



– Raiffeisen Switzerland
– Annual Report
– 2011

RAIFFEISEN

Publication data

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The German version is prevailing.
The annual report can be accessed
at www.raiffeisen.ch,
Corporate Information, Financial Reports.

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— Success in challenging times



For over 110 years, Raiffeisen has pursued a sustainable, cooperative business model that is appreciated by our clients and members alike. Our model certainly proved its worth last year – a year that was dynamic and challenging for a variety of reasons. The entire year was dominated by the euro crisis, the strong Swiss franc, the EU debt crisis, regulation debates in Switzerland and negotiations with neighbouring countries about the flat rate withholding tax. It was up to us to clearly and confidently represent Raiffeisen's interests – from the "too big to fail" debate to the flat rate withholding tax, where we successfully argued that we should not have to contribute to any compensation payment as we were not responsible for the problem.

As a Group, we found viable, forward-looking solutions to challenges in refinancing or higher capital adequacy requirements. It is characteristic for the quality of our mortgage portfolio that value adjustments declined even more despite growing volumes.

The strategic thrusts approved by the Board of Directors – qualitative growth and diversification, increase in productivity and strengthening the corporate culture – firm up our positioning as the leading retail bank. We have launched the activities needed to assure our long-term success. By proactively putting the Raiffeisen brand values into action, we have fostered trust in our brand. Sponsoring the Swiss Football League helps build emotionalisation for the Raiffeisen brand as well. We offer a Raiffeisen experience to our members at multiple levels: nationally, regionally and locally. And that satisfies their need for emotions and shared experiences.

Left: Prof. Dr. Johannes Rüegg-Stürm,
Chairman of the Board of Directors
of the Raiffeisen Group

Right: Dr. Pierin Vincenz,
Chairman of the Executive Board
of the Raiffeisen Group

After nine years on the Board of Directors of Raiffeisen Switzerland, Dr. h. c. Franz Marty resigned as the Chairman. The Raiffeisen Group grew together even more under his leadership. When Franz Marty stepped down, we lost a financial expert with a legal conscience and strong political skills. At the Delegates Meeting, the delegates of the 328 Raiffeisen banks elected

Prof. Dr. Johannes Rüegg-Stürm to succeed Franz Marty as the Chairman of the Board of Directors. The delegates also elected Angelo Jelmini from Ticino for the first time to the Board of Directors.

We are convinced that the boundaries between retail and private banking will grow fuzzier in the medium term. This is the main motivation for the acquisition of the non-US business of Wegelin & Co. Private Bankers and its transformation into Notenstein Privat Bank Ltd at the end of January 2012. By making this strategic move and repositioning our investment business, we aim to diversify our earnings base and expand our service portfolio. We have also founded the KMU/PME/PMI Next foundation to develop solutions for one of the most urgent problems our economy is facing: SME succession. After all, not only do captains of industry have to contend with intrusive regulation and the strong Swiss franc, but many small and medium-sized enterprises are woefully unprepared to pass the reins from one generation to the next. This is yet another way in which we demonstrate our “commitment to Switzerland”.

The UN has declared 2012 the Year of the Cooperative. We reacted promptly to the increasing popularity of the cooperative model in the wake of the 2008 financial crisis by establishing the Interessengemeinschaft (IG) Genossenschaftsunternehmen, a cooperative association whose members include Switzerland’s largest and most influential cooperatives.

We are a reflection of Switzerland as a cooperative with over 1,000 bank branches and a decentralized organizational structure that typifies the local ties and presence of a SME. Our cooperative value system requires that we demonstrate responsibility and solidarity toward our society, economy and the environment – that we show our commitment to Switzerland. Our sustainable business model, commitment to simplicity, comprehensibility and strong focus on client needs will help us remain the top financial institution for our members in 2012 as well.



Prof. Dr. Johannes Rüegg-Stürm
Chairman of the Board of Directors of the Raiffeisen Group



Dr. Pierin Vincenz
Chairman of the Executive Board of the Raiffeisen Group

Organisational chart of Raiffeisen Switzerland

Board of Directors/VRA/AC

Prof. Dr. Johannes Rüegg-Stürm (Chairman), Philippe Moeschinger (Vice Chairman), Rita Fuhrer, Angelo Jelmini, Anne-Claude Luisier, Daniel Lüscher¹, Urs

Chairman of the Executive Board Dr. Pierin Vincenz²

Market

Dr. Patrik Gisel²

Private Clients

Roland Altwegg

Affluent Clients / Wealth Advisory

Ernst Näf

Corporate Clients

Hans Martin Albrecht

St.Gallen Branch

Dieter Leopold

Winterthur Branch

ad int. Matthias Läubli

Basel Branch

Bruno Stiegeler

Zurich Branch

Matthias Läubli

Berne Branch

Daniel Schmid

Thalwil Branch

Daniel Duca

Marketing & Communication

Gabriele Burn²

Electronic Channels

Pascal Dürr

Corporate Communications

Dagmar Laub-Gall

Brand Management

Robert Fuchs

Sponsoring & Events

ad int. Gerold Schneider

French-speaking Switzerland office

Alain Girardin

Italian-speaking Switzerland office

Romano Massera

Bank Relationship

Michael Auer²

Human Resources Management

Michael Federer

Legal & Compliance

Roland Schaub

FM & Logistics

Robin W. Marke

Training

Urs von Däniken

RB Consulting

Jon Armon Famos

Central Bank

Paulo Brügger²

Trading & Sales

Werner Leuthard

Treasury

Thomas Brunhart

Business Engineering & Support

Marco Tagliaferro

¹ Dependent in the sense of FINMA Circular 2008/24 paragraphs 20–24

² Member of the Executive Board

³ Member of the extended Executive Board

Schneider, Christian Spring¹, Prof. Dr. Franco Taisch, lic. iur. Edgar Wohlhauser, Werner Zollinger

General Secretariat Pius Horner

IT & Operations

Damir Bogdan²

Business Systems

Beat Monstein

IT Operations

Christian Lampert

Front Services

Adrian Töngi

Finance

Marcel Zoller²

Accounting

Paolo Arnoffi

Controlling

Dr. Christian Poerschke

Group Risk Controlling

Dr. Beat Hodel³

Credit Risk Management

Daniel Tönz

Projects

Marcel Zuberbühler

DIALBA Program

Rudolf J. Kurtz

Internal Auditing

Kurt Zobrist

Internal Auditing RB St.Gallen

Roland Meier

Internal Auditing RB Dietikon

Räto Willi

Internal Auditing RB Lausanne

Jean-Daniel Rossier

Internal Auditing RB Bellinzona

Katia Carobbio

Internal Auditing

Raiffeisen Switzerland

Sergio Pesenti

Internal Auditing ICT

Markus Hug

— Business trend

— Operating income stable despite difficult conditions

The changing and highly challenging economic and political environment affected Raiffeisen Switzerland. Operating income held steady at last year's level.

- Operating expenditure rose 5.8%. This yielded a gross profit of CHF 74.7 million, down by CHF 27.7 million as against the previous year.

Raiffeisen Switzerland posted a net profit of CHF 20.5 million for the financial year under review. The balance sheet total was largely unchanged at CHF 30.7 billion, though there were changes in the individual accounts.

No post-balance sheet date events occurred that would have a significant impact on the operating result. The investment in Notenstein Privatbank AG was acquired retroactively to 1 January 2012, and thus did not affect these annual financial statements.

PROFIT AND LOSS ACCOUNT

Operating income came in slightly lower year-on-year at CHF 536.6 million (-0.4%). Higher interest income (+4.4%), commission income (+13.3%) and trading profits (+14.0%) made up for reduced income from inter-group transactions with Raiffeisen banks. Operating expenditure increased by 5.8% or CHF 25.5 million.

Income from ordinary banking activities

Net interest income (note 20) rose 5.5% to CHF 130.9 million. Treasury income was slightly lower, but successful asset and liability management and surging business volume boosted the branches' contribution by CHF 7.4 million versus the previous year.

Net income from the commission business and service transactions (note 21) was up by 13.3% versus the previous year to CHF 81.5 million. Income from the securities and investment business fell on declining volume. Income from other service transactions increased sharply however on rising payment

transaction volume, up more than 9.0% to CHF 65.3 million. Commission expenditure declined to CHF 38.0 million due to lower transaction volume in the securities business and fewer custody accounts.

Raiffeisen Switzerland recorded a solid trading result of CHF 47.7 million for 2011 (note 22). Foreign exchange, notes and coins and precious metals trading comprised most of this income. The troubled market environment was responsible for lower income from share and fixed income trading.

The other ordinary result came in lower by CHF 23.1 million at CHF 276.5 million. Dividends from the two strategic participations were down by approximately CHF 2 million in the year under review, causing income from participating interests to fall 9.1% to CHF 24.4 million. In addition to income from individually billed services, other ordinary income (note 23) also includes the contributions from the Raiffeisen banks for collective and strategic services provided by Raiffeisen Switzerland. Income from advisory services came to CHF 27.7 million, 13.4% lower year-on-year. IT service income was down 15.1% by CHF 13 million. Raiffeisen banks were charged CHF 88.4 million (previous year CHF 90.9 million) for miscellaneous individual services. Services provided by Raiffeisen Switzerland for Group projects were charged to the Raiffeisen banks in the amount of CHF 41.3 million, even with last year. Other ordinary expenditure increased by CHF 6.0 million to CHF 7.4 million due to value adjustments made to financial assets in response to market developments.

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HIGHLIGHT

Operating expenditure

Personnel expenditure (note 24) totalled CHF 300.4 million, increasing by 4.3% or CHF 12.3 million. This rise was attributable to a 2.7% increase in wage costs (CHF 6.6 million) and a larger workforce (21.7 full-time equivalents, up 1.2%) and pay increases averaging 1.5%. Social insurance, pension fund and family allowances fund contributions also increased by 9.6% or CHF 3.9 million due to contribution rate increases. Ancillary staff expenses increased by CHF 1.8 million on higher staff recruitment costs and expenditures on staff events.

Operating expenditure (note 25) rose by CHF 13.1 million (+8.9%) to CHF 161.5 million. Property and facility maintenance expenses were higher year-on-year by CHF 1.2 million (+7.5%). IT infrastructure expenses rose by 6.0% to CHF 78.3 million. Higher expenses for postage and transport (+ CHF 2.1 million), consulting (+ CHF 2.5 million) and advertising (+ CHF 2.4 million) boosted other operating expenditure 12.8% to CHF 65.9 million.

Depreciation on fixed assets

The strategic investments in Vontobel Holding AG and Helvetia Holding AG were measured at stock market value at the end of the year; book value was written down by CHF 56.5 million.

Depreciation on tangible assets (note 4) declined by CHF 28.8 million year-on-year to CHF 41.1 million (-41.2%). This primarily reflected substantially lower investment in "Other tangible fixed assets" (including particularly conversions in third-party premises and hardware) and lower extraordinary write-downs with reserve characteristics in the amount of CHF 3.1 million (previous year CHF 25.5 million).

13.4 Raiffeisen banks' contributions to Raiffeisen Switzerland for group and strategic functions were significantly lower last year. Income from advisory services (an expense for the Raiffeisen banks) thus declined 13.4% to CHF 27.7 million.

Value adjustments, provisions and losses

Value adjustments, provisions and losses rose by CHF 9.4 million to CHF 13.6 million. Net new provisions for default risks in the lending business were very low at CHF 2.3 million, while losses were up sharply to CHF 3.3 million, especially card losses. Provisions for other business risks were recognised in the net amount of CHF 8.4 million.

Extraordinary income and taxes

Extraordinary income of CHF 59.6 million (note 26) includes CHF 57.6 million for the release of reserves for general banking risks. The reserves were written back due to the book value adjustment undertaken on the strategic investments due to market value changes. Gains were realised on the sale of shares in the mortgage bond bank to Raiffeisen banks (CHF 1.4 million) and of other smaller investment holdings and tangible assets. Tax expenditure in the reporting year amounted to only CHF 0.9 million due to the writing back of reserves.

Annual net profit

A net profit of CHF 20.5 million was recorded.

