

RAIFFEISEN

2021

Regulatory disclosure
as at 31 December 2021



Regulatory disclosure

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The Raiffeisen Group, in its capacity as the central organisation, is obligated to comply with capital adequacy rules and is thus required by supervisory law to make risk, capital adequacy and liquidity disclosures.

This disclosure is based on FINMA Circular 2016/1 "Disclosure – banks".

Tables not used

FINMA Circular 2016/1 "Disclosure – banks" contains table templates that define the scope of the information to be published. Margin no. 32 of this Circular states that banks can refrain from disclosing information that is not meaningful. The table templates not used in this disclosure – and the reasons for omitting them – are listed in the table below.

Tables not used		
Name	Name of table	Reason
KM2	Key metrics "TLAC requirements"	Only to be published by internationally systemically important banks.
PV1	Prudential value adjustments	Raiffeisen refrains from disclosing this table as the prudential value adjustments are below materiality threshold.
TLAC1	TLAC composition for G-SIBS (at resolution group level)	Only to be published by internationally systemically important banks.
TLAC2	Material subgroup entity – creditor ranking at legal entity level	Only to be published by internationally systemically important banks.
TLAC3	Resolution entity – creditor ranking at legal entity level	Only to be published by internationally systemically important banks.
GSIB1	Disclosure of G-SIB indicators	Only to be published by internationally systemically important banks.
CCyB1	Geographical distribution of credit exposures used in the countercyclical capital buffer	This table is mandatory for banks which meet the criteria defined in Art. 44a of the Swiss Capital Adequacy Ordinance (CAO).
CR7	IRB – Effect on RWA of credit derivatives used as CRM techniques	Raiffeisen does not use credit derivatives for hedging purposes under the IRB approach and therefore refrains from publishing this table.
CCR4	Counterparty credit risk – IRB counterparty credit risk by exposure category and probability of default	As a result of the low relevance of counterparty credit risk, these positions will remain under the standardised approach (SA-BIS) even after the switch to the IRB approach and therefore this table will not be disclosed.
CCR7	RWA flow statement of CCR exposures under the Internal Model Method (IMM)	Raiffeisen currently does not use the Internal Model Method.
SECA	Qualitative disclosure requirements related to securitisation exposures	Raiffeisen currently has no securitisation exposures.
SEC1	Securitisation exposures in the banking book	Raiffeisen currently has no securitisation exposures in the banking book.
SEC2	Securitisation exposures in the trading book	Raiffeisen currently has no securitisation exposures in the trading book.
SEC3	Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor	Raiffeisen currently has no securitisation exposures in the banking book.
SEC4	Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as investor	Raiffeisen currently has no securitisation exposures in the banking book.
MRB	Qualitative disclosures for banks using the IMA	Raiffeisen does not use the IMA.
MR2	RWA flow statements of market risk exposures under the IMA	Raiffeisen does not use the IMA.
MR3	IMA value for trading portfolios	Raiffeisen does not use the IMA.
MR4	Comparison of VaR estimates with gains/losses	Raiffeisen does not use the IMA.
REMA	Remuneration policy	For disclosures on remuneration, please see the remuneration report in our Annual Report.
REM1	Remuneration awarded during the financial year	For disclosures on remuneration, please see the remuneration report in our Annual Report.
REM2	Special payments	For disclosures on remuneration, please see the remuneration report in our Annual Report.
REM3	Deferred remuneration	For disclosures on remuneration, please see the remuneration report in our Annual Report.
Annex 5	Climate-related financial risks	Raiffeisen discloses information on this at Group level in the Supplement (GRI; TCFD; UNEP_FI) to the Annual Report.

Key abbreviations

Term/Abbreviation	Explanation
AT1	Additional Tier 1 capital
CCF	Credit conversion factor
CCP	Central counterparty
CCR	Counterparty credit risk
CET1	Common Equity Tier 1 capital
CRM	Credit risk mitigation
CVA	Credit valuation adjustments
D-SIB	Domestic systemically important bank
EAD	Exposure at default
CAO	Capital Adequacy Ordinance
ETC	Other currencies as set out in Annex 2 FINMA Circular 2019/2 "Interest rate risks – banks"
FINMA	Swiss financial market supervisory authority
G-SIB	Global systemically important bank
HQLA	High-quality liquid assets
ICS	Internal control system
IRB	Internal ratings-based approach
IRRBB	Interest rate risk in the banking book
LCR	Liquidity coverage ratio
LGD	Loss given default
LRD	Leverage ratio denominator
NSFR	Net stable funding ratio
PD	Probability of default
QCCP	Qualifying central counterparty
RWA	Risk-weighted assets
Mn	Margin number
SA-BIS	International standardised approach for credit risk
SA-CCR	Standardised approach for measuring counterparty credit risk exposures
SFT	Securities financing transactions
T1	Tier 1 capital
T2	Tier 2 capital
VaR	Value at risk
Δ EVE	Change in the net present value (Economic Value of Equity)
Δ NI	Change in capitalised value (Net Interest Income)

Introduction

Raiffeisen Group

The Raiffeisen Group, in its capacity as the central organisation, is obligated to comply with capital adequacy rules and is thus required by supervisory law to make risk, capital adequacy and liquidity disclosures.

This disclosure is based on FINMA Circular 2016/1 "Disclosure – banks".

Quantitative information has been disclosed in accordance with the requirements laid down in the Capital Adequacy Ordinance. Some of this information cannot be directly compared with that provided in the consolidated accounts, which is reported in line with the accounting requirements for banks laid down in FINMA Circular 2020/1 "Accounting – banks" and the FINMA Accounting Ordinance.

Capital adequacy calculations are based on the same group of consolidated companies as the consolidated accounts. The key Group companies that are fully consolidated or consolidated according to the equity method can be found in the Raiffeisen Group's Annual Report (Notes to the consolidated annual accounts: Section "Information on the balance sheet", Table 7 "Companies in which the bank holds a permanent direct or indirect significant participation").

On 16 June 2014, the Swiss National Bank (SNB) issued an order classifying the Raiffeisen Group as systemically important. The provisions covering systemic importance require an additional capital adequacy disclosure. The corresponding information on risk-weighted capital adequacy and unweighted capital adequacy (leverage ratio) is available in Appendix 3 to this disclosure.

The disclosure concerning corporate governance (Annex 4 of FINMA Circular 2016/1 "Disclosure – banks") can be found in the Raiffeisen Group Annual Report.

Raiffeisen Switzerland

On 16 June 2014, the Swiss National Bank (SNB) issued an order classifying Raiffeisen Switzerland as systemically important. As at 31 December 2020 there were no disclosure regulations for Raiffeisen Switzerland at individual bank level. A FINMA decision dated 11 November 2020 states that the disclosure requirements in the form of Table "KM1: Key metrics" and "Appendix 3: Disclosure requirements for systemically important banks" apply to Raiffeisen Switzerland for the first time as from 31 March 2021.

Under Art. 10 (3) CAO, FINMA may allow a bank to consolidate Group companies active in the financial sector at individual bank level where these have a particularly close relationship to the bank. A FINMA decision dated 21 July 2016 allows Raiffeisen Switzerland to consolidate the subsidiary Raiffeisen Switzerland B.V. Amsterdam in its solo financial statements under the rules governing individual banks. Since 31 December 2016 capital at Raiffeisen Switzerland has been calculated on a solo consolidated basis. In all other respects there are no differences between the regulatory and accounting scopes of consolidation.

RAIFFEISEN GROUP

Key metrics

KM1: Key metrics

Key metrics

	a	b	c	d	e
in CHF million (unless stated otherwise)	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2020
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	19,109	18,053	18,018	17,961	17,883
2 Tier 1	20,323	19,263	19,197	19,045	18,776
3 Total capital	21,142	20,053	19,840	19,710	19,151
Risk-weighted assets (amounts)¹					
4 Total risk-weighted assets (RWA)	91,187	91,034	96,387	95,330	93,545
4a Minimum capital requirement	7,295	7,283	7,711	7,626	7,484
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	21.0%	19.8%	18.7%	18.8%	19.1%
6 Tier 1 ratio (%)	22.3%	21.2%	19.9%	20.0%	20.1%
7 Total capital ratio (%)	23.2%	22.0%	20.6%	20.7%	20.5%
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital buffer in accordance with Basel Minimum Standards (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9 Countercyclical buffer (Article 44a CAO) in accordance with the Basel Minimum Standards (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10 Additional capital buffer due to national or international systemic importance (%)	0.0%	0.0%	0.0%	0.0%	0.0%
11 Overall buffer requirements in accordance with the Basel Minimum Standards in CET1 quality (%)	2.5%	2.5%	2.5%	2.5%	2.5%
12 Available CET1 to cover buffer requirements in accordance with Basel Minimum Standards (after deducting CET1 from the cover of the minimum requirements and possibly to cover the TLAC requirements) (%)	13.7%	12.5%	11.2%	11.3%	11.6%
Target capital ratios in accordance with appendix 8 of the CAO²					
12b Countercyclical buffer (Articles 44 and 44a CAO)	0.0%	0.0%	0.0%	0.0%	0.0%
Basel III Leverage Ratio³					
13 Total exposure (CHF)	289,393	290,655	286,399	278,207	263,303
14 Basel III leverage ratio (%)	7.0%	6.6%	6.7%	6.8%	7.1%
Liquidity Coverage Ratio⁴					
15 Total HQLA	60,763	58,929	52,974	46,921	47,789
16 Total net cash outflow	32,769	31,453	30,560	27,893	29,983
17 LCR ratio (%)	185.4%	187.4%	173.3%	168.2%	159.4%
Net Stable Funding Ratio⁵					
18 Total available stable funding	223,094	222,971	n/a	n/a	n/a
19 Total required stable funding	153,975	152,237	n/a	n/a	n/a
20 NSFRR ratio	144.9%	146.5%	n/a	n/a	n/a

1 The adoption of the IRB approach as of 30 September 2019 reduced the risk-weighted assets (RWAs). An IRB floor of 85% was used in the third year in accordance with the transitional provisions.

2 Systemically important banks can refrain from publishing rows 12a, 12c, 12d, 12e (appendix 8 of the CAO not applicable).

3 The leverage ratio shown here relates to the calculation taking into account central bank deposits, i.e. without relief.

4 Average daily closing averages of all business days in the reporting quarter.

5 These figures were disclosed for the first time as of 30 September 2021.

Risk management and risk overview

OVA: Risk management approach of Raiffeisen Group

Risks and principles

General

- Risks are taken within the risk tolerance and after careful consideration if they can be borne, are offset by reasonable returns, and the ability to manage the risks has been confirmed.
- Risks are managed systematically.
- Risks are effectively limited, controlled and independently monitored at all levels.

Credit risk

- Loans are only extended to clients who meet minimum creditworthiness and solvency criteria.
- Concentration risks are adequately monitored and limited.
- The credit policy is prudent.
- The Raiffeisen banks normally take credit decisions within their own competence. Prior written consent must be sought from Raiffeisen Switzerland in defined exceptional cases.
- The focus is on financing owner-occupied residential property.
- Corporate clients are evaluated based on the following aspects in addition to creditworthiness: regional ties, sufficient diversification, risk/return ratio and minimal exposure to high-risk industries.

Market risk

- Risks in the trading and banking books are managed using clearly defined guidelines.
- Clear strategic lines are drawn using limits and proven tools.
- Raiffeisen Switzerland trains and advises the Raiffeisen banks regarding their market risk in the banking book.
- Foreign currency assets are generally refinanced in the same currency (matched book approach).

Liquidity risk

- Refinancing primarily takes place via stable client deposits and is adequately diversified.
- Liquidity in the Raiffeisen Group is managed at operational/tactical and strategic levels.
- The Raiffeisen banks manage liquidity risks at their own discretion based on instructions provided by Raiffeisen Switzerland.
- Access to money and capital markets is provided centrally through Raiffeisen Switzerland.

Operational risk

- Risks are evaluated through regular top-down and bottom-up risk assessments.
- Risks are monitored using risk indicators and an early warning system.
- The suitability and effectiveness of the internal control system are reviewed regularly.
- Internal and external events are analysed on an ongoing basis; the findings from these analyses are implemented in the operational business processes.

Legal and compliance risk

- Internal policies and processes are promptly adapted to reflect changes in laws, regulations and professional rules, and adhered to.

Risk control

Risk assessment

Overall responsibility for risk management and risk control at the Raiffeisen Group lies with the Raiffeisen Switzerland Board of Directors. They approve the framework for Group-wide risk management, set the risk policy and determine the risk tolerance of the Raiffeisen Group every year.

The Board of Directors of Raiffeisen Switzerland regularly examines the risks affecting the Raiffeisen Group. This is based on comprehensive reporting on credit, market and liquidity risks, operational risks, and legal and compliance risks. Reputational risks that can result from all risk categories are also taken into account.

Risk reporting is carried out by the Risk & Compliance department of Raiffeisen Switzerland. The focus is on the risk situation, capital adequacy, compliance with overall limits and any measures taken. Furthermore, Risk & Compliance uses an early warning system to identify potentially unfavourable developments at individual Raiffeisen banks and branches.

The risk report and any measures taken are discussed in detail at the meetings of the Executive Board and the Risk Committee of the Board of Directors.

Assessment of the risk exposure affecting the Raiffeisen Group is based on quantitative and qualitative factors. The key risks are thoroughly assessed, both on the basis of regulatory requirements and using economic models. Raiffeisen's risk models are based on conservative assumptions about distribution, confidence intervals, holding intervals and risk diversification.

Key elements of Group-wide risk control and management are the risk policy, the risk strategy, the process of identifying new risks, forward-looking risk budgeting using stress scenarios to determine the Group-wide risk tolerance and its operationalisation through overall limits, and the risk monitoring of subsidiaries, participations and risk categories that are important to the Raiffeisen Group.

Risk planning and control are based on a standard method for risk identification, measurement, assessment, management and monitoring. Aggregated and consolidated risk reporting provides plan versus actual analyses and thus closes the feedback loop.

The Raiffeisen Group puts particular emphasis on supplementing its model-based assessments with forward-looking risk analyses and risk estimates. Scenario-based analyses backed by macroeconomically plausible scenarios, together with risk assessments drawing on specialist areas and front office units, therefore play an important role in overall risk comprehension.

Risk policy principles

The Raiffeisen Group takes a cautious and selective approach to risk within a framework of clearly defined guidelines. In doing so, it takes care to strike the correct balance between risk and return, actively controlling the risks it takes. It acts based on stable guidelines:

- Clear business and risk policies: Risk taking is directly linked to the core business in Switzerland.
- Effective risk limitation: The Raiffeisen Group's risk tolerance is clearly defined and enforced with a tried-and-tested limit system.
- Central monitoring: Raiffeisen Switzerland monitors its individual business units, subsidiaries and participations.
- Decentralised individual responsibility in line with clearly defined guidelines: The Raiffeisen banks are responsible for managing their risks themselves. Their risk management is based on guidelines relating to business activities, limits and processes. The central controlling units monitor compliance with the guidelines.
- Risk control based on transparency: Independent reports are regularly issued on the risk situation as well as on the risk profile of the individual Raiffeisen banks and the Raiffeisen Group.

- Independent risk monitoring and effective controls: Overall risk and limits are monitored independently of the risk-managing units. Effective risk control ensures that the predefined processes and thresholds are adhered to.
- Comprehensive risk management process: The Raiffeisen Group's risk management is a uniform and binding process comprising identification, measurement, assessment, management, limiting, monitoring and reporting.
- Avoidance of risk concentration: The Raiffeisen Group has effective tools at its disposal for identifying unwanted risk concentration and taking proactive measures to avoid it.
- Protection of reputation: The Raiffeisen Group attaches great importance to protecting its reputation. It also seeks to comply with high ethical standards in all of its business activities.

Independent risk control

Risk management is organised based on the three-lines-of-defence model. Raiffeisen Switzerland maintains an independent risk control function and an independent compliance function for the Raiffeisen Group within its Risk & Compliance department (system responsibility). Operational responsibility for independent monitoring rests with the Raiffeisen banks and the organisational units of Raiffeisen Switzerland. Business policy is geared to driving risk-conscious growth and active risk management based on Raiffeisen's risk culture. The subsidiaries of Raiffeisen Switzerland generally operate as independent entities. Risk monitoring is risk-based. Individual units are assessed using formal, material and strategic criteria and allocated to a control level. Raiffeisen Switzerland monitors the risk control and risk situation of its subsidiaries and provides Raiffeisen Switzerland's executive bodies with appropriate consolidated risk reporting. Subsidiaries control risks based on guidelines and minimum requirements that are derived from the Group risk policy and implemented by the subsidiaries.

Risk profile control

The Raiffeisen Group only takes risks that relate to an approved business transaction and fall within its risk tolerance limits. The Board of Directors of Raiffeisen Switzerland approves the risk tolerance limits each year as part of the risk budgeting process. Risks are controlled using process requirements and overall limits. Risks that are difficult to quantify are limited by qualitative stipulations.

Stress testing

Raiffeisen conducts various regular stress tests to analyse the effects of adverse scenarios on the resilience of the bank. This involves examining the influence on important target values, such as profit, capital requirements or liquidity. The stress test analyses are carried out at the overall bank level or the level of certain sub-portfolios or risk categories. Moreover, as a systemically important bank, Raiffeisen carries out reverse stress tests as part of its stabilisation or emergency planning.

Conducting stress tests is an integral part of risk monitoring at Raiffeisen. The Board of Directors of Raiffeisen Switzerland determines the risk tolerance on the basis of stress tests at Group level.

For more information about the Raiffeisen Group's risk management approach, please see the "Management report – Risk management" chapter in the Raiffeisen Group Annual Report.

