

## 2019 ANNUAL REPORT

CA Indosuez (Switzerland) SA

# 19



## GROWTH & TRANSPARENCY

Growth, transparency, determination, underline the similarities between nature and management of client assets. A self-evident truth, as straightforward as transparency itself. A sensation of graceful strength, luxurious detail, evoked by the spectacular elegance of flowers and plants against a pure and contrasted backdrop. Overexposed or x-rayed to extract the bare essentials, to enhance their breathtaking perfection, these illustrations reveal the determination of existence and evolution, the beauty of growth. Natural assets to be admired, respected, protected and passed on to future generations...



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# 1 /

Crédit Agricole Group



## CLIENT-FOCUSED UNIVERSAL BANKING

Crédit Agricole has rolled out a unique client-focused universal banking model based on the group's complimentary activities. As such, its local networks offer all clients a complete range of banking and non-banking services suited to their needs through all their channels and created with specialised business lines which are leaders in their respective fields –in France as well as internationally.

### CRÉDIT AGRICOLE GROUP'S RAISON D'ÊTRE

#### WORKING EVERY DAY IN THE INTEREST OF OUR CLIENTS AND SOCIETY

**Crédit Agricole's aim,  
is to be a trusted partner  
to all its clients:**

**Its solid position and the diversity of its expertise** enable the Group to offer all its clients ongoing support on a daily basis for their projects in life, in particular by helping them to guard against uncertainties and to plan for the long term.

**The Group is committed to seeking out and protecting its clients' interests** in all it does.

It advises them with transparency, loyalty and pedagogy.

**It places human responsibility at the heart of its model:** it is committed to helping all its clients benefit from the best technological practices while guaranteeing them access to competent local teams of men and women who are responsible for all aspects of the client relationship.



10<sup>th</sup>Bank  
Worldwide1<sup>st</sup>Cooperative  
Worldwide1<sup>st</sup>Bank  
in France1<sup>st</sup>Insurer  
in France1<sup>st</sup>European  
Asset Manager

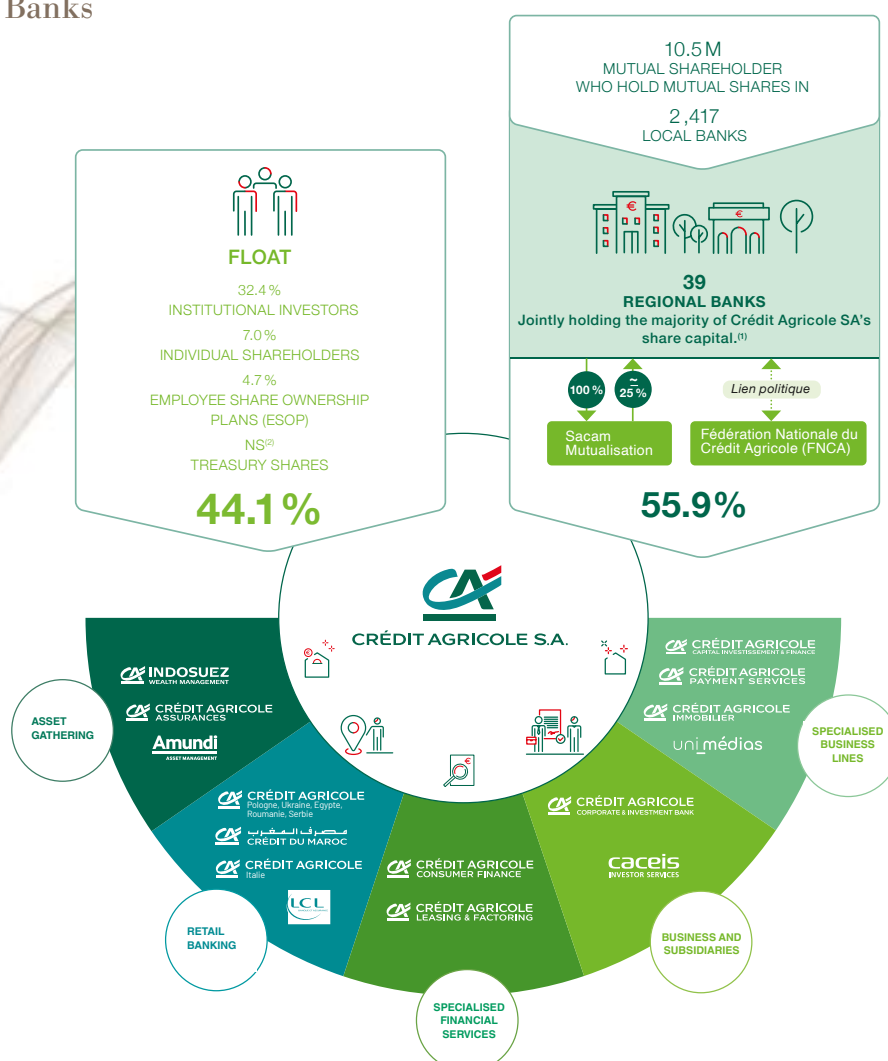
**Proud of its cooperative and mutualist identity, and drawing on a governance representing its clients, Crédit Agricole:**

- **supports the economy, entrepreneurship and innovation in France and abroad:**  
it is naturally committed to supporting its regions.
- **takes intentional action in societal and environment fields, by supporting progress and transformations.**
- **serves everyone:** from the most modest to the wealthiest households, from local professionals to large international companies.

**This is how Crédit Agricole demonstrates its usefulness, availability to its clients, and the commitment of its 142,000 employees to excellence in client relations and operations.**

## ABOUT CRÉDIT AGRICOLE

The Crédit Agricole Group includes Crédit Agricole SA, as well as Regional Banks, Local Banks and their subsidiaries.



<sup>(1)</sup> Through SAS Ban La Biotin, the Regional Bank of Corsica, 99.9% owned by Crédit Agricole SA, is a shareholder of Sacam Mutualisation

<sup>(2)</sup> Insignificant





## Indosuez Wealth Management

A decorative illustration of a branch with several leaves, rendered in a light purple color, positioned on the left side of the page, extending from the bottom towards the middle.

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 provide our clients with specialist advice and premium services to create appropriate wealth structures and investment solutions. In so doing, we make it possible for our clients to focus on achieving their personal goals while relying on the flawless execution of our traditional Wealth Management services and the financial and banking services provided by the Crédit Agricole group.



A stylized, handwritten signature in dark ink, consisting of a few sharp, angular strokes.

Jean-Yves **Hocher**

Chairman  
CA Indosuez Wealth (Group)

A handwritten signature in dark ink, featuring a large, flowing 'J' and 'P' followed by a cursive 'rost'.

Jacques **Prost**

Chief Executive Officer  
CA Indosuez Wealth  
(Group)



## MESSAGE FROM THE INDOSUEZ WEALTH MANAGEMENT GROUP SENIOR MANAGEMENT TEAM

In 2019, persistently low interest rates, fierce competition from new entrants, the growing presence of Family Offices and the effects of new regulations (MiFID II in Europe, for example) weighed on margins and profits across the Wealth Management market. Also, in a time of technological and societal change, our clients have new needs that we must address immediately: business transformation is no longer an option, but a must.

2019 marked a new phase in our Bank's history as we embraced the Crédit Agricole group's *raison d'être*, "Working every day in the interest of our clients and society" and we incorporated Crescendo 2022 in our business plan.

Our business plan is aligned with the Crédit Agricole group's corporate project and features strong ambitions in terms of our business development, our positioning amongst clients, as well as our societal impact and human development.

Crescendo 2022 reflects changes in our business model at all levels by:

- proposing an even more comprehensive and relevant range of products and services and improving quality to become our clients' preferred Wealth Management bank,
- accelerating our digital transformation,
- boosting our operational efficiency, in particular through cooperation with Crédit Agricole group's other business lines,
- helping our clientele and employees to adapt to green finance and putting it at the heart of our value proposition,
- building the foundation for balanced and sustainable growth while restoring our profitability.

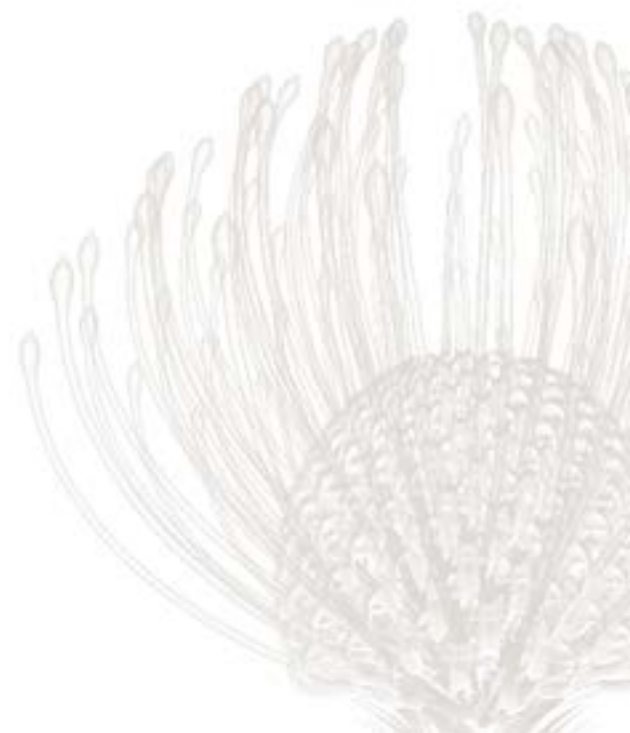
Many initiatives are already under way and the first achievements are already addressing the major challenges our business is facing around the world.

A few examples:

- building on the work undertaken in previous years, we have further strengthened our compliance system which is now one of our competitive advantages,
- all entities now use a shared IT system after France migrated to the S2i system operated by our subsidiary Azqore. Azqore has continued to grow in Asia with the support of Capgemini and is actively contributing to our bank's digital development. They are led by the Innovation and Digital Transformation Division, which was created in 2019,
- we have adopted a single brand in Italy, Indosuez Wealth Management, which means the Indosuez brand is now used around the world.

We have set the ball rolling. 2020 will, of course, be very active. We face many challenges, but we have our shareholder's full backing and boast many advantages, primarily our employees' expertise and energy.

*Written on February 11 2020*



## A GLOBAL NETWORK\*



**Americas** Miami · Montevideo · Rio de Janeiro · São Paulo

**Middle East** Abu Dhabi · Beirut · Dubai

**Asia Pacific** Hong Kong SAR · Singapore · Noumea

**Europe** Antwerp · Bilbao · Bordeaux · Brussels · Geneva ·

Lille · Lugano · Luxembourg · Lyon · Madrid · Marseille ·

Milan · Monaco · Nantes · Padua · Paris · Rome ·

San Sebastián · Seville · Toulouse · Turin · Valencia · Zurich

Our presence in

14

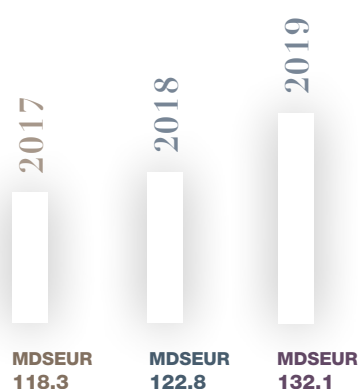
countries around the world\*

3,160

employees with multiple areas of expertise

\* at 31.12.2019





#### ASSETS UNDER MANAGEMENT (EUR bn)

The assets managed by the Indosuez Wealth Management group increased by 7.6% over one year (+EUR9.3 billion) to EUR132.1 billion at the end of December 2019, an all-time high.

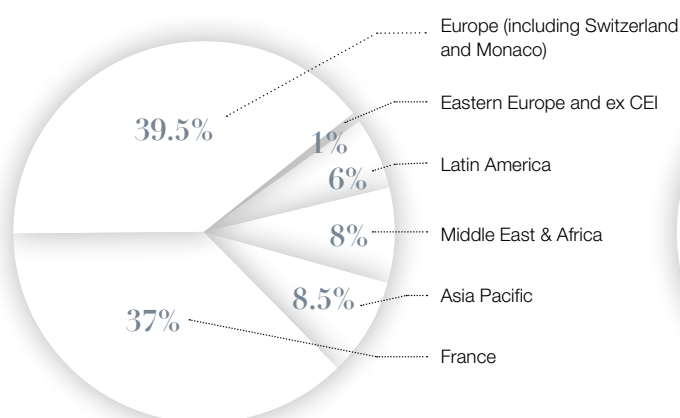
#### NBI

NBI improved slightly compared to 2018 thanks to sales efforts and the quality of asset management, despite pressure on margins and the impact of negative interest rates.

A cost reduction programme offset adverse exchange rates and inflation and covered digital investments while allowing us to finalise the transformation of our European presence.

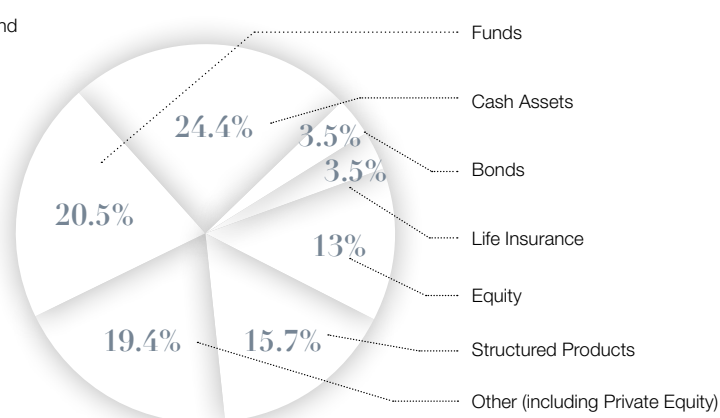
Over the full year, net income Group share stood at EUR66 million, up 13% compared to 2018, with a gradual improvement in profitability after the low point seen at the end of 2018.

#### GEOGRAPHIC BREAKDOWN BY CLIENT COUNTRY OF RESIDENCE



Good diversification of client assets, bolstered by multiple growth drivers.

#### ASSET ALLOCATION



Diversified asset allocation, reflecting our ambition of protecting and growing our clients' assets.



## AMBITIONS AND FIRST ACHIEVEMENTS

A business plan launched in June 2019, structured around 3 flagship projects shared with the Crédit Agricole group and 3 priorities specific to our challenges and our business.

### Our raison d'être :

Working every day in the interest of our clients and society

### THE GROUP PROJECT

#### CLIENT-CENTRIC



#### Our ambitions

*Expanding and better promoting our offer via synergies with other Group business lines and innovative concepts*

*Strengthening our positioning amongst major clients*

*Improving service quality and client satisfaction, aiming for a seamless service culture*

#### Our first achievements

- Reorganising our Products and Services teams around the world for better cohesion with the sales teams and cooperation with the Crédit Agricole group's other business lines.
- Strengthening our partnerships with the Group's other business lines and retail networks in France and abroad.
- Building a distinctive range of credit services and boosting our expert teams.

- Setting up a new global business unit with Crédit Agricole CIB to support and maximise business development and cross-fertilisation opportunities with family holding companies.
- Appointing of "Customer Champions" responsible for developing a service quality culture and ensuring it is adopted at all levels of our Bank, optimising our client feedback and client satisfaction measurement tools, eliminating "sticking points" to achieve operational excellence.

#### SOCIETY-DRIVEN



#### Our ambitions

*Developing green products and services: ESG investment mandates and funds*

*Pursuing solidarity-based initiatives and supporting social entrepreneurship*

*Helping clients and employees adjust and triggering a culture shift*

#### Our first achievements

- Organising green finance events in our locations.
- Creating the Indosuez Objectif Terre fund, an investment fund managed by Indosuez Gestion that aims to offer a specific solution that may, at its level, help limit the harmful effects of human activity on the environment.
- Setting up a range of green structured products with Crédit Agricole CIB.

- Continuing to engage in solidarity actions via the Indosuez Foundations in France and Switzerland, humanitarian leave (Congé Solidaire®) offered in partnership with Planète Urgence, and local initiatives (such as Citizen Days).
- Signing of the National Energy Transition Pact by CFM Indosuez in Monaco.

## PEOPLE-DRIVEN



## Our ambitions

*Fostering cross-functionality, autonomy and initiative*

*Driving the digital transformation at all levels*  
*Promoting gender diversity*

## Our first achievements

- Launching a gender diversity action plan.
- Facilitating mobility (220 Indosuez employees changed positions within the Group in 2019).
- Creating a Digital Academy: training provided on an e-learning platform accessible to all Indosuez employees.
- Integrating young people: mentoring of all new recruits in all major offices and organising work experience for Year 10 students from disadvantaged neighbourhoods in France.
- Appointing “product owners” in charge of strategic digital projects: autonomy, accountability.

## ACCELERATING OUR DIGITAL TRANSFORMATION

## Our ambitions

*Being able to build digital solutions with fast results.*

*Enhancing the Client Experience: simplifying the client journey and going paperless in processes/tools.*

*Providing training and helping to adapt to new uses*

## Our first achievements

- Creating a Digital Innovation and Transformation Division to accelerate Indosuez group's digital transformation with initiatives focused on operational teams while maintaining consistency between entities. This includes combining far-reaching projects with “one-shot” initiatives.
- Rolling out strategic digital projects on topics such as CRM, client onboarding, e-/m-banking, the investment proposal.
- Creating Lunch & Learn events, a new scheme in which employees help their colleagues gain new skills.
- Launching a new global website.

## BOOSTING OUR OPERATIONAL EFFICIENCY

## Our ambitions

*Controlling costs*

*Increasing operational synergies*

*Capitalising on the digital transformation*

## Our first achievements

- Continuing the cost control plan launched at the end of 2018.
- Implementing Robotic Process Automation (RPA) for certain repetitive tasks identified by employees.

## UPGRADING OUR COMPLIANCE SYSTEM

## Our ambitions

*Improving KYC (Know Your Client)*

*Structuring and supporting the international sales strategy*

*Strengthening the financial security system and preparing for regulatory developments*

## Our first achievements

- Releasing a Code of Conduct for all our stakeholders.
- Ramping up our anti-fraud due diligence.
- Reinforcing our financial security system.
- Strengthening senior bankers' risk culture focused on compliance values



**2019  
MACROECONOMIC  
ANALYSIS**  
and 2020 Financial Market Outlook

Paul **Wetterwald** Chief Economist  
Indosuez Wealth Management

What a difference a year makes! Whereas 2018 ended with a sharp correction in the financial markets, it was an entirely different story in Q4 2019. All asset classes closed at a much better-than-expected year on a high note, posting positive performances across the board. Equities significantly outperformed bonds, with

## Not surprisingly, China was unable to escape the downward pull.

higher-risk bond segments coming out on top. As a general rule, commodity prices were up –especially gold and oil prices.

Does that mean macroeconomic conditions and the

geopolitical environment drastically improved? Answering that question calls for a nuanced analysis.

### RESILIENT GROWTH

Global GDP growth weakened over the course of the year, probably steering towards 3% in real terms. However, fears of a recession never materialised.

The No. 1 global economy, the United States, may have slowed from 3% YoY at end-2018 to just over 2% at end-2019, but that did not stop it from turning in a more than respectable performance –roughly doubling that of the euro zone. Meanwhile, the euro-zone more or less managed to stabilise GDP growth at around 1%. Paradoxically, Brexit did not end up causing UK growth to vary significantly from euro zone growth.

Of course, this bird's eye view of macroeconomic performance tends to mask the relatively ubiquitous struggles of the manufacturing sector. In fact, we have to look all the way back to June 2009 to find a lower ISM (Institute for Supply Management, a survey of the business climate in US industry) value than in December 2019. Which is actually fairly paradoxical considering that US protectionist measures were aimed, amongst other things, at giving a shot in the arm to industry, but is understandable considering that globalisation is synonymous with interdependence in production processes.

Not surprisingly, China (nicknamed the “World's Factory”, right or wrong) was unable to escape the

downward pull. However, looking at official data, its economy posted resilient growth, dipping from 6.4% YoY at end-2018 to around 6% at end-2019. As it stands, more than one-third of global GDP growth was still derived from China.

### ROBUST JOB MARKET

Weaker growth did not result in a downturn in the job market in mature economies, either because growth was not significantly weakened or because unemployment is a delayed variable of the economic cycle. In any event, the unemployment rate came out at 3.5% in the United States in November 2019 (a record low since 1969), 7.5% in the euro zone in October 2019 (lowest rate since May 2008), 3.8% in the United Kingdom in October (the last time it was lower was December 1974) and 2.3% in Switzerland (a record low since spring 2002).

We would also point out the structural change at work in China since 2016: the working-age population has been shrinking year after year, simultaneously limiting the need to create jobs and hampering potential growth.

### INFLATION AND MONETARY POLICIES

In the US, the CPI rose from 1.9% YoY in December 2018 to 2.1% in November 2019; in the UK it fell from 2.5% to 1.5%; in Japan from 0.7% to 0.5%; in the euro-zone from 1.9% to 1.3% (in December); and in Switzerland from 0.9% to 0.2% (again in December). Setting aside differences in terms of levels or variations, what these figures have in common are that they are all either below or in line with the target set by the central banks in their respective countries. In other words, these institutions have no reason to veer from their accommodative monetary policies.

Situations in emerging countries varied. However, barring the odd exception, monetary policies remained expansionary, particularly as emerging countries appeared to be facing less external risk. More specifically, we would point out China's monetary stimulus measures despite inflation (4.5%) sitting above the 3% target.

Lastly, countries having decided to peg their currency to the USD had to follow the US example. Examples include multiple Middle Eastern countries such as the United Arab Emirates, Qatar and Saudi Arabia. These economies were beset with negative inflation rates throughout 2019, reflecting the relative weakness of their economic activity. The Fed's accommodative stance will help keep key rates low in these countries, although this will not be enough to restore the level of growth that prevailed in 2000-2015.

