



# dialogue

The Banque Cantonale de Genève magazine | Winter 2016/2017

[The Bicentenary Gazette](#)

[Behind the scenes at  
the Palais des Nations](#)

[Bertrand Piccard: making  
the impossible possible](#)

[The benefits of  
positive emotions](#)



With discipline comes performance.

Swiss wrestling, a traditional sport, requires constancy and regularity, fundamental qualities necessary to reach our goals.



Geneva economy dashboard	2
Geneva, culture and society	
Behind the scenes at the Palais des Nations	4
Geneva, a Genevan business	
Serbeco: 25 years of innovation in sustainable development	6
Bertrand Piccard: making the impossible possible	8
A local authority in action: Pregny-Chambésy	
Thirty-five new council-owned housing units	10
<b>The Bicentenary Gazette</b>	11
In brief	14
The benefits of positive emotions	17
<b>Finance and economy</b>	
A new real-estate fund added to the range of Synchrony Funds	19
The payments system revolution; now is the time to prepare	20
Professional loans: a financing solution for 20,000 francs or more	22
ForXchange by BCGE: a simple and comprehensive tool for companies trading forex online	23
Francois Kirchhoff joins the Geneva branch of Dimension SA	24
BCGE in Zurich, serving businesses and individuals	24
CrontoSign Swiss, an efficient system for authenticating and validating transactions	25
Further reading	25

## Credits

**Publisher:** Banque Cantonale de Genève, Communications & Investor Relations department.  
**Editor:** Hélène De Vos Vuadens.  
**Coordination:** Olivier Schaerrer (olivier.schaerrer@bcge.ch).

**Address of the editorial board, subscription service:**

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:** 18,500 copies.

**Creation, graphic design:** Alternative.ch.

**Printed by** ATAR Roto Press SA.

**Copyright:** reproduction of articles either in whole or in part permitted only with the publisher's consent.

**Photographs and illustrations:** Alternative communication, Laurent Brossy, Concorde, Christian Huber, Stéphanie Liphardt, Magic Pencil, Photolia, Philippe Schiller, Nicolas Spuhler, Philip Van Woerden, Loris Von Siebenthal, Aline Yazgi.

"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."

**Translation:** Trans-Adapt Sàrl.



Blaise Goetschin  
CEO

## Swiss banks – Excessive criticism is insignificant

Our choice of title for this article which paints a positive portrait of Swiss banks has been inspired by the words of Talleyrand<sup>1</sup>. We are responding in particular to public criticism that has tended to suggest that individual behaviour, as erratic as it is isolated, in fact typifies the whole sector. We start by recalling the shocks our industry has been confronted with since the start of the twenty-first century. We go on to see how Swiss banks have been able to adapt. Finally, we take a bet on their future.

### "Disruptive" crises

2008: a systemic international financial crisis. A crisis of a new kind, amplified by communication technologies and the intensified interweaving of global business ties. Lehman Brothers collapsed, nearly dragging down other major US banks, the insurer AIG and almost the whole financial system in its wake. Thousands of banks closed in the USA, several dozen English banks went bankrupt or had to be bailed out by government intervention; banking systems in most European countries were in crisis and are still debilitated today.

In Switzerland, just one bank sought temporary support from the public authorities. Intervention, perfectly coordinated, ended soon afterwards with success and a decent payback for the public authorities for their intervention. The other banks rode out the storm adroitly. At no time, unlike what happened in neighbouring countries, were there any fears over the safety of savings or signs that business lending was drying up. In December that same year, BCGE's rating was even upgraded by one notch. It went on to play its traditional role as a safe harbour (a first-class home for deposits when the financial climate turns messy) by collecting substantial savings.

2009: a crisis for the Swiss banking business model flared up on 13 March when Switzerland declared that it would abide by Article 26 of the OECD Model Tax Convention pertaining to the exchange of information between tax authorities of contracting States and, by doing so, accepted all the rules of that organisation. That signalled "the beginning of the end" for banking secrecy in tax matters. The rules of the game changed. Global governance dictated its tempo and principles with no national democratic consultation.

After many episodes reminiscent of the phases of grieving in Kubler Ross's theory (denial, refusal, negotiation, acceptance), the banks adopted the new *Weltanschauung* or world view based on total transparency, exemplified by the automatic exchange of banking information for tax purposes. Whatever we may think of this data-exchange procedure, Switzerland has in the meantime adapted rapidly. It has managed to restore its own image, admittedly paying a high price in investment terms, and has brought its banking practice into line with the most exacting international standards. This crisis which hit private banking, one of the main business lines for Switzerland as a financial centre, proved painful. Its market share has fallen today from almost one-third of global offshore assets under management to 25%. A steep drop admittedly, but all the same a remarkably resilient performance that has, for instance, allowed the biggest Swiss bank to hold on to its top ranking in this field. Staff numbers in this sector have also fallen in Switzerland, dropping from 110,122 employees in 2008 to 103,042 by end-2015, but the industrial core has been preserved with banks that are better capitalised and enjoying a high rating in a global comparison. Cantonal banks have done very well during this period. The performance of the tracker certificate on listed cantonal banks is a good example: it has gained 41% in value between 2010 and 2016 (according to a retrospective calculation).

2011: the Greek crisis. Swiss banks' exposure to Greek debt was low compared to that of other countries, especially France and Germany. Swiss establishments held just 571 million dollars in Greek government bonds and 1,124 million in the form of Greek banking debt as of end-June 2011.

2015: Swiss franc-euro exchange-rate crisis. The SNB took front of stage to support industrial sectors weakened by their exposure to the euro and tourism. This led to the adoption of an unprecedented and progressive regime of negative rates on the franc, with effects that proved controversial in general, but were undoubtedly penalising for institutional investors, banks and savers alike. The banks adapted yet again despite constant erosion of their interest-rate margins. They managed their financial and actuarial balance sheets with great technical skill and creativity. So far, BCGE has safeguarded its own results, while offering its clients welcome protection against negative interest rates.

<sup>1</sup> "Everything that is excessive is insignificant", Talleyrand (1757-1838).

Many other misfortunes beset the Swiss banks in the early years of this century: cybercrime, protectionist measures on their external markets, foreign sanctions often unmerited, regulatory requirements imposed at an unprecedented pace and in exceptional depth, unconventional and experimental regulatory measures including anti-cyclical actions, etc.

### A resilient Switzerland

"*E pur si muove* – and yet it moves!" to paraphrase Galileo this time. The Swiss banking sector is still impressive in its scale in relation to the size of the country (266 banks, 3,026 billion balance-sheet total, 6,567 billion assets under management, 103,000 jobs, 2.2 billion francs in tax paid on income and profits) and in its diversity (major banks, foreign banks, private, regional and cantonal banks). Despite adversity, Swiss banks have managed to preserve their image as significant players and their reputation both abroad and with a great majority of their individual or business clients. They are innovative and successfully mastering the digital revolution. They provide training for over 4,000 apprentices, not to mention many graduate interns.

The general public has sometimes been confused by a few notorious scandals which are by no means representative of a "system". They failed to understand why some Swiss high authorities expressed their dismay in public that the major banks were too big for the size of the country. They did not understand either why some employees came in for public vituperation, while Swiss or foreign courts found them not guilty of any charge shortly afterwards.

However, staff worked hard for their businesses in these challenging times. The remarkable loyalty of Swiss and foreign clients is explained in very large measure by this personal and civic commitment. Each shareholder, each bank director and each Swiss citizen must surely appreciate that fact.

### The Swiss banking centre: an intact future

Tomorrow, different and unforeseeable crises await us. Through inventiveness, service quality and an entrepreneurial approach at every level we shall win the day. After looking at the facts and putting them in their true perspective, public opinion should be proud of all that has been safeguarded up to now: the essentials. It should not be afraid of expressing enthusiasm<sup>2</sup> for its financial centre, its projects and businesses: multinational, cantonal with a century-old tradition or fintechs...

<sup>2</sup> Recent example of fervour in India when 18,096,130 new accounts were opened in a single week.

## Geneva economy dashboard

Economic situation for the current year and forecasts

### Forecasts

Macroeconomy	GDP		Inflation		Unemployment rate	
	2016	2017	2016	2017	2016	2017
Switzerland	1.4%	1.3%	-0.4%	0.4%	3.4%	3.6%
Geneva	0.9%	1.1%	-0.3%	0.4%	5.4%	5.6%
Eurozone	1.6%	1.5%	0.3%	1.5%	9.7%	9.0%
United States	1.6%	2.0%	1.3%	2.5%	4.8%	4.9%

Official interest rates	3 months	12 months	18 months
Switzerland	-0.8%	-0.8%	-0.8%
Eurozone	-0.4%	-0.4%	-0.4%
United States	0.9%	1.3%	1.5%

10-year rates	3 months	12 months	18 months
Switzerland	-0.2%	0.0%	0.2%
Eurozone	-0.1%	0.3%	0.7%
United States	2.2%	2.3%	2.8%

Forex and oil	3 months	12 months	18 months
EUR/CHF	1.08	1.08	1.12
USD/CHF	0.98	0.98	0.98
EUR/USD	1.10	1.10	1.15
Oil - Brent (USD/barrel)	50	60	60

Source: BCGE, Thomson Reuters, IMF.

## A stable jobs market

There has been no change in the state of the jobs market in the Canton of Geneva since last summer. The unemployment rate has stabilised at around 5.5% and is lower than it was at the beginning of the year. The total number of registered unemployed remains below 13,000 (12,994 jobless in October, -0.6% y-o-y). On the other hand, the number of registered job seekers has risen (16,551 persons, +2.0% y-o-y).

