



Interim Report 2023
January to June

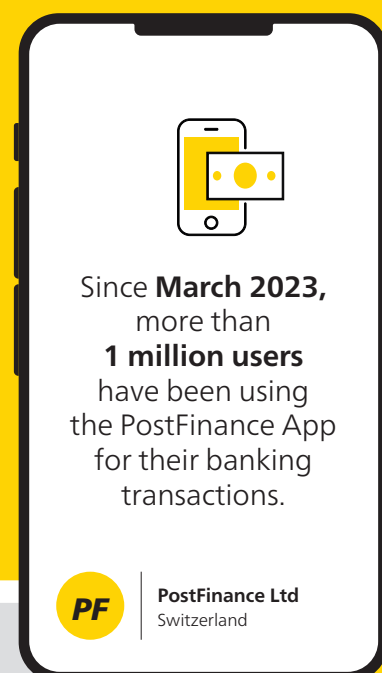
PostFinance 


PostFinance at a glance

With 106 billion francs in customer assets and more than a billion payment transactions a year, PostFinance is one of Switzerland's leading financial institutions. Around 2.5 million customers place their trust in PostFinance when it comes to managing their money.


As a diversified, innovation-driven financial services provider, it offers its customers fresh solutions and smart innovations for managing their finances. To do so, it relies on future-oriented tools and technologies that are specially developed or adapted for the Swiss market.

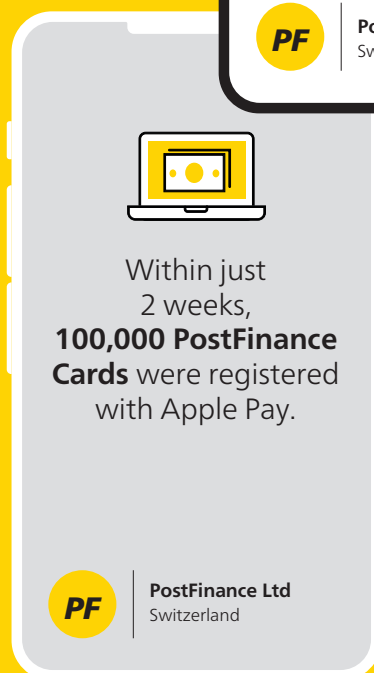
PostFinance's focus is always on the needs of its customers.







Since **March 2023**, more than **1 million users** have been using the PostFinance App for their banking transactions.

 PostFinance Ltd
Switzerland





Within just 2 weeks, **100,000 PostFinance Cards** were registered with Apple Pay.

 PostFinance Ltd
Switzerland

Profit (ARB)
in millions of francs

90

Capital ratio
in %

21.5

Total assets as per ARB
in billions of francs

113

Return on equity
in %

3.4

Interim Report

January to June 2023

Contents

2 Foreword

Management report

6 Key figures
8 Commentary on business performance
12 Reconciliation of "Accounting – banks"
with IFRS income statement

Statutory interim financial statements

14 Balance sheet
15 Off-balance sheet
16 Income statement



Hansruedi Köng
CEO



Marcel Bühler
Chairman of the Board of Directors

Foreword

Dear Reader

The first half of 2023 was marked by extraordinary events at the financial centers in Switzerland and abroad. All of us will remember the historic takeover of Credit Suisse by UBS in March, which showed once again that the trust of customers is a bank's greatest asset. Our solid liquidity and solvency combined with our long-term business and risk policy vindicate the high level of trust that our customers have in us.

Despite difficult market conditions, PostFinance generated profit as per the accounting rules for banks (ARB) of 90 million francs for the half-year. This represents a decline of 63 million francs compared to the prior-year period, but also marks a trend reversal.

