The strong franc: a never-ending story? Perhaps not

A stroll along the River Allondon: there is gold here

Chancy transforms its village centre into a convivial space
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The strong franc: a never-ending story? Perhaps not

Blaise Goetschin
CEO

The Swiss franc is a strong currency. So strong that Switzerland’s central bank has to fight the currency war on a daily basis. It has even had to adopt unconventional strategies and a controversial regime of negative interest rates. The franc has been strong against nearly all currencies for decades, but – more significantly for our economy – against the euro since January 2015.

Swiss economic agents, businesses, individuals and institutional investors have had to accept this situation and become used to it; in some cases, they have even benefited from it. These same players have put in place financial structures, business models or strategic portfolio allocations based on the notion that the Swiss currency will remain strong forever.

However much we love and admire our country, it is quite legitimate to ask how long this phenomenon can continue.

There are many reasons for the Swiss franc’s strength. To name just a few: political stability, neutrality, credible defence, density of entrepreneurial activity, strength of exports, public fiscal discipline, etc. These strengths have existed since the 1970s, if not the end of the Second World War. They have also enabled Switzerland to top many efficiency rankings (WEF, IMD, etc.) and enjoy a triple-A credit rating.

A sophisticated economy can cope with a strong currency. Most export products have high added value and healthy gross margins that enable the exchange rate drawback to be absorbed. Tourism tends to be more upmarket for the same reasons. When it comes to imports, the bill for basic commodities such as energy, food and building materials is duly lower.

The central bank cannot overturn this established market consensus in favour of the strong franc on its own. At best, it can attempt to correct excesses and flatten the peaks to achieve a degree of exchange rate stability. We do not intend to comment on the effectiveness of this tactic, but rather on its own. At best, it can attempt to correct excesses and flatten the peaks to achieve a degree of exchange rate stability.

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The strong franc is also vulnerable. The strength of a currency reflects the power of the issuing country: its size, political influence and natural resources. Switzerland is a dwarf, with just 8.4 million inhabitants, a land mass of 41,000 square kilometres, a third of its territory unfit for agricultural use, no oil resources, nuclear weapons or access to the sea… This weak geopolitical base could turn against the Swiss franc and its modest money supply if certain events were to occur – events which, following the ‘black swan’ theory, are highly improbable but would have toxic consequences. When it comes to the potential scenarios, the only limit is the imagination: isolation of part of the country following an industrial (nuclear/chemical) or biological (pandemic) incident, a sharp increase in global protectionism, a national IT failure, a targeted economic blockade by the European Union or a conflict in Eastern Europe that risks spreading to the West. In the space of a few seconds, and for as long as the crisis lasts, the franc could depreciate substantially on the forex market.

Every securities portfolio management strategy should take this kind of possibility into account. Instead of overweighting the franc, which has become a national sport, broad currency diversification should be sought. Reducing theoretical risk on the Swiss franc can also be achieved through a strategy based on options and derivatives. Strategies of this kind come with a volatility cost. On an annualised basis, this costs works out at 4% for the euro and 6.80% for the dollar. This is justified by the anticipated return on investments in francs.

Ultimately, unless an investor has good reason to favour overexposure to a particular currency, exchange rate weightings should not diverge too far from the natural ratios between the volumes and strengths of major global currencies, namely the dollar (42%), the euro (32%), sterling (7%) and the yen (3%). By adopting this classical approach, an investor would be following the triangular monetary concept of ‘one territory, one government, one currency’. A concept that posits a close correlation between the strength of a currency and the power of its ‘defender’…

Geneva economic dashboard

Current year economic climate and forecasts

Forecasts

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Source: Thomson Reuters & BCGE

The outlook is brightening

Signs of recovery, albeit faint, are increasing in Geneva. Watchmaking, jewellery and precious stones, which customs data show together account for nearly 80% of the total value of exports from the canton, are beginning to recover. This export stimulus should in turn lead to higher corporate investment – a phenomenon that has already been seen elsewhere in Switzerland. Driven by giants Givaudan and Firmenich, chemicals advanced strongly in the first quarter. Gross domestic product is expected to grow by 1.1% in 2017, rising to 1.7% in 2018.

Construction contributing to the investment recovery

Construction and real property account for around 9% of Geneva’s GDP. The volume and value of buildings under construction are growing slightly. In real property, property management has seen a good start to the year, unlike estate agents and property development, though industry professionals expect business to grow over the next 12 months. Finally, the stabilisation of prices at levels that remain high does not necessarily herald a crisis in the property sector, notably because of the low vacancy rate and the lack of catalysts such as rapidly rising interest rates and unemployment.
Retail: some improvement
Business in Geneva’s retail sector is still considered poor, albeit less so than in previous months and over the past two years. Store footfall was still down in April and May, but by less than at the start of the year. Moreover, sales volumes have stabilised (they even rose in April) and retailers expect sales to hold steady in the next quarter.

Employment shows signs of improving
A raft of employment market figures show that the economic climate is improving. To begin with, the total number of jobs in Geneva, expressed on a full-time equivalent basis, rose in the first quarter (up 0.6%) after falling throughout 2016. The recovery was in the tertiary and, above all, secondary sectors (up 0.5% and 1.3% respectively). Next, total payroll expenses in the canton rose year on year (up 2.1%). Finally, the unemployment rate has fallen for five consecutive months, standing at 5.1% at end June.

Inflation outlook
Another sign of recovery is the recent trend in Geneva’s consumer price index. Having remained negative throughout 2016 and in January, the average annual variation was +0.2% in April and +0.3% in May and June. The price index is now at levels not seen since end 2014, marking an end to deflation.

Interest rates: stability and rigour
Short rates did not move much this last spring. Unless the European Central Bank changes its monetary policy, rates set by the Swiss National Bank will remain stable at least until end 2018. Long rates have not recovered and have shown no clear trend in recent months. Thirty-year yields have fallen a few points, helping flatten the yield curve. In the absence of accelerating inflation, and still influenced by negative rates in Europe, long rates will struggle to rise further.

Stable Swiss franc
The franc’s value against the two major currencies is unlikely to move much in the near future. Recent developments have mitigated the upside risk to fundamentals in the United States. In Europe, the improvement in fundamentals and the dissipation of doubts over the strength of the euro should allow monetary policy to stabilize.

BCGE Asset management
Our walk gets off to a good start. Hardly have we passed the village of Choully on our right when we see a big hare bounding across a field. Overhead flies a rook, recognisable by the white base of its beak. We might almost be in a fable by La Fontaine in which the animals have ended up in the wrong story. All this under the watchful eye of the Jura mountains spread out before us, painting a breathtaking picture that stretches all the way from Fort l’Ecluse fortress to well beyond Mount Mourex.

A touch of Provence

We soon reach the Allondon nature reserve. The Moulin-Fabry bridge over the river enables visitors to cross into France. However, for this walk we will stay on the Swiss side, on the left bank, following the river as it wends its way through the undergrowth. The water course, sometimes resembling a mountain torrent, leaps from rock to rock, with some rocks nicely polished by erosion and others overgrown with emerald-green moss.

