



2018

2018 Annual Report
CA Indosuez (Switzerland) SA

Editorial

traces / pathways

The illustrations in this Annual Report are based on the theme of “traces & pathways”.

A trace is defined as a series of footprints or a mark left by an activity.

It also suggests something that is enduring, such as a memory.

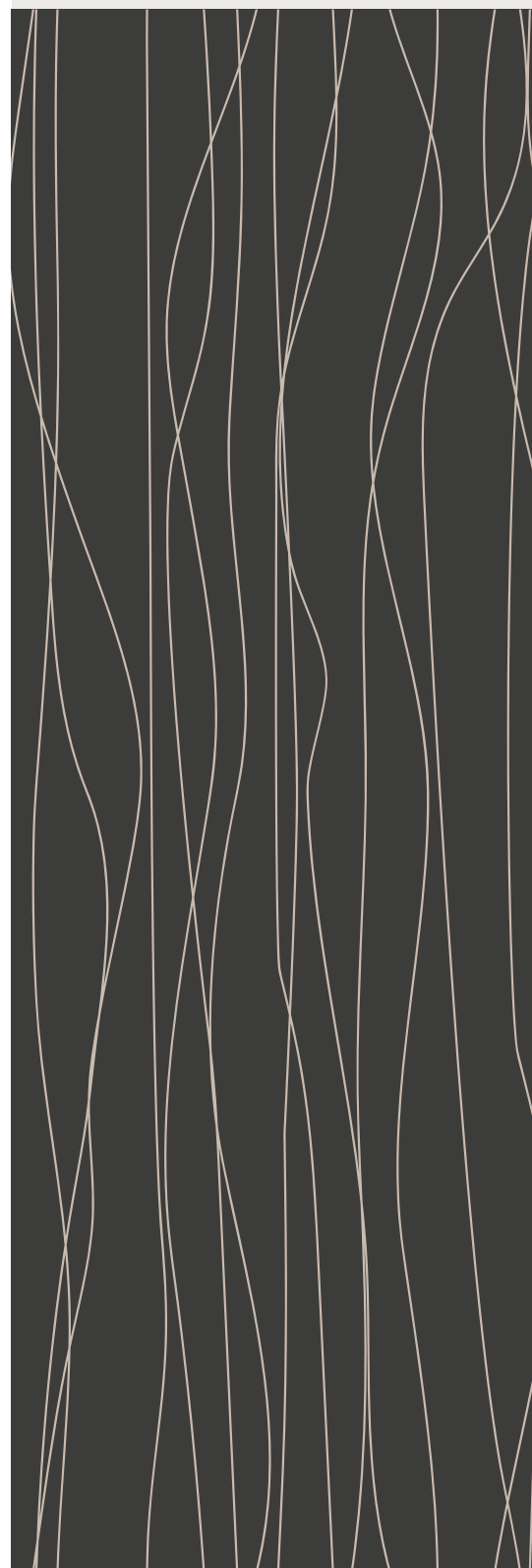
Chosen as the common conceptual and visual thread of this document, the trace symbol evokes the history of the Indosuez Wealth Management group and that of its customers, their decisions and actions.

It expresses not only the footprint and geographical reach, but also what remains, the memory of the existence of a single and unique brand.

Under its long, deep and strong lines, the pathway is a tribute to the Indosuez Wealth Management group’s various players, its customers, and to the wealth and diversity of their various gatherings.

Furthermore, they recall the different forms of financial activity inherent to the wealth management business.

These ideas embody the character of a strong, modern group which, by drawing on its past, is resolutely future-oriented and customer-focused.





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Crédit Agricole Group

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A whole bank just for you

Crédit Agricole has been its customers trusted partner for the past 125 years, and remains faithful to its customer focus, accountability and solidarity values.

Crédit Agricole is committed to establishing long-term relationships with all its customers, to support their projects, prepare for life's uncertainties and protect their interests.

Serving all types of customers, from low-income families to High Net Worth Individuals, from local merchants to farmers and multinationals, committed to transparency, loyalty and straightforward information.

Its customer-focused universal banking model underpins an ambitious Customer Project focused on building comprehensive and long-lasting relationships. The synergy between Crédit Agricole's different businesses provides each customer with a diverse pool of expertise and a distribution model that delivers a 100% human, 100% digital banking experience.

The Group aims for excellence in customer relations to the benefit of all, with:

day-to-day banking, lending and savings products, insurance, asset management, wealth management, leasing, factoring, corporate and investment banking, asset servicing, payment services and real estate.

Crédit Agricole's Corporate Social Responsibility policy lies at the heart of its cooperative and mutual identity, and its ambition.

It actively addresses environmental and social issues by supporting progress and change.

Systematic integration of climate risk into its financing and investment strategies (for asset management and insurance), as well as the bank's increasing involvement in renewable energy projects and its support to customers transitioning to a low-carbon economy illustrate its commitment.

This policy is embodied by the engagement of its 141 000 employees.



#1 Bancassurer in Europe
Provider of financing to the French economy
European asset manager



51 M
customers



47
countries



141 000
employees

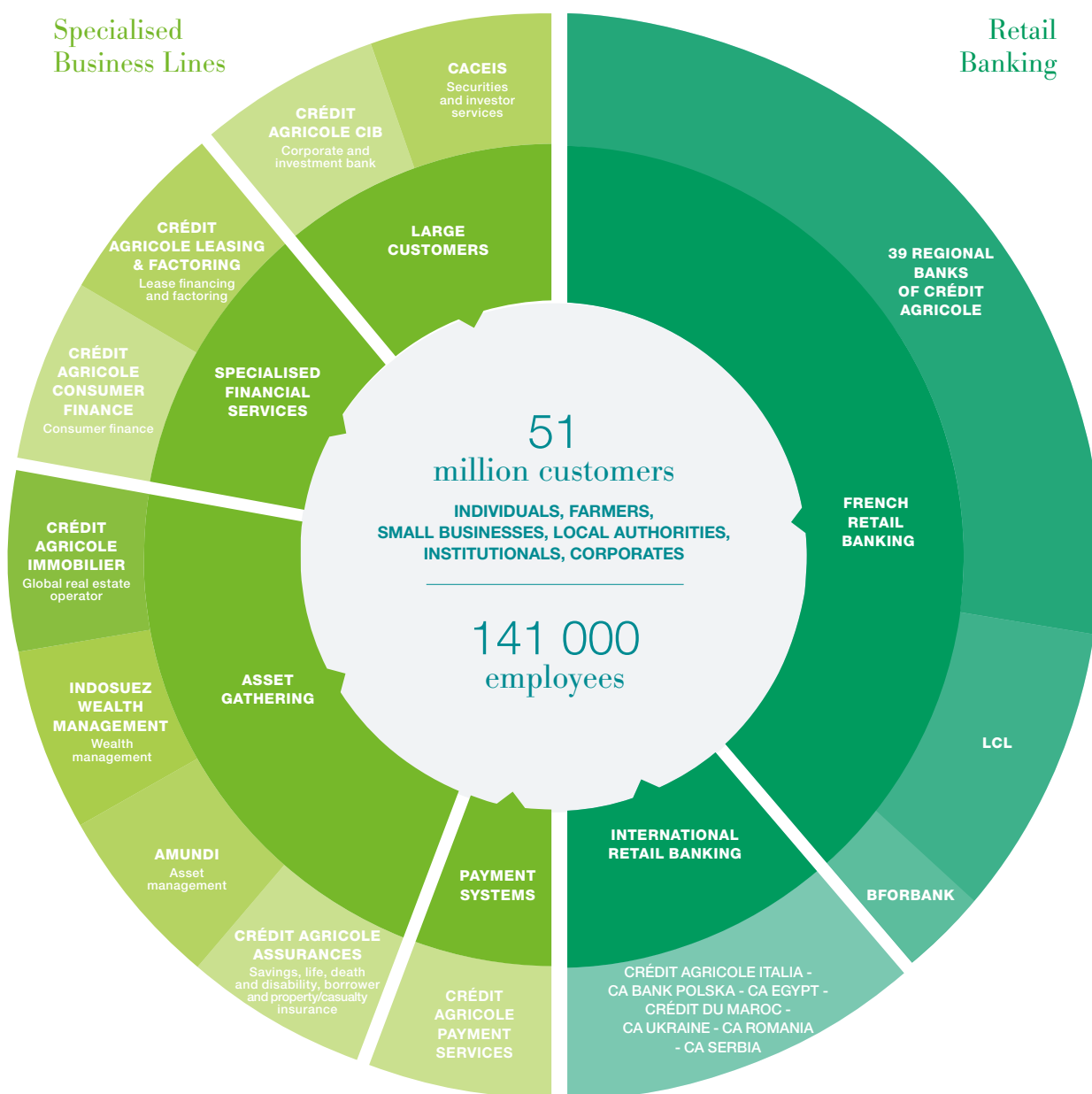
Group Organisation

More than 10 million mutual shareholders underpin Crédit Agricole’s cooperative organisational structure. They own the capital of the 2 432 Local Banks in the form of mutual shares and they elect their representatives each year. More than 30 000 directors work in their best interests.

The Local Banks own the majority of the 39 Regional Banks’ share capital.

The Regional Banks are cooperative regional banks offering their customers a comprehensive range of products and services. Their sounding board is the Fédération Nationale du Crédit Agricole, where the Group’s strategic vision and policies are discussed.

Together, the Regional Banks own, via SAS Rue La Boétie, the majority (56.3%) of the share capital of Crédit Agricole SA. Working with its specialist subsidiaries, Crédit Agricole SA coordinates the various business lines’ strategies in France and abroad.



Other specialised subsidiaries: Crédit Agricole Capital, Investissement & Finance, (Idia, Sodica), Uni-Médias

For 140 years we have advised entrepreneurs and families all over the world, supporting them with expert financial advice and exceptional personal service. Today, we work alongside our clients to help them build, protect, and transmit their wealth. As “Architects of Wealth” we offer state-of-the-art advice and unsurpassed service to define efficient wealth structures and best-in-class investment solutions. By doing so, we ensure our clients can focus on achieving their personal goals, while relying on the flawless execution of our traditional Wealth Management services and the precision of the banking and financial services of Crédit Agricole Group.

/2
Indosuez Wealth Management

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Message from the General Management of Indosuez Wealth Management Group



Investors will see 2018 as a transition year. The combination of geopolitical uncertainty and tensions over protectionism caused a market downturn. Moreover, ever-increasing regulatory sophistication and the competitive environment put strong pressure on both our costs and earnings.

Although these headwinds impacted our levels of activity, these remained steady thanks to the commitment of all our teams across the world, as well as our broad and distinctive offering.

A key achievement in 2018 was the completion of major projects, enabling our Bank to enter a new phase.

We consolidated our international positioning and successfully integrated a number of staff from our recent acquisitions in Asia and Monaco. In addition, we have hired new staff in Spain and the Middle East. The know-how of these new team members will enable us to strengthen our position on our most important markets.

The wealth management regulatory framework was tightened again during the year. The adaptation of our compliance and financial security standards in line with the stricter requirements of the Crédit Agricole Group remains a priority.

In this rapidly changing world, we have embarked on a major transformation, including the spin-off of Azqore, and Capgemini's acquisition of a stake in the new subsidiary. The two groups now have everything

Jean-Yves Hocher

Chairman
CA Indosuez Wealth (Group)



they need to pursue their strategic ambitions and create a new global benchmark in technology outsourcing services and banking transactions in the wealth management sector.

In 2019, we will continue to implement the transformation in progress in an agile way and build on our foundations. Our choices and achievements will be inspired by our steadfast commitment to make the client experience the best it can be, by improving the quality of our services and stepping up our operational and commercial efficiency.

We will accelerate our digitisation initiatives and continue our business development, while developing synergies with the Crédit Agricole Regional Banks and the Major Clients division.

We will expand our offering in order to meet the requirements of a growing number of clients worldwide (Socially Responsible Enterprise, real estate, financing).

In accordance with our deeply held convictions and our clients' expectations, we will continue our action plan aimed at promoting socially responsible investment.

We face many challenges, and our strategy is ambitious: we can leverage the appeal of our brand, the strength of our international network, the diversity of our talents, and the synergies generated with the Credit Agricole Group, along with its support, in order to offer our clients the best in wealth management services.



A handwritten signature in dark ink, appearing to read 'JP', written over a light-colored background.

Jacques Prost

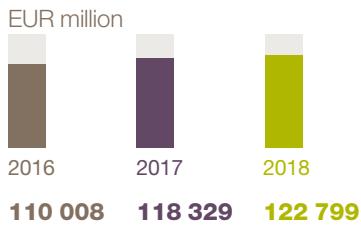
Chief Executive Officer
CA Indosuez Wealth (Group)

Our key figures as of 31 December 2018



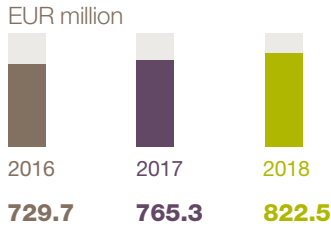
Americas Miami · Montevideo · Rio de Janeiro · São Paulo • **Europe** Monaco · Bordeaux · Lille · Lyon · Marseille · Nantes · Paris · Toulouse · Brussels · Antwerp · Bilbao · Madrid · Valencia · San Sebastian · Seville · Milan · Turin* · Lecco* · Florence* · Padua* · Rome* · Luxembourg · Geneva · Lugano · Zurich • **Middle East** Abu Dhabi · Beirut · Dubai • **Asia Pacific** Hong Kong, SAR · Singapore · Nouméa

*Banca Leonardo



Assets under management

In 2018, the financial markets suffered a number of heavy losses which were exacerbated in the fourth quarter. Notwithstanding negative market and forex impacts (EUR -3.9bn), assets entrusted to the Indosuez Wealth Management group rose +3.6%, which is a sign of sustained sales momentum with net inflows of nearly EUR 5bn. Furthermore, 2018 was marked by the onboarding of assets from Banca Leonardo (EUR 5bn) in the second quarter.

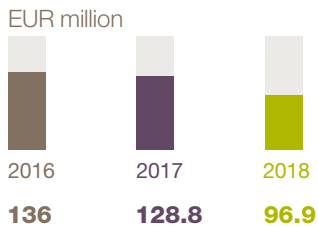


NBI

Net Banking Income (NBI) rose by EUR 57.1m (i.e. +7%) in 2018, reaching EUR 822.5m. Negative forex impacts (EUR -12.4m) combined with the coming into effect of new regulations in Europe (EUR -16.5m) and the downturn in the financial markets (EUR -14m) were more than offset by positive aspects.

In fact, acquisitions in 2016 (a referral agreement in Monaco for HSBC clients) and in 2017 (acquisition of CIC's wealth management business in Asia) made a positive contribution to the increase in NBI (EUR +41m) in addition to the integration of Banca Leonardo (EUR +17.5m) and teams based in Spain (EUR +2.2m), i.e. a total of more than EUR 60m.

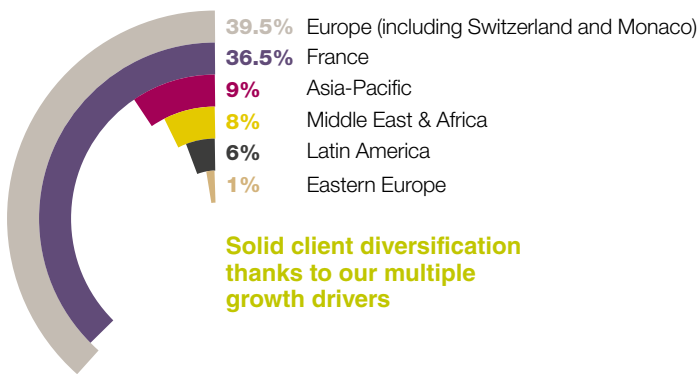
Furthermore, NBI directly related to sales remained strong, increasing of EUR 22.5m compared to 2017.



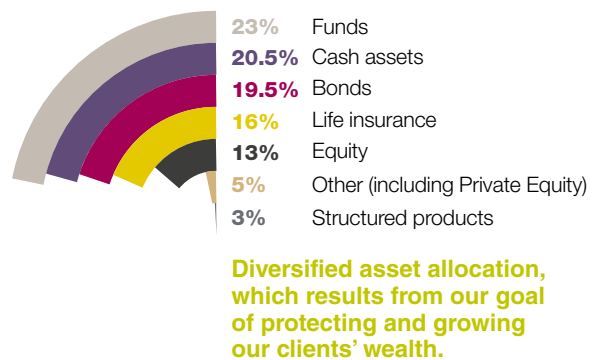
GOI

In 2018, gross operating income (GOI) fell compared to the previous year. It was particularly hurt by a number of different non-recurring expenses related to recent acquisition activities and by the costs associated with new regulatory requirements.

