

Press Release

Ad hoc announcement pursuant to Art. 53 LR

Raiffeisen reports outstanding year-end results

- **The Raiffeisen Group generated a profit of CHF 1.07 billion in 2021 (+24.2%)**
- **Mortgage loans up 3.2% – targeted growth in line with the market**
- **Client deposits increased 5.9% to exceed CHF 200 billion for the first time; custody account volumes grew by CHF 8.0 billion**
- **Strong growth in commission business and services: up 18.8%**
- **Strong rise in operating result by CHF 300.8 million to CHF 1.3 billion**
- **Cost/income ratio improved from 59.4% to 56.0%**
- **Strategic goals for 2021 achieved – digital solutions expanded, pension and investment business strengthened, and housing ecosystem extended**
- **Very good capitalisation with TLAC ratio of 23.4%**

St Gallen, 3 March 2022. In 2021 the Raiffeisen Group generated an excellent result, with a Group profit of CHF 1.07 billion, 24.2% higher than the previous year. Significantly higher income in all business areas contributed to this.

Heinz Huber, Chairman of the Executive Board of Raiffeisen Switzerland, comments on the result: "Raiffeisen generated an outstanding result. The rise in all income items demonstrates that the Group's operating performance has improved strongly. We achieved the strategic goals set for 2021. We expanded digital services for our clients and further diversified the business model as a result of our successful pension and investment business. Raiffeisen enjoys a high level of customer confidence in all regions of Switzerland and is continuing to extend its strong customer business position by successful collaboration across the whole Group."

In 2021 the Group gained some 53,000 new clients and 28,000 new cooperative members. Net new money amounted to CHF 14.5 billion.

Success in the core business

The Raiffeisen Group's balance sheet business performed well. Mortgage loans increased 3.2% to CHF 196.4 billion, continuing to grow in line with the market as aimed for. The quality of the mortgage book remains high due to an unchanged lending policy. Market share was steady at 17.6% as Raiffeisen retained its strong market position in the core business. Client deposits rose significantly by CHF 11.3 billion to CHF 201.7 billion (+5.9%). This takes Raiffeisen's market share up to 14.0% (previous year: 13.8%). As a consequence of the strong growth in client deposits, the Group managed to further improve its refinancing ratio to 97.8%. This means loans to clients are almost fully covered by client deposits. Custody account volumes rose very strongly, by 21.7%. A total of 68,000 custody accounts were opened in 2021: 268 every working day. As a result of the sharp rise in custody

account volumes, benefited by the favourable stock market environment, and the steep increase in client deposits, client assets saw pleasingly high growth of CHF 19.3 billion to CHF 247.1 billion (+8.5%).

Clear increase in all income items

Operating income rose by CHF 323.2 million year on year to CHF 3.4 billion (+10.6%). All income items contributed to this positive performance. The commission and service business once again posted very pleasing results, with a rise of 18.8%. Profit in this segment increased by CHF 85.0 million to CHF 536.1 million. The pension and investment business in particular continues to be on the growth path. Just like the previous year, the number and volume of asset management mandates more than doubled in 2021. Volume growth was almost 40% for both fund savings plans and retirement custody accounts. Net income from trading also did well, climbing CHF 29.9 million (+13.9%) to CHF 244.6 million. By strengthening the pension and investment business, Raiffeisen has broadened its income base. Indifferent business as a percentage of total operating income has increased from 15% to 23% since 2010.

Interest operations continue to be Raiffeisen's main income pillar, accounting for more than 70%. Despite persistently high pressure on margins, Raiffeisen saw a pleasing rise of CHF 116.9 million in the net result from interest operations to CHF 2.4 billion (+5.1%), due to volume growth, lower value adjustments and prudent management of the balance sheet. As a result of the sharp rise in all income items with a simultaneous lower cost increase, the cost/income ratio improved considerably, from 59.4% to 56.0%. The operating result was up by CHF 300.8 million to just under CHF 1.3 billion (+31.1%).

Safe, stable and a strong capital position

About 94% of the profit for the year will be retained as retained earnings and remain within the cooperative. Consequently, capital and loss-absorbing funds have increased to CHF 21.3 billion. Raiffeisen already comfortably exceeds the current and future requirements for the risk-weighted total loss absorbing capacity (TLAC) ratio for systemically important banks, with a figure of 23.4%. The current and future requirements for the unweighted TLAC leverage ratio are also already met very nicely.

The Group's liquidity position is extremely solid. At 188.8%, the short-term liquidity ratio is well above the regulatory minimum of 100% and rose even further in 2021, thanks to the strong growth in client deposits. The net stable funding ratio (NSFR) remains a high 144.9%, underlining the stable and sustainable funding for our loans.

