

Information on the liquidity coverage ratio (LCR)

		Q3 2017 ¹		Q4 2017 ¹	
		Unweighted values in 1,000 CHF	Weighted values in 1,000 CHF	Unweighted values in 1,000 CHF	Weighted values in 1,000 CHF
High-quality liquid assets (HQLA)					
1	Total high-quality liquid assets (HQLA)		22,109,158		23,123,703
Cash outflows					
2	Retail deposits	88,925,946	8,778,358	90,786,630	8,945,706
3	of which stable deposits	6,000,000	300,000	6,000,000	300,000
4	of which less stable deposits	82,925,946	8,478,358	84,786,630	8,645,706
5	Unsecured business-client or wholesale funding	12,084,816	7,121,039	12,585,452	7,291,558
6	of which operational deposits (all counterparties) and deposits with the central institution of a cooperative bank network	14,042	3,510	25,612	6,403
7	of which non-operational deposits (all counterparties)	11,912,609	6,959,364	12,337,602	7,062,917
8	of which unsecured debt securities	158,165	158,165	222,238	222,238
9	Secured business client or wholesale funding and collateral swaps		32,597		13,192
10	Other cash outflows	7,216,606	2,025,822	7,354,620	2,065,435
11	of which cash outflows related to derivative exposures and other transactions	849,712	849,712	783,454	783,454
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	32,644	32,644	113,430	113,430
13	of which cash outflows from committed credit and liquidity facilities	6,334,250	1,143,466	6,457,736	1,168,551
14	Other contractual funding obligations	3,109,877	1,989,786	3,523,323	2,137,870
15	Other contingent funding obligations	1,966,145	98,307	2,013,093	100,655
16	Total cash outflows		20,045,910		20,554,416
Cash inflows					
17	Secured funding transactions (e.g. reverse repo transactions)	163,808	2,111	91,026	2,679
18	Inflows from fully performing exposures	3,544,228	2,366,895	4,130,454	2,614,900
19	Other cash inflows	238,237	238,237	217,535	217,535
20	Total cash inflows	3,946,274	2,607,243	4,439,015	2,835,114
			Adjusted value		Adjusted value
21	Total high-quality liquid assets (HQLA)		22,109,158		23,123,703
22	Total net cash outflows		17,438,666		17,719,302
23	Liquidity coverage ratio (LCR) (%)		126.78%		130.50%

¹ Average daily closing averages of all business days in the reporting quarters (64 data points taken into account in the third quarter, 63 data points taken into account in the fourth quarter)

Notes on 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 (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, 86% consist of Swiss mortgage bonds. The remaining 14% are primarily public sector bonds and covered bonds rated at least A-.

Net cash outflows (no. 22) remained constant over the last reporting period. The HQLA portfolio (no. 1) was slightly increased, resulting in an increase in the short-term liquidity coverage ratio (no. 23). 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.