



dialogue

the Banque Cantonale de Genève magazine | Summer 2018

Discovering animals
in Geneva's architecture

BCGE hosts
the 111th General Assembly
of the Association of
Swiss Cantonal Banks (ASCB)
in Geneva

The silk roads:
2,500 years of history



PRIX DE L'ÉCONOMIE
GENEVOISE
2017



A BANK THAT TARGETS THE PROTECTION OF YOUR FREE TIME AND YOUR ASSETS.

At the side of individuals and families
with attention, rigor and responsiveness.

- Private banking
- Secured savings
- Pension funds
- Estate planning
- Mortgage finance





Blaise Goetschin
CEO

Maximising equity portfolio performance: discourse on method

For the most simplistic wealth managers, investing in equities is a mere formality: just choose an index, then replicate it in the portfolio. A low-cost solution, because it does not need much work. A correct solution policy-wise, because it shelters the manager from potential criticism from failing to match the index. An ideal solution for robotic management, because artificial intelligence favours the law of least effort.

For more exacting investors, only painstaking and disciplined screening will produce a selection of better-performing equities. This filtering is done through a top-down approach, working from the general to the particular, from global economic analysis to a one-by-one review of each issuing company on public capital markets or companies that tap into the private equity market. When it comes to global analysis, underlying structural trends are pinpointed that are thought to favour particular sectors or management styles. The propensity of different national economies or certain blocs to experience growth in their domestic products, population trends, shifting habits and modes of consumption, distortions wrought by abrupt technological change will throw up the most promising themes at worldwide level to be locked onto and highlight those cyclical economic factors to be keyed into. Understanding the background and environment in which the chosen companies operate is a first step towards their selection. Understanding their life cycles, resurrection or premature disappearance is just as crucial.

By way of illustration, the oldest stock market index, the Dow Jones Industrial Average, devised by journalists Dow and Jones and published since 1896, sees the best companies added, while those losing ground are struck off. General Electric, which had belonged to the panel of 30 shares since 1907, has in fact just lost its place in this prestigious circle, replaced by Walgreen Boots, a chain of pharmacies. Before it, AT&T in 2015, Hewlett Packard, Alcoa and Bank of America in 2013 and General Motors in 2009 had also been evicted and replaced, in order, by the likes of Apple, Visa, Nike, Goldman Sachs, Cisco, etc. With General Electric's departure, not one company included in the index when it was founded still features on the list today¹. What lessons should we learn from this? Just like us, companies get old. They may not all be mortal, but anticipating the fate of each of them in a portfolio has a fundamental bearing on how that portfolio performs.

In this search for the weakest shares, there is no magic formula. The best practice is built on a number of converging methods. First of all, we must draw upon the finest analysts, those who focus on the major markets – American, European and Asian – as well as those specialising in the major sectors – industrials, financials, technology, to name just a few. An analyst specialising in biotechnology on the US market is hardly likely to be a connoisseur of flagship Japanese large caps. Open architecture can draw on such a broad range of local and decentralised knowledge. This approach does involve somewhat higher costs, but, by the same token, it achieves far superior performance. Is it really a good idea to save the cost of a skilled guide when we visit a town we are unfamiliar with?

We must also review at one and the same time the relevant financial parameters but also quality criteria: managers' profiles, the social responsibility of the business, the backing of its staff and stakeholders for the company's strategy are just a few examples. ►

¹ Because of its imperfect method of calculation, the DIJA has since been rounded out by the S&P 500.

Contents

Geneva economic dashboard	2
Geneva, culture and society	
Discovering animals in Geneva's architecture	4
Geneva, a business in action	
Blanchisserie du Léman, an ultra-modern and responsible laundry business	6
Geneva, a local authority in action	
Strong economic and population growth in Lancy	8
Geneva	
Florissant	
The financial solution on your doorstep	11
News	
BCGE awards its Economics Prizes	12
BCGE hosts ASCB's 111 th General Assembly	14
BCGE's Annual General Meeting	16
BCGE CEO re-elected as Chair of the CLG	18
A Geneva tram in the colours of BCGE	18
<i>Invest in the Economy, Not the Stock Market</i>	18
BCGE's sports ambassadors	19
The <i>Journées Européennes des Métiers d'Art</i> 2018	19
The <i>Prix de l'Artisanat</i> 2018	20
Capital Transmission SA celebrates its 10-year adventure	21
Private Banking International	22
International	
The silk roads	24
Investments	
Synchrony Guardian	25
Success	
Women who scale the heights	26
Economy	
Swiss banks whose growth has gone unnoticed	28
Innovation and digitalisation	
Focus on two studies	29
A book worth reading	29

Credits

Publisher: Banque Cantonale de Genève,

Communications & Investor Relations Department.

Editor: Héliène De Vos Vuadens.

Coordination: Olivier Schaeffer (olivier.schaeffer@bcge.ch).

Address of the Editorial Board and subscriptions department:

Banque Cantonale de Genève, Communications

Quai de l'Île 17, PO Box 2251 – 1211 Geneva 2

Tel. 022 809 31 85 – dialogue@bcge.ch.

Print run: 34,400 copies.

Creation and graphic design: Alternative.ch.

Printed by: ATAR Roto Presse SA.

Copyright: Articles may not be reproduced either in whole or in part without the publisher's consent.

Photos and illustrations: Alternative communication, Miguel Bueno, istockphoto, Claude Laffely, OSE, Thierry Parel, Xavier Pintado, Eric Roset, Philippe Schiller, Nicolas Spuhler, Studios Casagrande, Loris Von Siebenthal.

Translation: Trans-Adapt SàRL, Danielle Van Uchellen.

"The opinions expressed in this magazine are not necessarily those of the publisher."

"Information contained in this document is based on reliable sources, but is not binding on Banque Cantonale de Genève."

Editorial (continued)

Last but not least, systematic centralised management makes it possible to respond swiftly to information received in order to rebalance positions, involving both increases and reductions, through adopting a disciplined approach. That management quality must always be recognised by a quality standard (such as GIPS®). These criteria are likewise fully applicable to the private equity segment of any truly comprehensive equity portfolio.

“(…) Second thoughts tend to be clearer than the first”¹. A shrewd investor will therefore ask searching questions of his banker about his investment philosophy and, more specifically, about the way in which he picks shares. He will make sure his manager does indeed

put ‘promises’ into effect on a daily basis through centralised management governed by a quality standard. It is only in such an organised and methodical framework that his portfolio will be able to take on board up-and-coming businesses and divest in good time those that have turned into sleeping beauties. ■

Blaise Goetschin
CEO

¹ DESCARTES René, 1648. *Letter to Mr Chanut*.

Geneva economic dashboard

Economic situation for the current year and forecasts

Forecasts

Macroeconomy	GDP		Inflation		Unemployment rate	
	2018	2019	2018	2019	2018	2019
Switzerland	2.2%	1.8%	1.1%	0.9%	2.6%	2.6%
Geneva	2.6%	1.9%	1.1%	0.9%	4.7%	4.9%
Eurozone	2.4%	2.2%	1.8%	1.6%	8.0%	7.6%
United States	2.6%	2.2%	2.4%	2.4%	3.8%	3.9%

Official interest rates	24.07.18	3 months	12 months	18 months
Switzerland	-0.75%	-0.75%	-0.50%	-0.25%
Eurozone	0.00%	0.00%	-0.20%	0.00%
United States	2.00%	2.40%	2.75%	3.00%

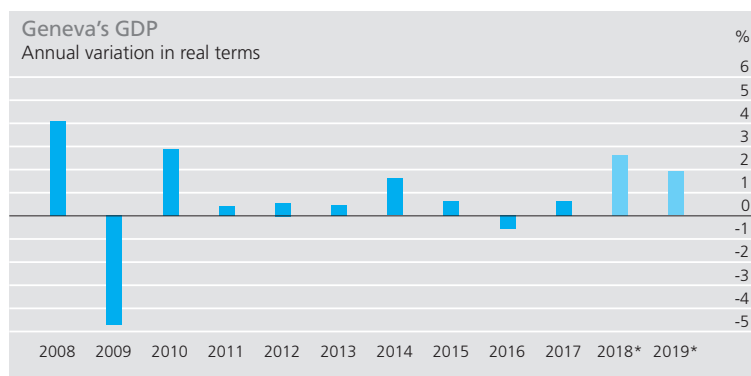
10-year interest rates	24.07.18	3 months	12 months	18 months
Switzerland	0.0%	0.1%	0.5%	0.7%
Eurozone	0.3%	0.4%	1.2%	1.7%
United States	2.8%	2.9%	3.1%	3.0%

Forex and oil	24.07.18	3 months	12 months	18 months
EUR/CHF	1.16	1.17	1.20	1.20
USD/CHF	1.00	0.98	0.96	0.96
EUR/USD	1.16	1.20	1.25	1.25
Crude oil – Brent (USD/barrel)	73	70	65	65

Source: Thomson Reuters & BCGE

Strong recovery of Geneva's economy

Good weather forecast for the Geneva economy. After a warm spring (strongest quarterly growth since the beginning of 2010), the economic climate is particularly sunny for Geneva, even more so than for the rest of Switzerland. This is explained by the good health of practically all sectors, in particular finance, business services, watchmaking and trade. The canton also benefited from the renewed strength of Asian demand, on which Geneva's exports, particularly watches and jewellery, are heavily dependent. GDP should thus increase by 2.6% in 2018 in Geneva, which is higher than Switzerland (2.2%).

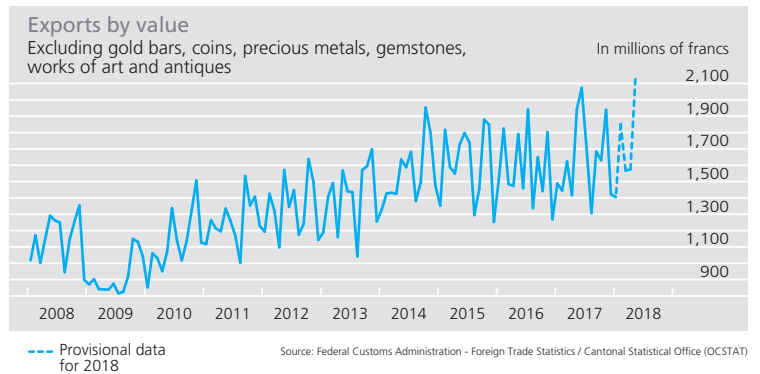


*BCGE forecasts

Source: BCGE for forecasts, Créa for historical data

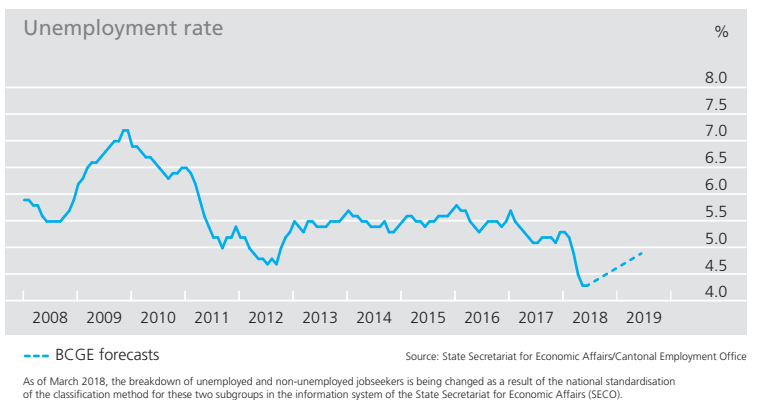
Surge in exports

Sustained growth in both developed and emerging countries benefits the canton, which is strongly oriented towards foreign markets. Thus, the value of exports of goods from Geneva to foreign countries is showing strong growth: 11.3% from February to April compared to the corresponding period of the previous year (excluding gold bars, coins, precious metals, gems, works of art and antiques). The three main categories of goods, which account for more than 90% of the canton's exports, recorded substantial growth: watch-making +11.3%, jewellery +9.6% and chemicals +8.5%.



