

financial statements

H1 2023

one swiss bank



SWISS
BANK

ONE swiss bank SA

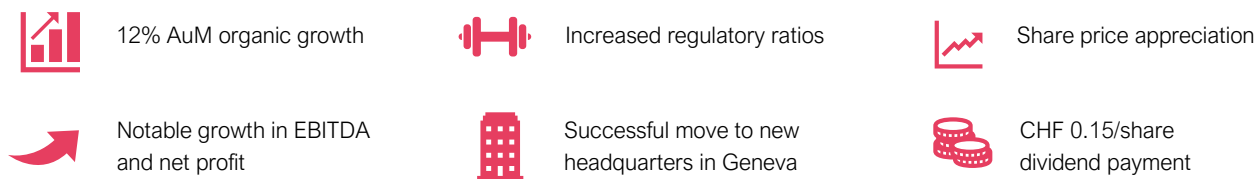
H1 2023 financial statements

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1. MANAGEMENT REPORT

H1 2023 highlights



Grégoire Pennone, CEO, ONE swiss bank

“Following the successful completion of our turnaround last year, we’re pleased to share our latest financial achievements with you today. Earnings before interest, taxes, depreciation and amortisation (EBITDA) in the first six months of the year increased by a substantial 528%, i.e. by CHF 6.73 million, demonstrating our continued focus on profitability. We’ve also seen a significant increase in net profit to CHF 5.81 million, which was CHF 6.66 million higher than in the same period last year. These positive performance indicators show that our business is well positioned to grow in the current environment.

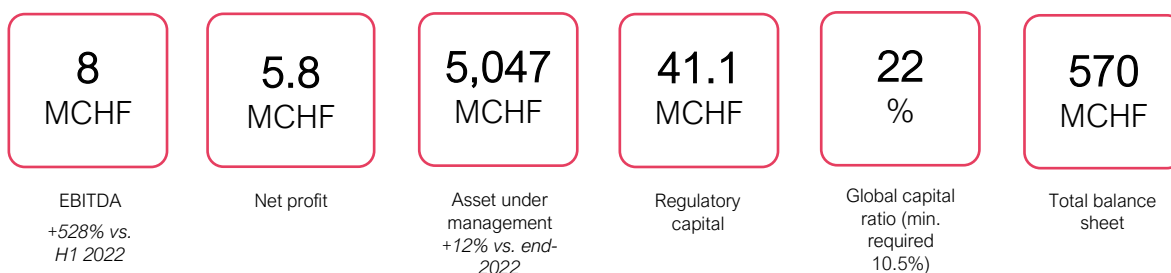
Back in 2022, we restructured in testing macroeconomic conditions, preventing us from achieving notable organic growth. But it was also a time when we started deploying our growth strategy. During the reviewed period, assets under management rose by CHF 533 million to CHF 5.05 billion in the first half of the year, driven by CHF 456 million in net new money. Additionally, our regulatory capital was strengthened by CHF 5.3 million to stand at CHF 41.1 million, placing us on a firm footing in an ever-evolving banking landscape. Encouragingly, ONE’s share price has appreciated significantly over the last six months, both in absolute terms and relative to the Swiss banking sector.

We have weathered recent crises profitably by managing our treasury assets soundly, resulting in a highly liquid balance sheet. We are confident that our forward-looking and agile approach will enable us to capitalise on the exciting opportunities that lie ahead in the second half of 2023. Our history of acquisitions, always with a view to driving positive change, gives us the expertise and pragmatic management mindset to undertake various categories of transaction, which is quite rare for an institution of our size, while at the same time continuing to grow organically.

Besides that, sustainability remains a key focus and we need to embrace this theme faster and more broadly. We signed up to the UN Principles for Responsible Investment (PRI) in 2022 and will undertake our first reporting exercise in H2 2023. We’re looking to broaden our range of ESG products and services for institutional and private clients, having laid the foundations for our responsible investment strategy over the past six months.

