

Pillar 3 and regulatory disclosures
as of 30 June 2020

RAIFFEISEN

Table of content

The FINMA Circular 2016/1 «Disclosure - banks» stipulates the extent of the capital adequacy and liquidity disclosure. While at the end of the year, all relevant tables have to be disclosed, the number of tables to be disclosed is reduced for the quarterly disclosure. This disclosure corresponds with the semi-annual disclosure obligation of the Raiffeisen Group according to the FINMA Circular 2016/1.

Page	Table	Content
1		Table of content
2		Key abbreviations
3		Introduction
Key metrics		
4	KM1	Key metrics
Risk management and risk overview		
5	OV1	Overview of risk-weighted assets
Composition of capital and TLAC		
6	CC1	Composition of regulatory capital
7	CC2	Reconciliation of regulatory capital to balance sheet
8	CCA	Main features of regulatory capital instruments and of other TLAC-eligible instruments
Countercyclical buffer		
13	CCyB1	Geographical distribution of credit exposures used in the countercyclical buffer
Leverage Ratio		
13	LR1	Summary comparison of accounting assets versus leverage ratio exposure measure
14	LR2	Detailed presentation
Liquidity		
15	LIQ1	Liquidity Coverage ratio (LCR)
16	LIQ2	Net stable funding ratio (NSFR)
Credit risk		
17	CR1	Credit quality of assets
17	CR2	Changes in stock of defaulted loans and debt securities
18	CR3	Credit risk mitigation techniques - overview
18	CR4	Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects
19	CR5	Standardised approach - exposures by asset classes and risk weights
20	CR6	IRB – Credit risk exposures by portfolio and probability of default (PD) range
21	CR7	IRB – Effect on RWA of credit derivatives used as CRM techniques
22	CR8	IRB - RWA flow statements of credit risk exposures under IRB
22	CR10	IRB – specialized lending and equities under the simple risk weight method
Counterparty credit risk		
23	CCR1	Analysis by approach
23	CCR2	Credit valuation adjustment (CVA) capital charge
24	CCR3	Standardised approach to CCR exposures by regulatory portfolio and risk weights
24	CCR4	IRB CCR exposures by portfolio and PD scale
25	CCR5	Composition of collateral for CCR exposure
25	CCR6	Credit derivatives exposures
26	CCR7	RWA flow statements of CCR exposures under the Internal Model Method (IMM)
26	CCR8	Exposures to central counterparties
Securitisation		
27	SEC1	Securitisation exposures in the banking book
27	SEC2	Securitisation exposures in the trading book
27	SEC3	Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor
27	SEC4	Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as investor
Market risk		
28	MR1	Market risk under standardised approach
28	MR2	RWA flow statements of market risk exposures under IMA
28	MR3	IMA values for trading portfolios
28	MR4	Comparison of VaR estimates with gains/losses
Appendix 3: Disclosure of systemically important banks		
29		Table 1: Risk-based capital adequacy requirements on the basis of capital ratios
30		Table 2: Unweighted capital adequacy requirements on the basis of leverage ratio

Key abbreviations

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
FINMA	Swiss financial market supervisory authority
G-SIB	Global systemically important bank
HQLA	High-quality liquid assets
IKS	Internal control system
IRB	Internal ratings-based approach
LCR	Liquidity coverage ratio
QCCP	Qualifying central counterparty
RWA	Risk-weighted assets
SA-BIZ	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

Introduction

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.

Capital adequacy calculations are based on the same group of consolidated companies as the consolidated accounts.

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) are available in appendix 3 of this disclosure.

FINMA published various relief measures aimed at reducing the consequences of the COVID-19 pandemic in the regulatory notification issued on 30 March 2020. For example, the Federal Council has confirmed the rescission of the anti-cyclical buffer with immediate effect. At the same time, due to the current environment, FINMA has decided on leverage ratio relief measures according to the 02/2020 regulatory notification. This relief measure provides for deposits at central banks in all currencies according to notes 5 and 7 of the appendix of FINMA circular 2020/1 "Accounting - Banks" being excluded when calculating the leverage ratio. This relief measure is based on Art. 4 (3) of the Swiss Federal Law on Banks and Savings Banks (BankG) and has been extended until 1 January 2021 according to the 06/2020 regulatory notification and can be renewed if necessary by FINMA.

KM1: Key metrics

in CHF million	a	b	c	d	e
	30.06.2020	31.03.2020	31.12.2019	30.09.2019	30.06.2019
Available capital (amounts) ¹					
1 Common Equity Tier 1 (CET1)	16,959	16,920	16,868	16,063	16,548
2 Tier 1	17,934	17,895	17,836	17,019	17,513
3 Total capital	18,073	18,037	17,983	17,225	17,721
Risk-weighted assets (amounts) ²					
4 Total risk-weighted assets (RWA)	99,928	98,651	98,295	97,333	102,032
4a Minimum capital requirement	7,994	7,892	7,864	7,787	8,163
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	17.0%	17.2%	17.2%	16.5%	16.2%
6 Tier 1 ratio (%)	17.9%	18.1%	18.1%	17.5%	17.2%
7 Total capital ratio (%)	18.1%	18.3%	18.3%	17.7%	17.4%
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9 Countercyclical buffer requirement (%)	0.0%	0.0%	1.1%	1.2%	1.2%
10 Bank G-SIB and/or D-SIB additional requirements (%)	0.0%	0.0%	0.0%	0.0%	0.0%
11 Total of bank CET1 specific buffer requirements (%) ³	2.5%	2.5%	8.1%	8.2%	8.2%
12 CET1 available after meeting the bank's minimum capital requirements (%)	9.3%	9.5%	10.0%	9.6%	9.3%
Target capital ratios in accordance with note 8 of the CAO ⁴					
12b Countercyclical buffer (Art. 44 and 44a of the CAO)	0.0%	0.0%	1.1%	1.2%	1.2%
Basel III Leverage Ratio					
13 Total Basel III leverage ratio exposure measure	270,279	256,711	252,263	239,054	237,223
13 Total Basel III leverage ratio exposure measure excluding central bank deposits	233,291	228,686	n.a.	n.a.	
14 Basel III leverage ratio (%)	7.7%	7.8%	7.1%	7.1%	7.4%
Liquidity Coverage Ratio					
15 Total HQLA	35,380	31,613	27,805	23,323	21,355
16 Total net cash outflow	26,071	22,206	20,367	18,361	17,681
17 LCR ratio (%) ⁵	135.7%	142.4%	136.5%	127.0%	120.8%

¹ The deduction required by Art. 32 (e) of the Capital Adequacy Regulation was applied for the first time as of 30 September 2019 and reduced eligible capital by around CHF 0.5 billion.

