



J. SAFRA SARASIN



Sustainable Swiss Private Banking since 1841

Basel III Pillar 3 Disclosures 31 December 2019

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 2019.

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 2019. For more information on the way the Group manages risk, please refer to the Risk Management (pages 55 – 60) section in the Holding’s Annual Report 2019. 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 52 of the Holding’s Annual Report. On page 67 of the Holding’s Annual Report is a list of the main subsidiaries of the Group as at 31 December 2019.

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)		31.12.2019	31.12.2018
Available capital (amounts)			
1	Common Equity Tier 1 (CET1)	4,968,913	4,704,687
2	Tier 1	4,968,913	4,704,687
3	Total capital	4,968,913	4,704,687
Risk-weighted assets (amounts)			
4	Total risk-weighted assets (RWA)	15,852,213	14,803,576
4a	Minimum capital requirement	1,268,177	1,184,286
Risk-based capital ratios as a percentage of RWA			
5	Common Equity Tier 1 ratio (%)	31.35%	31.78%
6	Tier 1 ratio (%)	31.35%	31.78%
7	Total capital ratio (%)	31.35%	31.78%
Additional CET1 buffer requirements as a percentage of RWA			
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	1.88%
9	Countercyclical buffer requirement (%)	0.19%	0.17%
11	Total of bank CET1 specific buffer requirements (%)	2.69%	2.05%
12	CET1 available after meeting the bank's minimum capital requirements (%)	23.35%	23.78%
Target equity ratios according to DRAO Annex 8 (as a % of RWA)			
12a	Capital conservation buffer according to Annex 8 of CAO (in % of RWA)	4%	4%
12b	Countercyclical buffers (Art. 44 and 44a CAO) (%)	0.21%	0.19%
12c	CET1 target rate (in %) according to CAO Annex 8 plus countercyclical buffers according to CAO Art. 44 and 44a	8.01%	7.99%
12d	T1 target rate (in %) according to CAO Annex 8 plus countercyclical buffers according to CAO Art. 44 and 44a	9.81%	9.79%
12e	Total capital target ratio (in %) according to CAO Annex 8 plus countercyclical buffer according to CAO Art. 44 and 44a	12.21%	12.19%
Basel III leverage ratio			
13	Total Basel III leverage ratio exposure measure	39,640,139	37,897,187
14	Basel III leverage ratio (%)	12.54%	12.41%
Liquidity Coverage Ratio			
15	Total HQLA	10,398,095	9,720,319
16	Total net cash outflow	7,438,487	6,670,690
17	LCR ratio (%)	139.75%	145.83%
Net Stable Funding Ratio			
18	Total available stable funding	22,423,301	20,954,390
19	Total required stable funding	18,475,703	18,224,165
20	NSFR ratio	121%	114.98%

Table OVA: Bank risk management approach

Pillar 3 disclosure requirement	Annual Report 2019 section	Disclosure	Annual Report 2019 Page number
Risk Profile	Consolidated Financial	Governance	55
	Statements - Consolidated	Risk management framework	55-56
	Notes	Organisation of risk management	56-57
		Risk categories	57-60
Risk Governance	Consolidated Financial	Governance	55
	Statements - Consolidated	Risk management framework	55-56
	Notes	Committees	56
Communication	Consolidated Financial	Organisation of risk	56-57
	Statements - Consolidated	management	
	Notes	Committees	56
Scope and main features of risk measurement systems	Consolidated Financial	Risk categories	57-60
	Statements - Consolidated		
	Notes		
Risk information reporting	Consolidated Financial	Organisation of risk	55-56
	Statements - Consolidated	management	
	Notes		
Stress testing	Consolidated Financial	Risk indicators	57
	Statements - Consolidated		
	Notes		
Strategies and processes to manage, capture and mitigate risks	Consolidated Financial	Organisation of risk	56-57
	Statements - Consolidated	management	
	Notes	Risk indicators	57
		Risk categories	57-60
		Business policy regarding hedging	61

Table OV1: Overview of risk-weighted assets

	RWA	RWA	Minimum Capital Requirement
(in 1'000 CHF)	31.12.2019	31.12.2018	31.12.2019
1 Credit risk (excluding counterparty credit risk) (CCR)	10,265,985	10,090,024	821,279
2 Of which standardised approach (SA)	10,265,985	10,090,024	821,279
6 Counterparty credit risk CCR	682,726	728,948	54,618
7b Of which determined using the market value method	383,707	659,571	30,697
9 Of which others (CCR)	299,019	69,378	23,921
10 Value adjustment risk of derivatives (CVA)	232,879	303,945	18,630
11 Equity positions in banking book under market-based approach			
12 Equity investments in funds – look-through approach			
13 Equity investments in funds – mandate-based approach			
14 Equity investments in funds – fall-back approach			
15 Settlement risk			
16 Securitisation exposures in banking book			
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 Market risk	2,391,621	1,405,857	191,330
21 Of which standardised approach (SA)	2,391,621	1,405,857	191,330
22 Of which determined with model approach (IMA)	0		0
24 Operational risk	2,261,551	2,141,809	180,924
25 Amounts below the thresholds for deduction (subject to 250% risk-weight)	17,451	132,992	1,396
26 Floor adjustment	0		0
27 Total (1+6+10+11+12+13+14+15+16+20+23+24+25+26)	15,852,213	14,803,576	1,268,177