OV1: Overview of risk-weighted assets

OV1: Overview of risk-weighted assets

in CHF million	a	b	c
	RWA	RWA	Minimum Capital Requirement ¹
	31.12.2021	30.06.2021	31.12.2021
1 Credit risk (excluding counterparty credit risk CCR)	76,371	76,288	6,110
2 of which: standardised approach (SA)	9,874	9,769	790
3 of which: foundation internal ratings-based (F-IRB) approach	25,745	25,559	2,060
4 of which: supervisory slotting approach	–	–	–
5 of which: advanced internal ratings-based (A-IRB) approach ²	40,752	40,960	3,260
6 Counterparty credit risk (CCR)	1,470	1,698	118
7 of which: standardised approach for counterparty credit risk	297	448	24
8 of which: Internal Model Method (IMM)	–	–	–
9 of which: other CCR	1,173	1,251	94
10 Credit valuation adjustment (CVA)	122	197	10
11 Equity positions under the simple risk weight approach	371	383	30
12 Equity investments in funds – look-through approach	–	–	–
13 Equity investments in funds – mandate-based approach	–	–	–
14 Equity investments in funds – fall-back approach	47	61	4
15 Settlement risk	–	–	–
16 Securitisation exposures in banking book	–	–	–
17 of which: securitisation internal ratings-based approach (SEC-RBA)	–	–	–
18 of which: securitisation external ratings-based approach (SEC-ERBA, including internal assessment approach (IAA))	–	–	–
19 of which: securitisation standardised approach (SEC-SA)	–	–	–
20 Market risk	2,414	3,228	193
21 of which: standardised approach (SA)	2,414	3,228	193
22 of which: internal model approaches (IMA)	–	–	–
23 Capital charge for switch between trading book and banking book	–	–	–
24 Operational risk	5,839	5,697	467
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	1,592	1,473	127
26 Floor adjustment³	2,961	7,361	237
27 Total	91,187	96,387	7,295

¹ The required capital for all items amounts to 8% of the risk-weighted assets (RWA).

² Raiffeisen uses the foundation IRB approach (F-IRB). As for the IRB segment retail only the advanced IRB approach (A-IRB) exists, the RWA and minimum capital requirements for the IRB segment retail are disclosed here.

³ Under the IRB transitional provisions an IRB floor of 90% is used for the second year (reporting date 30th June 2021) and 85% for the third year (reporting date 31st December 2021).

Linkages between financial statements and regulatory exposures

LI1: Linkages between financial statements and regulatory exposures

LI1: Differences between accounting and regulatory scopes of consolidation

31.12.2021 in CHF million	a/b ¹	c	d	e	f	g
	Carrying values as reported in published financial statements and under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework ²	Carrying values Not subject to capital requirements or subject to deduction from capital
Assets						
Liquid assets	57,275	57,275	–	–	–	–
Amounts due from banks	3,245	2,710	536	–	–	–
Amounts due from securities financing transactions	–	–	–	–	–	–
Amounts due from customers	9,996	9,961	34	–	–	–
Amounts due secured by mortgage	196,360	196,360	–	–	–	–
Trading portfolio assets	2,574	–	–	–	2,574	–
Positive replacement values of derivative financial instruments	1,356	–	1,356	–	–	–
Other financial instruments at fair value	–	–	–	–	–	–
Financial investments	8,549	1,032	7,517	–	–	–
Accrued income and prepaid expenses	281	281	–	–	–	–
Non-consolidated participations	724	724	–	–	–	–
Tangible fixed assets	2,967	2,967	–	–	–	–
Intangible assets	–	–	–	–	–	–
Other assets	1,163	1,163	–	–	–	–
Capital not paid in	–	–	–	–	–	–
Total Assets	284,489	272,472	9,443	–	2,574	–
Liabilities						
Amounts due to banks	15,912	–	101	–	–	15,811
Liabilities from securities financing transactions	7,451	–	7,451	–	–	–
Amounts due in respect of customer deposits	201,729	–	66	–	–	201,664
Trading portfolio liabilities	156	–	–	–	156	–
Negative replacement values of derivative financial instruments	1,616	–	1,616	–	–	–
Liabilities from other financial instruments at fair value	2,229	–	–	–	–	2,229
Cash bonds	284	–	–	–	–	284
Bond issues and central mortgage institution loans	34,062	–	–	–	–	34,062
Accrued expenses and deferred income	832	–	–	–	–	832
Other liabilities	152	–	–	–	–	152
Provisions	933	–	–	–	–	933
Total Liabilities	265,357	–	9,234	–	156	255,967

¹ The Raiffeisen Group's scope of consolidation for accounting purposes is identical to that for regulatory purposes.

² Raiffeisen has not listed foreign currency and precious metal exposures in the "market risk" column in order to make the presentation easier to understand. Table LI2 lists the capital adequacy requirements for these items.

L12: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

L12: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

		a	b	c	d	e
			Positions under:			
31.12.2021 in CHF million		Total	Credit risk regulation	Securitisation regulation	Counterparty credit risk regulation	Market risk regulation
1	Asset carrying value amount under scope of regulatory consolidation (as per table L11)	284,489	272,472	–	9,443	2,574
2	Liabilities carrying value amount under regulatory scope of consolidation (as per table L11)	9,390	–	–	9,234	156
3	Total net amount under regulatory scope of consolidation	275,099	272,472	–	210	2,418
4	Off-balance sheet amounts ¹	13,518	12,684	–	1,103	–
5	Differences in valuations	–	–	–	–	–
6	Differences due to different netting rules, other than those already included in row 2	7,122	–	–	7,122	–
7	Differences due to consideration of provisions	–	–	–	–	–
8	Differences due to prudential filters	–	–	–	–	–
9	Other differences	–2,929	–2,925	–	–	–4
10	Exposure amounts considered for regulatory purposes	293,080	282,231	–	8,434	2,414

¹ Off-balance-sheet original exposure in column (a) and the amounts after application of the credit conversion factors in columns (b) to (e).

² The total in column (a) corresponds to the sum of columns (b) to (e). Since nominal values are shown in column (a) for off-balance sheet amounts and the values in columns (b) to (e) are converted into credit equivalents using credit conversion factors, the total value cannot be derived by adding the numbers from column (a).

L1A: Explanation of differences between accounting and regulatory exposure amounts

- Credit risk regulation: Different treatment of credit conversion factors as well as different treatments within the capital adequacy rules
- Counterparty credit risks: Different treatment of netting rules for derivatives, repo transactions and repo-like transactions
- Market risk regulation: Different treatment within the standard approach for market risks due to different requirement factors

Composition of capital and TLAC

CC1: Composition of regulatory capital

CC1: Composition of regulatory capital

in CHF million (unless stated otherwise)	a		b	
	31.12.2021	References ¹	30.06.2021	
Common equity Tier 1 capital (CET1)				
1 Issued and paid-in capital, eligible in full	2,692	(III)	2,628	
2 Statutory reserves / retained earnings reserves / retained earnings (losses) / profit (loss) for the period	16,421		15,419	
of which retained earnings reserves	15,419		15,419	
of which retained earnings reserves	–		–	
of which profit (loss) for the period ²	1,002		–	
5 Minority interests, eligible as CET1	–	(IV)	–	
6 = Common Equity Tier 1, prior to regulatory adjustments	19,113		18,046	
Regulatory adjustments of CET1				
7 Prudential value adjustments	–4		–5	
8 Goodwill	–	(I)	–6	
9 Other intangibles	–	(II)	–	
12 "IRB shortfalls" (difference between the expected losses and provisions)	–		–17	
28 = Total, CET1 adjustments	–4		–28	
29 = Common Equity Tier 1 capital (net CET1)	19,109		18,018	
Additional Tier 1 capital (AT1)				
30 Issued and paid in instruments, eligible in full	1,225		1,225	
31 of which: regulatory-capital instruments according to financial statements	–		–	
32 of which: debt instruments according to financial statements	1,225		1,225	
36 = Total, Additional Tier 1 capital, prior to regulatory adjustments	1,225		1,225	
37 Net long positions in own AT1 instruments	–11		–46	
43 = Total of AT1 regulatory adjustments	–11		–46	
44 = Additional Tier 1 capital (net AT1)	1,214		1,179	
45 = Tier 1 capital (net Tier 1 = net CET1 + net AT1)	20,323		19,197	
Tier 2 capital (T2)				
46 Issued and paid in instruments, eligible in full	819		643	
47 Issued and paid in instruments, recognised as accruals (phase-out)	–		–	
51 = Tier 2 capital before regulatory adjustments	819		643	
57 = Total T2 adjustments	–		–	
58 = Tier 2 capital (net T2)	819		643	
59 = Regulatory capital (net T1 & net T2)	21,142		19,840	
60 Sum of risk-weighted positions	91,187		96,387	

Continued

in CHF million (unless stated otherwise)	a	b
	31.12.2021	References ¹
		30.06.2021
Capital ratios		
61 CET1 ratio (no. 29 in % of risk-weighted positions)	21.0%	18.7%
62 T1 ratio (no. 45 in % of risk-weighted positions)	22.3%	19.9%
63 Ratio regarding the regulatory capital (line no. 59 in % of risk-weighted positions)	23.2%	20.6%
64 CET1 buffer capital requirements specific to the institution according to Basel Minimum Standards (capital buffer + counter-cyclical buffer according to Article 44a CAO + capital buffer for systemically important banks) (in % of the risk-weighted positions) ³	2.5%	2.5%
65 of which, capital buffers according to Basel minimum standards (in % of risk-weighted positions)	2.5%	2.5%
66 of which, counter-cyclical buffer according to Basel minimum standards (Article 44a CAO in % of the risk-weighted positions)	0.0%	0.0%
67 of which, capital buffers for systemically important banks according to Basel minimum standards (in % of risk-weighted positions)	0.0%	0.0%
68 Available CET1 to cover buffer requirements according to Basel Minimum Standards (after deducting CET1 to cover the minimum requirements and possibly to cover the TLAC requirements) (in % of risk-weighted positions) ³	13.7%	11.2%
Amounts below thresholds for deduction (before risk-weighting)		
72 Non-qualifying equity interests in the financial sector and other TLAC investments	91	88
73 Other qualifying interests in companies active in the financial sector (CET1)	637	589

¹ The references refer to table CC2 «Reconciliation of regulatory capital to balance sheets».

² Excluding interest on cooperative capital.

³ The presentation is in accordance with Basel minimum standards.

CC2: Reconciliation of regulatory capital to balance sheet

CC2: Reconciliation of regulatory capital to balance sheet

in CHF million	a	c	30.06.2021
	31.12.2021	References ¹	
Assets			
Liquid assets	57,275		55,810
Amounts due from banks	3,245		3,759
Amounts due from securities financing transactions	–		215
Amounts due from customers	9,996		10,467
Mortgage loans	196,360		192,890
Trading portfolio assets	2,574		2,907
Positive replacement values of derivative financial instruments	1,356		1,421
Financial investments	8,549		8,695
Accrued income and prepaid expenses	281		399
Non-consolidated participations	724		680
Tangible fixed assets	2,967		2,956
Intangible assets	–		6
of which goodwill	–	(I)	6
of which other intangible assets	–	(II)	–
Other assets	1,163		962
Total assets	284,489		281,166
Liabilities			
Amounts due to banks	15,912		16,964
Liabilities from securities financing transactions	7,451		8,038
Amounts due in respect of customer deposits	201,729		200,562
Trading portfolio liabilities	156		264
Negative replacement values of derivative financial instruments	1,616		1,513
Liabilities from other financial instruments at fair value	2,229		2,343
Cash bonds	284		312
Bond issues and central mortgage institution loans	34,062		30,751
Accrued expenses and deferred income	832		893
Other liabilities	152		106
Provisions	933		929
of which deferred taxes for untaxed reserves	795		789
Total liabilities	265,356		262,675
of which subordinated liabilities, eligible as supplementary capital (T2)	819		643
of which subordinated liabilities, eligible as additional core capital (AT1)	1,214		1,179
of which with high trigger	1,214		1,179
Shareholder's Equity			
Reserves for general banking risks	200		200
Cooperative capital	2,692		2,628
of which eligible as CET1	2,692	(III)	2,628
of which eligible as AT1	–		–
Statutory reserves / retained earnings reserves / retained earnings (losses) / profit (loss) for the period	16,287		15,723
of which retained earnings reserves	15,219		15,219
of which foreign currency translation reserve	0		0
of which profit (loss) for the period ²	1,069		505
Minority interests in equity	–47		–60
of which eligible as CET1	–	(IV)	–
of which eligible as AT1	–		–
Total shareholder's equity	19,133		18,491

¹ The references refer to table «CC1 Composition of regulatory capital».

CCA: Main features of regulatory capital instruments and of other TLAC-eligible instruments

Cooperative share certificates		
1	Issuer	All Raiffeisen banks
2	Explicit identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placements)	–
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
Regulatory treatment		
4	In accordance with the transitional provisions of Basel III	CET1 capital
5	In accordance with the applicable rules upon the expiry of the Basel III	CET1 capital
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Share certificate
8	Amount included in the regulatory capital (in millions of CHF)	CHF 2'692 Mio.
9	Nominal value of instruments	CHF 2'692 Mio.
10	Classification from an accounting point of view	Cooperative capital
11	Original issuing date	Various
12	With or without maturity	Without maturity
13	Original date of maturity	n/a
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	No
15	Optional call date, conditional call dates (for tax or regulatory reasons)	Exiting cooperative members or their heirs are entitled to repayment of the intrinsic value or nominal value of the share certificate, whichever is lower. The repayment may only be made after the approval of the annual report covering the fourth financial year after the membership is dissolved, unless the member pays in the same amount for new share certificates.
16	Later call dates, if applicable	n/a
Dividends / coupons		
17	Fixed or variable dividends / coupons	Variable
18	Coupon rate and index, where applicable	Interest rates may not exceed 6% gross; however, there is no right to receive the maximum interest rate.
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	If the general meeting decides not to pay interest in any given financial year, the right to receive interest will lapse and not be carried over to the next financial year. This applies accordingly to a reduction in the interest rate in any given financial year.
20	Interest payment / dividend payment: completely optional, partially optional or binding	Completely optional
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible/ non-convertible	Non-convertible
24	If convertible: Trigger for conversion	n/a
25	If convertible: fully or partially	n/a
26	If convertible: Conversion ratio	n/a
27	If convertible: Mandatory or optional conversion	n/a
28	If convertible: indication of type of instrument following conversion	n/a
29	If convertible: issuer of the instrument following conversion	n/a
30	Debt waiver	No
31	In case of debt waiver: Trigger for the waiver	n/a
32	In case of debt waiver: fully or partially optional	n/a
33	In case of debt waiver: permanent or temporary	n/a
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Statutory
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	Subordinated to Additional Tier-1 Bonds
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

Perpetual subordinated AT1-bond 2018

1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placements)	CH0411559377
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
Regulatory treatment		
4	In accordance with the transitional provisions of Basel III	Additional Tier 1 capital
5	In accordance with the applicable rules upon the expiry of the Basel III	Additional Tier 1 capital
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Perpetual subordinated bond
8	Amount included in the regulatory capital (in millions of CHF)	CHF 394 Mio.
9	Nominal value of instruments	CHF 400 Mio.
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	2 May 2018
12	With or without maturity	Without maturity
13	Original date of maturity	–
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 2 May 2023. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	Thereafter annually on interest date of 2 May
Dividends / coupons		
17	Fixed or variable dividends / coupons	Fixed
18	Coupon rate and index, where applicable	2.00% p.a. until 2 May 2023. The interest rate for the next 5 years is thereafter calculated as the total of the then valid swap rate (at least zero percent) plus the margin of 1.9575%.
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	Yes
20	Interest payment / dividend payment: completely optional, partially optional or binding	Completely optional
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible / non-convertible	Non-convertible
24	If convertible: Trigger for conversion	n/a
25	If convertible: fully or partially	n/a
26	If convertible: Conversion ratio	n/a
27	If convertible: Mandatory or optional conversion	n/a
28	If convertible: indication of type of instrument following conversion	n/a
29	If convertible: issuer of the instrument following conversion	n/a
30	Debt waiver	Yes
31	In case of debt waiver: Trigger for the waiver	The Raiffeisen Group falls below a "hard" core capital ratio of 7.0% Raiffeisen Switzerland requires assistance from the public sector, either for itself or for the Raiffeisen Group The Swiss Financial Market Supervisory Authority (FINMA) orders a write-down as a protective measure if Raiffeisen Switzerland is faced with insolvency.
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Contractual
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	Subordinated Tier2 instruments
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

Perpetual subordinated AT1-bond 2020

1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placements)	CH0566511496
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
Regulatory treatment		
4	In accordance with the transitional provisions of Basel III	Additional Tier 1 capital
5	In accordance with the applicable rules upon the expiry of the Basel III	Additional Tier 1 capital
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Perpetual subordinated bond
8	Amount included in the regulatory capital (in millions of CHF)	CHF 521 Mio.
9	Nominal value of instruments	CHF 525 Mio.
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	16th October 2020
12	With or without maturity	Without maturity
13	Original date of maturity	–
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 16 April 2026. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	Thereafter annually on interest date of 16 April
Dividends / coupons		
17	Fixed or variable dividends / coupons	Fixed
18	Coupon rate and index, where applicable	2.00% p.a. until 16 April 2026. The interest rate for the next 5 years is thereafter calculated as the total of the then valid swap rate (at least zero percent) plus the margin of 2.00%.
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	Yes
20	Interest payment / dividend payment: completely optional, partially optional or binding	Completely optional
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible/ non-convertible	Non-convertible
24	If convertible: Trigger for conversion	n/a
25	If convertible: fully or partially	n/a
26	If convertible: Conversion ratio	n/a
27	If convertible: Mandatory or optional conversion	n/a
28	If convertible: indication of type of instrument following conversion	n/a
29	If convertible: issuer of the instrument following conversion	n/a
30	Debt waiver	Yes
31	In case of debt waiver: Trigger for the waiver	The Raiffeisen Group falls below a "hard" core capital ratio of 7.0% Raiffeisen Switzerland requires assistance from the public sector, either for itself or for the Raiffeisen Group The Swiss Financial Market Supervisory Authority (FINMA) orders a write-down as a protective measure if Raiffeisen Switzerland is faced with insolvency.
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Contractual
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	Subordinated Tier2 instruments
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

Perpetual subordinated AT1-bond 2021

1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placements)	CH1101825797
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
Regulatory treatment		
4	In accordance with the transitional provisions of Basel III	Additional Tier 1 capital
5	In accordance with the applicable rules upon the expiry of the Basel III	Additional Tier 1 capital
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Perpetual subordinated bond
8	Amount included in the regulatory capital (in millions of CHF)	CHF 300 Mio.
9	Nominal value of instruments	CHF 300 Mio.
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	31st March 2021
12	With or without maturity	Without maturity
13	Original date of maturity	–
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 31st March 2027. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	Thereafter annually on interest date of 31st March
Dividends / coupons		
17	Fixed or variable dividends / coupons	Fixed
18	Coupon rate and index, where applicable	2.25% p.a. until 31st March 2027. The interest rate for the next 5 years is thereafter calculated as the total of the then valid SARON rate (at least zero percent) plus the margin of 2.25%.
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	Yes
20	Interest payment / dividend payment: completely optional, partially optional or binding	Completely optional
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible/ non-convertible	Non-convertible
24	If convertible: Trigger for conversion	n/a
25	If convertible: fully or partially	n/a
26	If convertible: Conversion ratio	n/a
27	If convertible: Mandatory or optional conversion	n/a
28	If convertible: indication of type of instrument following conversion	n/a
29	If convertible: issuer of the instrument following conversion	n/a
30	Debt waiver	Yes
31	In case of debt waiver: Trigger for the waiver	The Raiffeisen Group falls below a "hard" core capital ratio of 7.0% Raiffeisen Switzerland requires assistance from the public sector, either for itself or for the Raiffeisen Group The Swiss Financial Market Supervisory Authority (FINMA) orders a write-down as a protective measure if Raiffeisen Switzerland is faced with insolvency.
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Contractual
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	Subordinated Tier2 instruments
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

