

Report on the ten largest borrowers

I. Borrowers to be reported

Banks and securities firms must produce a list of their ten largest borrowers or groups of related borrowers at the individual institution and consolidated levels. The rules given in Art. 21c of the Banking Ordinance (BO) are used to define a group of related borrowers. **A1**

Borrowers and groups of related borrowers that are **A2**

- public-sector corporations in OECD countries or
- Swiss or foreign banks or securities firms

do not have to be reported. However, these institutions are subject to compulsory reporting with regard to transactions with members of governing bodies in terms of Art. 21 (3) BO. Groups of related borrowers that are only composed in part of Swiss and foreign banks and securities firms (e.g. conglomerates) are subject to compulsory reporting if the banks and securities firms are of secondary importance within the group. In this case, the group's overall position must be reported, not just the positions of borrowers that are neither banks nor securities firms.

II. Assessment of the exposure

The key figures used for the overall exposure (on a gross basis, before any individual value adjustments) and the overall limit when reporting borrowers or groups of related borrowers is calculated from **A3**

- receivables (balance sheet items “amounts due arising from commercial papers”, “due from customers” and “mortgage receivables”)
- off-balance-sheet items: contingent liabilities, irrevocable commitments, liabilities for payments and margin calls
- credit equivalent of derivative financial instruments pursuant to Art. 12e BO
- net long equity investments (balance sheet items “securities and precious metals held for trading”, “financial investments” and “participations”) calculated in accordance with Art. 12h (1) and (3) BO (shares reported under “participations” should only include those that do not have to be consolidated)
- debt instruments (balance sheet items “securities and precious metals held for trading” and “financial investments”)

Receivables and liabilities may only be offset on the same terms and to the same extent as permitted by the accounting standards and capital adequacy requirements. **A4**

The key figure calculated as per margin no. A3 is not risk-weighted. **A5**

Receivables that are covered in accordance with lending limits defined in the regulations by **A6**

- standard transferable assets traded on a stock exchange or representative market as defined by Art. 14 lit. d BO
- fiduciary investments
- or cash deposits

and for which there is a weekly (or in unusual market conditions daily) market valuation are not included in the key figure as per margin no. A3. However, an exposure must be included if it falls under the definition of transactions with members of governing bodies given in Art. 21 (3) BO.

All other receivables are included regardless of their collateral. This means in particular that the procedure defined in Art. 21e (2) BO is not applied, and positions with a 0% risk weighting as per Art. 12a (1) BO must be included in full. **A7**

III. Materiality

If the key figure as per margin no. A3 is less than CHF 1 million and less than 4% of the eligible capital as per Art. 11 BO, the borrower or group of related borrowers does not have to be reported, even if the key figure is one of the ten largest. This rule also applies to transactions with members of governing bodies in terms of Art. 21 (3) BO. **A8**

IV. Content of the report

The report must include the following details for each borrower and group of related borrowers: **A9**

- a. last name, first name and domicile (place of residence or registered office) of the counterparties and any beneficial owners if these are not one and the same as the counterparties; information about shareholders in the case of joint stock corporations
- b. overall exposure and corresponding approved overall limit as per section A3 in CHF thousands
- c. any value adjustments required in CHF thousands.
- d. note on whether the exposure falls under the definition of transactions with members of governing bodies given in Art. 21 (3) BO.

The relevant date for the information that has to be reported is the cut-off date of the list of large exposures enclosed with the report on the regulatory audit in accordance with Art. 21 (2) BO. **A10**