Private Bank

Annual Report 2019

Barclays Bank (Suisse) SA

BARCLAYS

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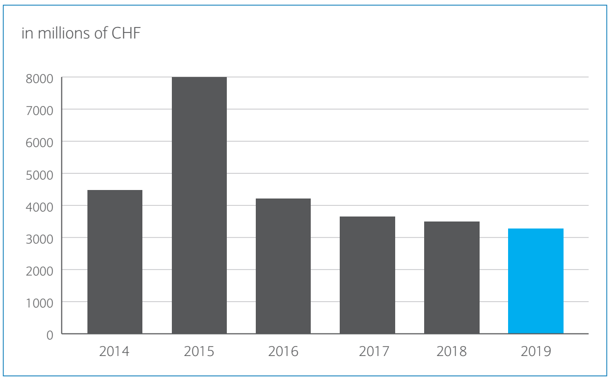
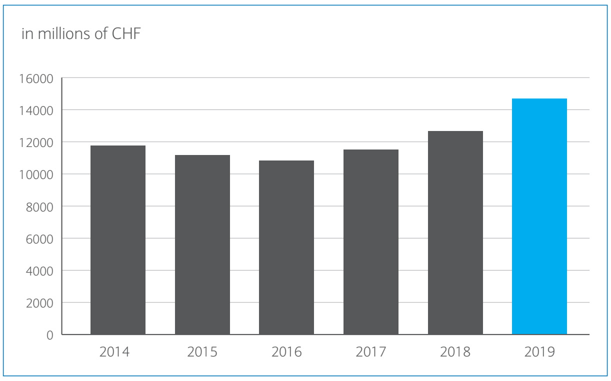
1. Financial Highlights

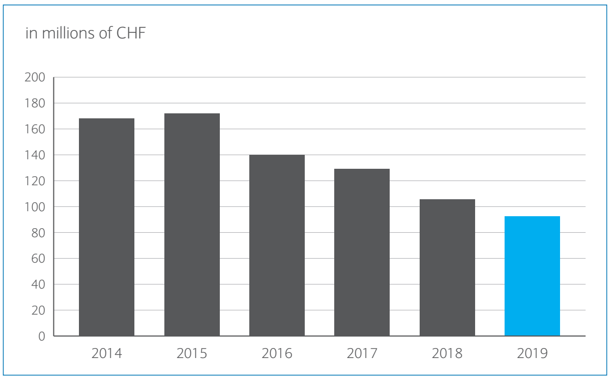
Total balance sheet



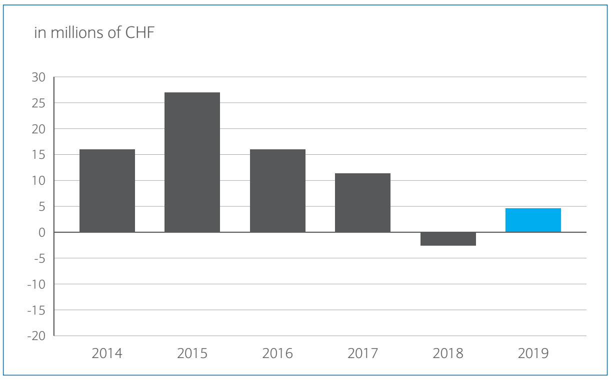
Assets administered



Net income from banking operations



Operational profit



2. Report of the Board of Directors to the Shareholder

2019 has been a strong year focusing on our stated key objectives. We have focused on delivering premium investment products and service to the strategic HNW and UHNW client base as well as being a conduit to the broader Barclays Group, notably our Corporate and Investment Bank. The numbers reflect well the achievements we have made this year. Additionally we have continued to invest in Technology and Digital while remaining focussed on Return On Equity and cost control.

To support the business growth, we have continued to hire, landing the new Israel-focused team who bring access to a new exciting market, and bolster our presence in Zurich.

It is also pleasing to report that 2019 produced a further improved Client Satisfaction survey result, coupled with an increase in the number of responders, which reinforces the progress we are making to deliver best in class solutions to our strategic client base.

The results, which were published in January 2020, show that the Net Promoter Score (NPS) improved compared to the previous year (+44 vs +43 in 2018) with a substantial increase particularly for the Ultra High Net Worth segment, which went up from +53 in 2018 to +60 in 2019 (+7). Clients indicated they are particularly satisfied with the quality of interaction with their Private Banking team, including investment and credit specialists.

Economic backdrop

While 2018 can be summarised by strong economic data but weak market performance, after a significant sell-off in the last quarter of the year, 2019 witnessed a reversal in this trend. Indeed, global growth slowed notably (+3.0% vs. +3.6% in 2018) driven mainly by uncertainty linked to heightened trade tensions, most notably between China and the US. In Europe, the ongoing Brexit uncertainty also weighed on economic activity, with GDP growth dipping from +2.0% in 2018 to just +1.4% in 2019.

Despite the challenging macroeconomic backdrop, most asset classes delivered strong performance in 2019, helped by loosening monetary policies across the world. The main equity indices reach new historical highs delivering close to 30% total return while fixed income markets were not left far behind thanks to a search for yield that drove a significant rally in the BBB, BB and EM debt markets.

Business overview

Barclays Bank (Suisse) SA is part of the Barclays Private Bank, which combines the wealth management business (providing private and intermediary clients with international and private banking, credit facilities, investment management, fiduciary services and brokerage) and 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 Group, located in 50 countries and employing approximately 80,000 people.

Our services are tailored to High Net Worth (HNW) and Ultra High Net Worth (UHNW) individuals, as well as large Single and Multi-Family offices who operate on behalf of UHNW clients. Our solutions help people meet their financial objectives, whether they are protecting, growing or passing on their wealth.

Our principal activities are:

Investing
- Discretionary portfolio management
- Advisory investment service
- Direct access

Banking
- Full-service banking
- Saving solutions

Lending
- Real estate financing
- Portfolio finance
- Structured credit

Strategic solutions
- Corporate finance and customised investment solutions
- Direct investments

Wealth advisory
- Estate planning
- Resident non-domiciled Private Banking
- Family offices
- Philanthropy

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 through 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.

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 is available in the Barclays PLC 2019 Annual Report and published on Barclays Investor Relations website. http://www.barclays.com/barclays-investor-relations.html

Strategy in 2019

In 2019, our business strategy was to focus the Swiss-based teams on our core client segments, HNW and UHNW, and to deliver premium investment solutions to clients in our core markets.

Our Advisory services delivered very strong results, with Discretionary Portfolio Management performance consistently outperforming the benchmark and in the top quartile of our peers.

That we are effectively working with clients to ensure they benefit from this level of return, and to provide them with broader investment opportunities notably in private markets some of them originating from our Investment Bank, is evident in the results.

Environmental Social and Governance (ESG)

ESG provides insight into the internal operations of a business with respect to Environmental, Social and Governance standards. By assessing a company with respect to ESG data points – such as corporate culture, waste management policy, and Board independence – it is possible to better ascertain the quality of a business, as well as identify potential vulnerabilities to future cash generation. Within Barclays Private Bank, all of our discretionary investment strategies incorporate ESG within the investment due diligence process as the additional information facilitates better decision making. Taking this further, in 2018 Barclays Private Bank launched a range of global discretionary sustainable strategies to provide our clients with a way of maximising risk-adjusted returns through a portfolio of businesses that advance global sustainability. We are firmly of the belief that there does not need to be a trade-off between financial performance and sustainability.

Results summary

In 2019 we recognised a profit of CHF 4.1 million, with an operating result of CHF 5.0 million. This represents a significant improvement to the prior year operating result of –CHF 0.1 million. Total profit of CHF 10.6 million in the prior year incorporated extraordinary income of CHF 11.6 million from the sale of software assets to Barclays Switzerland Services SA.

