Crédit Agricole (Suisse) SA

2014 Annual Report

CRÉDIT AGRICOLE

2014 Annual Report

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It makes perfect sense that haute couture, the epitome of savoir-faire and creativity in the fashion industry, should have developed in Paris during the Age of Enlightenment. The dazzling result of work with noble and often rare materials, haute couture harnesses the unique skills of a whole panoply of creators, craftsmen and craftswomen. Even the name is legally protected. The select group of fashion houses that are allowed to use it are obliged to meet a host of requirements that serve to protect and preserve their exclusive rights.

The qualities required to be part of this small circle necessitate close collaboration between exceptionally talented and complementary specialists, a completely individualised, bespoke approach to each piece, and with meticulous attention to every detail to ensure a perfectly balanced ensemble.

We are illustrating our 2014 Annual Report with images of these rare treasures held by the finest artisans because in many respects, we prize the same values. The men and women who work in haute couture strive for excellence and are passionate about what they do, which sets them on an unwavering quest for perfection. Trust and partnership are coupled with attentiveness and generosity. Innovation and creativity draw on a venerable past and carefully preserved heritage. These are the same qualities that also drive us, and inspire us to identify and better understand the needs and expectations of our clients.

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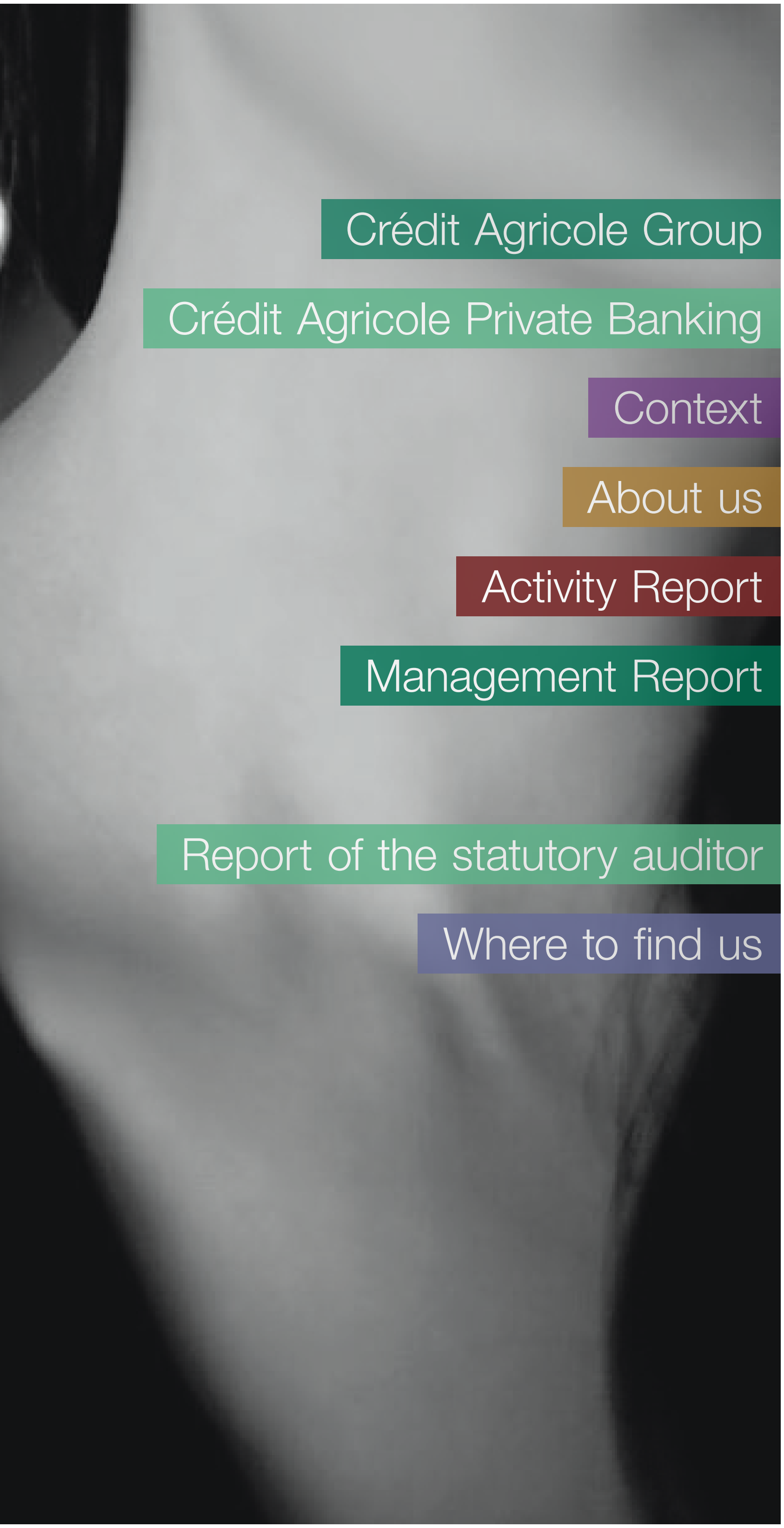


A LEADING BANKING GROUP

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

Built on its strong cooperative and mutual roots, its 140,000 employees and the 31,500 directors of its Local and Regional Banks, Crédit Agricole Group is a responsible and responsive bank serving 50 million customers, 8.2 million mutual shareholders and 1.1 million individual shareholders.

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

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

54

A GLOBAL PRESENCE IN 54 COUNTRIES

50M

CUSTOMERS

140 000

EMPLOYEES

€4.9 Bn

NET INCOME GROUP SHARE

€86.7 Bn

SHAREHOLDERS' EQUITY

13.1 %

COMMON EQUITY TIER 1 **RATIO FULLY LOADED**

GROUP'S ORGANISATION

8.2 million mutual shareholders underpin Crédit Agricole's cooperative organisational structure. They own the capital of the **2,489 Local Banks** in the form of mutual shares and they designate their representatives each year. **31,500 directors** carry their expectations. The Local Banks own the majority of the Regional Banks' share capital.

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

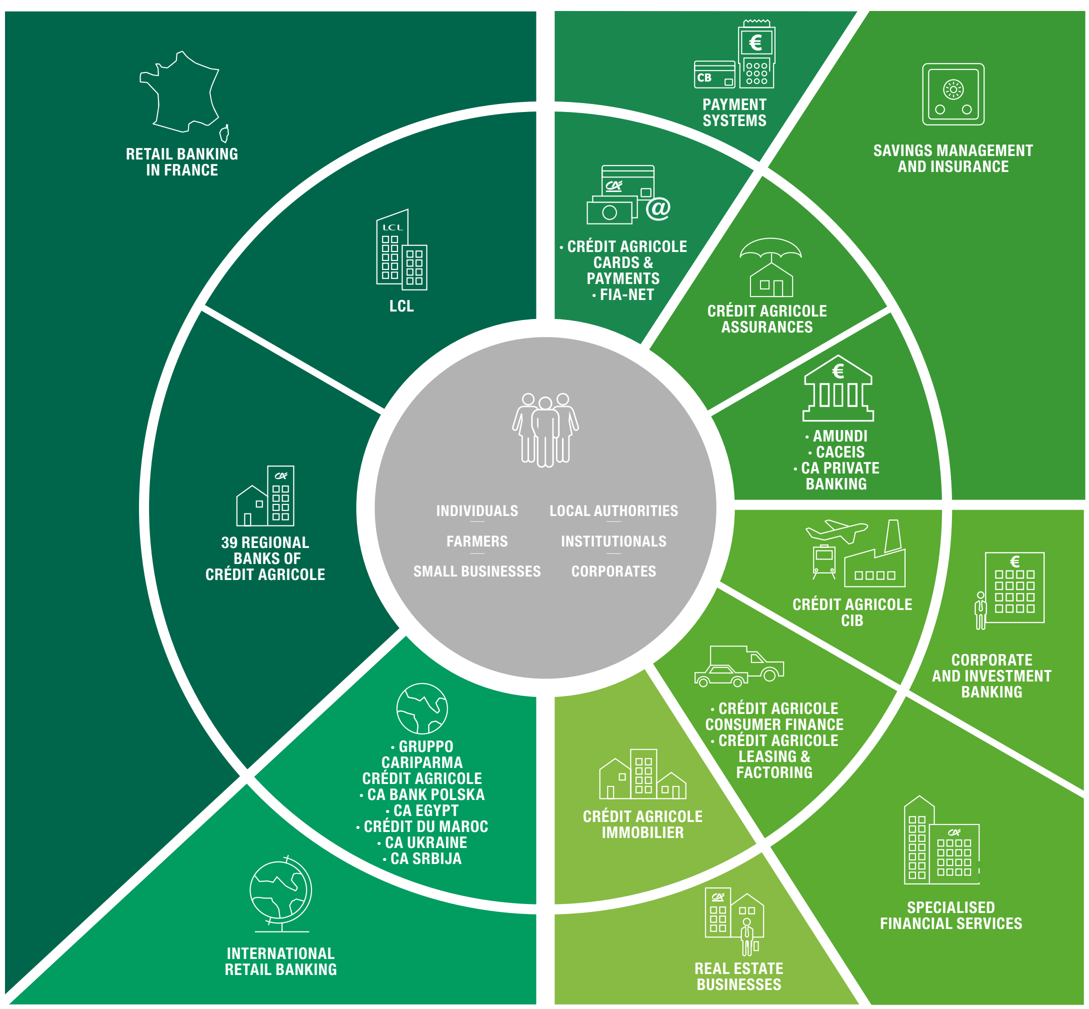
The Regional Banks together own, via **SAS Rue La Boétie,** the majority of the share capital of Crédit Agricole SA (56.5%). Crédit Agricole SA owns 25% of the Regional Banks (excl. the Regional Bank of Corsica). It coordinates in relation with its specialist subsidiaries the various business lines' strategies in France and abroad.

THE UNIVERSAL CUSTOMER-FOCUSED BANK

RETAIL BANKS

SPECIALISED BUSINESS LINES

OTHER SPECIALISED SUBSIDIARIES:
Crédit Agricole Capital Investissement & Finance (Idia, Sodica), Uni-éditions



1ST LEADING FINANCIAL PARTNER OF THE FRENCH ECONOMY

1ST BANCASSURER IN EUROPE

1ST EUROPEAN ASSET MANAGER

Crédit Agricole Private Banking

a key player in wealth management

Crédit Agricole Private Banking comprises the wealth management subsidiaries of the Crédit Agricole Group.

A legacy of broad geographical coverage

Crédit Agricole Private Banking has a long-standing presence in Europe, Latin America, Asia and the Middle East. It traces its roots way back to the Compagnie Universelle du Canal Maritime de Suez, founded in 1858, and to Banque Indosuez, the central bank for France's Asian territories, which was founded in 1875.

These european and eastern origins underlie our international outlook and our reputation for tradition and know-how. With a long-established network comprising 30 facilities in 14 countries, Crédit Agricole Private Banking relies on its multinational teams to meet the steadily growing demand from international clients.

Europe
Bordeaux, Lille, Lyon, Marseille, Nantes, Paris, Toulouse, Monaco, Antwerp, Brussels, Liège, Bilbao, Madrid, San Sebastian, Valencia, Milan, Luxembourg, Geneva, Lugano, Zurich

Americas
Miami, Montevideo, Rio de Janeiro, São Paulo

Middle East
Abu Dhabi, Beirut, Dubai

Asia
Hong Kong, Singapore

Oceania
Noumea

The financial strength of a top banking group

Crédit Agricole Private Banking boasts a sound financial position and a stable ownership structure, which further strengthen the trust inherent in our relationship with each and every client.