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 ¹⁾	Not subject to capital requirements or subject to deduction from capital
(in 1'000 CHF)		31.12.2019					
ASSETS							
Liquid assets	8,008,877	8,008,877	8,008,877				
Amounts due from banks	1,696,657	1,696,657	1,696,657				
Amounts due from securities financing transactions	58,101	58,101		58,101			
Amounts due from customers	10,536,404	10,536,404	10,536,404				
Amounts due secured by mortgage	3,234,104	3,234,104	3,234,104				
Trading portfolio assets	2,244,966	2,244,966	278,277		1,395,351		
Positive replacement values of derivative financial instruments	433,210	433,210		433,210	433,210		
Other financial instruments at fair value	1,334,200	1,334,200	37		1,288,265		
Financial investments	8,230,699	8,230,699	8,230,699			0	
Accrued income and prepaid expenses	216,513	216,513	216,513				
Participations	24,285	24,285	24,285		24,285	0	
Tangible fixed assets	308,428	308,428	308,428				
Intangible assets	112,211	112,211				112,211	
Other assets	188,783	188,783	181,803				
Bank's capital not paid in							
TOTAL ASSETS	36,627,438	36,627,438	32,716,084	491,311	3,141,111	112,211	
LIABILITIES							
Amounts due to banks	709,825	709,825				709,825	
Liabilities from securities financing transactions						0	
Amounts due in respect of customer deposits	28,479,913	28,479,913				28,479,913	
Trading portfolio liabilities	19,429	19,429			12,569	6,860	
Negative replacement values of derivative financial instruments	602,634	602,634		602,634	602,634	0	
Liabilities from other financial instruments at fair value	839,899	839,899				839,899	
Cash bonds						0	
Bond issues and central mortgage institution loans	291,119	291,119				291,119	
Accrued expenses and deferred income	355,278	355,278				355,278	
Other liabilities	180,757	180,757				180,757	
Provisions	31,866	31,866				31,866	
TOTAL LIABILITIES	31,510,721	31,510,721		602,634	615,203	30,895,518	

¹⁾ 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)	Amounts	Amounts
	31.12.2019	31.12.2018
Common Equity Tier 1 (CET1)		
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	1,669,047	1,681,482
3 capital reserves / foreign currency translation reserves (+/-)	1,768,255	1,812,197
4 Issued fully paid-up capital, transitory recognised (phase out)		
5 Minority interests	795,577	777,191
6 = Common Equity Tier 1 (CET1) before adjustments	5,081,124	5,119,115
Adjustments referring to Common Equity Tier 1		
7 Prudential valuation adjustments		
8 Goodwill (net of related tax liability)	-112,211	-381,049
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		
Investments in own shares (if not already netted off paid-in capital on reported balance sheet)		
16		
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	0	-33,379
27 Amount of AT1 deductions, which exceeds the AT1-capital		
28 = Sum of CET1-Adjustments	-112,211	-414,428
29 = Common Equity Tier 1 (net CET1)	4,968,913	4,704,687
Additional Tier 1 Capital (AT1)		
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		

	Amounts	Amounts
(in 1'000 CHF)	31.12.2019	31.12.2018
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		
43 = Sum of AT1-Adjustments		
44 = additional Tier 1 capital (AT1)		
45 Tier 1 capital (T1 = CET1 + AT1)	4,968,913	4,704,687
Eligible Tier 2 capital (T2)		
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)	4,968,913	4,704,687
60 Total risk-weighted assets	15,852,213	14,803,576
Capital ratio		
61 Common Equity Tier 1 (as a percentage of risk-weighted assets) para 29	31.35%	31.78%
62 Tier 1 (as a percentage of risk-weighted assets) para 45	31.35%	31.78%
63 Total capital (as a percentage of risk-weighted assets) para 59	31.35%	31.78%
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)	2.69%	2.05%
65 of which: capital conservation buffer according to Basel minimum standard (in % of the risk-weighted positions)	2.5%	1.88%
66 of which: countercyclical buffer according to Basel minimum standards (Article 44a CAO, in % of the risk-weighted positions)	0.19%	0.17%
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)	23.35%	23.78%

