



## 2015 ANNUAL REPORT

CA INDOSUEZ (SWITZERLAND) SA

# CONTENT

Since 18 January 2016, all of Crédit Agricole Group's Wealth Management businesses and entities around the world have been united under a single brand: Indosuez Wealth Management. As a result, Crédit Agricole (Suisse) SA, whose primary activity is Wealth Management, has changed its legal name to CA Indosuez (Switzerland) SA.



**02** A universal banking Group

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## A UNIVERSAL BANKING GROUP

The Crédit Agricole Group is the leading partner of the French economy and one of the largest banking groups in Europe. It is the leading retail bank in Europe as well as the first European asset manager, the first bancassurer in Europe and the third European player in project finance.

Built on its strong cooperative and mutual roots, its 140,000 employees and the 31,150 directors of its Local and Regional Banks, the Crédit Agricole Group is a responsible and responsive bank serving 52 million customers, 8.8 million mutual shareholders and 1 million individual shareholders.

Thanks to its universal customer-focused retail banking model – based on the cooperation between its retail banks and their related business lines – the Crédit Agricole Group supports its customers' projects in France and around the world: day-to-day banking, home loans, consumer finance, savings, insurances, asset management, real estate, leasing and factoring, and corporate and investment banking.

Crédit Agricole also stands out for its dynamic, innovative corporate social responsibility policy, for the benefit of the economy. This policy is based on a pragmatic approach which permeates across the Group and engages each employee.

### CRÉDIT AGRICOLE GROUP

**€6.0bn**

net income Group share

**€92.9bn**

shareholders' equity

**13.7%**

Common Equity Tier 1 ratio fully loaded

### CRÉDIT AGRICOLE SA

**€3.5bn**

net income Group share

**€53.8bn**

shareholders' equity

**10.7%**

Common Equity Tier 1 ratio fully loaded

## GROUP'S ORGANISATION

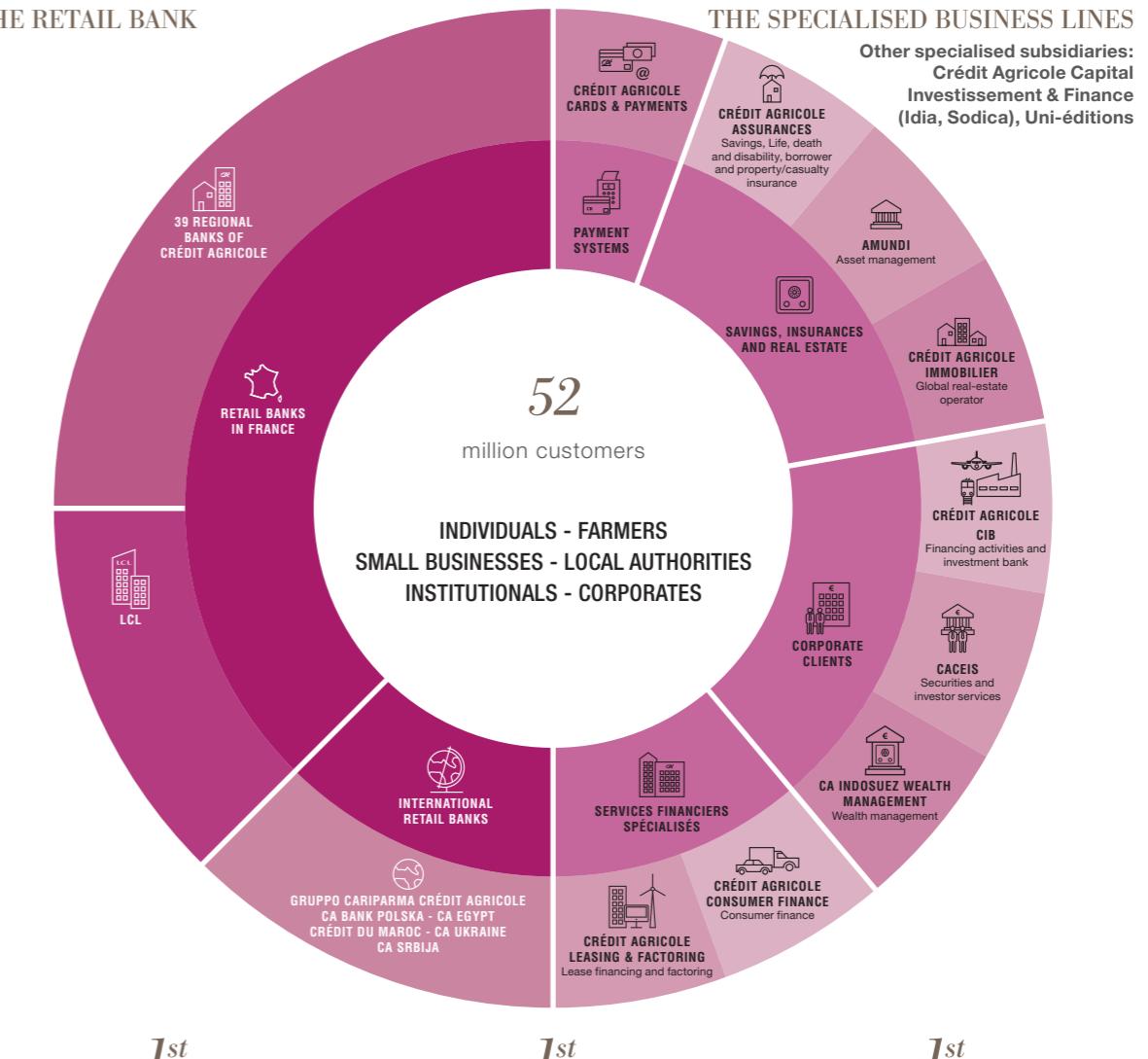
8.8 million mutual shareholders underpin Crédit Agricole's cooperative organisational structure. They own the capital of the 2,476 Local Banks in the form of mutual shares and they designate their representatives each year. 31,150 directors carry their expectations.

The Local Banks own the majority of the 39 Regional Banks' share capital. The Regional Banks are cooperative Regional Banks that offer their customers a comprehensive range of products and services. The discussion body for the Regional Banks is the Fédération Nationale du Crédit Agricole, where the Group's main orientations are debated.

The Regional Banks together own, via SAS Rue La Boétie, the majority of the share capital of Crédit Agricole S.A. (56.7%). Crédit Agricole S.A. coordinates in relation with its specialist subsidiaries the various business lines' strategies in France and abroad.

## THE UNIVERSAL CUSTOMER-FOCUSED BANK

### THE RETAIL BANK



**I<sup>st</sup>**  
leading financial partner  
of the French economy

**I<sup>st</sup>**  
bancassurer  
in Europe

**I<sup>st</sup>**  
European  
asset manager

## INDOSUEZ WEALTH MANAGEMENT

For 140 years we have advised entrepreneurs and families all over the world, supporting them with expert financial advice and exceptional personal service.

Today, we work alongside our clients to help them build, protect, and pass on their wealth.

As Architects of Wealth we offer expert advice and exceptional service to define efficient wealth structures and best-in-class investment solutions.

By doing so, we make it possible for our clients to dedicate themselves to achieving their personal goals, while relying on the flawless execution of our traditional Wealth Management and precision banking services.



## MESSAGE FROM THE GENERAL MANAGEMENT



*“A culture founded on our varied international roots, our expertise, and the strength of our shareholder.”*



**Jean-Yves Hocher**, Deputy Managing Director of Crédit Agricole S.A., supervising the Major Clients business line, CEO of Crédit Agricole CIB and Chairman of CA Indosuez Wealth (Group),  
and **Christophe Gancel**, CEO of CA Indosuez Wealth (Group)



**2** 015 shall be remembered as the defining moment in the transformation initiated by Indosuez Wealth Management Group in 2012, with the adoption of a single brand for all of its activities in Europe, the Middle East, Asia-Pacific, and the Americas.

This transformation was inspired by profound changes in our clients' goals. For personal or professional reasons, they are becoming more international, with increasingly clear requirements, and their wealth, which often comes from entrepreneurial ventures, requires new forms of expertise.

We have strengthened our position in our historical markets and furthered our development in the world's highest-growth regions for wealth management by capitalising on our structure, which is organised around seven geographic regions. Our skills have been reorganised, while our best practices and resources have been pooled to offer our products and services worldwide.

Our development strategy is now backed by a network that is capable of serving our clients, wherever they are and wherever they go. The strategy relies on an exclusive array of services showcasing the various forms of expertise we have gained over our 140-year history, along with the capabilities of Crédit Agricole, one of the top banking groups in Europe.

This naturally includes services that handle all of the issues that specifically affect entrepreneurs.

In 2015, in an environment of profound structural, regulatory and financial changes characterised by major challenges, a market with unprecedently low interest rates, abundant liquidity, and high volatility, our choices have proven their worth.

Indeed, Indosuez Wealth Management maintained its momentum in France and abroad, with assets under management rising by €8bn to €109.6bn at end-2015.

This demonstrates the merits of our organisational structure, the quality of our products and services, and the talents of our experts. These assets appeal to exacting clients who often have assets in several countries and are seeking added value as well as excellent service.

Our net banking income (NBI) totalled €768.9 million, a 10% increase over the previous year. Despite low interest rates that negatively impacted our margins, our gross operating income (GOI) rose by 20% to €173.2m.

Against this backdrop, we can be proud of the progress we have made and can look to the future calmly and with confidence.

We are thus uniquely well placed to meet the challenges facing our business. Our strengths are now represented by our powerful single brand, across all markets.

It is a brand that evokes our history and our place within the Crédit Agricole group, a leader in a broad range of activities.

It reflects the pooling of all our expertise.

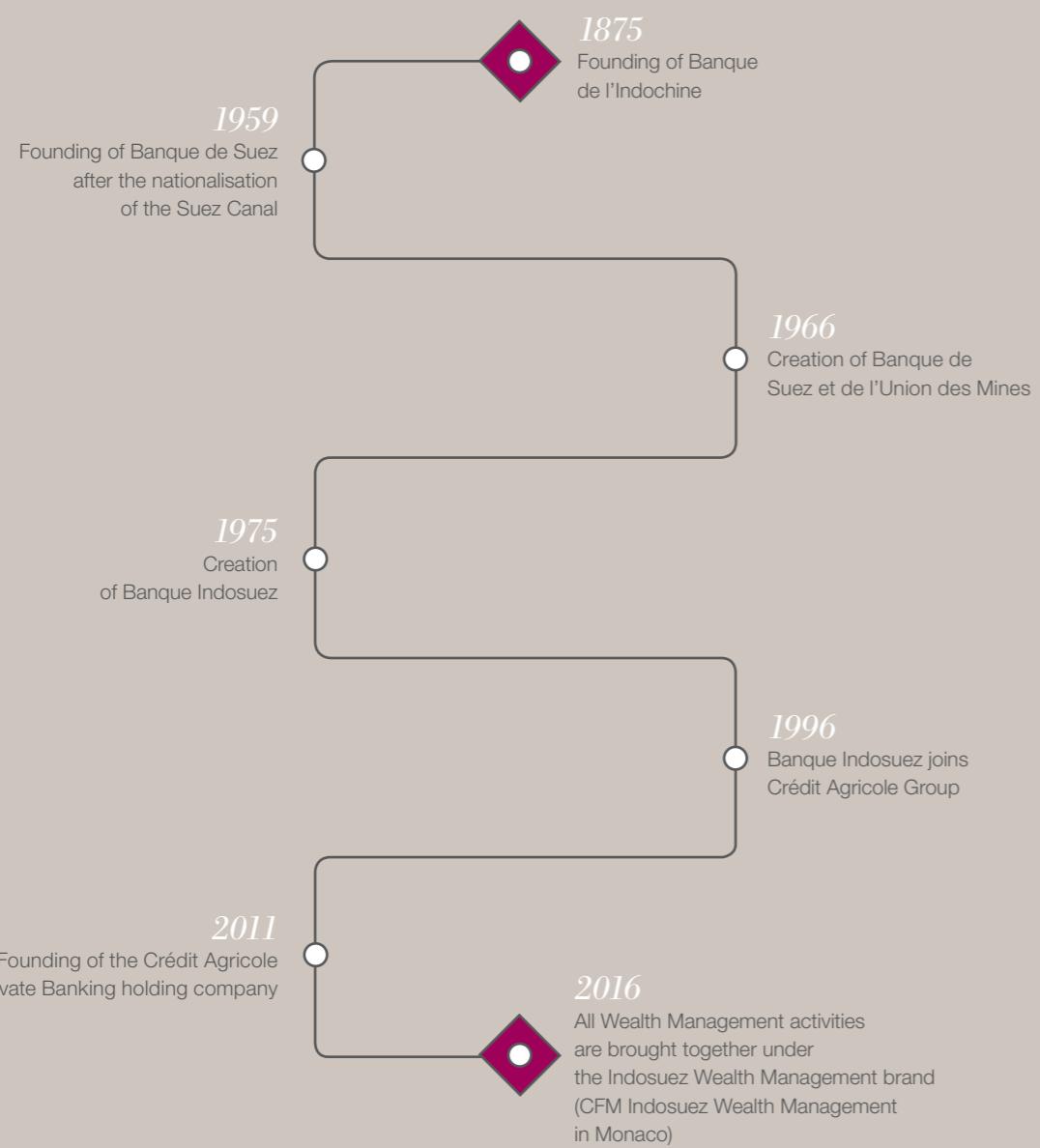
It is closely associated with our meticulously built international network, our expertise, and our high added-value range of products and services.

It describes our bank, which operates on a human scale, and guarantees a deeply relationship-focussed culture aligned with Crédit Agricole's values. ■

Christophe Gancel

Jean-Yves Hocher

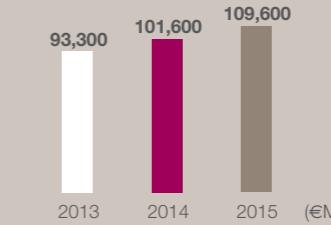
## *Our 140-year history*



## *Our key figures*

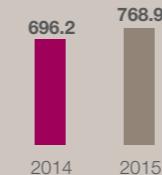
### ASSETS UNDER MANAGEMENT

Highly positive trend for inflows.



#### NBI

NBI (€M) up by 10%.