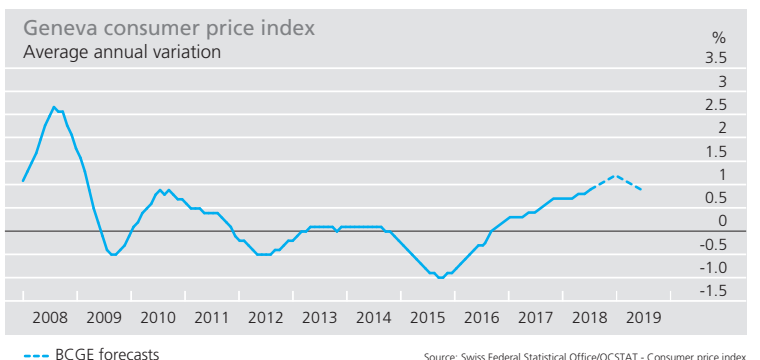
Employment benefits from the upturn

Employment has benefited from this upturn in activity, with faster growth in Geneva than in Switzerland. As for unemployment, it has been falling since the beginning of the year, with a particularly sharp decline in the second quarter. While in January and February, more than 12,000 people were unemployed in Geneva, this number remained close to the 10,000 mark between April and June (10,117 in June, i.e. 4.3%). This decline is visible in all age categories, particularly among those under 25 (634 in June compared to 860 in January) and among seniors (1,854 compared to 2,198 among those aged 50-59 and 540 compared to 622 among those over 60). It should be noted, however, that a change in the March statistical survey at the Swiss level may have an influence on comparisons.



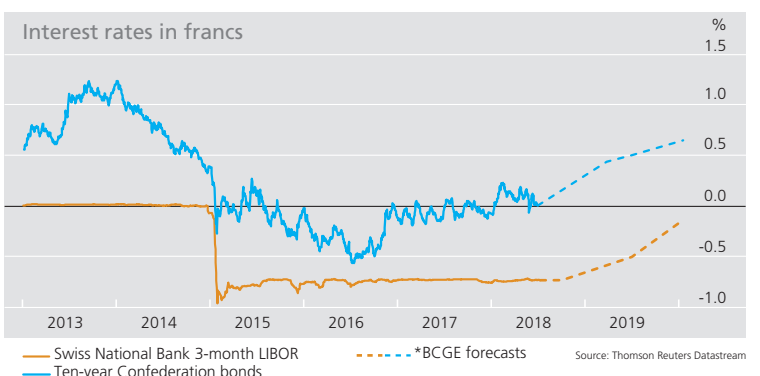
No inflationary (or deflationary) pressure

Admittedly, inflation in Switzerland reached 1% in May, its highest level since 2011. But this increase largely reflects the sharp rise in oil prices observed since June 2017. This baseline effect on energy should keep inflation above 1% until November or December. However, there is no inflationary pressure, as the underlying version of this rate reveals. Conversely, there is currently no deflationary risk, unless there is a currency or oil shock, a scenario considered unlikely. In Geneva, the consumer price index increased by 1.4% between June 2017 and June 2018, bringing the average annual variation to 0.9%.



Interest rates will remain low

The distance between the United States and Europe has widened, at least in terms of monetary policies, and therefore interest rates. The US Federal Reserve has once again raised its interest rate, which does not come as a surprise given the rise in inflation. For its part, the European Central Bank announced the end of its quantitative easing programme, but at the same time stated that no increase in key rates would be envisaged before the summer of 2019. In this context, the Swiss National Bank should maintain its low interest-rate policy. Long rates should therefore only rise gradually, and without significant impact, which will also apply to the mortgage market. ■



BCGE Asset Management

Discovering animals in Geneva's architecture



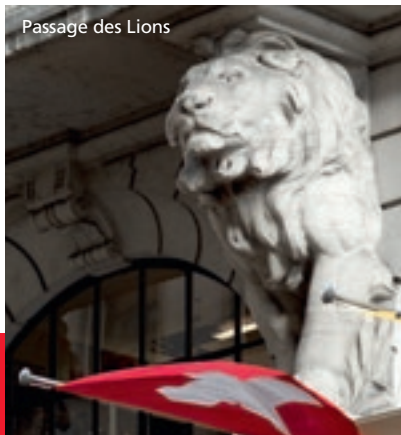
Parc des Bastions

Many animals have been engraved, sculpted or painted. On foot or bike, let's venture into the city and canton to seek out eagles, pelicans, lions, snakes, dolphins and even pigs.

Did you know that three little sculpted pigs can be seen traipsing over St Peter's Cathedral? You can spot them when you stand with your back to the Rue du Soleil Levant and look up some four metres above ground level at the outer wall of the Chapel of the Maccabees. What are they doing there? Some think the reason may be to reflect the humble origins of the cardinal who commissioned the building of this funeral chapel in the late 14th century. That is supposedly also why other peasant images are represented here. "Absolutely not", counters Evelyn Riedener, a heritage guide who organises themed visits intended especially for Genevans and has worked on restoration of the cathedral. "This motif in fact represents an old farming practice of sending pigs out to rootle around wherever they can feed on acorns. This scene that was often represented in the Middle Ages symbolises an autumn month, probably November."

A little further on, still on the Cathedral, we can make out a bird that is not an eagle, as people believed for a long time, but a pelican feeding its chicks, an illustration from a passage in the Bible. But maybe you prefer more majestic animals? You will be well served by lions, of which there are plenty in the old city. On the many door knockers, fountains, cannons or statues such as those decorating the lower part of the double flights of steps leading up to the Palais Eynard and giving access to the garden, at the very heart of the Parc des Bastions. The king of animals is, of course, a symbol of power, but also figures on some coats of arms, including the Duke of Brunswick's. Hardly surprising therefore that two imposing stone lions guard the entrance to the monument of the same name, built in 1877, but replicating a mausoleum from 14th century Verona, which explains its unusual architecture on the banks of Lake Geneva.

"The eagle naturally figures prominently in Geneva's architecture. It can be seen in several different places. Examples include two huge bronze figures of this emblem of Geneva towering over the gateway to the Parc des Bastions since 1885."



Passage des Lions



Maison des Paons (peacocks)



Hotel de la Cigogne (stork)

Two stone lions can also be admired at the entrance to the Passage des Lions, projecting from the wall and holding up a balcony. They have stood here since 1911 when this gallery was inaugurated with 34 luxury shops at the time. These are majestic replicas of the little sculpted lions that once stood on a nearby house. The passageway had in fact been built on the site of the much older Hôtellerie du Lion-d'Or.

The eagle naturally figures prominently in Geneva's architecture. It can be seen in several different places. Examples include two huge bronze figures of this emblem of Geneva towering over the gateway to the Parc des Bastions since 1885. This park was one of the first public gardens designed from the outset to be open to the general public (1726). Less visible, it can also be found in the form of three little eagles decorating the façade of the Maison Tavel. This is the coat of arms of the Tavels, one of the oldest and most distinguished burgher families of Geneva in the days of the Prince-Bishops. Between the late 13th and 16th centuries, this family owned the house of the same name, situated opposite the cannons. Apart from this building, the Tavels also built a chateau at Vengeron, which is why Bellevue local authority has incorporated these three eaglets into its coat of arms.

Peacocks and Pan

Still in the realm of the birds, let us now move on to Number 7, Avenue Pictet-de-Rochemont where the Maison des Paons (lit. The House of Peacocks) faces Number 8, known as the Maison des Pans (lit. The House of Pans). As the intriguing leaflet published by Pro-Vélo entitled *Le Bestiaire medieval et la littérature* ("The Medieval Bestiary and Literature"), which suggests taking a cultural tour of the city by bike, tells us: "This is in fact an allusion made by the architects to a play on words: the bevelled corners of the two buildings face one another, forming a gabled section ("*pan coupé*" in French). One building has been dedicated to peacocks (the French word for which is "*paon*", close in pronunciation to the word '*pan*') and the other to the god Pan". Dating from 1902 and 1903, these fine examples of Art Nouveau in Geneva depict the bird displaying its fantail above the doors at the corner of the first building, while the two heads of the goat-horned Pan can be admired on the second.

Another bird we can find is the duck painted below the roof of the Tour du Molard. It is part of a whole frieze of escutcheons on the tower recounting the story of Geneva, featuring the black two-headed eagle, the red lion which belongs to Farrel, a hand holding a heart (Calvin) and this odd little white duck bobbing along on white waves. The latter depicts Mayor Jean Canal, a hero who fell on the night of the *Escalade*, as we learn from an article published in the *Journal de Genève* in 1907.

Turning now to statues, we find plenty of horses, generally accompanied or ridden by a human being, the most famous probably being the equestrian statue of General Dufour (1884). But there are also the two monumental equestrian figures in Estavayer sandstone looking out over the River Rhône on the Quai Turetini. One is mounted by a man holding an eagle to represent Geneva, while the other horse is being ridden side-saddle by a woman with a dove as an emblem of peace. That symbol is particularly important since these statues were created by Frédéric Schmied in 1939.

Calvin's owl

Look closely and you can also admire the snake on the fountain on the Saint-Léger Bridge, the dolphins on the fountain in the Place du Grand-Mézel, the weasel on the pedestal of the statue of Philibert Berthelier (because this hero and martyr of Geneva's independence was said to have always carried one of these animals around in his pocket), the owl on the Collège Calvin building (this symbol of wisdom was erected in 1959 to mark the educational establishment's 400th anniversary), the bronze heron by Geneva artist Robert Hainard in front of the Natural History Museum, and a thousand and one other little treasures.

Geneva's suburbs and surrounding villages too have plenty more examples, with the many sculptures by Hainard, including the bear at Les Eaux (Onex), the young wild boar at Jussy, the lynx at Compesières, the capercaillie at Collex-Bossy or the fox in Bernex. While, on a local roundabout at Satigny, an artist has built a wooden statue depicting the different kinds of animals that thrive in the canton's woods. You need only travel a little further on to admire some of them in real life. ■

Aline Yazgi

Lighting up the fauna

Animals are also present in intangible form in our city. For some months now, passers-by have had an opportunity to admire an unusual carnival of animals on Carouge's walls and facades at nightfall. This "strange fauna", to borrow the name of this artistic creation, "*Drôle de faune*", consists of gigantic luminous projections of several species of animals that live in the wild on the territory of our canton: foxes, squirrels, robins, snails, etc. These poetic creatures are part of the Carouge Lighting Plan which seeks to provide unobtrusive ambient lighting and enhances the town, while making it easier for people to find their way around with these nocturnal landmarks to guide them. Perhaps in the not too distant future, people will no longer arrange to meet at the gym on the Avenue de la Praille, but under the giant rabbit instead...