## Prices are recovering

The slight upturn in prices reported in the last issue of *Dialogue* continued in the third quarter. In October, the Geneva consumer price index rose by 0.1% in one month, exactly the same figure as in one year. It now stands at 100.5 points (December 2015 = 100). The increases that have occurred in the past few months make the average annual variation less negative than at the outset of the year (-0.3% against -1%). Price rises include fuel oil (+5.2% y-o-y), clothing (+0.1%) and books and publications (+2%). Despite this increase, these items are still priced well below the level prevailing ten years ago (-10%).

## A sluggish economy but some light on the horizon

A lacklustre third quarter: no improvement occurred in this period and only the "Other Services" branch describes the progress of business as satisfactory. However, some sectors do expect their situation to improve: industry (more new orders taken and better short-term production outlook but reservations for the longer term), financial services (business expected to improve for the next six months) and retail trade (higher turnover forecast). On the other hand, forecasts for construction, the hotel and catering trades show no improvement.

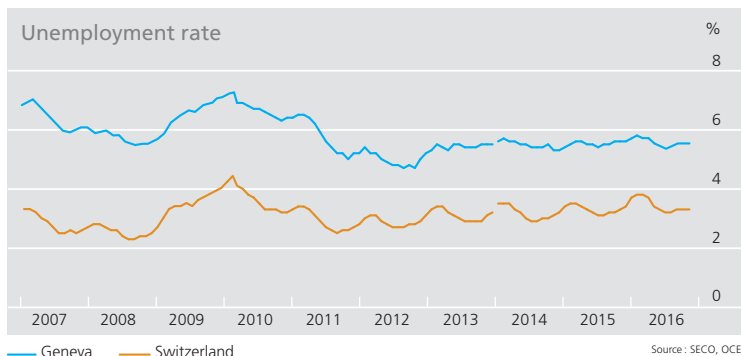
## Falling real-estate prices

Month after month, prices fetched by individual houses and apartments in fractional ownership properties (PPE) have been retreating from the peaks scaled in 2012. According to the property price index calculated by Wuest & Partner, the annual fall recorded in October 2016 was 2.5% for detached houses and as much as 8.1% for PPE, retreating to the levels reported in 2010 and 2011, respectively. Office rents rose very slightly in the third quarter (+0.09%), but have fallen year on year (2.7%). However, their trend is far less linear and significant than the prices for the two other types of property.

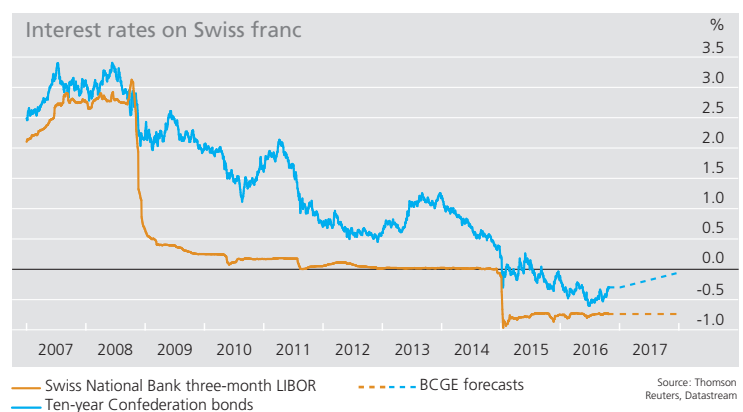
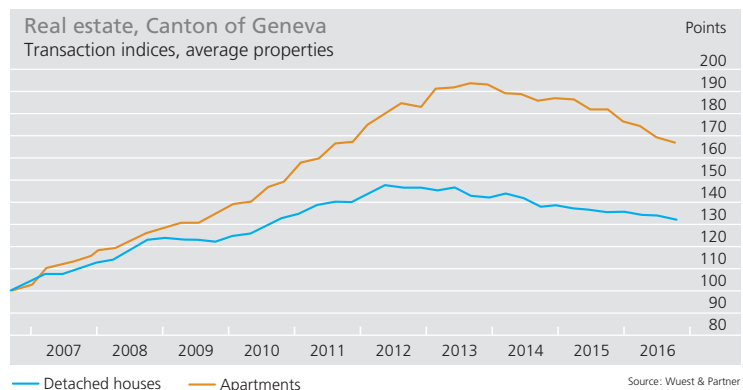
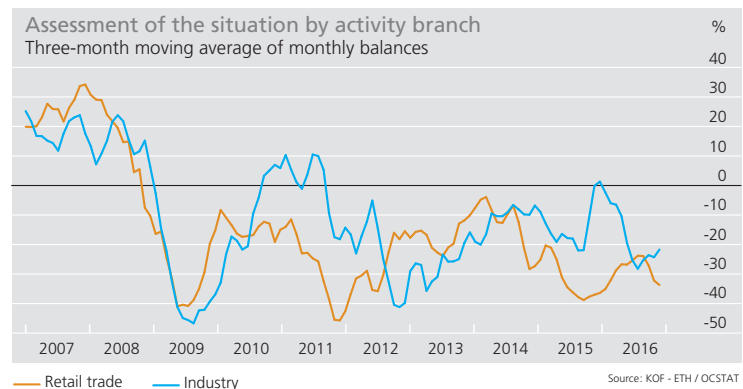
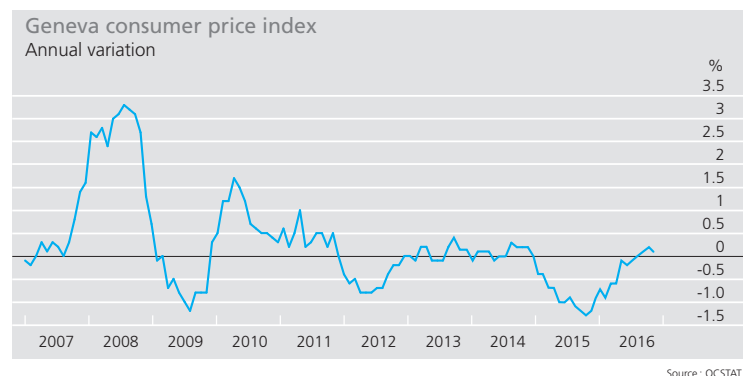
## All quiet on the interest-rate front

The autumn saw a change in perception about inflation (see above). Focused for a long time on the risks of deflation, investors have come to realise that inflation has in all probability now bottomed out. An upward trend of 5-to-30-year yields was observed in October, but looks more like an adjustment than the early signs of a paradigm shift. In Switzerland, unless a major forex shock occurs, rate policy is unlikely to vary. The mortgage market is fairly calm and will probably not see any new measures, while rates offered by banks may well stay at their current levels. ■

## BCGE Asset Management



Changes in legislation or in the size of the resident population of working age used the calculations occurred in 2009, 2012, 2013 and 2014



# Behind the scenes at the Palais des Nations

A guided tour gives visitors access to several conference rooms immortalised on television. They can take a peek behind the scenes of the UNO and discover art works presented by members of the United Nations Organisation. Journey to the heart of multilateral diplomacy.



The Assembly Hall has 2,000 seats, making it the UN's biggest meeting room in Geneva.

The United Nations Office at Geneva (UNOG) is such a familiar feature of the landscape that people living in the region often forget it is open to visitors. A guided tour is well worth the effort as an opportunity for visitors to discover this iconic building where more than 8,000 conferences are held every year.

The day's meetings are announced on big computer screens. On the Monday morning of our visit, twelve sessions were in progress simultaneously in the 34 available meeting rooms.

Our first stop was in one such room which was, of course, not being used at the time: the Palais des Nations is a place of work and not a museum. The particular areas open to visitors may, therefore, vary depending on the agenda of this forum of multilateral diplomacy. This morning, the guide began by taking us to a 500-seat room donated by a Gulf State and equipped with the very latest technologies, especially for simultaneous interpretation. It is decorated in a style reminiscent of the desert: fitted carpet in ochre and yellow tones undulating to represent sand, relief structures in wood on the walls to symbolise dunes, stylised patterns inspired by the subtle arabesques which decorate buildings of the Orient.

By the way, how are seating arrangements for the delegates decided? The podium is reserved for the chairman of the session, his deputies and the secretaries. In the room itself, government delegations take their seats in alphabetical order, starting from the left of the front row and ending on the right of the back row.

An amusing detail: the language in which the alphabetical order is decided may be either French or English; this can require major seating changes. Just one example: Afrique du Sud is much lower down the list when it becomes South Africa...

### Stalactites of every colour

Next on our visit is the Human Rights and Alliance of Civilizations Room decorated by the famous Spanish artist Miguel Barcelò. Twenty painters worked for nine months to produce an incredible sculpture covering the entire 1,000m<sup>2</sup> ceiling. The dome is covered with structures resembling stalactites with several coats of paint of different colours using pigments originating from all over the world. Depending on where you are in this 754-seat room, you will see different colours and shapes, a metaphorical expression of the UN's work: each individual views problems with a different eye depending on the region they are from and on their own convictions. The UN's task is to strike a balance and achieve harmony between divergent ideas.

Next, we walk along corridors decorated with many art works. These gifts presented by the Member States transform this building into a kind of living museum of art and craftsmanship. They house some 2,000 items dating from the 20<sup>th</sup> and 21<sup>st</sup> centuries: sculptures, models, paintings... drawn from the entire planet. We also discover an astonishing Chinese tapestry which makes an effect similar to that of the *Mona Lisa*: regardless of the position from which you view the temple depicted here, it always seems to be right opposite the observer.

“Through the window, you can also gaze in admiration at the magnificent parkland with hundred-year old trees and art works including the Armillary Sphere.”