BALANCE SHEET

Raiffeisen Switzerland's balance sheet reflects the diverse demands placed on the organisation as a result of its central position within the Raiffeisen Group. Raiffeisen Switzerland has bank branches in larger Swiss cities with similar service arrays as Raiffeisen banks. It also performs Central Bank functions for the

entire Group, and as central intermediary holds responsibility for liquidity management, funding and hedging of interest rate exposure on a consolidated basis, among other things. As a result, the short-term liquidity situation of Raiffeisen banks, which is a function of the difference in the growth of client deposits and loans respectively, is directly reflected in Raiffeisen Switzerland's balance sheet and total assets. There were some considerable changes among balance sheet accounts in the year under review; Raiffeisen Switzerland's total assets decreased by CHF 228.8 million to CHF 30.7 billion.

The statutory liquidity requirements which must be met on a consolidated basis were satisfied at all times. The statutory capital adequacy requirements were also fulfilled (page 50).

Receivables from or liabilities to Raiffeisen banks

As of the end of 2011, net liabilities to Raiffeisen banks amounted to CHF 1.0 billion (previous year CHF 1.0 billion). This resulted from Raiffeisen banks enjoying high client money inflows, particularly in Q4. To comply with statutory liquidity requirements, the Raiffeisen banks hold assets of CHF 6.2 billion in blocked escrow accounts.

Receivables from and liabilities to other banks

Interbank business volume declined again in 2011. At the end of 2011 receivables were substantially lower versus the previous year, down 44.6%. The net obligation rose by CHF 1.0 billion to roughly CHF 2.9 billion. At the end of 2011 these additional funds were mainly held on the current account at the SNB. Unsecured interbank loans mostly have maturities not exceeding one month. The repo market practically ground to a halt due to the low interest rates.

Loans to clients

Loans to clients rose by 15.1% or CHF 7.4 billion to total 964.5 billion in the year under review. The branches increased lending volume by CHF 843 million (15.4%) to CHF 6.3 billion. These loans also include short-term Central Bank loans to institutional clients, loans to larger corporate clients and the leasing business.

Trading portfolios of securities and precious metals

The trading portfolio grew by CHF 266.5 million or 20.2% to CHF 1.6 billion (see note 2 for a breakdown of the trading portfolio) during the reporting year. The exchange-traded bond portfolio increased by CHF 183.5 million to CHF 630.8 million; precious metals holdings increased by CHF 74.9 million to CHF 917.2 million. The capital adequacy requirements for market risks in the trading book are detailed on page 50.

Financial assets

Securities holdings in financial assets (note 2), consisting primarily of top-quality bonds, are managed in accordance with statutory liquidity requirements and internal liquidity targets. Book value declined by CHF 0.8 billion to CHF 4.9 billion as bond holdings matured.

Participations

The primary participations/investments are detailed under notes 3 and 4. The stake in Aduno Holding AG increased from 24.7% to 25.5%. The percentage holding in Mortgage Bond Bank declined from 6.5 to 6.1% through sales of shares to various Raiffeisen banks. Book value adjustments in the amount of CHF 57.9 million were made at the end of the reporting year.

Tangible assets

Investment volume in properties (note 4) for the reporting year was CHF 6.5 million, most

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of which was for the new bank building at Raiffeisenplatz 8 in St.Gallen. A net amount of CHF 18.8 million was invested in other tangible assets. Of this amount, roughly CHF 7.9 million went to conversions of non-owned properties, i.e. installations at branches and new branch satellite offices. Another approximately CHF 6.4 million was invested in new computing hardware. "Other" items concern investments of CHF 16.7 million for software and licences.

Client monies

In the year under review, client deposits increased by CHF 1.4 billion, or 15.9%, to CHF 7.3 billion. Client deposits held by the branches increased by CHF 667.7 million or 15.2% to CHF 5.1 billion. Central Bank transaction volume with institutional clients increased by CHF 2.1 billion to CHF 2.2 billion.

Bonds and mortgage bond loans

Six bond offers with a total volume of CHF 1.7 billion were successfully floated in the reporting year. In October, one CHF 600 million bond issue matured, leaving the net increase at CHF 1.1 billion, for a total of CHF 3.84 billion (note 9). Liabilities owed to the Mortgage Bond Bank increased by a net CHF 507.5 million to CHF 1.74 billion. Redemptions of CHF 260.5 million were partially offset by new issues of CHF 767.9 million.

Value adjustments and provisions

Value adjustments for default risks (note 10) were almost unchanged year-on-year at CHF 37.7 million.

New provisions in the amount of CHF 10.1 million were allocated, with reversals of CHF 7.8 million, while the sum of CHF 2.6 million was written off for confirmed losses.

To determine the value adjustments for default risks, expected loss risks were factored in

based on internal ratings and the calculated value of collateral. Provisions for other business risks amounted to just CHF 2.0 million.

Reserves for general banking risks

In the year under review, CHF 57.6 million was taken from the general banking risk reserves to compensate for write-downs on investments. CHF 152.0 million of the total reserves of CHF 289.7 million has been taxed (note 10).

Equity capital

At the end of December 2011, cooperative capital was increased by CHF 90 million to CHF 450 million. Equity capital totalled CHF 906.2 million at the end of the year under review.

Off-balance-sheet business

Total contingent liabilities (note 17) declined by CHF 85.9 million to CHF 402.8 million. This decrease mainly reflects the elimination of a CHF 62.4 million contingent liability.

Contract volume for derivative financial instruments (note 18) increased from CHF 77.9 billion to CHF 88.2 billion. Hedging transactions for the bank book rose by CHF 5.7 billion to CHF 34.1 billion. This increase was principally due to an increase in interest positions. Positive replacement values amounted to CHF 1.1 billion (previous year: CHF 0.7 billion), while negative replacement values amounted to CHF 1.8 billion (previous year: CHF 1.4 billion).

Fiduciary transactions increased by CHF 44.8 million to CHF 58.6 million.



HIGHLIGHT

15.2 Raiffeisen Switzerland has six branches in urban areas. Last year the branches recorded a 15.2% rise in client deposits, increasing by CHF 668 million. Client deposit volume thus totalled CHF 5.1 billion.

REMUNERATION REPORT

A clearly formulated HR strategy is a major contributor to the success of the company. Raiffeisen positions itself as an attractive employer for both current and future personnel, attaching great importance to:

- Cultural identity
- Maintaining a unique management culture
- Personal responsibility and entrepreneurship
- Offering attractive employment conditions in line with the market

A competitive remuneration model is a key component for a successful positioning as an attractive employer. The remuneration system is designed to attract skilled workers and retain talented employees. Outstanding achievements are acknowledged, and every individual's performance is rewarded. This is essential in order to achieve long-term strategic targets.

Independent remuneration system

Raiffeisen's cooperative model is geared towards long-term enterprise growth. Profits are not distributed as dividends, but rather retained to strengthen the equity capital base. There are therefore no misguided incentives to take excessive risks in pursuit of above-average profits. Raiffeisen's low risk profile is reflected in the risk policy stipulated by the Board of Directors and in its credit limit system, as well as its limited trading activities and extremely modest value adjustments.

The low risk profile, stable earnings and cooperative tradition are the reasons why an independent remuneration system was established. This scheme involves remuneration caps for risk-takers, limits on variable remuneration components and all remuneration in cash rather than in the form of deferred benefits.

The Board of Directors has identified another group of risk takers other than the seven members of the Executive Board of Raiffeisen Switzerland: Central Bank employees with access to the market and trading opportunities. Their names are reported by the Head of Central Bank to the Head of Human Resources Management every year before the salary and bonus process begins and are approved by the Executive Board of Raiffeisen Switzerland in the request to determine the total variable remuneration pool. In 2011, this group consists of 41 people (not counting Executive Board members).

Raiffeisen's remuneration policy aims for constancy; the remuneration system rewards stable returns and sustained success. The remuneration system regulates the remuneration paid to members of the Board of Directors and Executive Board in detail and lays out basic principles for the total remuneration paid to all Raiffeisen Switzerland employees. Raiffeisen Switzerland also issues recommendations to Raiffeisen banks.

Remuneration system features

Composition of employee remuneration
For all employees (incl. members of the Executive Board and the Head of Internal Auditing), remuneration comprises the following components:

- Fixed remuneration in line with the market: Every employee has an individual contractual salary. This is based on a clearly defined job function and the employee's skills and knowledge. Salaries must also be competi-

tive with regard to the labour market. All fixed remuneration is paid in cash.

- Moderate variable remuneration: Bonuses are paid based on the sustained success of the Group and performance reviews of individual employees. These may be granted for any, including controlling functions. The Board of Directors does not receive variable remuneration. All variable remuneration is paid in cash and in non-deferred form.
- Fringe benefits: Fringe benefits are granted in the framework of applicable regulations, directives and industry standards.

Determining fixed remuneration for the Board of Directors and the Executive Board
The members of the Raiffeisen Switzerland Board of Directors receive remuneration commensurate with their respective responsibilities and time commitment. Additionally, members belonging to a committee, heading a committee or presiding over the Board of Directors receive higher pay.

Fixed remuneration for Executive Board members and the Head of Internal Auditing is set in accordance with their labour market value, the requirements of the assigned department, management responsibilities and seniority. Fixed remuneration (excluding employee and employer contributions to pension plans and social insurance) is capped at a maximum CHF 1,200,000.

Determining the total variable remuneration pool

The total variable remuneration pool is determined based on the following criteria, which apply in equal measure with regard to long-term developments:

- Relative profitability over time compared to the market
- Change in equity capital
- Performance of strategic initiatives and projects

- Changes in economic capital required relative to core capital

In the remuneration process, the Head of Group Risk Management assesses the risk situation and the Head of Legal & Compliance assesses compliance performance based on risk and compliance reports from the past twelve months. These assessments are then consulted when determining the total variable remuneration pool.

Allocation of variable remuneration

The Board of Directors does not receive variable remuneration. The Committee of the Board of Directors decides on the allocation of variable remuneration to members of the Executive Board and the Head of Internal Auditing. Variable remuneration paid to Executive Board members and the Head of Internal Auditing (excluding employee and employer contributions to pension plans and social insurance) may in no case exceed two-thirds of the individual member's fixed remuneration. The following criteria apply to the individual allocation of variable remuneration to Executive Board members and the Head of Internal Auditing:

- Achievement of individual targets
- Relative profitability of the Raiffeisen Group over time compared to the market
- Progress in strategic initiatives and projects
- Changes in risk assumed

The Executive Board or respective supervising managers responsible according to the hierarchy determine the allocation of variable remuneration among other employees. Function and performance reviews by the supervising manager play a major role in determining individual employee bonuses. There are thus no incentives for individuals to strive for short-term success by taking excessive risks. Serious rule violations can lead to a reduction in or loss of variable remuneration. Raiffeisen positions itself as an attractive employer by

allowing personnel to accrue pension credits in the Raiffeisen Pension Fund on variable remuneration paid out in excess of CHF 3,000.

The Executive Board allocates variable remuneration individually for named Central Bank employees with access to the market and trading opportunities.

The remuneration structure is designed so that the variable remuneration paid to controlling functions in no way depends on the risks they monitor and, given its amount, should largely be qualified as bonuses (under civil law).

Governance

The Raiffeisen Switzerland Board of Directors is responsible for:

- Outlining remuneration policy in the form of regulations for Raiffeisen Switzerland and recommendations for Raiffeisen banks.
- Approving the annual remuneration report submitted to the Board by the Remuneration Committee.
- Reviewing remuneration policy on a regular basis and whenever there are indications that review or revisions may be necessary.
- Having remuneration policies and their implementation reviewed annually by external or internal auditors.

The Board of Directors Committee is responsible for implementing regulations issued by the Board of Directors. In its role as Remuneration Committee, this body determines the amount of the total variable remuneration pool in particular. Furthermore, it defines the fixed and variable remuneration components for Executive Board members and the Head of Internal Auditing. The Remuneration Committee addresses these remuneration issues in two meetings every year.

The next chapter, “2011 remuneration”, summarises the remuneration paid to members of the Board of Directors Committee and to the other members of the Board of Directors.

