

ANNUAL REPORT 2019



BCGE Group

Consolidated key figures

Balance sheet (in CHF million)	2019	2018	2017	2016	2015
Balance sheet total	24,919	23,034	22,671	21,393	20,016
Advances to clients	17,025	16,603	15,692	14,973	13,711
Customer deposits and borrowings	18,965	18,056	17,981	16,315	15,691
Shareholders' equity	1,667	1,570	1,472	1,386	1,319

Results (in CHF million)					
Net profit from interest operations	231	247	210	206	198
Result from commission business and services	120	117	107	100	101
Result from trading activities	31	29	30	26	28
Other ordinary income	37	16	19	17	20
Total operating income	420	409	366	349	347
Operating expenses	239	232	223	222	211

Operating profit (in CHF million)	165	161	128	111	130
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Result of the period (in CHF million)	97	91	82	79	78
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Assets managed and administered (in CHF billion)	30.4	26.7	26.4	23.1	21.8
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Total number of employees

• by full-time work units	780.4	760.6	748.3	737.6	720.5
• by people	833	811	799	791	773

Ratios (in %)

Shareholders' equity/total assets	6.7	6.8	6.5	6.5	6.6
Market capitalisation to equity	84.0	88.1	80.2	77.3	71.2
Operating profit to equity	10.1	10.5	8.9	8.1	10.0
Return on Equity (ROE)	5.9	5.9	5.6	5.8	6.0
Costs/income	56.9	56.7	60.8	63.4	60.9
Capital coverage	16.1	15.6	15.0	13.2	14.4

Figures per share (in CHF)

Shareholders' equity	232	218	204	193	183
Operating profit	23	22	18	15	18
Net profit	13	13	11	11	11
Dividend per CHF 50 share	3.75*	3.4	2.9	2.8	2.8

Stock market data (parent company)

High and low share prices (in CHF)					
• high	206	198	166	149	131
• low	192	162	148	129	105
• close	195	192	164	149	130
Market capitalisation (in CHF million at 31 December)	1,400	1,382	1,180	1,072	939
Number of shares in thousands (historic information)	7,200	7,200	7,200	5,721	5,721
Book equity/number of shares	234	221	207	195	186

* Proposal submitted to the Annual General Meeting on 5 May 2020.

Overview

Inside cover **BCGE Group key consolidated figures**

3 **Changes in main indicators in 2019**

Messages

- 4** Message from the Chairman
 - 6** Message from the Chief Executive Officer
-

Presentation of the BCGE Group

- 8** Portrait of the Group
 - 10** Corporate strategy
 - 12** Organisation chart
 - 14** Business model
 - 16** Geographical organisation
 - 18** The BCGE share
 - 20** Services
 - 21** Digital banking
 - 22** Risk control
 - 24** Talents and expertise
 - 27** Ethical and environmental responsibility policy
-

**Shareholder information,
43 corporate governance**

66 **Comments on
the Group financial statements**

71 **Consolidated financial statements
and notes 2019, BCGE Group**

109 **Annual financial statements
and notes 2019, parent company**

Inside back cover **Addresses**

Cover photo
Eline Rol, training hard on the Rade de Genève.

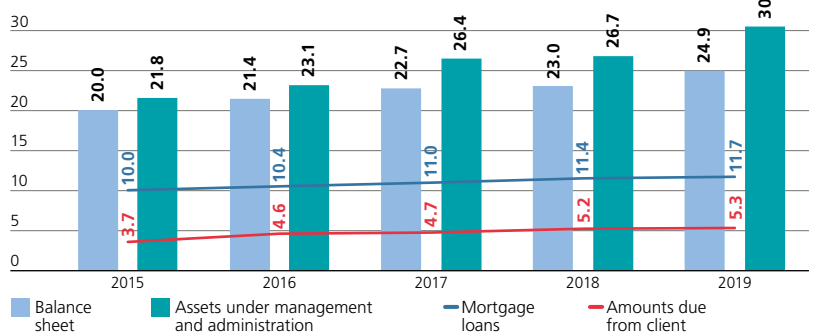
Changes in main indicators in 2019

Progress on all fronts

2019 produced the latest in a series of high-quality annual financial results. The operating result grew by 2.5% to CHF 165 million. Total assets amount to CHF 24.9 billion, with assets under management and administration up CHF 3.7 billion at CHF 30.4 billion.

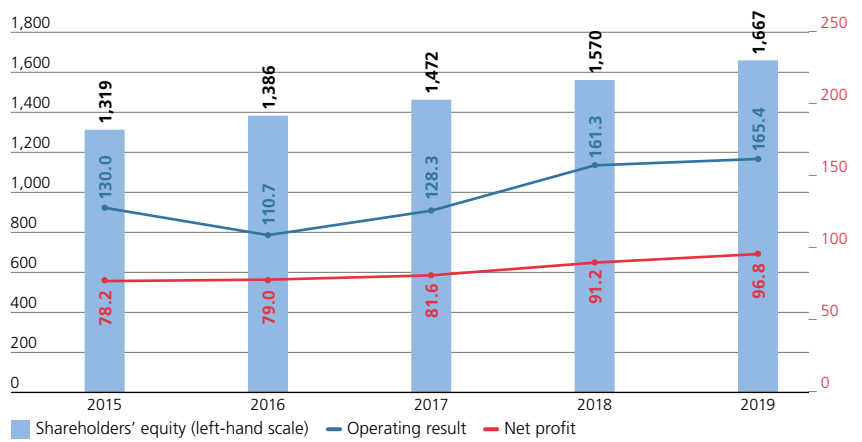
30.4
billion
in assets under
management and
administration

Changes in the balance sheet and major business areas
in CHF billion



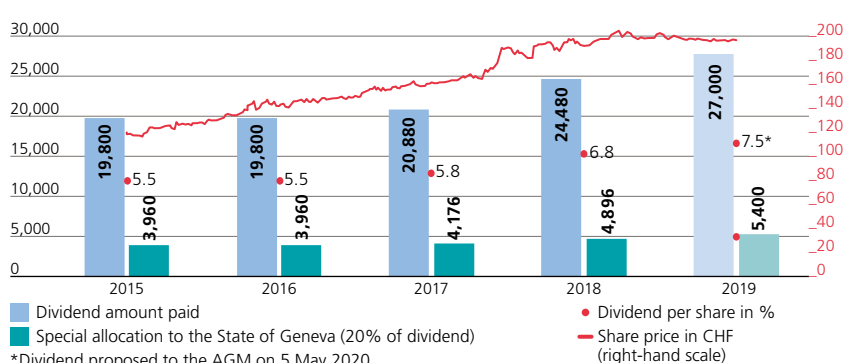
1,667
million
of shareholders' equity

Change in profit and shareholders' equity
in CHF million



+10%
dividend
increase*

Change in dividend and BCGE share price
in CHF thousands



*Dividend proposed to the AGM on 5 May 2020

Message from the Chairman of the Board of Directors

BCGE: a stability factor and neighbourhood partner

4



Professor Gilbert Probst

The BCGE Group's 2019 results are excellent. The year has ended with the best result for 20 years. BCGE has thus demonstrated the relevance of its strategy, confirming its position as a stable, well-structured and diversified banking group that has kept up with the times; a trusted ally for its clients, shareholders, staff and partners. It is a strong and reliable actor in a complex and unstable environment where negative interest rates are increasingly becoming the norm; where economic, geopolitical and social equilibrium are constantly called into question; where there are heightened risks of cyber-attack; and where responses to the climate emergency are insistently sought.

New forms of interventionism

To these profound structural changes may be added the steady erosion of numerous decision-making rights of bank senior management. The management of the level of funding, liquidity, provisioning and multiple other banking tools are simply prescribed in legislative or administrative decisions, thus reducing executives' room for manoeuvre.

Another aspect of the interventionist trend is the artificial distortion of ordinary market forces by unorthodox monetary policies, e.g. negative rates or the purchase of government bonds by certain central banks. In this way, numerous powers of decision are, for any number of good reasons, restricted or even removed entirely.

The responsibilities that went hand in hand with these eroded powers, have, however, remained entirely on management's shoulders. The overall weight of regulation will become even heavier in 2020.

The banks, in their social role as a financial driving force, will have to try even harder to simplify the lives of tradespeople and the liberal professions. They will do this, in particular, by extending their range of services and by speeding up operations by means of digitalisation. The regulators should take care not to disturb this commitment to the economy by imposing excessive red tape.

BCGE: a stability factor and neighbourhood partner

In Switzerland – in terms of an international comparison – lively competition among banks on the financing market ensures a sufficient flow of credit and appropriate pricing for companies (particularly SMEs) and private individuals. This ecosystem was patiently built on the basis of private initiative, certainly, but also as a result of public policy.

It is this healthy mix that gives Switzerland its strength as a financial centre. Against this background, the cantonal banks have a demonstrably important role with their well-defined neighbourhood service and regional mission.

As Switzerland's oldest cantonal bank, founded in 1816, BCGE's role is to assist in the growth of the economy of Geneva – a city open to the world – and its surrounding region. It pursues its strategy of diversification and growth by dint of an intensive effort in terms of innovation and digitalisation, and by continuously expanding the range of services offered to private individuals and companies – from SMEs to multinationals.

Using a business model based on the needs of the ecosystem specific to Geneva as an international city, BCGE has developed a partnership with the Organisation of the Swiss Abroad (OSA), intensified its work with international trading companies, and helped to strengthen the links between Geneva and the Rhône-Alpes and Ile-de-France regions beyond its borders, thanks to the subsidiary it created for this purpose in 1993.

In 2019, the Bank continued to integrate the growing regulatory burden, while managing costs and buttressing its organisational structure, in particular by broadening its executive management. Every year, with characteristic agility, the Bank refines and calibrates its strategic plan, adjusts its procedures in response to changing conditions, with preventative measures and management action focused on potential risks. It works with the radically changing expectations of its clients, particularly in terms of digitalising its services.

Never losing sight of its mission, BCGE continues to invest in the provision of a personal and localised service. In order to maintain a dense and well-served network of branches and ATMs, BCGE is upgrading its outlets, rethinking their role and adapting them to make life simpler for its clients and to maintain regular, high-quality interaction with these.

In addition, BCGE offers its clients of all categories accessible and affordable wealth management and retirement planning services, from Geneva, Zurich, Lausanne, Basel, Paris, Lyon and Annecy. This is private banking that has always been based on active discretionary management, a philosophy which clearly proved itself with its exceptional performance in 2019. The Bank has continued to expand its Best of range, notably with a management mandate available from upwards of CHF 50,000. This makes professional wealth management accessible to more people, allowing them to participate in the Avantage service loyalty programme and so earn additional interest on their savings accounts. This is a real advantage in a context of negative rates.

The spectrum of Best of mandates also includes an ESG (environment, society, governance) offering, part of BCGE's Responsible Performance range.

ESG: a responsible approach and managed risk

Sustainability was quite clearly an issue of key importance in public life in 2019. BCGE, fully aware of this trend, continued during the year to add to its range of solutions that foster a sustainable economy, for its clients who consciously choose a range of services fulfilling ESG criteria. The Responsible Performance offering is based on an approach that aims to improve yields at the same time as reducing risks in terms of the environment, society and governance.

In 2019, therefore, the Bank specified the methodological and ethical requirements associated with "responsible management", as follows: transparency in terms of clearly understandable products; compatibility of the Bank's management with that of its clients; promotion of active management that is genuinely free to follow its convictions rather than an index; loyalty to clients in their pursuit of performance; and an absence of conflicts of interest when tasks are delegated.

BCGE Asset Management also became a signatory to the United Nations Principles for Responsible Investment (UNPRI).

"Never losing sight of its mission, BCGE continues to invest in providing a personal and localised service."

Wishing to make a real contribution to reducing greenhouse gases, the Bank will invest over CHF 20 million in its Quai de l'Île headquarters in order to connect to the "Genilac" hydrothermal system in partnership with its electricity supplier, SIG.

Moreover, the Bank has communicated its view of sustainability to local SMEs, producing a study entitled "Sustainable Development: Good Practice and Added Value for Companies", published jointly with the Geneva Chamber of Commerce, Industry and Services and in collaboration with the cantonal statistical office, OCSTAT. Through use of an array of very concrete examples, the aim of this economic study is to serve as a source of inspiration for companies wishing to start or develop their move towards sustainable development. The conversation is continuing day by day, with the aim of contributing to the energy transition, without focusing on any particular client category.

Ending 2019 with the focus on sustainability, BCGE was very pleased to receive "Fair On Pay" certification from the SGS, as evidence that it respects the principle of equal pay between women and men.

At the conclusion of this very successful year, I should like to express the Bank's gratitude to our employees for their commitment, to our clients and shareholders for their trust, as well as to all our partners for their work with us.

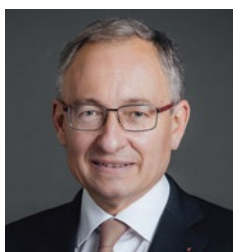


Gilbert Probst
Chairman of the Board of Directors

Message from the Chief Executive Officer

Some tactical choices to continue down the road to success

6



Blaise Goetschin

2019 produced the latest in a series of high-quality annual financial results. The operating result grew by 2.5% to CHF 165 million. Total assets amount to CHF 24.9 billion, with assets under management and administration up CHF 3.7 billion at CHF 30.4 billion.

The strategic course chosen is a rewarding one, the staff teams are highly motivated and our offering is competitive. From now on, we need to maintain this momentum, to use it as a means to break through barriers in terms of size and volume in several business areas. The question any strategist asks in such circumstances is this: where am I free, where am I constrained? It certainly has to be recognised that the constraints surrounding the management of a bank are incessantly restricting executive freedom of action, as the Chairman indicates in his message.

As far as BCGE is concerned, we are doing everything we can to overcome the hindrances that the rather hostile economic and regulatory environment is imposing on us. Six routes to free development will have priority in the coming years:

Supplying a wide range of solutions to companies and individuals

Companies and individual clients alike appreciate all-round solutions that are reliable and easy to use. For us, the competition consists almost exclusively of Swiss and foreign banking multinationals. However, in the past few years we have managed to find our place among these market participants and achieved recognition from a very demanding clientele. The “forXchange by BCGE” professional foreign exchange application, our “qualified borrower” structured credit plans and our international trade and export financing activities attest to our hard-won maturity and reputation. The confidence shown in us by big companies and institutional investors – two thirds of our turnover is achieved with legal entities – and specially qualified private clients are confirmation of the fact that BCGE is now a Swiss banking leader. This fulfils the first necessary condition, that of providing all-round solutions of the highest quality.

Serving Geneva’s economy and its international relationships

Geneva’s special situation in terms of economic prosperity is an enduring fact. Open to the world, a welcome haven for people and ideas from afar, a financial and trading centre on a planetary scale, Geneva is nothing like the more traditional markets of the other cantonal banks. BCGE has come to embody this reality over the last several years, reinforcing its capacities in its international business, world trade finance, correspondent banking and private banking. The French subsidiary, too, is achieving record results. As a result, in 2019, one third of Group revenues were achieved in foreign currency, mainly the US dollar and the euro. Combined with the depth of the offering as described above, this ability to grasp the international business that gravitates round Geneva, and to take a respected place within it contributes substantially to the robustness of the results achieved during the decade now ending.

Developing the Group’s beacon brands

Perception of the BCGE brand varies greatly according to region. Powerful and well liked in its native canton, and greatly respected in France, the brand has less penetration in the Swiss market. The reason for this is simple: the presence of the other cantonal banks all held in high local esteem, like a football or hockey club. To overcome this cantonal loyalty, as natural as it is perennial, we have created specific brands for products aimed at the national market. Thus, our Synchrony investment funds are making very favourable progress under an independent banner, breaking through the CHF 3 billion asset barrier in 2019. 1816, our online brokerage solution, hit the 9,000-investor mark this year. Capital Transmission for private equity, Dimension for mergers and acquisitions, and Loyal Finance for fixed-income asset management are all examples of entities with autonomous strategies and brands well adapted to their respective markets.

Pursuing expansion in the Swiss market

While maintaining their centres of gravity in their cantons of origin, most of the cantonal banks operate at the national level. They do this sometimes systematically, through branches covering the whole country or part of it, and sometimes regionally, following boundaries that reflect language or culture. The BCGE Group

deploys a range of quite specific business units at Swiss level (see pages 14 and 15). These strategic areas are of course important in Geneva, but they must be mastered at least at national level to be credible. Most banking services on behalf of companies, institutional investors and qualified private clients must be conducted at Swiss level. In 2019, our presence in Lausanne and Zurich, dating back to 1997, was complemented by the opening of the Basel branch.

Bringing together the best talent

BCGE's proactive and focused strategic model implies the mobilisation of finely tuned expertise in highly diverse technical areas, the ability to negotiate in several languages and cultures, and a complete understanding of the regulations applicable in the countries concerned. Relying initially on internal staff promotion, the Bank invests, within the limits of the time available to its employees, in training and career development involving sequential postings in several business areas and markets. In addition, external recruitment makes it possible to enrich the Bank's knowledge base in the most advanced areas.

Bringing together the best talent within a project task force allows a medium-sized enterprise of 833 employees to operate over 29 sites in Switzerland and abroad, to offer 95 services and to use 192 banking applications. Talent overrides all other considerations when making promotion choices, but the Bank attaches particular importance to equal opportunities and excluding discrimination of all kinds. It now has two brilliant women within its executive management, and in 2019 it took first place among all Swiss banks in terms of the proportion of female senior managers in its Commercial Register entry.

Digitalisation while maintaining human links and contact

Banking will continue to be a predominantly human activity. Bank tech is currently going through an acceleration phase, which is transforming many operational methods. The best of this technological profusion is progressively being integrated within our processes. Opening a bank account with just a few clicks, or obtaining a mortgage loan in about a quarter of an hour online are considerable feats, but paradoxically these do not really surprise people any more. However, this new transformation of the

banking industry should not obscure the essential fact that what counts is content quality and dialogue between people. It's rather like people deserting factory-produced bread, the miracle of the 1970s, and going back to the local baker: good investment products and good financial advice are rare commodities and need to remain personalised. We have to digitalise, but maintain the human link and touch; and that is our ruling precept. Every one of our clients should know their banker within the Group and must have fast and preferential access to them. Client and adviser will use modern tools together to make the best choices.

Conclusion

Despite a heavy and costly regulatory environment and highly structured competition, the Bank has set out a precise and proactive course for the future. It offers all categories of clients, in Geneva, in Switzerland and internationally, a very complete range of services. Its pricing policy is very reasonable. It rewards its clients' loyalty, in particular through the Avantage service programme (with its 34,257 beneficiaries in 2019). It represents a very attractive banking alternative in numerous key markets (e.g. saving, retirement planning, private financing, corporate banking, international trade finance). This competitiveness bodes extremely well for growth and profitability in the years to come.



Blaise Goetschin
CEO

BCGE Group Portrait



BCGE headquarters, Quai de l'Île, Geneva

BCGE

1816

Founded in 1816, Banque Cantonale de Genève (BCGE) plays a vital role in supporting and boosting the regional economy. BCGE forms the central pillar of retail banking as well as corporate finance, particularly for the SME community and the Geneva real estate sector. BCGE works with the public authorities and also offers private banking services and financial asset management for institutional clients.

It has branches in Lausanne, Basel and Zurich as well as representation offices in Dubai and Hong Kong. Listed on the Swiss stock exchange, SIX Swiss Exchange (code: BCGE), it has a staff of 766, or 833 at group level (780.4 in full-time equivalents).

Record profitability and dividend

Banque Cantonale de Genève recorded excellent 2019 results. Operating profit stands at a record level of CHF 165.4 million, underpinned by all of the Bank's activities. Net profit was up 6.2% at CHF 96.8 million. Total income exceeded CHF 420 million, mortgage loans (at CHF 11.7 billion, +2.6%) saw an increase based on a targeted approach, while assets under management and administration crossed the CHF 30.4 billion threshold (+13.9%).

www.bcge.ch

Banque Cantonale de Genève (France)

1993

With its headquarters in Lyon and branches in Annecy and Paris, Banque Cantonale de Genève (France) SA is a wholly-owned BCGE subsidiary. It offers corporate finance, investment and real estate services to businesses and self-employed professionals, in addition to wealth management for private clients. BCGE France contributes to the development of the economic zone stretching from Lyon to Geneva; it has a staff of 57 as at 31.12.2019.

Lending by BCGEF increased by EUR 39 million (+6%)

In 2019, the Bank continued to develop across its three activities: finance for real estate professionals, corporate finance and private management.

Lending by BCGEF grew by EUR 39 million (+6%), to reach EUR 716 million. The strength of the financial markets and the performance of our management mandates contributed to the growth of our assets under management, which now total EUR 526 million. Against this background, the BCGEF result showed continued strong growth at EUR 9.9 million, up EUR +1.5 million (+18%).

In the area of refinancing, the French subsidiary continues to benefit from parent company support but its growing deposits are a complementary source of refinancing.

www.bcgef.fr

CAPITAL TRANSMISSION AUTHENTIC SWISS PRIVATE EQUITY

2008

Capital Transmission SA, Geneva, is a capital investment company that aims to create sustainable added value for the firms it invests in.

Capital Transmission undertakes equity investment in business transfer and expansion operations mainly in the Geneva region. It also operates throughout Switzerland and, in certain specific cases, in France.

It has investment capacity that allows it to support its clients over the long term and to assist their projects by acquiring minority shares or through mezzanine loans.

Capital Transmission SA has CHF 43.6 million invested in 15 companies

In 2019, Capital Transmission SA undertook three new operations, and one shareholding was removed from the portfolio following repayment.

www.capitaltransmission.ch



Founded in 1816, Banque Cantonale de Genève (BCGE) plays a vital role in supporting and boosting the regional economy.

DIMENSION

2015

Founded in 1994, Dimension SA has been part of the BCGE Group (as a wholly-owned subsidiary) since 2015. Its business is company evaluation and transfer, particularly in the distribution, industrial, watchmaking, construction, real estate, services, security and IT sectors.

Based in Lausanne (its headquarters), the company has a branch in Geneva. A company specialised and recognised in its field, Dimension is a key partner for entrepreneurs in analysing the value creation potential of their companies and completing company transfer operations.

Since its foundation 25 years ago, the subsidiary has helped over 200 business owners transfer or acquire a company.

In 2019, Dimension SA undertook six company transfers

In 2019, Dimension SA was commissioned with carrying out six company transfers, two of which were acquisitions undertaken on behalf of large Swiss groups.

www.dimension.ch

LOYAL FINANCE

2019

Loyal Finance AG is an independent wealth management company created in Zurich in 1991, having the status of a collective investment scheme manager. The company is a recognised bond management specialist, principally active with institutional investors in German-speaking Switzerland.

Having obtained the necessary licences, BCGE acquired ownership of 60% of the equity of Loyal Finance AG at the end of May 2019. The balance of 40% will be formally transferred in 2023, in accordance with the staged acquisition plan.

This acquisition strengthens the BCGE Group's bond management expertise, along with its client relations and service at national level. The Loyal Finance AG subsidiary has been consolidated since 1 June 2019.

www.loyalfinance.ch

A leading bank in Switzerland

Contributing to Geneva's economic reach

10

BCGE is a bank with a strategy aimed at long-term, sustainable success. It is active on behalf of private individuals (natural persons) and companies or institutions (legal entities).

A financial policy aiming at longevity

To respond competitively to the needs of such a diverse clientele, the Bank develops specific business lines, organised into strategic activity portfolios. BCGE's business model is that of a universal bank. A number of horizontal operational principles determine the overall structure.

The main financial objective is for the Bank to grow steadily in value. This value is based on the expected amount of free cash flow. The increase in total cash flow depends essentially on the organic and qualitative growth of business (the incremental growth business model).

BCGE's strategic priorities for 2020

- **Principal partner for the regional economy and for SMEs**
- **Main financer of privately-owned and social housing in Geneva**
- **Targeted expansion of private banking in Switzerland and internationally**
- **Increased market share in asset management and investment funds in the Swiss market and internationally**
- **Sustaining Geneva's economic reach and supporting its actors in Switzerland, France and worldwide**
- **Pursuing the digital transition and the growth of online service provision**

Strategic decisions and operational management prioritise long-term growth in the Bank's equity value (reflected by its market capitalisation) – if necessary, to the detriment of short-term profitability. The aims are to avoid under-investment or an excessively raised risk profile, and not to undermine the Bank's ethical practice in any way.

A response adapted to each market segment

The Bank calibrates its business lines, commercial policy and resources on the basis of a detailed study of markets and an evaluation of how accessible these markets are, and what potential they have. It aims to occupy the number one position in Geneva itself, while contributing to the reach of Geneva's economy in Switzerland, France and internationally. Five of the Bank's fourteen business lines are centred on individual clients: day-to-day banking services, fundamental financial planning, savings and pensions, private banking and private finance. These represent one third of the Bank's total income. Of the eight business lines devoted to companies and institutions, four are concerned with lending. These are, namely, corporate finance, business real estate finance, public authorities finance and trade finance. The remaining business lines are strategic financial advice, financial markets, services to institutional investors and services to banks and insurance companies. The fourteenth business line creates and manages investment funds. Two-thirds of the Group's total income is achieved with public and private companies and institutions.

The Bank manages this portfolio of business areas with the aim of optimising the profitability/risk ratio of each, while fostering operational synergies among them. It builds competitive and sustainable positions and seeks to attain leadership in each of its business lines. It capitalises on its reputation as a safe, transparent and innovative bank.

The Bank maximises use of its available equity, while ensuring its continued existence with a safety margin defined in the regulatory and financial framework. Having achieved an optimum level of capital use, the current priority for additional growth focusses on areas of business that use less equity.

DIGITAL SOLUTIONS

INNOVATING AT A SUSTAINED PACE

- Start of online services
- Avantageservice.ch
- 1816 online trading
- ForXchange by BCGE
- E-Safe integrated into Netbanking



Séverine Pont Combe climbing the Col Durand.

Organisation chart

As at 1 March 2020¹

Executive Board



Blaise Goetschin
Chief Executive Officer
(CEO)

Chief of Staff and Planning
Christophe Weber

Human Resources
Elisabeth Ray Tang

Communication
Lydia Albrecht

Marketing
Christian Hamm

Finance Division



Eric Bourdeaux
Member of the Executive Board,
CFO

Finance Chief of Staff
Marc Doerks

Risk Control
Marie-Anne Bourgoz Gorgé

Financial Management
Frédéric Vernet

General Accounting
Yvan Nicolet

Financial Markets & Treasury
Pierre Sauvagnat

Legal and Compliance
Philippe Marti

Compliance
Yael Hen Marie-José Bratcov

Litigation
Marius Hämmig

Legal
René-Christian Métrailler

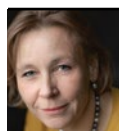
**Estates, Wardships,
Legal Guardianships**
Francine Robin

Internal Audit



Monique Seiss Baudry
Head of Internal Audit
(reports to the Board of Directors)

Geneva Division



Pierrette Jatou Klopfenstein
Member of the Executive Board

**Chief of Staff and
Business Development**
François Kirchhoff

Right Bank Sector
Alexandre Scala

**BCGE Private Banking
Swiss Clients**
Franco Furcolo

Left Bank Sector
David Bottoli

**SMEs & Self-employed
Finance**
Sébastien Collado

Centre Sector
André Thiévent

Online Banking
Paulo Oliveira

West Sector
Pierre-Olivier Vialla

Corporate Division



Virginie Fauveau
Member of the Executive Board

**Chief of Staff Corporates
and Business Development**
Patrick Senger

**Real Estate
and Construction**
Charles Kaser

Swiss Corporate Clients
Raoul Monnay

**Multinationals and
International Institutions**
Raoul Monnay

Corporate Finance
Ozren Bakaric

**Corporate Advisory
and Participations**
Ozren Bakaric

Private Equity
Frédéric Tixier

Public Authorities and Personal Finance
Claude Bagnoud

Personal Finance
Nicolas Bézaguet

Public Authorities
Alain Voirol



DIMENSION SA
Claude Romy



CAPITAL TRANSMISSION SA
Frédéric Tixier

International Division



Yves Spörri
Member of the Executive Board

International Chief of Staff
Josiane Tistounet

International Private Banking Claudio Pietroforte

Team 1 International Private Banking Geneva
Beat Glusstein

Private Banking Switzerland
Christoph Habluetzel

Team 2 International Private Banking Geneva
Olivier Ernoult

Independent Asset Managers
Stéphane Cuerel

Team 3 International Private Banking Geneva
Laurent Juget

Global Commodity Finance Nicolas Demierre

Commodity Trade Finance 1
Serge Chesternine

Global Commodity Finance Operations
Philippe Maillart

Commodity Trade Finance 2
Danila Mariotti

Credit and Transaction Management
Olivier Thyssen

Commodity Trade Finance 3
Nicolas Dervaux

Banks and Insurance Companies Boris Bijleveld

Banks 1
Léonard Graz

Banks 2 & Insurance Companies
Irene Diez

French Corporate Clients Catherine Raphoz



BCGE (FRANCE) SA
Eric Wesse

Asset Management Division



Constantino Cancela
Member of the Executive Board

Asset Management Chief of Staff
Ingo Bionda

Institutional Investors
Michel Gada

Wealth Solutions Albert Gallegos

Wealth Planning
Albert Gallegos

Financial Assets Advisory
Thierry Angele

BCGE Asset Management Constantino Cancela

Investment Office
Valérie Lemaigre

Private Portfolio Management
Axel Moser

Institutional Portfolio Management
Marc Riou



LOYAL FINANCE AG
Hans Tarnutzer

Operations Division



Jean-Marc Joris
Member of the Executive Board

Banking Operations Service Centre
Jean-Michel Comte

IT
Daniel Stocco

Logistics & Purchase Management
Céline Orlandini

Credits & Banking Services Centre
Patrick Boero

Organisation
Benito Perez

¹ **Modified organisational structure**
In 2019, Banque Cantonale de Genève modified its structure in response to the substantial growth in its business. It created two new divisions, one dedicated to businesses in Geneva and Switzerland, the other to asset management. The Bank now comprises six divisions, of which four are "front office". At the beginning of 2020, the Bank also combined its Legal/Litigation/Estates and Compliance business areas. This entity operates within the Finance Division.

Business model

A bank organised by market segment

MANAGEMENT ENTITIES¹

PARENT COMPANY

Geneva Division	Corporate Division	International Division	Asset Management Division	Finance Division
Pierrette Jatou Klopfenstein	Virginie Fauveau	Yves Spörri	Constantino Cancela	Eric Bourgeois
247 employees in Geneva	56 employees in Geneva	123 employees in Geneva, Lausanne, Basel, Zurich, Hong Kong and Dubai	35 employees in Geneva and Zurich	94 employees in Geneva
<ul style="list-style-type: none"> • Division specifically dedicated to serving Geneva, its people, its small businesses, its tradespeople and its independent professionals. • Dense network of 21 branches in the canton. • Widespread automated banking and 24-hour online banking. 	<ul style="list-style-type: none"> • Entity dedicated to medium-sized and large companies, multinationals and international organisations. • The leader in commercial real estate in Geneva, this division is also the main financial partner of the public authorities. 	<p>Division responsible for</p> <ul style="list-style-type: none"> • Assisting the reach of Geneva's economy towards the wider world. • Consultancy and financing for companies active in international trade, commodities and import/export. • Assisting private clients resident abroad with banking services in Switzerland. 	<ul style="list-style-type: none"> • Entity responsible for advising institutional clients on investment strategies. • This division also distributes the Group's investment products on Swiss and foreign markets. 	<p>Division responsible for</p> <ul style="list-style-type: none"> • Providing a structured, effective and adaptable framework, generating competitive financial conditions for the Bank and its front-office units. • Implementing required procedures for preventing or detecting risks in good time. • Guaranteeing the efficiency of compliance systems and internal controls. • Carrying out specialised internal audits in the lending area by means of intensive quality checks.

MAIN BUSINESS LINES

RETAIL BANKING

Day-to-day banking services				
Savings and pensions				
Financial advice				
Private banking				
Private financing				

BUSINESSES

Company financing				
Commercial real estate finance				
Financing public authorities				
Global commodity finance				
Strategic financial consultancy and M&A				
Financial markets				
Institutional investors				
Banks and insurance companies				

INVESTMENT PRODUCTS

Collective investment products				
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¹New organisation 2020. See note 1 at the foot of page 13.
Number of employees: figures as at 31.01.2020.