	Amounts	Amounts
(in 1'000 CHF)	31.12.2019	31.12.2018
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)	8.01%	7.99%
68b of which: countercyclical buffers according to Art. 44 and 44a CAO (in % of risk-weighted positions)	0.21%	0.19%
68c Available CET1 (in % of the risk-weighted positions)	27.15%	27.58%
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)	9.81%	9.79%
68e Available T1 (in % of the risk-weighted positions)	28.95%	29.38%
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)	12.21%	12.19%
68g Available regulatory capital (in % of the risk-weighted positions)	31.35%	31.78%
Amounts below threshold for deductions (before risk weighting)		
72 Non-qualifying holdings in financial sector and other TLAC investments	24,617	24,286
73 Other qualifying holdings in financial sector		
74 Mortgage servicing rights		
75 Other deferred tax assets	6,980	53,197
Applicable caps on the inclusion of provisions in Tier 2		
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	132,114	130,570
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	62,674
Capital instruments subject to phase-out arrangements (01.01.2018-01.01.2022) according to Art. 141 CAO		
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)	31.12.2019		31.12.2018	
Assets				
Liquid assets	8,008,877	8,008,877	7,095,720	7,095,720
Amounts due from banks	1,696,657	1,696,657	1,804,564	1,804,564
Amounts due from securities financing transactions	58,101	58,101	59,148	59,148
Amounts due from customers	10,536,404	10,536,404	10,758,969	10,758,969
Mortgage loans	3,234,104	3,234,104	3,145,738	3,145,738
Trading portfolio assets	2,244,966	2,244,966	1,655,311	1,655,311
Positive replacement values of derivative financial instruments	433,210	433,210	692,417	692,417
Other financial instruments at fair value	1,334,200	1,334,200	1,058,177	1,058,177
Financial investments	8,230,699	8,230,699	7,725,000	7,725,000
Accrued income and prepaid expenses	216,513	216,513	229,982	229,982
Participations	24,285	24,285	24,286	24,286
Tangible fixed assets	308,428	308,428	318,748	318,748
Intangible assets	112,211	112,211	381,049	381,049
Of which goodwill	112,211	112,211	381,049	381,049
Of which other intangible assets				
Other assets	188,783	188,783	281,784	281,784
Of which deferred taxes depending on future revenues				
Of which deferred taxes from temporary differences	6,980	6,980	53,197	53,197
Total assets	36,627,438	36,627,438	35,230,893	35,230,893
Liabilities				
Amounts due to banks	709,825	709,825	770,591	770,591
Liabilities from securities financing transactions				
Amounts due in respect of customer deposits	28,479,913	28,479,913	26,848,174	26,848,174
Trading portfolio liabilities	19,429	19,429	8,136	8,136
Negative replacement values of derivative financial instruments	602,634	602,634	623,693	623,693
Liabilities from other financial instruments at fair value	839,899	839,899	805,997	805,997
Cash bonds				
Bond issues and central mortgage institution loans	291,119	291,119	384,303	384,303
Accrued expenses and deferred income	355,278	355,278	440,657	440,657
Other liabilities	180,757	180,757	207,681	207,681
Provisions	31,866	31,866	22,545	22,545
Total Liabilities	31,510,721	31,510,721	30,111,778	30,111,778
Equity				
Reserves for general banking risks	44,742	44,742	360,742	360,742
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	3,392,560	3,392,560	3,132,937	3,132,937
Minority interests	831,170	831,170	777,191	777,191
Of which eligible for CET1	795,577	795,577	743,812	743,812
Total own funds	5,116,717	5,116,717	5,119,115	5,119,115

– The scope of regulatory consolidation is the same as for financial consolidation.

– A list of group companies is enclosed in the annual report 2019, page 67.

– 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

(in 1'000 CHF)	31.12.2019	31.12.2018
1 Total assets as per published financial statements	36,627,438	35,230,893
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)	-112,211	-381,049
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)	464,241	702,312
5 Adjustment for securities financing transactions (securities financing transactions, SFT) (Cm 52 to 73 FINMA-Circ. 15/3)	1,020,714	537,993
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)	1,639,956	1,807,038
7 Other adjustments		
8 Leverage ratio exposure (sum of Rows 1-7)	39,640,139	37,897,187

