Half-year report 2019

Value Creating

Bellevue Group

Capitalizing on market opportunities leads to significant improvement in results

Bellevue Group, being a focused asset and wealth manager, was able to take advantage of the more constructive but still very challenging market environment and significantly improved its earnings power. The Group increased its operating profit by 32% to CHF 17.9 mn, with much of this pleasing growth stemming from a higher level of client assets and cost discipline.

Client assets buoyed by market developments and good performance

After months of market turmoil that pressured client assets towards the end of last year, stocks staged a surprisingly quick and vigorous rebound. Assets entrusted to Bellevue Group by institutional and private clients grew by 8% to CHF 11.7 bn – an increase of about one billion over a few short months. Besides market developments, this growth was mostly fueled by the very good performance of Bellevue Group's investment solutions. An inflow of new money at the Group's innovative healthcare strategies also contributed to the growth in assets under management. Conversely, investors showed less interest in traditional asset classes, which experienced outflows. The renewed growth in client assets lays a solid foundation for the Group's future earnings.

All investment strategies create value for clients

Bellevue Group's diversified range of investment solutions creates value for the client. All of the Group's investment products delivered positive returns in the first half. Both of Bellevue's flagship products – BB Biotech AG and BB Healthcare Trust – produced stellar gains of 18.2% and 16.7%. They also beat their respective benchmarks by more than 6%. The healthcare investment funds BB Adamant Biotech and BB Adamant Global Biotech were likewise strong performers. The Entrepreneur strategies also performed well, returning double-digit gains across the board.

Private equity investments established as a new business area

Bellevue is now offering wealthy clients access to entrepreneurial and exclusive direct investment opportunities through its new business segment Direct Equity Investment. This new investment expertise is offered by a team of experienced private equity specialists at adbodmer AG, which Bellevue acquired in July. Its business activities in the field of private equity will be gradually expanded. This transaction enhances Bellevue's profile as a house for innovative investment ideas.

OPERATING PROFIT

CHF 17.9 mn

(Previous year: CHF 13.5 mn)

INCOME FROM RECURRING REVENUES

86%

(Comparative period: 94%)

ASSETS UNDER MANAGEMENT

CHF 11.7 bn

(as at 2019/06/30)

DIVIDEND YIELD

5.6%

(as at 2018/12/31)

SHAREHOLDERS' EQUITY

CHF 200 mn

(as at 2019/06/30)

RETURN ON EQUITY

14%

(as at 2019/06/30)

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Veit de Maddalena
Chairman of the Board of Directors

André Rüegg
Chief Executive Officer

Dear Shareholders,

Bellevue Group demonstrated its improved earnings power by reporting a significant increase in operating profit for the first half of 2019. Unrelenting volatility and difficult market conditions were a challenge for the entire financial industry. A sharp correction on stock markets in the final quarter of last year was followed by a surprisingly strong recovery at the beginning of the new year. Clouds began to gather over the economic horizon again as spring approached but shortly afterwards several stock indexes hit new record highs, fueled not least by central bankers' promises to keep monetary policy relaxed. This roller-coaster ride is likely to continue, along with investor uncertainty. A cooling world economy, geopolitical and trade-related tension between the US and China and Iran, and the ongoing Brexit saga remained the primary cause of the market volatility. As a highly focused asset and wealth manager, Bellevue Group is facing this environment with patience and flexibility, backed by its broad investment expertise.

Growth momentum resumes – sustainable revenue flows from growing client assets

After a brief pause in the Group's positive development that can largely be blamed on market turmoil towards the end of 2018, Bellevue Group's growth momentum from earlier reporting periods was again on display in the first half of 2019. Assets under management increased by about 8% or CHF 903 mn to CHF 11.7 bn. Asset Management was most successful in growing its client asset base as the market environment improved. Its successful, innovative investment strategies attracted about CHF 520 mn in new client money. This pleasing inflow was largely offset by redemption activity in fixed-income and multi-asset class strategies, resulting in net new money of CHF 104 mn, which for once did not meet our expectations. Bank am Bellevue's foremost achievement during the first half was the improvement in the earnings quality of its assets under management, but the inflow of new money from entrepreneurial private clients was not yet able to fully offset the outflows from low-margin advisory mandates. More broadly, what the first half of 2019 clearly revealed is that investors in Switzerland and abroad are receptive to innovative investment ideas and products while showing less interest in conventional asset classes.

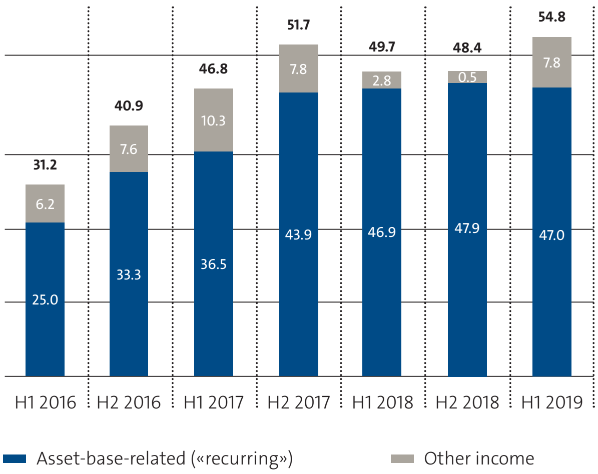
Creating value for clients amid an improving market environment

Bellevue Group's ability to create value for clients across its diversified franchise by selectively taking advantage of positive market developments was again on display during the reporting period. All of Bellevue Group's investment products ended the first half with a positive return. Topping the performance list for the period were the investment companies – BB Biotech AG and BB Healthcare Trust – which achieved above-average gains of 18.2% and 16.7%, respectively, for our clients. The BB Adamant Medtech & Services Fund and the BB Adamant Digital Health Fund, launched in April of last year, were also strong performers and ended the first half with gains of 17.0% and 15.5%. The Entrepreneur strategies also delivered double-digit returns, led by the BB Entrepreneur Switzerland and BB Entrepreneur Europe Small funds, advanced 17.6% and 16.3% over the period. The balanced BB Global Macro Fund returned 5.2%.

StarCapital's funds also profited from the positive market environment. StarCapital Strategy 1 advanced 5.6% while the global bond fund StarCapital Argos gained 4.0%. Discretionary investment management mandates at Bank am Bellevue delivered solid gains. Its balanced multi-asset

OPERATING INCOME

(CHF mn)



Source: Bellevue Group as at June 30, 2019

mandates achieved returns ranging from 6% to 7.3%, depending on the reference currency.

Operating income increased 32% due to stronger earnings power, cost discipline and attractive SIX dividend

The higher level of assets under management led to a renewed improvement in the Group's earnings power. Bellevue Group increased its operating income by 3% year-on-year to CHF 51 mn. Including the extraordinary dividend from SIX upon the divestment of the stock exchange's Payment Services business to Wordline, consolidated operating income amounted to an even higher CHF 54.8 mn, an increase of 10%. Net fee income excluding performance fees remains the primary source of the Group's operating income. At CHF 47.7 mn for the period under review, the Group almost matched the year-ago level despite beginning the year with a significantly lower asset base. That figure represents 86% of total Group income. Asset Management continues to generate the bulk of the Group's revenues and its income for H1 almost matched the record-high level from the previous year. Due to the SIX dividend, Bank am Bellevue's income for the period quadrupled from the previous year's period, and its recurring income was only slightly lower year-on-year despite the discontinuation of low-margin business.

