

This English translation of the prospectus of Raiffeisen Switzerland is not a prospectus or any other official document within the meaning of the Swiss Financial Services Act (FinSA) and potential investors and/or investors may not rely on it for any purpose. This document is a mere convenience translation of the German Prospectus dated 30 March 2021 that will be submitted to the SIX Exchange Regulation AG for approval. Such German approved Prospectus is the only binding and official document with respect to the securities issued thereunder, and investors must consult such document prior to any investment decision.

RAIFFEISEN

Raiffeisen Schweiz Genossenschaft **2.250% subordinated bond with perpetual maturity** **(Additional Tier1 Capital, Additional Tier 1, AT1)** **in the nominal amount of CHF 200,000,000** **– Base Tranche with option to increase –**

This prospectus (the **Prospectus**) relates to (i) the offering in Switzerland of the perpetual subordinated bonds with a nominal amount of CHF 200,000,000 (the **Bond**), issued by Raiffeisen Schweiz Genossenschaft (the **Issuer**) and (ii) the admission to trading and listing of the Bonds on the SIX Swiss Exchange.

Capitalized terms used but not defined herein shall have the meaning given to such terms in the "*Terms and Conditions*" beginning on page 14 of this Prospectus (the "**Terms and Conditions**") or elsewhere in this Prospectus.

The Bonds are rated BBB by Standard & Poor's upon issuance. A securities rating is not a recommendation to buy, sell or hold securities and may be suspended, changed or withdrawn at any time by the assigned rating agency.

This Prospectus is dated 30 March 2021 and will not be updated to reflect any subsequent developments. In particular, this Prospectus does not have to be updated at the time of approval by a competent Swiss review body pursuant to Art. 52 FinSA. Accordingly, neither the making available of this Prospectus nor the offer, sale or delivery of any Bonds shall imply that the information contained herein relating to the Issuer is correct as at any time after the date of this Prospectus or that any other information supplied in connection with the issue of the Bonds is correct as at any time after the date specified in the relevant document.

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Bonds and their admission to trading and listing on the SIX Swiss Exchange. The Issuer has not authorized the use of this Prospectus for any other purpose.

Joint-Lead Managers

Raiffeisen Schweiz Genossenschaft

Credit Suisse

Co-Managers

UBS Investment Bank

**Zürcher Kantonalbank
Commerzbank AG**

Basler Kantonalbank

Prospectus dated 30 March 2021

This Prospectus has been approved by the SIX Exchange Regulation AG in its capacity as the Swiss review body pursuant to Art. 52 of the Swiss Financial Services Act on 14 May 2021.

SELLING RESTRICTIONS

General

No representation has been made that any action has been or will be taken by the Issuer or any of the Managers that would permit a public offer of the Bonds other than in Switzerland, or possession or distribution of this Prospectus or any other offering or publicity material relating to the Bonds, in any country or jurisdiction other than in Switzerland where action for that purpose is required. The Bonds may not be, directly or indirectly, offered or sold in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not, directly or indirectly, be offered or sold, and neither this Prospectus nor any prospectus, offering circular, form of application, advertisement or other material may be distributed in or from, or published in, any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

United States of America

The Bonds have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph and paragraph A) have the meanings given to them by Regulation S under the Securities Act.

- A) Each Manager has represented and agreed that it will not offer or sell the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the issue date (the "distribution compliance period"), within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

The Bonds are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

- B) The Managers have not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Bonds, except with their affiliates (if any).

Prohibition of sales to EEA Retail Investors

The Bonds are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available, and will not offer, sell or otherwise make available to any retail investor in the European Economic Area. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- A) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");
- B) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**" or "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

- C) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

Prohibition of Sales to UK Retail Investors

The Bonds are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"), (ii) a customer within the meaning of the provisions of the United Kingdom Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the IDD, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA, or (iii) not a qualified investor as defined in the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

United Kingdom

Each Manager has represented and agreed that:

- A) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- B) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

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SUMMARY

This summary is to be read and understood as an introduction to the Prospectus within the meaning of article 40(3) and article 43 of the Swiss Financial Services Act (FinSA). Any decision by an investor to invest in the Bonds described herein should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Potential investors should be aware that any liability for this summary under article 69 of the FinSA is limited to cases where the information contained herein is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

Information on the Issuer

Issuer, registered office:	Raiffeisen Schweiz Genossenschaft, Raiffeisenplatz 4, St. Gallen
Legal form:	Cooperative in accordance with Art. 921 ff of the Swiss Code of Obligations

Information on the Bonds

Type:	Bonds with eligibility as additional tier 1 capital (<i>Additional Tier 1, AT1</i>) according to National Regulations.
Issue Price	100%.
Public offer and placement price:	The bond will be publicly offered in Switzerland. The placement price depends on the supply and demand.
Issue Date:	31 March 2021
Maturity and Repayment:	<p>The Bond has no fixed maturity and is not redeemable upon request of the Holders of Bonds under any circumstances.</p> <p>With the consent of the Swiss Financial Market Supervisory Authority FINMA, the Issuer is entitled to redeem the outstanding Bonds on 31 March 2027 or on the same day in each of the following years. The Issuer is also entitled to redeem the Bonds if, after written confirmation by FINMA, they no longer qualify or no longer fully qualify as Additional Tier 1 Capital (AT1) within the meaning of the financial market regulations or for certain tax reasons.</p>
Interest and interest payment:	<p>From 31 March 2021 to 31 March 2027: 2.250%, p.a., payable for the first time on 31 March 2022.</p> <p>From 31 March 2027 the interest rate for periods of five years each shall be determined as the sum of (i) the then applicable five-year SARON rate calculated on the basis of the rates set out on the GOTTEX page ["SFSNT5 page Fixed CHF versus SARON"] determined on the Interest Reset Date (at least zero percent), and (ii) the margin of 2.250%.</p> <p>Interest payments will only be made if distributable reserves are available at the Issuer. In addition, the Issuer reserves the right to cancel the payment of interest in whole or in part.</p>
Subordination:	The Bonds will, in the event of the liquidation, bankruptcy or restructuring proceedings of the Issuer, rank (a) junior to (i) Additional Tier 1 (AT1) capital with a lower trigger event than 7% Common Equity Tier 1 capital of the Raiffeisen Group, (ii) Tier 2 capital of the Issuer, (iii) subordinated claims on the Issuer which do not qualify as Additional Tier 1 (AT1) capital within the meaning of the financial market regulations, and do not, by their terms or otherwise, rank <i>pari passu</i> with such Bonds, and (iv) non-subordinated claims of all other creditors of the Issuer, (b) rank <i>pari passu</i> with the other direct, unsecured, unconditional and subordinated claims on the Issuer, which qualify as Additional Tier 1 (AT1) capital under financial market regulations and which, by their terms or otherwise, rank <i>pari passu</i> with this Bond, and (c) senior to Common Equity Tier 1 capital.
No Set-off:	Sett-off with claims arising from the Bonds is excluded.
Conditional Write-down:	<p>Upon the occurrence of any of the trigger events described below, the claims of the Holders of Bonds under this Bond shall be written down in full (or, in certain circumstances, only reduced). In such a case, the Holders of Bonds shall not be entitled to participate in the Issuer's equity or debt capital or otherwise improve their legal position upon the occurrence of an improvement in the Issuer's financial condition and, in the event of a subsequent liquidation of the Issuer, shall not be entitled to a share in the liquidation proceeds.</p> <ul style="list-style-type: none">- If the Raiffeisen Group falls below a ratio of 7% Common Equity Tier 1 capital; or

- If the Issuer receives public extraordinary support for itself or the Raiffeisen Group; or
- If FINMA determines that the conditions for a full write-down of the nominal value of each of the outstanding Bonds are met and orders such a write-down as a measure in the event of imminent insolvency of the Issuer.

Increase:	The Issuer reserves the right, without the consent of the Holders of Bonds, to increase the amount of this Bond by issuing further Bonds fungible with this issue.
Form:	The Bonds will be issued in uncertificated form as uncertificated securities (<i>Wertrechte</i>) pursuant to article 973c of the Swiss Code of Obligations and constitute Intermediated Securities (<i>Bucheffekten</i>) since their entry into the main register (<i>Hauptregister</i>) of the SIX SIS AG and their entry into the account of one or more participants. The investor is not granted the right to receive individual certificates.
Denomination:	CHF 5,000
Applicable Law and Jurisdiction:	Swiss Law / St. Gallen
Rating of the Bonds:	The Bonds are rated by Standard & Poor's: BBB
Selling restrictions:	Especially USA, U.S. persons, United Kingdom, European Economic Area
Swiss Security Number/ISIN:	110182579 / CH1101825797

Information on admission to trading and listing

Trading Venue:	SIX Swiss Exchange.
Admission to Trading and Listing:	The provisional admission to trading on the SIX Swiss Exchange is expected to take place on 30 March 2021. The last trading day is (except in the case of a complete write-down of the debt) the second trading day before the day on which the bonds are redeemed. Listing on the SIX Swiss Exchange will be applied for.

Information on the approval of the prospectus

Swiss Review Body:	SIX Exchange Regulation AG, Hardturmstrasse 201, 8005 Zurich, Switzerland (the Swiss Review Body).
Prospectus Date and Approval:	This Prospectus was approved by the Swiss Review Body on the date indicated on the cover page.

