



# BASEL III – PILLAR 3 MARKET DISCIPLINE

30 JUNE 2020 REPORT



UNION BANCAIRE PRIVÉE

## **Purpose and scope of this report**

### **Publication principles**

The purpose of this half-yearly document is to inform readers about the capital requirements for Union Bancaire Privée, UBP SA (hereinafter the “Group” or the “Bank”) and the composition of that capital.

This document has been drafted in compliance with the publication requirements set out in the Swiss Financial Market Supervisory Authority’s (FINMA) Circular 2016/1 on banks’ disclosures.

The report is published bi-annually within two months following the mid-year reporting and maximum four months after the annual report. It is available on the Group’s website ([www.ubp.com](http://www.ubp.com)).

The data provided in this report relates to the Group’s mid-year accounts closed on 30 June 2020.

## KM1 Table Key regulatory figures

(in CHF thousands)

|   | 30.06.2020   | 31.12.2019 | 30.06.2019 |           |
|---|--|------------|------------|-----------|
| <b>Available capital</b>  |  |            |            |           |
| 1   | Common equity (CET1)   | 1,969,976  | 1,937,966  | 1,849,748 |
| 2   | Tier 1 capital (T1)  | 1,969,976  | 1,937,966  | 1,849,748 |
| 3   | Total shareholders' equity   | 1,973,976  | 1,941,966  | 1,853,748 |
| <b>Risk-weighted assets (RWA)</b>   |  |            |            |           |
| 4   | RWA  | 7,161,685  | 7,577,384  | 7,098,071 |
| 4a  | <b>Minimum capital requirement</b>   | 572,935    | 606,191    | 567,846   |
| <b>Risk based capital ratios<br/>(as a % of RWA)</b>                      |  |            |            |           |
| 5   | CET1 ratio   | 27.5%      | 25.6%      | 26.1%     |
| 6   | T1 ratio   | 27.5%      | 25.6%      | 26.1%     |
| 7   | Total capital ratio  | 27.6%      | 25.6%      | 26.1%     |
| <b>Additional CET1 buffer requirements<br/>(as a % of RWA)</b>            |  |            |            |           |
| 8   | Capital conservation buffer requirements<br>as per Basel minimal standards                                     | 2.5%       | 2.5%       | 2.5%      |
| 11  | Total of Bank CET1 specific buffer requirements<br>as per the Basel minimal standards                          | 2.5%       | 2.5%       | 2.5%      |
| 12  | <b>CET1 available after meeting bank's minimum<br/>capital requirements as per Basel minimal<br/>standards</b> | 19.6%      | 17.6%      | 18.1%     |
| <b>Capital ratio target as per Annex 8 of the CAO<br/>(as a % of RWA)</b> |  |            |            |           |
| 12a   | Capital buffer as per Annex 8 of the CAO   | 4.0%       | 4.0%       | 4.0%      |
| 12b   | Countercyclical buffers<br>(Art. 44 & 44a of the CAO)  | 0.029%     | 0.018%     | 0.021%    |
| 12c   | CET1 target ratio as per Annex 8 of the CAO, plus<br>countercyclical buffer as per Art. 44 & 44a of the CAO    | 7.8%       | 7.8%       | 7.8%      |
| 12d   | T1 target ratio as per Annex 8 of the CAO plus<br>countercyclical buffer as per Art. 44 & 44a of the CAO       | 9.6%       | 9.6%       | 9.6%      |
| 12e   | Total capital target as per Annex 8 of the CAO plus<br>countercyclical buffer as per Art. 44 & 44a of the CAO  | 12.0%      | 12.0%      | 12.0%     |

(in CHF thousands)

|                                       | 30.06.2020                                       | 31.12.2019 | 30.06.2019 |            |
|---------------------------------------|--|------------|------------|------------|
| <b>BASEL III leverage ratio</b>       |  |            |            |            |
| 13                                    | Total leverage ratio exposure                    | 31,872,195 | 33,612,959 | 32,741,570 |
| 14                                    | Leverage ratio                                   | 6.2%       | 5.8%       | 5.6%       |
| <b>Liquidity coverage ratio (LCR)</b> |  |            |            |            |
| 15                                    | LCR numerator: sum of high-quality liquid assets | 12,451,203 | 10,711,452 | 12,488,389 |
| 16                                    | LCR denominator: net sum of cash outflows        | 4,901,828  | 4,062,817  | 4,202,083  |
| 17                                    | Liquidity coverage ratio (LCR)                   | 254.0%     | 263.6%     | 297.2%     |

