



ANNUAL REPORT 2015



BCGE Group

BCGE GROUP KEY CONSOLIDATED FIGURES

	2015	2014	2013	2012	2011
Balance sheet (in CHF millions)					
Balance sheet total	20,016	17,494	16,619	16,473	15,871
Advances to customers	13,711	13,551	13,155	12,994	12,864
Customer deposits and borrowings	15,691	14,222	14,266	13,703	13,092
Shareholders' equity	1,319	1,236	1,163	1,086	1,010
Results (in CHF millions)					
Gross income from interest operations	210	206	201	205	197
Result from commission business and services	101	108	98	104	104
Result from trading activities	28	27	27	24	24
Other ordinary income	20	19	9	12	11
Total operating income	359	360	335	346	337
Operating expenses	211	207	204	208	219
Depreciation, valuation adjustments, provisions and losses and extraordinary results	69	77	58	70	55
Operating profit (in CHF millions)	130	115	-	-	-
Result of the period (in CHF millions)	78	76	73	67	63
Assets managed and administered (in CHF billions)	21.8	19.8	19.3	18.7	18.1
Total number of employees					
• by full-time work units	720.5	710.4	725.4	722.7	721.7
• by people	773	763	782	783	783
Ratios (as a %)					
Shareholders' equity/total assets	6.6	7.1	7.0	6.6	6.4
Market capitalisation on equity	71.2	62.4	69.7	68.6	69.9
Operating profit on equity	10.0	9.5	-	-	-
Return on equity (ROE)	6.0	6.3	6.4	6.3	6.4
Cost/income	58.8	57.4	60.8	60.3	65.0
Capital coverage	14.4	14.0	13.5	12.9	12.0
Figures for bearer shares (in CHF)					
Shareholders' equity	366	343	323	302	281
Operating profit	36	32	-	-	-
Net profit	22	21	20	19	18
Dividend	5.5 *	5.0	4.5	4.5	4.5
Stock market data (parent company)					
High and low prices for bearer shares (in CHF)					
• upper	262	234	260	213	236
• lower	210	208	204	195	186
• closing	261	214	225	207	196
Market capitalisation (in CHF millions at 31 December)	939	771	811	745	706
Number of shares in thousands	5,721	5,721	5,721	5,721	5,721
Book equity/number of shares	372	349	329	308	288

*Proposed to the General Meeting on 26 April 2016.

Standard & Poor's rating

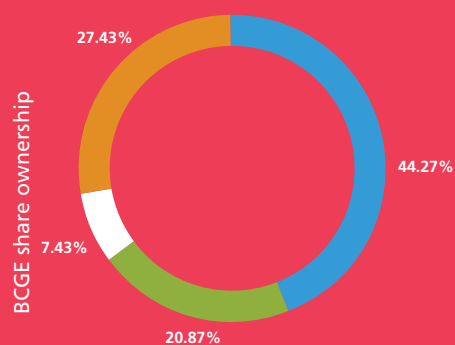
Banque Cantonale de Genève: A+/A-1/Stable
(latest rating as of December 2015)

BCGE stock exchange reference (symbol)

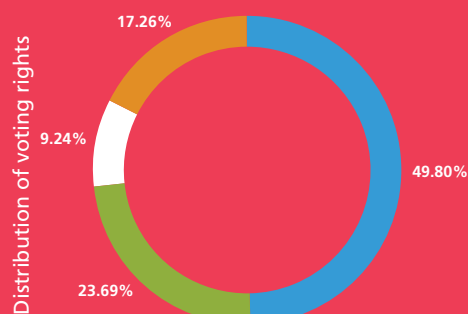
Swiss stock exchange listing	SIX Swiss Exchange
Reuters	BCGE.S
Bloomberg	BCGE SW
Telekurs	BCGE
Stock number	164268
ISIN	CH 0001642682

Structure of BCGE capital of CHF 360 millions

	Number of shares
"A" registered shares, par value CHF 50	2,651,032
"B" registered shares, par value CHF 50	1,590,620
Bearer shares, par value CHF 100	1,479,174



State of Geneva
City of Geneva
44 Geneva municipalities
Other shareholders



State of Geneva
City of Geneva
44 Geneva municipalities
Other shareholders

Information

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BCGE: banking solutions made in Geneva

A UNIVERSAL BANK SINCE 1816, BCGE PROVIDES HIGH-QUALITY SERVICES TO PRIVATE, CORPORATE AND INSTITUTIONAL CUSTOMERS IN GENEVA AND ITS SURROUNDING AREA. BCGE IS ACTIVE IN THE FOLLOWING AREAS: RETAIL BANKING SERVICES, PRIVATE BANKING, ASSET MANAGEMENT, FINANCIAL AND PENSION PLANNING, MORTGAGES AND CORPORATE AND PUBLIC AUTHORITY LENDING. IT OPERATES A TRADING ROOM AND OFFERS FINANCIAL ENGINEERING, CORPORATE FINANCE AND GLOBAL COMMODITY FINANCE SERVICES. THE BCGE GROUP HAS 22 BRANCHES IN GENEVA AND ALSO HAS SUBSIDIARIES OR OFFICES IN LAUSANNE, ZÜRICH, LYON, ANNECY, PARIS, DUBAI AND HONG KONG. THE GROUP EMPLOYS 721 PEOPLE (IN FULL-TIME EQUIVALENTS). BCGE IS LISTED ON THE SWISS STOCK EXCHANGE (SIX SWISS EXCHANGE) AND IS REGULATED BY FINMA.

BCGE ANNUAL REPORT 2015

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Blaise Goetschin, Chief Executive Officer, and Jean-Pierre Roth, Chairman of the Board of Directors

Message from the Chairman

Two hundred years serving the people of Geneva

This message is written in unique circumstances: in 2016, we are celebrating the bicentenary of the first public bank in Geneva, of which Banque Cantonale de Genève is the descendant. 1816 saw the foundation of the Caisse d'Épargne de Genève in the wake of the post-Napoleonic restoration and Geneva's entry into the Swiss Confederation.

At that time, Geneva was at a key point in its history and on the threshold of economic renewal. Its financial sector, which was recovering from years of difficulty due to Europe's political instability at the turn of the previous century, was experiencing a rebirth as a centre for the management of wealth and the sovereign debt, its role before the French revolution. What Geneva lacked, in common with numerous other Swiss cities, was an institution capable of channelling people's savings and providing local credit. Our canton was thus the first to acquire an institution at cantonal level with the task of promoting regional economic development. Bern followed in 1834, and Vaud in 1845; all the other cantonal banks were founded after the first Federal constitution, in 1848.

Permanent support for the local economy

Supporting the local economy was the duty of the first Caisse d'Épargne, and it remains the mission of the Banque Cantonale. Today, fortunately, the credit market has developed and BCGE competes with numerous other Swiss and foreign participants in it. Nevertheless, it remains the special partner of the canton's SMEs, one of the pillars of housing and construction finance and the foremost savings institution. Genevans, over 13,000 of whom have become shareholders, are aware that their cantonal bank listens to them, that it knows the lie of the land, that it operates in the wider public interest and that it remains objective when considering the projects put before it. So even in a well-developed banking environment such as we have today, there is a place for a public institution that is at everybody's service.

2015 was another difficult year for the Swiss banks. The decline in interest rates to close to zero, economic uncertainties and the proliferation of financial regulation weighed heavily on business operations and conditions.

Working with negative interest rates

A particular feature of 2015 was the application of negative interest rates to the clearing accounts that the banks hold at the Swiss National Bank, at least on the portion of these accounts above a certain benchmark level. This measure was aimed at combating the appreciation of the Swiss franc by discouraging capital inflows and encouraging investment abroad. Contrary to the negative rates applied in the 1970s, which only penalised foreign funds, the solution chosen in 2015 is more restrictive, as it hits all holders of Swiss franc liquidity. BCGE, unlike the wealth management banks, and like the great majority of commercial banks, was not initially affected by the negative rates, as the amount of liquidity it held at the SNB was lower than that from which the penalty was applied. This situation developed rapidly over the following months, as the institutions affected from the beginning by the negative rates allowed their clients to direct their investments towards the institutions that were less affected. Flows of funds towards the BCGE thus increased considerably, causing its balance sheet to grow by CHF 2.7 billion. To avoid having its liquidity exceed the limit set by the SNB and to be able to support its traditional clients, it therefore had to introduce liquidity quotas by client category. Beyond these liquid deposits corresponding to previous "normal business", negative rates are now applied.

Profound capital renewal

2016 will take its place in the Bank's history not only as the year marking the bicentenary of a public bank in Geneva, but also as that of a profound renewal in the Bank's capital structure. At the 2013 Annual General Meeting, we announced that the Council of State had accepted a unification plan for the Bank's share capital. This plan has now come to fruition. The Great Council has accepted an amendment of the cantonal bank law that allows our share capital, which is currently divided into registered shares and bearer shares, into a single type of registered shares. This reform has the double benefit of making our share more attractive to investors — which is in the interest of all shareholders — and of meeting anti-money laundering requirements by doing away with

bearer shares. Moreover, a shareholder agreement between the canton, the City of Geneva and the Geneva municipalities will guarantee, in accordance with the canton's constitution, that a majority of the share capital will remain in public hands. This reform also requires a modification of our Articles of Association, which will be put to the shareholders for approval at the Annual General Meeting on 26 April 2016.

Normalisation of tax status

2016 will also be a year of further normalisation of BCGE's position in the Geneva banking environment. Firstly, it will see the progressive ending of the cantonal deposit guarantee, which started in 2013. The repeal of the deposit guarantee, which will put us on an equal competitive footing with the other banks, is justified by the raising to CHF 100,000 of the Federal guarantee on bank deposits which was introduced in 2008. Secondly, this year has also seen a normalisation of the Bank's tax treatment at cantonal level. Until now, BCGE was subject to specific treatment granting it a tax rebate corresponding to the State's share in its capital. This advantage, a fairly common one for Swiss cantonal banks, was no longer justified and will gradually be replaced by a taxation regime in line with that of other companies in the canton.

Population over ten times bigger

So in many respects, 2016 will be a year to remember. We shall recall that it was the year when the bicentenary of public banking in Geneva was marked and when significant steps were taken to modernise the Bank. To be sure, between 1816 and 2016 the environment in which this public institution operates has changed profoundly: Geneva's population has grown more than tenfold, and the economy and technology have changed in ways that could not have been imagined at the beginning of the period. However, the need for a public credit institution, with its decision-making centre in Geneva, is still clearly recognised. From Caisse d'Epargne to BCGE, the history of the Bank has been marked by a continual need to adjust, and it has seen highs and lows. The BCGE of 2016 is an institution with a stronger capital base and one that is capable of modernising its governance.

The same rules for everyone

Being a public bank does not imply having a privileged commercial environment. The rules are the same for everyone and competition is fierce. The good results that BCGE achieved last year are therefore due not to special commercial advantages but to the constant commitment of all its employees. The Board of Directors thanks them and the Bank's executives for their excellent work during 2015. The Board is also aware of having benefited from the confidence placed in it by the Bank's shareholders, both public and private. It wishes to assure them once again of its commitment to BCGE, which, as the direct descendant of the line begun by the Caisse d'Epargne in 1816, is the only bank in Geneva at everyone's service.



Jean-Pierre Roth

Chairman of the Board of Directors

Message from the Chief Executive Officer

There's nothing like a bicentenary for meditating on the destiny of a business...

A bank, and even more so, a truly universal bank, is at the heart of society, and its expectations, its difficulties and transformations. The markets BCGE works in every day reflect these metamorphoses instantly and fully. Many kinds of future influence the Bank and its strategy.

There are the foreseeable futures that BCGE is preparing itself for with its IT partners, such as payment methods. There are the unexpected futures, such as the enigmatic and sustained negative rates regime, which it monitors as well as it can, and to which it responds with methodical and proactive crisis management. There are differentiated futures, which do not necessarily impose their technological demands on everyone and involve ways of consuming bank services that are either very advanced or quite traditional. There are irreversible futures, such as the digital revolution which, in this case, requires a total transformation and brings so many functional advantages to their "adopter" that the old processes are immediately forgotten, to join the typewriters and calculators waiting to be displayed in the museum of Swiss banks; and the regulatory futures, demographic futures, and so on: the list is long, and since "all futures are near"¹, the Bank has set a course that takes account of this fourth industrial revolution². On this basis, it has defined its general lines of development and specific priorities. Three imperatives need to be mentioned here and now: to make full use of the personal link with clients, to have a service offering that is equal to or better than that of our best competitors, and to guide clients in the choice and use of new financial technologies.

Making full use of the personal link

Digital technologies, mobile telephones and multiple communication channels change everyone's behaviour. In the banking business, the change process is at work in several operational areas and affects individuals as much as it does companies. Consumption of the standardised banking product is rapidly moving towards the now general practice of internet search and command, which delivers almost instantaneous results. Against this background, physical proximity (the bank branch) and personalisation (the adviser) do not disappear, but rather, on the contrary, become complementary and indispensable attributes. This is a new environment where all that counts is the speed, simplicity and effectiveness of the response. BCGE invests with the Finnova banking community and with Swisscom, its main IT partner, to turn difficulty into a competitive advantage.

But the banker's economic role is not confined to distributing products. In the face of greater complexity in many individual client situations, or when decisions are to be made in companies, the banker will continue to be a guide. The adviser, an experienced generalist, will be capable of analysing the real issues and producing a summary report. The client will be offered further consultation at our various advice centres, such as for pension planning or improving the structure of a mortgage portfolio.

So the personal link with our 237,000 clients must be maintained at all times. These clients need both to talk to their banker-adviser and to be able to interact with the bank electronically in the way that suits them. This is also true of BCGE's 54,000 international clients, who are accustomed to high standards of interactivity with their banks. Several projects allow us to meet this business and logistical challenge. A reorganisation of online advice has allowed us to improve interface quality (in terms of access times, languages, depth of advice, etc.). The service offering for Swiss expatriates abroad is reinforced by the representative offices in Dubai and Hong Kong. More generally, the Bank's aim is to maintain a high ratio of advisers to clients; new technologies are there to assist them, not replace them. The fact that it has been possible to achieve a balance sheet total of CHF 20 billion, assets under management of CHF 20 billion and mortgages of CHF 10 billion this year is due to our determination to keep up every single personal link between banker and client.

¹ Arab proverb.

² See SCHWAB Klaus, 2016. *Mastering the Fourth Industrial Revolution*. Seattle: Amazon.

Offering solutions to the standards of our best competitors

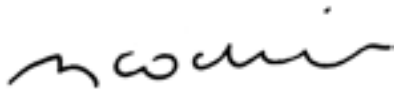
BCGE could, like a number of its sister banks, have decided to concentrate on the average client and offer them a simplified range of products. However, being aware of the very specific nature of its base market — the highly-banked Geneva — it came to the conclusion, a good 15 years ago, that, on the contrary, it should produce an offering that was as broad, complete and competitive as that of its best competitors, the big banks. The strategic choice of offering both individual clients and companies an integrated advice service was the driver of the present diversity of businesses. This choice has made many things necessary. In the case of individual clients, it requires the ability to offer highly sophisticated wealth planning advice, to keep in touch with clients at work in Switzerland (Lausanne and Zurich) and abroad (France, Dubai, Hong Kong), and to be able to communicate and take action in the event of transfer of a family business to third parties or to the existing management. In the case of companies, which now represent over 50% of the Bank's business income, what is needed is the ability to arrange large-scale financing very rapidly on the best possible terms, and to design interest rate and foreign exchange hedging solutions. "Client-centric" organisation allows a bank to field specialised and dedicated teams to each market segment, which are served by centres of expertise: trading room, corporate and private advisory, pension planning, mergers and acquisitions (Dimension subsidiary) and private equity (Capital Transmission subsidiary). Lastly, the principal requirement is to assemble a diversity of talents and a first-rate workforce. Here again, the Bank strives, by means of an aggressive recruitment policy and considerable investment in training, to respond to the ever-growing requirements of its clients. The success of this strategy is reflected by the quality and resilience of the 2015 results, with a net return on equity of 6% and an operating profit of CHF 130 million.

Guiding clients towards better financial technologies

Many different technologies are currently emerging and completely transforming the use of banking services. The rate of change has been increasing for several years and revolutionary concepts are coming onto the market as regards payment processes, wealth management advice and mobilisation of private or corporate finance. BCGE, in close cooperation with its IT partners, has set its priorities for change, taking account of efficiency, cost-effectiveness and above all the security of the new processes. In the payments area, it will join with other Swiss banks in moving towards new methods for simplifying payment at point of sale and the increased use of mobile phones at the banking interface. In the course of these changes, a new platform will simplify transactions for the SMEs or individual clients involved. The online stock trading system, BCGE 1816, with its 5,800 users, is experiencing rapid growth and is constantly being improved for their benefit. At the same time, we should not underestimate the extent of the changes under way or fail to recognise the uncertainties surrounding them. To have the best chance of benefiting from new technologies, BCGE means to keep at the heart of any new system the personal link between client and adviser; to maintain its "open architecture" philosophy; to provide its clients with a variety of solutions (based on the 'garden wallet' model) and explain how to use them; and to collaborate more effectively with the cantonal banks by pooling resources and experience in these new areas.

The Bank is prepared for industry restructuring

Two hundred years of change, crises overcome, wars and technological transformations: BCGE has a rich history that provides plenty of lessons. Not a single decade of calm or stabilisation: on the contrary, an uninterrupted series of tests and challenges. History marches on and we can clearly see that it will never be kind or obliging. BCGE has considerably strengthened its talents, processes and financial structures, in particular its equity capital coverage. It is capable of making the colossal adaptive efforts that banks are going to have to make — particularly those that must compete with the multinationals, while not being equal to them in size.



Blaise Goetschin
Chief Executive Officer



ADVICE

PENSIONS . LIFE INSURANCE . PERSONALISED
FINANCIAL CHECK-UP . FINANCIAL PLANNING
ADVICE CENTRE

With discipline comes success.

High mountains demand concentration
and steady effort.
These qualities govern what we do.

A UNIVERSAL BANK
SINCE 1816

Mission and strategy

A universal bank: made in Geneva

BCGE is a universal retail bank whose main mission is to contribute to the development of Geneva's economy. In order to do so, it provides a complete range of banking services to private, corporate and institutional clients. To support them in their activities and operations, which often extend far beyond Geneva's borders, it has branches in Lausanne and Zurich, in addition to representative offices in Dubai and Hong Kong. Its Banque Cantonale de Genève (France) subsidiary is located in Lyon, Annecy and Paris. The Group also includes two specialised subsidiaries: Capital Transmission, which provides equity financing for SMEs, and Dimension, for evaluation and advice regarding company transfers. As of 31 December 2015, the Group employed 721 people (full-time equivalents) and had total assets of 20 billion francs, with equity of over CHF 1.3 billion.

PORTRAIT OF THE BCGE GROUP



Geneva head office
at 17, quai de l'Île

BCGE

1816 Founded in 1816, Banque Cantonale de Genève (BCGE) plays a vital role in supporting and boosting the regional economy. BCGE forms the central pillar of retail banking as well as corporate finance, particularly for the SME community and the Geneva property sector. BCGE works with the public authorities and also offers private banking services and financial asset management for institutional clients. It has branches in Lausanne and Zurich as well as representative offices in Dubai and Hong Kong. Listed on the Swiss stock exchange, SIX Swiss Exchange (code: BCGE), BCGE is classified A+/A-1/Stable by the Standard & Poor's rating agency, as confirmed in December 2015. It has a staff of 669 (in full-time equivalents).

Banque Cantonale de Genève (France)

1993 With its headquarters in Lyon and branches in Annecy and Paris, Banque Cantonale de Genève (France) SA is a wholly-owned BCGE subsidiary. It offers corporate finance and property services to businesses and self-employed professionals, in addition to wealth management for private clients. BCGE France contributes to the development of the economic zone stretching from Lyon to Geneva. Banque Cantonale de Genève (France) employs 49 people.

CAPITAL TRANSMISSION AUTHENTIC SWISS PRIVATE EQUITY

2008 Capital Transmission SA, Geneva, finances and provides equity investment in business transfer and expansion operations mainly in the Geneva region. It also operates throughout Switzerland and in certain specific cases in France. It has a total investment capacity of CHF 50 million, of which CHF 18.2 million were allocated at 31 December 2015. This allows it to support its clients over the long term and to assist their projects by acquiring minority shares or through mezzanine financing. Capital Transmission does not participate in the management bodies of the financed entities.

DIMENSION ÉVALUATION ET TRANSMISSIONS DE NOTRE HERITAGE

2015 Dimension SA, Lausanne, aims to provide company owners and their families with advice and solutions in matters of inheritance, transfer, reconciliation and growth through acquisition. It has been particularly active in the retail, industrial, watchmaking, construction, property, business services and IT sectors. Dimension has participated in over 170 transactions; in operation since 1994, it was acquired by BCGE in 2015. It has a branch in Geneva.

Business model based on the Geneva economy

A strategy centring on markets and innovation

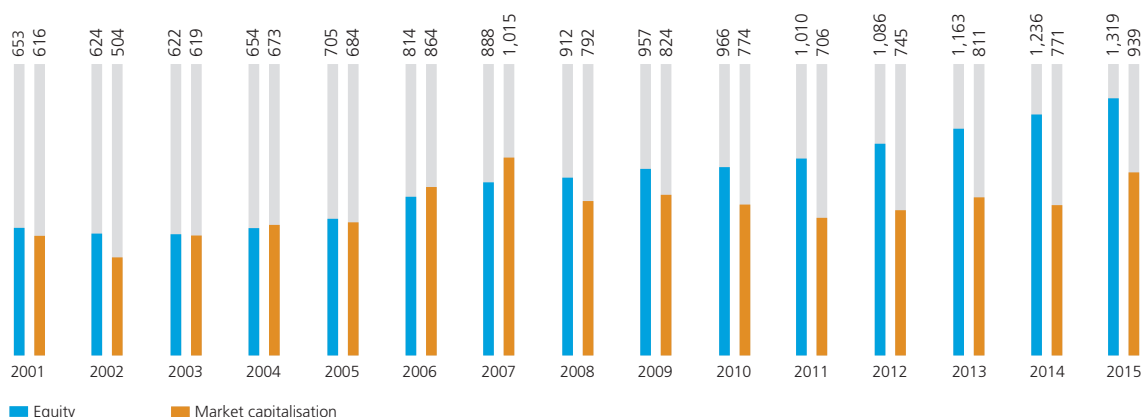
BCGE is a bank with a strategy aimed at long-term, sustainable success. It is active in two broad market categories: private individuals (natural persons) and companies or institutions (legal entities). In these markets, it operates in specific business lines or strategic areas of activity. There are thirteen of these, as described briefly below. These business lines have widely varying characteristics and needs. Thus organised as a manager of a portfolio of businesses, the Bank is deservedly characterised as 'universal'; and even though the business line strategies are fairly distinct one from the other, some common strategic principles are dominant in the overall structure.

A FINANCIAL STRATEGY WITH LONG-TERM AIMS

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

Strategic decisions and operational management prioritise long-term and sustainable growth in the Bank's share value (reflected by market capitalisation) — even to the detriment of short-term profitability — and must not cause under-investment or excessively raise the risk profile, or in any way undermine the Bank's ethical conduct.

Development of equity and market capitalisation in CHF millions



SPECIFIC AREAS OF ACTIVITY

Business lines, their commercial policies and the resources assigned to them are defined by the Bank on the basis of a detailed study of markets and an evaluation of how accessible they are and what potential they have.

Five of the thirteen business lines are centred on individual clients: day-to-day banking services, fundamental financial planning, savings and pensions, private banking and private finance. Of the eight business lines devoted to companies and institutions, four are concerned with finance. These are, namely, corporate finance, business property finance, public authorities finance and trade finance. The remaining business lines are strategic financial advice, financial markets, asset management and services to banks and insurance companies.

The Bank manages its portfolio of business areas with the aim of optimising the profitability/risk ratio of each, while seeking high levels of operational synergies among them. It builds competitive and sustainable positions in each of its business lines. To do so, it capitalises on its image as a bank that is safe (as attested by its Standard & Poor's rating), transparent (it provides a daily quotation and issues a very detailed annual report) and innovative (see page 62).

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



A CODE OF ETHICS IN EACH MAIN BUSINESS LINE

Clearly stated investment philosophy

The Bank recommends the adoption of a reassuring and effective portfolio model with a track record going back several years. This is clearly set out in our BCGE Group investment philosophy publication. That philosophy is embodied in the core range of BCGE Best of investment mandates. Management of these mandates is centralised, and thereby totally consistent, irrespective of the size of assets managed. In particular, it is founded on the selection of a series of funds from third-party institutions and rests on the open architecture principle: the specialists tasked with choosing these investment vehicles are free to work on a commercially and intellectually independent basis.

A set of principles for business finance

The Bank has established eight fundamental principles which are at the heart of its role within the local economy. A document entitled *Financement des entreprises: la doctrine d'engagement de la BCGE (Business finance: BCGE's rules of engagement)* summarises these principles. It informs interested clients of the methods the Bank applies to project analysis, company valuation and lending. Depending on the client's investment objectives, portfolios may also be managed by consultancy services.

A code of conduct for property finance

A document entitled *Financement de l'immobilier: la doctrine d'engagement de la BCGE (Property finance: BCGE's rules of engagement)* explains the main principles governing these types of loans and this market, as well as the criteria specific to BCGE.



ARTICLES OF ASSOCIATION AND CAPITAL

A wide shareholder base

Banque Cantonale de Genève is a public limited company pursuant to Article 763 of the Code of Obligations, created according to the Constitutional Law of 12 March 1993, which came into effect on 1 January 1994 with the merger of the Caisse d'épargne de la République et Canton de Genève (founded in 1816) and the Banque Hypothécaire du Canton de Genève (founded in 1847). Its principal shareholder is the Canton of Geneva, which holds 44.3% of the share capital. The City of Geneva and the municipalities of the canton hold 28.3% of the share capital. 13,246 shareholders, mainly private individuals, hold a significant proportion of the bearer shares. To these should be added the shareholders who have deposited their securities with third-party establishments. In total, the float amounts to 27.4% of the capital.



Towards the use of registered shares only

On 29 January 2016, the Great Council of Geneva approved an amendment to the Banque Cantonale de Genève Act. In order to modernise the Bank's capital structure, it opted for the use of registered shares only. This reform will be submitted to the General Meeting on 26 April 2016. The present share structure comprises registered shares reserved exclusively for the public authorities and bearer shares listed on the Swiss stock exchange that are available to private shareholders. The aims of introducing the single type of share are to make the stock more attractive on the capital markets; to allow the Bank to gain more information about its shareholders by means of the shareholder register; to put an end to bearer shares (in anticipation of a change in Swiss law); and to make it easier to adapt to the new regulatory requirements for equity (Basel III). The process of change to registered shares only is expected to be complete by the end of 2016. The future single type of share will have a par value of CHF 50, as opposed to CHF 100 for the bearer share. In addition, the partial tax exemption currently applied to BCGE (Article 18, Tax liability) will be gradually removed over a period of five years.

A contribution to the development of Geneva's economy

In accordance with Article 2 of the Banque Cantonale de Genève Act of 24 June 1993, "the principal aim of the Bank is to contribute to the economic development of the canton and of the region. As a full-service bank it shall handle all operations authorised by the Federal Banking Act of 8 November 1934. It shall be managed according to tried and tested economic and ethical banking principles."

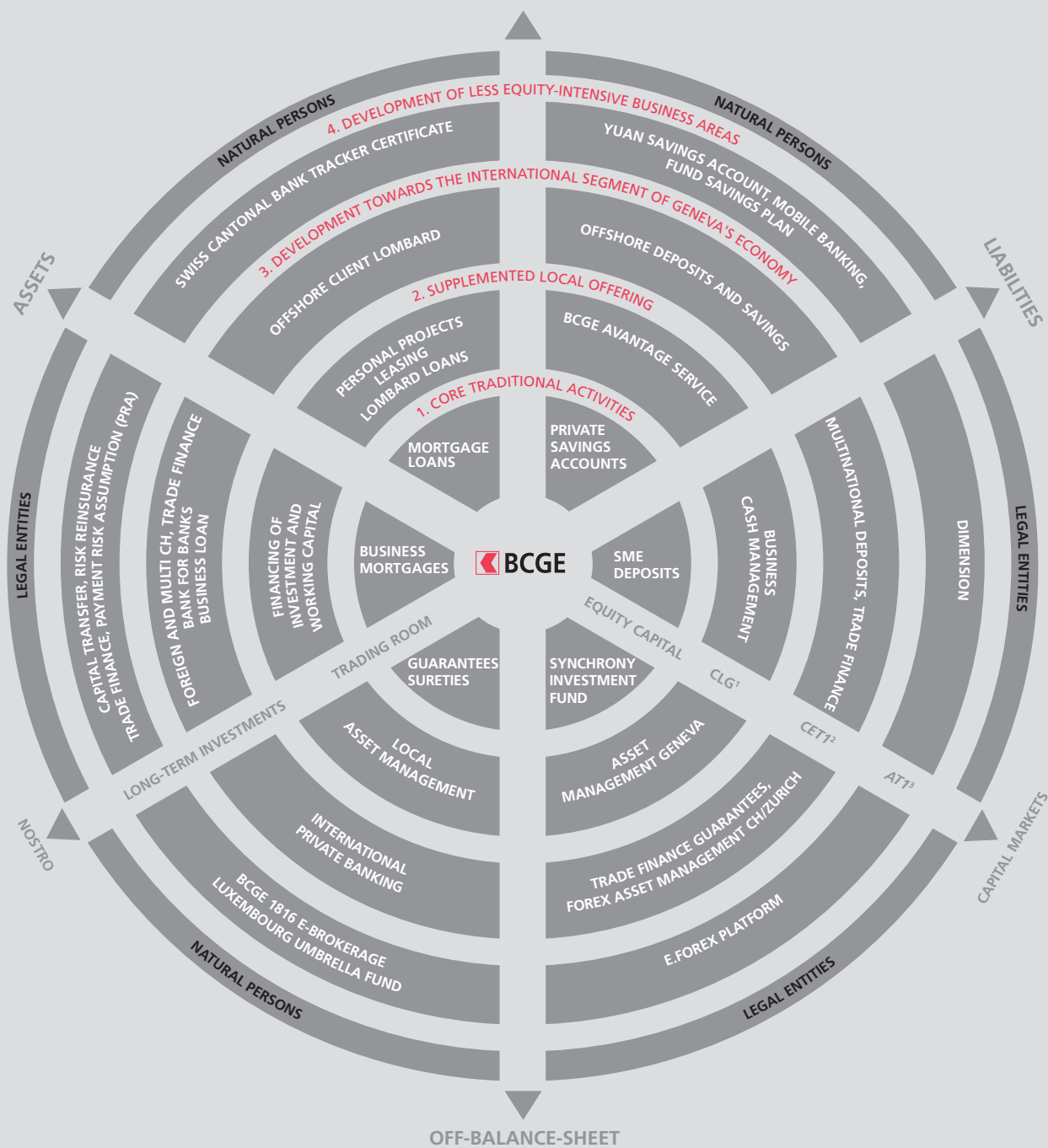
A partial state guarantee on savings deposits

The Canton of Geneva partially guarantees the refund of principal and interest of savings deposits and pensions at the Bank. The maximum guaranteed amount is set by Article 25 of the Banque Cantonale de Genève Act. The guarantee by the canton will be completely withdrawn on 31 December 2016. As of 1 January 2017, savers' deposits will only be covered by the Federal guarantee¹. Depositor security will nonetheless remain at the highest possible level due to the Canton of Geneva's position as the Bank's majority shareholder.

¹ www.esisuisse.ch.

Four phases of development

Based on a core of traditional activities which remain important today, the BCGE business model has undergone regular changes, leading to a widening of the Bank's competences and abilities. The changes have been implemented with the aim of offering a complete and competitive range of services. These strategic choices have allowed the financial results to show steady growth.



¹ Refinancing by loans from the Mortgage Bond Centre of the Swiss cantonal banks.
² Loan in respect of common equity tier 1 (CET1).
³ Loan in respect of additional equity tier 1 (AT1).