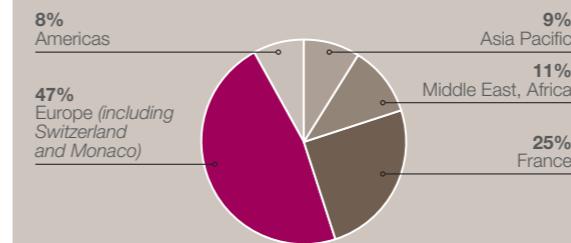
#### GOI

GOI up by 20% to €173.2M.



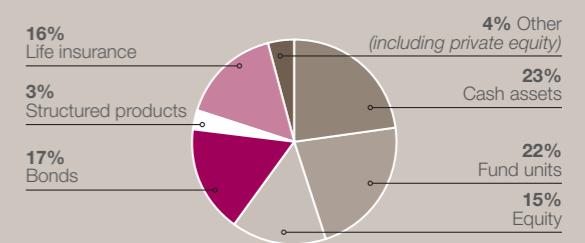
### GEOGRAPHIC VISION BY COUNTRY OF RESIDENCE

Solid regional diversification assisted by multiple growth drivers.



### ASSET ALLOCATION

Diversified asset allocation, which results from our goal of protecting and growing our clients' assets in an uncertain financial and economic environment.



### EMPLOYEES

**2,700** employees with multiple areas of expertise in **30** offices located in **14** countries around the world.



## *Our 30 business locations in 14 countries*

### EUROPE

Anvers  
Bilbao  
Bordeaux  
Brussels  
Geneva  
Liège  
Lille  
Lugano  
Luxembourg  
Lyon

Madrid  
Marseille  
Milan  
Monaco  
Nantes  
Paris  
San Sebastián  
Toulouse  
Valencia  
Zurich

### AMERICAS

Miami  
Montevideo  
Rio de Janeiro  
São Paulo

Noumea

Abu Dhabi  
Beirut  
Dubai

### PACIFIC

Hong Kong  
Singapore

### MIDDLE EAST

Abu Dhabi  
Beirut  
Dubai

ASIA

## *Our expertise*

Indosuez Wealth Management's products and services are now presented in a simple and structured way, based on five mutually supportive key attributes that illustrate our added value around the world.

**Solidity, Heritage, and local roots** illustrates our corporate dimension, which combines the stability of Crédit Agricole group with Indosuez's experience around the world dating back over more than a century.

**A human dimension creates added value.**  
The work performed by our teams on a day to day basis aims to provide our clients with an exceptional bespoke service. The bonds that we form with them are based on mutual trust.

Our core products and services:

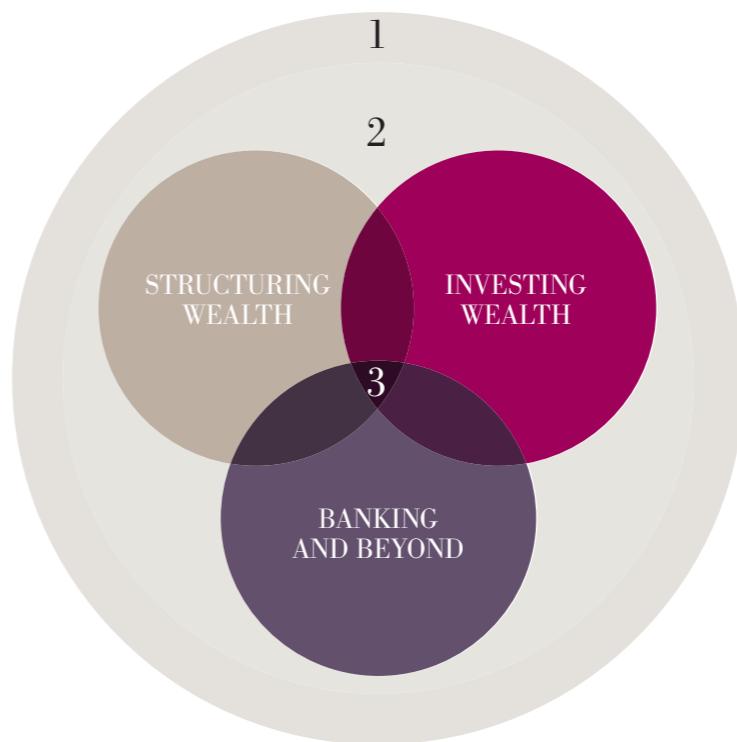
**Structuring wealth** covers all our services and advisory businesses from a wealth strategy and structuring standpoint. Specific analysis of each client's overall situation, and of their constraints and aspirations, enables us to design tailor-made wealth management

recommendations. The Corporate Finance business specifically helps entrepreneurs deploy their strategy.

**Investing wealth** promotes a range of high added-value international investment solutions. Our financial instruments are selected from our eight product lines (Discretionary Portfolio Management, Advisory, Direct Access, Investment Funds, Structured Products, Forex and Precious Metals, Private Equity, Real Estate and Insurance).

Our business ethics are as strong and conservative as our history, and our advice is steeped in that tradition.

**Banking and beyond** represents all the other services we offer our clients. These other services cover four main areas: precision banking services, credit solutions, special access to the Crédit Agricole group's full range of expertise, and Wealth & Beyond events, where we share insights beyond the strict boundaries of traditional wealth management services. All these circles complement one another and give meaning to our motto: Architects of Wealth. ■



1 Solidity, heritage and local roots are our foundations

2 A human dimension that is the source of our added value

3 Our Wealth Management expertise in all its forms  
The 3 circles grouping our products and services:  

- Structuring Wealth
- Investing Wealth
- Banking and Beyond

## ECONOMIC AND FINANCIAL ENVIRONMENT



**By Paul Wetterwald, Chief Economist**



All in all, 2015 was a year of positive global growth and low inflation, despite the episodes of sharp volatility that affected the financial markets in the closing months, and despite the strong disparities between regions. The succession of central bank meetings that punctuated the end of the year also provided a clear indication of the divergence of monetary policies.

The beginning of December saw the Governor of the ECB elect to take interest rates deeper into negative territory, cutting the rate it applies to commercial bank deposits from -0.2% to -0.3%, and to extend its bond-buying programme until March 2017.

On the other side of the Atlantic, the Federal Reserve embarked upon the first cycle of monetary tightening in the US for over 10 years on 16 December (increasing its benchmark rate from 0.25% to 0.50%). The cycle is expected to be moderate, both in scope and pace, which

means that the Fed is unlikely to raise key rates at each of its eight monetary policy meetings in 2016.

Japan and China, on the other hand, will maintain an accommodative stance, with the first continuing to pursue a target inflation of 2%, and the second looking to ensure a soft landing for activity with a slight decrease in the yuan if necessary.

In today's currency wars, the dollar and the Swiss franc came out strongest over the year, with the euro declining from 1.21 to 1.09 against the USD and from 1.20 to 1.09 against the Swiss franc.

The diverging monetary policy trajectories is partly explained by the performance in the different segments of the bond market. At the bottom end of the range are emerging bonds (impacted by the strength of the US dollar and monetary tightening in the US) and USD-denominated high yield bonds (which are exposed to oil

prices), with peripheral euro zone bond yields faring best. The differences in performance are impressive: -15% in USD for emerging debt and +23% in euro for Greek debt.

Comparing the performance of bond markets and equity markets suggests that the time has not yet come for the «Great Rotation» that will see bond investors switch to equities.

Although the world's stock markets lost 3.9% (in USD) in 2015, a number of pockets of growth could be found, including tech stocks (the Nasdaq gained 7.1%), most euro zone markets (with Euro Stoxx increasing 7.4% and the FTSE MIB in Italy climbing 15.8%) and Japan (the Nikkei gained 11%). However, this performance comes at a price: higher volatility. ■

## Outlook for 2016

Our central scenario hinges on a central acceleration in global GDP, which will grow by more than 3%. In the USA, growth in 2016 is expected to reflect that of the global economy (+0.2 percentage points). In Europe and Japan, it should be twice as high, i.e. 0.4 percentage points, albeit from a lower starting point. Next year should see India stay ahead of China, with growth expected to reach 7.5% as against 6.5% for its neighbour. Last but not least, Russia and Brazil will fight to put an end to inflation. Against this backdrop, relative economic momentum is likely to penalise the USA and work to the advantage of not just Japan and the euro zone but also the emerging countries (particularly China and India).

The magic number of 2% total inflation should also be within reach for the world's main mature economies. Energy and food costs should lead to a rebound in inflation, while the price of other goods and services are expected to drive indices down. With this in mind, we expect to see a benign structural shift in inflation. This essentially moderate inflation scenario should allow central banks looking to increase their key rates to do so with due restraint, particularly in the USA and the United Kingdom. While future debt market trends are more difficult to ascertain given the gradual improvement in yields, our scenario clearly does not include a debt market crash. Furthermore, yields on high-yield bonds, currently close to 9% in USD, offer a certain level of protection against future defaults.

Stock markets are expected to perform well at the end of 2016: historically speaking, when the Federal Reserve increases its key rate gradually, i.e. not at each one of its monetary policy (FOMC) meetings, US equity prices improve in the year that follows the start of the rate hiking cycle. By contrast, if the increase is too rapid, US market performance is negative. In more general terms, while the current abundance of liquidity will boost the equity markets, this common denominator will not absolve the investor of responsibility for making discerning choices.

Lastly, the appreciation of the US dollar is expected to be limited. Today's foreign exchange markets tend to react in anticipation of central bank decisions rather than when those decisions are actually implemented, which partly explains the appreciation of the greenback this year whilst waiting for the Federal Reserve to hike interest rates. As such, we do not expect the dollar to achieve parity with the euro and anticipate an upper limit of around 1.15 next year.

Activity report  
**CA INDOSUEZ  
(SWITZERLAND) SA**

## A leading bank in the Swiss market

With 1,346 employees and CHF 1,522 millions in shareholders' equity (Tier I), CA Indosuez (Switzerland) SA continues to rank among the top five foreign banks in Switzerland, with a presence in the country that has lasted some 140 years.

CA Indosuez (Switzerland) SA has three main areas of activity:

- Wealth Management,
- Transactional Commodity Finance, Commercial Banking and Capital Markets,
- Banking Logistics.

They are supplemented by a coverage function for large corporates and financial institutions.

This broad range of expertise allows us to serve a diversified client base and deliver consistent results, while facilitating substantial synergies between these different activities.

We operate in Switzerland through four business locations, in Geneva, Lausanne, Lugano, and Zurich, and around the world through a network of offices dedicated to Wealth Management, chiefly in Asia (Hong Kong and Singapore), and in the Middle East (Abu Dhabi, Beirut, and Dubai). This network of business locations is aimed at reinforcing Indosuez Wealth Management's global coverage, offering multi-booking capabilities to clients wishing to operate in multiple legal or investment environments.

The establishment of cross-business ranges of products and services has further enriched the line-up we can offer to our clients, no matter where they are located.



## MESSAGE FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER



“

**Jean-Paul Chifflet,**  
*Chairman of the Board of Directors*

**2**015 was a year of profound renewal and adjustment for CA Indosuez (Switzerland) SA. Over the past months, our teams have ramped up the process begun several years ago to bring our group in line with Swiss and foreign regulatory requirements by adapting our international private banking business and our structure to today's new economic and regulatory landscape. Thanks to the outstanding commitment of our teams and the close collaboration between CA Indosuez (Switzerland) SA and Crédit Agricole Group, we were able successfully to meet the numerous challenges we faced, notably regarding the settlement of disputes linked to the taxation of US nationals or to dollar-denominated commercial transactions that are subject to economic sanctions. By

taking a proactive approach to each issue, our institution has not only fulfilled its regulatory obligations but also laid the foundations for its future development.

The significant headway made on many projects, including those completed, particularly those linked to the regulations that govern our sector, has opened up new avenues for development across all of our activities. The changes made will prove particularly beneficial at a time when both divergent market conditions and high geopolitical uncertainty persist. Like all of Switzerland's banking and finance sector, the past year saw CA Indosuez (Switzerland) SA suffer from the repercussions of monetary policies implemented by the world's main central banks. The zero, or even negative, interest rates

**Jean-François Deroche,**  
*Chief Executive Officer*

*CA Indosuez (Switzerland) SA's financial strength and the security of its customers was paramount in the strategic choices that marked 2015.*

“

that reigned over most of the major economies in 2015 had a significant impact on the Wealth Management industry.

The consequences were particularly harsh for the Swiss banking sector following the change in stance by the Swiss National Bank at the start of the year and the strong appreciation of the franc against other currencies. At the same time, our transactional financing activities also slowed on the back of the widespread depreciation in commodities prices.

Despite these uncertainties, CA Indosuez (Switzerland) SA took full advantage of 2015 to commit wholeheartedly to changing its structure and methods and to developing its roadmap for the future. In line with the strategy defined over the past two years, our teams have worked tirelessly to adapt to today's new regulatory backdrop and strengthen our different business lines to support their future development. Our commercial strategies have been redefined and their deployment is underway.

Although they reflect what have often been difficult conditions, CA Indosuez (Switzerland) SA's results for 2015 are sound and point to a promising outlook for the medium term. All of CA Indosuez (Switzerland) SA's activities played a part in its solid performance, albeit to varying degrees. While the collapse in commodities and the negative rates had their inevitable impact on banking activities, CA Indosuez (Switzerland) SA's gross operating income is consistent with budget forecasts at constant exchange rates, thanks in particular to strict cost control. The extremely cautious provisioning policy set in place in anticipation of the settlement of disputes with the US authorities, along with backing from Crédit Agricole

group in the form of a capital increase, also allowed us to offset the accounting impact of the sanctions imposed on our institution.