Blanchisserie du Léman, an ultra-modern and responsible laundry business

Blanchisserie du Léman, the only firm in this sector to be wholly owned by Genevans, was founded in October 2011 by Denis Mauvais, former boss of the En 5 sec dry-cleaning firm, and Christian Pittet, former Director of the Epinettes laundry, in partnership with Claude Miffon. Benefiting from over 30 years' experience of its directors and its investment in high-performance machinery, this business soon became one of the major players on the Geneva market.

Blanchisserie du Léman supplies a full range of laundry services as well as hiring out table, bathroom and bed linen. Its operational services include sorting and washing linen, calendering (drying and ironing), folding and dispatching, together with a delivery service. Its clientele consists of leading Geneva hotels and restaurants, prestigious private clinics and health- and social-care establishments serving the French-speaking part of Switzerland. The proximity of the business to its clients makes

for attentive service and a rapid response. Denis Mauvais, the Managing Director, points out that the exceptional quality of the work undertaken by Blanchisserie du Léman is down to its employees' skills. The business comprises two separate washing loops for hotels and hospitals. Bacteriological checks are made regularly with the best possible disinfection of the machinery.

“We match prices while focusing on quality and proximity”

Denis Mauvais, Managing Director

High-performance machinery

Based in Satigny, the company covers a floor area of 3,000 m², which has been expanded since its creation. Industrial premises for this particular business sector must be able to bear the heavy floor loads of an industrial laundry. Christian Pittet, the Sales Director, points out that the business processes between 18 and 20 tonnes of laundry every day. The business is equipped with top-of-the-range industrial machinery. These highly sophisticated facilities make for excellent all-round productivity.

A responsible employer

Blanchisserie du Léman has 60 employees, two-thirds of them women. It is keen to respect the principle of equal pay for men and women. In addition, employees only work in the daytime, with working hours between 7 am and 4 pm. The company trains young people and welcomes many new trainees each year. The business is currently in the process of undergoing certification to qualify for the *1+ pour tous* label, developed in 2015 under the aegis of Councillor of State Mauro Poggia. This award is granted to businesses that play an active part in taking on unemployed persons living in the Canton of Geneva. It was set up to make the return to work easier for those suffering discrimination on the jobs market because of their age, a disability, a voluntary career break or a protracted period of unemployment.

The business is able to count on the loyalty of its staff, some of whom have been known to managers for more than twenty years. Management is very accessible and creates the right climate and working conditions, doing everything possible to meet its employees' wishes. It helps and supports them with many different procedures. In future, Blanchisserie du Léman intends to focus on projects for development and quality improvement. Work will be undertaken to make the premises more pleasant for employees.

Constant concern for the environment

Ultra-modern infrastructure enables environmental optimisation measures to be taken, notably to ensure efficient energy use on the premises, which bring substantial savings of water and electricity. The business has been commended by Geneva Industrial Services (SIG) for its energy efficiency as compared to average figures for laundries measured in the course of a study by France's Environment & Energy Management Agency (ADEME), together with the *Institut de recherche sur l'entretien et le nettoyage* (French research institute for maintenance and cleaning) covering 67 industrial laundries. Blanchisserie du Léman is one of the companies with the highest performance in its category and benefits from an exemption from the tax on CO₂ emissions. The quality strategy involves making discriminating product choices. The company has qualified for all the existing labels covering both equipment and detergent products. It was one of the first Swiss companies to be awarded the *Ecolabel*. Denis Mauvais points out that, when bidding for work, eco-friendliness is always a relevant criterion. ■

Marie-Christine Lang



Strong economic and population growth in Lancy



The future Place de Pont-Rouge

In August 2017, Lancy saw the start of a major project for the Adret Pont-Rouge district as the first phase of the PAV (Praille-Acacias-Vernets) development. This major site destined to provide 640 homes will host 1,800 newcomers to the local authority of Lancy as well as many businesses. With the four other districts currently being developed – La Chapelle, Surville, Les Marbriers and Les Semailles – Lancy’s population is projected to grow from 8,000 to 10,000 by 2028. Below is our interview with Stéphane Lorenzini, Lancy Administrative Councillor, Head of the Finance, Public Works, Economic Promotion and Culture department, and Chair of the *Fondation communale immobilière de Lancy* (FCIL).

How did the Adret Pont-Rouge project begin?

The project began several years ago when a local district blueprint was drawn up. This was an opportunity to think about all the district’s infrastructure needs. The land, some recovered from the former goods station rail tracks, was all owned by Swiss Federal Railways (CFF).

This project involves many players and will provide a wide range of housing units.

The CFF is responsible for developing the section located along the Route des Jeunes focusing on the CEVA Lancy-Pont-Rouge railway station, the first phase of the Léman Express commuter rail network, work on which has already been in progress since late 2017. Here, the CFF will press ahead with office and shopping developments linked directly to the railway station. The existing Cargo-CFF Tower is to be demolished. Investors are already queuing up to occupy this strategic site, ideally served by the railway station, motorway, trams and the P+R service.

The Grand-Lancy hillside section, earmarked mainly for housing, has been acquired by the *Fondation pour la promotion du logement bon marché et de l’habitation coopératif* (FPLC). It organised three architectural competitions for all of the buildings. It has either made land available with building rights or sold plots to several partners, including two Lancy local-council foundations: the *Fondation communale immobilière de Lancy* (FCIL) and the *Fondation communale pour le logement des personnes âgées* (FCLPA). This project has the special feature of bringing together all types of housing, i.e. owner-occupied apartments, as well as rental, cooperative and low-cost housing units. It fully complies with the local authority’s targets for inter-generational links and social diversity.



“This is a very attractive project for Lancy in terms of social diversity, thanks to the 640 new housing units and hundreds of jobs that will be created by new businesses moving into the area.”

Which part of the project is being built by the two Lancy foundations?

The two foundations are working on project plot A consisting of four buildings with 260 housing units, including 160 smaller homes for the elderly and students. Three cooperatives and a low-cost housing foundation are building plots B, C and D alongside the FPLC which is putting up owner-occupied PPE condominiums, the first phase of which encountered immediate interest from potential buyers. The new owners are due to take possession of their homes in early 2020.

Lancy local council is heavily involved in this project. What are its fields of action?

Lancy's local authority is involved in providing infrastructure and utilities, including the construction of drains and access roads. It must also adapt infrastructure for young children to receive the new inhabitants. For this purpose, it will be building a day nursery with 56 places on site. The En Sauvy and Bachet primary schools will be able to take children of school age. As far as the provision of infrastructure is concerned, Lancy is building the Chemin des Mérinos which forms the backbone of this project, the Parc Pictet-de-Rochemont (to be created in the final phase of the works for reasons of land availability) and the Place de Pont-Rouge. This central square is intended for users of the CEVA Lancy-Pont-Rouge railway station and will become a central hub of the new district designed to tie all the residential properties in together. Keen to foster soft mobility, the local council, together with Geneva's cantonal authorities and with the benefit of Federal subsidies, has laid out the Promenade Nicolas-Bouvier which will cross the district, linking it to the adjoining neighbourhoods of Surville, Tivoli and Bachet.

This project also pays careful attention to energy considerations.

The project is in fact based on a comprehensive energy plan for the whole area. It has been put in place by the CFF with its partner Alpiq, the leading Swiss electricity supplier. The plan is to generate energy from geothermal sources. Ground-source heat probes have been installed under the properties and will give access to almost entirely renewable energy.

Has a completion date been set for work on such a vast project?

Work on the first phase (plots A, B and C) is due for completion in the early part of 2020. The second phase, developed towards Bachet, will begin in 2019 and run until 2021. Through its foundation, Lancy local council will be building a residential property here, with space on the ground floor for local-authority services. A subsidised grocery store and the housing department will be installed here in the immediate vicinity of the existing historic town-hall building. The whole project is due for completion in 2022. This timing is broadly similar to that for the CFF project.

Lancy in brief

Lancy is the canton's third biggest town after Geneva and Vernier. It consists of two historical villages: Petit-Lancy and Grand-Lancy. Lancy experienced a population explosion in the 1960s. The locality features a number of parks, despite the population density. With comprehensive infrastructure for young people, sport and culture, it benefits from the presence of many clubs, associations and societies. BCGE is well represented in Lancy. Its administrative centre is located here, as are two of its 21 branches: one at 65 Route de Chancy and the other at 1 Place du 1^{er} août.

What are the highlights of this project for Lancy's local council?

This is a very attractive project for Lancy in terms of social diversity, thanks to the 640 new housing units and hundreds of jobs that will be created by new businesses moving into the area. We already have a bank and a leading firm of consultants *in situ*. In addition, the Ecole-Club Migros will be bringing all its courses together here; these are currently located at Balexert and on the Rue du Prince. This will add real vitality to a district that was previously heavily industrial and used largely by people in transit. It is destined to become a new central hub and a zone benefiting from vibrant activity day and night thanks to the presence of the railway station. In the third phase, there are plans for a hotel, offices and housing for students and the elderly. This new urban centre will totally transform the entrance to Lancy from Les Acacias and greatly strengthen its ties to the city. ■

Marie-Christine Lang

Lancy in numbers

Population: **32,045 inhabitants**

Proportion of cantonal population: **6.4%**

Land area: **484 ha**

Proportion of cantonal territory: **1.9%**

Income (2017): **138 million francs**

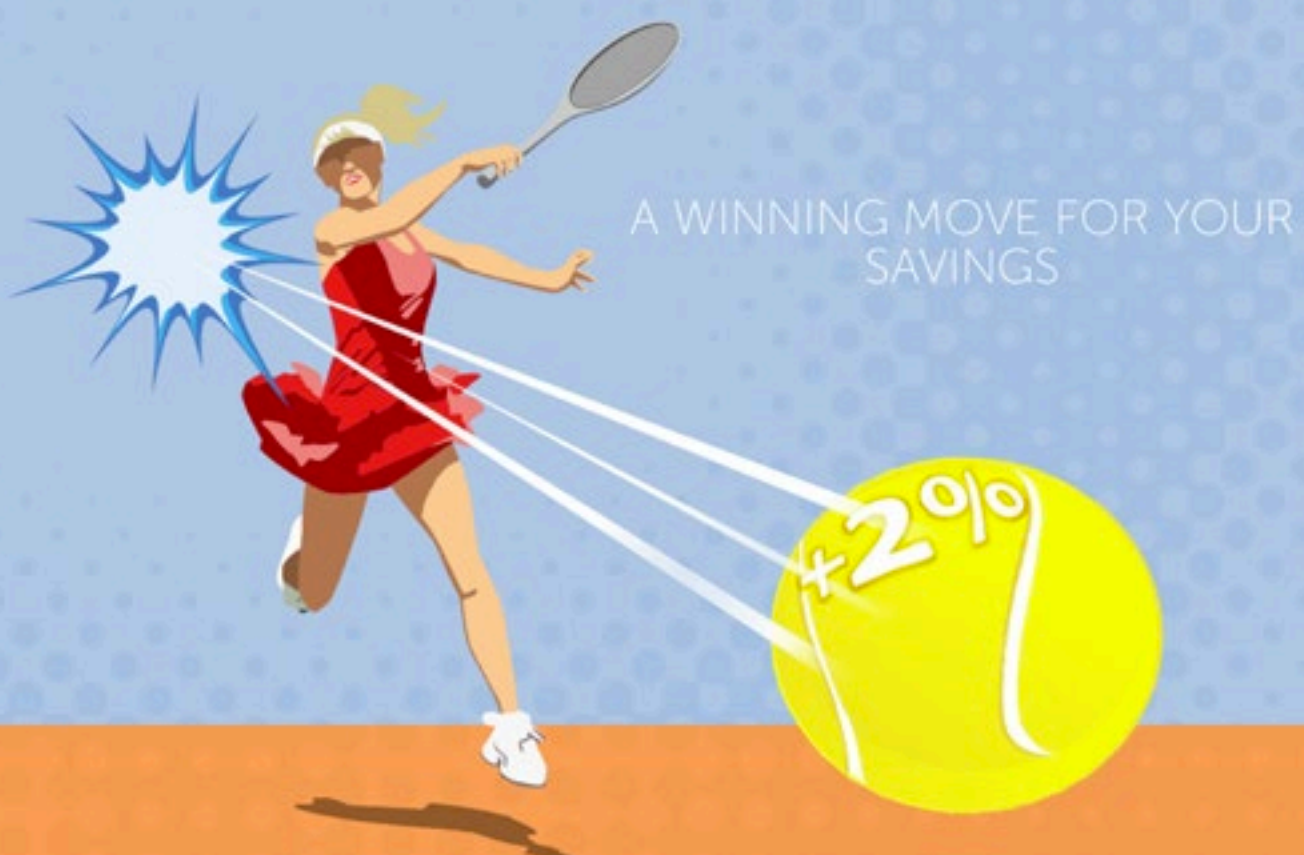
Expenditure (2017): **127 million francs**