Impact of the interest rate turnaround

With the turnaround in interest rates, net interest income fell by 46 million francs year-on-year. On 1 October 2022, PostFinance cancelled customer asset fees for its private and business customers. At the same time, PostFinance suffered a loss of income from negative interest rates on the interbank money market. This was offset by new income from interest on credit balances at the SNB and positive returns from new investment tranches. Long-term interest rates on the capital market rose significantly last year, making it possible to achieve higher returns on financial investments. Another factor with an impact compared to the previous year was the higher level of customer deposits, which allow greater scope for new commitments to financial investments. There is a visible trend towards improved profitability of the company.

In terms of both commission business and services and trading portfolio assets, various behavioural and economic trends became apparent. In particular, the accelerated decline of 21 percent in physical payment transactions at Swiss Post branches was not offset by the expansion of the product range – for example, the combination of the PostFinance Card with Debit Mastercard®. In addition, investors were unsettled by the geopolitical situation, worldwide interest rate hikes and growing fears of recession. As a result, customer assets in investment products fell by 13 percent over the course of 2022. Thanks to positive market developments and net inflows, these assets again rose significantly in the first half of the year, up by 1.6 billion francs. Portfolio commissions, however, remained below the previous year's level.

Operating expenses fell by 2 percent, due to lower project costs and efficiency improvements achieved through implementation of the strategy.

Interest rates continue to rise for PostFinance customers

With the successive adjustments of the SNB's policy rate, most recently to 1.75 percent, we are pleased to once again enable our customers to share in the more positive interest rate environment, with rising interest rates on savings and vested benefits accounts becoming effective on 1 August 2023. The future development of PostFinance's interest income will depend largely on any further steps that may be taken by the SNB. If interest rates continue to rise, PostFinance will evaluate further rate increases.

Focus on our customers

We have seen in recent months what a loss of trust among customers can do. Building on a foundation of growing profitability, PostFinance can focus more strongly than ever on customer satisfaction. Key concerns of the Executive Board and Board of Directors of PostFinance are to offer our customers good value for money and to ensure that our actions towards our customers evoke positive emotions in them. We want to make banking enjoyable for our customers. It is not just a matter of paying lip service. This was confirmed by a study of accessibility on Swiss bank websites conducted by Lucerne University of Applied Sciences and Arts in April 2023, which showed that we are setting an example here at PostFinance and that, with our website and e-finance, we not only embrace inclusion, but prioritize it. We are very proud of this.

Validated climate targets through SBTi

As part of its corporate responsibility strategy, PostFinance assumes responsibility towards its stakeholders, makes its CO₂ footprint transparent and aims to systematically reduce it. We had our climate targets validated in June 2023 in accordance with the Science Based Targets initiative (SBTi). We will now implement various measures to push forward with the Group-wide target of net zero by 2040. For PostFinance, financed emissions play a particularly important role in this area, where, like all financial service providers, we have the greatest leverage. We have defined climate targets for a large proportion of our own investments. In the corporate bonds asset class, for example,

we are committed to gradually increasing the proportion of companies that have set their own SBTi-based climate targets. We are determined and committed to achieving our goals on time, as shown by one example from the Asset Management Solutions unit, where we achieved the sustainability goals we set in terms of ESG criteria almost one and a half years ahead of schedule. Meeting these targets early has spurred us on to greater goals: among other things, we intend to convert 80 percent of our investment solutions to ESG criteria and significantly increase transparency for our customers by the end of 2024.

Forging ahead with digital services

PostFinance aims to continue to impress with digital services. That's why we are working on products and services that simplify banking even more for our customers. In May, for example, we introduced Apple Pay for the PostFinance Card. Thanks to the PostFinance Card combined with Debit Mastercard, this now enables customers without a credit card to make payments abroad. The crypto service that has been announced is also taking shape. In April, we started our collaboration with the crypto bank Sygnum to enable trading and custody of cryptocurrencies by our customers from 2024. PostFinance is also doing pioneering work in the area of contract signing. Thanks to the "Bankident PostFinance" service, qualified electronic signatures can now be provided for contracts easily, quickly and without media disruption via the PostFinance App. Our business customers, in particular, benefit from this. From our Innovation & Venturing unit, known internally as VNTR, we are proud to report that together with Swiss Stablecoin (SSC), we are testing the practicality of a digital Swiss franc that is expected to make "programmable money" and an improvement in the efficiency of payment processing for private and business customers possible.

