Private Bank

Annual Report 2017

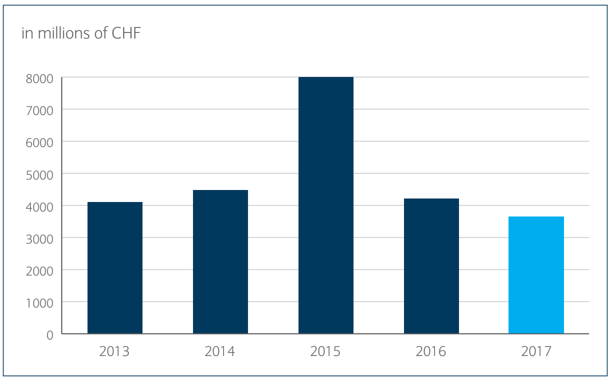
Barclays Bank (Suisse) SA

BARCLAYS

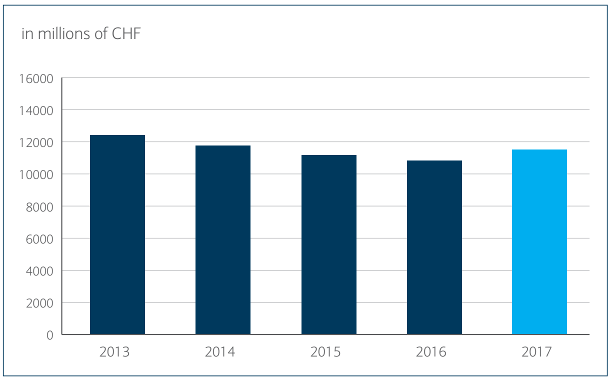
Contents

1. Financial Highlights

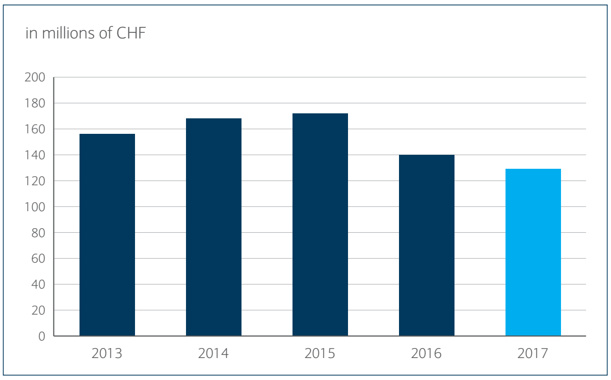
Total balance sheet



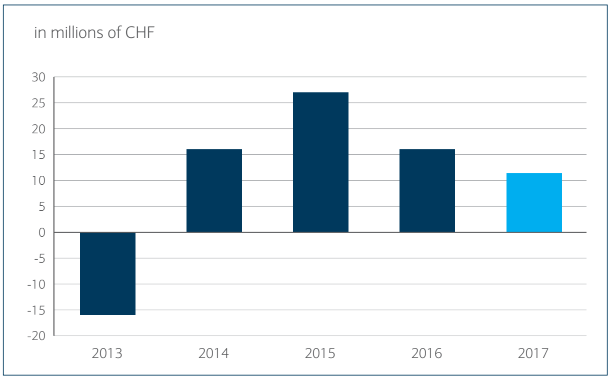
Assets administered



Net income from banking operations



Operational profit



2. Report of the Board of Directors to the Shareholder

2017 was a year of transition as Barclays Bank (Suisse) SA completed a repositioning within the Barclays Group to be fully focussed on High Net Worth (HNW) clients across 21 key markets, which concluded with an external rebranding to redefine our identity and underline this new focus. This includes an emphasis on collaboration with our clients and within Barclays, such that the best possible solutions are always presented to clients, including leveraging the Investment, Corporate or Premier banking divisions of Barclays as appropriate.

For the third consecutive year Barclays Bank (Suisse) SA won the Wealth Briefing 'Best Private Bank – Client Service' award and was Highly Commended in the 'Best Foreign Private Bank' category at the Wealth Briefing Swiss Awards. We also won the Editor's Award for 'Private Bank – Customer Facing Digital Capabilities'. These awards recognise Barclays global expertise and ability to continuously improve service based on client feedback.

Economic Backdrop

We achieved successful investment returns for clients, with standard risk profile discretionary and advisory portfolios returning 11% and 9% respectively. At the beginning of 2017 we believed the economic fundamentals favoured equities, although the length of the economic cycle, a long list of political risks, and concerns about valuations often made investing defensively look more prudent. However, being in cash over the last years has meant losing out on an equity rally that has been equal in magnitude to the sell-off during the global financial crisis. The Bank successfully positioned its economic strategy for clients to benefit from the upturn in the economic cycle. Going into 2018 we still prefer equities over bonds, whilst continuing to advise diversification.

The main themes that dominated the investment views throughout 2017 remain the same looking into 2018. Stocks are expected to outperform bonds, stretching the record books a little further. The main support for this theme continues to be the economic cycle, where we have not identified any major threats to a continuation of the current trends. Relative valuations also continue to support equities over bonds.

Within equities we still favour the US, Europe ex-UK and emerging markets, with a focus on Asia. These are all regions with strong economic fundamentals and substantial weights in preferred equity sectors – financials, technology and industrials. Rising investment and capital expenditure around the world, particularly technology-related expenditure, bodes well for the earnings outlook for companies in these sectors and the countries in which they operate.

We also believe it makes sense to take carefully calibrated credit risk, primarily in US high yield and some emerging markets segments. This view is based on a moderate inflation outlook, with enough slack in economies to prevent any rapid increase. This gradual inflation pick-up should allow central banks to gently let the air out of the multi-decade bull market in bonds, by raising rates and phasing out quantitative easing gradually.

We believe that active managers will continue to improve their performance relative to passive comparators. The opportunity set for active managers is cyclical and the backdrop is turning in their favour heading into 2018, with higher interest rates leading to greater asset price dispersion and volatility, all factors which create a more challenging investment environment.

Business Overview

Barclays Bank (Suisse) SA is part of the Barclays Private Banking & Overseas Services division, which combines the wealth management business (providing private and intermediary clients with international and private banking, credit facilities, investment management, fiduciary services and brokerage) with Offshore Banking (for affluent individuals requiring non UK jurisdiction banking services).

Barclays Bank (Suisse) SA operates from offices in Geneva and Zurich, where Private Bankers are supported by the global Barclays network, operating in over 40 countries and employing approximately 80'000 people.

Our services are tailored to High Net Worth (HNW) and Ultra High Net Worth (UHNW) individuals. They help people meet their financial objectives, whether they are protecting, growing or passing on their wealth. We are raising industry standards through our investment philosophy, encompassing client profiling, investment strategies and portfolio construction.

In March 2016, the Barclays Group reorganised itself into two clearly defined divisions, Barclays UK and Barclays International (in which Barclays Bank (Suisse) SA belongs). This does not prevent us from servicing UK based clients where this is in the clients' interests, as determined by their financial services needs.

Understanding our clients' aspirations, their overall wealth situation and both their unique financial personality and risk tolerance is our starting point. This enables us to provide products and services that are designed, monitored and managed to provide value and accessibility. We constantly review our products and services to ensure they continue to meet our client's needs.

Our principal activities are as follows:

Private banking and portfolio management services

We offer clients a variety of propositions to meet their financial needs, ranging from full discretionary portfolio management, various levels of investment advisory services and execution only. Products include traditional securities, funds, derivative instruments, deposit products and foreign exchange. We constantly strive to present new product ideas to clients, and innovative products which enable these ideas to be monetised

Balance sheet operations

The majority of lending activity is driven by client demand for credit. As a general rule, loans are granted on a secured basis through Lombard credits, secured by marketable securities.

Mortgage lending is also provided and is secured via charges on residential properties located mainly in the United Kingdom, but also in France and Switzerland. Commercial credits are only granted on an exceptional basis.

We, as part of the Barclays Group, may also take part in ad hoc balance sheet transactions, after undertaking a thorough risk assessment, to support the Group strategy, on approval from the local regulator if applicable.

We hold a portfolio of bonds for the medium term, presented under 'Financial investments'. Substantially all of these securities are allowable for discounting at the Swiss National Bank.

Trading operations

For the benefit of our clients, we offer an integrated service for trading operations. We do not enter into securities or derivatives, transactions for our own account except in the case of transactions to hedge foreign exchange and interest rate risks.

Capital adequacy

The information relating to the required capital adequacy in accordance with the circ.-FINMA 2016/1 are available in the Barclays PLC 2017 Annual Report and published on Barclays Investor Relation's website.
http://www.barclays.com/barclays-investor-relations.html

Strategy in 2017

In 2017, we needed to focus on making improvements in our service and product excellence in order that it complied with new industry wide regulations, emanating from both Swiss and European authorities. We now provide greater transparency on investment risks, increased industry reporting and have implemented further internal controls to identify transaction abnormalities. We also continued to invest in our digital programmes, and enhancing our fraud prevention environment. All of these developments have entailed some changes to our client interactions, which have been accepted as being necessary for the health of the financial services sector.

We also completed the segregation of our technology support into a Service Company, which was necessary to meet UK regulations on our parent company. Barclays Switzerland Services SA formally took over these services from 1 January 2018, in a change which has not impacted client service.

The financial results have been impacted by these necessary investment programmes, and the conclusion of previous initiatives to refocus the Bank on the core markets of HNW clients in the UK, Switzerland, Russia and former communist states, Middle East and Africa. We are now firmly positioned for growth from these core markets, and anticipates improved results in 2018 and beyond.

Results Summary

In 2017 we recognised a profit of CHF 2.0 million which was slightly below prior year profit of CHF 6.2 million (excluding extraordinary income on sale of the subsidiary).

Gross result from interest operations declined by 26% year-on-year, primarily driven by withdrawal of Funds Transfer Pricing income received from and paid to Barclays Head Office in respect of client deposits and lending amounting to CHF 13 million in 2016.

Net results from commission business and services increased by 9% largely due to reduced commission expenses related to offshore bankers booking revenue on Barclays Bank (Suisse) SA.

Results from trading activities and the fair value option also grew by 9%, largely due to increased gains from FX swaps used in place of bank placements and borrowing for interest rate risk management purposes.

Other results from ordinary activities increased by 4% due to structural hedge related income received from the Group partly offset by a lower supply of intra-Group technology and operations services largely due to disposals and exits of Non-Core businesses within the Barclays Group and increased other operating expenses.

