RAIFFEISEN

2022

Regulatory disclosure
as at 31 December 2022

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

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

Tables not used

FINMA Circular 2016/1 "Disclosure – banks" contains table templates that define the scope of the information to be published. Margin no. 25 of this Circular states that banks can refrain from disclosing information that is not meaningful. The table templates not used in this disclosure – and the reasons for omitting them – are listed in the table below.

Tables not used

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

Key abbreviations

Key abbreviations

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

Introduction

Raiffeisen Group

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

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

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

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

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

Raiffeisen Switzerland

At Raiffeisen Switzerland level, disclosure requirements apply in the form of tables “KM1: Key metrics” and “Appendix 3: Disclosures for systemically important banks”.

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

Raiffeisen Group

Key metrics

KM1: Key metrics

KM1: Key metrics

	in CHF million (unless stated otherwise)	a 31.12.2022	b 30.09.2022	c 30.06.2022	d 31.03.2022	e 31.12.2021
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	20,575	19,415	19,375	19,183	19,109
2	Tier 1	21,710	20,544	20,501	20,376	20,323
3	Total capital	22,877	21,295	21,227	21,125	21,142
	Risk-weighted assets (amounts) [1]					
4	Total risk-weighted assets (RWA)	92,899	92,238	93,215	92,493	91,187
4a	Minimum capital requirement	7,432	7,379	7,457	7,399	7,295
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	22.1%	21.0%	20.8%	20.7%	21.0%
6	Tier 1 ratio (%)	23.4%	22.3%	22.0%	22.0%	22.3%
7	Total capital ratio (%)	24.6%	23.1%	22.8%	22.8%	23.2%
	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) (%) [2]	10.8%	13.1%	12.8%	12.9%	13.7%
	Target capital ratios in accordance with note 8 of the CAO [3]					
12b	Countercyclical buffer (Articles 44 and 44a CAO)	1.4%	1.4%	0.0%	0.0%	0.0%
	Basel III Leverage Ratio					
13	Total exposure [4]	282,758	302,632	303,824	303,608	289,393
14	Basel III leverage ratio (%)	7.7%	6.8%	6.7%	6.7%	7.0%
	Liquidity Coverage Ratio [5]					
15	Total HQLA	55,270	55,356	61,586	61,369	60,763
16	Total net cash outflow	32,828	34,194	35,608	34,840	32,769
17	LCR ratio (%)	168.4%	161.9%	173.0%	176.1%	185.4%
	Net Stable Funding Ratio					
18	Total available stable funding	227,260	226,680	225,902	224,565	223,094
19	Total required stable funding	161,313	160,307	158,805	156,113	153,975
20	NSFR ratio (%)	140.9%	141.4%	142.3%	143.8%	144.9%

1 The adoption of the IRB approach as of 30.09.2019 reduced the risk-weighted assets (RWAs). After the transitional provisions have expired, an IRB floor of 80% is taken into account as from 30.09.2022.
2 Due to the early fulfilment of the full 2026 TLAC requirements as of 31.12.2022 and the resulting higher reclassification of excess CET1 capital, this figure is reduced as of 31.12.2022. In return, the aggregate requirements for additional loss-absorbing funds (gone-concern funds) applicable as of 2026 have already been fully built up as of 31.12.2022.
3 Systemically important banks can refrain from publishing rows 12a, 12c, 12d, 12e (note 8 of the CAO not applicable).
4 The decrease in total exposure in the fourth quarter 2022 is due to the decrease in money market transactions.
5 Average daily closing averages of all business days in the reporting quarter.

Risk management and risk overview

OVA: Risk management approach of Raiffeisen Group

Risks and principles

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

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

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

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

Operational risks
- Risks are evaluated through regular top-down and bottom-up risk assessments.
- Risks are monitored using risk indicators and an early warning system.
- The suitability and effectiveness of the internal control system are reviewed regularly.
- Internal and external events are analysed on an ongoing basis; the findings from these analyses are implemented in the operational business processes.
- Policies for supporting and managing customer deposits in the investment business are monitored independently for compliance, while clustering in client custody accounts is measured and monitored.

Legal and compliance risk

- The risks are regularly assessed on the basis of the annual risk profile and the associated plan of action.
- Risks are monitored using key risk indicators and through risk prevention in individual cases.
- Changes in laws, regulations and professional rules are systematically monitored, analysed and promptly implemented in internal policies and processes.

Strategic risks

- Strategic risks exist with regard to the existing and new potential for the success of the Group and its business areas, as well as the current risk profile.
- Strategic risks are managed as part of the strategy and controlling processes, while monitoring is integrated into the risk monitoring process. In addition, strategic risks are identified, assessed and discussed by the Board of Directors each year.

Environmental risks

- Environmental risks include the risk of changes to basic conditions and expectations. These also include environmental, social and governance factors (ESG). They cover events such as climate change, scarcity of resources, working conditions, discrimination and corruption. Environmental risks may act as risk drivers in various risk categories. Risks arising from ESG factors are monitored by means of key risk indicators and scenario calculations regarding climate risks.

Risk control

Risk assessment

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

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

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

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

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

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

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

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

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

- Clear business and risk policies: Risk taking is directly linked to the core business in Switzerland.
- Effective risk limitation: The Raiffeisen Group's risk tolerance is clearly defined and enforced with a tried-and-tested limit system.
- Central monitoring: Raiffeisen Switzerland monitors its individual business units, subsidiaries and participations.
- Decentralised individual responsibility in line with clearly defined guidelines: The Raiffeisen banks are responsible for managing their risks themselves. Their risk management is based on guidelines relating to business activities, limits and processes. The central controlling units monitor compliance with the guidelines.
- Risk control based on transparency: Independent reports are regularly issued on the risk situation as well as on the risk profile of the individual Raiffeisen banks and the Raiffeisen Group.
- Independent risk monitoring and effective controls: Overall risk and limits are monitored independently of the risk-managing business units. Effective risk control ensures that the predefined processes and thresholds are adhered to.
- Comprehensive risk management process: The Raiffeisen Group's risk management is a uniform and binding process comprising identification, measurement, assessment, management, limiting, monitoring and reporting.
- Avoidance of risk concentration: The Raiffeisen Group has effective tools at its disposal for identifying unwanted risk concentration and taking proactive measures to avoid it.
- Protection of reputation: The Raiffeisen Group attaches great importance to protecting its reputation. It also seeks to ensure responsible business conduct in all its business activities, taking into account environmental, social and governance factors.

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

Risk profile control
The Raiffeisen Group only takes risks that relate to an approved business transaction and fall within its risk tolerance limits. The Board of Directors of Raiffeisen Switzerland approves the risk tolerance limits each year as part of the risk budgeting process. Compliance with risk tolerance is ensured with appropriate limits and requirements. Risks that are difficult to quantify are limited by qualitative stipulations.

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

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

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

OV1: Overview of risk-weighted assets

OV1: Overview of risk-weighted assets

		a	b	c
		RWA	RWA	Minimum Capital Requirement [1]
	in CHF million	31.12.2022	30.06.2022	31.12.2022
1	**Credit risk (excluding counterparty credit risk CCR)**	**82,355**	**78,090**	**6,588**
2	of which: standardised approach (SA)	12,395	10,744	992
3	of which: foundation internal ratings-based (F-IRB) approach	27,041	26,267	2,163
4	of which: supervisory slotting approach	–	–	–
5	of which: advanced internal ratings-based (A-IRB) approach [2]	42,919	41,079	3,434
6	**Counterparty credit risk (CCR) [3]**	**403**	**1,577**	**32**
7	of which: standardised approach for counterparty credit risk	356	418	28
8	of which: Internal Model Method (IMM)	–	–	–
9	of which: other CCR	47	1,159	4
10	**Credit valuation adjustment (CVA)**	**110**	**150**	**9**
11	**Equity positions under the simple risk weight approach**	**364**	**371**	**29**
12	**Equity investments in funds – look-through approach**	**–**	**–**	**–**
13	**Equity investments in funds – mandate-based approach**	**–**	**–**	**–**
14	**Equity investments in funds – fall-back approach**	**38**	**39**	**3**
15	**Settlement risk**	**1**	**–**	**0**
16	**Securitisation exposures in banking book**	**–**	**–**	**–**
17	of which: securitisation internal ratings-based approach (SEC-RBA)	–	–	–
18	of which: securitisation external ratings-based approach (SEC-ERBA, including internal assessment approach (IAA)	–	–	–
19	of which: securitisation standardised approach (SEC-SA)	–	–	–
20	**Market risk [4]**	**1,650**	**2,493**	**132**
21	of which: standardised approach (SA)	1,650	2,493	132
22	of which: internal model approaches (IMA)	–	–	–
23	**Capital charge for switch between trading book and banking book**	**–**	**–**	**–**
24	**Operational risk**	**6,173**	**5,953**	**494**
25	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**1,806**	**1,608**	**144**
26	**Floor adjustment [5]**	**–**	**2,934**	**–**
27	**Total**	**92,899**	**93,215**	**7,432**

1 The required capital for all items amounts to 8% of the risk-weighted assets (RWA).
2 Raiffeisen uses the foundation IRB approach (F-IRB). As for the IRB segment retail only the advanced IRB approach (A-IRB) exists, the RWA and minimum capital requirements for the IRB segment retail are disclosed here.
3 Counterparty credit risk decreased sharply as a result of lower SFT transactions compared with the previous period.
4 The capital requirement for market risks decreased compared with the previous period, in particular, due to lower foreign exchange and precious metal risks.
5 After the transitional provisions have expired, an IRB floor of 80% is taken into account as from 30.09.2022.

Links between financial statements and regulatory exposures

LI1: Differences between accounting and regulatory scopes of consolidation

LI1: Differences between accounting and regulatory scopes of consolidation

	a/b[1]	c	d	e	f	g
						Book values
31.12.2022 in CHF million	Book values as reported in published financial statements and under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework[2]	Not subject to capital requirements or subject to deduction from capital
Assets						
Liquid assets	35,442	35,442	–	–	–	–
Amounts due from banks	2,197	1,466	730	–	–	–
Amounts due from securities financing transactions	–	–	–	–	–	–
Amounts due from clients	10,909	10,706	203	–	–	–
Amounts due secured by mortgage	203,656	203,656	–	–	–	–
Trading portfolio assets	2,889	–	–	–	2,889	–
Positive replacement values of derivative financial instruments	4,852	–	4,852	–	–	–
Other financial instruments at fair value	–	–	–	–	–	–
Financial investments	15,151	14,714	437	–	–	–
Accrued income and prepaid expenses	334	334	–	–	–	–
Non-consolidated participations	808	808	–	–	–	–
Tangible fixed assets	2,989	2,989	–	–	–	–
Intangible assets	7	–	–	–	–	7
Other assets	1,401	1,401	–	–	–	–
Capital not paid in	–	–	–	–	–	–
Total Assets	**280,635**	**271,516**	**6,223**	**–**	**2,889**	**7**
Liabilities						
Amounts due to banks	13,990	–	1,385	–	–	12,605
Liabilities from securities financing transactions	35	–	35	–	–	–
Amounts due in respect of customer deposits	204,785	–	8	–	–	204,777
Trading portfolio liabilities	289	–	–	–	289	–
Negative replacement values of derivative financial instruments	3,762	–	3,762	–	–	–
Liabilities from other financial instruments at fair value	1,741	–	–	–	–	1,741
Cash bonds	210	–	–	–	–	210
Bond issues and central mortgage institution loans	32,002	–	–	–	–	32,002
Accrued expenses and deferred income	917	–	–	–	–	917
Other liabilities	1,331	–	–	–	–	1,331
Provisions	947	–	–	–	–	947
Total Liabilities	**260,008**	**–**	**5,189**	**–**	**289**	**254,530**

1 The Raiffeisen Group's scope of consolidation for accounting purposes is identical to that for regulatory purposes.
2 Raiffeisen has not listed foreign currency and precious metal exposures in the "market risk" column in order to make the presentation easier to understand. Table LI2 lists the capital adequacy requirements for these items.

