

RAIFFEISEN

Regulatory disclosure
as at 30 September 2021

REGULATORY DISCLOSURE

FINMA Circular 2016/1 "Disclosure – banks" defines the scope of the regulatory disclosure. While all tables of relevance for a bank must be disclosed as part of the year-end reporting, a lower number of tables need to be disclosed in the quarterly and half-yearly reports. This disclosure is based on the quarterly disclosure obligations of the Raiffeisen organisation as defined in FINMA Circular 2016/1.

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Key abbreviations

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 |
| IKS | 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 |
| 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 net present value |
| Δ NII | Change in capitalised value |

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.

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) is available in note 3 to this disclosure.

Raiffeisen Switzerland

In its order of 16 June 2014, the Swiss National Bank (SNB) classified Raiffeisen Switzerland as systemically important. Up to 31 December 2020, there were no disclosure regulations at individual bank level at the Raiffeisen Switzerland level.

According to Art. 10 (3) CAO, FINMA can permit a bank to consolidate Group companies operating in the financial sphere due to their especially close relationship with the bank, even at the level of an individual bank (solo consolidation). Pursuant to the order of 21 July 2016, in the context of individual bank regulations, FINMA permits Raiffeisen Switzerland to solo consolidate the subsidiary Raiffeisen Switzerland B.V. Amsterdam. Since 31 December 2016, capital at Raiffeisen Switzerland is calculated on a solo consolidated basis. Apart from this, there are no deviations between the regulatory and accounting scope of consolidation.

According to the FINMA order of 11 November 2020, at the Raiffeisen Switzerland level, disclosure requirements in the form of tables "KM1: Basic regulatory key figures" and "Annex 3: Disclosures for systemically important banks" will initially apply as at 31 March 2021.

RAIFFEISEN GROUP

Key metrics

KM1: Key metrics

Key metrics

| | a | b | c | d | e |
|---|------------|------------|------------|------------|------------|
| in CHF million (unless stated otherwise) | 30.09.2021 | 30.06.2021 | 31.03.2021 | 31.12.2020 | 30.09.2020 |
| Available capital (amounts) | | | | | |
| 1 Common Equity Tier 1 (CET1) | 18,053 | 18,018 | 17,961 | 17,883 | 17,085 |
| 2 Tier 1 | 19,263 | 19,197 | 19,045 | 18,776 | 17,485 |
| 3 Total capital | 20,053 | 19,840 | 19,710 | 19,151 | 17,485 |
| Risk-weighted assets (amounts)¹ | | | | | |
| 4 Total risk-weighted assets (RWA) | 91,034 | 96,387 | 95,330 | 93,545 | 95,033 |
| 4a Minimum capital requirement | 7,283 | 7,711 | 7,626 | 7,484 | 7,603 |
| Risk-based capital ratios as a percentage of RWA | | | | | |
| 5 Common Equity Tier 1 ratio (%) | 19.8% | 18.7% | 18.8% | 19.1% | 18.0% |
| 6 Tier 1 ratio (%) | 21.2% | 19.9% | 20.0% | 20.1% | 18.4% |
| 7 Total capital ratio (%) | 22.0% | 20.6% | 20.7% | 20.5% | 18.4% |
| 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) (%) | 12.5% | 11.2% | 11.3% | 11.6% | 9.5% |
| 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) | 290,655 | 286,399 | 278,207 | 263,303 | 278,652 |
| 14 Basel III leverage ratio (%) | 6.6% | 6.7% | 6.8% | 7.1% | 6.3% |
| Liquidity Coverage Ratio⁴ | | | | | |
| 15 Total HQLA | 58,929 | 52,974 | 46,921 | 47,789 | 42,473 |
| 16 Total net cash outflow | 31,453 | 30,560 | 27,893 | 29,983 | 29,105 |
| 17 LCR ratio (%) | 187.4% | 173.3% | 168.2% | 159.4% | 145.9% |
| Net Stable Funding Ratio⁵ | | | | | |
| 18 Total available stable funding | 222,971 | n/a | n/a | n/a | n/a |
| 19 Total required stable funding | 152,237 | n/a | n/a | n/a | n/a |
| 20 NSFR ratio | 146.5% | n/a | 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 (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. This illustration was selected against the background of the loss of this relief as of 01.01.2021.