Geographic vision by country of residence



Asset allocation




14

countries

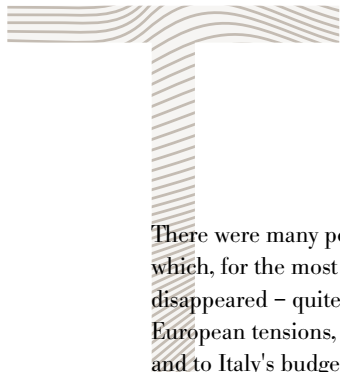
3150

employees representing an array of expertise



2018 Macroeconomic analysis and 2019 financial market outlook

“We can see that uncertainty about general economic policies has reached its highest level in more than twenty years. Ultimately, this has proven to be harmful for investment, both materially and monetarily.”



There were many political uncertainties in 2018 which, for the most part, have not completely disappeared – quite the opposite. As such, intra-European tensions, in particular those linked to Brexit and to Italy's budget, the trade war started by the United States against China and Europe (and, albeit to a lesser extent, against its neighbours, Canada and Mexico) and, more generally, the rise of populist movements, made economic policy increasingly unclear. Uncertainty over general economic policy has reached its highest level in more than twenty years.

2018: Politics takes revenge on economics

Ultimately, this has proven to be harmful for investment, both materially and monetarily.

Robust growth achieved in 2018

This phenomenon managed to obscure the fact that last year economic growth was robust just about everywhere. In the developed economies, the surprise came from the United States, where GDP, annualised in real terms, rose by 4.2% and 3.4% in the second and third quarters, respectively, i.e. at a pace well above the long-term potential of the US economy. This has to do with the stronger than expected impact of the tax reform advocated by Donald Trump.

Among the emerging market economies, it has to be said that despite the uncertainties surrounding China's economy, it has been able to maintain a high rate of growth, i.e. 6.4% from Q4 2017 to Q4 2018. This means that China is responsible for more than one-third of world growth.

That said, world growth faltered at the end of the year, approaching a pace that we would characterise as more normal. Although we have probably moved beyond peak growth, it is too early to start talking about recession.

Paul Wetterwald

Chief Economist
Indosuez Wealth Management

A temporary rise in inflation

Our 2018 oil price scenario predicted an average price of USD 65 (for WTI), which proved to be very close to reality. On the other hand, we did not expect to see so much oil price volatility. The increase in oil prices between September 2017 and September 2018 reacted with a degree of lag to the rate of inflation, which briefly flirted with 3% in the United States and exceeded 2% in the Euro Zone. With the sharp decline in oil prices in the autumn of 2018, we expect that a base effect driving consumer price indices (CPI) down will be felt in the next few months. This will impact not only headline inflation but also core inflation (i.e. excluding energy and food prices). In fact, the cost of transport, which is one item included in the calculation of core inflation but not headline inflation, is obviously strongly impacted by energy prices.

Unemployment down further

On the other hand, the significant improvement in the labour market continued. In the Euro Zone, unemployment amounted to 7.9% in November, its lowest since December 2008. In the United States, unemployment in December was 3.8%, a figure that has not been seen since December 1969. This improvement could ultimately lead to a stronger rise in wages and solve the Phillips Curve conundrum by “reviving” the inverse relationship between unemployment rates and wage fluctuations.

Slightly less accommodative monetary policies in 2019

Recent monetary policies are not expected to change drastically, given:

- the continuation of Fed funds rate hikes and the US central bank's shrinking balance sheet;
- the tightening of monetary policy in the Euro Zone with a potential increase in key rates by the European Central Bank (ECB) in late 2019;
- the positioning of the Swiss National Bank in reaction to the ECB and not as the first-mover;

“The level of interest rates in US dollars make short-term investments in this currency look fairly attractive. Moreover, the greenback has been buoyed by the interest rate differential and has proven to be the strongest currency in 2018 except for the Japanese yen.”

- strong monetary stimulus in China by shifting the focus away from the banking sector crackdown while simultaneously revitalising economic activities.

The Fed Funds Rate (USD) could reach 3% by the end of 2019 while the ECB's refinancing rate (EUR) could be increased to 0.25%.

We think a disorderly Brexit will be avoided, and so the Bank of England is expected to raise rates in 2019.

In Japan, the 2% inflation target was put on hold so priority can be given to managing the yield curve. The recent downward revision of wage growth data will only encourage the Bank of Japan to maintain its accommodative monetary policy.

Lastly, given Fleming's trilemma (a theory that states that it is impossible to have a fixed foreign exchange rate, free capital movement and an independent monetary policy the same time), the countries that opted to peg their currency to the US dollar will have to follow the United States' example and tighten their respective monetary policy. This is especially true in many Middle Eastern countries.

Financial markets: “*annus horribilis*”

Ranking followers are having a hard time identifying any asset classes that delivered significant nominal performance in 2018, not to mention real performance.

Within the equity space, there are a few rare exceptions such as the Brazilian equity market (+15% in local currency but 1.8% in USD), or the healthcare and utilities sectors outside the emerging markets.

On the bond market, most indices recorded overall negative performance. If we measure performance in local currency, we note a few exceptions among US, UK and Economic and Monetary Union (EMU) issues, Investment Grade corporate bonds in Japan and, even more surprisingly for casual investors, Investment Grade corporate bonds in China (+7.1%). These Chinese issues also delivered positive nominal performance in US dollars and in euros.

Results were more uneven in the commodities universe. While gold, oil and copper prices all fell, natural gas, wheat and cotton, to mention only a few, delivered positive performances.

If you add sky-rocketing volatility to this bleak picture, you can better understand why many portfolio managers have reported disappointing results.

Does the poor performance of the financial markets also reflect a struggling global economy?

As previously explained, the answer is no. If you look at global growth, which is estimated at 3.4% in real terms for 2018, and given that inflation is generally close to the targets set by the major central banks, the two culprits that probably bear most of the responsibility for the poor results this year are

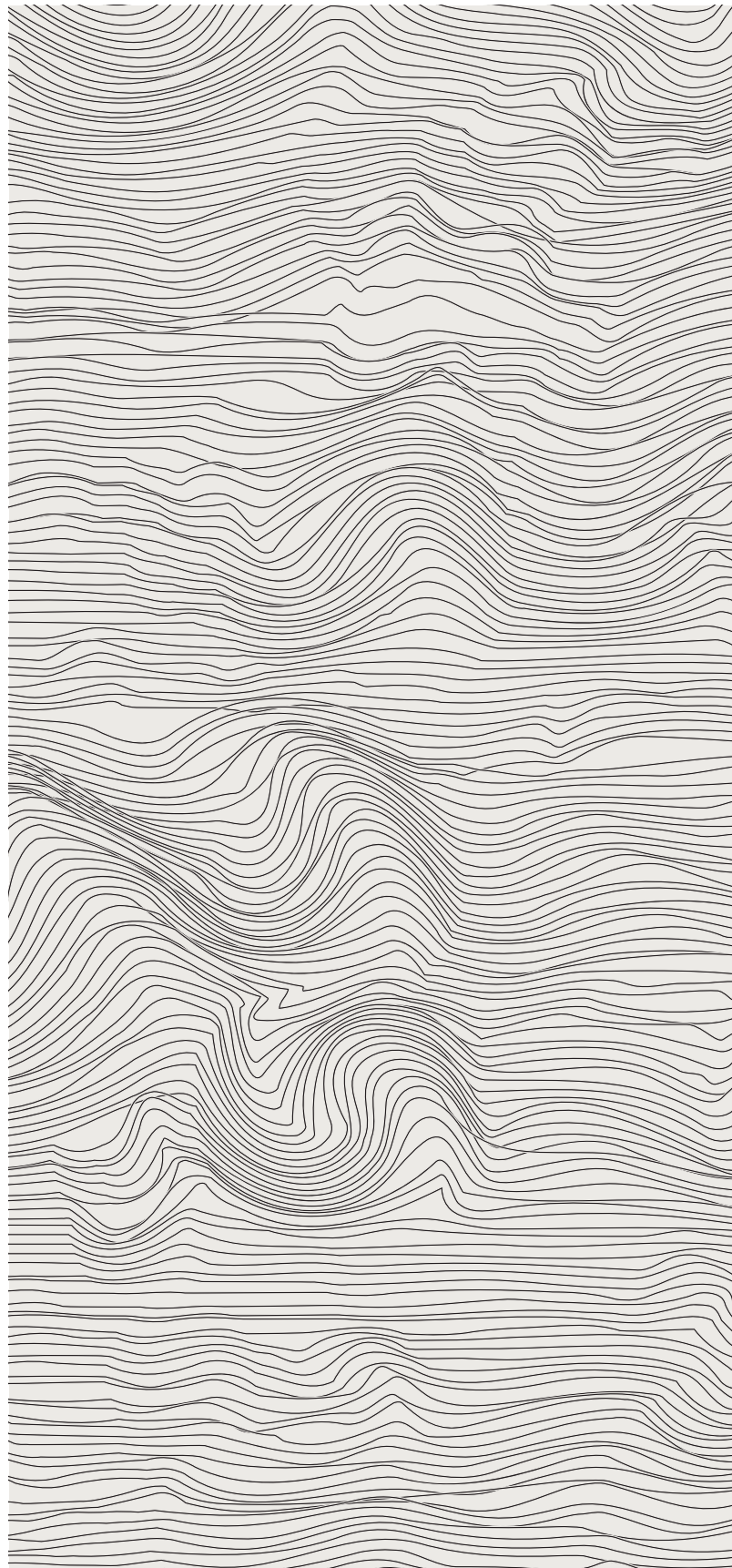
- i) competition resulting from the higher interest rates paid on short-term dollar deposits and
- ii) the presumed capacity of the markets to anticipate large-scale problems.

Admittedly, the level of interest rates in US dollars make short-term investments in this currency look fairly attractive. Moreover, the greenback has been buoyed by the interest rate differential and has proven to be the strongest currency in 2018 except for the Japanese yen.

Although short-term interest rates in US dollars are undeniably rising, we have a few doubts as to the validity of the second explanation. Neither European uncertainties nor the rise in protectionism are expected to derail the global economy in 2019.

Therefore, if our analysis is confirmed, it is too early to sell off risky assets.

Sent to press 25/01/2019.



Azqore, one of the subsidiaries of the Indosuez Wealth Management group dedicated to outsourcing services and banking transactions



Pierre Dulon

Azqore CEO

“2018 was the rebirth year: the company launch, rebranding and the signature of a partnership agreement with Capgemini. Azqore now has the building blocks to successfully complete its business development plan and help the Indosuez Wealth Management group with its own transformation.”

Azqore SA, formerly Crédit Agricole Private Banking Services (CA-PBS), became a new Indosuez Wealth Management subsidiary in 2018.

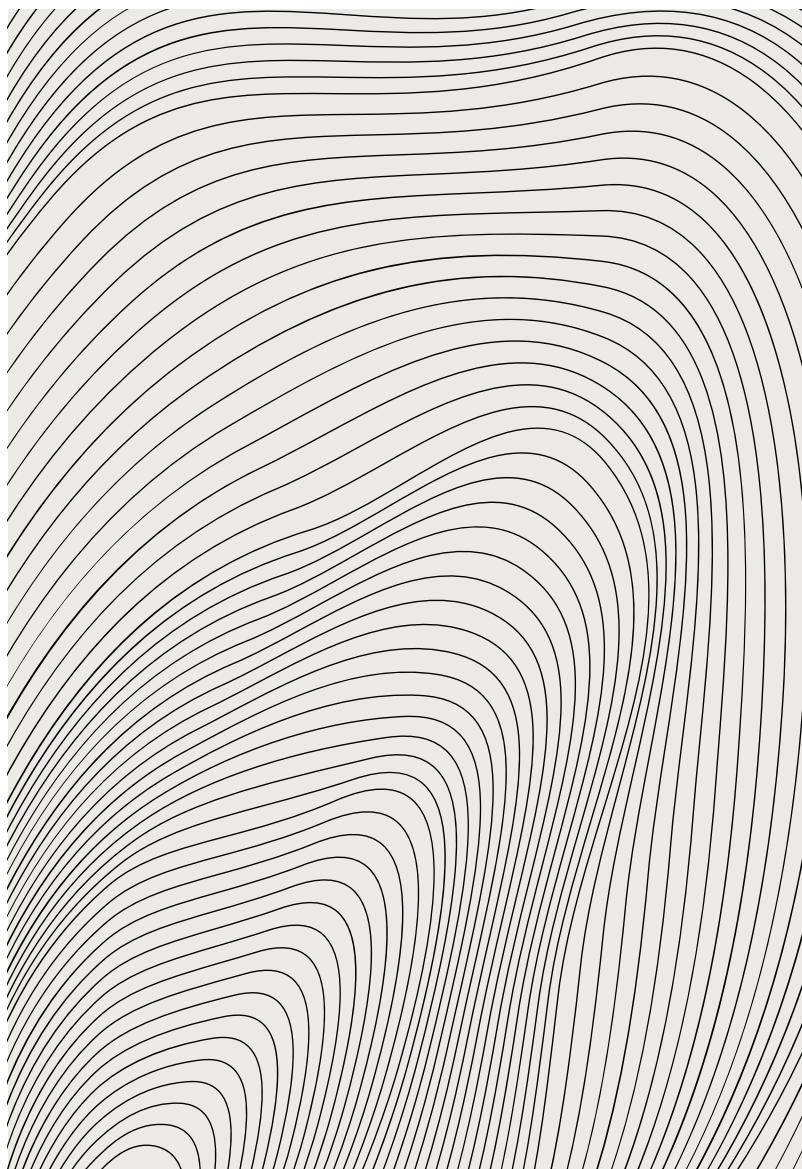
Via its proprietary S2i platform, Azqore is a service company offering a comprehensive, end-to-end technological solutions, bank transaction processing services and consulting. It provides services to over thirty institutions, inside and outside Crédit Agricole Group, located in 10 countries and representing CHF 160bn in assets under management.

Capgemini's recent 20% investment in Azqore's capital (2 October 2018) confirms the strategic ambition of the two groups to set a global benchmark in technology outsourcing services and banking transactions for the Wealth Management sector and mid-sized universal banks. It is the result of more than five years of successful cooperation between Azqore and Capgemini and is based on the complementary nature of their areas of expertise.

In 2018, Azqore reported a 15% increase in revenues, notably as the result of business success in the Euro Zone and in Switzerland. This year also provided an opportunity to transfer 10 customers to the new UNIX computing platform and to further develop its products in connection with a number of different projects.

Notwithstanding the growth of the business, the quality of back office transactions serving customers remains exceedingly high. Lastly, the increase in the number of employees in the Singapore division to 100 at the end of 2018 reaffirmed its expansion ambitions in Asia.

In 2019 Azqore will continue to pursue its growth strategy in the Euro Zone, Switzerland and Asia while simultaneously completing the IT migration of Indosuez Wealth Management in France and enhancing its digital offering. Azqore can fully count on its new partner, Capgemini, to meet any future challenges.



Key figures

532

*employees in Switzerland
(31/12/2018)*

119

*Total balance sheet
(in millions of CHF)*

155

*Revenue
(in millions of CHF)*

CA Indosuez (Switzerland) SA, a leading bank in the Swiss market

In 2018, CA Indosuez (Switzerland) SA generated operating profit of CHF 111.7 million and net profit of CHF 82.2 million.

With an average of 1,043 employees in 2018 and CHF 1,552 million in (Tier 1) capital, CA Indosuez (Switzerland) SA is a major foreign bank in Switzerland, with a presence in the country dating back over 140 years.

End of 2018, CA Indosuez (Switzerland) SA two main business areas were:

- Wealth Management;
- Transactional Commodity Finance and Commercial Banking

These activities are supplemented by a coverage function for large corporate and financial institutions. This broad range of expertise allows us to serve a diversified client base and deliver consistent results, while facilitating substantial synergies between these business areas.

We operate our businesses in Switzerland through four locations, in Geneva, Lausanne, Lugano and Zurich, and worldwide through a network of dedicated Wealth Management offices, in Asia (Hong Kong and Singapore) and the Middle East (Abu Dhabi, Beirut and Dubai).

With this in mind, the acquisition and integration of the teams and clients of CIC in Asia at the end of 2017 was a major step forward in this expansion process.

This network of locations strengthens Indosuez Wealth Management Group's geographic coverage, allowing us to offer multi-booking capabilities to clients wishing to geographically diversify their asset base.

The guaranteed security that comes from belonging to one of the world's most robust banking groups.

A high-quality products and services offering available at every location.

Personalised client relationships, embodied by our people-centred approach.

Through a combination of these three emphases, we are specifically and ideally placed to serve a client base mainly consisting of entrepreneurs.