2011 remuneration

Total remuneration

In the year under review, Raiffeisen Switzerland paid out total remuneration (excluding employer pension plan and social insurance contributions) of CHF 230,752,081. Remuneration expenses accrued (both fixed and variable) for the year under review, have been recorded in full as personnel costs. There are no remuneration expenses from earlier reporting years affecting profit and loss.

in CHF	2011	Prior year
Total Raiffeisen Switzerland remuneration	230,752,081	221,048,772
Charges/credits from earlier reporting years affecting current profit and loss	0	0

Total variable remuneration pool

In the year under review, the Board of Directors Committee approved a total variable remuneration pool (excluding employer pension plan and social insurance contributions) of CHF 34,554,867 for Raiffeisen Switzerland. This amount was paid out in full in cash, in non-deferred form.

in CHF	2011	Prior year
Total Raiffeisen Switzerland variable remuneration pool (cash only)	34,554,867	31,687,901
Number of individuals receiving variable remuneration	1,782	1,692

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Board of Directors

The members of the Raiffeisen Switzerland Board of Directors in office in 2011 received remuneration totalling CHF 1,001,350 for the year under review. This remuneration includes all allowances, attendance fees and expense reimbursements. The largest individual remuneration amount paid was to the Chair of the Board of Directors, Prof. Dr. Johannes Rüegg-Stürm, totalling CHF 183,650. Members of the Board of Directors receive no variable remuneration in the form of a profit sharing arrangement. In addition, total social insurance contributions for Board of Directors members totalled CHF 173,741. No joining or severance payments were remitted to members of the Board of Directors.

Members of the Executive Board (incl. the Head of Internal Auditing)

Total remuneration paid to members of the Raiffeisen Switzerland Executive Board for the reporting year (excluding employee and employer contributions to pension plans and social insurance) came to CHF 7,804,031. Of this amount, CHF 1,898,795 was paid to Dr. Pierin Vincenz, CEO of Raiffeisen Switzerland; this was the highest sum paid to an individual Executive Board member. Employee and employer contributions to pension plans and social insurance for Executive Board members totalled an additional CHF 3,207,457, of which CHF 570,455 was paid on behalf of Dr. Pierin Vincenz, CEO Raiffeisen Switzerland. Fixed remuneration includes business-related board of directors fees for Executive Board members.

As at the end of the financial year, loans granted to Executive Board members and associated persons and companies totalled CHF 29,530,629. The Board of Directors Committee is the approving body for company loans to Executive Board members. The bank's Executive Board enjoys preferential terms standard for the industry, as do other personnel. No joining or severance payments were made to Executive Board members or any other risk takers in the reporting year.

Balance sheet as of 31 December 2011

	Current year in 1000 CHF	Prior year in 1000 CHF	Change in 1000 CHF	Change in %	Note
Assets					
Liquid funds	3'612'044	414'887	3'197'157	770.6	12
Receivables from money market securities	29	100'621	-100'592	-100.0	12
Receivables from Raiffeisen banks	6'802'231	7'674'235	-872'004	-11.4	6, 12
Receivables from other banks	3'666'811	6'617'399	-2'950'588	-44.6	12
Receivables from clients	1'554'566	1'407'110	147'456	10.5	1, 12
Mortgage receivables	5'800'145	4'983'123	817'022	16.4	1, 6, 12
Loans to clients	7'354'711	6'390'233	964'478	15.1	
Trading portfolios in securities and precious metals	1'587'665	1'321'196	266'469	20.2	2, 12
Financial assets	4'853'121	5'681'657	-828'536	-14.6	2, 6, 12
Participations	395'843	449'696	-53'853	-12.0	2, 3, 4
Tangible fixed assets	279'610	279'032	578	0.2	4
Accrued income and prepaid expenses	334'523	334'163	360	0.1	
Other assets	1'813'649	1'665'903	147'746	8.9	5
Total assets	30'700'239	30'929'023	-228'784	-0.7	14, 16
Total subordinated receivables	2'689	–	2'689	–	
Total receivables from Group companies	–	–	–	–	
Liabilities					
Liabilities to Raiffeisen banks	7'775'602	6'675'793	1'099'809	16.5	12
Liabilities to other banks	6'601'702	8'558'934	-1'957'232	-22.9	12
Liabilities to clients in the form of savings and investment deposits	3'419'676	3'085'362	334'314	10.8	12
Other liabilities to clients	3'377'660	5'123'804	-1'746'144	-34.1	12
Medium-term notes	543'451	522'227	21'224	4.1	12
Client monies	7'340'787	8'731'393	-1'390'606	-15.9	
Bonds and mortgage bond loans	5'572'160	3'979'700	1'592'460	40.0	9, 12
Accrued expenses and deferred income	251'074	254'086	-3'012	-1.2	
Other liabilities	2'212'958	1'822'343	390'615	21.4	5
Value adjustments and provisions	39'709	39'075	634	1.6	10
Reserves for general banking risks	289'700	347'300	-57'600	-16.6	10
Cooperative capital	450'000	360'000	90'000	25.0	
General statutory reserves	146'000	139'873	6'127	4.4	
Annual profit	20'547	20'528	19	0.1	
Total equity capital	906'247	867'700	38'547	4.4	11
Total liabilities	30'700'239	30'929'023	-228'784	-0.7	14, 16
Total subordinated commitments	535'518	–	535'518	–	
Total commitments towards Group companies	3'849	6'331	-2'482	-39.2	
Off-balance-sheet business					
Contingent liabilities	402'825	488'718	-85'893	-17.6	1, 17
Irrevocable commitments	730'004	441'587	288'417	65.3	1
Commitments relating to calls on shares and other equity securities	17'218	18'320	-1'102	-6.0	1
Derivative financial instruments					
Positive replacement values	1'134'993	700'590	434'403	62.0	18
Negative replacement values	1'811'509	1'432'270	379'239	26.5	18
Contract volume	88'249'635	77'890'734	10'358'901	13.3	18
Fiduciary business	58'642	13'852	44'790	323.3	19

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Profit and loss account 2011

	Current year in 1000 CHF	Prior year in 1000 CHF	Change in 1000 CHF	Change in %	Note
Interest and discount income	604'103	605'060	-957	-0.2	20
Interest and dividend income from financial assets	83'865	91'391	-7'526	-8.2	20
Interest expenditure	-557'092	-571'114	14'022	-2.5	20
Net interest income	130'875	125'338	5'537	4.4	
Commission income lending business	5'751	4'238	1'513	35.7	21
Commission income securities and investment business	48'381	55'035	-6'654	-12.1	21
Commission income other service transactions	65'304	58'016	7'288	12.6	21
Commission expenditure	-37'968	-45'358	7'390	-16.3	21
Net income from commission business and service transactions	81'469	71'930	9'539	13.3	
Net trading income	47'720	41'861	5'859	14.0	22
Income from sale of financial assets	-973	50	-1'023	-2'046.0	
Income from participating interests	24'366	22'338	2'028	9.1	
Income from real estate	2'945	3'052	-107	-3.5	
Other ordinary income	257'644	275'663	-18'019	-6.5	23
Other ordinary expenditure	-7'434	-1'439	-5'995	416.6	
Other ordinary result	276'548	299'665	-23'117	-7.7	
Operating income	536'612	538'794	-2'182	-0.4	
Personnel expenditure	-300'447	-288'114	-12'333	4.3	24
Operating expenditure	-161'500	-148'358	-13'142	8.9	25
Total operating expenditure	-461'947	-436'473	-25'474	5.8	
Gross profit	74'665	102'321	-27'656	-27.0	
Depreciation on fixed assets	-99'031	-69'896	-29'135	41.7	4
Value adjustments, provisions and losses	-13'592	-4'222	-9'370	221.9	
Operating profit (interim result)	-37'958	28'203	-66'161	-234.6	
Extraordinary income	59'635	3'764	55'871	1'484.4	26
Extraordinary expenditure	-193	-6'160	5'967	-96.9	26
Taxes	-938	-5'280	4'342	-82.2	
Annual profit	20'547	20'528	19	0.1	

The amounts shown in the annual accounts have been rounded. Consequently, a minimal difference may arise in the total amount.

Proposed distribution of available profit

addressed to the Ordinary Delegate Assembly of 16 June 2012 in Zurich

	Current year in 1000 CHF	Prior year in 1000 CHF	Change in 1000 CHF	Change in %
Appropriation of profit				
Annual profit	20'547	20'528	19	0.1
Profit brought forward	–	–	–	–
Available profit	20'547	20'528	19	0.1
Appropriation of profit				
– Allocation to general statutory reserves	6'147	6'128	19	0.3
– Interest on cooperative capital	14'400	14'400	–	–
Total appropriation of profit	20'547	20'528	19	0.1

Cash flow statement 2011

	Current year origin of funds in 1000 CHF	Current year use of funds in 1000 CHF	Prior year origin of funds in 1000 CHF	Prior year use of funds in 1000 CHF
Cash flow from operating results (internal financing)				
Annual profit	20'547		20'528	
Depreciation on fixed assets	41'132		69'896	
Depreciation / appreciation on participations	57'898			1'007
Value adjustments and provisions	11'199	10'565	14'632	14'791
Additions to provisions from integration of leasing company			2'424	
Reserves for general banking risks		57'600	4'613	
Prepaid expenses		360	689	
Deferred income		3'012	31'730	
Interest paid on share certificates for prior year		14'400		14'400
Balance	44'839	–	114'314	–
Cash flow from equity capital transactions				
Net change in cooperative capital	90'000			
Additions to reserves from integration of leasing company			3'687	
Balance	90'000	–	3'687	–
Cash flow from investment activities				
Participations	716	4'762	1'402	69'683
Real estate		6'479		23'380
Other tangible fixed assets	49	18'821	1'163	35'623
Other	212	16'671		17'891
Balance	–	45'756	–	144'012

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	Current year origin of funds in 1000 CHF	Current year use of funds in 1000 CHF	Prior year origin of funds in 1000 CHF	Prior year use of funds in 1000 CHF
Cash flow from banking business of the Central Bank with Raiffeisen Banks				
Liabilities to Raiffeisen banks	4'057'562		75'955	
Receivables from Raiffeisen banks		2'481'194		2'795'593
Balance	1'576'368	–	–	2'719'638
Cash flow from ordinary banking business of the Central Bank				
Liabilities to banks		1'686'537		937'687
Liabilities to clients in the form of savings and investment deposits		2'058'267	663'587	
Bonds	1'685'000	600'000	950'000	70'000
Mortgage bond loans	767'910	260'450	591'200	184'500
Other liabilities	389'166		331'680	
Receivables from money market securities	100'439			99'830
Receivables from banks	2'954'571		2'171'432	
Receivables from clients		121'725		654'232
Trading portfolios in securities and precious metals		266'801		820'656
Financial assets	828'535		986'531	
Other receivables		147'590	62'229	
Liquid funds		3'194'901		158'270
Balance	–	1'610'650	2'831'484	–
Cash flow from banking business of the branches of Raiffeisen Switzerland				
Net positions at the Central Bank	120'767		424'526	
Savings and investment funds	282'431		240'938	
Other liabilities to clients	364'006		81'556	
Medium-term notes	213'399	192'175	124'329	254'293
Other liabilities	1'450			1'328
Receivables from clients		25'731		113'926
Mortgage receivables		817'022		584'168
Other receivables	329			751
Liquid funds		2'256		2'718
Balance	54'802	–	–	85'835
Total origin of funds	11'987'318		6'854'727	
Total use of funds		11'987'318		6'854'727

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OPERATING ACTIVITY

The most important duties of Raiffeisen Switzerland include ensuring loan and capital settlement and guaranteeing that statutory liquidity requirements are met for the entire organization. Settling the regularly recurring, seasonal liquidity fluctuations of the entire Raiffeisen Group, which has total assets of around CHF 156 billion, represents a particular challenge.

Raiffeisen Switzerland optimizes liquidity management on behalf of the entire Group by ensuring the broadest possible access to the interbank market. Repo transactions represent one of the most important tools for short-term liquidity management. Due to the present very low interest environment, however, a relatively large portion of the cash reserves was kept in an SNB current account during the reporting year. The most significant sources of refinancing included not only a broad network of counterparties in the money market, but also bond issues in the CHF capital market.

The amalgamation into the Raiffeisen Group has given the individual member banks access to wide-ranging services in the areas of management, marketing, communication, business, information technology, building systems (including security), training and legal services. In addition to interbank business, Raiffeisen Switzerland also has its own client business with the Central Bank and the branches in Basel, Berne, St.Gallen, Thalwil, Winterthur and Zurich. The Central Bank can enter into commitments abroad up to a risk-weighted maximum of 5% of the Raiffeisen Group's consolidated net assets, according to the risk-weighting factors stipulated by banking law.

Pursuant to its Articles of Association (Art. 5, para. 4), Raiffeisen Switzerland guarantees the liabilities of the Raiffeisen banks. In return, the Raiffeisen banks guarantee the

liabilities of Raiffeisen Switzerland with their capital.