Total managed assets grew by 17% to CHF 14.5 billion in 2019, driven by net new money of CHF 1.7 billion from both existing clients and new clients, demonstrating the effectiveness of our business strategy in both mature and growth markets.

Also notable, is the transition of cash (shown in the balance sheet as 'Amounts due in respect of clients' deposits') to managed assets, as we provide our clients with greater access to Investment Advisory Services, and specifically a range of Investment Opportunities aligned with their financial aspirations.

Risk assessment

We have a conservative and prudent approach to credit, market, operational and other risks. The key elements of the risk position of Barclays Bank (Suisse) SA 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 16 to 18).

We continue to invest in upgrading compliance controls to remain ahead of the regulatory agenda in Switzerland. We are compliant with the recently introduced regulations on Financial Markets Infrastructure, and are working with our advisers to be compliant with the Swiss Financial Services Act and Financial Institutions Act, both anticipated to enter into force in January 2020.

Ratios

	2019 CHF '000	2018 CHF '000	2017 CHF '000	2016 CHF '000	2015 CHF '000
Minimum capital requirements	70'518	77'705	76'144	85'153	88'350
Total eligible regulatory capital	162'317	178'179	172'555	175'540	169'870
• of which, Common Equity Tier 1 capital	112'317	168'179	157'555	155'540	144'870
• of which, Tier 1 capital	162'317	168'179	157'555	155'540	144'870
Risk weighted assets	881'471	971'316	951'803	1'064'412	1'104'380
CET1 ratio (%)	12.7%	17.3%	16.6%	14.6%	13.1%
Tier 1 ratio (%)	18.4%	17.3%	16.6%	14.6%	13.1%
Total Eligible Equity ratio (%)	18.4%	18.3%	18.1%	16.5%	15.4%
Countercyclical buffer (%)	0.1%	0.1%	0.1%	0.1%	0.1%
Minimum CET1 target ratio (%)	7.5%	7.5%	7.5%	7.5%	7.5%
Minimum T1 target ratio (%)	9.1%	9.1%	9.1%	9.1%	9.1%
Minimum Tier 2 ratio (%)	11.3%	11.3%	11.3%	11.3%	11.3%
Basel III leverage ratio (%)	4.5%	4.6%	4.1%	3.6%	1.8%
Leverage ratio exposure	3'601'757	3'660'060	3'809'282	4'375'270	8'227'089
Liquidity Coverage Ratio Q4 Average (%)	176.9%	121.0%	168.8%	312.7%	238.3%
• Numerator	574'895	546'023	760'770	920'064	1'659'805
• Denominator	324'978	451'091	450'644	294'228	696'481
Liquidity Coverage Ratio Q3 Average (%)	150.7%	123.6%	156.0%	223.9%	182.5%
• Numerator	681'974	386'413	705'456	749'297	1'001'141
• Denominator	452'554	312'720	452'239	334'598	548'676
Liquidity Coverage Ratio Q2 Average (%)	183.1%	135.3%	172.4%	220.8%	173.0%
• Numerator	844'067	657'685	805'752	787'028	779'567
• Denominator	461'014	486'112	467'442	356'385	450'549
Liquidity Coverage Ratio Q1 Average (%)	154.3%	152.7%	284.9%	203.1%	150.6%
• Numerator	761'775	804'332	915'570	1'423'997	500'923
• Denominator	493'841	526'790	321'343	701'234	332'653
Minimum required Total Eligible Equity Ratio		11.2%	11.2%	11.2%	12.0%

3. Barclays and the community

Barclays has a strong and longstanding commitment to managing the environmental and social impacts of our business, recognising that our success is closely linked to that of the communities in which we live and work.

It is by focusing on our core products and services, and our relationships, that we can make the greatest positive impact. We will continue to identify new opportunities to integrate these considerations into the work we do every day to help customers and clients, colleagues and society to rise.

This includes investing in skills and employability. A vibrant, skilled workforce ensures that businesses can thrive and that individuals, along with their families and wider communities, can achieve financial independence and security.

Working with employers, those already in work, and those looking for work we're helping to build skills and break down barriers to work, to enable people to succeed now and in the future.

Through our Connect with Work programme, we are working in partnership with "Fondation Qualife" to provide tailored skills training and connect people to businesses that are recruiting. The programme works with people who want to get into work but, for a number of reasons, face challenges – such as a lack of experience or confidence, fewer educational qualifications – and helps them to develop the skills, connections and opportunities that provide a way in, or back into the workforce.

Our employees' charitable efforts

By partnering with high-performing and innovative charities and not-for-profit organisations globally, we have demonstrated our commitment to a diverse number of philanthropic initiatives. The firm provides a wide range of programmes to support our employees' charitable efforts, from volunteering to matched-fundraising and grant-making.

In 2019 almost 90 employees supported 12 charity partners and raised CHF 12'000 in benefits of the local community. Our volunteers worked with the overall objective of helping people in need (fundraising for Cancer, Aids and Women victim of violence and human trade, collection of 200 Christmas gifts for unprivileged children, cooking for over 600 homeless and people in precarious situations).

Our Diversity and Inclusion Agenda

We believe that a diverse, inclusive and engaged culture is vital in the workspace and the society. Everyone's value should be recognised and celebrated and that every colleague at Barclays has the same opportunity to fulfil their career potential. We focus on five global diversity agendas: Disability, Gender, LGBT, Multicultural and Multigenerational.

To support our ambition to create an inclusive work environment, a group of volunteers works closely with our Human Resources and the Group to implement a series of initiatives in Switzerland. Our networks provide colleagues with valuable support and advice, create opportunities, and raise awareness of issues and challenges. We actively encourage every colleague to join our team of volunteers, to tell us what support and adjustments they need to be their best at work.

Wherever we are in Barclays, we are united and guided by one common purpose: creating opportunities to rise.

4. Financial statements

4.1 Balance sheet

	Reference to notes	31.12.2019 CHF '000	31.12.2018 CHF '000	Variations CHF '000
Assets				
Liquid assets		527'989	609'614	-81'625
Amounts due from banks		221'251	185'387	35'864
Amounts due from securities financing transactions	7.1	9'781	10'153	-372
Amounts due from customers	7.2	1'334'890	1'288'777	46'113
Mortgage loans	7.2	1'053'716	1'151'206	-97'490
Positive replacement values of derivative financial instruments	7.3	17'490	12'539	4'951
Financial investments	7.4	110'374	196'959	-86'585
Accrued income and prepaid expenses		14'693	18'627	-3'934
Tangible fixed assets	7.5	4'145	5'800	-1'655
Other assets	7.6	10'956	2'145	8'811
Total assets		3'305'285	3'481'207	-175'922

	Reference to notes	31.12.2019 CHF '000	31.12.2018 CHF '000	Variations CHF '000
Liabilities				
Amounts due to banks		1'067'967	855'602	212'365
Amounts due in respect of clients' deposits		2'075'479	2'416'109	-340'630
Negative replacement values of derivative financial instruments	7.3	21'393	15'528	5'865
Accrued expenses and deferred income		24'111	20'154	3'957
Other liabilities	7.6	2'127	3'170	-1'043
Provisions	7.10	1'892	2'466	-574
Bank's capital	7.12	90'000	150'000	-60'000
Statutory retained earnings reserve		7'447	6'916	531
Profit carried forward		10'731	638	10'093
Profit for the year		4'138	10'624	-6'486
Total liabilities and shareholder's equity		3'305'285	3'481'207	-175'922
Total subordinated liabilities	7.9	50'055	25'022	25'033
• of which, subject to mandatory conversion and/or debt waiver		-	-	-

