



BANCA DEL SEMPIONE
PRIVATE BANK
SINCE 1960

Annual Report 2023



What lies beneath?

Some find the clamor over climate change excessive, while others tie themselves to trees to prevent them from being cut. But both share common ground: the real, solid ground beneath our feet, the raw material from which the Earth is made.

The state of the soil is the planet's thermometer, and today it tells us that in many parts of the world, the levels reached are excessive, as shown by the barren fields in green Switzerland, the growth of cemented surfaces and urbanized areas, the arid crust, eaten away by the desert, in Africa, Asia, and even here in Europe, for example, in Spain.

The soil is an immense organism on which the survival of all living beings depends, and for this reason, it must be known, studied, defended, and repaired, where human activities and extreme weather events have stripped it bare or degraded it.

With the 2023 Annual Report, Banca del Sempione wanted to contribute to raising awareness of the issues affecting the soil and the interventions useful for preserving its vitality. In the awareness that sustainability is not a slogan but a way of being. A patient commitment, to reconcile progress with the protection of what already exists, growth with balance. A responsibility. No different from that which the Bank assumes every day, to preserve and capitalize on the assets of its clients.

Inner cover:
*Gazing towards the horizon
over an immense mountain forest
of East Africa..*



Banca del Sempione SA

Annual Report

In the event of differences between the English and the Italian version of the annual report, the Italian version must be considered prevailing.

Report on the sixty-three year of operations,
presented to the General Meeting of Shareholders on 30 April 2024.



Governance

- 6 The Bank's governing bodies
- 8 Banca del Sempione SA's Board of Directors
- 9 Banca del Sempione SA's General Management
- 13 Chairman's report

Consolidated annual financial statements

- 22 Consolidated balance sheet
- 23 Consolidated income statement
- 24 Consolidated cash flow statement
- 25 Statement of changes in equity
- 27 Notes to the annual consolidated financial statements
- 46 Report of the statutory auditor on the consolidated financial statements

Other activities of the Group

- 54 Accademia SGR (Società di gestione del risparmio) SpA
- 56 Base Investments SICAV
- 60 Sempione SIM (Società di intermediazione mobiliare) SpA
- 63 Banca del Sempione (Overseas) Ltd.

Annual financial statements of parent company

- 70 Balance sheet
- 71 Income statement
- 72 Appropriation of profit
- 72 Statement of changes in equity
- 75 Notes to the annual financial statements
- 84 Report of the statutory auditor on the financial statements

To the left:
*Aerial view of the
"Shark Bay", Australia.*

Following page:
*Early morning forest,
Netherlands.*





Banca del Sempione SA's Board of Directors

Giovanni Crameri ¹⁾ chairman
Giampio Bracchi deputy chairman
Silvana Cavanna ¹⁾
Massimiliano Danisi
Andrea Lattuada
Sandro Medici

**Secretary to the
Board of Directors**
Maurizio Ferrari

Auditor

PricewaterhouseCoopers SA, Lugano

¹⁾ independent members

Banca del Sempione SA's General Management

Stefano Rogna general manager,
Chairman of the General Management
Giordano Bellotti deputy general manager
Michele Donelli deputy general manager
Pietro Scibona deputy general manager
Carlo Buono manager
Silvia Jehring manager
Athos Walter manager
Angelo Cresta manager

Banca del Sempione SA's Middle Management

Arianna Baccalà Ghommidh joint manager
Giorgio Bertoli joint manager*
Nicola Bianchi joint manager
Fabio Devittori joint manager
Giuliano Flematti joint manager
Gabriele Domenighetti joint manager
A. Alessandro Gelsi joint manager
Fausto Marcantoni joint manager
Dario Piffaretti joint manager
Alessia Bellintani assistant manager*
Veronica Broggi assistant manager
Alessandro Brunetti assistant manager
Dibo Corti assistant manager
Andrea Dell'Acqua assistant manager*
Antonella Di Ieso assistant manager
Giovanni Kappeler assistant manager
Maurizio Molatore assistant manager
Fabio Sabetti assistant manager
Francesca Trizzino assistant manager
Massimo Valsangiacomo assistant manager
Renato Vosti assistant manager

* as of March the 1st 2024

Internal auditors

Sascha Ferretti head of internal audit
Claudio Lanini internal auditor

**Management of Banca
del Sempione SA's branches****Chiasso**

Roberto Piccioli manager, branch manager
Antonella Novati joint manager, deputy branch manager

Bellinzona

Alan Bottoli joint manager, branch manager
Aldo Giamboni assistant manager, deputy branch manager
Ivan Giamboni assistant manager

Locarno–Muralto

Luciano Soldati manager, branch manager
Mario Miletic senior officer, deputy branch manager

Giovanni Cramerì, *chairman*

From 1976 to 1981, employed at Basilese Assicurazioni in Basel. Since 1981, when he was hired at UBS SA, he has progressively been taking on roles of responsibility, and in 1999 he was appointed Regional Manager of UBS Ticino and head of the Wealth Management Swiss Client division, a position he left at the end of 2014. Since 2015, he has been an independent member of Banca del Sempione SA, Lugano. He is a Major of the Swiss army. Since May the 3rd, 2021, he has been Chairman of the Board of Directors of Banca del Sempione SA, Lugano.

Giampio Bracchi, *deputy chairman*

Degree in Engineering from the Milan Politecnico with post-graduate studies at the University of California, Berkeley (USA). Emeritus Professor at the Milan Politecnico, where he was also pro-rector for a lengthy period. He is founder and President Emeritus of Fondazione Politecnico. He has been member of the Boards of Directors of many listed Italian companies and a number of international foundations. In the banking sector he has a long collaboration with the Intesa Sanpaolo Group, in which he was Deputy Chairman of Banca Intesa and Chairman of Intesa Sanpaolo Private Banking and is currently a director of the digital bank Isybank. He is a member of the Board of Directors of Banca del Sempione SA, Lugano and since 3 May 2021 he has been Deputy Chairman.

Silvana Cavanna, *board member*

Head of private clients for more than 10 years at Euromobiliare S.p.A, Mrs Cavanna went on to holding senior management positions during her career at several banking institutions: head of wealth management at Banque Manusardi, head of private client advisory at Banque Rasini, then director of client relations at Banque Profilo before becoming a member of its Board of Directors, the BoD of Profilo Asset Management SGR (2003) and its Management Board (2003 to 2009). In 2008, she was named Head of Private Banking and member of the Executive Committee of the entity that later became Banque Profil de Gestion, which she has managed from 2009 up to May 2021. Since May the 3rd, 2021 she has been independent Member of the Board of Directors of Banca del Sempione SA, Lugano. Since January 2024 she has been a member of the Board of Directors of Sempione SIM SpA, Milan.

Massimiliano Danisi, *board member*

After earning a degree in Political Science from the University of Milan, he held positions of growing responsibility at Filofibra SA, Lugano, company for which he is now Sales Manager and member of the Board of Directors. He is also member of the Board of Directors of Filofibra Holding SA, Lugano. Since 2012, he has been Member of the Board of Directors of Banca del Sempione SA, Lugano.

Andrea Lattuada, *board member*

After earning a degree in Mechanical Engineering from the Politecnico of Milan, he held technical-marketing positions of growing responsibility, mainly related to the important German market, in leading companies within the transport components sector, including Brembo (Bergamo) and Gnutti Carlo in Brescia. He is currently Sales & Marketing Manager for European clients at Gnutti Carlo SpA. Since May the 3rd, 2021 he has been Member of the Board of Directors of Banca del Sempione SA, Lugano.

Sandro Medici, *board member*

After working at the Ministry of the Economy and Finance in Rome, he held the role of Sole Director in various real estate companies in Italy. Since 1988, Member of the Board of Directors of Banca del Sempione SA, Lugano. Chairman of the Board of Directors of Accademia SGR SpA, Milan.

Banca del Sempione SA's General Management

Stefano Rogna, *general manager, Chairman of the General Management*

After completing his higher education, he joined the Banca Popolare di Sondrio Group in 1982, gaining experience in Italy and in Switzerland until 2005, leaving as Deputy General Manager of Banca Popolare di Sondrio (Suisse). In October 2005, he was appointed General Manager of Banca del Sempione SA, Lugano. He sits on the Boards of Directors of the following Group companies: Sempione SIM SpA (Milan), Base Investments SICAV (Luxembourg) and Accademia SGR SpA (Milan). From May 2011 to May 2014, he was a Committee member of ABT (Associazione Bancaria Ticinese - Ticino Banking Association).

Giordano Bellotti, *deputy general manager, member of the General Management*

Swiss Certified Public Accountant (1992). After a seventeen-year career at PwC, where he was auditor in charge of banking institutions recognised by the FINMA (Swiss Financial Market Supervisory Authority), in 1998 he joined the Banca del Sempione Group. In 2013, he was appointed Deputy General Manager and is currently Head of the Administration division.

Michele Donelli, *deputy general manager, member of the General Management*

After earning a degree in Civil Engineering from the Zurich Federal Polytechnic University (ETH Zurich), he acquired experience at Merrill Lynch Capital Markets AG in Zurich and at BDL Banco di Lugano, in Lugano. In 2004, he was hired at Banca del Sempione SA, Lugano, and in 2016 he was appointed Manager. Since 1 March 2018 he is Deputy General Manager and Head of the Global Wealth Management division.

Pietro Scibona, *deputy general manager, member of the General Management*

After graduating from Luigi Bocconi University in Milan, he joined the Banca Popolare di Sondrio Group, where he remained, apart from a brief absence from 1998 to 2002, until 2008. In 2008, he was hired at Banca del Sempione SA, Lugano and appointed manager on 1 January 2010. Since 1 March 2018 he is Deputy General Manager and Head of the Finance and Markets division. Since January 2011, he has been Managing Director of Sempione SIM SpA, Milan, and member of the Board of Directors of Base Investments SICAV, Luxembourg.

Carlo Buono, *manager, member of the General Management*

After completing his higher education, he was hired in 1991 by the Banca Popolare di Sondrio Group, acquiring experience in Italy and Switzerland. In 2011, he joined Banca del Sempione SA, Lugano as Head of Sales and Promotion. In 2013, he was appointed Manager and Head of Wealth Advisory.

Silvia Jehring, *manager, member of the General Management*

After graduating with a degree in Law from Milan's Università Cattolica del Sacro Cuore, she was employed at the Mondini Rusconi law firm in Milan until March 2005. In the same year, she was hired at Banca del Sempione SA, Lugano. In 2006, she obtained her licence to practise law from the Court of Appeal in Milan and participated in the Executive Master in Compliance Management 2006-2007 at the Banking Studies Centre in Vezia. She has attended numerous training courses in Switzerland, in the tax, legal and compliance areas, including the 2015 Executive Master in International Tax Compliance. In 2016, she was appointed Manager and Head of the Legal & Compliance Department.

Athos Walter, *manager, member of the General Management*

After an apprenticeship, he began his career at Banca Cantrade Lugano SA and subsequently at Overland Bank, Lugano until 1992. In 1993, he was hired by Banca del Sempione SA, Lugano, as Head of the Trading Room. He acquired experience as Head of Asset Management and Customer Advisory Services until being appointed Manager in 2009. He is currently responsible for Swiss Market Area.

Angelo Cresta, *manager, member of the General Management*

Graduated with a Bachelor's degree in information technology, he acquired significant working experience, first in Finter Bank, in Zurich, and then in the Banca Arner SA, in Lugano. He joined Avaloq Sourcing SA in 2013 where he held positions of increasing responsibility. He was hired in Banca del Sempione SA in September 2018 as Director. From the 1st May 2019 he will be responsible for all activities related to the systems, information technology, back office and internal services.



The land forest

Not even a tree. Just bare soil, carved by millennia of erosion. Zanda County in Tibet is famous for its unique geological formations in the world, offering a fascinating and vast natural panorama with color gradations ranging from yellow to red and white.





The past year has seen us confronted, as we all have, with macroeconomic and socio-political events that were truly impactful for the financial markets, the former, and disruptive and bring about dramatic events, the latter. We have seen a radical change of direction by central banks on the interest rate front that has allowed the banking system, to have returns in terms of interest on lending such as have not happened for many years, and obviously this has increased the cost of financing for customers.

At the same time, those hoping to see an end to the conflict between Russia and Ukraine have been disappointed, seeing instead the beginning of another war that is generating further suffering for millions of people.

It is not our intention to focus on moral and ethical considerations and make gratuitous philosophy, but it is really difficult to accept that in areas bordering or close to Europe we cannot identify solutions that will bring peace.

In such a context, Banca del Sempione SA, can announce that 2023 was the best year in over 60 years of operation. This achievement is certainly a source of great satisfaction for all stakeholders and is proof that we have succeeded in expressing ourselves with quality, consistency, and perseverance in services to our clients. This way of acting allows us to look to the future with confidence, thanks in part to some initiatives that have seen the light of day in recent months. Above all, the opening of an operational entity in Dubai, called Banca del Sempione (Middle East), authorized to operate at the beginning of January 2024 by the competent authorities. We expect that in a market like the United Arab Emirates, marked by strong and continuous investments from all over the world, our subsidiary will be able to intercept new business relationships and become a privileged observatory in a rapidly expanding area.

In fact, future guidelines revolve around two precise bases: a strengthening of the commercial side with well-defined development plans and the ability to offer clients increasingly high-performing management products.

