

DISCLOSURE REQUIREMENTS (BASEL III - PILLAR 3)

1) BASIC REGULATORY KEY FIGURES

	CHF 000s			31.12.2024	31.12.2023
1.1) Eligible capital					
1 Common Equity Tier 1 (CET1)				647 856	601 211
2 Tier 1 (T1)				647 856	601 211
3 Total eligible capital				647 856	601 211
1.2) Risk-weighted assets (RWA)					
4 Total risk-weighted assets (RWA)				3 213 825	3 197 365
4a Minimum capital requirements				257 106	255 789
1.3) Risk-based capital ratios (in % of RWA)					
5 CET1 ratio				20.2%	18.8%
6 Tier 1 ratio				20.2%	18.8%
7 Total capital ratio				20.2%	18.8%
1.4) Targeted capital ratios according to Annex 8 of CAO (in % of RWA)					
12a Minimum capital ratio				8.0%	8.0%
12b Capital buffer according to Annex 8 of CAO				2.5%	2.5%
12c CET1 target ratio according to Annex 8 of CAO				7.0%	7.0%
12d T1 target ratio according to Annex 8 of CAO				8.5%	8.5%
12e Total capital target ratio according to Annex 8 of CAO				10.5%	10.5%
1.5) Basel III leverage ratio					
13 Total exposure				4 525 635	4 274 710
14 Basel III leverage ratio (Tier 1 capital in % of total exposure)				14.3%	14.1%
1.6) Liquidity coverage ratio (LCR)					
	Average	Average	Average	Average	Average
	Q4-2024	Q3-2024	Q2-2024	Q1-2024	Q4-2023
15 LCR numerator: Total high quality liquid assets (HQLA)	716 723	1 112 510	998 909	666 475	820 964
16 LCR denominator: Total net cash outflow	290 334	473 574	360 537	304 049	343 533
17 LCR (in %)	247%	235%	277%	219%	239%
1.7) Net stable funding ratio (NSFR)					
				31.12.2024	31.12.2023
18 Available stable refinancing				1 881 348	1 450 743
19 Required stable refinancing				1 585 642	1 309 724
20 NSFR (in %)				119%	111%

2) OVERVIEW OF RISK-WEIGHTED ASSETS

	CHF 000s			Minimum capital requir.
	Approach used	Risk-weighted assets (RWA)		31.12.2024
		31.12.2024	31.12.2023	
1 Credit risk	SA-BIS	2 911 775	2 912 940	232 942
20 Market risk	SA	51 212	46 593	4 097
24 Operational risk	BIA	250 838	237 832	20 067
27 Total		3 213 825	3 197 365	257 106

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3) LIQUIDITY: LIQUIDITY RISK MANAGEMENTStructure 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.

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 : 31.12.2024	CHF 000s	Gross carrying values of		c Value adjustment / impairments	d Net values (a + b - c)
		a Defaulted exposures	b Non-defaulted exposures		
1 Loans (excluding debt securities)		12 802	2 633 297	12 802	2 633 298
2 Debt securities		-	617 190	289	616 901
3 Off-balance sheet exposures		-	2 149 490	-	2 149 490
4 Total		12 802	5 399 977	13 090	5 399 689

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

CHF 000s

1 Defaulted receivables and debt securities as at 31.12.2023	12 478
2 Receivables and debt securities that have defaulted since the end of the previous reporting period	-
3 Exposures that have returned to non-default status	-544
4 Amounts written-off	-
5 Other changes (+/-)	868
6 Defaulted receivables and debt securities as at 31.12.2024	12 802

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

As at : 31.12.2024	CHF 000s	Gross carrying values of		Value adjustment / impairments	Net values
		Defaulted exposures	Non-defaulted exposures		
Geographical area/country					
Switzerland		-	862 579	-	862 579
Europe		-	678 834	-	678 834
Middle-East		-	100 888	-	100 888
Americas & Caribbean area		-	156 683	-	156 683
Rest of the world		11 128	107 598	11 128	107 598
Total amounts due from clients		11 128	1 906 582	11 128	1 906 582
Switzerland		-	60 153	-	60 153
Europe		-	705 160	289	704 871
Middle-East		-	55 710	-	55 710
Americas & Caribbean area		-	208 010	-	208 010
Rest of the world		1 674	314 847	1 674	314 847
Total amounts due from banks and debt securities		1 674	1 343 879	1 962	1 343 591

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.

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7) CREDIT RISK: OVERVIEW OF RISK MITIGATION TECHNIQUES

As at : 31.12.2024		CHF 000s		Exposures secured with financial guarantees or credit derivatives	
		Unsecured exposures	Secured exposures	actual	actual
		carrying amounts	collateralized amounts	collateralized amounts	collateralized amounts
Receivables (including debt securities)		3 250 199	340 286	-	-
Off-balance sheet transactions		1 840 826	308 664	-	-
Total		5 091 025	648 950	-	-
- of which: defaulted		-	-	-	-

8) INTEREST RATE RISK: QUALITATIVE INFORMATION

Considering the short term nature of most activities of the Bank, the interest rate risk is considered as limited by the Bank. 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).

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

As at : 31.12.2024		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	674	1	673	0.2	0.1		
	Amounts due from customers	1 028	0	1 028	0.0	1.1		
	Financial investments	616	51	564	2.7	2.9		
	Amounts due to banks	-1 548	-	-1 548	0.5	0.0		
	Amounts due in respect of client deposits	-745	-10	-734	0.1	0.1		
Undefined interest rate reset date	Amounts due from banks	53	6	47	0.1	0.1		
	Amounts due from customers	889	21	868	0.2	0.2		
	Payables on demand from personal accounts and current accounts	-550	-90	-460	0.2	0.2		
	Other payables	-188	-57	-132	0.1	0.1		
	Total	228	-77	305	0.3	1.8		

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

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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)	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Parallel shift up	-18	-28	12	7
Parallel shift down	20	31	-12	-7
Steeper chock	-5	-4		
Flattener chock	2	-2		
Rise in short-term interest rates	-5	-12		
Fall in short-term interest rates	5	13		
Maximum	-18	-42	-12	-7
			31.12.2024	31.12.2023
Tier 1 capital			647.9	601.2

11) OPERATIONAL RISK: GENERAL INFORMATIONFramework 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 recommendations and may collaborate with the Risk Manager in order to elaborate and set up remediation actions.

Reporting of operational losses incurred by the Bank is escalated to the Board of Directors on a quarterly basis. Significant losses are immediately announced.