/3
Activity report

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After several years of major changes in our strategy and organisation, 2018 can be regarded as a year of continuity. Over the last few months, CA Indosuez (Switzerland) SA has enabled the implementation of key projects in all its business lines. The success of these projects deserves to be emphasised mostly because their completion requires consistency and genuine medium-term commitment.

Moreover, the determination to continue and intensify the changes underway has allowed CA Indosuez (Switzerland) SA to deal, under the best conditions possible, with the turbulence that impacted the financial sector over the past few months. As to the wealth management sector overall, 2018 stood out due to the enormous complexity of market conditions. Both private and institutional investors were confronted with an across-the-board depreciation for virtually all the different asset classes in every financial marketplace. In such a challenging environment, our teams remained faithful to our goals: stability, prudence and excellence which are the foundations of CA Indosuez (Switzerland) SA's strategy.

The negative turn in the financial climate was a major challenge for our organisation. We worked collectively to overcome the challenge. To do this, CA Indosuez (Switzerland) SA employees demonstrated responsiveness, mobilising their different areas of expertise whenever required in order to constantly offer our clients innovative investment solutions. At the same time, CA Indosuez (Switzerland) SA was able to pursue its organisational transformation, thereby providing its sales teams with all the needed resources to meet the expectations of our clients and to ensure the excellence of the services offered to them.

Message from the General Management of CA Indosuez (Switzerland) SA

Consistently improving our information systems and working methods year after year is one of our teams' core objectives. In this respect, making Azqore an independent business line and the acquisition of an equity stake by a partner, the internationally-recognised Capgemini Group, are both major milestones. This should set the stage for further integration between the entities of the Indosuez Wealth Management group, giving our service, operating efficiency and long-term growth a quality stamp.

Above and beyond the ongoing changes in this specific area, CA Indosuez (Switzerland) SA continued to implement a number of different projects focused on process optimisation and the roll-out of new tools throughout 2018. Such efforts fall within the framework of a broad effort aimed at constantly improving our range of products and services to more efficiently meet the expectations of our clients and satisfy the requirements imposed by the regulatory authorities.

In order to improve our competitive standing in the area of wealth management versus the main players in Switzerland and worldwide, our sales organisation was also strengthened by putting new Investment Advisers in place dedicated to every geographic region. More broadly, the desire to adapt our activity to constantly evolving markets and the increasing mobility of our clients resulted in a special effort designed to strengthen our advice and assistance to our clients. This focus is reflected in the completion of the process of integrating CIC's Asian teams at our locations in Singapore and Hong Kong subsequent to the acquisition made in 2017.

The announced reorganisation of operations conducted from Lugano is part of this same determination and will facilitate the future expansion of our CA Indosuez Finanziaria subsidiary.

2018 was a favourable environment in which to strengthen our organisation, deploy our strategy and continue our transformation. The capabilities and the motivation of our employees, who are fully focused on serving our clients, remains the foundation of our reputation for excellence and will continue to be one of the pillars justifying the trust placed in our expertise and loyalty.



Jean-François Deroche

Chief Executive Officer
CA Indosuez (Switzerland) SA



Jean-Yves Hoher

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



Wealth Management



Patrick Ramsey

Head of Wealth Management

“In a particularly uncertain financial backdrop, the main focus of our business development strategy throughout 2018 was to ensure the optimal deployment of our products and services to every CA Indosuez (Switzerland) SA location.

The major strategic changes defined in 2017 in connection with the Shaping Indosuez 2020 business plan required a long-term commitment from the various teams involved in our Wealth Management business. This is why 2018 was largely devoted to actively transforming our organisation and gradually implementing these strategic orientations. These changes were successfully completed in a particularly complex market environment, demonstrating both the appropriateness of the choices made and the unwavering commitment of our employees.

In a particularly uncertain financial backdrop, the main focus of our business development strategy throughout 2018 was to ensure the optimal deployment of our products and services to every CA Indosuez (Switzerland) SA location.

In fact, as long as our clients are extending their entrepreneurial activities and investing in every area of growth on a global scale, it is crucial that we remain by their side in every circumstances.

The integration of CIC's teams and clients in Asia has been a resounding success. The increase in assets under management and the combination of new expertise with the resulting increased visibility for our Asian operations has enabled CA Indosuez (Switzerland) SA to significantly strengthen its position on what is currently the most dynamic market for the wealth management industry. Likewise, the announcement of the reconfiguration of our activities in Lugano and the allocation of enhanced capacities to CA Indosuez Finanziaria SA are expected to open up a new dimension for our offering.

In-depth knowledge of customer expectations and investment goals tailored to each of our clients are essential for the success of this type of change. We have simultaneously completed our customer base segmentation which began in 2017. As a result it is actually possible to guarantee a better balance between allocated resources and the diversity of the products and services we offer. This enhancement of our solutions coincided with a massive effort made by CA Indosuez (Switzerland) SA with a view to developing the capacities and technical expertise of our teams.

The deployment of dedicated Investment Advisers to all the regions comprising our sales organisation and their contribution to the marketing of our Explore discretionary portfolio management service (investment advisory mandate tailored to the profile and the personal situation of each client) was marked an important step in the process of enhancing our range while simultaneously adapting to meet our private clients expectations.

The initial progress achieved in the area of the digitisation of our range is also noteworthy. This change will be a powerful lever for adapting our solutions and will increase our capacity for real-time responses to the requests we receive with respect to portfolio monitoring, market analyses and investment transactions.

The strengthening of our “Investment Intelligence” research teams and more targeted sales communications will enable our clients to benefit from professional publications in seven languages providing expert macroeconomic insights as well as our convictions on the markets and the various asset classes.

Managing our range of products and services is part of the same effort, which seeks to enhance our expertise, diversify the investment solutions offered to our clients and optimise our resources. Throughout 2018, the different Markets, Investment and Structuring (MIS) departments helped shaping the transformation initiated at the Indosuez Wealth Management group level and demonstrated their determination to

constantly improve the quality of the services delivered to the sales teams and to clients. Three core actions were initiated to reach this excellence objective: upgrading our solutions, optimising team management and anticipating needs relayed by the wealth managers.

As the wealth management market is becoming increasingly open to global competition, CA Indosuez (Switzerland) SA must provide its clients with a broader range of services suitable for all investor profiles. With this in mind, it was decided to launch discretionary management mandates compatible with the Islamic law requirements.

This initiative was part of a comprehensive strategy aimed at diversifying the solutions designed by the experts at CA Indosuez (Switzerland) SA. The progressive roll-out of added capacity in the area of financing, in particular with respect to immovable assets, facilitates this same ambition and will continue over the medium term.

Taking into consideration the stringent and complex regulatory requirements applicable to international wealth management players and in light of our clients expectations, characterised by their high knowledge levels, any enhancements to our solutions must necessarily be accompanied by improvements of the MIS teams levels of expertise. Teams dedicated to these asset classes were strengthened over the course of 2018 in order to meet the growing demands related to investment in private equity and structured products. Likewise, the successful integration of CIC meant that we were able to enhance our expertise in the Asian real estate area, which will enable us to provide support to all CA Indosuez (Switzerland) SA clients interested in this sector in that region.

In any case, the implementation of the Shaping Indosuez 2020 business plan requires genuine control over the changes in our headcount in order to fulfil our double ambition of excellence and organisational efficiency. As such, sharing resources among entities is a major challenge for the Indosuez Wealth Management group. CA Indosuez (Switzerland) SA has played a role in these changes by ensuring that the distinctive characteristics of our activity in Switzerland are recognised.

Although the teams responsible for products and services were heavily involved in the continuation of our transformation over the course of 2018, the main focus of our activity remains optimal and secure management of the assets entrusted to CA Indosuez (Switzerland) SA. The extremely unfavourable market

environment with which all international wealth management players had to contend during this period obviously affected performance, but these adverse cyclical developments also highlighted the decisive CA Indosuez (Switzerland) SA competitive advantage thanks to the broad range of investment solutions offered to our clients. Given the manifest deterioration of traded listed securities, the private equity assets monitored by our teams have been remarkably resilient. Likewise, the significant volumes traded on the forex market on behalf of our clients and the strong growth of capital invested in structured products show that our broad range of products helped to significantly mitigate the impact of a market downturn.

Although they are part of the continuation of previously implemented strategic initiatives, the wealth management activities of CA Indosuez (Switzerland) SA helped to deliver more diversified and innovative investment solutions to our clients throughout 2018. The reorganisation of our local offices serving investors is combined with the strengthening of our expertise to provide a service that fully satisfies growing expectations in an increasingly complex financial climate. The long-term consistency of this strategy and the constant concern for prudence that characterise our wealth management services, ensuring and perpetuating our clients trust.

“Although they are part of of the continuation of previously implemented strategic initiatives, the wealth management activities of CA Indosuez (Switzerland) SA helped deliver more diversified and more innovative investment solutions to our clients throughout 2018.”



Omar Shokur

Head of Markets,
Investment and Structuring



Corporate and Investment Banking



Commercial Banking

*Jean-Paul Kaouza,
Head of Commercial Banking*

The Bank's favourable sales trend witnessed last year with Corporate clients grew stronger in 2018, underpinned by rising commodity prices in the first three quarters of 2018 tied to economic growth of nearly 4%.

However, the end of the year was marked by a sudden downturn in the commodities markets and, more broadly, international trade, which translated into a period of growth of only 3% due to trade tensions and political uncertainty.

The results delivered this year have demonstrated the relevance of our new organisation in terms of sales, support functions and control functions.

All the challenges identified in 2018 were successfully met: revenues were up sharply, credit risks were fully under control, a major training effort was carried out, especially in the area of Compliance in all its aspects, thereby maintaining a high degree of expertise within our teams and, lastly, operating costs were kept under control.

We will have to face other challenges in the future in a temporarily poorly performing market, with low volatility combined with moderate growth. These objectives for 2019 include growing our business, strengthening a number of controls weighing down our processes, automating these controls, ensuring that our solutions are competitive against a backdrop of intense competition and managing scarce resources.

We will overcome these challenges through strengthened cooperation with CA CIB and Crédit Agricole Group.



Coverage of large corporates

Franck Bertillé, Head of Coverage

Business with large Swiss and international companies substantially improved in 2018 compared to the previous year, mainly due to large syndicated financing deals, Trade Finance, bond issues and Equity Capital Markets.



Corporate Governance

Unless otherwise specified, the information presented in this chapter refers to the situation at 31 December 2018.

1/ Group structure and shareholders

1.1. Group structure

1.1.1. Operational structure

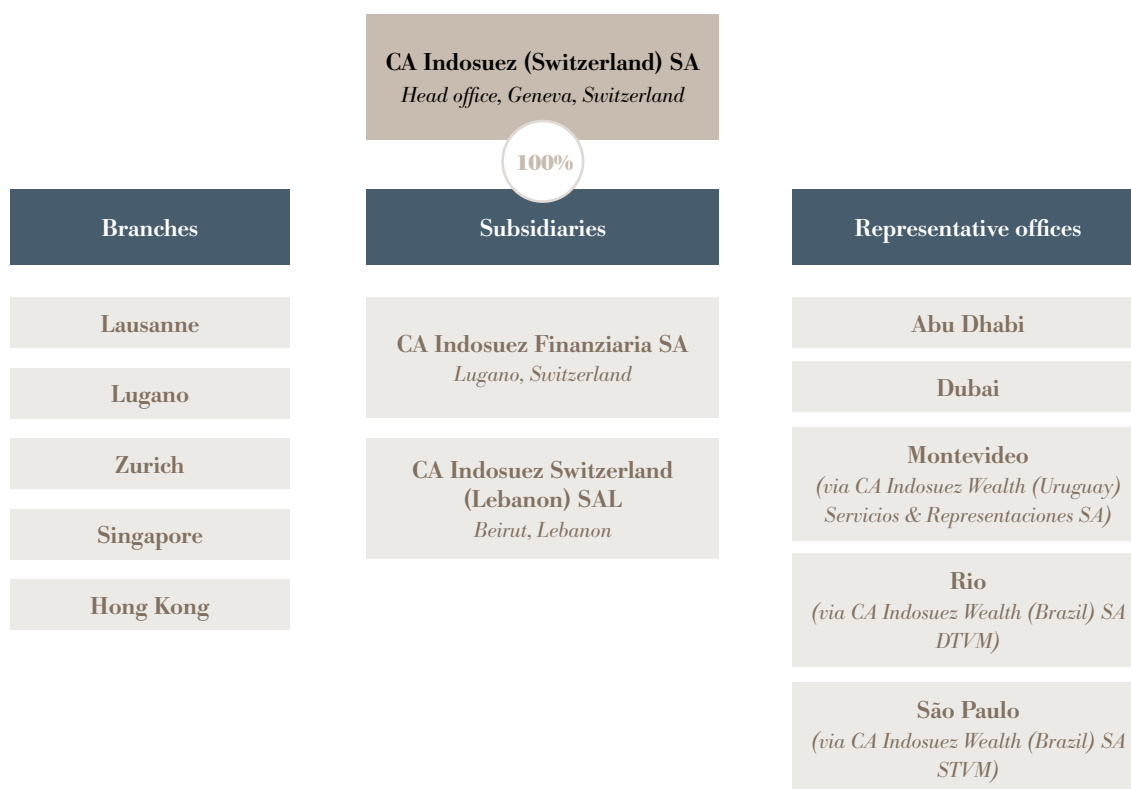
CA Indosuez (Switzerland) SA is a limited company (société anonyme) under Swiss law whose mission is to operate banking activities for Swiss and foreign private banking, commercial and institutional clients. It operates activities in Switzerland and abroad, through its registered office and its network of branches, subsidiaries and representative offices. CA Indosuez (Switzerland) SA performs management, coordination and monitoring functions on its network.

CA Indosuez (Switzerland) SA's general organisation is based on a structure of Business Lines and Support

and Control functions, and a Coverage function. The Heads of each Business Line and Support function report to the Chief Executive Officer. They are all members of the Executive Committee.

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

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



CAHS Limited (formerly CIC Investor Services Limited) is no longer included in the scope of consolidation as it was voluntarily wound up on 12 December 2018 following the integration of its teams and businesses into the Hong Kong branch of CA Indosuez (Switzerland) SA.

CA Indosuez (Switzerland) SA and its entities are part of Crédit Agricole Group. The management of their

activities and their organisational structure are based on the operating rules and best practices established by Crédit Agricole Group while remaining compliant with applicable laws and regulations and the decisions made by the Board of Directors of CA Indosuez (Switzerland) SA in the context of its strategy, policies, decisions and general authorisations.

1.1.2. Scope of consolidation

The scope of consolidation of CA Indosuez (Switzerland) SA consists of owned “active” companies for which ownership interest (direct or indirect) exceeds 50%.

None of these companies is publicly listed. At 31 December 2018, the scope of consolidation included:

Company name	Head office	Share capital	Ownership interest
CA INDOSUEZ FINANZIARIA SA	Lugano	CHF 1 800 000	100%
CA INDOSUEZ SWITZERLAND (LEBANON) SAL	Beirut	LBP 2 000 000 000	100%
LEONARDO SWISS SA	Lugano	CHF 1 300 000	100% (via CA Indosuez Finanziaria SA)

As indicated in note 4.2.1 to the financial statements, the Bank has not prepared consolidated financial statements since 2014 because its subsidiaries are no longer quantitatively significant. However, these entities do fall within the scope of consolidated supervision for regulatory and prudential purposes.

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

Free float shares represent 43.7% of Crédit Agricole SA's share capital. The Regional Banks together own, via SAS Rue La Boétie, the majority of the share capital of Crédit Agricole SA. Crédit Agricole SA coordinates, together with its specialist subsidiaries, the strategies of the Group's various business lines in France and abroad.

1.2. Major shareholders

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

Crédit Agricole Group is the world's 13th largest banking group by Tier 1 capital (The Banker, July 2018).

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

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

Crédit Agricole Corporate and Investment Bank is 97.33% owned by Crédit Agricole SA, a member-owned cooperative company whose listed stock is owned by shareholders.

1.3. Cross-shareholding

Thirty-nine Regional Banks own together, via SAS Rue La Boétie, the majority of the share capital (56.26%) and voting rights (56.34%) of Crédit Agricole SA, which is thus protected from takeover bids. The cooperative Regional Banks deliberate the Group's major strategies within the Fédération Nationale du Crédit Agricole. The majority of the 39 Regional Banks' share capital is owned by 2 432 Local Banks.

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

2/ Board of Directors

2.1. General information

The CA Indosuez (Switzerland) SA Board of Directors consists of 10 members at 31 December 2018 (11 until 28 June 2018) who are appointed at the General Shareholders' Meeting for a term of one year, expiring when the following Annual Shareholders' Meeting convenes.

