



Interim Report 2021  
January to June

**PostFinance** 

# Surpassing support

With more than 2.6 million customers and customer assets of around 117 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.

Over 1.9 million customers have access to e-finance and around 1 million are registered with PF Mobile. This makes PostFinance the ideal partner for everyone who wants to manage their own finances as easily as possible.



51 million

francs in **earnings before tax (EBT)** as at 30 June 2021.



117 billion

francs represents the level of **average monthly customer assets** as at June 2021.



2.6 million

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



1.9 million

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



3,233

**full-time equivalents** or 3,628 employees work daily to serve our customers.



# Interim Report

January to June 2021

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With our modernized range of retail services, we want to make banking as easy and convenient as possible for our customers.

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#### Foreword

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**Rolf Watter**

Chairman of the Board of Directors

**Hansruedi Köng**

Chief Executive Officer

#### Dear Reader

PostFinance generated earnings before tax (EBT) as per Group IFRS guidelines of 51 million francs in the first half of 2021. This represents an increase of 13 million francs or 34 percent year-on-year. As a result of the negative interest rates in some cases on the financial and capital markets, the lending prohibition means that we can find virtually no profitable investment opportunities for our customer deposits. Net interest income fell by around a further 20 million francs.

Due to the continuing pressure on our interest operations, we are increasingly obliged to pass on the negative market interest rates to our customers. In the course of 2021, the exemption limits for private and business customer credit balances will therefore be adjusted.

The result from commission business increased as a result of the expansion of the range of investment products and revenue from e-trading and life insurance.

The result from trading activities rose by 26 million francs due to higher income from foreign exchange trading and fair value changes in the result from trading portfolios. The result from financial assets fell by 11.4 million francs, because of the positive impact in the previous year of early repayments of financial investments. Personnel expenses rose by 2 million francs year-on-year due to higher social security benefits and pension expenses. General and administrative expenses fell by 5 million francs as a result in particular of both lower marketing and communication expenses and lower capital tax.

Our customers have again been doing significantly less travelling in the first half of 2021. As a result, we are seeing a shift in revenues from currency conversion: while cash withdrawals in foreign currencies at ATMs at home and abroad and customer foreign exchange transactions carried out abroad have suffered an appreciable decline, the number of cashless giro transactions abroad has increased.

The use of credit cards again increased slightly year-on-year, but remains below our expectations due to the limitations on travel during the coronavirus pandemic. Overall, the impact of the coronavirus pandemic on the result for the first half of 2021 totalled around 31 million francs.

#### **Modernized range of services in retail banking**

We want to make banking as easy and convenient as possible for our customers. That is why we have completely redesigned our range of services for our retail customers in the first half of 2021.

At the beginning of March, we launched the new PostFinance App. This led to a great deal of reaction in the first few weeks. Some customers missed the previous design, the fast service feature and various functionalities. However, the fact that we are on the right track with the new app and that users have been quick to familiarize themselves with it is clear from the sharp rise in user numbers. In an update at the beginning of June, we introduced many additional functionalities, and further updates will follow in the course of the year.

At the end of March, we announced the introduction on 1 July of our Smart and SmartPlus banking packages, with which we bundle our accounts and services together and create greater transparency. For a fixed monthly price, our customers receive everything they need for the smartest way to manage their money, tailored to their individual requirements. Customers who do their banking online, have assets of at least 25,000 francs, a mortgage or a life insurance policy with PostFinance can save some or all of the fees.

#### **Launch of Yuh**

As the growing numbers of neobank users show, there is a great deal of demand for lean solutions of this kind, which are often also free. This is a need we only partially cover with our very comprehensive range of retail services. That is why in mid-May, together with Swissquote, we launched our joint digital banking app Yuh. With Yuh, we offer our customers a tool on their smartphone with the freedom and flexibility to manage their money just the way they want to. And with well-known partners in the background they can trust.