INDIVIDUALS

Day-to-day banking services

GE CH

Current accounts
Individual accounts
BCGE Netbanking and Mobile Netbanking (account checking, payments and online stock trading)
Bank cards
Safe deposit boxes

Saving

GE CH

Short-, medium- and long-term
Savings accounts
Medium-term notes

Pension planning

GE CH F

Pension advice centre
2nd and 3rd pillar accounts
Libre Passage accounts
Life insurance contracts
Fund-based savings plans, 3rd pillar
Annuities

Investments

GE CH F

Custody of securities
Online stock trading
Investment funds and structured funds
Fund-based savings plans

Private banking

GE CH F INT

Discretionary management mandates
Lombard loans
Term and trustee deposit accounts
Investment advice, advisory
Estate planning
Private equity investments

Housing finance

GE CH F

Main residences
Second homes
Construction or renovation loans

Consumer financing

GE CH

Vehicle leasing
Personal loans

COMPANIES

Corporate finance and cash management

GE CH F

SMEs
Large corporations
Professionals and self-employed
State and related entities
Municipalities and municipal property trusts
Parastatal institutions and churches
Public property trusts
Public bodies in Switzerland
Non-profit-making bodies

Property and construction finance

GE CH F

Property investors
Property development
Office property and public corporations
Construction companies

International commodity trade finance

GE CH F INT

Trade transaction financing
Structured financing

Financial services and markets for banks and insurance companies

GE CH F INT

Currencies
Securities, investment funds
Metals
Capital markets
Cash
Banknotes

Corporate consultancy

GE CH F

Strategic financial consultancy (Financial Advisory department)
Mergers and acquisitions (M&A) (Dimension)

Equity finance

GE CH F

Minority participation, Mezzanine finance, Management buyout (Capital Transmission)

INSTITUTIONS

Finance and cash management

GE CH

Private and public pension funds
Private and public foundations
Family office
State institutions

Service to independent wealth managers

GE

Asset management

GE CH F INT

Balanced active investment management
Passive mandates — index management
Controlled-risk active investment management
Institutional investment funds
Long-term Swiss small- and mid-cap investments
Institutional investment advice
Sovereign funds and similar entities

Advice to institutional investors

GE CH F INT

Interest rate management advice
Exchange rate management advice

Financial services and markets for institutional clients

GE CH F INT

Stock markets
Currencies
Metals
Issues
Capital markets
Cash

GE

Geneva

CH

Switzerland

F

France - through BCGE (France)

INT

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





SAVING

A SECURE DEPOSIT ADDRESS .
CASH MANAGEMENT . INVESTMENT FUNDS .
LOYALTY PROGRAMME

With discipline comes stability.

The throwing of the stone, a traditional Swiss sport, demands confidence and balance, characteristics that guide us at all times.

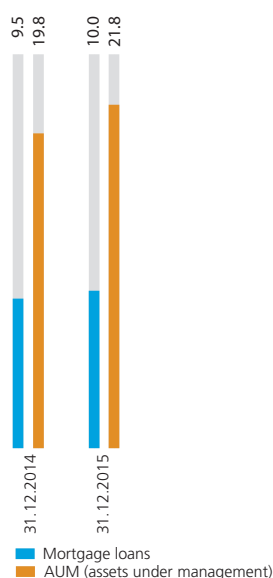
A SECURE BANK FOR DEPOSITS

Financial summary of business

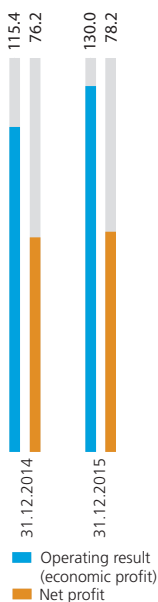
Strong growth in profitability
and dividend increase of 10%

Banque Cantonale de Genève achieved very good results in 2015. Profitability, expressed in the net profit of CHF 78.2 million (up 2.7%) and operating result of CHF 130 million (up 12.6%), increased substantially in 2015. The Bank also improved its competitive position with an increase in assets managed and administered at CHF 21.8 billion (up 9.7%) and new levels of mortgage lending at CHF 10 billion (up 4.9%). Funds managed and administered exceeded CHF 1.3 billion (up 6.8%). The dividend to be proposed at the General Meeting on 26 April 2016 will be increased to 5.5% of par value (up 10%). In 2016, the Bank is expecting an increase in profitability comparable to that of 2015.

Competitiveness:
AUM: CHF 20 billion
mark passed
CHF billion



Total
operating result
up 12.6%
CHF million



Key group figures for 2015 (in CHF 1,000)

Results	31.12.2015	31.12.2014	Change 2015-2014	
Operating income	347,209	349,556	-2,347	-0.7%
Operating expenses	211,396	208,481	2,915	1.4%
Operating profit	129,999	115,428	14,571	12.6%
Net profit	78,211	76,155	2,056	2.7%
ROE (return on equity)	6.0%	6.3%	-24 ¹ basis points	-3.8%
Dividend	5.5%	5.0%	50 basis points	10%

Balance sheet and volumes traded

	31.12.2015	31.12.2014	Change 2015-2014	
Balance sheet total	20,016,211	17,336,793	2,679,418	15.5%
Mortgage loans	9,966,068	9,503,574	462,494	4.9%
Assets under management and administration	21,766,549	19,847,828	1,918,721	9.7%
Shareholders' equity	1,319,193	1,235,521	83,672	6.8%
Tier 1 equity ratio	13.36%	12.59%	77 basis points	6.1%
Ratio of regulatory capital available	14.37%	13.97%	40 basis points	2.9%

Record net profit

Net profit continued its upward trend, growing by CHF 2.1 million to CHF 78.2 million, while the operating result increased by 12.6% or CHF 14.6 million, to reach CHF 130 million. Results improved despite the strength of the Swiss franc, negative interest rates and the sharp dip in commodity prices. Income held up thanks to a diversified business model in terms of banking areas, currencies and countries.

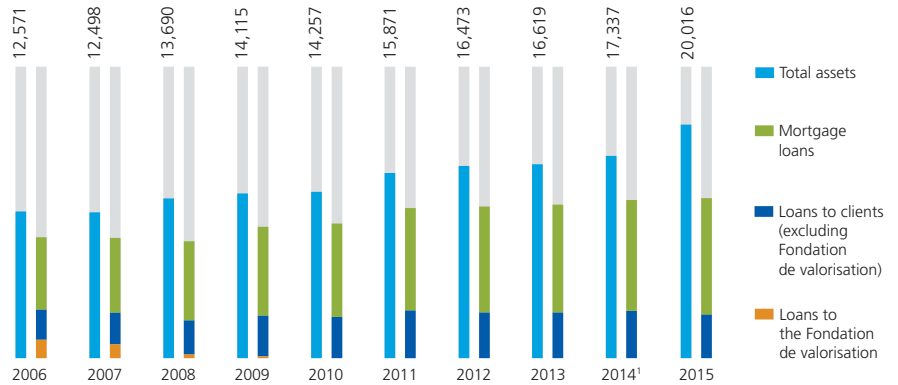
Solid revenues

Total income was CHF 347 million (CHF 350 million in 2014). It was assisted by an increase in the result from interest operations to CHF 199 million, which was itself boosted by growth in mortgages and dynamic rate management. The interest margin settled at 1.10% against a backdrop of negative rates (2014: 1.26%). Commissions remained above the CHF 100 million mark, coming in at CHF 101 million (2014: CHF 110 million). Commissions were directly affected by wealth management due to slower portfolio turnover. Commissions from lending reflected the effect of the fall in commodity prices, while other commissions, particularly in retail banking, remained stable. The international proportion of turnover achieved in EUR and USD was 17%. Together with the other cantonal banks, the Bank sold its minority shareholding in Swisscanto to Zürcher Kantonalbank, and received an extraordinary dividend from a minority Swiss shareholding.

Moderate increase in costs

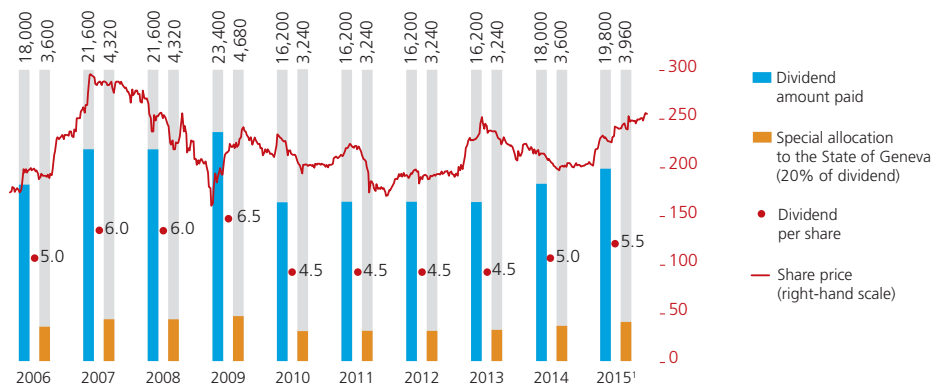
Ordinary operating expenses fell by CHF 2 million to CHF 82 million (down 2.4%), thanks to effective cost-reduction programmes and despite the rise in physical and IT security costs. Staff costs increased by CHF 5 million (up 4%): numerous regulatory and technological projects require highly specialised skills and the Bank was a net generator of employment, with a staff of 721 full-time equivalents, an increase of 10. Average staff numbers in 2015 were, after conversion to full-time equivalents, 713.2 (708.5 in 2014).

Changes in the balance sheet CHF million



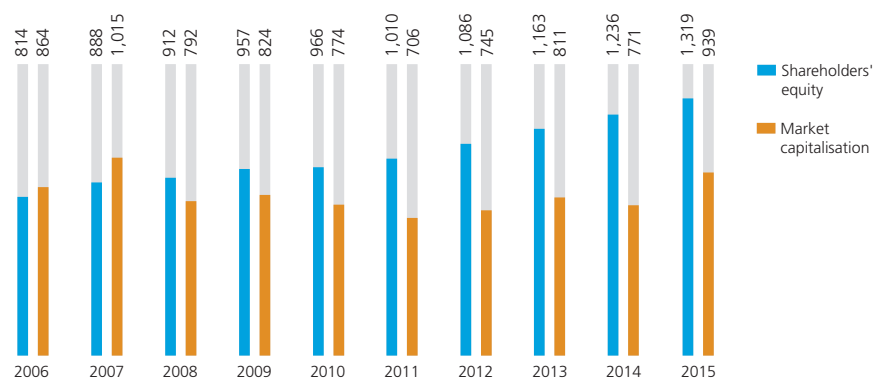
¹ From 2014, the figures have been adapted in accordance with the new bank accounting rules.

Changes in the dividend, dividend amount paid (in thousands) and BCGE share price CHF

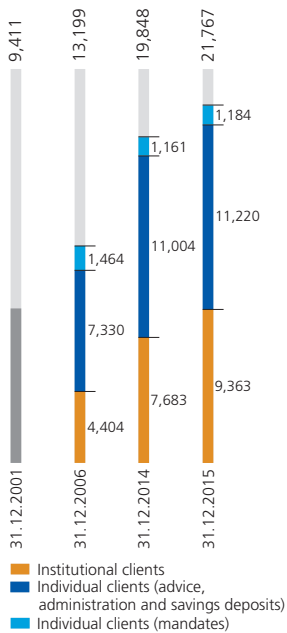


¹ Proposed dividend and special allocation to the State of Geneva.

Change in equity and market capitalisation CHF million



Assets managed and administered increase by almost CHF 2 billion CHF million



Serving Geneva's economy

BCGE plays the leading role in financing Geneva's economy; nearly half the canton's businesses are clients of the Bank. In the course of the year, mortgage loans increased by CHF 462 million (up 4.9%). Lower commodities prices led to a decrease in financing requirements, which contributed to a decrease in amounts due from clients of CHF 303 million (down 7.5%) to CHF 3.75 billion. However, over three years, the Bank has extended a further CHF 718 million of borrowing facilities to companies. Total amounts due from customers plus mortgage loans exceeded CHF 13.7 billion (up 1.2% in 2015).

Continued growth in the balance sheet

Total assets passed the CHF 20 billion mark (up 15.5%) for an eighth consecutive year of growth.

High level of growth in client deposits

The Bank protects its clients by limiting the impact of negative interest rates on their assets. Client deposits increased by 9.3% to CHF 12.7 billion. Liabilities are well diversified, and mortgages are 128% covered by client deposits. The BCGE Avantage Service loyalty programme, which offers up to 2% additional remuneration on the savings account, has nearly 32,000 members.

Increase in assets under management and administration

Assets under management (AUM) reached CHF 21.8 billion, increasing by nearly CHF 2 billion (up 9.7%). Private banking activities are growing despite the structural transformations in the sector. Institutional management saw considerable growth, by 21.9% to CHF 9.4 billion. The BCGE 1816 online stock trading platform achieved pleasing growth: the number of people using the service increased 25% to 5,800.

Big rise in value of shareholders' equity

Year-on-year growth of CHF 84 million took shareholders' equity to CHF 1.32 billion, giving a coverage ratio of 14.4%, well above the 12% regulatory minimum. Since 2000, no less than CHF 634 million of new shareholders' equity has been created.

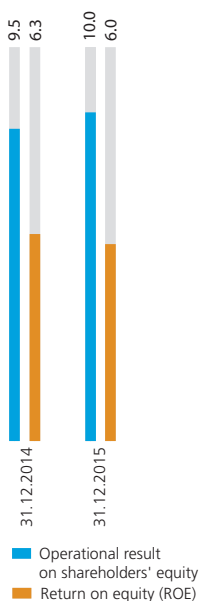
Risk evaluation

The Board of Directors evaluated the Bank's risks in the course of its various meetings and focused particularly on the areas of financial planning and shareholders' equity, credit risk evaluation, credit risk exposures and evaluation of internal control systems. Its evaluation took concrete form in the approval of its strategic plan. The annual report reflects the economic situation of the accounts presented.

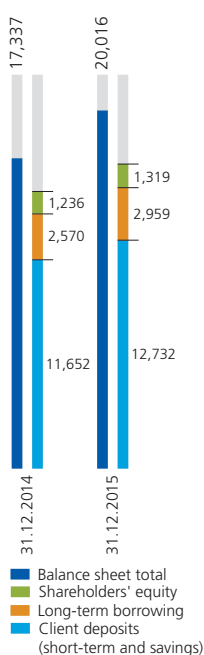
Outperformance of the BCGE share

The BCGE share increased in value by 21.8% over the year. This took the Bank's market capitalisation to CHF 939 million, representing 71.2% of equity. The share's increase in value over three years, including dividends, was 38%, i.e. 10.9% on annual average. There is still considerable potential for a further increase in view of the gap between the market price of CHF 260.75 and the share's intrinsic value measured by shareholders' equity of CHF 371.74 per bearer share.

High return on equity despite low rate %



Client deposits
increase by 9.3%
CHF million



Dividend up by 10%

The Board of Directors is proposing to the General Meeting a dividend of 5.5% of par value. This 10% rise is in line with the improvement in results and the Bank's solid long-term outlook. CHF 19.8 million will be distributed to public, institutional and private shareholders.

Regular increase in contribution to public authorities

The Bank has made a major contribution to the public authorities; for 2015, this contribution will amount to CHF 43 million. Over the last ten years they have received CHF 351 million.

Strategic priorities for 2016

The Bank has set five strategic priority areas for the current year:

- to be the core partner for the regional economy and companies within it;
- to undertake selective growth in mortgage finance;
- to pursue targeted growth in private banking in Switzerland and internationally;
- to expand its market share in asset management and investment funds on the Swiss market and internationally;
- improve operational productivity.

Outlook for 2016

The Bank intends to accelerate the development of its business despite the uncertain Swiss and international financial context. It is relying on the diverse nature of its skills and the alignment of its business model with the specific features of Geneva's economy. The growth of high added-value business and customer loyalty confirm the BCGE's positive strategic positioning.

The Bank's financial soundness, as demonstrated by its rating, makes it a secure and stable place for client deposits. The Bank takes account of persistent negative rates and very volatile currency exchange rates, both factors liable to affect its interest margin and commission income. Lending growth will remain subdued due to own funds legislation and the counter-cyclical buffer. The Bank is stepping up the development of business areas that are less equity-intensive (private banking, asset management, funds, mergers and acquisitions, and financial engineering consultancy).

For 2016, the Bank is anticipating a profit comparable to that of 2015.

Jean-Pierre Roth
Chairman

Eric Bourgeaux
Chief Financial Officer



The background of the entire page is an aerial photograph of a vast, snow-covered mountain range. The peaks are jagged and covered in white snow, with some rocky outcrops visible. The valleys between the mountains are also filled with snow, and there are some small, dark patches that could be lakes or forests. The sky is a clear, pale blue. The overall tone is serene and majestic.

COMPANIES

SMEs . MULTINATIONALS . PUBLIC AUTHORITIES .
PRIVATE EQUITY AND MBO . INTEREST RATE
MANAGEMENT . TREASURY AND CURRENCY
MANAGEMENT . MERGERS & ACQUISITIONS .
REAL ESTATE

With discipline comes accomplishment.

Determination and foresight are essential qualities
for demanding ski mountaineering.
They also govern our daily operations.

A RELIABLE PARTNER
FOR THE REGIONAL ECONOMY

Divisions: internal enterprises

24



SWISS CORPORATE & INSTITUTIONAL CLIENTS
Claude Bagnoud

ORGANISATION, TECHNOLOGY & OPERATIONS
Jean-Marc Joris

CEO
Blaise Goetschin (seated)

INTERNATIONAL CORPORATE & PRIVATE BANKING
Pierre-Olivier Fragnière

FINANCE & RISK CONTROL
Eric Bourgeaux (seated)

GENEVA PRIVATE CLIENTS & FAMILY BUSINESSES
Jérôme Monnier

Executive Board division (76 employees)**Blaise Goetschin, Chief Executive Officer**

The Executive Board division is responsible for providing services across the BCGE Group as a whole. It supports the CEO in his leadership, planning and oversight responsibilities for the Bank, its divisions and its subsidiaries. The division manages and documents his relationships with senior management and internal regulatory agencies as well as with external institutions and clients. It is in charge of marketing and product management as well as human resources management and training. It manages legal affairs, litigation and workout, institutional communication, corporate affairs and investor relations.

Finance & Risk Control division (78 employees)**Eric Bourgeois, member of the Executive Board, CFO**

The division defines and directs the execution of the Bank's financial strategy, providing its expertise and economic and financial analyses as part of the decision-making process. It mobilises secure and competitive financing while managing the financial structure and prudential ratios. The division monitors risks, administers internal lending regulation, ensures compliance and supervises the Bank's internal audit function. With the aid of the trading room, the division provides the Bank's clients with the best possible service for securities and foreign-exchange transactions. The BCGE Asset Management unit, specialising in quantitative and index management for institutional and corporate clients, in managing mandates and in investment strategy, provides additional services and macroeconomic and financial expertise to the front-office divisions.

Swiss Corporate & Institutional Clients division (56 employees)**Claude Bagnoud, member of the Executive Board**

As a partner of businesses, Swiss institutions and public bodies in the canton and surrounding area, the Swiss Corporate & Institutional Clients division is in contact with approximately 4,000 corporate or public-sector clients and so makes a decisive contribution to their wellbeing. With a broad range of financing products and banking equipment, it provides loans to corporate clients for their working capital and investment projects, as well as supporting clients' acquisition and transfer activities. It also provides a specialised financial risk management service as well as a range of financing solutions for real estate developments and the construction industry. The division also offers institutions all the Bank's competences in the asset management area, whether they be pension funds, foundations or funds managed by companies or their managements.

International Corporate & Private Banking division (91 employees)**Pierre-Olivier Fragnière, member of the Executive Board**

The division is responsible for BCGE's international business activities. In this capacity, it brings together and develops the business lines represented by international private banking (nearly 4,600 clients), international commodity trade finance (nearly 230 clients) and relationships with over 360 international banks, insurance companies and institutions. Financing, just like investment strategies or any other non-lending banking service, is provided to international clients based on their profiles and their expectations. The division relies on its Geneva organisation but also on the branches in Lausanne and Zurich and, beyond the domestic market, on the representative offices located in Dubai and Hong Kong.

Geneva Private Clients & Family Businesses division (224 employees)**Jérôme Monnier, member of the Executive Board**

The division serves all private clients located in the Canton of Geneva and its surrounding region. In particular, it provides services to private individuals, professionals, the self-employed and small businesses. It provides local banking services through its network of 22 branches, five 24-hour banking zones and its 133 ATMs. To maintain its market leadership, the division provides its clients with additional ranges of very comprehensive services via parallel and diversified distribution channels. The geographical deployment is complemented by a dedicated call centre and online banking facility. This wealth management competence centre offers an all-round advisory approach that allows clients to structure, protect, develop and grow their assets with a view to optimum financial planning.










Organisation, Technology & Operations division (144 employees)**Jean-Marc Joris, member of the Executive Board**











The division plans, manages and operates the Bank's information technology and is tasked with designing and implementing its organisational architecture. Its mission is to improve customer service, optimise productivity and modernise equipment while keeping costs under control. It manages and controls the technical and administrative aspects of the Bank's operations on behalf of the front-office teams and their clients. The division also carries out the Bank's operational activities, logistics and security tasks and manages the www.bcg.ch website as well as its payment and e-brokerage platform.













Organisation chart








As at 29th February 2016

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 EXECUTIVE BOARD Blaise Goetschin ^{I, III, VI, VII} Chief Executive Officer	 Christophe Weber ^{IV, VII} Chief of Staff & Planning	 Hélène De Vos Vuadens Communications & Investor Relations	
 Elisabeth Ray Tang Human Resources	 Christian Hamm Marketing		
 Philippe Marti ^{IV} Legal & Recovery	 Marius Hämmig ^I Recovery	 René-Christian Métrailler Legal	 Francine Robin Estate & Guardianship


 GENEVA PRIVATE CLIENTS & FAMILY BUSINESSES Jérôme Monnier ^{III, V, VII} Member of the Executive Board	 Pierre Villanti Business Development & Branch Network	 Sébastien Collado ^I SMEs & Self-employed	
 Pierrette Jaton Klopfenstein Centre Sector	 François Kirchoff West Sector	 David Bottoli Left Bank Sector	 Alexandre Scala Right Bank Sector
 Franco Furcolo BCGE Private Banking Swiss Clients	 Albert Gallegos Financial Planning	 Paulo Oliveira Online banking	

 SWISS CORPORATE & INSTITUTIONAL CLIENTS Claude Bagnoud ^{I, III, V, VI} Member of the Executive Board	 Patrick Senger Chief of Staff & Business Development	 Charles Kaeser ^I Real Estate & Construction	
 Alain Voirol Public Bodies	 Virginie Fauveau Corporate Finance	 Nicolas Bézaguet Personal Finance	 Raoul Monnay ^{I, IV} Swiss Corporate Clients
 Catherine Raphoz French Corporate Clients	 Patrizio Arioni Institutional Investors		
 Eric Wesse ^{II} Chief Executive Officer BCGE (France) SA Wholly-owned BCGE Group subsidiary	 Virginie Fauveau Director Capital Transmission SA Wholly-owned BCGE Group subsidiary	 Claude Romy Director Dimension SA Wholly-owned BCGE Group subsidiary	

 ORGANISATION, TECHNOLOGY & OPERATIONS Jean-Marc Joris ^{V, VI, VII} Member of the Executive Board	 Jean-Michel Comte Service Centre Banking Operations	 Grégory Denizou Service Centre Credits & Services	
 Fabrice Fournier Service Center Tax	 Céline Orlandini Logistics & Procurement	 Guy Reboh ^{VI, VII} Organisation	 Daniel Stocco ^{VI} IT

 INTERNATIONAL CORPORATE & PRIVATE BANKING Pierre-Olivier Fragnière ^{I, III, V} Member of the Executive Board		 Claudio Pietroforte Private Banking International	 Jean-René Cloutier (a.i.) Team 1 Private Banking International Geneva
 Josiane Tistouet Global Strategy & Business Support	 Olivier Thyssen Credit Analysis & Business Administration	 Olivier Ernout Team 2 Private Banking International Geneva	 Priska Tribelhorn Representative Office Dubai
 Philippe Terrier Global Commodity Finance	 Serge Chesternine Commodity & Transactional Finance	 Claudio Pietroforte (a.i.) Team 3 Private Banking International Geneva	 Massimo Cangini Independent Portfolio Managers
 Nicolas Demierre ^{II} Commodity & Structured Finance	 Philippe Maillart Operations Global Commodity Finance	 David Ting Representative Office Hong Kong	
 Yves Spörri Banks & International Institutions	 Léonard Graz Financial Institutions 1	 Anne de Gendre Private Banking Lausanne	
 Irene Diez Insurance & Other Financial Institutions	 Boris Bijleveld Financial Institutions 2	 Karl Aeschbacher Private Banking Zurich	

 FINANCE & RISK CONTROL Eric Bourgeois ^{III, V, VI} Member of the Executive Board, CFO		 Marc Doerks ^{III, VI} Finance Chief of Staff & Risk Control	 Pierre Sauvagnat ^{II, III} Financial Markets & Treasury
 Yvan Nicolet General Accounting	 Frédéric Vernet Financial Control	 Marianne Bourgoz Gorgé ^{III, V} Risk Control	 Marie-José Bratcov Compliance
 Constantino Cancela ^{II} BCGE Asset Management	 Marc Riou ^{II} Institutional Portfolio Management	 Axel Moser ^{II} Private Portfolio Management	 Thierry Angele Financial Advisory
 Haroldo Jiménez ^{II} Financial Studies	 Valérie Lemaigre ^{II, III} Investment Office		

 INTERNAL AUDIT Monique Seiss Baudry Head of Internal Audit, reports to the Board of Directors

- ^I Member of Credit Committee
- ^{II} Member of Strategic Investment Committee
- ^{III} Member of ALM Committee
- ^{IV} Member of the Credit Risk Commission
- ^V Member of Risk Committee
- ^{VI} Member of IT Strategy Committee
- ^{VII} Member of Organisation Strategy Committee

Well-established local presence

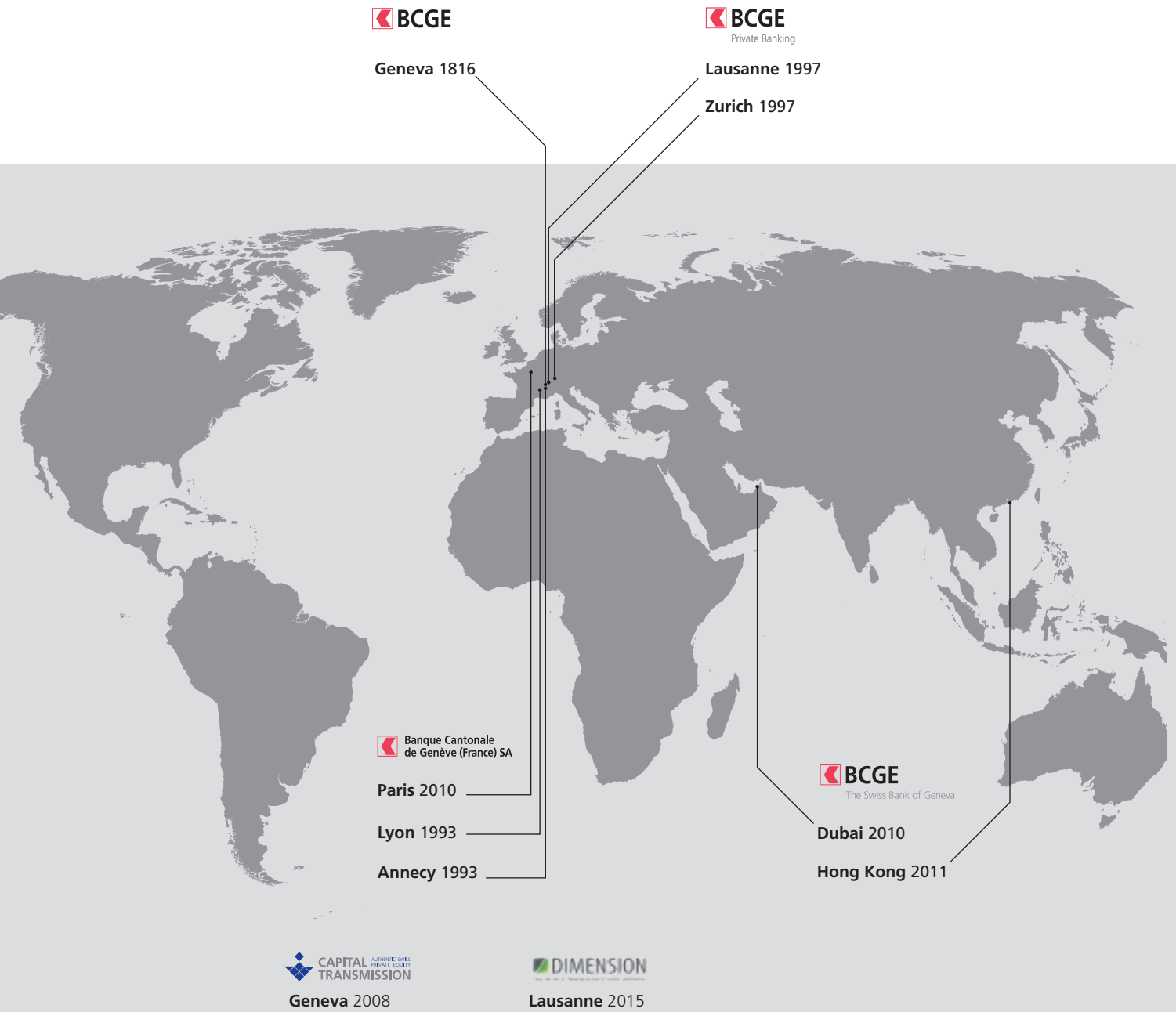
Network of 22 branches and 133 ATMs



■ BCGE branch

International outlook

Infrastructure in Switzerland, Europe, Asia and the Middle East



BCGE | Well-established local presence - International outlook



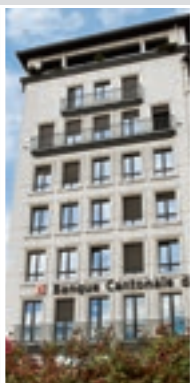
Geneva



Lausanne



Zurich



Lyon



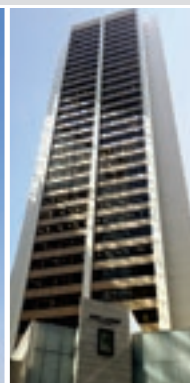
Anncy



Paris




Dubai



Hong Kong





FINANCIAL MARKETS

FOREIGN EXCHANGE . TREASURY . SECURITIES
ADVICE AND TRANSACTIONS . 1816 E-BROKERAGE .
FINANCIAL ENGINEERING . ASSET MANAGEMENT

With discipline comes results.

Ski jumping is based on balance,
precision and a mastery of risk.
These are principles that guide our action.

LISTED ON THE SWISS STOCK EXCHANGE

Key facts of 2015

Individual clients

Every resource is applied
to satisfy our clients

BCGE's constant and local presence in its clients' neighbourhoods gives it a permanent competitive advantage. The service offering has been enhanced by extending online banking opening hours and developing new functionalities for the Mobile Netbanking application: in this way, BCGE is extending its online presence. In 2015, nearly 10,700 new clients joined the Bank and the number of services for them to use keeps on growing. Mortgage lending to private clients reached CHF 3.6 billion. Nearly 32,000 people now benefit from the BCGE Avantage Service loyalty programme.

The adviser's role is evolving

The banking business model is going through a period of change and the adviser's role is evolving with it. Client consultations were frequent in 2015, growing in number to reach a total of 72,500. This pleasing development shows what a crucial role the adviser plays in understanding people's needs and in the choice of individualised solutions. Every client should be able to say: *I know my banker*. Combining tradition and innovation, the bank branch still embodies the close link fostered by the special relationship with clients, which is then supplemented by internet and mobile banking. Advisers possess a wide range of expertise, encompassing cash management solutions, savings, pension planning, borrowing and investments. The main objective is to place the client at the centre of the banking experience and to offer solutions that are perfectly calibrated to their needs and profiles.

The densest banking network in the canton

BCGE provides a network of branches conveniently located to meet the needs of the people of the canton. It places the expertise of over 200 client advisers and staff members in its 22 branches, five 24-hour banking zones and 132 ATMs at its clients' disposal (plus one ATM in Lausanne). Wishing to give all its clients the best possible service, BCGE employs greeters in most branches to provide any help that might be required in using this equipment. The ATMs, which are available 24 hours a day, provide all the most popular services (withdrawals and deposits). BCGE clients, and also – for certain transactions – non-clients, can make CHF and EUR withdrawals and deposits and carry out change sorting operations, or make change from large-denomination notes, in a secure environment that is easy and economical to use. Clients thereby have free access to the most extensive national network of ATMs, those belonging to the member banks of the Union of Swiss Cantonal Banks.

The increase in deposits confirms the Bank's attractiveness

The Bank is very competitive for deposits and savings and remains the principal savings-gathering institution particularly due to its high-quality rating. Reliable performance by BCGE products is acknowledged by clients, with deposits of CHF 9.8 billion (+1.1% compared with 31 December 2014). This is a pleasing increase and sends out a strong signal of depositor confidence, despite an economically very challenging year which saw the introduction of very low rates, or indeed negative rates for certain types of account, and major structural changes in the banking sector.

Mortgage lending to individuals growing

BCGE is the leader in mortgage finance in the Canton of Geneva. It finances first- or second-home purchases in Geneva, in Switzerland and in the nearby part of France. The BCGE Simplissimmo offering is competitive both in its design and in its response to the needs of prospective clients and people wishing to entrust their mortgage financing to a bank that has a thorough knowledge of the local, very crowded, market. Mortgage lending to private clients totals CHF 3.6 billion in outstanding loans, having grown 6.5% in 2015. Personalised solutions offer clients not only excellent conditions, but also a choice of the best duration and repayment terms. The security of persons and property, for which insurance provides one of the main pillars, is also one of the objectives and the service offering has been supplemented by a partnership agreement with La Mobilière. Other lending products, such as consumer loans, remain at a satisfactory level.

