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Interim Report
January to June 2022

■ Presentation of figures

The amounts shown in the report are rounded. 0 is a rounded amount, indicating that the original figure was less than half of the unit used. A dash (-) in place of a figure indicates that the value is zero.

■ True-to-scale representation of figures in diagrams

Diagrams are shown to scale to present a true and fair view: 20 mm is equivalent to one billion francs. Exceptions to this scale are noted in each case. Percentages in charts are standardized as follows: Horizontal: 75 mm is equivalent to 100 percent. Vertical: 40 mm is equivalent to 100 percent.

■ Key for diagrams

- Current year
- Previous year
- Difference with positive effect on result
- Difference with negative effect on result

If the figures shown (e.g. due to a change in method or change in the scope of consolidation) are not comparable with the more recent figures, this is shown as follows:

- Non-comparable prior-year figure
- Non-comparable difference with positive effect on result
- Non-comparable difference with negative effect on result

■ Languages

The report is available in English, German, French and Italian. The German version is authoritative.

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Foreword

by **Alex Glanzmann**, Head of Finance

” —

Swiss Post has established a good financial foundation in recent years and has strengthened it further in the first half of this year. We are well placed to meet the challenges of the months ahead.

Dear Reader

2022 is and will continue to be characterized by a very challenging economic environment, with events being shaped by the sharp rise in inflation, record high prices for energy, fuel and raw materials, potential supply bottlenecks, a tense geopolitical situation and subdued consumer confidence. Swiss Post cannot escape these developments. The company is doing all it can to continue to ensure optimal provision of products and services to the Swiss people and economy in this highly uncertain environment.

For Swiss Post, the economic situation means that parcel volumes are growing more slowly than expected. The previous uninterrupted trend towards online retail slowed in the first six months of 2022. Among the reasons for this are the lifting of the coronavirus measures, which was accompanied by a shift back to high-street retail, and subdued consumer sentiment. After two years of sharply rising growth, parcel volumes declined by around 5 percent in the first half of the year. However, Swiss Post doesn't believe this will disrupt the long-term trend and still expects sustained growth in parcel volumes. For PostBus, the lifting of the coronavirus measures has had a positive impact. Demand is recovering. Passenger numbers increased by 20 percent compared to 2021.

For PostFinance, the first half of the year was encouraging, although the short-term outlook is gloomy. In terms of fiscal policy, the key interest rate rise by the Swiss National Bank (SNB) is absolutely the right decision. In the longer term, we welcome a return to positive rates, which is also in the interests of customers. In the short term, this will have an immediate, negative effect on income from customer asset fees and interbank transactions. PostFinance therefore expects significantly lower income from interest operations for the second half of the year.

In the logistics business, pressure on margins and prices increased again as a result of rising energy, transport and raw material prices, which caused profit from the parcel business to decline. Swiss Post will bear the additional costs for the whole of 2022. However, moderate price increases in the form of surcharges are inevitable from next year.

Overall, Swiss Post is satisfied with the first half of 2022: it generated operating profit of 294 million francs, 55 million francs higher than in the previous year. Group profit stood at 259 million francs, up 12 million francs year-on-year. Investment in the expansion of capacity in the logistics business and in the development of the new Communication Services business unit is continuing as planned. Swiss Post has established a good financial foundation in recent years and has strengthened it further in the first half of this year. It is well placed to meet the challenges of the months ahead.

The current developments on the markets reaffirm Swiss Post's view that it is on the right track with its "Swiss Post of tomorrow" strategy. The company is expanding its infrastructure for the Swiss economy and the Swiss people. It is continuing to develop its products and services in line with new customer requirements and is growing in new business areas. We keep our promises, even in difficult times, and are powering a modern Switzerland.

I would like to thank all of our staff for their great commitment and our customers for their trust.



Alex Glanzmann
Head of Finance

Management report

Swiss Post operates in the Logistics Services, Communication Services, PostalNetwork, Mobility Services and PostFinance segments. It generates the majority of its operating income in competition and ensures the public service by fulfilling its universal service obligation to provide both postal services and payment transaction services.

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Business performance in brief

In the first six months of 2022, Swiss Post generated operating profit of 294 million francs. The increase compared to the previous year was 55 million francs, mainly due to a successful first half of the year in the PostFinance segment. PostFinance saw an increase in operating profit, primarily due to a rise in net income from interbank transactions and in service and commission income. Mobility Services and PostalNetwork also improved their operating results year-on-year. Thanks to greater alignment between the offer and actual accounts in franchised transport business at PostBus and the continuation of efficiency measures in response to declining customer volumes in over-the-counter transactions at PostalNetwork, these two segments each slightly exceeded their previous year's results. Operating profit at Logistics Services was down year-on-year, mainly due to the decline in parcel volumes and falling imports and exports of letters and small goods. Communication Services also generated a lower operating profit. The result is in line with the plans for the segment, which is currently under development. In the period ending 30 June 2022, Swiss Post generated Group profit of 259 million francs, up 12 million francs year-on-year. The increase in Group profit is primarily due to the improvement in operating results described above. The lower financial result and significantly higher income taxes had a negative impact on Group profit. However, these two effects were partially offset by the result for the sold Swiss Post Solutions segment.

As at 30 June 2022, operating income amounted to 3,460 million francs. This represents a year-on-year increase of 3.1 percent, or 104 million francs. The PostFinance segment achieved a significant increase in revenue, the result of a rise in net income from interbank transactions and in service and commission income. Both Logistics Services and Communication Services also increased operating income through acquisitions. By contrast, the PostalNetwork and Mobility Services segments saw a decline in operating income, with PostalNetwork suffering the greater decrease due to lower letter and parcel volumes and the ongoing decline in over-the-counter payment transactions.

The PostFinance segment has a significant impact on cash flow from operating activities. In the first half of 2022, there was an inflow of funds from repo transactions, which was reduced by the decline in customer deposits. Compared to the previous year, the sale of Swiss Post Solutions had a positive impact on cash flow from investing activities. Otherwise, investment in property, plant and equipment and participations continues as part of the "Swiss Post of tomorrow" strategy, with an emphasis on investments in Switzerland.

For the indicator net debt to EBITDA (operating result before depreciation and amortization), the owner defines a maximum figure of 1 as the strategic target. The target was met as at 30 June 2022.

In the first six months of 2022, Swiss Post generated economic value added of 31 million francs, which represents an improvement of 35 million francs compared to the prior-year period and is due to the higher operating profit.

As at 30 June 2022, Swiss Post Group's reported equity stood at 9,818 million francs. The distribution for 2021 to the owner of 50 million francs took place in the second quarter of 2022.

Discontinued operation – Swiss Post Solutions

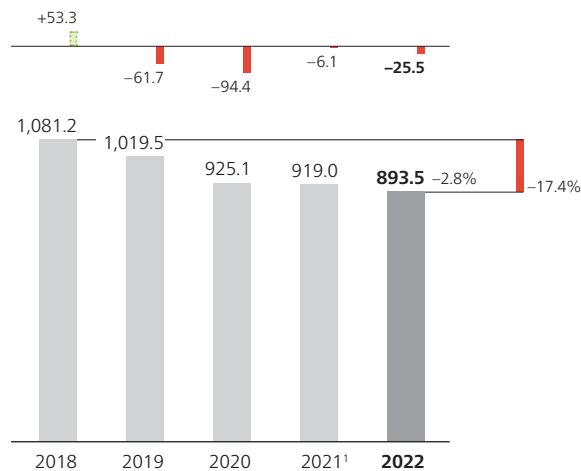
The Swiss Post Solutions segment was classed as held for sale in mid-December 2021. Since then, this segment has been shown separately in the consolidated income statement under discontinued operations. The sale took place on 30 March 2022. The segment is therefore no longer included in the segment disclosure and no notes on the result are provided. The previous year was adjusted for the purposes of comparison. The effects of the retroactive change on the consolidated income statement for the period from January to June 2021 are shown in the Notes to the Group interim financial statements in Note 2, Basis of accounting, Accounting changes (from page 22).

Development of value drivers

The number of addressed letters was down 2.8 percent on the previous year. This development in one of the core businesses is a consequence of the long-term trend towards the substitution of physical with digital products.

