



BANCA DEL SEMPIONE
PRIVATE BANK
SINCE 1960

Annual Report 2024

In the light of the Sun

This year we are talking about the Sun. It is not a science lesson, of course; we are not in school. But it is a useful lesson: we can ignore its composition, its mechanisms, its myriad functions for the solar system and life on Earth, but we cannot evade the influence it has on each of us.

This may sound like a bold metaphor, but it is not unlike what happens with finance. There are those who are interested in it and those who are not, those who are experts and those who are completely unfamiliar with it, and yet the currency cycle always influences each of our lives. For better or for worse.

This is why banks have a role of relevant social responsibility when they manage money, provide financial services, offer advice, intervene locally with cultural initiatives and liberal disbursements: because they can encourage the proper allocation of savings and prudent asset management and minimize the economic risks of individuals, families and businesses.

Perhaps this is not always the case. Certainly, this is the mission of the Banca del Sempione. Organized with consistency, commitment and transparency all along. In the light of the Sun.

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-four year of operations,
presented to the General Meeting of Shareholders on 29 April 2025.



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To the left:
*The sun filters through the forest
on a beautiful autumn day.*

Following page:
*View of Lake Ceresio
from above at sunset.*





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

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

Gabriele Domenighetti manager*
Dario Piffaretti manager*
Arianna Baccalà Ghommidh joint manager
Giorgio Bertoli joint manager
Nicola Bianchi joint manager
Fabio Devittori joint manager
Giuliano Flematti joint manager
A. Alessandro Gelsi joint manager
Fausto Marcantoni joint manager
Alessia Bellintani assistant manager
Veronica Broggi 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
Massimo Valsangiacomo assistant manager
Renato Vosti assistant manager

¹⁾ independent members

* as of March the 1st 2025

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 Private Banking.

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 UAE Market Area and he is member of the Board of Directors of Banca del Sempione (Middle East) Ltd.

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.



Two faces

The Sun is life, but its power can sometimes turn into a threat. In the Sahara, sand temperatures can reach 80°C, making this desert one of the most extreme environments on the planet.





The art of the Sun

The Sun knows how to give unique spectacles.

When its light passes through raindrops, a rainbow is born, an optical phenomenon that reveals all the colours of the spectrum, turning the sky into a natural work of art.

The year 2024 was a year full of satisfaction for the Banca del Sempione Group. We were not able to repeat the performance of 2023, the best in the bank's history, but the final results were more than positive. Despite complex geopolitical and macroeconomic conditions, the Group companies contributed to the achievement of a result that thoroughly repaid the trust of all stakeholders.

The activities developed with constant teamwork and strong cohesion represent the fundamental operating model for generating positive returns. Such a *modus operandi* will be crucial in the near future, which is why we continue to refine it with the continuous addition of new talent and technologically advanced processes.

In addition to efficiency, we have always based our activities on dynamism, elasticity and decision-making capacity, but also on the assumption that 64 years of history of Banca del Sempione SA equals experience, knowledge and culture; values of inestimable weight that, in a world that is changing rapidly and profoundly, guide us with confidence and assurance toward new initiatives in high-potential areas.

This way of acting allows us to more accurately assess and anticipate future logic and dynamics in the financial sphere and better understand client needs, while also enabling diversification within our overall portfolio.

In full compliance with these principles, as anticipated in last year's report, the activity of Banca del Sempione (Middle East) Ltd. in Dubai has begun, showing comforting signs to be able to achieve its objectives within the set timeframe. As mentioned, the contribution of each company of the Group has been important in determining the group's economic result, and in this sense, it is worth highlighting the work done by Sempione SIM SpA in Milan and Banca del Sempione (Overseas) Ltd. in Nassau.

Returning, on the other hand, to our latitudes, Banca del Sempione SA, which carries out important consolidated supervisory work on all group companies, reported good results despite having to deal with the lowering of interest rates and the continued strength of the Swiss franc over the other major currencies, determined mostly by its role as a safe haven asset in a very complicated environment.

Banca del Sempione SA, being present in Lugano, Bellinzona, Chiasso and Locarno Muralto, continues to work in the interests of people in Canton Ticino with passion and care, but at the same time embraces another ambitious project. To be active with its own office in the first Swiss financial centre: Zurich. We are confident that the qualities with which our activities are promoted can be appreciated and that there is room to find fertile ground for new business, even in the main and competitive financial district of the Confederation.

With this challenging but motivating goal, below we briefly comment on the most significant items in the 2024 Annual Report.

Lending activities and result of interest operations

Banca del Sempione has always maintained a prudent approach in its lending activities carried out in the logic of a more comprehensive customer relationship with operations focused on meeting the private needs of families. Interest income, which had generated significant returns last year, lowered this year due to the cuts in reference rates implemented by central banks, SNB first and foremost. The differential between net income in 2023 and 2024 basically coincides with the decrease in the final result of the income statement.

Commission Operations

The result of the largest revenue item remained almost stable; however, the slight increase once again testifies to the group's ability to provide stability over time for its commissions operations. This is possible thanks to an increase in assets within mandates. In 2025, a growth in the point figure is expected, thanks to acquisition activity that was successfully concluded at the end of the year under review.

Trading activities

This activity generated a very positive result and a marked increase over 2023. This was made possible, in particular, by activity on proprietary trading, which correctly exploited the dynamics on rates that became apparent during the year.

Previous page:

*The beautiful sand dunes
embraced by the sun
in the Sahara Desert.*

To the left:

Rainbow in the sky above the Alps.



Operating costs

This item at the group level marked an increase as a result of new initiatives, Banca del Sempione (Middle East) Ltd. specifically, and the addition of new resources resulting from the specific aim to give further quality in our services and products for clients.

Personnel

The number of staff is as mentioned increasing from the previous year and stands at 153 employees which is equivalent to 148 full-time jobs. In 2023 there were 147 employees, equivalent to 142 full-time positions.

Research and development activities

Commitment to improvement in the organizational sphere is a constant thought within our group. The addition of new colleagues with experience and skill has immediately produced interesting results generating efficiency. In the area of processes, the use of Artificial Intelligence systems accompanied by analytical analysis carried out by specific working groups has made it possible to further digitize the operational apparatus.

The road is set, but we like to think that it will always be the women and men of Banca del Sempione who will be driving the “car”.

Clients Assets

Assets under administration grew at the consolidated level by 10 percent. This was made possible by positive performance in client portfolios and net inflows of new funds.

Consolidated operating result

The result achieved by Banca del Sempione Group in 2024 stands at CHF 8,724,000, an amount decreasing compared to 2023 due to the negative evolution, as previously mentioned, of interest income.

Under these circumstances and taking into account the parent company's net result of CHF 5,007,000, the Board of Directors of Banca del Sempione SA proposes to the Shareholders, Meeting the following allocation of CHF 7,682,000 in net earnings:

CHF	500,000	Statutory retained earnings
CHF	500,000	Voluntary retained earnings
CHF	5,000,000	Dividend pay-out
CHF	1,682,000	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

The Sun that shines.
That enables life
on Earth and keeps
our slice of universe
in balance.
An amazing machine,
touching eternity.



PRE SE RVE

to balance

8 minutes and 20 seconds

The sun's rays need only 8 minutes and 20 seconds to travel the 150 million kilometres between the Sun and Earth and activate its life processes, through light, heat, and regulation of the water cycle.

