



Interim Report 2020
January to June

PostFinance 

Surpassing support

With 2.7 million customers and customer assets of around 121 billion francs, PostFinance is one of Switzerland's leading retail financial institutions. In its role as market leader and with more than a billion payment transactions a year, it ensures a seamless flow of liquidity on a daily basis.

Some 1.8 million customers have access to e-finance. This makes PostFinance the ideal partner for everyone who wants to manage their own finances as easily as possible.



38 million

francs in **earnings before tax (EBT)**
as at 30 June 2020.



121 billion

francs represents the level of **average monthly customer assets**
as at June 2020.



2.7 million

customers place their trust
in PostFinance to meet their daily
financial needs.



1.8 million

users manage their money
with **e-finance**.



3,238

full-time equivalents or some
3,600 employees work daily to serve
our customers.



Interim Report

January to June 2020

Contents

2 Foreword

Management report

6 Key figures

8 Commentary on business performance

PostFinance interim financial statements

13 Balance sheet

14 Income statement

15 Reconciliation of IFRS income statement
with Accounting – banks

Statutory interim financial statements

17 Balance sheet

18 Off-balance sheet

19 Income statement



Foreword

Rolf Watter

Chairman of the Board of Directors

Hansruedi K  ng

Chief Executive Officer



The lifting of the lending prohibition is essential to ensure the long-term survival and competitiveness of PostFinance.

Dear Reader

PostFinance generated earnings before tax (EBT) as per Group IFRS guidelines of 38 million francs in the first half of 2020. This represents a decline of 114 million francs or 75 percent year-on-year. The impact of the coronavirus crisis was also felt by our business, leading for example to a sharp drop in revenues from over-the-counter transactions at Swiss Post branches and at ATMs. In addition, trading portfolio assets saw no substantial conversion gains from cash withdrawals in foreign currencies and from the use of credit cards as a result of the restrictions on travel for our customers.

The very low and indeed in some cases negative interest rates of recent years continue to erode our interest margin, resulting in a fall of 38 million francs in net interest income. The result from commission business and services remained at around the previous year's level. Trading portfolio assets saw a decline of 54 million francs and net financial income fell by 23 million francs after a one-off gain in the previous year from the sale of two participations and a subsidiary. Operating expenses remained virtually unchanged at the previous year's level.

New digital investment solutions

Since 5 May 2020, we have offered our customers four new investment solutions – in addition to e-trading – to help them achieve targeted asset growth over the long term. If they wish, investors can assume personal responsibility for executing their own securities transactions online, take advantage of comprehensive personal advice or delegate the management of their invested assets entirely to PostFinance. The new range comprises the solutions e-asset management, fund consulting basic, investment consulting plus and fund self-service. This means that we not only provide highly attractive investment solutions for all relevant customer requirements, but we have also combined the strengths of customer advice with digital processes and have integrated them into PostFinance's existing e-finance environment. It allows our customers to benefit from professional asset management with investments of as little as 5,000 francs.

Lifting of the lending prohibition

On 5 June 2020, the Federal Council opened the consultation procedure on the partial revision of the Postal Services Organization Act. The key element of the bill is the lifting of the ban on PostFinance providing loans and mortgages. We expressly support the wish of the Federal Council to place us on an equal footing with other banks. It is a first, urgently needed step into the future and will ensure a level playing field on the financial market. There is no reason why PostFinance should be the only bank not permitted to provide mortgages and loans.

The Federal Council is also proposing a capitalization guarantee based on the too-big-to-fail regulation. This step is necessary owing to PostFinance's inadequate earnings situation.

Lifting the prohibition is essential to ensure the long-term survival and competitiveness of PostFinance. This is the only way we can generate income for the Swiss economy and make a contribution towards the provision of the universal service required of Swiss Post Group. However, this is not the only important measure required to ensure PostFinance's future viability. We will also set a new course with our strategy and appropriate measures. Swiss Post intends to continue financing the public service and the investment required from its own resources without state subsidies, which is why it needs a robust PostFinance.

