

ANNUAL REPORT



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The other bank

Based on a foundation of strong values, Banque Profil de Gestion SA aims to become a major player in Private Banking by focusing on the needs of its clients. A central concern made possible by the human scale of our Bank, which has a service culture in its genes. By adopting an uncompromising ethical approach, Banque Profil de Gestion SA is committed to preserving and developing its clients' assets as transparently as possible. Located in Geneva, our Bank opens up new perspectives for its clients, combining talents that can deliver the solutions most suited to the new financial and regulatory environment. Thanks to their entrepreneurial spirit, our employees can also devise innovative proposals by adapting to our clients' needs.

Banque Profil de Gestion SA gives pride of place to capital preservation, thanks to traditional and alternative investments. To do so, we have put in place an open architecture that guarantees our Bank's independence and access to the best products on the market. This committed and determined policy of Banque Profil de Gestion SA is based on the principles that have underpinned the growth of its majority shareholder, the Banca Profilo banking group, chaired by Matteo Arpe, whose successes in the field of private and public equity serve as a benchmark for our teams.



ANNUAL REPORT 2010

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Comments on the results for the financial year 2010

Although still tenuous, the economic recovery continued during financial year 2010. However, the various markets remained highly volatile. At the end of 2010, the Swiss franc had regained its status as a refuge currency by reaching its highest level against all other currencies. Meanwhile, stock market indices continued on an uptrend, buoyed by the strong performance of emerging countries. However, a period of international tension emerged in late 2010-early 2011, undermining the recovery and enhancing volatility.

The Swiss banking system continued to be the object of significant pressure from foreign authorities and governments, which led to tax amnesties, enhanced investigations from different European countries and additional regulatory and administrative constraints. In order to stall attacks against bank-client confidentiality and respond to demands for international cooperation, double taxation treaties were signed with a large number of countries. Against this background, Banque Profil de Gestion SA continued its restructuring which began in 2008. The Italian group SATOR, which acquired a majority stake in the share capital of Banca Profilo SpA in 2009, supported the consolidation of the foundations of the new Geneva bank. It carried out investments which translated into the hiring of several relationship managers in order to strengthen its core business of Private Banking.

The financial year ended with a negative result of CHF – 4.9 million versus CHF – 2.8 million in 2009. This result can be mostly explained by the generalised downturn on markets, as well as the accrual of provisions for the contingent risks linked to the closing of a number of the Bank's historic accounts. The accrual of these provisions reflects the intention of Banque Profil de Gestion SA to adjust its risks to its development requirements and focus on Private Banking. The decision is based on the conservatism principle and takes account of the deteriorated financing capacity of the holders of these accounts at year end 2010.

The overall results of the Bank for 2010 generally reflect the difficult conditions of the financial markets, with a 29% fall in revenues, from CHF 18.0 million to CHF 12.8 million. Net interest income fell by nearly 35% compared to the previous financial year, due to the extremely low level of interest rates and a drop in the exchange rate of major currencies against the Swiss franc. The 39% decrease in commission and service fee income is due to the same reasons. Lastly, income from trading operations fell by 18% due to the mixed performance of the markets, down to CHF 6.7 million in 2010 versus CHF 8.2 million in 2009.

Operating expenses were significantly reduced to CHF 16.0 million in 2010 versus CHF 18.9 million in 2009, thanks to a strict cost management policy and especially, a decline in personnel expenses linked to the significant limitation of bonus payments, in view of the Bank's results. The Bank was able to cut other operating expenses by approximately 5% compared to 2009. It therefore succeeded in curbing expenses despite the investments made to boost the activity of the Capital Markets department and strengthen the team of Private Banking relationship managers at the end of the year.

There were no significant changes to the various balance sheet items in financial year 2010. Total balance sheet assets amounted to CHF 212.3 million at 31 December 2010 versus CHF 205.3 million at 31 December 2009.

Comments on the results for the financial year 2010

Client assets fell from CHF 910'242 million to CHF 763'179 million at 31 December 2010, given the additional assets under management in third party custody, negative new net money due to international tax pressure, negative performances of stock markets and a decline in the foreign exchange rates of major currencies.

Lastly, it should be stressed that the Bank still has a very solid financial base with surplus shareholders' equity of more than 526% (494% in 2009) as shown in the shareholders' equity table calculated according to the Basel II criteria. The shareholders' equity that can be taken into account amounted to CHF 63.6 million in 2010 (versus CHF 68.5 million in 2009).

Banque Profil de Gestion SA is confident about 2011. It intends taking advantage of expected positive market trends and an improvement in its Private Banking business following the reinforcement of its teams of relationship managers at the end of 2010 and in early 2011. The three-year development plan announced in November 2009 has not been achieved since the right conditions for external growth have not been confirmed.

The Board of Directors would like to thank the members of the General Management, managers and employees, for their excellent work throughout the year. Their coordinated efforts have contributed to the positive repositioning of the Bank and its enhanced capacity to face challenges and seize available opportunities.

The Board of Directors would also like to extend its gratitude to the Bank's clients for their loyalty throughout the restructuring process undertaken since 2008, in accordance with the controlling shareholder's plan.

The Board of Directors

In CHF 1'000	31.12.2010
Total recorded shareholders' equity	63'566
Shareholders' equity requirement	
Credit risks according to AS-CH	(5'951)
Counterparty risks	(1'206)
Market risks	(82)
Operational risks	(2'916)
Total shareholders' equity requirement	(10'155)
Shareholders' equity surplus	53'411

Geneva, 31 March 2011

Proposals by the Board of Directors to the General Meeting of Shareholders on 27 April 2011

Results for the financial year 2010

The financial year ended with a negative result of CHF 4'882'751.-.

This result includes all the value adjustments, provisions, losses and taxes.

In view of that result, no dividend will be proposed.

Proposals

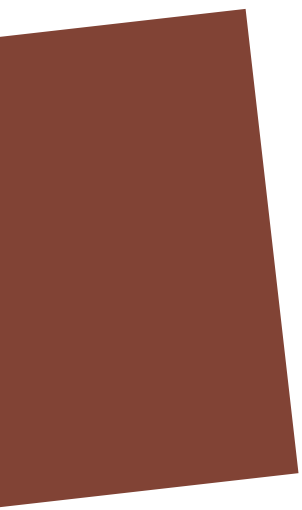
The Board of Directors proposes to the General Meeting of Shareholders the approval of the financial report, the balance sheet, the statement of income and the notes to the financial statements for the financial year 2010 as submitted.

The Board of Directors proposes to the General Meeting of Shareholders that the members of the Board of Directors be individually re-elected for a term of office of one year.

Mr. Franco Antamoro de Céspedes and Mr. Michel Broch did not wish their names to be put forward for a further term of office. The Board of Directors therefore proposed the appointment of Mr. Eric Alves de Souza and Mr. Alessandro Bizzozero.

The Board of Directors proposes to the General Meeting of Shareholders to renew for one year PricewaterhouseCoopers SA as statutory auditors.

Geneva, 31 March 2011



REPORT OF
THE STATUTORY
AUDITORS
TRUE AND FAIR VIEW



Report of the statutory auditor
to the general meeting of
Banque Profil de Gestion SA
Geneva

This Annual Report is published in French and English. In the event of a difference between the two versions, the French text shall prevail.

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Banque Profil de Gestion SA, which comprise the balance sheet, income statement, cash flows statement and notes (pages 12 to 41), for the year ended 31 December 2010. The prior year corresponding figures were audited by other auditors.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with accounting rules for banks and the requirements of Swiss law. 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 31 December 2010 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with accounting rules 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 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 recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA



Beresford Caloia
Auditor in charge



Benoit Tiberi

Geneva, 5 April 2011

Balance sheet at 31 December 2010

according to the true and fair view principle

Assets

In CHF	2010	2009
Liquid assets	4'493'303	2'866'679
Receivables arising from money-market papers	7'554	8'012
Due from banks	110'925'431	92'143'562
Due from clients	72'712'143	85'649'262
Mortgages loans	12'332'850	16'256'887
Securities and precious metals trading portfolios	3'195'416	498
Financial investments	2'035'011	2'027'008
Fixed assets	2'934'358	2'277'934
Accrued income and prepaid expenses	1'566'732	2'815'342
Other assets	2'081'265	1'294'996
Total assets	212'284'063	205'340'180
Total due from group companies and qualified participants	33'163'099	28'433

Liabilities

In CHF	2010	2009
Due to banks	5'261'563	6'452'864
Due to clients	104'950'060	86'887'503
Convertible bonds	9'999'500	9'999'500
Accrued expenses and deferred income	2'848'771	4'572'249
Other liabilities	4'104'028	4'288'051
Value adjustments and provisions	22'671'216	25'808'338
Reserves for general banking risks	2'550'000	2'550'000
Share capital	14'430'600	14'430'600
Capital reserves	1'352'363	1'352'363
Income reserves	49'803'435	52'643'768
Own shares	(804'722)	(804'722)
Loss for the financial year	(4'882'751)	(2'840'334)
Total liabilities	212'284'063	205'340'180
Total due to group companies and qualified participants	579'057	1'133'676

Balance sheet at 31 December 2010

according to the true and fair view principle

Off-balance sheet transactions

In CHF	2010	2009
Contingent liabilities	3'401'999	3'925'215
Irrevocable commitments	432'000	428'000
Derivative financial instruments		
Positive replacement values	1'609'994	790'541
Negative replacement values	1'354'300	721'374
Underlying values	119'522'012	100'203'667
Fiduciary transactions	26'085'493	108'816'573

Income statement

according to the true and fair view principle

1. INCOME AND EXPENSES FROM ORDINARY BANKING ACTIVITY

In CHF	2010	2009
Net interest income		
Interest and discount income	2'391'941	3'720'952
Interest and dividend income on financial investments	41'266	55'424
Interest expenses	(176'372)	(295'285)
Net interest income (sub-total)	2'256'835	3'481'091
Net income from commissions, products and services		
Commission income on lending activities	176'424	309'338
Commission income on securities and investment transactions	5'367'051	9'143'429
Commission income on other services	598'169	679'330
Commission expenses	(2'239'428)	(3'753'016)
Net fee and commission income (sub-total)	3'902'216	6'379'081
Trading income	6'662'048	8'174'077
Other ordinary results		
Other ordinary income	25'307	693'333
Other ordinary expenses	-	(49'484)
Other ordinary results (sub-total)	25'307	643'849
Operating expenses		
Personnel expenses	(9'458'100)	(12'007'658)
Other operating expenses	(6'548'776)	(6'927'775)
Operating expenses (sub-total)	(16'006'876)	(18'935'433)

Income statement according to the true and fair view principle

2. PROFIT / LOSS FOR THE FINANCIAL YEAR

In CHF	2010	2009
Gross profit / Loss	(3'160'470)	(257'335)
Depreciation of fixed assets	(606'958)	(587'159)
Value adjustments, provisions and losses	(7'410'338)	(2'318'832)
Loss before extraordinary items and taxes	(11'177'766)	(3'163'326)
Extraordinary income	6'600'015	626'384
Taxes	(305'000)	(303'392)
Loss for the financial year	(4'882'751)	(2'840'334)

Cash flows statement

In CHF 000	2010			2009		
	Source of funds	Use of funds	Balance	Source of funds	Use of funds	Balance
Cash flow from operations						
Result for financial year	-	4'883		-	2'840	
Depreciation of fixed assets	607	-		587	-	
Value adjustments and provisions	-	3'137		1'950	-	
Accrued income and prepaid expenses	1'248	-		399	-	
Accrued expenses and deferred income	-	1'723		465	-	
Cash flows from operations (internal financing)	1'855	9'743	(7'888)	3'401	2'840	561
Cash flows from equity transactions	-	-		-	-	

Cash flows statement (continued)

In CHF 000	2010			2009		
	Source of funds	Use of funds	Balance	Source of funds	Use of funds	Balance
Cash flows from investment activities						
Other fixed assets	-	1'263		-	46	
Cash flows from investment activities	-	1'263	(1'263)	-	46	(46)
Cash flows from banking operations						
Medium and long-term business (> 1 year)						
Financial investments	-	8		-	2'027	
Short-term business						
Liabilities arising from money-market papers						
Due to banks	-	1'192		-	5'757	
Due to clients	18'062	-		5'943	-	
Receivables arising from money-market papers						
Due from banks	-	18'781		-	24'521	
Due from clients	12'937	-		25'429	-	
Mortgage loans	3'924	-		-	4'016	
Securities and precious metal trading portfolios						
Financial investments	-	3'195		-	-	
Other assets	-	786		3'035	-	
Other liabilities	-	184		12'614	-	
Other liabilities						
	-	184		-	11'128	
Liquidity						
Liquid assets	-	1'626		-	82	
Cash flows from banking operations	34'923	25'772	9'151	47'021	47'536	(515)
Total source of funds	36'778			50'422		
Total use of funds		36'778			50'422	

Notes to the financial statements 2010

according to the true and fair view principle

The information in these notes is numbered in compliance with Article 25c of the Banking Ordinance (B.O.). The information which does not concern our Bank is not commented upon.