#### GEOPOLITICAL ENVIRONMENT, OIL PRICES, FOREX MARKET

Multiple regions showed the emergence of popular discontentment and social unrest. It is tempting to explain these movements away as the result of government inefficiency and/or uneven wealth distribution, but we were unable to demonstrate a strong link between these two factors. Although one might expect countries combining poor government efficiency with lopsided income distribution to deal with protests like these on a regular basis, this is not always the case, as in countries such as Chile. That said, this type of risk needs to be considered at the close of a year that saw the problems surrounding Brexit and the trade war relegated towards the back burner.

Clearly the Middle East remained at the top of the list when it comes to political risk. This was true in 2019 and is likely to be true in 2020 as well. Geographic positioning aside, the strong population growth (averaging 2% per year) and very high percentage of unemployed young adults (generally between 20% and 30%) represent particular challenges. The region is also the centre stage of a complex set of regional and global powers keen on expanding their sphere of influence whenever multi-lateralism shows signs of weakness.

The variable most directly impacted by the factors at play in the Middle East is the price of oil. Trading at \$65/barrel (WTI) on average in 2018, oil averaged just \$57 last year due to the steep drop in late 2018/early 2019. Truth be told, mature economies are much less sensitive to oil prices than they were during the 1970s oil shock. In the US, the percentage of direct household energy usage expenditure has dropped by half. The same cannot be said for non oil-producing emerging countries, whose economies remain highly dependent on energy prices.

More generally speaking, it was the change in uncertainty over geopolitical risk that captured the markets' attention (particularly the forex market) in 2019. In that respect, this past year saw currencies traditionally viewed as safe-haven currencies (Swiss franc, Japanese yen) pick up slightly, but the volatility of various currency pairs tended to remain low.

#### 2020 FINANCIAL MARKET OUTLOOK

It would have been excessive to attribute the poor financial market performances in 2018 to an ailing global economy, and it would be incorrect to attribute the strong performances in 2019 to an economic machine firing on all cylinders. So what kind of picture can we draw for 2020? Yes, the equity markets may look "expensive" after soaring almost 30% in 2019 (MSCI World index, in USD), the higher valuation metrics need to be offset by a more robust profit outlook.

Government bond yields are expected to remain within a relatively tight range centred on end-2019 levels.

2020 is a US presidential election year, one with a highly uncertain outcome and an unpredictable impact on the financial markets. We would simply point out that, until the Donald Trump presidency, the Fed's monetary policy was never apparently influenced by the elections or by the president's membership in either the Democratic or Republican party.

These considerations have in part been challenged by the emergence of Covid-19 (a "black swan" to borrow the expression used by Nassim Taleb), an unpredictable event with extreme consequences. As this document goes to press, it is very difficult to quantify the impact of the coronavirus epidemic. What we can say is it is a negative shock affecting supply (production) and demand alike. On one hand uncertainty over growth is on the rise, and on the other uncertainty over monetary policies is on the decline. Monetary policies are poised to become even more accommodative than initially expected, which should mitigate the adverse impact generated by diminished growth on the financial markets.

*Written on 5 March 2020*



# 2020 outlook



## CA INDOSUEZ (SWITZERLAND) SA

a Leading Bank in the Swiss market

CA Indosuez (Switzerland) SA posted operating income of CHF 49.2 million and net profit of CHF 33.9 million in 2019.

Operating for more than 140 years in Switzerland, with 1,020 employees on average in 2019 and CHF 1.555 million in Tier 1 equity, CA Indosuez (Switzerland) SA is a top-tier player among foreign banks in Switzerland.

CA Indosuez (Switzerland) SA worked in two main business sectors at end-2019:

- Wealth Management;
- Transactional Commodity Finance and Commercial Banking.

These are rounded out by coverage services 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 business areas.

Our company oversees all its activities from Switzerland, rolling them out at four locations (Geneva, Lausanne, Lugano and Zurich), as well as internationally via a network of offices dedicated to Wealth Management: in Asia (Hong Kong SAR and Singapore) and in the Middle East (Abu Dhabi, Beirut and Dubai); plus the representative offices of CA Indosuez Wealth (Uruguay) Servicios & Representaciones SA and CA Indosuez Wealth (Brazil) SA DTVM.



# 3 /

## Activity Report

This network of establishments and representative offices have expanded the international coverage of Indosuez Wealth Management Group, promoting multi-booking for clients interested in diversifying the location of their assets.

The combination of these three strengths gives us a unique and ideal positioning amongst our clients who are mainly entrepreneurs and families.

**Security guaranteed by belonging to one of the most robust banking groups in the world.**

**A range of high value-added products and services, available in all booking locations and, to a large extent, from other locations.**

**Personalised client relations inherent in close-knit operations.**



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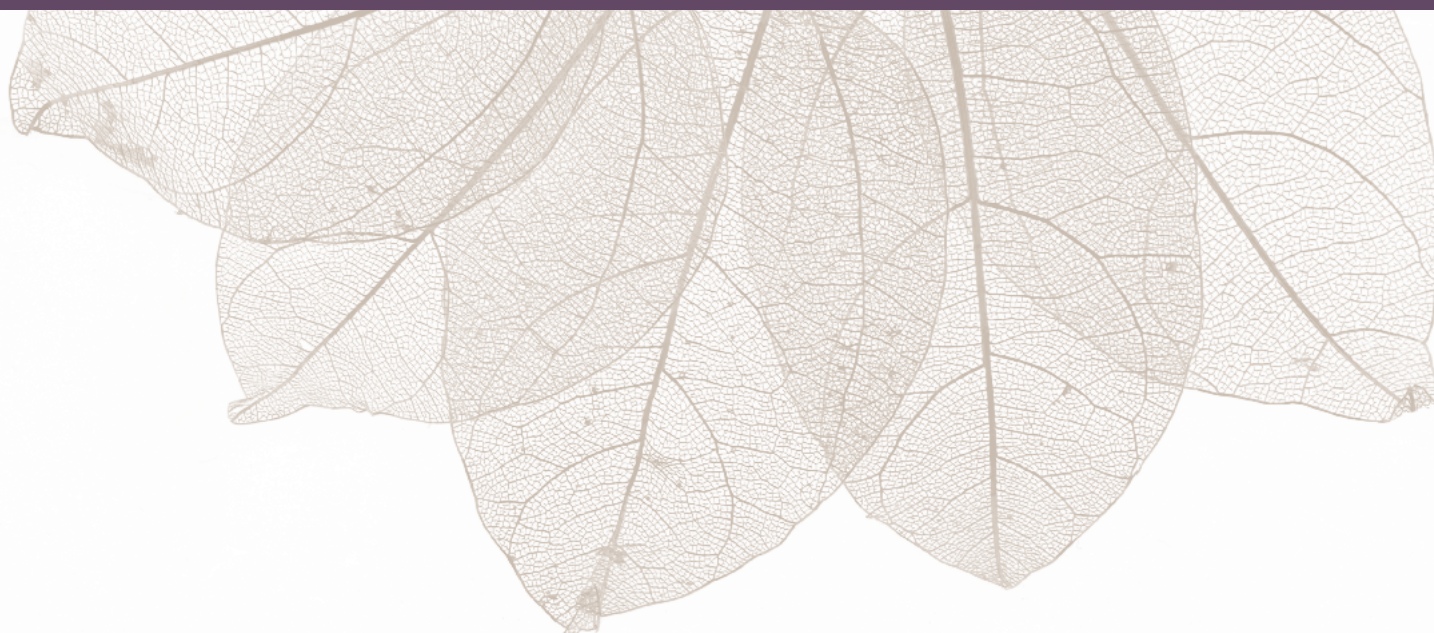
Jean-Yves **Hoher**

Chairman of the Board of Directors  
Chairman CA Indosuez Wealth (Group)

A handwritten signature in black ink, appearing to read 'J. Deroche' with a stylized flourish.

Jean-François **Deroche**

Chief Executive Officer  
CA Indosuez (Switzerland) SA



## MESSAGE FROM THE GENERAL MANAGEMENT of CA Indosuez (Switzerland) SA

The Wealth Management industry has been in the midst of sweeping changes for many years. As we see it, this paradigm shift - something all banks on the Swiss marketplace must face - constitutes an opportunity for CA Indosuez (Switzerland) SA. The strategy implemented in 2019 aimed to consolidate this opportunity. In such a highly competitive environment, the quality of our teams and products gave our company a clear edge which was further enhanced by Indosuez Wealth Management fully benefiting from being part of Crédit Agricole Group.

The challenges overcome in recent months and the developments undertaken under the Crescendo 2022 business plan are perfect examples of the company's momentum. Crescendo 2022 crowns the transformation efforts completed in order to adequately respond to the emergence of a new regulatory framework in Switzerland and the rest of Europe. Furthermore, the execution of the Crescendo 2022 business plan coincides perfectly with the entry into force of the Swiss Financial Institutions Act and Financial Services Act. Both are major legislative acts form the new structure of the financial markets and took effect on 1 January 2022 subject to transition periods. Their primary goal is to strengthen investor protection. To that end, we took pains to ensure that the choices aimed at redefining the organizational structure and methods of CA Indosuez (Switzerland) SA continue to incorporate the twofold objective of excellence in client relations and protection of client interests that guides our entire strategy.

It was also to that end that one of the main decisions impacting CA Indosuez (Switzerland) SA in 2019 was taken. Within the framework globally defined for Indosuez Wealth Management, our institution initiated a complete overhaul of the teams responsible for designing and distributing our investment solutions. This extensive transformation capped off the initiatives taken in previous financial years with the aim of ramping up the international development of our wealth management activities. The main goal we set for ourselves was to ensure that our clients would have access, subject to applicable legal and regulatory restrictions, to a broader range of products and services given the availability of multiple areas of expertise across all Indosuez Wealth Management entities.

First and foremost, the changes made to our structure were aimed at fully taking on board the expectations of our clients who, now more than ever, are deploying their own business endeavours internationally, seeking to diversify their investments and enjoying real-time access to multiple sources of information. By pooling the resources available to the various Indosuez Wealth Management entities, the transformation projects completed in recent months established better coordination between teams (those in charge of project management and teams in charge of product design) and seamless responses to sales team requests.

As these organizational changes were being implemented, we took special care to roll out solutions appropriate to current developments in international trade, with the financing of the international trade sector historically forming one of the key pillars of our banking operations. The continuous expansion of CA Indosuez (Switzerland) SA's global network also ranks amongst the top priorities that steered our course in 2019, paving the way for new developments in the future. Finally, consistently prioritizing strict management of expenses laid the foundation for medium and long-term stability for CA Indosuez (Switzerland) SA.

All of these varying decisions take on their full meaning under the broader framework of the Crescendo 2022 business plan and the overall strategy of the Crédit Agricole Group. In that respect, we are grateful to the teams of CA Indosuez (Switzerland) SA for once again proving their dedication not only to the conduct of our transformation projects, such as the deployment of new digital banking tools, but also to the affirmation of our corporate culture. In addition to the resources deployed to meet the needs of all our clients and to continuously improve our operational efficiency, CA Indosuez (Switzerland) SA's commitment to multiple environmental and cultural initiatives – primarily through the Indosuez Foundation – is a cornerstone of our identity. Drawing on these achievements, and believing firmly in the company's indisputable development potential, we reiterate our determination to see CA Indosuez (Switzerland) SA consolidate its position as the preferred bank of our clients.

## WEALTH MANAGEMENT

“Based on the volume of inflows and the visibility gained by CA Indosuez (Switzerland) SA in these regions, our performances in Asia and the Middle East can be seen as iconic successes for our strategy in 2019.”

For CA Indosuez (Switzerland) SA, financial year 2019 was not only marked by the continuation of the developments already launched under the Shaping Indosuez 2020 plan, but also by the effort to consolidate our strategic projects into a broader vision, designed for all Indosuez Wealth Management entities and aimed at supporting the development of our wealth management activities. This ambitious vision, expressed in the Crescendo 2022 business plan, also guided the main decisions taken in recent months, thus decisively contributing to the enhancement of our medium and long-term growth potential.

It is in the service of this vision that the new structure of the teams in charge of our product and service range should be viewed. Having completed the corporate restructuring programme that occupied us over the last two years, we concluded this stage of our transformation by establishing a clearer, more effective organizational chart. There have also been extensive changes in our working methodology that will ultimately result in a greater pooling of resources between the various Indosuez Wealth Management entities. It is critical that we successfully implement these transformations and they must be conducted step by step. Accordingly, the establishment of teams respectively in charge of distribution and asset management should be completed some time in 2020.



Patrick Ramsey

Head of Wealth Management

When all is said and done, CA Indosuez (Switzerland) SA will be in a position to provide an expanded range of innovative, flexible investment solutions fully tailored to meet the expectations of each client segment.

In line with the top aim of the Crescendo 2022 business plan, i.e. to effectively meet the needs of all our clients, the decisions taken during financial year 2019 had a twofold objective. First, our asset management capabilities have been significantly expanded by networking the areas of expertise housed at the various Indosuez Wealth Management offices and with the contributions of highly renowned professionals. At the same time, better incorporating the specific characteristics of CA Indosuez (Switzerland) SA's different markets of operation, as well as the legal constraints associated with the different types of investments offered by our company, led to the deployment of a new distribution scheme. Combining the sales teams and the teams in charge of product/service development into a single department will decisively improve their operational efficiency, both in Switzerland and at our international offices (Hong Kong SAR, Singapore, Dubai and Beirut).

On the whole, financial conditions are buoyant but increasingly affected by growing geopolitical imbalances. As a result, the primary objective of our business development policy throughout 2019 was to ensure the optimal deployment of our product and service ranges. Given that our clients are expanding their own entrepreneurial activities and investing in all high-growth regions worldwide, it is crucial that we stand with them through thick and thin. By strengthening our own international operations, we are providing local economic agents with a guarantee of close relations and expedient responses to increasingly frequent regulatory changes. This is precisely why international development will remain a priority for the 2020 financial year.

CA Indosuez (Switzerland) SA thus plans to fully back the international ambitions of Indosuez Wealth Management Group. To that end, our bank will work to constantly improve coordination of resources dedicated to clients active in regions experiencing rapid growth of disposable wealth and thus offering high potential in

terms of wealth management. In the past, East Asia, the Middle East and Latin America have been major centres of development for our business, with the Middle East boasting especially strong momentum. The quality of services offered to our clients and prospects, alongside the stability and excellence characterising Swiss banking institutions, helped keep inflows and new assets at a particularly high level in this region. After successfully integrating our new teams in Asia last year, client acquisition efforts were stepped up in a bid to consolidate our competitive position in this market, currently the most promising growth driver for the wealth management industry. Based on the volume of inflows and the visibility gained by CA Indosuez (Switzerland) SA in these regions, our performances in Asia and the Middle East can be seen as iconic successes of our strategy in 2019.

Our company, fully in sync with the targets set by our shareholders, will continue rolling out more resources to promote international client acquisition, with a key focus on the UHNWI (ultra high net worth individuals) segment. Over the course of 2019, we were already able to measure the positive impact that the diversity and adaptability of the solutions developed by our experts had on client acquisition. The gradual deployment of greater financing resources, particularly in terms of real estate assets, went a long way towards achieving this ambition. In addition to CA Indosuez (Switzerland) SA's ability to help its clients achieve their acquisition plans and define their investment strategies, considerable efforts were made in the field of technological innovation to address new requirements –calling for a coordinated response from the main players in the wealth management market.

Clients want to have the best tools available to implement their investment plans, and being able to meet this requirement (amongst others) has the potential to significantly alter the competitive playing field between private banks. An analysis of major trends in the financial industry, coupled with the ability to anticipate technological innovations, guided the work of our teams in 2019. The initiatives taken in that direction over the last few years have made it significantly easier to roll out an increasingly effective technological interface in response to client demand. Financial year



“Many investors are showing greater interest in environmental issues and are increasingly taking ESG (environmental, social, governance) criteria into consideration in their asset allocation. Accordingly, Indosuez Wealth Management has worked diligently to develop solutions meeting the responsible investment expectations of our clients.”



Omar **Shokur**

Head of Markets,  
Investment and Structuring  
until 30 June 2019,  
then Chief Executive Officer - Asia  
and director of the Singapore branch

2019 was a turning point, however, in that the technological developments already achieved by CA Indosuez (Switzerland) SA (e-Banking, Mobile Banking) have now been incorporated into the Crescendo 2022 business plan. Indosuez Wealth Management's business plan has made it a top priority to digitize our ranges and processes. Drawing on this group momentum, our company will be working to make technology an even greater component of our service range.

Many investors are showing greater interest in environmental issues and are increasingly taking ESG (environmental, social, governance) criteria into consideration in their asset allocation. Accordingly, Indosuez Wealth Management has worked diligently to develop solutions meeting the responsible investment expectations of our clients. CA Indosuez (Switzerland) SA has an edge over other Swiss banks in that regard, as Crédit Agricole Group as a whole has made “green finance” a major strategic focus for 2022, with the ambition of consolidating its world-leading position as an arranger of green bonds and boosting AuM invested in names contributing to the preservation of resources or the energy transition to 10 billion euros. In the medium and long term, factoring in such leading societal trends is sure to be an important growth driver for the various entities of Indosuez Wealth Management.

Of course, the magnitude of the projects conducted in 2019 to promote excellence and operational efficiency should not upstage the efforts undertaken at the same time to practice strict cost discipline. As a general rule, CA Indosuez (Switzerland) SA's management team has always sought to maintain a fair balance between implementing more agile organizational measures and making the necessary investments to grow our business. While these various accomplishments have done their part to further strengthen our competitive position, it is the unwavering dedication of our employees that has established CA Indosuez (Switzerland) SA now, more than ever, as a bank open to the entire world, recognised by its partners and appreciated by its clients.

## CORPORATE AND INVESTMENT BANKING

### COVERAGE OF LARGE CORPORATES

*Franck Bervillé, Head of Coverage*

2019 recorded a slight dip in business activity (with 2018 constituting an exceptionally high comparison base) with Swiss and large international corporations. It also saw its fair share of major new financing (syndication), trade finance, bond issuance and securitisation transactions.



### CIB: INTERNATIONAL TRADE & TRANSACTION BANKING (ITB)

*Jean-Paul Kaouza, Head of ITB Switzerland*

2018 set the bar particularly high for the International Trade business. 2019 turned out to be more of a mixed bag, with erratic commodity prices averaging 20% lower than economist forecasts.

International tensions in certain energy-producing regions, highly strained US-China trade relations, and climate change in predominantly agricultural countries, triggered uncertainty among the top commodity market agents. Traditional business flows diminished as a result.

Despite the less supportive economic environment, our sales performance remained positive thanks to a selective and diversified business development policy. We have had perfect control over our risks for years, thanks in large part to rebalanced commodity financing flows between energy, on the one hand, and base metals, ore and agricultural products, on the other.



We are stepping up our efforts to maintain the high degree of expertise of our sales teams and our support and control teams alike, giving us constant control over our operating costs.

Our goals for 2020 reflect our focus on well-thought-out development that factors in CSR (Corporate Social Responsibility) and efforts to automate and secure processes through the use of blockchain technologies, digitisation and robotisation.

The achievement of these goals, shared and supported by Crédit Agricole Group and particularly CACIB, will contribute to the sustainability of our ITB franchise in Switzerland.



## CORPORATE GOVERNANCE

Unless otherwise specified, the information included in this chapter refers to the situation as of 31 December 2019.

### 1 / Group structure and shareholder base

#### 1.1. GROUP STRUCTURE

##### 1.1.1. Operational structure

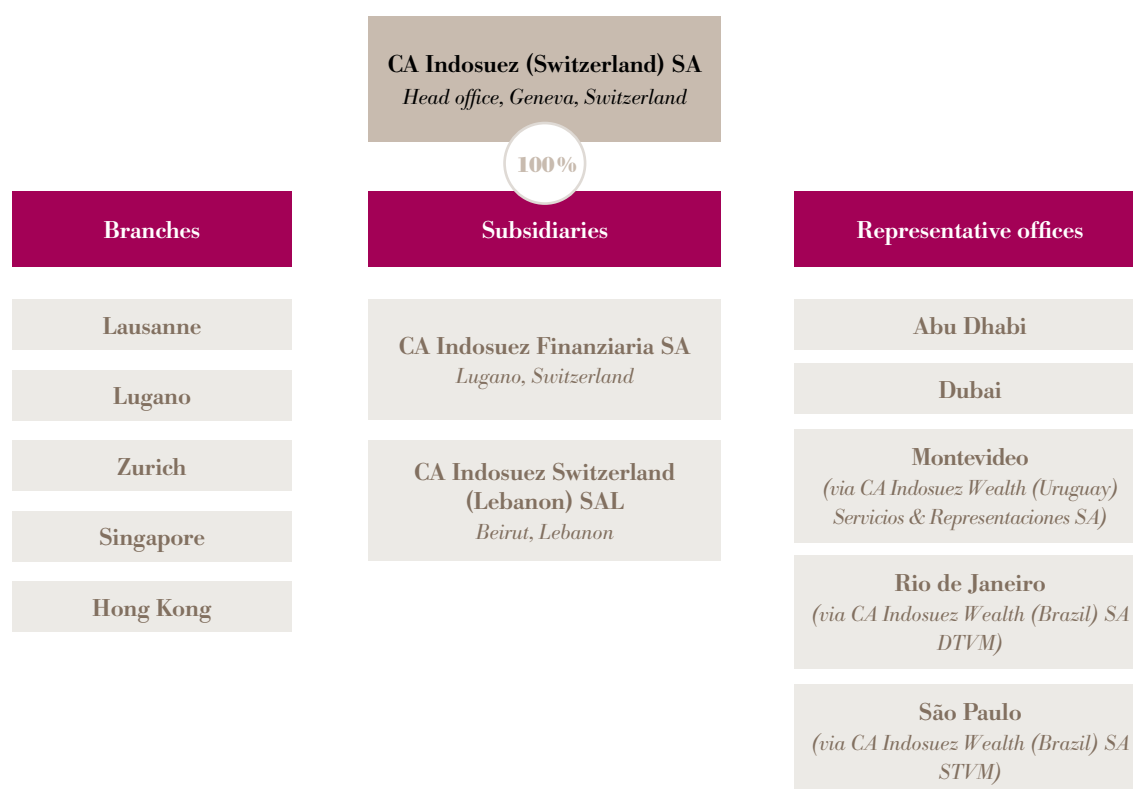
CA Indosuez (Switzerland) SA is a limited liability company (société anonyme) governed by Swiss Law, providing banking services for private banking, business and institutional clients in Switzerland and abroad. It exercises its activities in Switzerland and abroad, through its registered office and its network of branches, subsidiaries and representative offices. CA Indosuez (Switzerland) SA exercises management, coordination and supervision duties on its network.