MATERIAL RISKS

General Note on Risks

Prospective investors should carefully read and consider all information contained in this Prospectus and in particular, the risk factors listed below, taking into account their financial situation, investment strategy and objectives and other relevant circumstances.

Any of the risk factors listed below may significantly reduce the market value of the Bonds and the rights of investors under the terms and conditions of the Bonds. Therefore, there is a risk that investors may lose all or part of the amount invested.

This section ("*Material Risks*") does not contain an exhaustive list of risk factors.

Prospective investors should make their own risk assessment, consult their respective financial, legal, tax and other advisors and study the detailed information elsewhere in this Prospectus. The statements in this Prospectus do not constitute advice.

The Bonds have a risk profile that is materially different from other Bonds due to their duration, interest payment terms as well as the possibility of a full write-down. It may therefore not be a suitable investment for all investors. Potential investors should only decide to purchase Bonds issued hereunder if they are aware of the risks involved and, based on their financial circumstances, are able to bear any losses that may be incurred.

Risks in relation to the business activities of the Issuer, its fully consolidated subsidiaries and the Raiffeisen Banks

Like other banks, Raiffeisen Switzerland, its fully consolidated subsidiaries and the Raiffeisen banks ("**RB**") belonging to the Raiffeisen Group are exposed to risks arising from their business activities. The following risks should be highlighted:

General risks: Developments in the economic, business, legal, regulatory or political environment as well as epidemics, pandemics and other events by which the Issuer may be directly or indirectly affected, including systemic risks, may have a negative impact on the business activities, operations, operating results, financial situation, regulatory capital position and/or future prospects of the Raiffeisen Group and the Issuer.

Mortgage business: A significant part of the Raiffeisen Group's business activities is focused on local mortgage business. A prolonged economic downturn in Switzerland as well as a collapse of the real estate markets in Switzerland (due to rising interest rates or for other reasons) could have a negative impact on the valuation of the underlying real estate and thus impair the value of the Raiffeisen Group's mortgage receivables from customers. A resulting need for impairment on these receivables could have a material adverse effect on the business operations, operations, operating results, financial position, regulatory capital position and/or future prospects of the Raiffeisen Group and the Issuer.

Competitors and competition: The business activities of the Raiffeisen Group involve highly competitive markets. Although the Issuer strives to provide excellent customer service that meets the highest standards, its competitiveness depends on a number of factors, including its reputation, the quality of its services and advice, its know-how, its ability to innovate, its pricing structure, the success of its marketing and sales efforts and the skills of its employees. If the Raiffeisen Group is unable to maintain its market position with regard to these and other factors, this could have a negative effect on the business activities, operations, operating results, financial situation, composition of management and/or future prospects of the Raiffeisen Group and the Issuer.

Reputation of the Raiffeisen Group, legal proceedings: Negative reports and speculative media reports about the Raiffeisen Group or accusations about its business conduct as well as threatened and initiated legal proceedings may have a negative effect on the Raiffeisen Group and the Issuer, also with regard to its reputation.

Legal environment: Changes in the laws and other regulations applicable to the Raiffeisen Group may affect the current business activities of the Raiffeisen Group, which may have a negative effect on the Raiffeisen Group and the Issuer.

Classification as systemically relevant bank: The Swiss National Bank classified the Raiffeisen Group as systemically relevant on 16 June 2014. This classification results in special, stricter, requirements for the Raiffeisen Group's capital and liquidity, among other things, which may have a negative impact on the business activities and earnings of the Raiffeisen Group and the Issuer.

Risks related to the Bonds

This bond qualifies as Additional Tier 1 (AT1) capital of Raiffeisen Switzerland. The following should be noted:

- **Unlimited term:** The bond has a generally unlimited maturity term. Accordingly, investors cannot assume that the Bond will be repaid.
- **Redemption:** The Raiffeisen Switzerland has the right to redeem the bond with the consent of FINMA at the earliest after six years, and every year after that.
- **Interest rate composition:** The interest rate amounts to 2.250% until 31 March 2027. Thereafter, the interest rate shall be reset every five years. It is comprised of the new five-year SARON rate (at least zero per cent) and the margin. The new five-year-old SARON rate (mid) is calculated on the basis of the rates, which are indicated on the GOTTEX page "SFSNT5 page Fixed CHF versus SARON", determined on the Interest Reset Date. If the five year SARON rate cannot be obtained from the GOTTEX page referenced, alternative reference rate determinations will apply.
- **Interest payment conditions:** Interest payments will only be made if distributable reserves are available at the Issuer. However, the Issuer may cancel an interest payment if the financial situation of the Issuer or the Raiffeisen Group makes this necessary. If no interest payment is made in a particular year, the Issuer will not pay interest on the Cooperative Share Certificates or make any other distribution of income to its Cooperative Members (the RB) in respect of the preceding financial year. A waiver of an interest payment shall not entitle the Holder of Bond to any compensation and shall not give rise to any claim for subsequent payment of such interest.
- **Withholding Taxes on Interest Payments:** Interest paid under Bonds is exempt from withholding tax under current law. However, it should be noted that withholding tax law is to undergo a fundamental revision, with a change from the so-called debtor principle to the paying agent principle. The introduction of such a paying agent tax may result in a Swiss paying agent generally having to deduct a withholding tax of 35% on the transfer, remuneration or credit of interest amounts under the Bonds to beneficial owners resident in Switzerland and certain legal entities (see below "*Taxation*", "*Withholding Tax*" for a summary of possible change of current withholding tax regime to a paying agent-based regime).
- **Upon the occurrence of certain conditions, the claims of the Holders of Bonds terminate in whole or in part / no entitlement in the event of an improvement in the financial situation of Raiffeisen Switzerland:** In the following circumstances, the claims of the Holders of Bonds (the "**Holders of Bonds**") will be written down in full (or in the case of sub-paragraph (a) below, only partially in some circumstances): (a) if the Raiffeisen Group falls below a ratio of 7% Common Equity Tier 1 capital; or (b) if the Issuer receives public extraordinary assistance for itself or the Raiffeisen Group; or (c) if FINMA determines that the conditions for a full write-down of the nominal value of each of the outstanding bonds are met and orders such a write-down as a

measure in the event of imminent insolvency of the Issuer. In such a case, the Holders of Bonds shall not be entitled to participate in the Issuer's equity or debt capital or otherwise improve their legal position upon the occurrence of an improvement in the Issuer's financial situation and, in the event of a subsequent liquidation of the Issuer, shall not be entitled to a share in the liquidation proceeds. It is not possible to predict whether and when the conditions will occur that may lead to a full or partial termination of the claims of the Holders of Bonds.

- **Unsecured bonds and subordination:** The Bonds are unsecured and represent subordinated obligations of the Issuer.
- **No Set-off:** The set-off of claims under the Bonds against claims of the Issuer is excluded.
- **Market Risks:** The market value of Bonds depends on the creditworthiness of Raiffeisen Switzerland and other factors such as market interest rates and yield rates. There is therefore a risk that the Holders of Bonds cannot sell the Bonds or can only sell at a discount to the Issue Price or purchase price. There is also no guarantee that active and liquid trading in Bonds will develop or be maintained. The liquidity of the market will be influenced by various factors, including the number of holders of Bonds, the market for similar securities or the interest of market participants in trading the Bonds. An illiquid market for the Bonds may have a negative impact on their tradability and prices.
- **Currency Risks:** The Issuer will pay principal and interest on the Bonds in Swiss Francs. This creates certain currency exchange risks when an investor's financial activities are primarily denominated in another currency or unit of currency (hereafter: the investor's currency). These include the risk that exchange rates may change significantly (including changes due to a devaluation of the relevant currency or an appreciation of the investor's currency) and the risk that the authorities responsible for the investor's currency may impose or change exchange controls. A revaluation of the investor's currency relative to the currency of the Bonds would reduce (i) the currency-equivalent return of the investor on the Bonds, (ii) the currency-equivalent value of the nominal value of the investor's Bonds and (iii) the currency-equivalent market value of the investor's Bonds. As a result, investors in the Bonds may receive less interest or principal than expected.
- **Price formation of Bonds:** The market price of Bonds depends on various factors, some of which are beyond the control of Raiffeisen Switzerland, such as interest rate fluctuations, general economic factors, or the business, assets, earnings and/or financial situation of the Raiffeisen Group. These factors can negatively influence the market price of Bonds and/or contribute to its volatility.
- **Tax risks:** Investors who are considering buying Bonds should consult their tax advisor before making a purchase decision. The effective yield of Bonds may be reduced due to taxes incurred by the investor.
- **No deposit insurance:** The Bonds are not covered by the deposit insurance.
- **Investment restrictions:** Investors who are considering buying Bonds should consult their advisors before making a purchase decision and clarify whether there are any legal or regulatory restrictions on the purchase of Bonds, whether the Bonds can be pledged or whether there are any other (e.g. internal) restrictions on the purchase of the Bonds or their use as collateral.

FORWARD LOOKING STATEMENTS

For the main prospects of the Issuer pursuant to article 40(1)(a) No. 4 FinSA, see the press release dated 4 March 2021 regarding the annual financial results 2020 and the "*Outlook for the second half of 2020*" in the interim financial statement 2020 of the Raiffeisen Group, both of which are included as documents incorporated by reference in this Prospectus.

GENERAL INFORMATION

1. Prospectus Information

This Prospectus contains information which is intended to provide information regarding the Issuer and the Bonds. It does not constitute an offer for, or an invitation to subscribe for or purchase this Bond.