In this sense, the umpteenth awards received by the Flexible Low Risk Exposure sub-fund, which is part of Banca del Sempione SA's promoted Luxembourg Sicav, Base Investments Sicav, for the results achieved in 2023, are positive and comforting. This sub-fund is highly appreciated by both Swiss and international clients for its continuity in performance and perfectly represents "the prototype" of what is intended to be offered to clients within all Group companies: continuity, transparency, dynamism and closeness to the client.

These are principles that are well declined and highlighted in our new website, which, taking advantage of the intervening revision of our logo in which our status as a private and independent bank since 1960 is highlighted, expresses in an innovative way the activities of the companies belonging to the Banca del Sempione Group. With the latest addition, precisely Banca del Sempione (Middle East), we are basically present in five jurisdictions and this comparison with different markets allows us to be more active and proactive in what remains our main market, Switzerland and our Canton in particular.

From our point of view, the international logics and the experiences gained in other markets allow an offer that is always closer and able to better meet the needs of customers, including those in Ticino. We are proud to continue in the sign traced by our founders back in 1960, and we constantly receive certificates of esteem from our clients, who are also interested in maintaining their business relations with a banking institution that was born in Ticino and that makes personalized service its best weapon, in the wake of Swiss tradition but looking to innovation as a tool to improve its services.

Below we briefly comment on the most significant items in the 2023 Annual Report.

Lending activities and result of interest operations

As highlighted above, the worldwide shift in monetary policy has allowed for a very significant increase in interest income on loans. These operations, mortgage and Lombard, are part of the operations promoted to meet the private needs of our customers, which thanks to established and trusted relationships we promote on very competitive terms.

Commission Operations

This item, both at parent company and consolidated level, also showed interesting growth. This was possible thanks to an increase in the volume of management activities and the work of our managers, who were able to generate very satisfactory performances for clients and consequent income returns for the bank. These results also made it possible to neutralise the revenue penalty resulting from the strengthening of the Swiss franc for commissions earned in euros and dollars.

Trading activities

This figure suffered a sharp decrease in volumes brokered. Customers, interest in bond investments limited foreign exchange activities and related margins in favour of the Group.



Operating costs

Costs saw relatively large growth especially in personnel costs. There are two basic reasons for this. First, a growth in headcount in the group companies with a focus on increasing the "young" component that represents the future for our activities and is a stimulus to more mature colleagues. The second element is related to the variable component of staff salaries that has grown in proportion to the increase in operating profit.

Personnel

The number of staff is as mentioned increasing from the previous year and stands at 147 employees which is equivalent to 142 full-time jobs. In 2022 there were 140 employees, equivalent to 134 full-time positions.

Research and development activities

Commitment in this area is constant following the guiding principle that combines technological innovation in the service of the ability and professionalism of our employees. Of particular note is the commitment to the creation of our new website, which follows the birth of the parent company's new logo and as a result of this the revision of that of the subsidiaries that are part of the Group.

Client Assets

Growth in assets under administration was held back by the aforementioned strengthening of the Swiss franc against the main currencies in client portfolios, which practically offset the recovery in stock market prices and the positive trend in net inflows of new assets (CHF 80 million).

Consolidated operating result

The result achieved by the Simplon Bank Group in 2023 stands at CHF 10,930,000, an amount not only significantly higher than the previous year (heavily penalized by the negativity of the financial markets) but also the best in our history.

Under these circumstances and taking into account the parent company's net result of CHF 8,147,000 up by 221%, the Board of Directors of Banca del Sempione SA proposes to the Shareholders, Meeting the following allocation of CHF 9,175,000 in net earnings:

CHF	750,000	Statutory retained earnings
CHF	750,000	Voluntary retained earnings
CHF	5,000,000	Dividend pay-out
CHF	2,675,000	Carried forward

Our heartfelt thanks to the Swiss Financial Market Supervisory Authority, FINMA, for their cooperation and to the auditors, PricewaterhouseCoopers, for their work and suggestions.

Giovanni Crameri
Chairman of the Board of Directors

We trample on it
without thinking.
Yet, the well-being
of the planet and
our own survival
both depend
on the earth
beneath our feet.



RE
SPE
CT

to live

The earth, a vital element of our planet

The soil is a vast organism in constant evolution: a storage of resources that hosts thousands of life forms and regulates the water cycle, but is also extremely vulnerable to human activity.

Earthworms have always known this. It is man who realized it late. Every square meter of soil is unique, in terms of composition, structure, and biodiversity, and contains an extraordinary variety of nutrients and living beings: plants, fungi, microorganisms, and insects. It takes more than 2,000 years to generate ten centimeters of land surface, while human intervention can destroy them in a short time, endangering food security and the livability of many parts of the world.

The Food and Agriculture Organization of the United Nations (FAO) has been fighting for years for the recognition of soil as an essential resource, as 95% of global food production depends on it. But, in the meantime, 40% of the land is at risk of desertification, and every year we lose 12 million hectares of fertile land: an area three times the size of Switzerland, on which 20 million tons of cereals could be grown.

The main causes of this serious ecological emergency are multiple and depend on both humans and nature: on the one hand, urban expansion, deforestation, intensive agriculture, excessive exploitation of pastures, inadequate irrigation practices, and, on the other hand, erosive activity of water and wind and extreme weather events such as drought.

These processes result in the depletion of nutrients and the loss of the fertile layer of the earth's crust in large areas of the planet. The most affected regions are those where human intervention is heaviest and the effects of cli-

mate change are most evident, such as China, India, and the less developed countries of South America and Africa, where two-thirds of cultivable land are already compromised. But even developed regions are not immune to these phenomena. In the Mediterranean area, Spain has been afflicted by desertification problems since the 1950s, and Switzerland itself faces serious soil impoverishment issues in many Cantons.



The "Voluntary Guidelines for Sustainable Soil Management", developed by the FAO in 2017, recommend promoting vegetative cover, erosion control, increasing carbon storage in the soil, containing levels of contamination, salinization, and acidification of natural surfaces, improving fertility, protecting biodiversity, and proper water drainage management. An effort to which all nations of the world are called, for their own environmental and food security.

Previous page:

Scenery of Poyang Lake, China

Above:

Aerial view of the wildebeest migration, Masai Mara National Reserve, Kenya.

Right page:

The Bayaka, also known as the Aka tribe, are a nomadic tribe of Mbenga pygmy hunters and gatherers living in the southwestern jungles of the Central African Republic.





Urban sprawl

From 2006 to 2012, more than 600,000 hectares of land were urbanized in Europe, equivalent to over 850,000 soccer fields: urban sprawl causes endless land consumption, due to soil sealing, excavation, or compaction.

Consolidated annual financial statements

22	Consolidated balance sheet
23	Consolidated income statement
24	Consolidated cash flow statement
25	Statement of changes in equity
27	Notes to the annual consolidated financial statements
46	Report of the statutory auditor on the consolidated financial statements

CONSOLIDATED BALANCE SHEET AT 31.12.2023

(amount expressed in CHF 1,000)	Notes	Year under review	Previous year
Assets			
Liquid assets		55,430	148,113
Amounts due from banks		69,577	91,434
Amounts due from customers	8.1	258,803	278,080
Mortgage loans	8.1	187,980	172,236
Trading portfolio assets	8.2	3,548	4,900
Positive replacement values of derivative financial instruments	8.3	8,221	3,258
Financial investments	8.4	99,271	131,118
Accrued income and prepaid expenses		7,501	2,880
Non-consolidated participations	8.5	131	131
Tangible fixed assets	8.7	26,762	27,095
Other assets	8.8	3,646	3,855
Total assets		720,870	863,100
Total subordinated claims		2,153	3,463
Liabilities			
Amounts due to banks		8,322	2,795
Amounts due in respect of customer deposits		556,603	721,795
Negative replacement values of derivative financial instruments	8.3	8,169	2,958
Accrued expenses and deferred income		5,434	2,276
Other liabilities	8.8	1,744	1,384
Provisions	8.12	2,540	2,504
Reserves for general banking risks	8.12	8,510	8,510
Bank's capital		20,000	20,000
Retained earnings reserve		98,618	99,050
Consolidated profit		10,930	1,828
Total liabilities		720,870	863,100
Off-balance-sheet transactions			
Contingent liabilities	9.1	5,075	6,746
Irrevocable commitments		3,323	2,462

CONSOLIDATED INCOME STATEMENT 2023

(amount expressed in CHF 1,000)	Notes	Year under review	Previous year
Result from interest operations			
Interest and discount income		14,755	4,909
Interest and dividend income from trading portfolios		2	2
Interest and dividend income from financial investments		1,320	1,073
Interest expense		-1,202	131
Gross result from interest operations		14,875	6,115
Changes in value adjustments for default risks and losses from interest operations		7	6
Subtotal net result from interest operations	10.1	14,882	6,121
Result from commission business and services			
Commission income from securities trading and investment activities		29,975	25,254
Commission income from lending activities		142	122
Commission income from other services		1,871	2,053
Commission expense		-2,257	-2,079
Subtotal result from commission business and services		29,731	25,350
Result from trading activities and fair value		2,040	3,476
Other result from ordinary activities			
Result from disposal of financial investments		21	-34
Income from participations		4	3
Result from real estate		665	663
Other ordinary income		686	73
Other ordinary expenses			-1,364
Subtotal other result from ordinary activities		1,376	-659
Net revenues		48,029	34,288
Operating expenses			
Personnel expenses	10.2	-23,337	-20,843
General and administrative expenses	10.3	-8,933	-8,796
Subtotal operating expenses		-32,270	-29,639
Gross profit		15,759	4,649
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets		-2,285	-2,187
Changes to provisions and other value adjustments, and losses		-39	15
Operating result		13,435	2,477
Taxes	10.5	-2,505	-649
Consolidated profit		10,930	1,828

CONSOLIDATED CASH FLOW STATEMENT 2023

	Year under review		Previous year	
	Cash inflow	Cash outflow	Cash inflow	Cash outflow
<i>(amount expressed in CHF 1,000)</i>				
Cash flow from operating activities (internal financing)				
Consolidated profit	10,930		1,828	
Value adjustments on participations, depreciation and amortisation of tangible fixed assets and intangible assets	2,285		2,187	
Provisions and other value adjustments	90	54	96	2,537
Changes in value adjustments for default risks and losses from interest operations	7		6	
Accrued income and prepaid expenses		4,621	1,639	
Accrued expenses and deferred income	3,158			3,000
Previous year's dividend		2,000		4,000
Subtotal	9,795		3,781	
Cash flow from shareholder's equity transactions				
Recognised in reserves		260		148
Subtotal		260		148
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets				
Real estate		272		110
Other tangible fixed assets		1,680		1,431
Subtotal		1,952		1,541
Cash flow from banking operations				
<i>Medium and long-term business (> 1 year)</i>				
Mortgage loans		15,744		177
Financial investments	31,847			56,697
<i>Short-term business</i>				
Amounts due to banks	5,527		269	
Amounts due in respect of customer deposits		165,192		6,415
Negative replacement values of derivative financial instruments	5,211			366
Other liabilities	360			586
Amounts due from banks	21,857		46,938	
Amounts due from customers	19,270			1,770
Trading portfolio assets	1,352			1,508
Positive replacement values of derivative financial instruments		4,963		751
Other assets	209		51	
<i>Liquidity</i>				
Liquid assets	92,683		26,482	
Subtotal		7,583	5,470	
Total	9,795	9,795	5,470	5,470

STATEMENT OF CHANGES IN EQUITY 2023

(amount expressed in CHF 1,000)	Bank's capital	Retained earnings reserve	Reserves for general banking risks	Consolidated profit	Total
Equity at beginning of current period	20'000	99'050	8'510	1'828	129'388
Other changes		3			3
Currency translation differences		-263			-263
Distributed profits				-2'000	-2'000
Allocation to reserves		-172		172	
Result of the period				10'930	10'930
Equity at end of current period	20'000	98'618	8'510	10'930	138'058



Climate calls for land

There is a bidirectional link between soil and climate. Disturbances affect the functionality of soil microorganisms, which alter the carbon and nitrogen cycles in the soil, and these modify carbon accumulation in the soil and greenhouse gas emissions, influencing the climate.

1. The Banca del Sempione Group profile

Banca del Sempione SA is a *société anonyme* established under Swiss law in 1960. It has its head office in Lugano and branches in Bellinzona, Chiasso, and Locarno. Abroad the Group operates through two companies based in Milan, named respectively Accademia SGR SpA and Sempione SIM SpA, operating in the stock brokerage sector, as well as an affiliate located in the Bahamas, Banca del Sempione (Overseas) Ltd. At the end of 2023, the company Banca del Sempione (Middle East) Ltd. Dubai, was also established, active in the field of financial advisory services.

The Group also promotes a SICAV operating under the laws of Luxembourg, Base Investments SICAV. The Group provides its private and corporate clients with all the services typical of a universal bank. The main focus being on the provision of financial advice, asset administration services as well as securities, derivatives and currencies trading on behalf of its clients.

2. Accounting and valuation principles

General principles

The accounting and valuation principles adopted are in compliance with the provisions set out in the Code of Obligations and the Swiss banking law and its relevant Ordinances, as well as with the guidelines issued by FINMA through the Accounting Ordinance (AO-FINMA) and Circular 2020/1 "Accounting-Banks". The consolidated annual report has been drawn up in accordance with the true and fair view principle.

