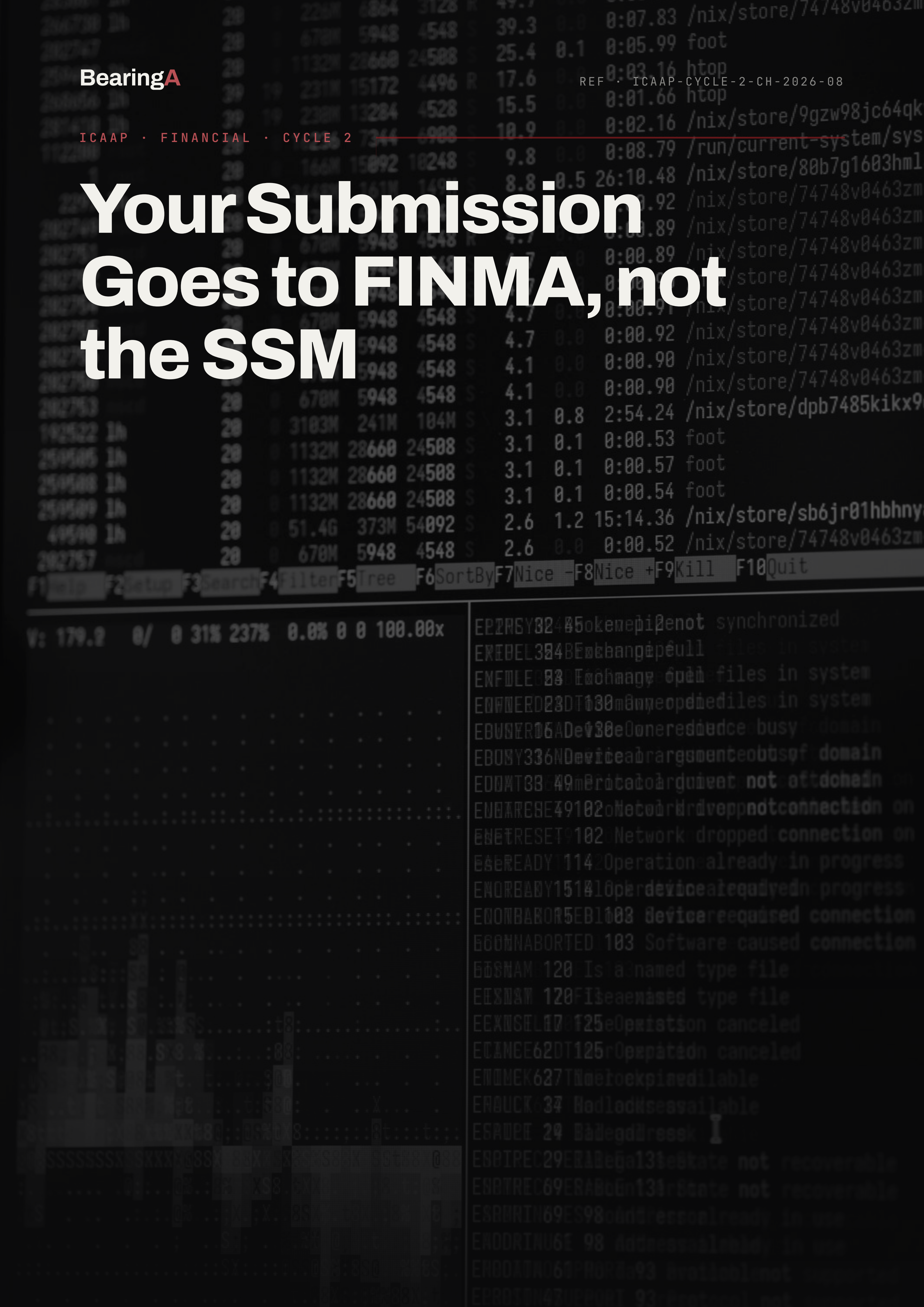
BearingA

REF · ICAAP-CYCLE-2-CH-2026-08

ICAAP · FINANCIAL · CYCLE 2

Your Submission Goes to FINMA, not the SSM



The exercise, the subject, the anchor, the method.