### 193 Member States and two observers

Time now to leave the new wing built between 1968 and 1973 to double the floor space of the buildings. An extension had become necessary because of the huge increase in the number of Member States: from 51 when the UN was founded immediately after the Second World War to 193 today, plus two members with observer status, the Vatican and Palestine.

We move on from one wing to the next along a glazed walkway affording a panoramic view of the lake and mountains as far as Mont Blanc on a clear day. We then reach the very heart of the Palais des Nations which owes its name to its origins: it was built to house the UN's predecessor, the League of Nations. This particularly imposing building for which the foundation stone was laid in 1929 is the outcome of a joint project of five architects including the Swiss Julien Flegenheimer. The jury had in fact been unable to decide in favour of any of the 377 projects submitted and the League of Nations went on to ask the five architects who had presented the top-ranking submissions to work together. International cooperation is therefore etched into the very heart of the Palais des Nations...

The Salle des Pas Perdus, the extensive lobby in front of the cavernous Assembly Hall, has much to attract the eye. The visitor can contemplate differently-coloured marbles from Sweden, Finland, Italy and Belgium. Through the window, the viewer can also gaze in admiration at the magnificent parkland with its hundred-year old trees and art works including the Armillary Sphere (this statue representing a model of the celestial sphere is very often used by the media to symbolise the UN's Geneva office), the Conquest of Space (a pillar presented by the USSR as it then was) or the very recent sculpture entitled *Renaissance* and comprising 193 different stones laid out to modify the mathematical symbol for infinity and so create the representation of a New World in which the human community is united.

### Two branches symbolising peace

The visitor can also take a little time to admire the temporary exhibition which generally occupies part of the corridor. On the occasion of our visit, moving black and white photographs were on display grouped under the theme of *the most important thing*: refugees and persons who had to flee from massacres posing with the object which to them is the most important thing they were able to carry away with them; here a can of water, there a bracelet.

On our last stop, we had an opportunity to sit down in the famous Assembly Hall with its 2,000 seats. The great symbol of the United Nations is the dominant central feature: two branches symbolising peace which surround the five continents. But did



The Palais des Nations is the outcome of collaboration between five architects.



The Armillary Sphere stands in front of the Palais des Nations. This statue representing the celestial sphere is one of the most commonly used symbols to represent the United Nations Office at Geneva.

you notice something? The earth is represented here from the North Pole. This is in fact a neutral way of looking at the planet: no part of the world appears in the centre which might suggest that it is more important than any of the others... ■

Aline Yazgi

## Exclusive visit by clients of BCGE

Clients who belong to the BCGE Best of circle (wealth management mandate) had an opportunity to enjoy an exceptional guided tour of the UN on 16 June 2016 where they were welcomed by the Director-General of the International Institution, Michael Moller. The event took place on the occasion of the official inauguration of *Broken Chair* located on the Place des Nations which the bank refurbished in partnership with Handicap International.

Visiting times at [www.unog.ch](http://www.unog.ch)

Geneva, a Genevan business

# Serbeco: 25 years of innovation in sustainable development

Bertrand Girod, Serbeco's Managing Director, and his father Bernard, Chairman of the Board of Directors and the company's founder.





Founded in 1991 by Bernard Girod and managed since January 2012 by his son Bertrand, Serbeco's share capital is wholly owned by the family. The company is a pioneer and leader in the field of collecting, sorting, recycling and extracting value from waste in the Canton of Geneva. Pursuing a long-term civic vision, the company has achieved its growth backed by a development policy focusing not just on environmental but also on social and economic considerations. It currently employs around 100 persons with an annual turnover of 25 million francs.

For the past 25 years, Serbeco has been collecting, sorting and extracting value from waste in the Geneva region. In 1991 Bernard Girod acquired a business specialising in glass recovery. Step by step, he broadened its services to include other types of waste: PET, aluminium, tin, cardboard, wood, construction site waste, industrial waste and sludge. At its 25,000m<sup>2</sup> facility in Satigny, more than 80,000 tonnes of waste are processed annually; they come mainly from businesses and industrial companies, but also from public authorities. Serbeco has founded its policy on the three pillars of sustainable development: the environment by helping to safeguard natural resources, the economy by cooperating with the recycling industry, and society at large by employing several persons returning to the world of work. On the latter score, it cooperates with Ateliers Feux Verts and facilitates the return to society of five persons looking for work after being in prison.

#### **Ecological awareness at the very heart of the business**

One of Serbeco's main aims is to optimise waste collection while reducing its impact on the environment. Together with SIG, the company built a solar panel roof covering an area of 1,012m<sup>2</sup> in 2011. This provides capacity generating renewable energy amounting to 140,000KWh/year, equivalent to the consumption of 40 homes. This clean energy powers the company's electric vehicles. In 2013, Serbeco also pressed ahead with gradually renewing its fleet of vehicles and machinery. Already fuelled by bio-diesel made from waste oil and used cooking fat, the trucks are gradually being replaced by hybrid or 100% electric vehicles. In partnership with EcoWaste, Serbeco has developed a management system which forecasts when containers are likely to become full and enables collection rounds to be planned from the many waste-recovery sites canton-wide. The aim is not only to prevent overspill and guarantee accessibility for users but also to reduce the impact of transport operations. This innovation has cut vehicle movements dedicated to the collection of waste in the city of Geneva by 25%.

#### **A new high-tech sorting centre inaugurated in May 2016**

The project for installing a new automated waste-sorting line on the Satigny site was born out of Serbeco's determination to meet environmental targets fixed by the canton's waste management plan for 2017.

This plan stipulates the reduction of waste at source, an increase in the recycling rate of urban waste to 50% and that of industrial and business waste to 70%, together with the use of recycled materials in the building industry. The company has invested 4 million francs – the biggest operation since it was set up – in this new centre which aims to extract value from up to 75% of all waste. The company has taken account of the strong demand for secondary raw materials on the Swiss market. This new sorting installation has the unique feature of being the first

in Switzerland to benefit from optical sorting technology for site waste, known as ordinary industrial waste. This new and highly innovative instrument enables sorting quality to be enhanced, thereby increasing the quantities of products sorted for use in the production of secondary raw materials.

**“Serbeco is a business that cultivates a global vision of sustainable development. Growth at all costs is not part of the company's DNA. It is based on values, human commitments, a capacity for innovation and service quality to ensure permanent and sensible development.”**

#### **A strong local commitment**

In pursuit of its business activities, Serbeco gives priority to local suppliers. Moreover, the company contributes actively to the dynamism of the canton, by supporting many local and sports events. These include the Geneva Marathon, cleaning up Lake Geneva, the *Fêtes de Genève* (the Geneva Lake Festival), the *Course de l'Escalade* (annual road-running event through Geneva's historic centre), Etoile Carouge Football Club, local ice skating rinks and Genève-Servette Hockey Club. It also helps local charities. Last but not least, Serbeco encourages the organisation of events for young handicapped persons such as the Smurfs tournament or more dedicated events, including the *Marche de l'Espoir* (Walk for Hope). ■

**Marie-Christine Lang**

# Bertrand Piccard: making the impossible possible

When the BCGE Essentials of Finance Seminars (see page 15) were held last September, Bertrand Piccard shared the secrets of his success and explained how he conquered doubts and setbacks during his unique adventures.

Adventurer, visionary, pioneering spirit... that is Bertrand Piccard. After studying medicine at the University of Lausanne, he went on to specialise in psychiatry and psychotherapy for adults and children. At the same time, he lived out his passion for exploration and aviation. Explorers from father to son for three generations, Bertrand Piccard is no exception. He loves to break new ground and achieve the impossible. In 1999, he completed the first non-stop circumnavigation of the world by balloon, the longest flight in aviation history. In 2002, Bertrand Piccard envisaged another round-the-world flight, this time by solar-powered aircraft with unlimited autonomy using zero fuel. That was how the Solar Impulse project was born. In 2015, the aircraft began its world tour in Abu Dhabi. Since then, it has flown across our planet for just over one year, beating all previous records for solar-powered aviation. What is Bertrand Piccard's ambition with this project? Over and above the aeronautical dimension of his feat, he is keen to promote the pioneering spirit in favour of renewable energies, raise public awareness and encourage the use of clean technologies.



"If everyone supports us, that can only be because we are not being ambitious enough. If nobody supports us, we must be either mad or pioneers."

According to Bertrand Piccard, the characteristic feature of an entrepreneur is the endeavour to accomplish a cherished project to the best of his ability. The entrepreneur wants to achieve his goals and stick to his visions despite the obstacles that stand in his way. "If everyone supports us, that can only be because we are not being ambitious enough. If nobody supports us, we must be either mad or pioneers", he says. The Solar Impulse project for a round-the-world flight by solar aircraft was thought to be impossible. So, why did Bertrand Piccard's team succeed? It did not succeed because it accomplished the impossible, but because there had been a big misunderstanding. All the Cassandras were wrong. "What impressed me most was not the mere fact of accomplishing something impossible, but of proving that more often than not what people believe to be impossible is perfectly possible", he points out. Practically nothing is impossible, but human beings set themselves limits which become impenetrable walls. The problem lies in these barriers, not in the constraints of physics or nature. Those are so remote that man has plenty of room before he starts bumping up against them.

