

Key regulatory information 2020





DISCLOSURE ON CAPITAL ADEQUACY, LIQUIDITY AND INTEREST RATE RISK FOR THE YEAR ENDING 31 DECEMBER 2020

Information on capital adequacy

A. Eligible capital

(in thousands of Swiss francs)	31.12.2020	31.12.2019
Gross common equity Tier 1 capital (after mandatory deduction of own participating instruments)	30'208	30'208
of which non-controlling interests	-	-
of which innovative capital instruments	-	-
./. regulatory deduction	-	-
./. other elements to be deducted from common equity Tier 1 capital	-5'291	-8'543
of which loss carried forward	-3'684	-
of which result of the period	1'860	-3'684
of which Goodwill	-3'467	-4'859
Eligible common equity Tier 1 capital (net CET1)	24'917	21'665
+ complementary and additional equity	-	-
./. other deductions from complementary and additional equity and other deductions from capital	-	-
Total eligible capital	24'917	21'665

B. Capital required

(in thousands of Swiss francs)	Approach used	31.12.2020 Equity requirement
Credit risk	AS-BRI	7'287
• of which price-related risk related to investments in the Bank's portfolio		-
Risk not related to counterparties	AS-BRI	91
Market risk	Min.	243
• of which on interest-rate instruments (general and specific market risk)		-
• of which on equity securities		-
• of which on currencies and precious metals		-
• of which on commodities		243
Operational risk	Base indicator	2'116
Total		9'737
Ratio of eligible capital to capital required under Swiss law		256%



C. Capital ratios

(in thousands of Swiss francs)	31.12.2020	31.12.2019
Common equity Tier-one capital (net CET1)	24'917	21'665
Total regulatory capital (net T1 & T2)	24'917	21'665
Minimum capital required	9'737	8'381
Sum of risk weighted positions	121'719	104'763
Capital ratios (in % of risk weighted positions)		
Ratio CET1	20.47%	20.68%
Ratio T1	20.47%	20.68%
Total regulatory capital ratio	20.47%	20.68%
Countercyclical capital buffers	0.00%	0.00%
CET1 objective under Circ.-FINMA 11/2 increased by countercyclical capital buffers	7.00%	7.00%
T1 objective under Circ.-FINMA 11/2 increased by countercyclical capital buffers	8.50%	8.50%
Regulatory capital objective under Circ.-FINMA 11/2 increased by countercyclical capital buffers	10.50%	10.50%

Information on leverage ratio

(in thousands of Swiss francs)	31.12.2020	31.12.2019
Tier-one equity (tier 1)	24'917	21'665
Global exposure	315'028	353'460
Leverage ratio	7.91%	6.10%

Information on short term liquidity coverage ratio (LCR)

(in thousands of Swiss francs)	Q1.2020	Q2.2020	Q3.2020	Q4.2020
Sum of high-quality liquid assets (HQLA)	134'635	128'444	130'279	134'853
Sum of net cash outflows	20'303	23'884	22'418	23'658
Short term liquidity coverage ratio LCR (in %)	663%	538%	581%	570%
LCR ratio objective for the Bank (in %)	120%	120%	120%	120%

Information on interest rate risk (IRRBB)

<i>Definition</i>	IRRBB as the risk to which the Bank's own funds and profits are exposed as a result of adverse movements in interest rates. To this end, the Bank monitors two indicators: i) the change in the economic value of equity (or EVE), which corresponds to the change in the net present value of all cash flows from assets, liabilities and off-balance sheet of the banking book resulting from a change in interest rates; and ii) the change in net interest income (NII) resulting from interest rate movements.
<i>Strategy, structure and organization</i>	The target appetite and limits, defined from an economic value perspective, are reviewed at least annually. The Executive Committee in charge of organizing and implementing IRRBB management, delegates this responsibility to the Risk Committee, which is held on a monthly basis. The Bank does not hedge the interest rate risk with derivative financial instrument.
<i>Scenarios</i>	In accordance with cm 32 of Circ. FINMA 2019/02, the Bank applies the 6 rate shock scenarios defined in Appendix 2 of this circular. Assumptions and scenario data are based on Appendix 2 Circ. FINMA 2019/02. Concerning the base case scenario, the Bank uses forward curves.



Assumptions and parameters

For the EVE calculation purpose, cash flows are discounted with market rates. Nominal and interests are considered in the cash flows. For NII calculation purpose, transactions are renewed according to observed average renewal repricing maturities, with respect to positions with determined repricing maturity. With respect to positions with undetermined repricing maturity, the Bank applies a statistical approach (with a replication key).

The Bank does not grant medium- and long-term loans. The longest maturity is one year. For customer loans with a fixed maturity, the remaining term is used. Concerning current accounts and sight liabilities, a short-term period is used. For subordinated notes, the maturity date is the first redemption date. The maturity buckets and the maturity buckets medians (in years) are those documented in the Appendix 2 of Circ. FINMA 2019/02 (19 maturity buckets from overnight to >20 years). Positions with early repayment options are not material. Concerning aggregation across currencies, the total in each scenarios the sum of the results for each currency. The main currencies are CHF, USD, EUR and some other currencies if each one individually represents more than 2% of the balance sheet.

Quantitative information on the structure and on the repricing renewal

		31.12.2020			Average renewal repricing maturities (in years)	
		Volumes in thousands of CHF				
		Total	Of which CHF	Of which other significant currencies*	Total	Of which CHF
Determined repricing maturity	Receivables from banks	88'435	36'984	51'451	0.16	0.14
	Receivables from clients	51'751	4'584	47'167	0.23	0.24
	Financial investments	43'574	-	43'574	0.74	-
	Receivables from interest derivatives	-	-	-	-	-
	Liabilities from client deposits	-	-	-	-	-
	Liabilities from interest derivatives	-	-	-	-	-
Undetermined repricing maturity	Receivables from banks	83'023	13'901	69'122	0.08	0.08
	Receivables from clients	17'232	5'075	12'157	0.22	0.22
	Sight liabilities in personal and current account	397'679	37'127	360'552	0.22	0.22
	Other liabilities	5'535	209	5'326	0.08	0.08
Total	687'229	97'880	589'349	-	-	

* Representing more than 10% of the total balance sheet.

Quantitative information on economic value of equity and net interest income

in thousands of CHF	Change in net present value		Change in net interest income	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Parallel upward shift	1'156	n/a	1'399	n/a
Parallel downward shift	1'173		1'375	
Steeper shock	783		-	
Flattener shock	1'014		-	
Upward short-term interest rate shock	1'356		-	
Downward short-term interest rate shock	1'376		-	
Maximum	1'376		1'399	
Tier 1 capital	24'916	28'252	24'916	28'252