CA Indosuez (Switzerland) SA's financial strength and the security of its customers was paramount in the strategic choices that marked 2015. As a result, we once again demonstrated our commitment to prudence and discipline, which have been the watchwords that have guided our actions since as far back as 1876 without ever compromising our ability to look to the future and anticipate the trends that shape our profession. Today more than ever, the quality of the products and services offered by CA Indosuez (Switzerland) SA are our teams' first priority, particularly when it comes to equity transactions for which our entrepreneurial clients require increasingly specialised advice and assistance. The launch, at the start of 2016, of Indosuez Wealth Management, a new global brand for all of our Wealth management activities, is a symbol of our renewed ambition. It is an innovation that reflects our ambition to undertake confidently a new phase in our business venture. Thanks to the constant involvement of its teams, an unfailing commitment to excellence and a steadfast desire to meet its customers' needs, CA Indosuez (Switzerland) SA has begun a new chapter in its history. With a new chapter comes a new title and, since 18 January 2016, a new name: CA Indosuez (Switzerland) SA. ■

Jean-Paul Chifflet

Jean-François Deroche

## Management Bodies at 31.12.2015

### BOARD OF DIRECTORS

#### Chairman

- Jean BOUYSSET,  
until 29 April 2015

- Jean-Paul CHIFFLET,  
Chief Executive Officer,  
Crédit Agricole SA (until 20 May 2015)  
from 29 April 2015

#### Deputy Chairman

- Christophe GANCEL,  
Chief Executive Officer,  
CA Indosuez Wealth (Group)

- Maurice MONBARON,  
until 29 April 2015

- Jacques BOURACHOT,  
from 29 April 2015

#### Directors

- Jean-Louis BERTRAND\*
- Olivier DESJARDINS  
Corporate Secretary, CA Indosuez Wealth (Group)  
(until 2 November 2015)  
Project Director – Crédit Agricole SA Compliance  
Department (from 2 November 2015)
- Emmanuel DUCREST\*,  
Attorney-at-law with Ducrest, Nerfin, Berta  
in Geneva Spira, Bory Villa
- Camille FROIDEVAUX\*,  
Attorney-at-law with Budin & Associés in Geneva
- Philippe GESLIN\*
- Martin LENZ\*,  
Attorney-at-law with Lenz Caemmerer Bender  
in Basel
- Paul de LEUSSE,  
Deputy Chief Executive Officer of Crédit Agricole  
Corporate and Investment Bank  
from 25 June 2015
- Christoph R. RAMSTEIN\*,  
Attorney-at-law with Pestalozzi in Zurich
- Fabio SOLDATI\*,  
Attorney-at-law with Felder, Riva, Soldati,  
Marcellini, Generali in Lugano
- Edmond TAVERNIER\*,  
Attorney-at-law with Tavernier Tschanz in Geneva

### BOARD COMMITTEES

#### Audit and Risk Committee

from 9 October 2015

#### Chairman

- Philippe GESLIN\*

#### Members

- Jean-Louis BERTRAND\*
- Olivier DESJARDINS,  
until 16 December 2015
- Paul de LEUSSE,  
from 16 December 2015
- Edmond TAVERNIER\*

#### Compensation Committee

#### Chairman

- Christophe GANCEL

#### Members

- Jean-Louis BERTRAND\*
- Paul de LEUSSE,  
until 24 September 2015
- Edmond TAVERNIER\*,  
from 24 September 2015

\* Independent members of the Board of Directors  
as defined in FINMA Circular 2008/24.

#### Executive Committee

- Hervé CATALA\*\*,  
Chief Executive Officer
- Pierre GLAUSER,  
Deputy Chief Executive Officer  
Head of Commercial Banking
- Philip ADLER,  
Head of Capital Markets  
until 15 December 2015  
Ad-interim: Hervé CATALA\*\*
- Frank BERVILLE,  
Head of Coverage

\*\* From 18 January 2016, Hervé Catala has been replaced  
by Jean-François Deroche.

- Viviane GABARD,  
Head of Risk Management and Permanent Controls  
until 1 June 2015

Ad-interim: Jean-Michel Gourmet  
Head of Compliance and Client Documentation  
from 1 June 2015

- Pierre JACQMARcq,  
Head of Finance
- Aline KLEINFERCHER,  
Head of Human Resources

■ Jérôme LALOURCEY,  
Head of EMDG/Organisation Transformation  
& Optimisation

- Pierre MASCLET,  
Head of Market and Investment Solutions

■ Marcel NAEF,  
Head of Legal Affairs and Compliance  
until 1 June 2015  
Head of Legal and Governance  
from 1 June 2015

- Patrick RAMSEY,  
Head of Wealth Management
- Hubert VIEILLE-CESSAY,  
Head of Risk Management and Permanent Controls  
from 1 September 2015

#### Standing Invites of the Executive Committee

- Jean-Claude FAVRE, Head of Logistics  
until 30 June 2015  
Ad-interim: Thomas Carton
- Pierre DULON, Head of Logistics  
from 1 September 2015

#### Audit

- General Inspection
- Darius PUIU

#### Permanent Control

- Stéphane REICHENBACH,  
until 1 October 2015
- François CRIVELLI,  
from 1 October 2015

#### Auditors

- PricewaterhouseCoopers SA

## WEALTH MANAGEMENT



**Patrick Ramsey,**  
Head of Wealth Management



**Pierre Masclet,**  
Head of Markets  
and Investment Solutions



**2**015 may be seen as a year of real transition, both in our wealth management activities and across all markets. Therefore the change in the volume of assets entrusted to CA Indosuez (Switzerland) SA should be interpreted with caution. Indeed this phenomenon can be attributed to several factors relating to the state of the global economy, market uncertainties and developments in the Swiss banking sector. In this environment, which at times presented a confusing picture, several trends emerged.

The key measure of our performance, the amount of assets under management, showed a not insignificant decline, which was nevertheless contained. This decrease came as a result of the strategic choices made by CA Indosuez (Switzerland) SA, the mechanisms inherent in our wealth management activities, as well as the external constraints affecting the whole of the market. The impact of the decision to refocus our activities on residents of the European Union and the OECD played a large part in this development. The allocation decisions of our large institutional clients also affected the amount of assets under management. In addition, the strong appreciation of the Swiss franc at the start of the year automatically reduced the face value of these assets, most of which are denominated in dollars or euros. Despite these various constraints, our Wealth Management business once again proved popular with international clients and attracted regular influxes of capital in all the areas covered by our teams.

The strong performance of Wealth Management also reflects our teams' ability to provide genuinely personalised investment solutions. Thanks to a new approach to the challenges of wealth management in Asia – and especially the opportunities offered by the Chinese market – we are now in a position to fully meet the expectations of our clients based in the region or keen to invest there. In addition, the effective coordination between the different entities of Indosuez Wealth

Management represents a real medium-term competitive advantage. We witnessed the positive effects of this during the last financial year, particularly in the European market. Expanding our activities on the domestic Swiss market will also remain a top priority in the years ahead.

Apart from these factors conducive to our business development, we also paid particular attention in 2015 to streamlining our organisational structure and reconfiguring our teams. This resulted in major improvements in cost control. Our headcount was kept under control and our costs brought in line with the very significantly reduced level of assets under management, while at the same time maintaining the highest standards of service through ongoing staff training and development. These savings, combined with efforts to overhaul and update our business approach, also serve to underpin the measures put in place to modernise our business model.

The work we have done over the last few years to comply with regulatory requirements means that today our bank is in a strong position versus its competitors. Indosuez Wealth Management in Switzerland is well equipped to serve its most discriminating clients with a high-quality, international range of services.

### The range of investment solutions available from Wealth Management

Building on the work undertaken in previous years, throughout 2015 the teams at Indosuez Wealth Management in Switzerland worked on developing investment solutions that take into account all of the asset management requirements of our clients. This approach, in which all asset classes and all forms of investment are permitted, is directly linked to the changes taking place in the wealth management market both in Switzerland and the rest of the world. Indeed, the prevailing environment of low or even negative rates

means that private banks increasingly have to innovate to strike a good balance between security and returns. What is more, heightened competition from domestic banks is causing international private banks to redefine their strategy. Under these circumstances, our range of products and services has evolved over the course of the year so as to fully meet the expectations of our private clients, entrepreneurs in particular, in terms of both risk management and the ability to customise the solutions on offer.

The steady increase over the last three years of solutions designed by our teams as a percentage of the total assets managed by our bank demonstrates the flexibility, dynamism, and durability of the model on which our business is based. In financial year 2015, three strategic priorities were brought to the fore in order to make the best of difficult market conditions: the adoption of a wider investment universe, the excellence of our research and recommendations for the various financial markets, and consideration of the legal and entrepreneurial aspects of the strategies deployed on behalf of our clients.

By concentrating on "real economy" assets (private equity, investment property) for the investments they look after, our teams have been able to offer Indosuez Wealth Management clients higher returns than many financial securities without significantly increasing portfolio volatility. However, investment solutions focused on the stock markets have not been neglected. In an

environment marked by historically low interest rates, the teams at Indosuez Wealth Management have opted for an approach based on a flexible, evolving balance between asset classes. As a result, the strategies implemented by our discretionary management teams were adjusted in response to the fluctuations that affected all asset classes and the major global markets due to the combined effect of the economic slowdown in China, the planned rise in US rates and the persistently poor performance of commodities.

The research and analysis capabilities available to the clients of Indosuez Wealth Management seem to be the main factor behind the growth in our investment advisory business during the course of the year. The recommendations we issued in 2015, in terms of both stock selection and foreign exchange strategies, generated considerable added value in spite of the difficult market conditions. Our expertise in identifying and following up on investment opportunities also fed into our range of structured products, particularly in the equity markets, enabling us to capture the markets' upside potential while at the same time optimising the portfolios' risk profile.

We also focussed on the legal, fiscal and entrepreneurial challenges that will help determine the success of the investment strategies devised for our bank's clientele. By developing client support specifically centred on these aspects, we have demonstrated our ability to fully integrate the regulatory and competitive changes that

***"Now more than ever, Switzerland ranks as a destination of choice for international investments. Although there are still numerous regulatory challenges to be addressed, our integrated organisation and multicultural teams bring real added value to our clients all over the world."***

**Patrick Ramsey,**  
Head of Wealth Management

**Pierre Masclet,**  
Head of Markets and Investment Solutions



***"We have made sure to open up new investment opportunities for our clients while at the same time maintaining extremely high standards in market analysis and portfolio construction. Extensive expertise, wealth engineering and corporate advisory will be the factors that determine the future development of our services."***

have arisen in the wealth management sector in Switzerland and around the world over the last few months. In this respect, the increased popularity of the services offered by our wealth specialists and, in particular, by the tax unit, marks an important step towards boosting our market presence. The rollout of Corporate Finance services during the course of 2015 was also well timed to meet the needs of our entrepreneurial clients, who are showing an ever growing interest in their bank's ability to take a holistic approach to their wealth management issues. As such, access to the skills, expertise and worldwide network of Crédit Agricole Group is a valuable factor that sets our Wealth Management businesses apart.

These multiple developments took place against an economic and financial background that was often hard to interpret. Nevertheless, several basic trends emerged during the year, and our teams made sure to take full advantage of these when devising the medium-term strategies offered to clients. In particular, the persistent very low or even negative interest rates led us to put in place an essentially tactical approach for the bond markets. The return to volatility on the foreign exchange market and the equity markets is a good opportunity to put in place more complex strategies, and means that prospects for investors are extremely positive. Moreover, the change in US monetary policy and the resulting

strength of the dollar look set to produce new investment opportunities on the European or Asian markets.

In spite of the growing geopolitical uncertainties, consideration of these different factors should allow us to combine performance with risk management, an objective that is shared by all our Market and Investment Management staff. Therefore, bearing in mind the need for caution and responsiveness, the priorities identified by our teams are to continue to enhance our product and service ranges, and to strengthen our market presence. In this respect, particular attention will be paid to expanding our Asian operations in the areas of investment advisory, wealth engineering, and Corporate Finance. ■

## CORPORATE AND INVESTMENT BANKING



**Pierre Glauser,**  
*Head of Commercial Banking*



**Frank Bervillé,**  
*Head of Coverage*

### Capital Markets

The year 2015 began with important decisions by the central banks, notably the SNB's decision to do away with the minimum EUR/CHF rate of 1.20, which caused real shockwaves, as well as the ECB's expected announcement on its programme of quantitative easing. This new situation led to a surge in volatility on the foreign exchange market, marking the end of a long period of stagnation. This prompted renewed interest in foreign exchange transactions, and hedging in particular. Market expectations in 2015 centred on the confirmation of the economic recovery in the United States. The different published figures, some of them contradictory, put a damper on the trend that had started at the beginning of the year. However, the new divergences in monetary policy decided at the end of the year contributed to a rise in volatility and in volumes on the foreign exchange market.

Fixed income products also posted strong performance over the year. Bond market business managed to resist the impact of the Greek crisis and the turmoil in the Chinese economy.

Our Capital Markets teams, in particular, achieved good results. Customer service and strict application of the new regulations remained a priority.

### Commercial banking

Global Commodity Finance continued to face a tough economic environment in 2015. In particular we saw a further decline in commodity prices, especially for crude oil, which hit a symbolic low of USD 30/barrel for North Sea crude. Overall, revenues were down for the year, but risks were kept under control.

The year 2015 also saw the Commodity Financing business, Trade Finance business, and the Transaction Banking activities within Crédit Agricole Corporate and Investment Bank brought together under a single division. The ITB (International Trade & Transaction Banking) division was set up on 1 July 2015.

Transaction Banking, the second business line within this new ITB division, provides our clients with Cash Management and Supply Chain Financing solutions, and generally enables clients above all to optimise their working capital requirements.

Cash Management, which is at the heart of the client relationship, on the one hand allows us to meet our clients' basic needs, and on the other provides the bank with a major source of liquidity. As a result, this business is making a very significant contribution in helping us achieve the stipulated Basel liquidity ratios.

Our main clients are large Swiss corporates and Swiss branches of international groups. In 2015, CA Indosuez (Switzerland) SA had the opportunity to consolidate its client relationships, notably by putting in place appropriate e-banking solutions. We also did business with clients from Crédit Agricole's international network. The accumulation of liquidity continued in parallel throughout the year. ■



### Coverage of large corporates and banking institutions

The year 2015 saw an increase in business with large Swiss corporates. Business with large Swiss financial institutions remained steady despite an overall slowdown in the bond markets in the second half. In 2015, the most significant transactions involving large Swiss clients were in Debt Capital Markets, Structured Asset Finance, Acquisition Finance, Syndicated Loans and Hedging (interest rates, exchange rates, precious metals).

