree in computer engineering from EPFL as well as a master's in banking and financial sciences from HEC in Lausanne. Has worked as a computer engineer and financial consultant in banking organisation and strategy and in risk management, notably for Sherwood Alliance, Reuters, André & Cie and Darier Hentsch. Parliamentary assistant of the Geneva Greens in the Great Council.



Patrick Mage
born 31 July 1949, Swiss
Member, appointed by the State Council in 2006;
also Chairman of the Control Committee.

Professional career

Trained in business and banking in Geneva, Zurich, London and in the US. Studied at business schools in the US and Switzerland. From 1982 to 2004, management positions in Geneva banks: until 1995 in the commercial department of Union Bank of Switzerland, in 1996 as general manager of Swiss Volksbank and from 1997 at Credit Suisse where he was on the regional management committee as head, successively, of corporate clients, branch network and wealth management .

Other activities

Since retiring from the Credit Suisse Group (Switzerland) in 2004 he has been a consultant. Member of the Lancy Municipal Housing Trust.



Ton Schurink
Born 12 May 1946, Swiss and Dutch
Member, elected in 2006 by the bearer shareholders.
He is also a member of the "Appointments and
Remuneration" Committee.

Professional career

Holds a degree from the Nyenrode Business University and an Executive MBA from INSEAD (Fontainebleau). Specialist in commodities trading, financial products, maritime transport and financial arrangements linked to commercial and international financial operations. For more than 30 years he worked for Cargill in Amsterdam, Paris and Geneva. In 2001 he founded CFT Advisory Services, a management consultancy for risks in the area of international trading and international freight.

Other activities

Director and Chairman of CFT Services & Partners SA, Geneva. Director of Navemar SA, Fribourg and Oceana Shipping SA, Chur. Director of Kernel Holding SA, Luxembourg, and Inercio Commodities SA, Geneva.



Mourad Sekkiou
born 5 October 1957, Swiss
Member, appointed in 2006 by the
Municipal Council of Geneva.

Professional career

Admitted to the Geneva bar in 1987, holds a master's in banking and finance law from Boston University as well as two degrees in Swiss and French law obtained from Geneva and Lausanne Universities respectively. Attorney at the Geneva bar and a partner in chambers in Geneva, he is mainly active in the fields of banking and commercial law and in litigation.

3.4 Election and duration of appointments

The eleven directors are elected or appointed as follows:

- Registered shareholders:
 - five members appointed by the State Council, which elects the Chairman;
 - two members appointed by the City of Geneva;
 - one member appointed by the other Geneva municipalities.
- Bearer shareholders:
 - three members elected individually by the bearer shareholders at the General Meeting.

The duration of a director's appointment is four years, renewable twice. If the appointment is made during a term, the duration of the appointment is limited to the duration of the term. The appointment ends on the day of the General Meeting following the date on which a director has reached his/her seventieth birthday at the latest. The procedures for appointing and putting forward candidates are governed by article 11 of the Bank's Articles of Association¹ and article 12 of the LBCGE².

| Director | Year first appointed | Current term ends | Number of times reappointed | Eligible for reappointment |
|------------------------|----------------------|-------------------|-----------------------------|----------------------------|
| Michel Mattacchini | 2001 | 2010 | 2 | no |
| Ion Bals | 2001 | 2010 | 2 | no |
| Asma Benelmouffok | 2004 | 2010 | 1 | yes |
| Bernard Clerc | 2002 | 2010 | 1 | yes |
| Mariane Grobet-Wellner | 2000 | 2010 | 2 | no |
| Fabienne Knapp | 2006 | 2010 | 0 | yes |
| Patrick Mage | 2006 | 2010 | 0 | yes |
| Jean-Claude Rivollet | 2002 | 2010 | 1 | yes |
| Ton Schurink | 2006 | 2010 | 0 | yes |
| Mourad Sekkiou | 2006 | 2010 | 0 | yes |
| Michel Terrier | 2000 | 2010 | 2 | no |

3.5 Internal organisation

3.5.1 Allocation of tasks within the Board of Directors

- Chairman: Michel Mattacchini.
- Deputy Chairman: Jean-Claude Rivollet.
- Secretary: Michel Terrier.

3.5.2 Committees of the Board of Directors

The Board of Directors can appoint standing committees responsible for examining the various activities of the Bank and reporting to it. Currently, only one such committee has been appointed, named "Appointments and Remuneration". Its role is to give notice of the appointment of members of the Management and Executive Boards as well as the remuneration of the members of the Executive Board, the Board of Directors and the Head of Internal Audit. It is made up of three members of the Board of Directors.

3.5.3 Working methods

The Board of Directors meets at least fifteen times a year. In 2009 it met 24 times at meetings that lasted an average of 4 hours. It is chaired by the Chairman of the Board of Directors or, in his /her absence, by the Deputy Chairman or Secretary. It may hold extraordinary meetings if business so requires or at the request of four of its members or of the auditors. The Board can only make decisions if the majority of its members are present. Decisions are made by simple majority of the members present and the Chairman casts the deciding vote if there is a tie. Minutes are taken of each meeting, signed by the Chairman of the meeting and the Secretary and approved at the next meeting. The members of the Board of Directors must be able to consult files relating to the points placed on the agenda twenty-four hours before the meeting starts at the latest. The Chief Executive Officer or his/her replacement participates with a consultative vote in the meetings of the Board of Directors but does not take part in the votes or the elections. He/she may require the presence of other members of the Executive Board or third parties if he/she thinks it necessary. In 2009, this was the case at each meeting of the Board of Directors. Should there be conflicts of interest, the members of the Board of Directors must decline to make any comment whenever they are directly or indirectly involved.

¹ Law on the Banque Cantonale de Genève: www.bcge.ch/loi-bcge.

² www.bcge.ch/statuts.

The Board of Directors can set up standing or ad hoc committees to study particular subjects. These committees have no decision-making authority and are responsible for reporting to the Board of Directors. The Chairman of the Board of Directors is generally present at all the committee meetings.

The "Appointments and Remuneration" standing Committee is composed of the following members: Asma Benelmouffok, Chair, Ion Bals and Ton Schurink, members. It meets when an appointment requires it to do so and at least once a year to decide on the remuneration pertaining to it. In 2009 it met 18 times. The standing Committee presents its reports orally at meetings of the Board of Directors.

3.6 Powers

The powers and duties of the Board of Directors are defined under Article 12 of the LBCGE¹ and 16 of the Articles of Association². Additionally, the management and organisational regulations provide that the Board of Directors decide on:

1. strategic and financial plans
2. the annual budget on the proposal of the Executive Board
3. approval with the Control Committee of a three-year plan of the tasks to be accomplished by internal audit to cover all the controls considered necessary, the opinion of the Board of Directors being decisive
4. the general framework of the limits of risks
5. granting large credit risk allowances and credits for which it is empowered
6. risk policies, particularly with regard to credit, rates, countries and insurance, on the proposal of the Executive Board. It reviews these policies when necessary
7. the information to be taken into account in the area of risk control
8. the strategic framework of operation of the Executive Board in setting lending and savings rates
9. the strategic framework of operation of the Executive Board in relation to cash management, foreign-exchange operations, investment and custody accounts as well as other assets
10. the policy of the Bank in relation to real-estate assets
11. approving any purchase or transfer of holdings on a permanent basis
12. the purchase and transfer of capital goods for the Bank, of financial investment holdings as well as of real estate subject to the responsibilities of the Executive Board under art. 18 ch. 3 of the present regulations
13. cancellation of debts, observance of out-of-court settlements, postponing debts or transfers of debts for amounts higher than CHF 2,000,000 or if the commitment was the subject of a decision of the Board of Directors
14. the appointment within it of two directors as members of the Control Committee and the appointment of its Chairman
15. the appointment of the members of the Executive Board after prior notification by the "Appointments and Remuneration" Committee

16. the appointment, in the form of ratification, of the members of the management and deputy members of the management after prior notification by the "Appointments and Remuneration" Committee
17. the general policy relating to salaries and social insurance
18. the salaries of the members of the Executive Board and members of the internal audit on prior notification by the "Appointments and Remuneration" Committee
19. periods of prohibition of the purchase and sale of shares in the Bank or other sensitive shares for staff and units during closed periods
20. ratifying proposals for appointments of representatives of the Bank as directors of holdings included in the scope of consolidation
21. the appointment of representatives of the employer within the Board of the staff pension fund on the proposal of the Executive Board.

The powers and duties of the Executive Board are defined in article 22 of the Articles of Association². Additionally, management and organisational regulations provide for the following duties:

1. to prepare and submit the strategic and financial plans of the Bank to the Board of Directors
2. to draw up the necessary documents and proposals for the senior management of the Bank to make decisions
3. to prepare the annual budget and submit it to the Board of Directors
4. to ensure that the structures and organisation of the Bank comply with legal obligations and the best practises of the profession
5. to ensure that the Bank has a sufficiently high profile in economic circles
6. to guarantee that the decisions of the Bank's senior management are correctly implemented
7. to take decisions for which other units of the Bank are not responsible by law, the Articles of Association or internal regulations
8. to propose for ratification the appointment of representatives of the Bank as directors for holding companies included in the scope of consolidation
8. to propose for ratification the appointment of representatives of the Bank as directors of holdings included in the scope of consolidation
9. to appoint representatives of the Bank as directors of holdings not included in the scope of consolidation.

Management and organisational regulations provide for powers to decide on:

1. setting interest rates in the strategic framework provided by the Board of Directors
2. loans, cash management investments, foreign-exchange operations and securities investment in accordance with the guidelines of the Board of Directors
3. the purchase and transfer of capital goods for the Bank, of financial investment holdings, as well as real estate which is not intended for use by the Bank, for an amount not exceeding CHF 5,000,000. This ceiling does not apply to negotiable securities, which are authorised in the general framework of risk limits
4. the maintenance and renewal of real estate for CHF 3,000,000 at the most per building

¹ Law on the Banque Cantonale de Genève: www.bcge.ch/loi-bcge.

² www.bcge.ch/statuts.

5. the appointment of executives and commercial agents
6. setting the salaries of all the Bank's staff except itself and the internal auditor
7. internal directives on Bank operations, where they are not governed by law, the Articles of Association or the present regulations
8. supervising compliance with regulations on liquidity, shareholders' equity and risk sharing
9. determining the necessary rules for the application of risk management policy and submitting these for approval by the Board of Directors
10. submitting the system of overall limits to the Board of Directors for approval; this includes in particular market operation limits, bank limits and country limits
11. regularly submitting to the Board of Directors reports on business development (financial statements, analyses, major transactions and events, etc) and any other reports that may be requested by the Board
12. preparing a quarterly list of all the major risks defined by Article 21 para. 1 of the Federal Banking Ordinance¹ on the form drawn up by the Federal Banking Commission for the attention of the Board of Directors.

3.7 Information and control mechanisms

The Board of Directors periodically evaluates information resources, their content and their adequacy to its needs, as well as the internal control system. It evaluates its efficiency and whether it is adequate for the activity and the Bank's size. It sets up an information system among the Bank units of which the Chairman of the Board is the guarantor. The Executive Board informs the Board of Directors of the progress of the Bank's business at each meeting and reports on the issues that require it. The Chairman of the Board of Directors, the Executive Board, the Control Committee, internal audit and the independent auditor must provide the Board of Directors with any information that would enable it to perform its supervisory function, particularly on the progress of business and operations in various sectors, including subsidiaries. This becomes a reality in the following ways among others:

- The Chairman of the Board of Directors is provided with weekly reports of the Executive Board's meetings
- Report from the Chairman of the Executive Board at each meeting of the Board of Directors on the progress of business
- Quarterly reports on risk control and major risks by the risk management and compliance manager
- Monthly report of results by the CFO
- Reports on control tasks carried out within the Group by the internal audit manager and quarterly monitoring of the resulting recommendations
- Oral report on the activity of the Control Committee at each meeting, by its Chairman
- Half-yearly presentation of Balanced Scorecards of the divisions by their managers (MDG)
- Half-yearly report of the independent auditor

Committee

Among other things, the Control Committee aims to supervise compliance with the legal, statutory and regulatory provisions applicable to the Bank, as well as bank usages, and to ensure liaison and coordination between the Board of Directors, internal audit and the independent auditor. It is made up of three members, two directors appointed by the Board of Directors and the third member appointed by the State Council. The member of the Control Committee appointed by the State Council cannot be a civil servant. He/she is subject to banking secrecy. Its members are Patrick Mage and Fabienne Knapp, both directors, and Denys Chamay, appointed by the State Council, Chairman of the Independent Oversight Advisory Committee of the BIT.

Its powers and responsibilities are governed by Art. 24 ff of the Bank's Articles of Association².

In 2009 the Control Committee met for 27 ordinary meetings.

Internal audit

Internal audit is an independent unit of the Executive Board, directly reporting to the Board of Directors. It carries out regular controls on all the Bank's business and that of its subsidiaries and therefore has an unlimited right to information. Its organisation, its field of activity and its operation are governed by Articles 29 and 30 of the Bank's Articles of Association and by the Charter on Internal Audit approved by the Board of Directors.

The Internal Audit issues, for the Executive Board, the Control Committee and the Board of Directors, detailed reports on its controls and carries out quarterly reporting following up on recommendations made. The Internal Audit meets the professional quality criteria of the ASAI (Swiss Internal Audit Association). As at 31 December 2009, the department had a staff of 10 full-time equivalent auditors. The Head of Internal Audit is Ms Monique Seiss Baudry, who holds a master's degree in economics from the University of Geneva.

¹ Which has become Art. 83 ff of the OFR.

² www.bcge.ch/statuts.

4 TO 4.2 EXECUTIVE BOARD

The Executive Board is made up of six members, chaired by Mr Blaise Goetschin. It is appointed for an indefinite period but its members are obliged to resign at the latest at the end of the calendar year during which they have reached the age of sixty-five.



Blaise Goetschin
born 1 September 1957, Swiss
Chief Executive Officer (CEO)

Professional career

Holds a degree from the HEC at Lausanne University and began his professional career in 1982 as an auditor with PriceWaterhouse in Geneva. In 1985 he joined Crédit Suisse, first in Zurich as deputy vice president, capital markets, and then in New York as an executive in the corporate banking department. In 1990 he became a member of the Executive Board in charge of corporate finance operations in French-speaking Switzerland, Berne and Basle. In 1993 he was put in charge of CS Corporate Finance (private companies) for the whole of Switzerland. In 1995 he was appointed by the State Council of the Canton of Vaud to take charge of the Cantonal finance administration. From 1998 to 2000 he was CEO of the Fiduciary Trust Bank (Switzerland), Geneva, the Swiss subsidiary of the New York-based private banking and asset management group. He has been Chief Executive Officer of Banque Cantonale de Genève since 1 October 2000.

