RAIFFEISEN

# 2023

## Annual Report Raiffeisen Group

## Non-financial reporting

The non-financial reporting of the Raiffeisen Group consists of the "Sustainability" and "Employees" chapters in this Annual Report, disclosure of climate information according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and the GRI content index.

The full structure of the reporting is in the Imprint. All published reports are also available online at

report.raiffeisen.ch/en/download

# Raiffeisen in figures

S Strategic target

## Income statement

**1.39**
CHF billion
Group profit

**3.07**
CHF billion
Net result from interest operations

**624.4**
CHF million
Income from commission business and services transactions

**21.6%**
Proportion of neutral business S

**1.71**
CHF billion
Operating result

**51.9%**
Cost/income ratio S

## Balance sheet

**297.1**
CHF billion
Balance sheet total

**211.0**
CHF billion
Mortgage volume

**207.8**
CHF billion
Customer deposits

**22.4**
CHF billion
Equity capital

**92.4%**
Retention of earnings

## Market

**3.69**
million
Clients

**38.8%**
Main banking relationship S

**17.8%**
Market share in mortgages

**15.1%**
Market share of customer deposits

## Client assets

**249.7**
CHF billion
Assets under management

**4.9**
CHF billion
Net new money for assets under management

## Cooperative

**2.06**
million
Cooperative members S

**253.1**
CHF million
Member benefits passed on

**106.3**
CHF million
Interest on share certificates [1]

**219**
Raiffeisen banks

**784**
Locations

**1,549**
ATMs

## Employees

**12,328**
Employees

**10,305**
Full-time positions

**30.4%**
Women in upper and middle management

**20.4**
CHF million
Investments in training and continuing education

**36th**
Ranking
Employer ranking S

## Sustainability

**94.6%**
Proportion of sustainable investment products (volume)

**98.8%**
Proportion of sustainable asset management mandates (volume)

**88.2**
CHF million
Structured products with focus on sustainability

**1.0**
CHF million
Investments to mitigate climate change

**100.0**
CHF million
Outstanding green and sustainability bonds

1 Proposal for the attention of the General Meetings of the Raiffeisen banks

# Preface

**Thomas A. Müller**
Chairman of the Board of Directors
Raiffeisen Switzerland

**Heinz Huber**
Chairman of the Executive Board
Raiffeisen Switzerland

**Dear Readers,**

Both from a social and an economic perspective, 2023 was a challenging year. It was dominated by geopolitical tensions, weaker economic forecasts, the turnaround in interest rates and a momentous change in Switzerland as a financial centre. Raiffeisen managed to successfully remain on course in this challenging environment and to continue investing in its future. One thing is important to us: we work as a team to achieve success. Raiffeisen Switzerland and the 219 Raiffeisen banks share a basic principle within the Group: the cooperative business model. This makes Raiffeisen very stable, because we pursue a sustainable business policy within the Group, with a focus on stability and continuity.

**"We pursue a sustainable business policy within the Group, with a focus on stability and continuity."**

**Thomas A. Müller**
hairman of the Board of Directors
Raiffeisen Switzerland

We are shaping the future of the Group together. The Raiffeisen banks and Raiffeisen Switzerland once again generated a very good result in 2023. We were able to increase the Group's income base to CHF 1.39 billion. More than 90% of the profit is retained in the form of reserves, further expanding our capital base. This strengthens us and makes us a safe and financially strong bank. This is also confirmed by the international rating agencies: with its very good rating, Raiffeisen is one of the best-rated banks in the world.

The successful financial year shows that we are on the right track and enables us, the Raiffeisen Group, to continue investing in physical and digital advisory services for our clients. Technology is developing rapidly, with the result that our clients' needs are changing. In line with its Group strategy Raiffeisen 2025, Raiffeisen is focusing on digital transformation and expanding its advisory services. Key projects include expansion of the pension and investment business, the launch of the new Raiffeisen app and digitalisation of the mortgage process. We are also continuing to develop our range of services and advice across all channels. This enables our clients make their own choice as to how, when and where they conduct their banking transactions. Our advice remains personal and individual, no matter whether in the local branch office or via digital channels. After three years of implementing the strategy, we can see positive developments: Raiffeisen has started its journey and its investments in the future are beginning to pay off.

**"Raiffeisen acts with an entrepreneurial mindset, while also ensuring the Group's ability to connect and its future viability in the interests of its clients."**

**Heinz Huber**
Chairman of the Executive Board
Raiffeisen Switzerland

Raiffeisen acts with an entrepreneurial mindset, while also ensuring the Group's ability to connect and its future viability in the interests of its clients. At the last Annual General Meeting of Raiffeisen Switzerland, the Raiffeisen banks approved the most important revision of the Articles of Association in recent years. This modernisation was also developed in line with client requirements. The measures include simplifying membership for clients and providing Raiffeisen banks with the option of expanding their services.

The events in Switzerland as a banking centre posed challenges for the financial sector and policymakers in 2023, and continue to do so. We intend to tackle these challenges together, too. Raiffeisen joined the umbrella organisation of Swiss banks in summer 2023 and has also taken the position of Vice-Chairman of the Swiss Bankers Association. As the second-largest banking group, Raiffeisen aims to represent the interests of its Swiss private and corporate clients appropriately and play an active role in shaping the future of the Swiss financial centre.

Ultimately, we also want to share our success and play an active role. We have reported the social added value that Raiffeisen provides throughout Switzerland in the Raiffeisen "added value" barometer for the 2023 financial year: a total of CHF 413 million was invested in member benefits, employee training and continuing education, support for local projects and climate action. This local and national commitment is important to us, because the cooperative model and the proximity to our clients make the Raiffeisen Group unique.

Our business model has proven itself over more than 120 years. With our local roots and our focus on the domestic market, we will continue to place emphasis on stability and continuity – and we are actively addressing the future. On behalf of the Board of Directors and the Executive Board of Raiffeisen Switzerland, we would like to thank our 3.7 million clients most sincerely for the trust they place in Raiffeisen. Our more than 12,000 employees deserve a huge thank-you. Because "together" is what makes Raiffeisen different.

We hope you enjoy reading this report,

**Thomas A. Müller**
Chairman of the Board of Directors
Raiffeisen Switzerland

**Heinz Huber**
Chairman of the Executive Board
Raiffeisen Switzerland

# Management report



**The Raiffeisen Group can look back on a very successful 2023 financial year. Raiffeisen recorded an excellent result in its operating business thanks to the successful work of the 219 Raiffeisen banks. By reinvesting most of the Group's profits, Raiffeisen has further reinforced the security and stability of the banking group.**

**Raiffeisen is on track with the implementation of the Group strategy Raiffeisen 2025. In the year under review, the Group made significant investments in digitalisation and advisory services, in an effort to align its services even more closely with client needs.**

# Important events


**24 January 2023**

Since the end of January 2023, the **Raiffeisen banks** in **Basel** and **Zurich** have been **independent cooperatives**. The gradual transfer of all six branches was thus successfully completed.

Press release (in German)

**21 March 2023**

Raiffeisen Switzerland and **Swiss Ski** extend their **sponsoring partnership** early. Raiffeisen's extensive support for winter sports encourages young talent at local and regional level, while also benefiting the sport among the general public and at top competitive level.

Press release (in German)

@Ski Valais



**4 April 2023**

The rating agency **Standard & Poor's** (S&P) raised its rating for Raiffeisen Switzerland from the previous level of A+ to the current **AA-/A-1+**. S&P recognises Raiffeisen's excellent capitalisation and strong market positioning in particular.

Press release (in German)

**6 April 2023**

**FINMA** announced that it had assessed Raiffeisen's **emergency plan** as implementable ("green light"). The emergency plan thus meets the requirements for continuing systemically important functions without interruption in the event of imminent insolvency.

Press release (in German)

**18 April 2023**

Raiffeisen joins the international industry association for precious metal trading, the **London Bullion Market Association** (LBMA). The LBMA sets the direction of the precious metal industry with regard to environment, social aspects and responsible corporate governance (ESG). Raiffeisen only sells **gold ingots from refineries** that comply with the **Good Delivery Standards** issued by the LBMA.