Thank you

The coronavirus crisis has been a big challenge for all of us. The commitment, solidarity and perseverance of our staff in these difficult times have been exemplary, and deserve our thanks and recognition. At times, almost the entire workforce was working from home, and notwithstanding the fact that location-independent working has been an established practice at PostFinance for many years, this was a major challenge. And although the return to the new normal has slowly begun, the consequences of COVID-19 will be with us for a long time to come. We are therefore all the more proud and grateful to be able to count on employees who during this period of physical distancing have grown even closer together – as teams, departments and in terms of the company as a whole.

We would like to thank you, our valued customers, for your loyalty and trust in us. The past few months, with all their restrictions, privations and uncertainties, have doubtless been challenging for you too. It is in times like this in particular that we want to support you as a reliable partner with help and advice on managing your financial affairs, which is why we work every day to offer you modern digital products and services and provide fair and competitive value for money.



Rolf Watter
Chairman of the
Board of Directors



Hansruedi K  ng
Chief
Executive Officer

■ Presentation of figures

The amounts shown in the report are rounded. 0 is a rounded amount, indicating that the original figure was less than half of the unit used.

A dash (–) in place of a figure indicates that the value is zero.

■ Key for charts and tables

■ Current year

■ Previous year

■ Languages

The report is available in English, German, French and Italian.

The German version is authoritative.

Management report

PostFinance is one of Switzerland's leading financial institutions and is a reliable partner for more than 2.7 million private and business customers who manage their own finances.

As number one on the Swiss payment transactions market, PostFinance ensures a seamless daily flow of liquidity. It processed 569 million transactions in the first half of 2020.

PostFinance employed 3,637 staff. This corresponds to 3,238 full-time equivalents.

In the first half of 2020, PostFinance recorded an operating profit (EBIT) of 58 million francs and generated earnings before tax (EBT) of 38 million francs. Total assets stood at 137 billion francs.

| | |
|------------------------------------|---|
| Key figures | 6 |
| Commentary on business performance | 8 |

Key figures

PostFinance generated earnings before tax (EBT) as per Group IFRS guidelines of 38 million francs in financial year 2020, which represents a decline of 114 million francs year-on-year. The pressure on PostFinance's core business remains consistently high.

Earnings before tax are also reflected in the key figures. Return on equity fell to 1.3 percent and the cost-income ratio rose, despite a consistent focus on costs. No economic value added was generated in the first half of 2020.

The sales and transaction figures confirm the emphasis placed on customers who manage their own finances and use the simple, attractive products offered by PostFinance. To slow the growth in customer deposits, PostFinance had to reduce the exemption limits for customer asset fees several times in the past. In some cases, these measures have resulted in a transfer of customer deposits to funds and securities investments.

In the first half of 2020, total assets rose by around 10.8 billion francs. This is mainly due to increased activity in the interbank money market.

