

Large Exposure Reporting (LER)
 Reporting entities: parent company and group

Surveys
 Forms

LER_U, LER_K
LER_01, LER_02

Notes

I. Characteristics of the survey

Purpose of the survey	Reporting of large exposures		
Legal bases	Art. 100 and 102 Capital Adequacy Ordinance (CAO; SR 952.03) Art. 70 para. 4 Financial Institutions Ordinance (FinIO; SR 954.11) FINMA-Circ. 19/1 "Risk diversification – banks"		
Reporting institutions	survey	reporting institutions	forms
	LER_U	All banks and all account-holding securities firms. Branches of foreign banks and branches of foreign securities firms are exempt.	LER_01, LER_02
	LER_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 art. 11 CAO, unless they have been exempted from this obligation by FINMA.	LER_01, LER_02
Reporting entity	Single entity basis / consolidated basis		
Frequency	LER_U: Quarterly LER_K: Semi-annually		
Deadline	The deadline is 6 weeks after the end of the quarter or half-year.		
Participants	The Swiss National Bank collects the data in cooperation with the Swiss Financial Market Supervisory Authority FINMA.		

II. General notes

Quarterly or semi-annual reporting of large exposures (see Art. 100 para. 1 and 2 CAO) of positions listed in:

- (i) art. 100 para. 4 CAO; and
- (ii) art. 102 CAO. When completing this form, banks can disregard individual intragroup positions with total exposure (see column AF of form LER_[U/K]02) of less than 2% of their capital base (as defined for large exposures purposes). These have to be included nevertheless in the total of intragroup positions.

Breaches due to indirect positions arising from financial collateral benefit from a 3-month grace period (see FINMA Circ. 2019/1, Margin no. 95–96). These breaches do **not** need to be reported immediately. If the breach does still exist as of the reporting date, then banks should report the end-date of the grace period (see column AH of form LER_[U/K]02).

III. Notes on the forms

1. Form LER_[U/K]01

ID / row	Label	Comments
	<i>Period</i>	According to art. 100 para. 1 CAO, "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 art. 100 para. 3 let. B CAO). 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 (ie 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 (art. 95 para. 1 CAO). 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 the reporting threshold (ie 10% for positions against third parties, and 2% for intragroup positions.))
K	Tier 1 capital	Tier 1 capital according to art. 31–40 CAO.
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 LER_[U/K]02

Rows 21 – 170 / column	Label	Comments
K	Counterparty name	<p>Name of the counterparty (or group of connected counterparties). Add name of the beneficial owner if different from the counterparty.</p> <p>Banks that for motivated confidentiality reasons do not want to disclose the counterparty's name (e.g. of HNWI) should enter "CONFIDENTIAL" and inform FINMA on a need-to-know basis.</p> <p>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.</p>
L	Country of domicile	<p>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 AI. 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. For the totals of intragroup positions (to be identified with the codes "G0T" and "G1T") please enter the country of domicile of the consolidating entity.</p>
M	Counterparty ID	<p>Bank's identification code of the individual counterparty (or group of connected counterparties). This code must be kept constant over time.</p>
N	Large exposure since	<p>First effective date (YYYY-MM-DD), for example 2019-06-12, when the "Total position (after weighting)" (exposure value in column AE) has been at least 10% of the capital base (i.e. Tier 1, subject to FINMA Circ. 2019/1, Margin no. 102).</p> <p>If a position is repeatedly above and below the 10% threshold, banks should report the most recent date since the position is a large exposure without interruption.</p> <p>This column shall be left empty if the "Total position (after weighting)" is below 10% of the capital base.</p>
O	Counterparty type	<p>Use the three letter acronyms listed at the end of this document.</p> <p>Note that the type of counterparty, together with the reporting bank's category, determines the relevant limit to the counterparty (see art. 98 CAO). 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.</p> <p>Note: In case of exposures to entities of the "SIX Group",</p>