General valuation principles

The financial statements are prepared on the assumption that the Bank's and Group's business will continue as a going concern. Therefore, valuations are made on a going-concern basis. The asset side includes all assets which are available as a result of past events and are likely to involve cash inflow and whose value may be reliably estimated. If no reliable estimate of the value of an asset can be made, it shall be considered as a contingent asset, as explained in the Notes. Liabilities are entered on the balance sheet as borrowed capital if they have been caused by past events, a cash outflow is probable and their value can be reliably estimated. If no reliable estimate of the value of a liability can be made, it shall be considered as a contingent liability, as explained in the Notes. Assets, liabilities, and off-balance sheet entries shown under the same item are always subject to an individual valuation. Offsetting and netting of assets and liabilities as well as of income and expenses are not carried out, except for deduction of value adjustments from the corresponding asset item and the netting of positive and negative replacement values. Moreover, newly-created value adjustments and losses can be offset against the corresponding recovered sums or value adjustments that are no longer required.

Cash

This item is shown in the financial statements on the basis of its nominal value.

Amounts due from banks and customers, mortgage lending

Loans are generally booked at nominal value, less any necessary value adjustments. Negative interest on active transactions is recorded in interest income (reduction of interest income). Amounts due in respect of precious metal account deposits are valued at their fair value if the precious metal concerned is traded on a price-efficient and liquid market. The methods used for identifying default risks and determining the need for value adjustments are described in paragraph 4 below. Non-performing loans, defined as loans for which the debtor is unlikely to be able to fulfil his/her/its obligations, are valued on a case-by-case basis. Presumed default risks are covered by individual prudential write-downs whose amounts correspond to the difference between the book value of the loan and the sum the Bank believes it can collect depending on the debtor's solvency and any collateral liquidation value (estimated market value less ordinary write-downs and maintenance and liquidation costs). A loan is considered non-performing when interest and repayment are past due by more than 90 days at the latest. In this case, interest not received is directly attributed to write-downs; an entry to revenues is made only when the interest is effectively received. Being assigned to supervisory category 5, the Bank creates value adjustments, based on empirical values, even for losses likely to be incurred which cannot yet be attributed to a creditor (latent default risks arising from loans and receivables that are non-impaired). Both loans and non-performing loans are recognised in the balance sheet net of corresponding write-downs. Changes in the amount of the write-downs, as well as collections of loans previously amortised, are entered under the income statement item "changes in value adjustments for default risks and losses from interest operations".

Amounts due to banks and in respect of customer deposits

This item is shown in the financial statements on the basis of its nominal value. Negative interest on passive transactions is recorded in interest charges (reduction of interest charges). Amounts due in respect of precious metal account deposits are valued at their fair value if the precious metal concerned is traded on a price-efficient, liquid market.

Trading activities

Trading operations include positions actively managed in order to take advantage of market price fluctuations or to achieve arbitrage profits. Trading positions are valued at their fair value. "Fair value" refers to a price set on a liquid, efficient market or calculated with the aid of a pricing model. If, as an exception, no fair value is ascertainable, the lesser value principle shall apply. Gains and losses are shown under the item "Result from trading operations", whereas income from interest and dividend is shown under the item "Interest and dividend income from trading operations".

Positive and negative replacement values of derivative financial instruments

All derivative financial instruments are valued at their fair value. The valuation result is recognised under item "Result from trading operations". Netting of positive and negative replacement values is carried out by the Bank with the same counterparty only within the limits of recognised and legally enforceable bilateral agreements.

Financial investments

Financial investments include debt securities, equity securities, physical precious metal holdings as well as real estate assets that have been acquired as a result of credit activities and are intended for resale. In case of financial investments valued according to the lesser value principle, an upward revaluation to historic acquisition cost or amortised cost at the maximum is to be recognised where the fair value falls below acquisition cost and then recovers. The balance of the value adjustments is shown under items "Other ordinary expenses" and/or "Other ordinary income", as appropriate. *Debt securities intended to be held to maturity* are valued at acquisition cost, according to the accrual method: any transaction premiums and/or discounts (interest components) are accrued over the term. Value adjustments due to default risks are immediately booked under item "Changes in value adjustments for default risks and losses from interest operations". If said securities are sold or redeemed prior to maturity, the profits and losses realised corresponding to the interest component shall not be immediately booked to the income statement but instead accrued over the remaining term to maturity. *Debt securities not intended to be held until maturity (i.e. intended for sale)* are valued based on the lesser value principle. Value adjustments are globally recognised under items "Other ordinary expenses" and/or "Other ordinary income". Value adjustments due to default risk are shown under the item "Changes in value adjustments due to default risks and losses from interest operations". Equity securities, own physical precious metal holdings as well as real estate assets that have been acquired as a result of credit activities and intended for resale are valued according to the lesser value principle. As for real estate assets, the lesser value corresponds to the lower of acquisition cost and liquidation value. Own physical precious metal holdings used to cover commitments resulting from metal accounts are valued at the fair value and recognised in the balance sheet as the precious metal accounts. Value adjustments shall be globally recognised under items "Other ordinary expenses" and/or "Other ordinary income".

Non-consolidated shareholdings

Any minority stakes held between 20% and 50% are shown in the financial statements according to the "equity method". The companies in which the Bank holds an equity investment of less than 20% of the voting shares or whose sizes and operations do not have a significant impact on the Group, are shown in the financial statements and individually valued at acquisition price less depreciation and amortisation as appropriate.

Tangible fixed assets

Expenditures in tangible fixed assets are recognised as assets if they can be used for more than one accounting period and exceed the minimum threshold for recognition of CHF 10,000.

Tangible fixed assets are shown in the balance sheet at acquisition cost less accumulated depreciation.

Depreciation is applied according to the straight-line method and is estimated on the basis of the presumed useful life of the assets.

The presumed useful life expected for the different categories of assets is set out below:

Real estate, including land	Up to	67 years
Other fixed assets	Up to	10 years
Information technology and other equipment	Up to	5 years

Tangible fixed assets are tested for impairment at each balance sheet date. Such tests are based on indications reflecting a possible impairment of individual assets. Where such indications are present, the recoverable amount is to be determined. An asset is impaired if its book value exceeds its recoverable amount. If an asset is impaired, supplementary depreciation is to be recognised. If, during impairment testing of a tangible fixed asset, a change in the asset's useful life is established, the remaining book value is subject to scheduled depreciation over the newly determined useful life.

Ordinary and supplementary amortisation and depreciation are booked under the income statement item "Value adjustments on shareholdings and depreciation and amortisation of tangible fixed assets and intangible assets". Any gains realised on sales of tangible fixed assets are shown under the item "Extraordinary income" and any losses under the item "Extraordinary expenses".

Provisions

Legal and implicit obligations are to be valued on a regular basis. Where a cash outflow is likely to occur and can be reliably estimated, a provision in the corresponding amount must be created. For default risks arising from off-balance-sheet transactions under the items "contingent liabilities" and "irrevocable commitments", value adjustments are made using the same methodology as that applied to amounts due from customers. The amount of existing provisions is reassessed on each balance sheet date. Any changes are booked to the income statement based on the following criteria:

- Provision for deferred taxes under the item "Taxes"
- Provisions for pension benefit obligations under the item "Personnel expenses"
- Other provisions under the item "Changes to provisions and other value adjustments, and losses", with the exception of restructuring provisions shown under the item "Personnel expenses".

Provisions no longer necessary for operating purposes and which are not used for other similar needs are liquidated in favour of the income statement.

Reserves for general banking risks

"Reserves for general banking risks" are set up, as a preventive measure, to cover the risks inherent in banking. Reserves are set up and cancelled under the income statement item "Changes in reserves for general banking risks". Reserves for general banking risks are partially taxed.

Taxes

Current taxes, as a rule annual direct taxes on income and capital pertaining to the period, are booked in the income statement under the item "Taxes". The relevant liabilities are shown in the item "Accrued expenses and deferred income" (liabilities). Book values that deviate from the values relevant for tax law purposes are determined systematically. Deferred tax income on such different amounts is taken into account by means of a provision booked under the item "Taxes". Deferred tax credits on time differences or on tax losses carried forward are booked in the balance sheet only if it seems likely that they will be offset against sufficient taxable earnings.

Contingent liabilities

These off-balance sheet transactions are booked at nominal value. Value adjustments and provisions are made for all recognisable risks according to the conservative principle.

Employee pension funds

All employees at the Swiss parent company are members of one legally autonomous pension fund. Foreign employees are subject to a professional pension required from local laws. In the absence of such laws, voluntary pensions may be set up. The employer incurs staff pension expenses to the extent set out by legal provisions and the funds, regulations. Premiums paid by the employer are recognised as "Personnel expenses". The fund's contracts and income statements does not show any economic benefit or commitment for the Group. There is no employer contribution reserves.

Changes to accounting and valuation principles

The accounting and valuation principles applied to the drawing up of the financial statements as at 31 December 2023 are the same as those applied in the previous financial year.

Recording of transactions

All transactions carried out before the closing date are entered daily into the accounts according to the trade date accounting principle and evaluated according to the applicable accounting principles. Cash operations concluded but not yet executed are registered according to the cash settlement principle. During the period between the date of conclusion and the date of settlement, the replacement values relating to these operations are shown in the items "Positive/negative replacement values of derivative financial instruments".

Conversion of foreign currencies

Foreign currency transactions are booked at the exchange rate of the transaction date. At year-end assets and liabilities are converted at the exchange rate prevailing on the balance sheet date. Historical exchange rates are applied for equity investments and tangible fixed assets. The result of foreign currency transactions is shown under the item "Result from trading operations". The assets and liabilities of the consolidated companies are converted at the year-end exchange rate, whereas revenues and expenses are converted at the average exchange rate. The resulting differences are directly allocated to the Group equity.

The following table sets out the exchange rates against the major foreign currencies applied for conversion purposes:

	2023		2022	
	Year End	Average	Year End	Average
EUR	0.9302	0.9731	0.9877	1.0074
USD	0.8416		0.9246	

Scope and method of consolidation

Those companies in which the Bank owns more than 50% of capital or shares with voting rights are fully consolidated. In accordance with the full consolidation method, debits and credits, as well as revenues and expenses generated by transactions between consolidated companies, are netted. Consolidation of capital takes place according to the "purchase method". According to this method, book value is offset against net equity existing at the time of formation or acquisition. Any equity investments held between 20% and 50% are recognized in the consolidated financial statements according to the "equity method". The companies included in the scope of consolidation are shown in table 8.6.

3. Risk Management

Banking entails exposure to a series of specific risks including credit, market and liquidity risks as well as operating, legal and reputation risks. The Group is equipped with a series of procedures and regulations the aim of which is to supervise and control risks in all fields of business. Clear and prudential limits have been defined for each individual type of risk the observance of which is constantly supervised by functions that are separate from the ones that generated them. These limits are updated regularly and adapted to the risk profile of the activities carried out. A controls certification and reporting system guarantees an adequate flow of information to all levels. The final purpose is that of maintaining the solidity and reputation of the Group intact even in the presence of particularly adverse conditions and events.

During the year, the Board of Directors, in its capacity as a governing body, regularly analyses the main risks linked to the Group's operations. This analysis is largely based on the information generated by the risk management system that the Group has set up, and the reports issued by Internal Audit, General Management, Risk Control, and Compliance. On the basis of its assessments, the Board of Directors updates the "Risk Policy and Risk Management" and supervises their application.

General Management is responsible for implementing the directives issued by the Board of Directors. It is in charge of adequately organising the risk control system and equipping it with appropriate human and technical resources. The Risk Control unit is endowed with the necessary independence and professionalism. Its operating responsibility is to identify and measure risks as well as to ensure that the Group's policies are implemented and limits respected. The Risk Control unit also draws up a quarterly report addressed to General Management and the Board of Directors.

Counterparty (credit) risks

Amounts due from customers

Risks are minimized by systematic demands on customers for collateral and margin coverage. Credit activity is almost exclusively carried out by Banca del Sempione SA, which is equipped with a procedure ensuring a rigorous separation of functions between the front-office units, those that are responsible for extending the credit and those in charge of its supervision. Highly restrictive rules require that the extension is authorised by a credit committee, and, for higher amounts and credits to correlated parties, by the Board of Directors. Any exceptions to the rules envisaged by the Group credit policy are monitored and submitted to the Board of Directors on a quarterly basis. Security-backed loans, accounting for the bulk of the portfolio consisting of accounts receivable from customers, are issued on the basis of collateral values conservatively calculated and daily monitored. The mortgage portfolio mainly refers to residences occupied by the owners themselves. The average balance of credits granted amounts to CHF 585,000. The collateral value of commercial properties, income-producing buildings and private houses of high standing is determined with the help of external appraisers.

Counter-creditors risks in inter-banking business

In inter-banking business and trading activities a system of internal limits is used, the observance of which is checked daily by the Risk Control unit. The Group works essentially with primary counterparts. The amount of the allocated limit mainly depends on the external rating. Limits are regularly reviewed. In the event of extreme market conditions, a daily assessment is carried out. Risks connected with OTC derivative trading operations are further mitigated by complying with the CLS system and entering into netting and collateral agreements.

Risks of interest rate fluctuations

On-balance sheet transactions play a secondary role for the Group. The risks of fluctuation of interest rates however are monitored quarterly by the Risk Control unit and assessed during the ALM committee (ALCO) meeting. Measurement takes place using the "Delta market value" method to establish the potential impacts on the income statement and on capital in the event of sudden large-scale movements in the interest rates curve. Shock scenarios envisaged by FINMA Circular 2019/2 "Interest rate risk – Banks" are applied. To date ALCO has not considered it necessary to promote hedging operations with derivative financial instruments.

Other market risks

Currency risks

The Group keeps currency exposure constantly within the limits defined by the Bank bodies in order to minimise the effects deriving from fluctuations in foreign currencies. The position is monitored daily.