Total Operating expenses declined by 3% year-on-year. This was largely driven by lower head office recharges following the introduction of a dedicated Service Company in the Group, and lower consultancy spend.

Total Client Assets Administered as at 31 December 2017 showed a year on year increase of 8% largely driven by inflows from new clients.

Risk assessment

We have a conservative and prudent approach to credit, market, operational and other risks. The key elements of the risk position of the Bank are regularly assessed by the management and Audit Committee. The results are summarised for the Board, highlighting any breaches of the risk appetite established by the Board. Further details on the risk strategy, risk profile and assessment and management of the various risks are detailed in section 6 of the annual report (pages 18 to 20).

Ratios

	2017 CHF '000	2016 CHF '000	2015 CHF '000
Minimum capital requirements	76'144	85'153	88'350
Total eligible regulatory capital	172'555	175'540	169'870
• of which, Common Equity Tier 1 capital	157'555	155'540	144'870
• of which, Tier 1 capital	157'555	155'540	144'870
Risk weighted assets	951'803	1'064'412	1'104'380
CET1 ratio (%)	16.6%	14.6%	13.1%
Tier 1 ratio (%)	16.6%	14.6%	13.1%
Total Eligible Equity ratio (%)	18.1%	16.5%	15.4%
Countercyclical buffer (%)	0.1%	0.1%	0.1%
Minimum CET1 target ratio (%)	7.5%	7.5%	7.5%
Minimum T1 target ratio (%)	9.1%	9.1%	9.1%
Minimum Tier 2 ratio (%)	11.3%	11.3%	11.3%
Basel III leverage ratio (%)	4.1%	3.6%	1.8%
Leverage ratio exposure	3'809'282	4'375'270	8'227'089
Liquidity Coverage Ratio Q4 Average (%)	168.8%	312.7%	238.3%
• Numerator	760'770	920'064	1'659'805
• Denominator	450'644	294'228	696'481
Liquidity Coverage Ratio Q3 Average (%)	156.0%	223.9%	182.5%
• Numerator	705'456	749'297	1'001'141
• Denominator	452'239	334'598	548'676
Liquidity Coverage Ratio Q2 Average (%)	172.4%	220.8%	173.0%
• Numerator	805'752	787'028	779'567
• Denominator	467'442	356'385	450'549
Liquidity Coverage Ratio Q1 Average (%)	284.9%	203.1%	150.6%
• Numerator	915'570	1'423'997	500'923
• Denominator	321'343	701'234	332'653

The Bank is required to maintain a Total Eligible Equity ratio of 11.2% (2015: 12.0%).

3. Barclays and the community

Strong support to our local community
Barclays Bank (Suisse) SA has a tradition of supporting and investing in the communities where we do business. We have steadily increased this commitment over the past years and are proud of our ongoing support of the local community.

Citizenship
Barclays has always played a part in driving social progress. Today, we have even more opportunities to play a pivotal role in fostering innovation and inclusion for all. At its heart, our Shared Growth Ambition is about making decisions and doing business that provides our clients, shareholder and the communities we serve with access to a prosperous future.

We are committed helping millions of people gain access to vital skills they need to get into work. This creates access to job opportunities at high-growth companies and supports entrepreneurs in scaling these businesses. We invest in the future health of the communities where we do business because addressing unemployment improves social and economic prospects and creates broader opportunities for growth and resilience – for the communities and for us.

Our Switzerland Community Investment agenda focuses on empowering individuals with skills to achieve economic independence and financial security. Our engagement with the local community is reflected in our multi-year support to organisations such as Clair Bois Foundation and Association Au Coeur des Grottes.

Our people are Barclays greatest ambassadors, contributing time, skills and expertise to create a positive and sustainable societal impact.

In 2017 we proudly gave time and skills to tackle social challenges in ways that create value for our society. As such, we saw strong participation from our employees to worthy initiatives raising funds for associations such as Zoe4Life, Hôpiclowns, Resiliam and Groupe Sida Genève.

In October, the Make a Difference (MAD) campaign saw us engaged in charitable work to help the disadvantaged and disabled in partnership with Carefour Rue and St. Jakob (Zurich).

For the 8th consecutive year we partnered with Caritas to bring personalised, anonymous Christmas presents to disadvantaged children in the Geneva area. Thanks to our colleagues generosity we collected this year presents for 120 children.

Total donations: CHF 65'000 Barclays Bank (Suisse) SA supported Fondation Clair Bois and Association Au Coeur des Grottes, focusing on empowering individuals with skills to achieve economic independence and financial security	+ 132 employees volunteered in 2017 to support community and charitable activities	615 hours committed to local charities	CHF 13'000 raised by Barclays Bank (Suisse) SA employees in support of local charities. This amount was doubled by Barclays to increase the total donation into CHF 26'000

4. Financial statements

4.1 Balance sheet

	Reference to notes	31.12.2017 CHF '000	31.12.2016 CHF '000	Variations CHF '000
Assets				
Liquid assets		655'671	784'814	-129'143
Amounts due from banks		423'697	307'287	116'410
Amounts due from securities financing transactions	7.1	8'200	417'700	-409'500
Amounts due from customers	7.2	1'144'502	1'284'899	-140'397
Mortgage loans	7.2	1'120'924	1'111'291	9'633
Positive replacement values of derivative financial instruments	7.3	23'944	53'079	-29'135
Financial investments	7.4	189'326	190'753	-1'427
Accrued income and prepaid expenses		26'218	19'967	6'251
Tangible fixed assets	7.5	29'475	28'250	1'225
Other assets	7.6	2'778	2'545	233
Total assets		3'624'735	4'200'585	-575'850
Liabilities				
Amounts due to banks		521'899	576'555	-54'656
Amounts due in respect of customer deposits		2'893'503	3'367'022	-473'519
Negative replacement values of derivative financial instruments	7.3	23'810	69'806	-45'996
Accrued expenses and deferred income		23'916	27'465	-3'549
Other liabilities	7.6	1'597	1'778	-181
Provisions	7.10	2'456	2'420	36
Bank's capital	7.12	150'000	150'000	-
Statutory retained earnings reserve		6'882	6'349	533
Losses carried forward		-1'343	-11'479	10'136
Profit for the year		2'015	10'669	-8'654
Total liabilities and shareholder's equity		3'624'735	4'200'585	-575'850
Total subordinated liabilities	7.9	25'022	25'022	-
• of which, subject to mandatory conversion and/or debt waiver		-	-	-
Off-balance sheet transactions				
Contingent liabilities	7.2 - 8.1	24'709	28'870	-4'161
Irrevocable commitments	7.2	26'440	2'250	24'190

4.2 Income statement

	Reference to notes	2017 CHF '000	2016 CHF '000	Variations CHF '000
Result from interest operations				
• Interest and discount income		41'992	73'415	-31'423
• Interest and dividend income on financial investments		-65	101	-166
• Interest expense		-2'540	-20'475	17'935
Gross result from interest operations		39'387	53'041	-13'654
Changes in value adjustments for default risk and losses resulting from interest operations	7.10	-4'786	-3'344	-1'442
Net result from interest operations		34'601	49'697	-15'096
Results from commission business and services				
• Commission income from securities and investment services		44'492	45'469	-977
• Commission income on lending activities		2'000	2'427	-427
• Commission income from other services		4'311	3'135	1'176
• Commission expenses		-11'744	-15'180	3'436
Net results from commission business and services		39'059	35'851	3'208
Results from trading activities and the fair value option	9.2	17'792	16'390	1'402
Other results from ordinary activities				
• Result from the disposal of financial investments		-	700	-700
• Other ordinary income		38'045	34'961	3'084
• Other ordinary expenses		-928	-	-928
Other results from ordinary activities		37'117	35'661	1'456
Operating expenses				
• Personnel expenses	9.3	-75'461	-74'323	-1'138
• General and administrative expenses	9.4	-42'313	-47'071	4'758
Total operating expenses		-117'774	-121'394	3'620
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	7.5	-7'822	-8'688	866
Changes to provisions and other value adjustments and losses		-325	-544	219
Operating result		2'648	6'973	-4'325
Extraordinary income	9.6	9	4'427	-4'418
Taxes	9.7	-642	-731	89
Profit for the year		2'015	10'669	-8'654

4.3 Appropriation of profit

	2017 CHF '000	2016 CHF '000	Variations CHF '000
Profit for the year	2'015	10'669	-8'654
• Loss carried forward	-1'343	-11'479	10'136
Accumulated profit/(loss)	672	-810	1'482
Appropriation of profit			
• Allocation to statutory retained earnings reserves	-34	-533	499
New amount carried forward	638	-1'343	1'981

4.4 Cash flow statement

	Cash in-flow 31.12.2017 CHF '000	Cash out-flow 31.12.2017 CHF '000	Cash in-flow 31.12.2016 CHF '000	Cash out-flow 31.12.2016 CHF '000
Cash flow from operating results (internal financing)	4'859	-	12'422	-
Profit for the year	2'015	-	10'669	-
Changes in value adjustments for default risk and losses resulting from interest operations	4'786	-	3'344	-
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	7'822	-	8'688	-
Provisions	36	-	-	418
Accrued income and prepaid expenses	-	6'251	1'583	-
Accrued expenses and deferred income	-	3'549	-	11'444
Cash flow from transactions in respect of participations' tangible fixed assets and intangible assets	-	9'046	-	6'792
Participations	-	-	100	-
Other tangible fixed assets	-	9'046	-	6'892
Cash flow from banking activities				
Medium and long term transactions (> 1 year)	-	8'795	-	40'863
Amounts due to banks	20'752	-	-	116'368
Amount due from banks	-	-	18'334	-
Amounts due from customers	-	8'813	-	1'815
Mortgage loans	-	15'153	56'448	-
Financial investments	-	5'581	2'538	-
Short-term business	-	116'161	-	814'306
Amounts due to banks	-	75'408	-	3'878'883
Amounts due in respect of customer deposits	-	473'519	164'360	-
Negative replacement values of derivative financial instruments	-	45'996	42'128	-
Other liabilities	-	181	-	1'982
Amount due from banks	-	116'410	3'369'486	-
Amounts due from securities financing transactions	409'500	-	-	417'700
Amounts due from customers	149'210	-	-	48'118
Mortgage loans	733	-	65'149	-
Positive replacement values of derivative financial instruments	29'135	-	-	22'584
Financial investments	7'008	-	-	85'178
Other assets	-	233	-	984
Liquidity				
Liquid Assets	129'143	-	849'539	-
Total	134'002	134'002	861'961	861'961

4.5 Statement of changes in shareholder’s equity

	Bank’s capital	Statutory retained earnings reserves	Losses carried forward	Result of the period	Total
	CHF ’000	CHF ’000	CHF ’000	CHF ’000	CHF ’000
Shareholder’s equity as at 1 January 2017	150’000	6’349	-11’479	10’669	155’539
Appropriation of prior year profit	-	533	10’136	-10’669	-
Profit for the year	-	-	-	2’015	2’015
Shareholder’s equity as at 31 December 2017	150’000	6’882	-1’343	2’015	157’554

5. Notes to the financial statements

Business name or name of the Bank, and its legal form and domicile

Barclays Bank (Suisse) SA ('The Bank') is a Swiss bank in foreign hands and is principally active in Switzerland through its main office in Geneva and its branch in Zurich. The Bank's main activity is Private Banking and it holds the status of securities dealer.

