

**Capital adequacy and liquidity
disclosure of the Raiffeisen Group
as of 31 March 2019**

RAIFFEISEN

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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 quarterly disclosure obligation of the Raiffeisen Group according to the FINMA-Circular 2016/1.

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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 2015/1.

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 at the end of this disclosure.

KM1: Key metrics

in CHF million		a	b	c	d	e
		31.03.2019	31.12.2018	30.09.2018	30.06.2018	31.03.2018
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	16,479	16,408	15,614	15,391	15,340
2	Tier 1	17,447	17,381	16,593	16,376	16,465
3	Total capital	17,658	17,650	16,866	16,651	16,742
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	102,003	99,307	97,986	98,436	98,333
4a	Minimum capital requirement	8,160	7,945	7,839	7,875	7,867
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	16.2%	16.5%	15.9%	15.6%	15.6%
6	Tier 1 ratio (%)	17.1%	17.5%	16.9%	16.6%	16.7%
7	Total capital ratio (%)	17.3%	17.8%	17.2%	16.9%	17.0%
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 (%) ¹	1.2%	1.2%	1.2%	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 (%)	8.2%	8.2%	8.2%	8.2%	8.2%
12	CET1 available after meeting the bank's minimum capital requirements (%)	13.1%	13.4%	12.8%	12.5%	12.6%
Target capital ratios in accordance with note 8 of the CAO²						
12b	Countercyclical buffer (Art. 44 and 44a of the CAO)	1.2%	1.2%	1.2%	1.2%	1.2%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio exposure measure	239,641	228,582	236,225	233,522	237,705
14	Basel III leverage ratio (%)	7.3%	7.6%	7.0%	7.0%	6.9%
Liquidity Coverage Ratio						
15	Total HQLA	20,971	21,691	21,562	21,413	22,537
16	Total net cash outflow	17,459	17,608	17,217	18,564	18,160
17	LCR ratio (%)	120.1%	123.2%	125.2%	115.4%	124.1%

1 Includes national countercyclical buffer (Art. 44 of the CAO).

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

Appendix 3: Disclosure requirements for systemically important banks

Arts. 124 - 133 of the Capital Adequacy and Risk Diversification Ordinance (Eigenmittel und Risikoverteilungsvorschriften - ERV) require systemically important banks in Switzerland to submit a calculation and disclosure of capital adequacy requirements on a quarterly basis.

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

	Transition rules		Final rules (without transitional provisions)	
	CHF million	In % Ratio	CHF million	In % Ratio
Risk-weighted positions (RWA)	102,003		102,003	
Risk-based capital requirements («going-concern») on the basis of capital ratios				
Total	15,006	14.711%	15,189	14.891%
of which CET1: Minimum	4,998	4.900%	4,590	4.500%
of which CET1: Capital buffer	4,825	4.730%	5,009	4.910%
of which CET1: Anti-cyclical capital buffer	1,204	1.181%	1,204	1.181%
of which AT1: Minimum	3,162	3.100%	3,570	3.500%
of which AT1: Capital buffer	816	0.800%	816	0.800%
Eligible capital («going-concern»)				
Core capital (Tier1)	17,368	17.027%	13,851	13.579%
of which CET1	16,400	16.078%	12,883	12.630%
of which AT1 High-trigger	968	0.949%	968	0.949%
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)	653	0.640%	5,394	5.288%
Reduction due to fulfillment with going-concern capital	-39	-0.039%	-1,798	-1.763%
Total (net)	614	0.601%	3,596	3.525%
Eligible loss absorbing capital («gone-concern»)				
	614	0.601%	3,596	3.525%
of which CET1, which is used to fulfill gone-concern requirements	79	0.077%	3,596	3.525%
of which Non-Basel III-compliant Tier 2	535	0.524%	-	0.000%
of which Bail-in Bonds	-	0.000%	-	0.000%

1 Going-concern capital requirements after transitional phase as per 1st January 2020 and Gone-concern capital requirements after transitional phase as per 1st January 2026.

	Transition rules		Final rules (without transitional provisions)	
	CHF million	In % LRD	CHF million	In % LRD
Overall exposure	239,641		239,641	
Unweighted adequacy capital requirements («going-concern») on the basis of the leverage ratio				
Total	10,934	4.563%	11,083	4.625%
of which CET1: Minimum	4,074	1.700%	3,595	1.500%
of which CET1:Capital buffer	3,744	1.563%	3,894	1.625%
of which AT1: Minimum	3,115	1.300%	3,595	1.500%
Eligible capital («going-concern»)				
Core capital (Tier1)	17,447	7.280%	14,491	6.047%
of which CET1	16,479	6.876%	13,523	5.643%
of which AT1 High-trigger	968	0.404%	968	0.404%
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)	503	0.210%	4,433	1.850%
Reduction due to providing additional capital in terms of conversion capital according to CAO Art. 132	-	0.000%	-1,478	-0.617%
Total (net)	503	0.210%	2,956	1.233%
Eligible loss absorbing capital («gone-concern»)				
Total	535	0.223%	2,956	1.233%
of which CET1, which is used to fulfill gone-concern requirements	-	0.000%	2,956	1.233%
of which Non-Basel III-compliant Tier 2	535	0.223%	-	0.000%
of which Bail-in Bonds	-	0.000%	-	0.000%

1 Going-concern capital requirements after transitional phase as per 1st January 2020 and Gone-concern capital requirements after transitional phase as per 1st January 2026.