	Reference to notes	31.12.2019 CHF '000	31.12.2018 CHF '000	Variations CHF '000
Off-balance sheet transactions				
Contingent liabilities	7.2, 8.1	93'211	20'576	72'635
Irrevocable commitments	7.2	26'848	26'707	141

4.2 Income statement

	Reference to notes	2019 CHF '000	2018 CHF '000	Variations CHF '000
Result from interest operations				
• Interest and discount income		54'520	53'266	1'254
• Interest and dividend income on financial investments		112	-155	267
• Interest expense		-1'839	-2'455	616
Gross result from interest operations		52'793	50'656	2'137
Changes in value adjustments for default risk and losses resulting from interest operations	7.10	-5'135	-3'899	-1'236
Net result from interest operations		47'658	46'757	901
Results from commission business and services				
• Commission income from securities and investment services		46'548	48'429	-1'881
• Commission income on lending activities		1'171	2'238	-1'067
• Commission income from other services		4'081	4'093	-12
• Commission expenses		-9'285	-11'107	1'822
Net results from commission business and services		42'515	43'653	-1'138
Results from trading activities and the fair value option	9.2	5'319	9'598	-4'729
Other results from ordinary activities				
• Result from the disposal of financial investments		-	567	-567
• Other ordinary income		15'573	12'408	3'165
• Other ordinary expenses		-6'199	-8'325	2'126
Other results from ordinary activities		9'374	4'650	4'724
Operating expenses				
• Personnel expenses	9.3	-57'731	-59'745	2'014
• General and administrative expenses	9.4	-40'686	-40'377	-309
Total operating expenses		-98'417	-100'122	1'705
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	7.5	-1'810	-4'241	2'431
Changes to provisions and other value adjustments and losses		347	-492	839
Operating result		4'986	-197	5'183
Extraordinary income	9.6	-	11'523	-11'523
Taxes	9.7	-848	-702	-146
Profit for the year		4'138	10'624	-6'486

4.3 Appropriation of profit

	2019 CHF '000	2018 CHF '000	Variations CHF '000
Profit for the year	4'138	10'624	-6'486
• Profit carried forward	10'731	638	10'093
Accumulated profit	14'869	11'262	3'607
Appropriation of profit			
• Allocation to statutory retained earnings reserves	-207	-531	324
New amount carried forward	14'662	10'731	3'931

4.4 Statement of changes in shareholder's equity

	Bank's capital CHF '000	Statutory retained earnings reserves CHF '000	Profit/ carried forward CHF '000	Result of the period CHF '000	Total CHF '000
Shareholder's equity as at 1 January 2019	150'000	6'916	638	10'624	168'178
Capital reduction	-60'000	-	-	-	-60'000
Appropriation of prior year profit	-	531	10'093	-10'624	-
Profit for the year	-	-	-	4'138	4'138
Shareholder's equity as at 31 December 2019	90'000	7'447	10'731	4'138	112'316

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 2019, the number of people employed by the Bank on a full time equivalent basis, was 202 (31.12.2018: 215).

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.

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:

	2019	2018
	Closing rate	Closing rate
USD	0.9683	0.9865
GBP	1.2824	1.2615
EUR	1.0868	1.1281

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 recorded in 'Interest and discount income'. Past-due interest that are more than 90 days past due and not yet paid 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.

Policy regarding the use of derivative financial instruments and hedge accounting

Derivative financial instruments are used for trading purposes. The Bank uses derivatives for risk management purposes, to hedge against interest rate and currency fluctuation risks, however hedge accounting is not applied.

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 are managed by a related company. The costs 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 2019.

Material events after the balance sheet date

The Bank is monitoring the potential downside risk associated with both the direct and indirect impact of the COVID-19 outbreak, specifically considering any loans secured by assets that have reduced in value. For the reporting date 31 December 2019, the outbreak and the related measures are considered non-adjusting events. Consequently, there is no impact on recognition and measurement of assets and liabilities.

In relation to 2020, whilst no value adjustments are expected due to movements in financial asset prices, the indirect effect on non-financial assets continues to be assessed and cannot currently be reliably estimated. The Bank continues to operate within its risk and capital limits which are being actively monitored by management. Regarding our activities, we continue to operate fully effectively under our business continuity plans and serve our clients as usual.

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 adequacy) in its financial management, and operational risks (for example from fraud, transaction processing or technology failure). In addition, the Bank faces reputational and conduct risks in relation to its interactions with clients and the financial markets in which it operates, as well as 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 this risk management framework are:

- A comprehensive risk policy;
- The use of recognised risk measurements to monitor activity and performance in relation to a defined risk appetite;
- 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 policy and appetite, as well as the resulting risk management approach. This is based on the Barclays Group's Enterprise Risk Management Framework (ERMF) which defines eight principal risks, as well as several 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 within the defined 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 activities of the Bank, as well as the 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 and standards and implements appropriate 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'.

Employees of Legal are not formally designated as a member of any one line of defence, instead providing support and legal counsel to all functions of the Bank.

Credit Risk

The Credit Risk Framework and Credit Risk Mitigation Policy defines the manner in which the Bank seeks to manage and mitigate the potential for loss arising from obligors failing to honour 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 loan proceeds to acquire 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 during the term of the loan.

For loans secured on financial instruments, transferable securities (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 of financial instruments in order to determine an appropriate collateral value of such assets, based on their volatility and liquidity.

There is a segregation of duties between responsibilities for marketing credit services and those of credit authorisation. The Board of Directors is responsible for approving large credit exposures with a nominal value in excess of 25% of the Bank's capital. For any credit facility granted, the net exposure, as determined by the Capital Adequacy Ordinance, may not exceed 25% of the Bank's Tier 1 capital. The Bank applies a buffer to ensure that new facilities will remain under this regulatory limit in the event of FX rate movements and other economic impacts modelled in the Bank's annual capital stress testing.

The Credit policy of the Bank forms the basis of credit risk monitoring and control. Significant aspects include (but are not limited to) understanding the purpose of the credit, 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.

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 only transacts with highly reputable counterparties. The Bank performs a comprehensive assessment of each and every counterparty before a limit is established, against which exposure is monitored on a daily basis.

The Bank also places Fiduciary Deposits with bank counterparts on behalf of, and at client risk. These counterparts are similarly assessed, managed (and reviewed at least annually) against a system of limits to provide clients with opportunities to place deposits at rates that seek to optimise risk-aware returns.

Interest Rate risk

The Bank is heavily involved in multi-currency balance sheet transactions across different terms, both as a lender and deposit taker. This creates a potential for interest rate risk, which is mitigated through active balance sheet management and derivative (hedging) transactions, primarily with the Barclays Group. The measurement and management of interest rate risk is part of the asset and liability management (ALM) function, performed by the Treasury Committee of the Bank, which includes 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.

Risks on foreign exchange rates

The Bank executes foreign exchange transactions to serve our clients, and for its own balance sheet management purposes. Any significant exposures resulting from these activities are closed out (for same day value) in the foreign exchange markets. The Bank undertakes value-at-risk calculations against limits for its foreign exchange activity, to ensure the potential market risk impact of any residual positions (not fully hedged in the foreign exchange markets) are managed within limits. The Financial Control team perform independent end of day controls to verify that these 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 defined risk appetite. Liquidity management creates a solid liquidity position to allow the Bank to consistently meet its obligations in a timely manner, including in times of market stress. Further, the financing risk is managed through the optimisation of the balance sheet structure, for example through acvtive asset and liability matching. 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) exists and is regularly reviewed, as a minimum, on an annual basis. The CFP includes an assessment of financing sources under a number of stressed market scenarios, 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. 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 and non-financial impacts.