Last month was a momentous occasion as we held several events to celebrate the grand opening of our new headquarters in Geneva. In addition to family and friends, we welcomed distinguished guests including local authorities, including two State Councillors, our valued clients and trusted business partners. The move is an important milestone in our development and was completed in a very short time. We now have the ideal premises in which to continue redefining the shape of tomorrow’s Swiss bank.”

H1 2023 selected financials



6-to-12 month outlook



Expanding our sustainable investing offering



Continuing to leverage on our M&A expertise



Maintaining current growth and profitability trends



Creating value for all our stakeholders

2. H1 2023 KEY FINANCIALS

Key financials

Reported results (in CHF unless otherwise specified)
True-and-fair-view principle

	H1 2023	H1 2022	Δ
<u>Income statement</u>			
Revenues			
Net result from interest operations	10'886'729	3'044'468	
Result from commission business and services	8'825'940	8'699'216	
Result from trading activities and the fair value option	-385'048	1'384'360	
Result from ordinary activities	1'399'381	-895'650	
Total revenues	20'727'002	12'232'394	69%
Operating expenses	-12'718'031	-10'957'540	16%
Operating result (EBITDA)	8'008'971	1'274'854	528%
EBITDA margin	38.6%	10.4%	
Cost/income ratio (%)	61.4%	89.6%	-69%
Depreciation, amortisation, extraordinary items & taxes (A)	-2'198'175	-2'121'981	4%
Net profit / (loss)	5'810'796	-847'127	786%
Earnings per share	0.38	-0.06	

(A): Including goodwill amortisation expenses resulting from the merger with One Swiss Bank SA completed on 1 June 2021.

Net profit totalled CHF 5.81 million in H1 2023, resulting from:

- A 69% increase in revenue to CHF 20.7 million (vs. CHF 12.2 million in 2022) mainly due to higher interest rates.
- An increase in AuM mainly due to positive net inflows across all business lines (+CHF 456 million): Wealth Management +14.51%, Asset Management +4.19% and Asset Services +14.25%. Market effects were also positive in the first half 2023 (+CHF 89 million).
- A 258% increase in interest transactions in H1 2023, resulting from the positive rate environment.
- A positive trend in the cost/income ratio, which improved to 61.4% in H1 2023 (vs. 89.6% in the first half 2022).
- A strong operating profit (EBITDA) of CHF 8 million, covering depreciation and amortisation costs of CHF 2.2 million, of which CHF 1.9 million related to goodwill.

	H1 2023	End-2022	Δ
<u>Balance sheet</u>			
Total assets	569'805'305	682'232'375	-17%
Total liabilities	522'017'098	637'854'023	-18%
Total equity	47'788'207	44'378'352	8%
<u>Regulatory ratio</u>			
CET1 ratio (%)	21.1%	17.7%	19%
Global capital ratio (%)	22%	18.5%	19%
Regulatory capital (CHF thousands)	41'145	35'848	15%
Liquidity coverage ratio (LCR) (Q average %)	380%	354%	7%
<u>Clients assets (AuM) - (CHF million)</u>	5'047	4'514	12%

A balance sheet reinforced with:

- Equity of CHF 47.8 million, up 8% relative to end-2022.
- A 18% decrease in liabilities to CHF 522 million (vs. CHF 638 million at end-2022), mainly arising from reduced cash deposits as a consequence of client investing activity, including fiduciary deposits.

Increased regulatory ratios with:

- A global capital ratio of 22% (vs 18.5% as at 31 Dec. 2022), reflecting a 15% increase in regulatory capital to CHF 41.1 million as at 30 June 2023.
- A liquidity coverage ratio (LCR) of 380% versus the minimum requirement of 100%.

