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J. SAFRA SARASIN

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Sustainable Swiss Private Banking since 1841

# Basel III Pillar 3 Disclosures 31 December 2020

J. Safra Sarasin Holding Ltd.

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## Basel III Pillar 3 Disclosures (FINMA circ. 2016/1)

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**Introduction**

J. Safra Sarasin Holding Ltd. (the “Group” or the “Holding”) is regulated by the Swiss Financial Market Supervisory Authority (FINMA) which requires it to comply with Pillar III disclosures that are part of the Basel III Capital Adequacy Framework. This report discloses the Group’s application of Basel III framework as of 31 December 2020. In order to have the full view of the Group’s regulatory environment and capital requirements, this report should be read along with the Holding’s Annual Report 2020. For more information on the way the Group manages risk, please refer to the Risk Management (pages 76 – 82) section in the Holding’s Annual Report 2020. Certain disclosures contained in this report can not be reconciled with disclosures in the Annual Report due to the way the Group manages risk internally being different to the way it reports it hereunder.

**Consolidation perimeter**

The consolidation perimeter includes all entities wholly and partially owned, direct or indirect subsidiaries (and their branches and representative offices). Methodology used is the same than the accounting principles described on page 72 of the Holding’s Annual Report. On page 89 of the Holding’s Annual Report is a list of the main subsidiaries of the Group as at 31 December 2020.

There are no internal and external limitations which could prevent the transfer of funds or capital within the Group.

**Table KM1: Key metrics**

(in 1'000 CHF)	31.12.2020	30.06.2020	31.12.2019
<b>Available capital (amounts)</b>			
1 Common Equity Tier 1 (CET1)	5,354,825	5,046,793	4,968,913
2 Tier 1	5,354,825	5,046,793	4,968,913
3 Total capital	5,354,825	5,046,793	4,968,913
<b>Risk-weighted assets (amounts)</b>			
4 Total risk-weighted assets (RWA)	14,580,635	17,419,248	15,852,213
4a Minimum capital requirement	1,166,451	1,393,540	1,268,177
<b>Risk-based capital ratios as a percentage of RWA</b>			
5 Common Equity Tier 1 ratio (%)	36.73%	28.97%	31.35%
6 Tier 1 ratio (%)	36.73%	28.97%	31.35%
7 Total capital ratio (%)	36.73%	28.97%	31.35%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>			
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%
9 Countercyclical buffer requirement (%)	0.02%	0.02%	0.19%
11 Total of bank CET1 specific buffer requirements (%)	2.52%	2.52%	2.69%
12 CET1 available after meeting the bank's minimum capital requirements (%)	28.73%	20.97%	23.35%
<b>Target equity ratios according to DRAO Annex 8 (as a % of RWA)</b>			
12a Capital conservation buffer according to Annex 8 of CAO (in % of RWA)	4.00%	4.00%	4.00%
12b Countercyclical buffers (Art. 44 and 44a CAO) (%)	0.02%	0.02%	0.21%
12c CET1 target rate (in %) according to CAO Annex 8 plus countercyclical buffers according to CAO Art. 44 and 44a	7.82%	7.82%	8.01%
12d T1 target rate (in %) according to CAO Annex 8 plus countercyclical buffers according to CAO Art. 44 and 44a	9.62%	9.62%	9.81%
12e Total capital target ratio (in %) according to CAO Annex 8 plus countercyclical buffer according to CAO Art. 44 and 44a	12.02%	12.02%	12.21%
<b>Basel III leverage ratio</b>			
13 Total Basel III leverage ratio exposure measure	32,314,289	32,575,601	39,640,139
14 Basel III leverage ratio (%)	16.57%	15.49%	12.54%
<b>Liquidity Coverage Ratio</b>			
15 Total HQLA	11,938,409	10,814,905	10,398,095
16 Total net cash outflow	9,670,929	8,616,021	7,438,487
17 LCR ratio (%)	123.45%	126.56%	139.75%
<b>Net Stable Funding Ratio</b>			
18 Total available stable funding	22,822,710	22,305,302	22,423,301
19 Total required stable funding	18,187,934	17,733,968	18,475,703
20 NSFR ratio	125.48%	125.78%	121.37%

**Table OVA: Bank risk management approach**

<b>Pillar 3 disclosure requirement</b>	<b>Annual Report 2020 section</b>	<b>Disclosure</b>	<b>Annual Report 2020 Page number</b>
Risk Profile	Consolidated Financial	Governance	76
	Statements - Consolidated	Risk management framework	76 - 77
	Notes	Organisation of risk management	77 - 78
		Risk categories	80 - 82
Risk Governance	Consolidated Financial	Governance	76
	Statements - Consolidated	Risk management framework	76 - 77
	Notes	Committees	77
Communication	Consolidated Financial	Organisation of risk	77 - 78
	Statements - Consolidated	management	
	Notes	Committees	77
Scope and main features of risk measurement systems	Consolidated Financial	Risk categories	80 - 82
	Statements - Consolidated		
	Notes		
Risk information reporting	Consolidated Financial	Organisation of risk	76 - 77
	Statements - Consolidated	management	
	Notes		
Stress testing	Consolidated Financial	Risk indicators	78 - 79
	Statements - Consolidated		
	Notes		
Strategies and processes to manage, capture and mitigate risks	Consolidated Financial	Organisation of risk	77 - 78
	Statements - Consolidated	management	
	Notes	Risk indicators	78 - 79
		Risk categories	80 - 82
		Business policy regarding hedging	83

**Table OV1: Overview of risk-weighted assets**

	RWA	RWA	Minimum Capital Requirement
(in 1'000 CHF)	31.12.2020	31.12.2019	31.12.2020
1 <b>Credit risk (excluding counterparty credit risk) (CCR)</b>	8,383,333	10,265,985	670,667
2 Of which standardised approach (SA)	8,383,333	10,265,985	670,667
6 <b>Counterparty credit risk CCR</b>	543,784	682,726	43,503
7 Of which standardised approach for counterparty credit risk (SA-CCR)	514,100	0	41,128
7b Of which determined using the market value method		383,707	
9 Of which others (CCR)	29,684	299,019	2,375
10 <b>Value adjustment risk of derivatives (CVA)</b>	350,159	232,879	28,013
11 <b>Equity positions in banking book under market-based approach</b>			
12 <b>Equity investments in funds – look-through approach</b>			
13 <b>Equity investments in funds – mandate-based approach</b>	190,736		15,259
14 <b>Equity investments in funds – fall-back approach</b>			
14a <b>Investments in managed collective assets - simplified approach</b>			
15 <b>Settlement risk</b>			
16 <b>Securitisation exposures in banking book</b>			
17 Of which IRB ratings-based approach (SEC-IRBA)			
18 Of which under the external ratings-based approach (SEC-ERBA), including the Internal Assessment Approach (IAA)			
19 Of which under the standardised approach (SEC-SA)			
20 <b>Market risk</b>	2,775,203	2,391,621	222,016
21 Of which standardised approach (SA)	2,775,203	2,391,621	222,016
22 Of which determined with model approach (IMA)			
23 Capital charge for switch between trading book and banking book			
24 <b>Operational risk</b>	2,298,663	2,261,551	183,893
25 <b>Amounts below the thresholds for deduction (subject to 250% risk-weight)</b>	38,757	17,451	3,101
26 <b>Floor adjustment</b>			
27 <b>Total (1+6+10+11+12+13+14+14a+15+16+20+23+24+25+26)</b>	14,580,635	15,852,213	1,166,451