The general structure of CA Indosuez (Switzerland) SA is organised into Business Lines,

Support/Control Functions and a Coverage Function, the heads of which report to the Chief Executive Officer. They all are members of the Executive Committee.

The subsidiaries, branches and representative offices are organised according to the Business Line corresponding to their area of activity.

The structure of CA Indosuez (Switzerland) SA, designed to support the activities of these entities, includes the following active companies:



Leonardo Swiss SA, entered the above perimeter on 21 December 2018 after being acquired by CA Indosuez Finanziaria SA. It was consolidated by merger in Q2 2019, with effect from 1 January 2019.

CA Indosuez (Switzerland) SA and its entities are part of Crédit Agricole Group. The conduct of their businesses and the determination of their

organisational structure are aligned, while observing applicable legal and regulatory obligations and the decisions taken by the Board of Directors of CA Indosuez (Switzerland) SA, with the strategy, policy, decisions and general authorisations, operating rules and best practices set by Crédit Agricole Group.

### 1.1.2. Scope of consolidation

The scope of consolidation of CA Indosuez (Switzerland) SA consists of owned “active” companies for which ownership interest (direct or indirect)

exceeds 50 %. None of these companies is publicly listed. As at 31 December 2019, the scope of consolidation included:

| Company name                          | Head office | Share capital     | Ownership interest |
|---------------------------------------|-------------|-------------------|--------------------|
| CA INDOSUEZ FINANZIARIA SA            | Lugano      | CHF 1,800,000     | 100 %              |
| CA INDOSUEZ SWITZERLAND (LEBANON) SAL | Beirut      | LBP 2,000,000,000 | 100 %              |

As indicated in Note 4.2.1 to the annual financial statements since 2014, the Bank no longer prepares consolidated financial statements, as the contribution of the subsidiaries is non-material from a quantitative

standpoint. However, these entities do fall within the scope of consolidated supervision for regulatory and prudential purposes.

## 1.2. MAIN SHAREHOLDERS

CA Indosuez (Switzerland) SA is 100% owned by CA Indosuez Wealth (Group), the holding company that unites the various wealth management entities of Crédit Agricole Group on the international level.

CA Indosuez Wealth (Group) is 100% owned by Crédit Agricole Corporate and Investment Bank, the arm of Crédit Agricole Group responsible for capital markets and corporate and investment banking.

Crédit Agricole Corporate and Investment Bank is in turn 97.33% owned by Crédit Agricole SA, a mutualist and cooperative company that is owned by its cooperative shareholders and, for the portion of its capital available to the public, by its shareholders.

Thirty-nine Regional Banks together own, via SAS Rue La Boétie, the majority of the share capital (55.90%) and voting rights (55.91%) of Crédit Agricole SA, which is thus protected from takeover bids. The cooperative Regional Banks deliberate the Group’s major strategies within the Fédération Nationale du Crédit Agricole. The majority of the share capital of the 39 Regional Banks is held by 2,417 local banks.

The share capital of the local banks, in turn, is owned by 10.1 million cooperative shareholders.

Free float shares represent 44.17 % of Crédit Agricole SA’s share capital. The Regional Banks together own, via SAS Rue La Boétie, the majority of the share capital of Crédit Agricole SA. Crédit Agricole SA coordinates, together with its subsidiaries dedicated to different business lines, the strategies of such business lines in France and abroad.

Crédit Agricole Group is the No. 12 banking group in the world by Tier 1 capital (The Banker, July 2019).

There are no pending agreements whose future implementation could result in a change in the control structure of CA Indosuez (Switzerland) SA.

## 1.3. CROSS-HOLDINGS

No cross-shareholding interest exceeds 5 % of the total voting rights or share capital of CA Indosuez (Switzerland) SA.



## 2 / Board of Directors

### 2.1. GENERAL INFORMATION

The Board of Directors of CA Indosuez (Switzerland) SA consists of 11 members at 31 December 2019 (10 until 28 June 2019), appointed at the General Shareholders' Meeting for a term of one year, set to expire at the following Ordinary General Shareholders' Meeting.

In June 2019, the General Shareholders' Meeting appointed Ms. Katia Coudray Cornu as a new director. In December 2019, the General Shareholders' Meeting formally acknowledged the resignation of Mr. Jacques Prost and appointed Mr. Pierre Masclet as his successor. The Board of Directors extends its gratitude to the outgoing members for their contribution and commitment.

One of the Vice-Chairmen is a Swiss resident. None of the members are on the Executive Committee. The majority of the members do not currently hold any directorships at Crédit Agricole Group companies and have not done so in the past two years, nor do they maintain close business relations with any of these companies. The composition of the Board of Directors

and its committees reflects the governance framework of the Crédit Agricole Group, which, in the case of some subsidiaries, allows the participation of Chairmen or Chief Executive Officers of member companies. Board members are appointed based on their integrity and skills. These are assessed in the light of their background, knowledge and experience. The suitability of Board members is assessed on an individual and collective basis with a view to ensuring a diverse range of talents, complementary profiles and balance. As a whole, the Board of Directors must possess the necessary skills in their key areas of responsibility. The composition requirements also respect the requirements established by law and FINMA practices.

The Board of Directors has two specialised committees: the Audit and Risk Committee and the Compensation Committee.



## 2.2. MEMBERS

### Jean-Yves Hocher

*Chairman and member since 29 June 2017.  
French national*

#### Education and career history:

- Graduate of Institut National Agronomique Paris-Grignon and École Nationale du Génie Rural, des Eaux et des Forêts in France.
- Mr. Hocher spent his early career working for the French government, serving in the Ministry of Agriculture from 1981 to 1984 and later joined the Ministry of Economic Affairs and Finance in 1986.
- He joined Fédération Nationale du Crédit Agricole (FNCA) in 1989 as Head of Banking, becoming Chief Executive Officer in 1997.
- He was a appointed Chief Executive Officer of the Charente-Maritime Deux-Sèvres regional bank in 2001, then Head of the Crédit Agricole's Insurance Division and Chief Executive Officer of Predica in 2006. In May 2008, Mr. Hocher became Head of Specialised Financial Services at the Crédit Agricole Group and, in October 2008, was appointed Deputy Chief Executive Officer of Crédit Agricole SA in charge of regional bank development, payment services and insurance. He took up his operating functions in 2010 and held them until he retired in October 2018.

#### Operational management positions at Group companies:

- Chief Executive Officer of Crédit Agricole Corporate and Investment Bank SA from 2010 until the end of October 2018.
- Deputy Chief Executive Officer of Crédit Agricole SA from 2008 to end-2018, in charge of the Large Clients Division (Corporate and Investment Banking, Private Banking, Asset Management, Services for Corporates and Institutional Investors) from 2010 to end-October 2018.

#### Non-executive positions at Group companies in the past three years:

- Director, Chairman of CA Indosuez Wealth (Group).
- Director, Vice-Chairman of Union de Banques Arabes et Françaises.
- Director, Chairman of Caceis Investor Services (until end-October 2018).
- Director, Chairman and Chairman of the Appointments Committee of CACEIS Bank (until end-October 2018).

Other activities and interest groups: none.

### Jacques Prost

*Vice-Chairman from 28 June 2018 to 23 October 2019.  
Chairman of the Compensation Committee from 28 June 2018 to 23 October 2019.  
French national.*

#### Education and career history:

- Degree in Financial Markets from Paris-Dauphine and graduate of Institute of Political Studies in Paris (IEP).
- He began his career in 1986 working for the Corporate Department of Crédit Lyonnais in London. He left the group in 1988 to join Banque Paribas, where he held a series of positions in the European Real Estate Finance Division and the Project Finance Division before being named Head of Project Finance at Paribas in Milan in 1996.
- He returned to Crédit Agricole Group in 2000 as Head of Structured Finance for Crédit Agricole Indosuez in Italy, including Leveraged Buy Out and Project Finance businesses as well as financing in the Telecommunications, Transport and Real Estate sectors.
- From May 2008 to October 2011, he served as Global Head of the Property and Hotel Financing Department of CACIB's Structured Financing Division (SFI) in Paris. In November 2011, he was appointed Global Head of SFI prior to rejoining CA Indosuez Wealth (Group) in May 2018 to take up his current role.

#### Operational management positions at Group companies:

- Chief Executive Officer of CA Indosuez Wealth (Group) since June 2018.
- Chief Executive Officer of CA Indosuez Wealth (France) since 1 November 2019.
- Member of the Management Committee of Crédit Agricole SA since September 2016.

#### Non-executive positions at Group companies in the past three years:

- Director, Chairman of CA Indosuez Wealth (Europe).
- Director, CA Indosuez Wealth (France) (until 31 October 2019).
- Director, CFM Indosuez Wealth (until 7 November 2019).
- Director, Chairman of Azqore SA.
- Director, Crédit Agricole Payment Services (until 14 February 2019).
- Director, Bank Saudi Fransi (until 15 March 2019).

Other activities and interest groups: none.

## Pierre Masclet

*Vice-Chairman since 20 December 2019.  
Chairman of the Compensation Committee  
since 20 December 2019.  
French national.*

### Education and career history:

- Degree in Financial Management from École Supérieure de Commerce de Paris, MA in business law and a postgraduate degree in International Taxation.
- After joining Banque Indosuez in France in 1992 as a Product and Engineering Manager, in 1995 he switched to the Front Office Team, where he was tasked with developing and tracking a base of entrepreneurial private clients. Ten years later, he took charge of the marketing, product, and engineering teams as well as leadership of the wealthy clients market at Crédit Agricole Regional Banks. He was then named Head of Clients in 2008.
- He joined the Bank in June 2012 as Head of Markets and Investment Solutions, then served as Chief Executive Officer - Asia and Head of the Singapore Branch from January 2017 to June 2019.

### Operational management positions at Group companies:

- Deputy Chief Executive Officer of CA Indosuez Wealth (Group) since July 2019, in charge of Business Development.

### Non-executive positions at Group companies in the past three years:

- Director, CFM Indosuez Wealth (since 12 December 2019).
- Member of the Board of Directors of Crédit Agricole Capital Investissement et Finance (since 26 November 2019)
- Member of the Board of Directors of CAIIS Limited (until 28 December 2018).

Other activities and interest groups: none.

## Jacques Bourachot

*Vice-Chairman since 29 April 2015,  
Member since 29 April 2014.  
Independent member according to  
FINMA Circular 2017/1.  
Swiss and French national.*

### Education and career history:

- Holds a BA, MA, post-graduate degree and PhD in science from École Polytechnique Fédérale (Lausanne), as well as a degree in economics from École des Hautes Études Commerciales at the University of Lausanne.
- From 1978 to 1979, he served as head of Société Française d'Études Thermiques et d'Énergie Solaire in France before working as an engineer for the Institut des Transports et de la Planification de l'École Polytechnique Fédérale de Lausanne from 1979 to 1985. From 1983 to 1988, he was a lecturer at École Nationale des Ponts et Chaussées in Paris. From 1985 to 1990, he headed the IT Development Department at Banque Gonet SA in Geneva.
- From 1990 to 1994, he served as Chief Information Officer for Crédit Agricole Indosuez in Lausanne before becoming Deputy Chief Executive Officer in charge of the Logistics Division and Chief Operating Officer for Switzerland, a post which he held until 2001. From 2001 to 2012, he was Chief Operating Officer of International Private Banking and Crédit Agricole (Switzerland) SA, then Chief Operating Officer of Crédit Agricole Private Banking Group from 2012 to 2014.

Directorships with Group companies: none.

### Non-executive positions at Group companies in the past three years:

- Chairman of the Board of CA Indosuez (Switzerland) SA's Fonds de Prévoyance foundation (since 2014), member since 1998.
- Vice Chairman of the Board of Directors of Crédit Agricole Next Bank.
- Director, CACEIS (Switzerland) SA.
- Director, Azqore SA.

### Other activities and interest groups:

- Managing Partner, Bourachot Conseils Sarl, Lutry.

## Giovanni Barone-Adesi

*Member since 23 March 2017.*

*Independent member according to*

*FINMA Circular 2017/1.*

*Canadian, Swiss and Italian national.*

Education and career history:

- Holds an MBA and a PhD from the University of Chicago's Graduate Business School and was trained as an electrical engineer at the University of Padua in Italy.
- He began his career in 1981 as Assistant Professor of Finance in Canada. In 1983, he became Associate Professor of Finance and has been teaching as a full professor at many different universities in Switzerland, the United Kingdom, Canada and the United States since 1987.

Directorships with Group companies: none.

Non-executive offices at Group companies in the last three years: none.

Other activities and interest groups:

- President, OpenCapital SA.

## Jean-Louis Bertrand

*Member since 23 February 2012.*

*Member of the Audit and Risk Committee since December 2015.*

*Member of the Compensation Committee since 29 April 2015.*

*Independent member according to*

*FINMA Circular 2017/1.*

*French national.*

Education and career history:

- Trained as an engineer at the École Centrale de Paris before earning an MBA from HEC-CPA and a certification as a corporate director from the Institut Français des Administrateurs/Sciences PO, Paris.
- From 1975 to 1987, launched his career as an international commercial banker at ABN AMRO Group and its subsidiary Banque Neuflyze; Head of the Asian Currency Unit in Singapore from 1983 to 1985 and Head of Large Corporates in France from 1985 to 1987.
- Mr. Bertrand continued his banking career in market services working for Caisse de Gestion Immobilière (later CPR) from 1987 to 2000.
- He subsequently became head of trading activities and sales of securities for the French Treasury before moving on to head activities in the Issuers Division, financial market intermediation to issuing bodies and investors and, finally, becoming Chief Executive Officer of Banque CPR.
- From 2000 to 2012, worked as an investment banker at Crédit Agricole Corporate and Investment Bank (CACIB). Starting out as a Senior Banker for major corporate clients, he was appointed to the Executive Committee in 2009 serving as Executive Officer in charge of coverage of large French clients and institutional investors. Before retiring, he served as Global Head of Coverage of Financial Institutions.

Directorships with Group companies: none.

Non-executive positions at Group companies in the past three years:

- Director, CPR Asset Management.

Other activities and interest groups:

- Chairman, JLB Conseil.
- Judge at the Commercial Court of Paris.

## Bastien Charpentier

*Member since 1 January 2018.*

*Member of the Compensation Committee since 1 January 2018.*

*French national.*

Education and career history:

- Graduate of ENSAE (École Nationale de la Statistique et de l'Administration Economique) in Paris.
- Joined Crédit Agricole Corporate and Investment Bank in 1985 as an auditor, then as lead auditor. He has held a number of directorships throughout his career. Named Chief Financial Officer for the real estate development subsidiaries of CACIB in Paris in 1991, he became Chief Operating Officer for Asia in 1997. From 2002 to 2003, he reported directly to Executive Management responsible for setting up the lending administration function. In 2003, he took up the duties of Global Chief Operating Officer of the Fixed Income Business. Starting in 2004, he became CEO of Crédit Agricole Group in Poland responsible for retail banking, consumer finance and leasing until 2010. He then became Chief Financial, IT and Organisational Officer of the International Retail Banking business. In 2012, he became Chief Executive Officer of CACEIS Bank in Germany. In December 2017, he took up his current operating functions in the Indosuez Wealth Management business line.

Directorships within Group companies:

- In December 2017, he joined CA Indosuez Wealth (Group) as Deputy Chief Executive Officer responsible for operations, support functions, and business line Chief Operating Officers.

Non-executive positions at Group companies in the past three years:

- Director and Member of the CA Indosuez Wealth (Europe) Audit Committee.
- Director, CA Indosuez Wealth (France).
- Director, CFM Indosuez Wealth.
- Director, Vice-Chairman of Azqore SA.

Other activities and interest groups: none.

## Laurent Chenain

*Member since 1 January 2019.*  
*French national.*

### Education and career history:

- MA in Management from Université Paris 1 Panthéon-Sorbonne, post-graduate degree/MA from ESCP.
- Began his career in 1988 with the Corporate Department of Banque Indosuez in London. He then joined the Paris Project Financing Division in 1989, where he held multiple positions, starting on the Infrastructure Team then moving to the Energy Team, where he contributed to the development of the bank's franchise in the Oil & Gas Sector, which he headed in 1997.
- In 2000, he joined the Acquisition Financing/LBO Team at Crédit Agricole Indosuez, responsible for France in 2003. Between 2004 and 2009, he co-headed the Acquisition Financing/LBO Team at Calyon/Crédit Agricole CIB, then became head of it in 2010.
- In 2012, he joined the Structured Financing Department at Crédit Agricole Corporate and Investment Bank, serving as Global Head of Property and Hotel Financing (DIH) until November 2018.

### Directorships within Group companies:

- Head of International Trade and Transaction Banking and member of the Executive Committee of Crédit Agricole Corporate and Investment Bank since December 2018.

### Non-executive positions at Group companies in the past three years:

- Director, Crédit Agricole CIB AO, Russia
- Director, Crédit Agricole Leasing & Factoring
- Director, Crédit Agricole Immobilier (until December 2018)

### Other activities and interest groups:

- Vice-Chairman of France en Marche.

## Katia Coudray Cornu

*Member since 28 June 2019.*  
*Independent member according to*  
*FINMA Circular No. 2017/1.*  
*Swiss national.*

### Education and career history:

- BA in economics, finance and accounting from École Supérieure de Cadres pour l'économie et l'administration (Saint-Maurice), Certified International Investment Analyst CIIA®, certification from ACAD (Académie des Administrateurs).
- From 1994 to 2001, held various fund and private equity positions at multiple Swiss banking institutions.
- She then served for 10 years as Head of Union Bancaire Privée's Funds of Funds and Innovation Platform.
- Joined Syz Group in 2011 as Head of Product Development, then Investment Development, and was CEO of Syz Asset Management from 2015 to 2018.

- In 2019, she worked as an independent consultant for Reyl & Cie Group, joining its institutional strategies unit as Head of Social-Impact Investing, then in early 2020, heading up a new sustainable investment subsidiary, Asteria Investment Managers.

### Directorships within Group companies: none.

### Non-executive positions at Group companies in the last three years: none.

### Other activities and interest groups:

- Member of the Board of Directors of GAM Holding AG.
- Occasional lecturer at Haute École Spécialisée Kalaidos.

## Christoph Ramstein

*Member since 19 November 1999.*  
*Member of the Audit and Risk Committee since December 2015.*  
*Independent member according to*  
*FINMA Circular 2017/1.*  
*Swiss national.*

### Education and career history:

- Holds an Economics degree from the University of St. Gall and received a Law degree from the University of Zurich and is a Zurich-based barrister.
- He spent his early career at the Pestalozzi law practice in Zurich from 1981 to 1983. In 1983, he joined the law firm of Milbank, Tweed, Hadley & McCloy in New York. In 1986, he returned to the Pestalozzi law practice, where he served as a Partner until 2014 before becoming a Consultant.

### Directorships with Group companies: none.

### Non-executive positions at Group companies in the last three years: none.

### Other activities and interest groups:

- Chairman of the Board of public-utility foundation Werner Abegg Fonds.
- Member of the Board of the Arthur und Elisabeth Bareiss-Zielcke Family Foundation.

## Cédric Tille

*Member since 29 June 2017.*

*Independent member according to*

*FINMA Circular 2017/1.*

*Swiss national.*

Education and career history:

- Holds a Master's in Economics from the University of Lausanne, and both a Master's and a PhD from Princeton University in the United States.
- He began his career in 1997 as a trainee in the Division of International Finance of the Board of Governors of the Federal Reserve System in Washington DC. From 1998 to 2007 he worked as an economist in the International Research Department of the Federal Reserve Bank of New York.
- In winter 2005/2006, he was simultaneously Visiting Professor at the Graduate Institute for International and Development Studies in Geneva. In 2007 he joined the Institute as a Professor of Economics. Since 2012, he has run the Bilateral Assistance and Capacity Building programme for Central Banks created by the Institute and the Swiss Secretary of State for Economic Affairs (SECO), served as a guest researcher at the Hong Kong Monetary Authority's Hong Kong Institute for Monetary Research, and has taught a class in BA Economics at the Swiss online university UniDistance.

Directorships within Group companies: none.

Non-executive positions at Group companies in the last three years: none.