Press release (in German)

**27 April 2023**

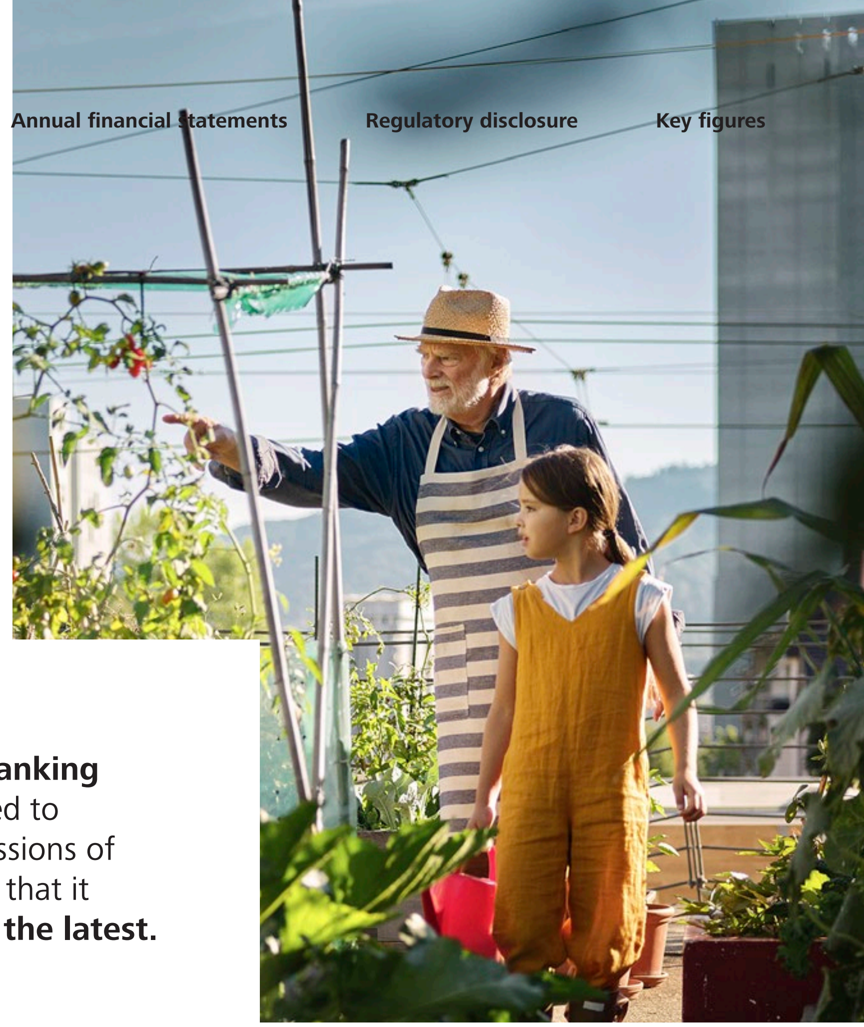
The business magazine *Bilanz* once again recognises Raiffeisen in the **Private Banking Rating 2023** as **overall winner** and thus as **best Swiss asset management bank**. It also won in the categories Best Bank Nationally and Long-standing Quality Leader.


Press release (in German)

**28 April 2023**

Raiffeisen Switzerland becomes **premium partner of Special Olympics Switzerland**. In doing so, it aims to promote inclusion in Swiss sport and raise the visibility of athletes with disabilities.

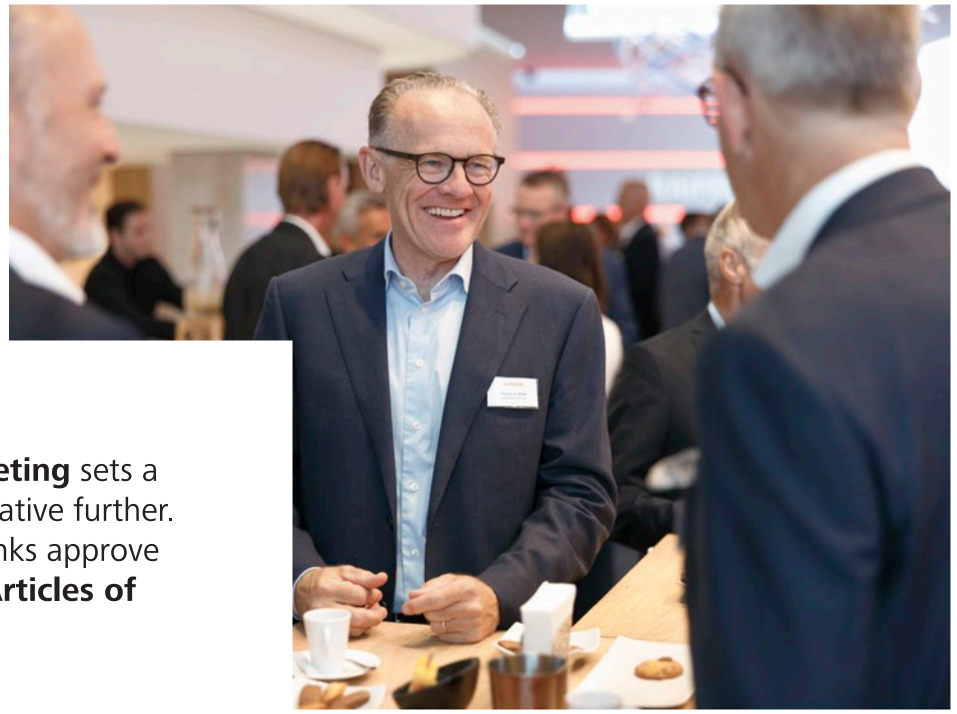
Press release (in German)



**31 October 2023**

By **joining the UN's Net-Zero Banking Alliance,** Raiffeisen has committed to reducing the greenhouse gas emissions of the loan and investment portfolio that it finances **to net zero by 2050 at the latest.**

Press release (in German)



**16 June 2023**

The Raiffeisen Switzerland **General Meeting** sets a good example and develops the cooperative further. The representatives of the Raiffeisen banks approve the **most important revision of the Articles of Association** in recent years.

Press release (in German)

**7 November 2023**

The **Raiffeisen ETF – Solid Gold Responsibly Sourced & Traceable A USD** wins the Swiss ETF Award 2023 in the category Best Commodity and Precious Metal ETFs and ETPs. The Swiss ETF Awards are presented for the third time in various categories by the stock exchange portal finanzen.net in cooperation with the BX Swiss stock exchange and the infrastructure operator SIX.

Press release (in German)

**29 August 2023**

**Raiffeisen joins the Swiss Bankers Association.** The Chairman of the Board of Directors of Raiffeisen Switzerland, Thomas A. Müller, is taking over as Vice-Chairman of the Board of Directors at the umbrella organisation of Swiss banks.

Press release (in German)

**1 December 2023**

The rating agency **Standard & Poor's** has confirmed its long-term issuer credit rating of **AA-** and the short-term issuer credit rating of **A-1+** for Raiffeisen. The agency continues to assess the outlook as "stable". This very good rating places Raiffeisen among the **highest rated banks in the world**.

Press release (in German)

# Business model – how we create added value

The figures listed refer to the 2023 financial year

## Key figures

**2.06** million
Cooperative members

**3.69** million
Clients

**12,328**
Employees

**219**
Raiffeisen banks

**22.4** CHF billion
Equity capital

## Values

### Cooperative values

### Entrepreneurial values


## Strategic approaches

| | | |
|---|---|---|
| 1 | Client needs | Raiffeisen consistently aligns its services with its clients' needs and gains new clients as a result. |
| 2 | New technologies | Raiffeisen uses new technologies and data to improve the customer experience. |
| 3 | Provider of solutions | Raiffeisen continues to develop its business model to become a provider of solutions and is increasing income from the commission business. |
| 4 | Processes | Raiffeisen is increasing its efficiency through standardised and digital processes, creating more time to give advice. |
| 5 | Learning organisation | Raiffeisen is developing into a learning organisation and establishing itself as an attractive employer. |
| 6 | Sustainable cooperative | Raiffeisen sets itself apart as a sustainable cooperative – for clients and staff. |

## Result

**4,069** CHF million
Operating income

**3,073** CHF million
Net interest income

**624.4** CHF million
Income from commission business and services transactions

**1.39** CHF billion
Group profit

**51.9%**
Cost/income ratio



## Client relationships

**784**
Locations

**1549**
ATMs

**1.90** million
E-banking agreements

**136,600**
Mortgage consultations

**1.95** million
Client Service Centre contacts

## Vision

"Raiffeisen – the innovative cooperative bank that connects people"

## Areas of business and expertise


## Strategic objectives that have been achieved

| | | | 2022 | 2023 | 2025 objective |
|---|---|---|---|---|---|
| 1 | Number of clients | Million | 3.64 | **3.69** | >3.79 |
| 2 | Percentage of retail clients who use Raiffeisen as their main bank | % | 35.1 | **38.8** | >37.0 |
| 3 | Proportion of neutral business in operating income | % | 24.0 | **21.6** | >30.0 |
| 4 | Cost/income ratio | % | 55.9 | **51.9** | <57.0 |
| 5 | Position in Universum's ranking of employers | Ranking | 23 | **36** | <25 |
| 6 | Number of cooperative members | Million | 2.00 | **2.06** | >2.11 |