## Changing altitude and releasing ballast

Balloon flight, another string to Bertrand Piccard's bow, is an extraordinary metaphor for creativity, innovation and challenge. The balloon pilot is a prisoner of the winds, and the only decision he can take is to change altitude to alter his trajectory. That is precisely what one must achieve in life. We must manage to change altitude in our professions, in education or in psychological, philosophical and spiritual mindsets. "Changing altitude in relation to everything that snares us in old ways of thinking means tapping into other influences, solutions, responses, opinions, strategies or visions of the world, which will inevitably redirect us onto a different trajectory", the adventurer confides. An entrepreneur who wishes to create and innovate must release ballast. "Ballast is all that we have learned, our certainties, convictions, security, beliefs, surprises, responses, our conditioning, paradigms and dogmas. Everything which seems to strengthen us," Bertrand Piccard explains. However, all these certainties which define us are not in fact a strength; on the contrary, they are a burden, an anchor



Bertrand Piccard (centre) standing with the leaders of the BCGE seminar. From left to right: H el ene De Vos Vuadens (Communications and Investor Relations), S ebastien Collado (SMEs and Self-employed), J er ome Monnier (Geneva Private Clients & Family Businesses) and Sandrine Pollani (Communications and Investor Relations).

preventing us from lifting off. Releasing ballast means identifying with what we believe in most only to cast it aside and try something different, sometimes even to envisage doing the exact opposite. That allows us to move on from being a robot programmed by life to become, instead, a free actor in charge of our own future. Changing altitude by exploring other ways of thinking enabled human beings to make major conquests in the 20<sup>th</sup> century. Flight, scaling the summit of Everest or landing on the moon were not new ideas, but thousand-year-old dreams cherished by mankind. They suddenly became a reality because man cast off these old beliefs that had stopped him from performing such feats. By doing so, in the space of just 66 years, human beings conquered the North Pole, the South Pole, Everest, the Mariana Trench and the moon. "This shows that innovation is not a new idea developed by us, but a long-held belief which we put behind us", Bertrand Piccard concludes. We must learn to love the unknown and grasp how to take a risk, that of losing control without knowing what is going to happen next. Confidence is far more important than

courage because it does not require an effort. It is spontaneous – an inner quality when you quit your comfort zone. Then we discover the resources that enable us to move on. That is the fundamental point. ■

**Marie-Christine Lang**



# Thirty-five new council-owned housing units



In the space of just a few months, Pregny-Chambésy has acquired two new property complexes: the Nelly-Gygax project inaugurated in March this year and the Grandes-Guénandes project due to follow in spring 2017. These two projects are part of the policy pursued by the local council to meet the needs of local people. They raise the proportion of council-owned apartments to 12%, a very high rate for a residential district.

### Pregny-Chambésy in figures

Population: <b>3,635 inhabitants</b>
Proportion of the cantonal population: <b>0.7%</b>
Land area: <b>323 ha</b>
Proportion of cantonal territory: <b>1.3%</b>
Income: <b>10.954 million</b>
Expenditure: <b>10.672 million</b>

### Town Hall

Mayor: <b>Isabelle Rasmussen</b>
Administrative Councillor: <b>Philippe Pasche</b>
Administrative Councillor: <b>Philippe Schwarm</b>

### Pregny-Chambésy in brief

Situated on the right bank of Lake Geneva, the locality of Pregny-Chambésy comprises three entities: the villages of Pregny and Upper Chambésy and the hamlet of Lower Chambésy. It is home to many foreign embassies and permanent missions to the UN and other international organisations. Once a farming area, Pregny-Chambésy has become a residential district in which the tertiary sector dominates (89% of all jobs in 2005). Back in 1353, Pregny formed part of the Pays de Gex and belonged to the House of Savoy. In 1536, it was occupied by the people of Berne who handed it back 14 years later, preferring to take control of the Pays de Vaud. In 1601, Pregny-Chambésy became French, but, in 1815, France ceded it to the new Canton of Geneva.

Called Nelly-Gygax after the name of the site's former owner who donated it to the local authority, this construction project is the first major site opened in the district for over 20 years. It is situated on a 1,458m<sup>2</sup> plot of land on Avenue de Foretaille. A complex of 18 homes has been built here, comprising 10 two-bedroom apartments and 8 one-bedroom flats. It includes an underground car park and four homes specially adapted for persons with reduced mobility in line with the donor's wishes. Philippe Schwarm, Administrative Councillor for the local authority, points out that monthly rents here are lower than market rates: 1,300 francs for the one-bedroom apartments and 1,700 francs for two-bedroom flats. All the apartments have already been allocated, with priority given to the local population. The second project, known as Grandes-Guénandes, has also been built to comply with the Minergie low-energy-label criteria. It will comprise 17 two- or three-bedroom apartments with direct lift access. There will be an underground car park, and each unit will have a private outdoor extension. The work is due for completion in spring 2017.

### A locality which takes care of its population

According to Philippe Schwarm, these 35 apartments fit in perfectly with the housing policy pursued by Pregny-Chambésy. The locality has 160 council-owned apartments representing 12% of all the building stock. Slightly higher than one residential unit in ten, this quota reflects the municipality's resolve to make good use of land owned by it and provide affordable rented housing for local people. To ensure long-term viability of the projects and make them financially independent, the local authority has taken advantage of the current economic situation to secure fixed rates for 25 years. It benefited from a tailor-made mortgage scheme devised by Banque Cantonale de Genève with the assistance of an agent specialising in arrangements of this kind, the councillor pointed out. Future refurbishments will, therefore, be entirely self-financing, and rents will remain stable for the long term.

Philippe Schwarm says that a feasibility study is under way for another site to be developed close to the local EMS medical and social centre. Using a public-private partnership, the local authority wants to build a property complex here comprising 25 sheltered and extra-care housing units for senior citizens. ■

Marie-Christine Lang

## BCGE extends its Economics Prize to higher education

Seven new Economics Prizes worth 500 francs each were awarded by Banque Cantonale de Genève in the second half of 2016 to mark BCGE's bicentenary. Initially destined for prizewinners from secondary and commercial schools in Geneva, this prize has now been broadened to include university students.



From left to right: Jérôme Monnier (BCGE), prizewinners Pierre-Alain Leuenberger and Raquel Cardoso Gillioz, Frédéric Ruiz (ISFB) and Frédéric Kohler (ISFB).



From left to right: Professors Thomas Straub and Salvatore Di Falco (GSEM), prizewinners Michel Waser and Olim Latipov, Nicolas Demierre (BCGE) and Mathias Baitan (BCGE).



From left to right: Professor François Duc (HEG), HEG Director Claire Baribaud, prizewinners Pamela Palena, Julien Ballif and Clément In-Albon, and François Kirchhoff (BCGE Group).



**Romaine Jordan**  
Training and Management Development

Three university or professional institutes are involved in selecting the prizewinners. The prize is presented to selected students taking the Master of Arts course in International Trading, Commodity Finance and Shipping and the diploma in Advanced Studies in Commodity Trading of the Geneva School of Economics & Management (GSEM) Faculty at the University of Geneva. Prizes are also awarded to selected winners from the bachelor's degree course in Business Management

at Geneva's *Haute école de gestion* (HEG), Banking and Finance option, and to selected students taking the Master of Advanced Studies in Banking and Finance offered at the ISFB in Geneva.

BCGE extends its warm congratulations to all the prizewinners: Michel Waser, Master of Arts in International Trading, Commodity Finance and Shipping (GSEM), Olim Latipov, Diploma in Advanced Studies in Commodity Trading (GSEM), Julien Ballif (HEG), Clément In-Albon (HEG), Pamela Palena (HEG), Raquel Cardoso Gillioz (ISFB) and Pierre-Alain Leuenberger (ISFB). ■

## BCGE supports local craftsmen through exhibitions at its branches

To mark its bicentenary, Banque Cantonale de Genève organised exhibitions of the work of Geneva craftsmen in its network of branches during August. It wanted to make local know-how better known. Through this venture, BCGE is confirming its attachment to its local roots and support for the Geneva economy.

**Nicola Camasso**  
Communications and Investor Relations

An interior decorator, sculptor, jewellery makers, cobbler, ocularist, cutout artist and glass worker had an opportunity to demonstrate their expertise for one day by presenting their trade, their creations and the materials used by them to clients and passing visitors. These craftsmen all presented their work in the month of August at the Bank Headquarters, Quai de l'Île 17, and at the Carouge-Market branch. There follows a brief review of the eight craftsmen whose work was on display.



**Adriano Tosto,**  
**Shoes that fit**

Located in Onex for thirty years, the Les Bossons shoe repair shop has been handed down from father to son. After passing his certificate of aptitude as a cobbler in 1982 and going on to work as a metal worker for several years, Adriano Tosto joined the family business at age 45 where he now specialises in footwear. Apart from resoling, he makes all kinds of adjustments to footwear, ranging from comfort to styling and even minor orthopaedic work. As well as shoes and keys, the Les Bossons business handles all kinds of repairs to meet the needs of a large clientele. L'Île Branch (23 August 2016).



**Nathalie Voïtchovsky,**  
**Maker of "ecological" jewellery**

After gaining brilliant experience with leading names such as Rolex, Gilbert Albert and Marina B., Nathalie Voïtchovsky decided to open her own studio with an effective business concept. Using precise techniques such as compression, she reworks old family jewellery pieces to create new ones. By doing so, she gives existing jewellery a new lease of life.  
<http://nathalievoitchovsky.ch>  
Carouge-Market Branch (3 August 2016)



**Matthias Buckel,**  
**Ocularist specialising in eye prosthetics**

Craftsman Matthias Buckel is the only maker of glass eye prosthetics in the French-speaking part of Switzerland. Made with extreme precision using the right tools, each prosthetic piece takes around one hour to produce. After learning this speciality from his father Werner Buckel, Matthias Buckel is now training his two daughters who will become the 4<sup>th</sup> generation of ocularists.  
<http://oculariste.ch>  
Carouge-Market Branch (5 August 2016)



**Emmanuelle Garcia-Gavillet,**  
**From jewellery design to production**

After attending a course in jewellery at the Geneva School of Decorative Arts, Emmanuelle Garcia-Gavillet was recruited by a Genevan firm to work as a designer.

