MIRABAUD

CONSOLIDATED FINANCIAL STATEMENTS 2019

MIRABAUD GROUP

SUMMARY

ANNUAL REPORT

As of 31 December 2019, total assets under administration amount to CHF 34.7 billion.

The annual Group financial statements report a consolidated profit of CHF 50.8 million.

Revenue amounted to CHF 324.4 million, including fee and commission income of CHF 240.7 million, net income from trading activities of CHF 44.2 million, and net interest income of CHF 27.9 million. Operating expenses before depreciation, amortisation and tax were CHF 258.9 million. This was achieved through continued vigilance on costs. Operating result amounts to CHF 49.4 million.

Consolidated balance sheet amounts to CHF 4'158.6 million. Liabilities primarily consisted of customer deposits. The majority of the Group's assets are deposited with the Swiss National Bank or invested in highly-rated short-term government bonds, which ensure liquidity and security.

With a total equity of CHF 202.4 million, excluding consolidated profit, the Group's Tier 1 capital ratio is 20.6%.

The Partners

GOVERNING BODIES OF THE MIRABAUD GROUP

MANAGING PARTNERS

Yves MIRABAUD

Antonio PALMA (until 31st December 2019)

Lionel AESCHLIMANN

Camille VIAL

Nicolas MIRABAUD

Michael PALMA (until 31st January 2020)

BOARD OF DIRECTORS OF MIRABAUD SCA

Yves MIRABAUD

Antonio PALMA (until 31st December 2019)

Lionel AESCHLIMANN

Camille VIAL

Nicolas MIRABAUD

Michael PALMA (until 31st January 2020)

SUPERVISORY BOARD OF MIRABAUD SCA

Pierre BONGARD

Bernard VISCHER

François SUNIER

BALANCE SHEET

Swiss Francs

Asset

	31.12.2019	31.12.2018
Liquid assets	1'566'268'129	1'683'705'118
Amounts due from banks	281'909'270	258'103'622
Amounts due from customers	1'028'862'496	940'177'807
Mortgage loans	–	–
Trading portfolio assets	–	–
Positive replacement values of derivative financial instruments	177'091'011	93'250'298
Financial investments	925'816'568	932'580'661
Accrued income and prepaid expenses	42'312'591	38'253'856
Non-consolidated participations	741'616	836'562
Tangible fixed assets	124'114'307	116'963'877
Intangible assets	–	–
Other assets	11'473'602	28'394'549
Total assets	**4'158'589'590**	**4'092'266'350**
Total subordinated claims	**–**	**–**

Liabilities

	31.12.2019	31.12.2018
Amounts due to banks	26'857'161	3'062'026
Amounts due in respect of customer deposits	3'488'025'475	3'554'082'692
Trading portfolio liabilities	–	–
Negative replacement values of derivative financial instruments	179'258'266	94'566'045
Accrued expenses and deferred income	113'145'234	118'786'812
Other liabilities	72'534'632	40'055'777
Provisions	25'484'212	26'964'895
Capital accounts	158'079'982	139'072'700
Retained earnings reserve	49'918'842	60'305'586
Currency translation reserve	-5'562'879	-4'238'633
Consolidated profit	50'848'665	59'608'450
Total liabilities	**4'158'589'590**	**4'092'266'350**

Total subordinated liabilities	**–**	**–**

OFF-BALANCE SHEET TRANSACTIONS

Swiss Francs

	31.12.2019	31.12.2018
Contingent liabilities	181'927'659	169'084'916
Irrevocable commitments	4'022'000	4'216'000
Obligations to pay up shares and make further contributions	14'058'088	11'987'488
Credit commitments	–	–

INCOME STATEMENT

Swiss Francs

	2019	2018
Interest and discount income	24'831'604	30'253'635
Interest and dividend income from financial investments	78'898	182'554
Interest expense	3'081'326	1'116'802
Gross result from interest operations	**27'991'828**	**31'552'991**
Changes in value adjustments for default risks and losses from interest operations	-61'017	-3'323
Net result from interest operations	**27'930'811**	**31'549'668**
Commission income from securities trading and investment activities	271'584'939	289'800'315
Commission income from lending activities	1'816'381	1'865'560
Commission income from other services	4'317'212	10'593'825
Commission expense	-37'000'663	-38'530'987
Result from commission business and services	**240'717'869**	**263'728'713**
Result from trading activities	**44'167'729**	**40'103'858**
Result from the disposal of financial investments	3'250'077	1'308'565
Income from non-consolidated participations	6'431'850	6'353'750
Result from real estate	221'224	247'848
Other ordinary income	2'697'918	723'575
Other ordinary expenses	-1'001'299	-1'696'832
Other result from ordinary activities	**11'599'770**	**6'936'906**
Personnel expenses	-185'872'259	-191'137'610
General and administrative expenses	-73'073'389	-72'729'531
Operating expenses	**-258'945'648**	**-263'867'141**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-9'383'637	-6'336'740
Changes to provisions and other value adjustments, and losses	-6'715'634	-2'306'558
Operating result	**49'371'260**	**69'808'706**
Extraordinary income	9'462'746	5'671'623
Extraordinary expenses	-167'535	-473'938
Taxes	-7'817'806	-15'397'941
Consolidated profit	**50'848'665**	**59'608'450**

CASH FLOW STATEMENT

Swiss francs

	2019		2018	
	Cash inflows	Cash outflows	Cash inflows	Cash outflows
Cash flow from operating activities (internal financing)				
Consolidated profit	50'848'665	–	59'608'450	–
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	9'383'637	–	6'336'740	–
Provisions and other value adjustements	–	1'480'683	3'183'239	–
Change in value adjustments for default risks and losses	61'017	–	3'323	–
Accrued income and prepaid expenses	–	4'058'735	3'362'508	–
Accrued expenses and deferred income	–	5'641'578	9'853'812	–
Other items	49'399'802	–	–	8'682'960
Subtotal	**109'693'121**	**11'180'996**	**82'348'072**	**8'682'960**
Cash flow from shareholders' equity transactions				
Share capital / participation capital / cantonal banks' endowment capital / etc.	19'007'282	–	–	1'733'660
Recognised in reserves	–	71'319'440	–	37'469'633
Subtotal	**19'007'282**	**71'319'440**	**–**	**39'203'293**
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets				
Participations	94'946	–	–	–
Real estate	–	–	–	1'549'476
Other tangible fixed assets	–	16'534'067	–	9'901'398
Subtotal	**94'946**	**16'534'067**	**–**	**11'450'874**
Cash flow from banking operations				
Medium - and long-term business (> 1 year)	–	–		
Amounts due from banks	–	–	–	–
Amounts due from customers	22'396'580	–	843'420	–
Financial investments	151'839'426	–	106'147'574	–
Short-term business (< 1 year)				
Amounts due to banks	23'795'135	–	–	44'299'005
Amounts due in respect of customer deposits	–	66'057'217	–	99'851'925
Negative replacement values of derivative financial instruments	84'692'221	–	401'224	–
Amounts due from banks	–	23'805'648	38'810'795	–
Amounts due from customers	–	111'142'286	–	15'314'269
Positive replacement values of derivative financial instruments	–	83'840'713	5'561'737	–
Financial investments	–	145'075'333	394'400'032	–
Liquidity				
Liquid assets	117'436'989	–	–	409'710'528
Subtotal	**400'160'351**	**429'921'197**	**546'164'782**	**569'175'727**
Total	**528'955'700**	**528'955'700**	**628'512'854**	**628'512'854**

STATEMENT OF CHANGES IN EQUITY

Swiss Francs

	Capital accounts						
	Indefinitely liable partners contributions	Definitely liable partners contributions	Minority interest	Retained earnings reserve	Currency translation reserve	Consolidated profit	**Total**
Equity as of December 31, 2018	90’798’000	48’274’700	–	60’305’586	-4’238’633	59’608’450	254’748’103
Employee participation schemes / recognition in reserves	–	–	–	–	–	–	**–**
Capital movements increase / decrease	29’000’000	-10’405’305	412’587	–	–	–	**19’007’282**
Currency translation differences	–	–	–	33’120	-1’324’246	–	**-1’291’126**
Dividends and other distributions	–	–	–	-10’419’864	–	-59’608’450	**-70’028’314**
Other allocations to (transfers from) the other reserves	–	–	–	–	–	–	**–**
Consolidated profit	–	–	–	–	–	50’848’665	**50’848’665**
Equity as of December 31, 2019	119’798’000	37’869’395	412’587	49’918’842	-5’562’879	50’848’665	253’284’610

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2019

NAME, LEGAL FORM AND DOMICILE

Mirabaud was founded in Geneva in 1819. Over time, the Group has developed into a multinational. Mirabaud provides its clients with customised financial and advisory services in three core areas: Wealth Management (portfolio management, investment advisory services and services for independent financial advisors), Asset Management (institutional management, fund management and distribution) and Securities (traditional brokerage, research, and capital markets).