The really revolutionary thing about Yuh is its 3-in-1 mix: with the app on their smartphone, customers can not only make payments and save for projects, goals or wishes, they can also invest large or very small sums of money – in more than 100 of the world's most popular shares, ETFs, trending themes or 13 selected cryptocurrencies. With this service, we have our finger on the pulse of the times: after only three weeks, Yuh already had 10,000 active Yuhers.

#### **Thank you**

The coronavirus crisis continues to have a huge impact on our daily working lives. For almost a year and a half, a large part of our workforce has been working from home. The implementation of our new SpeedUp strategy at the beginning of March also involved a transition to a new structural and operational organization. This meant changes for many employees and resulted in a reduction in headcount. Even during these times of change and uncertainty, we were able to rely on employees who do their utmost every day to ensure that our company succeeds and our customers are satisfied. For that they deserve our thanks and recognition.

We would also like to thank you, our valued customers, for your loyalty and trust in us. The coronavirus pandemic has greatly accelerated the process of digitization in various areas of life. In banking, this is reflected in markedly higher demand for simple digital products and services. Our new strategy takes account of this trend, focusing even more consistently on these requirements. But we have not forgotten those customers who wish to continue managing their finances via physical channels.



**Rolf Watter**  
Chairman of the  
Board of Directors



**Hansruedi König**  
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

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PostFinance is one of Switzerland's leading financial institutions and is a reliable partner for more than 2.6 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 608 million transactions in the first half of 2021.

PostFinance employed 3,628 staff. This corresponds to 3,233 full-time equivalents.

In the first half of 2021, PostFinance recorded an operating profit (EBIT) of 69 million francs and generated earnings before tax (EBT) of 51 million francs. Total assets stood at 126 billion francs.

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## Key figures

PostFinance generated earnings before tax (EBT) as per Group IFRS guidelines of 51 million francs in the first half of 2021, which represents an increase of 13 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 rose slightly to 1.7 percent and the cost-income ratio is high at 88.3 percent, despite a consistent focus on costs. No economic value added was generated in the first half of 2021. 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 has had to reduce the exemption limits for customer asset fees several times in the past. As expected, these measures resulted in an outflow of customer deposits and in some cases in a transfer of assets to funds and securities investments. In the first half of 2021, total assets rose by around 8.3 billion francs. This is exclusively due to increased activity in the interbank money market.

### PostFinance Ltd | Key figures

as of 30.6.2021 with previous year for comparison

		31.12.2020	30.6.2021
<b>Balance sheet</b>			
Total assets as per IFRS	CHF million	117,393	125,653
Capital ratio as per guidelines for systemically important banks	%	19.1	19.1
Going concern leverage ratio <sup>1</sup>	%	7.34	4.56
Gone concern leverage ratio	%	0.28	0.42
<b>Income statement (as per Group IFRS guidelines)</b>			
Operating income	CHF million	579	588
Operating profit (EBIT)	CHF million	58	69
Earnings before tax (EBT)	CHF million	38	51
Return on equity <sup>2</sup>	%	1.3	1.7
Cost-income ratio	%	90.0	88.3
<b>Customer assets and loans</b>			
Customer assets	CHF million monthly average	123,679	116,742
Funds, securities and life insurance <sup>3</sup>	CHF million monthly average	14,490	17,129
Customer deposits	CHF million monthly average	109,189	99,613
Development of customer assets	CHF million	4,019	-6,936
Managed assets as per provisions of Circ. 2015/1 <sup>4</sup>	CHF million	43,642	41,761
Inflow of new money as managed assets	CHF million	-3,074	-3,180
Mortgages <sup>3</sup>	CHF million	6,039	6,120
<b>Market and employee key figures</b>			
Customers	In thousands	2,706	2,629
Private customers	In thousands	2,430	2,357
Business customers (incl. banks and agencies)	In thousands	276	272
E-finance users	In thousands	1,832	1,918
Accounts – private customers	In thousands	3,997	3,820
Accounts – business customers	In thousands	358	347
Average headcount	Full-time equivalents	3,238	3,233
Transactions	In millions	569	608

1 Due to the measures taken by the SNB in relation to COVID loans, the going and gone concern leverage ratios were reported separately in 2020 from March:

<sup>1</sup>- going concern: eligible tier 1 capital / (total exposure – SNB giro loans).