The Board of Directors reviews and approves the risk policy (including management of operational risk) on an annual basis, which, together with detailed procedures and controls, serve as the basis for operational risk management. Risk mitigation measures are implemented by way of process management, information and cyber security, control systems, quality management and on-going training and education. This also includes ensuring that operations continue in case 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.

[1] As published by the Swiss National Bank, see: https://www.snb.ch/en/ifor/finmkt/operat/snbgc/id/finmkt_repos_baskets

Key controls and procedures are 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 take 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.

Legal Risk

Legal Risk is defined as the risk of loss or imposition of penalties, damages or fines from the failure of the firm to meet its legal obligations, including regulatory or contractual requirements. Barclays applies strict procedures that seek to prevent the failure to adhere to a number of defined policies that seek to manage and mitigate Legal Risk covering such aspects as competition and anti-trust, contact with regulators, use / engagement of law firms, management of litigation, intellectual property, contractual arrangements and the appropriate and timely engagement of the legal function in relation to key and relevant business decisions.

Reputation Risk

Reputation risk is defined as the risk that an action, transaction, investment, event, decision or business relationship will reduce trust in Barclays' integrity and/or competence. The management of reputation risk focuses on principles, policies and procedures that seek to avoid association with businesses, clients or activities, which, whilst in accordance with law, regulation and policies, are viewed as being controversial.

7. Balance sheet information

7.1 Breakdown of securities financing transactions

	31.12.2019 CHF '000	31.12.2018 CHF '000
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions*	9'781	10'153
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	9'785	10'149
• of which, repledged securities	1'910	3'145
• 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		-	1'306'773	31'980	1'338'753
Mortgage loans					
• Residential properties		1'070'476	-	-	1'070'476
• Commercial premises		-	-	-	-
Amounts due from securities financing transactions					
Total loans (before netting with value adjustments)					
	31.12.2019	1'070'476	1'306'773	31'980	2'409'229
	31.12.2018	1'164'129	1'255'829	36'573	2'456'531
Total loans (after netting with value adjustments)					
	31.12.2019	1'053'716	1'302'910	31'980	2'388'606
	31.12.2018	1'151'206	1'252'204	36'573	2'439'983
Off-balance sheet					
Contingent liabilities		-	93'211	-	93'211
Irrevocable commitments		-	25'000	1'848	26'848
Total off-balance sheet	31.12.2019	-	118'211	1'848	120'059
Total off-balance sheet	31.12.2018	-	45'239	2'044	47'283

	Impaired loans Gross amount CHF '000	Estimated liquidation value of collateral CHF '000	Net debt amount CHF '000	Individual value adjustments CHF '000
31.12.2019	50'750	39'687	13'768	13'758
31.12.2018	32'662	19'989	12'673	12'673

Additional individual value adjustments have been recorded for non-performing loans.
The increase in individual value adjustments compared to 2018 is primarily due to an increase in valuation adjustments on three existing impairment cases partially offset by a release on one resolved mortgage facility.

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		**1'840**	**1'840**	**117'121**
Swaps		1'840	1'840	117'121
Foreign exchange/precious metals		**15'230**	**19'133**	**1'643'639**
Forward contracts		13'958	17'861	1'607'852
Options (OTC)		1'272	1'272	35'787
Equity securities		**420**	**420**	**25'276**
Option (OTC)		420	420	25'276
Total before netting agreements	31.12.2019	17'490	21'393	1'786'037
• of which, determined using a valuation model		-	-	-
	31.12.2018	12'539	15'528	2'348'322
Total after netting agreements	31.12.2019	17'490	21'393	-
	31.12.2018	12'539	15'528	-

The Contract volume is determined based on notional of positive replacement values.

	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)	-	10'826	6'664	17'490

7.4 Financial investments

	Book value		Fair value	
	31.12.2019 CHF '000	31.12.2018 CHF '000	31.12.2019 CHF '000	31.12.2018 CHF '000
Financial investments				
Debt securities	-		-	
• of which, destined to be held to maturity	-	94'897	-	95'350
• of which, not intended to be held to maturity (available for sale)	-	-	-	-
Total	-	94'897	-	95'350
Equity Securities	-	-	-	-
• of which, qualified participations	-	-	-	-
Precious metals	103'773	94'270	103'773	94'270
Real Estate	6'601	7'792	6'601	7'792
Total financial investments	110'374	196'959	110'374	197'412
• of which, securities eligible for repo transactions in accordance with liquidity requirements	-	94'897	-	95'350

	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	-	-	-	-	-	

The Bank relies on the lowest rating classes of Standard & Poor's and Moodys.
The Bank disposed of its portfolio of debt securities destined to be held to maturity in Q1 2019.

7.5 Tangible fixed assets

	Acquisition cost	Accumulated depreciation	Book value at 31.12.2018	Accounting period 2019 Additions	Disposals	Depreciation	Book value at 31.12.2019
	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000
Tangible fixed assets							
Proprietary or separately acquired software	55'884	-55'884	-	-	-	-	-
Other tangible fixed assets	89'882	-84'082	5'800	155	-	1'810	4'145
Total tangible fixed assets	145'766	-139'966	5'800	155	-	1'810	4'145

The depreciation method applied and the range used for the expected useful life are explained on page 13.
The Bank extended the lease agreement of its Geneva premises during the year.
As the residual value of the Bank's other tangible assets is largely comprised of refurbishment costs associated with this premises, the Bank took the decision to extend the useful life of the relevant assets to match the extended lease agreement.

7.6 Other assets and other liabilities

	31.12.2019 CHF '000	31.12.2018 CHF '000
Other assets		
Indirect taxes	953	1'917
Other assets	10'003	228
Total other assets	10'956	2'145
Other liabilities		
Indirect taxes	1'923	3'060
Other liabilities	204	110
Total other liabilities	2'127	3'170

The 2019 Other assets balance of CHF10.0 million includes a balance of CHF9.6 million related to a security in transit position.

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

	31.12.2019 Book value CHF '000	31.12.2019 Effective commitments CHF '000	31.12.2018 Book value CHF '000	31.12.2018 Effective commitments CHF '000
Pledged/assigned assets				
Due from banks	13'200	13'200	33'624	33'624
Total pledged/assigned assets	13'200	13'200	33'624	33'624

7.8a Liabilities relating to own pension schemes

At the balance sheet date there was an amount of CHF 2.4m due to the pension fund of the Bank (2018: CHF 5.3m). 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 2019 show that the coverage will be 112% (2018: 103% and 2017: 110%), 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 112% 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 (2018: 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	31.12.2019 CHF '000
Subordinated loan			
Barclays Bank PLC, London	2.99%	n/a	50'055
Total	2.99%		50'055

The subordinated loan from Barclays Bank PLC, London is shown in the Balance Sheet line 'Amounts due to banks'. On 20 December 2019, the Bank entered into a CHF 50 million subordinated loan agreement with Barclays Bank PLC with no fixed redemption date. This new loan qualifies as Additional Tier 1 capital. Whilst interest is discretionary (or mandatorily cancellable under certain conditions), the rate of interest is equal to a Benchmark rate, currently CHF 3 month Libor, plus a margin of 3.7% (floored at 0.0%).

