

RAIFFEISEN

Press release

Raiffeisen interim financial statement as of June 30th, 2013

Distinctive rise in half-year profit at Raiffeisen

St. Gallen, 14 August 2013. **The Raiffeisen Group has posted a significant rise in income, increasing its operating income by 1.5% or CHF 20 million to CHF 1,381 million. Half-year profit has risen soundly by 11.0% or CHF 37 million to CHF 369 million.**

The sustained volume growth on the assets side and interest-rate adjustments for liabilities stopped the erosion of margins and increased interest income by CHF 12 million. The recovery of the financial markets had a positive impact on commission income (plus CHF 8 million), especially in retail banking. The Group also saw slightly gains in the trading business.

Income is growing, costs remain stable

It is an encouraging sign that costs rose much less than income. The increase was moderate, both for personnel expenditure (plus 0.8%) and operating expenditure (plus 0.6%). This led to a CHF 14 million increase in gross profit to CHF 535 million (plus 2.7%).

Solid growth

Growth in the balance sheet business remains high: mortgage volumes rose 2.8% or CHF 3.8 billion. Lending-related risks continue at a low level. Value adjustments for default risks were reduced to CHF 273 million compared to the end of 2012; this is equivalent to 0.185% of the credit volume.

Customer deposits grew by CHF 2.7 billion. The increase involved savings deposits only, while holdings of medium-term notes and time deposits fell further due to the continuing low interest rates. The portfolio volume just about held up, despite inconsistent equity markets and declining bond markets. The Raiffeisen banks benefited from an appreciable recovery in securities trading.

Hybrid bond strengthens capital base

In April, Raiffeisen Switzerland successfully issued a subordinated hybrid bond in the amount of CHF 550 million. The bond was well received by the market. As a result, the Group exceeds the capital adequacy requirements of Basel III set for the end of 2016 as early as the reporting date.

Notenstein expands new areas of business

Notenstein Private Bank Ltd is on a solid footing. It seeks to attain substantial growth in coming years, and is therefore investing specifically in its core areas: Swiss private and institutional clients. Assets under management at Notenstein Private Bank remained stable in the first half of 2013, while the still challenging market environment led to lower income and an increased cost/income ratio.

Strong half-year results

With a half-year result of CHF 369 million, Raiffeisen significantly exceeds the previous year's figure of CHF 332 million. Provided there are no major surprises in economic performance or on the financial markets in the second half of the year, Raiffeisen expects results to be better than in the previous year.

The Raiffeisen Group at a glance

	30 June 2013 (in CHF m)	31 December 2012 (in CHF m)	Change in %
Balance sheet total	172,260	168,124	2.5
Loans to customers	147,412	143,765	2.5
Mortgage receivables	139,695	135,943	2.8
Customer deposits	135,789	133,055	2.1
Assets under management (AuM)	176,272	173,149	1.8
	1 January – 30 June 2013 (in CHF m)	1 Jan. – 30 June 2012 (in CHF m)	Change in %
Operating income	1,381	1,361	1.5
Operating expenditure	847	841	0.7
Gross profit	535	521	2.7
Group profit	369	332	11.0
	30.06.2013	31.12.2012	Absolute change
Employees (full-time)	8,714	8,797	-83
Total employees	10,417	10,540	-123
Members	1,814,703	1,794,855	19,848
Clients	3,663,703	3,651,701	12,002

Telephone conference:

Dr. Pierin Vincenz, Chair of the Executive Board of the Raiffeisen Group, will comment on the half-year results during a telephone conference at 10:00 a.m. and will be available to answer questions from representatives of the media. The language of the telephone conference will be standard German.

(Please register in advance by sending an e-mail to medien@raiffeisen.ch)

Link to the presentation (in German): www.raiffeisen.ch/halbjahresabschluss2012

This press release is also published at 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 1.8 million cooperative members, who are co-owners of their Raiffeisen bank. The Raiffeisen Group has 1,063 sites in Switzerland. The Group includes 316 Raiffeisen cooperative banks. Raiffeisen Switzerland Cooperative is the strategic leader of the entire Raiffeisen Group. Notenstein Private Bank Ltd is a wholly-owned subsidiary of Raiffeisen Switzerland Cooperative. As of 30 June 2013, the Raiffeisen Group had CHF 176 billion in assets under management and CHF 147 billion in loans to clients. The Group's market share is over 16% for mortgages and 20% for savings. Its total assets amount to CHF 172 billion.