The Mirabaud Group (herein after "The Group" or "Mirabaud") comprises the financial statements of all entities in which the Mirabaud Group Partners are holding directly or indirectly more than 50% of capital or votes, and which are subject to the joint management of the indefinitely liable Partners of Mirabaud SCA, Geneva.

ACCOUNTING AND VALUATION PRINCIPLES

General principles

The accounting and valuation principles comply with the rules of the Swiss Code of Obligations, with the Banking Law, as well as the directives of the Swiss Financial Market Supervisory Authority (FINMA).

The consolidated financial statements are established according to the rules applicable in Switzerland to consolidated financial statements, using the true and fair principle.

Scope of Consolidation and related changes

The scope of the consolidation includes, as of December 31, 2019, all entities controlled by the Partners. The significant entities, as well as the entities entering in the scope of the consolidation in 2019 are disclosed on page 20 of the report.

Consolidation method

The entities directly or indirectly controlled by the Group are consolidated using the global integration method. The share capital is consolidated using the anglo-saxon method (purchase method).

The Group's internal transactions, as well as the intercompany profits, have been reported as elimination entries when establishing the consolidated financial statements.

Recording of transactions

All transactions made by the balance sheet date are booked the day they are executed. Non-executed spot transactions are included in the balance sheet on transaction date.

Timeliness of recognition

Income and expenses are booked as soon as they are acquired or accrued, or as they are incurred, and booked in the related year, and not on the date they are received or paid.

Transactions in foreign currencies

The transactions in foreign currencies are booked at the prevailing exchange rate at the transaction date. Gains and losses resulting from the settlement of these transactions, as well as from the conversion of the assets and liabilities denominated in foreign currencies at the closing rates, are booked to the profit and loss account.

Conversion of foreign currencies in the Group financial statements

For consolidation purposes, in order to convert into Swiss francs the financial statements denominated in foreign currencies, the following methods have been applied:

- For the balance sheet, the closing rate has been used, except for equity which has been converted using historical rates.
- For the income statement, the average rate has been applied.

The resulting foreign exchange differences have been accounted for in the currency translation reserve (equity) account, without impacting the income statement.

The rates applied for the conversion of the main currencies into Swiss francs are the following:

	2019		2018	
	Closing	Average	Closing	Average
USD	0.968	0.994	0.985	0.979
EUR	1.085	1.112	1.126	1.155
GBP	1.272	1.269	1.254	1.306
CAD	0.742	0.749	0.723	0.755

Liquid assets, amounts due from banks

These balances are shown on the balance sheet at the nominal value or acquisition value, after deduction of individual bad debt provisions, if required. At the current closing date, amounts due from banks do not contain any specific impairment.

Amounts due from customers and contingent liabilities

Impaired customer loans are subject to individual valuation and, should the case arise, to an individual value adjustment, directly deducted, equivalent to the part of the amount which is not secured by collateral, as soon as the loan is reported impaired.

Trading portfolio assets

Trading transactions are valued and reported on the balance sheet at prevailing market rates at the balance sheet date. Gains and losses resulting from market fluctuations are charged to the profit and loss account "result from trading activities".

Replacement values of derivative financial instruments

Replacement values of derivative financial instruments are calculated and accounted for in order to take into account the cost or the gain resulting from a potential counterparty delivery failure.

The positive replacement values are accounted for in the balance sheet on the asset side, and the negative replacement values on the liability side, for all the derivative financial instruments outstanding at balance sheet date which would result from own account or customer transactions, irrespective of the accounting treatment in the income statement.

Financial investments

Debt securities intended to be held to maturity are recognised at acquisition cost and the premium / discount (interest component) is accrued over the term.

If financial investments intended to be held until maturity are sold or repaid prior to maturity, the profits and losses realised that correspond to the interest component are not to be recognised immediately, but must instead be accrued over the remaining term to maturity.

Each security is valued individually, debt securities not intended to be held until maturity (available for sale) are valued at the lower of cost or market value, in accordance with rules governing financial statement reporting. Where default-risk-related and market-related changes in book value are separated, those related to default risks may be recognised in the item Changes in value adjustments for default risks and loss-es from interest operations.

Accrued income and prepaid expenses, other assets, accrued expenses and deferred income, other liabilities

These items are valued using the same principles as those applicable for claims and liabilities. They are subject to proper allocation to the appropriate period.

Non-consolidated participations

Financial participations are reported in the balance sheet at acquisition value, after deduction of any impairment required by the circumstances. Participations in infrastructure items are booked for record only. The Group has no significant influence on any material non-consolidated participation.

Tangible fixed assets

Tangible fixed assets, including real estate items, refurbishment works and furniture, are reported in the balance sheet at cost and depreciated using the straight-line depreciation method based on their estimated useful life.

A periodic review is performed in order to identify potential significant decreases in value, or a change of the duration of use, and, should the case arise, any necessary exceptional depreciation would then be reported or the depreciation period would be modified.

The following depreciation periods are applicable:

Real estate	50 years
Refurbishment works	7 years
Furniture	7 years
Other tangible fixed assets	3 years

Intangible assets

Any goodwill or acquisition difference resulting from the purchase of activities or firms is reported in the balance sheet under intangible assets. The Group amortises any goodwill over its estimated useful life using the straight line amortisation method.

Provisions

A provision is booked as soon as a likely liability, based on a past event, can be reliably estimated even though the amount and maturity are uncertain.

Capital accounts

Mirabaud Group capital accounts include indefinitely and definitely liable Partners contributions in the capital of Mirabaud Partners & Cie and Mircan & Co Ltd.

Income taxes

The tax charge on the consolidated income statement includes current income and capital taxes of Group companies as well as deferred taxes resulting from temporary differences between statutory and consolidated financial statements.

Current taxes are accrued for in the liability side of the balance sheet under accrued expenses, and deferred tax liabilities are reported under provisions. Deferred taxes are calculated using the expected tax rates.

Derivative financial instruments

The valuation principles applied by the Group for derivative financial instruments are the following:

– The realised and unrealised foreign exchange results arising from trading operations are charged to the profit and loss account "result from trading activities".

– The replacement values reported separately in the balance sheet correspond to the market value of the derivative financial instruments resulting from outstanding transactions made for clients or own account. They are reported at gross values.

– The options transactions are valued at market price at the balance sheet date, as are forward currency transactions.

– The derivative financial instruments are valued based on available prices (markets). The Group is not required to use valuation models for derivative financial instruments.

RISK MANAGEMENT

Risk aversion and caution are the basis of Mirabaud Group global approach, as stated in the Group's corporate plan and its various internal guidelines. The Group has defined risk management principles and follows a risk averse policy in this respect, adapted to its activity essentially focused on wealth management. This policy results in the absence of speculative trading for own account and in the implementation of a system of limits within the framework of risk management. The Group has no major exposure to interest rate risk from a structural point of view, it has no significant exposure to other market or country risks, and credit risks, given the selection of counter-parties and the collateral left by the customers, are limited as much as possible and regularly monitored. Reporting on the risks incurred at group level is performed on a regular basis; it regularly proposes corrective measures to the governing bodies in charge of the consolidated supervision in order to protect the interest of the Group and its customers.

Credit risk

Credits granted to the private customers by the Group entities are generally secured by duly pledged assets in deposit with the Group (Lombard credits). The collateral value of the pledged portfolios is based on automated processes defining collateral rates by asset class taking into account, inter alia, the liquidity, the debtor credit worthiness, the country risk as well as the diversification of investments. The collateral values of assets held by the customers are revalued on a regular basis. Credits granted are supervised on a daily basis. The Group policy does not allow corporate lending; mortgage lending remains exceptional.