Knowledge-led teams dealing specifically with families and business leaders

For more than 130 years, Crédit Agricole Private Banking has been expanding and increasing its know-how in order to meet the wealth management needs of a client base comprising company owners, senior executives and private investors. With this approach, which combines Private and Corporate Banking, our teams carefully make an in-depth analysis of each client's situation in order to provide the best possible solutions.

Our private bankers are ready to offer state-of-the-art advice at local, regional or international levels. Led by other experts and assisted when necessary by specifically selected professionals from outside the Group, these additional human resources provide considerable added value. They help us to advise our clients on all aspects pertaining to the management and growth of their assets, including wealth engineering, financial management and credit.

www.ca-privatebanking.com

CRÉDIT AGRICOLE PRIVATE BANKING IN THREE KEY FIGURES:

101.6
BILLION EUROS IN ASSETS UNDER MANAGEMENT

2,640
EMPLOYEES

30
WORLDWIDE COMMERCIAL PLATFORMS

Context

Message from the Chairman and the Chief Executive Officer

For Crédit Agricole (Suisse) SA, as for the entire Swiss banking sector, 2014 ushered in a period of relative stability after several years of continual change. While Swiss banks are still grappling with complex economic, regulatory and strategic conditions, the sector was able to get the measure of the challenges facing it, implementing responses that will ultimately help Swiss banks with international operations to get their business back on track. Crédit Agricole (Suisse) SA worked closely with the Crédit Agricole Group, and especially with Crédit Agricole Private Banking, to devise solutions in response to the more stringent requirements introduced by Swiss and international regulators.

As part of this, we set up a major new system to address requests from public authorities, facilitate follow-up on tax-related issues and resolve disputes. The ambitious and proactive programme set up for this purpose will prepare the way for our future stability and growth and its introduction was a major highlight of 2014. It should enable us to set ourselves apart through our responsiveness and ability to deliver constantly enhanced support to our clients in Switzerland and abroad. Our goal is not merely to comply with the new regulatory requirements, which are now well known, but also to lay the groundwork to move forward with confidence.

While clarification of the regulatory situation was in fact beneficial to Crédit Agricole (Suisse) SA in 2014, our business was nonetheless affected by the gloomy international climate and mixed market conditions. Like the rest of the Swiss financial market, we felt the backlash from the ongoing geopolitical stress, particularly in strategic zones for transactional commodity finance activities. Besides the emergence of new political risks, a number of purely financial factors also impacted market developments. The low interest-rate policies followed by the main central banks, record low volatility and falling oil prices in the latter half of the year thus had a negative impact on the performances of numerous asset classes and our corporate business activities.

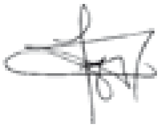
Despite this uncertainty, we made headway in 2014 in reorganising our structure and overhauling our business model. Based on strategic deliberations over the course of the year, we took steps to strengthen our Corporate and Investment Banking business lines and to adjust and clarify the geographical organisation of our Private Banking business lines. We also continued to develop new products and services, consistent with the strategic guidelines established in conjunction with Crédit Agricole Private Banking. The gradual phase-in of Commercial Banking services for Private Banking clients and Corporate Finance Advisory services, with the support of Corporate and Investment Banking staff, represented major milestones in the deployment of an integrated offering for entrepreneurs. Alongside efforts to adjust to increasingly complex regulatory conditions, our major concern still remains - now more than ever - the quality of the products and services provided to clients.

Although the tough conditions were apparent in earnings, Crédit Agricole (Suisse) SA reported solid results once again for FY2014, posting performances that augured well for the medium term. Our determination to keep a step ahead of the changes taking place in our main business lines led us to implement an ambitious cost-cutting programme that will give us the financial room for manoeuvre needed for the future growth of our Bank. Notwithstanding these measures, our revenues declined overall, primarily because of steps that we took to adjust our business model to the new environment in which the Swiss banking sector now finds itself. These moves therefore included shutting down our Bahamas operations.

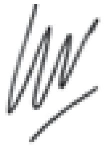
In this context, Crédit Agricole (Suisse) SA reported total revenues in FY2014 of CHF 547.1 million. After deducting CHF 413.7 million in charges, gross operating income amounted to CHF 133.4 million compared with CHF 176.2 million in 2013. Net profit was CHF 30.2 million against CHF 94.9 million in 2013, reflecting the globally challenging environment confronting Crédit Agricole (Suisse) SA business lines. Our expertise in Private Banking, Capital Markets and Transactional Commodity Finance, combined with high-calibre Corporate and Institutional Coverage and Bank Outsourcing services, enabled our teams to maintain and further develop strong relationships of trust with our clients in Switzerland and around the world.

It is also thanks to the unflagging commitment of our staff that we can move forward with confidence into the next phase of our corporate project. We want to play our role as an international Bank to the full, fostering close ties with our clients while at the same time operating in total synergy with other Crédit Agricole Private Banking and Crédit Agricole Corporate & Investment Bank entities on the Swiss market and elsewhere. In this respect, we will be especially mindful to support our clientele in areas of the world with the highest growth potential, including in Asia. To achieve these goals, our teams' priorities in the year ahead are to respond proactively to the challenges facing the Swiss banking sector and to continue implementing the strategic choices made in 2014.

Acclaimed by its partners and appreciated by its clients, Crédit Agricole (Suisse) SA is a Bank with a global perspective. More than ever before, we are determined to look to the future and to put ourselves in a position to attract the very best talent and generate significant added value for our clients.



Jean BOUYSSET
Chairman of the
Board of Directors



Hervé CATALA
Chief Executive
Officer

Economic and financial environment

We are not going to enumerate all the many good or bad surprises that shaped 2014. After all, every year brings its share of unexpected developments both for us and for the financial markets. So rather than compile a comprehensive list, we prefer to consider economic conditions through the prism of monetary policies. These reveal fairly pronounced differences between the main countries.

While 11 central banks, including those of India, Brazil and Russia, hiked their statutory interest rates in 2014, 18 of them, including the European Central Bank (ECB), cut them. In fact, the most salient factor was the difference between the policies pursued by the US Federal Reserve and the Bank of England on the one hand, and those implemented by the ECB and the Bank of Japan (BoJ), on the other.

Further money creation in Japan and in the euro zone

The BoJ seems fated to continue expanding its balance sheet. While the VAT hike in the springtime caused inflation to spike, the fact is that the recently recorded price increases fall short of the central bank's 2% target.

Additional monetary stimulus therefore makes sense. While it is too early to talk about success in terms of the inflation target, the effects on growth also remain mixed also. As we feared, Q1 GDP growth was more than offset by a Q2 decline, and the contraction recorded in Q3 pushed Japan into a technical recession.

The Swiss economy held up well against the chill wind that swept mature economies, generating growth of 0.4% in Q1, 0.3% in Q2 and 0.6% in Q3. With the strong franc containing inflation but representing a risk to growth, the Swiss National Bank (SNB) maintained a globally accommodative policy.

The SNB kept the floor rate at 1.20 CHF/EUR, which made sense given the high exchange value of the franc and given the fact that the central bank took its 3-month Libor target range into negative territory on 18 December. Whereas the new target range is -0.75%/+0.25%, negative interest of 0.25% will be applied to certain commercial bank holdings with the SNB. Although in December the SNB stated that it was still ready to buy currencies in unlimited quantities if necessary, on 15 January 2015 it back-tracked and abandoned its defence of the floor rate.

Euro zone growth disappointed but was at least positive in H1 2014. The situation did not change overall in the second half, and GDP was expected to expand by just under 1% year-on-year (yoy) by the end of 2014. This was not much, but still around double the performance recorded at end-2013. Muted inflation and the lack of a credit expansion were other aspects of the weak economic conditions.

Accordingly, the ECB cut its rates several times, combined with the decision to build up a portfolio of covered bonds from European issuers. It is true to say that the central bank's total assets shrunk considerably over the previous two years to EUR 2 trillion, but ECB President Mario Draghi said that he would like to get back to 2012 levels, which would mean a 50% increase. These words were backed up on 22 January 2015 as the ECB announced that in March 2015 it would begin a quantitative easing programme on which no absolute limit has been put.

Fed total assets stabilise

In opposition to this, the US Federal Reserve halted its balance sheet expansion in October, but will not begin a reduction until it engages its rate-hiking cycle.

The latter will not start increasing rates immediately, and we expect the first hike in H2 2015. We consider that it is necessary to draw a distinction between the US growth rate and improving conditions on the labour market. It is the latter which is the central bank's priority and that will justify any monetary tightening move.

Where do we stand right now? GDP expanded by 2.5% between Q4 2013 and Q4 2014. The yoy growth rate stood at 3.1% in Q4 2013, and the decline in oil prices, though impressive, has not enabled this rate to be bettered so far. Moreover, the strong dollar is having a negative impact, while the labour market continues to recover, with measured nominal wage growth.

Episodes of stimulus in China

The Middle Kingdom lived up to its name at least in terms of monetary policy, where it steered a course between the US and UK central banks on the one side and the ECB and BoJ on the other.

Although inflation remains well short of the government's 3.5% target, the money supply does not appear to be growing any faster. The same is not true for the growth trajectories of new credit and the change in "total social financing". The latter, which includes shadow banking, plummeted in July before rebounding. All this reflects episodic monetary accommodation. FY2014 ended on a Q4/Q4 growth rate of 7.3%, very much in line with expectations.

The BRIC nations have only their acronym in common these days. While India should remain in the club of high-growth countries, albeit at the cost of substantial inflation, Russia and Brazil have fallen back into line. The latter country, for one, appears to have reached the limits of a model based on credit-fuelled consumer spending. In a post-election period, with international investors becoming increasingly wary, the central bank continued the rate-hiking cycle that it began in spring 2013.

Financial markets

For the financial markets, the monetary policies of the main economies are what matter and as we have seen, they remained broadly accommodative.

This situation naturally led to a hunt for yield that lifted the overall bond market, albeit to varying degrees depending on the segment. For example, an investment in early 2014 in the government bonds of countries on the euro zone periphery (Ireland +12.3%, Italy +10%, Spain +11.4%) would have offered a better return than one in a euro-denominated high yield bond (+4%). Similarly, putting money in USD-denominated bonds from emerging country issuers would have earned more than an investment in US government bonds (+5.5% compared with +2.9%). Despite these performances, in absolute terms yields are now even lower than in late 2014, at 1.9% for US-10-year government bonds and 0.3% for the German equivalent.

The geopolitical turmoil that affected some large emerging nations, particularly Russia, Brazil and Indonesia, was a drag only for that part of the debt denominated in local currencies. Converted into USD, this segment offered extremely negative total returns.

This reflected the fact that the greenback emerged as 2014's strongest currency. The EUR/USD fell from 1.38 to 1.21, while the USD/JPY went from 105.3 to 119.8. Here again, the effects of central bank policy were evident, with the Fed expected to raise statutory interest rates in H2 2015.

The bond market's performance suggests that the time for the "great rotation" of investors out of bonds and into equities has yet to come.

This did not stop stock markets from posting broadly positive performances, with the MSCI index of mature and emerging economies putting on 4.8%. While the US benchmark market was boosted by economic and profit growth, emerging equities had a harder time. In the end, only a few major markets ended up in the red, but for very different reasons. The UK stock market was pulled down by fears of monetary tightening, while companies listed on the Paris stock exchange offered less attractive earnings growth prospects.

The year ahead

The ample liquidity provided by central banks in mature economies will be a supportive factor for equity markets, but will, however, not relieve investors of the need to make discriminating choices.

The effects of lastingly low energy prices could be a differentiating factor, as countries that import energy come out as winners while exporters lose out. Similarly, energy-intensive sectors will be able to rebuild margins, while the opposite will be true for sector services providers.

Also, it is important not to lose sight of the fact that technological progress is still a key driver of market growth. In this regard, it should be recalled that the stock market indices do not all include the same technological values.

