

# Information on the liquidity coverage ratio (LCR) as of 30.06.2017

		Q1 2017		Q2 2017	
		Unweighted values (monthly averages) in 1,000 CHF	Weighted values (monthly averages) in 1,000 CHF	Unweighted values (monthly averages) in 1,000 CHF	Weighted values (monthly averages) in 1,000 CHF
<b>High-quality liquid assets (HQLA)</b>					
1	Total high-quality liquid assets (HQLA)		22,287,906		22,188,202
<b>Cash outflows</b>					
2	Retail deposits	86,151,140	8,502,670	87,731,077	8,709,333
3	of which stable deposits	6,000,000	300,000	6,000,000	300,000
4	of which less stable deposits	80,151,140	8,202,670	81,731,077	8,409,333
5	Unsecured business-client or wholesale funding	12,256,785	7,382,826	12,325,600	7,509,737
6	of which operational deposits (all counterparties) and deposits with the central institution of a cooperative bank network	21,981	5,495	9,546	2,386
7	of which non-operational deposits (all counterparties)	12,215,858	7,358,384	12,176,010	7,367,306
8	of which unsecured debt securities	18,947	18,947	140,044	140,044
9	Secured business client or wholesale funding and collateral swaps		9,726		4,427
10	Other cash outflows	7,299,504	2,394,169	6,802,314	1,940,791
11	of which cash outflows related to derivative exposures and other transactions	1,203,152	1,203,152	769,949	769,949
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	94,802	94,802	106,920	106,920
13	of which cash outflows from committed credit and liquidity facilities	6,001,551	1,096,215	5,925,445	1,063,922
14	Other contractual funding obligations	4,225,367	2,796,214	3,661,884	2,376,560
15	Other contingent funding obligations	3,544,168	177,208	2,813,380	140,669
<b>16</b>	<b>Total cash outflows</b>		<b>21,262,813</b>		<b>20,681,516</b>
<b>Cash inflows</b>					
17	Secured funding transactions (e.g. reverse repo transactions)	116,395	5,730	99,347	4,868
18	Inflows from fully performing exposures	4,001,800	2,535,034	3,944,328	2,625,888
19	Other cash inflows	246,498	246,498	196,046	196,046
<b>20</b>	<b>Total cash inflows</b>	<b>4,364,692</b>	<b>2,787,262</b>	<b>4,239,721</b>	<b>2,826,803</b>
			Adjusted value		Adjusted value
<b>21</b>	<b>Total high-quality liquid assets (HQLA)</b>		<b>22,287,906</b>		<b>22,188,202</b>
<b>22</b>	<b>Total net cash outflows</b>		<b>18,475,551</b>		<b>17,854,714</b>
<b>23</b>	<b>Liquidity coverage ratio (LCR) (%)</b>		<b>120.63%</b>		<b>124.27%</b>

# 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 the daily closing averages of all business days in 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 (92%) 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), 79% 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 21% of the HQLA portfolio, 93% consist of Swiss mortgage bonds. The remaining 7% largely consist of public sector bonds as well as covered bonds with a rating of at least A-. Net cash outflows (no. 22) remained constant over the last two reporting periods. The HQLA portfolio (no. 1) was slightly reduced, resulting in a drop of the short-term liquidity coverage ratio (no. 23). The liquidity requirement for private client deposits (no. 2) is higher because an outflow factor has been applied to a portion of private client deposits with withdrawal restrictions since the last reporting period. Cash outflows relating to the derivatives portfolio (no. 11) have declined because of lower market fluctuations in the last two years. The remaining positions have continuously developed 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.