



Basler
Kantonalbank

Half-yearly Report 2022 – Abridged Version



About us

Since its foundation in 1899, the parent company BKB has been deeply rooted in the Basel region. It positions itself for its private clients as the bank of Basel for Basel; but as a universal bank it is active for its corporate and institutional clients throughout Northwestern Switzerland. BKB is majority-owned by the Canton of Basel-Stadt and has a state guarantee that is compensated to the Canton. The owner strategy sets the strategic guidelines and requires above-average equity capitalisation and liquidity, which is why BKB is one of the safest banks in the country with an AA+ rating from S&P. Moreover, sustainability has become the linchpin in both operations and core business with a view to making a positive long-term contribution to the economy, environment and society. Fourteen per cent of the equity is listed as participation certificates on the SIX Exchange, offering an attractive investment opportunity.

With the acquisition of Bank Cler in 2000, the Group employs almost 1,500 people and is present in all major cities throughout Switzerland: with 13 branches in Basel, 13 in the rest of German-speaking Switzerland, 10 in French-speaking Switzerland and three in Ticino. Thanks to digital services, corporate and private clients are not only advised personally, but can also perform the most important banking services independently of time and place. With Zak, Bank Cler offers the first real bank on the smartphone, which is already being used by around 50,000 clients. With this and the newly designed headquarters on Aeschenplatz, which is both a bank and a restaurant, Bank Cler is positioning itself as a 'fresh' universal bank for a younger target segment. Client assets come to around CHF 51 billion and Group BKB is one of the ten largest banks in Switzerland with total assets of CHF 54.7 billion.

Group BKB



Universal bank with Basel region as its home market Active throughout Switzerland focusing as a niche player on business areas in which BKB has clear competitive advantages and profitable growth opportunities are realistic.

Vision: 'From Basel. For Basel. Safe, close, committed'



Universal bank active throughout Switzerland focusing on Private Clients, Private Banking and Real Estate Clients.

Vision: 'Each day we make dealing with money a little easier. So that we all have more from life. Today and in the future.'

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Facts & Figures

Group figures as at 30.6.2022



56.3 %

cost/income ratio

down from 59.4 % within one year

target value by 2025:
max. 55 %



CHF 62.0

million

group net profit

+14.9 % within one year



5.4 %

return on equity

up from 5.3 % since end of 2021

target value by 2025: min. 6 %



1.1 %

RWA efficiency

unchanged since end of 2021

target value by 2025: min. 1.0 %



18.1 %

total capital ratio

up from 17.0 % within one year

target value by 2025:
min. 16 %



122.9 %

net stable funding

ratio

slightly lower than at end of 2021

target value by 2025: min. 110 %

Business development over the first half of 2022

Corporate success sustainably strengthened

The new strategy, which is even more consistently geared towards sustainability, is taking effect and showing results: In the first half of 2022, Basler Kantonalbank (BKB) further improved its operating performance in a challenging business environment and significantly increased its group net profit by 14.9 %.

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Inflation, fears of recession, war in Ukraine, interest rate turnaround: In the first half of the year, the underlying conditions changed substantially. Nevertheless, Group BKB managed to develop along the defined strategic priorities and exceeded the business performance of the previous year. It has increased its income, mainly through the expanded offering of sustainable products and services, increased its productivity and maintained its high balance sheet quality.

Seven aspects testify to the consistent implementation of Strategy 2022+:

#1: Successful growth in client business

Thanks to continuous, risk-conscious growth in client loans and securities financing as well as favourable refinancing, the interest result increased significantly by 5.8 % to CHF 194.4 million. Income from commission and service activities also developed positively (up 7.3 % to CHF 70.7 million). Firstly, this is because other commission income improved due to the economic recovery after the coronavirus pandemic. Secondly, the 360-degree support of clients with a focus on medium- and long-term goals has generated new money inflows even in turbulent stock market times. Strong interest and commission income offset the decline in trading income (by 33.2 % to CHF 28.9 million), which was expected due to the consistent implementation of the strategy. As part of Strategy 2022+, trading focuses on the strengths in securities financing, client trading and the issuing business (bonds, structured products). The bottom line is that operating income of CHF 298.6 million is again slightly above the level of the already very good previous year (CHF 297.4 million).