No one is authorised to give any information or to make statements concerning this Bond other than those contained in this Prospectus. Should this nevertheless occur, such information or statements shall not be deemed approved by the Issuer or by the Syndicate Banks.

Both the issuance of this Prospectus and the offering or sale of Bonds may be subject to legal restrictions in certain jurisdictions. Persons into whose possession this Prospectus comes are required by the Issuer and the Syndicate Banks to inform themselves about and to observe any such restrictions.

2. Documents incorporated by reference

The following documents are hereby incorporated by reference into this Prospectus and form an integral part thereof:

- Annual Report 2019 of the Raiffeisen Switzerland;
- Annual Report 2019 of the Raiffeisen Group;
- Interim financial statement of the Raiffeisen Group as of 30 June 2020;
- Press release dated 4 March 2021 regarding the annual financial results 2020;
- Key Figures 2020, which were published together with the press release dated 4 March 2021; and
- Articles of Association of the Issuer in their version dated 18 December 2019.

Copies of this Prospectus are available from Raiffeisen Schweiz Genossenschaft, Kapitalmarkt, Raiffeisenplatz 4, CH-9001 St. Gallen and may be ordered free of charge by telephone (+41 44 226 73 00) or by e-mail (newissues@raiffeisen.ch). The financial reports incorporated by reference can be downloaded from <https://www.raiffeisen.ch/rch/de/ueber-uns/zahlen-fakten/geschaeftsberichte.html> and the Articles of Association incorporated by reference can be downloaded from <https://www.raiffeisen.ch/st--gallen/de/ueber-uns/organisation/raiffeisen-schweiz.html>. The documents incorporated by reference can also be ordered free of charge from Raiffeisen Switzerland at the above address.

3. Uncertainty of Future Developments

The forward-looking statements contained in the Prospectus or in the documents incorporated by reference reflect the Issuer's current views with respect to possible future events. Events and circumstances may occur that cause actual results to differ materially from the projections made in this Prospectus. Potential investors are informed that all forward-looking statements in this Prospectus are subject to risks and uncertainties and therefore there can be no assurance that the forward-looking statements will actually occur.

INFORMATION ABOUT THE BOND

1. Legal Foundation and Issue Date

In accordance with the Resolutions of the Board of Directors of Raiffeisen Switzerland of 10 December 2020 and pursuant to the Purchase Agreement entered into between the Issuer on the one hand and Raiffeisen Switzerland, Credit Suisse AG, UBS AG, Zürcher Kantonalbank, Basler Kantonalbank, and Commerzbank Aktiengesellschaft on the other hand (the "**Syndicate Banks**" or "**Managers**") on 30 March 2021 (the "**Bond Purchase Agreement**"), the Issuer issues on 31 March 2021 the 2.250% subordinated perpetual bond (Additional Tier 1 Capital, Additional Tier 1, AT1) in the nominal amount of CHF 200,000,000 (base tranche with option to increase).

2. Issue Price and Placing Price

The Syndicate Banks have firmly underwritten the Bond at a price of 100%. The Syndicate Banks offer the Bonds to the public in Switzerland, but reserve the right to include the Bond in part or in full to their own portfolios. The placement price of the Bond depends on supply and demand.

3. Trading and Listing

The provisional admission to trading on the SIX Swiss Exchange is expected to take place on 30 March 2021. The last trading day is (except in the case of a complete write-down of the claims) the second trading day prior to the day on which the Bonds are repaid.

Listing on the SIX Swiss Exchange will be applied for.

4. Security Numbers

Swiss Security Number / ISIN: 110182579 / CH1101825797

5. Rating of the Bond

The Bond is rated BBB by Standard & Poor's.

6. Net proceeds

The Net Proceeds (Issue Price less charges and fees) of the CHF 198,911,000 Bond serves to cover ongoing financial needs. There is no responsibility or obligation for the Syndicate Banks to deal with the intended use of the Net Proceeds.

The background to the issue of this Bond is the capital requirements for banks and the classification of the Raiffeisen Group as systemically relevant bank, which lead to higher capital requirements.

7. Paying Agent

Raiffeisen Switzerland acts as the Principal Paying Agent. It is authorized to designate other banks as the paying agents.

TERMS AND CONDITIONS

1. Nominal Value / Denomination / Increase Option

The 2.250% subordinated perpetual bond (Swiss Security Number 110182579 / ISIN CH1101825797) (the "**Bond**") will initially be issued with an amount of CHF 200,000,000 (the "**Base Tranche**") and will be split into bonds of CHF 5,000 nominal value each.

The Issuer further reserves the right to increase the amount of the Base Tranche at any time without the consent of the Holders of Bonds by issuing further Bonds which are fungible with the Bonds of the Base Tranche (with respect to the terms and conditions of the Bonds, the security number and the interest rate) (the "**Additional Tranche(s)**"). In the case of an increase, the Bonds of the Additional Tranche(s) shall be paid up to par with the Base Tranche including accrued interest for the period from the payment date or interest date of the Base Tranche to the payment date of the Additional Tranche(s).

2. Form/Intermediary holding

The bonds are issued in uncertificated form as uncertificated securities (*Wertrechte*) in accordance with Article 973c of the Swiss Code of Obligations. The issuer creates the uncertificated securities (*Wertrechte*) by entering the Bonds into securities register maintained by the issuer. The uncertificated securities will subsequently be entered in the main register of SIX SIS AG or another intermediary recognized in Switzerland by the Swiss Exchange AG (the "**Intermediary**"). Upon entry in the Intermediary's main register and entry in the securities account of a participant of the Intermediary, the Bonds qualify as intermediated securities (*Bucheffekte*) in accordance with the provisions of the Federal Act on Intermediated Securities (*Bucheffektengesetz*).

As long as the Bonds are intermediated securities, they are transferred by entering the Bonds to be transferred in a securities account of the transferee.

The conversion of the uncertificated securities into a global certificate or into individual certificates is excluded. Neither the Issuer nor the Holders of Bonds have the right to demand or arrange for the conversion of the uncertificated securities into certificated securities or a global certificate, or the delivery of certificated securities or a global certificate.

The records of the Intermediary shall determine the number of Bonds held by each participant of the Intermediary. With respect to Bonds representing intermediated securities, persons holding the Bonds in a securities account in their name shall be deemed the Holders of Bonds.

3. Interest

3.1 General Principles

Interest payments are generally made in accordance with the following provisions, but only if distributable reserves are available. In addition, the Issuer is obliged under financial market regulations to reserve the right to cancel the payment of interest in whole or in part. If no interest payment is made in a particular year, the Issuer will not pay any interest on the cooperative share certificates or make any other distribution of income to its cooperative members ("**Raiffeisen Banks**" or "**RB**") in respect of the preceding financial year. The other way around, the Issuer is entitled, if its financial situation permits, to make an interest payment under this Bond, even if no interest is paid on the cooperative share certificates for the year in question or no distributions of the proceeds are made to the cooperative members (RB) of the Issuer.

The interest payments shall be made annually in arrears on 31 March of each year, for the first time on 31 March 2022 (each an "**Interest Payment Date**").

3.2 Interest rate until 31 March 2027

Subject to this condition, the Bonds bear interest from (but excluding) 31 March 2021 (the "**Issue Date**") until (and including) 31 March 2027 (the "**First Interest Rate Reset**") at 2.250% p.a. (the "**Interest**")

Rate"), calculated on the nominal value. The interest is calculated based on 30/360, i.e. a calendar year of 360 days at 12 months of 30 days each.

3.3 Interest rate from 31 March 2027

From the First Interest Rate Reset, the new interest rate determined in accordance with the following provisions for a period of five years (each an "**Interest Period**") (the "**New Interest Rate**"), calculated on the respective nominal value, shall apply. The determination shall be made by the Principal Paying Agent on the basis of a Reference Rate and the Margin of 2.250% (the "**Margin**"), for the first time two Banking Days (according to the definition in Clause 5) before the First Interest Rate Reset and thereafter two Banking Days before the end of each Interest Period (each a "**Interest Rate Reset Date**"). If a Reference Rate is used for the interest calculation, which is indicated on the basis "Actual/360", the applied Reference Rate is converted in the basis of a calendar year of 360 days to 12 months of 30 days each by dividing it by 360 and multiplying it by 365. Interest is otherwise calculated on the basis of 30/360, thus a calendar year of 360 days to 12 months of 30 days each. The following also applies:

- The New Interest Rate shall be equal to the sum of (i) the CHF Reference Rate (minimum zero percent) and (ii) the Margin, rounded if necessary, to the nearest 0.001, however 0.0005 shall be rounded up. The respective New Interest Rate shall be announced in accordance with Clause 11.
- The "**CHF Reference Rate**" corresponds in general to the Mid Swap Rate. The "**Mid Swap Rate**" corresponds to the arithmetic midpoint (average) of the bid and offer swap rate against SARON Basis with a maturity of five years, as quoted on the relevant Interest Reset Date at approximately 6.00 p.m. on the GOTTEX page (SFSNT5 page Fixed CHF versus SARON) on Bloomberg (or any other GOTTEX page replacing this page or any other provider's equivalent page of any other provider designated by the Principal Paying Agent in the event that GOTTEX or such other provider ceases to provide such service; such page a "**Successor Page**"). If the GOTTEX page on Bloomberg or a successor page is not then available, the ICAP page on Bloomberg (or another ICAP page replacing this page) is used to determine the mid swap rate.
- If there is no Mid Swap Rate listed on either the GOTTEX page (or any Successor Page) or the ICAP page at approximately 6.00 p.m. on the relevant Interest Reset Date, the CHF Reference Rate will be set by the Principal Paying Agent. For this purpose, the Principal Paying Agent shall promptly obtain offers from five banks designated by it, expressed as annual interest rates, for CHF swap transactions with a term of five years and for a representative amount in the relevant market, as they were or would have been submitted by these banks on the respective Interest Reset Date at approx. 6.00 p.m. The Principal Paying Agent then calculates the arithmetic middle (average) of the bids submitted within the time limit, whereby, if bids are submitted by all five banks, the highest and lowest of these rates are not taken into account when calculating the average; otherwise, the average is calculated on the basis of the specified rates.
- If only one bid is submitted, or if the required information is not provided by any of the banks within the deadline, the procedure described below regarding the "Alternative Reference Rate" shall apply *mutatis mutandis*, whereby, in deviation therefrom, the Principal Paying Agent, after consultation with the Issuer, may fix on the date of the next interest payment date, that the interest rate shall (again) be determined in accordance with the procedure outlined above for a period of five years. The application of the procedure described below regarding the "Alternative Reference Rate" and the Alternative Interest Rate will be announced in accordance with Clause 11 as will any (renewed) determination of the interest rate in accordance with the procedure described above.

If the Principal Paying Agent determines at any time (no later than the first Interest Reset Date or thereafter no later than any subsequent Interest Reset Date) that a Mid Swap Rate shall cease to be quoted on the GOTTEX Page on Bloomberg, Successor Page or on the ICAP Page the Principal Paying Agent shall determine the alternative interest rate (the "**Alternative Interest Rate**") on the basis of an alternative reference rate (the "**Alternative Reference Rate**") which is at least zero per cent. The Alternative Interest Rate shall apply for a period of three months at a time ("**Alternative Interest Period**").

The Alternative Interest Rate shall be announced in accordance with Clause 11. The following also applies:

- The Principal Paying Agent determines the SARON Compound and adds the Margin to determine the Alternative Interest Rate. The SARON Compound will be determined five Banking Days prior to the relevant Alternative Interest Period and will apply to respective Alternative Interest Period.
- The "**SARON Compound**" shall be determined by the Principal Paying Agent in accordance with the following formula and rounded if necessary, to the nearest 0.001, with 0.0005 being rounded up

$$\left[\prod_{i=1}^{d_b} \left(1 + \frac{SARON_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d_c}$$

wherein:

" d_b " is the number of Banking Days in the respective Observation Period

" d_c " is the number of calendar days in the respective Observation Period

" i " indexes a series of whole numbers from 1 - d_b , corresponding to the number of Banking Days in the relevant Observation Period in chronological order from (and including) the first Banking Day in the relevant Observation Period

" n_i " is in respect of a Banking Day i the number of calendar days from (and including) such Banking Day i to (but excluding) the first following Banking Day

For the determination of the Alternative Interest Rate, definitions and descriptions used below are based on the guidelines of the National Working Group on Swiss Franc Reference Rates (*Nationale Arbeitsgruppe zu Schweizer Franken Referenzsätzen*). This working group was established in 2013 with the purpose, among others, of developing proposals for the reform of reference interest rates in Switzerland. The following definitions and paraphrases are presented in English to avoid discrepancies with the original text of the Working Group as accurately as possible.

"**Observation Period**" means, in respect of an Alternative Interest Period, the period from (and including) the date falling five Banking Days prior to the first day of such Alternative Interest Period and ending on (but excluding) the date falling five Banking Days prior to the Interest Payment Date for such Alternative Interest Period.

"**SARON _{i}** " means, in respect of any Banking Day i , SARON for such Banking Day i .

"**SARON**" means, in respect of any Banking Day

- A) the Swiss Average Rate Overnight for such Banking Day published by the SARON Administrator on the SARON Administrator website at the Relevant Time on such Banking Day; or
- B) if such rate is not so published on the SARON Administrator website at the Relevant Time on such Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have not both occurred on or prior to the Relevant Time on such Banking Day, the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator website for the last preceding Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator website; or
- C) if such rate is not so published on the SARON Administrator website at the Relevant Time on such Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have both occurred on or prior to the Relevant Time on such Banking Day,

- (x) if there is a Recommended Replacement Rate within one Banking Day of the SARON Index Cessation Effective Date, the Recommended Replacement Rate for such Banking Day, giving effect to the Recommended Adjustment Spread, if any, published on such Banking Day; or
- (y) if there is no Recommended Replacement Rate within one Banking Day of the SARON Index Cessation Effective Date, the policy rate of the Swiss National Bank (the "**SNB Policy Rate**") for such Banking Day, giving effect to the SNB Adjustment Spread, if any.

Notwithstanding the above, if the SNB Policy Rate for any Banking Day with respect to which SARON is to be determined pursuant to sub-clause (C)(y) above has not been published on such Banking Day, then in respect of such Banking Day (the "**Affected Banking Day**") and each Banking Day thereafter, SARON shall be replaced by the Replacement Rate, if any, for purposes of determining the Alternative Interest Rate.

"**Relevant Time**" means with respect to a Banking Day close of trading on the trading platform of SIX Repo AG (or any successor thereto) on such Banking Day, which is expected to be on or around 6 p.m. (Zurich time).

"**SARON Administrator**" means SIX Swiss Exchange AG or any successor administrator of the Swiss Average Rate Overnight.

"**Recommended Adjustment Spread**" means, with respect to any Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread,

- a) that the Recommending Body has recommended be applied to such Recommended Replacement Rate in the case of fixed income securities with respect to which such Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon; or
- b) if the Recommending Body has not recommended such a spread, formula or methodology as described in clause (a) above, to be applied to such Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with such Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Principal Paying Agent, acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon.

"**Recommended Replacement Rate**" means the rate that has been recommended as the replacement for the Swiss Average Rate Overnight by any working group or committee in Switzerland organized in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the "**Recommending Body**").

"**SARON Index Cessation Effective Date**" means, in respect of a SARON Index Cessation Event, the earliest of:

- a) (in the case of a SARON Index Cessation Event described in clause (a) of the definition thereof) the date on which the SARON Administrator of the Swiss Average Rate Overnight ceases to provide the Swiss Average Rate Overnight;
- b) (in the case of a SARON Index Cessation Event described in clause (b)(x) of the definition thereof) the latest of

- (i) the date of such statement or publication;
 - (ii) the date, if any, specified in such statement or publication as the date on which the Swiss Average Rate Overnight will no longer be representative; and
 - (iii) if a SARON Cessation Event described in clause (b)(y) of the definition of SARON Index Cessation Event has occurred on or prior to either or both dates specified in sub-clauses (i) and (ii) of this clause (b), the date as of which the Swiss Average Rate Overnight may no longer be used; and
- c) (in the case of a SARON Index Cessation Event described in clause (b)(y) of the definition thereof) the date as of which the Swiss Average Rate Overnight may no longer be used.

"SARON Index Cessation Event" means the occurrence of one or more of the following events:

- a) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the Swiss Average Rate Overnight permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Swiss Average Rate Overnight; or
- (b) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (x) the Swiss Average Rate Overnight is no longer representative or will as of a certain date no longer be representative, or (y) the Swiss Average Rate Overnight may no longer be used after a certain date, which statement, in the case of sub-clause (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives.

"SNB Adjustment Spread" means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Principal Paying Agent, acting in good faith and a commercially reasonable manner, taking into account the historical median between the Swiss Average Rate Overnight and the SNB Policy Rate during the two year period ending on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred).

If the Principal Paying Agent (A) is required to use a Recommended Replacement Rate or the SNB Policy Rate pursuant to clause (C)(x) or (C)(y) of the definition of "SARON" for purposes of determining SARON for any Banking Day, and (B) determines that any changes to the relevant definitions are necessary in order to use such Recommended Replacement Rate (and any Recommended Adjustment Spread) or the SNB Policy Rate (and any SNB Adjustment Spread), as the case may be, for such purposes, such definitions shall be amended to reflect such changes, and the Issuer shall give notice thereof as soon as practicable in accordance with Condition 11.

If the relevant conditions set out in the definition of SARON have been satisfied, then the Principal Paying Agent will determine in its sole discretion whether to use an alternative rate to SARON for the Affected Banking Day and for all subsequent Banking Days in the Observation Period in which the Affected Banking Day falls (the "**Affected Observation Period**") and all Observation Periods thereafter. If the Principal Paying Agent determines to use an alternative rate pursuant to the immediately preceding sentence, it shall select such rate that it has determined in its sole discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the Swiss Average Rate Overnight (the "**Existing Rate**"), provided that if it determines that there is an appropriate industry-accepted successor rate to the Existing Rate, it shall use such industry-accepted successor rate. If the Principal Paying Agent has determined an alternative rate in accordance with the foregoing (such rate, the "**Replacement Rate**"), for purposes of determining the Alternative Interest Rate, (i) the Principal Paying Agent shall in its sole discretion (acting in good faith and in a commercially reasonable manner) determine (A) the method for obtaining the Replacement Rate (including any alternative method for determining the Replacement Rate if such

alternative rate is unavailable on the relevant Interest Determination Date), which method shall be consistent with industry-accepted practices for the Replacement Rate, and (B) any adjustment factor as may be necessary to make the Replacement Rate comparable to the Existing Rate consistent with industry-accepted practices for the Replacement Rate, (ii) for the Affected Banking Day and all subsequent Banking Days in the Affected Observation Period and all Observation Periods thereafter, references to SARON in these Conditions shall be deemed to be references to the Replacement Rate, including any alternative method for determining such rate and any adjustment factor as described in sub-clause (i) above, (iii) if the Principal Paying Agent in its sole discretion (acting in good faith and in a commercially reasonable manner) determines that changes to the relevant definitions are necessary in order to implement the Replacement Rate as SARON, such definitions shall be amended to reflect such changes, and (iv) the Issuer shall give notice thereof to the Holders as soon as practicable in accordance with Condition 11.