Staff

As of the end of 2011, the number of employees – on a full-time equivalent basis – was 1,787 (previous year: 1,765).

RISK ASSESSMENT

The Board of Directors assumes overall responsibility for risk management and risk control within the Raiffeisen Group. It defines risk policy and reviews it on an annual basis. It also defines the level of risk tolerance and overall limits on an annual basis.

The Board of Directors monitors both the risk situation and changes in risk-bearing capital on a quarterly basis, based on the Board of Directors risk report. This provides comprehensive information on the risk situation, capital adequacy, compliance with overall limits and any measures required. Monitoring focuses on credit and market risks in the bank and trading books, liquidity risks, operational risks and solidarity risks within the Raiffeisen Group (i.e. the risk of problems at individual Raiffeisen banks).

The Board of Directors risk report is examined in depth by the Audit Committee of the Board of Directors. Based on this preparatory work, the Board of Directors reviews the findings of the Board of Directors risk report and its implications for risk strategy on a quarterly basis.

The Board of Directors conducts an annual assessment of the appropriateness and effectiveness of the internal control system (ICS) based on Group Risk Management's ICS appropriateness and effectiveness report and the reports produced by Internal Auditing.

The risk reports for the Board of Directors are prepared by Group Risk Management as an independent entity. The risk reports and any

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measures are discussed in detail in the preparatory meetings of the expanded Executive Board, which acts as the risk committee.

Assessment of the risks at Raiffeisen Switzerland is based on a combination of quantitative and qualitative factors. The key risks are thoroughly assessed both in terms of regulatory requirements and using economic models. Raiffeisen's risk models are based on prudent assumptions about distribution, confidence intervals, holding intervals and risk diversification. Its risk capital budgeting is in line with stress scenarios.

Credit risks are additionally examined at nominal values. Operational risks are assessed in terms of the probability of occurrence and loss potential. The appropriateness and effectiveness of control measures are incorporated into the assessment. The analysis of the operational risks is supplemented by an assessment of the qualitative impact of a risk event.

The Raiffeisen Group puts particular emphasis on supplementing its model-based assessments with forward-looking practical analyses and estimates. Scenario-based analyses based on macro-economically plausible scenarios, together with assessments drawing on specialist areas and front office units, therefore, play an important role in overall risk comprehension. The results of these analyses appear as a commentary in the risk report and in certain cases are also presented as a special report.

RISK MANAGEMENT

Risk policy

The risk management systems are based on statutory and supervisory provisions and the regulations governing risk policy for the Raiffeisen Group ("risk policy" for short). Raiffeisen Switzerland views taking on risks as one of its core competences and sees it as a vital prerequisite for achieving returns. Risks are

exclusively accepted with full knowledge of their scope and potential impact. In addition, all requirements must be met in terms of systems, personnel and knowledge.

The aim of the risk policy is to limit the negative impact of risks on earnings and protect Raiffeisen Switzerland against high exceptional losses while safeguarding and strengthening its good reputation. The risk policy forms the basis for managing risks at the operational level and is implemented by the Board of Directors of Raiffeisen Switzerland. It is reviewed and updated annually.

Group Risk Management is responsible for ensuring that the risk policy is observed and enforced. The Compliance unit ensures that regulatory provisions are adhered to.

Risk control

Raiffeisen Switzerland controls the key risk categories using special processes and overall limits. Risks that cannot be reliably quantified are limited by qualitative stipulations. Risk control is completed by independent monitoring of the risk profile.

Group Risk Management, which reports to the Head of the Finance department, is responsible for the independent monitoring of risks. This primarily involves monitoring compliance with the limits stipulated by the Board of Directors and the Executive Board. Group Risk Management also evaluates the risk situation on a regular basis as part of the reporting process.

Risk management process

The risk management process is valid for all risk categories, in other words for credit risks, market risks and operational risks. It incorporates the following components:

- Risk identification
- Risk measurement and assessment
- Risk management
- Risk limitation through the setting of appropriate limits
- Risk monitoring

The aim of risk management is to

- ensure that effective controls are in place at all levels;
- ensure that any risks entered into are in line with accepted levels of risk tolerance;
- create the conditions for entering into and systematically managing risks in a deliberate, targeted and controlled manner;
- make the best possible use of risk tolerance, in other words to ensure that risks are only entered into if they offer suitable return potential.

Credit risks

Credit risks are defined in risk policy as the risk of losses caused by clients or other counterparties failing to render contractual payments as anticipated. Credit risks are inherent in loans, irrevocable credit commitments, contingent liabilities and trading products such as OTC derivatives. Risks also accrue from debt, equity and other securities that may involve losses when the issuer defaults.

Raiffeisen Switzerland identifies, assesses, manages and monitors the following risk types in the lending business:

- Counterparty risks
- Collateral risks
- Concentration risks
- Country risks

Counterparty risks accrue from the potential default of a debtor or counterparty. A debtor

or counterparty is considered to be in default when receivables are more than 90 days overdue.

Collateral risks accrue from impairments in the value of collateral.

Concentration risks in credit portfolios arise from the uneven distribution of credit receivables from individual borrowers or in individual coverage categories, industries or geographic areas.

Country risk is the risk of losses caused by country-specific events.

The branches primarily incur counterparty and collateral risks. The branches of Raiffeisen Switzerland report to the Market department and extend credit to private and corporate clients, the latter of whom are mostly SMEs. Risks are limited primarily by securing the underlying claims.

Larger loans to corporate clients are also generally granted by the Market department. When credit being newly extended exceeds CHF 40 million on a risk-weighted basis, the Chief Risk Officer (CRO) issues a recommendation as to whether the concentration risk involved should be accepted.

The Group-wide responsibilities of the Central Bank Department include money and capital market funding, hedging currency, interest rate and proprietary trading risks and managing both domestic and international counterparty risk. The Central Bank department mainly incurs credit risks in connection with interbank business. With the exception of the repo business, these commitments are unsecured.

The Central Bank department may only conduct international transactions when country-specific limits have been approved

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and established. In exceptional cases in proprietary trading, positions may be taken in countries with prior approval from the Finance department.

Pursuant to the Articles of Association, international positions may not exceed 5% of the consolidated Raiffeisen Group balance sheet total. Country risks are actively managed on an ongoing basis and are principally concentrated in Europe.

External ratings are used as a basis for approving and monitoring business with other banks. Off-balance-sheet items such as derivative financial instruments are converted to their respective credit equivalent. Raiffeisen Switzerland has concluded a netting agreement with various counterparties for off-balance-sheet receivables (for OTC transactions) and monitors exposure on a net basis.

Raiffeisen Switzerland invests in other companies as part of strategic cooperation partnerships. Detailed information is provided under note 3 on page 32.

Creditworthiness and solvency are assessed at Raiffeisen Switzerland on the basis of Group-wide standards that are set forth in the lending policy. Sufficient creditworthiness and the ability to keep up payments must be proven before approval for any loan is granted. Loans to private individuals and legal entities are classified according to internal rating procedures and, on the basis of this classification, monitored from a risk-oriented perspective. Creditworthiness is defined according to a range of risk categories – four for private clients and thirteen for corporate clients.

Proven tools are available for the key elements of credit risk management, i.e. risk-adjusted pricing, portfolio management, identification and individual value adjustments. Specialist teams are available for more

complex financing and the management of recovery positions.

Collateral is valued according to uniform criteria. In the case of mortgages and building loans in particular, a comprehensive set of guidelines specifies how collateral is to be calculated, depending on the type of property in question. A carefully determined actual value is used for owner-occupied residential property and for rented single-family homes and apartments, while calculations for multi-family units are based on the capitalized value and, where applicable, on the weighted market value. The capitalized value is used as the benchmark for commercial property. Different repayment obligations apply to second mortgages. A prudent lending limit policy and an approval procedure geared to levels of responsibility complete our credit management process.

Throughout the entire duration of the credit facility, receivables are monitored continuously and ratings updated on a periodic basis in line with the relevant client type and collateral type. The value of the collateral is reviewed at varying intervals according to its volatility on the market and the overall facility reapproved.

The standardized guidelines concerning the establishment and release of individual value adjustments for default risks are set out in an internal directive. These outline procedures for calculating the liquidation value of any collateral held and subsequent individual value adjustments for potentially impaired receivables and non-performing or low-rated positions. Value adjustments and provisions are reviewed on a quarterly basis.

Raiffeisen Switzerland monitors, controls and manages concentration risks within the Group, especially for exposures to individual counterparties and groups of affiliated

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counterparties, as well as for exposures in individual sectors. The process for identifying and consolidating affiliated counterparties is automated across the entire Raiffeisen Group.

Raiffeisen Switzerland monitors the credit portfolio on a Group-wide basis, evaluating the portfolio structure and ensuring proper credit portfolio reporting. The analysis of the portfolio structure covers the distribution of the portfolio according to a range of structural characteristics including category of borrower, type of loan, size of loan, counterparty rating, sector, collateral, geographical features and value adjustments. The responsible executive bodies receive quarterly updates on the development of exceptions to policy in the Group. Monitoring and reporting form the basis for portfolio controlling measures, with the main focus being on controlling new business via the lending policy.

In addition to the qualitative monitoring of the portfolio structure, the risk contributions of individual client segments and sectors are also monitored. These risk contributions are calculated and reported as value-at-risk.

Cluster risks are centrally monitored by Credit Risk Controlling.

On 31 December 2011 Raiffeisen Switzerland had ten reportable cluster risks with cumulative risk-weighted commitments of CHF 1,551 million. These amounted to 161% of eligible capital resources (previous year: eleven reportable positions for CHF 1,436 million or 168% of capital resources).

The credit volume of Raiffeisen Switzerland's ten largest borrowers (excluding interbank business and public bodies) as of 31 December 2011 was CHF 938 million or 12.8% of loans to clients (previous year: CHF 801 million or 12.6%).

Market risks

As Raiffeisen Switzerland is heavily involved in balance sheet business, interest rate fluctuations can have a considerable influence on interest income. Up-to-date procedures are thus in place to measure risk in the bank book associated with fluctuating interest rates. These display variable positions based on a model that optimally replicates historical interest rate fluctuations with money and capital market rates. Decisions regarding the assignment of funds are taken on a decentralized basis within Raiffeisen Switzerland via the respective line functions. The Treasury of the Central Bank department of Raiffeisen Switzerland is the Group-wide binding counterparty for refinancing and hedging transactions, which are implemented through deposits and loans. The responsible members of staff in the branches and in the Central Bank are required to adhere strictly to the sensitivity limits set by the Board of Directors, which involve the change in the present value of the equity capital. Group Risk Management monitors compliance with limits and prepares associated reports, while also assessing the risk situation. It also evaluates the risk situation and measures the potential impact of the interest rate risk entered into on the market value of the equity capital and on profitability with the aid of scenario analyses and stress tests. These are included in monthly and quarterly risk reporting.

Since assets in a foreign currency are generally refinanced in the same currency, foreign currency risks are largely avoided.

Trading & Sales, part of the Central Bank department, is responsible for managing the Central Bank trading book. The branches do not keep a trading book. The Central Bank trades in interest rates, equities, currencies and banknotes/precious metals. It must adhere strictly to the sensitivity, concentration and loss limits set by the Board of Directors;

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these are monitored by Group Risk Management on a daily basis. In addition, Group Risk Management conducts daily plausibility checks on the profits achieved in trading and conducts daily reviews of the valuation parameters used to produce profit and loss figures for trading. Trading in derivative financial instruments is carried out exclusively by experienced dealers. They work with both standardized and over-the-counter (OTC) derivatives for the Central Bank's own account and for clients.

Reporting on compliance with sensitivity and position limits and the assessment of the risk situation by Group Risk Management is primarily conducted via three media:

- Weekly interest rate risk report to responsible Executive Board members in line with FINMA Circular 2008/6
- Monthly risk report to the Executive Board
- Quarterly risk report to the Board of Directors

The capital adequacy requirements for market risks are calculated using the standard approach under supervisory law. Within this framework, the duration method is applied for general market risk with regard to interest rate instruments and the delta-plus approach in respect of capital adequacy requirements for options. An overview is provided in the following table, "Capital adequacy requirements for market risks relating to the trading book".