Table LR2: Leverage ratio: Detailed presentation

(in 1'000 CHF)	31.12.2019	31.12.2018
On-balance sheet exposures		
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral) (Cm 14 and 15 FINMA-Circ. 15/3)	36,136,127	34,466,710
2 (Assets that must be deducted in determining the eligible Tier 1 capital) (Cm 7, 16 and 17 FINMA-Circ. 15/3)	-112,211	-381,049
3 = Total on-balance sheet exposures within the leverage ratio framework, excluding derivatives and SFTs (sum of Rows 1 and 2)	36,023,916	34,085,661
Derivatives		
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)	433,160	692,417
5 Add-on amounts for PFE associated with all derivatives transactions (Cm 22 and 25 Circ.-FINMA 15/3)	464,291	702,312
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)		
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))		
11 = Total derivative exposures (sum of Rows 4-10)	897,452	1,394,729
Securities financing transaction exposures		
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)	920,223	572,454
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)	158,592	37,305
15 Agent transaction exposures (Cm 70 to 73 FINMA-Circ. 15/3)		
16 = Total securities financing transaction exposures (sum of Rows 12-15)	1,078,815	609,759
Other off-balance sheet exposures		
17 Off-balance sheet exposure at gross notional amount before application of credit conversion factors	12,975,504	12,012,800
18 (Adjustments for conversion to credit equivalent amounts) (Cm 75 and 76 FINMA-Circ. 15/3)	-11,335,548	-10,205,762
19 = Total off-balance-sheet items (sum of Rows 17-18)	1,639,956	1,807,038
Eligible capital and total exposures		
20 Tier 1 capital (Cm 5 FINMA-Circ. 15/3)	4,968,913	4,704,687
21 Total exposures (sum of Rows 3, 11, 16 and 19)	39,640,139	37,897,187
Leverage ratio		
22 Leverage ratio (Cm 3 to 4 FINMA-Circ. 15/3)	12.5%	12.4%

Table LIQA: Liquidity: Management of liquidity risks

Pillar 3 disclosure requirement	Disclosure
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 2019, page number 58 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">– Counterparties (private customers/institutional customers/interbank market)– Instruments (Structured products, current accounts, "Pfandbriefe", Fiduciaries etc.)– Markets– Currencies– Maturities 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 2019, page number 58 Liquidity risk
Explanation of the use of stress testing.	Annual Report 2019, page number 58 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">– Withdrawal of current credit lines– Sale of positions from the Group's yield enhancement portfolio– Utilisation of Central Bank's bridging facility– Increase of collateral trading and security borrowing in order to generate additional securities eligible for repo transactions– Restrictions on the drawing of new loans for mortgages and new approvals of lines of credit– Increasing issues of "Pfandbrief" bonds (resp. loans)– Placement of bonds– Capital increase

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 1/19	Average Quarter 1/19	Average Quarter 2/19	Average Quarter 2/19	Average Quarter 3/19	Average Quarter 3/19	Average Quarter 4/19	Average Quarter 4/19
A. High-quality liquid assets (HQLA)								
1 Total high-quality liquid assets (HQLA)	9,684,970	9,466,314	10,167,605	10,001,431	11,851,670	10,473,728	10,707,630	10,473,728
B. Cash outflows								
2 Retail deposits and deposits from small business customers, of which:	11,642,852	1,783,347	12,069,491	1,855,127	12,505,846	1,930,059	12,244,118	1,884,063
3 Stable deposits	701,770	35,088	727,985	36,399	729,875	36,494	731,567	36,578
4 Less stable deposits	10,941,082	1,748,259	11,341,506	1,818,728	11,775,971	1,893,566	11,512,550	1,847,484
5 Unsecured wholesale funding, of which:	10,058,969	8,181,129	10,290,636	8,062,286	11,570,223	9,312,584	11,511,588	8,452,639
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0	0	0	0	0	0	0
7 Non-operational deposits (all counterparties)	10,055,449	8,177,609	10,290,636	8,062,286	11,570,223	9,312,584	11,511,588	8,452,639
8 Unsecured debt	3,520	3,520	0	0	0	0	0	0
9 Secured wholesale funding	0	0	0	0	0	0	0	0
10 Additional requirements, of which:	382,821	371,532	414,861	401,686	600,494	361,606	1,319,736	407,427
11 Outflows related to derivative exposures and other collateral requirements	361,225	361,225	380,615	380,615	574,609	350,294	1,298,643	399,332
12 Outflows related to loss of funding on debt products	1,333	1,333	11,998	11,998	3,133	3,133	0	0
13 Credit and liquidity facilities	20,263	8,974	22,248	9,073	22,752	8,178	21,093	8,096
Other contractual funding obligations	73,289	33,277	117,168	73,456	189,628	156,041	89,018	65,295
15 Other contingent funding obligations	13,915,010	62,069	13,705,619	61,638	13,752,431	54,500	13,809,469	51,107
16 Total cash outflows	36,072,942	10,431,356	36,597,776	10,454,194	38,618,621	11,814,789	38,973,928	10,860,532
C. Cash inflows								
17 Secured lending (eg reverse repos)	19,842	19,842	0	0	90,804	90,804	0	0
18 Inflows from fully performing exposures	5,898,099	3,322,889	5,787,625	3,199,068	5,683,340	3,238,494	6,133,804	3,531,071
19 Other cash inflows	127,219	127,219	75,388	75,388	138,146	138,146	64,001	64,001
20 Total cash inflows	6,045,160	3,469,950	5,863,013	3,274,456	5,912,290	3,467,444	6,197,805	3,595,073
Total adjusted value								
21 Total HQLA		9,466,314		10,001,431		11,650,906		10,473,728
22 Total net cash outflows		6,961,406		7,179,738		8,347,346		7,265,460
23 Liquidity coverage ratio (in %)		135.98%		139.30%		139.58%		144.16%