Credit risk exposure to professional counterparties like banking institutions and brokers is restricted to counterparties with the best solvency indicators. The quality of those counterparties and the limits assigned are reviewed on a regular basis through the application of an internal rating system. Compliance with limits is checked on a daily basis.

The Group is supported by a risk management function which supervises on a daily basis the default risks of debtors and counterparties. Value adjustments or provisions are decided when deemed necessary.

Market risk & country risk

It is the Group's policy to avoid taking any market risk position. The Group also ensures that the country risk positions are highly restricted. The risk management function checks the compliance of this policy on a regular basis.

Interest rate risk

Due to its balance sheet structure, the Group is not exposed to any material interest rate risk. The risk management function regularly checks that such exposure remains marginal.

Operational risks

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal and compliance risk. The governing bodies in charge of consolidated supervision are informed on a regular basis of the operational risks by the Group entities, inter alia, through a reporting system on key risk indicators prepared by the risk management department of Mirabaud & Cie SA. Corrective measures are taken when deemed necessary.

POLICY APPLICABLE IN RESPECT OF DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The derivative financial instruments are mainly used in operations for the account of customers. To avoid any exposure, the Group concludes back-to-back transactions on the financial markets.

The Group uses financial derivative instruments when deemed adequate in order to hedge the foreign currency exposure on its revenues, an important proportion of which derives from underlying assets denominated in foreign currencies, particularly in USD and EUR.

The result is reported prorata temporis in the income statement item which is subject to the hedge transaction until maturity.

The positive or negative replacement values are recognised in the balance sheet. Should a hedge transaction exceed the underlying amount to be covered (inefficiency), the amount resulting from the excess of hedge would be accounted for in the trading results.

BALANCE SHEET RELATED INFORMATION

COLLATERAL FOR LOANS AND OFF-BALANCE SHEET TRANSACTIONS, AS WELL AS IMPAIRED LOANS

Swiss francs

	Type of collateral			
	Secured by mortgage	Other collateral	Unsecured	**Total**
Loans (before netting with value adjustments)				
Amounts due from customers	–	1'027'813'341	1'114'905	**1'028'928'246**
Mortgage loans	–	–	–	**–**
Total loans (before netting with value adjustments)				
2019	–	1'027'813'341	1'114'905	1'028'928'246
2018	–	937'466'307	2'729'390	940'195'697
Total loans (after netting with value adjustments)				
2019	–	1'027'813'341	1'049'155	1'028'862'496
2018	–	937'466'307	2'711'500	940'177'807
Off balance sheet				
Contingent liabilities	–	180'597'610	1'330'049	**181'927'659**
Irrevocable commitments	–	–	4'022'000	**4'022'000**
Obligations to pay up shares and make further contributions	–	14'058'088		**14'058'088**
Credit commitments	–	–	–	**–**
Total off balance sheet				
2019	–	194'655'698	5'352'049	200'007'747
2018	–	180'092'243	5'196'161	185'288'404

	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Impaired loans				
2019	65'750	–	65'750	65'750
2018	17'890	–	17'890	17'890

DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS AND LIABILITIES)

Swiss Francs

	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
Foreign exchange / precious metals						
Forward contracts	42'339'247	40'082'034	3'834'839'301	–	–	–
Combined interest rate / currency swaps	–	–	–	348'194	4'772'662	1'026'380'765
Futures	–	–	–	–	–	–
Options (OTC)	134'403'571	134'403'570	5'994'189'314	–	–	–
Options (exchange traded)	–	–	–	–	–	–
Total before netting adjustments						
2019	**176'742'818**	**174'485'604**	**9'829'028'615**	**348'194**	**4'772'662**	**1'026'380'765**
2018	**92'256'318**	**92'234'505**	**7'743'175'884**	**993'980**	**2'331'540**	**1'129'883'188**

DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Swiss Francs

	Positive replacement values (cumulative)	Negative replacement values (cumulative)
Total after netting agreements		
2019	157'020'036	159'187'291
2018	85'423'007	86'738'754

Breakdown by counterparty

	Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreements)	–	39'660'170	117'359'866

FINANCIAL INVESTMENTS

Swiss Francs

	Book value		Fair value	
	2019	2018	2019	2018
Debt securities	666'665'641	645'341'212	666'970'271	645'886'420
- of which, intended to be held to maturity	*240'999'078*	*251'041'489*	*241'128'100*	*251'255'500*
- of which, not intended to be held to maturity (available for sale)	*425'666'563*	*394'299'723*	*425'842'171*	*394'630'920*
Equity securities	15'227'273	12'763'902	16'112'496	12'846'149
- of which, qualified participations				
Precious metals	243'923'654	274'475'547	243'923'654	274'475'547
Total	925'816'568	932'580'661	927'006'421	933'208'116
- of which, securities eligible for repo transactions in accordance with liquidity requirements	*663'738'586*	*537'822'931*		

Breakdown of counterparties by rating

	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated	Total
Debt securities							
Book values	666'665'641	–	–	–	–	–	666'665'641

The above mentioned ratings have been issued by S&P. The Group also uses its own internal rating system.

NON CONSOLIDATED PARTICIPATIONS

Swiss Francs

	Acquisition cost	Accumulated value adjustments	Book value as of December 31, 2018	Current year Reclassifications	Additions	Disposals	Value adjustments	Book value as of December 31, 2019
Other participations								
with market value	–	–	–	–	–	–	–	–
without market value	1’001’599	-165’037	836’562	–	166’327	-261’273	–	741’616
Total participations	**1’001’599**	**-165’037**	**836’562**	**–**	**166’327**	**-261’273**	**–**	**741’616**

COMPANIES IN WHICH THE GROUP HOLDS A PERMANENT DIRECT OR INDIRECT SIGNIFICANT PARTICIPATION

Participations consolidated using the global method

Company name and domicile	Business activity		Company capital (in thousands)	Share of capital (in %)	Share of votes (in %)	Held directly (in %)	Held indirectly (in %)
Mirabaud Partners & Cie, Genève	Holding	CHF	161'730	100%	100%	100%	0%
Mirabaud SCA, Genève	Holding	CHF	30'000	100%	100%	100%	0%
Mirabaud & Cie SA, Genève	Bank	CHF	30'000	100%	100%	100%	0%
Mirabaud & Cie (Europe) SA, Luxembourg	Bank	EUR	36'682	100%	100%	100%	0%
Mirabaud & Cie (Europe) SA, Paris	branch of Mirabaud & Cie (Europe) SA, Luxembourg						
Mirabaud & Cie (Europe) SA, Madrid	branch of Mirabaud & Cie (Europe) SA, Luxembourg						
Mirabaud & Cie (Europe) SA, Londres	branch of Mirabaud & Cie (Europe) SA, Luxembourg						
Mirabaud Canada Inc., Montréal	Security dealer	CAD	5'750	100%	100%	100%	0%
Mirabaud (Middle East) Ltd, Dubaï	Bank	USD	15'000	100%	100%	100%	0%
Mirabaud Advisory (Uruguay) SA, Montevideo*	Finance company	USD	1'000	99%	99%	99%	0%
Mirabaud International Advisory (Uruguay) SA, Montevideo*	Finance company	USD	500	99%	99%	99%	0%
Mirabaud (Brasil) Representaçoes Ltda, São Paulo*	Finance company	BRL	1'925	100%	100%	100%	0%
Mirabaud Asset Management (Europe) SA, Luxembourg	Fund management company	EUR	500	100%	100%	100%	0%
Mirabaud Asset Management (France) SAS, Paris	Asset management and fund management company	EUR	2'000	100%	100%	100%	0%
Mirabaud Asset Management (Suisse) SA, Genève	Asset management and fund management company	CHF	5'000	100%	100%	100%	0%
Mirabaud Asset Management España SGIIC, SAU, Madrid	Asset management and fund management company	EUR	1'300	100%	100%	100%	0%
Mirabaud Asset Management Limited, Londres	Asset management and fund management company	GBP	2'850	100%	100%	100%	0%
Mirabaud Securities Limited, Londres	Broker	GBP	14'000	100%	100%	100%	0%
Hoche Courtage SAS, Paris	Finance company	EUR	237	100%	100%	100%	0%
Baygreen Limited, Bermudes	Finance company	USD	0.1	100%	100%	100%	0%
Galmar Inc., Nassau	Finance company	USD	10	100%	100%	100%	0%
Mirabaud Capital SA, Genève	Finance company	CHF	4'989	100%	100%	100%	0%
Mircan and Company Limited, Montréal	Service company	CAD	500	100%	100%	100%	0%
LPP Gestion SA, Genève	Service company	CHF	1'500	100%	100%	100%	0%
Mirabaud (Abu Dhabi) Ltd, Abu Dhabi *	Finance company	USD	2'000	80%	80%	80%	0%
Mirabaud Private Assets GP-SCSp, Luxembourg *	Finance company	EUR	100	99%	99%	99%	0%

* Entities entering in the scope of the consolidation in 2019.