Town hall

Mayor: **Frédéric Renevey**

Deputy Mayor: **Stéphane Lorenzini**

Administrative Councillor: **Damien Bonfanti**



A WINNING MOVE FOR YOUR SAVINGS

SAVINGS	+0.5%
SHARES	+0.5%
MORTGAGE	+0.5%
BEST OF MANDATE	+0.5%

The return on your savings is significantly ahead of the market. Avantage service: loyalty rewarded, and a community of interest!

My total savings



With 2% extra interest, you then earn per year:

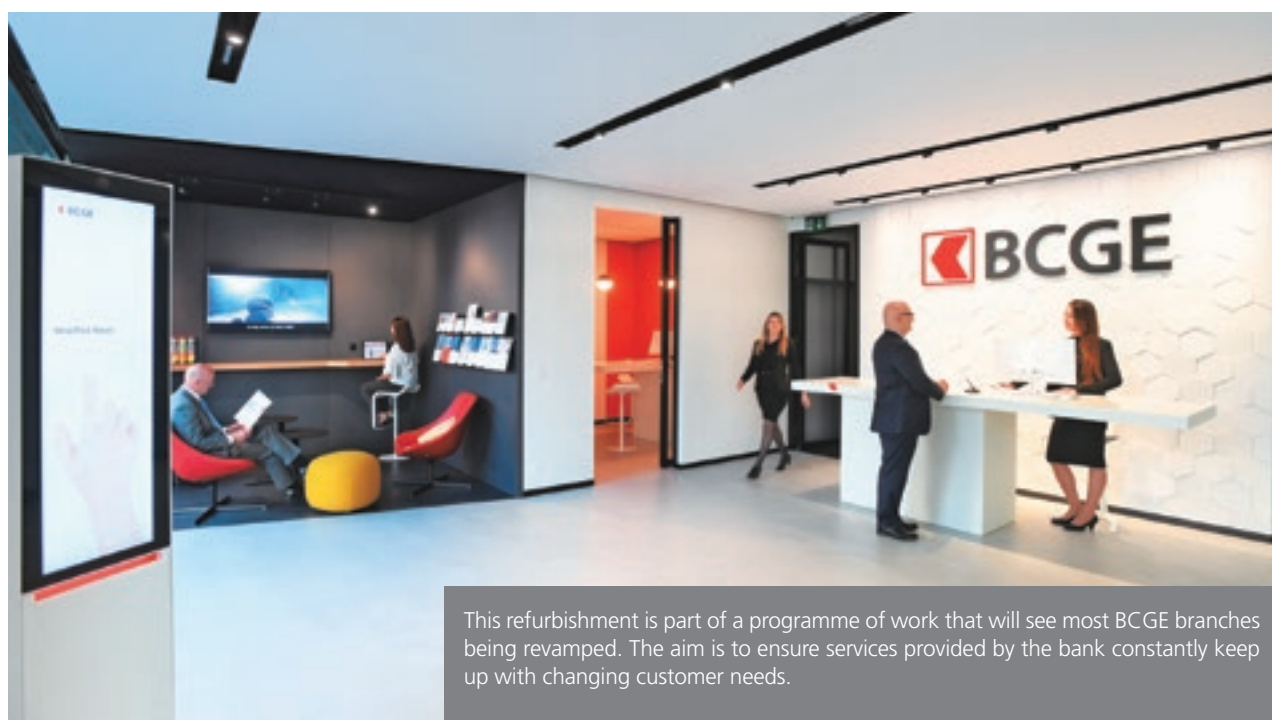


Is your mortgage about to mature?
 Your mortgage offer in just 15 minutes. Renew it online today.

Florissant

The financial solution on your doorstep

As part of its drive to foster its special close relations with its Geneva customers, BCGE is refurbishing and adapting its network of branches. These are being converted into friendly contemporary spaces to enable customers to get a personalised welcome and so that new digital tools can also be ingeniously integrated. Located at 66 Route de Florissant, the Florissant branch has benefited from major works to give it a facelift. This bright, ergonomic new banking space opened its doors to the public on 12 March this year.



This refurbishment is part of a programme of work that will see most BCGE branches being revamped. The aim is to ensure services provided by the bank constantly keep up with changing customer needs.

A friendly high-tech branch

The fully refurbished BCGE Florissant branch now welcomes customers around a central reception hub and an electronic banking space fitted out with functional banking machines. A suite of comfortable rooms are also available for discussions with advisers. If clients have an appointment, they can use an interactive terminal in the entrance area to notify their adviser directly of their arrival. If customers have not already made an appointment, the receptionist will direct them, depending on their particular needs and in complete discretion, to a room set aside for routine transactions. A secure wifi connection and multimedia space are also at customers' disposal on the premises to enable them to log on to the bcge.ch website and use its many functions.

A dedicated team of experts

Our team of six advisers are delighted to have the opportunity to welcome customers to this new branch. With their broad banking experience and complementary areas of expertise, these professionals provide methodical and personalised support and assistance for clients' benefit. They can offer investment advice and highly effective wealth management proposals as well as pension solutions based on an analysis of customers' personal situation, plus a practical and cost-effective range of services to meet their daily banking needs. With BCGE's comprehensive expertise in mortgage or commercial finance, they can also give customers the benefit of their advice and expertise to maintain maximum financial flexibility.

In line with BCGE's strategy of accessibility and a neighbourhood presence with its network of 21 branches throughout the canton, we are pleased to announce the onset of the next refurbishment project on our Grand-Saconnex site.

BCGE awards its Economics Prizes

Eleven BCGE Economics Prizes were awarded in late June 2018 at school-leaving ceremonies at the canton's secondary schools. The three prizes for vocational training schools and the prize for the adults college will be presented in September, while those for university students and students at the Geneva Higher School of Management and the ISFB will be awarded in the autumn.



Simon Wohlers, school leaver from Collège Calvin, and Loris Rizzo from BCGE's l'Île branch



David Matias Beltran Becerra, school leaver from Collège Sismondi, and Gloria Ridoutt from BCGE's Grand-Saconnex branch

The Banque Cantonale de Genève Economics Prize is a natural extension of the bank's commitment to training young people. It is also a way of celebrating the performance of students who, on completing their secondary or business school studies, are interested in economics. Lastly, it is a tangible sign of motivation that the bank is keen to pass on to future school leavers.

Prizes are awarded to the student at each school who achieves the highest average mark in economics, specifically in the law and economics option. For vocational certificates (full-time and work/study courses) awarded by vocational business schools, prizes are presented to the student at each school who achieves the highest combined average mark for law, political economy and business economics.

BCGE extends its warmest congratulations to all the June prize-winners: Noémie Pralat and Benjamin Pasquier (Collège André-Chavanne), Simon Wohlers (Collège Calvin), Victor Sellier (Collège de Candolle), Kevin Manuel Rodrigues Da Guerra (Collège Claparède), Bastien Ruegg (Collège Emile-Gourd), Hervé Zumbach (Collège Madame-de-Stael), Sara Follonier (Collège Rousseau), Lorena Tato Perez (Collège de Saussure), David Matias Beltran Becerra (Collège Sismondi) and Achraf Maliki (Collège Voltaire). ■



Noémie Pralat and Benjamin Pasquier, school leavers from Collège André-Chavanne, with Loris Rizzo

Achraf Maliki, school leaver from Collège Voltaire, and Sabrina Di Nardo from BCGE's Servette-Wendt branch



Lorena Tato Perez, school leaver from Collège de Saussure, and Liliانا Ferreira, manager of BCGE's Lancy-Centre branch



Victor Sellier, school leaver from Collège de Candolle, and Patrick Nicolet, manager of BCGE's Pâquis branch



Bastien Ruegg, school leaver from Collège Emilie-Gourd, and Arnaud Perrier, manager of BCGE's Florissant branch



Hervé Zumbach, school leaver from Collège Madame-de-Staël, and Marie-José Molla, manager of BCGE's Carouge-Marché branch



Sara Follonier, school leaver from Collège Rousseau, and Stéphane Bonnin, manager of BCGE's Meyrin-Cité branch



Kevin Manuel Rodrigues Da Guerra, school leaver from Collège Claparède, and Juan Chinchilla from BCGE's Chêne Branch



BCGE hosts the 111th General Assembly of the Association of Swiss Cantonal Banks (ASCB) in Geneva

On 17 and 18 May, the ASCB¹ General Assembly was held in Geneva, bringing together the CEOs and Chairmen of the 24 Swiss Cantonal Banks as well as numerous guests from politics, the authorities and partner organisations. Each year, alternately and as host, one of the cantons in which the 24 institutions are located is responsible for organising this event.



Hélène De Vos Vuadens
Head of Communications
and Investor Relations

On the first day, after a morning working session at the President Wilson Hotel, more than one hundred guests attended the General Assembly presided by Professor Dr. Urs Müller. During the aperitif which followed on the terrace of the hotel with a magnificent view of Lake Geneva, they were welcomed by a guard of honour from the *Compagnie des Vieux Grenadiers*, equipped with rifles and swords. They then attended a shooting display on the esplanade before heading to the café/restaurant of the Parc des Bastions for dinner.

At the entrance to the Parc des Bastions, the *Compagnie 1602*, with fife and drums, was awaiting them in a guard of honour. Inside the restaurant, the BCGE colours were represented by a wrestling demonstration by Mickaël Matthey, an athlete sponsored by the bank, and Pascal Piemontesi, his wrestling adversary. During the evening, Blaise Goetschin, Gilbert Probst and Pierre Maudet spoke a few words about Geneva and the bank, before being lampooned by the famous comedian and actor, Josef Gorgoni, alias Marie-Thérèse Porchet. The latter mocked the world of bankers, generating laughter from all those concerned.