## Added value generated

**253.1** CHF million
Banking and other perks for members

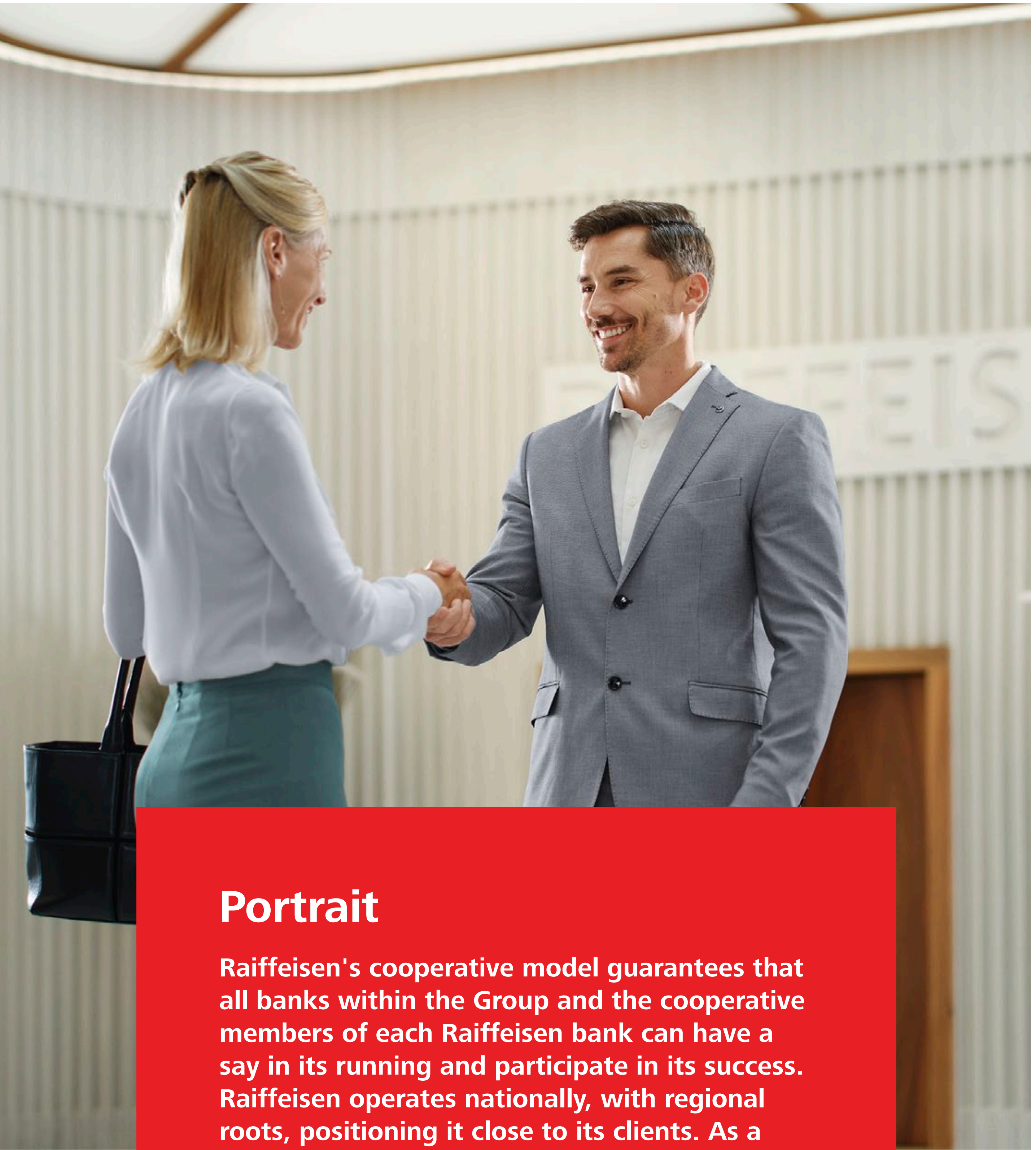
**106.3** CHF million
Interest on share certificates[1]

**32.3** CHF million
Commitment to society

**20.4** CHF million
Investments in training and continuing education

**1.0** CHF million
Investment to mitigate climate change

1 Proposal for the attention of the General Meetings of the Raiffeisen banks.



# Portrait

**Raiffeisen's cooperative model guarantees that all banks within the Group and the cooperative members of each Raiffeisen bank can have a say in its running and participate in its success. Raiffeisen operates nationally, with regional roots, positioning it close to its clients. As a cooperative bank, Raiffeisen connects people and creates added value – for clients, members, employees, the environment and society.**

## Attractive cooperative bank

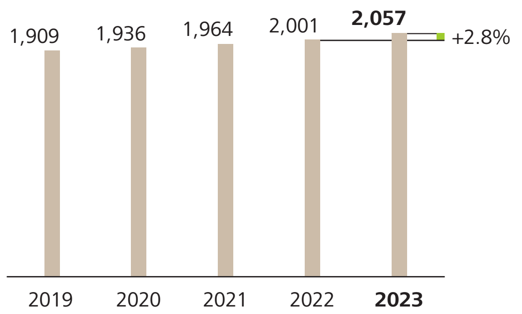
The first Raiffeisen bank in Switzerland was founded in Bichelsee (canton of Thurgau) in 1899 at the initiative of Pastor Johann Traber, and it commenced operations in 1900. The business model: a cooperative. All members should be able to use the services of their bank and are entitled to a say in how it is run. They also share responsibility for the cooperative's activities and how it fares.

The Raiffeisen Group now includes 219 Raiffeisen banks with a cooperative structure, local roots and more than 2 million members. Anyone who owns a share certificate will become a cooperative member of their Raiffeisen bank. Cooperative members or Raiffeisen members have voting rights and elect the Board of Directors of a Raiffeisen bank. They help decide on the further development of their Raiffeisen bank and benefit from its success. The share certificates earn an attractive interest rate. Members can also secure additional benefits.

**Raiffeisen is the largest cooperative bank in Switzerland.**

New members have been added as a result of the Raiffeisen Switzerland branches becoming independent.

**Cooperative members**
Number of people (in thousands) as at 31 December




## Commitment on local and national level

As a cooperative, Raiffeisen has long been investing in Switzerland, thus generating added value for its cooperative members and for society. Raiffeisen measures this with its "added value" barometer. In 2023, the Raiffeisen banks and Raiffeisen Switzerland created added value of CHF 413 million. Raiffeisen members benefited from around CHF 360 million in the form of discounted banking products, interest on share certificates and member benefits.

**413**
**CHF million**
**is the amount of added value that Raiffeisen generated in the 2023 financial year.**

The museum pass, which grants free entry to over 500 museums in Switzerland, was again the most popular member benefit in the year under review, with around 1 million admissions. In 2023, Raiffeisen members ordered over 200,000 discounted tickets for concerts, festivals and events, as well as over 100,000 discounted ski day tickets in over 20 ski resorts.

Raiffeisen granted CHF 31 million in the form of donations and sponsorship. It supports local associations, social institutions, sporting and cultural events as well as projects with a social dimension.

Raiffeisen also performs an important task as an employer with more than 12,000 employees. It sees meaningful activity, responsibility and initiative as the key elements of a socially responsible corporate policy. Raiffeisen invested around CHF 20 million in staff training and continuing education in the year under review.

In addition to measures to strengthen sustainability in each of the cooperative bank's business areas, Raiffeisen has made investments to mitigate climate change. Raiffeisen has invested a total of CHF 1 million in the Swiss Climate Foundation, the internal climate fund for energy efficiency measures and compensation of the remaining $CO_2$ emissions. Raiffeisen banks are also major taxpayers in their respective municipalities.

### Our vision

Raiffeisen defines the framework for what it does through the vision "Raiffeisen – the innovative cooperative bank that connects people". The banking group inspires its clients with unique solutions. It is enhancing its proximity to clients and connecting people in Switzerland, in person and digitally. By putting its cooperative values into practice on a sustainable basis, Raiffeisen creates added value together with its cooperative members, its clients and its employees.

**Connecting people means connecting them both online and in person.**

## Our values

Raiffeisen acts in line with its cooperative values and its business policy is open and fair. The focus is on the cooperative members. They are involved in determining how their bank develops, resulting in exceptional proximity to clients. True to its origins, Raiffeisen wants to provide people with easy access to banking services. This will remain so in future.

**Raiffeisen's business policy is open and fair.**

### The cooperative values

**Democracy**
Joint ownership and participation – where every member has a vote – is the democratic essence of the cooperative. Decisions are reached democratically.

**Solidarity**
Mutual support and joint and several liability are, from a historical perspective, achievements of the cooperative movement. Ultimately, solidarity is based on mutual trust.