The centrepiece of our solar system is an extraordinary star, close to half its life span - it is about 4.6 billion years old, out of an estimated 10 billion years - and a huge mass, equal to 1.33 million times the volume of Earth and 99.84 percent of all the celestial bodies in the solar system, which, put together, reach just 0.16 percent of the total mass.

Solar radiation reaches us in the form of visible light, infrared rays and ultraviolet rays and is critical for planetary heating and photosynthesis. While its gravitational field acts as the glue for the entire solar system, controlling the orbits of all planets, from Venus to Pluto, and all minor bodies: satellites, asteroids, comets and cosmic dust. Without solar gravity, the planets would wander in open space, losing all connection with each other, so much weaker are their respective gravitational fields. The Sun's gravitational attraction is also responsible, along with that of the Moon, for phenomena such as tides.

Our star is a giant ball of gas, composed of hydrogen (about 74 percent) and helium (about 24 percent), with small amounts of heavier elements, such as oxygen, carbon and iron. Inside, temperatures reach 15 million degrees Celsius and develop a nuclear fusion process that is the source of all solar energy. Every second, this process transforms nearly 600 million tons of hydrogen into helium, releasing an enormous amount of energy in the form of light and heat. The energy developed

takes thousands of years to travel through the Sun's inner layers - from the core to the photosphere, the visible surface of the star - and then propagates into space as electromagnetic radiation.



Every 11 years or so, the Sun's magnetic field reverses: the north and south poles switch positions, and this magnetic activity results in the appearance of sunspots (cooler areas on the photosphere) and flares: bursts of energy that can send charged particles into space and cause interference with satellite communications and spectacular phenomena such as northern and southern lights.

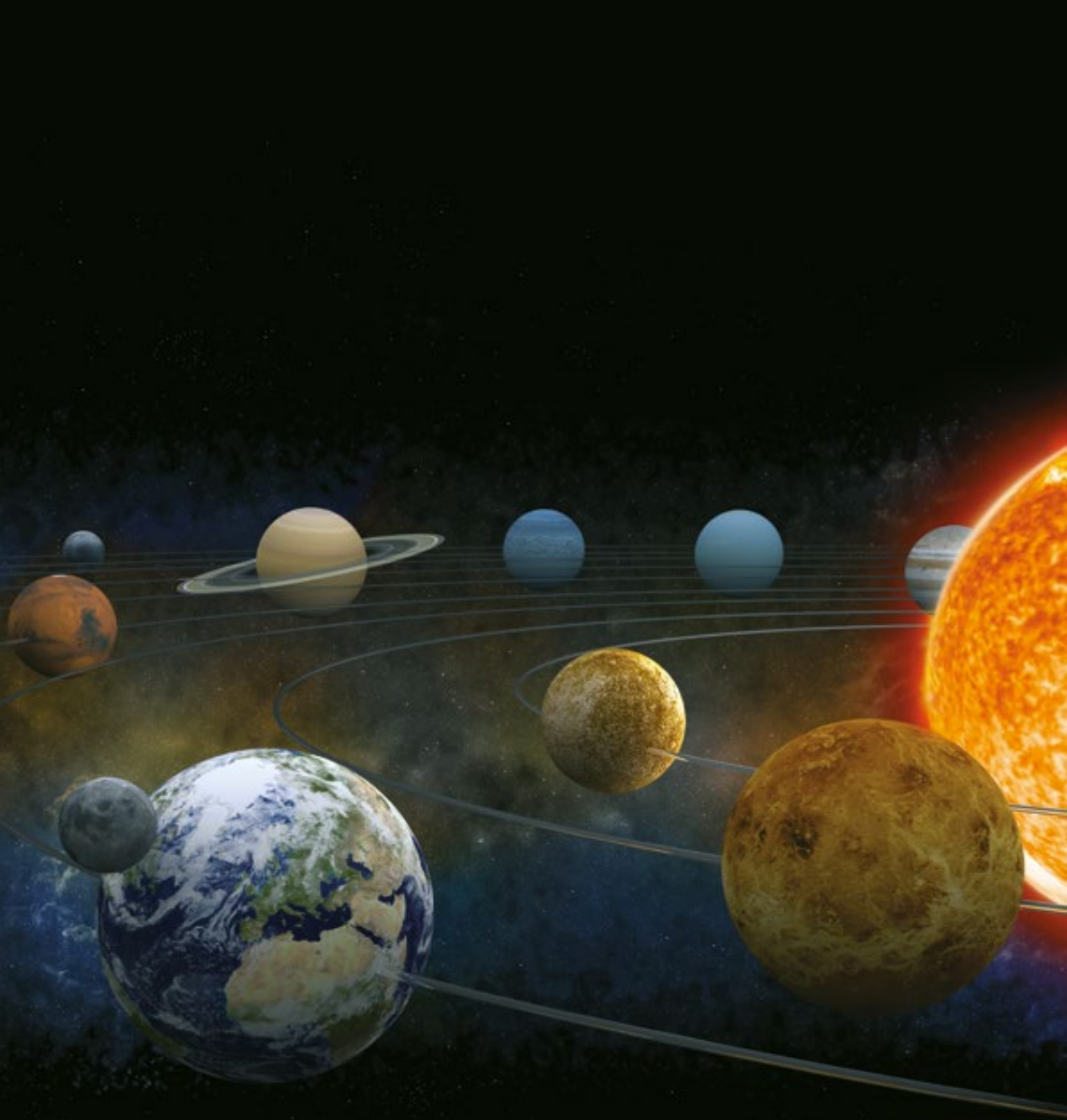
The Sun, then, is by no means just another star: it is the engine that powers life on Earth and maintains the harmony of our solar system. It is a relatively stable star that will continue to shine for billions of years, without whose constant flow of energy none of Earth's life forms could exist.

Previous page:
Sunrise in space.

Above:
Solar fibrillation and magnetic storms. Plasma flash on the surface of a star. Planet Earth from space with millions of stars around it. "Elements of this image provided by NASA".

Right page:
Northern lights above fjords and mountains in northern Norway.





The heart of the system

The Sun contains 99.8 percent of the mass of the entire solar system. Its gravity holds planets, moons and asteroids together, making it the hub of our galaxy.

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CONSOLIDATED BALANCE SHEET AT 31.12.2024

(amount expressed in CHF 1,000)	Notes	Year under review	Previous year
Assets			
Liquid assets		78,980	55,430
Amounts due from banks		102,813	69,577
Amounts due from customers	8.1	258,835	258,803
Mortgage loans	8.1	183,088	187,980
Trading portfolio assets	8.2	4,261	3,548
Positive replacement values of derivative financial instruments	8.3	4,112	8,221
Financial investments	8.4	75,273	99,271
Accrued income and prepaid expenses		5,807	7,501
Non-consolidated participations	8.5	131	131
Tangible fixed assets	8.7	26,404	26,762
Other assets	8.8	5,289	3,646
Total assets		744,993	720,870
Total subordinated claims			
		1,001	2,153
Liabilities			
Amounts due to banks		3,250	8,322
Amounts due in respect of customer deposits		586,491	556,603
Negative replacement values of derivative financial instruments	8.3	3,480	8,169
Accrued expenses and deferred income		5,016	5,434
Other liabilities	8.8	2,283	1,744
Provisions	8.12	2,634	2,540
Reserves for general banking risks	8.12	8,510	8,510
Bank's capital		20,000	20,000
Retained earnings reserve		104,605	98,618
Consolidated profit		8,724	10,930
Total liabilities		744,993	720,870
Off-balance-sheet transactions			
Contingent liabilities	9.1	8,685	5,075
Irrevocable commitments		2,838	3,323