Core business continues to face decline in letter volumes

Logistics Services | Letters in millions as at 30.6.
2018 to 2022
2018 = 100%

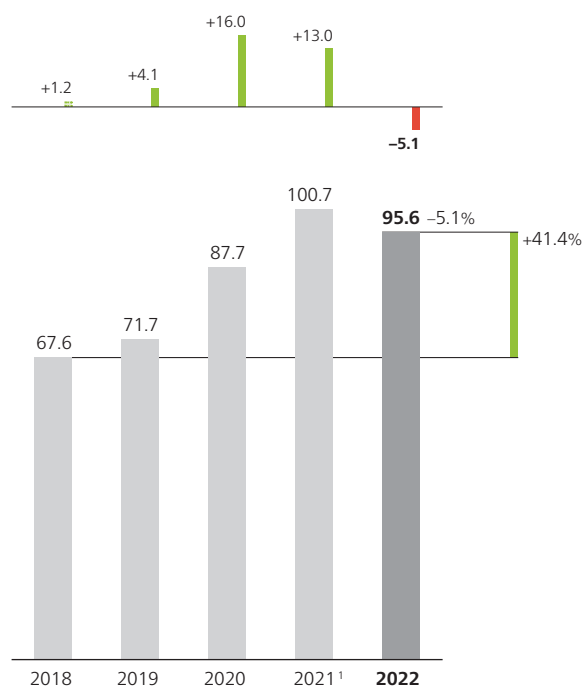


¹ The definition of letter volumes was modified at the end of 2021. It now also includes letter volumes from cross-border traffic. The figures for 2018 to 2021 have been adjusted.

The previous uninterrupted trend towards online retail slowed in the first six months of 2022 as a result of the lifting of coronavirus measures and a shift back to high street retail. Parcel volumes, which were high in the previous year, fell by 5.1 percent.

Declining parcel volumes due to stronger shift from e-commerce to high-street retail

Logistics Services | Parcels in millions as at 30.6.
2018 to 2022
2018 = 100%

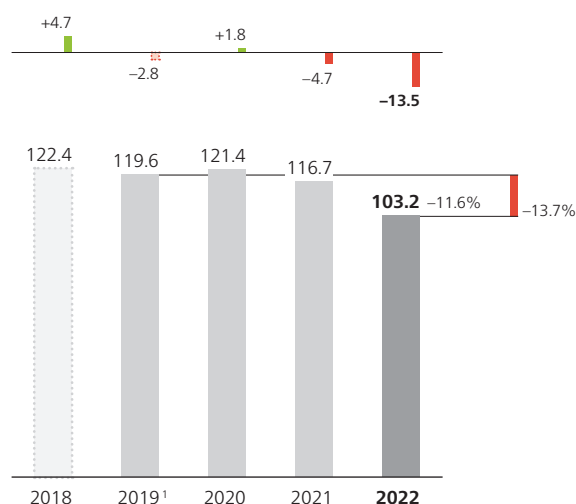


¹ The definition of parcel volumes was modified at the end of 2021. It includes the number of domestic/international parcels excluding Courier and Express consignments. The figures for 2018 to 2021 have been adjusted.

As expected, the reduction of the exemption thresholds for customer asset fees led to a decrease in customer deposits. In some cases, there was a shift towards investment products such as funds and securities investments. PostFinance continues to enjoy a high level of customer trust.

Significant decrease in customer assets due to reduced exemption thresholds for customer asset fees

PostFinance | Customer assets in CHF billion, monthly avg. as at 30.6.
2018 to 2022
2019 = 100%

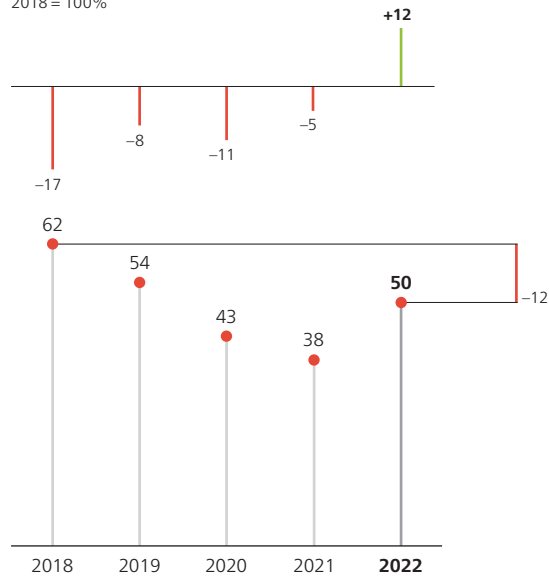


¹ The year 2019 was adjusted due to a change in the definition of average customer assets. The year 2018 is not comparable.

The interest margin rose by 12 basis points year-on-year to 50 basis points.

Recovery of interest margin continues at low level

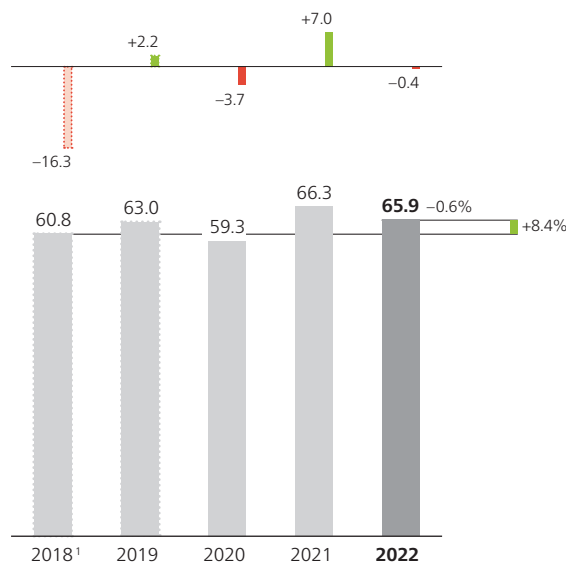
PostFinance | Interest margin in basis points as at 30.6.
2018 to 2022
2018 = 100%



In the first six months of 2022, the transport services provided by PostBus experienced a slight decline. The number of kilometres covered fell to 65.9 million compared to the previous year's figure.

Vehicle kilometres steady in first six months

PostBus | Vehicle kilometres in million km as at 30.6.
2018 to 2022
2018 = 100%



¹ In the second quarter of 2018, the CarPostal France Group was reclassified as a disposal group held for sale and a discontinued operation and subsequently sold. From 2018, vehicle kilometres are reported without the CarPostal France Group. The year 2017 is not comparable.

Segment results

Group Segment results	Operating income ¹		Operating result ^{1,2}		Margin ³		Headcount ⁴	
	CHF million		CHF million		Percent		Full-time equivalents	
	2021	2022	2021	2022	2021	2022	2021	2022
1.1. to 30.6.2022 with prior-year period CHF million, percent, full-time equivalents								
Logistics Services	2,086	2,106	265	229	12.7	10.9	20,127	20,962
PostalNetwork	303	283	-41	-39	-	-	3,554	3,337
Communication Services	16	29	-31	-35	-	-	162	403
Mobility Services ⁵	537	528	9	14			2,771	2,733
PostFinance ⁶	751	817	79	164			3,233	3,233
Functions and Management ⁷	474	466	-50	-48			3,142	3,163
Consolidation ⁸	-811	-769	8	9				
Group⁹	3,356	3,460	239	294	7.1	8.5	32,989	33,831

1 Operating income and operating result by segment are reported before management, licence fees and net cost compensation.

2 Operating result corresponds to earnings before net non-operating financial income / expenses and taxes (EBIT).

3 PostFinance uses the indicator return on equity; no EBIT margin is reported for Mobility Services with regard to its business model; no margin is calculated for "Functions and Management"; negative margins are not reported.

4 Average expressed in terms of full-time equivalents (excluding trainees).

5 Within the field of regional public transport, PostBus Ltd is subject to the DETEC ordinance on the accounting of licensed businesses (ALEO). There are differences between the ALEO and the IFRS results.

6 PostFinance Ltd also applies the FINMA Accounting Ordinance and FINMA Circular 2020/1 "Accounting – banks". There are differences between the results in accordance with "Accounting – banks" and those as per IFRS.

7 Includes function units (e.g. Real Estate, Informatics, Human Resources, Finance and Communication).

8 The consolidation effects also include the IC items for the discontinued operation Swiss Post Solutions. Operating income from 1 January to 30 March 2022 (date of sale): 13 million francs (operating income from 1 January to 30 June 2021: 18 million francs); operating profit from 1 January to 30 March 2022 (date of sale): 10 million francs (operating profit from 1 January to 30 June 2021: 9 million francs).