PostFinance Ltd | Key figures

as of 30.6.2020 with previous year for comparison

| | | 31.12.2019 | 30.6.2020 |
|--|-----------------------|------------|-----------|
| Balance sheet | | | |
| Total assets as per IFRS | CHF million | 125,742 | 136,555 |
| Capital ratio as per guidelines for systemically important banks | % | 19.3 | 18.7 |
| Going concern leverage ratio ¹ | % | 4.84 | 7.14 |
| Gone concern leverage ratio | % | 0.14 | 0.28 |
| Income statement (as per Group IFRS guidelines) | | 30.6.2019 | 30.6.2020 |
| Operating income | CHF million | 671 | 579 |
| Operating profit (EBIT) | CHF million | 149 | 58 |
| Earnings before tax (EBT) | CHF million | 152 | 38 |
| Return on equity ² | % | 5.1 | 1.3 |
| Cost-income ratio | % | 77.7 | 90.0 |
| Customer assets and loans | | 31.12.2019 | 30.6.2020 |
| Customer assets ⁴ | CHF million | | |
| | monthly average | 119,660 | 121,410 |
| Funds, securities and life insurance ^{3,4} | CHF million | | |
| | monthly average | 12,808 | 12,981 |
| Customer deposits | CHF million | | |
| | monthly average | 106,852 | 108,429 |
| Development of customer assets ⁴ | CHF million | 246 | 1,750 |
| Managed assets as per provisions of Circ. 2015/1 ⁵ | CHF million | 46,058 | 43,780 |
| Inflow of new money as managed assets | CHF million | 1,033 | -1,620 |
| Loans to business customers (taken up) | CHF million | 10,123 | 10,511 |
| Mortgages ³ | CHF million | 5,965 | 6,006 |
| Market and employee key figures | | 30.6.2019 | 30.6.2020 |
| Customers | In thousands | 2,779 | 2,706 |
| Private customers | In thousands | 2,498 | 2,430 |
| Business customers (incl. banks and agencies) | In thousands | 281 | 276 |
| E-finance users | In thousands | 1,779 | 1,832 |
| Accounts – private customers | In thousands | 4,167 | 3,997 |
| Accounts – business customers | In thousands | 367 | 358 |
| Average headcount | Full-time equivalents | 3,233 | 3,238 |
| Transactions | In millions | 577 | 569 |

1 Central bank deposits may be temporarily excluded from the calculation of the leverage ratio in accordance with FINMA Guidance 02/2020 on COVID-19.

2 Return on equity = earnings before tax (EBT) as per Group IFRS guidelines / average eligible equity capital as per Accounting – banks.

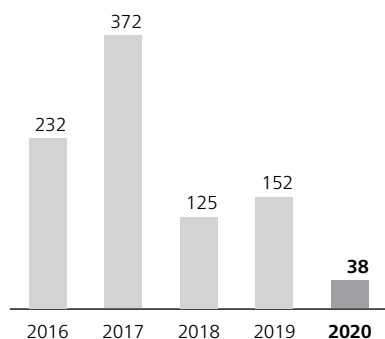
3 Commission income in cooperation with financial partners.

4 For the life insurance, the zillmerized actuarial reserves will be replaced by the surrender value of the life insurance from 2020. The prior-year figures have been restated.

5 PostFinance reports customer assets and managed assets. "Customer assets" includes all assets held by customers based on average monthly assets. "Managed assets" encompasses only values deposited for investment purposes on the reference date.

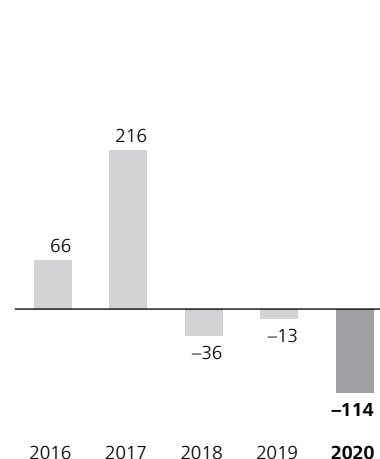
Earnings before tax (EBT)

1.1. to 30.6.2020 with prior-year period
CHF million



Economic value added¹

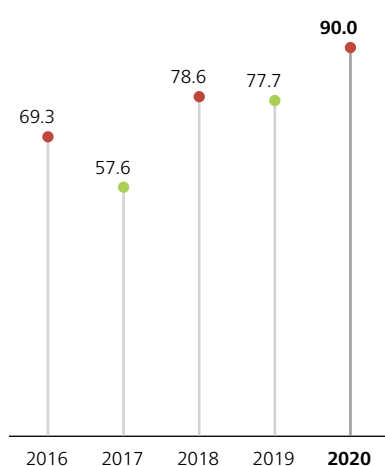
1.1. to 30.6.2020 with prior-year period
CHF million



¹ Economic value added = earnings before tax (EBT) as per Group IFRS guidelines less the cost of equity of the average eligible equity capital as per Accounting – banks.