1. COMMENTS ON BUSINESS ACTIVITY AND NUMBER OF EMPLOYEES

General

Banque Profil de Gestion SA is a bank governed by Swiss law, listed on the Stock Exchange and a member of the Swiss Stock Exchange. Its core activities are wealth management, market transactions and related business, such as the granting of Lombard loans to its clients and financial engineering. Mortgages are also granted to clients holding substantial deposits and to staff members.

Major events

The governing bodies of General Management and Management were modified during the financial year (see chapter on the corporate governance):

On 30 November 2010, following his resignation from the Bank, Mr. Régis Ducrey relinquished his responsibilities as Deputy CEO and CFO.

On 1 December 2010, Mr. Gilbert Pfaeffli was named Deputy Chief Executive Officer.

The recruitment and appointment of a Head of Private Banking and a Chief Investment Officer, strengthened the Bank's Administrative Team.

Personnel

As of 31 December 2010, the number of 38 employees is unchanged from the previous year.

Outsourcing

On 26 January 2008, the Bank outsourced the provision and maintenance of its IT system; since that date, the Bank is using an external service provider to whom it has entrusted operation of its IT system and performance of back-office tasks in compliance with FINMA Circular 2008/7.

Risk assessment

The Board of Directors performed an analysis of the main risks of the Bank. When making this analysis, it took account of the existing internal control system.

2. ACCOUNTING AND VALUATION PRINCIPLES

General principles

The principles for valuation and presentation of the financial statements are in compliance with the prescriptions of the Swiss Code of Obligations, the Federal Law on Banks and its implementing Ordinance, the guidelines governing financial statements presentation issued by the Swiss Financial Market Supervisory Authority and the listing rules of the Swiss stock market.

The accounting and valuation principles have not undergone any significant changes compared to the previous financial year.

The main valuation rules are summarized below.

Accounting principles

All transactions made up to the date of the balance sheet are accounted for and valued according to the principles applicable on the transaction date. Their result is integrated into the income statement. Forward transactions, contingent transactions and fiduciary transactions are stated off-balance sheet.

Matching principles

Income and expenses are accounted for with respect to the period to which they relate. Accruals and prepayments are set to ensure that income and expenses are matched to the related period.

Conversion of foreign currencies

Assets and liabilities denominated in foreign currencies are converted into Swiss francs at the exchange rates of the balance sheet date. Income and expenses are converted at the prevailing rate on the dates of the transactions or at the exchange rate valid at the end of the related month.

Exchange rates of main foreign currencies against CHF:

	2010	2009
USD	0.938	1.037
EUR	1.245	1.487
GBP	1.443	1.666

Liquidity, money market paper, due from banks and clients, due to banks and clients

These items are stated at their par value, with the exception of discount income on money-market papers which is accrued over the term of the instrument. Known and foreseeable risks are the subject of individual value adjustments; these are stated under value adjustments and provisions.

Securities and precious metals trading portfolios

The portfolio held for trading is valued at the market price on the balance sheet date. Realised and unrealised profits and losses are included in the income statement of trading operations. Securities which are not regularly traded are stated at the acquisition price after deduction of the necessary depreciation. Interest and dividend income on trading portfolios is credited to income from interest operations.

Notes to the financial statements 2010

according to the true and fair view principle

Financial investments

Financial investments include long-term holdings of securities. Equity stocks are valued at the lower of cost and/or market-value. Premiums and discounts on interest-bearing securities held to the maturity are amortized to maturity and recorded as interest and dividend income from financial investments. Those which are not held to maturity are valued at the lower of cost and/or market-value. The accounting and valuation principle applied is based on the prevailing intention at the time the transaction was carried out.

Fixed assets

Fixed assets are treated according to Swiss GAAP RPC 18 and 20 standards. They are reported in the balance sheet at their purchase price less accumulated depreciation calculated on a straight line basis over their estimated useful lives. Fixed assets are reviewed annually for impairment. If it appears that the useful life of the asset or its carrying value is reduced, the Bank adapts the depreciation charges to reflect the changes.

Other assets, other liabilities

Other assets and other liabilities consist essentially of positive and negative replacement values of derivative financial instruments. The remaining other liabilities are composed of other expenses to be paid.

Value adjustments and provisions

For all potential and identifiable risks existing at the balance sheet date, value adjustments and provisions are established on a prudent basis. The Bank does not constitute an additional contractual provision.

When a litigation appears, the Bank, with the assistance of external advisors, determines if it can lead to financial impacts. When it is possible to determine in a precise way the supervening of damages and interests to pay, the Bank proceeds to the constitution of provisions economically necessary.

Taxes and deferred taxes

Current income taxes are calculated and recorded as an expense in the period in which the related profits are made. They are shown as liabilities in the balance sheet under "Accrued expenses and deferred income".

The tax effects arising from temporary differences between the carrying value and tax value of assets and liabilities are recorded as deferred taxes under "Value adjustments and provisions" in the liabilities section of the balance sheet. The temporary differences recognised correspond mainly to the reserve for general banking risks and the other provisions. Deferred tax is determined on the basis of the anticipated tax rates.

Reserves for general banking risks

When a reserve for general banking risks is constituted, it is subject to deferred taxes. The amount at the balance sheet corresponds to the net value.

Transactions with related parties

The Bank is involved in transactions with related parties in the normal course of its business. These transactions include advances, deposits and transactions on financial instruments.

All transactions are performed at the market terms and conditions prevailing at the date when they were initiated.

Own shares

Own shares are deducted from shareholders' equity, up to the purchase price, under a separate heading. Payments of dividends and the results of transfers are directly allocated to "Capital reserves".

Derivative financial instruments

Derivative financial instruments include options, futures and swaps on equities, stock indexes, foreign exchange, commodities and interest rates, together with forward contracts on currencies, securities and commodities.

Derivatives instruments are marked-to-market. For trading balances, realised and unrealised profits and losses are recognized under "trading income". Hedging transactions related to interest-rate and currency risk management are valued according to the rules applicable to the underlying position and reported accordingly in the income statement. Positive and negative replacement values on transactions carried out for the clients and for own account are reported under "Other assets" or "Other liabilities", as are those entered into for clients account on OTC contracts.

Pension fund

The Bank's pension fund is organized on the principle of defined contribution plans through a collective foundation. The Bank is indebted to the foundation of the totality of pension fund contribution. The plan is treated according to the Swiss GAAP RPC 16.

COMMENTS ON RISK MANAGEMENT

Risk management is based on the risk policy whose adequacy is reviewed periodically by the Board of Directors and Management. The various risks are subject to limits, which are regularly monitored. The Board of Directors and the Management are regularly informed concerning the Bank's financial situation, the state of liquidity and results, as well as any associated risks. The Risk Committee supervises compliance and adequacy of the risk detection and monitoring systems defined by the Board of Directors within the scope of the Bank's risk policy. Minutes of the Risk Committee are examined by the Audit Committee when it comes to assess the internal control system.

Credit risk

The organisation of credits corresponds to the size and activities of the Bank. Credits granted are in principle Lombard loans; appropriate margins are applied to the pledges held. The Bank regularly monitors credits to determine coverage, interest payments and overruns. The potential risks identified on lending transactions are systematically covered.

Interests that are past due over 90 days are covered.

The Credit Committee reviews all the demands, analyzes collateral proposed, accepts or refuses the credit. It writes the reports and minutes required for internal control purposes.

Interest rate risk

The objective of the interest rate risk policy is to limit its exposures to the strict minimum. In particular, the Bank does not pursue any speculative strategy on interest rate trends and ensures that all the maturity terms are matched. The Bank proceeds to the analysis and control measurements within the framework of defined limits.

Notes to the financial statements 2010

according to the true and fair view principle

Market risk

The Bank executes only a very low level of proprietary transactions, essentially forward exchange operations. All the clients' operations are hedged on the market. The management of this type of risk is carried-out within the applicable limits.

Liquidity risk

Liquidity risks are verified according to the applicable legal prescriptions. The negotiability of proprietary positions is monitored regularly.

Operational risk

Operational risks are defined as being risks of direct or indirect losses resulting from an inadequacy or default attributable to the procedures, the human factor, the systems or external events. Internal directives and procedures concerning the organization and controls ensure the limitations of the risks. The internal control system is supervised by the Management who reports to the Board of Directors. It is also verified by the internal audit who reports on its work directly to the Board of Directors.

Compliance and legal risks

The Management and the Compliance Committee check the respect with regulatory prescriptions in force as well as the duties of due diligence applicable to the financial intermediaries. They follow current legislative developments with regulatory authorities or other supervisory bodies. The Compliance Committee is responsible for compliance to the statutory and prudential prescriptions and, in particular, those relating to the prevention of money laundering applicable to the Bank, together with the relevant internal directives. These supervisory tasks are entrusted to the Compliance function which assists the Chief Executive Officer, the members of the Executive Committee and other staff in matters related to rules of conduct.

The Compliance Committee reviews all the newly opened accounts, the client profiles and agrees or declines to enter into a business relationship with them. It writes the reports and minutes required for internal control purposes.

3. INFORMATION ON THE BALANCE SHEET

3.1 Overview of collateral for loans and off-balance sheet transactions

3.1.1 Summary of collateral

In CHF 000	Type of collateral			
	Secured by mortgage	Other collateral	Unsecured	Total
Loans				
Due from clients	-	59'903	12'809	72'712
Mortgage loans				
Residential buildings	12'333	-	-	12'333
Total loans				
31.12.2010	12'333	59'903	12'809	85'045
31.12.2009	16'257	77'844	7'805	101'906
Off-balance sheet				
Contingent liabilities	-	3'402	-	3'402
Irrevocable commitments	-	-	432	432
Off-balance sheet				
31.12.2010	-	3'402	432	3'834
31.12.2009	-	3'925	428	4'353
Impaired loans				
31.12.2010	11'275	-	11'275	11'275
31.12.2009	5'373	-	5'373	5'373

The increase of compromised debts is attributable to the closure of certain historic accounts of the Bank.