Non-consolidated participations

Company name and domicile	Business activity		Company capital (in thousands)	Share of capital (in %)	Share of votes (in %)	Held directly (in %)	Held indirectly (in %)
Galba Anstalt, Liechtenstein	Service company	CHF	30	100%	100%	100%	0%
Haussman General Partners Sàrl, Luxembourg	Finance company	EUR	1'000	32%	32%	32%	0%
Ifipp SA, Genève	Service company	CHF	100	100%	100%	100%	0%
Mirabaud Securities Nominee Limited, Londres	Nominee	GBP	0.1	100%	100%	100%	0%
SIX Group AG, Zürich	Service company	CHF	19'522	1%	1%	1%	0%
Upsidéo, Paris	Service company	EUR	15	13%	13%	13%	0%
MPA General Partners SARL, Luxembourg	Finance company	EUR	50	100%	100%	100%	0%
Mirabaud Private Assets SCA-SICAV-Mirabaud Grand Paris, Luxembourg	Investment fund	EUR	30	100%	100%	100%	0%
MPC General Partners SARL, Luxembourg	Finance company	EUR	33.5	67%	67%	67%	0%
Mirabaud Private Capital SCA-SICAV, Mirabaud Lifestyle Impact&Innovation, Luxembourg	Investment fund	EUR	30	100%	100%	100%	0%
Mirabaud Private Capital GP-SCSp, Luxembourg	Finance company	EUR	100	99%	99%	99%	0%
SAS Belleville, Veules les Roses	Service company	EUR	7.5	33%	33%	33%	0%
SAS Praslin, Neuilly sur Seine	Service company	EUR	7.5	33%	33%	33%	0%

The above mentioned companies have not been consolidated because of their materiality or because their activity is not strategic for the Group. No one has a balance sheet exceeding 0.05% of the consolidated balance sheet nor a profit exceeding 0.5% of the consolidated profit.

TANGIBLE FIXED ASSETS

Swiss Francs

	Acquisition cost	Accumulated depreciation	Book value as of December 31, 2018	Current year: Additions	Current year: Disposals	Current year: Depreciation	Current year: Book value as of December 31, 2019
Group buildings	99'741'131	-4'658'932	95'082'199	–	–	-1'087'304	93'994'895
Other real estate	–	–	–	–	–	–	–
Other tangible fixed assets	79'086'012	-57'204'334	21'881'678	15'239'281	-90'867	-6'910'680	30'119'412
Tangible fixed assets under financial lease	–	–	–	–	–	–	–
Total tangible fixed assets	**178'827'143**	**-61'863'266**	**116'963'877**	**15'239'281**	**-90'867**	**-7'997'984**	**124'114'307**

Operating lease commitments as of December 31, 2019	–
- of which with maturity within one year	–
Operating lease commitments as of December 31, 2018	–
- of which with maturity within one year	–

OTHER ASSETS AND OTHER LIABILITIES

Swiss Francs

	Other assets		Other liabilities	
	2019	2018	2019	2018
Compensation account	–	–	4'559'914	2'111'808
Deferred income taxes recognised as assets	–	–	–	–
Others	11'473'602	28'394'549	67'974'718	37'943'969
Total	11'473'602	28'394'549	72'534'632	40'055'777

ASSETS PLEDGED OR ASSIGNED TO SECURE OWN COMMITMENTS AND ASSETS UNDER RESERVATION OF OWNERSHIP

Swiss Francs

	Book values	Effective commitments
Pledged / assigned assets		
Financial investments	69'306'964	24'772'769
Others	159'377'791	154'400'814
Total	228'684'755	179'173'583
Assets under reservation of ownership		
Others	–	–
Total	–	–

ECONOMIC SITUATION OF OWN PENSION FUNDS

The pension plan within the Group is the pension plan of Mirabaud & Cie SA and its Swiss affiliated companies, which is a defined contribution plan. All the employees whose employment exceeds three months, the Partners of Mirabaud Partners & Cie, as well as the expressely designated Group employees are affliliated to. The contribution to the pension fund, the Fondation de Prévoyance LPP Mirabaud, consists in a savings contribution and a risk contribution. Employer's contributions are accounted for as current expenses during the period.

The employees and managers having a salary exceeding CHF 150'000 benefit from an individualized management of their pension savings. These contributions are paid to the Fondation pour Cadres et Dirigeants d'Entreprise. The financing and risk coverage of this portion exceeding the minimum required is similar to the basic pension foundation and is consolidated. There is also an employer sponsored pension fund offering free benefits to retired employees at the employer's discretion. This fund has no mandatory requirements.

The other Group pension plans are based on the defined contribution principle.

At the balance sheet date, balances due to the Group pension funds amount to CHF CHF 4'047'741 as of December 31, 2019, respectively to CHF 3'326'019 as of December 31, 2018. These balances consist of current account deposits made by the pension funds with Mirabaud & Cie SA. There is no other asset (economic benefit) nor liability (economic obligation). The main Group pension fund, the Fondation de Prévoyance LPP Mirabaud, reported as of December 31, 2019 an overfunding of 109.0%, respectively as of December 31, 2018 an overfunding of 103.3%. The Fondation pour Cadres et Dirigeants d'Entreprise reported a funding of 100% as of December 31, 2019, as well as of December 31, 2018.

As of December 31, 2019, the Fondation de Prévoyance LPP Mirabaud, received a contribution reserve from the employer, without waiver for an amount of CHF 5'000'000.--. As of December 31, 2018, no employer contribution reserve has been recorded.

Presentation of the economic benefit / obligation and the pension expenses

Swiss Francs

	Overfunding / underfunding as of December 31, 2019	Economic interest of the financial Group 2019	Economic interest of the financial Group 2018	Changes in economic interest (economic benefit / obligation) versus 2018	Contribution paid for 2019	Pension expenses in personnel expenses 2019	Pension expenses in personnel expenses 2018
Employer sponsored funds / employer sponsored pension schemes	–	–	–	–	–	–	–
Pension plans without overfunding / underfunding	–	–	–	–	3'141'635	3'141'635	2'927'492
Pension plans with overfunding	17'909'673	–		–	5'419'465	5'419'465	4'981'914
Pension plans with underfunding	–	–	–	–	–	–	–
Pension shemes without own assets	–	–	–	–	–	–	–

VALUE ADJUSTMENTS AND PROVISIONS

Swiss Francs

	Blance as of December 31, 2018	Use in conformity with designated purpose	Reclassifications	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income	Balance as of December 31, 2019
Provisions for deferred taxes	13’611’879	–	–	3’599	–	286’214	-4’270’200	9’631’492
Provisions for pension benefit obligations	–	–	–	–	–	–	–	–
Provisions for other business risks	2’129’013	–	–	–	–	–	–	2’129’013
Provisions for restructuring	–	–	–	–	–	–	–	–
Other provisions	11’224’003	-6’434’465	–	-41’249	–	8’975’418	–	13’723’707
Total provisions	**26’964’895**	**-6’434’465**	**–**	**-37’650**	**–**	**9’261’632**	**-4’270’200**	**25’484’212**
Value adjustments for default and country risks	–	–	–	–	–	–	–	–

EMPLOYEE PARTICIPATION SCHEMES

A participation plan restricted to some employees and management members is available within the Group, through which part of the bonuses are deferred but can be subject to claw back should a loss occur in the responsibility area of the eligible employees during the three subsequent years.