² The adoption of the IRB approach as of 30 September 2019 reduced the risk-weighted assets (RWAs). An IRB floor of 95% was used in the first year in accordance with the transitional provisions.

³ Since 31st March 2020 the presentation is in accordance with Basel minimum standards.

⁴ Systemically important banks can refrain from publishing rows 12a, 12c, 12d, 12e (note 8 of the CAO not applicable).

⁵ The reported Basel III leverage ratio refers to the calculation excluding central bank deposits according to regulatory notification 02/2020 of FINMA of 30 June 2020. The Basel III leverage ratio without relief measures was 6.7% as of 30 June 2020.

OV1: Overview of risk-weighted assets

in CHF million	a	b	c
	30.06.2020	31.12.2019	30.06.2020
	RWA	RWA	Minimum Capital Requirement 1
1 Credit risk (excluding counterparty credit risk) (CCR)	74,683	75,707	5,975
2 of which: standardised approach (SA)	9,491	10,687	759
3 of which: foundation internal ratings-based (F-IRB) approach 2	24,690	24,142	1,975
4 of which: supervisory slotting approach	-	-	-
5 of which: advanced internal ratings-based (A-IRB) approach 3	40,502	40,878	3,240
6 Counterparty credit risk (CCR)	507	324	41
7 of which: standardised approach for counterparty credit risk 4	357	324	29
8 of which: Internal Model Method (IMM)	-	-	-
9 of which: other CCR	150	-	12
10 Credit valuation adjustment (CVA)	298	306	24
11 Equity positions under the simple risk weight approach	-	-	-
12 Equity investments in funds – look-through approach	-	-	-
13 Equity investments in funds – mandate-based approach	9	9	1
14 Equity investments in funds – fall-back approach	70	111	6
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 standardises approach (SEC-SA)	-	-	-
20 Market risk	3,824	3,895	306
21 of which: standardised approach (SA)	3,824	3,895	306
22 of which: internal model approaches (IMA)	-	-	-
23 Capital charge for switch between trading book and banking book	-	-	-
24 Operational risk	5,721	5,707	458
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	1,524	1,547	122
26 Floor adjustments	11,572	10,689	926
27 Total	99,928	98,295	7,994

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

2 Implemented as of 30.09.2019.

3 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 retails are disclosed here.

4 As of 31.12.2019 the standardised approach for counterparty credit risk is used to measure the counterparty credit risk of derivative transactions for the purposes of determining capital adequacy requirements.

5 An IRB floor of 95% is used for the first year (as of 30.09.2019) under the IRB transitional provisions.

CC1: Composition of regulatory capital

in CHF million	30.06.2020	References ¹	31.12.2019
Common equity (CET1)			
1 Issued and paid-in capital, fully eligible	2,424	(III)	2,351
2 Statutory reserves / retained earnings reserves / retained earnings (losses) / profit (loss) for the period	15,064		15,063
of which retained earnings reserves	15,064		14,292
of which retained earnings reserves	-		-
of which profit (loss) for the period ²	-		772
5 Minority interests	-	(IV)	-
6 Total "hard" core capital (CET1) before adjustments	17,488		17,414
= Common Equity Tier 1 capital before regulatory adjustments			
7 Prudential value adjustments	-5		-4
8 Goodwill	-7	(I)	-8
9 Other intangibles	-1	(II)	-2
12 Shortfall of provisions to expected losses ³	-516		-533
28 = Total regulatory adjustments to CET1	-529		-547
29 = Common Equity Tier 1 capital (net CET1)	16,959		16,868
Additional Tier 1 capital (AT1)			
30 Issued and paid in instruments, fully eligible	975		968
31 of which: classified as equity under applicable accounting standards	-		-
32 of which: classified as liabilities under applicable accounting standards	975		968
36 = Additional Tier 1 capital before regulatory adjustments	975		968
43 = Total regulatory adjustments to AT1	-		-
44 = Additional Tier 1 capital (net AT1)	975		968
45 = Tier 1 capital (net Tier 1)	17,934		17,836
Tier 2 capital (T2)			
46 Issued and paid in instruments, fully eligible	76		76
47 Issued and paid in instruments, subject to phase-out	64		71
51 = Tier 2 capital before regulatory adjustments	140		147
57 = Total regulatory adjustments to T2	-		-
58 = Tier 2 capital (net T2)	140		147
59 = Regulatory capital (net T1 & T2)	18,073		17,983
60 Total risk-weighted assets	99,928		98,295
Capital ratios			
61 CET1 ratio (item 29, as a percentage of risk-weighted assets)	17.0%		17.2%
62 T1 ratio (item 45, as a percentage of risk-weighted assets)	17.9%		18.1%
63 Regulatory capital ratio (item 59, as a percentage of risk-weighted assets)	18.1%		18.3%
64 CET1 requirements in accordance with the Basel minimum standards (minimum requirements + capital buffer + counter-cyclical buffer) plus the capital buffer for systemically important banks (as a percentage of risk-weighted assets) ⁴	2.5%		8.1%
65 of which, capital buffer in accordance with Basel minimum standards (as a percentage of risk-weighted assets)	2.5%		2.5%
66 of which, countercyclical buffer in accordance with the Basel minimum standards (as a percentage of risk-weighted assets)	0.0%		1.1%
67 of which, capital buffer for systemically important institutions in accordance with the Basel minimum standards (as a percentage of risk-weighted assets)	0.0%		0.0%
68 CET1 available to meet minimum and buffer requirements as per the Basel minimum standards, after deduction of the AT1 and T2 requirements met by CET1 (as a percentage of risk-weighted assets) ⁴	9.3%		10.0%
Amounts below the thresholds for deduction (before risk-weighting)			
72 Non-qualified participation in the financial sector	87		87
73 Other qualified participations in the financial sector (CET1)	610		619

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

² Excluding interest on cooperative capital

³ The deduction required by Art. 32 (e) of the Capital Adequacy Regulation was applied for the first time as of 30 September 2019 due to the adoption of the IRB approach and reduced eligible capital by around CHF 0.5 billion.