Thank you

We would like to take this opportunity to say a special thank you to our staff, who work hard every day to ensure the success of our company and the well-being of our customers. PostFinance owes its success to their daily commitment and their passion for developing banking in Switzerland.

We would like to thank you, our valued customers, for your loyalty and trust in us. We will continue to work on simplifying your digital payment experience – because we want to make banking enjoyable for you.



Marcel Bühler
Chairman of the
Board of Directors



Hansruedi Köng
CEO

■ 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 around 2.5 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 675 million transactions in the first half of 2023.

PostFinance employed 3,727 staff. This corresponds to 3,314 full-time equivalents.

PostFinance generated a profit of 90 million francs in the first half of 2023. Total assets stood at 113 billion francs.

Key figures	6
Commentary on business performance	8
Reconciliation of "Accounting – banks" with IFRS income statement	12

Key figures

PostFinance recorded profit as per the accounting rules for banks (ARB) of 90 million francs in the first half of 2023, which represents a decrease of 63 million francs year-on-year. The decrease in earnings before tax is also reflected in the key figures. Return on equity fell to 3.4 percent and the cost-income ratio rose slightly to 76.4 percent, despite a consistent focus on costs. Measured in terms of eligible core capital, no economic value added was therefore created in the first half of 2023.

The shift by the SNB towards positive policy rates had a direct and appreciable impact on PostFinance's net interest income. On 1 October 2022, PostFinance cancelled customer asset fees for its private and business customers. At the same time, PostFinance suffered a loss of income from negative interest rates on the interbank money market. This was offset by new income from interest on credit balances at the SNB and positive returns from new investment tranches. Long-term interest rates on the capital market rose year-on-year, making it possible to achieve higher returns on financial investments. Since the turnaround to positive policy rates, customer interest rates have already been increased several times, resulting in a sharp rise in costs due to interest payable.

An initial trend towards improved profitability of the company from the projected, gradual normalization of the overall interest margin is in sight.

PostFinance Ltd | Key figures

as of 30.6.2023 with previous year for comparison

		31.12.2022	30.6.2023
Balance sheet			
Total assets as per Accounting – banks	CHF million	114,380	112,723
Capital ratio as per guidelines for systemically important banks	%	21.3	21.5
Going concern leverage ratio	%	4.98	5.08
Gone concern leverage ratio	%	0.56	0.70
Income statement as per Accounting – banks			
		30.6.2022	30.6.2023
Operating income	CHF million	681	616
Operating result	CHF million	156	102
Profit / loss	CHF million	153	90
Return on equity ¹	%	5.1	3.4
Cost-income ratio	%	70.5	76.4
Customer assets and loans			
		31.12.2022	30.6.2023
Customer assets	CHF million monthly average	104,617	105,982
Funds, securities and life insurance ²	CHF million monthly average	15,853	17,455
Customer deposits	CHF million monthly average	88,764	88,527
Development of customer assets	CHF million	-6,097	1,365
Managed assets as per provisions of Circ. 2015/1 ³	CHF million	35,669	38,021
Inflow of new money as managed assets	CHF million	7	1,319
Mortgages ³	CHF million	6,192	6,091
Market and employee key figures			
		30.6.2022	30.6.2023
Customers	In thousands	2,486	2,454
Private customers	In thousands	2,221	2,190
Business customers	In thousands	265	264
E-finance users	In thousands	1,933	1,962
Accounts – private customers	In thousands	3,668	3,601
Accounts – business customers	In thousands	300	289
Average headcount	Full-time equivalents	3,233	3,314
Transactions	In millions	650	675

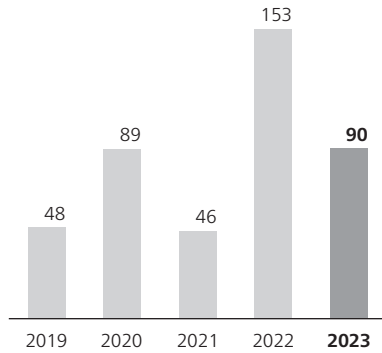
¹ Return on equity = operating result as per ARB / average eligible equity capital as per ARB.

