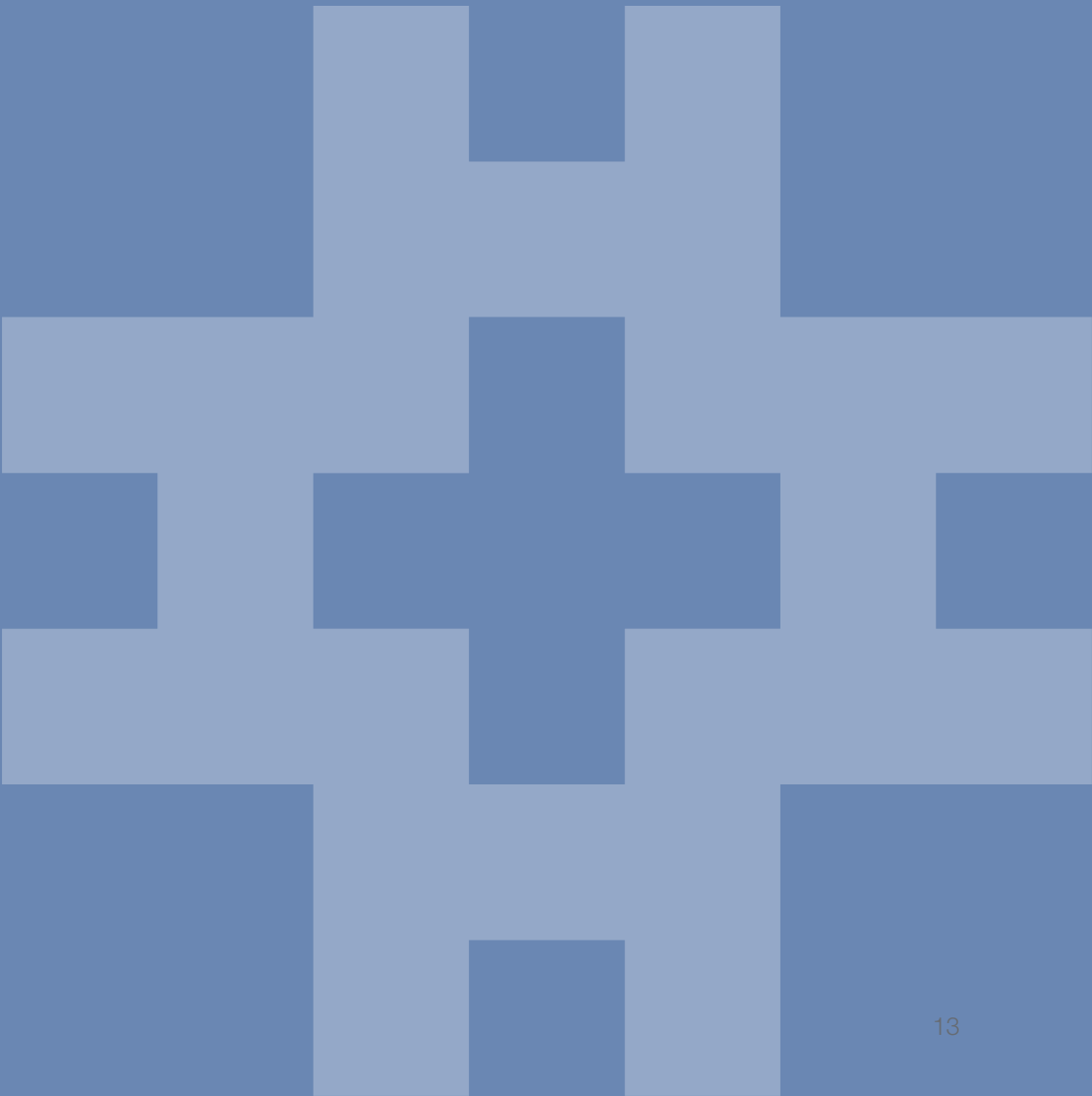


Disclosures – statutory



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
	31.12.19	30.9.19	30.6.19	31.3.19	31.12.18
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	48 008				38 773
1a Fully loaded ECL accounting model	—				—
2 Tier 1	48 008				38 773
2a Fully loaded ECL accounting model Tier 1	—				—
3 Total capital	62 456				53 186
3a Fully loaded ECL accounting model total capital	—				—
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	164 392				134 685
4a Minimum capital requirement	13 151				10 775
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	29.20 %				28.79 %
5a Fully loaded ECL accounting model Common Equity Tier 1 (%)	0.00 %				0.00 %
6 Tier 1 ratio (%)	29.20 %				28.79 %
6a Fully loaded ECL accounting model Tier 1 ratio (%)	0.00 %				0.00 %
7 Total capital ratio (%)	37.99 %				39.49 %
7a Fully loaded ECL accounting model total capital ratio (%)	0.00 %				0.00 %
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 (%)	0.00 %				0.00 %
10 Bank G-SIB and/or D-SIB additional requirements (%)	0.00 %				0.00 %
11 Total of bank CET1 specific buffer requirements (%)	2.50 %				1.88 %
12 CET1 available after meeting the bank's minimum capital requirements (%)	23.20 %				22.79 %
Target capital ratios according to Annex 8 CAO (in % of RWA)					
12a(1) Capital buffer according to Annex 8 CAO (%)	3.20 %				3.20 %
12b Countercyclical buffer (articles 44 et 44a CAO) (%)	0.09 %				0.05 %
12c CET1 target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44 a CAO	7.49 %				7.45 %
12d T1 target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44a CAO	9.09 %				9.05 %
12e Total capital target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accordance with articles 44 and 44a CAO	11.29 %				11.25 %



(in 1'000 CHF)

	a	b	c	d	e
	31.12.19	30.9.19	30.6.19	31.3.19	31.12.18
Basel III leverage ratio					
13 Total exposure (CHF)	690 577				634 634
14 Basel III leverage ratio (%)	6.95 %				6.11 %
14a Fully loaded ECL accounting model Basel III leverage ratio (%)					
Liquidity Coverage Ratio					
15 Total HQLA	349 839	404 739	405 720	381 852	412 912
16 Total net cash outflow	83 926	108 872	139 983	138 707	118 128
17 LCR ratio (%)	416.84 %	371.76 %	289.83 %	275.29 %	349.55 %
Net Stable Funding Ratio (2)					
18 Total available stable funding	486 923				430 989
