Banque Audi Suisse

Additional information according to FINMA Circular 2016/1

TABLE KM1: GENERAL REGULATORY KEY FIGURES (KM1)

(CHF THOUSANDS)

	Total Eligible Capital	**31/12/23**	**31/12/22**
1	Eligible common equity (CET1)	199,525	187,712
2	Common equity (T1)	199,525	187,712
3	Total eligible equity	206,745	194,231

	Risk Weighted Assets (RWA)	**31/12/23**	**31/12/22**
4	RWA	303,016	360,055
4a	Minimum capital requirments	24,241	28,804

	Capital Ratios Based on RWA (in % of RWA)	**31/12/23**	**31/12/22**
5	Core equity Tier 1 ratio (CET1)	65.85%	52.13%
6	Core equity ratio	65.85%	52.13%
7	Total global equity ratio	68.23%	53.94%

8	Minimum conservation buffer requirment as per Basel (2.5% since 2019)	2.50%	2.50%
9	Minimum countercyclical buffer requirment as per Basel	0.00%	0.00%
10	Additional supplementary buffer for national and international systemic risk	0.00%	0.00%
11	CET1 Capital target and countercyclical buffer	2.50%	2.50%
12	Available CET1 capital to meet CET+ target and countercyclical buffer	59.85%	45.94%

	Capital Targets According To CAO Annex 8 (in % of RWA)	**31/12/23**	**31/12/22**
12a	Capital conservation buffer according to CAO Annex 8	3.20%	3.20%
12b	Countercyclical buffer requirment according to CAO Art. 44 et 44a	0.00%	0.00%
12c	CET1 capital target, including counterparty buffer according to CAO Art. 44 et 44a	7.40%	7.40%
12d	T1 capital target, including countercycal buffer according to CAO Art. 44 et 44a	9.00%	9.00%
12e	Total capital target, including countercycal buffer according to CAO Art. 44 et 44a	11.20%	11.20%

	Leverage Ratio	**31/12/23**	**31/12/22**
13	Leverage ratio exposure	937,397	1,340,529
14	Basel III leverage ratio (in % of leverage ratio exposure)	21.28%	14.00%

	Liquidity Coverage Ratio (LCR)	**31/12/2023**	**30/09/2023**	**30/06/2023**	**31/03/2023**	**31/12/2022**
15	LCR numerator: total high-quality liquid assets (HQLA)	153,016	224,078	199,065	247,328	360,348
16	LCR denominator: total net cash outflows	36,195	39,739	48,306	56,186	53,772
17	Liquidity Coverage Ratio, LCR (in %)	422.76%	563.88%	412.09%	440.20%	670.15%

	Net Stable Funding Ratio (NSFR)	**31/12/23**	**31/12/22**
18	Available stable funding	749,292	1,482,145
19	Required stable funding	357,733	474,571
20	Net stable funding ratio	209.46%	312.31%

TABLE OV1: OVERVIEW OF RISK WEIGHTED ASSETS (RWA)
(CHF THOUSANDS)

			RWA		Minimum capital requirements
	Risk weighted positions	**Approach**	**31/12/23**	**31/12/22**	**31/12/23**
1	Credit risk	Standard	169,062	211,459	13,525
20	Market risk	De minimis	24,669	33,717	1,974
24	Operational risk	Basic indicator	108,727	114,264	8,698
25	Amounts below the thresholds for deduction (subject to 250% risk weight)		558	615	45
27	**Total**		**303,016**	**360,055**	**24,241**

The decrease in credit risk as at 31 December 2023 versus 31 December 2022 is princiaplly due to (i) the maturity of proprietary bond investments without reinvestment; (ii) the reduction of an important Lombard loans for which the pledge is treated as non-eligibile; and (iii) the decrease in bank placements as a result of a reduction in the excess liquidity position of the Bank.

TABLE LIQA: LIQUIDITY - LIQUIDITY RISK MANAGEMENT

The Bank's liquidity requirements, which includes the Bank's credit and bond portfolios, are financed by client deposits and the Bank's existing equity. Such client deposits are well-diversified and are spread over the Bank's entire client base. Therefore, the Bank does not use or require external funding to support its banking activity. To extent that refinancing might be required, the Bank would adopt a centralized strategy with its correspondent banks.