3. INTERIM FINANCIAL STATEMENTS – 30 JUNE 2023

(according to true-and-fair-view principle)

Balance sheet

(CHF)	30.06.2023	31.12.2022
Assets		
Liquid assets	102'108'563	176'058'577
Amounts due from banks	139'343'620	160'957'285
Amounts due from customers	161'177'919	172'627'072
Mortgage loans	16'400'267	16'712'734
Trading portfolio assets	-	-
Positive replacement values of derivative financial instruments	1'768'698	2'787'653
Financial investments	133'616'595	138'470'257
Accrued income and prepaid expenses	2'910'300	2'853'304
Participations	2'189'446	2'189'446
Tangible fixed assets	2'457'239	346'699
Intangible assets	7'118'722	9'006'465
Other assets	713'936	222'883
Total assets	569'805'305	682'232'375
Liabilities		
Amounts due to banks	2'181'477	6'846'567
Amounts due in respect of customer deposits	508'843'846	614'809'288
Negative replacement values of derivative financial instruments	1'147'507	6'087'516
Accrued expenses and deferred income	6'541'402	4'372'629
Other liabilities	2'473'183	4'764'046
Provisions	829'683	973'977
Total liabilities	522'017'098	637'854'023
Reserves for general banking risks	4'955'226	4'955'226
Bank's capital	15'130'600	15'130'600
Capital reserve	1'258'904	1'190'578
Retained earnings reserve	20'632'681	22'456'063
Own shares	-	-11'991
Result for the period (profit)	5'810'796	657'876
Total equity	47'788'207	44'378'352
Total liabilities and equity	569'805'305	682'232'375
Subordinated liabilities	-	-
<i>Of which subject to debt waiver</i>	-	-
Off-balance sheet transactions		
Contingent liabilities	8'946'773	9'082'828
Irrevocable commitments	1'895'700	1'416'000

Income statement

(CHF)	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022
Interest and discount income	10'632'514	2'017'084
Interest and dividend income from trading operations	14'403	-4
Interest and dividend income from financial investments	443'947	518'542
Interest expense	-172'081	534'619
Gross result from interest operations	10'918'783	3'070'241
Changes in value adjustments for default risks and losses from interest operations	-32'054	-25'773
Sub-total net result from interest operations	10'886'729	3'044'468
Commission income from securities trading and investment activities	10'062'656	9'674'237
Commission income from lending activities	16'791	17'753
Commission income from other services	1'859'961	2'175'625
Commission expense	-3'113'468	-3'168'399
Sub-total result from commission business and services	8'825'940	8'699'216
Result from trading activities and the fair value option	-385'048	1'384'360
Result from the disposal of financial investments	1'207'207	-81'295
Other ordinary income	192'174	6'442
Other ordinary expenses	-	-820'797
Sub-total other result from ordinary activities	1'399'381	-895'650
Personnel expenses	-8'336'885	-6'387'179
General and administrative expenses	-4'381'146	-4'570'361
Sub-total operating expenses	-12'718'031	-10'957'540
Value adjustments on participations, amortisation of tangible fixed assets and intangible assets	-2'075'054	-2'039'316
Changes to provisions and other value adjustments, and losses	-48'121	-7'665
Operating result	5'885'796	-772'127
Extraordinary income	-	-
Extraordinary expenses	-	-
Taxes	-75'000	-75'000
Half year result (profit/-loss)	5'810'796	-847'127
Earnings per share	0.38	-0.06
Diluted earnings per share	0.38	-0.06

The undiluted profit per share is calculated from the half-year net result divided by the weighted average number of outstanding shares. All registered shares have the same nominal value.

Statement of changes in equity

(CHF)	Bank's capital	Capital reserve	Retained earnings reserve	Reserves for general banking risks	Own shares (negative item)	Result of the period	Total
Equity at start of current period	15'130'600	1'190'578	22'456'063	4'955'226	-11'991	657'876	44'378'352
Allocations to the retained earnings	-	-	657'876	-	-	-657'876	-
Dividend 2022	-	810	-2'269'590	-	-	-	-2'268'780
Acquisition of own shares	-	-	-	-	-132'054	-	-132'054
Disposal of own shares	-	-	-	-	144'045	-	144'045
Profit/-loss on disposal of own shares	-	67'516	-211'668	-	-	-	-144'152
Half yearly result (profit)	-	-	-	-	-	5'810'796	5'810'796
Equity at 30.06.2023	15'130'600	1'258'904	20'632'681	4'955'226	-	5'810'796	47'788'207

A. GENERAL INFORMATION

ONE swiss bank SA (“ONE” or “the Bank”) is a public limited company under Swiss law, listed on SIX Swiss Exchange, with its registered office in Geneva.