## BUSINESS PROCESS OUTSOURCING AND BACK-OFFICE SERVICES



**Pierre Dulong,**  
Head of Crédit Agricole Private Banking Services

*“Thanks to the Group’s support, Crédit Agricole Private Banking Services is now a major player in BPO, offering turnkey IT and back-office services available across a wide geographic area in Europe and Asia. Our ambition is to boost our growth by means of permanently high quality standards, an industrial approach, and innovative services for the benefit of all our banking clients.”*



### The Crédit Agricole Private Banking Services (CA-PBS) Logistics Centre\*

Crédit Agricole Private Banking Services, a division of CA Indosuez (Switzerland) SA, is an invaluable resource for the Bank's different activities. Equipped with first-class technical and operational skills, it provides IT and back-office services to the International Wealth Management subsidiaries of the Crédit Agricole Group. Employing automated work methods that have been certified under ISO 9001 for quality, under ISAE 3402 type 2 for operational risk management, and under ISO 27001 for its information security management system, CA-PBS has also been providing “Business Process Outsourcing” services to banks outside of the Group, both in Switzerland and abroad, for over 20 years.

In all, 27 banks in 10 countries, totalling more than 3,500 users, have already chosen the Crédit Agricole Private Banking Services platform, which evolves according to their needs and those of their clients. Over CHF 125 billion in client wealth is managed using the S2i integrated banking application, making CA-PBS a major player in Business Process Outsourcing (BPO) for the banking sector.

CA-PBS is continually improving its services, focusing on four areas: constantly striving to improve the quality of operations, boosting productivity, managing operational risk, and adding new functionalities to the client service.

This led to the completion or launch of numerous projects in 2015:

- Ongoing upgrades to the S2i integrated banking application tailored to the needs of the Private Banking and Universal Banking businesses: regulatory changes, tax management, eBanking, portfolio management etc.
- Continued technological investments in the platform, and the establishment of a “digital unit” to guarantee constant innovation for the clients’ benefit.
- The tightening of requirements with regard to risks to client identification data security following ISAE 3000 certification.
- Preparatory work for new client migration projects taking place in 2016 in Hong Kong and Singapore, and for the establishment of a CA-PBS operations centre in Singapore to support the development of client banks located in Asia.
- The inclusion of four new external banks on the BPO platform of CA-PBS.
- Preparatory work on the project to migrate the Indosuez Wealth Management Bank in France to S2i, which will give the Group Wealth Management business access to a single information system for all of its activities in Switzerland, Europe and Asia. ■

\* Crédit Agricole Private Banking Services (CA-PBS) is the Business Process Outsourcing and back-office services brand of the Group.



## KEY FIGURES

BALANCE SHEET (in millions of CHF)	31.12.2015	31.12.2014	Change in %
Total Assets	19 210	20 044	-4,2

INCOME (in millions of CHF)	Year 2015	Year 2014	Change in %
Interest income	107,2	136,9	-21,7
Commission income	222,4	237,6	-6,4
Trading income	111,0	72,0	+ 54,1
Other ordinary income	75,8	83,6	-9,3
<b>Total income (operating income)</b>	<b>516,4</b>	<b>530,1</b>	<b>-2,6</b>
Personnel expenses	-273,8	-296,3	-7,6
General and administrative expenses	-161,6	-117,4	+ 37,6
<b>Gross profit</b>	<b>81,0</b>	<b>116,4</b>	<b>-30,4</b>
Amortisation and valuation adjustments	-510,1	-82,7	+ 516,8
Extraordinary income and expenses	11,6	27,5	-57,8
Taxes	-20,1	-31,1	-35,4
<b>Result of the period</b>	<b>-437,6</b>	<b>30,1</b>	<b>-1 551,5</b>

(in millions of CHF)	31.12.2015	31.12.2014	Change in %
<b>Total managed assets</b>	<b>43 571</b>	<b>46 482</b>	<b>-6,3</b>
<b>Number of employees</b>	<b>1 346</b>	<b>1 326</b>	<b>1,5</b>
<b>Ratios (as %)</b>			
Common Equity Tier 1 (CET1) ratio	13,7	13,6	
Tier 1 ratio	13,7	13,6	
Total capital ratio	18,1	18,7	
Leverage ratio	6,9	6,0	
Short-term liquidity coverage ratio (LCR)	225,9	212,3	

The regulatory capital requirements established by FINMA in its 2011/2 circular oblige the Bank to respect a capital ratio of 12%. The Bank intends to maintain its solvency ratios at equivalent levels for the next three years.

Management report  
**CA INDOSUEZ**  
**(SWITZERLAND) SA**



## 1. Balance sheet as at 31 December 2015

### BALANCE SHEET

<b>ASSETS</b> (in thousands of CHF)	31.12.2015	31.12.2014
Liquid assets	3 329 322	3 326 645
Amounts due from banks	5 349 061	6 516 478
Amounts due from customers	6 710 782	7 038 664
Mortgage loans	454 851	483 367
Trading portfolio assets	1 035	546
Positive replacement values of derivative financial instruments	259 820	337 642
Financial investments	2 676 826	1 955 042
Accrued income and prepaid expenses	106 668	86 362
Participations	43 815	42 857
Tangible fixed assets	245 042	247 710
Other assets	32 782	8 451
<b>Total Assets</b>	<b>19 210 004</b>	<b>20 043 764</b>
Total subordinated claims	-	-
of which subject to mandatory conversion and/or debt waiver	-	-

### BALANCE SHEET

<b>LIABILITIES</b> (in thousands of CHF)	31.12.2015	31.12.2014
Amounts due to banks	4 080 678	3 252 612
Liabilities from securities financing transactions	-	1 053 179
Amounts due in respect of customer deposits	12 967 699	13 561 039
Negative replacement values of derivative financial instruments	265 663	277 174
Accrued expenses and deferred income	167 020	113 923
Other liabilities	16 696	9 867
Provisions	141 380	248 982
Reserves for general banking risks	19 400	19 400
Bank's capital	1 060 946	579 371
Statutory capital reserve	388 910	388 910
Statutory retained earnings reserve	101 295	101 295
Profit carried forward	438 012	407 811
Result of the period	-437 695	30 201
<b>Total Liabilities</b>	<b>19 210 004</b>	<b>20 043 764</b>
Total subordinated liabilities	590 000	590 000
of which subject to mandatory conversion and/or debt waiver	-	-

### OFF-BALANCE SHEET TRANSACTIONS

<b>OFF-BALANCE SHEET TRANSACTIONS</b> (in thousands of CHF)	31.12.2015	31.12.2014
Contingent liabilities	3 236 644	4 371 792
Irrevocable commitments	1 629 530	1 566 246
Commitment credits	550 729	74 489

## 2. Income statement for the year 2015

### INCOME AND EXPENSES FROM ORDINARY BANKING ACTIVITIES

(in thousands of CHF)	Year 2015	Year 2014
<b>Result from interest operations</b>		
Interest and discount income	132 994	178 776
Interest and dividend income from financial investments	471	4 455
Interest expense	-19 798	-29 494
<b>Gross result from interest operations</b>	<b>113 667</b>	<b>153 737</b>
Changes in value adjustments for default risks and losses from interest operations	-6 484	-16 861
<b>Subtotal net result from interest operations</b>	<b>107 183</b>	<b>136 876</b>
<b>Result from commission business and services</b>		
Commission income from securities trading and investment activities	169 669	177 945
Commission income from lending activities	33 000	42 594
Commission income from other services	60 577	57 692
Commission expense	-40 861	-40 640
<b>Subtotal result from commission business and services</b>	<b>222 385</b>	<b>237 591</b>
<b>Result from trading activities and the fair value option</b>	<b>110 996</b>	<b>72 130</b>
<b>Other result from ordinary activities</b>		
Result from the disposal of financial investments	351	628
Income from participating interests	7 313	20 625
Result from real estate	2 105	2 158
Other ordinary income	66 232	60 459
Other ordinary expenses	-171	-231
<b>Subtotal other result from ordinary activities</b>	<b>75 830</b>	<b>83 639</b>
<b>Operating expenses</b>		
Personnel expenses	-273 750	-296 259
General and administrative expenses	-161 649	-117 446
<b>Subtotal operating expenses</b>	<b>-435 399</b>	<b>-413 705</b>
Value adjustments on participations and depreciation & amortisation of tangible fixed assets and intangible assets	-19 322	-22 933
Changes to provisions and other value adjustments, and losses	-490 809	-59 760
<b>Operating result</b>	<b>-429 136</b>	<b>33 838</b>
Extraordinary income	11 671	27 516
Extraordinary expenses	-107	-8
Taxes	-20 123	-31 145
<b>Result of the period</b>	<b>-437 695</b>	<b>30 201</b>

### APPROPRIATION OF PROFIT

(in thousands of CHF)	Year 2015	Year 2014
Result of the period	- 437 695	30 201
Profit carried forward	438 012	407 811
<b>Retained earnings</b>	<b>317</b>	<b>438 012</b>
Appropriation of profit:		
- Allocation to statutory retained earnings reserve	-	-
- Allocation to voluntary retained earnings reserves	-	-
- Distribution from Retained earnings	-	-
- Other distribution of profit	-	-
<b>New amount carried forward</b>	<b>317</b>	<b>438 012</b>

### 3. Notes

#### 3.1. Business name, legal form and registered office of the Bank

CA Indosuez (Switzerland) SA's (formerly Crédit Agricole (Suisse) SA), hereafter "the Bank", is a public limited company organised under Swiss law and engaged in wealth management, commercial banking and global commodity finance as well as short-term cash trade or long-term money market instruments, currency and precious metals. Moreover the Bank's Logistics Centre which is located in Lausanne operates as a services centre in charge of IT management, back-office for entities belonging to the Crédit Agricole SA Group and third-party institutions.

In addition to its head office in Geneva, the Bank has branch offices in Lugano, Zurich, Hong Kong and Singapore, and subsidiaries in Switzerland and Lebanon, as well as two representation offices in the United Arab Emirates.

#### 3.1.1. Compulsory disclosure on the Hong Kong branch remuneration system

The Board of Directors of CA Indosuez (Switzerland) SA sets and enforces remuneration policy. It has appointed a Remuneration Committee composed of three Board members.

The structure and level of total remuneration is aligned with CA Indosuez (Switzerland) SA's business strategy, objectives, values and long-term interests, such as sustainable growth prospects as well as financial results and risk policy. The compensation policy is consistent with the principles governing the protection of clients and investors.

Compensation is structured to ensure that the fixed and variable components are fairly balanced. The fixed component accounts for a sufficiently important share of total remuneration and makes it possible to operate a flexible bonus policy. If a substantial bonus is granted, payment of a portion can be deferred.

In reference to 2015, total fixed remuneration (excluding charges) for senior management (3 people) and key personnel (3 people) of the CA Indosuez (Switzerland) Hong Kong branch amounted to HKD 10.8 million.

Variable remuneration (excluding charges) totaled HKD 2.7 million, split between HKD 2.3 million for immediate cash bonuses and HKD 0.4 million for deferred bonuses.

No sign-on payments were awarded among the same personnel categories in 2015.

#### 3.2. Accounting and valuation principles

##### 3.2.1. General principles

The accounting and valuation principles are based on the Code of Obligations, the Banking Act and its related Ordinance as well as the Accounting rules for banks, securities dealers, financial groups and conglomerates ("ARB") according to FINMA circular 15/1. The accompanying reliable assessment statutory single-entity financial statements present the economic situation of the Bank such that a third party can form a reliable opinion. The financial statements are allowed to include hidden reserves.

The Bank no longer sets up consolidated accounts since 2014 as its subsidiaries became non-significant from a quantitative point of view.

##### General valuation principles

The financial statements are prepared on the assumption of an ongoing concern. The accounting is therefore based on going-concern values.

Assets are recognised on the balance sheet if, based on past events, they may be disposed of, a cash inflow is probable and their value can be reliably estimated. If a reliable estimate is not possible, then it is a contingent asset, which is commented on in the notes.

Liabilities are recognised on the balance sheet if they have arisen due to past events, a cash outflow is probable and their value can be reliably estimated. If a reliable estimate is not possible, then it is a contingent liability, which is commented on in the notes.

The disclosed balance sheet items are valued individually.

The transitional provision, which requires the individual valuation of equity participations, tangible fixed assets and intangible assets as of 1 January 2020, is not applied.

In principle, neither assets and liabilities nor expenses and income are offset.

Accounts receivable and accounts payable are offset in the following cases:

- If they concern the same type of transaction with the same counterparty in the same currency and they have an identical or earlier due date and do not lead to any counterparty risk.
- Deduction of value adjustments from the corresponding asset item.
- Offsetting of positive and negative changes in book value within the compensation account with no income effect in the current period.

##### Financial instruments

###### Liquid assets

Liquid assets are recognised in the balance sheet at their nominal value.

###### Securities financing transactions

The term securities financing transactions includes repurchase and reverse repurchase transactions, securities lending and securities borrowing.

Sales of securities with a repurchase obligation (repurchase) and acquisitions of securities with an obligation to resell (reverse repurchase) are classed as guaranteed financing transactions. The total value of liquid assets received or given as a guarantee for repurchase and reverse repurchase agreements is carried in the balance sheet, including accrued interest.

Interest income from reverse repurchases and the interest expense from repurchases are apportioned over the underlying transaction period.

###### Amounts due from banks, amounts due from customers and mortgage loans

Amounts due from banks, amounts due from customers and mortgage loans are recognised at their nominal value less any necessary value adjustments.

Doubtful receivables, i.e. obligations entered into with clients for which the debtor is unlikely to meet its future obligations, are valued individually and depreciated by means of individual value adjustments.

Doubtful receivables are classified in the balance sheet at the nominal value if the outstanding amount of capital and interest are paid again on time according to the contractual agreements and other creditworthiness criteria. Value adjustments are released with an effect on income via the item "Change in value adjustments for default risk and losses from interest item operations".

The individual valuation adjustments are deducted from the corresponding asset in the balance sheet.

For credit facilities (with corresponding credit facility limits) whose use is typically subject to frequent and large fluctuations (e.g. current account credit facilities) and for which provisioning is required, the Bank uses an alternative method to record the required value adjustments and provisions. The initial recording of a provision is carried out in its entirety via the item "Change in value adjustments for default risk and losses from interest operations". If facility utilisation changes during the same accounting period, a reclassification with no impact on income is carried out between the value adjustment for the corresponding balance sheet item and the provision for the undrawn part of the credit facility. Reclassifications with no impact on income are reported in the "Reclassifications" column in appendix 5.16 "Value adjustments, provisions, reserves for general banking risks".

