

FINMA

Circular OPub

Capital adequacy and liquidity disclosure

31.12.2025



Capital adequacy and liquidity disclosure requirements in accordance with FINMA Circular OPub (amounts in CHF 1'000)

KM1: Key metrics		a	e
		31.12.2025	31.12.2024
Eligible capital			
1	Common Equity Tier 1 (CET 1) capital	69'615	69'615
2	Tier 1 capital (T1)	69'615	69'615
3	Total capital	69'615	69'615
Risk-weighted assets (RWA)			
4	RWA	220'970	211'270
4a	RWA before the "output floor"	220'970	211'270
4a	Minimum capital requirements	n.a.	16'902
Risk-based capital ratios (% of RWA)			
5	CET1 capital ratio	31.50%	32.95%
6	Tier 1 capital ratio	31.50%	32.95%
7	Total capital ratio	31.50%	32.95%
Additional CET1 buffer requirements (% of RWA)			
8	Capital conservation buffer requirement according to Basel minimum standards	2.50%	2.50%
11	Total of bank CET1 specific buffer requirements according to Basel minimum standards	2.50%	2.50%
12	CET1 available after meeting buffer the bank's minimum capital requirements according to Basel minimum standards	23.50%	24.95%
Target capital ratios according to appendix 8 CAO (% of RWA)			
12a	Capital conservation buffer according to appendix 8 CAO	2.50%	2.50%
12b	Countercyclical capital buffer according to CAO Art. 44 and 44a	0.03%	0.06%
12c	CET1 capital target according to CAO appendix 8 + countercyclical buffer according to CAO Art. 44 and 44a	7.03%	7.06%
12d	T1 capital target according to CAO appendix 8 + countercyclical buffer according to CAO Art. 44 and 44a	8.53%	8.56%
12e	Total capital target according to CAO appendix 8 + countercyclical buffer according to CAO Art. 44 and 44a	10.53%	10.56%
Basel III Leverage ratio			
13	Total Basel III leverage ratio exposure measure	359'348	332'781
14	Basel III leverage ratio (Tier 1 capital in % of total Basel III leverage ratio exposure measure, including the impact of any applicable temporary exemption of central bank reserves)	19.37%	20.92%
14b	Basel III leverage ratio (Tier 1 capital in % of total Basel III leverage ratio exposure measure, excluding the impact of any applicable temporary exemption of central bank reserves)	19.37%	20.92%
14e	Minimum capital requirement (Art. 42 CAO)		
	Minimum capital pursuant to Article 42(1)(a) and (b) CAO	17'678	n.a.

		a	b	c	d	e
Liquidity coverage ratio						
3-month average						
		Weighted values	Weighted values	Weighted values	Weighted values	Weighted values
		4th quarter 2025	3rd quarter 2025	2nd quarter 2025	1st quarter 2025	4th quarter 2024
15	Total high-quality liquid assets (HQLA)	42'940	40'315	43'717	37'698	37'135
16	Total net cash outflows	24'700	21'569	19'962	21'293	20'150
17	Liquidity coverage ratio, LCR	173.85%	186.91%	219.00%	177.04%	184.29%

		a	e
Net Stable Funding Ratio			
		31.12.2025	31.12.2024
18	Available stable funding	242'991	217'050
19	Required stable funding	118'550	117'210
20	Net Stable funding ratio, NSFR	204.97%	185.18%

OV1: Overview of risk-weighted assets				
		a	b	c
		31.12.2025	31.12.2024	31.12.2025
		RWA	RWA	Minimum capital requirements
1	Credit risk	114'056	147'500	9'124
20	Market risk	79'663	20'956	6'373
24	Operational risks	27'252	22'786	2'181
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
27	Total (1+20+24+25)	220'971	191'242	17'678

CR1: Credit risk - Credit quality of assets					
31.12.2025					
		a	b	c	g
			Gross carrying values	Value adjustments/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans, excluding debt securities	460	336'769	460	336'769
2	Debt securities	-	14'100	-	14'100
3	Off-balance-sheet exposures	-	14'874	-	14'874
4	Total	460	365'743	460	365'743

CR4: Credit risk - Exposure and credit risk mitigation (CRM) effects under the standardised approach

31.12.2025		a	b	c	d	e	f
Exposure classes		Exposure before CCF and CRM		Exposure post CCF and CRM		RWA	RWA density
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1	Central governments, central banks and supranational organisations	40'749	-	40'749	-	102	0.003
4	Banks	133'974	1'675	133'974	335	27'425	0.204
	<i>of which: securities firms that maintain accounts and other financial institutions without a banking licence, but subject to equivalent regulation and supervision</i>	0	-	0	-	0	0.350
6	Corporates	79'882	10'718	66'668	2'087	62'040	0.902
7	Subordinate debt and equity instruments	249	-	249	-	473	1.900
8	Retail	68'431	1'975	2'419	23	2'441	1.000
9	Directly and indirectly secured real estate exposures	12'732	5	12'704	2	2'638	0.208
	<i>of which: Self-used residential real estate exposure (GRRE)</i>	12'732	5	12'704	2	2'638	0.208
11	Other exposures	6'060	500	5'427	200	4'946	0.879
12	Total	342'078	14'874	262'190	2'647	100'065	0.378

ORA: Operational risks - general guidelines

The strategies, procedures and organisation relating to the management of operational risks are described in section 2 of the notes to the annual financial statements.