In 2019, the three-month average total LCR remained stable in a range of 135% - 145%. This level is mainly driven by an increase of HQLA (mainly central bank assets). The stock of HQLA is under the control of Group Treasury. In average about 85% 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 2019 Page number
How the business model impacts the components of the bank's credit risk profile.	Risk strategy and risk profile	32, 57–60
	Risk management and risk categories	
Criteria and approach used for defining credit risk management policy and for setting credit risk limits.	Risk management Framework	55–56
	Forms of risk management	57
	Risk categories	57–60
Structure and organisation of the credit risk management and control function.	Organisation of risk management	56–57
	Governance of risk management	55
	Risk management Committees	56
Relationships between the credit risk management, risk control, compliance and internal audit functions.		56–57
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		
(in 1'000 CHF)		31.12.2019			
1	Loans (excluding debt securities)	472,587	13,607,972	310,051	13,770,508
2	Debt securities	22,014	7,206,977	22,014	7,206,977
3	Off-balance sheet exposures	0	390,058	0	390,058
4	TOTAL 31.12.2019	494,601	21,205,007	332,065	21,367,543
	TOTAL 31.12.2018	466,780	21,358,334	300,008	21,525,106

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

(in 1'000 CHF)		31.12.2019
1	Defaulted loans and debt securities at end of the previous reporting period	466,780
2	Loans and debt securities that have defaulted since the last reporting period	97,590
3	Returned to non-defaulted status	-34,980
4	Amounts written off	-29,695
5	Other changes	-5,094
6	Defaulted loans and debt securities at end of the reporting period	494,601

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	
Balance sheet/Amounts due:										
Liquid assets	6,978,545		548			1,022,380	1	7,404		8,008,877
Amounts due from banks	398,680	3,411	42,685	273	331	817,588	171,734	246,178	15,777	1,696,657
Amounts due from securities financing transactions										
Amounts due from customers	1,418,095	90,911	1,340,191	6,075	270,209	3,660,817	2,194,478	1,318,949	236,679	10,536,404
Mortgage loans	853,337		352,359			1,902,747	59,011	66,649		3,234,104
Trading portfolio assets	176		216,715			61,374	0	12		278,277
Positive replacement values of derivative financial instruments										
Other financial instruments at fair value	37					0				37
Financial investments	403,839	92,501	2,154,037		1,081,015	1,847,482	964,019	1,679,607	9,744	8,232,244
Accrued income and prepaid expenses	66,924	659	34,599	4	3,905	65,768	35,264	8,789	587	216,498
Participations	24,043					242				24,285
Tangible fixed assets	291,802		4,424			3,609	7,250	1,343		308,428
Intangible assets										
Other assets	97,630		19		211	55,969	24,971	3,003		181,803
Value adjustments not offset according to transitional provisions (negative position)										
Capital not paid in										
Total	10,533,107	187,481	4,145,579	6,351	1,355,671	9,437,976	3,456,727	3,331,934	262,787	32,717,614
Off Balance sheet										
Contingent liabilities	41,761	1,358	125,642	97	9,189	130,928	28,707	27,603	5,627	370,912
Irrevocable commitments	18,878					268				19,146
Contingent liability for calls and margin liabilities	1,487									1,487
Commitment credits										
Total	62,125	1,358	125,642	97	9,189	131,197	28,707	27,603	5,627	391,544
Total of reporting period	10,595,233	188,839	4,271,221	6,448	1,364,860	9,569,173	3,485,434	3,359,536	268,414	33,109,159

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				Equity	Other exposures	Total
	and Central banks	Institutions	Stockbrokers	Enterprises	Retail				
Balance sheet/Amounts due:									
Liquid assets	6,777,781		245,277				985,820	8,008,877	
Amounts due from banks	75	52,800	1,643,782					1,696,657	
Amounts due from securities financing transactions									
Amounts due from customers	165,529	8,313	1,946,033	3,112,461	5,287,075		16,994	10,536,404	
Mortgage loans	10,737		26,511	775,513	2,421,236		107	3,234,104	
Trading portfolio assets	144,636		72,079			61,562		278,277	
Positive replacement values of derivative financial instruments									
Other financial instruments at fair value						0	37	37	
Financial investments	2,396,726	75,311	2,845,336	1,875,476		954,089	85,306	8,232,244	
Accrued income and prepaid expenses	6,847	289	152,065	48,261	8,968		68	216,498	
Participations						24,285		24,285	
Tangible fixed assets							308,428	308,428	
Intangible assets									
Other assets	1,809	2,041	143,299	15,289	9,754		9,610	181,803	
Value adjustments not offset according to transitional provisions (negative position)									
Capital not paid in									
Total	9,504,139	138,754	7,074,383	5,827,000	7,727,033	1,039,936	1,406,370	32,717,614	
Off Balance sheet									
Contingent liabilities	4,025	291	162,799	142,856	60,665		275	370,912	
Irrevocable commitments		14,490	248	2,131	2,277			19,146	
Contingent liability for calls and margin liabilities			1,487					1,487	
Commitment credits									
Total	4,025	14,781	164,534	144,986	62,942		275	391,544	
Total of reporting period	9,508,164	153,535	7,238,917	5,971,986	7,789,975	1,039,936	1,406,645	33,109,159	