The magnitude of value adjustments is systematically determined systematically taking into account portfolio risks. The various criteria and procedures governing value adjustments are subject to detailed internal documentation. A "doubtful accounts" committee is assigned this task and meets regularly to examine the accounts of customers with doubtful receivables.

###### Amounts due to banks and amounts due in respect of customer deposits

These items are to be recognised at their nominal value.

### Trading portfolio assets and trading portfolio liabilities

The trading portfolio relating to trading operations are valued and recognised at fair value. Fair-value is the price based on a price-efficient and liquid market.

The gain or loss resulting from purchases and sales as well as unrealized gains and losses arising from fair-value changes are recorded via the item "Result from trading operations and use of the fair value option".

### Positive and negative replacement values of derivative financial instruments

Derivative financial instruments are used for trading and for hedging purposes.

### Trading purposes

Derivative financial instruments for trading purposes are valued at fair value and their positive or negative replacement value is recorded in the corresponding balance sheet line item. Fair-value is the price based on a price-efficient and liquid market.

The realised result from trading operations and the unrealised result from valuations relating to trading operations are recorded via the item "Result from trading operations and use of the fair value option".

### Hedging purposes

The Bank also uses derivative financial instruments as part of its asset and liability management (ALM) to hedge against interest rate and currency risks. Hedging operations are valued like the underlying hedged transaction. The result from hedging operations is recorded in the same item as the corresponding result from the hedged underlying transaction. The valuation result from hedging instruments is recorded in a compensation account, provided that no change in the value of the underlying transaction has been booked. The net balance of the compensation account is recorded via the item "Other assets" or "Other liabilities".

Hedges and the goals and strategies of hedging operations are documented at the conclusion of a derivative hedging transaction. The effectiveness of the hedge is regularly reviewed. If the hedge is no longer or only partially effective, the part of the hedging transaction that is no longer effective is treated like a trading operation.

### Financial investments

Financial investments include debt instruments, equity securities and physical stocks of precious metals.

If the fair value of financial investments valued using the lower of cost or market principle increases again after declining below the historical cost, the value may be appreciated up to a maximum of the historical cost. The balance of the value adjustments is recorded via the item "Other ordinary expenses" or "Other ordinary income".

Fixed-income debt instruments to be held until maturity are valued according to the accrual method. The corresponding premiums and discounts are apportioned over the residual period to maturity via the item "Accrued income and prepaid expenses" or "Accrued expenses and deferred income".

If held-to-maturity financial investments are sold or reimbursed early, the realised gains and losses, which correspond to the interest component, are accrued/deferred over the residual term to maturity of the transaction via the item "Other assets" or "Other liabilities".

### Equity securities, physical stocks of precious metals

Equity securities are valued at the lower between the acquisition cost and the market value. Physical stocks of precious metals, held to cover commitments on metals accounts, are accounted at market value. The value adjustments are recorded via the item "Other ordinary expenses" or "Other ordinary income".

### Tangible fixed assets

Fixed assets are recognised at their acquisition cost and depreciated on a straight-line basis over their estimated useful lifetime via the item "Value adjustments on participations and amortisation of tangible fixed assets and intangible assets". The estimated operating lives are as follows:

- vehicles and IT equipment 3 years
- fixtures and fittings 5 years
- mainframe IT system 5 years
- fitting-out of premises 10 years
- self-developed software 10 years
- buildings used by the Bank (1.5% per annum) 66.5 years

Each tangible fixed asset is tested for impairment as of the balance sheet date. This test is based on indicators reflecting a possible impairment of individual assets. Where evidence of impairment exists, a recoverable amount is calculated for each individual asset. An asset is impaired if its carrying amount exceeds its recoverable amount.

If the asset is impaired, the book value is written down to the recoverable value and the impairment is charged via the item "Value adjustments on participations and amortisation of tangible fixed assets and intangible assets".

If the impairment test shows that the operating life of an intangible asset has changed, the residual carrying amount should be depreciated systematically over the newly estimated useful life.

Realised gains and losses from the sale of tangible fixed assets are respectively recorded in "Extraordinary income" or "Extraordinary expense".

### Participations

Participations owned by the Bank include equity securities of companies that are held for long-term investment purposes, irrespective of any voting rights.

Participations are valued individually at historical costs less any value adjustments.

Each participation is tested for impairment as of the balance sheet date.

Realised gains from the sale of participations are recorded in the item "Extraordinary income" and realised losses are recorded in "Extraordinary expense".

### Provisions

Legal and factual obligations are valued regularly. If an outflow of resources is likely and can be reliably estimated, a corresponding provision is created.

Existing provisions are reassessed at each balance sheet date. Based on this reassessment, the provisions are increased, left unchanged or released.

Provisions are released via the income statement if they are no longer needed on business grounds and are recorded in the following income statement line item:

- Provision for taxes: « Taxes »;
- Pension provision: "Personnel expenses";
- Other provisions: "Changes in provisions and other value adjustments and losses"

### Reserve for general banking risks

Reserves for general banking risks are set aside as a preventive measure with the aim of covering underlying risks relating to overall banking activity. These reserves are considered as forming part of shareholders' equity under Swiss banking law (CAO).

The creation and release of reserves is recognised via the item "Changes in reserves for general banking risks" in the income statement.

The reserves for general banking risks are subject to tax.

### Taxes

Current income taxes and capital taxes for the corresponding period are calculated in accordance with applicable tax rules. Direct taxes still due at the end of the fiscal year are recorded as liabilities on the balance sheet under "Accrued expenses and deferred income".

### Pension benefit obligations

The majority of the staff of the Bank are covered by the pension fund of CA Indosuez (Switzerland) SA.

The pension obligation and the assets covering these commitments are held by a legally independent foundation. Contributions which have been adjusted to the period are presented as personnel expenses in the income statement. Furthermore, the foundation manages its assets through the Bank; hence, the related positions are recorded in the latter's balance sheet.

The Bank assesses whether there is an economic benefit or economic obligation arising from its pension fund as of the balance sheet date. The assessment is based on the contracts and financial statements of the pension funds established under Swiss GAAP FER 26 in Switzerland and other calculations that present a true and fair view of its financial situation as well as the actual over-

underfunding. The Bank refers to a pension fund expert to assess whether a benefit or an obligation exists.

#### ■ Off-balance-sheet transactions

Off-balance-sheet disclosures are at nominal value. Provisions are created in the liabilities in the balance sheet for foreseeable risks.

### 3.2.2. Changes of the accounting and valuation principles

Since 1 January 2015, the Bank has been applying the revised accounting rules for banks according to FINMA Circular No. 2015/1. Comparative figures were adapted. Accordingly, the Bank no longer offsets the refinancing costs of securities trading. The income statement for the previous period was adjusted (CHF 12.6 million) to bring the presentation into line with that used for the current period. The income statement headings concerned by this reclassification without impact on net income are "Interest and discount income" (decrease) and "Result from trading activities and the fair value option" (increase).

### 3.2.3. Recording of business transactions

All transactions are booked at the trade date and valued thereafter for the purpose of determining profit or loss. Until their settlement date, executed transactions are presented as off-balance sheet transactions, with the exception of securities transactions, which are directly accounted for on the balance sheet.

### 3.2.4. Treatment of past-due interest

Past-due interests are not included as interest income. Interest income only includes interests that are over 90 days past due and not yet paid. With regard to current account limits, interests are treated as past due if the credit limit has been exceeded for over 90 days. From this point in time, no accrued interest is recorded in "Interest and discount income" until there is no more past-due interest longer than 90 days.

Past-due interests are not cancelled retroactively. The liabilities from the accumulated interest up to the expiry of the 90-day term (past due unpaid interest and accumulated accrued interest) are written down via the

item "Change in value adjustments for default risk and losses from interest operations".

### 3.2.5. Conversion of foreign currency items

The Bank uses a multi-currency accounting system and balance sheet items denominated in foreign currency are converted at the closing exchange rate.

Interest on fixed-term transactions and commissions on fiduciary operations in foreign currency are recorded daily in the income statement, at the exchange rate prevailing on that day. All other income and expenses are recorded on the day they occur, using the rate prevailing at the time of the transaction.

The exchange rates against the Swiss franc used for converting foreign currency items are as follows:

Currency	2015		2014	
	Closing exchange rate	Avg. Annual exchange rate	Closing exchange rate	Avg. Annual exchange rate
EUR	1.083	1.0637	1.2028	1.2125
USD	0.9905	0.9638	0.9883	0.9189
SGD	0.6999	0.6996	0.7473	0.7233
HKD	1.1278	1.1243	0.1274	0.1185

## 3.3. Risk management

### 3.3.1. General risk policy

The Bank is active in several business lines, which expose it primarily to credit risk, market risk, operational risk and legal risk. The monitoring, identification, measurement and management of these risks is a priority for the Bank.

The Board of Directors is the body responsible for high-level risk monitoring. It establishes a suitable risk policy and, within this policy, defines the philosophy, the risk assessment approach and the monitoring method. It periodically reviews the adequacy of the risk management

policy, makes regular changes and captures the risks arising from each of its areas of activity.

The Audit and Risk Committee is tasked with the review and follow-up of the risk policy and risk management procedures and systems involving the different categories of risk to which the Bank is exposed.

The Executive Committee oversees the enforcement of the risk policy approved by the Board of Directors and the introduction of suitable systems and procedures allowing the identification, measurement, assessment and management of the risks taken by the Bank, notably by constantly maintaining a Risk and Permanent Control Division.

Independent of the Bank's revenue-generating operating activities, the Risk and Permanent Control Division monitors risk exposure and establishes the bases underpinning the Bank's risk management policy, its risk propensity and exposure limits subject to approval by the Board of Directors. Specifically, it arranges for and sets up adequate risk monitoring systems and ensures their adaptation, defines the databases and methods to measure risks and ensures that the systems are appropriately used. It ensures an adequate level of information through internal reports.

### 3.3.2. Credit risk

Credit risk represents the losses incurred by the Bank in the event of default by a client or a counterparty.

#### ■ Loans to clients

Lending decisions are covered in advance by risk strategy guidelines.

Loans are granted according to a system of delegation of authority and are subject to a rating system. The rating is reviewed annually.

A Credit Committee examines loan applications and grants authorisations on the basis of the aforementioned delegation and policy. This policy encompasses the commitments of the Bank's clients and correspondents that result from lending activities, issuance of guarantees, and trading in currencies derivatives and securities.

Decision-making and the monitoring of individual risks are supplemented by a portfolio risk monitoring mechanism that captures the counterparty risk of the entire portfolio and highlights particular risk characteristics in the overall portfolio.

Portfolio reviews are organised each year in each major area in order to ensure that the actual portfolio is in line with existing risk strategies.

Risks are regularly monitored by the Risk Management and Permanent Control Division according to stringent procedures. The Executive Committee and the Board of Directors are kept informed on a regular basis.

#### ■ Counterparty risk in interbank business

Crédit Agricole Group, Paris, manages exposure to other banking institutions and sets counterparty limits on each affiliate based on the strategy and risk management policy of the Group. As it stands, the Bank has not been empowered by Crédit Agricole Corporate and Investment Bank ("CA CIB") to take risks involving other financial institutions, and each risk taken is subject to ratification by CA CIB.

All credit facilities must be approved by the Bank's Committee on Loans to Financial Institutions ("CCIF") and by CA CIB. Each arrangement is subject to annual review.

The Risk Management and Permanent Control Division monitors the compliance of credit facilities. In the event of an anomaly, it notifies the business line concerned, queries it on the nature of the anomaly and tracks progress on its resolution.

### 3.3.3. Market risk

Market risk reflects the risk of potential losses to which the Bank is exposed through market positions held based on the fluctuation of different market parameters and the independent appraisal of financial results.

Managing market risk involves identifying, measuring and monitoring open market positions from the Bank's portfolio or the trading portfolio. For each risk category, limits are established and controlled by the operators themselves on a continuous basis and by the Risk Management and Permanent Control Division.

The main market risks faced by the Bank are:

■ Foreign exchange risk

Foreign exchange risk is mainly evaluated by measuring the net residual exposure resulting from the recognition of gross currency positions originating mainly in client flows and their hedges.

■ Interest rate risk

Interest rate risk management aims to coordinate the balance between resources (liabilities) and their utilisation (assets) in view of interest rate fluctuations and the risk management policy defined by Crédit Agricole Group and the Bank's Board of Directors.

■ Liquidity risk

The system put in place by the Bank to manage liquidity risk ensures compliance with the relevant regulatory requirements at all times.

### 3.3.4. Operational risk management

CA Indosuez (Switzerland) SA defines operational risk as the risk of loss resulting from inadequate or failed internal processes, personnel or systems or from external events.

■ **Identification and measurement of inherent risk**

The work of identifying, measuring and making an inventory of inherent risk is focused on risks with significant consequences that are liable to prevent the Bank from accomplishing its objectives. These are major risks for which the forward-looking rating, based on the degree of potential impact, is determined by:

- Materiality: the financial impact on the Bank's results and the frequency of occurrence (probability of occurrence).
- Risk exposure tolerance: non-financial impact in terms of reputational risk, regulatory risk or legal risk.

■ **Mitigation measures: residual risk**

The Bank uses an efficient Internal Control System (ICS) designed to provide reasonable certainty that the risks to which the Bank is exposed are managed in such a way that the desired residual risk level is adhered to (risk mitigation measures). The awareness of such operating risk exposure allows management to identify its main areas of vulnerability and to adapt risk management based on the type and severity of the risk.

Specifically, mitigating risks is achieved through a range of mitigation measures, such as:

- Manual and automated control plans
- Risk transfers (insurance)
- Organisational measures (such as robust procedures, separation of functions, etc.)

These mitigation measures are evaluated in terms of their adequacy and efficiency. This evaluation of mitigation measures also looks at factors indicating a possible need for improvements to the ICS, in particular:

- The results of controls pointing to an anomaly
- Internal and external audit guidance
- Provisions for operational incidents
- Verified operational incidents (materialisation of operational risk)

In the event that the above measures are not sufficient to maintain residual risk at the desired level, an action plan needs to be drawn up to strengthen the Internal Control System.

■ **Matching of residual risk to effective risk**

All operational incidents that occur are recorded. In order to ensure that the residual risk is appropriate relative to the Bank's effective risk, the prospective residual risk rating is regularly compared against the operational incidents that have occurred.