7.10 Presentation of value adjustments and provisions

	Accounting period 2019							
	Balance at 31.12.2018 CHF ’000	Use in conformity with designated purpose CHF ’000	Re-classification CHF ’000	Currency differences CHF ’000	Past due interest, recoveries CHF ’000	New provisions charged to income statement CHF ’000	Releases to income CHF ’000	Balance at 31.12.2019 CHF ’000
Provisions								
Provisions for other business risks	2’256	-485		-2		105	-316	1’558
Other provisions	210	-		-		124	-	334
Total provisions	2’466	-485		-2		229	-316	1’892
Value adjustments for default and country risks								
Value adjustments for default risks in respect of impaired loans	16’548	-626		-434	2’985	2’891	-741	20’623
Value adjustments for default and country risks	16’548	-626		-434	2’985	2’891	-741	20’623

The increase of past due interest for value adjustments for default risks in respect of impaired loans totalling CHF 2'985 thousand is mostly driven by one existing mortgage facility. New provisions charged to income statement for value adjustments for default risks in respect of impaired loans totalling CHF 2'891 thousand relate primarily to increased provisions on two existing mortgage facilities. Releases to income totalling CHF 741 thousand for value adjustments for default risks in respect of impaired loans relate primarily to the release on one resolved mortgage facility.

7.11 Amounts due from/to related parties

	Amounts due from		Amounts due to	
	31.12.2019 CHF ’000	31.12.2018 CHF ’000	**31.12.2019** CHF ’000	31.12.2018 CHF ’000
Qualified shareholders	156’102	77’486	1’000’681	862'078
Group Companies	84	1’186	8’153	9’154
Associated companies	-	-	252	8’424
Transactions with members of governing bodies	-	-	-	-

Transactions with related parties

The Bank engages in transactions with related parties in the normal course of business. These include loans, deposits, foreign currency, economical hedging of “due to customers balances” 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.

The Bank can engage in transactions with Governing bodies and employees in the form of small consumer loans conducted at arm’s length conditions.

7.12 Bank's capital and statutory retained earnings reserve

Bank's capital	31.12.2019			31.12.2018		
	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	90'000	90'000	90'000	150'000	150'000	150'000
Registered shares						
• of which, paid up	90'000	90'000	90'000	150'000	150'000	150'000
Total Bank's capital	90'000	90'000	90'000	**150'000**	**150'000**	**150'000**
Authorised capital	90'000	90'000	90'000	180'000	180'000	180'000
• of which, capital increases completed	-	-	-	-	-	-

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.

In 2019, the Bank reduced its share capital from CHF 150 million to CHF 90 million as part of a capital restructuring exercise, which also incorporated the issuing of a CHF 50 million floating rate resetting perpetual subordinated contingent write-down note qualifying as Additional Tier 1 Capital and reported under 'Amounts due to banks'.

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 Holders of significant participations

	31.12.2019		31.12.2018	
Significant shareholders and shareholder groups with voting rights	Nominal CHF '000	Participation rate in %	Nominal CHF '000	Participation rate in %
B.P.B. (Holdings) Limited	90'000	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.

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	527'989	-	-	-	-	-	-	527'989
Amounts due from banks	199'684	-	21'567	-	-	-	-	221'251
Amounts due from securities financing transactions	-	-	9'781	-	-	-	-	9'781
Amounts due from customers	3'615	237'327	792'407	266'954	34'587	-	-	1'334'890
Mortgage loans	1'546	125'243	711'057	108'397	107'123	350	-	1'053'716
Positive replacement values of derivative financial instruments	17'490	-	-	-	-	-	-	17'490
Financial investments	103'773	-	-	-	-	-	6'601	110'374
Total 31.12.2019	854'097	362'570	1'534'812	375'351	141'710	350	6'601	3'275'491
Total 31.12.2018	903'745	340'612	1'576'509	409'584	216'044	350	7'791	3'454'635

Liabilities/Financial Instruments								
Amounts due to banks	48'369	-	584'808	236'318	198'122	350	-	1'067'967
Amounts due in respect of customer deposits	2'075'479	-	-	-	-	-	-	2'075'479
Negative replacement values of derivative financial instruments	21'393	-	-	-	-	-	-	21'393
Total 31.12.2019	2'145'241	-	584'808	236'318	198'122	350	-	3'164'839
Total 31.12.2018	2'501'690	-	380'520	265'832	138'846	351	-	3'287'239

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

	Total domestic 31.12.2019 CHF '000	Total foreign 31.12.2019 CHF '000	Total domestic 31.12.2018 CHF '000	Total foreign 31.12.2018 CHF '000
Assets				
Liquid assets	527'989	-	602'313	7'301
Amounts due from banks	22'110	199'141	41'375	144'012
Amounts due from securities financing transactions	-	9'781	-	10'153
Amounts due from customers	112'960	1'221'930	112'054	1'176'723
Mortgage loans	123'602	930'114	123'177	1'028'029
Positive replacement values of derivative financial instruments	339	17'151	887	11'652
Financial investments	110'374	-	176'260	20'699
Accrued income and prepaid expenses	8'771	5'922	12'146	6'481
Tangible fixed assets	4'145	-	5'800	-
Other assets	10'956	-	2'145	-
Total assets	921'246	2'384'039	1'076'157	2'405'050

	Total domestic 31.12.2019 CHF '000	Total foreign 31.12.2019 CHF '000	Total domestic 31.12.2018 CHF '000	Total foreign 31.12.2018 CHF '000
Liabilities				
Amounts due to banks	-	1'067'967	1'249	854'353
Amounts due in respect of customer deposits	347'323	1'728'156	525'411	1'890'698
Negative replacement values of derivative financial instruments	1'523	19'870	5'188	10'340
Accrued expenses and deferred income	22'266	1'845	15'193	4'961
Other liabilities	2'127	-	3'170	-
Provisions	1'892	-	2'466	-
Bank's capital	90'000	-	150'000	-
Statutory retained earnings reserve	7'447	-	6'916	-
Profit/(Losses) carried forward	10'731	-	638	-
Profit for the year	4'138	-	10'624	-
Total liabilities	487'447	2'817'838	720'855	2'760'352

7.16 Assets by country groups

	31.12.2019 CHF '000	31.12.2019 share in %	31.12.2018 CHF '000	31.12.2018 share in %
Switzerland	921'246	27.9%	1'076'157	30.9%
United Kingdom	398'465	12.1%	338'071	9.7%
France	182'175	5.5%	205'873	5.9%
Other European countries	885'397	26.8%	1'000'369	28.7%
Caribbean	438'075	13.3%	413'522	11.9%
Asia	396'379	12.0%	392'090	11.3%
North America	47'858	1.4%	24'578	0.7%
Africa	30'467	0.9%	26'563	0.8%
Other countries	5'223	0.1%	3'984	0.1%
Total assets	3'305'285	100.0%	3'481'207	100.0%

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

	31.12.2019 CHF '000	31.12.2019 share in %	31.12.2018 CHF '000	31.12.2018 share in %
Net foreign exposure				
Standard & Poors rating				
AAA	174'158	7.3%	189'641	7.9%
AA+ - AA-	1'436'545	60.3%	1'495'168	62.2%
A+ - A-	80'968	3.4%	115'505	4.8%
BBB+ - BBB-	85'393	3.6%	54'773	2.3%
BB+ - BB-	30'981	1.3%	18'226	0.8%
B+ - B-	37'535	1.6%	52'766	2.2%
CCC+ - D	22'128	0.9%	2'200	0.1%
No rating	516'331	21.6%	476'771	19.7%
Total assets	2'384'039	100.0%	2'405'050	100.0%

This table presents the net foreign exposure by credit rating of country groups. The Bank's exposure in Switzerland for 2019 is KCHF 921,246 (2018: KCHF 1,076,157).