Other activities

Chairman of the Supervisory Board at Banque Cantonale de Genève (France) SA, Chairman of the Board of the Mortgage Bond Centre of the Swiss cantonal banks, Chairman of Capital Transmission SA, Geneva. Director of La Foncière, Investissements Fonciers SA, member of the Board of Banque Cantonal de Genève staff pension fund, committee member of the Board of the Union of Swiss Cantonal Banks, member of the Board of the Swiss Bankers Association, member of the Board of the Geneva Financial Centre Foundation, member of the Board of the Geneva Chamber of Commerce and Industry, Deputy Chairman of the Higher Institute for Training in Banking in Geneva, member of the Committee of the Society for Economic and Social Studies in Lausanne and of the Committee of the Centre for Military History and Forecasting in Pully, member of the Board of the H. Dudley Wright Foundation, Geneva.



Eric Bourgeaux
born 31 May 1956, Swiss and French
Head of the Finance and Risk Control division (CFO)
Deputy to the Chief Executive Officer (CEO)

Professional career

A graduate of the Higher Commercial School of Paris and holder of a DECS degree. He began his professional career with KPMG Paris as an auditor and consultant. From 1982 to 1986 he was an auditor with Price-Waterhouse in Geneva. From 1986 to 1988 he was manager of Asea Capital, which subsequently became the ABB World Treasury Centre in Geneva and from 1988 to 1996, manager and then general manager of Nokia Finance International BV, Geneva. From 1998 to 2000, he was a director of Clariden Bank and from 1997 to 2000 manager of André & Cie SA, Lausanne. He has been head of the Finance and Risk Control division and a member of the BCGE Executive Board since 1 December 2000.

Other activities

Member of the Supervisory Board of Banque Cantonale de Genève (France) SA, member of the Board of Synchrony Asset Management SA, member of the Supervisory Board of Compagnie Foncière Franco-Suisse, Board member of Asia Pacific Performance, Luxembourg and member of the Supervisory Board of Dixence SAS, Puteaux. Chairman of the Board of Directors of Arclem Capital Transmission SA, Zurich.



Claude Bagnoud
born 1 January 1964, Swiss
Head of the Corporate Banking division

Professional career

A graduate of the Higher School of Business in Geneva and holder of a degree from IMD Lausanne, Executive Development Programme (1999). Claude Bagnoud began his professional career as an accountant with Geneva Industrial Services. In 1990 he joined the commercial credits department of the Banque Hypothécaire du Canton de Genève. He was manager in 1991 and became head of the commercial-credit department from 1994 to 1995. From 1996 to 1999 he was in charge of the real-estate and commercial-credit section for the general market. In 1996 he was appointed to the management. In 1999 he did a training course in London. In 2000, he was section head in the industries, trade and services department. In May 2001 he was appointed to the Executive Board with responsibility for the Corporate Banking division.

Other activities

Member of the Supervisory Board of Banque Cantonale de Genève (France) SA, Deputy Chairman of the Board of the La Gravière Industrial Foundation, Deputy Chairman of the Supervisory Board of Compagnie Foncière Franco-Suisse, Lyon, member of the Board of Geneva Tourism, member of the Supervisory Board of Dixence SAS, Puteaux, and member of the Technical Commission of the Union of Geneva Employers' Association (UAPG).



Johan Bernard Alexander Kroon
born 28 May 1963, Dutch
Head of the Retail Banking division

Professional career

With an MBA and a Master of International Management from Thunderbird University (Arizona, USA) he began his professional career in 1987 with Citibank in Dusseldorf. From 1991 to 1994 he gained further experience in Germany with Citicorp Diners Club Deutschland in Frankfurt. From 1995 to 1997 he was marketing manager with the Citibank US & Europe Consumer Bank in Brussels, and from 1997 to 1999, marketing and strategic planning manager at the Citibank Private Bank in Geneva. He was marketing manager for Deutsche Bank International Private Banking in Geneva from 1999 to 2000. He then went on to become head of strategy and marketing with JP Morgan Private Bank in Geneva. In May 2002 he became a member of the BCGE Executive Board responsible for Retail Banking division.

Other activities

He is Chairman of the Board of the Transferable Pension Fund Foundation of BCGE and of the Savings Foundation Epargne 3, Vice-Chairman of the Investment Committee of Capital Transmission SA. Member of the Boards of the Swisscanto Transferable Pension Fund Foundation, of Swisscanto SA, and of the Swisscanto Supra Cantonal Banks Collective Foundation.



Jean-Louis Platteau
born 14 August 1963, Belgian
Global Head of the Private Banking division

Professional career

Holder of three Masters degrees in management engineering, management and tax management from the Universities of Brussels (Solvay Business School) and Louvain (UCL-Institute of Administration and Management). From 1990, after the Bank Brussels Lambert's management development programme, he served as international auditor (e.g. Brussels, Singapore, London). From 1996, he was responsible for corporate relations in Belgium and the north of France within BBL Corporate Banking, before becoming, in 1998, senior multinational customer advisor with ING Corporate Banking. From 2001, he served as sales and marketing director for institutional customers in south-west Europe with ING Investment Management. From 2003, he was a member of the APAC PB Executive Board, Managing director for the European markets, with ING Asia Private Bank in Singapore. From 2004, he was a senior banker, responsible for Swiss and French financial institutions, including the major financial institutions, with Fortis Merchant & Private Banking. In 2008, he became CEO of Dexia Private Bank Switzerland, and a member of the Executive Board of Dexia Private Banking. Since October 2008, he has been a member of the Executive Board of the BCGE, with responsibility for the Private Banking division.



Jean-Marc Joris
born 10 September 1968, Belgian
Head of the Operations and Information Technology division

Professional career

Holder of a degree in business and finance from the ICHEC, Brussels. In 1993 worked in the capital markets department of Dexia Luxembourg. From September 1993 to June 1997 he was a project manager in the Information Risk Management department of KPMG. From June 1997 to March 2002, he was deputy manager, head of business development at the ING Baring Private Bank in Geneva. Jean-Marc Joris joined BCGE in April 2002 as a member of the management in charge of the logistics department and as interim manager of the IT department. On 1 July 2003 he was appointed member of the Executive Board, heading the Operations and IT division.

Other activities

He is a member of the Board of the Fondation Immobilière Patrimoine, Geneva and a member of the BCGE Pension Fund Board.



Emile Rausis
born 31 August 1957, Swiss
Head of the Operations and Control division
(until 31 August 2009)

Professional career

Holder of a federal banking diploma (CFC), he began his career in 1977 with Swiss Bank Corporation in Monthey. From 1978 to 1984 he worked in the credit department of SBC in Geneva and was appointed junior manager on 1 April 1982. From 1984 to 1985 he worked as credit manager with the Executive Board in the credit department in Basle, responsible for the branches in French-speaking Switzerland. From 1985 to 1986 he was back in Geneva as head of a customer credit group. From 1 April 1986 to 1988 he was a company officer at SBC in charge of SME customers. He joined Banque Hypothécaire du Canton de Genève in 1989 as deputy manager in the Credit department. In 1991 he was appointed deputy manager responsible for a loans department and substitute for the head of the Corporate division. In 1996 he became manager of the SME Finance and Support department. In April 2001 he was appointed a member of the BCGE Executive Board and was Head of the Operations and Control division until 31 August 2009.

Note

No Executive Board member

- has previously carried out other activities within BCGE or any BCGE Group company,
- has had permanent management or consultation functions for groups with major Swiss or foreign interests,
- holds an official position or a political mandate.

New structure

The Organisation & IT and Operations and Controls divisions were merged on 1 September 2009, reducing the total number of divisions from seven to six. The resulting division, known as Organisation, IT and Operations (OIO) draws together all the operational activities, under the leadership of Jean-Marc Joris, member of the Executive Board since 2003.

4.3 Management contracts

BCGE outsources its main IT operations to IBM (Suisse) SA.

A framework collaboration agreement with detailed annexes, compliant with the FINMA 2008/7 circular on bank outsourcing, governs relations between the Bank and IBM. Hence, IBM provides the Bank with its essential IT services such as operation, maintenance and hosting of banking systems, management of its PC stock and servers, user support and network management. All the service contracts linked to the implementation of the new IT system were renewed in November 2006 for a minimum period of 3 years starting from 1 October 2008. These contracts cover hosting services and third-party application maintenance. These services have been active since 1 October 2008. For these IT services, BCGE has paid IBM a total CHF 12.5 million, comprising CHF 9.6 million in operating, support and maintenance costs and CHF 2.9 million in development costs.

Since 1 October 2008, Banque Cantonale de Genève has also outsourced its main payment operations to Sourcag AG. A service level agreement (SLA), in accordance with the FINMA 2008/7 circular on bank outsourcing, governs the relationship between the Bank and Sourcag. Sourcag renders payment operation processing services to the Bank. The group of contracts associated with the setting up of this activity and the resulting rendering of services has been entered into, with the operations starting on 1 October 2008, for a minimum period of five years. The contract is then renewable on a year-to-year basis. These contracts cover the project for setting up these activities as well as the operation processing services. The cost of these services depends on the volume of operations sub-contracted and assigned to Sourcag. Sourcag's services within the framework of this contract are booked as expenses in the "Commission and Fee Income" item.

5. REMUNERATION, PARTICIPATION AND LOANS

5.1 Setting remuneration and participation programmes

Principles of the Board of Directors' remuneration

Upon the proposal of the "Appointments and Remuneration" Committee, the Board of Directors sets the broad outlines as regards the attendance, compensation and expenses of its members, the Chairman and, as the case arises, of the directors to whom particular, regular or occasional tasks (e.g. committees and commissions) may be assigned.

Principles of the Executive Board's remuneration

The remuneration system for the Executive Board currently in effect takes the following form:

- The fixed part of remuneration compensates members' basic duties and responsibilities; it is mainly determined in line with salary norms for comparable functions in the banking sector;
- The variable part of remuneration may compensate performance that exceeds objectives that have been set; it is determined on the basis of results achieved by the division or individuals in the context of a varying package and in line with the bank's profits. Remuneration received by members of the Executive Board in the fulfilment of their duties on other boards of directors is passed on to the Bank in its entirety.

On the same basis as all staff members, the Executive Board benefits from various general advantages (special conditions for banking services and various benefits defined in the staff regulations) On the other hand, the members of the Executive Board are not included in incentive plans in respect of new business in the areas of mortgage loans and wealth management, which are open to all other Bank staff.

From time to time, targeted bonus plans dependent on the achievement of specific objectives may be implemented for one or more Bank staff members.

All these components of remuneration are decided by the Board of Directors on prior notice from the "Appointments and Remuneration" Committee.

Determination of the Executive Board's remuneration packages

1. For all employees, the fixed remuneration package and annual adjustment of the payroll are approved once a year, in the context of the budget process, by the Board of Directors upon the proposal of the Executive Board. Regarding overall variable remuneration, this is approved annually in the context of the closing of the annual accounts by the Board of Directors at the suggestion of the Executive Board.
2. In respect of the allocation of the fixed and variable remuneration for the members of the Executive Board, the Board of Directors, on prior notice from the "Appointments and Remuneration" Committee, decides annually what the individual allocations for each member are to be, in line with the general rules for the establishment of fixed and variable remuneration, taking account of the budget and the final accounts.

Departure conditions

For some members of the Executive Board, an indemnity (financial and pension fund) is agreed in case of non-voluntary resignation, dismissal for cause excepted.

Participation programmes

Participation programmes (or share option plans) allow beneficiaries to align their personal financial interests with those of the Bank.

Board of Directors: none of the equity sharing plans currently in effect at BCGE is available to members of the Board of Directors.

Executive Board: each member of the Executive Board benefits from the same share option plans as other staff members. At BCGE there is only one equity sharing plan in existence, in the form of the free or conditional distribution of BCGE shares with a five-year moratorium on sale. Shares acquired through share option plans are so acquired at market prices. The moratorium is lifted in the event of an employment contract being ended.

BCGE share option plans are of three kinds:

- option to buy linked to the variable ordinary part allocated or to exceptional bonuses;
- automatic allocation of free shares in line with period of service;
- option of receiving free shares as a loyalty bonus.

These plans are described in detail in staff regulations, to which any changes must be submitted to the Board of Directors. Generally speaking, staff regulations are updated yearly.

These share option plans apply to all employees, including members of the Executive Board and the internal audit department.

For details of benefits paid, of shareholdings and loans granted to members of the Board of Directors, members of the Executive Board and the Chief Executive Officer, see page 121, point 4.8 of the notes to the parent company accounts.

6. SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 Limitation and representation of voting rights

No limits exist on voting rights.

6.2 Quorum

Shares represented. Decisions and elections are by an absolute majority of the votes allocated to the shares represented. Decisions concerning the adoption and amendment of the Articles of Association, such as notice of a merger, takeover or dissolution of the Bank, require a two-thirds majority of the share capital. For a second round of voting in elections, a simple majority suffices. In the case of a tie, the Chairman of the General Meeting has the casting vote. Elections are by secret ballot. At the request of 30% of the voters present, other decisions may also be made by secret ballot.

6.3 General Meeting convening

The Annual General Meeting is held annually within six months of the end of the financial year. An extraordinary General Meeting may be convened as often as necessary, particularly by one or more shareholders representing at least one-tenth of the share capital by indicating their objective. If necessary, the independent auditors may also convene an extraordinary General Meeting. The General Meeting must be convened by the Board of Directors at least 20 days in advance by placing a notice in the *Feuille d'avis officielle de la République et canton de Genève* and in the *Feuille officielle Suisse du commerce*.

6.4 Agenda items

The Board of Directors is required to place on the agenda individual proposals, which are subject to a vote, provided that they are presented in writing by shareholders at least 20 days before the General Meeting. No decision can be made on matters that are not on the agenda, except for a decision to convene an extraordinary General Meeting.

7. TAKING CONTROL AND DEFENSIVE MEASURES

There is no opting-out, opting-up clause in the Articles of Association, nor provisions for taking control.

8. INDEPENDENT AUDITOR

At the Annual General Meeting of 21 April 2009 the mandate of the Bank's auditor, Deloitte SA, was renewed for the year 2009.

