DISCLOSURE REQUIREMENTS (BASEL III - PILLAR 3)

1) BASIC REGULATORY KEY FIGURES

CHF 000s	31.12.2023	31.12.2022
1.1) Eligible capital		
Common Equity Tier 1 (CET1)	601 211	555 043
Tier 1 (T1)	601 211	555 043
Total eligible capital	601 211	555 043
1.2) Risk-weighted assets (RWA)		
Total risk-weighted assets (RWA)	3 197 365	3 047 617
Minimum capital requirements	255 789	243 809
1.3) Risk-based capital ratios (in % of RWA)		
CET1 ratio	18.8%	18.2%
Tier 1 ratio	18.8%	18.2%
Total capital ratio	18.8%	18.2%
1.4) Targeted capital ratios according to Annex 8 of CAO (in % of RWA)		
Minimum capital ratio	8.0%	8.0%
Capital buffer according to Annex 8 of CAO	2.5%	2.5%
CET1 target ratio according to Annex 8 of CAO	7.0%	7.0%
T1 target ratio according to Annex 8 of CAO	8.5%	8.5%
Total capital target ratio according to Annex 8 of CAO	10.5%	10.5%
1.5) Basel III leverage ratio		
Total exposure	4 274 710	4 440 345
Basel III leverage ratio (Tier 1 capital in % of total exposure)	14.1%	12.5%

1.6) Liquidity coverage ratio (LCR)	Average Q1-2023	Average Q2-2023	Average Q3-2023	Average Q4-2023	Average Q4-2022
LCR numerator: Total high quality liquid assets (HQLA)	929 736	936 502	832 157	820 964	811 804
LCR denominator: Total net cash outflow	525 455	550 530	335 690	343 533	372 886
LCR (in %)	182%	197%	258%	250%	219%

1.7) Net stable funding ratio (NSFR)	31.12.2023	31.12.2022
Available stable refinancing	1 450 743	1 636 571
Required stable refinancing	1 309 724	1 356 059
NSFR (in %)	111%	121%

2) OVERVIEW OF RISK-WEIGHTED ASSETS

CHF 000s

	Approach used	Risk-weighted assets (RWA) 31.12.2023	Risk-weighted assets (RWA) 31.12.2022	Minimum capital requir. 31.12.2023
Credit risk	SA-BIS	2 912 940	2 771 234	233 035
Market risk	SA	46 593	73 332	3 727
Operational risk	BIA	237 832	203 051	19 027
Total		**3 197 365**	**3 047 617**	**255 789**

DISCLOSURE REQUIREMENTS (BASEL III - PILLAR 3)

3) LIQUIDITY: LIQUIDITY RISK MANAGEMENT

Structure and organization

The Board of Directors defines the risk profile of the Bank based on indicators for liquidity risk appetite and tolerance. The risk tolerance is determined taking into account the short term liquidity ratio LCR, the net stable funding ratio (NSFR) and other indicators for the analysis of the balance sheet structure.

The management of the liquidity is under the responsibility of the ALCO (Assets and Liability Committee) that reports directly to the General Management. This Committee follows the liquidity risks, the placements made by the Bank on the market, and ensures an adequate diversification of the placement and funding positions. It reports the results of its activity to the General Management on a monthly basis.

The Treasury department is in charge of the operational management of the liquidity in line with the strategy defined by the Board of Directors. It carries out the necessary means and actions to ensure compliance with internal and regulatory limits.

This department surveys the foreign currency movements and estimates the global needs of the Bank in foreign currency. The Treasury department is also in charge of the sound execution of the transactions of the Bank’s branches.

The Bank refinances its commercial activities mainly through deposits from the trade finance and wealth management customers, but also through the interbanking market.

Stress testing

The Bank regularly performs stress tests in order to identify and quantify the potential impacts that extreme but plausible events may have on the treasury inflows and outflows. Every year, the Bank reviews the applicable stress tests scenarios and their frequency according to internal (e.g. Bank's strategy) or external factors (e.g. market conditions, political environment). Several stress tests with two times horizon are performed. The results of the stress tests are properly documented and used to:
- compare the liquidity risk tolerance to the stress situation,
- ensure that the size and the structure of the liquidity reserve are adequate,
- integrate these stress scenarios in the process for setting of limits.

Contingency plan

The contingency plan is established by the Bank in accordance with the Liquidity Ordinance (OLiq) requirements. The contingency plan includes:
- alert indicators allowing to detect on time the dangers threatening the liquidity positions,
- internal escalation process depending on the gravity of the liquidity crisis,
- measures to undertake (by order of priority) depending on the seriousness of the liquidity crisis,
- clear repartition of roles and competencies of involved departments,
- well established means of communication ensuring a consistent and regular flow of information.

4) CREDIT RISK: CREDIT QUALITY OF ASSETS

As at : 31.12.2023 CHF 000s	**Gross carrying values of**		**Value**	**Net**
	Defaulted exposures	**Non-defaulted exposures**	**adjustment / impairments**	**values**
Loans (excluding debt securities)	12 478	1 970 259	11 390	1 971 347
Debt securities	-	615 483	2 233	613 250
Off-balance sheet exposures	-	2 255 680	-	2 255 680
Total	**12 478**	**4 841 422**	**13 623**	**4 840 277**

5) CREDIT RISK: CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES

	CHF 000s
Defaulted receivables and debt securities as at 31.12.2022	14 364
Receivables and debt securities that have defaulted since the end of the previous reporting period	2 178
Exposures that have returned to non-default status	-1 659
Amounts written-off	-1 280
Other changes (+/-)	-1 125
Defaulted receivables and debt securities as at 31.12.2023	12 478

