

**CONSOLIDATED  
FINANCIAL STATEMENTS  
2018**

MIRABAUD GROUP

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OF THE MIRABAUD GROUP

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## ANNUAL REPORT

As of 31 December 2018, total assets under administration amount to CHF 32.3 billion.

The annual Group financial statements report a consolidated profit of CHF 59.6 million.

Revenue increased to CHF 342.3 million, including fee and commission income of CHF 263.7 million, net income from trading activities of CHF 40.1 million, and net interest income of CHF 31.5 million. Operating expenses before depreciation, amortisation and tax were CHF 263.9 million. This was achieved through continued vigilance on costs. Operating result amounts to CHF 69.8 million.

Consolidated balance sheet amounts to CHF 4'092.3 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 195.1 million, excluding consolidated profit, the Group's Tier 1 capital ratio is 20.44%.

2018 was an extremely busy year with many achievements in a variety of different areas. The Mirabaud Group began its expansion into new markets, particularly Brazil and Uruguay, with some subsidiaries opened at the beginning of 2019, and in Abu Dhabi in the near future. The Group expanded its advisory services by integrating the solution of a Swiss fintech company; in Asset Management, successfully completed the final closing of the first private equity fund and hired a team specialising in real estate, with a view to a new fund.

The Partners

## GOVERNING BODIES OF THE MIRABAUD GROUP

### PARTNERS

Yves MIRABAUD

Antonio PALMA

Lionel AESCHLIMANN

Camille VIAL

Nicolas MIRABAUD (1st january 2019)

Michael PALMA (1st january 2019)

### BOARD OF DIRECTORS OF MIRABAUD SCA

Yves MIRABAUD

Antonio PALMA

Lionel AESCHLIMANN

Camille VIAL

Nicolas MIRABAUD (1st january 2019)

Michael PALMA (1st january 2019)

### SUPERVISORY BOARD OF MIRABAUD SCA

Pierre BONGARD

Bernard VISCHER

François SUNIER

## BALANCE SHEET

Swiss Francs

## Asset

	<u>31.12.2018</u>	<u>31.12.2017</u>
Liquid assets	1'683'705'118	1'273'994'590
Amounts due from banks	258'103'622	296'914'417
Amounts due from customers	940'177'807	925'710'281
Mortgage loans	-	-
Trading portfolio assets	-	-
Positive replacement values of derivative financial instruments	93'250'298	98'812'035
Financial investments	932'580'661	1'433'128'267
Accrued income and prepaid expenses	38'253'856	41'616'364
Non-consolidated participations	836'562	836'562
Tangible fixed assets	116'963'877	111'849'743
Intangible assets	-	-
Other assets	28'394'549	11'565'006
<b>Total assets</b>	<b>4'092'266'350</b>	<b>4'194'427'265</b>
<b>Total subordinated claims</b>	<b>-</b>	<b>-</b>

## Liabilities

	<u>31.12.2018</u>	<u>31.12.2017</u>
Amounts due to banks	3'062'026	47'361'031
Amounts due in respect of customer deposits	3'554'082'692	3'653'934'617
Trading portfolio liabilities	–	–
Negative replacement values of derivative financial instruments	94'566'045	94'164'821
Accrued expenses and deferred income	118'786'812	108'933'000
Other liabilities	40'055'777	31'909'194
Provisions	26'964'895	23'781'656
Capital accounts	139'072'700	140'806'360
Retained earnings reserve	60'305'586	55'000'150
Currency translation reserve	-4'238'633	-1'995'321
Consolidated profit	59'608'450	40'531'757
<b>Total liabilities</b>	<b>4'092'266'350</b>	<b>4'194'427'265</b>
<b>Total subordinated liabilities</b>	<b>–</b>	<b>–</b>

## OFF-BALANCE SHEET TRANSACTIONS

Swiss Francs

	<u>31.12.2018</u>	<u>31.12.2017</u>
Contingent liabilities	169'084'916	173'798'112
Irrevocable commitments	4'216'000	4'430'000
Obligations to pay up shares and make further contributions	11'987'488	14'514'207
Credit commitments	–	–