7.18 Assets and liabilities by the most significant currencies

	Accounting period 2019						
	CHF CHF '000	EUR CHF '000	USD CHF '000	GBP CHF '000	JPY CHF '000	Others CHF '000	Total CHF '000
Assets							
Liquid assets	527'739	120	62	68	-	-	527'989
Amounts due from banks	3'674	45'004	108'029	35'786	779	27'979	221'251
Amounts due from securities financing transactions	-	9'781	-	-	-	-	9'781
Amounts due from customers	122'652	315'285	577'021	298'111	4'050	17'771	1'334'890
Mortgage loans	140'448	207'772	2'241	703'255	-	-	1'053'716
Positive replacement values of derivative financial instruments	13'681	373	1'174	2'262	-	-	17'490
Financial investments	3'389	1'956	-	-	-	105'029	110'374
Accrued income and prepaid expenses	9'113	1'117	2'152	2'256	2	53	14'693
Tangible fixed assets	4'145	-	-	-	-	-	4'145
Other assets	1'254	36	9'650	15	-	1	10'956
Total assets	826'095	581'444	700'329	1'041'753	4'831	150'833	3'305'285
Foreign exchange forward contracts and options	44'766	512'625	494'480	441'183	7'510	142'859	1'643'423
Total	870'861	1'094'069	1'194'809	1'482'936	12'341	293'692	4'948'708
Liabilities and shareholder's equity							
Amounts due to banks	364'878	180'985	150'399	353'866	-	17'839	1'067'967
Amounts due in respect of customer deposits	318'431	737'637	540'425	341'190	4'830	132'966	2'075'479
Negative replacement values of derivative financial instruments	17'584	373	1'174	2'262	-	-	21'393
Accrued expenses and deferred income	19'788	2	3'701	606	-	14	24'111
Other liabilities	2'093	-	18	16	-	-	2'127
Provisions	1'776	-	116	-	-	-	1'892
Bank's capital	90'000	-	-	-	-	-	90'000
Statutory retained earnings reserve	7'447	-	-	-	-	-	7'447
Profit carried forward	10'731	-	-	-	-	-	10'731
Profit for the year	4'138	-	-	-	-	-	4'138
Total liabilities and shareholder's equity	836'866	918'997	695'833	697'940	4'830	150'819	3'305'285
Foreign exchange forward contracts and options	44'633	174'755	489'046	783'335	7'510	142'163	1'641'442
Total	881'499	1'093'752	1'184'879	1'481'275	12'340	292'982	4'946'727
Net position by currency	-10'638	317	9'930	1'661	1	710	1'981

8. Information on off-balance sheet transactions

8.1 Contingent assets and liabilities

	31.12.2019 CHF '000	31.12.2018 CHF '000
Contingent assets		
Contingent assets from tax losses carried forward	10'053	17'323
Total contingent assets	10'053	17'323
Contingent liabilities		
Guarantees to secure credits and similar	93'211	20'576
Total contingent liabilities	93'211	20'576

8.2 Fiduciary transactions

	31.12.2019 CHF '000	31.12.2018 CHF '000
Fiduciary transactions		
Fiduciary investments with third party companies	809'935	500'695
Fiduciary investments with banks of the Group	4'589'018	3'713'317
Total fiduciary transactions	5'398'953	4'214'012

8.3a Managed assets

	31.12.2019 CHF '000	31.12.2018 CHF '000
Type of managed assets		
Assets under discretionary management mandate	1'662'474	1'458'239
Other managed assets	12'801'950	10'923'897
Total managed assets (including double-counting)	14'464'424	12'382'136
Of which, double-counted	none	none
Net new client money	1'696'169	1'018'744

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

	31.12.2019 CHF '000	31.12.2018 CHF '000
Total managed assets (including double-counting) as at beginning of period	12'382'136	11'569'535
+/- Net New Money Inflows/(Outflows)	1'696'169	1'018'744
+/- Market price impact, interest, dividends and currency movements	386'119	-206'143
Total managed assets (including double-counting) as at the end of period	14'464'424	12'382'136

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.

	2019 CHF '000	2018 CHF '000
Negative interest on lending (reduction in interest and discount income)	3'871	3'163
Negative interest on borrowing (reduction in interest expense)	4'343	1'307

9.2 Results from trading operations

	2019 CHF '000	2018 CHF '000
Results from trading operations		
Foreign exchange and bank notes	5'195	9'591
Precious metals	108	3
Equity securities	16	4
Total results from trading operations	5'319	9'598

9.3 Personnel expenses

	2019 CHF '000	2018 CHF '000
Salaries	45'632	47'432
• *of which, expenses relating to share-based compensation and alternative forms of variable compensation*	*1'586*	*1'761*
Social charges	3'664	3'753
Pension plan expenses	5'034	5'077
Other personnel expenses	3'401	3'483
Total personnel expenses	57'731	59'745

9.4 General and administrative expenses

	2019 CHF '000	2018 CHF '000
Office space expenses	4'565	6'159
Expenses for information and communications technology	15'965	9'923
Expenses relating to financial information	1'527	1'475
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	278	103
Fees of audit firm	530	556
• *of which for 2018 overrun financial and regulatory audits*	*60*	*68*
• *of which for 2019 financial and regulatory audits*	*416*	*483*
• *of which for other services*	*54*	*5*
Other operating expenses	17'821	22'161
Total general and administrative expenses	40'686	40'377

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

There was no extraordinary income in 2019 (2018: CHF 11.5 millions from to the sale of tangible fixed assets to Barclays Switzerland Services SA).

9.7 Current and deferred taxes

	2019 CHF '000	2018 CHF '000
Expenses for current capital and income taxes	848	702
Total taxes	848	702
Average tax weighted on the basis of the operating result	17%	-356%

The incurred taxes are linked to capital tax due to past losses carried forward resulting in contingent assets as disclosed in note 8.1.

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. These motions were extensively briefed and the Bankruptcy Court heard argument on them on 25 January 2018. The Bankruptcy Court has thus far issued two decisions which resolve some, but not all, of the questions presented by the motions. First, on 6 August 2018, the Bankruptcy Court held that (a) it had jurisdiction over the subject matter of the Liquidators' claims but (b) there was no merit to the Liquidators' argument that the Bank and over 200 other defendants had consented to New York jurisdiction by signing subscription agreements containing New York forum selection clauses. Second, on 6 December 2018, the Bankruptcy Court dismissed all of the Liquidators' common law claims as legally insufficient, but denied the motion by the Bank and other defendants to also dismiss the Liquidators' BVI statutory claims for unfair preferences and undervalue transactions, while inviting a further motion to determine whether a provision of the US Bankruptcy Code precludes the Liquidators from pursuing these claims. Following the December 2018 decision, the defendants and the liquidator negotiated stipulations, which the Bankruptcy Court approved, to govern the next procedural steps in the case. The liquidator are currently amending their pleadings. The remaining motion-to-dismiss issues will be briefed on a 150-day schedule once the process of filing amended pleadings will be finalized which could take place by year end or beginning of 2020.

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. That appeal has been fully briefed and was argued on 16 November 2018. On February 25, 2019 a three judge panel of that court issued a decision reversing the lower court's dismissals and reinstating the claims. Defendants then filed a petition asking that the entire Court of Appeals rehear the case 'en banc' but this petition was denied on April 3, 2019. On August 29, 2019, Defendants filed a petition for the writ of certiorari to the US Supreme Court. Amicus briefs have also been filed in support of the petition for the writ of certiorari. The Madoff Trustee files its opposition to the defense group's pending cert petition on October 30, 2019. On November 13, 2019, Defendants filed a reply to the above opposition. Taking into consideration the holiday season, a decision on whether the petition for the writ of certiorari has been granted should be rendered around mid-December 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 7 to 36) for the year ended 31 December 2019.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the 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 2019 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (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 SA

Yvan Mermod	Gaia Chartouni
Licensed Audit Expert	*Licensed Audit Expert*
Auditor in Charge	

Geneva, 23 April 2020

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 over 325 years of history and expertise in banking, Barclays operates in over 40 countries and employs approximately 83,500 people. Barclays moves, lends, invests and protects money for customers and clients worldwide.

