

RAIFFEISEN

Regulatory disclosure
as at 31 March 2021

REGULATORY DISCLOSURE

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

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Key abbreviations

Key abbreviations

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

Introduction

Raiffeisen Group

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

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

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

Capital adequacy calculations are based on the same group of consolidated companies as the consolidated accounts. On 16 June 2014, the Swiss National Bank (SNB) issued an order classifying the Raiffeisen Group as systemically important. The provisions covering systemic importance require an additional capital adequacy disclosure. The corresponding information on risk-weighted capital adequacy and unweighted capital adequacy (leverage ratio) is available in note 3 to this disclosure.

Raiffeisen Switzerland

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

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

According to the FINMA order of 2 November 2020, at the Raiffeisen Switzerland level, disclosure requirements in the form of tables "KM1: Basic regulatory key figures" and "Annex 3: Disclosures for systemically important banks" will initially apply as at 31 March 2021.

RAIFFEISEN GROUP

Key metrics

KM1: Key metrics

Key metrics

	a	b	c	d	e
in CHF million (unless stated otherwise)	31.03.2021	31.12.2020	30.09.2020	30.06.2020	31.03.2020
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	17,961	17,883	17,085	16,959	16,920
2 Tier 1	19,045	18,776	17,485	17,934	17,895
3 Total capital	19,710	19,151	17,485	18,073	18,037
Risk-weighted assets (amounts)¹					
4 Total risk-weighted assets (RWA)	95,330	93,545	95,033	99,928	98,651
4a Minimum capital requirement	7,626	7,484	7,603	7,994	7,892
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	18.8%	19.1%	18.0%	17.0%	17.2%
6 Tier 1 ratio (%)	20.0%	20.1%	18.4%	17.9%	18.1%
7 Total capital ratio (%)	20.7%	20.5%	18.4%	18.1%	18.3%
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital buffer in accordance with Basel Minimum Standards (as of 2019 2.5%) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9 Countercyclical buffer (Article 44a CAO) in accordance with the Basel Minimum Standards (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10 Additional capital buffer due to national or international systemic importance (%)	0.0%	0.0%	0.0%	0.0%	0.0%
11 Overall buffer requirements in accordance with the Basel Minimum Standards in CET1 quality (%)	2.5%	2.5%	2.5%	2.5%	2.5%
12 Available CET1 to cover buffer requirements in accordance with Basel Minimum Standards (after deducting CET1 from the cover of the minimum requirements and possibly to cover the TLAC requirements) (%)	11.3%	11.6%	9.5%	9.3%	9.5%
Target capital ratios in accordance with note 8 of the CAO²					
12b Countercyclical buffer (Articles 44 and 44a CAO)	0.0%	0.0%	0.0%	0.0%	0.0%
Basel III Leverage Ratio³					
13 Total exposure (CHF)	278,207	263,303	278,652	270,279	256,711
14 Basel III leverage ratio (%)	6.8%	7.1%	6.3%	6.6%	7.0%
Liquidity Coverage Ratio⁴					
15 Total HQLA	46,921	47,789	42,473	35,380	31,613
16 Total net cash outflow	27,893	29,983	29,105	26,071	22,206
17 LCR ratio (%)	168.2%	159.4%	145.9%	135.7%	142.4%

1 The adoption of the IRB approach as of 30 September 2019 reduced the risk-weighted assets (RWAs). An IRB floor of 90% was used in the second year in accordance with the transitional provisions.

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

3 The leverage ratio shown here relates to the calculation taking into account central bank deposits, i.e. without relief. This illustration was selected against the background of the loss of this relief as of 01.01.2021.

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

Appendix 3: Disclosure requirements for systemically important banks

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

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

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

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

31.03.2021	Transition rules		Final rules (without transitional provisions) ¹	
	CHF million	In % Ratio	CHF million	In % Ratio
Basis of assessment				
Risk-weighted positions (RWA)	95,330		95,330	
Risk-based capital requirements («going-concern») on the basis of capital ratios				
Total	13,103	13.744%	13,103	13.744%
of which CET1: Minimum	4,290	4.500%	4,290	4.500%
of which CET1: Capital buffer	4,714	4.944%	4,714	4.944%
of which CET1: Anti-cyclical capital buffer	–	0.000%	–	0.000%
of which AT1: Minimum	3,337	3.500%	3,337	3.500%
of which AT1: Capital buffer	763	0.800%	763	0.800%
Eligible capital («going-concern»)				
Core capital (Tier1)	18,355	19.254%	16,144	16.934%
of which CET1	17,271	18.117%	15,060	15.797%
of which AT1 High-trigger	1,084	1.137%	1,084	1.137%
Risk-based capital requirements for loss absorbing capital («gone-concern») on the basis of capital ratios				
Total according size and market share (reflection going-concern-requirement)	1,830	1.920%	5,041	5.288%
Reduction due to fulfillment with going-concern capital	–345	–0.362%	–1,451	–1.522%
Total (net)	1,485	1.558%	3,590	3.766%
Eligible loss absorbing capital («gone-concern»)				
Total	1,485	1.558%	3,696	3.877%
of which CET1, which is used to fulfill gone-concern requirements	691	0.724%	2,902	3.044%
of which Bail-in Bonds	795	0.833%	795	0.833%

¹ Gone-concern capital requirements after transitional phase as of 1st January 2026.

