

Table KM1: General regulatory key figures

Table KM1: General regulatory key figures, has been expanded to include additionally the key metrics for the 1st quarter 2023, in order to disclose the positive effects of the capital increase measures mentioned further below under “Significant events occurring after the balance sheet date”.

in TCHF		31.03.2023	31.12.2022	31.12.2021
Available capital (amounts)				
1	Common Equity Tier 1 (CET1)	6'164	-1'503	3'161
2	Tier 1	6'164	3'487	8'151
3	Total capital	6'164	3'487	8'151
Risk-weighted assets (amounts)				
4	Total risk-weighted assets (RWA)	53'241	44'275	39'377
4a	Minimum capital requirements	4'259	3'542	3'150
Risk-based capital ratios (as a percentage % of RWA)				
5	CET1 ratio (%)	11.58%	-3.39%	8,03%
6	T1 ratio (%)	11.58%	7.88%	20,70%
7	Total capital ratio (%)	11.58%	7.88%	20,70%
Additional CET1 requirements (buffers) as a percentage of RWA				
8	Capital conservation buffer requirement according to Basel minimum requirements (%)	2,50%	2,50%	2,50%
9	Countercyclical buffer requirement according to Basel minimum requirements (%)	0,00%	0,00%	0,00%
10	Bank G-SIB and/or D-SIB additional requirements	0,00%	0,00%	0,00%
11	Total of bank CET1 specific buffer requirements according to Basel minimum requirements (%)	2,50%	2,50%	2,50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	3,58%	-1.11%	3,53%
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%	2,50%
12b	Countercyclical capital buffer according to CAO, Art. 44 and Art. 44a (%)	0,00%	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%	7,00%
12d	T1 capital target according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a	8,50%	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%	10,50%
Basel III Leverage Ratio				
13	Total Basel III leverage ratio exposure measure	139'736	158'352	171'005
14	Basel III Leverage Ratio	4,41%	2,20%	4,77%

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Liquidity Coverage Ratio (LCR)		Q1 2022	Q2 2022	Q3 2022	Q4 2022
15	Total High Quality Liquid Assets (in TCHF)	106'015	133'929	139'402	129'850
16	Total Net outflow (in TCHF)	95'010	120'595	128'011	119'803
17	Liquidity Coverage Ratio, LCR (in %)	111.6%	111.1%	108.9%	108.4%
Net stable funding Ratio (NSFR)		31.12.2022			
18	Available stable funding (in TCHF)	26'706			
19	Required stable funding (in TCHF)	22'803			
20	Net stable funding Ratio, NSFR (in %)	117.11%			
Liquidity Coverage Ratio (LCR)		Q1 2021	Q2 2021	Q3 2021	Q4 2021
15	Total High Quality Liquid Assets (in TCHF)	66'659	68'513	83'380	129'620
16	Total Net outflow (in TCHF)	54'101	61'346	70'338	114'915
17	Liquidity Coverage Ratio, LCR (in %)	123.2%	111.7 %	118.5%	112.8%
Net stable funding Ratio (NSFR)		31.12.2021			
18	Available stable funding (in TCHF)	24'391			
19	Required stable funding (in TCHF)	14'896			
20	Net stable funding Ratio, NSFR (in %)	163.7%			

Significant events occurring after the balance sheet date

Conversion of Contingent Convertible Bond

ISP Group Ltd. has issued a Contingent Convertible Bond in June 2021, which accounted for as Additional Tier 1 capital (AT1 capital). The Terms and Conditions of the Bond Instrument had defined that in case of a Trigger Event the Bonds are converted into ordinary shares of ISP Group Ltd. The threshold had been set at 7% CET1 ratio, calculated on a consolidated basis for ISP Group Ltd. At 31 December 2022, the calculated CET1 ratio was below this threshold. Therefore, ISP Group Ltd. published the respective Trigger Event Notice on 17 January 2023. The conversion was executed on 27 January 2023. ISP Group Ltd. issued 5'193'175 new shares, which increased the shareholders' equity by CHF 5'510'000.

Capital increase

ISP Group Ltd. increased its capital by CHF 2.5 million in cash contribution by using its authorized capital in April 2023. In addition, the company sold treasury shares in the amount of CHF 0.4 million in February 2023. Both measures were taken to further strengthen the capital base of ISP Group Ltd.