Other activities and interest groups:

- Member of the Bank Council of the Swiss National Bank since 2011.
- Advisor to Protagoras & Associés SA, Collonge-Bellerive (formerly Wealthsuit Startup).
- Research Fellow at the Center for Economic Policy Research (CEPR), London.
- Research Fellow at Kiel Institute for the World Economy.
- Co-Editor of the Swiss Journal of Economics and Statistics.
- Associate Editor of the Journal of Money, Credit and Banking.
- Associate Editor of the Journal of International Economics.
- Member of the American Economic Association.
- Member of the European Economic Association.
- Member of the Swiss Society of Economics and Statistics.

## François Veverka

*Member since 23 March 2017.*

*Chairman of the Audit and Risk Committee*

*since 23 March 2017.*

*Independent member according to*

*FINMA Circular 2017/1.*

*French national.*

Education and career history:

- Graduate of École Supérieure des Sciences Économiques et Commerciales and the École Nationale d'Administration in France.
- Began his career holding various positions in public economics, particularly with the Ministry of Finance and the Swiss market authority (COB). Later he served in a number of executive positions with Standard & Poor's (1990- 2006) and, in this capacity, addressed any matter related to banking and the financial markets alongside the regulatory and supervisory authorities. In 2007, he became Chief Executive Officer of the Compagnie de Financement Foncier. In 2008, he started a banking and financial consultancy business.

Directorships within Group companies: none.

Non-executive positions in Group companies in the past three years:

- Director, CFM Indosuez Wealth.
- Director, Amundi UK Ltd.
- Director, Amundi Luxembourg SA
- Director, Amundi Money Market Fund (Luxembourg).
- Member of the Supervisory Board of Amundi Asset Management.
- Amundi Group Non-Voting Director (until February 2018).
- Director, Chairman of the Audit and Risk Committee of Crédit Agricole SA and its subsidiaries Crédit Agricole Corporate and Investment Banking and LCL, and Amundi Group (2008-2017).
- Chairman of the Risk Committee of Crédit Agricole Group in the US (2016-2017).

Other activities and interest groups:

- Chairman of the Supervisory Board of Octo-Finances SA (Paris).
- Director, Chairman of the Risk Committee and member of the Audit Committee of Milléris Banque SA (named Barclays France SA until April 2018).

## 2.3. ORGANISATION

### 2.3.1. Operational approach

As a general rule, the Board of Directors meets four times per year and, if necessary, holds special meetings. The work of the Board is based on agendas drawn up by the Corporate Secretary. Its meetings take place according to a pre-established agendas and are subject to minutes signed jointly by the Chairman, or, failing that, by one of the Vice-Chairmen, and the Secretary. The functioning of the Board of Directors is governed by the Internal Rules.

This document primarily sets out principles and best practices of corporate governance designed to promote the quality of the work of the Board, such as obligations of confidentiality, independence, loyalty and duties in respect of inside information and conflicts of interest.

Directors with conflicts of interest must report the conflict and abstain from deliberations.

In 2019, the Board of Directors met four times and held two meetings by circulating a resolution's proposal.

### 2.3.2. Responsibilities

The Board of Directors is the upper management body in charge of monitoring of the high-level risk and the adequacy of the Bank's management control system.

Accordingly, the Board deals with major agenda topics relating to strategy, general policy, management and the oversight of activities and risks.

When appropriate, the Board approves, based on a proposal by the Executive Committee, the resources, organisation and planning necessary for implementation. The Board has the ultimate responsibility for finance, method of accounting and financial control based on fixed objectives, the preparation of the annual management report, the approval of the annual budget and the setting of financial objectives for the year –including equity planning and liquidity risk tolerance. In addition, the Board is responsible for maintaining adequate resources for governance, the oversight and it controls that applicable rules and regulations are observed (compliance).

The Board resolves on matters related to the administration of the Bank referred to it by the members of the Executive Committee and other issues brought before it by specialised committees. Amongst other things, it decides on changes to the Bank's activities, structures and strategic or real estate investments, such as: the creation, acquisition or disposal of subsidiaries and ownership interests, the opening or closing of branches and representative offices, the acquisition or disposal of business as going concern and the sale or purchase of buildings. It also takes the necessary decisions on legal and regulatory provisions, specifically in the areas of Corporate Governance, Human Resources, Risk Management and Internal Control.

Once a year, the Board of Directors conducts a self-evaluation of its membership, objectives and operating procedures.

The Board of Directors delegates some of its tasks, within the limits set forth by applicable laws and regulations, to its specialised committees.

These committees meet several times a year –depending on the subjects and the required notice to be given to the Board. The Audit and Risk Committee meets at least once every quarter and the Compensation Committee meets at least twice a year.

Their members are appointed by the Board of Directors from amongst the Directors sitting on the Board.

Membership of these subcommittees at 31 December 2019:

- Audit and Risk Committee:  
François Veverka (Chairman), Jean-Louis Bertrand, Laurent Chenain and Christoph Ramstein
- Compensation Committee:  
Pierre Masclet (Chairman), Jean-Louis Bertrand and Bastien Charpentier.

These committees operate on the basis of agendas prepared by their Secretary's Office. They have limited decision-making powers and facilitate the resolutions of the Board providing with their opinion.

The Audit and Risk Committee holds authority over the closing of accounts and financial reports, risk management, supervision and internal control, including audit.

The Compensation Committee conducts an annual review of Bank's compensation policy, ensures its compliance with applicable regulations and recommends any necessary adaptations. It satisfies itself as to proper implementation, informs the Board thereof and draws up the related annual report for the Board. The Internal Rules provide more details on the roles, tasks and responsibilities of the Board and its subcommittees.

### 2.3.3. *Information and control instruments related to operational management*

The Board of Directors is regularly informed of relevant matters pertaining to the activities and the situation of the Bank. This information is provided to the Board by the Operations Division, the Board's committees, the auditing firm and General Inspection.

Out of the Board meetings, the Chief Executive Officer regularly consults with the Chairman and the Vice-Chairman of the Board based on the main decisions of the Operations Division and on matters vital to the Bank and its entities. The Chief Executive Officer provides them with the minutes of Executive Committee meetings. Moreover, the Chief Executive Officer immediately notifies the Chairman of any business, incidents or extraordinary events triggering a significant influence on the activities, situation or reputation of the Bank or the Group. In addition, the CEO immediately notifies the Chairman of the Board and the Chairman of the Audit and Risk Committee of any major new risks or when the situation of the Bank undergoes substantial change in connection with the risk monitoring and control systems.

The Chief Executive Officer or other members of the Executive Committee, the Chairman of the Board, the chairmen of the Board's committees, General Inspection, the statutory auditors and the auditing firm provide the Board (in certain cases and depending on the circumstances via the Board committee concerned), for information or for a decision, the relevant information needed for the performance of his duties. The Board of Directors may invite other employees or outside experts to its meetings when it deems their input necessary.

For ordinary meetings, this information may include:

- information on activities and strategy, such as:
  - a report on the general business activity, results, budget monitoring, the implementation of general policy, major decisions taken and significant events,
  - changes in policies and strategies,
  - major organisational changes
- information relating to the financial statements, the financial position and measures taken by the statutory auditors, such as a presentation on the financial statements and the financial position of the Bank
- information on risks, internal control and supervision, such as:
  - the framework underlying risk management, and risk management indicators
  - the situation with respect to the different risks to which the Bank is exposed (in particular, market risk, counterparty risk, operational risk cost and provisioning breakdown by country and by sector)

- a compliance review, in particular any major issues, measures taken and regular assessments on implementation of the authorities' expectations
- legal risks, specifically with respect to litigation and ongoing judicial procedures
- equity and cash positions
- internal audit assignments and recommendations implementation
- the activities, minutes and annual report of the Internal Control Committee
- the observations and expectations of the supervisory authorities, and initiatives undertaken to that end
- risk-related policies
- reports, observations and recommendations of the auditing firm and their follow-up
- the annual reports on risk, internal control, compliance management and the activities of the General Inspection Division
- information on governance, compensation and Human Resources, such as:
  - the staff and compensation policy,
  - the appointment and the removal from office of Committee Members, Executive Officers, and the Head of General Inspection
- information on important legal and regulatory developments.

Addition information on the conduct, controls and management of risks is referred to in Note 4.3 to the annual financial statements.

The matters referred to the Board of Directors are planned according to a schedule based on legal and regulatory requirements and the expectations of the Board. The bulk of the items included on the agenda for Board meetings are set out in writing and distributed in advance of these meetings.

The Chief Executive Officer attends all the meetings of the Board of Directors and, as a general rule, all the meetings of the Board's committees. The members of the Executive Committee and in-house specialists, and even experts from outside the bank engaged to investigate specific items, attend all the meetings of the Board's committees to the extent they are concerned by specific items of the agenda. The Head of General Inspection attends all the meetings of the Audit and Risk Committee involving audit-related matters. The Head of the auditing firm attends all meetings dealing with any auditing reports which it issues. The representative of the statutory auditors attends all meetings dealing with the financial statements. Likewise, the Chief Financial Officer, who attends all meetings dealing with equity, liquid assets and Asset and Liabilities Management or other finance-related matters. The members of the Board and its committees may ask any questions they deem appropriate.

The Chairman of the Board and the Vice-Chairman serving in these functions within the Group must ensure that information circulates in an appropriate manner between the Operating Division and the Board of Directors, in particular the proper inclusion of necessary information in the agenda.

The chairmen of the Board's committees ensures that the same applies to the members of these committees. Upon appointment, new directors receive a set of documents that specifically includes the main documents in terms of the governance of the Bank's management bodies, the scope of internal control, the Bank's most recent Annual Report, the most recent Auditor's Report prepared by the auditing firm, General Inspection's most recent report, the most recent report on risks and the most recent assessment of the bank by the Swiss Financial Market Supervisory Authority (FINMA).

Directors are also entitled to trainings. In 2019, directors were provided with in-house training on several important compliance-related topics.

The Board of Directors relies on the work of the specialised committees, General Inspection, the statutory auditors and the auditing firm to fulfil its obligations of oversight and control.

The Audit and Risk Committee may request access to any information it deems relevant to the exercise of its duties. It relies primarily on the information provided by the relevant managers, and on interviews or meetings held with the statutory auditors, the auditing firm and the employees that it deems appropriate to meet in the course of fulfillment of its duties. Such meetings or interviews may be conducted without the presence of the relevant managers if he decides to do so.

General Inspection is an independent unit of the Operations Division that reports directly to the Board of Directors and the Audit and Risk Committee and is a tool available to them for monitoring and managing risk. It carries out regular checks of the activities of the Bank and its entities and has unlimited access to information for this purpose. It carries out assignments in accordance with the practices of the profession. Using a methodical, systematic approach, it verifies and assesses risk management and internal control procedures and formulates proposals to increase their effectiveness. Its organisation, scope of activity and operation are governed by the By-Laws, the Internal Bank's Regulation and Directive approved by the Board.

General Inspection is comprised of 13.4 members. The Head of General Inspection is appointed by the Board of Directors. Since 1 April 2017, the unit is headed by Jean-Paul Bicot, whose education and career history are provided below:

- He holds a qualification from the Société Française des Analystes Financiers, a Master's degree in Science and Technology and an analyst's certification from Standard & Poor's.
- He began his career in 1987 at Lyonnaise De Banque in Paris as Head of Capital Markets, Risk and Internal Control. He joined Crédit Commercial de France in 1992 as Lead Auditor in the General Inspection Division before moving on to HSBC Capital Management in 1995 as Head of Money Markets and Short-Term Investments. In 2000 he was appointed Co-Head of HSBC Securities Services in France. In May 2010, he was called upon to manage the General Inspection Division of the CACEIS Group (Paris, Luxembourg and Munich).

The General Inspection Division plans its activity each year, elaborating a mapping of risks which it updates regularly. It submits its planning to the Board of Directors for its approval upon the opinion of the Audit and Risk Committee. After completing its assignments, it issues reports documenting its findings and recommendations for the Board of Directors, the Audit and Risk Committee and the Operations Division. The content is discussed with the auditing firm and the Audit and Risk Committee. It prepares a half-year follow-up report on open audit recommendations, as well as an annual Management Report.

General Inspection is supervised and evaluated by the Audit and Risk Committee, who evaluates its effectiveness, verifies that it has the resources and skills it needs and ensures itself that it carries out its activities independently and objectively as required, and reviews the relationship it maintains with the auditing firm.

The Board of Directors, on an annual basis, that the information provided to it, are in adequacy with its need.

## 2.4. EXECUTIVE COMMITTEE

The members of the Executive Committee are responsible for the operational tasks of business, risk management and monitoring, and general good working set up. To achieve these ends, they rely on directors activity and on different committees, to which the Executive Committee may delegate some of its responsibilities.

### 2.4.1. Members

There are 12 members on the Executive Committee as at 31 December 2019, all appointed by the Board of Directors. In 2019, Mr. Pierre Masclet left the Committee, and Mr. Olivier de Koning (succeeding Mr. Pierre Jacqmarcq) and Ms. Valeria Cholat joined the Committee. The Executive Committee thanks the outgoing member for his contribution and commitment.

## Jean-François Deroche

*Chief Executive Officer since January 2016.  
French national.*

Education and career history:

- Graduate of the Institute of Political Studies in Paris with a Law degree.
- He has many years of respected global experience in the banking and financial sectors. He began his career at Crédit Lyonnais in 1982, where he held several positions, including Senior Banker in the European Clients Department in New York, General Manager of the Boston Agency, and Account Manager for Investment Banking. He then became Head of the Investment Banking Division in Japan. In 2004, he joined Crédit Agricole Corporate & Investment Bank to merge the Capital Markets operations of Crédit Agricole Indosuez and Crédit Lyonnais. In 2005, he became Corporate Secretary of Capital Markets and Brokers, and in 2008, Head of the Global Market Division for the Americas. Next, in 2011 and until January 2016, he was Senior Regional Officer for the Americas and Senior Country Officer of the United States for CACIB.

Other activities and interest groups:

- Chairman of the Board of the Indosuez Foundation (Switzerland).
- Director, CACEIS (Switzerland) SA.
- Director, CA Indosuez Finanziaria SA.
- Director, CA Next Bank.
- Director, Azqore.
- Member of the Board of Fondation Genève Place Financière
- Member of the Group General Management Committee of the Wealth Management business line

## Jérôme Lalourcey

*Chief Operating Officer since October 2017.  
French national.*

Education and career history:

- Graduate of the Institut Supérieur de Gestion Paris.
- He joined the Bank in 2011 as Chief of Staff - Private Banking, then became Chief of Staff to the CEO and the Organisational Transformation and Optimisation (OTO) Department. He oversees the Organisation, Project Management (OMA), Digital, Information Security (CISO), and Information Technology (Information Systems Department) departments as well as the General Services and Operations Department.
- He previously served as COO of the CACIB branch in London and as CFO of Banque Saudi Fransi (BSF) in Riyadh.
- He also worked as Global Chief of Staff for Capital Markets at CACIB in Paris.

Other activities and interest groups: none.

## Patrick Ramsey

*Head of Wealth Management from July 2019 to February 2020, Head of Private Banking Clients previously and since November 2013.  
Swiss national.*

Education and career history:

- Graduate of HEC Lausanne.
- He began his career at Groupe Darier Hentsch & Cie in Geneva in 1993 and was primarily involved in the field of institutional management. In 2002, he joined Merrill Lynch in Geneva, where he served in turn as a strategist, Head of Wealth Management, and then Chief Executive Officer. In 2010, he joined Barclays Bank (Switzerland) SA as Chief Executive Officer.

Other activities and interest groups:

- Director, CA Indosuez Finanziaria SA.
- Member of the Board of the Indosuez Foundation (Switzerland).

## Omar Shokur

*Head of Markets, Investment and Structuring from April 2017 to 30 June 2019, then Chief Executive Officer - Asia and Director of the Singapore Branch office Swiss national.*

Education and career history:

- With a background in engineering, he has a Masters in Mathematics from the École Polytechnique Fédérale de Lausanne (EPFL), a degree he earned conjunctively with the Massachusetts Institute of Technology (MIT) in Boston in 2001. He also has an MBA from IMD Business School in Lausanne (2006).
- In 2001, he joined the Bank's Organisational Department as part of a team in charge of strategic and operational projects aimed at supporting the Bank's development. After joining CACIB in London in 2007, he focused on structuring/selling commodity derivatives. Later, he carried on the same activity, as head of Commodity Derivatives, on the trading desk in Geneva. In 2010, he was asked to lead the Financial Intermediaries Zone in Geneva, which was expanded in 2014 to all business related to such customers for Switzerland and Asia.

Other activities and interest groups:

- Director, CA Indosuez Finanziaria SA.
- Member of the Board for the Indosuez Foundation (Switzerland).
- Director, Indosuez Funds (until 11 October 2019).
- Director, Indosuez Capital SA, SICAV-RAIF (until 14 November 2019)
- Director, Indosuez Alternative Investments SA, SICAV-RAIF (until 14 November 2019)

## Pierre Masclet

*Chief Executive Officer - Asia and Director of the Singapore Branch from January 2017 to June 2019. French national.*

Education and career history:

- Degree in Financial Management from École Supérieure de Commerce de Paris, MA in Business Law and a postgraduate degree in International Taxation.
- After joining Banque Indosuez in France, in 1992 as a Product and Engineering Manager, he continued his career in 1995 in the front office teams, where he was tasked with developing and tracking a base of entrepreneurial Private Clients. Ten years later, he took charge of the marketing, product, and engineering teams as well as leadership of the High-Net-Worth clients market at Crédit Agricole Regional Banks. He was then named Head of Clients in 2008.
- He joined the Bank in June 2012 as Head of Markets and Investment Solutions, then served as Chief Executive Officer - Asia and Head of the Singapore Branch Office from January 2017 to June 2019.

Other activities and interest groups: none.

## Pierre Glauser

*Head of International Trade & Transaction Banking since 2003 Swiss national.*

Education and career history:

- HEC Economist at the University of Geneva.
- He has been in the banking sector for 40 years, over 25 of which at CA Indosuez (Switzerland) SA in Geneva.
- He began his career in 1978 at Banque Paribas (Switzerland) SA in the field of international trade. As a leadership member, he continued at the BSI to develop the bank's activities in the French-speaking parts of Switzerland –particularly by creating a Commodities Financing Division.
- In 1992, he joined Banque du Crédit Agricole (Suisse) SA, where he became CEO in 1995. In 1999, when it merged with Crédit Agricole (Suisse) SA, he took over all of the Bank's commercial business, which, besides financing international trade, included the import/export, corporate, real estate, and financial engineering operations. While retaining his local responsibilities, he was appointed Global Head of the Commodities Transactional Financing business line for the Crédit Agricole Corporate & Investment Bank group in 2003. Later, in 2016, he became Global Head of all international trade activities, including Trade Finance, Export Finance and Commodity Finance.

Other activities and interest groups:

- Director, Crédit Agricole CIB AO, Moscow.
- Chairman of the Board of CA Indosuez (Switzerland) SA's Pension Fund.
- Member of the Executive Committee of the Swiss Trading and Shipping Association, Geneva.
- Vice-Chairman of the Swiss-Turkish Chamber of Commerce and Industry in Geneva.

## Frank Berville

*Head of Coverage since November 2011.  
French national.*

Education and career history:

- Graduate of École Supérieure de Commerce Paris.
- He began his career at Banque Indosuez in Nairobi in 1992 as a Credit Analyst, then joined Crédit Agricole Corporate & Investment Bank in Paris in 1994 as an internal auditor. In 1999, he became Relationship Manager of public and large private companies. In 2004, he was named Senior Banker in charge of a portfolio of large French and international companies active in various economic sectors.

Other activities and interest groups:

- Member of the Supervisory Board of Comte Serres SA Group, Nîmes.

## Viviane Gabard

*Head of Compliance and Account Opening  
Documentation since June 2015.  
French national.*

Education and career history:

- Holds a Master's from the École Supérieure des Sciences Commerciales d'Angers, and a D.E.S.S. degree in Export Technique from Institut d'Administration des Entreprises (Poitiers).
- She began her career at the Caisse Nationale de Crédit Agricole in New York in 1993, on the Commodity Finance team. In 1993, she was appointed Relationship Manager in charge of a portfolio in Soft Commodity Trading. In 1997, she joined the Inspection and Auditing Department in Paris as an Inspector-Auditor. In 2000, she came to Crédit Agricole Indosuez as a Senior Risk Analyst and in 2002 was named Head of the Transactional Financing Risk Team. In 2004, she was appointed Head of the Worldwide Sectors & Financial Engineering Risk Team, then in 2009, Head of the Structured Finance & Financial Engineering Risk Team at Crédit Agricole Corporate & Investment Bank.
- She previously held the position of Risk & Permanent Control Manager at Crédit Agricole (Switzerland) SA from February 2009 to May 2015.

Other activities and interest groups:

- Member of the Board of the CA Indosuez (Switzerland) SA Pension Fund.
- Member of the Board of the Indosuez Foundation (Switzerland).

## Olivier De Koning

*Chief Financial Officer since January 2019  
French national.*

Education and career history:

- Graduate of SKEMA Business School (Lille).
- Began his career as an auditor at KPMG in 1991, then joined the General Inspection Division of Crédit Lyonnais (Paris) in 1994. Moved to New York in 1997 to become a Capital Markets Controller for Crédit Lyonnais, then headed up Accounting and Finance Control at CACIB. Joined CACIB France (Paris) in 2006 as Head of Accounting, then became Head of the Research and Projects Department in 2008. Appointed Head of Finance Control at CACIB Group in 2011.
- In 2017, as a member of CACIB's General Management, reporting to the Deputy Chief Executive Officer, he was appointed Chief of Staff to the Chairman, in charge of strategic research on medium and long-term plan.

Other activities and interest groups:

- Member of the Board of the Indosuez Foundation (Switzerland).