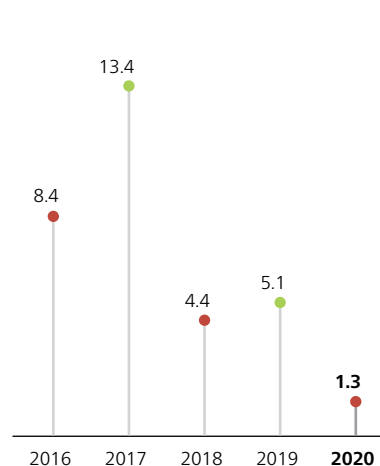
Cost-income ratio

1.1. to 30.6.2020 with prior-year period
Percent



Return on equity²

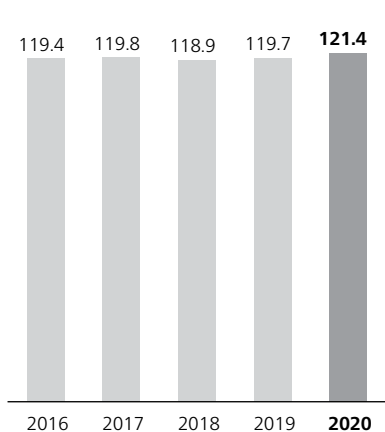
1.1. to 30.6.2020 with prior-year period
Percent



² Return on equity = earnings before tax (EBT) as per Group IFRS guidelines / average eligible equity capital as per Accounting – banks.

Average customer assets³ (monthly avg.)

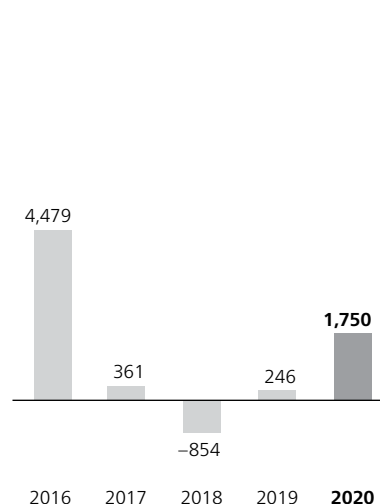
2016 to 2020
CHF billion



³ For the life insurance, the zillmerized actuarial reserves will be replaced by the surrender value of the life insurance from 2020. The prior-year figure has been restated.

Growth in customer assets⁴

2016 to 2020
CHF million



⁴ For the life insurance, the zillmerized actuarial reserves will be replaced by the surrender value of the life insurance from 2020. The prior-year figure has been restated.

Commentary on business performance

Strategy

PostFinance aims to help its customers manage their money as easily as possible. Its approach is based on an in-depth understanding of what customers need, both now and in the future. Working to achieve this is what drives all employees on. As a digital innovation leader in the Swiss banking world, PostFinance is taking advantage of its strong starting position and evolving from a traditional financial services provider into a digital powerhouse. We want to create the ideal combination of the digital and physical worlds in order to offer our customers a consistently positive customer experience.

General developments

The interest differential business is the most important source of income.

In the wake of the health policy measures that became necessary in mid-March to contain the coronavirus, many companies were forced to restrict or completely suspend their business activities, triggering a sharp fall in GDP in the first quarter of 2020. A SECO Expert Group expects the sharpest fall in GDP in decades for 2020. Provided that further waves of the pandemic with severe containment measures do not materialize, the economy should begin to recover from the second half of the year. For the rest of the year, the Expert Group is expecting only a limited recovery.

Households are suffering losses in income caused by an increase in short-time working, rising unemployment and a decline in employment. The considerable economic uncertainty and protective measures to prevent coronavirus infections are likely to further restrict the consumption expenditure of private households.