Growth of the BCGE Avantage Service loyalty programme

The Bank helps its clients preserve and get the best return from their assets, and it continued to pay a positive interest rate on the BCGE Epargne account, while keeping the BCGE Avantage Service programme unchanged, despite a negative interest rate environment. This loyalty plan offers an exceptional bonus, comprising up to 2% additional interest; clients using several services benefit from this. In 2015, this loyalty bonus was awarded to nearly 32,000 clients (+2.9% compared to 2014).

Private Banking Geneva offers individualised management solutions

The BCGE Private Banking Swiss Clients department within the Geneva Private Clients & Family Businesses division is a specialised banking partner tasked with protecting and monitoring the assets of high net worth clients. This department, based at the Bank's quai de l'Île headquarters, offers VIP services (featuring exclusive, personalised assistance and a high level of service and availability).

An integrated range of day-to-day banking services

The Bank offers quality banking services such as current accounts, salary accounts, deposits and withdrawals, credit cards, foreign exchange operations and safe deposit boxes.

Advice at every time of life

BCGE advises people of every generation, at every time of life. Its wealth management approach is based on a methodology that takes account of the investor's objectives, time horizon and profile. The department specialised in wealth optimisation consistently analyses its clients' pension arrangements. The solutions it offers take into account taxation, property, optimisation of investments, as well as various aspects of marriage and inheritance laws. In the case of suggested pension plans, in addition to BCGE products, third-party offerings are selected in a completely independent manner, based on their performances and specific features in terms of a best possible match with client requirements. Meanwhile, other Bank advisers carry out numerous multi-faceted financial check-ups that allow clients to ensure that their personal wealth situation is consistent with their financial objectives.

Sustained increase in the number of deposits managed via online trading

The BCGE 1816 online trading platform underwent pleasing development in 2015, with nearly 5,800 deposits being opened (a 28.2% increase). Permanently available and easy to use, it allows clients to buy and sell securities on the financial markets, directly and completely autonomously. It is an economical and reliable solution with a simple, user-friendly interface. Together with the BCGE Netbanking electronic payments system, it constitutes a complete financial control panel for the investing client.

E-banking platforms

Access to BCGE via the internet is undergoing ceaseless expansion. Thus BCGE's simple, fast and economical Netbanking online transactions system is attracting more clients with each passing year. Thanks in particular to CrontoSign, users can log onto this service in complete safety to carry out their transactions. Use of this means of identification requires a smartphone or a separate optical reader. BCGE Netbanking has also acquired a new homepage featuring 'widgets' that users can personalise and configure. This very practical solution is being rolled out gradually and allows users to access a range of functions on a single page and create a personal page in their secure personal space. The Mobile Netbanking app, an innovative and effective tool for use with telephones or tablets, provides simple and intuitive navigation: it allows clients to manage their operations quickly and easily with simple inputting of payments, while enhancing transaction security. It also includes numerous other functionalities, such as online stock trading and secure messaging. By the end of 2015, over 11,000 clients had downloaded and started to use this solution. New functionalities have been added to the app, such as use of Flash for scanning orange payment slips and a tablet-friendly version.

Extended hours for online telephone and e-mail services

In 2015, the Bank's online services were enhanced by extending the availability to Saturdays, from 9:00 a.m. to 4:00 p.m. This multidisciplinary entity comprises over 25 employees and provides clients with fast and efficient day-to-day banking services, either by telephone (058 211 21 00) or e-mail, with all the promptness and professionalism that might be expected. The unit has become an essential complement to the expertise of the personal adviser, who remains the special partner at the client's service. At times other than those stated above, the same telephone number provides 24-hour access to a range of information and services.

The Business Partner programme: increasingly popular nationwide

The Bank offers a range of products, preferential charges and high-quality services to the employees of selected partner businesses. This programme has shown its effectiveness, serving 72 businesses in 2015, in Geneva, Zurich and Lausanne.

Supporting the self-employed and SMEs

BCGE has provided effective support for the fabric of the local economy by being close at hand and responsive with decisive effect, despite the 2015 economic context being tricky for small businesses. Branch staff, under the guidance of the SME and Self-Employed department experts, supported over 10,500 businesses every day, i.e. about half the businesses in the canton. They offer a wide-ranging service that meets these companies' needs as well as those of their owners and employees.

This high-quality support is made possible by a complete range of services to businesses and private individuals and by close links with the cantonal institutions and other supporting bodies. The availability and responsiveness of its staff allow the region's small companies and self-employed to be financed. The SME and Self-employed Financing unit also provides clients with CHF 31.6 million in business leases for capital goods and vehicle fleets.

Rise in number of payment cards in circulation

Payment cards saw year-on-year growth (+5%), as did Maestro debit cards (+2.7%). The Bank is deploying an increasing number of methods to protect its clients from skimming-type frauds (in particular by means of geo-filtering) and regularly informs them of new risks and preventive measures they can take.

Increased number of Epargne 3 accounts

The number of new Epargne 3 accounts grew by 4.9%. This excellent performance confirms BCGE's role as the leading savings player in the region. The ad-hoc foundation manages over 20,100 transferable benefits accounts. The Epargne 3 account makes it possible for clients to secure their future and fill in any gaps left by the 1st and 2nd pillars. It thus enables clients to consolidate their pensions and financial opportunities while making a tax saving. This account offers great flexibility in terms of deposits and interest rates, as well as the opportunity to invest in the stock market through multi-managed BCGE Synchrony LPP Funds investment funds. BCGE Plan d'épargne fonds met with great success, with 3,300 plans being subscribed to. This shows that it responds perfectly to the needs of savers who wish to build up a fund through regular monthly deposits into an investment fund. It allows everyone to balance and tune their economic situation in line with their financial means.

Key facts of 2015

Corporate banking

In the face of headwinds, steady and innovative commitment keep the ship on an even keel

In 2015, a number of factors had a particular effect on the course of business: the SNB's abandoning of the euro-Swiss franc exchange rate cap, the introduction of negative interest rates and, less directly, the uncertainties surrounding the reform of corporate taxation (RIE III). Moreover, following the directives issued by the Swiss Bankers Association (SBA) regarding minimum requirements for mortgage financing and the SNB's counter-cyclical buffer, the regulatory tightening of 2015 also had a significant effect on activity. Conversely, a business climate favouring some small growth in Geneva, a moderate correction in property prices and attractive financing conditions are advantages. So, thanks to a continuously improving production process and some innovative solutions, lending by the Swiss Corporate and Institutional Clients division, mainly to companies in Geneva and Switzerland, this year again saw a sustained increase of 2.4%, despite a fragile economic situation. This year, lending activity was conducted in an economic and rate context demanding strict monitoring of risk levels and specific attention to protecting margins.

Company financing

The number of new business transactions grew slightly during the year. The equipment rate per company increased thanks to a range of specifically dedicated services; interest rate and currency risk management was made easier by numerous creative solutions. Propensity to invest remained modest, in line with the subdued economic situation that is expected in Geneva in 2016.

Commercial property finance

Investors in property, developers and construction companies all find BCGE solutions for real estate financing and renovation for all kinds of property, be it for homes, offices or retail premises.

Despite the price level still being sustained, an overall decline in property prices has been seen in Geneva this year, in both residential and commercial real estate. The available supply of commercial property is growing gradually. This year again, the greater amount of vacant space, particularly in the city centre, has created more favourable negotiating conditions for tenants.

In 2015, the housing market was affected by temporary uncertainty due to the annulment of a law by the Federal Supreme Court amending the rule of first buyer for apartments in the development zone. Despite this increasingly regulated context, the fall in prices and the historically low level of interest rates still favour a dynamic Geneva property market. BCGE maintained its strategy of selective growth. It was able to increase its mortgage lending, while carefully selecting its risks with professional teams that are aware of rational financing criteria and clients' needs.

Strategic financial consultancy and private equity

The mission of the Institutional Investors department is to make available the Bank's entire asset management expertise to institutional clients, which may, for instance, involve pension funds, trusts, family offices or corporately managed assets. Its work takes the form of global or sector-focused investment mandates, active investment mandates (balanced – Synchrony Finest of – or specialised) and index investment mandates. The department also offers financial advisory services. This entity is also tasked with promoting the Bank's range of investment funds to institutional clients, bringing together a variety of expertise, including index-based management, investment in Swiss small- and mid-cap companies or use of a fundamentals approach to Swiss equities.

Financial engineering and private equity

The Bank offers a financial engineering service which provides advice in areas such as dealing with currency risk, managing interest rate risk and optimising cash flow.

To reinforce its corporate finance activity, the BCGE Group has acquired Dimension SA of Lausanne, a specialist in evaluation and consultancy in the company transfer area. It provides innovative solutions to assist shareholders and entrepreneurs in their strategic decision-making, particularly with regard to succession planning, mergers and growth through acquisition. Dimension has been especially active in the retail, industrial, watchmaking, construction, property, business services and IT sectors. It has been operational since 1994 and has completed over 170 transactions. The entity, which is a wholly-owned BCGE subsidiary, is managed by Claude Romy and has a branch in Geneva.

Capital Transmission SA, Geneva, is another BCGE subsidiary, one of whose tasks is to invest as a minority shareholder in company acquisition operations. It successfully managed its first sale of a company, which had been bought out by its management in 2009. Capital Transmission possesses CHF 50 million of investment capital. Its portfolio comprises eight shareholdings with a value of over CHF 18 million.

Specialised banking services for business or public service leaders

The Personal Finance department offers personalised support for all types of financial question — from the simplest to the most complex — concerning wealth management, planning or transmission. What is special about this offering is that it is addressed to influential clients, mainly to personalities and business and political leaders.

At the service of a regional economy comprising two different territories

BCGE provides support for the economic development of Geneva and its region; Geneva's economy reaches further than the confines of its cantonal territory in many ways. Geneva is a meeting place of dimensions extending far beyond its geographical limits. Every day, a potential 78,000 people¹ cross the border to come and work there. It is therefore natural that BCGE should be at the service of these clients, international organisations, multinationals, cross-border workers, expatriates or Swiss nationals resident in France. The French Corporate Clients department constitutes a bridge for the development of business and financial matters linking two neighbouring countries, by providing finance for individual clients and on behalf of companies and entrepreneurs wishing to invest or set up in France. BCGE is acknowledged to be a partner that can provide solutions by virtue of its know-how, expertise and its team of specialists with roots in the French and Swiss banking sectors. In 2015, the financing was confirmed of some major Franco-Swiss real estate projects which required full knowledge of the economic environment.

Excellent results for BCGE (France)

Despite a delicate French economic situation and ever-greater regulatory constraints, the BCGE (France) subsidiary had an excellent year. Business remains at a steady pace, with managed and measured growth of loans outstanding. In particular, the subsidiary is involved in property finance for individuals and professionals, mainly in the Rhône-Alpes and Ile-de-France regions. It maintained its position among property professionals. The Bank continues to work with regional operators in developing their programmes. The overall level of investment in companies remained quite weak, although BCGE (France) accentuated its presence among medium-sized firms and CEOs. Private management business saw steady growth over the year. Income growth and good cost control allowed BCGE (France) to turn in a profit of EUR 4.7 million (+27.8%). BCGE (France) continues to benefit from the support of the parent company in the area of refinancing.

The Supervisory Board of BCGE (France) comprises seven members: Blaise Goetschin, Chairman, Eric Bourgeois, Vice-chairman, Banque Cantonale de Genève, represented by Claude Bagnoud, Constantino Cancela, Georges Canto, Manuel Riera, and Alain Bochet. The Executive Board comprises four members: Eric Wesse, Chairman, Christian Stampfli, Company Secretary, Marie-Claude Boulmier, Administrative and Financial Director and Alain Besse, Development Director. The Executive Board is assisted by a management committee comprising, in addition to its Executive Board members, Stéphanie Lachgar, Property Finance Manager, Philippe Bouganim, Products Offering Manager, and Guillaume Bénet, Internal Control Manager. This body is tasked with operational management, implementation of strategy and the monitoring of performance and results.



The external members of the BCGE (France) Supervisory Board are Alain Bochet, Georges Canto and Manuel Riera

Key facts of 2015

Public authorities

The public property trusts benefited from increased financing

The Bank enjoys a close relationship with Geneva's public authorities and offers them finely-tuned consultancy and financing solutions.

Increase in new business

In very competitive market conditions, BCGE continued to develop successfully, in terms of both total lending and new business. At the same time, property projects financed by the Bank entered a more active phase, with significant funds being granted to clients.

Its knowledge of the regional economic environment, the specifics of each public body and the independent nature of the advice it offers make the Bank a respected partner of public authority finance managers. BCGE is developing its financial engineering competences, allowing it to provide advanced consultancy on risk management and debt optimisation.

At 31 December 2015, total loans outstanding granted to public authorities broke down as follows: approximately 30% were for Geneva's municipalities and their municipal trusts, with an equivalent amount allocated to public property trusts. The greater part of the balance, accounting for 20% of the total, went to the State of Geneva and its satellite entities. In 2015, almost all growth in lending was accounted for by public property trusts.

A set of solutions for large-scale projects

BCGE has remained the privileged partner of the large autonomous public utilities, municipalities and public property trusts, by offering them the solutions that best match their needs and helping them implement major local public projects.

Solid support

The Bank continued to support the Canton of Geneva in the ongoing development of its centralised cash flow administration, in investing its capital and in optimising its finances. The Bank keeps all the municipalities abreast of developments by means of its *Info Communes express* newsletter, which deals with interest rates, the economic situation and news of BCGE. The Bank's management has regular meetings with the municipalities and their magistrates for information and discussion purposes.

Key facts of 2015

International

Quality-focused and selective growth in the face of numerous challenges

The International Corporate & Private Banking division encompasses, in distinct business units, the domains of international private banking, global commodity finance and relationships with banks, insurance companies and institutions. A quality-focused and selective growth strategy combined with a strengthened presence outside Geneva point to the resilience of these three activities in competitive and volatile markets.

Quality-focused growth of international private banking

This business unit groups together all the international private banking activities, with the exception of those managed by BCGE (France). Its primary mission is to serve international clients who have links with Geneva, Lausanne or Zurich.

A stable and transparent investment philosophy, methodical and realistic asset management, a personalised approach, and the quality of the products offered: these are the Bank's priorities, and they constitute its major strategic advantages in the international private banking area, in a particularly competitive environment. These financial and business strategies are deployed by expert managers, who concentrate on their chosen markets and thus ensure steady and qualitative growth of the assets under management in this private international banking activity.

Mandates entered into at a steady pace

New mandates continue to be entered into or BCGE funds purchased at a steady pace. The sustained growth of funds invested is indicative of the loyalty of an informed clientele and the attractiveness of BCGE products — both those within the traditional offering and the new products that were added to the available range in 2015. This increases all the more the profitability of BCGE's international private banking.

At the same time, the negative interest rates introduced by the SNB in 2015 have required a policy adjustment by the Bank in respect of clients with significant non-invested assets. Currency inflows from clients contribute to the natural refinancing of the Bank's USD and EUR lending activities.

Strict discipline: a source of growth

Like other banks, the continuous adaptation imposed by an ever more restrictive regulatory environment was pursued in 2015, and this again translated into significant financial costs. Nevertheless, strict control of costs and operational risks, in addition to the increase in the funds invested, made it possible to maintain the revenues generated by this business, despite the costs caused by the new regulatory constraints.

The Bank's growth objectives for its international private banking business lead it to seize the opportunities identified in this highly competitive environment, applying — with strict compliance to the regulatory framework — the 'Swiss made' approach. The Bank, by virtue of its universal nature, carries out the entire design and implementation process of its financial solutions.

International infrastructure in response to client demand

International Geneva is an essential part of the city's identity, as well as being a major economic player in the Lake Geneva region. Banque Cantonale de Genève contributes to this international dimension of the canton. Thus the banking activities of the division are pursued not only in Geneva, but also in the branches outside the canton and the representative offices abroad, in Dubai and Hong Kong. A French subsidiary, BCGE (France) (see pages 10 and 36), with offices in Lyon, Annecy and Paris, completes this capability. This range of resources makes it possible to meet the demands of clients in a canton where 40% of the population is non-Swiss.

Complementary roles for Lausanne and Zurich

For a long time, the Bank's Swiss branches outside Geneva concentrated on international private banking. Today, however, they are assigned complementary roles: the aim is to develop a resident clientele, both Swiss and non-Swiss. This applies in particular to the executives of the clients of the Swiss Corporate & Institutional Clients division or the Global Commodity Finance business unit, based in Switzerland, or to expatriate Genevans and French-speakers with greater awareness of the BCGE brand. For this client segment, the Bank offers a complete range of private banking products, linked to more classic banking products such as financial and pension planning, or personal loans. These branches are also extending the Business Partner programme (see page 34) in French-speaking Switzerland and in the Zurich area with the aim of attracting new individual clients.

These new business lines are progressively moving into a national market that is increasingly aware of competitive arguments, and complementing the traditional international private banking business; this is still the main activity of these branches, carried on within a framework of extremely demanding compliance and tax regulations.

An indispensable presence in two areas of great potential

The representative offices in Dubai and Hong Kong project the positive image of BCGE in their overseas locations, and raise its profile in areas of great growth potential. They also effectively help to implement the Bank's strategy for all its international business operations, while adhering strictly to local regulations. In this way, these offices support BCGE's interbank activities, as they are carried on through representative offices, which are also monitored, and therefore recognised, by the local supervisory authorities.

Global commodity finance: highly resilient

Through its Global Commodity Finance business unit, BCGE has been active for over 16 years in financing the international commodity trade, primarily in the energy field but also in metals (both ferrous and non-ferrous) and in soft commodities.

Geneva is one of the world's leading international commodities trading centres. The international commodity finance sector in Switzerland is estimated to comprise approximately 570 companies, of which nearly 400 are based in the Lake Geneva region, providing a total of over 12,500 jobs. They contribute 3.9% of Switzerland's GDP. In Geneva, commodities traders pay 18% of the canton's total business tax take.

In view of the importance of this sector to Geneva's economy, BCGE seeks to contribute to its financing to the extent its equity capitalisation allows and in accordance with its requirement to diversify risk. Finance is applied to a diverse range of purposes, in several continents and covering the main areas of production and consumption. The Global Commodity Finance business unit has about a hundred clients or groups of clients, for the most part based in Switzerland. In 2015, its business developed in a particularly complex global environment, which was marked by a difficult macroeconomic situation, widespread geopolitical tensions and commodity prices at their lowest levels for 15 years. Indeed, in 2009 commodity prices — viewed at the time as having hit their lowest point — were in fact an average of 20% above their current levels.

A prudential approach

In these circumstances, the Global Commodity Finance business unit has favoured a prudential and particularly selective approach. Moreover, the competitive market has been reinforced by the intervention of non-banking financial partners with large amounts of liquidity seeking stable and profitable investments. Recently published studies demonstrate the resilience of trade finance portfolios by highlighting their low rate of default. Consequently, and in the eyes of investors, international commodity trading business is financially very attractive.

Growth of volumes

Against this background, BCGE's Global Commodity Finance business unit appeared in a paradoxical situation, with growth in the number of transactions and volumes financed, but with turnover down due to the lower prices. However, revenues held up well: the number of transactions and the favourable development of the USD/CHF exchange rate partly compensated for the impact of lower turnover. This business strategy is bolstered by reinforced and optimised risk sales operations aimed not only at limiting the Bank's credit risk, but also at ensuring the necessary control of use of shareholders' equity by the Global Commodity Finance business unit.

While few improvements in the economic situation may be expected in 2016, this BCGE business unit identifies some positive features in the outlook, thanks to the deployment of new concepts and a selective approach that favours the players best prepared to deal with the current turbulence.

Interbank risks: a new paradigm

Like the other parts of the International Corporate & Private Banking division, the Banks & International Institutions unit reflects Geneva's image as an international city far beyond our borders; accordingly, it makes a significant contribution to the Bank's international role. Indeed, more than 360 banks worldwide (including over 150 in 35 emerging countries in Asia, the Middle East, Africa and South America) conduct a business relationship with BCGE through this unit. The department also works with the world's most important insurance companies.

Expertise in international commodity trade finance

BCGE possesses a centre of excellence in the financing of commodities transactions, a key sector in Geneva, which is one of the world's hubs of international trade. The Bank's Global Commodity Finance business unit is active in structuring and making available short-term trade finance linked to the international commodities markets, mainly energy, metals and cereals. It also manages a well-targeted portfolio of structured loans. It contributes to the creation of a diverse and sustained offering that complements banking and financial services in this segment of the financial centre, working alongside mainly foreign banks. Trading companies, which are geographically mobile worldwide, set great store by this capacity and availability of local finance.

Adjustment of the business process

The difficult macroeconomic context with which the emerging commodity-producing countries were faced in 2015 meant that the business unit had to monitor its counterparties particularly closely and allocate the risks associated with international trading operations into small units. Risk weighting therefore required that an adjustment be made to commercial resources, prioritising non-producing emerging countries or those less dependent on commodities.

Increase in the number of local counterparties

Meanwhile, 2015 saw risk associated with Western countries improve, and the business unit re-orientated its interbank activities towards local counterparties or those situated in OECD countries. This strategy was accompanied by increased recourse to agreements formulated by the International Swaps and Derivatives Association (ISDA) and the associated credit support annexes, so as to render interbank risks more secure and optimise the equity requirements of this business. Using these instruments is in line with a systematic and structured approach. In this way, the International Banks and Institutions business unit — alongside the Finance & Risk Control division and in particular the trading room — contributes to implementation of BCGE's financial strategy.

The business unit also maintains a coordinating role, applying synergies created with different business lines in the Bank, in order to offer the solutions best suited to clients' needs and to the needs associated with the management of BCGE; this role — and the actions thus taken — must, however, constantly be adjusted in response to macroeconomic and geopolitical developments.

A business unit providing support functions

The Global Strategy and Business Support business unit, with its team of dedicated specialists, provides cross-departmental support functions for the International Corporate & Private Banking division's three business activities. With the aim of providing quality of service to clients and cost optimisation, it combines targeted, non-standardisable expertise in terms of structuring and analysing loan requirements, compliance controls and monitoring in addition to legal support for all the division's lines of business. The particularly mutable challenges and contexts with which the three business activities of the International Corporate & Private Banking division are faced require it to regularly adjust its analysis and action processes, and above all to possess as powerful a reactive capacity as possible in all the matters it deals with.

Key facts of 2015

Finance and asset management Synchrony investment funds pass the CHF 1.5 billion mark

BCGE has launched three new short-term bond funds and a new listed Swiss cantonal bank tracker certificate. Assets managed in investment funds saw a sharp increase of CHF 250 million, equivalent to 19% of assets outstanding. For the first time, assets entrusted to BCGE for discretionary management exceeded CHF 5 billion (private mandates, institutional mandates and investment funds) and total assets under management and administration reached CHF 21.8 billion.

Continued expansion of BCGE's "in-house" range of funds

As at the end of 2015, the Bank had a platform of over 50 classes of fund, all strong performers and suited to the Swiss and European markets alike. Over the years, BCGE's range of investment funds has grown significantly and the assets managed using these instruments have grown, to the extent of doubling in three years. BCGE's "in-house" funds totalled over CHF 1.55 billion at the end of 2015 (CHF 0.76 billion as of 31 December 2012). The growth achieved by these Bank funds in the last three years is well above the Swiss market average. In 2015 alone, the inflow of funds was CHF 250 million, the equivalent of 19% of the assets outstanding.



Synchrony: a strongly growing brand

BCGE funds, which have until now been marketed under the name BCGE Synchrony, have been regrouped under the single Synchrony brand. As this label has become a benchmark since the Bank created and developed its range of funds in 1996, BCGE intends to capitalise on this brand (which belongs to the Bank) to make wider use of its reputation within Switzerland and abroad. Using the name fits in logically with expansion of the discretionary management business.

A second listed Swiss cantonal bank tracker certificate

The Bank once more successfully placed with its private clients a certificate comprising listed cantonal bank shares, selected according to economic efficiency criteria. The nature of the product and its investment context proved very popular. At the beginning of the year, the business unit offered some of its clients three new funds under Luxembourg law investing in short-term bonds.

A business unit with multiple areas of expertise

The BCGE Asset Management business unit comprises five departments: Institutional and Private Portfolio Management (both responsible for investment mandates), Financial Advisory (investment advice), Financial Studies (analysing third-party funds and individual securities) and the Investment Office (economic analysis and forecasting). Together, these departments form BCGE's core asset management unit. This expertise centre provides ongoing top-level training for its 25 staff.

Trading room continues to progress

BCGE is one of the rare banks in Geneva to give its clients the benefit of easy and personalised access to the financial markets, through its status as a member of the SIX Swiss Exchange. The trading room operates under the open architecture principle and is completely independent in the choice of products used. The size of its teams facilitates personalised client relationships and flawless execution of market orders. It deals in foreign currencies, equities, bonds, derivatives or structured products and investment funds. As lead transaction manager, it participates in bond issues and as such also has a national profile. The trading room also participates actively in the Bank's asset and liability management (ALM). In particular, it participates in capital market operations. It helps keep the public informed by publishing a weekly stock market report which appears in the regional press.

The trading room has achieved very good results; the Swiss National Bank's abandonment of the EUR/CHF exchange rate floor on 15 January contributed to these. Indeed, the Bank's competitiveness in banknote trading increased during the ensuing very volatile period. Moreover, the Bank's asset and liabilities management (ALM) positioning made it possible to guide existing clients while acquiring new ones. The progress of the BCGE 1816 online stock trading platform continues, with a large increase in the number of clients. For the first time since 1999, BCGE issued a long-term bond in its own name (a public senior unsecured bond). The Bank also achieved a first in Switzerland: issue of a bond under Swiss law and denominated in USD. Following the opening of a new CNY (yuan) bond market, the Bank put in place the necessary structures to enable investors to subscribe to them. It also created a savings account in that currency.

Financial engineering for companies and financial institutions

The Bank offers services providing expertise in financial strategy and risk control to financial managers in companies and public authorities, and to heads of companies in the property field. BCGE offers advice in three areas in particular: debt management, control of foreign currency risk and cash flow optimisation. Several times a year, it organises meetings that give financial decision-makers the opportunity to discuss topics of interest in some depth.

The BCGE Asian Desk comprises the BCGE business financing, corporate finance and private banking teams based in Geneva and Hong Kong. It also serves as a source of ideas and advice for companies either establishing a foothold or trading in Asian markets. Lastly, BCGE Asian Desk is a forum for entrepreneurs with knowledge of or interest in Asia to meet and discuss their experiences and methods.

Key facts of 2015

Organisation, IT and operations

The Bank is investing in an IT transformation

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BCGE is taking part in two innovative payment projects; it has updated several software suites to make them compliant with new standards and optimise its processes. The Lausanne office was renovated and modernised, and transformation of the Pâquis branch has started.

Launch of a new intensive digitisation programme

The Bank is aware of the need to be part of the transformation of the economy leading to a digital world and so has included in its strategic and financial planning an ambitious IT investment programme. In partnership with Swisscom and Finnova, its two main IT suppliers, the Bank has started several innovation projects aimed at facilitating client interaction. In the payments area, the Bank has joined the Six Paymit and Twint projects. These new digitised systems will be rolled out during 2016. In the investment advice and online executions area, the Bank has developed new online tools for use by its institutional clients in particular. Lastly, the Bank is preparing several projects aimed at facilitating contractual management of online services.

Implementation of new regulatory requirements and standards

2015 also saw the implementation of several projects arising from new regulatory requirements, standards and laws. First of all, in the accountancy area, the Bank implemented the new FiRE platform from BearingPoint in order to adhere to new bank accounting rules. Regarding anti-money laundering action and the application of the new agreement governing the exercise of due diligence by banks (CDB 2016), BCGE amended its system of procedures and internal checks. A third project, in respect of management of dormant assets (pursuant to the Narilo directive), was also concluded in 2015 with the collection and publication of data relevant to this regulation. Finally, as regards compliance in the payments area, in 2015 the Bank initiated a major project for transforming payments procedures in Switzerland (in accordance with the SIC¹ system) or abroad (conforming with ISO 20022).

Safeguarding IT and asset infrastructure

The worrying increase in criminal threats requires the Bank to step up its response to them and reinforce its protective measures. There was significant investment and action in this area in 2015. In terms of infrastructure, the Bank strengthened its anti-violence protection and surveillance capabilities at its various operational centres and branches. In the IT area, the Bank implemented a number of systems and technical checks on the basis of thorough inspections by several expert agencies, in order to improve its ability to combat online fraud and attacks. Against this background, the Bank also put into effect all the measures required by Annex 3 of FINMA circular 2008/21 in respect of operational risks, concerned with the treatment of electronic client data.

Optimisation and automation of processes

The Bank is pursuing its programme of improving the productivity and efficiency of its processes. In the area of service provision, many improvements were applied in 2015 to the main platform used by the Bank, Finnova, to automate tasks and checks relating to loans, client file management, records and stock market operations. The Bank also added to its processing capacity in the areas of derivative products and collateralisation of its financial market operations. This concerns guarantee annexes to a framework contract (credit support annex, CSA) compliant with the European Union regulation on over-the-counter derivative products, central counterparties and trade repositories (EMIR) and the Swiss Federal Act on Financial Market Infrastructures (FinMIA).

¹ Payment system operated by SIX Swiss Exchange, under the authority of and monitored by the Swiss National Bank.

Progressive replacement and optimisation of ATMs

Following an in-depth study carried out in 2012, the Bank is continuing to modernise and optimise the locations of its ATMs in the canton. Three sites benefited from the installation of new machines: Palexpo – Exhibition and Congress Centre –, Caterpillar SA and, within the Geneva University Hospitals (HUG), Trois-Chêne Hospital.

Renovation of the Lausanne subsidiary and the Pâquis branch

The Bank is continuing its programme of renovating branches and subsidiaries. The first half of 2015 was devoted to transforming the Lausanne premises in line with an architectural concept augmenting the quality of services delivered to private banking clients. In late 2015, renovation of the Pâquis branch commenced; it is due for completion in the first quarter of 2016. A new client-welcome concept and a new suite of automatic banking equipment will replace the present service windows.

Training centre and company restaurant

Following the sale of its Conches training centre, in 2015 the Bank inaugurated its project of creating a training centre and company restaurant at its Lancy site. The transformation of a 600m² warehouse space will allow the creation of three modular training rooms equipped with modern technology, together with a restaurant able to cater for 80 seated patrons. Work will be completed during the first half of 2016.





INDIVIDUALS

HOUSING AND CONSTRUCTION .
PERSONAL PROJECTS . CAR AND EQUIPMENT
LEASING . CREDIT CARDS AND PAYMENT
FACILITIES . NETBANKING

With discipline comes performance.

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

BANKING SERVICES AT HOME

Risk control

Continuous checking at all levels

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Risk control is omnipresent throughout the Bank at various levels. The front-office units take prime responsibility for any risks associated with the business they handle, with the assistance of the support units. They are also backed up by the specialised second-level control departments which monitor risks on an aggregate basis, specifically the Compliance and Risk Control departments. These units carry out the overall control of risks, modelling them so that the Bank can keep the right balance between risk and revenue. Their role is also to monitor and report at the highest level on information regarding compliance with the framework and limits set by standards-setting agencies and the relevant bodies within the Bank and the authorities outside BCGE. Through various operating committees, these departments distribute their analyses, follow-up of processes and information required for managing every type of risk.

The Risk Committee (see page 27, organisation chart) analyses the risk situation every month. This inventory is analysed in the form of reports and examination of positions held. In the BCGE (France) subsidiary, one risk committee examines the situation monthly, and another one does so with regard to risks associated with international trade finance. A committee to monitor the balance sheet and rate risks, the asset and liability management (ALM) committee, also meets each month. It studies exposure to interest rate risk, measuring income sensitivity and sensitivity of the net present value of shareholders' equity, and analyses internal transfer rate margins.

Stress tests (techniques to evaluate a financial institution's resistance to shocks) in respect of the whole portfolio are an indispensable part of the monitoring process. As regards regulation, the liquidity coverage ratio (LCR) was published from 2015; the preparatory calculations for the net stable funding ratio (NSFR) and the leverage ratio have been made.

BCGE is ranked in "category 3" according to the FINMA 2011/2 circular, which sets a minimum threshold of 12% equity coverage to be observed at all times. Business planning has taken this requirement into consideration when forecasting growth, in order to guarantee this level of equity coverage. The minimum 12% threshold is easily covered. At the end of 2015, equity coverage was between 14.11% and 14.37% for the Group.

The publication requirements relating to shareholders' equity are available on the Bank's website (www.bcge.ch/exigences-publications). The equity requirement to cover credit risks, market risks, non-counterparty-related risks, the counter-cyclical buffer and operational risks is calculated at regular intervals and published internally on a quarterly basis.