A word of warning in conclusion: despite the many decisions taken by the authorities and all the restructuring measures, the after-effects of the 2008 crisis persist, and today's growth path is lower than it was before the crisis, a fact that is equally true for the USA and China alike.

About us

Management bodies

Board of Directors

Chairman
Jean BOUYSSET

Deputy Chairmen
Christophe GANCEL
Chief Executive Officer,
Crédit Agricole Private Banking

Maurice MONBARON

Directors
Jean-Louis BERTRAND

Jacques BOURACHOT
from 29 April 2014

Jean-Paul CHIFFLET
Chief Executive Officer, Crédit Agricole SA
from 29 April 2014

Olivier DESJARDINS
Corporate Secretary, Crédit Agricole Private Banking

Emmanuel DUCREST*
Attorney-at-law, Geneva, Ducrest, Nerfin, Berta,
Spira, Bory Villa

Ariberto FASSATI
Senior Country Officer for Italy, Crédit Agricole Group, Member of the Executive Committee, Crédit Agricole SA
until 5 March 2014

Camille FROIDEVAUX*
Attorney-at-law, Geneva, Budin & Associés

Philippe GESLIN

Martin LENZ*
Attorney-at-law, Basel, Lenz Caemmerer Bender

Jacques PROST
Member of the Executive Committee, Crédit Agricole CIB
Global Head of Structured Finance

Christoph R. RAMSTEIN*
Attorney-at-law, Zurich, Pestalozzi

Fabio SOLDATI*
Attorney-at-law, Lugano, Felder, Riva, Soldati, Marcellini, Generali

Edmond TAVERNIER*
Attorney-at-law, Geneva, Tavernier Tschanz

Senior Management

Hervé CATALA
Chief Executive Officer

Pierre GLAUSER
General Manager,
Head of Commercial Banking, Switzerland
Worldwide Head of Global Commodity Finance

Philip ADLER
Head of Capital Markets

Patrick RAMSEY
Head of Clientele, Private Banking

Pierre MASCLET
Head of Markets and Investment Solutions

Jean-Claude FAVRE
Head of Logistics

Frank BERVILLE
Head of Coverage

Viviane GABARD
Head of Risks and Permanent Control

Marcel NAEF
Head of Legal Affairs and Compliance

Aline KLEINFERCHER
Head of Human Resources

Pierre JACQMARCQ
Head of Finance

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

Audit

Internal Audit
Darius PUIU

Permanent Control
Stéphane REICHENBACH

Auditors
PricewaterhouseCoopers SA

Crédit Agricole (Suisse) SA, a leading Bank

Boasting 1,326 employees and CHF 46.5 billion in client assets at 31 December 2014, Crédit Agricole (Suisse) SA is one of the Crédit Agricole Group's largest international entities and the main centre of expertise for its international Private Banking network.

Our Bank ranks among the leading foreign banks in Switzerland for assets under management and shareholders' equity. This reflects our commitment to the Swiss financial market, where we have continued to grow for over 130 years. Crédit Agricole (Suisse) SA has four main business lines: Private Banking, Transactional Commodity Finance and Commercial Banking, Capital Markets, and Banking Logistics, which are complemented by a coverage function for large companies and financial institutions. This broad array of know-how allows us to serve a diversified client base and generate recurring results, while facilitating substantial synergies between these different activities.

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

Cooperation between the entities of the holding company has increased with the introduction of cross-cutting ranges of products and services, which have further enriched the line-up offered by Crédit Agricole (Suisse) SA.

1,326

EMPLOYEES

76.3%

OF NET INCOME ATTRIBUTABLE
TO PRIVATE BANKING

CHF 1,477 MILLION

CRÉDIT AGRICOLE (SUISSE) SA
SHAREHOLDERS' EQUITY

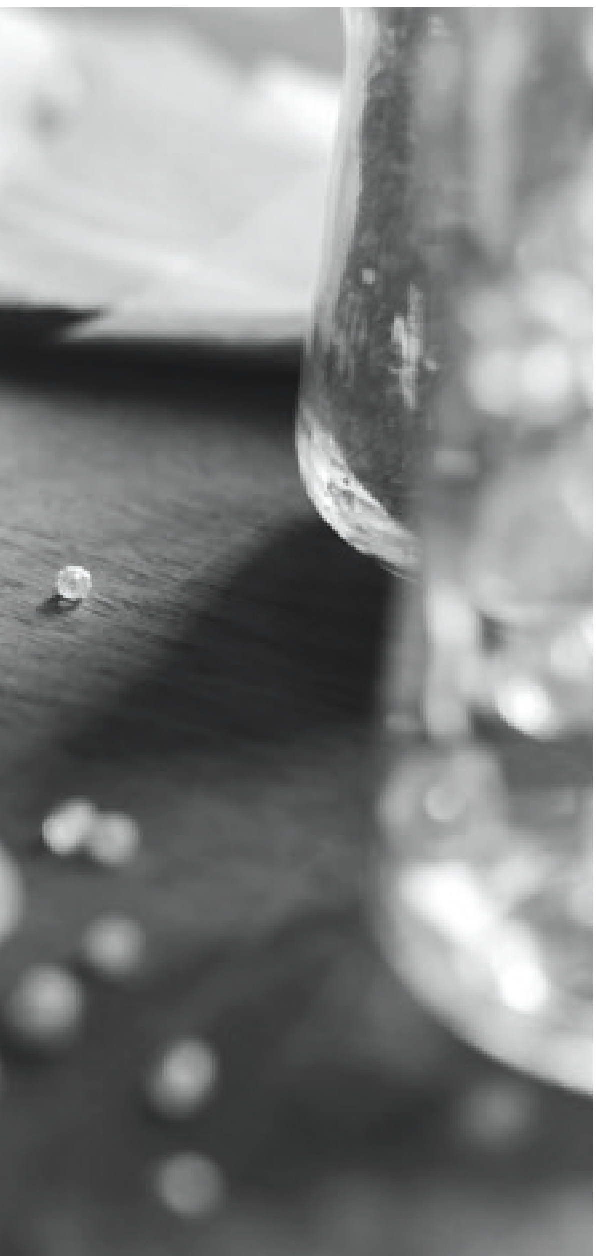
CHF 20 BILLION

TOTAL ASSETS

10

BUSINESS LOCATIONS: ABU DHABI, BEIRUT,
DUBAI, GENEVA, HONG KONG, KARACHI,
LAUSANNE, LUGANO, SINGAPORE, ZURICH

Crédit Agricole (Suisse) SA
2014 Activity Report



Focus on the Bank's 2014 results

Crédit Agricole (Suisse) SA reported a gross profit of CHF 133.4 million in 2014 and a net profit of CHF 30.2 million. In 2014, the Bank had CHF 2,025 million in shareholders' equity, as defined by Articles 21-40 of the Swiss Capital Adequacy Ordinance (Tiers 1-3).

Private Banking

With CHF 45.4 billion in client wealth under management at 31 December 2014, Private Banking is Crédit Agricole (Suisse) SA's principal activity, accounting for 76.3% of our Bank's revenues. From our offices in Switzerland and abroad, we offer our domestic and international clients a full array of open-architecture services and products destined to meet their wealth investment needs, including:

- discretionary management mandates;
- investment advisory services;
- investment fund selection;
- foreign exchange and precious metals transactions;
- structured products;
- private equity;
- property loans;
- commercial transactions;
- estate planning;
- e-Banking.

From an economic and financial perspective, 2014 reflected the cumulative effects of difficult market conditions and a worsening international climate.

In this context, the Private Banking teams stood by their focusing on a long-term approach and tailoring the investment solutions to meet economic developments.

The entire Swiss banking sector also grappled with major changes in the regulatory framework for international Private Banking. To stay one step ahead of developments in banking legislation, Crédit Agricole (Suisse) SA set up a major system to meet the requirements of Swiss and international regulators. As a result, our teams were able to adjust to the constantly evolving regulatory restrictions whilst simultaneously maintaining strong client relations. This ability to adapt, backed up by substantial investment, means that Crédit Agricole (Suisse) SA can look to the future with confidence.

"Our sales teams showed great cool-headedness in adjusting to tough market conditions and a rapidly changing regulatory environment. They continued their efforts to provide tailor-made services to our international clientele."

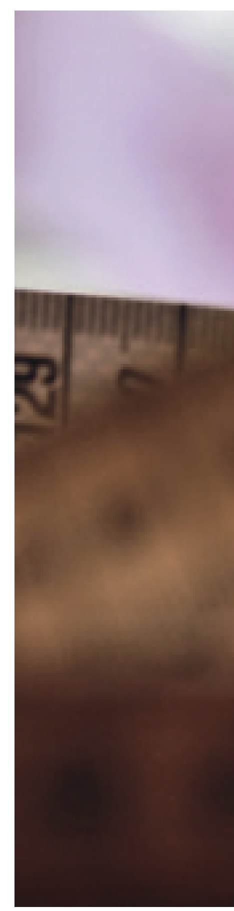
Patrick Ramsey, Head of Clientele,
Private Banking

We also completed the geographical reorganisation of our sales teams in 2014. The new-look organisation will allow us to provide more extensive coverage of our international clientele's needs and to respond more swiftly to meet their expectations. In this respect, the reorganisation effected in 2014 will support Crédit Agricole (Suisse) SA's further integration within the existing Crédit Agricole Private Banking international network. The complementarity between our global expertise and our high-calibre sales forces, from Switzerland to Asia and the Middle East, will enable the Bank to continue to expand in the areas that are set to enjoy rapid economic growth in the years ahead.

The Private Banking range of investment solutions

The investment solutions proposed by Crédit Agricole (Suisse) SA were tailored over the course of the year 2014 to reflect changes affecting asset classes and the main global markets. From this point of view, the year that has just ended may be seen as one of real transition. Although various factors played a part, the policies adopted by the leading central banks seem to have played a decisive part in developments. In particular, investor expectations were guided by the Federal Reserve's phase-out of monetary easing and non-conventional measures. Even so, new market conditions did not emerge in a linear fashion. The historically low level of volatility, especially in the early part of the year, caused some participants to underestimate the risks of instability. Conversely, amid mounting political uncertainty and plummeting oil prices, the final months of 2014 made it clear that swift and substantial price movements were still possible.

Against this backdrop, the Crédit Agricole (Suisse) SA teams concentrated on striking a flexible and adjustable balance between asset classes. This strategy paid off handsomely insofar as it allowed us to tap into equity market momentum without overlooking fixed income opportunities. As a result, the positions that we constructed over the course of the year were both consistent and stable, in line with client expectations. With major differences coming to light during the year, not just between sectors of activity but also between geographic zones, special attention was paid to stock picking. Our recognised expertise in identifying and following up on opportunities was decisive in maximising performances. The crucial impact of this geographic and sector selection became clearly apparent as instability mounted towards the close of 2014. With markets facing zero or even negative rates, these skills will be similarly vital to promoting sustainable value creation for investors in the medium term.



The continually growing share of products developed and managed by our staff in all the assets held with Crédit Agricole (Suisse) SA is testimony to our clients satisfaction. In this regard, special attention was paid to expanding the range aimed at major clients, as Crédit Agricole (Suisse) SA marshalled all its skills throughout the world in order to provide effective solutions to international issues and related diversification objectives.

The investment strategies implemented by our **discretionary management teams,** drawing on the work of Crédit Agricole (Suisse) SA economists, yielded outstanding performances. A balanced dose of risk coupled with tactical choices prepared in conjunction with other Crédit Agricole Private Banking entities made it possible to generate positive returns despite weak volatility for most of the year and a perpetual squeeze on returns owing to the low level of interest rates.