Dense local presence

Network of 21 branches

125 ATMs



● 4 main branches (● Headquarters) ● Branches

International presence

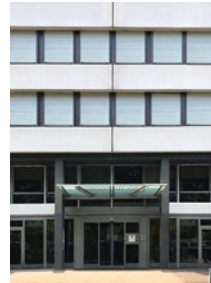
Infrastructure serving Geneva's global economic reach



Geneva 1816



Lausanne 1997
Marc Brussard



Basel 2019
Oliver Riberzani

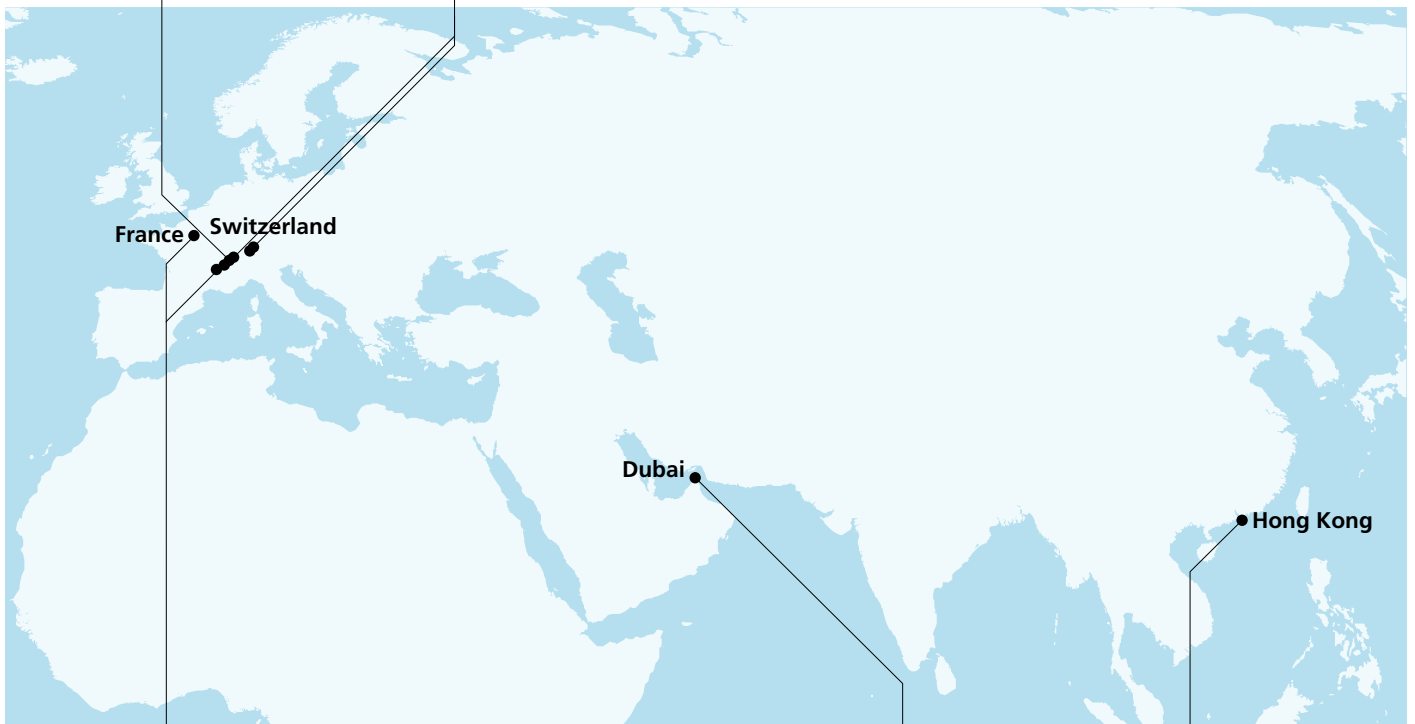


Zurich 1997
Christoph Habluetzel

CAPITAL TRANSMISSION
Geneva, Zurich 2008

DIMENSION
Lausanne, Geneva 2015

LOYAL FINANCE AG
Zurich 2019



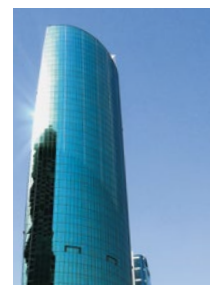
Annecy 1993
Philippe Bouganim



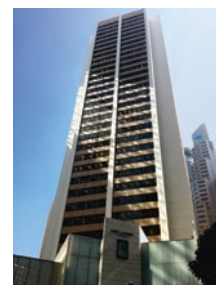
Lyon 1993
Eric Wesse



Paris 2010
Nicolas Charavner



Dubai 2010
Mario Al-Jebouri



Hong Kong 2011
Renaud Chambolle

The BCGE share

Capitalisation of CHF 1.40 billion

The return on the BCGE share in 2019 was 3.75% (as proposed to the annual general meeting of 5 May 2020), while the SPI and SMI indices rose by 30%.

In 2019, the BCGE share rose in value by CHF 2.50, increasing market capitalisation by CHF 18 million. This now stands at CHF 1.40 billion. This result is due to the pleasing financial performance of the last few years.

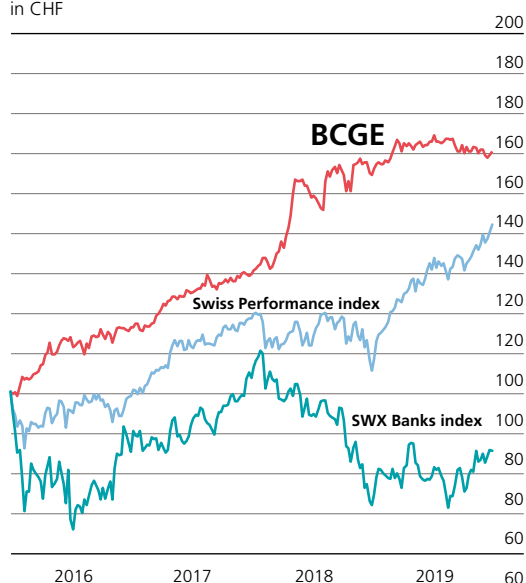
The closing 2018 price of the BCGE share was CHF 192; this increased throughout the year to close at CHF 194.5 (+1.3%). The greater part of the increase was seen during the first four months of the year.

From 1 January 2018, the BCGE share price increased by 18.7%, while the SPI and the SMI increased by 18.23% and 12.01% respectively.

Considerable upside potential remains, due to the environment of negative rates and to the difference between the quoted price of the share and its intrinsic value, as measured by shareholders' equity per share; this intrinsic value is CHF 234, representing 120.2% of the stock market value.

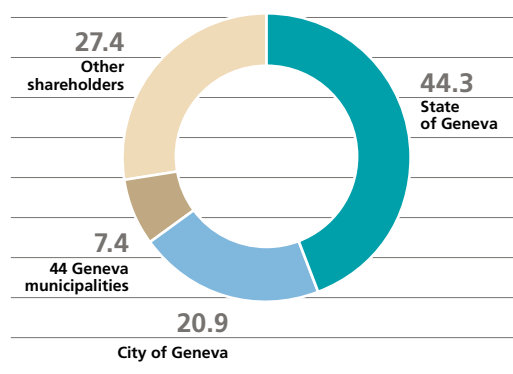
Share price movement

Price rebased at 100 as at 31 January 2015 in CHF



Share ownership and voting rights

(%)



2019 2018 2017 2016 2015

Figures per share¹ (in CHF)

Shareholders' equity	232	218	204	193	183
Operating profit	23	22	18	15	18
Net profit	13	13	11	11	11
Dividend	3.75 ²	3.4	2.9	2.8	2.8

Stock market data (parent company)

High and low share prices (in CHF) ¹					
– high	206	198	166	149	131
– low	192	162	148	129	105
– close	195	192	164	149	130
Market capitalisation (in CHF million at 31 December)	1,400	1,382	1,180	1,072	939
Book equity/number of shares ¹	234	221	207	195	186

¹ Adjusted in line with the capital structure existing as of 2 February 2017.

² Proposed to the AGM on 5 May 2020.

BCGE stock exchange reference (symbol)

Swiss stock exchange listing	SIX Swiss Exchange
Reuters	BCGE.S
Bloomberg	BCGE SW
Telekurs	BCGE
Stock number	35 049 471
ISIN number	CH0350494719

BCGE capital structure of CHF 360 million

Registered shares, par value CHF 50	Number of shares
	7,200,000

Made-to-measure solutions

A complete range of banking and financial services

Individuals

Day-to-day banking services

- GE CH
- Current accounts
- Individual accounts
- Bank cards
- Credit cards
- Safe deposit boxes
- Currencies

Online banking services

- GE CH
- Netbanking
- Mobile Netbanking app
- BCGE Twint app
- Electronic safe (e-Safe)

Saving

- GE CH
- Short-, medium- and long-term (Avantage service)
- Savings accounts
- Medium-term notes

Pension planning

- GE CH F
- Pensions advice
- 2nd and 3rd pillar accounts
- Life insurance contracts
- Fund-based savings plan
- Annuities

Investments

- GE CH F INT
- Securities custody
- Online stock trading
- Investment funds and structured funds
- Real estate funds
- Actively-managed tracker certificates
- Fund-based savings plans
- Precious metals

Private banking

- GE CH F INT
- Discretionary management mandates
- Lombard loans
- Term and trustee deposit accounts
- Investment advice, advisory
- Estate planning
- Private equity investments

Housing financing

- GE CH F
- Main residences
- Secondary residences
- Construction or renovation loans

Consumer financing

- GE CH
- Vehicle leasing
- Personal loans

Companies

Corporate finance, cash management and exports

- GE CH F
- SMEs and large corporations
- Independent and self-employed persons
- State and related entities
- Municipalities and municipal real estate trusts
- Parastatal institutions and churches
- Real estate foundations under public law
- Public authorities in Switzerland
- Non-profit organisations

Real estate and construction financing

- GE CH F
- Real estate investors
- Real estate development
- Commercial real estate and real estate agents
- Construction companies

International commodity trade finance

- GE CH F INT
- Trade transaction financing
- Structured financing
- Forfaiting

Financial services and markets for banks and insurance companies

- GE CH F INT
- Currencies
- Online forex platform
- Online stock trading
- Securities, investment funds
- Metals
- Capital markets
- Cash
- Banknotes

Multinationals and international institutions

- GE CH F INT

Corporate advice

- GE CH F
- Strategic financial advice
- Mergers and acquisitions (M&A) (Dimension)

Equity finance

- GE CH F
- Minority participation, mezzanine finance, management buyout (Capital Transmission)

Institutions

Finance and cash management

- GE CH
- Private and public pension funds
- Private and public foundations
- Family office
- State institutions

Services to independent wealth managers

- GE CH

Asset management

- GE CH F INT
- Made-to-measure mandates
- Active Swiss equity management
- Quantitative management
- Balanced management
- Bond management
- ESG management
- Private equity mandates

Investor advice

- GE CH F INT
- Interest rate management advice
- Exchange rate management advice
- Investment advice

Financial services and markets

- GE CH F INT
- Stock markets
- Currencies
- Online forex platform
- Metals
- Issues
- Capital markets
- Cash

GE	CH	F
Geneva	Swiss market	French markets – through BCGE (France)
INT		

International markets – all the operations are agreed and registered in Switzerland. BCGE acts in Dubai and Hong Kong through its representation offices licensed by their respective authorities. These offices limit themselves to promoting the Bank's activities and do not carry out operations.

Digital banking and innovation

Expansion of our range of online services

In parallel with the traditional communications network, BCGE provides access to digital interfaces, while confirming its focus on personalised advice. It develops targeted applications, ensuring data security.

BCGE Netbanking®

Online banking

The new Netbanking platform is available to over 80,000 users. Its functionalities make managing accounts and payments simpler. Invoices are processed with the eBill tool, enabling clients to receive them directly in digital form via Netbanking. Rolled out at the end of 2018, it is used by most Swiss banks. At the BCGE online call and advice centre, over 25 staff are available to provide information and assistance Monday to Friday from 7.30 am to 7.30 pm, and on Saturday from 9 am to 4 pm, by telephone (058 211 21 00) or by online messaging.



Mobile banking

The Mobile Netbanking smartphone app enables biometric face recognition for the latest generation telephones. The Twint app, dedicated to immediate money transfers to other bank clients in Switzerland, can be used to make payments to a wide range of businesses and internet shopping sites. The number of app users and operations increased substantially, while total transactions and their volume in CHF terms increased almost fivefold.

1816

Online trading platform

The number of users of the 1816 online trading platform increased by 6.5% (9,372 BCGE 1816 portfolios at the end of February 2020). Integrated within Netbanking and mobile banking, it enables clients to buy and sell securities directly on the financial markets. Investors therefore have access to a complete financial dashboard.

FOR XCHANGE by BCGE

Specialised online transaction platforms

Mainly intended for SMEs and companies with business activities abroad, the ForXchange platform facilitates online currency operations management.

AVANTAGESERVICE.CH

Becoming a client with just a few clicks

People can become bank clients simply by accessing the www.avantageservice.ch and www.bcge.ch websites on their computers with just a few clicks. These sites provide greater convenience and independence with their extended hours of service; clients are identified remotely and do not need to come to a branch.

safe by BCGE

Electronic safe

e-Safe is BCGE's new digital safe-deposit box. It allows all kinds of electronic documents (such as bank statements, invoices, payment slips and identity documents) to be stored in a secure space that is free to use and hosted in Switzerland. Accessible from the client online solutions area, this digital safe allows an unlimited number of BCGE e-documents to be stored for an indefinite time.

SwissID

Digital identity

SwissSign Group aims to create a unique, Switzerland-wide digital identity standard. It aims to provide users with a maximum level of security, whether for financial services transactions, insurance, online purchases, medical care or electronic voting. BCGE owns 3% of the company.

gfi by BCGE

eGFI platform

Independent asset managers dealing with the Bank can use the secure eGFI platform, which allows them to check their clients' positions and online operations.

Wide-ranging and systematic monitoring

Risk management is omnipresent at various levels

22

The front office units take prime responsibility for any risks associated with the business they handle, with the assistance of the support units. They are also backed up by the specialised second-level control departments which monitor risks on an aggregate basis.

Specifically, these second-level departments are the Compliance and Risk Control departments. These units monitor and control risks, modelling them so that the Bank can maintain the right balance between risk and revenue. Their role is also to monitor and report at the highest level on information regarding compliance with the framework and limits established by the regulatory environment and by the relevant bodies within BCGE and the external authorities. Through various operating committees, these departments communicate their analyses, their follow-up on implemented processes and the information required for managing every type of risk.

The Asset and Liability Management Committee

The Risk Committee (CRISK) analyses the risk situation every month and reviews information from the other committees. This inventory is compiled in the form of reports and examination of positions held. In the BCGE (France) subsidiary, a specific risks committee examines the situation monthly, and another does so with regard to risks associated with international trade finance. The Asset and Liability Management Committee (CALM), which monitors the balance sheet and interest rate risks, also meets each month. It studies exposure to interest rate risk, measuring income sensitivity and sensitivity of the net present value of shareholders, equity, analyses funds transfer pricing (FTP) margins and monitors the liquidity coverage ratios required by regulations.

16.09%

Shareholders' equity coverage for the Group

BCGE is ranked in "category 3" in terms of FINMA circular 2011/2: including the anti-cyclical buffer, the minimum threshold of its equity coverage ratio is 12.6%. Business planning takes these requirements into consideration when forecasting growth in order to guarantee this level of equity coverage. The minimum threshold is easily covered; the publication requirements relating to shareholders' equity will be made available on the Bank's website (www.bcge.ch – institutional section "About BCGE").

Credit risk

(see also page 85)

Establishing rolling equity coverage planning for the next few years requires outstanding coordination between front office and risk control units. The Bank's decision to allocate equity limits by area of strategic business forms a solid basis on which to achieve objectives while complying with the level of coverage. Risk frameworks are established for all the business activities set out in the strategic and financial plans in order to set the maximum acceptable exposure by type of operation. The yield from operations, in terms of income from interest and commissions, is weighed up against the costs of the transaction and against the risks incurred. There is still speculation about possible real estate market overheating and the regulator continues to express concern on this issue. The Bank continues to maintain its cautious lending policy.

The breakdown of loans by tranche is stable. As in previous years, for loans of less than CHF 1,000,000, there is a wide distribution, with a mode value (i.e. the most frequently occurring number) of approximately CHF 500,000. The distribution of loans of between CHF 1,000,000 and CHF 10,000,000 shows a steady decline, whereas the distribution of loans for amounts greater than CHF 10,000,000 increased by a few points.

Country risk

Country risks are widely diversified. Leaving aside France, where the Bank does a significant amount of business through its French subsidiary BCGE (France) SA, country limits are applied to international trade and to client banks in particular.

Country commercial limits are in place for the international trading business and checked on a daily basis by the Risk Control department. Country limits for direct risks (the debtor's country of incorporation) and indirect risks (the country of economic risk) were regularly reviewed throughout the year. They are the subject of a weekly report presented to the committee dealing with international trade finance.

Market risk

(see also pages 86 and 98, point 5.21)

Market trading risks are limited, in view of the deliberate reduction in the Bank's proprietary trading. At the end of 2019, this portfolio mainly comprised BCGE shares, for which the Bank acts as the market-maker (supporting the share's liquidity). Checks on the progress of the share and the quantities held are made daily.

Exchange rate risk

(see also page 86)

The Swiss franc represents the majority of the Bank's balance sheet, the remainder being in USD and EUR. The Bank has little exposure to foreign currency transaction risks. It follows and covers its currency positions and banknote stocks on a daily basis.

Long-term investment risk

(see also page 91, point 5.05)

The long-term investment portfolio amounted to CHF 1.8 billion in December 2019. These investments protect against liquidity risks; their yield also contributes to results and they allow the Bank to diversify its commitments. Over 67% of the long-term investments are rated AAA, with the other securities being in the AA+ to A- range.

Operational risk

(see also page 87)

Operational risks are actively monitored and additional measures are implemented to deal with new developments. The internal control system is evolving in response to the Bank's needs. With its system of key risk indicators, the Bank has chosen a flexible process for detecting operational risks. Risk mapping and related checks are put in place and regularly monitored, to provide an overall view of well-controlled operational risks.

Compliance risk

(see also page 87)

The Compliance department, tasked with ensuring the Bank's adherence to compliance requirements, is divided into five sections. The first, Prudential Regulation and Monitoring, sets out the internal regulatory framework and carries out regulatory monitoring. The second, Cross-border Operations, deals with adherence to rules regarding the supply of financial services and products. The Anti-Money Laundering section prevents and detects the risk of money laundering and the financing of terrorism. Surveillance and Controls monitors the application of the internal regulatory system. Finally, Helpdesk and Training provides a permanent service (via a hotline) and continuous training in compliance matters.

This structure allows all regulatory compliance-related risks to be covered in an optimum and consolidated cross-departmental manner.

This centralised organisation is supplemented by specialists directly attached to the front office divisions, providing advisers with immediate support as they carry out operational tasks.

Talents and expertise

The skills of BCGE's staff actively contribute to the economic development of the canton

BCGE is a universal bank, with its decision-making centre in Geneva. Individual and collective expertise unite in strengthening Geneva as a financial centre and make BCGE a real powerhouse of banking competency for the canton.



At the end of 2019, 833 staff worked for the BCGE Group, i.e. 780.4 full-time equivalents. Staff levels grew by 2.71% over the year (in 2018, the Group had 811 employees, or 761 full-time equivalents). Staff costs also reflect the increasing demands of the banking environment, where high qualification levels are required. They increased 2.7% to CHF 148.0 million (CHF 144.1 million in 2018).

Remuneration models aligned with the interests of clients and the Bank

Approximately 300 front office employees benefit from a mainly quantitatively-based variable remuneration policy. Depending on the business line (private banking, global trade finance, branch network, institutional investors, lending etc.), specific models have been developed to meet strategic objectives. They are aligned with the interests of clients and those of the Bank – in particular risk management – and place a high value on disciplined administrative management. They reduce the arbitrary element in salary decisions.

BCGE: a business that trains people

BCGE employs, on a permanent basis, 31 people who are undergoing training. Twenty-five of these are taking external courses with a view to obtaining a CFC, a federal diploma or certificate, while working at BCGE. These apprentices, high school graduate trainees and students at the *Haute Ecole de Gestion de Genève* (HEG) or the *AKAD Ecole Supérieure en Banque et Finance* receive on-the-job coaching from practical trainers, who prepare them for their future role as bank client advisers.

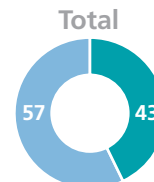
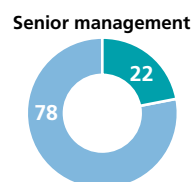
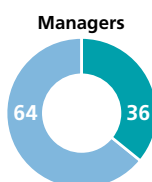
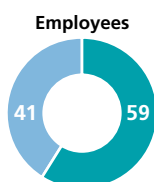
BCGE also regularly offers traineeships to university graduates, either in management or in specific areas such as financing, compliance, organisation or taxation (9 in total).

3,363 days

of training taken by employees in Switzerland, or 4.7 days per parent-company employee

Proportion of women and men at 31.12.19 %

■ Women ■ Men



SUSTAINABLE FINANCE

ASSOCIATING PERFORMANCE WITH RESPECT

- Responsible performance
- Synchrony ESG fund
- Best of ESG mandates
- Minergie mortgages
- Vehicle leasing



Ethical and environmental responsibility policy

A cantonal bank is by nature based on the concept of serving a community

This service is precisely set out in law: it consists of contributing to the development of the economy of Geneva and its region. At the same time, BCGE is also, by force of circumstance, an “ordinary” Swiss bank, subject to market laws and expected to be competitive and profitable.

1. Introduction

The Bank’s stock-market listing testifies to the desire of its public-sector shareholder to see it fully subjected to the competitive environment without any special protection or favour. BCGE therefore has to reconcile these two aims with the existential necessity of adapting to the highly dynamic demand in the banking market, in the face of over a hundred competitors in the financial centre of Geneva.

Fully cognisant of this challenge, in 2003 the government (the State Council and the Grand Council by its vote) appended to the relevant act an ethical charter corresponding to the realities of the banking market and to the moral requirements created by the emergence of the concepts of “sustainable development” and “corporate social responsibility” (CSR).

For several years, BCGE has adopted conduct inspired by its charter of ethics and its responsibilities to society. It does so as much out of respect for its own values as out of strategic and commercial interest. Indeed, the very fact of being open to scrutiny by the regional economic community as a public-law banking establishment, listed on the stock exchange and rated by a major rating agency, obliges it to behave irreproachably in terms of reputational risk.

There is another key parameter: Swiss banking operates within a highly regulated environment that sets numerous limits (which we will not repeat here, even though they are measures with CSR effects); to these may be added the very intense monitoring undertaken principally by FINMA¹, but also by the SNB¹, and in compliance with federal and cantonal requirements (MROS, MROS, MPC, SECO, COMCO, OCIRT¹). Taken together, these create a prescribed framework that is highly restrictive in terms of good conduct; it is summarised in the graph below.



¹ FINMA Swiss Financial Market Supervisory Authority
 SNB Swiss National Bank
 MROS Money Laundering Reporting Office Switzerland
 OAG Office of the Attorney General
 SECO State Secretariat for Economic Affairs
 COMCO Competition Commission
 OCIRT Cantonal inspection and workplace relations department

2. Regulatory framework

BCGE's Ethical and Environmental Responsibility Policy (EERP) is based partly on the Bank's founding documents:

- Banque Cantonale de Genève Act (LBCGe),
- The Ethical Charter of the Banque Cantonale de Genève (adopted by the BCGE Annual General Meeting of Shareholders and by the Grand Council of Geneva in 2003),

and on the documentation available at Swiss federal level, namely:

- The Swiss Code of Best Practice for Corporate Governance (economiesuisse, 2002, updated in 2007 and 2014),
- Corporate Social Responsibility from a Business Perspective (economiesuisse, 2015),
- Position Paper and Action Plan of the Federal Council on corporate social and environmental responsibility (Swiss Confederation, SECO, 2015).

3. Principles and stakeholders

Corporate ethical and environmental responsibility

The corporate Ethical and Environmental Responsibility Policy (EERP) comprises a set of standards focusing on human rights, the workplace, the environment and combating corruption. These standards aim to "optimise the utility of the company's stakeholders, and avoid or mitigate the possible negative effects of their activities" (SECO). This concept therefore takes into account the impact that a company has on society (S), and the environment (E); to these elements can be added the concept of good corporate governance (G), considered "the lodestar of sensible corporate social responsibility" (economiesuisse: Swiss Code of Good Practice for Corporate Governance). The Swiss Code of Best Practice for Corporate Governance).

The EERP is intended to exceed the regulatory requirements embodied in legislative texts, without, however, disadvantaging the everyday running of the Bank, since "the primary and most important function of a business with regard to society consists in its economic success, because it ensures that jobs are generated, taxes are paid and thus, at the same time, the foundation for prosperity and the national economies is laid." (economiesuisse). The EERP aims to achieve objectives relating to the community in general, and especially to the company's stakeholders, i.e. those parties who take part in or are affected by its activity. Attaining these objectives contributes to the Bank's longevity.

Stakeholders: the shareholders

The presence of a variety of shareholders among the stakeholders reminds the Bank that it is acting within a competitive system rather than protected by monopolistic practices, as is the case with major public utilities, for example. Its shareholders are vital to it, as they provide the equity base and risk capital needed for all banking activities. It is important to motivate them with a high level of earnings and a well-balanced dividend policy. As can be seen, BCGE's shareholder base is a particular one, as it is mixed (public and private), with an important role played by the State of Geneva, the City of Geneva and the Geneva Municipalities in addition to a growing community of private shareholders, mainly comprising clients and employees. The listing of BCGE shares on the stock market constitutes a pledge of transparency and, in its own right, imposes a highly demanding code of conduct on the company.

Stakeholders: the clients

Clients are decisive for a bank's success. BCGE aims to retain the loyalty of individual clients and their families as well as that of companies, over several generations if possible. This long-term commitment demands a great respect for the client's interests and a very high level of quality advice (including the ethical practice aspect). The production processes of its banking services must offer the best quality and be formalised in order to provide consistency over time. The partnership with the client base aims to satisfy needs of a financial nature. Satisfaction surveys must regularly demonstrate a good fit between client needs and the services offered by the Bank. The Bank's marketing approach and business initiatives are designed to satisfy established needs, generate true utility and foster clients' long-term interests. Comprehensive and varied documentation ensures the transparency of the Bank's offer of products and services. It provides its clients with a clear and regular account of its analysis of the economic situation.

Stakeholders: the staff

In a services and advisory company, the quality, commitment and loyalty to the company of employees are preconditions for its survival and growth. An enterprise mindful of its future development does its best to maintain the loyalty of the staff it recruits and to energise them. In addition to its obligation to reward individual performance and competence fairly, it should treat its staff with respect, in a non-discriminatory manner, and support their professional development. BCGE's human resources policy puts these principles into practice.

Stakeholders: the community

This general concept covers several areas, including the equitable distribution of services (non-discriminatory location, fair tariffs etc.); supporting socially responsible activities; creating value for public authorities (taxes, fees, donations, salaries paid etc.); and fulfilling its legally established mission of contributing to the development of the economy. In the field of corporate finance, specific rules of engagement must enable small businesses and tradespeople to be treated with fairness and respect. In the area of lending and investment, care must be taken that projects that are contrary to the Bank's principles of social responsibility are not supported. Moreover, clients must be offered investment vehicles that contribute to the development of a sustainable economy and which are both credible and high-yielding. Finally, at local level, the Bank regularly reports on its view of the Geneva economy and takes part in specialist regional research.

4. Objectives

BCGE's principal objective is to ensure its economic success, in line with its mission of serving the community, as stipulated in art. 2 of the Banque Cantonale Act of 24 June 1993. Economic success enables value to be created for public and private shareholders in the form of dividends, taxes and increased wealth.

The complementary objective of BCGE is to meet society's ethical and environmental expectations that extend beyond purely statutory obligations based on the respect of legal requirements, agreements between social partners and other contracts.

5. Objectives by stakeholder and 2019 evaluation

Shareholders

Objectives	Action	Effectiveness measurement criteria
To operate a form of corporate governance that complies with the stakeholders, highest expectations	<p>Adhere strictly to legal and regulatory requirements</p> <p>Provide complete and transparent information for shareholders</p> <p>Adopt a transparent remuneration policy that rewards expertise and responsibilities and ensures the principle of independent salary decision-making processes</p> <p>Monitor the remuneration systems for the Board of Directors and the Executive Board so that they are in line with the wealth-creation interests of the shareholders</p>	<p>Annual General Meeting procedure and voting results</p> <p>Quality of the annual report</p> <p>★★★</p>
To inspire loyalty in our community of public and private shareholders	<p>Operate a strategic plan that ensures the long-term development and growth of the Bank</p> <p>Ensure open institutional communication and regular meetings with analysts</p> <p>Produce publications that are of use to economic decision-takers in Geneva and to the Bank's clients</p>	<p>Return on equity (ROE)</p> <p>Investor communication</p> <p>Level of equity coverage</p> <p>Number of client shareholders</p> <p>★★★</p>
To guarantee shareholders a return in line with the market and compatible with the Bank's long-term development	<p>Ensure that there is a balanced and prudent distribution policy</p>	<p>Dividends</p> <p>Market capitalisation</p> <p>Share yield</p> <p>★★★</p>

- ★★★ Objectives fully achieved.
- ★★ Some improvements and projects under way.
- ★ Priority area for improvement.