Trading activities

Risks are contained by virtue of limited operations carried out on the Group's own account and strict limits imposed to the operating units managing the Group portfolios. Derivative instrument transactions are carried out exclusively on behalf of clients.

Cash

Liquidity management is the responsibility of General Management through ALCO. The Parent Company's Treasury Department is in charge of operations ensuring compliance with the strategies and limits established by the governing bodies in order to constantly guarantee the Group's solvency even in critical circumstances.

Risk is managed through an integrated system of tolerance limits, indicators, and stress scenarios. The Risk Control unit independently measures and assesses exposure to liquidity risk, verifies the observance of legal limits and internal provisions, prepares and runs stress tests, and provides General Management and ALCO with all the necessary support.

An emergency plan includes the necessary intervention measures to anticipate and deal with possible liquidity crises.

Operational risk

Operating risks are limited through a series of internal regulations and provisions. An internal document entitled "Managing Operating Risks" sets out the procedures for identifying, measuring, controlling, and mitigating operating risks and establishing risk tolerance (Risk appetite). First-level control is an integral part of daily operations. Second-level control is carried out by departments other than the one being audited and is managed through a controls certification and reporting system able to guarantee an adequate flow of information to all levels.

Internal Audit constantly monitors the adequacy of the procedures. The Compliance department ensures that regulations and diligence requirements affecting the Group's various areas of operations are respected. The Group has a business continuity plan to ensure operating continuity even in case of extraordinary events that limit the availability of personnel, infrastructure, and information systems.

Disclosure obligations required by FINMA Circular 2016/1

The information to be disclosed pursuant to FINMA Circular 2016/1 relating to capital adequacy and other risk indicators is published on the Group's website (www.bancasempione.ch/Publications).

4. Methods used to identify default risks and to establish needs for value adjustments

Credits covered by mortgages

Credits with a potential default risk are identified through monitoring a series of indicators, including delay in paying interests and repayments and unjustified requests to modify the repayment plan established at the time the mortgage was granted. Once a year, the Risk Control unit carries out an analysis of the level of coverage of the individual lines of credit, indexing the evaluations on the basis of the development of market price indices and simulating stress tests.

Credits covered by securities

The development of the use and value of coverage operations is supervised daily in order to reduce risks immediately by controlling exposure or supplying additional guarantees, or even resorting to settlement of the portfolio and full reimbursement of the line of credit if need be.

Unsecured credits

Open credits are granted solely to clients with whom the Group has had a consolidated long-term business relationship. Requirements for the granting of credits undergo an annual internal review. In the case of trade credits, updates are requested on the financial and economic situation of the company as well as the annual certified accounts. For personal credits, updates of the client's assets and liabilities are sufficient.

Any risky loans that emerged from the procedures described above are analysed on a case-by-case basis and where necessary value adjustments are made, the amount of which is determined ultimately by General Management. The Bank also creates value adjustments for losses likely to be incurred which cannot yet be attributed to a customer (potential default risks arising from contingent liabilities or exposures not deemed to be included in non-performing loans). The calculation is based on empirical values resulting from historical data on past losses. The list of non-performing loans and the relevant value adjustments is submitted to the Board of Directors quarterly.

5. Evaluation of collateral

Credits covered by mortgages

The Parent Company grants credits against mortgage guarantees for an amount corresponding to 50% - 70% of the collateral value, depending on the type of real estate. The collateral value corresponds to the market value or, if lower, to the purchase price. For credits below CHF 1,000,000 the evaluation is carried out by the credits service; in the other cases, reports drafted by authorised external professionals are used. Appraisers, reports and internal evaluations must be updated at least every ten years or when the real estate market shows signs of a possible deterioration in prices.

Credits covered by securities

As a matter of principle, only securities and structured products that can be liquidated easily are accepted in guarantee. The collateral value is calculated by applying a reduction to the market price so as to take into account fairly any risks of fluctuation in prices and liquidity.

6. Company policy in the use of derivative financial instruments

Trading with derivative financial instruments is carried out solely by the foreign exchange operators of the Parent Company's Treasury Department. No Market-Maker activities are carried out.

Trading is carried out in standardised and OTC instruments almost exclusively on behalf of clients.

The underlying assets mainly consist of currencies and, to a limited degree, of listed shares and stock indexes.

7. Material events subsequent to the date of the financial statements

Following the date of the financial statements no events occurred which had a significant impact on the financial and income position of the Group.

8. Information on the balance sheet

8.1 Presentation of collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables

(amount expressed in CHF 1,000)	Type of collateral			Total
	Secured by mortgage	Other collateral	Unsecured	
Loans (before netting with value adjustments)				
Amounts due from customers	4,143	230,637	24,972	259,752
Mortgage loans				
- Residential property	159,107		170	159,277
- Office and business premises	25,162			25,162
- Commercial and industrial premises	3,711			3,711
Total loans (before netting with value adjustments)				
Current year	192,123	230,637	25,142	447,902
Previous year	175,544	247,573	28,322	451,439
Total loans (after netting with value adjustments)				
Current year	192,123	230,637	24,023	446,783
Previous year	175,544	247,573	27,199	450,316
Off-balance-sheet				
Contingent liabilities		4,699	376	5,075
Irrevocable commitments			3,323	3,323
Total off-balance-sheet				
Current year		4,699	3,699	8,398
Previous year		6,590	2,618	9,208

Unsecured credits mainly concern loans granted for an amount exceeding the collateral value of securities given in guarantee but lower than the market value.

(amount expressed in CHF 1,000)	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Current year	1,061		1,061	1,061
Previous year	1,061		1,061	1,061

8.2 Breakdown of trading portfolio assets and other financial instruments with fair value valuation (assets and liabilities)

(amount expressed in CHF 1,000)	Year under review	Previous year
Trading portfolio assets		
Debt securities, money market securities/transactions (listed)	3,433	4,757
Precious metals and commodities	115	143
Total	3,548	4,900

8.3 Presentation of derivative financial instruments (assets and liabilities)

	Trading instruments		
	Positive replacement values	Negative replacement values	Contract volume
<i>(amount expressed in CHF 1,000)</i>			
Foreign exchange/precious metals			
Forward contracts	9,520	9,380	891,724
Options (OTC)	496	584	61,543
Total before netting agreements	10,016	9,964	953,267
<i>of which, calculated with a pricing model</i>	<i>10,016</i>	<i>9,964</i>	
Previous year	4,729	4,429	881,210
<i>of which, calculated with a pricing model</i>	<i>4,729</i>	<i>4,429</i>	
	Positive replacement values (cumulative)	Negative replacement values (cumulative)	
Total after netting agreements			
Current year	8,221	8,169	
Previous year	3,258	2,958	
	Central clearing houses	Banks and securities dealers	Other customers
Breakdown by counterparty			
Positive replacement values (after netting agreements)		7,267	954

The Group does not use financial derivatives for hedging purposes.

8.4 Breakdown of financial investments

	Book value		Fair value			
	Year under review	Previous year	Year under review	Previous year		
<i>(amount expressed in CHF 1,000)</i>						
Debt securities, intended to be held to maturity	80,317	109,758	77,691	104,019		
Equity securities	18,954	21,360	19,230	21,380		
Total	99,271	131,118	96,921	125,399		
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	<i>15,717</i>	<i>17,740</i>				
	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated
Breakdown of counterparties by rating (S&P)						
Debt securities (book values)	38,166	28,488	12,710			953

8.5 Presentation of non-consolidated participations

(amount expressed in CHF 1,000)	Acquisition cost	Accumulated value adjustments	Book value previous year end	Year under review				Book value as at end of current year
				Additions	Disposals	Value adjustments	Depreciation reversals	
Non-consolidated participations								
Other participations (unlisted)	131		131					131
Total non-consolidated participations	131		131					131

8.6 Disclosure of companies in which the Bank holds a permanent direct or indirect significant participation

Company name and domicile	Business activity	Company capital	Share of capital	Share of votes
			in %	in %
Fully consolidated companies (held directly)				
Imocentro SA, Lugano	Real Estate	CHF 700,000	100.0	100.0
Accademia SGR SpA, Milano	Asset Management	CHF 938,500	100.0	100.0
Sempione SIM SpA, Milano	Asset Management	EUR 2,500,000	100.0	100.0
Banca del Sempione (Overseas) Ltd., Nassau	Bank and Trust	CHF 5,000,000	100.0	100.0
Banca del Sempione (Middle East) Ltd., Dubai	Advisory services	USD 1,000,000	100.0	100.0

Banca del Sempione (Middle East) was established at the end of the year under review.

8.7 Presentation of tangible fixed assets

(amount expressed in CHF 1,000)	Acquisition cost	Accumulated depreciation	Book value Previous year end	Reclas-sifications	Year under review				Book value as at end of current year
					Additions	Disposals	Depreciation	Reversals	
Group buildings	51,693	28,141	23,552		272		-798		23,026
Proprietary or separately acquired software	29,033	26,148	2,885		1,516		-1,287		3,114
Other tangible fixed assets	10,305	9,647	658		164		-200		622
Total tangible fixed assets	91,031	63,936	27,095		1,952		-2,285		26,762

Operating leases	260
<i>of which, maturing within one year</i>	50
<i>of which, maturing exceeding one year</i>	210

8.8 Breakdown of other assets and other liabilities

(amount expressed in CHF 1,000)	Other assets		Other liabilities	
	Year under review	Previous year	Year under review	Previous year
Indirect taxes	364	349	832	640
Withholding taxes	1,297	1,148		
Other assets and liabilities	1,985	2,358	912	744
Total	3,646	3,855	1,744	1,384

8.9 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership

(amount expressed in CHF 1,000)	Book values	Effective commitments
Pledged/assigned assets		
Deposits within SNB and deposit insurance within Esisuisse	1,662	3,323
Financial investments	13,881	1,688
Total	15,543	5,011

8.10 Disclosure of liabilities relating to own pension schemes, and number and nature of equity instruments of the Bank held by own pension schemes

(amount expressed in CHF 1,000)	Year under review	Previous year
Amounts due in respect of customer deposits	55	18,086
Total	55	18,086

8.11 Disclosures on the economic situation of own pension schemes

(amount expressed in CHF 1,000)	Overfunding at end of current year	Economic interest of the group		Change in economic interest versus previous year	Contributions paid for the current period	Pension expenses in personnel expenses	
		Year under review	Previous year			Year under review	Previous year
Pension plans with overfunding	4.7%				1,590	1,590	1,355

In January 2023, Banca del Sempione joined the legally independent semi-autonomous Zurich Life Collective Foundation. All active employees and pensioners insured with the previous foundations were therefore transferred to the new pension institution. As the Simplon Bank's pension fund no longer had any insured persons, it was put into liquidation. The free funds were distributed in full to the insured persons according to the distribution criteria approved by the competent supervisory authority for foundations. The current pension plan, which is the same for all employees, is based on a defined contribution plan and covers both compulsory LPP (Legge sulla Previdenza Professionale - Professional Welfare Law) benefits and supplementary benefits. As at 31 December 2023, the Vita Foundation had a funding ratio of 104.7% (unaudited data). For the Bank, there is neither an economic advantage nor an obligation to cover.

There are also no employer contribution reserves in the Foundation.

Employees of foreign affiliates enjoy social security cover with independent institutions in accordance with local regulations.

In these cases, too, any commitment on the part of the employer ends with the payment of contributions.

8.12 Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year

(amount expressed in CHF 1,000)	Previous year end	Use in conformity with designated purpose	Reclas-sifications	Currency differences	Past due, interest recoveries	New creations charged to income	Income statement	Balance at current year end
Provisions for deferred taxes	1,840							1,840
Other provisions	664	-12		-42		90		700
Total provisions	2,504	-12		-42		90		2,540
Reserves for general banking risks	8,510							8,510
Value adjustments for default and country risks	1,123				3	20	-27	1,119
<i>of which, value adjustments for default risks in respect of impaired loans/receivables</i>	<i>1,061</i>				<i>3</i>	<i>20</i>	<i>-23</i>	<i>1,061</i>
<i>of which, value adjustments for latent risks</i>	<i>62</i>						<i>-4</i>	<i>58</i>

The other provisions essentially include provisions for legal risks (necessary) by the Italian branches for towards employees for the severance or termination indemnity (TFR).

The taxed portion of the Reserves for general banking risks corresponds to CHF 1.2 million.

8.13 Number and value of equity securities or options on equity securities attributed to all executives, directors and employees, and disclosures on any employee participation plans

No equity securities or option on equity security have been attributed to executives, directors and employees, nor any employee participation plan.

8.14 Disclosure of amounts due from/to related parties

(amount expressed in CHF 1,000)	Amounts due from		Amounts due to	
	Year under review	Previous year	Year under review	Previous year
Holders of qualified participations	6,280	5,868	19,948	26,149
Linked companies	11,375	15,129	1,791	2,049
Transactions with members of governing bodies	2,681	2,443	1,975	2,711

During the financial period in question no note-worthy transactions occurred in which affiliated entities were counterparts. No significant off-balance sheet transactions have been recorded. The conditions applied in the banking services correspond to those granted to top-ranking clientele. Members of the General Management of the Bank are granted the same benefits as those applied to all personnel.