Subordinated time deposits

1	Issuer	Individual Raiffeisen banks
2	Explicit identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placements)	–
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
Regulatory treatment		
4	In accordance with the transitional provisions of Basel III	Tier 2 capital
5	In accordance with the applicable rules upon the expiry of the Basel III	Tier 2 capital
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Other instruments
8	Amount included in the regulatory capital (in millions of CHF)	CHF 12 Mio.
9	Nominal value of instruments	CHF 65 Mio.
10	Classification from an accounting point of view	Commitment
11	Original issuing date	Various
12	With or without maturity	With maturity
13	Original date of maturity	Various
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	No
15	Optional call date, conditional call dates (for tax or regulatory reasons)	n/a
16	Later call dates, if applicable	n/a
Dividends / coupons		
17	Fixed or variable dividends / coupons	Fixed
18	Coupon rate and index, where applicable	Various
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment / dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-convertible
23	Convertible / non-convertible	Non-cumulative
24	If convertible: Trigger for conversion	n/a
25	If convertible: fully or partially	n/a
26	If convertible: Conversion ratio	n/a
27	If convertible: Mandatory or optional conversion	n/a
28	If convertible: indication of type of instrument following conversion	n/a
29	If convertible: issuer of the instrument following conversion	n/a
30	Debt waiver	No
31	In case of debt waiver: Trigger for the waiver	n/a
32	In case of debt waiver: fully or partially optional	Fully or partially
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Contractual
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	Subordinate to all other obligation
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

Bail-in bond 2025

1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placements)	CH0572899091
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
Regulatory treatment		
4	In accordance with the transitional provisions of Basel III	– ¹
5	In accordance with the applicable rules upon the expiry of the Basel III	–
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Senior unsecured debt (Bail-In Bond)
8	Amount included in the regulatory capital (in millions of CHF)	– ¹
9	Nominal value of instruments	CHF 150 Mio.
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	11 November 2020
12	With or without maturity	With maturity
13	Original date of maturity	11 November 2025
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 11. November 2024. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	n/a
Dividends / coupons		
17	Fixed or variable dividends / coupons	Fixed
18	Coupon rate and index, where applicable	0.1825%
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment / dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible / non-convertible	Convertible
24	If convertible: Trigger for conversion	In the event of restructuring proceedings affecting the Issuer, FINMA may order all measures to which it is entitled under the then applicable financial market regulations.
25	If convertible: fully or partially	Fully or partially
26	If convertible: Conversion ratio	At discretion of FINMA
27	If convertible: Mandatory or optional conversion	At discretion of FINMA
28	If convertible: indication of type of instrument following conversion	CET1 capital
29	If convertible: issuer of the instrument following conversion	Raiffeisen Switzerland or transfer to another legal entity on the instruction of such FINMA measures
30	Debt waiver	Yes
31	In case of debt waiver: Trigger for the waiver	At discretion of FINMA
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Structural
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	–
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

¹ Eligible under the gone concern loss-absorbing capacity category according requirements for systemically important banks.

Bail-in bond 2027

1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placements)	CH0591084139
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
Regulatory treatment		
4	In accordance with the transitional provisions of Basel III	– ¹
5	In accordance with the applicable rules upon the expiry of the Basel III	–
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Senior unsecured debt (Bail-In Bond)
8	Amount included in the regulatory capital (in millions of CHF)	CHF 124 Mio.
9	Nominal value of instruments	CHF 125 Mio.
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	15 January 2021
12	With or without maturity	With maturity
13	Original date of maturity	15 January 2027
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 15 January 2026. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	n/a
Dividends / coupons		
17	Fixed or variable dividends / coupons	Fixed
18	Coupon rate and index, where applicable	0.1775%
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment / dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible / non-convertible	Convertible
24	If convertible: Trigger for conversion	In the event of restructuring proceedings affecting the Issuer, FINMA may order all measures to which it is entitled under the then applicable financial market regulations.
25	If convertible: fully or partially	Fully or partially
26	If convertible: Conversion ratio	At discretion of FINMA
27	If convertible: Mandatory or optional conversion	At discretion of FINMA
28	If convertible: indication of type of instrument following conversion	CET1 capital
29	If convertible: issuer of the instrument following conversion	Raiffeisen Switzerland or transfer to another legal entity on the instruction of such FINMA measures
30	Debt waiver	Yes
31	In case of debt waiver: Trigger for the waiver	At discretion of FINMA
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Structural
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	–
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

¹ Eligible under the gone concern loss-absorbing capacity category according requirements for systemically important banks.

Bail-in bond 2028

1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placements)	CH0572899257
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
Regulatory treatment		
4	In accordance with the transitional provisions of Basel III	– ¹
5	In accordance with the applicable rules upon the expiry of the Basel III	–
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Senior unsecured debt (Bail-In Bond)
8	Amount included in the regulatory capital (in millions of CHF)	CHF 175 Mio.
9	Nominal value of instruments	CHF 175 Mio.
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	11 November 2020
12	With or without maturity	With maturity
13	Original date of maturity	11 November 2028
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 11. November 2027. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	n/a
Dividends / coupons		
17	Fixed or variable dividends / coupons	Fixed
18	Coupon rate and index, where applicable	0.500%
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment / dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible / non-convertible	Convertible
24	If convertible: Trigger for conversion	In the event of restructuring proceedings affecting the Issuer, FINMA may order all measures to which it is entitled under the then applicable financial market regulations.
25	If convertible: fully or partially	Fully or partially
26	If convertible: Conversion ratio	At discretion of FINMA
27	If convertible: Mandatory or optional conversion	At discretion of FINMA
28	If convertible: indication of type of instrument following conversion	CET1 capital
29	If convertible: issuer of the instrument following conversion	Raiffeisen Switzerland or transfer to another legal entity on the instruction of such FINMA measures
30	Debt waiver	Yes
31	In case of debt waiver: Trigger for the waiver	At discretion of FINMA
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Structural
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	–
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

¹ Eligible under the gone concern loss-absorbing capacity category according requirements for systemically important banks.

Bail-in bond 2029

1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placements)	CH051512483
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
Regulatory treatment		
4	In accordance with the transitional provisions of Basel III	– ¹
5	In accordance with the applicable rules upon the expiry of the Basel III	–
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Senior unsecured debt (Bail-In Bond)
8	Amount included in the regulatory capital (in millions of CHF)	CHF 149 Mio.
9	Nominal value of instruments	CHF 165 Mio.
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	28 September 2021
12	With or without maturity	With maturity
13	Original date of maturity	28 September 2029
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 28 September 2028. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	n/a
Dividends / coupons		
17	Fixed or variable dividends / coupons	Fixed
18	Coupon rate and index, where applicable	0.405%
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment / dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible / non-convertible	Convertible
24	If convertible: Trigger for conversion	In the event of restructuring proceedings affecting the Issuer, FINMA may order all measures to which it is entitled under the then applicable financial market regulations.
25	If convertible: fully or partially	Fully or partially
26	If convertible: Conversion ratio	At discretion of FINMA
27	If convertible: Mandatory or optional conversion	At discretion of FINMA
28	If convertible: indication of type of instrument following conversion	CET1 capital
29	If convertible: issuer of the instrument following conversion	Raiffeisen Switzerland or transfer to another legal entity on the instruction of such FINMA measures
30	Debt waiver	Yes
31	In case of debt waiver: Trigger for the waiver	At discretion of FINMA
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Structural
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	–
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

¹ Eligible under the gone concern loss-absorbing capacity category according requirements for systemically important banks.

Bail-in bond 2031

1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placements)	CH0591084253
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
Regulatory treatment		
4	In accordance with the transitional provisions of Basel III	– ¹
5	In accordance with the applicable rules upon the expiry of the Basel III	–
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Senior unsecured debt (Bail-In Bond)
8	Amount included in the regulatory capital (in millions of CHF)	CHF 203 Mio.
9	Nominal value of instruments	CHF 210 Mio.
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	15 January 2021
12	With or without maturity	With maturity
13	Original date of maturity	15 January 2031
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 15 January 2030. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	n/a
Dividends / coupons		
17	Fixed or variable dividends / coupons	Fixed
18	Coupon rate and index, where applicable	0.570%
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment / dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible / non-convertible	Convertible
24	If convertible: Trigger for conversion	In the event of restructuring proceedings affecting the Issuer, FINMA may order all measures to which it is entitled under the then applicable financial market regulations.
25	If convertible: fully or partially	Fully or partially
26	If convertible: Conversion ratio	At discretion of FINMA
27	If convertible: Mandatory or optional conversion	At discretion of FINMA
28	If convertible: indication of type of instrument following conversion	CET1 capital
29	If convertible: issuer of the instrument following conversion	Raiffeisen Switzerland or transfer to another legal entity on the instruction of such FINMA measures
30	Debt waiver	Yes
31	In case of debt waiver: Trigger for the waiver	At discretion of FINMA
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Structural
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	–
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

¹ Eligible under the gone concern loss-absorbing capacity category according requirements for systemically important banks.

Bail-in bond 2034

1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g. CUSIP, ISIN or Bloomberg ID for private placements)	CH0580464698
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
Regulatory treatment		
4	In accordance with the transitional provisions of Basel III	– ¹
5	In accordance with the applicable rules upon the expiry of the Basel III	–
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Senior unsecured debt (Bail-In Bond)
8	Amount included in the regulatory capital (in millions of CHF)	CHF 175 Mio.
9	Nominal value of instruments	CHF 175 Mio.
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	23 November 2020
12	With or without maturity	With maturity
13	Original date of maturity	23 November 2034
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 23. November 2033. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	n/a
Dividends / coupons		
17	Fixed or variable dividends / coupons	Fixed
18	Coupon rate and index, where applicable	1.500%
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment / dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible / non-convertible	Convertible
24	If convertible: Trigger for conversion	In the event of restructuring proceedings affecting the Issuer, FINMA may order all measures to which it is entitled under the then applicable financial market regulations.
25	If convertible: fully or partially	Fully or partially
26	If convertible: Conversion ratio	At discretion of FINMA
27	If convertible: Mandatory or optional conversion	At discretion of FINMA
28	If convertible: indication of type of instrument following conversion	CET1 capital
29	If convertible: issuer of the instrument following conversion	Raiffeisen Switzerland or transfer to another legal entity on the instruction of such FINMA measures
30	Debt waiver	Yes
31	In case of debt waiver: Trigger for the waiver	At discretion of FINMA
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Structural
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	–
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

¹ Eligible under the gone concern loss-absorbing capacity category according requirements for systemically important banks.

Leverage ratio

LR1: Leverage ratio – comparison of accounting assets and overall exposure for the leverage ratio

LR1: Leverage ratio – Summary comparison of accounting assets versus leverage ratio exposure measure

in CHF million Line item	a	
	31.12.2021	30.06.2021
1 Total assets according to published financial reports	284,489	281,166
2 Adjustments for investments in banking, financial, insurance and commerce companies that are subject to accounting consolidation but not regulatory consolidation, and adjustments for assets that are deducted from core capital	-4	-28
3 Adjustments for fiduciary assets that are recognized in the financial statements but are excluded from the leverage ratio calculation	-	-
4 Adjustments for derivatives ¹	-294	-180
5 Adjustments for securities financing transactions (SFT)	28	430
6 Adjustments for off-balance-sheet transactions (conversion of off-balance-sheet transactions into credit equivalents)	5,174	5,011
7 Other adjustments		
8 Overall exposure for the leverage ratio	289,393	286,399

¹ This item takes account of counterparty netting of OTC derivatives based on the existing netting agreements.

LR2: Leverage ratio – detailed presentation

LR2: Leverage Ratio – Detailed presentation

in CHF million (unless stated otherwise)

Line item	a	
	31.12.2021	30.06.2021
On-Balance sheet exposures		
1 On-Balance sheet items (excluding derivatives and SFT but including collateral) ¹	275,616	271,946
2 Assets that must be deducted from eligible core capital	-4	-28
3 = Total on-balance sheet exposures (excluding derivatives and SFTs)	275,611	271,918
Derivate		
4 Positive replacement values for all derivatives transactions including those vis-à-vis CCPs, including margin payments received and netting agreements	33	144
5 Add-ons for all derivatives	706	697
6 Re-inclusion of collateral provided in connection with derivatives, provided their accounting treatment leads to a reduction in assets	-	-
7 Deduction of receivables resulting from margin payments provided	-291	-211
8 Deduction for exposure to qualified central counterparties (QCCPs) if there is no responsibility to the client if the QCCP defaults	-	-
9 Actual nominal values of issued credit derivatives, after deducting negative replacement values	657	668
10 Netting against actual nominal values of offsetting credit derivatives and deduction of add-ons for issued credit derivatives	-42	-57
11 = Total exposure from derivatives²	1,062	1,241
Securities financing transactions (SFT)		
12 Gross assets related to securities financing transactions ex netting (except for novations with a QCCP) including those booked as a sale, less any items stated in FINMA Circular 15/3 par. 58	7,518	8,092
13 Netting of cash liabilities and receivables with respect to SFT counterparties	-	-
14 Exposure to SFT counterparties	27	137
15 SFT exposure with the bank acting as a commission agent	-	-
16 = Total exposure from securities financing transactions	7,545	8,229
Other off-balance-sheet items		
17 Off-balance-sheet items as gross nominal values before the application of any credit conversion factors	18,270	18,501
18 Adjustments for the conversion into credit equivalents	-13,096	-13,490
19 = Total off-balance-sheet items	5,174	5,011
Eligible equity capital and overall exposure		
20 Core capital (Tier 1)	20,323	19,197
21 Overall exposure	289,393	286,399
Leverage ratio		
22 Leverage ratio	7.0%	6.7%

¹ The difference between the reported figure and total assets as shown in the published financial statements is relating to positive replacement values of derivative financial instruments and amounts due from securities financing transactions.

² This item takes account of counterparty netting of OTC derivatives based on the existing netting agreements.

Notes on the leverage ratio

Despite an increase in overall exposure (line 21), the leverage ratio (line 22) rose from 6.7% to 7.0%, because of the higher eligible core capital (line 20). Eligible core capital rose by CHF 1.1 billion or 5.9%. This was the result of the increase in cooperative capital and retention of earnings.

Liquidity management

LIQA: Liquidity risk management

Overview

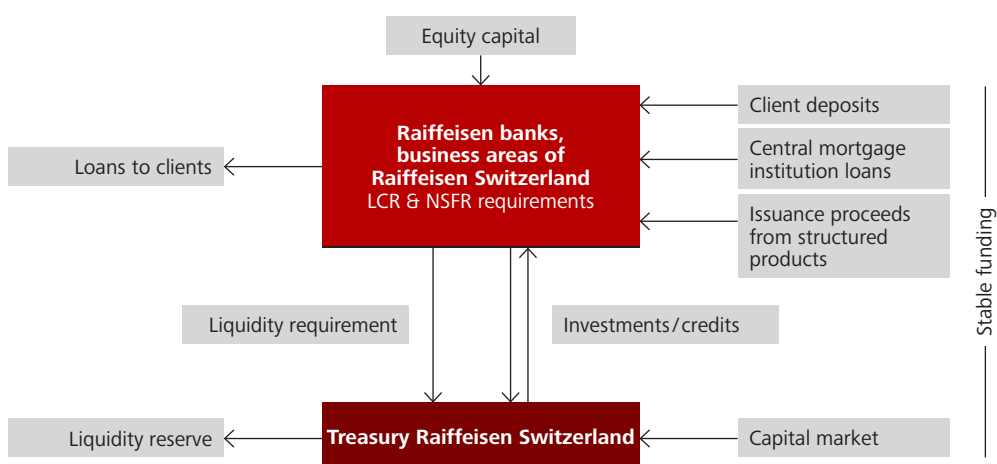
The Raiffeisen Group is one of the leading retail banks in Switzerland and it pursues a decentralised business model. The individual Raiffeisen banks are legally independent and operate the classic savings and mortgage business autonomously. An internal set of rules ensures that regulatory guidelines and internal standards are complied with.

The Raiffeisen Group has centralised liquidity risk management, which is performed by Raiffeisen Switzerland's Treasury department. The Treasury department controls the liquidity of the Raiffeisen Group and manages the liquidity reserve.

Raiffeisen is obliged, at the Group and Raiffeisen Switzerland levels, to observe qualitative and quantitative liquidity regulations. According to FINMA, the Raiffeisen banks are exempt from observance at the individual bank level. The Raiffeisen banks and other Group companies are obliged by internal requirements to invest their liquidity requirements pro rata in the form of liquid assets or to invest them at Raiffeisen Switzerland.

Refinancing of the Raiffeisen Group's lending activity occurs chiefly through customer deposits, central mortgage institution loans and issues of its own bonds by Raiffeisen Switzerland. Raiffeisen Switzerland's Treasury department organises the liquidity transfer within the Group. The Raiffeisen banks are obliged to invest excess liquidity, which cannot be lent out within the framework of the business regulations, at Raiffeisen Switzerland. In return, the Raiffeisen banks can procure refinancing funds from Raiffeisen Switzerland. Thanks to the central liquidity pooling, the refinancing gaps of the individual units can be compensated efficiently and cost-effectively within the Group.