⁴ Since 31st March 2020 the presentation is in accordance with Basel minimum standards

CC2: Reconciliation of regulatory capital to balance sheet

Balance sheet in CHF million	30.06.2020	References ¹	31.12.2019
Assets			
Liquid assets	40,171		29,643
Amounts due from banks	7,731		7,677
Amounts due from securities financing transactions	505		250
Amounts due from customers	11,114		8,160
Mortgage loans	187,443		185,291
Trading portfolio assets	3,239		3,201
Positive replacement values of derivative financial instruments	2,082		1,898
Financial investments	8,724		7,194
Accrued income and prepaid expenses	350		263
Non-consolidated participations	699		708
Tangible fixed assets	2,997		2,998
Intangible assets	8		10
of which goodwill	7	(I)	8
of which goodwill	1	(II)	2
Other assets	1,073		1,053
Total assets	266,135		248,345
Liabilities			
Amounts due to banks	16,600		12,280
Liabilities from securities financing transactions	8,375		6,327
Amounts due in respect of customer deposits	186,277		176,179
Trading portfolio liabilities	252		198
Negative replacement values of derivative financial instruments	2,778		2,318
Liabilities from other financial instruments at fair value	2,141		2,497
Cash bonds	379		459
Bond issues and central mortgage institution loans	29,443		28,725
Accrued expenses and deferred income	920		840
Other liabilities	117		107
Provisions	1,006		998
of which deferred taxes for untaxed reserves	876		852
Total liabilities	248,288		230,929
of which subordinated liabilities, eligible as additional core capital (T2)	140		147
of which subordinated liabilities, eligible as supplementary capital (AT1)	975		968
of which with high trigger	975		968
Shareholder's Equity			
Reserves for general banking risks	275		200
Cooperative capital	2,424		2,351
of which eligible as CET1	2,424	(III)	2,351
of which eligible as AT1	-		-
Statutory reserves / retained earnings reserves / retained earnings (losses) / profit (loss) for the period	14,864		14,927
of which retained earnings reserves	14,864		14,092
of which foreign currency translation reserve	0		0
of which profit (loss) for the period	346		835
Minority interests in equity	-62		-62
of which eligible as CET1	-	(IV)	-
of which eligible as AT1	-		-
Total shareholder's equity	17,847		17,416

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 Identification	-
3 Law applicable to the instrument	Swiss law
4 Taken into account under Basel III transitional arrangements	CET1 capital
5 Taken into account after the Basel III transitional phase	CET1 capital
6 Level of eligibility	Eligible at the level of individual Raiffeisen banks and at the level of the Raiffeisen Group
7 Product	Share certificate
8 Amount attributable to regulatory equity capital (according to latest statement of equity capital)	CHF 2,423,817,900
9 Par value	CHF 2,423,817,900
10 Balance sheet item according to financial statement	Cooperative capital
11 Original issue date	Various
12 Repayment date	Perpetual
13 Original maturity date	-
14 Premature repayment	The share certificates do not have a fixed maturity period.
15 Selectable redemption date / repayment amount	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 Subsequent redemption dates	-
17 Interest calculation type	Coupon according to the resolution of the general meeting
18 Nominal coupon	Interest rates may not exceed 6% gross; however, there is no right to receive the maximum interest rate.
19 Suspension of interest payment	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 calculation	Interest payments are defined each year by the supreme governing body of the Raiffeisen bank, which is the general meeting as a rule.
21 Repayment incentive for the issuer	-
22 Accumulation coupons	Not cumulative
23 Convertibility	Not convertible
30 Write-down	-
31 Trigger for the write-down	-
32 Scope of the write-down	-
34 Entitlement to write-up if financial situation improves	-
35 Position in the ranking order in the event of liquidation (higher-ranking instrument)	Subordinated to the Additional Tier-1 Bond 2015 and 2018
36 Attributes that prevent full recognition under Basel III	The cooperative share certificates qualify as common equity Tier 1 under CAO Art. 21 - 26.

Perpetual subordinated AT1-bond 2018

1 Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2 Identification	CH0411559377
3 Law applicable to the instrument	Swiss law
4 Taken into account under Basel III transitional arrangements	Additional Tier 1 capital
5 Taken into account after the Basel III transitional phase	Additional Tier 1 capital
6 Level of eligibility	Eligible at the level of Raiffeisen Switzerland and at the level of the Raiffeisen Group
7 Product	Perpetual subordinated bond
8 Amount attributable to regulatory equity capital (according to latest statement of equity capital)	CHF 399,900,000
9 Par value	CHF 400'000'000
10 Balance sheet item according to financial statement	Bonds and Pfandbriefdarlehen
11 Original issue date	2 May 2018
12 Repayment date	Perpetual
13 Original maturity date	-
14 Premature repayment	The bond has no fixed maturity and is not redeemable by the Bondholders under any circumstances. With the exception of the following, repayment of this bond is not possible.
15 Selectable redemption date / repayment amount	With the approval of the Swiss Financial Market Supervisory Authority (FINMA), Raiffeisen Switzerland is entitled to redeem the bond on 2 May 2023 or the same date in each of the subsequent years. The bond may also be redeemed if it no longer qualifies as additional core capital.
16 Subsequent redemption dates	-
17 Interest calculation type	Fixed coupon for periods of 5 years in each case
18 Nominal coupon	2.00% p.a. for the first 5 years up to maturity on 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 Suspension of interest payment	Interest payments are only made if distributable reserves are available to Raiffeisen Switzerland. If required by the financial situation of Raiffeisen Switzerland, all or some of the interest payment may not be made. If no interest is paid in a specific year, the issuer shall not pay any interest on either the cooperative shares or any other distributions of the income to its cooperative members.
20 Interest calculation	The interest is fixed for 5-year periods in each case.
21 Repayment incentive for the issuer	-
22 Accumulation coupons	Not cumulative
23 Convertibility	Not convertible
30 Write-down	A write-down is possible in the following situations:
31 Trigger for the write-down	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 Scope of the write-down	A full or partial write-down is possible.
34 Entitlement to write-up if financial situation improves	No entitlement if the financial situation of Raiffeisen Switzerland improves
35 Position in the ranking order in the event of liquidation (higher-ranking instrument)	Subordinate to subordinated Tier2 bonds
36 Attributes that prevent full recognition under Basel III	This bond qualifies as additional core capital (additional Tier 1 capital) under CAO Art. 27 - 29.