8.1 Duration of the audit mandate and of the mandate of the auditor-in-charge

The mandate of the independent auditor, which started on 1 January 2001, is renewed each year by the General Meeting of Shareholders. Since 1 January 2006 the auditor-in-charge according to the legal provisions applicable to banks has been Mr Alexandre Buga.

8.2 Independent auditors' basic fees

| | 31.12.2009 | 31.12.2008 |
|---------------------------|----------------|----------------|
| Audit of the BCGE Group | 820,000 | 764,000 |
| <i>of which BCGE only</i> | <i>794,000</i> | <i>624,000</i> |

8.3 Additional fees

Additional audit fees essentially consist of the cost of a brief examination of the half-yearly consolidated financial statements, as well as various other certifications required according to specific legal requirements.

| | 31.12.2009 | 31.12.2008 |
|---------------------------|----------------|----------------|
| Audit of the BCGE Group | 454,000 | 139,000 |
| <i>of which BCGE only</i> | <i>386,000</i> | <i>139,000</i> |

In 2009 additional fees of CHF 20,000 not linked to auditing were paid to Deloitte SA in Switzerland (CHF 42,000 en 2008).

8.4 Information on independent auditors

In 2009 the auditor was asked to participate in two meetings with the entire Board of Directors and six meetings with the Control Committee. These meetings related to the planning and recovery of work linked to auditing the BCGE Group.

The Board of Directors, Control Committee and internal audit receive reports from the auditor.

9. INFORMATION POLICY

The Board of Directors expresses its views through its Chairman. The Chief Executive Officer is the official spokesperson of the Bank. He delegates the management of information to the Communications and Investor Relations department. The head of this department is directly subordinate to him.

| | Languages | Form/addressee | URL | Timetable |
|---|----------------------------------|------------------------------------|----------------------------------|---------------|
| Annual Report | F | Printed/Internet | www.bcge.ch/rapport-annuel | 30 March 2010 |
| | E | Printed/Internet | www.bcge.ch/annual-report | 3 May 2010 |
| General Meeting | F | – | – | 4 May 2010 |
| Financial information (push and pull link) | F/E | Internet or written request | www.bcge.ch/contact-investisseur | permanent |
| | | | www.bcge.ch/investors-contact | |
| Annual and half-yearly results | F/E | Press conference/printed/Internet | www.bcge.ch/resultats | March&August |
| | | | www.bcge.ch/financial-results | |
| Press releases | F/D ¹ /E ¹ | Swiss written and electronic media | www.bcge.ch/communiqués | occasional |
| <i>Dialogue Magazine</i> | F | Printed/Internet | www.bcge.ch/dialogue | 3 x per year |
| Institutional publications | F/E | Printed/Internet | www.bcge.ch/publications | regular |
| | | | www.bcge.ch/publications-bcge | |

¹ In some cases.

Information for shareholders

Press releases are distributed according to news events and needs. They are available from www.bcge.ch. The Group publishes its investment philosophy and other strategic information in the form of brochures which can also be obtained from the Internet. The Group addresses French- and German speaking journalists as well as financial analysts so as to inform them of business developments and their prospects at press and telephone conferences, particularly on the publication of annual and half-yearly results. The Group maintains regular relations with the Geneva public authorities, particularly through presentations and seminars organised on its premises or theirs. Shareholders are invited to address their questions to the Board of Directors or the Executive Board, particularly via actionnaires@bcge.ch. Documents published by Banque Cantonale de Genève are available at BCGE branches, subsidiaries and on the parent company website. Some of them are available in English or German.

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2009 consolidated
financial statements and notes
BCGE Group

Report of the statutory auditor

English translation of
French official version

To the General meeting of
Banque Cantonale de Genève, Geneva

Report on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements (pages 88 to 110) of Banque Cantonale de Genève, which comprise the balance sheet, profit and loss account, cash flow statement and notes for the year ended December 31, 2009.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the provisions governing the preparation of financial statements for banks, and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2009 give a true and faire view of the financial position, the results of operations and the cash flow in accordance with the provisions governing the preparation of financial statements for banks and comply with Swiss law.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 725 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte SA



Alexandre Buga
Licensed audit expert
Auditor in charge



Nicolas Heiniger
Licensed audit expert

Geneva, February 25, 2010

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BCGE Group balance sheet

Consolidated

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| | Notes | 31.12.2009 in CHF 1,000 | 31.12.2008 in CHF 1,000 | Change in CHF 1,000 |
|--|-------|----------------------------|----------------------------|------------------------|
| ASSETS | | | | |
| Cash | 5.12 | 202,786 | 175,891 | 26,895 |
| Money-market instruments | 5.12 | 51 | 751,480 | -751,429 |
| Due from banks | 5.12 | 1,086,707 | 1,739,142 | -652,435 |
| Due from clients | 5.12 | 3,654,665 | 3,224,928 | 429,737 |
| <i>of which "Fondation de valorisation"</i> | | 157,390 | 297,822 | -140,432 |
| Mortgages | 5.12 | 7,603,809 | 6,791,969 | 811,840 |
| Trading portfolios | 5.2 | 6,790 | 3,424 | 3,366 |
| Financial investments | 5.3 | 1,204,267 | 621,425 | 582,842 |
| Investments consolidated by the equity method | 5.4 | 19,987 | 18,093 | 1,894 |
| Fixed assets | 5.6 | 213,411 | 221,474 | -8,063 |
| Intangible assets | 5.6 | 9,633 | 11,183 | -1,550 |
| Accrued income and prepaid expenses | | 38,086 | 36,373 | 1,713 |
| Other assets | 5.7 | 74,315 | 94,940 | -20,625 |
| Total assets | | 14,114,507 | 13,690,322 | 424,185 |
| Total subordinated claims | | 118 | 306 | -188 |
| Total due from unconsolidated investments and significant shareholders | | 266,245 | 245,855 | 20,390 |
| <i>of which total claims on the Canton of Geneva</i> | | 196,245 | 175,855 | 20,390 |
| LIABILITIES | | | | |
| Money-market instruments | 5.12 | 657 | 1,280 | -623 |
| Due to banks | 5.12 | 576,230 | 512,529 | 63,701 |
| Due to clients on savings and deposit accounts | 5.12 | 5,511,893 | 4,997,441 | 514,452 |
| Due to clients, other | 5.12 | 4,470,095 | 4,213,995 | 256,100 |
| Medium-term notes | 5.12 | 120,733 | 156,646 | -35,913 |
| Bonds and mortgage-backed bonds | 5.12 | 2,301,000 | 2,704,050 | -403,050 |
| Accrued income and prepaid expenses | | 67,938 | 83,859 | -15,921 |
| Other liabilities | 5.7 | 105,507 | 104,496 | 1,011 |
| Valuation adjustments and provisions | 5.11 | 3,345 | 3,555 | -210 |
| Reserve for general banking risks | 5.11 | 75,000 | 75,000 | - |
| Share capital | | 360,000 | 360,000 | - |
| Capital reserve | | 311,912 | 312,141 | -229 |
| Retained earnings | | 169,026 | 126,825 | 42,201 |
| Treasury shares | | -27,203 | -26,514 | -689 |
| Foreign-exchange differences | | -3,214 | -3,102 | -112 |
| Net profit for the year | | 71,588 | 68,121 | 3,467 |
| Total liabilities | | 14,114,507 | 13,690,322 | 424,185 |
| Total subordinated debt | | 120,000 | 120,000 | - |
| Total due to unconsolidated investments and qualified participants | | 231,092 | 207,315 | 23,777 |
| <i>of which total due to the Canton of Geneva</i> | | 210,539 | 180,616 | 29,923 |

BCGE Group profit and loss account

Consolidated

| | Notes | 31.12.2009 in CHF 1,000 | 31.12.2008 in CHF 1,000 | Change in CHF 1,000 |
|---|-------|----------------------------|----------------------------|------------------------|
| INTEREST INCOME AND EXPENSES | | | | |
| Interest and discount income | 5.18 | 310,706 | 424,748 | -114,042 |
| Interest and dividends from trading portfolios | 5.18 | – | 78 | -78 |
| Interest and dividends from financial investments | 5.18 | 17,788 | 15,965 | 1,823 |
| Interest expenses | 5.19 | -140,445 | -227,985 | 87,540 |
| <i>Net interest income</i> | | <i>188,049</i> | <i>212,806</i> | <i>-24,757</i> |
| COMMISSION AND FEE INCOME | | | | |
| Commission income from lending | | 42,737 | 33,129 | 9,608 |
| Commission income from trading, securities and deposits | | 44,912 | 50,113 | -5,201 |
| Commission income from other services | | 21,008 | 17,825 | 3,183 |
| Commission expenses | | -9,306 | -8,360 | -946 |
| <i>Net commission and fee income</i> | | <i>99,351</i> | <i>92,707</i> | <i>6,644</i> |
| RESULT OF TRADING OPERATIONS | | | | |
| <i>Net result of trading operations</i> | 5.20 | <i>17,790</i> | <i>16,632</i> | <i>1,158</i> |
| OTHER ORDINARY RESULTS | | | | |
| Income from sale of financial investments | | 7,962 | 2,112 | 5,850 |
| Income from investments | | 2,829 | -206 | 3,035 |
| <i>of which consolidated by the equity method</i> | | <i>2,829</i> | <i>-206</i> | <i>3,035</i> |
| Real-estate income | | 366 | 683 | -317 |
| Other ordinary income | | 17,162 | 7,355 | 9,807 |
| Other ordinary expenses | | -307 | -13,446 | 13,139 |
| <i>Other ordinary income, net</i> | | <i>28,012</i> | <i>-3,502</i> | <i>31,514</i> |
| Net operating income | | 333,202 | 318,643 | 14,559 |
| OPERATING EXPENSES | | | | |
| Payroll expenses | 5.21 | -125,553 | -122,676 | -2,877 |
| Other operating expenses | 5.22 | -92,491 | -94,901 | 2,410 |
| <i>Net operating expenses</i> | | <i>-218,044</i> | <i>-217,577</i> | <i>-467</i> |
| Gross profit | | 115,158 | 101,066 | 14,092 |
| Depreciation of fixed assets | 5.23 | -19,442 | -13,972 | -5,470 |
| Valuation adjustments, provisions and losses | 5.24 | -10,313 | -25,104 | 14,791 |
| Results before extraordinary items and taxes | | 85,403 | 61,990 | 23,413 |
| Extraordinary income | 5.25 | 1,619 | 11,763 | -10,144 |
| Extraordinary expenses | 5.26 | -434 | -1,015 | 581 |
| Taxes | | -15,000 | -4,617 | -10,383 |
| Net profit for the year | | 71,588 | 68,121 | 3,467 |

BCGE Group off-balance-sheet operations

Consolidated

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| | Notes | 31.12.2009 in CHF 1,000 | 31.12.2008 in CHF 1,000 | Change in CHF 1,000 |
|--|-------|----------------------------|----------------------------|------------------------|
| OFF-BALANCE-SHEET OPERATIONS | | | | |
| Irrevocable guarantees | | 94,476 | 96,303 | -1,827 |
| Irrevocable commitments arising from letters of credit | | 707,266 | 410,411 | 296,855 |
| Contingent liabilities | | 801,742 | 506,714 | 295,028 |
| Irrevocable commitments | | 500,075 | 365,500 | 134,575 |
| Commitments to free up and execute additional transfers | | 39,011 | 39,011 | - |
| Commitments resulting from deferred payments | | 50,378 | 30,166 | 20,212 |
| Committed loans | | 50,378 | 30,166 | 20,212 |
| Fiduciary deposits with third parties | | 81,043 | 345,744 | -264,701 |
| Fiduciary operations | | 81,043 | 345,744 | -264,701 |
| Derivative financial instruments | | | | |
| • positive replacement values | 5.17 | 11,648 | 47,620 | -35,972 |
| • negative replacement values | 5.17 | 72,717 | 61,509 | 11,208 |
| • underlying amounts | 5.17 | 2,327,172 | 2,368,644 | -41,472 |

BCGE Group cash flow statement

Consolidated

| | 2009 Source of funds in CHF 1,000 | 2009 Use of funds in CHF 1,000 | 2008 Source of funds in CHF 1,000 | 2008 Use of funds in CHF 1,000 |
|---|---|--------------------------------------|---|--------------------------------------|
| Cash flow from operating income (internal financing) | | | | |
| • net profit for the year | 71,588 | – | 68,121 | – |
| • depreciation of fixed assets | 17,892 | – | 12,853 | – |
| • depreciation of goodwill | 1,550 | – | 1,119 | – |
| • allocation to capital reserve | – | 229 | 617 | – |
| • allocation for currency conversion differences | – | 112 | – | 5,364 |
| • valuation adjustments and provisions | – | 210 | – | 2,044 |
| • reserve for general banking risks | – | – | – | 10,100 |
| • accrued income and prepaid expenses | – | 1,713 | 495 | – |
| • accrued expenses and deferred income | – | 15,921 | – | 743 |
| • other items | 21,636 | – | 9,247 | – |
| • dividends from previous financial year | – | 21,600 | – | 21,600 |
| • special allocation to the State of Geneva | – | 4,320 | – | 4,320 |
| <i>Balance</i> | <i>68,561</i> | <i>–</i> | <i>48,281</i> | <i>–</i> |
| Cash flow from investment activities | | | | |
| • other financial interests | – | 1,894 | 3,145 | – |
| • fixed assets | – | 9,829 | – | 28,801 |
| • intangible assets | – | – | – | 2,880 |
| <i>Balance</i> | <i>–</i> | <i>11,723</i> | <i>–</i> | <i>28,536</i> |
| Cash flow from banking activities | | | | |
| Medium and long-term transactions (> 1 year) | | | | |
| • due to clients | 1,362 | – | – | 17,723 |
| • medium-term notes | – | 48,290 | 27,551 | – |
| • bonds and mortgage-backed bonds | – | 42,000 | – | 229,860 |
| • due from banks | – | – | – | 30,000 |
| • due from clients | – | 73,227 | – | 327,270 |
| • mortgages | – | 1,140,151 | – | 305,411 |
| • financial investments | – | 233,257 | – | 204,313 |
| Short-term transactions | | | | |
| • due to banks | 63,701 | – | 267,102 | – |
| • due to clients | 769,190 | – | 897,076 | – |
| • medium-term notes | 12,377 | – | 22,756 | – |
| • bonds and mortgage-backed bonds | – | 361,050 | 164,930 | – |
| • allocation to treasury shares | – | 689 | – | 3,120 |
| • due on money-market instruments | – | 623 | 614 | – |
| • due from money-market instruments | 751,429 | – | – | 451,573 |
| • due from banks | 652,435 | – | – | 743,567 |
| • due from clients | – | 356,510 | 1,014,364 | – |
| • mortgages | 328,311 | – | – | 93,184 |
| • financial investments | – | 349,585 | – | 7,701 |
| • trading portfolios | – | 3,366 | 3,993 | – |
| Liquid resources | | | | |
| • cash | – | 26,895 | – | 4,409 |
| <i>Balance</i> | <i>–</i> | <i>56,838</i> | <i>–</i> | <i>19,745</i> |
| Total balances | 68,561 | 68,561 | 48,281 | 48,281 |