<sup>1</sup>- gone concern: eligible tier 1 capital / total exposure

From 2021 the temporary easing for the leverage ratio was discontinued. The reported leverage ratio meets the going and gone concern requirements.

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

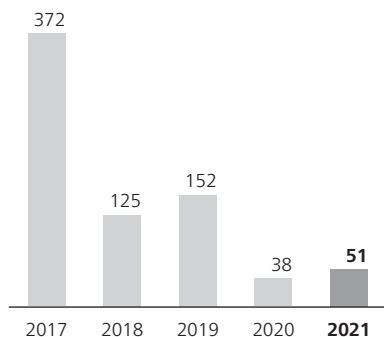
3 Commission income in cooperation with financial partners.

4 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.



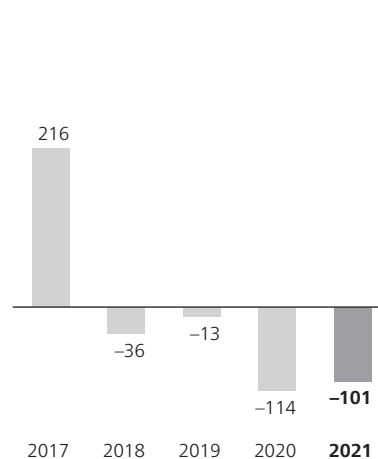
### Earnings before tax (EBT)

1.1. to 30.6.2021 with prior-year period  
 CHF million



### Economic value added<sup>1</sup>

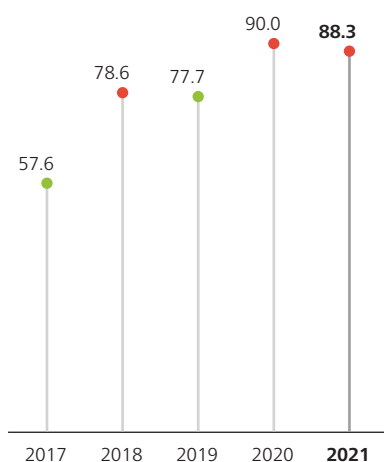
1.1. to 30.6.2021 with prior-year period  
 CHF million



<sup>1</sup> 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.

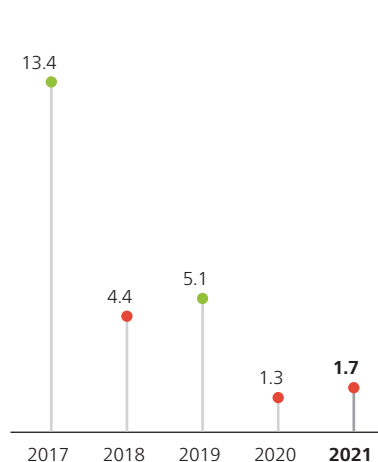
### Cost-income ratio

1.1. to 30.6.2021 with prior-year period  
 Percent



### Return on equity<sup>2</sup>

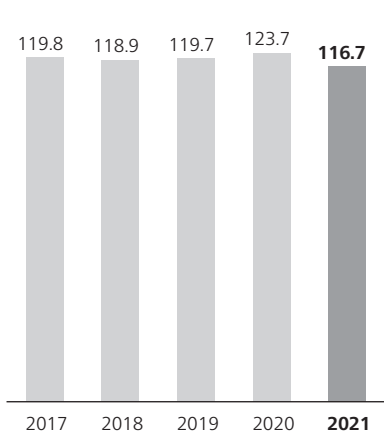
1.1. to 30.6.2021 with prior-year period  
 Percent



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

### Average customer assets<sup>3</sup> (monthly avg.)

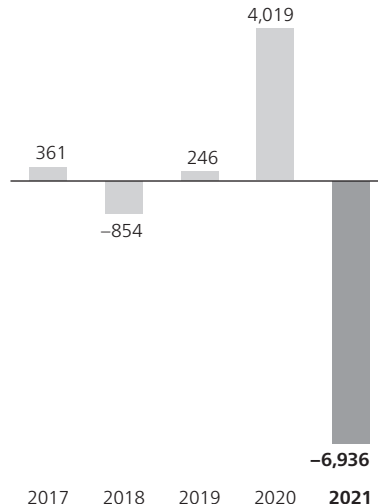
2017 to 2021  
 CHF billion



<sup>3</sup> 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 assets<sup>4</sup>

2017 to 2021  
 CHF million



<sup>4</sup> 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.