**Liberality**
We tackle tasks together, with self-motivation and self-reliance. Liberality emphasises the independence of the cooperative banks.

### The entrepreneurial values

**Credibility**
We do what we say and keep our promises. We are credible in that our actions are reliable and consistent, and we reach transparent decisions.

**Entrepreneurship**
We take responsibility for our actions at all levels. We act independently, responsibly and entrepreneurially.

**Sustainability**
For us, sustainability means acting responsibly as a company and considering the ecological and social impact of our activities, in addition to the economic aspects. As a responsible financial institution with a cooperative structure, we aim to continuously boost our sustainability performance.

**Proximity**
Raiffeisen banks are rooted in the local population. They know and understand their clients, have a local/regional focus, and integrate into the market.



## Areas of business and expertise

In the private client business, almost half of the Swiss population relies on the expertise of Raiffeisen banks in the pensions and investments, and home and financing segments.

In the corporate clients business, Raiffeisen can provide products and total solutions for financing, payments, trading in interest rates, currencies and precious metals, transactions in the money and capital markets, and corporate finance services.

Within the Raiffeisen Group, the Corporate Clients, Treasury & Markets department is also responsible for the management, intra-Group transfer and procurement of liquidity. It ensures access to the financial markets and, as a centre of competence, it offers financial market products and services across the Group.

## Markets and clients

The Raiffeisen Group is focussed on the Swiss market. It is the second-largest player in the Swiss banking market and has the densest branch network in Switzerland. More than 90% of the Swiss population can reach one of the 784 Raiffeisen branches by car in 10 minutes. Raiffeisen's strong local roots are complemented by digital solutions, forming a hybrid business model. Clients can choose which services they wish to use and on which channels. Raiffeisen operates 1,549 ATMs for cash withdrawals in CHF and EUR (as at 31 December 2023). Raiffeisen e-banking is popular with clients. In the year under review, the number of e-banking agreements increased from 1.76 million to 1.90 million. The digital asset management app Raiffeisen Rio is currently used by around 12,000 private clients. Raiffeisen Switzerland's Client Service Centre handles around 2 million client enquiries per year, by phone or e-mail.

**Raiffeisen has the densest branch network in Switzerland.**

### Private clients

The Raiffeisen Group is Switzerland's retail bank with the greatest client proximity. With over 3.69 million clients, the Group is the second-largest player in the Swiss banking market. This means that more than 40% of the Swiss population are clients of Raiffeisen. For more than a third of the clients, Raiffeisen is their main bank, calculated on the basis of current product use. When it comes to financing residential property, Raiffeisen's core business, the banking group is the market leader in Switzerland. Around one in every five mortgages in Switzerland originates from Raiffeisen. Raiffeisen is also well positioned in the pension and investment business due to its range of solutions.

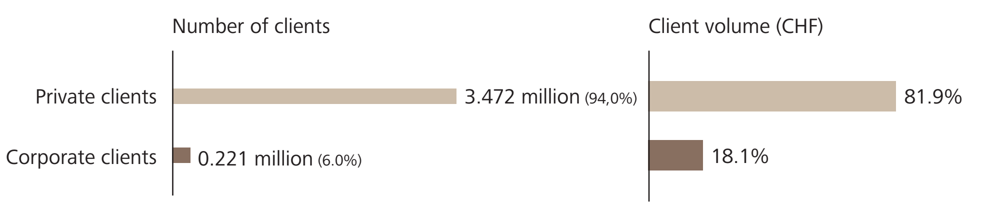
**3.69**
**million**
**clients have placed their trust in Raiffeisen.**

### Corporate clients

Raiffeisen's corporate clients comprise around 221,000 companies (as at 31 December 2023) – mostly small and medium-sized companies. This is an area that Raiffeisen intends to develop, along with its market position in the Swiss SME market. The direct client activities arising from Raiffeisen Switzerland's corporate clients, treasury and trading business are grouped together in the Corporate Clients, Treasury & Markets department. This means Raiffeisen can offer its corporate clients access to a broad range of products, advice and support from a single source, resulting in short lines of decision-making.

Corporate clients account for a disproportionately high share of the client volume.

**Number of clients and volume**
31 December 2023




For more information on products and services for private and corporate clients, see the chapter "Client solutions", pages 41–50.

## Structure and governance

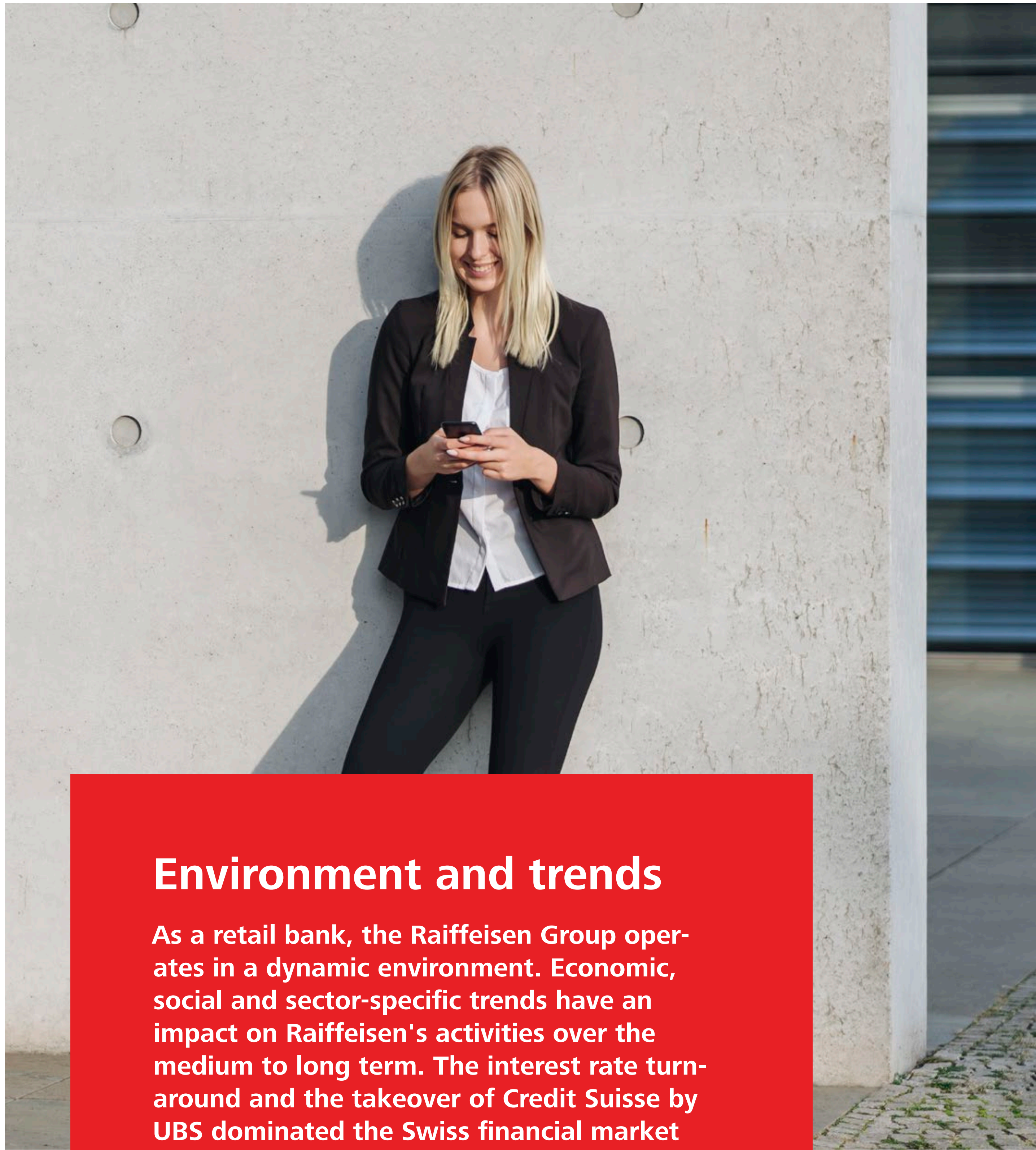
Each Raiffeisen bank is a legally and organisationally independent cooperative with directly elected banking bodies. The members of the cooperative form part of the responsible body of each bank.

Raiffeisen Switzerland takes care of the strategic management of the entire Raiffeisen Group and creates the framework conditions for the business activities of the Raiffeisen banks. Raiffeisen Switzerland is responsible for risk management, liquidity and capital ratios, and refinancing for the entire Group. Raiffeisen Switzerland also takes on treasury, trading and transaction activities in the role of a central bank.

The owners' committees – the Owners' Meeting, Raiffeisen Bank Council, Expert Committee Coordination and the expert committees represent an important component of the governance revised in 2019. The owner strategy brings together the interests, positions and expectations of the Raiffeisen banks as owners in relation to Raiffeisen Switzerland.