Perpetual subordinated AT1-bond 2015

1 Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2 Identification	CH0272748754
3 Law applicable to the instrument	Swiss law
4 Taken into account under Basel III transitional arrangements	Additional Tier 1 capital
5 Taken into account after the Basel III transitional phase	Additional Tier 1 capital
6 Level of eligibility	Eligible at the level of Raiffeisen Switzerland and at the level of the Raiffeisen Group
7 Product	Perpetual subordinated bond
8 Amount attributable to regulatory equity capital (according to latest statement of equity capital)	CHF 574,940,000
9 Par value	CHF 600'000'000
10 Balance sheet item according to financial statement	Bonds and Pfandbriefdarlehen
11 Original issue date	2 April 2015
12 Repayment date	Perpetual
13 Original maturity date	-
14 Premature repayment	The bond has no fixed maturity and is not redeemable by the Bondholders under any circumstances. With the exception of the following, repayment of this bond is not possible.
15 Selectable redemption date / repayment amount	With the approval of the Swiss Financial Market Supervisory Authority (FINMA), Raiffeisen Switzerland is entitled to redeem the bond on 2 October 2020 or the same date in each of the subsequent years. The bond may also be redeemed if it no longer qualifies as additional core capital.
16 Subsequent redemption dates	-
17 Interest calculation type	Fixed coupon for periods of 5 years in each case
18 Nominal coupon	3.00% p.a. for the first 5 years until maturity as of 2 October 2020. 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 3.00%.
19 Suspension of interest payment	Interest payments are only made if distributable reserves are available to Raiffeisen Switzerland. If required by the financial situation of Raiffeisen Switzerland, all or some of the interest payment may not be made. If no interest is paid in a specific year, the issuer shall not pay any interest on either the cooperative shares or any other distributions of the income to its cooperative members.
20 Interest calculation	The interest is fixed for 5-year periods in each case.
21 Repayment incentive for the issuer	-
22 Accumulation coupons	Not cumulative
23 Convertibility	Not convertible
30 Write-down	A write-down is possible in the following situations:
31 Trigger for the write-down	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 Scope of the write-down	A full or partial write-down is possible.
34 Entitlement to write-up if financial situation improves	No entitlement if the financial situation of Raiffeisen Switzerland improves
35 Position in the ranking order in the event of liquidation (higher-ranking instrument)	Subordinate to subordinated Tier2 bonds
36 Attributes that prevent full recognition under Basel III	This bond qualifies as additional core capital (additional Tier 1 capital) under CAO Art. 27 - 29.

Fixed-term subordinated bond 2011 - 2021

1 Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2 Identification	CH0143708870
3 Law applicable to the instrument	Swiss law
4 Taken into account under Basel III transitional arrangements	Tier 2 capital
5 Taken into account after the Basel III transitional phase	Eligibility according Art. 30 Para 2 CAO
6 Level of eligibility	Eligible at the level of Raiffeisen Switzerland and at the level of the Raiffeisen Group
7 Product	Subordinated bond with a fixed term
8 Amount attributable to regulatory equity capital (according to latest statement of equity capital)	CHF 107,000,000
9 Par value	CHF 535'000'000
10 Balance sheet item according to financial statement	Bonds and Pfandbriefdarlehen
11 Original issue date	21 December 2011
12 Repayment date	21 December 2021
13 Original maturity date	21 December 2021
14 Premature repayment	Repayment is made as at 21 December 2021 at the par value. With the exception of the following, premature repayment of this bond is not possible.
15 Selectable redemption date / repayment amount	Premature repayment is only possible for tax reasons and if this bond no longer qualifies as capital within the meaning of the regulations governing the financial markets, at the par value at all times. Bonds may only be called with the consent of FINMA.
16 Subsequent redemption dates	-
17 Interest calculation type	Fixed coupon
18 Nominal coupon	3.875% p.a.
19 Suspension of interest payment	-
20 Interest calculation	Fixed interest for the whole period of investment
21 Repayment incentive for the issuer	-
22 Accumulation coupons	Not cumulative
23 Convertibility	Not convertible
30 Write-down	-
31 Trigger for the write-down	-
32 Scope of the write-down	-
34 Entitlement to write-up if financial situation improves	-
35 Position in the ranking order in the event of liquidation (higher-ranking instrument)	Subordinate to all other obligations, Pari-passu to equal-ranking tier2 instruments such as subordinated time deposits.
36 Attributes that prevent full recognition under Basel III	This bond is treated in accordance with Capital Adequacy Ordinance (CAO) Art. 140 Para. 3. In comparison with a subordinated bond issued under the full Basel III stipulations, only the contractual provisions in the event that the Issuer is faced with insolvency (CAO Art. 29) are not included.

Subordinated time deposits

1 Issuer	Individual Raiffeisen banks
2 Identification	--
3 Law applicable to the instrument	Swiss law
4 Taken into account under Basel III transitional arrangements	Tier 2 capital
5 Taken into account after the Basel III transitional phase	Eligibility according Art. 30 Para. 2 CAO
6 Level of eligibility	Eligible at the level of individual Raiffeisen banks and at the level of the Raiffeisen Group
7 Product	Subordinated time deposits
8 Amount attributable to regulatory equity capital (according to latest statement of equity capital)	CHF 40,090,000
9 Par value	CHF 75,865,000
10 Balance sheet item according to financial statement	Medium-term notes
11 Original issue date	Various
12 Repayment date	Maturities between 8 and 15 years
13 Original maturity date	Various
14 Premature repayment	There is no provision for premature repayment
15 Selectable redemption date / repayment amount	--
16 Subsequent redemption dates	--
17 Interest calculation type	Fixed coupon
18 Nominal coupon	Various
19 Suspension of interest payment	--
20 Interest calculation	Fixed interest for the whole period of investment
21 Repayment incentive for the issuer	--
22 Accumulation coupons	Not convertible
23 Convertibility	Not cumulative
30 Write-down	A write-down is possible in the following situation:
31 Trigger for the write-down	The Raiffeisen Group requires assistance from the public sector The Swiss Financial Market Supervisory Authority (FINMA) orders a write-down as a protective measure if the Raiffeisen Group is faced with insolvency
32 Scope of the write-down	A full or partial write-down is possible.
34 Entitlement to write-up if financial situation improves	No entitlement if the financial situation of the Raiffeisen Group improves
35 Position in the ranking order in the event of liquidation (higher-ranking instrument)	Subordinate to all other obligations, Pari-passu to equal-ranking tier2 instruments such as fixed-term subordinated bonds. time deposits 2011-2021.
36 Attributes that prevent full recognition under Basel III	These subordinated time deposits qualify as supplementary capital (Tier 2 capital) under CAO Art. 30.

CCyB1: Geographical distribution of credit exposures used in the countercyclical capital buffer

This table is mandatory for banks which meet the criterias defined in Art. 44a of the Swiss Capital Adequacy Ordinance (CAO).