■ **Employee responsibility**

The heads of each of the Bank's business lines work closely with the Permanent Control Department, which is in charge of operational risk management, to play an active role in identifying, evaluating, managing and monitoring their operational risk. To accomplish this, they rely on risk reporting officers working directly in the business lines. These officers ensure that their ICS is working correctly and that any significant change in activities is taken into account, and serve as the link between the heads of business lines and the Permanent Control Department.

The Board of Directors has entrusted the periodic evaluation of the Internal Control System to the Audit and Risk Committee.

■ **Communication**

The Permanent Control Department ensures that it always maintains an overall view of the operational risk status of all the Bank's activities, of any significant events relating to these and of any action plans aimed at improving the management of these risks. This information is passed on to the Board of Directors and Executive Management.

### 3.3.5. Compliance and legal risk

Compliance and legal risk relates to the loss, whether financial or in terms of reputation, that could result from failing to comply with regulations or with due diligence duties specific to financial intermediaries.

The Bank has a Compliance and Legal Affairs department whose role is to monitor compliance with the regulations, notably in relation to the prevention of money laundering, the financing of terrorism and the prevention of fraudulent acts. This department also ensures that in-house directives are consistent with new legislation and regulations.

### 3.3.6. Methods used for identifying default risks and determining the need for value adjustments

Level 1 controls on compliance with the conditions accompanying a decision to lend are performed by the account managers. The Risk Management and Permanent Control Division is responsible for Level 2 controls.

Liability monitoring is carried out to allow the early identification of assets likely to lose value, the objective being to initiate, as early as possible, concrete steps aimed at protecting the interests of the Bank.

The following situations are monitored and deemed to constitute default:

- 1) Unpaid items exceeding 90 days.
- 2) Authorisation breaches exceeding 90 days.
- 3) A deterioration in the counterparty's situation such that the Bank believes it will be unable to recover the full amount of its exposure.
- 4) Insolvency proceedings (e.g. bankruptcy, composition).
- 5) An assignment of receivables incurring a significant financial loss.
- 6) Restructuring with write-off.
- 7) A default event in the legal sense (indicated in the loan agreement and confirmed by the creditors).

8) Contagion to other counterparties which are part of the same risk group as the counterparty facing default.

For counterparties falling within the scope of Wealth Management activities, default is defined as the occurrence of one of the following events:

- 1) Insufficient coverage in terms of the margin call threshold for a period exceeding 90 days, in which case the marketable, liquid assets pledged no longer sufficiently cover the exposure with the same degree of confidence.
- 2) Breach, over a period exceeding five business days, of the liquidation threshold. This occurs when the collateral lending value falls below a certain level, obliging the Bank to partially or fully reduce its exposure to the client by liquidating the collateral in question to repay the loan.

If it becomes unlikely that the debtor will meet its obligations, an individual value adjustment will be made on a case-by-case basis on the basis of a decision by the competent bodies and taking into consideration the adequate evaluation of any collateral.

■ **Process for determining value adjustments and provisions**

Positions exposed to risk are remeasured on each balance sheet date and appropriate value adjustments are made if deemed necessary. Value adjustments to risk positions are reviewed and determined by the Sensitive Cases Committee.

### 3.3.7. Valuation of collaterals

Lombard loans are granted against collateral. The main types of accepted collateral are creditor accounts, fiduciary deposits with approved third parties, selected, easily marketable securities (stocks and bonds), precious metals, structured products, funds, management mandates and life insurance policies.

All accepted collateral is assigned a collateral rating, a margin call threshold and a liquidation threshold based on its liquidity, volatility, any ratings and maturities and country risk.

Loans guaranteed by a pledge of property are never granted without a collateral evaluation conducted by an licensed external specialist and based on the use of the asset.

The value used for residential property for personal use is the lower of the acquisition cost and the appraisal value at the time of purchase and of the market value and the index value when the loan is reviewed. For commercial property and residential property rented out in Switzerland, the value used is the earning capacity value.

### 3.4. Business policy regarding the use of derivative financial instruments and hedge accounting

Proprietary transactions are carried out within the framework of internal directives applying to the management of market risk and interest rate risk.

Transactions carried out on behalf of clients include foreign exchange transactions (forward and options), stock options, stock exchange rates, interest rates, precious metals and futures.

The Bank calculates an equivalent risk on these transactions to determine the amount of collateral required. This equivalent risk corresponds to the replacement value of the instruments plus an add-on or the usual margin calculated by the market. Margin calls are effected as soon as the value of the assets given as guarantee is no longer sufficient to hedge the risk exposure.

#### 3.4.1. Use of hedge accounting

Derivative financial instruments are used for trading and for hedging purposes.

Derivative financial instruments are used by the Bank for risk management purposes, mainly to hedge against interest rate and foreign currency risks.

The Bank documents the relationship between the hedging instrument and the secured underlying when the transactions are completed. It documents the hedging transactions goals and the method to assess the effectiveness of the hedging.

A hedge is seen as effective when the following criteria are fulfilled:

- The hedge is estimated as highly effective from its first application and for the rest of its lifetime.
- There is a close economic correlation between the underlying and the hedging transaction.
- Changes in the value of the underlying and the hedge are contrary to the hedged risk.

The effectiveness of the hedging is periodically checked. If a hedging transaction no longer fulfils the effectiveness criteria, it is considered like a trading transaction and the effect of the ineffective portion is recorded via the item "Results from trading operations and use of fair value option".

### 3.5. Material events after the balance sheet date

No material events occurred after the balance sheet date that could have a material impact on the financial position of the Bank as of 31 December 2015.

### 3.6. Premature resignation of the auditor

PricewaterhouseCoopersSA was elected as the Bank's auditor by the General Meeting. The auditor has not resigned prematurely from its function.

### 3.7. Information on the balance sheet

Unless expressly provided for otherwise by the remarks or detailed information set out in annex 5 to the FINMA circ. 15/1, all quantitative entries are to be accompanied in the notes by figures from the previous year.

**■ Layout of the notes to the financial statements**  
The numbering of the notes follows the layout stipulated by the FINMA in annex 5 to the FINMA circ. 15/1.

#### ■ Outsourcing of activities

The Bank does not outsource any of its activities as defined by the FINMA circular 2008/7.

## Information on the balance sheet

### 4: STATEMENT OF CHANGES IN EQUITY

(in thousands of CHF)	Bank's capital	Statutory capital reserve	Statutory retained earnings reserve	Reserves for general banking risks	Profit carried forward	Result of the period	Total
<b>Equity as at 1<sup>st</sup> January 2015</b>	579 371	388 910	101 295	19 400	407 811	30 201	1 526 988
Appropriation of retained earnings 2014					30 201	-30 201	-
Capital increase	481 575						481 575
Result of the period						-437 695	-437 695
<b>Equity as at 31<sup>st</sup> December 2015</b>	1 060 946	388 910	101 295	19 400	438 012	-437 695	1 570 868

### 5.1: SECURITIES FINANCING TRANSACTIONS (ASSETS AND LIABILITIES)

(in thousands of CHF)	31.12.2015	31.12.2014
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions	-	-
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions	-	1 053 179
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	-	1 045 084
<i>- with unrestricted right to resell or pledge</i>	-	1 031 632
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	-	-
<i>- of which, repledged securities</i>	-	-
<i>- of which, resold securities</i>	-	-

## 5.2: COLLATERAL FOR LOANS AND OFF-BALANCE SHEET TRANSACTIONS AS WELL AS IMPAIRED LOANS

	TYPE OF COLLATERAL			
(in thousands of CHF)	Secured by mortgage	Other collateral	Unsecured	Total
<b>Loans (before netting with value adjustments)</b>				
Amounts due from customers	24 965	3 368 296	3 525 720	6 918 981
Mortgage loans	454 857			454 857
- residential property	386 066			386 066
- business premises	66 474			66 474
- other	2 317			2 317
<b>Total loans (before netting with value adjustments)</b>				
Current year	479 822	3 368 296	3 525 720	7 373 838
Previous year	496 781	4 505 767	2 729 980	7 732 528
<b>Total loans (after netting with value adjustments)</b>				
Current year	479 816	3 160 097	3 525 720	7 165 633
Previous year	496 775	4 295 276	2 729 980	7 522 031
<b>Off-balance-sheet</b>				
Contingent liabilities	28 010	559 226	2 649 408	3 236 644
Irrevocable commitments		4 900	1 624 630	1 629 530
Commitments credits		92 380	458 349	550 729
<b>Total off-balance-sheet</b>				
Current year	28 010	656 506	4 732 387	5 416 903
Previous year	20 447	714 032	5 278 048	6 012 527
<b>IMPAIRED LOANS</b>				
(in thousands of CHF)	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Current year	247 333	26 936	220 397	208 205
Previous year	296 858	81 469	215 389	210 497

The gross amount of impaired loans fell by CHF 49 million (-17%), while the net amount rose slightly by CHF 5 million (+2%).

The change in gross impaired loans is explained by the resolution of past-due loans, either by debt restructuring, local legal authorities initiating bankruptcy proceedings against creditors, or an arrangement with creditors.

## 5.3: TRADING PORTFOLIOS AND OTHER FINANCIAL INSTRUMENTS AT FAIR VALUE (ASSETS AND LIABILITIES)

TRADING PORTFOLIO ASSETS (in thousands of CHF)	31.12.2015	31.12.2014
Debt securities	1 035	546
- of which, listed	138	2
<b>Total trading portfolio assets</b>	<b>1 035</b>	<b>546</b>

## 5.4: DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS AND LIABILITIES)

		TRADING INSTRUMENTS		HEDGING INSTRUMENTS			
(in thousands of CHF)		Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Interest rate instruments	swaps	21 693	21 670	1 105 155	58 689	82 212	7 871 554
	options (OTC)	13 802	13 802	101 174			
	<b>Total</b>	<b>35 495</b>	<b>35 472</b>	<b>1 206 329</b>	<b>58 689</b>	<b>82 212</b>	<b>7 871 554</b>
Foreign exchange/precious metals	forward contracts	132 252	126 523	16 643 278	54 748	42 830	6 321 728
	of which, internal contracts	35 682	25 652	4 353 910	25 652	35 682	4 351 490
	options (OTC)	27 431	27 421	4 585 875			
<b>Total</b>	<b>159 683</b>	<b>153 944</b>	<b>21 229 153</b>	<b>54 748</b>	<b>42 830</b>	<b>6 321 728</b>	
Equity securities/indices	options (OTC)	12 539	12 539	160 884			
	<b>Total</b>	<b>12 539</b>	<b>12 539</b>	<b>160 884</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total before netting agreements*	Reference year	207 717	201 955	22 596 366	113 437	125 042	14 193 282
	Previous year	195 698	191 722	13 593 272	141 944	85 452	10 687 836

	Positive replacement values (cumulative)	Negative replacement values (cumulative)
<b>Total after netting agreements</b>		
Current year	259 820	265 663
Previous year	337 642	277 174

Breakdown by counterparty	Central clearing houses	Banks and securities dealers	Others customers
Positive replacement values (after netting agreements)	-	196 590	63 230

\* None of them are determined by using a valuation model.

## 5.5: FINANCIAL INVESTMENTS

(in thousands of CHF)	BOOK VALUE		FAIR VALUE	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Debt securities	2 587 584	1 817 350	2 588 128	1 818 976
of which, intended to be held to maturity	2 587 584	1 817 350	2 588 128	1 818 976
Equity securities	1 155	1 434	2 989	2 592
of which, qualified participations	-	-	-	-
Precious metals	87 837	135 765	87 837	135 765
Real estate	250	493	250	493
<b>Total</b>	<b>2 676 826</b>	<b>1 955 042</b>	<b>2 679 204</b>	<b>1 957 826</b>
of which, securities eligible for repo transactions in accordance with liquidity requirements	1 898 889	1 532 210	1 898 996	1 533 836

Breakdown of counterparties as per Moody's rating (in thousands of CHF)	Aaa to Aa3	A1 to A3
Book values of debt securities	2 375 881	211 703

During the year, the Bank created a portfolio of high-quality medium-to long-term securities (four years or more) in addition of an existing shorter-term portfolio (up to three years).

## 5.6: PARTICIPATIONS

(in thousands of CHF)	Acquisition cost	Accumulated value adjustments	Book value 31.12.2014	CURRENT YEAR					
				Reclassifications	Additions	Disposals	Value adjustments	Appreciation in value	Book value 31.12.2015
Other participations without market value	105 985	-63 128	42 857	-	3 968	-3 010	-	-	43 815
<b>Total participations</b>	<b>105 985</b>	<b>-63 128</b>	<b>42 857</b>	<b>-</b>	<b>3 968</b>	<b>-3 010</b>	<b>-</b>	<b>-</b>	<b>43 815</b>

### Investments and disposals during 2015:

See table 5.7

## 5.7: COMPANIES IN WHICH THE BANK HOLDS A PERMANENT DIRECT OR INDIRECT SIGNIFICANT PARTICIPATION

Company name	Registered office	Activity	Currency	Share capital (in 1'000s)	Share capital (in %)	Share votes (in %)	Held directly (in %)
Crédit Agricole Suisse (Bahamas) Ltd. in liquidation	Nassau	Banking	USD	2 000	100	100	100
Finanziaria Indosuez International SA	Lugano	Financial company	CHF	1 800	100	100	100
Crédit Agricole Financements (Suisse) SA	Geneva	Banking	CHF	265 706	9.9	9.9	9.9
CA Indosuez Switzerland (Lebanon) SAL	Beyrouth	Financial company	LBP	2 000 000	100	100	100
Stemcor Global Holdings Limited	London	Financial holding	USD	1 000 000	4.5	4.5	4.5

### Main changes in 2015:

- Disposal of Crédit Agricole Investment Management S.à.r.l., Luxembourg
- Disposal of Crédit Agricole Suisse Conseil SA, Genève
- Disposal of Indosuez Trust (Switzerland) SA, Genève
- Reduction of the stake in the share capital of Crédit Agricole Financements (Suisse) SA from 11.4% to 9.9%
- Purchase of an interest as part of debt restructuring

## 5.8: TANGIBLE FIXED ASSETS

	PREVIOUS YEAR			CURRENT YEAR					(in thousands of CHF)
	Acquisition cost	Accumulated depreciation	Book value 31.12.2014	Reclassifications	Additions	Disposals	Depreciation	Reversals	
Bank buildings	272 493	-49 991	222 502	–		-3 643	–	218 859	
Internally developed software*	10 520	-757	9 763	–	4 182		-8 566	–	5 379
Other tangible fixed assets	90 342	-74 897	15 445	–	12 807	-335	-7 113	–	20 804
<b>Total tangible fixed assets</b>	<b>373 355</b>	<b>-125 645</b>	<b>247 710</b>	<b>–</b>	<b>16 989</b>	<b>-335</b>	<b>-19 322</b>	<b>–</b>	<b>245 042</b>

\* The Bank began a major technological development project. This plan, which has a number of different modules, is intended to internally develop the banking software using new technologies. During the current year, the Bank examined the value of the developments cost capitalised to date and their compatibility with this new plan and booked an accelerated amortisation of CHF 7.6 million.

