



BANCA DEL SEMPIONE  
SIMPLON BANK  
BANQUE DU SIMPLON

Banca del Sempione SA

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**Disclosure requirements in accordance  
with FINMA Circular 2016/1 "Disclosure - banks"**

**2022**



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## CONSOLIDATED ACCOUNTS

### KM1 – Key metrics

(amount expressed in CHF 1,000)		31.12.2022	31.12.2021
<b>Eligible capital</b>			
1	Common Equity Tier 1 (CET1)	127,388	125,845
2	Tier 1 capital (T1)	127,388	125,845
3	Total capital	127,388	125,845
<b>Risk-weighted assets (RWA)</b>			
4	RWA	460,718	456,516
4a	Minimum capital requirement	36,857	36,521
<b>Risk-based capital ratios (as % of RWA)</b>			
5	CET 1 ratio	27.6%	27.6%
6	Tier 1 ratio	27.6%	27.6%
7	Total capital ratio	27.6%	27.6%
<b>Additional CET1 buffer requirements (as % of RWA)</b>			
8	Capital conservation buffer according to Basel minimum requirements	2.5%	2.5%
11	Total of CET1 specific buffer according to Basel minimum requirements	2.5%	2.5%
12	CET1 available after meeting the bank's minimum capital requirements	19.2%	19.6%
<b>Target capital ratios according to CAO Annex 8 (as % of RWA)</b>			
12a	Capital conservation buffer according to CAO Annex 8	2.5%	2.5%
12b	Countercyclical capital buffer according to CAO Art, 44 and Art, 44a	0.2%	0.0%
12c	CET 1 capital target according to CAO Annex 8 plus countercyclical buffer according to CAO Art, 44 and Art, 44a	7.2%	7.0%
12d	Tier 1 capital target according to CAO Annex 8 plus countercyclical buffer according to CAO Art, 44 and Art, 44a	8.7%	8.5%
12e	Total capital target according to CAO Annex 8 plus countercyclical buffer according to CAO Art, 44 and Art, 44a according to CAO Art, 44 and Art, 44a	10.7%	10.5%
<b>Basel III Leverage Ratio</b>			
13	Total Basel III Leverage Ratio exposure measure	885,232	893,465
14	Basel III Leverage Ratio	14.4%	14.1%

(amount expressed in CHF 1,000)	Quarterly average of the monthly figures					
	4 <sup>th</sup> quarter 2022	3 <sup>rd</sup> quarter 2022	2 <sup>nd</sup> quarter 2022	1 <sup>st</sup> quarter 2022	4 <sup>th</sup> quarter 2021	
<b>Liquidity Coverage Ratio (LCR)</b>						
15	Total of high-quality liquid assets	157,614	172,142	220,428	216,182	175,626
16	Net cash outflows	58,951	51,179	59,369	35,242	33,398
17	Liquidity Coverage Ratio (LCR)	267%	336%	371%	613%	526%

(amount expressed in CHF 1,000)		31.12.2022	31.12.2021
<b>Net Stable funding ratio (NSFR)</b>			
18	Total available stable funding	710,259	730,809
19	Total required stable funding	386,114	354,066
20	Net Stable funding ratio (NSFR)	184%	206%

## OV1 – Overview of risk-weighted assets

	31.12.2022	31.12.2021	31.12.2022
(amount expressed in CHF 1,000)	RWA	RWA	Minimum capital requirements
1 Credit risk (standard international approach)	368,890	364,891	29,511
20 Market risk (standard approach)	20,713	17,850	1,657
24 Operational risks (basic indicator approach)	71,115	73,775	5,689
<b>27 Total</b>	<b>460,718</b>	<b>456,516</b>	<b>36,857</b>

## LIQA – Liquidity risk management

Liquidity risk management is described in paragraph 3 of the Notes to the consolidated financial statements.

## CR1 – Credit risk: credit quality of assets

(amount expressed in CHF 1,000)	Gross carrying values of		Value adjustments/ impairments	Net values
	Defaulted exposures	Non-defaulted exposures		
1 Loans (excluding debt securities)	1,061	551,743	1,061	551,743
2 Debt securities		109,758		109,758
3 Off-balance-sheet exposures		9,210		9,210
<b>4 Total</b>	<b>1,061</b>	<b>670,711</b>	<b>1,061</b>	<b>670,711</b>

Defaulted loans include non-performing and doubtful loans rated and valued according to the definitions set out in the FINMA Accounting Ordinance and FINMA circular 2020/1 "Accounting- Banks".

## CR2 – Credit risk: change in stock of defaulted loans and debt securities

(amount expressed in CHF 1,000)	
1 Defaulted loans and debt securities at end of 2021	1,074
2 Loans and debt securities that have defaulted since the last reporting period	15
3 Amounts returned to non-defaulted status	-28
4 Amounts written off	
<b>6 Defaulted loans and debt securities at end of 2022</b>	<b>1,061</b>

### CR3 – Credit risk: overview of credit risk mitigation techniques

	Exposures unsecured/carrying values	Exposures secured by collateral: secured amount	Exposures secured by financial guarantees or credit derivatives: secured amount
(amount expressed in CHF 1,000)			
Loans (including debt securities)	228,453	433,048	
Off-balance-sheet exposures	2,618	6,592	
<b>Total</b>	<b>231,071</b>	<b>439,640</b>	
<i>of which in default</i>	<i>1,061</i>		

Uncovered positions essentially include amounts due to banks and debt securities.