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## Commentary on business performance

### Strategy

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PostFinance –  
a reliable partner.

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PostFinance is a diversified, innovation-driven financial service provider. We offer our customers fresh solutions and smart money-related innovations. We rely on future-oriented tools and technologies that we've specially developed or adapted for the Swiss market. We adopt a highly responsible, careful and sustainable approach to our use of resources and investments.

### General developments

The winter of 2020/21 fell very much under the shadow of the second wave of coronavirus. In the service sectors directly affected, more stringent containment measures – up to and including company closures – were accompanied by marked declines in value added. The fact that there was no slump in GDP comparable to that in the first half of 2020 is largely due to extremely positive development in the manufacturing sector, which benefited from rising demand in important trading partner countries. As expected, the gradual easing at the beginning of March was followed by a rapid recovery in the domestic economy, with retail sales rising sharply as high streets reopened.

A SECO Expert Group expects strong growth in Swiss GDP in the second half of this year. Provided that the steps to ease the restrictions can be implemented as envisaged, the economic recovery is likely to continue and broaden over the remainder of the year. The conditions for a rapid upswing are in place. The comprehensive stabilization measures have limited the impact of the crisis on the labour market and on household purchasing power. Given the limited consumption options in 2020, some households are likely to have accumulated additional savings, which will boost private consumption. For companies, the indicators are also encouraging. In the consumer sectors in particular, which were severely restricted over an extended period due to the pandemic, substantial catch-up effects are likely to materialize in the course of 2021.

At the same time, rising global demand should bolster the Swiss export economy: in the United States, a lively continuation of the recovery can be expected, and the euro area should also see substantial growth in economic activity as the coronavirus measures are gradually eased. In view of increasingly well utilized capacities, an expansion of domestic investment in plant and equipment can be expected. Construction investments will likely trend sideways at a high level, bolstered by brisk demand for residential property and good financing conditions. In addition, positive momentum can be expected from government consumption, the result of extraordinary spending during the course of the coronavirus pandemic, particularly in connection with the testing strategy and the vaccination campaign.

The Swiss National Bank (SNB) is maintaining its expansionary monetary policy, with the aim of stabilizing price developments and further supporting the recovery of the Swiss economy from the consequences of the coronavirus pandemic. Interest on sight deposits held by banks at the SNB currently corresponds to the SNB policy rate and remains at –0.75 percent.

## Assets and financial situation

In the year under review, total assets rose by around 8.3 billion francs. This is mainly due to increased activity in the interbank money market. Growth in customer assets amounted to –6.9 billion francs in the first half of 2021.

Charging of customer asset fees had to be maintained due to the negative interest rates on sight deposit balances at the SNB. As a result of continuing pressure on our interest operations, PostFinance is increasingly obliged to pass on the negative market interest rates to our customers. In the second half of the year, the exemption limits for private and business customer credit balances will be adjusted individually. As expected, these measures, or rather the announcement of them, resulted in some cases in an outflow of customer deposits and a transfer of assets to funds and securities investments.

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 2021. PostFinance provides services in the commission business such as funds, e-trading, life insurance and credit cards in cooperation with partners. The level of interest in the investment options introduced in May 2020 was encouraging. Average customer assets in investment products rose by more than 18 percent year-on-year to some 17 billion francs.

## Profit situation

PostFinance generated earnings before tax (EBT) of 51 million francs in the first half of 2021, which represents an increase of 13 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. Net interest income fell by around 20 million francs, despite impairments in the first half of 2020 which were not incurred in 2021.