#2: Increased productivity and profitability

The focus on client business and the optimisation of the Group infrastructure are having an effect. Both payroll expenses and general and administrative expenses fell, so that operating expenses were reduced significantly by 4.9 % to CHF 167.5 million. The fact that costs could be reduced while business volume grew at the same time is evidence of increased productivity within the Group. The cost/income ratio was thus improved again by 3.1 percentage points to 56.3 %. As a result, the business performance increased by 9.9 % to CHF 117.3 million. The further optimisation of client processes in terms of simplicity, self-service, automation and digitalisation are important levers for the future. A milestone will be reached with the introduction of the new E- and M-Banking in spring 2023.

#3: Growth financed from within

As at 30 June 2022, reserves for general banking risks in the amount of CHF 48.2 million were formed. With this and the existing capital cushion, the Group is continuously increasing its strategic scope. Despite this further substantial increase in reserves, the group net profit increased significantly by 14.9 % to CHF 62.0 million compared to the previous year.

#4: High balance sheet quality and stability

The Group aligns its balance sheet with stability and manages growth in a risk-oriented manner. Total assets grew by CHF 1.2 billion or 2.3 % to CHF 54.7 billion. Mortgage-backed loans increased in step with the market by 1.7 % to CHF 30.3 billion. In general, attention was paid to high portfolio quality in terms of credit growth. Together with the increased profitability, this led to a further increase in the total capital ratio to 18.1 % (comparative half-year 2021: 17.0 %), with both the parent company BKB at 20.3 % and Bank Cler at 17.6 % being significantly above the minimum requirement (12.0 %).

#5: Pioneer in sustainability for corporate clients

BKB accompanies its corporate clients into a sustainable future with an attractive investment and financing offering on a partnership basis. The Swiss Triple Impact (STI) programme, which BKB and four other founding partners brought to the Basel region at the beginning of the year, helps SME clients define measurable sustainability goals and develop a plan of action. The first clients are currently working their way through the programme and are thus making their business model more future-proof. In addition, BKB supports its corporate clients with dedicated financing instruments: green, social and sustainability loans or sustainability-linked loans. In total, BKB clients have already raised funds totalling more than CHF 780 million. At the end of June, BKB assisted the Canton of Basel-Stadt in launching Switzerland's first social bond in the amount of CHF 110 million with the aim of promoting social housing and making a contribution to improving equal opportunities in Basel.

#6: Sustainable investment expertise as growth driver

With its sustainable delegation products – first and foremost its sustainable investment solutions – Group BKB has for some time now been demonstrating its expertise in ESG-compliant investments. Since the launch of sustainable investment solutions five years ago, their importance has been steadily increasing. In the meantime, more than 50 % of the monies (equivalent to CHF 1.4 billion) invested in an investment solution have already been invested sustainably. Despite the current difficult developments on the capital markets, just under CHF 0.3 billion net new money flowed into the investment solutions.

#7: In partnership for product innovations

In mid-June, BKB launched the first gold fund backed by Fairtrade Gold in partnership with Fairtrade Max Havelaar. This gives sustainably oriented clients a secure investment instrument with which they can achieve a clearly measurable impact through the Fairtrade premium of USD 2,000 per kilogram of gold. Furthermore, gold can now for the first time be used as an asset class in the sustainable asset management mandates. The subscribed fund volume as at 30 June 2022 was already CHF 8.1 million. From the 140 kg of Fairtrade Gold deposited, a premium in the amount of USD 280,000 has flowed to the mine in Peru. Using Fairtrade Max Havelaar as an example, the Group has provided further proof of how value-added product innovations can be created thanks to partnerships.

Outlook

Despite the uncertainties currently shaping the banking environment and the expected transition from a negative to a positive interest rate environment, the Group expects a robust earnings performance. CEO Basil Heeb is convinced that the stability-oriented business model with a broad-based earnings base geared to long-term success will prove its worth.



'The Group is solidly positioned and prepared for the interest rate turnaround. Moreover, the new strategy has already had a noticeable push effect in recent months. I am therefore convinced that, despite the market turbulence, we will be able to carry the current momentum into the second half of the year and repeat last year's good result in 2022.'

Strategy 2022+ launched

The business areas, functional strategies and thrusts have been rendered tangible, and noticeable successes have already been achieved in the first six months. Be it with growth initiatives, the development of new sustainability products, new partnerships or the further development of infrastructure and processes.



CEO Basil Heeb: 'Strategy implementation takes place every day. And because each and every individual in the Group is making a contribution to this, successes are already noticeable and visible.'

Target achievement on track

Thanks to the commitment of our employees, we made measurable progress on four of our eight strategic goals in the first half of the year:

We put **sustainability** and clients centre stage.



We launched the first physical gold fund investing in Fairtrade-certified gold together with Max Havelaar in June.