‘Living water’: the river certainly deserves its name, which dates back to pre-Celtic times.

From time to time, there are little pebble beaches you can walk on. Further on, the trail rises and a bench overlooks what resemble glacial melting pots.

We continue to walk – sometimes at the water’s edge, other times overlooking the meandering Allondon – for just under an hour before the scenery changes completely. First there is the restaurant and the Pro Natura Centre with its permaculture garden, workshops and children’s play area. Then the river becomes more sluggish as it deepens and slows. As it emerges from the forest, the sun’s reflection on the white pebble banks is somewhat reminiscent of Provence.

It is here that a new adventure begins. And not just any old adventure: we’re looking for gold, a precious metal carried by the Allondon.
Gold panners

But make no mistake: the richness of this river resides more in its flora and fauna (which, incidentally, are remarkable) than its gold panners. Here the lucky seeker may find a few little flakes, but certainly no nuggets.

Be that as it may, there’s a certain excitement to becoming a gold panner. With our pan (a shallow, hollow circular container) and shovel, we choose a spot on the bank, dig a small hole and fill the container with the mix of sandy soil. Then comes the moment of truth: the contents of the pan are immersed in the river and circular movements made to separate the elements. The idea is that the lightest materials will be washed away, while small stones will be left behind, together with any gold, which is very dense (eight times more dense than granite rock or Alpine gneiss, for example).

“...comes from Alpine glaciers. It is stardust that came to earth in meteorites four billion years ago.”

Whether or not our prospecting is successful, we refill the holes so as to leave the banks as we found them: the Allondon is a nature reserve and its fragile ecosystem must be preserved.

But why is there gold in this water course? “In principle, you might find gold in any of Geneva’s rivers: it’s found in ancient glacial deposits, and 20,000 years ago the canton was buried under ice. But the Allondon is easier to access and less dangerous than other watercourses”, explains Thierry Basset, a geologist, volcanologist and organiser of discovery hikes based around this precious metal that captures our imagination.

The gold in Geneva’s rivers came from glacial alluvial deposits originating in the Alps. “The action of glaciers is a bit like a moving walkway: when they retract they deposit sand, gravel and gold”, explains Thierry Basset. So it is the erosion of the Alps that brings the precious metal. And, since the distances covered by the materials carried along by rivers are substantial, there’s plenty of time for gold-bearing sand to be crushed and reduced to flakes. But why do we find gold here and not in other cantons? “The watercourses have concentrated these flakes in certain spots. There are places where you find gold, just as there are places where mushrooms like to grow”, notes the scientist.

Permits compulsory

Gold panning is strictly regulated. It is only authorised in May, June and September so as not to disturb the aquatic fauna too much. Only small-scale panning is permitted. In other words, you can bring a trowel and pan and dig small holes, but the use of explosives and deep digging are out of the question. Finally, a permit must be obtained from the Department of the Environment, Transport and Agriculture (complete the ‘General Form’ available from its website under ‘Water’, in the ‘Fishing and water courses’ sub-section).

Gold Panners’ Association

If you discover a passion for this pastime, there is a Swiss Gold Panners’ Association (www.goldwaschen.ch), though it is mostly made up of German-speaking Swiss people. Swiss people living on the far bank of the River Sarine take a keener interest in gold panning, which is also popular all over the world – as witnessed by the annual World Gold Panning Championships.

Gold panners’ licences were already being issued in the 14th century

Some of these places have been known for more than half a millennium! Historical studies mention the grant of a gold panner’s licence as far back as 1397, on the River Arve. Since then, many adventurers have tried their luck, but gold panning has never been profitable. The last licence was issued on the Allondon in 1939 to an English company that has long since ceased trading.

We should be under no illusions about Switzerland: it’s a rich country... but short on mineral deposits. The granite rocks of the Alps do contain gold, but only in small quantities.

Geneva’s gold comes from Switzerland’s glaciers, but where did this mountain gold come from in the first place? “It was born in the stars several billion years ago. Meteorites that fell to earth four billion years ago brought it here. Then magma activity formed deposits three hundred million years ago. This gold stayed there until glaciers eroded the deposits and brought it to Geneva.”

The flakes collected in the pan now take on a new significance. At bottom, this is much more than mere gold: it is stardust.

Aline Yazgi
Geneva: a business in action

GPA Guardian Protection: accessible security for all citizens
Geneva security firm GPA Guardian Protection SA was founded in 1994 by Giancarlo De Giorgi, a specialist in the sector who is still the company’s sole owner to this day. Well established in the Swiss market, it has over 500 employees, a number that is growing all the time. GPA has successfully developed its business in the rest of Switzerland, with branches in Nyon, Lausanne, Fribourg, Gstaad, Zurich, Saint-Moritz and Lugano and a presence in Basel and Bern. Internationally, GPA provides consulting services in the form of analysis, audits and training.

GPA handles the end-to-end security needs of a clientele consisting of private individuals, institutions, organisations, local authorities, permanent missions and embassies. Its activities include intervention, patrols, surveillance, transport of valuables and data, personal protection and accompaniment, and child security services. In the field of transfers, a delicate operation that requires total control of the risks, GPA has partnered with insurance companies to develop an air transport solution, notably by helicopter. Surveillance is the company’s biggest department in terms of employee headcount. Personnel working in this sector handle the full range of static duties: porters’ lodges, access control, preventing theft from shops, and the events sector (special events and exhibitions). Giancarlo De Giorgi points out that GPA is currently developing another line of business: security for new buildings put up by property developers. During the construction phase, they are fitted with built-in alarm systems connected to GPA’s headquarters using a technology that has now become economically viable.

High security

GPA currently manages between 6,500 and 7,000 connections, a number that is constantly growing. Giancarlo De Giorgi emphasises that his firm has two alarm centres that are fully redundant and independent to guarantee back-up in the event of a failure. These two units, approved by the authorities, lie at the very heart of the company: they are its nerve centres, at which all information arrives and from which all interventions are initiated. Four staff members are responsible for round-the-clock, year-round surveillance at fully armoured and secure premises in Cologny and in the centre of Geneva.

“A mobile brigade: observe, analyse and inform

The mobile brigade (intervention, guarding and patrol) is based out of three intervention centres in Cologny, La Croix d’Or and Vernier. Each location where GPA operates has a city centre security facility to guarantee the shortest possible intervention time whenever an alarm is triggered. In Geneva, 44 GPA vehicles patrol and operate all through the night and 30 during the day. The primary mission of these security agents is to intervene on clients’ premises if the alarm is raised. An additional responsibility for all agents, whose surveillance work is logged in daily reports, is to carry out observation and analysis and inform the appropriate authorities. GPA’s Chief Executive adds that the mobile brigade is a preferred partner of ten or so local authorities in the canton of Geneva, which have officially mandated it to help prevent antisocial behaviour and protect public buildings against acts of vandalism.