19 Total required stable funding	248 050				193 670
20 NSFR ratio	196.30 %				222.54 %

OV1: Overview of risk weighted assets

(in 1'000 CHF)

	a	b	c
	RWA	RWA	Minimum Capital Requirement
	31.12.2019	31.12.2018	31.12.2019
1 Credit risk	65 205	46 361	5 216
20 Market risk	3 619	5 062	290
24 Operational risk	95 567	80 590	7 645
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	—	—	—
27 Total (1+20+24+25)	164 392	132 013	13 151

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 23 of the introductory notes to the financial statements.

CR1: Credit risk: Credit quality of assets

		31.12.2019			
(in 1'000 CHF)		a	b	c	d
		¹		² Allowances/ impairments	Net values (a + b - c)
		Gross carrying values of			
		³ Defaulted exposures ³	Non-defaulted exposures		
1	Loans (excluding debt securities)	1 942	170 766	1 942	170 766
2	Debt securities	—	20 087	—	20 087
3	Off-balance sheet exposures	—	22 444	—	22 444
4	Total Reporting Period	1 942	213 297	1 942	213 297

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 applying 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 the 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

		31.12.2019		
(in 1'000 CHF)		a	c	e&g
		¹ Unsecured exposures/ carrying amount	² Secured exposures, actual collateralized amount	³ Exposures secured by financial guarantees
Loans (including debt securities) ¹		24 704	166 149	—
Off balance sheet ²		11 147	11 298	—
TOTAL		35 851	177 446	—
<i>Of which defaulted</i>		<i>1 942</i>	<i>—</i>	<i>—</i>

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 23 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 oversees 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) Flatten 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

Fixed and flexible tables

	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	43.32	–	38.75	0.03	–
Amounts due from customers	145.40	25.02	118.10	0.21	0.24
Money market mortgage (LIBOR-based)	8.19	8.19	–	0.14	0.14
Financial investments	20.24	–	20.24	0.69	–
Other receivables	–	–	–	–	–
Amounts due to banks	–	–	–	–	–
Amounts due in respect of client deposits	14.99	14.99	–	0.02	0.02
Undefined interest rate reset dates					
Amounts due from banks	23.75	6.62	9.48	0.08	0.08
Amounts due from customers	18.33	5.00	12.61	0.22	0.22
Amounts due in respect of client deposits	567.60	131.94	407.43	0.08	0.08
Other payables	6.28	0.69	4.66	1.04	1.04
Total	848.09	192.45	611.27	–	–