We secure our **corporate success** with profitable growth and stability.



We have improved the strategic KPIs: total capital ratio, cost/income ratio and capital efficiency.

We are in constant dialogue with our clients and offer **optimal solutions** for their needs.



We have given a boost to the growth of our investment solutions with the new Sustainable Equities strategy.

We learn as an **organisation** and grow through partnerships.



We are increasing the expertise of our employees in sustainability by setting up the CAS Sustainable Finance together with FHNW.

Sustainability further embedded

A central, strategic goal of the Group is to consistently expand the sustainable range in all areas and to offer new products and services. In doing so, we are in regular dialogue with our clients. And we stand for credible sustainability without greenwashing.

In the first half of the year, we achieved further sustainability milestones.

Sustainable investment solutions

Success story

One in two francs is already
invested sustainably

Since their launch in 2017, sustainable investment solutions have become an increasingly important part of the Group's investment portfolio. After only five years, more than 50 % of the total volume – equivalent to CHF 1.4 billion – has been invested in sustainable investment solutions.

We support our corporate clients in financing sustainable projects and investments that include sustainable components. This either as a lender in the form of green loans or sustainability-linked loans. Or by accompanying debtors in the issuance of green or social bonds on the capital market.

Sustainable financing

Offering expanded

Loans of over
CHF 780 million granted

CAS

Sustainable Finance

Developed for Basel in
collaboration with FHNW

We are continuously strengthening our expertise on the topic of sustainability. This autumn, for the first time, 30 Group employees will complete the new CAS Sustainable Finance, which BKB developed in collaboration with FHNW. This enables us to expand our knowledge on the topic of sustainability in a targeted manner, from which not least our clients also benefit. From 2023 onwards, the CAS will also be open to external students.

Energy-efficient buildings make an important contribution to climate protection. For this reason, BKB aims to gradually renovate its office buildings in accordance with the highest Minergie-P standard. The most recent example is the administrative building at Brunngässlein, which was renovated to this standard. This can reduce the energy demand for heating and air conditioning by 50 %.

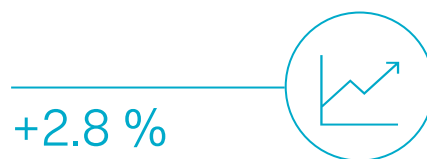
Climate protection

Energy efficiency improved

50 % savings thanks to totally
refurbished administration building

Information for investors

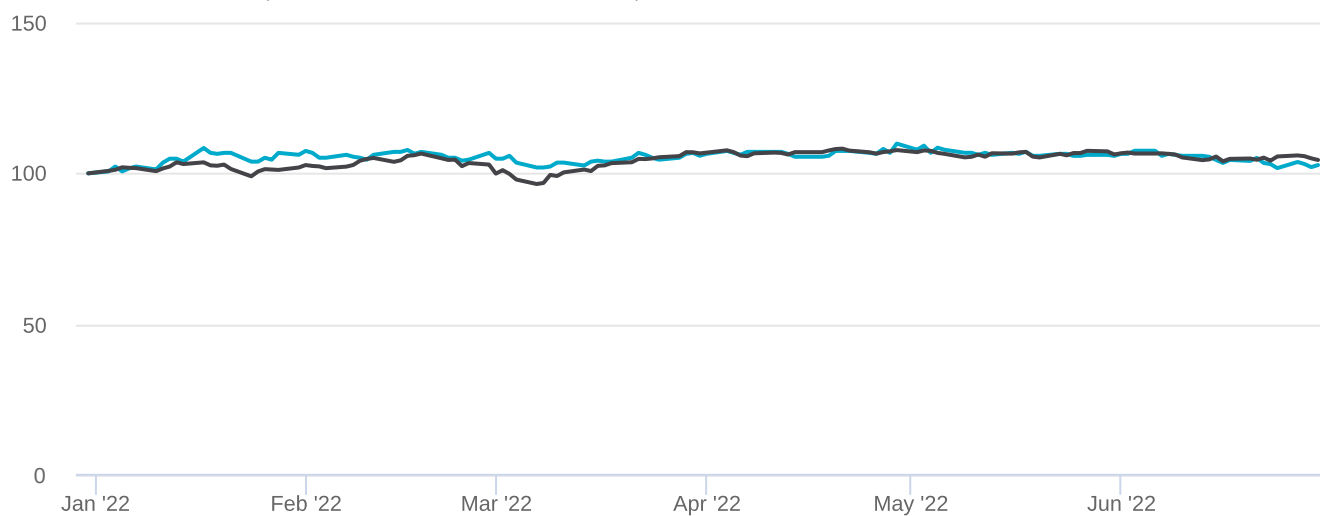
The price of the BKB participation certificate fell slightly to CHF 60.60 in the first six months. Taking the dividend into account, the performance is nevertheless positive (+2.8 %). The banking index rose by 4.4 % in the same period.



