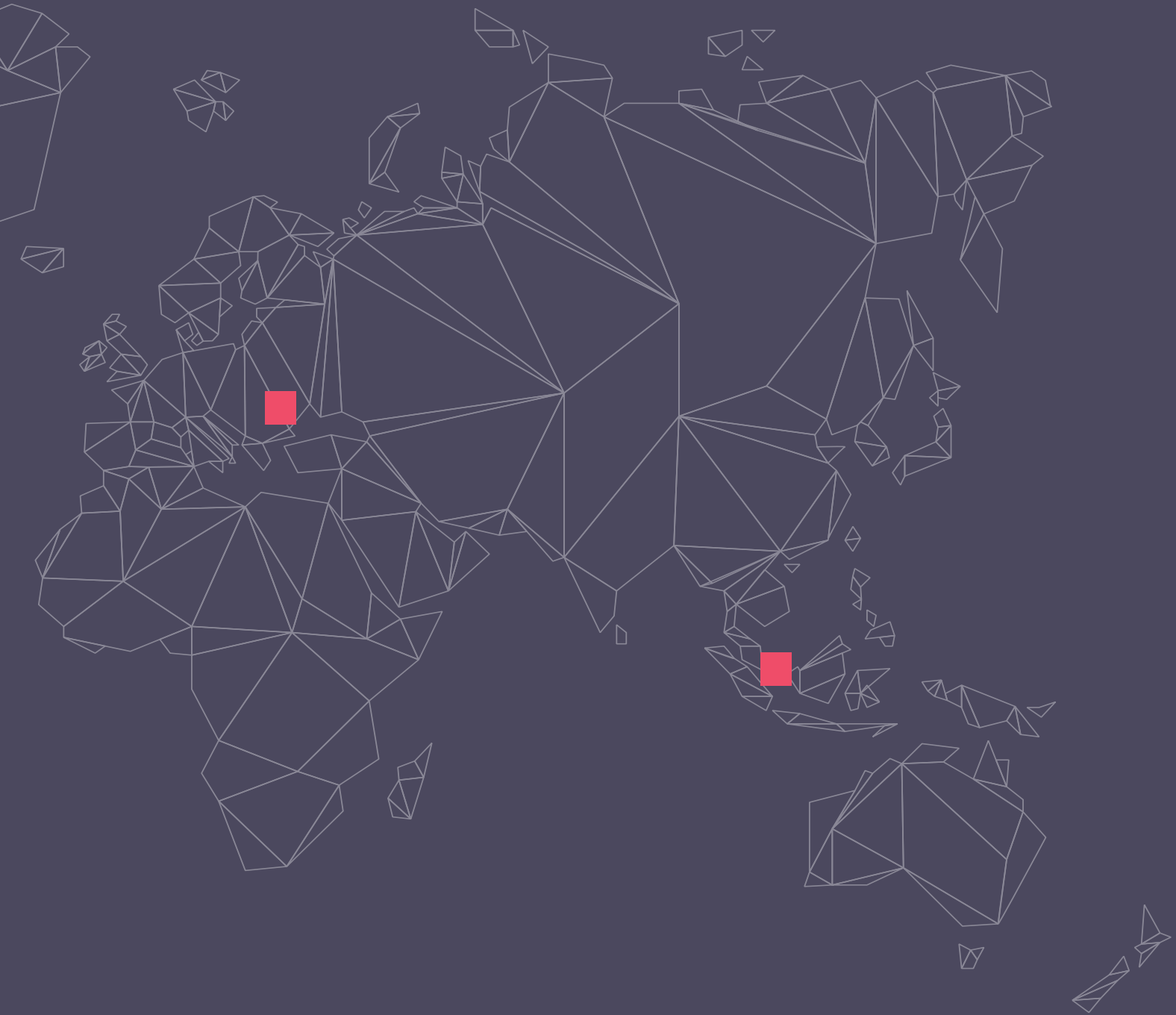


Regulatory disclosure requirements



Regulatory disclosure

Several regulatory disclosures (CR2, CRB, CCR3 CCR5) are not published due to the immateriality of its information value.

KEY METRICS (KM1)