These deferred bonuses may be entirely or partially paid through shares of the group company Mirabaud Capital SA, which in turn owns a limited partnership interest in Mirabaud Partners & Cie.

Within this scheme, the eligible employees and management members may acquire, through a loan granted by Mirabaud & Cie SA, additional shares in Mirabaud Capital SA.

As of December 31, 2019, the eligible employees held 17'809 shares in Mirabaud Capital SA, for a total amount of CHF 3'002'597, and the management members held 2'862 shares, for a total amount of CHF 482'533 (as of December 31, 2018, the eligible employees held 31'111 shares, for a total amount of CHF 5'035'626, and the management members held 1'968 shares, for a total amount of CHF 318'540). The valuation is made based on the statutory financial statements of Mirabaud Capital SA as of December 31, 2019, respectively as of December 31, 2018.

Deferred bonuses amounting to CHF 280'000 were recorded in the personnel expenses in relation with this participation scheme during the year 2019 (respectively CHF 450'000 for 2018).

The business line Mirabaud Asset Management has an incentive scheme restricted to some employees, through which part of the bonuses are deferred for one to three years. Personnel expenses for CHF 1'212'269 were recorded in 2019 (CHF 1'054'583 for 2018).

AMOUNTS DUE FROM / TO RELATED PARTIES

Swiss Francs

	Amounts due from		Amounts due to	
	2019	2018	2019	2018
Holders of qualified participations	–	–	52'388'735	43'089'164
Group companies	–	–	–	–
Transactions with members of governing bodies	–	–	–	–
Other related parties	–	–	–	–
Total	**–**	**–**	**52'388'735**	**43'089'164**

The interest rate conditions applicable to amounts due from and to related parties are at arm's length.

MATURITY STRUCTURE OF FINANCIAL INSTRUMENTS

In thousands of Swiss Francs

			Due					
	At sight	Cancellable	within 3 months	within 3 to 12 months	within 12 months to 5 years	after 5 years	No maturity	**Total**
Assets / Financial instruments								
Liquid assets	1'566'268	–	–	–	–	–	–	**1'566'268**
Amounts due from banks	247'719	–	34'109	81	–	–	–	**281'909**
Amounts due from customers	78'512	2'282	854'944	81'002	12'123	–	–	**1'028'863**
Positive replacement values of derivative financial instruments	177'092	–	–	–	–	–	–	**177'092**
Financial investments	261'947	–	490'493	171'369	2'007	–	–	**925'816**
Total assets / financial instruments								
2019	**2'331'538**	**2'282**	**1'379'546**	**252'452**	**14'130**	**–**	**–**	**3'979'948**
2018	**2'308'315**	**54'991**	**948'558**	**407'587**	**188'367**	**–**	**–**	**3'907'818**
Debt capital / Financial instruments								
Amounts due to banks	17'177	–	9'680	–	–	–	–	**26'857**
Amounts due in respect of customer deposits	3'253'618	–	115'489	118'918	–	–	–	**3'488'025**
Negative replacement values of derivative financial instruments	179'258	–	–	–	–	–	–	**179'258**
Total debt capital / financial instruments								
2019	**3'450'053**	**–**	**125'169**	**118'918**	**–**	**–**	**–**	**3'694'140**
2018	**3'580'108**	**–**	**61'137**	**10'466**	**–**	**–**	**–**	**3'651'711**

BREAKDOWN OF ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN

In thousands of Swiss Francs

	2019		2018	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	1'277'630	288'638	1'206'599	477'106
Amounts due from banks	105'402	176'507	76'407	181'697
Amounts due from customers	177'408	851'454	169'451	770'727
Mortgage loans	–	–	–	–
Trading portfolio assets	–	–	–	–
Positive replacement values of derivative financial instruments	26'191	150'900	6'077	87'173
Financial investments	601'301	324'516	611'555	321'026
Accrued income and prepaid expenses	19'320	22'993	18'970	19'284
Non-consolidated participations	150	592	219	618
Tangible fixed assets	101'652	22'462	98'553	18'411
Intangible assets	–	–	–	–
Other assets	1'219	10'255	6'022	22'371
Total assets	**2'310'273**	**1'848'317**	**2'193'853**	**1'898'413**

BREAKDOWN OF ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN

In thousands of Swiss Francs

	2019		2018	
	Domestic	Foreign	Domestic	Foreign
Liabilities				
Amounts due to banks	10'992	15'865	972	2'090
Amounts due in respect of customer deposits	616'952	2'871'073	521'341	3'032'742
Negative replacement values of derivative financial instruments	85'525	93'733	44'494	50'072
Accrued expenses and deferred income	64'969	48'176	73'689	45'098
Other liabilities	58'902	13'633	9'670	30'385
Provisions	23'321	2'163	26'936	29
Capital accounts	157'662	418	138'655	418
Retained earnings reserve	44'442	5'477	51'740	8'566
Currency translation reserve	–	-5'563	–	-4'239
Consolidated profit	32'882	17'967	34'148	25'460
Total liabilities	1'095'647	3'062'942	901'645	3'190'621

BREAKDOWN OF TOTAL ASSETS BY COUNTRY OR GROUP OF COUNTRIES (DOMICILE PRINCIPLE)

In thousands of Swiss Francs

	2019		2018	
	Absolute	Share as %	Absolute	Share as %
Assets				
Europe				
Switzerland	2'317'267	55.8%	2'193'853	53.6%
Other European countries	1'027'203	24.7%	1'111'208	27.2%
North Amercia	529'258	12.7%	510'454	12.5%
South America	22'856	0.5%	20'670	0.5%
Asia / Oceania	251'650	6.1%	250'491	6.1%
Africa	10'356	0.2%	5'590	0.1%
Total assets	4'158'590	100.0%	4'092'266	100.0%

BREAKDOWN OF TOTAL ASSETS ABROAD BY CREDIT RATING OF COUNTRY GROUPS (RISK DOMICILE VIEW)

			Net foreign exposure / December 31, 2019		Net foreign exposure / December 31, 2018	
	S&P	Internal rating *	Thousands of CHF	Share as %	Thousands of CHF	Share as %
Group internal country rating						
Prime	AAA	1	1'833'196	99.1%	1'822'134	95.9%
High Grade	AA+ - AA-	2	8'473	0.5%	38'604	2.0%
Upper Medium Grade	A+ - A	3	5'062	0.3%	20'213	1.1%
Lower Medium Grade	BBB+ - BBB-	4	6	0.0%	3'334	0.2%
Non Investment Grade Speculative	BB+ - BB-	5	1'153	0.1%	8'611	0.5%
Highly Speculative	B+ - B-	6	320	0.0%	2'604	0.1%
Substantual Risks / In Default	CCC+ - D	7	107	0.0%	2'913	0.2%
Total			1'848'317	100%	1'898'413	100%

* The Group uses its own internal rating system for country risk, as per above illustrated correspondance with Standard & Poors (S&P) ratings.

ASSETS BROKEN DOWN BY THE MOST SIGNIFICANT CURRENCIES

In thousands of Swiss Francs

	Currencies converted into Swiss Francs				
	CHF	USD	EUR	Other currencies	**Total**
Liquid assets	1'274'993	334	290'685	256	**1'566'268**
Amounts due from banks	86'603	31'862	111'156	52'288	**281'909**
Amounts due from customers	211'861	215'819	517'174	84'008	**1'028'862**
Mortgage loans	–	–	–	–	**–**
Trading portfolio assets	–	–	–	–	**–**
Positive replacement values of derivative financial instruments	3'348	68'523	24'909	80'311	**177'091**
Financial investments	357'923	205'982	73'357	288'555	**925'817**
Accrued income and prepaid expenses	21'934	6'661	4'233	9'485	**42'313**
Non-consolidated participations	349	–	393	–	**742**
Tangible fixed assets	114'382	1'273	5'719	2'740	**124'114**
Intangible assets	–	–	–	–	**–**
Other assets	1'382	9'947	78	67	**11'474**
Total assets shown in balance sheet	**2'072'775**	**540'401**	**1'027'704**	**517'710**	**4'158'590**
Delivery entitlements from spot exchange, forward forex and forex options transactions	194'177	3'974'143	1'444'649	4'657'865	**10'270'834**
Total assets	**2'266'952**	**4'514'544**	**2'472'353**	**5'175'575**	**14'429'424**