**Table LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories**

	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values				
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework <sup>1)</sup>	Not subject to capital requirements or subject to deduction from capital
<b>(in 1'000 CHF)</b>			<b>31.12.2020</b>				
<b>ASSETS</b>							
Liquid assets	8,704,108	8,704,108	8,704,108				
Amounts due from banks	1,987,717	1,987,717	1,357,359	630,358			
Amounts due from securities financing transactions							
Amounts due from customers	9,068,576	9,068,576	9,061,583	6,993			
Amounts due secured by mortgage	2,993,009	2,993,009	2,993,009				
Trading portfolio assets	2,305,828	2,305,828	452,118		2,263,553		
Positive replacement values of derivative financial instruments	610,210	610,210		610,210	986,691		
Other financial instruments at fair value	1,723,620	1,723,620			1,722,265		
Financial investments	9,800,985	9,800,985	9,800,985			0	
Accrued income and prepaid expenses	181,813	181,813	181,813				
Participations	37,224	37,224	37,224		8,360		
Tangible fixed assets	282,765	282,765	282,765				
Intangible assets	0	0					
Other assets	299,491	299,491	93,455			190,534	
Bank's capital not paid in							
<b>TOTAL ASSETS</b>	<b>37,995,345</b>	<b>37,995,345</b>	<b>32,964,417</b>	<b>1,247,561</b>	<b>4,980,869</b>	<b>190,534</b>	
<b>LIABILITIES</b>							
Amounts due to banks	753,259	753,259		28,816		12,018	
Liabilities from securities financing transactions							
Amounts due in respect of customer deposits	28,974,946	28,974,946	3,109,979			401,971	
Trading portfolio liabilities	8,939	8,939			8,931	8	
Negative replacement values of derivative financial instruments	1,035,731	1,035,731		1,035,731	1,716,545		
Liabilities from other financial instruments at fair value	1,182,574	1,182,574				167,054	
Cash bonds							
Bond issues and central mortgage institution loans	78,250	78,250				78,250	
Accrued expenses and deferred income	321,460	321,460				202,565	
Other liabilities	210,451	210,451				48,760	
Provisions	38,935	38,935				30,014	
<b>TOTAL LIABILITIES</b>	<b>32,604,544</b>	<b>32,604,544</b>	<b>3,109,979</b>	<b>1,064,547</b>	<b>1,725,475</b>	<b>940,639</b>	

<sup>1)</sup> For reasons of clarity, the Bank does not list foreign currency and precious metal positions in the market risk column.

**Table CC1 : Presentation of the regulatory eligible capital**

(in 1'000 CHF)	31.12.2020	31.12.2019
<b>Common Equity Tier 1 (CET1)</b>		
1 Issued fully paid-up capital, fully eligible	848,245	848,245
2 Retained earnings reserve, incl. Reserves for general banking risks / profit-loss carried forward / profit-loss of the period	2,022,849	1,669,047
3 capital reserves / foreign currency translation reserves (+/-)	1,674,736	1,768,255
4 Issued fully paid-up capital, transitory recognised (phase out)		
5 Minority interests	808,995	795,577
6 = Common Equity Tier 1 (CET1) before adjustments	5,354,825	5,081,124
<b>Adjustments referring to Common Equity Tier 1</b>		
7 Prudential valuation adjustments		
8 Goodwill (net of related tax liability)		-112,211
9 Other intangible assets other than mortgage-servicing rights (net of related tax liability)		
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		
11 Cash-flow hedge reserve (-/+)		
12 Shortfall of provisions to expected losses		
13 Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)		
14 Gains and losses due to changes in own credit risk on fair valued liabilities		
15 Defined-benefit pension fund net assets		
16 Investments in own shares (if not already netted off paid-in capital on reported balance sheet)		
17 Reciprocal cross-holdings in common equity		
17a Qualified participations, where a controlling influence exists together with other owners (CET1-Instruments)		
17b Immaterial participations (CET1-Instruments)		
18 Not qualified participations in the financial sector (max 10%) (Amount exceeding threshold 1) (CET1-Instruments)		
19 Other qualified participations in the financial sector (Amount exceeding threshold 2) (CET1-Instruments)		
20 Mortgage servicing rights (amount above threshold 2)		
21 Deferred tax assets arising from temporary differences (amount above threshold 2, net of related tax liability)		
22 Amount exceeding the threshold 3 (15%)		
23 of which: significant investments in the common stock of financials		
24 of which: mortgage servicing rights		
25 of which: deferred tax assets arising from temporary differences		
26 Expected loss for investments based on the PD/LGD-approach		
26a Further adjustments for financial statements with generally accepted international accounting standards		
26b Further deductions		
27 Amount of AT1 deductions, which exceeds the AT1-capital		
28 = Sum of CET1-Adjustments		-112,211
29 = Common Equity Tier 1 (net CET1)	5,354,825	4,968,913
<b>Additional Tier 1 Capital (AT1)</b>		
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus		
31 of which: classified as equity under applicable accounting standards		
32 of which: classified as liabilities under applicable accounting standards		
33 Directly issued capital instruments subject to phase out from Additional Tier 1		
34 Minority interests eligible for AT1		
35 of which : transitorily recognised		
36 = Sum of additional Tier 1 capital (AT1), before adjustments		
Adjustments of additional Tier 1 capital		



<b>(in 1'000 CHF)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
37 Net long position in own AT1 instruments		
38 Reciprocal cross-holdings (AT1-Instruments)		
38a Qualified investments with where a dominant influence is executed together with other owners (AT1-Instruments)		
38b Immaterial participations (AT1-Instruments)		
39 Non-qualifying holdings (max. 10%) in financial sector (amount exceeding threshold 1) (AT1-Instruments)		
40 Other qualifying holdings in financial sector (AT1-Instruments)		
41 Other deductions		
42 Amount of T2 deductions, which exceed the T2-capital		
42a CET1 capped AT1 deductions		
43 = Sum of AT1-Adjustments		
44 = additional Tier 1 capital (AT1)		
45 Tier 1 capital (T1 = CET1 + AT1)	5,354,825	4,968,913
<b>Eligible Tier 2 capital (T2)</b>		
46 Directly issued qualifying Tier 2 instruments plus related stock surplus		
47 Directly issued capital instruments subject to phase out from Tier 2		
48 Minority interests eligible for T2		
49 Of which : transitorily recognised (phase out)		
50 Value adjustments; Provisions and losses due to reasons of prudence; forced reserves on financial investments		
51 Eligible Tier 2 capital (T2) before adjustments		
Adjustments of Tier 2 capital		
52 Net long position in own T2 instruments		
53 Reciprocal cross-holdings (T2- Instruments)		
53a Qualified investments with where a dominant influence is executed together with other owners (T2-Instruments)		
53b Immaterial participations (T2-Instruments)		
54 Non-qualifying holdings (max. 10%) in financial sector (amount exceeding threshold 1) (T2-Instruments)		
55 Other qualifying holdings in financial sector (T2-Instruments)		
56 Other deductions		
56a T2 deduction covered by AT1-capital		
57 = sum of T2 Adjustments		
58 = Tier 2 capital (T2)		
59 = Total regulatory capital (TC = T1 + T2)	5,354,825	4,968,913
60 Total risk-weighted assets	14,580,635	15,852,213
<b>Capital ratio</b>		
61 Common Equity Tier 1 (as a percentage of risk-weighted assets) para 29	36.73%	31.35%
62 Tier 1 (as a percentage of risk-weighted assets) para 45	36.73%	31.35%
63 Total capital (as a percentage of risk-weighted assets) para 59	36.73%	31.35%
64 Institution-specific CET1 buffer requirements in accordance with Basel minimum standards (capital conservation buffer + countercyclical buffer according to Art. 44a CAO + own funds buffer for systemically important banks) (in % of the risk-weighted positions)	2.52%	2.69%
65 of which: capital conservation buffer according to Basel minimum standard (in % of the risk-weighted positions)	2.5%	2.5%
66 of which: countercyclical buffer according to Basel minimum standards (Article 44a CAO, in % of the risk-weighted positions)	0.02%	0.19%
67 of which: capital conservation buffer for systemically important banks according to Basel minimum standard (in % of the risk-weighted positions)	0%	0%
68 Available CET1 to meet the buffer requirements according to Basel minimum standards (after deduction of CET1 to cover the minimum requirements and, where applicable, to cover TLAC requirements) (in % of the risk-weighted positions)	28.73%	23.35%