BCGE Group statement of shareholders' equity

Consolidated

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in CHF 1,000

Shareholders' equity at 1 January 2009

| | |
|--|---------|
| Share capital | 360,000 |
| Capital reserve | 312,141 |
| General banking risk reserves | 75,000 |
| Retained earnings / accumulated losses | 194,946 |
| Foreign-exchange differences | -3,102 |
| Treasury shares | -26,514 |

Total shareholders' equity at 1 January 2009

912,471

| | |
|--|---------|
| Dividend from the previous year's profit | -21,600 |
| Special allocation to the State of Geneva (20% of the dividend paid) | -4,320 |
| Net profit for the year | 71,588 |
| Repurchase of treasury shares (at cost) | -9,716 |
| Sale of treasury shares (at cost) | 9,027 |
| Profit / loss on the sales of treasury shares | -229 |
| Foreign-exchange differences | -112 |

Total shareholders' equity at 31 December 2009

957,109

Of which

| | |
|--|---------|
| <i>Share capital</i> | 360,000 |
| <i>Capital reserve</i> | 311,912 |
| <i>Reserve for general banking risks</i> | 75,000 |
| <i>Accumulated profit</i> | 169,026 |
| <i>Net profit for the year</i> | 71,588 |
| <i>Foreign-exchange differences</i> | -3,214 |
| <i>Treasury shares</i> | -27,203 |

Treasury shares (bearer shares)

En unités

| | |
|---------------------|---------|
| At 1 January 2009 | 104,580 |
| Purchases | 42,556 |
| Sales | 36,163 |
| At 31 December 2009 | 110,973 |

| | |
|--|--------|
| Average transaction price (average cash value) in CHF | 245.13 |
| Commitments contingent on the transfer or acquisition of the Bank's own shares | - |
| Bearer shares held by the Bank's pension fund | 15,000 |
| Treasury shares reserved for a specific purpose | - |
| Stock options held by persons close to the Bank | - |
| Derivates on shares | - |

1. BUSINESS ACTIVITIES AND STAFF

The Banque Cantonale de Genève Group provides the services of a local full-service bank and has the particular role of contributing to the economic development of the Canton and of the region.

Its activities include providing mortgage lending and commercial and personal loans as well as loans for international trade. The Group is also active in asset management and manages public offerings and placements in the financial markets.

At 31 December 2009, the Group employed 838 persons; 777.8 when converted to full-time equivalents (788.6 in 2008).

The Bank's strategy is to outsource its operations so as to concentrate on high value-added client business. Outsourcing relationships are regulated by service level agreements (SLAs), in compliance with the FINMA 2008/7 circular on bank outsourcing. The contract with Sourcag AG mainly concerns money transfer operations and allows a quality of service comparable to that offered by the best Swiss banking institutions. The contract with IBM (Switzerland) mainly concerns the operation of the central IT system, the hosting thereof, data storage, the printing and sending of documents and the maintenance of a certain amount of infrastructure. It should be noted here that there is currently a significant disagreement between the Bank and this IT provider. The Bank considers that it stands in a contractually strong position and is opposing claims which it views as being without foundation; no provisions will therefore be created in this respect. This situation will, in principle, require that the business be transferred to another supplier.

2. AGREEMENTS WITH THE MAJORITY SHAREHOLDER

The principles governing the transfer of certain assets from BCGE to the Fondation de valorisation are set out in a tripartite agreement signed on 27 July 2000 and in a supplementary agreement signed on 19 November 2001 between the Republic and Canton of Geneva, the Banque Cantonale de Genève and the Fondation de valorisation.

In particular, the agreement stipulates procedures for the disposal of the assets, their financing and repayments between the Fondation de valorisation and the Bank.

Pursuant to Law number 8194 of 19 May 2000, the Bank must, as part of the allocation of the annual profit and after making the necessary provisions and allocations of sums to reserves to meet the requirements of shareholders' equity, reimburse the costs incurred by the Fondation de valorisation immediately after the General Meeting of Shareholders for the following:

- interest and other financial costs,
- operating costs,
- costs incurred to liquidate its property (other than taxes).

The Bank has signed a Financial Agreement with the State and the Fondation which requires a tripartite agreement to be concluded before the eligibility of these costs is recognised.

The State will take the place of the Bank for the part of the above costs which remains unpaid by the Bank to the Fondation de valorisation. In accordance with the Articles of Association, the Bank will reimburse the State and the Fondation pro rata to the dividends distributed to the shareholders (20% of the dividends paid), i.e. CHF 4,320,000 paid in 2009.

These loans are guaranteed by a simple guarantee of the Republic and Canton of Geneva up to a maximum sum of CHF 5 billion. There is a provision for payment of this simple guarantee in the tripartite Agreement. Remuneration of CHF 0.4 million was paid in respect of the 2009 financial year (CHF 1 million in 2008).

The State Council decided to dissolve the Fondation owing to its limited activity following the sale of property and in order to reduce the Fondation's operating costs. The liquidation of the Fondation took effect on 1 June 2008 as planned and was effective at 31 December 2009. The State took the assets and liabilities remaining at this date directly back onto its books.

3. PRINCIPLES GOVERNING THE ESTABLISHMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Terms of reference

The accounts of the Banque Cantonale de Genève Group comply with the Swiss Code of Obligations, the Federal Banking Act and its executive ordinance and the accounting guidelines of the FINMA (former Federal Banking Commission).

The Group accounts have been prepared according to the true and fair view principle.

Closing date for the consolidated accounts

The accounts are closed on 31 December of each year.

Scope of consolidation

Banks, financial and real-estate firms whose consolidation makes an important financial difference have been included in these financial statements as follows:

| Total assets | in CHF 1,000 |
|--|--------------|
| Banque Cantonale de Genève SA, Geneva | 14,106,219 |
| Banque Cantonale de Genève (France) SA, Lyon | 408,149 |
| Compagnie Foncière Franco-Suisse SAS, Lyon | 22,196 |
| Dixence SAS, Puteaux (France) | 33,458 |
| Investissements Fonciers SA, Lausanne | 18,824 |
| Capital Transmission SA, Geneva | 26,684 |
| Swiss Public Finance Solutions SA, Geneva | 341 |

The Bank has other insignificant permanent holdings.

- **Changes to the scope of consolidation**

During the year, the scope of consolidation was changed by the merger of Arclcm Capital Transmission, Zurich, with Capital Transmission SA.

- **Full consolidation**

All Group companies in banking, finance and real estate, held as permanent assets in which the parent company has a direct or indirect stake of more than 50 %, are fully consolidated.

- **The equity method**

All permanently held Group companies in banking, finance and real estate in which the parent company has a direct or indirect stake of between 20 % and 50 %, are consolidated under the equity method.

Consolidation process

- **Share capital consolidation**

On the purchase of an equity interest, the net book value of the equity in the consolidated company is offset against the proportion of the company's total net assets those shares represent. Any difference is recorded either as a valuation adjustment on the consolidated balance sheet or as goodwill. Capital is consolidated according to the purchase method, which allows for the compensation of the equity interest purchase price with the part the Group holds in revalued shareholders' equity (monetary value of net assets) at the time of the acquisition.

- **Goodwill**

Goodwill and the difference of first consolidation are shown on the balance sheet as "intangible assets" and depreciated through the profit and loss account over periods of 5 years or 20 years. Twenty-year depreciation is justified by the nature of the goodwill (clientele).

- **Intercompany transactions**

Liabilities and receivables, as well as income and expenses from intercompany transactions, are eliminated.

- **Exchange-rate conversions**

Profit and loss and balance sheet items of entities domiciled outside Switzerland and recorded in foreign currencies are converted into Swiss francs at the rate applying at year-end. The exchange differences resulting from the conversion of shareholders' equity are directly accounted for in equity under "Foreign-exchange differences".

Valuation methods

The consolidated financial statements are based on the Group companies' individual annual financial statements using uniform accounting principles and valuation methods. Adjustments to conform to the "true and fair view" are generally made to Treasury shares and bonds by deducting the corresponding liabilities.

Recording dates

All transactions are recorded on the books at the date of transaction.

Currencies, banknotes and precious metals

Positions held in foreign currencies are converted into Swiss francs at the following year-end rates:

| Main currencies | Unit | Exchange rate | Exchange rate |
|-----------------|------|---------------|---------------|
| | | 31.12.2009 | 31.12.2008 |
| US Dollar | 1 | 1.0314 | 1.056 |
| Euro | 1 | 1.4858 | 1.4885 |
| Pound Sterling | 1 | 1.6628 | 1.5257 |
| Yen | 100 | 1.1183 | 1.1705 |

Income and expenses are converted at the rate applying on the transaction date. Gains and losses arising from conversion are reported under the heading "Results of trading operations".

Cash and receivables from money-market instruments

Cash is reported on the balance sheet at its face value. Book receivables are recorded at cost.

Due from banks, customers and mortgage loans

Receivables and liabilities are recorded at their face values. Receivables on the balance sheet are valued at no more than the value they represent for the Bank. Provisions made to cover potential losses known or estimated at the balance sheet date are booked as a reduction in the value of the corresponding assets. Interest and corresponding commissions which are unpaid 90 days from the due date are considered corresponding assets. In such a case, they are only shown in the profit and loss account at the time when the payment is actually made.

For consumer-credit portfolios (personal loans and leasing) consisting of many similar loans, individual provisions are determined on a portfolio basis using general historical data.

Repurchase and reverse repurchase agreements

Transactions in securities using repurchase and reverse repurchase agreements (repos) are recorded on the books as follows:

- sums in cash that are transacted are recorded on the balance sheet;
- the transfer of securities is not recorded on the balance sheet so long as the seller retains the rights to them;
- the subsequent transfer of received securities is entered on the balance sheet as a non-monetary liability at market value.

Trading portfolios

Securities held in portfolios are recorded on the balance sheet at their year-end market values. Results are recorded under "Results from trading operations".

In accordance with the Group's principle of true and fair view, Treasury securities are not marked to market, but recorded at their face values and reported by reducing the corresponding liability positions.

Treasury shares are recorded at Group level by deducting their acquisition cost from shareholders' equity, under a separate position called "Treasury shares". Payment of dividends and results of subsequent transfers are attributed to "Capital reserve".

Financial investments

Financial investments include securities held for the long term and companies bought for strategic purposes and which are likely to be sold in the medium term.

Other debt and equity investments are valued either using the principle of valuation at the lower of cost or market, or on the accrual principle for securities that are to be held to maturity. The net impact of the changes in value is recorded in ordinary income or expenses. Buildings acquired in the course of lending operations and intended for resale are carried on the balance sheet at cost, less any adjustments in value and liquidation costs, on the principle of lowest market value.

Fixed assets

Fixed assets are carried on the balance sheet at acquisition cost and are subject to straight-line depreciation over their foreseeable life, but not exceeding the following periods in 2008 and 2009:

| | |
|--------------------------------|---------------|
| Buildings occupied by the Bank | 100 years |
| Fixtures | 10 years |
| Furniture and refurbishments | 8 years |
| Office machines | 5 years |
| IT programs and equipment | 3 to 10 years |

Taxation

An assessment of the taxes due for the year is entered into the accounts according to the income earned. The impact of delimiting the Group's taxes is shown under deferred taxes. Tax credits (tax losses) have not been activated in order to be conservative.

Open derivative instruments

Positions in financial instruments open at year-end are reported at their market values. Adjustments made to replacement values are accounted for according to the purpose of the underlying transaction:

- active trading positions, at market price in the profit and loss account,
- hedging positions in accordance with the valuation of the underlying transaction hedged.

In this last case, the replacement value is recorded in "compensation accounts" under the heading "Other assets" or "Other liabilities".

Reserve for general banking risks

The reserves for general banking risks are precautionary reserves accumulated by making extraordinary charges to cover general business risks. These reserves are taxed.

Modification of general accounting and valuation principles

The Bank has not changed its accounting principles.

4. RISK MANAGEMENT

The Board of Directors establishes risk policy according to legal requirements and this is consistently applied in all the Group's entities. The Bank has set up a number of risk committees to assess, monitor and manage risks. The Board of Directors has carried out an analysis of the Group's principal risks. In that analysis, it has taken account of the existing internal control system.

Basic principles

The risk limits for each business type are established by the Board of Directors. These enable allocation of equity and diversification of the risks that are taken. Similarly, the Board of Directors sets the country limits and bank limits, taking account of financial fluctuations and geopolitical risks.

All members of the Executive Board are responsible for the revenues and costs arising from risk positions in their divisions, and must take the necessary action to manage and reduce risk.

Risk control is separated from operating units that generate revenue. The Risk Management and Compliance department strengthens the front office and control functions. Its role is to analyse, evaluate and inform the various dedicated committees on the financial, legal and compliance impacts of exposure to the risks.

4.1. Consolidated supervision

The organisation of risk control within the Group is based on the Bank's own management principles. The aim is a comprehensive understanding of risks and their uniform control at consolidated level.

The Risk Control Department in the Finance and Risk Control Division consolidates overall positions and their analyses. The distribution of reports and their systematic review with the front-office divisions during Risk and ALM (Asset and Liability Management) committee meetings have made the overall approach more effective.

4.2. Counterparty risks

Counterparty or credit risks are the loss the Group suffers if a counterparty defaults.

Credits are granted under a system of delegation of competences, based on the size of the loan, and subjected to a system of expert rating. This lays down different conditions which are to be applied depending on the borrower's financial situation and the type of transaction.

A credit committee examines applications and authorises operations in line with the delegated competence and the policy defined. This policy encompasses the undertakings of the Group's clients and corresponding institutions originating in the loan and guarantee issuance businesses, together with undertakings in respect of currency, property and derivative-product transactions.