3.4 Interest Cancellation

If the Issuer cancels interest payments in accordance with Clause 3.1, the Issuer shall notify the Holders of Bonds thereof by means of an announcement in accordance with Clause 11, whereas such notice must be given not earlier than 30 days and not later than 10 days before the date of the relevant Interest Payment Date.

Any cancellation pursuant to this Clause 3.4 shall be final, shall not entitle the Holder to any compensation and shall not result in the Holders of Bonds being entitled to redeem the Bonds or to any subsequent payment of such interest. If the Issuer cancels only a part of the interest and distributes the remaining part of the interest, such distribution shall be made pro rata for all Bonds.

4. No fixed Duration/ Possibility of Repayment / Early Repayment / Repurchase

4.1 General Principles

The Bonds have no fixed maturity and are not redeemable by the Holders of Bonds under any circumstances.

It is not foreseeable at the time of the issuance of this Bond, whether the Bonds will ever be repaid or, in accordance with Clause 7, whether they will be completely cancelled or reduced by means of a Waiver of Claims.

4.2 Possibility of Repayment, at the earliest on the first Interest Reset Date

With the approval of the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"), the Issuer is entitled to redeem the outstanding Bonds in whole, but not in part, on the date of the First Interest Reset Date or on any subsequent Interest Payment Date subject to a notice period of at least 30 days by the means of an announcement to the Holders of Bonds in accordance with Clause 11.

4.3 Possibility of an Early Repayment

In addition, the Issuer is entitled to redeem the outstanding Bonds in whole, but not in part, as of the date of the occurrence of the reason for redemption or as of a later date, subject to a notice period of at least 30 days by giving an announcement to the Holders of Bonds in accordance with Clause 11, if one of the following redemption reasons occurs:

- in the event of a Regulatory Change (according to Clause 4.4); or
- in the event of a Tax Change (according to Clause 4.5).

Holders of Bonds are not entitled to demand early redemption.

4.4 Regulatory Change

A Regulatory Change occurs if FINMA notifies the Issuer in writing that the Bonds do not or no longer fully qualify as additional tier 1 capital (Additional Tier 1, AT1) within the meaning of the financial market

regulations or if the financial market regulations do not or no longer fully provide for such qualification ("**Regulatory Change**").

4.5 Tax Change

A Tax Change occurs if a recognized Swiss law firm or a recognized tax consulting firm familiar with the taxation of capital market transactions confirms to the Issuer in writing that (i) it is highly probable that interest payments under the Bonds will no longer be accepted as a tax expense and/or the Issuer will be required to make or withhold any deductions on payments under the Bonds and/or (ii) it is highly probable that the general exemption from income tax on the option component of the interest payment determined for the Swiss tax purposes will discontinue or will be reduced ("**Tax Change**").

4.6 Conditions for a Repayment

Based on the financial market regulations applicable at the time of the issuance of this Bond, FINMA will only approve a redemption at the Issuer's request if either:

- (a) the remaining capital of the Raiffeisen Group meet the requirements of the applicable financial market regulations; or
- (b) sufficient capital at least equivalent to this Bond are issued by the Raiffeisen Group in lieu thereof.

In this context, "**Raiffeisen Group**" means the Issuer with its fully consolidated participations as well as its cooperative members (RB).

A redemption under this Clause 4 applies to the nominal amount of the Bonds and to the interest accrued but unpaid to the date of redemption.

4.7 Bond Repurchase

The Issuer is entitled at any time to repurchase any number of Bonds on the market or elsewhere for investment or redemption purposes, subject to the requirements of financial market regulations.

In the event of repurchase for redemption purposes, the Principal Paying Agent will arrange for the reduction of the nominal value of the Bonds in the system of the Intermediary as well as announce the intended redemption as soon as possible in accordance with Clause 11.

5. Payments / Paying Agent / Statute of Limitations

The Issuer agrees to make payments under the Bonds free of charge.

The interest payments are exempt from federal withholding tax in accordance with the law applicable at the time of issue. If this exemption is abolished or modified or if other taxes have to be withheld or deducted, neither the Issuer nor the paying agents nor anyone else shall be obliged to pay higher interest payments or any other compensation to the Holders of Bonds not foreseen in these Terms and Conditions as a result of such abolition or modification.

If the Payment Date (respectively, an Interest Rate Reset Date) occurs on a banking holiday, the payment (respectively, Interest Reset) shall be made on the following Banking Day, unless this occurs in the following month (if it is the case, the Payment Date (respectively, the Interest Reset) shall occur on the immediately preceding Banking Day). In these Terms and Conditions, the term "**Banking Day**" means a day on which the bank counters of commercial banks in Zurich and in St. Gallen are open all day and, in general, payments and currency transactions are executed.

Under Swiss Law claims for interest payments become statute barred five years and claims for bond repayment become statute barred ten years after such respective payments were due.

6. No Security / Subordination

The Bonds are not secured by any assets of the Issuer or otherwise.

The Bonds constitute direct subordinated obligations of the Issuer and are ranked *pari passu* with each other.

The Bonds shall, in the event of liquidation, bankruptcy or reorganisation proceedings in respect of the Issuer, (a) be subordinated to (i) Additional Tier 1 (AT1) capital with a lower trigger event than 7% of the Raiffeisen Group's Common Equity Tier 1 capital, (ii) tier 2 capital of the Issuer, (iii) subordinated claims against the Issuer that do not qualify as Additional Tier 1 (AT1) capital within the meaning of financial market regulations and do not rank *pari passu* with this Bond by their terms or for other reasons, and (iv) non-subordinated claims of all other creditors of the Issuer, (b) in the same seniority (*pari passu*) with Additional Tier 1 (AT1) capital with a trigger event of 7% Common Equity Tier 1 capital of the Raiffeisen Group, and (c) senior to Common Equity Tier 1 capital.

7. Full Write down of the Claims

7.1 General Principles

Upon the occurrence of any of the trigger events described in Clause 7.2 or 7.3, the claims of the Holders of Bonds under this Bond shall be written down automatically, unconditionally and without compensation (respectively, if, in the event of a trigger event pursuant to section 7.2, FINMA does not consider a full write-down to be necessary, reduced) (the "**Waiver of Claims**"). This also applies to interest accrued or already due but not yet paid at the time concerned.

Trigger events can occur multiple times and at different times. In this case, a separate Waiver of Claims shall apply for each trigger event in accordance with this Clause 7. In addition, it is possible that the trigger event described in Clause 7.3, which in any case results in a full write-down of the nominal value of the Bonds, occurs before the trigger event described in Clause 7.2.

If the Waiver of Claims according to Clause 7 takes place, the Holders of Bonds, to the extent of the Waiver of Claims (i) shall not be entitled to a deferred and conditional right to participate in the Issuer's equity or debt or otherwise improve their legal position upon the occurrence of an improvement in the Issuer's financial situation, and (ii) in the event of a subsequent liquidation of the Issuer, shall not be entitled to a share in the liquidation proceeds.

The Issuer shall inform the Holders of Bonds of the occurrence of a trigger event and the amount of the relevant Waiver of Claims by means of an announcement pursuant to Clause 11.

7.2 Trigger event if the ratio of Common Equity Tier 1 capital of the Raiffeisen Group is below 7%

If the Raiffeisen Group falls below a ratio of 7% Common Equity Tier 1 capital, the nominal value of each of the outstanding Bonds shall be written down in full. If a total write-down is not necessary, according to FINMA's opinion, the nominal value of each of the outstanding Bonds shall be reduced to the extent that, in FINMA's opinion, the Raiffeisen Group has again sufficient Common Equity Tier 1 capital in accordance with the relevant financial market regulations.

The ratio of 7% of Common Equity Tier 1 capital is not met, if it results from the statement of own funds for the Raiffeisen Group prepared by the Issuer in the end of a half-year period in accordance with Ordinance concerning Capital Adequacy and Risk Diversification for Banks and Securities Dealers dated 1 June 2012 (or the corresponding successor regulation) (or from another respective statement of own funds calculated as of different reporting date required by FINMA), unless the Raiffeisen Group (i) had, according to FINMA's opinion, sufficiently exceeded the quota of 7% of Common Equity Tier 1 capital between the end of the respective half-year period and the date of the timely submission of the proof of own funds to the Swiss National Bank, or (ii) according to FINMA's opinion, had implemented the measures required by FINMA within the deadline set up by FINMA. When calculating the 7% ratio

of Common Equity Tier 1 capital, Common Equity Tier 1 capital used to meet gone-concern requirements is not taken into account.

