

FINANCIAL RESULTS AS AT 31 DECEMBER 2017

(UNAUDITED ACCOUNTS)

Financial highlights for the Group

	2017 in CHF millions	2016 in CHF millions	Variation in CHF millions	Variation in %
Net profit	220	176	44	24.9%
Operating result before provisions	271	192	79	41.4%
Client assets (in CHF billions)	125.3	118.3	7	5.9%
Total operating income	1,045	935	110	11.8%
Net result from interest operations	281	256	25	10.1%
Net fees and commissions income	658	576	82	14.2%
Profit on trading operations and on fair value options	93	96	(3)	(3.3%)
Total operating expenses	670	635	35	5.5%
Personnel expenses	509	468	41	8.7%
General and administrative expenses	161	167	(6)	(3.6%)
Depreciation, value adjustments, provisions and losses	104	108	(4)	(3.8%)
Total assets	32,036	30,823	1,213	3.9%
Shareholders' equity	2,235	2,095	140	6.7%
Share capital	300	300	-	-
Capital reserves	867	867	-	-
Reserves and retained earnings	632	536	96	18.0%
Reserves for general banking risks	215	215	-	-
Staff members (as at 31 December)	1,697	1,665	32	1.9%
Net profit per staff member (in CHF thousands)	130	106	24	22.5%
Operating cost/income ratio	64.1%	67.9%	-	-
Cost/income ratio after depreciation	73.3%	78.4%	-	-
Return on equity (ROE)	10.5%	9.3%	-	-
Shareholders' equity/total assets	7.0%	6.8%	-	-
Tier 1 capital ratio	27.4%	24.3%	-	-
Liquidity coverage ratio (LCR)	278.4%	262.1%	-	-
Leverage ratio	5.4%	5.1%	-	-

Consolidated balance sheet as at 31 December (unaudited accounts)

(in CHF thousands)

	2017	2016
Assets		
Cash and cash equivalents	8,881,983	7,995,562
Due from banks	1,878,195	1,589,027
Due from securities financing transactions	292,545	589,600
Due from clients	7,736,181	7,097,435
Mortgages	1,475,424	1,356,208
Trading portfolio assets	23,087	21,071
Positive replacement values of derivative financial instruments	315,773	472,798
Other financial instruments at fair value	669,061	593,449
Financial investments	9,978,352	10,200,808
Accrued income and prepaid expenses	136,963	138,023
Non-consolidated participations	9,068	10,494
Tangible fixed assets	260,636	241,887
Intangible assets	347,791	413,823
Other assets	31,306	102,767
Total assets	32,036,365	30,822,952
Total subordinated claims	-	-

(in CHF thousands)

	2017	2016
Liabilities		
Due to banks	541,959	617,702
Liabilities from securities financing transactions	5,938,741	2,827,106
Due in respect of client deposits	21,835,427	23,746,512
Liabilities from trading portfolios	3	280
Negative replacement values of derivative financial instruments	284,186	246,171
Liabilities from other financial instruments at fair value	722,215	750,868
Accrued expenses and deferred income	375,139	322,265
Other liabilities	74,609	158,375
Provisions	28,819	58,787
Total liabilities	29,801,098	28,728,066
Reserves for general banking risks	215,375	215,375
Share capital	300,000	300,000
Capital reserves	867,336	867,336
Reserves and retained earnings	632,192	535,744
Group profit	220,364	176,431
Total equity	2,235,267	2,094,886
Total liabilities and equity	32,036,365	30,822,952
Total subordinated liabilities	-	-

Off-balance-sheet transactions as at 31 December (unaudited accounts)

(in CHF thousands)

	2017	2016
Contingent liabilities	602,746	447,636
Irrevocable commitments	81,734	124,651
Liabilities to pay up shares and to make additional payments	171,142	142,008
Credit commitments (deferred payments)	-	-

Consolidated statement of income (unaudited accounts)

(in CHF thousands)

	2017	2016
Consolidated statement of ordinary income and expenses on banking operations		
Result from interest operations		
Interest and discount income	325,659	212,805
Interest and dividends from financial investments	102,432	104,047
Interest expense	(146,772)	(60,358)
Gross result from interest operations	281,319	256,494
Changes in value adjustments and provisions for default risks and losses from interest operations	146	(858)
Net result from interest operations	281,465	255,636
Fees and commissions		
Commission income on securities trading and investment transactions	674,923	590,443
Credit-related fees and commissions	3,263	2,933
Other fees and commissions income	1,939	2,838
Commission expense	(22,174)	(20,029)
Fees and commissions	657,951	576,185
Result from trading activities and the fair value option	92,645	95,776
Other result from ordinary activities		
Result from the disposal of financial investments	9,378	5,342
Income from participations	1,643	2,126
of which, from participations reported using the equity method	(928)	(666)
of which, from other non-consolidated participations	2,571	2,792
Result from real estate	738	984
Other ordinary income	864	633
Other ordinary expenses	-	(2,123)
Other result from ordinary activities	12,623	6,962
Total income	1,044,684	934,559

(in CHF thousands)

	2017	2016
Operating expenses		
Personnel expenses	(508,795)	(467,926)
General and administrative expenses	(160,780)	(166,809)
Operating expenses	(669,575)	(634,735)
Value adjustments on participations and depreciation of tangible and intangible fixed assets	(96,377)	(97,865)
Changes to provisions and other value adjustments and losses	(7,527)	(10,103)
Operating result before provisions	271,205	191,856
Restructuring provision	-	(9,633)
Operating result	271,205	182,223
Extraordinary income	4,455	114,316
Extraordinary expenses	-	(22,243)
Changes in reserves for general banking risks	-	(50,000)
Taxes	(55,296)	(47,865)
Group profit	220,364	176,431