Risk for commercial loans is assessed every year. For mortgage loans, the interval for reviewing collateral is defined by the loan-to-value ratio and the type of property.

Ratings are allocated to borrowers by an expert rating system (10 grades from A+ to E-) and are updated by dedicated systems. Ratings from F to I for at-risk business are calculated by the Bank using the indications of its credit regulations. All of that information is provided to risk control. A significant drop in ratings triggers a risk-assessment process, and if necessary, the setting up of provisions and the transfer of the case to the Debt Recovery and Workout unit.

Non-performing and impaired loans are assessed individually and the reduction in value is recorded in a correction to individual valuations. Non-performing loans and collateral obtained are valued at liquidation value, taking into account any correction for the debtor's solvency. Off-balance sheet transactions are also included in this assessment.

Risks associated with international trade finance are permanently monitored and analysed. The dedicated IT system connected to the risk control system performs situation analyses, which list each client with its ratings, limits and outstanding financings. Commodity analyses complete the picture.

4.3. Risk concentration

Major risks (large risks in the meaning of art. 83 FRO) are monitored regularly and reported quarterly to the Board of Directors and to the independent auditors.

The integrated IT system for risk control calculates the funding requirements for each transaction and aggregates them by economic group. For the purpose of risk prevention, strict attention is paid to possible credit bunching. The Fondation de valorisation has received special FINMA dispensation in this regard. These positions are constantly monitored.

4.4. Market risks

Market risks reside in the potential for losses from exchange-rate fluctuations, interest rates and property prices for any position held by the Group.

Market risk control requires that open positions must be identified, measured and controlled. Evaluation of the trading portfolio and supervision of limits are carried out on a single system, allowing risks incurred to be evaluated without delay and a report to be produced on a daily basis. An independent department is tasked with permanently monitoring the trading transactions, compliance with the limits and stop-loss arrangements. Connection to the centralised risk-control IT system also offers synchronised reports on capital requirements for these trading transactions. The Bank has a policy of maintaining low exposure to market risks in commodities trading.

The main market risks to which the Group is exposed are the following :

Rate risks

Rate risks are those risks arising from fluctuations in the value of nontrading portfolio positions as a result of changes in interest rates. The policy on interest-rate risks is approved by the Board of Directors, which delegates its implementation to the Executive Board. The ALM (Asset and Liability Management) Committee meets monthly. The Committee contributes to decisions on steering the Bank's balance sheet in the light of possible trends in business, the financial market situation and other parameters. In compliance with legal requirements, the ALM Committee analyses the effects of rate fluctuations on income (short-term) and on value (long-term) and manages them within the limits defined by the Board of Directors.

Exchange-rate risks

Exchange-rate risks stem from changes in the value of positions denominated in foreign currencies that are caused by fluctuations in the exchange rates of those currencies against the Swiss franc.

Share-price risks

Share-price risks concern the changes in values of share positions and instruments that behave in a similar way to shares.

The share-price risk policy is approved by the Board of Directors, which delegates its control to the Executive Board. The Asset Liability Management (ALM) Committee meets once a month. This Committee helps to make decisions on handling share-price risks.

4.5. Operating risks

Operating risks are defined as the risk of losses resulting from inadequate or failing internal procedures, persons or systems or from external events. The level of automation of such processes and internal control measures can limit these risks.

The Bank has put in place a model of production processes to monitor points of control, function separation and validation in operations processing.

The management of operating risks has been improved by the introduction of a management tool dedicated to such risks. This makes it possible to monitor and record incidents with the aim of improving the quality of information entered in the database, which will lead to an improvement in the internal control function.

Administrative instructions and other internal guidelines are regularly updated and made accessible to all staff members on the Bank's Intranet. Furthermore, there is an internal control unit in the Bank which monitors compliance with procedures and information flows, and another which ensures that internal regulations have been properly adapted to legal requirements.

4.6. Compliance risks

Compliance risks are risks of exposure either to financial loss or damage to reputation as a result of failure to conform to provisions, standards and regulations or legal and regulatory penalties.

The aim of the Compliance Section, which is part of the Risk Control and Compliance Division, is to maintain the Bank's reputation by monitoring regulations in respect of money laundering, financing of terrorism and fraud, and regulatory and legal provisions. It ensures that the Bank's activities and internal guidelines comply with these regulations.

4.7. Legal risks

The Legal Department reports directly to the CEO. Its mission is to identify legal risks, defend the Bank's interests and support asset managers in their client relationships. The Legal Department gets involved once a potential risk has been identified. It assesses the problem and, if appropriate, retains an external lawyer with whom it handles the case.

The funding of legal risks is examined on a case-by-case basis. Provisions for legal risks are booked as liabilities under "Valuation adjustments and provisions" (under "Other operating risks").

The Bank is currently involved in legal proceedings related to its past, acting, depending on the case, as defendant or plaintiff. The outcome of these proceedings cannot be predicted for the time being.

5. INFORMATION RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.1 Summary of collateral for loans and

off-balance-sheet operations (in CHF 1,000)

| | Type of collateral | | | Total |
|--|--------------------|------------------|------------------|-------------------|
| | Mortgages | Other collateral | No collateral | |
| Loans | | | | |
| Due from clients | 532,512 | 919,798 | 2,202,355 | 3,654,665 |
| Mortgages, of which: | 7,582,168 | 21,641 | – | 7,603,809 |
| • Residential real estate | 6,082,315 | 21,641 | – | 6,103,956 |
| • Office and business premises | 1,137,461 | – | – | 1,137,461 |
| • Industrial property | 296,187 | – | – | 296,187 |
| • Other | 66,205 | – | – | 66,205 |
| Total loans 31.12.2009 | 8,114,680 | 941,439 | 2,202,355 | 11,258,474 |
| Total loans 31.12.2008 | 7,207,002 | 1,132,140 | 1,677,755 | 10,016,897 |
| Off-balance-sheet items | | | | |
| Contingent liabilities | – | – | 801,742 | 801,742 |
| • Guarantees /sureties | – | – | 94,476 | 94,476 |
| • Documentary credits | – | – | 707,266 | 707,266 |
| Irrevocable commitments | 94,099 | 104,120 | 301,856 | 500,075 |
| Commitments to subscribe capital or pay further sums | – | – | 39,011 | 39,011 |
| Acceptances | – | – | 50,378 | 50,378 |
| Off-balance-sheet total 31.12.2009 | 94,099 | 104,120 | 1,192,987 | 1,391,206 |
| Off-balance-sheet total 31.12.2008 | 118,961 | 128,568 | 693,862 | 941,391 |

| Impaired loans in CHF 1,000 | Estimated liquidation value | | | Individual adjustments |
|-----------------------------|-----------------------------|---------------|----------------|------------------------|
| | Gross amount | of guarantees | Net amount | |
| 31.12.2009 | 279,230 | 83,005 | 196,225 | 196,225 |
| 31.12.2008 | 286,839 | 62,374 | 224,465 | 224,465 |

5.2 Securities and precious metals held in trading portfolios (in CHF 1,000)

| | 31.12.2009 | 31.12.2008 |
|--|--------------|--------------|
| • Debt securities | | |
| - listed (traded on a recognised securities market) | – | 178 |
| • Equity securities | 50 | 472 |
| • Precious metals | 6,740 | 2,774 |
| Total securities and precious metals held in trading portfolios | 6,790 | 3,424 |

| 5.3 Financial investments (in CHF 1,000) | Book value | | Fair value | |
|--|------------------|----------------|------------------|----------------|
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| Financial investments | | | | |
| Debt securities | 1,167,459 | 584,776 | 1,176,685 | 593,330 |
| <i>of which valued by the accrual method</i> | 754,249 | – | 755,285 | – |
| <i>of which valued at lowest price</i> | 413,210 | 584,776 | 421,400 | 593,330 |
| Investments | 31,203 | 30,059 | 45,594 | 41,807 |
| <i>of which significant shareholders*</i> | 3,650 | 8,141 | 6,453 | 10,075 |
| Real estate | 5,605 | 6,590 | 5,628 | 6,590 |
| Total financial investments | 1,204,267 | 621,425 | 1,227,907 | 641,727 |
| <i>of which collateral eligible for repos in accordance with liquidity rules</i> | 1,167,459 | 584,776 | | |

* minimum 10% of capital or of votes

During the year, financial investments valued at lowest value were transferred to a portfolio valued by the accrual method at CHF 582 million, which reduced the profit by CHF 1.3 million.

| 5.4 Investments consolidated by the equity method (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
|--|---------------|---------------|
| Without listed value | 19,987 | 18,093 |
| Total investments consolidated by the equity method | 19,987 | 18,093 |

5.5 Scope of consolidation

| Company, head office | Business | Capital (en 1,000) | % stake |
|--|--------------------|--------------------|---------|
| Fully consolidated | | | |
| Banque Cantonale de Genève (France) SA, Lyon | Bank | EUR 15,250 | 100 |
| Capital Transmission SA, Genève | Investment | CHF 2,000 | 100 |
| Investments consolidated by the equity method | | | |
| Compagnie Foncière Franco-Suisse SAS, Lyon | Real estate | EUR 2,088 | 33.3 |
| Dixence SAS, Puteaux | Real estate | EUR 12,075 | 33.3 |
| Investissements Fonciers SA, Lausanne | Fund manager | CHF 1,000 | 42.0 |
| Swiss Public Finance Solutions SA, Genève | Financial Advisers | CHF 400 | 50.0 |

The Bank has other insignificant minority holdings.

| 5.6 Fixed assets (in CHF 1,000) | 31.12.2008 | | | 31.12.2009 | | | |
|---|-----------------|--------------------------|----------------|---------------|---------------|----------------|----------------|
| | Historical cost | Accumulated amortisation | Book value | Investments | Disposals | Amortisation | Book value |
| Investments | | | | | | | |
| Investments consolidated by equity method | 18,093 | – | 18,093 | 2,829 | -935 | – | 19,987 |
| Total investments | 18,093 | – | 18,093 | 2,829 | -935 | – | 19,987 |
| Real estate | | | | | | | |
| Bank premises | 148,258 | -16,740 | 131,518 | 5,328 | -157 | -3,705 | 132,984 |
| Other premises | 31,231 | -4,682 | 26,549 | – | -3,012 | -456 | 23,081 |
| Total real estate | 179,489 | -21,422 | 158,067 | 5,328 | -3,169 | -4,161 | 156,065 |
| Other tangible assets | 81,784 | -18,377 | 63,407 | 7,676 | -6 | -13,731 | 57,346 |
| Total tangible assets | 261,273 | -39,799 | 221,474 | 13,004 | -3,175 | -17,892 | 213,411 |
| Intangible assets | | | | | | | |
| Goodwill | 22,374 | -11,191 | 11,183 | – | – | -1,550 | 9,633 |
| Fire insurance value of real estate | | | 268,119 | | | | 285,818 |
| Fire insurance value of other tangible assets | | | 105,139 | | | | 98,976 |
| Commitments: future liabilities on operating leases | | | – | | | | – |

| 5.7 Other assets and liabilities (in CHF 1,000) | 31.12.2009 | | 31.12.2008 | |
|---|---------------|-------------------|---------------|-------------------|
| | other assets | other liabilities | other assets | other liabilities |
| Replacement values of financial instruments | 11,648 | 72,717 | 47,620 | 61,509 |
| Clearing account | 50,972 | – | 35,747 | – |
| Spread of gains on swaps | – | 2,095 | – | 4,281 |
| Federal tax | 5,918 | 15,646 | 2,195 | 21,852 |
| Securities & coupons | – | 541 | 604 | 1,155 |
| Issue costs/bond issues to be amortised | 1,042 | – | 1,366 | – |
| Other | 4,735 | 14,508 | 7,408 | 15,699 |
| Total | 74,315 | 105,507 | 94,940 | 104,496 |

**5.8 Assets pledged or assigned against the Bank's commitments
and assets sold with retention of title** (in CHF 1,000)

On 31.12.2009

| | On 31.12.2009 | |
|--|--|--------------------------|
| | Book value of assets pledged or consigned as collateral | Effective commitments |
| Swiss National Bank | | |
| Limit | 100,000 | – |
| Face value of securities and debts pledged | – | – |
| SIX Swiss Exchange | | |
| Face value of pledged securities | 31,046 | 11,808 |
| Mortgage-backed securities (in CHF 1,000) | | |
| | 31.12.2009 | 31.12.2008 |
| Face value of mortgage securities kept aside | 3,780,226 | 3,797,679 |
| Total borrowings | 2,181,000 | 2,385,000 |
| Securities lending and repo transactions (in CHF 1,000) | | |
| | 31.12.2009 | 31.12.2008 |
| Claims resulting from a cash pledge when borrowing securities or entering into a repurchase agreement | 445,432 | 1,044,920 |
| Commitments resulting from cash received in securities lending or repo transactions | 283,140 | 263,680 |
| Securities held for own account, lent or transferred as collateral for securities lending or repo transactions <i>of which securities with unrestricted rights of subsequent sale or pledge</i> | 284,208 284,208 | 265,462 265,462 |
| Securities received as collateral in securities lending and borrowing and in repo transactions, with unrestricted rights of subsequent sale or pledge <i>of which securities sold or remitted to a third party as collateral</i> | 445,517 – | 1,044,933 – |

| | | |
|---|-------------------|-------------------|
| 5.9 Liabilities towards own pension plans (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Towards the pension fund | – | – |
| As a custodian bank | 21,743 | 81,610 |

Employer's contribution reserve (in CHF 1,000)

The Bank financed a regulation change to the fund at the beginning of 2007. The unused portion of the financing is allocated to this reserve. Use of this reserve has not been renounced. The contribution reserve does not bear interest and is not discounted.

| | | |
|--|---------------------------------------|-------------------|
| Economic benefit/obligation and pensions contributions (in CHF 1,000) | Pension-fund excess assets | |
| | 31.12.2009 | 31.12.2008 |
| <i>Amount of excess assets in the pension-fund accounts as at 31.12.2008* : 0 (2007: 0)</i> | | |
| Economic benefit | 940 | 571 |
| Change in the economic benefit or obligation | 369 | 86 |
| Contribution adjusted to the period (including the result of the employer's contribution reserve) | 12,165 | 11,870 |
| Extraordinary contribution in case of application of time-limited measures in order to absorb shortfalls | – | – |
| Pension contributions with significant influencing factors – as part of payroll costs | 11,796 | 11,784 |

* The audited annual accounts of the pension fund as at 31.12.2009 are not available. As of 31.12.2008, the pension fund reported a liability coverage of 106.6 % to its regulator.