<b>(in 1'000 CHF)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
68a CET1 total requirement according to Annex 8 CAO plus the countercyclical buffers according to Art. 44 and 44a CAO (in % of the risk-weighted positions)	7.82%	8.01%
68b of which: countercyclical buffers according to Art. 44 and 44a CAO (in % of risk-weighted positions)	0.02%	0.21%
68c Available CET1 (in % of the risk-weighted positions)	32.53%	27.15%
68d T1 total requirement according to Annex 8 CAO plus the countercyclical buffers according to Art. 44 and 44a CAO (in % of the risk-weighted positions)	9.62%	9.81%
68e Available T1 (in % of the risk-weighted positions)	34.33%	28.95%
68f Total regulatory capital requirement in accordance with Annex 8 CAO plus countercyclical buffers according to Art. 44 and 44a CAO (in % of the risk-weighted positions)	12.02%	12.21%
68g Available regulatory capital (in % of the risk-weighted positions)	36.73%	31.35%
<b>Amounts below threshold for deductions (before risk weighting)</b>		
72 Non-qualifying holdings in financial sector and other TLAC investments	37,491	24,617
73 Other qualifying holdings in financial sector		
74 Mortgage servicing rights		
75 Other deferred tax assets		6,980
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach BIS		
77 Cap on inclusion of provisions in Tier 2 under standardised approach BIS	109,418	132,114
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach		0
<b>Capital instruments subject to phase-out arrangements (01.01.2018-01.01.2022) according to Art. 141 CAO</b>		
80 Current cap on CET1 instruments subject to phase-out arrangements		
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82 Current cap on AT1 instruments subject to phase-out arrangements		
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84 Current cap on T2 instruments subject to phase-out arrangements		
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

**Table CC2: Composition of available own funds / reconciliation**

Balance sheet	According to	According to the	According to	According to the
	the accounting	regulatory	the accounting	regulatory
	rules	scope of	rules	scope of
		consolidation		consolidation
(in 1'000 CHF)	31.12.2020	31.12.2020	31.12.2019	31.12.2019
<b>Assets</b>				
Liquid assets	8,704,108	8,704,108	8,008,877	8,008,877
Amounts due from banks	1,987,717	1,987,717	1,696,657	1,696,657
Amounts due from securities financing transactions			58,101	58,101
Amounts due from customers	9,068,576	9,068,576	10,536,404	10,536,404
Mortgage loans	2,993,009	2,993,009	3,234,104	3,234,104
Trading portfolio assets	2,305,828	2,305,828	2,244,966	2,244,966
Positive replacement values of derivative financial instruments	610,210	610,210	433,210	433,210
Other financial instruments at fair value	1,723,620	1,723,620	1,334,200	1,334,200
Financial investments	9,800,985	9,800,985	8,230,699	8,230,699
Accrued income and prepaid expenses	181,813	181,813	216,513	216,513
Participations	37,224	37,224	24,285	24,285
Tangible fixed assets	282,765	282,765	308,428	308,428
Intangible assets	0	0	112,211	112,211
Of which goodwill	0	0	112,211	112,211
Of which other intangible assets	0			
Other assets	299,491	299,491	188,783	188,783
Of which deferred taxes depending on future revenues				
Of which deferred taxes from temporary differences	15,503	15,503	6,980	6,980
<b>Total assets</b>	<b>37,995,345</b>	<b>37,995,345</b>	<b>36,627,438</b>	<b>36,627,438</b>
<b>Liabilities</b>				
Amounts due to banks	753,259	753,259	709,825	709,825
Liabilities from securities financing transactions				
Amounts due in respect of customer deposits	28,974,946	28,974,946	28,479,913	28,479,913
Trading portfolio liabilities	8,939	8,939	19,429	19,429
Negative replacement values of derivative financial instruments	1,035,731	1,035,731	602,634	602,634
Liabilities from other financial instruments at fair value	1,182,574	1,182,574	839,899	839,899
Cash bonds				
Bond issues and central mortgage institution loans	78,250	78,250	291,119	291,119
Accrued expenses and deferred income	321,460	321,460	355,278	355,278
Other liabilities	210,451	210,451	180,757	180,757
Provisions	38,935	38,935	31,866	31,866
<b>Total Liabilities</b>	<b>32,604,544</b>	<b>32,604,544</b>	<b>31,510,721</b>	<b>31,510,721</b>
<b>Equity</b>				
Reserves for general banking risks	98,122	98,122	44,742	44,742
Capital	848,245	848,245	848,245	848,245
Of which eligible for CET1	848,245	848,245	848,245	848,245
Legal reserves/Voluntary retained earnings reserve/Profit- Loss carried forward/Profit- Loss of period	3,599,463	3,599,463	3,392,560	3,392,560
Minority interests	844,971	844,971	831,170	831,170
Of which eligible for CET1	808,995	808,995	795,577	795,577
<b>Total own funds</b>	<b>5,390,801</b>	<b>5,390,801</b>	<b>5,116,717</b>	<b>5,116,717</b>

- The scope of regulatory consolidation is the same as for financial consolidation.
- A list of group companies is enclosed in the annual report 2020, page 89.
- There were no essential changes in the scope of consolidation compared to previous year.
- There are no applicable restrictions.

**Table LR1: Leverage Ratio: Summary comparison of accounting assets vs leverage ratio exposure measure**

<b>(in 1'000 CHF)</b>		<b>31.12.2020</b>	<b>31.12.2019</b>
1	Total assets as per published financial statements	37,995,345	36,627,438
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes (Cm 6 and 7 FINMA-Circ. 15/3), as well as adjustment for assets deducted from Tier 1 capital (margin nos. 16-17 FINMA Circ. 15/3)	0	-112,211
3	Adjustment for fiduciary assets recognised on the balance sheet for accounting purposes, but excluded from the leverage ratio exposure measure (margin no. 15 FINMA Circ. 15/3)		
4	Adjustments for derivative financial instruments (Cm 21 to 51 FINMA-Circ. 15/3)	205,211	464,241
5	Adjustment for securities financing transactions (securities financing transactions, SFT) (Cm 52 to 73 FINMA-Circ. 15/3)	168,558	1,020,714
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures) (Cm 74 to 76 FINMA-Circ. 15/3)	1,664,563	1,639,956
7	Other adjustments	-7,719,388	0
8	<b>Leverage ratio exposure (sum of Rows 1-7)</b>	<b>32,314,289</b>	<b>39,640,139</b>

**Table LR2: Leverage ratio: Detailed presentation**

(in 1'000 CHF)	31.12.2020	31.12.2019
<b>On-balance sheet exposures</b>		
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral) (Cm 14 and 15 FINMA-Circ. 15/3)	29,665,746	36,136,127
2 (Assets that must be deducted in determining the eligible Tier 1 capital) (Cm 7, 16 and 17 FINMA-Circ. 15/3)	0	-112,211
3 = Total on-balance sheet exposures within the leverage ratio framework, excluding derivatives and SFTs (sum of Rows 1 and 2)	29,665,746	36,023,916
<b>Derivatives</b>		
4 Replacement values associated with all derivatives transactions, including those with CCPs, taking into account the margin payments received and netting agreements (ie net of eligible cash variation margin) (according to Cm 22 and 23, 34 and 35 FINMA-Circ. 15/3)	664,316	433,160
5 Add-on amounts for PFE associated with all derivatives transactions (Cm 22 and 25 Circ.-FINMA 15/3)	788,456	464,291
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework (Cm 27 FINMA-Circ. 15/3)		
7 (Deduction of receivables assets for cash variation margin provided in derivatives transactions, according to cm 36 FINMA-Circ. 15/3)	-637,351	
8 (Deduction relating to exposures to QCCPs if there is no obligation to reimburse the client in the event of the QCCP defaulting) (Cm 39 FINMA-Circ. 15/3)		
9 Adjusted effective notional amount of written credit derivatives, after deduction of negative replacement values (Cm 43 FINMA-Circ. 15/3)		
10 (Adjusted effective notional offsets of bought/written credit derivatives (Cm 44 to 50 FINMA-Circ. 15/3) and add-on deductions for written credit derivatives (Cm 51 FINMA-Circ. 15/3))	0	
11 = Total derivative exposures (sum of Rows 4-10)	815,422	897,452
<b>Securities financing transaction exposures</b>		
12 Gross SFT assets with no recognition of netting (except in the case of novation with a QCCP as per cm 57 FINMA Circ. 15/3) including sale accounting transactions (cm 69 FINMA Circ. 15/3), less the items specified in cm 58 FINMA Circ. 15/3)	138,357	920,223
13 (Netted amounts of cash payables and cash receivables relating to SFT counterparties) (Cm 59 to 62 FINMA-Circ. 15/3)		
14 CCR exposure for SFT assets (Cm 63 to 68 FINMA-Circ. 15/3)	30,201	158,592
15 Agent transaction exposures (Cm 70 to 73 FINMA-Circ. 15/3)		
16 = Total securities financing transaction exposures (sum of Rows 12-15)	168,558	1,078,815
<b>Other off-balance sheet exposures</b>		
17 Off-balance sheet exposure at gross notional amount before application of credit conversion factors	13,162,325	12,975,504
18 (Adjustments for conversion to credit equivalent amounts) (Cm 75 and 76 FINMA-Circ. 15/3)	-11,497,762	-11,335,548
19 = Total off-balance-sheet items (sum of Rows 17-18)	1,664,563	1,639,956
<b>Eligible capital and total exposures</b>		
20 Tier 1 capital (Cm 5 FINMA-Circ. 15/3)	5,354,825	4,968,913
21 Total exposures (sum of Rows 3, 11, 16 and 19)	32,314,289	39,640,139
<b>Leverage ratio</b>		
22 Leverage ratio (Cm 3 to 4 FINMA-Circ. 15/3)	16.6%	12.5%

