



Raiffeisen Switzerland
Annual Report
2013

RAIFFEISEN

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Preface

Raiffeisen – adding value for Switzerland



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

The global economy stabilised in 2013. The United States and the Eurozone produced positive growth signals. Inflation remained low, as global capacity in many sectors remained underutilised and unemployment in most countries remained high. As a result, central banks in industrialised countries kept interest rates low.

Switzerland's export-oriented manufacturing sector recovered further thanks to the stability of the CHF/EUR exchange rate. In order to maintain this solid growth momentum, the Swiss National Bank (SNB) refrained from hiking interest rates.

Shrinking interest rate spreads – the bread and butter of the banking business – are forcing financial institutions to branch out into new operating activities. If they want to stay competitive, they will have to realign their business models and invest in skills and innovations. Efficiency is key in a business that involves interchangeable services. Stricter regulatory requirements will have to be integrated into business models as well. Moreover, shifting customer requirements and technological progress raise important questions about data security and handling.

In this environment, Raiffeisen succeeded in further strengthening its market position as Switzerland's leading retail bank and the third-largest player in the Swiss banking sector. Since the financial crisis began in 2008, our new money inflows have been significant at 33 percent. This is a reflection of our bank's excellent reputation and clear strategic focus on the Swiss market.

We increased our share of the mortgage and savings market. At present, we hold one fifth of all savings in Swiss francs and finance one fourth of all mortgages in Switzerland. In 2013, we advanced qualitative growth in our core business by putting security before profitability.

We broadened our earnings base in 2013 through diversification: Not only did we diversify by strengthening our investment and corporate clients business, but we also built up our private banking and asset management operations. We have already enjoyed significant success with the acquisition of Notenstein Private Bank Ltd in January 2012. Improved productivity and strict budgetary discipline at all company levels helped us achieve an excellent operating result.

We will continue strategy discussions with some 1,500 Raiffeisen managers in 2014. In addition, we will invest further in our skills and forward-looking projects to keep our fingers on our clients' pulses. Our efforts are supported by an extensive branch network, competent advisory services, high-quality products, 24/7 availability of banking services and a deep commitment to the local economy and society.

We thank our members and clients for their trust and loyalty. We are confident that we will reach the goals we have set for 2014 and that, together with our employees and partners, we will add value for Switzerland.



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

Prof. Dr Johannes Rüegg-Stürm (Chairman), Philippe Moeschinger (Vice Chairman), Rita Fuhrer, Angelo Jelmini, Anne-Claude Luisier, Daniel Lüscher¹, Urs Schneider, Christian Spring¹, Prof. Dr Franco Taisch, Lic. iur. Edgar Wohlhauser, Werner Zollinger

Chair of the Executive Board Dr Pierin Vincenz²

Market

Dr Patrik Gisel²

Private Clients

Roland Altwegg

**Affluent Clients/
Wealth Advisory**

Ernst Näf

Corporate Clients

Andreas Rupp

St.Gallen branch

Dieter Leopold

Winterthur branch

Gregor Knoblauch

Basel branch

Dr Reto Erdin

Zurich branch

Matthias Läubli

Berne branch

Daniel Schmid

Thalwil branch

Daniel Duca

Marketing & Communication

Gabriele Burn²

Electronic Channels

Pascal Dürr

Group Communications

Dagmar Laub-Gall

Marketing

Oliver Niedermann

**French-speaking
Switzerland office**

Alain Girardin

**Italian-speaking
Switzerland office**

Romano Massera

Bank Relationship Management

Michael Auer²

Human Resources Management

Michael Federer

Legal & Compliance

Roland Schaub

FM & Logistics

Markus Hug

Training & Development

Urs von Däniken

RB Consulting

Robin W. Marke

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

General Secretariat Pius Horner

IT & Operations

Damir Bogdan²

Business Systems

Beat Monstein

IT Operations

Christian Lampert

Front Services

Adrian Töngi

Financial

Marcel Zoller²

Accounting

Paolo Arnoffi

**Corporate Development
& Controlling**

Dr Christian Poerschke

Group Risk Management

Dr Beat Hodel³

Credit Risk Management

Daniel Tönz

Projects

Rudolf J. Kurtz

Internal Auditing

Kurt Zobrist

Internal Auditing RB St.Gallen

Sabine Bucher

Internal Auditing RB Dietikon

Räto Willi

Internal Auditing RB Lausanne

Jean-Daniel Rossier

Internal Auditing RB Bellinzona

Katia Carobbio

Internal Auditing

**Raiffeisen Switzerland and
Group Companies**

Roland Meier

Business trend

Healthy performance on income side and high liquidity surplus

Gross profit almost tripled in the 2013 financial year, due to strong earnings growth and lower costs. The year again saw a high liquidity surplus generated by the Raiffeisen banks and positive growth figures for the branches.

Raiffeisen Switzerland posted a net profit of CHF 36.6 million in the year under review. Total assets grew by CHF 0.5 billion to CHF 32.8 billion. There were again substantial shifts within the balance sheet.

No post-balance-sheet-date events occurred that would have a significant impact on the operating result.

INCOME STATEMENT

Operating income rose by CHF 42.1 million or 8% year on year, to CHF 570.6 million. In a challenging market environment, net interest income increased by CHF 6.2 million (+5.4%). Commission fee income performed negatively (-11.3%). Trading profit (+25.4%) and the other ordinary result (+11.7%) performed very well. Operating expenditure was reduced by CHF 12.4 million or 2.5%.

Income from ordinary banking activity

Net interest income (note 20) rose by CHF 6.2 million to CHF 120.7 million. On the one hand, Treasury increased its contribution to earnings quite substantially, despite higher costs resulting from the issue of subordinate bonds. On the other, successful asset and liability management combined with higher business volume boosted branches' interest balance by CHF 2.9 million compared to the year before.

Net income from commission business and service transactions (note 21) was down by 11.3% from the previous year to CHF 78 million. Significantly lower commission on security deposits resulted in a 25.9% drop in commission income from the lending business to CHF 5.8

million. Income from the securities and investment business rose slightly by 2.0% to CHF 45.5 million. Price reductions in the payment systems operated by the Raiffeisen banks caused a decline in the commission for other service transactions, down by CHF 2.6 million to CHF 63.4 million. Commission expenditure rose by CHF 6.2 million to CHF 36.7 million due to greater transaction volume in the securities business.

Despite the challenging market environment, Raiffeisen Switzerland again recorded a solid trading result of CHF 72.6 million (note 22). This success is largely due to trading in interest rates, precious metals and foreign notes. Foreign exchange and equity trading results were likewise encouraging.

The other ordinary result came in sharply higher by CHF 31.3 million at CHF 299.3 million. Dividend income from strategic participations was up by approximately CHF 29.1 million this year, due primarily to income from the participating interest in Notenstein Private Bank Ltd. 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 IT services for Group companies came to CHF 57.3 million in the current year, the same level as the previous year. Income for collective and strategic services to the Raiffeisen banks was down by 5.3% or CHF 2.3 million. Other individual services provided to Group companies gained CHF 1.3 million over prior-year levels, and amounted to CHF 90.7 million. Since the project volume was expanded, the project budget rose

by CHF 6.4 million to CHF 75.9 million. Other ordinary expenditure of CHF 27.7 million mainly includes costs for producing printed matter for the Raiffeisen banks, in addition to expenditure on purchasing IT infrastructure for the Raiffeisen banks.

Operating expenditure

Personnel expenditure (note 24) totalled CHF 308.6 million, down by CHF 17.7 million or 5.4%. After adjustment for the one-time employer contribution to the pension fund in the 2012 financial year, personnel expenditure rose by 1.8%. The number of persons employed increased by 36 full-time equivalents or 2.0% to 1,846 full-time equivalents. Pay increases averaged 1.0%.

Operating expenditure (note 25) amounted to CHF 179.1 million in the current year. This represents an increase of CHF 5.3 million or 3.0%. The increase is mainly due to higher expenses for third-party services and consulting related to projects. The remaining items of expenditure stayed at prior-year levels.

Depreciation on assets

Depreciation of CHF 0.5 million (previous year: CHF 3.0 million) was applied to investments. Depreciation on tangible assets (note 4) declined by CHF 2.6 million year on year to CHF 40.9 million (-6.1%). At CHF 2.2 million, extraordinary write-downs with reserve characteristics stayed at prior-year levels.

Value adjustments, provisions and losses

The "Value adjustments, provisions and losses" item includes provisions of CHF 12 million for possible third-party expenses resulting from the US tax dispute.

Extraordinary income and taxes

Extraordinary income (note 26) of CHF 21.6 million includes payment of a guarantee amounting to CHF 12.4 million. Reserves for general banking risks totalling CHF 8 million

were reversed to extraordinary income as an allocation for the above-mentioned provisions. The guarantee of CHF 12.4 million was passed on to Notenstein Private Bank Ltd and the amount was posted to extraordinary expenditure. Tax expenditure in the year under review amounted to CHF 1.1 million.

Net profit

A net profit of CHF 36.6 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 to 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 the Raiffeisen banks, which is a function of the difference in the growth of customer deposits and loans respectively, is directly reflected in Raiffeisen Switzerland's balance sheet and total assets. There were some considerable shifts within the balance sheet in the year under review, with Raiffeisen Switzerland's total assets increasing marginally by CHF 466.9 million to CHF 32.8 billion.

The statutory liquidity requirements, which have to be met on a consolidated basis, were satisfied at all times.

Receivables/liabilities to Raiffeisen banks

At the end of 2013, Raiffeisen Switzerland's net liabilities to Raiffeisen banks amounted to CHF 5.3 billion (previous year: CHF 3.4 billion). This resulted from Raiffeisen banks enjoying high client asset inflows and recording a high level of refinancing through Pfandbriefdarlehen. The Raiffeisen banks hold assets of CHF 6.9 billion

at Raiffeisen Switzerland in order to comply with statutory liquidity requirements.