Bastien Charpentier succeeded Olivier Desjardins on 1 January 2018. The General Meeting took note of the resignations of Messrs. Paul de Leusse and Christophe Gancel in late June and of Thierry Simon in December. Jacques Prost succeeded Paul de Leusse in late June. The Board of Directors extends its gratitude to the outgoing members for their contribution and commitment.

One of the Vice-Chairmen is a Swiss resident. None of the members are on the Executive Committee. The majority of the members do not currently exercise any directorship functions at Crédit Agricole Group companies and have not done so in the past two years. Nor do they maintain close business relations with any

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

The Board of Directors is backed by its two specialised committees: the Audit and Risk Committee and the Compensation Committee.

*Back row, from left to right: Catherine Luyet Deiri (Secretary of the Board of Directors), Jean-François Deroche (Chief Executive Officer).
Front row, from left to right: Thierry Simon, François Véverka, Jacques Bourachot, Christoph Ramstein, Cédric Tille, Giovanni Barone Adesi, Jean-Louis Bertrand, Jean-Yves Hoher, Bastien Charpentier, and Jacques Prost (Directors).*



2.2. Members

Jean-Yves Hocher

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

Education and career history:

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

Directorships in the companies of the Group:

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

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

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

Other activities and interest groups: none.

Paul de Leusse

*Vice-Chairman since 29 June 2016,
member from 25 June 2015 to mid-2018.
Chairman of the Compensation Committee
from 29 June 2016 to mid-2018.
French national.*

Education and career history:

- A graduate from École Polytechnique and a civil engineer from École Nationale des Ponts et Chaussées.
- Corporate consultant before becoming a managing partner at Mercer Oliver Wyman from 1997 to 2004. He then joined Bain & Company in France as a partner where he worked from 2006 to 2009.
- In 2009, he joined Crédit Agricole Group as Director of Group Strategy and a member of the Executive Committee. In 2011, he was appointed Chief Financial Officer of Crédit Agricole Corporate and Investment Bank, where he became Deputy Chief Executive Officer in 2013. He took up his most recent position in 2016 until mid-2018.

Directorships in the companies of the Group:

- In May 2016, Mr De Leusse became Deputy Chief Executive Officer of CA Indosuez Wealth (Group) before being Chief Executive Officer from June 2016 until mid-2018.
- Member of the Executive Committee of Crédit Agricole SA from May 2016 to mid-2018.

Non-executive positions in Group companies in the past three years (until mid-2018):

- Director, CFM Indosuez Wealth.
- Director, CA Indosuez Wealth (France).
- Chairman and Director, CA Indosuez Wealth (Europe).
- Director, Union de Banques Arabes et Françaises.
- Director, Crédit Agricole Grameen Foundation.

Other activities and interest groups (through mid-2018): none.

Jacques Prost

*Vice-Chairman since 28 June 2018.
Chairman of the Compensation Committee
since 28 June 2018.
French national.*

Education and career history:

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

Directorships in the companies of the Group:

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

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

- Director, CA Indosuez Wealth (Europe).
- Director, CA Indosuez Wealth (France).
- Director, CFM Indosuez Wealth.
- Director, Azqore SA.
- Director, Crédit Agricole Payment Services.
- Director, FIA-NET Europe (France).
- Director, Bank Saudi Fransi.

Other activities and interest groups: none.

Jacques Bourachot

*Vice-Chairman since 29 April 2015,
Member since 29 April 2014.
Independent member within the meaning of
FINMA Circular 2017/1.
Dual Swiss and French national.*

Education and career history:

- Holds a Bachelor's degree, a Master's degree, a postgraduate diploma and a doctorate in science from the École Polytechnique Fédérale de Lausanne. He also holds a degree in Economics from the School of Business and Economics of the University of Lausanne.
- From 1978 to 1979, he served as head of Société Française d'Études Thermiques et d'Énergie Solaire in France before working as an engineer for the Institut des Transports et de la Planification de l'École Polytechnique Fédérale de Lausanne from 1979 to 1985. From 1983 to 1988, he was a lecturer at the École Nationale des Ponts et Chaussées in Paris. From 1985 to 1990, he headed the IT Development Department at Banque Gonet SA in Geneva.
- From 1990 to 1994, he served as Chief Information Officer for Crédit Agricole Indosuez in Lausanne before becoming Deputy Chief Executive Officer in charge of the Logistics Division and Chief Operating Officer for Switzerland, a position which he held until 2001. From 2001 to 2012, he was Chief Operating Officer of the private banking activity at Crédit Agricole (Switzerland) SA, before serving as Chief Operating Officer of Groupe Crédit Agricole Private Banking from 2012 to 2014.

Directorships in the companies of the Group: none.

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

- Chairman of the Foundation Board of CA Indosuez (Switzerland) SA (since 2014), member since 1998.
- Vice-Chairman of the Board of Directors of Crédit Agricole next bank (Switzerland) SA (until 31 December 2017).
- Director, CACEIS (Switzerland) SA.
- Director, Azqore SA.

Other activities and interest groups:

- Managing Partner, Bourachot Conseils Sarl, Lutry.

Giovanni Barone-Adesi

Member since 23 March 2017.

Independent member according to

FINMA Circular 2017/1.

Canadian, Swiss and Italian national.

Education and career history:

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

Directorships in the companies of the Group: none.

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

Other activities and interest groups:

- Director, Filtered Historical Simulation Limited.
- President, OpenCapital SA.

Jean-Louis Bertrand

Member since 23 February 2012.

Member of the Audit and Risk Committee since December 2015.

Member of the Compensation Committee since 29 April 2015.

Independent member according to FINMA Circular 2017/1.

French national.

Education and career history:

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

Directorships in the companies of the Group: none.

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

- Director, CPR Asset Management.

Other activities and interest groups:

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

Bastien Charpentier

Member since 1 January 2018.

Member of the Compensation Committee since 1 January 2018.

French national.

Education and career history:

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

Directorships in the companies of the Group:

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

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

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

Other activities and interest groups: none.

Christophe Gancel

Member from 14 December 2011 to 28 June 2018.

Vice-Chairman from 14 December 2011 to 29 June 2016.

Member of the Compensation Committee from 14 December 2011 to 29 June 2016.

French national.

Education and career history:

- Holds a Master's degree in Management from Paris University IX Dauphine and is a graduate from the Institut d'Études Politiques in Paris.
- Mr Gancel began his career at Banque Indosuez in 1977, where he became Head of Large Clients in 1980 before becoming manager of the Nord-Pas-de-Calais branch in Lille and manager of the Rhône-Alpes branch in Lyon from 1986 to 1992, when he became Head of Private Banking Clients. From 1999 to 2007, he served as Chief Executive Officer at Banque de Gestion Privée Indosuez. In 2007 he was appointed Chief Executive Officer of Crédit Agricole (Switzerland) SA. In 2011 he became Chief Executive Officer of Crédit Agricole Private Banking until his retirement in 2016.

Directorships in the companies of the Group: none.

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

- Director, CA Indosuez Wealth (France) until 30 July 2016.
- Director, CFM Indosuez Wealth until 31 July 2016.
- Chairman, CA Indosuez Wealth (Europe) until 30 July 2016.
- Director, CPR Asset Management until 23 June 2016.

Other activities and interest groups:

- Non-Executive Chairman of Milléis Banque SA. (known as Barclays France SA until April 2018).

Christoph Ramstein

Member since 19 November 1999.

Member of the Audit and Risk Committee since December 2015.

Independent member according to FINMA Circular 2017/1.

Swiss national.

Education and career history:

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

Directorships in the companies of the Group: none.

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

Other activities and interest groups:

- Chairman of the Board of Werner Abegg Fonds, a non-profit foundation.
- Chairman of the Board of the Arthur und Elisabeth Bareiss-Zielcke family foundation.

Thierry Simon

Member from 29 June 2016 to 31 December 2018.

Member of the Audit and Risk Committee from 29 June 2016 to 31 December 2018.

French national.

Education and career history:

- An engineer from the École Centrale de Lille, he also holds an Executive MBA (HEC-CPA) from INSEAD in France, an Executive's certificate from Sciences-Po/IFA and the Institut Luxembourgeois des Administrateurs (ILA).
- He began his career in 1985 working for Crédit Lyonnais' Coverage business before becoming agency manager in Scotland and later Head of European Client Accounts. In 1995 he was appointed Denmark Country Manager in charge of Capital Markets for Scandinavia. Returning to France, he became Director of the Corporate Agency at the head office. In 2001, he took over the management of the Financial Institutions.
- In 2004, he became Global Head of Real Estate and Hotels in the Structured Finance division of Crédit Agricole Corporate and Investment Bank in Paris.
- In June 2009, he was promoted to Senior Country Officer - USA of the Crédit Agricole Group and subsequently Senior Regional Officer - Americas of Crédit Agricole Corporate and Investment Bank before becoming Chief Executive Officer of Crédit Agricole Securities Inc. In July 2011, he became head of Client Coverage for the network and international corporate and institutional relations, and member of the Crédit Agricole Corporate and Investment Bank Executive Committee before taking up his current duties in 2018.

Directorships in the companies of the Group:

- Director of Transaction Banking & International Trade and member of the Crédit Agricole Corporate and Investment Bank Executive Committee from 2015 to July 2018.
- Senior Regional Officer for the Middle East-Africa Region since July 2018.

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

- Director, Crédit Agricole Leasing & Factoring.
- Director, Crédit Agricole Egypt SAE. since 30 July 2018.

Other activities and interest groups:

- Director of the engineering firm, Systra SA, representing Crédit Agricole Corporate and Investment Bank.
- Director of Odas SA, representing Crédit Agricole Corporate and Investment Bank.
- Director of the Franco-Arab Chamber of Commerce, representing Crédit Agricole Corporate and Investment Bank.
- Director of the web start-up, SILAB.
- Advisor, French Foreign Trade.

Cédric Tille

Member since 29 June 2017.

Independent member according to
FINMA Circular 2017/1.

Swiss national.

Education and career history:

- Holds a Master's in Economics from the University of Lausanne, a Master's and a PhD from Princeton University in the United States.
- He began his career in 1997 as a trainee in the Division of International Finance of the Board of Governors of the Federal Reserve System in Washington DC. From 1998 to 2007 he worked as an economist in the International Research Department of Federal Reserve Bank of New York.
- In winter 2005/6, he was simultaneously Visiting Professor at the Graduate Institute for International and Development Studies in Geneva. In 2007 he joined the Institute as a Professor of Economics. Since 2012, he directed the Bilateral Assistance and Capacity Building for Central Banks Programme created by the Institute and the Swiss State Secretariat for Economic Affairs (SECO) and simultaneously visiting Scholar at the Hong Kong Institute for Monetary Research of the Hong Kong Monetary Authority in June 2009 and in June 2010.

Directorships in the companies of the Group: none.

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

Other activities and interest groups:

- Scientific Advisor at the Bank for International Settlements (summer-autumn 2017).
- Scientific Advisor to the Directorate General of International and European Relations of the European Central Bank in Frankfurt (May 2016-April 2018).
- Member of the Bank Council of the Swiss National Bank since 2011.
- Advisor to Protagoras & Associés SA, Collonge-Bellerive (formerly Wealthsuit Startup).
- Research fellow at the Centre for Economic Policy Research (CEPR), London.
- Research fellow at the Kiel Institute for the World Economy.
- Co-Editor of the Swiss Journal of Economics and Statistics.
- Deputy Editor of the Journal of Money, Credit and Banking.
- Deputy Editor of the Journal of International Economics.
- Member of the American Economic Association.
- Member of the European Economic Association.
- Member of the Swiss Society of Economics and Statistics.

François Veverka

Member since 23 March 2017.

Chairman of the Audit and Risk Committee since
23 March 2017.

Independent member according to
FINMA Circular 2017/1.

French national.

Education and career history:

- Graduate from the École Supérieure des Sciences Économiques et Commerciales and the École Nationale d'Administration in France.
- Early in his career he held various positions in the government economic sphere, notably the French Ministry of Finance and the Market Regulator, the *Commission des opérations de bourse*. Later he served in a number of executive positions with Standard & Poor's (1990- 2006) and, in this capacity, intervened alongside the regulatory and supervisory authorities in any matter related to banking and the financial markets. In 2007, he became Chief Executive Officer of the Compagnie de Financement Foncier. In 2008, he started a banking and financial consultancy business.

Directorships in the companies of the Group: none.

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

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

Other activities and interest groups:

- Chairman of the Supervisory Board, Octo-Finances SA (Paris).
- Director, Milléis Banque SA (known as Barclays France SA until April 2018).
- Consultant: banking and financial activities (Banquefinance Associés until 2015).
- Member of the Amundi Asset Management Supervisory Board (since 31 May 2018).

2.3. Organisation

2.3.1. Operational approach

As a general rule, the Board of Directors meets four times per year and, if necessary, holds special meetings.

The work of the Board is based on the agenda prepared by the Corporate Secretary. Its meetings take place according to a pre-established agenda and are subject to minutes signed jointly by the Chairman or, failing that, by one of the Vice-Chairmen, and the Secretary.

The functioning of the Board of Directors is governed by the Internal Rules.

This document primarily sets out principles and best practices of corporate governance designed to promote the quality of the work of the Board, such as duty of confidentiality, independence, loyalty and duties in respect of inside information and conflicts of interest. Directors with conflicts of interest must report the conflict and abstain from deliberations.

In 2018, the Board of Directors met four times and held two meetings by circulation of a proposal.

2.3.2. Authorisations

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

Accordingly, the Board deals with the major agenda topics relating to strategy, general policy, management and the oversight of activities and risks. When appropriate, the Board approves, based on a proposal by the Executive Committee, the resources, organisation and planning necessary for implementation. Ultimate responsibility for finance, method of accounting and financial control based on fixed objectives, the preparation of the annual financial statements, the adoption of the annual budget and the setting of financial objectives for the year, including equity planning and liquidity risk tolerance. In addition, the Board is responsible for the adequacy of resources, governance, oversight and ensuring that standards are observed (compliance).

The Board adopts a stance on matters related to the administration of the Bank referred to it by the members of the Executive Committee and other issues brought before it by specialised committees. Among other things, it decides on changes to the Bank's activities, structures and strategic or real estate investments, such as the creation, acquisition or disposal of subsidiaries and ownership interests, the opening or closing of branches and representative offices, the acquisition or disposal of goodwill and the sale or purchase of buildings. It also takes the necessary decisions on legal and regulatory provisions, specifically in the areas of corporate governance, human resources, risk management and internal control.

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

The Board of Directors delegates some of its tasks within the parameters allowed by laws and regulations to its specialised committees.

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

Their members are appointed by the Board of Directors from among the Directors sitting on the Board. The membership of these subcommittees at 31 December 2018 is the following:

- Audit and Risk Committee: François Veverka (Chairman), Jean-Louis Bertrand, Christoph Ramstein and Thierry Simon.
- Compensation Committee: Jacques Prost, Jean-Louis Bertrand and Bastien Charpentier.

These committees operate on the basis of agendas prepared by their secretariats. They have limited decision-making powers and facilitate the resolutions of the Board in a timely manner.

The Audit and Risk Committee has powers in the areas of closing out accounts and annual financial reporting, risk management, oversight and internal control, including audit.

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

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

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

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

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

For ordinary meetings, this information may include:

- information concerning the Bank's activities and strategy, such as:
 - a report on the general business environment, results, budget monitoring, the implementation of general policy, the major decisions taken and significant events
 - changes to policy and strategy
 - major organisational changes
- information relating to the financial statements, the financial position and measures taken by the statutory auditors, such as a presentation on the financial statements and the financial position of the Bank
- information related to risk, internal control and oversight, such as:
 - the situation with respect to the different risks to which the Bank is exposed (in particular, market risk, counterparty risk, operational risk, unrealised losses and provisions, breakdown by country and by sector)
 - the situation with respect to compliance, in particular any major issues, measures taken and regular assessments of the authorities expectations

- legal risks, specifically with respect to litigation and ongoing judicial procedures
- the equity and cash positions
- internal audit assignments and recommendations
- the activities, minutes and the annual report of the Internal Control Committee
- the observations and expectations of the regulatory authorities and the implemented measures to meet their requests
- risk-related policies
- reports, observations and recommendations of the auditing firm and their follow-up
- the annual reports on risk, internal control, compliance management and the activities of General Inspection
- information relating to governance, compensation and human resources, such as:
 - staff and compensation policy
 - the appointment and the removal from office of committee members, executive officers, and the Head of General Inspection
- information on important legal and regulatory developments.

Additional information on risk management and control is provided in Note 4.3 to the annual financial statements.

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

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

The Chairman of the Board and the Vice-Chairman serving in these functions within the Group ensure that information circulates in an appropriate manner between the Operating Division and the Board of Directors, in particular the appropriate inclusion of necessary information in the agenda. The chairmen of the Board's committees ensure that the same applies to the members of these committees.

