



BANCA DEL SEMPIONE
PRIVATE BANK
SINCE 1960

Banca del Sempione SA

**Disclosure requirements in accordance
with FINMA Circular 2016/1 "Disclosure - banks"
2023**

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CONSOLIDATED ACCOUNTS

KM1 – Key metrics

(amount expressed in CHF 1,000) 31.12.2023 31.12.2022

Eligible capital

| | | | |
|---|-----------------------------|---------|---------|
| 1 | Common Equity Tier 1 (CET1) | 127,127 | 127,388 |
| 2 | Tier 1 capital (T1) | 127,127 | 127,388 |
| 3 | Total capital | 127,127 | 127,388 |

Risk-weighted assets (RWA)

| | | | |
|----|-----------------------------|---------|---------|
| 4 | RWA | 432,285 | 460,718 |
| 4a | Minimum capital requirement | 34,583 | 36,857 |

Risk-based capital ratios (as % of RWA)

| | | | |
|---|---------------------|-------|-------|
| 5 | CET 1 ratio | 29.4% | 27.6% |
| 6 | Tier 1 ratio | 29.4% | 27.6% |
| 7 | Total capital ratio | 29.4% | 27.6% |

Additional CET1 buffer requirements (as % of RWA)

| | | | |
|----|-----------------------------------------------------------------------|-------|-------|
| 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 | 21.4% | 19.6% |

Target capital ratios according to CAO Annex 8 (as % of RWA)

| | | | |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|
| 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% | 0.2% |
| 12c | CET 1 capital target according to CAO Annex 8 plus countercyclical buffer according to CAO Art, 44 and Art, 44a | 7.2% | 7.2% |
| 12d | Tier 1 capital target according to CAO Annex 8 plus countercyclical buffer according to CAO Art, 44 and Art, 44a | 8.7% | 8.7% |
| 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% | 10.7% |

Basel III Leverage Ratio

| | | | |
|----|-------------------------------------------------|---------|---------|
| 13 | Total Basel III Leverage Ratio exposure measure | 755,038 | 885,232 |
| 14 | Basel III Leverage Ratio | 16.8% | 14.4% |

Quarterly average of the monthly figures

(amount expressed in CHF 1,000) 4th quarter 2023 3rd quarter 2023 2nd quarter 2023 1st quarter 2023 4th quarter 2022

Liquidity Coverage Ratio (LCR)

| | | | | | | |
|----|-------------------------------------|--------|--------|--------|---------|---------|
| 15 | Total of high-quality liquid assets | 69,895 | 80,713 | 89,944 | 104,389 | 157,614 |
| 16 | Net cash outflows | 23,084 | 29,086 | 34,709 | 47,654 | 58,951 |
| 17 | Liquidity Coverage Ratio (LCR) | 303% | 277% | 259% | 219% | 267% |

(amount expressed in CHF 1,000)

Net Stable funding ratio (NSFR)

| | | | |
|----|---------------------------------|---------|---------|
| 18 | Total available stable funding | 600,705 | 710,259 |
| 19 | Total required stable funding | 350,935 | 386,114 |
| 20 | Net Stable funding ratio (NSFR) | 171% | 184% |

OV1 – Overview of risk-weighted assets

| | 31.12.2023 | 31.12.2022 | 31.12.2023 |
|-------------------------------------------------|----------------|----------------|------------------------------|
| (amount expressed in CHF 1,000) | RWA | RWA | Minimum capital requirements |
| 1 Credit risk (standard international approach) | 336,435 | 368,890 | 26,915 |
| 20 Market risk (standard approach) | 19,275 | 20,713 | 1,542 |
| 24 Operational risks (basic indicator approach) | 76,575 | 71,115 | 6,126 |
| 27 Total | 432,285 | 460,718 | 34,583 |

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 | 535,728 | 1,061 | 535,728 |
| 2 Debt securities | | 80,317 | | 80,317 |
| 3 Off-balance-sheet exposures | | 8,398 | | 8,398 |
| 4 Total | 1,061 | 624,443 | 1,061 | 624,443 |

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 2022 | 1,061 |
| 2 Loans and debt securities that have defaulted since the last reporting period | 23 |
| 3 Amounts returned to non-defaulted status | -23 |
| 4 Amounts written off | |
| 6 Defaulted loans and debt securities at end of 2023 | 1,061 |

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) | 185,465 | 431,641 | |
| Off-balance-sheet exposures | 3,699 | 4,699 | |
| Total | 189,164 | 436,340 | |
| <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 | 52,478 | | | | | | | 52,478 |
| 2 Banks and securities traders | | 83,412 | | 17,306 | | 789 | | 101,507 |
| 3 Public-sector entities and multilateral developments banks | 6,119 | 7,165 | | 3 | | 164 | | 13,451 |
| 4 Corporate | | 14,168 | 10,196 | 19,114 | | 68,717 | | 112,195 |
| 5 Retail | | | 108,787 | | 33,592 | 75,970 | | 218,349 |
| 6 Equity securities | | | | | | | 575 | 575 |
| 7 Other assets | 5,399 | 683 | | | | 889 | | 6,971 |
| 8 Total | 63,996 | 105,428 | 118,983 | 36,423 | 33,592 | 146,529 | 575 | 505,526 |
| 9 <i>of which receivables secured by real estate</i> | | | 118,983 | | 2,736 | 31,860 | | 153,579 |
| 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.

IRRBBA - 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:

- **Interest rates 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 interest rates 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.

