



Stability, Trust, and Growth in Times of Corona

Kaiser Partner Privatbank AG | 2020 Semiannual Financial Statement

Corona, a momentous event, has completely changed the world as we know it. At the beginning of the year, we in Central Europe could not imagine what is already a reality today – human tragedies, medical and logistical excellence, financial markets marked by uncertainty and volatility, intervention by central banks and governments of unprecedented magnitude and intensity. And the pandemic continues.

In this climate, Kaiser Partner Privatbank AG, relying on its values, consistently focused on protecting employees and clients and their assets at the beginning and during the crisis. To minimize the risks for clients and employees resulting from the corona pandemic, the Bank responded with a comprehensive and immediately implemented package of measures.

These measures paid off in the first half of the year in the form of increasing client confidence. As an expression of this confidence in Kaiser Partner Privatbank AG, asset management mandates increased by 8% compared to the previous year's time frame. In asset management, the Bank surpassed its direct competitors in terms of performance this year during the crisis and, as in the previous year, was able to hold its own in the top third of its peer group consisting of leading banks in Central Europe. This consistency underscores the Bank's competence in asset management, even in difficult times. Despite volatile markets, assets under management rose from CHF 4.5 billion to CHF 4.6 billion, an increase of 2%. Until 6/30/2020, clients entrusted the Bank with net new assets of CHF 120 million.

In comparison to the 2019 reporting year, the Company was subsequently able to increase its gross profit by CHF 1.7 million to CHF 13.5 million (an increase of 14%). Commission and service income contributed CHF 8.3 million to the positive operating income, an increase of 14%. Income from financial operations grew strongly by 54% to CHF 2.6 million. Under the pressure of the negative interest rate environment on the one hand, and the massive and short-term reduction of the US FED on the other, net interest income decreased by 10% to CHF 2.4 million. The Bank, which is focused on the consistent pursuit of a sustainable growth strategy, recorded costs of CHF 10.3 million (previous year CHF 8.6 million), resulting in a lower profit of CHF 1.2 million compared to the previous year (CHF 1.8 million).

The successful integration of Kaiser Partner Financial Advisors AG, Zurich, which has been providing asset management and investment advice to US persons for more than 10 years, made a positive contribution to this year's result. By signing the Principles for Responsible Banking, Kaiser Partner Privatbank AG is committed to sustainability, both as a company and in terms of its services.

In the Corona crisis, Fritz Kaiser has been supporting families and self-employed persons in need with his private SMILE aid program. With the same commitment, Kaiser Partner Privatbank AG strives to promote its clients' and business partners' prosperity with its services. The latest key performance indicators reflect ongoing solid earnings for Kaiser Partner Privatbank AG. They show that the conveyed corporate values and the holistic wealth management model hold a strong attraction.

Balance Sheet as of 6/30/2020 (in CHF 1,000)

Assets	6/30/2020	12/31/2019
Cash and cash equivalents	79,390	75,480
Amounts due from banks	189,660	180,844
<i>On demand</i>	47,422	65,732
<i>Other receivables</i>	142,238	115,112
Amounts due from clients	52,566	66,925
<i>Mortgage receivables</i>	3,800	3,800
Bonds and other fixed-interest securities	239,152	221,289
<i>Bonds</i>	239,152	221,289
<i>from public-sector issuers</i>	47,543	47,927
<i>from other issuers</i>	191,609	173,362
Equities and other non-fixed-interest securities	3	3
Shares in affiliated companies	0	0
Intangible assets	11,245	10,255
Property, plant, and equipment	27,633	28,082
Other assets	2,265	1,453
Prepaid expenses and deferred income	7,541	5,676
Total assets	609,485	590,006
Liabilities	6/30/2020	12/31/2019
Amounts owed to banks	16,777	7,951
<i>On demand</i>	16,680	7,843
<i>Other liabilities</i>	97	108
Amounts owed to clients	535,961	526,688
<i>Other liabilities</i>	535,961	526,688
<i>On demand</i>	517,934	443,502
<i>With agreed maturities or termination periods</i>	18,027	83,186
Other amounts owed	3,025	1,991
Prepaid expenses and deferred income	1,259	1,511
Provisions	639	515
<i>Tax provisions</i>	621	497
<i>Other provisions</i>	18	18
Provisions for general banking risks	500	500
Subscribed capital	10,000	10,000
Retained earnings	33,843	33,843
<i>Legal reserves</i>	2,000	2,000
<i>Other reserves</i>	31,843	31,843
Profit carried forward	6,257	2,962
Profit	1,225	4,044
Total liabilities	609,485	590,006

Off-Balance-Sheet Transactions as of 6/30/2020 (in CHF 1,000)

	6/30/2020	12/31/2019
Contingent liabilities	5,687	5,616
<i>Liabilities from guarantees and indemnities as well as liability from the posting of collateral</i>	5,687	5,616
Derivative financial instruments		
<i>Contract volumes</i>	268,548	224,167
<i>Positive replacement values</i>	1,916	1,180
<i>Negative replacement values</i>	1,526	1,210
Fiduciary transactions	63,723	90,532
<i>Fiduciary investments at third-party banks</i>	63,723	90,532

Income Statement from 1/1/2020 to 6/30/2020 (in CHF 1,000)

	6/30/2020	6/30/2019
Net interest income		
Interest income	3,325	4,258
Interest expenses	-956	-1,629
Subtotal of net interest income	2,369	2,628
Current income from securities		
Equities and other non-fixed-interest securities	0	0
Shares in affiliated companies	0	0
Subtotal of income from securities	0	0
Profit from commission and service transactions		
Profit from commission and service transactions	8,991	7,947
<i>Commission income from credit transactions</i>	17	60
<i>Commission income from securities and investment transactions</i>	8,138	7,242
<i>Commission income from other service transactions</i>	835	644
Commission expenses	-744	-743
Subtotal of profit from commission and service transactions	8,247	7,204
Profit from financial transactions	2,646	1,715
<i>of which from trading</i>	2,646	1,714
Subtotal of profit from financial transactions	2,646	1,715
Other ordinary income		
Other ordinary income	223	241
Subtotal of other ordinary income	223	241
Gross income	13,485	11,788
Operating expenses		
Personnel expenses	-5,383	-4,192
<i>Wages and salaries</i>	-4,072	-3,018
<i>Social security charges and expenses for pensions and support</i>	-1,066	-898
<i>of which for pensions</i>	-826	-683
<i>Other personnel expenses</i>	-244	-275
General and administrative expenses	-4,965	-4,418
Subtotal of operating expenses	-10,348	-8,609
Depreciation of property, plant, and equipment/amortization of intangible assets	-1,624	-1,100
Other ordinary expenses	-163	-48
Earnings from normal business activity	1,350	2,031
Income tax	-124	-193
Semiannual profit	1,225	1,838

Kaiser Partner Privatbank AG
Herrengasse 23, 9490 Vaduz, Liechtenstein
www.kaiserpartner.bank