Receivables from and liabilities to other banks

Interbank business volume increased in 2013. At the end of 2013, receivables in particular were up 28.7% on the previous year. The net obligation went down by CHF 0.6 billion to roughly CHF 0.9 billion. The unsecured interbank loans are mostly carried out with short maturities. The current low market rates have brought the repo market to a virtual standstill.

Loans to client

Loans to clients rose by a total of CHF 747.6 million or 9.3% to CHF 8.8 billion in the year under review. The branches increased lending volume by CHF 665.1 million (9.7%) to CHF 7.5 billion. These loans also include short-term Central Bank loans to institutional clients, loans to larger corporate clients, as well as the equipment leasing business.

Trading portfolios in securities and precious metals

The trading portfolio fell by CHF 579.3 million or 32.5% to CHF 1.2 billion (see note 2 for a breakdown of the trading portfolio) during the reporting year. Holdings of stock-exchange-listed debt instruments were down CHF 322.4 million to CHF 568.7 million. Precious metals portfolios fell by CHF 273.1 million to CHF 604.5 million. The capital adequacy requirements for market risks in the trading book are detailed on page 25.

Financial assets

Securities holdings in financial assets (note 2), mainly top-quality bonds, are managed in accordance with statutory liquidity requirements and internal liquidity targets. The book value rose slightly by CHF 150 million to CHF 3.7 billion.

Non-consolidated participations

The primary participations/investments are detailed under notes 3 and 4. In the current year,

Raiffeisen Switzerland invested roughly CHF 78.8 million in participations. The purchase price for acquiring participation certificates in Notenstein Private Bank Ltd was CHF 41.1 million. CHF 37.7 million was invested in other participations, most of which was attributable to the increase in the SIX Group AG stake by 1.9 percentage points to 5.1%. Investments worth CHF 7.9 million were sold in the financial year, including the holding in Leonteq AG, which was sold to Notenstein Private Bank Ltd.

Tangible assets

Investment volume in properties (note 4) for the current year was CHF 3.4 million, of which CHF 3.0 million was invested in the bank branches and CHF 0.4 million in various bank buildings at Raiffeisenplatz in St.Gallen. An amount of CHF 15.3 million was invested in other tangible assets. Of this amount, roughly CHF 0.4 million went to conversions of non-owned properties or installations at branches and new branch satellite offices. Another approximately CHF 13.2 million was invested in new computing hardware. The "Other" item incorporates investments of CHF 10.3 million for software and licences.

Client deposits

Client deposits decreased by CHF 429.1 million or 5.5% to CHF 7.4 billion in the year under review. Client deposits held by the branches increased by CHF 524.8 million or 9.8% to CHF 5.9 billion. Treasury paid back substantial short-term investments made by institutional clients.

Bonds and Pfandbriefdarlehen

Two bonds totalling CHF 600 million matured in February. In April, a new perpetual subordinated Tier 1 bond worth CHF 550 million was issued. As a result, the holding remains practically unchanged at CHF 3.5 billion (note 9). Liabilities owed to Pfandbriefbank fell by a net CHF 419.7 million to CHF 1.7 billion. Redemptions of CHF 31 million were offset by new issues of CHF 393.2 million. Loans totalling CHF

781.9 million were granted to Raiffeisen banks that reapplied for Pfandbriefbank membership in 2013.

Value adjustments and provisions

The value adjustments for default risks (note 10) decreased by CHF 4.6 million to CHF 23.5 million. New provisions in the amount of CHF 8.5 million were allocated, with reversals of CHF 8.3 million, while the sum of CHF 5.3 million was written off for confirmed losses. Provisions of CHF 12 million were recognised under the item "Value adjustments and provisions for other business risks" in the year under review for possible third-party services in connection with the US tax dispute. To determine the value adjustments for default risks, expected loss risks were factored in based on internal ratings and the calculated value of collateral. Restructuring provisions remained unchanged at CHF 1.2 million.

Reserves for general banking risks

In the year under review, CHF 8.0 million was taken from the general banking risk reserves for the purpose of recognising the above-mentioned provisions. CHF 140.5 million of the total amount of CHF 281.7 million has been taxed (note 10).

Equity capital

Equity capital was practically unchanged at the end of the current year, totalling CHF 1.3 billion.

Off-balance-sheet business

Total contingent liabilities (note 17) rose by CHF 460 million to CHF 827 million.

2013 was characterised by a negative expected and effective interest rate environment for short maturities. This triggered an increase in transaction volumes in short-term interest rate contracts. The contract volume for derivative financial instruments (note 18) rose by a significant CHF 31.3 billion to CHF 155.3 billion. Hedging transactions for the bank book rose by CHF 2.5 billion to CHF 40.7 billion. This increase was

principally due to an increase in interest positions. The positive replacement values amounted to CHF 0.9 billion (previous year: CHF 1.0 billion), while the negative replacement values amounted to CHF 1.4 billion (previous year: CHF 1.7 billion).

Fiduciary transactions rose by CHF 11.4 million to CHF 17.3 million.

REMUNERATION REPORT

A competitive compensation system plays a key role in successfully positioning Raiffeisen as an attractive employer. The remuneration system is designed to attract qualified staff 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.

Raiffeisen's remuneration system satisfies the key criteria from laws, rules and regulations that apply to Raiffeisen Switzerland, including, without limitation, the regulations from Circular 10/1 "Remuneration schemes" of the Swiss Financial Market Supervisory Authority (FINMA). The circular defines minimum standards for the design, implementation and disclosure of remuneration schemes in financial institutions.

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. Remuneration caps for all groups of risk-takers, limits on variable remuneration components and the payment of all remuneration in non-deferred cash, among other things, are particular characteristics of this system. Raiffeisen believes that, given its specific situation, it makes more sense to institute caps than to defer part of the variable remuneration. This decision was largely based on the low risk profile and consistently stable earnings generated with Raiffeisen's busi-

ness model. Moreover, absolute caps are clear, transparent and easy to manage. This satisfies one of the key principles of FINMA Circular 10/1.

Raiffeisen's remuneration policy aims for consistency; 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.

Handling risk-takers separately

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. Despite very modest trading operations and an extensive system of limits that are subject to ongoing monitoring by independent controlling functions, the variable remuneration of these risk-takers is best handled separately. Risk-takers at the Central Bank department are identified every year before the remuneration process begins, are reported by the Head of Central Bank to the Head of Human Resources Management and are approved, by name, by the Executive Board of Raiffeisen Switzerland with the object of determining the total variable remuneration pool. In 2013, this group consisted of 46 people (not counting Executive Board members).

Changes to the remuneration system

Raiffeisen engaged PricewaterhouseCoopers AG (PwC) to conduct a thorough, objective outside evaluation of the remuneration scheme in 2012. A significant change that was made in response to the PwC report was further increasing the involvement of the entire Board of Directors in the compensation process in 2013. As a result, responsibility for deciding on the

fixed and variable elements of annual remuneration for each member of the Executive Board and for determining the total variable remuneration pool at Raiffeisen Switzerland was transferred from the Strategy and Compensation Committee to the Board of Directors.

The Board of Directors made another change to the remuneration system by introducing new regulations for management pensions starting on 1 January 2013. Management pensions cover senior management staff at Raiffeisen Switzerland and the Raiffeisen banks.

Management pensions are to allow senior management staff to retire early at 62, ideally with the same benefits they would have received if they had retired at the normal retirement age of 65. The pensions are funded by employee contributions that are matched 1:1 by the employer.

Remuneration system features

Composition of employee remuneration

For all employees (including 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 competitive with regard to the labour market. All fixed remuneration is paid in cash.
- Moderate variable remuneration: Bonuses are paid based on the Group's sustained success and individual employee performance reviews. It can be granted for all functions, 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 within the framework of applicable regulations, directives and industry standards.

Determining fixed remuneration for the Board of Directors and the Executive Board

The members of Raiffeisen Switzerland's 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 of CHF 1,200,000.

Determining the total variable remuneration pool

Determining the overall variable remuneration pool is based in equal measure on the long-term development of the following criteria:

- 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

Role of controlling functions

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, which expressly include the risk categories credit, market, liquidity and operational risks, are then consulted when determining the total variable remuneration pool. The measures of risk that are used include value at risk, limit utilisation parameters and audit findings (development and degree of completion). All the measures of risk that are used are supplemented by a qualitative assessment of the responsible controlling functions. As a result, an evaluation of all major risk categories is included in the remuneration process.

By approving the risk and compliance report, the Board of Directors is regularly and comprehensively informed about risk development in accordance with Raiffeisen's risk profile, making the risk awareness of all parties involved much more acute. The risk categories that are not expressly mentioned (legal and compliance risks as well as reputation risk) are handled as part of the operational risk assessment and analysed – in some instances – on a qualitative basis in separate reports (e.g. compliance reporting). Reputation risk in particular is treated as a consequential risk, which is always an effect of the possible occurrence of another risk. As a result, the management of reputation risk must concentrate on the original risk and its consequences. Damage to reputation and/or violation of compliance or the law is a parameter that is included in the assessment of the extent of damage due to the original risk. As part of mitigation, appropriate management strategies are defined that primarily affect the original risk and – to some extent – also affect the resulting damage.