² Commission income in cooperation with financial partners.

³ 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.

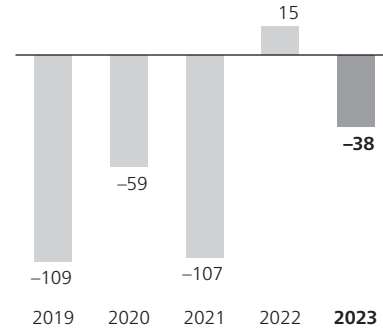
Profit/loss

1.1 to 30.6.2023 with prior-year period
 CHF million



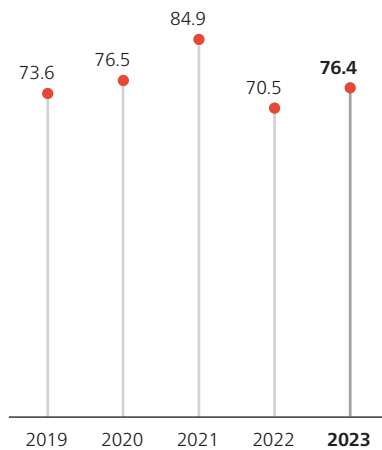
Economic value added

1.1 to 30.6.2023 with prior-year period
 CHF million



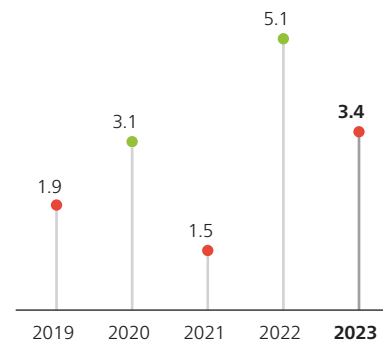
Cost-income ratio

1.1 to 30.6.2023 with prior-year period
 Percent



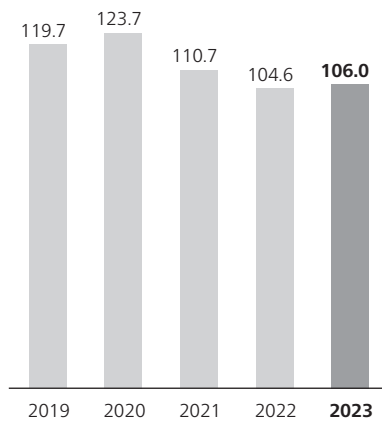
Return on equity

1.1 to 30.6.2023 with prior-year period
 Percent



Average customer assets (monthly avg.)¹

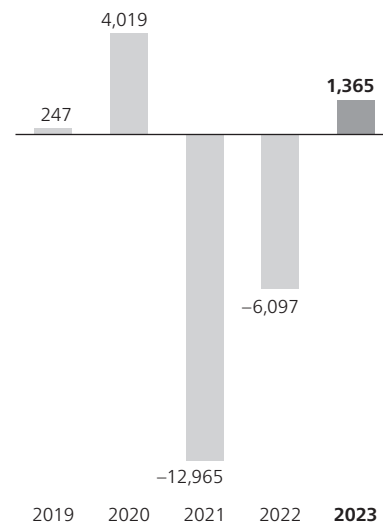
2019 to 2023
 CHF billion



¹ December figure for previous years, current year 30.6.

Growth in customer assets

2019 to 2023
 CHF million



Commentary on business performance

Strategy

Smart banking.
Made for
Switzerland.

PostFinance is a diversified, innovation-driven financial service provider. It offers its customers fresh solutions and smart innovations for their finances. PostFinance simply wants to make banking enjoyable. To do so, it relies on future-oriented tools and technologies it has specially developed or adapted for the Swiss market. PostFinance adopts a highly responsible, careful and sustainable approach to its use of resources and investments.