Upon appointment, new directors received a set of documents that specifically includes the main documents in terms of the governance of the Bank's management bodies, the scope of internal control, the Bank's most recent annual report, the most recent auditor's report prepared by the auditing firm, General Inspection's most recent report, the most recent report on risks and the most recent assessment of the bank by the Swiss Financial Market Supervisory Authority (FINMA).

Directors are also entitled to training. In 2018, directors were provided with in-house training on several important compliance-related topics.

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

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

General Inspection is an independent unit of the Operations Division reporting directly to the Board of Directors and the Audit and Risk Committee and is a tool available to monitor and manage risk. It carries out regular checks of the activities of the Bank and its entities and has unlimited access to information for this purpose. It carries out assignments in accordance with the practices of the profession. Using a methodical, systematic approach, it verifies and assesses risk management and internal control procedures and formulates proposals to increase their effectiveness. Its organisation, activity scope and operation are governed by the Articles of Incorporation, the Internal Rules and guidance approved by the Board.

General Inspection is comprised of 12 members. The Head of General Inspection is appointed by the Board of Directors. Since 1 April 2017, the unit has been headed by Jean-Paul Bicot, whose education and career history are provided below:

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

Each year General Inspection plans its activities in cooperation with the auditing firm on the basis of a risk map, which simultaneously updates. The plan is submitted to the Board of Directors for approval and to the Audit and Risk Committee for an opinion. After completing its assignments, it issues reports documenting its findings and recommendations for the Board of Directors, the Audit and Risk Committee and the Operations Division, and content is discussed with the auditing firm and the Audit and Risk Committee.

It prepares a half-year follow-up report on the open auditing referrals, as well as an annual activity report.

General Inspection is overseen and evaluated by the Audit and Risk Committee, which judges its effectiveness, ensures that it has the necessary resources and skills carries out its activities independently and objectively, and reviews the relationship it maintains with the auditing firm.

Each year, the Board of Directors determines whether the information requirements are being adequately met.

2.4. Executive Committee

The members of the Executive Committee are responsible for the business operational leadership, risk management and monitoring, and general smooth working process. To achieve these ends, they rely on expanded leadership members and on various Committees, to which the Executive Committee may delegate some of its responsibilities.

2.4.1. Members

The Executive Committee included 13 members as of 31 December 2018 (14 until 8 June 2018), appointed by the Board of Directors.

Jean-François Deroche

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

Education and career history:

- Graduate from the Institut d'Études Politiques in Paris with a law degree.
- He has a wide and recognised global experience in the banking and finance sectors. He began his career at Crédit Lyonnais in 1982, where he held several positions, including Senior Banker at the European Clients Department in New York, General Manager at the Boston Agency, and Account Manager for Investment Banking. He then became Head of the Investment Banking Division in Japan. In 2004, he joined Crédit Agricole Corporate & Investment Bank to merge the capital markets operations of Crédit Agricole Indosuez and Crédit Lyonnais. In 2005, he became Corporate Secretary of Capital Markets and Brokers, and in 2008, Head of the Global Market Division for the Americas. Between 2011 and January 2016, he was Senior Regional Officer for the Americas and Senior Country Officer of the United States for CA CIB.

Other activities and interest groups:

- Chairman of the Board for the Indosuez Foundation (Switzerland).
- Member of the Board of Directors of CACEIS (Switzerland) SA.
- Member of the Board of Directors of CA Indosuez Finanziaria SA.
- Member of the Board of Directors of CA next bank.
- Member of the Board of Directors of Azqore.
- Member of the Foundation Board of Fondation Genève Place Financière.
- Member of the Group General Management Committee of the Wealth Management business line.

Jérôme Lalourcey

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

Education and career history:

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

Other activities and interest groups: none.

Patrick Ramsey

*Director of Private Clients since November 2013.
Swiss national.*

Education and career history:

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

Other activities and interest groups:

- Member of the Board of Directors of CA Indosuez Finanziaria SA.
- Member of the Board for the Indosuez Foundation (Switzerland).

Omar Shokur

Director of Markets, Investment & Structuring since April 2017.

Swiss national.

Education and career history:

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

Other activities and interest groups:

- Member of the Board of Directors of CA Indosuez Finanziaria SA.
- Member of the Board for the Indosuez Foundation (Switzerland).
- Member of the Board of Directors of Indosuez Funds.
- Member of the Board of Directors of Indosuez Capital SA, SICAV-RAIF.

Pierre Masclet

Chief Executive Officer Asia and head of the Singapore branch since January 2017.

French national.

Education and career history:

- Holds a degree in Financial Management from the École Supérieure de Commerce in Paris, a masters in business law, and a D.E.S.S. (Specialised Higher Learning Degree) in International Taxation.
- After his career at Banque Indosuez in France, which he joined in 1992 as a Product and Engineering Manager, in 1995 he switched to the front office teams where he was in charge of developing and tracking a base of entrepreneurial private clients. Ten years later, he took the responsibility of the marketing, product, and engineering teams as well as leadership of the wealthy clients market at Crédit Agricole Regional Banks. He was then appointed Head of Clients in 2008.
- He joined the Bank in June 2012 as Head of Markets and Investment Solutions.

Other activities and interest groups:

- Member of the Board of Directors of CAHS Limited until 28 December 2018.

Philippe Lachat

Director of Capital Markets from June 2016 to December 2018.

French national.

Education and career history:

- He graduated from the École Nationale des Télécommunications in Paris and holds a Master's in Industrial Economics from Paris IX Dauphine University.
- He has spent his entire career in the financial sector, and has worked at Crédit Agricole Corporate and Investment Bank for 10 years. He was appointed capital markets specialist for Crédit Agricole's Audit and Inspection department in 2015. From 2012, he was a supervisor at General Inspection with special focus on assignments related to Capital Markets, after eight years of equity and equity derivatives trading.
- He joined CA Indosuez (Switzerland) SA in June 2016 and supervises the Treasury teams (Switzerland, Singapore, Hong Kong) and the product and trading sales teams in Geneva, from the Investment Banking division.

Other activities and interest groups: none.

Pierre Glauser

Director of International Trade & Transaction Banking since 2003

Swiss national.

Education and career history:

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

Other activities and interest groups:

- Member of the Board of Directors of Crédit Agricole Corporate & Investment Bank AO, Moscow.
- Member of the Board of the CA Indosuez (Switzerland) SA pension fund.
- Member of the Executive Committee of the Swiss Trading and Shipping Association, Geneva.
- Vice President of the Switzerland-Turkey Chamber of Commerce and Industry, Geneva.

Frank Berville

Director of Coverage since November 2011.

French national.

Education and career history:

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

Other activities and interest groups:

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

Pierre Dulon

Head of CA-PBS and Director of Operations and Information Systems from September 2015 to June 2018.

French national.

Education and career history:

- Graduate from the École Polytechnique and Telecom Paris Tech.
- He started his career at Orange in 1990 and came to Crédit Lyonnais in 1998 as the Group's Telecom Manager. He was appointed Deputy Head of e-business in 2001, responsible for equity investments and Internet development. In 2002, he took over responsibility for IT at Crédit Agricole's Corporate and Investment Banking division. He joined Calyon in 2003 as Head of the Technology and International Systems division within the Information Systems department. In 2005, he became Head of the IT Processing division. In 2009, he was appointed Crédit Agricole Corporate & Investment Bank's Head of Global IT and became a member of its Executive Committee.
- In June 2018, he became CEO of Azqore SA, a new business unit which, following a spin-off, took over the activities of the CA-PBS Division of CA Indosuez (Switzerland) SA.

Other activities and interest groups:

- Member of the Group General Management Committee of the Wealth Management business line.

Viviane Gabard

Head of Compliance and Client Documentation since June 2015.

French national.

Education and career history:

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

Other activities and interest groups:

- Member of the Board of the CA Indosuez (Switzerland) SA pension fund.
- Member of the Board for the Indosuez Foundation (Switzerland).

Pierre Jacqmarcq

Chief Financial Officer from June 2013 to December 2018.

French national.

Education and career history:

- Graduate from the École Supérieure de Commerce de Bordeaux.
- After starting his career at KPMG as a financial auditor, he joined the Finance Division of Crédit Lyonnais in Paris in 1997, first in the budget and consolidation sectors, then in New York from 2000, in charge of financial control, then the Asset and Liability Management activities. In 2007, he was appointed to Crédit Agricole Corporate & Investment Bank in Paris as a manager of "scarce resources", meaning the capital and liquidity resources the bank needs to conduct its business.

Other activities and interest groups:

- Member of the Board and Treasurer for the Indosuez Foundation (Switzerland).

Marcel Naef

*Director of Legal and Governance since June 2015.
Swiss national.*

Education and career history:

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

Other activities and interest groups:

- Chairman of the Board for the E. Naef Foundation for In Vitro Research, Geneva.

Aline Kleinfurher

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

Education and career history:

- Holds a Masters in Bilingual Law from the University of Fribourg, along with legal training in Geneva.
- After working as a lawyer for the Legal Affairs Department of Deutsche Bank (Suisse) SA, she then became the head of this department. She later joined Bank Lombard Odier & Co., where she was Head of Anti-Money Laundering.
- She then refocused her career on Human Resources at Banque Pictet & Cie SA as Head of Recruitment and HR Strategic Projects. She later joined UBS as Head of Human Resources for French-speaking Switzerland.

Other activities and interest groups:

- Member of the Board of the CA Indosuez (Switzerland) SA pension fund.

Hubert Vieille-Cessay

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

Education and career history:

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

Other activities and interest groups: none.

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

a) Introduction

CA Indosuez (Switzerland) SA is not subject to the statute barring excessive pay in publicly traded limited companies. It does not pay the members of its Board of Directors in the form of profit sharing.

b) Members of the Board of Directors

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

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

Annual compensation for Directors for the year 2018 was set at CHF 30 000. The Chairman of the Audit and Risk Committee collected CHF 10 000 of additional pay, and the members of that Committee collected CHF 5 000 of additional pay.

c) Members of the Executive Committee

The compensation policy of CA Indosuez (Switzerland) SA approved by the Board of Directors is fully in line with the 2018 compensation policy of CA Indosuez Wealth (Group), which itself reflects the compensation policy of the Crédit Agricole Group, while also taking into account local features.

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

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

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

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

Every year, the Remuneration Committee approves the total fixed and variable pay package of the pool that the Executive Committee members collectively form.

2.4.3. Statutory and regulatory auditors

a) Duration of the audit term and duration of the responsible auditor's duty

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

b) Auditing fees

CA Indosuez (Switzerland) SA paid a total of CHF 2 147 898, excluding VAT, as auditing fees for 2018.

c) Additional fees

CA Indosuez (Switzerland) SA paid a total of CHF 100 468, excluding VAT, as additional fees for 2018.

These fees relates to additional services in regards to the Bank's tax matters.

d) Outside audit documentation

Every year, PricewaterhouseCoopers SA drafts an audit plan and writes one report on the audit of the financial statements and another on the regulatory audit. The responsible auditor discusses these documents with the Audit and Risk Committee. The plan was presented to the Audit and Risk Committee at its meeting on 20 September 2018 and to the Board of Directors at its meeting on 21 September 2018. The results of the audit of the financial statements were presented and discussed in the Audit and Risk Committee meeting on 27 March 2019 and the Board of Directors meeting on 28 March 2019.

The external auditors have constant access to the Audit and Risk Committee, the Executive Committee, and General Inspection, with whom they have regular work meetings. PricewaterhouseCoopers SA has an annual mandate. The qualifications of the outside auditors, their performance, and the level of auditing fees are assessed annually by the Audit and Risk Committee.

Key figures

BALANCE SHEET (in millions of CHF)	31.12.2018	31.12.2017	% change
Balance sheet total	17,113	18,373	-6.9

INCOME (in millions of CHF)	FY 2018	FY 2017	% change
Interest income	162.4	134.2	+21.1
Commission income	213.4	199.8	+6.8
Trading income	69.7	67.4	+3.4
Other ordinary income	26.5	98.3	-73.1
Total income (operating income)	472.1	499.7	-5.5
Personnel expenses	-219.8	-280.0	-21.5
General and administrative expenses	-124.4	-137.1	-9.3
Gross profit	128.0	82.6	+54.9
Amortisation and valuation adjustments	-16.2	-21.1	-23.2
Extraordinary income and expenses	-0.1	22.4	-100.4
Taxes	-29.4	-26.0	+13.3
Result for the period	82.2	57.9	42.0

(in millions of CHF)	31.12.2018	31.12.2017	% change
Total managed assets	39,152	42,252	-7.3
Number of employees	1,037	1,552	-33.2

Disclosure relating to the liquidity and capital requirements established by FINMA in its 2016/1 circular (in millions of CHF)	FY 2018	FY 2017
Eligible capital (CHF)		
of which CET1 (CHF)	1,551.7	1,562.9
of which T1 (CHF)	1,551.7	1,562.9
Eligible capital (total)	1,868.2	1,920.4
Risk-weighted assets (RWA) (CHF)		
RWA	10,047.7	11,027.0
Minimum capital requirements	803.8	882.2
Risk-Based Capital Ratios (as a % of RWA)		
CET1 Ratio (%)	15.4%	14.2%
Tier 1 capital ratio (%)	15.4%	14.2%
Total capital ratio (%)	18.6%	17.4%
Mandatory CET1 Capital Conservation Buffer (as a % of RWA)		
Capital buffer requirements according to the minimum Basel standard	1.9%	1.3%
All capital buffer requirements according to the minimum Basel standard, as a component of CET1 (%)	1.9%	1.3%
Available CET1 to cover capital conservation buffer requirements according to the minimum Basel standard	9.4%	8.2%
Target capital ratios pursuant to Annex 8 of the Capital Adequacy Ordinance (CAO) (as a % of RWA)		
Capital buffer requirements pursuant to Annex 8 of the CAO (%)	7.5%	7.5%
Countercyclical capital buffer (pursuant to Art. 44 of the CAO) (%)	0.0%	0.0%
Target CET1 ratio (in %) pursuant to Annex 8 of the CAO, plus countercyclical capital buffer	7.8%	7.8%
Target T1 ratio (in %) pursuant to Annex 8 of the CAO, plus countercyclical capital buffer	9.6%	9.6%
Target total capital ratio (in %) pursuant to Annex 8 of the CAO, plus countercyclical capital buffer	12.0%	12.0%
Basel III leverage ratio		
Total exposure (CHF)	19,949.5	21,134.5
Basel III leverage ratio (Tier 1 capital as a % of total exposure)	7.8%	7.4%
Liquidity Coverage Ratio (LCR)		
Q4 short-term liquidity coverage ratio (LCR) (%)		
Numerator of LCR: sum of high-quality liquid assets (CHF)	2,896.8	3,223.4
Denominator of LCR: net sum of cash outflows (CHF)	1,650.9	2,093.2
Liquidity Coverage Ratio, LCR (in %)	175%	154%
Q3 short-term liquidity coverage ratio (LCR) (%)		
Numerator of LCR: sum of high-quality liquid assets (CHF)	3,075.3	3,207.0
Denominator of LCR: net sum of cash outflows (CHF)	2,024.0	2,152.4
Liquidity Coverage Ratio, LCR (in %)	152%	149%
Q2 short-term liquidity coverage ratio (LCR) (%)		
Numerator of LCR: sum of high-quality liquid assets (CHF)	2,913.7	3,673.2
Denominator of LCR: net sum of cash outflows (CHF)	2,059.0	1,660.6
Liquidity Coverage Ratio, LCR (in %)	142%	221%
Q1 short-term liquidity coverage ratio (LCR) (%)		
Numerator of LCR: sum of high-quality liquid assets (CHF)	2,731.4	4,106.1
Denominator of LCR: net sum of cash outflows (CHF)	2,126.3	1,973.7
Liquidity Coverage Ratio, LCR (in %)	128%	208%
Net Stable Funding Ratio (NSFR)		
Available stable funding (in CHF)	8,806.7	9,833.7
Required stable funding (in CHF)	7,732.3	8,090.8
Net Stable Funding Ratio (NSFR) (in %)	114%	122%