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		
Balance sheet/Amounts due:								
Liquid assets	8,008,877							8,008,877
Amounts due from banks	959,471	158,123	121,722	403,953	53,389			1,696,657
Amounts due from securities financing transactions								
Amounts due from customers	1,666	2,146,066	6,333,790	906,195	951,588	197,100		10,536,404
Mortgage loans		129,548	553,566	704,375	1,309,302	537,312		3,234,104
Trading portfolio assets	278,277							278,277
Positive replacement values of derivative financial instruments								
Other financial instruments at fair value	37							37
Financial investments	1,025,159	0	1,241,146	650,345	4,179,663	1,135,931		8,232,244
Accrued income and prepaid expenses	82,592	-22	90,897	36,863	341	5,826		216,498
Participations	24,285							24,285
Tangible fixed assets	308,428							308,428
Intangible assets								
Other assets	72,231		65	2,104	28,472	78,931		181,803
Value adjustments not offset according to transitional provisions (negative position)								
Capital not paid in								
Total	10,761,024	2,433,714	8,341,186	2,703,835	6,522,756	1,955,100		32,717,614
Off Balance sheet								
Contingent liabilities	779	52,605	29,114	209,586	75,445	3,382		370,912
Irrevocable commitments			1,370	1,192	2,094	14,490		19,146
Contingent liability for calls and margin liabilities	1,487							1,487
Commitment credits								
Total	2,266	52,605	30,484	210,778	77,539	17,872		391,544
Total of reporting period	10,763,290	2,486,320	8,371,670	2,914,613	6,600,295	1,972,972	0	33,109,159

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
Balance sheet/Amounts due:								
Liquid assets	8,008,877							8,008,877
Amounts due from banks	75	1,153,010		540,071		3,501		1,696,657
Amounts due from securities financing transactions								
Amounts due from customers	6,666,304	328,498	75,207	467,508	176,452	2,817,540	4,895	10,536,404
Mortgage loans	203,782	1,500	875,674	15,277	21,756	2,116,115		3,234,104
Trading portfolio assets	144,636	72,079					61,562	278,277
Positive replacement values of derivative financial instruments								
Other financial instruments at fair value						37		37
Financial investments	2,711,504	1,138,492		2,567,006		1,752,806	62,436	8,232,244
Accrued income and prepaid expenses	16,465	89,106	1,166	61,612	349	47,352	447	216,498
Participations							24,285	24,285
Tangible fixed assets						308,428		308,428
Intangible assets								
Other assets	124,796	38,656		7,582		10,769		181,803
Value adjustments not offset according to transitional provisions (negative position)								
Capital not paid in								
Total	17,876,440	2,821,341	952,047	3,659,057	198,557	7,056,549	153,626	32,717,614
Off Balance sheet								
Contingent liabilities	263,107	10,366		47,563	4,977	44,898	0	370,912
Irrevocable commitments	2,523	14,490			2,133			19,146
Contingent liability for calls and margin liabilities						1,487		1,487
Commitment credits								
Total	265,631	24,856		47,563	7,110	46,385	0	391,544
Total of reporting period	18,142,070	2,846,197	952,047	3,706,620	205,666	7,102,933	153,626	33,109,159

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)						
Balance sheet/Amounts due:						
Liquid assets					8,008,877	8,008,877
Amounts due from banks		52,800			1,643,857	1,696,657
Amounts due from securities financing transactions						
Amounts due from customers	6,494,424	810,383	557,924	30,572	2,643,102	10,536,404
Mortgage loans	203,184	16,777	2,796,106	597	217,439	3,234,104
Trading portfolio assets					278,277	278,277
Positive replacement values of derivative financial instruments						
Other financial instruments at fair value					37	37
Financial investments				10,301	8,221,943	8,232,244
Accrued income and prepaid expenses	11,574	1,257	6,147	53	197,467	216,498
Participations					24,285	24,285
Tangible fixed assets					308,428	308,428
Intangible assets						
Other assets					181,803	181,803
Value adjustments not offset according to transitional provisions (negative position)						
Capital not paid in						
Total	6,709,181	881,217	3,360,177	41,524	21,725,515	32,717,614
Off Balance sheet						
Contingent liabilities	261,554	16,545	53	1,554	91,206	370,912
Irrevocable commitments	2,523				16,623	19,146
Contingent liability for calls and margin liabilities					1,487	1,487
Commitment credits						
Total	264,077	16,545	53	1,554	109,315	391,544
Total of reporting period	6,973,258	897,762	3,360,230	43,078	21,834,830	33,109,159