The Bank entered on the books the non-allocated part of the one-off payment under a change in the pension-fund regulations.

The BCGE pension plan constitutes the Group's main pension fund covering all the parent company's employees as well as the workforces of Swiss affiliated companies.

5.10 Outstanding bond issues

5.10.1 Bonds and mortgage-backed bonds

| | | |
|---|-------------------|-------------------|
| from Swiss cantonal banks (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Bonds | 120,000 | 319,050 |
| Mortgage-backed bonds | 2,181,000 | 2,385,000 |
| Total | 2,301,000 | 2,704,050 |
| Average interest at year-end | 3.07 % | 3.23 % |

5.10.2 Bonds

| | Maturity at call / final | Year of issue | Interest rate% | Face amount in CHF 1,000 | Securities held only by the bank in CHF 1,000 | Outstanding amount in CHF 1,000 | Amount by maturity in CHF 1,000 |
|-----------------------------------|-----------------------------|------------------|-------------------|--------------------------------|---|---------------------------------------|------------------------------------|
| | 2014 | 2004 | 3.5000 | 120,000 | – | 120,000 | 120,000 2014 |
| Total | | | | 120,000 | – | 120,000 | |
| <i>of which subordinated debt</i> | | | | <i>120,000</i> | <i>–</i> | <i>120,000</i> | |

* Subordinated

5.11 Valuation adjustments and provisions as well as reserves for general banking risks (in CHF 1,000)

| | Balance at end 2008 | Utilisation according to purpose | Recoveries non-performing interest, exchange differences | New provisions | Releases of provisions | Balance at end 2009 |
|---|------------------------|--|--|-------------------|---------------------------|------------------------|
| Valuation adjustments and provisions for default risks (collection and country risk) | 254,223 | -52,798 | -786 | 32,034 | -24,889 | 207,784 |
| Valuation adjustments and provisions on financial investments | 28,568 | -11,222 | -5 | 2,789 | -10,741 | 9,389 |
| Valuation adjustments and provisions for other operating risks | 3,550 | -978 | – | 2,042 | -54 | 4,560 |
| Value adjustments and provisions for deferred taxes | 5 | – | – | 152 | -90 | 67 |
| Other provisions | – | -1,180 | – | 1,180 | – | – |
| Total valuation adjustments and provisions | 286,346 | -66,178 | -791 | 38,197 | -35,774 | 221,800 |
| Valuation adjustments directly netted with assets | -282,791 | | | | | -218,455 |
| Total valuation adjustments and provisions as per balance sheet | 3,555 | | | | | 3,345 |

In the Group accounts and in accordance with legal requirements, the valuation adjustments and provisions are recorded gross.

| | | | | | | |
|--|---------------|----------|----------|----------|----------|---------------|
| Reserve for general banking risks | 75,000 | – | – | – | – | 75,000 |
|--|---------------|----------|----------|----------|----------|---------------|

5.12 Maturity structure of current assets, financial investments and debt (in CHF 1,000)

| | Sight | Redeemable | Time to maturity | | | | Fixed assets | Total |
|---|------------------|------------------|--------------------|-------------------|-------------------------|----------------------|---------------|-------------------|
| | | | Within 3 months | 3 to 12 months | 12 months to 5 years | More than 5 years | | |
| CURRENT ASSETS | | | | | | | | |
| Cash | 202,786 | – | – | – | – | – | – | 202,786 |
| Money-market instruments | 51 | – | – | – | – | – | – | 51 |
| Due from banks | 124,217 | – | 885,365 | 47,125 | 30,000 | – | – | 1,086,707 |
| Due from clients | – | 1,307,676 | 897,797 | 258,415 | 533,756 | 657,021 | – | 3,654,665 |
| Mortgages | – | 1,187,313 | 585,884 | 503,190 | 2,897,301 | 2,430,121 | – | 7,603,809 |
| Trading portfolios | 6,790 | – | – | – | – | – | – | 6,790 |
| Financial investments | – | – | 26,936 | 402,364 | 671,745 | 66,414 | 36,808 | 1,204,267 |
| Total current assets | | | | | | | | |
| 31.12.2009 | 333,844 | 2,494,989 | 2,395,982 | 1,211,094 | 4,132,802 | 3,153,556 | 36,808 | 13,759,075 |
| 31.12.2008 | 261,489 | 2,670,872 | 3,317,943 | 1,181,424 | 3,449,495 | 2,390,362 | 36,674 | 13,308,259 |
| DEBT | | | | | | | | |
| Money-market instruments | – | – | 657 | – | – | – | – | 657 |
| Due to banks | 181,432 | – | 394,029 | 769 | – | – | – | 576,230 |
| Due to clients on savings and deposit accounts | 5,511,893 | – | – | – | – | – | – | 5,511,893 |
| Due to clients, other | 4,275,283 | – | 139,622 | 48,764 | 6,426 | – | – | 4,470,095 |
| Medium-term notes | – | – | 13,076 | 45,431 | 55,668 | 6,558 | – | 120,733 |
| Mortgage-backed bonds | – | – | 26,000 | 196,000 | 1,054,000 | 1,025,000 | – | 2,301,000 |
| Total debt | | | | | | | | |
| 31.12.2009 | 9,968,608 | – | 573,384 | 290,964 | 1,116,094 | 1,031,558 | – | 12,980,608 |
| 31.12.2008 | 8,145,919 | – | 1,501,934 | 701,508 | 1,066,573 | 1,170,007 | – | 12,585,941 |

| 5.13 Amounts due to/from affiliates and loans to officers (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
|---|-------------------|-------------------|
| Due from affiliates | 206,057 | 731,573 |
| <i>of which "Fondation de valorisation"</i> | <i>157,390</i> | <i>297,822</i> |
| Due to affiliates | 356,191 | 68,553 |
| Loans to officers | 3,981 | 2,042 |

Due from affiliates (excluding the "Fondation de valorisation") are mostly mortgages to property development foundations created under public law of the State of Geneva. Due to affiliates corresponds to the current accounts of these foundations created under public law. Operations with the "Fondation de valorisation" are carried out in conditions that are in accordance with those applied to public institutions.

Loans to officers of the Bank are mainly mortgage loans granted to directors and members of the Executive Board at conditions identical to those granted to other Bank employees.

Loans and liabilities in respect of qualifying persons noted at the foot of the balance sheet result from banking transactions executed at conditions granted to public bodies.

The Bank paid CHF 4.3 mn in fees to the State of Geneva for the simple guarantee on the loans to the "Fondation de valorisation" (CHF 0.5 mn) and for the guarantee on savings accounts (CHF 3.8 mn).

| 5.14 Assets and liabilities by domestic and foreign origin (in CHF 1,000) | 31.12.2009 | | 31.12.2008 | |
|--|-------------------|------------------|-------------------|------------------|
| | Domestic | Foreign | Domestic | Foreign |
| ASSETS | | | | |
| Cash | 182,382 | 20,404 | 164,754 | 11,137 |
| Money-market instruments | 51 | – | 751,480 | – |
| Due from banks | 584,813 | 501,894 | 810,042 | 929,100 |
| Due from clients | 2,401,082 | 1,253,583 | 2,288,445 | 936,483 |
| Mortgages | 7,406,833 | 196,976 | 6,650,843 | 141,126 |
| Trading portfolios | 6,740 | 50 | 3,240 | 184 |
| Financial investments | 868,874 | 335,393 | 260,496 | 360,929 |
| Investments consolidated by the equity method | 7,465 | 12,522 | 7,097 | 10,996 |
| Fixed assets | 212,653 | 758 | 220,713 | 761 |
| Intangible assets | 9,633 | – | 11,183 | – |
| Accrued income and prepaid expenses | 36,951 | 1,135 | 35,164 | 1,209 |
| Other assets | 73,853 | 462 | 93,199 | 1,741 |
| Total assets | 11,791,330 | 2,323,177 | 11,296,656 | 2,393,666 |
| LIABILITIES | | | | |
| Money-market instruments | 657 | – | 1,280 | – |
| Due to banks | 344,543 | 231,687 | 376,031 | 136,498 |
| Due to clients on savings and deposit accounts | 4,940,975 | 570,918 | 4,485,027 | 512,414 |
| Due to clients, other | 3,282,185 | 1,187,910 | 3,623,894 | 590,101 |
| Medium-term notes | 120,733 | – | 156,646 | – |
| Bonds and mortgage-backed bonds | 2,301,000 | – | 2,704,050 | – |
| Accrued expenses and deferred income | 65,347 | 2,591 | 80,442 | 3,417 |
| Other liabilities | 92,390 | 13,117 | 104,117 | 379 |
| Valuation adjustments and provisions | 3,345 | – | 3,555 | – |
| Reserve for general banking risks | 75,000 | – | 75,000 | – |
| Share capital | 360,000 | – | 360,000 | – |
| Capital reserve | 311,912 | – | 312,141 | – |
| Retained earnings | 169,026 | – | 126,825 | – |
| Treasury shares | -27,203 | – | -26,514 | – |
| Foreign-exchange differences | -3,214 | – | -3,102 | – |
| Net profit for the year | 71,588 | – | 68,121 | – |
| Total liabilities | 12,108,284 | 2,006,223 | 12,447,513 | 1,242,809 |

| 5.15 Total assets by country or group of countries (in CHF 1,000) | 31.12.2009 | | 31.12.2008 | |
|---|-------------------|--------------|-------------------|--------------|
| | Amount | % | Amount | % |
| Europe • France | 943,380 | 6.7 | 711,410 | 5.2 |
| • United Kingdom | 158,084 | 1.1 | 110,024 | 0.8 |
| • Germany | 150,880 | 1.1 | 326,079 | 2.4 |
| • Denmark | 100,043 | 0.7 | 212,004 | 1.5 |
| • Other | 469,188 | 3.3 | 581,114 | 4.3 |
| United States | 66,815 | 0.5 | 109,282 | 0.8 |
| Other | 434,787 | 3.1 | 343,753 | 2.5 |
| Assets abroad | 2,323,177 | 16.5 | 2,393,666 | 17.5 |
| Domestic | 11,791,330 | 83.5 | 11,296,656 | 82.5 |
| Total assets | 14,114,507 | 100.0 | 13,690,322 | 100.0 |

5.16 Balance sheet by currency (in CHF 1,000 au 31.12.2009)

| | Currency | | | | |
|--|-------------------|------------------|------------------|---------------|---------------|
| | CHF | USD | EUR | OTHER | METALS |
| ASSETS | | | | | |
| Cash | 125,393 | 3,731 | 70,423 | 3,239 | – |
| Money-market instruments | 46 | 5 | – | – | – |
| Due from banks | 595,344 | 132,259 | 282,190 | 49,234 | 27,680 |
| Due from clients | 2,052,922 | 793,042 | 800,732 | 7,969 | – |
| Mortgages | 7,575,507 | 2,744 | 25,558 | – | – |
| Trading portfolios | – | 36 | 7 | 7 | 6,740 |
| Financial investments | 1,192,607 | 5,116 | 6,544 | – | – |
| Investments consolidated by the equity method | 13,836 | – | 6,151 | – | – |
| Fixed assets | 212,653 | – | 758 | – | – |
| Intangible assets | 9,633 | – | – | – | – |
| Accrued income and prepaid expenses | 36,951 | – | 1,135 | – | – |
| Other assets | 73,026 | 723 | 560 | 6 | – |
| Total asset positions | 11,887,918 | 937,656 | 1,194,058 | 60,455 | 34,420 |
| Delivery claims from spot exchange deals, forward exchange deals and currency-option transactions | 1,768,662 | 269,930 | 265,006 | 20,412 | 3,162 |
| Total assets | 13,656,580 | 1,207,586 | 1,459,064 | 80,867 | 37,582 |
| LIABILITIES | | | | | |
| Money-market instruments | 524 | 29 | 104 | – | – |
| Due to banks | 218,460 | 243,150 | 108,102 | 6,518 | – |
| Due to clients on savings and deposit accounts | 5,403,860 | – | 108,033 | – | – |
| Due to clients, other | 2,991,154 | 417,884 | 966,933 | 59,720 | 34,404 |
| Medium-term notes | 120,733 | – | – | – | – |
| Bonds and mortgage-backed bonds | 2,301,000 | – | – | – | – |
| Accrued expenses and deferred income | 65,346 | – | 2,592 | – | – |
| Other liabilities | 92,355 | 9 | 13,143 | – | – |
| Valuation adjustments and provisions | 3,278 | – | 67 | – | – |
| Reserve for general banking risks | 75,000 | – | – | – | – |
| Share capital | 360,000 | – | – | – | – |
| Capital reserve | 311,912 | – | – | – | – |
| Retained earnings / accumulated deficit | 169,026 | – | – | – | – |
| Treasury shares | -27,203 | – | – | – | – |
| Foreign-exchange differences | -3,214 | – | – | – | – |
| Net profit for the year | 71,588 | – | – | – | – |
| Total liability positions | 12,153,819 | 661,072 | 1,198,974 | 66,238 | 34,404 |
| Delivery claims from spot exchange deals, forward exchange deals and currency-option transactions | 1,560,087 | 451,337 | 297,194 | 19,449 | 3,162 |
| Total liabilities | 13,713,906 | 1,112,409 | 1,496,168 | 85,687 | 37,566 |
| Net position by currency | -57,326 | 95,177 | -37,104 | -4,820 | 16 |

| 5.17 Open derivative instruments at year-end (in CHF 1,000) | Trading Instruments | | | Hedging Instruments | | |
|--|---------------------|---------------|----------------|---------------------|---------------|------------------|
| | Positive | Negative | Contract | Positive | Negative | Contract |
| | replacement | replacement | | replacement | replacement | |
| value | value | volume | value | value | volume | |
| Interest-rate instruments | | | | | | |
| Forward contracts inc. FRAs | – | – | – | – | – | – |
| Swaps | 231 | 199 | 22,145 | – | 60,689 | 1,423,833 |
| Futures | – | – | – | – | – | – |
| Options (OTC) | 32 | 92 | 5,611 | 4,293 | 2,948 | 242,440 |
| Total interest-rate instruments | 263 | 291 | 27,756 | 4,293 | 63,637 | 1,666,273 |
| Currencies / precious metals | | | | | | |
| Forward contracts inc. FRAs | 1,377 | 733 | 161,416 | – | – | – |
| Combined interest-rate and currency swaps | 2,057 | 6,740 | 414,770 | 2,342 | – | 53,985 |
| Options (OTC) | 1,316 | 1,316 | 2,972 | – | – | – |
| Total currencies / precious metals | 4,750 | 8,789 | 579,158 | 2,342 | – | 53,985 |
| Equity securities / indices | | | | | | |
| Futures | – | – | – | – | – | – |
| Exchange-traded options | – | – | – | – | – | – |
| Total equity securities / indices | – | – | – | – | – | – |
| Total at 31.12.2009 | 5,013 | 9,080 | 606,914 | 6,635 | 63,637 | 1,720,258 |
| Total at 31.12.2008 | 13,456 | 17,078 | 655,388 | 34,164 | 44,431 | 1,713,256 |