performance BKB
participation certificate

Performance (total return)

31.12.2021 to 30.6.2022 (indexed, baseline 100 = 31.12.2021)



- Banking index: +4,4 %
- BKB participation certificate: +2,8 %

Group BKB – Half-yearly financial statements

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Group BKB – At a glance

Balance sheet		30.6.2022¹	31.12.2021
Total assets	in CHF 1000	54,679,232	53,469,809
– Change	in %	2.3	–1.8
Customer loans	in CHF 1000	33,853,935	33,245,048
– of which Mortgages	in CHF 1000	30,275,747	29,767,013
Customer deposits	in CHF 1000	30,486,899	27,921,834
General public funds ²	in CHF 1000	30,492,242	27,929,566
Reported own funds (incl. Group net profit)	in CHF 1000	4,103,038	4,076,768
Reported own funds (incl. Group net profit)	in CHF 1000	4,040,989	3,955,696
Income statement		1st half 2022¹	1st half 2021¹
Net income from interest activities	in CHF 1000	194,430	183,796
Income from commission and service activities	in CHF 1000	70,657	65,870
Income from trading activities and exercising the fair-value option	in CHF 1000	28,885	43,244
Other ordinary income	in CHF 1000	4,616	4,463
Gross Income ³	in CHF 1000	297,675	296,568
– Change	in %	0.4	12.9
Operating income	in CHF 1000	298,588	297,373
– Change	in %	0.4	16.9
Operating expenses	in CHF 1000	167,447	176,058
– Change	in %	–4.9	–1.1
Amortisation, depreciation, write-downs and provisions	in CHF 1000	13,836	14,552
Business performance	in CHF 1000	117,305	106,763
– Change	in %	9.9	69.0
Group net profit	in CHF 1000	62,049	53,987
– Change	in %	14.9	6.1
Profitability key figures		1st half 2022¹	1st half 2021¹
Return on equity (Group net profit before reserves/average equity)	in %	5.4	5.2
Balance sheet ratios		30.6.2022¹	31.12.2021
Customer loans as % of total assets	in %	61.9	62.2
Mortgage loans as % of customer loans	in %	89.4	89.5
Customer deposits as % of total assets	in %	55.8	52.2
Degree of funding I (customer funds/customer loans) ²	in %	90.1	84.0
Degree of funding II (general public funds/customer loans) ⁴	in %	126.8	124.7
Equity ratio	in %	7.5	7.6
Hard core capital ratio (CET1 ratio)	in %	17.2	17.6
Core capital ratio (T1 ratio)	in %	17.8	18.2
Total capital ratio	in %	18.1	18.5
Capital adequacy target ⁵	in %	12.0	12.0
Leverage ratio	in %	6.7	6.9
Average liquidity coverage ratio (LCR) – Q2/Q4	in %	132.0	233.6
Net stable funding ratio (NSFR)	in %	122.9	125.6
RWA efficiency ⁸	in %	1.1	1.1
Income statement ratios		1st half 2022¹	1st half 2021¹
Cost-to-income ratio (operating expenses/gross income) ³	in %	56.3	59.4
Net interest income as % of operating income	in %	65.1	61.8
Income from commission and service activities as % of operating income	in %	23.7	22.2
Net trading income as % of operating income	in %	9.7	14.5
Other ordinary income as % of operating income	in %	1.5	1.5
Personnel expenses as % of operating expenses	in %	58.3	57.8
Non-personnel expenses as % of operating expenses ⁶	in %	41.7	42.2
Employees		30.6.2022	31.12.2021
Number of employees (Headcount)		1,432	1,455
Number of apprentices and trainees		58	73
Full-time equivalents (FTEs) ⁷		1,274	1,289

¹ Unaudited.

² Customer funds (customer deposits, medium-term notes).

³ Gross income (operating income without any changes in write-downs relating to the risk of default and losses from interest activities).

⁴ General public funds (customer deposits, medium-term notes, bonds and mortgage-backed bonds).

⁵ The capital adequacy target is made up of the minimum own funds of 8 % and a capital adequacy buffer of 4 % for category 3 banks in accordance with Annex 8 CAO, plus the countercyclical capital buffer (deactivated by the Federal Council on 27 March 2020 due to the corona crisis).