Credit risk

Establishing rolling equity coverage planning for the next few years requires outstanding coordination between front office and risk control units. The Bank's decision to allocate equity limits by area of strategic business forms a solid basis on which to achieve objectives while complying with the level of coverage. Risk frameworks are established for all the business activities set out in the strategic and financial plans, in order to set the maximum acceptable exposure by type of operation. These risk frameworks are planned on a three-year basis and updated every year. The yield from operations, in terms of income from interest and from commission, is weighed up against the costs of the transaction and against the risks incurred, measured by the sums potentially at risk and the probabilities of their occurring.

There is still speculation about the property market overheating and the regulator continues to express concern on this issue. The Bank therefore maintains its cautious lending policy. The number of new transactions which do not comply with internal standards (also referred to as exceptions to policy, ETP) for new business is infinitesimal and decreased slightly compared with 2014.

Breakdown of loans

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

Regarding residential mortgages, fixed-rate loans continued to represent around four-fifths of the total, with Libor base rates amounting to about 15% of the total. The proportions were slightly different for commercial mortgages, where loans based on Libor accounted for 36% of the total.

Country risks

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

Country commercial limits are in place for the international trading business and checked on an ongoing basis by the Risk Control department. Country limits for direct risks (the debtor's country of incorporation) and indirect risks (the country of economic risk) were regularly reviewed throughout the year, with an overall annual review taking place at the end of 2015.

Indirect risks, i.e. risks associated with the relevant countries for the transaction in question, are also taken into account. They are the subject of a weekly report. Particular attention is paid to checking due date extensions for transactions that are in principle limited to 90 or 180 days. Indirect risks are mainly monitored in the countries of eastern Europe and central Asia. These risks are mainly associated with commodities trading.

Concentration risk (see also page 102)

In the strictly regulatory sense, the State of Geneva of course continues to appear consistently in the "big risk" category. The Bank's property subsidiaries, namely Compagnie Foncière du Saint Gothard and Compagnie Foncière Franco-Suisse, also form part of the Bank's major concentrations, even if to a lesser extent in recent years.

Market risk (see also page 102)

In view of the deliberately reduced level of the Bank's proprietary trading, the nostro account, market trading risks are limited. The main position in this portfolio comprised approximately 51,000 BCGE shares at the end of 2015 (compared with approximately 60,700 at the end of 2014) for which the Bank acts as the market-maker (with support for the share's liquidity). Checks on the progress of the share and the quantities held are made daily. The BCGE share started the year at CHF 214, and moved upwards consistently, to finish the period at CHF 261.

Interest-rate risk (see also page 102)

The sensitivity of the balance sheet to the value effect (economic value of equity) is within the limit set by the Board of Directors at the end of the year. CHF interest rates have remained negative (up to 8-9 years for swap rates) since the Swiss National Bank also set the 3-month Libor fluctuation band between -1.25% and -0.25% on 15 January 2015. The Bank has a portfolio of swaps in order to limit sensitivity to a hypothetical sharp increase in rates. Short-term rates remain very low. Measures to reduce sensitivity to the economic value of equity were put in place to guard against low or falling rates.

Foreign-exchange risk (see also page 102)

The Swiss franc represents more than four-fifths of the Bank's balance sheet, the remainder being in USD and EUR. The CHF/EUR 1.20 floor was scrapped by the SNB on 15 January 2015, which caused a certain amount of turmoil in the markets, before the rate settled around 1.10. The Bank has little exposure to foreign currency transaction risks. It follows and covers its currency positions and banknote stocks on a daily basis.

Liquidity risk (see also page 102)

The Bank has ample liquidity for the regulatory ratio referred to as Liquidity II. This liquidity increased following the SNB's decision to move rates into negative territory at the beginning of 2015. The Bank's total assets have exceeded CHF 20 billion.

Long-term investment risk (see also page 103)

The long-term investment portfolio amounted to CHF 1.75 billion in December 2015. It provides protection against liquidity risks; the aim is to compensate the zero profitability of Confederation short-term paper and thus optimise positions, so that they create great resilience to risk, while making a positive contribution by virtue of their yield. The Bank is successfully diversifying its exposure as a result of this portfolio. Over 65% of long-term investments were rated AAA, with other securities being in the AA+ to A- range.

Operational risk (see also page 103)

As in many institutions, operational risks are actively monitored and additional measures are implemented to deal with new developments. The internal control system is evolving in response to the Bank's needs. With its system of key risk indicators, the Bank has chosen a flexible process for detecting operational risks. This table gives a breakdown at the Bank and division level; it shows at least one key risk indicator per process.

Compliance risk (see also page 103)

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

This structure allows all regulatory compliance-related risks to be covered in an optimum, cross-departmental manner. This centralised organisation is supplemented by specialists directly attached to the front-office divisions, providing advisers with immediate support as they carry out operational tasks.





TRADE FINANCE

COMMODITY TRADE FINANCE .
ENERGY, METALS AND SOFT COMMODITIES .
STRUCTURED FINANCE .
CORRESPONDENT BANKING

With discipline comes success.

Top-level swimming requires
consistency and endurance.
These are qualities that we apply
at all times.

LOCAL AND
INTERNATIONAL EXPERTISE

Talents and skills

Certification and continuous professional development: rigour that benefits client relationships

BCGE pays particular attention to the continuous professional development of its staff. Having defined its prerequisites in terms of basic banking knowledge and developed its training pathways specific to the various front-office roles, for a number of years it has also offered six certified courses, which are updated every two years. To ensure excellence in the quality of advice given, the Bank is continuing its efforts to develop its employees' technical skills. To this end, it decided, in autumn 2015, to adopt the ISO 17024 certification system. This external certification system, recognised by the Swiss Confederation and delivered by the Swiss Association for Quality (SAQ), will help prepare advisers for the changes affecting their role. In an increasingly digitised world, expertise and the personalisation of relationships are the essential qualities that clients demand of their bankers.

Slight increase in staff costs

At the end of 2015, 773 staff worked for the BCGE Group, i.e. 721 full-time equivalents. Compared to 2014, staff numbers are up (+1.4%), largely due to the acquisition of a new entity, Dimension (see page 10) in 2015 (in 2014, the Group had a staff of 763, or 710 in terms of full-time equivalents). Staff numbers also had to be increased in certain areas, particularly in remote banking operations, where working times were extended. Staff costs are faced with the increasing demands of the banking environment, where high qualification levels are required. They increased 4% to CHF 129.1 million (as against CHF 124.1 million in 2014).

Cross-departmental expertise, complementarity and decision-making

The active internal mobility policy pursued by the Bank for the last ten years or so enables it to fulfil career aspirations, to offer assignments with different business lines, to encourage staff to adapt to internal reorganisations and, for a medium-sized, full-service bank such as BCGE, to improve the level of cross-departmental expertise. Through this dynamic policy and well-planned productivity gains, a steady reduction in headcount in certain areas has only very rarely been accompanied by redundancies or early retirement.

BCGE employees know how to prepare for and adapt to change. The in-depth changes made by the Bank over the years have given employees the ability to review their working methods, the tools they use and their environment. BCGE can count on its employees, who are able to deal with changes and are therefore perfectly able to adopt the new requirements, particularly of a regulatory nature, of today's banking world; this is one of the business's great strengths.

A staff-developing company aware of its civic responsibility

BCGE supports banking training in Geneva by making available a significant number of jobs for new entrants to the market. Whether this takes the form of apprenticeships, university internships, training development schemes or on-the-job training (in the lending business line), the Bank makes a substantial investment through its managers who, for the most part, supervise these young people as they take the first steps in their careers. After training, most of them take on permanent positions in the Bank.

BCGE also gives young people who are studying or are resident in Geneva the opportunity to gain initial banking experience and extra income by providing a large number of summer traineeships (in 2015, 45 people were employed on this basis, generating the equivalent of 92 working months).

In its recruitment process, and following on many past contacts, BCGE actively started cooperation with the Cantonal Employment Office during 2015, with the aim of assisting, on an equal skills basis, the recruitment of Geneva residents seeking work.

Health and return to work

Conscious of the fact that employees who have been absent for long periods have to deal with many different agencies and difficulties that prevent them concentrating fully on their health, the Human Resources department has put in place a process for the treatment of staff on long-term leave. Service Social Inter-Entreprises (an independent external organisation employing welfare staff and financed by various member companies is thus the single point of contact for each of its affected employees and all those agencies involved in the process (employer, insurer, health insurance fund, broker, pension fund, etc.). It links up and monitors all the required procedures with a network of personalised intermediaries.

Over 80% of employees own shares in the Bank

As of 31 December 2015, 83% of Group employees held BCGE shares, having either acquired them through bonus plans or purchased them on the stock exchange. By the end of 2015, they owned over 80,068 shares in total (or CHF 20.9 million, i.e. 2.2% of the Bank's total stock market capitalisation). Including retired staff and other beneficiaries of preferential terms, this figure rose to 94,088 shares, up 10% on the previous year.

75% of BCGE employees attended specific training in 2015

As part of its continuing training strategy, BCGE is focused on pursuing the development of its employees' skills. In 2015, 542 employees undertook specific business line-related and/or managerial training averaging 4.5 days' duration, i.e. a total of over 2,500 days devoted to training.

69 new internal business line certifications

With 69 new BCGE business line certifications issued in 2015, the number of certified front office staff has increased by 15%, to reach a current level of 98%. The Bank has client advisers with BCGE specialist accreditation, in finance, workplace and private pension planning, and wealth management. More than half of them (55%) are also accredited in two of these three areas. In a very competitive environment, BCGE wishes to deepen its advisers' knowledge by increasing the proportion of qualified bankers with three internal certifications. The adoption of the Swiss Association for Quality (SAQ) individual client certification (standard ISO 17024) will also contribute to reinforcing multi-area competences. In this context, the SAQ wealth management and corporate and institutional clients certifications, planned for 2017-2019, will accredit the business expertise of bankers specialised in corporate finance and that of Swiss and international private banking asset managers.

New training in business targets and regulatory developments

In 2015, BCGE introduced new training courses aimed at making managers more aware of lending in corporate finance and global commodity finance, with a view to facilitating business development in these areas. In the compliance area, 70 specialists have taken specific classroom training in international tax and implementation of the associated new Agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence (CDB 16), the FINMA ordinance (AMLO-FINMA) and the Anti-Money Laundering Act (AMLA). At the same time, 173 employees completed the CDB 16 test, qualifying them after an online course aimed at training customer advisers in the new rules, and covering in particular the concept of 'controlling person', the new forms, and the rules associated with simple partnerships. The 2015 training plan also contained specific integration training for new employees, with the purpose of reinforcing knowledge of administrative instructions, internal security regulations, adherence to legal requirements and compliance.

A methodical management development programme

In 2015, 52 BCGE employees undertook the Transfer¹ training. This training course comprises four successive modules: standard training, crisis management and two situation-based stress test modules. After a practical introduction to team-leading tools, from perception of the problem to decision-making, the BCGE training then moves on to dealing with difficult situations, involving application of a decision-making process that has proved its worth in the military, and by doing exercises based on concrete situations. The aim of the situational modules is to encourage managers to analyse the scenario and be aware of the risks within a complex framework; this allows them to analyse different ways of solving a given problem and, finally, to practise decision-making, taking action, and communication. Over a third of BCGE's executive staff members have so far completed this course and thus possess the crisis-management skills they need.

¹ www.vtg.admin.ch/internet/vtg/fr/home/schweizerarmee/organisation/hkaneu/zentralschule/mika.html.

Nineteen BCGE employees have now successfully completed their micro-MBA training. This intra-company management course fosters agility and provides the tools needed to spot opportunities and exploit them by transforming them into rewarding projects; participants thereby become proactive agents of change within the company. The four specific projects, undertaken in 2015 by the teams formed during the training programme, were validated by BCGE's Executive Board.

The annual management championship which took place from Bern to Valais pitted eight teams of eight managers against each other in several tests of decision-making and on-the-ground action. The members of the winning team were Olivier Thyssen (captain), Marianne Bourgoz Gorgé, Valérie Lemaigre, Franco Furcolo, Fabrice Fournier, Christian Hamm, Alain Voirol and Frédéric Vernet.

Technical training

Six apprentices were awarded their Swiss Federal certificate of competence (one of these in conjunction with their professional commercial matriculation); three employees gained Institute for Studies in Finance and Banking certificates; and two others achieved a compliance officer diploma specialising in tax compliance from the company VisionCompliance. BCGE also had the pleasure of congratulating a new recipient of the Swiss Federal Expert in Finance and Controlling diploma, another employee awarded the Swiss Internal Audit Institute's Certified Information Systems Auditor (CISA) diploma, as well as three Masters of Advanced Studies (MAS): one in international tax law, the second in banking and finance, and the third in digital marketing and social media.

Equal opportunities

Women occupy 36% of executive positions and 24% of management positions; BCGE is thus the Swiss bank with the highest proportion of women in its management. Identification of talents prevails over any other consideration in recruitment or appointment decisions. BCGE has a variety of support tools (ready access to part-time working for both women and men — 28% of staff work part-time — or maternity/paternity leave) and selection tools (neutral appointment policy, identification of internal talent by a specific committee).

A company pension combining defined benefits and contributions

BCGE offers its employees an attractive pension fund to protect themselves against the economic consequences of old age, disability and death. Its Professional Pension Fund is a semi-autonomous pension institution, providing all disability and death benefits through a private insurance company. The old-age pension provision comprises two distinct levels, as follows: firstly, there is a basic defined benefits plan on a fixed proportion of salary up to 125% of the upper limit defined in article 8, para. 1 of the Occupational Pensions Act; and then a complementary defined contributions plan on a fixed and variable portion of the salary (bonus), exceeding the insurable limit in the basic plan. Employee contributions to the complementary plan are voluntary.

The disability and death plan is based on defined benefits. The employer contributes at least two-thirds of the sum of the contributions to the pension institution. Since 1 January 2013, the basic rate has been 3.5%; the resulting reduction in the conversion rate will be introduced gradually by 2016.

Preferential conditions for employees

Employees benefit from preferential conditions on a number of BCGE banking services. For example, on salary accounts, other preferential credit accounts and mortgages, they benefit from preferential rates close to market rates. The same applies to charges which are reduced in most cases, or even waived.

Independent mediators to provide support to employees

For several years, BCGE has provided its employees with two external support organisations. First of all, Service Social Inter-Entreprises gives employees access to welfare staff who provide support in various areas such as health, financial management, family matters, work or accommodation. In addition, a mediation service enables employees to discuss work relationship issues with an external professional adviser and, more often than not, with no direct management involvement. These two entities can be contacted with complete confidentiality, at no cost, by any BCGE employee. There is also a Staff Committee, with six members as of end 2015, which is the elected body representing the employees. Within its remit, it defends their interests and consists of a non-hierarchical liaison function between the staff, Human Resources and the Executive Board.

Rewarding innovation and business initiatives

BCGE has an incentive plan to promote excellence involving the awarding of four prizes, usually twice a year. The *Intrapreneur* prize is awarded for imagination and creativity to employees who help conceive new ideas to generate improvements. The *Service Center* prize rewards achievement in improving productivity and cost reductions. The *Customer Service* prize is awarded in recognition of excellence in client service, in the form of an exceptional act or exemplary attitude. The *Hubble* prize rewards employees for succeeding in persuading as many clients as possible to use modern and cost-effective methods to increase their self-reliance in managing their assets.

The Human Resources Department and the Executive Board involve all staff in the process of recruiting new talent. A bonus is awarded to employees, except Executive Board and Human Resources staff, who contribute to the recruitment of a new staff member.

Prizes awarded to employees

Prize	By team / individual	Aim
<i>Avantage Service</i>	Team	Support for extending BCGE Avantage Service
<i>Check-up</i>	Team	Highlighting the quality of advice given in BCGE Check-up meetings
<i>Hubble</i>	Individual	Promoting modern ways of managing assets
<i>Intrapreneur</i>	Individual	Encouraging imagination and creativity
<i>Oberon</i>	Individual	Reward for an innovative idea that has been implemented
<i>Service center</i>	Individual	Encouraging projects aimed at improving productivity and reducing costs
<i>Customer service</i>	Individual	Supporting customer service excellence





WEALTH MANAGEMENT

SWISS AND INTERNATIONAL PRIVATE BANKING .
INVESTMENT MANDATES . INVESTMENT FUND
SELECTION . PORTFOLIO CHECK-UPS AND
ADVISORY SERVICES . EFFECTIVE INVESTMENT
PHILOSOPHY

With discipline comes confidence.

Precision and mastering of the rules
are essential requirements of Hornuss,
a traditional Swiss sport.
They also direct our actions.

CLEAR INVESTMENT PHILOSOPHY

Information and communication

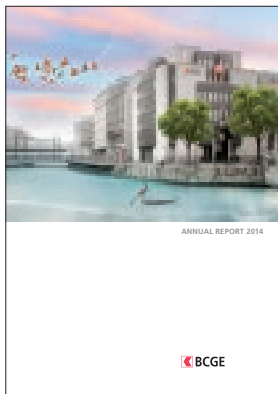
Communication that is clear and accessible to all

By virtue of its statutory mission as a cantonal bank and owing to increasing demands in terms of information in connection with its status as a listed company, BCGE communicates with its different target audiences in a specific, targeted manner. In order to do so, it makes use of multiple information channels in order to provide a constant stream of information. The Communications and Investor Relations department, which is heavily involved in pursuing the Bank's internal and external communications policy, works alongside the Executive Board and the Group's employees in order to maintain an intensive open dialogue with shareholders, clients and external institutions as well as all the people of Geneva.



A retail bank with considerable popular support

The Communications department's mission is to develop the BCGE Group's image and reputation. To this end, it devises, edits and publishes regular, wide-ranging information on bank-related topics (services, news, products, etc.), on the financial market and the regional economy through a multitude of channels (such as the press, Internet, publications, events, public relations, audio-visual productions and presentations). In particular, it has regular banking and stock-market reports published in certain daily newspapers in French-speaking Switzerland (291 reports in 2015) and arranges press conferences four times a year in order to provide the public with in-depth information on the Bank's results or on topics linked with BCGE's expertise. In 2015, over 2,000 articles relating to BCGE were published in the Swiss and international press and electronic media, demonstrating the Bank's influence and its relationship of trust with the world of the media. Published three times a year and with a circulation of 17,000 copies, the *Dialogue* customer magazine covers the Bank's achievements and its services as well as information on the economy of a general nature but with a particular emphasis on Geneva. Around fifty corporate publications and presentations provide details of the Bank's organisation, expertise and business lines. Its website (www.bcge.ch) is a means of communication used frequently by all the Bank's target audiences, which can log on to the site and obtain information remotely, 24 hours a day; nearly 7,600,000 pages of information were viewed in 2015. The Bank's website includes its services and online service platforms as well as financial and economic information and publications. It can also be accessed via a mobile app.



Intensive contacts with clients, shareholders and investors

BCGE considers relationships and contacts with its shareholders and investors to be of fundamental importance. In this regard, the Bank organises events specifically intended for them every year; these include the Annual General Meeting (which was attended by 538 shareholders in 2015) and roadshows. In parallel, the Bank produces regular financial and economic publications for its clients, shareholders and investors in order to present its macroeconomic outlook and investment recommendations. In 2015, it published over 240 financial and economic publications. In order to publicise its convictions in terms of its investment philosophy, the Bank produces, in addition to its brochure in four different languages, a corporate video in French and English describing the fundamental principles of its investment approach. Each year, in partnership with the cantonal institutions, BCGE co-publishes two studies pertaining to a current economic affairs topic of interest to the regional community. As a listed company, it publishes its results on a half-yearly and yearly basis. Accordingly, it sent out 3,000 annual reports in French and English to investors in 2015.

An international external network through partners and professional financial, economic and political associations

In 2015, the Communications department organised nearly 40 events attended by over 2,600 clients. Among these is BCGE Asian Desk, a forum for entrepreneurs with knowledge of or interest in Asia to meet and discuss their experiences and methods; it offers expertise that is both theoretical and practical. In September, the 2015 season of the BCGE L'essentiel de la finance seminars focused on the strategic issues linked to the major challenges such as running family businesses over the long term, balancing market risk and opportunities, and efficient investment in the real economy. Reports on the seminars appeared in the media of French-speaking Switzerland and were the subject of a special edition of the academic journal, the *Revue Economique et Sociale* (www.bcge.ch/res).



Detailed, transparent information for employees

The Bank communicates and disseminates information internally by means of various meetings and committees which bring together staff working in different banking functions. In parallel, the Bank makes use of large-scale means of communication. On the electronic front, in addition to e-mail, the corporate intranet enables news and information about the group to be directly and instantaneously disseminated. Not just an essential means of communication, it also enables access to internal applications and information on current issues, the regulatory framework, press articles, results and financial markets, etc. Where verbal communication is concerned, employees are invited by the Executive Board to a twice-yearly information meeting when the half-year and annual results are published. To further reinforce the Bank's business culture, business lunches are regularly held during which a representative of the Bank presents a business activity, a field of expertise or a project to his or her colleagues. In order to give its employees access to local culture, BCGE organises guided tours of Geneva's institutions. Senior managers attend an annual seminar and presentation designed to provide information about strategic objectives and business and market changes. The CEO chairs several internal presentations on management development. The Bank also produces a magazine for staff and their families. Published three times a year, it covers business issues, projects and current financial topics.










A closely monitored and targeted online communications strategy

In order to take advantage of advances in information technology, the Bank operates, as part of its online strategy and with the support of internal and external experts, a web surveillance programme to protect its reputation and brand. It is also present on platforms such as LinkedIn and Facebook. Information tools have been implemented internally and externally by means of publications, messages, specialised pages on the intranet for employees and on the Internet for clients. The purpose of these is to provide preventive measures in the face of renewed attempts to defraud numerous institutions, particularly through the use of new technologies. The Bank also regularly uses its website security page to alert its clients and partners to risks of scams and internet criminality, and to encourage them to act cautiously when using new technologies.

Innovation: the basis of business growth

Fifteen years of broadening the service offer

Over the last few years, BCGE's high level of innovation has been a key factor in its success and growth.

2015	 Senior debt loan Second cantonal bank tracker certificate Yuan savings account
2014	2 ATMs (Cornavin, Vernet) Additional tier 1 capital (AT1) Cantonal bank tracker certificate 4 new mandates  Swiss equity index fund
2013	Trade finance risk reinsurance Luxembourg fund  Payment risk assumption (PRA) Asian desk
2012	Airport ATM (departure hall) New remuneration models
2011	Representative Office Hong Kong Business loan E-brokerage 
2010	Representative Office Dubai BCGE mobile phone app Paris branch
2009	Cash accounts for businesses
2008	 Pension centre Business Partner programme New La Praille branch
2007	
2006	
2005	Internal and collective prices
2004	ATM in Lausanne Leasing of capital goods
2003	Licence from the financial markets authority for private banking in France
2002	
2001	Loyalty programme  Dialogue magazine

Geographical proximity and goodwill are not enough

The Bank's impact and market presence owe a great deal to a number of innovative business drivers. Such innovations include, in particular, original financial products, advantageously priced services, attractive partnerships and state-of-the-art technological tools and platforms. The table on the left sets out the main innovations of the last few years.

Innovative financial products

These innovative financial products include discretionary management mandates, marketed under the premium BCGE Best of brand, with its 20 investment profiles and over 3,400 mandates. Two tracker certificates have been issued, comprising shares of the listed Swiss cantonal banks. As regards currencies, the Bank has put in place the structures needed to enable investors to participate in the CNY (yuan) bond market, or use a savings account in that currency.

Very competitive services in a crowded market

There are numerous stand-out services, including the wealth advice system marketed under the BCGE Check-up name. Every day, the Bank's advisers carry out over 4,000 personalised analyses (complete algorithm-based analysis of the client's financial situation and optimisation advice). The loyalty programme marketed under the BCGE Avantage Service brand allows its nearly 32,000 affiliated clients to earn additional interest on their savings accounts.

Partnerships with client companies

The Business Partner programme provides an example of an attractive partnership. 72 companies in Switzerland participate in this programme, which gives partners of these companies privileged access to the Bank's services.

Highly effective centres of competence

The mission of the Bank's Capital Transmission SA subsidiary, which was established in 2008, is to supply equity capital to companies and investors in company transfer or expansion operations. For its part, Dimension SA is specialised in the evaluation, enhanced valuation and transfer of companies. These specialised competences allow the Bank to approach companies and entrepreneurs as a total contractor.

State-of-the-art technological tools and platforms

Technological innovation is one of BCGE's key strengths. This is exemplified by the BCGE 1816 online stock trading platform. It numbers 5,800 clients, who have access to a large range of financial markets at a very attractive cost, on the BCGE Netbanking platform. The CrontoSign system allows a large number of users to access internet banking services with the best currently available level of security.

Ethical and environmental responsibility

An environmental policy and social responsibility in line with demanding values

In recent years, environmental and ethical issues have changed the behaviour not only of consumers but also of companies and states. In their growth strategy, companies are taking on board these changes. At BCGE, acting with social responsibility represents one of the foundations of doing business.

1. A CLEAR VISION AND STRATEGY WHICH ENCOURAGE A CULTURE OF RESPONSIBILITY

BCGE's vision

The Bank is convinced that its long-term success will be assured only if it focuses its actions on the clearly understood interests of clients, shareholders, employees and the community as a whole. It considers that any activity with a negative external impact on society or the environment may damage its reputation and, as a result, its long-term success. It must therefore take any external impact into account proactively when identifying opportunities and managing its risks.

BCGE has adopted a code of conduct which is highly respectful of its global environment, in order to put its values into practice while also pursuing its strategic interest. The fact of being open to scrutiny by the regional economic community as a banking institution listed on the stock exchange and evaluated by a major rating agency, obliges it henceforth to behave irreproachably in terms of reputational risk.

Business ethics

Ethical principles: By its very nature, the Bank is founded on the mission to provide a service to a community which is precisely formulated in the Law¹: this consists of contributing to the economic development of Geneva and the surrounding region. Adopted at the General Meeting, then by the Great Council of Geneva in 2003, the BCGE Charter of Ethics sets out the principles of sustainability in line with the interests of the community and those of its shareholders. In particular, it restates BCGE's statutory mission and specifies the values which guide it in managing its business, managing relationships with clients, its staff, its suppliers and its shareholders.

The principles which underpinned the drawing up of the Charter of Ethics are as follows:

- linking the notion of profit with that of the long-term success of the business and of aspects relating to social and environmental responsibility;
- pragmatic implementation, for stakeholders, of the conclusions resulting from the principles of social and environmental responsibility;
- maintaining political and ideological neutrality;
- development of a business culture which promotes the inclusion of sustainability.

These priorities and requirements under the Charter of Ethics are reflected in the Bank's various management documents, in particular its three-year strategic financial plan which sets five to eight strategic objectives per stakeholder. The latter are monitored by the Executive Board and the Board of Directors on a monthly basis.

Values: In addition to complying with the legal and regulatory provisions associated with irreproachable banking business practice, BCGE conducts its affairs mindful of the ethical principles of integrity, loyalty, independence and transparency. All these principles underpin the bank's and its employees' activities on a daily basis.

¹ Cantonal Law on BCGE.

2. OPERATIONAL MANAGEMENT THAT INCLUDES SUSTAINABLE DEVELOPMENT

Protection of the environment

Components of sustainable development: In addition to its long-term goal of growth, BCGE applies the principles of responsible investment in three essential areas of its business: corporate ecology, active management of risks and the Bank's products and services.

BCGE plays its part in environmental protection. Concrete objectives are set in its strategic plan (heating, paper consumption, carbon footprint, etc.). In relation to the Bank's size, the environmental efficiency measures adopted by it are at a high level. They are inspired primarily by the ISO 14001 environmental management standard.

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

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

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

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

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

Most internal mail deliveries are made by a service provider who is requested to use vehicles in the least polluting category of the Euro 5 standard. City-centre deliveries are performed on foot, and light mail is delivered by a supplier using bicycle couriers.

CONSUMABLES	2015	2014	2013
Paper purchases (number of sheets) including:	6,445,000	6,960,000	6,595,000
<i>FSC wood fibres</i>	45,000	35,000	70,000
<i>FSC eucalyptus fibres</i>	3,300,000	5,775,000	4,325,000
<i>100% recycled</i>	3,100,000	1,150,000	2,200,000
Paper destroyed (tonnes)	59.1	60.7	46.1
PET recovered (kg)	1,227	1,188	987
IT components recovered (kg)	68	0 ¹	1,700

¹ IT components are only weighed when delivered to the recycling plant, prior to which they are stored in a warehouse. Zero indicates that no delivery took place.

Renovation of premises: The BCGE Works department is continuing to transform and renovate the premises in a cost-effective, ecological way, working with the cantonal authorities, architects and surveyors. In 2015, the Bank signed a partnership agreement with the canton's energy department, in order to participate in the European ventilative cooling project, which aims to create directives relating to air conditioning during building renovation. During the work, BCGE pays particular attention to the materials used, whether they are its own material purchases or those of its sub-contractors, and to suppliers fulfilling their obligation to sort their waste.

When issuing tenders, BCGE favours companies that are environmentally aware and local companies in order to reduce travel and associated harmful emissions.

Concentrating the Bank's core activities on two operational sites: The environmental benefits are visible through improvements in infrastructure costs/needs/environmental ratios. BCGE is optimising the workspace ratio by concentrating its non-branch activities on two sites. The Bank has two main sites: one mainly sales-oriented (at the Ile premises) and the other for operations, administration and training (in Lancy).

Optimising environmental costs: The options decided on during studies conducted as part of the canton's plan to change electricity provision (NOE), from the Energy Service (ScanE), continued to bear fruit, with a further reduction in electricity consumption. Consumption by the two main Geneva sites decreased over two years from 4,301,559 to 4,034,062 kWh, a 6.2% reduction. In order to minimise the environmental impact of its electricity consumption, BCGE has opted for the environmentally-friendly hydraulically-generated electricity offered by its supplier. When modernising its facilities, BCGE undertakes energy efficiency measures and systematically seeks to implement eco-efficient solutions. It thus changed the outside lighting of its quai de l'Ile building, replacing the halogen bulbs with LEDs, thereby reducing annual energy consumption by almost 50%.

Environmentally-friendly transportation and risk management: BCGE encourages the use of public transport. Under its mobility policy, it offers its staff monthly travel allowances contributing to the cost of purchasing annual public transport season tickets, for example. The Bank also proposes car-sharing schemes on its intranet site. In addition, particularly favourable conditions are offered to staff at sites outside Geneva. The Bank also requires that its employees travel on business by train and other land-based public transport systems as much as possible.

ELECTRICITY	2015 (kWh)	2014 (kWh)	2013 (kWh)	Chng. kWh (1 yr)	Chng. kWh (2 yrs)
City centre	1,393,349	1,426,840	1,477,077	-33,491	-83,728
Lancy	1,413,002	1,506,193	1,577,609	-93,191	-164,607
Branches	1,227,711	1,222,601	1,246,873	5,111	-19,162
Total	4,034,062	4,155,634	4,301,559	-121,572	-267,498

GAS	2015 (kWh)	2014 (kWh)	2013 (kWh)	Chng. kWh (1 yr)	Chng. kWh (2 yrs)
City centre ¹	998,508	916,957	1,089,567	81,551	-91,059
Total	998,508	916,957	1,089,567	81,551	-91,059

WATER	2015 (m ³)	2014 (m ³)	2013 (m ³)	Chng. m ³ (1 yr)	Chng. m ³ (2 yrs)
City centre	6,484	7,019	8,199	-535	-1,715
Lancy	1,912	2,392	2,029	-480	-117
Branches	3,609	2,641	2,722	968	887
Total	12,005	12,052	12,950	-47	-945

¹ In addition to the headquarters, three branches located in buildings belonging to BCGE also have gas heating.

Source: SIG

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

The Bank includes the identification and qualification of environmental and social risks in its analytical and management processes (see page 68).

3. ACTIVE INVOLVEMENT OF THE STAKEHOLDERS

The importance of stakeholders

The stakeholders in BCGE's business are all of specific importance.

Clients

Clients are decisive for a bank's success. BCGE intends to retain the loyalty of individual clients and their family circle, over several generations if possible. This long-term commitment demands a great respect for the client's interests and a very high level of quality advice (including the ethical aspect). Customer loyalty is encouraged by the BCGE Avantage Service programme in particular which offers a preferential interest rate to clients making wide-scale use of the services offered by the Bank; one of the ways to gain access to this scheme is by becoming a shareholder. The production processes for banking services are highly formalised so as to provide consistent quality over time, thereby helping promote a long-lasting banking relationship. The partnership established with clients is an integral part of the system's logic. For corporate clients, it aims to cover their needs throughout their business cycle; for retail clients, it functions in response to changes in their financial needs over time, in terms of savings, loans and sound management of old-age pensions. Satisfaction surveys are conducted regularly in order to ensure a good fit between client needs and the services offered by the Bank.

A responsible marketing approach and business ethics imply that these should be designed in response to a genuine demand and be truly useful.

Employees

In a services and advisory company, the quality, commitment and integrity of employees to the company are preconditions for its survival and growth. The human resources policy (remuneration, succession, training, employee share ownership, internal awards) aims to recruit employees, retain their loyalty and motivate them. This aspect is described in the chapter on Talents and skills (see pages 54 to 57).