Allocation of variable remuneration

The Board of Directors does not receive variable remuneration. 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 allocates variable remuneration individually for named Central Bank employees with access to the market and trading opportunities (the so-called risk-takers). This allocation is based on the performance achieved by Central Bank, while taking into account the risks that were taken. 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 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

Raiffeisen Switzerland's Board of Directors is responsible for the following:

- It outlines the remuneration policy in the form of regulations for Raiffeisen Switzerland and recommendations for Raiffeisen banks.
- It approves the annual remuneration report submitted to the Board by the Strategy and Compensation Committee.
- It reviews remuneration policy on a regular basis and whenever there are indications that review or revisions may be necessary.
- It has individual components of the remuneration policies and their implementation checked annually by external or internal auditors.
- It determines the amount of the total variable remuneration pool each year.
- It also defines the fixed and variable remuneration components for Executive Board members and the Head of Internal Auditing, including contributions to the occupational pension.

The Strategy and Compensation Committee is responsible for implementing regulations issued by the Board of Directors; it deals with remuneration topics in four meetings each year. The chapter "Governance bodies of Raiffeisen Switzerland" describes the composition and main responsibilities of the Strategy and Compensation Committee.

Compensation 2013

Total remuneration

In the year under review, Raiffeisen Switzerland paid out total remuneration (excluding employer pension plan and social insurance contributions) of CHF 246,400,992. Accrued remuneration expenses (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 the year under review, the Board of Directors approved a total variable remuneration pool (excluding employer pension plan and social insurance contributions) of CHF 38,808,072 for Raiffeisen Switzerland. This amount was paid out in full in cash, in non-deferred form. At Raiffeisen Switzerland, 1,824 employees benefited from the total pool of variable remuneration (previous year: 1,788).

Board of Directors

The members of the Raiffeisen Switzerland Board of Directors in office in 2013 received remuneration totalling CHF 1,584,600 for the year under review, including all allowances and attendance fees. The largest individual remuneration amount paid was to the Chairman of the Board of Directors, Prof. Dr Johannes Rüegg-Stürm, totalling CHF 462,000. Board of Directors members receive no variable remuneration in the form of a profit-sharing arrangement. In addition, the total employee benefits for the members of the Board of Directors amounted to CHF 343,833. Neither joining nor termination payments were made to members of the Board of Directors in the year under review.

Members of the Executive Board (including Head of Internal Auditing)

Total remuneration paid to members of the Raiffeisen Switzerland Executive Board for the current year (excluding employee and employer contributions to pension plans and social insurance) came to CHF 7,905,786. Of this, CHF 1,891,066 was paid to Dr Pierin Vincenz, CEO of Raiffeisen Switzerland; this was the highest sum paid to an individual member of the Executive Board. Employee and employer contributions to pension plans and social insurance for Executive Board members totalled an addi-

tional CHF 3,996,378, of which CHF 606,072 was paid to Dr Pierin Vincenz, CEO of Raiffeisen Switzerland. Fixed compensation includes business-related Board of Directors fees for members of the Executive Board.

At the end of the financial year, loans granted to members of the Executive Board at Raiffeisen Switzerland totalled CHF 22,641,869. Loans to members of the Executive Board and the Head of Internal Auditing are approved by the Strategy and Compensation Committee. The bank's Executive Board enjoys preferential terms that are standard for the industry, as do other personnel. In the year under review, no joining or severance payments were made to Executive Board members or any other risk-takers.

in CHF	Total remuneration	Proportion of fixed remuneration	Proportion of variable remuneration
Total Raiffeisen Switzerland remuneration*	246,400,992	207,592,920	38,808,072
Income-statement-related debits and credits in the current year for earlier reporting years	0	0	0
Total remuneration for members of the Executive Board* (excluding employee and employer contributions to pension plans and social insurance)	9,209,887 (7,905,786)	6,097,286 (5,155,365)	3,112,601 (2,750,422)
Total remuneration for other risk-takers* (excluding members of the Executive Board)	11,183,125	6,865,125	4,318,000

* Excluding employer pension plan and social insurance contributions

Balance sheet as of 31 December 2013

	Current year in 1,000 CHF	Previous year in 1,000 CHF	Change in 1,000 CHF	Change in %	Note
Assets					
Liquid funds	5,531,017	5,444,339	86,678	1.6	12
Receivables from money market securities	5	3	2	66.7	12
Receivables from Raiffeisen banks	4,633,236	5,621,429	-988,193	-17.6	6, 12
Receivables from other banks	5,945,787	4,621,307	1,324,480	28.7	6, 12
Receivables from clients	1,819,656	1,686,184	133,472	7.9	1, 12
Mortgage receivables	6,946,585	6,332,422	614,163	9.7	1, 6, 12
Loans to clients	8,766,241	8,018,607	747,635	9.3	
Trading portfolios in securities and precious metals	1,205,718	1,785,081	-579,363	-32.5	2, 12
Financial assets	3,700,951	3,550,553	150,398	4.2	2, 6, 12
Participations	1,112,266	1,041,887	70,379	6.8	2, 3, 4
Tangible fixed assets	257,274	269,253	-11,979	-4.4	4
Accrued income and deferred expenses	237,924	268,117	-30,193	-11.3	
Other assets	1,359,916	1,662,846	-302,930	-18.2	5
Total assets	32,750,335	32,283,422	466,913	1.4	14, 16
Total subordinated receivables	–	13,448	-13,448	-100.0	
Total receivables from Group companies	44,002	21,036	22,966	109.2	
Liabilities					
Liabilities to Raiffeisen banks	9,975,138	9,013,091	962,047	10.7	12
Liabilities to other banks	6,806,169	6,064,572	741,597	12.2	12
Liabilities to clients in the form of savings and investment deposits	4,649,083	4,322,039	327,044	7.6	12
Other liabilities to clients	2,386,928	3,029,588	-642,660	-21.2	12
Medium-term notes	355,733	469,247	-113,514	-24.2	12
Client monies	7,391,744	7,820,873	-429,130	-5.5	
Bonds and Pfandbriefdarlehen	5,189,780	5,659,430	-469,650	-8.3	9, 12
Accrued expenses and deferred income	262,461	261,004	1,457	0.6	
Other liabilities	1,762,055	2,106,838	-344,783	-16.4	5
Value adjustments and provisions	37,492	30,700	6,792	22.1	10
Reserves for general banking risks	281,700	289,700	-8,000	-2.8	10
Cooperative capital	850,000	850,000	–	0.0	
General statutory reserves	157,214	152,147	5,067	3.3	
Annual profit	36,582	35,067	1,515	4.3	
Total equity capital	1,325,496	1,326,914	-1,418	-0.1	11
Total liabilities	32,750,335	32,283,422	466,913	1.4	14, 16
Total subordinated commitments	1,096,427	535,518	560,909	104.7	
Total commitments towards Group companies	922,808	413,876	508,932	123.0	
Off-balance-sheet business					
Contingent liabilities	827,000	367,031	459,969	125.3	1, 17
Irrevocable commitments	1,433,445	842,772	590,673	70.1	1
Call commitments and additional funding obligations	26,897	27,490	-593	-2.2	1
Derivative financial instruments					
Positive replacement values	883,905	1,048,054	-164,149	-15.7	18
Negative replacement values	1,359,382	1,698,313	-338,931	-20.0	18
Contract volume	155,264,413	124,280,794	30,983,619	24.9	18
Fiduciary transactions	17,267	5,843	11,424	195.5	19

Income statement 2013

	Current year in 1,000 CHF	Previous year in 1,000 CHF	Change in 1,000 CHF	Change in %	Note
Interest and discount income	526,894	581,677	-54,783	-9.4	20
Interest and dividend income from financial assets	52,877	71,410	-18,533	-26.0	20
Interest expenditure	-459,081	-538,548	79,467	-14.8	20
Net interest income	120,690	114,539	6,151	5.4	
Commission income lending business	5,837	7,876	-2,039	-25.9	21
Commission income securities and investment business	45,461	44,573	888	2.0	21
Commission income other service transactions	63,392	66,027	-2,635	-4.0	21
Commission expenditure	-36,700	-30,514	-6,186	20.3	21
Net income from commission business and service transactions	77,990	87,963	-9,973	-11.3	
Net trading income	72,599	57,880	14,719	25.4	22
Income from sale of financial assets	193	-1,823	2,016	-110.6	
Income from participating interests	51,477	22,367	29,110	130.1	
Income from real estate	3,375	3,241	134	4.1	
Other ordinary income	277,647	262,614	15,033	5.7	23
Other ordinary expenditure	-33,389	-18,346	-15,043	82.0	
Other ordinary profit	299,303	268,053	31,250	11.7	
Operating income	570,583	528,435	42,148	8.0	
Personnel expenditure	-308,600	-326,297	17,697	-5.4	24
Other operating expenditure	-179,136	-173,880	-5,256	3.0	25
Operating expenditure	-487,736	-500,177	12,441	-2.5	
Gross profit	82,847	28,258	54,589	193.2	
Depreciation on fixed assets	-41,457	-46,619	5,162	-11.1	4
Value adjustments, provisions and losses	-12,929	-1,785	-11,144	624.3	
Operating profit (interim result)	28,460	-20,146	48,606	-241.3	
Extraordinary income	21,624	57,093	-35,469	-62.1	26
Extraordinary expenditure	-12,417	-165	-12,252	7,425.5	26
Taxes	-1,086	-1,715	629	-36.7	
Annual profit	36,582	35,067	1,515	4.3	

Proposed distribution of available profit addressed to the Ordinary Delegate Assembly of 14 June 2014 in Zermatt

	Current year in 1,000 CHF	Previous year in 1,000 CHF	Change in 1,000 CHF	Change in %
Appropriation of profit				
Annual profit	36,582	35,067	1,515	4.3
Profit brought forward	–	–	–	–
Available profit	36,582	35,067	1,515	4.3
Appropriation of profit				
– Allocation to general statutory reserves	2,582	5,067	-2,485	-49.0
– Interest on cooperative capital	34,000	30,000	4,000	13
Total appropriation of profit	36,582	35,067	1,515	4.3