CONSOLIDATED INCOME STATEMENT 2024

	Notes	Year under review	Previous year
(amount expressed in CHF 1,000)			
Result from interest operations			
Interest and discount income		15,807	14,755
Interest and dividend income from trading portfolios		1	2
Interest and dividend income from financial investments		873	1,320
Interest expense		-4,064	-1,202
Gross result from interest operations		12,617	14,875
Changes in value adjustments for default risks and losses from interest operations		19	7
Subtotal net result from interest operations	10.1	12,636	14,882
Result from commission business and services			
Commission income from securities trading and investment activities		30,631	29,975
Commission income from lending activities		119	142
Commission income from other services		1,808	1,871
Commission expense		-2,323	-2,257
Subtotal result from commission business and services		30,235	29,731
Result from trading activities and fair value		2,743	2,040
Other result from ordinary activities			
Result from disposal of financial investments		348	21
Income from participations		4	4
Result from real estate		667	665
Other ordinary income		205	686
Other ordinary expenses		-22	
Subtotal other result from ordinary activities		1,202	1,376
Net revenues		46,816	48,029
Operating expenses			
Personnel expenses	10.2	-24,083	-23,337
General and administrative expenses	10.3	-9,584	-8,933
Subtotal operating expenses		-33,667	-32,270
Gross profit		13,149	15,759
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets		-2,279	-2,285
Changes to provisions and other value adjustments' and losses		71	-39
Operating result		10,941	13,435
Taxes	10.5	-2,217	-2,505
Consolidated profit		8,724	10,930

CONSOLIDATED CASH FLOW STATEMENT 2024

	Year under review		Previous year	
	Cash inflow	Cash outflow	Cash inflow	Cash outflow
(amount expressed in CHF 1,000)				
Cash flow from operating activities (internal financing)				
Consolidated profit	8,724		10,930	
Value adjustments on participations' depreciation and amortisation of tangible fixed assets and intangible assets	2,279		2,285	
Provisions and other value adjustments	122	28	90	54
Changes in value adjustments for default risks and losses from interest operations	19		7	
Accrued income and prepaid expenses	1,694			4,621
Accrued expenses and deferred income		418	3,158	
Previous year's dividend		5,000		2,000
Subtotal	7,392		9,795	
Cash flow from shareholder's equity transactions				
Recognised in reserves	57			260
Subtotal	57			260
Cash flow from transactions in respect of participations' tangible fixed assets and intangible assets				
Real estate		141		272
Other tangible fixed assets		1,780		1,680
Subtotal		1,921		1,952
Cash flow from banking operations				
<i>Medium and long-term business (> 1 year)</i>				
Mortgage loans	4,892			15,744
Financial investments	23,998		31,847	
<i>Short-term business</i>				
Amounts due to banks		5,072	5,527	
Amounts due in respect of customer deposits	29,888			165,192
Negative replacement values of derivative financial instruments		4,689	5,211	
Other liabilities	539		360	
Amounts due from banks		33,236	21,857	
Amounts due from customers		51	19,270	
Trading portfolio assets		713	1,352	
Positive replacement values of derivative financial instruments	4,109			4,963
Other assets		1,643	209	
<i>Liquidity</i>				
Liquid assets		23,550	92,683	
Subtotal		5,528		7,583
Total	7,449	7,449	9,795	9,795

STATEMENT OF CHANGES IN EQUITY 2024

	Bank's capital	Retained earnings reserve	Reserves for general banking risks	Consolidated profit	Total
(amount expressed in CHF 1,000)					
Equity at beginning of current period	20,000	98,618	8,510	10,930	138,058
Other changes		-18			-18
Currency translation differences		75			75
Distributed profits				-5,000	-5,000
Allocation to reserves		5,930		-5,930	
Result of the period				8,724	8,724
Equity at end of current period	20,000	104,605	8,510	8,724	141,839



Light and shadow

During a total solar eclipse, the temperature can drop several degrees and animals often behave as if it were night, showing how much the Sun's motion affects life on Earth.

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 annual account is prepared based on the going concern assumption, and the financial statements are presented at continuation values.

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 2024 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:

	2024		2023	
	Year End	Average	Year End	Average
EUR	0.9418	0.9509	0.9302	0.9731
USD	0.9044	0.8873	0.8416	

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	4,503	235,986	19,226	259,715
Mortgage loans				
- Residential property	143,921		174	144,095
- Office and business premises	36,471			36,471
- Commercial and industrial premises	2,696			2,696
Total loans (before netting with value adjustments)				
Current year	187,591	235,986	19,400	442,977
Previous year	192,123	230,637	25,142	447,902
Total loans (after netting with value adjustments)				
Current year	187,591	235,986	18,346	441,923
Previous year	192,123	230,637	24,023	446,783
Off-balance-sheet				
Contingent liabilities		8,540	145	8,685
Irrevocable commitments			2,838	2,838
Total off-balance-sheet				
Current year		8,540	2,983	11,523
Previous year		4,699	3,699	8,398

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

	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
(amount expressed in CHF 1,000)				
Impaired loans/receivables				
Current year	1,054		1,054	1,054
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)	4,104	3,433
Precious metals and commodities	157	115
Total	4,261	3,548

8.3 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	6,905	6,244	1,108,942
Options (OTC)	402	431	89,020
Total before netting agreements	7,307	6,675	1,197,962
of which, calculated with a pricing model	7,307	6,675	
Previous year	10,016	9,964	953,267
of which, calculated with a pricing model	10,016	9,964	
	Positive replacement values (cumulative)	Negative replacement values (cumulative)	
Total after netting agreements			
Current year	4,112	3,480	
Previous year	8,221	8,169	
	Central clearing houses	Banks and securities dealers	Other customers
Breakdown by counterparty			
Positive replacement values (after netting agreements)		2,389	1,723

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
(amount expressed in CHF 1,000)				
Debt securities, intended to be held to maturity	56,513	80,317	55,511	77,691
Equity securities	18,760	18,954	18,984	19,230
Total	75,273	99,271	74,495	96,921
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	<i>9,822</i>	<i>15,717</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)	26,838	18,307	10,546	822

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

8.7 Presentation of tangible fixed assets

(amount expressed in CHF 1,000)	Acquisition cost	Accumulated depreciation	Book value Previous year end	Year under review					Book value as at end of current year
				Reclas-sifications	Additions	Disposals	Depreciation	Reversals	
Group buildings	51,965	28,939	23,026		141		-814		22,353
Proprietary or separately acquired software	30,549	27,435	3,114		1,732		-1,289		3,557
Other tangible fixed assets	10,350	9,728	622		68	-20	-176		494
Total tangible fixed assets	92,864	66,102	26,762		1,941	-20	-2,279		26,404

Operating leases	245
<i>of which, maturing within one year</i>	<i>54</i>
<i>of which, maturing exceeding one year</i>	<i>191</i>

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	429	364	1,061	832
Withholding taxes	2,341	1,297		
Other assets and liabilities	2,519	1,985	1,222	912
Total	5,289	3,646	2,283	1,744

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	1,419	2,838
Financial investments	11,648	4,633
Total	13,067	7,471

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
Total		55

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	11.7%				1,667	1,667	1,590

Banca del Sempione joined the legally independent semi-autonomous Zurich Life Collective Foundation.

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 2024, the Vita Foundation had a funding ratio of 111.7% (unaudited data, previous year 104.7%).

