

# FINANCIAL RESULTS AS AT 31 DECEMBER 2018

(UNAUDITED ACCOUNTS)

## Financial highlights for the Group

In CHF million, unless otherwise stated

	As at 31.12.2018	As at 31.12.2017	Variation	Variation in %
Net profit	202.4	220.4	(18.0)	(8.2%)
Operating result before provisions	257.5	271.2	(13.7)	(5.0%)
Client assets (in CHF billions)	126.8	125.3	1.5	1.2%
<b>Total operating income</b>	<b>1,061.0</b>	<b>1,044.7</b>	<b>16.3</b>	<b>1.6%</b>
Net result from interest operations	304.4	281.5	22.9	8.2%
Net fees and commissions income	651.3	658.0	(6.7)	(1.0%)
Profit on trading operations and on fair value options	94.0	92.6	1.4	1.5%
<b>Total operating expenses</b>	<b>698.0</b>	<b>673.1</b>	<b>24.9</b>	<b>3.7%</b>
Personnel expenses	515.2	508.8	6.4	1.3%
General and administrative expenses	182.8	164.3	18.5	11.3%
Depreciation, value adjustments, provisions and losses	105.5	100.4	5.1	5.0%
Total assets	32,570.8	32,036.4	534.4	1.7%
Shareholders' equity	2,302.7	2,235.3	67.4	3.0%
Share capital	300.0	300.0	0.0	0.0%
Capital reserves	867.3	867.3	0.0	0.0%
Reserves and retained earnings	717.6	632.2	85.4	13.5%
Reserves for general banking risks	215.4	215.4	0.0	0.0%
Staff members (as at 31 December)	1,781	1,697	84	4.9%
Net profit per staff member (in CHF thousands)	113.6	129.9	(16.3)	(12.5%)
Operating cost/income ratio	65.8%	64.4%	-	-
Cost/income ratio after depreciation	75.3%	73.7%	-	-
Return on equity (ROE)	9.1%	10.5%	-	-
Shareholders' equity/total assets	7.1%	7.0%	-	-
Tier 1 capital ratio	26.6%	27.5%	-	-
Liquidity coverage ratio (LCR)	301.4%	278.8%	-	-
Leverage ratio	5.6%	5.4%	-	-

## Consolidated statement of income (unaudited accounts)

In CHF thousands

	As at 31.12.2018	As at 31.12.2017	Variation	Variation in %
<b>Consolidated statement of ordinary income and expenses on banking operations</b>				
<b>Result from interest operations</b>				
Interest and discount income	489,759	325,659	164,100	50.4%
Interest and dividends from financial investments	106,144	102,432	3,712	3.6%
Interest expense	(291,481)	(146,772)	144,709	98.6%
<b>Gross result from interest operations</b>	<b>304,422</b>	<b>281,319</b>	<b>23,103</b>	<b>8.2%</b>
Changes in value adjustments and provisions for default risks and losses from interest operations		146	(146)	(100.0%)
<b>Net result from interest operations</b>	<b>304,422</b>	<b>281,465</b>	<b>22,957</b>	<b>8.2%</b>
<b>Fees and commissions</b>				
Commission income on securities trading and investment transactions	661,735	674,923	(13,188)	(2.0%)
Credit-related fees and commissions	2,661	3,263	(602)	(18.4%)
Other fees and commissions income	3,116	1,939	1,177	60.7%
Commission expense	(16,165)	(22,174)	(6,009)	(27.1%)
<b>Fees and commissions</b>	<b>651,347</b>	<b>657,951</b>	<b>(6,604)</b>	<b>(1.0%)</b>
<b>Result from trading activities and the fair value option</b>	<b>94,000</b>	<b>92,645</b>	<b>1,355</b>	<b>1.5%</b>
<b>Other result from ordinary activities</b>				
Result from the disposal of financial investments	6,952	9,378	(2,426)	(25.9%)
Income from participations	1,655	1,643	12	0.7%
of which, from participations reported using the equity method	(1,018)	(928)	90	9.7%
of which, from other non-consolidated participations	2,673	2,571	102	4.0%
Result from real estate	1,028	738	290	39.3%
Other ordinary income	1,615	864	751	86.9%
Other ordinary expenses	-	-	-	-
<b>Other result from ordinary activities</b>	<b>11,250</b>	<b>12,623</b>	<b>(1,373)</b>	<b>(10.9%)</b>
<b>Total income</b>	<b>1,061,019</b>	<b>1,044,684</b>	<b>16,335</b>	<b>1.6%</b>

