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Consolidated interim accounts of BCGE group

At 30 June 2010

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More revenue growth and a robust interest margin

Half-year results (in CHF)

Banque Cantonale de Genève (BCGE) has continued to grow steadily during the first half of the year despite the stuttering economic recovery.

- The bank has pursued its targeted growth strategy of lending to both the local economy and private individuals (3.4 billion), placing the accent particularly on risk quality and margin protection. The selective progress of mortgages (+3.5% or 268 million) is also encouraging.
- Interest income results have proved their robustness with an increase of +4.1%, thanks to a sound asset and liability management (ALM) in a context of historically low rates and a defensive protection of the bank's margin.
- The structure of managed and administered assets, held at 18.1 billion, is improving thanks to the qualitative transformation of the substantial amount of cash placed in investment vehicles.
- Commission income reached a record high (+30.5% at 57 million), particularly reflecting an expansion in trading and brokerage activities, an increase of the utilisation of day-to-day banking services and a substantial commercial impetus in global trade finance.
- Total operating costs have increased due to the impact of the T2i IT infrastructure project which had been announced (+4.9% at 111.8 million). 15 million has been withdrawn from general banking risk reserves to finance a major part of this project.

Ordinary expenses are stable (+1.5% at 108.2 million francs).

- Net profit reflects a rise in non-recurrent expenses linked to the speed-up of the IT transfer (-17.1% at 31.3 million), as does the gross profit figure (-8.0% at 52.5 million). Current expenses remained under control (108.2 million).
- For the sixth half-year running, the balance sheet has increased slightly (+0.4%) and now stands at 14.167 billion.

Interest income: excellent results

Throughout the first half of 2010, the bank pursued its selective approach to mortgage lending (+268 million), a trend initiated more than three years ago while at the same time maintaining strong margins. Floor-level rates on the financial markets are encouraging customers to sign up for long-term low rates. The breakdown between fixed and variable rate mortgages is stable, with 85% of outstanding loans on a fixed rate. The preferred terms are those over 10 years, followed by those over 5 and then 7 years.

The bank has maintained its deposit rates at very competitive levels, seeking to enhance customer loyalty over the long term. The bank cautiously manages its cash holdings, which have grown substantially, thereby providing a solid refinancing structure. The interest margin is positioned at 1.39%.

Record commission revenue

Commission income rose sharply over the first half 2010 (+30.5% at 57 million). On the one hand, credit commission (global commodity finance mainly) recorded an encouraging advance of 7.1 million (+39.4%), reflecting the bank's dynamic commercial strategy. On the other hand, commission from active trading positions, securities and investments rose by 2.8 million (+13.5%) reflecting customer confidence in the quality of the bank's portfolio management.

Financial health

The total balance sheet stands at 14.2 billion (+0.4%). At more than 5 billion, savings are financing 38.2% of balance sheet assets, a sign that the bank remains attractive for deposits and savings. In addition, mortgages are covered by savings at a high rate of 68.8%.

Book equity totals 943 million, compared with 929 million as at 30 June 2009, representing 6.7% of the total balance sheet. This gives a satisfactory equity coverage ratio of 134.2%.

Despite a continuing high pace of investment, the cost-income ratio, corrected for the accelerated T2i 2010 transfer costs, is still at 65.8%. The return on equity at 6.6% (7.4% if corrected) still falls within the benchmark range of cantonal banks.

Current and personnel expenses under control

The BCGE's modernisation programme and its

dynamic adaptation to the profound transformation of the banking market are ongoing. Operating expenses have been impacted by a one-off increase due to direct and other costs associated with the IT infrastructure transfer (T2i 2010: +4.9% at 111.8 million). These costs are the reason for the disagreement between the bank and IBM. They also result from the confirmation in May 2010 to transfer the bank's IT infrastructure to Swisscom/Comit, a partner it already works with on money transfers and workstation management.