Now self-employed, she designs and makes jewellery for her clients. She also teaches a course of jewellery design at the Vocational Training Centre for the Applied Arts in Geneva. Carouge-Market Branch (4 August 2016).



**Nicola Gubinelli,**  
**Colourful stained glass windows**

A former farmer, Nicola Gubinelli took up his career in glass at the age of 58. Wanting to live out his passion, he decided to go back to school in 2005 to learn the art of stained glass. It took him

eight years to master his new trade. Nicola Gubinelli now produces his works in the old family barn at La Croix-de-Rozon. Carouge-Marché Branch (8 August 2016)



**Miranda (left) and David Chojnacki (right)**  
**Sculptures with a story to tell**

Created in 2006 by David Chojnacki in the centre of Jussy, SwissArt Edition Geneva is an art foundry which serves all kinds of artists, galleries, architects, local authorities and businesses. Its works can be admired throughout Geneva, including the bronze sculpture of *The Creature of Doctor Frankenstein* on the Plaine de Plainpalais or the sculpture of wrestlers for the Swiss Federal Wrestling Festival. The foundry was represented at the L'Île branch by the sculptor, Miranda. She makes original creations taking their inspiration from dreams, imagination and mythology which she calls "Oniric Figuration". The SwissArt Edition Geneva Foundry enables her to breathe life into her creations down to the smallest detail.

<http://fonderie-art.ch>  
L'Île Branch (24 August 2016)



**Pascal Schäfer,**  
**Elegant interior decoration**

Pascal Schäfer began an apprenticeship in interior decoration in 1990 and perfected his knowledge by going on to train for four years in floor laying. Today and for the past twelve years, Pascal Schäfer has been

self-employed. He makes wall hangings, furniture upholstery and coverings, curtains and blinds; he also lays floors and provides an interior decorating service on request. L'Île Branch (26 August 2016)



**Réhane Favereau,**  
**The art of cutouts**

Telling a story through cutouts has been Réhane Favereau's chosen speciality since 1997. Self-taught, she has produced many art works, cutouts inspired by her Swiss roots. She also creates works telling a life story or any other subject

to special order.  
[www.rehanefavereau.blogspot.com](http://www.rehanefavereau.blogspot.com)  
L'Île Branch (25 August 2016)

## New formula for our *BCGE group investment strategy* publication

What are the main economic trends? How can we interpret the key indicators to define a coherent and effective investment policy? Know-how and investment decisions taken by BCGE professionals are now available in a document published four times a year. **It can be downloaded from** [www.bcge.ch](http://www.bcge.ch). Written in a readable style in French, English and German, *BCGE group investment strategy* incorporates the main conclusions from our financial and macroeconomic analysis through a structure based on regions and asset classes. It begins with an editorial written by the Chief Investment Officer and presents a background article on a topical macro-financial subject. The main geographical zones (Switzerland, Europe, United States, emerging markets) are analysed from macroeconomic and financial angles (interest rates, stock markets and currencies). You can read a summary of the analyses on which the decisions taken by the BCGE Strategy Committee are founded; it meets once every three months to define the Group's investment strategy. This takes a fundamental approach relying on the economic and monetary environment to determine the likely future performance of the different asset classes.



## A BCGE ATM at Skylab



BCGE has inaugurated a new ATM in the multi-purpose Skylab building at Chemin du Pré-Fleuri 5 in the heart of the Planles-Ouates industrial estate. This district is home to over 330 businesses and some 9,000 employees. Cash withdrawals can be made from this machine in Swiss francs and euros.

## A new homepage for BCGE Mobile Netbanking



The BCGE Mobile Netbanking app which allows users to remain connected to their bank and perform transactions online in complete security and very easily has now acquired a new functional and intuitive homepage. It has six default shortcuts giving rapid access to practical information. In particular, payments and transfers can be made easily. The bank can be contacted online at a single click, by message or by telephone; exchange rates can also be consulted. The user can, if he so wishes, personalise this homepage and choose to display the functions that he finds most useful. Further details can be found at: [www.bcge.ch/banque-en-ligne-mobile-netbanking](http://www.bcge.ch/banque-en-ligne-mobile-netbanking).



## BCGE welcomes Lancy businesses

The 13<sup>th</sup> breakfast event for Lancy businesses organised jointly by the Administrative Council of the City of Lancy and BCGE at the initiative of John Tracey, a member of the Bank's Board of Directors, and Elisabeth Ray-Tang, Director of Human Resources, was held on 7 October.

On the occasion of its bicentenary, BCGE welcomed more than 80 persons to its Administrative Centre in Lancy. This gathering, consisting mostly of business managers, municipal councillors and administrative staff, took part in a conference session followed by breakfast. The purpose of this meeting was to enable the local business managers to become better acquainted with the activities deployed in a great many sectors of the economy and forge increasingly close links between them.



## BCGE The Essentials of Finance 2016 edition: an exceptional vintage



The *Essentials of Finance* cycle of seminars organised by Banque Cantonale de Genève in September 2016 focused on topics of great interest, bringing together exceptional lecturers to mark the bicentenary, including the aviator and psychiatrist Bertrand Piccard and the author Christophe André who is also a qualified psychiatrist. Other speakers included Paul Dolan, professor of behavioural sciences, Stefano Boen, architect and creator of *Bosco Verticale*, and Christian Dussart, professor and expert in strategy and digital marketing. The full cycle of lectures ran over five mornings and one afternoon of original presentations. 21 speakers and more than 600 participants attended *BCGE The Essentials of Finance 2016*.

Three of the morning sessions are the subject of a special issue of *Revue Economique et Sociale* (RES, [www.revue-res.ch](http://www.revue-res.ch)) with which BCGE has been working in partnership since 2007. This journal was created in 1943 to enhance the economic and social debate by publishing articles by researchers and professionals with well-informed and rigorous views on topical issues and sensitive subjects. The new edition will discuss three themes under the general title of *Human and digital, performance coefficients?* The first contribution is entitled *Digital, growth accelerator and value creator for businesses*; it is followed by *Science and positive psychology*. The article entitled *Levers of happiness at work as a source of sustainable performance* concludes this issue.

You can obtain a copy of this issue free of charge by contacting the Communications and Investor Relations Department or by sending an email to [communication@bcge.ch](mailto:communication@bcge.ch)



### Blaise Goetschin on the Best Bankers 2016 podium

Blaise Goetschin, BCGE's CEO, has been acknowledged by the Obermatt Institute, which selects the year's best CEOs, for the fourth year in a row. This puts him in first place in the 2016 *Financial Institutions Switzerland – Multi-Year Ranking* and in 3<sup>rd</sup> place among the Top Ten Bankers in Switzerland. This ranking is based on BCGE's key financial performance indicators by comparison with those of similar establishments. This distinction is the outcome of factual data processed independently and reflects the quality of BCGE's long-term strategic choices. It also demonstrates the central role of banks based in French-speaking Switzerland for the Swiss financial centre as a whole.

The Obermatt *CEO of the Year* ranking measures the outperformance of CEOs of particular establishments against the competition in their fields of activity aggregated over a number of years (2012-2016).

[www.obermat.com](http://www.obermat.com)

## BCGE attended the India Economic Summit 2016



The 32<sup>nd</sup> India Economic Summit was held in New Delhi on 5 and 6 October 2016. Organised by the World Economic Forum (WEF) in association with the Confederation for Indian Industry (VCII), this conference which is, in a sense, a regional extension of the Davos Forum brought together many political leaders from India and neighbouring countries and the main leaders of the subcontinent's economy.

Topics discussed included the outlook for growth, energy policy confronted with titanic demand, the environment, the fight against poverty, infrastructures and the impact of the digital revolution on employment... BCGE, the Swiss Bank of Geneva, was represented by its CEO, Blaise Goetschin, who was able to engage in dialogue with a number of business leaders, some of them clients. He explains: "India has all the necessary characteristics to be a growth driver in Asia and progress at a faster pace than China which enjoys a lead of 15 to-20 years at present. This potential needs to be watched closely by the Genevan economy and the bank".

Blaise Goetschin also took the opportunity to thank the WEF for hosting the bank in Davos, Tianjin and New Delhi this year: "We are cooperating with this prestigious institution in several ways; like us, it is working towards an ideal goal. These events and projects strengthen our image internationally and put us on a level playing-field with our main competitors".

## The Synchrony Small & Mid Caps fund heads the rankings



Anick Baud

Anick Baud-Woodtli, the Synchrony Small & Mid Caps fund manager, came second-equal in the ranking compiled by the famous Citywire rating institute. For the year ending on 31 October 2016, the Class A share unit in the BCGE fund she manages (securities number: 2651796) posted a return of 18.6%. Anick Baud-Woodtli has been managing the fund since its inception in 2006. She selects the 25 to 30 best Swiss small and medium caps among those followed by her in this segment. Their weighting depends on the scores achieved by each of them after a detailed study of their financial and other qualities, with a view to active management and risk control.



## BCGE was present at SIBOS



The 2016 SIBOS conference was held for the third time in Geneva on 26 to 29 September this year. It was an opportunity for some 200 exhibitors and over 8,000 managers, decision-makers and experts from financial institutions, market infrastructures, multinationals and technology partners to meet up and give thought to the world of finance fit for the future. This show also enabled Swiss start-ups active in financial technologies (fintech) to gain an audience and find potential partners.

SIBOS is a travelling professional conference organised by SWIFT for the financial services industry, with many sessions of lectures, hundreds of speakers and a wide range of social events. Over the years, it has become a key event for the banking industry. The 2016 event was held in Geneva for the third time in its history and brought together over 8,300 participants from more than 150 countries.