9 The figures have been adjusted (see Note 2 to the 2022 Group interim financial statements, Basis of accounting, Accounting changes and Note 9 to the 2022 Group interim financial statements, Discontinued operations and disposal groups).

Logistics Services

Volatile volume trends weighed on result.

In the first half of 2022, Logistics Services generated an operating profit of 229 million francs, down 36 million francs year-on-year. The result was reduced in particular by the decline in parcel volumes, but also the import and export of small goods, the export of letters as well as unaddressed promotional mailings and subscription newspapers. The lifting of the pandemic measures, bottlenecks in deliveries from Asia and generally depressed consumer confidence due to the global political situation continued to have a negative impact on volumes. Volatile volume trends and increased raw material costs also posed a challenge on the cost side. In the domestic letter business, the price adjustments coming into effect from 2022 had a stabilizing effect on the result despite the decline in volumes. In goods logistics, the declines in various sub-markets were largely offset by the acquisition of new subsidiaries.

Operating income totalled 2,106 million francs, exceeding the previous year's total by 20 million francs, or 1 percent. The volume declines set out above, particularly in domestic and international parcels (-5 percent) and in the import and export of letters and small goods (-9 percent), led to lower operating income in the core business. However, the decline was more than offset by the acquisitions of new subsidiaries in the course of 2021 and 2022.

Operating expenses increased by a total of 56 million francs year-on-year to 1,877 million francs. The increase was mainly due to higher personnel expenses of 40 million francs. Additional staff required for quality assurance in parcel processing and higher personnel expenses as a result of acquisitions contributed to the increase. Higher raw material and fuel prices also produced additional expenses.

Average headcount increased by 835 to 20,962 full-time equivalents as a result of the expansion of parcel processing and the acquisitions made.

PostalNetwork

Stable result despite volume declines.

Thanks to network development and the consistent adaptation of resources to meet volume trends, losses in the core business of letters and inpayments were offset. At –39 million francs in the first half of 2022, the operating result at PostalNetwork improved by 2 million francs year-on-year.

PostalNetwork generated operating income of 283 million francs in the first half of 2022, down 20 million francs year-on-year. Income from logistics products fell by 9 million francs. Both letter and parcel volumes declined compared to the previous year. The ongoing decline in payment transactions due to substitution by e-banking continued (–12 percent). Falling volumes in payment transactions resulted in a 9 million franc drop in revenue from financial products overall. Net revenue from complementary business fell by 3 million francs.

At 322 million francs, operating expenses were cut by 22 million francs year-on-year. Personnel expenses were 11 million francs below the previous year's level, due largely to a drop in full-time equivalents attributable to network development. Resale merchandise and service expenses decreased by 5 million francs due to lower volumes in the core business and lower revenue in complementary business, while other operating expenses fell by 8 million francs. Depreciation and amortization remained constant year-on-year.

Headcount of 3,337 full-time equivalents fell by 217 full-time equivalents year-on-year, primarily due to network development.

Communication Services

Acquisitions lead to initial expenses and higher income.

The operating result at the Communication Services segment, which is currently under development, stood at –35 million francs in the second quarter of 2022, in line with expectations. Compared to the previous year, this represents a reduction in the result of 4 million francs.

In the first six months of the year, operating income amounted to 29 million francs. Compared to the previous year, this represents an increase of 13 million francs. The main contributors to this increase are the Tresorit Group, the SwissSign Group and DIALOG VERWALTUNGS-DATA AG, which were acquired in the second half of 2021. By the end of the year, revenue growth is expected to be strengthened by both organic and inorganic growth.

Operating expenses totalled 64 million francs, 17 million francs more than in the first half of 2021. The acquisitions of the Tresorit Group, the SwissSign Group and DIALOG VERWALTUNGS-DATA AG in the second half of 2021 were the main drivers of the higher expenses. The increase in expenses was partially offset by lower expenses for innovation projects at Unit Development. With lower personnel expenses and the planned use of a provision, the Digital Health unit also contributed to the stabilization of expenses.

As a result of the acquisitions, average headcount rose by 241 to 403 full-time equivalents.

Mobility Services

Increase in operating profit due to very high planning precision.

Operating profit increased by 5 million francs compared to the prior-year period. In the first half of the year, PostBus reported higher revenue (including compensatory payments) in franchised transport business compared to the previous year. This is due to the fact that, in the prior year, the remaining reserves subject to a special statutory regime were offset against deficit coverage, weighing on the previous year's result. Lower employee benefit expenses also contributed to an improvement in the result. The result at Post Company Cars stood at the previous year's level. Lower margins in the fuel business were offset by growth in fleet management for third-party customers.

Operating income fell by 9 million francs year-on-year. The decline in earnings was mainly due to the loss of the PostAuto Liechtenstein service tender and the sale of PubliBike. PostBus offset lower income due to the loss of replacement services through a recovery in demand and the associated income from transport services in franchised business. Post Company Cars increased its earnings due to new customer acquisitions in third-party business and the increase in fuel prices.

Operating expenses fell by 14 million francs compared to the first half of the previous year. The decrease was mainly due to the disposal of PubliBike and the cessation of operations in Liechtenstein. The decline in replacement transport led to lower costs at PostBus. Higher purchase prices for fuel and additional costs due to the growth in third-party business increased operating expenses at Post Company Cars.

The number of full-time equivalents fell by 38 year-on-year. As a result of the disposals of PostAuto Liechtenstein and PubliBike, the headcount was reduced by 117 full-time equivalents. The increase of 79 full-time equivalents at PostBus is due in particular to the expansion of services in the West region and the integration of PostBus operators.

PostFinance

As at 30 June 2022, PostFinance recorded an operating profit of 164 million francs, representing an increase of 85 million francs year-on-year.

Operating income was up 66 million francs to 817 million francs. Interest income on financial assets continued to decline due to market conditions. The decline was offset by increased activity in the interbank money market and higher customer asset fees for customers, resulting in a total increase in interest income of 52 million francs year-on-year. PostFinance has worked hard on its positioning as an investment bank over recent years. It has developed competencies, extended its product range and launched new, digital investment solutions. By adopting this approach and thanks to the banking package fees for private customers introduced in July 2021, PostFinance increased its commission and service income in the first half of the year by 20 million francs compared to the same period in the previous year. The result from trading activities fell by 1 million francs year-on-year. While higher earnings from euro exchange transactions at Swiss Post branches, credit cards and foreign currency withdrawals at Postomats led to higher profit from foreign exchange trading, this was reduced by valuation losses on hedging transactions against exchange rate fluctuations. The sale of a financial asset resulted in a loss of 7 million francs, which meant that net income from financial assets was down year-on-year. Other income was down 2 million francs, as there had been a gain equivalent to this amount in the previous year from the sale of a property.

Operating expenses fell by 19 million francs year-on-year to 653 million francs. Personnel expenses were down by 6 million francs due to the reversal of restructuring provisions and lower employee benefit expenses. Lower expenses in the programme and project business reduced operating expenses by a further 13 million francs.

The average headcount stood at 3,233 full-time equivalents, the same as the previous year's figure. As part of its strategic focus, PostFinance is placing an emphasis on the simplification and digitization of its processes. Vacant positions were therefore only partly filled, while PostFinance focused its investments on new business areas and the specialists they require, in particular at the IT and Platform Business units.

Interbank transactions and service and commission income boosted operating profit.

Result improved by sales of real estate and lower project costs.

Functions and Management

The operating result for Functions and Management improved by 2 million francs year-on-year to –48 million francs. This was mainly due to positive earnings performance based on sales of real estate.

At the Real Estate function, higher extraordinary income of 5 million francs resulted primarily from the sale of property, plant and equipment. At the Finance function, lower project costs led to an improvement of 5 million francs in the result. One-off costs of 5 million francs in connection with implementation of the “Swiss Post of tomorrow” strategy had a negative impact on the result. In the current year, there was also an increase of 3 million francs in claims expenses for internal Swiss Post insurance.

Average headcount rose by 0.7 percent to 3,163 full-time equivalents. This was due to the insourcing of external staff as well as the increased need for support to implement the strategy.