OPERATING LEASES: OFF-BALANCE-SHEET LEASING OBLIGATIONS (in thousands of CHF)	31.12.2015	31.12.2014
Maturity up to 12 months	447	–
Maturity between 12 months to 5 years	1 959	2 584
Maturity over 5 years	–	360
<b>Total off-balance-sheet leasing obligations</b>	<b>2 405</b>	<b>2 944</b>
- of which, may be terminated within one year	–	–

## 5.10: OTHER ASSETS AND OTHER LIABILITIES

	OTHER ASSETS		OTHER LIABILITIES		(in thousands of CHF)
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	
Compensation account	27 101	–	–	1 057	
Internal banking operations	1 740	24	11 145	858	
Indirect taxes	1 376	679	5 551	7 952	
Other assets and other liabilities	2 565	7 748	–	–	
<b>Total</b>	<b>32 782</b>	<b>8 451</b>	<b>16 696</b>	<b>9 867</b>	

## 5.11: ASSETS PLEDGED OR ASSIGNED TO SECURE OWN COMMITMENTS AND ASSETS UNDER RESERVATION OF OWNERSHIP

	31.12.2015		31.12.2014		
	(in thousands of CHF)	Book value	Effective commitments	Book value	Effective commitments
Financial investments*	166 544	–	124 435	–	–
Other assets**	1 533	–	1 554	–	–
<b>Total pledged/assigned assets</b>	<b>168 077</b>	<b>–</b>	<b>125 989</b>	<b>–</b>	<b>–</b>

\* Financial investments consist of debt securities used as part of liquidity-shortage financing facility carried out by the Swiss National Bank.

\*\* Other assets consist primarily of rental deposits.

## 5.12: LIABILITIES RELATING TO OWN PENSION SCHEMES

	31.12.2015		31.12.2014	
	(in thousands of CHF)	Amounts due in respect of customer deposits	98	–
<b>Total liabilities relating to own pension schemes</b>	<b>46 494</b>	<b>–</b>	<b>67 039</b>	<b>67 039</b>

## 5.13: ECONOMIC SITUATION OF OWN PENSION SCHEMES

	PENSION EXPENSES INCLUDED IN "PERSONNEL EXPENSES"		
	(in thousands of CHF)	2015	2014
Crédit Agricole (Suisse) SA pension fund	22 394	22 639	

### Financial benefits/obligations arising from a funding surplus/deficit

The latest pension fund's audited annual financial statements, prepared in accordance with Swiss GAAP FER 26, show the following level of funding:

	31.12.2014		31.12.2013	
	Crédit Agricole (Suisse) SA pension fund	109,7%	108,8%	

Based on preliminary figures, the level of funding is greater than 100% at 31 December 2015. As long as the reserves for fluctuation have not reached the regulatory amount, there is no surplus coverage. As such, there is no economic benefit to the Bank that needs to be recorded in the balance sheet or income statement. Employees in foreign countries are insured through pension schemes in the form of collective foundations or collective insurance policies with either life insurance companies, or through pension funds managed by their country of residence. These various plans do not result in obligations or benefits other than what would have been recognised on the balance sheet.

## 5.16: VALUE ADJUSTMENTS, PROVISIONS, RESERVES FOR GENERAL BANKING RISKS

	Balance as at 31.12.2014 (in thousands of CHF)	Use in conformity with designated purpose	Reclassifications	Currency differences	Past due interest, recoveries	New provision charged to income statement	Releases to income statement	Balance as at 31.12.2015
Provisions for other business risks	144 666	-111 170	-	-469	-	21 821	-12 757	42 091
Other provisions	104 306	-				-5 017		99 289
<b>Total provisions</b>	<b>248 972</b>	<b>-111 170</b>	<b>-</b>	<b>-469</b>	<b>-</b>	<b>21 821</b>	<b>-17 774</b>	<b>141 380</b>
<b>Reserves for general banking risks</b>	<b>19 400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19 400</b>
<b>Value adjustments for default risks in respect of impaired loans</b>	<b>210 497</b>	<b>-13 148</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>15 624</b>	<b>-4 968</b>	<b>208 205</b>
Of which value adjustments for default risk of impaired loans	210 497	-13 148	-	200	-	15 624	-4 968	208 205

The reserves for general banking risks are subject to tax.

Other provisions include hidden reserves.

Through its business, the Bank is exposed to legal and regulatory risks. The Bank is also called upon to cooperate with the investigations of Swiss and foreign supervisory authorities. In accordance with its policy, the Bank sets aside provisions for potential or ongoing legal proceedings when management believes the proceedings are likely to result in a financial obligation.

In addition, the Bank participated in the US program aimed at settling the tax dispute between Swiss banks and the United States, in accordance with the recommendations of the Swiss Financial Market Supervisory Authority. As part of the program, the Bank paid US authorities the amount of CHF 98.3 million during the period. This amount was fully provisioned.

## 5.17: BANK'S CAPITAL

<b>SHARE CAPITAL</b> (in thousands of CHF)	<b>CURRENT YEAR</b>			<b>PREVIOUS YEAR</b>		
	Total nominal value	Number of shares	Capital eligible for dividend	Total nominal value	Number of shares	Capital eligible for dividend
Registered shares	1 060 946	1 060 946	1 060 946	579 371	579 371	579 371
of which, paid up	1 060 946	1 060 946	1 060 946	579 371	579 371	579 371
<b>Total bank's capital</b>	<b>1 060 946</b>	<b>1 060 946</b>	<b>1 060 946</b>	<b>579 371</b>	<b>579 371</b>	<b>579 371</b>

After Crédit Agricole group and the US authorities reached a settlement regarding the court case on violations of US law and regulations regarding the embargo, the share of the fine paid by the Bank was simultaneously offset by an ordinary capital increase in the same amount. There is therefore no impact on the Bank's capital.

## 5.19: RELATED PARTIES

	<b>AMOUNTS DUE FROM</b>		<b>AMOUNTS DUE TO</b>	
	(in thousands of CHF)	31.12.2015	31.12.2014	31.12.2015
Holders of qualified participations		1 678 852	2 654 703	2 066 318
Group companies		-	-	7 628
Related companies		3 271 445	3 558 013	191 647
Transactions with members of governing bodies		2 803	7 980	-

There are no significant off-balance-sheet transactions with related parties as at balance sheet date. On- and off-balance-sheet transactions with related parties were carried out under normal market conditions.

## 5.20: SIGNIFICANT SHAREHOLDERS

<b>SIGNIFICANT SHAREHOLDERS AND GROUPS OF SHAREHOLDERS WITH POOLED VOTING RIGHTS</b> (in thousands of CHF)	<b>CURRENT YEAR</b>		<b>PREVIOUS YEAR</b>	
	Nominal	Holding in %	Nominal	Holding in %
<b>With voting rights</b>				
CA Indosuez Wealth Group, Paris (indirect subsidiary of Crédit Agricole S.A.)*	1 060 946	100	579 371	100

\* Previously Credit Agricole Private Banking, Paris.

## 5.21: OWN SHARES AND COMPOSITION OF EQUITY CAPITAL

### Own shares

At the reporting date, the Bank does not hold any own shares.

### Non-distributable reserves

To the extent they do not exceed one-half of the share capital both the statutory capital and retained earnings reserves may be used only to cover losses or for measures designed to sustain the Bank through difficult times, to prevent unemployment or to mitigate its consequences.

	31.12.2015	31.12.2014
Non-distributable legal reserve	490 205	289 686
<b>Total non-distributable reserves</b>	<b>490 205</b>	<b>289 686</b>

## 5.23: MATURITY STRUCTURE OF FINANCIAL INSTRUMENTS

(in thousands of CHF)	DUE							Total
	At sight	Cancellable	Within 3 months	Within 3 to 12 months	Within 1 to 5 years	After 5 years	No maturity	
<b>Assets/financial instruments</b>								
Liquid assets	3 329 322	-	-	-	-	-	-	3 329 322
Amounts due from banks	313 893	-	1 742 679	1 183 476	1 213 569	895 444	-	5 349 061
Amounts due from customers	-	855 463	4 971 408	634 379	204 436	45 096	-	6 710 782
Mortgage loans	-	-	67 967	33 748	196 898	156 238	-	454 851
Trading portfolio assets	1 035	-	-	-	-	-	-	1 035
Positive replacement values of derivative financial instruments	259 820	-	-	-	-	-	-	259 820
Financial investments	88 897	-	912 308	627 894	1 024 986	22 741	-	2 676 826
<b>Current Year</b>	<b>3 992 967</b>	<b>855 463</b>	<b>7 694 362</b>	<b>2 479 497</b>	<b>2 639 889</b>	<b>1 119 519</b>	<b>-</b>	<b>18 781 697</b>
<b>Previous Year</b>	<b>4 146 647</b>	<b>981 889</b>	<b>8 025 467</b>	<b>3 171 817</b>	<b>2 386 700</b>	<b>945 864</b>	<b>-</b>	<b>19 658 384</b>
<b>Debt capital/financial instruments</b>								
Amounts due to banks	390 488	-	2 444 649	166 327	459 214	620 000	-	4 080 678
Amounts due in respect of customer deposits	11 050 648	-	1 739 019	178 032	-	-	-	12 967 699
Negative replacement values of derivative financial instruments	265 663	-	-	-	-	-	-	265 663
<b>Current Year</b>	<b>11 706 799</b>	<b>-</b>	<b>4 183 668</b>	<b>344 359</b>	<b>459 214</b>	<b>620 000</b>	<b>-</b>	<b>17 314 040</b>
<b>Previous Year</b>	<b>12 267 679</b>	<b>-</b>	<b>3 498 723</b>	<b>650 622</b>	<b>83 800</b>	<b>590 000</b>	<b>-</b>	<b>17 090 824</b>

## 5.24: BREAKDOWN OF DOMESTIC AND FOREIGN ASSETS AND LIABILITIES (BASED ON DOMICILE)

ASSETS (in thousands of CHF)	31.12.2015		31.12.2014	
	Domestic	Foreign	Domestic	Foreign
Liquid assets	3 239 740	89 582	3 286 390	40 255
Amounts due from banks	3 336 098	2 012 963	3 579 808	2 936 669
Amounts due from customers	3 060 214	3 650 568	2 918 425	4 120 241
Mortgage loans	202 018	252 833	179 091	304 276
Trading portfolio assets	-	1 035	-	546
Positive replacement values of derivative financial instruments	31 724	228 096	34 342	303 300
Financial investments	384 933	2 291 893	136 276	1 818 766
Accrued income and prepaid expenses	82 382	24 286	57 958	28 403
Participations	37 597	6 218	40 596	2 261
Tangible fixed assets	242 383	2 659	247 134	576
Other assets	29 173	3 609	2 308	6 143
<b>Total Assets</b>	<b>10 646 262</b>	<b>8 563 742</b>	<b>10 482 328</b>	<b>9 561 436</b>

LIABILITIES (in thousands of CHF)	31.12.2015		31.12.2014	
	Domestic	Foreign	Domestic	Foreign
Amounts due to banks	201 026	3 879 652	326 516	2 926 096
Liabilities from securities financing transactions	-	-	678 602	374 577
Amounts due in respect of customer deposits	1 698 286	11 269 413	1 600 174	11 960 865
Negative replacement values of derivative financial instruments	25 768	239 895	22 277	254 897
Accrued expenses and deferred income	155 138	11 882	104 267	9 656
Other liabilities	3 602	13 094	6 418	3 449
Provisions	121 893	19 487	248 982	-
Reserves for general banking risks	19 400	-	19 400	-
Bank's capital	1 060 946	-	579 371	-
Statutory capital reserve	388 910	-	388 910	-
Statutory retained earnings reserve	101 295	-	101 295	-
Profit carried forward	438 012	-	407 811	-
<b>Total Liabilities</b>	<b>3 767 745</b>	<b>15 442 259</b>	<b>4 507 450</b>	<b>15 536 314</b>

### 5.25: ASSETS BY COUNTRY OR GROUP OF COUNTRIES (BASED ON DOMICILE)

	31.12.2015		31.12.2014	
ACTIFS (in thousands of CHF)	Amount	in %	Amount	in %
Europe	14 752 064	76.8	14 602 578	72.9
o/w: Switzerland	10 646 262	55.4	10 482 328	52.3
France	1 996 079	10.4	2 332 934	11.6
United Kingdom	648 028	3.4	565 294	2.8
Africa	112 162	0.6	151 715	0.8
North America	29 566	0.2	220 730	1.1
South America	133 526	0.7	116 468	0.6
Asia	3 335 737	17.4	3 743 800	18.7
o/w: Singapore	1 940 692	10.1	2 307 076	11.5
Hong Kong	442 301	2.3	536 905	2.7
Japan	212 249	1.1	129 465	0.6
Caribbean	802 591	4.2	1 166 813	5.8
Oceania	44 358	0.2	41 660	0.2
<b>Total assets</b>	<b>19 210 004</b>	<b>100.0</b>	<b>20 043 764</b>	<b>100.0</b>