Cash flow statement 2013

	Origin of funds for current year in 1,000 CHF	Use of funds for current year in 1,000 CHF	Origin of funds for previous year in 1,000 CHF	Use of funds for previous year in 1,000 CHF
Cash flow from operating results (internal financing)				
Annual profit	36,582		35,067	
Depreciation on fixed assets	40,940		43,588	
Depreciation / appreciation on participations	518		3,031	56,548
Value adjustments and provisions	12,794	6,002	1,644	10,652
Reserves for general banking risks		8,000		
Prepaid expenses	30,194		66,406	
Deferred income	1,457		9,930	
Interest paid on share certificates for previous year		30,000		14,400
Balance	78,482	–	78,065	–
Cash flow from equity capital transactions				
Net change in cooperative capital	–		400,000	
Balance	–	–	400,000	–
Cash flow from investment activities				
Participations	7,916	78,813	2,345	594,871
Real estate	21	3,364	11	3,425
Other tangible assets	23	15,296	1,022	12,074
Other		10,345		18,764
Balance	–	99,858	–	625,757

Continued on the next page

	Origin of funds for current year in 1,000 CHF	Use of funds for current year in 1,000 CHF	Origin of funds for previous year in 1,000 CHF	Use of funds for previous year in 1,000 CHF
Cash flow from banking business of Central Bank with Raiffeisen banks				
Liabilities to Raiffeisen banks	1,517,769		5,655,000	
Receivables from Raiffeisen banks	146,057			3,397,493
Balance	1,663,826	-	2,257,506	-
Cash flow from ordinary banking business of Central Bank				
Liabilities to banks	972,652			570,133
Liabilities to clients in the form of savings and investment deposits		953,910	177,908	
Bonds	550,000	600,000		250,000
Pfandbriefdarlehen	393,200	812,850	804,800	467,530
Other liabilities		345,668		107,435
Receivables from banks		1,361,127		981,051
Receivables from clients		82,088		119,794
Mortgage receivables		500		4,000
Trading portfolios in securities and precious metals	579,356			197,653
Financial assets		149,632	1,303,384	
Other receivables	303,131		150,682	
Liquid funds		84,349		1,834,047
Balance	-	1,591,784	-	2,094,869
Cash flow from banking business of the branches of Raiffeisen Switzerland				
Net positions at Central Bank	92,173		220,283	
Savings and investment funds	564,413		711,944	
Other liabilities to clients	73,882			335,562
Medium-term notes	25,363	138,877	65,713	139,918
Other assets	825		1,374	
Receivables from clients		51,384		11,824
Mortgage receivables		613,663		528,277
Financial assets		766		815
Other receivables		303	384	
Liquid funds		2,330	1,753	
Balance	-	50,667	-	14,945
Total origin of funds	5,349,266		9,656,267	
Total use of funds		5,349,266		9,656,267

Notes to the annual accounts

OPERATING ACTIVITIES

The most important duties of Raiffeisen Switzerland include ensuring loan and capital settlement and guaranteeing that statutory liquidity requirements are met for the entire organisation. Settling the regularly recurring, seasonal liquidity fluctuations of the entire Raiffeisen Group, which has total assets of around CHF 177 billion, represents a particular challenge.

Raiffeisen Switzerland optimises 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 in the current year. The most significant sources of refinancing include 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 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 Central Bank and the branches in Basel, Berne, St.Gallen, Thalwil, Winterthur and Zurich. Central Bank can enter into commitments abroad up to a risk-weighted maximum of 5% of the Raiffeisen Group's consolidated total 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 all Raiffeisen banks. In return, the Raiffeisen banks guarantee the liabilities of Raiffeisen Switzerland with their capital.

Staff

At the end of 2013, the number of employees on a full-time equivalent basis was 1,846 (previous year: 1,810).

RISK ASSESSMENT

The Board of Directors assumes overall responsibility for risk management and risk control within the Raiffeisen Group. It defines the 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 information on the risk situation, capital adequacy, borrowers' rating changes, 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 as well as solidarity risks within the Raiffeisen Group (i.e. the risk of any possible issue at individual Raiffeisen banks).

The Board of Directors' risk report is examined in depth by the Audit and Risk Committee of the Board of Directors. The Board of Directors reviews the findings of the risk report and its implications for risk strategy once per quarter on the basis of this preparatory work.

The Board of Directors conducts an annual assessment of the appropriateness and effectiveness of the internal control system (ICS) based on Group Risk Controlling'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 Controlling as an independent entity. The risk reports and any 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 examined and assessed using the following parameters:

- Value at risk
- Nominal
- Credit equivalent
- Risk weighted on the basis of capital adequacy and risk diversification rules

Credit risks are additionally examined at nominal values. Operational risks are assessed in terms of the probability of occurrence and the corresponding loss potential (financial loss, compliance violation or bad publicity). 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 given 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 macroeconomically 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 are – in certain cases – 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 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 risk policy aims 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 Controlling 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 Controlling, which reports to the Head of the Finance department, is responsible for the independent monitoring of risk. This primarily involves monitoring compliance with the limits stipulated by the Board of Directors and the Executive Board. Group Risk Controlling also regularly evaluates the risk situation 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 is comprised of the following elements:

- 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 an active, 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 fulfil or 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. Raiffeisen Switzerland's branches are part of the Market department and extend credit to private and corporate clients, the latter being mostly SMEs. Risks in this connection are limited by collateralising the underlying claims.

Larger loans to corporate clients are granted by the Market department. When the credit being increased or newly extended exceeds CHF 50 million on a risk-weighted basis, the CRO (Chief Risk Officer) issues an assessment. The assessment focuses on the concentration risk and any change in the value at risk.

The Group-wide responsibilities of the Central Bank department involve managing both domestic and international counterparty risks. These risks occur mainly in wholesale funding in the money and capital markets and in hedging currency, interest rate and proprietary trading risks. 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 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 commitments at Raiffeisen Switzerland may not exceed 5% of the consolidated Raiffeisen Group balance sheet total. Country risks are constantly and actively managed and are principally concentrated in Europe.

Internal and 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.

Creditworthiness and solvency are assessed at Raiffeisen Switzerland on the basis of the Group-wide standards that are laid down in the lending policy. Sufficient creditworthiness and the ability to maintain 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 provisions. Specialist teams are available for more complex financing and the management of recovery positions.

Collateral is valued according to uniform criteria. For 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 and commercial properties are based on the capitalised value and, where applicable, a low actual value or a low market value. Different repayment obligations apply to second mortgages. Other features of the credit approval process are a prudent lending limit policy, a professional rating system and an approval procedure geared to levels of responsibility.

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

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

Raiffeisen Switzerland monitors, controls and manages risk concentrations within the Group, especially exposures to individual counterparties or groups, or exposures in specific sectors. The process for identifying and consolidating affiliated counterparties is automated across the entire Raiffeisen Group.

Raiffeisen Switzerland monitors the credit portfolio across the Group, evaluating the portfolio

structure and ensuring credit portfolio reporting. Evaluating the portfolio structure involves analysing 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 monitored centrally by Credit Risk Controlling.

On 31 December 2013, Raiffeisen Switzerland had six reportable cluster risks with cumulative risk-weighted commitments of CHF 1.1 billion. These amounted to 51% of eligible capital resources (previous year: 11 reportable positions for CHF 1.7 billion or 167% of capital resources).

The credit volume of Raiffeisen Switzerland's 10 largest borrowers (excluding interbank business and public bodies) on 31 December 2013 was CHF 1.1 billion or 13% of loans to clients (previous year: CHF 1.2 billion or 15%).

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 to measure the risk in the bank book associated with fluctuating interest rates are in place. 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 decentralised basis within Raiffeisen Switzerland via the respective line functions. The Treasury area of the Central Bank department of Raiffeisen Switzerland is the binding counterparty for the entire Group – except for Notenstein Private Bank Ltd, which accesses the market directly – concerning wholesale funding and hedging transactions that are implemented through deposits and loans. The responsible members of staff in the branches and in Central Bank are required to adhere strictly to the sensitivity limits set by the Board of Directors, which relate to the change in the present value of the equity capital. Group Risk Controlling 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, as the branches do not maintain their own trading books. Central Bank trades in interest rates, currencies, equities and banknotes/precious metals. It must strictly adhere to the sensitivity and loss limits set by the Board of Directors; these are monitored by Group Risk Controlling on a daily basis. In addition, Group Risk Controlling 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 standardised and over-the-counter (OTC) deriv-

atives for 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 Controlling 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 table "Capital adequacy requirements for market risks relating to the trading book" below.

Liquidity and financing risks

According to the FINMA ruling of 3 September 2010, Raiffeisen Switzerland is exempted from complying on an individual basis with the rules regarding liquidity. 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 Controlling.

Operational risks

At Raiffeisen, operational risk means the danger of losses arising as a result of the unsuitability or failure of internal procedures, people, IT systems, building infrastructure 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 accrue in connection with operating activities with clients.

Each functional department within Raiffeisen is responsible for identifying, assessing, managing and monitoring operational risk arising from its own activities. Group Risk Controlling 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, as well as monitoring the risk situation.

Operational risks are identified, categorised by cause and impact and evaluated according to the frequency or probability of occurrence and the extent of losses for specific risk assessments. The risk register is updated dynamically. Risk reduction measures are defined, the implementation of which is monitored by line personnel. Emergency and catastrophe planning measures for mission-critical processes are in place.

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 regarding the largest operational risks.