Notes to the financial statements 2010

according to the true and fair view principle

3.2 Analysis of securities and precious metals trading portfolios and financial investments

3.2.1 Securities and precious metals trading portfolios

In CHF 000	2010	2009
Listed debt securities	3'196	-
Total	3'196	-

3.2.2 Financial investments

In CHF 000	Book value		Fair value	
	2010	2009	2010	2009
Debt securities at lower of cost or market value	2'035	2'027	2'067	2'027
Equity shares	-	-	27	23
Total	2'035	2'027	2'094	2'050
of which securities eligible for repo agreements under liquidity prescriptions	2'035	2'027	2'067	2'027

3.3 Disclosure of the company name, registered office, business activities, capital and equity interests of significant participating interest

The Bank has no significant participating interest at 31 December 2010.

3.4 Analysis of fixed assets

En CHF 000	2009			2010			
	Purchase cost	Accumulated depreciation	Net book value at 31.12.2009	Investments	Disposals	Depreciation	Net book value at 31.12.2010
Other fixed assets	10'127	(7'849)	2'278	1'463	(200)	(607)	2'934
Total fixed assets	10'127	(7'849)	2'278	1'463	(200)	(607)	2'934
Fire insurance value of other fixed assets			5'700				3'800

3.5 Disclosure of capitalised formation, capital increase and organisation costs

Nil.

3.6 Assets pledged or assigned to secure own liabilities and assets subject to ownership reservation, without loan / and repo / buyback transaction

In CHF 000	Book value of assets pledged or given as collateral	Effective commitments
31.12.2010	29'021	321
31.12.2009	36'753	352

Other assets and other liabilities

In CHF 000	Other assets		Other liabilities	
	2010	2009	2010	2009
Replacement value of derivative financial instruments	1'610	791	1'354	721
Taxes	111	-	288	5
Miscellaneous assets and liabilities	360	504	2'462	3'562
Total other assets & other liabilities	2'081	1'295	4'104	4'288

Notes to the financial statements 2010

according to the true and fair view principle

3.7 Information on pension fund plans

The coverage of the pension funds is 100 % at 31 December 2010 according to article 44 OPP2 (2009 100%).

There is no allocation of reserves by the employer's contribution during the fiscal year 2010.

At 31 December 2010 and 31 December 2009, there is no commitment to the pension fund institution.

At 31 December 2010 and 31 December 2009, the Bank has no pension fund reserve.

Economic benefits / commitments and pension fund allocations

In CHF 000	31.12.2010	31.12.2009
Net benefits / liabilities for the Bank	N/A	N/A
Adjusted contributions for the period	1'030	1'003
Pension fund contributions reflected in personnel expenses	1'030	1'003

3.8 Convertible bonds

In CHF 000	Year of issue	Interest rates	Maturity	Nominal amount at 31.12.2010	Nominal amount at 31.12.2009	Conditional capital	Conditions of conversion
Issuer: Banque Profil de Gestion SA, Geneva							
Convertible bonds	2006	0.75%	09.04.2012	9'999.5	9'999.5	1'143	See section 3.10.1
Total				9'999.5	9'999.5	1'143	

The exercise of the rights of conversion are carried out by section of minimum CHF 498'750.-* since 30.06.2009

Each converted section decreases by as much the amount of the loan. The portion of the loan not converted will be refunded in capital.

*The last section being able to be lower.

3.9 Value adjustments and provisions / reserves for credit risk fluctuations / reserves for general banking risks

In CHF 000	Balance at 31.12.2009	Utilisation in conformity with designated purpose	Changes of allocation (new allocations)	Recoveries, doubtful interest, forex rate differences, income statement	New provisions charged to income statement	Released to income statement	Balance at 31.12.2010
Provisions for deferred taxes	1'848	-	-	-	-	-	1'848
Value adjustments and provisions for default risks (credit and country risks)	5'373	(623)	-	141	6'384	-	11'275
Value adjustments and provisions for restructuring	388	-	-	-	-	(388)	-
Value adjustments and provisions for other business risks	18'199	(1'242)	(468)	(1'847)	1'026	(6'120)	9'548
Sub-total	23'960	(1'865)	(468)	(1'706)	7'410	(6'508)	20'823
Total value adjustments and provisions	25'808	(1'865)	(468)	(1'706)	7'410	(6'508)	22'671
Less: value adjustments deducted from corresponding assets	-	-	-	-	-	-	-
Total value adjustments and provisions according to the balance sheet	25'808	(1'865)	(468)	(1'706)	7'410	(6'508)	22'671
Reserves for general banking risks	2'550	-	-	-	-	-	2'550

Notes to the financial statements 2010

according to the true and fair view principle

3.10 Presentation of the share capital and indications of shareholders holding more than 5% of all voting rights

Significant shareholders and groups of shareholders with pooled voting rights

3.10.1 Share capital

In CHF 000	31.12.2010			31.12.2009		
	Total par value	Number of shares	Capital giving rights to dividends	Total par value	Number of shares	Capital giving rights to dividends
Share capital						
Bearer shares	14'431	14'430'600	14'431	14'431	14'430'600	14'431
Total share capital	14'431	14'430'600	14'431	14'431	14'430'600	14'431
Conditional capital	7'215	7'215'300	7'215	7'215	7'215'300	7'215
of which capital increases realised	-	-	-	-	-	-

Conditional capital

The Board of Directors may, but is not obliged to, arrange a conditional capital increase by issuing 7'215'300 bearer shares within a time limit expiring on 9 April 2012.

For this purpose, the Board of Directors may use the following means, either alternatively or cumulatively, in the proportion stated above:

- **Issue of warrants giving entitlement to subscribe bearer shares**

Terms and conditions for the issue of these rights as part of the conditional capital increase: 60'725 warrants on bearer shares were issued and placed on 27 May 2004 on the following conditions:

Quantity	60'725	Category	bearer
Par value	none	Issue price	CHF 20.-
Type	warrants	Value date	27.05.2004
Right	1 warrant = 100 bearer shares	Expiration date	04.04.2012 (2'869 days)
Exercise price	CHF 8.75	Related increase of capital of	CHF 6'072'500.-

The Bank received on these warrants CHF 1'214'500.- as premium and registered as "General Legal Reserve".

- **Issue of convertible bonds**

On 1 March 2006, CHF 9'999'500.- were paid-in, representing the entire convertible bond issuance of 0.75% SBP 9 April 2012 (private placing).

Conditional capital increase	CHF 1'142'800.-
Increase in the number of shares in case of conversion	1'142'800 shares (ISIN CH0002492293)
Rate	0.75% (subject to 35% withholding tax)
Exercise date	30.06.2009 (see section 3.8)
Maturity	09.04.2012
Conversion price	CHF 8.75
Guarantee	no particular guarantee is provided by the Bank

Notes to the financial statements 2010

according to the true and fair view principle

3.10.2 Significant shareholders and groups of shareholders with pooled voting rights

Qualified participants

As % held directly	2010	2009
Shareholders of Banque Profil de Gestion SA		
Banca Profilo SpA, Milan	60.40	60.40
Wetmore Foundation	13.71	13.71
Shareholder of Wetmore Foundation		
Hill family	100.00	100.00
Shareholders of Banca Profilo SpA		
AREPO BP SpA*	53.54	53.54
PROFILO HOLDING SpA - Sandro Capotosti*	6.94	6.96
UBI Fiduciaria SpA - Torchiani* family	6.97	7.53

AREPO SpA is 100% controlled by Sator Investments Sàrl which is fully owned by Sator Private Equity Fund (SPEF).

UBI Fiduciaria SpA holds through Erasmo Holding SpA 3.785% in the capital of Banca Profilo SpA and represents Torchiani family's interests for 3.187%.

**These shareholders were linked by a shareholder's agreement until October 2010.*

Changes in the shareholding structure and institutional announcements of Banca Profilo SpA are published on the website of Banca Profilo: www.bancaprofilo.it

Information about the SATOR group is published on the website: www.satorgroup.com

3.11 Shareholders' equity

Shareholders' equity

In CHF 000	2010
Share capital	14'431
Capital reserves	1'352
Income reserves	52'643
Reserves for general banking risks	2'550
Own shares	(805)
Loss of the year	(2'840)
Total shareholders' equity at 01.01.2010	67'331
Other allocations to reserves	-
Dividend and other allocations	-
Loss for the financial year	(4'883)
Selling of own shares (acquisition cost)	-
Total shareholders' equity at 31.12.2010	62'448
of which:	
Share capital	14'431
Capital reserves	1'352
Income reserves	49'803
Reserves for general banking risks	2'550
Own shares	(805)
Loss for the financial year	(4'883)
Own shares / Number	
Own shares at 01.01.2010	97'800
Purchase	-
Sale	-
Balance at 31.12.2010	97'800

Notes to the financial statements 2010

according to the true and fair view principle

3.12 Maturity structure of current assets and third-party liabilities

In CHF 000	At sight	Cancellable	Maturity				Fixed assets	Total
			Within 3 months	Between 3 to 12 months	Between 12 months to 5 years	Over 5 years		
Current assets								
Liquid assets	4'493	-	-	-	-	-	-	4'493
Receivables arising from money-market papers	8	-	-	-	-	-	-	8
Due from banks	63'318	46'528	1'079	-	-	-	-	110'925
Due from clients	-	26'984	39'758	5'970	-	-	-	72'712
Mortgage loans	2'012	-	5'118	5'203	-	-	-	12'333
Securities and precious metals trading portfolios	3'196	-	-	-	-	-	-	3'196
Financial investments	-	-	-	-	2'035	-	-	2'035
Total current assets								
31.12.2010	73'027	73'512	45'955	11'173	2'035	-	-	205'702
31.12.2009	37'240	89'034	61'350	9'301	-	2'027	-	198'952
Third-party liabilities								
Due to banks	5'262	-	-	-	-	-	-	5'262
Due to clients	103'097	1'853	-	-	-	-	-	104'950
Convertible bonds	-	-	-	-	10'000	-	-	10'000
Total third-party liabilities								
31.12.2010	108'359	1'853	-	-	10'000	-	-	120'212
31.12.2009	90'454	2'886	-	-	10'000	-	-	103'340

3.13 Due from and to affiliated companies and loans to governing bodies

Remuneration paid to the governing bodies

No loan or commitment was incurred by the governing bodies of the Bank during the year under review.

In CHF 000	2010			
	Total	Fixed	Variable	Other
Indemnities and remuneration paid directly or indirectly to the members of the Board of Directors	256	256	-	*
The following amounts have been granted to the members of the Board of Directors:				
Franco Antamoro de Céspedes, Chairman	148	148	-	-
Michel Broch, Vice-Chairman	30	30	-	*
Nicolò Angileri, member of the Board	30	30	-	-
Fabio Candeli, member of the Board (from 27.04.2010)	20	20	-	-
Ivan Mazuranic, member of the Board (from 27.04.2010)	20	20	-	-
Giacomo Garbuglia, member of the Board (until 27.04.2010)	8	8	-	-
Renzo Torchiani, member of the Board (until 27.04.2010)	-	-	-	-
Indemnities and remuneration paid directly or indirectly to the members of the Executive Committee	857	679	-	178
The highest remuneration has been granted to Ms. Silvana Cavanna, Chief Executive Officer	495	341	-	154

*These members of the Board of Directors are also shareholders or employees of companies who received fees of CHF 100'000.- with regards to their consultancy activities.

Shares owned by members of the Board of Directors and General Management

a) Board of Directors

No member of the Board of Directors or closely related person owns shares of the Bank.

b) General Management

No member of the General Management or closely related person owns shares of the Bank.