⁶ The compensation for the state guarantee is allocated to non-personnel expenses for the calculation of this key figure.

⁷ Apprentices and trainees are weighted at 50 %.

⁸ Gross profit / total risk-weighted assets (RWA).

Consolidated balance sheet

Assets	30.6.2022 ¹ in CHF 1000	31.12.2021 in CHF 1000	Change absolute	Change in %
Liquid funds	9,785,936	9,869,589	-83,653	-0.8
Receivables from banks	1,240,934	554,780	686,154	-
Receivables from securities financing transactions	5,771,756	6,901,001	-1,129,245	-16.4
Receivables from customers	3,578,188	3,478,035	100,153	2.9
Mortgages	30,275,747	29,767,013	508,734	1.7
Trading activities	1,584,615	664,657	919,958	-
Positive replacement values of derivative financial instruments	122,128	321,930	-199,802	-62.1
Financial assets	1,524,207	1,527,962	-3,755	-0.2
Prepaid expenses	72,761	82,811	-10,050	-12.1
Non-consolidated investments	65,543	65,463	80	0.1
Property, plant and equipment	181,629	190,133	-8,504	-4.5
Other assets	475,788	46,435	429,353	-
Total assets	54,679,232	53,469,809	1,209,423	2.3
Total subordinated receivables	3,910	2,143	1,767	82.5
- of which with conversion obligation and/or debt waiver	-	-	-	-
Equity and liabilities				
Liabilities to banks	4,405,105	3,634,830	770,275	21.2
Liabilities from securities financing transactions	2,273,323	3,355,520	-1,082,197	-32.3
Liabilities from customer deposits	30,486,899	27,921,834	2,565,065	9.2
Liabilities from trading activities	11,051	2,169	8,882	-
Negative replacement values of derivative financial instruments	312,348	166,212	146,136	87.9
Liabilities from other financial instruments measured at fair value	437,596	436,672	924	0.2
Medium-term notes	5,343	7,732	-2,389	-30.9
Bonds and mortgage-backed bonds	12,423,188	13,520,425	-1,097,237	-8.1
Deferred income	162,507	162,508	-1	-0.0
Other liabilities	31,807	162,891	-131,084	-80.5
Provisions	27,027	22,248	4,779	21.5
Reserves for general banking risks	2,803,351	2,755,133	48,218	1.8
Share capital	354,150	354,150	-	-
Capital reserve	132,341	132,197	144	0.1
Retained earnings	831,758	794,840	36,918	4.6
Treasury shares (short position)	-80,611	-80,624	13	-
Group net profit	62,049	121,072	-	-
Total equity and liabilities	54,679,232	53,469,809	1,209,423	2.3
Total subordinated liabilities	191,930	191,736	194	0.1
- of which with conversion obligation and/or debt waiver	191,930	191,736	194	0.1
Off-balance sheet transactions				
Contingent liabilities	97,129	177,677	-80,548	-45.3
Irrevocable commitments	2,873,620	2,931,169	-57,549	-2.0
Liabilities for calls on shares and other equity	116,444	116,288	156	0.1

¹ Unaudited.

Consolidated income statement

	1st half 2022 ¹ in CHF 1000	1st half 2021 ¹ in CHF 1000	Change absolute	Change in %
Income from interest activities				
Interest and discount income	226,732	238,747	-12,015	-5.0
Interest and dividend income from financial assets	1,096	2,367	-1,271	-53.7
Interest expenses	-34,311	-58,123	23,812	-41.0
Gross income from interest activities	193,517	182,991	10,526	5.8
Changes in write-downs relating to the risk of default and losses from interest activities	913	805	108	13.4
Net income from interest activities	194,430	183,796	10,634	5.8
Income from commission and service activities				
Commission income from securities and investment activities	56,106	55,331	775	1.4
Commission income from lending activities	3,696	5,384	-1,688	-31.4
Commission income from other service activities	21,265	13,999	7,266	51.9
Commission expenses	-10,410	-8,844	-1,566	17.7
Income from commission and service activities	70,657	65,870	4,787	7.3
Income from trading activities and exercising the fair-value option	28,885	43,244	-14,359	-33.2
Other ordinary income				
Income from the disposal of financial assets	147	13	134	-
Income from investments	2,127	1,917	210	11.0
- of which from investments accounted for using the equity method	205	185	20	10.8
- of which from other non-consolidated investments	1,922	1,732	190	11.0
Real estate income	979	858	121	14.1
Other ordinary income	1,363	1,608	-245	-15.2
Other ordinary expenses	-	67	-67	-100.0
Other ordinary income	4,616	4,463	153	3.4
Operating income	298,588	297,373	1,215	0.4
Operating expenses				
Payroll costs	-97,542	-101,777	4,235	-4.2
General and administrative expenses	-64,805	-69,181	4,376	-6.3
Compensation for the state guarantee	-5,100	-5,100	-	-
Operating expenses	-167,447	-176,058	8,611	-4.9
Write-downs on investments and depreciation of property, plant and equipment, and amortisation of intangible assets	-12,980	-14,340	1,360	-9.5
Changes to provisions and other value adjustments, and losses	-856	-212	-644	-
Business performance	117,305	106,763	10,542	9.9
Extraordinary income	123	368	-245	-66.6
Extraordinary expenses	-	-	-	-
Change in reserves for general banking risks	-48,218	-50,250	2,032	-4.0
Taxes ²	-7,161	-2,894	-4,267	-
Group net profit	62,049	53,987	8,062	14.9