For more details, see the chapter "Corporate governance", pages 106–135.

For more information about the Raiffeisen cooperative, please visit report.raiffeisen.ch



# Environment and trends

**As a retail bank, the Raiffeisen Group operates in a dynamic environment. Economic, social and sector-specific trends have an impact on Raiffeisen's activities over the medium to long term. The interest rate turnaround and the takeover of Credit Suisse by UBS dominated the Swiss financial market in 2023.**

## Dynamic economic and market environment

The year 2023 saw many changes in the economic and market environment. The economic slowdown and the central banks' monetary policy had a particular impact on the development of the market.

### A challenging economic environment

**Higher interest rates are having an increasing impact on the global economy.**

The energy cost situation eased in 2023 and affected the global economy much less severely than expected. Economic momentum has nevertheless declined significantly, due to higher interest rates and the persistently high cost of living. Industry in particular had a tough time, as demand for goods slowed significantly following the pandemic-related boom. The supply bottlenecks for many preliminary products have largely eased due to the downturn in global demand. However, the order backlog that built up during the bottleneck period has largely disappeared, including at Swiss industrial companies. The service sector held up much better in 2023. The negative impact of high inflation and interest rate hikes was nevertheless also increasingly felt in this sector of the economy. The situation on the Swiss labour market remained stable, as companies were still reluctant to cut jobs for the time being, due to staff shortages.

Meanwhile, persistent inflation declined during the year under review. Procurement costs have fallen noticeably, with the result that retail prices have stopped rising as sharply. At the turn of 2024, higher rents and electricity prices were among the costs causing inflation to rise again. Apart from this, however, the general price level remained unchanged thanks to the strong CHF and moderate wage growth, making it much more relaxed than in neighbouring countries. The Swiss National Bank (SNB) raised the key interest rate to 1.75% by June 2023, but did not raise it any further throughout the rest of the year.

### Despite interest rate turnaround, no slump in prices on residential housing market

**Despite the interest rate turnaround, demand for residential property in Switzerland remains high.**

Following the SNB interest rate turnaround, money market mortgages have also become noticeably more expensive, following on from long-term fixed-rate mortgages. Although demand for private residential property fell in 2023, it remained robust overall. As the supply of residential property is becoming increasingly scarce in view of continuing demand, there are no signs of a major correction in house prices. On the Swiss rental housing market, the shortage of residential space continued to become more acute: the vacancy rate fell again in the year under review. There were nevertheless still no signs of significantly greater residential construction in the future. There are no signs of any rapid easing in this respect, even though interest rates are expected to fall in 2024.

As intended, Raiffeisen's mortgage business has grown at market level in recent years. The principle of "prioritising security over profitability and growth" applies here. The Raiffeisen banks pursue a prudent lending policy. The affordability calculation remains based on an imputed interest rate of 5%. This ensures that mortgage borrowers can afford the financing costs even if interest rates rise.

### Market environment remains challenging

**Switzerland as a banking centre has changed in the year under review.**

In the period under review, Switzerland's largest bank, UBS, acquired Credit Suisse, Switzerland's second-largest bank. Switzerland as a banking centre has changed as a result. The new mega-bank continues to hold a leading position in business with corporate clients and institutional investors such as insurance companies and pension funds, particularly among medium-sized and larger companies. The new situation in Switzerland as a banking centre could also have an impact on competition. Foreign banks are likely to enter the market. As a competent banking partner for Swiss companies, the Raiffeisen Group continues to invest in the needs-orientated servicing of small and medium-size enterprises (SMEs), and in business with medium-sized and large companies. The banking group continues to prioritise its own security and stability over rapid volume growth in this segment.

Due to its proximity to clients, Raiffeisen is well positioned in an intensively competitive environment and has a deep understanding of its clients' needs. The Group has defined its priorities for the coming years in its Raiffeisen 2025 strategy. The new competitive situation does not change this.



## Trends in retail banking

**Raiffeisen is responding to current trends with its Group strategy Raiffeisen 2025**

Banking is changing. The needs of clients have changed fundamentally over time – mainly driven by digitalisation, but also the demand for greater sustainability. Competition is increasing. Neobanks are raising client expectations with their digital products. Raiffeisen has responded to these trends with its Raiffeisen 2025 strategy.

For more details, see the chapter "Strategy", pages 24–28.

### Continuing trend in terms of sustainability

Society increasingly expects visible and credible corporate responsibility initiatives from companies. Both established banks and new market players have responded to this change. In retail banking, the focus is primarily on sustainable investment products, sustainable home ownership advice, and measuring $CO_2$ and compensating for it. In the lending and issuing business, too, financial service providers are increasingly aligning themselves with sustainability criteria. Sustainability is a central element of the Group strategy Raiffeisen 2025.

For more details, see the chapter "Sustainability", pages 51–78.

### New digital approaches to sales and advice are becoming established

**The hybrid advisory model is gaining in importance.**

New digital approaches to sales and advice are increasingly becoming established in the Swiss banking market. Both video-based advisory sessions and the use of chat and message channels are becoming increasingly popular among clients. Client interactions that are not dependent on location or time will complement existing channels and formats in the retail and corporate clients business. This hybrid advisory model is being expanded at Raiffeisen as part of the Group strategy. Raiffeisen Switzerland also manages the operation and ongoing development of its digital channels. These include the raiffeisen.ch website, e-banking, the Client Service Centre and other specialised applications such as the MemberPlus portal, the TWINT chatbot and the TWINT app.

### Competition for the client interface remains fierce

The offering from fintechs and neobanks continues to grow and is gaining in maturity. A major advantage of neobanks is their consistent focus on client needs and the high level of user-friendliness of their digital products, which are often digital only. It is therefore unsurprising that neobanks have now established themselves as providers. Although their product ranges are not yet comprehensive, they are being constantly expanded. Raiffeisen has recognised these trends and, as part of its Group strategy, is further expanding digital access to its services, while also investing in the user-friendliness of its digital channels.

Cooperation between financial service providers and real estate specialists should increase both parties' access to potential new clients for housing and mortgages. The momentum in this network of real estate and financing experts has again recently slowed somewhat. Raiffeisen is focusing on its own channels for housing and mortgages and is investing in strengthening the digital presence of raiffeisen.ch and in the expertise of its advisors.

### Artificial intelligence is becoming an everyday digital assistant

The use of new technologies in banking has opened up new opportunities in advisory services, settlement and other service offerings. One technology that is poised to become mainstream is (generative) artificial intelligence, recently fuelled by the success of ChatGPT. Advancements in this area and the number of further practical use cases are likely to increase in the coming months and become more relevant to banking. Raiffeisen is closely following the development of the technology in the direction of an everyday digital assistant. Even at this stage, Raiffeisen is testing various applications to boost internal efficiency, for example, through the use of ChatGPT. It is also investing in the integration of new forms of interaction for conversational banking. This involves dialogue-based communication with clients, for example, by means of live chat, chatbots or voicebots. Raiffeisen is also integrating artificial intelligence applications into new products and solutions, for example, for digital client onboarding and in the mortgage business. In doing so, Raiffeisen places great emphasis on data protection and data security.

**One of the areas in which Raiffeisen integrates artificial intelligence applications is digital client onboarding.**

### Focus on IT infrastructure and automation

As digitalisation becomes more advanced, banks are coming under more pressure to automate internal processes and become even more client-centric. Raiffeisen is continuously optimising and digitalising its core processes. Innovative solutions are also used for this purpose, such as process mining for data-based analysis of processes, or robot-based process automation (RPA). Raiffeisen is also continuing to invest in the optimisation of its IT infrastructure, cyber defences and new cloud applications, and in enhancing its employees' skills.

### Implementation of initial use cases for open finance

Open banking describes the opening and provision of client data to third-party providers. Future market developments will be shaped by regulatory requirements on the one hand and new market standards on the other. In this context, Raiffeisen is in close dialogue with interest groups (Swiss Bankers Association, Swiss Fintech Innovations). Over the next year, the first Swiss banks will pilot an initial multibanking service for natural persons. The service will focus on the exchange of account and payment information ("read only"). This will enable accounts from several banks to be managed through a single digital application. As part of its Group strategy, Raiffeisen is currently focusing on developing new systems and environments, such as the Raiffeisen app. This allows Raiffeisen to create the technical groundwork for providing marketable open finance services where required. Raiffeisen already operates the SME eServices multibanking solution in the corporate clients business, which launched in autumn 2019.