Clients

Objectives	Action	Effectiveness measurement criteria
To protect our clients, financial privacy	<p>Guarantee adherence to legal and ethical standards as regards client data protection</p> <p>Put in place all the security measures needed to protect clients' personal data</p> <p>Guarantee that all data processing is on an adequate legal basis</p> <p>Deploy all the efforts necessary to guarantee absolute IT security</p>	<p>No occurrence of information leaks (complaints)</p> <p>★★★</p>
To offer competitive services that meet the needs of consumers and companies	<p>Inform clients of the advantages and risks associated with the Bank's products</p> <p>Ensure a moderate e-brokerage policy (no encouragement of speculation)</p> <p>Ensure a transparent retrocessions policy</p> <p>Operate a fair marketing policy</p>	<p>No justified criticism in the specialised press</p> <p>★★★</p>
To select clients so as to avoid associating the Bank with practices which may attract criticism	<p>Avoid accusations of complicity in money-laundering</p> <p>Carefully select clients who use deposit and lending services, avoiding relationships which may attract criticism</p> <p>Develop systematic checking processes for situations which may be pre-identified as involving reputational risk</p> <p>Ensure that the Bank adheres to normal ESG standards in international trade finance</p> <p>Prevent over-indebtedness in the private lending business</p> <p>Attribute country risk lines on the basis of in-depth analyses</p>	<p>Number of reputational incidents</p> <p>★★★</p>
To make available financial services for investment and pension planning that respect the long-term interests of clients	<p>Seek the best investment solutions for clients</p> <p>Develop simple and clearly understandable products oriented towards the long-term and not short-term speculation</p> <p>Allow investors to check their mandates at regular intervals</p> <p>Apply strict financing standards in the lending business</p> <p>Advise our clients in matters of financial and wealth security (advice plan: "BCGE Bastion")</p>	<p>Absence of justified complaints, legal cases or referrals to the ombudsman regarding the Bank's mandates, financial products, advice or tariffs</p> <p>★★★</p>

Clients

Objectives	Action	Effectiveness measurement criteria
To give all our clients access to plainly-worded quality information	<p>Publish explanatory documents about our services and key financial issues</p> <p>Organise themed lectures on specific topics for our clients every year</p>	<p>Holding of planned events and attendance rates</p> <p>★★★</p>
To effectively organise complaints procedures	<p>Have in place an administrative work order on processing complaints</p> <p>Ensure regular tracking of complaints through reporting at Executive Board level</p> <p>Keep an inventory of complaints against the Bank and regularly inform the Board of Directors about this</p> <p>Ensure regular monitoring of satisfaction rates in the reports</p> <p>Undertake mystery client enquiries on a regular basis</p>	<p>Client satisfaction rate</p> <p>Number of cases referred to the ombudsman</p> <p>Number of complaints</p> <p>★★★</p>
To treat all clients equally, whatever the level of their assets	<p>Apply a uniform tariff for services, irrespective of the extent of the client's resources</p> <p>Refuse to segment clients in a manner that excludes or downgrades those with modest assets</p> <p>Develop loyalty programmes (Avantage service)</p>	<p>Review by the Executive Board, check on tariffs by the Management Control department</p> <p>★★★</p>
To offer clients the chance to access environmentally aware and socially responsible financial products	<p>Develop the "Responsible performance" programme (communication, expansion of the product range etc.)</p> <p>Include a responsible investment (RI) product offering as part of the asset management business</p> <p>Implement the commitments undertaken under the auspices of the United Nations Principles for Responsible Investment (UNPRI)</p> <p>Train professionals (managers, analysts, advisers) in the importance of responsible investment (RI)</p> <p>Apply preferential rates in financing projects that are especially respectful of the environment (Minergie mortgage, "green" leasing)</p>	<p>Provision of a complete range of products under the "Responsible performance" label</p> <p>Growth of ESG/IR assets</p> <p>★★★</p>

Employees

Objectives	Action	Effectiveness measurement criteria
To offer working conditions that foster creativity and a high level of productivity	<p>Provide the Human Resources department with resources and responsibility</p> <p>Maintain a regular dialogue with the Staff Committee and give it the means to accomplish its task</p> <p>Avoid job specifications that are too repetitive or precarious</p> <p>Cooperate with the mediator and the <i>Service Social Inter-entreprises</i></p> <p>Establish an internal communication process</p> <p>Recognise entrepreneurial spirit, collaboration between group departments or entities and exceptional performance through the award of prizes</p> <p>Provide a means of expressing grievances</p>	<p>Audits by the cantonal inspection and workplace relations department (OCIRT)</p> <p>Number of Employment Tribunal cases and decisions</p> <p>★★★</p>
To ensure equality of opportunity regardless of origin, sex, nationality or religion	<p>Put a premium on talent and personal commitment</p> <p>Support training, careers advice</p> <p>Ensure the Bank's political and ideological neutrality</p> <p>Guarantee a selection system (in terms of recruitment and promotion) that is impartial and fair</p> <p>Ensure that equal pay requirements are being adhered to</p>	<p>File on non-adherence to these principles (possible evidence)</p> <p>External certification attesting to equal pay practice</p> <p>★★★</p>
To provide opportunities for career development	<p>Draw up a systematic and demanding training policy</p> <p>Monitor talents and ensure career progression is prepared for</p> <p>Evaluate performance objectively and confidentially</p> <p>Encourage employees to maintain and develop their skills</p>	<p>Changes in the annual training budget</p> <p>Number of posts filled by internal promotion</p> <p>★★★</p>
To align remuneration purely in the interest of the company and its clients	<p>Establish precise internal rules</p> <p>Align remuneration policies with long-term strategies and the interests of the shareholders</p>	<p>Staff turnover rate</p> <p>Loss of talent</p> <p>Proportion of equity owned by staff</p> <p>★★★</p>
To encourage environmentally friendly transport	<p>Encourage use of public transport for business travel</p> <p>Financially support purchase of Geneva public transport (TPG) annual season tickets</p> <p>Encourage car sharing</p>	<p>Monitoring of this programme</p> <p>★★★</p>

Employees

Objectives	Action	Effectiveness measurement criteria
To promote integrity and the CSR approach in management	<p>Train all executives in the values within the Bank (<i>Horizon Direction</i> course, <i>BCGENOMICS</i> model)</p> <p>Transmit BCGE's values: courage and independence of mind, integrity, commitment and hard work, attention to detail and capacity for implementation</p> <p>Promote team building via the annual management championship</p>	<p>Regular holding of courses/events</p> <p>★★★</p>

The Community

Objectives	Action	Effectiveness measurement criteria
To create value for the public authorities	<p>Ensure the long-term development of the Bank</p> <p>Respond to all the needs of the public authorities in terms of financing, deposits and advice</p> <p>Remain the leading provider of social or cooperative housing finance in Geneva</p>	<p>Taxes, duties, salaries, jobs, other contributions</p> <p>Volume of financing of social and cooperative housing</p> <p>★★★</p>
To support investment in Geneva	<p>Measure investments and major expenditure in the Geneva economy through use of the strategic indicators</p> <p>Favour local suppliers, if quality and price are equal</p>	<p>Publication of investments in the Geneva community</p> <p>★★★</p>
To promote respectful and efficient use of natural resources	<p>Optimise use of natural resources in renovation work</p> <p>Promote recycling of waste</p> <p>Raise employee and partner awareness of the importance of environmental issues</p> <p>Select suppliers on the basis of their adherence to the labour and environmental standards in force</p> <p>Reduce the consumption of resources through an active outsourcing policy</p> <p>Produce bank services with partners that have ethically and environmentally respectful policies</p>	<p>Adherence to internal directives</p> <p>★★★</p>

The Community

Objectives	Action	Effectiveness measurement criteria
<p>To be geographically accessible and available to all</p>	<p>Maintain local services</p> <p>Ensure assistance is provided to disabled people in the branches</p> <p>Support local social action by means of a special budget</p> <p>Operate opening times that suit clients</p> <p>Participate actively in the FinanceMission project of the Union des Banques Cantonales Suisses (www.financemission.ch)</p> <p>Work closely with the Fondation Patrimoine</p>	<p>Measures to benefit reduced-mobility clients</p> <p>★★★</p>
<p>To protect the environment</p>	<p>Set environmental impact reduction objectives in the strategic plan (in terms of heating, paper consumption, carbon footprint etc.)</p> <p>Ensure ESG selectivity in terms of long-term investments, capital investment (private equity) and lending in general</p> <p>Adopt ambitious eco-efficiency measures that are proportionate to the Bank's size and which are inspired by the ISO 14001 environmental management standard</p>	<p>Environmental balance sheet</p> <p>Minimum long-term exposure to environmentally sensitive borrowers</p> <p>★★★</p>
<p>To operate an ethical and environmental responsibility policy (EERP) in line with external realities</p>	<p>Follow developments in public debate (e.g. publication in 2019 of a study on sustainable development in partnership with the Geneva Chamber of Commerce, Industry and Services and the cantonal statistical office, OCSTAT)</p> <p>Support the EERP committee, which is responsible for examining the implementation of the ethical and environmental responsibility policy, and propose improvements</p> <p>Organise regular meetings of the EERP committee and prepare follow-up reports for the Executive Board</p>	<p>Dialogue with our clients and acknowledgement of the environmental dimension in our lending decisions</p> <p>Iterative adaptation of the EERP</p> <p>★★★</p>

6. Mission, roles and responsibilities

Successfully blending a public mission and the need for profitability in accordance with art. 2 of the Banque Cantonale de Genève Act of 24 June 1993, “the principal aim of the Bank is to contribute to the economic development of the canton and of the region [...] It shall be managed according to tried and tested ethical banking principles.” BCGE harmoniously combines its public mission with the need to be a profitable commercial enterprise: it has no monopolistic advantage nor any cantonal guarantee. BCGE’s corporate ethical and environmental responsibility policy constitutes an additional framework that goes beyond the regulatory requirements of the law and the supervisory authorities (Swiss National Bank, FINMA etc.) and allows the Bank to undertake its activities in harmony with each of its stakeholders, without impeding the running of its business.

Roles and responsibilities by entity

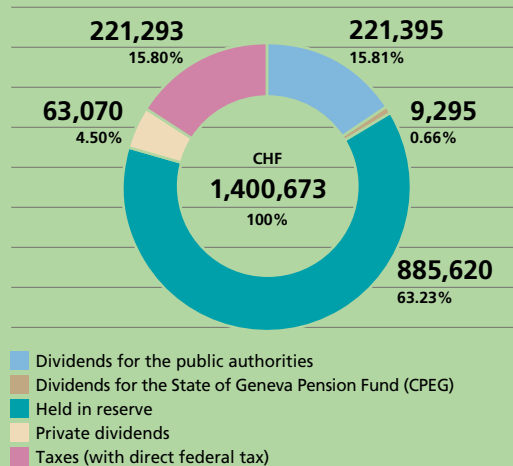
The Board of Directors adopts the company’s ethical and environmental responsibility policy and informs shareholders of its application by means of the annual report. The Executive Board sets the operational objectives within this policy at Bank level, monitors the achievement of these and produces a succinct report for the Board of Directors. Created at the end of 2019, the EERP committee examines the implementation of the ethical and environmental responsibility policy, proposes improvements and reports directly to the CEO.

Monetary impact on Geneva

The constitutional mission of the Banque Cantonale de Genève is realised in the form of the services offered by BCGE to its clients, to companies and to Geneva’s public and parastatal organisations, and by generating dividends, stock market gains and taxes which directly benefit.

Breakdown of cumulative results 2000-2019

Estimate, in CHF thousands



In 2019, the BCGE Group thus paid the equivalent of CHF 235 per household in dividends and taxes to the Canton of Geneva and the Geneva municipalities, i.e. almost CHF 45.6 million. Since 2000, it has created value of CHF 1.4 billion, with 77% of this amount – CHF 1.1 billion – accruing to the public authorities.

The Group paid suppliers in Switzerland CHF 95.0 million for goods and services. A large proportion of this amount was paid to Geneva-based companies or to the Geneva entities of companies invoiced in other Swiss cantons, such as Swisscom.

Taxation paid

The Bank adheres to all direct and indirect tax payment requirements, as a company and as an employer, in all the countries in which it operates, attributing income and costs in line with the location where operations are recorded.

	Taxes paid in 2019, including business and tourism taxes (in CHF 1,000)	Proportion of total taxes paid (%)	Rate of tax, excluding VAT (%)
Canton of Geneva and Geneva municipalities	26,131	65.6%	15.1%
Other Swiss cantons and municipalities	114	0.3%	0.1%
Swiss Confederation	9,074	22.8%	5.5%
Foreign	4,499	11.3%	2.7%
Total	39,819	100%	23.4%

See also point 5.39 on pages 106 and 133.

Foundation in aid of cultural, social and sporting activities

The Fondation Immobilière Patrimoine was founded by BCGE in 1996. It took over buildings which had been owned by the Caisse d'épargne de la République et Canton de Genève and the Banque hypothécaire du Canton de Genève, the two banks from which BCGE was created. The aim of the foundation is to support cultural, social and sporting activities of general interest in the Canton of Geneva and its region. To this end, the foundation owns several buildings that previously belonged to the founding institutions. Management of the buildings generates funds which allow the net revenue from the capital to be assigned to the aims of the foundation (after payment of interest and the normal amortisation of the loans, on the one hand, and the costs associated with the normal upkeep and depreciation of the buildings, on the other). As part of this support, the foundation has helped various charitable, sporting and cultural organisations. François Kirchhoff and Patrick Senger, BCGE Director and Assistant Director respectively, represent the Bank on the five-member foundation council.

FinanceMission

FinanceMission: a social undertaking by the cantonal banks

Jointly founded by the 24 cantonal banks and the teacher federations of German-speaking and French-speaking Switzerland, the aim of the FinanceMission Association is to promote financial competence in young people. BCGE supports this project, which plays an important role in combating indebtedness.

www.financemission.ch

7. Operational management

An everyday job

On a day-to-day basis, the Bank minimises its environmental impact by reducing its consumption of energy, paper and office supplies, as well as by continually improving its waste management. For instance, the Bank's printers have been configured to print both sides by default.

IT-related energy consumption

BCGE supports the green IT concept, because it takes into account both energy costs and constraints, in terms of power consumption and air conditioning needed for IT equipment. Its purpose is to improve the energy efficiency of IT platforms. When acquiring new equipment, BCGE makes decisions based on cost-saving and environmental factors. Continuous renewal of all IT infrastructure enables access to the latest technology (virtualisation, centralised storage, sharing computer capacity) in line with future environmental data centre standards.

Mindful of the need for simplification and optimisation, BCGE has chosen to host the majority of its IT infrastructure in an external data centre, thereby reducing electricity consumption and heat generation. Outsourcing enables the use of server virtualisation technology, breaking down the various servers into small virtual units. This option enables small-scale components to be combined within a single larger logical system. Centralised server management also means that their performance can be adapted to the energy available while maintaining agreed levels of service.

Management of recyclables and consumables

Within the ambit of recycling, BCGE's facilities management pursues its mission responsibly by centralising and sorting business consumables (paper, used ink cartridges, IT components) on the Bank's premises. Employees contribute by disposing of personal waste (batteries, plastics, aluminium) at collection points. Each employee has two waste bins, one for paper, the other for non-recyclable waste.

When purchasing or acquiring capital equipment or ordering consumables, the Logistics department applies the BCGE Group's purchasing conditions, which focus on respect for the environment. It adheres to the responsible business purchasing guide published by the canton's Sustainable Development Service (SCDD).

Most internal mail deliveries are made by a service provider who is requested to use vehicles in the least polluting category of the Euro 5 standard. City-centre deliveries are performed on foot, and light mail is delivered by a supplier using bicycle couriers. To assist in technical maintenance operations in its various buildings, the Bank has acquired a 100% electric utility vehicle.



Renovation of premises

BCGE is pursuing the remodelling and renovation of its premises in an economical and environmentally friendly way, collaborating with the cantonal authorities, architects and engineering offices; prime examples of this are the fitting out of the new Grand-Saconnex branch and the window seal replacement programme at the Quai de l'Île building. When building work is undertaken, BCGE pays particular attention to the materials used (whether it purchases them itself or they are provided by sub-contractors) and to suppliers, fulfilling their obligation to sort their waste.

Concentrating the Bank's core activities on two operational sites

The environmental benefits are demonstrated by the improvements in cost-to-need ratios for infrastructure in this area. BCGE is optimising its workspace ratio by concentrating its non-branch activities on two sites. The Bank has two main sites: one essentially sales-orientated (Quai de l'Île) and the other for operations, administration and training (in Lancy).

Optimising environmental costs

The options selected in the studies carried out as part of the cantonal New Electricity Offer (NOE) project by the Energy Service (ScanE) continued to bear fruit: electricity and gas consumption fell by 1.8% and 2.1% respectively.

Consumables	2019	2018	2017	2016	2015
Paper purchases (number of sheets) of which:	4,082,100	6,105,000	6,011,000	6,393,000	6,445,000
FSC wood fibres	104,100	60,000	61,000	67,000	45,000
FSC eucalyptus fibres	3,113,000	4,220,000	4,175,000	4,251,000	3,300,000
100% recycled	865,000	1,825,000	1,775,000	2,075,000	3,100,000
Paper destroyed (in tons)	49	75	61	53.7	59.1
PET recovered (kg)	1,201	1,546	1,336	1,198	1,227
IT components (kg) ¹	194	125	292	781	68

¹ IT components are only weighed when delivered to the recycling plant; prior to which they are stored in a warehouse.

In order to minimise the environmental impact of its electricity consumption, BCGE has opted for the environmentally friendly, hydraulically generated power offered by its supplier, SIG. When modernising its facilities, BCGE undertakes energy efficiency measures and systematically seeks to implement eco-efficient solutions. It participates in the Ambition Négawatt Vision programme of its electricity supplier, SIG, and was awarded the SIG-éco21 certificate for its commitment in 2019.

ENTREPRISE ENGAGÉE 2020



	2019	2018	2017	Change 2019-2018
Electricity (kWh)	3,730,053	3,798,889	3,950,334	-68,836
Gas (kWh)	890,754	909,693	989,783	-18,939
Water (m ³)	9,515	10,747	9,681	-1,232

Source : SIG

Green transportation

BCGE encourages the use of public transport by providing a free TPG (Geneva public transport) season ticket together with an incentive allowance. 30% of employees working in Geneva benefit from these, at a total cost of CHF 185,645, which is entirely paid for by BCGE. In addition, special conditions are offered to staff at sites outside Geneva. The Bank also requires that its employees travel on business by train and other land-based public transport systems as much as possible.

Besides this, with the highest density of branches in the canton of Geneva (21 branches), it promotes the notion of being close to clients, enabling them to minimise their car journeys or to use the public transport links connecting all the Group's branches.

Global Commodity Finance

In the international commodity trade finance business, decisions to grant credit or other banking services include environmental, social and governance (ESG) criteria in the client risk analysis.

8. "Responsible performance" product offer

Range of products

Dedicated by nature and its statutory mission to a community service project, BCGE is committed to a sustainable and ethical approach. Being especially attentive to the development of society and the needs of its clients, BCGE offers a range of banking products embodying the highest ethical and environmental standards. This "Responsible performance" range is offered in addition to the Bank's more traditional products and can be freely chosen by the client.

Over 20 years of commitment and innovation

BCGE offers its clients investment vehicles that contribute to the development of a sustainable economy, and which are both credible and high-yielding. In the financing area, BCGE plays an active role in making available to clients attractive offers for sustainable business. In terms of investment, in the course of over 20 years, it has been offering solutions that incorporate sustainability (ESG) factors, following an approach that aims to improve performance while reducing specific risks.

Signatory of:



As a signatory to the United Nations Principles for Responsible Investment (UNPRI), BCGE Asset Management is committed to progressively integrating environmental, social and governance (ESG) factors into investment processes.

In its interactions with clients, BCGE is developing solutions that contribute to preserving natural resources and protecting the climate, as in the case of Netbanking, which limits paper consumption by providing statements and documents online. The same applies to 1816, the Bank's online trading solution.

Financing

BCGE mortgages for individual clients also finances investments that follow Minergie-label guidelines. This is a "green" option which enables clients to optimise their comfort while respecting the environment and obtaining preferential financing conditions.

Leasing: BCGE offers a preferential rate for financing electric or low fuel consumption vehicles. This preferential rate is applicable to models that figure on the list of low-pollution vehicles compiled by the canton.

Asset management and investment

Synchrony LPP 40 SRI (SRI standing for "socially responsible investment") is a fund that invests exclusively in assets that are generally acknowledged to be sustainable or socially responsible. It is managed using an approach where the need for financial performance is associated with respect for the environment and a set of human and ethical values.

Synchrony Swiss Small and Mid Caps (CH) was launched in 2006, while Synchrony (LU) Swiss Small and Mid Caps CHF started in 2017. These funds invest long term in around 30 second-tier Swiss securities (companies that are listed but not included in the SMI), which are selected on the basis of sustainability criteria. This approach is distinct from that taken by the competition: the ESG (environmental, social and governance) criteria are complemented by classical financial analysis to determine investment choices.

Synchrony Swiss Government Bonds was launched in 1996: the fund is at least two thirds invested in Swiss Confederation bonds. The remainder may be invested in bonds or other debt securities issued or guaranteed by a Swiss public authority or by a Swiss mortgage bond issue centre.

These four Bank funds hold combined assets of CHF 327 million. With the Best of Swiss Economy Dynamique ISR mandates, the other discretionary mandates and funds managed on behalf of clients, BCGE manages assets amounting to CHF 900 million according to sustainability principles (i.e. 12% of its assets under management).

BCGE has a *Responsible performance* investment policy, which can be viewed at www.bcge.ch



BCGE IS COMMITTED

YOUNG PEOPLE

GIVING YOUNG PEOPLE WINGS

- 12-25 individual accounts
- Epargne Jeunesse account
- Start'Ep
- Fund-based savings plan
- Pre-paid cards

Shareholder information and corporate governance

1. Group structure and shareholding	45
1.1 Group structure	45
1.1.1 <i>Presentation of the Group operating structure</i>	45
1.1.2 <i>Listed companies</i>	45
1.1.3 <i>Scope of consolidation</i>	46
1.2 Major shareholders	46
1.3 Cross-holdings	46
2. Capital structure	47
2.1 Capital	47
2.2 Authorised or conditional capital	47
2.3 Changes in share capital	47
2.4 Shares and participation certificates	47
2.5 Profit sharing certificates	47
2.6 Transfer restrictions and registration of nominees	47
2.6.1 <i>Restrictions on transfer</i>	47
2.6.2 <i>Reasons for granting exceptions</i>	47
2.6.3 <i>Registration of nominees</i>	47
2.6.4 <i>Procedure</i>	47
2.7 Convertible bonds and options	47
3. Board of Directors	48
3.1 Members	48
3.2 Other activities and vested interests	50
3.3 Ordinance against Excessive Remuneration	50
3.4 Election and duration of appointments	50
3.5 Internal organisation	51
3.5.1 <i>Allocation of tasks within the Board of Directors</i>	51
3.5.2 <i>Committees of the Board of Directors</i>	51
3.5.3 <i>Working methods</i>	52
3.6 Powers of the Board of Directors and the Executive Board	52
3.7 Information and control mechanisms	54
4. Executive Board	56
4.1 Members	56
4.2 Other activities and vested interests	58
4.3 Supplementary information to be added by issuers subject to ERCO	58
4.4 Service contracts	58

5. Remuneration, participation and loans	59
5.1 Contents and procedure for setting remuneration and participation programmes	59
5.2 Information to be supplied by issuers subject to ERCO	61
5.3 Information to be supplied by issuers not subject to ERCO	61
6. Shareholders' participation rights	62
6.1 Limitation and representation of voting rights	62
6.1.2 <i>Granting of exemptions during the period under review</i>	62
6.2 Quorum	62
6.3 Convening of Shareholders' Meetings	62
6.4 Agenda items	62
6.5 Registration in the share register	62
7. Takeovers and defensive measures	62
8. Independent auditor	63
8.1 Duration of the audit mandate and of the mandate of the auditor-in-charge	63
8.2 Independent auditors' fees	63
8.3 Additional fees	63
8.4 Information on the independent auditors	63
9. Information policy	64

Shareholder information and corporate governance

1. Group structure and shareholding

1.1 Group structure

1.1.1 Presentation of the Group operating structure

The Banque Cantonale de Genève (hereafter BCGE) is a limited company established by public law according to Art. 763 of the Swiss Code of Obligations. It has the status of a cantonal bank as defined by the Federal Banking Act. The Bank was registered in the Geneva Trade Register on 17 December 1993 and conducts its business under the registered name of "Banque Cantonale de Genève SA".

The registered office and management of the Bank are in Geneva.

BCGE operates subsidiaries and branches. The portrait of the Group and its subsidiaries can be found on pages 8 and 9 of this report, and the geographical organisation on pages 16 and 17.

The scope of consolidation is presented at point 1.1.3 on page 46 and at point 2 on page 82 of this report.

The organisation chart of the BCGE Group at 1 March 2020, reflecting the change in organisational structure announced in 2019,¹ is on pages 12 and 13 of this report. As of 1 January 2020, Banque Cantonale de Genève is thus organised in six divisions managed by the members of the Executive Board.

Coordination of the divisions and benefits from synergies applicable across all divisions are ensured on the one hand by the CEO and his staff and, on the other, by a matrix operating structure.

The functional capability of this structure is reinforced by various strategic committees, which have been allocated major responsibilities or controls by the Executive Board. The missions of the divisions can be found on pages 14 and 15 of this report.

1.1.2 Listed companies

The Bank is listed on the SIX Swiss Exchange. As the 7,200,000 registered shares are listed, the market capitalisation is calculated on the basis of a price of CHF 194.50 as at 31 December 2019.

Market capitalisation	CHF 1,400 million
Stock number	35,049,471
ISIN number	CH0350494719

¹ Press release of 26.09.2019.

1.1.3 Scope of consolidation¹

The complete scope of consolidation includes, in particular, at 31 December 2019, these wholly-owned subsidiary companies:

- Banque Cantonale de Genève (France) SA (www.bcgf.fr), Lyon, share capital EUR 30 million;
- Capital Transmission SA, Geneva, share capital CHF 2 million;
- Dimension SA, Lausanne, share capital CHF 300,000;
- Dimension Corporate Finance SA, Geneva, share capital CHF 160,000;
- Rhône Saône Courtage Sàrl, Lyon, share capital EUR 10,000;
- Rhône Saône Léman SNC, Lyon, share capital EUR 10,000;
- Loyal Finance AG Zurich, share capital CHF 200,000;
- Swiss Public Finance Solutions SA, Geneva, share capital CHF 400,000.

1.2 Major shareholders

Information on the major shareholders known to BCGE:

Major shareholders' equity interests

As at 31.12.2019

Shareholders	Equities shares	Total votes	Total nominal value	% capital and votes
State of Geneva	3,187,715	3,187,715	159,385,750	44.27%
City of Geneva	1,502,646	1,502,646	75,132,300	20.87%
44 Geneva municipalities	534,649	534,649	26,732,450	7.43%
Sub-total, public authorities	5,225,010	5,225,010	261,250,500	72.57%
State of Geneva Pension Fund (CPEG)	428,800	428,800	21,440,000	5.96%
Total major shareholders	5,653,810	5,653,810	282,690,500	78.53%
Other shareholders	1,546,190	1,546,190	77,309,500	21.47%
Existing capital	7,200,000	7,200,000	360,000,000	100%

The publication of acquisitions of equity stakes during the 2019 financial year can be consulted using the following link: <https://www.six-exchange-regulation.com/fr/home/publications/significant-shareholders.html>

1.3 Cross-holdings

BCGE is not aware of the existence of any cross-holdings exceeding 5% of the capital or of the totality of shares.

¹ The scope of consolidation is shown on page 82.

2. Capital structure

2.1 Capital

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

2.2 Authorised or conditional capital

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

2.3 Changes in share capital

The single type of share was introduced on 2 February 2017. Bearer shares with a par value of CHF 100 were converted (in a ratio of one to two) as were the A and B registered shares of par value CHF 50 (in a ratio of one to one) to the new single type of registered shares listed at a par value of CHF 50.

After the conversion, the share capital remained unchanged.

2.4 Shares and participation certificates

The share capital is composed entirely of registered shares, listed on the SIX Swiss Exchange, with a par value of CHF 50, i.e. a total of 7,200,000 shares, all fully paid up.

All the shares have the same financial and ownership rights.

There are no participation certificates.

2.5 Profit-sharing certificates

There are no profit-sharing certificates.

2.6 Transfer restrictions and registration of nominees

2.6.1 Restrictions on transfer

The Constitution of the Canton of Geneva, art. 189, para. 2, states that the Canton and the Municipalities must hold the majority of the votes attaching to the Bank's share capital. Art. 7, para. 3 of the Banque Cantonale de Genève Act (LBCGe; entered into force 28 January 2017) specifies that the Canton, the City of Geneva and the other municipalities represented by the Association of Geneva Municipalities must enter into a shareholders' agreement governing the minimum number of shares that each public authority is required to hold. On 30 April 2018, the Cantonal Department of Finance published a press release reporting that a shareholders' agreement of this type had been concluded.

2.6.2 Reasons for granting exemptions

No exemptions are granted.

2.6.3 Registration of nominees

At 31 December 2019, the Bank's articles did not include any provision allowing inclusion of nominees in the register of shareholders.

2.6.4 Procedure

Restrictions on transfer can only be lifted by a change in the Banque Cantonale de Genève Act (LBCGe, www.ge.ch – Geneva legislation section), subject to a referendum.

2.7 Convertible bonds and options

BCGE has not issued any convertible bonds or options.

3. Board of Directors

3.1 Members¹

The Board of Directors is composed of 11 non-executive members. They are independent within the meaning of FINMA Circular 2017/1: Corporate governance – banks.



Gilbert Probst

born 17 September 1950, Swiss.
Chairman, appointed by the State Council in 2017.

Holder of a doctorate and a master's degree in economics and social sciences from the University of St Gallen. Honorary Professor, Director of the Public-Private Partnership Centre and Co-director of the MBA programme at the Geneva School of Economics and Management (GSEM), and Vice-chairman of the Swiss Board Institute (Geneva) and Institute of Directors for Switzerland. From 2007 to 2016, Gilbert Probst was Managing Director at the World Economic Forum (WEF). He is the founder of the Geneva Public-Private Partnership Center and the Geneva Knowledge Forum (University of Geneva), and of the Centre for Organizational Excellence (University of St Gallen). He has been a member of numerous boards of directors of Swiss companies.



Jean Olivier Kerr

born 19 June 1956, Swiss.
Vice-chairman, elected in 2017 by the shareholders.
Member of the Appointments and Remuneration Committee.

With postgraduate degrees from the International Agri-food Management Institute (IGIA) and from the Institute for Advanced Studies in Rural Law and Agricultural Economics (IHEDREA, Paris), his particular expertise is in risk management, strategy analysis and execution, and organisational change management and leadership. Having joined Cargill as a trader in 1980, he occupied various positions in Paris, Amsterdam, Milan, Geneva and Minneapolis before being appointed, firstly, Manager at Cargill Europe, Geneva (1999-2007), then Vice-chairman of Cargill International, Geneva (2008-2014). He is a member of *Entreprendre Suisse Romande*, the business creation network in French-speaking Switzerland.



Michel Pasteur

born 20 December 1953, Swiss.
Secretary, appointed by the State Council in 2018.
Member of the Control Committee.

A graduate in commercial and industrial sciences, with a specialisation in financial management (finance option), from the University Geneva and holder of a Swiss Federal Chartered Diploma in Accountancy. He began his career as an auditor with a major international trustee company. Within an international firm of auditors, he managed numerous bank and investment company audits. Having been a member of the executive committee and compliance department manager of a large international banking group in Switzerland, in 2006 he joined a large private bank as its compliance officer. He has been an independent compliance consultant since 2014.



Grégoire Carasso

born 12 September 1980, Swiss.
Member, appointed in 2014 by the Municipal Council of Geneva. Member of the Risk and Strategy Committee. He has submitted his resignation, which will be effective on 5 May 2020 (General Meeting).

A graduate in international history and politics (IHEID) and a holder of an MBA from the University of Geneva. After working in several of Geneva's SMEs, he joined the University of Geneva as Vice-Chancellor for Academic Affairs, in 2007 as a director of the Global Studies Institute from 2013, and since 2016 as a doctoral candidate.



Michèle Costafrolaz

born 2 August 1954, French.
Member, elected in 2017 by the shareholders.
Chair of the Control Committee since 16 May 2018.

A graduate of the Lyon School of Management in Finance and Accounting, the expertise of Ms Costafrolaz is in financial auditing and business advisory services in the accounting and financial field. Starting her career in external auditing with Deloitte Haskins & Sells in Paris in 1977, she occupied several management positions in the company before becoming Managing Partner – Audit with Deloitte SA, Geneva (1984-2013). An accredited senior auditor with the Federal Audit Oversight Authority, Ms Costafrolaz has been a founding shareholder and board member of MCT Audit & Advisory, Geneva since 2013, Chair of the Audit Committee of the Global Alliance for Improved Nutrition foundation from 2015 to 2018, a member of the supervisory board of Ermewa Holding SA, France, since 2014 and Chair of the Audit Committee since 2018.

¹ No director:

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



Gina Empson

born 23 March 1958, Swiss and British.
Member, appointed by the State Council in 2014.
Member of the Appointments and Remuneration Committee.

Holds a BSc degree in Finance and Economics from the University of Southampton, UK. A member of the Institute of Chartered Accountants in England & Wales since 1983, a licensed auditor and a member of EXPERTsuisse. Appointed by Pricewaterhouse Group as an auditor in Geneva in 1984. Over 30 years' experience in the financial sector, including 10 years with the Serono/BioChem Group, first as a financial analyst for Fabio Bertarelli, the founder of Serono, then as head of the Group's operating and commercial subsidiaries. In 1999, she founded ICS Corporate Services SA, Geneva, an independent fiduciary company, Business Harbour Sàrl, Geneva, a salary hosting company, in 2009.



Serge Fasel

born 28 January 1957, Swiss.
Member, appointed in 2018 by the Municipal Council of Geneva.
Member of the Risk and Strategy Committee.

Holds a law degree from the University of Fribourg and was admitted to the Geneva bar in 1991. He has been a member of the FBT Avocats legal practice in Geneva since 1993 and manages its judicial group. He has wide experience both in cases held in ordinary courts and in national and international arbitration. His areas of activity include all forms of commercial litigation, in particular in banking and finance. He is also active in the areas of bankruptcy law, labour law and economic crime. He is also a deputy judge at the Court of Justice and has completed a course in military law. FBT has undertaken litigation work for the Bank for many years.