Thanks to constant responsiveness and a rigorous selection process, the **Investment Advisory Services** provided Crédit Agricole (Suisse) SA clients with solutions tailored to the complex market conditions. The main assumptions underlying the Advisory team's recommendations were constantly updated and confirmed by market developments. Expertise in selection and monitoring was also brought to bear on our structured products range, particularly for products with equity underlyings.

This business generated high volumes in 2014, reflecting performances in line with client expectations. Although affected by the low level of volatility, **Forex activities** also showed real resilience, notably thanks to appropriate strategic decisions concerning dollar movements.

Still driven by long-run momentum, the **Private Equity** business line enjoyed success throughout the year. In terms of returns but also of new money, 2014 stood out as a record year, leading to new developments both in Europe and on the Asian market, which is served from Singapore. Similarly, real estate investments benefited from the low returns on more liquid securities, and Crédit Agricole (Suisse) SA's financing and investment transactions in this asset class climbed by more than 30% in 2014.

Cooperation between Crédit Agricole (Suisse) SA's Investment Solutions teams and those of the other Crédit Agricole Private Banking entities deepened further in 2014. This approach, which seeks to harness the complementarity between our different Private Banking entities worldwide, involves skills-pooling and the progressive harmonisation of communication tools. It will, moreover, enable us to cater better to the specific needs of our clients, whatever their country of residence, and will constitute a priority in 2015. In an environment calling for a more selective attitude to geographic regions and sectors of activity, along with rigorous monitoring of allocation rotations, efforts to unlock synergies and share expertise will be more vital than ever.

"Thanks to their ability to listen and respond, our teams successfully controlled the risks associated with challenging market conditions while also offering our clients access to the highest-calibre investment solutions."

Pierre Masclet, Head of Markets
and Investment Solutions

Capital Markets

Broadly negative market conditions had an adverse impact on the capital markets business in 2014, which was characterised by rock-bottom interest rates and volatility of close to zero. Despite the tough environment, Crédit Agricole (Suisse) SA put in a responsive yet prudent performance, which, coupled with operational excellence, allowed us to safeguard client interests while optimising business line results.

Economic conditions were separated into two different phases over the previous 12 months. The start of 2014 featured dollar weakness and persistent uncertainty about the monetary policy of the main central banks. The second half saw the dollar gain ground against other currencies, while volatility returned to the currency market. This shift was largely attributable to the perception of increased geopolitical risk owing to recurring instability in several regions, including Ukraine and the Middle East, together with an overall improvement in US economic indicators. Other factors amplified the impact of these data: the fact that the Fed ended its asset purchasing policy enabled US interest rates to firm, while deflationary pressures in the euro zone promoted the ECB to adopt a more flexible stance.

While market developments paved the way for volatility to pick up slightly after a flat 18 months, 2014 also brought tougher regulations, particularly in terms of capital adequacy ratios. Accordingly, the Crédit Agricole (Suisse) SA Capital Markets teams, and especially the Cash Management department, were alert to regulatory changes and their strict application.

Given the complex environment surrounding capital markets activities throughout the year, the department posted satisfactory results. Despite unsupportive conditions, our teams were able to provide optimal quality of service, living up to the expectations of our Private Banking, institutional and Corporate client segments. Performances were also driven by currency and precious metal transactions, cash management and sales of interest rate, hybrid and currency products.

The appeal of Forex and particularly of hedging transactions for Private Banking clients faded over 2014, a fact that was reflected in business volumes. Sales of currency products to institutional and corporate clients put in an excellent showing, however. Bond sales also had a very positive year, generating much better than expected revenues. In general, miscellaneous performances aside, the Capital Markets teams managed to deliver optimal quality of service for all of the department's activities.

"Despite many factors of uncertainty, our teams did a great job of reconciling the hunt for the market's best opportunities with constant attention to security and operational excellence. Thanks to their dedication, the Capital Markets department was able in 2014 to make headway in adjusting to increasingly stringent regulations and building increased cooperation within the Group."

Philip Adler, Head of Capital Markets

Coverage of large businesses and banks

The Coverage department, which was set up by Crédit Agricole (Suisse) SA in 2007, is responsible for the global follow-up of relations between the Crédit Agricole Group and major Swiss corporate clients, investment holding companies and financial institutions around the world.

Its mission is to coordinate actions to meet major Swiss clients' needs within different Group business lines or entities that specifically interest this clientele.

In 2014, revenues with Swiss corporate clients were robust despite a steep decline in financing conditions. Business with large Swiss financial institutions remained sustained, with further revenue growth.

In 2014, the most important transactions with major Swiss clients were in Acquisition Finance, Loan Syndication, Trade Finance, Equity Capital Markets and Global Markets (fixed income, currency, precious metals).

In the current setting, managing operational risk remains a top priority for Capital Markets staff. Efforts in this respect form part of the drive to achieve maximum integration within the Crédit Agricole Group's market activities. We also continue to pay close attention to the changes demanded by regulators so that we can anticipate new market conditions and offer Crédit Agricole (Suisse) SA clients optimal levels of security.

Commercial Banking

The Commercial Banking division of Crédit Agricole (Suisse) SA handles all financing and credit solutions for its corporate clients, notably large multinational groups and international commodity trading companies. Its tried and tested structure is organised around two separate units: Global Commodity Finance and traditional Corporate Banking activities. In addition, a specialised unit was set up in 2014 to provide Commercial Services to our Private Banking clients.

The strategy of consolidating transactional and structured finance activities paid off for **Global Commodity Finance** in 2014, as the business line realised much of its forecast potential despite increasingly unfavourable economic and geopolitical conditions.

The start of the second quarter was marked by the first round of Western sanctions against Russia following the conflict in Ukraine. This had a major impact on Russian oil exports and hence on our business in financing these flows, a large share of which is traded in Geneva.

3,500

USERS OF THE S2i SYSTEM

36,000

USERS OF THE S2i E-BANKING SYSTEM

CHF 115

BILLION IN CLIENT ASSETS MANAGED USING THE S2i SYSTEM (AT 31.12.2014)

The second half saw oil prices plummet by more than 50%, while other commodity prices softened across the board. Despite these negative factors, the business line managed to maintain revenues through sound risk management.

The second Commercial Banking business line, **Corporate Banking,** relies on a multi-business line, multi-service offering to forge dedicated partnerships with large corporations and Swiss subsidiaries of international groups.

In 2014, Crédit Agricole (Suisse) SA had the opportunity to renew several syndicated loans, acting as arranger alongside Crédit Agricole CIB, notably as part of financing a major acquisition in the retail trade sector. Despite persistently difficult cyclical conditions, the quality of the loan portfolio remained intact, with risk cost kept under control over the year. Meanwhile, through our Geneva-based Trade team, we provided clients with a comprehensive array of Export & Trade Finance services, including the issuance of international market guarantees and the preparation of export financing packages covered by export risk guarantees. For this, the team drew on the expertise and support of the entire network of one of Europe's top universal banking groups.

"Our know-how and high-quality services are our key strengths, enabling us to assist clients in their decisions and provide the solutions they need to execute their commercial projects."

Pierre Glauser, General Manager,
Head of Commercial Banking, Switzerland
Worldwide Head of Global Commodity Finance

Last but not least, our staff worked throughout the year to organise the integration of Commercial Banking activities within the Private Banking business, in accordance with the project endorsed by the Group.

Crédit Agricole Private Banking Services Logistics Centre

Crédit Agricole (Suisse) SA's Logistics Centre, operating under the name of Crédit Agricole Private Banking Services, is an invaluable resource for the Bank's different activities. Equipped with first-class technical and operational skills, it continues to develop cutting-edge IT logistics to further improve its role as a services centre in charge of IT and back-office functions for the international Private Banking subsidiaries of the Crédit Agricole Group.

Relying on these skills, moreover, which are attested by several certifications (ISO 9001: 2008 for quality, ISAE 3402 Type 2 for operational risk management, and ISO 27001 for the management of IT security); for almost 20 years, the Centre has also offered banks outside the Group, in Switzerland and abroad, a one-stop outsourcing package for IT services, back-office and accounting functions.

In all, 25 banks in 11 countries, totalling more than 3,500 users, have already chosen the Crédit Agricole Private Banking Services platform, which develops according to their needs and those of their clients. In all, over CHF 115 billion in client wealth is managed using the S2i integrated banking application.

The Logistics Centre is continually improving its services, focusing on three areas: constantly striving to improve the quality of operations, boosting productivity and managing operational risk.

This led to the completion or launch of numerous projects in 2014:

- ongoing upgrades to S2i, including new functionalities tailored to banking needs, notably addressing major regulatory and tax changes, and the development of a host of new tax management functions,
- overhaul of the S2i software, using new technologies that will provide client banks with a tool that is even better suited to their current and future needs. Deliveries from this project took place over the course of the year,
- renewal of ISAE 3402 certification, which ensures rigorous internal control of IT and operational processes, as well as ISO 27001 certification of our IT security management system. These efforts reassure client banks and their auditors about outsourcing their activities to Crédit Agricole Private Banking Services,
  - launch of an S2i banking environment in Italy for a subsidiary of Crédit Agricole Luxembourg,
  - preparation of four migrations for new clients that will join the S2i platform in H1 2015,
  - preparation and implementation of numerous changes to regulations and taxes,
  - continuation of numerous outsourcing contracts, testifying to the quality of Crédit Agricole (Suisse) SA's IT, accounting and back-office outsourcing services.

"Crédit Agricole Private Banking Services is benefiting from the trend towards concentration in a banking sector in the throes of change. This is enabling us to step up our presence on the market and pitch our services to larger organisations.
By pooling our skills, together we can look with confidence towards the future challenges facing banking."

Jean-Claude Favre, General Manager, Head of Logistics, Crédit Agricole Private Banking Services.

Key figures

(in millions of CHF)	31.12.2014	31.12.2013	% change
Balance sheet			
Total assets	20 044	19 756	+1.5
Shareholders' equity as defined in Art. 21-26 and 31-40 CAO (Tier 1)	1 477	1 417	+4.3
Income statement			
Interest income	166.3	154.6	+7.6
Commission income	237.6	255.6	-7.0
Trading income	59.6	99.3	-40.0
Other ordinary income	83.6	59.5	+40.5
Total income (operating income)	**547.1**	**569.0**	**-3.8**
Personnel expenses	-296.3	-285.8	+3.7
General and administrative expenses	-117.4	-107.0	+9.7
Gross profit	**133.4**	**176.2**	**-24.3**
Amortisation and valuation adjustments	-99.6	-52.4	+90.1
Extraordinary income and expenses	27.5	4.7	-
Taxes	-31.1	-33.6	-7.4
Profit	**30.2**	**94.9**	**-68.2**
Total managed assets	**46 482**	**41 360**	**+12.4**
Number of employees (in full-time work equivalents)	**1 326**	**1 322**	**0.3**
Ratios (%)			
Equity/Total assets	7.4	7.2	
Expenses/Income	75.6	69.0	
ROE	2.0	6.7	
Tier 1 capital ratio*	13.7	13.1	

From the financial year 2014 onwards, the key figures are published on the basis of individual accounts. The comparison with 2013 is on a like-for-like basis.