Liquidity and financing risks

According to the FINMA ruling of 3 September 2010, Raiffeisen Switzerland is exempted from complying with the rules regarding liquidity on an individual basis. The relevant legal provisions must instead be observed on a consolidated basis. Liquidity and refinancing management at Group level is carried out by the Treasury department of Raiffeisen Switzerland and monitored by Group Risk Management

Operational risks

At Raiffeisen, operational risk means the danger of losses arising as a result of the unsuitability or failure of internal procedures, persons, IT and security systems, buildings and equipment, as a result of external events or through the interference of third parties. In addition to financial impact, Raiffeisen Switzerland also takes into account the consequences of operational risks in terms of reputation, compliance and financial reporting.

Operational risks only accrue in connection with business activities. They are avoided, reduced, transferred or borne based on cost-benefit considerations. For business-critical processes, emergency and catastrophe prevention planning measures are in place to manage operational risks.

Each function within Raiffeisen is responsible for identifying, assessing, managing and monitoring operational risk arising from its own activities. Group Risk Management is responsible for maintaining the Group-wide inventory of operational risks and for analysing and evaluating operational risk data. It is also in charge of the concepts, methods and instruments used to manage operational risks and monitors the risk situation and the implementation of risk reduction measures.

Capital adequacy requirements for market risks relating to the trading book

in 1000 CHF	31.12.2011	Ø 2011	31.12.2010	Ø 2010
Foreign exchange/precious metals	11,400	14,095	16,114	12,920
Interest rate instrum.	67,070	59,365	50,553	47,390
Equities/indices	8,977	7,327	3,753	4,375
Total	87,447	80,788	70,420	64,686

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In specific risk assessments, operational risks are identified, categorized by event type and evaluated according to the frequency or probability of occurrence and the extent of losses. The risk register is updated dynamically. Risk management measures are defined, implementation of which is periodically monitored by Group Risk Management.

The results of the risk assessment are reported to the Executive Board and the Board of Directors of Raiffeisen Switzerland via an aggregated risk profile. The Executive Board and the Board of Directors of Raiffeisen Switzerland also receive quarterly updates on the extent to which measures have been implemented.

In addition to the standard risk management process, Group Risk Management also conducts ad hoc risk analyses where required, analyses any loss events that may arise and defines appropriate measures.

Outsourcing

The operation of the data communication network has been outsourced to Swisscom (Switzerland) Ltd. Additionally, all the Raiffeisen Group's securities administration activities are carried out by the Vontobel Group. All outsourcing services are provided in accordance with the provisions of FINMA Circular 2008/7.

Regulatory provisions

Raiffeisen Switzerland Cooperative is exempt from regulatory liquidity requirements at the individual bank level. Consolidated capital adequacy data subject to disclosure per SFBC Circular 2008/22 are provided on the Raiffeisen website (www.raiffeisen.ch) and in the Raiffeisen Group annual report.

Raiffeisen Switzerland has opted for the following approaches for calculating capital adequacy requirements:

Credit risks: Swiss standard approach using the following external ratings:

Client category	Issuer/issue rating		
	SGP	Fitch	Moody's
Central governments/central banks	X	X	X
Public bodies	X	X	X
Banks/securities dealers	X	X	X

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

- Receivables from banks
- Receivables from clients and mortgage receivables
- Financial assets
- Other assets

Market risks: Standard approach

Operational risks: Basic indicator approach
As the capital adequacy requirements for operational risks exceed CHF 100 million at the Raiffeisen Group level, the same qualitative requirements apply to Raiffeisen Switzerland for operational risks as to banks that have opted for the standard approach.

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ACCOUNTING AND VALUATION PRINCIPLES

General principles

Accounting, valuation and reporting conform to the requirements of the Swiss Code of Obligations, the Swiss Federal Act on Banks and Savings Banks (plus the related ordinance) and FINMA guidelines and directives.

The detailed positions shown for a balance sheet item are valued individually. Unlike the annual result of the Raiffeisen Group, which must be prepared in accordance with the “true and fair view” principle, separate financial statements may be affected by hidden reserves.

Raiffeisen Switzerland publishes the consolidated annual accounts of the Raiffeisen Group in a separate annual report. The consolidated accounts comprise the annual accounts of all the individual Raiffeisen banks, Raiffeisen Switzerland, KMU Capital AG and RAINetworks Pte. Ltd. Raiffeisen Switzerland has therefore chosen not to prepare consolidated subgroup accounts that include the annual accounts of Raiffeisen Switzerland, KMU Capital AG and RAINetworks Pte. Ltd.

Recording of business events

All business events that have been concluded by the balance sheet date are recorded on a same-day basis in the balance sheet and the profit and loss account in accordance with the relevant valuation principles. Spot transactions that have been concluded but not yet settled are posted to the balance sheet on the trade date.

Foreign currencies

Assets, liabilities and cash positions in foreign currencies are converted at the exchange rate prevailing on the balance sheet date. Exchange rate gains and losses arising from this valuation are reported under “Net trading income”. Foreign currency transactions during

the course of the year are converted at the rate prevailing at the time the transaction was carried out.

Liquid funds, receivables from money market securities and borrowed funds

These are reported at nominal value or initial value. Discounts not yet earned on money market securities and discounts and premiums on the Group’s own bond and mortgage bond issues are accrued over the period to maturity.

Receivables from banks and clients, mortgage receivables

These are reported at nominal value. Interest income is reported on an accruals basis.

Receivables are considered impaired when the Group believes it improbable that the borrower will be able to completely fulfil his/her contractual obligations. Impaired receivables and any collateral are carried at liquidation value.

Individual value adjustments are recognized for impaired receivables based on regular analyses of individual loan commitments, while taking into account the creditworthiness of the borrower, the counterparty risk and the estimated net realizable sale value of the collateral. If recovery of the receivable amount depends solely on the seizure of collateral, the unsecured portion is written down in full.

Unpaid interest and related commissions due for more than 90 days are classified as non-performing. Interest and commission relating to current account overdrafts are deemed to be non-performing if the specified overdraft limit is exceeded for more than 90 days. Non-performing and impaired interest (including accrued interest) and commission are no longer recognized as income but reported directly under “Value adjustments and provisions”.

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A receivable is written off at the latest when completion of the realization process has been confirmed by legal title.

However, impaired receivables are written back up in full, i.e. the value adjustment reversed, if payments of outstanding principal and interest are resumed on schedule in accordance with contract provisions and additional creditworthiness criteria are fulfilled.

All value adjustments are reported under “Value adjustments and provisions”.

Securities lending and borrowing

Securities lending and borrowing transactions are reported at the value of the cash collateral received or issued, including accrued interest.

Securities borrowed or received as collateral are only reported on the balance sheet if Raiffeisen Switzerland takes control of the contractual rights associated with them. Securities which are loaned or provided as collateral are only removed from the balance sheet if Raiffeisen Switzerland forfeits the contractual rights associated with them. The market values of the borrowed and loaned securities are monitored daily so that any additional collateral can be provided or requested as necessary.

Fees received or paid under securities lending and repurchase transactions are booked to commission income or commission expenditure on an accruals basis.

Repurchase and reverse repurchase transactions

Securities purchased with an agreement to resell (reverse repurchase transactions) and securities sold with an agreement to buy back (repurchase transactions) are regarded as secured financing transactions and are recorded at the value of cash collateral received or provided, including accrued interest.

Securities received and delivered are only recognized/ derecognized from the balance sheet if control of the contractual rights associated with them is transferred. The market values of received or delivered securities are monitored daily, so that any additional collateral can be provided or requested as necessary.

Interest income from reverse repurchase transactions and interest expenditure from repurchase transactions are accrued over the term of the underlying transaction.

Trading portfolios in securities and precious metals

Trading portfolios are measured at fair value. Positions for which there is no representative market are valued at the lower of cost or market. Both measured and realized gains and losses during the period in question are reported under “Net trading income”. This also applies to interest and dividend income on trading portfolios. The funding costs for holding trading positions are charged to trading profits and credited to interest income.

Financial assets

Fixed-income debt securities and warrant bonds are valued at the lower of cost or market if there is no intention to hold them to maturity.

Debt instruments acquired with the intention of holding them to maturity are valued according to the accrual method, with the discount or premium accrued over the remaining life.

Equity is valued at the lower of cost or market.

Real estate and equity securities acquired through the lending business that are intended for disposal are reported under “Financial assets” and valued at the lower of cost or market. The “lower of cost or market” refers to the lower of the initial value or the liquidation value.

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Precious metals held to cover liabilities from precious metals accounts are carried at market value as of the balance sheet date. In cases where fair value cannot be determined, these are valued at the lower of cost or market.

Participations

Shares and other equity securities in companies that are held for the purpose of a long-term investment are shown under “Participations”, irrespective of the proportion of voting shares held. All participations in communal facilities are also reported here. These are valued in accordance with the principle of acquisition cost, i.e. acquisition cost less operationally required depreciation. Participations may contain hidden reserves.

Tangible fixed assets

Tangible fixed assets are reported at their purchase prices plus value-enhancing investments and depreciated on a straight-line basis over their estimated useful life, as follows:

Real estate	maximum 66 years
Alterations and fixtures in rented premises	maximum 15 years
Software, IT hardware	maximum 3 years
Furniture and fixtures	maximum 8 years
Other tangible assets	maximum 5 years

Immaterial investments are booked directly to the profit and loss account.

Large-scale, value-enhancing renovations are capitalized, while repairs and maintenance are booked directly to the profit and loss account. Tangible assets may contain hidden reserves.

Buildings under construction are not depreciated until they come into use. Undeveloped building land is not depreciated.

The value of tangible assets is reviewed whenever events or circumstances give reason to suspect that the book value is impaired. Any impairment is booked under “Depreciation on fixed assets”. If the useful life of a tangible asset changes as a result of the review, the residual book value is depreciated over the new duration.

Value adjustments and provisions

Individual value adjustments and provisions are recognized on a prudential basis for all risks identified as of the balance sheet date. Miscellaneous provisions may contain hidden reserves.

Reserves for general banking risks

Reserves may be allocated for general banking risks. These reserves are allocated as a precautionary measure in accordance with accounting standards to hedge against latent risks in the business activities of the bank. These reserves are counted as capital in accordance with Art. 18b of the Capital Adequacy Ordinance and are partially taxable (see “Value adjustments and provisions” table in the notes).

Contingent liabilities, irrevocable commitments, call commitments and additional funding obligations

These are reported at their nominal value under “Off-balance-sheet business”. Provisions are created for foreseeable risks.

Derivative financial instruments

Reporting under “Off-balance-sheet business” and in the notes
The replacement values of individual contracts for derivative financial instruments are reported gross, together with the contract volume, under “Off-balance-sheet business” and in the notes.

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Reporting

The replacement values of all contracts concluded on the bank's own account are reported, regardless of their profit and loss account treatment. The replacement values of exchange-traded contracts concluded on a commission basis are reported only to the extent they are not covered by margin deposits. The replacement values of over-the-counter contracts concluded on a commission basis are always reported.

All Treasury hedging transactions are concluded via the trading book; Treasury does not itself participate in the market. Only the replacement values of contracts with external counterparties are reported (see "Derivative financial instruments by external counterparty" table in the notes under "Open derivative financial instruments").

Treatment in the profit and loss account

The derivative financial instruments recorded in the trading book are valued on a fair value basis if they are traded on an exchange or if a representative market exists. If this requirement is not met, the principle of the lower of cost or market is applied.

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

Taxes

Taxes are calculated and booked on the basis of the profit for the reporting year.

Changes from prior year

None

Events after the balance sheet date

No material events occurred between the balance sheet date (31 December 2011) and the drawing up of the annual accounts that would have required disclosure in the accounts and/or notes.

Information on the balance sheet

1 Overview of collateral for loans and off-balance-sheet business

	Mortgage cover in 1000 CHF	Other cover in 1000 CHF	Without cover* in 1000 CHF	Total in 1000 CHF
Loans				
Loans to clients	130,153	102,520	1,321,893	1,554,566
Mortgage loans				
Residential property	5,210,386	–	4,064	5,214,450
Office and business premises	174,792	–	576	175,368
Trade and industry	291,433	–	701	292,134
Other	115,923	–	2,271	118,194
Total loans				
Current year	5,922,687	102,520	1,329,504	7,354,711
Prior year	5,099,914	389,097	901,222	6,390,233
Off-balance-sheet business				
Contingent liabilities	1,175	7,666	393,984	402,825
Irrevocable commitments	372,013	4,548	353,443	730,004
Call commitments and additional funding obligations	–	–	17,218	17,218
Total off-balance-sheet business				
Current year	373,188	12,214	764,645	1,150,047
Prior year	267,781	10,456	670,388	948,625

* incl. value-adjusted loans

	Gross amount borrowed in 1000 CHF	Estimated proceeds from realization of collateral in 1000 CHF	Net amount borrowed in 1000 CHF	Specific value adjustments in 1000 CHF
Impaired loans				
Current year	56,803	17,084	39,719	37,678
Prior year	66,052	25,756	40,296	37,559

The difference between the net amount borrowed and the specific value adjustments is attributable to the fact that prudent estimates have been made of the amounts Raiffeisen expects to receive based on the creditworthiness of individual borrowers.