The Bank did not enter into any specific netting contracts.

| 5.18 Interest income (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
|--|----------------|----------------|
| Banks | 13,178 | 32,586 |
| Clients | 297,438 | 387,147 |
| Bills of exchange and money-market instruments | 90 | 5,015 |
| Interest and dividends earned on financial investments | 17,788 | 15,965 |
| Interest and dividends earned on trading portfolios | – | 78 |
| Total | 328,494 | 440,791 |

| 5.19 Interest expenses (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
|---------------------------------------|----------------|----------------|
| Banks | 1,300 | 7,052 |
| Clients | 54,731 | 115,905 |
| Debts | 77,437 | 87,531 |
| Subordinated debts | 4,200 | 8,750 |
| Other | 2,777 | 8,747 |
| Total | 140,445 | 227,985 |

| 5.20 Trading results (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
|--|---------------|---------------|
| Currency and banknote trading, including derivatives | 15,719 | 16,637 |
| Precious-metal trading | 442 | 311 |
| Securities trading | 1,629 | -316 |
| Total | 17,790 | 16,632 |

| | | |
|---|-------------------|-------------------|
| 5.21 Payroll expenses (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Salaries and bonus payments | 99,268 | 96,598 |
| Social security benefits | 10,198 | 9,408 |
| Contributions to the pension fund | 11,796 | 11,784 |
| Other staff expenses | 4,291 | 4,886 |
| Total | 125,553 | 122,676 |
| 5.22 Other operating expenses (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Occupancy expenses | 13,609 | 12,817 |
| IT expenses | 32,423 | 41,141 |
| Office equipment, furniture, vehicles | 194 | 255 |
| Other operating expenses | 46,265 | 40,688 |
| Total | 92,491 | 94,901 |
| 5.23 Depreciation of fixed assets (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Permanent installations | 2,773 | 3,147 |
| Appliances, fixtures and telecommunications, IT programs and equipment | 12,009 | 6,687 |
| Office equipment, furniture and vehicles | 3,110 | 3,019 |
| Intangible assets | 1,550 | 1,119 |
| Total | 19,442 | 13,972 |
| 5.24 Valuation adjustments, provisions and losses (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Value adjustments and provisions for loan recovery risks | 7,145 | 27,457 |
| Value adjustments and provisions for other operating risks | 1,988 | -2,937 |
| Other provisions | 1,180 | 584 |
| Total | 10,313 | 25,104 |
| 5.25 Extraordinary income (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Reserve for general banking risks | – | 10,100 |
| Sale of fixed assets | 1,408 | 1,592 |
| Other | 211 | 71 |
| Total | 1,619 | 11,763 |
| 5.26 Extraordinary expenses (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Commission for the Canton of Geneva's simple guarantee on the loan to the "Fondation de valorisation" | 434 | 1,000 |
| Other | – | 15 |
| Total | 434 | 1,015 |

| 5.27 Income and expenses of ordinary banking activities (in CHF 1,000) | 31.12.2009 | | 31.12.2008 | |
|---|------------|---------|------------|---------|
| | Domestic | Foreign | Domestic | Foreign |
| Income from interest-rate operations | 179,723 | 8,326 | 203,030 | 9,776 |
| Income from commissions and services | 95,719 | 3,632 | 88,622 | 4,085 |
| Income from trading | 17,790 | – | 16,632 | – |
| Other ordinary income | 26,539 | 1,473 | -2,816 | -686 |
| Operating expenses | -209,459 | -8,585 | -208,788 | -8,789 |
| Gross profit | 110,312 | 4,846 | 96,680 | 4,386 |

2009 financial statements and notes

Parent company

Report of the statutory auditor

To the General meeting of
Banque Cantonale de Genève, Geneva

English translation of
French official version

Report on the financial statements

As statutory auditor, we have audited the financial statements (pages 116 to 124) of Banque Cantonale de Genève, which comprise the balance sheet, profit and loss account and notes for the year ended December 31, 2009.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the Bank's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2009 comply with Swiss law and the Bank's articles of incorporation.


Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Bank's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte SA



Alexandre Buga
Licensed audit expert
Auditor in charge



Nicolas Heiniger
Licensed audit expert

Geneva, February 25, 2010

| | |
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Balance sheet before allocation

Parent company

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| | Notes | 31.12.2009 in CHF 1,000 | 31.12.2008 in CHF 1,000 | Change in CHF 1,000 |
|---|-------|----------------------------|----------------------------|------------------------|
| ASSETS | | | | |
| Cash | | 182,382 | 164,755 | 17,627 |
| Money-market instruments | | 51 | 751,480 | -751,429 |
| Due from banks | | 1,402,900 | 2,028,658 | -625,758 |
| Due from clients | | 3,269,421 | 2,889,479 | 379,942 |
| <i>of which "Fondation de valorisation"</i> | | 157,390 | 297,822 | -140,432 |
| Mortgages | | 7,603,809 | 6,791,969 | 811,840 |
| Trading portfolios | | 32,203 | 27,387 | 4,816 |
| Financial investments | | 1,204,259 | 621,230 | 583,029 |
| Investments in Group companies | | 73,328 | 91,470 | -18,142 |
| Fixed assets | | 227,177 | 241,233 | -14,056 |
| Accrued income and prepaid expenses | | 36,858 | 35,362 | 1,496 |
| Other assets | 4.13 | 73,831 | 93,123 | -19,292 |
| Total assets | | 14,106,219 | 13,736,146 | 370,073 |
| Total subordinated claims | | 15,719 | 15,935 | -216 |
| Total due from Group companies and qualified participants | | 611,986 | 553,586 | 58,400 |
| <i>of which total claims on the Canton of Geneva</i> | | 196,245 | 175,855 | 20,390 |
| LIABILITIES | | | | |
| Money-market instruments | | 657 | 1,280 | -623 |
| Due to banks | | 600,738 | 541,691 | 59,047 |
| Due to clients on savings and deposit accounts | | 5,511,893 | 4,997,441 | 514,452 |
| Due to clients, other | | 4,448,836 | 4,223,784 | 225,052 |
| Medium-term notes | | 120,733 | 156,646 | -35,913 |
| Bonds and mortgage-backed bonds | | 2,301,000 | 2,705,000 | -404,000 |
| Accrued expenses and deferred income | | 65,346 | 80,624 | -15,278 |
| Other liabilities | 4.13 | 92,261 | 103,453 | -11,192 |
| Valuation adjustments and provisions | 4.10 | 2,967 | 3,239 | -272 |
| Reserve for general banking risks | 4.10 | 75,000 | 75,000 | - |
| Share capital | 4.7 | 360,000 | 360,000 | - |
| General legal reserve | | 456,851 | 419,851 | 37,000 |
| Retained earnings | | 5,217 | 4,575 | 642 |
| Net profit for the year | | 64,720 | 63,562 | 1,158 |
| Total liabilities | | 14,106,219 | 13,736,146 | 370,073 |
| Total subordinated debt | | 120,000 | 120,000 | - |
| Total due to Group companies and qualified participants | | 287,060 | 305,298 | -18,238 |
| <i>of which total due to the Canton of Geneva</i> | | 210,539 | 180,616 | 29,923 |
| OFF-BALANCE-SHEET OPERATIONS | | | | |
| Contingent liabilities | | 801,847 | 506,819 | 295,028 |
| Irrevocable commitments | | 500,075 | 365,500 | 134,575 |
| Commitments to subscribe capital or pay further sums | | 39,011 | 39,011 | - |
| Loans by acceptances | | 50,378 | 30,166 | 20,212 |
| Financial derivatives: | | | | |
| - underlying amounts | | 2,327,172 | 2,368,644 | -41,472 |
| - positive replacement values | | 11,648 | 47,620 | -35,972 |
| - negative replacement values | | 72,717 | 61,509 | 11,208 |
| Fiduciary transactions | 4.11 | 81,043 | 345,744 | -264,701 |

Profit and loss account

Parent company

| | Notes | 31.12.2009 in CHF 1,000 | 31.12.2008 in CHF 1,000 | Change in CHF 1,000 |
|---|-------|----------------------------|----------------------------|------------------------|
| INTEREST INCOME AND EXPENSES | | | | |
| Interest and discount income | | 301,636 | 410,400 | -108,764 |
| Interest and dividends from trading portfolios | | 665 | 688 | -23 |
| Interest and dividends from financial investments | | 17,788 | 15,957 | 1,831 |
| Interest expenses | | -140,266 | -226,613 | 86,347 |
| <i>Net interest income</i> | | <i>179,823</i> | <i>200,432</i> | <i>-20,609</i> |
| COMMISSION AND FEE INCOME | | | | |
| Commission income from lending | | 40,583 | 30,816 | 9,767 |
| Commission income from trading, securities and deposits | | 44,446 | 46,206 | -1,760 |
| Commission income from other services | | 19,848 | 15,961 | 3,887 |
| Commission expenses | | -9,295 | -8,179 | -1,116 |
| <i>Net commission and fee income</i> | | <i>95,582</i> | <i>84,804</i> | <i>10,778</i> |
| RESULT OF TRADING OPERATIONS | | | | |
| <i>Net result of trading operations</i> | 4.12 | <i>18,647</i> | <i>11,329</i> | <i>7,318</i> |
| OTHER ORDINARY RESULTS | | | | |
| Income from sale of financial investments | | 7,962 | 2,112 | 5,850 |
| Income from investments | | 19,277 | 1,741 | 17,536 |
| Real-estate income | | 366 | 659 | -293 |
| Other ordinary income | | 17,252 | 7,583 | 9,669 |
| Other ordinary expenses | | -118 | -13,446 | 13,328 |
| <i>Other ordinary income, net</i> | | <i>44,739</i> | <i>-1,351</i> | <i>46,090</i> |
| Net operating income | | 338,791 | 295,214 | 43,577 |
| OPERATING EXPENSES | | | | |
| Payroll expenses | | -120,512 | -114,577 | -5,935 |
| Other operating expenses | | -88,895 | -88,797 | -98 |
| <i>Net operating expenses</i> | | <i>-209,407</i> | <i>-203,374</i> | <i>-6,033</i> |
| Gross profit | | 129,384 | 91,840 | 37,544 |
| Depreciation of fixed assets | 4.4 | -41,797 | -13,076 | -28,721 |
| Valuation adjustments, provisions and losses | | -9,863 | -22,992 | 13,129 |
| Results before extraordinary items and taxes | | 77,724 | 55,772 | 21,952 |
| Extraordinary income | 4.5 | 1,429 | 12,140 | -10,711 |
| Extraordinary expenses | 4.6 | -434 | -1,000 | 566 |
| Taxes | | -13,999 | -3,350 | -10,649 |
| Net profit for the year | | 64,720 | 63,562 | 1,158 |

Statement of shareholders' equity

Parent company

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in CHF 1,000

SHAREHOLDERS' EQUITY AT 1 JANUARY 2009

| | |
|---|----------------|
| Share capital | 360,000 |
| General legal reserve | 419,851 |
| Reserve for general banking risks | 75,000 |
| Profit | 68,137 |
| Total shareholders' equity at 1 January 2009 | 922,988 |

| | |
|---|----------------|
| Allocation to the general legal reserve from the previous year's profit | -37,000 |
| Dividend from the previous year's profit | -21,600 |
| Special allocation to the State of Geneva (20% of the dividend paid) | -4,320 |
| Other allocations | 37,000 |
| Profit for the year | 64,720 |
| Total shareholders' equity at 31 December 2009 | 961,788 |

of which

| | |
|--|---------|
| <i>Share capital</i> | 360,000 |
| <i>General legal reserve</i> | 456,851 |
| <i>Reserve for general banking risks</i> | 75,000 |
| <i>Profit</i> | 69,937 |

1. BUSINESS ACTIVITIES AND STAFF

The Bank's business and the outsourcing of its IT system are described in the notes to the consolidated financial statements.

| Staff numbers | 31.12.2009 | 31.12.2008 |
|-----------------------|------------|------------|
| Full-time equivalents | 742.8 | 752.6 |
| Number of employees | 803 | 809 |

2. ACCOUNTING AND VALUATION PRINCIPLES ADOPTED IN THE ANNUAL ACCOUNTS

The financial statements of the parent company are drawn up according to Group principles with the exception of the restatement of certain items to present a true and fair representation of the consolidated financial statements, principally the treatment of BCGE bonds and Treasury shares. In addition, companies within the scope of consolidation and presented in note 3 to the consolidated financial statements are valued at the acquisition cost less depreciation where judged appropriate.

3. RISK MANAGEMENT

Please refer to paragraph 4 of the notes to the consolidated financial statements for our statements on risk management.