Outlook

Growth in the global economy has slowed markedly since the beginning of the year. The high level of inflation had a curbing effect, weighing on purchasing power and reducing demand, and so, too, did the uncertainty stemming from the war in Ukraine and the coronavirus lockdown in China. In Switzerland, however, the good economic performance experienced since the beginning of the year has continued. After modest growth in the fourth quarter of 2021, GDP increased by just under 2 percent in the first quarter of this year. The signals for the second quarter also remained positive and the situation on the labour market continued to improve. The war in Ukraine has thus far had comparatively little adverse impact on economic activity in Switzerland. The effect has been most clearly felt in the higher energy prices and in the supply bottlenecks.

In these challenging times for society as a whole, it has become clear that Swiss Post’s services are central to the economy and the public. To ensure that Swiss Post can continue to play this important role in Switzerland in the future, the company is taking a very close look at its fundamental and still challenging operating framework. Swiss Post has a good market position in its core competencies: logistics and communication, financial services and passenger transport. The strategic goals set by the Federal Council, and, in turn, the statutory mandate and financing of the public service, drive Swiss Post to occupy a leading position in the logistics and communication markets. Swiss Post ensures the universal service and maintains its market leading position, in turn securing the provision of needs-based, high-quality and innovative physical and digital services. It connects the physical and digital worlds and is continuously developing its range of services.

Group interim financial statements

The consolidated interim financial statements include all of Swiss Post's subsidiaries. They were prepared in accordance with IAS 34 Interim Financial Reporting, are reviewed, and meet the requirements of the Postal Services Organization Act.

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Consolidated income statement

Group Income statement	2021 1.1 to 30.6 reviewed ¹	2022 1.1 to 30.6 reviewed
CHF million		
Continuing operations		
Revenue	3,254	3,354
of which interest income as per effective interest method	157	146
Other operating income	102	106
Total operating income	3,356	3,460
Personnel expenses	-1,733	-1,747
Resale merchandise and service expenses	-690	-728
Expenses for financial services	-65	-64
Depreciation and impairment	-217	-216
Other operating expenses	-412	-411
Total operating expenses	-3,117	-3,166
Operating profit	239	294
Financial income	30	37
Financial expenses	-19	-29
Net income from associates and joint ventures	16	-1
Group profit before tax from continuing operations	266	301
Income taxes	-26	-70
Group profit from continuing operations	240	231
Discontinued operations		
Group profit from discontinued operations	7	28
Group profit	247	259
Group profit attributable to		
Swiss Confederation (owner)	251	264
Non-controlling interests	-4	-5

¹ The figures have been adjusted (see Note 2, Basis of accounting, Accounting changes).

Consolidated statement of comprehensive income

Group Statement of comprehensive income	2021 1.1 to 30.6 reviewed	2022 1.1 to 30.6 reviewed
CHF million		
Group profit	247	259
Other comprehensive income		
Revaluation of employee benefit obligations	1,744	1,294
Change in unrealized gains / losses from fair value reserves in equity instruments FVTOCI	50	-85
Change in deferred income taxes	-295	-201
Items not reclassifiable in the consolidated income statement, after tax	1,499	1,008
Change in currency translation reserves	6	48
Change in share of other comprehensive income from associates and joint ventures	-1	2
Change in unrealized gains / losses from fair value reserves in debt instruments FVTOCI	-54	-408
Unrealized gains / losses from cash flow hedges	-121	184
Realized gains / losses from cash flow hedges reclassified to the income statement	146	-120
Change in deferred income taxes	5	63
Reclassifiable items in consolidated income statement, after tax	-19	-231
Total other comprehensive income	1,480	777
Total comprehensive income	1,727	1,036
Total comprehensive income attributable to		
Swiss Confederation (owner)	1,731	1,040
Non-controlling interests	-4	-4

Consolidated balance sheet

Group | Balance sheet

CHF million	31.12.2021 audited	30.6.2022 reviewed
Assets		
Cash	1,157	1,308
Amounts due from banks	46,139	46,622
Interest-bearing amounts due from customers	910	834
Trade accounts receivable	667	653
Contract assets	235	256
Other receivables	755	914
Inventories	32	51
Assets held for sale	415	5
Current income tax assets	2	1
Financial assets	73,475	74,190
Investments in associates and joint ventures	62	51
Property, plant and equipment	2,222	2,248
Investment property	409	416
Intangible assets and goodwill	592	586
Right-of-use assets	711	757
Deferred income tax assets	614	464
Employee benefit assets	–	349
Total assets	128,397	129,705
Liabilities		
Customer deposits (PostFinance)	94,110	89,699
Other financial liabilities	22,546	28,381
Trade accounts payable	261	170
Contract liabilities	276	294
Other liabilities	642	756
Liabilities associated with assets held for sale	211	–
Current income tax liabilities	5	4
Provisions	264	224
Employee benefit obligations	929	9
Deferred income tax liabilities	321	350
Total liabilities	119,565	119,887
Share capital	1,300	1,300
Capital reserves	2,229	2,215
Retained earnings	4,201	4,430
Gains and losses recorded directly in other comprehensive income	1,106	1,881
Equity attributable to the owner	8,836	9,826
Non-controlling interests	–4	–8
Total equity	8,832	9,818
Total equity and liabilities	128,397	129,705

Consolidated statement of changes in equity

Group | Statement of changes in equity

CHF million	Share capital	Capital reserves	Retained earnings	Gains and losses recorded directly in other comprehensive income	Equity attributable to the owner	Non-controlling interests	Total
Balance as at 1.1.2021	1,300	2,279	3,959	-626	6,912	-6	6,906
Group profit			251		251	-4	247
Other comprehensive income				1,480	1,480	0	1,480
Total comprehensive income			251	1,480	1,731	-4	1,727
Distributions		-50			-50	-	-50
Changes from non-controlling interests				0	0	0	0
Changes from non-controlling interests in associates ¹			-292		-292	-	-292
Total transactions with the owner¹		-50	-292	0	-342	0	-342
Balance as at 30.6.2021¹	1,300	2,229	3,918	854	8,301	-10	8,291
Balance as at 1.1.2022	1,300	2,229	4,201	1,106	8,836	-4	8,832
Group profit			264		264	-5	259
Other comprehensive income				776	776	1	777
Total comprehensive income			264	776	1,040	-4	1,036
Reclassification of actuarial gains due to exit from consolidated group			1	-1	-	-	-
Distributions		-14	-36		-50	0	-50
Changes from non-controlling interests			0		0	0	0
Total transactions with the owner		-14	-35	-1	-50	0	-50
Balance as at 30.6.2022	1,300	2,215	4,430	1,881	9,826	-8	9,818

¹ The figures have been adjusted (see Note 2, Basis of accounting, Accounting changes).

Consolidated cash flow statement

Group Cash flow statement	2021 1.1 to 30.6 reviewed ¹	2022 1.1 to 30.6 reviewed
CHF million		
Group profit before tax from continuing operations	266	301
Group profit before tax from discontinued operations	10	32
Interest expense / income and dividends	-247	-296
Depreciation and impairment	225	217
Net income from associates and joint ventures	-16	1
Net gains on disposal of property, plant and equipment, and interests	-12	-45
Losses on the sale of financial assets	4	6
Net decrease in provisions	-22	-18
Currency translation differences, net	29	65
Other non-cash expenses / (income)	-2	1
Change in net current assets:		
Increase in receivables, inventories and other assets	-112	-202
Increase in accounts payable and other liabilities	53	42
Items from financial services:		
Change in customer deposits (PostFinance) / interest-bearing amounts due from customers	-9,700	-4,335
Change in other financial liabilities, derivatives	17,709	5,882
Change in financial assets FVTPL including derivatives	-79	-401
Acquisition of financial assets at amortized cost	-5,250	-6,923
Disposal and reimbursement of financial assets at amortized cost	6,457	6,048
Acquisition of financial assets FVTOCI	-423	-433
Disposal and reimbursement of financial assets FVTOCI	247	557
Interest and dividends received	289	342
Interest paid	-7	-3
Income taxes paid	-26	-7
Cash flow from operating activities	9,393	831
Purchases of property, plant and equipment	-144	-137
Acquisition of investment property	-31	-15
Purchases of intangible assets (excl. goodwill)	-23	-11
Purchases of subsidiaries and parts of companies, net of cash and cash equivalents acquired	-9	-31
Purchases of associates and joint ventures	-21	0
Purchases of other financial assets	-619	-566
Proceeds from disposal of property, plant and equipment	24	18
Proceeds from disposal of subsidiaries, net of cash proceeds	-	205
Proceeds from disposal of parts of companies, net of cash proceeds	-4	-
Proceeds from disposal of other financial assets	355	314
Dividends received (excl. financial services)	5	0
Interest received (excl. financial services)	5	8
Cash flow from investing activities	-462	-215

Continued	2021 1.1 to 30.6 reviewed ¹	2022 1.1 to 30.6 reviewed
CHF million		
Increase in other financial liabilities	55	177
Decrease in other financial liabilities	-131	-325
Interest paid (excl. financial services)	-8	-9
Payment from purchase of non-controlling interests	-	-1
Distributions paid to the owner	-50	-50
Cash flow from financing activities	-134	-208
Foreign exchange gains (/ losses) on cash and cash equivalents	1	-1
Change in cash and cash equivalents	8,798	407
Cash and cash equivalents as at 1 January	38,964	46,353
Cash and cash equivalents at the end of the reporting period	47,762	46,760
Cash and cash equivalents include:		
Cash	1,302	1,308
Amounts due from banks with an original term of less than 3 months	46,460	45,452
Cash and cash equivalents do not include:		
Amounts due from banks with an original term of more than 3 months	1,170	1,170

¹ The figures have been adjusted (see Note 2, Basis of accounting, Accounting changes).