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

Line item	30.06.2020 in CHF million	31.12.2019 in CHF million
1 Total assets according to published financial reports	266,135	248,345
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 ¹	-521	-547
3 Adjustments for fiduciary assets that are recognized in the financial statements but are excluded from the leverage ratio calculation	-	-
4 Adjustments for derivatives ²	-1,413	-1,048
5 Adjustments for securities financing transactions (SFT)	1,362	952
6 Adjustments for off-balance-sheet transactions (conversion of off-balance-sheet transactions into credit equivalents)	4,716	4,560
7 Other adjustments ³	-36,988	-
8 Overall exposure for the leverage ratio	233,291	252,263

¹ This item takes account of intangible assets (goodwill) and prudential value adjustments that are deducted from core capital as well as the deduction required by Art. 32 lit. e. of the Capital Adequacy Regulation since the adoption of the IRB approach as of 30 September 2019.

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

³ The reported Basel III leverage ratio as of 30 June 2020 refers to the calculation excluding central bank deposits according to regulatory notification 02/2020 of FINMA of 31st march 2020.

LR2: Leverage Ratio - detailed presentation

Line item	30.06.2020 in CHF million	31.12.2019 in CHF million
On-Balance sheet exposures		
1 On-Balance sheet items (excluding derivatives and SFT but including collateral) ¹	226,560	246,197
2 Assets that must be deducted from eligible core capital ²	-521	-547
3 = Total on-balance sheet exposures (excluding derivatives and SFTs)	226,039	245,650
Derivate		
4 Positive replacement values for all derivatives transactions including those vis-à-vis CCPs, including margin payments received and netting agreements	216	9
5 Add-ons for all derivatives	778	816
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	-994	-684
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	767	811
10 Netting against actual nominal values of offsetting credit derivatives and deduction of add-ons for issued credit derivatives	-98	-102
11 = Total exposure from derivatives ³	669	850
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	505	250
13 Netting of cash liabilities and receivables with respect to SFT counterparties	-36	-
14 Exposure to SFT counterparties	1,398	952
15 SFT exposure with the bank acting as a commission agent	-	-
16 = Total exposure from securities financing transactions	1,866	1,202
Other off-balance-sheet items		
17 Off-balance-sheet items as gross nominal values before the application of any credit conversion factors	17,007	15,939
18 Adjustments for the conversion into credit equivalents	-12,291	-11,379
19 = Total off-balance-sheet items	4,716	4,560
Eligible equity capital and overall exposure		
20 Core capital (Tier 1)	17,934	17,836
21 Overall exposure	233,291	252,263
Leverage ratio		
22 Leverage ratio ⁴	7.69%	7.07%

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 intangible assets (goodwill) and prudential value adjustments that are deducted from core capital as well as the deduction required by Art. 32 lit. e of the Capital Adequacy Regulation since the adoption of the IRB approach as of 30 September 2019.

³ This item takes account of counterparty netting of OTC derivatives based on the existing netting agreements

⁴ The reported Basel III leverage ratio as of 30 June 2020 refers to the calculation excluding central bank deposits according to regulatory notification 02/2020 of FINMA of 31st March 2020. The Basel III leverage ratio without relief measures was 6.7% as of 30 June 2020.

Notes on the leverage ratio

Total exposure (line 21) contracted to CHF 233.3 billion (-7.5 per cent). This is due to the relief decided upon in accordance with the regulatory notification 02/2020 of FINMA, which stipulates that deposits with central banks in all currencies must be excluded from the calculation of the leverage ratio in accordance with marginal notes 5 and 7 of the appendix to FINMA circular 2020/1 "Accounting - Banks". This relief is based on Art. 4 (3) Swiss Banking Act and was extended until 1 January 2021 in accordance with the regulatory notification 06/2020 of FINMA. As a result of the subscription of additional share certificates, the cooperative capital increased by a total of CHF 72.8 million. Excluding the profit for the period, the leverage ratio of 7.69 per cent is 0.62 per cent higher than in the previous period.

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.

	Q1 2020 ¹		Q2 2020 ¹	
	Unweighted values in CHF million	Weighted values in CHF million	Unweighted values in CHF million	Weighted values in CHF million
A. High-quality liquid assets (HQLA)				
1	Total high-quality liquid assets (HQLA)		31,613	35,380
B. Cash outflows				
2	Retail deposits		99,858	10,275
3	of which stable deposits		6,000	300
4	of which less stable deposits		93,858	9,975
5	Unsecured business-client or wholesale funding		16,252	12,091
6	of which operational deposits (all counterparties) and deposits with the central institution of a cooperative bank network		0	0
7	of which non-operational deposits (all counterparties)		15,710	11,509
8	of which unsecured debt securities		542	582
9	Secured business client or wholesale funding and collateral swaps			182
10	Other cash outflows		12,250	3,354
11	of which cash outflows related to derivative exposures and other transactions		1,150	1,896
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		140	87
13	of which cash outflows from committed credit and liquidity facilities		10,960	1,371
14	Other contractual funding obligations		3,614	2,063
15	Other contingent funding obligations		2,537	130
16	Total cash outflows		24,483	28,096
C. Cash inflows				
17	Secured funding transactions (e.g. reverse repo transactions)		506	2
18	Inflows from fully performing exposures		4,069	1,974
19	Other cash inflows		82	49
20	Total cash inflows		4,657	2,025
			Adjusted value	Adjusted value
21	Total high-quality liquid assets (HQLA)		31,613	35,380
22	Total net cash outflows		22,206	26,071
23	Liquidity coverage ratio (LCR) (%)		142.36%	135.71%

¹ Average daily closing averages of all business days in the reporting quarters (63 data points taken into account in the first quarter, 61 data points taken into account in the second quarter).

Raiffeisen focuses on the domestic savings and mortgage market. Due to its low degree of dependence on major clients and broad diversification among private clients, its funding sources are minimally concentrated.

Loans to clients are funded largely by customer deposits (94%) and additionally through central mortgage institution loans and Raiffeisen bonds. The money market is used solely for tactical management of the liquidity buffer. This maximises the immunisation against risks on the money market.

Of the portfolio of high-quality liquid assets (HQLA), 88% consist of category 1 assets, 93% 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 12% of the HQLA portfolio, 89% consist of Swiss mortgage bonds. The remaining 11% are primarily public sector bonds and covered bonds rated at least A-.