LI2: Main sources of differences between regulatory exposure amounts and book values in financial statements

LI2: Main sources of differences between regulatory exposure amounts and book values in financial statements (consolidated financial statement)

		a	b	c	d	e
			Positions under:			
31.12.2022 in CHF million		Total	Credit risk regulation	Securitisation regulation	Counterparty credit risk regulation	Market risk regulation
1	Asset book value amount under scope of regulatory consolidation (as per table LI1)	280,635	271,516	–	6,223	2,889
2	Liabilities book value amount under regulatory scope of consolidation (as per table LI1)	5,479	–	–	5,189	289
3	**Total net amount under regulatory scope of consolidation**	**275,156**	**271,516**	**–**	**1,034**	**2,600**
4	Off-balance sheet amounts [1]	14,649	12,684	–	1,784	–
5	Differences in valuations	–	–	–	–	–
6	Differences due to different netting rules, other than those already included in row 2	–950	–	–	–950	–
7	Differences due to consideration of provisions	–	–	–	–	–
8	Differences due to prudential filters	–	–	–	–	–
9	Other differences	–3,123	–2,173	–	–	–950
10	**Exposure amounts considered for regulatory purposes**	**285,544**	**282,027**	**–**	**1,867**	**1,650**

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

LIA: Explanation of differences between accounting and regulatory exposure amounts

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

Composition of regulatory capital

CC1: Composition of regulatory capital

CC1: Composition of regulatory capital

in CHF million (unless stated otherwise)	a 31.12.2022	b References [1]	30.06.2022
Common equity Tier 1 capital (CET1)			
1 Issued and paid-in capital, eligible in full	3,070	(III)	2,970
2 Statutory reserves / retained earnings reserves / retained earnings (losses) / profit (loss) for the period	17,524		16,421
of which retained earnings reserves	16,421		16,421
of which retained earnings reserves	–		–
of which profit (loss) for the period [2]	1,103		–
5 Minority interests, eligible as CET1	–	(IV)	–
6 = Common Equity Tier 1, prior to regulatory adjustments	**20,594**		**19,391**
Regulatory adjustments of CET1			
7 Prudential value adjustments	–5		–6
8 Goodwill	0	(I)	–0
9 Other intangibles	–7	(II)	–7
12 “IRB shortfalls” (difference between the expected losses and provisions)	–8		–2
28 = Total , CET1 adjustments	**–19**		**–16**
29 = Common Equity Tier 1 capital (net CET1)	**20,575**		**19,375**
Additional Tier 1 capital (AT1)			
30 Issued and paid in instruments, eligible in full	1,225		1,225
31 of which: regulatory-capital instruments according to financial statements	–		–
32 of which: debt instruments according to financial statements	1,225		1,225
36 = Total, Additional Tier 1 capital, prior to regulatory adjustments	**1,225**		**1,225**
37 Net long positions in own AT1 instruments	–90		–99
43 = Total of AT1 regulatory adjustments	**–90**		**–99**
44 = Additional Tier 1 capital (net AT1)	**1,135**		**1,126**
45 = Tier 1 capital (net Tier 1 = net CET1 + net AT1)	**21,710**		**20,501**
Tier 2 capital (T2)			
46 Issued and paid in instruments, eligible in full	1,167		726
47 Issued and paid in instruments, recognised as accruals (phase-out)	–		–
51 = Tier 2 capital before regulatory adjustments	**1,167**		**726**
57 = Total T2 adjustments	–		–
58 = Tier 2 capital (net T2)	**1,167**		**726**
59 = Regulatory capital (net T1 & net T2)	**22,877**		**21,227**
60 Sum of risk-weighted positions	**92,899**		**93,215**

Continued

in CHF million (unless stated otherwise)	a 31.12.2022	b References [1]	a 30.06.2022
Capital ratios			
61 CET1 ratio (no. 29 in % of risk-weighted positions)	**22.1%**		**20.8%**
62 T1 ratio (no. 45 in % of risk-weighted positions)	**23.4%**		**22.0%**
63 Ratio regarding the regulatory capital (no. 59 in % of risk-weighted positions)	**24.6%**		**22.8%**
64 CET1 buffer capital requirements specific to the institution according to Basel Minimum Standards (capital buffer + counter-cyclical buffer according to Article 44a CAO + capital buffer for systemically important banks) (in % of the risk-weighted positions)	2.5%		2.5%
65 of which, capital buffers according to Basel minimum standards (in % of risk-weighted positions)	2.5%		2.5%
66 of which, counter-cyclical buffer according to Basel minimum standards (Article 44a CAO in % of the risk-weighted positions)	0.0%		0.0%
67 of which, capital buffers for systemically important banks according to Basel minimum standards (in % of risk-weighted positions)	0.0%		0.0%
68 Available CET1 to cover buffer requirements according to Basel Minimum Standards (after deducting CET1 to cover the minimum requirements and possibly to cover the TLAC requirements) (in % of risk-weighted positions) [3]	10.8%		12.8%
Amounts below thresholds for deduction (before risk-weighting)			
72 Non-qualifying equity interests in the financial sector and other TLAC investments	90		89
73 Other qualifying interests in companies active in the financial sector (CET1)	722		643

1 The references refer to table CC2 “Reconciliation of regulatory capital to balance sheet”.
2 Net profit minus interest on the cooperative capital.
3 Due to the early fulfilment of the full 2026 TLAC requirements as of December 31, 2022 and the resulting higher reclassification of excess CET1 capital, this figure is reduced as of December 31, 2022. In return, the aggregate requirements for additional loss-absorbing funds (gone-concern funds) applicable as of 2026 have already been fully built up as of December 31, 2022.

CC2: Reconciliation of regulatory capital to balance sheet

CC2: Reconciliation of regulatory capital to balance sheet

	a	c	
in CHF million	31.12.2022	References [1]	30.06.2022
Assets			
Liquid assets	35,442		58,506
Amounts due from banks	2,197		10,212
Amounts due from securities financing transactions	–		229
Amounts due from clients	10,909		10,746
Mortgage loans	203,656		199,971
Trading portfolio assets	2,889		3,154
Positive replacement values of derivative financial instruments	4,852		4,147
Financial investments	15,151		8,841
Accrued income and prepaid expenses	334		355
Non-consolidated participations	808		731
Tangible fixed assets	2,989		2,957
Intangible assets	7		7
of which goodwill	–	(I)	0
of which other intangible assets	7	(II)	7
Other assets	1,401		1,634
Total assets	**280,635**		**301,490**
Liabilities			
Amounts due to banks	13,990		22,998
Liabilities from securities financing transactions	35		8,403
Amounts due in respect of customer deposits	204,785		207,900
Trading portfolio liabilities	289		240
Negative replacement values of derivative financial instruments	3,762		3,758
Liabilities from other financial instruments at fair value	1,741		1,876
Cash bonds	210		241
Bond issues and central mortgage institution loans	32,002		33,280
Accrued expenses and deferred income	917		869
Other liabilities	1,331		1,089
Provisions	947		935
of which deferred taxes for untaxed reserves	824		813
Total liabilities	**260,008**		**281,589**
of which subordinated liabilities, eligible as supplementary capital (T2)	1,167		726
of which subordinated liabilities, eligible as additional core capital (AT1)	1,135		1,126
of which with high trigger	1,135		1,126
Shareholder's Equity			
Reserves for general banking risks	200		200
Cooperative capital	3,070		2,970
of which eligible as CET1	3,070	(III)	2,970
of which eligible as AT1	–		–
Statutory reserves/retained earnings reserves/retained earnings (losses)/profit (loss) for the period	17,403		16,776
of which retained earnings reserves	16,221		16,221
of which foreign currency translation reserve	–		0
of which profit (loss) for the period [2]	1,182		556
Minority interests in equity	–47		–45
of which eligible as CET1	–	(IV)	–
of which eligible as AT1	–		–
Total shareholder's equity	**20,626**		**19,902**

1 The references refer to table “CC1 Composition of regulatory capital”.

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

Cooperative share certificates		
1	Issuer	All Raiffeisen banks
2	Explicit identifier (e.g., CUSIP, ISIN or Bloomberg ID for private placements)	–
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
	Regulatory treatment	
4	In accordance with the transitional provisions of Basel III	CET1 capital
5	In accordance with the applicable rules upon the expiry of the Basel III	CET1 capital
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Share certificate
8	Amount included in the regulatory capital (in millions of CHF)	CHF 3,070 million
9	Nominal value of instruments	CHF 3,070 million
10	Classification from an accounting point of view	Cooperative capital
11	Original issuing date	Various
12	With or without maturity	Without maturity
13	Original date of maturity	n/a
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	No
15	Optional call date, conditional call dates (for tax or regulatory reasons)	Exiting cooperative members or their heirs are entitled to repayment of the intrinsic value or nominal value of the share certificate, whichever is lower. The repayment may only be made after the approval of the annual report covering the fourth financial year after the membership is dissolved, unless the member pays in the same amount for new share certificates.
16	Later call dates, if applicable	n/a
	Dividends/coupons	
17	Fixed or variable dividends/coupons	Variable
18	Coupon rate and index, where applicable	Interest rates may not exceed 6% gross; however, there is no right to receive the maximum interest rate.
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	If the general meeting decides not to pay interest in any given financial year, the right to receive interest will lapse and not be carried over to the next financial year. This applies accordingly to a reduction in the interest rate in any given financial year.
20	Interest payment/dividend payment: completely optional, partially optional or binding	Completely optional
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible/non-convertible	Non-convertible
24	If convertible: Trigger for conversion	n/a
25	If convertible: fully or partially	n/a
26	If convertible: Conversion ratio	n/a
27	If convertible: Mandatory or optional conversion	n/a
28	If convertible: indication of type of instrument following conversion	n/a
29	If convertible: issuer of the instrument following conversion	n/a
30	Debt waiver	No
31	In case of debt waiver: Trigger for the waiver	n/a
32	In case of debt waiver: fully or partially optional	n/a
33	In case of debt waiver: permanent or temporary	n/a
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Statutory
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	Subordinated to Additional Tier-1 Bonds
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

Perpetual subordinated AT1-bond 2018

1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g., CUSIP, ISIN or Bloomberg ID for private placements)	CH0411559377
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
	Regulatory treatment	
4	In accordance with the transitional provisions of Basel III	Additional Tier 1 capital
5	In accordance with the applicable rules upon the expiry of the Basel III	Additional Tier 1 capital
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Perpetual subordinated bond
8	Amount included in the regulatory capital (in millions of CHF)	CHF 328 million
9	Nominal value of instruments	CHF 400 million
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	2 May 2018
12	With or without maturity	Without maturity
13	Original date of maturity	–
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 2 May 2023. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	Thereafter annually on interest date of 2 May
	Dividends/coupons	
17	Fixed or variable dividends/coupons	Fixed
18	Coupon rate and index, where applicable	2.00% p.a. until 2 May 2023. The interest rate for the next 5 years is thereafter calculated as the total of the then valid swap rate (at least zero percent) plus the margin of 1.9575%.
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	Yes
20	Interest payment/dividend payment: completely optional, partially optional or binding	Completely optional
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible/non-convertible	Non-convertible
24	If convertible: trigger for conversion	n/a
25	If convertible: fully or partially	n/a
26	If convertible: conversion ratio	n/a
27	If convertible: mandatory or optional conversion	n/a
28	If convertible: indication of type of instrument following conversion	n/a
29	If convertible: issuer of the instrument following conversion	n/a
30	Debt waiver	Yes
31	In case of debt waiver: trigger for the waiver	The Raiffeisen Group falls below a CET1-ratio of 7.0% Raiffeisen Switzerland requires assistance from the public sector, either for itself or for the Raiffeisen Group The Swiss Financial Market Supervisory Authority (FINMA) orders a write-down as a protective measure if Raiffeisen Switzerland is faced with insolvency.
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Contractual
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	Subordinated Tier2 instruments
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

Perpetual subordinated AT1-bond 2020		
1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g., CUSIP, ISIN or Bloomberg ID for private placements)	CH0566511496
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
	Regulatory treatment	
4	In accordance with the transitional provisions of Basel III	Additional Tier 1 capital
5	In accordance with the applicable rules upon the expiry of the Basel III	Additional Tier 1 capital
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Perpetual subordinated bond
8	Amount included in the regulatory capital (in millions of CHF)	CHF 510 million
9	Nominal value of instruments	CHF 525 million
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	16 October 2020
12	With or without maturity	Without maturity
13	Original date of maturity	–
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 16 April 2026. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	Thereafter annually on interest date of 16 April
	Dividends/coupons	
17	Fixed or variable dividends/coupons	Fixed
18	Coupon rate and index, where applicable	2.00% p.a. until 16 April 2026. The interest rate for the next 5 years is thereafter calculated as the total of the then valid swap rate (at least zero percent) plus the margin of 2.00%.
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	Yes
20	Interest payment/dividend payment: completely optional, partially optional or binding	Completely optional
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible/non-convertible	Non-convertible
24	If convertible: trigger for conversion	n/a
25	If convertible: fully or partially	n/a
26	If convertible: conversion ratio	n/a
27	If convertible: mandatory or optional conversion	n/a
28	If convertible: indication of type of instrument following conversion	n/a
29	If convertible: issuer of the instrument following conversion	n/a
30	Debt waiver	Yes
31	In case of debt waiver: Trigger for the waiver	The Raiffeisen Group falls below a CET1-ratio of 7.0% Raiffeisen Switzerland requires assistance from the public sector, either for itself or for the Raiffeisen Group The Swiss Financial Market Supervisory Authority (FINMA) orders a write-down as a protective measure if Raiffeisen Switzerland is faced with insolvency.
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Contractual
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	Subordinated Tier2 instruments
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

Perpetual subordinated AT1-bond 2021

1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g., CUSIP, ISIN or Bloomberg ID for private placements)	CH1101825797
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
	Regulatory treatment	
4	In accordance with the transitional provisions of Basel III	Additional Tier 1 capital
5	In accordance with the applicable rules upon the expiry of the Basel III	Additional Tier 1 capital
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Perpetual subordinated bond
8	Amount included in the regulatory capital (in millions of CHF)	CHF 297 million
9	Nominal value of instruments	CHF 300 million
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	31 March 2021
12	With or without maturity	Without maturity
13	Original date of maturity	–
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 31 March 2027. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	Thereafter annually on interest date of 31 March
	Dividends/coupons	
17	Fixed or variable dividends/coupons	Fixed
18	Coupon rate and index, where applicable	2.25% p.a. until 31 March 2027. The interest rate for the next 5 years is thereafter calculated as the total of the then valid SARON rate (at least zero percent) plus the margin of 2.25%.
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	Yes
20	Interest payment/dividend payment: completely optional, partially optional or binding	Completely optional
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible/non-convertible	Non-convertible
24	If convertible: trigger for conversion	n/a
25	If convertible: fully or partially	n/a
26	If convertible: conversion ratio	n/a
27	If convertible: mandatory or optional conversion	n/a
28	If convertible: indication of type of instrument following conversion	n/a
29	If convertible: issuer of the instrument following conversion	n/a
30	Debt waiver	Yes
31	In case of debt waiver: trigger for the waiver	The Raiffeisen Group falls below a CET1-ratio of 7.0% Raiffeisen Switzerland requires assistance from the public sector, either for itself or for the Raiffeisen Group The Swiss Financial Market Supervisory Authority (FINMA) orders a write-down as a protective measure if Raiffeisen Switzerland is faced with insolvency.
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Contractual
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	Subordinated Tier2 instruments
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