¹ Unaudited.

² Takes into account the tax effect of the formation of value adjustments and provisions for inherent default risks.

Consolidated statement of changes in equity

	Share capital	Capital reserve	Retained earnings	Reserves for general banking risks	Treasury shares (short position)	Group net profit	Total equity
	in CHF 1000	in CHF 1000	in CHF 1000	in CHF 1000	in CHF 1000	in CHF 1000	in CHF 1000
Equity at the beginning of the reporting period (31.12.2021)	354,150	132,197	794,840	2,755,133	-80,624	121,072	4,076,768
Disposal of own capital shares	-	-1	-	-	13	-	12
Appropriation of profit from 2021							
- Allocation to retained earnings	-	-	36,918	-	-	-36,918	-
- Dividend	-	145	-	-	-	-15,954	-15,809
- Distribution to canton	-	-	-	-	-	-68,200	-68,200
Allocations to reserves for general banking risks	-	-	-	48,218	-	-	48,218
Group net profit	-	-	-	-	-	62,049	62,049
Equity at the end of the reporting period (30.6.2022) ¹	354,150	132,341	831,758	2,803,351	-80,611	62,049	4,103,038

¹ Unaudited.

Parent Company BKB – Half-yearly financial statements

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Parent company BKB – At a glance

Balance sheet		30.6.2022¹	31.12.2021²
Total assets	in CHF 1000	36,123,280	34,231,325
– Change	in %	5.5	–4.4
Customer loans	in CHF 1000	17,527,245	17,227,914
– davon mortgages	in CHF 1000	14,185,920	13,875,405
Customer deposits	in CHF 1000	17,340,507	14,608,508
Customer funds ³	in CHF 1000	17,341,067	14,610,070
Reported own funds (including Net profit)	in CHF 1000	3,502,268	3,496,448
Reported own funds (excluding Net profit)	in CHF 1000	3,445,659	3,385,802
Income statement		1st half 2022¹	1st half 2021¹
Net income from interest activities	in CHF 1000	105,049	94,950
Income from commission and service activities	in CHF 1000	41,455	39,406
Income from trading activities and exercising the fair-value option	in CHF 1000	23,899	38,657
Other ordinary income	in CHF 1000	41,368	42,151
Gross Income ⁴	in CHF 1000	212,062	214,536
– Change	in %	–1.2	19.6
Operating income	in CHF 1000	211,771	215,164
– Change	in %	–1.6	24.9
Operating expenses	in CHF 1000	113,051	117,617
– Change	in %	–3.9	0.8
Amortisation, depreciation, write-downs and provisions	in CHF 1000	–8,858	–10,895
Business performance	in CHF 1000	89,862	86,652
– Change	in %	3.7	91.2
Net Profit	in CHF 1000	56,609	49,010
– Change	in %	15.5	6.2
Profitability key figures		1st half 2022¹	1st half 2021¹
Return on equity (net profit for the year before reserves/average equity)	in %	5.2	5.1
Balance sheet ratios		30.6.2022¹	31.12.2021²
Customer loans as % of total assets	in %	48.5	50.3
Mortgage loans as % of customer loans	in %	80.9	80.5
Customer deposits as % of total assets	in %	48.0	42.7
Degree of funding I (customer funds/customer loans) ³	in %	98.9	84.8
Degree of funding II (general public funds/customer loans) ⁵	in %	144.8	137.9
Equity ratio	in %	9.7	10.2
Hard core capital ratio (CET1 ratio)	in %	19.6	20.0
Core capital ratio (T1 ratio)	in %	20.0	20.4
Total capital ratio	in %	20.3	20.8
Capital adequacy target ⁶	in %	12.0	12.0
Leverage ratio	in %	8.2	8.7
Average liquidity coverage ratio (LCR) – Q2/Q4	in %	126.6	252.4
Net stable funding ratio (NSFR)	in %	115.4	116.6
RWA efficiency ⁹	in %	1.1	1.1
Income statement ratios		1st half 2022¹	1st half 2021¹
Cost-to-income ratio (operating expenses/gross income) ⁴	in %	53.3	54.8
Net interest income as % of operating income	in %	49.6	44.1
Income from commission and service activities as % of operating income	in %	19.6	18.3
Net trading income as % of operating income	in %	11.3	18.0
Other ordinary income as % of operating income	in %	19.5	19.6
Personnel expenses as % of operating expenses	in %	61.9	61.8
Non-personnel expenses as % of operating expenses ⁷	in %	38.1	38.2
Employees		30.6.2022	31.12.2021
Number of employees (Headcount)		1,032	1,039
Number of apprentices and trainees		31	41
Full-time equivalents (FTEs) ⁸		918	920