The 2026 SSM thematic prescribes both the shock and the depletion. Everything downstream is your composition.

i	SUPERVISOR	FINMA · Risk Monitor 2025 *the ECB reverse-test discipline, read across regime*
ii	SUBJECT	A Swiss CHF universal bank *anonymised archetype · safe-haven funding profile*
iii	ANCHOR	~300bp CET1 depletion *supervisor-prescribed · not a BearingA computation*
iv	METHOD	Reverse spine · one entangled configuration · four-channel ordered cascade

01 PRESCRIBED FAILURE

The supervisor sets the number. The instrument reads the path backwards

Your FINMA submission starts from a prescribed outcome the same way an SSM one does. The ~300bp is a given, the supervisor's, not your model's, and not a BearingA computation

The 2026 SSM reverse-test discipline is what set the shape of the exercise across euro-area banks ; FINMA reads its own institutions through the Risk Monitor lens.

The engine does not re-derive itself for each. It answers the same question your book has to answer either way: through what plausible configuration a balance sheet like yours reaches depletion of that order, and through which channels in your own exposure it transmits

The number is settled. The path is yours to defend, and it is the same path the engine builds under either supervisor

ANCHOR	~300bp CET1 depletion, archetype scale
PROVENANCE	supervisor-prescribed, not a BearingA computation
TRANSFER	what changes across SSM and FINMA is the Level 1 audit calibration, not the spine

02 CONFIGURATION

Your book does not meet five shocks. It meets one configuration

Read as five separate signals, the picture flattens into a list your risk committee has already seen. It is one entangled system, and a Swiss book meets it through its own exposures

Iran/US sets the proximate trigger; Hormuz carries the disruption core; Russia/Ukraine supplies the war-economy incentive that sustains it; the Xi/Trump relationship modulates how the others move; Turkey moves opportunistically under cover.

The safe-haven character of a Swiss balance sheet does not exempt it; it reshapes which channel dominates, through CHF appreciation and net-interest-margin compression rather than the credit-first path of a periphery book

The disruption core sits at entrenched closure, Day ~159 from the 28 February closure: Islamabad MoU on 17 June, collapse across 7–12 July, the strait declared closed until further notice. War-risk insurance at roughly eight times pre-crisis, P&I cover withdrawn. That is the state the book is exposed to now, not a forecast

03 CHANNELS

Four channels. One ordered cascade

Your exposure meets the configuration through the ECB's own transmission taxonomy: financial market, real economy, safety and security, with a policy layer over all three , and the channels resolve in an order, not at once

The reason the order matters for the depletion is asymmetry. Across 47 years of BIS confidential banking statistics over ~12,000 country pairs, negative geopolitical events cut cross-border credit 10 to 20 percent more between blocs than within them, while positive events produce no matching increase.

Capital retreats hard and returns slow, so the credit leg leads and lingers, and the NIM leg rides on top of it

04 DETECTION

Which way the configuration is resolving , and what tips it

Your team needs the direction of travel and the trigger that moves it, before the book registers the move

Phase identification runs through HMM regime characterisation, statistically defensible at $p<0.001$, with the phase-by-cluster structure observable in the configuration's own trace. Three directions, each with the trigger and the channel it activates

Both legs deepen: credit-impairment and CHF-driven NIM compression compound rather than offset

The strait runs as a priced corridor; depletion accrues through the sustained credit leg, the NIM leg easing as rates settle

A durable settlement, not an MoU interlude. The credit leg reverses slower than the market leg; the depletion does not unwind at the pace it arrived

▲ ESCALATION	■ ABSORPTION	▼ RESOLUTION
Corridor authority hardens	**Closure entrenches as regime**	**Genuine reopening**
Both legs deepen: credit-impairment and CHF-driven NIM compression compound rather than offset	The strait runs as a priced corridor; depletion accrues through the sustained credit leg, the NIM leg easing as rates settle	A durable settlement, not an MoU interlude. The credit leg reverses slower than the market leg; the depletion does not unwind at the pace it arrived

05 THINKING SPACE

One path shown. One method you run yourself

Your submission needs a number your risk committee can stand behind under FINMA scrutiny, so the method matters more than any figure printed here

Two registers, kept apart. One path is illustrative: a narrated route from the configuration to a depletion of the prescribed order, shown so your team sees the shape, not asserted as a computation. The other is method: the reusable procedure your analysts run against your own book, feeding ICAAP Principles 4, 6 and 7

The 2026 results credit mitigating actions with a real offset: CET1 15.5 percent at end-2025, 12.1 before actions, 13.6 after, then flag them, in the supervisor's own words, as over-optimistic under a systemic crisis where many banks reach for the same actions at once Chart 5.