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
Balance sheet/Amounts due:									
Liquid assets	6,035,431							1,973,447	8,008,877
Amounts due from banks	6,360	197,298	728,164	178,917	140,470	12		445,436	1,696,657
Amounts due from securities financing transactions									
Amounts due from customers		126,931	5					10,409,468	10,536,404
Mortgage loans								3,234,104	3,234,104
Trading portfolio assets	144,636	72,079						61,562	278,277
Positive replacement values of derivative financial instruments									
Other financial instruments at fair value								37	37
Financial investments	1,760,755	781,510	1,983,734	1,180,488	1,026,001	23,038	107	1,476,611	8,232,244
Accrued income and prepaid expenses	4,204	8,351	25,772	30,198	18,074	693	120	129,085	216,498
Participations								24,285	24,285
Tangible fixed assets								308,428	308,428
Intangible assets									
Other assets	5,113	355	82,178	7,908	13,397	1,136	1,821	69,894	181,803
Value adjustments not offset according to transitional provisions (negative position)									
Capital not paid in									
Total	7,956,499	1,186,525	2,819,854	1,397,511	1,197,942	24,878	2,049	18,132,357	32,717,614
Off Balance sheet									
Contingent liabilities			20,586					350,326	370,912
Irrevocable commitments								19,146	19,146
Contingent liability for calls and margin liabilities								1,487	1,487
Commitment credits									
Total			20,586					370,958	391,544
Total of reporting period	7,956,499	1,186,525	2,840,440	1,397,511	1,197,942	24,878	2,049	18,503,315	33,109,159

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

Pillar 3 disclosure requirement	Annual Report 2019 section	Disclosure	Annual Report 2019 Page number
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	53
		Positive and negative replacement values of derivative financial instruments	54, 61
		Breakdown of securities financing transactions (assets and liabilities)	62
		Presentation of derivative financial instruments (assets and liabilities)	65
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	61
Information about market or credit risk concentrations under the credit risk mitigation instruments used.	Consolidated Financial Statements - Consolidated Notes	Risk categories	57-60
		Presentation of derivative financial instruments (assets and liabilities)	65

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	1,641	13,768,867	13,768,867		
Debt securities	7,206,977				
TOTAL 31.12.2019	7,208,618	13,768,867	13,768,867		
Of which defaulted	0	162,536	162,536		
TOTAL 31.12.2018	6,940,238	13,902,852	13,902,852		

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	9,327,368		9,341,941	0	203,565	2.18%
2 Banks and securities traders	5,152,496	42,871	5,912,958	59,416	2,416,048	40.45%
3 Public-sector entities and multilateral developments banks	78,203	14,522	130,436	7,246	52,195	37.91%
4 Corporate	5,024,566	136,179	3,868,744	27,113	3,142,116	80.65%
5 Retail	10,705,775	197,973	4,293,926	23,820	3,701,641	85.73%
6 Equity securities	1,039,936		1,039,936		333,438	32.06%
7 Other assets	1,389,269		1,389,269	0	392,131	28.23%
8 TOTAL 31.12.2019	32,717,614	391,544	25,977,210	117,595	10,241,133	39.25%
TOTAL 31.12.2018	32,229,198	683,503	25,290,584	295,749	10,396,067	40.63%

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)
(in 1'000 CHF)										31.12.2019
1 Sovereigns and their central banks	8,858,983		336,793		19,920		126,243		2	9,341,941
2 Banks and securities traders	343,545		2,008,374		3,212,244		408,134		78	5,972,374
3 Public-sector entities and multilateral developments banks	24,258		75,262		2,040		36,122			137,682
4 Corporate	15,085		404,374	285,865	472,127	8,901	2,691,613	17,891		3,895,857
5 Retail	136,457			666,182	289	195,691	3,314,251	4,875		4,317,746
6 Equity securities	771,887						137,269	130,779		1,039,936
7 Other assets	985,820		14,148				389,301			1,389,269
8 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
9 Thereof receivables secured by real estate				952,047		23,560	2,384,119			3,359,726
TOTAL 31.12.2018	9,643,551		3,357,643	1,242,073	4,167,984	197,830	6,816,860	160,392		25,586,334

Table CCRA: Counterparty credit risk: Qualitative disclosure

Pillar 3 disclosure requirement	Annual Report 2019 section	Disclosure	Annual Report 2019 Page number
Risk management objectives and policies related to counterparty credit risk.	Consolidated Financial Statements - Consolidated Notes	Risk Management	55–61
		Breakdown of securities financing transactions (assets and liabilities)	62
		Presentation of derivative financial instruments (assets and liabilities)	65
The method used to assign the operating limits for counterparty credit exposures and for CCP exposures.	Consolidated Financial Statements - Consolidated Notes	Risk Management	55–61
Policies relating to guarantees and other risk mitigants and counterparty risk assessment.	Consolidated Financial Statements - Consolidated Notes	Risk Management	55–61