PostFinance has firmly enshrined corporate responsibility into its strategy. It is an issue that it considers holistically – which means it looks at the environmental, economic and social aspects. PostFinance takes its responsibility seriously and views sustainability as an opportunity to become an even more innovative and diversified financial service provider.

Positioning

By establishing four clearly separate business units focusing on their own activities, PostFinance has consistently geared itself towards customer requirements with the SpeedUp strategy. Each business unit concentrates specifically on its customers' requirements:

- In Payment Solutions, PostFinance is the reliable partner for payment and billing solutions for retailers and invoice issuers in Switzerland.
- In Retail Banking, PostFinance is offering its private and business customers the smartest ways to handle their money – whether physically or digitally.
- In Digital First Banking, PostFinance is further developing a radical new service for “Banking & Beyond” geared entirely to the digital world. In 2021, together with Swissquote, PostFinance launched the digital bank Yuh, which, with more than 150,000 registered users, is already the fastest growing finance app in Switzerland.
- In Platform Business, PostFinance aims to establish the leading independent Swiss comparison and sign-up platform for mortgages.

Assets and financial situation

In the first half of 2023, total assets fell by around 1.7 billion francs. This was due to a 2.9 billion franc reduction in liquid assets. By contrast, higher customer deposits allow greater scope for new commitments to financial investments with medium and long terms to maturity.

Growth in customer assets amounted to 1.4 billion francs in the first half of 2023. Despite adjustments to the policy rate, customer deposits remain stable.

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 2023.

While non-interest-sensitive customer assets such as funds and e-trading saw an increase, the negative fair value fluctuations of 2022 have not yet been fully recouped. Average customer assets in investment products rose by 10 percent year-on-year to around 17.5 billion francs.

Profit situation

PostFinance recorded profit as per the accounting rules for banks (ARB) of 90 million francs in the first half of 2023, which represents a decrease of 63 million francs compared to the prior-year period.

Operating income fell by a total of 65 million francs.

The interest differential business is the most important source of revenue for PostFinance. Net interest income fell by 46 million francs year-on-year. As a result of the SNB's decision in 2022 to take rapid steps to return to positive policy rates after around eight years, relevant factors have changed. The interest rate turnaround enabled PostFinance to lift restrictive measures where negative interest rates were passed on to selected customers in the form of customer asset fees. Customer deposits stabilized in response, giving PostFinance greater scope for new commitments to financial investments.

In the positive interest environment, PostFinance also suffered a loss of income from negative interest rates on the interbank money market. This was offset by new income from interest on credit balances at the SNB and positive returns from new investment tranches. Long-term interest rates on the capital market rose significantly last year, making it possible to achieve higher returns on financial investments.

PostFinance wants its customers to share in the rise in interest rates and has already increased customer interest rates on various products several times, resulting in a sharp rise in costs due to interest payable.

An initial trend towards improved profitability of the company from the projected, gradual normalization of the overall interest margin is in sight.

The pandemic and the switch to the QR-bill appear to have led to a sustained change in customer behaviour towards online banking. Over-the-counter payment transactions fell by 21 percent in the first half of 2023 alone, leading to a deficit in this part of the universal service that is increasing significantly. In the first half of the year, this had a negative impact on PostFinance's result totalling 27 million francs (previous year: 5 million francs).

In turn, PostFinance recorded a decline in both commission business and services and trading portfolio assets. In particular, the accelerated decline in physical payment transactions at Swiss Post branches was not offset by the expansion of the product range – for example, the combination of the PostFinance Card with Debit Mastercard®.

In the course of 2022, geopolitical uncertainties, worldwide interest rate hikes and growing fears of recession weighed on the equity markets. The negative market effects were reflected in both fund assets and e-trading assets. The negative fair value fluctuations of 2022 were not fully recouped by net inflows into investment products, which, in turn, had an impact on portfolio commissions for fund products. Increased uncertainty, due in part to the bankruptcies of a number of American regional banks and as a result of the difficulties faced by Credit Suisse in March 2023, reflects the ongoing subdued mood on the equity markets. As a result, e-trading activities came in below the previous year's level.