A safe-haven bank feels this sharply: the CHF strength that cushions one leg is the same move every peer is crowding into.

Mitigating actions are shared; you cannot all sell the same assets into the same stressed market at the same moment

06 BOUNDARY

Where BearingA stops and your book begins

FINMA cares exactly where this line falls, so it is drawn in the open, and it falls in the same place it does under the SSM

BearingA reads the configuration and its transmission to your book, at production cadence, every claim drillable to a primary source. You hold the book data, run the quantification inside your audited framework, and own the submission. The reasoning layer runs against your measurement layer, the division of responsibility the supervisor's data-quality framing already assigns

That the boundary holds unchanged from Cycle 1 is the transfer test passing: the engine reads a Swiss FINMA book with the same discipline it read an Italian SSM one, and stops at the same line

BEARINGA SUPPLIES	the configuration, its transmission, the reverse spine, the trigger apparatus, drillable to source, at cadence
YOU SUPPLY	your audited Level 1 exposure, your quantification, your risk appetite, your submission
NEVER BEARINGA	the ~300bp (supervisor-prescribed), your book data, the number in the appendix

SOURCING

Every claim in this read traces to a primary source at the live web read. Sources are dated, versioned, and indexed continuously.

BOUNDARY

Anonymised archetype — no named institution's data enters this composition. The CET1 number is supervisor-prescribed, not a BearingA computation.

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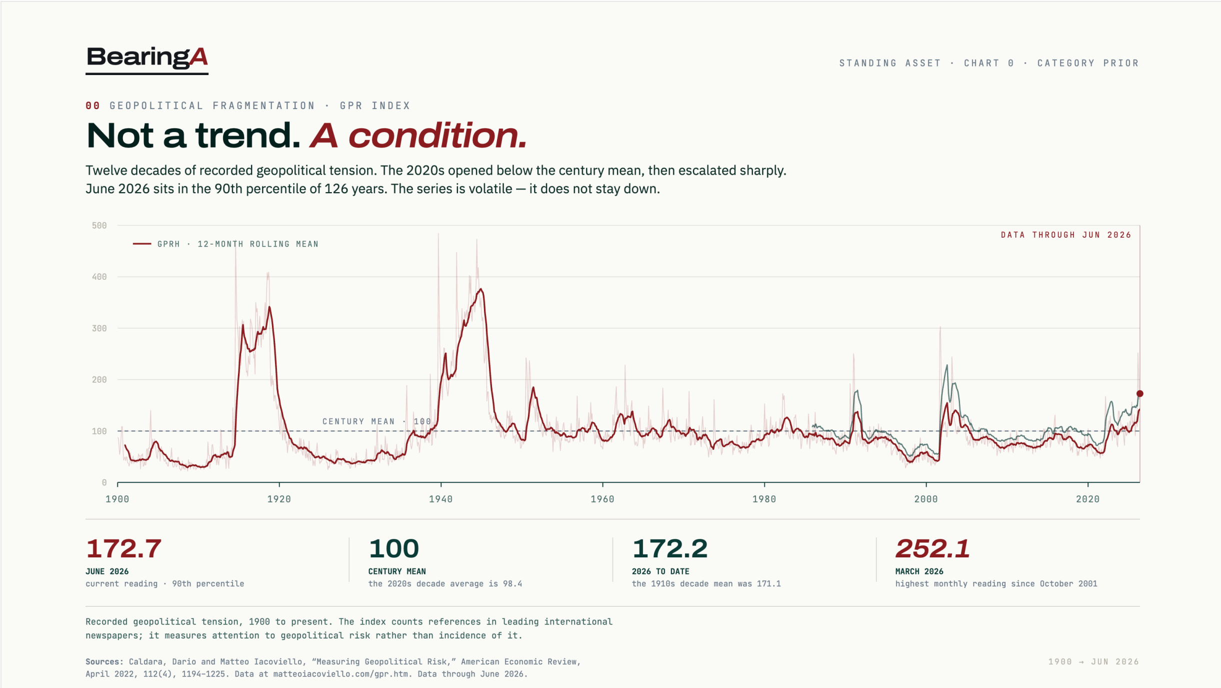
Evidence · Charts and data exhibits