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 31.12.2019	Total credit exposure 31.12.2018
(in 1'000 CHF)										
1 Sovereigns and their central banks	34,717								34,717	2,621
2 Banks and securities traders	287,069		126,961	911,901					1,325,931	895,582
3 Public-sector entities and multilateral developments banks	798		1,109			155			2,061	4,805
4 Corporates	174,770			10,844		144,516	2	2,000	332,133	375,095
5 Retail	69,917				6,169	45,734	3	0	121,823	115,392
6 Equity securities										
7 Other assets	2,187								2,187	1,616
8 TOTAL 31.12.2019	569,459		128,070	922,745	6,169	190,405	5	2,000	1,818,854	
TOTAL 31.12.2018	214,819		230,193	669,471	10,175	270,432	22			1,395,111

Table MRA: Market risk: Qualitative disclosure requirements

Pillar 3 disclosure requirement	Annual Report 2019 section	Disclosure	Annual Report 2019 Page number
Strategies and processes of the bank.	Consolidated Financial	Governance	55
	Statements - Consolidated	Risk management framework	55-56
	Notes	Organisation of risk management	56-57
		Risk indicators	57
		Business policy regarding hedging	61
Structure and organisation of the market risk management function.	Consolidated Financial	Governance	55
	Statements - Consolidated	Risk management framework	55-56
	Notes	Organisation of risk management	56-57
Scope and nature of reporting and/or measurement systems.	Consolidated Financial Statements - Consolidated Notes	Risk categories	57-60

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

	RWA	RWA
(in 1'000 CHF)	31.12.2019	31.12.2018
Outright products		
1 Interest rate risk (general and specific)	1,049,774	141,888
2 Equity risk (general and specific)	389,265	516,387
3 Foreign exchange risk	700,034	585,846
4 Commodity risk	213,137	124,514
Options		
5 Simplified approach		
6 Delta-plus method	3,153	37,224
7 Scenario approach		
8 Securitisation		
9 TOTAL	2,391,621	1,405,857

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 (IRRB) 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 IRRB 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 IRRB 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 IRRB 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

	Volume in CHF Mio.			Average repricing maturities (in years)	
	Total	Of which CHF	Of which other significant currencies (>10%)	Total	Of which CHF
Determined repricing maturity					
Due from banks	741	200	541	0.55	1.13
Due from customers	9,256	780	6,947	0.40	1.43
Money-market mortgages	2,500	418	563	0.17	0.13
Fixed-rate mortgages	731	259	467	2.28	2.54
Financial investments	7,700	793	5,763	4.49	3.26
Other receivables	0	0	-	-	-
Receivables from interest derivatives	11,356	382	9,718	0.15	0.05
Liabilities to banks	-378	-	-207	0.10	-
Liabilities from client deposits	-9,420	-603	-6,810	0.18	0.27
Bonds and mortgage-backed bonds	-291	-291	-	0.50	0.50
Liabilities from interest derivatives	-11,491	-5,047	-4,484	1.15	0.15
Undetermined repricing maturity					
Due from banks	1,000	105	468	0.00	0.00
Due from customers	1,278	339	844	0.00	0.00
Variable mortgage claims	5	4	2	0.01	0.01
Other receivables	3,074	1,684	1,359	0.00	0.00
Liabilities at sight in personal and current accounts	-18,446	-2,623	-13,507	0.00	0.00
Other liabilities	-537	-190	-345	0.00	0.00
Liabilities from client deposits, call but not transferable (savings)	-334	-334	-0	0.00	0.00
Total	-3,255	-4,124	1,318	0.73	0.48

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 (Δ 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 (Δ 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.

In CHF	Δ EVE		Δ NII	
	Change in economic value of equity		Change in net interest income	
Period	31.12.2019	30.06.2019	31.12.2019	30.06.2019
Parallel up	-311,175,769	-224,675,925	48,613,441	179,470,233
Parallel down	346,933,359	247,941,172	22,340,655	-108,328,159
Steepener-Shock	23,906,001	49,343,192		
Flattener-Shock	-92,351,326	-97,803,482		
Short rate up	-210,070,268	-179,029,640		
Short rate down	223,336,955	190,123,990		
Worst scenario	-311,175,769	-224,675,925	22,340,655	-108328159.3
Tier 1 capital	4,968,913,000	4,704,880,000		

Table ORA: Qualitative disclosure requirements related to operational risks

Pillar 3 disclosure requirement	Annual Report 2019 section	Disclosure	Annual Report 2019 Page number
Description of strategy, processes and organisational structure for managing operational risks.	Consolidated Financial Statements - Consolidated Notes	Operational risk	59

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