¹ Unaudited.

² Balance before appropriation of net profit.

³ Customer funds (customer deposits, medium-term notes).

⁴ Gross income (operating income without any changes in write-downs relating to the risk of default and losses from interest activities).

⁵ General public funds (customer deposits, medium-term notes, bonds and mortgage-backed bonds).

⁶ The capital adequacy target is made up of the minimum own funds of 8 % and a capital adequacy buffer of 4 % for category 3 banks in accordance with Annex 8 CAO, plus the countercyclical capital buffer (deactivated by the Federal Council on 27 March 2020 due to the corona crisis).

⁷ The compensation for the state guarantee is allocated to non-personnel expenses for the calculation of this key figure.

⁸ Apprentices and trainees are weighted at 50 %.

⁹ Gross profit / total risk-weighted assets (RWA).

Balance sheet

Assets	30.6.2022 ¹ in CHF 1000	31.12.2021 ² in CHF 1000	Change absolute	Change in %
Liquid funds	6,428,958	5,868,880	560,078	9.5
Receivables from banks	1,989,177	946,457	1,042,720	–
Receivables from securities financing transactions	5,771,756	6,901,001	-1,129,245	-16.4
Receivables from customers	3,341,325	3,352,509	-11,184	-0.3
Mortgages	14,185,920	13,875,405	310,515	2.2
Trading activities	1,585,127	665,494	919,633	–
Positive replacement values of derivative financial instruments	127,089	321,892	-194,803	-60.5
Financial assets	1,329,773	1,338,412	-8,639	-0.6
Prepaid expenses	61,986	58,957	3,029	5.1
Investments	747,107	747,157	-50	–
Property, plant and equipment	84,745	90,286	-5,541	-6.1
Other assets	470,317	64,875	405,442	–
Total assets	36,123,280	34,231,325	1,891,955	5.5
Total subordinated receivables	5,261	3,342	1,919	57.4
– of which with conversion obligation and/or debt waiver	–	–	–	–
Equity and liabilities				
Liabilities to banks	3,969,300	2,780,796	1,188,504	42.7
Liabilities from securities financing transactions	2,273,323	3,355,520	-1,082,197	-32.3
Liabilities from customer deposits	17,340,507	14,608,508	2,731,999	18.7
Liabilities from trading activities	11,051	2,169	8,882	–
Negative replacement values of derivative financial instruments	312,256	166,045	146,211	88.1
Liabilities from other financial instruments measured at fair value	437,596	436,672	924	0.2
Medium-term notes	560	1,562	-1,002	-64.1
Bonds and mortgage-backed bonds	8,043,554	9,143,476	-1,099,922	-12.0
Deferred income	91,461	90,672	789	0.9
Other liabilities	121,210	133,891	-12,681	-9.5
Provisions	20,194	15,566	4,628	29.7
Reserves for general banking risks	2,589,304	2,556,096	33,208	1.3
Share capital	354,150	354,150	–	–
Statutory capital reserve	147,750	147,750	–	–
– of which reserves from capital contributions	90,152	90,152	–	–
– of which other reserves	57,598	57,598	–	–
Statutory retained earnings	322,802	321,258	1,544	0.5
Voluntary retained earnings	109,800	84,800	25,000	29.5
Treasury shares (short position)	-80,611	-80,624	13	–
– against reserves from capital contributions	-67,839	-67,839	–	–
– other	-12,772	-12,785	13	-0.1
Profit carried forward	2,464	2,372	92	3.9
Net profit	56,609	110,646	–	–
Total equity and liabilities	36,123,280	34,231,325	1,891,955	5.5
Total subordinated liabilities	100,536	101,474	-938	-0.9
– of which with conversion obligation and/or debt waiver	100,536	101,474	-938	-0.9
Off-balance sheet transactions				
Contingent liabilities	66,564	144,804	-78,240	-54.0
Irrevocable commitments	2,424,717	2,520,701	-95,984	-3.8
Liabilities for calls on shares and other equity	92,251	92,251	–	–