## OV1 Table Overview of risk-weighted assets

(in CHF thousands)

|   | RWA<br>30.06.2020 | RWA<br>31.12.2019 | Minimum<br>shareholders'<br>equity as at<br>30.06.2020 |
|---|-------------------|-------------------|--|
| 1 <b>Credit risk – excluding counterparty credit risk</b>                       | <b>4,267,854</b>  | <b>4,772,533</b>  | <b>341,428</b>   |
| 2 of which, standardised approach (SA)  | 3,901,691         | 4,441,583         | 312,135  |
| of which non-counterparty related risk  | 366,163           | 330,950           | 29,293   |
| 6 <b>Counterparty credit risk</b>   | <b>434,318</b>    | <b>408,133</b>    | <b>34,745</b>  |
| 7 of which, standardised approach (SA-CCR)                                      | 434,318           | -                 | 34,745   |
| 7b of which, market value method  | -                 | 408,133           | -  |
| 10 <b>Credit valuation adjustment (CVA)</b>                                     | <b>205,713</b>    | <b>226,113</b>    | <b>16,457</b>  |
| 13 <b>Investments in managed<br/>collective assets – mandate-based approach</b> | <b>344,332</b>    | <b>295,386</b>    | <b>27,547</b>  |
| 15 <b>Settlement risk</b>   | <b>188</b>        | <b>450</b>        | <b>15</b>  |
| 20 <b>Market risk</b>   | <b>146,547</b>    | <b>145,272</b>    | <b>11,724</b>  |
| 21 of which, standardised approach  | 146,547           | 145,272           | 11,724   |
| 24 <b>Operating risk</b>  | <b>1,762,733</b>  | <b>1,729,497</b>  | <b>141,019</b>   |
| 27 <b>Total</b>   | <b>7,161,685</b>  | <b>7,577,384</b>  | <b>572,935</b>   |

## LIQ1 Table Liquidity coverage ratios

(in CHF millions)

|   |   | Q2 2020           |                      | Q1 2020           |                      |
|---|---|-------------------|----------------------|-------------------|----------------------|
|   |   | Unweighted values | Risk-weighted values | Unweighted values | Risk-weighted values |
| <b>A High-quality liquid assets (HQLAs)</b> |   |                   |                      |                   |                      |
| 1   | <b>Total HQLAs</b>  |                   | <b>11,494</b>        |                   | <b>11,196</b>        |
| <b>B Cash outflows</b>                      |   |                   |                      |                   |                      |
| 2   | Retail deposits   | 17,104            | 2,405                | 16,606            | 2,207                |
| 3   | of which, stable deposits   |                   |                      |                   |                      |
| 4   | of which, less stable deposits  | 17,104            | 2,405                | 16,606            | 2,207                |
| 5   | Unsecured corporate and wholesale funding                                 | 10,812            | 5,055                | 10,456            | 4,891                |
| 7   | of which, non-operational deposits  | 10,803            | 5,046                | 10,448            | 4,883                |
| 8   | of which, unsecured debt issuance   | 9                 | 9                    | 8                 | 8                    |
| 9   | Secured wholesale funding and collateral swaps                            | 2,252             | -                    | 1,098             | 7                    |
| 10  | Other outflows  | 1,567             | 713                  | 1,117             | 633                  |
| 11  | of which, outflows related to derivative exposures and other transactions | 165               | 165                  | 157               | 157                  |
| 13  | of which, outflows related to committed credit and liquidity facilities   | 1,402             | 548                  | 960               | 476                  |
| 14  | Other contractual funding commitments                                     | 7                 | 5                    | 11                | 11                   |
| 15  | Other contingent funding obligations                                      | 441               | 22                   | 441               | 22                   |
| 16  | <b>Total cash outflows</b>  |                   | <b>8,200</b>         |                   | <b>7,771</b>         |
| <b>C Cash inflows</b>                       |   |                   |                      |                   |                      |
| 17  | Secured lending (e.g. reverse repos)                                      | 84                |                      |                   |                      |
| 18  | Inflows from fully performing exposures                                   | 7,415             | 3,870                | 7,518             | 3,587                |
| 19  | Other cash inflows  | 170               | 170                  | 229               | 229                  |
| 20  | <b>Total cash inflows</b>   | <b>7,669</b>      | <b>4,040</b>         | <b>7,747</b>      | <b>3,816</b>         |
| 21  | <b>Total HQLAs</b>  |                   | <b>11,494</b>        |                   | <b>11,196</b>        |
| 22  | <b>Total net cash outflows</b>  |                   | <b>4,162</b>         |                   | <b>3,955</b>         |
| 23  | <b>Liquidity coverage ratio</b>   |                   | <b>276.2%</b>        |                   | <b>283.1%</b>        |

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August 2020



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