Gross profit drops

Reflecting the increase in non-recurrent costs, gross profit has dropped 8.0% compared to the same period last year, coming in at 52.5 million. It is worth noting that, for the sake of transparency, all of the direct costs relating to the transition project have been charged to the 30 June 2010 results.

BCGE welcomes its 10,000th

"private shareholder"

BCGE's loyalty scheme continues to attract a large number of private shareholders who, in this way, demonstrate their confidence in their cantonal bank. As at 30 June 2010, 10,077 people own BCGE shares (+906 since 30.06.2009), of whom more than three quarters (78%) hold up to 25 shares.

As at 30 June 2010, the share price stood at 221.8 and, on a reinvested dividend basis, has outperformed the SPI and the SPI banks over the period under review. The share remains

attractive and confirms that it constitutes a high quality, defensive security, especially given its book value of 267 at 30 June 2010. This undervaluation can be explained principally by the more exacting environment in which the bank finds itself, pending the trial of its previous top executives due in autumn 2010; the option, whose technical feasibility has been the subject of longstanding discussions with the BCGE, namely to gradually remove the cantonal guarantee for the BCGE's commitments (savings accounts and pension savings accounts); and a proposal with more political repercussions, aiming to allocate a more significant proportion of the bank's profit to repay the financial, operating and realisation costs of the *Fondation de valorisation*.

A bank which is key to the regional economy

The main feature of the current financial year is the uncertain recovery and a very restrictive environment for banks. Nevertheless, for 2010, the BCGE expects to maintain a high pace of growth. However, the interest margin will continue to be influenced by the all-time low level of rates.

The bank will complete the transfer of its IT infrastructure to a top quality partner this year. The project has had a considerable impact in the first half and will have further significant influence on full-year expenses.

The bank is not anticipating any profit growth for the current financial year.

Once the major IT projects are behind it, as from 2011 the bank will be equipped with a

fully modernised technological platform and will have strong commercial arguments in its favour.

English translation of the French official version.

English translation of
French official version

REVIEW REPORT

To the Board of directors of
Banque Cantonale de Genève, Geneva

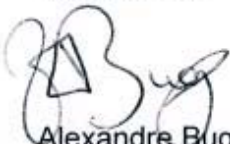
In accordance with our engagement terms, we have reviewed the consolidated interim accounts (balance sheet and income statement) of Banque Cantonale de Genève Group for the period from January 1 to June 30, 2010.

These consolidated interim accounts are the responsibility of the Board of directors. Our responsibility is to issue a report on these consolidated interim accounts based on our review.

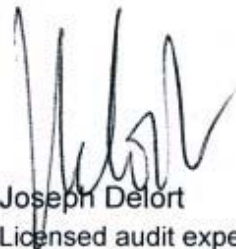
Our review was conducted in accordance with *Swiss Auditing Standard 910 - Review*. This standard requires that a review be planned and performed to obtain moderate assurance about whether the consolidated interim accounts are free from material misstatement. A review is limited primarily to inquiries of the Group's personnel and analytical procedures applied to consolidated financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim accounts (balance sheet and income statement) do not give a true and fair view of the financial position and the results of operations of Banque Cantonale de Genève Group in accordance with accounting rules for banks and Swiss law.