² Requirements in terms of additional loss-absorbing funds are based on the total requirement consisting of the basic requirements and the mark-ups pursuant to Article 129 CAO. In the case of a systemically important bank that does not operate internationally, these amount to 40% of the total requirement. If a systemically important bank holds the additional funds in the form of "hard" core capital, the requirement pursuant to Article 132 (4) CAO is reduced. The requirements may be reduced by one third at the most. Since Raiffeisen reclassifies excess CET1 going-concern capital to meet the gone-concern requirements, this reduction can be used, which is why the figures shown take into account the reduction pursuant to Article 132 (4) CAO. A higher CET1 amount is reclassified in the column "final rules", which explains the lower eligible capital (going-concern) compared to the transitional rules.

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

31.03.2021	Transition rules		Final rules (without transitional provisions) ¹	
	CHF million	In % LRD	CHF million	In % LRD
Basis of assessment				
Overall exposure	278,207		278,207	
Unweighted adequacy capital requirements («going-concern») on the basis of the leverage ratio				
Total	12,867	4.625%	12,867	4.625%
of which CET1: Minimum	4,173	1.500%	4,173	1.500%
of which CET1:Capital buffer	4,521	1.625%	4,521	1.625%
of which AT1: Minimum	4,173	1.500%	4,173	1.500%
Eligible capital («going-concern»)				
Core capital (Tier1)	18,355	6.597%	16,144	5.803%
of which CET1	17,271	6.208%	15,060	5.413%
of which AT1 High-trigger	1,084	0.390%	1,084	0.390%
Unweighted adequacy capital requirements for loss absorbing capital («gone-concern») on the basis of the leverage ratio				
Total according size and market share (reflection going-concern-requirement)	1,753	0.630%	5,147	1.850%
Reduction due to providing additional capital in terms of conversion capital according to CAO Art. 132 ²	-345	-0.124%	-1,451	-0.521%
Total (net)	1,407	0.506%	3,696	1.329%
Eligible loss absorbing capital («gone-concern»)				
Total	1,485	0.534%	3,696	1.329%
of which CET1, which is used to fulfill gone-concern requirements	691	0.248%	2,902	1.043%
of which Bail-in Bonds	795	0.286%	795	0.286%

¹ Gone-concern capital requirements after transitional phase as of 1st January 2026.

² Requirements in terms of additional loss-absorbing funds are based on the total requirement consisting of the basic requirements and the mark-ups pursuant to Article 129 CAO. In the case of a systemically important bank that does not operate internationally, these amount to 40% of the total requirement. If a systemically important bank holds the additional funds in the form of "hard" core capital, the requirement pursuant to Article 132 (4) CAO is reduced. The requirements may be reduced by one third at the most. Since Raiffeisen reclassifies excess CET1 going-concern capital to meet the gone-concern requirements, this reduction can be used, which is why the figures shown take into account the reduction pursuant to Article 132 (4) CAO. A higher CET1 amount is reclassified in the column "final rules", which explains the lower eligible capital (going-concern) compared to the transitional rules.

RAIFFEISEN SWITZERLAND

Key metrics

KM1: Key metrics

KM1: Key metrics¹

	a	b	c	d	e
in CHF million (unless stated otherwise)	31.03.2021	31.12.2020	30.09.2020	30.06.2020	31.03.2020
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	1,801	1,801			
2 Tier 1	2,884	2,693			
3 Total capital	3,597	3,085			
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	15,723	15,193			
4a Minimum capital requirement	1,258	1,215			
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	11.5%	11.9%			
6 Tier 1 ratio (%)	18.3%	17.7%			
7 Total capital ratio (%)	22.9%	20.3%			
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital buffer in accordance with Basel Minimum Standards (as of 2019 2.5%) (%)	2.5%	2.5%			
9 Countercyclical buffer (Article 44a CAO) in accordance with the Basel Minimum Standards (%)	0.0%	0.0%			
10 Additional capital buffer due to national or international systemic importance (%)	0.0%	0.0%			
11 Overall buffer requirements in accordance with the Basel Minimum Standards in CET1 quality (%)	2.5%	2.5%			
12 Available CET1 to cover buffer requirements in accordance with Basel Minimum Standards (after deducting CET1 from the cover of the minimum requirements and possibly to cover the TLAC requirements) (%)	7.0%	7.4%			
Target capital ratios in accordance with note 8 of the CAO²					
12b Countercyclical buffer (Articles 44 and 44a CAO)	0.0%	0.0%			
Basel III Leverage Ratio³					
13 Total exposure (CHF)	83,780	70,568			
14 Basel III leverage ratio (%)	3.4%	3.8%			
Liquidity Coverage Ratio⁴					
15 Total HQLA	47,243	48,084			
16 Total net cash outflow	30,942	32,538			
17 LCR ratio (%)	152.7%	147.8%			

¹ The KM1 table at individual institution level will be disclosed for the first time as of 31 March 2021. The figures as of 31 December 2020 are listed in addition for comparison purposes.