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	700	-28		8		114		794
Total provisions	2,540	-28		8		114		2,634
Reserves for general banking risks	8,510							8,510
Value adjustments for default and country risks	1,119				3	14	-33	1,103
<i>of which, value adjustments for default risks in respect of impaired loans/receivables</i>	<i>1,061</i>				<i>3</i>	<i>14</i>	<i>-24</i>	<i>1,054</i>
<i>of which, value adjustments for latent risks</i>	<i>58</i>						<i>-9</i>	<i>49</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

	Amounts due from		Amounts due to	
	Year under review	Previous year	Year under review	Previous year
(amount expressed in CHF 1,000)				
Holders of qualified participations	6,536	6,280	17,087	19,948
Linked companies	9,652	11,375	1,718	1,791
Transactions with members of governing bodies	2,130	2,681	1,991	1,975

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

	At sight	Cancellable	Due					Total
			within 3 months	within 3 to 12 months	within 12 months to 5 years	after 5 years	No maturity	
(amount expressed in CHF 1,000)								
Assets/financial instruments								
Liquid assets	77,561	1,419						78,980
Amounts due from banks	63,532	10,154	29,127					102,813
Amounts due from customers		254,453	2,677	1,038	667			258,835
Mortgage loans	490	35,816	7,950	16,837	99,516	22,479		183,088
Trading portfolio assets	4,261							4,261
Positive replacement values of derivative financial instruments	4,112							4,112
Financial investments	18,154		2,435	18,505	28,470	7,709		75,273
Total	168,110	301,842	42,189	36,380	128,653	30,188		707,362
<i>Previous year</i>	<i>133,755</i>	<i>305,676</i>	<i>32,398</i>	<i>43,700</i>	<i>130,824</i>	<i>36,477</i>		<i>682,830</i>
Debt capital/financial instruments								
Amounts due to banks	3,250							3,250
Amounts due in respect of customer deposits	443,362	28,141	91,647	23,341				586,491
Negative replacement values of derivative financial instruments	3,480							3,480
Total	450,092	28,141	91,647	23,341				593,221
<i>Previous year</i>	<i>453,291</i>	<i>39,323</i>	<i>56,956</i>	<i>23,524</i>				<i>573,094</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	78,980		55,430	
Amounts due from banks	56,757	46,056	32,507	37,070
Amounts due from customers	66,367	192,468	65,885	192,918
Mortgage loans	168,341	14,747	169,668	18,312
Trading portfolio assets	157	4,104	115	3,433
Positive replacement values of derivative financial instruments	4,071	41	8,202	19
Financial investments	8,550	66,723	12,747	86,524
Accrued income and prepaid expenses	5,174	634	6,597	904
Non-consolidated participations	131		131	
Intangible assets	26,156	248	26,545	217
Other assets	2,754	2,536	1,870	1,776
Total assets	417,438	327,557	379,697	341,173
Liabilities				
Amounts due to banks	2,685	565	2,683	5,639
Amounts due in respect of customer deposits	311,399	275,092	281,141	275,462
Negative replacement values of derivative financial instruments	3,472	8	8,168	1
Accrued expenses and deferred income	4,390	626	4,793	641
Other liabilities	1,208	1,075	1,008	736
Provisions	1,840	794	1,840	700
Reserves for general banking risks	8,510		8,510	
Bank's capital	20,000		20,000	
Retained earnings reserve	91,664	12,941	87,662	10,956
Consolidated profit	5,616	3,108	8,073	2,857
Total liabilities	450,784	294,209	423,878	296,992

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	417,438	56.0	379,697	52.7
Europe others	278,490	37.4	287,699	39.9
<i>of which, Italy</i>	<i>170,587</i>	<i>22.9</i>	<i>158,668</i>	<i>22.0</i>
North America	20,578	2.8	22,371	3.1
South America	18,090	2.4	20,725	2.9
Africa	987	0.1	943	0.1
Asia	8,993	1.2	7,993	1.1
Australia/Oceania	417	0.1	1,442	0.2
Total assets	744,993	100	720,870	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-	258,387	73.4	245,428	69.3
A+/A-	3,250	0.9	6,633	1.9
BBB+/BBB-	83,197	23.6	92,141	26.0
BB+/BB-	5,529	1.6	4,106	1.2
B+/B-	1,025	0.3	5,467	1.5
CCC/C	670	0.2	609	0.2
Total assets	352,058	100	354,384	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				
	CHF	USD	EUR	Other	Total
Assets					
Liquid assets	77,256	109	1,528	87	78,980
Amounts due from banks	9,025	39,139	27,346	27,303	102,813
Amounts due from customers	69,261	10,924	177,690	960	258,835
Mortgage loans	169,534		13,554		183,088
Trading portfolio assets	1	10	4,094	156	4,261
Positive replacement values of derivative financial instruments	2,271	1,530	270	41	4,112
Financial investments	34,622	8,659	31,827	165	75,273
Accrued income and prepaid expenses	3,101	420	2,148	138	5,807
Non-consolidated participations	131				131
Tangible fixed assets	26,236	119	49		26,404
Other assets	2,825	409	2,018	37	5,289
Total assets shown in the balance sheet	394,263	61,319	260,524	28,887	744,993
Delivery entitlements from spot exchange, forward forex and forex options transactions	218,672	374,458	504,341	100,491	1,197,962
Total assets	612,935	435,777	764,865	129,378	1,942,955
Liabilities					
Amounts due to banks		474	355	2,421	3,250
Amounts due in respect of customer deposits	252,867	102,558	201,024	30,042	586,491
Negative replacement values of derivative financial instruments	1,971	2,698	-962	-227	3,480
Accrued expenses and deferred income	4,190	442	234	150	5,016
Other liabilities	1,163	14	1,105	1	2,283
Provisions	1,840		794		2,634
Reserves for general banking risks	8,510				8,510
Bank's capital	20,000				20,000
Retained earnings reserve	104,605				104,605
Consolidated profit	8,997	-704	431		8,724
Total liabilities shown in the balance sheet	404,143	105,482	202,981	32,387	744,993
Delivery obligations from spot exchange, forward forex and forex options transactions	220,011	328,184	553,682	96,085	1,197,962
Total liabilities	624,154	433,666	756,663	128,472	1,942,955
Net position per currency	-11,219	2,111	8,202	906	

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	8,685	5,075
Total contingent liabilities	8,685	5,075

9.2 Breakdown of fiduciary transactions

(amount expressed in CHF 1,000)	Year under review	Previous year
Fiduciary investments with third-party companies	56,673	82,425
Total fiduciary transactions	56,673	82,425

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	562,625	517,173
Assets under discretionary asset management agreements	1,186,465	1,081,247
Other managed assets	2,572,363	2,336,423
Total assets under management (including double counting)	4,321,453	3,934,843
<i>of which, double counting</i>	<i>442,474</i>	<i>419,014</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	3,934,843	3,841,701
Net new money inflow or net new money outflow	40,236	80,215
Price gains/losses, interest, distributed profits and currency gains/losses	346,374	31,407
Others		-18,480
Total assets under management (including double counting) at the end of the period	4,321,453	3,934,843

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 occurred during the previous financial year.

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.