Personnel

As at the 31 December 2017, the number of people employed by the Bank on a full time equivalent basis, was 299 (31.12.2016: 280).

Accounting and valuation principles

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

In the notes, the individual figures are rounded for publication, but the calculations are based on the non rounded figures, thus small rounding differences can arise.

General principles and recording of business transactions

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

All business transactions concluded up to the balance sheet date are recorded as of their trade date (trade date accounting) and valued according to the principles described below.

Items are entered on the balance sheet as assets 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.

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

The disclosed balance sheet items are valued individually. The transitional provision, which requires the individual valuation of equity participations, and tangible fixed assets as of 1 January 2020, is not applied.

In principle, neither assets and liabilities nor expenses and income are offset. Accounts receivable and accounts payable are only offset 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.

Value adjustments are deducted from the corresponding asset item.

Conversion of foreign currency transactions

Transactions in foreign currencies are recorded at the respective daily exchange rate. Assets and liabilities are translated as of the balance sheet date using the closing rate on the balance sheet date. Participations, tangible fixed assets and intangible assets are valued using the historical exchange rates. The price gain or loss resulting from the currency translation is recorded via the item 'Result from trading operations'.

For the foreign currency translation, the following exchange rates were used:

	2017	2016
	Closing rate	Closing rate
USD	0.9765	1.0150
GBP	1.3197	1.2559
EUR	1.1714	1.0735

Liquid assets

Liquid assets are recognised at their nominal value.

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

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

Amounts due in respect of precious metal account deposits are valued at fair value if the precious metal concerned is traded on a price-efficient, liquid market.

Doubtful receivables, i.e. obligations entered into with clients for which the debtor is unlikely to meet its future obligations, are valued individually and depreciated by means of individual value adjustments. The depreciation of doubtful receivables is determined by the difference between the book value of the receivable and the anticipated recoverable amount. The anticipated recoverable amount is the liquidation value (estimated net realisable value minus the costs of retention and liquidation). In doing so, the entire liability of the client or the economic entity has to be checked for any counterparty risk.

If a receivable is classified as entirely or partially irrecoverable or a receivable is waived, the receivable is derecognised by booking it against the corresponding value adjustment.

If recovered amounts from receivables written off in earlier periods cannot be used immediately for other value adjustments of the same type, they are recognised in 'Changes in value adjustments for default risk and losses resulting from interest operations' in the income statement.

Using the methods described below, the Bank classifies all receivables in one of the five rating classes: *Performing*, *WatchList1*, *Watchlist2*, *WatchList3* and *Bad & Doubtful*. For receivables in the class *Performing*, the debt is serviced, the collateral is adequate and the repayment of the loan is not in doubt. For these receivables, no value adjustments for latent default risks are created. Loans in class *WatchList1* are performing, it is a temporary classification for obligors exhibiting some unsatisfactory features which may affect business viability beyond the medium term. *WatchList2* are performing, some doubt exists as to the viability of the obligors but it is believed that the obligors can meet obligations over the short term. *WatchList3* classification issued where definite concern exists with well defined weaknesses, if the position deteriorates, obligors' failure could occur in the very short term irrespective of whether the Bank holds collateral or not. *Bad&Doubtful* are non performing, insolvent and/or have regulatory default, with high risk of loss.

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

Doubtful receivables are reclassified as performing if the outstanding amount of capital and interest are paid again on time according to the contractual agreements and other creditworthiness criteria. Value adjustments are released with an effect on income via the item 'Changes in value adjustments for default risk and losses resulting from interest operations'.

Methods used for identifying default risks and determining value adjustments and provisions

Mortgage Loans: For residential properties, investment properties and trophy properties, the Bank uses recognised professional valuers with an appropriate professional indemnity insurance coverage, in order to obtain a valuation of the property including market analysis and comparables. Open market values subject to vacant possession are obtained for all property types. For investment, Buy-to-Let properties the Bank will additionally obtain an open market value on a tenancy agreement basis. In addition a rental value (using a discounted cash flow model) will be calculated by the Bank. For trophy properties the Bank will obtain open market values on both a vacant possession and a tenancy agreement basis. The Bank will review and validate these valuations. Based on these valuations, the Bank updates the loan-to-value ratio at least every three years. The late payment of interest and amortisation payments are analysed on a monthly basis. From this, the Bank identifies mortgages that involve higher risks. These loans are then reviewed in detail by credit specialists. If necessary, additional coverage is requested or a corresponding value adjustment is created based on the coverage shortfall.

Securities-based Loans: The commitments and values of collateral for securities-based loans are monitored daily. If the collateral value of the securities falls below the amount of the credit utilisation level, the amount of the loan is reduced or additional securities are requested. The collateral value of the securities is calculated by multiplying the market value of the securities with an appropriate haircut. If the coverage gap grows or in extraordinary market conditions, the securities are utilised and the credit position is closed out.

Unsecured Loans: As a general rule, the Bank does not offer unsecured loans or unsecured overdrafts to clients, with any exceptions requiring two levels of approval by Credit Risk. Any significant unsecured facilities are notified to the Credit Risk Committee and the Board. The loan values of unsecured staff loans are aligned with the employees notice period.

Any new value adjustments and provisions identified by these processes, as well as known risk exposures which are reassessed at each balance sheet date and adjusted if necessary, are reviewed and approved by the Management Committee.

Treatment of past-due interest

Past-due interest and the corresponding commissions are not included as interest income. Interest income only includes interest and commissions that are less than 90 days past due and not yet paid. From this point in time, no accrued interest and commission is recorded in 'Interest and discount income' until there is no more past-due interest longer than 90 days.

Past-due interest is not cancelled retroactively. The liabilities from the accumulated interest up to the expiry of the 90-day term (due unpaid interest and accumulated accrued interest) are written down via the item 'Change in value adjustments for default risk and losses resulting from interest operations'.

Securities financing transactions

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

Repurchase transactions (repos) are recorded as cash deposits with own securities as collateral. Reverse-repurchase transactions (reverse repos) are treated as receivable against collateral in the form of securities. The exchanged cash amounts are recorded at nominal value on the balance sheet. Securities lending transactions are treated as repos if they are subject to daily margining and secured by cash. Securities received and delivered are not recognised or derecognised in the balance sheet until the economic control of the contractual rights comprised in the securities is transferred.

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

These items are to be recognised at their nominal value.

Amounts due in respect of precious metal account deposits are valued at fair value if the precious metal concerned is traded on a price-efficient, liquid market.

Positive and negative replacement values of derivative financial instruments

Derivative financial instruments are used for trading purposes.

The Bank does not have any market-making activities. Standardised and OTC instruments are traded on own account and on behalf of clients, especially interest-, currency- and equity/index-based instruments and, to a limited extent, those based on commodities. There is no trading in credit derivatives.

The valuation of derivative financial instruments for trading purposes is done according to the fair value and the positive or negative replacement value is recorded in the corresponding financial statement line item. The fair value is based on market prices, dealers' price quotations, discounted cash flow and option pricing models.

The realised result from trading operations and the unrealised result from valuations relating to trading operations are recorded via the item 'Results from trading operations'.

Netting

The Bank does not offset positive and negative replacement values with the same counterparty within the terms of the recognised and legally enforceable netting agreements.

Financial investments

Financial investments include debt instruments, equity securities, physical stocks of precious metals as well as properties and goods acquired in relation to loan transactions and destined for sale.

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

Held-to-maturity debt instruments

The valuation is based on the acquisition cost principle with the premium/discount, accrued/deferred over the residual term to maturity (accrual method). The premium/ discount is accrued/deferred over the residual term to maturity via the item 'Accrued income and prepaid expenses' or 'Accrued expenses and deferred income'. Value adjustments for default risk are recorded immediately under 'Changes in value adjustments for default risk and losses resulting from interest operations'.

If held-to-maturity financial investments are sold or reimbursed early, the realised gains and losses, which correspond to the interest component, are accrued/deferred over the residual term to maturity of the transaction via the item 'Accrued income and prepaid expenses' or 'Accrued expenses and deferred income'.

Physical precious metals as well as properties acquired in relation to loan transactions and destined for sale

The valuation is based on the lower of cost or market value principle. For properties and goods acquired in relation to loan transactions and destined for sale, the lower of cost or market value is determined by the purchase value or the liquidation value, whichever is the lowest. Own physical stocks of precious metals that serve as collateral for liabilities from precious metals trading accounts are valued, as they are in such accounts, at fair value.

Participations

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

Participations are valued at historical costs minus any value adjustments due to business reasons.

Each participation is tested for impairment as of the balance sheet date. This test is based on indicators reflecting a possible impairment of individual assets. If any such indicators exist, the recoverable amount is calculated. The recoverable amount is calculated for each individual asset. The recoverable amount is the higher amount of the net selling price and the value in use. An asset is impaired if its carrying amount exceeds its recoverable amount. If the asset is impaired, the book value is reduced to match the recoverable value and the impairment is charged via the item 'Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets'.

Realised gains from the sale of participations are recorded via the item 'Extraordinary income' and realised losses are recorded via the item 'Extraordinary expenses'.

Tangible fixed assets

Investments in tangible fixed assets are capitalised as an asset on the balance sheet if they will yield measurable benefits for more than one year and exceed the minimal value for recognition of CHF 500. Each capitalised tangible fixed asset stems from an approved project, the costs of which are separately reported and managed, allowing the resulting tangible fixed asset to be identified and controlled by the Bank. Project costs are reported at a sufficiently granular level to allow the Bank to identify items eligible for capitalisation. In the case of projects which remain in progress at the balance sheet date tangible fixed assets are only recognised where the resources to complete the project are, or will be, made available.