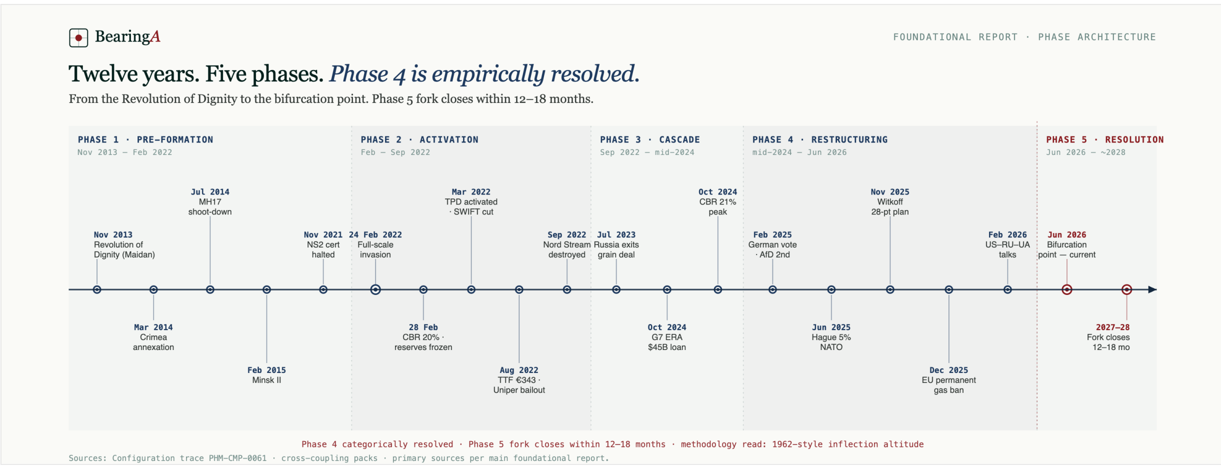
Primary sources cited at the live web read. Every claim in the body text traces to the exhibits below or to a source indexed in the BearingA corpus.

EXHIBIT 01



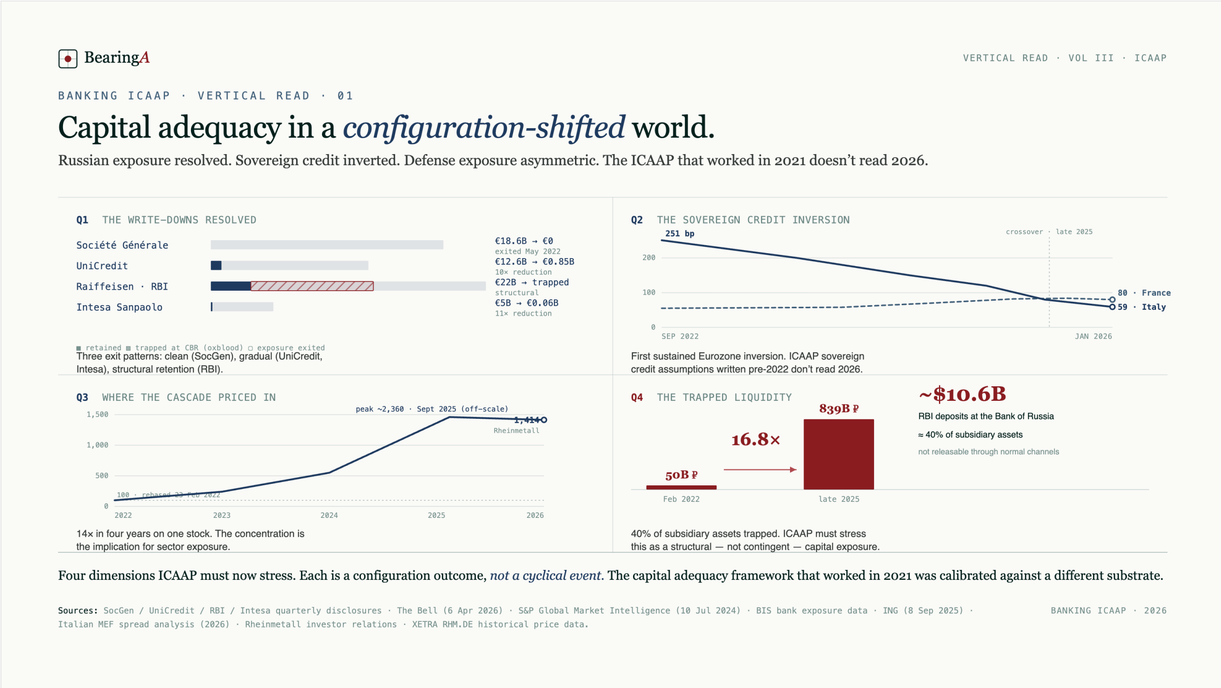
STANDING ASSET · CHART 0 — GEOPOLITICAL FRAGMENTATION, 1900–JUN 2026. 90TH PERCENTILE OF 126 YEARS.