**Table LIQA: Liquidity: Management of liquidity risks**

<b>Pillar 3 disclosure requirement</b>	<b>Disclosure</b>
Managing liquidity risk management, including risk tolerance, structure and responsibility for liquidity risk management, internal reporting on liquidity and communication of liquidity risk strategy, policies and practices in the business units and to the senior management body.	Annual Report 2020, page number 79 Liquidity risk
Refinancing strategy, including guidelines for diversifying sources and maturities of refinancing, and whether the refinancing strategy is centralized or decentralized.	The Group aims at having a well-diversified funding structure, characterised by diversification across different: <ul style="list-style-type: none"><li>– Counterparties (private customers/institutional customers/interbank market)</li><li>– Instruments (Structured products, current accounts, "Pfandbriefe", Fiduciaries etc.)</li><li>– Markets</li><li>– Currencies</li><li>– Maturities</li></ul> The TC regularly assesses the Group's current funding structure as well the Group's potential funding ability in the above defined funding segments. The Group aims to avoid large refinancing gaps which could possibly lead to future liquidity problems.
Methods for reducing liquidity risks.	Annual Report 2020, page number 79 Liquidity risk
Explanation of the use of stress testing.	Annual Report 2020, page number 79 Liquidity risk
Overview of the Bank's contingency plans for refinancing.	The following liquidity and refinancing positions are possible sources of liquidity either short term or long term, and can therefore be used to provide additional liquidity for example in case of a liquidity crisis: <ul style="list-style-type: none"><li>– Withdrawal of current credit lines</li><li>– Sale of positions from the Group's yield enhancement portfolio</li><li>– Utilisation of Central Bank's bridging facility</li><li>– Increase of collateral trading and security borrowing in order to generate additional securities eligible for repo transactions</li><li>– Restrictions on the drawing of new loans for mortgages and new approvals of lines of credit</li><li>– Increasing issues of "Pfandbrief" bonds (resp. loans)</li><li>– Placement of bonds</li><li>– Capital increase</li></ul>

**Table LIQ1: Information on the liquidity (LCR)**

(in 1'000 CHF)	Unweighted values		Unweighted values		Unweighted values		Unweighted values		
	Weighted values	Weighted values	Weighted values	Weighted values	Weighted values	Weighted values	Weighted values	Weighted values	
	Average Quarter 1/20	Average Quarter 1/20	Average Quarter 2/20	Average Quarter 2/20	Average Quarter 3/20	Average Quarter 3/20	Average Quarter 4/20	Average Quarter 4/20	
<b>A. High-quality liquid assets (HQLA)</b>									
1 Total high-quality liquid assets (HQLA)	10,056,283	9,774,511	12,131,701	11,855,299	11,845,379	11,593,305	11,954,413	11,625,076	
<b>B. Cash outflows</b>									
2 Retail deposits and deposits from small business customers, of which:	12,429,292	1,905,319	12,244,265	1,807,031	11,684,692	1,692,743	11,642,904	1,682,779	
3 Stable deposits	734,276	36,714	755,376	37,769	759,736	37,987	770,587	38,529	
4 Less stable deposits	11,695,016	1,868,605	11,488,888	1,769,262	10,924,956	1,654,756	10,872,317	1,644,249	
5 Unsecured wholesale funding, of which:	11,847,477	8,467,717	12,939,753	10,001,541	12,785,526	9,851,796	13,394,576	9,980,371	
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks									
7 Non-operational deposits (all counterparties)	11,847,133	8,467,374	12,888,253	9,950,041	12,785,526	9,851,796	13,369,740	9,955,536	
8 Unsecured debt	343	343	51,500	51,500			24,836	24,836	
9 Secured wholesale funding			90,249	231					
10 Additional requirements, of which:	1,735,900	563,053	2,200,725	946,822	1,729,818	911,893	1,513,580	853,886	
11 Outflows related to derivative exposures and other collateral requirements	1,714,566	554,946	2,159,503	919,896	1,704,951	900,711	1,489,939	844,158	
12 Outflows related to loss of funding on debt products			6,669	6,669					
13 Credit and liquidity facilities	21,334	8,108	34,553	20,257	24,868	11,183	23,641	9,727	
14 Other contractual funding obligations	63,228	36,430	135,238	103,626	55,561	55,561	13,493	13,493	
15 Other contingent funding obligations	13,572,551	53,454	13,693,862	49,420	13,114,628	42,994	13,355,029	42,746	
<b>16 Total cash outflows</b>	<b>39,648,447</b>	<b>11,025,974</b>	<b>41,304,091</b>	<b>12,908,671</b>	<b>39,370,225</b>	<b>12,554,988</b>	<b>39,919,582</b>	<b>12,573,275</b>	
<b>C. Cash inflows</b>									
17 Secured lending (eg reverse repos)					18,194	18,194			
18 Inflows from fully performing exposures	5,819,136	3,378,849	5,173,692	2,950,435	5,016,728	2,894,028	5,006,462	2,845,057	
19 Other cash inflows	182,454	182,454	190,866	190,866	212,835	212,835	101,216	101,216	
<b>20 Total cash inflows</b>	<b>6,001,591</b>	<b>3,561,303</b>	<b>5,364,558</b>	<b>3,141,301</b>	<b>5,247,756</b>	<b>3,125,057</b>	<b>5,107,679</b>	<b>2,946,273</b>	
<b>Total adjusted value</b>									
21 Total HQLA		9,774,511		11,855,299		11,593,305		11,625,076	
22 Total net cash outflows		7,464,670		9,767,371		9,429,931		9,627,001	
<b>23 Liquidity coverage ratio (in %)</b>		<b>131.63%</b>		<b>121.48%</b>		<b>122.95%</b>		<b>120.74%</b>	

In 2020, the three-month average total LCR declined slightly to 120% - 130%. This level is mainly driven by a higher net cash outflow, partially compensated by an increase in HQLA. The stock of HQLA is under the control of Group Treasury. In average about 90% of the stock of HQLA consists of assets that qualify as Level 1, primarily cash holdings and central bank reserves. As a result, a significant part of the HQLA is denominated in CHF. In contrast, the majority of the customer deposits are denominated in USD and EUR. All currencies can easily be converted in times of liquidity stress since the relevant FX spot markets are highly liquid.

In general, sources of funding are well diversified across counterparties as a result of the broad positioning as an international wealth management bank. The bank uses internationally acknowledged ISDA/CSA agreements to mitigate the credit risk arising from OTC derivative transactions that are mainly related to FX, interest rate and equity derivative trading. Liquidity risk is managed and monitored centrally by the Group Treasury Committee with the involvement of the local Treasury representatives to ensure that all internal and local regulatory requirements are met. Liquidity risk limits are set at a Group and individual entity level and are reviewed and approved at least once a year by the Board of Directors (BoD). Specific liquidity levels are defined that would trigger various escalation scenarios. Breaches of Group level limits are immediately reported to the Group Treasury Committee, the Executive Committee and the Group Audit Committee.

**Table CRA: Credit risk: General information**

Pillar 3 disclosure requirement	Disclosure	Annual Report 2020
		Page number
How the business model impacts the components of the bank's credit risk profile.	Risk strategy and risk profile	52, 78–82
	Risk management and risk categories	
Criteria and approach used for defining credit risk management policy and for setting credit risk limits.	Risk management Framework	76–77
	Forms of risk management	78–79
	Risk categories	80–82
Structure and organisation of the credit risk management and control function.	Organisation of risk management	77–78
	Governance of risk management	76
	Risk management Committees	77
Relationships between the credit risk management, risk control, compliance and internal audit functions.		77–78
Scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management and to the board of directors.	A comprehensive reporting of the qualitative and quantitative development of the Bank's credit book, including the aggregate view on Group level is periodically provided by the Credit Department and distributed to BJSS Management.	