Tangible fixed assets are recognised at acquisition cost minus the scheduled accumulated amortisation over the estimated operating life.

Tangible fixed assets are amortised at a consistent rate (straight-line amortisation) over a prudent estimated operating life via the item 'Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets'. The estimated operating lives of specific categories of tangible fixed assets are as follows:

Asset Class	Operating Life
Installations and renovations in third-party properties	10 to 15 years
Plant, property, equipment	4 to 10 years
Self-developed or bought-in software	5 to 10 years
Telecommunications, Information Technology	Up to 5 years

Each tangible fixed asset is tested for impairment as of the balance sheet date to ensure that it will yield a measurable benefit to the Bank over more than one year. This test is based on indicators reflecting a possible impairment of individual assets impaired. If any such indicators exist, the recoverable amount is calculated. The recoverable amount is calculated for each individual asset. An asset is impaired if its carrying amount exceeds its recoverable amount.

If the asset is impaired, the book value is reduced to match the recoverable value and the impairment is charged via the item 'Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets'.

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

Realised gains from the sale of tangible fixed assets are recorded via the item 'Extraordinary income' and realised losses are recorded via the item 'Extraordinary expenses'.

Other assets and liabilities
These positions are carried at their nominal value.

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. Positions are recorded in the income statement under 'Changes to provisions and other value adjustments and losses'.

Provisions are released via the income statement if they are no longer needed on business grounds and cannot be used for other similar purposes at the same time.

Taxation
Current income taxes are recurring, usually annual, taxes on profits and capital. Transaction-related taxes are not included in current taxes.

Liabilities from current income and capital tax are disclosed via the item 'Accrued expenses and deferred income'.

Expense due to income and capital tax is disclosed in the income statement via the item 'Taxes'.

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

Pension benefit obligations
The Bank's employees are insured through the Bank's pension fund. The pension fund liabilities and the assets serving as coverage are separated out into a legally independent Occupational Pension Scheme. The organisation, management and financing of the pension funds comply with the legal requirements, the deeds of foundation and the current pension fund regulations. All of the Bank's pension funds are defined contribution plans.

The Bank bears the costs of the occupational benefit plan for employees and survivors as per the legal requirements. The employer contribution arising from the pension funds are included in 'Personnel expenses' on an accrual basis.

Liabilities from current pension benefit obligations are disclosed via the item 'Accrued expenses and deferred income'.

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

Equity-based compensation schemes
Equity-based compensation schemes exist for the employees of the Barclays Group and is managed by a related company. The cost of the share plan are subsequently recharged to the Bank via a head-office recharge.

The liability is initially recorded within 'Accrued expenses and deferred income' and the equity-based compensation scheme is recorded in the item 'Personnel expenses'.

Changes of the accounting estimate
No changes in accounting and valuation principles occurred in 2017.

Material events after the balance sheet date
On 1 January 2018 the Bank disposed of its proprietary or separately acquired software, as well as part of its other tangible fixed assets, to Barclays Switzerland Services S.A.

This is expected to result in extraordinary income of CHF 11.0 million in 2018. The reduction in tangible fixed assets is not expected to have a significant impact on the Banks balance sheet in 2018.

6. Risk Management

The Bank engages in activities which entail regular risk taking throughout its business. This includes exposures to credit losses in its lending and banking transactions, treasury risk (including liquidity, leverage, capital ratio) in its financial management, and operational risks (for example from fraud, process or technology failure). In addition the Bank faces reputation and conduct risk in relation to its clients and the markets in which it operates, and the risk of being penalised for not meeting its legal obligations or adhering to regulatory requirements.

The Bank is committed to effective risk management and operates a comprehensive risk management framework for the, identification, measurement, monitoring and management of these risks, which is a major priority for the Bank. The key elements of risk management are:

- A comprehensive risk policy;
- The use of recognised risk measurements and risk management principles;
- The definition of risk limits and the corresponding monitoring and reporting measures;
- Ensuring timely and comprehensive reporting on all risks;
- The allocation of adequate financial and human resources to risk management; and
- Promoting risk awareness at all staff and management levels.

The Board of Directors is responsible for the overall risk management of the Bank. It defines the risk philosophy and policy, and the resulting risk management approach. This is based on the Barclays Group's Enterprise Wide Risk Management Framework (ERMF) which recognises eight principal risks, and underlying key risks. The Board of Directors approves the overall risk appetite based on the ERMF approach and the Bank's risk capacity, and it then monitors the implementation of the risk policy and compliance with the limits. To fulfil its monitoring duties, a comprehensive risk report is submitted quarterly to the Audit Committee of the Board of Directors.

The executive management is responsible for the execution of the Board of Director's policies. It ensures a suitable risk management organisation is in place, based on the ERMF approach which includes assigning risk assessment and ownership responsibilities for all identified principal and key risks. Key risk indicator metrics and qualitative reporting are established within the overall limits established by the Board, which are reviewed and formally challenged monthly in cross departmental committees.

The Bank mandates that all employees have a specific responsibility for managing the Bank's risk. These responsibilities are defined in terms of the role of the employee within a 'three lines of defence' framework.

The 'first line' comprises all employees engaged in the revenue generating and client facing areas of the firm and all associated support functions, including finance, treasury, technology, operations, and human resources. Employees in the 'first line' have primary responsibility for their risks, including identifying and managing all the risks in the activities in which they are engaged, and developing an appropriate risk control environment which meets all policies, standards and controls to govern their activities.

Employees of Risk and Compliance comprise the 'second line' of defence. The role of the 'second line' is to establish the limits, rules and constraints under which 'first line' activities shall be performed, consistent with the risk appetite of the firm, and to monitor the performance of the 'first line' against these limits and constraints. The 'second line' has the authority and responsibility to perform independent challenge of all risks in the 'first line' at any time.

Employees of Internal Audit comprise the 'third line' of defence. They provide independent assurance to the Board and executive management over the effectiveness of governance, risk management and control over current and evolving risks. External audit is also considered part of the 'third line'.

Credit Risk

The credit policy covers all activity of the Bank that could lead to a loss if clients or counterparties are not capable of honouring their commitments.

The Bank's policy for granting credit to clients is based on the principle of prudence. Credit authorisation is governed by quantitative and qualitative requirements and subject to approval limits established in the Bank's internal organisational rules. Credit risk management methodology is defined in the credit policy and procedures, and is reviewed on an annual basis. This incorporates a quantitative application of specific coverage margins (including the 'loan-to-value' on financial and property assets provided as collateral). The quality of the client is assessed by standardised solvency criteria. These factors are subject to periodic re-assessments, taking into account current market conditions.

The Bank may grant loans secured by mortgage on owner occupied or income-producing real estate property. In this case, the client may use the loan to acquire the real estate property or to finance other activities, notably financial investments. Properties used as collateral are valued by independent surveyors, both initially and at regular intervals after loan drawdown.

For securities-based loans, transferable financial instruments (typically bonds and shares) that are liquid and actively traded are accepted as collateral. Derivative products may also be accepted where there is a mature secondary market. The Bank applies a variable discount process to the market value in order to determine the collateral value of financial assets based on their volatility and liquidity.

There is a segregation of duties between responsibility for marketing credit and responsibility for credit authorisation. The Board of Directors is responsible for approving large credit exposures over 25% of the Bank's capital.

The Credit policy of the Bank forms the basis of credit risk monitoring and control. Significant aspects include understanding the purpose of the credit and assessing the client's integrity along with the transparency, plausibility, ability to pay and the proportionality of the transaction. Credit monitoring is performed on a daily basis, reviewing credit exposures against limits and available collateral. This is supplemented by a monthly evaluation and oversight process to identify trends, concentrations and other potential credit concerns. All facilities are additionally subject to an annual review process.

Interest Rate risk

The Bank is heavily involved in multi-currency balance sheet transactions across different terms, both as a lender and deposit acceptor. This potentially creates a significant interest rate risk, which is managed through balance sheet operations and derivative transactions, primarily with the Barclays Group. The measurement and management of interest rate risk is part of the asset and liability management (ALM) performed by the Treasury Committee of the Bank, which includes the members of the executive management, treasury and risk teams.

The treasury function operates the ALM system which measures the potential impact of market risk by means of value-at-risk calculations and limits, with end of day independent checking by the financial control team. Depending on the estimated interest rate developments, the Treasury Committee takes hedging measures within defined risk limits and defined hedging strategies.

Money market operations ensure long-term refinancing and the management of interest rate risks, taking into account the following objectives:

- Record, measure and manage all interest rate risk arising from client transactions with the Bank;
- Ensure cost-effective refinancing in line with the development of the balance sheet;
- Ensure compliance with regulatory requirements, notably the capital adequacy ratio, leverage ratio, liquidity and stable funding requirements as well as adherence to limits over intra-Group positions.

Other Risks

Counterparty risk

Credit exposures to counterparties are restricted by credit limits, which are recommended by the Treasury Committee (under advice from appropriate specialists) and approved by the Board of Directors.

The Bank works only with first class counterparties. The Bank performs a comprehensive assessment of all counterparties before limits are established against which exposure is monitored on a daily basis.

The Bank also places Fiduciary Deposits with interbank counterparts on behalf of, and at client risk. These counterparts are similarly assessed, and managed against a system of limits to provide clients with Fiduciary Deposit opportunities at attractive risk/reward characteristics.

Risks on foreign exchange rates

The Bank executes foreign exchange transactions to serve its clients, and for balance sheet management purposes.

Any significant resulting exposures are closed out immediately in the foreign exchange markets. The Bank undertakes value-at-risk calculations against limits for its foreign exchange activity to ensure the potential impact of market risk of any residual positions is managed within limits. FX options are traded on a back-to-back basis which is consistent with all other options traded by the Bank. Significant FX swaps and forwards, related to client activity, are traded on a back-to-back basis. However smaller positions may be aggregated with other FX positions and managed within the limits mentioned above. FX Swaps executed by Treasury are not traded on a back-to-back basis however the net FX impact of these trades is not considered significant as the FX exposure on the spot and forward legs offset each other. The Financial Control team perform independent end of day controls to verify that the limits are respected.

Liquidity Risk

The liquidity and financing limits of the Bank are approved annually by the executive management and the Board of Directors, taking into account the current and planned business strategy and the Bank's risk appetite. Liquidity management creates a solid liquidity position to allow the Bank to pay its obligations in a timely manner at all times, including in times of market stress. Further, the financing risk is managed through the optimisation of the balance sheet structure. The Treasury function is responsible for implementing the liquidity strategy and the financial control function ensures that the limits and objectives are complied with.