Notes to the financial statements 2010

according to the true and fair view principle

3.14 Analysis of domestic and foreign assets and liabilities

In CHF 000	2010		2009	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	4'493	-	2'867	-
Receivables arising from money-market papers	8	-	8	-
Due from banks	15'975	94'950	17'227	74'917
Due from clients	31'255	41'457	47'416	38'233
Mortgage loans	12'333	-	16'257	-
Securities and precious metals trading portfolios	-	3'196	-	-
Financial investments	2'035	-	2'027	-
Fixed assets	2'934	-	2'278	-
Accrued income and prepaid expenses	1'567	-	2'815	-
Other assets	2'081	-	1'295	-
Total assets	72'681	139'603	92'190	113'150
Liabilities				
Due to banks	111	5'151	380	6'073
Due to clients	33'143	71'807	29'562	57'325
Convertible bonds	10'000	-	10'000	-
Accrued expenses and deferred income	2'849	-	4'572	-
Other liabilities	4'104	-	4'288	-
Value adjustments and provisions	14'736	7'935	14'568	11'240
Reserves for general banking risks	2'550	-	2'550	-
Share capital	14'431	-	14'431	-
Capital reserves	1'352	-	1'352	-
Income reserves	49'803	-	52'644	-
Own shares	(805)	-	(805)	-
Loss for the financial year	(4'883)	-	(2'840)	-
Total liabilities	127'391	84'893	130'702	74'638

3.15 Analysis of assets by country / group of countries

Assets

In CHF 000	2010		2009	
	Total	Share %	Total	Share %
Switzerland				
Sub-total	72'681	34.2	92'190	44.9
Europe				
Germany	15'251	7.2	1'441	0.7
Belgium	20'672	9.8	52'441	25.6
Great Britain	16'790	7.9	12'792	6.2
Italy	53'429	25.2	20'307	9.9
Other	18'325	8.6	10'867	5.3
Sub-total	124'467	58.7	97'848	47.7
North America				
United States	10'540	5.0	12'117	5.9
Other	17	0.0	142	0.1
Sub-total	10'557	5.0	12'259	6.0
Central America				
British Virgin Islands	830	0.4	278	0.1
Other	2'433	1.1	1'805	0.9
Sub-total	3'263	1.5	2'083	1.0
South America				
Sub-total	2	0.0	53	0.0
Other countries				
Sub-total	1'314	0.6	907	0.4
Total assets	212'284	100.0	205'340	100.0

Notes to the financial statements 2010

according to the true and fair view principle

3.16 Analysis of the balance sheet by currency

In CHF 000	CHF	USD	EUR	GBP	JPY	AUD	Other	Total
Assets								
Liquid assets	3'338	246	680	229	-	-	-	4'493
Receivables arising from money-market papers	3	5	-	-	-	-	-	8
Due from banks	36'622	24'589	44'121	3'322	340	313	1'618	110'925
Due from clients	38'113	13'102	20'750	376	303	60	8	72'712
Mortgage loans	12'333	-	-	-	-	-	-	12'333
Securities and precious metals trading portfolios	1'537	495	1'023	141	-	-	-	3'196
Financial investments	2'035	-	-	-	-	-	-	2'035
Fixed assets	2'934	-	-	-	-	-	-	2'934
Accrued income and prepaid expenses	1'450	33	82	1	1	-	-	1'567
Other assets	2'081	-	-	-	-	-	-	2'081
Total assets	100'446	38'470	66'656	4'069	644	373	1'626	212'284
Claims arising from spot, term and options transactions	28'766	38'940	31'582	10'097	2'256	7'881	-	119'522
Total assets	129'212	77'410	98'238	14'166	2'900	8'254	1'626	331'806

In CHF 000	CHF	USD	EUR	GBP	JPY	AUD	Other	Total
Liabilities								
Due to banks	131	926	3'929	276	-	-	-	5'262
Due to clients	24'526	36'830	35'916	5'689	11	370	1'608	104'950
Convertible bonds	10'000	-	-	-	-	-	-	10'000
Accrued expenses and deferred income	2'293	1	555	-	-	-	-	2'849
Other liabilities	1'864	290	1'941	-	-	-	9	4'104
Value adjustments and provisions	13'532	155	8'984	-	-	-	-	22'671
Reserves for general banking risks	2'550	-	-	-	-	-	-	2'550
Share capital	14'431	-	-	-	-	-	-	14'431
Capital reserves	1'352	-	-	-	-	-	-	1'352
Income reserves	49'803	-	-	-	-	-	-	49'803
Own shares	(805)	-	-	-	-	-	-	(805)
Loss for the financial year	(4'883)	-	-	-	-	-	-	(4'883)
Total liabilities	114'794	38'202	51'325	5'965	11	370	1'617	212'284
Commitments arising from spot, term and options transactions	13'971	39'161	46'665	8'150	2'888	7'878	-	118'713
Total liabilities	128'765	77'363	97'990	14'115	2'899	8'248	1'617	330'997
Net position by currency	447	47	248	51	1	6	9	809

Notes to the financial statements 2010

according to the true and fair view principle

4. INFORMATION CONCERNING OFF-BALANCE SHEET TRANSACTIONS

4.1 Contingent liabilities

In CHF 000	2010	2009
Irrevocable guarantees	3'402	3'925
Total	3'402	3'925

4.2 Analysis of credit commitments

Nil.

4.3 Open derivative financial instruments

In CHF 000	Trading transactions		
	Positive replacement values	Negative replacement values	Underlying values
Equity stock / Indexes			
Options (listed)	59	59	614
Currencies / Precious metals			
Forward contracts	1'500	1'295	117'351
Rate instruments			
Futures	51	-	1'557
Total before impact of netting contracts			
31.12.2010	1'610	1'354	119'522
31.12.2009	791	721	100'204

In CHF 000			
	Positive replacement values (accumulated)	Negative replacement values (accumulated)	Underlying values
Total after impact of netting contracts			
31.12.2010	1'610	1'354	119'522
31.12.2009	791	721	100'204

The Bank executes transactions on derivative financial instruments for the account of clients; most of these transactions are rolled over on the market in order to cover the price risk.

4.4 Fiduciary transactions

In CHF 000	2010	2009
Fiduciary deposits	20'732	71'511
of which with the Group	-	-
Fiduciary loans	5'353	37'305
Total	26'085	108'816

4.5 Clients deposits

In CHF 000	2010	2009
Type of clients deposits		
Assets in self-managed investment funds	-	-
Discretionary assets under management deposited with third parties	13'922	-
Other clients deposits	749'257	910'242
Total clients deposits (including double counting)	763'179	910'242
of which double-counted	178'846	168'635
Net new money (outflow) / inflow	(105'496)	(125'241)

Clients deposits considered as "custody only" are differentiated from clients "other deposits" according to the criteria of regular commission income generated by operations. When clients deposits under "custody only" do not fit that criteria, they are not included in the above summary of clients deposits.

The interest and commission charges relating to clients accounts are not considered in the movement of fund flows from clients deposits.

Notes to the financial statements 2010

according to the true and fair view principle

5. INFORMATION CONCERNING THE INCOME STATEMENT

5.1 Disclosure of significant refinancing income in the position “interest and discount income”

Nil.

5.2 Trading income

In CHF 000	2010	2009
Securities income	5'773	7'093
Currencies and banknotes income	889	1'081
Total	6'662	8'174

5.3 Personnel expenses

In CHF 000	2010	2009
Bank governing bodies, percentages and fixed indemnities	345	177
Salaries and other allowance	6'503	9'658
Benefits	627	767
Payments to pension funds	1'030	1'003
Other personnel expenses	953	402
Total	9'458	12'007

5.4 Other operating expenses

In CHF 000	2010	2009
Costs of premises	1'347	2'229
Costs of communication and financial information	930	958
Costs of IT, equipment, furniture, vehicles and other installations	2'220	1'599
Advertising expenses	51	43
Lawyers, auditors and other fees	1'225	1'240
Other operating expenses	776	859
Total	6'549	6'928

5.5 Comments on significant loss, extraordinary income and expenses, significant releases of hidden reserves, provision for general banking risks and value adjustments and provisions no longer required

Extraordinary income

In CHF 000	2010	2009
Reversal of value adjustments and provisions no longer required	6'508	135
Reversal of provisions which have become available	92	491
Total	6'600	626

The reversal of value adjustments and provisions no longer required concerns mainly the reversal of provision for legal risks.

5.7 Income and expenses analysed according to domestic and foreign origin applying the principle of permanent establishment

The Bank has no offices abroad. Its entire banking activity is based in Switzerland.



REPORT OF
THE STATUTORY
AUDITORS



Report of the statutory auditor
to the general meeting of
Banque Profil de Gestion SA
Geneva

This Annual Report is published in French and English. In the event of a difference between the two versions, the French text shall prevail.

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Banque Profil de Gestion SA, which comprise the balance sheet, income statement and notes (pages 46 to 60), for the year ended 31 December 2010. The prior year corresponding figures were audited by other auditors.

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 company'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 31 December 2010 comply with Swiss law and the company'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 company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA



Beresford Caloia
Auditor in charge



Benoit Tiberi

Geneva, 5 April 2011

Balance sheet at 31 December 2010

Assets

In CHF	2010	2009
Liquid assets	4'493'303	2'866'679
Receivables arising from money-market papers	7'554	8'012
Due from banks	110'925'431	92'143'562
Due from clients	72'712'143	85'649'262
Mortgage loans	12'332'850	16'256'887
Securities and precious metals trading portfolios	3'195'416	498
Financial investments	2'631'468	2'831'729
Fixed assets	2'411'038	1'623'784
Accrued income and prepaid expenses	1'566'732	2'815'342
Other assets	2'081'265	1'294'996
Total assets	212'357'200	205'490'751
Total due from group companies and qualified participants	33'163'099	28'433

Liabilities

In CHF	2010	2009
Due to banks	5'261'563	6'452'864
Due to clients	104'950'060	86'887'503
Convertible bonds	9'999'500	9'999'500
Accrued expenses and deferred income	2'848'771	4'572'249
Other liabilities	4'104'028	4'288'051
Value adjustments and provisions	24'623'216	27'760'337
Reserves for general banking risks	3'400'000	3'400'000
Share capital	14'430'600	14'430'600
General legal reserve	39'267'500	39'267'500
Reserve for own shares	804'722	804'722
Other reserves	14'665'278	14'665'278
Loss / Accumulated brought forward	(7'037'853)	(4'350'670)
Loss for the financial year	(4'960'185)	(2'687'183)
Total liabilities	212'357'200	205'490'751
Total due to group companies and qualified participants	579'057	1'133'676

Balance sheet at 31 December 2010

Off-balance sheet transactions

In CHF	2010	2009
Contingent liabilities	3'401'999	3'925'215
Irrevocable commitments	432'000	428'000
Derivative financial instruments		
Positive replacement values	1'609'994	790'541
Negative replacement values	1'354'300	721'374
Underlying values	119'522'012	100'203'667
Fiduciary transactions	26'085'493	108'816'573

Income statement

1. INCOME AND EXPENSES FROM ORDINARY BANKING ACTIVITY

In CHF	2010	2009
Net interest income		
Interest and discount income	2'391'941	3'720'952
Interest and dividend income on financial investments	41'266	55'424
Interest expenses	(176'372)	(295'285)
Net interest income (sub-total)	2'256'835	3'481'091
Net income from commissions, products and services		
Commission income on lending activities	176'424	309'338
Commission income on securities and investment transactions	5'367'051	9'143'429
Commission income on other services	598'169	679'330
Commission expenses	(2'239'428)	(3'753'016)
Net fee and commission income (sub-total)	3'902'216	6'379'081
Trading income	6'662'048	8'174'077
Other ordinary results		
Other ordinary income	25'303	715'654
Other ordinary expenses	(208'261)	(49'484)
Other ordinary results (sub-total)	(182'958)	666'170
Operating expenses		
Personnel expenses	(9'458'100)	(12'007'658)
Other operating expenses	(6'548'776)	(6'927'775)
Operating expenses (sub-total)	(16'006'876)	(18'935'433)

Income statement

2. PROFIT / LOSS FOR THE FINANCIAL YEAR

In CHF	2010	2009
Gross profit / Loss	(3'368'735)	(235'014)
Depreciation of fixed assets	(476'128)	(456'329)
Value adjustments, provision and losses	(7'410'337)	(2'318'832)
Loss before extraordinary items and taxes	(11'255'200)	(3'010'175)
Extraordinary income	6'600'015	626'384
Taxes	(305'000)	(303'392)
Loss for the financial year	(4'960'185)	(2'687'183)

3. APPROPRIATION OF RETAINED EARNINGS / LOSS TO BE COVERED

In CHF	2010	2009
Loss for the financial year	(4'960'185)	(2'687'183)
Loss / Accumulated brought forward	(7'037'853)	(4'350'670)
Loss to be covered	(11'998'038)	(7'037'853)

Notes to the financial statements 2010

The information in these notes is numbered in compliance with Article 25c of the Banking Ordinance (B.O.). The information which does not concern our Bank is not commented upon.