	CHF in 1'000	2020	Previous year		
Eligible capital					
Common Equity Tier 1 (CET1)		33,758	35,007		
Tier 1 (T1)		33,758	35,007		
Total capital		33,758	35,007		
Risk-weighted assets (RWA)					
RWA		52,637	17,906		
Minimum Capital *)		20,000	20,000		
Minimum capital requirements		4,211	1,432		
Risk-based capital ratios (% of RWA)					
CET1 ratio (%)		64.13%	195.50%		
Tier 1 ratio (%)		64.13%	195.50%		
Total capital ratio (%)		64.13%	195.50%		
Additional CET1 buffer requirements (% of RWA)					
Capital conservation buffer requirement according to Basel minimum requirements (2.5% from 2019) (%)		2.50%	2.50%		
Countercyclical buffer requirement (Art. 44a ERV) according to Basel minimum requirements (%)		0.00%	0.00%		
Total of Bank CET1 specific buffer requirements according to Basel minimum requirements (%)		2.50%	2.50%		
CET1 available after meeting the Bank's minimum capital requirements (%)		56.13%	187.50%		
Target capital ratios according to Annex 8 of the Capital Adequacy Ordinance (CAO) (% of RWA)					
Capital conservation buffer according to CAO, Annex 8 (%)		2.50%	2.50%		
Countercyclical capital buffer according to CAO, Art. 44 and Art. 44a (%)		0.00%	0.00%		
CET1 capital target (%) according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a		7.00%	7.00%		
T1 capital target according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a		8.50%	8.50%		
Total capital target according to CAO, Annex 8 + countercyclical buffer according to CAO, Art. 44 and 44a		10.50%	10.50%		
Basel III Leverage Ratio					
Total Basel III leverage ratio exposure measure		54,830	37,924		
Basel III Leverage Ratio		61.57%	92.31%		
Liquidity Coverage Ratio (LCR)					
	Ø 4. Quarter 2020	Ø 3. Quarter 2020	Ø 2. Quarter 2020	Ø 1. Quarter 2020	Ø 4. Quarter 2019
Numerator of LCR: Total high quality liquid assets	13,086	10,467	9,734	13,274	16,625
Denominator of LCR: Total net cash outflow	2,185	1,133	1,532	2,022	1,005
Liquidity Coverage Ratio, LCR	598.90%	923.83%	635.38%	656.48%	1654.23%

*) A minimum capital of CHF 20M, instead of the minimum capital required of 8% of RWA, is required.

OVERVIEW OF RISK-WEIGHTED ASSETS (RWA) (OV1)

	CHF in '000	31/12/2020	Previous year	31/12/2020
		RWA	RWA	Minimum capital requirements
Credit risk		21,538	5,403	1,723
Market risk		400	8	32
Operational risk		2,545	600	204
Amounts below the thresholds for deduction (subject to 250% risk weight)		7,932	6,774	635
Total		32,415	12,785	2,593

Approaches used to determine the minimum capital requirements:

Credit risk: standardised approach

Market risk: De-Minimis

Operational risk: Basic Indicator Approach

LIQUIDITY: LIQUIDITY RISK MANAGEMENT (LIQA)

The willingness of payment is monitored and guaranteed in line with the regulatory requirements. The Board of Directors defines the risk tolerance by setting specific limits for liquidity, refinancing and diversification. Potential negative effects on liquidity are identified immediately through the quarterly assessed early warning indicators. Decreases of clients' assets are periodically analysed and compared with historical stress events and regulatory outflow rates.

CREDIT RISK: CREDIT QUALITY OF ASSETS (CR1)

	Gross book values of		Allowances/ impairments	Net values
	Defaulted exposures	Non-defaulted exposures		
Loans (excl. Debt Securities)	0	5,061	0	5,061
Debt Securities	0	0	0	0
Off-balance sheet exposures	0	4	0	4
Total	0	5,065	0	5,065

CREDIT RISK: CREDIT RISK MIGRATION TECHNIQUES - OVERVIEW (CR3)

	Exposures unsecured / book value	Exposures secured by collateral: secured amount	Exposures secured by financial guarantees or credit derivatives: secured amount
Loans (incl. Debt Securities)	38,923	0	500
Off-balance sheet exposures	4	0	0
Total	38,927	0	500
Of which defaulted	0	0	0

CREDIT RISK: EXPOSURES BY EXOSURE CATEGORY AND RISK WEIGHTS UNDER THE STANDARD APPROACH (CR5)

CHF in 1'000	a	b	c	d	e	f	g	h	i	j
Exposure categories / risk weight	0%	10%	20%	35%	50%	75%	100%	150%	other	Total of credit risk exposure after CCF and CRM
1 Central government and central banks	16,330	0	0	0	0	0	0	0	0	16,330
2 Banks and securities dealers	0	0	34,362	0	0	0	0	0	0	34,362
3 Other public sector entities and multilateral development banks	175	0	1,502	0	0	0	0	0	0	1,677
4 Corporates	0	0	0	0	0	0	0	0	0	0
5 Retail	0	0	0	0	0	0	4,561	0	0	4,561
6 Equity	0	0	0	0	0	0	-	2,063	0	2,063
7 Other exposures	801	0	0	0	0	0	546	0	0	1,347
8 Total	17,306	0	35,864	0	0	0	5,107	2,063	0	60,340
Of which mortgage-backed exposures	0	0	0	0	0	0	0	0	0	0
Of which overdue exposures	0	0	0	0	0	0	0	0	0	0

INTEREST RATE RISK: OBJECTIVES AND GUIDELINES FOR THE MANAGEMENT OF INTEREST RATE RISK IN THE BANKING BOOKS (IRRBB)

Interest rate risk arise in balance sheet management through different fixed interest rate periods. Due to the Bank's focus on offering wealth management services, interest rate risk of the balance sheet is current very low. Therefore, the Bank monitors and limits interest rate risk along basic metrics, such as equity net present value (NPV) of interest rate shift scenarios as defined in FINMA circular 2019/02.