EXHIBIT 02



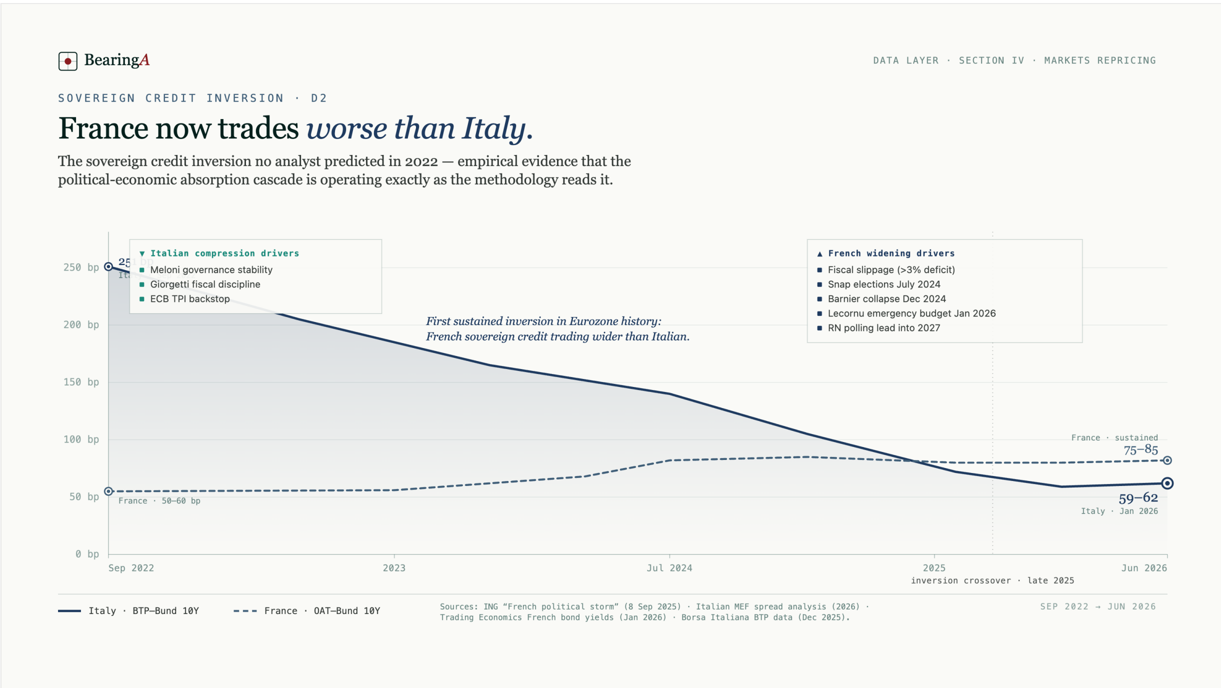
FOUNDATIONAL REPORT · PHASE ARCHITECTURE — TWELVE YEARS. FIVE PHASES. PHASE 5 FORK CLOSES WITHIN 12–18 MONTHS.