International Geneva

The second day was devoted to International Geneva. Guests went to the Place des Nations with a stop under the *Broken Chair*, symbol of Geneva in the fight against anti-personnel mines. Petra Schroeter, Director of Handicap International Switzerland², explained the history of the monument and the broad lines of the related actions. Later in the morning, they had the opportunity to participate in a guided tour of the United Nations during which they were able to discover magnificent rooms unique in terms of architectural decoration, including the Human Rights Room.

The two days were a great success with our cantonal bank colleagues who were delighted with their stay and discovery of Calvin's City. The President of the ASCB, Urs Müller, highlighted the highly professional organisation of the two-day event, which brought together 150 participants in a variety of settings and according to a well-planned programme.

¹ www.ubcs.ch.

² www.handicap-international.ch.

The Director of Handicap International Switzerland, Petra Schroeter, center, with Gilbert Probst, BCGE Chairman, Blaise Goetschin, BCGE CEO (on the left), and Urs Müller, President of the ASCB (on the right).

Official dinner of the 111th General Assembly of the ASCB was held in the heart of the City of Calvin, in the very picturesque café/restaurant of the Parc des Bastions, a stone's throw from the Reformation Wall.



The *Compagnie des Vieux-Grenadiers* of Geneva in action during a spectacular demonstration.



Pierre Maudet, current President of Geneva's State Council, welcomes the 24 cantonal banks, the third largest banking force in Switzerland. He is flanked by wrestlers Mickaël Matthey (on the right) and Pascal Piemontesi.





Dividend increased by 5.5% and three directors welcomed at the AGM

Banque Cantonale de Genève held its 24th Annual General Meeting (AGM) in the presence of 504 shareholders, representing 89.6% of the registered voting rights. The shareholders approved the 2017 annual accounts and voted in favour of the dividend at CHF 2.90. Three new directors representing the public authorities joined the Board. Prospects for the financial year 2018 are positive.



Sandrine Pollani
Head of Events
and Audiovisual

The General Meeting allocated the available profit. CHF 20.88 million francs were distributed between the public, institutional and private shareholders. In addition to the dividend, up 5.5%, it voted, in accordance with its articles of association, in favour of paying CHF 4.18 million to the State of Geneva (special allocation to the State of Geneva, repayment of advances made for the *Fondation de valorisation's* operating costs). This vote was approved by 99.5% of the votes cast while the management report was accepted in the same proportion.

The payout ratio of 32.4% enables an increasingly solid base to be constituted, year after year, which is used to finance the institute's pace of growth. Hence, BCGE has distributed a total sum, including taxes, of CHF 47 million to the public authorities based on the results for the 2017 financial year. CHF 385 million have been paid to the public authorities in the last ten years.

“The bank is well configured to be able to anticipate and seize development opportunities as they arise.”

A particularly successful year

In the presence of shareholders and guests, Gilbert Probst, Chairman of BCGE's Board of Directors noted that: “2017 has been a particularly successful year. Business targets have been exceeded, profitability has shown good growth, risks have been controlled and equity coverage has progressed well. Our bank is healthy and has been enjoying continuous growth since the turn of the century. This success is the result of our efficiency, our flexibility and our ability to innovate. We are pressing on with our digital development and optimising our operational models.”

For his part, Blaise Goetschin, Chairman of the Executive Board, explained how the bank was structured vertically and by market segment. “The divisions and front-office departments all operate like businesses with the task of succeeding and growing in their respective functions. This business and organisational

model is modular. It enables human and technical resources, such as risk budgets, to be allocated depending on the economic cycles or structural market changes. In this way, the bank is well configured to be able to anticipate and seize development opportunities as they arise. Digitalisation, population ageing, hyper-regulatory demands, globalisation of banking activity and asset inflation are both challenges and potentials. BCGE is in peak condition to contribute alongside the national banking leaders to the prosperity and expansion of Geneva's and Switzerland's financial centre.”



Presentation of three new directors

Three new directors have joined the Board: Bernard Girod and Michel Pasteur are among the State representatives, whereas Serge Fasel joins those designated by the City of Geneva. They replace Patrick Mage, Fabienne Knapp and Mourad Sekkiou, who were warmly thanked by the Chairman of the Board for twelve years of untiring commitment and a remarkable contri-

bution to the bank's success. The three directors representing shareholders other than the public authorities and who were re-elected are Michèle Costafrolaz, Jean Olivier Kerr and John Tracey. The mandates of the other directors were renewed. The mandate of the external auditor was renewed and the discharge of the board was agreed.



Bernard Girod has enjoyed a long business career. He is a director and chairman of Serbeco and ED Energie Durable, and a director and secretary of Prop. He is also a member of numerous boards of directors and foundations, in Geneva, such as the Office for the Promotion of Industries and Technologies (OPI), the General Hospice, Autobritt and the Private Foundation for Affordable Rental Housing (*Fondation privée pour des Logements à Loyers Modérés*, FPLM).



Michel Pasteur began his professional career as an auditor with a large international trustee company. A Swiss-certified accountant, working in an international audit firm, he has led numerous bank and investment fund audit assignments. After having been a member of the executive committee in Switzerland at the head of the compliance department in a large international banking group, he joined a large private bank as compliance officer in 2006. Since 2014, he has been an independent consultant for compliance matters and, since 2016, a member of the board of directors of The Forum Finance Group in Geneva.



Serge Fasel is a lawyer, head of the judicial group at the law firm FBT Attorneys-at-Law, in Geneva, where he has been a partner since 1993. He has extensive experience in legal proceedings conducted before common courts as well as in adjudication matters, both nationally and internationally. His fields of activity cover all forms of trade litigation, particularly in banking and finance. Serge Fasel is also active in the fields of bankruptcy law, labour law and economic crime. He has been honoured by Legal500 for his litigation skills, and especially in banking litigation. He is a deputy judge at the Court of Justice.

The CEO of BCGE re-elected Chairman of the Central Mortgage Bond Institution of Swiss Cantonal Banks

Blaise Goetschin has been re-elected Chairman of the Central Mortgage Bond Institution of Swiss Cantonal Banks (*Centrale de lettres de gage des banques cantonales suisses, CLG*). In this position since 2006, the CEO of the bank was confirmed in his position for a further three years by the representatives of the 24 cantonal banks meeting in Zurich on 29 June 2018. Founded in 1931, the CLG is a very important joint institution for cantonal banks, enabling them to refi-

nance under the best possible conditions. The CLG issues medium- and long-term loans at the best terms, based in particular on the excellence of its AAA rating (Moody's). In 2017, it issued bonds for a total of CHF 7.7 billion francs, bringing total outstanding loans to CHF 52 billion at 31 December 2017. With a capital of CHF 1.4 billion subscribed by the cantonal banks, the CLG is the third largest issuer after the Confederation and the Mortgage Bond Bank of Swiss Mortgage

Lenders. BCGE is the 4th shareholder with 5.9% of the capital. The bank itself has a loan portfolio of CHF 2.8 billion. "The cantonal banks have once again placed their trust in Geneva to take care of one of their most precious assets, which is a mark of respect," said Blaise Goetschin. ■



A Geneva tram in the colours of BCGE and its Avantage service loyalty programme

This spring and summer, a TPG tram displayed the colours of BCGE and its *Avantage service* loyalty programme to Geneva residents. This tram travelled the streets of Geneva on lines 12, 14, 16 and 18. The *Avantage service* loyalty programme enables you to accumulate up to 2% additional interest on your savings.

www.avantageservice.ch

Invest in the Economy, Not the Stock Market now available in an English version in e-book format

Newly launched on the Google Play and Apple store Internet platforms, the English version of the work originally entitled *Investir dans l'économie pas en bourse, guide opérationnel de gestion de fortune* by Blaise Goetschin and Constantino Cancela, is an effective tool to assist investors. It surveys the real issues and the right reflexes for effective wealth management. Published by Alternative Communications under the title *Invest in the Economy, Not the Stock Market: Practical Wealth Management Guide*, this work follows the publication of the French version in paper format in 2017 by Editions Favre. This publication surveys the main principles underlying every investment. It teaches the reader to avoid irrational short-term reactions on financial markets and lays out a simple, pragmatic roadmap for wealth management.

The guide is built around a central recommendation: the need to adopt a critical stance at all times with regard to prevailing financial thinking, be that driven by purely quantitative financial theory, fashion trends or aggressive financial marketing. It provides many useful points of reference for investors wishing to operate effectively and rationally. Above all, it highlights the importance of long-term investment. The fact is that a long-term horizon is needed for stock market valuations to correctly reflect economic fundamentals that are the sole true value creators. Over shorter periods of time, markets are known to alternate

underreacting and overreacting to information and rumours of all kinds. With a preface by Professor Mickaël Mangot, an economist who teaches at Essec (Paris) and a specialist in behavioural finance, this guide, as a pocket companion for investors, also advises spreading wealth across the broadest horizons extending beyond familiar assets. The principle of efficient diversification is widely known, but successfully implementing it requires a methodical and tenacious approach. Those two attitudes are recommended by the authors to achieve not just high, but regular returns. Look for this guide on the Apple Store and Google Play platforms. ■

ISBN No.:
978-2-8289-1655-8



BCGE congratulates its sports ambassadors on their performances

Wrestling and ski mountaineering, traditional Swiss sports, are once again in the spotlight thanks to the two athletes Mickaël Matthey (wrestler from French-speaking Switzerland) and Séverine Pont-Combe (ski mountaineer). Both have recently distinguished themselves by their performances. On 13 May Mickaël Matthey was co-winner of the Geneva title at the Fête cantonale genevoise d'Anières.

In the 2018 running of the legendary *Patrouille des Glaciers*, Séverine Pont-Combe honoured the bank's colours by taking second place on the podium in just 7 hours 31 minutes 11 seconds. Mickaël Matthey and Séverine Pont-Combe are sponsored by BCGE. The bank congratulates them on their outstanding performances.

www.severinepontcombe.com



Mickaël Matthey



Séverine Pont-Combe

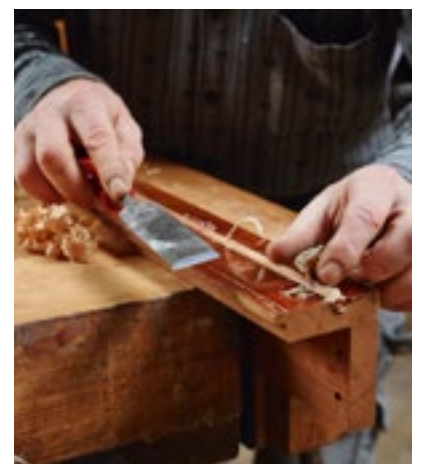
BCGE sponsors the *Journées Européennes des Métiers d'Art 2018*

This year, BCGE chose to sponsor the 7th edition of the *Journées Européennes des Métiers d'Art* (JEMA) (European Art and Crafts Days), organised by the City of Geneva in collaboration with the Canton, from 20 to 22 April 2018. JEMA is an opportunity for the public to meet traditional craftspeople, who are passionate makers of exceptional items, all over Geneva. BCGE and the CCIG will participate, on the sidelines, in a day devoted to workshops and to a conference on the creative economy on 15 November 2018.