## Marcel Naef

*Head of Legal Affairs and Governance since June 2015.  
Swiss national.*

Education and career history:

- Holds a Masters in Law from the University of Geneva, and was admitted to the Geneva Bar in 1987.
- He has over 30 years of legal experience in the banking and finance sector. He previously held the position of Head of the Legal Department at Deutsche Bank (Switzerland) SA for over 10 years. Before that, he had worked at BNP Paribas (Switzerland) SA where he was named Head of the Legal Department in 1994. He began his career in 1988 as a legal advisor to Banque Paribas (Switzerland) SA.
- He joined CA Indosuez (Switzerland) SA in April 2013 as Director of Legal & Compliance.

Other activities and interest groups:

- Chairman of the E. Naef Foundation for In Vitro Research (Geneva).

## Aline Kleinfärcher

*Head of Human Resources since September 2011.  
Swiss national.*

Education and career history:

- Holds a Masters in Bilingual Law from the University of Fribourg, along with legal training in Geneva.
- After working as a legal advisor in the Legal Department at Deutsche Bank (Switzerland) SA, she became Head of the Bank's Legal Department. She then joined Lombard Odier, where she headed the bank's Anti-Money Laundering Department.
- She then refocused her career on Human Resources at Banque Pictet & Cie SA as Head of Recruitment and HR Strategic Projects. Afterwards, she worked at UBS as Head of Swiss-Romansh Human Resources.

Other activities and interest groups:

- Member of the Board of the CA Indosuez (Switzerland) SA Pension Fund.

## Valeria Cholat

*Communication Director from November 2016.  
Swiss and Italian national.*

- Holds a Bachelor of Science in Business Administration from the International University of Monaco.
- She has spent most of her career in Switzerland working in Communications and Marketing. After holding positions in the Luxury sector (notably with Lancaster and the Hermes Group) between 1994 and 2000 she joined JP Morgan in Geneva in their Front Office.
- In 2004, she joined Barclays Bank Suisse SA as Head of Communications and Marketing for their Wealth Management Division, in charge of The United Kingdom and Europe.

Other activities and interest groups:

- Member of the Board of the Indosuez Foundation, Switzerland.

## Hubert Vieille-Cessay

*Chief Risk and Permanent Control Officer  
since September 2015, and Chief Operating Officer  
since 28 June 2018.  
French national.*

Education and career history:

- Holds a Masters in Law from the University of Nancy II, and graduated from HEC Paris.
- Joined Crédit Lyonnais in 1981 and had a global career within the Group, becoming Head of Project Finance and Syndication at Crédit Lyonnais Hong Kong in 1997. He joined Crédit Lyonnais Bank Polska in 2001 where he was named President of the Management Committee. In 2006, he moved to Crédit Agricole Corporate & Investment Bank in Paris as Permanent Control & Operational Risk Manager. In January 2008, he was appointed Risk Manager for the Asia Pacific region in Hong Kong SAR, then served as Head of Risks and Permanent Control in New York for North and South America starting in April 2010.

Other activities and interest groups: none.

*2.4.2. Compensation and profit sharing programmes for members of the Board of Directors and the Executive Committee*

**a) Introduction**

CA Indosuez (Switzerland) SA is not subject to the rules, applicable to listed companies, preventing excessive compensation.

It does not compensate the members of its Board of Directors in the form of profit sharing.

**b) Members of the Board of Directors**

Members of the Board of Directors who are employees of the Crédit Agricole Group are not paid for their Board duties (including the Chairmanship and the Board's Committees).

Members of the Board of Directors who are not employees of the Crédit Agricole Group receive annual fees of an amount determined by the Bank's Annual Shareholders' Meeting, payable net of payroll deductions, unless otherwise agreed to at the end of the fiscal year and on a pro rata basis for the period during which they held office.

Annual compensation granted to Directors for 2019 was set at CHF 30,000. The Chairman of the Audit and Risk Committee received additional pay of CHF 10,000 and the members of the Compensation Committee received additional pay of CHF 5,000.

**c) Members of the Executive Committee**

The compensation policy of CA Indosuez (Switzerland) SA approved by the Board of Directors is fully in line with the 2019 compensation policy of CA Indosuez Wealth (Group), which itself reflects the compensation policy of the Crédit Agricole Group, while also taking into account local features.

To implement its compensation policy, every year CA Indosuez (Switzerland) SA relies on compensation surveys conducted by two specialised companies, in which major financial market employers participate. These surveys make it possible to have insights into changes in the market for nearly all of the bank's functions and into various compensation factors.

In line with the Group's general principles, the compensation policy for members of the CA Indosuez (Switzerland) SA Executive Committee is tightly regulated, with rules imposed on the structure of their compensation. It is made up of the basic salary and a discretionary variable component. It is aimed at promoting individual and group performance. Remuneration is structured to ensure that the fixed and variable components are fairly balanced.

Variable remuneration is an integral part of the annual compensation of Executive Committee members. It is inspired by principles arising from the FINMA 2010/1 "Remuneration Systems" Circular and the Capital Requirements Directive IV (CRD IV) and Alternative Investment Fund Managers (AIFM) directives. Thus, above a certain threshold, the variable pay of Executive Committee members is broken down between an immediately payable portion and a portion deferred in thirds over a 3-year period. Deferred variable pay is awarded in the form of Crédit Agricole SA shares or instruments backed by such shares. The deferred portion changes based on the total variable pay allocated for the fiscal year. The higher the variable pay, the greater the deferred share of the total variable pay. Payment of the deferred portion is subject to Performance and Eligibility Conditions.

The system put in place makes it possible to give members of the Executive Committee a stake in the Bank's medium-term performance and risk management.

Each year, the Compensation Committee approves the total fixed and variable pay budget for all members of the Executive Committee.

### 2.4.3. *External Auditors and Prudential Audit Firm*

#### **a) Length of audit term and length of responsible auditor's duty**

Since 1999, PricewaterhouseCoopers SA, Geneva, has been the statutory auditor of CA Indosuez (Switzerland) SA, Geneva, under the Code of Obligations. It has also served as the Regulatory Auditor under the *Loi sur la surveillance des marchés financiers* (Financial Markets Monitoring Act). Philippe Bochud has been the responsible auditor since the 2015 fiscal year. The person who leads the audit can hold this office for a maximum of seven years.

#### **b) Auditing fees**

CA Indosuez (Switzerland) SA paid total fees of CHF 1,793,488.27, excluding VAT, in accounting and prudential audit fees for financial year 2019.

#### **c) Additional fees**

CA Indosuez (Switzerland) SA paid a total of CHF 173,000, excluding VAT, in additional fees for other services provided in respect of the financial year 2019.

#### **d) Outside audit documentation**

Every year, PricewaterhouseCoopers SA drafts an audit plan and writes one report on the audit of the financial statements and another on the regulatory audit. The responsible auditor discusses these documents with the Audit and Risk Committee. The plan was presented to the Audit and Risk Committee at its meeting on 19 September 2019 and to the Board of Directors at its meeting on 20 September 2019. The results of the audit of the financial statements were presented and discussed in the Audit and Risk Committee meeting on 26 March 2020 and the Board of Directors meeting on 27 March 2020.

External auditors have continuous access to the Audit and Risk Committee, the Executive Committee and the General Inspection Division, with whom they collaborate with on a regular basis. PricewaterhouseCoopers SA has an annual mandate. The qualifications of the outside auditors, their performance, and the level of auditing fees are assessed annually by the Audit and Risk Committee.

## KEY FIGURES

| BALANCE SHEET (in millions of CHF) | 31/12/2019 | 31/12/2018 | % change |
|------------------------------------|------------|------------|----------|
| Balance sheet total                | 16,999     | 17,113     | -0.7     |

| INCOME (in millions of CHF)                          | FY 2019      | FY 2018      | % change     |
|------------------------------------------------------|--------------|--------------|--------------|
| Interest income                                      | 114.7        | 162.4        | -29.4        |
| Commission                                           | 188.5        | 213.4        | -11.7        |
| Trading income                                       | 72.7         | 69.7         | +4.4         |
| Other ordinary income                                | 16.7         | 26.5         | -36.9        |
| <b>Total income (operating income)</b>               | <b>392.6</b> | <b>472.1</b> | <b>-16.8</b> |
| Personnel expenses                                   | -205.1       | -219.8       | -6.7         |
| General & administrative expenses                    | -120.7       | -124.4       | -2.9         |
| <b>Gross income</b>                                  | <b>66.8</b>  | <b>128.0</b> | <b>-47.8</b> |
| Depreciation, amortisation and valuation adjustments | -17.6        | -16.2        | +8.2         |
| Extraordinary income and expenses                    | 0.0          | -0.1         | -110.0       |
| Tax                                                  | -15.3        | -29.4        | -48.0        |
| <b>Net income for the period</b>                     | <b>33.9</b>  | <b>82.2</b>  | <b>-58.8</b> |

| (in millions of CHF)        | 31/12/2019    | 31/12/2018    | % change    |
|-----------------------------|---------------|---------------|-------------|
| <b>Total managed assets</b> | <b>40,534</b> | <b>39,152</b> | <b>3.5</b>  |
| <b>Number of employees</b>  | <b>1,003</b>  | <b>1,037</b>  | <b>-3.3</b> |

| Disclosure relating to the liquidity and capital requirements established by FINMA in its 2016/1 circular (in millions of CHF) | FY 2019  | FY 2018  |
|--------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>Eligible capital (CHF)</b>                                                                                                  |          |          |
| of which CET1 (CHF)                                                                                                            | 1,555.0  | 1,551.7  |
| of which T1 (CHF)                                                                                                              | 1,555.0  | 1,551.7  |
| Eligible capital (total)                                                                                                       | 1,885.9  | 1,868.2  |
| <b>Risk-weighted assets (RWA) (CHF)</b>                                                                                        |          |          |
| RWA                                                                                                                            | 9,886.9  | 10,047.7 |
| Minimum capital requirements                                                                                                   | 791.0    | 803.8    |
| <b>Risk-based capital ratios (as a % of RWA)</b>                                                                               |          |          |
| CET1 Ratio (%)                                                                                                                 | 15.7%    | 15.4%    |
| Tier 1 capital ratio (%)                                                                                                       | 15.7%    | 15.4%    |
| Total capital ratio (%)                                                                                                        | 19.1%    | 18.6%    |
| <b>Mandatory CET1 Capital Conservation Buffer (as a % of RWA)</b>                                                              |          |          |
| Basel Capital Adequacy Ratio Minimum Requirement (%)                                                                           | 2.5%     | 1.9%     |
| All Basel capital buffer minimum requirements as a component of CET1 (%)                                                       | 2.5%     | 1.9%     |
| <b>Target capital ratios pursuant to Annex 8 of the Capital Adequacy Ordinance (CAO) (as a % of RWA)</b>                       |          |          |
| Capital buffer requirements pursuant to Annex 8 of the CAO (%)                                                                 | 4.0%     | 7.5%     |
| Countercyclical capital buffer (pursuant to Art. 44 of the CAO) (%)                                                            | 0.0%     | 0.0%     |
| Target CET1 ratio (in %) pursuant to Annex 8 of the CAO, plus countercyclical capital buffer                                   | 7.8%     | 7.8%     |
| Target T1 ratio (in %) pursuant to Annex 8 of the CAO, plus countercyclical capital buffer                                     | 9.6%     | 9.6%     |
| Target total capital ratio (in %) pursuant to Annex 8 of the CAO, plus countercyclical capital buffer                          | 12.0%    | 12.0%    |
| <b>Basel III leverage ratio</b>                                                                                                |          |          |
| Total exposure (CHF)                                                                                                           | 19,806.6 | 19,949.5 |
| Basel III leverage ratio (Tier 1 capital as a % of total exposure)                                                             | 7.6%     | 7.8%     |
| <b>Liquidity Coverage Ratio (LCR)</b>                                                                                          |          |          |
| Q4 short-term liquidity coverage ratio (LCR) (%)                                                                               |          |          |
| LCR numerator: sum of high-quality liquid assets (CHF)                                                                         | 2,671.3  | 2,896.8  |
| LCR denominator: net sum of cash outflows (CHF)                                                                                | 1,575.9  | 1,650.9  |
| Liquidity Coverage Ratio, LCR (in %)                                                                                           | 170%     | 175%     |
| Q3 short-term liquidity coverage ratio (LCR) (%)                                                                               |          |          |
| Numerator of LCR: sum of high-quality liquid assets (CHF)                                                                      | 3,562.1  | 3,075.3  |
| Denominator of LCR: net sum of cash outflows (CHF)                                                                             | 2,371.3  | 2,024.0  |
| Liquidity Coverage Ratio, LCR (in %)                                                                                           | 150%     | 152%     |
| Q2 short-term liquidity coverage ratio (LCR) (%)                                                                               |          |          |
| LCR numerator: sum of high-quality liquid assets (CHF)                                                                         | 3,237.6  | 2,913.7  |
| LCR denominator: net sum of cash outflows (CHF)                                                                                | 2,171.5  | 2,059.0  |
| Liquidity Coverage Ratio, LCR (in %)                                                                                           | 149%     | 142%     |
| Q1 short-term liquidity coverage ratio (LCR) (%)                                                                               |          |          |
| LCR numerator: sum of high-quality liquid assets (CHF)                                                                         | 3,091.7  | 2,731.4  |
| LCR denominator: net sum of cash outflows (CHF)                                                                                | 1,876.1  | 2,126.3  |
| Liquidity Coverage Ratio, LCR (in %)                                                                                           | 165%     | 128%     |
| <b>Net Stable Funding Ratio (NSFR)</b>                                                                                         |          |          |
| Available stable funding (in CHF)                                                                                              | 8,347.6  | 8,806.7  |
| Required stable funding (in CHF)                                                                                               | 8,070.3  | 7,732.3  |
| Net Stable Funding Ratio (NSFR) (in %)                                                                                         | 103%     | 114%     |



## OUR ACTIVE LOCATIONS

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Fax. + 41 58 321 91 00

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### Main subsidiaries outside Switzerland

#### *Lebanon*

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## Annual financial statements

CA Indosuez (Switzerland) SA





## 1 / BALANCE SHEET AT 31 DECEMBER 2019

## BALANCE SHEET ASSETS

| ASSETS (in thousands of CHF)                                       | 31/12/2019        | 31/12/2018        |
|--------------------------------------------------------------------|-------------------|-------------------|
| Cash and cash equivalents                                          | 1,188,408         | 1,553,316         |
| Amounts due from banks                                             | 3,790,931         | 4,657,370         |
| Amounts due from securities financing transactions                 | 48,789            | 34,180            |
| Amounts due from clients                                           | 8,976,914         | 7,868,847         |
| Mortgage loans                                                     | 563,854           | 665,015           |
| Trading book assets                                                | 5,215             | 6,199             |
| Positive replacement values of derivative financial instruments    | 135,507           | 156,988           |
| Financial investments                                              | 1,885,762         | 1,770,947         |
| Accrued income and prepaid expenses                                | 93,378            | 84,769            |
| Participating interests                                            | 34,067            | 33,219            |
| Property, plant & equipment                                        | 191,266           | 197,707           |
| Intangible assets                                                  | 20,131            | 24,353            |
| Other assets                                                       | 64,748            | 60,410            |
| <b>Total Assets</b>                                                | <b>16,998,970</b> | <b>17,113,320</b> |
| Total subordinated claims                                          | –                 | –                 |
| <i>of which subject to mandatory conversion and/or debt waiver</i> | –                 | –                 |

## BALANCE SHEET LIABILITIES

| LIABILITIES (in thousands of CHF)                                  | 31/12/2019        | 31/12/2018        |
|--------------------------------------------------------------------|-------------------|-------------------|
| Amounts due to banks                                               | 5,785,947         | 5,587,209         |
| Amounts due in respect of client deposits                          | 9,194,931         | 9,378,006         |
| Negative replacement values of derivative financial instruments    | 160,856           | 225,604           |
| Accrued expenses and deterred income                               | 97,235            | 118,536           |
| Other liabilities                                                  | 7,665             | 6,258             |
| Provisions                                                         | 109,176           | 108,954           |
| Reserves for general banking risks                                 | 19,400            | 19,400            |
| Share capital                                                      | 1,025,946         | 1,025,946         |
| Statutory capital reserve                                          | 388,910           | 388,910           |
| Statutory retained earnings reserve                                | 106,911           | 104,090           |
| Retained earnings for the previous year                            | 68,087            | 68,180            |
| Net income for the period                                          | 33,906            | 82,227            |
| <b>Total liabilities</b>                                           | <b>16,998,970</b> | <b>17,113,320</b> |
| Total subordinated debt                                            | 260,000           | 440,000           |
| <i>of which subject to mandatory conversion and/or debt waiver</i> | –                 | –                 |

## OFF-BALANCE SHEET

| OFF-BALANCE SHEET ITEMS (in thousands of CHF) | 31/12/2019 | 31/12/2018 |
|-----------------------------------------------|------------|------------|
| Contingent liabilities                        | 3,826,920  | 4,181,154  |
| Irrevocable commitments                       | 1,324,471  | 1,064,219  |
| Commitment credits                            | 1,514,519  | 430,459    |

## 2/ INCOME STATEMENT FOR FINANCIAL YEAR 2019

| (in thousands of CHF)                                                                                                                   | FY 2019         | FY 2018         |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Results from interest operations</b>                                                                                                 |                 |                 |
| Interest and discount income                                                                                                            | 240,114         | 264,355         |
| Interest and dividend income from trading books                                                                                         | 550             | 116             |
| Interest and dividend income from financial investments                                                                                 | 10,320          | 9,133           |
| Interest expense                                                                                                                        | -136,917        | -116,679        |
| <b>Gross result from interest operations</b>                                                                                            | <b>114,067</b>  | <b>156,925</b>  |
| Changes in value adjustments for default risks and losses from interest operations                                                      | 614             | 5,478           |
| <b>Subtotal - Net result from interest operations</b>                                                                                   | <b>114,681</b>  | <b>162,403</b>  |
| <b>Result from commission business &amp; services</b>                                                                                   |                 |                 |
| Commission income from securities trading and investment activities                                                                     | 156,682         | 166,840         |
| Commission income from lending activities                                                                                               | 41,329          | 43,177          |
| Commission income from other services                                                                                                   | 31,712          | 40,406          |
| Commission expense                                                                                                                      | -41,221         | -37,003         |
| <b>Subtotal - Result from commission business and services</b>                                                                          | <b>188,502</b>  | <b>213,420</b>  |
| <b>Net income from trading activities and the fair value option</b>                                                                     | <b>72,733</b>   | <b>69,687</b>   |
| <b>Other ordinary income</b>                                                                                                            |                 |                 |
| Result from the disposal of financial investments                                                                                       | -119            | 2,705           |
| Income from participating interests                                                                                                     | 3,051           | 3,102           |
| Result from real estate transactions                                                                                                    | 2,581           | 2,437           |
| Other ordinary income                                                                                                                   | 12,999          | 18,677          |
| Other ordinary expenses                                                                                                                 | -1,809          | -432            |
| <b>Subtotal - Other result from ordinary activities</b>                                                                                 | <b>16,703</b>   | <b>26,489</b>   |
| <b>Operating expenses</b>                                                                                                               |                 |                 |
| Personnel expenses                                                                                                                      | -205,141        | -219,776        |
| General and administrative expenses                                                                                                     | -120,714        | -124,362        |
| <b>Subtotal Operating expenses</b>                                                                                                      | <b>-325,855</b> | <b>-344,138</b> |
| Value adjustments on participating interests, and depreciation and amortisation of property, plant and equipment, and intangible assets | -14,741         | -14,949         |
| Changes to provisions and other value adjustments, and losses                                                                           | -2,825          | -1,185          |
| <b>Operating income</b>                                                                                                                 | <b>49,198</b>   | <b>111,727</b>  |
| Extraordinary income                                                                                                                    | 30              | 5               |
| Extraordinary expenses                                                                                                                  | -22             | -85             |
| Taxes                                                                                                                                   | -15,300         | -29,420         |
| <b>Net income for the period</b>                                                                                                        | <b>33,906</b>   | <b>82,227</b>   |

## 3/ STATEMENT OF CHANGES IN EQUITY

| (in thousands of CHF)                | Share capital    | Statutory capital reserve | Statutory retained earnings reserve | Reserves for general banking risks | Retained earnings | Net income for the period | Total            |
|--------------------------------------|------------------|---------------------------|-------------------------------------|------------------------------------|-------------------|---------------------------|------------------|
| <b>Equity as at 1 January 2019</b>   | <b>1,025,946</b> | <b>388,910</b>            | <b>104,090</b>                      | <b>19,400</b>                      | <b>68,180</b>     | <b>82,227</b>             | <b>1,688,753</b> |
| Appropriation of 2018 income         | -                | -                         | 2,820                               | -                                  | 79,407            | -82,227                   | -                |
| Dividend                             | -                | -                         | -                                   | -                                  | -79,500           | -                         | -79,500          |
| Net income for the period            | -                | -                         | -                                   | -                                  | -                 | 33,906                    | 33,906           |
| <b>Equity as at 31 December 2019</b> | <b>1,025,946</b> | <b>388,910</b>            | <b>106,911</b>                      | <b>19,400</b>                      | <b>68,087</b>     | <b>33,906</b>             | <b>1,643,160</b> |

## 4 / NOTES TO THE FINANCIAL STATEMENTS

### 4.1. BUSINESS NAME, LEGAL FORM AND REGISTERED OFFICE OF THE BANK

CA Indosuez (Switzerland) SA (hereinafter “the Bank”) is a public limited company set up under Swiss law and engaged in Wealth Management, Commercial Banking and Transactional Commodity Finance, as well as spot and forward trading in money market instruments, currencies and precious metals.