Net income from services remained unchanged despite price adjustments for cash inpayments at the counter with effect from mid-2020. Higher income from cash inpayments was offset by an accelerated decline in transactions and lower capacity utilization at branches operated by Swiss Post. Account management fees fell slightly due to the decrease in the number of accounts.

The result from commission business increased due to the expansion of the range of investment products and revenue from e-trading and life insurance. While income from the use of credit cards again increased slightly year-on-year, it remains below our expectations due to the limitations on travel caused by the coronavirus crisis.

The result from trading activities rose by 26 million francs due to higher income from foreign exchange trading and fair value changes in the result from trading portfolios. Net income from financial assets fell by 11 million francs, because of the positive impact in the previous year of early repayments of financial investments.

Our customers have again been doing significantly less travelling in the first half of 2021. With regard to revenues from currency conversions, we are seeing a general shift away from cash transactions from customer foreign exchange transactions and cash withdrawals in foreign currencies from ATMs at home and abroad towards cashless giro transactions abroad. Overall, the impact of the coronavirus pandemic on the result for the first half of 2021 totalled around 31 million francs.

Average headcount stood at 3,233 full-time equivalents, down by five full-time equivalents year-on-year. 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 is focusing its investments on new business areas and the skills and resources they require. Personnel expenses rose slightly year-on-year due to higher pension expenses and social security benefits. General and administrative expenses fell, partly as a result of lower marketing and communication expenses.

## Outlook

Coronavirus and the measures implemented to contain it continue to shape the global economy more than a year after the outbreak of the pandemic. In many places, the situation with regard to the pandemic has eased in recent months and vaccination programmes are making progress. The containment measures in place in many countries have therefore been gradually relaxed accordingly over the past few weeks. However, the after-effects of the pandemic will continue to weigh on demand for some time, and the utilization of global production capacities is therefore likely to normalize only gradually. This scenario for the global economy is subject to a great deal of uncertainty. On the one hand, further waves of infection could slow the economy once again. On the other, the monetary and fiscal policy measures implemented could support the recovery more strongly than we anticipate, as could a rapid improvement in consumer and business sentiment.

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 SNB's negative key interest rates therefore increasingly have to be 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 can therefore be ruled out at present.

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. The competitive disadvantage that it faces in not being able to issue its own loans and mortgages is becoming increasingly pronounced.

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. Our society, and with it the banking world, is rapidly becoming more and more digital. As a leading Swiss financial institution, we are driving the digital transformation in payment transactions and retail banking. We're also creating innovative solutions in Digital First Banking and expanding our range of services in the Platform Business.

### **Partial revision of the Postal Services Organization Act: another important step**

At the end of June 2021, the Federal Council adopted its proposal for a partial revision of the Postal Services Organization Act. This signals the beginning of the next phase in the political process. In its published bill, the Federal Council is proposing three major amendments to the Postal Services Organization Act to Parliament:

- The lifting of the lending and mortgage prohibition: this constitutes a key factor in ensuring PostFinance's long-term profitability and competitiveness.
- A temporary capitalization guarantee: because PostFinance is unable to achieve industry-standard profitability under the current circumstances, full provision of the additional equity capital for emergencies required by FINMA is not possible. Nor is it possible for Swiss Post to inject the required capital.
- The possible privatization of PostFinance: Swiss Post and PostFinance welcome the Federal Council's effort with the bill to clarify the future regulatory framework for PostFinance as quickly as possible. However, before the question of ownership of PostFinance can be settled, the structure and financing of the universal service must be defined. A commission of experts convened by the Federal Council is currently looking into the political issues surrounding the public service (scope of the universal postal service and the universal service for payment transactions).

In addition, the bill stipulates that PostFinance should allocate an economically feasible proportion of its total lending and mortgage volume to the promotion of Switzerland's CO<sub>2</sub> reduction targets. Together with Swiss Post, we are prepared to set out this approach in detail, but wish to point out that the issue of loans and mortgages must be based on risk criteria and must contribute to the stabilization of business activities.



