

ISP Group: Further disclosures

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Table KM1: General regulatory key figures

in TCHF		31.12.2020	31.12.2019
	Available capital (amounts)		
1	Common Equity Tier 1 (CET1)	5'319	4'539
2	Tier 1	5'319	4'539
3	Total capital	5'319	4'539
	Risk-weighted assets (amounts)		
4	Total risk-weighted assets (RWA)	35'039	37'301
4a	Minimum capital requirements	2'803	2'815
	Risk-based capital ratios (as a percentage % of RWA)		
5	CET1 ratio (%)	15.18%	12.17%
6	T1 ratio (%)	15.18%	12.17%
7	Total capital ratio (%)	15.18%	12.17%
	Additional CET1 requirements (buffers) as a percentage of RWA		
8	Capital conservation buffer requirement according to Basel minimum requirements (%)	2.50%	2.50%
9	Countercyclical buffer requirement according to Basel minimum requirements (%)	0.00%	0.00%
10	Bank G-SIB and/or D-SIB additional requirements	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements according to Basel minimum requirements (%)	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.18%	4.17%
	Target capital ratios according to Annex 8 of the Capital Adequacy Ordinance (CAO) (% of RWA)		
12a	Capital conservation buffer according to CAO, Annex 8 (%)	2.50%	2.50%
12b	Countercyclical capital buffer according to CAO, Art. 44 and Art. 44a (%)	0.00%	0.00%
12c	CET1 capital target (%) according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a	7.00%	7.00%
12d	T1 capital target according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a	8.50%	8.50%
12e	Total capital target according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a	10.50%	10.50%
	Basel III Leverage Ratio		
13	Total Basel III leverage ratio exposure measure	84'197	51'961
14	Basel III Leverage Ratio	6.32%	8.74%

Liquidity Coverage Ratio (LCR)

As account-holding securities firm Group, ISP Group was required to calculate and report its LCR for the first time as of 31 December 2020. Hence, there are no quarterly average numbers available and, therefore, ISP Group does not publish LCR figures for 2020 to avoid misleading information.

Table OV1: Overview of risk weighted assets

in TCHF		RWA	RWA	Minimum capital requirements
		31.12.2020	31.12.2019	31.12.2020
1	Credit risk	10'496	8'087	840
	Non-counterparty related risks	569	648	46
20	Market risk	2'316	4'218	185
24	Operational risk	21'658	20'773	1'733
25	Items not deducted in application of threshold 3, but risk-weighted with 250%	0	0	0
	Additional minimum capital requirements for securities dealers (annual full costs)		3'575	
27	Total	35'039	37'301	2'803

Credit risk	Standard approach
Market risk	Standard approach
Operational risk	Standard approach

Table CR1: Credit risk: credit equivalent of assets

in TCHF		Gross book value		Value adjustments / depreciations	Net amounts
		defaulted positions	not defaulted positions		
1	Receivables	115	29'151	115	29'151
2	Debt securities	0	0	0	0
3	Off balance sheet positions	0	70	0	70
4	Total	115	29'221	115	29'221

Amounts due that are at risk, i.e. those where it is unlikely that debtors will be able to meet their future obligations, are valued on an individual basis. The reduction in value is also covered by individual value adjustments. Off-balance-sheet transactions such as fixed commitments or guarantees are also included in this valuation. Loans are classified "at risk" at the latest when the contractually agreed payments for capital and/or interest have been outstanding for over 90 days. Interest that has been outstanding for over 90 days is also considered overdue. Overdue interest and interest at risk are not recognised anymore but allocated directly to the value adjustments and provisions. Loans are deemed non-interest bearing in the event that it is unlikely that this interest will be recovered and an accrual is no longer considered reasonable.

The value adjustment is measured in accordance with the difference between the carrying value of the amount due and the amount that is expected to be recovered, taking counterparty risk and the net proceeds of realising any collateral into account. If the realisation process is expected to exceed a year, the estimated realisation proceeds are discounted on the balance sheet reporting date.

Table CR2: Credit risk: Changes in stock of defaulted loans and debt securities

		in TCHF
1	Defaulted receivables and debt securities, at end of the previous reporting period	3
2	Receivables and debt securities that have defaulted since the end of the previous reporting period	112
3	Exposures that have returned to non-defaulted status	0
4	Amounts written off	0
5	Other changes (+/-)	0
6	Defaulted receivables and debt securities, at end of the reference period (1+2-3-4+5)	115

Table CR3: Credit risk: Risk mitigating measures

in TCHF	Positions without collateral	Positions with collateral	Positions collateralised by financial guarantess or credit derivates
Receivables	29'266	0	0
Off balance sheet positions	70	0	0
Total	29'336	0	0
whereof defaulted	115	0	0

