Disclosures – Statutory

Information relating to Capital adequacy ratios, Liquidity Coverage Ratio (LCR) and Leverage ratio of the statutory financial statements

KM1: Key metrics

(in 1'000 CHF)		a	b	c	d	e
		31.12.22	30.9.22	30.6.22	31.3.22	31.12.21
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	47 491				46 822
2	Tier 1	47 491				46 822
3	Total capital	59 869				59 192
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	249 873				224 485
4a	Minimum capital requirement	19 990				17 959
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	19.01 %				20.86 %
6	Tier 1 ratio (%)	19.01 %				20.86 %
7	Total capital ratio (%)	23.96 %				26.37 %
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50 %				2.50 %
9	Countercyclical buffer requirement (%)	2.50 %				0.00 %
11	Total of bank CET1 specific buffer requirements (%)	5.00 %				2.50 %
12	CET1 available after meeting the bank's minimum capital requirements (%)	13.01 %				14.86 %
Target capital ratios according to Annex 8 CAO (in % of RWA)						
12a	Capital buffer according to Annex 8 CAO (%)	3.20 %				3.20 %
12b	National countercyclical buffer (articles 44 et 44a CAO) (%)	0.00 %				0.00 %
12c	CET1 target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44 a CAO	7.53 %				7.40 %
12d	T1 target ratio (in %) according to Annex 8 CAO plus national countercyclical buffer in accordance with Articles 44 and 44a CAO	9.13 %				9.00 %
12e	Total capital target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accprdance with articles 44 and 44a CAO *	11.33 %				11.20 %

* Total capital target ratio includes 0.13% countercyclical mandatory buffer to cover mortgage-backed credit exposures for residential real estate in Switzerland.

All amounts have been rounded off, which may result in minor discrepancies.

(in 1'000 CHF)		a	b	c	d	e
		31.12.22	30.9.22	30.6.22	31.3.22	31.12.21
Basel III leverage ratio						
13	Total exposure (CHF)	594 706				637 730
14	Basel III leverage ratio (%)	7.99 %				7.34 %
Liquidity Coverage Ratio						
15	Total HQLA	186 043	132 666	136 367	140 893	144 089
16	Total net cash outflow	37 507	48 281	34 780	36 918	35 079
17	LCR ratio (%)	496.02 %	274.78 %	392.08 %	381.64 %	410.75 %
Net Stable Funding Ratio (2)						
18	Total available stable funding	419 617				468 885
19	Total required stable funding	228 058				250 607
20	NSFR ratio	184.00 %				187.10 %

OV1: Overview of risk weighted assets

(in 1'000 CHF)		a	b	c
		RWA	RWA	Minimum Capital Requirement
		31.12.2022	31.12.2021	31.12.2022
1	Credit risk	164 505	135 933	13 160
20	Market risk	9 073	3 228	726
24	Operational risk	76 295	85 323	6 104
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	—	—	—
27	**Total (1+20+24+25)**	**249 873**	**224 485**	**19 990**

Capital requirements

The following approaches are adopted by the Bank with regards to the calculation of the capital requirements:

Credit risk

- *External rating agencies (governments, public corporations, banks, corporates):* Moodys and S&P
- *Risk mitigation:* Comprehensive approach
- *Haircut:* Standard supervisory haircuts
- *Model applied for derivatives:* Standardised approach

Market risk

- *Standardised approach for interest rate risk:* Maturity method
- *Standardised approach for options:* Simplified approach

Operational risk

- *Measurement method:* Basis indicator approach

LIQA: Liquidity risk management

Please refer to the "Liquidity" section on page 0 of the introductory notes to the financial statements.

CR1: Credit risk: Credit quality of assets

	(in 1'000 CHF)	31.12.2022 a	b	c	d
		[1] Gross carrying values of		[2] Allowances/ impairments	Net values (a + b - c)
		[3] Defaulted exposures	Non-defaulted exposures		
1	Loans (excluding debt securities)	2 475	495 156	2 475	495 156
2	Debt securities	—	55 681	—	55 681
3	Off-balance sheet exposures	—	23 597	—	23 597
4	**Total Reporting Period**	2 475	574 433	2 475	574 433

1 On and off-balance-sheet items with a credit risk exposure as defined in the capital adequacy provisions (with the exception of counterparty credit risks). On balance-sheet items shall include loans and debt securities. Off balance-sheet items must be measured using the following criteria: 1) Guarantees granted: the maximum amount that the bank would have to pay if the guarantee were called (gross amount, i.e. gross of any credit conversion factor (CCF) and prior to appying credit risk mitigation (CRM) techniques; 2) Irrevocable loan commitments must not be included. The gross value shall correspond to the carrying value before taking into account any valuation adjustments but after deducting any write-offs (write-offs are defined as being a direct reduction of the carrying amount made by tha bank if recovering the receivable is no longer possible). Banks must not take into account any credit risk mitigation technique of any type.