In CHF thousands

	As at 31.12.2018	As at 31.12.2017	Variation	Variation in %
<b>Operating expenses</b>				
Personnel expenses	(515,199)	(508,795)	6,404	1.3%
General and administrative expenses	(182,828)	(164,280)	18,548	11.3%
<b>Operating expenses</b>	<b>(698,027)</b>	<b>(673,075)</b>	<b>24,952</b>	<b>3.7%</b>
Value adjustments on participations and depreciation of tangible and intangible fixed assets				
	(101,288)	(96,377)	4,911	5.1%
Changes to provisions and other value adjustments and losses				
	(4,166)	(4,027)	139	3.5%
<b>Operating result</b>	<b>257,538</b>	<b>271,205</b>	<b>(13,667)</b>	<b>(5.0%)</b>
Extraordinary income				
	4,750	4,455	295	6.6%
Taxes				
	(59,883)	(55,296)	4,587	8.3%
<b>Group profit</b>	<b>202,405</b>	<b>220,364</b>	<b>(17,959)</b>	<b>(8.2%)</b>

## Consolidated balance sheet

In CHF thousands

	As at 31.12.2018	As at 31.12.2017
<b>Assets</b>		
Cash and cash equivalents	8,435,045	8,881,983
Due from banks	1,083,437	1,878,195
Due from securities financing transactions	814,300	292,545
Due from clients	8,909,196	7,736,181
Mortgages	1,620,091	1,475,424
Trading portfolio assets	394,723	23,087
Positive replacement values of derivative financial instruments	501,912	315,773
Other financial instruments at fair value	793,102	669,061
Financial investments	9,205,249	9,978,352
Accrued income and prepaid expenses	143,085	136,963
Non-consolidated participations	2,615	9,069
Tangible fixed assets	295,718	260,636
Intangible assets	324,698	347,791
Other assets	47,603	31,305
<b>Total assets</b>	<b>32,570,774</b>	<b>32,036,365</b>
<b>Total subordinated claims</b>	<b>-</b>	<b>-</b>

In CHF thousands

	As at 31.12.2018	As at 31.12.2017
<b>Liabilities</b>		
Due to banks	617,320	541,959
Liabilities from securities financing transactions	4,593,034	5,938,741
Due in respect of client deposits	23,137,793	21,835,427
Liabilities from trading portfolios	-	3
Negative replacement values of derivative financial instruments	389,183	284,186
Liabilities from other financial instruments at fair value	989,734	722,215
Accrued expenses and deferred income	379,462	375,139
Other liabilities	127,867	74,609
Provisions	33,672	28,819
<b>Total liabilities</b>	<b>30,268,065</b>	<b>29,801,098</b>
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	717,593	632,192
Group profit	202,405	220,364
<b>Total equity</b>	<b>2,302,709</b>	<b>2,235,267</b>
<b>Total liabilities and equity</b>	<b>32,570,774</b>	<b>32,036,365</b>
<b>Total subordinated liabilities</b>	<b>-</b>	<b>-</b>

## Off-balance-sheet transactions

In CHF thousands

	As at 31.12.2018	As at 31.12.2017
Contingent liabilities	405,587	488,729
Irrevocable commitments	71,554	81,734
Liabilities to pay up shares and to make additional payments	210,860	171,142
Credit commitments (deferred payments)	599	-