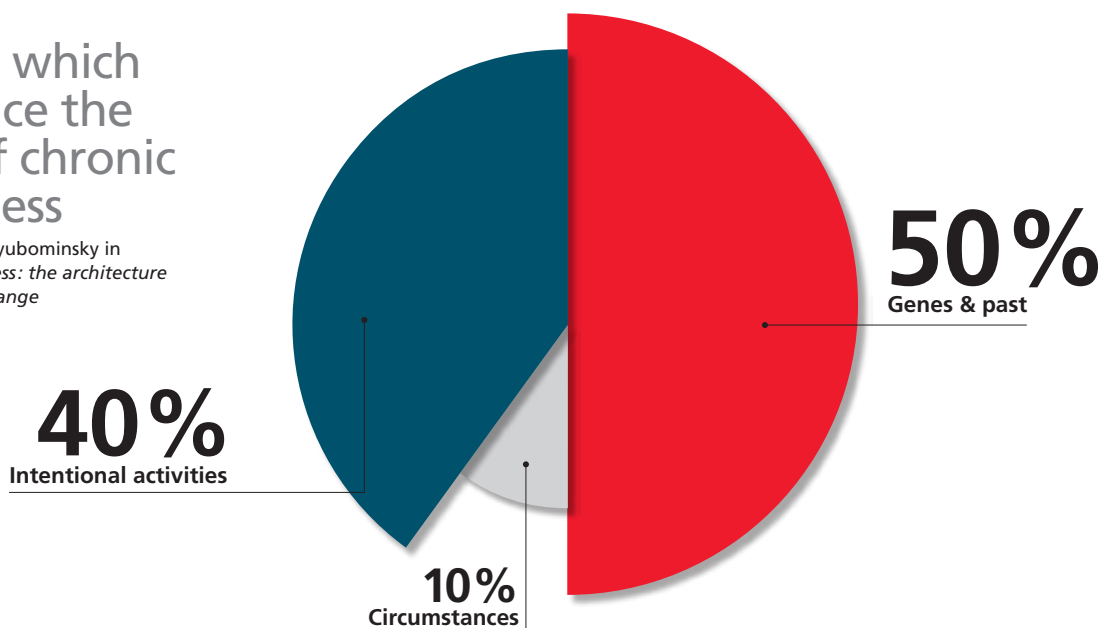
This year, BCGE had its own stand at SIBOS, giving our Bank high global visibility. A great many meetings took place here, with over 100 banks representing 32 countries. This event provides an opportunity to strengthen existing relations, maintain the network and canvas prospective clients. Councillor of State Pierre Maudet (centre in the photo), accompanied by the Bank's CEO, Blaise Goetschin (right), honoured the BCGE stand with a visit; the photo also shows, from left to right: Yves Spörri, Head of the Banks and Insurances business unit and the Multinationals and International Institutions department, a future member of BCGE Executive Board with responsibility for the Swiss Corporate and Institutional Clients division, Sophie Brun, responsible for banking relations, and Léonard Graz, head of the Banks 1 department, all three from BCGE.

# The benefits of positive emotions

During the BCGE Essentials of Finance seminars (see page 15), the famous psychiatrist, Christophe André, author of many successful books\*, explained how taking care of yourself is both a resolute act and an effort of personal intelligence. Many scientific data show that psychological capacities can be enhanced by integrating emotional balance, team spirit, resilience, creativity, adaptability, involving a whole set of actions and exercises grouped together under the general heading of positive psychology.

## Factors which influence the level of chronic happiness

Based on Sonja Lyubomirsky in *Pursuing happiness: the architecture of sustainable change*



Positive psychology is a scientific approach designed to empower the human being to function optimally. It departs from medicine and traditional psychology to consider ways of improving health – hence the notion of prevention – instead of remedying disorders such as stress, burnout and depression. Therapists encourage individuals to adopt a lifestyle which helps them adapt to changes in their environment. However, positive psychology is not the same as positive thinking. The aim is not to be permanently cheerful and in a good mood but of being capable at the very least of enjoying the pleasant side of life. Positive emotions in fact bolster our resilience and ability to cope with our lives.

**“Positive emotions bolster our resilience and ability to cope with our lives.”**

### Substantial room for manoeuvre

Contrary to a long-held belief, each individual can potentially increase his or her average level of subjective well-being. For some considerable time, it was believed that man was either optimistic or pessimistic by birth. The reality is more complex and subtle. Thanks to meta-analyses, the “pie chart” of happiness has been compiled, illustrating the factors which help to make us happy. The first finding is that one-half of this pie chart is already behind us once we reach adulthood. It is made up of genetic influences and everything that happened during our childhood. In other words, there are differences in temperament which affect our ability to enjoy the good times or, at the other extreme, our tendency to prolong bad times. Fortunately enough, among these factors which contribute to happiness, a 40% share helps to offset or rebalance the whole picture. That share corresponds to the psychological and behavioural efforts which we are able to make.

### The benefits of regular training

We must be aware of the fact that the ability to appreciate life and enjoy the good times requires a number of efforts. However, these are not too demanding and sometimes even exciting. For a number of years now, neuro-imaging has shown that, whenever a human being makes regular mental and behavioural efforts, he adjusts the way he operates and the wiring of his brain also changes. This observation is very encouraging for all those who do make a regular effort. One of the first studies, which provides a good illustration of this point, was conducted a few years ago on the brains of London taxi drivers before the introduction of GPS. It transpired that their cerebral zones dedicated to geopositioning were highly developed compared to those of the average driver.

\*In particular, *Trois amis en quête de sagesse*, with Alexandre Jolien and Matthieu Ricard, L'Iconoclaste 2016. *Et n'oublie pas d'être heureux*. Abécédaire de psychologie positive, Odile Jacob 2014. *Qui nous fera voir le bonheur?* with Martin Steffens, Le Passeur, 2014.



### Developing positive states of mind

Positive psychology does not mean being positive all the time; that is why studies have looked into the right proportion of positive and negative emotions which the human being should feel in order to improve his general well-being. The Chilean researcher Marcial Losada has highlighted a ratio of three positive to one negative emotion. To successfully develop a positive state of mind, everyone must try to increase the frequency of pleasant moments, together with an awareness of those moments and the ability to enjoy them. Because we have an unfortunate tendency to linger over things that are not going well in our lives while not dwelling on the good side. To change this situation, we can use exercises of positive psychology. One of the best known consists in reviewing everything that has happened during the day, especially three pleasant moments, when we go to bed. Even if the day has been complicated, there must all the same have been moments of happiness: a bit of blue sky, lunch with a friend, meeting up with our children. If we do not do this exercise, our brain will spontaneously cycle back to the problems with which we have to contend and will need to resolve in the morning. Nature has in fact shaped our organism to help us ensure the survival of our species, but not really to help us to be happy. It is for us to accomplish that mission because we are, to some extent, the architects of our own emotional well-being and happiness. The idea is to recall these three happy moments physically rather than intellectually, taking the time to breathe and immerse ourselves in those moments once again. This training is an extremely effective way of developing our ability to detect the good side of every day. ■

Marie-Christine Lang

Christophe André is a psychiatrist at the University Hospital Service of the Saint-Anne Hospital Centre in Paris. He practises in a unit which specialises in the treatment and prevention of emotional disorders (anxiety and depression), in particular through the use of cognitive and behavioural therapies, fully conscious meditation and positive psychology. He was one of the first physicians in France to introduce the use of meditation in psychotherapy. Christophe André is also the author of scientific articles and studies and of many books for the general public.

### The function of positive and negative emotions

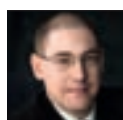
The function of negative emotions is to help us face up to problems and focus on all the points from which dangers may come. That explains why all the negative emotions are generally associated with a focusing of attention. On a day when we are in a bad mood, minor details will attract our attention, and we will find it very hard to get away from it. At the other extreme, the function of positive emotions is to be present when no immediate danger is detected in our environment. They then help us to gather fresh resources, places to relax and partners to enjoy ourselves or have

sex with. This then involves an outward-looking attitude, giving us an open and wide-ranging perception of our environment. That explains why inducing positive emotions gives human beings the ability to perceive things from a certain distance. A person who is feeling positive emotions is able, even when confronted with difficulties, to put them in their context and place them in perspective. The function of these two families of emotions is important. Sometimes we need to focus on details; at other times, conversely, we must be able to take an outward-looking view, stand back, adopt a creative approach and synthesise all the information; only positive emotions can do this.

# A new real-estate fund added to the range of



BCGE Asset Management now offers a unique new product in the real-estate sector: Synchrony Swiss Real Estate Economy Fund of Fund. This is a Swiss real-estate fund of funds which aims to generate performance on the basis of property funds and listed property companies backed by the Swiss real-estate economy via companies which operate in this sector. It is suitable for investors of all kinds.



**Grégoire Genolet**  
Institutional Manager

The special feature of this fund (securities number: CH0047348633) lies in its ability to also invest in Swiss companies like Geberit and Schindler which operate in the real-estate economy while offering broader diversification; it does, of course, also invest in traditional real-estate funds and listed property companies. Apart from the advantage of greater liquidity, these shares make it possible to participate fully in the different economic cycles which have an impact on the Swiss real-estate sector.

## Dual expertise

The fund is typified by dual expertise. Firstly, an analysis of the macroeconomic environment enables allocations to the different sub-funds to be determined depending on their sensitivity to the Swiss economic cycle. A period of slowing economic performance is in fact more favourable to property funds which benefit from low or falling interest rates. However, funds with a commercial bias will suffer from a growth slowdown, unlike funds with a stock of residential property in prime locations. Conversely, a period of economic expansion is more

favourable to companies active in the production of goods and services for the property sector or linked to it.

