

Eligible capital under regulatory rules - transfer to balance sheet values

	30.6.2016 in 1,000 CHF	31.12.2015 in 1,000 CHF	Reference ¹
Balance sheet			
Assets			
Liquid funds	19'514'094	18'907'231	
Receivables from banks	6'029'817	3'811'404	
Amounts due from securities financing transactions	368'883	391'404	
Receivables from clients	7'974'348	7'885'116	
Mortgage receivables	162'006'810	158'593'585	
Trading portfolio assets	3'018'893	2'115'027	
Positive replacement values of derivative financial instruments	2'197'813	1'795'296	
Financial assets	7'266'671	6'877'419	
Accrued income and prepaid expenses	332'733	225'196	
Non-consolidated participations	768'850	731'891	
Tangible assets	2'512'600	2'475'780	
Intangible assets	489'604	512'757	
<i>of which goodwill</i>	489'604	512'757	(I)
Other assets	1'058'209	1'426'065	
Total assets	213'539'325	205'748'171	
Liabilities			
Liabilities to banks	10'872'819	7'803'302	
Liabilities from securities financing transactions	2'312'830	4'084'475	
Amounts due in respect of customer deposits	154'244'271	150'272'350	
<i>of which subordinated time deposits, eligible as supplementary capital (T2)</i>	77'371	77'430	(II)
Trading portfolio liabilities	122'749	105'139	
Negative replacement values of derivative financial instruments	3'054'957	2'397'684	
Liabilities from other financial instruments at fair value	1'624'313	870'029	
Medium-term notes	1'385'836	1'647'436	
Bonds and Pfandbriefdarlehen	24'288'926	23'470'245	
<i>of which subordinated bond, eligible as additional core capital (AT1)²</i>	1'149'340	1'150'000	(III)
<i>of which subordinated bond, eligible as supplementary capital (T2) - phase out</i>	319'686	369'933	(IV)
Accrued expenses and deferred income	835'555	711'202	
Other liabilities	97'727	183'016	
Provisions	894'804	877'574	
<i>of which deferred taxes for untaxed reserves</i>	851'992	830'813	
Cooperative capital	1'394'629	1'248'277	
<i>of which eligible as "hard" core capital (CET1)</i>	1'394'629	1'248'277	(V)
Retained earnings	12'036'214	11'262'202	(VI)
Currency translation reserve	30	11	-
Group profit	366'623	807'662	(VII)
Minority interests in equity capital	7'042	7'567	
<i>of which eligible as "hard" core capital (CET1)</i>	-	-	(VIII)
Total capital (with minority interests)	13'804'538	13'325'719	
Total liabilities	213'539'325	205'748'171	

1 The references refer to table 'Minimum capital requirement and eligible regulatory capital'

2 Current year: of which convertible capital with a low trigger level amounting to CHF 549 million

Minimum capital requirement and eligible regulatory capital

	30.06.2016		31.12.2015		31.12.2014	
	Basel III		Basel III		Basel III	
	Current year risk-weighted positions	Required capital	Current year risk-weighted positions	Required capital	Current year risk-weighted positions ¹	Required capital
	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF	in 1000 CHF
Minimum capital requirement						
Credit risk (standard approach BIZ)						
Receivables from banks	463'081	37'046	364'180	29'134	976'731	78'138
Receivables from clients	5'245'685	419'655	5'024'441	401'955	4'958'101	396'648
Mortgage receivables	68'232'694	5'458'616	66'658'223	5'332'658	63'543'490	5'083'479
Positive replacement values of derivative financial instruments	49'605	3'968	57'537	4'603	44'155	3'532
Accrued income and prepaid expenses	189'758	15'181	107'612	8'609	74'451	5'956
Other assets	146'778	11'742	141'568	11'325	141'822	11'346
Net interest positions outside trading book	1'053'683	84'295	1'223'393	97'871	880'541	70'442
Net equity positions outside trading book ²	2'038'825	163'106	1'969'847	157'588	1'743'186	139'455
Contingent liabilities	300'359	24'029	157'413	12'593	121'625	9'730
Irrevocable commitments	1'368'747	109'500	1'311'506	104'920	996'163	79'693
Call commitments and additional funding obligations	118'542	9'483	105'959	8'477	96'676	7'734
Add-ons for forward contracts and options purchased	175'098	14'008	191'698	15'336	193'572	15'486
Unsettled transactions		4	-	2	-	3
Guarantee obligations to central counterparties (CCPs)		335				
CVA (standard approach)		9'469				
Mandatory capital for credit risks and other credit risk positions		6'360'436		6'197'445		5'912'775
Non-counterparty-related risks						
Real estate (including real estate in financial assets)	2'310'488	184'839	2'251'938	180'155	2'166'113	173'289
Other tangible assets/other recognized assets subject to depreciation	237'463	18'997	251'888	20'151	268'875	21'510
Mandatory capital for non-counterparty-related risk		203'836		200'306		194'799
Market risks (standard approach)						
Interest rate instruments - general market risk		112'941		100'324		78'931
Interest rate instruments - specific risks		36'650		25'495		30'941
Equity instruments		24'702		17'143		19'443
Foreign currencies and gold		5'383		8'909		14'824
Other precious metals		12'585		11'764		12'563
Options		21		185		281
Mandatory capital for market risks		192'282		163'820		156'983
Mandatory capital for operational risks (basic indicator method)		438'779		435'109		417'073
Total mandatory capital		7'195'333		6'996'680		6'681'630