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)	19,841	19,315
Social insurance benefits	3,908	3,758
Other personnel expenses	334	264
Total personnel expenses	24,083	23,337

10.3 Breakdown of general and administrative expenses

(amount expressed in CHF 1,000)	Year under review	Previous year
Office space expenses	1,629	1,686
Expenses for information and communications technology	4,011	3,512
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	284	315
Fees of audit firms (Art. 961a no. 2 CO)	522	497
<i>of which, for financial and regulatory audits</i>	<i>505</i>	<i>480</i>
<i>of which, for other services</i>	<i>17</i>	<i>17</i>
Other operating expenses	3,138	2,923
Total of general and administrative expenses	9,584	8,933

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	13,470	2,337	12,753	2,002
Interest and dividend income from trading portfolios	1		2	
Interest and dividend income from financial investments	646	227	1,097	223
Interest expense	-2,588	-1,476	-483	-719
Gross result from interest operations	11,529	1,088	13,369	1,506
Changes in value adjustments for default risks and losses from interest operations	19		7	
Subtotal net result from interest operations	11,548	1,088	13,376	1,506
Result from commission business and services				
Commission income from securities trading and investment activities	21,987	8,644	22,668	7,307
Commission income from lending activities	102	17	125	17
Commission income from other services	1,657	151	1,618	253
Commission expense	-1,484	-839	-1,498	-759
Subtotal result from commission business and services	22,262	7,973	22,913	6,818
Result from trading activities and fair value	2,557	186	1,796	244
Other result from ordinary activities				
Result from disposal of financial investments	212	136	17	4
Income from participations	4		4	
Result from real estate	667		665	
Other ordinary income	83	122	542	144
Other ordinary expenses		-22		
Subtotal other result from ordinary activities	966	236	1,228	148
Operating expenses				
Personnel expenses	-20,009	-4,074	-19,515	-3,822
General and administrative expenses	-6,998	-2,586	-6,456	-2,477
Subtotal operating expenses	-27,007	-6,660	-25,971	-6,299
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-2,161	-118	-2,159	-126
Changes to provisions and other value adjustments, and losses	-17	88	-39	
Operating result	8,148	2,793	11,144	2,291

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	2,217	2,505
Total taxes	2,217	2,505
Average tax rate weighted on the basis of the operating result	20.3%	18.6%

A scenic photograph of a winter mountain landscape. In the foreground, a small, dark wooden cabin with a snow-covered roof is nestled among snow-laden evergreen trees. The ground is covered in a thick layer of snow. In the background, a dense forest of tall evergreen trees stretches across the middle ground, leading up to a range of snow-capped mountains under a bright, hazy sky. The sun is low on the horizon, creating a warm, golden glow that filters through the trees and illuminates the scene.

A thread of light between Sun and Earth

Light from the Sun takes about 8 minutes and 20 seconds to reach Earth, traveling through an average distance of 150 million kilometres. This distance, known as the Astronomical Unit (AU), is a key measure in astronomy, used to calculate distances within the solar system.

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 2024, 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 2024 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, 7 April 2025



The day
following the night.
The tides.
The seasons.
The leaves and flowers
blooming in
the morning light
and reviving
the cycle of life.
In a continuous
becoming.



SHI NE

to nourish

To make a tree

Paraphrasing a famous Italian song from the 1970s, entitled “It takes a flower,” we can say that “to make a tree it takes the Sun.”
All life originates from there.

Previous page:
Agriculture of rice fields at sunrise.

Below:
Delicious red cherries on the trees, illuminated by the sun.



Right page:
A breath-taking sunset over the vast Amazon Rainforest, revealing the rich biodiversity of Brazil, Peru, Colombia and other Amazon countries.

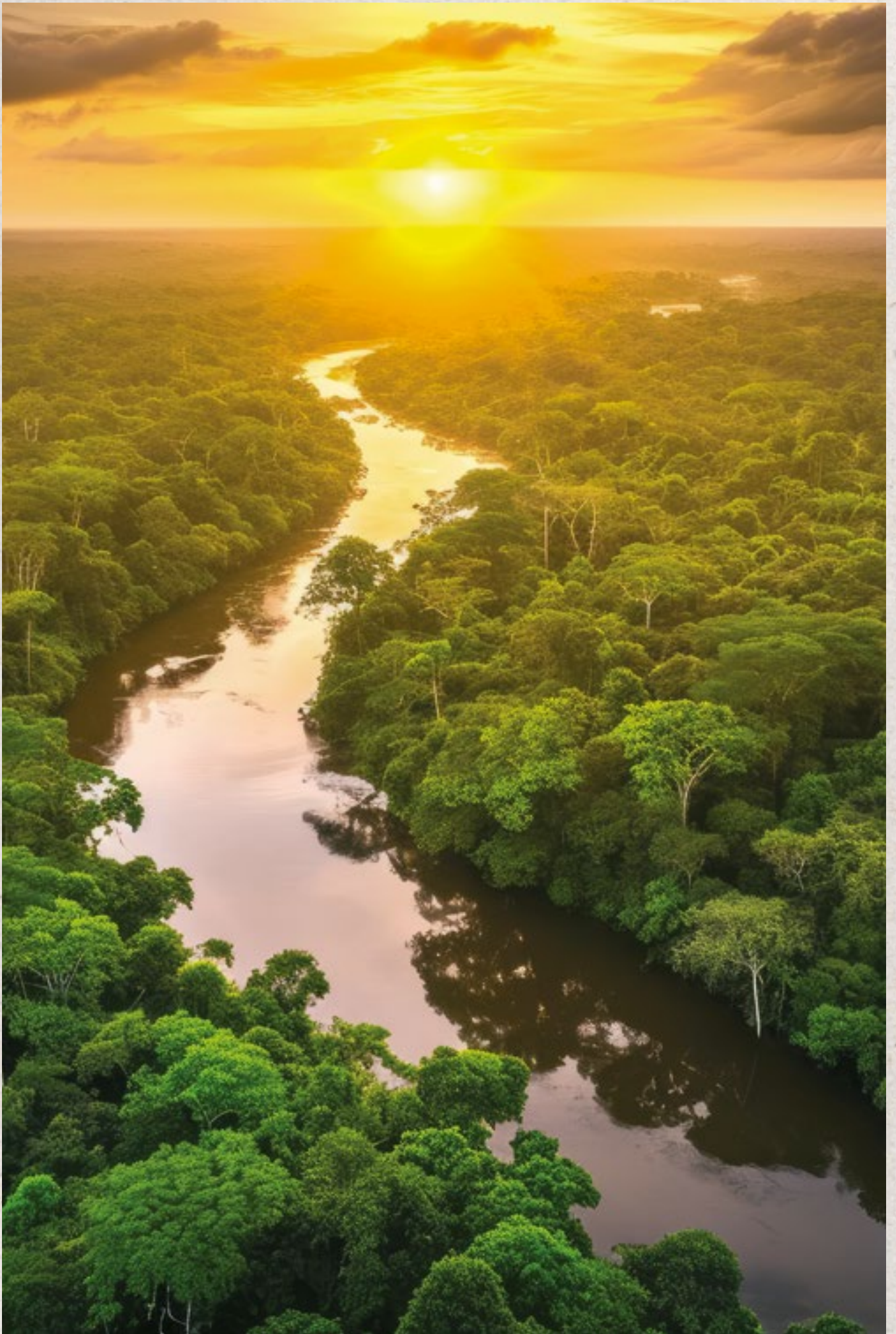
Solar radiation is the main source of energy for our planet and regulates its life cycles through light, heat and gravitational force. At about 1,360 watts per square meter, the Sun's energy flow generates, in less than an hour, an amount of energy equal to the entire human needs for a year.