Net cash outflows (no. 22) increased significantly compared to the the last reporting period. The HQLA portfolio (no. 21) significantly increased compared to the last reporting period, resulting in a increase in the short-term liquidity coverage ratio (no. 23) in the first quarter to 142% and resulting in a decrease to 136% in the second quarter. Due to favourable market conditions, the portfolio of deposits of business and major customers (no.5) underwent a tactical increase.Cash outflows relating to the derivatives portfolio (no. 11) have almost doubled in the reporting period because of considerable market fluctuations. The remaining positions have continuously developed within the scope of the growth in total assets.

The Raiffeisen Group does not have any significant foreign exchange operations resulting from its core business. Due to the low level of lending business in foreign currencies, foreign currency liabilities are transferred to Swiss francs using the matched-period method.

The Raiffeisen Group has centralised liquidity risk management, which is performed by Raiffeisen Switzerland's Treasury department. It manages the liquidity of the Raiffeisen Group based on regulatory requirements and internal target parameters. The individual Raiffeisen banks are required to deposit their portion of the liquidity requirements with Raiffeisen Switzerland. Raiffeisen Switzerland's Treasury department manages the liquidity reserve centrally and organises the liquidity transfer within the Group.

LIQ2: Net stable funding ratio (NSFR)

According to FINMA circular 2016/1, this table needs to be published once the Liquidity Ordinance has brought the NSFR regulation into force.

CR1: Credit risk - credit quality of assets

in CHF million	a	b	c	d
30.06.2020	Gross carrying values		Allowances / impairments	Net values
	Defaulted exposures ¹	Non-defaulted exposures		
1 Loans (excluding debt securities)	908	246,013	179	246,742
2 Debt securities	-	8,653	-	8,653
3 Off-balance sheet exposures	5	12,769	1	12,773
4 TOTAL	913	267,435	180	268,168

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

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	888
2 Loans and debt securities that have defaulted since the last reporting period	266
3 Returned to non-defaulted status	-208
4 Amounts written off	-33
5 Other changes	-
6 Defaulted loans and debt securities at end of the reporting period	913

CR3: Credit risk - Overview of mitigation techniques

in CHF million	a	b1	b2	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
Loans 1	55,824	190,918	190,660	258	-
Debt securities	8,537	116	116	-	-
TOTAL	64,361	191,034	190,776	258	-
Of which defaulted	403	781	779	1	-

1 Loans according to the regulatory disclosure definitions

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

CR4: Credit risk - Exposure and credit risk mitigation (CRM) effects under the standardised approach

in CHF million	a		b		Carrying values		d	e	f
	Exposures before CCF and CRM		Exposures post-CCF and CRM				RWA	RWA density	
Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount					
1 Sovereigns and their central banks	41,011	0	41,096	1			0	0.0%	
2 Banks and securities traders	6,433	370	6,432	193			364	5.5%	
3 Public-sector entities and multilateral developments banks	3,590	1,444	3,593	646			1,627	38.4%	
4 Corporate	8,725	1,210	8,604	743			3,955	42.3%	
5 Retail	3,044	2,582	2,815	525			2,487	74.5%	
6 Equity securities	-	-	-	-			-	-	
7 Other assets	4,871	-	4,871	-			3,135	64.4%	
8 TOTAL	67,675	5,606	67,410	2,109			11,569	16.6%	

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

in CHF million	a	b	c	d	e
Asset classes / Risk weight	0%	10%	20%	35%	50%
1 Sovereigns and their central banks	41,096	-	-	-	-
2 Banks and securities traders	5,174	-	1,204	-	247
3 Public-sector entities and multilateral developments banks	59	-	1,538	115	2,503
4 Corporate	497	-	6,008	21	152
5 Retail	-	-	-	1,232	-
6 Equity securities	-	-	-	-	-
7 Other assets ¹	1,800	-	-	-	-
8 TOTAL	48,626	-	8,750	1,368	2,902
9 Thereof receivables secured by real estate ¹	-	-	-	1,368	-
10 Thereof receivables past due	-	-	-	-	-

in CHF million	f	g	h	i	j
Asset classes / Risk weight	75%	100%	150%	Other	Total credit exposures amount (post CCF and post-CRM)
1 Sovereigns and their central banks	-	0	0	-	41,096
2 Banks and securities traders	-	0	-	-	6,625
3 Public-sector entities and multilateral developments banks	-	16	8	-	4,240
4 Corporate	1	2,670	0	-	9,347
5 Retail	211	1,894	2	-	3,340
6 Equity securities	-	-	-	-	-
7 Other assets ¹	-	3,065	-	6	4,871
8 TOTAL	212	7,645	10	6	69,519
9 Thereof receivables secured by real estate	68	1,144	-	-	-
10 Thereof receivables past due	-	0	2	-	-

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

CR6: IRB - Credit risk exposure by portfolio and probability of default (PD) range

in million CHF	a	b	c	d	e	f
PD scale	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	1	0	81.3%	1	0.1%	8
0.15 to <0.25	2	0	75.0%	2	0.2%	9
0.25 to <0.50	68	6	75.0%	73	0.4%	60
0.50 to <0.75	661	21	75.0%	678	0.7%	445
0.75 to <2.50	12,299	1,231	75.0%	13,246	1.5%	6,384
2.50 to <10.00	3,936	275	75.1%	4,116	3.7%	1,743
10.00 to <100.00	295	12	75.0%	304	32.8%	126
100.00 (Default)	188	4	79.5%	192		146
Subtotal	17,450	1,549	75.1%	18,612	2.5%	8,921
9 Corporate: other lending (F-IRB)						
0.00 to <0.15	107	72	90.6%	162	0.1%	28
0.15 to <0.25	57	92	96.2%	144	0.2%	40
0.25 to <0.50	178	120	81.0%	269	0.4%	98
0.50 to <0.75	658	238	85.1%	840	0.6%	232
0.75 to <2.50	3,875	936	81.3%	4,593	1.6%	1,798
2.50 to <10.00	1,980	502	78.4%	2,353	3.4%	776
10.00 to <100.00	85	1	75.0%	83	43.8%	14
100.00 (Default)	165	11	83.8%	173		79
Subtotal	7,104	1,972	82.3%	8,617	2.3%	3,065
11 Retail: positions secured by real estate						
0.00 to <0.15	17,487	177	100.0%	17,663	0.1%	68,248
0.15 to <0.25	18,630	308	100.0%	18,938	0.2%	48,893
0.25 to <0.50	32,599	655	100.0%	33,253	0.4%	76,866
0.50 to <0.75	23,788	601	100.0%	24,389	0.6%	55,738
0.75 to <2.50	61,547	2,309	100.0%	63,856	1.3%	103,238
2.50 to <10.00	7,723	650	100.0%	8,372	3.8%	11,114
10.00 to <100.00	440	25	100.0%	464	28.6%	501
100.00 (Default)	1,036	24	100.0%	1,060		1,888
Subtotal	163,250	4,747	100.0%	167,997	1.0%	366,486
13 Retail: other positions						
0.00 to <0.15	5	53	100.0%	58	0.1%	270
0.15 to <0.25	30	44	100.0%	74	0.2%	560
0.25 to <0.50	134	99	100.0%	233	0.4%	1,352
0.50 to <0.75	96	126	100.0%	223	0.6%	1,588
0.75 to <2.50	353	393	100.0%	746	1.5%	6,654
2.50 to <10.00	226	155	100.0%	381	3.5%	3,365
10.00 to <100.00	6	2	100.0%	8	26.9%	79
100.00 (Default)	30	24	100.0%	39		848
Subtotal	882	896	100.0%	1,763	1.6%	14,716
Total (all portfolios)	188,686	9,165	95.6%	196,989	1.2%	393,188