Capital adequacy requirements for market risks relating to the trading book

in 1,000 CHF	31.12.2013	Ø 2013	31.12.2012	Ø 2012
Foreign exchange/ precious metals	16,562	16,844	9,411	15,572
Interest rate instruments	87,983	89,779	103,118	81,076
Equities/indices	1,720	4,806	4,382	8,233
Total	106,265	111,430	116,910	104,881

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

IT risks

A reliable IT infrastructure is an indispensable requirement for providing banking services. For this reason, Raiffeisen attaches a great deal of importance to monitoring and controlling IT and managing related threats and risks.

Information security

Information security risks are gaining importance, especially with respect to bank reputation and the Swiss banking industry. For this reason, they must be comprehensively managed. The management strategy is based on regular analyses of prevailing threats, and the adaptation and assessment of the threat situation in terms of its impact on the Raiffeisen Group as a whole. Appropriate and effective information security measures for safeguarding information and infrastructure with respect to confidentiality, integrity, availability and audit trails are in place for this purpose. Raiffeisen bases its policies on recognised standards and established practice.

Outsourcing

The operation of the data communication network has been outsourced to Swisscom (Switzerland) Ltd. Furthermore, all Raiffeisen Group securities administration activities are carried out by the Vontobel Group. Swiss Post Solutions AG handles the scanning processes in the paper-based payment system, while the printing and shipping of the bank vouchers has been outsourced to Trendcommerce (Schweiz) AG.

Regulatory provisions

Raiffeisen Switzerland Cooperative is exempt from regulatory liquidity requirements at the individual bank level. The disclosure requirements in respect of capital adequacy on a consolidated basis as outlined in FINMA Circular 2008/22 can be viewed on the Raiffeisen website (www.raiffeisen.ch) or in the Raiffeisen Group's annual report.

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

Credit risks: international standard approach (SA-BIZ), using the following external ratings:

Client category	Issuer/issue rating		
	S & P	Fitch	Moody's
Central governments/central banks	X	X	X
Public bodies	X	X	X
Banks/securities dealers	X	X	X
Companies (starting from 2012)	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

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 table on page 25.

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.

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 related ordinance) and the guidelines and directives of FINMA.

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, individual results 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, Notenstein Private Bank Ltd, KMU Capital AG, Investnet AG and RAINetworks (Subsidiary of Raiffeisen Switzerland) Pte. Ltd. Raiffeisen Switzerland has therefore chosen not to prepare consolidated subgroup accounts that include the annual accounts of Raiffeisen Switzerland, Notenstein Private Bank Ltd, KMU Capital AG,

Investnet AG and RAINetworks (Subsidiary of Raiffeisen Switzerland) Pte. Ltd.

Recording of business events

All business transactions that have been concluded by the balance sheet date are recorded on a same-day basis in the balance sheet and the income statement in accordance with the relevant valuation principles. Spot transactions that have been concluded but not yet settled are reported as of 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, amounts due from money market securities and borrowed funds

These are reported at nominal value or acquisition cost. Discounts not yet earned on money market securities and discounts and premiums on the Group's own bond and Pfandbrief loans 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 deemed to be impaired where the bank believes it improbable that the borrower will be able to completely fulfil his/her contractual obligations. Impaired loans and any collateral are carried at liquidation value.

Impaired loans are subject to provisions based on regular analyses of individual loan commitments, while taking into account the creditworthiness of the borrower, the counterparty risk and the estimated net realisable sale value of the collateral. If recovery of the amount receivable depends solely on the collateral being realised, full provision is made for the unsecured portion.

Interest and related commission that have been due for more than 90 days but have not been paid are deemed to be non-performing. In the case of current account overdrafts, interest and commission 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 recognised as income but reported directly under "Value adjustments and provisions".

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

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

All value adjustments are reported under "Value adjustments and provisions".

Securities lending and borrowing

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

Securities that are borrowed or received as collateral are only reported in the balance sheet if Raiffeisen Switzerland demands control of the contractual rights associated with them. Securities that are loaned or are 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 the cash collateral received or provided, including accrued interest.

Securities received and delivered are only recorded in/removed from the balance sheet if control of the contractual rights associated with them is transferred. The market values of the 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 carried at fair value. Positions for which there is no representative market are valued at the lower of cost or market. Both the gains and losses arising from this valuation and the gains and losses realised 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. Income from fixed-price underwriting and securities issues is recognised in trading profit.

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.

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

Non-consolidated 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. Minor participations are not listed individually if the Group holds less than 10 % of the voting shares and equity capital and its holding is either worth less than CHF 1 million of the equity capital or the book value is less than CHF 10 million. 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 assets

Tangible assets are reported at acquisition cost 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 operating expenditure.

Large-scale, value-enhancing renovations are capitalised, 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 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 are taken and provisions recognised 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 are reserves created 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 obligation

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.

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 that 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; as such, Treasury does not itself participate in the market. Only the replacement values of contracts with external counterparties are reported. Note 18 (Open derivative financial instruments) shows the replacement values and contract volume with external counterparties. The positions listed under hedging

instruments correspond to the volume of the internal Treasury hedging transactions.

Treatment in the income statement

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 for balance sheet structural management to hedge against interest rate risk are valued in accordance with the accrual method. Interest-related gains and losses arising from early realisation of contracts are accrued over their remaining lives.

Taxes

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

Changes as against previous year

None

Events after the balance sheet date

No material events occurred between the balance sheet date (31 December 2013) and the drawing up of the annual accounts that would have required disclosure in the balance sheet and/or notes.

Information on the balance sheet

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

	Mortgage cover in 1,000 CHF	Other cover in 1,000 CHF	Without cover* in 1,000 CHF	Total in 1,000 CHF
Loans				
Loans to clients	334,114	137,610	1,347,931	1,819,656
Mortgage loans				
Residential property	6,278,419	–	2,304	6,280,723
Office and business premises	199,895	–	–	199,895
Trade and industry	303,891	–	424	304,315
Other	161,542	–	110	161,652
Total loans				
Current year	7,277,861	137,610	1,350,769	8,766,241
Previous year	6,669,774	141,649	1,207,184	8,018,607
Off-balance-sheet business				
Contingent liabilities	17,275	403,712	406,013	827,000
Irrevocable commitments	496,228	24,694	912,523	1,433,445
Call commitments and additional funding obligations	–	–	26,897	26,897
Total off-balance-sheet business				
Current year	513,503	428,406	1,345,433	2,287,341
Previous year	319,548	12,119	905,627	1,237,294

* Incl. value-adjusted loans

	Gross amount borrowed in 1,000 CHF	Estimated proceeds from realisation of collateral in 1,000 CHF	Net amount borrowed in 1,000 CHF	Individual provisions in 1,000 CHF
Impaired loans				
Current year	37,576	11,705	25,871	23,488
Previous year	57,320	26,670	30,650	28,055

The difference between the net amount borrowed and the provisions 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.

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

	Current year in 1,000 CHF	Previous year in 1,000 CHF
Trading portfolios in securities and precious metals		
Debt instruments		
stock exchange listed*	568,689	891,050
non-stock exchange listed	–	–
of which own bonds and medium-term notes	47,792	138,737
Shares	32,550	16,451
Precious metals	604,479	877,580
Total trading portfolios in securities and precious metals	1,205,718	1,785,081
of which securities for repo transactions in line with liquidity requirements	359,793	522,861

* Stock exchange listed = traded on a recognised stock exchange

	Book value current year in 1,000 CHF	Book value previous year in 1,000 CHF	Fair value current year in 1,000 CHF	Fair value previous year in 1,000 CHF
Financial assets				
Debt instruments	3,464,554	3,383,247	3,467,943	3,469,556
of which own bonds and medium-term notes	76,858	77,896	77,388	78,764
of which intended to be held until maturity	3,461,353	3,378,984	3,464,741	3,465,294
of which valued at the lower of cost or market	3,202	4,262	3,202	4,262
Shares	234,815	166,491	242,134	169,040
of which qualified participations*	8,123	5,010	8,123	5,010
Precious metals	–	–	–	–
Real estate	1,581	815	1,581	815
Total financial assets	3,700,951	3,550,553	3,711,658	3,639,411
of which securities for repo transactions in line with liquidity requirements	3,268,358	3,010,987		

* At least 10% of the capital or the votes

	Current year in 1,000 CHF	Previous year in 1,000 CHF
Participations		
with a market value	329,281	336,781
without a market value	782,985	705,105
Total participations	1,112,266	1,041,887

3 Details of major participations

Company name/holding	Registered office	Operating activity	Capital in 1,000 CHF	Current-year voting share and equity interest in %	Previous-year voting share and equity interest in %
3.1 Group companies					
Notenstein Private Bank Ltd	St.Gallen	Private bank	22,200	100.0	100.0
RAInetworks (Subsidiary of Raiffeisen Switzerland) Pte. Ltd	Singapore	Trading in goods and services for the Raiffeisen Group	7	100.0	100.0
KMU Capital Ltd	Herisau	Financial services	2,566	60.0	60.0
Investnet AG	Herisau	Financial services	150	60.0	60.0
3.2 Other participations*					
Aduno Holding Ltd	Zurich	Financial services	25,000	25.5	25.5
responsAbility Participations Ltd	Zurich	Financial services	42,450	19.8	19.6
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
Mortgage Bond Bank of the Swiss Mortgage Institutions Ltd	Zurich	Mortgage bond bank	800,000	6.0	6.1
of which not paid up			448,000		
SIX Group Ltd	Zurich	Financial services	19,522	5.1	3.2
Helvetia Holding Ltd	St.Gallen	Financial services	865	4.0	4.0

* All participations in cooperation partners and joint ventures by the banks are listed here. Other participations are listed if (a) the shareholding represents more than 10% of the voting share and equity and (b) the shareholding is worth > CHF 1 million of the equity or the book value is > CHF 10 million.