A Contingency Funding Plan (CFP) is regularly reviewed. The CFP includes an assessment of financing sources in a stressed market situation, considers liquidity status indicators and key figures, and documents the emergency measures that could be undertaken. Provisions for a crisis are made by diversifying the sources of financing. All material expected cash flows and the availability of first-class collateral, which could be used to gain additional liquidity, are regularly reviewed. Early warning indicators are defined and monitored to trigger implementation of the CFP.

Operational Risks

Operational risks are defined as the risks of losses to the Bank from inadequate or failed processes or systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks. The assessment of operational risks evaluates both the financial losses and non-financial impacts.

The Risk Committee of the Bank reviews annually the operational risk policy, which, together with the detailed directives, serves as the basis for operational risk management. Risk mitigations measures are implemented in the areas of process management, information and cyber security, control systems, quality and training. This also includes ensuring that operations continue in cases of internal or external events or disasters. The effectiveness of the business resiliency plans is tested annually.

The Bank outsources some non-client facing support activities both internally within the Barclays Group and to carefully selected external suppliers. All outsourcing is performed under the terms of contractual agreements and is monitored through Service Level Agreements (SLAs). The performance of significant suppliers is monitored through a quarterly Supplier Management Forum. The principal activities outsourced to third party professionals are access links to the SWIFT network, settlement and custody of securities, printing services and computer hardware management.

The key controls have been documented in a standardised manner. All of the Bank's departments annually perform an assessment of the internal control processes in terms of their operational effectiveness and undertake any improvement measures necessary.

Conduct Risk

Conduct Risk is defined as the risk of detriment to customers, clients, market integrity, competition or Barclays from the inappropriate supply of financial services, including instances of wilful or negligent misconduct. Client detriment occurs when our clients are damaged or harmed either financially or non-financially. Non-financial detriment includes distress, inconvenience, and reduced choice, loss of opportunity and loss of benefit. Clients need not necessarily be aware that they have suffered detriment. Barclays has clearly stated Conduct Risk Outcomes which set the overall objectives for the management of Conduct Risk.

The Compliance Officer ensures that the Bank respects the current regulatory requirements and carries out due diligence on new and existing clients, as well as transactional activity of clients and staff. Both the Legal and Compliance departments track legislative developments arising from the regulators, the government, parliament and other related organisations and ensure that internal policies and procedures are updated according to current legislation and regulation.

7. Balance sheet information

7.1 Breakdown of securities financing transactions

	31.12.2017 CHF '000	31.12.2016 CHF '000
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions*	8'200	417'700
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse-repurchase transactions with an unrestricted right to resell or repledge	8'196	419'744
• of which, repledged securities	25	-
• of which, resold securities	-	-

* Before taking into consideration any netting agreements

7.2 Collaterals for loans and off-balance sheet transactions, as well as impaired loans

Collateral for loans and off-balance sheet transactions		Types of collateral			
		Secured by mortgage CHF '000	Other collateral CHF '000	Unsecured CHF '000	Total CHF '000
Loans before netting with value adjustments					
Amounts due from customers		133'818	986'795	24'445	1'145'058
Mortgage loans					
• Residential properties		1'133'019	-	-	1'133'019
• Commercial premises		-	-	-	-
Amounts due from securities financing transactions					
Total loans (before netting with value adjustments)					
	31.12.2017	**1'266'837**	**986'795**	**24'445**	**2'278'077**
	31.12.2016	1'187'823	1'179'033	37'197	2'404'053
Total loans (after netting with value adjustments)					
	31.12.2017	**1'247'525**	**986'659**	**31'242**	**2'265'426**
	31.12.2016	1'180'068	1'178'925	37'197	2'396'190
Off-balance sheet					
Contingent liabilities		-	24'709	-	24'709
Irrevocable commitments		-	24'410	2'030	26'440
Total off-balance sheet	31.12.2017	**-**	**49'119**	**2'030**	**51'149**
Total off-balance sheet	31.12.2016	-	28'870	2'250	31'120

	Impaired loans			
	Gross amount CHF '000	Estimated liquidation value of collateral CHF '000	Net debt amount CHF '000	Individual value adjustments CHF '000
31.12.2017	**197'596**	**184'947**	**12'649**	**12'649**
31.12.2016	189'702	181'839	7'863	7'863

The increase in individual value adjustments compared to 2016 is primarily due to two additional mortgages facilities for which valuation adjustments have been made.

7.3 Presentation of derivative financial instruments (Assets and Liabilities)

		Trading instruments		
		Positive replacement values CHF '000	Negative replacement values CHF '000	Contract volume CHF '000
Interest rate instruments		1'694	1'694	140'228
Swaps		1'694	1'694	140'228
Foreign exchange/precious metals		22'022	21'888	3'455'472
Forward contracts		20'358	20'224	3'453'714
Options (OTC)		1'664	1'664	1'758
Equity securities		228	228	35'510
Option (OTC)		228	228	35'510
Total before netting agreements	31.12.2017	23'944	23'810	3'631'210
• of which, determined using a valuation model		-	-	-
	31.12.2016	53'079	69'806	3'722'330
Total after netting agreements	31.12.2017	23'944	23'810	-
	31.12.2016	53'079	69'806	-

	Breakdown by counterparty			
	Central clearing houses CHF '000	Banks and securities dealers CHF '000	Other customers CHF '000	Total CHF '000
Positive replacement values (after netting agreements)	-	17'138	6'806	23'944

7.4 Financial investments

	Book value		Fair value	
	31.12.2017 CHF '000	31.12.2016 CHF '000	31.12.2017 CHF '000	31.12.2016 CHF '000
Financial investments				
Debt securities				
• of which, destined to be held to maturity	86'860	94'605	87'297	95'501
• of which, not intended to be held to maturity (available for sale)	-	-	-	-
Total	86'860	94'605	87'297	95'501
Equity Securities	12	12	12	12
• of which, qualified participations	-	-	-	-
Precious metals	89'894	84'336	89'894	84'336
Real Estate	12'560	11'800	12'560	11'800
Total financial investments	189'326	190'753	189'763	191'649
• of which, securities eligible for repo transactions in accordance with liquidity requirements	86'860	94'605	87'297	95'501

	Breakdown by counterparties by rating					
	AAA to AA- CHF '000	A+ to A- CHF '000	BBB+ to BBB- CHF '000	BBB+ to BBB- CHF '000	BBB+ to BBB- CHF '000	Unrated CHF '000
Book values of debt securities	86'860	-	-	-	-	-

The Bank relies on the lowest rating classes of Standard & Poor's and Moodys.

7.5 Tangible fixed assets

	Acquisition cost	Accumulated depreciation	Book value at 31.12.2016	Accounting period 2017 Additions	Disposals	Depreciation	Book value at 31.12.2017
	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000
Tangible fixed assets							
Proprietary or separately acquired software	64'646	-51'944	12'702	5'965	-131	-3'940	14'596
Other tangible fixed assets	91'508	-75'960	15'548	3'213	-	-3'882	14'879
Total tangible fixed assets	156'154	-127'904	28'250	9'178	-131	-7'822	29'475

The depreciation method applied and the range used for the expected useful life are explained on page 16.

7.6 Other assets and other liabilities

	31.12.2017 CHF '000	31.12.2016 CHF '000
Other assets		
Indirect taxes	2'535	2'443
Other assets	243	102
Total other assets	2'778	2'545
Other liabilities		
Indirect taxes	1'434	1'679
Other liabilities	163	99
Total other liabilities	1'597	1'778

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

	31.12.2017 Book value CHF '000	31.12.2017 Effective commitments CHF '000	31.12.2016 Book value CHF '000	31.12.2016 Effective commitments CHF '000
Pledged/assigned assets				
Due from banks	20'732	20'732	14'930	14'930
Total pledged/assigned assets	20'732	20'732	14'930	14'930

7.8a Liabilities relating to own pension schemes

At the balance sheet date there was an amount of CHF 7.7 million due to the pension fund of the Bank (2016: CHF 7.0 million). No equity instruments of the Bank are held by the pension fund foundation.

7.8b Economic situation of own pension schemes

The latest audited financial statements of the 'Caisse de pensions de Barclays Bank (Suisse) SA' (prepared in accordance with the Swiss GAAP RPC 26) shows that all assets are properly covered according to article 44 of the Swiss Pension Ordinance (OPP2) at the end of 2016. The forecasts for 2017 show that the coverage will be 110% (2016: 107% and 2015: 107%), therefore the Board of the 'Caisse de pensions' has concluded that no additional contributions are deemed necessary.

The overfunding of the bank's pension fund of 110% is used exclusively for the benefit of the insured members, thus there is no economic benefit to the bank that needs to be recorded in the balance sheet and in the income statement.

At the balance sheet date, there is no contribution reserve financed by the Bank (2016: none).

Details of the contributions to the pension fund are provided in note 9.3 Personnel expenses.

7.9 Subordinated loans

	Weighted average interest rate	Due date	31.12.2017 CHF '000
Subordinated loan			
Barclays Bank PLC, London	1.00%	30.11.2021	25'022
Total	1.00%		25'022

The subordinated loan from Barclays Bank PLC, London is shown in the Balance Sheet line 'Amounts due to banks'. On 29 November 2011, the Bank entered into a CHF 25 million subordinated loan agreement with Barclays Bank PLC to be repaid on 30 November 2021. Subject to no repayments occurring prior to 30 November 2016, the borrower may elect to repay the loan in whole or in part at any time. The rate of interest will be determined by the lender and is equal to CHF 3 month LIBOR plus a margin, limited to the maximum interest rate allowable for tax deductibility published by the federal tax authorities. The interest rate allowable in 2017 was 1% (2016: 1%).

7.10 Presentation of value adjustments and provisions

		Accounting period 2017						
	Balance at 31.12.2016	Use in conformity with designated purpose	Re-classification	Currency differences	Past due interest, recoveries	New provisions charged to income statement	Releases to income	Balance at 31.12.2017
	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000
Provisions								
Provisions for other business risks	2'112	-	-	-5	-	738	-689	2'156
Other provisions	308	-	-	-	-	-	-8	300
Total provisions	2'420	-	-	-5	-	738	-697	2'456
Value adjustments for default and country risks								
Value adjustments for default risks in respect of impaired loans	7'863	-	-	360	1'349	4'265	-1'188	12'649
Value adjustments for default and country risks	7'863	-	-	360	1'349	4'265	-1'188	12'649

Releases to income totalling CHF 1.2 million for value adjustments for default risks in respect of impaired loans relate primarily to releases on two resolved mortgage facilities and also include releases for overdue interest.