### 5.27: ASSETS AND LIABILITIES BY CURRENCY

ACTIFS (in thousands of CHF)	CHF	EUR	USD	SGD	HKD	Other	Total
Liquid assets	3 239 740	2 085	633	7 006	79 608	250	3 329 322
Amounts due from banks	3 881 156	114 773	942 330	28 842	6 180	375 780	5 349 061
Amounts due from customers	486 232	1 036 890	4 288 798	109 457	171 685	617 720	6 710 782
Mortgage loans	230 176	164 032	5 801	4 106	50 014	722	454 851
Trading portfolio assets	-	308	693	-	-	34	1 035
Positive replacement values of derivative financial instruments	234 593	376	738	12 009	2 172	9 932	259 820
Financial investments	369 164	1 468 105	248 509	314 277	-	276 771	2 676 826
Accrued income and prepaid expenses	62 954	21 803	10 326	10 241	221	1 123	106 668
Participations	37 596	-	6 219	-	-	-	43 815
Tangible fixed assets	242 383	-	-	1 536	1 123	-	245 042
Other assets	11 749	8 417	69	3 771	804	7 972	32 782
<b>Total balance sheet assets</b>	<b>8 795 743</b>	<b>2 816 789</b>	<b>5 504 116</b>	<b>491 245</b>	<b>311 807</b>	<b>1 290 304</b>	<b>19 210 004</b>
<b>Delivery entitlements from spot exchange, forward forex and forex options transactions</b>	<b>6 030 812</b>	<b>4 919 551</b>	<b>12 500 623</b>	<b>107 819</b>	<b>7 919</b>	<b>3 984 157</b>	<b>27 550 881</b>
<b>Total assets</b>	<b>14 826 555</b>	<b>7 736 340</b>	<b>18 004 739</b>	<b>599 064</b>	<b>319 726</b>	<b>5 274 461</b>	<b>46 760 885</b>

### 5.26: TOTAL ASSETS BY CREDIT RATING OF COUNTRY GROUPS (BASED ON DOMICILE RISK)

Net foreign exposure	31.12.2015		31.12.2014		
BANK'S OWN COUNTRY RATING	SERV rating*	in thousands of CHF	in %	in thousands of CHF	in %
1 - Very low risk	CP 1	4 769 451	70.2	5 263 450	66
2 - Low risk	CP 2	410 448	6.1	658 406	8
3 - Average risk	CP 3-CP 4	1 017 104	15.0	1 174 747	15
4 - Important risk	CP 5	194 006	2.9	306 609	4
5 - High risk	CP 6-CP 7	352 041	5.2	497 515	6
Without rating	CP 0	38 547	0.6	29 731	0
<b>Total</b>	<b>6 781 597</b>	<b>100.0</b>	<b>7 930 458</b>	<b>100.0</b>	

\* The rating system used is from Swiss Export Risk Insurance (SERV).

This corresponds to the OECD ratings/country classifications, under which the countries are classified on a scale from CP 0-7. CP 1 corresponds to the lowest risk while CP 7 is the highest. CP 0 is for unrated countries.

LIABILITIES (in thousands of CHF)	CHF	EUR	USD	SGD	HKD	Autres	Total
Amounts due to banks	1 256 882	76 912	2 222 785	197	125 319	398 583	4 080 678
Amounts due in respect of customer deposits	872 078	3 137 583	7 520 028	133 679	160 681	1 143 650	12 967 699
Negative replacement values of derivative financial instruments	237 317	376	738	15 145	2 155	9 932	265 663
Accrued expenses and deferred income	101 981	43 944	9 161	5 543	5 346	1 045	167 020
Other liabilities	4 929	142	11 508	-	-	117	16 696
Provisions	119 464	17 408	4 508	-	-	-	141 380
Reserves for general banking risks	19 400	-	-	-	-	-	19 400
Bank's capital	1 060 946	-	-	-	-	-	1 060 946
Statutory capital reserve	388 910	-	-	-	-	-	388 910
Statutory retained earnings reserve	101 295	-	-	-	-	-	101 295
Profit carried forward	438 012	-	-	-	-	-	438 012
Result of the period	-446 531	-	-	9 150	-314	-	-437 695
<b>Total balance sheet liabilities</b>	<b>4 154 683</b>	<b>3 276 365</b>	<b>9 768 728</b>	<b>163 714</b>	<b>293 187</b>	<b>1 553 327</b>	<b>19 210 004</b>
<b>Delivery obligations from spot exchange, forward forex and forex options transactions</b>	<b>10 672 975</b>	<b>4 460 187</b>	<b>8 235 032</b>	<b>435 187</b>	<b>26 798</b>	<b>3 720 702</b>	<b>27 550 881</b>
<b>Total liabilities</b>	<b>14 827 658</b>	<b>7 736 552</b>	<b>18 003 760</b>	<b>598 901</b>	<b>319 985</b>	<b>5 274 029</b>	<b>46 760 885</b>
<b>Net positions by currency</b>	<b>-1 103</b>	<b>-212</b>	<b>979</b>	<b>163</b>	<b>-259</b>	<b>432</b>	<b>-</b>

## Information on off-balance sheet transactions

### 5.28: CONTINGENT ASSETS AND LIABILITIES

(in thousands of CHF)	31.12.2015	31.12.2014
Guarantees to secure credits and similar	1 813 855	3 022 378
Performance guarantees and similar	655 588	509 719
Irrevocable commitments arising from documentary letters of credit	767 200	839 695
<b>Total contingent liabilities</b>	<b>3 236 644</b>	<b>4 371 792</b>

### 5.29: COMMITMENT CREDITS

(in thousands of CHF)	31.12.2015	31.12.2014
Commitments arising from deferred payments	465 153	70 945
Commitments arising from acceptances (for liabilities arising from acceptances in circulation)	85 576	3 544
<b>Total commitment credits</b>	<b>550 729</b>	<b>74 489</b>

### 5.30: FIDUCIARY TRANSACTIONS

(in thousands of CHF)	31.12.2015	31.12.2014
Fiduciary investments with third-party companies	573 665	671 495
Fiduciary investments with group companies and related companies	2 598 143	3 042 792
Fiduciary loans	5 711	7 320
<b>Total fiduciary transactions</b>	<b>3 177 518</b>	<b>3 721 607</b>

### 5.31: MANAGED ASSETS

(in millions of CHF)	31.12.2015	31.12.2014
<b>Type of managed assets</b>		
Assets under discretionary asset management agreements	3 422	3 731
Other managed assets	40 149	42 751
<b>Total managed assets (including double-counting)</b>	<b>43 571</b>	<b>46 482</b>
of which double-counted items	-	-
Net new money inflow-outflow	-997	1 103
- Wealth Management business	-987	869
- International Trade and Transaction Banking (ITB) business	-10	234

The criteria used to determine "more-than-custody-only" other assets are defined by the link existing between the end-client and the Bank. As a result, the assets held by the Bank as part of its global custodian services provided to other financial institutions are not indicated in the above figures.

New or repaid client loans are included in "Net new money inflow-outflow". However, items relating to the return on assets, such as interest are excluded.

## Information on the income statement

### 5.32: RESULT FROM TRADING ACTIVITIES AND THE FAIR VALUE OPTION

Breakdown by business area (as per Bank's organisation)

(in thousands of CHF)	Year 2015	Year 2014
Wealth Management	75 779	59 762
Equity capital market	34 562	11 484
ITB	655	884
<b>Total result from trading activities</b>	<b>110 996</b>	<b>72 130</b>

Trading results (based on underlying risk)

(in thousands of CHF)	Year 2015	Year 2014
Interest rate instruments	6	113
Foreign currencies	106 787	67 687
Commodities/precious metals	4 203	4 330
<b>Total result from trading activities</b>	<b>110 996</b>	<b>72 130</b>
- of which, from fair value option	-	-
- of which, from fair value option on assets	-	-
- of which, from fair value option on liabilities	-	-

### 5.33: REFINANCING INCOME AND INCOME FROM NEGATIVE INTEREST

#### Refinancing income in the item "Interest and discount income"

The Bank no longer offsets the refinancing costs of securities trading, as indicated in Section 3.2.2 of the Notes.

#### Negative interest

Negative interest on credit operations are disclosed as a reduction of interest and discount income. Negative interest on deposits are disclosed as a reduction of interest expense.

(in thousands of CHF)	Year 2015	Year 2014
Negative interest on credit operations (reduction of interest and discount income)	40 298	-
Negative interest on deposits (reduction of interest expense)	23 427	-

### 5.34: PERSONNEL EXPENSES

(in thousands of CHF)	Year 2015	Year 2014
Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits)	220 812	239 674
Social insurance benefits	47 373	48 825
Other personnel expenses	5 565	7 760
<b>Total personnel expenses</b>	<b>273 750</b>	<b>296 259</b>

### 5.35: GENERAL AND ADMINISTRATIVE EXPENSES

(in thousands of CHF)	Year 2015	Year 2014
Office space expenses	18 887	19 184
Expenses for information and communications technology	4 874	5 221
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	32 502	28 589
Fees of audit firm (Art. 961a no. 2 swiss CO)	1 760	1 838
of which, for financial and regulatory audits	1 510	1 566
of which, for other services	250	272
Other operating expenses*	103 626	62 614
<b>Total general and administrative expenses</b>	<b>161 649</b>	<b>117 446</b>

\* Other operating expenses include CHF 62 million in fees (of which CHF 56.5 million in legal fees and CHF 5.7 million in various fees).

### 5.36: MATERIAL LOSSES, EXTRAORDINARY INCOME AND EXPENSES, MATERIAL RELEASES OF HIDDEN RESERVES, RESERVES FOR GENERAL BANKING RISKS, AND VALUE ADJUSTMENTS AND PROVISIONS NO LONGER REQUIRED

#### Material losses

Crédit Agricole SA and its subsidiary Crédit Agricole Corporate Investment Bank have signed agreements with US federal authorities and the State of New York as part of the investigation on US dollar payments between 2003-2008 that do not comply with economic sanctions. Part of the expense related to executing these agreements has been recognised in the Bank's financial statements for the period. The Bank simultaneously carried out an ordinary capital increase for an equivalent amount.

#### Extraordinary income

This section includes proceeds from the sale of the Bank's subsidiaries, namely Crédit Agricole Suisse Conseil SA for CHF 5.9 million, as well the release of provisions relating to previous years in the amount of CHF 5 million.

In 2014, extraordinary income resulted from the release of provisions relating to previous years in the amount of CHF 19.9 million, and income from the sale of our building in Basel for CHF 7.6 million.

#### Extraordinary expenses

During the reporting period, the Bank did not record any significant extraordinary expenses.

#### Material releases of hidden reserves

No significant hidden reserves were released in the course of the financial year.

#### Reserves for general banking risks

The "Change in reserves for general banking risks" was nil during the reporting period.

### 5.38: OPERATING RESULT BROKE DOWN BY DOMESTIC AND FOREIGN ORIGIN ACCORDING TO THE PRINCIPLE OF PERMANENT ESTABLISHMENT

(in thousands of CHF)	YEAR 2015		YEAR 2014	
	Domestic	Foreign	Domestic	Foreign
Interest and discount income	107 122	25 872	155 881	22 895
Interest and dividend income from financial investments	471	-	4 455	-
Interest expense	-5 323	-14 475	-15 308	-14 186
<b>Gross result from interest operations</b>	<b>102 270</b>	<b>11 397</b>	<b>145 028</b>	<b>8 709</b>
Changes in value adjustments for default risks and losses from interest operations	-6 484	-	-16 862	-
<b>Subtotal net result from interest operations</b>	<b>95 786</b>	<b>11 397</b>	<b>128 166</b>	<b>8 709</b>
Commission income from securities trading and investment activities	32 974	26	151 524	26 421
Commission income from lending activities	141 719	27 950	42 560	34
Commission income from other services	29 964	30 613	27 392	30 300
Commission expense	-29 080	-11 781	-29 663	-10 977
<b>Subtotal result from commission business and services</b>	<b>175 576</b>	<b>46 809</b>	<b>191 813</b>	<b>45 778</b>
<b>Result from trading activities and the fair value option</b>	<b>104 036</b>	<b>6 960</b>	<b>70 212</b>	<b>1 917</b>
Result from the disposal of financial investments	351	-	628	-
Income from participating interests	7 313	-	20 625	-
Result from real estate	2 105	-	2 158	-
Other ordinary income	65 525	707	60 362	97
Other ordinary expenses	-129	-42	-227	-4
<b>Subtotal other result from ordinary activities</b>	<b>75 165</b>	<b>665</b>	<b>83 546</b>	<b>93</b>
Personnel expenses	-235 820	-37 930	-259 210	-37 049
General and administrative expenses	-144 558	-17 091	-100 023	-17 423
<b>Subtotal operating expenses</b>	<b>-380 378</b>	<b>-55 021</b>	<b>-359 233</b>	<b>-54 472</b>
Value adjustments on participations and depreciation & amortisation of tangible fixed assets and intangible assets	-18 849	-473	-22 506	-428
Changes to provisions and other value adjustments, and losses	-490 528	-282	-60 759	1 000
<b>Operating result</b>	<b>-439 190</b>	<b>10 054</b>	<b>31 332</b>	<b>2 505</b>

### 5.39: CURRENT AND DEFERRED TAXES

(in thousands of CHF)	Year 2015	Year 2014
Current income taxes	20 123	31 145
Deferred income taxes	-	-
<b>Total taxes</b>	<b>20 123</b>	<b>31 145</b>
Average weighted tax rate on the basis of the operating result	20.7%	21.9%

There are no tax losses brought forward that affect the income tax.

## Proposal for the Annual Shareholders' Meeting

### BOARD OF DIRECTORS' PROPOSAL TO THE ANNUAL SHAREHOLDERS' MEETING

#### Appropriation of earnings

The Board of Directors proposes to the Annual Shareholders' Meeting of 24 March 2016 that no dividend be paid.

(in thousands of CHF)	Year 2015	Year 2014
Result of the period	-437 695	30 201
Profit carried forward	438 012	407 811
Available earnings	317	438 012
<b>Breakdown of available earnings</b>		
Dividend	-	-
Retained earnings brought forward	317	438 012

## Report of the statutory auditor

### Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of CA Indosuez (Switzerland) SA, which comprise the balance sheet, income statement and notes (*pages 32 to 62*) for the year ended 31 December 2015.

#### Board of directors' responsibility

The Board of Directors is responsible for the preparation of the 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. These 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 these 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 31 December 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 (art. 728 CO and art. 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with art. 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.

PricewaterhouseCoopers SA

Philippe Bochud  
Audit expert  
Auditor in charge

Josée Mercier

Geneva, 24 March 2016

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