Operating expenses were down by 10 million francs.

Personnel expenses increased by 5 million francs due to the higher headcount. The number of full-time equivalents rose by 81 to an average of 3,314. As part of its strategic focus, PostFinance is placing an emphasis on the simplification and digitization of its processes. Vacant positions were therefore only partly filled, while PostFinance focused its investments on new business areas and the specialists they require, in particular in the IT and data-driven company areas. Growth at the IT unit was driven by the internalization of external specialists. As a result of the labour market situation, the shortfall in marketing and sales staff caused by natural turnover was to some extent covered by new specialists.

General and administrative expenses were reduced by around 15 million francs, the result of lower project costs and efficiency improvements achieved through implementation of the strategy.

Income taxes and extraordinary income

No expenses for current income taxes were incurred in 2022 due to the negative statutory result in the previous years (result in accordance with the accounting rules for banks) and the associated loss carryforward. The expected tax burden on the net income in accordance with the ARB for the reporting period is calculated and taken account of in the financial statements. Deferred tax liabilities are calculated at the current tax rate.

Profit

PostFinance recorded profit as per the accounting rules for banks (ARB) of 90 million francs in the first half of 2023, which represents a decrease of 63 million francs year-on-year.

Outlook

PostFinance is operating in a challenging economic and regulatory environment. As interest rates were very low or even negative for years, its interest margin had been eroded. PostFinance particularly welcomes the turn towards a positive interest rate environment, which is also in the interests of its customers.

On 22 June 2023, the National Bank decided to continue tightening its monetary policy, raising the SNB policy rate by 0.25 percentage points to 1.75 percent in an effort to counteract the further increase in inflationary pressure.

Both global growth momentum and the outlook for the coming quarters remain subdued. While inflation has eased somewhat thanks to lower energy prices, it is still well above central bank targets in many countries. Accordingly, numerous central banks have further tightened their monetary policy. Inflation is likely to remain elevated for the time being.

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 2023.

Long-term interest rates on the capital market rose year-on-year, making it possible to achieve higher returns on financial investments. At PostFinance, new investments are made on a continuous basis within a long-term portfolio and along the annual maturities. This means that the increased long-term interest rates will only be reflected in the form of higher income from financial investments in the medium term.

“With higher interest rates, we want to give something back to our customers who have remained loyal to us during the difficult years with zero or even negative rates,” explains Hansruedi Köng, CEO of PostFinance. “As the interest rate situation normalizes, we assume that PostFinance will expand the interest margin to a level of 70 to 80 basis points in the medium term. This is significantly lower than our competitors’ margins, but we want our customers to benefit from the rise in interest rates”. PostFinance is responding to the adjustment of the SNB’s policy rate to 1.75 percent and is raising interest rates on savings and vested benefits accounts once again as of 1 August 2023. If interest rates continue to rise, PostFinance will evaluate further rate increases.

Strategy implementation: important step towards becoming a data-driven company

We want to be even closer to our customers, identify their needs and develop targeted solutions. Because data plays a crucial role in this, we are positioning ourselves as a data-driven company.

PostFinance operates in a dynamic and highly competitive market environment. Growth is only possible if we are innovative and close to our customers. Smart banking is in demand, offering surprising products and impressive services, but also speed and efficiency. This is exactly what our strategy envisages. With Ambition 2030, we have made it our goal to secure and increase our operating profit through new revenue streams. Our analysis and forecasting show that this will largely depend on whether PostFinance manages the leap to becoming a data-driven company. The analysis of data helps us better understand our customers and their requirements, offer individual and personalized service, anticipate developments and improve our processes.

PostFinance already has a great deal of knowledge and technical capability in the area of data. Further reinforcement and targeted expansion of application-oriented competencies are an important part of our strategy implementation, and will be a decisive factor in achieving the goals of Ambition 2030.