7.11 Amounts due from/to related parties

	Amounts due from		Amounts due to	
	31.12.2017 CHF '000	31.12.2016 CHF '000	**31.12.2017** CHF '000	31.12.2016 CHF '000
Qualified shareholders	377'277	693'534	526'777	630'727
Associated companies	-	-	8'673	23'146
Transactions with members of governing bodies	25	124	-	-

Transactions with related parties

The Bank engages in transactions with related parties in the normal course of business. These include loans, deposits, foreign currency and derivative transactions. In its capacity as the international Private Banking hub of Barclays Private Bank, the Bank also provided IT and back office support, executive management services, trust administration services and primary relationship management services to affiliated entities. It may also incur charges linked to these services, as well as incur head office recharges for central costs which ultimately benefit the Bank. Services rendered or received are conducted on an arm's length basis.

7.12 Bank's capital and statutory retained earnings reserve

Bank's capital	31.12.2017			31.12.2016		
	Total par value CHF '000	Numbers of shares	Capital eligible for dividend CHF '000	Total par value CHF '000	Numbers of shares	Capital eligible for dividend CHF '000
Share capital	150'000	150'000	150'000	150'000	150'000	150'000
Registered shares						
• of which, paid up	150'000	150'000	150'000	150'000	150'000	150'000
Total Bank's capital	**150'000**	**150'000**	**150'000**	**150'000**	**150'000**	**150'000**
Authorised capital (Note 1)	180'000	180'000	180'000	150'000	150'000	150'000
• of which, capital increases completed	-	-	-	-	-	-

Significant shareholders and shareholder groups with voting rights	31.12.2017 Nominal CHF '000	31.12.2017 Participation rate in %	31.12.2016 Nominal CHF '000	31.12.2016 Participation rate in %
B.P.B. (Holdings) Limited	150'000	100%	150'000	100%

Through B.P.B. (Holdings) Limited, London, Barclays Bank PLC, London, a UK listed holding company, indirectly owns 100% of the voting rights of Barclays Bank (Suisse) SA. The shares of Barclays PLC are widely held by the public. All of the share capital has been paid up and there are no special rights conferred by share capital.

Note 1: The authorised share capital was increased from CHF 150 million to CHF 180 million on 22 May 2017. These additional 30 million shares may only be issued until 22 May 2019 and are intended to facilitate the conversion of the Bank's CHF 25 million debt capital (plus accrued interest) into equity as required by article 30 of the capital adequacy ordinance.

Statutory retained earnings reserve

To the extent that it does not exceed one half of the share capital, the statutory retained earnings reserve may be used to cover losses or for measures designed to sustain the Bank through difficult times, to prevent unemployment or to mitigate its consequences. The statutory retained earnings reserve is non-distributable for dividends.

7.13 Equity securities or options on equity securities held by executives and directors and by employees

	Equity securities			
	Number		Value	
	31.12.2017	31.12.2016	31.12.2017 CHF '000	31.12.2016 CHF '000
Members of the Board of Directors	-	-	-	-
Members of executive bodies	42	123	116	348
Employees	519	386	1'431	1'093
Total	561	509	1'547	1'441

Equity-based compensation schemes exist for members of the Board of Directors and the executive management as well as some employees. Employees are allocated shares depending on their tenure, hierarchical level and individual performance. These shares are subject to a three-year blocking period during which they cannot be sold.
As this is compensation using real equity instruments, there is no subsequent valuation. Any differences are recorded via the item 'Personnel expense'.

7.14 Maturity structure of financial instruments

	Maturities							
	at sight CHF '000	cancellable on demand CHF '000	within 3 months CHF '000	within 3 to 12 months CHF '000	within 12 months to 5 years CHF '000	after 5 years CHF '000	no maturity CHF '000	Total CHF '000
Assets/Financial Instruments								
Liquid assets	655'671	-	-	-	-	-	-	655'671
Amounts due from banks	129'000	-	271'269	23'428	-	-	-	423'697
Amounts due from securities financing transactions	-	-	8'200	-	-	-	-	8'200
Amounts due from customers	145	195'799	756'936	179'908	11'714	-	-	1'144'502
Mortgage loans	-	89'238	765'711	149'708	115'917	350	-	1'120'924
Positive replacement values of derivative financial instruments	23'944	-	-	-	-	-	-	23'944
Financial investments	89'905	-	2'008	10'151	74'703	-	12'559	189'326
Total 31.12.2017	898'665	285'037	1'804'124	363'195	202'334	350	12'559	3'566'264
Total 31.12.2016	1'090'349	301'433	2'294'699	274'302	177'240	-	11'800	4'149'823

	at sight CHF '000	cancellable on demand CHF '000	within 3 months CHF '000	within 3 to 12 months CHF '000	within 12 months to 5 years CHF '000	after 5 years CHF '000	no maturity CHF '000	Total CHF '000
Liabilities/Financial Instruments								
Amounts due to banks	22'347	-	245'889	157'355	95'958	350	-	521'899
Amounts due in respect of customer deposits	2'816'640	-	53'435	23'428	-	-	-	2'893'503
Negative replacement values of derivative financial instruments	23'810	-	-	-	-	-	-	23'810
Total 31.12.2017	2'862'797	-	299'324	180'783	95'958	350	-	3'439'212
Total 31.12.2016	3'311'333	-	267'456	359'038	75'556	-	-	4'013'383

7.15 Assets & liabilities by domestic and foreign origin (domicile principle)

	Total domestic 31.12.2017 CHF '000	Total foreign 31.12.2017 CHF '000	Total domestic 31.12.2016 CHF '000	Total foreign 31.12.2016 CHF '000
Assets				
Liquid assets	652'427	3'244	781'417	3'397
Amounts due from banks	30'760	392'937	26'456	280'831
Amounts due from securities financing transactions	-	8'200	-	417'700
Amounts due from customers	106'931	1'037'571	120'431	1'164'468
Mortgage loans	84'948	1'035'976	109'600	1'001'691
Positive replacement values of derivative financial instruments	212	23'732	3'629	49'450
Financial investments	157'957	31'369	154'612	36'141
Accrued income and prepaid expenses	20'602	5'616	14'190	5'777
Tangible fixed assets	29'475	-	28'250	-
Other assets	2'778	-	2'545	-
Total assets	1'086'090	2'538'645	1'241'130	2'959'455

	Total domestic 31.12.2017 CHF '000	Total foreign 31.12.2017 CHF '000	Total domestic 31.12.2016 CHF '000	Total foreign 31.12.2016 CHF '000
Liabilities				
Amounts due to banks	2'426	519'473	11'554	565'001
Amounts due in respect of customer deposits	401'329	2'492'174	564'774	2'802'248
Negative replacement values of derivative financial instruments	2'615	21'195	6'321	63'485
Accrued expenses and deferred income	23'215	701	26'085	1'380
Other liabilities	1'578	19	1'778	-
Provisions	2'456	-	2'420	-
Bank's capital	150'000	-	150'000	-
Statutory retained earnings reserve	6'882	-	6'349	-
Losses carried forward	-1'343	-	-11'479	-
Profit for the year	2'015	-	10'669	-
Total liabilities	591'173	3'033'562	768'471	3'432'114

7.16 Assets by country groups

	31.12.2017 CHF '000	31.12.2017 share in %	31.12.2016 CHF '000	31.12.2016 share in %
Switzerland	1'086'090	30.0%	1'241'130	29.5%
United Kingdom	612'691	16.9%	994'981	23.7%
France	220'649	6.1%	287'247	6.8%
Other European countries	917'698	25.3%	688'151	16.4%
Caribbean	358'351	9.9%	501'050	11.9%
Asia	376'463	10.4%	370'314	8.8%
North America	14'031	0.4%	59'787	1.4%
Africa	23'484	0.6%	41'170	1.0%
Other countries	15'278	0.4%	16'755	0.5%
Total assets	3'624'735	100%	4'200'585	100%

7.17 Assets by credit rating of country groups (risk domicile view)

	31.12.2017 CHF '000	31.12.2017 share in %	31.12.2016 CHF '000	31.12.2016 share in %
Net foreign exposure				
Standard & Poors rating				
AAA	136'484	5.4%	566'614	19.0%
AA+ - AA-	1'731'535	68.2%	1'597'322	54.0%
A+ - A-	60'517	2.4%	52'767	1.8%
BBB+ - BBB-	83'359	3.3%	59'873	2.0%
BB+ - BB-	26'817	1.1%	72'702	2.5%
B+ - B-	62'799	2.5%	39'992	1.4%
CCC+ - D	5'423	0.2%	4'463	0.2%
No rating	431'711	16.9%	565'722	19.1%
Total assets	2'538'645	100.0%	2'959'455	100.0%

This table presents the net foreign exposure by credit rating of country groups. The Bank's exposure in Switzerland for 2017 is CHF 1'086'090 thousand (2016: CHF 1'241'130 thousand).