### CR5 - Credit risk: exposure by asset classes and risk weight under the standardised approach

Assets classes	Risk weight							Total credit exposure amount (post-CCF and post-CRM)
	0%	20%	35%	50%	75%	100%	150%	
(amount expressed in CHF 1,000)								
1 Sovereigns and their central banks	150,441							150,441
2 Banks and securities traders		102,767		23,350		528		126,645
3 Public-sector entities and multilateral developments banks	8,140	5,011	530	1,007		897		15,585
4 Corporate		18,862	12,002	24,890	333	77,747	400	134,234
5 Retail			103,974		45,419	73,808		223,201
6 Equity securities							600	600
7 Other assets	4,572	483				826		5,881
<b>8 Total</b>	<b>163,153</b>	<b>127,123</b>	<b>116,506</b>	<b>49,247</b>	<b>45,752</b>	<b>153,806</b>	<b>1,000</b>	<b>656,587</b>
9 <i>of which receivables secured by real estate</i>			116,506		3,189	29,716		149,411
10 <i>of which receivables past due</i>	-	-	-	-	-	-	-	-

### ORA - Operational risks: general information

Operational risk management is described in paragraph 3 of the Notes to the consolidated financial statements.

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## IRRBB - Interest rate risk: objectives and rules for managing the interest rate risk of the Banks' portfolio

Interest rate risk in the Bank and the Group's portfolio (IRRBB - Interest Rate Risk in the Banking Book) is measured as the impact of changes in interest rates on the economic value of assets, liabilities and off-balance-sheet positions (present value approach) and on interest income (current income approach).

Interest rate risk can take three forms:

- **Repricing risk**, arising from the different maturity structure of balance-sheet assets and liabilities.
- **Basis risk** describing the impact of changes in interest rates on instruments that have similar maturities, but are measured on the basis of different interest rates.
- **Option risk** arising from options, or embedded (implicit) options, under which the Bank or its client can change the amount and timing of payment flows (e.g. deposits with no fixed maturity, term deposits, and fixed-rate loans).

The Board of Directors has established the principles according to which the rate risk must be measured, monitored and controlled, as outlined in the Bank's "Risk Policy and Risk Management principles". It has also set the tolerance limits that constitute the reference values for the implementation of the Bank's internal management and control strategies and processes.

General Management develops and enforces risk management strategies through the issuing of directives and instructions and ensures that they are properly implemented.

On the basis of proposals drawn up by ALCO, it manages the balance sheet structure and implements the measures necessary to ensure permanently that the Bank does not assume risks higher than those tolerated.

ALCO is responsible for monitoring and controlling interest rate risk on the basis of analyses carried out by the Risk Control unit as well as for drawing up proposals to General Management for managing the balance sheet structure.

At least every three years ALCO verifies the integrity of the data and the adequacy of the measurement methods (including the underlying modelling assumptions and their impact). In the event of a substantial change in the business model or structure of clients and products, verification shall be carried out within the current year.

ALCO's analyses and considerations are included in the quarterly reports addressed to General Management.

On a quarterly basis, the Risk Control unit independently measures and assesses exposure to liquidity risk, verifies the observance of legal and internal limits, and provides General Management and ALCO with all the necessary support.

The analyses and considerations of the Risk Control unit are included in the quarterly reports addressed to General Management and the Board of Directors.

The consolidated financial statements are analysed every six months.

The Bank uses the "Delta Market Value" method to measure and manage interest rate risk.

The Bank is considered to be small in size (category 5). It provides purely advisory and asset management services.

Loan issuance is carried out on an ancillary basis and is mainly aimed at existing customers. The balance sheet structure is simple and transparent; the Bank does not offer complex products, nor are derivative instruments used for hedging interest rate risks.

The Bank therefore applies the interest rate shock scenarios provided for in Annex 2 of FINMA circular 2019/2 "Interest Rate Risks - Banks" which are considered appropriate in relation to the interest rate risks assumed:

- 1) parallel upward shock
- 2) parallel downward shock
- 3) steepener shock (fall in short-term rates and rise in long-term rates)
- 4) flattener shock (rise in short-term rates and fall in long-term rates)
- 5) upward shock in short-term rates
- 6) downward shock in short-term rates

The modelling principles and assumptions used are those provided for publication in the IRRBB table.