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

³ The leverage ratio shown here relates to the calculation taking into account central bank deposits, i.e. without relief.

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

Appendix 3: Disclosure requirements for systemically important banks

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

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

31.03.2021	Transition rules		Final rules (without transitional provisions) ¹	
	CHF million	In % Ratio	CHF million	In % Ratio
Basis of assessment				
Risk-weighted positions (RWA)	15,723		15,723	
Risk-based capital requirements («going-concern») on the basis of capital ratios				
Total	2,079	13.220%	2,079	13.220%
of which CET1: Minimum	708	4.500%	708	4.500%
of which CET1: Capital buffer	695	4.420%	695	4.420%
of which CET1: Anti-cyclical capital buffer	–	0.000%	–	0.000%
of which AT1: Minimum	550	3.500%	550	3.500%
of which AT1: Capital buffer	126	0.800%	126	0.800%
Eligible capital («going-concern»)				
Core capital (Tier1)	2,884	18.346%	2,381	15.143%
of which CET1	1,801	11.452%	1,297	8.249%
of which AT1 High-trigger	1,084	6.894%	1,084	6.894%
Risk-based capital requirements for loss absorbing capital («gone-concern») on the basis of capital ratios				
Total according size and market share (reflection going-concern-requirement)	302	1.920%	831	5.288%
Reduction due to fulfillment with going-concern capital	–	0.000%	–252	–1.602%
Total (net)	302	1.920%	580	3.686%
Eligible loss absorbing capital («gone-concern»)				
Total	795	5.053%	1,298	8.256%
of which CET1, which is used to fulfill gone-concern requirements	–	0.000%	504	3.203%
of which Bail-in Bonds	795	5.053%	795	5.053%

¹ Gone-concern capital requirements after transitional phase as of 1st January 2026.

² Requirements in terms of additional loss-absorbing funds are based on the total requirement consisting of the basic requirements and the mark-ups pursuant to Article 129 CAO. In the case of a systemically important bank that does not operate internationally, these amount to 40% of the total requirement. If a systemically important bank holds the additional funds in the form of "hard" core capital, the requirement pursuant to Article 132 (4) CAO is reduced. The requirements may be reduced by one third at the most. Since Raiffeisen reclassifies excess CET1 going-concern capital to meet the gone-concern requirements, this reduction can be used, which is why the figures shown take into account the reduction pursuant to Article 132 (4) CAO. A higher CET1 amount is reclassified in the column "final rules", which explains the lower eligible capital (gone-concern) compared to the transitional rules.

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

31.03.2021	Transition rules ¹		Final rules (without transitional provisions) ²	
	CHF million	In % LRD	CHF million	In % LRD
Basis of assessment				
Overall exposure	83,780		83,780	
Unweighted adequacy capital requirements («going-concern») on the basis of the leverage ratio				
Total	2,513	3.000%	3,875	4.625%
of which CET1: Minimum	1,257	1.500%	1,257	1.500%
of which CET1:Capital buffer	–	0.000%	1,361	1.625%
of which AT1: Minimum	1,257	1.500%	1,257	1.500%
Eligible capital («going-concern»)				
Core capital (Tier1)	2,884	3.443%	2,381	2.842%
of which CET1	1,801	2.149%	1,297	1.548%
of which AT1 High-trigger	1,084	1.294%	1,084	1.294%
Unweighted adequacy capital requirements for loss absorbing capital («gone-concern») on the basis of the leverage ratio				
Total according size and market share (reflection going-concern-requirement)	528	0.630%	1,550	1.850%
Reduction due to providing additional capital in terms of conversion capital according to CAO Art. 132 ³	–	0.000%	–252	–0.301%
Total (net)	528	0.630%	1,298	1.549%
Eligible loss absorbing capital («gone-concern»)				
Total	795	0.948%	1,298	1.549%
of which CET1, which is used to fulfill gone-concern requirements	–	0.000%	504	0.601%
of which Bail-in Bonds	795	0.948%	795	0.948%

¹ In application of article 4 (3) Banking Act, Raiffeisen Switzerland is granted relief in the form of an extension of the transitional provisions until 31 December 2028.

² Gone-concern capital requirements after transitional phase as of 31st December 2028.

³ Requirements in terms of additional loss-absorbing funds are based on the total requirement consisting of the basic requirements and the mark-ups pursuant to Article 129 CAO. In the case of a systemically important bank that does not operate internationally, these amount to 40% of the total requirement. If a systemically important bank holds the additional funds in the form of "hard" core capital, the requirement pursuant to Article 132 (4) CAO is reduced. The requirements may be reduced by one third at the most. Since Raiffeisen reclassifies excess CET1 going-concern capital to meet the gone-concern requirements, this reduction can be used, which is why the figures shown take into account the reduction pursuant to Article 132 (4) CAO. A higher CET1 amount is reclassified in the column "final rules", which explains the lower eligible capital (going-concern) compared to the transitional rules.

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