## INCOME STATEMENT

Swiss Francs

	2018	2017
Interest and discount income	30'253'635	25'752'542
Interest and dividend income from financial investments	182'554	221'459
Interest expense	1'116'802	1'795'250
<b>Gross result from interest operations</b>	<b>31'552'991</b>	<b>27'769'251</b>
Changes in value adjustments for default risks and losses from interest operations	-3'323	-11'505
<b>Net result from interest operations</b>	<b>31'549'668</b>	<b>27'757'746</b>
Commission income from securities trading and investment activities	289'800'315	263'620'731
Commission income from lending activities	1'865'560	1'882'574
Commission income from other services	10'593'825	6'068'704
Commission expense	-38'530'987	-34'276'402
<b>Result from commission business and services</b>	<b>263'728'713</b>	<b>237'295'607</b>
<b>Result from trading activities</b>	<b>40'103'858</b>	<b>33'349'775</b>
Result from the disposal of financial investments	1'308'565	-122'965
Income from non-consolidated participations	6'353'750	7'466'812
Result from real estate	247'848	245'191
Other ordinary income	723'575	699'345
Other ordinary expenses	-1'696'832	-1'433'611
<b>Other result from ordinary activities</b>	<b>6'936'906</b>	<b>6'854'772</b>
Personnel expenses	-191'137'610	-180'159'373
General and administrative expenses	-72'729'531	-67'007'531
<b>Operating expenses</b>	<b>-263'867'141</b>	<b>-247'166'904</b>
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-6'336'740	-4'803'615
Changes to provisions and other value adjustments, and losses	-2'306'558	-5'602'863
<b>Operating result</b>	<b>69'808'706</b>	<b>47'684'518</b>
Extraordinary income	5'671'623	2'312'176
Extraordinary expenses	-473'938	-205'208
Taxes	-15'397'941	-9'259'729
<b>Consolidated profit</b>	<b>59'608'450</b>	<b>40'531'757</b>

## CASH FLOW STATEMENT

Swiss francs

	2018		2017	
	Cash inflows	Cash outflows	Cash inflows	Cash outflows
<b>Cash flow from operating activities (internal financing)</b>				
Consolidated profit	59'608'450	–	40'531'757	–
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	6'336'740	–	4'803'613	–
Provisions and other value adjustments	3'183'239	–	5'196'458	–
Change in value adjustments for default risks and losses	3'323	–	11'505	–
Accrued income and prepaid expenses	3'362'508	–	458'031	–
Accrued expenses and deferred income	9'853'812	–	24'839'346	–
Other items	–	8'682'960	50'695'451	–
<b>Subtotal</b>	<b>82'348'072</b>	<b>8'682'960</b>	<b>126'536'161</b>	<b>–</b>
<b>Cash flow from shareholders' equity transactions</b>				
Share capital / participation capital / cantonal banks' endowment capital / etc.	–	1'733'660	–	660'080
Recognised in reserves	–	37'469'633	–	24'502'983
<b>Subtotal</b>	<b>–</b>	<b>39'203'293</b>	<b>–</b>	<b>25'163'063</b>
<b>Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets</b>				
Participations	–	–	165'037	–
Real estate	–	1'549'476	–	25'465
Other tangible fixed assets	–	9'901'398	–	9'042'012
<b>Subtotal</b>	<b>–</b>	<b>11'450'874</b>	<b>165'037</b>	<b>9'067'477</b>
<b>Cash flow from banking operations</b>				
Medium - and long-term business (> 1 year)				
Amounts due from banks	–	–	–	–
Amounts due from customers	843'420	–	–	35'362'900
Financial investments	106'147'574	–	–	242'059'084
Short-term business (< 1 year)				
Amounts due to banks	–	44'299'005	–	19'975'731
Amounts due in respect of customer deposits	–	99'851'925	–	128'745'160
Negative replacement values of derivative financial instruments	401'224	–	–	31'171'169
Amounts due from banks	38'810'795	–	134'119'227	–
Amounts due from customers	–	15'314'269	–	153'817'140
Positive replacement values of derivative financial instruments	5'561'737	–	33'237'826	–
Financial investments	394'400'032	–	170'010'563	–
<b>Liquidity</b>				
Liquid assets	–	409'710'528	181'292'910	–
<b>Subtotal</b>	<b>546'164'782</b>	<b>569'175'727</b>	<b>518'660'526</b>	<b>611'131'184</b>
<b>Total</b>	<b>628'512'854</b>	<b>628'512'854</b>	<b>645'361'724</b>	<b>645'361'724</b>

## STATEMENT OF CHANGES IN EQUITY

Swiss Francs

	Capital accounts					Total
	Indefinitely liable partners contributions	Definitely liable partners contributions	Retained earnings reserve	Currency translation reserve	Consolidated profit	
<b>Equity as of December 31, 2017</b>	<b>87'798'000</b>	<b>53'008'360</b>	<b>55'000'150</b>	<b>-1'995'321</b>	<b>40'531'757</b>	<b>234'342'946</b>
Employee participation schemes / recognition in reserves	-	-	-	-	-	-
Capital movements increase / decrease	3'000'000	-4'733'660	-	-	-	-1'733'660
Currency translation differences	-	-	301'852	-2'243'312	-	-1'941'460
Dividends and other distributions	-	-	5'003'584	-	-40'531'757	-35'528'173
Other allocations to (transfers from) the other reserves	-	-	-	-	-	-
Consolidated profit	-	-	-	-	59'608'450	59'608'450
<b>Equity as of December 31, 2018</b>	<b>90'798'000</b>	<b>48'274'700</b>	<b>60'305'586</b>	<b>-4'238'633</b>	<b>59'608'450</b>	<b>254'748'103</b>

NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2018

## 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, 2018, all entities controlled by the Partners. The significant entities, as well as the entities entering in the scope of the consolidation in 2018 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:

	2018		2017	
	Closing	Average	Closing	Average
USD	0.985	0.979	0.976	0.985
EUR	1.126	1.155	1.170	1.112
GBP	1.254	1.306	1.320	1.269
CAD	0.723	0.755	0.778	0.759

### 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 losses 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.

point of view, it has no significant exposure to other market or country risks, and credit risks, given the selection of counterparties 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.