Subordinated time deposits		
1	Issuer	Individual Raiffeisen banks
2	Explicit identifier (e.g., CUSIP, ISIN or Bloomberg ID for private placements)	–
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
	Regulatory treatment	
4	In accordance with the transitional provisions of Basel III	Tier 2 capital
5	In accordance with the applicable rules upon the expiry of the Basel III	Tier 2 capital
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Other instruments
8	Amount included in the regulatory capital (in millions of CHF)	CHF 5 million
9	Nominal value of instruments	CHF 39 million
10	Classification from an accounting point of view	Commitment
11	Original issuing date	Various
12	With or without maturity	With maturity
13	Original date of maturity	Various
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	No
15	Optional call date, conditional call dates (for tax or regulatory reasons)	n/a
16	Later call dates, if applicable	n/a
	Dividends/coupons	
17	Fixed or variable dividends/coupons	Fixed
18	Coupon rate and index, where applicable	Various
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment/dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-convertible
23	Convertible/non-convertible	Non-cumulative
24	If convertible: trigger for conversion	n/a
25	If convertible: fully or partially	n/a
26	If convertible: conversion ratio	n/a
27	If convertible: mandatory or optional conversion	n/a
28	If convertible: indication of type of instrument following conversion	n/a
29	If convertible: issuer of the instrument following conversion	n/a
30	Debt waiver	No
31	In case of debt waiver: trigger for the waiver	n/a
32	In case of debt waiver: fully or partially optional	Fully or partially
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Contractual
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	Subordinate to all other obligation
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

Bail-in bond 2025

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

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

Bail-in bond 2027

1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g., CUSIP, ISIN or Bloomberg ID for private placements)	CH0591084139
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
	Regulatory treatment	
4	In accordance with the transitional provisions of Basel III	– [1]
5	In accordance with the applicable rules upon the expiry of the Basel III	–
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Senior unsecured debt (Bail-In Bond)
8	Amount included in the regulatory capital (in millions of CHF)	CHF 116 million
9	Nominal value of instruments	CHF 125 million
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	15 January 2021
12	With or without maturity	With maturity
13	Original date of maturity	15 January 2027
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 15 January 2026. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	n/a
	Dividends/coupons	
17	Fixed or variable dividends/coupons	Fixed
18	Coupon rate and index, where applicable	0.1775%
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment/dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible/non-convertible	Convertible
24	If convertible: Trigger for conversion	In the event of restructuring proceedings affecting the Issuer, FINMA may order all measures to which it is entitled under the then applicable financial market regulations.
25	If convertible: fully or partially	Fully or partially
26	If convertible: conversion ratio	At discretion of FINMA
27	If convertible: mandatory or optional conversion	At discretion of FINMA
28	If convertible: indication of type of instrument following conversion	CET1 capital
29	If convertible: issuer of the instrument following conversion	Raiffeisen Switzerland or transfer to another legal entity on the instruction of such FINMA measures
30	Debt waiver	Yes
31	In case of debt waiver: trigger for the waiver	At discretion of FINMA
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Structural
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	–
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

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

	EUR Bail-in bond 2027	
1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g., CUSIP, ISIN or Bloomberg ID for private placements)	CH1224575899
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
	Regulatory treatment	
4	In accordance with the transitional provisions of Basel III	– [1]
5	In accordance with the applicable rules upon the expiry of the Basel III	–
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Senior unsecured debt (Bail-In Bond)
8	Amount included in the regulatory capital (in millions of CHF)	CHF 494 million
9	Nominal value of instruments	EUR 500 million
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	1 November 2022
12	With or without maturity	With maturity
13	Original date of maturity	1 November 2027
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	No
15	Optional call date, conditional call dates (for tax or regulatory reasons)	n/a
16	Later call dates, if applicable	n/a
	Dividends/coupons	
17	Fixed or variable dividends/coupons	Fixed
18	Coupon rate and index, where applicable	5.230%
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment/dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible/non-convertible	Convertible
24	If convertible: trigger for conversion	In the event of restructuring proceedings affecting the Issuer, FINMA may order all measures to which it is entitled under the then applicable financial market regulations.
25	If convertible: fully or partially	Fully or partially
26	If convertible: conversion ratio	At discretion of FINMA
27	If convertible: mandatory or optional conversion	At discretion of FINMA
28	If convertible: indication of type of instrument following conversion	CET1 capital
29	If convertible: issuer of the instrument following conversion	Raiffeisen Switzerland or transfer to another legal entity on the instruction of such FINMA measures
30	Debt waiver	Yes
31	In case of debt waiver: trigger for the waiver	At discretion of FINMA
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Structural
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	–
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

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

Bail-in bond 2028		
1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g., CUSIP, ISIN or Bloomberg ID for private placements)	CH0572899257
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
	Regulatory treatment	
4	In accordance with the transitional provisions of Basel III	– [1]
5	In accordance with the applicable rules upon the expiry of the Basel III	–
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Senior unsecured debt (Bail-In Bond)
8	Amount included in the regulatory capital (in millions of CHF)	CHF 166 million
9	Nominal value of instruments	CHF 175 million
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	11 November 2020
12	With or without maturity	With maturity
13	Original date of maturity	11 November 2028
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 11 November 2027. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	n/a
	Dividends/coupons	
17	Fixed or variable dividends/coupons	Fixed
18	Coupon rate and index, where applicable	0.500%
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment/dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible/non-convertible	Convertible
24	If convertible: Trigger for conversion	In the event of restructuring proceedings affecting the Issuer, FINMA may order all measures to which it is entitled under the then applicable financial market regulations.
25	If convertible: fully or partially	Fully or partially
26	If convertible: conversion ratio	At discretion of FINMA
27	If convertible: mandatory or optional conversion	At discretion of FINMA
28	If convertible: indication of type of instrument following conversion	CET1 capital
29	If convertible: issuer of the instrument following conversion	Raiffeisen Switzerland or transfer to another legal entity on the instruction of such FINMA measures
30	Debt waiver	Yes
31	In case of debt waiver: trigger for the waiver	At discretion of FINMA
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Structural
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	–
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

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

Bail-in bond 2029		
1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g., CUSIP, ISIN or Bloomberg ID for private placements)	CH051512483
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
	Regulatory treatment	
4	In accordance with the transitional provisions of Basel III	– [1]
5	In accordance with the applicable rules upon the expiry of the Basel III	–
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Senior unsecured debt (Bail-In Bond)
8	Amount included in the regulatory capital (in millions of CHF)	CHF 119 million
9	Nominal value of instruments	CHF 165 million
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	28 September 2021
12	With or without maturity	With maturity
13	Original date of maturity	28 September 2029
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 28 September 2028. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	n/a
	Dividends/coupons	
17	Fixed or variable dividends/coupons	Fixed
18	Coupon rate and index, where applicable	0.405%
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment/dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible/non-convertible	Convertible
24	If convertible: trigger for conversion	In the event of restructuring proceedings affecting the Issuer, FINMA may order all measures to which it is entitled under the then applicable financial market regulations.
25	If convertible: fully or partially	Fully or partially
26	If convertible: conversion ratio	At discretion of FINMA
27	If convertible: mandatory or optional conversion	At discretion of FINMA
28	If convertible: indication of type of instrument following conversion	CET1 capital
29	If convertible: issuer of the instrument following conversion	Raiffeisen Switzerland or transfer to another legal entity on the instruction of such FINMA measures
30	Debt waiver	Yes
31	In case of debt waiver: trigger for the waiver	At discretion of FINMA
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Structural
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	–
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

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

Bail-in bond 2031		
1	Issuer	Raiffeisen Switzerland Cooperative, St. Gallen
2	Explicit identifier (e.g., CUSIP, ISIN or Bloomberg ID for private placements)	CH0591084253
3	Laws applicable to the instrument	Swiss law
3a	How the enforceability criterion in accordance with the TLAC term sheets is met (for other instruments eligible for TLAC according to foreign law)	n/a
	Regulatory treatment	
4	In accordance with the transitional provisions of Basel III	– [1]
5	In accordance with the applicable rules upon the expiry of the Basel III	–
6	Eligible at stand-alone level, group level, stand-alone and group level	Stand-alone and group level
7	Type of instrument	Senior unsecured debt (Bail-In Bond)
8	Amount included in the regulatory capital (in millions of CHF)	CHF 186 million
9	Nominal value of instruments	CHF 210 million
10	Classification from an accounting point of view	Bonds and Pfandbriefdarlehen
11	Original issuing date	15 January 2021
12	With or without maturity	With maturity
13	Original date of maturity	15 January 2031
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons)	First optional call date 15 January 2030. Early redemption possible due to a tax or ineligibility event. Repayment of the entire issue (no partial repayments).
16	Later call dates, if applicable	n/a
	Dividends/coupons	
17	Fixed or variable dividends/coupons	Fixed
18	Coupon rate and index, where applicable	0.570%
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	No
20	Interest payment/dividend payment: completely optional, partially optional or binding	Binding
21	Existence of a step up or another incentive to redeem units	n/a
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible/non-convertible	Convertible
24	If convertible: trigger for conversion	In the event of restructuring proceedings affecting the Issuer, FINMA may order all measures to which it is entitled under the then applicable financial market regulations.
25	If convertible: fully or partially	Fully or partially
26	If convertible: conversion ratio	At discretion of FINMA
27	If convertible: mandatory or optional conversion	At discretion of FINMA
28	If convertible: indication of type of instrument following conversion	CET1 capital
29	If convertible: issuer of the instrument following conversion	Raiffeisen Switzerland or transfer to another legal entity on the instruction of such FINMA measures
30	Debt waiver	Yes
31	In case of debt waiver: trigger for the waiver	At discretion of FINMA
32	In case of debt waiver: fully or partially optional	Fully or partially optional
33	In case of debt waiver: permanent or temporary	Permanent
34	In case of temporary debt waivers: description of write-off mechanism	n/a
34a	Type of subordination	Structural
35	Position in the subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	–
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime	No
37	If yes: describe these characteristics	n/a

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

Bail-in bond 2034

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

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

Leverage ratio

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

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

in CHF million Line item		a 31.12.2022	30.06.2022
1	Total assets according to published financial reports	280,635	301,490
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	–19	–16
3	Adjustments for fiduciary assets that are recognised in the financial statements but are excluded from the leverage ratio calculation	–	–
4	Adjustments for derivatives [1]	–3,575	–3,322
5	Adjustments for securities financing transactions (SFT)	61	78
6	Adjustments for off-balance-sheet transactions (conversion of off-balance-sheet transactions into credit equivalents)	5,656	5,593
7	Other adjustments	–	–
8	**Overall exposure for the leverage ratio [2]**	**282,758**	**303,824**

1 This item takes account of counterparty netting of OTC derivatives based on the existing netting agreements.
2 The decrease in total exposure in the fourth quarter 2022 is due to the decrease in money market transactions.

LR2: Leverage ratio – Detailed presentation

LR2: Leverage Ratio – detailed presentation

in CHF million (unless stated otherwise) Line item		a 31.12.2022	30.06.2022
	On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFT but including collateral) [1]	275,345	289,495
2	Assets that must be deducted from eligible core capital	–19	–16
3	**= Total on-balance sheet exposures (excluding derivatives and SFTs)**	**275,326**	**289,479**
	Derivate		
4	Positive replacement values for all derivatives transactions, including those vis-à-vis CCPs, including margin payments received and netting agreements	118	34
5	Add-ons for all derivatives	888	865
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	–254	–612
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	556	572
10	Netting against actual nominal values of offsetting credit derivatives and deduction of add-ons for issued credit derivatives	–31	–34
11	**= Total exposure from derivatives [2]**	**1,278**	**825**
	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	424	7,839
13	Netting of cash liabilities and receivables with respect to SFT counterparties	–	–
14	Exposure to SFT counterparties	75	87
15	SFT exposure with the bank acting as a commission agent	–	–
16	**= Total exposure from securities financing transactions**	**499**	**7,926**
	Other off-balance-sheet items		
17	Off-balance-sheet items as gross nominal values before the application of any credit conversion factors	19,077	19,391
18	Adjustments for the conversion into credit equivalents	–13,421	–13,797
19	**= Total off-balance-sheet items**	**5,656**	**5,593**
	Eligible equity capital and overall exposure		
20	Core capital (Tier 1)	21,710	20,501
21	Overall exposure	282,758	303,824
	Leverage ratio		
22	Leverage ratio	7.7%	6.7%

1 The difference between the reported figure and total assets as shown in the published financial statements is relating to positive replacement values of derivative financial instruments and amounts due from securities financing transactions.
2 This item takes account of counterparty netting of OTC derivatives based on the existing netting agreements.