The Sun also regulates the biological rhythms of humans and almost all terrestrial organisms. The alternation of day and night, determined by the Earth's rotation, affects circadian rhythms, which control vital functions such as sleep, appetite and hormonal activity.

And it is always the Sun that determines the seasons and influences the climate. The tilt of the Earth's axis and rotation around the Sun cause the amount of light and heat that hits the Earth to change with latitude and time of year, alternating seasonal cycles and regulating plant and animal life. In tropical regions, where the Sun shines year-round, the abundance of solar energy promotes the growth of rich and interconnected ecosystems, such as rainforests. In contrast, in polar regions, limited exposure to sunlight results in extreme survival conditions and promotes the formation of ice, which functions to store water reserves and thermoregulate the planet. Solar radiation and the Sun's gravitational force also influence tides and the water cycle, with evaporation of oceans, cloud formation and air movements linked to temperature changes.

But the intensity of solar radiation is such that it also poses a threat to our ecosystem if it is not adequately shielded by natural protections, such as the atmosphere. Ultraviolet rays, in particular, can damage the DNA of cells, causing genetic mutations and diseases such as skin cancer. Earth's atmosphere, with its ozone layer, acts as a natural shield, filtering out much of the harmful UV rays and creating ideal conditions for the development and survival of life on Earth.

Life as we know it is powered by chlorophyll photosynthesis, the biochemical process by which plants convert sunlight into glucose, releasing oxygen. Sugar sustains the food chain, through the growth of plants, which feed herbivores, which in turn feed carnivorous animals. During the night, plants absorb atmospheric carbon to produce the carbohydrates that allow the cycle of photosynthesis to continue.





Other activities of the Group

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

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.

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.

Equity Sub-Fund

Base Investments SICAV – Sempione Smart Equity

The Sub-Fund investment objective is to achieve capital appreciation in the medium to long term, mainly by investing in shares of companies of high standing and solidity with global geographical exposure; the management style is active with a bottom-up approach based both on fundamental analysis and on more tactical opportunities.



**BASE
INVESTMENTS
SICAV**

Base Investments SICAV

4, Rue Robert Stumper
L – 2557 Luxembourg

info@basesicav.lu
www.basesicav.lu

Auditor PricewaterhouseCoopers, Luxembourg

The company operates in the field of asset management, investment advisory and securities brokerage, establishing itself as a reference partner for private and institutional clients.

Thanks to its solid experience in asset management, founded on the principles of reliability and common sense characterising all companies of Banca del Sempione Group, Sempione SIM stands out for its professional and highly personalised approach to its clients, with the aim of meeting their financial and personal needs.

Sempione SIM also acts as a qualified advisor for clients who wish to operate in a global context in search of a superior diversification of their investments, helped in this area by the culture and tradition of the Swiss parent company. In this regard, synergies with its shareholder allow it to use a model in which Sempione Sim is able to manage the client's registered account, opened specifically with Banca del Sempione, thus also ensuring geographical diversification in the holding of its assets.

Sempione SIM is also authorised, on the basis of an agreement as introducer (i.e. "segnalatore di pregi"), to make the customer aware of the possibility of taking out Lombard credit transactions with Banca del Sempione using its portfolio with Sempione SIM as collateral for the transaction to be successful.

Sempione SIM plays a primary role in the distribution in Italy of the products of the Luxembourg SICAV Base Investments, aimed at retail, professional and institutional clients.

Attention to the personalisation of services is central: a contact communication with clients ensures that management and operational strategies are in line with their expectations.

The quality of the services offered, including asset management, advice and order collection, is guaranteed by the selection of highly qualified employees with both national and international experience.

To protect the interests of its clients and in full compliance with current regulations, Sempione SIM ensures strict separation between client assets, held in dedicated operating accounts, and company assets.



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

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

A vast field of sunflowers stretches towards the horizon under a warm, golden sunset sky. The sunflowers are in full bloom, with bright yellow petals and dark brown centers. The sky is a gradient of orange and yellow, with a few wispy clouds. The overall scene is peaceful and beautiful.

Leaf turners

To maximize exposure to sunlight, in some plants, the cells on the side opposite the light elongate faster than the others, causing the flower or leaves to tilt toward the sun. Heliotropism is a typical phenomenon in sunflowers, but also in clovers.





2024 saw the start of an important initiative for Banca del Sempione Group. Banca del Sempione (Middle East), which is wholly owned by its Swiss parent company, obtained authorisation to operate in the Dubai International Financial Centre to promote advisory and arranging activities of Banca del Sempione's financial products to professional customers residing in Dubai.

The dynamic economic and financial environment, which characterises the reality of the United Arab Emirates and the entire Middle East area, has been evaluated by Banca del Sempione as a strategic opportunity to extend its expertise, especially in the field of investment management and advisory, leveraging on the Swiss culture and tradition.

The objective of opening the new company in an area characterised by a strong presence of international clients, is to diversify its development and acquisition pool by being able to leverage Banca del Sempione's history in an area with high added value such as private banking.

BSME was established in the Dubai International Financial Centre ('DIFC') to offer Private Banking solutions mainly focused on high-net-worth clients and Family Offices with the objective of marketing and promoting the investment solutions offered by the Group. As mentioned, this offer is aimed exclusively at Professional Clients according to the directives issued by the DIFC.

Banca del Sempione (Middle East) Ltd began its activity by proposing itself as a reference bank for private banking services to the community of Swiss and Italian origin residing in the area and offering an increasingly appreciated level of customisation and innovation. The commercial activity and service proposals in wealth management also concern other potential international clients assessed through an onboarding process focused on the best international standards for the protection and interest of all stakeholders.



BANCA DEL SEMPIONE
(Middle East)

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

Previous page:
*Sunflower fields
at sunset.*

To the left:
*Iridescent cloud
and orange sky.*

Auditor BDO Chartered Accountants and Advisors, Dubai

A person, likely a woman, is shown from the chest up, wearing traditional Aboriginal clothing with intricate patterns. She is holding a large, glowing, flame-like object that resembles a flashlight made of tree bark. The background is dark, and the light from the object illuminates her face and the surrounding area.

The Woman–Sun

In Australian Aboriginal tradition, the Sun is a creative entity and is a woman, Wuriupranili, who travels across the sky with a flashlight made of tree bark. Each morning, sunrise indicates that the Sun-Woman is lighting a fire to prepare her flashlight.

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

From Apollo's Sun
Chariot to the
warrior god
of the Aztecs to art,
and philosophy,
humans have always
associated the Sun
with divinity,
authority, and
the inner dimension.



CO NNE CT

to inspire

The Sun God

“I have seen the light,” said John Belushi in an iconic scene from the *Blues Brothers*. A line that already says it all about the Sun: vital light but also spirituality, power.

For the Greeks, the god Apollo carried the Sun on his chariot, which crossed the sky from morning, when the light chased away the darkness of night, until sunset, when it plunged back into the sea. Apollo was also the god of arts, music and healing, signifying the life-giving power of the Sun not only on earth but also on the human soul, mind and body. Apollo was a god of such power that he passed as such from the Olympians of the Greeks to Roman mythology, which worshipped him as the very creator of the world.

The superposition of the Sun and the divine belonged already to ancient Egypt, which identified the Sun and the creator of the universe in the god Ra. Like Apollo, the god Ra led the Sun along the sky: his solar boat travelled along the celestial vault each day, then during the night crossed over to the underworld, where he fought the forces of chaos, to rise triumphant the next morning. This daily succession of death and rebirth of the Sun was symbolic of regeneration and the eternal cycle of life. A powerful symbolism, which many Egyptian pharaohs took hold of, identifying with the god Ra himself, to attest to the otherworldly nature of their authority.