1. COMMENTS ON BUSINESS ACTIVITY AND NUMBER OF EMPLOYEES

General

Banque Profil de Gestion SA is a bank governed by Swiss law, listed on the Stock Exchange and a member of the Swiss Stock Exchange. Its core activities are wealth management, market transactions and related business, such as the granting of Lombard loans to its clients and financial engineering. Mortgages are also granted to clients holding substantial deposits and to staff members.

Major events

The governing bodies of General Management and Management were modified during the financial year (see chapter on the corporate governance):

On 30 November 2010, following his resignation from the Bank, Mr. Régis Ducrey relinquished his responsibilities as Deputy CEO and CFO.

On 1 December 2010, Mr. Gilbert Pfaeffli was named Deputy Chief Executive Officer.

The recruitment and appointment of a Head of Private Banking and a Chief Investment Officer, strengthened the Bank's Administrative Team.

Personnel

As of 31 December 2010, the number of 38 employees is unchanged from the previous year.

Outsourcing

On 26 January 2008, the Bank outsourced the provision and maintenance of its IT system; since that date, the Bank is using an external service provider to whom it has entrusted operation of its IT system and performance of back-office tasks in compliance with FINMA Circular 2008/7.

Risk assessment

The Board of Directors performed an analysis of the main risks of the Bank. When making this analysis, it took account of the existing internal control system.

Notes to the financial statements 2010

2. ACCOUNTING AND VALUATION PRINCIPLES

Banque Profil de Gestion SA valuation and accounting principles correspond to those adopted in the financial statements drawn up on the basis of the true and fair view principle, except for the items described below. However, unlike the financial statements closing based on the true and fair view principle, the statutory accounts may be influenced by undisclosed reserves.

Fixed assets

The expenses of installation were not the subject of an activation.

Taxes

Current income taxes are calculated and recorded as an expense in the period in which the related profits are made. They are shown as liabilities in the balance sheet under "Accruals and deferred income".

Reserves for general banking risks

No tax has been levied on the reserves for general banking risks.

Own shares

Own shares are recorded under the financial investments. Related reserve has been created as required by the Bank accounting guidelines issued by the Federal Financial Markets Supervisory Authority FINMA.

3. INFORMATION ON THE BALANCE SHEET

3.6 Assets pledged or assigned to secure own liabilities and assets subject to ownership reservation, without loan / and repo / buyback transaction

In CHF 000	Book value of assets pledged or given as collateral	Effective commitments
31.12.2010	29'021	321
31.12.2009	36'753	352

Other assets and other liabilities

In CHF 000	Other assets		Other liabilities	
	2010	2009	2010	2009
Replacement value of derivative financial instruments	1'610	791	1'354	721
Taxes	111	-	288	5
Miscellaneous assets and liabilities	360	504	2'462	3'562
Total other assets & other liabilities	2'081	1'295	4'104	4'288

3.7 Information on pension fund plans

At 31 December 2010, there is no commitment to the pension fund institution.

For further details, see section 3.7 of the Notes to the financial statements according to the true and fair view principle.

3.10 Presentation of the share capital and indications of shareholders holding more than 5% of all voting rights

Significant shareholders and groups of shareholders with pooled voting rights

3.10.1 Share capital

In CHF 000	31.12.2010			31.12.2009		
	Total par value	Number of shares	Capital giving rights to dividends	Total par value	Number of shares	Capital giving rights to dividends
Share capital						
Bearer shares	14'431	14'430'600	14'431	14'431	14'430'600	14'431
Total share capital	14'431	14'430'600	14'431	14'431	14'430'600	14'431
Conditional capital	7'215	7'215'300	7'215	7'215	7'215'300	7'215
of which capital increases realised	-	-	-	-	-	-

Notes to the financial statements 2010

Conditional capital

The Board of Directors may, but is not obliged to, arrange a conditional capital increase by issuing 7'215'300 bearer shares within a time limit expiring on 9 April 2012.

For this purpose, the Board of Directors may use the following means, either alternatively or cumulatively, in the proportion stated above:

- **Issue of warrants giving entitlement to subscribe bearer shares**

Terms and conditions for the issue of these rights as part of the conditional capital increase: 60'725 warrants on bearer shares were issued and placed on 27 May 2004 on the following conditions:

Quantity	60'725	Category	bearer
Par value	none	Issue price	CHF 20.-
Type	warrants	Value date	27.05.2004
Right	1 warrant = 100 bearer shares	Expiration date	04.04.2012 (2'869 days)
Exercise price	CHF 8.75	Related increase of capital of	CHF 6'072'500.-

The Bank received on these warrants CHF 1'214'500.- as premium and registered as "General Legal Reserve".

- **Issue of convertible bonds**

On 1 March 2006, CHF 9'999'500.- were paid-in, representing the entire convertible bond issuance of 0.75% SBP 9 April 2012 (private placing).

Conditional capital increase	CHF 1'142'800.-
Increase in the number of shares in case of conversion	1'142'800 shares (ISIN CH0002492293)
Rate	0.75% (subject to 35% withholding tax)
Exercise date	30.06.2009 (see section 3.8 of the true and fair view)
Maturity	09.04.2012
Conversion price	CHF 8.75
Guarantee	no particular guarantee is provided by the Bank

3.10.2 Significant shareholders and groups of shareholders with pooled voting rights

Qualified participants

As % held directly	2010	2009
Shareholders of Banque Profil de Gestion SA		
Banca Profilo SpA, Milan	60.40	60.40
Wetmore Foundation	13.71	13.71
Shareholder of Wetmore Foundation		
Hill family	100.00	100.00
Shareholders of Banca Profilo SpA		
AREPO BP SpA*	53.54	53.54
PROFILO HOLDING SpA - Sandro Capotosti*	6.94	6.96
UBI Fiduciaria SpA - Torchiani* family	6.97	7.53

AREPO SpA is 100% controlled by Sator Investments Sàrl which is fully owned by Sator Private Equity Fund (SPEF).

UBI Fiduciaria SpA holds through Erasmo Holding SpA 3.785% in the capital of Banca Profilo SpA and represents Torchiani family's interests for 3.187%.

*These shareholders were linked by a shareholder's agreement until October 2010.

Changes in the shareholding structure and institutional announcements of Banca Profilo SpA are published on the website of Banca Profilo: www.bancaprofilo.it

Information about the SATOR group is published on the website: www.satorgroup.com

Notes to the financial statements 2010

3.11 Shareholders' equity

Shareholders' equity

In CHF 000	2010
Share capital	14'431
General legal reserve	39'267
Reserve for own shares	805
Other reserves	14'665
Reserves for general banking risks	3'400
Loss of the year	(7'038)
Total shareholders' equity at 01.01.2010 (before appropriation of retained earnings / loss to be covered)	65'530
Reserve for own shares	-
Allocation to the general legal reserve	-
Allocation to other reserves	-
Loss for the financial year	(4'960)
Total shareholders' equity at 31.12.2010 (before appropriation of retained earnings / loss to be covered)	60'570
of which:	
Share capital	14'431
General legal reserve	39'267
Reserve for own shares	805
Other reserves	14'665
Reserves for general banking risks	3'400
Accumulated loss	(11'998)

3.13 Due from and to affiliated companies and loans to governing bodies

No loan or commitment was incurred by the governing bodies of the Bank during the year under review.

4. INFORMATION CONCERNING OFF-BALANCE SHEET TRANSACTIONS

4.4 Fiduciary transactions

In CHF 000	2010	2009
Fiduciary deposits	20'732	71'511
of which with the Group	-	-
Fiduciary loans	5'353	37'305
Total	26'085	108'816

4.5 Clients deposits

In CHF 000	2010	2009
Type of clients deposits		
Assets in self-managed investment funds	-	-
Discretionary assets under management deposited with third parties	13'922	-
Other clients deposits	749'257	910'242
Total clients deposits (including double counting)	763'179	910'242
of which double-counted	178'846	168'635
Net new money (outflow) / inflow	(105'496)	(125'241)

Clients deposits considered as “custody only” are differentiated from clients “other deposits” according to the criteria of regular commission income generated by operations. When clients deposits under “custody only” do not fit that criteria, they are not included in the above summary of clients deposits.

The interest and commission charges relating to clients accounts are not considered in the movement of fund flows from clients deposits.

Notes to the financial statements 2010

5. INFORMATION CONCERNING THE INCOME STATEMENT

5.2 Trading income

In CHF 000	2010	2009
Securities income	5'773	7'093
Currencies and banknotes income	889	1'081
Total	6'662	8'174

5.5 Comments on significant loss, extraordinary income and expenses, significant releases of hidden reserves, provision for general banking risks and value adjustments and provisions no longer required

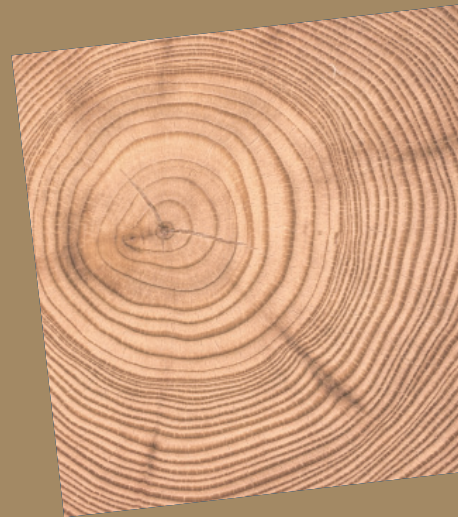
Extraordinary income

In CHF 000	2010	2009
Reversal of value adjustments and provisions no longer required	6'508	135
Reversal of provisions which have become available	92	491
Total	6'600	626

The reversal of value adjustments and provisions no longer required concerns mainly the reversal of provision for legal risks.



2010
CORPORATE
GOVERNANCE
REPORT



2010 Corporate Governance report

The numbering used in the “Corporate Governance” report follows the one adopted in the guideline on Corporate Governance of SIX – SWISS EXCHANGE (Directive Corporate Governance, DCG). The information required appears in the following pages.

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1 Group structure

1.1.1 Description of the issuer’s operational group structure

Banque Profil de Gestion SA, head office in Geneva, has no operating base outside of Switzerland. It has no holdings in any listed or unlisted companies.