Notes on the leverage ratio

The leverage ratio (line 22) rose from 6.7% to 7.7%, due to the decrease in overall exposure and the higher eligible core capital (line 20). The decrease in overall exposure is attributable to the decline in money market transactions. Eligible core capital rose by CHF 1.2 billion or 5.9%. This was the result of the increase in cooperative capital and retention of earnings.

Liquidity management

LIQA: Liquidity risk management

Overview

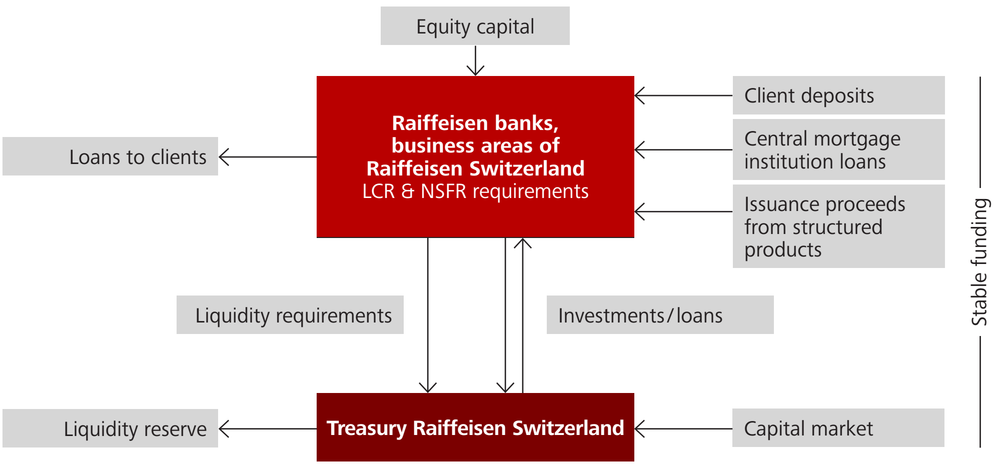
The Raiffeisen Group is one of the leading retail banks in Switzerland and it pursues a decentralised business model. The individual Raiffeisen banks are legally independent and operate the classic savings and mortgage business autonomously. An internal set of rules ensures that regulatory guidelines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

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

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

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

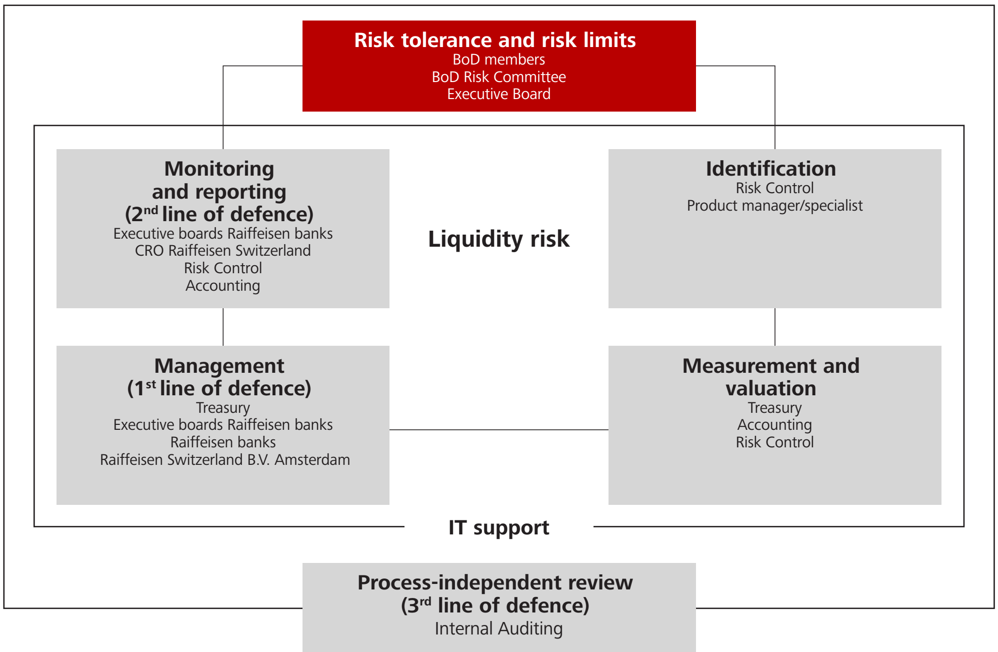
Raiffeisen Group liquidity transfer



Organisation

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

Liquidity risk management at the Raiffeisen Group



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

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

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

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

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

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

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

Liquidity risk management

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

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

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

Most of the stock of unencumbered high-quality liquid assets is kept in the form of liquid assets and SNB balances. The remaining liquidity reserve consists of unencumbered highly liquid securities, comprising category 1 assets (HQLA) according to the requirements of the Liquidity Ordinance, or category 2a assets, especially Swiss mortgage bonds.

Stress tests

To measure the liquidity risk, the Risk Control department regularly conducts liquidity stress tests. As a result, one can see how many days Raiffeisen would remain solvent in an internal liquidity stress scenario. This survival horizon is determined by the level of the stress-related cash outflows, the available liquidity reserve and the possible liquidity-generating emergency measures. The stress scenario includes a Raiffeisen-specific and market-wide shock, which would, in particular,result in constantly increasing outflows of otherwise stable private customer deposits while, at the same time, no refinancing would be possible on the money and capital markets. In calibrating the stress scenario, the business model of Raiffeisen is taken into account. The survival horizon is determined both with and without emergency measures for liquidity preservation and generation.

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

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

Liquidity emergency planning

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

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

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

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

Liquidity transfer price system

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

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

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

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

Refinancing

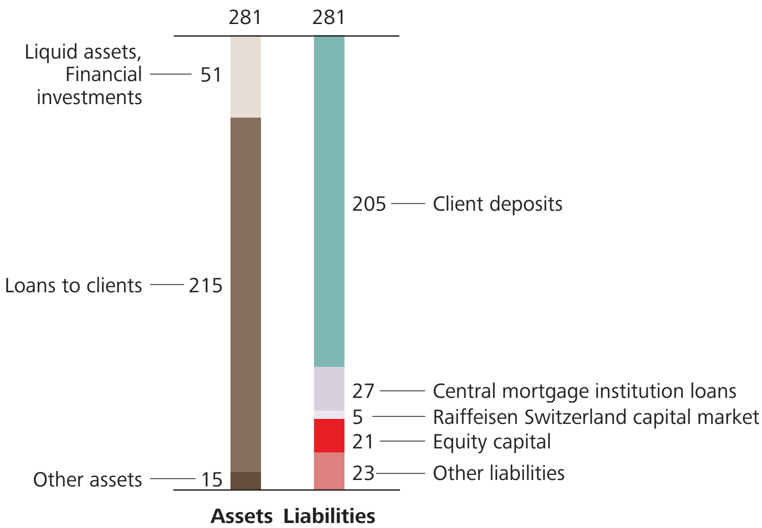
The Raiffeisen banks finance their lending business for the most part via their own client deposits. Central mortgage institution loans serve as another stable source of financing. The Raiffeisen banks cover additional financing requirements via the Treasury of Raiffeisen Switzerland. The Treasury of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

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

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

Loans to clients amounted to CHF 215 billion, of which 95 percent were mortgage loans and approx. 5 percent were other client loans. The majority of the loans to clients are illiquid. CHF 177 billion of the loans to clients have a term of more than one year; of these, CHF 61 billion have a term of more than five years. 95 percent of the lending business is funded by customer deposits of CHF 205 billion, of which 88 percent are made by private clients and small companies and can be described as very stable. The remaining 12 percent of customer deposits are deposits made by commercial clients (not including banks). The Pfandbriefbank provides CHF 27 billion of stable funding. Capital market transactions of Raiffeisen Switzerland are a further stable source of funding. 91 percent of the portfolio of central mortgage institution loans and capital market transactions of the Raiffeisen Group has a term of over one year; 63 percent of the portfolio has a term of over five years. The money market portfolio serves exclusively for tactical liquidity management.

Balance sheet structure
in billion CHF, 31.12.2022



LIQ1: Liquidity coverage ratio

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 LCR metrics published are based on the daily closing averages of all business days in the corresponding reporting quarters.

Of the portfolio of high-quality liquid assets (HQLA), 87 percent consist of category 1 assets, 81 percent 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 13 percent of the

HQLA portfolio, 89 percent consist of Swiss mortgage bonds. The remaining 11 percent are primarily public-sector bonds and covered bonds rated at least A-.

The HQLA portfolio (line 21) decreased in comparison to the last reporting period, especially in the third quarter. Net cash outflows (line 22) have also declined compared to the last reporting period. The result was a decrease in the short-term liquidity coverage ratio (line 23) to 161,9 percent in the third quarter and an increase to 168,4 percent in the fourth. This change is mainly attributable to a reduction in the portfolio of deposits from business clients and key accounts (line 5) and the increase in inflows from fully recoverable receivables (line 18). The remaining positions moved steadily in line with the growth in total assets.

LIQ1: Liquidity Coverage ratio (LCR)

		Q3 2022 [1]		Q4 2022 [1]	
	in CHF million (unless stated otherwise)	Unweighted values	Weighted values	Unweighted values	Weighted values
A.	**High-quality liquid assets (HQLA)**				
1	**Total high-quality liquid assets (HQLA)**		**55,356**		**55,270**
B.	**Cash outflows**				
2	Retail deposits	121,439	12,063	123,084	12,237
3	of which stable deposits	6,000	300	6,000	300
4	of which less stable deposits	115,439	11,763	117,084	11,937
5	Unsecured business-client or wholesale funding	30,470	18,168	28,999	17,015
6	of which operational deposits (all counterparties) and deposits with the central institution of a cooperative bank network	–	–	–	–
7	of which non-operational deposits (all counterparties)	28,976	16,674	28,325	16,342
8	of which unsecured debt securities	1,494	1,494	673	673
9	Secured business client or wholesale funding and collateral swaps		260		263
10	Other cash outflows	15,180	3,395	15,111	3,328
11	of which cash outflows related to derivative exposures and other transactions	1,940	1,738	1,879	1,687
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	122	122	87	87
13	of which cash outflows from committed credit and liquidity facilities	13,118	1,535	13,145	1,554
14	Other contractual funding obligations	3,832	2,222	4,602	2,513
15	Other contingent funding obligations	1,666	83	1,590	79
16	**Total cash outflows**		**36,192**		**35,437**
C.	**Cash inflows**				
17	Secured funding transactions (e.g., reverse repo transactions)	418	89	416	115
18	Inflows from fully performing exposures	3,472	1,697	4,495	2,231
19	Other cash inflows	213	213	262	262
20	**Total cash inflows**	**4,102**	**1,998**	**5,172**	**2,609**
			adjusted value		adjusted value
21	**Total high-quality liquid assets (HQLA)**		**55,356**		**55,270**
22	**Total net cash outflows**		**34,194**		**32,828**
23	**Liquidity coverage ratio (LCR) (%)**		**161.9%**		**168.4%**

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

LIQ2: Net stable funding ratio (NSFR) information

Art. 17h of the Liquidity Ordinance requires the Raiffeisen Group to comply with the net stable funding ratio (NSFR). This aims to ensure that a bank has stable refinancing in place over a one-year horizon at all times. The NSFR data published are quarter-end figures as at 30 September 2022 and 31 December 2022.

The amount of available stable funding (line 14) was practically unchanged in the third and fourth quarters at CHF 227 billion. Deposits from private clients and small companies (line 4) amounted to CHF 161 billion in the third quarter and CHF 163 billion in the fourth quarter and accounted for the largest share of the available stable funding. The stable funding required (line 33) rose slightly in the fourth quarter compared to the third, from CHF 160 billion to CHF 161 billion. Unencumbered residential mortgage loans made up the largest share and came in first place (line 23) at CHF 117 billion in the third quarter and CHF 118 billion in the fourth. Available stable deposits and required stable funding combined result in a practically unchanged net stable funding ratio of 141,4 percent in the third quarter and 140,9 percent in the fourth quarter.