## 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

## 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			Total
	Secured by mortgage	Other collateral	Unsecured	
<b>Loans (before netting with value adjustments)</b>				
Amounts due from customers	-	937'466'307	2'729'390	940'195'697
Mortgage loans	-	-	-	-
<b>Total loans (before netting with value adjustments)</b>				
2018	-	937'466'307	2'729'390	940'195'697
2017	-	919'280'705	6'442'325	925'723'030
<b>Total loans (after netting with value adjustments)</b>				
2018	-	937'466'307	2'711'500	940'177'807
2017	-	919'280'705	6'429'576	925'710'281
<b>Off balance sheet</b>				
Contingent liabilities	-	168'435'734	649'182	169'084'916
Irrevocable commitments	-	-	4'216'000	4'216'000
Obligations to pay up shares and make further contributions	-	11'656'509	330'979	11'987'488
Credit commitments	-	-	-	-
<b>Total off balance sheet</b>				
2018	-	180'092'243	5'196'161	185'288'404
2017	-	187'170'880	5'571'439	192'742'319
<b>Impaired loans</b>				
2018	17'890	-	17'890	17'890
2017	12'749	-	12'749	12'749

## 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
<b>Foreign exchange / precious metals</b>						
Forward contracts	59'961'844	59'940'031	4'071'230'375	-	-	-
Combined interest rate / currency swaps	-	-	-	993'980	2'331'540	1'129'883'188
Futures	-	-	-	-	-	-
Options (OTC)	32'294'474	32'294'474	3'671'945'509	-	-	-
Options (exchange traded)	-	-	-	-	-	-
<b>Total before netting adjustments</b>						
<b>2018</b>	<b>92'256'318</b>	<b>92'234'505</b>	<b>7'743'175'884</b>	<b>993'980</b>	<b>2'331'540</b>	<b>1'129'883'188</b>
<b>2017</b>	<b>94'717'236</b>	<b>93'602'918</b>	<b>6'413'434'385</b>	<b>4'094'799</b>	<b>561'903</b>	<b>1'330'682'684</b>

## DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Swiss Francs

	Positive replacement values (cumulative)	Negative replace- ment values (cumu- lative)
<b>Total after netting agreements</b>		
2018	85'423'007	86'738'754
2017	67'908'939	63'261'725

## Breakdown by counterparty

	Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreements)	-	7'248'639	78'174'368

## FINANCIAL INVESTMENTS

Swiss Francs

	Book value		Fair value	
	2018	2017	2018	2017
<b>Debt securities</b>	<b>645'341'212</b>	<b>1'180'155'019</b>	<b>645'886'420</b>	<b>1'182'170'233</b>
- of which, intended to be held to maturity	251'041'489	543'791'267	251'255'500	544'002'882
- of which, not intended to be held to maturity (available for sale)	394'299'723	636'363'752	394'630'920	638'167'351
<b>Equity securities</b>	<b>12'763'902</b>	<b>18'465'910</b>	<b>12'846'149</b>	<b>19'790'576</b>
- of which, qualified participations		-		-
<b>Precious metals</b>	<b>274'475'547</b>	<b>234'507'338</b>	<b>274'475'547</b>	<b>234'507'338</b>
<b>Total</b>	<b>932'580'661</b>	<b>1'433'128'267</b>	<b>933'208'116</b>	<b>1'436'468'146</b>
- of which, securities eligible for repo transactions in accordance with liquidity requirements	537'822'931	814'567'248		

## Breakdown of counterparties by rating

	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated	Total
<b>Debt securities</b>							
Book values	645'341'212	-	-	-	-	-	645'341'212

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, 2017	Current year				Book value as of December 31, 2018
				Reclassifications	Additions	Disposals	Value adjustments	
<b>Other participations</b>								
with market value	-	-	-	-	-	-	-	-
without market value	1'001'599	-165'037	836'562	-	-	-	-	836'562
<b>Total participations</b>	<b>1'001'599</b>	<b>-165'037</b>	<b>836'562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>836'562</b>

## 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	140'980	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	500	99%	99%	99%	0%
Mirabaud International Advisory (Uruguay) SA, Montevideo*	Finance company	USD	60	99%	99%	99%	0%
Mirabaud (Brasil) Representações Ltda, São Paulo*	Finance company	BRL	0.1	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	1'000	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%
Galloway Capital Management Ltd, Tortola*	Asset management	USD	50	100%	100%	100%	0%
Mirabaud Asset Management (Brasil) Ltda, São Paulo*	Asset management	BRL	600	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, Bermuda	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%
MirServices SA, en liquidation, Genève	Service company	CHF	500	100%	100%	100%	0%

\* Entities entering in the scope of the consolidation in 2018.