Notes to the interim financial statements

1 | Business activities

Swiss Post Ltd is a company limited by shares subject to a special statutory regime with its head office at Wankdorfallée 4 in 3030 Bern (Switzerland) and is wholly owned by the Swiss Confederation. Swiss Post Ltd and its subsidiaries (hereinafter referred to as Swiss Post) provide logistics and financial services both in Switzerland and abroad.

2 | Basis of accounting

The condensed consolidated interim financial statements of Swiss Post Group as at 30 June 2022 were prepared in accordance with IAS 34 Interim Financial Reporting and are reviewed.

As a rule, the accounting principles applied are based on the same principles used in the consolidated financial statements for the 2021 financial year (see Financial Report, pages 92–96), with the exception of the IFRS standards listed in the following section, which have been applied throughout the Group since 1 January 2022.

Revised and new International Financial Reporting Standards (IFRS)

No significant financial effects resulted from the supplements and revisions made on 1 January 2022.

Standard	Title	Valid from
Miscellaneous	Annual improvements to IFRSs, 2018–2020 Cycle	1.1.2022
IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	1.1.2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract	1.1.2022

Employee benefit assets and asset ceiling

As a result of the sharp rise in the yield curve since the beginning of the year on the AA-rated bonds from the Swiss Bond Index used to determine the imputed interest rate, employee benefit assets as per IAS 19 stood at 349 million francs and employee benefit obligations at 9 million francs as at 30 June 2022 (31 December 2021: employee benefit obligations of 929 million francs).

Where there are net employee benefit obligations, Swiss Post continues to apply risk sharing assumptions in two stages. For the purpose of the actuarial calculations, it is assumed during the first stage that the Foundation Board of the Swiss Post pension fund will decide on measures to correct this funding gap in line with the formal regulations (reduction in the conversion rate to 4.69 percent by 2033 (previous year: 4.89 percent by 2030); expected compensation of 75 percent of the reduction calculated in relation to the retirement assets available). This assumption involves taking a technical interest rate of 1.50 percent (1.25 percent from 2033) as a basis and is conditional on a gradual reduction in future pensions at the age of 65 over ten years being decided on by the Foundation Board. Even assuming a future reduction in benefits, there is still a structural funding gap, which is divided mathematically between the employer and the employee in a second stage. It is assumed that the employer's obligation is legally restricted to 50 percent and effectively limited to 75 percent of the funding gap. The statutory provisions for correcting underfunding and the specific past conduct and measures taken by both the employer and the Foundation Board form the basis for this assumption.

Where there are employee benefit assets, the surplus is recognised at the lower of the surplus and the present value of any economic benefits available in the form of reductions in future contribution payments. The maximum economic benefit as per IFRIC 14 is calculated. The surplus plan assets in relation to gross employee benefit obligations total 849 million francs. The maximum economic benefit amounts to 349 million francs, meets the criteria as per IFRIC 14 and corresponds to the employer contribution reserve.

Accounting changes

Discontinued operation

The Swiss Post Solutions segment was classed as held for sale in mid-December 2021. Since then, this operation has been shown separately in the consolidated income statement under discontinued operations and is no longer included in the segment disclosure or in revenue. The figures for January to June 2021 have been adjusted for the purposes of comparison.

The effect of the retroactive change on the consolidated income statement for the period from January to June 2021 is shown below:

Group Income statement				
1.1 to 30.6.2021				
CHF million	Reported		Adjustment	Adjusted
Revenue	3,525	. /. discontinued operation	-271	3,254
Other operating income	105	. /. discontinued operation	-3	102
Total operating income	3,630		-274	3,356
Personnel expenses	-1,898	+ discontinued operation	165	-1,733
Resale merchandise and service expenses	-753	+ discontinued operation	63	-690
Expenses for financial services	-65		-	-65
Depreciation and impairment	-227	+ discontinued operation	10	-217
Other operating expenses	-438	+ discontinued operation	26	-412
Total operating expenses	-3,381		264	-3,117
Operating profit	249		-10	239
Financial income	30	. /. discontinued operation	0	30
Financial expenses	-19	+ discontinued operation	0	-19
Net income from associates and joint ventures	16		-	16
Group profit before tax from continuing operations	276		-10	266
Income taxes	-29	+ discontinued operation	3	-26
Group profit from continuing operations	247		-7	240
Group profit from discontinued operations	-	+ discontinued operation	7	7
Group profit	247		-	247

Acquisition of non-controlling interests by Asendia Holding Ltd.

The acquisition of non-controlling interests by the associated company Asendia Holding Ltd. at the beginning of March 2021 resulted in a loss of 292 million francs at Swiss Post Group, which was recognized directly in retained earnings without affecting profit or loss according to the chosen accounting method. The data from the associated company relevant to the disclosure was not available until the second half of 2021, which is why the transaction was insufficiently represented in the 2021 interim financial statements. Consequently, the changes in consolidated equity for the first half of 2021 and the values in the balance sheet as at 30 June 2021 were adjusted retroactively to take this effect into account.

The effect of the retroactive adjustment on the consolidated balance sheet as at 30 June 2021 is shown below:

Group Balance sheet				
30.6.2021				
CHF million	Reported		Adjustment	Adjusted
Financial investments	75,987	./. Acquisition of non-controlling interests	170	75,817
Investments in associates and joint ventures	186	./. Acquisition of non-controlling interests	122	64
Total assets	132,424		-292	132,132
Retained earnings	4,210	./. Acquisition of non-controlling interests	-292	3,918
Equity attributable to the owner	8,593		-292	8,301
Total equity	8,583		-292	8,291
Total liabilities	132,424		-292	132,132

Foreign currency effects from financial instruments of PostFinance Ltd

In the fourth quarter of 2021, Swiss Post made an adjustment to the disclosure of cash flow from operating activities without affecting profit or loss. Foreign currency effects from financial instruments of PostFinance Ltd were partly disclosed in the line "Other non-cash expenses / (income)" and partly in the line "Items from financial services" up to 30 September 2021. From the fourth quarter of 2021, these foreign currency effects can be allocated more precisely within cash flow from operating activities. The figures for January to June 2021 have been adjusted accordingly.

The adjustments have no effect on the balance sheet or income statement. The effects on the consolidated cash flow statement for the period from January to June 2021 are shown below.

Cash flows from fixed-term deposits

In the first half of 2021, Swiss Post took out fixed-term deposits amounting to 350 million francs and received 300 million francs in reimbursement. These transactions were disclosed on a net basis in the cash flow statement for the previous year under "Purchases of other financial assets". From the fourth quarter of 2021, these transactions are disclosed on a gross basis in the cash flow statement under the items "Purchases of other financial assets" and "Proceeds from disposal of other financial assets". The figures for January to June 2021 have been adjusted accordingly.

The adjustments have no effect on the balance sheet or income statement. The effects on the consolidated cash flow statement for the period from January to June 2021 are shown below.