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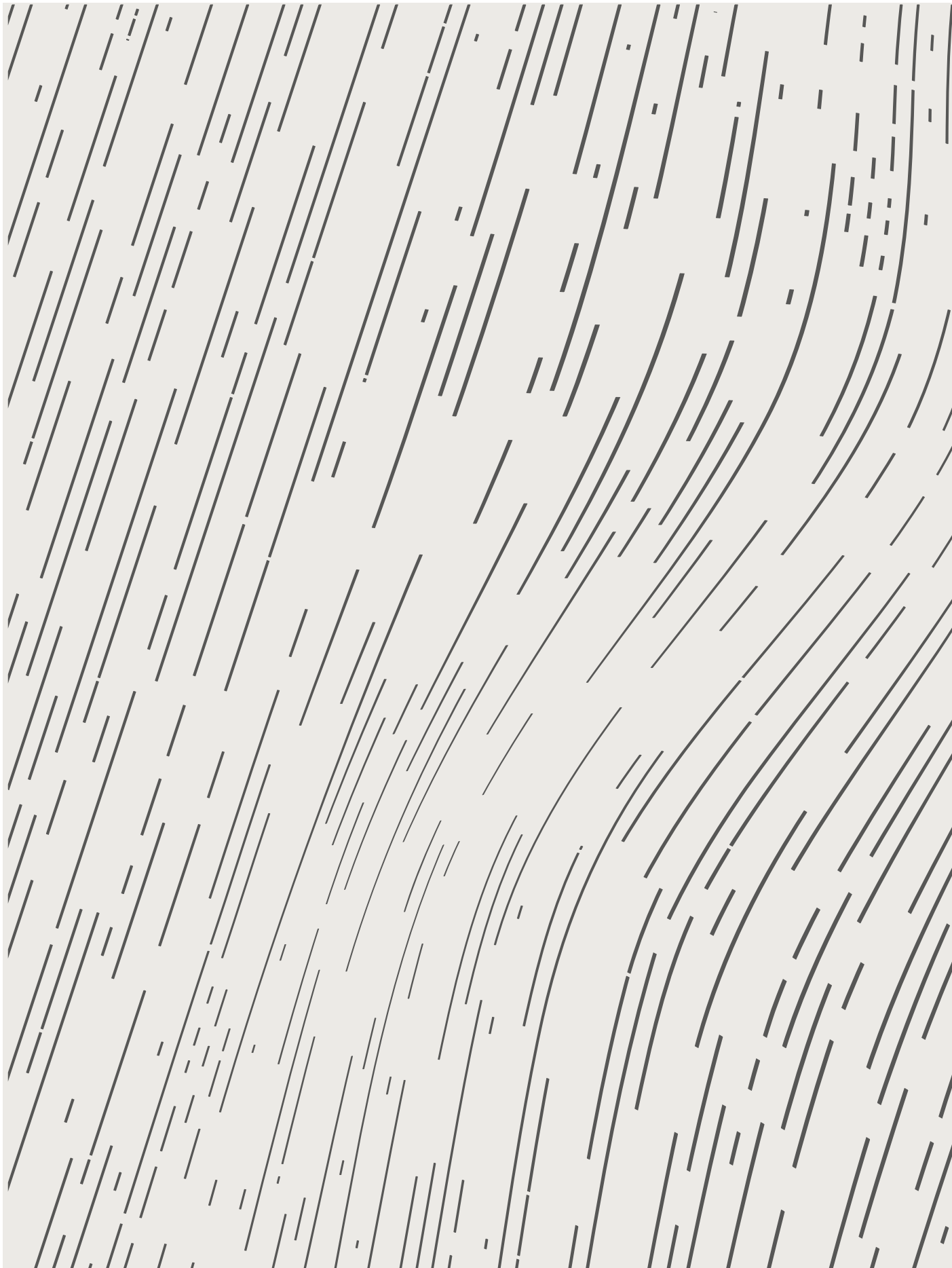
Main subsidiaries outside Switzerland

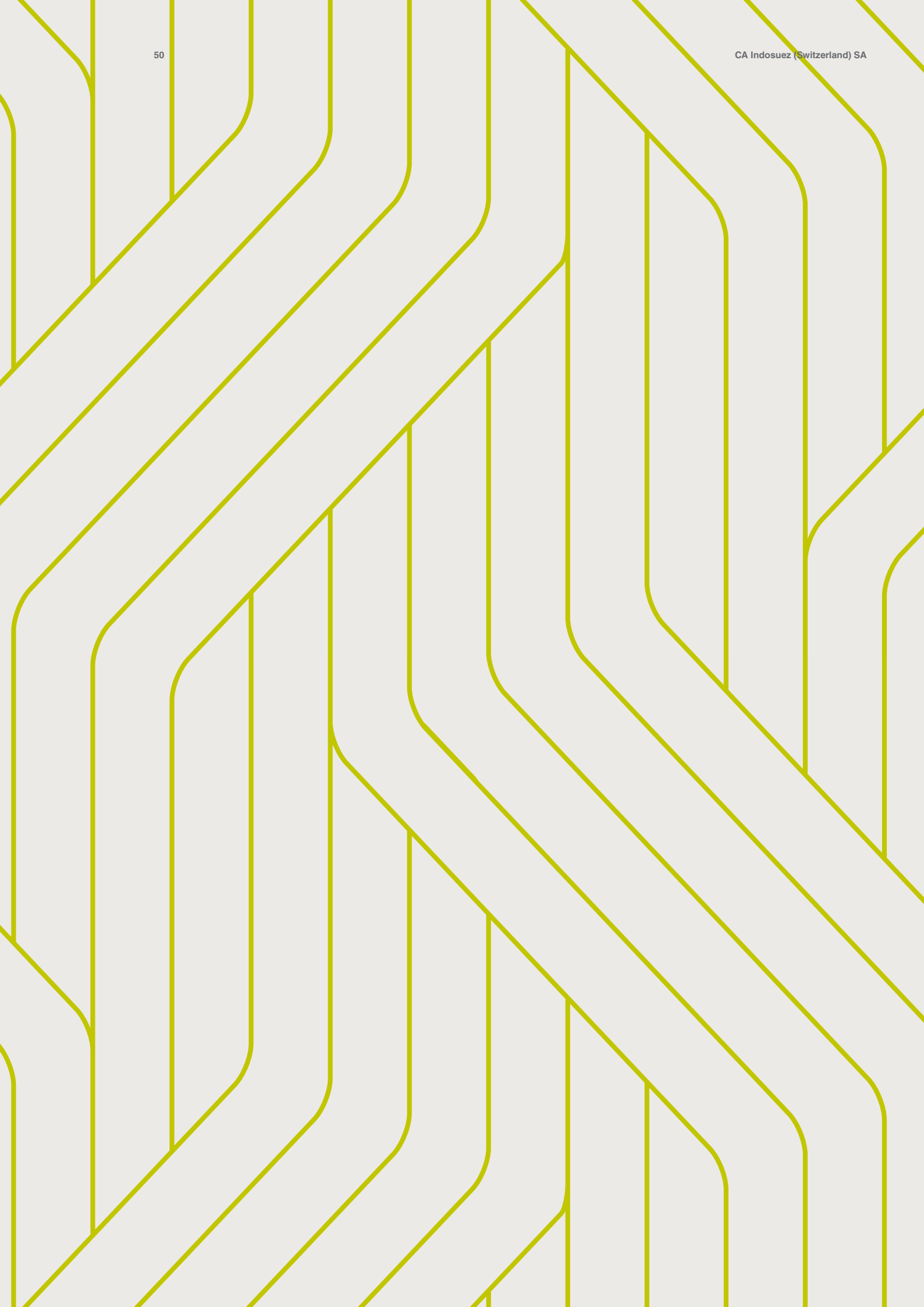
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Subsidiary in Switzerland

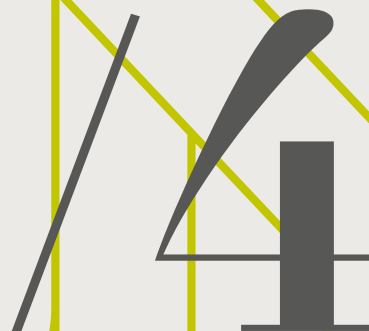
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Annual financial statements
CA Indosuez (Switzerland) SA





1/ **Balance sheet** as at 31 December 2018

Assets

ASSETS (in thousands of CHF)	31.12.2018	31.12.2017
Liquid assets	1,553,316	1,316,054
Amounts due from banks	4,657,370	5,037,207
Amounts due from securities financing transactions	34,180	17,021
Amounts due from clients	7,868,847	8,530,583
Mortgage loans	665,015	812,305
Trading portfolio assets	6,199	5,822
Positive replacement values of derivative financial instruments	156,988	190,876
Financial investments	1,770,947	1,959,119
Accrued income and prepaid expenses	84,769	121,946
Participating interests	33,219	32,438
Property, plant and equipment	197,707	267,736
Intangible assets	24,353	31,002
Other assets	60,410	50,449
Total assets	17,113,320	18,372,558
Total subordinated claims	–	–
<i>of which subject to mandatory conversion and/or debt waiver</i>	–	–

Liabilities

LIABILITIES (in thousands of CHF)	31.12.2018	31.12.2017
Amounts due to banks	5,587,209	5,718,204
Amounts due in respect of client deposits	9,378,006	10,590,865
Negative replacement values of derivative financial instruments	225,604	189,020
Accrued expenses and deferred income	118,536	115,889
Other liabilities	6,258	2,700
Provisions	108,954	114,354
Reserves for general banking risks	19,400	19,400
Bank capital	1,025,946	1,060,946
Statutory capital reserve	388,910	388,910
Statutory retained earnings reserve	104,090	104,090
Retained earnings for the previous year	68,180	10,275
Result for the period	82,227	57,905
Total liabilities	17,113,320	18,372,558
Total subordinated liabilities	440,000	590,000
<i>of which subject to mandatory conversion and/or debt waiver</i>	–	–

Off-balance sheet

OFF-BALANCE SHEET TRANSACTIONS (in thousands of CHF)	31.12.2018	31.12.2017
Contingent liabilities	4,181,154	4,201,911
Irrevocable commitments	1,064,219	1,270,939
Commitment credits	430,459	893,442

2 / Income statement for the year 2018

(in thousands of CHF)	FY 2018	FY 2017
Result from interest operations		
Interest and discount income	264,355	172,541
Interest and dividend income from trading portfolios	116	438
Interest and dividend income from financial investments	9,133	2,810
Interest expense	-116,679	-42,205
Gross result from interest operations	156,925	133,584
Changes in value adjustments for default risks and losses from interest operations	5,478	573
Subtotal net result from interest operations	162,403	134,157
Result from commission business and services		
Commission income from securities trading and investment activities	166,840	155,657
Commission income from lending activities	43,177	38,407
Commission income from other services	40,406	40,915
Commission expense	-37,003	-35,213
Subtotal result from commission business and services	213,420	199,766
Result from trading activities and the fair value option	69,687	67,374
Other income from ordinary activities		
Result from the disposal of financial investments	2,705	3,405
Income from participating interests	3,102	3,639
Result from real estate	2,437	2,411
Other ordinary income	18,677	89,030
Other ordinary expenses	-432	-143
Subtotal other result from ordinary activities	26,489	98,342
Operating expenses		
Personnel expenses	-219,776	-280,007
General and administrative expenses	-124,362	-137,099
Subtotal operating expenses	-344,138	-417,106
Value adjustments on participating interests, and depreciation and amortisation of fixed and intangible assets	-14,949	-12,349
Changes to provisions and other value adjustments, and losses	-1,185	-8,686
Operating result	111,727	61,498
Extraordinary income	5	22,384
Extraordinary expenses	-85	-12
Taxes	-29,420	-25,965
Result for the period	82,227	57,905

3 / Statement of changes in equity

(in thousands of CHF)	Bank capital	Statutory capital reserve	Statutory retained earnings reserve	Reserves for general banking risks	Retained earnings for the previous year	Result for the period	Total
Equity as at 1 January 2018	1,060,946	388,910	104,090	19,400	10,275	57,905	1,641,526
Appropriation of 2017 income	-	-	-	-	57,905	-57,905	-
Capital decrease*	-35,000	-	-	-	-	-	-35,000
Dividend	-	-	-	-	-	-	-
Result for the period	-	-	-	-	-	82,227	82,227
Equity as at 31 December 2018	1,025,946	388,910	104,090	19,400	68,180	82,227	1,688,753

* In connection with the spin-off of the CA-PBS (Crédit Agricole Private Banking Services) business services by the launch of Azqore SA, the Bank reduced its bank capital by CHF 35m (see Note 4.5 - Significant events in 2018).

4 / Notes to the financial statements

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

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

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

4.1.1. Compulsory disclosure on the Hong Kong branch remuneration system

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

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

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

In reference to financial year 2018, for top executives (Senior Management: 3 individuals) and key executives (Key Personnel: 3 individuals) of the CA Indosuez (Switzerland) SA Hong Kong branch, total fixed remuneration (excluding social security costs) was HKD 15.2 million (HKD 10.4 million in 2017).

Their variable remuneration (excluding social security contributions) totalled HKD 4.2 million (HKD 2.0 million in 2017), all of which was payable immediately in cash.

No sign-on or termination payments were awarded among the same personnel categories in 2018.

4.2. Accounting and measurement principles

4.2.1. General principles

The Bank’s accounting and valuation principles are based on the Code of Obligations, the Banking Act and its related Ordinance as well as the “Accounting rules for banks, securities dealers, financial groups and conglomerates” (“ARB”), issued by financial market regulator FINMA under circular 2015/1. The faithfully presented accompanying statutory single-entity financial statements present the economic situation of the Bank such that a third party can form a reliable opinion. The annual financial statements may contain unrealised reserves.

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

General measurement principles

The financial statements have been prepared on a going concern basis. Balance sheet data are therefore based on going-concern values.

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

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

The disclosed balance sheet items are valued individually. The transitional provision, which requires the individual valuation of participating interests, fixed assets and intangible assets as of 1 January 2020, is not applied. In principle, neither assets and liabilities nor expenses and income are offset.

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

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

Financial instruments

Cash and cash equivalents

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

Securities financing operations

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

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

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

Amounts due from banks and clients, mortgage loans

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

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

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

Individual value adjustments are offset against the corresponding asset positions.

For credit facilities (with corresponding credit facility limits) whose use is typically subject to frequent and large fluctuations (e.g. current account credit facilities) and for which provisioning is required, the Bank uses an alternative method to record the required value adjustments and provisions. When the value adjustment is originally recognised, the entire expense is entered under the heading “Changes in value adjustments for default risk and losses from interest operations”. If facility utilisation changes during the same accounting period, a reclassification with no impact on income is carried out between the value adjustment for the corresponding balance sheet item and the provision for the undrawn part of the credit facility. Reclassifications with no impact on income are reported in the “Reclassifications” column of Note 5.16 “Value adjustments, provisions and reserves for general banking risks”.

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

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

These items are recognised at their nominal value.

Trading operations, commitments resulting from trading operations

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

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

Positive and negative replacement values of derivative financial instruments

Derivative financial instruments are used for trading and hedging purposes.

Trading portfolio assets

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

The realised result from trading operations and the unrealised result from valuations relating to trading operations are recorded under “Result from trading activities and the fair value option”.

Hedging transactions

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

The Bank documents hedges and the goals and strategies of hedging transactions at their conclusion. It regularly reviews the effectiveness of the hedge. If the hedge is no longer or only partially effective, the part of the hedging transaction that is no longer effective is treated like a trading operation.

Financial investments

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

As regards financial investments measured at the lower of the historical cost and the acquisition cost, if the fair value increases again after dropping below the acquisition cost, they should be revalued at the maximum historical or acquisition cost. The balance

of the value adjustments is recorded under “Other ordinary expenses” or “Other ordinary income”.

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

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

Equity investments and stocks of precious metals held in physical form and for the Bank's proprietary interests

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

Participating interests

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

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

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

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

Property, plant and equipment

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

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

On each balance sheet date, the Bank determines whether the value of property, plant and equipment has been impaired. This assessment is based on indications suggesting that an impairment loss may have occurred. Where evidence of impairment exists, the Bank calculates a recoverable amount for each individual asset. The value of an asset is impaired when its carrying amount exceeds its recoverable amount.

If the asset is impaired, the book value is written down to the recoverable value and the impairment is charged to the item “Value adjustments on participating interests, and depreciation and amortisation of fixed and intangible assets”.

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

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

Intangible assets

Goodwill

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

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

Goodwill is capitalised and written down over its estimated useful life.

The Bank estimates the goodwill's useful life to be five years.

Provisions

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

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

Provisions are released via the income statement if they are no longer needed on business grounds and are recorded under the following items:

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

Reserves for general banking risks

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

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

The reserves for general banking risks are subject to tax.

Taxes

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

Pension benefit obligations

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

In addition, pension liabilities and the assets used to hedge these liabilities are held by a legally independent foundation. Contributions which have been adjusted to the period are recorded under “Personnel expenses” in the income statement. Furthermore, the foundation manages its assets through the Bank; hence the related positions are recorded in the latter’s balance sheet.