Negative international economic development has also hit the segments of Swiss foreign trade that are sensitive to the economic cycle. In spring 2020, the global economy fell into recession. In some major economies, it has not yet been possible to control the coronavirus pandemic. The economic losses incurred to date as a result of the measures to fight the pandemic are also very severe, which is slowing economic recovery. Due to the underutilized production capacity, the deterioration of businesses' financial situation and the high level of uncertainty, a significant reduction in investment in equipment is also likely for 2020 as a whole.

The Swiss National Bank (SNB) is maintaining its expansionary monetary policy, with the aim of stabilizing price developments and supporting economic activity. Interest on sight deposits held by banks at the SNB currently corresponds to the SNB policy rate and remains at -0.75 percent. Furthermore, under the SNB COVID-19 refinancing facility (CRF), the SNB is providing the banking system with additional liquidity and thus supporting the supply of credit to the economy at favourable terms. In the current situation, inflation and growth forecasts are subject to unusually high uncertainty. The SNB's conditional inflation forecast for 2020 is in negative territory (-0.7 percent).

Assets and financial situation

In the year under review, total assets rose by around 10.8 billion francs. This is mainly due to increased activity in the interbank money market. Growth in customer assets amounted to 1.7 billion francs in the first half of 2020. Further growth was recorded in sight deposits of business customers, despite the fact that customer asset fees on credit balances over a certain exemption limit held by selected individual customers had to be maintained due to the negative interest rates on sight deposit balances at the SNB. The customer asset fee charged to private customers with assets of over 250,000 francs concerns only a small number of customers, and had only a marginal impact on the development of customer deposits. PostFinance continues to invest a large proportion of its assets in long-term fixed-interest financial investments in Switzerland and abroad. A very large amount of liquidity was still held at the SNB as at 30 June 2020.

A trend was observed towards transferring assets from savings accounts to investment products such as funds and shares. PostFinance provides services in the commission business such as funds, e-trading, life insurance and credit cards in cooperation with partners. Average customer assets in investment products stand at almost 13 billion francs.

Federal Council assistance programme: PostFinance may grant loans up to 500,000 francs

The measures taken by the authorities to contain the spread of the coronavirus have far-reaching economic consequences. One of the consequences is that numerous companies have fewer and fewer liquid assets at their disposal to cover their ongoing costs. For this reason, the Federal Council adopted a comprehensive package of measures on 20 March 2020 to cushion the economic impact of the spread of the coronavirus for these companies. Among other things, the affected companies are to quickly and easily receive loan amounts of up to 10 percent of annual turnover or a maximum of 20 million francs.

It is possible for banks to pay out loans of up to 500,000 francs immediately after the processing of an extremely simplified, standardized loan application. These loans are fully guaranteed by the Confederation. We urged the Federal Council to allow us to participate in this assistance package despite the lending prohibition, so that we too can contribute to the common good. Our request was approved, which means that since 26 March, we have been able to quickly and easily grant our business customers loans of up to 500,000 francs. By the end of June, around 17,000 applications with credit limits of 843 million francs had been accepted. Out of this total, 339 million francs, or around 40%, were used.

Profit situation

PostFinance generated earnings before tax (EBT) of 38 million francs in the first half of 2020, which represents a decrease of 114 million francs year-on-year.

The interest differential business is the most important source of revenue for PostFinance. The ongoing low interest situation is increasingly weighing on interest margins. Interest income decreased by 38 million francs in comparison with the first half of 2019. As interest rates have been low or even negative for years, the interest margin is being eroded.

As a result of the coronavirus crisis and the lockdown measures introduced in March, revenue from cash transactions at both Swiss Post branches and ATMs fell significantly and had only partially recovered by June. In addition, trading portfolio assets are seeing no substantial conversion gains from cash withdrawals in foreign currencies from ATMs in Switzerland and abroad and from the use of credit cards as a result of the restrictions on travel for our customers. Operating income also came under pressure from unrealized fluctuations in fair value on fund investments, which were recognized in profit or loss. The consequences of COVID-19 will be with us for a long time to come.