8.15 Presentation of the maturity structure of financial instruments

(amount expressed in CHF 1,000)	At sight	Cancellable	Due				No maturity	Total
			within 3 months	within 3 to 12 months	within 12 months to 5 years	after 5 years		
Assets/financial instruments								
Liquid assets	53,768	1,662						55,430
Amounts due from banks	48,672	6,126	12,675	2,104				69,577
Amounts due from customers		253,454	3,363	1,074	912			258,803
Mortgage loans	502	44,434	11,607	24,405	80,593	26,439		187,980
Trading portfolio assets	3,548							3,548
Positive replacement values of derivative financial instruments	8,221							8,221
Financial investments	19,044		4,753	16,117	49,319	10,038		99,271
Total	133,755	305,676	32,398	43,700	130,824	36,477		682,830
<i>Previous year</i>	<i>231,332</i>	<i>302,625</i>	<i>53,768</i>	<i>28,302</i>	<i>166,443</i>	<i>46,669</i>		<i>829,139</i>
Debt capital/financial instruments								
Amounts due to banks	8,322							8,322
Amounts due in respect of customer deposits	436,800	39,323	56,956	23,524				556,603
Negative replacement values of derivative financial instruments	8,169							8,169
Total	453,291	39,323	56,956	23,524				573,094
<i>Previous year</i>	<i>692,148</i>	<i>34,882</i>	<i>518</i>					<i>727,548</i>

8.16 Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle

(amount expressed in CHF 1,000)	Year under review		Previous year	
	Domestic	Foreign	Domestic	Foreign
Assets				
Liquid assets	55,430		148,113	
Amounts due from banks	32,507	37,070	58,568	32,866
Amounts due from customers	65,885	192,918	73,092	204,988
Mortgage loans	169,668	18,312	151,166	21,070
Trading portfolio assets	115	3,433	143	4,757
Positive replacement values of derivative financial instruments	8,202	19	3,212	46
Financial investments	12,747	86,524	18,912	112,206
Accrued income and prepaid expenses	6,597	904	2,214	666
Non-consolidated participations	131		131	
Intangible assets	26,545	217	26,858	237
Other assets	1,870	1,776	1,534	2,321
Total assets	379,697	341,173	483,943	379,157
Liabilities				
Amounts due to banks	2,683	5,639	1,424	1,371
Amounts due in respect of customer deposits	281,141	275,462	348,145	373,650
Negative replacement values of derivative financial instruments	8,168	1	2,955	3
Accrued expenses and deferred income	4,793	641	1,939	337
Other liabilities	1,008	736	791	593
Provisions	1,840	700	1,840	664
Reserves for general banking risks	8,510		8,510	
Bank's capital	20,000		20,000	
Retained earnings reserve	87,662	10,956	88,685	10,365
Consolidated profit	8,073	2,857	1,076	752
Total liabilities	423,878	296,992	475,365	387,735

As for the breakdown between Switzerland and abroad, the principle of customer domicile applies, with the exception of mortgage loans, in respect of which the place where the property is located shall prevail.

8.17 Breakdown of total assets by country or group of countries (domicile principle)

	Year under review		Previous year	
	Absolute CHF 1,000	Share as %	Absolute CHF 1,000	Share as %
Switzerland	379,697	52.7	483,943	56.1
Europe others	287,699	39.9	316,364	36.7
<i>of which, Italy</i>	158,668	22.0	188,553	21.8
North America	22,371	3.1	31,038	3.6
South America	20,725	2.9	19,044	2.2
Africa	943	0.1	1,217	0.1
Asia	7,993	1.1	9,889	1.1
Australia/Oceania	1,442	0.2	1,605	0.2
Total assets	720,870	100	863,100	100

8.18 Breakdown of total assets by credit rating of country groups (risk domicile view)

(Rating S&P)	Exposure to foreign countries			
	Current year end		Previous year end	
	CHF 1,000	%	CHF 1,000	%
AAA/AA-	245,428	69.3	283,362	69.7
A+/A-	6,633	1.9	6,713	1.7
BBB+/BBB-	92,141	26.0	113,204	27.9
BB+/BB-	4,106	1.2	1,344	0.3
B+/B-	5,467	1.5	1,231	0.3
CCC/C	609	0.2	471	0.1
Total assets	354,384	100	406,325	100

8.19 Presentation of assets and liabilities broken down by the most significant currencies for the Bank

(amount expressed in CHF 1,000)	Currencies				Total
	CHF	USD	EUR	Other	
Assets					
Liquid assets	53,626	114	1,628	62	55,430
Amounts due from banks	3,138	21,578	22,563	22,298	69,577
Amounts due from customers	59,435	13,676	185,005	687	258,803
Mortgage loans	171,241		16,739		187,980
Trading portfolio assets	1	65	3,367	115	3,548
Positive replacement values of derivative financial instruments	4,675	2,995	306	245	8,221
Financial investments	48,758	10,484	39,631	398	99,271
Accrued income and prepaid expenses	4,714	395	2,262	130	7,501
Non-consolidated participations	131				131
Tangible fixed assets	26,692		70		26,762
Other assets	1,740	331	1,551	24	3,646
Total assets shown in the balance sheet	374,151	49,638	273,122	23,959	720,870
Delivery entitlements from spot exchange, forward forex and forex options transactions	203,560	277,603	402,493	69,611	953,267
Total assets	577,711	327,241	675,615	93,570	1,674,137
Liabilities					
Amounts due to banks	1,335	1,887	4,691	409	8,322
Amounts due in respect of customer deposits	250,232	84,059	198,323	23,989	556,603
Negative replacement values of derivative financial instruments	686	1,380	6,046	57	8,169
Accrued expenses and deferred income	4,654	308	388	84	5,434
Other liabilities	939	43	761	1	1,744
Provisions	1,840		700		2,540
Reserves for general banking risks	8,510				8,510
Bank's capital	20,000				20,000
Retained earnings reserve	98,618				98,618
Consolidated profit	11,028		-98		10,930
Total liabilities shown in the balance sheet	397,842	87,677	210,811	24,540	720,870
Delivery obligations from spot exchange, forward forex and forex options transactions	190,071	238,897	456,252	68,047	953,267
Total liabilities	587,913	326,574	667,063	92,587	1,674,137
Net position per currency	-10,202	667	8,552	983	

9. Information on off-balance sheet transactions

9.1 Breakdown of contingent liabilities and contingent assets

(amount expressed in CHF 1,000)	Year under review	Previous year
Guarantees to secure credits and similar	5,075	6,746
Total contingent liabilities	5,075	6,746

9.2 Breakdown of fiduciary transactions

(amount expressed in CHF 1,000)	Year under review	Previous year
Fiduciary investments with third-party companies	82,425	39,883
Total fiduciary transactions	82,425	39,883

9.3 Breakdown of assets under management and presentation of their development

(amount expressed in CHF 1,000)	Year under review	Previous year
Breakdown of assets under management		
Assets in collective investment schemes managed by the Bank	517,173	509,448
Assets under discretionary asset management agreements	1,081,247	1,075,140
Other managed assets	2,336,423	2,257,113
Total assets under management (including double counting)	3,934,843	3,841,701
<i>of which, double counting</i>	<i>419,014</i>	<i>427,769</i>

Other managed assets include all assets for which the Group receives fees and/or additional fees to custodial rights and account fees. The Group has no assets that can be considered as "custody only".

(amount expressed in CHF 1,000)	Year under review	Previous year
Presentation of the development of assets under management		
Total assets under management (including double counting) at the beginning of the period	3,841,701	4,441,603
Net new money inflow or net new money outflow	80,215	59,469
Price gains/losses, interest, distributed profits and currency gains/losses	31,407	-659,371
Others	-18,480	
Total assets under management (including double counting) at the end of the period	3,934,843	3,841,701

Net new money inflow/outflow includes all incoming and outgoing transfers of liquidity and other investment values, on the basis of the value of the transfer day. On the other hand, interest and dividend income, price and currency gains/losses as well as interest, expenses and commission charges are excluded.

The amount relating to Others relates to the transfer of the pension fund assets of Banca del Sempione (notes 8.10 and 8.11).

10. Information on the income statement

10.1 Disclosure of material refinancing income in the item "Interest and discount income" as well as material negative interests

The Group recorded no negative interest expenses in the year under review.

During the previous year, the Bank has paid an amount of CHF 271,000 due to negative interests expenses. The Bank has debited negative interests amounting to CHF 178,000.

10.2 Breakdown of personnel expenses

(amount expressed in CHF 1,000)	Year under review	Previous year
Salaries (meeting attendance fees and fixed compensation to members of the group's governing bodies, salaries and benefits)	19,315	17,396
Social insurance benefits	3,758	3,259
Other personnel expenses	264	188
Total personnel expenses	23,337	20,843

10.3 Breakdown of general and administrative expenses

(amount expressed in CHF 1,000)	Year under review	Previous year
Office space expenses	1,686	1,571
Expenses for information and communications technology	3,512	3,879
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	315	282
Fees of audit firms (Art. 961a no. 2 CO)	497	462
<i>of which, for financial and regulatory audits</i>	480	444
<i>of which, for other services</i>	17	18
Other operating expenses	2,923	2,602
Total of general and administrative expenses	8,933	8,796

10.4 Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment

(Amount expressed in CHF 1,000)	Year under review		Previous year	
	Domestic	Foreign	Domestic	Foreign
Result from interest operations				
Interest and discount income	12,753	2,002	4,268	641
Interest and dividend income from trading portfolios	2		2	
Interest and dividend income from financial investments	1,097	223	994	79
Interest expense	-483	-719	133	-2
Gross result from interest operations	13,369	1,506	5,397	718
Changes in value adjustments for default risks and losses from interest operations	7		6	
Subtotal net result from interest operations	13,376	1,506	5,403	718
Result from commission business and services				
Commission income from securities trading and investment activities	22,668	7,307	18,397	6,857
Commission income from lending activities	125	17	107	15
Commission income from other services	1,618	253	1,835	218
Commission expense	-1,498	-759	-1,366	-713
Subtotal result from commission business and services	22,913	6,818	18,973	6,377
Result from trading activities and fair value	1,796	244	2,482	994
Other result from ordinary activities				
Result from disposal of financial investments	17	4	-45	11
Income from participations	4		3	
Result from real estate	665		663	
Other ordinary income	542	144		73
Other ordinary expenses			-1,191	-173
Subtotal other result from ordinary activities	1,228	148	-570	-89
Operating expenses				
Personnel expenses	-19,515	-3,822	-17,004	-3,839
General and administrative expenses	-6,456	-2,477	-6,226	-2,570
Subtotal operating expenses	-25,971	-6,299	-23,230	-6,409
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-2,159	-126	-2,030	-157
Changes to provisions and other value adjustments, and losses	-39		15	
Operating result	11,144	2,291	1,043	1,434

10.5 Presentation of current taxes, deferred taxes, and disclosure of tax rate

(amount expressed in CHF 1,000)	Year under review	Previous year
Expense for current taxes	2,505	649
Total taxes	2,505	649
Average tax rate weighted on the basis of the operating result	18.6%	26.2%

Green walls

They were born in China in the 1970s: long belts of trees and shrubs to stop land erosion, protect agricultural areas, and regenerate the soil. From China to India and African countries, these green barriers help counter desertification and improve air quality.



Report of the statutory auditor

to the General Meeting of Banca del Sempione SA, Lugano

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Banca del Sempione SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, consolidated income statement, consolidated cash flow statement, statement of changes in equity for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 22-25 and 27-44) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting rules for banks and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with accounting rules for banks and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

PricewaterhouseCoopers SA, Piazza Indipendenza 1, casella postale, CH-6901 Lugano, Switzerland
Telefono: +41 58 792 65 00, www.pwc.ch

PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate to the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with art. 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA



Omar Grossi
Licensed audit expert
Auditor in charge



Mattia Marelli

Lugano, 9 April 2024



The soil is a non-renewable resource but undergoes constant degradation, even in Switzerland. That's why targeted and long-term interventions are needed.

An aerial photograph of a vineyard. The rows of grapevines are arranged in a grid pattern on a hillside. A river flows through the lower left corner. Several houses are scattered throughout the landscape, including one near the river and others on the hillside. The lighting is bright, suggesting a sunny day.

RE GEN ER ATE

to cultivate

Stop soil consumption in Switzerland by 2050

From 1864 to 2012, the average annual temperature in Switzerland increased by about 2 degrees Celsius.

While nearly 18 square kilometers of land are cemented every year.

Previous page:
Vineyards, Thun, Switzerland

Below:
View of a city at sunset with cranes from many construction projects.

Right page:
Valley on Lake Lunggerersee, Obwalden Canton, Switzerland.

Rising temperatures and urbanization are the main causes of impairment of natural surfaces in Switzerland. Heat promotes biological activity, which accelerates the decomposition of organic matter, reducing soil fertility and its ability to retain carbon. Along with increasingly frequent very hot days, there is erosion caused by extreme weather events such as excessive rainfall or long periods of drought.

To address these problems, the Federal Offices for the Environment (FOEN), Spatial Development (ARE), and Agriculture (FOAG) have developed a national strategy for sustainable soil management and fertility protection. Among the objectives is to zero net soil consumption by 2050: construction can continue, but land functions sacrificed to construction must be compensated elsewhere.

There is also a focus on "Surfaces for Crop Rotation" (SAC): land suitable for food production that can be regenerated. In 1992, the Federal Council included 438,560 hectares of land among the "SAC", which each Canton must safeguard for the assigned quota.

Switzerland also participates in the "European Joint Programme Soil" project, which promotes environmentally friendly and climate-friendly management of agricultural areas, encouraging the use of sustainable production methods, biodiversity protection, prevention of land degradation, and recovery.

Finally, in March 2023, the Federal Council adopted a report assessing the long-term underground carbon storage capacity. The report shows that in Switzerland, many mineral agricultural lands do not reach the optimal level of organic carbon, so there is concrete potential for accumulation. Proposed measures include optimizing agricultural practices to maintain or increase humus content in mineral soils and evaluating future land management.



