

Press release

Ad hoc announcement pursuant to Art. 53 LR

Operationally strong, strategically on track – successful half-year for the Raiffeisen Group



Operational strength

Growth across all income items



Attractive cooperative

26,700 new clients and 35,000 new cooperative members



Strategically on track

Expansion of digital client access, reinforcement of investment business, new mortgage process

Highlights

- **Group profit is CHF 701 million for the first half of 2023 (+26.0%)**
- **Strong operating business – growth across all income items, operating result rose to CHF 894.0 million**
- **Growth of commission business and services by CHF 11.0 million – again high inflow of net new money into the pension and investment business**
- **Net result from interest operations increased significantly by CHF 307.5 million in the course of the interest rate turnaround**
- **Mortgage volumes increased by CHF 3.4 billion, representing 1.7% growth at market level**
- **Client deposits grew by CHF 850.3 million – market share further expanded**
- **Progress made in implementing the strategy – expansion of digital client access, reinforcement of pension and investment business, new mortgage process**

St.Gallen, 23 August 2023. The Raiffeisen Group recorded an excellent result in the first half of 2023, with strong gains both in the operating result and the profit. At CHF 701 million, the half-year profit was up 26.0% on the previous year, driven by all income items. The operating result increased by 271.2 to CHF 894.0 million.

Heinz Huber, Chairman of the Executive Board of Raiffeisen Switzerland comments on the half-year result: "The key financial figures in the first half of 2023 are excellent – the Group recorded gains in all income items. Over 90% of profit is retained within the company, making us a stable and secure bank. We continue to invest in our strategic development by focusing on proximity to our clients."

All income items up

Due to the strong performance of the operating business, operating income grew by 20.9% in the first half-year to CHF 2.0 billion. Interest operations in particular, the Group's main pillar of income, increased significantly by 25.0% (+CHF 307.5 million) compared to the same period last year, primarily driven by the interest rate turnaround by the Swiss National Bank (SNB). The neutral business also contributed to the income rise. The banking group was again able to increase income from commission business and services as well as from trading business, compared to the already very strong period in the previous year. The net income from commission business and services grew by CHF 11.0 million (+3.7%) to CHF 310.9 million. Net trading income increased by CHF 17.0 million (+14.6%) to CHF 133.0 million. As expected, costs increased in the first half of the year compared to the same period in the previous year, due to greater staffing requirements, investments in implementing the Group strategy as well as higher expenditure on client events, general meetings and members' events. Thanks to the increase in income in the first half of the year, coupled with a more moderate increase in costs, the cost/income ratio improved to 50.6%, compared to 57.2% in the same period of the previous year. The operating result rose by 43.5% to CHF 894.0 million in the first half-year.

Steady growth in the core business

Mortgage loans rose by CHF 3.4 billion to CHF 207.1 billion in the first half of the year (+1.7%). Raiffeisen thus grew in line with their ambition at market level. The Group's stable market share of 17.6% means that it is maintaining its strong market position. Client deposits increased in the first half of the year by CHF 850.3 million (+0.4%) to CHF 205.6 billion, despite a decline in the overall market. This allowed Raiffeisen to expand its market share to 14.7% (previous year 14.5%). At a refinancing level of 94.0%, almost all loans to clients are completely covered by client deposits. Inflows also continued in the pension and investment business. Since the start of the year, the Raiffeisen banks received net new funds of CHF 1.8 billion into securities accounts. 16,600 securities accounts were opened in the first six months of this year. As in previous years, growth in asset management mandates was particularly strong. The number increased by 15.6%, while the volume was up by 16.9%. Assets under management rose to CHF 246.6 billion. Overall, the Group has welcomed more than 26,700 new clients in the first six months of the year. The number of cooperative members went up by 35,000. This development was partially the result of the last two branches of Raiffeisen Switzerland in Basel and Zurich becoming independent cooperative banks at the start of the year.

Profit is retained within the company – exceptional capital base

Over 90% of Raiffeisen's profit is retained within the company as reserves. This means the Group is exceptionally well capitalised, making it secure and stable. The strong operating result from the first half-year enabled Raiffeisen to add CHF 50 million to the reserves for general banking risks. Equity and loss-absorbing funds were reinforced further to reach CHF 24.3 billion in the first half-year. As of 30 June 2023, the risk-weighted TLAC ratio was 25.5%, thus further improving from the figure of 24.9% as of 31 December 2022. The TLAC leverage ratio, at a very solid level of 8.4%, was also higher than at the end of 2022 (8.2% as of 31 December 2022). This means Raiffeisen has already exceeded the 2026 final regulatory requirements for systemically important banks. Furthermore, the bank's additional loss-absorbing capacity fully complies with the requirements under the recovery and resolution plan. For this reason, FINMA announced that it had assessed Raiffeisen's emergency plan as implementable at the start of April 2023.