With the publication of the bill by the Federal Council, the parliamentary process will now begin. The Council of States and the National Council will look into the proposal in the coming months. As things stand today, the law will come into force in 2023 at the earliest.

With these measures, the Federal Council wants to help shape the future viability of PostFinance. Together with Swiss Post, we welcome this step. PostFinance's ability to influence this process is limited. However, with the consistent implementation of our SpeedUp strategy, we are laying the foundation for the future of PostFinance and ensuring relevance and economic viability under the current regulatory framework with a clear focus on smart banking.

# 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”.

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## Balance sheet

### PostFinance Ltd | Balance sheet as per Group IFRS guidelines

CHF million	31.12.2020	30.6.2021
<b>Assets</b>		
Cash and cash equivalents	1,414	1,302
Amounts due from banks	37,090	46,204
Interest-bearing amounts due from customers	878	912
Trade accounts receivable	18	74
Other receivables	404	383
Inventories	2	1
Non-current assets held for sale	5	–
Financial investments	76,508	75,713
Participations	8	29
Tangible fixed assets	385	384
Investment property	262	263
Intangible assets	127	123
Right-of-use assets	52	48
Deferred tax assets	240	217
<b>Total assets</b>	<b>117,393</b>	<b>125,653</b>
<b>Liabilities</b>		
Customer deposits	109,642	100,131
Other financial liabilities	1,140	18,972
Trade accounts payable	62	46
Other liabilities	116	150
Income tax liabilities	0	0
Provisions	304	214
Deferred tax liabilities	102	101
Equity	5,923	5,989
Profit	104	50
<b>Total liabilities</b>	<b>117,393</b>	<b>125,653</b>

## Income statement

<b>PostFinance Ltd   Income statement as per Group IFRS guidelines</b>		
CHF million	2020 1.1.–30.6.	2021 1.1.–30.6.
Net interest income, net of impairment	270	251
Net income from services	101	100
Net commission income	69	81
Net trading income	74	100
Net income from financial assets	0	-11
Other net income	65	67
<b>Operating income</b>	<b>579</b>	<b>588</b>
Personnel expenses	-239	-241
General and administrative expenses	-243	-238
<b>Operating expenses</b>	<b>-482</b>	<b>-479</b>
<b>Gross profit (EBDIT)</b>	<b>97</b>	<b>109</b>
Depreciation of fixed assets	-39	-40
<b>Operating profit (EBIT)</b>	<b>58</b>	<b>69</b>
Net financial income	-20	-18
<b>Earnings before tax (EBT)</b>	<b>38</b>	<b>51</b>
Expenses for current taxes	-	1
Expenses for deferred taxes	17	-2
Expenses for non-reclaimable withholding tax	-	0
<b>Income taxes</b>	<b>17</b>	<b>-1</b>
<b>Profit</b>	<b>55</b>	<b>50</b>



## 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 et seq. of the Banking Act, article 25 et seq. 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		2020	2021
CHF million		1.1.–30.6.	1.1.–30.6.
<b>Profit as per Group IFRS guidelines</b>		<b>55</b>	<b>50</b>
Various items of net income	Valuation differences for financial investments as per Accounting – banks	14	2
Changes in value adjustments for default risks and losses from interest operations	Reversal of impairment on / impairment of loans, financial investments and receivables	–	0
Result from the disposal of financial investments	Realized gains from (earlier than scheduled) sales	–6	4
Personnel expenses	Valuation differences between IAS 19 and Swiss GAAP ARR 16	46	–8
Value adjustments on participations and depreciation and amortization of tangible fixed assets and intangible assets	Revalued real estate	–2	–2
Various income statement items	Valuation differences for participations as per Accounting – banks	–1	0
	Leases as per IFRS 16	0	0
Extraordinary income / extraordinary expenses	Realized gains from participations	–	–2
Taxes	Deferred tax income as per Group IFRS guidelines	–16	2
<b>Interim profit as per Accounting – banks</b>		<b>89</b>	<b>46</b>

# Statutory interim financial statements

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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 2021 indicate earnings after tax of 46 million francs.