JEMA's main objective is to provide a common definition of the creative and cultural economy. These workshops aim to define the scope of the subject matter and make a general assessment of the strengths and weaknesses of Geneva's cultural landscape. In 2017, a study on the weight of the creative and cultural economy was entrusted to the Geneva School of Management, in order to draw up a detailed overview of the situation. This analysis will be further explored and enhanced by a more qualitative and prospective approach, as part of an exchange of experiences and views with the Geneva business community and international guests.

On 15 November 2018, the morning workshops (Understand and stimulate the contribution of culture to the social and economic vitality of cities - focus, Geneva) will be followed by the afternoon conference (Culture, economy, society: a virtuous circle) which will have the enlightened input from experts from the European Commission, the Geneva Chamber of Commerce (CCIG), the *Institut du Tourisme de Montréal* and the Development Agency of Economy and Environment of the Province of Hainaut (Belgium). ■

Discover the programme and register on www.ville-ge.ch/culture/jema/





The *Prix de l'Artisanat* 2018 awarded to Thierry Painset, car upholsterer and restorer

Created in 1991 and sponsored by BCGE since 1999, the annual *Prix de l'Artisanat* (the craftsmanship award) aims to promote the skills of a Geneva craftsman, his commitment to training the next generation and the transmission of his know-how. It was won this year by Thierry Painset, car upholsterer and restorer. The award ceremony took place on 16 May in Collonge-Bellerive in the presence of Francine De Planta, the Mayor of Collonge-Bellerive until 31 May 2018, and Pierre Maudet, the State Councillor. Also attending were Thierry Apothéloz, outgoing President of the Geneva Municipalities Association (and at that time future State Councillor), and, for BCGE, Alain Voirol and Hélène De Vos Vuadens.

Thierry Painset was passionate about motor sports at an early age and attended numerous training courses. After starting his career in saddlery and leather goods, he turned to the upholsterer's trade in order to satisfy his need for action and versatility and to get closer to his favourite field, the automobile. He then worked in the design offices of the French giant Renault, where he created prototypes of car interiors. Thierry Painset was then hired by the Geneva company Carugatti, which at the time owned a restoration workshop. His true calling came during the last stages of different works in progress. In parallel, he developed skills in automotive electrics, sheet metal and mechanics. In 1997, he founded his own workshop, Découverte SA, in Vézenaz, and hired a team of dedicated and highly qualified specialists. "I learned a lot on my own, while at the same time working with highly skilled people. It's no secret: to learn is all about transmission", he says.

"I try to preserve as much of the origin of the car as possible. I avoid dismantling and refurbishing everything, as many restorers do in large factories. The vehicle must preserve its soul."

Thierry Painset

True craftsmanship

Thierry Painset's company is composed of two workshops, the first dedicated to upholstery and the second to bodywork. The quality of materials is very important to him and he pays attention to the smallest details. He offers a wide range of techniques in order to preserve the original model as closely as possible. Thierry Painset considers restoration to be a real challenge and he does not track the hours it takes to restore life to the precious vehicles entrusted to him by his very demanding clientele, with whom he builds a relationship of trust, essential in this field. He regrets that many fragile and rare cars have not been able to be saved due to lack of qualified personnel to repair them. Thierry Painset's strength lies in interior restoration. He restores everything in the original style and is careful to respect the aesthetics. "One must feel like the car is coming out of the factory of the epoch", he concludes (see the film on www.youtube.com). ■

Marie-Christine Lang



Capital Transmission SA celebrates an exceptional 10-year adventure

Capital Transmission SA is an investment company wholly owned by Banque Cantonale de Genève. Last March, it organised a meeting at the Cité du Temps in the presence of mountaineer Sophie Lavaud to celebrate its 10th anniversary. Since it was set up, it has invested 41 million francs in fifteen unlisted companies active in many different sectors in both Switzerland and France, including local transactions in 2016 to assist in the transfer of Tech Building and support development of the Gilles Desplanches Group.



Virginie Fauveau
Director of
Capital Transmission SA

Capital Transmission's mission is to provide financial support and assistance for businesses and entrepreneurs by putting up equity and quasi-equity capital. It invests mainly in unlisted Swiss and French family-run SMEs, to facilitate the transfer of enterprise ownership, for capital increases, external growth projects or to buy out minority interests. To that end, Capital Transmission offers a wide range of financial instruments: shares, convertible bonds or mezzanine loans when equity stakes are acquired. It always steps in as a minority shareholder with no limitation as to sectors for amounts ranging from 500,000 francs to between five and seven million. Investments may be even larger in the case of mezzanine loans or convertible bonds.

Private Equity

Equity for SMEs

MBO/LBO



“In 2018, Banque Cantonale de Genève raised its commitment to Capital Transmission from 50 to 75 million francs.”

Facilitated access to financing and flexibility

Capital Transmission does not interfere in the running of businesses that it is working alongside. It invests in sound companies and trusts in the expertise of their management for all operational and strategic decisions. Capital Transmission benefits from facilitated access to financing because it invests from BCGE's own equity capital. The periods for which investments are held are therefore relatively lengthy, as Capital Transmission is under no legal obligation to dispose of its investments. Thanks to this specific feature, company managers have time to attain the shared objectives while minimising risks.

2018: a new phase

During its ten years, Capital Transmission has worked with a long time-frame to create and maintain a network of business introducers, while developing its transaction-structuring expertise. 2018 marks an important step in Capital Transmission's development. Banque Cantonale de Genève has in fact raised its commitment to Capital Transmission from 50 to 75 million francs. The company is now focusing on expanding its business operations in German-speaking Switzerland with a new staff member who will be based in Zurich. ■

Private Banking International: Swiss tradition and expertise serving the ambitions of international Geneva

Private Banking International, a BCGE business unit, combines tradition and modernity. It supplies tailored services to a particularly exacting clientele looking for the dependability of a prestigious Swiss financial institution and innovative capabilities of a high-end financial player in an increasingly competitive landscape.



Claudio Pietroforte
Head of Division
Private Banking International

The business unit comprises 50 employees across five sites: Geneva, Lausanne, Zurich, Dubai and Hong Kong. Its mission is to provide all the financial services offered by BCGE to an international clientele, while also developing the Swiss market through the network of national branches. It is organised into areas of specialised expertise, with a department for independent wealth managers, several departments specialising in geographical zones and a service dedicated to non-resident international customers with assets of less than 1 million francs.

In Switzerland, BCGE's branches in Lausanne, Zurich and Basel will have twofold aims from 2019: extending the bank's business network in their particular region and its onshore private-banking client-bases through the bank's Business Partners programme and its credit capacity, with the emphasis on mortgage lending, while at the same time expanding its international client-base of the private-banking type served by teams of experts, e.g. the Russia team based in Lausanne.

Outside Switzerland, Private Banking International is also supported by its two representative offices in Dubai and Hong Kong, whose aim is to develop the BCGE group in regions of strong economic growth. The business unit is keen not to rely solely on the Banque Cantonale de Genève brand to secure growth in its activities. It innovates continuously to retain its attractiveness and respond to demands of its new clients.

Xpatbking.ch: solution for expatriates

The business unit provides a targeted range of services not just for expatriates who have assets or family roots in Switzerland, but also for the benefit of expatriates living in Switzerland: Xpatbking.ch. This specific offer focuses on asset-management advice, pension planning, succession planning, private banking, and support and assistance with real-estate projects. This concept corresponds to a clearly identified development route, because Swiss expatriates who are sent abroad by their employers represent a population estimated to number 800,000, while foreign expatriates living in Switzerland are also very numerous. Other establishments provide services to non-residents, but on far less advantageous terms and often conditional on sizeable sums being placed in custody for management. Since the end of December 2017, BCGE has been the first bank to sign a partnership agreement with the Organisation of the Swiss Abroad (OSA).

From management to bespoke financing

Private Banking International has also created and developed the *Prestige Alps* concept to fulfil the expectations of an 'all in one' clientele, combining the bank's across-the-board credit, private-banking and asset-management specialisations. Targeted on luxury Alpine real estate, this innovative formula provides, at one and the same time, a financing and investment solution for wealthy clients, combining an asset-management mandate with financing of prime real estate located in leading prestigious resorts in the Swiss and French Alps, such as Gstaad, Verbier, Zermatt and Megève. ■

"The business unit provides a targeted range of services not just for expatriates who have assets or family roots in Switzerland, but also for the benefit of expatriates living in Switzerland."

XPATBKING.ch
by BCGE
www.bcge.ch/fr-xpatbking-ch



Auslandschweizer-Organisation
Organisation des Suisses de l'étranger
Organizzazione degli Svizzeri all'estero
Organisaziun dals Svizzers a l'ester

Serving the Swiss abroad since 1916

751,800 Swiss expatriates live on every continent. Multilingual and multicultural, they are a mosaic which enhances Switzerland's prestige abroad. That makes it imperative for Swiss citizens all over the world to maintain strong ties with Switzerland as well as among themselves. The Organisation of the Swiss Abroad (OSA) has been responding actively to this challenge since 1916.

As an independent non-governmental organisation with no political or religious affiliations, the OSA represents and defends the interests of the 'Fifth Switzerland' through four missions: informing, linking, defending and advising.

Informing The OSA keeps Swiss citizens living abroad informed about Switzerland and brings them news of the 'home country'. To fulfil this task, it has its own Internet site www.aso.ch, a newsletter and, above all, the *Swiss Review*, a magazine with a print run of some 400,000 copies distributed in five languages all over the world. This magazine can be consulted online at www.revue.ch and on the *Swiss Review* app.

Linking To keep a direct link with Swiss expatriates, the OSA can count on a network of over 700 Swiss associations and institutions abroad, their umbrella organisations worldwide and direct relationships with Swiss expatriates, in particular through www.swisscommunity.org, the networking platform for Swiss citizens everywhere. The OSA is also present on Facebook, YouTube and Twitter.

The OSA organises activities in Switzerland for young expatriates: camps, language courses, introduction to the Swiss political system, etc. It also holds, annually in Switzerland, the Congress of the Swiss Abroad.

Defending 10% of the Swiss population lives abroad. That makes it essential to defend the interests of Swiss expatriates in our own country. That is the role of the Council of the Swiss Abroad (CSA), the OSA's supreme body. With Swiss citizens abroad making up a majority of its delegates, the CSA is recognised by the Swiss Federal authorities as the official mouthpiece for Swiss expatriates.

The OSA also has a voice in Switzerland's Federal Parliament thanks to the parliamentary group of the Swiss Abroad which comprises almost 100 parliamentarians.

Advising When it comes to health insurance, military service, AVS/AI, the exercise of political rights or other legal and administrative issues, the OSA gives free advice to Swiss expatriates and to every Swiss citizen wishing to either emigrate from or return to Switzerland.



Find out about the OSA's work at www.aso.ch, read the *Swiss Review* on www.SwissCommunity.org and register free of charge at www.SwissCommunity.org to make contact with Swiss citizens all over the world.

The silk roads: 2,500 years of history

According to historian Peter Frankopan, the region which is a bridge between East and West is once again becoming the global centre of gravity, as it had been until the 15th century.