Headcount increased by 5 full-time equivalents compared to the first half of 2019. As part of its strategic focus, PostFinance is placing an emphasis on the simplification and digitization of its services and processes. At the same time, however, we are also pushing ahead with innovations and building up staff in new areas. In the first half of 2020, general and administrative expenses for project services were down year-on-year. Overall, operating expenses remained virtually unchanged at the previous year's level.

The sale of two participations and a subsidiary resulted in a 24 million franc net financial profit in the prior-year period.

Outlook

The ongoing uncertain situation on the domestic and international financial and capital markets with negative interest rates in some cases continues to present PostFinance with significant challenges. Due to the current investment climate, the high level of liquid assets cannot be profitably invested in the capital market. The negative interest on sight deposit balances charged by the SNB is partly being passed on to major customers and wealthy private customers. Upward pressure on the Swiss franc is expected to persist, despite the intervention by the SNB. An increase in the key rates in Swiss francs in the course of the year can therefore be ruled out.

PostFinance is operating in a challenging economic and regulatory environment. As interest rates have been low or even negative for years, its interest margin is being eroded.

Switzerland's financial center introduced the QR-bill on 30 June 2020. After a transition period, the changeover to the ISO standard 20022 and the new QR-bill will replace today's domestic inpayment slips. Inpayments at counters and other Swiss Post physical access points became more expensive on this date. This applies to inpayments with red inpayment slips (IS) and orange inpayment slips with reference number (ISR). At the same time, the prices for inpayments with the new QR-bill were set.

The coronavirus crisis is having a far-reaching impact on customer behaviour in the area of cash handling and the use of financial services in connection with travel and online purchases. Any partial recovery depends on how the pandemic develops. Our society, and with it the banking world, is rapidly becoming more and more digital. We will therefore pursue several strategic thrusts as we pave the way to becoming a digital powerhouse.

PostFinance interim financial statements

PostFinance Ltd issues financial statements in accordance with Group International Financial Reporting Standards (IFRS) guidelines and the FINMA Accounting Ordinance together with FINMA Circular 2020/1 “Accounting – banks”.

| | |
|---|----|
| Balance sheet | 13 |
| Income statement | 14 |
| Reconciliation of IFRS income statement with Accounting – banks | 15 |

Balance sheet

PostFinance Ltd | Balance sheet as per Group IFRS guidelines

| CHF million | 31.12.2019 | 30.6.2020 |
|---|----------------|----------------|
| Assets | | |
| Cash and cash equivalents | 1,778 | 1,466 |
| Amounts due from banks | 45,440 | 55,036 |
| Interest-bearing amounts due from customers | 500 | 777 |
| Trade accounts receivable | 27 | 12 |
| Other receivables | 492 | 420 |
| Inventories | 4 | 3 |
| Non-current assets held for sale | – | – |
| Financial investments | 76,388 | 77,729 |
| Participations | 5 | 8 |
| Tangible fixed assets | 399 | 395 |
| Investment property | 267 | 264 |
| Intangible assets | 151 | 139 |
| Right-of-use assets | 65 | 60 |
| Deferred tax assets | 226 | 246 |
| Total assets | 125,742 | 136,555 |
| Liabilities | | |
| Customer deposits | 108,966 | 110,350 |
| Other financial liabilities | 10,349 | 19,725 |
| Trade accounts payable | 81 | 52 |
| Other liabilities | 108 | 151 |
| Income tax liabilities | – | – |
| Provisions | 264 | 282 |
| Deferred tax liabilities | 89 | 87 |
| Equity | 5,759 | 5,854 |
| Profit | 126 | 55 |
| Total liabilities | 125,742 | 136,555 |

