

# RAIFFEISEN

## Information on the liquidity coverage ratio (LCR)

	Q1 2016		Q2 2016	
	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)		20'421'812		21'409'593
Cash outflows				
2 Retail deposits	68'573'440	6'742'453	69'814'785	6'863'018
3 of which stable deposits	6'000'000	300'000	6'000'000	300'000
4 of which less stable deposits	62'573'440	6'442'453	63'814'785	6'563'018
5 Unsecured business-client or wholesale funding	11'468'621	6'683'056	11'925'281	7'082'514
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)	11'421'250	6'635'685	11'655'507	6'812'740
8 of which unsecured debt securities	47'371	47'371	269'775	269'775
9 Secured business client or wholesale funding and collateral swaps		-		-
10 Other cash outflows	7'621'998	2'655'464	7'741'958	2'843'623
11 of which cash outflows related to derivative exposures and other transactions	1'483'455	1'483'455	1'641'272	1'641'272
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	86'033	86'033	134'267	134'267
13 of which cash outflows from committed credit and liquidity facilities	6'052'509	1'085'975	5'966'419	1'068'084
14 Other contractual funding obligations	2'973'564	1'940'514	3'004'651	2'108'329
15 Other contingent funding obligations	2'779'889	138'994	3'527'122	176'356
16 Total cash outflows		18'160'481		19'073'841
Cash inflows				
17 Secured funding transactions (e.g. reverse repo transactions)	11'255	11'255	-	-
18 Inflows from fully performing exposures	3'074'549	2'041'499	2'891'741	1'995'418
19 Other cash inflows	251'052	251'052	144'186	144'186
20 Total cash inflows		2'303'806		2'139'604
		Adjusted value		Adjusted value
21 Total high-quality liquid assets (HQLA)		20'421'812		21'409'593
22 Total net cash outflows		15'856'675		16'934'237
23 Liquidity coverage ratio (LCR) (%)		128.79%		126.43%

#### 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.

Of the portfolio of high-quality liquid assets (HQLA), 80% consist of category 1 assets, 90% of which are held as liquid funds. The remaining category 1 assets are mainly public sector bonds with a minimum rating of AA-. Of the category 2 assets, which account for 20% of the HQLA portfolio, 90% consist of Swiss mortgage bonds. The remaining 10% largely consist of public sector bonds as well as covered bonds with a rating of at least A-. The increase of the HQLA portfolio (no. 1) was mainly caused by the higher growth in client deposits as compared to the loans to clients. Private client deposits account for the major part of the liquidity requirement (no. 2). Due to the measures taken in connection with client deposit withdrawal provisions, the liquidity requirement was significantly reduced in the first quarter of 2016 (no. 2, 5). The increase in the balance of other contingent liabilities is the result of the growth in structured product issues, though these merely cause a minor liquidity requirement (no. 15). The cash outflows in connection with the derivatives portfolio (no. 11) continually developed like the other positions 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.