LIABILITIES BROKEN DOWN BY THE MOST SIGNIFICANT CURRENCIES

In thousands of Swiss Francs

	Currencies converted into Swiss Francs				
	CHF	USD	EUR	Other currencies	**Total**
Amounts due to banks	2'325	22'444	1'962	127	**26'858**
Amounts due in respect of customer deposits	673'640	980'463	1'327'098	506'824	**3'488'025**
Trading portfolio liabilities	–	–	–	–	**–**
Negative replacement values of derivative financial instruments	20'876	59'854	19'076	79'452	**179'258**
Accrued expenses and deferred income	65'358	5'542	21'005	21'240	**113'145**
Other liabilities	63'894	405	7'444	792	**72'535**
Provisions	23'321	–	2'163	–	**25'484**
Capital accounts	157'662	–	–	418	**158'080**
Retained earnings reserve	44'442	5'603	3'539	-3'665	**49'919**
Currency translation reserve	–	1'141	-4'550	-2'154	**-5'563**
Other reserves	–	–	–	–	**–**
Consolidated profit	18'074	7'685	901	24'189	**50'849**
Total liabilities shown in the balance sheet	**1'069'592**	**1'083'137**	**1'378'638**	**627'223**	**4'158'590**
Delivery obligations from spot exchange, forward forex and forex options transactions	1'196'128	3'429'420	1'092'975	4'552'311	**10'270'834**
Total liabilities	**2'265'720**	**4'512'557**	**2'471'613**	**5'179'534**	**14'429'424**
Net position per currency	1'232	1'987	740	-3'959	–

OFF BALANCE SHEET RELATED INFORMATION

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Swiss Francs

	2019	2018
Guarantees to secure credits and similar	181’927’659	169’084’916
Performance guarantees and similar	–	–
Irrevocable commitments arising from documentary letters of credit	–	–
Other contingent liabilities	–	–
Total contingent liabilities	**181’927’659**	**169’084’916**

The Kuwaiti social security institution has initiated civil action against 37 parties before the High Court of Justice in London, including Mirabaud & Cie SA.

This action, notified in September 2019, mainly targets a former executive of this institution for which he is accused of collecting allegedly unauthorized commissions dating back more than 22 years. It is also directed against several other financial institutions and natural persons who have also paid commissions or would have participated in their transfer.

Mirabaud & Cie SA vigorously disputes the reproaches made against it in this case and will assert its position in the part of this procedure which it considers to be abusive, both in substance and in form. The risk of outflow related to this procedure is estimated by Mirabaud & Cie SA to be very low and it has therefore not set up a provision.

FIDUCIARY TRANSACTIONS

Swiss Francs

	2019	2018
Fiduciary investments with third-party companies	2’389’590’966	1’984’898’770
Fiduciary investments with group companies and linked companies	–	–
Other fiduciary transactions	–	–
Total	**2’389’590’966**	**1’984’898’770**

MANAGED ASSETS

In thousands of Swiss Francs

Breakdown of managed assets

	2019	2018
Type of managed assets:		
Assets in collective investment schemes managed by the Group	5'319'451	5'006'942
Assets under discretionary or advisory asset management agreements	14'652'260	13'355'997
Other managed assets	14'766'382	13'974'790
Total managed assets (including double counting)	**34'738'093**	**32'337'729**
- of which, double counting	*2'354'730*	*2'273'646*

Total managed assets (including double counting) - beginning of year	**32'337'729**	**37'010'749**
+/- Net new money inflow or net new money outflow	-121'399	-2'033'593
+/- Price gains / losses, interest, dividends and currency gains / losses	2'521'764	-2'639'427
+/- Other effects	–	–
Total managed assets (including double counting) - end of year	**34'738'094**	**32'337'729**

The assets managed by the Group include the assets under management and / or deposit, with the exception of assets for which the Group is only providing pure custody services.

INCOME STATEMENT RELATED INFORMATION

PERSONNEL EXPENSES

Swiss Francs

	2019	2018
Salaries (meeting attendance fees and fixed compensation to members of the Group's governing bodies, salaries and benefits)	-149'572'034	-155'377'334
- of which expenses relating to share-based compensation and alternative forms of variable compensation	*-1'492'269*	*-1'504'583*
Changes in book value for economic benefits and obligations arising from pension schemes	–	–
Social insurance benefits	-27'170'144	-28'454'343
Other personnel expenses	-9'130'081	-7'305'933
Total	-185'872'259	-191'137'610

GENERAL AND ADMINISTRATIVE EXPENSES

Swiss Francs

	2019	2018
Office space expenses	-10'561'427	-11'661'082
Expenses for information and communications technology	*-13'579'358*	*-12'220'401*
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	-261'557	-207'932
Fees of audit firms	-1'056'828	-1'031'343
- of which, for financial and regulatory audits	*-980'209*	*-916'808*
- of which, for other services	*-76'619*	*-114'535*
Other operating expenses	-47'614'219	-47'608'773
Total	-73'073'389	-72'729'531

EXPLANATIONS REGARDING MATERIAL LOSSES, EXTRAORDINARY INCOME AND EXPENSES, AS WELL AS MATERIAL RELEASES OF HIDDEN RESERVES, RESERVES FOR GENERAL BANKING RISKS, AND VALUE ADJUSTMENTS AND PROVISIONS NO LONGER REQUIRED

During the year ended December 31, 2019, the Group recorded an extraordinary income of CHF 9.5 million related to the sale of non-consolidated participations.

OPERATING RESULT BROKEN DOWN ACCORDING TO DOMESTIC AND FOREIGN ORIGIN, ACCORDING TO THE PRINCIPLE OF PERMANENT ESTABLISHMENT

Swiss francs

	2019			2018		
	Domestic	Foreign	**Total**	Domestic	Foreign	**Total**
Net result from interest operations	24'287'148	3'643'663	**27'930'811**	28'055'865	3'493'803	**31'549'668**
Result from commission business and services	125'060'130	115'657'739	**240'717'869**	130'310'847	133'417'866	**263'728'713**
Result from trading activities	37'271'418	6'896'311	**44'167'729**	32'052'028	8'051'830	**40'103'858**
Other results from ordinary activities	13'982'149	-2'382'379	**11'599'770**	2'140'500	4'796'406	**6'936'906**
Operating expenses	-154'413'255	-104'532'393	**-258'945'648**	-146'806'138	-117'061'003	**-263'867'141**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and tangible assets	-7'760'425	-1'623'212	**-9'383'637**	-4'573'731	-1'763'009	**-6'336'740**
Changes to provisions and other value adjustments, and losses	-5'014'979	-1'700'655	**-6'715'634**	-2'323'154	16'596	**-2'306'558**
Operating result	33'412'186	15'959'074	49'371'260	38'856'217	30'952'489	69'808'706

CURRENT TAXES AND DEFERRED TAXES

Swiss Francs

	2019	2018
Current taxes	-11'801'792	-14'752'613
Deferred taxes	3'983'986	-645'328
Total	-7'817'806	-15'397'941

The Group has not recorded any asset in relation to loss carry forwards for tax purposes.