Higher performance-related pay and slightly lower general expenses resulted in an increase in operating expenses of not quite 2% to CHF 37.0 mn. A new IFRS standard reduced reported general expenses by CHF 1.0 mn while increasing depreciation.

Due to the above factors, operating profit for the period increased by 4% to CHF 14.0 mn. The normalized cost/income ratio amounted to 73%, which is within the targeted range of 70–75%. Including the special SIX dividend, operating profit amounted to CHF 17.9 mn, an increase of 32%, and the cost/income ratio was 67%. Non-operating items had opposing effects on Group results. On the negative side, the Asset Management segment's results were impacted by a loss on its treasury portfolio and intangible asset impairments, while the sale of Bank am Bellevue's interest in SIX Group led to the restatement of tax-loss carryforwards. Factoring in the combined effect of these items, Group net profit increased 23% to CHF 14.2 mn. Return on equity was a good 14%. Bellevue Group employed 119 people at the end of June 2019 (prior year: 115).

Growing payback from diversified Asset Management expertise

The deliberate expansion of our investment expertise in Asset Management in recent years has led to a stable business performance even in a tough market environment. Asset Management's consistently high revenue base rose to CHF 47.4 mn in the first half of 2018, a slight improvement of 2% from the prior-year period. Its operating income for the period reflected the effects of higher variable employee compensation and the overall 7% year-on-year increase in operating expenses to CHF 28.5 mn. Profit before tax amounted to CHF 18.8 mn, which almost matched the record-high figure from the first half of the previous year.

Assets under management are the foundation of Asset Management's success. They rose by about CHF 1 bn from year-end 2018 to CHF 10.0 bn at mid-year 2019 and much of this growth was fueled by market developments and investment performance. As in the prior-year period, the wide range of healthcare investment solutions we offer showed the strongest new money inflows, as did our absolute return strategies – the BB Global Macro Fund and the recently introduced BB Europe Equity Market Neutral Fund launched in collaboration with StarCapital, which attracted a total of CHF 520 mn. Conversely, other regional equity strategies and the fixed-income and multi-asset strategies were again confronted with a challenging capital market cycle and investors showed little appetite for these strategies, leading to an outflow of CHF 402 mn. Net new money was therefore low at CHF 104 mn.

Progress at Bank am Bellevue – solutions for a sustainable future are being reviewed

The strategic reorientation of Bank am Bellevue initiated two years ago remained a very challenging undertaking during the period under review in spite of tremendous efforts and the promising progress that has been made. This is primarily attributed to the continuing adverse market conditions and challenging developments that affect the entire industry.

The Bank's new products and services enabled it to attract new money of CHF 53.0 mn notwithstanding the difficult environment. In the wake of the ongoing optimization of the client base and client-side decisions, however, approximately CHF 370 mn in client assets was withdrawn, most of which reflected advisory and administrative mandates with a clearly lower-than-average margin. Thanks to solid investment gains, the Bank's assets under management of CHF 1.8 bn at the mid-year mark were only slightly lower than at the beginning of the reporting period. An increase in ordinary operating income (excluding the SIX dividend) combined with a reduced cost base led to a CHF 1.3 mn increase in the segment's profit before tax compared to the prior-year period. Including the extraordinary dividend from SIX, operating income for the first half amounted to CHF 1.5 mn compared to a loss of CHF 3.3 mn a year ago.

In recent months, the Board of Directors has reviewed and assessed various strategic options for the Bank with the aim of securing its longer-term survival and sustainable development in the interests of all stakeholders. Besides strengthening and executing its growth strategy for the Bank within Bellevue Group, selling the Bank to a strong partner who might be able to offer better prospects for the future may also be an option.

Proceeds from the sale of interest in SIX largely earmarked for ongoing corporate development

Bank am Bellevue was a member of the stock exchange association that preceded the current SIX Group and received SIX shares when the stock exchange association was incorporated in 2007. Since then, our Group has received substantial dividend income from SIX AG. This interest, which was valued at CHF 53.4 mn (excluding deferred taxes) in Bellevue Group's balance sheet as of December 31, 2018, had another exceedingly positive impact on reported results in the first half of 2019. Besides the dividend payment of CHF 4.8 mn, there was a significant increase in value of this interest.

The Board of Directors decided to take advantage of an opportunity and sell this non-strategic interest.

The proceeds from the disposal exceed the previously stated carrying value. The gain on this transaction was recognized in equity through Other comprehensive income in Bellevue Group's accounts for the first half of 2019. Related tax consequences were likewise recognized in the accounts for the first half of 2019.

The proceeds of this divestment will be used to fund the organic and inorganic development of the Group's business activities. Depending on future events, surplus capital may also be returned to shareholders.

Strategic development of Bellevue Group – organic and inorganic

Besides deciding which course of action offers the most viable path forward for Bank am Bellevue, attention will be focused on Bellevue Group's overall development. Asset Management's priority has not changed – «grow with the products and innovate.» Its business model offers substantial scale potential. We also want to offer clients innovative solutions for capturing global growth opportunities and trends. As observed during the first half, investor interest in compelling new products is quite high. Besides the recent promising launch of the BB Europe Equity Market Neutral Fund in collaboration with StarCapital, attention here is also focused on the new private equity fund BB Pureos Bioventures. Thanks to existing investor commitments of some CHF 100 mn, this innovative venture fund was already able to make three promising investments this year. Final closing volume is expected to range between CHF 150–200 mn.

The previously announced acquisition of private equity specialist adbodmer AG was concluded as planned on July 19. As an independent subsidiary of Bellevue Group AG, adbodmer AG is an ideal vehicle for addressing growing demand from wealthy private clients for entrepreneurial and exclusive direct investment opportunities in privately held businesses. The existing team of specialists under the management of Jan Kollros will selectively expand the newly created business segment «Direct Equity Investment» and increasingly engage with international investors as well. Jan Kollros joined the Group Executive Board on July 19.

With this latest acquisition, Bellevue Group has taken another step to broaden its business activities and income base. The Group's current surplus capital will support the further expansion and development of the Group through organic and inorganic growth over the long term.

Our employees have delivered the constancy we need to press ahead with Bellevue Group's strategic development. Their hard work and dedication is a hallmark of the Bellevue brand. On behalf of the Board of Directors and the Executive Board, we thank them for their enduring support. Thanks also goes to our shareholders and clients for their trust and loyalty as we continue to carefully build a bright future for Bellevue Group.