7.18 Assets and liabilities by the most significant currencies

	Accounting period 2017						
	CHF CHF '000	EUR CHF '000	USD CHF '000	GBP CHF '000	JPY CHF '000	Others CHF '000	Total CHF '000
Assets							
Liquid assets	652'010	3'462	94	105	-	-	655'671
Amounts due from banks	213'389	35'076	78'600	34'584	13'269	48'779	423'697
Amounts due from securities financing transactions	-	8'200	-	-	-	-	8'200
Amounts due from customers	69'332	287'921	478'097	294'576	693	13'883	1'144'502
Mortgage loans	91'201	305'906	14'589	709'228	-	-	1'120'924
Positive replacement values of derivative financial instruments	19'987	294	441	3'090	-	132	23'944
Financial investments	99'421	5	6	-	-	89'894	189'326
Accrued income and prepaid expenses	20'310	829	1'748	2'880	374	77	26'218
Tangible fixed assets	29'475	-	-	-	-	-	29'475
Other assets	1'950	61	37	589	-	141	2'778
Total assets	1'197'075	641'754	573'612	1'045'052	14'336	152'906	3'624'735
Foreign exchange forward contracts and options	381'254	1'068'660	1'164'222	690'168	80'079	71'089	3'455'472
Total	1'578'329	1'710'414	1'737'834	1'735'220	94'415	223'995	7'080'207
Liabilities and shareholder's equity							
Amounts due to banks	221'222	141'091	59'590	91'522	-	8'474	521'899
Amounts due in respect of customer deposits	301'202	928'419	848'577	653'039	13'989	148'277	2'893'503
Negative replacement values of derivative financial instruments	19'853	294	441	3'090	-	132	23'810
Accrued expenses and deferred income	23'257	-	350	273	-	36	23'916
Other liabilities	1'533	-	44	-	-	20	1'597
Provisions	405	1'934	117	-	-	-	2'456
Bank's capital	150'000	-	-	-	-	-	150'000
Statutory retained earnings reserve	6'882	-	-	-	-	-	6'882
Losses carried forward	-1'343	-	-	-	-	-	-1'343
Profit for the year	2'015	-	-	-	-	-	2'015
Total liabilities and shareholder's equity	725'026	1'071'738	909'119	747'924	13'989	156'939	3'624'735
Foreign exchange forward contracts and options	846'695	644'483	828'906	987'133	80'053	67'000	3'454'270
Total	1'571'721	1'716'221	1'738'025	1'735'057	94'042	223'939	7'079'005
Net position by currency	6'608	-5'807	-191	163	373	56	1'202

8. Information on off-balance sheet transactions

8.1 Contingent liabilities

	31.12.2017 CHF '000	31.12.2016 CHF '000
Contingent liabilities		
Guarantees to secure credits and similar	24'709	28'870
Total contingent liabilities	24'709	28'870
Contingent assets		
Contingent assets from tax losses carried forward	19'474	20'230
Total contingent assets	19'474	20'230

8.2 Fiduciary transactions

	31.12.2017 CHF '000	31.12.2016 CHF '000
Fiduciary transactions		
Fiduciary investments with third party companies	471'436	430'402
Fiduciary investments with banks of the Group	2'902'314	1'945'678
Total fiduciary transactions	3'373'750	2'376'080

8.3a Managed assets

	31.12.2017 CHF '000	31.12.2016 CHF '000
Type of managed assets		
Assets under discretionary management mandate	1'570'933	1'500'245
Other managed assets	9'998'602	9'254'517
Total managed assets (including double-counting)	11'569'535	10'754'762
Of which, double-counted	none	none
Net new client money	687'236	67'939

The managed assets disclosed include all client assets deposited at the Bank with an investment character as well as client assets managed by the Bank and held for safekeeping by a third-party bank. It does not include assets kept by the Bank but managed by a third party (custody-only).

Assets under discretionary management mandates comprise clients' assets for which the Bank makes the investment decisions. Other managed assets include those for which the client makes the investment decisions.

8.3b Development of managed assets

	31.12.2017 CHF '000	31.12.2016 CHF '000
Total managed assets (including double-counting) as at beginning of period	10'754'762	11'153'920
+/- Net New Money Inflows/(Outflows)	687'236	67'939
+/- Market price impact, interest, dividends and currency movements	127'537	-467'097
Total managed assets (including double-counting) as at the end of period	11'569'535	10'754'762

Net New Money Inflows/(outflows) flow from the acquisition of new clients, the departure of clients and inflows or outflows of money from existing clients. It does not include currency fluctuations, security price variations, internal transfers between accounts and any interest credited to client deposits. Interest and dividends resulting from the client's assets as well as interest, fees and commissions charged to clients are also excluded from the net new money calculation.

9. Information on the income statement

9.1 Refinancing income and negative interest under ‘Interest and discount income’

The refinancing cost of trading operations is not calculated as the Bank has no trading book.

Negative interest on lending is disclosed as a reduction in interest and discount income. Negative interest on borrowing is disclosed as a reduction in interest expense.

	2017 CHF ’000	2016 CHF ’000
Negative interest on lending (reduction in interest and discount income)	4’995	6’666
Negative interest on borrowing (reduction in interest expense)	1’269	3’342

9.2 Results from trading operations

	2017 CHF ’000	2016 CHF ’000
Results from trading operations		
Foreign exchange and bank notes	17’776	16’350
Precious metals	13	34
Equity securities	3	6
Total results from trading operations	17’792	16’390

9.3 Personnel expenses

	2017 CHF ’000	2016 CHF ’000
Salaries	58’920	58’793
• of which, expenses relating to share-based compensation and alternative forms of variable compensation	1’492	1’225
Social charges	5’337	4’802
Pension plan expenses	6’750	6’355
Other personnel expenses	4’454	4’373
Total personnel expenses	75’461	74’323

9.4 General and administrative expenses

	2017 CHF '000	2016 CHF '000
Office space expenses	5'943	6'374
Expenses for information and communications technology	8'744	8'514
Expenses relating to financial information	4'467	4'340
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	172	144
Fees of audit firm	683	589
• of which, for 2016 financial and regulatory audits (PWC)	175	589
• of which, for 2017 financial and regulatory audits (KPMG)	507	-
• of which, for other services	1	-
Other operating expenses	22'304	27'110
Total general and administrative expenses	42'313	47'071

9.5 Operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment

The disclosure is not applicable. The Bank is fully established in Switzerland with no foreign subsidiary or foreign branch. All revenues and expenses are generated as per the principle of permanent establishment in its home country, Switzerland.

9.6 Extraordinary income

The Bank sold office furniture resulting in extraordinary income of CHF 9'032 (2016: CHF 4.4 million from the sale of Barclaytrust (Suisse) SA to an independent Financial Group).

9.7 Current and deferred taxes

	2017 CHF '000	2016 CHF '000
Expenses for current capital and income taxes	642	731
Total taxes	642	731
Average tax weighted on the basis of the operating result	22%	10%

10. Litigations

Proceedings relating to the Fairfield Liquidators

In the BVI

In October 2010, the Bank was served a summons issued by the Supreme Court of BVI on behalf of the liquidators of Fairfield and subsequently entered into a standstill agreement with Fairfield in relation to this Summons. The amount claimed was USD 319 thousand. The Bank and other Barclays Group entities were among approximately 90 banks (as registered shareholders in Fairfield Funds) that were sued on a similar 'restitution' theory by the Fairfield liquidators in the BVI. In February 2016, the Liquidators discontinued their BVI claims against the Bank and other defendants. Following that discontinuance, the Bank is entitled to seek recovery of its costs of defense in the BVI, and the Bank is awaiting advice from BVI counsel regarding the extent to which its costs are recoverable.

In the US

In February 2011, the Bank was served with proceedings issued by the liquidators of Fairfield Sentry and Fairfield Sigma in the US Bankruptcy Court in New York against the Bank and unnamed beneficial owners of certain accounts held in the name of the Bank for damages in the amount of approximately USD 44.1 million, which was later increased to approximately USD 45.2 million (exclusive of interest). The New York proceedings were stayed from October 2011 until 2016, pending developments in the related litigation in the BVI. The stay was lifted in the summer of 2016, for the purpose of allowing the liquidators to seek to amend their pleadings in certain regards and to permit the defendants to move to dismiss the liquidators' claims. In January 2017, the Bank and the other defendants in these proceedings filed papers in opposition to the liquidators' request to amend their pleadings and in support of defendants' motions to dismiss the claims. The briefing on these motions has been completed and the Bankruptcy Court heard an argument on them on 25 January 2018. A decision is expected in the first half of 2018.

Proceedings relating to the BMIS Trustee

On 1 September 2011 Irving Picard, the trustee in Bankruptcy for the Estate of Bernard L. Madoff Investment Securities LLC ('BMIS') issued a claim in the US Bankruptcy Court in New York against the Bank for USD 45.7 million. A subsequent decision from the District Court in another case brought by Mr Picard as BMIS trustee reduced this figure to approximately USD 26.9 million. This is one of the series of nearly 100 lawsuits commenced by Mr Picard as BMIS trustee against various financial institutions (including two other Barclays Group entities) and others who redeemed shares in Fairfield Sentry Limited and/or Fairfield Sigma Limited, in their capacity as feeder funds into BMIS, on the theory that the defendants were 'subsequent transferees' of transfers by BMIS to the Fairfield funds that are voidable under the US Bankruptcy Code.

In November 2016, the Bankruptcy Court issued a decision dismissing all of the trustee's claims against the Bank and the other Barclays defendants, on the basis of international comity; claims against other similarly situated defendants were also dismissed. A final order reflecting this dismissal was entered on 3 March 2017, and the trustee filed an appeal to the US Court of Appeals for the Second Circuit. Briefing on that appeal will be concluded in late April or May 2018. Argument on the appeal has not yet been scheduled, but it will probably take place in the third quarter of 2018; a decision can be expected in late 2018 or early 2019.

Based on the current state of the proceedings, there is no provision at this point of time.

11. Report of the statutory auditor to the General Meeting of Barclays Bank (Suisse) SA

Report of the Statutory Auditor to the General Meeting of Shareholders of

Barclays Bank (Suisse) SA, Genève

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the financial statements of Barclays Bank (Suisse) SA, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (pages 8 to 37) for the year ended 31 December 2017.

Board of Directors' Responsibility

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements for the year ended 31 December 2017 comply with Swiss law and the company's articles of incorporation.

Other matter

The financial statements of Barclays Bank (Suisse) SA for the year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 28 April 2017.

Report on Other Legal Requirements

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

In accordance with article 728a paragraph 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.

KPMG AG

Yvan Mermod *Licensed Audit Expert* *Auditor in Charge*	Pietro Di Fluri *Licensed Audit Expert*

Geneva, 23 April 2018

12. Our services

Barclays Bank (Suisse) SA is a wholly owned Swiss banking subsidiary of B.P.B. (Holdings) Limited, which is a wholly owned subsidiary of Barclays Bank PLC, London.

With a heritage dating back over 325 years and having been based in Geneva since 1986, we offer a Swiss Private Banking service which has been expertly tailored to respect Switzerland's strong traditions of financial confidentiality and robust risk management.

Our clients benefit from the expertise and dedicated service of our Private Bankers who are based in state-of-the-art offices in both Geneva and Zurich. We place an emphasis on building strong relationships and fully understanding the true ambitions and long term requirements of our clients.

This highly personalised approach is further enhanced by Barclays standing as one of the world's largest financial institutions, which means our Private Banking team is able to leverage the full power of a network located in over 40 countries, with 80'000 employees. Our clients can therefore connect with international experts from our Corporate and Investment Banking divisions, helping them to achieve their goals in the best possible way.