LIQ2: Information on the NSFR

		a	b	c	d	e
		Values not weighted, according to residual maturities				Weighted values
	in CHF million (unless stated otherwise) 31.12.2022	No maturity	< 6 months	≥ 6 months up to < 1 year	≥ 1 year	
	Information on the available stable funding (ASF)					
1	Equity instruments	20,143	329	–	1,902	22,373
2	Regulatory capital	20,143	329	–	807	21,278
3	Other equity instruments	–	–	–	1,095	1,095
4	Demand deposits and/or term deposits of private clients and small business clients:	122,741	53,451	770	3,130	162,696
5	“Stable” deposits	6,000	–	–	–	5,700
6	“Less stable” deposits	116,741	53,451	770	3,130	156,996
7	Funding deposited by non-financial institutions (without small business clients) (wholesale clients):	8,024	3,561	330	467	6,424
8	Operational deposits	–	–	–	–	–
9	Non-operational deposits	8,024	3,561	330	467	6,424
10	Interdependent exposures	–	–	–	–	–
11	Other exposures	7,176	17,446	2,008	34,895	35,766
12	Exposures arising from derivative transactions		–	–	3,476	
13	Other exposures and equity instruments	7,176	17,446	2,008	31,419	35,766
14	**Total stable funding available**					**227,260**
	Information on the required stable funding (RSF)					
15	Total of high quality liquid assets (HQLA) NSFR					1,625
16	The bank’s operational deposits held at other banks	175	–	–	–	88
17	Performing loans and securities	5,293	15,434	14,086	180,579	151,882
18	Performing loans to companies in the financial sector, secured with Category 1 and 2a HQLA	–	–	–	–	–
19	Performing loans to companies in the financial sector, secured or not secured with HQLA not in Category 1 or 2a	247	283	56	681	789
20	Performing loans to companies outside the financial sector, to retail and small business clients, to countries, central banks and sub-national public sector entities, of which	2,080	3,426	2,423	25,459	25,652
21	Risk-weighted up to 35% under the SA-BIS	–	–	–	80	52
22	Performing loans for residential properties:	2,906	11,578	11,474	153,462	124,417
23	Risk-weighted up to 35% under the SA-BIS	2,797	11,156	11,039	147,115	118,424
24	Non-defaulted securities that do not qualify as HQLA, including exchange-traded shares	59	147	133	977	1,023
25	Assets with associated and dependent liabilities	–	–	–	–	–
26	Other assets	5,387	155	46	8,039	7,001
27	Physically traded commodities, including gold	495				421
28	Assets deposited to secure the initial margin for derivative transactions and default funds of a central counterparty		–	–	540	459
29	NSFR assets in the form of derivatives		–	–	3,483	8
30	NSFR liabilities in the form of derivative prior to the deduction of the variation margins		–	–	3,744	749
31	All remaining assets	4,892	155	46	272	5,364
32	Off-balance sheet items		361	300	6,309	718
33	**Total stable funding required**					**161,313**
34	**Net Stable Funding Ratio (NSFR) (%)**					**140.9%**

LIQ2: Information on the NSFR

		a	b	c	d	e
		Values not weighted, according to residual maturities				Weighted values
	in CHF million (unless stated otherwise) 30.09.2022	No maturity	< 6 months	≥ 6 months up to < 1 year	≥ 1 year	
	Information on the available stable funding (ASF)					
1	Equity instruments	19,322	–	330	1,540	21,192
2	Regulatory capital	19,322	–	330	801	20,453
3	Other equity instruments	–	–	–	739	739
4	Demand deposits and/or term deposits of private clients and small business clients:	172,939	2,210	552	2,744	161,175
5	"Stable" deposits	6,000	–	–	–	5,700
6	"Less stable" deposits	166,939	2,210	552	2,744	155,475
7	Funding deposited by non-financial institutions (without small business clients) (wholesale clients):	10,318	1,545	327	480	6,575
8	Operational deposits	–	–	–	–	–
9	Non-operational deposits	10,318	1,545	327	480	6,575
10	Interdependent exposures	–	–	–	–	–
11	Other exposures	9,210	28,021	2,307	35,377	37,738
12	Exposures arising from derivative transactions		–	–	3,894	
13	Other exposures and equity instruments	9,210	28,021	2,307	31,482	37,738
14	**Total stable funding available**					**226,680**
	Information on the required stable funding (RSF)					
15	Total of high quality liquid assets (HQLA) NSFR					1,510
16	The bank's operational deposits held at other banks	119	–	–	–	60
17	Performing loans and securities	5,500	17,095	14,628	177,088	150,326
18	Performing loans to companies in the financial sector, secured with Category 1 and 2a HQLA	–	66	–	–	7
19	Performing loans to companies in the financial sector, secured or not secured with HQLA not in Category 1 or 2a	408	211	23	579	684
20	Performing loans to companies outside the financial sector, to retail and small business clients, to countries, central banks and sub-national public sector entities, of which	2,212	4,181	2,426	24,832	25,440
21	Risk-weighted up to 35% under the SA-BIS	–	–	–	83	54
22	Performing loans for residential properties:	2,824	12,396	11,899	150,706	123,057
23	Risk-weighted up to 35% under the SA-BIS	2,711	11,952	11,448	144,370	117,048
24	Non-defaulted securities that do not qualify as HQLA, including exchange-traded shares	56	242	281	971	1,139
25	Assets with associated and dependent liabilities	–	–	–	–	–
26	Other assets	6,006	152	51	8,904	7,706
27	Physically traded commodities, including gold	477				406
28	Assets deposited to secure the initial margin for derivative transactions and default funds of a central counterparty		–	–	455	387
29	NSFR assets in the form of derivatives		–	–	3,756	–
30	NSFR liabilities in the form of derivative prior to the deduction of the variation margins		–	–	4,384	877
31	All remaining assets	5,528	152	51	309	6,037
32	Off-balance sheet items		712	185	5,847	705
33	**Total stable funding required**					**160,307**
34	**Net Stable Funding Ratio (NSFR) (%)**					**141.4%**

Credit risk

CRA: Credit risk – General qualitative information

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

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

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

For more information about the Raiffeisen Group's credit risk management and control approach, please see the "Notes to the consolidated annual financial statements – Risk management" chapter in the Raiffeisen Group Annual Report.

CR1: Credit risk – Credit quality of assets

CR1 : Credit risk – Credit quality of assets

		a	b	c	d
		Gross book values			
in CHF million 31.12.2022		Defaulted exposures [1]	Non-defaulted exposures	Allowances [2]/ impairments	Net values
1	Loans (excluding debt securities)	817	253,258	685	253,390
2	Debt securities	–	14,669	–	14,669
3	Off-balance sheet exposures	19	13,956	23	13,952
4	**Total**	**836**	**281,883**	**708**	**282,011**

1 An exposure is considered 'defaulted' when it is classified as either 'impaired' or 'past due' as defined by financial reporting rules.
2 Including value adjustments and provisions for unimpaired loans/receivables as part of provisioning for latent risks.

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

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

in CHF million		a
1	**Defaulted loans and debt securities at end of the previous reporting period (30.06.2022)**	**891**
2	Loans and debt securities that have defaulted since the last reporting period	203
3	Returned to non-defaulted status	–233
4	Amounts written off	–25
5	Other changes	–
6	**Defaulted loans and debt securities at end of the reporting period (31.12.2022)**	**836**

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

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

Receivables are deemed to be impaired where the bank believes it improbable that the borrower will be able to completely fulfil their contractual obligations, or if the receivables are not adequately covered by collateral. Receivables are past due if they have not been paid in full more than 90 days after their due date.

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

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

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

31.12.2022 in CHF million		Geographical area				
		Switzerland	Great Britain	Germany	Others	Total
1	Loans (excluding debt securities)	253,308	153	307	307	254,075
2	Debt securities	14,654	–	–	15	14,669
3	Off-balance sheet exposures	13,940	4	8	23	13,975
4	**Total**	**281,902**	**157**	**315**	**345**	**282,719**
	Defaulted exposures	**835**	**0**	**0**	**1**	**836**
	thereof impaired exposures	754	0	0	0	754
	thereof not impaired exposures	81	0	0	0	81
	Value adjustments for defaulted exposures	214	0	0	1	215

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

31.12.2022 in CHF million		Central governments and Central banks	Institutions	Banks and Stockbrokers	Enterprises	Retail	Equity	Other exposures	Total
1	Loans (excluding debt securities)	35,196	3,890	2,027	4,187	207,229	–	1,546	254,075
2	Debt securities	7,158	742	–	6,769	–	–	–	14,669
3	Off-balance sheet exposures	0	1,601	106	1,421	10,847	–	–	13,975
4	**Total Reporting Period**	**42,354**	**6,233**	**2,133**	**12,377**	**218,076**	**–**	**1,546**	**282,719**
	Defaulted exposures	**–**	**0**	**–**	**57**	**778**	**–**	**–**	**836**
	thereof impaired exposures	–	0	–	56	698	–	–	754
	thereof not impaired exposures	–	0	–	1	80	–	–	81
	Value adjustments for defaulted exposures	–	0	–	22	193	–	–	215

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

31.12.2022 in CHF million	at sight	cancellable	Due within 3 months	within 3 to 12 months	after 12 months and within 5 years	after 5 years	no maturity	Total
1 Loans (excluding debt securities)	38,797	4,937	11,386	21,896	116,083	60,975	–	254,075
2 Debt securities	54	–	2,173	3,977	3,070	5,396	–	14,669
3 Off-balance sheet exposures	7,010	78	255	579	4,703	1,350	–	13,975
4 Total	**45,860**	**5,015**	**13,814**	**26,451**	**123,856**	**67,722**	**–**	**282,719**
Receivables past due	**241**	**–**	**13**	**32**	**90**	**43**	**–**	**418**
thereof past due not impaired receivables	24	–	3	9	22	24	–	81
thereof past due and impaired receivables	217	–	10	23	68	19	–	337

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

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

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

CR3: Credit risk – Credit risk mitigation techniques - Overview

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

CR3: Credit risk mitigation techniques – Overview

in CHF million 31.12.2022	a Exposures unsecured: book amount	b1 Exposures secured by collateral	b[2] of which secured amount	d of which secured by financial guarantees	f of which secured by credit derivatives
1 Loans[1]	45,564	207,825	206,367	1,458	–
2 Debt securities	13,892	777	777	–	–
3 Total	**59,456**	**208,603**	**207,145**	**1,458**	**–**
4 of which defaulted	172	646	627	19	–

1 Loans according to the regulatory disclosure definitions.
2 Mortgages are regarded as exposures secured by collateral according to column b.

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

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

External issuer / issue ratings from three FINMA-recognised rating agencies (Standard & Poor's, Moody's and Fitch) are used for the client categories of sovereigns and central banks, public-sector entities, banks and securities dealers, as well as corporates. Data from Fitch are used only for exposures held by Raiffeisen Switzerland and Raiffeisen Switzerland B.V. Amsterdam.

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

No changes were made to the rating or export insurance agencies used in the year under review.

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

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

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

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

		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM			
in CHF million (unless stated otherwise) 31.12.2022		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Asset classes							
1	Sovereigns and their central banks	42,354	0	43,470	1	19	0.0%
2	Banks and securities traders	1,628	106	1,634	107	280	16.1%
3	Public-sector entities and multilateral developments banks	3,961	1,556	3,962	711	1,935	41.4%
4	Corporate	9,213	1,882	8,374	974	4,385	46.9%
5	Retail	3,330	4,637	2,133	1,300	2,736	79.7%
6	Equity securities	–	–	–	–	–	–
7	Other assets	4,576	–	4,576	–	3,040	66.4%
8	**Total**	**65,062**	**8,181**	**64,149**	**3,093**	**12,395**	**18.2%**

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

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

31.12.2022 in CHF million		a 0%	b 10%	c 20%	d 35%	e 50%
Asset classes / Risk weight						
1	Sovereigns and their central banks	43,458	–	–	–	–
2	Banks and securities traders	853	–	547	–	341
3	Public-sector entities and multilateral developments banks	15	–	1,445	140	2,953
4	Corporate	73	–	5,962	67	196
5	Retail	–	–	–	1,022	–
6	Equity securities	–	–	–	–	–
7	Other assets	1,539	–	–	–	–
8	**Total**	**45,938**	**–**	**7,954**	**1,229**	**3,490**
9	thereof receivables secured by real estate [1]	–	–	–	1,229	–
10	thereof receivables past due	–	–	–	–	–

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

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

in CHF million 31.12.2022		f 75%	g 100%	h 150%	i Other	j Total credit exposures amount (post CCF and post-CRM)
Asset classes / Risk weight						
1	Sovereigns and their central banks	–	0	13	–	43,471
2	Banks and securities traders	–	0	–	–	1,741
3	Public-sector entities and multilateral developments banks	–	120	0	–	4,673
4	Corporate	2	3,006	43	–	9,347
5	Retail	134	2,277	1	–	3,434
6	Equity securities	–	–	–	–	–
7	Other assets	–	3,037	–	–	4,576
8	**Total**	**135**	**8,440**	**56**	**–**	**67,242**
9	thereof receivables secured by real estate	24	1,183	–	–	2,436
10	thereof receivables past due	–	1	13	–	14

CRE: IRB – Qualitative disclosure related to IRB models

IRB approach

Since 30 September 2019, Raiffeisen has been using the IRB approach (Foundation-IRB, F-IRB) to calculate capital requirements for credit risks. IRB floor transitional rules were in place until 30 September 2022. From 30 September 2022, the IRB floor of 80 percent is applied. When internal models are used at an overall level, this floor represents the risk-based lower limit compared to the standard approaches.

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

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

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

Rating models

Rating models

Model name	Application
Rating for private clients (PC rating)	The PC rating model is used for financing in the case of private individuals, mainly for mortgages. Depending on the type of financing coverage in question, two sub-models are used. The model is based on a seven-year series of data. The PC rating model uses a function to estimate the probability that a client with specific characteristics will default within the next year, i.e., will not be able to meet their loan obligations. It takes into account regulatory requirements for conservativism and stress and applies the regulatory PD floor of 0.03%.
Rating for corporate clients (SME rating)	The SME rating model is used for commercial financing of small and medium-sized enterprises. It consists of various sub-models, depending on a company's size and sector. It is based on a seven-year series of data and uses various quantitative factors from financial analysis and, to some extent, qualitative factors such as management or transactions, applying a function to forecast a one-year probability of default. It takes into account regulatory requirements for conservativism and stress and applies the regulatory PD floor of 0.03%.
Rating for income-producing real estate (IPRE rating)	The IPRE rating model is used for clients with financing of income-producing real estate and segments them according to the type of property financed. The rating model calculates a one-year probability of default using a statistical function. The model is based on a nine-year series of data and includes the regulatory requirements for conservatism and stress, applying the regulatory PD floor of 0.03%.
"Loss given default" for retail exposures (Retail LGD model)	Raiffeisen uses the Retail LGD model to determine the regulatory losses given default of the IRB Retail asset class, which consists of all private clients and retail corporate clients. The loss given default covers the portion of the receivable which results in a loss after realisation of all collateral. The way the loss given default is calculated takes into consideration both individually realised and potential loss information. The statistical estimate function also includes the regulatory requirements for conservatism and stress. The model is based on an eight-year series of data and applies the regulatory LGD floor of 10%.
Exposure at default model (EAD methodology)	In the IRB Retail asset class, the presumed exposure at the time of defaulting is determined with the aid of the EAD model for all types of exposure. For on-balance-sheet items, the exposure at default corresponds to the gross debt amount of a credit at the time of defaulting. For off-balance-sheet items, credit approvals and contingent liabilities are converted into credit equivalents using the credit conversion factors (CCF).