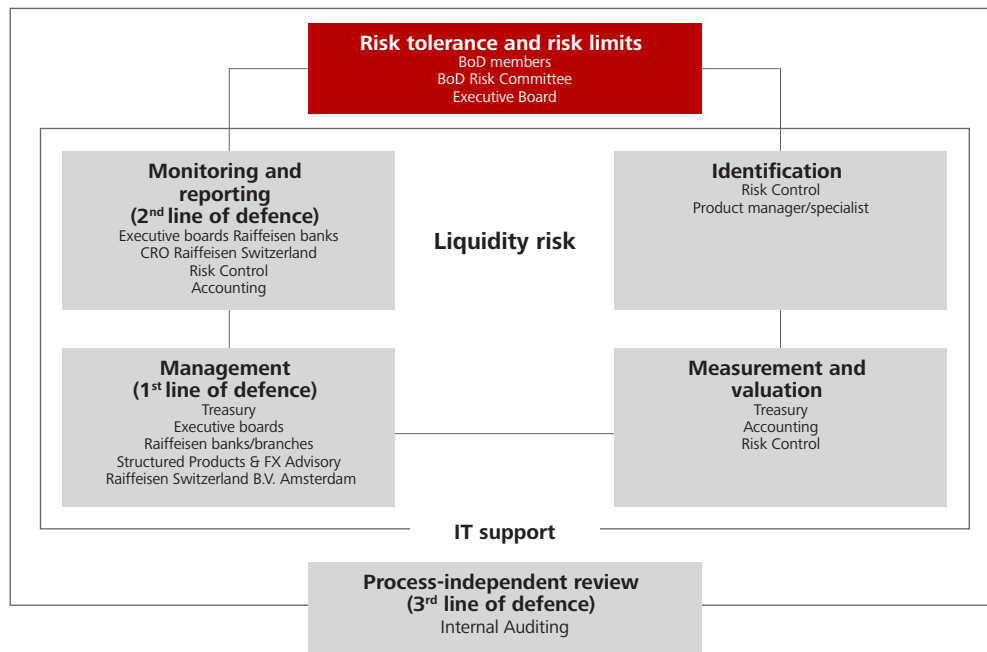
Raiffeisen Group liquidity transfer



Organisation

The following executive bodies, committees and units are responsible for the liquidity risk management of the Raiffeisen Group:

Liquidity risk management at the Raiffeisen Group



The Treasury department of Raiffeisen Switzerland is responsible for managing the liquidity of the Raiffeisen Group and Raiffeisen Switzerland as well as for compliance with the regulatory requirements. The Treasury is responsible for the liquidity regulations within the Group and organises intra-Group liquidity transfers. The Treasury of Raiffeisen Switzerland guarantees access to the money, capital and derivatives markets for the Group.

The Raiffeisen banks, branches and business units of Raiffeisen Switzerland, as well as Raiffeisen Switzerland B.V. Amsterdam, are responsible for the autonomous management of their liquidity risks within the liquidity guidelines of risk policy, instructions or permanent directives. The executive boards of the Raiffeisen banks, the Board of Raiffeisen Switzerland B.V. Amsterdam and those of the Raiffeisen Switzerland business units guarantee observance of the internal guidelines. Moreover, they are responsible for regular reporting on the liquidity situation and observance of limits.

The Risk Control department of Raiffeisen Switzerland is in charge of the independent measurement and monitoring of the liquidity requirements and limits and is responsible for the regular risk reporting to the Executive Board and Board of Directors of Raiffeisen Switzerland. The Risk Control department approves new liquidity-relevant products, services or business activities.

The Executive Board of Raiffeisen Switzerland is responsible for ensuring the risk tolerance and liquidity limits of the Raiffeisen Group and Raiffeisen Switzerland. It is in charge of implementing and observing the risk policy principles and requirements for identification, measurement, evaluation, management, monitoring and reporting of the liquidity risk. Furthermore, it reports to the Board of Directors and its committees.

The Board of Directors of Raiffeisen Switzerland determines the risk tolerance and liquidity limits of the Group as part of risk budgeting. Moreover, it stipulates the requirements for identification, measurement, evaluation, management, monitoring and reporting of the liquidity risk. The Boards of Directors of the Raiffeisen banks determine the internal bank limits to meet the Group-wide requirements.

The Accounting Division of Raiffeisen Switzerland ensures data are available to measure liquidity risk, produces the regulatory risk reports and is responsible for compliance with disclosure obligations.

The Internal Auditing of Raiffeisen Switzerland audits the effectiveness and appropriateness of the requirements process-independently.

Liquidity risk management

Liquidity risk management is oriented to limiting the liquidity risk and is intended to ensure that the Raiffeisen Group permanently has sufficient liquid assets in order to be able to meet its payment obligations in stress situations at all times.

Operational-tactical liquidity management is intended to cover the daily requirements for liquidity, cash and collateral management as well as ensuring access to the secured and unsecured money market. Strategic liquidity risk management controls the liquidity of the Raiffeisen Group according to regulatory and internal requirements and focuses on the sustainable refinancing of the business activities of the Raiffeisen Group and management of the liquidity reserve while observing the internal diversification requirements. In addition, it includes maintenance of the liquidity transfer price system, which ensures that costs to reduce the liquidity risk are offset according to the originator.

The liquidity reserve serves to bridge liquidity bottlenecks in the event of stress without impairing ongoing business operations. The level of the liquidity reserve corresponds as a minimum to the statutory and internal liquidity to be observed. The investments focus on balances at the Swiss National Bank (SNB), direct investments in bonds with high creditworthiness which meet the requirements for highly liquid assets (HQLA) according to the liquidity regulations, and securities from reverse repo transactions.

Liquidity reserves of the Raiffeisen Group

in million CHF	31.12.2021
Unencumbered liquid assets	
Liquid assets incl. SNB balances	57,191
Highly liquid securities	1,569
Total liquid assets	58,760

As of 31 December 2021, 97% of the stock of unencumbered high-quality liquid assets was kept in the form of liquid assets and SNB balances. The remaining 3% of the liquidity reserve consisted of unencumbered highly liquid securities. Of these, 13% belonged to assets in category 1 (HQLA) according to the requirements of the Liquidity Ordinance. 87% consisted of assets in category 2a, especially Swiss mortgage bonds.

Stress tests

To measure the liquidity risk, the Risk Control department regularly conducts liquidity stress tests. As a result, one can see how many days Raiffeisen would remain solvent in an internal liquidity stress scenario. This survival horizon is determined by the level of the stress-related cash outflows, the available liquidity reserve and the possible liquidity-generating emergency measures. The stress scenario includes a Raiffeisen-specific and market-wide shock, which would in particular result in constantly increasing outflows of otherwise stable private customer deposits while, at the same time, no refinancing would be possible on the money and capital markets. In calibrating the stress

scenario, the business model of Raiffeisen is taken into account. The survival horizon is determined both with and without emergency measures for liquidity preservation and generation.

The results serve to evaluate the liquidity situation of Raiffeisen and are periodically communicated as part of the risk reporting to the Executive Board and the Board of Directors of Raiffeisen Switzerland. The latter is also responsible for determining the liquidity risk tolerance.

The stress tests are reviewed regularly for appropriateness and updated as necessary.

Liquidity emergency planning

The solvency of the Raiffeisen Group is to be guaranteed in the event of bank-specific and market-related liquidity crises with liquidity emergency planning. The liquidity emergency plan assumes a constant deterioration in the liquidity and/or refinancing situation of the Raiffeisen Group. Determined escalation levels, which can be initiated depending on the gravity and nature of the crisis, provide for measures for liquidity preservation and generation. In addition, organisational requirements, processes and communicative measures are defined, which are intended to permit a fast, commensurate reaction to a liquidity crisis.

Daily monitoring of the regulatory and internal key figures and limits ensures that a deteriorating liquidity situation is recognised promptly. In the event of an escalation level being exceeded, a determined escalation process is triggered and the corresponding measures are taken quickly. In a liquidity crisis, Raiffeisen Switzerland is the first point of contact for the Raiffeisen banks to bridge any bottlenecks.

The liquidity emergency plan is reviewed in an annual process to ensure it is up-to-date, correct and appropriate and, if necessary, adjusted.

If the Raiffeisen Group is affected by a severe liquidity crisis, the overall emergency plan of the Raiffeisen Group enters into force at a defined escalation level.

Liquidity transfer price system

The internal liquidity transfer price system is an important instrument for the originator-related offsetting of the costs and risks for refinancing of the liquidity buffer, the balance sheet and off-balance-sheet contingent liabilities within the Raiffeisen Group. It ensures that the regulatory requirements are observed and incentives in favour of stable, liquidity-preserving means of financing and their efficient use are put in place properly.

Offsetting the costs for holding liquidity and ensuring a liquidity buffer occurs via quantitative requirements, which oblige the Group companies and business units of Raiffeisen Switzerland to hold and place high-quality assets at the Treasury department of Raiffeisen Switzerland. The requirements are charged to on- and off-balance-sheet positions which cause high liquidity holdings, and favour those with lower liquidity requirements. The interest rate of the liquidity investments depends on the conditions for high-quality assets.

Raiffeisen uses the net stable funding ratio (NSFR) as an internal management tool to ensure illiquid assets have stable refinancing. The transfer of excess refinancing funds within the Group occurs at market conditions for Raiffeisen on the money and capital markets.

The transfer price system is periodically reviewed by the Risk Control department.

Refinancing

The Raiffeisen banks and their branches finance their lending business for the most part via their own client deposits. Central mortgage institution loans serve as another stable source of financing. The Raiffeisen banks and branches of Raiffeisen Switzerland cover additional financing requirements via the Treasury of Raiffeisen Switzerland. The Treasury of Raiffeisen Switzerland provides the Group with additional means of financing, which it procures on the capital market via the issue of its own bonds, structured products and other capital market transactions.

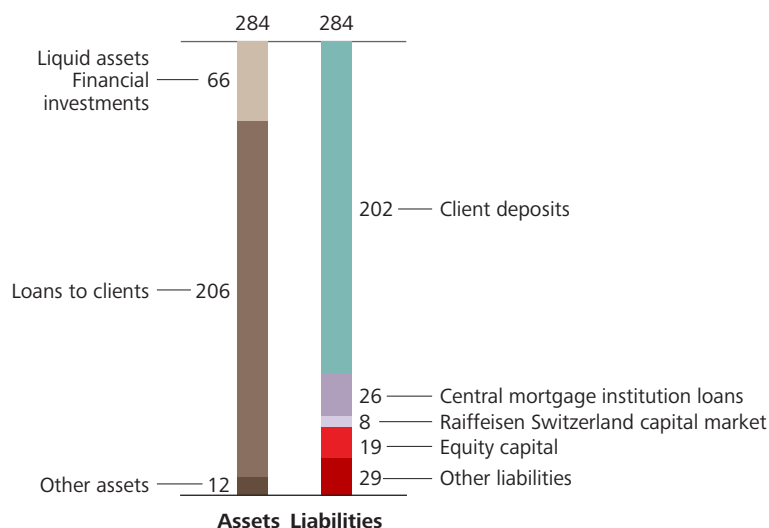
Due to wide diversification vis-à-vis private clients and the low dependence vis-à-vis major clients, there is hardly any concentration of financing sources. In addition, the refinancing sources can be described as very robust.

As part of its multi-year planning, the Treasury department of Raiffeisen Switzerland plans the refinancing potential within the Group and determines the capital market refinancing requirements. It regularly monitors the financing situation, taking into account the liquidity and the maturity structure of the on- and off-balance-sheet positions. This is intended to ensure a solid balance sheet structure and stable refinancing, even in periods of difficult market conditions.

Loans to clients amounted to CHF 206 billion, of which 95% were mortgage loans and approx. 5% were other client loans. The majority of the loans to clients are illiquid. CHF 167 billion of the loans to clients have a term of more than one year; of these, CHF 61 billion have a term of more than five years. 98% of the lending business is funded by customer deposits of CHF 202 billion, of which 86% stems from private clients and small companies and can be described as very stable. The remaining 14% of customer deposits are deposits made by commercial clients (not including banks). The Pfandbriefbank provides CHF 26 billion of stable funding. Capital market transactions of Raiffeisen Switzerland are a further stable source of funding. 83% of the portfolio of central mortgage institution loans and capital market transactions of Raiffeisen Switzerland has a term of over one year; 57% of the portfolio has a term of over five years. The money market portfolio serves exclusively for tactical liquidity management. This maximises the immunisation against risks on the money market. The liquidity reserve consists of the liquidity that must be held according to regulations (liquidity requirement) and excess liquidity.

Balance sheet structure

in billion CHF, 31.12.2021



LIQ1: Liquidity coverage ratio (LCR)

Art. 12 of the Liquidity Ordinance requires the Raiffeisen Group to comply with the liquidity coverage ratio (LCR). The LCR is intended to ensure that banks hold sufficient high-quality liquid assets (HQLA) in order to cover, at all times, the net cash outflow that could be expected in a standard stress scenario for 30 days, as defined by outflow and inflow assumptions. The published LCR metrics are based on the daily closing averages of all business days in the corresponding reporting quarters.

Of the portfolio of high-quality liquid assets (HQLA), 90% consist of category 1 assets, 96% of which are held as liquid funds. The remaining category 1 assets are mainly public-sector bonds with a minimum rating of AA-. Of the category 2 assets, which account for 10% of the HQLA portfolio, 90% consist of Swiss mortgage bonds. The remaining 10% are primarily public-sector bonds and covered bonds rated at least A-.

The HQLA portfolio (line 21) increased sharply in comparison to the last reporting period, especially in the third quarter. Net cash outflows (line 22) rose only moderately. The result was an increase in the short-term liquidity coverage ratio (line 23) to 187.4% in the third quarter and a slight decline to 185.4% in the fourth. This development is attributable to the strong growth in deposits of private clients (line 2). In addition, due to favourable market conditions, the portfolio of deposits of business clients and key accounts (line 5) underwent a further tactical increase. The remaining positions moved steadily in line with the growth in total assets.

LIQ1: Liquidity Coverage ratio (LCR)

in CHF million (unless stated otherwise)	Q3 2021 ¹		Q4 2021 ¹	
	Unweighted values	Weighted values	Unweighted values	Weighted values
A. High-quality liquid assets (HQLA)				
1 Total high-quality liquid assets (HQLA)		58,929		60,763
B. Cash outflows				
2 Retail deposits	116,334	11,580	118,564	11,759
3 of which stable deposits	6,000	300	6,000	300
4 of which less stable deposits	110,334	11,280	112,564	11,459
5 Unsecured business-client or wholesale funding	26,197	15,614	28,172	16,670
6 of which operational deposits (all counterparties) and deposits with the central institution of a cooperative bank network	–	–	–	–
7 of which non-operational deposits (all counterparties)	25,278	14,695	27,234	15,732
8 of which unsecured debt securities	920	920	938	938
9 Secured business client or wholesale funding and collateral swaps		122		57
10 Other cash outflows	14,381	3,555	15,409	3,592
11 of which cash outflows related to derivative exposures and other transactions	2,156	1,926	2,171	1,941
12 of which cash outflows related to loss of funding on asset-backed securities, covered bonds, other structured finance, asset-backed commercial paper, conduits, securities investment vehicles and other such financing facilities	154	154	119	119
13 of which cash outflows from committed credit and liquidity facilities	12,072	1,475	13,120	1,532
14 Other contractual funding obligations	3,861	2,275	5,019	2,931
15 Other contingent funding obligations	1,820	91	1,872	94
16 Total cash outflows		33,236		35,102
C. Cash inflows				
17 Secured funding transactions (e.g. reverse repo transactions)	272	56	226	49
18 Inflows from fully performing exposures	3,456	1,673	4,460	2,224
19 Other cash inflows	55	55	60	60
20 Total cash inflows	3,782	1,783	4,746	2,334
		adjusted value		adjusted value
21 Total high-quality liquid assets (HQLA)		58,929		60,763
22 Total net cash outflows		31,453		32,769
23 Liquidity coverage ratio (LCR) (%)		187.4%		185.4%

¹ Average daily closing averages of all business days in the reporting quarters.

LIQ2: Net stable funding ratio (NSFR) information

Art. 17h of the Liquidity Ordinance requires the Raiffeisen Group to comply with the net stable funding ratio (NSFR). This aims to ensure that a bank has stable refinancing in place over a one-year horizon at all times. The NSFR data published are quarter-end figures as at 30 September and 31 December 2021.

The funding ratio came into effect on 1 July 2021 and is published for the first time as at 31 December 2021 in the LIQ2 table.

The amount of available stable funding (line 14) was practically unchanged in the third and fourth quarters at CHF 223 billion. Stable deposits from private clients and small companies (line 4) amounted to CHF 157 billion in the third quarter and CHF 158 billion in the fourth quarter and accounted for the largest share of the available stable funding. The stable funding required (line 33) rose slightly in the fourth quarter compared to the third, from CHF 152 billion to CHF 154 billion. Unencumbered residential mortgage loans made up the largest share and came in first place (line 23) at CHF 112 billion in the third quarter and CHF 113 billion in the fourth. Available stable deposits and required stable funding combined result in a net stable funding ratio of 146.5% in the third quarter, slightly higher than the 144.9% in the fourth quarter. These figures put Raiffeisen well above the regulatory minimum of 100%.

LIQ2: Information on the NSFR

	a	b	c	d	e	
	Values not weighted, according to residual maturities				Weighted values	
	No maturity	< 6 months	≥ 6 months up to < 1 year	≥ 1 year		
in CHF million (unless stated otherwise)						
31.12.2021						
Information on the available stable funding (ASF)						
1	Equity instruments	18,687	–	–	2,037	20,725
2	Regulatory capital	18,687	–	–	1,214	19,902
3	Other equity instruments	–	–	–	823	823
4	Demand deposits and/or term deposits of private customers and small business customers:					
5	«Stable» deposits	6,000	–	–	–	5,700
6	«Less stable» deposits	163,436	2,360	693	2,789	152,630
7	Funding deposited by non-financial institutions (without small business customers) (wholesale customers):	10,395	1,771	289	548	6,775
8	Operational deposits	–	–	–	–	–
9	Non-operational deposits	10,395	1,771	289	548	6,775
10	Interdependent exposures	–	–	–	–	–
11	Other exposures	7,416	28,942	2,979	32,958	37,264
12	Exposures arising from derivative transactions	–	576	141	859	–
13	Other exposures and equity instruments	7,416	28,366	2,838	32,099	37,264
14	Total stable funding available					223,094
Information on the required stable funding (RSF)						
15	Total of high quality liquid assets (HQLA) NSFR					1,358
16	The bank's operational deposits held at other banks	138	–	–	–	69
17	Performing loans and securities	5,373	14,758	15,512	171,520	145,918
18	Performing loans to companies in the financial sector, secured with Category 1 and 2a HQLA	–	–	–	–	–
19	Performing loans to companies in the financial sector, secured or not secured with HQLA not in Category 1 or 2a	188	34	47	560	618
20	Performing loans to companies outside the financial sector, to retail and small business customers, to countries, central banks and sub-national public sector entities, of which	2,368	3,685	2,918	30,427	30,732
21	Risk-weighted up to 35% under the SA-BIS	–	–	–	86	56
22	Performing loans for residential properties: ¹	2,737	10,904	12,345	139,496	113,439
23	Risk-weighted up to 35% under the SA-BIS	2,737	10,904	12,345	139,496	113,439
24	Non-defaulted securities that do not qualify as HQLA, including exchange-traded shares	81	135	202	1,036	1,129
25	Assets with associated and dependent liabilities	–	–	–	–	–
26	Other assets	5,102	357	49	2,046	5,974
27	Physically traded commodities, including gold	452	–	–	–	384
28	Assets deposited to secure the initial margin for derivative transactions and default funds of a central counterparty	–	–	–	–	–
29	NSFR assets in the form of derivatives	–	–	–	1,475	–
30	NSFR liabilities in the form of derivative prior to the deduction of the variation margins	–	–	–	–	–
31	All remaining assets	4,650	357	49	571	5,590
32	Off-balance sheet items	–	435	412	5,385	655
33	Total stable funding required					153,975
34	Net Stable Funding Ratio (NSFR) (%)					144.9%

¹ This line includes only residential property loans with a preferential risk weighting of 35%, similar to line 23. The other residential property loans are treated as other loans and shown in line 20.