2 Total amount of valuation adjustments recorded without taking into account the fact that these cover impaired exposures as well as latent risks and direct write-offs.

3 In the case of SA-BIS, this included and impaired exposures, In the case of IRB, section 452 of the Basel minimum standards (Basel II text) gives the definition for regulatory purposes.

CR3: Credit risk: Credit risk mitigation techniques – overview

(in 1'000 CHF)	31.12.2022 a	c	d
	[1] Unsecured exposures/ carrying amount	[2] Secured exposures, actual collateralized amount	[3] Exposures secured by financial guarantees
Loans (including debt securities)	447 834	104 668	—
Off balance sheet	12 984	10 613	—
TOTAL	460 818	115 281	—
Of which defaulted	—	—	—

1 carrying amount of exposures (net of value adjustments) that do not benefit from a credit risk mitigation technique.

2 carrying amount of exposures (net of value adjustments) partly of totally secured by collateral, regardless of what portion of the original exposure is secured.

3 carrying amount of exposures (net of value adjustments) partly of totally secured by guarantees or credit derivatives, regardless of what portion of the original exposure is secured.

ORA: Operational risk: general information

Operational Risks

Please refer to the "Operational risks" section on page 0 of the introductory notes to the financial statements.

Capital Requirements

Please refer to the previous section OV1, subsection "Capital Requirements".

IRRBA: Interest rate risk: Objectives and guidelines for the management of interest rate risk in the banking book

Interest rate risk in the banking book (IRRBB) is a measure of the risk to a bank's capital and to its earnings arising from the movement of interest rates. This risk generally arises from repricing risk, basis risk, yield curve risk and risk arising from options.

Excessive levels of interest rate risks can significantly affect the economic value of equity (EVE) as well as the bank's earnings, defined as the net interest income (NII). It is therefore essential to establish an effective risk management process that effectively measures and contains these risks at established levels.

The Board of Directors overviews the Bank risk management and risk strategy process, and defines the interest rate risk appetite for the Bank on an annual basis. This is essentially performed with the validation of the IRR Global Limit of Banque Heritage (Suisse).

The General Management is responsible for the organization and operation of the management of the IRRBB. The Risk Management function monitors the interest rate risk on a daily basis. Furthermore, the interest rate risk is reviewed by the Asset and Liability Committee (ALM) of the Bank on a regular basis.

A formal measure of the IRRBB as defined by circular FINMA 2019/02 is performed by the Bank on a quarterly basis. Interest rate risk is measured using indicators to measure the changes in economic value of the banking book, indicators to measure changes in earnings as well as gap maturities analysis. The six regulatory scenarios that are to be applied within this measure as defined by Circular FINMA 2019/2 are i) Parallel shift up; ii) Parallel shift down; iii) Steepener shock; iv) Flattener shock; v) Rise in short-term interest rates; vi) Fall in short-term interest rates.

The mapping process is established on product-specific payment streams that exist within the balance sheet of the Bank at the date of generation of the formal measures.

Discounted interest rates are based on present interbank interest rates. Intermediary inexistent rates are linearly extrapolated.

Replication keys are integrated in our internal model with a conservative approach with respect to maturities of the underlying balance sheet structure. These replication keys may be modified should the respective balance sheet(s) not reflect the underlying replication key assumptions. Within these replication keys, term deposits are treated as being withdrawn 70% within one month and 30% within one year to reflect potential behavioural early withdrawals.