1.1.2 Listing of the shares

The Bank’s bearer shares are listed in the main segment (“Main standard”) of SIX in Zurich, under the symbol “BPDG”. At 31 December 2010, the market capitalisation was CHF 87’305’130.-.

The ISIN reference of the share is: CH0002492293.

The Telekurs value number of the share is: 249229.

The bearer’s shares have been dematerialized and placed into a global certificate deposited with SIX.

1.2 Significant shareholders

See Annual Report 2010 – section 3.10.2 of the Notes to the financial statements.

No shareholders’ agreement had been notified to the Bank at 31 December 2010.

The information communicated during the exercise relative to the main shareholders is available on the website http://www.six-swiss-exchange.com/shares/companies/major_shareholders_en.html

1.3 Cross-shareholdings

Banque Profil de Gestion SA is not informed of cross-shareholdings over 5% of the capital or of all shares entitled to vote.

2. CAPITAL STRUCTURE

2.1 Capital

See Annual Report 2010 – section 3.10.1 of the Notes to the financial statements.

2.2 Authorized and conditional capital in particular

- a. The Board of Directors may, but is not obliged to, arrange a conditional capital increase by issuing 7’215’300 (seven million two hundred and fifteen thousand three hundred) bearer shares of CHF 1.- (one franc) within a time limit expiring on 9 April 2012.

For this purpose, the Board of Directors may use the following means, either alternatively or cumulatively, in the proportion stated above:

- Issue of convertible bonds;
- Issue of warrants giving entitlement to subscribe bearer shares.

The Board of Directors will determine in due course the date and price of issue, the duration, maturity, interest payable and conditions of exercise.

There is no preferential subscription right for shareholders.

b. Terms and conditions for the issue of these rights on the occasion of the conditional increase in capital

- 60'725 warrants on bearer shares were issued and placed on 27 May 2004 on the following conditions:

Quantity	60'725	Category	bearer
Par value	none	Issue price	CHF 20.-
Type	warrants	Value date	27.05.2004
Right	1 warrant = 100 bearer shares	Exercise date	27.05.2004
Exercise price	CHF 8.75	Expiration date	04.04.2012 (2'869 days)
		Related increase of capital of	CHF 6'072'500.-

- On 1 March 2006, CHF 9'999'500.- were paid-in, representing the entire convertible bond issuance of 0.75% SBP 9 April 2012 (private placing):

Conditional capital increase	CHF 1'142'800.-
Increase in the number of shares in case of conversion	1'142'800 shares (ISIN CH0002492293)
Rate	0.75% (subject to withholding tax of 35%)
Exercise date	with effect from 30.06.2009
Maturity	09.04.2012
Conversion price	CHF 8.75
Guarantee	no particular guarantee is provided by the Bank

2.3 Changes in capital (reserve and benefit)

Year	Share capital in CHF	Number of registered shares Par value CHF 1.-	Number of bearer shares Par value CHF 1.-	Reserves in CHF	Loss / Available profit in CHF
2002	14'430'600	415'000	102'806	53'817'625	1'234'489
2003	14'430'600	415'000	102'806	53'817'625	2'137'575
2004	14'430'600	415'000	102'806	55'047'499	4'285'760
2005	14'430'600	4'150'000	1'028'060	56'077'500	3'920'377
2006	14'430'600	4'150'000	1'028'060	56'607'500	4'225'923
2007	14'430'600	4'150'000	10'280'600	58'137'500	(3'860'064)
2008	14'430'600	-	14'430'600	58'137'500	(4'350'670)
2009	14'430'600	-	14'430'600	58'137'500	(7'037'853)
2010	14'430'600	-	14'430'600	58'137'500	(11'998'038)

2010 Corporate Governance report

In 2000, the Bank issued 200'000 registered shares for an amount of CHF 2'000'000.- and 807 pieces of CHF 5'000.- of its convertible bonds were converted into 5'649 bearer shares.

In May 2001, at the maturity date of the convertible bond 3.125% SFP 01, 1'422 pieces of the bond were converted into 9'954 bearer shares (CHF 100.- par value and CHF 725.- premium for 2000 and 2001).

On 5 September 2005, the Bank arranged a split of its share capital in the following proportions: 1 old share with a par value of CHF 100.- (bearer shares) and a par value of CHF 10.- (registered shares) against 10 new shares with a par value of CHF 10.- (bearer shares) and a par value of CHF 1.- (registered shares).

On 3 August 2007, the Bank arranged a split of its share capital in the following proportions: 1 old share with a par value of CHF 10.- (bearer shares) against 10 new shares with a par value of CHF 1.- (bearer shares).

On 11 June 2008, the Bank converted the 4'150'000 registered shares with a par value of CHF 1.- each into bearer shares. Since then, there has only been one category of shares and the first listing took place on 18 June 2008.

2.4 Shares and participation certificates

There is no preferential subscription right for shareholders.

Each shareholder has one voting right and the right to a share of the earnings stated in the balance sheet proportional to payments made to the share capital.

7'215'300 bearer shares with a par value of CHF 1.- each are available in the form of conditional capital, in accordance with article 7 bis of the Articles of Association (see section 2.2.a above).

The Bank has no capital-participation.

2.5 Dividend-right certificates

Banque Profil de Gestion SA has not issued dividend-right certificates.

2.6 Limitations on transferability and nominee registrations

Banque Profil de Gestion SA has no nominative shares.

Nominees registration does not apply to the Bank.

2.7 Convertible bonds and options

See section 2.2.b above.

According to section 5.1.1, two persons benefited from stock options plan of Banca Profilo SpA, Milan.

3. BOARD OF DIRECTORS

At 31 December 2010, the Board of Directors consists of five non-executive members who meet the requirement of independence according to banking prescriptions, with the exception of:

- Mr. Fabio Candeli, Delegated Member of the Board, Banca Profilo SpA, Milan
- Mr. Nicolò Angileri, Chief Executive Officer, Banca Profilo SpA, Milan

Banca Profilo SpA who has a 60.40% shareholding interest in the Bank.

3.1 Members of the Board of Directors

a. FRANCO ANTAMORO DE CÉSPEDES

Chairman of the Board of Directors

Chairman of the Remuneration Committee

Nationality: Italian

Education

Law Faculty, La Sapienza, Rome

Certificate of Commendation, Manufacturers Hanover Trust, New York

Ph. D. International Economy and Operations, Kennedy Western University, USA

Professional experience

Since 1994	No more professional activity, retired
1979 – 1994	Management Adviser, Darier & Cie, Geneva
1974 – 1978	Vice-President and Member of the Management Committee, Société Générale de Surveillance SA, Geneva
1972 – 1974	Chief Executive of SOCFIN, Brussels, Belgium
1969 – 1972	Marketing Director Europe, Middle East and Africa, ITT, Brussels, Belgium
1964 – 1968	Delegate for Mexico and Central America, Montedison Group, Mexico-City, Mexico
1962 – 1964	Delegate, Montedison Group, Sao Paulo, Brazil
1960 – 1961	Managing Director, Montedison Group Subsidiary (formerly Montecatini), Athens, Greece

b. MICHEL BROCH

Vice-Chairman of the Board of Directors

Chairman of the Audit Committee

Nationality: Swiss

Education

Law Degree, University of Fribourg

Holder of an Attorney's Licence, Fribourg

Professional experience

Since 2005	Chairman, Associate, broch & associés SA
2002 – 2004	Chairman of the Executive Committee, Banque Safdié SA, Geneva
1989 – 2002	Member of the Executive Committee of the Financial Services Ernst & Young SA, Member of the Board of Directors, Ernst & Young Holding SA
1984 – 1989	Head of French Legal Department, Swiss Federal Banking Commission

c. FABIO CANDELI

Member of the Board of Directors since 27 April 2010

Member of the Remuneration Committee since 27 April 2010

Nationality: Italian

Education

Bachelor of Economics and Business Administration, University of Turin (Italy)

2010 Corporate Governance report

Professional experience

Since June 2009	Delegated Member of the Board, Banca Profilo SpA, Milan Member of the Board of Sator Investments Sàrl, Luxembourg
2009 – 2010	Member of the Board of Arepo BH Sàrl, Luxembourg
2008	Founding Partner – Private Equity, Sator Group, Rome
2005 – 2007	Member of Management Committee, Managing Director – Head of Commercial Banks, Capitalia Banking Group, Rome Member of the Board of Directors of Banca di Roma, Banco di Sicilia, Bipop-Carire, Capitalia Solution and Capitalia Informatica
2003 – 2005	Director for the Strategic Planning, Head of Planning and Control, Capitalia Holding
1998 – 2003	Vice-President – Equity Research, Credit Suisse First Boston, Londres
1997 – 1998	Financial Analyst – Equities, BZW, London

d. NICOLÒ ANGILERI

Member of the Board of Directors

Member of the Audit Committee

Member of the Remuneration Committee until 27 April 2010

Nationality: Italian

Education

Bachelor of Economics and Banking, University of Sienna (Italy)

Professional experience

Since 2000	Chief Executive Officer, Banca Profilo SpA, Milan
1991 – 2000	Director of Finance of the Group, CREDEM Group (Credito Emiliano), Reggio Emilia
1985 – 1991	Head of Finance, Istituto Bancario Siciliano, Marsala

e. MAZURANIC IVAN

Member of the Board of Directors since 27 April 2010

Member of the Audit Committee since 27 April 2010

Nationality: Swiss

Education

Faculté des Sciences Economiques et Commerciales, Geneva

Diploma ès Sciences Commerciales, Fribourg

Professional experience

Since 2009	Managing Partner, IMP & Co SARL, Geneva
2007 - 2009	Advisor to the Management, Dresdner Bank (Switzerland) Ltd, Geneva
1998 - 2007	First Vice President, Dresdner Bank (Switzerland) Ltd, Geneva
1997 - 1998	Director, Realty Investments Ltd Panama, Geneva
1993 - 1996	Manager, Banque Internationale à Luxembourg (Switzerland) Ltd, Geneva
1987 - 1992	Management Committee, Banque Bruxelles Lambert (Switzerland) Ltd, Geneva Director, Banque Bruxelles Lambert Bank & Trust (Jersey), Channel-Islands
1984 - 1987	Vice President, Directeur Private Banking, Union of Bank of Switzerland, New York
1978 - 1984	Vice President, Chase Manhattan Bank, Geneva and New York Area manager Private Banking Europe, Middle-East, Africa, Asia
1969 - 1977	Assistant Manager, Citibank N.A., Geneva, Milan et New York

f. GIACOMO GARBUGLIA

Member of the Board of Directors until 27 April 2010

Member of the Audit Committee until 27 April 2010

Nationality: Italian

Education

Bachelor of Economics, University of Ancona (Italy)

Chartered accountant and certified auditor (Italy)

Professional experience

Since 2008	Partner of SATOR Group
2002 – 2007	Co-Managing Director of Capitalia SpA, Rome
1985 – 2002	Head of the “Financial Institutions” Group, Lehman Brothers, London
1994 – 1998	Director, KPMG Corporate Finance, Milan

g. RENZO TORCHIANI

Member of the Board of Directors until 27 April 2010

Member of the Remuneration Committee until 27 April 2010

Nationality: Italian

Education

Doctor in Law, University of Parma

Master of Business Administration, Corporate Finance, University of Milan

Professional experience

Since 2004	Business Development Manager, Banca Profilo SpA, Milan
2003 – 2004	Sales Manager, Total Leasing SpA, Brescia
2001 – 2003	Co-Managing Director, Member of the Board of Directors, Remar Sim SpA, Brescia
2000 – 2001	Internal Auditor, Fideritalia Sim SpA, Brescia
1999	Sales Executive, Carval Srl, Brescia