Table CR5: Credit risk: exposures by exposure category and risk weights under the standardized approach

in TCHF		a	b	c	d	e	f	g	h	i	j
	Exposure category / risk-weighting	0%	10%	20%	35%	50%	75%	100%	150%	Other	Total of credit risk exposures after CCF and CRM1
1	Central governments and central banks	11'159		11							11'170
2	Banks and securities dealers			12'718		1'383					14'101
3	Public-sector entities and multilateral			71							71
4	Corporations			1'232				4'018			5'250
5	Retail							794			794
6	Equity interests										
7	Other exposures							1'407			1'407
8	TOTAL	11'159		14'032		1'383		6'219			32'793
9	Of which mortgage-backed exposures										
10	Of which overdue exposures							115			115

Table CCR3: Counterparty credit risk: exposures by exposure category and risk weights according to the standard approach

in TCHF		a	b	c	d	e	f	g	h	i
	Exposure category / risk-weighting	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk exposures
1	Central governments and central banks									
2	Banks and securities dealers			1'727	1'383					3'110
3	Public-sector entities and multilateral			70						70
4	Corporations						98			98
5	Retail						240			240
6	Equity interests									
7	Other exposures									
8										
9	TOTAL			1'797	1'383		338			3'518

Table CCR5: Counterparty credit risk: composition of collateral for CCR exposure

In TCHF	a	b	c	d	e	f
	Collateral used to secure derivative transactions				Collateral used to secure SFTs	
	Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
	Segregated	Not segregated	Segregated	Not segregated		
Cash and cash-equivalents in CHF		315		400		
Cash and cash-equivalents in foreign currencies		1'766				
Swiss government debt						
Other sovereign debt			1'453			
Central government debt						
Corporate bonds			435			
Equity shares						
Other collateral						
TOTAL		2'081	1'888	400		

Table ORA: Operational risks: general information

Operational risks are defined as “dangers from direct or indirect losses that arise as a result of the inappropriateness or failure of internal procedures, people or systems or from external events”.

They are monitored and limited by means of internal regulations and instructions regarding organisation, controls and documentation of core processes (organisation, operating procedures).

Internal and external auditors regularly review the appropriateness of the internal control system and business processes and compile a report for the Group Supervisory Board and the Group Executive Board.

ISP applies the standard approach for the calculation of the operational risks.

Table LIQA: Management of liquidity risks

ISP Group's liquidity risk management is monitored and secured based on rules and regulations in regards to quantitative and qualitative liquidity requirements. The ability to fulfill all liquidity obligations at all times is ensured through an active cash management process in line with ISP limits. The Executive Board controls the liquidity risk within the risk framework defined by the Board of Directors and the provisions of rules and regulations. The Board of Directors sets the counterparty limits and defines requirements for investments in securities. In order to reduce the liquidity risk, high-quality liquid assets which are attributable to the liquidity coverage ratio (HQLA) should generally be selected. In the event of a liquidity shortfall, a contingency funding plan has been established. On a regular basis, a liquidity stress test is performed and the result is reported to the CFO and at least once a year additionally to the Board of Directors.

ISP Securities Ltd.

Table KM1: General regulatory key figures

in TCHF		31.12.2020	31.12.2019
	Available capital (amounts)		
1	Common Equity Tier 1 (CET1)	4'858	3'117
2	Tier 1	4'858	3'117
3	Total capital	4'858	3'467
	Risk-weighted assets (amounts)		
4	Total risk-weighted assets (RWA)	34'874	19'620
4a	Minimum capital requirements	2'790	1'500
	Risk-based capital ratios (as a percentage % of RWA)		
5	CET1 ratio (%)	13.93%	15.89%
6	T1 ratio (%)	13.93%	15.89%
7	Total capital ratio (%)	13.93%	17.67%
	Additional CET1 requirements (buffers) as a percentage of RWA		
8	Capital conservation buffer requirement according to Basel minimum requirements (%)	2.50%	2.50%
9	Countercyclical buffer requirement according to Basel minimum requirements (%)	0.00%	0.00%
10	Bank G-SIB and/or D-SIB additional requirements	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements according to Basel minimum requirements (%)	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	5.93%	9.67%
	Target capital ratios according to Annex 8 of the Capital Adequacy Ordinance (CAO) (% of RWA)		
12a	Capital conservation buffer according to CAO, Annex 8 (%)	2.50%	2.50%
12b	Countercyclical capital buffer according to CAO, Art. 44 and Art. 44a (%)	0.00%	0.00%
12c	CET1 capital target (%) according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a	7.00%	7.00%
12d	T1 capital target according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a	8.50%	8.50%
12e	Total capital target according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a	10.50%	10.50%
	Basel III Leverage Ratio		
13	Total Basel III leverage ratio exposure measure	82'270	48'159
14	Basel III Leverage Ratio	5.91%	6.47%

Liquidity Coverage Ratio (LCR)

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