In terms of liquidity contingency planning, stress tests and projections are performed on a regular basis and form part of the annual budgeting and liquidity & capital planning exercise. In addition, the Bank has formulated a Liquidity Emergency Plan which defines tolerance/alert levels which are monitored daily. The Bank's tolerance to liquidity risk is defined as low to medium, hence the requirement to have detailed daily controls and monitoring.

Treasury positions are monitored on a daily basis in order to ensure proper and adequate funding of all Bank operations, within defined counterparty limits approved by the Board of Directors. Moreover, a detailed overview of all liquidity positions by maturity, currency and counterparty is monitored regularly by the Bank's Asset & Liability Management Committee, and summarized and reported quarterly to the Audit Committee and Board of Directors.

TABLE CR1: CREDIT RISK - CREDIT QUALITY OF ASSETS
(CHF THOUSANDS)

		Gross carrying values of			
	Credit quality of assets	**Defaulted exposures**	**Non-defaulted exposures**	**Value adjustments/ impairments**	**Net values**
1	Loans (excluding debt securities)	486	540,369	328	540,527
2	Debt securities	-	271,043	-	271,043
3	Off-balance sheet exposures	-	22,790	-	22,790
4	**Total**	**486**	**834,202**	**328**	**834,360**

TABLE CR2: CREDIT RISK - CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT
(CHF THOUSANDS)

	Changes in stock of defaulted loans and debt	**2023**
1	Defaulted loans and debt securities at beginning of period	506
2	Loans and debt securities that have defaulted since the last period	153
3	Returned to non-defaulted status	(166)
4	Amounts written off	(7)
5	Other changes	-
6	**Defaulted loans and debt securities at end of period**	**486**

TABLE CRB: CREDIT RISK - ADDITIONAL DISCLOSURE RELATED TO THE CREDIT QUALITY OF ASSETS
(CHF THOUSANDS)

Breakdown of exposures by geographical area	**Non-defaulted exposures**	**Defaulted exposures**	**Total exposures**	**Value adjustments/ impairments**
Switzerland	245,357	40	245,397	-
Rest of Europe	168,226	14	168,240	-
Americas	282,930	191	283,121	177
Rest of the World	137,689	241	137,930	151
Total	**834,202**	**486**	**834,688**	**328**

Breakdown of exposures by industry	Non-defaulted exposures	Defaulted exposures	Total exposures	Value adjustments/ impairments
Sovereigns	217,133	-	217,133	-
Banks and securities dealers	231,508	-	231,508	-
Other institutions	-	-	-	-
Corporates	120,282	175	120,457	148
Retail	264,673	311	264,984	180
Equity	2	-	2	-
Other exposures	604	-	604	-
Total	**834,202**	**486**	**834,688**	**328**

Breakdown of exposures by residual maturity	Less than 1 year	Between 1 and 5 years	Over 5 years	Total exposures
Sovereigns	172,837	44,296	-	217,133
Banks and securities dealers	224,282	7,226	-	231,508
Other institutions	-	-	-	-
Corporates	104,334	16,123	-	120,457
Retail	264,984	-	-	264,984
Equity	2	-	-	2
Other exposures	604	-	-	604
Total	**767,043**	**67,645**	**-**	**834,688**

TABLE CR3: CREDIT RISK - OVERVIEW OF MITIGATION TECHNIQUES

(CHF THOUSANDS)

Oveview of mitigation techniques	Exposures without coverage/ carrying amount	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees or credit derivatives, of which secured amount
Receivables (incl. Debt instruments)	563,808	247,762	-
Off balance-sheet	2,685	20,105	-
Total	**566,493**	**267,867**	**-**
- of which, in default	-	158	-

TABLE CR5: CREDIT RISK - POSITIONS PER CATEGORY AND RISK-WEIGHTED POSITIONS AS PER STANDARD APPROACH

(CHF THOUSANDS)

	Categories/risk weighting factors	0%	20%	35%	50%	75%	100%	150%	Total positions exposed to credit risk
1	Sovereigns	216,995	-	-	-	-	-	138	217,133
2	Banks and securities dealers	-	200,070	-	28,875	-	-	76	229,021
3	Other institutions	-	-	-	-	-	-	-	-
4	Corporates	-	17,472	-	40,824	-	1,075	-	59,371
5	Retail	-	-	-	-	495	59,923	-	60,418
6	Equity	-	-	-	-	-	2	-	2
7	Other exposures	549	-	-	-	-	-	-	549
8	**Total**	**217,544**	**217,542**	**-**	**69,699**	**495**	**61,000**	**214**	**566,494**