Deloitte SA



Alexandre Buga
Licensed audit expert
Auditor in charge



Joseph Delort
Licensed audit expert

Geneva, August 5, 2010

BCGE Group balance sheet

Consolidated

		30.06.2010	31.12.2009	Variation
		in CHF 1,000	in CHF 1,000	in CHF 1,000
6	ASSETS			
Group balance sheet and income statement	Cash	192,940	202,786	-9,846
	Money-market instruments	99,998	51	99,947
	Due from banks	633,212	1086,707	-453,495
	Due from clients	3,399,751	3,654,665	-254,914
	Mortgages	7,871,401	7,603,809	267,592
	Securities and precious metals trading portfolios	9,572	6,790	2,782
	Financial investments	1,543,924	1,204,267	339,657
	Investments consolidated by equity method	17,318	19,987	-2,669
	Fixed assets	207,387	213,411	-6,024
	Intangible assets	8,857	9,633	-776
	Accrued income and prepaid expenses	54,926	38,086	16,840
Other assets	128,155	74,315	53,840	
	Total assets	14,167,441	14,114,507	52,934
	LIABILITIES			
	Money-market instruments	465	657	-192
	Due to banks	956,384	576,230	380,154
	Due to clients on savings and deposit accounts	5,412,463	5,511,893	-99,430
	Due to clients, other	4,315,353	4,470,095	-154,742
	Medium-term notes (cash bonds)	102,807	120,733	-17,926
	Bonds and mortgage-backed bonds	2,195,000	2,301,000	-106,000
	Accrued expenses and deferred income	89,563	67,938	21,625
	Other liabilities	139,024	105,507	33,517
	Valuation adjustments and provisions	13,025	3,345	9,680
	Reserve for general banking risks	60,000	75,000	-15,000
	Share capital	360,000	360,000	-
	Capital reserve	312,315	311,912	403
	Retained earnings	212,534	169,026	43,508
	Treasury shares	-24,080	-27,203	3,123
	Foreign-exchange differences	-8,711	-3,214	-5,497
	Net profit for the year	31,299	71,588	-40,289
	Total liabilities	14,167,441	14,114,507	52,934
	OFF-BALANCE-SHEET OPERATIONS			
	Contingent liabilities	757,543	801,742	-44,199
	Irrevocable commitments	778,952	500,075	278,877
	Commitments to subscribe and pay further sums	39,011	39,011	-
	Commitments resulting from deferred payments	97,030	50,378	46,652
	Financial derivatives			
	▪ Positive replacement values	25,603	11,648	13,955
	▪ Negative replacement values	131,310	72,717	58,593
	▪ Underlying amounts	2,965,413	2,327,172	638,241
	Fiduciary operation	85,598	81,043	4,555

BCGE Group income statement

Consolidated

	30.06.2010 in CHF 1,000	30.06.2009 in CHF 1,000	Variation in CHF 1,000
INTEREST INCOME AND EXPENSES			
Interest and discount income	145,490	162,215	-16,725
Interest and dividends from financial investments	9,448	9,118	330
Interest expenses	-57,226	-77,483	20,257
Net interest income	97,712	93,850	3,862
COMMISSION AND FEE INCOME			
Commission income from lending	25,322	18,166	7,156
Commission income from trading, securities and deposits	23,267	20,498	2,769
Commission income from other services	12,645	9,622	3,023
Commission expenses	-4,245	-4,623	378
Total commission and fee income	56,989	43,663	13,326
Net result of trading operations	7,129	9,826	-2,697
OTHER ORDINARY RESULTS			
Income from sale of financial investments	-183	4,881	-5,064
Income from investments	505	2,457	-1,952
<i>of which consolidated by the equity method</i>	<i>505</i>	<i>2,457</i>	<i>-1,952</i>
Real estate income	28	11	17
Other ordinary income	3,613	9,138	-5,525
Other ordinary expenses	-1,540	-196	-1,344
Other ordinary income, net	2,423	16,291	-13,868
Net operating income	164,253	163,630	623
OPERATING EXPENSES			
Payroll expenses	-61,546	-62,811	1,265
Other operating expenses	-50,232	-43,766	-6,466
Net operating expenses	-111,778	-106,577	-5,201
Gross profit	52,475	57,053	-4,578
Depreciation of fixed assets	-12,341	-9,694	-2,647
Valuation adjustments, provisions and losses	-20,207	-668	-19,539
Result before extraordinary items and taxes	19,927	46,691	-26,764
Extraordinary income	15,050	137	14,913
Extraordinary expenses	-	-225	225
Taxes	-3,678	-8,849	5,171
Net profit	31,299	37,754	-6,455

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