A guaranteed single point of contact

Staff at GPA’s audit office specialise in preventing and managing risks, such as intrusion, fire and occupational health issues. They are responsible for analysing the base data supplied by clients: existing resources, functional organisation and compliance of facilities. Beyond this, they determine potential threats and risks, identify vulnerabilities and assess regulatory compliance. All these analyses are followed by recommendations. In 2004, GPA set up its technical department, which proposes the best hardware for alarm centres, access control, biometrics and video-surveillance/remote surveillance. This department was set up to meet a demand to which GPA’s Chief Executive attaches maximum importance: guaranteeing a rapid response for clients thanks to a single contact point for all security needs.

The industry’s reputation must be enhanced

Giancarlo De Giorgi is proud of the loyalty of his security staff and laments the fact that these men, who do a tough job day and night and face constant danger, are not adequately valued. He stresses the importance of the collective bargaining agreement for the private security industry, which took effect on 1 July 2014 and establishes working conditions and salaries for security agents in all businesses with ten or more employees. Giancarlo De Giorgi believes regulations and standardisation are needed at Swiss Federal level to guarantee quality, compliance and ethics for both the industry and its clients. He concludes by expressing his hope for the creation of a federal certificate (CFC) for the security profession.

Marie-Christine Lang

GPA has its own training centre

Security staff recruited by GPA are mostly former police officers and gendarmes. Each new recruit must pass an entrance exam and a psychological test. The main qualities needed to work in the industry include good general knowledge, professionalism, thoroughness, endurance and a listening ear. Staff members, whose attitude and behaviour are crucial, are trained to very high standards. To this end, GPA has opened its own centre in Vernier, with a private shooting range and dedicated training rooms for both in-house and external training. Security staff receive ongoing training delivered four times a year by senior GPA staffs and external trainers. They must be able to give first aid and use a defibrillator, fitted to every GPA vehicle.
Once upon a time, there was a young baker who had just taken over a small shop in Hermance and delivered croissants through letterboxes at dawn after spending the night baking his bread. That was back in August 1987. Thirty years on, the Gilles Desplanches group has a workforce of 150, four brands (Le Prêt-à-Manger, Goodie Healthy Food, Gilles Desplanches and The Fitting Room) and numerous outlets.

The company’s development has been gradual. Gilles Desplanches began by creating a brand and went on to open shops. How did he start? By setting up a network in his own home town, as he recalled at an event organised by BCGE subsidiary Capital Transmission (see also page 21). This involved opening seven outlets in 15 years. At the same time, he franchised his concept so he could share his expertise with partners. This second phase resulted in seven Le Prêt-à-Manger franchises.

This passionate and ambitious entrepreneur went on to diversify his range in response to changes in buying and eating habits. With people no longer having time to sit down for an hour at lunch, and wanting local and sometimes organic products, he began to supply food suited to a nomadic lifestyle and an organic bar that gave pride of place to healthy products.

However, he was not alone in the out-of-home catering niche – especially in snacks, which have become a dietary cornerstone for hard-working urbanites. This is a growing market, and one which is naturally attracting many companies, including both local chains and numerous foreign groups.

“International competition is not going to stop us wanting to grow further”, affirms Desplanches. He therefore decided a few years ago to expand his network beyond the borders of his canton. “We realised we had to either conti-

The Gilles Desplanches Group has grown up over nearly 30 years in Geneva. Wishing to expand into German-speaking Switzerland and planning to pass the company on to his children, its CEO and founder needed growth capital. His partnership with Capital Transmission opened up new horizons.

The group, which likes to break records (with two in the Guinness Book of Records to date: one for its millefeuille over a kilometre long and the other for its mosaic of 23,700 chocolate éclairs replicating a drawing of Titeuf by Zep), naturally opted for the first solution.

Support and understanding

“We looked for a financial partner who could support us for several years”, recounts Desplanches. “And it was vital that such a partner understand us perfectly.” The group thus turned to Capital Transmission to secure growth capital. An agreement was signed in August 2016.

“Their investment helped propel us to the next level”, continues Desplanches. “It created leverage that has allowed us to invest in new outlets.” This process is already underway: the group opened new branches in Bern and Zurich last year. It will now continue to respond to calls for tenders, notably in Geneva and German-speaking Switzerland.

For the benefit of other business owners, he stresses that bringing in a financier is the final step in a long process. “First you have to have an entrepreneurial vision, then a commercial vision before you can work out exactly what kind of partner you need.”

In the case of Gilles Desplanches, this partnership is also part of a very long-term succession plan. His daughter Anaïs has been working in the family business for two years and is preparing to take up the reins in a few years’ time, as she explained with great conviction at the event organised by Capital Transmission last April on the theme ‘Financing SME growth without losing control’. Her brother, champion swimmer Jérémy Desplanches, will also be joining the group in due course.

Aline Yazgi
Arturo Belli’s made-to-measure men’s footwear workshop was founded in 1909 in Geneva by a cobbler and musician originally from Tuscany. Since the beginning of the last century, three generations of master shoemakers have followed in his footsteps and kept the tradition alive. Tony Giglio, attracted to shoemaking at a very young age, was a long-time partner of Gérald Belli, his master in the trade, now 84 years old. Tony Giglio took over the business in 2002; seven years ago he decided to renew the concept of fine footwear in the tradition of shoemaking dating back to the late 19th century. Sold under the Arturo Belli brand, this unique footwear is the fruit of a raft of comfort-enhancing improvements. In this respect, Giglio is the only shoemaker in Switzerland to make his own lasts, the most important element in footwear design. These unique shoes are made entirely by the brand in a process consisting of almost 250 steps, with precise, skilful and thorough attention from master shoemakers at each successive phase. The essential difference between this process and the process used for off-the-shelf or semi-tailored shoes is that the height of the instep is also measured.

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Design your own shoes
Not only is the Arturo Belli brand 100% craft-based, it is also 100% local, with all work done at the workshop in Carouge. This proximity allows for short production times. Arturo Belli’s customers are people who have already tried everything and want shoes that combine a perfect fit with elegance and comfort. As creators of their own shoes, customers can draw on a huge choice of designs, leathers, colours and finishes. Ninety percent of customers want timeless models, while the other ten percent are looking for an exceptional shoe with a unique shape. The shop where the firm’s products are sold is in Geneva’s old town. The company can look forward to a bright future: Tony Giglio’s two sons have joined him to continue to safeguard and develop the brand’s unique expertise, handed down by three generations of master shoemakers. As is the case for each prize, a film has been made about the winners. Produced by Sidéral Films, it is available to watch at www.bcge.ch.

Marie-Christine Lang

Awarded annually since 1991 and under the aegis of the Geneva Local Authorities Association since 1995, the Craft Trades Prize is a tribute to the rich diversity of craft trades in Geneva. A panel of industry specialists chooses the winner based on quality of work and commitment to training successors and passing on expertise. BCGE has been supporting this prize since 1999. The 2016 award ceremony was held in April 2016; the winners were bootmakers Gérald Belli and Tony Giglio.

News

Gérald Belli and Tony Giglio, bootmakers in Carouge, winners of the Craft Trades Prize 2016

“My greatest pleasure is when a customer puts on his shoe and I hear the little sound of escaping air that tells me it’s a perfect fit.”