**Raiffeisen is currently focusing on the development of new systems, such as the Raiffeisen app.**

### Shortage of skilled workers and digitalisation are shaping new forms of collaboration

The Swiss labour market is in robust shape. The unemployment rate in Switzerland is at a very low level; the available labour pool is correspondingly small at present. This exacerbates the shortage of skilled workers that has existed in Switzerland for years. It affects a range of sectors such as healthcare, hospitality, and information and communication technology. IT specialists in particular are very important for implementing banks' extensive digitalisation projects. The takeover of Credit Suisse by UBS has increased the talent pool in the market over the short to medium term, with the result that some specialised roles at Raiffeisen have been filled with talent more quickly.

Digitalisation and social change are also transforming the world of work. Employers are faced with two developments: they must meet the challenges posed by digitalisation as well as the individual demands of employees for a digital and flexible working environment. This change affects the corporate culture, the perception of management and the handling of skills that are needed for the new world of work. Raiffeisen Switzerland has invested in the digital world of work and its corporate culture. Raiffeisen Switzerland also enables its employees to work flexibly under the Raiffeisen Flex-Work programme. This means that Raiffeisen Switzerland staff can spend up to 80% of their time working from a place of their choice, in consultation with their line manager and if compatible with the activity.

**Digitalisation is creating a new, changed world of work.**

For more details, see the chapter "Employees", pages 79–90.

### Regulations continue to set the tone for banks

Increasing regulatory requirements need additional expertise and resources. Liquidity, compliance and capital adequacy requirements for banks are rising steadily. The security of energy supply continues to be an increasingly important issue. This is due to the security of supply against the backdrop of power shortages during the winter, and increasing cyber risks. Raiffeisen Switzerland is in close contact with the Raiffeisen banks in this regard and supports them in mitigating risks.

# Strategy

**The goal of the Group strategy Raiffeisen 2025 is to focus consistently on clients and have more time to provide advice. Raiffeisen is expanding access to its digital services, strengthening its pension and investment business, and boosting efficiency by implementing a simple and semi-automated mortgage process. Raiffeisen is investing in advisory services for the interaction between the digital world and the local Raiffeisen banks.**

## Group strategy Raiffeisen 2025

The Group strategy Raiffeisen 2025 sets out the strategic direction for the period 2021–2025. It was developed in 2020 in an extensive and participative process, and lays out the Raiffeisen Group's future direction. It also shows how Raiffeisen intends to position itself in the Swiss banking market, so that it can continue to operate as a successful cooperative bank with a local presence.

## What guides our activities

**The cooperative model and the associated values remain a key distinctive feature for the Raiffeisen Group.**

Raiffeisen is guided by its cooperative values in its dealings with cooperative members, clients, staff and society. Both in its day-to-day operations and when implementing the strategy, Raiffeisen acts according to the following principles:

- Raiffeisen strives for a management culture focused on profit and efficiency, but not profit maximisation.
- Raiffeisen is a bank that connects people. It appeals to all stakeholders, connects people based on its values and creates added value.
- Raiffeisen generally positions itself as a smart follower in the change process, which ensures a correspondingly significant reduction in business risk.
- Raiffeisen's strength lie in its structure as a team and Group. The cooperative model allows Raiffeisen to stand out from its competitors as an innovative community of values and added value.
- Raiffeisen is evolving from a provider of products to a provider of solutions, while also driving its cost efficiency through scale, quality, standardisation and digital transformation.
- One thing is always true for the banking group: security, stability, sustainability and high-quality growth come first.

## Strategic goals

**Raiffeisen continues to develop its proximity to clients: in person at local Raiffeisen banks and through its digital service channels.**

Raiffeisen pursues a hybrid approach, utilising both in-person and digital services to meet client needs., wherever they arise. As the retail bank with the highest level of client satisfaction, Raiffeisen is striving to further develop its proximity to clients. At Raiffeisen, clients do not have to choose between digital banking services and personal advice at the branch. Clients can choose which channel they prefer to use at that particular time. Raiffeisen ensures that the transition between the digital world and personal contact with the advisor is straightforward. As a result, Raiffeisen is investing in expanding its digital and physical client proximity by focussing on four key strategic projects:

- strengthening the pension and investment business through client-orientated solutions and comprehensive advice;
- expanding digital client access through a new Raiffeisen app, which brings together Raiffeisen's digital services in one place;
- more efficiency and time for clients by digitalising and automating the mortgage process as Raiffeisen's core business, from the enquiry to the decision on granting the mortgage;
- further strengthening of client advisory, as interaction between local Raiffeisen banks and the digital world.

## Strategic progress

The Raiffeisen 2025 strategy is being implemented in three waves. The first wave (2021–2022) established the basis for a successful transformation by expanding the product range (particularly pensions and investments), simplifying processes and piloting initial developments. In the second wave (2023–2024), initiatives will be advanced that will allow Raiffeisen to gain more quality time for clients. The new Raiffeisen app and the semi-automated mortgage process in particular will be the priority in the second wave. The third wave (2025) will focus on setting the bank apart by delivering hybrid advice, in particular investment advice, with some final work taking place in 2026.

**Pension and investment business further expanded**

Raiffeisen expanded its range of pension and investment products in 2022. This included enhancing the functionality of the digital pension solution, launching index-tracking investment funds, extending the range of advisory mandates and aligning the existing asset management and advisory mandates fully with sustainability. Raiffeisen is now an asset management bank – for everyone. In the year under review, the proportion of clients investing their money with Raiffeisen increased further. Since the beginning of the strategy period, the number of investment securities accounts has increased by 35.2%. Raiffeisen also passed the mark of half a million securities accounts in 2023. The increase in net new money in the securities business of CHF 2.9 billion compared to the previous year in a challenging market environment confirms the trust that clients place in Raiffeisen when it comes to pensions and investments. Raiffeisen's asset management mandates are particularly popular. In 2023, the number of asset management mandates increased by 25.3%. They are available from a minimum investment of CHF 50,000. With this low entry threshold, Raiffeisen hopes to enable a broader client base to delegate management of their assets to a professional partner.

**+35.2%**

**Since the beginning of the strategy period at the start of 2021, the number of investment securities accounts has increased by one third.**

**Raiffeisen app launched for first client groups**

Major importance is attached to expansion of digital channels in the Raiffeisen 2025 strategy. Raiffeisen made the new Raiffeisen app available to the first client groups in the year under review. The app enables users to become a Raiffeisen client within a few minutes. This speed is partly due to an identification process that allows clients to scan their passport or ID card, or read the data using NFC technology. There is no need to sign physical agreements, so banking is simplified. The right banking package and the app's most important functions are available to users immediately after digital onboarding. The app has been tested thoroughly with the first client groups since mid-2023. The app currently includes the most frequently used banking functions such as payments, asset statements and card management. In the course of user tests and on the basis of user feedback, the app functionality and, in a later step, the desktop version of the app will be gradually expanded in line with client requirements.

**The new Raiffeisen app enables users to become a client within a few minutes.**

**Semi-automated process for new mortgages for private residential property**

The mortgage business is Raiffeisen's core business. Accordingly, the mortgage process plays a significant role in the ongoing implementation of the strategy. The aim is to boost efficiency and consequently gain more time for clients through standardisation and automation. Since the end of the year under review, the new process has been available to Raiffeisen banks for standard cases of new client business, where it involves owner-occupied residential property for private clients. Using the new mortgage process, it is possible to prepare and post-process the majority of loan enquiries from private clients in a standardised procedure, for example, by automatically recognising the relevant loan documents using artificial intelligence. Financing proposals can then be generated automatically. In addition, advisors have access to a digital tool to show their clients different options for financing. With this new process, clients receive an answer to their loan application more quickly. The banks gain time that they can invest in providing advice. Once the next key step has been completed, the new process will also be used for existing business (renewals and increases).

**By using the new workflow from application to the granting of the mortgage, Raiffeisen is gaining time that it can use to provide personal advice to its clients.**



**Advisory service strengthened**

Raiffeisen is focusing on a comprehensive approach to advice and is investing in advisory services and tools capable of handling future demands. The goal is to provide clients with comprehensive advice throughout the various events and stages of their lives. Raiffeisen continued to professionalise its advisory processes in the year under review, while also investing in support for its advisors. For example, new tools and aids such as those for the mortgage process were made available to advisors.

**Raiffeisen invests in the training and continuing education of its advisors so that they can provide competent advice and support for their clients.**

Measures to implement prudent home ownership advice were also continued in the year under review. Besides advice on mortgages, clients are advised on finding a property or renovating their property. The aim is to provide clients with competent and comprehensive advice throughout the entire life-cycle, from search to sale. Services were further developed in the year under review. For example, a modernisation check was introduced, providing clients with an illustration of their property's energy efficiency. Starting from 2024, Raiffeisen will be subject to the regulatory requirement of reporting the long-term value retention and thus also the energy efficiency and foreseeable renovation requirements of the property to be financed during every consultation on home ownership. To further enhance the client experience in the residential property segment, the brand identity of Raiffeisen Immo AG has been refined. Since 1 January 2024, the subsidiary of Raiffeisen Switzerland has been offering its agency services under the new brand Raiffeisen Immomakler.