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

Off-balance sheet transactions

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

4.2.2. Recording of business transactions

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

4.2.3. Treatment of past-due interest

Interest outstanding is not recognised as interest income. Interest accrued and unpaid for more than 90 days is considered interest outstanding. As regards current account overdraft facilities, interest is considered overdue when the credit limit has been breached for more than 90 days. From this point in time, no accrued interest is recorded in “Interest and discount income” until there is no more past-due interest over 90 days.

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

4.2.4. Conversion of foreign currency items

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

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

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

Currencies	2018		2017	
	Closing exchange rate	Average exchange rate for the year	Closing exchange rate	Average exchange rate for the year
EUR	1.1254	1.1428	1.1705	1.1159
USD	0.9840	0.9815	0.9765	0.9798
SGD	0.7205	0.7240	0.7306	0.7135
HKD	0.1257	0.1246	0.1250	0.1257

4.3. Risk management

4.3.1. General risk policy

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

The Board of Directors is the body responsible for high-level risk monitoring. It establishes a suitable risk policy and, within this policy, defines the philosophy, the risk assessment approach and the monitoring method. It periodically reviews the adequacy of the risk management policy, makes regular changes and captures the risks arising from each of its areas of activity.

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

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

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

4.3.2. Credit risk

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

Customer loans

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

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

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

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

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

Counterparty risk in interbank business

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

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

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

4.3.3. Market risk

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

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

The main market risks faced by the Bank are:

- **Foreign exchange risk**

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

- **Interest rate risk**

The Bank's strategy for managing interest rate risk is aimed at keeping the risk at a moderate level for the entire balance sheet. The majority of the balance sheet items which are exposed to interest rate risk (customer loans, investment portfolio securities, term deposits) are individually backed (transaction by transaction) by the Treasury function in accordance with strict limits established by the Group. The Treasury function ultimately returns them to the market to close out the positions.

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

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

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

- **Liquidity risk**

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

4.3.4. Operational risk management

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

Identification and measurement of inherent risk

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

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

Mitigation measures: residual risk

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

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

- **Schedules of manual and automated checks**
- **Risk transfers (insurance)**
- **Organisational measures (such as robust procedures, separation of functions, etc.)**

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

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

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

Matching of residual risk to effective risk

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

Employee responsibility

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

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

Communication

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

4.3.5. Compliance and legal risk

Compliance and legal 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 Division and a Legal Affairs and Governance Division whose roles are 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. These Divisions also ensure that in-house directives are consistent with new legislation and regulations.

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

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

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

The following situations are monitored and deemed to constitute default:

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

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

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

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

Procedure for determining value adjustments and provisions

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

4.3.7. Valuation of collateral

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

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

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

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

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

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

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

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

4.4.1. Use of hedge accounting

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

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

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

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

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

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

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

4.5. Significant events in 2018

On 7 June 2018, the Bank separated its CA-PBS banking services business by launching Azqore SA. The spin-off was carried out with retroactive effect to 1 January 2018.

This spin-off effort refocused the Bank's activities on its main wealth management business lines and on Corporate and Investment Banking.

See also the following notes:

- 5.8 Property, plant and equipment.
- 5.34 Personnel expenses.
- 5.38 Operating result broken down by domestic and foreign origin according to the principle of permanent establishment.

4.6. Significant events after the balance sheet date

No event likely to have a material impact on the assets and liabilities, financial position or results of the Bank occurred after 31 December 2018, the Bank's balance sheet date.

4.7. Premature resignation of the auditor

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

4.8. Information on the balance sheet

Unless expressly provided for otherwise by the remarks or detailed information set out in annex 5 to FINMA Circular 2015/1, all quantitative entries are to be accompanied in the notes by figures from the previous year.

Layout of the notes to the financial statements

The numbering of the notes follows the layout stipulated by FINMA in annex 5 to its Circular 2015/1.

Outsourcing of activities

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

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

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

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

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

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

5 / Information on the balance sheet, the off-balance sheet and the income statement

Information on the balance sheet

5.1. Securities financing transactions (assets and liabilities)

(in thousands of CHF)	31.12.2018	31.12.2017
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions*	34,180	17,021
Book value of obligations resulting from cash collateral received in connection with securities lending and repurchase transactions*	-	-
Book-value of securities held for proprietary interests, lent in connection with securities lending or delivered as collateral under securities borrowing and repurchase agreements	-	2,092
- with unrestricted right to resell or pledge	-	-
Fair value of securities received as collateral in securities lending transactions, and of securities borrowed for securities borrowing transactions and through reverse repurchase agreements, with an unrestricted right to resell or repledge.	34,232	16,871
- o/w repledged securities	-	13,172
- o/w resold securities	-	-

* Before consideration of any leasing agreements

5.2. Collateral for loans and off-balance sheet transactions as well as impaired loans

(in thousands of CHF)	TYPE OF COLLATERAL			Total
	Secured by mortgage	Other collateral	Unsecured	
Loans (before netting with value adjustments)				
Amounts due from clients	42,526	5,417,641	2,558,229	8,018,396
Mortgage loans	665,248	-	-	665,248
– residential property	523,204	-	-	523,204
– business premises	133,265	-	-	133,265
– other	8,778	-	-	8,778
Total loans (before netting with value adjustments)				
Current year	707,774	5,417,641	2,558,229	8,683,644
Previous year	832,355	5,277,621	3,391,395	9,501,371
Total loans (after netting with value adjustments)				
Current year	707,542	5,268,092	2,558,229	8,533,862
Previous year	831,990	5,119,503	3,391,395	9,342,888
Off-balance sheet				
Contingent liabilities	14,610	565,673	3,600,871	4,181,154
Irrevocable commitments	52	243,491	820,675	1,064,219
Commitment credits	-	15	430,445	430,459
Total off-balance sheet				
Current year	14,662	809,179	4,851,991	5,675,832
Previous year	20,741	978,049	5,367,502	6,366,292
Impaired loans				
(in thousands of CHF)	Gross amount	Estimated liquidation value of collateral	Net amount	Individual value adjustments
Current year	204,281	37,329	166,952	149,782
Previous year	188,371	22,147	166,224	158,483

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

5.3. Trading portfolios and other financial instruments at fair value (assets and liabilities)

(in thousands of CHF)	31.12.2018	31.12.2017
Structured products	6,199	5,822
- of which established using a pricing model	5,813	5,426
Total trading portfolios	6,199	5,822

5.4. Derivative financial instruments (assets and liabilities)

(in thousands of CHF)		TRADING INSTRUMENTS			HEDGING INSTRUMENTS		
		Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Fixed-income instruments	swaps	16,241	16,331	1,067,150	28,003	61,262	4,984,188
	options (OTC)	-	-	499	-	-	-
	Total	16,241	16,331	1,067,649	28,003	61,262	4,984,188
Currencies/precious metals	Forward contracts	46,519	54,954	6,236,826	3,834	30,077	2,906,257
	o/w internal	536	-	40,435	-	-	-
	Futures	-	-	334	-	-	-
	options (OTC)	48,499	48,551	6,913,105	-	-	-
	Total	95,018	103,505	13,150,265	3,834	30,077	2,906,257
Equity securities/indices	options (OTC)	14,428	14,428	321,755	-	-	-
	Total	14,428	14,428	321,755	-	-	-
Other	Forward contracts	-	-	117,980	-	-	-
	o/w internal	-	-	1,291	-	-	-
	Total	-	-	117,980	-	-	-
Total before netting agreements:	Current year	125,687	134,264	14,657,649	31,837	91,340	7,890,445
	of which established using a pricing model	125,687	134,264	14,657,649	31,837	91,340	7,890,445
	Previous year	117,825	117,474	14,025,270	73,241	71,561	7,639,548
	of which established using a pricing model	117,825	117,474	14,025,270	73,241	71,561	7,639,548
Total after netting agreements					Positive replacement values (cumulative)	Negative replacement values (cumulative)	
Current year					156,988	225,604	
Previous year					190,876	189,020	
Breakdown by counterparty		Central clearing houses		Banks and securities dealers		Other clients	
Positive replacement values (after netting agreements)		-		89,064		67,924	

5.5. Financial investments

(in thousands of CHF)	Book value		Fair value	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Debt securities	1,653,113	1,845,874	1,651,793	1,846,607
<i>of which intended to be held to maturity</i>	<i>1,653,113</i>	<i>1,845,874</i>	<i>1,651,793</i>	<i>1,846,607</i>
Equity securities	7,923	2,480	8,771	3,307
<i>of which qualified participating interests</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Precious metals	109,910	110,765	109,910	110,765
Total	1,770,947	1,959,119	1,770,475	1,960,679
<i>of which securities eligible for repo transactions in accordance with liquidity requirements</i>	<i>1,554,894</i>	<i>1,744,950</i>	<i>1,553,573</i>	<i>1,744,834</i>

Breakdown by counterparty as per Moody's rating (in thousands of CHF)	Aaa to Aa3	A1 to A3
Book values of debt securities	1,198,402	454,711

5.6. Participating interests

(in thousands of CHF)	Acquisition cost	Accumulated value adjustments	Book value at 31.12.2017	Current year					Book value at 31.12.2018
				Reclassifications	Investments	Disposals	Value adjustments	Reversals of write-downs	
Other participating interests without market value	98,825	-66,387	32,438	-	1,751	-670	-300	-	33,219
Total participating interests	98,825	-66,387	32,438	-	1,751	-670	-300	-	33,219

Investments and divestments during 2018: See [note 5.7](#).

5.7. Companies in which the Bank holds a permanent, direct, significant interest

Company name	Registered office	Activity	Currency	Share capital (in thousands)	Stake in capital (%)	Share of voting (%)	Direct holding (%)
CA Indosuez Finanziaria SA	Lugano	Financial company	CHF	1,800	100	100	100
Crédit Agricole next banque (Suisse) SA	Geneva	Bank	CHF	291,850	5	5	5
CA Indosuez Switzerland (Lebanon) SAL	Beirut	Financial company	LBP	2,000,000	100	100	100
CA Indosuez Investor Services LTD (in the process of winding-up)	Hong Kong	Financial company	HKD	37,300	100	100	100
Komgo SA	Geneva	Programming/Data Processing	CHF	15,000	6.7	6.7	6.7

Major changes during 2018:

- On 11 May 2018, Crédit Agricole next bank (Suisse) SA increased its capital from CHF 283.2m to CHF 291.9m. As the Bank decided to purchase some shares resulting from this share issue, the percentage of its ownership stake remains unchanged as of 31 December 2018.
- Crédit Agricole Suisse (Bahamas) Ltd. was wound up on 23 July 2018.
- During the third quarter of 2018, the Bank acquired a stake in Komgo SA and therefore participated in the launch of this platform, which will digitise the finance of commodities trading by using blockchain technology.

5.8. Property, plant and equipment

(in thousands of CHF)	Acquisition cost	Accumulated depreciation and value adjustments	Book value at 31.12.2017	CURRENT YEAR					Book value at 31.12.2018
				Reclassifications	Investments	Disposals*	Depreciation	Reversals	
Bank buildings	272,493	-60,920	211,573	-	-	-39,171	-3,018	-	169,384
Self-developed software	25,094	-9,868	15,226	-	-	-15,226	-	-	0
Other property, plant and equipment	134,877	-93,940	40,937	-	1,582	-8,513	-5,683	-	28,323
Total property, plant and equipment	432,464	-164,728	267,736	-	1,582	-62,910	-8,701	-	197,707

* In 2018, the Bank separated from its CA-PBS banking services business by launching Azqore SA with retroactive effect to 1 January 2018. This spin-off resulted in the transfer of ownership of property, plant and equipment for a total of CHF 62.4m in net book value.

Operating leases	31.12.2018	31.12.2017
Off-balance sheet leasing obligations (in thousands of CHF)		
Maturing in less than 12 months	-	-
Maturing in 12 months to 5 years	-	4,818
Maturing beyond 5 years	-	-
Total off-balance sheet leasing obligations	-	4,818
<i>of which may be terminated within 12 months</i>	-	-

Operating leases, which related solely to computer hardware, were also transferred to Azqore SA as part of the spin-off. As of 31 December 2018, the Bank had no operating leases.

5.9. Intangible assets

(in thousands of CHF)	Acquisition cost	Accumulated depreciation and value adjustments	Book value at 31.12.2017	CURRENT YEAR			Book value at 31.12.2018
				Investments	Disposals	Depreciation	
Goodwill	31,527	-525	31,002	-	-430	-6,218	24,353
Total intangible assets	31,527	-525	31,002	-	-430	-6,218	24,353

5.10. Other assets and liabilities

(in thousands of CHF)	Other assets		Other liabilities	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Compensation account	41,715	29,776	-	-
Internal banking transactions	31	4,702	-	163
Indirect taxes	16,124	13,353	1,922	2,508
Other assets and liabilities	2,540	2,618	4,336	29
Total	60,410	50,449	6,258	2,700

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

(in thousands of CHF)	31.12.2018		31.12.2017	
	Book value	Effective commitments	Book value	Effective commitments
Financial investments*	115,246	-	159,848	1,432
Other assets**	1,370	-	1,538	168
Total pledged/assigned assets	116,616	-	161,386	1,600

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

** Other assets consist primarily of rental deposits.

5.12. Liabilities relating to own pension schemes

(in thousands of CHF)	31.12.2018	31.12.2017
Amounts due in respect of client deposits	81,029	61,169
Negative replacement values of derivative financial instruments	350	135
Total liabilities relating to own pension schemes	81,379	61,304

5.13. Financial position of own pension schemes

(in thousands of CHF)	Pension expenses included under "Personnel expenses"	
	2018	2017
CA Indosuez (Switzerland) SA pension fund	16,083	23,038

Employer contribution reserves:

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

Financial benefits/obligations arising from a funding surplus/deficit

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

	31.12.2017	31.12.2016
CA Indosuez (Switzerland) SA pension fund	107.3%	106.4%

Based on preliminary figures, the degree of coverage is greater than 100% at 31 December 2018. As long as the reserves for fluctuation have not reached the regulatory amount, there is no surplus coverage. As such, there is no economic benefit for the Bank to recognise it on its balance sheet or income statement. Employees in foreign countries are insured through either benefit institutions in the form of collective foundations or collective insurance policies with life insurance companies, or through pension funds managed by their country of tax residence. These various plans do not offer commitments or benefits other than what is recognised on the balance sheet.

5.16. Value adjustments, provisions and reserves for general banking risks

(in thousands of CHF)	Balance at 31.12.2017	Use in compliance with designated purpose	Reclassifications	Currency differences	Past-due interest, recoveries	New provisions charged to income statement	Releases to income statement	Balance at 31.12.2018
Provisions for other operating risks	31,863	-3,947	0	-111	0	764	-2,106	26,463
Other provisions	82,491	0	0	0	0	0	0	82,491
Total provisions	114,354	-3,947	0	-111	0	764	-2,106	108,954
Reserves for general banking risks	19,400	0	0	0	0	0	0	19,400
Value adjustments for default and country risks	158,483	-5,505	0	1,065	-1,479	411	-3,193	149,782
<i>Of which value adjustments for the risk of default on impaired loans</i>	<i>158,483</i>	<i>-5,505</i>	<i>0</i>	<i>1,065</i>	<i>-1,479</i>	<i>411</i>	<i>-3,193</i>	<i>149,782</i>

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

5.17. Bank capital

(in thousands of CHF)	Current year			Previous year		
	Total nominal value	Number of shares	Capital eligible for dividend	Total nominal value	Number of shares	Capital eligible for dividend
Registered shares	1,025,946	1,025,946	1,025,946	1,060,946	1,060,946	1,060,946
<i>of which paid up</i>	<i>1,025,946</i>	<i>1,025,946</i>	<i>1,025,946</i>	<i>1,060,946</i>	<i>1,060,946</i>	<i>1,060,946</i>
Total Bank capital	1,025,946	1,025,946	1,025,946	1,060,946	1,060,946	1,060,946

See comments underneath Table 3/Statement of changes in Equity

5.19. Related parties

(in thousands of CHF)	Amounts due from		Amounts due to	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Qualified participating interests	1,035,035	1,252,733	1,187,286	2,352,899
Group companies	-	-	4,891	903
Related companies	3,123,169	2,773,680	3,561,236	2,692,745
Transactions with members of governing bodies	116	175	-	-

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

5.20. Major shareholders

(in thousands of CHF)	Current year		Previous year	
	Nominal	% share	Nominal	% share
With voting rights				
CA Indosuez Wealth Group, Paris (indirect subsidiary of Crédit Agricole SA)	1,025,946	100	1,060,946	100

5.21. Own shares and composition of equity capital

Own shares

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

Non-distributable reserves

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

(in thousands of CHF)	31.12.2018	31.12.2017
Non-distributable legal reserves	493,000	493,000
Total non-distributable legal reserves	493,000	493,000