Veit de Maddalena
Chairman of the Board of Directors

André Rüegg
Chief Executive Officer

Consolidated interim Financial Statements

Consolidated income statement

CHF 1 000	Notes	1.1.–30.6.2019	1.1.–30.6.2018	Δ to 30.06.2018
Interest income		524	515	+9
Dividend income		5 400	1 900	+3 500
Other financial income		13	24	−11
Interest expense		−128	−51	−77
Other financial expenses		−256	−222	−34
Net interest and dividend income		**5 553**	**2 166**	**3 387**
(Increase) / decrease in credit losses		–	–	–
Net interest and dividend income after loan losses		**5 553**	**2 166**	**3 387**
Fee and commission income		48 179	49 526	−1 347
Fee and commission expense		−496	−1 468	+972
Net fee and commission income	**3.1**	**47 683**	**48 058**	**−375**
Securities trading		1 412	−452	+1 864
Foreign exchange trading		85	−214	+299
Net trading income		**1 497**	**−666**	**+2 163**
Income from other financial instruments at fair value		−880	2 797	−3 677
Other ordinary income		79	101	−22
Other income		**−801**	**2 898**	**−3 699**
Total operating income		**53 932**	**52 456**	**+1 476**
Personnel expenses	3.2	−28 021	−25 351	−2 670
Other operating expenses	3.3	−8 937	−10 815	+1 878
Depreciation and amortization	3.4	−3 246	−1 442	−1 804
Total operating expenses		**−40 204**	**−37 608**	**−2 596**
Profit before tax		**13 728**	**14 848**	**−1 120**
Taxes	3.5	480	−3 328	+3 808
Group net profit		**14 208**	**11 520**	**+2 688**
Earnings per share				
Basic earnings per share (in CHF)		+1.06	+0.86	+0.20
Diluted earnings per share (in CHF)		+1.06	+0.86	+0.20

Consolidated statement of comprehensive income

CHF 1 000	1.1.–30.6.2019	1.1.–30.6.2018	Δ to 30.06.2018
Group net profit in the income statement	**14 208**	**11 520**	**+2 688**
Other comprehensive income (net of tax)			
Items that may be reclassified subsequently to net income			
Currency translation adjustments	–613	–462	–151
Items that will not be reclassified subsequently to net income			
Gains and losses arising on revaluation of financial assets at fair value through other comprehensive income	2 995	–328	+3 323
Remeasurements of post employment benefit obligations IAS 19	193	–1 398	+1 591
Total comprehensive income	**16 783**	**9 332**	**+7 451**

Consolidated balance sheet

CHF 1000	Notes	30.6.2019	31.12.2018	Δ to 31.12.2018
Assets				
Cash	4.1	75 622	144 156	–68 534
Due from banks	4.1	26 258	46 128	–19 870
Due from clients	4.1	98 002	62 862	+35 140
Trading portfolio assets	4.1	25 806	33 402	–7 596
Positive replacement values	4.1	229	2 886	–2 657
Assets classified as held for sale	4.1 / 4.3	57 778	–	+57 778
Other financial assets at fair value	4.1 / 4.3	33 187	29 380	+3 807
Accrued income and prepaid expenses		10 830	10 003	+827
Financial investments	4.1 / 4.3 / 4.4	174	53 730	–53 556
Property and equipment		9 067	1 022	+8 045
Goodwill and other intangible assets	4.5	65 765	68 212	–2 447
Current tax assets		1 615	3 233	–1 618
Deferred tax assets		3 912	692	+3 220
Other assets [1]		16 669	11 653	+5 016
Total assets		**424 914**	**467 359**	**–42 445**
Liabilities				
Due to banks	4.1	16 034	561	+15 473
Due to clients	4.1	149 393	203 864	–54 471
Leasing liabilities	4.1	8 239	–	+8 239
Negative replacement values	4.1	150	2 882	–2 732
Other financial liabilities at fair value	4.1 / 4.3	–	5 226	–5 226
Accrued expenses and deferred income		29 154	34 774	–5 620
Current tax liabilities		2 655	5 055	–2 400
Deferred tax liabilities		16 596	15 088	+1 508
Provisions and pension obligations		1 811	1 891	–80
Other liabilities		1 368	1 137	+231
Total liabilities		**225 400**	**270 478**	**–45 078**
Share capital		1 346	1 346	–
Capital reserves		27 340	30 706	–3 366
Unrealized gains and losses recognized in other comprehensive income		48 203	45 015	+3 188
Currency translation adjustments		229	842	–613
Retained earnings		124 107	120 665	+3 442
Treasury shares		–1 711	–1 693	–18
Total shareholder's equity		**199 514**	**196 881**	**+2 633**
Total liabilities and shareholders' equity		**424 914**	**467 359**	**–42 445**

[1] In the period under review, the other assets contain assets related to performance-based variable compensation amounting to CHF 12.0 million (31.12.2018: CHF 8.3 million).

Statement of shareholder's equity

CHF 1 000	1.1.–30.6.2019	1.1.–30.6.2018
Share capital		
On January 1	1 346	1 346
On June 30	**1 346**	**1 346**
Capital reserves		
On January 1	30 706	45 513
Cash distributions	–3 366	–14 807
On June 30	**27 340**	**30 706**
Unrealized gains and losses recognized in other comprehensive income		
On January 1	45 015	28 571
Change in unrealized gains and losses on financial instruments	2 995	–328
Remeasurements of post employment benefit obligations IAS 19	193	–1 398
On June 30	**48 203**	**26 845**
Currency translation adjustments		
On January 1	842	2 559
Change during period under review	–613	–462
On June 30	**229**	**2 097**
Retained earnings		
On January 1	120 665	100 123
Change in accounting (application of IFRS 9 (2014) as of 1.1.2018)	–	–25
Balance at 1 January after accounting for change in accounting principle	120 665	100 098
Group net profit	14 208	11 520
Dividends	–11 442	–
Income from the sale of own shares	–122	–66
Employee stock ownership plan	798	–1 112
On June 30	**124 107**	**110 440**
Treasury shares		
On January 1	–1 693	–913
Purchases	–4 630	–10 898
Disposals	4 612	10 797
On June 30	**–1 711**	**–1 014**
Total shareholder's equity		
On January 1	196 881	177 199
On June 30	**199 514**	**170 420**

