

**Large Exposure Reporting (LER) –
 Twenty largest exposures**
 Reporting entities: parent company and group

Surveys
 Forms

**LER20_U, LER20_K
 LER20_01, LER20_02**

Notes

I. Characteristics of the survey

Purpose of the survey	Reporting of the twenty largest exposures		
Legal bases	Capital Adequacy Ordinance (CAO; SR 952.03) art. 100 par. 5 Financial Institutions Ordinance (FinIO; SR 954.11) art. 70 par. 4 FINMA Circ. 19/1 "Risk diversification – banks"		
Reporting institutions	Survey	Reporting institutions	Forms
	LER20_U	All banks and all account-holding securities firms. Branches of foreign banks and branches of foreign securities firms are exempt.	LER20_01, LER20_02
	LER20_K	Financial groups, which are subject to group supervision by FINMA and in this context are required to comply with large exposure reporting regulations on a consolidated basis. Subsidiary financial groups are also required to report data in accordance with CAO art. 11, unless they have been exempted from this obligation by FINMA.	LER20_01, LER20_02
Reporting entity	Single entity basis / consolidated basis		
Frequency	Annually		
Deadline	The deadline is 6 weeks after the end of the year.		
Participants	The Swiss National Bank collects the data in cooperation with the Swiss Financial Market Supervisory Authority FINMA.		

II. General notes

Annual reporting of the 20 largest counterparties (after excluding counterparty types mentioned below) in terms of the adjusted total position according to column AD in this form (see CAO art. 96 par. 2).

Counterparty types that shall not be reported are: sovereigns, central banks, supranational organisations, intragroup positions and affiliated parties.

Note that the 20 largest positions shall be reported in this form irrespective of whether they are large exposures (see CAO art. 100 par. 5). Notwithstanding, for the purposes of completing this form, banks can disregard reporting counterparties with total exposure (see column AD) of less than 2% of their capital base for calculation of the limit to large exposures.

Note: Positions that do not give rise to any credit or counterparty credit risk (e.g. securities deposited in a custodian bank that are segregated and held in a bankruptcy remote manner) do not have to be considered for large exposure purposes. See CAO art. 96 par. 1.

III. Notes on the forms

1. Form LER20_[U/K]01

ID / row	Label	Comments
	<i>Period</i>	According to CAO art. 100 par. 1, "period" means "quarter" on solo basis, and "semester" on consolidated basis. Banks can choose to use the capital base as of the last day of the <i>current</i> period (i.e. the period to which the reporting refers) or as of the last day of the <i>previous</i> period (see CAO art. 100 par. 3 let. b). Depending on the bank's choice, banks must report their capital base in the corresponding row ("Current period" or "Previous period", but not in both).
22	Current period	Last day of current period (quarter/semester) if capital base of current period is used. This date corresponds to the reporting date (i.e. cut-off date).
23	Previous period	Last day of previous period (quarter/semester) if capital base of previous period is used. This date does not correspond to the reporting date.

ID / column	Label	Comments
	<i>Capital base</i>	Capital base for calculation of the limit to large exposures (CAO art. 95 par. 1). All components of the capital base must refer to the same period / cut-off date. (NB: This capital base is to be used both for the calculation of the limit to large exposures as well as for the determination of reporting thresholds.)
K	Tier 1 capital	Tier 1 capital according to CAO art. 31–40.
L	Hidden reserves	Category 4 and 5 banks can include hidden reserves (see FINMA Circ. 2019/1 margin no. 102) in the capital base.