Tony Giglio
Chancy transforms its village centre into a convivial space

Faced with significant growth in its population and a lack of consistent urban planning for the village centre, the Chancy authorities opted for a comprehensive redevelopment of the heart of the village to turn it into a veritable space for friendly social interaction. The local council took advantage of the three hectares of land owned by it in the village centre, together with another three plots acquired in 2015. The large-scale project, begun in 2016, should be completed this summer.

Xavier Beuchat, deputy mayor with responsibility for urban development, environment, energy and mobility, explains that Chancy village centre was developed over a long period with no coherent plan. This resulted in partitioned plots of land, roads in pedestrian areas, car parks in inappropriate places and poorly used green spaces. This situation called for a complete rethink – especially, adds Beuchat, since the population of Chancy has grown by more than 50% in the past five years, from 1,100 to over 1,600 inhabitants. That made it vital to adapt the available infrastructure.

An available and attractive space

This redevelopment was made possible by three hectares of adjoining plots owned by the council in the heart of the village. This area is home to most of the local infrastructure: schools, extracurricular facilities, day nursery, village hall, library and football pitch. To supplement this, Chancy’s council acquired three further plots in 2015. The first two, purchased as a land reserve, adjoin the school complex. Xavier Beuchat emphasises that the third plot has heritage value for the village: it is the site of the former vicarage, sold by the protestant church for financial reasons.
A redevelopment concept focused on conviviality

With the help of architecture and urban planning firm Urbaplan, the Development, Environment and Energy Committee worked on a concept to revitalise the village with a view to making it an effective meeting place responding to the needs of the various population categories. The redevelopment includes removing barriers between plots, showcasing existing vegetation (a row of imposing lime trees alongside the village hall and walnut trees lining Chemin de l’Ecole), removing parking spaces to free up the area in front of the village hall and create a genuine village square, and creating a new car park on the periphery. The plan hinges around redeveloping Chemin de la Ruette and Chemin de l’Ecole to make them into areas of social interaction, joining together school playgrounds near the new school complex, erecting a pavilion for use by local non-profits and reworking the play areas to separate areas reserved for children from those aimed at teenagers. The project also includes laying down a large pétanque pitch, putting in place street furniture designed to encourage social interaction, and equipping all walkways with modern and efficient lighting. The creation of a pick-your-own orchard around the extracurricular facilities and an upgrade of the ‘Le Virage’ sector – the starting point for hikes to the Rhône river – round off this outstanding local project.

A population already won over

Xavier Beuchat highlights the special attention paid to sustainable development, reflected in the choice of materials: larch for street furniture, wood for play areas, and LED lighting. Much of the work was done in the school holidays in summer 2016 so as not to interfere with schooling. The central square in front of the village hall is due to be completed this summer. In conclusion, the Deputy Mayor welcomes the response from Chancy’s inhabitants, who appear already to have made the new spaces at the heart of the village their own. For example, one non-profit organisation has planted a community vegetable garden in the school orchard and organic growing techniques are taught there every Sunday.

Marie-Christine Lang

Chancy in brief

Some historians trace the name Chancy back to a certain Cantius, said to have built his villa here in the first century CE. At that time, the village was populated by prosperous Gallo-Romans. The Roman Empire extended all the way along the left bank of the Rhône. And, since the river is easy to cross at this point, a fortress (castrum) was even built at Chancy to control incursions by populations living on the right bank of the Rhône (Allobroges and Helvetians). So Chancy has been a frontier town for a very long time.

As a forward bastion of Protestantism, the parish of Chancy received special attention from Geneva, which sent eminent preachers who often took a keen interest in the population’s well-being.
The Council of State appointed Gilbert Probst to chair the Bank’s Board of Directors. He took up his post on 25 April 2017. He has notably been a full professor of management and organisation at the University of Geneva and served on several boards of directors. He is the founder or director of a number of organisations focused on business expertise. Gilbert Probst responds to questions put forward by Dialogue.

A few questions for the new Chairman of our Board of Directors
What led you to accept this new responsibility?

My practical experience has been gained on several boards of directors of private companies and in my role as co-founder and vice-chairman of the Swiss Board Institute, which provides basic and advanced training for board members. Sound corporate governance, risk management and internal control are the keys to long-term success for any business; these are my preferred fields. I am also interested in the role of cantonal and municipal enterprises and, as far as BCGE is concerned, in supporting the regional economy by working for all interest groups and all the people of Geneva. Questions surrounding the management, control and supervision of public and private firms have only recently attracted keen interest and particular attention. These firms have to contend with market realities at the same time as fulfilling a public service role. They must take account of both these aspects if they are to survive and prosper. Accepting this responsibility means I get to combine my love of Switzerland and especially its French-speaking region, my interest in delivering regional economic growth and my ambition of being part of a board and management team that is extremely united and competent. Lastly, I want to contribute to a bank whose support spans small businesses, property development, multinationals, commodity trading… all of which form an important part of Geneva’s economy.

Banking and new technologies seem to be a focus for the World Economic Forum (WEF) and for your own academic activities?

The performance of digital banking services is constantly improving. The emergence of a wide range of new technologies has been transforming the banking industry since the 2008 crisis. One priority aim unquestionably remains to continue to improve service quality. At the same time, we have embarked on two major projects: an unprecedented internal transformation programme involving both our systems and our corporate culture, and a project to incorporate ideas and processes gleaned from a variety of start-ups. The compartmentalization of production chains has driven an increase in the number of specialist firms, but has also increased the risk and cost of coordination required to make an end product. I particularly appreciate the fact that BCGE possesses all the expertise needed to ensure that our clients’ needs are understood in detail at every phase; our primary focus must be on satisfying those needs.

“My first few weeks have made a big impression on me – especially the excellent atmosphere within the business. I have seen pride in belonging to the company and a desire to innovate and grow.”

What does the concept of innovation mean to you?

The technological strategies of banks and insurance companies now go beyond mere digitisation to take on board cognitive science and artificial intelligence. These strategies reflect the adoption of new technologies by our clients and partners. They anticipate situations that are evolving at an exponential rate and propelling us towards a new level of integration between our own banking ecosystem and closely related ecosystems. Thanks to smart data, prototype quantum computers and advanced analytical tools, we are moving from prediction to prevention and entering the cognitive era. There are also the more worrying effects of automation and digitisation, which could bring far-reaching changes to many jobs. Our clients will also be faced with minor revolutions. It is our duty to continue to support them through these transitional periods.

What style will you adopt as Chairman of the Board?

The central tasks and responsibilities of a Board include determining strategic objectives for each stakeholder (shareholders, clients, employees, community) and establishing the budgetary risk framework in harmony with the CEO and his or her team. One essential task is of course to undertake high-level supervision and control of the organisation.

BCGE’s governance is currently robust. It is highly formalised and well documented. The Board of Directors meets 15 times a year, a record for Switzerland. The Board’s control, compensation and strategy committees are very engaged in their respective fields. Our senior management has a wealth of experience and enjoys a strong reputation among clients, capital markets – witness the success of our most recent issue – and rating agencies, as well as analysts. Over the next few years, I want to make further improvements wherever possible and push the business to even higher levels of excellence.