¹ Unaudited.

² Balance before appropriation of net profit.

Income statement

	1st half 2022 ¹ in CHF 1000	1st half 2021 ¹ in CHF 1000	Change absolute	Change in %
Income from interest activities				
Interest and discount income	125,480	133,741	-8,261	-6.2
Interest and dividend income from financial assets	822	2,095	-1,273	-60.8
Interest expenses	-20,962	-41,514	20,552	-49.5
Gross income from interest activities	105,340	94,322	11,018	11.7
Changes in write-downs relating to the risk of default and losses from interest activities	-291	628	-919	-
Net income from interest activities	105,049	94,950	10,099	10.6
Income from commission and service activities				
Commission income from securities and investment activities	33,963	33,376	587	1.8
Commission income from lending activities	2,775	4,398	-1,623	-36.9
Commission income from other service activities	11,806	8,132	3,674	45.2
Commission expenses	-7,089	-6,500	-589	9.1
Income from commission and service activities	41,455	39,406	2,049	5.2
Income from trading activities and exercising the fair-value option	23,899	38,657	-14,758	-38.2
Other ordinary income				
Income from the disposal of financial assets	103	5	98	-
Income from investments	16,629	16,428	201	1.2
Real estate income	616	648	-32	-4.9
Other ordinary income	24,020	25,070	-1,050	-4.2
Other ordinary expenses	-	-	-	-
Other ordinary income	41,368	42,151	-783	-1.9
Operating income	211,771	215,164	-3,393	-1.6
Operating expenses				
Payroll costs	-69,939	-72,631	2,692	-3.7
General and administrative expenses	-38,012	-39,886	1,874	-4.7
Compensation for the state guarantee / guarantor	-5,100	-5,100	-	-
Operating expenses	-113,051	-117,617	4,566	-3.9
Write-downs on investments and depreciation of property, plant and equipment, and amortisation of intangible assets	-8,808	-10,711	1,903	-17.8
Changes to provisions and other value adjustments, and losses	-50	-184	134	-72.8
Business performance	89,862	86,652	3,210	3.7
Extraordinary income	-	-	-	-
Extraordinary expenses	-	-	-	-
Change in reserves for general banking risks	-33,208	-37,600	4,392	-11.7
Taxes	-45	-42	-3	7.1
Net profit	56,609	49,010	7,599	15.5

¹ Unaudited.

Statement of changes in equity

	Share capital	Statutory capital reserve	Statutory retained earnings	Reserves for general banking risks	Voluntary retained earnings and profit or loss carried forward	Treasury shares (short position)	Net profit	Total equity
	in CHF 1000	in CHF 1000	in CHF 1000	in CHF 1000	in CHF 1000	in CHF 1000	in CHF 1000	in CHF 1000
Equity at the beginning of the reporting period (31.12.2021)	354,150	147,750	321,258	2,556,096	87,172	-80,624	110,646	3,496,448
Disposal of treasury shares	-	-	-1	-	-	13	-	12
Appropriation of profit 2021								
- Allocation to statutory retained earnings	-	-	1,400	-	-	-	-1,400	-
- Allocation to voluntary retained earnings	-	-	-	-	25,000	-	-25,000	-
- Dividend	-	-	145	-	-	-	-15,954	-15,809
- Distribution to canton	-	-	-	-	-	-	-68,200	-68,200
- Net change in profit carried forward	-	-	-	-	92	-	-92	-
Allocations to the reserves for general banking risks	-	-	-	33,208	-	-	-	33,208
Net profit	-	-	-	-	-	-	56,609	56,609
Equity at the end of the reporting period (30.6.2022) ¹	354,150	147,750	322,802	2,589,304	112,264	-80,611	56,609	3,502,268

¹ Unaudited.

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