2. Form LER20_[U/K]02

Rows 21 – 40 / column	Label	Comments
K	Counterparty name	Name of the counterparty (or group of connected counterparties). Add name of the beneficial owner if different from the counterparty. The names provided must be complete (i.e. including first names for individuals; see annex 3 for additional information regarding the names of natural persons and the counterparty type). Anonymisations such as "CONFIDENTIAL" are not permitted. In case of non-intragroup positions to a group of connected counterparties, please report the aggregate position under the name of the group or beneficial owner (respectively, the controlling entity / person in case of operating legal entities and partnerships). The counterparty name should be kept constant over time.
L	Country of domicile	ISO 3166-1 alpha 3 code of the country of domicile of the counterparty (or group of connected counterparties). If the beneficial owner is different from the counterparty and their countries of domicile are different, add the beneficial owner's ISO code of the country of domicile in the comment in column AE. In case of non-intragroup positions to a group of connected counterparties, please report the aggregate position under the country of domicile of the group or beneficial owner (respectively, the controlling entity / person in case of operating legal entities and partnerships). This should be kept constant over time. In special cases where the exposures cannot be assigned to a country of domicile in a meaningful manner (e.g. crypto transactions, or indirect positions to funds assigned to "unknown client", please leave this column empty and enter a comment in column AE.
M	Counterparty ID	Bank's identification code of the individual counterparty (or group of connected counterparties). This code must be kept constant over time.
N	Counterparty type	Use the three letter acronyms listed in annex 1. See annex 3 for additional information on counterparties containing names of natural persons. Note that the type of counterparty, together with the reporting bank's category, determines the relevant limit to the counterparty (see CAO art. 98). In case of non-intragroup positions to a group of connected counterparties, please report the aggregate position under the counterparty type of the group or beneficial owner (respectively, the controlling entity / person in case of operating legal entities and partnerships). This should be kept constant over time. Note: In case of exposures to entities of the "SIX Group"(or similar groups in which some of the entities are treated as

Rows 21 – 40 / column	Label	Comments
		banks), the special considerations in annex 2 are to be taken into account.
O	Specific provisions / allowances	See CAO art. 116. Report as positive value .
P–U	<i>Direct position after credit conversion factors and net of specific provisions / allowances</i>	Breakdown of direct positions according to their nature, after credit risk conversion factors (CCF) applied and net of specific provisions / allowances.
P	Off B/S positions	Amount of off-balance sheet positions after application of credit conversion factors (CCF) defined in CAO art. 117.
Q	Credit equivalent of derivatives	See CAO art. 115 par. 1. Direct exposure to the counterparty of the derivative calculated according to CAO art. 56 par. 2 let. a and b. If a bank uses SA-CCR or simplified SA-CCR, the credit equivalent amount will be calculated taking into account the financial collateral received. In contrast, if CEM is used, collateral shall be separately reported in column V.
R	Credit equivalent of SFTs	See CAO art. 115 par. 3. Direct exposure to counterparty calculated under the simple or comprehensive approach (taking into account financial collateral) for Securities Financing Transactions (SFTs).
S	Mortgages	Amount of mortgage loans. Note that according to FINMA Circ. 2019/1 margin no. 103, banks in category 4 and 5 have the option to apply a 0% weight to the portion of the loan below 50% of the market value of the residential real estate in Switzerland. This weight must not be used in this column (that is, banks must report in this column the total amount of the loan). The 0% weight should be used in the calculation of the total exposure (after weighting) (see column AC).
T	Underlying and securities	Direct exposure to the counterparty that issues the securities (held in the trading or in the banking book). This includes the risk position that arises in a derivative contract where the underlying is a security issued by the counterparty (see CAO art. 115 par. 2 and FINMA Circ. 2019/1 margin no. 21–45).
U	Other positions	Any other direct positions not yet reported in previous columns P - T (e.g. cash deposits, normal loans granted to the counterparty).
V–W	<i>Indirect positions from credit risk mitigation</i>	Breakdown of indirect positions stemming from credit risk mitigation according to their nature. See FINMA Circ. 2019/1 margin no. 89–94. Indirect positions to a counterparty can be due to (i) eligible financial collateral issued by the counterparty, or (ii) credit protection (in form of guarantees or credit derivatives) provided by that counterparty (see FINMA Circ. 2019/1 margin no. 89ff). Indirect positions arise when credit risk mitigation has been