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

#### *4.1.1. Compulsory disclosure on the Hong Kong SAR branch remuneration system*

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

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

Remuneration is structured to ensure that the fixed and variable components are fairly balanced. The fixed component accounts for a sufficiently significant share of total remuneration and makes it possible to operate a flexible bonus policy. If a bonus of more than EUR 120,000 is awarded to an employee, payment of a portion is deferred over a period of three years in compliance with Crédit Agricole Group regulations.

In reference to financial year 2019, for top executives (Senior Management: 3 individuals) and key executives (Key Personnel: 5 individuals) of the CA Indosuez (Switzerland) SA branch in Hong Kong SAR, total fixed pay (excluding social security charges) amounted to HKD 17.1 million (HKD 15.2 million in 2018).

Their variable pay (excluding social security contributions) totalled HKD 2.8 million (HKD 4.2 million in 2018), all of which was payable in cash and HKD. At 31 December 2019, no deferred variable pay was recorded for future financial years.

No sign-on or termination payments were awarded among the same personnel categories in 2019.

### 4.2. ACCOUNTING AND MEASUREMENT PRINCIPLES

#### *4.2.1. General principles*

The Bank’s 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”), issued by financial market regulator FINMA under circular 2015/1. The faithfully presented accompanying statutory single-entity financial statements present the economic situation of the Bank such that a third party can form a reliable opinion. The annual financial statements may contain unrealised reserves.

The Bank has not prepared consolidated financial statements since 2014 because its subsidiaries are no longer quantitatively significant.

#### **General measurement principles**

The financial statements have been prepared on a going concern basis. Balance sheet data are 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 measured individually. The transitional provision, which requires the individual valuation of participating interests, property plant and equipment and intangible assets as of 1 January 2020, is not applied. In principle, neither assets and liabilities nor expenses and income are offset.

Offsetting between assets and liabilities as well as that between profit and loss accounts is in principle not allowed. Accounts receivable and accounts payable are offset only 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

### *Cash and cash equivalents*

Ancillary liquid assets are recognised on the balance sheet at their face value.

### *Securities financing operations*

Securities financing transactions refer to transactions under repurchase/reverse repurchase agreements.

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 and clients, mortgage loans*

Amounts due from banks, clients and mortgage loans are recognised at their nominal value; any necessary value adjustments are deducted.

Non-performing receivables, i.e. receivables for which it is unlikely that the obligor will be able to meet its future obligations, are measured individually and the write-down is covered by valuation adjustments.

These are recognised on the balance sheet at their face value provided that the principal and interest due are readjusted in accordance with contractual stipulations and solvency requirements. Value adjustments are released with an effect on income via the item “Changes in value adjustments for default risk and losses from interest operations”.

Individual value adjustments are offset against the corresponding asset positions.

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. When the value adjustment is originally recognised, the entire expense is entered under the heading “Changes 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 of Note 5.16 “Value adjustments, provisions and reserves for general banking risks”.

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

### *Amounts due to banks and amounts due in respect of client deposits*

These items are recognised at their nominal value.

### *Trading operations, commitments resulting from trading operations*

Positions relating to trading operations are measured and recognised in the balance sheet at their fair value. This is the price based on a price-efficient and liquid market.

Gains and losses made on purchases and sales, as well as unrealised gains and losses arising from fair-value adjustments, are reported under “Result from trading activities and the fair value option”.

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

Derivative financial instruments are used for trading and hedging purposes.

#### *Trading book assets*

All derivative financial instruments in securities trades are measured at fair value and their positive or negative replacement values are recognised in the corresponding columns of the balance sheet. This is the price based on a price-efficient and liquid market.

Realised gains and losses from trading operations and unrealised gains and losses the valuation of trading operations are recorded under “Result from trading activities and the fair value option”.

#### *Hedging transactions*

The Bank also uses derivative financial instruments for the purposes of asset and liability management (ALM) to hedge against interest rate and currency risks. Hedging transactions are measured in the same way as the hedged positions themselves. Net income (expense) from hedging transactions is recorded in the same income statement item as the that of the hedged transaction. As long as no value adjustment is recognised on the underlying transaction, gains and losses from the valuation of hedging instruments are booked to the adjustment account. The net balance of the compensation account is recorded under “Other assets” or “Other liabilities”.

The Bank documents hedges and the goals and strategies of hedging transactions at their conclusion. It regularly reviews the effectiveness of the hedge. 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, equities and physical

stocks of precious metals.

As regards financial investments measured at the lower of the historical cost and the acquisition cost, if the fair value increases again after dropping below the acquisition cost, they should be remeasured at the maximum historical or acquisition cost. The balance of the value adjustments is recorded under “Other ordinary expenses” or “Other ordinary income”.

Held-to-maturity debt securities are measured according to the accrual method. The corresponding premiums and discounts are apportioned over the residual period to maturity under “Accrued income and prepaid expenses” or “Accrued expenses and deferred income”.

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

#### *Equity interests and stocks of precious metals held in physical form and for the Bank’s proprietary interests*

Equities are measured at the lower of the acquisition cost and market value. Physical inventories of precious metals, intended to hedge liabilities in the metals account, are measured at fair value. Value adjustments are recorded under “Other ordinary expenses” or “Other ordinary income”.

#### **Participating interests**

Equity interests held by the Bank include shares of companies that are held for long-term investment purposes, irrespective of any voting rights.

These interests are measured individually at their acquisition cost, less any value adjustments.

The Bank checks participating interests for impairment at every reporting date.

Realised gains and losses from the sale of participating interests are respectively recorded under “Extraordinary income” and “Extraordinary expenses”.

#### **Property, plant and equipment**

Property, plant and equipment are recognised at their acquisition cost and depreciated on a straight-line basis over their estimated useful life under line item “Value adjustments to equity investments, impairment losses on fixed and intangible assets”. The estimated useful lives are as follows:

|                                               |            |
|-----------------------------------------------|------------|
| - tablets and mobile phones                   | 3 years    |
| - vehicles and IT equipment                   | 5 years    |
| - furniture, fixtures and technical resources | 5 years    |
| - mainframe IT system                         | 5 years    |
| - fitting-out of office space                 | 10 years   |
| - buildings used by the Bank (1.5% per annum) | 66.5 years |

On each balance sheet date, the Bank determines whether the value of property, plant and equipment has been impaired. This assessment is based on indications suggesting that an impairment loss may have occurred. Where evidence of impairment exists, the Bank calculates a recoverable amount for each individual asset. The value of an asset is impaired when 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 to the item “Value adjustments on participating interests, and depreciation and amortisation of property, plant and equipment, and intangible assets”.

If the impairment test shows that the operating life of an intangible asset has changed, the Bank amortises the residual carrying amount over the newly estimated useful lifetime.

Realised gains and losses from the sale of fixed assets are recorded respectively under “Extraordinary income” and “Extraordinary expenses”.

#### **Intangible assets**

##### ***Goodwill***

For the acquisition of business activities and companies, assets and liabilities are assessed at their current value. When this assessment reveals that the acquisition price exceeds net assets, the difference is deemed to be goodwill and recorded as an intangible asset.

The opposite situation involves negative goodwill. Residual negative goodwill, such as when a firm is acquired at a “bargain price”, must immediately be recognised under “Extraordinary income”.

Goodwill is capitalised and written down over its estimated useful life. The Bank estimates the goodwill’s useful life to be five years.

##### ***Provisions***

Legal and de facto obligations are assessed on a regular basis. 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 under the following items:

- Provisions for taxes: "Taxes";
- Pension provisions: "Personnel expenses";
- Other provisions: "Changes to provisions and other value adjustments and losses".

### Reserves 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 the Bank's overall activity. These reserves are considered as forming part of shareholders' equity under the Swiss Capital Adequacy Ordinance (CAO).

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

The reserves for general banking risks are subject to tax.

### Taxes

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

### Pension benefit obligations

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

In addition, pension liabilities and the assets used to hedge these liabilities are held by a legally independent foundation. Contributions which have been adjusted to the period are recorded under "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 obligation arising from its pension fund at the reporting date. The assessment is based on the contracts and financial statements of the pension fund established in Switzerland under Swiss GAAP FER 26 and other calculations that present a true and fair view of its financial situation as well as the actual over- or 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 items are stated at their nominal value. A provision is made for foreseeable risks and recorded under liabilities in the balance sheet.

#### 4.2.2. Recording of business transactions

All transactions are booked at the trade date and measured at that date 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.

#### 4.2.3. Treatment of past-due interest

Interest outstanding is not recognised as interest income. Interest accrued and unpaid for more than 90 days is considered interest outstanding. As regards current account overdraft facilities, interest is considered overdue when the credit limit has been breached for more than 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 over 90 days.

Interest outstanding is not retroactively subject to a reversing entry. The receivables from the interest accumulated up to the expiry of the 90-day term (past-due unpaid interest and accumulated accrued interest) are written down under "Changes in value adjustments for default risk and losses from interest operations".

#### 4.2.4. 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 and converted 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:

| Currencies | 2019                  |                                    | 2018                  |                                    |
|------------|-----------------------|------------------------------------|-----------------------|------------------------------------|
|            | Closing exchange rate | Average exchange rate for the year | Closing exchange rate | Average exchange rate for the year |
| EUR        | 1.0869                | 1.1111                             | 1.1254                | 1.1428                             |
| USD        | 0.9709                | 0.9931                             | 0.9840                | 0.9815                             |
| SGD        | 0.7199                | 0.7287                             | 0.7205                | 0.7240                             |
| HKD        | 0.1247                | 0.1268                             | 0.1257                | 0.1246                             |

## 4.3. RISK MANAGEMENT

### 4.3.1. General risk policy

The Bank is active in several business areas, which expose it primarily to credit risk, market risk, operational risk and legal risk. The monitoring, identification, assessment 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, including via the ongoing presence of a Risk Management and Permanent Control Division.

Independent of the Bank's revenue-generating operating activities, the Risk Management 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.

### 4.3.2. Credit risk

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

#### Customer loans

Lending decisions are covered in advance by risk strategy guidelines. Loans are granted under a system of delegation of authority and are subject to a rating system. The rating is reviewed annually.

A Credit Committee examines loan applications, granting 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 in 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 ("CACIB") to take risks involving other financial institutions, and each risk taken is subject to ratification by CACIB.

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 the progress of its resolution.

### 4.3.3. 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 assessed 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**

The Bank's strategy for managing interest rate risk is aimed at keeping the risk at a moderate level for the entire balance sheet.

The majority of the balance sheet items which are exposed to interest rate risk (customer loans, investment portfolio securities, term deposits) are individually backed (transaction by transaction) by the Treasury function in accordance with strict limits established by the Group. The Treasury function ultimately returns them to the market to close out the positions.

The purpose of Asset and Liability Management (ALM) is to measure and hedge other items exposed to interest rate risk according to regulatory constraints, Group directives and risk appetite as defined by the Board of Directors. The non-interest-bearing demand deposits in major currencies of the Wealth Management and Trading Business Lines are of particular concern in this regard.

To ensure ALM hedging of interest rate risk for demand deposits, "prudent" benchmark portfolios are modelled on the basis of historical observations and runoff assumptions meant to confidently absorb foreseeable outflows in situations of aggravated stress.

All the modelled portfolios are subject to sets of limits that define minimum and maximum interest rate gaps according to maturity. The application of the interest rate risk management strategy (placement and/or reversal of interest rate swaps) is validated on a quarterly basis by the ALM committees.

- **Liquidity risk**

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

#### 4.3.4. Operational risk management

CA Indosuez (Switzerland) SA defines operational risk as the risk of loss resulting from inadequate or defective internal processes, personnel errors, system failures 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 accordance with the desired level of residual risk (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:

- **Schedules of manual and automated checks**
- **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:

- **Results of checks that indicate an anomaly**
- **Internal and external audit recommendations**
- **Provisions for operational incidents**
- **Occurrence of operational incidents (operational risk has materialised)**

In the event that the above measures are not sufficient to maintain the desired level of residual risk, 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.

#### 4.3.5. Compliance and legal risk

Compliance and legal risks include financial and reputational damages liable to arise in relation to legal standards. These risks may stem from the lack of standards, excessive standards, poor design, misconceptions, interpretation problems and/or lack of application.

The Bank has a Compliance and Account Opening Documentation Division mainly tasked with overseeing compliance with regulations, notably in relation to the prevention of money laundering and terrorist financing and tax compliance. It also has a Legal and Governance Division in charge of managing legal risk, which covers the risk of non-compliance with legal and regulatory provisions governing the Bank's activities, and contract risk (risk of unsuitable, inaccurate or insufficient contractual documentation).

#### 4.3.6. Methods used to identify risks of default and to determine any 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, concordate);
- 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 in order 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 according to a decision by the competent bodies and taking into consideration the adequate evaluation of any collateral.

#### Procedure 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.

#### 4.3.7. Valuation of collateral

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 a licensed external specialist and which are 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.

### 4.4. 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.

#### 4.4.1. Use of hedge accounting

The Bank uses derivative financial instruments for trading and hedging purposes.

It uses them for risk management purposes, mainly to hedge against interest rate and foreign currency risks.

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

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

- ***The hedge is expected to be highly effective at the inception of the hedge and for its full duration,***
- ***There is a close economic correlation between the underlying and the hedging transactions,***
- ***Changes in the value of the underlying transaction and of the hedge are offset relative to the risk being hedged.***

The effectiveness of the hedge is assessed on an ongoing basis.

A hedge deemed ineffective is immediately regarded as a securities transaction and the ineffective portion of the gain or loss on the hedging instrument is recognised under the heading "Gains and losses from trading and the fair value option".

#### 4.5. SIGNIFICANT EVENTS IN 2019

No significant events took place in the 2019 financial year.

#### 4.6. POST-CLOSING SIGNIFICANT EVENTS

No event likely to have a material impact on the assets and liabilities, financial position or results of the Bank occurred after 31 December 2019, the Bank's balance sheet date.

#### 4.7. RESIGNATION OF THE AUDITOR BEFORE THE EXPIRY OF ITS TERM

PricewaterhouseCoopers SA, Geneva was elected as the Bank's auditor by the General Meeting. The auditing body did not resign before the expiry of the term of office.

#### 4.8. INFORMATION ON THE BALANCE SHEET

Unless expressly provided for otherwise by the remarks or detailed information set out in annex 5 to FINMA Circular 2015/1, 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 FINMA in annex 5 to its Circular 2015/1.

##### Outsourcing of activities

The Bank opted to outsource the development and maintenance of its information systems and its back-office activities to Azqore, a subsidiary of the CA Indosuez Wealth Management group, mainly in connection with its wealth management business line.

As such, in order to (i) permanently guarantee adequate management of its operational risk and (ii) to ensure the quantitative and qualitative delivery of services by Azqore in compliance with the service agreement signed with this service provider, the Bank put in place a compliance control arrangement based on indicators specific to each identified risk.

Also, a suitable governance arrangement was put in place by Azqore and CAIS in order to manage efficiently and in a step-by-step manner all issues and warnings based on their critical importance to guarantee the smooth operation of the Bank's activities in general and, more particularly, the successful conclusion of transactions and the protection of the money entrusted to the Bank by its clients.

Turning to the protection of client data, the Bank is committed to remaining in permanent compliance with Swiss regulations (including the FINMA regulation on outsourcing by banks) and with foreign regulations in the locations where the Bank operates. The Bank also complies with the standards of Crédit Agricole Group for matters relating to the outsourcing of services classified as essential.

As regards the major risks linked to the partial or total unavailability of its information systems in particular, the Bank has sought assurances from Azqore as to the existence of a backup arrangement covering its outsourced services so that in the event of a major incident it has the operational capacity to guarantee the continued delivery of the services with which it has been entrusted in an adequate manner.

Accordingly, verification of the existence at Azqore of an IT Disaster Recovery Plan (DRP), a Business Continuity Plan (BCP) and an End-User Backup Plan (EUBP) that is tested regularly by Azqore is part of the Bank's Business Continuity Management (BCM) strategy. The Bank also has a BCP that guarantees the continuation of its own services and processes in the event of a disaster impacting it directly.

## 5 / INFORMATION ON THE BALANCE SHEET, OFF-BALANCE SHEET ITEMS AND THE INCOME STATEMENT

### Information on the balance sheet

#### 5.1.BREAKDOWN OF SECURITIES FINANCING TRANSACTIONS (ASSETS AND LIABILITIES)

| (in thousands of CHF)                                                                                                                                                                                                                             | 31/12/2019 | 31/12/2018 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions*                                                                                                             | 48,789     | 34,180     |
| Book value of obligations resulting from cash collateral received in connection with securities lending and repurchase transactions*                                                                                                              | -          | -          |
| Book-value of securities held for proprietary interests, lent in connection with securities lending or delivered as collateral under securities borrowing and repurchase agreements                                                               | -          | -          |
| - with unrestricted right to resell or pledge                                                                                                                                                                                                     | -          | -          |
| Fair value of securities received as collateral in securities lending transactions, and of securities borrowed for securities borrowing transactions and through reverse repurchase agreements, with an unrestricted right to resell or repledge. | 48,065     | 34,232     |
| - o/w repledged securities                                                                                                                                                                                                                        | -          | -          |
| - o/w resold securities                                                                                                                                                                                                                           | -          | -          |

\* Before consideration of any netting agreements

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

| (in thousands of CHF)                                      | TYPE OF COLLATERAL  |                  |           |           |
|------------------------------------------------------------|---------------------|------------------|-----------|-----------|
|                                                            | Secured by mortgage | Other collateral | Unsecured | Total     |
| <b>Loans (before netting with value adjustments)</b>       |                     |                  |           |           |
| Amounts due from clients                                   | 25,720              | 5,688,343        | 3,413,617 | 9,127,680 |
| Mortgage loans                                             | 564,392             | -                | -         | 564,392   |
| – residential property                                     | 460,420             | -                | -         | 460,420   |
| – commercial property                                      | 95,985              | -                | -         | 95,985    |
| – other                                                    | 7,987               | -                | -         | 7,987     |
| <b>Total loans (before netting with value adjustments)</b> |                     |                  |           |           |
| Current year                                               | 590,112             | 5,688,343        | 3,413,617 | 9,692,072 |
| Previous year                                              | 707,774             | 5,417,641        | 2,558,229 | 8,683,644 |
| <b>Total loans (after netting with value adjustments)</b>  |                     |                  |           |           |
| Current year                                               | 589,574             | 5,537,577        | 3,413,617 | 9,540,768 |
| Previous year                                              | 707,542             | 5,268,092        | 2,558,229 | 8,533,862 |
| <b>Off-balance sheet items</b>                             |                     |                  |           |           |
| Contingent liabilities                                     | 9,349               | 592,228          | 3,225,343 | 3,826,920 |
| Irrevocable commitments                                    | 2                   | 264,348          | 1,060,121 | 1,324,471 |
| Commitment credits                                         | -                   | -                | 1,514,519 | 1,514,519 |
| <b>Total off-balance sheet items</b>                       |                     |                  |           |           |
| Current year                                               | 9,351               | 856,576          | 5,799,983 | 6,665,910 |
| Previous year                                              | 14,662              | 809,179          | 4,851,991 | 5,675,832 |

| (in thousands of CHF) | Impaired loans |                                           |            |                              |
|-----------------------|----------------|-------------------------------------------|------------|------------------------------|
|                       | Gross amount   | Estimated liquidation value of collateral | Net amount | Individual value adjustments |
| Current year          | 187,728        | 28,050                                    | 159,678    | 151,303                      |
| Previous year         | 204,281        | 37,329                                    | 166,952    | 149,782                      |

The change in the gross figure is due to the resolution of past-due loans either by a local legal authority decision or an agreement with creditors.