As Chairman of the Board of Directors, my priority will be to ensure that the Board bolsters its expertise in every area and remains exclusively committed to the business’s long-term future, apart from any political or ideological considerations. I also want to develop a “systemic vision” to become a credible and exacting partner of senior management. These are my driving priorities, especially in this very turbulent period for the industry. Providing additional oversight of risk and compliance is also important, with the help of internal audit.

All this helps put the business on a sounder footing and reassure senior management, which needs to know it has the Board’s support if it is to maintain an innovative and aggressive stance in the face of very stiff competition. My first few weeks have made a big impression on me – especially the excellent atmosphere within the business. I have seen pride in belonging to the company and a desire to innovate and grow. I welcome the opportunity to be a part of something that is so important to Geneva and its economy, and to work with our CEO Blaise Goetschian. At the WEF, he proved himself to be at the forefront of the fourth technological revolution and produced an excellent report on the innovation, opportunities and frameworks needed in Geneva. He is someone who thinks outside the box. That motivated me to join the Board of Directors, and I think we have the opportunity to form a superb working team.
On 25 April, BCGE held its 23rd General Meeting, attended by 532 shareholders representing 80.7% of total voting rights. The shareholders approved the 2016 financial statements and voted for a dividend of 5.5% of par value. Jean-Pierre Roth, outgoing Chairman of the Board of Directors, told shareholders and guests, “Thanks to its diversified business model, BCGE has been able to limit the impact of headwinds and grasp opportunities arising in its markets. This meant it was able to deliver strong growth in commercial operations in both lending and asset management.” Jean-Pierre Roth also said February’s exercise to simplify the Bank’s capital structure “increases the stock market appeal of BCGE shares and enables the Bank to know exactly who its shareholders are”.

Meanwhile, CEO Blaise Goetschin, presenting the annual report, said the Bank was doing well: “Evidence of this can be seen in our competitiveness criterion, which measures the Bank’s commercial strength against its competitors. In the year under review, the Bank was able to improve its competitive position in all its markets.” Also present at the meeting, Serge Dal Busco, Councillor of State with responsibility for finance, thanked Jean-Pierre Roth for his highly valued contribution. He stressed that the Bank’s robust health “makes possible a higher contribution to the public authorities – something I can only welcome, as indeed does the entire population of the canton”.

New Board members

Three new members joined the Board of Directors on 25 April: Professor Gilbert Probst, Chairman (see page 12), as well as Jean Olivier Kerr and Michèle Costafrolaz, both elected by the shareholders excluding public authorities. Jean Olivier Kerr, a Swiss national, has gained wide-ranging experience in international trading with a multinational agri-food company. He has various qualifications in the agri-food field, and in the course of his career has been able to apply his expertise in risk management, strategic analysis and implementation, business management and organisational change leadership. He joined Cargill as a trader in 1980 and held various posts before becoming Director of Cargill Europe, Geneva, and then Vice-President, Cargill International, Geneva.

Michèle Costafrolaz, a French national, is founding shareholder and board member of MCT Audit & Advisory. A statutory auditor approved by the Swiss Federal supervisory authority for the audit sector, she also has a degree in finance and accounting. Over the course of her career, she has put her expertise to use in financial auditing and management consultancy in the fields of accounting and finance. After beginning her career in external audit with Deloitte Haskins & Sells, she went on to hold a number of management positions with the firm before becoming a partner and director of audit with Deloitte SA, Geneva.
What services does the office provide?
The Representative Office in Hong Kong is the ambassador for BCGE and the Swiss economy in Asia; it acts as a bridge between local players and interested parties in Switzerland. It also provides a solution for people who need a banking relationship in a politically and economically stable country like Switzerland, through the Bank's International Private Banking business unit, based in Geneva. This office also offers a specific service for personal clients: Xpatbking.ch, a BCGE concept focused on asset management advice and financial planning and protection for expatriates with assets or family ties in Switzerland.

Companies needing commercial advice and the opinions of local specialists to complete acquisitions or set up joint ventures in Switzerland or France are put in touch with the Bank's Dimension subsidiary, while companies or institutions looking for a partner to secure their investment in Switzerland can contact another of our subsidiaries, Capital Transmission. Institutions or banks wishing to find unique investment solu-

How are Swiss banks viewed in Hong Kong?
In Hong Kong, Swiss banks are seen as the embodiment of ‘private banking’. Many private Swiss banks – especially the biggest ones – essentially offer local accounts and products. They mainly target the wealthiest clients. However, BCGE is perceived as a niche player offering a ‘made in Switzerland’ concept through its investment philosophy.

Which business segments are set to grow over the next few years?
The ‘belt and road’ project, or the new silk road, is prompting China to open up to the world. Switzerland, which has always been renowned for its neutrality and stability, is one of the finest allies and the best intermediary China could hope for to make its mark in Europe. Thanks to the group’s know-how and an offering tailored to the expectations of this specific market, the Hong Kong Representative Office should see strong business growth over the next two to three years.

“Switzerland, which has always been renowned for its neutrality and stability, is one of the finest allies and the best intermediary China could hope for to make its mark in Europe.”
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News

BCGE takes part in economic promotion missions to China and the United States

Early in May, a delegation from Geneva led by Pierre Maudet, Councillor of State with responsibility for security and the economy, travelled to the United States to meet with businesses that had chosen Geneva as their base in Europe. The delegation also met with key players in new technologies to gain inspiration from trends in innovation and attract venture capital to Geneva’s most innovative start-ups.

Consisting mainly of business leaders, the delegation also included Danila Mariotti, desk manager with BCGE’s Global Commodity business unit. As the only representative of the financial sector, the Bank was able to highlight the excellence of the banking infrastructure and cutting-edge financial expertise found in Geneva, which provides genuine added value for companies wishing to establish themselves there.

A few weeks earlier, the Bank had the privilege of accompanying Federal Councillor Ueli Maurer, head of the Federal Department of Finance, on a visit to China, Singapore and Hong Kong, aimed at promoting Switzerland’s financial market in Asia.

Many high-level meetings were held with top-tier banks, international investment groups and key regulatory and supervisory bodies. Renaud Chambolle, from BCGE’s Representative Office in Hong Kong, also went along, and was able to explain BCGE’s positioning in Asia to the Federal Councillor and Switzerland’s main diplomatic missions in Asia. He also promoted the Canton of Geneva and BCGE’s expertise during the various meetings held.

ForXchange by BCGE:

ForXchange by BCGE: a simple all-round tool for businesses trading forex online

The Bank’s online forex platform enables spot, forward and swap trades to be made in real time over extended opening hours. It provides access to the forex and precious metals markets, offering clients the best available prices, free of charge via BCGE Netbanking. This trading platform makes innovative and secure tools available to the Bank’s 18,000 business clients. The service is aimed primarily at SMEs and corporates, especially those that operate abroad, and facilitates online management of forex trades. ForXchange by BCGE enables clients to trade the main currency pairs and precious metals at advantageous rates. Fourteen currencies are available including the Swiss franc, the euro, the dollar, sterling and yen, as well as gold, silver, platinum and palladium. Spot, forward and swap trades can be undertaken in real time and limit orders placed. Opening hours are extensive: six days out of seven, whenever a currency market is open, from 11 p.m. Sunday to midnight Friday.