## Non-consolidated participations

			Company capital (in thousands)	Share of capital (in %)	Share of votes (in %)	Held directly (in %)	Held indirectly (in %)
Company name and domicile	Business activity						
Finaveo et Associés, Paris	Service company	EUR	289	34%	34%	34%	0%
Galba Anstalt, Liechtenstein	Service company	CHF	30	100%	100%	100%	0%
Hausman General Partners Sàrl, Luxembourg	Finance company	EUR	1'000	32%	32%	32%	0%
HH Management Holdings Limited, Tortola	Finance company	USD	10	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, Zurich	Service company	CHF	19'522	1%	1%	1%	0%
Upsidéo, Paris	Service company	EUR	15	34%	34%	34%	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, 2017	Current year			Book value as of December 31, 2018
				Additions	Disposals	Depreciation	
Group buildings	98'191'655	-3'552'342	94'639'313	1'549'476	-	-1'106'590	95'082'199
Other real estate	-	-	-	-	-	-	-
Other tangible fixed assets	69'184'927	-51'974'497	17'210'430	10'106'064	-204'978	-5'229'838	21'881'678
Tangible fixed assets under financial lease	-	-	-	-	-	-	-
<b>Total tangible fixed assets</b>	<b>167'376'582</b>	<b>-55'526'839</b>	<b>111'849'743</b>	<b>11'655'540</b>	<b>-204'978</b>	<b>-6'336'428</b>	<b>116'963'877</b>

Operating lease commitments as of December 31, 2018

- of which with maturity within one year

-

-

Operating lease commitments as of December 31, 2017

- of which with maturity within one year

-

-

## OTHER ASSETS AND OTHER LIABILITIES

Swiss Francs

	Other assets		Other liabilities	
	2018	2017	2018	2017
Compensation account	-	-	2'111'808	8'304'261
Deferred income taxes recognised as assets	-	-	-	-
Others	28'394'549	11'565'006	37'943'969	23'604'933
<b>Total</b>	<b>28'394'549</b>	<b>11'565'006</b>	<b>40'055'777</b>	<b>31'909'194</b>

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

Swiss Francs

	Book values	Effective commitments
<b>Pledged / assigned assets</b>		
Financial investments	133'426'119	41'478'572
Others	134'040'165	112'882'094
<b>Total</b>	<b>267'466'284</b>	<b>154'360'666</b>
<b>Assets under reservation of ownership</b>		
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 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 expressly designated Group employees are affiliated 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 3'326'019 as of December 31, 2018, respectively to CHF 4'919'634 as of December 31, 2017. 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, 2018 an overfunding of 103.3%, respectively as of December 31, 2017 an overfunding of 108.3%. The Fondation pour Cadres et Dirigeants d'Entreprise reported a funding of 100% as of December 31, 2018, as well as of December 31, 2017.

As of December 31, 2018, as well as of December 31, 2017, no employer contribution reserves were recorded.

## Presentation of the economic benefit / obligation and the pension expenses

Swiss Francs

	Overfunding / underfunding as of December 31, 2018	Economic interest of the financial Group		Changes in economic interest (economic benefit / obligation) versus 2017	Contribution paid for 2018		Pension expenses in personnel expenses
		2018	2017		2018	2017	
Employer sponsored funds / employer sponsored pension schemes	-	-	-	-	-	-	-
Pension plans without overfunding / underfunding	-	-	-	-	2'927'492	2'927'492	2'612'123
Pension plans with overfunding	7'684'000	-	-	-	4'981'914	4'981'914	5'007'018
Pension plans with underfunding	-	-	-	-	-	-	-
Pension schemes without own assets	-	-	-	-	-	-	-



## 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, 2018, the eligible employees held 31'111 shares in *Mirabaud Capital SA*, 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 (as of December 31, 2017, the eligible employees held 26'692 shares, for a total amount of CHF 4'163'107, and the management members held 4'461 shares, for a total amount of CHF 695'775). The valuation is made based on the statutory financial statements of *Mirabaud Capital SA* as of December 31, 2018, respectively as of December 31, 2017.

Deferred bonuses amounting to CHF 450'000 were recorded in the personnel expenses in relation with this participation scheme during the year 2018 (respectively CHF 410'000 for 2017).

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 1'054'583 were recorded in 2018 (CHF 1'296'668 for 2017).