Secondly, fundamental analysis enables the best investments to be pinpointed. The choice of funds and property companies is based on precise quantitative and qualitative criteria. On the quantitative side, we tend to favour funds with a low or falling vacancy rate, with a payout ratio below 100% or with a valuation method capable of limiting the negative impact of rising interest rates. On the qualitative side, the location of the stock of properties is vital; this determines the success of the relevant fund or company. It is also important to understand the investment strategy and check that managers follow that strategy stringently. Capital increases are studied carefully to make sure they are not being used to finance properties on which returns are too low.

## Stringent criteria

The selection of companies active in the real-estate economy takes account first and foremost of their positioning in the market, the solidity of their business model, their structural growth outlook and their potential for margin gains. Management quality is also very important. In brief, these are the same criteria which BCGE applies to its selection of stocks and shares.

“Capital increases are studied carefully to make sure they are not being used to finance properties on which returns are too low.”

In the final analysis, we build a convictions-based portfolio, comprising between 20 and 30 positions. High-quality securities destined to be kept for the long term with a buy-and-hold approach to benefit from the creation of value over a lengthy period.

## Exposure to the property economy boom

The difficulty facing investors of finding yields in a climate of low interest rates has considerably fuelled demand for securitised real estate. The current valuation of this asset class is historically high. In this context, the unique strategy pursued by the Synchrony Swiss Real Estate Economy Fund of Fund enables the risk of rising rates to be mitigated by diversifying investment vehicles, while at the same time obtaining exposure to the rapid growth of the Swiss property economy in the broad sense of the term. ■



## The payments system revolution; now is the time to prepare

The formats of the paying-in, transfer and withdrawal slips are to be harmonised. The new procedure will be simpler, more efficient and compatible with the system already in place in the European Union. This article appeared in the 14 October edition of the fortnightly *Entreprise romande*.

**“This is the most spectacular evidence of the reform to the means of payment now under way in Switzerland.”**

Between now and mid-2020, pink and orange paying-in slips will have disappeared altogether and been replaced by a single payment form. This is the most spectacular evidence of the reform to the means of payment now under way in Switzerland. All the procedures relating to bank transfers, automatic payment and withdrawal forms will be adjusted. The aim is to boost automation, simplify processes and bring them into line with the system used in the European Union and in some peripheral countries (Monaco, Liechtenstein, Norway, Iceland and San Marino). Although the Swiss system will retain some specific features such as the use of paying-in forms, the formats for forms and message exchanges will be harmonised on the basis of a standard already being implemented in the European Union. Businesses of every size will need to prepare and adapt their payment and invoicing procedures.

The system in use at present in Switzerland is complex; there are several

different payment forms, depending on whether invoices are issued manually or using computer software, denominated in Swiss francs or in euros, to be debited to a client or entered on the credit side of your own account, etc. Tracing an interbank payment can take a great deal of time (ranging from a few minutes to three or four weeks) because each bank has its own way of referencing them. What is more, Postfinance and the banks use different procedures with different standards and formats.

The proposed changes will enable this system to be simplified and standardised. The banks are currently preparing for their own migration under the leadership of the SIX Interbank Clearing SA company, a vital preliminary process to enable their clients to use the new formats. The changes are to be made in three phases.

### **Bank transfers identified by a number**

The first domain to migrate will be that of bank transfers.<sup>1</sup> The new system which clients will have to use from mid-2018 will be based on the International Bank Account Number (IBAN); this should put an end to data entry errors because this format includes a check digit. Innovation: each transfer will be assigned a unique identification number which will be used from one end of the chain to the other by all the parties involved in the transaction. “If a client wants to know what has happened to an interbank transfer, this will be much easier to find”, Gaëlle Dalla-Costa, head of the migration project at Banque Cantonale de Genève, explains.

## Payment forms with the QR Code

The new payment forms are expected to be introduced in mid-2018, with a transition phase lasting until 2020 during which the new and old formats will exist side by side. "The functions associated with the forms will remain unchanged; what changes is the format of the form itself", Gaëlle Dalla-Costa points out. The existing postal cheque account numbers will disappear; in future the recipients will be identified by their IBANs.

All the forms will have a QR code. For businesses that use invoicing software, the QR code will encompass all the relevant payment information (IBAN, beneficiary's name and address, currency, amount, originator and a message if appropriate). The recipient will be able to scan the QR code to feed information into his system automatically. For companies using pre-printed forms, the QR code will contain at the very least their IBAN and address.

## Debits via the web

At present, several different debit systems coexist in Switzerland. The procedure will be standardised and will draw largely on the e-billing system. The debtor will no longer have to send a form to the creditor to register and may ask for his invoices to be issued directly from a website. At present, that is the least advanced aspect of the project.

Migration is likely to take several years. Before being able to offer the new functions to their clients, banks will have to adapt their own infrastructures in 2018, a cumbersome and expensive process. It is in businesses' best interests to start thinking right now about the migration so as to be able to negotiate the transition smoothly when the time comes. ■

<sup>1</sup> Five establishments already offer transfers compatible with the new standards: Postfinance, UBS, Credit Suisse, as well as the Cantonal Banks of Lucerne and Zurich.

# What do businesses have to do?

## What is the first step to take?

The first step which businesses must take is to make sure they know the IBAN of all their suppliers and clients. Under the new system, payments will no longer be possible without this number.

The documents and other forms on which the business bank account number is shown may also be updated by systematically showing the IBAN.

## What shall we do if we use software for billing and payments?

Businesses using commercial software for billing and payments must contact the software vendor to find out whether it is compatible with the new ISO 20022 standard. If it isn't compatible, it will have to be adapted, if possible; if not, it will have to be replaced. "Clients who have a maintenance contract with us will not be charged for the update", Mark Ziegler country manager at Sage, one of the main ERP publishers, points out. "For the others, the update will have to be billed".

Businesses who have developed their own system will have to either adapt or replace it.

The list of software vendors who already offer compatible products can be found at this address: [www.paymentstandards.ch/fr/home/standardization/readiness.html](http://www.paymentstandards.ch/fr/home/standardization/readiness.html).

## Can we install the latest version of our commercial software ourselves?

"Yes, if the software is installed on a single workstation", Marc Ziegler answers. "If the software is used in a network, things are more complicated and a computer expert will have to be called in".

## When must we take action?

The timetable for implementation may vary from one bank to another; it is therefore advisable to contact your own bank to find out when it intends to make the transition. "We advise doing this some months in advance", Marc Ziegler says. "If you wait until the last minute, service providers are likely to be overworked and unable to process all the requests in good time".

## Will we be able to test the new system before using it?

Yes. A site (<https://validation.iso-payments.ch>) enables this to be done. "Many banks are likely to offer platforms of this kind", Julian Chan adds. He is the spokesman for SIX Management, the company responsible for steering through the introduction of the new standards.

## What happens if a company is not ready on time?

"If there is a delay, the client would do well to consult his bank in good time to discuss the difficulties encountered in adapting the system", Gaëlle Dalla-Costa answers. "After the transition period lasting from mid-2018 until mid-2020, the old payment forms will no longer be valid", Julian Chan adds. "Neither the banks nor Postfinance will be able to process them any longer".

## Where can we obtain more information?

Two brochures published by the finance sector are intended specifically for business users and can be downloaded online:

- *Harmonisation of payment transactions*, published by BCGE ([https://www.bcege.ch/index.php?label\\_x=harmonisation-tp&lang=en](https://www.bcege.ch/index.php?label_x=harmonisation-tp&lang=en)).
- *L'harmonisation du trafic des paiements suisse (sic). Ce que les entreprises doivent savoir (Harmonization of Swiss payments. What companies need to know)*, published by the Swiss Financial Centre ([www.paymentstandards.ch/dam/downloads/broschuere-fr.pdf](http://www.paymentstandards.ch/dam/downloads/broschuere-fr.pdf)).

## Some websites are also dedicated to the transition:

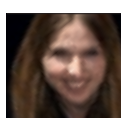
- [www.paymentstandards.ch/fr/home.html](http://www.paymentstandards.ch/fr/home.html), this site developed by the Swiss Financial Centre is intended for all parties concerned (banks, businesses, individuals, software vendors, etc.).
- [www.six-interbank-clearing.com/fr/home/payment-services/sepa-payments.html](http://www.six-interbank-clearing.com/fr/home/payment-services/sepa-payments.html), contains information about the new standard.
- [www.six-interbank-clearing.com/fr/home/standardization/iso-payments.htm](http://www.six-interbank-clearing.com/fr/home/standardization/iso-payments.htm), contains the list of compatible software suppliers and the list of establishments offering compatible services.

Pierre Cormon



# Professional loans: a financing solution for 20,000 francs or more

The professional loan solution offered by BCGE is a simple and fast way of covering cash needs in the range from 20,000 to 150,000 francs over periods of three to five years. It is designed for small businesses, the self-employed and professionals. Processing is straightforward. The bank is, therefore, able to make financing available to SMEs on very attractive terms.



**Béatrice Chambordon**  
Product Manager

There is a real need for small business loans. To meet that need, BCGE offers its professional loans. These are intended for SMEs, small firms, the self-employed and professionals who wish to access cash to finance an investment or cover their working capital needs. In the latter case, the purpose of the loan is to finance current assets, e.g. receivables, stocks and work in progress. The investment loan is intended mainly to finance fixed assets such as technical or production equipment, vehicles and interior fitting work. BCGE finances the working capital needs and investments of businesses that are regarded as sound (sufficient equity capital) and permanent (profitable) for the purpose of clearly documented transactions. This fits in with the bank's fundamental principles of corporate financing. These are set out in the brochure entitled *Corporate Financing: BCGE's commitment philosophy*.<sup>1</sup>

## Simple and fast decisions

Decisions to grant professional loans are simple and fast. They are based on a few clear criteria. The company taking out the loan must have been registered on the Register of Companies for more than three years, while for persons working in a profession the minimum period of trading is just two years. For the latter, the maximum value of each professional loan is equivalent to 65% of the net profit calculated before private drawings. For calculation purposes, such withdrawals must not be higher than the net profit itself. This sum must be greater than 75,000 francs. Moreover, the maximum amount of the loan must not exceed the equivalent of two months' turnover.