Group | Cash flow statement

1.1 to 30.6.2021

CHF million	Reported		Adjustment	Adjusted
Group profit before tax from continuing operations	276	./. discontinued operation	-10	266
Group profit before tax from discontinued operations	-	+ discontinued operation	10	10
Currency translation differences (net)	-	+ foreign currency effects	29	29
Other non-cash expenses/(income)	-216	+ foreign currency effects	214	-2
Items from financial services:				
Change in customer deposits (PostFinance) / interest-bearing amounts due from customers	-9,635	./. Foreign currency effects	-65	-9,700
Change in other financial liabilities, derivatives	17,837	./. Foreign currency effects	-128	17,709
Change in financial assets FVTPL including derivatives	-29	./. Foreign currency effects	-50	-79
Interest paid	-7	+ foreign currency effects	0	-7
Cash flow from operating activities	9,393		-	9,393
Purchases of other financial assets	-319	./. cash flows from fixed-term deposits	-300	-619
Proceeds from disposal of other financial assets	55	+ cash flows from fixed-term deposits	300	355
Cash flow from investing activities	-462		-	-462

3 | Consolidation methods

For the consolidation methods applied in the preparation of the consolidated financial statements, see Financial Report 2021, pages 96–97. The accounting policies for the items in the consolidated financial statements are explained in the individual notes in the Financial Report 2021 and are specially highlighted.

4 | Estimation uncertainty

When drawing up the condensed interim financial statements in accordance with IAS 34 Interim Financial Reporting, management must make judgements, estimates and assumptions that affect the application of policies in the Group and reported amounts of assets and liabilities, income and expenses. The actual amounts may differ from these estimates. The results achieved so far in the 2022 financial year are not necessarily indicative of future business performance. For more information on estimation uncertainty and management's judgement during the preparation of the financial statements, please refer to the Financial Report 2021, page 98.

5 | Additions and disposals of subsidiaries, associates and joint ventures

Bächle Logistics GmbH acquired 100 percent of the shares in LCV GmbH on 3 January 2022. The company specializes in storage services. With this acquisition, Swiss Post Goods Logistics has strengthened its presence in southern Germany. The number of people employed is around 15.

Bächle Logistics GmbH acquired assets of Hugger GmbH Spedition + Logistik on 3 January 2022. Hugger GmbH Spedition + Logistik is a forwarding company that specializes in goods transport by road. The components of the acquisition are the assets required for operations.

Post CH Ltd acquired 100 per cent of the shares in Stella Brandenberger Transporte AG on 4 January 2022. Stella Brandenberger Transporte AG owns 100 percent of the shares in Ferimpex AG, which was merged into Stella Brandenberger Transporte AG with retroactive effect from 1 January 2022. The company specializes in national road transport and employs around 77 people. The takeover enables Swiss Post to boost its resources in an economic area that is key to Switzerland, and reinforce its position as a trusted logistics partner for many SMEs in Switzerland.

PubliBike AG was sold on 4 February 2022 (100 percent). For more information, see Note 9, Discontinued operations and disposal groups.

Post CH Ltd acquired 100 percent of the shares in MW Partners Holding SA on 14 March 2022. MW Partners Holding SA owns 100 percent of the shares in Stericenter SA, Mediwar AG, Marcel Blanc et Cie S.A. and resot.care SA. The companies offer services for hospitals, doctors, laboratories, medical practices and the pharmaceutical sector. The acquisition complements the existing logistics services in place for the healthcare sector in German-speaking Switzerland. In future, the healthcare sector will also receive optimum support in Western Switzerland. The number of people employed is around 55.

SPS Holding Ltd was sold on 30 March 2022 (100 percent). The company directly or indirectly holds 100 percent of the shares in Swiss Post Solutions AG, Swiss Post Solutions S.p.A., Swiss Post Solutions Ltd., Swiss Post Solutions SAS, Swiss Post US Holding Inc., Swiss Post Solutions Inc., Swiss Post Solutions Ltd, Swiss Post Solutions Business Services Limited, Swiss Post Solutions Business Services UK Limited, Swiss Post Solutions Holding Pte. Ltd., Swiss Post Enterprise Services (SHA) Co. Ltd., Swiss Post Solutions GmbH and Swiss Post Solutions GmbH. For more information, see Note 9, Discontinued operations and disposal groups.

Otto Schmidt AG acquired the remaining 33 percent of the shares in OSA Logistik GmbH on 1 June 2022.

On 30 June 2022, PostFinance Ltd acquired a further stake of around 12 percent in Ormera AG in liquidation in addition to the existing 35 percent. PostFinance Ltd therefore now holds around 47 percent of the company.

6 | Segment information

Result by business segment

Up to or as at 30.6.2021 CHF million	Logistics Services	Postal- Network	Communica- tion Services	Mobility Services ¹	PostFinance ²	Functions and Mana- gement ³	Consolidation ⁴	Group
Revenue								
from customers ⁵	2,046	30	11	447	709	11		3,254
from other segments ⁵	34	272	2	40	3	262	-613	-
Other operating income ⁵	6	1	3	50	39	201	-198	102
Total operating income^{5,6}	2,086	303	16	537	751	474	-811	3,356
Operating profit^{5,6}	265	-41	-31	9	79	-50	8	239
Net financial income ⁵								11
Net income from associates and joint ventures	17	-	-	0	-1	-		16
Income taxes ⁵								-26
Group profit from continuing operations⁵								240
Headcount ^{5,7}	20,127	3,554	162	2,771	3,233	3,142		32,989

Up to or as at 30.6.2022
CHF million

Revenue								
from customers	2,080	27	24	436	774	13		3,354
from other segments	18	256	1	42	6	259	-582	-
Other operating income	8	0	4	50	37	194	-187	106
Total operating income⁶	2,106	283	29	528	817	466	-769	3,460
Operating profit⁶	229	-39	-35	14	164	-48	9	294
Net financial income								8
Net income from associates and joint ventures	2	-	-	0	-3	-		-1
Income taxes								-70
Group profit from continuing operations								231
Headcount ⁷	20,962	3,337	403	2,733	3,233	3,163		33,831

¹ Within regional public transport, PostBus Ltd is subject to the DETEC ordinance on the accounting of licensed businesses (ALEO). There are differences between the ALEO and the IFRS results.

² PostFinance Ltd also applies the FINMA Accounting Ordinance and FINMA Circular 2020/1 "Accounting – banks". There are differences between the results in accordance with "Accounting – banks" and those as per IFRS.

³ Includes function units (e.g. Real Estate, Informatics, Human Resources, Finance and Communication).

⁴ The consolidation effects also include the IC items for the discontinued operation Swiss Post Solutions. Total operating income from 1 January to 30 March 2022 (date of sale): 13 million francs (1 January to 30 June 2021: 18 million francs); operating profit from 1 January to 30 March 2022 (date of sale): 10 million francs (1 January to 30 June 2021: 9 million francs).

⁵ The figures have been adjusted (see Note 2, Basis of accounting, Accounting changes, Discontinued operation).

⁶ Operating income and operating result by segment are reported before management, licence fees and net cost compensation.

⁷ The average is expressed in terms of full-time equivalents (excluding trainees).

7 | Significant changes in segment assets and liabilities

There were no significant changes in segment assets and liabilities compared to 31 December 2021.

8 | Revenue

Breakdown of net revenue from contracts with customers

Up to or as at 30.6.2021 CHF million	Logistics Services	Postal-Network	Communication Services	Mobility Services	PostFinance	Functions and Management	Consolidation	Group
Net revenue from contracts with customers								
of which logistics services ¹	2,079	272	13	475	–	273	–609	2,503
of which resale merchandise	1	30	0	12	–	–	–1	42
of which financial services and commission business	–	–	–	–	362	–	–3	359
Total net revenue from contracts with customers¹	2,080	302	13	487	362	273	–613	2,904
Other revenue from financial services ²								350
Total revenue¹								3,254
Other operating income ¹								102
Total operating income¹								3,356

Up to or as at 30.6.2022
CHF million

Net revenue from contracts with customers								
of which logistics services	2,098	256	25	462	–	272	–576	2,537
of which resale merchandise	0	27	0	16	–	–	–1	42
of which financial services and commission business	–	–	–	–	381	–	–4	377
Total net revenue from contracts with customers	2,098	283	25	478	381	272	–581	2,956
Other revenue from financial services ²								398
Total revenue								3,354
Other operating income								106
Total operating income								3,460

¹ The figures have been adjusted (see Note 2, Basis of accounting, Accounting changes, Discontinued operation).² Other revenue from financial services mainly comprises income from financial assets, interest income and net income from foreign exchange trading at PostFinance.