## AMOUNTS DUE FROM / TO RELATED PARTIES

Swiss Francs

	Amounts due from		Amounts due to	
	2018	2017	2018	2017
Holders of qualified participations	-	-	43'089'164	26'740'878
Group companies	-	-	-	-
Transactions with members of governing bodies	-	-	-	-
Other related parties	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>43'089'164</b>	<b>26'740'878</b>

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

	At sight	Cancellable	Due					Total
			within 3 months	within 3 to 12 months	within 12 months to 5 years	after 5 years	No maturity	
<b>Assets / Financial instruments</b>								
Liquid assets	1'683'705	-	-	-	-	-	-	1'683'705
Amounts due from banks	222'634	-	35'188	282	-	-	-	258'104
Amounts due from customers	17'700	54'991	552'923	280'044	34'520	-	-	940'178
Positive replacement values of derivative financial instruments	93'250	-	-	-	-	-	-	93'250
Financial investments	291'026	-	360'447	127'261	153'847	-	-	932'581
<b>Total assets / financial instruments</b>								
<b>2018</b>	<b>2'308'315</b>	<b>54'991</b>	<b>948'558</b>	<b>407'587</b>	<b>188'367</b>	<b>-</b>	<b>-</b>	<b>3'907'818</b>
<b>2017</b>	<b>1'912'241</b>	<b>42'685</b>	<b>1'098'496</b>	<b>679'781</b>	<b>294'358</b>	<b>999</b>	<b>-</b>	<b>4'028'560</b>
<b>Debt capital / Financial instruments</b>								
Amounts due to banks	3'062	-	-	-	-	-	-	3'062
Amounts due in respect of customer deposits	3'482'480	-	61'137	10'466	-	-	-	3'554'083
Negative replacement values of derivative financial instruments	94'566	-	-	-	-	-	-	94'566
<b>Total debt capital / financial instruments</b>								
<b>2018</b>	<b>3'580'108</b>	<b>-</b>	<b>61'137</b>	<b>10'466</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3'651'711</b>
<b>2017</b>	<b>3'785'096</b>	<b>-</b>	<b>10'364</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3'795'460</b>

## BREAKDOWN OF ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN

In thousands of Swiss Francs

	2018		2017	
	Domestic	Foreign	Domestic	Foreign
<b>Assets</b>				
Liquid assets	1'206'599	477'106	1'043'041	230'954
Amounts due from banks	76'407	181'697	92'711	204'204
Amounts due from customers	169'451	770'727	140'272	785'438
Mortgage loans	–	–	–	–
Trading portfolio assets	–	–	–	–
Positive replacement values of derivative financial instruments	6'077	87'173	8'799	90'014
Financial investments	611'555	321'026	999'460	433'669
Accrued income and prepaid expenses	18'970	19'284	19'588	22'028
Non-consolidated participations	219	618	54	783
Tangible fixed assets	98'553	18'411	91'582	20'267
Intangible assets	–	–	–	–
Other assets	6'022	22'371	2'236	9'329
<b>Total assets</b>	<b>2'193'853</b>	<b>1'898'413</b>	<b>2'397'742</b>	<b>1'796'685</b>

## BREAKDOWN OF ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN

In thousands of Swiss Francs

	2018		2017	
	Domestic	Foreign	Domestic	Foreign
<b>Liabilities</b>				
Amounts due to banks	972	2'090	15'615	31'746
Amounts due in respect of customer deposits	521'341	3'032'742	511'193	3'142'742
Negative replacement values of derivative financial instruments	44'494	50'072	70'437	23'728
Accrued expenses and deferred income	73'689	45'098	70'822	38'111
Other liabilities	9'670	30'385	12'792	19'117
Provisions	26'936	29	23'660	122
Capital accounts	138'655	418	140'388	418
Retained earnings reserve	51'740	8'566	50'828	4'173
Currency translation reserve	–	-4'239	–	-1'995
Consolidated profit	34'148	25'460	24'643	15'889
<b>Total liabilities</b>	<b>901'645</b>	<b>3'190'621</b>	<b>920'378</b>	<b>3'274'049</b>

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

In thousands of Swiss Francs

	2018		2017	
	Absolute	Share as %	Absolute	Share as %
<b>Assets</b>				
<b>Europe</b>				
Switzerland	2'193'853	53.6%	2'272'778	54.2%
Other European countries	1'111'208	27.2%	953'786	22.7%
<b>North America</b>	510'454	12.5%	658'017	15.7%
<b>South America</b>	20'670	0.5%	51'331	1.2%
<b>Asia / Oceania</b>	250'491	6.1%	252'966	6.0%
<b>Africa</b>	5'590	0.1%	5'548	0.1%
<b>Total assets</b>	<b>4'092'266</b>	<b>100.0%</b>	<b>4'194'427</b>	<b>100.0%</b>