Based in Geneva since 1986 and Zurich since 2012, 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.

As the Private Bank we bring the breadth and scale of what we do as a banking group to our individual clients, channelling this know-how and reaching out across our network to unlock broader capabilities. Our track record includes leading access to market opportunities and financing from the Investment and Corporate Bank, strong historical performance of discretionary investments against industry benchmarks, and unrivalled access to philanthropy advice to highlight just a few.

Everything we do is built on a deep, intuitive understanding of our clients, their family, their business interests and long-term goals. This enables us to see beyond wealth, supporting our clients to achieve what really matters.

We challenge the expected, presenting fresh ideas, opportunities and perspectives in a way that is entirely relevant to our clients. And we continually look forwards, rising to the challenge and taking initiative on behalf of our clients.

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

Investing

Harnessing the people, power and resources of one of the world's biggest banking groups to build an exceptional portfolio. Strategic asset allocation as the base of portfolio construction.

- **Discretionary portfolio management**
  Our discretionary services provide access to the extensive resources of Barclays, delivered by designated portfolio managers. Through our discretionary portfolio management team, we put to work the best of our global research and investment capabilities for our clients. The service is designed to give a convenient, comprehensive solution for the management of our clients' investments. Whatever the market conditions, we provide constant oversight and decision-making with a view to ensuring our client's portfolio is always positioned in the right way.
- **Advisory investment service**
  Our advisory services offer the help and guidance to invest effectively. Working in partnership with our Private Bankers and, where applicable, our investment advisors, our clients will be able to make informed choices about their investments based on our expert research and knowledge of world markets. They can also benefit from advice on specific portfolio construction and investment strategies relevant to them. The service is designed to be highly collaborative, and all our recommendations will be discussed with our clients in detail before making the final decision.
- **Direct access**
  Direct access provides highly-experienced and professional investors with access to execution specialists and dedicated experts in the fixed income, equity and foreign exchange markets. These specialists will discuss ideas and investment opportunities with our clients and implement them effectively. We provide current market commentary and discuss current investment opportunities from our extensive resources, including new debt issuance and Initial Public Offerings (IPOs).

Banking

Managing all our client's finances, from day-to-day banking to more complex and bespoke needs supporting with cash transactions, foreign exchange (FX) activities and all accounts: personal, corporate, trusts and foundations.

- **Dedicated banking team**
  Banking, cash and liquidity specialists who understand all our clients' needs.
- **Market-leading, digital banking platform**
  Anywhere, anytime account information for a range of multi-jurisdictional needs, with 24-hour, real-time access and robust security.
- **Tailored to our clients and their family's requirements**
  Options to customise how to view data (print and online), and make simple to complex payments.
- **Treasury management**
  Tailored products to meet our clients' requirements for liquidity, diversification and yield on cash, with the flexibility to respond to changing circumstances.

Lending

Expert custom-made credit solutions to match our clients' goals, circumstances, wealth structures and investment strategies.

- **Real estate financing**
  Providing a global presence with clients in London, Geneva and Monaco, supported by our leading property team.
- **Portfolio finance: raising liquidity against cash and investments held with us**
  Meeting short-to-medium-term goals, without compromising longer term investments.
- **Structured credit for complex financial ambitions**
  Where our clients' financing requirements are more complex, our dedicated team can provide tailored solutions from across Barclays and our partner network.
- **Bank guarantees and letters of credit**

Strategic Solutions

Meeting most complex financing needs and helping seize exceptional investment opportunities through global access to capital markets.

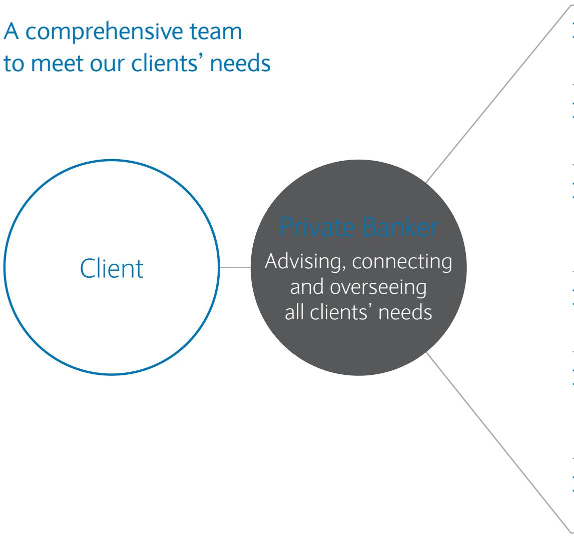
- **Direct investments**
  Exclusive access for Barclays professional client base to opportunities originating from our Group or selected third parties across acquisition, co-investments, direct investments, venture capital and selected funds.
- **Corporate finance and customised investment solutions**
  Drawing on the strength of our balance sheet and institutional and private sources of capital, we help our clients by structuring, underwriting and executing unique financing solutions. We can provide customised investment and risk management solutions across all asset classes.

Wealth Advisory

Our specialists can assist in finding the solutions our clients' needs across international borders and jurisdictions, drawing on their extensive experience in the tax and legal world.

- **Sophisticated products, services and structures**
  We can explore all available options, including trusts, foundations and companies, with specialist insurance and financial planning services for our clients' wealth planning architecture.
- **Partnership mentality**
  While tax and legal advice is not part of our remit, we work alongside our clients' advisors to develop and deliver the most effective solutions.

A comprehensive team to meet our clients' needs



- **Investment advisor**
  For trusted advice on overall portfolio, asset classes and markets
- **Product and asset class specialist**
  For in-depth information on specific markets and products
- **Cash and liquidity specialist**
  For the best ways to manage day-to-day banking requirements and changing needs
- **Credit structurer**
  For all aspects of lending
- **Strategic solutions expert**
  Bringing the best of Barclays for one-off financing solutions and exceptional investment opportunities
- **Wealth advisor**
  For growing, managing and transferring wealth

13. Board, Management and Auditors

Board of Directors

William Oullin is the Chairman of the Board. He joined the Barclays Group in 2000 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.

Jean-Christophe Gerard is the Vice-Chairman of the Board. He joined Barclays in October 2017 as Global Head of Private Bank Investments. Before joining Barclays, he spent 24 years with HSBC Group. He occupied various roles at HSBC Investment Bank from 1993 to 2000 in Paris and Hong Kong (FX Sales, FX and Swap Trader, Chief Dealer, Treasurer). He then moved to HSBC Asset Management in Paris and managed Fixed Income Funds from 2000 to 2003. He then joined HSBC Private Bank in Geneva, Switzerland and occupied various roles including Head of Investments, Switzerland and Head of Investments, EMEA. He moved to London in 2014 to become Co-Global Head of Investments and then Global Head of Investment Products, HSBC Private Bank. Before joining HSBC in 1993, Jean-Christophe was successfully an auditor at KPMG in Paris and FX Sales Dealer at Credit Lyonnais Paris (now Calyon). He has held various Director roles on a voluntary basis, including Director of Institut Superieur de Formation Bancaire in Geneva, Switzerland and as a Board member and Treasurer of French Lycee Winston Churchill in London. He graduated from the Ecole Supérieure de Commerce de Bordeaux in 1990. He joined the Board in August 2019 and resides in Switzerland.

Lawrence Dickinson serves on the Board and is the Chairman of the 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 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 from his executive positions at the end of December 2017. He joined the Board in August 2016 and resides in the United Kingdom.