It's no better on the human intervention side, with continued growth in buildings and road or rail pavements: a particularly sensitive issue in Switzerland, where protected areas cover just over 12% of the territory, compared to 21.5% in Italy, 29% in Austria, and over 37% in Germany.





Other activities of the Group

- 54 Accademia SGR (Società di gestione del risparmio) SpA
- 56 Base Investments SICAV
- 60 Sempione SIM (Società di intermediazione mobiliare) SpA
- 63 Banca del Sempione (Overseas) Ltd.



Accademia SGR SpA is an asset management company, based in Milan, specializing in the management of Real Estate Funds with a plurality of participants. The company is authorized to promote and manage Alternative Investment Funds ("AIFs"), including real estate funds, according to the European Community Directive No. 2011/61/EU ("AIFMD").

Investment in real estate funds enables portfolio diversification with attractive returns compared to the traditional securities market. The service provided to Clients is personalized. The main advantages associated with the management of assets real estate through real estate funds are in particular: securitization of assets, deconsolidation of debt, professional management of real estate, and the separation of core business and real estate management.



**ACCADEMIA
SGR**

**Accademia SGR (Società
di gestione del risparmio) SpA**

Piazza Generale Armando Diaz 6

20123 Milan, Italy

Tel. +39 02 36 567 003

Fax +39 02 36 567 183

www.accademiasgr.it

Auditor PricewaterhouseCoopers, Milan

In the Grand-Duchy of Luxembourg, Banca del Sempione SA is the sponsor of Base Investments SICAV (the "SICAV"), an open-end investment company with multiple sub-funds established on 29 May 2001 and registered in the official list of Undertakings for Collective Investment pursuant to the Law of 17 December 2010, Section I.

The sub-funds are characterised by different investment objectives in order to offer a range of possibilities to investors and simultaneously respect their risk propensities. With regard to the individual sub-funds, investment policies were defined and summarised in the prospectus approved by the Supervisory Authorities.

More generally speaking, the main commitment of the investment managers is to preserve the capital invested during the more volatile market phases and implement the most effective strategies to increase the value of the assets during the most favourable phases. This is ensured through diversification of the portfolios and special attention to the control of operational risks.

The ideal minimum investment period is 24/36 months, based on the characteristics of the individual sub-funds.

Effective 1 October 2016, the SICAV appointed Edmond de Rothschild Asset Management (Luxembourg) as management company, assigning to it the risk control activities, the calculation of the net asset value as well as the role of transfer agent. Banca del Sempione SA continues in its functions as sponsor and manager for all the sub-funds, also taking on the responsibility of global distributor.

The most modern management techniques are applied to the activities benefitting the client, with the objective of ensuring the desired return. The constant search for the best technological infrastructures and in-depth analyses that lead to definition of the investment strategies also contribute to mitigating risks.

Starting from the principle that the SICAV's various sub-funds are invested in transferable securities, where cash is used on an ancillary basis, the company has carefully picked the markets it wants to operate in, focusing mainly on three asset classes (equity, bond, and cash). In addition to the aforementioned asset classes, the SICAV pursues a diversified approach through the adoption of quantitative strategies, such as the search for macro-economic advantages linked to the trend in variables, such as rates, inflation and economic growth, to generate investment opportunities, using all of the investment tools allowed by law or through investment in other funds with a low correlation to the market and a good risk-return ratio.

A list of the sub-funds is provided below, with a brief explanation of their respective investment policies:

Currency and Bond Sub-Funds

Base Investments SICAV – Low Duration

The objective of this Sub-Fund is to outperform the Bloomberg Barclays Global Aggregate 1-3 Years Total Return Index, mainly investing in fixed- or floating-rate securities, such that the portfolio duration does not exceed 3 years.

Base Investments SICAV – Bonds Value

The investment objective of this Sub-Fund is to generate real positive returns for the Shareholders, with a time horizon of three years, by mainly invest in fixed-income securities. The Sub-Fund will not invest more than 20% of its total net assets in non-investment grade bonds.

Base Investments SICAV – Global Fixed Income

The investment objective of this Sub-Fund is to generate real positive returns for the Shareholders, with a time horizon of three years, to mainly invest in fixed-income securities. The Sub-Fund seeks to create the potential for capital appreciation by primarily investing in a portfolio of global fixed income securities, including, but not limited to, corporate bonds and government bonds of varying maturities.

Equity Sub-Fund

Base Investments SICAV – Emerging and Frontier Markets Equity (in liquidation)

The Sub-Fund's investment objective is long-term capital appreciation by investing at least 51% of its net assets in equity securities of emerging and frontier equity markets companies or those companies which derive a major portion of their revenues or profits from emerging and frontier economies through a value investing stock selection across the entire market capitalisation spectrum.

Flexible and Balanced Sub-Funds

Base Investments SICAV – Macro Dynamic

The Sub-Fund's objective is to achieve absolute return by means of a dynamic portfolio with a view to obtaining medium to long-term (3 to 5 years) capital appreciation by combining different assets without any geographical or currency constraints. For that purpose, the Sub-Fund implements flexible asset allocation based on the economic scenario, in the investors, interest.

Base Investments SICAV – Flexible Low Risk Exposure

The investment objective of this Sub-Fund is to generate real positive returns for the Shareholders through a flexible and dynamic asset allocation process that maintains particular focus on capital preservation and enhancement. An all asset investible universe increases flexibility and permits a reduction in aggregate portfolio volatility by applying balanced risk allocation techniques. The Sub-Fund will not invest more than 15% of its total net assets in non-investment grade bonds, having an average rating of B. The net maximum equity exposure in absolute value will not exceed 15% of the Sub-Fund's total net assets.

Fund of Funds

Base Investments SICAV – Multi Asset Capital Appreciation Fund of Funds

It is a fund of funds whose objective is to outperform an index consisting of Bloomberg Barclays Global Aggregate (34%) and MSCI World TR Net Index (33%) and Euro short term rate ESTR (33%), over a 5-year full investment cycle, by integrating quantitative and systematic strategies in the asset allocation with a view to building a robust portfolio and an ordered investment process through a multi-asset investment management strategy.



**BASE
INVESTMENTS
SICAV**

Base Investments SICAV

4, Rue Robert Stumper
L – 2557 Luxembourg

info@basesicav.lu
www.basesicav.lu

Auditor PricewaterhouseCoopers, Luxembourg



The Magadino balance

It was a wetland. Then recovery, cultivation, houses, roads, and the airport. Finally, the search for a balance between economic development and environmental protection.

The Magadino Plan, which stretches from the northern tip of Lake Maggiore to Bellinzona, represents a successful case of sustainable land planning and biodiversity conservation.





Valley of silicon

Technological innovation is supported by the extraction of silicon, but also copper, lithium, and dozens of other chemical elements scattered underground. The future of the planet depends on our ability to find a sustainable balance between the voracity of technology companies and the limited availability of natural resources.

SEMPIONE SIM (Società di intermediazione mobiliare) SpA

The company is engaged in wealth management, investment advisory, and securities brokerage, representing a highly valuable partner for clients seeking proven expertise in asset management, founded on the principles of reliability and common sense inherent in all Banca del Sempione Group companies.

Sempione SIM also positions itself as a significant independent consultant and, through the Mifid Compliant advisory platform "Feeonly4you," is capable of assisting clients who wish to diversify their savings across one or more banks, guiding them in investment choices with professionalism and independence.

In response to explicit client requests, Sempione SIM offers the opportunity to hold assets in a named account at Banca del Sempione, thereby satisfying the needs of those who wish to geographically diversify their deposits.

Furthermore, Sempione SIM is one of the main counterparties for distributing products of the Luxembourg-based SICAV, Base Investments, in Italy and is involved in placing bond loans issued by SMEs with institutional investors.

Thanks to an experienced and consolidated team, the company can provide consultancy services to institutional investors.

In pursuing customization, Sempione SIM SpA constantly interacts with the client to ensure that management and strategic choices are always aligned with their expectations.

With its industry professionals, the company offers managed services and products distinguished by continuous market opportunity research and a pronounced investment diversification.

Management, advisory, and order-taking activities are supported by sources with recognized national and international expertise, as well as an internal analysis unit that independently evaluates management choices, promoting dynamic, innovative, and transparent operations.

Lastly, through agreements with leading banking institutions, Sempione SIM guarantees the clear separation between client assets, deposited in dedicated operational accounts, and the SIM's management activities based on received mandates.



SEMPIONE SIM

Gruppo Banca del Sempione

Sempione SIM (Società di intermediazione mobiliare) SpA

Sede sociale e Direzione Generale

Via M. Gonzaga 2

I – 20123 Milano

Tel. +39 02 30 30 35 1

Fax +39 02 30 30 35 22/24

info@sempionesim.it

www.sempionesim.it

Lecco Branch

Piazza Stazione 3

I – 23900 Lecco

Tel. +39 0341 36 97 06

Fax +39 0341 37 06 30

Auditor

PricewaterhouseCoopers, Milano

Mirandola Branch

Via Cesare Battisti 1

I – 41037 Mirandola (MO)

Tel. +39 0535 73 04 69

Fax +39 0230 30 35 22/24

Previous page:

*View of
the Piano
di Magadino,
Ticino Canton,
Switzerland.*

To the left:

*Aerial view
of an open-pit
iron mine, USA.*



Moved dunes

They called it the "sand engine": it is a coastal engineering project aimed at protecting the Dutch coast from sea erosion. Sand is deposited in front of at-risk beaches, and wave action redistributes it along the coast, counteracting erosive processes.

In an increasingly globalised context, in terms of both markets and products, Banca del Sempione has expressed its vocation for exploration by establishing, as long ago as 2000, its subsidiary Banca del Sempione (Overseas) Ltd. in Nassau, in the archipelago of the Bahamas.

In fact, the capital of the Bahamas is a prestigious financial centre, thanks to tradition, the capacity to innovate and a solid technical infrastructure. Attention for regulatory aspects and the resulting need to update and adapt, caused by the wider objectives proposed by the International community led by the Global Forum, have characterised the last years of business. Commitment to an increasingly pronounced attention towards transparency and cooperation with other Countries was solidified by signature of the multilateral agreement on the exchange of fiscal information and involvement in further projects and measures aimed at countering unequal taxation (e.g. Base Erosion and Profit Shifting) and strengthening the fight against money laundering. A 360-degree effort which has opened the Country up to a more integrated and cooperative context and which, through intense negotiations and international discussion, is aiming for the signature of new treaties, agreements, joint ventures and alliances, too.

A constant commitment of the entire financial sector and in particular of Banca del Sempione (Overseas) Ltd. which, in this renewed context, aims at acting as an important player, continuing to offer top quality and highly sophisticated services both to private and increasingly greater numbers of institutional clients. The main business is focused on asset management through products dedicated to the needs of the clients. Also, securities, derivatives and currency trading operations are not to be excluded.



BANCA DEL SEMPIONE
(Overseas)

Banca del Sempione (Overseas) Ltd.

Old Fort Bay Town Centre (Building 2, 2nd Floor)
Windsor Field Road
Nassau, The Bahamas
Tel. +1 242 322 80 15
Fax +1 242 356 20 30

bsoverseas@sempione-overseas.com

Swift code: BASEBSNS

Auditor PricewaterhouseCoopers, Nassau

Regenerative
agriculture aims
to surpass the yields
of traditional
methods, reducing
the use of pesticides
and retaining
carbon in the soil.

A close-up photograph of hands holding golden wheat stalks against a green background. The hands are positioned in the center, with fingers gently grasping the wheat. The wheat stalks are in sharp focus, showing their intricate structure and golden color. The background is a soft, out-of-focus green, suggesting a field of wheat. The overall mood is one of care and attention to detail.

CA

RE

for precious resources

Regenerate agriculture to regenerate the climate

Responsible soil management preserves the supply of food, fiber, wood, and other natural resources, but also protects biodiversity and mitigates climate change.

Most of the fruits and vegetables that reach our tables are obtained through intensive cultivation methods, which bring with them a series of environmental problems: from loss of biodiversity to ecosystem degeneration and desertification processes. Intensive agriculture produces almost a third of anthropogenic climate-changing emissions, which is why attention is growing towards sustainable soil management, which allows better exploitation of its potential in a climate context, through regenerative agriculture, adaptation of agroecosystems, and carbon storage.

The transformation of natural ecosystems into agroecosystems serving food production has always had an impact on soil structure. In the past, the small number of inhabitants of the planet compensated for these imbalances, but in the modern era, the significant population growth and evolution towards an intensive approach, with extensive use of fertilizers and pesticides, have caused widespread impoverishment of cultivable areas.

Regenerative agriculture is precisely aimed at recovering and revitalizing degraded land, also in function of counteracting global warming. This approach aims to conserve and improve biodiversity, without compromising the quality and quantity of agricultural yield, through crop variation and the creation of ecosystems where plants and animals can work in symbiosis. The ultimate goal is to achieve, within a few years, yields higher than those of traditional methods, while eliminating the use of pesticides and chemical

fertilizers, thus also offering a considerable economic incentive to farmers.