### 5.3. TRADING BOOKS AND OTHER FINANCIAL INSTRUMENTS AT FAIR VALUE (ASSETS AND LIABILITIES)

| (in thousands of CHF)                        | 31/12/2019   | 31/12/2018   |
|----------------------------------------------|--------------|--------------|
| Structured products                          | 5,215        | 6,199        |
| - of which established using a pricing model | 5,071        | 5,813        |
| <b>Total trading book</b>                    | <b>5,215</b> | <b>6,199</b> |

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

| (in thousands of CHF)                                  |                                            | TRADING INSTRUMENTS            |                             |                                     | HEDGING INSTRUMENTS                             |                                                 |                  |
|--------------------------------------------------------|--------------------------------------------|--------------------------------|-----------------------------|-------------------------------------|-------------------------------------------------|-------------------------------------------------|------------------|
|                                                        |                                            | Positive replacement values    | Negative replacement values | Contract volume                     | Positive replacement values                     | Negative replacement values                     | Contract volume  |
| Fixed-income instruments                               | swaps                                      | 15,077                         | 14,942                      | 1,033,260                           | 33,003                                          | 66,370                                          | 4,715,022        |
|                                                        | options (OTC)                              | -                              | -                           | 510                                 | -                                               | -                                               | -                |
|                                                        | <b>Total</b>                               | <b>15,077</b>                  | <b>14,942</b>               | <b>1,033,770</b>                    | <b>33,003</b>                                   | <b>66,370</b>                                   | <b>4,715,022</b> |
| Currencies/precious metals                             | Forward contracts                          | 26,419                         | 28,915                      | 4,623,374                           | 28,696                                          | 18,344                                          | 2,932,915        |
|                                                        | o/w internal                               | 1                              | 34                          | 31,221                              | -                                               | -                                               | -                |
|                                                        | Futures                                    | -                              | -                           | 81                                  | -                                               | -                                               | -                |
|                                                        | options (OTC)                              | 25,611                         | 25,619                      | 5,164,220                           | -                                               | -                                               | -                |
|                                                        | <b>Total</b>                               | <b>52,031</b>                  | <b>54,533</b>               | <b>9,787,674</b>                    | <b>28,696</b>                                   | <b>18,344</b>                                   | <b>2,932,915</b> |
| Equities/indices                                       | options (OTC)                              | 6,702                          | 6,700                       | 436,399                             | -                                               | -                                               | -                |
|                                                        | <b>Total</b>                               | <b>6,702</b>                   | <b>6,700</b>                | <b>436,399</b>                      | <b>-</b>                                        | <b>-</b>                                        | <b>-</b>         |
| Other                                                  | Forward contracts                          | -                              | -                           | 73,197                              | -                                               | -                                               | -                |
|                                                        | o/w internal                               | -                              | -                           | 383                                 | -                                               | -                                               | -                |
|                                                        | <b>Total</b>                               | <b>-</b>                       | <b>-</b>                    | <b>73,197</b>                       | <b>-</b>                                        | <b>-</b>                                        | <b>-</b>         |
| Total before netting agreements:                       | Current year                               | 73,810                         | 76,176                      | 11,331,041                          | 61,699                                          | 84,713                                          | 7,647,937        |
|                                                        | of which established using a pricing model | 73,810                         | 76,176                      | 11,331,041                          | 61,699                                          | 84,713                                          | 7,647,937        |
|                                                        | Previous year                              | 125,687                        | 134,264                     | 14,657,649                          | 31,837                                          | 91,340                                          | 7,890,445        |
|                                                        | of which established using a pricing model | 125,687                        | 134,264                     | 14,657,649                          | 31,837                                          | 91,340                                          | 7,890,445        |
| <b>Total after netting agreements</b>                  |                                            |                                |                             |                                     | <b>Positive replacement values (cumulative)</b> | <b>Negative replacement values (cumulative)</b> |                  |
| Current year                                           |                                            |                                |                             |                                     | 135,507                                         | 160,856                                         |                  |
| Previous year                                          |                                            |                                |                             |                                     | 156,988                                         | 225,604                                         |                  |
| <b>Breakdown by counterparty</b>                       |                                            | <b>Central clearing houses</b> |                             | <b>Banks and securities dealers</b> |                                                 | <b>Other clients</b>                            |                  |
| Positive replacement values (after netting agreements) |                                            | -                              |                             | 98,860                              |                                                 | 36,647                                          |                  |

## 5.5. FINANCIAL INVESTMENTS

| (in thousands of CHF)                                                                               | Book value       |                  | Fair value       |                  |
|-----------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                                                     | 31/12/2019       | 31/12/2018       | 31/12/2019       | 31/12/2018       |
| Debt securities                                                                                     | 1,713,122        | 1,653,113        | 1,714,507        | 1,651,793        |
| <i>of which held to maturity</i>                                                                    | <i>1,713,122</i> | <i>1,653,113</i> | <i>1,714,507</i> | <i>1,651,793</i> |
| Equities                                                                                            | 7,783            | 7,923            | 7,893            | 8,771            |
| <i>of which qualified participating interests</i>                                                   | <i>-</i>         | <i>-</i>         | <i>-</i>         | <i>-</i>         |
| Precious metals                                                                                     | 164,857          | 109,910          | 164,857          | 109,910          |
| <b>Total</b>                                                                                        | <b>1,885,762</b> | <b>1,770,947</b> | <b>1,887,257</b> | <b>1,770,475</b> |
| <i>of which securities eligible for repo transactions in accordance with liquidity requirements</i> | <i>1,616,134</i> | <i>1,554,894</i> | <i>1,617,519</i> | <i>1,553,573</i> |

| Breakdown by counterparty on Moody's rating scale (in thousands of CHF) | Aaa to Aa3 | A1 to A3 |
|-------------------------------------------------------------------------|------------|----------|
| Book values of debt securities                                          | 1,339,477  | 373,645  |

## 5.6. PARTICIPATING INTERESTS

| (in thousands of CHF)                              | Current year     |                               |                          |                   |              |            |                   |                          |
|----------------------------------------------------|------------------|-------------------------------|--------------------------|-------------------|--------------|------------|-------------------|--------------------------|
|                                                    | Acquisition cost | Accumulated value adjustments | Book value at 31.12.2018 | Reclassifications | Investments  | Disposals  | Value adjustments | Reversals of write-downs |
| Other participating interests without market value | 99,906           | -66,687                       | 33,219                   | -                 | 2,217        | -53        | -1,316            | -                        |
| <b>Total participating interests</b>               | <b>99,906</b>    | <b>-66,687</b>                | <b>33,219</b>            | <b>-</b>          | <b>2,217</b> | <b>-53</b> | <b>-1,316</b>     | <b>-</b>                 |

Investments and disposals during 2019: See [note 5.7](#).

## 5.7. COMPANIES IN WHICH THE BANK HOLDS A PERMANENT, DIRECT, SIGNIFICANT INTEREST

| Company name                               | Registered office | Activity                    | Currency | Share capital (in thousands) | Stake in capital (%) | Share of voting (%) | Direct holding (%) |
|--------------------------------------------|-------------------|-----------------------------|----------|------------------------------|----------------------|---------------------|--------------------|
| CA Indosuez Finanziaria SA                 | Lugano            | Financial company           | CHF      | 1,800                        | 100                  | 100                 | 100                |
| Crédit Agricole Next Bank (Switzerland) SA | Geneva            | Bank                        | CHF      | 299,630                      | 5                    | 5                   | 5                  |
| CA Indosuez Switzerland (Lebanon) SAL      | Beirut            | Financial company           | LBP      | 2,000,000                    | 100                  | 100                 | 100                |
| CAIS Limited (in liquidation)              | Hong Kong         | Financial company           | HKD      | 37,300                       | 100                  | 100                 | 100                |
| Komgo SA                                   | Geneva            | Programming/Data Processing | CHF      | 23,867                       | 7.6                  | 7.6                 | 7.6                |

### Major changes during 2019:

- On 20 May 2019, Crédit Agricole Next Bank (Switzerland) SA increased its capital from CHF 291.9m to CHF 299.6m. The Bank participated in the capital increase, and its ownership interest remained unchanged at 31/12/2019.
- The Bank also took part in Komgo SA's capital increase on 29 November 2019. Komgo SA's share capital now stands at CHF 23.9 million versus CHF 15 million at 31/12/2018. The Bank's ownership interests was 7.6% at 31/12/2019 (6.7% at 31/12/2018).
- CAIS Limited in Hong-Kong was still in liquidation at 31/12/2019.

## 5.8. PROPERTY, PLANT AND EQUIPMENT

| (in thousands of CHF)                      | Acquisition cost | Accumulated depreciation and value adjustments | Book value at 31.12.2018 | CURRENT YEAR      |              |             |               |           |                          |
|--------------------------------------------|------------------|------------------------------------------------|--------------------------|-------------------|--------------|-------------|---------------|-----------|--------------------------|
|                                            |                  |                                                |                          | Reclassifications | Investments  | Disposals   | Depreciation  | Reversals | Book value at 31.12.2019 |
| Bank buildings                             | 225,194          | -55,810                                        | 169,384                  | -                 | -            | -           | -3,018        | -         | 166,366                  |
| Other property, plant and equipment        | 91,441           | -63,118                                        | 28,323                   | -                 | 2,182        | -170        | -5,435        | -         | 24,900                   |
| <b>Total property, plant and equipment</b> | <b>316,635</b>   | <b>-118,928</b>                                | <b>197,707</b>           | <b>-</b>          | <b>2,182</b> | <b>-170</b> | <b>-8,453</b> | <b>-</b>  | <b>191,266</b>           |

## Operating leases

Off-balance sheet leasing obligations (in thousands of CHF)

31/12/2019

31/12/2018

CA Indosuez (Switzerland) SA had no operating lease commitments not recorded on the balance sheet at 31/12/2019 (unchanged from 31/12/2018).

## 5.9. INTANGIBLE ASSETS

| (in thousands of CHF)          | Acquisition cost | Accumulated depreciation and value adjustments | Book value at 31.12.2018 | CURRENT YEAR |            |               |                          |
|--------------------------------|------------------|------------------------------------------------|--------------------------|--------------|------------|---------------|--------------------------|
|                                |                  |                                                |                          | Investments  | Disposals  | Depreciation  | Book value at 31.12.2019 |
| Goodwill                       | 31,089           | -6,736                                         | 24,353                   | -            | -24        | -6,207        | 18,122                   |
| Other intangible assets        | -                | -                                              | -                        | 2,009        | -          | -             | 2,009                    |
| <b>Total intangible assets</b> | <b>31,089</b>    | <b>-6,736</b>                                  | <b>24,353</b>            | <b>2,009</b> | <b>-24</b> | <b>-6,207</b> | <b>20,131</b>            |

## 5.10. OTHER ASSETS AND LIABILITIES

| (in thousands of CHF)         | Other assets  |               | Other liabilities |              |
|-------------------------------|---------------|---------------|-------------------|--------------|
|                               | 31/12/2019    | 31/12/2018    | 31/12/2019        | 31/12/2018   |
| Netting account               | 43,261        | 41,715        | -                 | -            |
| Internal banking transactions | 465           | 31            | 6                 | -            |
| Indirect taxes                | 18,707        | 16,124        | 2,614             | 1,922        |
| Other assets and liabilities  | 2,315         | 2,540         | 5,045             | 4,336        |
| <b>Total</b>                  | <b>64,748</b> | <b>60,410</b> | <b>7,665</b>      | <b>6,258</b> |

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

| (in thousands of CHF)                | 31/12/2019     |                       | 31/12/2018     |                       |
|--------------------------------------|----------------|-----------------------|----------------|-----------------------|
|                                      | Book value     | Effective commitments | Book value     | Effective commitments |
| Financial investments*               | 116,745        | -                     | 115,246        | -                     |
| Other assets**                       | 1,634          | -                     | 1,370          | -                     |
| <b>Total pledged/assigned assets</b> | <b>118,379</b> | <b>-</b>              | <b>116,616</b> | <b>-</b>              |

\* Financial investments consist of debt securities used as part of liquidity-shortage financing operations.

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

## 5.12. LIABILITIES RELATING TO OWN PENSION SCHEMES

| (in thousands of CHF)                                           | 31/12/2019    | 31/12/2018    |
|-----------------------------------------------------------------|---------------|---------------|
| Amounts due in respect of client deposits                       | 95,651        | 81,029        |
| Negative replacement values of derivative financial instruments | 958           | 350           |
| <b>Total liabilities relating to own pension schemes</b>        | <b>96,609</b> | <b>81,379</b> |

## 5.13. FINANCIAL POSITION OF OWN PENSION SCHEMES

| (in thousands of CHF)                     | Pension expenses included under "Personnel expenses" |        |
|-------------------------------------------|------------------------------------------------------|--------|
|                                           | 2019                                                 | 2018   |
| CA Indosuez (Switzerland) SA pension fund | 15,613                                               | 16,083 |

**Employer contribution reserves:**

No employer contribution reserves were made with pension schemes for the current year or the previous year.

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

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

|                                           | 31/12/2018 | 31/12/2017 |
|-------------------------------------------|------------|------------|
| CA Indosuez (Switzerland) SA pension fund | 101.5%     | 107.3 %    |

*Based on preliminary figures, the degree of coverage is greater than 100% at 31 December 2019. 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 for the Bank to recognise it on its balance sheet or income statement. Employees in foreign countries are insured through either benefit institutions in the form of collective foundations or collective insurance policies with life insurance companies, or through pension funds managed by their country of tax residence. These various plans do not offer commitments or benefits other than what is recognised on the balance sheet.*

### 5.16. VALUE ADJUSTMENTS, PROVISIONS AND RESERVES FOR GENERAL BANKING RISKS

| (in thousands of CHF)                                                       | Balance at<br>31.12.2018 | Use in compliance<br>with<br>designated purpose | Reclassifications | Currency<br>differences | Past-due interest,<br>recoveries | New provisions<br>charged to income<br>statement | Releases<br>to income<br>statement | Balance at<br>31.12.2019 |
|-----------------------------------------------------------------------------|--------------------------|-------------------------------------------------|-------------------|-------------------------|----------------------------------|--------------------------------------------------|------------------------------------|--------------------------|
| Provisions for other operating risks                                        | 26,463                   | -443                                            | -                 | -192                    | -                                | 1,487                                            | -630                               | 26,685                   |
| Other provisions                                                            | 82,491                   | -                                               | -                 | -                       | -                                | -                                                | -                                  | 82,491                   |
| <b>Total provisions</b>                                                     | <b>108,954</b>           | <b>-443</b>                                     | <b>-</b>          | <b>-192</b>             | <b>-</b>                         | <b>1 487</b>                                     | <b>-630</b>                        | <b>109,176</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 and country risks</b>                      | <b>149,782</b>           | <b>-</b>                                        | <b>-</b>          | <b>-1,814</b>           | <b>3,457</b>                     | <b>1</b>                                         | <b>-114</b>                        | <b>151,312</b>           |
| <i>Of which value adjustments for the risk of default on impaired loans</i> | <i>149,782</i>           | <i>-</i>                                        | <i>-</i>          | <i>-1,823</i>           | <i>3,457</i>                     | <i>1</i>                                         | <i>-114</i>                        | <i>151,303</i>           |

*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.*

## 5.17. SHARE CAPITAL

| (in thousands of CHF)      | Current year        |                  |                               | Previous year       |                  |                               |
|----------------------------|---------------------|------------------|-------------------------------|---------------------|------------------|-------------------------------|
|                            | Total nominal value | Number of shares | Capital eligible for dividend | Total nominal value | Number of shares | Capital eligible for dividend |
| Registered shares          | 1,025,946           | 1,025,946        | 1,025,946                     | 1,025,946           | 1,025,946        | 1,025,946                     |
| <i>of which paid up</i>    | <i>1,025,946</i>    | <i>1,025,946</i> | <i>1,025,946</i>              | <i>1,025,946</i>    | <i>1,025,946</i> | <i>1,025,946</i>              |
| <b>Total share capital</b> | <b>1,025,946</b>    | <b>1,025,946</b> | <b>1,025,946</b>              | <b>1,025,946</b>    | <b>1,025,946</b> | <b>1,025,946</b>              |

## 5.19. AMOUNTS DUE TO AND FROM RELATED PARTIES

| (in thousands of CHF)                         | Amounts due from |            | Amounts due to |            |
|-----------------------------------------------|------------------|------------|----------------|------------|
|                                               | 31/12/2019       | 31/12/2018 | 31/12/2019     | 31/12/2018 |
| Qualified participating interests             | 602,440          | 1,035,035  | 1,149,273      | 1,187,286  |
| Group companies                               | 61,663           | -          | 3,929          | 4,891      |
| Affiliates                                    | 2,742,053        | 3,123,169  | 4,005,543      | 3,561,236  |
| Transactions with members of governing bodies | 88               | 116        | -              | -          |

*There are no significant off-balance sheet transactions with related parties as at the balance sheet date. On- and off-balance sheet transactions with related parties were signed under market conditions.*

## 5.20. SIGNIFICANT PARTICIPATING INTERESTS

| (in thousands of CHF)                                                          | Current year |         | Previous year |         |
|--------------------------------------------------------------------------------|--------------|---------|---------------|---------|
|                                                                                | Nominal      | % share | Nominal       | % share |
| <b>With voting rights</b>                                                      |              |         |               |         |
| CA Indosuez Wealth Group, Paris<br>(indirect subsidiary of Crédit Agricole SA) | 1,025,946    | 100     | 1,025,946     | 100     |

## 5.21. OWN SHARES AND COMPOSITION OF EQUITY CAPITAL

**Own shares**

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

**Non-distributable reserves**

As long as they do not jointly exceed one-half of the share capital, both the legal 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.

| (in thousands of CHF)                         | 31/12/2019     | 31/12/2018     |
|-----------------------------------------------|----------------|----------------|
| Non-distributable legal reserves              | 495,821        | 493,000        |
| <b>Total non-distributable legal reserves</b> | <b>495,821</b> | <b>493,000</b> |

## 5.23. MATURITY SCHEDULE OF FINANCIAL INSTRUMENTS

| (in thousands of CHF)                                           | On demand | Cancellable | DUE             |                         |                               |                | No maturity | Total      |
|-----------------------------------------------------------------|-----------|-------------|-----------------|-------------------------|-------------------------------|----------------|-------------|------------|
|                                                                 |           |             | Within 3 months | Between 3 and 12 months | Between 12 months and 5 years | Beyond 5 years |             |            |
| Assets/financial instruments                                    |           |             |                 |                         |                               |                |             |            |
| Liquid assets                                                   | 1,188,408 | -           | -               | -                       | -                             | -              | -           | 1,188,408  |
| Amounts due from banks                                          | 386,322   | -           | 954,818         | 408,647                 | 1,090,444                     | 950,700        | -           | 3,790,931  |
| Amounts due from securities financing transactions              | -         | -           | 13,408          | 35,381                  | -                             | -              | -           | 48,789     |
| Amounts due from clients                                        | -         | 560,266     | 7,573,716       | 763,193                 | 44,990                        | 34,749         | -           | 8,976,914  |
| Mortgage loans                                                  | -         | -           | 222,692         | 24,619                  | 152,059                       | 164,484        | -           | 563,854    |
| Trading book assets                                             | 5,215     | -           | -               | -                       | -                             | -              | -           | 5,215      |
| Positive replacement values of derivative financial instruments | 135,507   | -           | -               | -                       | -                             | -              | -           | 135,507    |
| Financial investments                                           | 170,755   | -           | 476,297         | 695,293                 | 529,509                       | 13,908         | -           | 1,885,762  |
| Current year                                                    | 1,886,207 | 560,266     | 9,240,931       | 1,927,133               | 1,817,002                     | 1,163,841      | -           | 16,595,380 |
| Previous year                                                   | 2,443,280 | 665,669     | 8,902,268       | 1,639,351               | 1,824,786                     | 1,237,508      | -           | 16,712,862 |
| Foreign funds/financial instruments                             |           |             |                 |                         |                               |                |             |            |
| Amounts due to banks                                            | 271,493   | -           | 4,485,233       | 739,221                 | 30,000                        | 260,000        | -           | 5,785,947  |
| Amounts due in respect of client deposits                       | 6,552,539 | -           | 2,469,727       | 172,665                 | -                             | -              | -           | 9,194,931  |
| Negative replacement values of derivative financial instrument  | 160,856   | -           | -               | -                       | -                             | -              | -           | 160,856    |
| Current year                                                    | 6,984,888 | -           | 6,954,960       | 911,886                 | 30,000                        | 260,000        | -           | 15,141,734 |
| Previous year                                                   | 7,300,446 | -           | 6,504,174       | 812,345                 | 133,854                       | 440,000        | -           | 15,190,819 |

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

| Assets (in thousands of CHF)                                    | 31/12/2019       |                  | 31/12/2018       |                   |
|-----------------------------------------------------------------|------------------|------------------|------------------|-------------------|
|                                                                 | Switzerland      | Foreign          | Switzerland      | Foreign           |
| Liquid assets                                                   | 1,119,117        | 69,291           | 1,359,747        | 193,569           |
| Amounts due from banks                                          | 2,787,045        | 1,003,886        | 2,852,962        | 1,804,408         |
| Amounts due from securities financing transactions              | -                | 48,789           | -                | 34,180            |
| Amounts due from clients                                        | 2,730,086        | 6,246,828        | 2,108,769        | 5,760,078         |
| Mortgage loans                                                  | 97,269           | 466,585          | 119,623          | 545,392           |
| Trading book assets                                             | -                | 5,215            | -                | 6,199             |
| Positive replacement values of derivative financial instruments | 17,060           | 118,447          | 21,308           | 135,680           |
| Financial investments                                           | 573,697          | 1,312,065        | 304,517          | 1,466,430         |
| Accrued income and prepaid expenses                             | 79,524           | 13,854           | 71,536           | 13,233            |
| Participating interests                                         | 29,731           | 4,336            | 27,514           | 5,705             |
| Property, plant and equipment                                   | 189,649          | 1,617            | 195,596          | 2,111             |
| Intangible assets                                               | 2,009            | 18,122           | -                | 24,353            |
| Other assets                                                    | 62,590           | 2,158            | 43,237           | 17,173            |
| <b>Total Assets</b>                                             | <b>7,687,777</b> | <b>9,311,193</b> | <b>7,104,809</b> | <b>10,008,511</b> |

| Liabilities (in thousands of CHF)                               | 31/12/2019       |                   | 31/12/2018       |                   |
|-----------------------------------------------------------------|------------------|-------------------|------------------|-------------------|
|                                                                 | Switzerland      | Foreign           | Switzerland      | Foreign           |
| Amounts due to banks                                            | 99,587           | 5,686,360         | 88,790           | 5,498,419         |
| Amounts due in respect of client deposits                       | 1,797,814        | 7,397,117         | 1,715,655        | 7,662,351         |
| Negative replacement values of derivative financial instruments | 3,580            | 157,276           | 3,643            | 221,961           |
| Accrued expenses and deferred income                            | 66,942           | 30,293            | 87,052           | 31,484            |
| Other liabilities                                               | 7,585            | 80                | 6,245            | 13                |
| Provisions                                                      | 93,965           | 15,211            | 93,998           | 14,956            |
| Reserves for general banking risks                              | 19,400           | -                 | 19,400           | -                 |
| Share capital                                                   | 1,025,946        | -                 | 1,025,946        | -                 |
| Statutory capital reserve                                       | 388,910          | -                 | 388,910          | -                 |
| Statutory retained earnings reserve                             | 106,911          | -                 | 104,090          | -                 |
| Retained earnings for the previous year                         | 68,087           | -                 | 65,689           | 2,491             |
| Net income for the period                                       | 24,508           | 9,398             | 64,664           | 17,563            |
| <b>Total liabilities</b>                                        | <b>3,703,235</b> | <b>13,295,735</b> | <b>3,664,082</b> | <b>13,449,238</b> |