In the pre-Columbian cultures of Central America, the Sun was revered as a divine force that profoundly influenced both social and religious life. For the Aztecs, the Sun was a warrior god who fought every day against the forces of darkness and to whom humans owed a heavy tribute. In fact, the god Huitzilopochtli – god of the Sun and war, as well as the protector of Tenochtitlán, the capital of the Aztec empire, on whose ruins Mexico City stands

today – required human sacrifices to maintain his strength and ensure that the Sun continued to rise.

Moving closer to our time, the case of King Louis XIV of Bourbon is emblematic. He ruled France for more than 70 years, from 1643 to 1715, and is known by the very name of the Sun: the Sun King. He was the absolute sovereign, the one on whom everything depended and around whom the history and fortunes of the entire country revolved – just as the planets revolve around the Sun.



Less absolute but equally significant is the use of the Sun in art and philosophy, where it repeatedly appears as a symbol of energy, spiritual authority, and inner vitality. Leonardo da Vinci and Michelangelo, for example, used sunlight to give depth to their representations, as well as to the inner dimension of their characters. In Christian religious painting, divine light descends upon humans in the form of Sun rays – a metaphor also echoed in cinema, as seen in the scene of John Belushi's illumination in *The Blues Brothers*, which playfully references such imagery. Finally, in many mystical traditions, the Sun represents spiritual revelation and the search for truth. In medieval alchemical philosophy, the celestial body was often associated with inner transformation and gold – the perfect metal.

Previous page:
Sea at sunset,
painted in watercolours.

Above:
Aztec sun calendar,
carved in stone.

Right page:
Stonehenge (England).





Annual financial statements of parent company

70	Balance sheet
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84	Report of the statutory auditor on the financial statements

To the left:
*The God Horus (God of the sky for the Egyptians).
His eyes represent respectively the sun
(right eye) and the moon (left eye).
The sun was believed to be the Eye of Horus
that illuminated the day.*

BALANCE SHEET AT 31.12.2024

(amount expressed in CHF 1,000)	Notes	Year under review	Previous year
Assets			
Liquid assets		78,980	55,430
Amounts due from banks		61,245	43,870
Amounts due from customers	4.1	250,807	246,336
Mortgage loans	4.1	191,588	196,730
Trading portfolio assets	4.2	4,261	3,548
Positive replacement values of derivative financial instruments	4.3	4,074	8,205
Financial investments	4.4	64,290	86,744
Accrued income and prepaid expenses		5,081	6,505
Participations		13,668	14,335
Tangible fixed assets		11,131	11,108
Other assets	4.5	2,970	1,869
Total assets		688,095	674,680
Total subordinated claims			
		1,001	2,153
Liabilities			
Amounts due to banks		48,639	58,506
Amounts due in respect of customer deposits		509,358	480,417
Negative replacement values of derivative financial instruments	4.3	3,473	8,164
Accrued expenses and deferred income		4,363	4,700
Other liabilities	4.5	1,230	1,868
Provisions	4.9	10,350	10,350
Bank's capital	4.10	20,000	20,000
Statutory retained earnings reserve		40,250	39,500
Voluntary retained earnings reserves		42,750	42,000
Profit carried forward		2,675	1,028
Result of the period		5,007	8,147
Total liabilities		688,095	674,680
Off-balance-sheet transactions			
Contingent liabilities	4.1	11,689	5,252
Irrevocable commitments	4.1	2,838	3,323

INCOME STATEMENT 2024

	Notes	Year under review	Previous year
(amount expressed in CHF 1,000)			
Result from interest operations			
Interest and discount income		13,635	13,105
Interest and dividend income from trading portfolios		1	2
Interest and dividend income from financial investments		646	1,097
Interest expense		-3,836	-1,727
Gross result from interest operations		10,446	12,477
Changes in value adjustments for default risks and losses from interest operations		19	7
Subtotal net result from interest operations	6.1	10,465	12,484
Result from commission business and services			
Commission income from securities trading and investment activities		22,158	22,830
Commission income from lending activities		102	125
Commission income from other services		1,957	1,933
Commission expense		-1,484	-1,498
Subtotal result from commission business and services		22,733	23,390
Result from trading activities and fair value		2,557	1,796
Other result from ordinary activities			
Result from disposal of financial investments		212	17
Income from participations		1,004	1,004
Result from real estate		93	93
Other ordinary income		83	542
Subtotal other result from ordinary activities		1,392	1,656
Net revenues		37,147	39,326
Operating expenses			
Personnel expenses	6.2	-20,009	-19,515
General and administrative expenses	6.3	-7,834	-7,310
Subtotal operating expenses		-27,843	-26,825
Gross Profit		9,304	12,501
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets		-2,780	-2,195
Changes to provisions and other value adjustments, and losses		-17	-39
Operating result		6,507	10,267
Taxes	6.4	-1,500	-2,120
Result of the period		5,007	8,147

APPROPRIATION OF PROFIT

(amount expressed in CHF 1,000)	Year under review	Previous year
Result of the period	5,007	8,147
Profit carried forward	2,675	1,028
Distributable profit	7,682	9,175
Appropriation of profit		
Allocation to statutory retained earnings reserve	500	750
Allocation to voluntary retained earnings reserves	500	750
Dividend	5,000	5,000
Profit to be carried forward	1,682	2,675

STATEMENT OF CHANGES IN EQUITY 2024

(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	39,500	42,000	1,028	8,147	110,675
Dividend					-5,000	-5,000
Allocation to reserves		750	750		-1,500	
New amount carried forward				1,647	-1,647	
Result of the period					5,007	5,007
Equity at end of current period	20,000	40,250	42,750	2,675	5,007	110,682



The Energy of Snow

Bifacial solar panels are designed to capture sunlight from both sides, thereby increasing their efficiency. They are also used in mountainous areas, elevated from the ground, as they can harness part of the energy from the reflection of light on the snow.



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 annual account is prepared based on the going concern assumption, and the financial statements are presented at continuation values.

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 2024 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/en/publication-type/reports).

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

	Type of collateral			
(amount expressed in CHF 1,000)	Secured by mortgage	Other collateral	Unsecured	Total
Loans (before netting with value adjustments)				
Amounts due from customers	4,503	227,958	19,226	251,687
Mortgage loans				
- Residential property	143,921		174	144,095
- Office and business premises	44,971			44,971
- Commercial and industrial premises	2,696			2,696
Total loans (before netting with value adjustments)				
Current year	196,091	227,958	19,400	443,449
Previous year	200,873	218,170	25,142	444,185
Total loans (after netting with value adjustments)				
Current year	196,091	227,958	18,346	442,395
Previous year	200,873	218,170	24,023	443,066
Off-balance-sheet				
Contingent liabilities		8,540	3,149	11,689
Irrevocable commitments			2,838	2,838
Total off-balance-sheet				
Current year		8,540	5,987	14,527
Previous year		4,699	3,876	8,575

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	1,054		1,054	1,054
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)	4,104	3,433
Precious metals and commodities	157	115
Total	4,261	3,548