IRB model governance

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

IRB model governance

Element	Contents
1. Development of models	– Model development – Quantitative and qualitative impact analysis – Independent initial validation – Approval of initial validation
2. Approval of models	– Approval by the authorised persons within the bank
3. Implementation of models	– Technical implementation in the systems – Adapting the internal regulations, processes and controls – Training the users
4. Use of models	– Transition from the development phase into the operational phase
5. Monitoring and maintenance of models	– Regular backtesting and independent validation

Development of models

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

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

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

Approval of models

Once the validation has taken place and confirms the suitability of a model, the Executive Board and the Risk Committee of the Board of Directors of Raiffeisen Switzerland are asked to approve the model. An approval under supervisory law is obtained from FINMA for models which are to be used for determining the regulatory capital requirement. Approved models are adopted into the model inventory.

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

Implementation of models

Implementation covers the technical implementation in the systems, adapting the internal regulations, processes and controls as well as training the users.

Use of models

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

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

Monitoring and maintenance of models

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

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

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

EAD allocation in %

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

CRE - EAD allocation

in percent	SA-BIZ	IRB
Asset class		
Sovereigns and their central banks	100%	0%
Banks and securities traders	100%	0%
Public-sector entities and multilateral development banks	100%	0%
Corporate	26%	74%
Retail	4%	96%
Equity securities	0%	100%
Other assets	100%	0%
Total credit risk	**25%**	**75%**

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

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

	a	b	c	d	e	f
in CHF million (unless stated otherwise) 31.12.2022 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	75.0%	1	0.1%	4
0.15 to <0.25	3	0	75.0%	3	0.2%	7
0.25 to <0.50	80	0	75.0%	80	0.4%	73
0.50 to <0.75	755	24	75.0%	773	0.6%	513
0.75 to <2.50	14,954	1,150	75.2%	15,816	1.5%	7,432
2.50 to <10.00	4,198	324	75.1%	4,442	3.4%	2,149
10.00 to <100.00	115	10	75.0%	122	32.4%	69
100.00 (Default)	135	3	75.0%	136		108
Subtotal	**20,240**	**1,511**	**75.1%**	**21,372**	**2.1%**	**10,355**
9 Corporate: other lending (F-IRB)						
0.00 to <0.15	164	43	83.3%	196	0.1%	28
0.15 to <0.25	96	33	89.6%	121	0.2%	44
0.25 to <0.50	294	120	90.8%	384	0.4%	137
0.50 to <0.75	786	171	84.0%	921	0.6%	302
0.75 to <2.50	4,446	1,209	82.5%	5,368	1.5%	2,428
2.50 to <10.00	2,172	543	78.1%	2,582	3.3%	1,119
10.00 to <100.00	38	2	78.6%	40	21.5%	25
100.00 (Default)	177	26	88.0%	192		105
Subtotal	**8,173**	**2,146**	**82.7%**	**9,806**	**1.9%**	**4,188**
11 Retail: positions secured by real estate						
0.00 to <0.15	16,754	191	100.0%	16,945	0.1%	64,454
0.15 to <0.25	17,890	344	100.0%	18,234	0.2%	46,375
0.25 to <0.50	33,262	786	100.0%	34,048	0.4%	76,376
0.50 to <0.75	26,874	747	100.0%	27,621	0.6%	59,499
0.75 to <2.50	72,432	2,755	100.0%	75,187	1.3%	115,643
2.50 to <10.00	8,117	651	100.0%	8,768	3.7%	11,014
10.00 to <100.00	286	29	100.0%	315	21.2%	354
100.00 (Default)	690	5	100.0%	688		1,331
Subtotal	**176,306**	**5,508**	**100.0%**	**181,807**	**1.0%**	**375,046**
13 Retail: other positions						
0.00 to <0.15	3	48	100.0%	51	0.1%	245
0.15 to <0.25	16	47	100.0%	63	0.2%	442
0.25 to <0.50	85	117	100.0%	203	0.4%	1,226
0.50 to <0.75	100	134	100.0%	234	0.6%	1,543
0.75 to <2.50	441	458	100.0%	899	1.5%	7,407
2.50 to <10.00	256	161	100.0%	417	3.8%	3,160
10.00 to <100.00	7	2	100.0%	9	20.5%	70
100.00 (Default)	18	16	100.0%	23		614
Subtotal	**926**	**985**	**100.0%**	**1,900**	**1.7%**	**14,707**
Total (all portfolios)	**205,645**	**10,150**	**91.1%**	**214,886**	**1.1%**	**404,296**

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

in CHF million (unless stated otherwise) 31.12.2022 PD scale	g Average LGD in %	h Average maturity in years	i RWA	j RWA density in %	k Expected loss	l Provisions [1]
7 Corporate: specialised lending (F-IRB)						
0.00 to <0.15	45.0%	2.9	0	37.0%	0	0
0.15 to <0.25	45.0%	2.7	1	45.5%	0	0
0.25 to <0.50	37.9%	2.3	40	50.5%	0	0
0.50 to <0.75	37.7%	2.9	482	62.3%	2	0
0.75 to <2.50	39.0%	3.1	14,012	88.6%	96	41
2.50 to <10.00	40.7%	3.1	4,892	110.2%	61	26
10.00 to <100.00	41.0%	2.6	209	170.7%	17	7
100.00 (Default)	42.4%	2.6	144	106.0%	13	13
Subtotal	**39.3%**	**3.1**	**19,781**	**92.6%**	**188**	**88**
9 Corporate: other lending (F-IRB)						
0.00 to <0.15	42.4%	3.0	36	18.4%	0	0
0.15 to <0.25	39.2%	3.1	45	36.8%	0	0
0.25 to <0.50	38.8%	2.6	181	47.1%	1	1
0.50 to <0.75	37.4%	2.9	547	59.4%	2	3
0.75 to <2.50	37.1%	2.6	3,945	73.5%	31	24
2.50 to <10.00	36.7%	2.4	2,243	86.9%	32	19
10.00 to <100.00	36.0%	2.2	58	144.2%	3	1
100.00 (Default)	40.3%	1.8	204	106.0%	62	62
Subtotal	**37.2%**	**2.5**	**7,259**	**74.0%**	**130**	**110**
11 Retail: positions secured by real estate						
0.00 to <0.15	11.0%		725	4.3%	2	2
0.15 to <0.25	10.7%		1,326	7.3%	4	5
0.25 to <0.50	11.2%		4,095	12.0%	14	21
0.50 to <0.75	11.3%		4,746	17.2%	19	29
0.75 to <2.50	12.0%		24,818	33.0%	121	199
2.50 to <10.00	13.0%		5,161	58.9%	43	65
10.00 to <100.00	13.1%		334	106.0%	9	9
100.00 (Default)	20.1%		729	106.0%	71	71
Subtotal	**11.6%**		**41,935**	**23.1%**	**283**	**401**
13 Retail: other positions						
0.00 to <0.15	25.9%		3	6.2%	0	0
0.15 to <0.25	29.8%		8	12.8%	0	0
0.25 to <0.50	39.0%		50	24.8%	0	0
0.50 to <0.75	45.6%		92	39.2%	1	0
0.75 to <2.50	45.9%		502	55.8%	6	4
2.50 to <10.00	47.2%		296	71.0%	7	5
10.00 to <100.00	45.9%		9	95.4%	1	1
100.00 (Default)	42.2%		25	106.0%	43	43
Subtotal	**44.3%**		**985**	**51.8%**	**59**	**54**
Total (all portfolios)	**15.9%**		**69,960**	**32.6%**	**660**	**652**

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

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

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

	in CHF million	a RWA amounts
1	**RWA as at the end of previous reporting period (30.06.2022)**	**67,346**
2	Asset size	1,591
3	Asset quality [1]	–306
4	Model updates [2]	1,330
5	Methodology and policy	–
6	Acquisitions and disposals	–
7	Foreign exchange movements	–1
8	Other	–
9	**RWA as at end of reporting period (31.12.2022)**	**69,960**

1 In the second half of 2022 RWA fell by CHF 306 million in terms of asset quality, largely due to an improvement in the client ratings.
2 The rating for private clients (PC rating) was adjusted in the second half of 2022, which increased the RWA by CHF 1.33 billion.

CR9: IRB – Backtesting of PD per portfolio

CR9: IRB - Backtesting of PD per portfolio

	a / b	c			d	e
		External rating equivalent				
31.12.2022	PD range	Moody's	Standard & Poor's	Fitch	Weighted average PD	Arithmetic average PD by obligors
7 Corporate: specialised lending (F-IRB)						
	0,00 bis <0,15	Aaa – A3	AAA – A-	AAA – A-	0.1%	0.1%
	0,15 bis <0,25	Baa1 – Baa2	BBB+ – BBB	BBB+ – BBB	0.2%	0.2%
	0,25 bis <0,50	Baa3	BBB-	BBB-	0.4%	0.4%
	0,50 bis <0,75	Ba1	BB+	BB+	0.6%	0.6%
	0,75 bis <2,50	Baa2 – Ba3	BB – BB-	BB – BB-	1.5%	1.5%
	2,50 bis <10,00	B1 – B3	B+ – B-	B+ – B-	3.4%	3.4%
	10,00 bis <100,00	Caa – C	CCC – C	CCC – C	32.7%	31.3%
	100,00 (Default)	D	D	D	–	–
	Subtotal				**2.1%**	**2.1%**
9 Corporate: other lending (F-IRB)						
	0,00 bis <0,15	Aaa – A3	AAA – A-	AAA – A-	0.1%	0.1%
	0,15 bis <0,25	Baa1 – Baa2	BBB+ – BBB	BBB+ – BBB	0.2%	0.2%
	0,25 bis <0,50	Baa3	BBB-	BBB-	0.4%	0.4%
	0,50 bis <0,75	Ba1	BB+	BB+	0.6%	0.6%
	0,75 bis <2,50	Baa2 – Ba3	BB – BB-	BB – BB-	1.5%	1.6%
	2,50 bis <10,00	B1 – B3	B+ – B-	B+ – B-	3.3%	3.4%
	10,00 bis <100,00	Caa – C	CCC – C	CCC – C	21.5%	19.4%
	100,00 (Default)	D	D	D	–	–
	Subtotal				**1.9%**	**2.1%**
11 Retail: positions secured by real estate						
	0,00 bis <0,15	Aaa – A3	AAA – A-	AAA – A-	0.1%	0.1%
	0,15 bis <0,25	Baa1 – Baa2	BBB+ – BBB	BBB+ – BBB	0.2%	0.2%
	0,25 bis <0,50	Baa3	BBB-	BBB-	0.4%	0.4%
	0,50 bis <0,75	Ba1	BB+	BB+	0.6%	0.6%
	0,75 bis <2,50	Baa2 – Ba3	BB – BB-	BB – BB-	1.3%	1.3%
	2,50 bis <10,00	B1 – B3	B+ – B-	B+ – B-	3.7%	3.7%
	10,00 bis <100,00	Caa – C	CCC – C	CCC – C	21.2%	21.3%
	100,00 (Default)	D	D	D	–	–
	Subtotal				**1.0%**	**0.8%**
13 Retail: other positions						
	0,00 bis <0,15	Aaa – A3	AAA – A-	AAA – A-	0.1%	0.1%
	0,15 bis <0,25	Baa1 – Baa2	BBB+ – BBB	BBB+ – BBB	0.2%	0.2%
	0,25 bis <0,50	Baa3	BBB-	BBB-	0.4%	0.4%
	0,50 bis <0,75	Ba1	BB+	BB+	0.6%	0.6%
	0,75 bis <2,50	Baa2 – Ba3	BB – BB-	BB – BB-	1.5%	1.5%
	2,50 bis <10,00	B1 – B3	B+ – B-	B+ – B-	3.8%	3.5%
	10,00 bis <100,00	Caa – C	CCC – C	CCC – C	20.5%	19.8%
	100.00 (Default)	D	D	D	–	–
	Subtotal				**1.8%**	**1.8%**
Total					**1.1%**	**0.9%**