3.2 Other activities and vested interests

a. FRANCO ANTAMORO DE CÉSPEDES

Chairman of the Board of Directors of Banque Profil de Gestion SA

No other office held

b. MICHEL BROCH

Vice-Chairman of the Board of Directors of Banque Profil de Gestion SA

Chairman, broch & associés SA, Corminbœuf

Member of the Board of Directors, Member of the Audit Committee, Mirelis InvestTrust SA, Geneva

Member of the Board of Directors, Hinduja Suisse Holding SA, Lucerne

Member of the Board of Directors, Hinduja Global SA, Lucerne

Member of the Board of Directors, Kathink SA, Lucerne

Member of the Board of Directors, Reyl & Cie SA, Geneva

Member of the Board of Directors, Vice-Chairman, Chairman of the Audit Committee, MIG Bank SA, Neuchâtel

Member of the Board of Directors, Realtime Financial Technologies, Geneva

Member of the Board of Directors, Specitec SA, Geneva

Member of the Board of Directors, CSI Finances SA, Geneva

Member of the Board of Directors, Montis Asset Management SA, Geneva

2010 Corporate Governance report

c. FABIO CANDELI

Member of the Board of Directors of Banque Profil de Gestion SA since 27 April 2010

Delegated Member of the Board, Banca Profilo SpA, Milan

Member of the Board of Directors, Sator Investments Sàrl, Luxembourg

Chairman, Profilo Merchant, Milan

Member of the Board of Directors, Profilo Asset Management SGR and Profile Real Estate, Milan

d. NICOLÒ ANGILERI

Member of the Board of Directors of Banque Profil de Gestion SA

Chief Executive Officer, Banca Profilo SpA, Milan

Member of the Board of Directors, Profilo Asset Management SGR SpA, Milan

Member of the Board of Directors, Profilo Merchant Co srl, Milan

Managing Director, Profilo Real Estate Advisory srl, Milan

Member of the Board of Directors, ASSBANK (National Association of Private Banks), Rome

e. MAZURANIC IVAN

Member of the Board of Directors of Banque Profil de Gestion SA since 27 April 2010

Managing Partner, IMP & Co SARL, Geneva

f. GIACOMO GARBUGLIA

Member of the Board of Directors of Banque Profil de Gestion SA until 27 April 2010

Member of the Board of Directors, Sator GP Limited, London

Member of the Board of Directors, Sator Partners LLP, London

Member of the Board of Directors, Sator Investments Sàrl, Luxembourg

Member of the Board of Directors, AREPO BP SpA, Rome

Member of the Board of Directors, Banca Profilo SpA, Milan

g. RENZO TORCHIANI

Member of the Board of Directors of Banque Profil de Gestion SA until 27 April 2010

Director, Total Leasing SpA, Brescia

Director, Strategy Invest SpA, Brescia

Director, OzNer Srl, Brescia

Member of the Board of Directors, Banca Profilo SpA, Milan

Member of the Board of Directors, First Capital SpA, Milan

Member of the Board of Directors, Servizi Italia SpA, Parme

3.3 Election and terms of office

3.3.1 Principles of the election procedure and limits on the terms of office

The term of office of the members of the Board of Directors is one year. It ends at the Ordinary General Meeting following their appointment.

The members of the Board of Directors are re-eligible.

In case of death or resignation by a member of the Board of Directors during his/her term of office, the newly designated member remains in office for the remainder of the term of office of his/her predecessor.

3.3.2 Time of first election to office and remaining term of office for each member of the board of directories

Member of the Board	1 st election	In office until GM of
Franco Antamoro de Céspedes	November 2009	2011
Michel Broch	January 2008	2011
Fabio Candeli	April 2010	2011
Nicolò Angileri	April 2009	2011
Ivan Mazuranic	April 2010	2011
Giacomo Garbuglia	April 2009	Avril 2010
Renzo Torchiani	January 2008	Avril 2010

3.4 Internal organizational structure

3.4.1 Allocation of tasks within the Board of Directors

The functions of the members of the Board of Directors are mentioned on chapter 3.1 of the present report.

The Chairman of the Board of Directors cannot participate in any other capacity in the management of the day-to-day business of the Bank.

The Chairman must be informed regularly by the General Management on the course of business and the situation of the Bank. He must be informed promptly of any special event that does not come within the scope of ordinary course of business.

If the General Management is unsure whether a matter comes within its area of competence, it submits the question to the Chairman who decides whether the matter comes within the area of competence of the General Management or that of the Board of Directors.

In case of impediment of the Chairman, his functions are exercised by the Vice-Chairman of the Board of Directors or by the oldest senior Director.

2010 Corporate Governance report

3.4.2 Members list, tasks and area of responsibility for each Committee of the Board of Directors

The Board of Directors established an Audit Committee and a Remuneration Committee.

The Audit Committee

The Board of Directors establishes among his members a compound Audit Committee of at least two members of the Board.

The Audit Committee has the following purviews:

- Supervision and assessment of the integrity of the financial closing;
- Supervision and assessment of the internal control in relation to the establishment of the financial reports;
- Supervision and evaluation of the effectiveness of the external auditors and of their cooperation with the internal audit;
- Evaluation of internal control which does not relate to the establishment of the financial reports and the internal audit;
- Giving notice to the Board on the appointment and dismissal of the external auditors;
- Giving notice to the Board on the appointment and dismissal of the internal auditor;
- Defining and adopting with the internal auditor, in cooperation with the external auditors, the annual activity program of the internal auditor;
- Discussion with the external auditors on the audit strategy and reports to ascertain their opinion on changes to be made to the organisation of the Bank, the qualification of the internal audit and the cooperation obtained with the different departments of the Bank in the performance of the relevant tasks;
- Taking note of the internal audit reports and making sure that the Chief Executive Officer takes the necessary measures in response to the internal auditor's remarks;
- Annual review of the Audit Committee Regulation;
- Addressing a quarterly report to the Board containing a summary of its activities, decisions and recommendations within the framework of the internal control system.

The Remuneration Committee

The Board of Directors creates a Remuneration Committee amongst its members. The Committee comprises at least two members of the Board of Directors, one of whom is the Chairman. The CEO is invited to the meetings in an advisory capacity.

The Remuneration Committee submits to the Board of Directors for approval, the principles governing the remuneration of members of the Board of Directors, the CEO and members of the Executive Committee, as well as the proposed appointments presented by the CEO.

3.4.3 Work methods of the Board of Directors and its Committees

Governing bodies	Number of meetings 2010	Average length of meetings	Number of members
Board of Directors	6	3 hours	5
Audit Committee	3	2 hours	3
Remuneration Committee	1	2 hours	2

The members of the Board of Directors and of the other Board Committees consult the members of the General Management on a regular basis.

3.5 Definition of areas of responsibility

The Board of Directors exercises the functions and authority assigned to it by the law, the Articles of Association and the internal regulations of the Bank, in addition to the untransferable and inalienable attributes defined in Article 27 of the Articles of Association:

- To exercise the high supervision of the Bank and establish the necessary instructions;
- To define the general policy and the strategic orientations of the Bank;
- To set up the organization and adopt the internal regulations;
- To name and revoke the persons in charge of the Management;
- To prepare all the suggestions intended for the General Meeting of Shareholders, give his notice, establish the agenda, summon the General Meeting of Shareholders and executes the decisions taken;
- To establish the Annual Report and to submit to the General Meeting of Shareholders the annual accounts, the report and the income statement with its suggestions regarding the net profit and the constitution of special reserves;
- To mandate the external audit firm as per Banking Law and examine its reports;
- To designate and revoke the internal auditor;
- To designate the authorised persons to represent the Bank towards third parties and set up their signature mode, being specified that only the collective signature by two can be granted;
- To approve the risk policy and to reconsider, periodically, its adequacy;
- To set up the accounting principles and financial control as well as the financial plan as far as this is necessary to the management of the Bank;
- To exercise the internal control and the supervision of the development of the high risks as per articles 83ss OFR based on the quarterly statements established by the Management;
- To exercise the high supervision on the persons in charge of the Management, especially in order to ensure that they observe the law, the Articles of Association, the regulations and the given instructions;
- To decide the opening of subsidiaries, branches, agencies and representation and of their closure;
- To decide on the granting of credits to the members of the governing bodies of the Bank or to the physical persons and legal entities that are for them close and in accordance with the internal regulations;
- To make all decisions relating to the acquisition, the sale or the exchange of permanent participations;
- To make all decisions relating to the purchase, the sale or the transfer of all the real estate, the constitution of real estate pledges on the buildings to usage of the Bank, as well as the constitution and the renovation of the real estate of the Bank;
- To inform FINMA in case of excessive debts.

In a general way, the Board of Directors decides on all the matters that are not part of the competences of the General Meeting of Shareholders according to the law and Articles of Association.

The limits of attributes assigned to the governing bodies of the Bank stand as follow:

	Board of Directors Nominal position	Credit Committee Nominal position
Diversified Lombard loans	50% of shareholders' equity	CHF 5'000'000.-
Non-diversified Lombard loans	10% of shareholders' equity	5% of shareholders' equity
Unsecured loans	2% of shareholders' equity	CHF 500'000.-

Based on a loan application, the Credit Committee transmits to the Board of Directors a memorandum and its appendices, so that the Board can decide on granting the loan, in line with its competences.

2010 Corporate Governance report

Authority for lending to the governing bodies of the Bank remains vested in the Board of Directors.

Details relating in particular to risk positions, the calculation of shareholders' equity which may be taken into account and the permitted loan rates are set out in an annex to the Internal Regulations of the Bank.

3.6 Information and control instruments vis-à-vis the Executive Committee

3.6.1 Description of the internal audit system

The Board of Directors exercises its supervisory authority through an internal audit service. In respect of the financial year under review, the internal audit mandate was entrusted to the Lausanne-based firm BDO SA.

Internal Audit prepares an annual audit plan which is discussed and approved by the Audit Committee. This programme is shared with the external auditors.

A report is drafted for each audited business area. General Management's opinions about each point are included in the report with an indication of the deadline set for implementing the proposed measures.

The internal audit reports are reviewed by the Board of Directors at its meetings. An audit track detailing the progress of the work is also presented to the Board of Directors at its meetings.

3.6.2 Description of General Management reporting

At each Board of Directors' meeting, the CEO reports on the major decisions taken by the Executive Committee as well as the transactions handled and also presents those that fall under the ambit of the Board.

In order to perform their supervisory duty, the members of the Board of Directors receive on a regular basis, a report from the General Management on the overall business position (reporting to supervisory authorities – financial statements – credit situation – budget follow-up) and on risk management within the Bank.

Similarly, at each meeting, the Board of Directors receives a quarterly risk report containing, inter alia, a capital adequacy report, an announcement of major risks, market, interest rate and counterparty default risks in the banking area, a statement on liquid assets as well as reports on legal and reputational risks.