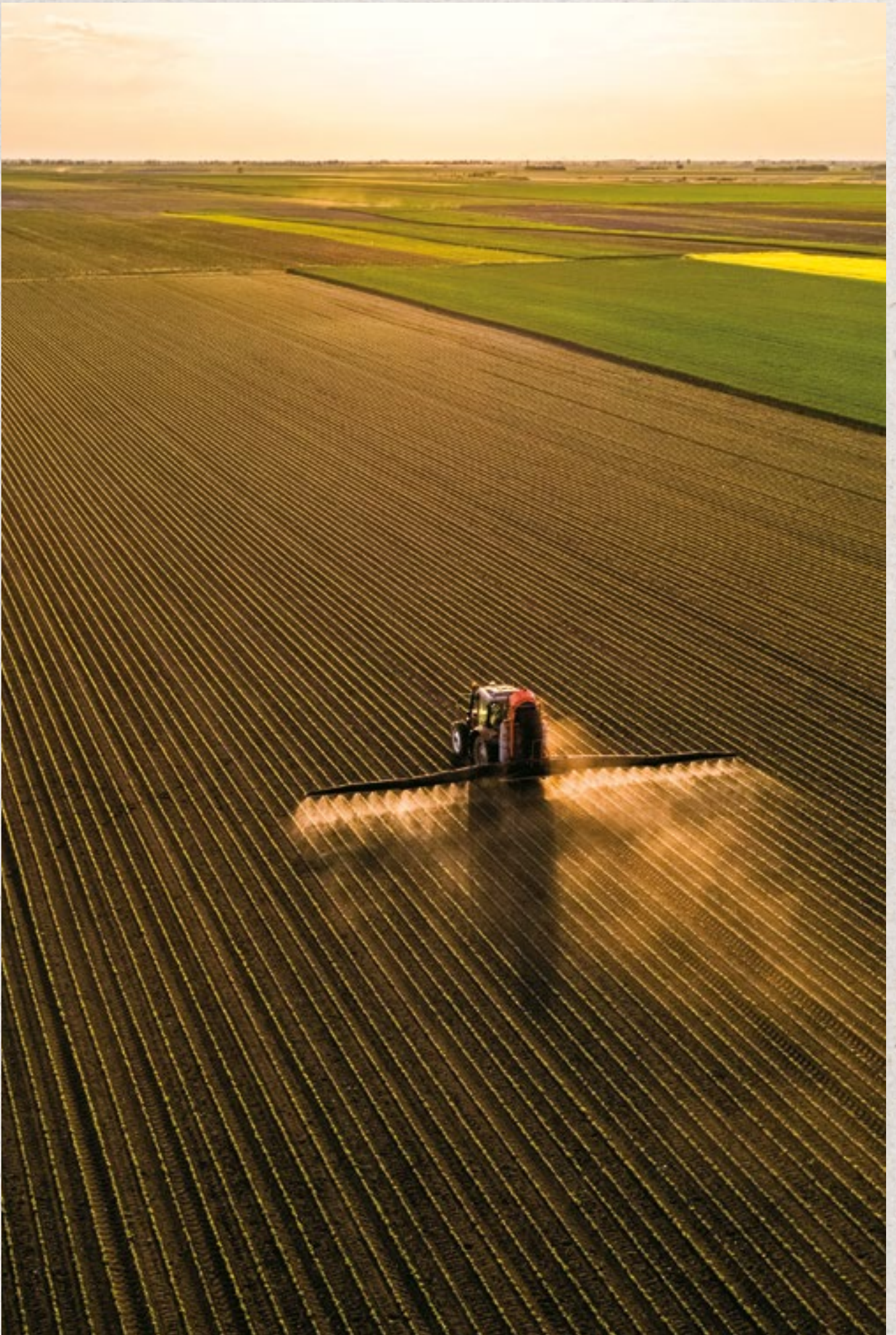
Sustainable agricultural practices include reducing or abandoning plowing, the use of cover crops, crop rotation, rational grazing, and the reduction of artificial fertilizers, insecticides, and herbicides. These methodologies also allow carbon to be retained in the subsoil, improving biodiversity and soil quality. The earth's mantle is an important natural carbon repository, and responsible management can significantly contribute to the fight against climate change. Soil degradation has



produced large amounts of CO₂ emissions into the atmosphere, hindering efforts to contain the increase in global temperatures. If we manage to reverse course, we can instead achieve a double result: contribute to mitigating the impacts of climate change and improve food security worldwide.

Previous page:
Wheat spikes

Right page:
*Aerial view of soybean fields
at sunset, Serbia.*





Annual financial statements of parent company

70	Balance sheet
71	Income statement
72	Appropriation of profit
72	Statement of changes in equity
75	Notes to the annual financial statements
84	Report of the statutory auditor on the financial statements

BALANCE SHEET AT 31.12.2023

(amount expressed in CHF 1,000)	Notes	Year under review	Previous year
Assets			
Liquid assets		55,430	148,113
Amounts due from banks		43,870	50,224
Amounts due from customers	4.1	246,336	269,277
Mortgage loans	4.1	196,730	181,486
Trading portfolio assets	4.2	3,548	4,900
Positive replacement values of derivative financial instruments	4.3	8,205	3,234
Financial investments	4.4	86,744	114,700
Accrued income and prepaid expenses		6,505	2,140
Participations		14,335	13,684
Tangible fixed assets		11,108	11,134
Other assets	4.5	1,869	1,523
Total assets		674,680	800,415
Total subordinated claims		2,153	3,463
Liabilities			
Amounts due to banks		58,506	28,413
Amounts due in respect of customer deposits		480,417	651,614
Negative replacement values of derivative financial instruments	4.3	8,164	2,955
Accrued expenses and deferred income		4,700	1,764
Other liabilities	4.5	1,868	791
Provisions	4.9	10,350	10,350
Bank's capital	4.10	20,000	20,000
Statutory retained earnings reserve		39,500	39,000
Voluntary retained earnings reserves		42,000	41,500
Profit carried forward		1,028	1,487
Result of the period		8,147	2,541
Total liabilities		674,680	800,415
Off-balance-sheet transactions			
Contingent liabilities	4.1	5,252	6,934
Irrevocable commitments	4.1	3,323	2,462

INCOME STATEMENT 2023

(amount expressed in CHF 1,000)	Notes	Year under review	Previous year
Result from interest operations			
Interest and discount income		13,105	4,414
Interest and dividend income from trading portfolios		2	2
Interest and dividend income from financial investments		1,097	994
Interest expense		-1,727	66
Gross result from interest operations		12,477	5,476
Changes in value adjustments for default risks and losses from interest operations		7	6
Subtotal net result from interest operations	6.1	12,484	5,482
Result from commission business and services			
Commission income from securities trading and investment activities		22,830	18,557
Commission income from lending activities		125	107
Commission income from other services		1,933	2,135
Commission expense		-1,498	-1,366
Subtotal result from commission business and services		23,390	19,433
Result from trading activities and fair value		1,796	2,476
Other result from ordinary activities			
Result from disposal of financial investments		17	-45
Income from participations		1,004	2,903
Result from real estate		93	93
Other ordinary income		542	
Other ordinary expenses			-1,175
Subtotal other result from ordinary activities		1,656	1,776
Net revenues		39,326	29,167
Operating expenses			
Personnel expenses	6.2	-19,515	-17,004
General and administrative expenses	6.3	-7,310	-7,060
Subtotal operating expenses		-26,825	-24,064
Gross Profit		12,501	5,103
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets		-2,195	-2,177
Changes to provisions and other value adjustments, and losses		-39	15
Operating result		10,267	2,941
Extraordinary income			
Taxes	6.4	-2,120	-400
Result of the period		8,147	2,541

APPROPRIATION OF PROFIT

(amount expressed in CHF 1,000)	Year under review	Previous year
Result of the period	8,147	2,541
Profit carried forward	1,028	1,487
Distributable profit	9,175	4,028
Appropriation of profit		
Allocation to statutory retained earnings reserve	750	500
Allocation to voluntary retained earnings reserves	750	500
Dividend	5,000	2,000
Profit to be carried forward	2,675	1,028

STATEMENT OF CHANGES IN EQUITY 2023

(amount expressed in CHF 1,000)	Bank's capital	Statutory retained earnings reserve	Voluntary retained earnings reserve	Profit carried forward	Result of the period	Total
Equity at beginning of current period	20,000	39,000	41,500	1,487	2,541	104,528
Dividend					-2,000	-2,000
Allocation to reserves		500	500		-1,000	
New amount carried forward				-459	459	
Result of the period					8,147	8,147
Equity at end of current period	20,000	39,500	42,000	1,028	8,147	110,675





1. The Bank profile

Banca del Sempione SA's business areas and risk management operations do not differ from those of the Group.

2. Accounting and valuation principles

The accounting and valuation principles adopted are in compliance with the provisions set out in the Code of Obligations and the Swiss banking law and its relevant Ordinances, as well as with the guidelines issued by FINMA through the Accounting Ordinance (AO - FINMA) and Circular 2020/1 "Accounting-Banks".

The statutory single-entity financial statements are drawn up according to the reliable assessment principle.

The Bank benefits from disclosure exemptions envisaged in the publication of consolidated financial statements. The accounting and valuation principles adopted coincide with those applied to the drawing up of the consolidated financial statements, the only exceptions being related to the creation of hidden reserves under the item "Provisions" and the following items.

Participations

This item includes equity securities of Bank-owned companies held with a view to making long-term investments, regardless of the voting share capital owned.

Participations are valued on a case-by-case basis at acquisition cost less any necessary value adjustments.

Participations are tested for impairment at each balance sheet date. Such tests are based on indications reflecting a possible impairment of individual assets. Where such indications are present, the recoverable amount is to be determined. An asset is impaired if its book value exceeds its recoverable amount. The recoverable amount is the higher of the net market value and the value in use. If an asset is impaired, supplementary amortisation and depreciation are to be recognised.

Ordinary and supplementary amortisation and depreciation are booked under the income statement item "Value adjustments on shareholdings and depreciation and amortisation of tangible fixed assets and intangible assets".

Any gains realised on sales of shareholdings are shown under the item "Extraordinary income" and any losses under the item "Extraordinary expenses".

Changes to accounting and valuation principles

The accounting and valuation principles applied to the drawing up of the financial statements as at 31 December 2021 are the same as those applied in the previous financial year.

3. Additional information

For any additional information or clarification required by legal provisions, please refer to the Notes to the consolidated financial statements (Chapters 3 to 7). The information to be disclosed pursuant to FINMA Circular 2016/1 relating to capital adequacy and other risk indicators is published on the Group's website (www.bancasempione.ch/Publications).

4. Information on the balance sheet

4.1 Presentation of collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables

(amount expressed in CHF 1,000)	Type of collateral			Total
	Secured by mortgage	Other collateral	Unsecured	
Loans (before netting with value adjustments)				
Amounts due from customers	4,143	218,170	24,972	247,285
Mortgage loans				
- Residential property	159,107		170	159,277
- Office and business premises	33,912			33,912
- Commercial and industrial premises	3,711			3,711
Total loans (before netting with value adjustments)				
Current year	200,873	218,170	25,142	444,185
Previous year	184,794	238,770	28,322	451,886
Total loans (after netting with value adjustments)				
Current year	200,873	218,170	24,023	443,066
Previous year	184,794	238,770	27,199	450,763
Off-balance-sheet				
Contingent liabilities		4,699	553	5,252
Irrevocable commitments			3,323	3,323
Total off-balance-sheet				
Current year		4,699	3,876	8,575
Previous year		6,591	2,805	9,396

Unsecured credits mainly concern loans granted for an amount exceeding the collateral value of securities given in guarantee but lower than the market value.

(amount expressed in CHF 1,000)	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Impaired loans / receivables				
Current year	1,061		1,061	1,061
Previous year	1,061		1,061	1,061

4.2 Breakdown of trading portfolio assets and other financial instruments with fair value valuation (assets and liabilities)

(amount expressed in CHF 1,000)	Year under review	Previous year
Trading portfolio assets		
Debt securities, money market securities / transactions (listed)	3,433	4,757
Precious metals and commodities	115	143
Total	3,548	4,900

4.3 Presentation of derivative financial instruments (assets and liabilities)

	Trading instruments		
	Positive replacement values	Negative replacement values	Contract volume
(amount expressed in CHF 1,000)			
Foreign exchange/precious metals			
Forward contracts	9,508	9,379	890,979
Options (OTC)	496	584	61,543
Total before netting agreements	10,004	9,963	952,522
<i>of which, calculated with the aid of a pricing model</i>	<i>10,004</i>	<i>9,963</i>	
Previous year	4,709	4,430	880,624
<i>of which, calculated with the aid of a pricing model</i>	<i>4,709</i>	<i>4,430</i>	
	Positive replacement values (cumulative)	Negative replacement values (cumulative)	
Total after netting agreements			
Current year	8,205	8,164	
Previous year	3,234	2,955	
	Central clearing houses	Banks and securities dealers	Other customers
Breakdown by counterparty			
Positive replacement values (after netting agreements)		7,270	935

The Bank does not use financial derivatives for hedging purposes.