Bernard Girod

born 5 February 1956, Swiss.
Member, appointed by the State Council in 2018.
Member of the Appointments and Remuneration Committee.

Holds a technician and mechanics diploma. He has enjoyed a long career as an entrepreneur and is Chairman of the board of Serbeco and ED Energie Durable and company secretary of ProP. He is also the member of several boards of directors or foundation councils in Geneva, such as the *Office de Promotion des Industries et des Technologies* (OPI), Autobritt and CAD Confignon SA.



Jean-Marc Mermoud

born 15 July 1955, Swiss.
Member, appointed in 2010 by the Association of Geneva Municipalities. Member of the Risk and Strategy Committee.

As a graduate civil engineer, he joined F. Simond, the construction and contracting company, of which he became chairman and managing director in 1994.



John Tracey

born 29 October 1950, Swiss and British.
Member, elected in 2010 by the shareholders.
Chair of the Appointments and Remuneration Committee.

Holds a business studies and international marketing degree from the University of Leeds. His career in marketing, communication and other management functions with Procter & Gamble in Geneva spans almost 35 years. A former director of Procter & Gamble International and a previous head of external relations at the Geneva head office.



Angela de Wolff

born 10 June 1968, Swiss and Italian.
Member, appointed by the State Council in 2010.
Chair of the Risk and Strategy Committee.

Holds an HEC degree and an MSc from Lausanne University, together with a Master's in International Business Management and a financial analyst diploma. She was a financial analyst with Lombard Odier & Cie for several years. She is co-founder and a member of the executive committee of the Sustainable Finance Geneva association, which strives to promote responsibility and sustainable development in finance.

3.2 Other activities and vested interests

Gilbert Probst

Member of the Stiftung zur Förderung der systemorientierten Managementlehre foundation, St. Gallen.

Jean Olivier Kerr

Member of the boards of directors of Oceana Shipping AG, Coire et Navemar SA, Fribourg.

Michel Pasteur

Member of the board of directors of the Forum Finance Group SA, Geneva.

Grégoire Carasso

Member of the Great Council (PS) in Geneva. Member of the board of directors of Transvoirie SA, Satigny.

Michèle Costafrolaz

Chair of the board of directors of ID Logistics SA, Geneva. Member of the boards of directors of Coninco Explorers in Finance SA, Vevey and Helvetia Conseils & Révisions SA, Geneva. Manager of Mesoblast International Sàrl.

Gina Empson

Member of the board of directors of Dryden ICS SA, Geneva, until 07.02.2019, of Bruellan SA, Geneva until 17.06.2019, of Fondation Genesis (pension fund), Geneva, of Association Genèvevroule, Geneva and of Antion Biosciences SA, Geneva until 07.11.2019.

Serge Fasel

Chair of the interparty judicial commission and the PDC (stepped down 2019).

Bernard Girod

Chair of the Fondation Renée Girod, Carouge (until 2019), of the Fondation 14-16 Jean-Simonet, Carouge (until 2019), of the *Les Recycleurs de Genève* association, Geneva and of CAD Confignon Energie¹ SA; vice-chair of Le Caré, Geneva. Member of the committee of ASTAG (Swiss Road Transport Association), Geneva. Council member of FPLM Carouge (until the end of 2019).

Jean-Marc Mermoud

Associate of SNC Mistro et Cie, Real Estate, Meyrin. Chairman of the board of the Nelly Gygax Foundation, Pregny-Chambésy. Deputy Chairman of the board of directors of CGN Belle Epoque SA, Lausanne. Member of the Geneva Liberal Radical Party (PLR). Member of the board of directors of CGN SA Group.

John Tracey

Member of the board of directors of Swiss Land Estates SA, Geneva. Senior executive coach at I.J. Martin & Co Ltd., Zurich. Councillor with the Lancy Economic Council. Member of the board of the H. Dudley Wright Foundation, Geneva.

Angela de Wolff

Chair of Conser Invest S.A., Geneva. Member of the executive committee of the Sustainable Finance Geneva association (until 30.06.20); member of the board of directors of Swiss Sustainable Finance, Zurich (until 30.06.20). Member of the boards of directors of the Swiss Investment Fund for Emerging Markets SA (SIFEM AG), Berne, and of the Fondation Audemars-Watkins, Geneva, as well as of Race for Water, Lausanne.

3.3 Ordinance against Excessive Remuneration

BCGE is not subject to the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares.

3.4 Election and duration of appointments

The eleven directors are elected or appointed as follows:

- five members appointed by the State Council;
- two members appointed by the City of Geneva;
- one member appointed by the other Geneva municipalities;
- three members individually elected by the shareholders other than the public authorities, at the General Meeting;
- the State Council nominates the chairman from among the directors.

The duration of a director's appointment is four years, renewable twice. If the appointment is made during a term, the duration of the appointment is limited to the duration of the term. The appointment ends on the day of the General Meeting following the date on which a director has reached his/her seventieth birthday at the latest. The procedures for appointing and proposing candidates are governed by art. 11 of the Bank's Articles of Association¹ and art. 12 of the LBCGe.²

¹ www.bcge.ch – institutional section "About BCGE".

² www.ge.ch – Geneva legislation section.

Director	Year first appointed	Current term ends	Number of times reappointed	Eligible for reappointment
Gilbert Probst	2017	2021	1	no
Jean Olivier Kerr	2017	2022	1	yes
Michel Pasteur	2018	2022	0	yes
Grégoire Carasso	2014	2020 ¹	1	yes
Michèle Costafrolaz	2017	2022	1	yes
Gina Empson	2014	2022	1	yes
Serge Fasel	2018	2022	0	yes
Bernard Girod	2018	2022	0	yes
Jean-Marc Mermoud	2010	2022	2	no
John Tracey	2010	2021	2	no
Angela de Wolff	2010	2022	2	no

3.5 Internal organisation

3.5.1 Allocation of tasks within the Board of Directors

Chairman of the Board: Gilbert Probst.

Deputy Chairman of the Board: Jean Olivier Kerr (since 16 May 2018).

Secretary to the Board: Michel Pasteur (since 16 May 2018).

3.5.2 Committees of the Board of Directors

Appointments and Remuneration Committee

The role of the Appointments and Remuneration Committee is to propose the appointment of the Chief Executive Officer, his/her Deputy and the members of the Executive Board and to give notice of senior management appointments. It gives notice of the remuneration of the Chief Internal Auditor as put forward by the Control Committee and proposes changes to the Regulations relating to remuneration of the members of the Board of Directors and the Executive Board. It is composed of four members of the Board of Directors:

John Tracey, Chairman, Jean Olivier Kerr, Gina Empson and Bernard Girod, members. It meets when an appointment requires it to do so but at least once a year. In 2019, it met six times.

Risk and Strategy Committee

The Risk and Strategy Committee studies the risk environment in which the Bank operates or intends to operate. It gives the Board of Directors prior notice of any important decision of a strategic nature or relating to identifying and managing risks. It is composed of four members of the Board of Directors: Angela de Wolff, Chair, Jean-Marc Mermoud, Grégoire Carasso (member until the general meeting of 5 May 2020) and Serge Fasel. In 2019, it met four times.

Control Committee

The Control Committee takes its powers and duties from art. 24 and subsequent of the Bank's Articles of Association. Among other things, the Control Committee aims to supervise compliance with the legal, statutory and regulatory provisions applicable to the Bank, as well as bank usages, and to ensure liaison and coordination between the Board of Directors, internal audit and the independent auditor. It is made up of three members, two directors appointed by the Board of Directors and the third member appointed by the State Council. The member of the Control Committee appointed by the State Council cannot be a civil servant. He/she is subject to banking secrecy. Its members are Michèle Costafrolaz, Chair, and Michel Pasteur, both directors, and Alain Heck, appointed by the State Council. In principle, the Control Committee meets at least once a fortnight. In 2019, the Control Committee held 26 ordinary meetings.

¹ Resigned at 2020 General Meeting.

3.5.3 Working methods

The Board of Directors meets at least 15 times a year (Art. 17, para. 1 of the Bank's Articles of Association). In 2019, it met 15 times, with meetings lasting an average of four hours. The level of participation in these meetings was 95%. It is chaired by the Chairman of the Board of Directors or, in his/her absence, by the Deputy Chairman or Secretary. It may hold extraordinary meetings if business so requires or at the request of four of its members or of the auditors.

The Board can only make decisions if the majority of its members are present. Decisions are made by simple majority of the members present and the Chairman casts the deciding vote if there is a tie.

Minutes are taken of each meeting, signed by the Chairman of the meeting and the Secretary and approved at the next meeting. The members of the Board of Directors must be able to consult files relating to the points placed on the agenda 24 hours before the meeting starts at the latest.

The Chief Executive Officer or his/her replacement participates with a consultative vote in the meetings of the Board of Directors but does not take part in the votes or the elections. He/she may require the presence of other members of the Executive Board or third parties if he/she deems it necessary. In 2019, this was the case at each meeting of the Board of Directors.

Should there be conflicts of interest, the members of the Board of Directors must decline to make any comment whenever they are directly or indirectly involved. It is the duty of the Secretary to give notice of the occurrence of a potential conflict of interest when dealing with a particular matter.

The Board of Directors can set up standing or ad hoc committees to study particular subjects. These committees have no decision-making authority and are responsible for reporting to the Board of Directors. The Chairman of the Board of Directors may attend committee meetings. In 2019, the Board had two standing committees, in addition to the Control Committee: an Appointments and Remuneration Committee and a Risk and Strategy Committee.

In order to deal with the increasing complexity of banking business, the members of the Board of Directors benefit from training sessions regularly organised by the Bank. Each member is able to request training in a specific area from the Chairman, who has a budget for this purpose.

3.6 Powers of the Board of Directors and the Executive Board¹

The powers and duties of the Board of Directors are defined in art. 14 of the Bank's Articles of Association and in art. 12 of the LBCGe. In addition, management and organisational guidelines dictate that the Board of Directors decides on:

1. strategic and financial plans;
2. the appropriate organisation of the Bank;
3. the annual budget put forward by the Executive Board;
4. approval, on its proposal by the Control Committee, of a three-year plan of the tasks to be carried out by the Internal Audit department to cover all controls deemed necessary;
5. the overall framework for limiting risk;
6. granting overall credit risk parameters, as well as granting loans which are within its powers;
7. risk-related policies, particularly regarding credit, rates, countries and insurance, put forward by the Executive Board; it reviews these policies as required by events;
8. information to be obtained in the risk management area;
9. the strategic framework for the the Executive Board's role in setting lending rates and savings deposit rates;
10. the strategic framework for the Executive Board's role in cash management, foreign exchange, investments and share deposits as well as other securities;

¹ According to the regulation that was in force in 2017. Its amendment was approved by FINMA on 20 February 2018.

11. the Bank's policy regarding real estate assets;
12. approval of any permanent acquisition or disposal of holdings;
13. acquisition and disposal of any capital equipment used by the Bank, of any holdings representing long-term financial investments as well as premises, unless otherwise stipulated in the Executive Board's powers as defined in art. 24, ch. 3 of these regulations;
14. cancellation of debts, observance of out-of-court settlements, postponing debts or transfers of debts for amounts higher than CHF 2,000,000 or if the commitment was the subject of a decision by the Board of Directors;
15. the appointment within it of two directors as members of the Control Committee and the appointment of its chair;
16. the appointment of the members of the Executive Board;
17. the appointment of the Chief Risk Officer (CRO);
18. the appointment of deputy managers and managers;
19. the policy relating to staff, salaries and social insurance;
20. the salaries and variable remuneration of the members of the Executive Board and members of the Internal Audit department;
21. periods of prohibition of the purchase and sale of shares in the Bank or other sensitive shares for staff and units during closed periods;
22. ratifying proposals for appointments of representatives of the Bank as directors of holdings included in the scope of consolidation;
23. the appointment of representatives of the employer within the Council of the staff pension fund upon the proposal of the Executive Board.

The powers and responsibilities of the Executive Board are defined in art. 21 of the Bank's Articles of Association. Additionally, management and organisational regulations provide for the following duties:

1. to prepare and submit the strategic and financial plans of the Bank and the framework plan for the management of risks to the Board of Directors;
2. to draw up the necessary documents and proposals for the senior management of the Bank to make decisions;
3. to prepare the annual budget and submit it to the Board of Directors;
4. to ensure that the structures and organisation of the Bank comply with legal obligations and the best practices of the profession;
5. to ensure that the Bank has a sufficiently high profile in economic circles;
6. to guarantee that the decisions of the Bank's senior management are correctly implemented;
7. to propose for ratification the appointment of representatives of the Bank as directors of holdings included in the scope of consolidation;
8. to appoint representatives of the Bank as directors of holdings not included in the scope of consolidation.

Management and organisational regulations provide for powers to decide on:

1. setting interest rates in the strategic framework provided by the Board of Directors;
2. loans, cash management, investments, foreign-exchange operations and securities investment in accordance with the guidelines of the Board of Directors;
3. acquisition and disposal of any capital equipment used by the Bank, representing long-term financial investments and premises not intended for use by the Bank, for an amount not exceeding CHF 5,000,000. This ceiling does not apply to negotiable securities, which are authorised within the general framework for limiting risk;
4. the maintenance and renewal of real estate for a maximum of CHF 3,000,000 per building;
5. the appointment of executives and commercial agents;
6. setting the salaries of all the Bank's staff except itself and the Internal Audit manager and employees;
7. internal regulations on Bank operations, to the extent that they are not governed by law, the Articles of Association or regulations;
8. supervising compliance with regulations on liquidity, shareholders' equity and risk sharing;
9. determining the necessary rules for the application of risk management and submitting these for approval by the Board of Directors;
10. submitting the system of overall limits to the Board of Directors for approval; this includes, in particular, market operation limits, bank limits or country limits;
11. regularly submitting to the Board of Directors reports on business development (financial statements, analyses, major transactions and events, etc.) and any other reports that may be requested by the Board;
12. preparing a quarterly list of all the major risks as defined by the Federal Ordinance on share capital and risk sharing by banks and securities dealers (OFR), for the Board of Directors.

3.7 Information and control mechanisms

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

- the Chairman of the Board of Directors is provided with weekly reports of the Executive Board's meetings;
- report by the Chairman of the Executive Board at each meeting of the Board of Directors on the progress of business;
- quarterly risk reports by the chief risk officer;
- quarterly report of results by the Chief Financial Officer;
- reports on control tasks carried out within the Group by the internal audit manager and half-yearly follow-up of the internal and independent audits;
- verbal report on the activity of the Control Committee at each meeting, by its Chairman;
- half-yearly presentation of Balanced Scorecards for the divisions by their managers (Executive Board members);
- half-yearly reports by the independent auditors.

Internal Audit

Internal Audit is an independent unit of the Executive Board, reporting directly to the Board of Directors. It carries out regular controls on all the Bank's business and that of its subsidiaries and therefore has an unlimited right to information. Its organisation, its field of activity and its operations are governed by Art. 16A of the Banque Cantonale de Genève Act (LBCGe), Art. 28 and 29 of the Bank's Articles of Association, by Art. 28 to 31 of the Bank's Management and Organisational Regulations and by the Charter on Internal Audit approved by the Board of Directors.

The Internal Audit unit meets the professional quality criteria of the supervisory authorities and professional organisations. In this regard, the Board of Directors has an external assessment of the Internal Audit carried out every five years, in addition to the annual assessments by audit firm Deloitte. The audit firms authorised by FINMA and appointed to carry out these assessments have confirmed to the Bank's management bodies that the Internal Audit performs its duties in accordance with IIA (Institute of Internal Auditors) standards and best practices.

The Head of Internal Audit establishes a three-year schedule based on risk-mapping reviewed on an annual basis which is coordinated with the independent auditor and approved by the Board of Directors. Based on the activity plan and at the end of the work, the Internal Audit issues detailed reports relating to its audits to the Executive Board, the Control Committee and the Board of Directors, and produces half-yearly reports monitoring recommendations made and an annual activity report. Consisting of nine auditors as at 31 December 2018, the Internal Audit is headed by Monique Seiss Baudry, who holds a master's degree in economics from the University of Geneva, a certificate of advanced studies (CAS) in compliance management, a Certified Internal Auditor (CIA) diploma, Certification in Risk Management Assurance (CRMA) from the Institute of Internal Auditors (IIA) and the Asset-Liability Management (ALM) certificate awarded by the Groupe des Ecoles Nationales d'Economie et de Statistique (GENES) of Paris.

Supervision and regular assessment of the Internal Audit unit is assigned to the Control Committee, which evaluates Internal Audit's performance annually, ensures that it has the necessary resources and appropriate skills and that it is performing its duties independently and objectively. Members of the Internal Audit team collectively possess wide professional experience and all the skills needed for the proper performance of their audit assignments. They meet the highest criteria in terms of professional credentials ("category 1") as defined by the Institute of Internal Auditing Switzerland (IIAS) and based on the number of years of practice as auditors and their recognised professional qualifications. Internal Audit comprises three sections, encompassing auditors with expertise in the Bank's main business lines, functions and areas of activity; these are, namely, lending and international trade finance, compliance, risk management, asset and liability management, accounting and financial control, and IT and cyber-risks (three CISA-certified auditors).

4. Executive Board²

4.1 Members¹

At 31.12.2019,² the Executive Board comprises six members, chaired by Mr Blaise Goetschin. It is appointed for an indeterminate period; its members are retired on reaching the legal age of retirement, in the absence of any previous agreement between the Executive Board member and the Board of Directors.



Blaise Goetschin

born 1 February 1957, Swiss.
CEO.

Holds a degree in Business Management from the HEC/Lausanne University. 1982, senior auditor, Pricewaterhouse Geneva. 1985, Deputy Vice President, Capital Markets, Credit Suisse, Zurich. 1988, Senior Vice President, CS Corporate Banking, New York. 1990, member of the Executive Board in charge of CS Corporate Finance in French-speaking Switzerland, Berne and Basel. 1993, Head CS Corporate Finance: private companies in Switzerland. 1995, head of Cantonal finance administration, Canton of Vaud. Major (retd.) Swiss Army. 1998, CEO of the Fiduciary Trust International Bank, Geneva, private banking and asset management, the Swiss subsidiary of the New York-based group. 1 October 2000, Chief Executive Officer of Banque Cantonale de Genève.



Eric Bourgeois

born 31 May 1956, Swiss and French.
Head of the Finance and Risk Control Division (CFO).
Deputy to the Chief Executive Officer.

A graduate of the Ecole Supérieure de Commerce of Paris and holder of a DECS degree. From 1981 to 1982, auditor and consultant with KPMG, Paris. From 1982 to 1986, auditor with Pricewaterhouse in Geneva. From 1986 to 1988, manager of Asea Capital, which subsequently became the ABB World Treasury Center in Geneva. From 1988 to 1996, manager and then general manager of Nokia Finance International BV, Geneva. From 1998 to 2000, director of Clariden Bank. From 1997 to 2000, manager with André & Cie, Lausanne. He has been head of the Finance and Risk Control Division and a member of the BCGE Executive Board since 1 December 2000.



Pierrette Jatton Klopfenstein

born 24 April 1970, Swiss.
Head of the Geneva Division.

Holder of an HEC degree from the University of Lausanne, a Swiss federal marketing technician diploma, SAQ individual client adviser certification and an advanced management diploma from the University of St Gallen Executive School (ES-HSG), Pierrette Jatton Klopfenstein is mainly active in the areas of pensions (with Swiss Life) and marketing (BCV). She joined BCGE in 2003 as a product manager and then took responsibility for business development. Subsequently, she took charge of a number of departments: as Head of Marketing (2007 – 2011), Chief of Staff and Planning (2011 – 2012), Head of Logistics (2012 – 2013) and then Head of the Centre sector of the Geneva division. She was appointed to the Executive Board as member responsible for that division from 1 April 2018.



Jean-Marc Joris

born 10 September 1968, Belgian.
Head of the Organisation, IT and
Operations Division.²

Holder of a degree in business and finance from ICHEC, Brussels. In 1993, worked in the Capital Markets department of Dexia Luxembourg. From September 1993 to June 1997, project manager in the Information Risk Management department of KPMG. From June 1997 to March 2002, deputy manager and head of business development at ING Baring Private Bank in Geneva. April 2002, member of the management of Banque Cantonale de Genève in charge of the Organisation department and interim manager of the IT department. On 1 July 2003, he was appointed to the Executive Board and currently heads the Organisation, IT and Operations Division.

¹ No member of the Executive Board:

- has permanent management or consultancy functions for groups with major Swiss or foreign interests;
- holds an official position or a political mandate.



Yves Spörri

born 17 September 1968, Swiss.
Head of the Corporate and Institutional Clients Division.²

A graduate in agricultural engineering from the Swiss Federal Institute of Technology, Zurich (ETH). From 1994 to 2001, he held a number of different positions in the Correspondent Banking department at Bank Kreiss AG in Frankfurt. In 2001, he joined the banking relationships section at Banque Cantonale de Genève as a manager, becoming a member of senior management in 2004; head of the Financial Institutions and Public Authorities department in 2007 and manager of the Banks and International Institutions business unit in 2011. Since July 2016, he has managed the Banks and Insurance Companies business unit and the Multinationals and International Institutions department. In January 2017, he was appointed to the Executive Board, and is head of the Corporate and Institutional Clients Division.

New members of the executive board as of 1 January 2020²



Virginie Fauveau

born 2 June 1970, Swiss and French.
Head of the Corporate Division.

Holder of a master's degree in financial engineering from ESLSA, Paris, Virginie Fauveau started her career at Banque Vernes, a Paris merchant bank. With nearly 25 years of professional experience, gained mainly in family firms and in several financial institutions in France and Switzerland, in particular with Lombard Odier et Cie in Geneva, she developed consultancy expertise in corporate governance, transfer and finance. She joined BCGE's Corporate Finance department in 2008, becoming its head in 2010 and subsequently the director of Capital Transmission, the Bank's private equity subsidiary (until 31.12.2019). In January 2020 she was appointed to the Executive Board, with responsibility for the Corporate Division.



Constantino Cancela

born 11 May 1956, Swiss and Spanish.
Head of the Asset Management Division.

Awarded a degree in law from the University of Geneva in 1980. Joined Société de Banque Suisse (SBS) in Geneva in 1981 as a trainee and occupied several roles up to the level of business director of SBS in 1991 (corporate banking, corporate lending and institutional clients). In 1992 and 1993, he was administrative and financial director at Chopard. Returning to SBS, he became head of institutional clients for French-speaking Switzerland until the merger with UBS. In 1999, he joined a multi-family office in Geneva to develop the asset management business there; he left this job in 2001 to join Banque Sarasin as institutional clients director for French-speaking Switzerland. He has been with BCGE Group since 2004, initially as director of the Synchrony Asset Management subsidiary, then as head of the BCGE Asset Management business unit and Group CIO since 2009. In this role, he chairs the Group's Strategy, Management and Securities selection committees. Until 2018, he also sat on the Supervisory Board of the Bank's French subsidiary. In January 2020, he was appointed to the Executive Board, with responsibility for the newly created Corporate and Institutional Clients Division.

Director having taken retirement on 31.12.2019



Pierre-Olivier Fragnière

born 4 June 1958, Swiss.
Head of the International Clients Division until 31.12.2019 (retiring).²

Holds a federal bank employee certificate, management accountancy option, a diploma from the *Ecole Professionnelle Commerciale* and a diploma from the *Ecole de Banque et de Cadres UBS*. From 1981 to 1985, deputy head of the Documentary Credit business at BNP, Geneva. From 1986 to 1988, head of operations at Gatoil, Geneva, a group engaged in oil trading, refining and distribution in Switzerland and internationally. From 1988 to 1990, as a specialist in the oil business, account manager for BBL, Geneva. From 1990 to 2000, he worked at BNP Geneva, and from 1996, was in charge of developing new markets in Eastern Europe, Asia and Africa, and was promoted to management in the context of this business activity. In 2000, he joined Banque Cantonale de Genève, with responsibility for creating and developing a unit specialising in international trade finance; head of the Global Commodity Finance business unit. In March 2011, he was appointed to the Executive Board with responsibility for the International Clients Division.

² See new organisation chart as at 1 March 2020 on pages 12 and 13.

4.2 Other activities and vested interests

Blaise Goetschin

Chairman of the boards of directors of the Mortgage Bond Centre of the Swiss cantonal banks, Zurich, Capital Transmission SA, Geneva, and Dimension SA, Lausanne. Chairman of the Supervisory Board at Banque Cantonale de Genève (France) SA, Lyon. Deputy chairman of the Higher Institute for Training in Banking in Geneva. Committee member of the board of the Union of Swiss Cantonal Banks, Basel. Member of the boards of directors of the Swiss Bankers' Association, Basel, of *economiesuisse*, Zurich and of Investissements Fonciers SA, Lausanne. Member of the boards of the Professional Pension Fund of the Banque Cantonale de Genève, the Geneva Financial Centre Foundation and the Fondation H. Dudley Wright, Geneva. Member of the board of the Geneva Association for Real Estate Owners.

Eric Bourgeois

Chairman of Swiss Public Finance Solutions, Geneva. Member of the board of Capital Transmission SA, Geneva. Member of the Supervisory Boards at Banque Cantonale de Genève (France) SA, Compagnie Foncière Franco-Suisse SAS, Lyon, and Compagnie Foncière du Saint Gothard SAS, Puteaux, France.

Pierrette Jaton Klopfenstein

Treasurer of the Saubraz Development Association (change of role in June 2019 – GM).

Yves Spörri

Member of the board of directors of Dimension SA, Lausanne and the Supervisory Board of Banque Cantonale de Genève (France) SA, Lyon. Member of the Board of Directors of Dimension Corporate Finance SA, Geneva. Chairman of the board of directors of Loyal Finance AG, Zurich.

Jean-Marc Joris : N/A

Virginie Fauveau : N/A

Constantino Cancela : N/A

4.3 Supplementary information to be added by issuers subject to ERCO

Banque Cantonale de Genève is not subject to ERCO (Excessive Remuneration ordinance).

4.4 Service contracts

The Bank has not entered into any service contracts.

5. Remuneration, participations and loans

5.1 Contents and procedure for setting remuneration and participation programmes

Remuneration of the Board of Directors

Regulations relating to the BCGE Board of Directors' remuneration fall under the Board's authority; they were approved by the Board on 17 September 2010 and took retroactive effect on 1 July 2010. Last modified on 12 December 2019 and retroactively effective on 30 April 2019.

Remuneration of members of the Board of Directors is based on their workload, their duties, the risks incurred, and on market and cantonal bank practices. Directors benefit from no preferential terms for BCGE services and are not members of its occupational pension fund.

Fixed remuneration of the Board of Directors

In remuneration for their work on behalf of the Board of Directors and its committees, BCGE Directors receive fixed annual compensation plus compensation for their office. The Board can also decide to compensate specific assignments undertaken by its members or to bring in external experts; it has an annual budget of CHF 50,000 available for this purpose. In 2019, the Board did not make use of this supplementary budget.

Share option plan

In 2019, the Board of Directors revised the share option process. It thus closed the previously existing plans (length of service and participation) in favour of a single Bank share option plan. From 2019, directors who have been sitting on the Board for a full year, from one General Meeting to the next, will be able to receive, per CHF 3,000 tranche of remuneration, four bonus shares, on condition that two shares are purchased at market price. There is a moratorium on these shares for a period of five years, even if the directorship expires during that period.

The aim of this change is to associate the directors even more closely with BCGE's long-term performance. It respects the principle of aligning the interests of the shareholders with those of the management bodies. It gives rise to a slight increase in the total remuneration of the Board of Directors.

Variable remuneration of the Board of Directors

In order to guarantee their independence and promote their interest in the Bank's long-term growth, members of the Board of Directors receive no variable remuneration.

Remuneration policy for all employees

The regulations relating to employee remuneration fall under the authority of the Board of Directors. The regulations applicable to the period under review were approved by the Board on 11 November 2015.

Employee remuneration includes a basic salary, variable remuneration (not systematically granted) and share option schemes. The basic salary constitutes the majority of employees' remuneration and is assessed using several criteria: benchmarking, including market and competitor salary levels. Each year, the Board of Directors decides on changes in the fixed payroll.

The amount of variable remuneration is decided by the Board of Directors each year at year-end closing. It includes an amount for individual variable remuneration and, potentially, an additional amount if results for the current year show strong growth compared with the three previous years.

Part of the variable amount, the proportion of which may be as much as 50%, can be distributed as shares in the event of an additional budget being available. These shares are subject to a five to ten-year moratorium.

In certain front office business areas, such as private banking, trade finance, lending or network banking, partly or wholly quantitatively based remuneration models defining the variable proportion of the salary have been implemented. They were developed bearing in mind the following main parameters: defence of the interests of clients, recognition of individual or collective competence, non-incitement to excessive risk-taking, administrative rigour, correlation of variable remuneration and bank revenues. The remuneration of the compliance and control roles in the division management teams does not depend on the results of the entities they audit.

The blocking periods for the Bank's shares acquired by all parent company staff through the share option schemes and the associated tax conditions are explained in the table hereafter and at point 5.22 of the parent company accounts.

Plan	Criterion for attribution	Description	Moratorium period ¹
1 Ordinary variable remuneration	Minimum variable remuneration of CHF 3,000	4 bonus shares per CHF 3,000 tranche on condition that 2 shares are bought at market price	5 to 10 years, as preferred
Complementary amount	Level of consolidated annual results compared to the 3 preceding years	50% in shares for members of the Executive Board ² and senior management, 20% in shares for other employees	5 years ³
2 Service	From 3 years' service	From 4 to 14 ⁴ shares	5 years
3 Loyalty	From 10 years' service and in 5-year tranches	CHF 4,000 in shares	5 years
4 Minority shareholdings	From one year's service	4 bonus shares on condition that 4 shares are bought at market price	5 to 10 years, as preferred

¹ The moratorium is cancelled in the event of the end of employment, except for staff whose employment contract is terminated by retirement or disability; in this case, they may choose to maintain the moratorium.

² The Board of Directors may decide each year to modify the proportion of blocked shares and cash attributed to members of the Executive Board.

³ The moratorium is maintained beyond the end of the employment contract for members of the Executive Board.

⁴ From 25 years' service.

Employees benefit from various preferential conditions on a number of BCGE banking services. The Bank provides them with services at no margin or at a small commercial margin. In addition to the amounts stated in the staff regulations, the terms and conditions for clients also apply.

No external consultant was used with regard to the introduction of remuneration policies.

Share option schemes for all employees

All the Bank's employees, including members of the Executive Board, benefit from four share option schemes giving them the ability to align their personal financial interests with those of the Bank. These plans provide for the free or conditional granting of BCGE shares subject to a five to ten-year moratorium on sale according to the employee's choice for certain plans. When the granting of bonus shares involves a purchase by the employee, the shares acquired by the employee are blocked for the same period.

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

Principles of the Executive Board's remuneration

Remuneration of members of the Executive Board forms part of BCGE's overall remuneration policy. It aims to guarantee the Bank's competitiveness in a highly developed financial centre and enable it to attract and retain the best skills and talents. It takes individual responsibilities and performance assessments into account and reflects market realities.

Members of the Executive Board receive fixed and variable remuneration; they do not benefit from incentive plans in respect of new business in the areas of mortgage loans and wealth management, which are open to all staff. In addition, remuneration received by members of the Executive Board in the course of their duties on other boards of directors is passed on to the Bank in its entirety.

The contracts of employment of members of the Executive Board stipulate six to twelve months' notice of termination.

Remuneration of members of the Executive Board consists of the following items:

Fixed remuneration of the Executive Board

The fixed portion of remuneration compensates members' basic duties, responsibilities and the achievement of standard objectives. This component is chiefly determined at the time of appointment based on salary norms for comparable functions in the banking sector. It is then adjusted on the basis of changes in responsibilities and performance in accordance with the same rules as those applicable to all the Bank's employees.

