



Bellinzona, 8 August 2019

Press release

First half financial results for 2019

BancaStato Group

 ***BancaStato***

An excellent first half for BancaStato

Despite the difficult market conditions, the BancaStato Group again achieved excellent results in the first half of 2019. Mortgage loans increased by 2.0% to more than CHF 9.5 billion. Assets under management grew by CHF 798 million to CHF 16.5 billion. Net revenues rose by 6.1% to CHF 115.9 million. Although operating costs increased (+3.6% to CHF 63.8 million), the operating result rose 11.0% to CHF 43.7 million. The Group again bolstered its capital, by allocating CHF 10 million to the general banking reserve. Group profit recorded excellent growth, increasing by 7.9% to CHF 32.9 million.

BancaStato Group had **excellent results** in the first half of 2019. The profit of CHF 32.9 million was up 7.9% compared with the first six months of 2018.

The **balance sheet** total rose by CHF 438.7 million and is now more than CHF 14.7 billion. Mortgage loans topped CHF 9.5 billion (an increase of CHF 184.2 million, or 2.0%).

The total amount due to customers grew by CHF 369.4 million (+3.9%) to CHF 9.8 billion.

Assets under management were CHF 16.5 billion, an increase of CHF 798 million (+5.1%), in the first half of 2019. The inflow of net new money totalled CHF 440 million.

Turning to the income statement, despite the continued complex situation in the financial markets, **net revenues** grew by 6.1% to CHF 115.9 million.

The main source of revenues for BancaStato, i.e. **the net interest income**, rose by 3.5% to CHF 78.1 million. Net income from commission business and services fell by 3.5% to CHF 24.8 million. Trading income amounted to CHF 9.2 million, an increase of 17.3%. Other income from ordinary activities totalled CHF 3.8 million (compared with CHF 0.3 million in the same period of 2018).

Despite an increase in **operating costs** (+3.6% to CHF 63.8 million), the **operating result** improved by some CHF 4.3 million,

equating to an excellent increase of 11.0%, rising to CHF 43.7 million.

Value adjustments in respect of participating interests together with depreciation and amortisation of tangible fixed assets and intangible assets fell by 21.9% to CHF 6.3 million.

Given the gratifying operating result, the BancaStato Group took the opportunity to allocate **CHF 10 million to the reserves for general banking risks** (+25%) with the aim of further strengthening the bank's capital.

Despite this significant allocation, **Group profit** was up 7.9% to CHF 32.9 million.

"We are very proud of the highly positive results achieved to date. We work hard every day to meet the expectations of the owner and the people of Ticino; barring any unforeseen circumstances, the good performance of the first six months of 2019 will continue in the second half, commented **Fabrizio Cieslakiewicz**, President of the Executive Board.

Marco Tini (atty.), President of the Executive Board of Axion Swiss Bank SA, also expressed his satisfaction: "The synergies developed with the Parent Company are becoming increasingly effective and we are pleased with the Group's excellent results".

Group financial results – summary of the financial results for the first half of 2019

BALANCE SHEET (CHF thousands)	30.06.2019	31.12.2018	Change	In %
Mortgage loans	9'553'312	9'369'105	184'207	2.0%
Amounts due from customers and companies*	1'351'931	1'256'472	95'459	7.6%
Amounts due from public agencies**	686'257	705'824	-19'567	-2.8%
Total amount due from customers	11'591'500	11'331'401	260'099	2.3%
Total amount due to customers	9'787'227	9'417'877	369'350	3.9%
Shareholders' equity	1'191'397	1'186'846	4'551	0.4%
Balance sheet total	14'760'581	14'321'846	438'735	3.1%
INCOME STATEMENT (CHF thousands)	First half 2019	First half 2018	Change	In %
Net result from interest operations	78'051	75'383	2'668	3.5%
Result from commission business and services	24'813	25'712	-899	-3.5%
Result from trading activities and fair value option	9'173	7'818	1'355	17.3%
Other ordinary results	3'849	349	3'500	1002.9%
Net revenues	115'886	109'262	6'624	6.1%
Personnel costs	-42'291	-41'588	-703	1.7%
Other operating expenses	-21'532	-20'007	-1'525	7.6%
Operating expenses	-63'823	-61'595	-2'228	3.6%
Value adjustments on participation and amortisation of tangible fixed assets and intangible assets	-6'324	-8'102	1'778	-21.9%
Changes to provisions and other valuer adjustments, and losses	-2'014	-160	-1'854	1158.8%
Operating result	43'725	39'405	4'320	11.0%
Extraordinary income	20	18	2	11.1%
Extraordinary expenses	-	-	-	-
Changes in reserves for general banking risks	-10'000	-8'000	-2'000	25.0%
Taxes	-831	-905	74	-8.2%
Group profit	32'914	30'518	2'396	7.9%

* Including building loans and syndicated loans

** Public agencies are the Cantons, municipalities, *patriziati* (public entities managing collective properties) and public consortia

Public mandate

The owners of the BancaStato Group



353, 709

People of Ticino
(Ustat 2017)

Our public mandate is clear: we work for you. We promote economic development and provide opportunities for you to invest your savings safely and profitably.

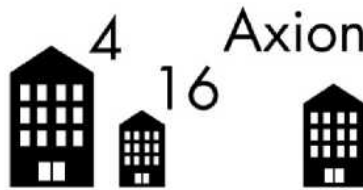


By choosing BancaStato, you choose Ticino. Every year, our profits go to the public purse: you are therefore the very people who benefit.



Presence in the region (31.12.2018)

BancaStato Group branches and agencies



Axion



ATMs



36

Employees



483

Financial indicators (31.12.2018)

Equity capital



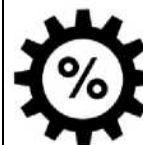
1.2
billion francs

Financial strength



CET1
16.4%

Efficiency



Cost/Income II
64.8%
At 31.12.2017,
66.7%

Rating

(Moody's: Canton of Ticino)



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Public relations

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Bellinzona,

8 August 2019

Banca dello Stato del Cantone Ticino