LIQ2: Information on the NSFR

	a	b	c	d	e	
	Values not weighted, according to residual maturities				Weighted values	
	No maturity	< 6 months	≥ 6 months up to < 1 year	≥ 1 year		
in CHF million (unless stated otherwise)						
30.09.2021						
Information on the available stable funding (ASF)						
1	Equity instruments	18,066	–	–	2,125	20,191
2	Regulatory capital	18,066	–	–	1,208	19,274
3	Other equity instruments	–	–	–	917	917
4	Demand deposits and/or term deposits of private customers and small business customers:					
5	«Stable» deposits	6,000	–	–	–	5,700
6	«Less stable» deposits	162,167	2,373	614	2,999	157,337
7	Funding deposited by non-financial institutions (without small business customers) (wholesale customers):	10,267	2,895	490	562	7,388
8	Operational deposits	–	–	–	–	–
9	Non-operational deposits	10,267	2,895	490	562	7,388
10	Interdependent exposures	–	–	–	–	–
11	Other exposures	7,983	28,994	3,393	32,445	38,054
12	Exposures arising from derivative transactions	–	270	173	985	–
13	Other exposures and equity instruments	7,983	28,724	3,220	31,460	38,054
14	Total stable funding available					222,971
Information on the required stable funding (RSF)						
15	Total of high quality liquid assets (HQLA) NSFR					1,493
16	The bank's operational deposits held at other banks	157	–	–	–	78
17	Performing loans and securities	5,628	16,377	15,189	168,086	144,042
18	Performing loans to companies in the financial sector, secured with Category 1 and 2a HQLA	–	–	–	–	–
19	Performing loans to companies in the financial sector, secured or not secured with HQLA not in Category 1 or 2a	285	41	36	536	604
20	Performing loans to companies outside the financial sector, to retail and small business customers, to countries, central banks and sub-national public sector entities, of which	2,388	4,077	2,937	29,582	30,247
21	Risk-weighted up to 35% under the SA-BIS	–	–	–	87	57
22	Performing loans for residential properties: ¹	2,934	12,193	12,083	136,828	112,077
23	Risk-weighted up to 35% under the SA-BIS	2,934	12,193	12,083	136,828	112,077
24	Non-defaulted securities that do not qualify as HQLA, including exchange-traded shares	21	66	132	1,140	1,113
25	Assets with associated and dependent liabilities	–	–	–	–	–
26	Other assets	5,024	410	81	1,974	5,965
27	Physically traded commodities, including gold	457	–	–	–	389
28	Assets deposited to secure the initial margin for derivative transactions and default funds of a central counterparty	–	–	–	–	–
29	NSFR assets in the form of derivatives	–	–	–	1,420	–
30	NSFR liabilities in the form of derivative prior to the deduction of the variation margins	–	–	–	–	–
31	All remaining assets	4,566	410	81	554	5,576
32	Off-balance sheet items	–	419	342	3,157	658
33	Total stable funding required					152,237
34	Net Stable Funding Ratio (NSFR) (%)					146.5%

¹ This line includes only residential property loans with a preferential risk weighting of 35%, similar to line 23. The other residential property loans are treated as other loans and shown in line 20.

Credit risk

CRA: Credit risk – general information

Credit risk management is based on regulatory provisions, regulations governing risk policy for the Raiffeisen Group and framework concepts for institute-wide risk management. The risk policy and the framework concepts aim to limit the negative impact of credit risks on earnings and protect the Raiffeisen Group against high exceptional losses while safeguarding and strengthening its good reputation. Please see the Raiffeisen Group's disclosure on the bank risk management approach (OVA) for details on the Raiffeisen Group's risk policy principles and overarching risk management approach.

The Raiffeisen Group limits and monitors credit risks via risk guidelines. Appropriate limits are used for quantifiable risks. Risks that are difficult to quantify are limited by qualitative stipulations.

Risks are managed by the responsible line units (first line). Raiffeisen Switzerland's Risk & Compliance department is responsible for independently monitoring credit risks (second line). This primarily involves monitoring compliance with the limits and specifications set out by the Board of Directors and the Executive Board. Internal Auditing ensures the independent review of the effectiveness of the credit risk management framework (third line).

For more information about the Raiffeisen Group's credit risk management and control approach, please see the "Management report – Risk management" chapter in the Raiffeisen Group Annual Report.

CR1: Credit risk – credit quality of assets

CR1 : Credit risk – Credit quality of assets

in CHF million 31.12.2021	a		b		c		d	
	Gross carrying values				Allowances ² / impairments	Net values		
	Defaulted exposures ¹	Non-defaulted exposures						
1	Loans (excluding debt securities)	814	267,609	675	267,748			
2	Debt securities	–	979	–	979			
3	Off-balance sheet exposures	6	13,513	14	13,505			
4	Total	820	282,100	689	282,231			

1 An exposure is considered 'defaulted' when it is classified as either 'impaired' or 'past due' as defined by financial reporting rules.

2 Including value adjustments and provisions for unimpaired loans/receivables as part of provisioning for latent risks since 1 January 2021.

CR2: Credit risk – changes in stock of defaulted loans and debt securities

CR2: Credit risk – Changes in stock of defaulted loans and debt securities

in CHF million		a
1	Defaulted loans and debt securities at end of the previous reporting period (30.06.2021)	943
2	Loans and debt securities that have defaulted since the last reporting period	155
3	Returned to non-defaulted status	–253
4	Amounts written off	–25
5	Other changes	–
6	Defaulted loans and debt securities at end of the reporting period (31.12.2021)	820

CRB: Credit risk – additional disclosure related to the credit quality of assets

The definitions of impaired and past due receivables are analogous to the definitions provided in the financial reporting rules.

Receivables are deemed to be impaired where the bank believes it improbable that the borrower will be able to completely fulfil his/her contractual obligations. Receivables are past due if they have not been paid in full more than 90 days after their due date.

Impairments are identified during the client management process based on client information, financial statement analyses and overrun lists. Clients with outstanding interest or principal payments, overdrawn accounts, credit limit violations or insufficient collateral are monitored using an early warning list. The client is deemed to be in default if these issues have not been resolved by the 90th day.

Raiffeisen does not use any definitions of its own for restructured exposures. Internal risk management relies entirely on the default definition.

CRB: Credit risk – Additional disclosure related to the credit quality of assets – Breakdown of exposures by geographical area

31.12.2021 in CHF million	Geographical area				
	Switzerland	Great Britain	Germany	Others	Total
1 Loans (excluding debt securities)	266,089	1,095	536	704	268,423
2 Debt securities	943	–	–	35	979
3 Off-balance sheet exposures	13,501	1	4	12	13,518
4 Total	280,533	1,096	540	752	282,920
Defaulted exposures	820	0	0	0	820
thereof impaired exposures	745	0	0	0	745
thereof not impaired exposures	75	0	0	0	75
Value adjustments for defaulted exposures	195	0	0	0	195

CRB: Credit risk – Additional disclosure related to the credit quality of assets – Breakdown of exposures by industry

31.12.2021 in CHF million	Industry							Total
	Central gov- ernments and Central banks	Institutions	Banks and Stockbrokers	Enterprises	Retail	Equity	Other exposures	
1 Loans (excluding debt securities)	56,990	3,377	2,502	3,689	200,173	–	1,692	268,423
2 Debt securities	34	184	4	757	–	–	–	979
3 Off-balance sheet exposures	0	1,482	143	1,781	10,113	–	–	13,518
4 Total Reporting Period	57,024	5,043	2,649	6,227	210,286	–	1,692	282,920
Defaulted exposures	–	1	–	32	787	–	–	820
thereof impaired exposures	–	1	–	32	713	–	–	745
thereof not impaired exposures	–	0	–	1	74	–	–	75
Value adjustments for default- ed exposures	–	0	–	16	179	–	–	195

CRB: Credit risk – Additional disclosure related to the credit quality of assets – Breakdown of exposures by residual maturity

31.12.2021 in CHF million	Due							Total
	at sight	cancellable	within 3 months	within 3 to 12 months	after 12 months and within 5 years	after 5 years	no maturity	
1 Loans (excluding debt securities)	59,410	5,041	12,548	23,498	106,317	61,610	–	268,423
2 Debt securities	0	–	2	3	399	575	–	979
3 Off-balance sheet exposures	7,609	78	219	621	3,626	1,365	–	13,518
4 Total	67,019	5,119	12,769	24,121	110,342	63,550	–	282,920
Receivables past due	226	–	25	57	85	35	–	427
thereof past due not impaired receivables	22	–	6	11	25	11	–	75
thereof past due and impaired receivables	204	–	19	46	60	24	–	352

CRC: Credit risk – disclosure related to credit risk mitigation techniques

Raiffeisen uses the comprehensive approach defined in Art. 62 (1) (b) of the Swiss Capital Adequacy Ordinance (CAO) with regard to risk mitigation; pledged cash collateral makes up the largest share of the capital recognised for regulatory capital adequacy purposes. Contractual netting, as defined in Art. 61 (1) (a) of the CAO, is applied to financial securities from Pfandbrief-bank schweizerischer Hypothekarinstitute AG, Zurich, in an amount equal to the nettable central mortgage institution loans. No other on- or off-balance-sheet netting is used.

Raiffeisen uses a conservative value-at-risk method and a portfolio model based on this method in order to measure credit portfolio risks for internal purposes.

CR3: Credit risk – overview of credit risk mitigation techniques

Raiffeisen uses the standardised approach to present the overview of credit risk mitigation techniques in order to ensure a consistent point of view. Regarding IRB disclosures, we refer to the IRB tables in this disclosure report.

CR3: Credit risk mitigation techniques – Overview

31.12.2021 in CHF million		a	b1 ¹	b ²	d	f
		Exposures unsecured: carrying amount	Exposures secured by collateral	of which secured amount	of which secured by financial guarantees	of which secured by credit derivatives
1	Loans ¹	66,913	200,835	199,103	1,732	–
2	Debt securities	908	71	71	–	–
3	Total	67,821	200,906	199,174	1,732	–
4	of which defaulted	291	692	689	3	–

¹ Loans according to the regulatory disclosure definitions.

² Mortgages are regarded as exposures secured by collateral according to column b.

CRD: Credit risk – disclosure related to banks' use of external credit ratings under the standardised approach

Raiffeisen generally uses the IRB approach when determining capital requirements for credit risks. Certain positions remain subject to the international standardised approach. In these cases, external ratings can be used to determine counterparty risk weights.

External issuer/ issue ratings from three FINMA-recognised rating agencies (Standard & Poor's, Moody's and Fitch) are used for the client categories of sovereigns and central banks, public-sector entities, banks and securities traders, as well as corporates.

Issuer/issue ratings from an export insurance agency (Swiss Export Risk Insurance, SERV) are also used for central governments; however, rating agency ratings take precedence over ratings issued by the export insurance agency.

Data from Fitch are used only for exposures held by Raiffeisen Switzerland and Raiffeisen Switzerland B.V. Amsterdam. Otherwise, no changes were made to the rating or export insurance agencies used in the year under review.

Positions for which external ratings are used are found chiefly under the following balance sheet items:

- Amounts due from banks
- Amounts due from clients
- Financial investments
- Positive replacement values of derivative financial instruments

CR4: Credit risk – risk exposures and credit risk mitigation (CRM) effects under the standardised approach

CR4: Credit risk – Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

31.12.2021 in CHF million (unless stated otherwise)	a		b		Carrying values		d		e		f	
	Exposures before CCF and CRM				Exposures post-CCF and CRM				RWA		RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount						
Asset classes												
1 Sovereigns and their central banks	57,024	0	58,555	19	5	0.0%						
2 Banks and securities traders	2,497	143	2,497	140	177	6.7%						
3 Public-sector entities and multilateral developments banks	2,867	1,454	2,882	656	1,534	43.4%						
4 Corporate	2,723	1,641	2,537	837	2,767	82.0%						
5 Retail	3,383	3,924	1,818	1,056	2,317	80.6%						
6 Equity securities	–	–	–	–	–	–						
7 Other assets	4,712	–	4,712	–	3,075	65.3%						
8 Total	73,207	7,162	73,000	2,709	9,874	12.9%						

CR5: Credit risk – exposures by exposure category and risk weights under the standardised approach

CR5: Credit risk – Exposures by exposure category and risk weights under the standardised approach

31.12.2021 in CHF million	a	b	c	d	e
	0%	10%	20%	35%	50%
Asset classes / Risk weight					
1 Sovereigns and their central banks	58,570	–	–	–	1
2 Banks and securities traders	1,974	–	517	–	146
3 Public-sector entities and multilateral developments banks	2	–	800	136	2,552
4 Corporate	43	–	707	18	20
5 Retail	–	–	–	803	–
6 Equity securities	–	–	–	–	–
7 Other assets	1,690	–	–	–	–
8 Total	62,277	–	2,024	956	2,720
9 thereof receivables secured by real estate ¹	–	–	–	956	–
10 thereof receivables past due	–	–	–	–	–

¹ Includes personal pension pillar 3 in combination with mortgage secured loans.

CR5: Credit risk – Standardised approach – exposures by asset classes and risk weights

	f	g	h	i	j
31.12.2021 in CHF million	75%	100%	150%	Other	Total credit exposures amount (post CCF and post-CRM)
Asset classes / Risk weight					
1 Sovereigns and their central banks	–	0	3	–	58,574
2 Banks and securities traders	–	0	–	–	2,637
3 Public-sector entities and multilateral developments banks	0	45	4	–	3,538
4 Corporate	2	2,542	44	–	3,375
5 Retail	140	1,930	1	–	2,874
6 Equity securities	–	–	–	–	–
7 Other assets	–	3,018	–	4	4,712
8 Total	142	7,535	51	4	75,710
9 thereof receivables secured by real estate	41	908	–	–	1,905
10 thereof receivables past due	–	4	–	–	7

CRE: IRB – disclosures related to models

IRB approach

Since 30 September 2019, Raiffeisen has been using the IRB approach (F-IRB) to calculate capital requirements for credit risks. Floor transitional rules are in place until 30 September 2022.

Raiffeisen uses IRB-compliant internal models to calculate the regulatory capital requirement for the private client (PC rating), corporate client (SME rating) and income-producing real estate (IPRE rating) portfolios. The international standardised approach (SA-BIS) is still used to determine the capital requirements of the remaining asset classes.

The calculation models applied are based on a combination of the probability of default (PD), loss given default (LGD) and exposure at default (EAD) factors.

The probability of default is calculated through the cycle (TTC) and represents the historical average value of the one-year probability of default. This takes into account the defaults over a longer period of time. It reduces susceptibility to economic changes. In addition, a margin of conservatism and stress component are taken into account for the calibration of the models.

Rating models

Rating models

Model name	Application
Rating for private clients (PC rating)	The PC rating model is used for financing in the case of private individuals, mainly for mortgages. Depending on the type of financing coverage in question, two sub-models are used. The model is based on a seven-year series of data. The PC rating model uses a function to estimate the probability that a client with specific characteristics will default within the next year, i.e. will not be able to meet their loan obligations. It takes into account regulatory requirements for conservatism and stress and applies the regulatory floor.
Rating for corporate clients (SME rating)	The SME rating model is used for commercial financing of small and medium-sized enterprises. It consists of various sub-models, depending on a company's size and sector. It is based on a seven-year series of data and uses various quantitative and qualitative factors from the balance sheet and income statement, applying a function to forecast a one-year probability of default and taking into account regulatory requirements for conservatism and stress.
Rating for income-producing real estate properties (IPRE rating)	The IPRE rating model is used for clients with financing of income-producing real estate and segments them according to the type of property financed. The rating model calculates a one-year probability of default using a statistical function. The model is based on a nine-year series of data and includes the regulatory requirements for conservatism and stress.
"Loss given default" for retail exposures (Retail LGD model)	Raiffeisen uses the Retail LGD model to determine the regulatory losses given default of the IRB Retail asset class, which consists of all private clients and retail corporate clients. The loss given default covers the portion of the receivable which results in a loss after realisation of all collateral. The way the loss given default is calculated takes into consideration both individually realised and potential loss information. The statistical estimate function also includes the regulatory requirements for conservatism and stress. The model is based on an eight-year series of data and applies the regulatory floor.
Exposure at default model (EAD methodology)	In the IRB Retail asset class, the presumed exposure at the time of defaulting is determined with the aid of the EAD model for all types of exposure. For on-balance-sheet items, the exposure at default corresponds to the gross debt amount of a credit at the time of defaulting. For off-balance-sheet items, credit approvals and contingent liabilities are converted into credit equivalents using the credit conversion factors (CCF).

IRB model governance

IRB model governance ensures that the models for calculating the regulatory capital requirement are used in accordance with the IRB and are properly developed, documented, implemented, operated and monitored. The processes, frequency and accountabilities are regulated in the model risk management process. This is to recognise and limit the risks that come with the use of models.