** In June 2014, the Bank changed its approach towards the calculation of credit risk, switching from the standard Swiss approach (Basel II) to the standardised international approach (Basel III, comprehensive method).*

Management Report 2014

CRÉDIT AGRICOLE

Balance sheet as at 31 December 2014

ASSETS

(in thousands of CHF)	31.12.2014	31.12.2013
Liquid assets	3 326 645	3 264 452
Amounts due from money-market instruments	1 087 919	500 914
Amounts due from banks	6 306 478	6 909 560
Amounts due from customers	6 445 886	6 028 846
Mortgage loans	483 367	466 620
Trading portfolios of securities and precious metals	546	825
Financial investments	1 669 902	1 848 010
Participating interests	42 857	73 892
Tangible fixed assets	247 710	253 528
Accrued income and prepaid expenses	86 361	156 442
Other assets	346 093	253 296
Total assets	**20 043 764**	**19 756 385**
Total subordinated claims	—	—
Total amounts due from Group companies and significant shareholders	6 208 418	6 645 068

LIABILITIES

(in thousands of CHF)	31.12.2014	31.12.2013
Liabilities from money-market instruments	759	870
Amounts due to banks	4 305 791	5 469 470
Other amounts due to customers	13 560 280	12 145 217
Accrued expenses and deferred income	113 923	127 649
Other liabilities	287 041	252 126
Valuation adjustments and provisions	248 982	178 828
Reserves for general banking risks	19 400	19 400
Share capital	579 371	579 371
General statutory reserve	490 205	490 205
Retained earnings brought forward	407 811	398 318
Profit for the year	30 201	94 931
Total liabilities	**20 043 764**	**19 756 385**
Total subordinated liabilities	590 000	590 000
Total amounts due to Group companies and significant shareholders	1 997 097	1 868 370

OFF-BALANCE SHEET TRANSACTIONS

(in thousands of CHF)	31.12.2014	31.12.2013
Contingent liabilities	4 389 797	5 130 473
Irrevocable commitments	1 548 241	1 374 882
Commitment credits	74 489	112 457
Derivative financial instruments:		
Positive replacement values	337 642	244 388
Negative replacement values	277 174	247 337
Contract volumes	24 281 108	26 588 524
Fiduciary transactions	3 721 607	4 056 798

Income statement for the year 2014

INCOME AND EXPENSES FROM ORDINARY BANKING OPERATIONS

(in thousands of CHF)	Year 2014	Year 2013
Result from interest operations		
Interest and discount income	191 349	188 656
Interest and dividend income from financial investments	4 455	5 350
Interest expense	-29 494	-39 421
Subtotal result from interest operations	*166 310*	*154 585*
Result from commission business and services		
Commission income from lending activities	42 594	55 005
Commission income from securities trading and investment activities	177 945	181 519
Commission income from other services	57 692	63 688
Commission expense	-40 640	-44 585
Subtotal result from commission business and services	*237 591*	*255 627*
Result from trading activities	*59 557*	*99 303*
Other result from ordinary activities		
Result from the disposal of financial investments	628	1 035
Income from participating interests	20 625	2 500
Result from real estate	2 158	2 263
Other ordinary income	60 459	53 804
Other ordinary expenses	-231	-93
Subtotal other result from ordinary activities	*83 639*	*59 509*
Operating expenses		
Personnel expenses	-296 259	-285 841
General and administrative expenses	-117 446	-107 040
Subtotal operating expenses	*-413 705*	*-392 881*
Gross profit	**133 392**	**176 143**

PROFIT FOR THE YEAR

(in thousands of CHF)	Year 2014	Year 2013
Gross profit	133 392	176 143
Depreciation and amortisation of fixed assets	-22 933	-13 853
Valuation adjustments, provisions and losses	-76 621	-38 521
Result before extraordinary items and taxes	*33 838*	*123 769*
Extraordinary income	27 516	4 736
Extraordinary expenses	-8	-21
Taxes	-31 145	-33 553
Profit for the year	**30 201**	**94 931**

APPROPRIATION OF PROFIT

(in thousands of CHF)	Year 2014	Year 2013
Profit for the year	30 201	94 931
Retained earnings brought forward	407 811	398 318
Retained earnings	**438 012**	**493 249**
Appropriation of profit		
Dividend	—	-85 438
Retained earnings brought forward	**438 012**	**407 811**

Cash flow statement

(in thousands of CHF)	Year 2014 Source of funds	Year 2014 Use of funds	Year 2013 Source of funds	Year 2013 Use of funds
Cash flow from operating activities (internal financing)				
Profit for the year	30 201		94 931	
Depreciation of fixed assets	22 933		13 853	
Valuation adjustments and provisions	70 151		34 119	
Result from trading activities	12 848		63	
Accrued income and prepaid expenses	70 081			9 061
Accrued expenses and deferred income		13 726		7 670
Other assets		92 797	65 148	
Other liabilities	34 915			60 940
Subtotal	**241 129**	**106 523**	**208 114**	**77 671**
Balance	**134 606**		**130 443**	
Cash flow from shareholders' equity transactions				
Previous year's dividend		85 438		128 000
Subtotal	**–**	**85 438**	**–**	**128 000**
Balance	**–**	**85 438**	**–**	**128 000**

(in thousands of CHF)	Year 2014 Source of funds	Year 2014 Use of funds	Year 2013 Source of funds	Year 2013 Use of funds
Cash flow from investment activities				
Financial investments	178 108			165 129
Participating interests	7 276		1 392	
Tangible fixed assets		6 204		11 043
Subtotal	**185 384**	**6 204**	**1 392**	**176 172**
Balance	**179 180**	**—**	**—**	**174 780**
Cash flow from banking operations				
Medium-and long-term business (>1 year)				
Amounts due to banks	9 962			28 288
Other amounts due to customers				913
Amounts due from banks	117 638			224 657
Amounts due from customers	191 619			128 136
Mortgage loans		13 572		45 404
Short-term business				
Liabilities from money-market instruments		111	136	
Amounts due to banks		1 173 641		146 956
Other amounts due to customers	1 415 063			725 013
Amounts due from money-market instruments		587 005	299 256	
Amounts due from banks	485 444		1 412 464	
Amounts due from customers		608 656	300 290	
Mortgage loans		3 175	2 096	
Trading portfolios of securities and precious metals	279		43	
Subtotal	**2 220 005**	**2 386 160**	**2 014 285**	**1 299 367**
Balance	**—**	**166 155**	**714 918**	**—**
Liquidity				
Change during the year		62 193		542 581

Notes to the financial statements

1. NOTES ON BUSINESS ACTIVITIES, DISCLOSURE OF HEADCOUNT

Crédit Agricole (Suisse) SA's (hereafter "the Bank") field of activity covers the management of client wealth, the activities of Commercial Banking and Global Commodity Finance as well as short-term cash trade or long-term money market instruments, currency and precious metals either as an intermediary or on the Bank's own account. Moreover the Logistics Centre of the Bank which is located in Lausanne operates as a services centre in charge of IT management, back-office and accounting outsourcing for entities belonging to the Crédit Agricole SA Group and third-party companies.

The Bank has branch offices in Lugano, Zurich, Hong Kong and Singapore, and subsidiaries in Switzerland, Lebanon and Luxembourg, as well as representation offices in the United Arab Emirates and in Pakistan.

As part of the realignment of its activities, the Bank started the liquidation process for its subsidiary Crédit Agricole Suisse (Bahamas) Ltd, Nassau, in early August 2014, and closed its subsidiary Indosuez Trust Company Cayman Ltd, George Town, in early November 2014.

The Bank is participating in the investigations associated with potential violations of American laws and regulations as far as embargoes and other economic sanctions are concerned. The proceedings brought by the US authorities concern the Crédit Agricole CIB Group and extend to the activities of affiliates. Crédit Agricole CIB has set aside a reserve to cover the potential fine for breaches of US regulations, based on the review currently underway of transactions carried out within the Crédit Agricole CIB Group. The Bank is participating in the US program aimed at regulating the tax difference between the Swiss banks and the United States in conformity with the recommendations of the Swiss Financial Market Supervisory Authority. A provision has been earmarked to cover any potential penalty. This provision was calculated on the basis of information available on the account closing date and using transparent criteria.

At 31 December 2014, the Bank's full-time equivalent staff numbered 1,326 persons, compared with 1,322 at 31 December 2013.

Compulsory disclosure on the Hong Kong branch remuneration system

The Board of Directors of Credit Agricole (Suisse) SA sets and enforces remuneration policy. It has appointed a Remuneration Committee composed of three Board members.

The structure and level of total remuneration is aligned with Crédit Agricole (Suisse) SA's business strategy, objectives, values and long-term interests, such as sustainable growth prospects as well as financial results and risk policy. It conforms to 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 important share of total remuneration and makes it possible to operate a flexible bonus policy. If a substantial bonus is granted, payment of a portion can be deferred.

In reference to 2014, total fixed remuneration (excluding charges) for senior management (three people) and key personnel (three people) of the Credit Agricole (Suisse) Hong Kong branch amounted to HKD 11.4 million.

Variable remuneration (excluding charges) totalled HKD 1.7 million, split between HKD 1.5 million for immediate cash bonuses and HKD 0.2 million for deferred bonuses.

No sign-on payments were awarded among the same personnel categories in 2014. A severance payment amounting to three months of salary was paid in 2014.

Risk Management

GENERAL RISK POLICY

The Board of Directors establishes the risk policy on the basis of statutory requirements and head-office directives. Responsibility for implementing the policy lies with Senior Management. The Bank is active in several business lines, which expose it primarily to counterparty risk, market risk, operational risk, legal risk and reputation risk.

RISK ASSESSMENT

The Board of Directors regularly examines the main operational risks to which the Bank is exposed; these are described below. The assessment takes account of measures which aim to limit the risks as well as internal controls planned for this purpose. The Board of Directors ensures that measures are in place to ensure continuous control within the business lines and that the parameters influencing the risk profile are assessed and taken into account in the preparation of the financial statements.

COUNTERPARTY RISK

Counterparty risk, or credit risk, represents the loss borne by the Bank in the event of default by a counterparty.

Loans are granted according to a system of delegation of authority and are subject to a rating system. 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.

Risks are regularly monitored by the Credit and Risk division according to stringent procedures. Senior Management and the Board of Directors are kept informed on a regular basis.

MARKET RISK

Market risk reflects the potential loss on the Bank's portfolio caused by fluctuations in exchange rates, interest rates and the prices of securities.

Managing market risk involves identifying, measuring and monitoring open positions. The trading portfolio is valued and compliance with assigned limits is monitored on a daily basis. These positions are followed on the basis of a value-at-risk model. Moreover, they are subject to sensitivity limits, which are also checked on a daily basis.

The main market risks faced by the Bank are:

- **Foreign exchange risk**

  Foreign exchange risk relates to changes in the value of positions denominated in foreign currencies as a result of fluctuations in the exchange rates of the said currencies against the Swiss franc.

  Positions in foreign currencies are adjusted as soon as the transaction is initiated. They are revalued several times a day at regular intervals. In addition, limits are set for each currency in order to reduce the risk.

  With the exception of some strictly identified hedging positions, all foreign exchange risk is included in the Bank's trading positions.

- **Interest rate risk**

  Interest rate risk relates to the loss of value on the overall positions of the Bank, both in the trading portfolio or resulting from the structure of the Bank's balance sheet.

  The Bank's portfolio positions essentially cover the capital loans and acceptances business (net outstanding loans to clients and banks). The Bank assesses this risk using asset-liability management (ALM) techniques in order to evaluate maturity structures and the impact of possible interest rate movements affecting on-balance sheet and off-balance sheet positions.

Within the framework of asset-liability management and on the basis of empirical statistical analyses, the Bank then staggers certain positions with undetermined interest rate constraints.

- **Securities price risk**

  Securities price risk relates to value changes in securities portfolios (trade and financial investments). It is monitored on a regular basis by the Risks and Permanent Control unit.

- **Liquidity risk**

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

  Securities received under repurchase and reverse repurchase agreements and those that the Bank can dispose of freely are included in the liquidity ratio. The market value of the securities received or remitted is checked on a daily basis so that additional collateral may be put up or demanded.

OPERATIONAL RISK

Operational risk is defined as the risk resulting from inadequacies in the design, procurement or implementation of procedures for recording data relating to the Bank operations in information systems in general, and in accounting systems in particular.