The Executive Board's variable remuneration

The variable remuneration of members of the Executive Board rewards exceptional individual or collective performance over and above their basic duties. The overall budget for the Executive Board's variable remuneration is determined by the Board of Directors. The Board of Directors makes its decision with reference to a model assessing the Bank's performance, based on profitability, productivity, competitiveness and risk control criteria. The overall budget for variable remuneration is then shared among the Executive Directors based on the degree to which their individual objectives and their division's performance are achieved. In addition, in the event of the Bank's results being particularly positive, the Executive Board receives an additional one-off budget, 50% of which is paid in the form of Bank shares subject to a five-year moratorium. This budget is used if the operating results for the year under review are higher than the average of two out of the three previous years, which was the case in 2019. Total compensation for members of the Executive Board may therefore vary to a certain extent from year to year depending on whether or not the additional budget is allocated.

Both overall and as a trend, the variable component of the Executive Board's remuneration should not exceed the fixed component. In 2019, variable remuneration, including share option schemes, represented between **41.82%** and **63.75%** of total remuneration.

The fixed and variable components of the remuneration of each member of the Executive Board are decided by the Board of Directors based on a proposal by the Chief Executive Officer (excluding his/her own remuneration) and notice being given by the Appointments and Remuneration Committee.

Members of the Executive Board, like all the Bank's other employees, are eligible for the four share option schemes described above.

5.2. Information to be supplied by issuers subject to ERCO

The Bank is not subject to ERCO (Excessive Remuneration ordinance).

5.3. Information to be supplied by issuers not subject to ERCO

The remuneration report is on page 125, point 5.22 of this report.

6. Shareholders' participation rights

6.1 Limitation and representation of voting rights

There are no limitations on voting rights, nor any clause in the Articles of Association, that provide for the granting of exemptions to the institution's representatives.

6.1.2 Granting of exemptions during the period under review

Not applicable

6.2 Quorum

The General Meeting shall be validly constituted, irrespective of the number of shares represented. Decisions and elections are by an absolute majority of the votes allocated to the shares represented. Decisions concerning the adoption and amendment of the Articles of Association, such as notice of a merger, split, transformation or dissolution of the Bank, require a two-thirds majority of the share capital. For a second round of voting in elections, if required, a relative majority suffices. In the event of a tie, the chairman of the General Meeting shall have the casting vote. Elections are by secret ballot. At the request of 30% of the voters represented, other decisions may also be made by secret ballot.

6.3 Convening of Shareholders' Meetings

The General Meeting is held annually within six months of the end of the financial year. An Extraordinary General Meeting may be convened as often as necessary. One or more shareholders together representing at least one tenth of the share capital, may also convene an Extraordinary General Meeting, indicating their objective in doing so. One or more shareholders representing shares totalling a par value of CHF 1 million may propose in writing an item for the agenda, within 40 days preceding the General Meeting. If necessary, the Independent Auditor may also convene an Extraordinary General Meeting. The General Meeting must be convened by the Board of Directors at least 20 days in advance by placing a notice in the *Feuille d'avis officielle de la République et canton de Genève* and in the *Feuille officielle suisse du commerce*.

6.4 Agenda items

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

6.5 Registration in the share register

The Bank keeps a share register and only persons whose names are included in the share register as shareholders with voting rights are considered to be shareholders by the Bank and may exercise their right to vote at the General Meeting. In general, the share register is closed 20 days before the General Meeting. The precise date is communicated to the Swiss stock exchange on average two months before a General Meeting. No exemptions are currently planned.

7. Takeovers and defensive measures

There is no opting-out or opting-up clause, nor any takeover provision in the Articles of Association.

8. Independent auditor

At the Ordinary General Meeting, the mandate of the Bank's independent auditor, Deloitte SA, was renewed for 2019.

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

The mandate of the independent auditor is renewed each year by the General Meeting of shareholders. The auditor-in-charge since 2019, according to the legal provisions applicable to banks, is Alexandre Buga.

8.2 Independent auditors' fees

These auditor's fees are paid to Deloitte.

	31.12.2019	31.12.2018
Audit of the BCGE Group	596,500	776,700
<i>of which BCGE only</i>	<i>544,000</i>	<i>724,200</i>

8.3 Additional fees

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

	31.12.2019	31.12.2018
Audit of the BCGE Group	66,000	117,500
<i>of which BCGE only</i>	<i>66,000</i>	<i>117,500</i>

Additional fees amounting to CHF 469,000, not connected with the audit, were paid in 2019 to a company in the Deloitte network (CHF 400,500 in 2018). These fees were mainly in regard to work concerning the preparation of tax statements.

8.4 Information on the independent auditors

In 2019, the auditor was asked to attend (part-time) three meetings of the entire Board of Directors and 26 meetings with the Control Committee. These meetings related to the planning and presentation of work linked to auditing the BCGE Group.

The Board of Directors, Control Committee and Internal Audit department receive reports from the auditors.

9. Information policy

The Board of Directors expresses its views through its Chairman. The Chief Executive Officer is the official spokesperson of the Bank. He delegates the management of information to the Communications department. The head of this department is directly subordinate to him. Shareholders, clients and the public can access relevant information on the BCGE Group using our website www.bcge.ch and our mobile app. Shareholders are invited to address their questions to the Board of Directors or to the Executive Board, particularly by using the communication@bcge.ch e-mail address. Press releases are distributed according to news events and needs.

The Bank also addresses journalists as well as financial analysts as a means of keeping its shareholders informed. It notifies them of business developments and prospects at press and telephone conferences and the publication of annual and half-yearly results. The Bank maintains regular relations with the Geneva public authorities, particularly through presentations and conferences organised on its premises or theirs. The Bank regularly produces financial and corporate documents and publications for investors and shareholders.

Channel	Languages	Frequency	Form	Where available
E-mail	Fr/En	permanent	N/A	communication@bcge.ch
Press releases	Fr/En/De	intermittent	published and sent electronically	www.bcge.ch – institutional section “About BCGE”
Website	Fr/En/De	permanent	published online	www.bcge.ch – institutional section “About BCGE”
Financial information	Fr/En/De	permanent	published online	www.bcge.ch – institutional section “About BCGE”
General Meeting	Fr	annual	event	
Press conferences on results	Fr	twice a year	event	
Annual report	Fr/En Fr	annual	published online printed	www.bcge.ch – institutional section “About BCGE” Available in branches or at the Bank’s headquarters
Dialogue magazine	Fr/En Fr	three times a year	published online printed	www.bcge.ch – institutional section “About BCGE” Available in branches or at the Bank’s headquarters
Institutional publications	Fr/En	regular	published online	www.bcge.ch – institutional section “About BCGE”

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A man in a blue shirt and grey trousers is wrestling another man in a tan shirt and grey trousers on a sandy shore. They are both in a low, wide stance, leaning forward with their arms around each other's waists. The background features a calm, blue lake reflecting the surrounding environment, and a steep, rocky cliff with sparse vegetation. The overall scene is set in a natural, outdoor environment.

BUSINESSES

FIGHTING FOR ENTREPRENEURS

- Valuation and transmission
- Operational finance and business loans
- Management of risks associated with importing and exporting
- Made-to-measure solutions for institutional investors
- Trading room

Comments on the Group's financial statements

Record profitability and dividend

66

Banque Cantonale de Genève recorded excellent results in 2019. Operating profit stands at a record level of CHF 165.4 million, underpinned by all the Bank's activities. Net profit was up 6.2% at CHF 96.8 million. Total income exceeded CHF 420 million, mortgage loans (at CHF 11.7 billion, +2.6%) an increase based on a targeted approach, while assets under management and administration crossed the CHF 30.4 billion threshold (+13.9%).

Productivity corresponds to the levels achieved by the best Swiss universal banks with international activities, as indicated by the cost/income ratio of 56.9%. Current operating expenses are contained,

enabling the Bank to commit greater resources to widening the service offer, including digital banking, for business and individual clients. Profitability, expressed by the earnings to equity ratio, comes out at 10.1% and compares favourably with its peers.

Main performance indicators at a high level

Operating profit grew by CHF 4 million, having reached CHF 165.4 million, whereas net profit, up by 6.2%, came in at CHF 96.8 million. Operating income, up 2.7%, positions the Bank towards the top of the table for comparable banks. Operating costs are under control thanks to a high level of productivity. The Bank is a net job creator (+20 with a workforce of 833 staff (780.4 full-time equivalents)).

Main consolidated figures for the financial year 2019

Results, in CHF thousand	31.12.2019	31.12.2018	Variation 2019 vs 2018	
Operating income	420,328	409,423	10,905	2.7%
Operating expenses	239,295	232,025	7,270	3.1%
Operating profit	165,378	161,317	4,061	2.5%
Net profit	96,814	91,159	5,655	6.2%
ROE (return on equity)	5.9%	5.9%	1 basis point	0.1%
Dividend	7.5%	6.8%	70 basis points	10.3%

Balance sheet volumes, in CHF thousand

Balance sheet total	24,919,240	23,033,833	1,885,407	8.2%
Mortgage loans	11,678,303	11,387,669	290,634	2.6%
Assets under management and administration	30,402,606	26,688,019	3,714,587	13.9%
Shareholders' equity	1,666,736	1,569,922	96,814	6.2%
Tier 1 capital ratio	15.08%	14.67%	41 basis points	2.8%
Available regulatory capital ratio	16.09%	15.63%	46 basis points	2.9%
Employees (full-time equivalents)	780.4	761	20	2.6%

The net interest margin, although slightly down, remains robust bearing in mind certain technical elements, in particular an allocation of CHF 6.3 million to the provision for “non-impaired loans”. Commissions, representing 28.7% of total income, reflect the offensive diversification of revenue sources and risks. The proportion of total income in EUR and USD has risen to 30.3%, another sign of the healthy diversification of the portfolio of business lines and scope of activities.

A success factor in Geneva's economy

The Bank granted loans totalling CHF 17 billion to businesses and individuals, up 2.5% in 2019. Thanks to the targeted approach, mortgage loans increased to CHF 11.7 billion, and now represent 47% of the balance sheet total. This proportion demonstrates the efficient diversification of the Bank's balance sheet. Loans to companies and public authorities increased by CHF 131 million to CHF 5.3 billion. Since 1 January 2019, 184 companies have joined the already extensive business client portfolio of some 20,000 businesses.

Assets under management and administration pass the CHF 30 billion threshold

Assets under management and administration have gained ground and now stand at CHF 30.4 billion, split almost equally between individual and institutional clients. The Bank's institutional segment has reinforced its national profile with the acquisition of Loyal Finance AG, Zurich. Private banking activities were boosted with 600 new Best of management mandates. Investment funds have also gained ground, having now reached the CHF 3.1 billion mark (+20.3%), reflecting the success and the effective distribution of the Synchrony Funds brand.

Sustained equity increase

Shareholders' equity increased by CHF 96.8 million over the year (+6.2%), taking it up to CHF 1.67 billion. An additional CHF 962 million of shareholders' equity has been created since 2005. BCGE belongs to the circle of banks which are well capitalised and secure. At the beginning of February 2020, Standard & Poor's upgraded the Bank's rating outlook to A+/positive/A-1.

352 new shareholders

The expansion of the shareholder base of private and institutional investors testifies to the Bank's reputation and attractiveness. The number of individual and business clients who have joined the circle of its shareholders has increased (+352 individuals or entities). As at 31 December 2019, the Bank had 14,833 registered shareholders (compared with 14,481 at the end of 2018). In addition, there are also several hundred shareholders who have deposited almost 938,000 shares with other institutions. The shareholder base is well diversified: 83% of shareholders known to the Bank hold between one and fifty shares. 77% of BCGE employees are shareholders, holding 2.7% of the Bank's capital.

Stock market capitalisation has risen to CHF 1.4 billion

Over the last four years, the Bank's market capitalisation has risen consistently. It is getting closer, year after year, to the amount of shareholders' equity of which it represented 83% as at 31.12.2019. The BCGE share has substantial upside potential when taking its intrinsic value (net asset value) into account.

Further dividend increase

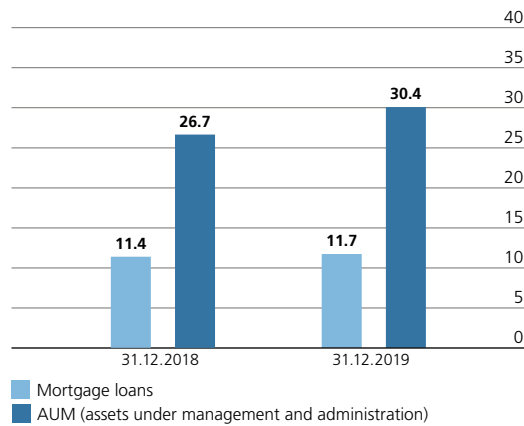
A dividend of CHF 3.75 is to be proposed to the Annual General Meeting, an increase of 10%. The value contributed to the public authorities, the Canton of Geneva and its municipalities in particular, mainly in taxes and dividends, amounts to CHF 65 million, up 10% for the 2019 financial year.

Strategic priorities for 2020

The Bank is working on six strategic priorities for the current year, summarised on page 10 of this report.

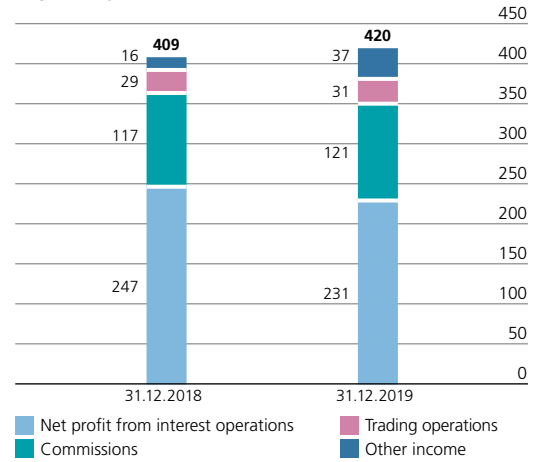
Changes in mortgage lending and AUM

in CHF billion



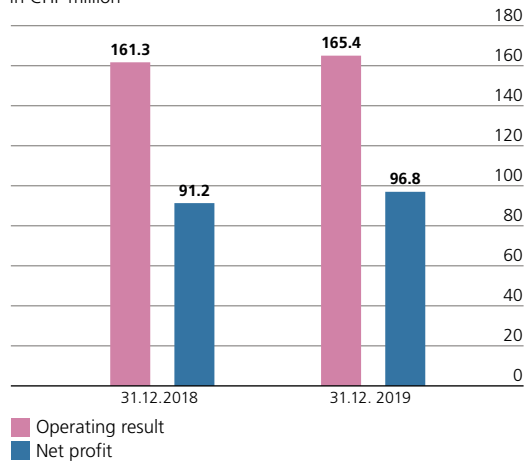
Changes in revenues

in CHF million



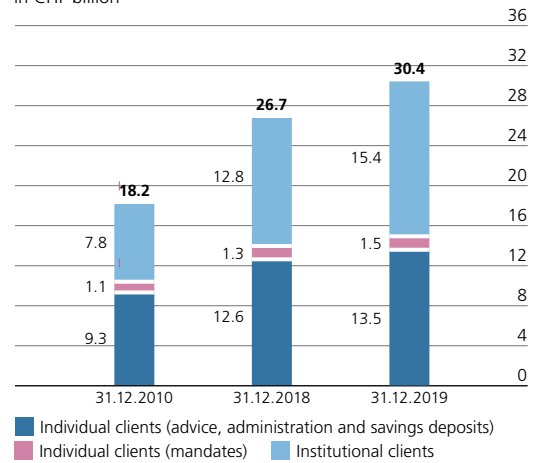
Changes in operating income and net profit

in CHF million



Increase in assets under management and administration

in CHF billion



Outlook for 2020

The Bank intends to continue its business expansion despite a slowing economic environment. It is able to rely on its diverse skills and a business model aligned to the economic needs of Geneva and Switzerland.

- **The growth of business with high added value and the loyalty of its client base reaffirm BCGE's favourable strategic positioning.**
- **The Bank's financial soundness makes it a safe and stable repository for deposits.**
- **The Bank expects low rates to persist along with higher market volatility, factors which are likely to affect its interest margin and commission income.**
- **Lending growth will remain moderate due to the regulations governing capital requirements and the counter-cyclical buffer.**
- **The Bank is stepping up the development of business areas that are less equity-intensive (private banking, asset management, funds, mergers and acquisitions, and financial engineering consultancy).**

For the full year 2020, the Bank expects operating profitability to be close to that of 2019, subject to external developments, in particular the coronavirus crisis.



Gilbert Probst
Chairman of the Board of Directors



Eric Bourgeaux
Chief Financial Officer

Statutory Auditor's Report

To the General Meeting of
Banque Cantonale de Genève, Geneva

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements (pages 77 to 106) of Banque Cantonale de Genève and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2019 and the consolidated income statement, consolidated statement of cash flows and statement of changes in equity for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2019 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with the Swiss accounting rules for banks and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards (SAS). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority (FAOA)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

Value adjustments for default risks

The book values of amounts due from customers and mortgage loans amount respectively to CHF 5,428 mios and CHF 11,683 mios out of a total of balance sheet of CHF 24,919 mios, representing respectively 22% and 47% as of December 31, 2019.

These total amounts of credit are presented net of value adjustments made up for CHF 86,818 and including a value adjustment for latent risks. The estimated value adjustments are based on the "Règlement des crédits" of the bank. The value adjustments are individually estimated and include an inherent part of significant judgement from Management regarding the level and the timing of the accounting of the value adjustments. With regard to the level of credit granted, the value adjustments for default risk are considered as a key audit matter.

Please refer to pages 83 to 85 and to table 5.02 of the notes to the financial statements on the page 89 for further information.

Valuation of the litigation provision

Due to its activity of universal and cantonal bank involving a significant number of clients, BCGE is exposed to litigation risk. A list of litigation cases, procedures and prosecutions is established by Management. The valuation of those provisions includes an inherent part of judgement from the Management.

Please refer to page 87 and to table 5.16 of notes to the financial statements on page 96 for further information.

Audit procedures

We performed walk through procedures in order to evaluate the adequacy of the design and implementation of controls of the credit granting process, the follow-up and the valuation processes of value adjustments for default risk (adjustment rules).

Furthermore, we performed substantive procedures consisting of :

- Testing a sampling of different types of credit (mortgage, commercial and Global Commodity Finance), including those which were not identified by the bank as impaired, in order to build up our own opinion and to evaluate the need of an impairment and whether it has been properly recognized;
- Review of assumptions retained by the Group for the value adjustments on the different credits;
- Review of files which are closely monitored due to higher risks of default but not yet adjusted;
- Valuation of the judgement level applied by the Group and testing that the value adjustments have been approved in accordance with internal authorization rules; Send audit instructions and get confirmation on the amount of value adjustments.
- Send audit instructions and obtain insurance on amounts due from customer and value adjustments;
- Sending confirmation requests to the external lawyers consulted in the context of major recovery files in 2019;
- Follow the evolution of the main significant and risky files identified by the Group and check the correct booking of these value adjustments

Based on our procedures performed, we have collected sufficient appropriate audit evidences in order to cover the risk of valuation of value adjustments for default risks.

We tested the adequacy of the design and the implementation of key controls for legal risks regarding the identification, the valuation of provisions and the proper recording of related litigation provision.

Furthermore, we performed substantive procedures consisting of:

- Review of the list of litigation cases, procedures and prosecutions established by the Management;
- Interview with the Head of Legal and the Management regarding open and significant cases;
- Review of the assumptions used by Management for the estimation of the level of provision of the significant cases;
- Send audit instructions and obtain insurance on provisions for litigation;
- Sending confirmations requests to the external lawyers consulted in 2019 in connection with litigation or potential litigation;
- Test the proper recording of these provisions.

Based on the procedures performed, we have collected sufficient appropriate audit evidences to cover the risk of valuation of the litigation provision.

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the standalone financial statements of the Company and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the Swiss accounting rules for banks and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A more detailed description of our responsibilities in auditing financial statements is available on the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description is also part of our report.

Report on Other Legal and Regulatory Requirements

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 consolidated financial statements according to the instructions of the Board of Directors.

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

Deloitte SA

Alexandre Buga
Licensed Audit Expert
Auditor in Charge



Sophie Morin
Licensed Audit Expert

Geneva, February 20, 2020

BCGE Group 2019 consolidated financial statements and notes

Essential regulatory key figures	76
BCGE balance sheet items and off-balance-sheet transactions	77
Profit and loss account items	78
Presentation of the cash flow statement	79
Statement of shareholders' equity	80
Summary presentation	81
1. Registered name, legal form, registered office and goal	81
2. Accounting and valuation principles	82
3. Risk control	84
Details relating to the items in the notes to the consolidated financial statements	88
5.01 Breakdown of securities financing transactions (assets and liabilities)	88
5.02 Presentation of collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables	89
5.03 Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities)	90
5.04 Presentation of derivative financial instruments (assets and liabilities)	90
5.05 Breakdown of financial investments	91
5.06 Presentation of participations	91
5.07 Disclosure of companies in which the Bank holds a permanent direct or indirect significant participation	92
5.08 Presentation of tangible fixed assets	92
5.09 Presentation of intangible assets	93
5.10 Breakdown of other assets and other liabilities	93
5.11 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership	93
5.12 Disclosure of liabilities relating to own pension schemes	93
5.13 Disclosures on the economic situation of own pension schemes	94
5.14 Presentation of issued structured products	94
5.15 Presentation of bonds outstanding and mandatory convertible bonds and central mortgage institution loans	95
5.16 Presentation of value adjustments and provisions, reserves for general banking risks and changes therein during the current year	96
5.17 Presentation of the Bank's capital	96

5.18	Number and value of equity securities or options on equity securities held by all executives and directors and by employees and disclosures of any employee participation schemes	97
5.19	Disclosure of amounts due from/to related parties	97
5.20	Disclosure of holders of significant participations	98
5.21	Disclosure of own shares and composition of equity capital	98
5.22	Disclosures in accordance with the Ordinance against Excessive Compensation with respect to Listed Stock Corporations and Art. 663b ^{bis} CO for banks whose equity securities are listed	99
5.23	Presentation of the maturity structure of financial instruments	99
5.24	Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle	100
5.25	Breakdown of total assets by country or group of countries (domicile principle)	101
5.26	Breakdown of total assets by credit rating of country groups (risk domicile view)	101
5.27	Presentation of assets and liabilities broken down by the most significant currencies for the Bank	102
5.28	Breakdown and explanation of contingent assets and liabilities	103
5.29	Breakdown of credit commitments	103
5.30	Breakdown of fiduciary transactions	103
5.31	Breakdown of managed assets and presentation of their development	103
5.32	Breakdown of the trading activities results and the fair value option	103
5.33	Disclosure of material refinancing income under the item <i>Interest and discount income</i> as well as material negative interest	104
5.34	Breakdown of personnel expenses	104
5.35	Breakdown of general and administrative expenses	104
5.36	Explanations regarding material losses, extraordinary income and expenses, as well as material releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required	104
5.37	Disclosure of and reasons for revaluations of investments and tangible fixed assets up to the acquisition value	104
5.38	Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment	105
5.39	Presentation of current taxes, deferred taxes, and disclosure of tax rate	106
5.40	Disclosures and explanations of the earnings per equity security	106

Essential regulatory key figures

Consolidated

76

Equity taken into consideration in CHF 1,000		2019	2018
1	Core Equity Tier 1 capital (CET1 ¹)	1,633,130	1,540,546
2	Core Equity Tier 1 capital (T1 ²)	1,857,920	1,738,936
3	Total capital	1,981,870	1,853,710
Risk-weighted assets (RWA³) in CHF 1,000			
4	RWA ³	12,282,103	11,857,663
4a	Minimum capital requirements	982,568	948,613
Risk-based capital ratios as percentage of RWA ³			
5	CET1 ¹ ratio	13.3%	13.0%
6	Core capital ratio	15.1%	14.7%
7	Total equity ratio	16.1%	15.6%
CET1¹ buffer requirements as percentage of RWA ³			
8	Capital buffer according to Basel minimum standard (2.5% from 2019)	2.5%	1.9%
9	Countercyclical buffers (art. 44a OFR ⁴) according to Basel minimum standard	–	–
10	Additional capital buffer according to international or domestic systemic risk	–	–
11	Total of bank CET1 ¹ -specific requirements according to Basel minimum standard	2.5%	1.9%
12	CET1 ¹ available to cover buffer requirements according to Basel minimum standard (after deduction of CET1 ¹ allocated to cover minimum requirements and, if applicable, to cover TLAC ⁵ requirements)	8.1%	7.6%
Target capital ratios according to Annex 8 OFR⁴ as percentage of RWA ³			
12a	Capital buffer according to Annex 8 OFR ⁴	4.0%	4.0%
12b	Countercyclical buffers (art. 44 and 44a OFR ⁴)	0.6%	0.6%
12c	Target CET1 ¹ ratio according to Annex 8 OFR ⁴ with addition of countercyclical buffers according to art. 44 and 44a OFR ⁴	8.4%	8.4%
12d	Target T1 ² ratio according to Annex 8 OFR ⁴ with addition of countercyclical buffers according to art. 44 and 44a OFR ⁴	10.2%	10.2%
12e	Total target capital ratio according to Annex 8 OFR ⁴ with addition of countercyclical buffers according to art. 44 and 44a OFR ⁴	12.6%	12.6%
Basel III leverage ratio			
13	Total assets	25,815,100	23,760,340
14	Basel III leverage ratio (core capital as percentage of total assets)	7.2%	7.3%
Liquidity coverage ratio (LCR⁶)			
15	LCR ⁶ numerator: total high-quality liquid assets	5,461,317	4,311,477
16	LCR ⁶ denominator: total net cash outflows	3,656,844	3,559,103
17	Liquidity coverage ratio LCR ⁶ , as a percentage	149%	121%

¹ Common equity tier 1.

² Tier 1.

³ Risk weighted assets.

⁴ Capital Adequacy Ordinance.

⁵ Total loss-absorbing capacity.

⁶ Liquidity coverage ratio.

The complete Disclosure Obligations regarding Capital Adequacy will be available on the Bank's website from the evening of 30 April 2019 at the latest (www.bce.ch – institutional section "About BCGE"). The Bank applies the standardised international approach, also known in the abbreviated form BIS-SA, for regulatory disclosures of credit risk and the standardised approach for market risk and operating risk.

Risk of interest rate changes in the banking book

In the event of a change in the interest rate curve, the market value of the Bank's equity would oscillate between CHF –155.8 million (in the event of a 100 basis point rate rise) and CHF 170.4 million (in the event of a 100 basis point rate fall). The impact on revenues would vary between CHF 4.3 million and CHF –9.5 million, with a floor benchmark rate of 0% for client services.

BCGE balance sheet items and off-balance-sheet transactions

Consolidated

Assets	Notes	31.12.2019 in CHF 1,000	31.12.2018 in CHF 1,000	Variation in CHF 1,000
Liquid assets	5.23	4,746,110	3,410,649	1,335,461
Amounts due from banks	5.23	475,895	464,007	11,888
Amounts due from securities financing transactions	5.23	–	49,205	–49,205
Amounts due from customers	5.23	5,346,513	5,215,130	131,383
Mortgage loans	5.23	11,678,303	11,387,669	290,634
Trading portfolio assets	5.03	50,717	60,782	–10,065
Positive replacement values of derivative financial instruments	5.04	16,756	12,716	4,040
Financial investments	5.05	1,956,852	1,883,422	73,430
Accruals and deferrals		28,236	28,887	–651
Participations	5.06	60,702	61,450	–748
Tangible fixed assets	5.08	121,584	121,878	–294
Intangible assets	5.09	795	–	795
Other assets	5.10	436,777	338,038	98,739
Total assets		24,919,240	23,033,833	1,885,407
Total subordinated claims		23,969	25,301	–1,332
<i>of which subject to mandatory conversion and/or debt waiver</i>		–	–	–
Liabilities				
Amounts due to banks	5.23	3,275,195	2,526,459	748,736
Liabilities from securities financing transactions	5.23	544,762	481,086	63,676
Liabilities arising from client deposits	5.23	14,948,006	14,644,276	303,730
Trading portfolio liabilities	5.03	1,159	2,379	–1,220
Negative replacement values of derivative financial instruments	5.04	8,010	4,277	3,733
Cash bonds	5.23	2,180	2,540	–360
Bond issues and central mortgage institution loans	5.15	4,016,855	3,411,255	605,600
Accrued expenses and deferred income		115,890	101,546	14,344
Other liabilities	5.10	328,257	277,603	50,654
Provisions	5.16	12,190	12,490	–300
Reserves for general banking risks	5.16	245,000	215,000	30,000
Bank's capital	5.17	360,000	360,000	–
Statutory capital reserve		319,859	318,299	1,560
Statutory retained earnings reserve		676,887	615,104	61,783
Currency translation reserve		–19,642	–16,434	–3,208
Own shares		–12,593	–13,206	613
Minority interests in equity capital		411	–	411
Profit/loss (result of the period)		96,814	91,159	5,655
<i>of which minority interests in consolidated profit</i>		25	–	25
Total liabilities		24,919,240	23,033,833	1,885,407
Total subordinated liabilities	5.15	442,355	308,390	133,965
<i>of which subject to mandatory conversion and/or debt waiver</i>	5.15	442,355	308,390	133,965
Off-balance-sheet transactions				
Contingent liabilities	5.28	1,104,078	889,735	214,343
Irrevocable commitments	5.02	834,957	729,606	105,351
Obligations to pay up shares and make further contributions	5.02	163,858	153,518	10,340
Approved credit line	5.29	51,244	78,989	–27,745

Profit and loss account items

Consolidated

78

Result from interest operations	Notes	31.12.2019 in CHF 1,000	31.12.2018 in CHF 1,000	Variation in CHF 1,000
Interest and discount income	5.33	291,258	281,949	9,309
Interest and dividend income from trading portfolios		74	64	10
Interest and dividend income from financial investments		9,010	17,848	-8,838
Interest expense		-61,123	-57,962	-3,161
Gross result from interest operations		239,219	241,899	-2,680
Changes in value adjustments for default risks and losses from interest operations		-8,051	5,299	-13,350
Subtotal net result from interest operations		231,168	247,198	-16,030

Result from commission business and services

Commission income from securities trading and investment activities		50,777	48,393	2,384
Commission income from lending activities		40,889	37,352	3,537
Commission income from other services		38,087	38,466	-379
Commission expense		-9,309	-7,499	-1,810
Subtotal result from commission business and services		120,444	116,712	3,732

Result from trading activities and the fair value option

Subtotal result from trading activities and the fair value option	5.32	31,429	29,228	2,201
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Other result from ordinary activities

Result from the disposal of financial investments		16,054	6,622	9,432
Income from participations		14,250	10,576	3,674
Result from real estate		945	1,199	-254
Other ordinary income		7,950	6,799	1,151
Other ordinary expenses		-1,912	-8,911	6,999
Subtotal other result from ordinary activities		37,287	16,285	21,002

Total operating profit		420,328	409,423	10,905
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Operating expenses

Personnel expenses	5.34	-147,973	-144,088	-3,885
General and administrative expenses	5.35	-91,322	-87,937	-3,385
Subtotal operating expenses		-239,295	-232,025	-7,270

Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	5.36	-15,400	-15,983	583
Changes to provisions and other value adjustments, and losses	5.36	-255	-98	-157

Operating result		165,378	161,317	4,061
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Extraordinary income	5.36	70	2	68
Extraordinary expenses	5.36	-	-	-
Change in reserves for general banking risks	5.36	-30,000	-35,000	5,000
Taxes	5.39	-38,634	-35,160	-3,474

Profit/loss (result of the period)		96,814	91,159	5,655
<i>of which minority interests in Group half-year profit</i>		<i>25</i>	<i>-</i>	<i>25</i>

Presentation of the cash flow statement

Consolidated

(in CHF 1,000)

	2019		2018	
	Cash inflow	Cash outflow	Cash inflow	Cash outflow
Cash flow from operating activities (internal financing):				
Result of the period	96,814	–	91,159	–
Changes in reserves for general banking risks	30,000	–	35,000	–
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	15,400	–	15,983	–
Provisions and other value adjustments	–	300	–	1,218
Accrued income and prepaid expenses	651	–	1,032	–
Accrued expenses and deferred income	14,344	–	17,257	–
Other positions	–	48,085	8,578	–
Previous year's dividend	–	24,480	–	20,880
Special allocation to the State of Geneva	–	4,896	–	4,176
Subtotal	–	79,448	–	142,735
Cash flow from shareholders' equity transactions:				
Recognised in reserves	–	1,237	–	557
Change in own equity securities	613	–	–	2,823
Subtotal	624	–	3,380	–
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets:				
Participations	434	–	–	379
Other tangible fixed assets	–	14,687	–	7,692
Intangible assets	–	900	–	–
Subtotal	15,153	–	8,071	–
Cash flow from banking operations:				
Medium and long-term business (greater than 1 year):				
Amounts due to banks	–	95,887	85,241	–
Amounts due in respect of customer deposits	1,556	–	696	–
Cash bonds	–	360	–	1,503
Bonds	253,600	–	–	199,800
Central mortgage institution loans	352,000	–	179,000	–
Amounts due from banks	20	–	–	282
Amounts due from customers	–	153,165	–	156,302
Mortgage loans	–	290,634	–	402,308
Financial investments	–	71,490	–	73,092
Short-term business:				
Amounts due to banks	844,623	–	–	100,700
Liabilities from securities financing transactions	63,676	–	–	1,760
Amounts due in respect of customer deposits	302,174	–	94,791	–
Trading portfolio liabilities	–	1,220	1,334	–
Negative replacement values for derivative financial instruments	3,733	–	315	–
Amounts due from banks	–	11,908	302,635	–
Amounts due from securities financing transactions	49,205	–	530,795	–
Amounts due from customers	21,782	–	–	352,062
Trading portfolio assets	10,065	–	–	5,233
Positive replacement values of derivative financial instruments	–	4,040	2,414	–
Financial investments	–	1,940	–	60,347
Liquidity				
Liquid assets	–	1,335,461	24,884	–
Subtotal	63,671	–	131,284	–
Total balances	79,448	79,448	142,735	142,735

Statement of shareholders' equity

Consolidated

(in CHF 1,000)

	Bank's capital	Statutory capital reserve	Statutory retained earnings reserve	Reserves for general banking risks	Currency translation reserve	Own shares (negative item)	Minority interests	Result of the period	Total
Equity at start of current period	360,000	318,299	706,263	215,000	-16,434	-13,206			1,569,922
Acquisition of own shares						-6,944			-6,944
Disposal of own shares						8,820			8,820
Profit (loss) on disposal of own shares		1,263				-1,263			-
Currency translation differences					-3,208				-3,208
Dividends and other distribution		297	-24,480						-24,183
Special allocation to the State of Geneva (20% of the dividend paid)			-4,896						-4,896
Other allocations to (transfers from) the reserves for general banking risks				30,000					30,000
Other allocations to (transfers from) the other reserves							411		411
Profit/loss (result of the period)								96,814	96,814
Equity at end of current period	360,000	319,859	676,887	245,000	-19,642	-12,593	411	96,814	1,666,736

Summary presentation

Consolidated

1. Registered name, legal form, registered office and goal

Banque Cantonale de Genève (hereafter BCGE) is a limited company established by public law according to Art. 763 of the Swiss Code of Obligations. It has the status of a cantonal bank as defined by the Federal Banking Act. The Bank was registered in the Geneva Trade Register on 17 December 1993 and conducts its business under the registered name of "Banque Cantonale de Genève SA". The registered office and management of the Bank are in Geneva.

