

News release

Raiffeisen interim financial statement for the period ending 30 June 2015

Raiffeisen publishes excellent figures

St. Gallen/Zurich, 12 August 2015. The Raiffeisen Group has posted a rise in income across the board, increasing its operating income by 7.9% or CHF 110 million to CHF 1.5 billion. Group profit went up by 8.7% or CHF 31 million to CHF 395 million. Raiffeisen's figures for both total assets and assets under management exceeded the CHF 200 billion mark for the very first time.

Operating income of the Raiffeisen Group rose by CHF 110 million to CHF 1.51 billion, despite the challenging macroeconomic environment. Interest income posted an increase of CHF 29 million. As a result of higher transaction volumes, net income from commission business and service transactions (+ CHF 26 million) and from trading (+ CHF 27 million) rose significantly. Solid growth rates were obtained in both the lending and the deposit business. Expansion in the Asset Management business and investment in IT led to a rise in operating expenditure to CHF 913 million (+ CHF 46 million). At CHF 597 million, gross profit is up 12% or CHF 64 million over the previous year.

Growth in core business

The volume of retail business continued to perform at a high level. The mortgage business in particular recorded solid growth, rising CHF 3.7 billion (prior year + CHF 3.5 billion) despite the less dynamic real estate market. Customer deposits witnessed considerable growth, especially in the second quarter. They increased by a total of CHF 4.5 billion (prior year + CHF 2.7 billion). Assets under management (AuM) rose by 1.6%, reaching the CHF 200 billion mark for the first time. Total assets also experienced a strong boost (+ CHF 13 billion) and likewise peaked at more than CHF 200 billion for the first time.

Capital adequacy requirements met without any problem

The Raiffeisen Group complies with regulatory requirements regarding capital adequacy without any further measures to be taken. The capital base was strengthened by the subordinated bond, issued with great success in the spring. As part of a re-assessment of the banking environment worldwide, Moody's raised the deposit rating for Raiffeisen up one notch to Aa2 in May. This confirms Raiffeisen's ranking as one of the safest banking institutions without a government guarantee.

Implementation of the strategic initiatives

The corporate clients business was further reinforced through the opening of the second Raiffeisen Business Owner Centre (RUZ) in Baar. Raiffeisen also pressed ahead with digitisation, ARIZON Sourcing AG began its operating activity on 1 January 2015. The company is going to upgrade Raiffeisen's IT in the next few years and in the medium term will take over the securities

processing, which is currently handled by Vontobel. Notenstein Asset Management AG started operating on 1 July 2015. It combines the asset management boutiques of TCMG Asset Management AG with the Asset Management and Institutional Clients business of Notenstein Private Bank. As a result, Notenstein Private Bank can focus on its core business, investment advisory and asset management services. As of mid-year, it manages assets of CHF 16 billion. At CHF 19.6 million, gross profit is up CHF 13.6 million on the previous year. Through the takeover of the IT business by Raiffeisen Switzerland and parts of the services business by ARIZON Sourcing AG in the second half of the year, synergies within the Group are expected to utilize.

Cautiously optimistic going forward

Following the successful first half of the year, the Raiffeisen Group remains cautiously optimistic about the business trend. The pressure on earnings is increasing due to the still challenging macroeconomic environment. Investments in technical infrastructure and diversification of the fields of business are fuelling a continuing rise in costs. Assuming that no further considerable macroeconomic events occur, Raiffeisen expects its annual result to be close to the prior year level.

The Raiffeisen Group at a glance

	30 June 2015 (in CHF billion)	31 December 2014 (in CHF billion)	Change in %
Total assets	201.3	188.6	6.7
Loans to customers	162.1	158.8	2.1
Mortgage receivables	154.6	150.9	2.5
Customer deposits	148.3	143.8	3.1
Assets under management (AuM)	200.3	197.1	1.6
Operating income and expenditure			
	1 Jan. – 30 June 2015 (in CHF m)	1 Jan. – 30 June 2014 (in CHF m)	Change in %
Operating income	1,510	1,400	7.9
Operating expenditure	913	867	5.3
Gross profit	597	533	12.0
Group profit	395	363	8.7
Employees and Members			
	30.06.2015	31.12.2014	Change in %
Employees (full-time)	9,019	9,028	-0.1
Total employees	10,760	10,755	0.0
Members	1,855,242	1,846,747	0.5

Telephone conference:

Dr. Pierin Vincenz, Chair of the Executive Board of the Raiffeisen Group, will comment on the half-year results at 10:00 a.m. during a telephone conference and will be available to answer questions from representatives of the media. The conference call will be conducted in standard German. Please register in advance by sending an e-mail to medien@raiffeisen.ch.

Link to the presentation (in German): www.raiffeisen.ch/medien

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Raiffeisen: third largest banking group in Switzerland

The Raiffeisen Group is the leading Swiss retail bank. The third largest bank in the Swiss banking sector has 3.7 million clients. These include 1.9 million cooperative members, who are co-owners of their Raiffeisen bank. The Raiffeisen Group is present at 1,004 locations throughout Switzerland. The 292 legally autonomous cooperative Raiffeisen banks are amalgamated into Raiffeisen Switzerland Cooperative, which is the strategic leader of the entire Raiffeisen Group. Notenstein Private Bank Ltd and Notenstein Asset Management Ltd are subsidiaries of Raiffeisen Switzerland Cooperative. As of 30.06.15, the Raiffeisen Group had CHF 200 billion assets under management and CHF 162 billion loans to clients. The market share is 16.7% in the mortgage business and 18.5% of the savings market. Total assets amount to CHF 201 billion.