PostFinance Pay – easy online shopping

Over the course of 2024, the new PostFinance Pay payment method will be introduced in all online shops that offer PostFinance as a payment method. It replaces the previous “PostFinance Card” and “PostFinance e-finance” payment methods for online shops. Customers can process their transactions easily and conveniently via the PostFinance App, with no need to use the PostFinance Card or reader. The new payment method also forms the basis for PostFinance to continue to press ahead with “invisible payments”. Invisible payments ensure that the payment process takes a back seat, and in the best case scenario even becomes completely automated. This will make payment processes more convenient than ever for customers in the future.

Federal Administrative Court decision

With the decision of the Federal Administrative Court of 30 March 2023, PostFinance now has additional equity in place to cover interest rate risks. Despite the fact that the Federal Supreme Court is still examining whether this requirement is in compliance with the law, its fulfilment does not constitute a significant hurdle for PostFinance and is already reflected in the key figures in the interim financial statements.

Partnerships in the area of digital assets

PostFinance is following developments regarding digital assets very closely and has identified this as a strategic growth area. For this reason, PostFinance entered into a partnership with Sygnum Bank in February 2023 with the aim of launching an independent service for cryptocurrency trading and custody by 2024. Due to the great potential of this field and based on the conviction that Switzerland will need a digital franc in the future, PostFinance is also entering into a partnership with Swiss Stablecoin Ltd (SSC). SSC was founded in 2022 and shares PostFinance’s ambition to create a currency with a digital franc that enables new functions and also enjoys confidence and broad acceptance among the population. In addition, PostFinance is engaged in the initiative launched by the Swiss Bankers Association, which is laying important groundwork by developing a deposit token for the Swiss financial center.

Mortgage lending reinforced

Mortgage lending continues to gain in importance at PostFinance. In addition to its existing refinancing partners, PostFinance is now working with Credit Exchange Ltd (CredEx) and will in future also be using Valuu Pro as a mortgage advice tool. PostFinance advisors now not only offer products from Valiant and Münchener Hypothekenbank – with CredEx as a new partner, they also have access to offers from a total of 17 refinancing partners.

Reconciliation of “Accounting – banks” with IFRS income statement

PostFinance Ltd reports to the Group in accordance with International Financial Reporting Standards (IFRS) and draws up its financial statements based on the FINMA Accounting Ordinance together with FINMA Circular 2020/1 “Accounting – banks” (ARB).

PostFinance issues statements in the statutory form in accordance with the accounting rules under banking law (articles 25–28 of the Banking Ordinance, the FINMA Accounting Ordinance and FINMA Circular 2020/1 “Accounting – banks”).

The other external publications of PostFinance Ltd on the capital adequacy statements are also based on the accounting rules under banking law. Internally, there is a dual reporting system in place based on IFRS consolidated accounting standards and accounting rules for banks.

The table below shows the differences between the two accounting standards in the income statement. It reconciles operating profit (EBIT) for the first half of the year, financial services segment as per Group IFRS guidelines with PostFinance profit as per “Accounting –banks”.

PostFinance Ltd Reconciliation of profit	2022 1.1 to 30.6	2023 1.1 to 30.6
CHF million		
PostFinance segment operating profit (EBIT) as per IFRS before fees and net cost compensation	164	125
Management / licence fees / net cost compensation	–10	–5
PostFinance segment operating profit (EBIT) as per IFRS after fees and net cost compensation	154	120
Net income from associates and joint ventures	–3	–4
Net financial income	–18	–13
PostFinance segment earnings before tax (EBT)	133	103
Income taxes	–25	–19
PostFinance segment profit	108	84
Consolidation effects from associates and joint ventures	3	2
PostFinance Ltd profit before reconciliation	111	86
Valuation differences for financial assets	11	4
Reversal of impairment / impairment on financial assets and receivables, incl. taxes	0	0
Realized gains from (earlier than scheduled) repayments	6	0
Valuation differences between IAS 19 and Swiss GAAP ARR 16	4	–4
Valuation differences, IFRS 16 Leases	0	0
Depreciation of revalued real estate	–2	–1
Valuation differences for participations	–2	–3
Realized gains from participations	0	0
Adjustment of current and deferred tax effects as per IFRS	25	8
PostFinance Ltd profit as per Accounting – banks	153	90

Statutory interim financial statements

PostFinance issues interim financial statements in accordance with the accounting rules under banking law (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 2023 indicate earnings after tax of 90 million francs.