Shareholders

The shareholders' presence as stakeholders in the business reminds it that it is surrounded by a competitive system rather than protected by monopolistic practices as can be the case for major public utilities. Its shareholders are vital to it, as they provide the capital base needed for all banking activities. As can be seen, BCGE's shareholder base is original as it is mixed (public and private), with an important role played by the State, the City and the Municipalities in addition to a growing community of private shareholders (more than 12,800), mainly comprising clients and employees. The listing of BCGE shares on the stock market constitutes a pledge of transparency and, in its own right, imposes a highly demanding code of conduct on the company.

Community

This wider concept covers a number of areas, such as the fair distribution of services (no discrimination as regards proximity, fair charges, etc.) as well as quality of access to a regionally-focused bank. Providing a service to people with reduced mobility, for instance, is an important factor. In the field of corporate finance, specific rules of engagement must enable small businessmen and tradesmen to be treated with fairness and respect. The Bank has made a major contribution to the public authorities; for 2015, this contribution will amount to CHF 43 million. Over the last ten years they have received CHF 351 million. The Bank has also made donations and undertaken sponsoring to the tune of over CHF 300,000.

BCGE's philanthropic policy is in line with its foremost mission of supporting Geneva's local community. Its donation strategy is therefore focused on preferential support for charity, social or humanitarian work of a local nature. Its sponsorship policy, meanwhile, focuses on popular events or causes.

Partners

In its corporate finance operations and in selecting its external service providers, BCGE pays great attention to the nature of the latter's business. Before entering a business relationship and throughout its duration, strict compliance checking is carried out. This aims to eliminate companies which do not comply with the Bank's quality requirements.



4. INCLUSION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS IN BUSINESS PRACTICE

BCGE's range of services

As a manager of assets on an international scale, BCGE puts the emphasis on complying with all legal, internal and supervisory requirements. BCGE's employees work in accordance with internal regulations and applicable professional standards.

The Bank has thus taken all the necessary steps to ensure the best possible result when executing business decisions. It has also implemented a clearly-structured procedure to respond quickly and appropriately to any complaints by investors.

This refers to avoiding any conflicts of interest relating to portfolio management, transactions and also in relation to personal transactions or to exercising voting rights. In its investment product offering, BCGE has taken on board concepts aimed at sustainable financing of a durable, long-term economy. It offers a range of banking services, known as *BCGE Performance responsable*, which seek to incorporate ethical and ecological criteria in the best way possible. In this manner, it offers clients a selection of financial products and services which comply with both financial criteria and environmental and social principles.

Loans

BCGE Simplissimmo: This mortgage loan aimed at private individuals can also finance investments that follow Minergie-label guidelines. This is a "green" option which enables clients to optimise their comfort while respecting the environment and obtaining a preferential rate.

BCGE Leasing: BCGE offers preferential rates for financing of clean new private vehicles which use less fuel and emit less pollution. This preferential rate is applicable to vehicles that figure on the list of low-pollution vehicles compiled by the canton.

Asset management and investment

Synchrony LPP 40 SRI: This fund invests exclusively in assets (shares, bonds and investment funds) which are generally acknowledged as being sustainable or also socially responsible. These similar terms refer to a management approach where the need for financial performance is associated with respect for the environment and a set of human and ethical values.

Synchrony Small and mid caps CHF: This fund invests in the long term in around 25 second-tier Swiss securities (companies not listed on the SMI) selected on the basis of sustainability criteria. To be chosen, these companies must demonstrate a balance of above-average financial, social and environmental qualities.

These two Bank funds hold combined assets of CHF 120 million. With the other investment vehicles available, there are no less than CHF 0.8 billion under management in accordance with principles of sustainability.

Trade Finance

In a global trade finance context, internal documents used in support of decisions to grant credit or other banking services include environmental, social and governance criteria in the risk analysis and, particularly, in partner selection.

5. PERFORMANCE MONITORING AND CONCLUSION

Monitoring performance

All of the objectives relating to social and environmental responsibility, and the rules of good conduct in a variety of fields, are monitored and measured through the Bank's strict internal control system. Each hierarchical level must have full control of the critical factors within its sphere of action.

Conclusion

A vision of the future: Banque Cantonale de Genève intends to pursue its efforts aimed at fulfilling its undertaking to act responsibly towards the community and the environment. Its main priorities are the following:

- to offer a range of banking services which seek to incorporate ethical and ecological criteria in the best way possible;
- to optimise energy use;
- to support its clients in adopting electronic payments using BCGE Netbanking and the e-brokerage platform;
- to promote online banking (via the call centre and online advice);
- to support employees in their efforts to do their work while respecting natural resources;
- to promote wide-scale distribution of information using direct, instantaneous media and means of communication (events, the web, etc.);
- to develop tools and applications encouraging use of public transport by clients and employees (mobile banking, netbanking, e-trading, etc.).

In summary: This annual inventory of BCGE's social and environmental responsibility testifies to a well-established commitment aimed at respecting stakeholders. This systematic appraisal provides the framework for regular reporting, particularly in terms of new developments.

It helps to spread the "culture" of social and environmental responsibility by making the staff involved internally aware of the importance of proper management of all aspects of relationships with the stakeholders.

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The following report describes the management and supervisory principles of the BCGE Group. It is structured according to the corporate governance principle advocated by the Six Swiss Exchange (hereafter SIX) which applies to the year as at 31 December 2015 and uses the same numbering. Gaps in the numbering indicate that the corresponding paragraphs of the guidelines do not apply to BCGE.

1. GROUP STRUCTURE AND SHAREHOLDING

1.1 Group structure

1.1.1 Operating structure

Banque Cantonale de Genève (hereafter BCGE) is a limited company established by public law according to Article 763 of the Swiss Code of Obligations. It has the status of a cantonal bank as defined by the Federal Banking Act. The Bank was registered in the Geneva Trade Register on 17 December 1993 and conducts its business under the registered name of "Banque Cantonale de Genève SA". The registered office and management of the Bank are in Geneva. It operates branches and agencies. The Bank is listed on the SIX Swiss Exchange. The 1,479,174 bearer shares are listed. The market capitalisation is calculated on the basis of a price of CHF 260.75 as at 31.12.2015.

Stock number, bearer share	164,268
ISIN, bearer share	CH0001642682
Market capitalisation (31.12.2015)	CHF 939 million, registered ¹ and bearer shares CHF 386 million (exact amount CHF 385,694,621) bearer shares only

¹ The capitalisation of registered shares is calculated on the basis of a price of CHF 130.375 proportional to the bearer shares.

The organisation chart of the BCGE Group is on pages 26 and 27. The underlying principles of this organisation are as follows:

- Banque Cantonale de Genève is organised in five divisions led by members of the Executive Board of which the composition and responsibilities are described on pages 25, 82, 83 and 84;
- Coordination of the divisions and benefits from synergies applicable across all divisions are ensured on the one hand by the CEO and his staff and, on the other, by a matrix operating structure;
- The underlying operation of the above is reinforced by various committees which have been allocated major responsibilities or controls by the Executive Board. The principal committees are described in the table below:

Principal committees	Tasks	Chairman	Deputy chairman
Credit Committee	Decisions linked to credit business	Claude Bagnoud	Pierre-Olivier Fragnière
Investment Strategy Committee	Investment strategy	Constantino Cancela	Haroldo Jimenez
ALM Committee (Asset and Liability Management)	Conduct and control of financial policy, supervision of balance sheet management and rate and liquidity risks	Blaise Goetschin	Eric Bourgeois
Risk Committee	Analysis of strategic risks and monitoring of sensitive activities	Eric Bourgeois	Claude Bagnoud
IT Strategy Committee	IT strategy and monitoring of its implementation	Eric Bourgeois	Jean-Marc Joris
Credit Risk Commission (increased risks)	Decisions linked to non-performing loans (disputes, workout) as well as non-strategic financial investments	Philippe Marti	Raoul Monnay
Strategic Organisation Committee	Organisational strategy and monitoring of its implementation	Jean-Marc Joris	Jérôme Monnier

1.1.3 Scope of consolidation¹

The complete scope of consolidation includes, in particular, at 31 December 2015, these 100% subsidiary companies:

- Banque Cantonale de Genève (France) SA (www.bcgef.fr), Lyon, share capital EUR 20 million;
- Capital Transmission SA, Geneva, share capital CHF 2 million;
- Dimension SA, Lausanne, share capital CHF 300,000
- Dimension Corporate Finance SA, Geneva, share capital CHF 160,000
- Rhône Saône Courtage Sàrl, Lyon, share capital EUR 10,000.
- Rhône Saône Léman SNC, Lyon, share capital EUR 10,000.
- Swiss Public Finance Solutions SA, Geneva, share capital CHF 400,000.

1.2 Major shareholders

Information on the major shareholders known to BCGE as at 31 December 2015:

Major shareholders' equity interests

As at 31.12.2015

Shareholders	Bearer shares	A and B registered shares	Total votes	Bearer share CHF par value	Reg. share CHF par value	Total par value	% votes	% capital
Canton of Geneva	338,636	2,510,443	2,849,079	33,863,600	125,522,150	159,385,750	49.80%	44.27%
City of Geneva	147,270	1,208,106	1,355,376	14,727,000	60,405,300	75,132,300	23.69%	20.87%
44 Geneva municipalities	5,753	523,103	528,856	575,300	26,155,150	26,730,450	9.24%	7.43%
State of Geneva Pension Fund (CPEG) ¹	214,400	0	214,400	21,440,000	0	21,440,000	3.75%	5.96%
Total	706,059	4,241,652	4,947,711	70,605,900	212,082,600	282,688,500	86.49%	78.52%
Existing capital	1,479,174	4,241,652	5,720,826	147,917,400	212,082,600	360,000,000	100%	100%

The publication of acquisitions of equity stakes during the 2015 financial year can be consulted using the following link:

http://www.six-swiss-exchange.com/shares/companies/major_shareholders_fr.html?fromDate=19980101&issuer=3253

1.3 Cross holdings

The BCGE is not aware of the existence of any cross holdings exceeding 5% of the capital or of the totality of shares with voting rights.

2. CAPITAL STRUCTURE

2.1 Capital

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

2.2 Authorised or conditional capital

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

2.3 Changes in the share capital

No changes have been made to the share capital over the last three years.

2.4 Shares and participation certificates

The capital is composed of "A" and "B" registered shares and bearer shares making a total of 5,720,826 shares, all fully paid-up:

- 2,651,032 "A" registered shares, each with a par value of CHF 50;
- 1,590,620 "B" registered shares, each with a par value of CHF 50;
- 1,479,174 bearer shares, each with a par value of CHF 100.

The bearer shares are listed on the SIX Swiss Exchange. The registered shares are exclusively held by Geneva public authorities and are not listed.

Each share grants the right to one vote (one share – one vote) as well as a proportional part of the company's net profits and liquidation proceeds. Registered "B" shares entitle their holders to the same pecuniary rights as those associated with bearer shares.

There are no participation certificates.

2.5 Profit-sharing certificates

There are no profit-sharing certificates.

2.6 Transfer restrictions and registration of nominees

2.6.1 Transfer restrictions

The Constitution of the Canton of Geneva, Article 189, para. 2, states that the Canton and the Municipalities must hold the majority of the votes attaching to the Bank's share capital. Furthermore, registered shares are only transferable between public authorities. Additionally, each Municipality is obliged to keep at least 2,010 "A" registered shares, each with a par value of CHF 50 (Articles of Association, Art. 4, www.bcge.ch/statuts).

2.6.2 Reasons for granting exceptions

No exceptions are granted.

2.6.3 Registration of nominees

With regard to the registration of nominees this clause does not apply to BCGE.

2.6.4 Procedure

Restrictions on transfer can only be lifted by a change in the Law on the Banque Cantonale de Genève (LBCGE, www.bcge.ch/loi-bcge), subject to a referendum.

2.7 Convertible bonds and options

BCGE has not issued any convertible bonds or options.

¹ In accordance with the announcement made to SIX Swiss Exchange by CPEG on 8 January 2014.

3. BOARD OF DIRECTORS

3.1 Members¹

The Board of Directors is composed of 11 non-executive members. They are independent within the meaning of FINMA Circular 2008/24: Monitoring and Internal Control – Banks.



Jean-Pierre Roth
born 28 April 1946, Swiss.
Chairman, appointed by the State Council in 2010.

Doctorate in political science, with distinction in international economy, University of Geneva and honorary doctorate in economic science, University of Neuchâtel. Joined Swiss National Bank (SNB) in 1979, where he spent the greater part of his professional career. In 1996, the Swiss Federal Council appointed him to the post of deputy-chairman of the SNB governing board. In 2001, appointed Chairman of the Governing Board, which he remained until 2009. Also held several important posts, as a member and chairman of the Board of Directors of the Bank for International Settlements (BRI), Governor of the International Monetary Fund (IMF) for Switzerland, and Switzerland's representative in the Financial Stability Forum.



Josef Küttel
born 20 June 1952, Swiss.
Deputy chairman, elected in 2010 by the bearer shareholders. Member of the Risk and Strategy Committee.

After serving an apprenticeship with Swiss Federal Railways, Josef Küttel obtained the "KMU Diploma" (i.e. "Small and Medium Size Enterprise" Diploma) from the University of St. Gallen and completed the Senior Executive Programme at New York's Columbia Business School. He has some 40 years' experience in the transport sector, more specifically in technical and operational management of transport companies, particularly in the rail transport sector. From 1997 to 2012, he was CEO of the Ermewa Group in Geneva. Since 1 January 2013, he has been a member of the Board of Directors of Ermewa Holding, Puteaux, France (Vice-chairman).



Mourad Sekkiou
born 5 October 1957, Swiss, Algerian and French.
Secretary, appointed in 2006 by the Municipal Council of Geneva.

Admitted to the Geneva bar in 1987, holds a Master's in banking and finance law from Boston University as well as two degrees in Swiss and French law obtained from Geneva and Lausanne universities respectively. Attorney at the Geneva bar and a partner in chambers in Geneva, he is mainly active in the fields of banking and commercial law and in litigation.



Grégoire Carasso
born 12 September 1980, Swiss.
Member, appointed in 2014 by the Municipal Council of Geneva. Member of the Risk and Strategy Committee.

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



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

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

¹ No director

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



Fabienne Knapp

born 9 February 1965, Swiss.

Member, appointed by the State Council in 2006.
Member of the Control Committee.

Holder of a degree in computer engineering from EPFL as well as a Master's in banking and financial sciences from HEC in Lausanne. Has worked as a computer engineer and financial consultant in banking organisation and strategy and in risk management, notably for Sherwood Alliance, Reuters, André & Cie and Darier Hentsch.



Patrick Mage

born 31 July 1949, Swiss.

Member, appointed by the State Council in 2006.
Chairman of the Control Committee.

Trained in business and banking in Geneva, Zurich, London and in the US. Studied at business schools in the US and Switzerland. From 1982 to 2004, management positions in Geneva banks: until 1995 in the commercial department of Union Bank of Switzerland, in 1996 as general manager of Swiss Volksbank and from 1997 at Credit Suisse where he was on the regional management committee as head, successively, of corporate clients, branch network and wealth management.



Jean-Marc Mermoud

born 15 July 1955, Swiss.

Member, appointed in 2010 by the Association of Geneva Municipalities.
Member of the Risk and Strategy Committee.

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



Ton Schurink

born 12 May 1946, Swiss.

Member, elected in 2006 by the bearer shareholders.
Chairman of the Appointments and Remuneration Committee.

Holds a degree from the Nyenrode Business University and an Executive MBA from INSEAD (Fontainebleau). Specialist in commodities trading, financial products, maritime transport and financial arrangements linked to commercial and international financial operations. For more than 30 years he worked for Cargill in Amsterdam, Paris and Geneva. In 2001 he founded CFT Advisory Services, a management consultancy for risks in the area of international trading and international freight.



John Tracey

born 29 October 1950, Swiss and British.

Member, elected in 2010 by the bearer shareholders.
Member of the Appointments and Remuneration Committee.

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



Angela de Wolff

born 10 June 1968, Swiss.

Member, appointed by the State Council in 2010.
Chairwoman of the Risk and Strategy Committee.

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

3.2 Other activities and vested interests

Jean-Pierre Roth

Member of the Boards of Directors of Nestlé, Vevey; Swatch Group, Neuchâtel; Swiss Re, Zurich and MKS (Switzerland), Geneva.

Josef Kützel

Chairman of the Board of Directors of Kieswerk Untervaz AG, Untervaz (Grisons). Member of the Boards of Directors of BLS Cargo AG, Bern; BLS/BLS Netz AG, Bern; Griston Holding AG, Untervaz (Grisons); TT Club Mutual Insurance Ltd, London and TTB Bermuda.

Mourad Sekkiou

Member of the Boards of Directors of Actipart SA, Geneva; Roval SA, Geneva; Firad SA, Geneva and of Société d'Etudes de Placements et Finances SA (SEPF), Geneva.

Grégoire Carasso

Municipal councillor, Geneva. Member of the Boards of Directors of Carasso-Bossert SA, Satigny; Cafipro SA, Satigny and CPM Holding SA, Fribourg.

Gina Empson

Chair of the Board of Directors of ICS Corporate Services SA, Geneva. Member of the Board of Directors of Bruellan SA, Geneva; Genesis, Geneva. Founder and CEO of Swiss Labour Contractors Sàrl, Geneva.

Fabienne Knapp

Independent consultant.

Patrick Mage

Since retiring from the Credit Suisse Group (Switzerland) in 2004 he has worked as a consultant. Chairman of the Board of Directors of Hestia Constructions SA, Carouge.

Jean-Marc Mermoud

Associate of SNC Mistro et Cie, Property, Meyrin. Chairman of the Board of the Nelly Gyax Foundation, Pregny-Chambésy. Chairman of the Board of Directors of F. Simond, SA, Meyrin. Deputy chairman of the Board of Directors of CGN Belle Epoque SA, Lausanne. Member of the Boards of Directors of Groupe CGN SA and Transvoirie SA, Satigny.

Ton Schurink

Chairman of the Board of Directors of CFT Services & Partners SA, Carouge. Member of the Boards of Directors of Groupe Navemar SA, Fribourg and Oceana Shipping AG (of the Navemar Group), Coire (Grisons); Kernel Holding SA, Luxembourg; Amtrada Holding BV, Amsterdam and of CFT Trading FZ LLC, Dubai.

John Tracey

Deputy Vice-chairman of the Board of Directors of Genève Aéroport and Chairman of the strategy committee. Member of the Board of Directors of Swiss Land Estates SA, Geneva. Senior executive coach at I. J. Martin & Co Ltd., Zurich. Councillor with the Lancy Economic Council. Member of the Municipality of Coinsins Finance and Administration Committee. Member of the Board of the H. Dudley Wright Foundation, Geneva.

Angela de Wolff

Chairwoman of Conser Invest S.A., Geneva. Executive member of the Sustainable Finance Geneva association. Member of the Board of Swiss Sustainable Finance, Zurich. Member of the TBLI (Amsterdam) advisory board.

3.3 Ordinance against excessive pay awards

BCGE is not subject to the Ordinance against excessive pay awards in listed public limited liability companies.

3.4 Election and duration of appointments

The eleven directors are elected or appointed as follows:

- Registered shareholders:
 - five members appointed by the State Council, which elects the Chairman;
 - two members appointed by the City of Geneva;
 - one member appointed by the other Geneva municipalities.
- Bearer shareholders:
 - three members elected individually by the bearer shareholders at the General Meeting.

The duration of a director's appointment is four years, renewable twice. If the appointment is made during a term, the duration of the appointment is limited to the duration of the term. The appointment ends on the day of the General Meeting following the date on which a director has reached his/her seventieth birthday at the latest. The procedures for appointing and proposing candidates are governed by Article 11 of the Bank's Articles of Association¹ and Article 12 of the LBCGE².

¹ www.bcge.ch/statuts.

² Law on Banque Cantonale de Genève: www.bcge.ch/loi-bcge.

Director	Year first appointed	Year current mandate ends	Number of times reappointed	Renewable mandate
Jean-Pierre Roth	2010	2017	1	no
Josef Küttel	2010	2018	1	yes
Mourad Sekkiou	2006	2018	2	no
Grégoire Carasso	2014	2018	0	yes
Gina Empson	2014	2018	0	yes
Fabienne Knapp	2006	2018	2	no
Patrick Mage	2006	2018	2	no
Jean-Marc Mermoud	2010	2018	1	yes
Ton Schurink	2006	2017	2	no
John Tracey	2010	2018	1	yes
Angela de Wolff	2010	2018	1	yes

3.5 Internal organisation

3.5.1 Allocation of tasks within the Board of Directors

Chairman of the Board: Jean-Pierre Roth.

Deputy chairman of the Board: Josef Küttel

Secretary to the Board: Mourad Sekkiou.

3.5.2 Committees of the Board of Directors

Appointments and Remuneration Committee

The role of the Appointments and Remuneration Committee is to propose the appointment of the Chief Executive Officer, his/her Deputy and the members of the Executive Board and to give notice of senior management appointments. It gives notice of the remuneration of the Chief Internal Auditor as put forward by the Control Committee and proposes changes to the Regulations relating to remuneration of the members of the Board of Directors and the Executive Board. It is composed of three members of the Board of Directors: Ton Schurink, chair, John Tracey and Gina Empson, members. It meets when an appointment requires it to do so but at least once a year. In 2015, it met eight times.

Risk and Strategy Committee

The Risk and Strategy Committee studies the risk environment in which the Bank operates or intends to operate. It gives the Board of Directors prior notice of any important decision of a strategic nature or relating to identifying and managing risks. It is composed of four members of the Board of Directors: Angela de Wolff, chair, Josef Küttel, Jean-Marc Mermoud and Grégoire Carasso, members. In 2015, it met six times.

Control Committee

The Control Committee takes its powers and duties from Article 24 and subsequent of the Bank's Articles of Association¹. Among other things, the Control Committee aims to supervise compliance with the legal, statutory and regulatory provisions applicable to the Bank, as well as bank usages, and to ensure liaison and coordination between the Board of Directors, internal audit and the review body. It is made up of three members, two directors appointed by the Board of Directors and the third member appointed by the State Council. The member of the Control Committee appointed by the State Council cannot be a civil servant. He/she is subject to banking secrecy. Its members are Patrick Mage and Fabienne Knapp, both directors, and Alain Heck, appointed by the State Council. In principle, the Control Committee meets at least once a fortnight. In 2015, the Control Committee held 25 ordinary meetings.

¹ www.bcge.ch/statuts.

3.5.3 Working methods

The Board of Directors meets at least 15 times a year. In 2015, it met 15 times, with meetings lasting an average of 4 hours 20 minutes. The level of participation in these meetings was 94%. It is chaired by the Chairman of the Board of Directors or, in his/her absence, by the Deputy chairman or Secretary. It may hold extraordinary meetings if business so requires or at the request of four of its members or of the auditors. The Board can only make decisions if the majority of its members are present. Decisions are made by simple majority of the members present and the Chairman casts the deciding vote if there is a tie. Minutes are taken of each meeting, signed by the Chairman of the meeting and the Secretary and approved at the next meeting. The members of the Board of Directors must be able to consult files relating to the points placed on the agenda twenty-four hours before the meeting starts at the latest. The Chief Executive Officer or his/her replacement participates with a consultative vote in the meetings of the Board of Directors but does not take part in the votes or the elections. He/she may require the presence of other members of the Executive Board or third parties if he/she deems it necessary. In 2015, this was the case at each meeting of the Board of Directors. Should there be conflicts of interest, the members of the Board of Directors must decline to make any comment whenever they are directly or indirectly involved. It is the duty of the Secretary to give notice of the occurrence of a potential conflict of interest when dealing with a particular matter.

The Board of Directors can set up standing or ad hoc committees to study particular subjects. These committees have no decision-making authority and are responsible for reporting to the Board of Directors. The Chairman of the Board of Directors may attend committee meetings. In 2015, the Board had two standing committees: an Appointments and Remuneration Committee and a Risk and Strategy Committee.

3.6 Powers of the Board of Directors and the Executive Board

The powers and duties of the Board of Directors are defined in Article 16 of the Bank's Articles of Association¹ and in Article 12 of the LBCGE². In addition, management and organisational regulations dictate that the Board of Directors decides on:

1. strategic and financial plans;
2. the annual budget put forward by the Executive Board;
3. approval, with the Control Committee, of a three-year plan of the tasks to be carried out by the Internal Audit department to cover all controls deemed necessary; the decision of the Board of Directors being final;
4. the overall framework for limiting risk;
5. granting overall credit risk parameters, as well as granting loans which are within its powers;
6. risk-related policies, particularly regarding credit, rates, countries and insurance, put forward by the Executive Board; it reviews these policies as required by events;
7. information to be obtained in the risk control area;
8. the strategic framework for the Executive Board's role in setting lending rates and savings deposit rates;
9. the strategic framework for the Executive Board's role in cash management, foreign exchange, investments and share deposits as well as other securities;
10. the Bank's policy regarding property assets;
11. approval of any permanent acquisition or disposal of holdings;
12. acquisition and disposal of any capital equipment used by the Bank, of any holdings representing long-term financial investments as well as premises, unless otherwise stipulated in the Executive Board's powers as defined in article 18 ch. 3 of these regulations;
13. cancellation of debts, observance of out-of-court settlements, postponing debts or transfers of debts for amounts higher than CHF 2,000,000 or if the commitment was the subject of a decision by the Board of Directors;
14. the appointment within it of two directors as members of the Control Committee and the appointment of its Chairman;
15. the appointment of members of the Executive Board after prior notification by the Appointments and Remuneration Committee;
16. the appointment of members of the management and deputy members of the management after prior notification by the Appointments and Remuneration Committee;
17. the general policy relating to salaries and employee insurance;
18. the salaries and variable remuneration of the members of the Executive Board and members of the Internal Audit department;
19. periods of prohibition of the purchase and sale of shares in the Bank or other sensitive shares for staff and units during closed periods;
20. ratifying proposals for appointments of representatives of the Bank as directors of holdings included in the scope of consolidation;
21. the appointment of representatives of the employer within the Council of the staff pension fund on the proposal of the Executive Board.

¹ www.bcge.ch/statuts.

² Law on Banque Cantonale de Genève: www.bcge.ch/loi-bcge.

The powers and responsibilities of the Executive Board are defined in article 22 of the Bank's Articles of Association¹. Additionally, management and organisational regulations provide for the following duties:

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

Management and organisational regulations provide for powers to decide on:

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

11. regularly submitting to the Board of Directors reports on business development (financial statements, analyses, major transactions and events, etc.) and any other reports that may be requested by the Board;
12. preparing a quarterly list of all the major risks as defined by article 83 of the Federal Ordinance on share capital and risk sharing by banks and securities dealers, for the Board of Directors.

3.7 Information and control mechanisms

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

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

¹ www.bce.ch/statuts.

Internal audit

Internal audit is an independent unit of the Executive Board, reporting directly to the Board of Directors. It carries out regular controls on all the Bank's business and that of its subsidiaries and therefore has an unlimited right to information. Its organisation, its field of activity and its operations are governed by articles 29 and 30 of the Bank's Articles of Association¹ and by the Charter on Internal Audit approved by the Board of Directors.

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

The Head of Internal Audit establishes a three-year schedule based on risk-mapping reviewed on an annual basis which is coordinated with the audit firm and approved by the Board of Directors. Based on the activity plan and at the end of the work, the Internal Audit issues detailed reports relating to its audits to the Executive Board, the Control Committee and the Board of Directors, and produces half-yearly reports monitoring recommendations made and an annual activity report. Consisting of 9 auditors and one vacant position as at 31 December 2015, the Internal Audit is headed by Monique Seiss Baudry, who holds a Master's degree in economics from the University of Geneva, a certificate of advanced studies (CAS) in compliance management, a Certified Internal Auditor (CIA) diploma and Certification in Risk Management Assurance (CRMA) from the IIA.

Supervision and regular assessment of the Internal Audit is assigned to the Control Committee, which judges Internal Audit's performance annually, ensures that it has the necessary resources and appropriate skills and that it is performing its duties independently and objectively. Members of the Internal Audit team collectively possess vast professional experience and all the skills needed for the proper performance of their audit assignments.

4. EXECUTIVE BOARD

4.1 Members²

The Executive Board is made up of six members, chaired by Mr Blaise Goetschin. It is appointed for an indefinite period but its members are obliged to resign at the latest at the end of the calendar year during which they have reached the age of sixty-five.



Blaise Goetschin
born 1 September 1957, Swiss.
CEO.

Holds a degree in Business Management from the HEC/Lausanne University (1981). 1982, Senior auditor, PriceWaterhouse, Geneva. 1985, Deputy Vice President, Capital Markets, Credit Suisse, Zurich. 1988, Senior Vice President, CS Corporate Banking, New York. 1990, member of the Executive Board in charge of CS Corporate Finance in French-speaking Switzerland, Bern and Basel. 1993, Head CS Corporate Finance: private companies in Switzerland. 1995, head of Cantonal finance administration, Canton of Vaud. 1998, CEO of the Fiduciary Trust International Bank, Geneva, private banking and asset management, the Swiss subsidiary of the New York-based group. 1 October 2000, Chief Executive Officer of Banque Cantonale de Genève. A medal-winner in the financial industry category of the 2015 ranking of the best Swiss CEOs compiled by the Institut Obermatt.



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

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

¹ www.bce.ch/statuts.

² No member of the Executive Board

- has previously carried out other activities for BCGE or a Group company,
- has had permanent management or consultation functions for groups with major Swiss or foreign interests,
- holds an official position or a political mandate.



Claude Bagnoud
born 1 January 1964, Swiss and French.
Head of the Swiss Corporate & Institutional Clients
division.

A graduate of the Ecole Supérieure de Commerce de Genève and holder of a degree from IMD Lausanne, Executive Development Programme (1999). Claude Bagnoud began his professional career as an accountant with Geneva Industrial Services. In 1990, he joined the Commercial Lending department of the Banque Hypothécaire du Canton de Genève. He was a manager in 1991 and became head of the BCGE Commercial Lending department from 1994 to 1995. From 1996 to 1999, he was in charge of the real estate and commercial credit section for the general market. He was appointed to the management in 1996. He completed an internship in London in 1999. In 2000, he was section head in the Industries, Trade and Services department. In May 2001 he was appointed to the Executive Board, and is currently head of the Corporate and Institutional Clients Division.



Jérôme Monnier
born 4 March 1973, French.
Head of the Geneva Private Clients & Family
Businesses division.

Holds a Master's degree from the University of Lyon I, an Institut technique de banque (ITB) diploma and an executive MBA from HEC, Paris. From 1996, business manager then senior business manager in charge of major corporate clients at Banque Cantonale de Genève (France) in Lyon. From 2003 to 2010, in the Banque Cantonale de Genève in Geneva, head of the French Corporate department then, in 2010, of the Swiss Corporate department. From 2010 to July 2011, head of the Swiss and French Corporate business unit. In July 2011, he became a member of the BCGE Executive Board responsible for the Private Clients and Family Businesses division.



Pierre-Olivier Fragnière
born 4 June 1958, Swiss.
Head of the International Corporate
& Private Banking division.

Holds a Federal Bank Employee Certificate, management – accountancy option, a diploma from the Ecole Professionnelle Commerciale and a diploma from the Ecole de Banque et de Cadres UBS. From 1981 to 1985, deputy head of the Documentary Credit business at BNP, Geneva. From 1986 to 1988, head of operations at Gatoil, Geneva, a group engaged in oil trading, refining and distribution in Switzerland and internationally. From 1988 to 1990, as a specialist in the oil business, account manager

for BBL, Geneva. From 1990 to 2000, he worked at BNP Geneva, and from 1996, was in charge of developing new markets in Eastern Europe, Asia and Africa, and was promoted to management in the context of this business activity. In 2000, he joined Banque Cantonale de Genève, with responsibility for creating and developing a unit specialising in international trade finance; head of the Global Commodity Finance business unit. In March 2011, he was appointed to the Executive Board with responsibility for the International Clients division.



Jean-Marc Joris
born 10 September 1968, Belgian.
Head of Organisation, Technology
& Operations division.

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

4.2 Other activities and vested interests

Blaise Goetschin Chairman of the Boards of Directors of the Mortgage Bond Centre of the Swiss cantonal banks, Zurich; Capital Transmission SA, Geneva, Dimension Corporate Finance SA, Geneva, and Dimension SA, Lausanne. Chairman of the Supervisory Board at Banque Cantonale de Genève (France) SA, Lyon. Deputy chairman of the Higher Institute for Training in Banking in Geneva. Committee member of the Board of the Union of Swiss Cantonal Banks, Basel. Member of the Boards of Directors of the Swiss Bankers Association, Basel and of Investissements Fonciers SA, Lausanne. Member of the Boards of the Professional Pension Fund of the Banque Cantonale de Genève; the Geneva Financial Centre Foundation and the Fondation H. Dudley Wright, Geneva. Member of the committees of the Geneva Association for Property Owners and the Société d'Etudes Economiques et Sociales, Lausanne.