Table IRRBBA1: Interest rate risk: quantitative information on the exposure's structure and interest rate fixing date

	Volume in CHF million			Average interest rate reset period (in years)	
	Total	Of which in CHF	Of which other significant currencies *	Total	Of which in CHF
Defined interest rate reset date					
Amounts due from banks	139.61	27.02	112.59	0.08	0.08
Amounts due from customers	47.42	12.17	34.86	0.17	0.26
Fixed rate mortgage	61.83	54.90	6.93	0.26	0.29
Financial investments	57.51	–	57.51	0.68	–
Other receivables	–	–	–	–	–
Amounts due to banks	–	–	–	–	–
Amounts due in respect of client deposits	–	–	–	–	–
Undefined interest rate reset dates					
Amounts due from banks	22.58	3.19	8.42	0.08	0.08
Amounts due from customers	9.40	5.13	4.19	0.22	0.22
Money market mortgage (LIBOR-based mortgages)	–	–	–	–	–
Amounts due in respect of client deposits	468.77	123.92	326.10	0.22	0.22
Other payables	1.47	1.21	0.23	0.08	0.08
Total	**808.59**	**227.53**	**550.83**	**–**	**–**

** representing more than 10% of assets or liabilities of total assets*

Table IRRBB1: Interest rate risk: quantitative information on the exposure's net present value and interest rate income

(in 1'000 CHF)	DELTA EVE		DELTA NII	
Period	31.12.2022	30.06.2022	31.12.2022	30.06.2022
Parallel shift up	535	110	(1 836)	(2 605)
Parallel shift down	(514)	(106)	1 805	2 561
Steepener shock 1	(621)	(153)		
Flattener shock 2	713	179		
Rise in short-term interest rates	828	210		
Fall in short-term interest rates	(837)	(209)		
Maximum	(837)	(209)	(1 836)	(2 605)
Period		31.12.2022		30.06.2022
Tier 1 capital		47 491		46 771

For each of the supervisory prescribed interest rate shock scenarios, the bank must report for the current period and for previous period: (1) The change in the economic value of equity based on its IMS, using a run-off balance sheet and an instantaneous shock or based on the result of the standardised framework as set out in Section IV if the bank has chosen to adopt the framework or has been mandated by its supervisor to follow the framework. (2) The change in projected NII over a forward-looking rolling 12-month period compared with the bank's own best estimate 12-month projections, using a constant balance sheet assumption and an instantaneous shock.

Disclosures – Consolidated

Presentation of eligible capital

KM1: Key metrics

(in 1'000 CHF)		a	b	c	d	e
		31.12.2022	30.9.2022	30.6.2022	31.3.2022	31.12.2021
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	84 055				83 456
2	Tier 1	84 055				83 456
3	Total capital	91 436				90 774
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	519 726				457 807
4a	Minimum capital requirement	41 578				36 625
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	16.17 %				18.23 %
6	Tier 1 ratio (%)	16.17 %				18.23 %
7	Total capital ratio (%)	17.59 %				19.83 %
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital convervation buffer requirement (2.5% from 2019) (%)	2.50 %				2.50 %
9	Countercyclical buffer requirement (%)	2.50 %				0.00 %
11	Total of bank CET1 specific buffer requirements (%)	5.00 %				2.50 %
12	CET1 available after meeting the bank's minimum capital requirements (%)	9.59 %				11.83 %
Target capital ratios according to Annex 8 CAO (in % of RWA)						
12a	Capital buffer according to Annex 8 CAO (%)	3.20 %				3.20 %
12b	National countercyclical buffer (articles 44 et 44a CAO) (%)	0.06 %				0.00 %
12c	CET1 target ratio (in %) according to Annex 8 CAO plus national countercyclical buffer in accordance with Articles 44 and 44 a CAO	7.46 %				7.40 %
12d	T1 target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44a CAO	9.06 %				9.00 %
12e	Total capital target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accprdance with articles 44 and 44a CAO *	11.26 %				11.20 %

* Total capital target ratio includes 0.06% countercyclical mandatory buffer to cover mortgage-backed credit exposures for residential real estate in Switzerland.