Fourteen thousand shareholders put their trust in the Bank

The number of personal and business clients becoming BCGE shareholders is growing significantly and steadily, passing the 14,000 mark at the end of April. This is testament to a business strategy focused on the real economy and customer service quality. The conversion of the capital structure, with the successful introduction of a single category of registered share on 2 February, boosted liquidity, improved the share’s appeal on capital markets and increased transparency of ownership. Thanks to the share’s performance in 2016 (up 14%), the Bank’s market capitalisation topped one billion francs in 2016.

On top of the 14,000 shareholders who have deposited their shares with the Bank, several hundred others have placed 908,800 shares in custody with other institutions. BCGE is thankful that it can count on decisive support from a dynamic and highly diversified shareholder base as a solid foundation to foster the Bank’s growth and reputation.

ForXchange by BCGE: a simple all-round tool for businesses trading forex online

FORXCHANGE
by BCGE

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In financial year 2016, the Swiss Cantonal Banks’ Mortgage Bond Group issued loans totalling CHF 8.3 billion. In the same period, loans totalling CHF 3.5 billion matured. The volume of mortgage bonds outstanding thus rose by CHF 4.8 billion to an all-time high of CHF 47.6 billion. There are a number of reasons for this strong demand for loans. Thanks to their conditions and congruent maturity terms, mortgage bonds have been an ideal instrument for cantonal banks to refinance their mortgage books. One precondition for this success has been simultaneous strong investor demand for CLG bonds, awarded the highest triple-A rating by rating agency Moody’s. CLG’s Board of Directors is chaired by BCGE’s CEO Blaise Goetschin.

Synchrony, BCGE’s investment fund brand, recently launched three new investment vehicles (geared towards high dividends). The three funds target Switzerland, the eurozone and the United States respectively. The first, Synchrony High Dividend Swiss Stocks, reflects the fact that just under half of all CHF-denominated bonds offer negative yields. Conversely, around 25% of Swiss equities deliver yields in excess of 3%. A similar observation can be made for euro-denominated bonds. BCGE’s CEO Blaise Goetschin comments, “These new funds are a clever way to escape the tyranny of trivial or even negative interest rates. This is the real economy’s response to investors searching for yield.”

Synchrony All Caps CH is an actively managed conviction fund containing between 20 and 30 Swiss equities. Resembling this fund, which is governed by Swiss law, a twin Luxembourg fund was recently created: Synchrony All Caps (LU); the same goes for the Swiss small cap fund, Synchrony Small & Mid Caps. These two Luxembourg funds will be able to be distributed in certain European Union Member States, notably by the group’s French subsidiary, Banque Cantonale de Genève (France).

The 2017 Swiss Female Board Members’ Circle award has been awarded to BCGE in recognition of the high proportion of women on its Board of Directors (36%). BCGE also has a high proportion of women in its workforce (46%), 36% of them in management positions and 27% executives.

The Bank’s policy is focused purely on ability, without regard for gender, religion, ethnic origin, and so on. It places great importance on flexible working time (adjustable working hours, parental leave, etc.), helping staff achieve a healthy work/life balance.

The open-minded approach taken by the Bank’s management bodies (Board of Directors and senior management), which appoint managers and executives, and by its shareholders (public authorities and other shareholders), helps identify new talent, especially among women. The Bank emphasises diversity (with 27 nationalities), reflecting the international focus of both its business model and the Geneva economy. Finally, societal and environmental trends clearly point to the advancement of women in key posts across a wide range of industries.

The Swiss Cantonal Banks’ Mortgage Bond Group (CLG) continues to grow

In financial year 2016, the Swiss Cantonal Banks’ Mortgage Bond Group issued loans totalling CHF 8.3 billion. In the same period, loans totalling CHF 3.5 billion matured. The volume of mortgage bonds outstanding thus rose by CHF 4.8 billion to an all-time high of CHF 47.6 billion. There are a number of reasons for this strong demand for loans. Thanks to their conditions and congruent maturity terms, mortgage bonds have been an ideal instrument for cantonal banks to refinance their mortgage books. One precondition for this success has been simultaneous strong investor demand for CLG bonds, awarded the highest triple-A rating by rating agency Moody’s. CLG’s Board of Directors is chaired by BCGE’s CEO Blaise Goetschin.
BCGE awards its economics prizes

Ten BCGE economics prizes were awarded in late June 2017 at graduation ceremonies at the canton’s secondary schools. The four prizes for vocational training centres 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.
BCGE’s economics prize is a natural extension of the Bank’s commitment to training for young people. It is also a way to applaud 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 within 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 economics and business economics.

BCGE extends its warmest congratulations to all the prizewinners. This year awards went to Saleena Khan (Collège André Chavanne), Louise Wang (Collège Calvin), Awais Mirza (Collège de Candolle), Léo Charveys (Collège Claparède), Katy Dos Anjos Meireles (Collège Emilie-Gourd), Antoine Volki (Collège Madame de Staël), Callirhoë Mutzenberg (Collège Rousseau), Inga Brynda (Collège de Saussure), Philippe Borloz (Collège Sismondi), Aristote Bopandani and Firat Dagli (Collège Voltaire). The name of the winner from Collège pour Adultes Alice-Rivaz and those from vocational business schools will be announced at the end of the summer.
“In 1990, private markets totalled around $30 billion, attracted a thousand investors and involved some 250 investment managers. Today, their total value is $4,000 billion, with over 15,000 investors and 8,000 managers. Estimates put their value in 2020 at $8,000 billion.”

These striking figures were quoted at a recent event organised by BCGE, featuring a presentation by Cyril Demaria, head of private markets at Wellershoff & Partners, author of five books on private equity and lecturer at a number of European business schools and universities.

Such strong growth is notably explained by the fact that this type of capital investment has become an essential component of funding for unlisted companies, featuring at every stage of their development. It can even be a breath of fresh air for listed companies, offering an attractive way to delist if they so choose. On the other side of the coin, it gives investors a way to diversify their investments.

However, it is important to remember that investing in unlisted companies carries significant risk, points out Demaria, due to their size, lack of transparency and asymmetry of available information, with shareholders having less information than management. Furthermore, the degree of risk – and hence the return – also depends on the type of investment, regardless of purely microeconomic issues. Private equity, at least as it is understood in Europe, covers almost the entire range of transactions in unlisted firms. However, growth capital (whose loss ratio is low) cannot be compared with investing venture capital in a technology start-up or buying a distressed business, both instances where the risk/reward ratio is high.

**Expertise and added value**

It is therefore vital that this type of investment be undertaken by highly experienced professionals, who in turn provide genuine added value to the companies they finance: over and above the funding they provide, they cast a critical eye over the business, forcing management to ask a number of questions. “Our role is also to provide whatever the business is lacking – which could be expertise, knowledge or a network. In any event, the key is in the relationship between the entrepreneur and the investor. Our involvement aims to respond to a business plan and help the business grow.”