IRB model governance	
Element	Content
1. Development of models	<ul style="list-style-type: none"> – Model development – Quantitative and qualitative impact analysis – Independent initial validation – Approval of the initial validation
2. Approval of models	<ul style="list-style-type: none"> – Approval by the authorised persons within the bank
3. Implementation of models	<ul style="list-style-type: none"> – Technical implementation in the systems – Adapting the internal regulations, processes and controls – Training the users
4. Use of models	<ul style="list-style-type: none"> – Transition from the development phase into the operational phase
5. Monitoring and maintaining the models	<ul style="list-style-type: none"> – Regular independent validation

Development of models

Expert responsibility for devising and ongoing development of the models is held by the model owner. The model owner is Quantitative Risk Modelling and belongs to the Risk Control area of the Risk & Compliance department. Creation and updating of model documentation, which contains the relevant aspects of the models and highlights the relevant aspects of the models for third-party experts, is carried out by the model owner.

For internally developed models, key figure selection, parameter estimates and calibration are based on internal defaulting time series which are expanded with additional external data on a case-by-case basis. The finished model is assessed by the various internal stakeholders. These include representatives from front and back office departments, product management and from departments which are responsible for processes, regulations and the implementation of rating models. A quantitative and qualitative analysis of the expected impact of the new model (impact analysis) is then created.

Approval for initial validation is requested from the Chief Risk Officer. The initial validation as well as recurrent validations for internally developed models are carried out by an independent third party. Models from third-party providers are validated by an independent internal unit or an independent third party.

Approval of models

Once the validation has taken place and confirms the suitability of a model, the Executive Board and the Risk Committee of the Board of Directors of Raiffeisen Switzerland are asked to approve the model. Approved models are adopted into the model inventory.

The model owner ensures that the corresponding approval steps are followed, also for later model changes.

Implementation of models

Implementation covers the technical implementation in the systems, adapting the internal regulations, processes and controls as well as training the users. An approval under supervisory law is obtained from FINMA for models which are to be used for determining the regulatory capital requirement.

Use of models

Successful implementation is represented by the transition from the development phase into the operational phase. This covers the application of models which represent a significant element of risk management by the Raiffeisen Group, both at the individual transaction level and at the level of portfolio controlling measures.

The standardised application of the rating models is ensured through regulations and the process defined. The rating model to be applied in each case is automatically provided by the system in the lending process.

Monitoring and maintenance of models

The monitoring and maintenance of the models covers regular backtesting and a regular independent validation which checks the capability and suitability of the models.

The result of the regular check and the validation of the models is recorded in a detailed report. If the capability and suitability of the models is confirmed by an authorised person, they remain in operation for another year. The Executive Board, the Risk Committee and the Board of Directors of Raiffeisen Switzerland are kept informed of the result of the check and the confirmation of capability as part of a periodic IRB report.

Models and Methods Monitoring coordinates and monitors the whole life cycle of the models and ensures risk monitoring and reporting to the Executive Board, the Board of Directors and FINMA.

EAD allocation in %

The following table shows which share of the volume is treated under the standardised approach (SA-BIS) or the model approach (IRB), respectively.

CRE - EAD allocation		
in percent	SA-BIS	IRB
Asset class		
Sovereigns and their central banks	100%	0%
Banks and securities traders	100%	0%
Public-sector entities and multilateral development banks	100%	0%
Corporate	24%	76%
Retail	4%	96%
Equity securities	0%	100%
Other assets	100%	0%
Total credit risk	29%	71%

CR6: IRB – risk exposure by exposure category and probability of default

CR6: IRB – Credit risk exposures by portfolio and probability of default (PD) range

31.12.2021 in million CHF (unless stated otherwise) PD scale	a	b	c	d	e	f
	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF in %	Exposures post CRM and post-CCF	Average PD in %	Number of obligors
7 Corporate: specialised lending (F-IRB)						
0.00 to <0.15	2	0	75.0%	2	0.1%	11
0.15 to <0.25	4	0	75.0%	4	0.2%	8
0.25 to <0.50	75	3	75.0%	77	0.4%	85
0.50 to <0.75	740	27	75.0%	760	0.6%	506
0.75 to <2.50	13,644	1,079	75.2%	14,453	1.6%	7,090
2.50 to <10.00	4,177	289	75.1%	4,394	3.4%	2,086
10.00 to <100.00	193	7	75.0%	198	26.9%	97
100.00 (Default)	146	17	75.0%	159		120
Subtotal	18,980	1,422	75.1%	20,047	2.2%	10,003
9 Corporate: other lending (F-IRB)						
0.00 to <0.15	131	44	88.2%	164	0.0%	30
0.15 to <0.25	77	44	89.4%	112	0.2%	58
0.25 to <0.50	262	124	87.1%	355	0.4%	119
0.50 to <0.75	648	224	88.2%	830	0.6%	285
0.75 to <2.50	4,408	1,014	82.5%	5,181	1.5%	2,148
2.50 to <10.00	2,224	469	79.1%	2,580	3.3%	1,125
10.00 to <100.00	38	3	75.0%	40	22.1%	27
100.00 (Default)	143	12	87.8%	152		107
Subtotal	7,931	1,932	83.2%	9,414	1.9%	3,899
11 Retail: positions secured by real estate						
0.00 to <0.15	19,152	236	100.0%	19,387	0.1%	72,376
0.15 to <0.25	19,359	372	100.0%	19,731	0.2%	49,297
0.25 to <0.50	33,286	867	100.0%	34,153	0.4%	76,225
0.50 to <0.75	25,104	695	100.0%	25,798	0.6%	56,141
0.75 to <2.50	65,266	1,749	100.0%	67,015	1.3%	105,212
2.50 to <10.00	7,450	668	100.0%	8,118	3.7%	10,520
10.00 to <100.00	369	30	100.0%	399	27.3%	451
100.00 (Default)	736	9	100.0%	746		1,412
Subtotal	170,721	4,625	100.0%	175,347	0.9%	371,634
13 Retail: other positions						
0.00 to <0.15	5	53	100.0%	58	0.1%	283
0.15 to <0.25	17	48	100.0%	65	0.2%	502
0.25 to <0.50	108	105	100.0%	213	0.4%	1,303
0.50 to <0.75	98	130	100.0%	228	0.6%	1,587
0.75 to <2.50	413	456	100.0%	870	1.4%	7,267
2.50 to <10.00	238	197	100.0%	435	3.7%	3,347
10.00 to <100.00	5	2	100.0%	7	21.1%	68
100.00 (Default)	16	24	100.0%	26		708
Subtotal	900	1,016	100.0%	1,902	1.7%	15,065
Total (all portfolios)	198,532	8,995	91.7%	206,711	1.1%	400,601

CR6: IRB – Credit risk exposures by portfolio and probability of default (PD) range

31.12.2021 in million CHF (unless stated otherwise) PD scale	g	h	i	j	k	l
	Average LGD in %	Average maturity in years	RWA	RWA density in %	Expected loss	Provisions ¹
7 Corporate: specialised lending (F-IRB)						
0.00 to <0.15	45.0%	2.3	1	28.9%	0	0
0.15 to <0.25	45.0%	4.3	2	52.6%	0	0
0.25 to <0.50	36.6%	2.7	38	49.6%	0	0
0.50 to <0.75	38.0%	2.9	476	62.7%	2	1
0.75 to <2.50	39.1%	3.1	12,887	89.2%	88	41
2.50 to <10.00	40.5%	3.1	4,816	109.6%	60	28
10.00 to <100.00	41.2%	2.8	349	176.5%	22	9
100.00 (Default)	42.0%	2.5	169	106.0%	18	18
Subtotal	39.4%	3.1	18,738	93.5%	190	96
9 Corporate: other lending (F-IRB)						
0.00 to <0.15	42.4%	3.0	28	17.3%	0	0
0.15 to <0.25	38.5%	2.6	37	33.1%	0	0
0.25 to <0.50	39.2%	2.5	174	48.9%	1	1
0.50 to <0.75	38.2%	2.7	487	58.7%	2	3
0.75 to <2.50	37.1%	2.6	3,825	73.8%	30	26
2.50 to <10.00	36.4%	2.4	2,240	86.8%	31	21
10.00 to <100.00	36.1%	1.9	55	135.1%	3	1
100.00 (Default)	39.1%	1.7	161	106.0%	49	49
Subtotal	37.2%	2.5	7,007	74.4%	116	100
11 Retail: positions secured by real estate						
0.00 to <0.15	10.8%		831	4.5%	2	2
0.15 to <0.25	10.8%		1,446	7.3%	4	6
0.25 to <0.50	11.3%		4,129	12.1%	14	21
0.50 to <0.75	11.4%		4,447	17.2%	18	27
0.75 to <2.50	12.1%		22,843	33.6%	111	185
2.50 to <10.00	13.1%		4,790	59.0%	40	61
10.00 to <100.00	14.7%		490	122.6%	16	19
100.00 (Default)	20.5%		793	106.0%	74	74
Subtotal	11.7%		39,769	22.7%	279	396
13 Retail: other positions						
0.00 to <0.15	26.2%		4	6.4%	0	0
0.15 to <0.25	29.6%		8	12.9%	0	0
0.25 to <0.50	37.2%		51	24.0%	0	0
0.50 to <0.75	45.8%		90	39.3%	1	0
0.75 to <2.50	46.7%		491	56.4%	6	4
2.50 to <10.00	46.9%		306	70.4%	7	4
10.00 to <100.00	43.3%		6	84.3%	1	1
100.00 (Default)	44.6%		27	106.0%	51	51
Subtotal	44.3%		983	51.7%	66	60
Total (all portfolios)	15.8%		66,497	32.2%	651	651

¹ Including value adjustments and provisions for unimpaired loans/receivables as part of provisioning for latent risks since 1 January 2021.

CR8: IRB – RWA flow statements of credit risk exposures

CR8: IRB: RWA flow statements of credit risk exposures under IRB

		a
in million CHF		RWA amounts
1	RWA as at the end of previous reporting period (30.06.2021)	66,520
2	Asset size	1,292
3	Asset quality ¹	-1,311
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	-4
8	Other	-
9	RWA as at end of reporting period (31.12.2021)	66,497

1 In the second half of 2021 RWA fell by CHF 1.3 billion in terms of asset quality, largely due to an improvement in the customer ratings.

CR9: IRB – backtesting of probability of default estimates by exposure category

CR9: IRB: Backtesting of PD per portfolio

31.12.2021	a / b	c			d	e
	PD range	External rating equivalent			Weighted average PD	Arithmetic average PD by obligors
		Moody's	Standard & Poor's	Fitch		
7 Corporate: specialised lending (F-IRB)						
	0,00 bis <0,15	Aaa – A3	AAA – A-	AAA – A-	0.1%	0.1%
	0,15 bis <0,25	Baa1 – Baa2	BBB+ – BBB	BBB+ – BBB	0.2%	0.2%
	0,25 bis <0,50	Baa3	BBB-	BBB-	0.4%	0.4%
	0,50 bis <0,75	Ba1	BB+	BB+	0.6%	0.6%
	0,75 bis <2,50	Baa2 – Ba3	BB – BB-	BB – BB-	1.6%	1.5%
	2,50 bis <10,00	B1 – B3	B+ – B-	B+ – B-	3.4%	3.4%
	10,00 bis <100,00	Caa – C	CCC – C	CCC – C	26.9%	29.8%
	100,00 (Default)	D	D	D	–	–
	Subtotal				2.2%	2.2%
9 Corporate: other lending (F-IRB)						
	0,00 bis <0,15	Aaa – A3	AAA – A-	AAA – A-	0.0%	0.1%
	0,15 bis <0,25	Baa1 – Baa2	BBB+ – BBB	BBB+ – BBB	0.2%	0.2%
	0,25 bis <0,50	Baa3	BBB-	BBB-	0.4%	0.4%
	0,50 bis <0,75	Ba1	BB+	BB+	0.6%	0.6%
	0,75 bis <2,50	Baa2 – Ba3	BB – BB-	BB – BB-	1.5%	1.6%
	2,50 bis <10,00	B1 – B3	B+ – B-	B+ – B-	3.3%	3.5%
	10,00 bis <100,00	Caa – C	CCC – C	CCC – C	22.1%	19.3%
	100,00 (Default)	D	D	D	–	–
	Subtotal				1.9%	2.2%
11 Retail: positions secured by real estate						
	0,00 bis <0,15	Aaa – A3	AAA – A-	AAA – A-	0.1%	0.1%
	0,15 bis <0,25	Baa1 – Baa2	BBB+ – BBB	BBB+ – BBB	0.2%	0.2%
	0,25 bis <0,50	Baa3	BBB-	BBB-	0.4%	0.4%
	0,50 bis <0,75	Ba1	BB+	BB+	0.6%	0.6%
	0,75 bis <2,50	Baa2 – Ba3	BB – BB-	BB – BB-	1.3%	1.3%
	2,50 bis <10,00	B1 – B3	B+ – B-	B+ – B-	3.7%	3.7%
	10,00 bis <100,00	Caa – C	CCC – C	CCC – C	27.3%	25.3%
	100,00 (Default)	D	D	D	–	–
	Subtotal				0.9%	0.7%
13 Retail: other positions						
	0,00 bis <0,15	Aaa – A3	AAA – A-	AAA – A-	0.1%	0.1%
	0,15 bis <0,25	Baa1 – Baa2	BBB+ – BBB	BBB+ – BBB	0.2%	0.2%
	0,25 bis <0,50	Baa3	BBB-	BBB-	0.4%	0.4%
	0,50 bis <0,75	Ba1	BB+	BB+	0.6%	0.6%
	0,75 bis <2,50	Baa2 – Ba3	BB – BB-	BB – BB-	1.4%	1.5%
	2,50 bis <10,00	B1 – B3	B+ – B-	B+ – B-	3.7%	3.5%
	10,00 bis <100,00	Caa – C	CCC – C	CCC – C	21.1%	22.8%
	100,00 (Default)	D	D	D	–	–
	Subtotal				1.7%	1.8%
	Total				1.1%	0.8%

CR9: IRB: Backtesting of PD per portfolio

31.12.2021	a / b	f		g	h	i
	PD range	End of previous year	End of the year	Defaulted obligors in the year	of which: number of new defaulted obligors in the year	Average historical annual default rate ¹
7 Corporate: specialised lending (F-IRB)						
	0,00 bis <0,15	13	11	–	–	–
	0,15 bis <0,25	11	8	–	–	–
	0,25 bis <0,50	76	85	–	–	–
	0,50 bis <0,75	502	506	–	–	–
	0,75 bis <2,50	6,667	7,090	6	–	0.1%
	2,50 bis <10,00	1,793	2,086	11	1	0.5%
	10,00 bis <100,00	105	97	11	2	13.7%
	100,00 (Default)	124	120	–	–	–
	Subtotal	9,291	10,003	28	3	0.7%
9 Corporate: other lending (F-IRB)						
	0,00 bis <0,15	33	30	–	–	–
	0,15 bis <0,25	37	58	–	–	–
	0,25 bis <0,50	96	119	2	–	0.8%
	0,50 bis <0,75	239	285	1	–	0.6%
	0,75 bis <2,50	1,877	2,148	6	–	0.3%
	2,50 bis <10,00	802	1,125	8	–	0.9%
	10,00 bis <100,00	18	27	3	1	5.6%
	100,00 (Default)	88	107	–	–	–
	Subtotal	3,190	3,899	20	1	1.4%
11 Retail: positions secured by real estate						
	0,00 bis <0,15	68,001	72,375	9	–	0.0%
	0,15 bis <0,25	47,286	49,297	5	–	0.0%
	0,25 bis <0,50	75,306	76,225	20	1	0.0%
	0,50 bis <0,75	57,187	56,141	35	9	0.1%
	0,75 bis <2,50	106,432	105,212	93	19	0.1%
	2,50 bis <10,00	11,384	10,520	87	7	0.9%
	10,00 bis <100,00	540	451	31	3	7.3%
	100,00 (Default)	1,706	1,412	–	–	–
	Subtotal	367,842	371,634	280	39	0.2%
13 Retail: other positions						
	0,00 bis <0,15	192	283	–	–	–
	0,15 bis <0,25	407	502	–	–	–
	0,25 bis <0,50	1,189	1,303	3	–	0.1%
	0,50 bis <0,75	1,619	1,587	2	–	0.1%
	0,75 bis <2,50	6,838	7,267	15	–	0.2%
	2,50 bis <10,00	3,385	3,347	17	–	0.6%
	10,00 bis <100,00	85	68	6	–	7.4%
	100,00 (Default)	873	708	–	–	–
	Subtotal	14,588	15,065	43	–	1.6%
Total	Total	394,911	400,601	371	43	0.3%

¹ Due to the adoption of the IRB approach as of 30.09.2019, the average historical annual default rate for reference date 31.12.2021 is based on an average of 2 years.

Raiffeisen has no specialised lending according to the definition of table CR10.

For equity securities Raiffeisen applies no modelling and uses the simple risk weight method.

CR10: IRB – specialized lending and equities under the simple risk weight method

31.12.2021 in CHF million (unless stated otherwise)	On-balance sheet amount	Off-balance sheet amount	Risk weight in %	Exposure amount	RWA
Exchange-traded equity exposures	0	–	300%	0	0
Private equity exposures	–	–	400%	–	–
Other equity exposures	87	–	400%	87	371
Total	87	–		87	371

Counterparty credit risk

CCR1: Counterparty credit risk – analysis by approach

CCR1: Counterparty credit risk – Analysis by approach

		a	b	c	d	e	f
31.12.2021 in CHF million (unless stated otherwise)		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	47	418		1,4	627	297
2	Internal Model Method (for derivatives and SFTs)			–	–	–	–
3	Simple Approach for credit risk mitigation (for SFTs)					–	–
4	Comprehensive Approach for credit risk mitigation (for SFTs)					7,376	1,163
5	VaR for SFTs					–	–
6	Total						1,460

CCR2: Counterparty credit risk – credit valuation adjustment (CVA) capital charge

CCR2 : Counterparty credit risk – Credit valuation adjustment (CVA) capital charge

31.12.2021 in CHF million		a	b
		EAD post CRM	RWA
Total portfolios subject to the Advanced CVA capital charge		–	–
1	VaR component (including the 3×multiplier)		–
2	Stressed VaR component (including the 3×multiplier)		–
3	All portfolios subject to the Standardised CVA capital charge	627	122
4	Total subject to the CVA capital charge	627	122

CCR3: Counterparty credit risk – exposures by exposure category and risk weights under the standardised approach

CCR3: Counterparty credit risk – Standardised approach to CCR exposures by regulatory portfolio and risk weights

31.12.2021 in million CHF		a	b	c	d	e	f	g	h	i
		0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
1	Sovereigns and their central banks	1,553	–	–	–	–	0	–	–	1,553
2	Banks and securities traders	–	–	292	252	–	6	–	432	982
3	Public-sector entities and multilateral devel- opments banks	15	–	531	–	–	1	–	–	547
4	Corporates	8	–	5,240	–	–	80	–	–	5,328
5	Retail	–	–	–	–	–	24	–	–	24
6	Equity securities	–	–	–	–	–	–	–	–	–
7	Other assets	–	–	–	–	–	–	–	–	–
8	Total	1,576	–	6,063	252	–	111	–	432	8,434

CCR5: Counterparty credit risk – composition of collateral for exposures subject to counterparty credit risk

CCR5: Counterparty credit risk – Composition of collateral for CCR exposure

31.12.2021 in CHF million	a		b		c		d		e		f	
	Collateral used in derivative transactions						Collateral used in SFTs					
	Fair value of collateral received				Fair value of posted collateral				Fair value of collateral received		Fair value of posted collateral	
	Segregated ¹		Unsegregated		Segregated ¹		Unsegregated					
Cash – domestic currency (CHF)	–		28		–		227		7,286		–	
Cash – other currencies	–		27		–		58		–		–	
Domestic sovereign debt	–		–		–		–		–		1,529	
Other sovereign debt	–		3		–		–		–		–	
Government agency debt	–		–		–		–		–		–	
Corporate bonds	–		144		–		109		–		5,346	
Equity securities	–		–		–		–		–		–	
Other collateral	–		31		–		85		–		569	
Total	–		234		–		480		7,286		7,445	

¹ Segregated refers to collateral which is held in a bankruptcy-remote manner.