Interest rate risk is reported monthly.

OPERATIONAL RISK: GENERAL INFORMATION (ORA)

The Bank applies the “Basic Indication Approach” to determine the capital requirements for operational risks.

Operational risks represent the risk of losses resulting from the consequences of any business activity, including the inadequacy or failure of internal processes, people and systems or from external events. The Bank identifies and assesses operational risk along well-established methods, and addresses risks based on cost-benefit considerations and the defined risk appetite.

Core components of the operational risk management framework are the bank-wide identification of risks and controls at the process, system and entity level, and the annual assessment of risks by risk category (“top-down risk assessment”). While the former is the basis for the ICS, the latter allows for a consolidated and shared view on operational risks. To ensure complete and effective internal controls, the Bank reviews the ICS annually and regularly assesses control effectiveness.

Particular attention is paid to

- Technology-related risks, especially information security risks including cyberattacks,
- Provider-related risks,
- Business Continuity, especially in the context of COVID-19, and
- Compliance-related risks, especially Know-Your-Client (KYC), Anti-Money Laundering (AML) and cross-border business conduct.

Interest rate risk: qualitative information to position structure and repricing (IRRBA1)

	Volume in TCHF			Average repricing maturity (in years)		Longest repricing maturity (in years) for positions with a modeled (not deterministic) repricing date	
	Total	Of which CHF	of which currencies that make up more than 10% of total assets or total liabilities	Total	Of which CHF	Total	Of which CHF
Amounts due from banks	0	0	0	0	0	0	0
Amounts due from customers	4,500	4,500	0	3.14	3.14	0	0
Money market mortgages	0	0	0	0	0	0	0
Fixed-rate mortgages	0	0	0	0	0	0	0
Financial investments	0	0	0	0	0	0	0
Other assets	0	0	0	0	0	0	0
Amounts due from interest derivatives	0	0	0	0	0	0	0
Amounts due to banks	0	0	0	0	0	0	0
Amounts due in respect of customer deposits	0	0	0	0	0	0	0
Cash bonds	0	0	0	0	0	0	0
Bond issues and central mortgage institution loans	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0	0
Amounts due to interest derivatives	0	0	0	0	0	0	0
Amounts due from banks	34,362	12,453	12,770	0.08	0.08	0	0
Amounts due from customers	561	427	131	0.08	0.08	0	0
Variable-rate mortgages	0	0	0	0	0	0	0
Other assets	0	0	0	0	0	0	0
Amounts due in respect of customer deposits, on sight in private and current accounts	33,095	11,861	12,102	0.08	0.08	0	0
Other liabilities	843	40	798	0.08	0.08	0	0
Amounts due in respect of customer deposits, terminable but no transferable (savings deposit funds)	0	0	0	0	0	0	0
Total	73,361	29,281	25,801	0.27	0.55	0.08	0.08

Interest rate risk: quantitative information to present value and interest income (IRRBB1)

in TCHF	Δ EVE (Change of present value)		Δ NI (Change of earnings value)	
	31/12/2020	Previous year	31/12/2020	Previous year
Period				
Parallel shock up	-242	-14	14	0
Parallel shock down	261	14	-14	0
Steeper shock	-18	9	0	0
Flattener shock	-27	-11	0	0
Short rates shock up	-106	-14	0	0
Short rates shock down	109	14	0	0
Maximum	-242	-14	-14	0
Period	31/12/2020		Previous year	
Tier 1	33,758		35,007	

About Sygnum

Sygnum is the world's first digital asset bank. With its Swiss banking and securities dealer licence (Sygnum Bank AG), as well as its capital markets services licence in Singapore (Sygnum Pte Ltd), Sygnum empowers institutional and private qualified investors, corporates, banks and other financial institutions to invest in the digital asset economy with *complete trust*.

Sygnum Bank AG is the first digital asset bank with an independently controlled, scalable and future-proof regulated banking solution. Sygnum's interdisciplinary team of banking, investment and Distributed Ledger Technology (DLT) experts is shaping the development of a trusted digital asset ecosystem. The company is founded on Swiss and Singapore banking heritage, and operates globally.



Sygnum Bank AG
Uetlibergstrasse 134 A
8045 Zurich, Switzerland
Tel: +41 58 508 2000

Sygnum Pte Ltd
4 Battery Road
#25-01
Bank of China Building
Singapore 049908
Tel: +65 6914 9530

info@sygnum.com

[@sygnumofficial](https://twitter.com/sygnumofficial)

[in](https://www.linkedin.com/company/sygnum-bank) Sygnum Bank

[sygnum.com](https://www.sygnum.com)