Investing in the client experience

The Group met the targets set for 2021 and made good progress in evolving from a provider of products to a provider of solutions. The digital offering was expanded, for example by the addition of a digital pillar 3a and the SME eServices multibanking platform "KMU eServices" for corporate customers. The pension and investment business remains on the growth path, making an important contribution to income diversification. Raiffeisen expanded the ecosystem housing by adding the Liiva residential property platform and the modernisation planner in the advisory process. The Group invested in responsible banking. Since mid-2021, with a few exceptions the full range of Raiffeisen pension and investment products systematically take sustainability aspects into account. Raiffeisen has also boosted transparency in the sourcing of gold and is the first Swiss retail bank to launch an exchange-traded fund based on gold that includes social and environmental factors and allows the origin of the gold to be traced.

In the current year, the strategic focus is on investing in digitalisation, further strengthening the pension and investment business as well as anchoring and differentiating Raiffeisen as a responsible cooperative. At present, due to a branch network that is denser than any other in Switzerland, Raiffeisen is seen as the bank that is closest to its clients. Over the next few years, the cooperative bank is looking to digitalise its business model and invest more in mobile services. Local presence will be retained, though, with an increasing emphasis on providing client advice. At the start of 2022, the Group approved a climate strategy and will implement it with the aim of reaching net zero by 2050. To this end, Raiffeisen will focus on reducing its own CO₂ emissions, making its products and services climate-friendly, and raising customer awareness. By the end of 2022, the investment and pension business will be applying a consistent sustainability approach to ensure all products are comparable. Encouraging sustainability is a firm part of the housing ecosystem and will be expanded by introducing far-sighted residential property advice. Long-term usage and replacement planning will prepare homeowners for investing in modernising their property. This represents a major contribution by Raiffeisen to sustainably transforming the Swiss building stock.

Outlook

The market environment remains challenging. The situation relating to the coronavirus pandemic has eased considerably, but the war in Ukraine and other geopolitical tensions are creating uncertainty. Raiffeisen expects a solid business performance for the current year. Overall, the economic prospects for a further recovery in 2022 are intact. Raiffeisen is assuming GDP growth of roughly 2.5%. Unlike in many other advanced countries, inflation in Switzerland remains modest, not least thanks to the sustained strength of the Swiss franc. Financing conditions are getting slightly more expensive because interest rates have risen in the capital market, but they are still attractive. This situation, together with tight supply, will likely continue to push up prices, particularly in the residential property segment. The trend is weakening, however, because equity and affordability requirements are increasingly limiting the pool of buyers.

Overview of the Raiffeisen Group

	2021 (in million CHF)	2020 (in million CHF)	Change (in million CHF)	Change (in percent)
Total assets	284,489.2	259,653.3	24,835.9	9.6
Loans to clients	206,355.3	200,358.5	5,996.9	3.0
of which mortgages	196,359.6	190,317.4	6,042.3	3.2
Client deposits	201,729.0	190,424.6	11,304.4	5.9
Client assets from the retail business	241,225.9	223,842.9	17,383.0	7.8
Operating income	3,383.4	3,060.2	323.2	10.6
Net result from interest operations	2,414.0	2,297.1	116.9	5.1
Result from commission business and services	536.1	451.1	85.0	18.8
Result from trading activities	244.6	214.7	29.9	13.9
Result from other ordinary activities	188.7	97.3	91.4	93.8
Operating expenses	1,894.7	1,816.6	78.0	4.3
Operating profit	1,268.3	967.4	300.8	31.1
Group profit	1,068.8	860.6	208.1	24.2
	2021 (in percent)	2020 (in percent)		
TLAC ratio	23.4	20.6		
Tier 1 ratio (going concern)	21.7	19.6		
CET1 ratio	20.3	18.6		
TLAC leverage ratio	7.4	7.3		
	2021 (number)	2020 (number)	Change (number)	Change (in percent)
Employees total	11,465	11,207	258	2.3
Full-time positions	9,729	9,492	237	2.5
Cooperative members	1,963,593	1,935,790	27,803	1.4

Please note: The figures published are not audited.

Presentation: The presentation to accompany the publication of annual results will be available at <https://www.raiffeisen.ch/medien> from 10.15 onwards.

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

Enquiries: Raiffeisen Switzerland media office
071 225 84 84, medien@raiffeisen.ch

Raiffeisen: third-largest banking group in Switzerland

The Raiffeisen Group is Switzerland's leading retail bank. With around 1.96 million cooperative members and 3.61 million customers, the Group is the third-largest player in the Swiss banking market. The Raiffeisen Group is present at 820 locations throughout Switzerland. The 219 legally autonomous Raiffeisen cooperative banks are united under the umbrella of Raiffeisen Switzerland Cooperative, which is the strategic leader of the entire Raiffeisen Group. Raiffeisen offers private individuals and corporate customers the full range of products and services via its Group companies, cooperative ventures and participations. On 31 December 2021, the Raiffeisen Group had CHF 241 billion in assets under management and roughly CHF 206 billion in loans to clients. The Group's market share in mortgage lending is 17.6%. Total assets amount to CHF 284 billion.

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