4 Fixed assets register

	Purchase price in 1,000 CHF	Cumulative depreciation/ amortisation in 1,000 CHF	Book value at end of previous year in 1,000 CHF	Current-year transfers/ reclassi- fications in 1,000 CHF	Current-year invest- ment in 1,000 CHF	Current-year disinvest- ment in 1,000 CHF	Current-year depreciation/ amortisation in 1,000 CHF	Book value at end of current year in 1,000 CHF
Participations								
Participations Group companies	585,452	-5,239	580,213	-	41,138	-	-371	620,980
Other participations	463,233	-1,559	461,674	-	37,675	-7,916	-147	491,286
Total participations	1,048,685	-6,798	1,041,887	-	78,813	-7,916	-518	1,112,266
Tangible assets								
Real estate								
Bank buildings	269,553	-91,855	177,698	849	3,364	-21	-6,002	175,888
Other real estate	13,816	-2,816	11,000	-	-	-	-450	10,550
Other tangible assets	228,848	-174,274	54,574	-849	15,296	-23	-19,430	49,567
Other	154,771	-128,790	25,981	-	10,345	-	-15,057	21,269
Total tangible assets	666,988	-397,735	269,253	-	29,005	-44	-40,939	257,274

in 1,000 CHF

Value of real estate for fire insurance purposes	221,739
Value of other tangible assets for fire insurance purposes	204,592

5 Other assets and liabilities

	Current year in 1,000 CHF	Previous year in 1,000 CHF
Other assets		
Replacement value	883,905	1,048,054
Equalisation account	336,796	495,366
Settlement accounts for social security and staff pension fund contributions	–	10
Settlement accounts for indirect taxes	108,991	101,077
Other settlement accounts	25,114	13,095
Commodities	4,843	5,244
Miscellaneous other assets	265	0
Total other assets	1,359,916	1,662,846
Other liabilities		
Replacement value	1,359,382	1,698,313
Due, unredeemed coupons, and debt instruments	158	399
Levies, indirect taxes	30,088	35,969
Solidarity fund	348,556	341,479
of which open guarantees to Raiffeisen banks	759	759
Settlement accounts for social security and staff pension plan contributions	4,150	3,576
Other settlement accounts	19,340	26,835
Miscellaneous other liabilities	380	266
Total other liabilities	1,762,055	2,106,838

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 1,000 CHF	Current year of which made use of in 1,000 CHF	Previous-year amount due or book value in 1,000 CHF	Previous year of which made use of in 1,000 CHF
Balance sheet items				
Receivables from Raiffeisen banks	–	–	826,781	826,781
Receivables from other banks	548,980	548,980	676,598	676,598
Mortgage receivables	2,123,539	1,704,423	2,008,929	1,309,882
Financial assets	1,414,464	839,363	678,730	273,735
Total pledged assets	4,086,983	3,092,766	4,191,038	3,086,995

7 Securities lending and repurchase operations

	Current year in 1,000 CHF	Previous year in 1,000 CHF
Claims resulting from cash collateral in connection with securities borrowing and reverse repurchase operations	651,108	851,592
Liabilities resulting from cash collateral in connection with securities lending and repurchase operations	859,075	589,671
Securities owned by the bank lent under securities lending agreements, delivered as collateral for securities borrowing, or transferred from repurchase transactions	839,363	273,735
for which the right to resell or pledge without restriction was granted	839,363	273,735
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	756,262	943,084
of which repledged or resold securities	497,474	900,094

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 1,000 CHF	Previous year in 1,000 CHF
Liabilities to clients in the form of savings and investment deposits	2,827	8,413
Other liabilities to clients	198,881	174,824
Other liabilities (negative replacement values)	657	26
Total liabilities to own social insurance institutions	202,364	183,263

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 31.12.2013 in %	On 31.12.2012 in %
Raiffeisen Pension Fund Cooperative	107.2	103.0

The fluctuation reserves of the pension plan of the Raiffeisen Group did not reach the level laid down by the regulator in the year under review, as a result of which there is no surplus cover as defined by Swiss GAAP FER 16.

The Raiffeisen Pension Fund Cooperative is not underfunded. Consequently, the affiliated employers have no economic benefits or economic obligations for which allowance would have to be made in the balance sheet and income statement.

8.3 Employer contribution reserves in the Raiffeisen Employer Foundation

	Current year in 1,000 CHF	Previous year in 1,000 CHF
As at 1 January	8,336	10,606
+ Deposits	50	–
– Withdrawals	5,684	2,400
+ Interest paid	73	130
As at 31 December	2,775	8,336

The employer contribution reserves correspond to the nominal value as calculated by the pension plan, and they are not reported.

9 Outstanding bonds and Pfandbriefdarlehen

	Year of issue	Interest rate	Maturity	Early redemption possibility	Bond principal in 1,000 CHF
Loans from Pfandbriefbank schweizerischer Hypothekarinstitute AG	Div.	1.747	Div.	–	1,654,780
Non-subordinated own bonds	2004	3.000	05.05.2014	–	400,000
	2006	3.125	30.05.2016	–	550,000
	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
Subordinated own bonds	2011	3.875	21.12.2021	–	535,000
	2013	3.000	Perpetual	02.05.2018	550,000 *
Total loans from Pfandbriefbank schweizerischer Hypothekarinstitute AG					5,189,780

* Subordinated perpetual Additional Tier1 bond with contingent write-down. With FINMA's consent, the bond can be terminated on a unilateral basis by Raiffeisen Switzerland (no earlier than five years following issue).

10 Value adjustments and provisions

	End of previous year in 1,000 CHF	Appropriate application in 1,000 CHF	Change of use (transfers) in 1,000 CHF	Write-backs, overdue interest in 1,000 CHF	New provisions against income statement in 1,000 CHF	Dissolution of provisions against income statement in 1,000 CHF	End of current year in 1,000 CHF
Value adjustments and provisions for default risks (del credere and country risk)	28,055	-5,318	–	570	8,452	-8,273	23,488
Value adjustments and provisions for other business risks	1,460	-685	–	–	12,044	–	12,819
Provisions for restructuring*	1,185	–	–	–	–	–	1,185
Total value adjustments and provisions	30,700	-6,002	–	570	20,497	-8,273	37,492
Reserves for general banking risks	289,700	–	–	–	–	-8,000	281,700
of which taxed	139,000						140,500

* Made in respect of personnel expenditure

11 Evidence of equity capital

in 1,000 CHF

Equity capital at the beginning of the current year	
Cooperative capital	850,000
General statutory reserves	152,147
Reserves for general banking risks	289,700
Profit	35,067
Total equity capital at the beginning of the current year (before appropriation of profits)	1,326,914
+ Capital increase	
– Creation of reserves for general banking risks	8,000
– Interest on the cooperative capital from the annual profit of the previous year	30,000
+ Annual profit for the current year	36,582
Total equity capital at the end of the current year (before appropriation of profits)	1,325,496
of which cooperative capital	850,000
of which general statutory reserves	157,214
of which reserves for general banking risks	281,700
of which profit	36,582
Total additional funding obligation of the Raiffeisen banks	10,868,253

The cooperative capital totalling CHF 850 million is divided up into 850,000 cooperative share certificates of CHF 1,000 each and is owned in full by the 316 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 CHF 1,000 for each CHF 100,000 of their total assets. As at 31 December 2013, this corresponded to a call-in obligation towards Raiffeisen Switzerland of CHF 1,615.0 million, of which CHF 850 million have been paid in.

The capital entitled to interest amounted to CHF 850 million at the end of 2013 (2012: CHF 850 million).

12 Maturity structure of current assets and outside debt

	On demand in 1,000 CHF	Redeemable by notice in 1,000 CHF	Due within 3 months in 1,000 CHF	Due within 3 to 12 months in 1,000 CHF	Due within 1 to 5 years in 1,000 CHF	Due after 5 years in 1,000 CHF	Total in 1,000 CHF
Current assets							
Liquid funds	5,531,017	–	–	–	–	–	5,531,017
Receivables from money market securities	5	–	–	–	–	–	5
Receivables from Raiffeisen banks	4,633,236	–	–	–	–	–	4,633,236
Receivables from other banks	292,579	–	4,695,838	957,369	–	–	5,945,787
Receivables from clients	40	48,997	1,033,748	255,202	322,724	158,946	1,819,656
Mortgage receivables	1,454	256,604	266,819	821,091	3,616,398	1,984,219	6,946,585
Trading portfolios in securities and precious metals	1,205,718	–	–	–	–	–	1,205,718
Financial assets*	234,815	–	113,563	320,180	1,416,403	1,615,989	3,700,951
Total current assets							
Current year	11,898,865	305,601	6,109,969	2,353,842	5,355,525	3,759,154	29,782,956
Previous year	13,163,963	368,490	6,037,887	1,010,949	5,404,096	3,055,934	29,041,318
Outside debt							
Liabilities to Raiffeisen banks	9,975,138	–	–	–	–	–	9,975,138
Liabilities to other banks	728,787	–	4,632,818	861,686	572,878	10,000	6,806,169
Liabilities to clients in the form of savings and investment deposits	–	4,649,083	–	–	–	–	4,649,083
Other liabilities to clients	1,224,866	350	344,952	300,252	301,477	215,031	2,386,928
Medium-term notes	–	–	20,097	112,492	192,704	30,440	355,733
Bonds and Pfandbriefdarlehen	–	550,000	25,650	466,400	1,792,000	2,355,730	5,189,780
Total outside debt							
Current year	11,928,791	5,199,433	5,023,517	1,740,830	2,859,059	2,611,201	29,362,831
Previous year	10,733,270	4,324,619	5,201,907	2,112,448	3,212,529	2,973,193	28,557,966

* The financial assets include CHF 1,581,370 of real estate (2012: CHF 815,000).