Balance sheet	14
Off-balance sheet	15
Income statement	16

Balance sheet

PostFinance Ltd | Balance sheet as per Accounting – banks

CHF million	31.12.2022	30.6.2023
Assets		
Liquid assets	36,567	33,648
Amounts due from banks	3,413	3,013
Amounts due from securities financing transactions	10	10
Amounts due from customers	11,464	12,010
Mortgage loans	0	0
Trading portfolio assets	–	–
Positive replacement values of derivative financial instruments	1,179	1,110
Other financial instruments at fair value	–	–
Financial investments	60,222	61,382
Accrued income and prepaid expenses	296	365
Participations	131	125
Tangible fixed assets	1,039	1,015
Intangible assets	6	6
Other assets	53	39
Total assets	114,380	112,723
Total subordinated claims	14	13
of which subject to mandatory conversion and / or debt waiver	2	2
Liabilities		
Amounts due to banks	1,284	1,540
Liabilities from securities financing transactions	15,626	12,550
Amounts due in respect of customer deposits	90,413	91,603
Trading portfolio liabilities	–	–
Negative replacement values of derivative financial instruments	23	24
Liabilities from other financial instruments at fair value	–	–
Cash bonds	11	62
Bond issues and central mortgage institution loans	–	–
Accrued expenses and deferred income	77	154
Other liabilities	615	562
Provisions	40	37
Reserves for general banking risks	–	–
Bank's capital	2,000	2,000
Statutory capital reserve	4,330	4,140
of which tax-exempt capital contribution reserve	4,330	4,140
Statutory retained earnings reserve	–	–
Voluntary retained earnings reserves	–	–
Profit / loss carried forward	–229	–39
Profit / loss	190	90
Total liabilities	114,380	112,723
Total subordinated liabilities	253	442
of which subject to mandatory conversion and / or debt waiver	253	442

Off-balance sheet

PostFinance Ltd | Off-balance-sheet transactions

CHF million	31.12.2022	30.6.2023
Off-balance-sheet transactions		
Contingent liabilities	63	54
Irrevocable commitments	822	970
Obligations to pay up shares and make further contributions	–	–
Credit commitments	–	–

Income statement

PostFinance Ltd | Income statement as per Accounting – banks

CHF million	2022 1.1 to 30.6	2023 1.1 to 30.6
Interest and discount income	58	299
Interest and dividend income from trading portfolios	–	–
Interest and dividend income from financial investments	104	132
Interest expense	136	–178
Gross result from interest operations	298	253
Changes in value adjustments for default risks and losses from interest operations	2	1
Net result from interest operations	300	254
Commission income from securities trading and investment activities	49	44
Commission income from lending activities	11	10
Commission income from other services	321	300
Commission expense	–174	–165
Result from commission business and services	207	189
Result from trading activities and the fair value option	110	105
Result from the disposal of financial investments	–	–
Income from participations	5	4
Result from real estate	32	33
Other ordinary income	27	31
Other ordinary expenses	–	–
Other result from ordinary activities	64	68
Operating income	681	616
Personnel expenses	–231	–236
General and administrative expenses	–249	–234
Operating expenses	–480	–470
Value adjustments on participations and depreciation and amortization of tangible fixed assets and intangible assets	–40	–39
Changes to provisions and other value adjustments, and losses	–5	–5
Operating result	156	102
Extraordinary income	0	–
Extraordinary expenses	–	0
Changes in reserves for general banking risks	–	–
Taxes	–3	–12
Six-month profit	153	90

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