(in 1'000 CHF)		a	b	c	d	e
		31.12.2022	30.9.2022	30.6.2022	31.3.2022	31.12.2021
Basel III leverage ratio						
13	Total exposure (CHF)	1 118 621				1 129 073
14	Basel III leverage ratio (%)	7.50 %				7.40 %
Liquidity Coverage Ratio						
15	Total HQLA	374 888	221 180	230 962	271 082	314 401
16	Total net cash outflow	164 137	153 221	76 227	67 350	152 714
17	LCR ratio (%)	228.40 %	144.35 %	302.99 %	402.50 %	205.88 %
Net Stable Funding Ratio (2)						
18	Total available stable funding	754 162				792 497
19	Total required stable funding	546 900				526 712
20	NSFR ratio	137.90 %				150.46 %

OV1: Overview of risk weighted assets

(in 1'000 CHF)		a	b	c
		RWA	RWA	Minimum Capital Requirement
		31.12.2022	31.12.2021	31.12.2022
1	Credit risk	396 390	305 031	31 711
20	Market risk	13 854	31 262	1 108
24	Operational risk	109 482	121 514	8 759
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	—	—	—
27	**Total (1+20+24+25)**	**519 726**	**457 807**	**41 578**

Capital requirements

The following approaches are adopted by the Bank with regards to the calculation of the capital requirements

Credit risk

- *External rating agencies (governments, public corporations, banks, corporates):* Moodys and S&P
- *Risk mitigation:* Comprehensive approach
- *Haircut:* Standard supervisory haircuts
- *Model applied for derivatives:* Standardised approach

Market risk

- *Standardised approach for interest rate risk:* Maturity method
- *Standardised approach for options:* Simplified approach

Operational risk

- *Measurement method:* Basis indicator approach

LIQA: Liquidity risk management

Please refer to "Liquidity" section on page 0 of the introductory notes to the consolidated financial statements.

CR1: Credit risk: Credit quality of assets

	(in 1'000 CHF)	31.12.2022 a	b	c	d
		[1] Gross carrying values of		[2] Allowances/ impairments	Net values (a + b - c)
		[3] Defaulted exposures	Non-defaulted exposures		
1	Loans (excluding debt securities)	6 413	757 377	14 073	749 717
2	Debt securities	—	297 831	—	297 831
3	Off-balance sheet exposures	—	49 426	—	49 426
4	**Total Reporting Period**	**6 413**	**1 104 633**	**14 073**	**1 096 973**

On and off-balance-sheet items with a credit risk exposure as defined in the capital adequacy provisions (with the exception of counterparty credit risks). On balance-sheet items shall include loans and debt securities. Off balance-sheet items must be measured using the following criteria: 1) Guarantees granted: the maximum amount that the bank would have to pay if the guarantee were called (gross amount, i.e. gross of any credit conversion factor (CCF) and prior to appying credit risk mitigation (CRM) techniques; 2) Irrevocable loan commitments must not be included. The gross value shall correspond to the carrying value before taking into account any valuation adjustments but after deducting any write-offs (write-offs are defined as being a direct reduction of the carrying amount made by tha bank if recovering the receivable is no longer possible). Banks must not take into account any credit risk mitigation technique of any type.

2 Total amount of valuation adjustments recorded without taking into account the fact that these cover impaired exposures as well as latent risks and direct write-offs.

3 In the case of SA-BIS, this included and impaired exposures, In the case of IRB, section 452 of the Basel minimum standards (Basel II text) gives the definition for regulatory purposes.

CR3: Credit risk: Credit risk mitigation techniques – overview

(in 1'000 CHF)	31.12.2022 a	c	d
	[1] Unsecured exposures /carrying amount	[2] Secured exposures, actual collateralized amount	[3] Exposures secured by financial guarantees
Loans (including debt securities)	924 960	150 493	—
Off balance sheet	33 217	16 331	—
TOTAL	**958 177**	**166 824**	**—**
Of which defaulted	*2 340*	—	—

1 carrying amount of exposures (net of value adjustments) that do not benefit from a credit risk mitigation technique.

2 carrying amount of exposures (net of value adjustments) partly of totally secured by collateral, regardless of what portion of the original exposure is secured.

3 carrying amount of exposures (net of value adjustments) partly of totally secured by guarantees or credit derivatives, regardless of what portion of the original exposure is secured.

ORA: Operational risk: general information

Operational Risks

Please refer to the "Operational risks" section on page 0 of the introductory notes to the financial statements.

Capital Requirements

Please refer to the previous section OV1, subsection "Capital requirements".

IRRBA: Interest rate risk: Objectives and guidelines for the management of interest rate risk in the banking book

Interest rate risk in the banking book (IRRBB) is a measure of the risk to the banking group's capital and to its earnings arising from the movement of interest rates. This risk generally arises from repricing risk, basis risk, yield curve risk and risk arising from options.