Christine Mar Ciriani serves on the Board and Audit Committees of the Bank as an Independent Non Executive Director. She has spent more than two decades advising global wealth managers covering topics including front office optimisation, regulatory solutioning, operational efficiency and enterprise architecture working with both established and emerging fintechs to address client needs. She is also currently an industry partner at Motive Partners, an investment platform specialised on financial technology, with a focus on RegTech and wealth management. Most recently, Christine was a Managing Partner and CEO Switzerland for Capco. She holds an MBA. from the Walter A. Haas School of Business at the University of California, Berkeley and an Economics and Accounting degree from Claremont McKenna College. She joined the Board on 15 August 2019 and resides in Switzerland.

Luisa Delgado serves on the Board and Audit Committees of the Bank as an Independent Non Executive Director. She is an investor & entrepreneur in historical Art & Craft rooted luxury accessories. She has 30 years of executive experience in FMCG, Luxury and IT, and is an experienced non-executive Director in global Retail. She was CEO of Milan listed global luxury eyewear leader Safilo Group until March 2018, and before that Executive Board member of SAP SE. Previously she was over 21 years at Procter & Gamble, last as local CEO of Nordic, previously as Vice President of Human Resources of Western Europe, and had earlier several local and regional management positions in the UK, Belgium and Portugal, where she started as a trainee. She is also a Non-Executive Director of the Supervisory Board of INGKA HOLDING BV (IKEA) since 2012, and more recently of the Board of AO World plc in the UK and Chair of its Remuneration Committee, and of the Supervisory Board of Zertus GmbH in Hamburg. She is also a senior Advisor to the Founder Chairman of the retail loyalty company tcc global. She holds the FT Non-Executive Director Diploma, a licence en droit from the University of Geneva, a LLM from Kings College of the University of London, and a postgraduate Diploma of European Studies of the University Lusiada of Lisbon. She was educated at the Klosterschule Disentis in the Grisons. She joined the Board on 15 August 2019 and resides in Switzerland.

Hans-Kristian Hoejsgaard serves on the Board and Audit Committees of the Bank as an Independent Non Executive Director. He has spent his global CEO career mainly in the luxury goods sector and he has lived and worked in Europe, Asia and the U.S. He is since mid 2019 entirely focused on Non-Executive Board Roles and in Switzerland he serves as Vice Chairman of the Board of Calida Holding AG and as a Director of MCH Group AG. At Mentore Consulting in London, he serves as Mentor to CEOs. He came to Switzerland in 2011 to take up the global CEO position at Davidoff. He left Davidoff in 2018 and served as interim CEO at MCH Group (Art Basel, Baselworld) for 9 months before going on the Board. Previously he was President and CEO of Timex Group in Connecticut, U.S., President and CEO at Georg Jensen A/S in Copenhagen, Denmark and President Coty Prestige in Paris, France. Prior to that he served as Regional MD Asia Pacific at LVMH Fragrance and Cosmetics, based in Hong Kong and in executive positions with Joseph E. Seagram & Sons in Rome, Hong Kong and Bangkok. He is a business graduate from the Southern Denmark University and has undertaken executive education at INSEAD, Wharton and Harvard Business School. He joined the Board on 15 August 2019 and resides in Switzerland.

Ben Kroon serves on the Board and Audit Committees of the Bank as an Independent Non Executive Director. He started his career with Citibank, came to Switzerland 20 years ago and has held various leading positions in the Executive Committees of most notably Banque Cantonale de Genève where he was responsible for the private clients division, and HSBC Private Bank as Head of Europe International, two banks in which he made a substantial leadership contribution in their turn-around. In addition, he has extensive experience in non-executive positions on several Swiss boards and as President of the Board of HSBC Luxembourg and board member of Bank Trinkaus. He obtained an MBA and a Master of International Management degree in the US. He joined the Board on 15 August 2019 and resides in Switzerland.

The following members stepped down from the Board during 2019:

Francesco Grosoli was the Head of Barclays Private Banking in Europe, Middle East & Africa. 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 2014, and resigned all position with the Barclays Group on 2 April 2019. He resides in Monaco.

Pierre Bongard was the Vice-Chairman of the Board and Chairman of the Audit Committee of the Bank. He was 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 retired on 30 June 2019 following the completion of nine years service, being the maximum permitted within the Barclays Group for an independent director. He resides in Switzerland.

Beat Badertscher served 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 resigned on 15 August 2019. He resides in Switzerland.

Internal Auditor

Serge Semeelen is the Chief Internal Auditor. He has over 15 years of auditing experience in financial services, notably at Julius Baer, EFG Group and ING Private Banking. He joined Barclays in Switzerland in 2012 as the Chief Internal Auditor. He was educated in Belgium and holds a Bachelor Degree in Economics & Computer Sciences from the REGA Institute in Louvain and holds an MBA in Leadership & Sustainability from the Cumbria University in UK. He is also a Certified Internal Auditor from the IIA and a Certified Information Systems Auditor and Certified Information Security Manager from ISACA. He resides in Switzerland.

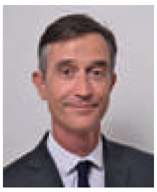
Statutory Auditors

KPMG SA

Management Committee

Gerald Mathieu is the Chief Executive Officer. He has 28 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 joined Barclays in Switzerland in 2018, when he was appointed to the Management Committee. He also serves as the Barclays Group Country Manager for Switzerland. He 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 resides in Switzerland.

Danny Bower is the Chief Risk Officer. His experience of the Swiss Private Banking industry includes Deutsche Bank where he fulfilled the roles of Chief Operating Officer for Wealth Management Switzerland as well as COO for Middle East & Africa, Russia & Eastern Europe. He joined Barclays in 2016 as the Chief Control Officer for Switzerland, and was appointed to the Management Committee as the Chief Risk Officer in 2018. He holds a BSc honours in Financial Studies from Manchester UMIST, an MA honours in Diplomatic Studies from Leicester University & a BA honours degree in Politics & German from Loughborough University. He resides in Switzerland.



Jean-Damien Marie is the Chief Investment Officer. His experience of the Swiss Private Banking industry includes Pictet Alternative Advisors SA where he was Head of Alternative Investments Solutions. His previous positions include HSBC in Geneva in addition to international experience at Goldman Sachs Asset Management in London and French bank CCF. He joined the Management Committee in 2018. He graduated from Institut National des Télécommunications, and holds a BA degree in finance from the Paris Dauphine University and a Master Degree in Business Administration from IMD in Lausanne. He resides in Switzerland.

James Persse is the Head of Private Banking. He joined Barclays in 1995 as a graduate and has worked with Barclays Corporate Bank, Barclays Capital and Barclays Stockbrokers. He joined Barclays Private Bank in Geneva in 2004 and currently leads the UK & Swiss teams in Geneva. His expertise and focus is with UK related clients wishing to establish a Swiss banking relationship. He was appointed to the Management Committee on 1 May 2019. He holds a BA honours degree in Theology from Durham University and a Bsc. Honours in Finance and Economics from Manchester University. He resides in Switzerland.

Daniel Rodricks is the Chief Operating Officer. He has over 19 years of Banking experience obtained at American Express Bank, ABN Amro and Barclays, with roles spanning across business management, investment product delivery, risk management, client servicing and Operations. He joined Barclays India in 2008 and was part of the team that setup the India Wealth Management business. He joined Barclays in Switzerland in 2010 and was appointed to the Management Committee in 2018. He was educated in India and holds a Masters Degree in Business Management. He resides in Switzerland.

Hannah Wood is the Chief Finance Officer. She has 23 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 appointed to the Management Committee in 2015. She was educated in the UK, has a MA degree in mathematics from Cambridge University and is qualified as Fellow of the Association of Chartered Certified Accountants. She resides in Switzerland.

Barclays

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