4. NOTES TO PARENT COMPANY ACCOUNTS

4.1 Assets pledged or assigned against the Bank's commitments and assets with retention of ownership (in CHF 1,000)

| | Book value of assets pledged or assigned | Commitments |
|---|--|-------------|
| Swiss National Bank | | |
| Limit | 100,000 | – |
| Face value of securities and claims pledged | – | – |

SIX Swiss Exchange

| | | |
|----------------------------------|--------|--------|
| Face value of blocked securities | 31,046 | 11,808 |
|----------------------------------|--------|--------|

Mortgage-backed securities from Swiss cantonal banks (in CHF 1,000)

| | 31.12.2009 | 31.12.2008 |
|--|------------|------------|
| Face value of mortgage-backed securities | 3,780,226 | 3,797,679 |
| Total borrowings | 2,181,000 | 2,385,000 |

Securities lending and repo transactions (in CHF 1,000)

| | 31.12.2009 | 31.12.2008 |
|---|------------|------------|
| Claims resulting from a cash pledge when borrowing securities or entering into a repurchase agreement | 445,432 | 1,044,920 |
| Commitments resulting from cash received in securities lending or repo transactions | 283,140 | 263,680 |
| Securities held on own account, loaned or transferred as collateral in securities lending or repo transactions | 284,208 | 265,462 |
| <i>of which securities with unrestricted rights of subsequent transfer or pledge</i> | 284,208 | 265,462 |
| Securities received as collateral in securities lending and borrowing, and repo transactions, with unrestricted rights of subsequent sale or pledge | 445,517 | 1,044,933 |
| <i>of which securities transferred or remitted to a third party as collateral</i> | – | – |

| | | |
|--|-------------------|-------------------|
| 4.2 Liabilities towards the Bank's pension and retirement fund (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Liabilities towards the pension fund | – | – |
| Liabilities towards the pension fund as a custodian bank | 21,743 | 81,610 |

Please refer to item 5.9 (page 102) in "Notes to the 2009 Consolidated Financial Statements".

| | | |
|--|-------------------|-------------------|
| 4.3 Amounts due to/from affiliates and loans to officers (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Due from affiliates | 206,057 | 731,573 |
| <i>of which "Fondation de valorisation"</i> | <i>157,390</i> | <i>297,822</i> |
| Due to affiliates | 356,191 | 68,553 |
| Loans to officers | 3,981 | 2,042 |

Please refer to item 5.13 of the "Notes to the 2009 Consolidated Financial Statements" (page 105).

| | | |
|---|-------------------|-------------------|
| 4.4 Depreciation of fixed assets (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Fixtures | 2,773 | 2,556 |
| Installations, fittings, security and telecommunications equipment, IT plant and equipment and programs | 12,513 | 6,672 |
| Plant and equipment, furniture, vehicles, intangible assets | 8,397 | 3,848 |
| Depreciation on shareholdings | 18,114 | – |
| Total | 41,797 | 13,076 |

| | | |
|--|-------------------|-------------------|
| 4.5 Extraordinary income (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Sale of fixed assets | 1,398 | 1,592 |
| Disposals | – | 513 |
| Various agreed funds | 31 | 35 |
| Reversal of reserves for general banking risks | – | 10,000 |
| Total | 1,429 | 12,140 |

| | | |
|--|-------------------|-------------------|
| 4.6 Extraordinary expenses (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
| Commissions arising from the State of Geneva's simple guarantee on the loan to the "Fondation de valorisation" | 434 | 1,000 |
| Total | 434 | 1,000 |

| | | | | | | |
|-----------------------------|--------------------|------------------|---------------------|--------------------|------------------|---------------------|
| 4.7 Share capital | 31.12.2009 | | | 31.12.2008 | | |
| | Total | | Capital | Total | | Capital |
| | par | Number | eligible for | par | Number | eligible for |
| | value | of shares | dividends | value | of shares | dividends |
| | in CHF | | in CHF | in CHF | | in CHF |
| Share capital | | | | | | |
| Class "A" registered shares | 132,551,600 | 2,651,032 | 132,551,600 | 132,551,600 | 2,651,032 | 132,551,600 |
| Class "B" registered shares | 79,531,000 | 1,590,620 | 79,531,000 | 79,531,000 | 1,590,620 | 79,531,000 |
| Bearer shares | 147,917,400 | 1,479,174 | 147,917,400 | 147,917,400 | 1,479,174 | 147,917,400 |
| Total share capital | 360,000,000 | 5,720,826 | 360,000,000 | 360,000,000 | 5,720,826 | 360,000,000 |

| 4.8 Credits, loans, remuneration and shareholdings of the Board of Directors and the Executive Board | Remuneration (before taxes) | | | Loans* | Number of BCGE shares held at 31.12.2009 | | | |
|--|-----------------------------|----------------|----------------|------------------|--|-----------|------------|----------|
| | Fixed | Variable | Total | | Unlocked | Locked up | Total | By Kin** |
| Members of Board of Directors | | | | | | | | |
| Michel Mattacchini, Chairman | 204,004 | 72,013 | 276,017 | 0 | 45 | 12 | 57 | 0 |
| Ion Bals | 29,000 | 25,500 | 54,500 | 0 | 10 | 12 | 22 | 0 |
| Asma Benelmouffok | 34,000 | 36,000 | 70,000 | 0 | 10 | 12 | 22 | 0 |
| Bernard Clerc | 30,000 | 26,500 | 56,500 | 0 | 20 | 12 | 32 | 0 |
| Mariane Grobet-Wellner | 26,000 | 20,500 | 46,500 | 0 | 110 | 0 | 110 | 0 |
| Fabienne Knapp | 30,000 | 39,500 | 69,500 | 0 | 70 | 0 | 70 | 0 |
| Patrick Mage | 37,000 | 39,500 | 76,500 | 0 | 0 | 12 | 12 | 0 |
| Jean-Claude Rivollet, Deputy Chairman | 36,000 | 24,500 | 60,500 | 0 | 60 | 0 | 60 | 0 |
| Ton Schurink | 29,000 | 33,500 | 62,500 | 1,834,038 | 520 | 12 | 532 | 0 |
| Mourad Sekkiou | 25,000 | 23,000 | 48,000 | 0 | 0 | 6 | 6 | 0 |
| Michel Terrier, Secretary | 25,000 | 24,500 | 49,500 | 0 | 60 | 0 | 60 | 0 |
| Total, Board of Directors | 505,004 | 365,013 | 870,017 | 1,834,038 | 905 | 78 | 983 | 0 |

| | Remuneration (before taxes) | | | | Loans* | Number of shares BCGE held at 31.12.2009 | | | |
|---------------------------------------|-----------------------------|------------------|----------------|------------------|------------------|--|--------------|--------------|------------|
| | In locked up | | | | | Unlocked | Locked up | Total | By Kin** |
| | Fixed | Variable | shares | Total | | | | | |
| Shareholdings, Executive Board | | | | | | | | | |
| Blaise Goetschin | 620,268 | 500,000 | 75,710 | 1,195,978 | 100,000 | 348 | 2,209 | 2,557 | 60 |
| Eric Bourgeaux | | | | | | 434 | 1,797 | 2,231 | 40 |
| Claude Bagnoud | | | | | | 0 | 654 | 654 | 20 |
| Johan Bernard Alexander Kroon | | | | | | 0 | 713 | 713 | 20 |
| Jean-Louis Platteau | | | | | | 0 | 0 | 0 | 0 |
| Emile Rausis (until 31.08.09) | | | | | | 433 | 837 | 1,270 | 24 |
| Jean-Marc Joris | | | | | | 87 | 407 | 494 | 20 |
| Total, Executive Board | 2,626,972 | 1,807,000 | 214,248 | 4,648,220 | 2,147,359 | 1,302 | 6,617 | 7,919 | 184 |

The largest loan extended to a member of the Executive Board **871,200** to Johan Bernard Alexander Kroon

* Lombard loans, secured against securities or with mortgage guarantees.

** Or persons in close relationship

The members of the Executive Board remitted their director's fees to the BCGE in a total amount of CHF 155,457, including CHF 68,371 by Blaise Goetschin, CEO.

The principles of remuneration are explained on page 79. No indemnity was paid indirectly to the members of the Executive Board. No indemnity was paid directly or indirectly in the 2009 financial year to former members of the Board of Directors or to persons in close relationship with the Board of Directors or Executive Board.

At 31 December 2009 there were no indemnities not compliant with market practice that were awarded to persons in close relationship with members of the Board of Directors or the Executive Board.

At 31 December 2009 there were no outstanding credits or loans not compliant with market practices that were granted to persons in close relationship with the members of the Board of Directors or the Executive Board. Two persons in close relationships with members of the Executive Board benefited from staff member conditions, through the arrangement of mortgage loans by their spouses, who are members of the Executive Board. One person in a close relationship with a member of the Executive Board, who is also a staff member, benefitted from these staff conditions through a mortgage loan.

4.9 Major shareholders and groups of shareholders bound by voting agreements

| | 31.12.2009 | | 31.12.2008 | |
|---|-------------|-------|-------------|-------|
| | Par value | | Par value | |
| | in CHF | % | in CHF | % |
| Registered shares with voting rights | | | | |
| State of Geneva | 125,522,150 | 34.87 | 125,522,150 | 34.87 |
| City of Geneva | 60,405,300 | 16.78 | 60,405,300 | 16.78 |
| 44 municipalities of Geneva | 26,155,150 | 7.27 | 26,155,150 | 7.27 |
| Bearer shares with voting rights | | | | |
| State of Geneva | 53,863,600 | 14.96 | 53,863,600 | 14.96 |
| City of Geneva | 14,727,000 | 4.09 | 14,727,000 | 4.09 |
| Other shareholders | 79,326,800 | 22.03 | 79,326,800 | 22.03 |

On 31 December 2009, the State of Geneva held 49.83% of the Bank's shares (bearer and registered) and held 53.30% of the voting rights.

4.10 Valuation adjustments and provisions, as well as reserves for general banking risks (in CHF 1,000)

| | Balance at 31.12.2008 | Utilisation according to purpose | Recoveries, non | | New provisions | Releases of provisions | Balance at 31.12.2009 |
|---|--------------------------|--|---|--|-------------------|---------------------------|--------------------------|
| | | | Changes to allocation (new allocation) | performing interest, exchange differences | | | |
| | | | | | | | |
| Valuation adjustments and provisions for default risks (collection and country risks) | 243,653 | -50,086 | - | -756 | 6,695 | - | 199,506 |
| Valuation adjustments and provisions for financial investments | 28,005 | -11,222 | - | - | - | -8,141 | 8,642 |
| Valuation adjustments and provisions for other operating risks | 3,239 | -978 | - | - | 1,988 | - | 4,249 |
| Other provisions | - | -1,180 | - | - | 1,180 | - | - |
| Total valuation adjustments and provisions | 274,897 | -63,466 | - | -756 | 9,863 | -8,141 | 212,397 |
| Less valuation adjustments directly netted with assets | -271,658 | | | | | | -209,430 |
| Total valuation adjustments and provisions as per the balance sheet | 3,239 | | | | | | 2,967 |
| Reserve for general banking risks | 75,000 | - | - | - | - | - | 75,000 |

The above changes in the valuation adjustments in the parent company accounts are presented net as required by law.

4.11 Off-balance-sheet transactions (in CHF 1,000)

| | 31.12.2009 | 31.12.2008 |
|---------------------------------------|---------------|----------------|
| Fiduciary transactions | | |
| Fiduciary deposits with third parties | 81,043 | 345,744 |
| Total fiduciary transactions | 81,043 | 345,744 |

| 4.12 Trading results by sector (in CHF 1,000) | 31.12.2009 | 31.12.2008 |
|--|-------------------|-------------------|
| Foreign-exchange trading / banknote trading, including derivatives | 16,576 | 16,152 |
| Precious metals trading | 442 | 304 |
| Securities trading | 1,629 | -5,127 |
| Total trading operations | 18,647 | 11,329 |

| 4.13 Other assets and liabilities (in CHF 1,000) | 31.12.2009 | | 31.12.2008 | |
|---|---------------------|--------------------------|---------------------|--------------------------|
| | other assets | other liabilities | other assets | other liabilities |
| Replacement value of financial instruments | 11,648 | 72,717 | 47,620 | 61,509 |
| Clearing account | 50,972 | – | 35,747 | – |
| Allocation of profits on swaps | – | 2,095 | – | 4,281 |
| Federal tax administration | 5,918 | 15,646 | 2,119 | 21,506 |
| Securities and coupons | – | 541 | 604 | 1,086 |
| Issuing costs / bonds | 1,042 | – | 1,366 | – |
| Other | 4,251 | 1,262 | 5,667 | 15,071 |
| Total | 73,831 | 92,261 | 93,123 | 103,453 |

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS (in CHF 1,000)

The Board of Directors will propose at the Annual General Meeting, to be held on 4 Mai 2010, that the profit be allocated as follows:

| | 31.12.2009 | 31.12.2008 |
|--|---------------|---------------|
| Net profit for the year | 64,720 | 63,562 |
| Retained earnings brought forward | 5,217 | 4,575 |
| Earnings available for distribution | 69,937 | 68,137 |
| Allocation to general legal reserve | -40,000 | -37,000 |
| Dividend of 5% to holders of registered shares (A and B) and bearer shares | -18,000 | -18,000 |
| Supplementary dividend of 1.5% to holders of registered shares (A and B) and bearer shares | -5,400 | -3,600 |
| Special allocation to the State of Geneva (20% of the dividends paid) | -4,680 | -4,320 |
| Retained earnings carried forward | 1,857 | 5,217 |

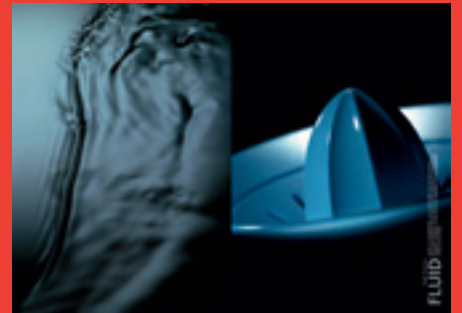
Visual concept

The double page illustrations in this annual report form part of a trilogy. In the record of 2007, seven raw materials were set against seven finished products: wheat and bread, uncut stones and a jewel, cotton and a shirt, ferro-concrete and a building, oil and a plastic object, metal and a watch, and lastly, a city and its public transport. Each illustration evoked one of the Bank's business areas and the process of creating a banking service.

In 2008, each of the Bank's businesses was represented by the portrait of a BCGE staff member.

This year, the focus is on seven clients. They are juxtaposed with a finished product or a material symbolic of their industry or profession, which the Bank supports in its role of long-standing financial and wealth-building partner.

2007



2008



2009



Credits

Concept and design
alternative – www.alternative.ch

Photography

Cover and pages 6, 7, 20, 21, 26, 27, 32, 33, 46, 47, 56, 57, 62 and 63

Jean-Daniel Meyer – www.le-studio.ch

Pages 2, 4, 9, 14, 16, 17, 19, 72, 73, 77 and 78

Loris von Siebenthal – **Philippe Schiller** – www.myimage.ch

Pages 14, 72 and 73

Fred Merz – www.rezo.ch

Pages 9

Didier Ruef

Photolithography
rs solutions

Printing
ATAR Roto Presse SA

Only the French version on the Internet shall be binding.

*Printed on FSC
(Forest Stewardship Council)*

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