**Table CR1: Credit risk: Credit quality of assets**

		Gross carrying values of		Allowances/ impairments	Net values
		Defaulted exposures	Non-defaulted exposures		
<b>(in 1'000 CHF)</b>		<b>31.12.2020</b>			
1	Loans (excluding debt securities)	497,739	11,900,503	336,656	12,061,586
2	Debt securities	415	8,573,160	415	8,573,160
3	Off-balance sheet exposures	0	397,952	0	397,952
<b>4</b>	<b>TOTAL</b>	<b>498,155</b>	<b>20,871,615</b>	<b>337,071</b>	<b>21,032,698</b>
	TOTAL 31.12.2019	494,601	21,205,007	332,065	21,367,543

**Impaired loans**

If a borrower's total indebtedness exceeds the amount that can foreseeably be realised bearing in mind the counterparty risk and the net proceeds from the liquidation of any collateral that has been pledged, a corresponding value adjustment is made in the income statement.

**Non-performing loans**

A loan is classified as non-performing as soon as the contractually agreed capital and/or interest payments are 90 days overdue or more. Overdue interest is not shown as income but is recorded directly under value adjustments. Being overdue can indicate that a loan is impaired.

Since the criteria coincide with the indicators for impaired loans, non-performing loans are generally included under impaired loans.

Definitions for accounting purposes and for regulatory purposes are the same.

**Table CR2: Credit risk: Changes in stock of defaulted loans and debt securities**

<b>(in 1'000 CHF)</b>		<b>31.12.2020</b>
1	Defaulted loans and debt securities at end of the previous reporting period	494,601
2	Loans and debt securities that have defaulted since the last reporting period	10,982
3	Returned to non-defaulted status	-1,086
4	Amounts written off	-1,106
5	Other changes	-5,236
<b>6</b>	<b>Defaulted loans and debt securities at end of the reporting period</b>	<b>498,155</b>

**Table CRB: Credit risk: Additional information of credit quality of the assets**

## Segmentation of the credit risk - geographical credit risk

(in 1'000 CHF)	Latin									Total
	Switzerland	Oceania	North America	Liechtenstein	America	Europe	Caribbean	Asia	Africa	
<b>Balance sheet/Amounts due:</b>										
Liquid assets	7,005,549		436			1,685,001	2	13,120		8,704,108
Amounts due from banks	199,926	3,035	130,600	0	286	133,917	41,558	150,620	151	660,095
Amounts due from securities financing transactions										
Amounts due from customers	828,694	46,875	695,766	3,525	198,615	2,952,118	2,878,126	1,183,256	160,979	8,947,953
Mortgage loans	569,361	218	309,284	19	1,762	2,041,653	8,174	62,538		2,993,009
Trading portfolio assets	74		380,652			71,391	0			452,118
Positive replacement values of derivative financial instruments										
Other financial instruments at fair value										
Financial investments	448,962	62,138	2,383,842		518,673	1,845,028	1,307,311	2,258,944		8,824,898
Accrued income and prepaid expenses	67,135	416	24,140	7	5,383	43,832	25,038	11,092	195	177,239
Participations	28,864					8,360				37,224
Tangible fixed assets	266,089		5,982		41	3,377	6,458	819		282,765
Intangible assets										
Other assets	17,589		18		101	67,325	5,567	2,856		93,455
Value adjustments not offset according to transitional provisions (negative position)										
Capital not paid in										
<b>Total</b>	<b>9,432,243</b>	<b>112,683</b>	<b>3,930,719</b>	<b>3,551</b>	<b>724,861</b>	<b>8,852,003</b>	<b>4,272,233</b>	<b>3,683,245</b>	<b>161,324</b>	<b>31,172,863</b>
<b>Off Balance sheet</b>										
Contingent liabilities	68,580	1,618	81,977	5	6,080	162,441	26,783	25,508	3,063	376,054
Irrevocable commitments	17,998					3,900				21,898
Contingent liability for calls and margin liabilities	1,652									1,652
Commitment credits										
<b>Total</b>	<b>88,230</b>	<b>1,618</b>	<b>81,977</b>	<b>5</b>	<b>6,080</b>	<b>166,340</b>	<b>26,783</b>	<b>25,508</b>	<b>3,063</b>	<b>399,604</b>
<b>Total of reporting period</b>	<b>9,520,473</b>	<b>114,301</b>	<b>4,012,696</b>	<b>3,557</b>	<b>730,941</b>	<b>9,018,343</b>	<b>4,299,017</b>	<b>3,708,753</b>	<b>164,387</b>	<b>31,572,467</b>

As a result of FINMA's clarification, financial derivative instruments, receivables/liabilities resulting from loans and repurchase agreements and "SFTs" were excluded from all CR tables.

**Table CRB: Credit risk: Additional information of credit quality of the assets**

## Segmentation of the credit risk - sectors

(in 1'000 CHF)	Central governments		Banks and				Other		Total
	and Central banks	Institutions	Stockbrokers	Enterprises	Retail	Equity	exposures		
<b>Balance sheet/Amounts due:</b>									
Liquid assets	7,367,279		352,109				984,720	8,704,108	
Amounts due from banks	93,241	427	566,427					660,095	
Amounts due from securities financing transactions									
Amounts due from customers	199,983	15,858	998,556	4,979,761	2,729,688		24,106	8,947,953	
Mortgage loans	3		28,327	1,438,195	1,526,456		29	2,993,009	
Trading portfolio assets	151,682		228,970			71,466		452,118	
Positive replacement values of derivative financial instruments									
Other financial instruments at fair value									
Financial investments	3,295,693	63,727	2,383,697	2,830,042		15,426	236,312	8,824,898	
Accrued income and prepaid expenses	9,746	685	114,053	50,887	1,822		45	177,239	
Participations						37,224		37,224	
Tangible fixed assets							282,765	282,765	
Intangible assets									
Other assets	59	2,025	82,480	14	223		8,653	93,455	
Value adjustments not offset according to transitional provisions (negative position)									
Capital not paid in									
<b>Total</b>	<b>11,117,686</b>	<b>82,722</b>	<b>4,754,620</b>	<b>9,298,899</b>	<b>4,258,190</b>	<b>124,115</b>	<b>1,536,630</b>	<b>31,172,863</b>	
<b>Off Balance sheet</b>									
Contingent liabilities	1,081	27	114,970	202,339	57,465		172	376,054	
Irrevocable commitments		15,242	2,797	2,624	1,234			21,898	
Contingent liability for calls and margin liabilities			1,652					1,652	
Commitment credits									
<b>Total</b>	<b>1,081</b>	<b>15,269</b>	<b>119,419</b>	<b>204,964</b>	<b>58,699</b>		<b>172</b>	<b>399,604</b>	
<b>Total of reporting period</b>	<b>11,118,767</b>	<b>97,991</b>	<b>4,874,039</b>	<b>9,503,863</b>	<b>4,316,889</b>	<b>124,115</b>	<b>1,536,803</b>	<b>31,572,467</b>	

As a result of FINMA's clarification, financial derivative instruments, receivables/liabilities resulting from loans and repurchase agreements and "SFTs" were excluded from all CR tables.