## IRRBA1 – Interest rate risk: quantitative information on the exposure’s structure and maturity repricing

(amount expressed in CHF 1,000)	Amount expressed in CHF 1,000			Average repricing maturity (in years)		Longest repricing maturity (in years) assigned to non-maturity positions	
	Total	of which CHF	of which other currencies	Total	of which CHF	Total	of which CHF
<b>Determined repricing period</b>							
<b>Assets</b>	<b>289,326</b>	<b>177,056</b>	<b>112,270</b>	<b>2.44</b>	<b>3.04</b>		
Amounts due from banks	37,638		37,638	0.11			
Amounts due from customers	2,081	2,081		2.69	2.69		
Variable-rate mortgage loans	19,274		19,274	0.08			
Fixed-rate mortgage loans	122,907	122,907		3.02	3.02		
Financial investments	107,426	52,068	55,358	3.00	3.11		
<b>Liabilities</b>	<b>518</b>		<b>518</b>	<b>0.16</b>			
Customer term deposits	518		518	0.16			
<b>Undetermined repricing period</b>							
<b>Assets</b>	<b>333,640</b>	<b>86,644</b>	<b>246,996</b>	<b>0.28</b>	<b>0.49</b>		
Amounts due from banks	30,573	8,850	21,723	0.08	0.08		
Amounts due from customers	273,165	47,892	225,273	0.22	0.22		
Variable-rate mortgage loans	29,902	29,902		1.05	1.05		
<b>Liabilities</b>	<b>707,549</b>	<b>301,316</b>	<b>406,233</b>	<b>0.26</b>	<b>0.32</b>		
Customer sight deposits	669,828	266,424	403,404	0.22	0.22		
Other sight liabilities	2,839	10	2,829	0.08	0.08		
Callable but not transferable customer saving deposits	34,882	34,882		1.04	1.04		
<b>Total</b>	<b>-85,101</b>	<b>-37,616</b>	<b>-47,485</b>				

## IRRBB1 – Interest rate risk: quantitative information on economic value of equity and net interest income

(amount expressed in CHF 1,000)	$\Delta$ EVE (change of economic value of equity)		$\Delta$ NI (change of net interest income)	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Parallel upward shock	-8,747	-5,991	-3,390
Parallel downward shock	9,555	6,502	3,340	2,957
Steeper shock	-1,722	-1,504		
Flattener shock	149	399		
Upward shock of short-term interest rate	-2,804	-1,703		
Downward shock of short-term interest rate	2,884	1,752		
Maximum	-8,747	-5,991	-3,390	-3,004
<b>Tier 1 capital</b>	<b>127,388</b>	<b>125,845</b>		



## INDIVIDUAL ACCOUNTS

### KM1 – Key metrics

	31.12.2022	31.12.2021
<small>(amount expressed in CHF 1,000)</small>		
<b>Eligible capital</b>		
1 Common Equity Tier 1 (CET1)	101,987	101,749
2 Tier 1 capital (T1)	101,987	101,749
3 Total capital	110,497	110,259
<b>Risk-weighted assets (RWA)</b>		
4 RWA	450,851	426,489
4a Minimum capital requirement	36,068	34,119
<b>Risk-based capital ratios (as % of RWA)</b>		
5 CET 1 ratio	22.6%	23.9%
6 Tier 1 ratio	22.6%	23.9%
7 Total capital ratio	24.5%	25.9%
<b>Additional CET1 buffer requirements (as % of RWA)</b>		
8 Capital conservation buffer according to Basel minimum requirements	2.5%	2.5%
11 Total of CET1 specific buffer according to Basel minimum requirements	2.5%	2.5%
12 CET1 available after meeting the bank's minimum capital requirements	16.5%	17.9%
<b>Target capital ratios according to CAO Annex 8 (as % of RWA)</b>		
12a Capital conservation buffer according to CAO Annex 8	2.5%	2.5%
12b Countercyclical capital buffer according to CAO Art, 44 and Art, 44a	0.2%	0.0%
12c CET 1 capital target according to CAO Annex 8 plus countercyclical buffer according to CAO Art, 44 and Art, 44a	7.2%	7.0%
12d Tier 1 capital target according to CAO Annex 8 plus countercyclical buffer according to CAO Art, 44 and Art, 44a	8.7%	8.5%
12e Total capital target according to CAO Annex 8 plus countercyclical buffer according to CAO Art, 44 and Art, 44a	10.7%	10.5%
<b>Basel III Leverage Ratio</b>		
13 Total Basel III Leverage Ratio exposure measure	815,643	827,251
14 Basel III Leverage Ratio	12.5%	12.3%

	Quarterly average of the monthly figures				
	4 <sup>th</sup> quarter 2022	3 <sup>rd</sup> quarter 2022	2 <sup>nd</sup> quarter 2022	1 <sup>st</sup> quarter 2022	4 <sup>th</sup> quarter 2021
<small>(amount expressed in CHF 1,000)</small>					
<b>Liquidity Coverage Ratio (LCR)</b>					
15 Total of high-quality liquid assets	157,253	172,076	220,428	216,182	175,626
16 Net cash outflows	65,088	50,435	63,707	39,060	30,302
17 Liquidity Coverage Ratio (LCR)	242%	341%	346%	553%	580%

	31.12.2022	31.12.2021
<small>(amount expressed in CHF 1,000)</small>		
<b>Net Stable funding ratio (NSFR)</b>		
18 Total available stable funding	652,035	671,963
19 Total required stable funding	368,112	339,170
20 Net Stable funding ratio (NSFR)	177%	198%

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