## Goal achievement and outlook

Raiffeisen is on track with its strategy of substantially expanding its client focus. The priorities set in the Group strategy are also able to withstand dynamic changes in the market. This is also reflected in the strategic metrics. Due to the increases in operating income, the cost/income ratio remained at a very good level and, at 51.9%, has improved in comparison to the previous year. This underlines, among other things, the ongoing efficiency gains that have been achieved despite significant investments in the strategy. The neutral business also increased by 4.1% to CHF 880.0 million in the year under review. Due to the equally strong interest operations and the challenging situation on equity markets, however, the proportion of neutral business in operating income was lower compared to the previous year. Raiffeisen succeeded in further strengthening its pension and investment business.

**Raiffeisen is on track with its strategy of substantially expanding its client focus.**

The cooperative continues to enjoy great popularity. Raiffeisen added around 56,000 new cooperative members in 2023. Around one in four adults in Switzerland is now a member of a Raiffeisen bank. In January 2023, the last two branches of Raiffeisen Switzerland, Basel and Zurich, were also converted into independent cooperatives. The Bern, Thalwil, St. Gallen and Winterthur branches had previously been made independent. By making the branches independent, Raiffeisen is consistently implementing the fundamental cooperative principle across all Raiffeisen banks.

The number of clients also increased significantly by around 55,000 in the year under review. The Group now has 3.69 million clients. The percentage of clients who use Raiffeisen as their main bank has also increased to a high level, demonstrating the trust placed in Raiffeisen.

Having improved its position in the Universum employer ranking by 12 places to 23rd in the previous year, Raiffeisen took 36th place across all sectors in 2023. The companies named as ideal employers in the current survey achieved percentages that are close to each other. Raiffeisen believes it is on course to achieve its ambitious goal of ranking among the top 20 employers by 2025. This is further confirmed by the fact that, as in the previous year, Raiffeisen received the "Top Company 2024" award from the Kununu employer rating platform.

Raiffeisen is well on track to reach its targets by the end of 2025.

**Strategic goals for 2025 and goal achievement in 2023**

| | | 2021 | 2022 | Goal 2023 | Goal achievement 2023 | Target 2025 |
|---|---|---|---|---|---|---|
| 1 | Number of clients | 3.61 million | 3.64 million | 3.69 million | 3.69 million | > 3.79 million |
| | | | | | +55,000 | |
| 2 | Proportion of private clients whose main banking relationship is with Raiffeisen[1] | 33.8% | 35.1% | 34.0% | 38.8% | > 37.0% |
| | | | | | +3.7% points | |
| 3 | Neutral business as a percentage of operating income[2] | 23.0% | 24.0% | 26.0% | 21.6% | > 30.0% |
| | | | | | −2.4% points | |
| 4 | Cost/income ratio | 56.0% | 55.9% | < 60.0% | 51.9% | < 57.0% |
| | | | | | −4.0% points | |
| 5 | Position in Universum ranking of employers[3] | Number 35 | Number 23 | Number 33 | Number 36 | < Number 20 |
| | | | | | −13 places | |
| 6 | Number of cooperative members | 1.96 million | 2.0 million | 2.04 million | 2.06 million | > 2.11 million |
| | | | | | +56,000 | |

1 Proportion of private clients who conduct most of their banking business with Raiffeisen (calculated on the basis of product use).
2 Percentage of income from neutral business, including net income from trading as a percentage of operating income. The percentage was lower in the year under review compared to the previous year due to strong interest operations and the challenging equity market environment.
3 Employer ranking by Universum in the Business Professionals category. The companies named as ideal employers in the current survey achieved percentages that are close to each other.

In 2024, strategy implementation will continue to focus on initiatives relating to online client access, expansion of the pension and investment business, digitalisation and automation of the mortgage process, and the strengthening of advisory services.


# Result

**The year has been a successful one for the Raiffeisen Group. It slightly expanded its strong market position in the client business and increased its operating income. Raiffeisen generated a Group profit of CHF 1.39 billion. Of this amount, 92.4% was allocated to reserves, which further strengthens the banking group's capital base.**

## Key performance indicators

**Key figures**

| in million CHF, per cent, number | 2022 | 2023 | Change in % |
|---|---|---|---|
| **Key figures income statement** | | | |
| Gross result from interest operations | 2,569 | 3,099 | 20.6 |
| Result from commission business and services | 591 | 624 | 5.6 |
| Operating income | 3,529 | 4,069 | 15.3 |
| Operating expenses | 1,972 | 2,113 | 7.1 |
| Operating result | 1,354 | 1,709 | 26.2 |
| Group profit | 1,182 | 1,391 | 17.7 |
| Return on Equity (RoE) [1] | 6.9% | 8.0% | |
| Cost income ratio | 55.9% | 51.9% | |
| **Key balance sheet figures** | | | |
| Total assets | 280,635 | 297,135 | 5.9 |
| Loans to clients | 214,565 | 222,590 | 3.7 |
| of which mortgage receivables | 203,656 | 211,001 | 3.6 |
| Customer deposits | 204,785 | 207,843 | 1.5 |
| in % of loans to clients | 95.4% | 93.4% | |
| Total equity (without minority interests) | 20,673 | 22,378 | 8.2 |
| **Capital resources/liquidity [2]** | | | |
| Going-concern CET1 ratio | 18.8% | 19.5% | |
| Going-concern Tier 1 ratio | 18.8% | 19.5% | |
| TLAC ratio | 24.9% | 25.8% | |
| Going-concern leverage ratio | 6.2% | 6.3% | |
| TLAC leverage ratio | 8.2% | 8.3% | |
| Liquidity Coverage Ratio (LCR) [3] | 168.4% | 172.9% | |
| Net Stable Funding Ratio (NSFR) [4] | 140.9% | 139.1% | |
| **Market data** | | | |
| Share of mortgage market | 17.6% | 17.8% | |
| Market share of client deposits | 14.5% | 15.1% | |
| Number of clients | 3,637,706 | 3,692,700 | 1.5 |
| Number of cooperative members | 2,001,499 | 2,057,532 | 2.8 |
| **Client assets** | | | |
| Client assets under management [5] | 242,239 | 249,670 | 3.1 |
| Net new money client assets under management | 8,159 | 4,887 | –40.1 |
| **Risk ratio lending business** | | | |
| Value adjustments for default risks | 248 | 289 | 16.6 |
| as % of loans to clients | 0.115% | 0.130% | |
| Value adjustments for expected losses (risk provisions) | 484 | 466 | –3.7 |
| **Resources** | | | |
| Number of full-time positions | 9,901 | 10,305 | 4.1 |
| Number of locations | 803 | 784 | –2.4 |

1 The calculation of return on equity (ROE) is based on profit including minority interests and before tax, and changes in reserves for general banking risks.
2 According to the systemic importance regime.
3 The liquidity-coverage-ratio (LCR) measures whether a bank has sufficient liquid funds to cover its liquidity needs from its own funds over a 30-day period in the event of an emergency. The LCR puts the available liquid funds in relation to the expected net outflow.
4 The net-stable-funding-ratio (NSFR) serves to ensure sustainable and stable funding of a bank's lending and off-balance-sheet activities. In particular, it limits the risk of a bank financing its lending activities with deposits that are deemed too unstable and short-term.
5 The client assets shown include custody account assets plus liabilities arising from client deposits and cash bonds. "Liabilities arising from client deposits" includes client deposits that are not similar to an investment. The following are not included: fiduciary deposits, custody-only relationships (third-party banks and institutional clients where Raiffeisen acts solely as custodian) and assets of institutional investors where the business activity consists of liquidity and repo investments.
Reclassifications between assets under management and unreported assets (such as custody-only) are shown as a change in net new money.

## Successful financial year for the Raiffeisen Group

The financial year has been a successful one for the Raiffeisen Group. The high number of new clients and the encouraging growth in business volume reflect the continuing high level of client trust. Raiffeisen was thus able to expand its strong market position in the mortgage business and in customer deposits. Income from the client business also increased. Due to the gradual normalisation of interest rates and the positive growth in loans to clients, the performance of the net interest income was particularly good. Income from the neutral business once again exceeded the previous year's high result. With Group profit of CHF 1.39 billion, the Raiffeisen Group generated an outstanding result. CHF 1.28 billion of this amount after interest on cooperative capital will be allocated directly to reserves and further strengthen the already strong capital base. Thanks to the ongoing retention of earnings, Raiffeisen is a safe and stable bank.