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2 Breakdown of trading portfolios in securities and precious metals, financial assets and participations

	Current year in 1000 CHF	Prior year in 1000 CHF
Trading portfolios in securities and precious metals		
Debt instruments		
stock exchange listed*	630,827	447,295
non-stock exchange listed	–	–
of which own bonds and medium-term notes	41,738	24,276
Shares	39,683	31,592
Precious metals	917,154	842,309
Total trading portfolios in securities and precious metals	1,587,665	1,321,196
of which securities for repo transactions in line with liquidity requirements	440,580	254,255

* Stock exchange listed = traded on a recognized stock exchange

	Book value current year in 1000 CHF	Book value prior year in 1000 CHF	Fair value current year in 1000 CHF	Fair value prior year in 1000 CHF
Financial assets				
Debt instruments	4,744,987	5,654,321	4,842,590	5,705,091
of which own bonds and medium-term notes	104,827	–	104,950	–
of which intended to be held until maturity	4,728,622	5,654,321	4,826,226	5,705,091
of which valued at the lower of cost or market	16,364	–	16,364	–
Shares	108,135	27,336	108,266	27,336
of which qualified participations*	733	–	733	–
Precious metals	–	–	–	–
Real estate	–	–	–	–
Total financial assets	4,853,121	5,681,657	4,950,856	5,732,427
of which securities for repo transactions in line with liquidity requirements	4,201,227	4,328,837	–	–

* At least 10 percent of the capital or the votes

	Current year in 1000 CHF	Prior year in 1000 CHF
Participations		
with a market value	272,734	329,281
without a market value	123,110	120,415
Total participations	395,843	449,696

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3 Details of major participations

Company name/holding	Registered office	Business activity	Capital in 1000 CHF	Current year voting share and equity interest in %	Prior year voting share and equity interest in %
3.1 Group companies					
KMU Capital Ltd	St.Gallen	Financial services	2,566	100.0	100.0
RAInetworks (subsidiary of Raiffeisen Switzerland) Pte. Ltd	Singapore	Trading in goods and services for the Raiffeisen Group	7	100.0	0.0
3.2 Other participations					
Aduno Holding Ltd	Zurich	Financial services	25,000	25.5	24.7
Swiss Bankers Prepaid Services Ltd	Grosshöchstetten	Financial services	10,000	16.5	16.5
Vontobel Holding Ltd	Zurich	Financial services	65,000	12.5	12.5
Cooperative Olma Messen St.Gallen	St.Gallen	Organization of fairs	23,167	9.8	12.9
Mortgage Bond Bank of the Swiss Mortgage Institutions Ltd	Zurich	Mortgage bond bank	500,000	6.1	6.5
of which not paid up			280,000		
Helvetia Holding Ltd	St.Gallen	Financial services	865	4.0	4.0
SIX Group Ltd	Zurich	Financial services	19,522	3.2	3.2

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4 Fixed assets register

	Purchase price in 1000 CHF	Cumulative depreciation/amortization in 1000 CHF	Book value at end of prior year in 1000 CHF	Current year transfers/reclassifications in 1000 CHF	Current year investment in 1000 CHF	Current year disinvestment in 1000 CHF	Current year depreciation/amortization in 1000 CHF	Book value at end of current year in 1000 CHF
Participations								
Holdings Group companies	10,300	-3,164	7,136	–	7	–	-850	6,293
Other holdings	445,069	-2,509	442,560	–	4,755	-716	-57,048	389,551
Total participations	455,369	-5,673	449,696	–	4,762	-716	-57,898	395,843
Tangible fixed assets								
Real estate								
Bank buildings	260,084	-79,875	180,209	-424	6,479	–	-5,814	180,450
Other real estate	13,816	-1,916	11,900	–	–	–	-450	11,450
Other tangible fixed assets	245,515	-181,399	64,116	424	18,821	-49	-19,881	63,431
Other	130,423	-107,616	22,807	–	16,671	-212	-14,987	24,279
Total tangibles	649,838	-370,806	279,032	–	41,971	-261	-41,132	279,610

in 1000 CHF

Value of real estate for fire insurance purposes	219,650
Value of other tangible fixed assets for fire insurance purposes	208,622

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5 Other assets and liabilities

	Current year in 1000 CHF	Prior year in 1000 CHF
Other assets		
Total replacement value	1,134,993	700,590
Equalization account	555,595	347,698
Clearing accounts for social security and staff pension fund contributions	–	59
Clearing accounts for indirect taxes	112,517	604,893
Other clearing accounts	5,133	6,448
Commodities	5,412	6,204
Miscellaneous other assets	–	11
Total other assets	1,813,649	1,665,903
Other liabilities		
Total replacement value	1,811,509	1,432,270
Due, unredeemed coupons and debt instruments	267	661
Levies, indirect taxes	28,510	21,778
Solidarity fund	334,938	326,407
of which open guarantees to Raiffeisen banks	959	1,040
Clearing accounts for social security and staff pension fund contributions	5,349	5,585
Other clearing accounts	32,045	35,366
Miscellaneous other liabilities	341	275
Total other liabilities	2,212,958	1,822,343

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6 Pledged or assigned assets and assets subject to reservation of title, excluding securities lending and repurchase operations

	Current year amount due or book value in 1000 CHF	Current year of which made use of in 1000 CHF	Prior year amount due or book value in 1000 CHF	Prior year of which made use of in 1000 CHF
Balance sheet items				
Receivables from Raiffeisen banks	784,994	784,994	750,870	750,870
Mortgage receivables	1,634,789	1,004,281	563,077	515,721
Financial assets	1,153,313	804,301	1,962,367	1,931,852
Total pledged assets	3,573,096	2,593,575	3,276,315	3,198,443

7 Securities lending and repurchase operations

	Current year in 1000 CHF	Prior year in 1000 CHF
Claims resulting from cash collateral in connection with securities borrowing and reverse repurchase operations	806,546	4,428,047
Liabilities resulting from cash collateral in connection with securities lending and repurchase operations	814,787	2,821,856
Securities owned by the bank lent under securities lending agreements, delivered as collateral for securities borrowing or transferred from repurchase transactions	804,301	1,931,852
for which the right to resell or pledge without restriction was granted	804,301	1,931,852
Securities received as collateral under securities lending agreements, borrowed under securities borrowing agreements or received from reverse repurchase transactions and which can be repledged or resold without restriction	964,716	4,550,111
of which repledged or resold securities	778,853	1,178,566

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8 Social insurance institutions

All employees of Raiffeisen Switzerland are covered by the Raiffeisen Pension Fund cooperative. The normal retirement age is set at 65. Members have the option of taking early retirement from the age of 58 with a corresponding reduction in benefits. The Raiffeisen Pension Fund cooperative covers at least the mandatory benefits under Swiss occupational pension law. The Raiffeisen Employer Foundation manages the individual employer contribution reserves of the Raiffeisen banks and the companies of the Raiffeisen Group.

8.1 Liabilities to own social insurance institutions

	Current year in 1000 CHF	Prior year in 1000 CHF
Liabilities to clients in the form of savings and investment deposits	10,864	11,571
Other liabilities to clients	112,518	42,095
Other liabilities (negative replacement values)	209	1,570
Total liabilities to own social insurance institutions	123,591	55,236

8.2 Economic benefit/obligation and retirement benefit expenditure

According to the latest audited annual report (in accordance with Swiss GAAP FER 26) of the Raiffeisen Pension Fund cooperative, the coverage ratio is:

	on 31.12.2011 in %	on 31.12.2010 in %
Raiffeisen Pension Fund cooperative	98.5	97.1

Although still insufficient, the cover level of the Raiffeisen Pension Fund cooperative improved even more in 2011. The Board of Directors anticipates that, even with insufficient cover as defined by Swiss GAAP FER 16, there is currently no economic obligation for the affiliated employers for which allowance would have to be made in the balance sheet and the profit and loss account.

8.3 Employer contribution reserves in the Raiffeisen Employer Foundation

	Current year in 1000 CHF	Prior year in 1000 CHF
As at 1 January	11,438	11,576
+ Deposits	–	559
– Withdrawals	1,005	883
+ Interest paid	174	187
As at 31 December	10,606	11,438

The employer contribution reserves correspond to the nominal value as calculated by the pension scheme. They are not reported.

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9 Outstanding bonds and mortgage bond loans

	Year of issue	Interest rate	Maturity	Early redemption possibility	Bond principal in 1000 CHF
Loans from the Mortgage Bond Bank of Swiss Mortgage Institutions Ltd	var.	1.994	var.	–	1,737,160
Not subordinated own bonds	2004	3.000	05.05.2014	–	400,000
	2006	3.125	30.05.2016	–	550,000
	2007	3.125	25.10.2012	–	250,000
	2010	1.625	31.03.2015	–	500,000
	2010	1.375	21.09.2017	–	200,000
	2010	2.000	21.09.2023	–	250,000
	2011	2.125	04.02.2019	–	250,000
	2011	2.625	04.02.2026	–	150,000
	2011	2.375	10.05.2018	–	150,000
	2011	0.625	18.02.2013	–	500,000
	2011	0.550	22.02.2013	–	100,000
Subordinated own bonds	2011	3.875	21.12.2021	–	535,000
Total outstanding bonds and mortgage bond loans					5,572,160

10 Value adjustments and provisions

	End of prior year in 1000 CHF	Appropriate application in 1000 CHF	Change of use (transfers) in 1000 CHF	Write-backs, overdue interest in 1000 CHF	New provisions against P & L in 1000 CHF	Reversal of provisions against P & L in 1000 CHF	End of current year in 1000 CHF
Value adjustments and provisions for default risks (del credere and country risk)	37,559	-2,644	–	418	10,105	-7,759	37,678
Value adjustments and provisions for other business risks	1,516	-7,920	–	–	8,535	-100	2,031
Total value adjustments and provisions	39,075	-10,565	–	418	18,640	-7,859	39,709
Reserves for general banking risks	347,300	–	–	–	–	-57,600	289,700
of which taxed	152,000						152,000

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11 Evidence of equity capital

in 1000 CHF

Equity capital at the beginning of the current year	
Cooperative capital	360,000
General statutory reserves	139,873
Reserves for general banking risks	347,300
Profit	20,528
Total equity capital at the beginning of the year (before approp. of profits)	867,700
+ Capital increase	90,000
– Creation of reserves for general banking risks	57,600
– Interest on the cooperative capital from the annual profit of the previous year	14,400
+ Annual profit for the current year	20,547
Total equity capital at the end of the current year (before approp. of profits)	906,247
of which cooperative capital	450,000
of which general statutory reserves	146,000
of which reserves for general banking risks	289,700
of which profit	20,547
Total additional funding obligation of the Raiffeisen Banks	9,263,807

The cooperative capital totalling 450 million Swiss francs is divided up into 450,000 cooperative share certificates of 1,000 Swiss francs each and is owned in full by the 328 Raiffeisen banks within Raiffeisen Switzerland. No Raiffeisen bank holds share certificates granting more than 5% of the voting rights.

Under the Articles of Association of Raiffeisen Switzerland, the Raiffeisen banks must acquire a share certificate for 1,000 Swiss francs for each 100,000 Swiss francs of their total assets. As at 31 December 2011 this corresponded to a call-in obligation towards Raiffeisen Switzerland of 1,463.6 million Swiss francs, of which 450 million Swiss francs have been paid in.

The capital entitled to interest amounted to 360 million Swiss francs at the end of 2011 (prior year: 360 million Swiss francs).