**Table CRB: Credit risk: Additional information of credit quality of the assets**

## Segmentation of the credit risk - duration

(in 1'000 CHF)	at sight	cancellable	within 12				no maturity	Total
			within 3 months	within 3 to 12 months	5 years	months to after 5 years		
<b>Balance sheet/Amounts due:</b>								
Liquid assets	8,704,108							8,704,108
Amounts due from banks	304,471	93,804	208,726		53,094			660,095
Amounts due from securities financing transactions								
Amounts due from customers	5,150	1,864,811	5,339,584	489,881	1,056,639	191,888		8,947,953
Mortgage loans		121,625	909,851	538,641	963,580	459,311		2,993,009
Trading portfolio assets	452,118							452,118
Positive replacement values of derivative financial instruments								
Other financial instruments at fair value								
Financial investments	251,739	0	1,102,624	609,772	5,213,929	1,646,835		8,824,898
Accrued income and prepaid expenses	83,471	22	70,242	17,412	1,768	4,323		177,239
Participations	37,224							37,224
Tangible fixed assets	282,765							282,765
Intangible assets								
Other assets	93,455							93,455
Value adjustments not offset according to transitional provisions (negative position)								
Capital not paid in								
<b>Total</b>	<b>10,214,500</b>	<b>2,080,262</b>	<b>7,631,028</b>	<b>1,655,705</b>	<b>7,289,010</b>	<b>2,302,357</b>		<b>31,172,863</b>
<b>Off Balance sheet</b>								
Contingent liabilities	983	51,011	81,048	175,599	61,559	5,855		376,054
Irrevocable commitments			24	3,132	3,500	15,242		21,898
Contingent liability for calls and margin liabilities	1,652							1,652
Commitment credits								
<b>Total</b>	<b>2,635</b>	<b>51,011</b>	<b>81,072</b>	<b>178,731</b>	<b>65,059</b>	<b>21,097</b>		<b>399,604</b>
<b>Total of reporting period</b>	<b>10,217,135</b>	<b>2,131,274</b>	<b>7,712,100</b>	<b>1,834,436</b>	<b>7,354,069</b>	<b>2,323,454</b>		<b>31,572,467</b>

As a result of FINMA's clarification, financial derivative instruments, receivables/liabilities resulting from loans and repurchase agreements and "SFTs" were excluded from all CR tables.

**Table CRB: Credit risk: Additional information of credit quality of the assets**
**Segmentation of the credit risk - Legal Risk weights**

(in 1'000 CHF)	0%	20%	35%	50%	75%	100%	150%	Total
<b>Balance sheet/Amounts due:</b>								
Liquid assets	8,704,108							8,704,108
Amounts due from banks	121,383	367,170		150,510		21,032		660,095
Amounts due from securities financing transactions								
Amounts due from customers	7,156,116	210,365	6,764	120,264	97,038	1,350,490	6,917	8,947,953
Mortgage loans	142,380	1,500	827,361	19,784	26,393	1,975,592		2,993,009
Trading portfolio assets	151,682	228,970					71,466	452,118
Positive replacement values of derivative financial instruments								
Other financial instruments at fair value								
Financial investments	2,138,763	1,851,736		2,674,861		2,116,254	43,283	8,824,898
Accrued income and prepaid expenses	15,759	90,511	691	28,195	574	40,641	869	177,239
Participations							37,224	37,224
Tangible fixed assets						282,765		282,765
Intangible assets								
Other assets	59	75,790		7,706		9,900		93,455
Value adjustments not offset according to transitional provisions (negative position)								
Capital not paid in								
<b>Total</b>	<b>18,430,249</b>	<b>2,826,041</b>	<b>834,815</b>	<b>3,001,320</b>	<b>124,005</b>	<b>5,796,674</b>	<b>159,759</b>	<b>31,172,863</b>
<b>Off Balance sheet</b>								
Contingent liabilities	275,917	21,089	169	14,266	2,189	62,399	26	376,054
Irrevocable commitments	6,632	15,242			24			21,898
Contingent liability for calls and margin liabilities						1,652		1,652
Commitment credits								
<b>Total</b>	<b>282,549</b>	<b>36,331</b>	<b>169</b>	<b>14,266</b>	<b>2,213</b>	<b>64,051</b>	<b>26</b>	<b>399,604</b>
<b>Total of reporting period</b>	<b>18,712,798</b>	<b>2,862,373</b>	<b>834,984</b>	<b>3,015,585</b>	<b>126,218</b>	<b>5,860,724</b>	<b>159,784</b>	<b>31,572,467</b>

As a result of FINMA's clarification, financial derivative instruments, receivables/liabilities resulting from loans and repurchase agreements and "SFTs" were excluded from all CR tables.

**Table CRB: Credit risk: Additional information of credit quality of the assets**

## Segmentation of the credit risk - Credit risk / depreciation of credit risk

	covered by recognized financial securities or REPOS	covered by garanties and credit derivatives	real security covered	Others	Uncovered	Total
(in 1'000 CHF)						
<b>Balance sheet/Amounts due:</b>						
Liquid assets					8,704,108	8,704,108
Amounts due from banks	121,383	427			538,285	660,095
Amounts due from securities financing transactions						
Amounts due from customers	7,136,584	330,629	18,925	19,532	1,442,284	8,947,953
Mortgage loans	141,694	21,284	2,674,108	163	155,761	2,993,009
Trading portfolio assets					452,118	452,118
Positive replacement values of derivative financial instruments						
Other financial instruments at fair value						
Financial investments					8,824,898	8,824,898
Accrued income and prepaid expenses	10,326	150	4,104	41	162,617	177,239
Participations					37,224	37,224
Tangible fixed assets					282,765	282,765
Intangible assets						
Other assets					93,455	93,455
Value adjustments not offset according to transitional provisions (negative position)						
Capital not paid in						
<b>Total</b>	<b>7,409,986</b>	<b>352,489</b>	<b>2,697,137</b>	<b>19,736</b>	<b>20,693,514</b>	<b>31,172,863</b>
<b>Off Balance sheet</b>						
Contingent liabilities	272,922	12,030	169	2,995	87,939	376,054
Irrevocable commitments	6,632				15,266	21,898
Contingent liability for calls and margin liabilities					1,652	1,652
Commitment credits						
<b>Total</b>	<b>279,554</b>	<b>12,030</b>	<b>169</b>	<b>2,995</b>	<b>104,857</b>	<b>399,604</b>
<b>Total of reporting period</b>	<b>7,689,540</b>	<b>364,519</b>	<b>2,697,306</b>	<b>22,731</b>	<b>20,798,371</b>	<b>31,572,467</b>

As a result of FINMA's clarification, financial derivative instruments, receivables/liabilities resulting from loans and repurchase agreements and "SFTs" were excluded from all CR tables.

**Table CRB: Credit risk: Additional information of credit quality of the assets**
**Segmentation of the credit risk - Rating**

(in 1'000 CHF)	1	2	3	4	5	6	7 / 8 / 9	No Rating	Total
<b>Balance sheet/Amounts due:</b>									
Liquid assets	6,062,666							2,641,442	8,704,108
Amounts due from banks		154,948	172,876	37,198	122,703		1	172,368	660,095
Amounts due from securities financing transactions									
Amounts due from customers								8,947,953	8,947,953
Mortgage loans								2,993,009	2,993,009
Trading portfolio assets	151,682	228,970					1	71,465	452,118
Positive replacement values of derivative financial instruments									
Other financial instruments at fair value									
Financial investments	1,561,364	995,464	2,690,137	1,096,083	1,165,235	5,056	0	1,311,558	8,824,898
Accrued income and prepaid expenses	4,898	8,002	15,415	13,080	22,470	1,208	43	112,122	177,239
Participations								37,224	37,224
Tangible fixed assets								282,765	282,765
Intangible assets									
Other assets	1							93,454	93,455
Value adjustments not offset according to transitional provisions (negative position)									
Capital not paid in									
<b>Total</b>	<b>7,780,612</b>	<b>1,387,384</b>	<b>2,878,428</b>	<b>1,146,361</b>	<b>1,310,408</b>	<b>6,266</b>	<b>43</b>	<b>16,663,360</b>	<b>31,172,863</b>
<b>Off Balance sheet</b>									
Contingent liabilities			11,755					364,299	376,054
Irrevocable commitments								21,898	21,898
Contingent liability for calls and margin liabilities								1,652	1,652
Commitment credits									
<b>Total</b>			<b>11,755</b>					<b>387,849</b>	<b>399,604</b>
<b>Total of reporting period</b>	<b>7,780,612</b>	<b>1,387,384</b>	<b>2,890,183</b>	<b>1,146,361</b>	<b>1,310,408</b>	<b>6,266</b>	<b>43</b>	<b>17,051,210</b>	<b>31,572,467</b>

As a result of FINMA's clarification, financial derivative instruments, receivables/liabilities resulting from loans and repurchase agreements and "SFTs" were excluded from all CR tables.