in million CHF	g	h	i	j	k	l
PD scale	Average LGD in %	Average maturity in years	RWA	RWA density in %	Expected loss	Provisions
7 Corporate: specialised lending (F-IRB)						
0.00 to <0.15	45.0%	2.8	0	44.2%	0	
0.15 to <0.25	45.0%	2.3	2	72.9%	0	
0.25 to <0.50	36.1%	2.7	40	54.5%	0	
0.50 to <0.75	37.1%	3.0	449	66.3%	2	
0.75 to <2.50	38.9%	3.1	11,841	89.4%	89	
2.50 to <10.00	40.1%	3.0	4,628	112.4%	67	
10.00 to <100.00	40.6%	2.6	489	160.9%	40	
100.00 (Default)	40.8%	2.0	203	106.0%	16	
Subtotal	39.1%	3.0	17,652	94.8%	215	15
9 Corporate: other lending (F-IRB)						
0.00 to <0.15	41.0%	3.0	39	23.8%	0	
0.15 to <0.25	36.4%	2.7	51	35.5%	0	
0.25 to <0.50	38.5%	2.9	150	55.8%	1	
0.50 to <0.75	37.4%	2.9	507	60.4%	2	
0.75 to <2.50	36.7%	2.6	3,494	76.1%	31	
2.50 to <10.00	36.3%	2.5	2,116	89.9%	34	
10.00 to <100.00	35.0%	1.7	119	142.3%	17	
100.00 (Default)	36.1%	1.8	183	106.0%	24	
Subtotal	36.8%	2.6	6,659	77.3%	110	24
11 Retail: positions secured by real estate						
0.00 to <0.15	10.4%		775	4.4%	2	
0.15 to <0.25	10.9%		1,425	7.5%	4	
0.25 to <0.50	11.4%		4,082	12.3%	14	
0.50 to <0.75	11.5%		4,239	17.4%	17	
0.75 to <2.50	12.3%		22,077	34.6%	107	
2.50 to <10.00	13.6%		5,299	63.3%	43	
10.00 to <100.00	14.1%		582	125.4%	19	
100.00 (Default)	18.5%		1,125	106.2%	87	
Subtotal	11.8%		39,607	23.6%	293	89
13 Retail: other positions						
0.00 to <0.15	24.8%		4	6.2%	0	
0.15 to <0.25	33.9%		11	14.6%	0	
0.25 to <0.50	38.9%		58	24.8%	0	
0.50 to <0.75	45.2%		86	38.4%	1	
0.75 to <2.50	45.9%		419	56.1%	5	
2.50 to <10.00	47.4%		269	70.7%	6	
10.00 to <100.00	42.8%		8	95.7%	1	
100.00 (Default)	46.0%		41	105.8%	54	
Subtotal	44.0%		895	50.8%	68	53
Total (all portfolios)	15.7%		64,813	32.9%	685	181

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.

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

Raiffeisen publishes this table for the first time as of 30th June 2020.

in million CHF		a
		RWA amounts
1	RWA as at the end of previous reporting period	64,642
2	Asset size	721
3	Asset quality	-549
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	-1
8	Other	-
9	RWA as at end of reporting period¹	64,813

¹ In the first half of 2020, the RWA of the credit risk positions under the IRB approach contracted by a total of CHF 171 million. The RWA growth from increases in the asset volume (+ CHF 721 million) was offset by RWA reductions of CHF 549 million from changes in the credit quality of the assets. Changes in RWA due to exchange rates (CHF -1 million) are minor.

CR10: IRB - IRB specialised lending and equities under the simple risk weight method

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

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

in CHF million	On-balance sheet amount	Off-balance sheet amount	Risk weight in %	Exposure amount	RWA
Exchange-traded equity exposures	0	0	300%	0	0
Private equity exposures	-	-	400%	-	-
Other equity exposures	89	89	400%	89	379
Total	89	89		89	379

CCR1: Counterparty credit risk - Analysis by approach

in CHF million	a	b	c	d	e	f
30.06.2020	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1 SA-CCR (for derivatives) ¹	126	437		1.4	789	357
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)					752	150
5 VaR for SFTs					-	-
6 TOTAL						507

¹ As of 31 December 2019 the standardised approach for measuring counterparty credit risk (SA-CCR) is used to measure the counterparty credit risk of derivative transactions for the purposes of determining capital adequacy requirements

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

in CHF million	a	b
30.06.2020	EAD post CRM	RWA
Total portfolios subject to the Advanced CVA capital charge	-	-
1 VaR component (including the 3xmultiplier)	-	-
2 Stressed VaR component (including the 3xmultiplier)	-	-
3 All portfolios subject to the Standardised CVA capital charge	687	298
4 Total subject to the CVA capital charge	687	298

CCR3: Counterparty credit risk - Standardised approach to CCR exposures by exposure category and risk weights

in million CHF	a	b	c	d	e	f	g	h	i
30.06.2020	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
1 Sovereigns and their central banks	5	-	-	-	-	-	-	-	5
2 Banks and securities traders	411	-	317	349	-	0	0	654	1,731
3 Public-sector entities and multilateral developments banks	0	-	-	-	-	-	-	-	0
4 Corporates	93	-	-	-	-	91	-	-	184
5 Retail	-	-	-	-	-	28	-	0	28
6 Equity securities	-	-	-	-	-	-	-	-	-
7 Other assets	-	-	-	-	-	-	-	-	-
8 TOTAL	509	-	317	349	-	119	0	654	1,947

CCR4: IRB - CCR exposures by portfolio and PD scale

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.