Eligible capital	30.06.2016 Reference ³	31.12.2015 Reference ³	31.12.2014 Reference ³
Capital social	1'394'629 (V)	1'248'277 (V)	747'742 (V)
Retained earnings	12'036'214 (VI)	11'262'202 (VI)	10'532'510 (VI)
Group profit ⁴	348'623 (VII)	773'362 (VII)	727'458 (VII)
Minority interests	- (VIII)	- (VIII)	- (VIII)
Total "hard" core capital (CET1) before adjustments	13'779'466	13'283'841	12'007'710
Goodwill	-489'604 (I)	-512'757 (I)	-288'634 (I)
Participations to be consolidated (CET1 instruments)	-	-	-
Total CET1 adjustments	-489'604	-512'757	-288'634
Total eligible "hard" core capital (net CET1)	13'289'862	12'771'084	11'719'076
Additional core capital (AT1) ⁵	1'149'340 (III)	1'150'000 (III)	550'000 (III)
Deductions from AT1 capital	-	-	-
Total eligible core capital (net Tier 1)	14'439'202	13'921'084	12'269'076
Supplementary capital (Tier 2)	397'057	447'363	490'618
of which fully eligible	77'371 (II)	77'430 (II)	62'618 (II)
of which temporarily applied (phase out)	319'686 (IV)	369'933 (IV)	428'000 (IV)
Deductions from supplementary capital (Tier 2)	-	-	-
Total eligible capital (regulatory capital)	14'836'259	14'368'447	12'759'694
Total risk-weighted assets	89'941'657	87'458'514	83'520'381
Capital ratios			
CET1 ratio	14.8%	14.6%	14.0%
Tier 1 ratio	16.1%	15.9%	14.7%
Total capital ratio	16.5%	16.4%	15.3%
CET1 minimum requirement under Capital Adequacy Ordinance (CAO) transitional provisions	6.3%	5.7%	5.2%
of which capital buffer under the CAO	0.6%	0.0%	0.0%
of which countercyclical buffer (CCP)	1.2%	1.2%	1.2%
Available CET1 (after deducting CET1 to cover minimum requirements for AT1 and T2 ratios)	13.0%	12.9%	11.3%
CET1 capital target according to FINMA Circular 2011/2 (including CCP)	10.4%	10.4%	10.4%
Available CET1 (after deducting CET1 to cover AT1 and T2 target ratios)	11.3%	11.2%	10.1%
Tier 1 capital target according to FINMA Circular 2011/2 (including CCP)	12.6%	12.6%	12.6%
Available Tier 1 (after deducting CET1 to cover T2 target ratios)	13.5%	13.4%	12.3%
Capital target for regulatory capital according to FINMA Circular 2011/2	15.6%	15.6%	15.6%
Available regulatory capital	16.5%	16.4%	15.3%
Contributions below the threshold values for deductions (before risk weighting)⁶			
Participations in the financial area up to 10%	327'243	341'442	289'054
Participations in the financial area above 10%	465'076	427'456	393'801

¹ Allocation to balance sheet items based on old accounting policies (FINMA Cir. 2008/2)

² Including equity securities, which have received a risk weighting of 250%

³ The references refer to table «Eligible capital under regulatory rules – transfer to balance sheet values».