LIQA: Liquidity risk management

The management of liquidity risk is described in point 2 of the notes to the annual financial statements.

Interest rate risk: objectives and rules for managing the interest rate risk of the Bank's portfolio (IRRBB table)

The interest rate risk of the Bank's portfolio (IRRBB – interest rate risk in banking book) represents the exposure of the Bank's economic and financial situation to changes in market interest rates. Changes in interest rates affect the economic value of a bank's assets, liabilities and off-balance sheet positions (present value approach). They also have an impact on interest income (current income approach).

Interest rate risk can take three forms.

- The risk of interest rate changes arising from the different maturity structures of balance sheet assets and liabilities due to maturity transformation; as a result of this phenomenon, future trends in interest income adapt to market rates at different speeds and to a different extent than the trends in interest expense since the sensitivity of financial assets to market rates is different from that of financial liabilities.
- Baseline risk describes the effect of interest rate changes on instruments that have similar maturities but are measured on the basis of different interest rates.
- Options risk arises from options or implicit options that allow the bank or client to change the amount and timing of payment flows (e.g. deposits with no fixed maturity, term deposits and fixed-rate loans).

Changes in interest rates may indirectly lead to changes in the solvency of the borrower (solvency effect) without necessarily triggering a default situation.

The Bank manages its exposure to interest rate risk via the ALM (Asset & Liability Management) Committee. This committee, chaired by the Executive Board, is the body responsible for decisions on the management of assets and liabilities, including decisions relating to interest rate risk. The treasury, on the other hand, is the office responsible for carrying out day-to-day operations and therefore for implementing the decisions taken by the ALM Committee.

Banca Zarattini & Co. SA uses the “delta market value absolute parallel up” method to measure and manage the interest rate risk of the Bank's portfolio (IRRBB – interest rate risk in banking book).

The sensitivity of value and margin to interest rates is calculated on a quarterly basis.

The Bank manages interest rate risk at market rates and prices. Banca Zarattini & Co. is a category 5 bank and, in view of its balance sheet structure, it applies the six stress scenarios set out in FINMA Circular 2019/2 (CM 24-25 & Annex 2), namely:

1. Parallel upwards shock;
2. Parallel downwards shock;
3. Steepener shock (short-term interest rate decline and long-term interest rate rise);
4. Flattener shock (rise in short-term interest rates and fall in long-term interest rates);
5. Short-term upwards interest rate shock;
6. Short-term downwards interest rate shock.

Lending activities with maturities of less than one year do not represent a core business of the Bank; moreover, the Bank does not finance itself with remunerated passive funds. Therefore, in view of its balance sheet structure, the Bank does not use IRS derivatives to hedge its interest rate risk.

The model assumptions used by the Bank for the internal measurement of interest rate risk are based on the models set out in the publication IRRBB1.

IRRBA1 : Quantitative information on exposure structure and repricing

(amounts in 1'000 CHF)	Volume in CHF			Average repricing maturity (in years)	
	Total	of which CHF	of which other currencies	Total	of which CHF
Determined repricing period					
Amounts due from banks	40'605	-	40'605	0.039	-
Amounts due from customers	5'727	11	5'716	0.274	1.000
Variable-rate mortgage loans	-	-	-	-	-
Fixed-rate mortgage loans	12'793	12'793	-	0.533	0.533
Financial investments	14'862	10'088	4'774	1.916	2.079
Undetermined repricing period					
Amounts due from banks	86'439	926	85'513	0.041	0.041
Amounts due from customers	136'688	15'312	121'376	0.169	0.169
Variable-rate mortgage loans	-	-	-	-	-
Other assets	-	-	-	-	-
Amounts due in respect of customer deposits	273'985	22'635	251'350	0.169	0.169
Other liabilities	1'223	38	1'185	0.041	0.041
Liabilities from client deposits, callable but not transferable (savings)	-	-	-	-	-
Total as at 31.12.2025	572'322	61'803	510'519	0.194	0.554

IRRBB1: Quantitative information on IRRBB

(amounts in 1'000 CHF)	Δ EVE (change of economic value of equity)		Δ NII (change of net interest rate)	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Parallel up	-231	-269	515	575
Parallel down	246	283	-503	-563
Steeper	-101	-70		
Flattener	72	28		
Short rate up	16	-48		
Short rate down	-15	49		
Maximum ¹	-231	-269	-503	-563
	31.12.2025	31.12.2024		
Tier 1 capital	69'615	69'615		

¹ "Maximum" indicates the most adverse interest scenario.



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