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

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

The Bank intends to develop its business activities despite an uncertain national and international financial context. This development is based on the diversity of its skills and the fact that its business model is aligned with the specific features of Geneva's economy.

Activity report

The business component of the activity report appears in the *Comment on the Group accounts* chapter. The Bank publishes its capital adequacy in the document entitled *Publication requirements relating to shareholders, equity*, in accordance with the Basel III guidelines, and applies the standard Swiss approach in respect of credit risk and the standard approach for market risk and operational risk.

Staff numbers	31.12.2019	31.12.2018
Full-time equivalents	780.40	760.60
Average full-time equivalents	772.84	751.30
Headcount	833.00	811.00
Average headcount	824.25	800.80

The Bank's strategy is to outsource its operations so as to concentrate on high value-added client business. Outsourcing relationships are governed by service level agreements (SLAs), in compliance with the FINMA 2018/3 circular on bank outsourcing. The contracts with Swisscom chiefly concern money transfer and securities operations – enabling a quality of service comparable with that offered by the best Swiss banking institutions – operation of the central IT system, the hosting thereof, data storage, the printing and sending of bulk documents and the maintenance of certain items of infrastructure.

In February 2018, a popular cantonal initiative entitled "BCGE must repay the 3.2 billion lent by the State!" was filed. Having obtained a sufficient number of signatures, this initiative was declared to be null and void by the State Council in February 2019. The initiators appealed against this decision. With the ruling of 6 February 2020, the Constitutional Chamber of the Court of Justice of the Republic and Canton of Geneva rejected the appeal.

There were no extraordinary events in 2019.

No significant events directly related to the Bank occurred after the closing date, except for the occurrence of the COVID-19 pandemic.

Agreements with the majority shareholder

Chapter 5 of art. 33 of the Bank's Articles of Association, adopted by the General Meeting of 3 May 2005, formalises the repayment of loans granted by the State of Geneva to the Fondation de valorisation of the Banque Cantonale de Genève at the start of the previous decade. The Bank makes repayments pro rata to the dividends distributed to shareholders (20% of the dividends paid). Following the Fondation's dissolution, the State Council, in accordance with the decree of 21 October 2011, set the remaining amount of the loans to be repaid by the Bank at CHF 370,661,634 on 31 December 2009. For the 2019 financial year, an amount of CHF 5.4 million will be paid provided that the Board of Directors' proposed dividend is adopted by the General Meeting. As a result, a total amount of CHF 43.6 million will have been repaid since 2009, thus bringing repayments made by the Bank to a total of CHF 71.1 million since the Bank's consolidation in 2000.

2. Accounting and valuation principles

Terms of reference

The consolidated accounts of the Banque Cantonale de Genève Group comply with the Code of Obligations, the Federal Banking Act and its implementing ordinance and FINMA circular 2015/1 on accounting rules for banks (ARB).

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

Closing date for the consolidated accounts

The accounts are closed on 31 December of each year.

Scope of consolidation

Firms whose consolidation makes an important financial difference have been included in these financial statements as follows:

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

Balance sheet total	in CHF 1,000
Banque Cantonale de Genève, Geneva	24,742,218
Capital Transmission SA, Geneva	45,991
Investissements Fonciers SA, Lausanne	21,638
Swiss Public Finance Solutions SA, Geneva	11,674
Loyal Finance AG, Zurich	1,213
Dimension Corporate Finance SA, Geneva	1,180
Dimension SA, Lausanne	856
Banque Cantonale de Genève (France) SA, Lyon	871,487
Compagnie Foncière du Saint Gothard SAS, Puteaux	54,198
Compagnie Foncière Franco-Suisse SAS, Lyon	37,828
Rhône Saône Courtage Sàrl, Lyon	75
Rhône Saône Léman SNC, Lyon	7

Consolidation process

• Share capital consolidation

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

• Goodwill

Goodwill and the difference of first consolidation are shown on the balance sheet as "intangible assets" and depreciated through the profit and loss account over a maximum period of 10 years.

• Intercompany transactions

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

• Treatment of foreign currency exchange differences

Other assets, balance sheet debt and depreciation and amortisation of tangible assets of entities domiciled outside Switzerland and recorded in foreign currencies are converted into Swiss francs at the rate applying at year end. Income statement items of these entities, other than depreciation and amortisation of tangible assets, are converted into CHF at the average closing rates of the 12 months of the year. The shareholders, equity of these entities is converted at the historic average rates of each balance-sheet item. The resulting exchange differences are directly accounted for in equity under "Foreign exchange reserve".

Valuation methods

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

Recording dates

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

Currencies, banknotes and precious metals

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

Main currencies	Unit	Exchange rate	Exchange rate
		31.12.2019	31.12.2018
US dollar	1	0.9648	0.9841
Euro	1	1.0843	1.1264
Pound sterling	1	1.2749	1.2584
Yen	100	0.8892	0.8944

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

Liquid assets

Cash is reported on the balance sheet at its face value.

Due from banks, customers and mortgage loans

Receivables and liabilities are recorded at their face values. Pledged collateral is valued prudently, systematically and periodically, applying uniform principles and based, other than in exceptional cases, on a market value. The Bank values real estate either using an expert system (hedonic approach) or by internal valuations for unusual or luxury items, or, in the case of income properties, by discounting future cash flows.

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

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

Amounts due/liabilities from securities financing transactions

Amounts due/liabilities from transactions in securities or formerly operations using repurchase and reverse repurchase agreements are recorded on the books as follows:

- sums in cash that are transacted are recorded on the balance sheet,
- the transfer of securities is not recorded on the balance sheet as long as the seller retains the rights to them,
- the subsequent transfer of received securities is entered on the balance sheet.

The subsequent transfer of received securities is entered on the balance sheet as a non-monetary liability at market value.

Trading operations

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

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

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

Hedging operations

The Bank uses derivative financial instruments to protect itself from market risks. Hedging transactions are valued in the same way as the hedged items and the result is recorded in the same accounting item.

Financial investments

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

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

Tangible fixed assets

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

Buildings occupied by the Bank	100 years
Fixtures	10 years
Furniture and fittings	5 years
Office machines	5 years
Software and IT equipment	3 to 10 years depending on their lifecycle

Taxes

An assessment of the taxes due for the year is entered into the accounts according to the income earned. The impact of delimiting the Group's taxes is shown under deferred taxes.

Amounts due to banks

Receivables and liabilities are recorded at their face values.

Amounts due in respect of customer deposits

Receivables and liabilities from non-bank customer deposits are recorded at their face values.

Positive and negative replacement values of derivative financial instruments

Positions in financial instruments open at year end are reported at their market values, either by means of a valuation model in line with the type of derivative financial instrument in the "Positive/negative replacement values of derivative financial instruments" items and are accounted for according to the purpose of the underlying transaction:

- active trading positions, at market price in the income statement,
- hedging positions in accordance with the valuation of the underlying transaction hedged.

Provisions

Provisions include those intended to cover necessary operational risks, provisions for off-balance-sheet default risks and provisions for deferred taxes.

Reserves for general banking risks

The reserves for general banking risks are precautionary reserves accumulated via the "Change in reserves for general banking risks" item to cover general business risks. These reserves are taxed.

Contingent liabilities

Contingent liabilities record, in particular, guarantees to secure credits issued in the form of bill guarantees, bank securities and sureties.

Irrevocable commitments

Irrevocable commitments relate to the granting of loans or other services that have not been used by the year end date but are granted definitively. Commitments to pay under the terms of the deposit guarantee are posted under this item.

Obligations to pay up shares and make further contributions

Commitments to pay under the terms of the deposit guarantee are posted under this item.

Change in accounting principles

There has been no change in accounting principles.

3. Risk control

The Board of Directors establishes risk policy according to legal requirements and this is consistently applied in all the Group's entities using the same methodology. The Bank has set up a number of risk committees for the parent company and the subsidiaries in order to enable it to assess, monitor and manage risks incurred.

The Board of Directors uses a quarterly analysis of the Group's principal risks. This analysis takes account of various sources available to the Risk Control department and is regularly reviewed by the Risk Committee and the Executive Board.

Basic principles

The risk limits for each business type are established by the Board of Directors. These enable allocation of equity and ensure diversification of the risks taken. Similarly, in accordance with regulatory provisions, the Board of Directors sets the country limits and bank limits, taking account of financial fluctuations and geopolitical risks. The Executive Board monitors all risks through constant supervision of business activities and through monitoring by specific committees.

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

Independent risk control of the revenue-generating operating units is performed throughout the Bank. Hence, the Risk Control and Compliance departments underpin regular controls by the front office and control functions. Their role is to analyse, evaluate and inform the various dedicated committees on the financial, legal and compliance-related impacts of exposure to the risks, paying particular attention to thoroughness and the objective assessment of the risks incurred and potential risks impacting the Bank.

BCGE belongs in the category 3 defined by FINMA circular 2011/2, notably with a balance sheet in excess of CHF 15 billion. FINMA has set the threshold for this category at 12% of equity capital coverage.

Consolidated supervision

The organisation of risk control within the Group is structured on the basis of the management principles used by the Bank in Geneva with the aim of ensuring a comprehensive understanding of risks and their uniform control at consolidated level.

The Risk Control department in the Finance Division consolidates the Group's overall positions. The distribution of reports and their systematic review with the front office divisions during Risk and ALM (Asset and Liability Management) committee meetings provide a formal framework for this effective overall approach.

The results are provided to the Executive Board and the Board of Directors on a regular basis.

Types of risks

• Credit risk

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

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

The Credit Committee examines certain applications and authorises operations in line with the delegated authority and the policy defined. This policy encompasses the undertakings of the Group's clients and corresponding institutions originating in the loan and guarantee issuance businesses, together with undertakings in respect of currency transactions.

Risk for commercial loans is assessed every year. For mortgage loans, the interval for reviewing collateral is defined by the loan-to-value ratio and the type of property. In all cases, new risk indicators result in specific analysis of the loan portfolios in question.

Ratings are allocated to borrowers by an expert rating system (10 grades from A+ to E-) and are updated by dedicated systems. Rating models are provided by a system used jointly by around 12 cantonal banks and other large financial institutions. A significant drop in ratings triggers a risk-assessment process, and, if necessary, the setting up of provisions and the transfer of the case to the Workout unit or Litigation department.

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

In addition to individual value adjustments, the Bank calculates value adjustments for latent risks. Value adjustments for latent risks are calculated by measuring risk-weighted lending exposures, grouping them in homogeneous portfolios and multiplying them by their default coefficient. If used, the reconstruction of the amount withdrawn is reconstituted in a linear manner, over a maximum of five years and starting in the financial year after the amount has been withdrawn. The Executive Board is able to use the adjustments as soon as the provisions for risks are more than twice the size of the annual risk.

Risks associated with international trade finance are permanently monitored and subjected to specific analysis. The dedicated IT system connected to the risk control system performs situation analyses, which monitors each client with its ratings, limits and outstanding loans. Commodity analyses complete these forms of monitoring.

• Risk concentration

Major risks (large risks in the meaning of art. 95 FRO) are continuously monitored and reported quarterly to the Board of Directors and to the independent auditors.

The integrated IT system for risk control calculates the funding requirements for each transaction and aggregates them by economic group. For the purpose of risk prevention, additional attention is paid to potential concentration of loans. These positions are constantly monitored and, if values approach thresholds, management is notified immediately. Simulations are systematically carried out in the run-up to prospective large operations.

- **Market risk**

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

Market risk control requires that open positions be identified, measured and controlled. Evaluation of the trading portfolio and supervision of limits are carried out on a single system, allowing risks incurred to be evaluated and a report to be produced on a daily basis. An independent department is tasked with permanently monitoring compliance with limits and stop-loss in the Financial Markets & Treasury department. The Bank has a policy of maintaining low exposure to market risks in commodities trading. In addition, the ALM (asset and liabilities management) Committee meets on a monthly basis. The Committee oversees management of the Bank's balance sheet in the light of potential changes in the business and financial market situation and other parameters. The ALM Committee monitors all financial risks.

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

- **Rate risks**

Rate risks are those risks arising from fluctuations in the value of non-trading portfolio positions as a result of changes in interest rates. Exposure to risk rates arises when maturity rates and asset volumes are mismatched with the refinancing of liabilities. These asymmetries are the cause of this risk and have an effect on interest income and on the Bank's equity valuation. Fixed rate or at-sight banking products without maturities are modelled in order to respond as effectively as possible to rate changes made when market rates move. These models are reviewed periodically and adapted to market conditions if necessary. Dynamic simulations are carried out in order to monitor revenue risks to the interest margin in the light of various rate scenarios. The policy on interest-rate risks is approved by the Board of Directors, which delegates operational management to the Executive Board. In compliance with legal requirements, the ALM Committee analyses the effects of rate fluctuations on income (short-term) and on value (long-term) and manages them within the limits defined by the Board of Directors.

- **Exchange rate risks**

Exchange positions that must be managed by the Bank mainly involve interest and commission income, mostly denominated in USD and EUR. Exchange rate risks arising from the balance sheet, including treasury operations and transactions, are centralised and managed for the Bank as a whole. A hedging system is in place, enabling financial transactions to be executed that protect specific exchange positions while taking related costs into account.

- **Liquidity risks**

Loan limits for other banks are tightly controlled in response to increased risks. Investments in money markets have largely been replaced by investments of the repurchase agreement type. With great prudence, and with repo operations being continued, money market business is conducted with a number of partner banks and the Swiss public authorities, in compliance with strict limits. BCGE continues to act with great prudence by maintaining high levels of liquidity and managing a bond portfolio that is widely diversified and to which sale and repurchase agreements can be applied. This means that credit facilities can be obtained with a large number of counterparties. Bonds included under the long-term financial investment item are restricted to those with AAA ratings or at least A- or equivalent.

The Bank manages its liquidity risk by monitoring exposure through use of a schedule of balance sheet items and balance sheet structure, and by calculating the regulatory liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR). It also manages the risk dynamically, by modelling the growth of business and the need for refinancing. Through its ALM committee, the Bank monitors liquidity risk within the limits set by the Board of Directors.

- **Share price risks**

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

- **Operating risks**

Operating risks are defined as the risk of losses resulting from inadequate or failing internal procedures, persons or systems or from external events. The level of automation of such processes and internal control measures can limit these risks. The Bank has implemented a model of production processes to monitor points of control, function separation and validation in operations processing. Management of operating risks is based on a dedicated function to ensure the consistency of the internal control architecture. This makes it possible to monitor and record incidents with the aim of improving the internal control system and more effectively detecting potential problems. Administrative instructions and other internal guidelines are regularly updated and made accessible to all staff members on the Bank's Intranet. Furthermore, the Bank monitors compliance with procedures and the analysis of information flows.

- **Compliance risks**

Compliance risks are risks of exposure either to financial loss or damage to reputation as a result of failure to conform to provisions, standards and regulations or legal and regulatory sanctions. The aim of the Compliance department is to maintain the Bank's reputation by monitoring regulations in respect of cross-border operations, taxation at an international level based on the clients' place of residence, anti-money-laundering and the financing of terrorism, international sanctions and fraud. It ensures that the Bank's activities and internal guidelines comply with these regulations.

- **Legal risks**

The Legal business unit will report directly to the Executive Board until 31 January 2020. Its mission is to identify legal risks, defend the Bank's interests and support asset managers in their client relationships. It is involved once a risk has been identified. It assesses the problem and, if appropriate, retains an external lawyer with whom it handles the case. The funding of legal risks is examined on a case-by-case basis. Provisions for legal risks are booked as liabilities under "Provisions".

- **Other risks**

The internal control section is continuing to step up its activities in the field of fraud control.

Business policy for use of derivative financial instruments

The Bank uses derivative financial instruments in particular to protect itself from interest rate changes. These hedging operations, which form part of hedge accounting, are decided within the process of asset and liability management. They are evaluated in a manner analogous to the underlying transaction hedged and are undertaken exclusively with external counterparties. In the case of operations recorded on the balance sheet, the value of which is posted at nominal value, the replacement value of the derivative financial instruments is neutralised under the corresponding items.

- **Relationship between underlying operations and hedging transactions**

Following a hedging operation, the relationship is established between the financial instrument and the underlying operation concerned. The valuation of the items changes in inverse proportion in order to reduce exposure. The documentation pays particular attention to the aims of the risk management strategy associated with the hedging transaction and the effectiveness assessment method.

The relationship between the underlying transaction and the hedging transactions is subjected to regular forward-looking assessment.

- **Measurement of hedging effectiveness**

The effectiveness of the hedge relationship is measured by means of the underlying operation or the macrohedge of the portfolio as a whole and is re-examined regularly. Operations for which the hedge relationship is no longer effective or only partially so are allocated to the trading result. No absence of effectiveness was observed in 2016. No absence of effectiveness was observed in 2019.

Details relating to the items in the notes to the consolidated financial statements

Consolidated

5.01 Breakdown of securities financing transactions (assets and liabilities)

(in CHF 1,000)

	31.12.2019	31.12.2018
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions	–	49,205
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions	544,762	481,086
Book value of securities held for own account, lent or transferred as collateral for securities lending or repo transactions	552,831	494,792
<i>of which securities with unrestricted rights of subsequent sale or pledge</i>	<i>552,831</i>	<i>494,792</i>
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or repledge	–	51,343
<i>of which, repledged securities</i>	<i>–</i>	<i>–</i>
<i>of which, resold securities</i>	<i>–</i>	<i>–</i>

5.02 Presentation of collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables

(in CHF 1,000)

	Type of collateral			Total
	Mortgage cover	Other collateral	Unsecured	
Loans (before netting with value adjustments)				
Amounts due from clients	999,947	887,979	3,539,971	5,427,897
Mortgage loans	11,683,227	–	–	11,683,227
<i>Residential property</i>	9,591,944	–	–	9,591,944
<i>Office and business premises</i>	1,457,404	–	–	1,457,404
<i>Commercial and industrial premises</i>	330,849	–	–	330,849
<i>Other</i>	303,030	–	–	303,030
Total loans (before netting with value adjustments)				
31.12.2019	12,683,174	887,979	3,539,971	17,111,124
31.12.2018	12,254,472	864,918	3,576,661	16,696,051
Total loans (after netting with value adjustments)				
31.12.2019	12,678,250	828,518	3,518,048	17,024,816
31.12.2018	12,252,636	831,744	3,518,419	16,602,799
Off-balance-sheet				
Contingent liabilities		108,239	995,839	1,104,078
Irrevocable commitments		10,016	824,941	834,957
Obligations to pay up shares and make further contributions	–	–	163,858	163,858
Credit commitments	–	4,824	46,420	51,244
Total off-balance-sheet				–
31.12.2019	–	123,079	2,031,058	2,154,137
31.12.2018	–	87,143	1,764,705	1,851,848
Impaired loans/receivables Consolidated				
	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
31.12.2019	163,680	71,426	92,254	80,518
31.12.2018	181,418	82,997	98,421	93,252

5.03 Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities)

(in CHF 1,000)

Assets	31.12.2019	31.12.2018
Trading portfolio assets		
Debt securities, money market securities/transactions	102	5,206
<i>of which, listed</i>	102	5,206
Equity securities	53	60
Precious metals and commodities	49,826	55,505
Other trading portfolio assets	736	11
Total assets	50,717	60,782
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	–	5,206
Liabilities		
Trading portfolio assets		
Equity securities	2	1
Other trading portfolio liabilities	1,157	2,378
Total liabilities	1,159	2,379

5.04 Presentation of derivative financial instruments (assets and liabilities)

(in CHF 1,000)

	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Interest rate instruments						
Swaps	1,475	1,475	24,448	52,569	188,230	6,984,829
Options (OTC ¹)	9,335	9,335	91,464	–	–	100,215
Foreign exchange/precious metals						
Forward contracts	10,628	9,961	1,677,180	3,101	25,216	1,796,340
Options (OTC ¹)	556	556	72,648	–	–	–
Total before netting agreements						
31.12.2019	21,994	21,327	1,865,740	55,670	213,446	8,881,384
<i>of which, based on an evaluation model</i>	11,365	11,365	188,560	52,569	188,230	7,085,044
31.12.2018	16,328	15,213	1,662,345	39,635	115,674	7,329,037
<i>of which, based on an evaluation model</i>	8,575	8,575	230,074	26,382	109,393	5,629,624
		Positive replacement values (cumulative)			Negative replacement values (cumulative)	
Total after netting agreements						
31.12.2019		16,756			8,010	
31.12.2018		12,716			4,277	

Central clearing houses Banks and securities dealers Other customers

Breakdown by counterparty

Positive replacement values (after netting agreements)	–	1,356	15,400
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¹ Over the counter.

5.05 Breakdown of financial investments

(in CHF 1,000)

	Book value		Fair value	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Debt securities	1,811,544	1,773,466	1,857,279	1,803,751
<i>of which, intended to be held to maturity</i>	1,624,209	1,388,076	1,668,022	1,414,250
<i>of which, not intended to be held to maturity</i>	187,335	385,390	189,257	389,501
Equity securities	144,358	109,016	160,371	116,983
<i>of which, qualified participations¹</i>	13,813	9,075	13,813	9,075
Real estate and vehicles	950	940	950	940
Total	1,956,852	1,883,422	2,018,600	1,921,674
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	1,419,694	1,422,425	1,457,168	1,447,256

¹ At least 10% of capital or votes.

Breakdown of counterparties by rating²

	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated
Debt securities						
Book value	1,615,156	176,709	–	–	–	19,679

² In accordance with S&P ratings.

5.06 Presentation of participations

(in CHF 1,000)

	2019								
	Acquisition cost	Accumulated value adjustments and changes in book value (valuation using the equity method)	Book value at previous year end	Additions	Disposals	Depreciation	Changes in book value in the case of participations valued using the equity method/ depreciation reversals	Book value as at end of current year	Market value
Participations valued using the equity method									
Without market value	23,114	8,516	31,630	1,646	-3,431	–	1,357	31,202	–
Other participations									
With market value	76	–	76	–	-3	–	–	73	73
Without market value	30,262	-518	29,744	–	-3	-314	–	29,427	–
Total participations	53,452	7,998	61,450	1,646	-3,437	-314	1,357	60,702	73

5.07 Disclosure of companies in which the Bank holds a permanent direct or indirect significant participation

Company name and domicile	Business activity		Company capital (in CHF 1,000)	Share of capital (in %)	Share of votes (in %)	Held directly	Held indirectly
Full consolidation							
Banque Cantonale de Genève (France) SA, Lyon	Bank	EUR	30,000	100	100	X	
Rhône Saône Courtage Sàrl, Lyon	Real estate brokerage	EUR	10	100	100		X
Rhône Saône Léman SNC, Lyon	Real estate company	EUR	10	100	100		X
Capital Transmission SA, Geneva	Investments	CHF	2,000	100	100	X	
Dimension Corporate Finance SA, Geneva	Transfer of assets	CHF	160	100	100	X	
Dimension SA, Lausanne	Valuing and selling companies	CHF	300	100	100		X
Swiss Public Finance Solutions SA, Geneva	Financial advice	CHF	400	100	100	X	
Loyal Finance AG, Zurich*	Asset management	CHF	200	60	60	X	

Integration by the equity method

Compagnie Foncière Franco-Suisse SAS, Lyon	Real estate transactions	EUR	2,088	33.3	33.3		X
Compagnie Foncière du Saint Gothard SAS, Puteaux	Real estate transactions	EUR	12,075	33.3	33.3	X	
Investissements Fonciers SA, Lausanne	Institutional asset management	CHF	1,000	42.0	42.0	X	

Other participations

Central mortgage bond institution of Swiss cantonal banks, Zurich	Issue of mortgage bonds	CHF	1,625,000	5.9	5.9	X	
SIX Group Ltd, Zurich	Financial industry service provider	CHF	19,522	1.6	1.6	X	
www.pme-successions.ch SA, Ecublens**	Transfer of assets	CHF	100	50	50		X

* Contractually, BCGE has undertaken to hold 100% of the shares of Loyal after a four-year transition phase, i.e. in 2023.

** The balance sheet total of the pme successions company is not significant, this company having been sold in January 2020.

5.08 Presentation of tangible fixed assets

(in CHF 1,000)

	2019						
	Acquisition cost	Accumulated depreciation	Book value at previous year end	Additions	Disinvestments	Depreciation	Book value as at end of current year
Bank buildings	134,444	-46,552	87,892	-	-	-4,066	83,826
Other real estate	21,802	-8,037	13,765	-	-	-467	13,298
Proprietary or separately acquired software	21,518	-10,958	10,560	10,257	-	-6,738	14,079
Other tangible fixed assets	28,554	-18,893	9,661	4,499	-69	-3,710	10,381
Total tangible fixed assets	206,318	-84,440	121,878	14,756	-69	-14,981	121,584

5.09 Presentation of intangible assets

(in CHF 1,000)

	Acquisition cost	Accumulated depreciation	Book value at previous year end	2019			Book value as at end of current year
				Additions	Disinvestments	Depreciation	
Goodwill	–	–	–	900	–	–105	795
Total intangible assets	–	–	–	900	–	–105	795

5.10 Breakdown of other assets and other liabilities

(in CHF 1,000)

	Other assets		Other liabilities	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Changes in replacement values of derivative financial instruments	120,194	64,471	–	–
Interest rate components of financial investments intended to be held to maturity but sold prior to maturity	75	90	23	53
Interest rate components of hedging transactions sold prior to maturity	9,988	17,895	18,368	17,510
Balance of the compensation account, recording valuation adjustments with no impact on the income statement	130,257	82,456	18,391	17,563
Coupons	–	–	50	50
Issuing/borrowing costs of bonds and mortgage-backed bonds of the CLG ¹ to be depreciated	2,273	1,736	–	–
Spread of penalties for early loan repayments	–	–	14,912	11,956
Operation of continuous linked settlement system under way	278,814	228,437	284,067	229,499
Other internal banking transactions	12,579	12,271	5,396	10,673
Indirect taxes	12,854	13,138	5,441	7,862
Total	436,777	338,038	328,257	277,603

¹ The Mortgage Bond Centre of the Swiss cantonal banks.

5.11 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership

(in CHF 1,000)

	Book value	Effective commitments
Pledged/assigned assets		
Swiss National Bank	111,362	–
SIX Swiss Exchange (Swiss electronic stock exchange)	26,235	–
Mortgage Bond Centre of the Swiss cantonal banks: <i>nominal value of mortgage securities kept separately</i>	<i>5,591,730</i>	<i>3,305,000</i>

5.12 Disclosure of liabilities relating to own pension schemes

	Number		Value (in CHF 1,000)	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
As custodian bank	–	–	45,419	37,758
Negative replacement values	–	–	38	15
BCGE shares held by the Foundation	60,000	60,000	11,670	11,520

5.13 Disclosures on the economic position of own pension schemes

(in CHF 1,000)

a) Employer contribution reserves (ECR)

The BCGE Group has not recorded contribution reserves in its books.

b) Presentation of the economic benefit/obligation of the pension costs (in CHF 1,000)

	Overfunding/ underfunding at end of current year ¹	Economic interest of the bank/financial group		Change in economic interest (benefit/ obligation) versus previous year	Contributions paid for the current period	Pension expenses in personnel expenses	
		31.12.2019	31.12.2018			31.12.2019	31.12.2018
Pension schemes without overfunding or underfunding	0	–	–	–	15,003	15,101	14,479

¹ The Pension Fund's audited annual accounts as at 31 December 2019 are not available. The surplus is based on the audited financial statements as at 31 December 2018.

The BCGE pension fund is the Group's main pension fund and covers all the employees of the parent company and the Swiss subsidiaries.

5.14 Presentation of issued structured products

No positions were present on the closing date of the financial period under review or the previous financial period.

5.15 Presentation of bonds outstanding and mandatory convertible bonds and central mortgage institution loans

(in CHF 1,000)

		2019					
		Weighted average interest rate	Maturities	Amounts issued in foreign currencies	Amounts issued in CHF	Own bonds held	Book value in the balance sheet
CHF loan issued on 10.06.2015	Non-subordinated	0.500%	10.06.24	–	150,000	–	150,000
CHF loan issued on 23.04.2019	Non-subordinated	0.125%	23.04.26	–	120,000	–500	119,500
CHF subordinated loan issued on 28.06.2017	Subordinated with a PONV ¹ clause	1.125%	28.06.27		110,000	–	110,000
Perpetual AT1-type CHF loan issued on 18.06.2014 ²	Subordinated with PONV ¹ clause	2.875%	Cancelled on 04.02.2020	–	110,000	–2,435	107,565
AT1 type CHF long-term loan issued on 28.06.2017	Subordinated with PONV ¹ clause	2.000%	N/A	–	90,000	–210	89,790
AT1 type CHF long-term loan issued on 12.11.2019	Subordinated with PONV ¹ clause	1.875%	N/A	–	135,000	–	135,000
Total			–	–	715,000	–3,145	711,855
	Total non-subordinated	0.333%			270,000	–500	269,500
	Total subordinated with PONV ¹ clause	1.962%			445,000	–2,645	442,355
Total		1.347%	–	–	715,000	–3,145	711,855

¹ Point of non-viability (PONV).