Operating in one of the world's premier private banking centres, Barclays Bank (Suisse) SA provides a full Wealth Management service which includes:

Private Banking

We cater to international high-net-worth and ultra-high net-worth individuals, financial intermediaries, independent asset managers, foundations and institutions. We offer banking services, investment solutions and wealth structuring advice, for clients who are based in a variety of countries and jurisdictions.

We start with understanding our clients' individual situation and identifying their requirements before proposing an appropriate way to structure their wealth. Our team of Private Bankers is able to draw on the expertise of our international teams who specialise in banking and credit services, wealth advisory, investment solutions, and strategic solutions.

Barclays International Intermediaries & Corporates

We provide financial intermediaries, including Single and Multi Family offices, and independent asset managers with wealth management solutions including brokerage and execution, international banking, trading and credit, across multiple jurisdictions. Working with teams across key financial centres, we can service their international banking needs and wealth structuring requirements.

Banking and Credit Services

Equipped to provide international investors with a full range of Private Banking services, in both onshore and offshore jurisdictions, the Bank is able to deliver complex liquidity and investment solutions, and to handle large volumes of banking transactions. Our financial services support global investment management, multi-currency accounts, offshore companies, discretionary trusts, foundations, and tailor-made wealth management solutions. Our credit specialists can also offer support with a select range of credit requirements, and are on hand to answer any questions our clients may have.

Wealth Advisory

Expert advice to help with the unique complexities of family life and/or business operations, regardless of which jurisdiction our clients are based in. We offer fiduciary services as well as corporate services to suit both short and long term needs.

Strategic Solutions

Our team devises strategic solutions that require a sophisticated understanding of risk pricing and risk management tools. Our specialists are highly experienced in delivering transactions, whether equity or debt capital markets driven, which call on the expertise of Barclays Corporate and Investment Banking division. In addition, through our colleagues in the wider Barclays network, we offer access to niche products, sophisticated analytics, consulting services and exclusive investment opportunities.

Access to Barclays Research

Committed to providing our clients with the very best in macroeconomic and investment research, which identifies and analyses core market trends and developments, we have a team of approximately 900 research professionals covering every research discipline, every asset class and every region.

Investment Solutions

Ranging from client directed solutions where the client has the ultimate investment decision, to fully delegated where their portfolio is entirely managed by us, we have a broad product palette to meet the exact level of interaction our clients wish to have with our specialists.

Client Directed Solutions

- Execution Only
- Investment Advisory
  - Select
  - Premium
  - Direct Access

Fully Delegated Solutions

- Discretionary Management
  - Multi- Asset Class
  - Single-Asset Class
  - Bespoke

Our investment solutions include multi-manager funds, structured products and alternative solutions available via an open architecture approach. Direct Access' Clients who are invested in equities, bonds and other instruments can have direct access to our team of dealers. This trading service allows immediate execution via the dealing desk as well as access to real-time market commentary and data.

Client

Private Banking

Execution Services	Investment Advisory	Discretionary Management	Wealth Advisory	Credit	Banking
Classic Execution	Advisory Premium	Multi Asset Class	Trust & Estate Planning Structures	Investment Leverage	Liquidity Management
	Advisory Select	Single Asset Class	Property Solutions	Mortgage Services	Global Payment & Card Services
	Direct Access	Bespoke	Liquidity Planning & Insurance	Financial Guarantees	Strategic Solution Group
			Key Client & Family Office Services		Investment Club
					Digital Banking

Investment Banking

Corporate Banking

13. Board, Management and Auditors

Board of Directors

William Oullin is the Chairman of the Board. He joined the Barclays Group in 2'000 as Managing Director of the Group's UK and International Private Banking division in London responsible for the global business offering (investment management, trust, fiduciary, credit and banking services) to the Group's high net worth clientele. In 2003, he was appointed Chairman of Barclays, International Private Bank and of Barclays Bank (Suisse) SA. In this capacity, he conducts significant business and client development activities out of Geneva, London and Dubai. He also provides overall counsel and support to Barclays Private Bank senior management. Immediately prior to joining Barclays, he was Chief Executive of JP Morgan (Suisse) SA and Global Head of Private Banking for the Middle East and the Indian Subcontinent for the JP Morgan Group. He started his banking career at Hoover Limited in the UK before joining JP Morgan in New York in 1975. He is a graduate in Law and Political Sciences, and completed an MBA at INSEAD in Fontainebleau, France. He resides in the United Arab Emirates.

Pierre Bongard serves on the Board and as Chairman of the Audit Committee of the Bank as an Independent Non Executive Director. He also serves as an independent director for a portfolio of financial services businesses, prior to which we worked for 18 years at KPMG, the last six as a partner responsible for Advisory Financial Services. He has held leadership positions in various Swiss industry bodies, including the Swiss Institute of Certified Accounts and Tax Consultants, and the Geneva Financial Centre Foundation. He is also a lecturer and trainer in financial services. He holds a Master degree from HEC Lausanne and is a Swiss Certified Public Accountant. He joined the Board in 2010 and resides in Switzerland.

Beat Badertscher serves on the Board and Audit Committees of the Bank as an Independent Non Executive Director. He is the founding partner of Badertscher Attorneys-at-law (in Zurich), practicing in a variety of legal domains including banking and finance. He is a member of the Zurich, Swiss and International bar associations. He is a graduate of Zurich University, and formerly held both public and private sector appointments, including as internal legal counsel for a Swiss bank and sitting as a member of the Zurich Cantonal Parliament. He joined the Board in 2013 and resides in Switzerland.

Lawrence Dickinson serves on the Board and Audit Committee of the Bank. He joined the Barclays Group from university in 1979. He undertook a variety of branch, regional and Head Office roles, and more latterly has served as Chief of Staff to the Group Chief Executive Officer, Global Chief Operating Officer in the Private Bank, and Group Company Secretary. He retired as Company Secretary at the end of November 2017 and as Senior Advisor to the Board and Group Chief of Staff to the Chairman at the end of December 2017. He joined the Board in August 2016 and resides in the United Kingdom.

Francesco Grosoli serves on the Board of the Bank. He is the Europe, Middle East & Africa Chief Executive Officer for the Private Bank division of Barclays PLC. He started his career with Barclays in May 2007 as General Manager for Wealth Management in Monaco where he reengineered the business to position Barclays Monaco as one of the top four Wealth Managers in the region. He was promoted to his current position in 2016. In a career spanning 28 years working with high net worth clients he has also held positions as Head of Private Banking at HSBC Private Bank Monaco and Banca della Svizzera Italiana as a Senior Private Banker. He holds a masters degree in economics from the University of Nice. He joined the Board in August 2014 and resides in Monaco.

Management Committee

James Buchanan-Michaelson was the Chief Executive Officer. He joined Barclays Bank (Suisse) SA in this capacity in 2015, having been in banking for 30 years with The Chase Manhattan Bank NA, JP Morgan and Coutts. His experience included working in a number of departments in investment banking and private banking, including Eurobonds, derivatives, credit and as a banker covering non bank financial institutions for the investment bank and as a senior relationship manager in private banking. Immediately prior to Barclays he was the General Manager for Coutts (RBS Coutts) in Geneva. He has completed The Chase Manhattan graduate Credit Training Program and whilst in the UK the relevant UK financial services and regulatory exams, and additionally the South African Financial Services Board exams as 'Key Individual'. He also served as the Barclays Group Country Manager for Switzerland. He resides in Switzerland.

Following the year-end, James Buchanan-Michaelson resigned from Barclays on 7 February 2018, and the Bank appointed **Gerald Mathieu** as the Chief Executive Officer, effective 9 February 2018. Gerald Mathieu was educated in France and the USA and holds an MBA in International Finance from Hartford University (USA) and a Baccalaureate in economics from the Academy of Versailles. He has 27 years of wealth management experience having previously led the Barclays Monaco Private Banking team since 2010, prior to which he was the Head of Private Banking at UBS for the Paris region. He has also held senior roles at Merrill Lynch and BNP. He also serves as the Barclays Group Country Manager for Switzerland. He resides in Switzerland.

Denise McCarthy is the Chief Operating Officer. She was educated in the UK, holds a BA Hons in Economics and is a qualified Chartered Management Accountant. She has 24 years of experience across the Banking, Industry, and International Development sectors. Her banking experience includes assignments in London and New York with UBS in addition to Barclays in Geneva. She joined Barclays in Switzerland in 2013 in the Business Control and Governance Team. She was appointed to her current role in 2017 and joined the Management Committee on 1 March 2017 (replacing Warren McRae who stepped down on 28 February 2017). She resides in Geneva.

Jason Clark was the Chief Investment Officer. He holds an MA (Hons) in Geography, an MSc in Finance and an LLM in Financial Services Law. In addition, he is a qualified Barrister having been called to the Bar of England & Wales, holds postgraduate qualifications in Equity & Trusts Law and Banking and Finance Law, and is a member of the International Bar Association. He previously held senior investment advisory, corporate advisory and sales management roles at Credit Suisse, Deutsche Bank, RBS and HSBC. He joined the Management Committee in 2013 and resides in Switzerland.

Following the year-end, Jason Clark resigned from Barclays on 19 January 2018. The Bank is interviewing for a successor.

Mark Love is the Chief Risk Officer and Company Secretary. He was educated in the UK, obtaining a BA in Management Science, and qualified as a Chartered Accountant and Corporate Treasurer. He has 25 years of banking experience obtained at Ernst & Young, JP Morgan and Barclays in a variety of audit and risk roles. He joined Barclays Bank (Suisse) SA in 2004 and was promoted to the Management Committee in 2016. He resides in Switzerland.

Hannah Wood is the Chief Finance Officer. She was educated in the UK, has a MA degree in mathematics and is qualified as Fellow of the Association of Chartered Certified Accounts. She has 22 years of banking experience obtained at Barclays in the UK and Switzerland in a variety of finance roles. She joined Barclays Bank (Suisse) SA in 2008 and was promoted to the Management Committee in 2015. She resides in Switzerland.

The following staff members stepped down from the Management Committee on 28 February 2017 to facilitate a governance re-organisation to operate with a smaller committee:
Pascale Audoli-Holz - Head of Compliance
Patrizia Castagno - Head of Human Resources
James Persse - Head of Private Banking

Internal Auditor

Serge Semeelen - Head of Internal Audit

Statutory Auditors

PricewaterhouseCoopers Ltd, (until 30 April 2017 to complete the 2016 audit cycle)

KPMG SA (from 1 January 2017)

Barclays

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