Somewhat surprisingly in our globalised world, investment remains marginal, though it is gaining ground. As such, domestic investment still overwhelmingly dominates the European market, notes Demaria. Meanwhile, the Swiss market is characterised by relatively stable venture capital investment over the past ten years, a relatively undeveloped growth capital market and a highly volatile LBO (leveraged buy-out) market that is sensitive to large deals.”

Aline Yazgi
Some well-established businesses need equity financing rather than debt to fund their development. There can be many reasons for this: the shareholder may wish to retain control while converting part of his/her capital into a liquid asset; the business plan may involve a major element of uncertainty; an IPO might be too expensive; the owner may wish to hand the business on to the next generation; or the owner’s share of equity may be too small to justify a further increase in debt.

Capital Transmission SA (CTSA), a BCGE subsidiary, was established almost ten years ago to respond to these needs. It finances transmission and expansion deals by making equity investments primarily in companies in the Geneva region, but also elsewhere in Switzerland and, in some special cases, in France. The company thus rounds off the Bank’s range of services, enabling it to fully discharge its duty of actively supporting the Geneva economy.

CTSA has an investment budget to ensure it can support its clients over the long term and back their projects by acquiring minority interests, mezzanine loans or convertible bonds. It invests between CHF 0.5 million and CHF 50 million in each deal.

Injecting equity
CTSA pursues a balanced risk policy by investing in experienced and profitable companies. The subsidiary analyses a large number of projects each year and selects only the most well constructed among them. The external perspective of the CTSA team of professional private equity specialists means it can provide genuine support to entrepreneurs and future investors. It supports business owners’ long-term strategies as a genuine partner without taking a seat on the board, nor does it become involved in management of the company, preferring not to confuse the roles of investor and entrepreneur.

Since its inception, the company has invested nearly CHF 40 million in 14 companies. Since it is not subject to any strict legal constraints on divestment, it is not bound by limited time horizons, which means the management team can genuinely optimise the value of the business. As such, it supports entrepreneurs for between five and ten years.

CTSA’s first divestment was in 2015 with the strategic sale of an electronics company. The subsidiary had a busy year in 2016, divesting one of its investments, repaying a mezzanine loan in full and making equity investments in two Geneva groups. Meanwhile, 2017 has got off to a good start: in the early part of the year, CTSA completed a strategic sale as well as three other deals.

“Capital Transmission does not have a limited time horizon, which means the management team can genuinely optimise the value of the business.”
The Synchrony US equity fund selects strong, lasting and value-creating companies

On 16 March 2016, the Synchrony US Equity Fund changed its investment methodology. The fund of funds approach was abandoned in favour of direct investment in US equities, on an active and multi-style basis.

In accordance with the new Synchrony US Equity Fund's DNA, risk management is the main performance driver. Diversified portfolio construction demonstrates resilience in various market phases. The new direct investment approach consists of an actively invested portfolio with controlled risk and a focus on a core/satellite investment approach. The core segment seeks to deliver a degree of fund resilience with a weighting ranging from 50% to 75%, while the satellite segment aims to deliver alpha (outperformance) with a weighting ranging from 25% to 50% of the portfolio.

Strong, long-term value creation

To create a portfolio that reflects this strategy and select the best companies, BCGE Asset Management has developed a quantitative method: the fundamental scoring model, which defines three pillars essential to business success – strength, sustainability and value creation.

Starting with these three pillars, the fundamental scoring model takes into account six distinctive criteria: ability to grow, business model relevance, financial strength, management quality, profitability and capacity for innovation. This approach assigns a score ranging from 0 to 100 to each share in the universe. There follows a qualitative analysis of the best US equities and risk management by the manager, who determines the composition of the Synchrony US Equity Fund.

Companies like Apple, Microsoft, Johnson & Johnson, Berkshire Hathaway, Walt Disney and Nike are included in the selection. These businesses all share the following features: consistent operating margins, strong cash flow, growth potential, low debt and proven quality of management.

Between the change of strategy on 16 March 2016 and 30 December 2016, the fund (‘M’ class) gained 11.44%, compared with a 12.30% rise in its benchmark, the S&P 500. Interestingly enough, the difference corresponds to management fees of 0.75% and the cost of building the portfolio. The portfolio is trailing by 1.05% in the year to date, up 6.72%. The market experienced a number of phases in 2016, both bullish and bearish, and the fund has already proved its resilience in the first year of its existence.

1 www.bcge.ch/fonds-de-placement-pour-particuliers.

Through all market phases

“...”
Impact of divorce on occupational benefits

The end of a marriage affects the three pillars for each of the former spouses, albeit to varying degrees. However, occupational benefits can be rebuilt by buying extra years from a pension fund.

Starting with the first pillar, AVS, divorce results in the equitable sharing of income earned by the couple during their full years of marriage (not counting the years during which the marriage and divorce took place). The resulting amounts are included in the calculation of the AVS pension when each of the former spouses reaches retirement age. This calculation, known as splitting, is not specific to divorcees but applies to all married couples when the spouse who is still working retires. However, married couples are subject to a specific constraint: the sum of their individual pensions may not exceed 150% of the maximum personal pension, set at CHF 2,350 a month. This constraint obviously lapses upon divorce, and each of the former spouses can receive anything up to this amount.

New rules for the second pillar

For the second pillar, the same principle of splitting occupational benefits built up by the former spouses during their years of marriage applies. If the debtor spouse was already receiving a disability or retirement pension, this could be split, in the form of a life annuity payable to the other spouse. This provision represents a change from past practice: the only possible option was payment of an equitable allowance to the former spouse, who was entitled to claim compensation. The new provision took effect on 1 January 2017 under the new rules on splitting occupational benefits in the event of divorce. Under another change in the law, the cut-off date for calculating the split will in future be the date on which divorce proceedings were initiated rather than the date on which the judgement becomes enforceable.

The third pillar and the matrimonial regime

Finally, for the third pillar, splitting is governed solely by the matrimonial regime. Under the regime of shared ownership of acquired assets, which is by far the most common, each spouse manages and disposes of his or her own assets – i.e. those he or she owned before the union and those acquired during the years of marriage. Divorce results in liquidation of the matrimonial regime and the equitable sharing of acquired assets between the former spouses. If the couple was married under the regime of separate ownership of assets, each has the right to administrate, enjoy and dispose of his or her assets, with termination of the matrimonial regime not requiring any splitting.

Rebuilding occupational benefits

To make up shortfalls in occupational benefits following divorce, contribution years cannot be caught up with tax benefits on the first or third pillars, but only on the second pillar. Divorcees can thus buy extra years to rebuild their occupational benefits even if they had used part of their pension assets to buy property. This is an exception to the obligation to repay advance payments to encourage home ownership early, thus qualifying for authorised tax deductions.

Impact of divorce on occupational benefits: questions

**AVS:** How much retirement pension will I be entitled to after splitting following divorce? How will my personal pension be affected if I have already retired?

**Occupational benefits:** How much retirement pension will I receive when I retire after splitting occupational benefits as a result of divorce?

**Third pillar:** How are individual occupational benefit assets to be split between former spouses?

**Matrimonial regime:** Am I married under the regime of shared ownership of acquired assets or separation of assets? Should I consider a change of regime?