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

Claude Bagnoud Deputy chairman of the Board of the Fondation Industrielle La Gravière, Lancy. Deputy chairman of the Supervisory Boards of Compagnie Foncière Franco-Suisse SAS, Lyon and of Compagnie Foncière du Saint Gothard SAS, Puteaux, France. Member of the Board of Directors of Dimension Corporate Finance SA, Geneva, and of Dimension SA, Lausanne. Chairman of the Supervisory Board of Banque Cantonale de Genève (France) SA, Lyon. Member of the Board of the Geneva Chamber of Commerce and Industry (CCIG). Member of the Technical Commission of the Union of Geneva Employers' Associations (UAPG).

Jérôme Monnier Member of the Board of Directors of Compagnie Foncière Franco-Suisse SAS, Lyon and of Compagnie Foncière du Saint Gothard SAS, Puteaux, France.

Jean-Marc Joris Member of the Board of the Fondation Immobilière Patrimoine, Geneva.

4.4 Service contracts

BCGE outsources its main IT operations to Swisscom, Bern.

A framework collaboration agreement with detailed annexes, compliant with the FINMA 2008/7 circular on bank outsourcing, governs relations between the Bank and its service providers, together with detailed addenda governing the relationship between the Bank and the service provider. It provides the Bank with its main IT services such as operation, maintenance and hosting of banking systems, management of its pool of PCs and servers, user support and IT and telephone network management.

The contracts signed with Swisscom are valid until 2020. These contracts cover hosting services and third-party application maintenance. The latter have been in place since 1 October 2010. In 2015, BCGE paid Swisscom a total of CHF 18.5 million for its IT services.

Management of the telephone network has also been entrusted to Swisscom until 2021. The services under all these contracts amounted to CHF 2.2 million for network infrastructure (LAN, MAN, WAN) and telecommunications costs (fixed and mobile telephony, system for sending SMS for netbanking), this amount consisting of operating, support and maintenance costs.

Banque Cantonale de Genève also outsources its main payment and securities management operations to Swisscom. The contracts for these operations are renewable on a year-to-year basis. Swisscom's services within the framework of these contracts amounted to CHF 3.6 million.

5. REMUNERATION, PARTICIPATION AND LOANS

5.1 Contents and procedure for setting remuneration and participation programmes

Remuneration of the Board of Directors

Regulations relating to the BCGE Board of Directors' remuneration fall under the Board's authority; they were approved by the Board on 17 September 2010 and took retroactive effect on 1 July 2010.

Remuneration of members of the Board of Directors is based on their workload, their duties, market practices and those of the cantonal banks. Directors benefit from no preferential terms for BCGE services and are not members of its Professional Pension Plan.

Fixed remuneration of the Board of Directors

In remuneration for their work on behalf of the Board of Directors and its committees, BCGE Directors receive fixed annual compensation plus compensation for their office. The Board can also decide to compensate specific assignments undertaken by its members or to bring in external experts; it has an annual budget of CHF 50,000 available for this purpose. In 2015, the Board did not make use of this supplementary budget.

Directors, like staff, enjoy the benefit of two share option schemes. After three years' service, Directors receive shares each year (from two to four shares). They can also obtain two free shares once a year by purchasing two others at their market price.

Variable remuneration of the Board of Directors

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

Remuneration policy for all employees

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

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

The amount of variable remuneration is decided by the Board of Directors each year at year-end closing. It includes an amount for individual variable remuneration and, potentially, an additional amount if results for the current year show strong growth compared with the three previous years. Part of the variable amount, the proportion of which may be as much as 50%, can be distributed as shares in the event of an additional budget being available. These shares are subject to a five to ten-year moratorium.

In certain business areas, such as private banking, trade finance or retail banking, partly or wholly mathematically-based variable remuneration models have been implemented. They were developed by taking the following main criteria into account: defence of clients' interests, recognition of individual or collective expertise, correlation between variable remuneration and the Bank's income, competitiveness and loyalty.

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

No external consultant was used with regard to the introduction of remuneration policies. Furthermore, the Bank co-operates on this subject with the other cantonal banks via its Human Resources department.

Share option schemes for all employees

All of the Bank's employees, including members of the Executive Board, benefit from four share option schemes giving them the ability to align their personal financial interests with those of the Bank. These plans provide for the free or conditional granting of BCGE shares subject to a five to ten-year moratorium on sale. The shares are acquired at market prices through share option schemes and the moratorium is lifted in the event of an employment contract ending.

BCGE share option schemes are as follows:

- ordinary variable remuneration or exceptional bonuses above CHF 3,000 increased through the acquisition of shares on preferential terms and distribution of a portion of the variable remuneration as shares in the event of an additional budget being available;
- automatic allocation of free shares in line with period of service;
- option of receiving free shares as a loyalty bonus instead of other benefits, after ten years' service;
- option of receiving a limited number of free shares when purchasing shares.

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

Principles of the Executive Board's remuneration

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

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

The contracts of employment of members of the Executive Board stipulate 12 months' notice of termination.

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

Fixed remuneration of the Executive Board

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

Variable remuneration of the Executive Board

Variable remuneration of members of the Executive Board rewards exceptional individual or collective performance over and above their basic duties. The overall budget for the Executive Board's variable remuneration is determined by the Board of Directors. The Board of Directors makes its decision with reference to a model assessing the Bank's performance, based on profitability, productivity, competitiveness and risk control criteria. The overall budget for variable remuneration is then shared among the Executive Directors based on the degree to which their individual objectives and their division's performance are achieved. In addition, in the event of the Bank's results being particularly positive, the Executive Board receives an additional one-off budget, 50% of which is paid in the form of Bank shares subject to a five-year moratorium. This budget is used if the operating results for the year under review are higher than the average of two out of the three previous years, which was the case in 2015. Total compensation for members of the Executive Board may therefore vary significantly depending on whether or not the additional budget is allocated.

Both overall and as a trend, the variable component of the Executive Board's remuneration should not exceed the fixed component. In 2015, variable remuneration including share option schemes, represented between 43% and 165% of fixed remuneration.

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

Members of the Executive Board, like the Bank's other employees, benefit from the four share option schemes described above.

5.3 Transparency

For details of fixed and variable compensation paid, of benefits under share option schemes, employer contributions paid to the Professional Pension Fund and loans granted to members of the Board of Directors, to members of the Executive Board and the Chief Executive Officer, see pages 139 and 140, point 5.22 of the notes to the parent company accounts.

6. SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 Limitation and representation of voting rights

There are no limitations on voting rights, nor any clause in the Articles of Association that provide for the granting of exceptions to institutional representatives.

6.2 Quorum

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

6.3 Convening of General Meetings

The General Meeting is held annually within six months of the end of the financial year. An Extraordinary General Meeting may be convened as often as necessary, particularly by one or more shareholders representing at least one tenth of the share capital, by indicating their objective. If necessary, the Independent Auditor may also convene an Extraordinary General Meeting. The General Meeting must be convened by the Board of Directors at least 20 days in advance by placing a notice in the *Feuille d'avis officielle de la République et canton de Genève* and in the *Feuille officielle suisse du commerce*.

6.4 Agenda items

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

6.5 Share registration

A and B registered shares are not listed. They are held exclusively by public authorities.

7. TAKING CONTROL AND DEFENSIVE MEASURES

There is no opting-out, opting-up clause in the Articles of Association, nor provisions for taking control.

8. INDEPENDENT AUDITOR

At the annual Shareholders' Meeting of 22 April 2015, the mandate of the Bank's independent auditor, Deloitte SA, was renewed for 2015.

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

The mandate of the independent auditor, which commenced on 1 January 2001, is renewed each year by the General Meeting. The auditor-in-charge, in accordance with the legal provisions applicable to banks, is Myriam Meissner, acting in this role since 1 January 2013.

8.2 Independent auditors' fees

These independent auditors' fees are paid to Deloitte in Switzerland.

	31.12.2015	31.12.2014
Audit of BCGE Group	620,000	637,800
<i>of which BCGE only</i>	<i>601,000</i>	<i>618,800</i>

8.3 Additional fees

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

	31.12.2015	31.12.2014
Audit of BCGE Group	103,000	103,000
<i>of which BCGE only</i>	<i>103,000</i>	<i>103,000</i>

Additional fees amounting to CHF 75,000, not connected with the audit, were paid in 2015 to Deloitte in Switzerland (146,000 in 2014).

8.4 Information on control and monitoring of independent auditors

In 2015, the auditor was asked to attend (part-time) three meetings of the entire Board of Directors and fourteen meetings with the Control Committee. These meetings related to the planning and presentation of work linked to auditing the BCGE Group.

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

The independent auditors are selected based on three criteria: reputation, no incompatibility with the Bank, and fees. Evaluation of additional services unconnected with the audit is made using the same criteria. An additional criterion is the potential for economies of scale, when the supplier of additional services and the auditor are from the same entity.

9. INFORMATION POLICY

The Board of Directors expresses its views through its Chairman. The Chief Executive Officer is the official spokesperson of the Bank. He delegates the management of information to the Communications and Investor Relations department. The head of this department is directly subordinate to him.

Shareholders, clients and the public can access relevant information on the BCGE Group using our website www.bcge.ch and our mobile app. Shareholders are invited to address their questions to the Board of Directors or to the Executive Board, particularly by using the actionnaires@bcge.ch e-mail address. Press releases are distributed according to news events and needs.

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

Channels	Languages	Form / addressee	URL / email address	Timetable
Annual report	F	Printed/internet	www.bcge.ch/rapport-annuel	24 March 2016
	En	Printed/internet	www.bcge.ch/annual-report	27 May 2016
Annual General Meeting	F	Shareholders and guests	–	26 April 2016
Website	F/En	Investors	www.bcge.ch	permanent
Financial information (push and pull link)	F/En	Internet or written request	www.bcge.ch/contact-investisseur www.bcge.ch/investors-contact	permanent
Press conference on annual and half-yearly results	F	Verbal/internet	www.bcge.ch/resultat-financier-bcge www.bcge.ch/financial-results	1 March/ 9 August 2016
Press releases	F/D ¹ /En ¹	Published and electronic media mainly Swiss/internet	www.bcge.ch/resultat-financier-bcge www.bcge.ch/financial-results	occasional
Mailboxes	F	Email	actionnaires@bcge.ch communication@bcge.ch presse@bcge.ch	permanent
<i>Dialogue</i> magazine	F	Printed/internet	www.bcge.ch/dialogue	3 times a year
Institutional publications	F/En	Printed/internet	www.bcge.ch/publications www.bcge.ch/publications-bcge	regular

¹ In certain cases.

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2015 consolidated financial statements and details

BCGE Group

Report of the Statutory Auditor

To the General Meeting of
Banque Cantonale de Genève, Geneva

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements (pages 94 to 122) of Banque Cantonale de Genève, which comprise the consolidated balance sheet, consolidated income statement, consolidated statement of cash flows, statement of equity and notes to the consolidated financial statements, for the year ended December 31, 2015.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles as set out in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2015 give a fair view of the patrimony, of the financial position and of the results according to the Swiss law and the consolidation and valuation principles as set out in the notes.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

Deloitte SA


Myriam Meissner
Licensed Audit Expert
Auditor in Charge


Thierry Aubertin
Licensed Audit Expert

Geneva, February 25, 2016
MME/THA/adi

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¹ Numbering in accordance with Annex 5 of the *Accounting rules for banks, securities dealers, financial groups and conglomerates (ARB)*

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Details on the balance sheet items and off-balance-sheet transactions

Consolidated

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	Notes	31.12.2015 in CHF 1,000	31.12.2014 in CHF 1,000	Change in CHF 1,000
ASSETS				
Liquid assets	5.23	3,417,235	881,665	2,535,570
Amounts due from banks	5.23	349,460	596,908	-247,448
Amounts due from securities financing transactions	5.23	199,660	99,000	100,660
Amounts due from customers	5.23	3,745,110	4,047,935	-302,825
Mortgage loans	5.23	9,966,068	9,503,574	462,494
Trading portfolio assets	5.03	71,246	52,206	19,040
Positive replacement values of derivative financial instruments	5.04	22,930	30,662	-7,732
Financial investments	5.05	1,856,245	1,722,694	133,551
Accrued income and prepaid expenses		29,578	25,179	4,399
Participations	5.06	25,972	24,898	1,074
Tangible fixed assets	5.08	136,846	144,188	-7,342
Other assets	5.10	195,861	207,884	-12,023
Total assets		20,016,211	17,336,793	2,679,418
Total subordinated claims		6,563	3,574	2,989
<i>of which subject to mandatory conversion and/or debt waiver</i>		<i>2,040</i>	<i>1,800</i>	<i>240</i>
LIABILITIES				
Amounts due to banks	5.23	1,907,096	1,013,989	893,107
Liabilities from securities financing transactions	5.23	747,977	634,095	113,882
Amounts due in respect of customer deposits	5.23	12,732,334	11,651,512	1,080,822
Trading portfolio liabilities	5.03	624	5,797	-5,173
Negative replacement values of derivative financial instruments	5.04	25,674	84,354	-58,680
Cash bonds	5.23	8,523	11,837	-3,314
Bond issues and central mortgage institution loans	5.15	2,959,144	2,570,100	389,044
Accrued expenses and deferred income		66,393	49,347	17,046
Other liabilities	5.10	237,109	52,763	184,346
Provisions	5.16	12,144	27,478	-15,334
Reserves for general banking risks	5.16	150,000	120,000	30,000
Bank's capital	5.17	360,000	360,000	-
Statutory capital reserve		312,781	312,240	541
Statutory retained earnings reserve		448,859	394,304	54,555
Own shares		-12,071	-13,993	1,922
Currency translation reserve		-18,587	-13,185	-5,402
Profit/loss (result of the period)		78,211	76,155	2,056
Total liabilities		20,016,211	17,336,793	2,679,418
Total subordinated liabilities	5.15	307,430	304,100	3,330
<i>of which subject to mandatory conversion and/or debt waiver</i>	5.15	<i>109,940</i>	<i>106,555</i>	<i>3,385</i>
OFF-BALANCE-SHEET TRANSACTIONS				
Contingent liabilities	5.28	488,314	654,400	-166,086
Irrevocable commitments	5.02	500,930	462,439	38,491
Obligations to pay up shares and make further contributions	5.02	62,538	49,625	12,913
Credit commitments	5.28	29,310	109,155	-79,845

Details on the income statement items

Consolidated

	Notes	31.12.2015 in CHF 1,000	31.12.2014 in CHF 1,000	Change in CHF 1,000
RESULT FROM INTEREST OPERATIONS				
Interest and discount income	5.33	248,363	273,513	-25,150
Interest and dividend income from trading portfolios		360	16	344
Interest and dividend income from financial investments		22,369	16,315	6,054
Interest expense		-61,212	-83,708	22,496
Gross result from interest operations		209,880	206,136	3,744
Changes in value adjustments for default risks and losses from interest operations		-11,059	-12,198	1,139
Subtotal net result from interest operations		198,821	193,938	4,883
RESULT FROM COMMISSION BUSINESS AND SERVICES				
Commission income from securities trading and investment activities		41,444	45,716	-4,272
Commission income from lending activities		27,504	31,686	-4,182
Commission income from other services		37,031	37,402	-371
Commission expense		-5,207	-5,149	-58
Subtotal result from commission business and services		100,772	109,655	-8,883
Result from trading activities and the fair value option	5.32	28,013	27,108	905
OTHER RESULT FROM ORDINARY ACTIVITIES				
Result from the disposal of financial investments		10,807	7,709	3,098
Income from participations		2,437	3,221	-784
Result from real estate		1,081	1,012	69
Other ordinary income		7,353	7,346	7
Other ordinary expenses		-2,075	-433	-1,642
Subtotal other result from ordinary activities		19,603	18,855	748
OPERATING EXPENSES				
Personnel expenses	5.34	-129,074	-124,120	-4,954
General and administrative expenses	5.35	-82,322	-84,361	2,039
Subtotal operating expenses		-211,396	-208,481	-2,915
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	5.36	-15,729	-19,009	3,280
Changes to provisions and other value adjustments, and losses	5.36	9,915	-6,638	16,553
Operating result		129,999	115,428	14,571
Extraordinary income	5.36	146	275	-129
Extraordinary expenses	5.36	-58	-5,263	5,205
Change in reserves for general banking risks	5.36	-30,000	-15,000	-15,000
Taxes	5.39	-21,876	-19,285	-2,591
Profit/loss (result of the period)		78,211	76,155	2,056

Presentation of the cash flow statement

Consolidated

(in CHF 1,000)	2015		2014	
	Cash inflow	Cash outflow	Cash inflow	Cash outflow
Cash flow from operating activities (internal financing):				
- Result of the period	78,211	–	76,155	–
- Changes in reserves for general banking risks	30,000	–	15,000	–
- Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	15,729	–	19,009	–
- Provisions and other value adjustments	–	15,334	2,502	–
- Accrued income and prepaid expenses	–	4,399	–	3,535
- Accrued expenses and deferred income	17,046	–	–	274
- Other items	196,369	–	15,472	–
- Previous year's dividend	–	18,000	–	16,200
- Special allocation to the State of Geneva	–	3,600	–	3,240
Subtotal	–	296,022	–	104,889
Cash flow from shareholders' equity transactions:				
- Recognised in reserves	–	4,861	–	1,091
- Change in own equity securities	1,922	–	1,913	–
Subtotal	2,939	–	–	822
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets:				
- Participations	–	1,074	2,558	–
- Real estate	–	–	–	106
- Other tangible fixed assets	–	7,105	–	3,295
- Intangible assets	–	1,282	–	–
Subtotal	9,461	–	843	–
Cash flow from banking operations:				
Medium and long-term business (greater than 1 year):				
- Amounts due in respect of customer deposits	–	3,069	–	1,294
- Cash bonds	–	3,314	–	3,395
- Bonds	237,151	–	–	14,603
- Central mortgage institution loans	151,893	–	32,048	–
- Amounts due from banks	–	277	–	–
- Amounts due from customers	–	81,871	55,283	–
- Mortgage loans	–	462,494	–	184,440
- Financial investments	–	75,557	–	306,189
Short-term business:				
- Amounts due to banks	893,107	–	414,001	–
- Liabilities from securities financing transactions	113,882	–	323,156	–
- Amounts due in respect of customer deposits	1,083,891	–	–	57,068
- Trading portfolio liabilities	–	5,173	–	–
- Negative replacement values for derivative financial instruments	–	58,680	–	57,426
- Amounts due from banks	247,725	–	–	409,846
- Amounts due from securities financing transactions	–	100,660	–	32,175
- Amounts due from customers	384,696	–	–	266,570
- Trading portfolio assets	–	19,040	–	2,004
- Positive replacement values of derivative financial instruments	7,732	–	56,096	–
- Financial investments	–	57,994	–	139,550
Liquidity				
- Liquid assets	–	2,535,570	489,108	–
Subtotal	283,622	–	104,868	–
Total balances	296,022	296,022	105,711	105,711

Presentation of the statement of changes in equity

Consolidated

in CHF 1,000

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	Bank's capital	Capital reserve	Retained earnings reserve	Reserves for general banking risks	Currency translation reserve	Own shares (negative item)	Result of the period	TOTAL
Equity at start of current period	360,000	312,240	470,459	120,000	-13,185	-13,993		1,235,521
Acquisition of own shares						-4,476		-4,476
Disposal of own shares						6,650		6,650
Profit (loss) on disposal of own shares		252				-252		-
Currency translation differences					-5,402			-5,402
Dividends and other distribution		289	-18,000					-17,711
Special allocation to the State of Geneva (20% of the dividend paid)			-3,600					-3,600
Other allocations to (transfers from) the reserves for general banking risks				30,000				30,000
Profit/loss (result of the period)							78,211	78,211
Equity at end of current period	360,000	312,781	448,859	150,000	-18,587	-12,071	78,211	1,319,193

1. REGISTERED NAME, LEGAL FORM, REGISTERED OFFICE AND GOAL

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

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

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

The Bank intends to develop its business despite the uncertain Swiss and international financial environment. It is building on the diversity of its skills and the alignment of its business model with the specific features of Geneva's economy.

Activity Report

The business part of the activity report is included in the Financial Summary of Business. The Bank publishes its capital adequacy information in the document entitled *Exigences de publication liées aux fonds propres* (Publishing requirements in respect of capital), in accordance with the Basel III credit risk requirements and applies the standard Swiss approach to credit risk and the standard approach to market risk and operational risk.

The Group employed 773 people as of 31 December 2015; 720.5 when converted to full-time equivalents (710.4 in 2014). The average headcount in 2015 was 765.8, or 713.2 in terms of full-time equivalents.

The Bank's strategy is to outsource its operations in order to concentrate on high value-added client business. Outsourcing relationships are governed by service level agreements (SLAs), in compliance with the FINMA 2008/7 circular on bank outsourcing. The contracts with Swisscom concern mainly money transfer and securities operations — enabling a quality of service comparable with that offered by the best Swiss banking institutions —, operation of the central IT system, the hosting thereof, data storage, the printing and sending of bulk documents and the maintenance of certain items of infrastructure.

There were several extraordinary events in 2015. Together with the other cantonal banks, the Bank sold its minority shareholding in Swisssanto to Zürcher Kantonalbank, which generated a capital gain of CHF 7.7 million, and received a special dividend payment of CHF 6.4 million from Six Group. The Bank is developing its consultancy corporate services offering, having purchased the company Dimension SA.

No significant events have occurred since year-end.

Agreements with the majority shareholder

Article 34 fig. 5 of the Bank's Articles of Association, adopted by the General Meeting of 3 May 2005, formalises the repayment of loans granted by the State of Geneva to the Fondation de valorisation of the Banque Cantonale de Genève at the start of the previous decade. The Bank makes repayments pro rata to the dividends distributed to shareholders (20% of the dividends paid). Following the Fondation's dissolution, the State Council, in accordance with the decree of 21 October 2011, set the remaining amount of the loans to be repaid by the Bank at CHF 370,661,634 on 31 December 2009. For the 2015 financial year, an amount of CHF 3.96 million will be paid once the Board of Directors' proposed dividend is adopted by the General Meeting. As a result, a total amount of CHF 25.2 million will have been repaid since 2009, thus bringing repayments made by the Bank to a total of CHF 52.637 million since the Bank's consolidation in 2000.

2. ACCOUNTING AND VALUATION PRINCIPLES

Terms of reference

The consolidated accounts of the Banque Cantonale de Genève Group comply with the Swiss Code of Obligations, the Federal Banking Act and its executive ordinance and FINMA Circular 2015/1 on accounting rules for banks (ARB). The Group accounts have been prepared according to the true and fair view principle.

Closing date for the consolidated accounts

The accounts are closed on 31 December of each year.

Scope of consolidation

Companies whose consolidation is significant to the Group have been included in these financial statements. Dimension SA and Dimension Corporate Finance SA have been included within the scope of consolidation of the year in question.

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

Total assets	in CHF 1,000
Banque Cantonale de Genève SA, Geneva	19,939,076
Capital Transmission SA, Geneva	25,793
Investissements Fonciers SA, Lausanne	21,901
Dimension Corporate Finance SA, Geneva	1,099
Dimension SA, Lausanne	884
Swiss Public Finance Solutions SA, Geneva	369
Banque Cantonale de Genève (France) SA, Lyon	583,829
Compagnie Foncière du Saint Gothard SAS, Puteaux	31,541
Compagnie Foncière Franco-Suisse SAS, Lyon	26,298
Rhône Saône Léman SNC, Lyon	793
Rhône Saône Courtage Sàrl, Lyon	52

Consolidation process

• Share capital consolidation

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

• Goodwill

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

• Intercompany transactions

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

• Treatment of currency conversion differences

Income statement and balance sheet items, outside capital and fixed asset depreciation of entities domiciled outside Switzerland that are recorded in foreign currencies are converted into Swiss francs at the rate applying at year-end. Income statement items relating to these entities, other than fixed asset depreciation, are converted into CHF at the year's average twelve-month closing rate. The equity of these entities is converted at the average historical rates of each balance sheet item. The resulting conversion differences are directly accounted for in equity under "Currency translation reserve".

Valuation methods

The consolidated financial statements are based on the Group companies' individual annual financial statements using uniform accounting principles and valuation methods. Adjustments to conform to the "true and fair view" are generally made to own shares and bonds by deducting the corresponding liabilities. The accounts for the previous year may, if necessary, be subject to modification for comparison purposes.

Recording dates

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

Currencies, banknotes and precious metals

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

Main currencies	Currency units	Rate at 31.12.2015	Rate at 31.12.2014
US dollar	1	0.9966	0.9900
Euro	1	1.0852	1.2025
Pound sterling	1	1.4769	1.5435
Yen	100	0.8281	0.8283

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

Liquid assets

Liquid assets are reported on the balance sheet at its face value.

Due from and due to banks, customers and mortgage loans

Receivables and liabilities are recorded at their face values. Collateral is valued prudently, systematically and periodically, applying uniform principles and based, in most cases, on a market value. The Bank values real estate using an expert system (based on a hedonic approach), either using internal valuations for unusual or luxury properties, or, for rental properties, discounted future cash flows.

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

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

Due from/liabilities from securities financing operations

Due from/liabilities operations resulting from securities financing operations or formerly repurchase and reverse repurchase agreements are recorded on the books as follows:

- sums in cash that are transacted are recorded on the balance sheet,
- the transfer of securities is not recorded on the balance sheet as long as the seller retains the rights to them,
- the subsequent transfer of received securities is entered on the balance sheet. The subsequent transfer of received securities is entered on the balance sheet as a non-monetary liability at market value.

Trading portfolio

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

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

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

Financial investments

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

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

Tangible fixed assets

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

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

Tax

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

Positive and negative replacement values of derivative financial instruments

Positions in financial instruments open at year-end are reported at their market values under the "Positive/negative replacement value of derivative financial instruments" items and are recorded in line with the original intention of the operations, i.e.:

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

Reserves for general banking risks

The reserves for general banking risks are precautionary reserves accumulated by making extraordinary charges to cover general business risks. These reserves are taxed.

Modification of general accounting and valuation principles

The accounting and evaluation principles of BCGE Group were modified on 1 January 2015 in accordance with the new FINMA Circular 2015/1 on bank accounting: *Accounting rules for banks, securities dealers, financial groups and conglomerates* (ARB). These modifications are for the most part concerned with adaptations to balance sheet and income statement structure. In line with the true and fair view principle, the end-of-year financial statements of BCGE Group include figures from the previous year which have been restated in line with the new standards.

The main balance sheet changes are as follows:

- the "Money-market instruments" item has been eliminated and these receivables have been included in "Due from banks" or "Due from customers", according to the client category,
- the positive/negative replacement values of financial derivatives, which were included in the "Other assets" or "Other liabilities" items have been included as separate balance sheet items,
- the Bank has introduced netting of financial derivative positions with cash guaranteed in the context of credit support annexes (CSA),
- own shares are included (negatively) on the liabilities side of the balance sheet and are henceforward included in equity.

The main changes in the income statement are as follows:

- changes in value adjustments for default risks and losses from interest operations have been included as an item under "Result from interest operations" to obtain "Net result from interest operations".
- "Change in reserves for general banking risks" is no longer included in "Extraordinary income/expenses" but has its own item.

3. RISK CONTROL

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

The Board of Directors carries out an annual analysis of the Group's principal risks. This analysis takes account of the existing internal control system, the Risk Control department, internal and external audit work and the Executive Board's reports.

Basic principles

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

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

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

BCGE belongs in the "category 3" created by the FINMA (2011/2) circular, notably with a balance sheet in excess of CHF 15 billion. FINMA has set the threshold for this category at 12% of equity capital coverage. Consolidated equity capital coverage was 14.37% as at 31 December 2015 (13.97% in 2014), with the common equity tier 1 ratio (CET1 and AT1) standing at 13.36% (12.59% in 2014).

Consolidated supervision

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

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

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

Types of risks

• Counterparty risks

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

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

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

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

Ratings are allocated to borrowers by an expert rating system (10 grades from A+ to E-) and are updated by dedicated systems. Ratings F to I for at-risk business are calculated by the Bank using its credit regulation criteria. New rating models are provided by a system used jointly by around 12 cantonal banks and other large financial institutions. A significant drop in ratings triggers a risk-assessment process, and if necessary, the setting up of provisions and the transfer of the case to the Workout unit or the Debt Recovery department.

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

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

- **Risk concentration**

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

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

- **Market risks**

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

Market risk control requires that open positions must be identified, measured and controlled. Evaluation of the trading portfolio and supervision of limits are carried out on a single system, allowing risks incurred to be evaluated without delay and a report to be produced on a daily basis. An independent department is tasked with permanently monitoring the Trading Room transactions, compliance with limits and stop-loss. Connection to the centralised risk-control IT system also offers synchronised reports on capital requirements for these trading transactions. The Bank has a policy of maintaining low exposure to market risks in commodities trading. In addition, the ALM Committee meets on a monthly basis. The Committee oversees management of the Bank's balance sheet in the light of potential changes in the business and financial market situation and other parameters. The ALM Committee monitors all financial risks.

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

- **Rate risks**

Rate risks are those risks arising from fluctuations in the value of non-trading portfolio positions as a result of changes in interest rates. The policy on interest-rate risks is approved by the Board of Directors, which delegates operational management to the Executive Board. In compliance with legal requirements, the ALM Committee analyses the effects of rate fluctuations on income (short-term) and on value (long-term) and manages them within the limits defined by the Board of Directors.

- **Exchange rate risks**

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

- **Liquidity risks**

Loan limits for other banks are tightly controlled in response to increased risks. Investments in money markets have largely been replaced by investments of the repurchase agreement type. With great prudence, and with repo operations being continued, money market business is conducted with a number of partner banks, in compliance with strict limits. BCGE is pursuing its highly prudent approach by maintaining plentiful liquidity.

- **Share-price risks**

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

- **Operating risks**

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

- **Compliance risks**

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

- **Legal risks**

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

- **Other risks**

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

Business policy on the use of derivative financial instruments

The Bank uses financial derivatives to protect itself, in particular, from interest rate changes. These hedging operations, which come under the heading of hedge accounting, are decided as part of asset and liability management and are evaluated in a manner corresponding to the hedged operation. In the case of operations recorded on the balance sheet at nominal value, the replacement value of the financial derivatives is offset under the corresponding headings.

- **Economic relationship between underlying and hedging transactions**

When a hedging transaction is concluded, the economic relationship is established between the financial instrument and the relevant underlying transaction. The valuation of positions develops inversely in order to reduce exposure. In particular, the documentation states the risk management objectives and strategy of the hedging transaction as well as the effectiveness assessment method. The economic relationship between the underlying and hedging transactions is regularly assessed prospectively.

- **Measurement of hedging effectiveness**

The effectiveness of hedging is measured by using the underlying operation or the macro-hedging of the portfolio as a whole and is re-examined regularly. Transactions where the hedging relationship is no longer effective or only partially so are attributed to trading income. No lack of effectiveness was seen in 2015.

Details on the individual items in the notes to consolidated financial statements

5.01 Breakdown of securities financing transactions (assets and liabilities) (in CHF 1,000)	31.12.2015	31.12.2014
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions	199,660	99,000
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions	747,977	634,095
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements <i>with unrestricted right to resell or pledge</i>	747,055 747,055	628,002 628,002
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or repledge	199,275	98,939
<i>of which, repledged securities</i>	–	–
<i>of which, resold securities</i>	–	–

5.02 Presentation of collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables (in CHF 1,000)	TYPE OF COLLATERAL			
	Secured by mortgage	Other collateral	Unsecured	Total
Loans (before netting with value adjustments)				
Amounts due from customers	652,439	355,629	2,853,389	3,861,457
Mortgage loans	9,968,515	–	–	9,968,515
<i>Residential property</i>	7,918,238	–	–	7,918,238
<i>Office and business premises</i>	1,386,434	–	–	1,386,434
<i>Commercial and industrial premises</i>	428,483	–	–	428,483
<i>Other</i>	235,360	–	–	235,360
Total loans (before netting with value adjustments)				
31.12.2015	10,620,954	355,629	2,853,389	13,829,972
31.12.2014	10,093,263	385,013	3,222,066	13,700,342
Total loans (after netting with value adjustments)				
31.12.2015	10,618,507	355,629	2,737,042	13,711,178
31.12.2014	10,090,971	385,013	3,075,525	13,551,509
Off-balance-sheet				
Contingent liabilities	–	100	488,214	488,314
Irrevocable commitments	–	–	500,930	500,930
Obligations to pay up shares and make further contributions	–	–	62,538	62,538
Credit commitments	–	–	29,310	29,310
Total off-balance-sheet				
31.12.2015	–	100	1,080,992	1,081,092
31.12.2014	115,530	44,887	1,115,202	1,275,619
Impaired loans / receivables		Estimated liquidation value		Individual value
	Gross debt amount	of collateral	Net debt amount	adjustments
31.12.2015	239,724	122,390	117,334	110,155
31.12.2014	211,377	91,810	119,567	115,574

Non-performing loans which are not impaired are not included in the "Impaired loans/receivables" table.