Rows 21 – 170 / column	Label	Comments
		the special considerations in Annex 2 are to be taken into account.
P	NOGA code	<p>The <u>level 2</u> NOGA 2008 code classification of the Federal Statistical Office (ie <u>first two digits</u>) that indicates the industry sector (economic activity) of the counterparty. In case of non-intragroup positions to a group of connected counterparties, please report the aggregate position under the NOGA code 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.</p> <p>For private individuals, please enter "98" provided that no other code is appropriate.</p> <p>For the totals of intragroup positions (to be identified with the codes "G0T" and "G1T") please enter the NOGA Code of the consolidating entity.</p> <p>(Note: NAIC codes can also be used, since the first 3 digits of the NOGA and NAIC codes are the same).</p>
Q	Specific provisions / allowances	See art. 116 CAO. Report as positive value .
R–W	<i>Direct positions 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.
R	Off B/S positions	Amount of off-balance sheet positions after application of credit conversion factors (CCF) defined in art. 117 CAO.
S	Credit equivalent of derivatives	<p>See art. 115 para. 1 and art. 148g para. 3 CAO.</p> <p>Direct exposure to the counterparty of the derivative calculated under SA-CCR (see FINMA Circ. 2017/7, Margin no. 32–122), simplified SA-CCR (see FINMA Circ. 2017/7, Margin no. 32–33 and Appendix 2) or the Current Exposure Method (CEM).</p> <p>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 AC.</p>
T	Credit equivalent of SFTs	<p>See art. 115 para. 3 CAO.</p> <p>Direct exposure to counterparty calculated under the simple or comprehensive approach (taking into account financial collateral) for Securities Financing Transactions (SFTs).</p>
U	Mortgages	<p>Amount of mortgage loans.</p> <p>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 AE).</p>
V	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

Rows 21 – 170 / column	Label	Comments
		where the underlying is a security issued by the counterparty (see art. 115 para 2 CAO and FINMA Circ. 2019/1, Margin no. 21–45).
W	Other positions	Any other direct positions not yet reported in previous columns R–V (eg cash deposits, normal loans granted to the counterparty).
X–Y	<i>Indirect positions from credit risk mitigation</i>	<p>Breakdown of indirect positions stemming from credit risk mitigation according to their nature. See FINMA Circ. 2019/1 Margin no. 89–94.</p> <p>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).</p> <p>Indirect positions arise when credit risk mitigation has been used to reduce the exposure amount of other positions.</p>
X	Financial collateral	<p>Indirect position against the issuer of the collateral that arises 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 S (if the bank applies SA-CCR or its simplified form) and column T, respectively. Under the CEM and for other types of exposures financial collateral is taken into account in column AC.)</p> <p><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 S of the reporting entry for counterparty XYZ. The collateral itself gives rise to an indirect exposure to counterparty ABC, which is reported in column X of the reporting entry for counterparty ABC.</i></p> <p>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.</p>
Y	Guarantees and credit derivatives	Guarantees and credit derivatives issued by the counterparty (ie provider of protection) and taken into account in the large exposure calculation with other counterparties (whose direct exposure is thus reduced).
Z	Position before credit risk mitigation and before weighting, net of specific provisions / allowances	Aggregate position (ie 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 S and T) and before weighting. Netting within columns R–Y has been taken into