5.23. Maturity schedule of financial instruments

(in thousands of CHF)	DUE							Total
	On demand	Cancellable	Within 3 months	Between 3 and 12 months	Between 12 months and 5 years	Beyond 5 years	No maturity	
Assets/financial instruments								
Liquid assets	1,553,316	-	-	-	-	-	-	1,553,316
Amounts due from banks	610,471	-	1,462,248	440,653	1,111,298	1,032,700	-	4,657,370
Amounts due from securities financing transactions	-	-	34,180	-	-	-	-	34,180
Amounts due from clients	-	665,669	6,317,322	750,604	86,129	49,123	-	7,868,847
Mortgage loans	-	-	319,883	44,041	145,406	155,685	-	665,015
Trading portfolio assets	6,199	-	-	-	-	-	-	6,199
Positive replacement values of derivative financial instruments	156,988	-	-	-	-	-	-	156,988
Financial investments	116,306	-	768,635	404,053	481,953	-	-	1,770,947
Current year	2,443,280	665,669	8,902,268	1,639,351	1,824,786	1,237,508	-	16,712,862
Previous year	2,062,294	773,615	9,616,245	2,272,634	1,808,639	1,335,560	-	17,868,987
Foreign funds/financial instruments								
Amounts due to banks	653,267	-	3,791,691	568,397	133,854	440,000	-	5,587,209
Amounts due in respect of client deposits	6,421,575	-	2,712,483	243,948	-	-	-	9,378,006
Negative replacement values of derivative financial instruments	225,604	-	-	-	-	-	-	225,604
Current year	7,300,446	-	6,504,174	812,345	133,854	440,000	-	15,190,819
Previous year	8,327,301	-	6,915,739	437,742	227,307	590,000	-	16,498,089

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

Assets (in thousands of CHF)	31.12.2018		31.12.2017	
	Domestic	Foreign	Domestic	Foreign
Liquid assets	1,359,747	193,569	1,172,809	143,245
Amounts due from banks	2,852,962	1,804,408	2,930,943	2,106,264
Amounts due from securities financing transactions	-	34,180	-	17,021
Amounts due from clients	2,108,769	5,760,078	2,404,812	6,125,771
Mortgage loans	119,623	545,392	197,832	614,473
Trading portfolio assets	-	6,199	-	5,822
Positive replacement values of derivative financial instruments	21,308	135,680	21,598	169,278
Financial investments	304,517	1,466,430	542,804	1,416,315
Accrued income and prepaid expenses	71,536	13,233	108,264	13,682
Participating interests	27,514	5,705	25,763	6,675
Property, plant and equipment	195,596	2,111	265,625	2,111
Intangible assets	-	24,353	0	31,002
Other assets	43,237	17,173	31,947	18,502
Total assets	7,104,809	10,008,511	7,702,397	10,670,161

Liabilities (in thousands of CHF)	31.12.2018		31.12.2017	
	Domestic	Foreign	Domestic	Foreign
Amounts due to banks	88,790	5,498,419	190,705	5,527,499
Liabilities from securities financing transactions	-	-	-	-
Amounts due in respect of client deposits	1,715,655	7,662,351	2,001,857	8,589,008
Negative replacement values of derivative financial instruments	3,643	221,961	4,412	184,608
Accrued expenses and deferred income	87,052	31,484	91,617	24,272
Other liabilities	6,245	13	2,672	28
Provisions	93,998	14,956	97,046	17,308
Reserves for general banking risks	19,400	-	19,400	-
Bank capital	1,025,946	-	1,060,946	-
Statutory capital reserve	388,910	-	388,910	-
Statutory retained earnings reserve	104,090	-	104,090	-
Retained earnings for the previous year	65,689	2,491	7,119	3,156
Result for the period	64,664	17,563	53,237	4,668
Total liabilities	3,664,082	13,449,238	4,022,011	14,350,547

5.25. Assets by country or group of countries (based on domicile)

ASSETS (in thousands of CHF)	31.12.2018		31.12.2017	
	Amount	% share	Amount	% share
Europe	10,666,582	62.3	11,569,951	63.0
<i>of which: Domestic</i>	<i>7,104,809</i>	<i>41.5</i>	<i>7,702,397</i>	<i>41.9</i>
<i>France</i>	<i>1,569,913</i>	<i>9.2</i>	<i>1,778,850</i>	<i>9.7</i>
<i>United Kingdom</i>	<i>584,452</i>	<i>3.4</i>	<i>442,370</i>	<i>2.4</i>
Africa	52,360	0.3	142,886	0.8
North America	115,345	0.7	231,141	1.3
South America	88,561	0.5	93,326	0.5
Asia	4,900,014	28.6	5,121,516	27.9
<i>of which: Singapore</i>	<i>2,009,758</i>	<i>11.7</i>	<i>2,361,298</i>	<i>12.9</i>
<i>Hong Kong</i>	<i>886,672</i>	<i>5.2</i>	<i>872,286</i>	<i>4.7</i>
<i>Japan</i>	<i>458,605</i>	<i>2.7</i>	<i>378,845</i>	<i>2.1</i>
Caribbean	1,172,341	6.9	1,106,516	6.0
Oceania	118,117	0.7	107,222	0.6
Total assets	17,113,320	100.0	18,372,558	100.0

5.26. Total assets by credit rating of country groups (based on domicile risk)

Net foreign exposure

BANK'S OWN COUNTRY RATING	SERV rating*	31.12.2018		31.12.2017	
		in thousands of CHF	% share	in thousands of CHF	% share
1 - Very low risk	CP 1	5,925,999	57.4	6,273,017	63.3
2 - Low risk	CP 2	229,695	2.2	397,066	4.0
3 - Average risk	CP 3 - CP 4	3,023,191	29.3	2,854,658	28.8
4 - Significant risk	CP 5	216,092	2.1	115,590	1.2
5 - High risk	CP 6 - CP 7	378,980	3.7	222,712	2.2
No rating	CP 0	552,165	5.3	52,658	0.5
Total		10,326,122	100.0	9,915,701	100.0

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

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

5.27. Breakdown of assets and liabilities by currency

ASSETS (in thousands of CHF)	CHF	EUR	USD	SGD	HKD	Other	Total
Liquid assets	1,357,806	1,353	401	18,015	175,562	179	1,553,316
Amounts due from banks	2,987,587	322,229	848,177	28,638	90,220	380,519	4,657,370
Amounts due from securities financing transactions	-	34,180	-	-	-	-	34,180
Amounts due from clients	461,315	1,072,631	4,425,756	182,093	569,628	1,157,424	7,868,847
Mortgage loans	137,555	188,746	35,343	200,530	45,408	57,433	665,015
Trading portfolio assets	-	1,372	4,413	-	-	414	6,199
Positive replacement values of derivative financial instruments	138,020	1,193	9,018	14	6,339	2,404	156,988
Financial investments	260,810	181,835	362,248	401,433	-	564,621	1,770,947
Accrued income and prepaid expenses	40,311	4,517	17,090	12,584	8,835	1,432	84,769
Participating interests	27,514	-	1,312	-	4,393	-	33,219
Property, plant and equipment	195,596	-	-	1,182	929	-	197,707
Intangible assets	-	-	-	24,353	-	-	24,353
Other assets	56,454	622	51	2,569	713	1	60,410
Total balance sheet assets	5,662,968	1,808,678	5,703,809	871,411	902,027	2,164,427	17,113,320
Delivery entitlements from spot exchange, forward forex and forex options transactions	1,151,695	4,182,579	6,315,110	208,641	18,475	4,180,023	16,056,523
Total assets	6,814,663	5,991,257	12,018,919	1,080,052	920,502	6,344,450	33,169,843

LIABILITIES (in thousands of CHF)	CHF	EUR	USD	SGD	HKD	Other	Total
Amounts due to banks	1,219,369	1,179,707	2,448,994	4,082	84,388	650,669	5,587,209
Amounts due in respect of client deposits	671,352	2,432,964	4,412,834	407,966	174,355	1,278,535	9,378,006
Negative replacement values of derivative financial instruments	209,683	2,380	4,751	14	6,322	2,454	225,604
Accrued expenses and deferred income	64,174	8,784	17,027	15,393	12,024	1,134	118,536
Other liabilities	1,911	-	11	12	4,314	10	6,258
Provisions	94,372	-	14,582	-	-	-	108,954
Reserves for general banking risks	19,400	-	-	-	-	-	19,400
Bank capital	1,025,946	-	-	-	-	-	1,025,946
Statutory capital reserve	388,910	-	-	-	-	-	388,910
Statutory retained earnings reserve	104,090	-	-	-	-	-	104,090
Retained earnings for the previous year	65,689	-	-	2,491	-	-	68,180
Result for the period	64,664	-	-	9,898	7,665	-	82,227
Total balance sheet liabilities	3,929,560	3,623,835	6,898,199	439,856	289,068	1,932,802	17,113,320
Delivery obligations from spot exchange, forward forex and forex options transactions	2,884,523	2,367,478	5,120,167	641,630	631,526	4,411,199	16,056,523
Total liabilities	6,814,083	5,991,313	12,018,366	1,081,486	920,594	6,344,001	33,169,843
Net position by currency	580	-56	553	-1,434	-92	449	0

Information on off-balance sheet transactions

5.28. Contingent assets and liabilities

(in thousands of CHF)	31.12.2018	31.12.2017
Guarantees to secure credits and similar	2,971,192	3,020,083
Performance guarantees and similar	1,113,551	1,153,395
Irrevocable commitments arising from documentary letters of credit	96,411	28,433
Total contingent liabilities	4,181,154	4,201,911

5.29. Commitment credits

(in thousands of CHF)	31.12.2018	31.12.2017
Commitments arising from deferred payments	430,459	893,365
Commitments arising from acceptances (for liabilities arising from outstanding acceptances)	-	77
Total commitment credits	430,459	893,442

5.30. Fiduciary transactions

(in thousands of CHF)	31.12.2018	31.12.2017
Fiduciary investments with third-party companies	74,113	315,885
Fiduciary investments with Group companies and related companies	3,314,343	2,688,640
Fiduciary loans	1,692	1,679
Total fiduciary transactions	3,390,148	3,006,204

5.31. Managed assets

Breakdown of managed assets

(in millions of CHF)	31.12.2018	31.12.2017
Type of managed assets		
Assets under discretionary management	2,377	2,932
Other managed assets	36,775	39,320
Total managed assets (including double-counting)	39,152	42,252
of which double-counted items	-	-

Overview of change in managed assets

(in millions of CHF)	31.12.2018	31.12.2017
Total initial managed assets (including double-counting)	42,252	39,324
Net new inflows	-852	896
Change in price, interest, dividends and change in exchange rate	-2,248	2,032
<i>Other effects</i>	-	-
Total final managed assets (including double-counting)	39,152	42,252
Net new inflows/outflows	-852	896
- <i>Wealth Management business</i>	-1,070	1,265
- <i>ITB business (International Trade & Transaction Banking)</i>	218	-369

Assets under discretionary management include assets for which the Bank has been awarded a discretionary management mandate by clients. Other managed assets include eligible assets for added-value services such as investment advice, fund-specific services or global custody services. These assets include Crédit Agricole group funds and unmanaged third-party funds.

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

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

Information on the income statement

5.32. Result from trading activities and the fair value option

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

(in thousands of CHF)	FY 2018	FY 2017
Wealth Management	61,241	59,035
Capital market	8,048	8,007
ITB (International Trade & Transaction Banking)	398	332
Total result from trading activities	69,687	67,374

Trading result (based on underlying risk)

(in thousands of CHF)	FY 2018	FY 2017
Fixed-income instruments	-	-3
Currencies	66,410	64,849
Commodities/precious metals	3,277	2,528
Total result from trading activities	69,687	67,374
- of which from the fair value option	-	-
- of which from the fair value option on assets	-	-
- of which from the fair value option on liabilities	-	-

5.33. Refinancing income and income from negative interest

1) Refinancing income classified under "Interest and discount income"

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

2) Negative interest

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

(in thousands of CHF)	FY 2018	FY 2017
Negative interest on credit operations (reduction of interest and discount income)	33,107	34,055
Negative interest on deposits (reduction of interest expense)	5,245	8,541

5.34. Personnel expenses

(in thousands of CHF)	FY 2018	FY 2017
Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits)	178,061	224,629
Social security benefits	34,420	48,936
Other personnel expenses	7,295	6,442
Total personnel expenses*	219,776	280,007

* The decrease in payroll expenses in 2018 is due to the transfer of former CA-PBS employees to the new company, Azgore SA.

5.35. General and administrative expenses

(in thousands of CHF)	FY 2018	FY 2017
Office space expenses	12,797	17,636
Expenses for information and communications technology*	71,542	57,299
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	1,044	462
Fees of audit firm(s) (article 961a no. 2 Swiss CO)	2,248	2,343
<i>of which for financial and regulatory audits</i>	2,148	2,302
<i>of which for other services</i>	100	41
General and administrative expenses	36,730	59,359
Total general and administrative expenses	124,362	137,099

* Some 2017 expenses were reclassified to comply with the presentation adopted in 2018.

5.36. Material losses, extraordinary income and expenses, material releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required

Material losses

There was no material loss recorded in 2018.

Extraordinary income

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

Extraordinary expenses

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

Material releases of hidden reserves

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

Reserves for general banking risks

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

5.38. Operating result broken down by domestic and foreign origin according to the principle of permanent establishment

(in thousands of CHF)	FY 2018		FY 2017	
	Domestic	Foreign	Domestic	Foreign
Interest and discount income	139,462	124,893	125,612	46,930
Interest and dividend income from trading portfolios	-32	148	398	39
Interest and dividend income from financial investments	4,157	4,976	2,810	-
Interest expense	-80,922	-35,757	-35,236	-6,969
Gross result from interest operations	62,665	94,260	93,584	40,000
Changes in value adjustments for default risks and losses from interest operations	5,020	458	573	-
Subtotal net result from interest operations	67,685	94,718	94,157	40,000
Commission income from securities trading and investment activities	119,857	46,983	124,818	30,839
Commission income from lending activities	43,111	66	38,370	37
Commission income from other services	37,995	2,411	39,385	1,530
Commission expense	-8,384	-28,619	-20,280	-14,934
Subtotal result from commission business and services	192,579	20,841	182,293	17,473
Result from trading activities and the fair value option	60,535	9,152	57,925	9,449
Result from the disposal of financial investments	525	2,180	983	2,422
Income from participating interests	3,102	-	3,639	-
Result from real estate	2,437	-	2,411	-
Other ordinary income*	11,039	7,638	82,670	6,360
Other ordinary expenses	-401	-31	-18	-125
Subtotal other result from ordinary activities	16,702	9,787	89,685	8,657
Personnel expenses	-155,461	-64,315	-232,557	-47,450
General and administrative expenses	-95,783	-28,579	-125,090	-12,009
Subtotal Operating expenses	-251,244	-92,894	-357,647	-59,459
Value adjustments on participating interests, and depreciation and amortisation of fixed and intangible assets	-7,826	-7,123	-11,166	-1,183
Changes to provisions and other value adjustments, and losses	-779	-406	-8,476	-210
Pre-tax income	77,652	34,075	46,771	14,727

* Income generated by the CA-PBS banking services business was booked under "Other ordinary income" in 2017. Subsequent to the spin-off, this translated into a sharp decrease in this line item for 2018.

5.39. Current and deferred taxes and disclosure of tax rate

(in thousands of CHF)	FY 2018	FY 2017
Current income taxes	29,420	25,965
Deferred income taxes	-	-
Total taxes	29,420	25,965
Average weighted tax rate on the basis of pre-tax income	20.0%	23.7%

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

Proposal to the Annual Shareholders' Meeting on the appropriation of the available earnings

Board of Directors' proposal to the Annual Shareholders' Meeting

Appropriation of earnings

The Board of Directors proposes to the Annual Shareholders' Meeting of 28 March 2019 to appropriate the 2018 retained earnings as follows:

(in thousands of CHF)	FY 2018	FY 2017
Result for the period	82,227	57,905
Retained earnings for the previous year	68,180	10,275
Total retained earnings	150,407	68,180
Breakdown of available earnings		
Statutory allocation to retained earnings reserve	2,820	-
Dividend	79,500	-
Retained earnings brought forward	68,087	68,180
	150,407	68,180



Report of the statutory auditor

to the Annual Shareholders' Meeting of CA Indosuez (Switzerland) SA, Geneva

Report of the statutory auditor on the 2018 financial statements

As statutory auditor, we have audited the financial statements of CA Indosuez (Switzerland) SA, which comprise the balance sheet, income statement, statement of changes in equity and notes to the financial statements (pages 51 to 81) for the year ended 31 December 2018.

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.

Statutory 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 that 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 judgement, 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 2018 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

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

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

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

PricewaterhouseCoopers SA

Philippe Bochud
Audit expert
Auditor in charge

Josée Mercier

Geneva, 28 March 2019

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