**Table CRC: Credit risk: Qualitative disclosure requirements related to mitigation techniques**

<b>Pillar 3 disclosure requirement</b>	<b>Annual Report 2020 section</b>	<b>Disclosure</b>	<b>Annual Report 2020 Page number</b>
Core features of policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting.	Consolidated Financial Statements - Consolidated Notes	Amounts due from and liabilities from securities financing transactions	73
		Positive and negative replacement values of derivative financial instruments	74, 83
		Breakdown of securities financing transactions (assets and liabilities)	84
		Presentation of derivative financial instruments (assets and liabilities)	86
Core features of policies and processes for collateral evaluation and management.	Consolidated Financial Statements - Consolidated Notes	Explanations of the valuation of collateral, in particular key criteria for the calculation of current market value and lending value	83
Information about market or credit risk concentrations under the credit risk mitigation instruments used.	Consolidated Financial Statements - Consolidated Notes	Risk categories	80–82
		Presentation of derivative financial instruments (assets and liabilities)	87

**Table CR3: Credit risk: Credit risk mitigation techniques – overview**

	Exposures unsecured: carrying amount	Exposures secured carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
(in 1'000 CHF)					
Loans	1,100	12,060,485	12,060,485		
Debt securities	8,573,160				
<b>TOTAL</b>	<b>8,574,260</b>	<b>12,060,485</b>	<b>12,060,485</b>		
Of which defaulted		161,084	161,084		
TOTAL 31.12.2019	7,208,618	13,768,867	13,768,867		

**Table CRD: Credit risk: Disclosures of banks' use of external credit ratings under the standardised approach**

With reference to Art. 63 and 64 of the Capital Adequacy Ordinance the following position categories are covered by external ratings from FINMA recognised credit rating agencies.

Central governments and central banks	Moody's and S&P
Public-sector entities	Moody's and S&P
BIS, IMF and multilateral development banks	Moody's and S&P
Banks and securities traders	Moody's and S&P
Joint institutions	Moody's and S&P
Stock exchanges and clearing houses	Moody's and S&P
Corporates	Moody's and S&P

In case of availability of both ratings the inferior is applied.

All ratings listed above cover both counterparty ratings as well as asset ratings with the exception of corporates, for which only asset ratings are applied.

**Table CR4: Credit risk: Credit risk exposure and effect of the Credit Risk Mitigation (CRM) under the standardised approach**

(in 1'000 CHF)

Asset classes	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA	RWA density
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1 Sovereigns and their central banks	10,824,175		10,824,175	0	356,228	3.29%
2 Banks and securities traders	3,820,706	24,977	4,050,694	37,007	1,744,859	42.69%
3 Public-sector entities and multilateral developments banks	66,435	15,274	66,861	7,621	11,084	14.88%
4 Corporate	6,496,550	274,986	4,552,378	57,877	3,539,860	76.78%
5 Retail	8,328,387	84,367	2,611,900	6,910	2,186,144	83.48%
6 Equity securities	124,115		124,115		217,253	175.04%
7 Other assets	1,512,493		1,512,493	0	549,367	36.32%
<b>8 TOTAL</b>	<b>31,172,863</b>	<b>399,604</b>	<b>23,742,617</b>	<b>109,415</b>	<b>8,604,795</b>	<b>36.08%</b>
TOTAL 31.12.2019	32,717,614	391,544	25,977,210	117,595	10,241,133	39.25%

**Table CR5: Credit risk: Exposures by asset classes and risk weights under the standardised approach**

Asset classes / Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	Other	Total credit exposures amount (post CCF and post-CRM)
<b>(in 1'000 CHF)</b>										<b>31.12.2020</b>
1 Sovereigns and their central banks	9,641,063		934,949		157,850		90,313			10,824,175
2 Banks and securities traders	352,109		1,323,806		1,863,420		548,322	43		4,087,701
3 Public-sector entities and multilateral developments banks	22,111		50,343		2,025		3			74,482
4 Corporate	0		545,654	212,543	992,113	354	2,858,740	852		4,610,255
5 Retail	0			622,423	176	125,845	1,863,449	6,917		2,618,810
6 Equity securities							15,354	108,762	15,503	139,618
7 Other assets	984,720			18			484,545	43,210		1,512,493
<b>8 TOTAL</b>	<b>11,000,003</b>		<b>2,854,752</b>	<b>834,984</b>	<b>3,015,585</b>	<b>126,199</b>	<b>5,860,724</b>	<b>159,784</b>	<b>15,503</b>	<b>23,867,535</b>
9 Thereof receivables secured by real estate				834,984		22,516	1,833,928			2,691,429
TOTAL 31.12.2019	11,136,035		2,838,952	952,047	3,706,620	204,592	7,102,933	153,626		26,094,805

**Table CCRA: Counterparty credit risk: Qualitative disclosure**

<b>Pillar 3 disclosure requirement</b>	<b>Annual Report 2020 section</b>	<b>Disclosure</b>	<b>Annual Report 2020 Page number</b>
Risk management objectives and policies related to counterparty credit risk.	Consolidated Financial Statements - Consolidated Notes	Risk Management	76–83
		Breakdown of securities financing transactions (assets and liabilities)	84
		Presentation of derivative financial instruments (assets and liabilities)	86
The method used to assign the operating limits for counterparty credit exposures and for CCP exposures.	Consolidated Financial Statements - Consolidated Notes	Risk Management	73–83
Policies relating to guarantees and other risk mitigants and counterparty risk assessment.	Consolidated Financial Statements - Consolidated Notes	Risk Management	76–83

**Table CCR3: Counterparty credit risk: Exposures by regulatory portfolio and risk weights under the standardised approach**

Asset classes / Risk weight	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure 31.12.2020
<b>(in 1'000 CHF)</b>									
1 Sovereigns and their central banks	0								0
2 Banks and securities traders			171,746	203,982		627		315,674	692,029
3 Public-sector entities and multilateral developments banks			5,021			7			5,027
4 Corporates	117,872			13,643		280,228	95	5,448	417,286
5 Retail			0	0	0	112,131			112,131
6 Equity securities									
7 Other assets						61			61
<b>8 TOTAL</b>	<b>117,872</b>		<b>176,767</b>	<b>217,624</b>	<b>0</b>	<b>393,053</b>	<b>95</b>	<b>321,122</b>	<b>1,226,534</b>
TOTAL 31.12.2019	569,459		128,070	922,745	6,169	190,405	5	2,000	1,818,854

**Table MRA: Market risk: Qualitative disclosure requirements**

<b>Pillar 3 disclosure requirement</b>	<b>Annual Report 2020 section</b>	<b>Disclosure</b>	<b>Annual Report 2020 Page number</b>
Strategies and processes of the bank.	Consolidated Financial	Governance	76
	Statements - Consolidated	Risk management framework	76-77
	Notes	Organisation of risk management	77-78
		Risk indicators	78-79
		Business policy regarding hedging	83
Structure and organisation of the market risk management function.	Consolidated Financial	Governance	76
	Statements - Consolidated	Risk management framework	76-77
	Notes	Organisation of risk management	77-78
Scope and nature of reporting and/or measurement systems.	Consolidated Financial Statements - Consolidated Notes	Risk categories	80-82



**Table MR1: Market risk: Capital requirements under the standardised approach**

	RWA	RWA
(in 1'000 CHF)	31.12.2020	31.12.2019
<b>Outright products</b>		
1 Interest rate risk (general and specific)	975,209	1,049,774
2 Equity risk (general and specific)	341,715	389,265
3 Foreign exchange risk	562,291	700,034
4 Commodity risk	829,154	213,137
<b>Options</b>		
5 Simplified approach		
6 Delta-plus method	66,833	3,153
7 Scenario approach		
8 Securitisation		
<b>9 TOTAL</b>	<b>2,775,203</b>	<b>2,391,621</b>