Consolidated cash flow statement

CHF 1 000	1.1.–30.6.2019	1.1.–30.6.2018
Cash flow from operating activities		
Group profit	14 208	11 520
Reconciliation to net cash flow from operating activities		
Non-cash positions in Group results:		
Depreciation of fixed assets	1 173	204
Amortization of intangible assets	2 073	1 238
Change in provisions	–	–
Tax expense / benefit	2 715	2 153
Deferred tax expense / benefit	−3 054	540
Change in fair value of financial assets and other financial assets at fair value	901	−1 680
Change in other financial liabilities at fair value	118	−52
Other non-cash items	1 046	−1 153
Net increase / decrease in operating assets		
Due from banks	19 870	19 562
Due from clients	−35 140	−11 072
Trading positions and replacement values net	7 521	17 750
Accrued income, prepaid expenses and other assets	−6 161	−4 299
Net increase / decrease in liabilities		
Due to banks	15 473	9 876
Due to customers	−54 471	−4 641
Liabilities from other financial instruments at fair value	–	−12 331
Other financial liabilities at fair value	−47	−148
Accrued expenses, deferred income and other liabilities	−5 389	−12 152
Taxes paid	−3 497	−1 883
Cash flow from operating activities	**−42 661**	**13 432**
Cash flow from investing activities		
Investment in other financial assets at fair value	−6 874	−5 054
Divestments of other financial assets at fair value	2 177	6 050
Divestments of financial assets at amortized cost	124	130
Purchase of property and equipment	−8	−1 079
Acquisition of intangible assets	−200	−321
Payments for acquisitions of controlled entities, net of cash	−5 305	−9 266
Net cash flow from investing activities	**−10 086**	**−9 540**
Cash flow from financing activities		
Cash distributions / dividends paid	−14 807	−14 807
Leasing payments	−962	–
Net movements in treasury shares and derivatives on own shares	−18	−101
Net cash flow from investing activities	**−15 787**	**−14 908**
Currency translation effects	–	–
Net increase / decrease in cash and cash equivalents	**−68 534**	**−11 016**
Cash at the beginning of the period	**144 156**	**127 114**
Cash at the end of the period	**75 622**	**116 098**
Further information [1]		
Cash received as interest	–	–
Cash paid as interest	132	64
Cash received as dividends on equities	5 691	2 419

* These cash flows are allocated to cash flows from operating activities.

Notes to the Consolidated interim Financial Statements

1 Accounting principles

1.1 Basis of presentation

The condensed consolidated interim financial statements of Bellevue Group AG, Küsnacht, have been prepared in accordance with International Accounting Standard (IAS) 34 «Interim Financial Reporting». As they do not contain all of the information and disclosures required in the consolidated annual report these interim financial statements should be read in conjunction with the consolidated annual financial statement for the year ended 31 December 2018. The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the consolidated annual financial statement, except for accounting policy changes made after the date of the annual consolidated financial statement.

1.2 New accounting standards used

Bellevue Group applied the following new and revised standards and interpretations for the first time in the 2019 financial year:

1.2.1 IFRS 16 – Leasing

As part of the first-time adoption of IFRS 16 as of 1 January 2019, Bellevue Group recognized rights-of-use asset in the amount of CHF 8.4 million and lease liabilities of CHF 8.4 million. The leased assets consist of right-of-use of real estate and other assets. The depreciation period reflects the remaining contractual term of the right-of use and amounts to a maximum of five years. For the valuation of the lease liability all open payments (fixed and optional, which are sufficiently certain) have been taken into account. The transition to IFRS 16 was based on the modified retrospective approach. In accordance with IFRS 16, Bellevue Group has decided not to apply the new requirements ot leases that are of minor value for leased assets or that expire within 12 month of the date of initial application.

Based on the operating lease obligation as of 31 December 2018, the following reconciliation resulted ot the opening balance of leasing liabilities as of 1 January 2019.

CHF 1 000	
Undiscounted open leasing liabilities according to the Annual Report 2018	9 178
Leasingcontract with a term below 12 months	484
Total undiscounted leasing liabilities	502
Average discount rate of 1–2%	209
Foreign currency difference	42
Opening value under IFRS 16	8 425

Therefore, as of 1 January 2019 assets in the amount of CHF 8.4 million for the right-of-use of leasing contracts have been recorded in the balance sheet item «Property and equipment» while leasing liabilities amounting to CHF 8.4 million were recorded in the new balance sheet item «Leasing liabilities». The application off IFRS 16 according to the modified approach in which the asset's value in use at the time of initial recognition corresponds to the leasing liability recorded has no effect on Bellevue Group's equity.

The depreciation of the recorded right-of-use assets is shown in the income statement in the position «Depreciation and amortization». The interest expenses of the leasing liabilities are recorded in the line item «Interest expenses». In the previous period expenses in connection with operating leases were reported under «Other operating expenses». In the period from 1 Janaury 2019 to 30 June 2019 further lease contracts with a value of CHF 0.8 million were capitalized and carried as liabiliities. The depreciation of right-of-use assets for the reporting period amounted to CHF 1.0 million; interest expenses and repayments amounted to CHF 0.05 million and CHF 1.0 million respectively. As of 30 June 2019, the residual value of right-of-use assets amounts to CHF 8.2 million.

1.2.2 Other new standards and interpretations

The following new and revised standards and interpretations had no effect on or did not relate to Bellevue Group when first applied:

IFRIC 23 Uncertainty over Income Tax Treatments
Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement
Annual Improvements 2015–2017
Amendments to IFRS 9 – «Prepayment features with negative compensation»

1.3 International Financial Reporting Standards and interpretations which will be introduced in 2020 or later and other amendments

Changes to accounting rules	To be applied as of
IFRS 3 Amendments: Definition of a business unit	1.1.2020
IAS 1 / IAS 8 Amendments: Definition materiality	1.1.2020
IFRS 17 Insurance contracts	1.1.2022

1.4 Estimates, assumptions and the exercising of discretion by management

The preparation of the consolidated interim financial statements requires management to make assumptions and estimates that have an impact on the balance sheet values and items of the income statement in the current financial period. In certain circumstances, the actual values may diverge from these estimates. The main assumptions and estimates made in drawing up the condensed consolidated interim financial statements conformed to Group-wide accounting principles and were based on the assumptions applied on 31 December 2018.

2 Risk management and risk control

Bellevue Group's activity is subject to multiple financial risks including market, credit, forex, liquidity and refinancing risks.

The condensed consolidated interim financial statements do not include the full information on the above mentioned risks, which the consolidated financial statements are required to present. These interim statements should therefore be read in conjunction with the consolidated financial statements in the 2018 Annual Report.

3 Details on the consolidated income statement

3.1 Net fee and commission income

CHF 1 000	1.1.–30.6.2019	1.1.–30.6.2018
Asset Management – management fees	46 509	46 343
Asset Management – performance fees	–	1 730
Transaction fees	906	701
Other commission income	764	752
Fee and commission expense	–496	–1 468
Net fee and commission income	**47 683**	**48 058**

3.2 Personnel expenses

CHF 1 000	1.1.–30.6.2019	1.1.–30.6.2018
Salaries and bonuses	24 670	21 974
Pension cost	1 173	1 065
Other social benefits	1 876	2 050
Other personnel expenses	302	262
Total Personnel expenses	**28 021**	**25 351**

3.3 Other operating expenses

CHF 1 000	1.1.–30.6.2019	1.1.–30.6.2018
Premises	519	1 613
IT, telecommunications and other equipment	2 443	2 908
Travel and representation, PR, advertising	2 135	2 661
Consulting and audit fees	1 733	1 452
Research expenses	1 162	1 070
Other operating expenses	945	1 111
Total Other operating expenses	**8 937**	**10 815**

3.4 Depreciation and amortization

CHF 1 000	1.1.–30.6.2019	1.1.–30.6.2018
Depreciation of property and equipment	191	204
Depreciation of rights of use	982	–
Depreciation of intangible assets	2 073	1 238
Total Depreciation and amortization	**3 246**	**1 442**

3.5 Taxes

CHF 1 000	1.1.–30.6.2019	1.1.–30.6.2018
Current income taxes	2 806	2 913
Deferred income taxes	−3 286	415
Total	**−480**	**3 328**
Expiry of recognized loss carryforwards		
In a year to five years	3 550	–
In more than five years	12 986	8 086
Total	**16 536**	**8 086**

As of 30 June 2019, Bellevue Group reassessed the probability that carryforward of unused tax losses can be realized in the future. Based on a highly probable sale of a financial asset, it was concluded that a realization is highly probable. Based on this, a deferred tax asset of CHF 3.1 million for tax loss carryforwards was recognized as of 30 June 2019.