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## Balance sheet

### PostFinance Ltd | Balance sheet as per Accounting – banks

CHF million	31.12.2020	30.6.2021
<b>Assets</b>		
Liquid assets	38,308	47,274
Amounts due from banks	3,655	3,651
Amounts due from securities financing transactions	–	–
Amounts due from customers	12,527	11,900
Mortgage loans	0	0
Trading portfolio assets	–	–
Positive replacement values of derivative financial instruments	232	137
Other financial instruments at fair value	–	–
Financial investments	60,477	60,620
Accrued income and prepaid expenses	315	324
Participations	106	128
Tangible fixed assets	1,121	1,101
Intangible assets	–	8
Other assets	448	298
<b>Total assets</b>	<b>117,189</b>	<b>125,441</b>
Total subordinated claims	12	9
of which subject to mandatory conversion and / or debt waiver	–	–
<b>Liabilities</b>		
Amounts due to banks	1,026	1,721
Liabilities from securities financing transactions	22	16,652
Amounts due in respect of customer deposits	109,340	100,325
Trading portfolio liabilities	–	–
Negative replacement values of derivative financial instruments	330	346
Liabilities from other financial instruments at fair value	–	–
Cash bonds	12	10
Bond issues and central mortgage institution loans	–	–
Accrued expenses and deferred income	108	144
Other liabilities	71	52
Provisions	51	44
Reserves for general banking risks	–	–
Bank's capital	2,000	2,000
Statutory capital reserve	4,682	4,553
of which tax-exempt capital contribution reserve	4,682	4,553
Statutory retained earnings reserve	–	–
Voluntary retained earnings reserves	–	–
Profit / loss carried forward	–582	–452
Profit / loss	129	46
<b>Total liabilities</b>	<b>117,189</b>	<b>125,441</b>
Total subordinated liabilities	203	203
of which subject to mandatory conversion and / or debt waiver	203	203

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## Off-balance sheet

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### PostFinance Ltd | Off-balance-sheet transactions

CHF million	31.12.2020	30.6.2021
<b>Off-balance-sheet transactions</b>		
Contingent liabilities	75	90
Irrevocable commitments	1,109	1,066
Obligations to pay up shares and make further contributions	–	–
Credit commitments	–	–



## Income statement

### PostFinance Ltd | Income statement as per Accounting – banks

CHF million	2020 1.1.-30.6.	2021 1.1.-30.6.
Interest and discount income	65	58
Interest and dividend income from trading portfolios	–	–
Interest and dividend income from financial investments	148	116
Interest expense	66	76
<b>Gross result from interest operations</b>	<b>279</b>	<b>250</b>
Changes in value adjustments for default risks and losses from interest operations	–15	2
<b>Net result from interest operations</b>	<b>264</b>	<b>252</b>
Commission income from securities trading and investment activities	41	47
Commission income from lending activities	11	10
Commission income from other services	288	304
Commission expense	–174	–182
<b>Result from commission business and services</b>	<b>166</b>	<b>179</b>
<b>Result from trading activities and the fair value option</b>	<b>89</b>	<b>96</b>
Result from the disposal of financial investments	3	–
Income from participations	3	3
Result from real estate	32	32
Other ordinary income	31	32
Other ordinary expenses	–	–
<b>Other result from ordinary activities</b>	<b>69</b>	<b>67</b>
<b>Operating income</b>	<b>588</b>	<b>594</b>
Personnel expenses	–193	–249
General and administrative expenses	–257	–255
<b>Operating expenses</b>	<b>–450</b>	<b>–504</b>
Value adjustments on participations and depreciation and amortization of tangible fixed assets and intangible assets	–38	–40
Changes to provisions and other value adjustments, and losses	–6	–5
<b>Operating result</b>	<b>94</b>	<b>45</b>
Extraordinary income	0	3
Extraordinary expenses	0	–
Changes in reserves for general banking risks	–	–
Taxes	–5	–2
<b>Six-month profit</b>	<b>89</b>	<b>46</b>

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**PostFinance** 