For companies, the latter rule is also taken into account, but the profit criterion is replaced by that of gross cash flow. The maximum amount of the loan must not exceed the equivalent of four times that gross cash flow.

## How the professional loan works and its benefits

The interest rate charged on professional loans ranges from 3.90% for three-year credits to 4.10% for five-year loans. Conventional repayments are made over periods, likewise ranging from three to five years. They are made in every quarter, and no quarterly commission is charged on loans of this type. Capital repayment obeys the rules

specific to every going business concern and must correspond to the period of use for the item of expenditure: a machine with a useful life of five years must be written down over that same period. In some cases (for instance working capital) linked to the purpose of the credit, the loan will not be paid off in instalments. A mix of both variants is also possible.

The professional loan is an instrument for small businesses; it is an addition to the wide range of conventional credits available to companies. Compared to a current account overdraft limit it has the advantage of being rapidly negotiable on attractive terms with simplified contract criteria. Moreover, it may be repaid in full at term or in instalments over a period of three to five years depending on the type of financing and the business concerned; several variants can even be combined up to a total of 150,000 francs. One final advantage is that the rate is fixed until the end of the loan, with financing confirmed for the entire period. ■

<sup>1</sup> [www.bcge.ch/pdf/financement-des-entreprises.pdf](http://www.bcge.ch/pdf/financement-des-entreprises.pdf).



# ForXchange by BCGE: a simple and comprehensive tool for companies trading forex online

The Bank's new online forex trading platform enables spot, forward and swap trades to be performed in real time over an extended range of working hours. It gives access to the currency and precious metals markets so that clients benefit from the best price and free of charge via BCGE Netbanking.



**Françoise Thomas**  
Chief Product Manager



**Christian Decurnex**  
Consultant, Project Manager

In a highly competitive environment typified by hyper-reactivity and speed of execution, BCGE is perfecting its digital offering. With this online forex trading platform, it is making innovative and secure tools available to its 18,000 business customers.

## Forex management round the clock six days a week

This new product is intended primarily for SMEs and companies, especially those doing business with other countries, by

facilitating online management of currency transactions. Thanks to ForXchange by BCGE, clients can trade the main currency pairs and precious metals at an advantageous rate; 14 currencies are offered including the Swiss franc, euro, dollar, pound sterling and yen as well as gold, silver, platinum and palladium. Trades can be executed on a spot, forward and swap basis in real time or limit orders can be placed. Opening hours for trading are extensive: six days out of seven as soon as a currency market is open, from 23.00 on Sunday evening until midnight on Friday.

ForXchange by BCGE is a personalised second-level offer; it automatically proposes the best prices by giving in-depth access to the market by contacting more than one bidder, depending on the size of the trade. It forms an integral part of the Bank's services and supplements the transactions offered by the trading room.

## Transactions shown on BCGE accounts

Unlike an online broker, ForXchange allows the client to hedge his currency transactions and pays the amounts concerned directly into his accounts. To trade a currency or precious metal, all that is needed is an account with BCGE denominated in that particular currency or metal. The platform is wholly dedicated to forex; each client can configure and modulate the interface to suit his particular needs. The user can benefit from training, access to help online and technical assistance by telephone at any time during normal trading hours.

When it comes to security, the bank applies the very latest standards to encrypt the client's information. The currency transactions generated are hedging operations with delivery on the account and verification of the security margins, depending on the currencies chosen. Verification and follow-up are easy for the client. ForXchange by BCGE has been developed in close cooperation with the Geneva fintech company OLFA Trade. ■



"Fourteen currencies are offered including the Swiss franc, euro, dollar, pound sterling and yen as well as gold, silver, platinum and palladium."

FOR XCHANGE  
by BCGE

# François Kirchhoff joins the Geneva branch of Dimension SA

Dimension, a BCGE subsidiary specialising in valuation and ownership transfer of businesses, has strengthened its team in Geneva with the arrival of François Kirchhoff, an experienced business banker and a prominent figure in Geneva's business community.

François Kirchhoff, an experienced banker who is a prominent figure in the Geneva business and SME world, joined the Executive Committee of the Geneva office of Dimension SA on 1 November 2016. A lawyer by training, François Kirchhoff also holds a diploma from the Swiss Banking School. After embarking on his banking career in 1989, he joined BCGE in 1994 and was appointed manager in 2001. He can draw on his excellent knowledge of the Geneva business market, especially that of SMEs, and a solid network acquired

throughout his private and professional career. He plays an active role in many local organisations and has broad grassroots experience, together with proven banking and financial skills.

With Eva Joss, an expert in business valuation, sale and purchasing transactions, François Kirchhoff forms a highly skilled team able to meet the needs of an exacting clientele. They provide entrepreneurs good advice during the strategic phases of purchase, sale, management buyout or partial divestment.

## Dimension SA

Founded in 1994, Dimension SA specialises in the valuation and transfer of ownership of businesses in the fields of retailing, brands, industry, watchmaking, construction, real estate, services, security and information technology. Based in Lausanne (head office), the company also has a branch in Geneva and operates throughout Switzerland. As an experienced, dependable and pragmatic partner, Dimension SA is the privileged partner for business owners for analysing the valuation potential and undertaking ownership transfer deals. Dimension SA enhances business value, refines the negotiating strategy and prepares the market so as to optimise the outcome for its clients. It is a wholly-owned subsidiary of the BCGE Group. ■



# BCGE in Zurich, serving businesses and individuals

The Bank's satellite entities are presented turn by turn in *Dialogue*. Karl Aeschbacher, head of the Zurich office, answers questions put by the magazine.



**Karl Aeschbacher**  
Head, Private Banking Zurich

## What services does the branch offer?

The Zurich office wants to remain as close as possible to its clients. To that end, we offer a range of services reflecting our expertise and our brand. We give employees of major local businesses privileged access through our Business Partner contract to all our services, in particular home loans. Our aim is to establish a genuine relationship of trust between the company, its employees and BCGE. We focus our offering on private and institutional management. We serve clients based abroad specialising in our German and

Mediterranean client-base. We are able to offer a customised upmarket service to our Greek clients, thanks in particular to the presence of three Greek-speaking staff members. Last but not least, the branch is the bridgehead of the bank's other activities, namely to promote our asset management expertise to institutional investors in German-speaking Switzerland as well as our international financing activities.

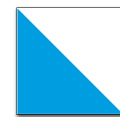
## What image do branches of banks based outside the canton have in Zurich?

As is the case in Geneva, many banks from outside the canton are already present here. However, we must redouble our efforts to make ourselves better known.

Fortunately, BCGE enjoys a good image and our multilingual teams are able to negotiate in several languages, including the local *Zürdütsch* dialect.

## Which segments of activity will be buoyant in coming years?

That is hard to say in a fast-changing environment. Today, we rely upon geographical, linguistic and technical proximity and on our speed of decision-making to give clients an effective and direct response. Our autonomy and our expertise enable us to respond to applications for mortgage financing in a matter of days; we are also actively developing the bank's digital activities. ■



Lintheschergasse 19  
PO Box 4068  
8021 Zurich  
Tel. 058 211 21 00  
info@bcge.ch  
www.bcge.ch



Fold here

Fold here



**Banque Cantonale de Genève**

Conseil en ligne

*Dialogue*

Case postale 2251

1211 Genève 2

Ask for more information about BCGE services



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

**I am interested in:**

- Becoming a client     Home ownership financing     Preparing my retirement     Managing my assets
- Obtaining information about the trading room     Obtaining financial engineering advice (for businesses)
- Obtaining services as an independent wealth manager (for industry professionals)
- Other \_\_\_\_\_
- My suggestion to the Dialogue editors \_\_\_\_\_

I wish to subscribe to Dialogue (offer reserved for clients of the Bank)

**I would like an adviser to call me**

I can be reached on:

Monday     Tuesday     Wednesday     Thursday     Friday    between \_\_\_\_\_ and \_\_\_\_\_

Please circle your preferred telephone number for calls below

Mrs     Mr

First name \_\_\_\_\_ Surname \_\_\_\_\_

Street/No. \_\_\_\_\_ Post Code/Place \_\_\_\_\_

Business tel. \_\_\_\_\_ Private tel. \_\_\_\_\_

For questions and subscriptions



## BCGE at Grand-Saconnex

BCGE also has 21 other branches in the canton

**Branches open Monday to Friday from 9.00 to 17.30 and by appointment on Saturday morning 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, Vézenaz

---

**Branch open from 9.00 to 12.30 and 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, Annecy +33 450 66 68 27, Paris +33 176 77 33 91

**Elsewhere**

Dubai +97 143 29 83 00, Hong Kong 022 810 81 80

## Your 24/7 bank

**121 ATMs.** BCGE permits free withdrawals from ATMs of all the cantonal banks, Switzerland's biggest network of cash dispensers (1,600 ATMs).



### BCGE Netbanking



### BCGE 1816 Online stock trading



### Mobile Netbanking



### Bank online

**Advisers available for you**

Monday to Friday, from 7.30 to 19.30, and Saturday from 9.00 to 16.00