9 | Discontinued operations and disposal groups

Discontinued operations

In mid-December 2021, the Swiss Post Board of Directors decided to sell SPS Holding Ltd, based in Zurich, and its subsidiaries for strategic reasons. As a result, the Swiss Post Solutions segment was classified as a disposal group and a discontinued operation as at 31 December 2021. Swiss Post Solutions is shown separately in the consolidated income statement under discontinued operations and is no longer included in the segment disclosure or in revenue. The sale took place on 30 March 2022.

SPS Holding Ltd holds the following subsidiaries directly or indirectly:

- Swiss Post Solutions Ltd, Zurich
- Swiss Post Solutions S.p.A., Milan (IT)
- Swiss Post Solutions Ltd., Ho Chi Minh City (VN)
- Swiss Post Solutions SAS, Paris (FR)
- Swiss Post US Holding Inc., New York (US)
- Swiss Post Solutions Inc., New York (US)
- Swiss Post Solutions Ltd, Richmond (UK)
- Swiss Post Solutions Business Services Ltd, Richmond (UK)
- Swiss Post Solutions Business Services UK Ltd, Richmond (UK)
- Swiss Post Solutions Holding Pte. Ltd., Singapore (SG)
- Swiss Post Enterprise Services (SHA) Co., Ltd., Shanghai (CN)
- Swiss Post Solutions GmbH, Bamberg (DE)
- Swiss Post Solutions GmbH, Prien (DE)

As the proceeds from the sale exceed the carrying amount of net assets, no impairment losses were recognized when classifying the Swiss Post Solutions segment as “held for sale”.

Intra-Group transactions were fully eliminated. Eliminations were allocated to the continuing operations and the discontinued operation in such a way that each elimination was recorded where the affected item was disclosed (e.g. the receivable with the creditor and the liability with the debtor).

Swiss Post Solutions segment Income statement	2021 1.1 to 30.6 reviewed	2022 1.1 to 30.3 reviewed
CHF million		
Net revenue from contracts with customers	271	160
Other operating income	3	2
Operating income	274	162
Operating expenses	–264	–154
Operating profit	10	8
Net financial income	0	–1
Gain on disposal	–	25
Group profit before tax from discontinued operations	10	32
Income tax associated with profit before tax from usual business activities during the reporting period	–3	–4
Group profit after tax from discontinued operations	7	28

Swiss Post Solutions segment Net cash flows	2021 1.1 to 30.6 reviewed	2022 1.1 to 30.3 reviewed
CHF million		
Cash flow from operating activities	-51	-106
Cash flow from investing activities	-2	-1
Cash flow from financing activities	-4	-2
Change in cash and cash equivalents	-57	-109

Swiss Post Solutions segment | Balance sheet

CHF million	30.3.2022
Assets	
Amounts due from banks	51
Trade accounts receivable	116
Other receivables	30
Inventories	3
Property, plant and equipment	20
Intangible assets and goodwill	187
Right-of-use assets	19
Income tax assets	14
Total disposed assets for the discontinued operation	440
Liabilities	
Other financial liabilities	42
Trade accounts payable	26
Other liabilities	88
Provisions	22
Employee benefit obligations	32
Income tax liabilities	21
Total disposed liabilities associated with disposed assets for the discontinued operation	231
Net assets of discontinued operation	209
Cash and cash equivalents disposed of	-51
Net profit from disposal ¹	25
Realized currency translation reserves	51
Deferred payment of sale price	-20
Net cash inflow from disposal	214

¹ The net profit from the disposal is reported in Group profit from discontinued operations.

Disposal groups

Swiss Post Ltd, based in Bern, sold 100 percent of the shares in PubliBike AG, based in Bern (Mobility Services segment), on 4 February 2022. The assets and liabilities of PubliBike AG were classified as held for sale as at 31 December 2021. On 4 February 2022, assets worth 13 million francs and liabilities of 11 million francs were disposed of. The profit from the sale is not material in nature.

10 | Financial instruments

Carrying amounts and fair values of financial instruments

The carrying amounts and the corresponding fair values of financial assets and liabilities are as follows on 31 December 2021 and 30 June 2022:

Fair values and carrying amounts of financial instruments	31.12.2021		30.6.2022	
	Carrying amount	Fair value	Carrying amount	Fair value
CHF million				
Financial assets measured at fair value				
Financial assets				
FVTOCI				
Shares	301	301	218	218
Bonds	7,353	7,353	6,705	6,705
FVTPL mandatory				
Shares	24	24	27	27
Bonds	2	2	5	5
Funds	123	123	126	126
Positive replacement values	460	460	1,056	1,056
Financial assets not measured at fair value				
Financial assets				
Amortized cost				
Bonds	50,909	51,439	52,117	49,638
Loans	14,303	14,524	13,936	13,533
Financial liabilities measured at fair value				
Other financial liabilities				
Negative replacement values	105	105	54	54
Deferred purchase price payments (earn out)	29	29	29	29
Other liabilities				
Put options on non-controlling interests	30	30	29	29
Financial liabilities not measured at fair value				
Other financial liabilities				
Private placements	810	870	810	755

The carrying amounts of cash holdings, amounts due from banks, interest-bearing amounts due from customers, trade accounts receivable and payable, other receivables and liabilities (financial instruments), customer deposits (PostFinance) and other financial liabilities (excl. private placements) represent a reasonable estimate of fair value. These financial instruments are therefore not reported above.

Fair value hierarchy

The above financial instruments disclosed at fair value are assigned to one of three levels in the fair value hierarchy on the reference date. Detailed notes on classification within the fair value hierarchy and on the valuation policies can be found in the Financial Report 2021 from page 186.

The fair values as at 31 December 2021 and 30 June 2022 were determined as follows:

Fair value of financial instruments	31.12.2021				30.6.2022			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
CHF million								
FVTOCI								
Shares	301	206	–	95	218	123	–	95
Bonds	7,353	6,957	396	–	6,705	6,229	476	–
FVTPL mandatory								
Shares	24	0	–	24	27	–	–	27
Bonds	2	–	–	2	5	–	–	5
Funds	123	–	123	–	126	–	126	–
Positive replacement values	460	9	451	–	1,056	25	1,031	–
Amortized cost								
Bonds	51,439	45,637	5,802	–	49,638	44,449	5,189	–
Loans ¹	14,524	–	14,496	28	13,533	–	13,532	1
Negative replacement values	105	–	105	–	54	0	54	–
Deferred purchase price payments (earn out)	29	–	–	29	29	–	–	29
Put options on non-controlling interests	30	–	–	30	29	–	–	29
Private placements	870	–	870	–	755	–	755	–

¹ For the loans of 1 million francs (31 December 2021: 28 million francs) in level 3, the fair values listed above on the balance sheet date correspond approximately to the carrying amounts disclosed in the balance sheet.

The financial assets and liabilities measured at fair value assigned to level 3 underwent the following changes during the period from 1 January to 30 June 2021 and 2022 respectively:

Fair value hierarchy: changes in level 3

CHF million	Financial assets			Financial liabilities
	FVTOCI	FVTPL mandatory		
Balance as at 1.1.2021	95	22		2
Gains / losses recorded in the income statement	–	2		–
Gains / losses recorded in other comprehensive income	7	–		–
Additions	0	3		6
Disposals	–	–3		–1
Balance as at 30.6.2021	102	24		7
Balance as at 1.1.2022	95	27		58
Gains / losses recorded in the income statement	–	–1		0
Gains / losses recorded in other comprehensive income	–1	–		–
Additions	–	5		2
Disposals	–	0		–2
Balance as at 30.6.2022	94	31		58

No reclassifications were carried out within the levels as at 30 June 2021 and 30 June 2022.

Amounts due from banks

In comparison with 31 December 2021, amounts due from banks increased by 483 million francs. Cash reserves remain high, and are mostly held at the Swiss National Bank.

Interest-bearing amounts due from customers

As at 30 June 2022, the Confederation provided guaranteed limits for emergency loans amounting to 564 million francs, of which 334 million francs had been used by the reference date.

Credit risk

Impairments on amounts due from banks, interest-bearing amounts due from customers and financial assets can be broken down as follows between levels 1 to 3 as at 31 December 2021 and 30 June 2022:

Impairment losses on financial instruments	31.12.2021				30.6.2022			
	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3
CHF million								
ECL on amounts due from banks	-46	-	0	-46	-46	-	0	-46
ECL on interest-bearing amounts due from customers	-8	-2	-2	-4	-8	-3	-1	-4
ECL on financial assets at amortized cost	-28	-18	0	-10	-30	-20	0	-10
The following impairments were calculated based on the simplified approach								
ECL on trade accounts receivable ¹	-5				-5			
ECL on other receivables ¹	-2				-2			

¹ In each case, the figure matches the expected loss over the remaining term to maturity.