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

	S&P	Internal rating *	Net foreign exposure / December 31, 2018		Net foreign exposure / December 31, 2017	
			Thousands of CHF	Share as %	Thousands of CHF	Share as %
<b>Group internal country rating</b>						
Prime	AAA	1	1'822'134	95.9%	1'770'653	98.6%
High Grade	AA+ - AA-	2	38'604	2.0%	5'317	0.3%
Upper Medium Grade	A+ - A	3	20'213	1.1%	12'009	0.7%
Lower Medium Grade	BBB+ - BBB-	4	3'334	0.2%	1'277	0.1%
Non Investment Grade Speculative	BB+ - BB-	5	8'611	0.5%	2'970	0.2%
Highly Speculative	B+ - B-	6	2'604	0.1%	2'765	0.2%
Substantial Risks / In Default	CCC+ - D	7	2'913	0.2%	1'694	0.1%
<b>Total</b>			<b>1'898'413</b>	<b>100%</b>	<b>1'796'685</b>	<b>100%</b>

\* 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				Total
	CHF	USD	EUR	Other currencies	
Liquid assets	1'204'198	247	479'048	212	1'683'705
Amounts due from banks	57'108	27'649	121'516	51'831	258'104
Amounts due from customers	211'165	152'250	512'288	64'475	940'178
Mortgage loans	-	-	-	-	-
Trading portfolio assets	-	-	-	-	-
Positive replacement values of derivative financial instruments	3'631	29'303	10'524	49'792	93'250
Financial investments	337'521	232'876	28'909	333'275	932'581
Accrued income and prepaid expenses	19'807	2'081	7'442	8'923	38'253
Non-consolidated participations	249	160	428	-	837
Tangible fixed assets	110'105	127	4'324	2'408	116'964
Intangible assets	-	-	-	-	-
Other assets	5'570	10'832	10'504	1'488	28'394
<b>Total assets shown in balance sheet</b>	<b>1'949'354</b>	<b>455'525</b>	<b>1'174'983</b>	<b>512'404</b>	<b>4'092'266</b>
Delivery entitlements from spot exchange, forward forex and forex options transactions	274'035	2'211'354	794'154	3'757'543	7'037'086
<b>Total assets</b>	<b>2'223'389</b>	<b>2'666'879</b>	<b>1'969'137</b>	<b>4'269'947</b>	<b>11'129'352</b>

## LIABILITIES BROKEN DOWN BY THE MOST SIGNIFICANT CURRENCIES

In thousands of Swiss Francs

	Currencies converted into Swiss Francs				Total
	CHF	USD	EUR	Other currencies	
Amounts due to banks	–	2'979	50	33	3'062
Amounts due in respect of customer deposits	549'808	1'017'717	1'456'422	530'136	3'554'083
Trading portfolio liabilities	–	–	–	–	–
Negative replacement values of derivative financial instruments	20'501	24'954	7'356	41'755	94'566
Accrued expenses and deferred income	74'546	4'387	21'720	18'134	118'787
Other liabilities	27'659	4'121	6'874	1'401	40'055
Provisions	26'936	–	29	–	26'965
Capital accounts	48'794	13'906	47'161	29'212	139'073
Retained earnings reserve	30'886	13'273	5'143	11'004	60'306
Currency translation reserve	–	4'949	-2'227	-6'961	-4'239
Other reserves	–	–	–	–	–
Consolidated profit	26'896	14'674	2'248	15'790	59'608
<b>Total liabilities shown in the balance sheet</b>	<b>806'026</b>	<b>1'100'960</b>	<b>1'544'776</b>	<b>640'504</b>	<b>4'092'266</b>
Delivery obligations from spot exchange, forward forex and forex options transactions	1'414'939	1'563'189	421'035	3'637'923	7'037'086
<b>Total liabilities</b>	<b>2'220'965</b>	<b>2'664'149</b>	<b>1'965'811</b>	<b>4'278'427</b>	<b>11'129'352</b>
Net position per currency	2'424	2'730	3'326	-8'480	–

## OFF BALANCE SHEET RELATED INFORMATION

### CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Swiss Francs

	2018	2017
Guarantees to secure credits and similar	169'084'916	173'798'112
Performance guarantees and similar	-	-
Irrevocable commitments arising from documentary letters of credit	-	-
Other contingent liabilities	-	-
<b>Total contingent liabilities</b>	<b>169'084'916</b>	<b>173'798'112</b>

### FIDUCIARY TRANSACTIONS

Swiss Francs

	2018	2017
Fiduciary investments with third-party companies	1'984'898'770	1'724'701'124
Fiduciary investments with group companies and linked companies	-	-
Other fiduciary transactions	-	-
<b>Total</b>	<b>1'984'898'770</b>	<b>1'724'701'124</b>