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	6,874	6,244	1,107,434
Options (OTC)	402	431	89,020
Total before netting agreements	7,276	6,675	1,196,454
<i>of which, calculated with the aid of a pricing model</i>	<i>7,276</i>	<i>6,675</i>	
Previous year	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>	
	Positive replacement values (cumulative)	Negative replacement values (cumulative)	
Total after netting agreements			
Current year	4,074	3,473	
Previous year	8,205	8,164	
	Central clearing houses	Banks and securities dealers	Other customers
Breakdown by counterparty			
Positive replacement values (after netting agreements)		2,392	1,682

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	48,953	71,230	47,979	68,694
Equity securities	15,337	15,514	15,561	15,790
Total	64,290	86,744	63,540	84,484
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	<i>9,822</i>	<i>15,717</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)	21,710	16,642	9,779	822

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	392	340	1,061	832
Withholding taxes	2,341	1,297		
Share capital to be paid up				860
Other assets and liabilities	237	232	169	176
Total	2,970	1,869	1,230	1,868

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)	Effective	
	Book values	commitments
Pledged/assigned assets		
Deposits within SNB and deposit insurance within Esisuisse	1,419	2,838
Financial investments	11,648	4,633
Total	13,067	7,471

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
Total		55

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	11.7%				1,667	1,667	1,590

Banca del Sempione joined the legally independent semi-autonomous Zurich Life Collective Foundation.

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 2024, the Vita Foundation had a funding ratio of 111.7% (unaudited data, previous year 104.7%).

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	1,119				3	14	-33	1,103
<i>of which, value adjustments for default risks in respect of impaired loans/receivables</i>	<i>1,061</i>				<i>3</i>	<i>14</i>	<i>-24</i>	<i>1,054</i>
<i>of which, value adjustments for latent risks</i>	<i>58</i>						<i>-9</i>	<i>49</i>

In the other provisions hidden reserves 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	6,536	6,280	17,087	19,948
Group companies	8,501	8,783	45,793	50,900
Linked companies	9,652	11,375	1,718	1,791
Transactions with members of governing bodies	2,126	2,681	1,991	1,975

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-	228,038	72.3	217,264	68.7
A+/A-	2,709	0.9	6,116	1.9
BBB+/BBB-	82,000	26.0	91,222	28.8
BB+/BB-	1,605	0.5	924	0.3
B+/B-	1,020	0.3	566	0.2
CCC/C	149	0.0	299	0.1
Total assets	315,521	100	316,391	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	56,673	82,425
Fiduciary investments with companies of the Group	8,279	14,433
Total of fiduciary transactions	64,952	96,858

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	562,625	517,173
Assets under discretionary asset management agreements	1,053,834	930,543
Other managed assets	1,691,586	1,552,453
Total assets under management (including double counting)	3,308,045	3,000,169
<i>of which, double counting</i>	<i>400,346</i>	<i>376,489</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	3,000,169	2,981,410
Net new money inflow or net new money outflow	70,851	25,221
Price gains/losses, interest, distributed profits and currency gains/losses	237,025	12,018
Others		-18,480
Total assets under management (including double counting) at the end of the period	3,308,045	3,000,169

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 occurred during the previous financial year.

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.

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)	16,624	16,251
Social insurance benefits	3,214	3,099
Other personnel expenses	171	165
Total personnel expenses	20,009	19,515

6.3 Breakdown of general and administrative expenses

(amount expressed in CHF 1,000)	Year under review	Previous year
Office space expenses	1,926	1,977
Expenses for information and communications technology	3,187	2,723
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	220	246
Fees of audit firm (Art. 961a no. 2 CO)	227	226
<i>of which, for financial and regulatory audits</i>	227	226
<i>of which, for other services</i>		
Other operating expenses	2,274	2,138
Total of general and administrative expenses	7,834	7,310

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	1,500	2,120
Total taxes	1,500	2,120
Average tax rate weighted on the basis of the operating result	23.1%	20.6%



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 2024, 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.

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

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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 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, 7 April 2025



Solar energy
already reaches
our homes
through
photovoltaic panels
- a silent revolution
that began almost
70 years ago
but is still
in its infancy.



TRANSFORM

to thrive

From Space to Earth

Originally developed for space, photovoltaic panels are now colonizing rooftops, cars, public transport, ships, and airplanes. The challenge remains: how to illuminate the night with daylight.



Previous page:

At the thermal power plant in the Gobi Desert, 12,000 115-square-meter mirrors arranged in concentric circles concentrate the sun's rays on the central tower to generate heat.

On top, on this page:

More than 70 years have passed since the launch of the first satellite powered by photovoltaic cells. Since then, solar energy has become the main power source for satellites in orbit.

On bottom, on this page:

Solar plane "FALCON SOLAR," capable of flying on solar power with zero emissions, thanks to its wide wings.

Right page:

"Lightyear 0" car, with solar panels integrated into the roof and hood.

Next page:

Tûranor PlanetSolar: a catamaran powered exclusively by solar energy.

The first practical application of photovoltaics dates back almost 70 years and comes from space. It was 1958 when NASA launched Vanguard 1, the first satellite equipped with photovoltaic cells - a 16 cm aluminum sphere, about the size of a mobile phone, with a radio transmitter powered by the Sun.

Thanks to that pioneering experience, photovoltaic panels became the preferred energy system for space missions, from satellites to interplanetary probes. They also enable the operation of the International Space Station, an orbiting laboratory that, in over 20 years of activity, has hosted 280 astronauts from 23 countries worldwide.

Back on Earth, solar energy production is now part of the landscape, and research is focused on improving the efficiency and versatility of

this technology. Scientists are experimenting with thin-film panels that can be applied to curved or mobile surfaces, as well as transparent panels that can be integrated into windows. Additionally, photovoltaic technology is complemented by other solar energy solutions, such as solar thermal systems, which use sunlight to heat water or generate electricity through steam turbines, and concentrated solar power plants, where mirrors direct sunlight onto a focal point to generate extremely high temperatures for large-scale electricity production.

The transportation industry is another sector where solar energy can play a decisive role in reducing carbon dioxide (CO₂) emissions and global pollution. A limited number of Lightyear cars, featuring integrated solar panels on the roof and hood to extend battery range, have already entered the market. Several European countries are testing solar-powered electric buses. We have also witnessed the first solar-powered circumnavigation of the globe by a catamaran, PlanetSolar, in 2012, and by an airplane, Solar Impulse 2, which in 2016 completed a 23-day nonstop flight thanks to photovoltaic cells on its wings and an energy storage system that enabled nighttime flying. Night itself represents the greatest challenge: improving lithium batteries and developing new storage technologies are the next frontier in making solar energy a continuous resource - by storing energy produced during the day for use at night or during cloudy conditions.







The Sun at the Helm

The Tûranor PlanetSolar is a Swiss catamaran powered exclusively by solar energy, designed to demonstrate the feasibility of emission-free navigation. Between 2010 and 2012, it completed the first solar-powered circumnavigation of the globe, covering over 60,000 km in 584 days. Created by Raphaël Domjan and built in Germany, it stands as a symbol of technological innovation and environmental sustainability.

Acknowledgements

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

Romande Energie
Laszlo Nemeth
Tûranor PlanetSolar
Lightyear
NASA

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Inserts edited by Giovanni Landolfi.

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

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

Accademia SGR SpA

Piazza Generale Armando Diaz 6

I-20123 Milano

Tel. +39 02 36 567 003

www.accademiasgr.it

Base Investments SICAV

4, Rue Robert Stumper

L - 2557 Luxembourg

info@basesicav.lu

www.basesicav.lu