KM1: KEY METRICS

In thousands of Swiss Francs

	2019	2018
Eligible capital	200'543	196'231
Common Equity Tier 1 capital (CET1)	200'543	196'231
Tier 1 capital (T1)	200'543	196'231
Total capital	200'543	196'231
Risk-weighted assets (RWA)		
RWA	972'177	960'113
Minimum capital requirement	77'774	76'809
Risk-based capital ratios (as a % of RWA)		
CET1 ratio (%)	20.6%	20.4%
Tier 1 capital ratio (%)	20.6%	20.4%
Total capital ratio (%)	20.6%	20.4%
CET1 capital buffer requirements (in % of RWA)		
Capital buffer in accordance with Basel minimum standards (%)	2.5%	1.9%
Countercyclical buffer (Article 44a CAO) in accordance with Basel minimum standards (%)	0.0%	0.0%
Additional capital buffer due to domestic or global systemic risk (%)	0.0%	0.0%
Total CET1 buffer requirements in accordance with Basel minimum standards (%)	2.5%	1.9%
CET1 available to meet buffer requirements in accordance with Basel minimum standards (after deduction of minimum requirements and, where appropriate, TLAC requirements met by CET1) (%)	12.6%	12.4%
Targeted capital ratio in accordance with Annex 8 CAO (in % of RWA)		
Capital buffer in accordance with Annex 8 CAO (%)	3.2%	3.2%
Countercyclical buffer (Articles 44 and 44a CAO) (%)	0.0%	0.0%
CET1 target ratio (in %) in accordance with Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44a CAO	7.4%	7.4%
T1 target ratio (in %) in accordance with Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44a CAO	9.0%	9.0%
Total capital target ratio (in %) in accordance with Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44a CAO	11.2%	11.2%
Basel III leverage ratio		
Total exposure	4'409'363	4'617'431
Basel III leverage ratio (Tier 1 capital in % of total exposure)	4.5%	4.2%

KM1: KEY METRICS (CONTINUED)

In thousands of Swiss Francs

	2019	2018
Short-term liquidity coverage ratio (LCR)		
LCR numerator: total high quality liquid assets	2'125'766	2'273'566
LCR denominator: net cash outflows	990'367	1'153'307
4th quarter LCR	215.0%	197.1%
LCR numerator: total high quality liquid assets	2'097'189	2'368'737
LCR denominator: net cash outflows	1'021'500	1'280'353
3rd quarter LCR	205.0%	185.0%
LCR numerator: total high quality liquid assets	2'123'000	2'208'984
LCR denominator: net cash outflows	938'546	1'222'256
2nd quarter LCR	226.0%	180.7%
LCR numerator: total high quality liquid assets	2'215'995	2'073'014
LCR denominator: net cash outflows	1'031'683	1'025'512
1st quarter LCR	215.0%	202.1%

OV1: OVERVIEW OF RISK-WEIGHTED ASSETS

In thousands of Swiss Francs

	RWA		Minimum capital
	2019	2018	2019
Credit risk	319'576	375'188	25'566
Market risk	52'388	27'775	4'191
Operational risk	600'138	557'025	48'011
Amounts below the thresholds for deductions (subject to 250% risk weight)	75	10	6
Total	972'177	959'998	77'774

LIQA: LIQUIDITY
LIQUIDITY RISK MANAGEMENT

Liquidity risk is defined as the risk arising from a cash situation in which it is not possible to meet commitments or comply with the applicable statutory ratios.

Management of liquidity risk

The objective of liquidity risk management is to ensure that the Group is able to meet its commitments at all times and on an ongoing basis.

The Group's strategy is to manage liquidity risk in a consolidated manner in accordance with the legal provisions applicable to each entity.

The Group strives to:

- establish a liquidity risk management framework that encompasses all its entities;
- integrate entity-specific requirements and restrictions into liquidity risk management measures, crisis scenarios and contingency planning;
- establish the necessary instructions for its entities.

The Group ensures that liquidity management is centralised with Mirabaud & Cie SA, either by depositing assets with Mirabaud & Cie SA or by monitoring positions deposited or invested with third parties.

In the area of cash management, the Group aims to minimise credit risk by giving preference to central banks and minimise market risk by investing in top-quality government bonds.

Roles and responsibilities

The Group determines the liquidity risk tolerance; this tolerance is expressed in the form of limit values and ratios on the balance sheet, which must enable the Group's entities to meet their liabilities to their clients and debtors. At least once a year, the Group assesses the adequacy of these limit values and ratios, verifies their compliance and reviews the results of the stress tests.

The Group defines the organisation, processes and resources necessary to manage liquidity risk on the basis of its risk appetite.

At Group level, an ALM/Treasury Committee assesses liquidity risk analysis (identification and assessment), provides proposals on risk tolerance (limit values and ratios), crisis scenarios and contingency planning and, on the basis of its monitoring activities, verifies compliance with limit values and ratios. It also monitors trends in limit values and ratios and, where necessary, proposes corrective measures to restore an appropriate risk profile. The Group's governing bodies are informed at regular intervals of changes in liquidity risk on the basis of limit ratios and an internal risk assessment model defined for the purpose of prospective analysis.

At Group level, by delegating consolidated supervision tasks to Mirabaud & Cie SA:

- Mirabaud & Cie SA's Treasury/Forex department manages the Bank's cash and supervises treasury management at Group level;
- Mirabaud & Cie SA's Financial Control department verifies the accuracy, completeness and assessment of treasury operations; in this respect, it monitors compliance with liquidity ratios and informs Treasury and Risk Control of its findings. It prepares monthly reports on the cash flow situation, global liquidity and liquidity coverage ratio;
- Mirabaud & Cie SA's Risk Control department oversees the execution of the controls carried out by Financial Control, prepares the information necessary for the Risk Committee's control activities and serves as the point of contact for the Bank and the Group for the communication of any operation or event (external or internal) that may have a significant impact on liquidity levels.

Refinancing strategy

To refinance its active operations, primarily the granting of loans secured by securities, the Group takes care to diversify its sources of refinancing, for example through demand liabilities towards its clients, time liabilities towards its clients or refinancing of bank counterparties.

Concentration risk is adequately reflected in counterparty balances and amounts due to clients.

Identification, assessment and limitation of liquidity risk

As well as complying with legal ratios, the Group has defined tolerance thresholds for the main values and ratios (LCR, assets/liabilities ratio, utilisation rate of securities eligible as collateral); any breaches of thresholds may result in the need for information or action. The Group has also defined maturity management principles with the aim of repaying amounts due to clients within 24 hours. A maximum loss level fixed at 20% of equity in the case of an assessment of the results of the stress scenarios.

These thresholds are calculated monthly and discussed during the meetings of the ALM Committee, which also considers them from the perspective of the Group.

The ALM/Treasury Committee defines crisis scenarios, taking into account in particular a global banking crisis, a massive withdrawal of deposits, a massive cash inflow and currency mismatches. Stress tests are then carried out on the basis of the crisis scenarios, and their impact on regulatory ratios, internal limit ratios and the internal model is analysed by the ALM Committee. The ALM/Treasury Committee informs the Executive Committee and proposes all concrete measures necessary to bring the liquidity coverage ratio back within the defined thresholds.

As well as complying with legal ratios, the Group has defined tolerance thresholds for the main values and ratios (LCR, assets/liabilities ratio, utilisation rate of securities eligible as collateral, contractual maturities); any breaches of these thresholds may result in the need for information or action. These thresholds are monitored monthly.

The Group defines crisis scenarios, taking into account in particular a global banking crisis, a massive withdrawal of deposits, a massive cash inflow and currency mismatches. Stress tests are carried out on the basis of the crisis scenarios, and their impact on regulatory ratios, internal limit ratios and the internal model is analysed. These analyses may lead to measures being implemented where necessary.

Approximately 70% of the liquid assets (HQLA) are assets in the settlement account at the SNB. The rest primarily comprise government bonds, in particular those of the Swiss Confederation, and are eligible for SNB refinancing operations.

Outflows of client deposits account for around 80% of total liquidity outflows. They therefore represent the main source of refinancing and thus of potential outflows in the event of a liquidity crisis.

Loans to clients and banks maturing within 30 days account for around 80% of liquidity inflows.

CR1: CREDIT RISK
CREDIT QUALITY OF ASSETS

In thousands of Swiss Francs

	Gross carrying values		Value adjustments/ impairments	Net values
	Defaulted exposures	Non-defaulted exposures		
Loans (excluding debt securities)	–	1'028'928	66	1'028'862
Debt securities	–	666'666	–	666'666
Off-balance-sheet exposures	–	200'008	–	200'008
Total	**–**	**1'895'602**	**66**	**1'895'536**

A definition of "defaulted" loans, which is similar to that of impaired loans, is set out on page 11 of this report.

CR2 : CREDIT RISK
CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES

In thousands of Swiss Francs

Defaulted loans and debt securities at end of the previous reporting period	**18**
Loans and debt securities that have defaulted since the end of the previous reporting period	48
Returned to non-defaulted status	–
Amounts written off	–
Other changes (+/-)	–
Defaulted loans and debt securities at end of the reporting period	**66**

CRB : CREDIT RISK
ADDITIONAL DISCLOSURE RELATED TO THE CREDIT QUALITY OF ASSETS

A definition of "defaulted" loans, which is similar to that of impaired loans, is set out on page 11 of this report.