Peter Frankopan

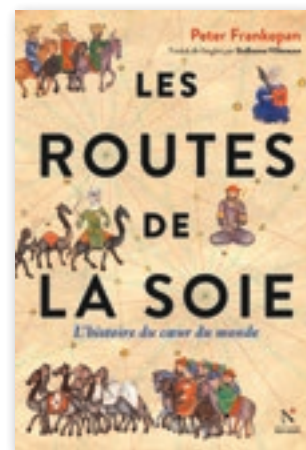
After being acclaimed by critics all over the world, the historical volume on the silk roads by British historian Peter Frankopan has recently been published in French under the title *Les routes de la soie**. This hefty tome running to 630 pages certainly does not lack ambition. The Professor of Global History at Oxford University and Director of the Oxford Centre for Byzantine Research paints a historical fresco ranging from the 6th century B.C. to the present day. If sometimes rather dense, this extremely well documented work reads like a novel thanks to the author's storytelling talent.

ground-breaking discoveries: "Suddenly, western Europe was transformed from its position as a regional backwater into the fulcrum of a sprawling communication, transportation and trading system – at a stroke, it became the new mid-point between East and West".

Vast gas and oil reserves

But five centuries later, new equilibriums are emerging despite the turbulence and violence that characterise this vast space. In the eminent historian's words, "we are seeing signs of the world's centre of gravity shifting – back to where it lay for millennia". In this regard, the author castigates the short-sighted view taken in the West and the West's "lack of perspective about global history".

In support of his analysis, the historian highlights in particular the region's natural resources with its vast reserves of gas, oil and coal, its gold mines and agricultural production that facilitates spectacular development, with rapidly expanding cities, for example in Kazakhstan or Turkmenistan. The most visible features of the renewal of this



* *Les routes de la soie* by Peter FRANKOPAN, published by Editions Nevicata in 2017; French translation of *The Silk Roads: A New History of the World*, published by Bloomsbury, 2015.

"The region situated between East and West was the axis on which the globe spun."

The world's axis of rotation

The originality of his approach resides not just in the fact that he covers such a lengthy period, but also in the shift in perspective: it is no longer the West taking pride of place over the entire period, as used to be the case, but instead "the region lying between East and West, linking Europe with the Pacific Ocean, that was the axis on which the globe spun". That is also why a German geologist of the late 19th century, Ferdinand von Richthofen (uncle of the famous Red Baron, the First World War flying ace), dubbed these trade routes the *Seidenstrassen* or silk roads.

"For centuries before the early modern era, the intellectual centres of excellence in the world, the Oxfords and Cambridges, Harvards and Yales, were not located in Europe or the West, but in Baghdad and Balkh, Bukhara and Samarkand". A fundamental change took place in the late 15th century with

zone for trade between West and East include "the oil and gas pipelines that bring energy to consumers willing and able to pay for them in Europe, India, China and beyond". ■

Pierre Novello



A fund focusing on the new silk roads

BCGE offers an investment instrument, the Synchrony (LU) Silk Road Zone positioned to capture value created by the new silk roads. It proposes an original approach enabling us to move beyond the blurred concept of "emerging markets". The fund takes its inspiration in particular from the *One Belt, One Road* project designed to revitalise the legendary axis by putting in place several land-based and maritime infrastructure routes between China and Europe, South-East Asia, the Middle East and Africa. It is invested in businesses in various sectors that play a direct role in developing and expanding infrastructure and services linked to the creation of the new silk roads (ISIN No.: LU1626130816). Since 2016, BCGE has been highlighting the new silk road through an event in the BCGE Asian Desk series.

Synchrony Guardian, an investment fund purposely designed for the asset-management needs of those placed in guardianship

To provide even better support for guardians, BCGE now offers a new standardised transparent and professional management solution in the shape of the Synchrony Guardian fund. This only contains assets denominated in Swiss francs and has been designed as a fund of funds based on a core-satellite approach. This structure enables the bank's vision of management to be applied, while respecting the legal framework.



Frédéric Sugar
Financial engineer

What does the law say? The Swiss Federal Ordinance on Asset Management in the Framework of a Custodianship or Guardianship (VBVV/OGPCT) makes a distinction between investments designed to cover day-to-day needs and investments for additional expenditure, which are defined in its Article 7. In the latter case, the equities share must not exceed 25%: this corresponds to a portfolio with a defensive profile and a weighting of at least 75% in bonds and money-market instruments.

“The fund is open without restriction to any private investor with a conservative profile in Swiss francs.”

Portfolios designed to cover day-to-day needs (Article 6 of the Ordinance) differ for each protected person since they depend on the annual budgetary deficit specific to each individual and his or her life expectancy. They therefore require a customised solution.

On the other hand, investments to cover supplementary expenditure depend solely on quality standards regulated within the framework of Article 7 of the Ordinance, which, subject to exceptions, are the same for most protected persons. These conditions have allowed the bank to put in place a centralised management solution in the shape of the Synchrony Guardian fund. The latter fulfils the regulatory provisions on investments set out in this Article 7 for an overwhelming majority of safeguarded persons.

A comprehensive process designed to help guardians

Making this fund available to protected persons forms part of a comprehensive process designed to help guardians to discharge their management responsibilities. In the first instance, the BCGE adviser offers a bespoke solution to cover day-to-day needs. Investing the remaining balance in the Synchrony

Guardian fund is then proposed. Lastly, the overall package is presented by the guardian for validation by the court responsible for the protection of adults and children.

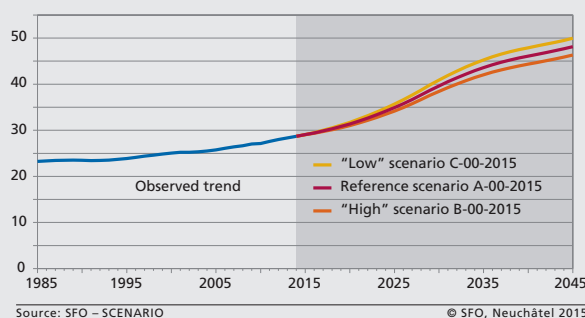
This fund is in fact open to protected persons throughout Switzerland. It is also open without restriction to any private investor with a conservative profile in Swiss francs. For clients not covered specifically by the Ordinance, the fund is offered as a solution supplementing BCGE's range of Synchrony funds. This will be proposed by the adviser if the fund is consistent with the investor's strategy.

Growing demand

In conclusion, the Synchrony Guardian fund and, more generally, the overall process designed to help and support guardians are likely to meet growing demand in coming years. The Swiss Federal Statistical Office (FSO) is forecasting a 50% increase in the number of elderly dependents by 2040. This suggests a real need for solutions of this type. For such solutions, the interpersonal relationship should remain the overriding consideration. No matter how popular robotic advisers and supposedly smart automated solutions may be... ■

Trend in the dependency ratio of elderly persons

Number of persons aged 65 or more per 100 persons between 20 and 64 in three basic scenarios.



This article does not constitute an offer, solicitation or recommendation to buy or sell the financial product to which reference is made. Nor is it intended for persons who come under the jurisdiction of a State whose current laws or regulations prohibit access to such information. Past performance does not guarantee favourable future performance.



Women who scale the heights

Two women took pride of place at the evening event held to mark Capital Transmission SA's first ten years. Virginie Fauveau, the company's CEO (on the right in the photo and see page 21) provided the benefit of her wealth of experience. For her part, Sophie Lavaud (on the left in the photo) shared her passion with the audience. In just six years, she has already scaled seven of the fourteen peaks of over 8,000 metres high – the so-called 'eight-thousanders' – worldwide, all of them in the Himalayan mountain range: ShishaPangma and Cho Oyu in 2012, Everest in 2014, Gasherbrum II in 2015, Makalu in 2016, Broad Peak and Manaslu in 2017.

Sophie Lavaud's impressive track record has earned her the nickname of 'Madame 56,000'. Sophie Lavaud is neither a high-mountain guide nor a performance specialist. She climbs up to the roof of the world, driven by her passion, determination and great ability as a follower. Her dream began in 2004 when she climbed Mont Blanc after a bet with a friend who was ill. In the years that followed, she advanced step by step, leaving the Alps behind to conquer summits of 5,000 metres in South America, followed by peaks of 6,000 and 7,000 metres, before reaching the ultimate milestone of 8,000 metres, a barrier that she thought was the preserve of the professional mountaineer. In spring 2012, she travelled to Tibet with a Swiss expedition. And, in the same season, she scaled two eight-thousanders. At that time, only some ten women had managed that awe-inspiring feat.

Sophie Lavaud's career

Of Franco-Swiss origin, Sophie Lavaud has spent her working life in Geneva: twelve years in the luxury hotel trade, most notably as the Richemont Hotel's director of sales and marketing, and six years in the world of cosmetics, at Clarins in particular. In

2004, with her brother, she set up a financial events company covering niche investment themes. The business model imploded in the 2008 crisis, with the company calling it a day in 2011. Today, Sophie Lavaud is grateful for the crisis, because it gave her the time needed to devote herself to her passion. Since 2012, she has been furthering her quest to scale the world's highest peaks and lecturing or just talking about her expeditions in the Himalayas.

The acclimatisation process

Sophie Lavaud highlights the importance of preparing the body before setting out to conquer the summits. At high altitude, oxygen becomes rarer and the human body has to compensate for this by naturally producing red blood cells. Confronted with this physiological phenomenon, mountaineers must spend nights at different altitudes before coming back down to base camp. This is an essential step before any attempt to climb the desired peak. "In the space of a month, you are constantly yo-yo-ing between camps at several altitudes on the mountain", she points out.



“In the mountains, I’m a follower, but a good follower, because I reach the summit like the great Himalayan mountaineers.”

Sophie Lavaud

Patience, commitment and self-denial

While physical preparation counts for much, it is mental attitude that makes all the difference, enabling mountaineers to surpass themselves and reach the roof of the world. Alongside self-denial, patience is one of the vital qualities of mountaineering in the Himalayas. “You must learn to adapt, give up and wait if you are to succeed in scaling the peaks of these great mountains”, she says. The time-frame is completely different during an expedition. During the many days spent waiting and while the mountaineer’s thought process is impaired by hypoxia (lack of oxygen), Sophie Lavaud sets herself a daily target: to drink a mug of tea with another expedition, make a small high-altitude foray or send an email, a challenging task when battling with faltering solar panels and a computer battery that goes flat quickly at such low temperatures.

Entering the ‘death zone’

“Above 8,000 metres, you enter the ‘death zone’, where any error is fatal”, she explains. Mountaineers perform many exercises to train for changing oxygen cylinders or putting their harnesses on while wearing gloves. All these rehearsals are performed systematically to minimise the hazards. For safety reasons, progress towards the summit is always made in the company of sherpas – whose extraordinary work is lauded by Sophie – just as the members of an expedition always double up in their tents. When it comes to food, “only experience can

Sophie Lavaud’s Everest in numbers

Budget of **50,000 Swiss francs**

55 days in a tent at an altitude above 5,000 metres

3 showers

-15°C on average at night in the tent

200 yaks to carry all the necessary equipment from base camp to the advance base camp

8 to 10 days’ approach march to reach base camp

1 month at the foot of the mountain for the acclimatisation yo-yo

say what you are able to eat above 7,000 metres when taste changes and saliva dries up. Very soon, you no longer feel hungry”. Before setting out, Sophie Lavaud eats a great deal in preparation for the ten kilos or so of weight she loses during each expedition.