Rows 21 – 40 / column	Label	Comments
V	Financial collateral	used to reduce the exposure amount of other positions. Indirect position against the issuer of the collateral that arise due to having received (collected) eligible financial collateral that has been used to reduce the direct exposure against the original counterparty. The indirect exposure amount is equal to the reduction in the original exposure. (Note that in the case of derivatives and SFTs such collateral has been taken into account in the credit equivalent amount calculations for derivatives and SFTs with other counterparties in column Q and column R, respectively. <i>Example: A bank has a derivative portfolio with counterparty XYZ and receives eligible financial collateral issued by a company ABC. Such eligible collateral has reduced the credit equivalent amount to counterparty XYZ, which is reported in column Q of the reporting entry for counterparty XYZ. The collateral itself gives rise to an indirect exposure to counterparty ABC, which is reported in column V of the reporting entry for counterparty ABC.</i> As a general rule, indirect positions in form of financial collateral must be reported unless exempted according to FINMA Circ. 2019/1 margin no. 91–94 (in particular, collateral received from the SIX Platform and collateral of collateralised positions below certain thresholds is exempted). Banks in category 4 and 5 may opt for not aggregating indirect positions under the comprehensive approach according to FINMA Circ. 2019/1 margin no. 104.
W	Guarantees and credit derivatives	Guarantees and credit derivatives issued by the counterparty (i.e. provider of protection) and taken into account in the large exposure calculation with other counterparties (whose direct exposure is thus reduced).
X	Position before credit risk mitigation and before weighting, net of specific provisions / allowances	Aggregate position (i.e. direct and indirect), net of specific provisions / allowances, before application of credit risk mitigation techniques (NB: other than the collateral taken into account in the credit equivalent amount calculation for derivatives and SFTs in columns Q and R) and before weighting. Netting within columns P–W has been taken into account. For example, amount in col. T reflects the net amount of equity shares issued by the counterparty and a derivative hedge on these equity shares. The impact of credit risk mitigation (columns Y–AB) is not taken into account; however, the financial collateral for derivatives and SFTs in column Q and column R is taken into account in column X.
Y–AB	Credit risk mitigation impact	Impact of eligible credit risk mitigation techniques according to CAO art. 119 (see also FINMA Circ. 2019/1 margin no. 80–96). Negative values entered in these columns reduce the (unweighted) exposure value reported in column X (i.e. resulting in a lower total exposure in column AC).
Y	Netting	Exposure reduction due to on balance sheet netting (see

Rows 21 – 40 / column	Label	Comments
		FINMA Circ. 2019/1 margin no. 81)
Z	Credit Derivatives	Exposure reduction due to bought protection in form of credit derivatives.
AA	Financial collateral	Exposure reduction due to risk mitigation measures for collateralised transactions under the simple or comprehensive approach. This amount does not include the collateral that has already been taken into account in the credit equivalent amount calculations for derivatives (in column Q), and for SFTs (in column R).
AB	Guarantees	Exposure reduction due to eligible guarantees.
AC	Total position (after weighting)	Aggregate exposure amount after credit risk mitigation in columns Y to AB, and after application of weights in line with: (a) CAO art. 113, which defines the weights for well rated cantons, Swiss Pfandbriefe and covered bonds; (b) FINMA Circ. 2019/1 margin no. 103, according to which, for mortgage loans where the residential real estate property is in Switzerland, banks in categories 4 and 5 have the option to apply a 0% weight to the portion of the loan below 50% of the market value; (c) FINMA Circ. 2019/1 margin no. 97-101, according to which banks in categories 4 and 5 have the option to apply a weighting of 50% for sight and overnight exposures towards well rated non-systemically important banks. Note: Banks in categories 4 and 5 should insert a comment in column AE indicating which of the above reliefs above (i.e. (a), (b) and/or (c)) they made use of. This column includes indirect positions unless exempted according to FINMA Circ. 2019/1 margin no. 91–94.
AD	Total adjusted position (after weighting)	Total position reported in column AC adjusted to exclude: • positions from clearing-services to qualifying central counterparties (QCCP), as such positions are not subject to limits (CAO art. 97 par. 2 let. d, and FINMA Circ. 2019/1 margin no. 46–51); and • positions for which a temporary limit excess is allowed according to CAO art. 99 par. 2 and art. 101. This additional information allows filtering out "exempted" positions for counterparties subject to limits. This helps assessing whether there is an (un-)authorised limit exceedance. For exposures against SIX Group, banks in categories 4 and 5 shall apply in this column a 0.25 factor to exposures

Rows 21 – 40 / column	Label	Comments
		against "SIX SIS AG", and "SIX x-clear AG" and "SECB". (NB: This accounts for the fact that according to CAO art. 98, category 4 and 5 banks have a 100% limit for exposures to these entities. See further details in annex 2.)
AE	Comment	Where relevant, banks may add a free comment in this column to explain certain characteristics of the large exposure. In particular, banks should fill in this column if: - the aggregate exposure is to a group of connected counterparties. In this case the bank should state whether there is a control relationship or an economic interdependence; - the type of counterparty entered in column N is "Personal data" (PDT) or "Other" (OTH). In such case, banks are expected to specify here the exact counterparty type (for example, crypto currencies); - the counterparty benefits from a special treatment granted by FINMA (e.g. a special weighting different from 100% or a relief in the limit applied); - FINMA has allowed a temporary limit exceedance due to special circumstances; - a combination of different weights has been applied to the exposure based on reliefs granted to category 4 and 5 (see column AC); - the beneficial owner is different from the counterparty and their countries of domicile are different. If so, the ISO 3166-1 alpha 3 code of the country of domicile of the beneficial owner should be added in this column; - it is not possible to identify the country of domicile; - they have exposures against a group with entities receiving the regulatory treatment of a bank (e.g. "SIX SIS AG", "SIX x-clear AG" or "SECB"; see further details in annex 2). Names of natural persons are to be avoided in the comment field.