The Group has no outstanding exposures that are not simultaneously considered impaired.

CR3: CREDIT RISK
OVERVIEW OF MITIGATION TECHNIQUES

In thousands of Swiss Francs

	Exposures unsecured/ carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees or credit derivatives, of which: secured amount
Claims (including debt securities)	702'618	992'976	–
Off-balance-sheet transactions	6'454	193'554	–
Total	**709'072**	**1'186'530**	**–**
Of which defaulted	66	–	–

Unsecured positions mainly comprise exposures relating to financial assets and loans to banking counterparties.

CR5: CREDIT RISK
EXPOSURES BY EXPOSURE CATEGORY AND RISK WEIGHTS UNDER THE STANDARDISED APPROACH

In thousands of Swiss Francs

	Exposure category/risk weight									
	0%	10%	20%	35%	50%	75%	100%	150%	Other	Total credit exposures amount (post-CCF and post-CRM)
Central governments and central banks	2'226'542	–	–	–	–	–	–	–	–	2'226'542
Banks and brokers	503	–	271'781	–	28'108	–	658	–	–	301'050
Non-central government public sector entities and multilateral development banks	–	–	9'178	–	–	–	249	–	–	9'427
Corporates	19'103	–	–	–	–	–	383'381	–	–	402'484
Retail	–	–	–	–	–	154'341	902'191	–	–	1'056'532
Equity	–	–	–	–	–	–	10'501	8'232	–	18'733
Other exposures	5'148	–	–	–	–	–	41'532	–	–	46'680
Total	**2'251'296**	**–**	**280'959**	**–**	**28'108**	**154'341**	**1'338'512**	**8'232**	**–**	**4'061'448**
Of which, covered by mortgages	–	–	–	–	–	–	–	–	–	–
Of which, past-due loans	–	–	–	–	–	–	–	–	–	–

IRRBBA: INTEREST RATE RISK
INTEREST RATE RISK IN THE BANKING BOOK – MANAGEMENT AND REGULATION

Interest rate risk includes the potential losses concerning the net interest income and the variations of economic value of equity due to adverse movements in interest rates that affect the bank's banking book positions. The Interest rate risk is centrally managed for the entire Group. The Group defines the risk appetite for interest rate risk in the Banking book by fixing limits depending on the total equity aiming to maintain the risk at very low level.

The limits are expressed as:

- limit of economic value of equity (EVE) sensitiveness (equity effect)
- gap analysis by maturity range

At Group level, by delegation of the consolidated supervisory tasks to Mirabaud & Cie SA:

- ALM committee / Treasury manages the interest rate risk in the Banking book
- Risk Control service quarterly verifies the respect of limits and report the results in the quarterly Risk Report.

Based on the principles written in FINMA circular 2019/2 the interest rate risk is measured quarterly using:

- Static indicators to monitor the changes in economic value of Banking book (present value of equity and the sensitiveness of the present value of equity to a change in the yield curves of different currencies for a rolling year time horizon according to the 6 scenarios prescribed by FINMA.
- Dynamic indicators to monitor the changes in earnings (sensitiveness of the net interest margin to a parallel shift up and down of 100 basis points in the yield curves of different currencies).
- Gap maturities analysis, identifying the gap risk in the term structure of assets and liabilities

The stress test take into account changes in the liquidity of the main financial markets, changes in volatilities and correlations of the interest rate curves and the expected behaviour of customers.

Given the nature of Group activities and the constraints of the positions holding an interest rate risk, the effects generated by the change of interests' rates are considered to a low extent significant.

IRRBBA1: INTEREST RATE RISK
QUANTITATIVE INFORMATION ON THE STRUCTURE OF EXPOSURES AND THE RESETTING OF INTEREST RATES

In millions of Swiss francs

	Volumes in millions of Swiss francs			Average interest rate reset period (in years)	
Defined rate reset date	Total	Of which in Swiss francs	Of which in other significant currencies*	Total	"Of which in Swiss francs"
Amounts due from banks	34	–	34	0.0	0.0
Amounts due from clients	943	206	656	0.2	0.2
Financial investments	664	357	269	0.3	0.3
Other receivables	–	–	–	0.0	0.0
Amounts due in respect of interest rate derivatives	–	–	–		
Amounts due to banks	–	–	–	0.1	0.1
Amounts payable in respect of client deposits	234	123	111	0.3	0.3
Bond issues and central mortgage institution loans	–	–	–	0.0	0.0
Other liabilities	–	–	–	0.0	0.0
Undefined interest rate reset date					
Amounts due from banks	248	87	–	0.0	0.0
Amounts due from clients	86	80	–	0.0	0.0
Other receivables on demand	570	73	390	0.0	0.0
Amounts payable on demand in the form of personal accounts and current accounts	3'254	640	2'200	0.0	0.0
Other amounts payable on demand	–	–	–	0.0	0.0
Total	**6'042**	**1'565**	**3'670**		

*representing more than 10% of assets or liabilities of total assets

IRRBB1 TABLE: INTEREST RATE RISK: QUANTITATIVE INFORMATION ON ECONOMIC VALUE AND NET INTEREST INCOME

In thousands of Swiss Francs

	ΔEVE (change in economic value of equity)		ΔNII (change in net interest income)	
	2019	2018	2019	2018
Parallel shift up	-6'965	-12'191	8'946	15'897
Parallel shift down	7'151	12'390	-8'946	-15'897
Steepener shock1	4'047			
Flattener shock2	-5'259			
Rise in short-term interest rates	-7'058			
Fall in short-term interest rates	7'204			
Maximum	7'204		8'946	
Period	**2019**		**2018**	
Tier 1 capital	**200'543**		**196'231**	

ORA: OPERATIONAL RISK
GENERALITIES

Operational risk is defined at the page 14 of the present report. Operational risk appetite is particularly low. Thus, no "acceptable" operational loss limit has been allocated to any department. All operational incidents – whether or not they have a financial impact – must be thoroughly analysed to determine the origin, cause and parties responsible. All operational incidents are annually analysed by the Direction of Group entities in order to check that responsibilities have been adequately defined.

As preventive measures, the Group employees are regularly made aware of operational risk in order to carry out their tasks and obligations with diligence, care, efficiency and effectiveness, permanently keeping in mind confidentiality, banking secrecy, customer's interests, service quality improvement and risk reduction. Each employee is trained on a regular basis in order to improve and maintain his skills to assess his activity from operational risk perspective with the aim of limiting it and reporting it in case of occurrence.

Internal directives and regulations do not generally define a quantitative limit for operational risks. Operational risk tolerance is nonetheless expressed by means of defined thresholds for each selected Key Risk Indicators (KRI) in order to measure the operational risk. These indicators evaluate the operational risks resulting from business activities, processes and systems and are assessed and reported regularly by the Risk Control service to Risk Committee. Depending on the level of respective KRI, explanations and corrective measures are required in order to bring the indicator under the predefined threshold. The KRIs and their thresholds are reviewed at least yearly.

Each Group entity has implemented a Business Continuity Plan to ensure business recovery and protect the assets of its customers. This plan takes into account the activities of Group entities as reflected in their organisational regulations, as well as various scenarios and crises. The concept of the plan is evaluated on a continuous basis by a specialized Committee in order to determine the relevance of the strategy and identify the changes to be made. Its effectiveness is annually tested. The continuity strategy takes into account local regulatory requirements.

The Group computes the capital adequacy requirements for operational risk using the Base Indicator Approach in accordance with the article 92. of OFR.

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To the General Meeting of
Mirabaud SCA, Geneva (Mirabaud Group)

Geneva, 28 April 2020

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Mirabaud Group, which comprise the balance sheet, income statement and notes (pages 4 to 40) for the year ended 31 December 2019.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles as set out in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended 31 December 2019 comply with Swiss law and the consolidation and valuation principles as set out in the notes.

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Report on other legal requirements
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Didier Müller Licensed audit expert (Auditor in charge)	Patrick Mettraux Licensed audit expert

Enclosures
- Consolidated financial statements (balance sheet, income statement and notes)

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