RAIFFEISEN

Progress made in implementing the strategy

The new Raiffeisen app will be launched shortly for selected user groups, together with a digital onboarding solution. The app is being developed gradually with the aid of client feedback and on the basis of the most frequently used features. All digital services offered by the bank will be available on one app by 2025. In addition, the Raiffeisen banks have continued to invest in expanding staffing levels for their advisory teams in the first half of the year. Strengthening the pension and investment business is a core element of the Group strategy. Securities account holdings have increased by a third since the start of 2021. Raiffeisen passed the mark of half a million securities accounts in the first half of 2023. In the core business, the first Raiffeisen banks are using a new digitalised and partially automated mortgage process. This will enable Raiffeisen to prepare and post-process mortgage applications in a standardised procedure, reducing the processing time, providing more time for client advice. The new process will be available to all Raiffeisen banks for new business in owner-occupied property by year-end.

Outlook

The market environment remains challenging due to the rising risk of recession and the ongoing geopolitical uncertainties. However, Switzerland continues to be less affected by the globally subdued economic environment and inflation than other countries. After a potential further increase in key interest rates in September 2023, interest rates in Switzerland are unlikely to continue rising. Some interest rate volatility will nevertheless persist in the uncertain economic environment. In the market for owner-occupied residential property, the very strong price momentum seen until quite recently is expected to gradually decrease. Following the positive first half of 2023, greater volatility can be expected on the capital markets as the year progresses. Due to its proven domestically oriented business model, Raiffeisen is optimistic about the current year, and expects the annual result to exceed the previous year's level.

RAIFFEISEN

The Raiffeisen Group at a glance

	1 January – 30 June 2022 (in CHF million)	1 January – 30 June 2023 (in CHF million)	Change in CHF million	Change in %
Key income figures				
Operating income	1,691	2,044	353	20.9
Operating expenses	-967	-1,034	-66	6.9
Operating result	623	894	271	43.5
Half-year profit	556	701	145	26.0
Cost/income ratio	57.2%	50.6%	n.a.	n.a.

	On 31 December 2022 (in CHF million)	On 30 June 2023 (in CHF million)	Change in CHF million	Change in %
Key balance sheet figures				
Total assets	280,635	287,603	6,969	2.5
Loans to clients	214,565	218,863	4,297	2.0
Mortgage loans	203,656	207,081	3,425	1.7
Amounts due in respect of customer deposits	204,785	205,635	850	0.4
Customer deposits in % of loans to clients	95.4	94.0	n.a.	n.a.

Client assets	As of 31 December 2022 (in CHF million)	As of 30 June 2023 (in CHF million)	Change in CHF million	Change in %
Assets under management from retail activities	242,239	246,568	4,329	1.8

Resources	As of 31 December 2022	As of 30 June 2023	Change	Change in %
Number of full-time positions	9,901	9,975	73	0.7
Number of Raiffeisen locations	803	788	-15	-1.9

All reports are available at [raiffeisen.ch](https://www.raiffeisen.ch).

RAIFFEISEN

Presentation: The half-year media conference presentation will be available for download at <https://www.raiffeisen.ch/medien> from approx. 10:00.

Photographs: Photos of the speakers are available at <https://www.raiffeisen.ch/medien>.

Contact: Raiffeisen Switzerland Press Office
071 225 84 84, medien@raiffeisen.ch

Raiffeisen: second-largest banking group in Switzerland

The Raiffeisen Group is Switzerland's leading retail bank. With over two million cooperative members and 3.66 million clients, the Group is the second-largest player in the Swiss banking market. The Raiffeisen Group is present at 788 locations throughout Switzerland. The 219 legally independent Raiffeisen cooperative banks are members of the Raiffeisen Switzerland Cooperative. The Raiffeisen Switzerland Cooperative assumes the strategic management and supervisory function for the entire Raiffeisen Group. The Raiffeisen Group offers private individuals and corporate clients a comprehensive range of products and services via its Group companies, cooperative ventures and participations. On 30 June 2023, the Raiffeisen Group had CHF 247 billion in assets under management and CHF 219 billion in loans to clients. The Group's market share in mortgage lending is 17.6%. Total assets amount to CHF 288 billion.

Group strategy "Raiffeisen 2025"

"Raiffeisen 2025" is the strategy of the Raiffeisen Group. It defines the strategic approaches, initiatives and targets for the period 2021 to 2025. Raiffeisen focuses on banking and banking-related services, with a consistent emphasis on clients. The key strategic plans are (1) diversifying the business model by strengthening the pension and investment business, (2) expanding online client access through a new Raiffeisen app, which brings together Raiffeisen's digital services in one place, (3) more efficiency and time for clients by digitalising and automating the mortgage process, Raiffeisen's core business, and (4) further strengthening of advisory services for clients, as interaction between local Raiffeisen banks and the digital world.

Unsubscribe from press releases:

Please write to medien@raiffeisen.ch if you no longer wish to receive communications from us.

Notes in particular concerning forward-looking statements

This publication contains forward-looking statements. These reflect the estimations, assumptions and expectations of the Raiffeisen Switzerland Cooperative at the time of publication. Owing to risks, uncertainties and other factors, future results may differ from the forward-looking statements. Accordingly, these statements are not a guarantee for future performance and trends. Risks and uncertainties include, among other things, the risks and uncertainties described in the relevant annual report of the Raiffeisen Group (available at report.raiffeisen.ch). The Raiffeisen Switzerland Cooperative is not obliged to update the forward-looking statements in this publication. Rounding may result in minor deviations from actual values.