CCR5: Counterparty credit risk - composition of collateral for CCR exposure

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	Unsegregated		
Cash – domestic currency (CHF)	-	103	-	569	-	-
Cash – other currencies	-	69	-	273	-	-
Domestic sovereign debt	-	-	-	2	-	1,522
Other sovereign debt	-	2	-	72	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	111	-	172	126	5,037
Equity securities	-	-	-	-	-	-
Other collateral	-	134	-	13	392	773
TOTAL	-	418	-	1,100	518	7,332

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

CCR6: Counterparty credit risk - credit derivatives exposures¹

in CHF million	a	b
30.06.2020	Protection bought	Protection sold
Notionals		
Single-name credit default swaps	-	-
Index credit default swaps	767	98
Total return swaps	-	-
Credit options	-	-
Other credit derivatives	-	-
TOTAL NOTIONALS	767	98
Fair values	708	103
Positive replacement values (assets)	9	8
Negative replacement values (liabilities)	-68	-3

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

CCR7: RWA flow statement of CCR exposures under the Internal Model Method (IMM)

Raiffeisen currently does not use the Internal Model Method.

CCR8: Counterparty credit risk - Exposures to central counterparties

in CHF million	a	b
30.06.2020	EAD post CRM	RWA
1 Exposures to QCCPs ¹ (total)	674	15
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions)	254	13
3 of which OTC derivatives	254	13
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	389	-
9 Pre-funded default fund contributions ²	10	2
10 Unfunded default fund contributions	20	-
11 Exposures to non-QCCPs (total) ³	-	-
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	-	-

¹ Raiffeisen clears certain derivative transactions centrally through Eurex Clearing AG and LCH Ltd.

² Since January 1st 2018 the capital adequacy calculation for pre-funded default fund contributions is done in accordance with margin 565 of the FINMA Circular 2017/7

³ There are no exposures to non-qualifying central counterparties

SEC1: Securitisation exposures in the banking book

Raiffeisen has currently no securitisation exposures in the banking book.

SEC2: Securitisation exposures in the trading book

Raiffeisen has currently 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 has currently no securitisation exposures in the banking book.

SEC4: Securitisation exposures in the banking book and associated regulatory capital requirements - bank acting as investor

Raiffeisen has currently no securitisation exposures in the banking book.

MR1: Market risk under standardised approach

in CHF million		a
30.06.2020		RWA
Outright products		
1	Interest rate risk (general and specific)	2,629
2	Equity risk (general and specific)	101
3	Foreign exchange risk	525
4	Commodity risk	521
Options		
5	Simplified approach	-
6	Delta-plus method	49
7	Scenario approach	-
8 Securitisation		-
9 TOTAL		3,824

MR2: RWA flow statements of market risk exposures under 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.

Appendix 3: Disclosure requirements for systemically important banks

Arts. 124 - 133 of the Capital Adequacy and Risk Diversification Ordinance require systemically important banks in Switzerland to submit a calculation and disclosure of capital adequacy 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 adequacy requirements under the regime of systemic importance. Besides risk-weighted capital adequacy requirements, the requirements under the rules governing systemic importance also include requirements for unweighted capital adequacy requirements (leverage ratio), which are as follows:

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

Table 1: Risk-based capital requirements on the basis of capital ratios as of 30.06.2020

	Transition rules		Final rules (without transitional provisions) 1	
	CHF million	In % Ratio	CHF million	In % Ratio
Risk-weighted positions (RWA)	99,928		99,928	
Risk-based capital requirements («going-concern») on the basis of capital ratios				
Total	13,711	13.720%	13,711	13.720%
of which CET1: Minimum	4,497	4.500%	4,497	4.500%
of which CET1: Capital buffer	4,917	4.920%	4,917	4.920%
of which CET1: Anti-cyclical capital buffer	-	0.000%	-	0.000%
of which AT1: Minimum	3,497	3.500%	3,497	3.500%
of which AT1: Capital buffer	799	0.800%	799	0.800%
Eligible capital («going-concern»)				
Core capital (Tier1)	17,170	17.183%	14,411	14.421%
of which CET1	16,195	16.207%	13,436	13.446%
of which AT1 High-trigger	975	0.976%	975	0.976%
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)	1,279	1.280%	5,284	5.288%
Reduction due to fulfillment with going-concern capital 2	-382	-0.382%	-1,761	-1.763%
Total (net)	897	0.898%	3,523	3.525%
Eligible loss absorbing capital («gone-concern»)				
	897	0.898%	3,523	3.525%
of which CET1, which is used to fulfill gone-concern requirements	764	0.764%	3,523	3.525%
of which Non-Basel III-compliant Tier 2	134	0.134%	-	0.000%
of which Bail-in Bonds	-	0.000%	-	0.000%

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 (gone-concern) compared to the transitional rules.

Table 2: Unweighted adequacy capital requirements on the basis of the leverage ratio as of 30.06.2020

	Transition rules		Final rules (without transitional provisions) ¹	
	CHF million	In % LRD	CHF million	In % LRD
Overall exposure	270,279		270,279	
Overall exposure excluding central bank deposits	233,291		233,291	
Unweighted adequacy capital requirements («going-concern») on the basis of the leverage ratio				
Total	10,790	4.625%	10,790	4.625%
of which CET1: Minimum	3,499	1.500%	3,499	1.500%
of which CET1:Capital buffer	3,791	1.625%	3,791	1.625%
of which AT1: Minimum	3,499	1.500%	3,499	1.500%
Eligible capital («going-concern»)				
Core capital (Tier1)²	17,170	7.360%	14,411	6.177%
of which CET1	16,195	6.942%	13,436	5.759%
of which AT1 High-trigger	975	0.418%	975	0.418%
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)	1,135	0.420%	5,000	1.850%
Reduction due to providing additional capital in terms of conversion capital according to CAO Art. 132 ³	-382	-0.141%	-1,761	-0.652%
Total (net)	753	0.279%	3,239	1.198%
Eligible loss absorbing capital («gone-concern»)				
Total	897	0.332%	3,523	1.303%
of which CET1, which is used to fulfill gone-concern requirements	764	0.283%	3,523	1.303%
of which Non-Basel III-compliant Tier 2	134	0.049%	-	0.000%
of which Bail-in Bonds	-	0.000%	-	0.000%

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

² The reported going-concern leverage ratio refers to the calculation excluding central bank deposits according to regulatory notification 02/2020 of FINMA of 31 March 2020. According to the transitional provisions of 30 June 2020, the going-concern leverage ratio without relief measures was 6.36% (or according to the final regulations without transitional provisions 5.33%).

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.