* 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

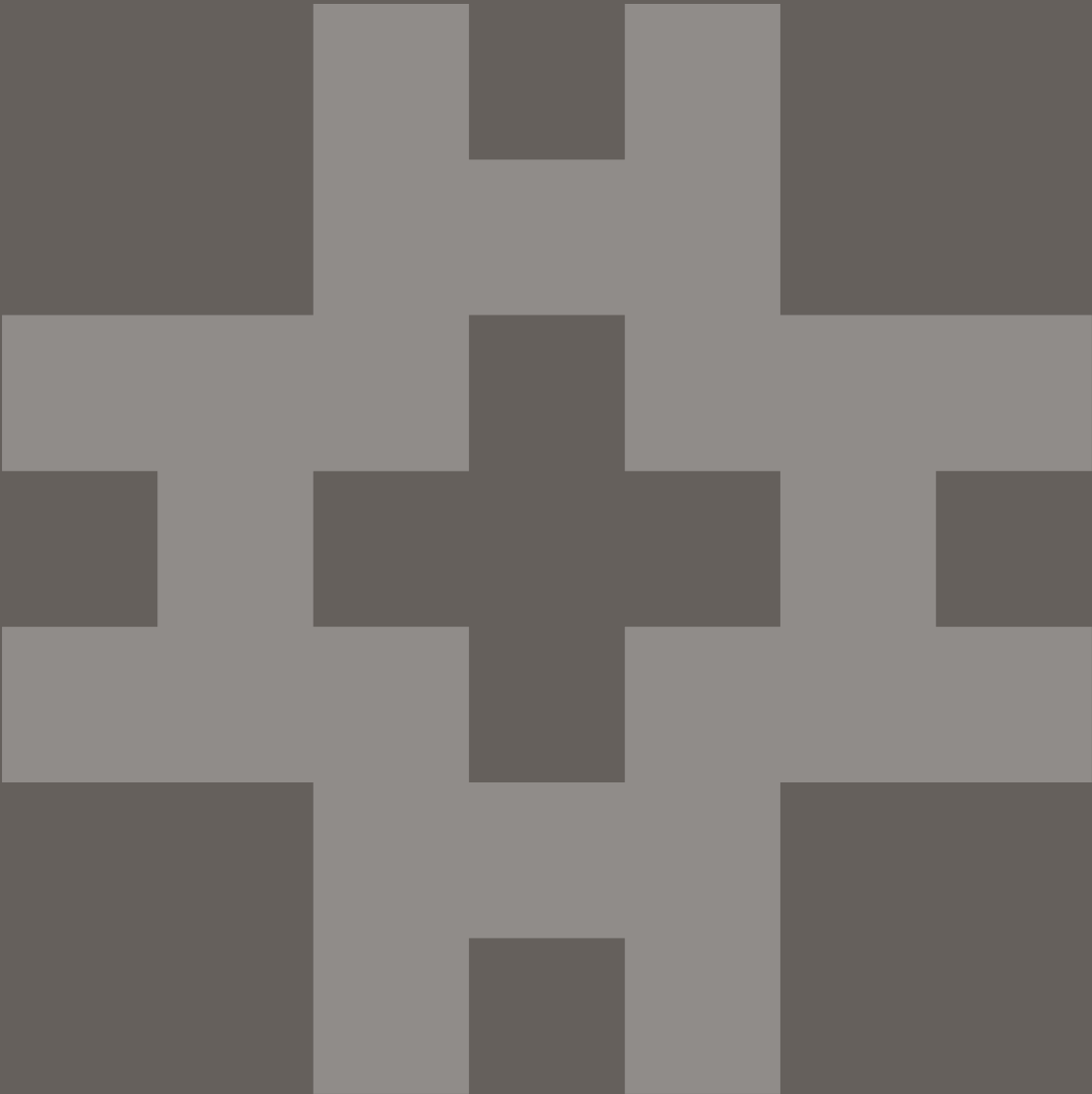
CHF '000	DELTA EVE		DELTA NII	
Period	31.12.2019	30.06.2019	31.12.2019	30.06.2019
Parallel shift up	73	325	-5'484	-5'811
Parallel shift down	-63	-321	5'387	5'709
Steepener shock 1	-111	-282		
Flattener shock 2	126	341		
Rise in short-term interest rates	133	415		
Fall in short-term interest rates	-117	-409		
Maximum	-117	-409	-5'484	-5'811
Period	31.12.2019		30.06.2019	
Tier 1 capital	48'008		47'309	

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

e

31.12.19

31.12.18

Available capital (amounts)

1	Common Equity Tier 1 (CET1)	87 916	85 382
1a	Fully loaded ECL accounting model	—	—
2	Tier 1	87 916	85 382
2a	Fully loaded ECL accounting model Tier 1	—	—
3	Total capital	87 916	85 382
3a	Fully loaded ECL accounting model total capital	—	—

Risk-weighted assets (amounts)

4	Total risk-weighted assets (RWA)	354 138	352 841
4a	Minimum capital requirement	28 331	28 227

Risk-based capital ratios as a percentage of RWA

5	Common Equity Tier 1 ratio (%)	24.83 %	24.99 %
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	0.00 %	0.00 %
6	Tier 1 ratio (%)	24.83 %	24.99 %
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	0.00 %	0.00 %
7	Total capital ratio (%)	24.83 %	24.99 %
7a	Fully loaded ECL accounting model total capital ratio (%)	0.00 %	0.00 %