Income statement

| PostFinance Ltd Income statement as per Group IFRS guidelines | | |
|--|--------------------|--------------------|
| CHF million | 2019 1.1.–30.6. | 2020 1.1.–30.6. |
| Net interest income, net of impairment | 308 | 270 |
| Net income from services | 114 | 101 |
| Net commission income | 57 | 69 |
| Net trading income | 128 | 74 |
| Net income from financial assets | –7 | 0 |
| Other net income | 71 | 65 |
| Operating income | 671 | 579 |
| Personnel expenses | –224 | –239 |
| General and administrative expenses | –257 | –243 |
| Operating expenses | –481 | –482 |
| Gross profit (EBDIT) | 190 | 97 |
| Depreciation of fixed assets | –41 | –39 |
| Operating profit (EBIT) | 149 | 58 |
| Net financial income | 3 | –20 |
| Earnings before tax (EBT) | 152 | 38 |
| Expenses for current taxes | 4 | – |
| Expenses for deferred taxes | 27 | –17 |
| Expenses for non-reclaimable withholding tax | 0 | – |
| Income taxes | 31 | –17 |
| Profit | 121 | 55 |

Reconciliation of IFRS income statement with Accounting – banks

PostFinance issues financial statements in accordance with Group International Financial Reporting Standards (IFRS) guidelines and the Accounting rules for banks set out in article 6 ff. of the Banking Act, article 25 ff. of the Banking Ordinance, the FINMA Accounting Ordinance and FINMA Circular 2020/1 “Accounting – banks”. The following table shows the differences between the two accounting standards in the income statement. It reconciles the interim results in accordance with Group IFRS guidelines with the financial statements in accordance with Accounting – banks.

| PostFinance Ltd Reconciliation of income statement as per Group IFRS guidelines with Accounting – banks | | 2019 1.1.–30.6. | 2020 1.1.–30.6. |
|--|--|--------------------|--------------------|
| CHF million | | | |
| Profit as per Group IFRS guidelines | | 121 | 55 |
| Interest and dividend income from financial investments | Amortization of revalued held-to-maturity financial investments | – | – |
| Various items of net income | Valuation differences for financial investments as per Accounting – banks | –9 | 14 |
| Changes in value adjustments for default risks and losses from interest operations | Reversal of impairment on / impairment of loans, financial investments and receivables | – | – |
| Result from the disposal of financial investments | Realized gains from (earlier than scheduled) sales | 7 | –6 |
| Personnel expenses | Valuation differences between IAS 19 and Swiss GAAP ARR 16 | 5 | 46 |
| Value adjustments on participations and depreciation and amortization of tangible fixed assets and intangible assets | Revalued real estate | –2 | –2 |
| | Goodwill | –100 | – |
| Various income statement items | Valuation differences for participations as per Accounting – banks | –1 | –1 |
| | Leases as per IFRS 16 | – | 0 |
| Extraordinary income / extraordinary expenses | Realized gains from participations | – | – |
| Taxes | Deferred tax income as per Group IFRS guidelines | 27 | –16 |
| Interim profit as per Accounting – banks | | 48 | 89 |

Statutory interim financial statements

PostFinance issues interim financial statements in accordance with the Accounting rules for banks (articles 25–28 of the Banking Ordinance, the FINMA Accounting Ordinance and FINMA Circular 2020/1 “Accounting – banks”).

The statutory interim financial statements as at 30 June 2020 indicate earnings after tax of 89 million francs.

| | |
|-------------------|----|
| Balance sheet | 17 |
| Off-balance sheet | 18 |
| Income statement | 19 |