² Not taken into account in the regulation calculation of shareholders' equity.

		2019						
Overview of maturities of bonds outstanding		Within 1 year	More than 1 year and less than 2 years	More than 2 years and less than 3 years	More than 3 years and less than 4 years	More than 4 years and less than 5 years	More than 5 years	Total
Bonds (nominal)		110,000	–	–	–	150,000	455,000	715,000
Bonds (according to the balance sheet)		107,565	–	–	–	150,000	454,290	711,855
	Amount							
Loans from central mortgage institution		3,305,000						

5.16 Presentation of value adjustments and provisions, reserves for general banking risks and changes therein during the current year

(in CHF 1,000)

	Previous year end	Use in conformity with designated purpose	Reclassifications	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income	Balance at current year end
Provisions for default risks	873	–	–	–33	–	–	–260	580
Provisions for other business risks	1,016	–528	–	–	–	613	–	1,101
Other provisions	10,601	–35	–	–	41	–	–98	10,509
Total provisions	12,490	–563	–	–33	41	613	–358	12,190
Reserves for general banking risks	215,000	–	–	–	–	30,000	–	245,000
Value adjustments for default and country risks	93,252	–14,831	–	–1,087	1,433	11,594	–3,543	86,818
<i>of which, value adjustments for default risks in respect of impaired loans/receivables</i>	<i>93,252</i>	<i>–14,831</i>	<i>–</i>	<i>–1,087</i>	<i>1,433</i>	<i>5,294</i>	<i>–3,543</i>	<i>80,518</i>
<i>of which, value adjustments for latent risks</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>6,300</i>	<i>–</i>	<i>6,300</i>

See credit risk page 85.

5.17 Presentation of the Bank's capital

(in CHF 1,000)

	31.12.2019			31.12.2018		
	Total par value	Number of shares	Capital eligible for dividend	Total par value	Number of shares	Capital eligible for dividend
Bank's capital						
Single registered share of CHF 50	360,000	7,200,000	360,000	360,000	7,200,000	360,000
Share capital	360,000	7,200,000	360,000	360,000	7,200,000	360,000
<i>of which, paid up</i>	<i>360,000</i>	<i>7,200,000</i>	<i>360,000</i>	<i>360,000</i>	<i>7,200,000</i>	<i>360,000</i>
Total Bank's capital	360,000	7,200,000	360,000	360,000	7,200,000	360,000

5.18 Number and value of equity securities or options on equity securities held by all executives and directors and by employees and disclosures of any employee participation schemes

	Number Equity securities		Value (in CHF 1,000) Equity securities	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Members of the Board of Directors ¹	70	58	14	11
Members of executive bodies ^{2,3}	4,882	7,812	1,044	1,500
Employees ⁴	22,016	18,834	4,372	3,524
Total	26,968	26,704	5,430	5,035

¹ Number of bonus shares issued during the financial period.

² Paid in 2020 on the basis of the 2019 results.

³ Amounts calculated on the basis of a closing share price on 31.12.2019 of CHF 194.5.

⁴ However, the variable remuneration components have not yet been paid to employees who have not been able to exercise their rights.

No options on the participation rights have been granted to the members of the Board of Directors or of the Executive Board, or to employees.

The contractual conditions for the attribution of the various plans are explained in point 5 of the section on Shareholder information and corporate governance, on page 59. Plans associated with the remuneration of the ordinary variable component and that are part of the profit-sharing plan at the time of share purchase are subject to a moratorium of between 5 and a maximum of 10 years, as the beneficiary chooses. The other profit-sharing plans are subject to a moratorium of 5 years.

5.19 Disclosure of amounts due from/to related parties

(in CHF 1,000)

	Amounts due from		Amounts due to	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Holders of qualified participations	102,282	97,462	10,460	48,900
Group companies	30,461	31,630	2,390	2,222
Linked companies	1,489,582	1,538,012	213,083	177,264
Transactions with members of governing bodies	5,900	5,931	2,946	2,657
Other related parties	–	–	45,457	37,773

Due from affiliates are mostly mortgages to property development foundations created under public law of the State of Geneva.

Due to affiliates corresponds to the current accounts of these foundations created under public law.

Loans to officers of the Bank are mainly mortgage loans granted to directors and members of the Executive Board. Members of the Executive Board benefit from the same conditions as those granted to the Bank's employees. However, members of the Board of Directors do not benefit from any preferential conditions.

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

5.20 Disclosure of holders of significant participations

	31.12.2019		31.12.2018	
	Nominal	% of equity	Nominal	% of equity
Single registered shares				
State of Geneva	159,385,750	44.3	159,385,750	44.3
City of Geneva	75,132,300	20.9	75,132,300	20.9
44 Geneva municipalities	26,732,450	7.4	26,730,450	7.4
Subtotal, public bodies	261,250,500	72.6	261,248,500	72.6
CPEG – State of Geneva Pension Fund	21,440,000	6.0	21,440,000	6.0
Other shareholders	77,309,500	21.4	77,311,500	21.4
Total	360,000,000	100.0	360,000,000	100.0

5.21 Disclosure of own shares and composition of equity capital

Own shares

BCGE shares	Situation as at 1 January 2019	80,649
	Purchases	35,144
	Sales	44,440
	Situation as at 31 December 2019	71,353
Average transaction price (average market value) in CHF		198.1
Shares held by its pension fund		60,000

5.22 Disclosures in accordance with the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares¹ and Art. 663b^{bis} CO for banks whose equity securities are listed

Please see note 5.22 of the parent company accounts risk, page 125.

5.23 Presentation of the maturity structure of financial instruments

(in CHF 1,000)

	Due							Total
	At sight	Cancellable	Within 3 months	Within 3 to 12 months	Within 12 months to 5 years	After 5 years	No maturity	
Assets/financial instruments								
Liquid assets	4,746,110							4,746,110
Amounts due from banks	139,427	19	243,472	92,485	492	–	–	475,895
Receivables resulting from securities financing operations	–	–	–	–	–	–	–	–
Amounts due from customers	1,321,008	156,857	1,177,245	384,550	1,333,986	972,867	–	5,346,513
Mortgage loans	15,178	2,148,185	639,950	643,639	3,095,013	5,136,338	–	11,678,303
Trading portfolio assets	50,717	–	–	–	–	–	–	50,717
Positive replacement values of derivative financial instruments	16,756	–	–	–	–	–	–	16,756
Financial investments	152,168	–	39,298	188,431	791,272	784,802	882	1,956,853
Total								
31.12.2019	6,441,364	2,305,061	2,099,965	1,309,105	5,220,763	6,894,007	882	24,271,147
31.12.2018	4,952,595	2,130,303	2,403,292	1,157,346	5,090,940	6,748,194	910	22,483,580
Debt capital/financial instruments								
Amounts due to banks	977,601	77,351	1,497,590	718,653	4,000	–	–	3,275,195
Liabilities from securities financing transactions	–	–	501,390	43,372	–	–	–	544,762
Amounts due in respect of customer deposits	8,713,242	5,195,046	674,165	363,301	2,252	–	–	14,948,006
Trading portfolio liabilities	1,159	–	–	–	–	–	–	1,159
Negative replacement values of derivative financial instruments	8,010	–	–	–	–	–	–	8,010
Cash bonds	–	–	500	580	1,020	80	–	2,180
Bond issues and central mortgage institution loans	–	–	210,565	120,000	749,000	2,937,290	–	4,016,855
Total								
31.12.2019	9,700,012	5,272,397	2,884,210	1,245,906	756,272	2,937,370	–	22,796,167
31.12.2018	9,258,900	5,127,853	2,458,498	890,003	603,165	2,733,853	–	21,072,272

5.24 Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle

(in CHF 1,000)

	2019		2018	
	Switzerland	Foreign	Switzerland	Foreign
Assets				
Liquid assets	4,717,418	28,692	3,385,558	25,091
Amounts due from banks	149,518	326,377	250,563	213,444
Amounts due from securities financing transactions	–	–	49,205	–
Amounts due from customers	2,989,332	2,357,181	3,067,742	2,147,388
Mortgage loans	11,323,580	354,723	11,033,050	354,619
Trading portfolio assets	50,692	25	60,782	–
Positive replacement values of derivative financial instruments	15,092	1,664	10,628	2,088
Financial investments	1,440,331	516,521	1,332,301	551,121
Accrued expenses and deferred income	26,412	1,824	27,026	1,861
Participations	37,583	23,119	37,831	23,619
Tangible fixed assets	120,063	1,521	121,188	690
Intangible assets	795	–	–	–
Other assets	435,884	893	337,346	692
Total assets	21,306,700	3,612,540	19,713,220	3,320,613
Liabilities				
Amounts due to banks	1,259,119	2,016,076	953,560	1,572,899
Liabilities arising from securities financing transactions	544,762	–	157,696	323,390
Amounts due in respect of customer deposits	11,774,546	3,173,460	11,570,623	3,073,653
Trading portfolio liabilities	1,158	1	2,379	–
Negative replacement values of derivative financial instruments	1,433	6,577	2,684	1,593
Cash bonds	2,143	37	2,468	72
Bond issues and central mortgage institution loans	4,016,855	–	3,411,255	–
Accrued expenses and deferred income	111,553	4,337	97,191	4,355
Other liabilities	326,444	1,813	273,995	3,608
Provisions	12,190	–	12,490	–
Reserves for general banking risks	245,000	–	215,000	–
Bank's capital	311,924	48,076	360,000	–
Statutory capital reserve	319,859	–	318,299	–
Statutory retained earnings reserve	638,129	38,758	615,104	–
Own shares	–12,593	–	–13,206	–
Currency translation reserve	–19,642	–	–16,434	–
Minority interests in equity capital	411	–	–	–
Profit/loss (result of the period)	96,814	–	91,159	–
Total liabilities	19,630,105	5,289,135	18,054,263	4,979,570

5.25 Breakdown of total assets by country or group of countries (domicile principle)

(in CHF 1,000)

	2019		2018	
	Absolute	% of equity	Absolute	% of equity
Assets				
Europe • France	1,813,637	7.2	1,778,943	7.7
• Luxembourg	192,637	0.8	207,008	0.9
• Germany	171,096	0.7	163,389	0.7
• Netherlands	143,288	0.6	75,363	0.3
• United Kingdom	94,287	0.4	131,023	0.6
• Other European countries	345,011	1.4	283,843	1.2
Singapore	135,404	0.5	97,108	0.4
United Arab Emirates	123,615	0.5	109,359	0.5
United States and Canada	139,216	0.6	135,802	0.6
Others	454,349	1.8	338,775	1.5
Assets held abroad	3,612,540	14.5	3,320,613	14.4
Switzerland	21,306,700	85.5	19,713,220	85.6
Total assets	24,919,240	100	23,033,833	100

5.26 Breakdown of total assets by credit rating of country groups (risk domicile view)

(in CHF 1,000)

Rating category (according to SERV, Swiss insurance against export risks)	Net foreign exposure/ current year end	
	Absolute	% of equity
0/Hi	3,037,016	82.5
1	5	0.0
2	208,510	5.7
3	47,037	1.3
4	58,197	1.6
5 and 6	168,787	4.6
7	4,278	0.1
Total unrated	156,280	4.2
Total	3,680,110	100.0

The SERV rating is recognised by FINMA.

5.27 Presentation of assets and liabilities broken down by the most significant currencies for the Bank

(in CHF 1,000)

	Currencies					
	CHF	EUR	USD	GBP	OTHER	METALS
Assets						
Liquid assets	4,661,527	79,452	3,305	580	1,246	–
Amounts due from banks	73,643	32,575	298,720	12,087	19,032	39,838
Amounts due from securities financing transactions	–	–	–	–	–	–
Amounts due from customers	2,095,226	1,783,241	1,433,286	16,407	18,353	–
Mortgage loans	11,523,145	149,321	5,837	–	–	–
Trading portfolio assets	163	2	–	–	727	49,825
Positive replacement values of derivative financial instruments	16,756	–	–	–	–	–
Financial investments	1,533,278	315,353	100,963	2,699	4,559	–
Accrued expenses and deferred income	26,412	1,824	–	–	–	–
Participations	46,800	13,735	167	–	–	–
Tangible fixed assets	120,063	1,521	–	–	–	–
Intangible assets	795	–	–	–	–	–
Other assets	156,942	10,510	269,240	–	85	–
Total assets shown in balance sheet	20,254,750	2,387,534	2,111,518	31,773	44,002	89,663
Delivery entitlements from spot exchange, forward forex and forex options transactions	591,539	1,178,773	1,543,203	132,460	39,180	24,690
Total assets	20,846,289	3,566,307	3,654,721	164,233	83,182	114,353
Liabilities						
Amounts due to banks	461,377	1,057,586	1,668,739	17,469	6,277	63,747
Liabilities arising from securities financing transactions	200,000	151,802	192,960	–	–	–
Amounts due in respect of customer deposits	12,013,111	1,607,670	1,177,764	77,812	45,699	25,950
Trading portfolio liabilities	235	197	714	13	–	–
Negative replacement values of derivative financial instruments	8,010	–	–	–	–	–
Cash bonds	2,180	–	–	–	–	–
Bond issues and central mortgage institution loans	4,016,855	–	–	–	–	–
Accrued expenses and deferred income	111,514	4,376	–	–	–	–
Other liabilities	325,478	2,603	111	–	65	–
Provisions	12,190	–	–	–	–	–
Reserves for general banking risks	245,000	–	–	–	–	–
Bank's capital	360,000	–	–	–	–	–
Statutory capital reserve	319,859	–	–	–	–	–
Statutory retained earnings reserve	676,887	–	–	–	–	–
Own shares	–12,593	–	–	–	–	–
Currency translation reserve	–19,642	–	–	–	–	–
Minority interests in equity capital	411	–	–	–	–	–
Profit/loss (result of the period)	96,814	–	–	–	–	–
Total liabilities shown in the balance sheet	18,817,686	2,824,234	3,040,288	95,294	52,041	89,697
Delivery obligations from spot exchange, forward forex and forex options transactions	2,133,334	663,335	611,467	68,727	29,901	24,690
Total liabilities	20,951,020	3,487,569	3,651,755	164,021	81,942	114,387
Net position per currency	–104,731	78,738	2,966	212	1,240	–34

5.28 Breakdown and explanation of contingent assets and liabilities

(in CHF 1,000)

	2019	2018
Guarantees to secure credits and similar	40,513	49,001
Guarantees to provide guarantees and similar	85,700	55,713
Irrevocable commitments arising from documentary letters of credit	977,165	784,321
Other contingent liabilities	700	700
Total contingent liabilities	1,104,078	889,735

Irrevocable commitments are linked mainly with the trade finance credit business and with commodities pricing.

5.29 Breakdown of credit commitments

(in CHF 1,000)

	2019	2018
Commitments arising from deferred payments	41,596	78,989
Liabilities arising from acceptances	9,648	–
Total credit commitments	51,244	78,989

5.30 Breakdown of fiduciary transactions

(in CHF 1,000)

	2019	2018
Fiduciary investments with third-party companies	185,576	157,792
Total fiduciary transactions	185,576	157,792

5.31 Breakdown of managed assets and presentation of their development

In accordance with FINMA circular 15/1 margin no. 229, the Bank is not obliged to publish these notes.

5.32 Breakdown of the trading activities results and the fair value option

(in CHF 1,000)

	2019	2018
Trading result from		
Interest rate instruments (including funds)	1,676	290
Equity securities (including funds)	1	–88
Currencies	29,301	28,774
Commodities/precious metals	451	252
Total trading income	31,429	29,228

5.33 Disclosure of material refinancing income in the item *Interest and discount income* as well as material negative interest

Negative interest on the lending business is recognised as a reduction in interest income and negative interest on borrowing as a reduction in interest costs.

The Bank does not deduct financing costs from trading positions.

5.34 Breakdown of personnel expenses

(in CHF 1,000)

	2019	2018
Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits)	114,673	112,075
<i>of which, expenses relating to share-based compensation and alternative forms of variable compensation</i>	<i>5,886</i>	<i>4,472</i>
Social insurance benefits	28,498	27,878
Other personnel expenses	4,802	4,135
Total personnel costs	147,973	144,088

5.35 Breakdown of general and administrative expenses

(in CHF 1,000)

	2019	2018
Office space expenses	9,271	9,315
Expenses for information and communications technology	36,406	33,733
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	254	185
Fees of audit firms ¹	1,792	1,944
<i>of which, for financial and regulatory audits</i>	<i>1,322</i>	<i>1,458</i>
<i>of which, for other services</i>	<i>470</i>	<i>486</i>
General and administrative expenses	43,599	42,760
Total other operating expenses	91,322	87,937

¹ Includes the fees of audit companies other than the statutory auditors.

5.36 Explanations regarding material losses, extraordinary income and expenses, as well as material releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required

Following changes in risks, the Bank has adjusted provisions for these new circumstances. Certain risks no longer exist and the relevant provisions have been released into the income statement.

5.37 Disclosure of and reasons for revaluations of investments and tangible fixed assets up to the acquisition value

The Bank has not revalued its participations or tangible assets.

5.38 Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment

(in CHF 1,000)

	2019		2018	
	Switzerland	Foreign	Switzerland	Foreign
Result from interest operations				
Interest and discount income	271,754	19,504	261,785	20,164
Interest and dividend income from trading portfolios	74	–	64	–
Interest and dividend income from financial investments	9,010	–	17,848	–
Interest expense	–61,466	343	–58,169	207
Gross result from interest operations	219,372	19,847	221,528	20,371
Changes in value adjustments for default risks and losses from interest operations	–6,158	–1,893	6,639	–1,340
Subtotal net result from interest operations	213,214	17,954	228,167	19,031
Result from commission business and services				
Commission income from securities trading and investment activities	49,439	1,338	47,078	1,315
Commission income from lending activities	34,291	6,598	33,278	4,074
Commission income from other services	36,765	1,322	37,081	1,385
Commission expense	–9,309	–	–7,499	–
Subtotal result from commission business and services	111,186	9,258	109,938	6,774
Result from trading activities and the fair value option				
Subtotal result from trading activities and the fair value option	31,429	–	29,228	–
Other result from ordinary activities				
Result from the disposal of financial investments	16,054	–	6,622	–
Income from participations	11,497	2,753	6,662	3,914
Result from real estate	945	–	1,199	–
Other ordinary income	7,950	–	6,799	–
Other ordinary expenses	–1,912	–	–8,911	–
Subtotal other result from ordinary activities	34,534	2,753	12,371	3,914
Total operating income	390,363	29,965	379,704	29,719
Operating expenses				
Personnel expenses	–140,364	–7,609	–135,832	–8,256
General and administrative expenses	–86,008	–5,314	–83,052	–4,885
Subtotal operating expenses	–226,372	–12,923	–218,884	–13,141
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	–15,108	–292	–15,597	–386
Changes to provisions and other value adjustments, and losses	–255	–	–98	–
Operating result	148,628	16,750	145,125	16,192

5.39 Presentation of current taxes, deferred taxes and disclosure of tax rate

(in CHF 1,000)

	Rate in % ¹	2019	Rate in % ¹	2018
Current tax				
Banque Cantonale de Genève	21.6%	33,995	21.2%	30,336
Banque Cantonale de Genève (France) SA	29.1%	4,530	31.3%	4,407
Capital Transmission SA	-4.9%	88	3.6%	209
Dimension Corporate Finance SA	23.2%	39		3
Loyal Finance AG	20.8%	17		-
Swiss Public Finance Solutions SA	24.8%	8	50.0%	16
Dimension SA	3.2%	-12	23.1%	148
Various, not significant ²		-		2
Deferred taxes	33.3%	-31	33.3%	39
		38,634		35,160

¹ Weighted average rate used, on the basis of the operating result.

² The other Group companies do not have a significant tax item.

5.40 Disclosures and explanations of the earnings per equity security

(in CHF 1,000)

	31.12.2019	31.12.2018
Net earnings to be allocated to the shareholders	96,814	91,159

Registered shares

Average number of shares in circulation	7,200,000	7,200,000
Earnings per share (in CHF)	13.45	12.66

Banque Cantonale de Genève does not transact financial instruments that might dilute its profits.

Statutory Auditor's Report

To the General Meeting of
Banque Cantonale de Genève, Geneva

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements (pages 114 to 134) of the Banque Cantonale de Genève, which comprise the balance sheet as of December 31, 2019, the income statement, the statement of changes in equity and notes for the year then ended. In our opinion, the accompanying financial statements as at December 31, 2019 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards (SAS). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority (FAOA)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

Value adjustments for default risks

The book values of amounts due from customers and mortgage loans amount respectively to CHF 4,636 mios and CHF 11,683 mios out of a total of balance sheet of CHF 24,742 mios, representing respectively 19% and 47% as of December 31, 2019.

These total amounts of credit are presented net of value adjustments made up for CHF 72,044 and including a value adjustment for latent risks. The estimated value adjustments are based on the "Règlement des crédits" of the bank. The value adjustments are individually estimated and include an inherent part of significant judgement from Management regarding the level and the timing of the accounting of the value adjustments. With regard to the level of credit granted, the value adjustments for default risk are considered as a key audit matter.

Please refer to pages 83 to 85 and to table 5.02 of the notes to the financial statements on the page 118 for further information.

Valuation of the litigation provision

Due to its activity of universal and cantonal bank involving a significant number of clients, BCGE is exposed to litigation risk. A list of litigation cases, procedures and prosecutions is established by Management. The valuation of those provisions includes an inherent part of judgement from the Management.

Please refer to page 87 and to table 5.16 of notes to the financial statements on page 123 for further information.

Audit procedures

We performed walk through procedures in order to evaluate the adequacy of the design and implementation of controls of the credit granting process, the follow-up and the valuation processes of value adjustments for default risk (adjustment rules).

Furthermore, we performed substantive procedures consisting of :

- Testing a sampling of different types of credit (mortgage, commercial and Global Commodity Finance), including those which were not identified by the bank as impaired, in order to build up our own opinion and to evaluate the need of an impairment and whether it has been properly recognised;
- Review of assumptions retained by the bank for the value adjustments on the different credits;
- Review of files which are closely monitored due to higher risks of default but not yet adjusted;
- Valuation of the judgement level applied by the bank and testing that the value adjustments have been approved in accordance with internal authorization rules;
- Sending confirmation requests to the external lawyers consulted in the context of major recovery files in 2019;
- Follow the evolution of the main significant and risky files identified by the bank and check the correct booking of these value adjustments

Based on our procedures performed, we have collected sufficient appropriate audit evidences in order to cover the risk of valuation of value adjustments for default risks.

We tested the adequacy of the design and the implementation of key controls for legal risks regarding the identification, the valuation of provisions and the proper recording of related litigation provision.

Furthermore, we performed substantive procedures consisting of:

- Review of the list of litigation cases, procedures and prosecutions established by the Management;
- Interview with the Head of Legal and the Management regarding open and significant cases;
- Review of the assumptions used by Management for the estimation of the level of provision of the significant cases;
- Sending confirmations requests to the external lawyers consulted in 2019 in connection with litigation or potential litigation;
- Test the proper recording of these provisions.

Based on the procedures performed, we have collected sufficient appropriate audit evidences to cover the risk of valuation of the litigation provision.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A more detailed description of our responsibilities in auditing financial statements is available on the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description is also part of our report.

Report on Other Legal and Regulatory Requirements

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.

Deloitte SA

Alexandre Buga
Licensed Audit Expert
Auditor in Charge



Sophie Morin
Licensed Audit Expert

Geneva, February 20, 2020

2019 financial statements and notes, parent company

BCGE balance sheet items and off-balance-sheet transactions	114
Profit and loss account items	115
Statement of shareholders' equity	116
Summary presentation	117
1. Registered name, legal form, registered office and goal	117
2. Accounting and valuation principles	117
3. Change in accounting principles	117
4. Risk control	117
Details relating to the items in the notes to the annual financial statements	118
5.01 Breakdown of securities financing transactions (assets and liabilities)	118
5.02 Presentation of collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables	118
5.03 Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities)	119
5.04 Presentation of derivative financial instruments (assets and liabilities)	119
5.05 Breakdown of financial investments	120
5.06 Presentation of participations	120
5.07 Disclosure of companies in which the Bank holds a permanent direct or indirect significant participation	121
5.08 Presentation of tangible fixed assets	121
5.09 Presentation of intangible assets	121
5.10 Breakdown of other assets and other liabilities	121
5.11 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership	122
5.12 Disclosure of liabilities relating to own pension schemes	122
5.13 Disclosures on the economic position of own pension schemes	122
5.14 Presentation of issued structured products	122
5.15 Presentation of bonds outstanding and mandatory convertible bonds and central mortgage institution loans	122
5.16 Presentation of value adjustments and provisions, reserves for general banking risks and changes therein during the current year	123
5.17 Presentation of the Bank's capital	123
5.18 Number and value of equity securities or options on equity securities held by all executives and directors and by employees and disclosures of any employee participation schemes	123

5.19	Disclosure of amounts due from/to related parties	124
5.20	Disclosure of holders of significant participations	124
5.21	Disclosure of own shares and composition of equity capital	124
5.22	Disclosures in accordance with the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares and art. 663b ^{bis} CO	125
5.23	Presentation of the maturity structure of financial instruments	127
5.24	Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle	128
5.25	Breakdown of total assets by country or group of countries (domicile principle)	129
5.26	Breakdown of total assets by credit rating of country groups (risk domicile view)	129
5.27	Presentation of assets and liabilities broken down by the most significant currencies for the Bank	130
5.28	Breakdown and explanation of contingent assets and liabilities	131
5.29	Breakdown of credit commitments	131
5.30	Breakdown of fiduciary transactions	131
5.31	Breakdown of managed assets and presentation of their development	131
5.32	Breakdown of the trading activities results and the fair value option	131
5.33	Disclosure of material refinancing income under the item interest and discount income as well as material negative interest	131
5.34	Breakdown of personnel expenses	132
5.35	Breakdown of the other operating charges	132
5.36	Explanations regarding material losses, extraordinary income and expenses, as well as material releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required	132
5.37	Disclosure of and reasons for revaluations of investments and tangible fixed assets up to the acquisition value	133
5.38	Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment	133
5.39	Presentation of current taxes, deferred taxes and disclosure of tax rate	133
5.40	Disclosures and explanations of the earnings per equity security	133

BCGE balance sheet items and off-balance-sheet transactions

Parent company

Assets	Notes	31.12.2019 in CHF 1,000	31.12.2018 in CHF 1,000	Variation in CHF 1,000
Liquid assets	5.23	4,728,102	3,400,882	1,327,220
Amounts due from banks	5.23	1,109,082	1,124,638	-15,556
Amounts due from securities financing transactions	5.23	–	49,205	-49,205
Amounts due from customers	5.23	4,568,789	4,431,691	137,098
Mortgage loans	5.23	11,678,303	11,387,669	290,634
Trading portfolio assets	5.03	50,579	60,782	-10,203
Positive replacement values of derivative financial instruments	5.04	16,756	12,717	4,039
Financial investments	5.05	1,919,150	1,853,058	66,092
Accrued expenses and deferred income		25,959	26,420	-461
Participations	5.06	89,724	91,709	-1,985
Tangible fixed assets	5.08	120,024	121,185	-1,161
Other assets	5.10	435,854	337,310	98,544
Total assets		24,742,322	22,897,266	1,845,056

Total subordinated claims		1,913	4,640	-2,727
<i>of which, subject to mandatory conversion and/or debt waiver</i>		–	–	–

Liabilities

Amounts due to banks	5.23	3,258,976	2,528,845	730,131
Liabilities arising from securities financing transactions	5.23	544,762	481,086	63,676
Amounts due in respect of customer deposits	5.23	14,858,688	14,579,091	279,597
Trading portfolio liabilities	5.03	1,159	2,379	-1,220
Negative replacement values of derivative financial instruments	5.04	8,187	4,385	3,802
Cash bonds	5.23	2,180	2,540	-360
Bond issues and central mortgage institution loans	5.15	4,016,855	3,411,255	605,600
Accrued expenses and deferred income		111,004	96,423	14,581
Other liabilities	5.10	326,343	272,747	53,596
Provisions	5.16	12,190	12,490	-300
Reserves for general banking risks	5.16	245,000	215,000	30,000
Bank's capital	5.17	360,000	360,000	–
Statutory capital reserve		310,890	310,890	–
<i>of which tax-exempt capital contribution reserve</i>		180,192	180,192	–
Statutory retained earnings reserve		604,568	553,934	50,634
Own shares		-12,593	-13,132	539
Profit carried forward/loss carried forward		957	1,369	-412
Profit/loss (result of the period)		93,156	77,964	15,192
Total liabilities		24,742,322	22,897,266	1,845,056

Total subordinated liabilities	5.15	442,355	308,390	133,965
<i>of which, subject to mandatory conversion and/or debt waiver</i>	5.15	442,355	308,390	133,965

Off-balance-sheet transactions

Contingent liabilities	5.28	1,075,273	860,264	215,009
Irrevocable commitments	5.02	746,561	628,451	118,110
Obligations to pay up shares and make further contributions	5.02	163,858	153,518	10,340
Approved credit line	5.29	51,244	78,989	-27,745

Profit and loss account items

Parent company

	Notes	31.12.2019 in CHF 1,000	31.12.2018 in CHF 1,000	Variation in CHF 1,000
Result from interest operations				
Interest and discount income	5.33	270,984	261,109	9,875
Interest and dividend income from trading portfolios		74	64	10
Interest and dividend income from financial investments		8,066	9,195	-1,129
Interest expense		-61,191	-58,040	-3,151
Gross result from interest operations		217,933	212,328	5,605
Changes in value adjustments for default risks and losses from interest operations		-5,702	6,639	-12,341
Subtotal net result from interest operations		212,231	218,967	-6,736
Result from commission business and services				
Commission income from securities trading and investment activities		48,382	47,078	1,304
Commission income from lending activities		34,291	33,278	1,013
Commission income from other services		36,282	35,025	1,257
Commission expense		-9,309	-7,499	-1,810
Subtotal result from commission business and services		109,646	107,882	1,764
Result from trading activities and the fair value option				
Net result of trading operations including the fair value option	5.32	31,590	29,377	2,213
Other result from ordinary activities				
Result from the disposal of financial investments		16,047	5,367	10,680
Income from participations		18,224	11,602	6,622
Result from real estate		945	1,199	-254
Other ordinary income		8,156	7,378	778
Other ordinary expenses		-112	-5,291	5,179
Subtotal other result from ordinary activities		43,260	20,255	23,005
Total operating income		396,727	376,481	20,246
Operating expenses				
Personnel expenses	5.34	-138,888	-134,595	-4,293
General and administrative expenses	5.35	-85,096	-82,734	-2,362
Subtotal operating expenses		-223,984	-217,329	-6,655
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	5.36	-15,407	-15,755	348
Changes to provisions and other value adjustments and losses	5.36	-255	-98	-157
Operating result		157,081	143,299	13,782
Extraordinary income	5.36	70	2	68
Extraordinary expenses	5.36	-	-	-
Change in reserves for general banking risks	5.36	-30,000	-35,000	5,000
Taxes	5.39	-33,995	-30,337	-3,658
Profit/loss (result of the period)		93,156	77,964	15,192

Statement of shareholders' equity

Parent company

(in CHF 1,000)

	Bank's capital	Statutory capital reserve	Statutory retained earnings reserve	Reserves for general banking risks	Profit brought forward	Own shares (negative item)	Result of the period	Total
Equity at start of current period	360,000	310,890	553,934	215,000	79,333	-13,132		1,506,025
Acquisition of own shares						-6,944		-6,944
Disposal of own shares						8,820		8,820
Profit (loss) on disposal of own shares			1,337			-1,337		-
Dividends and other distribution			297		-24,480			-24,183
Special allocation to the State of Geneva (20% of the dividend paid)					-4,896			-4,896
Other allocations to (transfers from) the reserves for general banking risks				30,000				30,000
Other allocations to (transfers from) the other reserves			49,000		-49,000			-
Profit/loss (result of the period)							93,156	93,156
Equity at end of current period	360,000	310,890	604,568	245,000	957	-12,593	93,156	1,601,978

Summary presentation

Parent company

1. Registered name, legal form, registered office and goal

Banque Cantonale de Genève (hereafter BCGE) is a limited company established by public law according to Art. 763 of the Swiss Code of Obligations. It has the status of a cantonal bank as defined by the Federal Banking Act. The Bank was registered in the Geneva Trade Register on 17 December 1993 and conducts its business under the registered name of "Banque Cantonale de Genève". The registered office and management of the Bank are in Geneva.