## MANAGED ASSETS

In thousands of Swiss Francs

### Breakdown of managed assets

	2018	2017
<b>Type of managed assets:</b>		
Assets in collective investment schemes managed by the Group	5'006'942	6'731'886
Assets under discretionary or advisory asset management agreements	13'355'997	14'676'767
Other managed assets	13'974'790	15'602'096
<b>Total managed assets (including double counting)</b>	<b>32'337'729</b>	<b>37'010'749</b>
<i>- of which, double counting</i>	<i>2'273'646</i>	<i>3'743'664</i>
<b>Total managed assets (including double counting) - beginning of year</b>	<b>37'010'749</b>	<b>33'104'418</b>
+/- Net new money inflow or net new money outflow	-2'033'593	648'932
+/- Price gains / losses, interest, dividends and currency gains / losses	-2'639'427	3'257'399
+/- Other effects	-	-
<b>Total managed assets (including double counting) - end of year</b>	<b>32'337'729</b>	<b>37'010'749</b>

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

	2018	2017
Salaries (meeting attendance fees and fixed compensation to members of the Group's governing bodies, salaries and benefits)	-155'377'334	-149'222'391
- of which expenses relating to share-based compensation and alternative forms of variable compensation	-1'504'583	-1'706'668
Changes in book value for economic benefits and obligations arising from pension schemes	-	-
Social insurance benefits	-28'454'343	-27'714'732
Other personnel expenses	-7'305'933	-3'222'250
<b>Total</b>	<b>-191'137'610</b>	<b>-180'159'373</b>

### GENERAL AND ADMINISTRATIVE EXPENSES

Swiss Francs

	2018	2017
Office space expenses	-11'661'082	-12'229'951
Expenses for information and communications technology	-12'220'401	-10'630'236
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	-207'932	-967'643
Fees of audit firms	-1'031'343	-1'136'251
- of which, for financial and regulatory audits	-916'808	-1'069'331
- of which, for other services	-114'535	-66'920
Other operating expenses	-47'608'773	-42'043'451
<b>Total</b>	<b>-72'729'531</b>	<b>-67'007'531</b>

## 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, 2018, the Group recorded an extraordinary income of CHF 5.6 million in connection with the dissolution of a provision which has become unnecessary.

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

Swiss francs

	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Net result from interest operations	28'055'865	3'493'803	<b>31'549'668</b>	25'203'199	2'554'547	<b>27'757'746</b>
Result from commission business and services	130'310'847	133'417'866	<b>263'728'713</b>	122'979'892	114'315'715	<b>237'295'607</b>
Result from trading activities	32'052'028	8'051'830	<b>40'103'858</b>	29'356'266	3'993'509	<b>33'349'775</b>
Other results from ordinary activities	2'140'500	4'796'406	<b>6'936'906</b>	533'335	6'321'437	<b>6'854'772</b>
Operating expenses	-146'806'138	-117'061'003	<b>-263'867'141</b>	-139'802'095	-107'364'809	<b>-247'166'904</b>
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and tangible assets	-4'573'731	-1'763'009	<b>-6'336'740</b>	-3'226'366	-1'577'249	<b>-4'803'615</b>
Changes to provisions and other value adjustments, and losses	-2'323'154	16'596	<b>-2'306'558</b>	-5'531'614	-71'249	<b>-5'602'863</b>
<b>Operating result</b>	<b>38'856'217</b>	<b>30'952'489</b>	<b>69'808'706</b>	<b>29'512'618</b>	<b>18'171'900</b>	<b>47'684'518</b>

## CURRENT TAXES AND DEFERRED TAXES

Swiss Francs

	2018	2017
Current taxes	-14'752'613	-8'490'965
Deferred taxes	-645'328	-768'765
<b>Total</b>	<b>-15'397'941</b>	<b>-9'259'730</b>

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

## KMI: KEY METRICS

In thousands of Swiss Francs

	2018	2017
Eligible capital	196'231	190'963
Common Equity Tier 1 capital (CET1)	196'231	190'963
Tier 1 capital (T1)	196'231	190'963
Total capital	196'231	190'963
Risk-weighted assets (RWA)		
RWA	960'113	561'838
Minimum capital requirement	76'809	73'779
Risk-based capital ratios (as a % of RWA)		
CET1 ratio (%)	20.4%	20.7%
Tier 1 capital ratio (%)	20.4%	20.7%
Total capital ratio (%)	20.4%	20.7%
CET1 capital buffer requirements (in % of RWA)		
Capital buffer in accordance with Basel minimum standards (%)	1.9%	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 (%)	1.9%	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) (%)	12.4%	12.7%
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	4'617'431	4'421'559
Basel III leverage ratio (Tier 1 capital in % of total exposure)	4.2%	4.3%