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

| ASSETS (in thousands of CHF) | 31/12/2019        |              | 31/12/2018        |              |
|------------------------------|-------------------|--------------|-------------------|--------------|
|                              | Amount            | % share      | Amount            | % share      |
| Europe                       | 10,832,967        | 63.7         | 10,666,582        | 62.3         |
| <i>of which: Switzerland</i> | <i>7,687,777</i>  | <i>45.2</i>  | <i>7,104,809</i>  | <i>41.5</i>  |
| <i>France</i>                | <i>978,345</i>    | <i>5.8</i>   | <i>1,569,913</i>  | <i>9.2</i>   |
| <i>United Kingdom</i>        | <i>704,635</i>    | <i>4.1</i>   | <i>584,452</i>    | <i>3.4</i>   |
| Africa                       | 49,823            | 0.3          | 52,360            | 0.3          |
| North America                | 122,689           | 0.7          | 115,345           | 0.7          |
| South America                | 103,701           | 0.6          | 88,561            | 0.5          |
| Asia                         | 4,725,157         | 27.8         | 4,900,014         | 28.6         |
| <i>of which: Singapore</i>   | <i>1,900,911</i>  | <i>11.2</i>  | <i>2,009,758</i>  | <i>11.7</i>  |
| <i>Hong Kong</i>             | <i>806,690</i>    | <i>4.7</i>   | <i>886,672</i>    | <i>5.2</i>   |
| <i>Japan</i>                 | <i>529,183</i>    | <i>3.1</i>   | <i>458,605</i>    | <i>2.7</i>   |
| Caribbean                    | 1,025,458         | 6.0          | 1,172,341         | 6.9          |
| Oceania                      | 139,175           | 0.8          | 118,117           | 0.7          |
| <b>Total assets</b>          | <b>16,998,970</b> | <b>100.0</b> | <b>17,113,320</b> | <b>100.0</b> |

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

## Net foreign exposure

| INTERNAL RATING CLASS | SERV rating* | 31/12/2019          |              | 31/12/2018          |              |
|-----------------------|--------------|---------------------|--------------|---------------------|--------------|
|                       |              | in thousands of CHF | % share      | in thousands of CHF | % share      |
| 1 - Very low risk     | CP 1         | 5,308,920           | 52.7         | 5,925,999           | 57.4         |
| 2 - Low risk          | CP 2         | 277,970             | 2.8          | 229,695             | 2.2          |
| 3 - Average risk      | CP 3 - CP 4  | 3,261,925           | 32.4         | 3,023,191           | 29.3         |
| 4 - Significant risk  | CP 5         | 599,701             | 6.0          | 216,092             | 2.1          |
| 5 - High risk         | CP 6 - CP 7  | 443,249             | 4.4          | 378,980             | 3.7          |
| No rating             | CP 0         | 179,244             | 1.8          | 552,165             | 5.3          |
| <b>Total</b>          |              | <b>10,071,009</b>   | <b>100.0</b> | <b>10,326,122</b>   | <b>100.0</b> |

\* The rating system used is that of Swiss Export Risk Insurance (SERV). This corresponds with OECD ratings/country classifications, under which the countries are classified on a scale from CP 0 to CP 7.

CP 1 corresponds to the lowest risk, while CP 7 is the highest. CP 0 is for unrated countries.

## 5.27. BREAKDOWN OF ASSETS AND LIABILITIES BY CURRENCY

| ASSETS (in thousands of CHF)                                                                  | CHF              | EUR              | USD               | SGD            | HKD            | Other            | Total             |
|-----------------------------------------------------------------------------------------------|------------------|------------------|-------------------|----------------|----------------|------------------|-------------------|
| Liquid assets                                                                                 | 1,117,708        | 993              | 239               | 9,650          | 59,647         | 171              | 1,188,408         |
| Amounts due from banks                                                                        | 2,814,738        | 57,026           | 470,987           | 5,345          | 1,607          | 441,228          | 3,790,931         |
| Amounts due from securities financing transactions                                            | -                | 48,789           | -                 | -              | -              | -                | 48,789            |
| Amounts due from clients                                                                      | 779,559          | 1,055,812        | 5,692,213         | 142,620        | 262,993        | 1,043,717        | 8,976,914         |
| Mortgage loans                                                                                | 110,640          | 175,903          | 25,346            | 160,158        | 37,748         | 54,059           | 563,854           |
| Trading book assets                                                                           | -                | 1,005            | 4,019             | -              | -              | 191              | 5,215             |
| Positive replacement values of derivative financial instruments                               | 128,914          | 425              | 1,239             | 610            | 2,408          | 1,911            | 135,507           |
| Financial investments                                                                         | 429,624          | 157,455          | 201,093           | 383,554        | 111,565        | 602,471          | 1,885,762         |
| Accrued expenses and deferred income                                                          | 57,030           | 4,113            | 15,057            | 9,729          | 5,741          | 1,708            | 93,378            |
| Participating interests                                                                       | 29,731           | -                | -                 | -              | 4,336          | -                | 34,067            |
| Property, plant and equipment                                                                 | 189,650          | -                | -                 | 791            | 825            | -                | 191,266           |
| Intangible assets                                                                             | 2,009            | -                | -                 | 18,122         | -              | -                | 20,131            |
| Other assets                                                                                  | 50,601           | 2,021            | 55                | 8,729          | 3,341          | 1                | 64,748            |
| <b>Total balance sheet assets</b>                                                             | <b>5,710,204</b> | <b>1,503,542</b> | <b>6,410,248</b>  | <b>739,308</b> | <b>490,211</b> | <b>2,145,457</b> | <b>16,998,970</b> |
| <b>Delivery entitlements from spot exchange, forward forex and forex options transactions</b> | <b>839,326</b>   | <b>4,154,056</b> | <b>3,847,934</b>  | <b>173,760</b> | <b>33,919</b>  | <b>3,671,595</b> | <b>12,720,590</b> |
| <b>Total Assets</b>                                                                           | <b>6,549,530</b> | <b>5,657,598</b> | <b>10,258,182</b> | <b>913,068</b> | <b>524,130</b> | <b>5,817,052</b> | <b>29,719,560</b> |

| LIABILITIES (in thousands of CHF)                                                            | CHF              | EUR              | USD               | SGD            | HKD            | Other            | Total             |
|----------------------------------------------------------------------------------------------|------------------|------------------|-------------------|----------------|----------------|------------------|-------------------|
| Amounts due to banks                                                                         | 1,170,767        | 1,523,611        | 2,387,364         | 46,305         | 1,611          | 656,289          | 5,785,947         |
| Amounts due in respect of client deposits                                                    | 642,768          | 2,482,831        | 4,457,601         | 323,782        | 163,636        | 1,124,313        | 9,194,931         |
| Negative replacement values of derivative financial instruments                              | 154,265          | 425              | 1,238             | 610            | 2,407          | 1,911            | 160,856           |
| Accrued expenses and deferred income                                                         | 54,932           | 3,531            | 12,584            | 12,567         | 12,776         | 845              | 97,235            |
| Other liabilities                                                                            | 2,537            | 702              | 14                | 66             | 4,336          | 10               | 7,665             |
| Provisions                                                                                   | 94,152           | 533              | 14,491            | -              | -              | -                | 109,176           |
| Reserves for general banking risks                                                           | 19,400           | -                | -                 | -              | -              | -                | 19,400            |
| Share capital                                                                                | 1,025,946        | -                | -                 | -              | -              | -                | 1,025,946         |
| Statutory capital reserve                                                                    | 388,910          | -                | -                 | -              | -              | -                | 388,910           |
| Statutory retained earnings reserve                                                          | 106,911          | -                | -                 | -              | -              | -                | 106,911           |
| Retained earnings for the previous year                                                      | 67,068           | -                | -                 | 1,019          | -              | -                | 68,087            |
| Net income for the period                                                                    | 24,507           | -                | -                 | 6,220          | 3,179          | -                | 33,906            |
| <b>Total balance sheet liabilities</b>                                                       | <b>3,752,163</b> | <b>4,011,633</b> | <b>6,873,292</b>  | <b>390,569</b> | <b>187,945</b> | <b>1,783,368</b> | <b>16,998,970</b> |
| <b>Delivery obligations from spot exchange, forward forex and forex options transactions</b> | <b>2,795,913</b> | <b>1,646,496</b> | <b>3,385,765</b>  | <b>522,805</b> | <b>336,463</b> | <b>4,033,148</b> | <b>12,720,590</b> |
| <b>Total liabilities</b>                                                                     | <b>6,548,076</b> | <b>5,658,129</b> | <b>10,259,057</b> | <b>913,374</b> | <b>524,408</b> | <b>5,816,516</b> | <b>29,719,560</b> |
| <b>Net position by currency</b>                                                              | <b>1,454</b>     | <b>-531</b>      | <b>-875</b>       | <b>-306</b>    | <b>-278</b>    | <b>536</b>       | <b>-</b>          |

## Information on off-balance sheet transactions

### 5.28. CONTINGENT ASSETS AND LIABILITIES

| (in thousands of CHF)                                              | 31/12/2019       | 31/12/2018       |
|--------------------------------------------------------------------|------------------|------------------|
| Guarantees to secure credits and similar                           | 2,754,631        | 2,971,192        |
| Performance guarantees and similar                                 | 978,326          | 1,113,551        |
| Irrevocable commitments arising from documentary letters of credit | 93,963           | 96,411           |
| <b>Total contingent liabilities</b>                                | <b>3,826,920</b> | <b>4,181,154</b> |

### 5.29. COMMITMENT CREDITS

| (in thousands of CHF)                                                                       | 31/12/2019       | 31/12/2018     |
|---------------------------------------------------------------------------------------------|------------------|----------------|
| Commitments arising from deferred payments                                                  | 1,514,519        | 430,459        |
| Commitments arising from acceptances (for liabilities arising from outstanding acceptances) | -                | -              |
| <b>Total commitment credits</b>                                                             | <b>1,514,519</b> | <b>430,459</b> |

### 5.30. FIDUCIARY TRANSACTIONS

| (in thousands of CHF)                                            | 31/12/2019       | 31/12/2018       |
|------------------------------------------------------------------|------------------|------------------|
| Fiduciary investments with third-party companies                 | 119,535          | 74,113           |
| Fiduciary investments with Group companies and related companies | 4,055,062        | 3,314,343        |
| Fiduciary loans                                                  | 2,513            | 1,692            |
| <b>Total fiduciary transactions</b>                              | <b>4,177,110</b> | <b>3,390,148</b> |

### 5.31. MANAGED ASSETS

#### *Breakdown of managed assets*

| (in millions of CHF)                                    | 31/12/2019    | 31/12/2018    |
|---------------------------------------------------------|---------------|---------------|
| <b>Type of managed assets</b>                           |               |               |
| Assets under discretionary management                   | 2,377         | 2,377         |
| Other managed assets                                    | 38,157        | 36,775        |
| <b>Total managed assets (including double-counting)</b> | <b>40,534</b> | <b>39,152</b> |
| of which double-counted items                           | -             | -             |

#### *Overview of change in managed assets*

| (in millions of CHF)                                             | 31/12/2019    | 31/12/2018    |
|------------------------------------------------------------------|---------------|---------------|
| <b>Total initial managed assets (including double-counting)</b>  | <b>39,152</b> | <b>42,252</b> |
| Net new inflows                                                  | -1,102        | -852          |
| Change in price, interest, dividends and change in exchange rate | 2,484         | -2,248        |
| Other effects                                                    | -             | -             |
| <b>Total final managed assets (including double-counting)</b>    | <b>40,534</b> | <b>39,152</b> |
| Net new inflows/outflows                                         | -1,102        | -852          |
| - Wealth Management business                                     | -1,293        | -1,070        |
| - ITB business (International Trade & Transaction Banking)       | 190           | 218           |

Assets under discretionary management include assets for which the Bank has been awarded a discretionary management mandate by clients.

Other managed assets include eligible assets for added-value services such as investment advice, fund-specific services or global custody services. These assets include Cr dit Agricole group funds and unmanaged third-party funds.

The criteria used to determine "more-than-custody-only" other assets are defined by the existing link between the final client and the Bank. As 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.

Net inflows/outflows are the result of several factors. Inflows result from the acquisition of new clients and deposits made by existing clients. On the other side, outflows result from existing clients withdrawing some or all of their assets. New or repaid client loans are included under "Net new inflows/outflows". However, items relating to the return on assets, such as interest, are excluded from "Net new inflows/outflows".

## Information on the income statement

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

Breakdown by business area (as per the Bank's organisational structure)

| (in thousands of CHF)                             | FY 2019       | FY 2018       |
|---------------------------------------------------|---------------|---------------|
| Wealth Management                                 | 37,037        | 61,241        |
| Capital market                                    | 34,701        | 8,048         |
| - ITB (International Trade & Transaction Banking) | 995           | 398           |
| <b>Total result from trading activities</b>       | <b>72,733</b> | <b>69,687</b> |

Trading result (based on underlying risk)

| (in thousands of CHF)                                | FY 2019       | FY 2018       |
|------------------------------------------------------|---------------|---------------|
| Fixed-income instruments                             | -             | -             |
| Currencies                                           | 74,838        | 66,410        |
| Commodities/precious metals                          | -2,105        | 3,277         |
| <b>Total result from trading activities</b>          | <b>72,733</b> | <b>69,687</b> |
| - of which from the fair value option                | -             | -             |
| - of which from the fair value option on assets      | -             | -             |
| - of which from the fair value option on liabilities | -             | -             |

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

#### 1 - Refinancing income classified under "Interest and discount income"

The Bank no longer offsets the refinancing costs of securities trading.

#### 2 - Negative interest

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

| (in thousands of CHF)                                                              | FY 2019 | FY 2018 |
|------------------------------------------------------------------------------------|---------|---------|
| Negative interest on credit operations (reduction of interest and discount income) | 32,437  | 33,107  |
| Negative interest on deposits (reduction of interest expense)                      | 5,061   | 5,245   |

### 5.34. PERSONNEL EXPENSES

| (in thousands of CHF)                                                                                                      | FY 2019        | FY 2018        |
|----------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits) | 167,904        | 178,061        |
| Social security benefits                                                                                                   | 32,193         | 34,420         |
| Other personnel expenses                                                                                                   | 5,044          | 7,295          |
| <b>Total personnel expenses</b>                                                                                            | <b>205,141</b> | <b>219,776</b> |

## 5.35. GENERAL AND ADMINISTRATIVE EXPENSES

| (in thousands of CHF)                                                                               | FY 2019        | FY 2018        |
|-----------------------------------------------------------------------------------------------------|----------------|----------------|
| Office space expenses                                                                               | 12,124         | 12,797         |
| Expenses for information and communications technology                                              | 71,416         | 71,542         |
| Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses | 412            | 1,044          |
| Fees charged by audit firm(s) (article 961a no. 2 Swiss CO)                                         | 1,966          | 2,248          |
| <i>of which for financial and regulatory audits</i>                                                 | 1,793          | 2,148          |
| <i>of which for other services</i>                                                                  | 173            | 100            |
| General & administrative expenses                                                                   | 34,796         | 36,730         |
| <b>Total general and administrative expenses</b>                                                    | <b>120,714</b> | <b>124,362</b> |

## 5.36. SIGNIFICANT LOSSES, EXTRAORDINARY INCOME AND EXPENSES, SIGNIFICANT RELEASES OF HIDDEN RESERVES, RESERVES FOR GENERAL BANKING RISKS AND VALUE ADJUSTMENTS AND LIBERATED PROVISIONS

**Significant losses**

There was no significant loss recorded in 2019.

**Extraordinary income**

During the 2019 reporting period, the Bank did not record any significant non-recurring income.

**Extraordinary expenses**

During the 2019 reporting period, the Bank did not record any significant non-recurring expenses.

**Significant releases of hidden reserves**

No significant hidden reserves were released in the course of financial year 2019.

**Reserves for general banking risks**

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

5.38. OPERATING INCOME BROKEN DOWN BY DOMESTIC AND FOREIGN ORIGIN  
ACCORDING TO THE PRINCIPLE OF PERMANENT ESTABLISHMENT.

| (in thousands of CHF)                                                                                                                  | FY 2019         |                | FY 2018         |                |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|-----------------|----------------|
|                                                                                                                                        | Switzerland     | Foreign        | Switzerland     | Foreign        |
| Interest and discount income                                                                                                           | 100,705         | 139,409        | 139,462         | 124,893        |
| Interest and dividend income from trading books                                                                                        | 416             | 134            | -32             | 148            |
| Interest and dividend income from financial investments                                                                                | 2,487           | 7,833          | 4,157           | 4,976          |
| Interest expense                                                                                                                       | -87,827         | -49,090        | -80,922         | -35,757        |
| <b>Gross result from interest operations</b>                                                                                           | <b>15,781</b>   | <b>98,286</b>  | <b>62,665</b>   | <b>94,260</b>  |
| Changes in value adjustments for default risks and losses from interest operations                                                     | 662             | -48            | 5,020           | 458            |
| <b>Subtotal - Net result from interest operations</b>                                                                                  | <b>16,443</b>   | <b>98,238</b>  | <b>67,685</b>   | <b>94,718</b>  |
| Commission income from securities trading and investment activities                                                                    | 111,183         | 45,499         | 119,857         | 46,983         |
| Commission income from lending activities                                                                                              | 41,210          | 119            | 43,111          | 66             |
| Commission income from other services                                                                                                  | 29,895          | 1,817          | 37,995          | 2,411          |
| Commission expense                                                                                                                     | -9,851          | -31,370        | -8,384          | -28,619        |
| <b>Subtotal - Result from commission business and services</b>                                                                         | <b>172,437</b>  | <b>16,065</b>  | <b>192,579</b>  | <b>20,841</b>  |
| <b>Net income from trading activities and the fair value option</b>                                                                    | <b>59,258</b>   | <b>13,475</b>  | <b>60,535</b>   | <b>9,152</b>   |
| Result from the disposal of financial investments                                                                                      | -119            | -              | 525             | 2,180          |
| Income from participating interests                                                                                                    | 3,051           | -              | 3,102           | -              |
| Result from real estate operations                                                                                                     | 2,581           | -              | 2,437           | -              |
| Other ordinary income                                                                                                                  | 8,616           | 4,383          | 11,039          | 7,638          |
| Other ordinary expenses                                                                                                                | -1,681          | -128           | -401            | -31            |
| <b>Subtotal - Other result from ordinary activities</b>                                                                                | <b>12,448</b>   | <b>4,255</b>   | <b>16,702</b>   | <b>9,787</b>   |
| Personnel expenses                                                                                                                     | -146,456        | -58,685        | -155,461        | -64,315        |
| General and administrative expenses                                                                                                    | -94,897         | -25,817        | -95,783         | -28,579        |
| <b>Subtotal Operating expenses</b>                                                                                                     | <b>-241,353</b> | <b>-84,502</b> | <b>-251,244</b> | <b>-92,894</b> |
| Value adjustments on participating interests, and depreciation and amortisation of property, plant and equipment and intangible assets | -7,397          | -7,344         | -7,826          | -7,123         |
| Changes to provisions and other value adjustments, and losses                                                                          | -2,278          | -547           | -779            | -406           |
| <b>Operating income</b>                                                                                                                | <b>9,558</b>    | <b>39,640</b>  | <b>77,652</b>   | <b>34,075</b>  |

5.39. CURRENT AND DEFERRED TAXES AND DISCLOSURE OF TAX RATE

| (in thousands of CHF)                                    | FY 2019       | FY 2018       |
|----------------------------------------------------------|---------------|---------------|
| Current income taxes                                     | 15,300        | 29,420        |
| Deferred income taxes                                    | -             | -             |
| <b>Total taxes</b>                                       | <b>15,300</b> | <b>29,420</b> |
| Average weighted tax rate on the basis of pre-tax income | 20.9%         | 20.0 %        |

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

## 6/ PROPOSAL TO THE ANNUAL SHAREHOLDERS' MEETING ON THE APPROPRIATION OF RETAINED EARNINGS

### BOARD OF DIRECTORS' PROPOSAL TO THE ORDINARY GENERAL SHAREHOLDERS' MEETING

#### Appropriation of earnings

The Board of Directors proposes to the Annual Shareholders' Meeting of 27 March 2020 to appropriate the 2019 retained earnings are as follows:

| (in thousands of CHF)                             | FY 2019        | FY 2018        |
|---------------------------------------------------|----------------|----------------|
| Net income for the period                         | 33,906         | 82,227         |
| Retained earnings for the previous year           | 68,087         | 68,180         |
| Total retained earnings                           | <b>101,993</b> | <b>150,407</b> |
| <b>Breakdown of available earnings</b>            |                |                |
| Statutory allocation to retained earnings reserve | -              | 2,820          |
| Dividend                                          | 34,000         | 79,500         |
| Retained earnings brought forward                 | 67,993         | 68,087         |
|                                                   | <b>101,993</b> | <b>150,407</b> |

# Report of the statutory auditor

## to the General Meeting of CA Indosuez (Switzerland) SA, Geneva

### Report 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, statement of changes in equity and notes (pages 51 to 81), for the year ended 31 December 2019.

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

#### Auditor's responsibility

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

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

#### Opinion

In our opinion, the financial statements for the year ended 31 December 2019 comply with Swiss law and the 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 articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Philippe Bochud

Josée Mercier

Audit expert  
Auditor in charge

Geneva, 27 March 2020



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