**Table IRRBBA: Interest rate risks: Objectives and guidelines for interest rate risk management in the banking book**

- a** Interest rate risk in the banking book (IRRBB) is internally defined as the risk to both the earnings and capital of the group arising from adverse movements in interest rates. Changes in market interest rates impact the economic value of assets, liabilities and relevant off-balance positions (Economic Value of Equity (EVE)) and affect as well the earnings from interest activities (Net Interest Income (NII)).
- b** The Board of Directors defines the overall tolerance for IRRBB and monitors its implementation by the Group Executive Board. Delegated by the Group Executive Board the Treasury Committee is responsible for the definition of the methodological standards for analysing and measuring interest rate risk in the banking book.
- The Risk Office (RIOF) reports and monitors weekly the interest rate risk according to internal and external risk measures for NII and EVE and checks the compliance with the corresponding limits. Internal limits are defined as buffers to the regulatory limit. Any breach is immediately reported to the corresponding instance and RIOF informs the members about the extent and the reason of the overrun.
- The Group makes use of stress testing in order to evaluate the impact of adverse scenarios on the IRRBB and uses derivative financial instruments as part of its balance sheet management activities in order to hedge the interest risk in its banking book.
- The risk function conducts the calibration and review of the interest rate risk model, methodological standard and measuring assumptions to changed market environments.
- c** The EVE measures are calculated and monitored on a weekly basis. The Group assesses the interest rate risk exposure results based on the results from the standard regulatory scenarios and additional internal scenarios (please refer to next point “d”).
- NII is calculated on a monthly basis. The impact of an immediate change of +/- 100 BPS in rates on the projected interest income is calculated on an aggregated basis and for the most relevant currencies individually.
- d** The measurement of IRRBB for EVE and NII in the banking book is based on diversified and adequate interest rate shock and stress scenarios. The internal interest rate risk measurement system considers the following FINMA and internal scenarios:
- Scenarios for EVE:
- The six prescribed standard interest rate shock scenarios defined by FINMA
  - Internally selected interest rate shock scenarios for the present value measure:
  - PVBP: parallel shift in interest rate curve (+1bp) for all currencies
  - Internally defined Twist shock scenarios: Twist of the interest rate curve with center of rotation at 5 years, a shift of up to plus (minus) 100bp at the 1-month interest rate and a maximum shift of minus (plus) 100bps at the 10 year interest rate for all currencies
  - Internally defined shock scenario: parallel shift in interest rate curve (+200bps) for all currencies
- Scenarios for NII:
- Parallel shift in interest rate curve without floor, instantaneous shock at day 1 over a horizon of 1 year (+/- 100bps) for all currencies
  - Parallel shift in interest rate curve without floor, instantaneous shock at day 1 over a horizon of 1 year based on standard parallel stress scenarios as defined by FINMA.
- e** The model assumptions used internally do not differ from the ones set by FINMA.
- f** The Group implements interest rate risk hedging strategies mainly through derivatives and micro hedges. In order to avoid asymmetric profit and loss recognition, the Group may apply hedge accounting if applicable. Interest rate risk of assets and liabilities are typically hedged by interest rate swaps (IRS), but other instruments could also be used (for example Futures). All the hedge relationships of underlying hedged item(s)/risk and hedge transactions are documented.
- The effectiveness of hedging transactions is measured prospectively either by the differential of sensitivity to the risk parameter of the hedged item(s)/risk and the hedging transaction, or by matching the cash flows of the hedge and the risk position. The hedging relationships are periodically checked, whether hedge effectiveness is still in place and hedge effectiveness is guaranteed.
- Where the effect of the hedging transactions exceeds the effect of the hedged items, the excess portion of the derivative financial instrument is treated as equivalent to a trading position. The excess portion is recorded in the profit and loss item “Result from trading activities”.
- g - 1** The EVE is calculated based on the assumption that expired interest rate bearing positions are not replaced. The cash flows include commercial spread components and financial investments consider credit dependent spread components.
- g - 2** Cash flows are allocated to the time buckets defined by FINMA based on the expiry or actual payment date.
- g - 3** Cash flows including commercial margins and other spread components are discounted with a risk free rate curve per currency (based on Libor and Swap market rates). Financial investments are discounted with these risk-free rate curves plus issuer specific credit spreads.
- g - 4** The NII is computed based on an interest rate shock of (+/- 100bps) at day 1 over a horizon of 1 year and the assumption of a constant balance sheet excluding P/L (treated as non-rate-sensitive). Non-maturing positions are 100% repriced after 1 day. Maturing Fixed instruments positions get renewed with similar features as the maturing positions.
- g - 5** Variable positions are 100% repriced after 1 day.
- g - 6** Cash flows from loans are shown on the next repricing or maturity date.
- g - 7** Cash flows from deposits are shown on the next repricing or maturity date.
- g - 8** The Group holds no automatic option positions in the banking book.
- g - 9** The Group uses linear interest rate derivatives for hedging purposes, there no non-linear derivatives held in the banking book.
- g - 10** The interest rate risk exposures are netted over currencies based on the assumption of perfect correlation.

Interest rate Swaps, Cross-Currency Swaps and FX Swaps are included under “Receivables from interest derivatives” and “Liabilities from interest derivatives” as the instruments consist of two legs (receivable and payables leg). Sight deposits at SNB and foreign central banks are excluded as per FINMA requirement.

**Table IRRBBA1: Interest rate risks: Quantitative information on the position structure and resetting of interest rates**

CHF 000		Volume in CHF 000			Average repricing maturities (in years)		
		Total	Of which CHF	Of which other significant currencies (>10%)	Total	Of which CHF	
<b>Determined repricing maturity</b>	Due from banks	279,499	150,000	129,499	0.39	0.65	
	Due from customers	7,650,409	748,047	5,803,848	0.77	1.84	
	Money-market mortgages	2,532,721	395,043	739,007	0.26	0.16	
	Fixed-rate mortgages	465,377	191,833	270,523	2.26	2.51	
	Financial investments	9,032,540	822,406	7,183,802	4.45	2.50	
	Other receivables	-	-	-	-	-	
	Receivables from interest derivatives	10,492,263	179,610	9,359,177	0.22	0.26	
	Liabilities to banks	-232,995	-	-163,192	0.09	-	
	Liabilities from client deposits	-2,880,143	-288,765	-2,151,417	0.35	0.35	
	Medium-term notes	-	-	-	-	-	
	Bonds and mortgage-backed bonds	-78,250	-78,250	-	1.82	1.82	
	Other liabilities	-	-	-	-	-	
	<b>Liabilities from interest derivatives</b>	<b>-10,812,273</b>	<b>-4,914,695</b>	<b>-4,567,513</b>	<b>2.54</b>	<b>0.27</b>	
	<b>Undetermined repricing maturity</b>	Due from banks	1,640,444	160,425	790,452	0.00	0.00
		Due from customers	1,410,031	414,765	894,467	0.00	0.00
Variable mortgage claims		2,080	2,080	-	0.02	0.02	
Other receivables		3,641,481	1,722,140	1,655,895	0.00	0.00	
Liabilities at sight in personal and current accounts		-25,563,463	-3,064,805	-18,660,104	0.00	0.00	
Other liabilities		-663,115	-167,054	-474,147	0.00	0.00	
Liabilities from client deposits, call but not transferable (savings)		-245,763	-245,554	-208	0.00	0.00	
<b>Total</b>		<b>-3,329,156</b>	<b>-3,972,774</b>	<b>810,089</b>	<b>1.02</b>	<b>0.51</b>	

Interest rate Swaps, Cross-Currency Swaps and FX Swaps are included under "Receivables from interest derivatives" and "Liabilities from interest derivatives" as the instruments consist of two legs (receivable and payables leg). Sight deposits at SNB and foreign central banks are excluded as per FINMA requirement.

### Table IRRBB1: Interest rate risks: Quantitative information on present value and interest income

The values in Table IRRBB1 are based on the six interest-rate scenarios and the NII scenarios defined by FINMA. The change in the EVE ( $\Delta$ EVE) is shown for each of the interest rate shock scenarios, of which the scenario "Parallel up" has the strongest impact indicating the sensitivity of the banking book to an increase of the interest rates.

The change of the net interest income ( $\Delta$ NII) under the assumption of a constant balance sheet and computed for a 12 month period shows the worst case for the scenario "Parallel down" highlighting the impact of rate cut to the income.

CHF 000	$\Delta$ EVE		$\Delta$ NII	
	Change in economic value of equity		Change in net interest income	
Period	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Parallel up</b>	-432,434	-311,176	163,277	48,613
<b>Parallel down</b>	466,994	346,933	-33,903	22,341
<b>Steeper-Shock</b>	-6,591	23,906		
<b>Flattener-Shock</b>	-86,343	-92,351		
<b>Short rate up</b>	-245,385	-210,070		
<b>Short rate down</b>	260,381	223,337		
<b>Worst scenario</b>	-432,434	-311,176	-33,903	22,341
Tier 1 capital	5,354,825	4,968,913		

**Table ORA: Qualitative disclosure requirements related to operational risks**

<b>Pillar 3 disclosure requirement</b>	<b>Annual Report 2020 section</b>	<b>Disclosure</b>	<b>Annual Report 2020 Page number</b>
Description of strategy, processes and organisational structure for managing operational risks.	Consolidated Financial Statements - Consolidated Notes	Operational risk	81

«Basic Indicator Approach» is used to calculate capital requirements.