3.6 Tax effect of other comprehensive income

CHF 1 000		1.1.-30.6.2019	
Tax effect of other comprehensive income	**Amount before taxes**	**Tax income/ (expense)**	**Amount after taxes**
Currency translation adjustments	−613	–	−613
Unrealized gains on financial instruments	4 357	−1 362	2 995
Remeasurement of post employment benefit obligations IAS 19	238	−45	193
Total	**3 982**	**−1 407**	**2 575**

CHF 1 000		1.1.–30.6.2018	
Tax effect of other comprehensive income	**Amount before taxes**	**Tax income/ (expense)**	**Amount after taxes**
Currency translation adjustments	–462	–	–462
Unrealized gains on financial instruments	–400	72	–328
Remeasurement of post employment benefit obligations IAS 19	–1 725	327	–1 398
Total	**–2 587**	**399**	**–2 188**

4 Details on the consolidated balance sheet

4.1 Fair value of financial instruments

	30.6.2019			31.12.2018		
CHF 1 000	**Book value**	**Fair Value**	**Deviation**	**Book value**	**Fair Value**	**Deviation**
Assets						
Cash	75 622	75 622	–	144 156	144 156	–
Due from banks	26 258	26 258	–	46 128	46 128	–
Due from clients	98 002	97 977	–25	62 862	62 837	–25
Accrued income and prepaid expenses	9 753	9 753	–	9 122	9 122	–
Other assets	12 546	12 546	–	8 691	8 691	–
Financial assets at amortized cost	**222 181**	**222 156**	**–25**	**270 959**	**270 934**	**–25**
Trading portfolio assets	25 806	25 806	–	33 402	33 402	–
Positive replacement values	229	229	–	2 886	2 886	–
Assets classified as held for sale	57 778	57 778	–	–	–	–
Other financial assets at fair value	32 757	32 757	–	29 380	29 380	–
Financial investments at fair value	158	158	–	314	314	–
Other financial assets at fair value through profit and loss	**116 728**	**116 728**	**–**	**65 982**	**65 982**	**–**
Other financial assets at fair value	430	430	–	–	–	–
Financial investments at fair value	16	16	–	53 416	53 416	–
Financial assets with OCI fair value measurement	**446**	**446**	**–**	**53 416**	**53 416**	**–**
Total financial assets	**339 355**	**339 330**	**–25**	**390 357**	**390 332**	**–25**
Liabilities						
Due to banks	16 034	16 034	–	561	561	–
Due to customers	149 393	149 393	–	203 864	203 864	–
Leasing liabilities	8 239	8 239	–	–	–	–
Accrued expenses and deferred income	25 783	25 783	–	34 394	34 394	–
Other liabilities	1 367	1 367	–	1 137	1 137	–
Financial liabilities at amortized cost	**200 816**	**200 816**	**–**	**239 956**	**239 956**	**–**
Negative replacement values	150	150	–	2 882	2 882	–
Other financial liabilities at fair value *	–	–	–	5 226	5 226	–
Financial liabilities at fair value	**150**	**150**	**–**	**8 108**	**8 108**	**–**
Total financial liabilities	**200 966**	**200 966**	**–**	**248 064**	**248 064**	**–**

* The contingent purchase price payment valued at fair value in connection with the acquisitions of StarCapital AG and MARS Asset Management GmbH. For more details about the valuation, please refer to note 4.3.

Accrued income and prepaid expenses, Accrued expenses and deferred income, other assets and other liabilities include items not classified as financial instruments. Therefore, the amount shown in the table does not correspond to the balance sheet amount.

4.2 Valuation methods of financial instruments

CHF 1 000	Level 1	Level 2	Level 3	Total
30.6.2019				
Assets				
Cash	75 622	–	–	75 622
Due from banks	–	26 258	–	26 258
Due from customers	–	98 002	–	98 002
Accrued income and prepaid expenses	9 753	–	–	9 753
Other assets	12 546	–	–	12 546
Financial assets at amortized cost	**97 921**	**124 260**	**–**	**222 181**
Trading portfolio assets	17 262	8 544	–	25 806
Positive replacement values	–	229	–	229
Assets classified as held for sale	–	–	57 778	57 778
Other financial assets at fair value	3 904	20 308	8 975	33 187
Financial investments at fair value	–	158	16	174
Financial assets at fair value	**21 166**	**29 239**	**66 769**	**117 174**
Total financial assets	**119 087**	**153 499**	**66 769**	**339 355**
Liabilities				
Due to banks	–	16 034	–	16 034
Due to customers	–	149 393	–	149 393
Leasing liabilities	8 239	–	–	8 239
Accrued expenses and deferred income	25 783	–	–	25 783
Other liabilities	1 367	–	–	1 367
Financial liabilities at amortized cost	**35 389**	**165 427**	**–**	**200 816**
Negative replacement values	–	150	–	150
Financial liabilities at fair value	**–**	**150**	**–**	**150**
Total financial liabilities	**35 389**	**165 577**	**–**	**200 966**

CHF 1 000	Level 1	Level 2	Level 3	Total
31.12.2018				
Assets				
Cash	144 156	–	–	144 156
Due from banks	–	46 128	–	46 128
Due from customers	–	62 862	–	62 862
Accrued income and prepaid expenses	9 122	–	–	9 122
Other assets	8 691	–	–	8 691
Financial assets at amortized cost	**161 969**	**108 990**	**–**	**270 959**
Trading portfolio assets	16 695	16 707	–	33 402
Positive replacement values	–	2 886	–	2 886
Other financial assets at fair value	4 703	14 725	9 952	29 380
Financial investments at fair value	–	314	53 416	53 730
Financial assets at fair value	**21 398**	**34 632**	**63 368**	**119 398**
Total financial assets	**183 367**	**143 622**	**63 368**	**390 357**
Liabilities				
Due to banks	–	561	–	561
Due to customers	–	203 864	–	203 864
Leasing liabilities	–	–	–	–
Accrued expenses and deferred income	34 394	–	–	34 394
Other liabilities	1 137	–	–	1 137
Financial liabilities at amortized cost	**35 531**	**204 425**	**–**	**239 956**
Negative replacement values	–	2 882	–	2 882
Other financial liabilities at fair value *	–	–	5 226	5 226
Financial liabilities at fair value	**–**	**2 882**	**5 226**	**8 108**
Total financial liabilities	**35 531**	**207 307**	**5 226**	**248 064**

* The contingent purchase price payment valued at fair value in connection with the acquisitions of StarCapital AG and MARS Asset Management GmbH. For more details about the valuation, please refer to note 4.2.