According to the rating agencies, the default cycle associated with the coronavirus pandemic has peaked. Compared to previous crises, defaults were lower as a result of monetary and fiscal policy measures. Although economic forecasts are positive thanks to the ongoing recovery from the pandemic, uncertainty remains high as inflation and the Ukraine crisis pose significant economic risks. An update of the model parameters (PostFinance Ltd) for the expected losses on financial assets and receivables leads to a decrease in impairments required of 1 million francs in the current financial year.

Breakdown of major country exposures

Country risks are controlled by establishing country portfolio limits, which encourages a broad diversification of international financial assets. An overview of major country exposures as at 31 December 2021 and 30 June 2022 is given below:

Summary of main country exposures ¹		
CHF million	31.12.2021	30.6.2022
Switzerland	44,445	45,049
USA	5,980	6,192
Canada	3,413	3,399

¹ Includes amounts due from banks (excluding secured loans) and financial assets; based on nominal values.

Further information on risk management and assessment can be found in the Financial Report 2021 from page 156.

11 | Investment commitments

As at 30 June 2022, investment commitments totalled 199 million francs (31 December 2021: 187 million francs).

12 | Seasonal nature

Swiss Post's business activity is affected by several seasonal influences. These primarily include customer deposits in the PostFinance segment, which stand at a high level at year-end. For various reasons (13th monthly salary payment, invoice receipts credited at year-end, etc.), both private and business customers hold a large amount of liquidity. To a lesser extent, this also applies to this Interim Report. The Christmas season has a positive impact on the logistics segments, whereas the summer months are weaker.

13 | Distributions paid to the owner

The General Meeting of Swiss Post Ltd held on 3 May 2022 decided to distribute a total of 50 million francs (previous year: 50 million francs). The payment was made on 31 May 2022.

14 | Related companies and parties

The transactions between Swiss Post and related companies and parties carried out in the first six months of 2022 are comparable with the transactions mentioned in the 2021 consolidated annual financial statements (see Financial Report 2021, page 192).

15 | Events after the reporting period

Prior to the approval of this Interim Report by the Swiss Post Ltd Board of Directors' Audit, Risk & Compliance Committee on 18 August 2022, no events came to light which either would have resulted in changes to the carrying amounts of the Group's assets and liabilities or would have to be disclosed in this section of the Report.



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To the Board of Directors of
Swiss Post Ltd, Berne

Berne, 18 August 2022

Report on the review of interim consolidated financial statements



Introduction

We have reviewed the interim consolidated financial statements (consolidated statement of income, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of cash flows, consolidated statement of changes in equity and notes on pages 16 to 34) of Swiss Post Ltd for the period from 1 January 2022 to 30 June 2022.

The Board of Directors is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.



Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

Ernst & Young Ltd

Olivier Mange
Licensed audit expert
(Auditor in charge)

Michel Wälchli
Licensed audit expert

PostFinance interim financial statements

PostFinance Ltd draws up its financial statements in accordance with Group International Financial Reporting Standards (IFRS) guidelines and the FINMA Accounting Ordinance together with FINMA Circular 2020/1 "Accounting – banks".

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Reconciliation of profit

PostFinance Ltd reports to the Group in accordance with Group IFRS guidelines and draws up its financial statements in accordance with the FINMA Accounting Ordinance and FINMA Circular 2020/1 "Accounting – banks".

The valuation policies in accordance with the FINMA Accounting Ordinance and the FINMA Circular 2020/1 "Accounting – banks" differ from the IFRS rules. The table below reconciles the PostFinance segment results as per IFRS with profit pursuant to "Accounting – banks".

PostFinance Ltd Reconciliation of profit		
CHF million	2021 1.1 to 30.6	2022 1.1 to 30.6
PostFinance segment operating profit (EBIT) as per IFRS before fees and net cost compensation	79	164
Management / licence fees / net cost compensation	-10	-10
PostFinance segment operating profit (EBIT) as per IFRS after fees and net cost compensation	69	154
Net income from associates and joint ventures	-1	-3
Net financial income	-18	-18
PostFinance segment earnings before tax (EBT)	50	133
Income tax	-1	-25
PostFinance segment profit	49	108
Consolidation effects from associates and joint ventures	1	3
PostFinance Ltd profit before reconciliation	50	111
Valuation differences for financial assets	2	11
Reversal of impairment / impairment on financial assets and receivables, incl. taxes	0	0
Realized gains from (earlier than scheduled) repayments	4	6
Valuation differences between IAS 19 and Swiss GAAP ARR 16	-8	4
Valuation differences, IFRS 16 Leases	0	0
Depreciation of revalued real estate	-2	-2
Valuation differences for investments	0	-2
Realized gains from investments	-2	-
Adjustment of current and deferred tax effects as per IFRS	2	25
PostFinance Ltd profit as per Accounting – banks	46	153

PostFinance Ltd statutory interim financial statements

The following pages show the PostFinance Ltd statutory financial statements in accordance with the FINMA Accounting Ordinance and FINMA Circular 2020/1 "Accounting – banks".

Balance sheet

PostFinance Ltd | Balance sheet as per Accounting – banks

CHF million	31.12.2021	30.6.2022
Assets		
Liquid assets	45,991	46,443
Amounts due from banks	3,473	3,432
Amounts due from securities financing transactions	–	–
Amounts due from customers	11,817	11,367
Mortgage loans	0	0
Trading portfolio assets	–	–
Positive replacement values of derivative financial instruments	451	1,031
Other financial instruments at fair value	–	–
Financial investments	58,179	59,537
Accrued income and prepaid expenses	301	281
Participations	129	130
Tangible fixed assets	1,084	1,059
Intangible assets	7	7
Other assets	235	121
Total assets	121,667	123,408
Total subordinated claims	11	12
of which subject to mandatory conversion and / or debt waiver	–	1
Liabilities		
Amounts due to banks	814	1,678
Liabilities from securities financing transactions	19,593	24,663
Amounts due in respect of customer deposits	94,624	90,160
Trading portfolio liabilities	–	–
Negative replacement values of derivative financial instruments	105	54
Liabilities from other financial instruments at fair value	–	–
Cash bonds	8	7
Bond issues and central mortgage institution loans	–	–
Accrued expenses and deferred income	93	91
Other liabilities	63	462
Provisions	43	39
Reserves for general banking risks	–	–
Bank's capital	2,000	2,000
Statutory capital reserve	4,553	4,330
of which tax-exempt capital contribution reserve	4,553	4,330
Statutory retained earnings reserve	–	–
Voluntary retained earnings reserves	–	–
Loss carried forward	–452	–229
Profit	223	153
Total liabilities	121,667	123,408
Total subordinated liabilities	203	253
of which subject to mandatory conversion and / or debt waiver	203	253
Off-balance-sheet transactions		
Contingent liabilities	86	71
Irrevocable commitments	990	912
Obligations to pay up shares and make further contributions	–	–
Credit commitments	–	–

Income statement

PostFinance Ltd | Income statement as per Accounting – banks

CHF million	2021 1.1 to 30.6	2022 1.1 to 30.6
Interest and discount income	58	58
Interest and dividend income from financial investments	116	104
Interest expense	76	136
Gross result from interest operations	250	298
Changes in value adjustments for default risks and losses from interest operations	2	2
Net result from interest operations	252	300
Commission income from securities trading and investment activities	47	49
Commission income from lending activities	10	11
Commission income from other services	304	321
Commission expenses	-182	-174
Result from commission business and services	179	207
Result from trading activities and the fair value option	96	110
Result from the disposal of financial investments	-	-
Income from participations	3	5
Result from real estate	32	32
Other ordinary income	32	27
Other ordinary expenses	-	-
Other result from ordinary activities	67	64
Operating income	594	681
Personnel costs	-249	-231
General and administrative expenses	-255	-249
Operating expenses	-504	-480
Value adjustments on participations and depreciation and amortization of tangible fixed assets and intangible assets	-40	-40
Changes to provisions and other value adjustments, and losses	-5	-5
Operating result	45	156
Extraordinary income	3	0
Extraordinary expenses	-	-
Changes in reserves for general banking risks	-	-
Taxes	-2	-3
Profit	46	153

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