Contacts	Questions regarding data delivery: dataexchange@snb.ch Questions regarding survey: statistik.erhebungen@snb.ch Questions regarding content: basel3@finma.ch Further information can be found on our website at www.snb.ch, <i>Statistics</i>, <i>Surveys</i>: – Latest survey updates – Electronic forms to download – Important information on reporting – Contacts
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Annex 1: List of counterparty types

Three letter acronym	Counterparty type	Comment
CAN	Swiss Canton	Cantons in rating categories 1 and 2 receive a 20% weight according to CAO art. 113 par. 2 let. a. According to CAO art. 109 par. 5 let. b Swiss Cantons and cantonal banks are not to be treated as a group of connected counterparties (i.e. cantonal banks must be classified with the code "BSN" respectively "BSS" if systemically important).
MUN	Swiss Municipality	All Swiss municipalities including school municipalities, residents and citizens municipalities, church municipalities of the national churches recognised by the Federal Constitution
FPS	Foreign PSE	All foreign public sector entities
BSS	Swiss SIB	Systemically important Swiss banks. The relevant limit for these positions is: 15% (and not 25%) if the institution that prepares the large exposure form is a systemically important bank according to Banking Law art. 8 par. 3 25% (see CAO art. 97 par. 1 and art. 98) if the institution that prepares the large exposure form is not a systemically important bank according to Banking Law art. 8 par. 3
BFS	Foreign G-SIB	Global systemically important banks according to annually published FSB G-SIB list. The relevant limit for these counterparties is: 15% (and not 25%) if the institution that prepares the large exposure form is a systemically important bank according to Banking Law art. 8 par. 3; 25% (see CAO art. 97 par. 1 and art. 98) if the institution that prepares the large exposure form is not a systemically important bank according to Banking Law art. 8 par. 3.
BSN	Swiss bank (no SIB)	Swiss banks and Swiss account-holding securities firms according to the FINMA Publication "list of banks and securities firms authorised by FINMA" , excluding systemically important Swiss banks
BFN	Foreign bank (no G-SIB)	Non-Swiss banks, excluding global systemically important banks. Multilateral Development Banks (MDBs) and foreign securities firms subject to the same prudential supervision as banks (see CAO art. 68 par. 1) are also to be identified with this code.
CBS	Swiss Pfandbrief Institutes	This counterparty type is to be used for all credit and counterparty risks against the "Pfandbriefbank schweizerischer Hypothekarinstitute AG" or against "Pfandbriefzentrale der schweizerischen Kantonalbanken AG". Notwithstanding, the privileged weight of 10% as per CAO art. 113 par. 2 let. b applies only to the Swiss Pfandbrief® issued under the 1930 Federal Pfandbrief Act by "Pfandbriefbank schweizerischer Hypothekarinstitute AG" or by "Pfandbriefzentrale der schweizerischen Kantonalbanken AG". The other credit and counterparty risks are to be weighted like exposures against non-systemically important Swiss banks.
CPQ	Qualifying CCP	Qualifying central counterparty according to FINMA Circ. 2019/1 margin no. 46.
CPN	Non-qualifying CCP	Non-qualifying central counterparty according to FINMA Circ. 2019/1 margin no. 46.
FEO	Other financial entity	Financial entities such as insurance companies or non-account-holding securities firms, but no banks nor account-holding securities firms that have already been assigned to a dedicated counterpart type. The SIX Group and all its entities (including the SECB) are to be identified with this code (see annex 2 for further details).
INV	Investment structure	See FINMA Circ. 2019/1 margin no. 65–67
UNC	Unknown client	See FINMA Circ. 2019/1 margin no. 67
NFC	Non-financial corporate	Corporate outside the financial sector
PRI	Private person	Private person
PDT	Personal data	All counterparties with personal names in the counterparty name column that are not reported under counterparty type "Private person" (PRI) are assigned to this category, unless the personal names refer to a purely legal entity. The corresponding counterparty type must be specified in the AE column. See annex 3 for more information.
OTH	Other	Use "Other" if a counterparty cannot be assigned to any of the above-stated types. In this case, the type of counterparty should be specified in the comment in column AE.