4. EXECUTIVE COMMITTEE

4.1 Members of the Executive Committee

a. SILVANA CAVANNA

Chief Executive Officer

Nationality: Italian

Education

Bachelor of Political Science, University of Milan

Professional experience

- 1995 – 2008 Head of Private Banking and deputy of the Chief Executive Officer, Banca Profilo SpA, Milan
Member of the Board of Directors, Banca Profilo SpA, Milan
Member of the Board of Directors, Profilo Asset Management SGR SpA, Milan
- 1989 – 1995 Director, Head of the Securities exchange department / Private clients, Banca Rasini SpA, Milan
- 1984 – 1989 Director responsible for Private Client Wealth Management, Banca Manusardi SpA (IMI Group), Milan
- 1973 – 1984 Director, Head of Private Clients, Euromobiliare SpA, Milan

b. GILBERT PFAEFFLI

Deputy Chief Executive Officer since 1 December 2010

Member of the Executive Committee since 1 December 2010

Nationality: Swiss

Education

Swiss Finance Institute: International Private Banking and Wealth Management

Management training at INSEAD "International Executive Programme"

Management training for executives UBS "Management Seminar"

Professional experience

- 2009 – 2010 Managing Director, Head of Private Banking International, Member of the Management Committee, Banque de Dépôts et de Gestion, Lausanne
- 2002 – 2008 Chief Executive Officer, Anker Bank SA, Zurich / Lausanne
- 1971 – 2001 Executive Director, UBS SA, Lausanne

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c. REGIS DUCREY

CFO, Deputy General Manager (Deputy CEO) until 30 November 2010

Head of Administration, Finance and Controlling until 30 November 2010

Nationality: Swiss

Education

Master of Sciences (MSc) in economics from the HEC School, University of Lausanne

Swiss Certified Accountant, The Swiss Institute of Certified Accountants and Tax Consultants, Zurich

Professional experience

2006 – 2007 Member of the Extended Executive Committee of the French-speaking region of Switzerland, Head of Legal, Compliance, Client Documentation Services and Business Risk Management, Banque Julius Baer & Cie SA, Geneva

2000 – 2006 Secretary General, Ferrier Lullin & Cie SA, Geneva

1989 – 2000 Auditor in charge and Head of Banking Mandates, Ernst & Young (Suisse) SA, Lausanne

1987 – 1989 Deputy Manager, “Société de Gestion des Intérêts Professionnels”, Lausanne

4.2 Other activities and vested interests

a. SILVANA CAVANNA

No other office held

b. GILBERT PFAEFFLI

No other office held

c. REGIS DUCREY

Member of the Board of Directors, Member of the Audit Committee, MIG Bank SA, Neuchâtel

4.3 Management contracts

Banque Profil de Gestion SA has no management contract.

5. COMPENSATIONS, SHAREHOLDINGS AND LOANS

5.1 Content and method of determining the compensation of the shareholding programmes

5.1.1 Principles and elements

The Remuneration Committee meets once a year or whenever it is necessary.

Determination of remuneration for members of the Board of Directors and General Management is left to the judgement of the Board of Directors at the proposal of the Remuneration Committee. The Bank does not make use of benchmarks or salary comparisons.

Members of the Board of Directors and General Management receive only fixed annual remuneration. They do not receive variable remuneration and are not part of any stock option programme, except for the stock option plan set up by Banca Profilo SpA, Milan, which has a 60.40% shareholding in the Bank (see below).

The Bank does not allow any service or benefit to be received by the members of the Board of Directors and/or the General Management of the issuer in the event of departure from the company.

On 29 April 2010, the Group set up a stock option plan on the shares of Banca Profilo SpA, Milan. Members of the General Management and Management of Banque Profil de Gestion SA, its subsidiary, are included in the plan. The plan is for individuals bound by an employment contract at the time the stock options are assigned. Stock option beneficiaries fall into at least one of the following sub-categories:

- “Top Performers” and “Key Talents”;
- Resources that must be retained, who have a strategic impact on the performance of the business and who have accepted a new role with significant responsibilities.

“Top Performers” are individuals who perform well during the assessment year.

“Key Talents” show strong potential for career development (specific skills, performance, leadership ability, adherence to the Bank’s values and adaptability).

No option was exercised during the financial year.

The plan provides for free allocation, over three years, of an option giving the right to one share newly issued by Banca Profilo SpA, Milan, with no par value, at a unit exercise price that is the higher of: the average official price recorded by the Bank’s shares (during the period between the date of option allocation and the same day of the month preceding this date) and the minimum price of EUR 0.22 per share. 350’000 options have been allocated to members of the General Management and Management of Banque Profile de Gestion SA (two individuals in 2010).

5.1.2 Responsibilities and procedures

The Board of Directors, at the proposal of the Remuneration Committee, is responsible for setting remuneration and stock option programmes for members of the Board of Directors, the CEO and members of the Executive Committee. The Remuneration Committee submits a proposal in this regard to the Board of Directors, once a year or whenever it is necessary.

In 2010, the Remuneration Committee comprised the following directors: Franco Antamoro de Céspedes and Fabio Candeli (Nicolò Angileri and Renzo Torchiani have left the Remuneration Committee).

Remuneration for General Management is proposed by CEO Silvana Cavanna to the Remuneration Committee, which deliberates upon it and submits a proposal to the Board of Directors (the individuals concerned do not take part in the vote).

The Bank does not employ external consultants to set remuneration or stock option programmes.

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5.1.3 Remuneration in 2010

Board of Directors

Fixed remuneration:	Chairman	CHF 148'590.-*
	Member of the Board	CHF 25'000.-
	Member of Board Committees	CHF 5'000.-

Members of the Board of Directors, whose remuneration is proposed by the Remuneration Committee, do not benefit from any business performance-related stock option programme and their remuneration is fixed.

*The remuneration of the Chairman of the Board of Directors has been CHF 150'000.- (EUR 100'000.- equivalent) per financial year since November 2009.

General Management

The Remuneration Committee is responsible for setting the remuneration of General Management. General Management did not receive any form of remuneration other than cash during the reporting period.

5.1.4 Remuneration granted to serving members of the governing bodies

Governing bodies	Global remuneration
Board of Directors	CHF 256'000.-
General Management	CHF 857'000.-

For details of the indemnities and remuneration received by the Board of Directors and General Management, see section 3.13 of the Notes to the financial statements prepared according to the true and fair view principle in the 2010 Annual Report.

5.1.5 Highest overall remuneration

For details of the indemnities and remuneration received by the Board of Directors and General Management, see section 3.13 of the Notes to the financial statements prepared according to the true and fair view principle in the 2010 Annual Report.

5.2 Transparency of compensation, shareholdings and loans pertaining to issuers with registered offices outside Switzerland

This does not apply to Banque Profil de Gestion SA.

6. SHAREHOLDERS' PARTICIPATION

6.1 Voting-rights and representation restrictions

There are no rules in the Articles of Association imposing limits on the exercise of voting rights or attendance of the Bank's General Meeting of Shareholders.

Any holder of a bearer share is entitled to vote, as long as proof of ownership is provided via production of the share or in any other way prescribed by the Board of Directors.

A share encumbered by a right of beneficial ownership is represented by the beneficial owner; the latter is responsible towards the owner if he/she does not take his/her interests into equitable consideration.

A shareholder may have his/her shares represented by producing the shares.

6.2 Statutory quorums

The General Meeting of Shareholders is validly constituted independently of the number of shareholders present or represented.

It makes its decisions and proceeds to elections according to the majority of the voting rights allotted.

A decision of the General Meeting collecting at least two thirds of the represented voting rights allotted in the shares is required for:

- The modification of the Bank's objectives;
- The introduction of shares with voting privileges;
- The restriction of the transfer of shares;
- The conditional or authorised increase of capital;
- The increase of share capital with existing shareholders' equity, with contributions in kind or for a resumption of assets and the granting of particular advantages;
- The limitation or the revocation of preferred subscription rights;
- The change of the location of the Bank headquarters;
- The winding up of the Bank without liquidation.

6.3 Convocation of the General Meeting of Shareholders

The General Meeting of Shareholders meets within the first four calendar months following the end of the previous financial year. It is convened in accordance with the regulations of the Code of Obligations.

One or more shareholders representing together at least ten percent of the share capital, can request the convening of a General Meeting of Shareholders.

The invitation to attend must be sent in writing, stating the agenda items and the proposals put to the meeting.

The General Meeting of Shareholders is convened at least twenty days before the scheduled date, through a notice published in the Official Swiss Gazette of Commerce (FOSC).

6.4 Inclusion of item on the agenda

One or more shareholders representing together at least ten percent of the share capital, can also request the inclusion of an item on the agenda.

Also, shareholders whose shares amount to a total par value of at least one million francs may request the inclusion of an item on the agenda.

Such convening and inclusion of items on the agenda shall be requested in writing indicating the items to be discussed and any proposals. No specific prior notice period is mentioned in the Bank's Articles of Association; having said this, any proposal must be announced reasonably in advance to allow the Board of Directors to include it in the notice calling the General Meeting of Shareholders.

The items on the agenda as well as any proposals of the Board of Directors or of the shareholders who requested the convening of the meeting or the inclusion of an item on the agenda are mentioned in the notice convening the meeting.

6.5 Inscriptions into the share register

This does not apply to Banque Profil de Gestion SA.

7. CHANGES OF CONTROL AND DEFENCE MEASURES

7.1 Duty to make an offer

In application of article 53 of the Federal Act on Stock Exchanges and Securities Trading, the Bank has removed from the Articles of Association the requirement to submit a takeover for the entire remaining capital in case of control's change ("opting-out").

7.2 Clauses on changes of control

The management of the Bank (Board of Directors, General Management and other officers) has not concluded any special agreement to be protected against a possible takeover.

8. AUDITING BODY

8.1 Duration of the mandate and term of office of the lead auditor

The financial accounts for the year 2010 were audited during the following months of July and November 2010 and February 2011.

Auditors: PricewaterhouseCoopers SA, Geneva, appointed in 2010 so that the same external auditor as the parent company would be used.

Term of office: one calendar year, renewable.

Lead auditor: Mr. Beresford Caloia, who took up this position in 2010.

The Bank applies the maximum legal limit of seven years to the rotation of the Lead auditor (article 730a, paragraph 2 of the Code of Obligations).

8.2 Auditing fees

The auditing of the accounts for the financial year 2010 has been budgeted at CHF 225'000.- (excluding VAT).

8.3 Additional fees

During 2010, some specific auditing works were carried out on several accounts. Accumulated, the fees amount to CHF 18'000.- (excluding VAT).

The auditors did not invoice additional fees for consultancy services.

8.4 Informational instruments pertaining to an external audit

Each year the external auditors draw up an audit plan and formulate a report on the audit of the financial statements and on the prudential audit. The external audit reports are examined in detail at meetings of the Audit Committee and the results of the work of this Committee are presented regularly to the Board of Directors.

The audit plan was presented at the Audit Committee meeting of 27 April 2010. The reports on the audit of the financial statements and on the prudential audit were presented at the meeting of the Board of Directors of 19 July 2010.

Pursuant to the Banking Law, the Board of Directors sets the necessary time aside at one of its meetings to deal in detail with the content of the reports on the audit of the annual financial statements and the prudential audit for the financial year adopted on the closing date.

In 2010, the external auditors were invited to attend meetings of the Board of Directors and of the Audit Committee. They attended one meeting of the Audit Committee and one of the Board of Directors. The reporting of the Bank's auditing work was planned at these meetings. The members of the Board of Directors and General Management are also in regular contact with the external auditors.

9. INFORMATION POLICY

The Bank gives regularly to its shareholders, potential investors, employees and clientele, information related to the progress of its business, in particular by the publication of its intermediate reports and its Annual Report.

Information related to the Bank and to the value of shares are published on Telekurs, Bloomberg, Reuters, etc.

The general information on the Bank, its financial data and its reporting requirements can also be found on the site of the Bank: www.bpdg.ch, in particular under "Investors Relations".

Furthermore, any request for published information (press releases, annual reports, etc.) can be obtained by submitting a completed application form available on the website:

http://www.bpdg.ch/_p/e/demande_informations.html

Any market news that may materially influence the price activity of the Bank listed equity on the exchange (ad hoc publicity) are published and accessible on the website: http://www.bpdg.ch/_p/e/medias-investisseurs.html

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