4.4 Breakdown of financial investments

	Book value		Fair value	
	Year under review	Previous year	Year under review	Previous year
(amount expressed in CHF 1,000)				
Debt securities, intended to be held to maturity	71,230	97,554	68,694	92,050
Equity securities	15,514	17,146	15,790	17,165
Total	86,744	114,700	84,484	109,215
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	<i>15,717</i>	<i>17,740</i>		

	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Below B-	Unrated
Breakdown of counterparties by rating (S&P)						
Debt securities (book values)	32,434	25,851	12,082			863

4.5 Breakdown of other assets and other liabilities

	Other assets		Other liabilities	
	Year under review	Previous year	Year under review	Previous year
(amount expressed in CHF 1,000)				
Indirect taxes	340	336	832	640
Withholding taxes	1,297	1,148		
Share capital to be paid up			860	
Other assets and liabilities	232	39	176	151
Total	1,869	1,523	1,868	791

4.6 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership

(amount expressed in CHF 1,000)	Book values	Effective commitments
Pledged/assigned assets		
Deposits within SNB and deposit insurance within Esisuisse	1,662	3,323
Financial investments	13,881	1,688
Total	15,543	5,011

4.7 Disclosure of liabilities relating to own pension schemes, and number and nature of equity instruments of the bank held by own pension schemes

(amount expressed in CHF 1,000)	Year under review	Previous year
Amounts due in respect of customer deposits	55	18,086
Total	55	18,086

4.8 Disclosures on the economic situation of own pension schemes

(amount expressed in CHF 1,000)	Overfunding at end of current year	Economic interest of the bank		Change in economic interest versus previous year	Contributions paid for the current period	Pension expenses in personnel expenses	
		Year under review	Previous year			Year under review	Previous year
Pension plans with overfunding	4.7%				1,590	1,590	1,355

In January 2023, Banca del Sempione joined the legally independent semi-autonomous Zurich Life Collective Foundation. All active employees and pensioners insured with the previous foundations were therefore transferred to the new pension institution.

As the Sempione Bank's pension fund no longer had any insured persons, it was put into liquidation. The free funds were distributed in full to the insured persons according to the distribution criteria approved by the competent supervisory authority for foundations. The current pension plan, which is the same for all employees, is based on a defined contribution plan and covers both compulsory LPP (Legge sulla Previdenza Professionale - Professional Welfare Law) benefits and supplementary benefits. As at 31 December 2023, the Vita Foundation had a funding ratio of 104.7% (unaudited data).

For the Bank, there is neither an economic advantage nor an obligation to cover.

There are also no employer contribution reserves in the Foundation.

4.9 Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year

(amount expressed in CHF 1,000)	Previous year end	Use in conformity with designated purpose	Reclas-sifications	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income	Balance at current year end
Other provisions	10,350							10,350
Total provisions	10,350							10,350

Value adjustments for default and country risks	1,123				3	20	-27	1,119
<i>of which, value adjustments for default risks in respect of impaired loans/receivables</i>	<i>1,061</i>				<i>3</i>	<i>20</i>	<i>-23</i>	<i>1,061</i>
<i>of which, value adjustments for latent risks</i>	<i>62</i>						<i>-4</i>	<i>58</i>

In the other provisions hidden reserves and provisions for legal risks (necessary) are included.

4.10 Presentation of the Bank's capital

	Year under review			Previous year		
	Total par value CHF 1,000	No. of shares	Capital eligible for dividend CHF 1,000	Total par value CHF 1,000	No. of shares	Capital eligible for dividend CHF 1,000
Bank's capital						
Share capital	20,000	200,000	20,000	20,000	200,000	20,000
Total Bank's capital	20,000	200,000	20,000	20,000	200,000	20,000

The share capital is fully paid. There are no provisions that may affect the right to vote of the shareholders.

4.11 Number and value of equity securities or options on equity securities attributed to all executives, directors and employees, and disclosures on any employee participation plans

No equity securities or option on equity security have been attributed to executives, directors and employees, nor any employee participation plan.

4.12 Disclosure of amounts due from/to related parties

(amount expressed in CHF 1,000)	Amounts due from		Amounts due to	
	Year under review	Previous year	Year under review	Previous year
Holders of qualified participations	6,280	5,868	19,948	26,149
Group companies	8,783	9,727	50,900	26,491
Linked companies	11,375	15,129	1,791	2,049
Transactions with members of governing bodies	2,681	2,421	1,975	2,684

During the financial period in question no note-worthy transactions occurred in which affiliated entities were counterparts. No significant off-balance sheet transactions have been recorded. The conditions applied in the banking services correspond to those granted to top-ranking clientele. Members of the General Management of the bank granted the same benefits as those applied to all personnel.

4.13 Disclosure of holders of significant participations

	Year under review		Previous year	
	Nominal CHF 1,000	% of equity	Nominal CHF 1,000	% of equity
Holders of participations exceeding 5% of voting rights				
Eburnea Holding SA, Sion (Donelli Family)	10,400	52.00	10,400	52.00
Molu SA, Lugano (Gattei Family)	7,000	35.00	7,000	35.00
Golden Horn Finanz AG, Lugano (Filofibra Group)	2,600	13.00	2,600	13.00

4.14 Breakdown of total assets by credit rating of country groups (risk domicile view)

(Rating S&P)	Exposure to foreign countries			
	Current year end		Previous year end	
	CHF 1,000	%	CHF 1,000	%
AAA/AA-	217,264	68.7	239,662	69.6
A+/A-	6,116	1.9	5,032	1.5
BBB+/BBB-	91,222	28.8	98,207	28.5
BB+/BB-	924	0.3	821	0.2
B+/B-	566	0.2	736	0.2
CCC/C	299	0.1	91	0.0
Total assets	316,391	100	344,549	100

As for the breakdown of net commitment, the principle of customer domicile applies, with the exception of mortgage loans, in respect of which the place where the property is located shall prevail.

5. Information on off-balance sheet transactions

5.1 Breakdown of fiduciary transactions

(amount expressed in CHF 1,000)	Year under review	Previous year
Fiduciary investments with third-party companies	82,425	39,883
Fiduciary investments with companies of the Group	14,433	
Total of fiduciary transactions	96,858	39,883

5.2 Breakdown of assets under management and presentation of their development

(amount expressed in CHF 1,000)	Year under review	Previous year
Breakdown of assets under management		
Assets in collective investment schemes managed by the bank	517,173	509,448
Assets under discretionary asset management agreements	930,543	907,395
Other managed assets	1,552,453	1,564,567
Total assets under management (including double counting)	3,000,169	2,981,410
<i>of which, double counting</i>	<i>376,489</i>	<i>378,074</i>

Other managed assets include all assets for which the Bank receives fees and/or additional fees to custodial rights and account fees. The Bank has no assets that can be considered as "custody only".

(amount expressed in CHF 1,000)	Year under review	Previous year
Presentation of the development of assets under management		
Total assets under management (including double counting) at the beginning of the period	2,981,410	3,414,756
Net new money inflow or net new money outflow	25,221	24,144
Price gains/losses, interest, distributed profits and currency gains/losses	12,018	-457,490
Others	-18,480	
Total assets under management (including double counting) at the end of the period	3,000,169	2,981,410

Net new money inflow/outflow includes all incoming and outgoing transfers of liquidity and other investment values, on the basis of the value of the transfer day. On the other hand, interest and dividend income, price and currency gains/losses as well as interest, expenses and commission charges are excluded. The amount relating to Others relates to the transfer of the pension fund assets of Banca del Sempione (notes 4.7 and 4.8).

6. Information on the income statement

6.1 Disclosure of material refinancing income in the item "Interest and discount income" as well as material negative interests

The Bank recorded no negative interest expenses in the year under review. In the previous year, the Bank has paid an amount of CHF 271,000 due to negative interests expenses. The Bank has debited negative interests amounting to CHF 165,000.

6.2 Breakdown of personnel expenses

(amount expressed in CHF 1,000)	Year under review	Previous year
Salaries (meeting attendance fees and fixed compensation to members of the bank's governing bodies, salaries and benefits)	16,251	14,222
Social insurance benefits	3,099	2,684
Other personnel expenses	165	98
Total personnel expenses	19,515	17,004

6.3 Breakdown of general and administrative expenses

(amount expressed in CHF 1,000)	Year under review	Previous year
Office space expenses	1,977	1,896
Expenses for information and communications technology	2,723	3,062
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	246	213
Fees of audit firm (Art. 961a no. 2 CO)	226	186
<i>of which, for financial and regulatory audits</i>	226	186
<i>of which, for other services</i>		
Other operating expenses	2,138	1,703
Total of general and administrative expenses	7,310	7,060

6.4 Presentation of current taxes, deferred taxes, and disclosure of tax rate

(amount expressed in CHF 1,000)	Year under review	Previous year
Expense for current taxes	2,120	400
Total taxes	2,120	400
Average tax rate weighted on the basis of the operating result	20.6%	14.0%



Report of the statutory auditor

to the General Meeting of Banca del Sempione SA, Lugano

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Banca del Sempione SA (the Company), which comprise the balance sheet as at 31 December 2023, income statement and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 70-72 and 75-82) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

PricewaterhouseCoopers SA, Piazza Indipendenza 1, casella postale, CH-6901 Lugano, Switzerland
Telefono: +41 58 792 65 00, www.pwc.ch

PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate to the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with art. 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA



Omar Grossi
Licensed audit expert
Auditor in charge




Mattia Marelli

Lugano, 9 April 2024



The underground
contains energy.
There are already
numerous applications
of geothermal energy,
but the future holds
enormous and still
largely unexplored
potential.



CAPTURE

the force of nature

The energy hidden underground

Geothermal energy studies the extraction of heat formed underground: an incredibly versatile resource that can be tapped from a few meters to several kilometers deep.

Previous page:
*Strokkur Geyser erupting,
Haukadalur, Iceland*

Left:
Geothermal plant in Iceland.

Right page:
*The award-winning "Tropenhaus
Frutigen" project sustainably
exploits the thermal energy of
warm water from the Lötschberg
Base Tunnel in the Bernese
Oberland, Switzerland.*

Next page:
*Saturia Thermal Falls,
Tuscany, Italy.*

Geothermal energy is an ecological and low-carbon energy source, with wide potential applications: from air conditioning to heating water for sanitary use, industrial processes, greenhouse heating, cooling, electricity production, and heat and cold storage. The most common geothermal systems are geothermal heat pump systems, which capture heat from the underground, concentrate it through a circulating liquid in the probe, and make it available through a heat pump.

These systems are quite common in Switzerland, where there are about 6,500 installa-

cated under the Plateau also offers significant potential for the realization of district heating networks powered by geothermal plants: the Confederation is conducting explorations in this area to verify the feasibility of such plants.

Geothermal energy can also be used to generate electricity: several hundred plants have been identified in 29 countries worldwide, including Germany, France, Portugal, and the United States.

British researchers are instead studying the possibility of storing solar energy underground through microorganisms. The idea is to send the electricity produced by solar panels to a series of underground electrodes, which stimulate the reaction of bacteria present in the soil. These microorganisms use energy for their vital activities, exploiting a process known as "electrosynthesis", which converts carbon dioxide into acetate, a more complex molecule that serves as a chemical energy reserve. When necessary, another set of microbes comes into play through a "microbial fuel cell", releasing electrons that flow into the circuit, providing energy on demand.

The ground could represent a resource of extraordinary value for energy storage, due to its formidable volume and storage capacity. Furthermore, being an ubiquitous resource, it can support energy infrastructures in any corner of the planet, while the extraordinary variety of microorganisms present in the soil offers further opportunities. To concretely develop these potentials, time and appropriate technologies are needed, but if realized, they could revolutionize the global energy world.



tions with groundwater heat pumps, serving large industrial and residential complexes. While in Riehen (Basel), there has been a plant since 1994 that uses the thermal energy of the deeper layers of aquifers and rocks to provide heat to 8,800 families. The molasse basin lo-





Acknowledgements

We would like to thank the following for allowing us to use their images free of charge:

Tropenhaus Frutigen, Rijkswaterstaat Zandmotor.

Images courtesy of:

Philippe Crochet	p. 14
Jolanda Negroni	p. 58-59
Tropenhaus Frutigen	p. 89

All other images licensed for use in this publication by Getty Images and Freepik.

All images duly subject to © Copyright of the various owners.

Inserts edited by Giovanni Landolfi

© 2024 Banca del Sempione SA, all rights reserved

Concept and coordination
Lucasdesign.ch



ADDRESSES

Banca del Sempione SA

Head Office and General Management

Lugano

Via P. Peri 5

CH – 6900 Lugano

Branches

Bellinzona

Viale Stazione 8a

CH – 6500 Bellinzona

Chiasso

Piazza Boffalora 4

CH – 6830 Chiasso

Locarno-Muralto

Via della Stazione 9

CH – 6600 Locarno-Muralto

Tel. +41 (0)91 910 71 11

banca@bancasempione.ch

www.bancasempione.ch

Subsidiaries

Accademia SGR SpA

Piazza Generale Armando Diaz 6

I – 20123 Milano

Tel. +39 02 36 567 003

www.accademiasgr.it

Sempione SIM

(Società di intermediazione mobiliare) SpA

Head Office and General Management

Via M. Gonzaga 2

I – 20123 Milano

Tel. +39 02 30 30 35 1

Lecco Branch

Piazza Stazione 3

I – 23900 Lecco

Tel. +39 0341 36 97 06

Mirandola Branch

Via Cesare Battisti 1

I – 41037 Mirandola (MO)

Tel. +39 0535 73 04 69

info@sempionesim.it

www.sempionesim.it

Banca del Sempione (Overseas) Ltd.

Old Fort Bay Town Centre (Building 2, 2nd Floor)

Windsor Field Road

Nassau, The Bahamas

Tel. +1 242 322 80 15

bsoverseas@sempione-overseas.com

Banca del Sempione (Middle East) Ltd.

Unit 409, Level 4, Tower 1, Al Fattan Currency House

Dubai International Financial Centre

Dubai, United Arab Emirates

Tel. +971 4 282 89 37

info@bancasempione-middleeast.com

Base Investments SICAV

4, Rue Robert Stumper

L – 2557 Luxembourg

info@basesicav.lu

www.basesicav.lu