CCR6: Counterparty credit risk – credit derivatives exposures

CCR6: Counterparty credit risk - Credit derivatives exposures¹

31.12.2021 in CHF million	a	b
	Protection bought	Protection sold
Notionals		
Single-name credit default swaps	–	–
Index credit default swaps	614	43
Total return swaps	–	–
Credit options	–	–
Other credit derivatives	–	–
Total Notionals	614	43
Fair values	612	42
Positive replacement values (assets)	3	0
Negative replacement values (liabilities)	–6	–1

¹ Credit derivatives are used to hedge the structured products issued by Raiffeisen.

CCR8: Counterparty credit risk – exposures to central counterparties

CCR8: Counterparty credit risk – Exposures to central counterparties		a	b
31.12.2021 in CHF million		EAD post CRM	RWA
1	Exposures to QCCPs (total)	711	10
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions)	433	8
3	of which OTC derivatives	433	8
4	of which exchange-traded derivatives	–	–
5	of which securities financing transactions	–	–
6	of which netting sets where cross-product netting has been approved	–	–
7	Segregated initial margin	–	–
8	Non-segregated initial margin	249	–
9	Pre-funded default fund contributions	10	2
10	Unfunded default fund contributions	20	–
11	Exposures to non-QCCPs (total)	–	–
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions)	–	–
13	of which OTC derivatives	–	–
14	of which Exchange-traded derivatives	–	–
15	of which securities financing transactions	–	–
16	of which netting sets where cross-product netting has been approved	–	–
17	Segregated initial margin	–	–
18	Non-segregated initial margin	–	–
19	Pre-funded default fund contributions	–	–
20	Unfunded default fund contributions	–	–

Market risk

MRA: Market risk – qualitative disclosure requirements

Please see the Raiffeisen Group's disclosure on the bank risk management approach (OVA) for details on the Raiffeisen Group's risk policy principles and overarching risk management approach. The following applies with respect to market risks in the trading book:

of the entities within the Raiffeisen Group, Raiffeisen Switzerland's Corporate Clients, Treasury & Markets department and its subsidiary Raiffeisen Switzerland B.V. Amsterdam each run a trading book. The subsidiary Raiffeisen Switzerland B.V. Amsterdam serves the purpose of issuing and selling structured products that are exempt from withholding tax.

The Corporate Clients, Treasury & Markets department is responsible for managing Raiffeisen Switzerland's trading book. Neither the Raiffeisen banks nor the branches of Raiffeisen Switzerland keep trading books. Trading activities include interest rates, currencies, equities and banknotes / precious metals. There must be strict adherence to the value-at-risk, scenario, position and loss limits set by the Board of Directors and the Executive Board, which the Risk & Compliance department monitors on a daily basis. In addition, the Risk & Compliance department conducts daily plausibility checks of the valuation parameters used to produce profit and loss figures for trading.

Reporting on compliance with value-at-risk, scenario, position and loss limits and the assessment of the risk situation by the Risk & Compliance department is conducted at a frequency ranging from daily to quarterly and sent to the responsible members of the Executive Board, the Executive Board and the Board of Directors of Raiffeisen Switzerland.

The Risk & Compliance department communicates breaches of market risk limits set by the Board of Directors and Executive Board on an ad hoc basis within the scope of the respective risk reports.

The capital requirements for market risks in both trading books are calculated using the standard approach under supervisory law. Within this framework, the duration method is applied for general market risk with regard to interest rate instruments, and the delta-plus approach is used for capital requirements for options.

MR1: Capital adequacy under standardised approach

MR1: Market risk – Market risk under standardised approach

31.12.2021
in CHF million

	a
	RWA
Outright products	
1 Interest rate risk (general and specific)	1,224
2 Equity risk (general and specific)	63
3 Foreign exchange risk	377
4 Commodity risk	686
Options	
5 Simplified approach	–
6 Delta-plus method	64
7 Scenario approach	–
8 Securitisation	–
9 Total	2,414

Interest rate risks

IRRBB: Objectives and policies for managing interest rate risks in the banking book

a) Definition of IRRBB

Raiffeisen is subject to interest rate risk in the banking book (IRRBB) whenever changes in the market interest rate reduce interest income or the economic value of the Group or individual units of the Group. The banking book consists of all on- and off-balance-sheet items not assigned to the trading book.

The Raiffeisen Group distinguishes between the following types of interest rate risk:

- Gap risk results from mismatches between the fixed interest rate periods for receivables and liabilities.
- Basis risk is the result of opposite positions that have similar interest rate reset characteristics but are linked to different market interest rates.
- Option risk is risk arising from options (explicit or embedded in other products) that entitle the counterparty or client to alter the level and/or timing of their cash flows in a way that is detrimental to Raiffeisen. Products without any contractually fixed interest rate periods or capital commitment periods that include optionality in the form of withdrawal options are not allocated to option risk since they are included in risk measurement via replicating portfolios as interest rate repricing risk.

The Raiffeisen Group distinguishes between the net present value and period impacts of IRRBB for risk measurement and management purposes:

- The net present value perspective captures the immediate impacts of changes in the market interest rate on the economic value of the exposures in the banking book (asset effect).
- The earnings perspective captures the short- to medium-term impacts of interest rate changes on interest income (income effect).

b) Managing IRRBB

The Raiffeisen Group has a strong position in interest operations. Raiffeisen is exposed to a significant gap risk resulting from mismatches between the fixed interest rate periods of assets and liabilities. However, the Group's basis risk and option risk exposures are negligible.

The Board of Directors of Raiffeisen Switzerland assumes overall responsibility for risk management and risk control within the Raiffeisen Group. It defines the risk policy and determines the risk tolerance of the Raiffeisen Group each year. The Board of Directors issues a framework for Group-wide risk management that contains BoD-approved guidelines for identifying, measuring, assessing, managing, monitoring and reporting on interest rate risk in the banking book.

The Board of Directors of Raiffeisen Switzerland sets interest rate risk limits for the Raiffeisen banks and for Raiffeisen Switzerland in its annual risk budget:

- Every Raiffeisen bank's Board of Directors sets the interest rate risk limit for its bank within the parameters defined for the Group as a whole.
- The Executive Board of Raiffeisen Switzerland apportions the limit set by the Board of Directors to the risk-bearing organisational units of Raiffeisen Switzerland.

The risk limitation is focused on the net present value perspective. This allows all exposures to be captured until the end of their fixed interest rate periods and the loss risk to be limited. In addition, income effects are limited to a three-year horizon at Group level.

Variable products without any contractually fixed interest rate periods or capital commitment periods can only be included in the net present value risk measurement if the cash flows and interest rate reset dates are modelled. This is done by creating replication portfolios out of rolling fixed interest rate tranches that best reflect the products' interest rate risk and interest rate reset behaviour.

The replicating models for variable products are developed by the Risk & Compliance department of Raiffeisen Switzerland and approved by the Risk Committee of Raiffeisen Switzerland's Board of Directors. As part of model risk management, the models are backtested annually and independently validated at least every three years or after significant changes to the models.

Interest rate risks are managed in an autonomous, decentralised fashion, subject to process and limit requirements, by the individual Raiffeisen banks and the risk-bearing organisational units of Raiffeisen Switzerland:

- The Raiffeisen banks and the Corporate Clients, Treasury & Markets department of Raiffeisen Switzerland deliberately assume interest rate risks in the course of their business activities in order to generate income from maturity transformation. Hedging transactions are concluded centrally with Raiffeisen Switzerland's Treasury area.
- The Treasury unit of the Corporate Clients, Treasury & Markets department of Raiffeisen Switzerland serves as the central counterparty within the Raiffeisen Group for refinancing, investment and interest hedging transactions and for liquidity investments. It also manages Raiffeisen Switzerland's financial investments and liquid assets. Hedging transactions are conducted using Raiffeisen Switzerland's trading book, which hedges the exposures on the market.
- The Structured Products & FX Advisory unit of the Corporate Clients, Treasury & Markets department is responsible for Raiffeisen Switzerland's business of issuing structured investment products. To accomplish this, it engages in matching investment and refinancing transactions with Treasury. Any hedging transactions are conducted using Raiffeisen Switzerland's trading book, which hedges the exposures on the market.

The responsible units have a proven analytical risk management tool-kit that allows them to simulate adverse interest rate trends and assess their impacts at any time.

The Risk & Compliance department generates and analyses regular and ad hoc stress scenarios at Group level.

The Raiffeisen Asset & Liability Committee monitors the interest rate risk situation of the Raiffeisen Group and of Raiffeisen Switzerland and ensures the interest rate risks in the banking book are managed consistently.

The Risk & Compliance department independently monitors and regularly reports on compliance with the interest rate risk limits set by the Board of Directors and Executive Board of Raiffeisen Switzerland. The Executive Board of every Raiffeisen bank regularly reports to the bank's Board of Directors on the interest rate risk situation and compliance with the bank's risk limits.

Internal rules, instructions and directives firmly define the organisational and operational structure used for interest rate risk management. Internal Auditing assesses the effectiveness and appropriateness of the interest rate risk management system independently of the processes.

c) IRRBB metrics

The interest rate risk in the banking book is assessed on an individual and aggregate basis for all Raiffeisen banks and risk-bearing units of Raiffeisen Switzerland.

Absolute and relative sensitivity measures and value-at-risk are used to quantify asset effects from the net present value perspective. Calculations are performed daily, weekly, monthly or quarterly depending on the metric and the level at which the data are collected.

Income effects from the earnings perspective are determined quarterly by means of dynamic simulations. The simulation horizon is three years for the Group and two years for a Raiffeisen bank or branch of Raiffeisen Switzerland.

d) Interest rate scenarios for IRRBB assessment

The following interest rate shock scenarios are used at the Raiffeisen Group to quantify the immediate impacts of instantaneous changes in market interest rates on the economic value of the banking book:

- Standard interest rate shock scenarios as set out in Annex 2 of FINMA Circular 2019/2 "Interest rate risks – banks"
- Internal interest rate shock scenarios:
 - Parallel shifts of +/- 100 and + 200 basis points
 - Steeper shock
 - Flattener shock or inversion

In addition, the value-at-risk calculation uses an interest rate change derived from the historical market data and resulting from a highly negative trend that statistically has a one in 1,000 chance of occurring and is thus more severe than the predefined interest rate shock scenarios.

The following interest rate stress scenarios are used to assess the short- to medium-term impacts of ongoing market interest rate changes on interest income:

- Constant interest rates
- Interest rates rise 200 basis points
- Interest rates fall 100 basis points

The defined interest rate scenarios are supplemented on an ad hoc basis by sensitivity analyses and stress scenarios. The Raiffeisen banks and the units of Raiffeisen Switzerland's Corporate Clients, Treasury & Markets department can generate and analyse individual interest rate scenarios at any time.

e) Non-standard model assumptions

Unlike the Δ EVE metrics in Table IRRBB1, all the cash flows, including any margin and spread components, are discounted in the internal calculations. Own AT1 bonds are also included in the cash flow.

Net present value falls more when interest rates rise if the margin and spread components are included in the Raiffeisen Group's cash flow. Net present value falls less when interest rates rise if the AT1 bonds are included in the Raiffeisen Group's cash flow.

In contrast to the internal assumptions, current account balances held at the Swiss National Bank and recognised central savings banks are treated as non-interest-rate-sensitive exposures in Δ EVE calculations that have been standardised based on FINMA guidelines. This is true despite the charging of negative interest above the applicable exemption threshold. The resulting differences are negligible.

f) Hedges

The Treasury unit of Raiffeisen Switzerland serves as the Group-wide central counterparty for interest rate hedging transactions in the banking book. Offsetting transactions are concluded, where required, with external counterparties using Raiffeisen Switzerland's trading book.

Derivative financial instruments used to hedge risk associated with fluctuating interest rates as part of balance sheet structure management are valued in accordance with the accrual method. Interest-related gains and losses arising from the early realisation of contracts are accrued over their remaining lives.

g) Key modelling and parametric assumptions

1. Cash flows for Δ EVE calculations

Cash flows are discounted without margin or spread components.

2. Mapping procedure for Δ EVE calculations

The cash flows of products with fixed interest rate periods and capital commitment periods are determined at the level of individual exposures. Variable products are replicated.

3. Discounting for Δ EVE calculations

Discounting uses zero coupon interest rates derived from currency-specific swap curves.

4. Δ NII calculations

The Δ NII metrics in Table IRRBB1 are determined by means of simulation. The balance sheet is assumed to be constant. All exposures due to mature or be revalued within a one-year period are replaced by exposures of an equal amount that possess comparable interest rate reset characteristics on an average portfolio basis. Any margin or spread components are based on values that are used in new business.

The base scenario assumes that the market interest rates and the interest rates for the variable products do not change.

In the "Parallel shift up" scenario, interest rates in the variable deposit-taking business only go up moderately due to the current interest rate environment, while no interest rate changes are made on the asset side.

In the "Parallel shift down" scenario, variable-rate customer deposits are assumed to be protected from negative interest rates, except for transactional balances, while moderate interest rate cuts are expected on the asset side.

5. Variable exposures

Replication is used for products with no definite fixed interest rate periods or capital commitment periods where the amounts and timing of the cash flows are not contractually fixed. This is done by creating portfolios out of rolling fixed interest rate tranches that are intended to best reflect the products' interest rate risk and interest rate reset behaviour.

Replicating models based on recognised quantitative procedures are used for all key variable asset and liability products in the client business. The modelling uses historical empirical data (market and client interest rates, volume changes) and the results are validated using forward-looking interest rate scenarios.

The other variable exposures (e.g. call amounts due to and from banks) are not modelled; instead, a short fixed interest rate period is assumed.

6. Exposures with repayment options

Asset products with embedded behavioural repayment options are only provided in isolated cases and represent a negligible volume for the Group as a whole. Optionalities are therefore not included in the cash flow.

7. Automatic interest rate options

Interest rate options that can be exercised automatically to Raiffeisen's detriment are not relevant to the Raiffeisen Group's banking book.

8. Derivative exposures

No non-linear interest rate derivatives are employed in the Raiffeisen Group's banking book. Linear interest rate derivatives are used to manage interest rate risk.

9. Other assumptions

The EVE metric in Table IRRBB1 is calculated for all exposures in CHF, EUR and USD using the currency-specific interest rate shocks set out in Annex 2 of FINMA Circular 2019/2 "Interest rate risks – banks". For exposures denominated in all other currencies, the ETC values for other currencies set out in Annex 2 of FINMA Circular 2019/2 "Interest rate risks – banks" are used.

IRRBBA1: Interest rate risks – quantitative information on position structure and interest rate resetting

Table IRRBBA1: Interest rate risks – quantitative information on exposure structure and resetting of the interest rate

	Volume in CHF Mio.			Average interest rate reset period (in years)		Maximum interest rate reset period (in years) for exposures with modelled (not determined) interest rate reset dates	
	Total	of which CHF	of which other major currencies that make up more than 10% of the total assets or total liabilities and equity	Total	of which CHF	Total	of which CHF
Defined interest rate reset date							
Amounts due from banks	499	460	–	0.0	0.1		
Amounts due from customers	8,363	8,065	–	2.4	2.5		
Money-market mortgages	27,204	27,204	–	0.0	0.0		
Fixed-rate mortgages	165,246	165,246	–	4.1	4.1		
Financial investments	8,496	8,496	–	6.6	6.6		
Other receivables	–	–	–	–	–		
Receivables from interest rate derivatives ¹	64,924	46,712	–	1.6	2.2		
Liabilities to banks	17,329	10,176	–	0.1	0.1		
Amounts due in respect of customer deposits	14,347	11,358	–	2.4	2.9		
Cash bonds	284	284	–	2.8	2.8		
Bond issues and central mortgage institution loans	32,902	30,153	–	8.7	9.4		
Other liabilities	–	–	–	–	–		
Liabilities from interest rate derivatives ¹	65,147	65,133	–	2.6	2.7		
Undefined interest rate reset date							
Amounts due from banks	703	305	–	0.0	0.0		
Amounts due from customers	1,421	1,380	–	0.3	0.3		
Floating-rate mortgage loans	3,896	3,896	–	1.3	1.3		
Other receivables on demand	–	–	–	–	–		
Liabilities on demand in respect of personal and current accounts	88,204	84,754	–	0.8	0.8		
Other liabilities on demand	1,579	1,539	–	0.1	0.1		
Amounts due in respect of customer deposits, callable but not transferable (savings)	98,932	98,557	–	1.8	1.8		
Total	599,476	563,718	–	2.7	2.8	10.0	10.0

¹ The exposure contains interest rate and currency instruments in the banking book. The exposures are divided into recipient and payer components and allocated to receivables and liabilities. For this reason, the volume of exposures with recipient and payer components (interest rate swaps, etc.) is shown twice.