7.3 Trigger Event in the Event of Imminent Insolvency

If any of the trigger events described below occurs in relation to the Issuer, the nominal value of each of the outstanding Bonds shall be written down in full:

- (a) the Issuer decides to make use of an extraordinary support (without which, in the opinion of FINMA, the Issuer or the Raiffeisen Group would become insolvent or would not be able to continue their business activities) by a public entity (for example, from the Swiss Confederation, a canton or the Swiss National Bank) for its own account or for the account of the Raiffeisen Group or makes use of such support; or
- (b) FINMA determines, that the conditions for a full write-down of the nominal value of each of the outstanding Bonds are met and orders such a write down (to the same extent as the claims to the Issuer which qualify as additional tier 1 capital (Additional Tier 1, AT1) within the meaning of the financial market law regulations and which rank *pari passu* with this Bond according to their terms and conditions or for other reasons) as a protective measure in the event of imminent insolvency.

8. Exclusion of Set-off

The set-off of claims arising from these Bonds against claims of the Issuer against the Holders of Bonds concerned is excluded.

9. Issuer Substitution

To the extent permitted by applicable financial market regulations, the Issuer may at any time, without the consent of the Holders of Bonds, substitute another legal entity as debtor for the obligations under the Bonds, provided that the new debtor assumes all obligations of the Issuer under or in connection with the Bonds and the Issuer secures the obligations to be assumed by the new debtor by an unconditional, irrevocable and subordinated under these Terms and Conditions guarantee pursuant to article 111 CO, whereby at the time of issuance of the guarantee, benefits under the guarantee may not be restricted by legal restrictions, such as intercession. Such an assumption of debt must be notified to the Holders of Bonds in accordance with Clause 11.

10. Listing

The listing of this Bond on the SIX will be applied for with the SIX Exchange Regulation AG. The Issuer agrees to undertake reasonable efforts to achieve the listing of the Bonds and to maintain the listing within entire duration of the Bond.

11. Notifications

All Notices concerning the Bonds and/or the Issuer (in relation to the latter only, where relevant, to the rights relating to the Bonds) shall be made legally effective:

- by electronic publication on the SIX website (www.six-group.com, where notifications are currently published under www.six-group.com/de/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html#/), or
- by any other means permitted under regulations of the SIX.

12. Amendment of the Terms and Conditions

Subject to the applicable capital market law regulations, the Issuer shall be entitled to, without the consent of the Holders of Bonds to make changes to the Terms and Conditions, if the interests of the Holders of Bonds are not materially affected thereby and in the Issuer's opinion are of a formal, minor or technical nature or made to correct a manifest and proven error.

Amendments pursuant to this Clause 12 shall be binding on the Issuer and the Holders of Bonds and shall be announced in accordance with Clause 12 (including the date on which they become effective).

13. Governing Law and Jurisdiction

The laws of Switzerland shall govern the form, content and the interpretation of these Terms and Conditions.

Any dispute that might arise between the Holders of Bonds and the Issuer based on the Bonds shall fall within the jurisdiction of the ordinary courts of the Canton of St. Gallen, venue being the City of St. Gallen.

GENERAL INFORMATION ON THE ISSUER

1. General Information

Company name, registered office, head office

Raiffeisen Schweiz Genossenschaft

Raiffeisen Suisse société coopérative

Raiffeisen Svizzera società cooperativa

Raiffeisen Svizra associaziun

Raiffeisen Switzerland Cooperative

The registered office and head office of the Issuer are located at Raiffeisenplatz 4, 9001 St. Gallen.

Legal form, legal system, group structure

The Issuer is an association of cooperative banks structured as a cooperative with limited additional funding obligations in accordance with the Swiss Code of Obligations (article 921 et seq. CO). According to article 2 of its Articles of Association, Raiffeisen Switzerland is the association of the Raiffeisen banks ("**RB**") existing in Switzerland.

The Association of Cooperative Banks is subject to Swiss law.

The structure of the entire Raiffeisen Group is shown on page 80 et seq. of the Annual Report 2019 of the Raiffeisen Group, which has been included as a reference document in this Prospectus.

Date of establishment, duration

The Issuer was founded under the name "Schweizer Verband der Raiffeisenkassen" on 12 June 1902 for an indefinite period of time as a cooperative with its registered office in Bichelsee, Canton Thurgau.

Purpose and the Date of the Articles of the Association

The purpose of the Issuer is described in article 3 of its Articles of Association, which have been incorporated by reference into this Prospectus.

The Articles of the Association of the Issuer have been amended on 18 December 2019.

Notifications

Notifications in relation to the Issuer are published in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*).

Notifications in relation to the Bond shall be made in accordance with Clause 11 of the Terms and Conditions.

Register

The entry in the Commercial Register of the Canton of Thurgau was made on 21 November 1902 and the entry in the Commercial Register of the Canton of St. Gallen on 18. February 1919 (registration number CHE-105.997.193).

2. Information about the Board of Directors and Executive Board of the Issuer

Board of Directors, Management and Auditor

The members of the Board of Directors are listed by name on page 91 et seqq. of the Raiffeisen Group's Annual Report 2019. In a press release dated 3 September 2020, the Issuer announced that Anne Bobillier resigned from the Board of Directors of Raiffeisen Switzerland as the end of September.

The names of the members of the Executive Board are listed on page 107 et seqq. of the Raiffeisen Group's Annual Report 2019. Since the publication of the Annual Report 2019, Roland Altwegg and Werner Leuthard, who were both interim members of the Executive Board, have left the Executive Board and Roger Reist and Kathrin Wehrli have joined the Management Board. In a press release dated 2 October 2020, the Issuer announced that Philippe Lienhard will leave the Issuer's Executive Board effective 31 October 2020. Helen Fricker has joined the Issuer's Executive Board as of 1 November 2020.

The business address of the members of the Board of Directors as well as the Executive Board is Raiffeisen Schweiz Genossenschaft, Raiffeisenplatz 4, 9001 St. Gallen.

Auditors / Group Auditor

PricewaterhouseCoopers AG, Vadianstrasse 25 a / Neumarkt 5, 9001 St. Gallen acted as (external) statutory and group auditor until and including 2020.

At the Annual General Meeting on 25 June 2020, the Board of Directors proposed a change of auditors; Ernst & Young AG, Maagplatz 1, 8010 Zurich, Switzerland, were elected as new auditors for the period from 2021 to 2023. The change was made to strengthen the independence of the control structures and good corporate governance.

The auditors PricewaterhouseCoopers AG and Ernst & Young AG are registered in the register of the Swiss Federal Audit Oversight Authority (RAB) responsible for the auditing body.

3. Business Activities of the Issuer

Principal activities

Raiffeisen Switzerland bears responsibility for the Raiffeisen Group's business policy and strategy, and acts as a center of competence for the entire group and represents its national and international interests. Raiffeisen Switzerland creates framework conditions for the business activities of the local Raiffeisen banks (e.g. IT, infrastructure, refinancing) and advises and supports them in all matters. In addition, Raiffeisen Switzerland is responsible for risk management, liquidity and equity capital management as well as refinancing throughout the group and assumes treasury, trading and transaction functions. Raiffeisen Switzerland also conducts banking business itself. The six branches, which are active in banking or customer business, are managed directly by Raiffeisen Switzerland. Efforts are currently underway to spin off the branches of Raiffeisen Switzerland and reorganize them into independent Raiffeisen banks.

Court, arbitration and administrative proceedings

Raiffeisen Switzerland is not involved in any legal, arbitration or administrative proceedings that are of material importance to the assets and liabilities or profits and losses of the Issuer, nor, to the best of Raiffeisen Switzerland's knowledge, are any such proceedings pending.

4. Capital Structure and Voting Rights

The financial figures as of 31 December 2020 are in unaudited form and correspond with the status presented at the press conference regarding annual results on 4 March 2020.

Capital structure

The paid-in cooperative capital of Raiffeisen Switzerland amounts to CHF 1,700 million as of 31 December 2020 and is fully paid up. The paid-in cooperative capital is divided into 1,700,000 cooperative share certificates with a nominal value of CHF 1,000 each. Under the Issuer's Articles of Association, the RB must acquire a cooperative share certificate worth CHF 1,000 for every CHF 100,000 of total assets that they hold. As of 31 December 2020, this corresponds to a call-in obligation of the Raiffeisen banks towards Issuer of CHF 2,27 billion, of which CHF 893,8 million has been paid in. Cooperative share certificates in the amount of CHF 806,2 million were taken over by the Raiffeisen banks without being counted towards the payment obligation.

In relation to the Issuer, member institutions are obliged to make additional contributions within the meaning of article 871 CO up to the amount of their own funds, consisting of reported equity plus hidden reserves, without taking into account the obligation of their members (**Members**) to make additional contributions.

The cooperative capital is fully owned by 225 Raiffeisen banks (as of 31 December 2020), which are united in Raiffeisen Switzerland, whereby no Raiffeisen bank holds more than 5 percent of the voting rights.

The available liability of Raiffeisen Group is composed as follows (as of 31 December 2020 under systemic relevance regime):

Common Equity Tier 1 (CET1):	CHF 17,418 million
Common Equity Tier 1, which is required to fulfill Gone-Concern requirements:	CHF 465 million
Additional Tier 1 capital (AT1):	CHF 892 million
Eligible TLAC-Instruments:	CHF 500 million
Total capital/TLAC of the Raiffeisen Group:	CHF 19,275 million.