Balance sheet

PostFinance Ltd | Balance sheet as per Accounting – banks

| CHF million | 31.12.2019 | 30.6.2020 |
|---|----------------|----------------|
| Assets | | |
| Liquid assets | 46,946 | 56,282 |
| Amounts due from banks | 3,889 | 3,714 |
| Amounts due from securities financing transactions | 22 | – |
| Amounts due from customers | 12,075 | 12,277 |
| Mortgage loans | 0 | 0 |
| Trading portfolio assets | – | – |
| Positive replacement values of derivative financial instruments | 162 | 176 |
| Other financial instruments at fair value | – | – |
| Financial investments | 60,406 | 61,936 |
| Accrued income and prepaid expenses | 383 | 357 |
| Participations | 105 | 107 |
| Tangible fixed assets | 1,166 | 1,145 |
| Intangible assets | – | – |
| Other assets | 420 | 445 |
| Total assets | 125,574 | 136,439 |
| Total subordinated claims | 11 | 11 |
| of which subject to mandatory conversion and / or debt waiver | 1 | – |
| Liabilities | | |
| Amounts due to banks | 1,324 | 787 |
| Liabilities from securities financing transactions | 9,125 | 18,773 |
| Amounts due in respect of customer deposits | 108,469 | 110,116 |
| Trading portfolio liabilities | – | – |
| Negative replacement values of derivative financial instruments | 340 | 323 |
| Liabilities from other financial instruments at fair value | – | – |
| Cash bonds | 71 | 16 |
| Bond issues and central mortgage institution loans | – | – |
| Accrued expenses and deferred income | 105 | 144 |
| Other liabilities | 5 | 58 |
| Provisions | 35 | 33 |
| Reserves for general banking risks | – | – |
| Bank's capital | 2,000 | 2,000 |
| Statutory capital reserve | 4,682 | 4,682 |
| of which tax-exempt capital contribution reserve | 4,682 | 4,682 |
| Statutory retained earnings reserve | – | – |
| Voluntary retained earnings reserves | – | – |
| Profit carried forward | – | –582 |
| Profit / loss | –582 | 89 |
| Total liabilities | 125,574 | 136,439 |
| Total subordinated liabilities | 203 | 203 |
| of which subject to mandatory conversion and / or debt waiver | 203 | 203 |

Off-balance sheet

PostFinance Ltd | Off-balance-sheet transactions

| CHF million | 31.12.2019 | 30.6.2020 |
|---|------------|-----------|
| Off-balance-sheet transactions | | |
| Contingent liabilities | 52 | 61 |
| Irrevocable commitments | 699 | 1,215 |
| Obligations to pay up shares and make further contributions | – | – |
| Credit commitments | – | – |

Income statement

PostFinance Ltd | Income statement as per Accounting – banks

| CHF million | 2019 1.1.–30.6. | 2020 1.1.–30.6. |
|--|--------------------|--------------------|
| Interest and discount income | 71 | 65 |
| Interest and dividend income from trading portfolios | – | – |
| Interest and dividend income from financial investments | 215 | 148 |
| Interest expense | 12 | 66 |
| Gross result from interest operations | 298 | 279 |
| Changes in value adjustments for default risks and losses from interest operations | 0 | –15 |
| Net result from interest operations | 298 | 264 |
| Commission income from securities trading and investment activities | 32 | 41 |
| Commission income from lending activities | 11 | 11 |
| Commission income from other services | 317 | 288 |
| Commission expense | –192 | –174 |
| Result from commission business and services | 168 | 166 |
| Result from trading activities and the fair value option | 103 | 89 |
| Result from the disposal of financial investments | 7 | 3 |
| Income from participations | 10 | 3 |
| Result from real estate | 33 | 32 |
| Other ordinary income | 52 | 31 |
| Other ordinary expenses | – | – |
| Other result from ordinary activities | 102 | 69 |
| Operating income | 671 | 588 |
| Personnel expenses | –220 | –193 |
| General and administrative expenses | –274 | –257 |
| Operating expenses | –494 | –450 |
| Value adjustments on participations and depreciation and amortization of tangible fixed assets and intangible assets | –142 | –38 |
| Changes to provisions and other value adjustments, and losses | –4 | –6 |
| Operating result | 31 | 94 |
| Extraordinary income | 26 | – |
| Extraordinary expenses | –1 | 0 |
| Changes in reserves for general banking risks | – | – |
| Taxes | –8 | –5 |
| Six-month profit | 48 | 89 |

PostFinance Ltd
Mingerstrasse 20
3030 Berne
Switzerland

Tel. +41 58 338 25 00
www.postfinance.ch

PostFinance 