This risk is limited through the use of highly automated processes and internal control measures. In addition, the Bank has an Internal Control unit that ensures procedural compliance and analyses data flows. A database has been created to cater for the collection and analysis of data regarding any incidents which may occur.

COMPLIANCE AND LEGAL RISK

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

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

CAPITAL ADEQUACY RATIO

Since 30 June 2014, the Bank has prepared its capital adequacy ratio for shareholders' equity in accordance with the Basel III framework, measuring credit risk using the standardised international approach.

In accordance with ref. No. 5 of the FINMA circular 2008/22, Crédit Agricole (Suisse) SA does not disclose information about its capital insofar as comparable information is published on an annual basis at the level of the Crédit Agricole Corporate & Investment Bank Group (cf. 2014 Annual Report – Chapter: "Basel III Pillar 3 disclosures", available at www.ca-cib.fr) and on a half-yearly basis at the level of the Crédit Agricole SA Group (available at http://finance.credit-agricole.com).

BUSINESS POLICY WHEN USING DERIVATIVE FINANCIAL INSTRUMENTS

Transactions for the Bank itself 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.

OUTSOURCING OF ACTIVITIES

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

2. DISCLOSURE OF THE ACCOUNTING AND VALUATION POLICIES

2.1 Principles for preparation of the Bank's financial statements

GENERAL PRINCIPLES

The Bank's accounting and valuation principles comply with the requirements of the Swiss Code of Obligations effective until 31 December 2012 in accordance with the transitional provisions of the new accounting law, the Swiss Federal Banking Act and the corresponding Implementing Ordinance, and also with the FINMA circular 2008/02 "Accounting – Banks".

Following the liquidation of its subsidiary Crédit Agricole Suisse (Bahamas) Ltd, the Bank no longer sets up consolidated accounts. The subsidiaries consolidated until 30 June 2014 have become non-significant from a quantitative point of view.

2.2 Accounting principles

GENERAL PRINCIPLES

Assets, liabilities and off-balance sheet items reported under the same heading are always valued individually.

RECORDING OF TRANSACTIONS AND PRESENTATION IN THE BALANCE SHEET

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

CONVERSION OF FOREIGN CURRENCY ITEMS

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

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

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

	2014		2013	
Currency	Closing exchange rate	Avg. annual exchange rate	Closing exchange rate	Avg. annual exchange rate
EUR	1.2028	1.2125	1.2244	1.2286
USD	0.9883	0.9189	0.8864	0.9236
JPY	0.00827	0.00863	0.00844	0.00945

CASH, RECEIVABLES RELATING TO MONEY-MARKET INSTRUMENTS AND COMMITMENTS

These items are carried in the balance sheet at their nominal value. Specific provisions are raised for any receivables deemed to be doubtful and are charged directly against the assets concerned. Discounts on money-market instruments are allocated to the income statement on an accruals basis through adjustment accounts.

AMOUNTS DUE FROM BANKS AND CLIENTS, MORTGAGES

Doubtful receivables, i.e. receivables for which it is unlikely that the debtor will be able to meet his commitments, are valued individually and the write-down is covered by valuation adjustments.

When a receivable is deemed to be wholly or partially irrecoverable, it is written down by debiting the corresponding valuation adjustment.

A receivable is no longer deemed to be doubtful when the arrears (principal plus interest) have been settled, servicing of the debt has returned to normal and other solvency criteria have been met.

SECURITIES AND PRECIOUS METALS TRADING PORTFOLIOS

Securities acquired in the course of trading activities are marked to market.

Gains and losses made on purchases and sales, as well as unrealised gains and losses arising from fair-value changes, are reported under “Net income from trading”. The cost of refinancing securities in trading portfolios is set off against interest and dividend income from those portfolios and is reported under “Net income from trading”.

FINANCIAL INVESTMENTS

Fixed-income debt instruments to be held until maturity are valued according to the accrual method. The corresponding premiums and discounts are apportioned over the residual period to maturity. These adjustments are recorded as additions to or deductions from book value.

Gains and losses arising on interest alienated before maturity or repaid early are spread over the remaining life of the transaction, i.e. until the initial expected maturity.

The fixed-income debt instruments that are not to be held until maturity may be valued according to the accrual method. The corresponding premiums and discounts are apportioned over the residual period to maturity. Valuation is therefore based on an acquisition cost that is adjusted according to the interest rate component. Spreading of gains and losses on transactions alienated during the theoretical remaining duration is not applicable.

Securities relating to participating interest instruments are valued, according to whichever is the lower, the acquisition cost or the market value.

Physical stocks of precious metals, held to cover commitments on metals accounts, are assessed at market value.

REPURCHASE AND REVERSE REPURCHASE

Sales of securities with a repurchase obligation (repurchase) and acquisitions of securities with an obligation to resell (reverse repurchase) are classed as guaranteed financial 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.

PARTICIPATING INTERESTS

Equity participations are recorded on the balance sheet at their acquisition price, restated for any amortisation required on economic grounds.

TANGIBLE FIXED ASSETS

Fixed assets are recognised at their acquisition cost and depreciated on a straight-line basis over their estimated useful lifetime as follows:

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

Upon subsequent revaluation, tangible fixed assets are carried in the balance sheet at their acquisition cost, less cumulative depreciation. The depreciation calculation is based on the asset’s entire estimated useful life. Depreciation is calculated from the time the item is first used.

The Bank has committed itself to implementing a substantial technological upgrade called Programme S2i ORCHIS (Optimized Reengineering and Change of Our Information System). The S2i ORCHIS programme, which comprises a range of modules, is designed to update the S2i banking software using new technologies.

Certain expenses related to the S2i ORCHIS programme that fulfil the conditions for capitalisation are recorded as assets on the balance sheet. These non-current assets are amortised over 10 years from the time the modules go into production.

Current values are reviewed each time the balance sheet is drawn up. Extraordinary amortisation is taken into account when warranted by the circumstances.

ACCRUED INCOME AND TAXES

Cut-off is applied to interest income and expenses, lending commissions considered as a component of interest, personnel and other operating expenses, safekeeping fees, commissions on fiduciary transactions and asset management commissions.

TAXES

Current taxes affecting revenues and relevant capital for the corresponding period are calculated in accordance with applicable tax rules. Direct taxes still due at the end of the fiscal year are recorded as liabilities on the balance sheet under “accruals”.

VALUE ADJUSTMENTS AND PROVISIONS

The Bank’s credit activity is limited mainly to Lombard loans and Transactional Commodity Finance. The particularity of these transactions is that repayment capacity is linked to the collateral put up during the transactions (self-liquidating transactions) as well as to the solvency of the debtor concerned.

When there is doubt as to a debtor’s ability to honour his commitments, the Bank raises adequate provisions for the principal and interest, taking into account existing guarantees and collateral, as well as the economic environment. These valuation adjustments, which are made on an individual basis for each position, are charged directly against the balance sheet assets concerned. Interest deemed to be doubtful under this rule is provisioned from the date on which serious doubts first arise.

In accordance with the prudence principle, other identifiable risks are covered by provisions recognised in the balance sheet under “Valuation adjustments and provisions”.

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 overall banking activity. These reserves are considered as forming part of shareholders’ equity under Swiss banking law (CAO) Amounts allocated to or written off from the reserves are recognised as extraordinary items.

PENSION COMMITMENTS

The majority of the staff of the Bank are covered by the pension fund. Employee pension contributions are deducted from salaries from the date on which the employee joins the Bank or from 1 January following his or her 24th birthday, whichever is the later. Employee contributions amount to 6.2% of the guaranteed salary. The employer’s contribution varies from 8.8% to 18.8% of the guaranteed salary and depends on the employee’s age. Employees are entitled to a pension or lump sum payment upon reaching the retirement age conferring entitlement to the Swiss State pension scheme. Employees can opt to take early retirement as from 58 years of age, in which case the pension amount is reduced. The pension plan also provides for payment of a pension to the employee’s spouse and children in the event of the death of the employee.

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

The economic benefits or commitments arising from a funding surplus or deficit are determined annually based on the pension fund’s financial statements, prepared in accordance with Swiss GAAP RPC 16.

CONTINGENT COMMITMENTS, IRREVOCABLE COMMITMENTS, COMMITMENTS TO APPROVE OF OR MAKE SUPPLEMENTARY PAYMENTS, AND CONFIRMED CREDITS

Off-balance sheet items are stated at their nominal value. A provision is made for identifiable risks and recorded under liabilities in the balance sheet.

DERIVATIVE FINANCIAL INSTRUMENTS

The Bank uses derivative financial instruments to manage its balance-sheet structure, and also for trading purposes on behalf of its clients.

The positive or negative replacement values of all derivative instruments outstanding at the balance-sheet date are recorded gross in the balance sheet under “Other assets” and “Other liabilities” respectively.

Trading transactions are marked to market, whereas balance sheet management transactions are valued in the same way as the hedged positions.

Valuation adjustments that are not recognised in the income statement at the closing date are recorded in a netting account, which is included in “Other assets” or “Other liabilities” depending on the balance on the account.

LAYOUT OF THE NOTES TO THE FINANCIAL STATEMENTS

The numbering of the notes follows the layout stipulated by the FINMA in its directives governing the preparation of financial statements, except for note 3.5.

3. INFORMATION ON THE BALANCE SHEET

3.1 Overview of collateral for loans and off-balance-sheet transactions

3.1.1 Overview according to collateral

(in thousands of CHF)	Type of collateral: Secured by mortgage	Other collateral	Unsecured	Total
Loans and advances				
Amounts due from customers	13 408	3 964 667	2 467 811	6 445 886
Mortgage loans				
Residential property	483 367	—	—	483 367
Total loans and advances				
Reference year	**496 775**	**3 964 667**	**2 467 811**	**6 929 253**
Previous year	481 189	3 398 725	2 615 552	6 495 466
Off-balance sheet				
Contingent liabilities	20 447	681 440	3 687 910	4 389 797
Irrevocable commitments	—	5 802	1 542 439	1 548 241
Commitment credits	—	26 790	47 699	74 489
Total off-balance sheet				
Reference year	**20 447**	**714 032**	**5 278 048**	**6 012 527**
Previous year	16 949	1 324 544	5 276 319	6 617 812

3.1.2 Disclosures of impaired loans/receivables

(in thousands of CHF)	Gross amount	Estimated liquidation proceeds of collateral	Net amount	Individual value adjustments
Impaired loans / receivables				
Current year	**296 858**	**81 469**	**215 389**	**210 507**
Previous year	241 517	37 478	204 039	169 974

The difference between the net amount and the individual value adjustment is explained by partial provisioning on debtors whose solvency is reasonably ensured.