Activity report

The business of the Bank and outsourced activities are described in the notes to the consolidated accounts.

Staff numbers	31.12.2019	31.12.2018
Full-time equivalents	716.85	701.5
Headcount	766	751

2. Accounting and valuation principles

The financial statements of the parent company are drawn up according to Group principles with the exception of the restatement of certain items to present a true and fair representation of the consolidated financial statements, principally the treatment of BCGE bonds and treasury shares. In addition, companies within the scope of consolidation and set out in note 2 to the summary presentation of the consolidated financial statements are valued at the acquisition cost less depreciation where judged appropriate.

3. Change in accounting principles

There has been no change in accounting principles.

4. Risk control

With regard to comments about risk control, readers are referred to point 3 of the Summary presentation of the consolidated financial statements.

Details relating to the items in the notes to the annual financial statements

Parent company

118

5.01 Breakdown of securities financing transactions (assets and liabilities)

The parent company figures are identical to the consolidation figures because only the parent company handles these transactions. Please see note 5.01 to the consolidated accounts on page 88.

5.02 Presentation of collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables

(in CHF 1,000)

	Type of collateral			Total
	Secured by mortgage	Other collateral	Unsecured	
Loans (before netting with value adjustments)				
Amounts due from clients	387,320	738,584	3,510,005	4,635,909
Mortgage loans	11,683,227	–	–	11,683,227
<i>Residential property</i>	9,591,944	–	–	9,591,944
<i>Office and business premises</i>	1,457,404	–	–	1,457,404
<i>Commercial and industrial premises</i>	330,849	–	–	330,849
<i>Other</i>	303,030	–	–	303,030
Total loans (before netting with value adjustments)				
31.12.2019	12,070,547	738,584	3,510,005	16,319,136
31.12.2018	11,796,634	570,717	3,532,518	15,899,869
Total loans (after netting with value adjustments)				
31.12.2019	12,065,623	679,123	3,502,346	16,247,092
31.12.2018	11,794,798	550,286	3,474,276	15,819,360
Off-balance-sheet				
Contingent liabilities	–	108,328	966,945	1,075,273
Irrevocable commitments	–	10,016	736,545	746,561
Obligations to pay up shares and make further contributions	–	–	163,858	163,858
Credit commitments	–	4,824	46,420	51,244
Total off-balance-sheet				–
31.12.2019	–	123,168	1,913,768	2,036,936
31.12.2018	–	87,143	1,634,079	1,721,222
Impaired loans/receivables				
	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
31.12.2019	125,566	48,566	77,000	66,254
31.12.2018	145,432	60,627	84,805	80,509

5.03 Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities)

The parent company figures are identical to the consolidation figures. Please see note 5.03 to the consolidated accounts on page 90.

5.04 Presentation of derivative financial instruments (assets and liabilities)

(in CHF 1,000)

		Trading instruments			Hedging instruments		
		Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Interest rate instruments	Swaps	1,475	1,475	24,448	52,569	188,230	6,984,829
	Options (OTC ¹)	9,335	9,335	91,464	–	–	100,215
Foreign exchange/precious metals	Forward contracts	10,628	10,139	1,687,541	3,101	25,216	1,796,340
	Options (OTC ¹)	556	556	72,648	–	–	–
Total before netting agreements							
31.12.2019		21,994	21,505	1,876,101	55,670	213,446	8,881,384
<i>of which, based on an evaluation model</i>		<i>11,365</i>	<i>11,365</i>	<i>188,560</i>	<i>52,569</i>	<i>188,230</i>	<i>7,085,044</i>
31.12.2018		16,328	15,321	1,673,184	39,635	115,674	7,329,037
<i>of which, based on an evaluation model</i>		<i>8,575</i>	<i>8,575</i>	<i>230,074</i>	<i>26,382</i>	<i>109,393</i>	<i>5,629,624</i>
		Positive replacement values (cumulative)			Negative replacement values (cumulative)		
Total after netting agreements							
31.12.2019		16,756			8,187		
31.12.2018		12,717			4,385		
		Central clearing houses		Banks and securities dealers		Other customers	
Breakdown by counterparty							
Positive replacement values (after netting agreements)		–		1,356		15,400	

¹ Over the counter.

5.05 Breakdown of financial investments

(in CHF 1,000)

	Book value		Fair value	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Debt securities	1,791,865	1,753,005	1,836,852	1,782,845
<i>of which, intended to be held to maturity</i>	1,624,209	1,388,076	1,668,022	1,414,251
<i>of which, not intended to be held to maturity</i>	167,656	364,929	168,830	368,594
Equity securities	126,335	99,113	142,348	107,080
Real estate and vehicles	950	940	950	940
Total	1,919,150	1,853,058	1,980,150	1,890,865
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	1,419,694	1,422,425	1,457,168	1,447,256

Breakdown of counterparties by rating¹

	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated
Debt securities, book value	1,615,156	176,709	–	–	–	–

¹ In accordance with S&P ratings.

5.06 Presentation of participations

(in CHF 1,000)

	Acquisition cost	Accumulated value adjustments and changes in book value (valuation using the equity method)	Book value at previous year end	2019			Book value as at end of current year	Market value
				Additions	Disposals	Depreciation		
Other participations								
With market value	76	–	76	–	–3	–	73	73
Without market value	94,528	–2,895	91,633	1,484	–2,730	–736	89,651	–
Total participations	94,604	–2,895	91,709	1,484	–2,733	–736	89,724	73

5.07 Disclosure of companies in which the Bank holds a permanent direct or indirect significant participation

The parent company figures are identical to the consolidation figures. Please see note 5.07 to the consolidated accounts on page 92.

5.08 Presentation of tangible fixed assets

(in CHF 1,000)

	Acquisition cost	Accumulated depreciation	Book value at previous year end	2019		Book value as at end of current year
				Additions	Depreciation	
Bank buildings	134,444	-46,552	87,892	-	-4,066	83,826
Other real estate	21,802	-8,037	13,765	-	-467	13,298
Proprietary or separately acquired software	21,518	-10,958	10,560	9,640	-6,734	13,466
Other tangible fixed assets	24,812	-15,844	8,968	3,870	-3,404	9,434
Total tangible fixed assets	202,576	-81,391	121,185	13,510	-14,671	120,024

5.09 Presentation of intangible assets

The Bank has no intangible assets recorded on its books.

5.10 Breakdown of other assets and other liabilities

(in CHF 1,000)

	Other assets		Other liabilities	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Changes in replacement values of derivative financial instruments	120,194	64,471	-	-
Interest rate components of financial investments intended to be held to maturity but sold prior to maturity	75	90	23	53
Interest rate components of hedging transactions sold prior to maturity	9,988	17,895	18,368	17,510
Balance of the compensation account, recording valuation adjustments with no impact on the income statement	130,257	82,456	18,391	17,563
Coupons	-	-	50	50
Issuing/borrowing costs of bonds and mortgage-backed bonds of the CLG ¹ to be depreciated	2,273	1,736	-	-
Spread of penalties for early loan repayments	-	-	14,912	11,956
Operation of continuously linked settlement system under way	278,814	228,437	284,067	229,499
Other internal banking transactions	11,656	11,543	3,482	5,821
Indirect taxes	12,854	13,138	5,441	7,858
Total	435,854	337,310	326,343	272,747

¹ The Mortgage Bond Centre of the Swiss cantonal banks.

5.11 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership

The parent company figures are identical to the consolidation figures because only the parent company handles these transactions. Please see note 5.11 to the consolidated accounts on page 93.

5.12 Disclosure of liabilities relating to own pension schemes

The parent company figures are identical to the consolidation figures because only the parent company handles these transactions. Please see note 5.12 to the consolidated accounts on page 93.

5.13 Disclosures on the economic position of own pension scheme

(in CHF 1,000)

a) Employer contribution reserves (ECR)

The BCGE Group has not recorded contribution reserves in its books.

b) Presentation of the economic benefit/obligation of the pension costs

(in CHF 1,000)

	Overfunding/ underfunding at end of current year ¹	Economic interest of the Bank/financial group		Change in economic interest (economic benefit/ obligation) versus previous year	Contributions paid for the current period	Pension expenses in personnel expenses	
		31.12.2019	31.12.2018			31.12.2019	31.12.2018
Pension schemes without overfunding or underfunding	0	–	–	–	14,871	14,969	14,369

¹ The Pension Fund's audited annual accounts as at 31 December 2019 are not available. The surplus is based on the audited financial statements as at 31/12/2018.

The BCGE pension fund is the Group's main pension fund and covers all the employees of the parent company and the Swiss subsidiaries.

5.14 Presentation of issued structured products

No positions were present on the closing date of the financial period under review or the previous financial period.

5.15 Presentation of bonds outstanding and mandatory convertible bonds and central mortgage institution loans

The parent company figures are identical to the consolidation figures because only the parent company issues bonds and only the parent company holds some of its issued bonds. Please see note 5.15 to the consolidated accounts on page 95.

5.16 Presentation of value adjustments and provisions, reserves for general banking risks and changes therein during the current year

(in CHF 1,000)

	Previous year end	Use in conformity with designated purpose	Reclassifications	Currency translation differences	Past due interest, recoveries	New creations charged to income	Releases to income	Balance at current year end
Provisions for default risks	873	–	–	–33	–	–	–260	580
Provisions for other business risks	1,016	–528	–	–	–	613	–	1,101
Other provisions	10,601	–35	–	–	41	–	–98	10,509
Total provisions	12,490	–563	–	–33	41	613	–358	12,190
Reserves for general banking risks	215,000	–	–	–	–	30,000	–	245,000
Value adjustments for default and country risks	80,510	–14,504	–	–578	1,425	8,894	–3,193	72,554
<i>of which, value adjustments for default risks in respect of impaired loans/receivables</i>	<i>80,510</i>	<i>–14,504</i>	<i>–</i>	<i>–578</i>	<i>1,425</i>	<i>2,594</i>	<i>–3,193</i>	<i>66,254</i>
<i>including value adjustments for latent risks</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>6,300</i>	<i>–</i>	<i>6,300</i>

5.17 Presentation of the Bank's capital

The parent company figures are identical to the consolidation figures. Please see note 5.17 to the consolidated accounts on page 96.

5.18 Number and value of equity securities or options on equity securities held by all executives and directors and by employees and disclosures of any employee participation schemes

	Number Equity securities		Value (in CHF 1,000) Equity securities	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Members of the Board of Directors ¹	70	58	14	11
Members of executive bodies ^{2,3}	4,882	7,812	1,044	1,500
Employees ⁴	21,871	17,292	4,343	3,253
Total	26,823	25,162	5,401	4,764

¹ Number of bonus shares issued during the financial period.

² Paid in 2020 on the basis of the 2019 results.

³ Amounts calculated on the basis of a closing share price on 31 December 2019 of CHF 194.5.

⁴ However, the variable remuneration components have not yet been paid to employees who have not been able to exercise their rights.

Please see note 5.18 to the consolidated accounts on page 97.

5.19 Disclosure of amounts due from/to related parties

(in CHF 1,000)

	Amounts due from		Amounts due to	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Holders of qualified participations	102,282	97,462	10,460	48,900
Group companies	730,808	759,882	37,958	29,288
Linked companies	1,489,582	1,538,012	213,083	177,264
Transactions with members of governing bodies	5,900	5,931	2,946	2,657
Other related parties	–	–	45,457	37,773

Due from affiliates are mostly mortgages to property development foundations created under public law of the State of Geneva. Due to affiliates corresponds to the current accounts of these foundations created under public law.

Loans to officers of the Bank are mainly mortgage loans granted to directors and members of the Executive Board. Members of the Executive Board benefit from the same conditions as those granted to the Bank's employees. However, members of the Board of Directors do not benefit from any preferential conditions.

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

5.20 Disclosure of holders of significant participations

The parent company figures are identical to the consolidation figures. Please see note 5.20 to the consolidated accounts on page 98.

5.21 Disclosure of own shares and composition of equity capital

The parent company figures are identical to the consolidation figures. Please see note 5.21 to the consolidated accounts on page 98.

5.22 Disclosures in accordance with the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares¹ and with Art. 663b^{bis} CO

Credits, loans, remunerations and shareholdings of the Board of Directors

	Remuneration (before taxes)			Loans ²	Number of BCGE shares held at 31.12.2019			
	Fixed compensation ³	In locked up shares ^{4,5,7}	Total		Unlocked	Locked up ⁴	Total	By kin
Board of Directors								
Gilbert Probst, Chairman	280,500	32,761	313,261	640,750	24	16	40	40
Jean Olivier Kerr, Deputy Chairman	81,400	11,057	92,457	4,000,000	90	16	106	0
Michel Pasteur, Secretary	105,600	14,158	119,758	0	0	8	8	0
Grégoire Carasso	70,400	10,099	80,499	0	40	52	92	40
Michèle Costafrolaz	126,500	16,871	143,371	0	0	16	16	0
Gina Empson	70,400	10,099	80,499	0	40	52	92	0
Serge Fasel	70,400	9,507	79,907	0	0	8	8	0
Bernard Girod	70,400	9,507	79,907	3,925,000	40	8	48	40
Jean-Marc Mermoud	70,400	10,395	80,795	968,500	40	68	108	0
Angela de Wolff	77,000	11,170	88,170	0	40	68	108	0
John Tracey	77,000	11,170	88,170	1,000,000	80	68	148	40
Total Board of Directors	1,100,000	146,794	1,246,794	10,534,250	394	380	774	160

Previous year	Remuneration (before taxes)			Loans ²	Number of BCGE shares held at 31.12.2018			
	Fixed compensation ³	In locked up shares ^{4,5}	Total		Unlocked	Locked up ⁴	Total	By kin
Board of Directors								
Gilbert Probst, Chairman	280,500	564	281,064	644,000	–	8	8	–
Jean Olivier Kerr, Deputy Chairman	77,290	564	77,854	4,000,000	90	8	98	–
Patrick Mage, Deputy Chairman (until 2.5.2018)	46,463	644	47,107	– ⁶	– ⁶	– ⁶	– ⁶	– ⁶
Michel Pasteur, Secretary (from 2.5.2018)	68,306	–	68,306	–	–	–	–	–
Mourad Sekkiou, Secretary (until 2.5.2018)	22,302	644	22,946	– ⁶	– ⁶	– ⁶	– ⁶	– ⁶
Grégoire Carasso	70,400	1,128	71,528	–	40	40	80	–
Michèle Costafrolaz	116,636	564	117,200	–	–	8	8	–
Gina Empson	70,400	1,128	71,528	–	40	40	80	20
Serge Fasel (from 2.5.2018)	46,257	–	46,257	–	–	–	–	–
Bernard Girod (from 2.5.2018)	46,257	–	46,257	1,550,000	40	–	40	–
Fabienne Knapp (until 2.5.2018)	23,789	631	24,420	– ⁶	– ⁶	– ⁶	– ⁶	– ⁶
Jean-Marc Mermoud	70,400	1,410	71,810	992,500	28	66	94	–
Angela de Wolff	77,000	1,410	78,410	–	28	66	94	–
John Tracey	77,000	1,410	78,410	1,000,000	68	66	134	40
Total Board of Directors	1,093,001	10,097	1,103,098	8,186,500	334	302	636	60

¹ Please see the *Recueil systématique de la Confédération*, code 221.331.

² Maximum limits on Lombard loans, secured with securities or with mortgage guarantees.

³ BCGE directors receive a fixed annual salary plus, in some cases, compensation for their office. The remuneration regulations are applied here. There has been no exception to their principles or procedures.

⁴ There is a moratorium on BCGE shares for a period of five years. This moratorium on sales of shares is lifted in the event of leaving the Bank. BCGE has no stock option plan.

⁵ Amounts calculated on the basis of the price at 12.06.2019 of CHF 198.15, expected value CHF 148.07 (in 2018: price at 12.06.2018 of CHF 188.64, expected value CHF 140.96) for 7.06% of the total value linked to the two preceding plans).

⁶ No longer a member of the Board of Directors at 31.12.2018, so the corresponding number is not stated.

⁷ Amounts calculated on the basis of a closing price at 31.12.2019 of CHF 194.50, expected value CHF 145.34 for 92.94% of the total amount.

Executive Board remuneration, before tax

	Remuneration in cash			Remuneration in shares ^{1,2,3}	Total remuneration	Social security ⁴
	Fixed	Variable ¹	Total	Variable	Total in CHF	Total
Blaise Goetschin, CEO	728,196	821,361	1,549,557	244,898	1,794,455	304,589
Total, Executive Board	2,460,840	2,503,693	4,964,533	673,174	5,637,707	1,097,411
Blaise Goetschin, CEO (previous year)	728,196	735,092	1,463,288	332,656	1,795,944	306,183
Total, Executive Board (previous year)	2,460,342	2,270,020	4,730,362	1,084,102	5,814,464	1,100,086

The members of the Executive Board remitted their director's fees to BCGE as follows

Blaise Goetschin, CEO	88,743.50
Eric Bourgeaux, CFO	28,121.45
Total, Executive Board	116,864.95
Blaise Goetschin, CEO (previous year)	81,571
Total, Executive Board (previous year)	111,190

Number of shares held by members of the Executive Board or their kin and loans granted

	Number of shares locked up during the 2019 financial year			Number of BCGE shares held at 31.12.2019				Loans granted ⁷
	Free		Purchased ⁶	Unlocked	Locked	Total	By kin	
	Unconditional	Conditional ⁵						
Blaise Goetschin, CEO	1,069	824	414	5,114	11,811	16,925	40	130,000
Eric Bourgeaux				2,842	11,248	14,090	64	400,000
Pierrette Jaton Klopfenstein				50	810	860	0	350,000
Pierre-Olivier Fragnière				0	7,232	7,232	0	300,000
Jean-Marc Joris				0	2,403	2,403	0	193,000
Yves Spörri				396	1,363	1,759	0	635,000
Total, Executive Board	2,770	2,112	1,064	8,402	34,867	43,269	104	2,008,000
Blaise Goetschin, CEO (previous year)	1,724	796	400	5,316	10,057	15,373	40	130,000
Total, Executive Board (previous year)	5,348	2,464	1,244	9,122	29,241	38,363	120	1,865,000

¹ Paid in 2020 on the basis of 2019 results.

² Shares subject to a 5 to 10-year moratorium, on the basis of the closing price (expected value) as at 31.12.2019. BCGE does not allocate stock options.

³ Amounts calculated on the basis of a closing price of CHF 194.50 on 31.12.2019 (expected value).

⁴ Cumulative amount of social insurance and pension fund contributions; projected figures based on total remuneration.

⁵ Bonus shares received by the Executive Board, conditional on the simultaneous acquisition of shares at market price.

⁶ Shares subject to moratorium acquired at the market price within the participation programmes.

⁷ Maximum limits on Lombard loans, secured with securities or with mortgage guarantees.

The principles of remuneration are explained on pages 59 to 61. No indemnity was paid indirectly to the members of the Executive Board. No indemnity was paid directly or indirectly, in 2019, to former members of the Board of Directors or to any person in close relationship with the members of the Board of Directors or the Executive Board.

At 31.12.2019, no indemnities not complying with market practices were awarded to any person in close relationship with the members of the Board of Directors or the Executive Board.

At 31.12.2019, no outstanding credits or loans not complying with market practices were awarded to any person in close relationship with the members of the Board of Directors or the Executive Board.

5.23 Presentation of the maturity structure of financial instruments

(in CHF 1,000)

	Due							Total
	At sight	Cancellable	Within 3 months	Within 3 to 12 months	Within 12 months to 5 years	After 5 years	No maturity	
Assets/financial instruments								
Liquid assets	4,728,102							4,728,102
Amounts due from banks	142,708	–	243,472	92,597	559,432	70,873	–	1,109,082
Amounts due from securities financing transactions	–	–	–	–	–	–	–	–
Amounts due from customers	1,321,008	131,372	1,164,956	283,327	879,877	788,249	–	4,568,789
Mortgage loans	15,178	2,148,185	639,950	643,639	3,095,013	5,136,338	–	11,678,303
Trading portfolio assets	50,579	–	–	–	–	–	–	50,579
Positive replacement values of derivative financial instruments	16,756	–	–	–	–	–	–	16,756
Financial investments	126,403	–	39,298	188,431	788,336	775,800	882	1,919,150
Total								
31.12.2019	6,400,734	2,279,557	2,087,676	1,207,994	5,322,658	6,771,260	882	24,070,761
31.12.2018	4,902,365	2,105,896	2,976,437	1,068,174	4,633,858	6,633,002	910	22,320,642
Debt capital/financial instruments								
Amounts due to banks	1,010,198	77,351	1,465,039	702,388	4,000	–	–	3,258,976
Liabilities arising from securities financing transactions	–	–	501,390	43,372	–	–	–	544,762
Amounts due in respect of customer deposits	8,641,185	5,195,046	660,297	360,233	1,927	–	–	14,858,688
Trading portfolio liabilities	1,159	–	–	–	–	–	–	1,159
Negative replacement values of derivative financial instruments	8,187	–	–	–	–	–	–	8,187
Cash bonds	–	–	500	580	1,020	80	–	2,180
Bond issues and central mortgage institution loans	–	–	210,565	120,000	749,000	2,937,290	–	4,016,855
Total								
31.12.2019	9,660,729	5,272,397	2,837,791	1,226,573	755,947	2,937,370	–	22,690,807
31.12.2018	9,229,109	5,127,853	2,442,479	873,719	602,568	2,733,853	–	21,009,581

5.24 Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle

(in CHF 1,000)

	2019		2018	
	Switzerland	Foreign	Switzerland	Foreign
Assets				
Liquid assets	4,717,418	10,684	3,385,558	15,324
Amounts due from banks	148,902	960,180	249,938	874,700
Amounts due from securities financing transactions	–	–	49,205	–
Amounts due from customers	3,015,827	1,552,962	3,079,787	1,351,904
Mortgage loans	11,323,580	354,723	11,033,050	354,619
Trading portfolio assets	50,579	–	60,782	–
Positive replacement values of derivative financial instruments	15,092	1,664	10,629	2,088
Financial investments	1,413,162	505,988	1,314,067	538,991
Accrued expenses and deferred income	25,959	–	26,420	–
Participations	57,589	32,135	56,841	34,868
Tangible fixed assets	120,024	–	121,185	–
Other assets	435,854	–	337,310	–
Total assets	21,323,986	3,418,336	19,724,772	3,172,494
Liabilities				
Amounts due to banks	1,259,119	1,999,857	953,560	1,575,285
Liabilities from securities financing transactions	544,762	–	157,696	323,390
Amounts due in respect of customer deposits	11,777,207	3,081,481	11,572,610	3,006,481
Trading portfolio liabilities	1,158	1	2,379	–
Negative replacement values of derivative financial instruments	1,610	6,577	2,792	1,593
Cash bonds	2,143	37	2,468	72
Bond issues and central mortgage institution loans	4,016,855	–	3,411,255	–
Accrued expenses and deferred income	111,004	–	96,423	–
Other liabilities	326,343	–	272,747	–
Provisions	12,190	–	12,490	–
Reserves for general banking risks	245,000	–	215,000	–
Bank's capital	360,000	–	360,000	–
Statutory capital reserve	310,890	–	310,890	–
Statutory retained earnings reserve	604,568	–	553,934	–
Own shares	–12,593	–	–13,132	–
Profit carried forward/loss carried forward	957	–	1,369	–
Profit/loss (result of the period)	93,156	–	77,964	–
Total liabilities	19,654,369	5,087,953	17,990,445	4,906,821

5.25 Breakdown of total assets by country or group of countries (domicile principle)

(in CHF 1,000)

	2019		2018	
	Absolute	% of equity	Absolute	% of equity
Assets				
Europe • France	1,624,132	6.5	1,637,255	7.2
• Luxembourg	191,271	0.8	203,788	0.9
• Germany	171,070	0.7	163,389	0.7
• Netherlands	143,288	0.6	75,363	0.3
• United Kingdom	91,738	0.4	128,432	0.6
• Other European countries	344,254	1.4	283,224	1.2
Singapore	135,404	0.5	97,108	0.4
United Arab Emirates	123,615	0.5	109,359	0.5
United States and Canada	139,216	0.6	135,802	0.6
Others	454,348	1.8	338,774	1.5
Assets held abroad	3,418,336	13.8	3,172,494	13.9
Switzerland	21,323,986	86.2	19,724,772	86.1
Total assets	24,742,322	100	22,897,266	100

5.26 Breakdown of total assets by credit rating of country groups (risk domicile view)

(in CHF 1,000)

	Net foreign exposure/ current year end	
	Absolute	% of equity
Rating category (according to SERV, Swiss insurance against export risks)		
0/Hi	2,203,386	77.4
1	5	0.0
2	208,510	7.3
3	47,037	1.7
4	58,034	2.0
5 and 6	168,787	5.9
7	4,278	0.2
Without rating	156,280	5.5
Total	2,846,317	100.0

The SERV rating is recognised by FINMA.

5.27 Presentation of assets and liabilities broken down by the most significant currencies for the Bank

(in CHF 1,000)

	Currencies					
	CHF	EUR	USD	GBP	OTHER	METALS
Assets						
Liquid assets	4,661,527	61,444	3,305	580	1,246	–
Amounts due from banks	73,028	666,377	298,720	12,087	19,032	39,838
Amounts due from securities financing transactions	–	–	–	–	–	–
Amounts due from customers	2,111,417	989,326	1,433,286	16,407	18,353	–
Mortgage loans	11,523,145	149,321	5,837	–	–	–
Trading portfolio assets	27	–	–	–	727	49,825
Positive replacement values of derivative financial instruments	16,756	–	–	–	–	–
Financial investments	1,506,108	304,821	100,963	2,699	4,559	–
Accrued income and prepaid expenses	25,959	–	–	–	–	–
Participations	87,709	1,848	167	–	–	–
Tangible fixed assets	120,024	–	–	–	–	–
Other assets	156,912	9,617	269,240	–	85	–
Total assets shown in balance sheet	20,282,612	2,182,754	2,111,518	31,773	44,002	89,663
Delivery entitlements from spot exchange, forward forex and forex options transactions	591,538	1,189,134	1,543,203	132,460	39,180	24,690
Total assets	20,874,150	3,371,888	3,654,721	164,233	83,182	114,353
Liabilities						
Amounts due to banks	461,377	1,041,367	1,668,739	17,469	6,277	63,747
Liabilities from securities financing transactions	200,000	151,802	192,960	–	–	–
Amounts due in respect of customer deposits	12,014,525	1,516,747	1,177,799	77,812	45,855	25,950
Trading portfolio liabilities	235	197	714	13	–	–
Negative replacement values of derivative financial instruments	8,187	–	–	–	–	–
Cash bonds	2,180	–	–	–	–	–
Bond issues and central mortgage institution loans	4,016,855	–	–	–	–	–
Accrued expenses and deferred income	111,004	–	–	–	–	–
Other liabilities	325,384	783	111	–	65	–
Provisions	12,190	–	–	–	–	–
Reserves for general banking risks	245,000	–	–	–	–	–
Bank's capital	360,000	–	–	–	–	–
Statutory capital reserve	310,890	–	–	–	–	–
Statutory retained earnings reserve	604,568	–	–	–	–	–
Own shares	–12,593	–	–	–	–	–
Profit carried forward/loss carried forward	957	–	–	–	–	–
Profit/loss (result of the period)	93,156	–	–	–	–	–
Total liabilities shown in the balance sheet	18,753,915	2,710,896	3,040,323	95,294	52,197	89,697
Delivery obligations from spot exchange, forward forex and forex options transactions	2,143,905	663,335	611,467	68,727	29,902	24,690
Total liabilities	20,897,820	3,374,231	3,651,790	164,021	82,099	114,387
Net position per currency	–23,670	–2,343	2,931	212	1,083	–34

5.28 Breakdown and explanation of contingent assets and liabilities

(in CHF 1,000)

	2019	2018
Guarantees to secure credits and similar	19,161	19,530
Guarantees to provide guarantees and similar	78,247	55,713
Irrevocable commitments arising from documentary letters of credit	977,165	784,321
Other contingent liabilities	700	700
Total contingent liabilities	1,075,273	860,264

Irrevocable commitments are linked mainly with the trade finance credit business and with commodities pricing.

5.29 Breakdown of credit commitments

The parent company figures are identical to the consolidation figures. Please see note 5.29 to the consolidated accounts on page 103.

5.30 Breakdown of fiduciary transactions

The parent company figures are identical to the consolidation figures. Please see note 5.30 to the consolidated accounts on page 103.

5.31 Breakdown of managed assets and presentation of their development

In accordance with FINMA circular 15/1 margin no. 229, the Bank is not obliged to publish these notes.

5.32 Breakdown of the trading activities results and the fair value option

(in CHF 1,000)

Trading result from	2019	2018
Interest rate instruments (including funds)	1,676	290
Equity securities (including funds)	1	-88
Currencies	29,462	28,923
Commodities/precious metals	451	252
Total trading income	31,590	29,377

5.33 Disclosure of material refinancing income under the item *Interest and discount income* as well as material negative interest

The parent company figures are identical to the consolidation figures. Please see note 5.33 to the consolidated accounts on page 104.

5.34 Breakdown of personnel expenses

(in CHF 1,000)

	2019	2018
Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits)	109,172	106,449
<i>of which, expenses relating to share-based compensation and alternative forms of variable compensation</i>	<i>5,857</i>	<i>4,201</i>
Social insurance benefits	25,873	24,900
Other personnel expenses	3,843	3,246
Total personnel expenses	138,888	134,595

5.35 Breakdown of general and administrative expenses

(in CHF 1,000)

	2019	2018
Office space expenses	8,315	8,418
Expenses for information and communications technology	34,649	32,511
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	196	108
Fees of audit firms ¹	1,319	1,534
<i>of which, for financial and regulatory audits</i>	<i>908</i>	<i>1,048</i>
<i>of which, for other services</i>	<i>411</i>	<i>486</i>
General and administrative expenses	40,617	40,163
Total other operating expenses	85,096	82,734

¹ Including the fees of audit companies other than the Auditors.

5.36 Explanations regarding material losses, extraordinary income and expenses, as well as material releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required

The parent company position is identical to that for the Group. Please see note 5.36 to the consolidated accounts on page 104.

5.37 Disclosure of and reasons for revaluations of participations and tangible fixed assets up to the acquisition value

The Bank has not revalued its participations or tangible assets.

5.38 Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment

BCGE is not operationally domiciled in foreign countries. All its profits are generated in Switzerland.

5.39 Presentation of current taxes, deferred taxes, and disclosure of tax rate

(in CHF 1,000)

	Rate in % ¹	2019	Rate in % ¹	2018
Current taxes	21.6%	33,995	21.2%	30,337
		33,995		30,337

¹ Weighted average rate used, on the basis of the operating result.

5.40 Disclosures and explanations of the earnings per equity security

Please see note 5.40 to the consolidated accounts on page 106.

Proposed appropriation of available earnings (in CHF 1,000)

At the General Meeting, to be held on 5 May 2020, the Board of Directors will propose a dividend of 7.5% (2018: 6.8%). The amount available to the General Meeting to distribute is as follows:

	31.12.2019	31.12.2018
Result of the period	93,156	77,964
Profit brought forward from the prior year	957	1,369
Release from the capital contribution reserve ¹	6,840	–
Total available to the General Meeting	100,953	79,333
Dividend of 1.9% ¹	6,840	–
Dividend of 3.1% (2018: 5%)	11,160	18,000
Dividend additional of 2.5% (2018: 1.8%)	9,000	6,480
Special allocation to the State of Geneva (20% of the dividend paid)	5,400	4,896
Total distributed	32,400	29,376
Allocation to the legal reserve resulting from the earnings	61,000	49,000
Other allocation to the legal reserve resulting from the earnings	6,840	–
Profit brought forward	713	957

¹ Tax exempt

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