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12 Maturity structure of current assets and outside debt

	On demand in 1000 CHF	Redeemable by notice in 1000 CHF	Due within 3 months in 1000 CHF	Due within 3 to 12 months in 1000 CHF	Due within 1 to 5 years in 1000 CHF	Due after 5 years in 1000 CHF	Total in 1000 CHF
Current assets							
Liquid funds	3,612,044	–	–	–	–	–	3,612,044
Receivables from money market sec.	29	–	–	–	–	–	29
Receivables from Raiffeisen banks	6,802,231	–	–	–	–	–	6,802,231
Receivables from other banks	330,713	–	3,236,098	100,000	–	–	3,666,811
Receivables from clients	167	71,899	896,597	168,436	270,800	146,668	1,554,566
Mortgage receivables	2,975	370,934	230,957	547,945	3,308,672	1,338,663	5,800,145
Trading portfolios in securities and precious metals	1,587,665	–	–	–	–	–	1,587,665
Financial assets*	124,499	–	181,699	1,256,168	2,577,282	713,474	4,853,121
Total current assets							
Current year	12,460,323	442,832	4,545,350	2,072,549	6,156,753	2,198,805	27,876,613
Prior year	11,456,384	482,478	5,800,661	2,672,936	6,312,674	1,475,096	28,200,228
Outside debt							
Liabilities to Raiffeisen banks	7,775,602	–	–	–	–	–	7,775,602
Liabilities to other banks	381,245	–	3,896,208	1,693,389	555,860	75,000	6,601,702
Liabilities to clients in the form of savings and investment deposits	–	3,419,676	–	–	–	–	3,419,676
Other liabilities to clients	1,146,923	3,880	503,882	1,014,811	536,117	172,047	3,377,660
Medium-term notes	–	–	28,397	103,371	356,209	55,475	543,451
Bonds and mortgage bond loans	–	–	19,000	375,250	2,703,400	2,474,510	5,572,160
Total outside debt							
Current year	9,303,770	3,423,556	4,447,487	3,186,820	4,151,585	2,777,032	27,290,251
Prior year	8,400,123	3,087,880	8,935,195	2,941,435	2,659,175	1,922,011	27,945,820

* No real estate figures are included in the financial assets (prior year: 0,00 Swiss francs).

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13 Receivables from or liabilities to affiliated companies and loans to executive bodies

	Current year in 1000 CHF	Prior year in 1000 CHF
Receivables from affiliated companies	–	–
Liabilities to affiliated companies	–	–
Loans to executive bodies and employees	24,097	16,818

Transactions with associated persons

1 Executive bodies

Special provisions apply to the processing and monitoring of loans to executive bodies to ensure that staff remain independent at all times.

The same conditions apply to members of the Board of Directors as to clients.

The Executive Board enjoys the same industry-standard preferential terms as other staff.

2 Affiliated companies

For receivables from and liabilities to affiliated companies the same conditions apply as for normal clients.

14 Breakdown of foreign and domestic assets and liabilities

	Current year domestic in 1000 CHF	Current year foreign in 1000 CHF	Prior year domestic in 1000 CHF	Prior year foreign in 1000 CHF
Assets				
Liquid funds	3,607,065	4,979	411,126	3,762
Receivables from money market securities	29	–	100,621	–
Receivables from Raiffeisen banks	6,802,231	–	7,674,235	–
Receivables from other banks	499,603	3,167,208	1,907,589	4,709,810
Receivables from clients	1,547,967	6,599	1,400,470	6,640
Mortgage receivables	5,800,145	–	4,983,123	–
Trading portfolios in securities and precious metals	1,481,262	106,403	1,189,535	131,661
Financial assets	4,244,516	608,606	4,843,632	838,025
Participations	391,935	3,908	445,795	3,901
Tangible fixed assets	279,610	–	279,032	–
Accrued income and prepaid expenses	321,910	12,614	317,551	16,612
Other assets	1,057,780	755,869	1,199,747	466,156
Total assets	26,034,054	4,666,185	24,752,455	6,176,568

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	Current year domestic in 1000 CHF	Current year foreign in 1000 CHF	Prior year domestic in 1000 CHF	Prior year foreign in 1000 CHF
Liabilities				
Liabilities to Raiffeisen banks	7,775,602	–	6,675,793	–
Liabilities to other banks	3,978,582	2,623,120	5,319,276	3,239,657
Liabilities to clients in the form of savings and investment deposits	3,269,229	150,447	2,955,883	129,479
Other liabilities to clients	3,341,077	36,583	5,071,792	52,013
Medium-term notes	536,927	6,524	518,679	3,548
Bonds and mortgage bond loans	5,572,160	–	3,979,700	–
Accrued expenses and deferred income	238,349	12,725	243,596	10,490
Other liabilities	775,740	1,437,218	847,730	974,613
Value adjustments and provisions	39,709	–	38,799	276
Reserves for general banking risks	289,700	–	347,300	–
Cooperative capital	450,000	–	360,000	–
General statutory reserves	146,000	–	139,873	–
Annual profit	20,547	–	20,528	–
Total liabilities	26,433,622	4,266,617	26,518,948	4,410,076

15 Total assets by country or country group

	Current year in 1000 CHF	Current year in %	Prior year in 1000 CHF	Prior year in %
Assets				
Europe				
Switzerland	26,034,054	84.80	24,752,455	80.03
Germany	1,240,187	4.04	996,726	3.22
Benelux countries	565,253	1.84	926,528	3.00
Austria	618,695	2.02	2,089,846	6.76
Rest of Europe	1,994,389	6.50	1,970,043	6.37
Rest of world (America, Asia, Oceania, Africa)	247,661	0.81	193,425	0.63
Total assets	30,700,239	100.00	30,929,023	100.00

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16 Balance sheet by currency

	CHF in 1000 CHF	EUR in 1000 CHF	USD in 1000 CHF	Other in 1000 CHF	Total in 1000 CHF
Assets					
Liquid funds	3,420,376	112,871	22,242	56,555	3,612,044
Receivables from money market securities	27	–	–	2	29
Receivables from Raiffeisen banks	6,801,756	–	317	158	6,802,231
Receivables from other banks	2,378,024	744,153	290,741	253,894	3,666,811
Receivables from clients	1,513,763	13,704	22,528	4,570	1,554,566
Mortgage receivables	5,800,145	–	–	–	5,800,145
Trading portfolios in securities and precious metals	645,611	20,724	3,936	917,394	1,587,665
Financial assets	4,386,793	365,157	101,163	9	4,853,121
Participations	391,935	3,901	–	7	395,843
Tangible fixed assets	279,610	–	–	–	279,610
Accrued income and prepaid expenses	324,200	10,193	85	46	334,523
Other assets	1,813,649	–	–	–	1,813,649
Total assets reflected in the balance sheet	27,755,889	1,270,703	441,012	1,232,635	30,700,239
Delivery claims under spot exchange, forward exchange and currency option contracts	3,671,125	4,341,491	2,455,163	167,553	10,635,331
Total assets	31,427,014	5,612,194	2,896,175	1,400,187	41,335,570
Liabilities					
Liabilities to Raiffeisen banks	5,628,990	1,636,751	248,239	261,623	7,775,602
Liabilities to other banks	3,791,072	1,387,464	1,176,631	246,536	6,601,702
Liabilities to clients in the form of savings and investment deposits	3,340,717	78,959	–	–	3,419,676
Other liabilities to clients	3,246,173	37,831	53,618	40,038	3,377,660
Medium-term notes	543,451	–	–	–	543,451
Bonds and mortgage bond loans	5,572,160	–	–	–	5,572,160
Accrued expenses and deferred income	233,726	15,068	2,156	124	251,074
Other liabilities	2,212,958	–	–	–	2,212,958
Value adjustments and provisions	39,709	–	–	–	39,709
Reserves for general banking risks	289,700	–	–	–	289,700
Cooperative capital	450,000	–	–	–	450,000
General statutory reserves	146,000	–	–	–	146,000
Annual profit	20,547	–	–	–	20,547
Total liabilities reflected in the balance sheet	25,515,202	3,156,073	1,480,644	548,321	30,700,239
Delivery obligations under spot exchange, forward exchange and currency option contracts	5,881,717	2,460,619	1,382,410	854,280	10,579,026
Total liabilities	31,396,919	5,616,692	2,863,054	1,402,601	41,279,265
Net position per currency	30,096	-4,498	33,121	-2,414	56,306

31.12.2011

31.12.2010

Foreign currency conversion rates

EUR	1.217	1.253
USD	0.941	0.938

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Information on off-balance-sheet business

17 Contingent liabilities

	Current year in 1000 CHF	Prior year in 1000 CHF
Loan security guarantees	274,238	305,530
Warranty bonds	2,384	2,615
Other contingent liabilities	126,203	180,573
Total contingent liabilities	402,825	488,718

18 Open derivative financial instruments

18.1 Trading instruments with internal and external counterparties

	Positive contract replacement value in 1000 CHF	Negative contract replacement value in 1000 CHF	Contract volume up to 1 year in 1000 CHF	Contract volume 1 to 5 years in 1000 CHF	Contract volume over 5 years in 1000 CHF	Contract volume total in 1000 CHF
Interest rate instruments						
Forward contracts incl. FRAs	12,135	9,775	9,900,000	3,000,000	–	12,900,000
Swaps	1,970,235	2,006,902	21,915,344	47,884,040	22,081,950	91,881,334
Futures contracts	–	–	4,333,968	–	–	4,333,968
Options (OTC)	–	30	6,708	11,648	3,547	21,903
Options (traded)	–	–	33,478	–	–	33,478
Foreign currencies						
Forward contracts	246,030	208,232	11,684,598	69,654	–	11,754,252
Comb. interest rate/currency swaps	45,424	45,424	313,906	–	–	313,906
Options (OTC)	673	384	99,549	–	–	99,549
Precious metals						
Forward contracts	45,557	166	805,556	–	–	805,556
Options (OTC)	840	778	117,220	–	–	117,220
Equity securities and indices						
Futures contracts	–	–	20,887	–	–	20,887
Options (traded)	2,834	1,726	53,309	726	–	54,035
Other						
Options (OTC)	2,000	–	–	–	23,700	23,700
Total						
Current year	2,325,729	2,273,416	49,284,522	50,966,068	22,109,197	122,359,786
Prior year	1,635,747	1,640,546	57,921,331	33,004,932	15,618,254	106,544,518

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18.2 Hedging instruments with internal counterparties

	Positive contract replacement value in 1000 CHF	Negative contract replacement value in 1000 CHF	Contract volume up to 1 year in 1000 CHF	Contract volume 1 to 5 years in 1000 CHF	Contract volume over 5 years in 1000 CHF	Contract volume total in 1000 CHF
Interest rate instruments						
Swaps	413,891	1,103,429	5,825,000	17,151,000	8,679,000	31,655,000
Foreign currencies						
Forward contracts	48,017	41,883	2,274,656	–	–	2,274,656
Comb. interest rate/currency swaps	–	45,424	133,892	–	–	133,892
Total						
Current year	461,908	1,190,736	8,233,548	17,151,000	8,679,000	34,063,548
Prior year	208,275	935,157	10,880,470	11,472,841	6,040,000	28,393,311

18.3 Derivative financial instruments with external counterparties

	Positive contract replacement value in 1000 CHF	Negative contract replacement value in 1000 CHF	Contract volume up to 1 year in 1000 CHF	Contract volume 1 to 5 years in 1000 CHF	Contract volume over 5 years in 1000 CHF	Contract volume total in 1000 CHF
Banks	1,128,296	1,807,610	36,258,919	33,800,142	13,402,950	83,462,011
Clients	3,088	327	229,385	200	24,100	253,685
Raiffeisen banks*	1,052	1,845	79,256	14,000	3,147	96,403
Stock exchanges	2,556	1,726	4,436,810	726	–	4,437,535
Total						
Current year	1,134,993	1,811,509	41,004,371	33,815,068	13,430,197	88,249,635
Prior year	700,590	1,432,270	46,822,561	21,489,919	9,578,254	77,890,734

* primarily for client needs

No netting contracts are used to report the replacement values.

Quality of counterparties

Banks: Derivative transactions were conducted with counterparties with a good to very good credit rating. 99.3% of the positive replacement values are open with counterparties with a rating of A or better (Standard & Poor's) or with a comparable rating.

Clients: In transactions with clients the required margins were secured by assets or free credit lines.