The strength to vanquish doubt and take decisions

Once above 8,000 metres, the average rate of progress is extremely slow: between three and five seconds per step. On this ascent to the top in a spirit of togetherness, the team supplies motivation, well-being and a sense of security. The bond of trust between leader and follower is an essential condition for success. It is the follower’s skill that gives the leader a sense of security. Moreover, doubt and fear must be dealt with rigorously: take information on board, process that information and reach a decision. “If you’re in any doubt, turn back and go down the mountain again”, she says. “This ability to progress is shared by the leader and follower; their complementarity is essential to scale the peaks”, she concludes. ■

Swiss banks whose growth has gone unnoticed

Everybody is familiar with the cantonal banks that have been an integral part of the fabric of the Swiss economy and history for a long time. The oldest, BCGE, was founded in 1816, when Napoleon had just abdicated, heralding restoration of a spell of misleading calm on the Continent of Europe. The youngest cantonal bank came into being as recently as 1979, one year after the new Canton of Jura was recognised by the Swiss people.



Xavier Pintado
Financial engineer

But, despite their longevity, the lifespans of cantonal banks have not always resembled the drift of a long river flowing smoothly along. The 1990s were a particularly challenging decade which saw the cantonal banks for the Half-Canton of Appenzell Outer-Rhodes and the Canton of Solothurn disappear from the scene. Others experienced difficulties, but did weather the storms.

Today, there are twenty-four cantonal banks. And they are doing quite well. In a sense, they are like our children: living with them every day, you do not notice them growing up, but they definitely have grown up. By the end of 2007, their consolidated balance sheets combined totalled 371 billion francs; ten years later, by end-2017, that total had risen to 595 billion. That growth represents 224 billion in the form of extra resources which the cantonal banks have placed at the service of the economy, in the form of mortgages, lending to businesses or support for public authorities. Their contribution to Switzerland's economy was essential during a period which saw the big international banks rocked by a grave crisis with global fallout.

Smooth balance-sheet expansion

The fact cantonal banks' balance sheets have experienced smooth growth is particularly remarkable when put into this context. Expansion in balance sheets must in fact be accompanied by growth in capital. Cantonal banks' capital taken together has risen from 33.6 billion francs to 48.1 billion over the same ten-year period. This regular growth is reflected in a ratio of "book capital to balance-sheet total" that has remained close to 8% throughout the period. The extent to which capital is a key element of a bank's balance sheet must be emphasised, because this capital cushions the shocks when the environment becomes more challenging. If that capital shrinks significantly in relation to the balance-sheet total, the bank becomes fragile. Placing emphasis on smooth growth, the cantonal banks have been able to preserve the factor that is vital for their clients: trust, especially their confidence in the solidity of their bank. Looking back, in many respects, it is safe to say that cantonal banks' trajectory over the past ten years has been remarkable. But what do investors think?

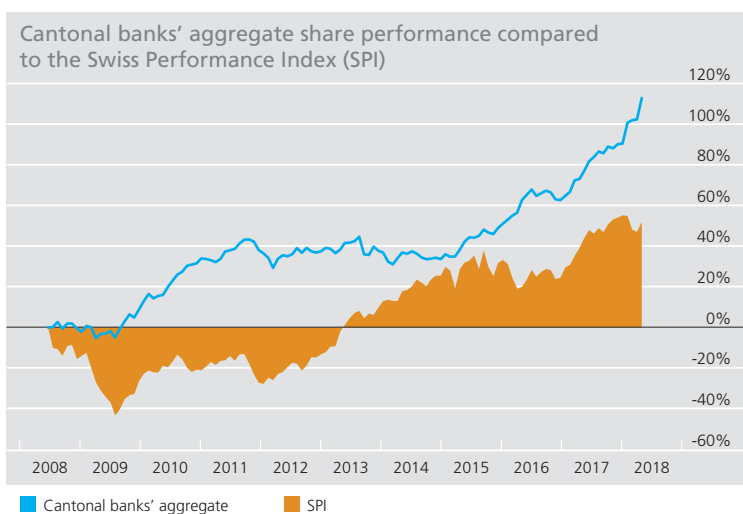
Thirteen listed banks

It is worth noting at the outset that just thirteen of the 24 cantonal banks are listed on the Swiss stock exchange today; only eleven were listed at the end of 2013. Investors like them because they have the reputation for paying attractive and stable dividends. Their shares have performed outstandingly, with the weighted aggregate of listed cantonal banks generating an annual return of 7.6% over the period between January 2008 and April 2018. More specifically, investors would have more than doubled their initial outlays at a time when, over the same period, the Swiss market (SPI) generated an annual return of just 4.1%. Cantonal banks' share volatility stood at 6.8% over the same period, i.e. half that of the Swiss equity market.

"Whether or not they are listed on the stock exchange, cantonal banks are a major and dynamic component of Switzerland's local economic fabric."

Whether or not they are listed on the stock exchange, cantonal banks are a major and dynamic component of Switzerland's local economic fabric. They are perfectly familiar with that fabric, because they are inextricably woven into it. Their good health is the reflection of a pragmatic management policy, contrary to the prevailing globalisation. Today, this is a great asset for investors. ■

This article appeared in Le Temps on 19 June 2018.



Focus on two studies

Swiss competitiveness presents a contrasting picture. On the negative side, Switzerland no longer ranks top of the most competitive nations. Still second in the 2017 survey, it was placed fifth in the 2018 IMD ranking behind the United States, Hong Kong, Singapore and the Netherlands. This less impressive score can be explained primarily by the Swiss franc's strength which is an obstacle to exports, as well as by fears over the relocation of research centres.

On the positive side, Switzerland has gained three places to reach the same fifth rank in terms of digital competitiveness according to another study by the same Institute. Here again, the United States tops the list followed by Singapore. Swiss strengths include: smartphone ownership, knowledge transfer between academia and the business world, as well as legislation governing research. At the other end of the scale, the country lags behind, most notably in university science degrees, the position of women in research and e-government.

BRIS Arturo.

IMD World Competitiveness Ranking 2018
and *IMD World Digital Competitiveness Ranking 2018*.
IMD Lausanne.

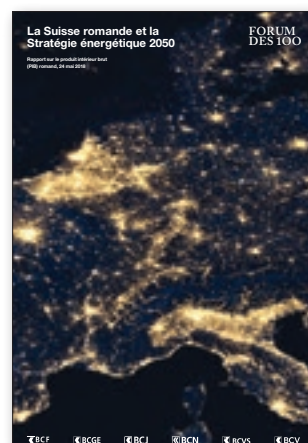


The short-term economic horizon looks bright for French-speaking Switzerland: forecasts made by the six cantonal banks of French-speaking Switzerland point to GDP growth for the region of 2.3% in 2018 and 1.9% in 2019. By way of comparison, GDP growth stood at just 0.9% last year. The shock of relinquishing the floor value for the euro/Swiss franc exchange rate, following the decision taken by the Swiss National Bank in January 2015, now seems no more than a bad memory. Since 2017, the fact is that the franc has lost more than 10% of its value against the European currency. Moreover, the French-speaking Swiss economy is benefiting from dynamic growth elsewhere in the world, supporting in particular the chemical and pharmaceutical, machinery and watch industries, all sectors with a strong focus on foreign trade.

Another welcome fact: French-speaking Switzerland is favourably placed for the 2050 Energy Strategy (exit from nuclear power, reduction of reliance on fossil fuels, better energy efficiency). However, it will have to cut its energy consumption by 53% and its CO₂ emissions by 72%.

SIX BANQUES CANTONALES ROMANDES,
INSTITUTS CREA, FORUM DES 100 2018.

La Suisse romande et la Stratégie énergétique 2050.
Rapport sur le produit intérieur brut romand.



A book worth reading

Smart city, smart agriculture, smart home. Nowadays, everything – or nearly everything – is 'smart'. And lurking behind these concepts of smart management we find connected objects, together with the wider theme of the Internet of Things (IoT) and data, the title of a recent work on the topic. This book explains the challenges facing businesses, lists the new services and abounds in practical examples. They range from the Belgian manufacturer of pellet fuel stoves, who does not bill his products, but instead sells use of the 'heating' function on the basis of annual contracts, to Michelin, which is no longer content merely to supply tyres, but equips trucks with a black box to measure vehicle fuel consumption, driving style and tyre pressure, the aim being to achieve fuel savings and improve safety.

Faced with the IoT, companies must therefore now rethink their business models to move on from the status of being straightforward manufacturers to become providers of high-added-value services. These connected objects linked to artificial intelligence also make it possible to forge new relationships with clients. Even though there is no need for a headlong rush to adopt these technologies blindly, at the very least, the changes under way must be analysed in order to anticipate their impact.

SCIBETTA Frédéric, MOYSAN Yvon, DOSQUET Eric, DOSQUET Frédéric

L'Internet des objets et la data. L'intelligence artificielle comme rupture stratégique.
Collection: Stratégie d'entreprise, Dunod. April 2018. 190 pages.



Fold here

Fold here



Banque Cantonale de Genève

Conseil en ligne

Dialogue

PO Box 2251

1211 Geneva 2

Ask for more information about BCGE services



Please complete, detach, fold and seal the reply-slip. Then return it to us.

BCGE information:

- Becoming a client
- Home ownership financing
- Preparing for retirement
- Managing my assets
- Buying/selling businesses
- Obtaining financial engineering advice (for businesses)
- Advice on assets
- Other _____

I would like an adviser to call me on this tel. No. _____

I can be reached on: Monday Tuesday Wednesday Thursday Friday between _____ and _____

www.bcge.ch info@bcge.ch 058 211 21 00



Information and subscription to Dialogue

Dialogue can be consulted electronically on the BCGE website (www.bcge.ch)

I wish to subscribe to Dialogue (offer reserved for clients of the Bank) – 3 issues each year

My suggestion to the editors of Dialogue _____

dialogue@bcge.ch 022 809 31 85



Mrs Mr

First name _____ Surname _____

Street/No. _____ Post Code/Place _____

Work tel. _____ Home tel. _____

BCGE in Lancy



Lancy-Centre



Grand-Lancy

BCGE also has 19 other branches in the canton

Branches open Monday to Friday from 9.00 to 17.30 and by appointment on Saturday mornings for expert advice
Carouge-Marché, Chêne, Servette-Wendt

Branches open Monday to Friday from 9.00 to 17.30

Bernex, Champel, Eaux-Vives, Florissant, Grand-Lancy, Grand-Saconnex, Ile, Jonction, Lancy-Centre, Meyrin-Cité, Onex, Pâquis, Plainpalais, Plan-les-Ouates, Praille-Acacias, Vernier, Vésénaz

Branch open from 9.00 to 12.30 and from 14.00 to 17.30

Versoix

Branches, subsidiaries and representative offices outside the canton

In Switzerland

Lausanne 021 321 07 17

Zurich 044 224 65 06

In France

Lyon +33 472 07 31 50

Anncy +33 450 66 68 27

Paris +33 176 77 33 91

Worldwide

Dubai +97 143 29 83 00

Hong Kong 022 810 81 80

Your 24/7 bank

Netbanking



1816 Online stock trading



Mobile Netbanking



Online banking



Advisers available for you
Monday to Friday, from 7.30 to 19.30,
and Saturday from 9.00 to 16.00

125 ATMs



BCGE allows free cash withdrawals
from ATMs of all cantonal banks,
Switzerland's biggest network of
cash dispensers (1,600 ATMs)