Table OV1:
Overview of risk weighted assets (RWA)

in TCHF	RWA 31.12.2022	RWA 31.12.2021	Minimum capital requirements 31.12.2022
1 Credit risk	8'813	10'650	705
Non-counterparty related risks	1'912	1'701	153
20 Market risk	775	2'038	62
24 Operational risk	32'775	24'988	2'622
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)			
27 Total	44'275	39'377	3'542

Credit risk	Simplified Standardized Approach used for counterparty credit risk
Market risk	Standardized approach
Operational risk	Basic Indicator Approach

Table CR1:
Credit risk: credit equivalent of assets

in TCHF	Gross book value defaulted positions	Gross book value not defaulted positions	Value adjustments/ depreciations	Net amounts
1 Receivables	85	33'570	85	33'570
2 Debt securities	0	0	0	0
3 Off balance sheet positions	0	190	0	190
4 Total	85	33'760	85	33'760

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	73
2	Receivables and debt securities that have defaulted since the end of the previous reporting period	12
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)	85

**Table CR3: Credit risk:
Risk mitigating measures**

in TCHF	Positions without collateral	Positions with collateral	Positions collateralised by financial guarantees or credit derivatives
Receivables	33'655	0	0
Off balance sheet positions	190	0	0
Total	33'845	0	0
where of defaulted	85	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	20'169		14							20'183
2 Banks and securities dealers			5'946		46					5'992
3 Public-sector entities and multilateral			17							17
4 Corporations			1'372				3'874			5'246
5 Retail							792			792
6 Equity interests								103		103
7 Other exposures							1'360			1'360
8 TOTAL	20'169		7'349		46		6'026	103		33'693
9 Of which mortgage-backed exposures										
10 Of which overdue exposures			85							

**Table CCR3: Counterparty credit risk:
Exposures by exposure category and risk weights according to the standardized 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			1'579	157					1'736
3 Public-sector entities and multilateral			190						190
4 Corporations						341			341
5 Retail									
6 Equity interests									
7 Other exposures									
8									
9 Total			1'769	157		341			2'267

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						
1	Cash and cash-equivalents in CHF		235									
2	Cash and cash-equivalents in foreign currencies		1'167									
3	Swiss government debt											
4	Other sovereign debt				2'026							
5	Central government debt											
6	Corporate bonds											
7	Equity shares											
8	Other collateral											
9	Total		1'402		2'026							

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 basic indicator 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.

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in TCHF	31.03.2023	31.12.2022	31.12.2021
Available capital (amounts)			
1 Common Equity Tier 1 (CET1)	6'202	3'054	6'452
2 Tier 1	6'202	3'054	6'452
3 Total capital	6'202	3'054	6'452
Risk-weighted assets (amounts)			
4 Total risk-weighted assets (RWA)	53'174	45'944	40'807
4a Minimum capital requirements	4'254	3'675	3'265
Risk-based capital ratios (as a percentage % of RWA)			
5 CET1 ratio (%)	11.66%	6.65%	15.81%
6 T1 ratio (%)	11.66%	6.65%	15.81%
7 Total capital ratio (%)	11.66%	6.65%	15.81%
Additional CET1 requirements (buffers) as a percentage of RWA			
8 Capital conservation buffer requirement according to Basel minimum requirements (%)	2.50%	2.50%	2,50%
9 Countercyclical buffer requirement according to Basel minimum requirements (%)	0.00%	0.00%	0,00%
10 Bank G-SIB and/or D-SIB additional requirements	0.00%	0.00%	0,00%
11 Total of bank CET1 specific buffer requirements according to Basel minimum requirements (%)	2.50%	2.50%	2,50%
12 CET1 available after meeting the bank's minimum capital requirements (%)	3.66%	-1.35%	7.81%
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%	2,50%
12b Countercyclical capital buffer according to CAO, Art. 44 and Art. 44a (%)	0.00%	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%	7,00%
12d T1 capital target according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a	8.50%	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%	10,50%
Basel III Leverage Ratio			
13 Total Basel III leverage ratio exposure measure	138'120	156'523	168'248
14 Basel III Leverage Ratio	4.49%	1.95%	3.83%

ISP Securities Ltd.

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Liquidity Coverage Ratio (LCR)		Q1 2022	Q2 2022	Q3 2022	Q4 2022
15	Total High Quality Liquid Assets (in TCHF)	106'015	133'929	139'402	129'850
16	Total Net outflow (in TCHF)	98'434	124'510	130'656	121'791
17	Liquidity Coverage Ratio, LCR (in %)	107.7%	107.6%	106.7%	106.6%
Net stable funding Ratio (NSFR)		31.12.2022			
18	Available stable funding (in TCHF)	23'251			
19	Required stable funding (in TCHF)	20'639			
20	Net stable funding Ratio, NSFR (in %)	112.7%			
Liquidity Coverage Ratio (LCR)		Q1 2021	Q2 2021	Q3 2021	Q4 2021
15	Total High Quality Liquid Assets (in TCHF)	66'659	68'513	83'380	129'620
16	Total Net outflow (in TCHF)	54'445	63'046	72'854	117'720
17	Liquidity Coverage Ratio, LCR (in %)	122.4%	108.7%	114.4%	110.1%
Net stable funding Ratio (NSFR)		31.12.2021			
18	Available stable funding (in TCHF)	21'831			
19	Required stable funding (in TCHF)	14'959			
20	Net stable funding Ratio, NSFR (in %)	145.94%			

Significant events occurring after the balance sheet date

By end of February 2023, ISP Securities Ltd. received capital injections in cash contribution by its parent company ISP Group Ltd. in the amount of CHF 3.45 million to further strengthen its capital base.