Annex 2: Special considerations for Groups with entities receiving the regulatory treatment of a bank

Where a group has some entities subject to the regulatory treatment of a non-systemically important bank, the reporting bank should always report the aggregate exposure to the group with the counterparty type **FEO**. Given that banks in **categories 4 and 5** have a 100% limit for exposures to non-systemically important banks (see CAO art. 98), these banks should apply in column AD a **0.25 factor** to exposures against the entities within the group that receive the regulatory treatment of a non-systemically important bank.

Example:¹ The "SIX Group" consists of several entities, two of which receive (until further notice) the regulatory treatment of a non-systemically important bank (specifically "SIX SIS AG" and "SIX x-clear AG"), and one is a foreign bank ("SECB"). Regardless of whether the reporting bank has positions against one or more of the SIX group's entities, the reporting bank should always report the aggregate exposure to the group under the name **"SIX Group"** with the counterparty type **FEO**.

In addition:

- The exposure amounts (calculated as in column AC) against the "SIX SIS AG", "SIX x-clear AG" and "SECB" relative to the total should be included in the column AE Comment.
- Positions from clearing-services against "SIX x-clear AG" which are exempted from limits should be reported until column AC, but excluded in column AD. The amount of such exempted positions should be provided in the column AE Comment.

Group of connected counterparties "SIX Group"	<u>Only for banks in categories 4 and 5</u>
NB: The counterparty type code is always "FEO" (both in case of an exposure to a single entity, or in case of exposures to several group entities)	Factor applied in <u>column AD</u> to account for different limits across the group's entities
1. "SIX SIS AG": authorized central securities depository	0.25
2. "SIX x-clear AG": authorized central counterparty	0.25 (0 for positions from clearing-services, see CAO art. 97 par. 2 let. d, and FINMA Circ. 2019/1 margin no. 46–51)
3. "SECB Swiss Euro Clearing Bank GmbH, Frankfurt (SECB)", wholly owned by SIX Group AG since 31 January 2019	0.25
4. Any other entity of SIX Group	1

¹ By analogy, this approach should be followed in case of other groups with similar structure, such as ClearStream belonging to the Group Deutsche Börse.

Annex 3: Information on counterparty type PDT

If there is at least one name of a natural person in the "Counterparty name" field (column K) and the counterparty is not already a natural person with a corresponding assigned counterparty type PRI, the counterparty type should be assigned to the new category "Personal data – PDT". This can happen, for example, in the case of groups of related counterparties if they are supplemented by the names of the beneficial owners and they are natural persons. In this case, the effective counterparty must be indicated in the comment column "Comment" (column AE).

The indication of personal names in the comment column is to be avoided.

The examples in the table below illustrate the logic described above, with **natural persons** highlighted as counterparties **in green** for better illustration:

Example No.	Counterparty name (column K)	Counterparty type (column N)	Comment (column AE)	Actual counterparty <i>(this column does not appear in the survey document, it is included here only for explanatory purposes)</i>
1	John Smith	PRI		PRI
2	John Smith	NFC		NFC <i>(the name does not describe a natural person as the reference here is to a company)</i>
3	John Smith Co.	NFC		NFC
4	John Smith Co. Jane Smith	PDT	Group consisting of NFC and PRI	OTH
5a	John Smith Group Co.	NFC		NFC
5b	John Smith Group	NFC		NFC <i>(the name does not describe a natural person as the reference here is to a company)</i>
5c	John Smith Group	PDT		OTH
6	Sam Sample Group (Jane Smith, John Smith)	PDT	NFC	NFC
7	ABC Group Co. (Jane Smith, John Smith)	PDT	NFC	NFC
8	ABC Group Co., Jane Smith, John Smith	PDT	Group consisting of NFC and PRI	OTH
9	Sample Foundation, Samantha Sample	PDT	NFC	NFC
10	Sample Real Estate Group (Samantha Sample, John Smith)	PDT	Group consisting of NFC and PRI	OTH
11	Sample Ltd (BO: Jane Smith)	PDT	INV	INV