5.03 Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities) (in CHF 1,000)

Assets	31.12.2015	31.12.2014
Trading portfolio assets		
Debt securities, money market securities/transactions <i>of which, listed</i>	34,206 34,206	8,218 8,218
Equity securities	643	619
Precious metals and commodities	35,594	40,651
Other trading portfolio assets	803	2,718
Total assets	71,246	52,206
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	1,083	–
Liabilities	31.12.2015	31.12.2014
Trading portfolio liabilities		
Equity securities	4	1
Other trading portfolio liabilities	620	5,796
Total liabilities	624	5,797

5.04 Presentation of derivative financial instruments (assets and liabilities)

(in CHF 1,000)	TRADING INSTRUMENTS			HEDGING INSTRUMENTS		
	Positive	Negative	Contract	Positive	Negative	Contract
	replacement	replacement		replacement	replacement	
	values	values	volume	values	values	volume
Interest rate instruments						
Forward contracts including FRAs ¹	378	9,613	49,468	–	–	–
Swaps	9,461	–	100,447	28,403	182,369	4,928,056
Options (OTC ²)	459	458	38,348	135	–	86,935
Options (exchange-traded)	–	–	–	–	–	–
Foreign exchange/ precious metals						
Forward contracts	75,518	21,875	3,179,741	–	–	–
Combined interest rate/currency swaps	–	–	–	6,404	–	99,660
Total before netting agreements						
31.12.2015	85,816	31,946	3,368,004	34,942	182,369	5,114,651
31.12.2014	16,100	23,494	1,617,047	14,562	213,885	4,431,790

	Positive replacement values (cumulative)	Negative replacement values (cumulative)
Total after netting agreements		
31.12.2015	22,930	25,674
31.12.2014	30,662	84,354

Breakdown by counterparty	Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreements)	–	10,484	12,446

¹ Forward rate agreement.

² Over the counter.

5.05 Breakdown of financial investments (in CHF 1,000)

	Book value		Fair value	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Debt securities	1,775,877	1,645,119	1,813,999	1,681,271
<i>of which, intended to be held to maturity</i>	1,221,661	1,213,261	1,256,551	1,246,169
<i>of which, not intended to be held to maturity</i>	554,216	431,858	557,448	435,102
Equity securities	73,526	77,524	97,722	132,102
<i>of which, qualified participations¹</i>	1,475	1,656	3,002	3,426
Precious metals	31	31	31	31
Real estate	6,811	20	6,811	20
Total	1,856,245	1,722,694	1,918,563	1,813,424
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	1,396,857	1,587,201	–	–

¹ At least 10% of capital or votes.

Breakdown of counterparties by rating²

	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated
Debt securities						
Book values	1,581,172	179,271	15,434	–	–	–

² In accordance with S&P ratings.

5.06 Presentation of participations (in CHF 1,000)

	2015							Book value as at end of current year	Market value
	Acquisition cost	Accumulated value adjustments and changes in book value (valuation using the equity method)	Book value at previous year-end	Reclassifications	Additions	Disposals	Changes in book value in the case of participations valued using the equity method / depreciation reversals		
Participations valued using the equity method									
without market value	17,154	7,744	24,898	-421	2,469	–	-974	25,972	–
Total participations	17,154	7,744	24,898	-421	2,469	–	-974	25,972	–

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

Company name and domicile	Business activity		Company capital	Share of capital	Share of votes	Held	Held
			(in 1,000s)	(%)	(in %)	directly	indirectly
Full consolidation							
Banque Cantonale de Genève (France) SA, Lyon	Bank	EUR	20,000	100	100	X	
Rhône Saône Courtage Sàrl, Lyon	Real estate brokerage	EUR	10	100	100		X
Rhône Saône Léman SNC, Lyon	Real estate company	EUR	10	100	100		X
Capital Transmission SA, Geneva	Investments	CHF	2,000	100	100	X	
Dimension Corporate Finance SA, Geneva	Transfer of assets	CHF	160	100	100	X	
Dimension SA, Lausanne	Valuing and selling companies	CHF	300	100	100		X
Swiss Public Finance Solutions SA, Geneva	Financial advice	CHF	400	100	100	X	
Integration by the equity method							
Compagnie Foncière Franco-Suisse SAS, Lyon	Real estate transactions	EUR	2,088	33.3	33.3		X
Compagnie Foncière du Saint Gothard SAS, Puteaux	Real estate transactions	EUR	12,075	33.3	33.3	X	
Investissements Fonciers SA, Lausanne	Institutional asset management	CHF	1,000	42.0	42.0	X	

5.08 Presentation of tangible fixed assets (in CHF 1,000)

	2015						
	Acquisition cost	Accumulated depreciation	Book value	Additions	Disposals	Depreciation	Book value
			at previous year-end				as at end of current year
Bank buildings	134,444	-25,170	109,274	-	-	-5,617	103,657
Other real estate	21,801	-5,928	15,873	-	-	-727	15,146
Proprietary or separately acquired software	32,857	-25,412	7,445	2,167	-	-2,829	6,783
Other tangible fixed assets	37,234	-26,538	10,696	5,818	-880	-4,374	11,260
Tangible assets acquired under financial leases:	6,000	-5,100	900	-	-	-900	-
<i>of which, other tangible fixed assets</i>	<i>6,000</i>	<i>-5,100</i>	<i>900</i>	<i>-</i>	<i>-</i>	<i>-900</i>	<i>-</i>
Total tangible fixed assets	232,336	-88,148	144,188	7,985	-880	-14,447	136,846

5.09 Presentation of intangible assets (in CHF 1,000)

	2015						
	Cost value	Accumulated amortisation	Book value	Additions	Disposals	Amortisation	Book value
			at previous year-end				as at end of current year
Goodwill	-	-	-	1,282	-	-1,282	-
Total intangible assets	-	-	-	1,282	-	-1,282	-

5.10 Breakdown of other assets and other liabilities (in CHF 1,000)

	Other assets		Other liabilities	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Compensation account	126,444	176,250	–	–
Issuing/borrowing costs of bonds and mortgage-backed bonds ¹ to be depreciated	3,675	3,937	–	–
Spread of penalties for early loan repayments	–	–	10,074	9,375
Federal Tax Administration	10,358	9,797	6,194	7,543
Spread of gains on derivative instruments	47,199	–	9,551	9,060
Spread on securities using accrual method	–	–	820	451
Securities and coupons	–	–	162	223
Operation of continuous linked settlement system under way	–	–	201,690	–
Others	8,185	17,900	8,618	26,111
Total	195,861	207,884	237,109	52,763

5.11 Disclosure of assets pledged or assigned to secure own commitments**and of assets under reservation of ownership** (in CHF 1,000)**Pledged/assigned assets**

	Book values	Effective commitments
Swiss National Bank	104,000	–
SIX Swiss Exchange (Swiss electronic stock exchange)	26,160	–
Euroclear	2,000	–
Central mortgage institution of the Swiss cantonal banks: <i>nominal value of mortgage securities kept separately</i>	4,794,681	2,418,000

5.12 Disclosure of liabilities relating to own pension schemes

	Number		Value (in CHF 1,000)	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
As custodian bank	–	–	23,802	23,463
BCGE shares held by the Foundation	15,000	15,000	3,911	3,212

¹ With the Central mortgage institution of the Swiss cantonal banks.

5.13 Disclosures on the economic situation of own pension schemes (in CHF 1,000)

a) Employer contribution reserves (ECR)

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

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

	'Overfunding/ underfunding at end of current year	Economic interest of the bank/financial group		Change in economic interest (economic benefit/ obligation) versus previous year	Contributions paid for the current period	Pension expenses in personnel expenses					
		31.12.2015	31.12.2014			31.12.2015	31.12.2014				
		Pension schemes with overfunding	38,562			–	–	–	13,375	13,375	12,742

¹ The Pension Fund's audited annual accounts as at 31st December 2015 are not available. The surplus is based on the audited financial statements as at 31st December 2014.

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

5.14 Presentation of issued structured products

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

5.15 Presentation of bonds outstanding and mandatory convertible bonds (in CHF 1,000)

		2015					
		Amounts				Book value	
		Weighted	Amounts		Own	in the	
		average	issued	Amounts	bonds	balance	
		interest rate	in foreign	issued	held	sheet	
		Maturities	currencies	in CHF			
USD loan issued on 23/06/2015	Non-subordinated	1.375%	23.06.17	100,000	99,660	-15,946	83,714
CHF loan issued on 10/06/2015	Non-subordinated	0.500%	10.06.24	–	150,000	–	150,000
Subordinated CHF loan issued on 07/11/2011	Subordinated without PONV ¹ clause	3.125%	07.11.18	–	200,000	-2,510	197,490
Perpetual AT1-type CHF loan issued on 18/06/2014	Subordinated with PONV ¹ clause	2.875%	N/A	–	110,000	-60	109,940
Total			–	–	559,660	-18,516	541,144
	Total Non-subordinated	0.849%			249,660	-15,946	233,714
	Total Subordinated						
	without PONV ¹ clause	3.125%			200,000	-2,510	197,490
	Total Subordinated						
	with PONV ¹ clause	2.875%			110,000	-60	109,940
Total		2.061%	–	–	559,660	-18,516	541,144

¹ Point of non-viability (PONV).

Overview of maturities of bonds outstanding

		2015						
		More than	More than	More than	More			
		1 year and	2 years	3 years	4 years	than		
		less than	and less	and less	and less	than		
		1 year	than	than	than	than		
		2 years	3 years	4 years	5 years	5 years	Total	
Bonds (nominal)		–	99,660	200,000	–	–	260,000	559,660
Bonds (according to the balance sheet)		–	83,714	197,490	–	–	259,940	541,144
	Amount							
Loans from central mortgage institution								2,418,000

5.16 Presentation of value adjustments and provisions, reserves for general banking risks and changes therein during the current year (in CHF 1,000)

	Use in			Past due interest, recoveries	New		Balance at current year-end
	Previous year-end	conformity with designated purpose	Currency differences		charged to income	Releases to income	
Provisions for default risks	1,678	–	-129	–	–	-318	1,231
Provisions for other business risks	563	-951	–	–	1,051	–	663
Other provisions	25,237	-4,233	9	31	6,765	-17,559	10,250
Total provisions	27,478	-5,184	-120	31	7,816	-17,877	12,144
Reserves for general banking risks	120,000	–	–	–	30,000	–	150,000
Value adjustments for default and country risks	146,541	-22,134	-1,424	4,351	26,890	-13,482	140,742
<i>of which, value adjustments for default risks in respect of impaired loans/receivables</i>	<i>124,873</i>	<i>-20,112</i>	<i>-1,379</i>	<i>4,351</i>	<i>21,915</i>	<i>-10,854</i>	<i>118,794</i>
<i>of which, value adjustments for latent risks</i>	<i>21,668</i>	<i>-2,022</i>	<i>-45</i>	<i>–</i>	<i>4,975</i>	<i>-2,628</i>	<i>21,948</i>

5.17 Presentation of the Bank's capital (in CHF 1,000)

	31.12.2015			31.12.2014		
	Total par value	Number of shares	Capital eligible for dividend	Total par value	Number of shares	Capital eligible for dividend
Bank's capital						
"A" registered shares	132,552	2,651,032	132,552	132,552	2,651,032	132,552
"B" registered shares	79,531	1,590,620	79,531	79,531	1,590,620	79,531
Bearer shares	147,917	1,479,174	147,917	147,917	1,479,174	147,917
Share capital	360,000	5,720,826	360,000	360,000	5,720,826	360,000
<i>of which, paid up</i>	<i>360,000</i>	<i>5,720,826</i>	<i>360,000</i>	<i>360,000</i>	<i>5,720,826</i>	<i>360,000</i>
Total bank's capital	360,000	5,720,826	360,000	360,000	5,720,826	360,000

The Bank did not have conditional capital or authorised capital as at 31.12.2015.

5.18 Number and value of equity securities or options on equity securities held by all executives and directors and by employees, and disclosures of any employee participation schemes (in CHF 1,000)

	Number		Value	
	Equity securities		Equity securities	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Members of the Board of Directors	954	926	249	198
Members of executive bodies	16,215	13,738	4,228	2,941
Employees	60,997	*	15,905	*
Total	78,166	14,664	20,382	3,140

* Pursuant to the transitional provisions, the figures from the preceding year presenting new data with regard to FINMA circular 15/1 are not shown.

The general contractual conditions are explained in point 5 of 'Shareholder information and corporate governance'.

5.19 Disclosure of amounts due

from/to related parties (in CHF 1,000)	Amounts due from		Amounts due to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Holders of qualified participations	187,582	251,479	66,317	28,998
Group companies	4,244	3,541	725	1,954
Linked companies	1,420,095	1,157,646	240,557	55,189
Transactions with members of governing bodies	3,973	5,482	6,558	6,402
Other related parties	–	–	23,802	20,251

Amounts due from linked companies mainly comprise mortgages to property development foundations created under public law of the State of Geneva. Amounts due to linked companies mainly comprise the current accounts of these foundations created under public law.

Loans to members of governing bodies of the Bank are mainly mortgage loans granted to directors and members of the the senior management. Members of senior management benefit from the same conditions as those granted to the bank's employees.

Loans and liabilities in respect of qualifying persons noted at the foot of the balance sheet result from banking transactions executed at conditions granted to public authorities.

Finally, the Bank paid CHF 1.6 million to the State of Geneva as remuneration for the guarantee on saving deposits (CHF 1.6 million in 2014).

5.20 Disclosure of holders of significant participations	31.12.2015		31.12.2014	
	Nominal	% of equity	Nominal	% of equity
Registered shares with voting rights				
State of Geneva	125,522,150	34.87	125,522,150	34.87
City of Geneva	60,405,300	16.78	60,405,300	16.78
44 Geneva municipalities	26,155,150	7.27	26,155,150	7.27
Bearer shares with voting rights				
State of Geneva	33,863,600	9.41	33,863,600	9.41
City of Geneva	14,727,000	4.09	14,727,000	4.09
CPEG — State of Geneva Pension Fund	21,440,000	5.96	21,440,000	5.96
Various shareholders	77,886,800	21.62	77,886,800	21.62
Without voting rights	–	–	–	–

As at 31 December 2015, the State of Geneva held 44.27% of the Bank's share capital (registered and bearer shares) and exercises 49.80% of the voting rights.

5.21 Disclosure of own shares and composition of equity capital

Own shares

BCGE bearer shares	Situation as at 1 January 2015	60,745
	Purchases	18,306
	Sales	27,764
	Situation as at 31 December 2015	51,287
Average transaction price (average market value) in CHF		241.5
Bearer shares held by its pension fund		15,000

5.22 Disclosures in accordance with the Ordinance against Excessive Compensation with respect to Listed Stock Corporations² and Article 663c para. 3 CO for banks whose equity securities are listed

See page 139.

¹ According to the announcement made to SIX Swiss Exchange by the CPEG on 8 January 2014.

² See the *Recueil systématique de la Confédération*, code 221.331.

5.23 Presentation of the maturity structure of financial instruments (in CHF 1,000)	Due							
	At sight	Cancellable	Within 3 months	Within 3 to 12 months	Within 12 months to 5 years	After 5 years	No maturity	Total
Assets / financial instruments								
Liquid assets	3,417,235							3,417,235
Amounts due from banks	122,771	–	165,406	61,006	277	–	–	349,460
Amounts due from securities financing transactions	–	–	199,660	–	–	–	–	199,660
Amounts due from customers	578,540	130,588	953,745	286,168	950,231	845,838	–	3,745,110
Mortgage loans	–	1,701,141	598,898	651,108	3,106,467	3,908,454	–	9,966,068
Trading portfolio assets	70,460	–	–	786	–	–	–	71,246
Positive replacement values of derivative financial instruments	22,930	–	–	–	–	–	–	22,930
Financial investments	31,766	–	96,103	203,135	966,226	552,221	6,794	1,856,245
Total								
31.12.2015	4,243,702	1,831,729	2,013,812	1,202,203	5,023,201	5,306,513	6,794	19,627,954
31.12.2014	2,043,582	1,617,196	2,498,380	1,253,892	5,216,772	4,294,541	10,281	16,934,644
Debt capital / financial instruments								
Amounts due to banks	468,559	3,133	1,090,401	345,003	–	–	–	1,907,096
Liabilities from securities financing transactions	–	–	384,970	363,007	–	–	–	747,977
Amounts due in respect of customer deposits	7,438,534	4,924,001	316,796	52,976	27	–	–	12,732,334
Trading portfolio liabilities	624	–	–	–	–	–	–	624
Negative replacement values of derivative financial instruments	25,674	–	–	–	–	–	–	25,674
Cash bonds	–	–	1,091	2,006	4,826	600	–	8,523
Bond issues and central mortgage institution loans	–	–	117,000	50,000	1,203,204	1,588,940	–	2,959,144
Total								
31.12.2015	7,933,391	4,927,134	1,910,258	812,992	1,208,057	1,589,540	–	18,381,372
31.12.2014	11,802,683	–	1,426,729	439,733	1,087,534	1,215,005	–	15,971,684

5.24 Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle (in CHF 1,000)	2015		2014	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	3,401,079	16,156	870,408	11,257
Amounts due from banks	146,773	202,687	118,808	478,100
Amounts due from securities financing transactions	199,660	–	49,500	49,500
Amounts due from customers	2,419,952	1,325,158	2,594,781	1,453,154
Mortgage loans	9,587,334	378,734	9,132,354	371,220
Trading portfolio assets	38,057	33,189	44,993	7,213
Positive replacement values of derivative financial instruments	14,392	8,538	30,662	–
Financial investments	1,347,110	509,135	1,379,192	343,502
Accrued income and prepaid expenses	27,567	2,011	21,863	3,316
Participations	8,930	17,042	9,456	15,442
Tangible fixed assets	135,877	969	143,453	735
Other assets	195,034	827	206,910	974
Total assets	17,521,765	2,494,446	14,602,380	2,734,413
Liabilities				
Amounts due to banks	849,249	1,057,847	838,541	175,448
Liabilities from securities financing transactions	269,609	478,368	634,095	–
Amounts due in respect of customer deposits	10,566,614	2,165,720	9,567,680	2,083,832
Trading portfolio liabilities	624	–	5,797	–
Negative replacement values of derivative financial instruments	17,004	8,670	84,354	–
Cash bonds	8,523	–	11,837	–
Bond issues and central mortgage institution loans	2,959,144	–	2,570,100	–
Accrued expenses and deferred income	64,881	1,512	47,522	1,825
Other liabilities	235,022	2,087	51,049	1,714
Provisions	12,084	60	27,478	–
Reserves for general banking risks	150,000	–	120,000	–
Bank's capital	360,000	–	360,000	–
Capital reserve	312,781	–	312,240	–
Retained earnings reserve	448,859	–	394,304	–
Own shares	-12,071	–	-13,993	–
Currency translation reserve	-18,587	–	-13,185	–
Profit/loss (result of the period)	78,211	–	76,155	–
Total liabilities	16,301,947	3,714,264	15,073,974	2,262,819

5.25 Breakdown of total assets by country or group of countries (domicile principle) (in CHF 1,000)	2015		2014	
	Absolute	Share as %	Absolute	Share as %
Assets				
Europe				
• France	1,346,607	6.7	1,416,813	8.2
• Luxembourg	140,454	0.7	90,237	0.5
• Germany	134,519	0.7	129,869	0.7
• United Kingdom	106,116	0.5	160,053	0.9
• Other European countries	245,226	1.2	370,711	2.1
United States	70,179	0.4	15,262	0.1
Others	451,345	2.3	551,468	3.2
Assets held abroad	2,494,446	12.5	2,734,413	15.8
Switzerland	17,521,765	87.5	14,602,380	84.2
Total assets	20,016,211	100	17,336,793	100

5.26 Breakdown of total assets by credit rating of country groups (risk domicile view) (in CHF 1,000)	Net foreign exposure/ current year-end	
	in CHF	Share as %
Rating category (SERV)		
0/HI	2,184,982	87.6
1	12	0.0
2	134,047	5.4
3	19,157	0.8
4	40,563	1.6
5 and 6	59,376	2.4
7	13,898	0.6
Unrated	42,411	1.7
Total	2,494,446	100

SERV rating recognised by FINMA (Swiss insurance against export risks).

5.27 Presentation of assets and liabilities broken down by the most significant currencies for the Bank (in CHF 1,000)

	Currencies					
	CHF	EUR	USD	GBP	OTHER	METALS
Assets						
Liquid assets	3,356,044	55,147	3,243	1,207	1,594	–
Amounts due from banks	71,538	48,276	174,825	3,542	17,408	33,871
Amounts due from securities financing transactions	100,000	–	99,660	–	–	–
Amounts due from customers	2,036,800	1,025,230	652,098	6,901	24,081	–
Mortgage loans	9,848,169	112,468	5,431	–	–	–
Trading portfolio assets	2,446	32,706	483	11	5	35,595
Positive replacement values of derivative financial instruments	22,930	–	–	–	–	–
Financial investments	1,443,517	368,007	44,721	–	–	–
Accrued income and prepaid expenses	27,521	2,057	–	–	–	–
Participations	14,925	11,047	–	–	–	–
Tangible fixed assets	135,877	969	–	–	–	–
Other assets	188,075	5,361	1	935	1,489	–
Total assets shown in balance sheet	17,247,842	1,661,268	980,462	12,596	44,577	69,466
Delivery entitlements from spot exchange, forward forex and forex options transactions	519,203	791,616	1,863,873	71,005	38,045	–
TOTAL ASSETS	17,767,045	2,452,884	2,844,335	83,601	82,622	69,466
Liabilities						
Amounts due to banks	175,545	771,690	913,815	3,195	5,093	37,758
Liabilities from securities financing transactions	50,000	199,677	498,300	–	–	–
Amounts due in respect of customer deposits	10,873,729	944,688	799,026	53,488	29,979	31,424
Trading portfolio liabilities	320	300	4	–	–	–
Negative replacement values of derivative financial instruments	25,674	–	–	–	–	–
Cash bonds	8,523	–	–	–	–	–
Bond issues and central mortgage institution loans	2,875,430	–	83,714	–	–	–
Accrued expenses and deferred income	64,821	1,572	–	–	–	–
Other liabilities	207,624	4,405	25,078	2	–	–
Provisions	12,084	60	–	–	–	–
Reserves for general banking risks	150,000	–	–	–	–	–
Bank's capital	360,000	–	–	–	–	–
Capital reserve	312,781	–	–	–	–	–
Retained earnings reserve	448,859	–	–	–	–	–
Own shares	-12,071	–	–	–	–	–
Currency translation reserve	-18,587	–	–	–	–	–
Profit/loss (result of the period)	78,211	–	–	–	–	–
Total liabilities shown in the balance sheet	15,612,943	1,922,392	2,319,937	56,685	35,072	69,182
Delivery obligations from spot exchange, forward forex and forex options transactions	2,156,143	476,658	522,631	26,658	46,305	–
TOTAL LIABILITIES	17,769,086	2,399,050	2,842,568	83,343	81,377	69,182
NET POSITION PER CURRENCY	-2,041	53,834	1,767	258	1,245	284

5.28 Breakdown and explanation of contingent assets and liabilities (in CHF 1,000)	2015	2014
Guarantees to secure credits and similar	77,114	91,010
Irrevocable commitments arising from documentary letters of credit	384,751	561,191
Other contingent liabilities	26,449	2,199
Total contingent liabilities	488,314	654,400

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

5.29 Breakdown of credit commitments (in CHF 1,000)	2015	2014
Commitments arising from deferred payments	29,310	109,155
Total credit commitments	29,310	109,155

5.30 Breakdown of fiduciary transactions (in CHF 1,000)	2015	2014
Fiduciary investments with third-party companies	10,531	6,424
Total fiduciary transactions	10,531	6,424

5.31 Breakdown of managed assets and presentation of their development

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

5.32 Breakdown of the result from trading activities and the fair value option (in CHF 1,000)	2015	2014
Result from trading activities		
Interest rate instruments (including funds)	890	933
Equity securities (including funds)	103	-468
Foreign currencies	26,598	25,313
Commodities/precious metals	422	1,330
Total result from trading activities	28,013	27,108
<i>of which, from fair value option</i>	<i>28,013</i>	<i>27,108</i>
<i>of which, from fair value option on assets</i>	<i>28,013</i>	<i>27,108</i>

5.33 Disclosure of material refinancing income in the item *Interest and discount income* well as material negative interest (in CHF 1,000)

Mortgage-backed bonds from Central mortgage institution of the Swiss cantonal banks and borrowings by the Bank which represent long-term finance represent a total interest amount of CHF 55.3 million for a total lending and borrowing amount of CHF 2,959 million.

5.34 Breakdown of personnel expenses (in CHF 1,000)	2015	2014
Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits)	100,443	97,586
<i>of which, expenses relating to share-based compensation and alternative forms of variable compensation</i>	3,056	*
Social insurance benefits	25,089	23,581
Other personnel expenses	3,542	2,953
Total personnel expenses	129,074	124,120

* Pursuant to the transitional provisions, the figures from the preceding year presenting new data with regard to FINMA circular 15/1 are not shown.

5.35 Breakdown of general and administrative expenses (in CHF 1,000)	2015	2014
Office space expenses	9,428	10,077
Expenses for information and communications technology	30,711	30,904
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	442	348
Fees of audit firm(s)	1,176	1,010
<i>– of which, for financial and regulatory audits</i>	1,050	1,010
<i>– of which, for other services</i>	126	*
Other operating expenses	40,565	42,022
<i>– of which, compensation for any cantonal guarantee</i>	1,602	1,712
Total other operating expenses	82,322	84,361

* Pursuant to the transitional provisions, the figures from the preceding year presenting new data with regard to FINMA circular 15/1 are not shown.

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

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

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

The Bank has not revalued its participations or tangible assets.

5.38 Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment (in CHF 1,000)

	2015		2014	
	Switzerland	Abroad	Switzerland	Abroad
Result from interest operations				
Interest and discount income	235,341	13,022	260,642	12,871
Interest and dividend income from trading portfolios	360	–	16	–
Interest and dividend income from financial investments	22,368	1	16,315	–
Interest expense	-61,144	-68	-83,708	–
Gross result from interest operations	196,925	12,955	193,265	12,871
Changes in value adjustments for default risks and losses from interest operations	-10,053	-1,006	-10,776	-1,422
Subtotal net result from interest operations	186,872	11,949	182,489	11,449
Result from commission business and services				
Commission income from securities trading and investment activities	40,384	1,060	44,708	1,008
Commission income from lending activities	24,443	3,061	28,218	3,468
Commission income from other services	35,925	1,106	36,159	1,243
Commission expense	-5,202	-5	-5,139	-10
Subtotal result from commission business and services	95,550	5,222	103,946	5,709
Result from trading activities and the fair value option	28,013	–	27,108	–
Other result from ordinary activities				
Result from the disposal of financial investments	10,807	–	7,709	–
Income from participations	1,453	984	2,381	840
Result from real estate	1,081	–	1,012	–
Other ordinary income	7,353	–	7,317	29
Other ordinary expenses	-2,075	–	-433	–
Subtotal other result from ordinary activities	18,619	984	17,986	869
Operating expenses				
Personnel expenses	-123,037	-6,037	-118,586	-5,534
General and administrative expenses	-78,906	-3,416	-79,797	-4,564
Subtotal operating expenses	-201,943	-9,453	-198,383	-10,098
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	-15,423	-306	-18,735	-274
Changes to provisions and other value adjustments, and losses	10,039	-124	-6,681	43
Operating result	121,727	8,272	107,730	7,698

5.39 Presentation of current taxes, deferred taxes, and disclosure of tax rate (in CHF 1,000)

	Rate in %	2015	2014
Current tax			
Banque Cantonale de Genève	20.8%	19,056	16,752
Banque Cantonale de Genève (France) SA	32.8%	2,441	2,108
Capital Transmission SA	31.4%	280	227
Dimension SA	24.9%	49	N/A
Deferred taxes	32.8%	50	198
		21,876	19,285

The other Group companies do not have a tax item.

5.40 Disclosures and explanations of the earnings per equity security in the case of listed banks

This note is presented at statutory level only. See Note 5.40 to the parent company financial statements and details.

2015 financial statements and details

Parent company

Report of the Statutory Auditor

To the General Meeting of
Banque Cantonale de Genève, Geneva

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements (pages 128 à 148) of Banque Cantonale de Genève, which comprise the balance sheet, the income statement, statement of changes in equity and notes for the year ended December 31, 2015.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2015 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte SA



Myriam Meissner
Licensed Audit Expert
Auditor in Charge



Thierry Aubertin
Licensed Audit Expert

Geneva, February 25, 2016
MME/THA/adi

2015 financial statements and details

Parent company

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¹ Numbering in accordance with Annex 5 of the *Accounting rules for banks, securities dealers, financial groups and conglomerates (ARB)*

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Details on the balance sheet items and off-balance-sheet transactions

Parent company

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	Notes	31.12.2015 in CHF 1,000	31.12.2014 in CHF 1,000	Change in CHF 1,000
ASSETS				
Liquid assets	5.23	3,412,298	879,940	2,532,358
Amounts due from banks	5.23	812,983	1,174,009	-361,026
Amounts due from securities financing transactions	5.23	199,660	99,000	100,660
Amounts due from customers	5.23	3,175,889	3,418,649	-242,760
Mortgage loans	5.23	9,966,068	9,503,574	462,494
Trading portfolio assets	5.03	70,460	52,206	18,254
Positive replacement values of derivative financial instruments	5.04	22,930	30,662	-7,732
Financial investments	5.05	1,846,994	1,712,434	134,560
Accrued income and prepaid expenses		27,137	21,147	5,990
Participations	5.06	73,675	73,057	618
Tangible fixed assets	5.08	135,867	143,885	-8,018
Other assets	5.10	195,115	206,845	-11,730
Total assets		19,939,076	17,315,408	2,623,668
Total subordinated claims		17,958	16,308	1,650
<i>of which are subject to mandatory conversion and/or debt waiver</i>		<i>2,040</i>	<i>1,800</i>	<i>240</i>
LIABILITIES				
Amounts due to banks	5.23	1,916,290	1,079,235	837,055
Liabilities from securities financing transactions	5.23	747,977	634,095	113,882
Amounts due in respect of customer deposits	5.23	12,683,915	11,602,429	1,081,486
Trading portfolio liabilities	5.03	624	5,797	-5,173
Negative replacement values of derivative financial instruments	5.04	25,685	84,354	-58,669
Cash bonds	5.23	8,523	11,837	-3,314
Bond issues and central mortgage institution loans	5.15	2,959,144	2,569,993	389,151
Accrued expenses and deferred income		64,678	47,453	17,225
Other liabilities	5.10	234,964	51,123	183,841
Provisions	5.16	11,915	27,338	-15,423
Reserves for general bank risks	5.16	150,000	120,000	30,000
Bank's capital	5.17	360,000	360,000	-
Statutory capital reserve		310,890	310,890	-
<i>of which tax-exempt capital contribution reserve</i>		<i>180,192</i>	<i>180,192</i>	<i>-</i>
Statutory retained earnings reserve		401,917	352,961	48,956
Own shares		-11,498	-13,006	1,508
Profit carried forward/loss carried forward		1,309	1,106	203
Profit/loss (result of the period)		72,743	69,803	2,940
Total liabilities		19,939,076	17,315,408	2,623,668
Total subordinated liabilities	5.15	307,430	304,100	3,330
<i>of which subject to mandatory conversion and/or debt waiver</i>	5.15	<i>109,940</i>	<i>106,555</i>	<i>3,385</i>
OFF-BALANCE-SHEET TRANSACTIONS				
Contingent liabilities	5.28	463,633	629,632	-165,999
Irrevocable commitments	5.02	442,574	397,047	45,527
Obligations to pay up shares and make further contributions	5.02	62,538	49,625	12,913
Credit commitments	5.28	29,310	109,155	-79,845

Details on the income statement items

Parent company

	Notes	31.12.2015 in CHF 1,000	31.12.2014 in CHF 1,000	Change in CHF 1,000
RESULT FROM INTEREST OPERATIONS				
Income from discount operations	5.33	234,337	259,342	-25,005
Interest and dividend income from trading portfolios		360	380	-20
Interest and dividend income from financial investments		22,368	16,315	6,053
Interest expense		-61,141	-83,809	22,668
Gross result from interest operations		195,924	192,228	3,696
Changes in value adjustments for default risks and losses from interest operations		-10,054	-10,833	779
Subtotal net result from interest operations		185,870	181,395	4,475
RESULT FROM COMMISSION BUSINESS AND SERVICES				
Commission income from securities trading and investment activities		40,385	44,718	-4,333
Commission income from lending activities		24,397	28,273	-3,876
Commission income from other services		34,617	36,160	-1,543
Commission expense		-5,202	-5,149	-53
Subtotal result from commission business and services		94,197	104,002	-9,805
Result from trading activities and the fair value option	5.32	27,903	26,538	1,365
OTHER RESULT FROM ORDINARY ACTIVITIES				
Result from the disposal of financial investments		10,422	7,709	2,713
Income from participations		2,655	1,938	717
Result from real estate		1,081	1,012	69
Other ordinary income		7,848	7,516	332
Other ordinary expenses		-2,175	-433	-1,742
Subtotal other result from ordinary activities		19,831	17,742	2,089
OPERATING EXPENSES				
Personnel expenses	5.34	-122,024	-118,586	-3,438
General and administrative expenses	5.35	-78,530	-79,735	1,205
Sub-total operating expenses		-200,554	-198,321	-2,233
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	5.36	-15,465	-18,303	2,838
Changes to provisions and other value adjustments, and losses	5.36	10,038	-6,510	16,548
Operating result		121,820	106,543	15,277
Extraordinary income	5.36	37	275	-238
Extraordinary expenses	5.36	-58	-5,263	5,205
Change in reserves for general banking risks	5.36	-30,000	-15,000	-15,000
Taxes	5.39	-19,056	-16,752	-2,304
Profit / loss (result of the period)		72,743	69,803	2,940

Presentation of the statement of changes in equity

Parent company

in CHF 1,000

	Bank's capital	Statutory			Reserves for general banking risks	Profit carried forward	Own shares (negative item)	Result of the period	Total
		Statutory capital reserve	retained earnings reserve						
Equity at start of current period	360,000	310,890	352,961	120,000	70,909	–		1,214,760	
Effect of restatement as at 01.01.2015						-13,006		-13,006	
Acquisition of own shares						-4,476		-4,476	
Disposal of own shares						6,651		6,651	
Profit (loss) on disposal of own shares			667			-667		–	
Dividends and other distribution			289		-18,000			-17,711	
Special allocation to the State of Geneva (20% of the dividend paid)					-3,600			-3,600	
Other allocations to (transfers from) the reserves for general banking risks				30,000				30,000	
Other allocations to (transfers from) the other reserves			48,000		-48,000			–	
Profit/loss (result of the period)							72,743	72,743	
Equity at end of current period	360,000	310,890	401,917	150,000	1,309	-11,498	72,743	1,285,361	

1. REGISTERED NAME, LEGAL FORM AND REGISTERED OFFICE

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

Activity report

The Bank's activities and its outsourced operations are described in the notes to the consolidated financial statements.