**Buying extra years:** When should one buy extra years, and at what rate? How sound is my occupational benefits scheme?

The Guide de votre Prévoyance (Occupational Benefits Guide), an informative guide covering occupational and personal benefits, taxation, investments, home ownership, succession and matrimonial law, was written by the author of this article, with the cooperation of Albert Gallegos, an expert in asset and occupational benefits advice and head of BCGE’s Assets and Occupational Benefits Advice department.

If you have any questions, please contact your BCGE advisor, who will answer you with the help of BCGE’s Assets and Occupational Benefits Advice department.
Elle propose des alternatives aux réponses traditionnelles ou officielles, crée des lieux d’accueil innovants et originaux pour répondre aux besoins des personnes sans ressources et pour lutter contre l’exclusion.

**Eurêka**

Tous les lieux d’accueil et d’activités sont élaborés dans un même esprit : aller à la rencontre des personnes en difficulté pour leur offrir des espaces conviviaux d’échanges, d’aide et d’hébergement, gratuits, ouverts tout au long de l’année, dans le but qu’elles reprennent le goût à la vie, trouvent un tremplin pour sortir d’une période d’infortune.

Ces dernières années, pour pallier le manque dramatique de logements et pour accompagner les sans-abris désirant sortir de la rue, l’équipe de Carrefour-Rue et de La Coulou se devait de multiplier ses efforts et réalise une solution accessible économiquement : transformer des conteneurs maritimes en unités d’habitations posés sur un terrain libre et en moins d’une semaine.

Notre association reçoit chaque semaine entre 50 et 60 demandes de logement d’urgence que nous ne pouvons honorer que très partiellement, c’est dramatique !

Nous proposons une offre d’hébergement stable, adaptée et sans limitation temporelle, jusqu’à l’accès à un logement conventionnel, car, malheureusement, un grand nombre de solutions précaires d’accueil n’apportent pas aux personnes la stabilité nécessaire pour s’engager dans la recherche fructueuse d’un emploi qui dure.

**Noé**

Nous proposons ces logements-relais individuels (dans un esprit de vie communautaire), réalisés avec tout le confort en termes d’habitabilité : douche, wc et coin cuisine complètent un espace de vie de 14 m². Les deux hameaux de studios mobiles déjà réalisés, « Eurêka » à Chêne-Bougeries et « Noé » à Plan-les-Ouates, permettent déjà aux personnes qui ont perdu pied de retrouver goût à la vie. Forts de notre expérience sur le terrain de la précarité, nous pouvons mesurer l’impact d’un bel environnement sur le moral des personnes accueillies et voir les résultats remarquables sur la reprise d’une vie meilleure.

En effet, la beauté et la qualité des lieux d’accueil restent un antidote certain à la morosité, au découragement et à l’isolement. Les images qui accompagnent ce texte parlent d’elles-mêmes.

Les habitants se responsabilisent et portent le projet en s’appuyant sur l’accompagnement permanent de nos travailleurs sociaux. Le fondateur de Carrefour-Rue, Noël Constant, a toujours voulu encourager une démarche sociale qui préconise une responsabilisation des personnes plutôt qu’un assistantant infantilisant.

La philosophie de notre action consiste à partager les responsabilités dans la gestion des projets entre tous les participants soutenus par l’équipe sociale garante des différents repères d’accompagnement. Partager les responsabilités reste une action vraiment valorisante.

Et cet automne 2017, nous allons réaliser un troisième hameau de studios mobiles, déjà nommé « Ulysse ».

**L’équipe de Carrefour-Rue et de La Coulou**

**LIEUX ET ACTIVITÉS**

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<th>Lieu</th>
<th>Description</th>
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<td>Village de vacances pour personnes sans ressources</td>
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<td>Petits dépannages, entretien, jardinage</td>
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<td>La Feuille de Tréfle</td>
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<td>Ali-Baba et Aboudaby</td>
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<td>Le Point d’Eau</td>
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<td>Le Car Touche</td>
<td>Lieu d’accueil et d’activités</td>
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<td>Le Jardin de Montbrillant</td>
<td>Repas gratuits et accueil (environ 200 personnes par jour)</td>
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<td>Logements Accompagnés</td>
<td>Logements individuels (y compris les hameaux de studios mobiles, 70 personnes)</td>
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<td>La Coulou</td>
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<td>Studio de Musique de Carrefour-Rue</td>
<td>Atelier de musique</td>
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www.carrefour-rue.ch – 022 734 67 60
Innovation and digitisation

A book worth reading

Since the dismantling of the Bretton Woods system, the world has no longer had fixed exchange rates. Exchange rate fluctuations are driven by monetary and economic policies, among other things. Instability is baked into the heart of this ‘non-system’: so say, in this book, an emeritus professor at the Sorbonne, a former Director-General of the International Monetary Fund, an ex-chairman of BNP-Paribas and the former president of the European Central Bank. They advocate for the creation of a genuine international monetary system. A binding framework imposing the same rules on everyone would make it possible to remedy many existing imbalances and place the financial system as a whole on a healthier footing. Working in very senior posts, the authors have been able to see for themselves the weaknesses inherent in the present system; they have pooled their thoughts to put forward concrete solutions designed to facilitate monetary policy harmonisation around the world while freeing central bankers from political pressure. The scope of this ambition far exceeds a technical discussion between experts; the consequences of worsening imbalances in the international monetary system are potentially disastrous.


Focus on two studies

In 2015, French-speaking Switzerland joined the top ten most prosperous European regions in terms of value creation per inhabitant. Gaining four places, from 12th to 8th, it was only beaten by Inner London West (City of London), Luxembourg and... five other regions of Switzerland (Zurich, Ticino, Northwest Switzerland, Central Switzerland and Bern-Soleure). Furthermore, since 2009 it had already ranked among Europe’s 15 wealthiest regions, as shown by an analysis accompanying the latest forecasts of growth in French-speaking Swiss GDP published by the six cantonal banks in French-speaking Switzerland, in conjunction with the CREA Institute and Forum des 100 of Le Temps. The study also shows that French-speaking Switzerland rivals regions boosted by a ‘capital city’ effect – i.e. those that benefit from a concentration of activities linked to the status of a country’s leading city and the economic contribution from large numbers of commuters.

BANQUES CANTONALES ROMANDES, 2017.
Among the most prosperous regions of Europe
www.bcge.ch/publications-bcge

One hears all sorts of things about Switzerland and high-growth companies. Is there really a shortage of such companies in Switzerland? To find out, the State Secretariat for Economic Affairs (SECO) ordered a study from Bern-based research consultancy Ecoplan. The verdict: Switzerland is among the leading countries alongside Israel, Germany, Sweden and the United Kingdom. The picture is even more flattering when the ratio of high growth companies to the population as a whole is taken into account. In Switzerland, 12% of companies with at least ten employees report average to strong growth (averaging 10% a year). Meanwhile, 3.5% of companies grow by more than 20% a year. Finally, in Switzerland itself, 45% of growth champions are located in the Lake Geneva and Greater Zurich regions.

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