Rows 21 – 170 / column	Label	Comments
		<p>account. For example, amount in col. V reflects the net amount of equity shares issued by the counterparty and a derivative hedge on these equity shares.</p> <p>The impact of credit risk mitigation (columns AA–AD) is not taken into account; however, the financial collateral for derivatives and SFTs in column S (in case SA-CCR or simplified SA-CCR is used) and column T is taken into account in column Z.</p>
AA–AD	Credit risk mitigation impact	<p>Impact of eligible credit risk mitigation techniques according to art. 119 CAO (see also FINMA Circ. 2019/1, Margin no. 80–96).</p> <p>Negative values entered in these columns reduce the (un-weighted) exposure value reported in column Z (ie resulting in a lower total exposure in column AE).</p>
AA	Netting	Exposure reduction due to on balance sheet netting (see FINMA Circ. 2019/1, Margin no. 81)
AB	Credit Derivatives	Exposure reduction due to bought protection in form of credit derivatives.
AC	Financial collateral	<p>Exposure reduction due to risk mitigation measures for collateralised transactions under the simple or comprehensive approach.</p> <p>This amount does not include the collateral that has already been taken into account in the credit equivalent amount calculations for derivatives (in column S if the bank uses SA-CCR or the simplified SA-CCR), and for SFTs (in column T).</p>
AD	Guarantees	Exposure reduction due to eligible guarantees.
AE	Total position (after weighting)	<p>Aggregate exposure amount after credit risk mitigation in columns AA to AD, and after application of weights in line with:</p> <ul style="list-style-type: none"> (a) art. 113 CAO, 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. <p>This column includes indirect positions unless exempted according to FINMA Circ. 2019/1, Margin no. 91–94.</p>
AF	Total adjusted position (after weighting)	<p>Total position reported in column AE adjusted to exclude:</p> <ul style="list-style-type: none"> • positions from clearing-services to qualifying central counterparties (QCCP), as such positions are not subject to limits (art. 97 para. 2 let. d CAO, and FINMA Circ. 2019/1, Margin no. 46–51); and • positions for which a temporary limit excess is allowed according to art. 99 para. 2 and art. 101 CAO.

Rows 21 – 170 / column	Label	Comments
		<p>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 against "SIX SIS AG", and "SIX x-clear AG" and "SECB". (NB: This accounts for the fact that according to art. 98 CAO, category 4 and 5 banks have a 100% limit for exposures to these entities. See further details in Annex 2.)</p>
AG–AH	<i>Pro memoria</i>	
AG	Total adjusted position (after weighting) excluding indirect positions from financial collateral within the 3-month grace period	<p>Position reported in column AF without indirect positions that arise from financial collateral, provided that the 3-month grace period has not yet finalised. Once the grace period has concluded, indirect positions from financial collateral should be taken into account in this column.</p> <p>The primary purpose of this column is to indicate whether there is an unauthorised limit exceedance for large exposures triggering immediate reporting duties according to art. 101 CAO. (Note: authorised limits exceedances are foreseen in art. 99 CAO and FINMA-Circ. 19/1, Margin no. 95–96). The regular submission of the LER survey form to the Swiss National Bank and the audit firm within 6 weeks does not satisfy the special notification duties of art. 101 CAO. When the amount in this column is above the applicable large exposure limit, the bank is required to report immediately and directly to FINMA and to the audit firm.</p>
AH	End of 3-month grace period	See FINMA Circ. 2019/1, Margin no. 96: indicate the end-date (YYYY-MM-DD) of the 3-month grace period if the breach was not solved prior to the reporting date. If there is no breach as of the reporting date then leave empty.
AI	Comment	<p>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:</p> <ul style="list-style-type: none"> • 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 in column O is "Other". 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 (eg a special weighting different from 100% or a relief in the limit applied); • 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; • they have exposures against "SIX SIS AG", "SIX x-clear AG" or "SECB" (see further details in Annex 2).