No transfer between levels of the fair value hierarchy took place in the first half of 2019 or in the comparable period of the previous year.

Level-1-instruments

If a financial instrument is traded in an active market, its fair value is based on listed market prices. In the fair value hierarchy prescribed in IFRS 13, this type of financial instrument is classified as a level 1 instrument. The fair value of these positions corresponds to the current price (e.g. settlement price or closing price) multiplied by the number of units of the financial instruments held.

Level-2-instruments

If there is no active market, the fair value is determined on the basis of valuation models or other generally accepted valuation methods (primarily option pricing and discounted cash flow models). If all the significant inputs can be observed directly or indirectly in the market, the instrument is classified as a level 2 instrument. The valuation models take account of the relevant parameters such as contract specifications, the market price of the underlying asset, foreign exchange rates, yield curves, default risks and volatility.

Level-3-instruments

If at least one significant input cannot be observed directly or indirectly in the market, the instrument is classified as a level 3 instrument. These instruments essentially comprise private-equity funds and non-listed equity instruments, as well as the contingent purchase price liability. The fair value of private equity funds is determined based on the last available net asset values, less necessary value adjustments according to own assessment. The fair value of unlisted equity instruments is determined with net asset value calculation, based on up-to-date available financial information (e.g. annual reports), less necessary value adjustments according to own assessment. In addition, other price-relevant information from market transactions that is available at the end of the accounting period is taken into account. The valuation of the contingent purchase price liability is mainly based on the underlying contractual share purchase terms and conditions.

4.3 Level-3-Financial Instruments

CHF 1 000	6 months as per 30.6.2019				6 months as per 30.6.2018		
	Assets classified as held for sale	Other financial assets at fair value	Financial investments at fair value	Total	Other financial assets at fair value	Financial investments at fair value	Total
Assets							
Holdings at the beginning of the year as 1.1.	–	9 952	53 416	63 368	9 035	25 716	34 751
Investments	–	592	–	592	256	–	256
Redemptions / Payments	–	–	–	–	–857	–	–857
Reclassified as assets held for sale	57 778	–	–57 778	–	–	–	–
Losses recognized in the income statement	–	–1 548	–	–1 548	–1	–	–1
Losses recognized as other comprehensive income	–	–21	–	–21	–	–400	–400
Gains recognized in the income statement	–	–	–	–	1 621	–	1 621
Gains recognized as other comprehensive income	–	–	4 378	4 378	–	–	–
Total book value at balance sheet date	**57 778**	**8 975**	**16**	**66 769**	**10 054**	**25 316**	**35 370**
Unrealised profit/losses from level 3 instruments which were held on the balance sheet date recorded in the income statement in the period	**–**	**–1 548**	**–**	**–1 548**	**1 620**	**–**	**1 620**

Key assumption in the valuation of Level 3 financial instruments are the underlying net asset values. The following table shows the effect on the valuation when this assumption changes:

Key assumptions	Changes in key assumption	Change in fair value in CHF 1 000
Net Asset value	+ 5 percentage points	449
	– 5 percentage points	–449

The contingent purchase price payments from the acquisitions of StarCapital AG and MARS Asset Management GmbH are recorded in the other financial liabilities at fair value, and represent the remaining purchase price liabilities that are still owed. The valuation is mainly based on the underlying contractual share purchase terms and conditions.

CHF 1 000	30.6.2019	30.6.2018
	Other financial liabilities at fair value	Other financial liabilities at fair value
Assets		
Holdings at the beginning of the year as 1.1.	5 226	15 525
Investments	–	1 446
Payments	–5 305	–7 655
Losses recognized in the income statement	71	–
Losses recognized as other comprehensive income	8	–
Gains recognized in the income statement	–	–200
Total book value at balance sheet date	**–**	**9 116**
Unrealised profit / losses from level 3 instruments which were held on the balance sheet date	**–**	**–52**

In the period from 1 January 2019 to 30 June 2019 the last instalments of the contingent purchase prices in connection-with the acquisitons of StarCapital AG and MARS Asset Management GmbH were due and paid. This resulted in a loss of CHF 0.1 million, which was recognized in the income statement in the position «Income from other financial instruments at fair value. As of 30 June 2019 there were no further conditional purchase price payments outstanding. For further details in connection with the acquisition of StarCapital AG and MARS Asset Management AG, we refer to the details in the Annual Report 2018.

4.4 Financial investments

CHF 1 000	30.6.2019	31.12.2018
Fair value changes recognized in the income statement		
Debt instruments	158	314
	158	314
Fair value changes recognized in other comprehensive income		
Equity instruments	16	53 416
of which unlisted	16	53 416
Total financial investments	**174**	**53 730**
of which repo-eligible securities	–	–

In the period under review, financial investments were revalued without affecting net income by CHF 4.4 million (31.12.2018: CHF 27.7 million). This took account of CHF 1.4 million (31.12.2018: CHF 5.0 million) of deferred taxes. In addition, dividends from financial investments of CHF 4.8 million were received in the reporting period. As of 30 June 2019 one financial investment was reclassed from financial investments to «Assets classified as held for sale». For further details see «5.4 Events after the balance sheet date».

4.5 Goodwill and other intangible assets

CHF 1 000	30.6.2019	31.12.2018
Goodwill	53 863	54 304
Other intangible assets	11 902	13 908
Total Goodwill and other intangible assets	**65 765**	**68 212**

CHF 1 000		Total
Goodwill		
Acquisition cost		
Balance as of 31.12.2018		105 219
Foreign currency effect		–441
Balance as of 30.6.2019		**104 778**
Accumulated valuation adjustments		
Balance as of 31.12.2018		–50 915
Balance as of 30.6.2019		**–50 915**
Net carrying values		
Balance as of 31.12.2018		54 304
Balance as of 30.6.2019		**53 863**

The reported goodwill as of 31 December 2018 and 30 June 2019 for the Asset Management business segments stems from the acquisition of the 100% Bellevue Asset Management AG by Bellevue Group AG (formerly Swissfirst AG) in 2005, from the acquisition of the 100% interest in Adamant Biomedical Investments AG («Adamant») in 2014, from the aquisition of the 100% interest in StarCapital AG in 2016 as well the 100% interest in MARS Asset Management GmbH in 2018.

Bellevue Group basically examines the recoverable value of the goodwill annually, based on the estimated amount that can be obtained per each single cash-generating unit, or group of such units (depending on allocation). If events or a change of circumstances indicate a possible impairment, the test is carried out more frequently. Detailed explanations of the methods used in calculating the recoverable amount are given in the note in the annexe, item 4.6 on page 78, of the 2018 annual report.