TABLE CCR3: COUNTERPARTY CREDIT RISK - POSITIONS PER CATEGORY AND RISK-WEIGHTED POSITIONS AS PER STANDARD APPROACH

(CHF THOUSANDS)

	Categories/risk weighting factors	0%	20%	35%	50%	75%	100%	150%	Total positions exposed to credit risk
1	Sovereigns	-	-	-	-	-	-	207	207
2	Banks and securities dealers	-	17,885	-	14,437	-	-	113	32,435
3	Other institutions	-	22,128	-	-	-	-	-	22,128
4	Corporates	-	3,495	-	20,412	-	1,075	-	24,982
5	Retail	-	-	-	-	371	59,923	-	60,294
6	Equity	-	-	-	-	-	2	-	2
7	Other exposures	-	-	-	-	-	-	-	-
8	**Total**	**-**	**43,508**	**-**	**34,849**	**371**	**61,000**	**320**	**140,048**

TABLE CCR5: COUNTERPARTY CREDIT RISK - BREAKDOWN OF COLLATERAL USED TO COVER POSITIONS SUBJECT TO COUNTERPARTY CREDIT RISK IN RELATION TO DERIVATIVES OR SFT TRANSACTIONS

The Bank did not have such exposure as at 31 December 2023 and 31 December 2022.

TABLE IRRBBA: INTEREST RATE RISK - OBJECTIVES AND GUIDELINES FOR THE MANAGEMENT OF INTEREST RATE RISK IN THE BANKING BOOK

The Bank does not require external funding to finance its liquidity needs and to comply with regulatory liquidity requirements.

TABLE IRRBBA1: INTEREST RATE RISK - QUANTITATIVE INFORMATION ON THE EXPOSURE'S STRUCTURE AND INTEREST RATE REFIXING DATE

(CHF THOUSANDS)

	Volume in million of CHF			Average interest rate repricing date (in years)		Maximum interest rate repricing period (in years) for exposures with modeled (non-predetermined) interest rate repricing dates	
Defined interest rate repricing date	**Total**	**Of which in CHF**	**Of which other currencies***	**Total**	**Of which in CHF**	**Total**	**Of which in CHF**
Amounts due from banks	110,138	110,138	-	0.01	0.01		
Amounts due from customers	244,033	64,528	174,651	0.14	0.16		
Fixed-rate mortgages	19,996	19,996	-	0.24	0.24		
Financial investments	270,903	-	270,903	0.49	-		
Receivables from interest-rate derivatives	600,111	112,669	411,586	0.03	0.03		
Payables from interest-rate derivatives	(593,787)	(152,410)	(388,945)	0.03	0.03		
Undefined interest rate repricing date	**Total**	**Of which in CHF**	**Of which other currencies***	**Total**	**Of which in CHF**	**Total**	**Of which in CHF**
Amounts due from banks	55,496	18,173	33,758	0.08	0.08		
Amounts due from customers	46,875	1,389	45,324	0.22	0.22		
Amounts due to customers	(569,565)	(15,881)	(523,042)	0.22	0.22		
Other payables	(21,755)	(6,024)	(14,792)	0.08	0.08		
Total	**162,444**	**152,578**	**9,442**	**1.55**	**1.08**		

*Significant currencies that make up more than 10% of assets or liabilities

TABLE IRRBB1: INTEREST RATE RISK - QUANTITATIVE INFORMATION ON THE EXPOSURE'S NET PRESENT VALUE AND INTEREST RATE INCOME

(CHF THOUSANDS)

	EVE (changes in the net present value)		NII (changes in the discounted earnings value)	
	31/12/23	**31/12/22**	**31/12/23**	**31/12/22**
Parallel upward shift	(976)	(6,125)	(1,023)	(4,188)
Parallel downward shift	1,000	6,362	1,002	4,128
Steeper curve shock	480	2,110		
Flatter curve shock	(670)	(3,388)		
Upward short-term interest rate shock	(964)	(5,442)		
Downward short-term interest rate shock	987	5,638		
Maximum	1,000	6,125	1,023	4,188

	31/12/23	**31/12/22**
Tier 1 capital	199,525	187,712

TABLE ORA: OPERATIONAL RISKS

The Bank manages operational risks through detailed departmental procedures and internal directives and guidelines.

Operational risk is essentially overseen by the Chief Risk & Compliance Officer, who reports matters of importance to the Executive Management Committee. In addition, such matters are reported quarterly to the Audit Committee and the Board of Directors.