

## Press Release

### Outstanding results for Raiffeisen

**St.Gallen, 26 February 2016. The Raiffeisen Group again delivered record profits: at CHF 808 million, the Group profit was up 6.4% year-on-year. The banking group grew strongly in all income items. Assets under management rose to well over CHF 200 billion.**

#### Significant rise in earnings

The year 2015 was an extremely successful one for Raiffeisen. Despite the challenging market environment, net operating results increased by CHF 52 million, or 5.9%, to CHF 943 million. This increase clearly shows that the Group has made strong gains in its operating performance. The Group can report record profits of CHF 808 million, equivalent to an increase of CHF 48 million or 6.4%. The sale of a small part of the Leonteq stake for CHF 62 million (previous year: CHF 44 million profit from the sale of the Vontobel investment) had a positive effect.

In line with the long-term diversification strategy of the Raiffeisen Group, the commission and service business (up CHF 34 million), trading profits (up CHF 52 million), and other income (up CHF 60 million) also contributed to income growth. The Group's cornerstone, the interest business, grew by CHF 41 million.

#### Raiffeisen more attractive than ever for Swiss clients

The volume of core business continued to perform at a high level. Client deposits have grown sharply, reflecting the high degree of trust in the Group. The increase totalled CHF 8.7 billion or 6.2% (prior year CHF +6.5 billion, +4.8%). Assets under management (AuM) rose by CHF 10.4 billion or 5.3% to CHF 207 billion as at the end of 2015. The inflow of new money into the bank amounted to CHF 14.4 billion, of which CHF 6 billion was attributable to the acquisition of La Roche Private Bank.

Performance in the mortgage business was also highly encouraging. With growth of CHF 7.9 billion or 5.2% to CHF 159 billion, Raiffeisen has a 16.9% share of the Swiss mortgage market.

Patrik Gisel, Chairman of the Executive Board of Raiffeisen Switzerland: "2015 was a very successful year for the Raiffeisen Group. In the past few years we have developed from a retail bank into a broadly diversified financial services provider that is capable of covering a whole range of client needs. In a dynamic environment, we have not just sat waiting, but worked actively in developing future-proof business areas."

#### Safe and financially sound

Raiffeisen continues to profit from its cautious risk policy: lending has consistently increased in the past five years. At the same time, value adjustments for default risks decreased once again in 2015. The proportion of value adjustments in relation to lending fell to 0.14%.

With a total capital ratio of 16.4%, the Raiffeisen Group exceeds the qualitative and quantitative capital adequacy requirements as a systemically important bank. Particularly noteworthy is the high proportion of CET1 capital, i.e. "hard" core capital, at 14.3% (the requirement is 11.2%). The leverage ratio at 6.7% also substantially exceeds the required level of 3.5%. The capital base was strengthened by CHF 600 million through the subordinated bond (high trigger) that was issued with great success in spring. In addition to the subordinated bond, the Raiffeisen banks have issued share certificates to almost the same extent, thus also contributing to the very high quality of capital.

### **Expanding the network – focussing on the market**

Raiffeisen is working on the network and is investing in the future from a position of strength. In 2015, the management structure was re-aligned, the promising advisory business was greatly expanded and a department for Corporate Clients was created. The cooperation with Helvetia was extended and Raiffeisen expedited digitisation.

Strategic priorities include upgrading the core banking system by the end of 2017, expanding the corporate clients business and the focussed alignment of the Group companies in the market: in 2015 the IT and Services business areas of Notenstein La Roche Private Bank were transferred to Raiffeisen within the framework of a shared service centre.

Notenstein La Roche Private Bank can thus focus on their core business, Private Banking. Integration of the traditional Bale Private Bank La Roche will lead to a major strengthening of the market position in Switzerland. Assets under management in the Private Clients business increased to CHF 22 billion in the period covered by the report, while the cost/income ratio was cut to less than 80%. Asset management was brought together in Vescore Ltd, a new Group company.

### **Outlook for 2016**

The Raiffeisen Group is looking to the future with rather modest expectations. Switzerland's economy will likely be sluggish once again in 2016, as the shock to the Swiss franc is continuing to have an effect. The uncertain global situation is an additional challenge for Swiss exporters, on top of the strong Swiss franc. The great hope is for moderately accelerated growth in the Eurozone, Switzerland's biggest trading partner. The signs are positive for personal spending, due to continuing growth in the population and the still low unemployment rate. Prices in the real estate market are stabilising at a high level or falling slightly. We are seeing the "soft landing" that Raiffeisen had often forecast in the past. In this environment, Raiffeisen is focussing on long-term stability and sustainable lending.

## The Raiffeisen Group at a glance

	2015 (in million CHF)	2014 (in million CHF)	Change (in million CHF)	Change in Percentage
Total assets	205,748.2	188,403.8	17,344.4	9.2
Loans to clients	166,478.7	158,545.7	7,933.0	5.0
of which mortgages	158,593.6	150,730.7	7,862.9	5.2
Client deposits	150,272.4	141,545.1	8,727.3	6.2
Assets under management (AuM)	207,468.7	197,109.1	10,359.6	5.3
Operating income	3,015.9	2,828.8	187.1	6.6
I Interest business net income	2,176.8	2,135.3	41.5	1.9
Commission and service fee net income	462.7	429.0	33.7	7.8
Trading business net income	209.3	157.8	51.6	32.7
Other ordinary result	167.1	106.7	60.4	56.6
Operating expenditure	1,887.4	1,765.3	122.2	6.9
Net operating result	943.4	891.0	52.4	5.9
Group profit	807.7	759.4	48.3	6.4
Equity capital	13,325.7	12,060.4	1,265.3	10.5
Total capital ratio (in %)	16.4	15.3		
CET1 ratio in %	14.3	13.9		
Leverage ratio in %	6.7	6.4		
Employees (full-time)	9,286	9,028	258	2.9
Total employees	11,046	10,755	291	2.7
Members	1,862,032	1,846,747	15,285	0.8
Clients	3,717,987	3,695,129	22,858	0.6

**Photographs:** Pictures of the media conference will be available at [www.raiffeisen.ch/medien](http://www.raiffeisen.ch/medien) after 2:00 p.m.

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**Raiffeisen: third largest banking group in Switzerland**

The Raiffeisen Group is the leading Swiss retail bank. As the third largest bank in the Swiss banking sector, it has 1.9 million cooperative members who are co-owners of their Raiffeisen bank. The 292 legally autonomous cooperative Raiffeisen banks are amalgamated into Raiffeisen Switzerland Cooperative, which is the strategic leader of the entire Raiffeisen Group. The Raiffeisen Group is present at 994 locations throughout Switzerland. Notenstein La Roche Private Bank Ltd and Vescore Ltd are subsidiaries of Raiffeisen Switzerland Cooperative. As of year-end 2015, the Raiffeisen Group had CHF 207 billion in assets under management and CHF 166 billion in loans to clients. The Group's share of the mortgage market is 16,9%, with total assets of CHF 206 billion.