**KMI: KEY METRICS (CONTINUED)**

In thousands of Swiss Francs

	2018	2017
Short-term liquidity coverage ratio (LCR)		
LCR numerator: total high quality liquid assets	2'273'566	1'329'374
LCR denominator: net cash outflows	1'153'307	2'275'255
4th quarter LCR	197.1%	171.2%
LCR numerator: total high quality liquid assets	2'368'737	1'391'538
LCR denominator: net cash outflows	1'280'353	2'249'739
3rd quarter LCR	185.0%	161.7%
LCR numerator: total high quality liquid assets	2'208'984	1'441'071
LCR denominator: net cash outflows	1'222'256	2'670'742
2nd quarter LCR	180.7%	185.3%
LCR numerator: total high quality liquid assets	2'073'014	1'603'663
LCR denominator: net cash outflows	1'025'512	2'462'139
1st quarter LCR	202.1%	153.5%

## OVI: OVERVIEW OF RISK-WEIGHTED ASSETS

In thousands of Swiss Francs

	RWA		Minimum capital
	2018	2017	2018
Credit risk	375'188	349'188	30'015
Market risk	27'775	25'125	2'222
Operational risk	557'025	547'925	44'562
Amounts below the thresholds for deductions (subject to 250% risk weight)	125	-	10
<b>Total</b>	<b>960'113</b>	<b>922'238</b>	<b>76'809</b>

## 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 80% 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 90% 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 70% 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-de faulted exposures		
Loans (excluding debt securities)	–	1'187'984	18	1'187'966
Debt securities	–	641'533	–	641'533
Off-balance-sheet exposures	–	191'187	–	191'187
<b>Total</b>	<b>–</b>	<b>2'020'704</b>	<b>18</b>	<b>2'020'686</b>

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

<b>Defaulted loans and debt securities at end of the previous reporting period</b>	<b>13</b>
Loans and debt securities that have defaulted since the end of the previous reporting period	5
Returned to non-defaulted status	–
Amounts written off	–
Other changes (+/-)	–
<b>Defaulted loans and debt securities at end of the reporting period</b>	<b>18</b>

## 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)	915'231	842'508	914
Off-balance-sheet transactions	6'424	149'887	–
<b>Total</b>	<b>921'655</b>	<b>992'395</b>	<b>914</b>
<i>Of which defaulted</i>	18	–	–

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



## 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 and current revenues aiming to maintain the risk at very low level.

The limits are expressed as:

- limit of economic value of equity (EVE) sensitiveness (equity effect)
- limit of net interest margin sensitiveness on a moving year (earnings 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 2008/6 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 parallel change of +/- 100 basis points in the yield curves of different currencies for a one year time horizon.
- Dynamic indicators to monitor the changes in earnings (sensitiveness of the net interest margin to a parallel move 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)	
	Total	Of which in Swiss francs	Of which in other significant currencies*	Total	"Of which in Swiss francs"
<b>Defined rate reset date</b>					
Amounts due from banks	36	–	35	0.1	0.0
Amounts due from clients	867	204	607	0.4	0.6
Financial investments	642	337	252	0.4	0.6
Other receivables	–	–	–	0.0	0.0
Amounts due in respect of interest rate derivatives	–	–	–		
Amounts due to banks	–	–	–	0.0	0.0
Amounts payable in respect of client deposits	3'554	550	2'466	0.0	0.0
Bond issues and central mortgage institution loans	–	–	–	0.0	0.0
Other liabilities	–	–	–	0.0	0.0
<b>Undefined interest rate reset date</b>					
Amounts due from banks	222	57	114	0.0	0.0
Amounts due from clients	73	8	58	0.0	0.0
Other receivables on demand	–	–	–	0.0	0.0
Amounts payable on demand in the form of personal accounts and current accounts	–	–	–	0.0	0.0
Other amounts payable on demand	3	–	3	0.0	0.0
<b>Total</b>	<b>5'388</b>	<b>1'155</b>	<b>3'535</b>		

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

Calculation of the maximum interest rate reset period (in years) for exposures with modelled (not predetermined) definition of the interest rate reset date is not in effect in 2018.

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

In thousands of Swiss Francs

	$\Delta$ EVE (change in economic value of equity)		$\Delta$ NII (change in net interest income)	
	2018	2017	2018	2017
Parallel shift up	-12'191	-10'287	15'897	10'128
Parallel shift down	12'390	11'130	-15'897	-10'128
Steeper shock <sup>1</sup>				
Flattener shock <sup>2</sup>				
Rise in short-term interest rates				
Fall in short-term interest rates				
Maximum				
<b>Period</b>	<b>2018</b>		<b>2017</b>	
<b>Tier 1 capital</b>	<b>196'231</b>		<b>190'963</b>	

## 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, 30 April 2019

## 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, for the year ended 31 December 2018 (pages 4 to 40).



### 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 2018 comply with Swiss law and the consolidation and valuation principles as set out in the notes.



### 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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