Excessive levels of interest rate risks can significantly affect the economic value of equity (EVE) as well as the bank's earnings, defined as the net interest income (NII). It is therefore essential to establish an effective risk management process that effectively measures and contains these risks at established levels.

The Board of Directors of the parent company, overviews the Group risk management and risk strategy process, and defines the interest rate risk appetite for the Group on an annual basis. This is essentially performed with the validation of the IRR Global Limit of the Group.

The General Management is responsible for the organization and operation of the management of the IRRBB. The Risk Management function of both banks monitors the interest rate risk of their respective Bank on a daily basis. Furthermore, the interest rate risk is reviewed by the Asset and Liability Committee (ALM) of the parent company on a regular basis.

A formal measure of the IRRBB as defined by circular FINMA 2019/02 is performed by the Bank on a semestrial basis. Interest rate risk is measured using indicators to measure the changes in economic value of the banking book, indicators to measure changes in earnings as well as gap maturities analysis. The six regulatory scenarios that are to be applied within this measure as defined by Circular FINMA 2019/2 are i) Parallel shift up; ii) Parallel shift down; iii) Steepener shock; iv) Flattener shock; v) Rise in short-term interest rates; vi) Fall in short-term interest rates.

The mapping process is established on product-specific payment streams that exist within the balance sheet of the Group at the date of generation of the formal measures.

Discounted interest rates are based on present interbank interest rates. Intermediary inexistent rates are linearly extrapolated.

Replication keys are integrated in our internal model with a conservative approach with respect to maturities of the underlying balance sheet structure. These replication keys may be modified should the respective balance sheet(s) not reflect the underlying replication key assumptions. Within these replication keys, term deposits are treated as being withdrawn 70% within one month and 30% within one year to reflect potential behavioural early withdrawals.

Table IRRBBA1: Interest rate risk: quantitative information on the exposure's structure and interest rate fixing date

	Volume in CHF million			Average interest rate reset period (in years)	
	Total	Of which in CHF	Of which other significant currencies *	Total	Of which in CHF
Defined interest rate reset date					
Amounts due from banks	151.78	27.02	124.76	0.09	0.08
Amounts due from customers	221.88	12.17	167.80	0.96	0.26
Money market mortgage (LIBOR-based)	—	—	—	—	—
Fixed rate mortgage	62.09	54.90	6.93	0.28	0.29
Financial investments	227.89	—	103.04	0.49	—
Other receivables	—	—	—	—	—
Amounts due to banks	58.73	—	7.60	1.15	—
Amounts due in respect of client deposits	4.12	—	1.67	0.01	—
Undefined interest rate reset dates					
Amounts due from banks	30.20	4.32	13.14	0.08	0.08
Amounts due from customers	14.08	0.84	9.05	0.22	0.22
Money market mortgage (LIBOR-based mortgages)	—	—	—	—	—
Amounts due in respect of client deposits	750.09	125.85	571.87	0.22	0.22
Other payables	1.62	1.13	0.49	0.08	0.08
Total	**1 522.47**	**226.22**	**1 006.36**	**—**	**—**

** representing more than 10% of assets or liabilities of total assets*

Table IRRBB1: Interest rate risk: quantitative information on the exposure's net present value and interest rate income

(in 1'000 CHF)	DELTA EVE		DELTA NII	
Period	31.12.2022	30.06.2022	31.12.2022	30.06.2022
Parallel shift up	(3 691)	(2 303)	(2 258)	(7 130)
Parallel shift down	3 993	2 892	2 218	6 979
Steepener shock 1	366	(918)		
Flattener shock 2	(1 128)	470		
Rise in short-term interest rates	(2 375)	(506)		
Fall in short-term interest rates	2 475	562		
Maximum	(3 691)	(2 303)	(2 258)	(7 130)
Period		31.12.2022		30.06.2022
Tier 1 capital		84 055		83 964

For each of the supervisory prescribed interest rate shock scenarios, the bank must report for the current period and for previous period: (1) The change in the economic value of equity based on its IMS, using a run-off balance sheet and an instantaneous shock or based on the result of the standardised framework as set out in Section IV if the bank has chosen to adopt the framework or has been mandated by its supervisor to follow the framework. (2) The change in projected NII over a forward-looking rolling 12-month period compared with the bank's own best estimate 12-month projections, using a constant balance sheet assumption and an instantaneous shock.