⁴ Excluding interest on cooperative capital

⁵ Current year: of which convertible capital with a low trigger level amounting to CHF 549 million

⁶ The major participations pursuant to note 7.2 «Holdings valued according to the equity method» and note 7.3 «Other non-consolidated participations» of the Raiffeisen Group's annual report are risk-weighted for calculating capital adequacy.

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Credit risk by counterparty as of June 30, 2016

Loan commitments (in 1000 CHF)	Central governments / central banks	Banks and securities dealers	Other institutions	Corporates	Retail	Equity	Other commitments	Total
Balance sheet items								
Receivables from banks	10'249	6'019'568	-	-	-	-	-	6'029'817
Amounts due from securities financing transactions	-	368'882	-	-	-	-	-	368'882
Receivables from clients	2'588	132'247	2'907'333	1'689'844	3'242'336	-	-	7'974'348
Mortgage receivables	27'366	51'230	238'656	1'702'144	159'987'414	-	-	162'006'810
Interest and equity positions outside trading book ¹	573'260	516'879	1'100'583	2'951'889	-	605'384	-	5'747'995
Replacement values of derivatives ²	-	143'174	-	24'141	105'235	-	-	272'550
Other assets	236'207	219'057	6'158	181'214	153'486	-	-	796'122
Total current year	849'670	7'451'037	4'252'730	6'549'232	163'488'471	605'384	-	183'196'524
Total prior year	1'525'120	5'010'511	4'294'594	6'813'198	160'366'284	621'498	-	178'631'205
Off-balance-sheet items ³								
Contingent liabilities	253	41'246	2'599	187'490	188'127	-	-	419'715
Irrevocable commitments	128	142'564	590'140	224'089	1'552'003	-	-	2'508'924
Call commitments and additional funding obligations	4	-	-	118'538	-	-	-	118'542
Add-ons for forward contracts and options purchased ²	196	450'531	4'838	24'421	77'474	-	-	557'460
Total current year	581	634'341	597'577	554'538	1'817'604	-	-	3'604'641
Total prior year	7'958	665'691	597'139	499'521	1'548'858	-	-	3'319'167

¹ Receivables from and liabilities to Pfandbriefbank are offset against each other.

² Derivative counterparty risk is calculated using the mark-to-market method. Netting agreements with counterparties are taken into account when calculating capital adequacy.

³ Non-derivative off-balance-sheet items are shown after conversion into credit equivalents.

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Credit risk/minimization of credit risk as of june 30, 2016

Loan commitments (in 1000 CHF)	Covered by recognized financial securities ⁴	Covered by guarantees and credit derivatives	Covered by mortgage collateral ⁵	Other loan commitments	Total
Balance sheet items					
Receivables from banks	907'330	143'564	-	4'978'923	6'029'817
Amounts due from securities financing transactions	368'882	-	-	-	368'882
Receivables from clients	818'658	135'419	2'283'105	4'737'166	7'974'348
Mortgage receivables	255'420	70'111	161'554'368	126'911	162'006'810
Interest and equity positions outside trading book ¹	-	-	-	5'747'995	5'747'995
Replacement values of derivatives ²	229'454	-	-	43'096	272'550
Other assets	-	-	-	796'122	796'122
Total current year	2'579'744	349'094	163'837'473	16'430'213	183'196'524
Total prior year	1'639'202	404'019	160'500'226	16'087'758	178'631'205
Off-balance-sheet items³					
Contingent liabilities	74'465	6'074	35'246	303'930	419'715
Irrevocable commitments	45'244	15'605	1'038'862	1'409'213	2'508'924
Obligations to make payments and additional contributions	-	-	-	118'542	118'542
Add-ons for forward contracts and options purchased ²	179'698	4'783	-	372'979	557'460
Total current year	299'407	26'462	1'074'108	2'204'664	3'604'641
Total prior year	188'331	39'843	1'041'319	2'049'674	3'319'167

¹ Receivables from and liabilities to Pfandbriefbank are offset against each other.