EXHIBIT 03



BANKING ICAAP · VR 01 — CAPITAL ADEQUACY IN A CONFIGURATION-SHIFTED WORLD.

EXHIBIT 04



DATA LAYER · SOVEREIGN CREDIT — FRANCE NOW TRADES WORSE THAN ITALY. FIRST SUSTAINED EUROZONE INVERSION.

EXHIBIT 05

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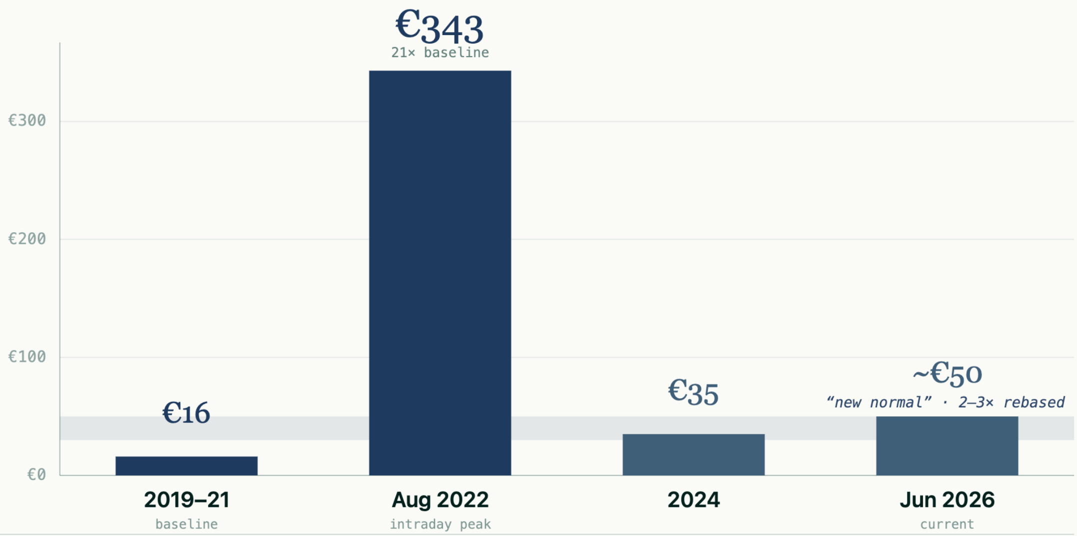
DATA LAYER · SECTION II · CANONICAL PAIRS · 3 / 5

03 TTF GAS · B1

Three times the baseline. *New regime, not transient.*

The price the European industrial base now plans against — permanently rebased.



BEFORE · 2019–21 AVG

€16

/MWh baseline

CURRENT · JUN 2026

~€50

/MWh · €343 peak Aug 2022

~3×

STRUCTURALLY REBASED

Sources: ICE TTF futures · Trading Economics commodity tracker · Eurostat energy data.

2019–21 → JUN 2026

DATA LAYER · TTF GAS — THREE TIMES THE BASELINE. NEW REGIME, NOT TRANSIENT. €16 → €343 PEAK → ~€50 CURRENT.

ABOUT BEARINGA

BearingA

BearingA is a Ukrainian company. Headquartered in Kyiv. Operating across Kyiv and Amsterdam. Building and running the engine continuously since March 2024, through every geopolitical configuration the period has produced.

The compound geopolitical configurations the engine reads for institutional clients are, in Kyiv, operational conditions navigated daily while what reads them is being built. Not encountered first in the corpus. Navigated first. The reads compose with first-hand reference.

We are proud of Ukrainian resistance. Proud of the mental strength of the people building under these conditions. Proud of the depth of analytical talent operating here. This is where BearingA was built and this is where BearingA will remain headquartered.

SPEAK TO BEARINGA

BearingA does not run discovery calls, and does not gate the first conversation behind a form. Reach directly. You will hear back inside a working day.

Deploy against your position	sheeringa@bearinga.com
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Editorial · academic · media	enquiries@bearinga.com

THIS READ

WEB	bearinga.com/reads/cycle-2-swiss-finma
SOURCING	Every claim traces to a primary source at the live web read. Sources are dated, versioned, and indexed continuously from Kyiv since March 2024.
BOUNDARY	Anonymised archetype. No named institution's data enters this composition.