The Bank’s main activities are the management of private assets and the operation of a custody service for private and institutional clients. Lombard loans and mortgages are also granted to clients who hold deposits. The Bank also benefits from the quantitative management and portfolio insurance expertise of asset management teams within the Dynagest by ONE unit, which serves both institutional investors and private customers.

The Bank operates from Geneva, Lugano, Zurich and its subsidiary in Dubai. As at 30 June 2023, the number of full-time-equivalent employees in the Bank was 68.0 (31 December 2022: 68.7 employees).

The Bank outsources its information technology and administrative processing to a Swiss subsidiary of a major international banking group. In accordance with FINMA requirements, this outsourcing takes place within a contractual and organisational framework that guarantees the quality of the execution of client transactions, as well as the security and confidentiality of the data and information handled by the outsourcing partner.

B. ACCOUNTING AND VALUATION PRINCIPLES

The accounting principles applied to the preparation and valuation of the Bank’s interim true-and-fair-view financial statements comply with the Swiss Code of Obligations, the Swiss Banking Act and its Ordinance, and accounting rules for banks, securities dealers and financial groups and conglomerates as defined by the FINMA Circular 20/1 and the FINMA Accounting Ordinance.

General valuation principles

The interim financial statements are prepared in accordance with the true-and-fair-view principle in regard to the Bank’s assets, financial position and results. Unless otherwise stated, figures in the notes are recorded in Swiss francs.

As participations held are not material to financial reporting or the risk position, the Bank is not obliged to draw up consolidated financial statements (as per article 35 of Banking Act Ordinance). Participations are presented at acquisition cost.

The financial statements have been prepared under the going-concern assumption. Balance sheet entries show going-concern values.

The items presented in balance sheet captions are measured individually.

Recording of transactions

All transactions are recorded on the trade date. Spot currency transactions are recorded on the balance sheet on the trade date. Income is recognised as and when it is earned or accrued. Expenses are recorded as they are incurred.

Segment reporting

The size of the Bank does not justify segment reporting.

Conversion of transactions and balances in foreign currency

Transactions in foreign currency are recorded at the exchange rate prevailing on the day of the transaction. Assets and liabilities denominated in foreign currencies both on and off the balance sheet are converted at the spot exchange rate prevailing at the balance sheet date.

Gains and losses resulting from the conversion of positions in foreign currency are recorded under “Result from trading activities and the fair value option”.

The main exchange rates used for translating foreign currencies to Swiss francs are the following:

Currency	Closing rate on 30.06.2023	Average H1 rate in 2023	Closing rate on 31.12.2022	Average annual rate in 2022
Euro	0.9769	0.9865	0.9878	1.0016
US dollar	0.8951	0.9120	0.9226	0.9536
Pound sterling	1.1379	1.1312	1.1151	1.1725

C. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Bank has not experienced any significant events since 30 June 2023.

D. OTHER NOTES

Economic situation of own pension schemes

As at 30 June 2023, pension liabilities were estimated to be funded at a level of 96.8% compared to an estimated 90.9% as at 31 December 2022, as a result of positive market performances.

Own shares

The Bank disposed of all its shares held in treasury during the first half of 2023.

Material losses, extraordinary income and expenses, as well as material releases from value adjustments and provisions no longer required

	30.06.2023	30.06.2022
Extraordinary income	-	-
Extraordinary expenses	-	-

The Bank did not report any extraordinary items as at 30 June 2023 (nor as at 30 June 2022).

ONE swiss bank SA

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