CR9: IRB - Backtesting of PD per portfolio

31.12.2022	a / b PD range	f Number of obligors End of previous year	Number of obligors End of the year	g Defaulted obligors in the year	h of which: number of new defaulted obligors in the year	i Average historical annual default rate[1]
7 Corporate: specialised lending (F-IRB)						
	0,00 bis <0,15	11	4	–	–	–
	0,15 bis <0,25	8	7	–	–	–
	0,25 bis <0,50	85	73	–	–	–
	0,50 bis <0,75	506	513	–	–	–
	0,75 bis <2,50	7,090	7,432	2	–	0.1%
	2,50 bis <10,00	2,086	2,149	7	4	0.5%
	10,00 bis <100,00	97	69	10	3	14.0%
	100,00 (Default)	120	108	–	–	–
	Subtotal	**10,003**	**10,355**	**19**	**7**	**0.6%**
9 Corporate: other lending (F-IRB)						
	0,00 bis <0,15	30	28	–	–	–
	0,15 bis <0,25	58	44	–	–	–
	0,25 bis <0,50	119	137	1	–	0.8%
	0,50 bis <0,75	285	302	–	–	0.4%
	0,75 bis <2,50	2,148	2,428	4	–	0.2%
	2,50 bis <10,00	1,125	1,119	7	–	0.8%
	10,00 bis <100,00	27	25	2	3	6.4%
	100,00 (Default)	107	105	–	–	–
	Subtotal	**3,899**	**4,188**	**14**	**3**	**1.2%**
11 Retail: positions secured by real estate						
	0,00 bis <0,15	72,375	64,454	8	–	0.0%
	0,15 bis <0,25	49,297	46,375	9	1	0.0%
	0,25 bis <0,50	76,225	76,376	11	1	0.0%
	0,50 bis <0,75	56,141	59,499	24	10	0.1%
	0,75 bis <2,50	105,212	115,643	95	30	0.1%
	2,50 bis <10,00	10,520	11,014	83	6	0.8%
	10,00 bis <100,00	451	354	33	8	7.9%
	100,00 (Default)	1,412	1,331	–	–	–
	Subtotal	**371,634**	**375,046**	**263**	**56**	**0.2%**
13 Retail: other positions						
	0,00 bis <0,15	283	245	1	–	0.1%
	0,15 bis <0,25	502	442	–	–	–
	0,25 bis <0,50	1,303	1,226	–	–	0.1%
	0,50 bis <0,75	1,587	1,543	2	–	0.1%
	0,75 bis <2,50	7,267	7,407	15	–	0.2%
	2,50 bis <10,00	3,347	3,160	15	2	0.6%
	10,00 bis <100,00	68	70	4	–	6.8%
	100,00 (Default)	708	614	–	–	–
	Subtotal	**15,065**	**14,707**	**37**	**2**	**1.5%**
Total		**400,601**	**404,296**	**333**	**68**	**0.3%**

1 Due to the adoption of the IRB approach as of 30.09.2019, the average historical annual default rate for reference date 31.12.2022 is based on an average of 3 years.

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

Raiffeisen does not use a supervisory slotting approach under IRB for specialised lending, and the disclosure has therefore been omitted.

Raiffeisen uses the simplified risk weighting method for investments falling under the IRB approach.

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

in CHF million (unless stated otherwise) 31.12.2022	On-balance sheet amount	Off-balance sheet amount	Risk weight in %	Exposure amount	RWA
Exchange-traded equity exposures	0	–	300%	0	0
Private equity exposures	–	–	400%	–	–
Other equity exposures	86	–	400%	86	364
Total	**86**	**–**		**86**	**364**

Counterparty credit risk

CCR1: Counterparty credit risk – Analysis of CCR exposures by approach

CCR1: Counterparty credit risk – Analysis by approach

		a	b	c	d	e	f
in CHF million (unless stated otherwise) 31.12.2022		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	129	421		1,4	768	356
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)					199	27
5	VaR for SFTs					–	–
6	**Total**						**383**

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

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

		a	b
in CHF million 31.12.2022		EAD post CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	–	–
1	VaR component (including the 3×multiplier)		–
2	Stressed VaR component (including the 3×multiplier)		–
3	All portfolios subject to the Standardised CVA capital charge	677	110
4	**Total subject to the CVA capital charge**	**677**	**110**

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

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

in CHF million 31.12.2022	a 0%	b 10%	c 20%	d 50%	e 75%	f 100%	g 150%	h Others	i Total credit exposure
1 Sovereigns and their central banks	65	–	–	–	–	–	–	–	65
2 Banks and securities traders	–	–	415	343	–	–	–	901	1,660
3 Public-sector entities and multilateral developments banks	–	–	2	–	–	3	–	–	5
4 Corporates	12	–	23	–	–	88	–	–	123
5 Retail	–	–	–	–	–	13	–	–	13
6 Equity securities	–	–	–	–	–	–	–	–	–
7 Other assets	–	–	–	–	–	–	–	–	–
8 Total	**77**	**–**	**441**	**343**	**–**	**104**	**–**	**901**	**1,867**

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

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

	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
in CHF million 31.12.2022	Segregated [1]	Unsegregated	Segregated [1]	Unsegregated		
Cash – domestic currency (CHF)	–	1,285	–	282	6	–
Cash – other currencies	–	107	–	652	29	–
Domestic sovereign debt	–	–	–	–	79	38
Other sovereign debt	–	–	–	–	–	–
Government agency debt	–	–	–	–	3	73
Corporate bonds	–	144	–	–	214	312
Equity securities	–	–	–	–	7	–
Other collateral	–	–	–	–	3	–
Total	**–**	**1,537**	**–**	**933**	**340**	**424**

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

CCR6: Counterparty credit risk – Credit derivatives exposures

CCR6: Counterparty credit risk – Credit derivatives exposures [1]

in CHF million 31.12.2022	a Protection bought	b Protection sold
Notionals		
Single-name credit default swaps	–	–
Index credit default swaps	556	31
Total return swaps	–	–
Credit options	–	–
Other credit derivatives	–	–
Total notionals	**556**	**31**
Fair values	**553**	**31**
Positive replacement values (assets)	1	0
Negative replacement values (liabilities)	–4	–0

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

CCR8: Counterparty credit risk – Exposures to central counterparties

CCR8: Counterparty credit risk – Exposures to central counterparties

	in CHF million 31.12.2022	a EAD post CRM	b RWA
1	Exposures to QCCPs (total)	1,466	19
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions)	895	18
3	of which OTC derivatives	895	18
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	540	–
9	Pre-funded default fund contributions	10	2
10	Unfunded default fund contributions	21	–
11	Exposures to non-QCCPs (total)	–	–
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions)	–	–
13	of which OTC derivatives	–	–
14	of which Exchange-traded derivatives	–	–
15	of which securities financing transactions	–	–
16	of which netting sets where cross-product netting has been approved	–	–
17	Segregated initial margin	–	
18	Non-segregated initial margin	–	–
19	Pre-funded default fund contributions	–	–
20	Unfunded default fund contributions	–	–

Market risk

MRA: General qualitative information

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

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

The Corporate Clients, Treasury & Markets department is responsible for managing Raiffeisen Switzerland's trading book. The Raiffeisen banks do not keep a trading book. Trading activities comprise interest rates, currencies, equities and banknotes/ precious metals. There must be strict adherence to the value-at-risk, scenario, position and loss limits set by the Board of Directors and the Executive Board, which the Risk & Compliance department monitors on a daily basis. In addition, the Risk & Compliance department conducts daily plausibility checks of the valuation parameters used to produce profit and loss figures for trading.

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

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

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

MR1: Market risk under standardised approach

MR1: Market risk – Market risk under standardised approach

	in CHF million 31.12.2022	a RWA
	Outright products	
1	Interest rate risk (general and specific)	1,017
2	Equity risk (general and specific)	59
3	Foreign exchange risk	56
4	Commodity risk	517
	Options	
5	Simplified approach	–
6	Delta-plus method	1
7	Scenario approach	–
8	Securitisation	–
9	**Total**	**1,650**

Interest rate risks

IRRBBA: Interest rate risk in the banking book (IRRBB) risk management objective and policies

a) Definition of IRRBB

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

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

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

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

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

b) Managing IRRBB

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

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

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

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

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

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

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

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

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

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

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

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

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

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

c) IRRBB metrics

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

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

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

d) Interest rate scenarios for IRRBB assessment

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

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

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

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

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

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

e) Non-standard model assumptions

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

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

Current account balances held at the Swiss National Bank and recognised central savings banks are treated as non-interest-rate-sensitive exposures in ΔEVE calculations that have been standardised based on FINMA guidelines. As interest is paid on current account balances held at the Swiss National Bank up to a certain limit at the SNB prime rate, they are treated as interest-rate-sensitive exposures in internal calculations. The resulting differences are negligible.

f) Hedges

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

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

g) Key modelling and parametric assumptions

1. Cash flows for ΔEVE calculations
Cash flows are discounted without margin or spread components.

2. Mapping procedure for ΔEVE calculations
The cash flows of products with fixed interest rate periods and capital commitment periods are determined at the level of individual exposures. Variable products are replicated.

3. Discounting for ΔEVE calculations
Discounting uses zero coupon interest rates derived from currency-specific swap curves.

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

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

In the “Parallel shift up” scenario, interest rates in the variable-rate client business increase.

In the “Parallel shift down” scenario, interest rates in the variable-rate client business are only reduced moderately for pension assets; the interest rates for other products are not adjusted.

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

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

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

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

7. Time deposits
Raiffeisen does not hold any time deposits with embedded options in the banking book, which could result in premature withdrawals influenced by behavioural factors. This optionality is accordingly not relevant to Raiffeisen.

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

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

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

h) Other information

An enhanced replicating model for variable client products was introduced in 2022. This affects the interest rate resetting of the replicated products (Table IRRBBA1) and calculation of the ΔEVE metric (Table IRRBB1).

IRRBBA1: Interest rate risks – Quantitative information on exposure structure and repricing period

IRRBBA1: Interest rate risks – Quantitative information on exposure structure and repricing period

	Volume in CHF million			Average interest rate reset period (in years)		Maximum interest rate reset period (in years) for exposures with modelled (not determined) interest rate reset dates	
31.12.2022	Total	of which CHF	of which other major currencies that make up more than 10% of the total assets or total liabilities and equity	Total	of which CHF	Total	of which CHF
Defined interest rate reset date							
Amounts due from banks	1,638	1,560	–	0.1	0.1		
Amounts due from clients	9,194	8,889	–	2.3	2.3		
Money-market mortgages	37,897	37,897	–	0.1	0.1		
Fixed-rate mortgages	161,872	161,872	–	4.1	4.1		
Financial investments	15,054	15,054	–	4.3	4.3		
Other receivables	–	–	–	–	–		
Receivables from interest rate derivatives [1]	86,331	71,099	–	1.6	1.9		
Liabilities to banks	9,757	1,379	–	0.1	0.2		
Amounts due in respect of customer deposits	13,267	11,514	–	2.6	3.0		
Cash bonds	210	210	–	3.0	3.0		
Bond issues and central mortgage institution loans	29,759	29,603	–	8.5	8.6		
Other liabilities	–	–	–	–	–		
Liabilities from interest rate derivatives [1]	86,552	86,404	–	2.1	2.1		
Undefined interest rate reset date							
Amounts due from banks	1,650	207	–	0.0	0.0		
Amounts due from clients	1,451	1,435	–	0.3	0.3		
Floating-rate mortgage loans	3,866	3,866	–	1.2	1.2		
Other receivables on demand	–	–	–	–	–		
Liabilities on demand in respect of personal and current accounts	92,738	89,347	–	1.4	1.4		
Other liabilities on demand	2,429	2,304	–	0.0	0.0		
Amounts due in respect of customer deposits, callable but not transferable (savings)	97,615	97,284	–	1.8	1.8		
Total	**651,278**	**619,923**	**–**	**2.6**	**2.7**	**10.0**	**10.0**

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

IRRBB1: Interest rate risks - Quantitative information on IRRBB

IRRBB1: Interest rate risks - Quantitative information on IRRBB

In CHF million	ΔEVE (change in net present value)		ΔNII (change in capitalised value)	
Period	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Parallel up	–1,510	–2,469	–608	–435
Parallel down	1,197	2,228	–251	51
Steepener [1]	89	–547		
Flattener [2]	–453	–31		
Short rate up	–795	–769		
Short rate down	816	788		
Maximum	–1,510	–2,469	–608	–435

Period	31.12.2022	31.12.2021
Tier 1 capital before reclassifications to meet the gone-concern requirements	21,710	20,323
Tier 1 capital after reclassifications to meet the gone-concern requirements	17,464	19,758

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

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

ΔNII is equal to the change in the gross income from interest operations due to an abrupt parallel shift in the yield curve (+/– 150 basis points for CHF) pursuant to FINMA Circular 2019/2 “Interest rate risks – banks” compared to the Bank's base scenario pursuant to the specifications of FINMA Circular 2016/1 “Disclosure – banks”. The interest paid on current account balances held at the Swiss National Bank is ignored in the ΔNII calculation, in line with specifications. The Bank's base scenario assumes constant interest rates.

ΔEVE

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

The maximum change in net present value results in the “Parallel shift up” scenario; as at 31 December 2022, it is much lower than in the previous year. This is due, in particular, to the rise in interest rates and the associated effects on balance sheet structure for loans to clients. In addition, the replicating model for variable client products (see section entitled “IRRBBA: b) Managing IRRBB”) was enhanced.

ΔNII

With regard to income, an abrupt increase in interest rates (+150 basis points for CHF) would reduce gross interest income compared to the Bank's internal scenario. This is because, under this scenario, interest expense is assumed to rise relatively rapidly. An abrupt decrease in interest rates (–150 basis points for CHF) would also have a negative impact on gross interest income compared to the Bank's internal scenario. This is because, under this scenario, on the one hand it is assumed that interest rates in the variable-rate client business cannot be reduced, apart from pension assets. On the other hand, income from loans to clients is lower.