6) CREDIT RISK: ADDITIONAL DISCLOSURE RELATED TO THE CREDIT QUALITY OF ASSETS

As at : 31.12.2023 CHF 000s	**Gross carrying values of**		**Value**	**Net**
Geographical area/country	**Defaulted exposures**	**Non-defaulted exposures**	**adjustment / impairments**	**values**
Switzerland	-	808 539	-	808 539
Europe	-	381 394	-	381 394
Middle-East	-	60 148	-	60 148
Americas & Caribbean area	-	127 170	-	127 170
Rest of the world	10 303	116 088	10 303	116 088
Total amounts due from clients	**10 303**	**1 493 339**	**10 303**	**1 493 339**
Switzerland	-	63 837	-	63 837
Europe	-	494 052	2 233	491 819
Middle-East	-	42 073	-	42 073
Americas & Caribbean area	-	219 436	-	219 436
Rest of the world	2 175	273 005	1 087	274 093
Total amounts due from banks and debt securities	**2 175**	**1 092 403**	**3 320**	**1 091 258**

The Bank mitigates credit risks, in particular through due attention to their diversification. The Bank is highly selective on the quality of the borrowers, which is assessed taking into account specific guarantees inherent to trade finance business in terms of documentation and risk coverage.

DISCLOSURE REQUIREMENTS (BASEL III - PILLAR 3)

7) CREDIT RISK: OVERVIEW OF RISK MITIGATION TECHNIQUES

As at : **31.12.2023** CHF 000s

	Unsecured exposures	Secured exposures	Exposures secured with financial guarantees or credit derivatives
	carrying amounts	actual collateralized amounts	actual collateralized amounts
Receivables (including debt securities)	2 584 597	272 261	-
Off-balance sheet transactions	2 255 680	501 689	-
Total	4 840 277	773 950	-
- of which: defaulted	1 088	-	-

8) INTEREST RATE RISK: QUALITATIVE INFORMATION

Considering the short term nature of the balance sheet positions, the market risk is not an important risk for the Bank. In this context and considering the short term nature of most activities of the Bank, the interest rate risk is also very limited.
The interest rate risk on the balance sheet and off-balance sheet side is centrally managed and supervised by the ALCO Committee (Assets and Liabilities Management), which meets at least once a month.

9) INTEREST RATE RISK: QUANTITATIVE INFORMATION ON THE EXPOSURE'S STRUCTURE AND INTEREST RATE FIXING DATE

As at : **31.12.2023**

		Volume in CHF millions			Average interest rate reset period (in years)		Maximum interest rate reset period (in years) for exposures with modeled (not determined) interest rate reset dates	
		Total	**of which in CHF**	**of which other currencies (*)**	**Total**	**of which in CHF**	**Total**	**of which in CHF**
Defined interest rate reset date	Amounts due from banks	407	-	407	0.2	0.0		
	Amounts due form customers	792	0	792	0.0	0.8		
	Financial investments	616	45	571	3.0	3.3		
	Amounts due to banks	-1 097	-0	-1 097	0.3	0.0		
	Amounts due in respect of client deposits	-473	-12	-461	0.1	0.1		
Undefined interest rate reset date	Amounts due from banks	44	16	28	0.1	0.1		
	Amounts due form customers	722	25	697	0.2	0.2		
	Paybles on demand from personnal accounts and current accounts	-649	-19	-629	0.2	0.2		
	Other payables	-220	-58	-162	0.1	0.1		
Total		**142**	**-3**	**146**	**0.6**	**1.7**		

(*) Significant currencies that make up more than 10% of assets or liabilities of total assets.

DISCLOSURE REQUIREMENTS (BASEL III - PILLAR 3)

10) INTEREST RATE RISK: QUANTITATIVE INFORMATION ON THE EXPOSURE'S NET PRESENT VALUE AND INTEREST RATE INCOME

CHF Mio	EVE (changes in the net present value)		NII (changes in the discounted earnings value)	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Parallel shift up	-28	-24	7	-4
Parallel shift down	31	29	-7	4
Steepener chock	-4	-3		
Flattener chock	-2	-1		
Rise in short-term interest rates	-12	-9		
Fall in short-term interest rates	13	10		
Maximum	-42	-30	-7	-4

	31.12.2023	**31.12.2022**
Tier 1 capital	601.2	555.0

11) OPERATIONAL RISK: GENERAL INFORMATION

Framework and procedures

Operational risk is inherent to the different activities of the Bank, namely commodity trade finance, wealth management, treasury and correspondent banking.

In order to reduce as much as possible the occurrence of operational risks, the Bank has put in place a reinforced management of operational risks by:
- enhanced employee awareness in order to have a cautious attitude in their activities,
- reinforcement of operational processes which are formalised through directives and procedures,
- systematic application of task segregation and 4 eyes principle,
- regular tests of critical controls performed by the internal control function,
- regular tests aimed at detecting inappropriate behaviour in IT systems (applications, interfaces) or other means of communication,
- regular stress tests.

Structure

The Risk Management department is responsible for performing analysis in order to follow the operational risk profile of the Bank through Key Risk Indicators, to establish an inventory and a reporting and follow-up of the incidents and operational losses.

The General Management has put in place a Risk Management Committee, which meets at least quarterly. This Committee analyses the reports received from the Risk Management Department, discusses, proposes and/or validates the measures aimed at reinforcing the control of the operational risk.

In the context of the internal control system of the Bank, the Internal Control division reinforces the processes and critical controls put in place. Depending on the situation, this division carries out punctual missions based on risk evaluations. The division issues reccommendations and may collaborate with the Risk Manager in order to elaborate and set up remediation actions.

A reporting of operationnal losses incurred by the Bank is escalated to the Board of Directors on a semi-annual basis. Significant losses are immediately announced.

The Bank determines its operational risk capital requirements based on the Basic Indicator Approach.