3.2 Trading portfolios of securities and precious metals, financial investments and participating interests

(in thousands of CHF)	Current Year	Previous Year
Trading portfolios of securities and precious metals		
– Equity securities	546	825
of which own equity shares	—	—
Total trading portfolios of securities and precious metals	**546**	**825**
of which securities eligible for repo transaction in accordance with liquidity regulations	—	—

	Book value		Fair value	
(in thousands of CHF)	Current Year	Previous Year	Current Year	Previous Year
Financial investments				
– Debt securities	1 532 703	1 727 629	1 534 329	1 728 229
of which held until maturity	*1 532 210*	*1 726 900*	*1 533 836*	*1 727 500*
of which recognised in accordance with the lower of cost or market principle	*493*	*729*	*493*	*729*
– Equity securities	1 434	2 581	2 592	3 763
of which qualified participations	—	—	—	—
- Precious metals	135 765	*117 800*	135 765	*117 800*
Total financial investments	**1 669 902**	**1 848 010**	**1 672 686**	**1 849 792**
including securities eligible for repo transactions in accordance with liquidity regulations	*1 532 210*	*1 726 900*	*1 533 836*	*1 727 500*

(in thousands of CHF)	Current Year	Previous Year
Participating interests		
– Without listed value	42 857	73 892
Total participating interests	**42 857**	**73 892**

3.3 Main participating interests

Company name	Registered office	Activity	Currency	Current Year		
				Share capital (in thousands)	Voting rights %	Holding %
Crédit Agricole Suisse (Bahamas) Ltd, in liquidation Nassau	Bahamas	Banking	USD	2 000	100.0	100.0
Crédit Agricole Suisse Conseil SA, Geneva	Switzerland	Advisory and entities management	CHF	3 000	100.0	100.0
Finanziaria Indosuez International SA, Lugano	Switzerland	Investment and asset management	CHF	1 800	100.0	100.0
Crédit Agricole Financements (Suisse) SA, Geneva	Switzerland	Banking – Mortgage lending	CHF	229 992	11.4	11.4
Crédit Agricole Investment Management S.à.r.l. – Luxembourg	Luxembourg	Financial company	EUR	12	100.0	100.0
Crédit Agricole Suisse (Liban) Financial Services SAL – Beirut	Lebanon	Financial company	LBP	2 000 000	100.0	100.0
Indosuez Trust (Switzerland) SA, Geneva	Switzerland	Fiduciary operations	CHF	400	100.0	100.0

Main changes in 2014:

- Equity capital reduced by USD 8 million and Crédit Agricole Suisse Bahamas Ltd, Nassau put into liquidation.
- Indosuez Trust Company Cayman Ltd, George Town, wound up.

3.4 Presentation of fixed assets

(in thousands of CHF)	Cost value	Accumulated depreciation and value adjustment	Book value end previous year	Current Year: Variation / foreign exchange difference	Additions	Disposals	Depreciation	Book value current year end
Participating interests	105 985	-32 093	73 892	-12 892	—	-7 276	-10 867	42 857
Total participating interests	**105 985**	**-32 093**	**73 892**	**-12 892**	**—**	**-7 276**	**-10 867**	**42 857**
Bank's buildings	275 893	-46 841	229 052	—	—	-2 890	-3 660	222 502
Other tangible fixed assets	92 108	-67 632	24 476	44	9 130	-36	-8 406	25 208
Total tangible fixed assets	**368 001**	**-114 473**	**253 528**	**44**	**9 130**	**-2 926**	**-12 066**	**247 710**
Fire insurance value of real estate			**178 316**					**168 555**
Fire insurance value of other tangible fixed assets			**94 000**					**94 100**

3.5 Other assets and other liabilities

(in thousands of CHF)	Current Year		Previous Year	
	Other assets	Other liabilities	Other assets	Other liabilities
Replacement values of derivative financial instruments				
– Trading instruments	195 698	191 722	168 130	156 320
– Hedging instruments	141 944	85 452	72 649	87 408
Indirect taxes	679	7 952	71	8 262
Offset account	—	1 057	5 460	—
Other	7 772	858	6 986	136
Total	**346 093**	**287 041**	**253 296**	**252 126**

3.6 Pledged or assigned assets to secure own commitments and of assets subject to reservation of title

(in thousands of CHF)	Current Year		Previous Year	
	Book value of pledged assets and assets assigned as collateral	Effective obligations	Book value of pledged assets and assets assigned as collateral	Effective obligations
Financial assets	493	—	729	—
Other assets	904	—	778	—
Total	**1 397**	**—**	**1 507**	**—**

Lending transactions and securities repurchase agreements

(in thousands of CHF)	Current Year	Previous Year
Receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase agreements	—	—
Obligations from cash collateral received in connection with securities lending and repurchase agreements	1 053 179	1 379 779
Securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	1 045 084	1 389 786
With unrestricted right to resell or pledge	*1 031 632*	*1 366 992*
Securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse-repurchase agreements with an unrestricted right to resell or repledge	—	—
Including repledged or resold securities	—	—

3.7 Liabilities relating to own pension funds

1. Liabilities to own pension funds

(in thousands of CHF)	31.12.2014	31.12.2013
Other amounts due to customers	67 039	43 818
Other liabilities	–	1 680
Total liabilities to own pension funds	**67 039**	**45 498**

2. Information regarding pension funds

The majority of the staff at Crédit Agricole (Suisse) SA are covered by the pension fund. Employee pension plan contributions are deducted from salaries from the date the employee joins the Group, but no earlier than 1 January following his or her 24th birthday. Employee contributions amount to 6.2% of the guaranteed salary. The employer's contribution varies from 8.8% to 18.8% of the guaranteed salary and depends on the employee's age. Employees are entitled to a pension or lump-sum payment upon reaching the retirement age conferring entitlement to the Swiss State pension scheme. Employees can opt to take early retirement as from 58 years of age, in which case the pension amount is reduced. The pension plan also provides for payment of a pension to the employee's spouse and children in the event of the death of the employee.

	Pension expenses included in "Personnel expenses"	
(in thousands of CHF)	**2014**	**2013**
Crédit Agricole (Suisse) SA pension fund	22 639	22 211

Financial benefits / commitments arising from a funding surplus / deficit

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

	31.12.2013	31.12.2012
Crédit Agricole (Suisse) SA pension fund	108.8%	106.6%

Based on provisional figures, the level of funding exceeded 100% at 31 December 2014.
As long as the contingency funds have not reached the regulatory level, there is no funding surplus as defined by Swiss GAAP RPC 16.

3.9 Valuation adjustments and provisions, reserve for fluctuations in credit risks, reserves for general banking risks

(in thousands of CHF)	Balance as at end of previous financial year	Use in conformity with designated purpose	Recoveries, overdue interest, currency differences	New provisions charged to income statement	Releases to income statement	Balance as at end of reference financial year
Valuation adjustments and provisions for default risks and other risks						
– Valuation adjustments and provisions for default risks (collection and country risks)	169 974	-719	19 037	24 185	-1 970	210 507
– Valuation adjustments and provisions for other business risks	73 042	-367	11 046	66 441	-5 496	144 666
– Other provisions	105 779	-369	—	7 911	-9 015	104 306
Total valuation adjustments and provisions	**348 795**	**-1 455**	**30 083**	**98 537**	**-16 481**	**459 479**
Less: Valuation adjustments directly offset against assets	-169 967					-210 497
Total valuation adjustments and provisions as per balance sheet	**178 828**					**248 982**
Reserves for general banking risks	**19 400**	**—**	**—**	**—**	**—**	**19 400**

Reserves for general banking risks are taxable.

The nature of its activity exposes the Group to legal and regulatory risks. The Group is also required to collaborate in the event of investigations carried out by Swiss or foreign supervisory authorities. In line with its policy, the Group sets up reserves for current, or for any potential procedures that might arise when Management considers there is a risk that the aforementioned procedures are likely to result in a financial commitment. In accordance with the recommendations issued by the Swiss Financial Market Supervisory Authority, the value adjustments include reserves to cover for a potential fine that could be imposed within the framework of the US program.

The proceedings linked to potential violations of US embargo laws and regulations are being managed at the level of Crédit Agricole CIB. The investigations are not yet completed. As the share of the potential fine borne by the Bank cannot be reliably estimated, no reserve has been set aside in the Bank’s books.

3.10 Share capital and shareholders holding more than 5% of all voting rights

		Current Year		Previous Year	
		Share capital	**Total share capital**	**Share capital**	**Total share capital**
Total nominal value	in thousands of CHF	579 371	579 371	579 371	579 371
Number of shares	in thousands	579	579	579	579
Dividend-bearing capital	in thousands of CHF	579 371	579 371	579 371	579 371

	Current Year		Previous Year	
Significant shareholders and groups of shareholders with pooled voting rights	**Nominal** in thousands of CHF	**Holding** in %	**Nominal** in thousands of CHF	**Holding** in %
With voting rights				
Crédit Agricole Private Banking, Paris (indirect subsidiary of Crédit Agricole SA)	579 371	100	579 371	100

3.11 Statement of shareholders' equity

(in thousands of CHF)		
Equity at beginning of current year		
Share capital		579 371
General statutory reserve		490 205
Reserves for general banking risks		19 400
Retained earnings		493 249
Total equity at beginning of current year		
(before appropriation of profit)		**1 582 225**
- Dividend distribution		-85 438
+ Profit for the current year		30 201
Total equity at end of current year		
(before appropriation of profit)		**1 526 988**
of which:	Share capital	579 371
	General statutory reserve	490 205
	Reserves for general banking risks	19 400
	Retained earnings	438 012

3.12 Maturity structure of current assets, financial investments and borrowed funds

(in thousands of CHF)	At sight	Cancellable	Residual term: Within 3 months	Residual term: Within 3 to 12 months	Residual term: Within 1 to 5 years	Residual term: After 5 years	Total
Current assets							
Liquid assets	3 326 645	—	—	—	—	—	3 326 645
Amounts due arising from money-market instruments	—	—	981 675	106 244	—	—	1 087 919
Amounts due from banks	344 180	—	2 382 752	1 812 355	980 894	786 297	6 306 478
Amounts due from customers	—	981 889	4 464 171	668 499	287 831	43 496	6 445 886
Mortgage loans	—	—	83 037	39 917	244 441	115 972	483 367
Trading portfolios of securities and precious metals	546	—	—	—	—	—	546
Financial investments	137 634	—	113 832	544 802	873 534	100	1 669 902
Total current assets							
Reference year	**3 809 005**	**981 889**	**8 025 467**	**3 171 817**	**2 386 700**	**945 865**	**19 320 743**
Previous year	3 885 909	891 283	8 289 527	2 537 720	2 658 705	756 083	19 019 227
Third-party liability							
Liabilities from money-market instruments	759	—	—	—	—	—	759
Amounts due to banks	514 101	—	2 818 338	299 552	83 800	590 000	4 305 791
Other amounts due to customers	11 475 645	—	1 733 564	351 071	—	—	13 560 280
Total third-party liability							
Current year	**11 990 505**	**—**	**4 551 902**	**650 623**	**83 800**	**590 000**	**17 866 830**
Previous year	10 173 056	—	5 658 822	1 119 841	73 838	590 000	17 615 557

3.13 Disclosure of amounts due from/to related companies as well as loans to members of governing bodies

(in thousands of CHF)	Current Year	Previous Year
Receivables from related companies	4 298	73 439
Due to related companies	449 450	1 382 043
Loans to members of governing bodies	7 980	6 979

Transactions with related companies

These refer to transactions with related companies carried out under normal market conditions.

Loans to members of governing bodies

These mainly consist of mortgages and Lombard loans.