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

	Current year in 1,000 CHF	Previous year in 1,000 CHF
Receivables from affiliated companies	–	–
Liabilities to affiliated companies	–	–
Loans to executive bodies	24,401	24,196

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

2 Affiliated companies

For receivables from – or 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 1,000 CHF	Current year foreign in 1,000 CHF	Previous year domestic in 1,000 CHF	Previous year foreign in 1,000 CHF
Assets				
Liquid funds	5,505,706	25,311	5,415,117	29,221
Receivables from money market securities	5	–	3	–
Receivables from Raiffeisen banks	4,633,236	–	5,621,429	–
Receivables from other banks	2,096,540	3,849,247	758,793	3,862,513
Receivables from clients	1,782,378	37,278	1,643,825	42,359
Mortgage receivables	6,946,585	–	6,332,422	–
Trading portfolios in securities and precious metals	1,103,581	102,137	1,667,733	117,348
Financial assets	3,292,754	408,197	3,181,211	369,342
Participations	1,108,358	3,908	1,037,979	3,908
Tangible assets	257,274	–	269,253	–
Accrued income and deferred expenses	233,299	4,625	264,848	3,270
Other assets	746,239	613,677	879,385	783,461
Total assets	27,705,955	5,044,380	27,071,999	5,211,423

Continued on the next page

	Current year domestic in 1,000 CHF	Current year foreign in 1,000 CHF	Previous year domestic in 1,000 CHF	Previous year foreign in 1,000 CHF
Liabilities				
Liabilities to Raiffeisen banks	9,975,138	–	9,013,091	–
Liabilities to other banks	4,164,164	2,642,005	3,437,103	2,627,469
Liabilities to clients in the form of savings and investment deposits	4,445,985	203,098	4,138,731	183,308
Other liabilities to clients	2,352,530	34,398	2,997,418	32,170
Medium-term notes	347,356	8,377	462,638	6,609
Bonds and Pfandbriefdarlehen	5,189,780	–	5,659,430	–
Accrued expenses and deferred income	261,920	541	259,066	1,938
Other liabilities	721,688	1,040,367	768,220	1,338,618
Value adjustments and provisions	37,492	–	30,700	–
Reserves for general banking risks	281,700	–	289,700	–
Cooperative capital	850,000	–	850,000	–
General statutory reserves	157,214	–	152,147	–
Annual profit	36,582	–	35,067	–
Total liabilities	28,821,548	3,928,787	28,093,310	4,190,111

15 Assets by country or country group

	Current year in 1,000 CHF	Current year in %	Previous year in 1,000 CHF	Previous year in %
Assets				
Europe				
Switzerland	27,705,955	84.60	27,071,999	83.86
Great Britain	1,980,046	6.05	1,508,965	4.67
Benelux countries	841,337	2.57	358,789	1.11
France	591,423	1.81	498,543	1.54
Germany	585,013	1.79	686,562	2.13
Austria	237,219	0.72	787,304	2.44
Rest of Europe	280,957	0.86	1,063,038	3.29
Rest of world (America, Asia, Oceania, Africa)	528,384	1.61	308,222	0.95
Total assets	32,750,335	100.00	32,283,422	100.00

16 Balance sheet by currency

	CHF in 1,000 CHF	EUR in 1,000 CHF	USD in 1,000 CHF	Other in 1,000 CHF	Total in 1,000 CHF
Assets					
Liquid funds	5,140,248	224,454	68,150	98,166	5,531,017
Receivables from money market securities	0	1	2	2	5
Receivables from Raiffeisen banks	4,633,197	–	–	38	4,633,236
Receivables from other banks	2,439,035	2,003,748	1,178,899	324,105	5,945,787
Receivables from clients	1,732,054	10,138	70,679	6,785	1,819,656
Mortgage receivables	6,946,585	–	–	–	6,946,585
Trading portfolios in securities and precious metals	542,663	50,242	8,294	604,519	1,205,718
Financial assets	3,521,785	102,499	76,661	6	3,700,951
Participations	1,108,358	3,901	–	7	1,112,266
Tangible assets	257,274	–	–	–	257,274
Accrued income and deferred expenses	235,384	990	1,523	27	237,924
Other assets	1,359,916	–	–	–	1,359,916
Total assets reflected in the balance sheet	27,916,498	2,395,974	1,404,207	1,033,655	32,750,335
Delivery claims under spot exchange, forward exchange, and currency option contracts	12,678,398	4,630,655	7,824,082	2,586,389	27,719,524
Total assets	40,594,897	7,026,628	9,228,290	3,620,044	60,469,859
Liabilities					
Liabilities to Raiffeisen banks	7,901,142	1,565,248	268,033	240,715	9,975,138
Liabilities to other banks	3,013,218	1,831,428	1,315,889	645,634	6,806,169
Liabilities to clients in the form of savings and investment deposits	4,564,210	84,873	–	–	4,649,083
Other liabilities to clients	2,213,166	70,237	73,119	30,405	2,386,928
Medium-term notes	355,733	–	–	–	355,733
Bonds and Pfandbriefdarlehen	5,189,780	–	–	–	5,189,780
Accrued expenses and deferred income	260,423	1,518	419	101	262,461
Other liabilities	1,761,963	38	–	53	1,762,055
Value adjustments and provisions	37,492	–	–	–	37,492
Reserves for general banking risks	281,700	–	–	–	281,700
Cooperative capital	850,000	–	–	–	850,000
General statutory reserves	157,214	–	–	–	157,214
Annual profit	36,582	–	–	–	36,582
Total liabilities reflected in the balance sheet	26,622,622	3,553,343	1,657,461	916,909	32,750,335
Delivery obligations under spot exchange, forward exchange, and currency option contracts	14,014,005	3,460,140	7,561,685	2,708,337	27,744,167
Total liabilities	40,636,627	7,013,484	9,219,146	3,625,246	60,494,502
Net position per currency	-41,730	13,145	9,144	-5,202	-24,643

31.12.2013

31.12.2012

Foreign currency conversion rates

EUR	1.226	1.207
USD	0.891	0.916

Information on the off-balance-sheet business

17 Contingent liabilities

	Current year in 1,000 CHF	Previous year in 1,000 CHF
Collateral securities	724,575	258,788
Warranty bonds	1,393	1,363
Other contingent liabilities	101,032	106,880
Total contingent liabilities	827,000	367,031

18 Open derivative financial instruments

18.1 Open derivative financial instruments by contract type

	Trading instruments			Hedging instruments		
	Positive contract replacement value in 1,000 CHF	Negative contract replacement value in 1,000 CHF	Contract volume in 1,000 CHF	Positive contract replacement value in 1,000 CHF	Negative contract replacement value in 1,000 CHF	Contract volume in 1,000 CHF
Interest rate instruments						
Forward contracts incl. FRAs	1,627	2,712	22,600,000	–	–	–
Swaps	331,498	337,056	64,413,840	321,157	759,941	39,111,000
Futures contracts	–	–	1,320,313	–	–	–
Options (OTC)	–	11	12,048	–	–	–
Options (traded)	–	–	–	–	–	–
Total interest rate instruments	333,125	339,779	88,346,201	321,157	759,941	39,111,000
Foreign currencies						
Forward contracts	216,228	246,514	25,500,035	1,853	8,190	1,617,767
Comb. interest rate/currency swaps	–	–	–	–	–	–
Futures contracts	–	–	9,680	–	–	–
Options (OTC)	1,185	1,054	85,471	–	–	–
Options (traded)	–	–	–	–	–	–
Total foreign currencies	217,413	247,568	25,595,186	1,853	8,190	1,617,767
Precious metals						
Forward contracts	7,330	3,777	539,347	–	–	–
Swaps	–	–	–	–	–	–
Futures contracts	–	–	1,714	–	–	–
Options (OTC)	850	116	13,743	–	–	–
Options (traded)	–	–	–	–	–	–
Total precious metals	8,180	3,893	554,804	–	–	–
Equities and indices						
Forward contracts	–	–	–	–	–	–
Swaps	–	–	–	–	–	–
Futures contracts	–	–	7,091	–	–	–
Options (OTC)	–	–	–	–	–	–
Options (traded)	177	10	8,664	–	–	–
Total equities and indices	177	10	15,755	–	–	–
Other						
Forward contracts	–	–	–	–	–	–
Swaps	–	–	–	–	–	–
Futures contracts	–	–	–	–	–	–
Options (OTC)	2,000	–	23,700	–	–	–
Options (traded)	–	–	–	–	–	–
Total other	2,000	–	23,700	–	–	–
Total						
Current year	560,895	591,251	114,535,646	323,009	768,131	40,728,767
Previous year	600,783	617,327	86,026,614	447,271	1,080,986	38,254,180

18.2 Open derivative financial instruments by counterparty and time remaining to maturity

	Positive contract replacement value in 1,000 CHF	Negative contract replacement value in 1,000 CHF	Contract volume up to 1 year in 1,000 CHF	Contract volume 1 to 5 years in 1,000 CHF	Contract volume over 5 years in 1,000 CHF	Contract volume total in 1,000 CHF
Banks	876,151	1,356,945	78,136,693	57,664,625	16,765,950	152,567,268
Clients	7,185	2,297	1,103,603	165,126	50,000	1,318,729
Raiffeisen banks*	392	130	23,703	7,250	–	30,953
Stock exchanges	177	10	1,347,462	–	–	1,347,462
Total						
Current year	883,905	1,359,382	80,611,462	57,837,001	16,815,950	155,264,413
Previous year	1,048,054	1,698,313	66,526,658	43,061,721	14,692,415	124,280,794

* Primarily for clients' needs

No netting contracts are used to report the replacement values.