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

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

Appendix 3: Disclosure requirements for systemically important banks

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

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

Risk-weighted and unweighted capital adequacy 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

| 30.09.2021 | Transition rules | | Final rules (without transitional provisions) ¹ | |
|---|------------------|----------------|---|----------------|
| | CHF million | In % Ratio | CHF million | In % Ratio |
| Basis of assessment | | | | |
| Risk-weighted positions (RWA) | 91,034 | | 91,034 | |
| Risk-based capital requirements («going-concern») on the basis of capital ratios | | | | |
| Total | 12,535 | 13.769% | 12,535 | 13.769% |
| of which CET1: Minimum | 4,097 | 4.500% | 4,097 | 4.500% |
| of which CET1: Capital buffer | 4,524 | 4.969% | 4,524 | 4.969% |
| of which CET1: Anti-cyclical capital buffer | – | 0.000% | – | 0.000% |
| of which AT1: Minimum | 3,186 | 3.500% | 3,186 | 3.500% |
| of which AT1: Capital buffer | 728 | 0.800% | 728 | 0.800% |
| Eligible capital («going-concern») | | | | |
| Core capital (Tier1) | 18,671 | 20.510% | 16,307 | 17.913% |
| of which CET1 | 17,460 | 19.180% | 15,096 | 16.583% |
| of which AT1 High-trigger | 1,211 | 1.330% | 1,211 | 1.330% |
| 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) | 1,748 | 1.920% | 4,814 | 5.288% |
| Reduction due to fulfillment with going-concern capital ² | –296 | –0.325% | –1,478 | –1.624% |
| Total (net) | 1,452 | 1.595% | 3,336 | 3.664% |
| Eligible loss absorbing capital («gone-concern») | | | | |
| Total | 1,535 | 1.686% | 3,899 | 4.283% |
| of which CET1, which is used to fulfill gone-concern requirements | 592 | 0.651% | 2,956 | 3.247% |
| of which Bail-in Bonds | 943 | 1.036% | 943 | 1.036% |

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

| 30.09.2021 | Transition rules | | Final rules (without transitional provisions) ¹ | |
|--|------------------|---------------|---|---------------|
| | CHF million | In % LRD | CHF million | In % LRD |
| Basis of assessment | | | | |
| Overall exposure | 290,655 | | 290,655 | |
| Unweighted adequacy capital requirements («going-concern») on the basis of the leverage ratio | | | | |
| Total | 13,443 | 4.625% | 13,443 | 4.625% |
| of which CET1: Minimum | 4,360 | 1.500% | 4,360 | 1.500% |
| of which CET1:Capital buffer | 4,723 | 1.625% | 4,723 | 1.625% |
| of which AT1: Minimum | 4,360 | 1.500% | 4,360 | 1.500% |
| Eligible capital («going-concern») | | | | |
| Core capital (Tier1) | 18,671 | 6.424% | 16,307 | 5.610% |
| of which CET1 | 17,460 | 6.007% | 15,096 | 5.194% |
| of which AT1 High-trigger | 1,211 | 0.417% | 1,211 | 0.417% |
| 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) | 1,831 | 0.630% | 5,377 | 1.850% |
| Reduction due to providing additional capital in terms of conversion capital according to CAO Art. 132 ² | -296 | -0.102% | -1,478 | -0.509% |
| Total (net) | 1,535 | 0.528% | 3,899 | 1.341% |
| Eligible loss absorbing capital («gone-concern») | | | | |
| Total | 1,535 | 0.528% | 3,899 | 1.341% |
| of which CET1, which is used to fulfill gone-concern requirements | 592 | 0.204% | 2,956 | 1.017% |
| of which Bail-in Bonds | 943 | 0.324% | 943 | 0.324% |

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.

RAIFFEISEN SWITZERLAND

Key metrics

KM1: Key metrics

KM1: Key metrics¹

| | a | b | c | d | e |
|---|------------|------------|------------|------------|------------|
| in CHF million (unless stated otherwise) | 30.09.2021 | 30.06.2021 | 31.03.2021 | 31.12.2020 | 30.09.2020 |
| Available capital (amounts) | | | | | |
| 1 Common Equity Tier 1 (CET1) | 1,798 | 1,809 | 1,801 | 1,801 | |
| 2 Tier 1 | 3,009 | 2,987 | 2,884 | 2,693 | |
| 3 Total capital | 3,863 | 3,691 | 3,597 | 3,085 | |
| Risk-weighted assets (amounts) | | | | | |
| 4 Total risk-weighted assets (RWA) | 15,674 | 16,423 | 15,723 | 15,193 | |
| 4a Minimum capital requirement | 1,254 | 1,314 | 1,258 | 1,215 | |
| Risk-based capital ratios as a percentage of RWA | | | | | |
| 5 Common Equity Tier 1 ratio (%) | 11.5% | 11.0% | 11.5% | 11.9% | |
| 6 Tier 1 ratio (%) | 19.2% | 18.2% | 18.3% | 17.7% | |
| 7 Total capital ratio (%) | 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% | |
| 9 Countercyclical buffer (Article 44a CAO) in accordance with the Basel Minimum Standards (%) | 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% | |
| 11 Overall buffer requirements in accordance with the Basel Minimum Standards in CET1 quality (%) | 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) (%) | 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% | |
| Basel III Leverage Ratio³ | | | | | |
| 13 Total exposure (CHF) | 92,612 | 89,998 | 83,780 | 70,568 | |
| 14 Basel III leverage ratio (%) | 3.2% | 3.3% | 3.4% | 3.8% | |
| Liquidity Coverage Ratio⁴ | | | | | |
| 15 Total HQLA | 59,389 | 53,338 | 47,243 | 48,084 | |
| 16 Total net cash outflow | 33,534 | 33,550 | 30,942 | 32,538 | |
| 17 LCR ratio (%) | 177.1% | 159.0% | 152.7% | 147.8% | |
| Net Stable Funding Ratio⁵ | | | | | |
| Total available stable funding | 58,886 | n/a | n/a | n/a | |
| Total required stable funding | 23,889 | n/a | n/a | n/a | |
| NSFR ratio | 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 are disclosed for the first time as of 30 September 2021.