Regulatory capital of the Raiffeisen Group

As of 31 December 2020, the Raiffeisen Group had a total capital ratio/TLAC of 20.6% (eligible total capital/TLAC CHF 19,275 million) under the systematic relevance regime with its consolidated participations and all its cooperative members.

Under the non-systemic relevance regime, the Raiffeisen Group had as of 31 December 2020 a Core capital ratio (T1) of 20.1% (eligible core capital T1 CHF 18,776 million) and a ratio of 19.1% of Common Equity Tier 1 CET1 (eligible CET1 capital CHF 17,884 million). The required Minimum equity capital amounts to CHF 7,848 million.

Systemically important banks have, in accordance with article 124 et seq. CAO going-concern capital, i.e. to hold capital for the ordinary continuation of the bank and gone-concern capital, i.e. additional loss-absorbing funds.

The requirement for the additional loss-absorbing means is determined by the total requirement consisting of the base requirements and the surcharges according to article 129 CAO. In the case of a systemically important bank that is not internationally active, it amounts to 40% of the total requirement. If a systemically important bank holds the additional funds in the form of Common Equity Tier 1, the requirement pursuant to article 132(4) CAO is reduced. The maximum reduction of the requirements is one third. Since the Raiffeisen Group reclassifies excess CET1 going-concern capital to meet the gone-concern requirements, this reduction can be used.

According to the current TLAC transitional provisions based on the reporting date 31 December 2020, the Common Equity Tier 1 after this reclassification amounts to CHF 17,418 million, which corresponds to a CET1 ratio of 18.6%.

Excluding transitional provisions (fully applied, valid from 1 January 2026), a higher CET1 amount will be reclassified to meet the gone-concern requirements, resulting in a lower CET1 capital of CHF 14,919 million and a CET1 ratio of 16.0%.

The issuance of gone-concern-instruments by the Raiffeisen Group (as carried out in the 4th quarter of 2020 in the amount of CHF 500 million and in the 1st quarter of 2021 in the amount of CHF 300 million) results in less excess going concern CET1 having to be reclassified to meet the gone-concern requirement. This results in an increase of the CET1 ratio after reclassification.

In accordance with financial market regulations, the Raiffeisen Group must disclose its capital on a quarterly basis; this proof can be found on the website at <https://www.raiffeisen.ch/st--gallen/de/ueber-uns/zahlen-fakten/offenlegung.html>.

Outstanding convertible securities and warrants and bonds

For information on outstanding bonds of the Issuer see the Annual Report 2019 of the Raiffeisen Group, Interim financial statement of the Raiffeisen Group as of 30 June 2020 as well as the press release dated 4 March 2021 regarding the annual financial results 2020; which have been included as a document incorporated by reference in this Prospectus.

Own equity securities

Raiffeisen Switzerland does not hold any participation rights of its own.

5. Course of Business of the Issuer

Annual and interim financial statements

The annual and semi-annual reports are available online. The annual financial statements for the financial years 2018 and 2019 of Raiffeisen Switzerland and the Raiffeisen Group are included in the relevant Annual Report 2019 and the interim financial statements of Raiffeisen Group are included in the relevant interim financial statement Raiffeisen Group 2020, which are incorporated by reference in this Prospectus. Information regarding the financial statement 2020 was published in the press release dated 4 March 2021, which is also incorporated by reference in this Prospectus.

Quarterly financial statements are not published.

The financial figures as of 31 December 2020 are in unaudited form and correspond to the status presented at the press conference regarding annual results on 4 March 2020.

Information on the latest course of business

In a press release dated 25 February 2020, the Issuer responded to the publication of the Financial Market Supervisory Authority FINMA on the same day on the status of implementation of the emergency plans of the systemically important banks in Switzerland, which include Raiffeisen, as follows: "FINMA approved Raiffeisen's stabilization plan for the first time in 2016 and has since confirmed this assessment annually. In the case of the contingency plan, the Supervisory Authority believes that further work is needed on the more far-reaching capital requirements in the event of a crisis and the challenges specific to cooperatives. Raiffeisen can understand this assessment of the regulator with regard to the emergency plan submitted to FINMA for the last time. Following this assessment, Raiffeisen and FINMA have initiated a process to clarify the key issues. This jointly chosen procedure has led to delays in the revision of the emergency plan. Raiffeisen will submit the revised contingency plan to FINMA in mid 2020. This plan will also provide a detailed account of the insights gained with FINMA".

In a press release dated 17 June 2020, the Issuer announced the following: "Raiffeisen and Helvetia have decided by mutual consent to terminate their cooperation in the insurance sector prematurely as of 31 December 2020. This step allows both companies to flexibly pursue their own strategic goals independently of each other. Raiffeisen Switzerland has publicly tendered the insurance cooperation in the first half of 2019. The aim is to further expand the product and service range in line with the needs of its customers. Talks are currently underway in this regard. The final decision will be communicated after these talks have been concluded".

In a press release dated 20 June 2020, the Issuer announced: "The Board of Directors of Raiffeisen Switzerland has adopted the strategy "*Raiffeisen 2025*" for the years 2021 to 2025. Guided by the vision "*The innovative cooperative bank connects people*", Raiffeisen will build on its great customer proximity, expand it and drive innovation more strongly than before. The Raiffeisen group is sticking to its decentralized business model and will continue to focus on stability and quality before volume-driven growth. The traditionally close relationship between the Raiffeisen banks and their cooperative members will be further expanded. For example, the exchange with members via digital channels will be reorganized and intensified." In this context, investments of an additional CHF 550 million are planned over the next five years.

In a press release dated 24 June 2020, the Issuer provided the following information: "The leading retail bank in Switzerland, the Raiffeisen group, and Mobiliar, leading Swiss retail insurer, have decided to enter into a strategic partnership as of 1 January 2021. In addition to the mutual and exclusive brokerage of banking, pension and insurance products, the partnership also provides for the development of joint product solutions and services with a focus on young customers, families and SMEs. A joint platform is to comprehensively serve the needs of homeowners. Customers will thus benefit from a higher level of expertise and an expanded product range with coordinated banking, pension and insurance products. The aim is to offer a comprehensive range of products and services tailored to the needs of customers.

In a press release dated 25 June 2020, the Issuer announced that the Annual General Meeting has approved all proposals of the Board of Directors and in particular (i) approved the annual financial statements 2019 of Raiffeisen Switzerland and the consolidated financial statements 2019 of the Raiffeisen group, (ii) approved the compensation report 2019 and the maximum compensation framework for the Board of Directors and the management of Raiffeisen Switzerland in a consultative vote, (iii) confirmed in office all members of the Board of Directors and the Chairman of the Board of Directors of Raiffeisen Switzerland and (iv) elected Ernst & Young as new auditors.

In a press release dated 1 July 2020, the Issuer announced that it would no longer make individual bonus payments in future, but would introduce a collective profit-sharing scheme. This will be in the single-digit percentage range for individual employees, measured against their basic remuneration. The total remuneration is to remain at the same level.

In a press release dated 27 August 2020, the Issuer announced that it will redeem the outstanding Additional Tier 1 Bond with a nominal value of CHF 600 million on 2 October 2020, that it will redeem the outstanding Tier 2 Bond with a nominal value of CHF 535 million one year prior to its final maturity

on 21 December 2020 and that it intends to issue a new AT1 Bond with a high trigger. The decision on the launch, the launch date and the final design of the new AT1 Bond will depend on market conditions.

In a media release dated 3 September 2020, the Issuer announced that Anne Bobillier will resign from the Board of Directors of the Issuer with effect from 30 September 2020. The Board of Directors will decide on a replacement nomination for the vacant seat of the Board of Directors for the attention of the Issuer's General Meeting at a later stage.

In a media release dated 21 September 2020, the Issuer announced that the rating agency Standard & Poor's (S&P) had published its rating for Raiffeisen Switzerland and assigned the bank a long-term issuer credit rating of 'A+' (Short Term Issuer Credit Rating 'A-1'). The agency has set the outlook at "stable".

In a media release dated 2 October 2020, the Issuer announced that Philippe Lienhard will resign from the Issuer's Executive Board with effect from 31 October 2020. Helen Fricker will join the Executive Board as of 1 November 2020.

In a media release dated 8 October 2020, the Issuer announced that it had placed an additional Tier 1 bond (AT1 bond) with a nominal value of CHF 525 million and a coupon of 2.00%. The issue price of the new AT1 bond was 100.00% and the payment date was 16 October 2020. The AT1 bond is traded on the SIX Swiss Exchange under ISIN CH0566511496. The first trading day was 15 October 2020. Standard & Poor's gives Raiffeisen Switzerland's AT1 bond a rating of BBB.

In a media release dated 23 October 2020, the Issuer announced that it had placed two bail-in bonds for a total nominal amount of CHF 325 million. The first bond of CHF 150 million due in 2025 was issued with a coupon of 0.1825 per cent, the second bond of CHF 175 million due in 2028 was issued with a coupon of 0.50 per cent. The issuance of bail-in capital serves to build up additional loss-absorbing funds under the systemic relevance regime. Due to their structure and minimum denomination of CHF 100,000 bail-in bonds are primarily intended for institutional and professional investors. The two bonds were fully paid-up on 11 November 2020. The bonds are traded under ISIN CH0572899091 (2025) and CH0572899257 (2028) on the SIX Swiss Exchange. The first trading day was 9 November 2020.