Quality of counterparties

Banks: Derivative transactions were conducted with counterparties primarily with a very good credit rating; 98.8% 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 1,000 CHF	EUR in 1,000 CHF	USD in 1,000 CHF	Other in 1,000 CHF	Total in 1,000 CHF
Fiduciary investments with third-party banks	–	–	891	16,376	17,267
Total fiduciary transactions	–	–	891	16,376	17,267
Previous year	–	833	916	4,095	5,843

Information on the income statement

20 Net interest income

	Current year in 1,000 CHF	Previous year in 1,000 CHF
Interest income from receivables from Raiffeisen banks	350,006	401,563
Interest income from receivables from other banks	9,577	13,977
Interest income from receivables from clients	152,548	151,376
Interest and dividend income from financial investments	52,877	71,410
Other interest income	14,763	14,761
Total interest and dividend income	579,771	653,087
Interest expenditure from liabilities to Raiffeisen banks	-110,909	-139,090
Interest expenditure from liabilities to other banks	-12,287	-25,542
Interest expenditure from liabilities to clients	-46,439	-58,071
Interest expenditure from bonds and Pfandbriefdarlehen	-122,449	-129,777
Other interest expenditure	-166,997	-186,069
Total interest expenditure	-459,081	-538,548
Total net interest income	120,690	114,539

21 Net income from commission business and service transactions

	Current year in 1,000 CHF	Previous year in 1,000 CHF
Commission income		
Commission income from lending business	5,837	7,876
Commission income from securities and investment business		
Fund business	8,440	7,618
Custody account business	18,700	20,508
Brokerage	15,584	13,202
Other securities and investment business	2,738	3,245
Commission income from other service transactions		
Payments	58,523	62,688
Account maintenance	2,156	2,568
Other service transactions	2,714	771
Total commission income	114,690	118,477
Commission expenditure		
Securities business	-28,236	-24,848
Payments	-5,148	-5,073
Other commission expenditure	-3,316	-593
Total commission expenditure	-36,700	-30,514
Total net income from commission business and service transactions	77,990	87,963

22 Net trading income

	Current year in 1,000 CHF	Previous year in 1,000 CHF
Foreign exchange trading	15,029	16,386
Precious metals and foreign notes and coins trading	34,397	31,536
Equities trading	496	-538
Fixed income trading	22,677	10,496
Total net trading income	72,599	57,880

23 Other ordinary income

	Current year in 1,000 CHF	Previous year in 1,000 CHF
IT services for Group companies	57,310	56,645
Other individual services provided for Group companies	92,470	88,936
Contributions from the Raiffeisen banks for collective and strategic services	45,815	48,149
Charges for internal services relating to Group projects	80,162	66,878
Other	1,889	2,006
Total other ordinary income	277,647	262,614

24 Personnel expenditure

	Current year in 1,000 CHF	Previous year in 1,000 CHF
Banking authorities, attendance fees and fixed emoluments	1,525	1,198
Salaries and bonuses for staff	253,454	250,733
AHV, IV, ALV and other statutory contributions	20,411	19,033
Contributions to staff pension plans	26,423	48,430
Ancillary staff expenses	6,786	6,903
Total personnel expenditure	308,600	326,297

25 Operating expenditure

	Current year in 1,000 CHF	Previous year in 1,000 CHF
Occupancy costs	16,470	17,077
Cost of computer equipment, machinery, furniture, vehicles and other equipment	48,223	50,636
Other operating expenditure	114,443	106,168
Total operating expenditure	179,136	173,880

26 Extraordinary income and expenditure**Current year**

Extraordinary income of CHF 21.6 million includes a guarantee payment of CHF 12.4 million. The payment was transferred to Notenstein Private Bank Ltd and the amount posted to extraordinary expenditure. Reserves for general banking risks totalling CHF 8 million were also reversed to extraordinary income.

Prior year

The extraordinary income of CHF 57.1 million contains CHF 56.5 million from appreciation on participations and CHF 0.4 million from the reversal of value adjustments and provisions that are no longer operationally required.

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 16 to 49), for the year ended on 31 December 2013.

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 2013 comply with Swiss law and the cooperative's articles of incorporation.

PricewaterhouseCoopers Ltd, Vadianstrasse 25a/Neumarkt 5, Postfach, 9001 St.Gallen
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PricewaterhouseCoopers Ltd is a member of a global network of companies that are legally independent of one another.



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

Beat Rütsche
Audit expert
Auditor in charge

Dominique Rey
Audit expert

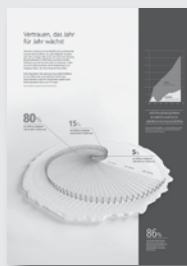
St.Gallen, 2 April 2014

Balance sheet – five-year overview

	2013 in 1,000 CHF	2012 in 1,000 CHF	2011 in 1,000 CHF	2010 in 1,000 CHF	2009 in 1,000 CHF
Assets					
Liquid funds	5,531,017	5,444,339	3,612,044	414,887	253,899
Receivables from money market securities	5	3	29	100,621	629
Receivables from Raiffeisen banks	4,633,236	5,621,429	6,802,231	7,674,235	6,528,587
Receivables from other banks	5,945,787	4,621,307	3,666,811	6,617,399	8,798,963
Receivables from clients	1,819,656	1,686,184	1,554,566	1,407,110	638,953
Mortgage receivables	6,946,585	6,332,422	5,800,145	4,983,123	4,398,955
Loans to clients	8,766,241	8,018,607	7,354,711	6,390,233	5,037,907
Trading portfolios in securities and precious metals	1,205,718	1,785,081	1,587,665	1,321,196	500,033
Financial assets	3,700,951	3,550,553	4,853,121	5,681,657	6,668,188
Participations	1,112,266	1,041,887	395,843	449,696	380,408
Tangible fixed assets	257,274	269,253	279,610	279,032	273,197
Accrued income and prepaid expenses	237,924	268,117	334,523	334,163	334,852
Other assets	1,359,916	1,662,846	1,813,649	1,665,903	1,728,051
Total assets	32,750,335	32,283,422	30,700,239	30,929,023	30,504,714
Liabilities					
Liabilities to Raiffeisen banks	9,975,138	9,013,091	7,775,602	6,675,793	7,509,323
Liabilities to other banks	6,806,169	6,064,572	6,601,702	8,558,934	9,822,687
Liabilities to clients in the form of savings and investment deposits	4,649,083	4,322,039	3,419,676	3,085,362	2,868,569
Other liabilities to clients	2,386,928	3,029,588	3,377,660	5,123,804	4,354,515
Medium-term notes	355,733	469,247	543,451	522,227	652,191
Client monies	7,391,744	7,820,873	7,340,787	8,731,393	7,875,275
Bonds and mortgage bond loans	5,189,780	5,659,430	5,572,160	3,979,700	2,693,000
Accrued expenses and deferred income	262,461	261,004	251,074	254,086	222,356
Other liabilities	1,762,055	2,106,838	2,212,958	1,822,343	1,491,991
Value adjustments and provisions	37,492	30,700	39,709	39,075	36,809
Reserves for general banking risks	281,700	289,700	289,700	347,300	339,000
Cooperative capital	850,000	850,000	450,000	360,000	360,000
General statutory reserves	157,214	152,147	146,000	139,873	134,172
Annual profit	36,582	35,067	20,547	20,528	20,100
Total equity capital	1,325,496	1,326,914	906,247	867,700	853,273
Total liabilities	32,750,335	32,283,422	30,700,329	30,929,023	30,504,714

Income statement – five-year overview

	2013 in 1,000 CHF	2012 in 1,000 CHF	2011 in 1,000 CHF	2010 in 1,000 CHF	2009 in 1,000 CHF
Interest and discount income	526,894	581,677	604,103	605,060	663,529
Interest and dividend income from financial assets	52,877	71,410	83,865	91,391	97,687
Interest expenditure	-459,081	-538,548	-557,092	-571,114	-663,983
Net interest income	120,690	114,539	130,575	125,338	97,233
Commission income lending business	5,837	7,876	5,751	4,238	4,236
Commission income securities and investment business	45,461	44,573	48,381	55,035	54,085
Commission income other service transactions	63,392	66,027	65,304	58,016	52,654
Commission expenditure	-36,700	-30,514	-37,968	-45,358	-47,824
Net income from commission business and service transactions	77,990	87,963	81,469	71,930	63,150
Net trading income	72,599	57,880	47,720	41,861	50,320
Income from sale of financial assets	193	-1,823	-973	50	-365
Income from participating interests	51,477	22,367	24,366	22,338	20,178
Income from real estate	3,375	3,241	2,945	3,052	3,212
Other ordinary income	277,647	262,614	257,644	275,663	273,026
Other ordinary expenditure	-33,389	-18,346	-7,434	-1,439	-220
Other ordinary result	299,303	268,053	276,548	299,665	295,831
Operating income	570,583	528,435	536,612	538,794	506,534
Personnel expenditure	-308,600	-326,297	-300,447	-288,114	-292,892
Operating expenditure	-179,136	-173,880	-161,500	-148,358	-154,770
Total operating expenditure	-487,736	-500,177	-461,947	-436,473	-447,662
Gross profit	82,847	28,258	74,665	102,321	58,871
Depreciation on fixed assets	-41,457	-46,619	-99,031	-69,896	-92,395
Value adjustments, provisions and losses	-12,929	-1,785	-13,592	-4,222	-2,243
Operating profit (interim result)	28,460	-20,146	-37,958	28,203	-35,767
Extraordinary income	21,624	57,093	59,635	3,764	74,107
Extraordinary expenditure	-12,417	-165	-193	-6,160	-12,640
Taxes	-1,086	-1,715	-938	-5,280	-5,600
Annual profit	36,582	35,067	20,547	20,528	20,100



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Imprint

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