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 (%)	0.00 %	0.00 %
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.00 %	0.00 %
11	Total of bank CET1 specific buffer requirements (%)	2.50 %	1.88 %
12	CET1 available after meeting the bank's minimum capital requirements (%)	16.83 %	16.99 %

Target capital ratios according to Annex 8 CAO (in % of RWA)

12a(1)	Capital buffer according to Annex 8 CAO (%)	3.20 %	3.20 %
12b	Countercyclical buffer (articles 44 et 44a CAO) (%)	0.04 %	0.02 %
12c	CET1 target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44 a CAO	7.44 %	7.42 %
12d	T1 target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44a CAO	9.04 %	9.02 %
12e	Total capital target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accordance with articles 44 and 44a CAO	11.24 %	11.22 %



(in 1'000 CHF)

	a	b	c	d	e
	31.12.19	30.9.19	30.6.19	31.3.19	31.12.18
Basel III leverage ratio					
13 Total exposure (CHF)	1 006 128				958 224
14 Basel III leverage ratio (%)	8.74 %				8.91 %
14a Fully loaded ECL accounting model Basel III leverage ratio (%)					
Liquidity Coverage Ratio					
15 Total HQLA	349 839	404 739	405 720	381 851	377 702
16 Total net cash outflow	92 556	123 762	149 681	140 920	127 650
17 LCR ratio (%)	377.98 %	327.03 %	271.06 %	270.97 %	295.89 %
Net Stable Funding Ratio (2)					
18 Total available stable funding	730 405				670 405
19 Total required stable funding	465 139				405 006
20 NSFR ratio	157.03 %				165.53 %

OV1: Overview of risk weighted assets

(in 1'000 CHF)

	a	b	c
	RWA	RWA	Minimum Capital Requirement
	31.12.2019	31.12.2018	31.12.2019
1 Credit risk	184 101	183 979	14 728
20 Market risk	34 517	26 539	2 761
24 Operational risk	135 520	123 473	10 842
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	—	—	—
27 Total (1+20+24+25)	354 138	333 991	28 331

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 62 of the introductory notes to the consolidated financial statements.

CR1: Credit risk: Credit quality of assets

		31.12.2019		
(in 1'000 CHF)		a	b	c
		¹ Gross carrying values of1		² Allowances/ impairments2
		³ Defaulted exposures3	Non-defaulted exposures	Net values (a + b - c)
1	Loans (excluding debt securities)	9 618	265 923	5 852
2	Debt securities	—	123 230	—
3	Off-balance sheet exposures	—	36 320	—
4	Total Reporting Period	9 618	425 473	5 852

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 applying 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 the 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

		31.12.2019		
(in 1'000 CHF)		a	c	e&g
		¹ Unsecured exposures1/ carrying amount	² Secured exposures, actual collateralized amount2	³ Exposures secured by financial guarantees3
Loans (including debt securities) ¹		183 754	209 165	—
Off balance sheet ²		21 517	14 803	—
TOTAL		205 271	223 968	—
<i>Of which defaulted</i>		5 852	—	—

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 62 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) Flatteners 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

Fixed and flexible tables

			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	107.92	–	73.32	0.04	–
Amounts due from customers	240.37	25.02	198.07	0.38	0.24
Money market mortgage (LIBOR-based)	8.19	8.19	–	0.14	0.14
Financial investments	125.76	–	106.77	0.49	–
Other receivables	–	–	–	–	–
Amounts due to banks	0.34	–	0.34	0.69	–
Amounts due in respect of client deposits	78.79	16.10	42.72	0.05	0.04
Undefined interest rate reset dates					
Amounts due from banks	42.99	6.86	24.88	0.08	0.08
Amounts due from customers	25.32	0.74	22.49	0.22	0.22
Amounts due in respect of client deposits	787.01	131.94	604.43	0.08	0.08
Other payables	5.33	0.61	3.93	1.04	1.04
Total	1'427.76	189.45	1'078.90	–	–

* 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

CHF '000	DELTA EVE		DELTA NII	
Period	31.12.2019	30.06.2019	31.12.2019	30.06.2019
Parallel shift up	-1'768	-1'622	-6'345	-6'505
Parallel shift down	2'259	2'095	6'227	6'393
Steepener shock 1	61	-45		
Flattener shock 2	-375	-237		
Rise in short-term interest rates	-1'105	-916		
Fall in short-term interest rates	1'118	995		
Maximum	-1'768	-1'622	-6'345	-6'505
Period	31.12.2019		30.06.2019	
Tier 1 capital	87'916		91'896	

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.