

RAIFFEISEN

Information on the liquidity coverage ratio (LCR)

	Q3 2015		Q4 2015	
	Unweighted values (monthly averages) in 1000 CHF	Weighted values (monthly averages) in 1000 CHF	Unweighted values (monthly averages) in 1000 CHF	Weighted values (monthly averages) in 1000 CHF
High-quality liquid assets (HQLA)				
1 Total high-quality liquid assets (HQLA)		19'732'720		20'714'985
Cash outflows				
2 Retail deposits	104'803'498	10'368'799	107'221'985	10'647'949
3 of which stable deposits	6'000'000	300'000	6'000'000	300'000
4 of which less stable deposits	98'803'498	10'068'799	101'221'985	10'347'949
5 Unsecured business-client or wholesale funding	14'131'740	8'365'650	14'403'861	8'327'050
6 of which operational deposits (all counterparties) and deposits with the central institution of a cooperative bank network	-	-	-	-
7 of which non-operational deposits (all counterparties)	14'098'321	8'332'230	14'365'235	8'288'424
8 of which unsecured debt securities	33'420	33'420	38'626	38'626
9 Secured business client or wholesale funding and collateral swaps		203'574		33'771
10 Other cash outflows	7'224'659	2'623'192	7'677'548	2'675'276
11 of which cash outflows related to derivative exposures and other transactions	1'500'135	1'500'135	1'459'975	1'459'975
12 of which cash outflows related to loss of funding on asset-backed securities, covered bonds, other structured finance, asset-backed commercial paper, conduits, securities investment vehicles and other such financing facilities	109'933	109'933	131'033	131'033
13 of which cash outflows from committed credit and liquidity facilities	5'614'591	1'013'123	6'086'539	1'084'267
14 Other contractual funding obligations	2'222'573	1'439'541	2'671'827	1'827'653
15 Other contingent funding obligations	1'911'265	95'563	2'332'391	116'620
16 Total cash outflows		23'096'319		23'628'318
Cash inflows				
17 Secured funding transactions (e.g. reverse repo transactions)	158'867	33'643	8'472	8'472
18 Inflows from fully performing exposures	2'363'092	1'580'060	2'769'785	1'925'611
19 Other cash inflows	485'892	485'892	712'100	712'100
20 Total cash inflows		2'099'595		2'646'183
		Adjusted value		Adjusted value
21 Total high-quality liquid assets (HQLA)		19'732'720		20'714'985
22 Total net cash outflows		20'996'724		20'982'135
23 Liquidity coverage ratio (LCR) (%)		93.98%		98.73%

Qualitative disclosure of the liquidity coverage ratio (LCR)

Art. 12 of the Liquidity Ordinance requires the Raiffeisen Group to comply with the liquidity coverage ratio (LCR). The LCR is intended to ensure that banks hold sufficient high-quality liquid assets (HQLA) in order to cover, at all times, the net cash outflow that could be expected in a standard stress scenario for 30 days, as defined by outflow and inflow assumptions. The published LCR metrics are based on simple monthly averages of the corresponding reporting quarters.

Raiffeisen focuses on the domestic savings and mortgage market. Due to its low degree of dependence on major clients and broad diversification among private clients, its funding sources are minimally concentrated.

Loans to clients are funded largely by customer deposits (91%) and additionally through central mortgage institution loans and Raiffeisen bonds. The money market is used solely for tactical management of the liquidity buffer. This maximises the immunisation against risks on the money market.

Private client deposits are responsible for the largest portion of liquidity requirements (No. 2). As expected, growth in private client deposits increased liquidity requirements in the second half of the year. The bank creditor portfolio was tactically expanded further. On the one hand, this led to an increase in cash outflows for "unsecured business client or major client funding" (No. 5) and, on the other, to a rise in the HQLA portfolio (No. 1). 80% of the HQLA portfolio consists of category 1 assets. This includes 85% in deposits with the Swiss National Bank, after position-squaring. The remaining category 1 assets consist primarily of cash and public sector bonds rated at least AA-. After position-squaring, Swiss central mortgage institution loans represent almost 90% of the category 2 assets, which make up 20% of the HQLA portfolio. The remaining 10% are primarily public sector bonds and covered bonds rated at least A-. Cash outflows relating to the interest rate hedging portfolio have remained stable (No. 11). The remaining positions have undergone continuous development within the scope of the growth in total assets.

The Raiffeisen Group does not have any significant foreign exchange operations resulting from its core business. Due to the low level of lending business in foreign currencies, foreign currency liabilities are transferred to Swiss francs using the matched-period method.

The Raiffeisen Group has centralised liquidity risk management, which is performed by Raiffeisen Switzerland's Treasury department. It manages the liquidity of the Raiffeisen Group based on regulatory requirements and internal target parameters. The individual Raiffeisen banks are required to deposit their portion of the liquidity requirements with Raiffeisen Switzerland. Raiffeisen Switzerland's Treasury department manages the liquidity reserve centrally and organises the liquidity transfer within the Group.

Due to its classification as a systemically important bank, Raiffeisen has been required to maintain a short-term liquidity coverage ratio of at least 100% since 1 January 2016. The initiated changes will enable the Raiffeisen Group to meet this requirement.