IRRBB1: Interest rate risks – quantitative information on net present value and interest income

IRRBB1: Quantitative information on position structure and resetting of the interest rate

In CHF Mio.	Period	ΔEVE (change in net present value)		ΔNII (change in capitalised value)	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
Parallel up		-2,469	-2,403	-435	-330
Parallel down		2,228	2,130	51	-102
Steeper ¹		-547	-388		
Flattener ²		-31	-171		
Short rate up		-769	-857		
Short rate down		788	879		
Maximum		-2,469	-2,403	-435	-330
	Period			31.12.2021	31.12.2020
Tier 1 capital before reclassifications to meet the gone-concern requirements				20,323	18,776
Tier 1 capital after reclassifications to meet the gone-concern requirements				19,758	18,310

¹ Fall in short-term interest rates combined with rise in long-term interest rates.

² Rise in short-term interest rates combined with fall in long-term interest rates.

ΔEVE is equal to the change in the net present value of the exposures in the banking book if the yield curve shifts due to the standardised interest rate shock scenarios pursuant to FINMA Circular 2019/2 "Interest rate risks – banks", and pursuant to the specifications of FINMA Circular 2016/1 "Disclosure – banks". According to Annex 1 of FINMA Circular 2019/2 "Interest rate risks – banks", the interest rate risks may be unduly high if the net present value of capital changes by an amount equal to or greater than 15% of Tier 1 capital in at least one of the interest rate shock scenarios.

ΔNII is equal to the change in the gross income from interest operations due to an abrupt parallel shift in the yield curve (+/- 150bp for CHF) pursuant to FINMA Circular 2019/2 "Interest rate risks – banks" compared to the Bank's base scenario pursuant to the specifications of FINMA Circular 2016/1 "Disclosure – banks". The Bank's base scenario assumes constant interest rates.

ΔEVE

Parallel shifts in the yield curve change the net present value the most. A parallel shift down would produce a gain in net present value while a parallel shift up would result in a substantial loss in net present value. These changes are driven by the current balance sheet structure, which contains a large proportion of fixed-rate mortgages with long fixed interest rate periods and a large proportion of client deposits without fixed interest rates.

ΔNII

With regard to income, an abrupt increase in interest rates (+150bp for CHF) would reduce gross interest income compared to the Bank's internal scenario. This is because, under this scenario, interest expense is assumed to rise relatively rapidly. By contrast, a decrease in interest rates (-150bp for CHF) would have a slightly positive impact on gross interest income compared to the Bank's internal scenario. This is because, under this scenario, income from liabilities to banks and customer deposits with negative interest rates rises.

Operational risk

ORA: Qualitative disclosure related to operational risks

At Raiffeisen, operational risks mean the danger of losses arising as a result of the unsuitability or failure of internal procedures, people or systems, or as a result of external events. They also include risks relating to cyber-attacks and information security in general. This includes not only the financial impacts, but also the reputational and compliance consequences.

Operational risk tolerance at Group level is defined using value-at-risk limits or stop-loss limits and frequencies of occurrence. Risk tolerance is approved annually by the Board of Directors of Raiffeisen Switzerland. The Risk & Compliance department of Raiffeisen Switzerland monitors compliance with risk tolerance. If one of the defined limits or a threshold is exceeded, suitable action is defined and taken.

Each functional department within the Raiffeisen Group is responsible for identifying, assessing, managing and monitoring operational risk arising from its own activities. The Risk & Compliance department is responsible for maintaining the Group-wide inventory of operational risks and for analysing and evaluating operational risk data. Risk identification is supported by capturing and analysing operational events. Risk & Compliance is also in charge of the concepts, methods and instruments used to manage operational risks, and it monitors the risk situation. In specific risk assessments, operational risks are identified, categorised by cause and impact, and evaluated according to the probability of occurrence and the extent of losses. The risk register is updated dynamically. Risk reduction measures are defined and their implementation is monitored by the line units. Emergency and catastrophe planning measures for mission-critical processes are in place.

The results of the risk assessments, key risk indicators, significant internal operational risk events and relevant external events are reported quarterly to both Raiffeisen Switzerland's Executive Board and Board of Directors. Value-at-risk limit violations are escalated to the Board of Directors of Raiffeisen Switzerland.

In addition to the standard risk management process, Risk & Compliance conducts ad hoc risk analyses where required, analyses any loss events that arise and maintains close links with other organisational units that, as a result of their function, come into contact with information on operational risks within the Raiffeisen Group.

The Raiffeisen banks analyse their operational risk situation through assessments at least once a year. These analyses are approved by the Board of Directors of each bank and forwarded to Risk & Compliance.

The Risk & Compliance department reports the substantial compliance risks quarterly and the legal risks and activity plan semi-annually to Raiffeisen Switzerland's Executive Board and the Risk Committee of the Board of Directors. These risks, together with an updated compliance risk profile and the plan of action on risk derived from it in accordance with FINMA Circular 2017/1 "Corporate governance – banks", are submitted to the Board of Directors of Raiffeisen Switzerland once a year.

Appendix 3: Disclosure requirements for systemically important banks

Arts. 124 to 133 of the Swiss Capital Adequacy Ordinance (CAO) and Risk Diversification Regulations require systemically important banks in Switzerland to submit a calculation and disclosure of capital requirements on a quarterly basis.

The Swiss National Bank declared the Raiffeisen Group to be systemically important by a decision of 16 June 2014. Based on this decision, the Swiss Financial Market Supervisory Authority (FINMA) issued a decision on capital requirements under the regime of systemic importance.

The requirements under the rules governing systemic importance include requirements for risk-weighted capital requirements as well as those for unweighted capital requirements (leverage ratio), which are as follows:

Risk-weighted and unweighted capital requirements of the Raiffeisen Group under the rules governing systemically important banks

Table 1: Risk-based capital adequacy requirements on the basis of capital ratios

31.12.2021	Transition rules		Final rules (without transitional provisions) ¹	
	CHF million	In % Ratio	CHF million	In % Ratio
Basis of assessment				
Risk-weighted positions (RWA)	91,187		91,187	
Risk-based capital requirements («going-concern») on the basis of capital ratios				
Total	12,555	13.768%	12,555	13.768%
of which CET1: Minimum	4,103	4.500%	4,103	4.500%
of which CET1: Capital buffer	4,530	4.968%	4,530	4.968%
of which CET1: Anti-cyclical capital buffer	–	0.000%	–	0.000%
of which AT1: Minimum	3,192	3.500%	3,192	3.500%
of which AT1: Capital buffer	729	0.800%	729	0.800%
Eligible capital («going-concern»)				
Core capital (Tier1)	19,758	21.667%	17,404	19.086%
of which CET1	18,544	20.336%	16,190	17.755%
of which AT1 High-trigger	1,214	1.331%	1,214	1.331%
Risk-based capital requirements for loss absorbing capital («gone-concern») on the basis of capital ratios				
Total according size and market share (reflection going-concern-requirement)	1,751	1.920%	4,822	5.288%
Reductions based on the holding of additional reserves in the form of CET1 or convertible capital as defined in Article 132 (4) CAO ²	–282	–0.310%	–1,459	–1.600%
Total (net)	1,468	1.610%	3,363	3.688%
Eligible loss absorbing capital («gone-concern»)				
Total	1,541	1.690%	3,895	4.271%
of which CET1, which is used to fulfill gone-concern requirements	565	0.619%	2,919	3.201%
of which Bail-in Bonds	976	1.070%	976	1.070%

¹ Gone-concern capital requirements after transitional phase as of 1st January 2026.

² Requirements in terms of additional loss-absorbing funds are based on the total requirement consisting of the basic requirements and the mark-ups pursuant to Article 129 CAO. In the case of a systemically important bank that does not operate internationally, these amount to 40% of the total requirement. If a systemically important bank holds the additional funds in the form of "hard" core capital, the requirement pursuant to Article 132 (4) CAO is reduced. The requirements may be reduced by one third at the most. Since Raiffeisen reclassifies excess CET1 going-concern capital to meet the gone-concern requirements, this reduction can be used, which is why the figures shown take into account the reduction pursuant to Article 132 (4) CAO. A higher CET1 amount is reclassified in the column "final rules", which explains the lower eligible capital (going-concern) compared to the transitional rules.

Table 2: Unweighted capital adequacy requirements on the basis of leverage ratio

31.12.2021	Transition rules		Final rules (without transitional provisions) ¹	
	CHF million	In % LRD	CHF million	In % LRD
Basis of assessment				
Overall exposure	289,393		289,393	
Unweighted adequacy capital requirements («going-concern») on the basis of the leverage ratio				
Total	13,384	4.625%	13,384	4.625%
of which CET1: Minimum	4,341	1.500%	4,341	1.500%
of which CET1: Capital buffer	4,703	1.625%	4,703	1.625%
of which AT1: Minimum	4,341	1.500%	4,341	1.500%
Eligible capital («going-concern»)				
Core capital (Tier1)	19,758	6.827%	17,404	6.014%
of which CET1	18,544	6.408%	16,190	5.594%
of which AT1 High-trigger	1,214	0.419%	1,214	0.419%
Unweighted adequacy capital requirements for loss absorbing capital («gone-concern») on the basis of the leverage ratio				
Total according size and market share (reflection going-concern-requirement)	1,823	0.630%	5,354	1.850%
Reductions based on the holding of additional reserves in the form of CET1 or convertible capital as defined in Article 132 (4) CAO ²	-282	-0.098%	-1,459	-0.504%
Total (net)	1,541	0.532%	3,895	1.346%
Eligible loss absorbing capital («gone-concern»)				
Total	1,541	0.532%	3,895	1.346%
of which CET1, which is used to fulfill gone-concern requirements	565	0.195%	2,919	1.008%
of which Bail-in Bonds	976	0.337%	976	0.337%

1 Going-concern capital requirements after transitional phase as of 1st January 2020 and Gone-concern capital requirements after transitional phase as of 1st January 2026.
2 Requirements in terms of additional loss-absorbing funds are based on the total requirement consisting of the basic requirements and the mark-ups pursuant to Article 129 CAO. In the case of a systemically important bank that does not operate internationally, these amount to 40% of the total requirement. If a systemically important bank holds the additional funds in the form of "hard" core capital, the requirement pursuant to Article 132 (4) CAO is reduced. The requirements may be reduced by one third at the most. Since Raiffeisen reclassifies excess CET1 going-concern capital to meet the gone-concern requirements, this reduction can be used, which is why the figures shown take into account the reduction pursuant to Article 132 (4) CAO. A higher CET1 amount is reclassified in the column "final rules", which explains the lower eligible capital (gone-concern) compared to the transitional rules.

RAIFFEISEN SWITZERLAND

Key metrics

KM1: Key metrics

KM1: Key metrics¹

		a	b	c	d	e
in CHF million (unless stated otherwise)		31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2020
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	2,653	1,798	1,809	1,801	1,801
2	Tier 1	3,868	3,009	2,987	2,884	2,693
3	Total capital	4,799	3,863	3,691	3,597	3,085
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	15,856	15,674	16,423	15,723	15,193
4a	Minimum capital requirement	1,269	1,254	1,314	1,258	1,215
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	16.7%	11.5%	11.0%	11.5%	11.9%
6	Tier 1 ratio (%)	24.4%	19.2%	18.2%	18.3%	17.7%
7	Total capital ratio (%)	30.3%	24.6%	22.5%	22.9%	20.3%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital buffer in accordance with Basel Minimum Standards (as of 2019 2.5%) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer (Article 44a CAO) in accordance with the Basel Minimum Standards (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Additional capital buffer due to national or international systemic importance (%)	0.0%	0.0%	0.0%	0.0%	0.0%
11	Overall buffer requirements in accordance with the Basel Minimum Standards in CET1 quality (%)	2.5%	2.5%	2.5%	2.5%	2.5%
12	Available CET1 to cover buffer requirements in accordance with Basel Minimum Standards (after deducting CET1 from the cover of the minimum requirements and possibly to cover the TLAC requirements) (%)	12.2%	7.0%	6.5%	7.0%	7.4%
Target capital ratios in accordance with note 8 of the CAO²						
12b	Countercyclical buffer (Articles 44 and 44a CAO)	0.0%	0.0%	0.0%	0.0%	0.0%
Basel III Leverage Ratio³						
13	Total exposure (CHF)	89,973	92,612	89,998	83,780	70,568
14	Basel III leverage ratio (%)	4.3%	3.2%	3.3%	3.4%	3.8%
Liquidity Coverage Ratio⁴						
15	Total HQLA	61,377	59,389	53,338	47,243	48,084
16	Total net cash outflow	35,657	33,534	33,550	30,942	32,538
17	LCR ratio (%)	172.1%	177.1%	159.0%	152.7%	147.8%
Net Stable Funding Ratio⁵						
18	Total available stable funding	57,003	58,886	n/a	n/a	n/a
19	Total required stable funding	23,948	23,889	n/a	n/a	n/a
20	NSFR ratio	238.0%	246.5%	n/a	n/a	n/a

1 The KM1 table at individual institution level was disclosed for the first time as of 31 March 2021. The figures as of 31 December 2020 are listed in addition for comparison purposes.

2 Systemically important banks can refrain from publishing rows 12a, 12c, 12d, 12e (note 8 of the CAO not applicable).

3 The leverage ratio shown here relates to the calculation taking into account central bank deposits, i.e. without relief.

4 Average daily closing averages of all business days in the reporting quarter.

5 These figures were disclosed for the first time as of 30 September 2021.

Appendix 3: Disclosure requirements for systemically important banks

Risk-weighted and unweighted capital requirements of Raiffeisen Switzerland under the rules governing systemically important banks

Table 1: Risk-based capital adequacy requirements on the basis of capital ratios

31.12.2021	Transition rules		Final rules (without transitional provisions) ¹	
	CHF million	In % Ratio	CHF million	In % Ratio
Basis of assessment				
Risk-weighted positions (RWA)	15,856		15,856	
Risk-based capital requirements («going-concern») on the basis of capital ratios				
Total	2,096	13.220%	2,096	13.220%
of which CET1: Minimum	714	4.500%	714	4.500%
of which CET1:Capital buffer	701	4.420%	701	4.420%
of which CET1: Anti-cyclical capital buffer	–	0.000%	–	0.000%
of which AT1: Minimum	555	3.500%	555	3.500%
of which AT1: Capital buffer	127	0.800%	127	0.800%
Eligible capital («going-concern»)				
Core capital (Tier1)	3,868	24.393%	3,409	21.498%
of which CET1	2,653	16.734%	2,194	13.839%
of which AT1 High-trigger	1,214	7.659%	1,214	7.659%
Risk-based capital requirements for loss absorbing capital («gone-concern») on the basis of capital ratios				
Total according size and market share (reflection going-concern-requirement)	304	1.920%	838	5.288%
Reductions based on the holding of additional reserves in the form of CET1 or convertible capital as defined in Article 132 (4) CAO ²	–	0.000%	–229	–1.447%
Total (net)	304	1.920%	609	3.841%
Eligible loss absorbing capital («gone-concern»)				
Total	976	6.155%	1,435	9.050%
of which CET1, which is used to fulfill gone-concern requirements	–	0.000%	459	2.895%
of which Bail-in Bonds	976	6.155%	976	6.155%

¹ Gone-concern capital requirements after transitional phase as of 1st January 2026.

² Requirements in terms of additional loss-absorbing funds are based on the total requirement consisting of the basic requirements and the mark-ups pursuant to Article 129 CAO. In the case of a systemically important bank that does not operate internationally, these amount to 40% of the total requirement. If a systemically important bank holds the additional funds in the form of "hard" core capital, the requirement pursuant to Article 132 (4) CAO is reduced. The requirements may be reduced by one third at the most. Since Raiffeisen reclassifies excess CET1 going-concern capital to meet the gone-concern requirements, this reduction can be used, which is why the figures shown take into account the reduction pursuant to Article 132 (4) CAO. A higher CET1 amount is reclassified in the column "final rules", which explains the lower eligible capital (going-concern) compared to the transitional rules.

Table 2: Unweighted capital adequacy requirements on the basis of leverage ratio

31.12.2021	Transition rules ¹		Final rules (without transitional provisions) ²	
	CHF million	In % LRD	CHF million	In % LRD
Basis of assessment				
Overall exposure	89,973		89,973	
Unweighted adequacy capital requirements («going-concern») on the basis of the leverage ratio				
Total	2,812	3.125%	4,161	4.625%
of which CET1: Minimum	1,350	1.500%	1,350	1.500%
of which CET1:Capital buffer	–	0.000%	1,462	1.625%
of which AT1: Minimum	1,462	1.625%	1,350	1.500%
Eligible capital («going-concern»)				
Core capital (Tier1)	3,868	4.299%	3,409	3.789%
of which CET1	2,653	2.949%	2,194	2.439%
of which AT1 High-trigger	1,214	1.350%	1,214	1.350%
Unweighted adequacy capital requirements for loss absorbing capital («gone-concern») on the basis of the leverage ratio				
Total according size and market share (reflection going-concern-requirement)	787	0.875%	1,664	1.850%
Reductions based on the holding of additional reserves in the form of CET1 or convertible capital as defined in Article 132 (4) CAO ³	–	0.000%	–229	–0.255%
Total (net)	787	0.875%	1,435	1.595%
Eligible loss absorbing capital («gone-concern»)				
Total	976	1.085%	1,435	1.595%
of which CET1, which is used to fulfill gone-concern requirements	–	0.000%	459	0.510%
of which Bail-in Bonds	976	1.085%	976	1.085%

¹ In application of article 4 (3) Banking Act, Raiffeisen Switzerland is granted relief in the form of an extension of the transitional provisions until 31 December 2028.

² Gone-concern capital requirements after transitional phase as of 31st December 2028.

³ Requirements in terms of additional loss-absorbing funds are based on the total requirement consisting of the basic requirements and the mark-ups pursuant to Article 129 CAO. In the case of a systemically important bank that does not operate internationally, these amount to 40% of the total requirement. If a systemically important bank holds the additional funds in the form of "hard" core capital, the requirement pursuant to Article 132 (4) CAO is reduced. The requirements may be reduced by one third at the most. Since Raiffeisen reclassifies excess CET1 going-concern capital to meet the gone-concern requirements, this reduction can be used, which is why the figures shown take into account the reduction pursuant to Article 132 (4) CAO. A higher CET1 amount is reclassified in the column "final rules", which explains the lower eligible capital (going-concern) compared to the transitional rules.

Imprint

Raiffeisen Switzerland Cooperative
Communication
Raiffeisenplatz 4
CH-9001 St. Gallen
Tel.: +41 71 225 84 84
Internet: [raiffeisen.ch](https://www.raiffeisen.ch)
Email: medien@raiffeisen.ch

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Annual reporting

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Languages

German and English.
Only the German version is authoritative.



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We open up new horizons