As of 30 June 2019, Bellevue Group AG is not aware of any other events or changed circumstances that would indicate an impairment of goodwill.

CHF 1 000	Client base	Brand	Other	Total
Other intangible assets				
Acquisition cost				
Balance as of 31.12.2018	47 570	379	521	48 470
Additions	–	–	200	200
Foreign currency effect	–131	–2	–	–133
Balance as of 30.6.2019	**47 439**	**377**	**721**	**48 537**
Accumulated valuation adjustments				
Balance as of 31.12.2018	–34 161	–227	–174	–34 562
Additions	–1 915	–38	–120	–2 073
of which due to impairment	–949	–	–	–949
Balance as of 30.6.2019	**–36 076**	**–265**	**–294**	**–36 635**
Net carrying values				
Balance as of 31.12.2018	13 409	152	347	13 908
Balance as of 30.6.2019	**11 363**	**112**	**427**	**11 902**

The intangible assets for «Brand» and «Client base» as per 31 December 2018 and 30 June 2019 stem from the acquisition of the Bellevue Asset Management by Bellevue Group (formerly Swissfirst AG) in 2005, from the acquisition of the 100% interest in Adamant Biomedical Investments AG in 2014, which merged with Bellevue Asset Management AG in 2015, the aquisition of StarCapital AG in 2016 as well as the aquisition of MARS Asset Management GmbH in 2018. These intangible assets are amortized over a period of 5 to 15 years and are likewise tested for impairment in the procedure describe above under «Goodwill». As of 30 June 2018, the review of the residual values of the client base StarCapital/MARS Asset management lead to an impairment of CHF 0.9 million.

The estimated future depreciation of other intangible assets appears as follows:

CHF 1 000	
2019 (1.7.–31.12.)	1 041
2020	2 073
2021	1 867
2022	1 777
2023	1 777
2024	1 621
2025	1 155
2026	512
2027	53
2028	26
Total	**11 902**

5 Off-balance sheet and other information

5.1 Off-balance sheet

CHF 1 000	30.6.2019	31.12.2018
Irrevocable commitments		
Undrawn irrevocable credit facilities	130	130
of which payment obligation to the protection of deposits	130	130
Total	**130**	**130**
Fiduciary transactions		
Fiduciary placements with third-party banks	23 611	17 711
Total	**23 611**	**17 711**
Securities lending and pension transactions		
Book value of own holdings of securities lent in securities lending or provided as collateral in securities borrowing, and transferred in repurchase transactions	15 212	13 407
Total	**15 212**	**13 407**

CHF million	30.6.2019	31.12.2018
Assets under management		
Assets in self-managed collective investment instruments	9 858	8 882
Assets with management mandate	358	349
Other assets under management	1 496	1 578
Total assets under management (including double counts)	**11 712**	**10 809**
of which double counts	191	179
Development of assets under management		
Total assets under management (including double counting) at the beginning of the reporting period	10 809	12 045
+/– net new money inflow or net new money outflow	–213	–418
+/– price gains/losses, interest, dividends and currency gains/losses	1 116	–1 187
+/– other effects [1]	–	369
Total managed assets (including double counting) at the balance sheet date	**11 712**	**10 809**

[1] The assets acquired this year following the acquisition of MARS Asset Management GmbH are listed under this item.

Assets under management and net inflows/outflows of new mone

Assets under management are calculated and reported in accordance with the guidelines issued by the Swiss Financial Market Supervisory Authority FINMA concerning accounting standards for financial institutions. Assets under management comprise all of the assets managed or held for investment purposes of private, corporate and institutional clients, as well as assets in self-managed collective investment instruments for which investment advisory and/or asset management services are provided. This includes all amounts due to customers on savings and deposit accounts, fixed-term and fiduciary deposits, and all valued assets. Assets under management that are deposited with third parties are included to the extent that investment advisory and/or asset management services are provided by Bellevue Group. Assets that are counted in several categories of assets are shown under double counts.

Net inflows or outflows of assets under management during the reporting period consist of the acquisition of new clients, the departure of clients as well as inflows and outflows of assets from existing clients. If there is a change in the service provided, resulting in the reclassification of assets under management as assets held for custody purposes or vice versa, this is recorded as an outflow of new money or an inflow of new money, respectively. Securities-related and currency-related changes in market value, interest income and dividends, fee charges and loan interest paid do not constitute inflows or outflows of assets.

5.2 Transactions with related companies and persons

Legal entities and natural persons are considered to be related parties if one party has the ability to control the other or exercise significant influence over its financial or operational decisions.

CHF 1 000	Key management personnel [1]	Major shareholders [2]	Associated companies	Other related companies and persons [3]	Total
30.6.2019					
Due from clients	3 868	–	–	–	3 868
Due to clients	310	21 930	–	–	22 240
1.1.–30.6.2019					
Interest income	19	7	–	–	26
Fee and commission income	5	422	–	–	427
31.12.2018					
Due from clients	4 515	–	–	–	4 515
Due to clients	151	40 030	–	–	40 181
1.1.–30.6.2018					
Interest income	15	2	–	–	17
Fee and commission income	10	265	–	–	275

[1] Key management personnel: Board of Directors and Group Executive Board (excluding major shareholders)
[2] Major shareholders: see Corporate Governance, section Group structure and shareholders, page 31 of the annual report 2018
[3] Other closely related companies and persons: This includes all other natural persons and legal entities that have close personal, economic, legal or de members of the Board of Directors or the Group Executive Board.

Loans to related parties are generally Lombard loans secured by pledged assets (securities portfolios).

Employees, members of the Board of Directors and the Executive Board benefit from preferential terms customary in the banking industry. Transactions for all other related parties are executed at terms equivalent to those available to third parties. Transactions may include, for example, loans, interest on deposits and securities transactions.

Off-balance-sheet transactions:
Securities lending and borrowing transactions are conducted with related parties under market conditions.

5.3 Major foreign exchange rates

The following exchange rates were used for the major currencies:	30.6.2019 Half year-end rate	1.1.-30.6.2019 Average rate	31.12.2018 Year-end rate	1.1.-31.12.2018 Average rate
EUR	1.11035	1.12939	1.12665	1.15497
USD	0.97565	0.99990	0.98395	0.97860
GBP	1.23980	1.29380	1.25425	1.30560

5.4 Events after the balance sheet date

Bellevue Group informed about the acquistion of adbodmer AG in a press release dated 12 June 2019. The transaction was closed on 19 July 2019. As of the date of publication of these consolidated interim financial statements, the initial accounting for the business combination has not yet been completed and therefore certain disclosures relating to the acquistion can't be made, including the fair value and significant classes of identifiable assets and liabilities acquired, goodwill arising on the business combination and the qualitive factors contributing to the recognition of goodwill.

Bellevue Group informed about the sale of its interest in SIX Swiss Exchange in a press release dated 12 July 2019. The Group decided to sell its interest because this position was of no strategic importance and an attractive opportunity had presented itself. Due to the decision of the Board of Directors from June 2019 to sell the position, it was reclassed from financial investments to assets classified at held for sale as of 30 June 2019.