² Derivative counterparty risk is calculated using the mark-to-market method. Netting agreements with counterparties are taken into account when calculating capital adequacy.

³ Non-derivative off-balance-sheet items are shown after conversion into credit equivalents.

⁴ Securities are recognised using the simple method.

⁵ Collateral is assigned based on capital optimization aspects. For that reason, the values are not identical to the values in the 'Mortgage cover' column in the table titled '2. Collateral for loans / receivables and off-balance-sheet business'.

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Segmentation of credit risks as of June 30, 2016

Loan commitments (in 1000 CHF)	Risk weightings under supervisory law									
	0%	2%	20%	35%	50%	75%	100%	125%	150%	Total
Balance sheet items										
Receivables from banks	3'983	168	1'639	-	228	-	13	-	-	6'030
Amounts due from securities financing transactions	369	-	0	-	-	-	-	-	-	369
Receivables from clients	250	-	204	1'412	2'478	767	2'825	-	39	7'975
Mortgage receivables	230	-	38	137'535	81	16'685	7'301	-	136	162'007
Interest and equity positions outside trading book ¹	700	-	4'054	-	278	-	175	-	542	5'748
Replacement values of derivatives ²	136	-	101	-	12	-	23	-	-	272
Other assets	339	-	141	-	9	12	295	-	-	796
Total current year	6'007	168	6'177	138'947	3'086	17'464	10'632	-	717	183'197
Total prior year	5'009	28	6'121	136'160	3'246	17'261	10'098	-	708	178'631
Off-balance-sheet items ³										
Contingent liabilities	61	-	12	24	40	51	231	-	-	419
Irrevocable commitments	39	-	551	808	168	203	740	-	-	2'509
Obligations to make payments and additional contributions	-	-	-	-	-	-	119	-	-	119
Add-ons for forward contracts and options purchased ²	113	23	155	-	245	0	21	-	-	557
Total current year	213	23	718	832	453	254	1'111	-	-	3'604
Total prior year	136	19	707	788	521	231	917	-	-	3'319

¹ Receivables from and liabilities to Pfandbriefbank are offset against each other.

² Derivative counterparty risk is calculated using the mark-to-market method. Netting agreements with counterparties are taken into account when calculating capital adequacy.

³ Non-derivative off-balance-sheet items are shown after conversion into credit equivalents.

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Interest rate risks in the bank book (Multiyear comparative)

in CHF million	30.6.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012
Sensitivity (+100bp-Shift)	1'610	1'673	1'351	1'538	1'070
Value-at-risk (99,9%)	1'479	1'703	1'376	1'541	1'075

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Risk weighted positions based on external ratings as of June 30, 2016

Loan commitments (in 1000 CHF) ¹	Rating	Risk weighted positions				
		0%	20%	50%	100%	150%
Counterparty						
Central governments and central banks	With rating	819'694	22	-	4	-
	Without rating	-	-	-	-	-
Public-sector entities ²	With rating	127'192	877'436	34'373	-	-
	Without rating	-	613'497	2'443'492	368'712	13'587
Banks and securities traders	With rating	2'970'938	2'033'082	488'464	922	-
	Without rating	661'039	1'023'501	438'027	12'316	-
Corporates	With rating	36'000	4'621'726	82'687	78'328	161
	Without rating	30'934	-	-	3'466'974	14'640
Total	With rating	3'953'824	7'532'266	605'524	79'254	161
	Without rating	691'973	1'636'998	2'881'519	3'848'002	28'227
Grand total		4'645'797	9'169'264	3'487'043	3'927'256	28'388

¹ Before risk-mitigating measures and before deduction of individual value adjustments.

² Including loan commitments to joint institutions of the banks, BIS, IMF and multilateral development banks.