Number of staff	31.12.2015	31.12.2014
Full-time equivalents	668.8	662.6
Headcount	721	715

2. ACCOUNTING AND VALUATION PRINCIPLES

The parent company's financial statements are presented in accordance with the principles for the Group, apart from specific adjustments to conform with the true and fair view principle for the consolidated accounts, i.e. chiefly the treatment of its own shares and participations. Moreover, those companies included in the scope of consolidation, presented in point 2 of the Summary presentation of the consolidated accounts, are booked at acquisition cost, less any value adjustments deemed necessary.

3. RISK CONTROL

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

Details on the individual items in the notes to annual financial statements

Parent company

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5.01 Breakdown of securities financing transactions (assets and liabilities)

The parent company figures are identical to the consolidation figures because, within the Group, only BCGE handles these transactions. Please see Note 5.01 to consolidated financial statements.

5.02 Presentation of collateral for loans/

receivables and off-balance-sheet transactions, as well as impaired loans/receivables (in CHF 1,000)

Loans (before netting with value adjustments)

	TYPE OF COLLATERAL			Total
	Secured by mortgage	Other collateral	Unsecured	
Amounts due from customers	185,528	280,734	2,816,311	3,282,573
Mortgage loans	9,968,515	–	–	9,968,515
<i>Residential property</i>	7,918,238	–	–	7,918,238
<i>Office and business premises</i>	1,386,434	–	–	1,386,434
<i>Commercial and industrial premises</i>	428,483	–	–	428,483
<i>Other</i>	235,360	–	–	235,360
Total loans (before netting with value adjustments)				
31.12.2015	10,154,043	280,734	2,816,311	13,251,088
31.12.2014	10,093,263	385,013	2,558,777	13,037,053

Total loans

(after netting with value adjustments)

31.12.2015	10,151,596	279,660	2,710,701	13,141,957
31.12.2014	10,090,971	385,013	2,446,239	12,922,223

Off-balance-sheet

Contingent liabilities	–	100	463,533	463,633
Irrevocable commitments	–	–	442,574	442,574
Obligations to pay up shares and make further contributions	–	–	62,538	62,538
Credit commitments	–	–	29,310	29,310

Total off-balance sheet

31.12.2015	–	100	997,955	998,055
31.12.2014	115,530	44,887	1,025,042	1,185,459

Impaired loans/receivables

	Estimated liquidation		Net debt amount	Individual value adjustments
	Gross debt amount	value of collateral		
31.12.2015	235,821	122,243	113,578	107,180
31.12.2014	206,913	91,543	115,370	111,377

Non-performing loans which are not impaired are not included in the "Impaired loans/receivables" table.

5.03 Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities) (in CHF 1,000)

Assets	31.12.2015	31.12.2014
Trading portfolio assets		
Debt securities, money market securities/transactions	34,206	8,218
<i>of which, listed</i>	34,206	8,218
Equity securities	643	619
Precious metals and commodities	35,594	40,651
Other trading portfolio assets	17	2,718
Total assets	70,460	52,206
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	1,083	–
Liabilities	31.12.2015	31.12.2014
Trading portfolio liabilities		
Equity securities	4	1
Other trading portfolio liabilities	620	5,796
Total liabilities	624	5,797

5.04 Presentation of derivative financial instruments (assets and liabilities)

(in CHF 1,000)	TRADING INSTRUMENTS			HEDGING INSTRUMENTS		
	Positive	Negative	Contract	Positive	Negative	Contract
	replacement	replacement		replacement	replacement	
	values	values	volume	values	values	volume
Interest rate instruments	Forward contracts including FRAs ¹	378	9,613	49,468	–	–
	Swaps	9,461	–	100,447	28,403	182,369
	Options (OTC ²)	459	458	38,348	135	–
Foreign exchange/precious metals	Forward contracts	75,518	21,887	3,181,911	–	–
	Combined interest rate/currency swaps	–	–	–	6,404	–
Total before netting agreements						
31.12.2015		85,816	31,958	3,370,174	34,942	182,369
31.12.2014		16,100	23,508	1,620,681	14,562	213,871

Total after netting agreements

	Positive replacement	Negative replacement
	values (cumulative)	values (cumulative)
31.12.2015	22,930	25,685
31.12.2014	30,662	84,354

Breakdown by counterparty: Positive replacement values (after netting agreements)

Central clearing houses	Banks and securities dealers	Other customers
–	10,484	12,446

¹ Forward rate agreement

² Over the counter

5.05 Breakdown of financial investments (in CHF 1,000)	Book value		Fair value	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Debt securities	1,775,877	1,645,119	1,813,999	1,681,271
<i>of which, intended to be held to maturity</i>	1,221,661	1,213,261	1,256,551	1,246,169
<i>of which, not intended to be held to maturity</i>	554,216	431,858	557,448	435,102
Equity securities	64,275	67,264	88,471	121,841
<i>of which, qualified participations¹</i>	1,475	1,650	3,002	3,420
Precious metals	31	31	31	31
Real estate	6,811	20	6,811	20
Total	1,846,994	1,712,434	1,909,312	1,803,163
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	1,396,857	1,587,201	–	–

¹ At least 10% of capital or votes.

Breakdown of counterparties by rating²

	AAA to AA-	A+ to A-	BBB to BBB-	BB+ to B-	Below B-	Below B-
Debt securities						
Book values	1,581,172	179,271	15,434	–	–	–

² In accordance with S&P ratings.

5.06 Presentation of participations (in CHF 1,000)	2015										
	Accumulated value adjustments and changes in book value (valuation using the acquisition cost)			Book value at previous year-end	Reclassifications	Additions	Disposals	Value adjustments	Changes in book value in the case of participations valued using the equity method / depreciation reversals	Book value of current year	Market value
Other participations without market value	73,894	-837	73,057	–	3,095	-1,577	-900	–	–	73,675	–
Total participations	73,894	-837	73,057	–	3,095	-1,577	-900	–	–	73,675	–

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

The parent company figures are identical to the consolidation figures. Please see Note 5.07 to consolidated financial statements.

5.08 Presentation of tangible fixed assets (in CHF 1,000)

	2015					
	Acquisition cost	Accumulated depreciation	Book value at previous year-end	Additions	Depreciation	Book value as at end of current year
Bank buildings	134,444	-25,170	109,274	–	-5,617	103,657
Other real estate	21,801	-5,928	15,873	–	-727	15,146
Proprietary or separately acquired software	32,857	-25,412	7,445	2,167	-2,829	6,783
Other tangible fixed assets	34,367	-23,974	10,393	4,380	-4,492	10,281
Tangible assets acquired under financial leases	6,000	-5,100	900	–	-900	–
<i>of which, other tangible fixed assets</i>	<i>6,000</i>	<i>-5,100</i>	<i>900</i>	<i>–</i>	<i>-900</i>	<i>–</i>
Total fixed assets	229,469	-85,584	143,885	6,547	-14,565	135,867

5.09 Presentation of intangible assets

The Bank has no intangible assets recorded on its books.

5.10 Breakdown of other assets and other liabilities (in CHF 1'000)

	Other assets		Other liabilities	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Compensation account	126,444	176,250	–	–
Issue/borrowing costs of bonds and central mortgage institution to be depreciated	3,675	3,937	–	–
Spread of penalties for early loan repayments	–	–	10,074	9,375
Federal Tax Administration (FTA)	10,358	9,796	6,163	7,543
Spread of gains on derivative instruments	47,199	–	9,551	9,060
Spread on securities using accrual method	–	–	820	451
Securities & coupons	–	–	162	223
Operation of continuously linked settlement system under way	–	–	201,690	–
Others	7,439	16,862	6,504	24,471
Total	195,115	206,845	234,964	51,123

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

The parent company figures are identical to the consolidation figures because within the group, only BCGE handles these transactions. Please see Note 5.11 to consolidated financial statements.

5.12 Disclosure of liabilities relating to own pension schemes

The parent company figures are identical to the consolidation figures because within the group, only BCGE handles these transactions. Please see Note 5.12 to consolidated financial statements.

5.13 Disclosure of the economic situation of own pension schemes (in CHF 1,000)

a) Employer contribution reserves (ECR)

BCGE has not recorded contribution reserves in its books.

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

	¹ Overfunding / underfunding at end of current year	Economic interest of the bank/financial group		Change in economic interest (economic benefit / obligation) versus previous year	Contributions paid for the current period	Pension expenses in personnel expenses	
		31.12.2015	31.12.2014			31.12.2015	31.12.2014
Pension schemes with overfunding	38,562	–	–	–	13,353	13,353	12,742

¹ The Pension Fund's audited annual accounts as at 31st December 2015 are not available. The surplus is based on the audited financial statements as at 31st December 2014.

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

5.14 Presentation of the issued structured products

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

5.15 Presentation of outstanding mandatory bonds, convertible bonds and mortgage bonds

The parent company figures are identical to the consolidation figures because only BCGE issues bonds and only BCGE holds some of its issued bonds. Please see Note 5.15 to consolidated financial statements.

5.16 Presentation of value adjustments and provisions, reserves for general banking risks and changes therein during the current year (in CHF 1,000)

	Use in conformity with				Past due interest, recoveries	New creations charged to income	Releases to income	Balance at current year-end
	Previous year-end	designated purpose	Reclassifications	Currency differences				
Provisions for default risks	1,678	–	–	-129	–	–	-318	1,231
Provisions for other business risks	563	-951	–	–	–	1,051	–	663
Other provisions	25,097	-4,161	–	–	31	6,613	-17,559	10,021
Total provisions	27,338	-5,112	–	-129	31	7,664	-17,877	11,915
Reserves for general banking risks	120,000					30,000		150,000
Value adjustments for default and country risks	136,498	-20,853	–	-880	3,913	24,170	-11,769	131,079
<i>of which, value adjustments for default risks in respect of impaired loans/receivables</i>	<i>114,830</i>	<i>-18,831</i>	<i>–</i>	<i>-835</i>	<i>3,913</i>	<i>19,195</i>	<i>-9,141</i>	<i>109,131</i>
<i>of which, value adjustments for latent risks</i>	<i>21,668</i>	<i>-2,022</i>	<i>–</i>	<i>-45</i>	<i>–</i>	<i>4,975</i>	<i>-2,628</i>	<i>21,948</i>

5.17 Presentation of the Bank's capital

The parent company figures are identical to the consolidation figures. Please see Note 5.17 to consolidated financial statements.

5.18 Number and value of equity securities or options on equity securities held by all executives and directors and by employees, and disclosures of any employee participation schemes (in CHF 1,000)

	Number		Value	
	Equity securities		Equity securities	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Members of the Board of Directors	954	926	249	198
Members of executive bodies	16,215	13,738	4,228	2,941
Employees	60,997	*	15,905	*
Total	78,166	14,664	20,382	3,140

* Pursuant to the transitional provisions, the figures from the preceding year presenting new data with regard to FINMA circular 15/1 are not shown.

The general contractual conditions are explained in point 5 of 'Shareholder information and corporate governance'.

5.19 Disclosure of amounts due from / to related parties (in CHF 1,000)	Amounts due from		Amounts due to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Holders of qualified participations	187,582	251,479	66,317	28,998
Group companies	519,552	615,637	49,208	69,628
Linked companies	1,420,095	1,157,646	240,557	55,189
Transactions with members of governing bodies	3,973	5,482	6,558	6,402
Other related parties	–	–	23,802	20,251

Amounts due from linked companies mainly comprise mortgages to property development foundations created under public law of the State of Geneva. Amounts due to linked companies mainly comprise the current accounts of these foundations created under public law.

Loans to members of governing bodies of the Bank are mainly mortgage loans granted to directors and members of the senior management. Members of senior management enjoy the same conditions as those granted to the bank's employees.

Loans and liabilities in respect of qualifying persons noted at the foot of the balance sheet result from banking transactions executed at conditions granted to public authorities.

Finally, the Bank paid CHF 1.6 million to the State of Geneva as remuneration for the guarantee on saving deposits (CHF 1.6 million in 2014).

5.20 Disclosure of holders of significant participations

The parent company figures are identical to the consolidation figures. Please see Note 5.20 to consolidated financial statements.

5.21 Disclosure of own shares and composition of equity capital

The parent company figures are identical to the consolidation figures. Please see Note 5.21 to consolidated financial statements.

5.22 Disclosures in accordance with the Ordinance against Excessive Compensation with respect to Listed Stock Corporations¹ and Article 663c para. 3 CO for banks whose equity securities are listed

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

	Remuneration (before taxes)			Loans ²	Number of BCGE shares held at 31.12.2015			
	Fixed	In locked up	Total		Unlocked	Locked up ⁴	Total	By kin
	compensation ³	shares ^{4,5}						
Board of Directors								
Jean-Pierre Roth, Chairman	280,500	714	281,214	–	–	26	26	–
Josef Küttel, Deputy Chairman	81,400	714	82,114	350,000	20	26	46	–
Mourad Sekkiou, Secretary	66,000	893	66,893	–	6	36	42	–
Grégoire Carasso	70,400	357	70,757	–	–	4	4	–
Gina Empson	70,400	357	70,757	–	20	4	24	–
Fabienne Knapp	100,100	893	100,993	–	70	20	90	64
Patrick Mage	126,500	893	127,393	–	20	36	56	–
Jean-Marc Mermoud	70,400	714	71,114	1,564,500	–	26	26	–
Ton Schurink	77,000	893	77,893	1,700,000	532	36	568	–
Angela de Wolff	77,000	714	77,714	–	–	26	26	–
John Tracey	70,400	714	71,114	1,000,000	20	26	46	–
Total, Board of Directors	1,090,100	7,858	1,097,958	4,614,500	688	266	954	64

Previous year	Remuneration (before taxes)			Loans ²	Number of BCGE shares held at 31.12.2014			
	Fixed	In locked up	Total		Unlocked	Locked up ⁴	Total	By kin
	compensation ³	shares ⁴						
Board of Directors								
Jean-Pierre Roth, Chairman	280,500	658	281,158	–	–	20	20	–
Josef Küttel, Deputy Chairman (from 1 May 2014)	77,733	658	78,391	350,000	20	20	40	–
Bernard Clerc, Deputy Chairman (until 30 April 2014)	31,167	329	31,496	–	100	–	100	–
Mourad Sekkiou, Secretary	66,000	823	66,823	–	6	29	35	–
Grégoire Carasso (from 1 May 2014)	46,933	–	46,933	–	–	–	–	–
Gina Empson (from 1 May 2014)	46,933	–	46,933	–	20	–	20	–
Asma Hovagemyan (until 30 April 2014)	25,667	329	25,996	–	50	–	50	–
Fabienne Knapp	100,100	494	100,594	–	70	13	83	64
Patrick Mage	126,500	823	127,323	–	20	29	49	–
Jean-Marc Mermoud	67,100	658	67,758	1,588,500	–	20	20	–
Ton Schurink	74,800	823	75,623	1,700,000	532	29	561	–
Angela de Wolff	74,800	658	75,458	–	–	20	20	–
John Tracey	70,400	658	71,058	1,000,000	20	20	40	–
Total, Board of Directors	1,088,633	6,909	1,095,543	4,638,500	838	200	1038	64

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

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

³ BCGE directors receive a fixed annual salary plus, in some cases, compensation for their office. The remuneration regulations stipulate the remuneration of members of the BCGE Board of Directors. There has been no exception to the principles for procedures stipulated in the regulations.

⁴ There is a moratorium on BCGE shares for a period of 5 years. This moratorium on sales of shares is lifted in the event of leaving the Bank. BCGE has no stock option plan.

⁵ Amounts calculated based on a share price of CHF 239 on 11 June 2015 (expected value).

	Remuneration in cash			Remuneration in shares ^{1,2,3}	Total remuneration	Social security contributions ⁴
	Fixed	Variable ¹	Total	Variable	Total in CHF	Total
Blaise Goetschin, CEO	728,196	754,256	1,482,452	173,639	1,656,091	449,357
Total, Executive Board	2,612,064	2,387,965	5,000,029	619,418	5,619,447	1,788,154
Blaise Goetschin, CEO (previous year)	728,196	670,427	1,398,623	259,192	1,657,815	374,487
Total, Executive Board (previous year)	2,612,064	2,129,061	4,741,125	854,831	5,595,956	1,490,764

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

Blaise Goetschin, CEO	82,137
Total, Executive Board	124,824
Blaise Goetschin, CEO (previous year)	84,456
Total, Executive Board (previous year)	134,473

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

	Number of BCGE shares held at 31.12.2015			By kin	Loans granted ⁵
	Unlocked	Locked up	Total		
Blaise Goetschin, CEO	515	4,464	4,979	40	130,000
Eric Bourgeaux	53	4,056	4,109	40	–
Claude Bagnoud	–	1,366	1,366	20	100,000
Pierre-Olivier Fragnière	–	2,852	2,852	–	–
Jean-Marc Joris	–	1,000	1,000	–	–
Jérôme Monnier	78	599	677	–	583,363
Total, Executive Board	646	14,337	14,983	100	813,363
Blaise Goetschin, CEO (previous year)	1,832	3,183	5,015	40	130,000
Total, Executive Board (previous year)	3,608	10,130	13,738	100	830,749

¹ Paid in 2016 based on 2015 results.

² Shares subject to a five- to ten-year moratorium, on the basis of the closing price (expected value) as at 31.12.2015. BCGE does not allocate stock options.

³ Amounts calculated based on a share price of CHF 260.75 on 31 December 2015 (expected value).

⁴ Cumulative amount of social insurance and pension fund contributions.

⁵ Lombard loans or with mortgage guarantees.

The principles of remuneration are explained on pages 84 and 85. No indemnity was paid indirectly to the members of the Executive Board. No indemnity was paid directly or indirectly, in 2015, to former members of the Board of Directors or to any person in close relationship with the members of the Board of Directors or the Executive Board.

At 31 December 2015, no indemnities not complying with market practices were awarded to any person in close relationship with the members of the Board of Directors or the Executive Board.

At 31 December 2015, no outstanding credits or loans not complying with market practices were awarded to any person in close relationship with the members of the Board of Directors or to five out of the six members of the Executive Board. The wife of one member of the Executive Board benefited from staff terms owing to a mortgage loan being taken out by her husband.

5.23 Presentation of the maturity structure of financial instruments (in CHF 1,000)	Due							
	At sight	Cancellable	Within 3 months	Within 3 to 12 months	Within 12 months to 5 years	After 5 years	No maturity	Total
Assets / financial instruments								
Liquid assets	3,412,298							3,412,298
Amounts due from banks	119,092	–	630,663	62,951	277	–	–	812,983
Amounts due from securities financing transactions	–	–	199,660	–	–	–	–	199,660
Amounts due from customers	542,734	130,588	932,603	218,837	675,106	676,021	–	3,175,889
Mortgage loans	–	1,701,141	598,898	651,108	3,106,467	3,908,454	–	9,966,068
Trading portfolio assets	70,460	–	–	–	–	–	–	70,460
Positive replacement values of derivative financial instruments	22,930	–	–	–	–	–	–	22,930
Financial investments	22,515	–	96,103	203,135	966,226	552,221	6,794	1,846,994
Total								
31.12.2015	4,190,029	1,831,729	2,457,927	1,136,031	4,748,076	5,136,696	6,794	19,507,282
31.12.2014	2,056,302	1,617,196	2,993,843	1,163,647	4,937,860	4,101,606	20	16,870,474
Debt capital / financial instruments								
Amounts due to banks	477,753	3,133	1,090,401	345,003	–	–	–	1,916,290
Liabilities from securities financing transactions	–	–	384,970	363,007	–	–	–	747,977
Amounts due in respect of customer deposits	7,417,290	4,924,001	297,548	45,076	–	–	–	12,683,915
Trading portfolio liabilities	624	–	–	–	–	–	–	624
Negative replacement values of derivative financial instruments	25,685	–	–	–	–	–	–	25,685
Cash bonds	–	–	1,091	2,006	4,826	600	–	8,523
Bond issues and central mortgage institution loans	–	–	117,000	50,000	1,203,204	1,588,940	–	2,959,144
Total								
31.12.2015	7,921,352	4,927,134	1,891,010	805,092	1,208,030	1,589,540	–	18,342,158
31.12.2014	11,833,923	–	1,408,067	437,401	1,089,899	1,218,450	–	15,987,740

5.24 Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle (in CHF 1,000)

	2015		2014	
	Domestic	Foreign	Domestic	Foreign
ASSETS				
Liquid assets	3,400,388	11,910	870,408	9,532
Amounts due from banks	110,118	702,865	118,808	1,055,201
Amounts due from securities financing transactions	199,660	–	49,500	49,500
Amounts due from customers	2,413,013	762,876	2,585,661	832,988
Mortgage loans	9,587,334	378,734	9,132,354	371,220
Trading portfolio assets	38,057	32,403	44,993	7,213
Positive replacement values of derivative financial instruments	14,392	8,538	30,662	–
Other financial instruments at fair value	–	–	–	–
Financial investments	1,338,107	508,887	1,369,675	342,759
Accrued income and prepaid expenses	27,137	–	21,147	–
Participations	27,917	45,758	25,870	47,187
Tangible fixed assets	135,867	–	143,885	–
Intangible assets	–	–	–	–
Other assets	195,115	–	206,845	–
Total assets	17,487,105	2,451,971	14,599,808	2,715,600
LIABILITIES				
Amounts due to banks	816,750	1,099,540	838,541	240,694
Liabilities from securities financing transactions	269,609	478,368	634,095	–
Amounts due in respect of customer deposits	10,573,405	2,110,510	9,570,095	2,032,334
Trading portfolio liabilities	624	–	5,797	–
Negative replacement values of derivative financial instruments	17,015	8,670	84,354	–
Liabilities from other financial instruments at fair value	–	–	–	–
Cash bonds	8,523	–	11,837	–
Bond issues and central mortgage institution loans	2,959,144	–	2,569,993	–
Accrued expenses and deferred income	64,678	–	47,453	–
Other liabilities	234,964	–	51,123	–
Provisions	11,915	–	27,338	–
Reserves for general banking risks	150,000	–	120,000	–
Bank's capital	360,000	–	360,000	–
Statutory capital reserve	310,890	–	310,890	–
Statutory retained earnings reserve	401,917	–	352,961	–
Voluntary retained earnings reserves	–	–	–	–
Own shares	-11,498	–	-13,006	–
Profit carried forward/loss carried forward	1,309	–	1,106	–
Foreign exchange reserve	–	–	–	–
Profit/loss (result of the period)	72,743	–	69,803	–
Total liabilities	16,241,988	3,697,088	15,042,380	2,273,028

5.25 Breakdown of total assets by country or group of countries (domicile principle) (in CHF 1,000)	2015		2014	
	Absolute	Share as %	Absolute	Share as %
Assets				
Europe • France	1,306,501	6.6	1,398,000	8.1
• Luxembourg	138,887	0.7	90,237	0.5
• Germany	134,519	0.7	129,869	0.8
• United Kingdom	106,116	0.5	160,053	0.9
• Other European countries	244,424	1.2	370,711	2.1
United States	70,179	0.4	15,262	0.1
Others	451,345	2.3	551,468	3.2
Assets held abroad	2,451,971	12.3	2,715,600	15.7
Switzerland	17,487,105	87.7	14,599,808	84.3
Total assets	19,939,076	100	17,315,408	100

5.26 Breakdown of total assets by credit rating of country groups (risk domicile view) (in CHF 1,000)	Net foreign exposure / current year-end	
	in CHF	Share as %
Rating category (SERV)		
0/HI	2,142,507	87.4
1	12	0.0
2	134,047	5.5
3	19,157	0.8
4	40,563	1.7
5 and 6	59,376	2.4
7	13,898	0.6
Unrated	42,411	1.7
Total	2,451,971	100

SERV rating recognised by FINMA (Swiss insurance against export risks).

5.27 Presentation of assets and liabilities broken down by the most significant currencies for the Bank (in CHF 1,000)

	Currencies					
	CHF	EUR	USD	GBP	OTHER	METALS
ASSETS						
Liquid assets	3,355,352	50,902	3,243	1,207	1,594	–
Amounts due from banks	71,538	511,798	174,825	3,542	17,409	33,871
Amounts due from securities financing transactions	100,000	–	99,660	–	–	–
Amounts due from customers	2,029,860	462,949	652,097	6,902	24,081	–
Mortgage loans	9,848,168	112,468	5,432	–	–	–
Trading portfolio assets	2,446	31,920	483	11	5	35,595
Positive replacement values of derivative financial instruments	22,930	–	–	–	–	–
Financial investments	1,434,515	367,758	44,721	–	–	–
Accrued income and prepaid expenses	27,137	–	–	–	–	–
Participations	58,037	15,638	–	–	–	–
Tangible fixed assets	135,867	–	–	–	–	–
Other assets	188,171	4,519	1	935	1,489	–
Total assets shown in balance sheet	17,274,021	1,557,952	980,462	12,597	44,578	69,466
Delivery entitlements from spot exchange, forward forex and forex options transactions*	517,033	791,615	1,863,873	71,005	38,045	–
Total assets	17,791,054	2,349,567	2,844,335	83,602	82,623	69,466
LIABILITIES						
Amounts due to banks	175,547	780,883	913,815	3,194	5,093	37,758
Liabilities from securities financing transactions	50,000	199,677	498,300	–	–	–
Amounts due in respect of customer deposits	10,880,422	889,576	799,026	53,488	29,979	31,424
Trading portfolio liabilities	320	300	4	–	–	–
Negative replacement values of derivative financial instruments	25,685	–	–	–	–	–
Cash bonds	8,523	–	–	–	–	–
Bond issues and central mortgage institution loans	2,875,430	–	83,714	–	–	–
Accrued expenses and deferred income	64,678	–	–	–	–	–
Other liabilities	207,738	2,146	25,078	2	–	–
Provisions	11,915	–	–	–	–	–
Reserves for general banking risks	150,000	–	–	–	–	–
Bank's capital	360,000	–	–	–	–	–
Statutory capital reserve	310,890	–	–	–	–	–
Statutory retained earnings reserve	401,917	–	–	–	–	–
Own shares	-11,498	–	–	–	–	–
Profit carried forward/loss carried forward	1,309	–	–	–	–	–
Profit/loss (result of the period)	72,743	–	–	–	–	–
Total liabilities shown in the balance sheet	15,585,619	1,872,582	2,319,937	56,684	35,072	69,182
Delivery obligations from spot exchange, forward forex and forex options transactions	2,158,325	474,476	522,631	26,658	46,305	–
Total liabilities	17,743,944	2,347,058	2,842,568	83,342	81,377	69,182
Net position per currency	47,110	2,509	1,767	260	1,246	284

5.28 Breakdown and explanation of contingent assets and liabilities (in CHF 1,000)	2015	2014
Guarantees to secure credits and similar	77,114	66,242
Irrevocable commitments arising from documentary letters of credit	384,751	561,191
Other contingent liabilities	1,768	2,199
Total contingent liabilities	463,633	629,632

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

5.29 Breakdown of credit commitments (in CHF 1,000)	2015	2014
Commitments arising from deferred payments	29,310	109,155
Total credit commitments	29,310	109,155

5.30 Breakdown of fiduciary transactions (in CHF 1,000)	2015	2014
Fiduciary investments with third-party companies	10,531	6,424
Total fiduciary transactions	10,531	6,424

5.31 Breakdown of managed assets and presentation of their development

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

5.32 Breakdown of the result from trading activities and the fair value option (in CHF 1,000)	2015	2014
Result from trading activities		
Interest rate instruments (including funds)	783	401
Equity securities (including funds)	103	-515
Foreign currencies	26,595	25,313
Commodities/precious metals	422	1,339
Total result from trading activities	27,903	26,538
<i>of which, from fair value option</i>	<i>27,903</i>	<i>26,538</i>
<i>of which, from fair value option on assets</i>	<i>27,903</i>	<i>26,538</i>

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

The parent company figures are identical to the consolidation figures. Please see Note 5.33 to consolidated financial statements.

5.34 Breakdown of personnel expenses (in CHF 1,000)	2015	2014
Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits)	96,131	94,165
<i>of which, expenses relating to share-based compensation and alternative forms of variable compensation</i>	3,056	*
Social security benefits	22,915	21,604
Other personnel expenses	2,978	2,817
Total personnel expenses	122,024	118,586

* Pursuant to the transitional provisions, the figures from the preceding year presenting new data with regard to FINMA circular 15/1 are not shown.

5.35 Breakdown of general and administrative expenses (in CHF 1,000)	2015	2014
Office space expenses	8,653	9,234
Expenses for information and communications technology	29,448	29,777
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	145	170
Fees of audit firm(s)	928	888
– <i>of which, for financial and regulatory audits</i>	802	888
– <i>of which, for other services</i>	126	*
Other operating expenses	39,356	39,666
– <i>of which, compensation for any cantonal guarantee</i>	1,602	1,712
Total other operating expenses	78,530	79,735

* Pursuant to the transitional provisions, the figures from the preceding year presenting new data with regard to FINMA circular 15/1 are not shown.

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

The parent company position is identical to that for the Group. Please see Note 5.36 to consolidated financial statements.

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

The Bank has not revalued its participations or tangible assets.

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

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

5.39 Presentation of current taxes, deferred taxes, and disclosure of tax rate (in CHF 1,000)

	Rate in %	2015	2014
BCGE current tax	26.2%	19,056	16,752
		19,056	16,752

5.40 Disclosures and explanations of the earnings per equity security in the case of listed banks (in CHF 1,000)

	31.12.2015
Net earnings to be allocated to the shareholders	78,211
Percentage of "A" registered shares in circulation compared to the outstanding share capital	36.82%
Percentage of "B" registered shares in circulation compared to the outstanding share capital	22.09%
Percentage of bearer shares in circulation compared to the outstanding share capital	41.09%

"A" Registered shares

Net earnings to be allocated to the holders of "A" registered shares	28,797
Average number of shares in circulation	2,651,032
Earnings per share (in CHF)	10.86

"B" Registered shares

Net earnings to be allocated to the holders of "B" registered shares	17,278
Average number of shares in circulation	1,590,620
Earnings per share (in CHF)	10.86

Bearer shares

Net earnings to be allocated to the holders of bearer shares	32,135
Average number of shares in circulation	1,479,174
Earnings per share (in CHF)	21.73

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

PROPOSITION FOR THE APPROPRIATION OF AVAILABLE EARNINGS (in CHF 1,000)

The Board of Directors will propose to the AGM on 26 April 2016 to distribute the retained earnings, as follows:

	31.12.2015	31.12.2014
Result of the period	72,743	69,803
Profit brought forward from the prior year	1,309	1,106
Profit available	74,052	70,909
To be allocated to the statutory retained earnings reserve	-49,000	-48,000
Dividend of 5% (2014: 5%) on the ("A" and "B") registered and bearer shares.	-18,000	-18,000
Additional dividend for 2015 of 0.5% (2014: 0%) on the ("A" and "B") registered and bearer shares.	-1,800	-
Special allocation to the State of Geneva (20% of the dividend paid)	-3,960	-3,600
Retained earnings	1,292	1,309

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