In addtion, no events have occurred since the balance sheet date 30 June 2019 that would have a material impact on the information provided in the interim consolidated financial statements and would therefore need to be disclosed.

5.5 Approval of the consolidated interim financial statements

The Board of Directors has approved the consolidated interim financial statements at the meeting of July 24, 2019.

6 Segment reporting

Segment «Asset Management»

The Asset Management business segment consists of Bellevue Asset Management AG, its foreign subsidiaries (Bellevue Asset Management Group) and StarCapital AG and ist subsidiary, and has total assets under management of CHF 10.6 billion. Its offering includes a wide range of investment funds and investment solutions for institutional, intermediary and retail clients. The business segment's investment philosophy features a purely active asset management concept. The Bellevue Asset Management boutique has a clear focus on managing equity portfolios for selected sector and regional strategies, and these are based on a bottom-up, research-driven approach to stock picking. In contrast, StarCapital AG and its subsidiary adopt a comprehensive asset management approach, based on quantitative, experience-driven and strongly anticyclical investment principles. Its well-diversified product offering lies in the areas of managed asset strategies, global bond and equity strategies and multi-asset-class solutions and acts as a strong complement to Bellevue Asset Management.

Segment «Bank am Bellevue»

The services of Bank am Bellevue include asset management and consultancy for entrepreneurial private clients. Besides the portfolio-related services, general asset services are also provided. These primarily include support and advice for setting up and running investment office structures (e.g. manager selection, applying tactical measures, and consolidated asset reporting). The Bank also offers its clients custody account management, securities trading with a focus on Swiss stocks, individual credit solutions and market-making services.

Segment «Group»

This segment is where the company's participations are held and managed and the related strategic, management, coordination and financing issues and activities addressed.

CHF 1 000	Asset Management	Bank am Bellevue	Group	Intercompany	Total
1.1.–30.6.2019					
Net interest income	344	5 215	–6	–	5 553
Net fee and commission income	45 711	1 972	–	–	47 683
Net trading income	1 308	189	–	–	1 497
Income from other financial assets at fair value	–874	–	–6	–	–880
Other income	74	3	2	–	79
Service from / to other segments	–51	51	–	–	–
Operating income	**46 512**	**7 430**	**–10**	**–**	**53 932**
Personnel expenses	–22 248	–3 550	–2 223	–	–28 021
Other operating expenses	–6 073	–1 741	–1 123	–	–8 937
Service from / to other segments	–220	–623	843	–	–
Depreciation and amortization	–2 697	–450	–99	–	–3 246
thereof on intangible assets	–1 996	–77	–	–	–2 073
Operating expense	**–31 238**	**–6 364**	**–2 602**	**–**	**–40 204**
Profit before taxes	**15 274**	**1 066**	**–2 612**	**–**	**13 728**
Taxes	–2 673	3 150	3	–	480
Group net profit	**12 601**	**4 216**	**–2 609**	**–**	**14 208**
Additional information as per 30 June 2019					
Segment assets [1]	155 034	264 739	5 141	–	424 914
Segment liabilities	52 283	170 582	2 535	–	225 400
Net new money (CHF m)	104	–317	–	–	–213
Price gains / losses, interest, dividends and currency gains / losses (CHF m)	882	234	–	–	1 116
Other effects (CHF m)	–	–	–	–	–
Total assets under management (CHF m) [2]	9 960	1 752	–	–	11 712
Capital expenditure	108	100	–	–	208
Number of staff full-time equivalent (at cutoff date)	79.5	20.8	10.7	–	111.0
Half year average number of staff (full-time equivalent)	80.3	20.7	10.2	–	111.2

[1] Including associated companies; the sum of long-term assets including Goodwill and excluding Other financial assets at fair value, amounts to CHF 84.6 million in Switzerland, CHF 39.4 million in Germany and CHF 0.6 million in all other countries.

[2] Including double counts

CHF 1 000	Asset Management	Bank am Bellevue	Group	Intercompany	Total
1.1.–30.6.2018					
Net interest income	145	2 018	3	–	2 166
Net fee and commission income	46 110	1 948	–	–	48 058
Net trading income	−81	−519	−66	–	−666
Income from other financial assets at fair value	1 872	–	925	–	2 797
Other income	99	1	1	–	101
Service from / to other segments	−15	15	–	–	–
Operating income	**48 130**	**3 463**	**863**	**–**	**52 456**
Personnel expenses	−19 334	−3 391	−2 626	–	−25 351
Other operating expenses	−7 312	−2 643	−860	–	−10 815
Service from / to other segments	−105	−763	868	–	–
Depreciation and amortization	−1 289	−153	–	–	−1 442
thereof on intangible assets	−1 178	−60	–	–	−1 238
Valuation adjustments and provisions	–	–	–	–	–
Operating expense	**−28 040**	**−6 950**	**−2 618**	**–**	**−37 608**
Profit before taxes	**20 090**	**−3 487**	**−1 755**	**–**	**14 848**
Taxes	−3 337	6	3	–	−3 328
Group net profit	**16 753**	**−3 481**	**−1 752**	**–**	**11 520**
Additional information as per 30 June 2018					
Segment assets [1]	160 060	265 338	6 105	–	431 503
Segment liabilities	51 789	200 656	8 638	–	261 083
Net new money (CHF m)	69	114	–	–	183
Price gains / losses, interest, dividends and currency gains / losses (CHF m)	165	−33	–	–	132
Other effects (CHF m) [2]	369	–	–	–	369
Total assets under management (CHF m) [3]	10 625	2 104	–	–	12 729
Capital expenditure	760	642	–	–	1 402
Number of staff full-time equivalent (at cutoff date)	81.1	19.8	8.8	–	109.7
Half year average number of staff (full-time equivalent)	79.5	17.9	8.0	–	105.4

[1] Including associated companies; the sum of long-term assets including Goodwill and excluding Other financial assets at fair value, amounts to CHF 54.4 million in Switzerland, CHF 45.4 million in Germany and CHF 0.3 million in all other countries.
[2] The assets acquired this year following the acquisition of MARS Asset Management GmbH are listed under this item.
[3] Including double counts

Report on the Review of Interim consolidated financial statements to the Board of Directors of Bellevue Group AG Küsnacht

Introduction
We have reviewed the interim consolidated financial statements (balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of shareholder's equity and notes) (pages 5 to 22) of Bellevue Group AG for the period ended 30 June 2019. The Board of Directors is responsible for the preparation and presentation of this interim consolidated financial statements in accordance with International Accounting Standard 34 «Interim Financial Reporting». Our responsibility is to express a conclusion on this interim consolidated financial statements based on our review.

Scope of Review
We conducted our review in accordance with Swiss Auditing Standard 910 and 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 Swiss Auditing Standards and 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 accompanying interim consolidated financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard 34 «Interim Financial Reporting».

pwc PricewaterhouseCoopers AG

Daniel Pajer Roland Holl

Zurich, 24 July 2019

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