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Leverage ratio information

Line item	30.06.2016 in 1000 CHF	31.12.2015 in 1000 CHF
a) Comparison between recognized assets and overall exposure for leverage ratio		
1 Total assets according to published financial reports	213'539'324	205'748'171
2 Adjustments for investments in banking, financial, insurance and commerce companies that are subject to accounting consolidation but not regulatory consolidation, and adjustments for assets that are deducted from core capital ¹	-489'604	-512'881
3 Adjustments for fiduciary assets that are recognized in the financial statements but are excluded from the leverage ratio calculation	-	-
4 Adjustments for derivatives ²	-2'006'983	-1'568'627
5 Adjustments for securities financing transactions (SFT) ³	-251'586	-281'992
6 Adjustments for off-balance-sheet transactions (conversion of off-balance-sheet transactions into credit equivalents)	3'834'125	3'552'377
7 Other adjustments ⁴	-	-
8 Overall exposure for the leverage ratio	214'625'276	206'937'048
b) Detailed presentation of the leverage ratio		
Balance sheet items		
1 Balance sheet items (excluding derivatives and SFT but including collateral) ⁵	210'972'629	203'561'259
2 Assets that must be deducted from eligible core capital ¹	-489'604	-512'881
3 = Total balance sheet items for the leverage ratio calculation, ex derivatives and SFT	210'483'025	203'048'378
Derivate		
4 Positive replacement values for all derivatives transactions including those vis-à-vis CCPs, including margin payments received and netting agreements	292'533	212'906
5 Add-ons for all derivatives	557'461	521'937
6 Re-inclusion of collateral provided in connection with derivatives, provided their accounting treatment leads to a reduction in assets	-	-
7 Deduction of receivables resulting from margin payments provided	-845'367	-591'700
8 Deduction for exposure to qualified central counterparties (QCCPs) if there is no responsibility to the client if the QCCP defaults	-	-
9 Actual nominal values of issued credit derivatives, after deducting negative replacement values	321'433	199'348
10 Netting against actual nominal values of offsetting credit derivatives and deduction of add-ons for issued credit derivatives	-135'230	-115'823
11 = Total exposure from derivatives ²	190'830	226'668
Securities financing transactions (SFT)		
12 Gross assets related to securities financing transactions ex netting (except for novations with a QCCP) including those booked as a sale, less any items stated in FINMA Circular 15/3 par. 58	368'882	391'404
13 Netting of cash liabilities and receivables with respect to SFT counterparties	-251'586	-281'779
14 Exposure to SFT counterparties ³	-	-
15 SFT exposure with the bank acting as a commission agent	-	-
16 = Total exposure from securities financing transactions	117'296	109'625
Other off-balance-sheet items		
17 Off-balance-sheet items as gross nominal values before the application of any credit conversion factors	16'673'810	16'353'186
18 Adjustments for the conversion into credit equivalents	-12'839'685	-12'800'810
19 = Total off-balance-sheet items	3'834'125	3'552'376
Eligible equity capital and overall exposure		
20 Core capital (Tier 1)	14'439'202	13'921'084
21 Overall exposure	214'625'276	206'937'047
Leverage ratio		
22 Leverage ratio (as defined in FINMA Circular 2015/3 "Leverage Ratio") ⁶	6.73%	6.73%

¹ This item takes account of intangible assets (goodwill) that are deducted from core capital.

² This item takes account of counterparty netting of OTC derivatives based on the existing netting agreements

³ This position takes account of the netting resulting from reverse repo transactions that are cleared via SIX SIS AG

⁴ This item takes account of the provisions for default risks that are set off against the assets

⁵ 30.06.2016: The difference between the reported figure and total assets as shown in the published financial statements amounts to CHF 2,567 million, relating to gross replacement values resulting from derivatives (CHF 2,198 million) and securities financing transactions (CHF 369 million).

⁶ The leverage ratio calculated pursuant to FINMA Circular 2015/3 "Leverage Ratio" may differ from the leverage ratio calculated under systemic importance rules since there may be differences in the eligibility of core capital (Tier 1)

Notes on the leverage ratio

The strong growth in total assets (+CHF 7.7 billion or +3.7%) resulted in a significant rise in overall exposure (row 21). The leverage ratio remained unchanged at a level of 6.73%. In relative terms, the eligible core capital (row 20) grew at the same rate as the overall exposure in the reporting period. Due to the subscription to additional share certificates by the members and the consideration of the Group profit, the core capital went up CHF 0.5 billion or 3.7%.