Contacts	<p>Questions regarding data delivery: dataexchange@snb.ch</p> <p>Questions regarding survey: statistik.erhebungen@snb.ch</p> <p>Questions regarding content: basel3@finma.ch</p> <p>Further information can be found on our website at www.snb.ch, <i>Statistics, Surveys</i>:</p> <ul style="list-style-type: none">- 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
SOV	Sovereign	This code is exclusively reserved for exposures to central governments, which are not subject to limit according to art. 97 para. 2 let. a CAO.
SOB	Central bank	This code is exclusively reserved for exposures to central banks, which are not subject to limit according to art. 97 para. 2 let. a CAO. All positions against domestic and foreign central banks must be included at 100% weight, including current bank notes issued by central banks.
SOO	Supranational organisations	This code is exclusively reserved for the following organisations: Bank for International Settlements, the International Monetary Fund, the European Central Bank, the European Union, the European Stability Mechanism (ESM) and the European Financial Stability Facility (EFSF).
CAN	Swiss Canton	Cantons in rating categories 1 and 2 receive a 20% weight according to art. 113 para. 2 let. a CAO. According to art. 109 para. 5 let. b CAO Swiss Cantons and cantonal banks are not to be treated as a group of connected counterparties (ie 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: <ul style="list-style-type: none"> • 15% (and not 25%) if the institution that prepares the large exposure form is a systemically important bank according to Banking Law Art. 8 Para. 3. • 25% (see art. 97 para. 1 and art. 98 CAO) if the institution that prepares the large exposure form is not a systemically important bank according to Banking Law Art. 8 para. 3.
BFS	Foreign G-SIB	Global systemically important banks according to annually published FSB G-SIB list. The relevant limit for these counterparties is: <ul style="list-style-type: none"> • 15% (and not 25%) if the institution that prepares the large exposure form is a systemically important bank according to Banking Law Art. 8 para. 3. • 25% (see art. 97 para. 1 and art. 98 CAO) if the institution that prepares the large exposure form is not a systemically important bank according to art. 8 para. 3 Banking Law.
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) 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 art. 113 para. 2 let. b CAO 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, account-holding securities firms and CCPs, which 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
ORG	Affiliated party	See art. 100 para. 7 CAO. The type "affiliated party" must be used also when only a part of the total position belongs to an affiliated party. The reporting under counterparty type "ORG" satisfies the requirement to flag these positions as "ORGangeschäft", "Affaires avec les ORGans" respectively "operazioni con gli ORGani". (NB: In general, these positions are not intragroup positions and as such are to be reported according to the thresholds indicated in art. 100 para. 4 CAO.)
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 AI.
G0T	Total G0 group business	Total of intragroup positions not subject to limit (see art. 100 para. 8 and art. 111a para. 1 CAO), irrespective of the 2% threshold.
G0B	G0 group business	See art. 100 para. 8 and art. 111a para. 1 CAO Report each group entity with a total position of at least 2% of the capital base; if the number of such entities would exceed 20, then report the entities with the 20 largest total positions.
G1T	Total G1 group business	Total of intragroup positions subject to 25% limit (see art. 100 para. 8 and art. 111a para. 3 CAO), irrespective of the 2% threshold.
G1B	G1 group business	See art. 100 para. 8 and art. 111a para. 3 CAO. Report each group entity with a total position of at least 2% of the capital base; if the number of such entities would exceed 20, then report the entities with the 20 largest total positions.

Note: In case of only one group entity, both the total position (G0T/G1T) and the group entity position (G0B/G1B) should be reported separately in the form.

Annex 2: Special considerations for SIX Group entities

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 banks should always report the aggregate exposure to the group under the name "**SIX Group**" with the counterparty type **FEO**.

Banks in categories 4 and 5 have a 100% limit for exposures to non-systemically important banks (see art. 98 CAO). To account for this fact in the context of the aggregate exposure to the SIX Group, banks in categories 4 and 5 should apply in column AF a 0.25 factor to exposures against "SIX SIS AG", and "SIX x-clear AG" and "SECB".

In addition:

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

<p style="text-align: center;">Group of connected counterparties</p> <p style="text-align: center;">"SIX Group"</p> <p>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)</p>	<p style="text-align: center;"><u>Only for banks in categories 4 and 5</u></p> <p style="text-align: center;">Factor applied in <u>column AF</u> to account for different limits across the group's entities</p>
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 art. 97 para. 2 let. d CAO, 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