

Press release

Ad hoc announcement pursuant to Art. 53 LR

Stable and successful – Raiffeisen reports strong half-year result

- **Group profit at CHF 556 million for the first half of 2022 (+10.1%).**
- **Strong operating performance – further increase in profits, operating result increased to CHF 622.8 million.**
- **Commission and service business increased by CHF 43.9 million – high inflow of net new money in pension and investment business.**
- **Interest business increased by CHF 25.2 million despite tight margins.**
- **Client deposits grew by CHF 6.2 billion – market share expanded.**
- **Mortgage volumes increased by CHF 3.6 billion, mortgage loans grown by 1.8% at market level.**
- **Strategic priorities are on track – investments in digital proximity, strengthening the pension and investment business, and differentiation as a responsible cooperative.**

St.Gallen, 24 August 2022. The Raiffeisen Group achieved a very good result in the first half of 2022. The Group profit of CHF 556 million is up 10.1% on previous year's result. Particularly in the commission and service business as well as in interest business the Group recorded pleasing growth. The business volume of the group is also growing continuously.

Heinz Huber, Chairman of the Executive Board of Raiffeisen Switzerland comments on the result: "The Raiffeisen Group was very successful in the first half of this year. Our client business is the great strength of the Group, which is in particular reflected in the increase in operating income. Proximity to our clients is an important differentiation factor, that is why this is the top priority in our strategy and is continuously being expanded. In the pension and investment business, we can once again present very good figures and an important milestone was reached with the spin-off of four former branches of Raiffeisen Switzerland into independent cooperative Raiffeisen banks."

Operational earning strength further expanded

Interest business, the most important source of revenue for the Group, grew by a pleasing 2.1% (+CHF 25.2 million). In the first half of the year, the commission and service business again increasing sharply by CHF 43.9 million to CHF 299.9 million (+17.2%). Despite a challenging stock market, the Raiffeisen banks as well as the branches of Raiffeisen Switzerland saw net new money inflows of around CHF 2.2 billion in custody accounts. In the first half of the year, 28,000 new custody accounts were opened. As in the previous year, asset management mandates experienced particularly strong growth. The number of mandates increased by 25% and, despite negative market performance, volumes have increased by 6.4%. However, the overall custody account volume has decreased by 11% due to the decline of the stock market.

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The result from trading activities remained stable at a high level (-0.7%), despite the volatile market environment. In total, the share of indifferent business in operating income further increased to 24.6% (previous year: 22.7%). Thereby Raiffeisen further advanced its income diversification. At CHF 1,691 million, operating income is up by CHF 46.1 million (+2.8%) on the previous year's result. In the first half of the year, costs increased in line with expectations compared to the same period last year. This development can be attributed to investments in the implementation of the Group strategy and in resources for advisory teams at the Raiffeisen banks. In addition, following the decline caused by the pandemic, more in-person client events and general meetings took place. Personnel expenses increased by CHF 18.1 million (+2.6%), while general and administrative expenses increased by CHF 23.6 million (+9.9%). Due to the robust increase in operating income in the first half of this year, the cost-income-ratio was kept at a low 57.2% (previous year: 56.3%). The operating result grew by 1.4% to CHF 622.8 million, in the first half of the year.

Business volumes experiencing continuous growth

Mortgage loans increased by CHF 3.6 billion (+1.8%) to around CHF 200 billion in the first half of the year. The Group's growth is as planned, roughly in line with the market. With a stable market share of 17.6%, Raiffeisen has maintained a strong market position in its core business. The Group recorded a pleasant development in client deposits, with an increase of CHF 6.2 billion (+3.1%). Consequently, the Group was able to slightly expand its market share to 14.1% (previous year: 14.0%). Following the gain in client deposits, the Group was able to further improve its refinancing rate, reaching 98.7%. As a result, loans to clients are almost entirely covered by client deposits.

Outlook

Against a backdrop of geopolitical uncertainty, persistently high inflation and the increasing risk of recession, the market environment remains challenging. Raiffeisen anticipates stable development for its interest business. The result from commission and service business is expected to further increase, in spite of rising uncertainties. Overall, Raiffeisen is expecting a solid business performance in the second half of 2022. Thanks to its strategic alignment and focus on expanding proximity to clients, the Group is well positioned and on track. Investing in digitalisation, further strengthening the pension and investment business and differentiation as a responsible Cooperative continue to be the top priorities in the second half of the year.

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Overview of the Raiffeisen Group

	1 January – 30 June 2021 (in million CHF)	1 January – 30 June 2022 (in million CHF)	Change in million CHF	Change in %
Key figures				
Operating income	1,645	1,691	+46	2.8
Operating expenses	-926	-967	-42	4.5
Operating result	614	623	+9	1.4
Group profit	505	556	+51	10.1
Cost-income ratio	56.3%	57.2%	n/a	n/a

	As of 31 December 2021 (in million CHF)	As of 30 June 2022 (in million CHF)	Change in million CHF	Change in %
Key balance sheet figures				
Total assets	284,489	301,490	+17,001	6.0
Loans to clients	206,355	210,717	+4,361	2.1
Mortgage loans	196,360	199,971	+3,611	1.8
Liabilities in respect of client deposits	201,729	207,900	+6,171	3.1
Client deposits in % of loans to clients	97.8	98.7	n/a	n/a

Client assets	As of 30 June 2021 (in million CHF)	As of 30 June 2022 (in million CHF)	Change in million CHF	Change in %
Assets under management (AuM)	241,226	238,867	-2,359	-1.0

Resources	As of 30 June 2021	As of 30 June 2022	Change	Change in %
Number of full-time positions	9,565	9,678	+113	1.2
Number of locations	823	806	-17	-2.1

All the reports are available at report.raiffeisen.ch.

Please note: The published half-year figures are unrevised.

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Presentation: The presentation for the half-year results media conference will be available for download from 10.00 a.m. at <https://www.raiffeisen.ch/medien>.

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

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Raiffeisen: third-largest banking group in Switzerland

The Raiffeisen Group is Switzerland's leading retail bank. With around 1.99 million cooperative members and 3.62 million clients, the Group is the third-largest player in the Swiss banking market. The Raiffeisen Group is present at 806 locations throughout Switzerland. The 220 legally autonomous Raiffeisen cooperative banks are united under the umbrella of the Raiffeisen Switzerland Cooperative, which is the strategic leader of the entire Raiffeisen Group. Raiffeisen offers private individuals and corporate clients the full range of products and services via its Group companies, cooperative ventures, and participations. On 30 June 2022, the Raiffeisen Group manages CHF 239 billion client assets and CHF 211 billion in loans to clients. The Group's market share in mortgage lending is 17.6%. Total assets amount to CHF 301 billion.

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