19 Fiduciary transactions

	CHF in 1000 CHF	EUR in 1000 CHF	USD in 1000 CHF	Other in 1000 CHF	Total in 1000 CHF
Fiduciary investments with third-party banks	39,000	13,037	941	5,664	58,642
Total fiduciary transactions	39,000	13,037	941	5,664	58,642
Prior year	–	6,576	2,346	4,930	13,852

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Information on the profit and loss account

20 Net interest income

	Current year in 1000 CHF	Prior year in 1000 CHF
Interest income from receivables from Raiffeisen banks	431,398	439,945
Interest income from receivables from other banks	13,713	18,559
Interest income from receivables from clients	141,538	130,218
Interest and dividend income from financial investments	83,865	91,391
Other interest income	17,454	16,338
Total interest and dividend income	687,967	696,452
Interest expenditure from liabilities to Raiffeisen banks	-147,557	-148,572
Interest expenditure from liabilities to other banks	-47,240	-33,806
Interest expenditure from liabilities to clients	-66,760	-66,255
Interest expenditure from bonds and mortgage bond loans	-105,048	-97,938
Other interest expenditure	-190,487	-224,544
Total interest expenditure	-557,092	-571,114
Total net interest income	130,875	125,338

21 Net income from commission business and service transactions

	Current year in 1000 CHF	Prior year in 1000 CHF
Commission income		
Commission income from lending business	5,751	4,238
Commission income from securities and investment business		
Fund business	7,645	5,995
Custody account business	21,367	26,293
Brokerage	15,655	19,078
Other securities and investment business	3,715	3,669
Commission income from other service transactions		
Payments	62,647	55,432
Account maintenance	2,106	1,944
Other service transactions	552	640
Total commission income	119,437	117,288
Commission expenditure		
Securities business	-32,652	-40,839
Payments	-4,648	-3,777
Other commission expenditure	-667	-742
Total commission expenditure	-37,968	-45,358
Total net income from commission business and service transactions	81,469	71,930

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22 Net trading income

	Current year in 1000 CHF	Prior year in 1000 CHF
Foreign exchange trading	14,697	10,109
Precious metals and foreign notes and coins trading	33,281	28,206
Equities trading	-790	-604
Fixed income trading	531	4,151
Total net trading income	47,720	41,861

23 Other ordinary income

	Current year in 1000 CHF	Prior year in 1000 CHF
IT services for Group companies	75,357	88,710
Other individual services provided for Group companies	88,372	90,876
Contributions from the Raiffeisen banks for collective and strategic services	51,106	52,135
Charges for internal services relating to Group projects	41,286	41,481
Other	1,524	2,461
Total other ordinary income	257,644	275,663

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24 Personnel expenditure

	Current year in 1000 CHF	Prior year in 1000 CHF
Corporate bodies, attendance fees and fixed emoluments	1,006	952
Salaries and bonuses for staff	248,049	241,463
AHV, IV, ALV and other statutory contributions	18,743	16,314
Contributions to staff pension funds	25,075	23,650
Ancillary staff expenses	7,575	5,735
Total personnel expenditure	300,447	288,114

25 Operating expenditure

	Current year in 1000 CHF	Prior year in 1000 CHF
Occupancy costs	17,344	16,135
Cost of computer equipment, machinery, furniture, vehicles and other equipment	78,264	73,799
Other operating expenditure	65,893	58,424
Total operating expenditure	161,500	148,358

26 Extraordinary income and expenditure

Current year

The extraordinary income of CHF 59.6 million includes CHF 57.6 million for the release of reserves for general banking risks. It also includes CHF 2.0 million from the sale of investments and tangible assets. The hidden reserves in tangible assets declined by CHF 18.4 million.

Prior year

The extraordinary income of CHF 3.8 million includes realized gains from selling Mortgage Bond Bank shares (CHF 2.2 million) and proceeds from two other smaller participations (CHF 0.3 million). The participation in Olma Messen St.Gallen, a cooperative, was written up to the acquisition cost of CHF 1.0 million. Extraordinary expenditure of CHF 6.2 million consisted mostly of CHF 4.6 million in reserves allocated for general banking risks.

Report of the statutory auditor



Report of the statutory auditor
to the Delegate meeting of
Raiffeisen Switzerland Cooperative
St. Gallen

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Raiffeisen Switzerland Cooperative, which comprise the balance sheet, income statement, statement of cash flows and notes (pages 14 to 47), for the year ended on 31 December 2011.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the cooperative's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended on 31 December 2011 comply with Swiss law and the cooperative's articles of incorporation.

PricewaterhouseCoopers Ltd, Neumarkt 4 / Kornhausstrasse 26, Postfach, 9001 St. Gallen
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Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (art. 906 CO in connection with art. 728 CO and art. 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with art. 906 CO in connection with art. 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the administration of the cooperative register and the proposed appropriation of available earnings comply with Swiss law and the cooperative's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers Ltd

Bruno Gmür
Audit expert
Auditor in charge

Dominique Rey
Audit expert

St. Gallen, 2 April 2012

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Information on capital adequacy situation

	Current year		Prior year	
	Risk-weighted positions in 1000 CHF	Required capital in 1000 CHF	Risk-weighted positions in 1000 CHF	Required capital in 1000 CHF
Mandatory capital				
Credit risk (Swiss standard approach)				
Receivables from Raiffeisen banks	–	–	–	–
Receivables from other banks	678,929	54,314	365,677	29,254
Receivables from clients	1,377,291	110,183	989,419	79,154
Mortgage receivables	2,411,410	192,913	2,051,705	164,136
Accrued income and prepaid expenses	37,256	2,980	40,592	3,247
Other assets, total replacement value of derivatives	469,333	37,547	263,869	21,110
Other assets, miscellaneous	6,656	532	1,710	137
Net interest positions outside trading book	717,022	57,362	805,789	64,463
Net equity positions outside trading book	284,068	22,725	78,813	6,305
Contingent liabilities	386,296	30,904	470,883	37,671
Irrevocable commitments	164,495	13,160	149,073	11,926
Commitments relating to calls on shares and other equity securities	43,045	3,444	45,799	3,664
Add-ons for forward contracts and options purchased	97,387	7,792	56,064	4,485
Unsettled transactions	–	–	–	–
Mandatory capital for credit risks		533,856		425,552
Non-counterparty-related risks				
Tangible fixed assets and software	1,042,251	83,380	1,038,417	83,073
Mandatory capital for non-counterparty-related risk		83,380		83,073
Market risks (standard approach)				
Interest rate instruments – general market risk		60,463		45,075
Interest rate instruments – specific risk		6,600		5,477
Equity instruments		8,969		3,750
Foreign currencies and precious metals		11,367		16,114
Options		48		4
Mandatory capital for market risks		87,447		70,420
Mandatory capital for operational risks (basic indicator approach)		21,830		26,460
Value adjustments recorded under liabilities		–		–
Total mandatory capital		726,513		605,505

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	Current year		Prior year	
	Risk-weighted positions in 1000 CHF	Required capital in 1000 CHF	Risk-weighted positions in 1000 CHF	Required capital in 1000 CHF
Available capital				
Total core capital		891,847		853,300
of which innovative core capital instruments		–		–
– proportional deduction for participations in the financial area		-196,871		-223,801
Eligible adjusted core capital		694,976		629,499
Eligible upper supplementary capital		20,016		28,290
Eligible lower supplementary capital		445,924		426,650
– proportional deduction for participations in the financial area		-196,871		-223,801
Eligible supplementary capital		269,069		231,139
Total eligible capital		964,045		860,638
Equity surplus		237,532		255,133
Equity cover		132.7%		142.1%
Core capital ratio		7.7%		8.3%
Total capital ratio		10.6%		11.4%

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Balance sheet – five-year overview

	2011 in 1000 CHF	2010 in 1000 CHF	2009 in 1000 CHF	2008 in 1000 CHF	2007 in 1000 CHF
Assets					
Liquid funds	3,612,044	414,887	253,899	703,134	101,930
Receivables from money market securities	29	100,621	629	621	5,572
Receivables from Raiffeisen banks	6,802,231	7,674,235	6,528,587	5,131,848	5,334,042
Receivables from other banks	3,666,811	6,617,399	8,798,963	12,599,787	12,340,266
Receivables from clients	1,554,566	1,407,110	638,953	656,479	919,453
Mortgage receivables	5,800,145	4,983,123	4,398,955	3,766,071	3,386,545
Loans to clients	7,354,711	6,390,233	5,037,907	4,422,550	4,305,998
Trading portfolios in securities and precious metals	1,587,665	1,321,196	500,033	365,585	718,432
Financial assets	4,853,121	5,681,657	6,668,188	3,355,089	2,168,814
Participations	395,843	449,696	380,408	287,546	398,227
Tangible fixed assets	279,610	279,032	273,197	300,406	235,339
Accrued income and prepaid expenses	334,523	334,163	334,852	319,274	352,413
Other assets	1,813,649	1,665,903	1,728,051	2,226,160	2,605,440
Total assets	30,700,239	30,929,023	30,504,714	29,712,000	28,566,473
Liabilities					
Liabilities to Raiffeisen banks	7,775,602	6,675,793	7,509,323	7,948,866	3,972,433
Liabilities to other banks	6,601,702	8,558,934	9,822,687	8,493,858	11,429,331
Liabilities to clients in the form of savings and investment deposits	3,419,676	3,085,362	2,868,569	2,314,526	1,568,805
Other liabilities to clients	3,377,660	5,123,804	4,354,515	4,592,281	5,821,170
Medium-term notes	543,451	522,227	652,191	695,517	497,470
Client monies	7,340,787	8,731,393	7,875,275	7,602,324	7,887,444
Bonds and mortgage bond loans	5,572,160	3,979,700	2,693,000	3,056,650	3,339,100
Accrued expenses and deferred income	251,074	254,086	222,356	347,745	362,780
Other liabilities	2,212,958	1,822,343	1,491,991	1,388,863	652,748
Value adjustments and provisions	39,709	39,075	36,809	37,178	40,664
Reserves for general banking risks	289,700	347,300	339,000	328,100	424,500
Cooperative capital	450,000	360,000	360,000	360,000	320,000
General statutory reserves	146,000	139,873	134,172	128,581	119,080
Annual profit	20,547	20,528	20,100	19,835	18,392
Total equity capital	906,247	867,700	853,273	836,515	881,972
Total liabilities	30,700,329	30,929,023	30,504,714	29,712,000	28,566,473

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Profit and loss account – five-year overview

	2011 in 1000 CHF	2010 in 1000 CHF	2009 in 1000 CHF	2008 in 1000 CHF	2007 in 1000 CHF
Interest and discount income	604,103	605,060	663,529	1,079,271	1,040,294
Interest and dividend income from financial assets	83,865	91,391	97,687	51,940	60,060
Interest expenditure	-557,092	-571,114	-663,983	-1,027,772	-994,396
Net interest income	130,575	125,338	97,233	103,439	105,958
Commission income lending business	5,751	4,238	4,236	2,505	823
Commission income securities and investment business	48,381	55,035	54,085	55,580	60,098
Commission income other service transactions	65,304	58,016	52,654	52,583	46,590
Commission expenditure	-37,968	-45,358	-47,824	-48,675	-53,674
Net income from commission business and service transactions	81,469	71,930	63,150	61,993	53,837
Net trading income	47,720	41,861	50,320	59,465	49,354
Income from sale of financial assets	-973	50	-365	30	122
Income from participating interests	24,366	22,338	20,178	30,204	28,551
Income from real estate	2,945	3,052	3,212	3,473	3,813
Other ordinary income	257,644	275,663	273,026	243,410	225,318
Other ordinary expenditure	-7,434	-1,439	-220	-5,498	-27
Other ordinary result	276,548	299,665	295,831	271,619	257,776
Operating income	536,612	538,794	506,534	496,516	466,926
Personnel expenditure	-300,447	-288,114	-292,892	-298,599	-267,106
Operating expenditure	-161,500	-148,358	-154,770	-171,226	-157,164
Total operating expenditure	-461,947	-436,473	-447,662	-469,825	-424,270
Gross profit	74,665	102,321	58,871	26,691	42,656
Depreciation on fixed assets	-99,031	-69,896	-92,395	-119,162	-37,932
Value adjustments, provisions and losses	-13,592	-4,222	-2,243	-470	-432
Operating profit (interim result)	-37,958	28,203	-35,767	-92,941	4,291
Extraordinary income	59,635	3,764	74,107	118,261	19,786
Extraordinary expenditure	-193	-6,160	-12,640	-39	-313
Taxes	-938	-5,280	-5,600	-5,446	-5,373
Annual profit	20,547	20,528	20,100	19,835	18,392

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