Appendix 3: Disclosure requirements for systemically important banks

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

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

| 30.09.2021 | Transition rules | | Final rules (without transitional provisions) ¹ | |
|---|------------------|----------------|---|----------------|
| | CHF million | In % Ratio | CHF million | In % Ratio |
| Basis of assessment | | | | |
| Risk-weighted positions (RWA) | 15,674 | | 15,674 | |
| Risk-based capital requirements («going-concern») on the basis of capital ratios | | | | |
| Total | 2,072 | 13.220% | 2,072 | 13.220% |
| of which CET1: Minimum | 705 | 4.500% | 705 | 4.500% |
| of which CET1: Capital buffer | 693 | 4.420% | 693 | 4.420% |
| of which CET1: Anti-cyclical capital buffer | – | 0.000% | – | 0.000% |
| of which AT1: Minimum | 549 | 3.500% | 549 | 3.500% |
| of which AT1: Capital buffer | 125 | 0.800% | 125 | 0.800% |
| Eligible capital («going-concern») | | | | |
| Core capital (Tier1) | 3,009 | 19.194% | 2,495 | 15.917% |
| of which CET1 | 1,798 | 11.470% | 1,284 | 8.193% |
| of which AT1 High-trigger | 1,211 | 7.724% | 1,211 | 7.724% |
| 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) | 301 | 1.920% | 829 | 5.288% |
| Reduction due to fulfillment with going-concern capital ² | – | 0.000% | –257 | –1.639% |
| Total (net) | 301 | 1.920% | 572 | 3.649% |
| Eligible loss absorbing capital («gone-concern») | | | | |
| Total | 943 | 6.015% | 1,456 | 9.292% |
| of which CET1, which is used to fulfill gone-concern requirements | – | 0.000% | 514 | 3.277% |
| of which Bail-in Bonds | 943 | 6.015% | 943 | 6.015% |

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 capital adequacy requirements on the basis of leverage ratio

| 30.09.2021 | Transition rules ¹ | | Final rules (without transitional provisions) ² | |
|--|-------------------------------|---------------|---|---------------|
| | CHF million | In % LRD | CHF million | In % LRD |
| Basis of assessment | | | | |
| Overall exposure | 92,612 | | 92,612 | |
| Unweighted adequacy capital requirements («going-concern») on the basis of the leverage ratio | | | | |
| Total | 2,778 | 3.000% | 4,283 | 4.625% |
| of which CET1: Minimum | 1,389 | 1.500% | 1,389 | 1.500% |
| of which CET1:Capital buffer | – | 0.000% | 1,505 | 1.625% |
| of which AT1: Minimum | 1,389 | 1.500% | 1,389 | 1.500% |
| Eligible capital («going-concern») | | | | |
| Core capital (Tier1) | 3,009 | 3.249% | 2,495 | 2.694% |
| of which CET1 | 1,798 | 1.941% | 1,284 | 1.387% |
| of which AT1 High-trigger | 1,211 | 1.307% | 1,211 | 1.307% |
| 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) | 583 | 0.630% | 1,713 | 1.850% |
| Reduction due to providing additional capital in terms of conversion capital according to CAO Art. 132 ³ | – | 0.000% | –257 | –0.277% |
| Total (net) | 583 | 0.630% | 1,456 | 1.573% |
| Eligible loss absorbing capital («gone-concern») | | | | |
| Total | 943 | 1.018% | 1,456 | 1.573% |
| of which CET1, which is used to fulfill gone-concern requirements | – | 0.000% | 514 | 0.555% |
| of which Bail-in Bonds | 943 | 1.018% | 943 | 1.018% |

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.

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