3.14 Breakdown of domestic and foreign assets and liabilities (based on domicile)

(in thousands of CHF)	Current Year Domestic	Current Year Foreign	Current Year Total	Previous Year Domestic	Previous Year Foreign	Previous Year Total
Assets						
Liquid assets	3 286 390	40 255	3 326 645	3 065 811	198 641	3 264 452
Amounts due arising from money-market	355 399	732 520	1 087 919	257 155	243 759	500 914
Amounts due from banks	3 579 808	2 726 670	6 306 478	3 943 248	2 966 312	6 909 560
Amounts due from customers	2 496 363	3 949 523	6 445 886	2 503 044	3 525 802	6 028 846
Mortgage loans	179 091	304 276	483 367	188 316	278 304	466 620
Trading portfolios of securities and precious metals	—	546	546	—	825	825
Financial investments	237 205	1 432 697	1 669 902	118 547	1 729 463	1 848 010
Participating interests	40 596	2 261	42 857	40 596	33 296	73 892
Tangible fixed assets	247 134	576	247 710	252 740	788	253 528
Accrued income and prepaid expenses	57 958	28 403	86 361	153 729	2 713	156 442
Other assets	18 234	327 859	346 093	11 648	241 648	253 296
Total assets	**10 498 178**	**9 545 586**	**20 043 764**	**10 534 834**	**9 221 551**	**19 756 385**
Liabilities						
Liabilities from money-market instruments	758	1	759	869	1	870
Amounts due to banks	1 005 118	3 300 673	4 305 791	898 430	4 571 040	5 469 470
Other amounts due to customers	1 599 415	11 960 865	13 560 280	1 867 658	10 277 559	12 145 217
Accrued expenses and deferred income	104 267	9 656	113 923	118 702	8 947	127 649
Other liabilities	10 692	276 349	287 041	17 569	234 557	252 126
Valuation adjustments and provisions	248 982	—	248 982	177 435	1 393	178 828
Reserves for general banking risks	19 400	—	19 400	19 400	—	19 400
Share capital	579 371	—	579 371	579 371	—	579 371
General statutory reserve	490 205	—	490 205	490 205	—	490 205
Retained earnings brought forward	407 811	—	407 811	398 318	—	398 318
Profit for the year	23 427	6 774	30 201	87 796	7 135	94 931
Total liabilities	**4 489 446**	**15 554 318**	**20 043 764**	**4 655 753**	**15 100 632**	**19 756 385**

3.15 Total assets by country or group of countries (based on domicile)

(in thousands of CHF)	Current Year Amount	Current Year %	Previous Year Amount	Previous Year %
Assets				
Europe	14 568 749	72.7	15 096 501	76.4
o/w: *Switzerland*	*10 498 178*	*52.4*	*10 534 834*	*53.3*
France	*2 333 356*	*11.6*	*2 520 969*	*12.8*
United Kingdom	*626 050*	*3.1*	*505 481*	*2.6*
Africa	149 497	0.7	165 021	0.8
North America	229 845	1.1	234 802	1.2
South America	113 495	0.6	235 604	1.2
Asia	3 742 129	18.7	3 936 298	19.9
o/w: *Singapore*	*2 315 511*	*11.6*	*2 355 251*	*11.9*
Hong Kong	*536 658*	*2.7*	*446 580*	*2.3*
Saudi Arabia	*161 090*	*0.8*	*196 271*	*1.0*
Caribbean	1 197 538	6.0	70 287	0.4
Oceania	42 511	0.2	17 872	0.1
Total assets	**20 043 764**	**100.0**	**19 756 385**	**100.0**

3.16 Assets and liabilities by currency

(in thousands of CHF)	CHF	EUR	USD	Other	Total
		Currencies converted to CHF			
Assets					
Liquid assets	3 286 389	2 523	612	37 121	3 326 645
Amounts due arising from money-market instruments	—	2 434	800 345	285 140	1 087 919
Amounts due from banks	4 206 173	218 712	1 153 512	728 081	6 306 478
Amounts due from customers	483 006	962 096	4 227 400	773 384	6 445 886
Mortgage loans	206 002	208 097	4 777	64 491	483 367
Trading portfolios of securities and precious metals	97	212	237	—	546
Financial investments	512	1 167 214	366 411	135 765	1 669 902
Participating interests	40 596	15	2 246	—	42 857
Tangible fixed assets	247 134	—	—	576	247 710
Accrued income and prepaid expenses	42 175	25 894	9 940	8 352	86 361
Other assets	299 825	218	5 664	40 386	346 093
Total balance sheet assets	**8 811 909**	**2 587 415**	**6 571 144**	**2 073 296**	**20 043 764**
Delivery entitlements from spot exchange, forward Forex and Forex options transactions	**1 277 743**	**4 558 220**	**8 435 732**	**3 715 814**	**17 987 509**
Total assets	**10 089 652**	**7 145 635**	**15 006 876**	**5 789 110**	**38 031 273**
Liabilities					
Liabilities from money-market instruments	87	588	55	29	759
Amounts due to banks	1 686 602	880 949	1 536 973	201 267	4 305 791
Other amounts due to customers	934 253	3 048 300	7 915 087	1 662 640	13 560 280
Accrued expenses and deferred income	83 005	15 536	5 403	9 979	113 923
Other liabilities	251 887	1 917	783	32 454	287 041
Valuation adjustments and provisions	126 348	6 081	116 551	2	248 982
Reserves for general banking risks	19 400	—	—	—	19 400
Share capital	579 371	—	—	—	579 371
General statutory reserve	490 205	—	—	—	490 205
Retained earnings brought forward	407 811	—	—	—	407 811
Profit for the year	23 427	—	—	6 774	30 201
Total balance sheet liabilities	**4 602 396**	**3 953 371**	**9 574 852**	**1 913 145**	**20 043 764**
Delivery obligations from spot exchange, forward Forex and Forex options transactions	**5 487 726**	**3 192 756**	**5 431 205**	**3 875 822**	**17 987 509**
Total liabilities	**10 090 122**	**7 146 127**	**15 006 057**	**5 788 967**	**38 031 273**
Net positions by currency	**-470**	**-492**	**819**	**143**	**—**

4. INFORMATION ON OFF-BALANCE SHEET TRANSACTIONS

4.1 Contingent liabilities

(in thousands of CHF)	Current Year	Previous Year
Irrevocable and similar guarantees	3 086 739	3 469 228
Bid bonds	509 719	630 361
Irrevocable commitments	793 339	1 030 884
Total	**4 389 797**	**5 130 473**

4.2 Commitment credits

(in thousands of CHF)	Current Year	Previous Year
Commitments arising from acceptances	74 489	112 457
Total	**74 489**	**112 457**

4.3 Outstanding derivative financial instruments

(in thousands of CHF)	Trading instruments: Positive replacement values	Trading instruments: Negative replacement values	Trading instruments: Contract volumes	Hedging instruments: Positive replacement values	Hedging instruments: Negative replacement values	Hedging instruments: Contract volumes
Interest rate-related instruments						
- Swaps	14 725	14 270	764 291	83 836	75 528	5 237 200
- Options (OTC)	11 428	11 428	101 229	—	—	—
Foreign exchange / precious metals						
- Unsettled spot Forex transactions	—	—	477 332	—	—	—
- Forward contracts	115 331	111 813	8 535 779	58 108	9 924	5 450 636
- Futures	—	—	75	—	—	—
- Options (OTC)	41 615	41 612	3 523 762	—	—	—
Equity securities / indices						
- Options (OTC)	12 599	12 599	190 804	—	—	—
Total before netting contracts						
Current year	**195 698**	**191 722**	**13 593 272**	**141 944**	**85 452**	**10 687 836**
Previous year	168 130	159 929	16 538 181	76 258	87 408	10 050 343

(in thousands of CHF)	Positive replacement values (cumulative)	Negative replacement values (cumulative)
Total after impact of netting contracts		
Current year	**337 642**	**277 174**
Previous year	240 779	243 728

(in thousands of CHF)	Other assets	Other liabilities
Balance of offset account		
Current year	**—**	**1 057**
Previous year	5 460	—

4.4 Fiduciary transactions

(in thousands of CHF)	Current Year	Previous Year
Fiduciary transactions with third-party banks	671 495	703 065
Fiduciary transactions with related banks	3 042 792	3 346 134
Fiduciary loans and other fiduciary transactions	7 320	7 599
Total	**3 721 607**	**4 056 798**

4.5 Managed assets

(in millions of CHF)	Current Year	Previous Year
Type of managed assets		
Assets under discretionary asset management agreements	3 731	3 411
Other managed assets	42 751	37 949
Total managed assets (including double-counting)	**46 482**	**41 360**
of which double-counted items	—	—
Net new money inflow-outflow	1 103	-2 916
– Private Banking	*869*	*-2 236*
– Commercial Banking	*234*	*-680*

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

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

5. INFORMATION ON THE INCOME STATEMENT

5.2 Result from trading activities

(in thousands of CHF)	Current Year	Previous Year
Securities trading	109	234
Currencies trading	59 440	99 044
Other	8	25
Total	**59 557**	**99 303**

5.3 Personnel expenses

(in thousands of CHF)	Current Year	Previous Year
Salaries and indemnities	239 674	231 153
Social security contributions (AVS, AI, APG and other contributions required by law)	26 186	26 220
Contributions to pension funds	22 639	22 211
Other personnel expenses	7 760	6 257
Total	**296 259**	**285 841**

5.4 General and administrative expenses

(in thousands of CHF)	Current Year	Previous Year
Expenses relating to premises, light and heating	19 184	18 822
Expenses relating to IT, office equipment and furniture, vehicles and other equipment	29 705	26 112
Postal and telecommunication expenses	5 221	5 163
Travel and entertainment expenses	6 988	8 992
Fees	23 793	11 920
Other operating expenses	32 555	36 031
Total	**117 446**	**107 040**

5.5 Comments on extraordinary income and expenses, material releases of hidden reserves, reserves for general banking risks and releases of valuation adjustments and provisions no longer required

In 2014 the extraordinary income corresponds to the release of provisions and accrued expenses relating to previous financial years for an amount of CHF 19.9 million, as well as an income resulting from the sale of our building in Basel for CHF 7.6 million.

In 2013, extraordinary income mainly resulted from the merger with Sogea, Société de Gestion et d'Administration SA (CHF 4.4 million).

5.7 Income and expenses from ordinary banking activity – breakdown between those which are of domestic or foreign origin, according to the principle of permanent establishment

	Current Year			Previous Year		
(in thousands of CHF)	Domestic	Foreign	Total	Domestic	Foreign	Total
Income						
Interest income	154 749	11 561	166 310	145 624	8 961	154 585
Commission income	191 814	45 777	237 591	208 312	47 315	255 627
Trading income	54 788	4 769	59 557	93 664	5 639	99 303
Other ordinary income	83 545	94	83 639	59 505	4	59 509
Total income	**484 896**	**62 201**	**547 097**	**507 105**	**61 919**	**569 024**
Expenses						
Personnel expenses	-258 584	-37 675	-296 259	-247 322	-38 519	-285 841
Other operating expenses	-100 023	-17 423	-117 446	-91 172	-15 868	-107 040
Total expenses	**-358 607**	**-55 098**	**-413 705**	**-338 494**	**-54 387**	**-392 881**

The geographical distribution of income and expenses is assessed via branches and subsidiaries based in Switzerland and abroad respectively.

Proposal to the Annual General Meeting

PROPOSAL OF THE BOARD OF DIRECTORS TO THE ORDINARY ANNUAL GENERAL MEETING

(with previous year comparison)

Appropriation of profit
(in thousands of CHF)

The Board of Directors proposes to the Ordinary Annual General Meeting held on 29 April 2015 not to distribute any dividend. As the general statutory reserve reached 50% of the share capital, it has also been suggested that no new allocation be made.

	Year 2014	Year 2013
Profit for the year	30 201	94 931
Retained earnings brought forward	407 811	398 318
Retained earnings	**438 012**	**493 249**
Appropriation of profit		
Dividend	—	85 438
Retained earnings brought forward	438 012	407 811
	438 012	**493 249**

Report of the statutory auditor

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

As statutory auditor, we have audited the financial statements of Crédit Agricole (Suisse) SA, which comprise the balance sheet, income statement and notes (pages 32 to 66) for the year ended 31 December 2014.

BOARD OF DIRECTORS' RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

OPINION

In our opinion, the financial statements for the year ended 31 December 2014 comply with Swiss law and the company's articles of incorporation.

REPORT ON OTHER LEGAL REQUIREMENTS

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

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

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

PricewaterhouseCoopers Ltd
Geneva, 29 April 2015

Patrick Fritz	Josée Mercier
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This Annual Report is published in French and English. In the event of a difference between the two versions, the French text shall prevail.

This report is printed on Forest Stewardship Council accredited environmentally sustainable paper.

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Produced by: www.theoreme.ch

Reference No. 302