Operational risks

ORA: General qualitative information

Raiffeisen takes operational risks to mean the danger of losses arising as a result of the unsuitability or failure of internal procedures, people or systems, or as a result of external events. They also include risks relating to cyber attacks and information security, as well as risks in investment activity in general. Consequences for compliance and Raiffeisen's reputation are also considered in addition to the financial impact.

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

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

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

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

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

In the context of risks in investment activity, independent monitoring of compliance with the investment guidelines for the asset management mandates, model portfolios used in investment advice as well as index-tracking funds is conducted in the Risk & Compliance department. The relevant key risk indicators are reported to the Raiffeisen Switzerland Board of Directors on a quarterly basis.

Each year the Risk & Compliance department prepares a risk profile of the legal and compliance risks (including an assessment of market conduct risks and the risk analysis for the prevention of money laundering). It then derives a plan of action on risk from this, which is approved by the Executive Board with information from the Board of Directors, and is subsequently implemented.

The Risk & Compliance department reports on significant changes in legal and compliance risks to the Executive Board and the Risk Committee of Raiffeisen Switzerland's Board of Directors on a quarterly basis. In addition, twice a year the activities of the Compliance function are reported to the Executive Board, the Risk Committee of the Board of Directors and, once a year, to the full Board of Directors.

Appendix 3: Disclosure requirements for systemically important banks

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

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

In accordance with the final rules and as a prerequisite for an approvable emergency plan, FINMA stipulated higher requirements in terms of gone-concern funds at the level of 7.86 percent (risk-weighted view) and 2.75 percent (unweighted view) for the Raiffeisen Group in comparison with the regulatory requirements under CAO.

With effect from 31 December 2022, the Raiffeisen Group reclassifies additional excess going-concern capital based on full gone-concern requirements, without applying transitional provisions, in order that all TLAC requirements applicable from 2026 (including emergency plan requirements) are met in full as early as 31 December 2022.

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

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

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

	Transition rules[1]		Final rules[2]	
31.12.2022	CHF million	In % Ratio	CHF million	In % Ratio
Basis of assessment				
Risk-weighted positions (RWA)	**92,899**		**92,899**	
Risk-based capital requirements ("going-concern") on the basis of capital ratios				
Total	**13,619**	**14.661%**	**13,619**	**14.661%**
of which CET1: Minimum	4,180	4.500%	4,180	4.500%
of which CET1: Capital buffer	4,106	4.420%	4,106	4.420%
of which CET1: Anti-cyclical capital buffer	1,338	1.441%	1,338	1.441%
of which AT1: Minimum	3,251	3.500%	3,251	3.500%
of which AT1: Capital buffer	743	0.800%	743	0.800%
Eligible capital ("going-concern")				
Core capital (Tier1)	**17,464**	**18.799%**	**17,464**	**18.799%**
of which CET1	17,464	18.799%	17,464	18.799%
of which AT1 High-trigger	–	0.000%	–	0.000%
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)[3]	2,378	2.560%	7,302	7.860%
Reductions based on the holding of additional reserves in the form of CET1 or convertible capital as defined in Article 132 (4) CAO[4]	–793	–0.853%	–2,123	–2.285%
Total (net)	**1,585**	**1.707%**	**5,179**	**5.575%**
Eligible loss absorbing capital ("gone-concern")				
Total	**5,653**	**6.085%**	**5,653**	**6.085%**
of which CET1, which is used to fulfil gone-concern requirements[5]	3,111	3.349%	3,111	3.349%
of which Additional Tier 1, which is used to fulfil gone-concern requirements[6]	1,135	1.222%	1,135	1.222%
of which Bail-in Bonds	1,407	1.514%	1,407	1.514%

1 Gone-Concern requirements taking into account the transitional rules pursuant to ERV Art. 148j until December 31, 2025
2 Gone-concern capital requirements after transitional phase as of 1 January 2026 and taking into account FINMA requirements for an approvable emergency plan at the level of Raiffeisen Group.
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 pursuant to CAO, which is listed in the "Transitional rules" column pursuant to Article 148j CAO. In accordance with the final rules and as a prerequisite for an approvable emergency plan, FINMA stipulated higher requirements in terms of gone-concern funds at the level of 7.86% (risk-weighted view) and 2.75% (unweighted view) for the Raiffeisen Group in comparison with the regulatory requirements under CAO. These emergency plan requirements, which Raiffeisen meets in full with bail-in bonds and reclassification of excess going-concern capital with effect from 31 December 2022, are presented in the "Final rules" column.
4 If a systemically important bank holds the additional funds in the form of 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 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.
5 With effect from 31 December 2022, the Raiffeisen Group reclassifies excess CET1 capital based on full gone-concern emergency plan requirements, without applying transitional provisions.
6 High trigger Additional Tier 1 capital is reclassified and used to fulfil gone-concern requirements.

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

	Transition rules[1]		Final rules[2]	
31.12.2022	CHF million	In % LRD	CHF million	In % LRD
Basis of assessment				
Overall exposure	**282,758**		**282,758**	
Unweighted capital requirements ("going-concern") on the basis of the leverage ratio				
Total	**13,078**	**4.625%**	**13,078**	**4.625%**
of which CET1: Minimum	4,241	1.500%	4,241	1.500%
of which CET1: Capital buffer	4,595	1.625%	4,595	1.625%
of which AT1: Minimum	4,241	1.500%	4,241	1.500%
Eligible capital ("going-concern")				
Core capital (Tier1)	**17,464**	**6.176%**	**17,464**	**6.176%**
of which CET1	17,464	6.176%	17,464	6.176%
of which AT1 High-trigger	–	0.000%	–	0.000%
Unweighted 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)[3]	2,375	0.840%	7,776	2.750%
Reductions based on the holding of additional reserves in the form of CET1 or convertible capital as defined in Article 132 (4) CAO[4]	–792	–0.280%	–2,123	–0.751%
Total (net)	**1,583**	**0.560%**	**5,653**	**1.999%**
Eligible loss absorbing capital ("gone-concern")				
Total	**5,653**	**1.999%**	**5,653**	**1.999%**
of which CET1, which is used to fulfil gone-concern requirements[5]	3,111	1.100%	3,111	1.100%
of which Additional Tier 1, which is used to fulfil gone-concern requirements[6]	1,135	0.402%	1,135	0.402%
of which Bail-in Bonds	1,407	0.497%	1,407	0.497%

1 Gone-Concern requirements taking into account the transitional rules pursuant to ERV Art. 148j until December 31, 2025
2 Gone-concern capital requirements after transitional phase as of 1 January 2026 and taking into account FINMA requirements for an approvable emergency plan at the level of Raiffeisen Group.
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 pursuant to CAO, which is listed in the "Transitional rules" column pursuant to Article 148j CAO. In accordance with the final rules and as a prerequisite for an approvable emergency plan, FINMA stipulated higher requirements in terms of gone-concern funds at the level of 7.86% (risk-weighted view) and 2.75% (unweighted view) for the Raiffeisen Group in comparison with the regulatory requirements under CAO. These emergency plan requirements, which Raiffeisen meets in full with bail-in bonds and reclassification of excess going-concern capital with effect from 31 December 2022, are presented in the "Final rules" column.
4 If a systemically important bank holds the additional funds in the form of 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 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.
5 With effect from 31 December 2022, the Raiffeisen Group reclassifies excess CET1 capital based on full gone-concern emergency plan requirements, without applying transitional provisions.
6 High trigger Additional Tier 1 capital is reclassified and used to fulfil gone-concern requirements.

Raiffeisen Switzerland

Key metrics

KM1: Key metrics

KM1: Key metrics

	in CHF million (unless stated otherwise)	a 31.12.2022	b 30.09.2022	c 30.06.2022	d 31.03.2022	e 31.12.2021
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	2,741	2,695	2,705	2,669	2,653
2	Tier 1	3,877	3,824	3,831	3,862	3,868
3	Total capital	5,036	4,576	4,609	4,724	4,799
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA) [1]	12,936	13,488	13,567	15,749	15,856
4a	Minimum capital requirement	1,035	1,079	1,085	1,260	1,269
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	21.2%	20.0%	19.9%	16.9%	16.7%
6	Tier 1 ratio (%)	30.0%	28.4%	28.2%	24.5%	24.4%
7	Total capital ratio (%)	38.9%	33.9%	34.0%	30.0%	30.3%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital buffer in accordance with Basel Minimum Standards (as of 2019 2.5%) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer (Article 44a CAO) in accordance with the Basel Minimum Standards (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Additional capital buffer due to national or international systemic importance (%)	0.0%	0.0%	0.0%	0.0%	0.0%
11	Overall buffer requirements in accordance with the Basel Minimum Standards in CET1 quality (%)	2.5%	2.5%	2.5%	2.5%	2.5%
12	Available CET1 to cover buffer requirements in accordance with Basel Minimum Standards (after deducting CET1 from the cover of the minimum requirements and possibly to cover the TLAC requirements) (%)	16.7%	15.5%	15.4%	12.4%	12.2%
	Target capital ratios in accordance with note 8 of the CAO [2]					
12b	Countercyclical buffer (Articles 44 and 44a CAO)	0.2%	0.2%	0.0%	0.0%	0.0%
	Basel III Leverage Ratio					
13	Total exposure [3]	68,053	89,727	93,910	100,326	89,973
14	Basel III leverage ratio (%)	5.7%	4.3%	4.1%	3.8%	4.3%
	Liquidity Coverage Ratio [4]					
15	Total HQLA	55,992	56,142	62,324	62,056	61,377
16	Total net cash outflow	37,000	38,146	39,347	38,372	35,657
17	LCR ratio (%)	151.3%	147.2%	158.4%	161.7%	172.1%
	Net Stable Funding Ratio					
18	Total available stable funding	48,998	50,838	51,932	55,452	57,003
19	Total required stable funding	20,853	21,683	21,446	23,297	23,948
20	NSFR ratio (%)	235.0%	234.5%	242.1%	238.0%	238.0%

1 As a result of the Raiffeisen Switzerland branches becoming independent, risk-weighted positions have been reduced.
2 Systemically important banks can refrain from publishing rows 12a, 12c, 12d, 12e (note 8 of the CAO not applicable).
3 As a result of the Raiffeisen Switzerland branches becoming independent and the decrease in money market transactions, overall exposure has been reduced.
4 Average daily closing averages of all business days in the reporting quarter.

Appendix 3: Disclosure requirements for systemically important banks

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

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

	Transition rules		Final rules [1]	
31.12.2022	CHF million	In % Ratio	CHF million	In % Ratio
Basis of assessment				
Risk-weighted positions (RWA)	**12,936**		**12,936**	
Risk-based capital requirements ("going-concern") on the basis of capital ratios				
Total	**1,742**	**13.469%**	**1,742**	**13.469%**
of which CET1: Minimum	582	4.500%	582	4.500%
of which CET1: Capital buffer	572	4.420%	572	4.420%
of which CET1: Anti-cyclical capital buffer	32	0.249%	32	0.249%
of which AT1: Minimum	453	3.500%	453	3.500%
of which AT1: Capital buffer	103	0.800%	103	0.800%
Eligible capital ("going-concern")				
Core capital (Tier1)	**3,877**	**29.968%**	**3,877**	**29.968%**
of which CET1	2,741	21.191%	2,741	21.191%
of which AT1 High-trigger	1,135	8.777%	1,135	8.777%
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) [2]	331	2.560%	684	5.288%
Reductions based on the holding of additional reserves in the form of CET1 or convertible capital as defined in Article 132 (4) CAO	–	0.000%	–	0.000%
Total (net)	**331**	**2.560%**	**684**	**5.288%**
Eligible loss absorbing capital ("gone-concern")				
Total	**1,407**	**10.873%**	**1,407**	**10.873%**
of which CET1, which is used to fulfil gone-concern requirements	–	0.000%	–	0.000%
of which Bail-in Bonds	1,407	10.873%	1,407	10.873%

1 Gone-concern capital requirements after transitional phase as of 1 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. At the level of the individual institution, no additional gone concern requirements from the emergency plan are applied, as is the case at Group level.

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

	Transition rules [1]		Final rules [2]	
31.12.2022	CHF million	In % LRD	CHF million	In % LRD
Basis of assessment				
Overall exposure	**68,053**		**68,053**	
Unweighted capital requirements (“going-concern”) on the basis of the leverage ratio				
Total	**2,273**	**3.340%**	**3,147**	**4.625%**
of which CET1: Minimum	1,021	1.500%	1,021	1.500%
of which CET1: Capital buffer	170	0.250%	1,106	1.625%
of which AT1: Minimum	1,082	1.590%	1,021	1.500%
Eligible capital (“going-concern”)				
Core capital (Tier1)	**3,877**	**5.696%**	**3,877**	**5.696%**
of which CET1	2,741	4.028%	2,741	4.028%
of which AT1 High-trigger	1,135	1.668%	1,135	1.668%
Unweighted 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) [3]	687	1.010%	1,259	1.850%
Reductions based on the holding of additional reserves in the form of CET1 or convertible capital as defined in Article 132 (4) CAO	–	0.000%	–	0.000%
Total (net)	**687**	**1.010%**	**1,259**	**1.850%**
Eligible loss absorbing capital (“gone-concern”)				
Total	**1,407**	**2.067%**	**1,407**	**2.067%**
of which CET1, which is used to fulfil gone-concern requirements	–	0.000%	–	0.000%
of which Bail-in Bonds	1,407	2.067%	1,407	2.067%

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 31 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. At the level of the individual institution, no additional gone concern requirements from the contingency planning are applied, as is the case at the Group level.

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