In a media release dated 10 November 2020, the Issuer announced that it had decided to withdraw from the Swiss Bankers Association as of 31 March 2021. As part of the development of the Group strategy, the Issuer decided to represent its interests on legislative and regulatory issues independently in the future.

In a media release dated 17 November 2020, the Issuer announced that it had decided to relinquish its title sponsorship of the Super League at the end of the contract period, which expires in June 2021.

In a press release dated 4 March 2021, the Issuer announced the important results of the annual financial results 2020. Raiffeisen managed its business in 2020 successfully and prudently. It highlights the following points:

- Raiffeisen Group achieves a profit of CHF 861 million in 2020 (+3.1 per cent.);
- Very good operating business – increase in profit by CHF 37.9 million to CHF 967 million;
- 37,000 new clients – new client acquisitions in all regions of Switzerland;
- Clients' assets increased by CHF 16.8 billion to CHF 224 billion;
- Mortgage business receivables increased by 2.7 per cent. – targeted growth continues at market level;
- Significant progress in the field of retirement and investment – doubling of asset management mandates, over 20 per cent. growth in funds saving plan accounts and retirement saving accounts;
- Cost-income ratio improved from 61.3 to 59.4 per cent.;
- Very good capitalization with a TLAC ratio of 20.6 per cent.

Regarding the course of business of the Raiffeisen Group, reference is made to the Annual Report 2019 of the Raiffeisen Group and the press release dated 4 March 2021, which have been incorporated by reference.

No Material Change

Since the reporting date of the Annual Report 2019 of the Raiffeisen Group, there have been no material changes in the assets, liabilities, financial position, profit and loss and business prospects of the Issuer which are not disclosed in this Prospectus.

TAXATION

General Notice

The following discussion on certain Swiss tax law implications is of a general nature and does not take into account every potential tax consequence of an investment in the Bonds. These statements and explanations are based on the law and practice in force as of the date of this Prospectus. Investors into the bonds should consider that the law and practice might be subject to change. The following statements and explanations do not constitute tax advice. Each Investor is advised to consult their own tax advisers in light of their particular tax consequences of an investment into the bonds.

Classification and Coupon Split

Due to the conditional waiver of claims contained in them, the bonds are considered structured financial instruments for Swiss taxation purposes, consisting of a bond (bond component) and an option (option component). Based on this classification, for Swiss tax purposes each interest payment on the nominal value of a bond is split into a taxable interest component and an option component. Until Interest Reset Date the taxable interest component amounts to 0.73% p.a. (CHF 36.5) and the non-taxable option component amounts to 1.52% (CHF 76.0).

The total return of the bonds is exclusively attributable to periodic interest payments; the bonds do not contain any one-time compensation such as an issue discount or a redemption premium. Consequently, for tax purposes, they are considered as bonds without predominant one-time interest payments (*sans intérêt unique prédominant* or *non-IUP*).

Withholding Tax

The interest paid under the bonds is exempt from withholding tax pursuant to Art. 5 para. 1 lit. g of the Federal Withholding Tax Act. In order for the bonds to qualify for this exemption, the supervisory authority FINMA must have approved the bond with regard to the fulfilment of regulatory requirements. The Issuer has received a corresponding approval from the supervisory authority FINMA and, based thereon, has obtained a confirmation from the Swiss Federal Tax Administration for the statutory exemption of the Bonds from the withholding tax.

On April 3, 2020, the Swiss Federal Council published a consultation draft on the reform of the Swiss withholding tax system applicable to interest on bonds. If adopted in this wording, the consultation would replace with certain exceptions the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss withholding tax. Under this paying agent-based regime, subject to certain exemptions, (i) all interest payments made by paying agents acting out of Switzerland to individuals resident in Switzerland will be subject to Swiss withholding tax, including interest payments under the Bond, and (ii) interest payments to all other individuals (including investors residents abroad) will be exempted therefrom. Since the results of the consultation were controversial, the Federal Council decided on September 11, 2020 to submit a proposal to the parliament that provides for the complete abolition of withholding tax applicable to interest on bonds.

Securities Turnover Tax

The issue, sale and delivery of the Bonds on the Issue Date (transaction closing and payment before the expiry of the end of the issue date) (primary market) and the repayment is not subject to the Swiss securities turnover tax.

The trading of the bonds in the secondary market is subject to Swiss securities turnover tax at a rate of 0.15 percent of the consideration paid for the bonds traded, if a Swiss domestic securities dealer (as defined in the Swiss Stamp Tax Act) is a party to, or acts as an intermediary for, the transaction and no exemption applies in respect to one of the parties to the transaction.

Income taxation

Bonds held by non-Swiss holders

An investor who is not resident in Switzerland for tax purposes and who has not conducted any trading or business activity during the tax year through a permanent establishment in Switzerland to which their bonds are attributed is not subject to income taxation in Switzerland in respect to these bonds (compare above "*Withholding Tax*" for a summary of the possible change of the withholding tax law towards a paying agent tax; compare below "*Foreign Account Tax Compliance Act*" and "*International Automatic Exchange of Information in Tax Matters*" for a summary of certain tax aspects for payments to foreign investors).

Bonds held by Swiss resident holders as private assets

An investor resident in Switzerland, who holds bonds as private assets, earns taxable income for interest in the respective tax period, in which they collect the corresponding interest amount. In contrast, option premiums and a gain earned on the sale of a bond (in particular, profit attributable to the option component, accrued interest or changed general interest rate conditions on the capital markets) are considered tax-exempt private capital gains. Correspondingly, a loss incurred on a sale or a conditional waiver of a claim is considered a private capital loss that cannot be deducted for tax purposes. Notwithstanding the foregoing, accrued interest paid by the Issuer upon redemption or repurchase of Bonds shall be deemed to be taxable income.

Bonds held as assets of a trade or business in Switzerland

Individuals who hold bonds in Swiss business assets, as well as Swiss domiciled taxable legal entities and foreign legal entities, which hold bonds in a Swiss permanent establishments, must account for interest amounts, option premiums and capital gains or losses from the sale or redemption of bonds or from a conditional debt waiver in their income statement in the corresponding tax period and are taxed on the net result of the corresponding tax period. The same tax treatment applies to individuals resident in Switzerland, who qualify as "professional securities dealers" for income tax purposes.

Foreign Account Tax Compliance Act (FATCA)

Switzerland and United States of Amerika have concluded an Agreement done on February 14, 2013 for Cooperation to Facilitate the Implementation of FATCA. At the same time as the FATCA agreement, the Federal Parliament approved in September 2013 the FATCA Implementation Act, which entered into force together with the Agreement and the Ordinance on Reporting Obligations (*Verordnung betreffend Meldepflichten*) on 30 June 2014. The agreement is implemented in Switzerland according to the so-called Model 2. Accordingly, Swiss financial institutions report the account data directly to the US tax authorities with the consent of the US clients concerned. Data on non-cooperative clients must be requested by the US through the ordinary channels of administrative assistance. On 8 October 2014, the Federal Council adopted a mandate for negotiations with the USA on a switch to Model 1, which provides for the automatic exchange of information. When a corresponding agreement will be available is still uncertain at this point in time.

The Automatic Exchange of Information in Tax Matters

The automatic exchange of information in tax matters (**AEOI**) is a global initiative led by the Organisation for Economic Cooperation and Development (**OECD**). The objective is to create a universal standard for the automatic exchange of tax information and to increase tax transparency. Jurisdictions that are obliged to implement or have implemented the AEOI (such as Switzerland, the EU Member States and many other jurisdictions worldwide) require their reporting financial institutions in accordance with the respective local implementation law to determine the tax residence(s) of their account holders and controlling persons (where applicable); and, in the case of accounts subject to reporting requirements, to report certain identification, account and financial information (including the account balance and related payments such as interest, dividends, other income and gross receipts) to the local tax authority,

which then exchanges the information received with the tax authorities in the relevant reporting jurisdictions.

Switzerland has concluded a multilateral agreement with the EU on AEOI (**AEOI Agreement**). The AEOI Agreement entered into force on 1 January 2017. It is applicable to all EU Member States and other jurisdictions. Furthermore, the Multilateral Competent Authority Agreement (**MCAA**) entered into force on 1 January 2017. Based on this, Switzerland has concluded a number of bilateral AEOI agreements with other states and intends to conclude further such agreements. A list of the AEOI agreements in force and those that have been signed is available on the website of the State Secretariat for International Finance SIF.

The following should be taken into account with regard to the United Kingdom: Until the UK has definitively left the EU Single Market and Customs Union, the multilateral AEOI agreement with the EU applied to the UK. After the United Kingdom has definitively left the EU single market and customs union the AEOI between Switzerland and the United Kingdom will be continued on the basis of the multilateral Convention on Mutual Administrative Assistance in Tax Matters of the Council of Europe and the OECD and the MCAA.

Based on the AEOI Agreement, the bilateral AEOI agreements and the Swiss legislation implementing these agreements, Switzerland exchanges with the Party States information on financial assets (such as the bonds) of persons who are residents of the EU or of a Party State, held in accounts or deposits with a Swiss paying agent.

RESPONSIBILITY FOR THE PROSPECTUS

Raiffeisen Switzerland assumes responsibility for the completeness and accuracy of this Prospectus and declares that, to the best of its knowledge, all information is correct and no material circumstances have been omitted.