IRRBB1 – 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 |
| Determined repricing period | | | | | | | |
| Assets | 239,052 | 166,980 | 72,072 | 2.23 | 2.58 | | |
| Amounts due from banks | 14,729 | | 14,729 | 0.16 | | | |
| Amounts due from customers | 4,902 | 1,740 | 3,162 | 0.12 | 0.29 | | |
| Variable-rate mortgage loans | 31,680 | 15,731 | 15,949 | 0.50 | 0.50 | | |
| Fixed-rate mortgage loans | 110,883 | 110,390 | 493 | 2.50 | 2.46 | | |
| Financial investments | 76,858 | 39,119 | 37,739 | 3.08 | 3.86 | | |
| Liabilities | 79,551 | | 31,441 | 0.22 | 0.25 | | |
| Customer term deposits | 79,551 | 48,110 | 31,441 | 0.22 | 0.25 | | |
| Undetermined repricing period | | | | | | | |
| Assets | 332,396 | 105,133 | 227,263 | 0.32 | 0.57 | | |
| Amounts due from banks | 34,395 | 3,088 | 31,307 | 0.09 | 0.09 | | |
| Amounts due from customers | 253,652 | 57,696 | 195,956 | 0.22 | 0.23 | | |
| Variable-rate mortgage loans | 44,349 | 44,349 | | 1.05 | 1.05 | | |
| Liabilities | 466,161 | 203,030 | 263,131 | 0.27 | 0.34 | | |
| Customer sight deposits | 430,283 | 174,138 | 256,145 | 0.22 | 0.22 | | |
| Other sight liabilities | 8,314 | 1,328 | 6,986 | 0.17 | 0.64 | | |
| Callable but not transferable customer saving deposits | 27,564 | 27,564 | | 1.04 | 1.04 | | |
| Total | 25,736 | 69,083 | 4,763 | | | 10 | 10 |

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

| (amount expressed in CHF 1,000) | Δ EVE (change of economic value of equity) | | Δ NI (change of net interest income) | |
|--------------------------------------------|------------------------------------------------------|----------------|------------------------------------------------|------------|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| Parallel upward shock | -7,309 | -8,747 | -683 | -3,390 |
| Parallel downward shock | 8,057 | 9,555 | 672 | 3,340 |
| Steeper shock | -752 | -1,722 | | |
| Flattener shock | -470 | 149 | | |
| Upward shock of short-term interest rate | -2,720 | -2,804 | | |
| Downward shock of short-term interest rate | 2,782 | 2,884 | | |
| Maximum | -7,309 | -8,747 | -683 | -3,390 |
| Tier 1 capital | 127,127 | 127,388 | | |

INDIVIDUAL ACCOUNTS

KM1 – Key metrics

(amount expressed in CHF 1,000) 31.12.2023 31.12.2022

Eligible capital

| | | | |
|---|-----------------------------|---------|---------|
| 1 | Common Equity Tier 1 (CET1) | 102,528 | 101,987 |
| 2 | Tier 1 capital (T1) | 102,528 | 101,987 |
| 3 | Total capital | 111,038 | 110,497 |

Risk-weighted assets (RWA)

| | | | |
|----|-----------------------------|---------|---------|
| 4 | RWA | 421,445 | 450,851 |
| 4a | Minimum capital requirement | 33,716 | 36,068 |

Risk-based capital ratios (as % of RWA)

| | | | |
|---|---------------------|-------|-------|
| 5 | CET 1 ratio | 24.3% | 22.6% |
| 6 | Tier 1 ratio | 24.3% | 22.6% |
| 7 | Total capital ratio | 26.3% | 24.5% |

Additional CET1 buffer requirements (as % of RWA)

| | | | |
|----|-----------------------------------------------------------------------|-------|-------|
| 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 | 18.3% | 16.5% |

Target capital ratios according to CAO Annex 8 (as % of RWA)

| | | | |
|-----|------------------------------------------------------------------------------------------------------------------|-------|-------|
| 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% | 0.2% |
| 12c | CET 1 capital target according to CAO Annex 8 plus countercyclical buffer according to CAO Art, 44 and Art, 44a | 7.2% | 7.2% |
| 12d | Tier 1 capital target according to CAO Annex 8 plus countercyclical buffer according to CAO Art, 44 and Art, 44a | 8.7% | 8.7% |
| 12e | Total capital target according to CAO Annex 8 plus countercyclical buffer according to CAO Art, 44 and Art, 44a | 10.7% | 10.7% |

Basel III Leverage Ratio

| | | | |
|----|-------------------------------------------------|---------|---------|
| 13 | Total Basel III Leverage Ratio exposure measure | 699,633 | 815,643 |
| 14 | Basel III Leverage Ratio | 14.7% | 12.5% |

Quarterly average of the monthly figures

(amount expressed in CHF 1,000) 4th quarter 2023 3rd quarter 2023 2nd quarter 2023 1st quarter 2023 4th quarter 2022

Liquidity Coverage Ratio (LCR)

| | | | | | | |
|----|-------------------------------------|--------|--------|--------|---------|---------|
| 15 | Total of high-quality liquid assets | 69,657 | 80,455 | 89,460 | 103,899 | 157,253 |
| 16 | Net cash outflows | 35,144 | 42,801 | 43,556 | 55,504 | 65,088 |
| 17 | Liquidity Coverage Ratio (LCR) | 198% | 188% | 205% | 187% | 242% |

(amount expressed in CHF 1,000) 31.12.2023 31.12.2022

Net Stable funding ratio (NSFR)

| | | | |
|----|---------------------------------|---------|---------|
| 18 | Total available stable funding | 532,488 | 652,035 |
| 19 | Total required stable funding | 332,164 | 368,112 |
| 20 | Net Stable funding ratio (NSFR) | 160% | 177% |

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