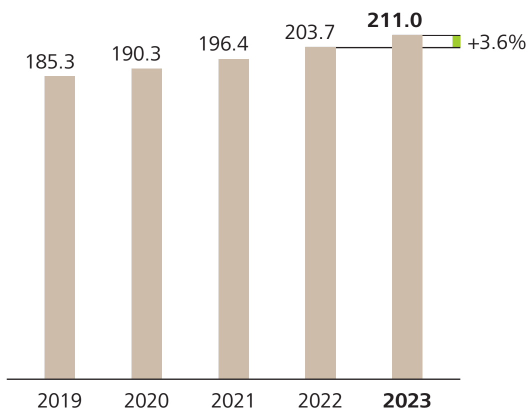
### Growth in the core business

The business volume also grew in 2023. Mortgage loans performed very well and increased by CHF 7.3 billion (+3.6%) to a total of CHF 211.0 billion. This trend indicates that the Raiffeisen Group has performed well in a highly competitive environment and slightly expanded its strong market position. Market share increased slightly from 17.6% in the previous year to 17.8%. This is in line with Raiffeisen's aim to grow at roughly the same rate as the market. Due to the interest rate situation, demand for money market-based products was especially high in the first half of the year. The proportion of "SARON Flex" mortgages in the portfolio increased from 18.6% in the previous year to 22.1%. Amounts due from clients increased by CHF 680.3 million (+6.2%) to CHF 11.6 billion. As a result, total loans to clients increased by CHF 8.0 billion (+3.7%), of which around CHF 2.9 billion came from the corporate clients business. As there have been no changes to the cautious risk policy, the quality of the credit portfolio remains high. Almost 90% of the credit portfolio is covered by mortgages. Risks are managed systematically and closely monitored. The need for value adjustments is accordingly low. Value adjustments for impaired receivables stood at CHF 289.0 million, or 0.130% of loans to clients. At 0.006% of loans to clients, the percentage of effective losses from lending activities is at an extremely low level.

**+3.6%**
**Qualitative growth in the core business continued.**

Raiffeisen further expanded its strong market position in its core business.

**Mortgage loans**
in billion CHF, as at 31 December



On the liabilities side, customer deposits grew more moderately, but were still well above the market level. The increase in liabilities arising from customer deposits amounts to CHF 3.1 billion (+1.5%). This represents a portfolio of CHF 207.8 billion as at the end of 2023. Raiffeisen increased its market share from 14.5% at the end of the previous year to 15.1%. Due to the stronger growth in loans, the refinancing level from client business fell to 93.4% (end of previous year: 95.4%). This means that more than 90% of loans to clients are still refinanced at a stable level with customer deposits. In addition to the increase in volume, the growth in the number of clients also reflects the high level of trust in the Raiffeisen Group. Around 55,000 new clients were welcomed in 2023. The number of members has also increased. The number of cooperative members increased by around 56,000 to 2.06 million. A major factor in this was the conversion of the last two branches of Raiffeisen Switzerland into independent cooperative banks. Clients of the new Raiffeisen banks in Zurich and Basel were able to subscribe to cooperative shares, thus becoming co-owners of their Raiffeisen bank.

**93.4%**
**is the level of refinancing in the client business.**

The inflows into the pension and investment business were again favourable. The securities account volume rose by CHF 4.5 billion, from CHF 41.1 billion at the end of the previous year to CHF 45.6 billion (+11.0%). New money amounting to CHF 2.9 billion was paid into pension and investment securities accounts. Developments on the financial markets also had a positive effect. Raiffeisen opened around 25,000 new securities accounts, a large proportion of which were pension securities accounts (+9.4%) and asset management mandates (+25.3%). Due to the increase in customer deposits and securities account volumes, assets under management rose by CHF 7.4 billion (+3.1%) to a total of CHF 249.7 billion.

**2.9**
**CHF billion**
**Inflow of net new money into pension and investment securities accounts.**

Driven by growth in the core business, the Group's total assets went up by CHF 16.5 billion (+5.9%) to CHF 297.1 billion. Besides the growth in balance sheet items resulting from the core business, there were significant changes arising from active balance sheet and liquidity management. This relates to amounts due from banks, which increased by CHF 3.9 billion to CHF 6.1 billion (+178.0%); and to amounts due to banks, which increased by CHF 2.6 billion to a total of CHF 16.6 billion (+18.8%). The item "Liabilities from securities financing transactions" increased from CHF 35 million to CHF 8.9 billion. These are repo transactions in which money is borrowed against securities collateral. Management is opportunistic, depending on the needs of liquidity management and on market conditions. For this reason, this item may be subject to greater fluctuations depending on the reporting date. Liquid assets also increased within the scope of liquidity management. Securities holdings in the "Financial investments" item, mainly investment-grade bonds, are managed in accordance with liquidity requirements and internal liquidity targets. The book value decreased by CHF 4.3 billion to CHF 10.9 billion (–28.4%). This was mainly due to expired debt securities issued by the SNB (SNB bills).

Bond issues and central mortgage institution loans increased by CHF 1.1 billion (+3.5%) to CHF 33.1 billion. This is chiefly due to an increase in central mortgage institution loans. Raiffeisen Switzerland also issued another bail-in bond of EUR 500 million last year. The underlying instruments of the structured products issued by Raiffeisen Switzerland recognised in the "Bond issues and central mortgage institution loans" item have decreased. Despite this, Raiffeisen was able to maintain sales at the previous year's level, even though the market for structured products declined slightly in 2023. The book value of the structured products issued by the Raiffeisen Group totalled CHF 2.4 billion as at 31 December 2023.

Total assets have increased, partly due to growth in the core business.

**Balance sheet**
in billion CHF, as at 31 December

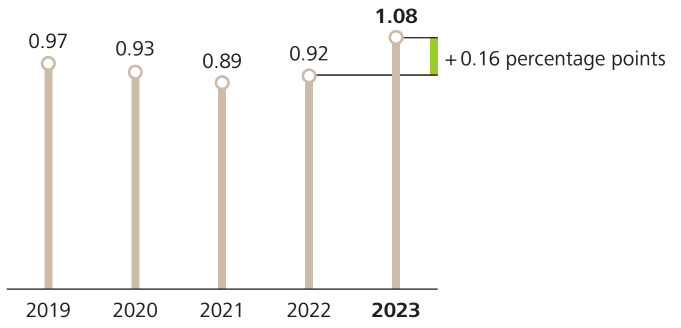

## Increase in income from operating activities

The Group's income situation has once again performed very well. This was mainly due to strong interest operations, which benefited from the turnaround in interest rates and growth in loans to clients. The gross interest income climbed CHF 529.9 million (+20.6%) to CHF 3.1 billion. Net value adjustments for default risks and losses from interest operations amounting to CHF 26.7 million were recognised in the 2023 financial year, representing a CHF 7.1 million increase compared to the same period of the previous year (previous year: CHF 19.6 million). This item also includes value adjustments for expected credit losses. The increase, however, is due to a rise in individual value adjustments. In relation to interest income, default risk-related value adjustments and losses from lending activities remain low. As a result, net income from interest operations went up by CHF 522.7 million to CHF 3.1 billion (+20.5%). The interest margin has also recovered due to the turnaround in interest rates. At 1.08%, it is back above 1% for the first time since 2018.

**The turnaround in interest rates and growth in loans to clients are reflected in the main pillar of income.**

The interest margin has risen to more than 1% for the first time in five years.

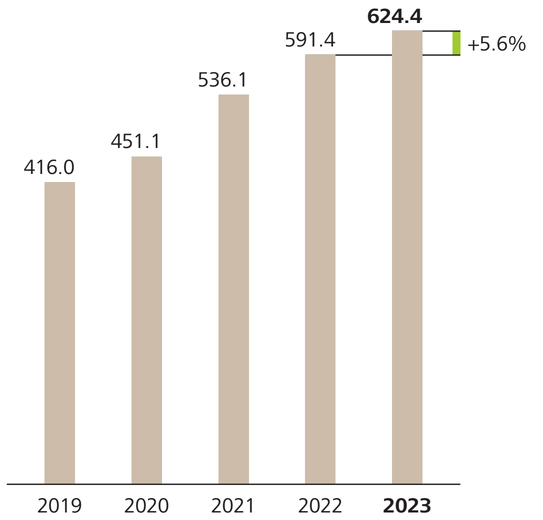
**Interest margin**
in %




Income from the neutral business once again exceeded the previous year's outstanding result. Income from commission business and services transactions rose to CHF 624.4 million. This represents an increase of CHF 33.0 million (+5.6%). First, income from the securities and investment business performed well. Second, commission income from other services increased, mainly due to the change in the charging model for issuing credit cards. This was then also reflected in higher commission expenses.

The neutral business continues its strong performance.

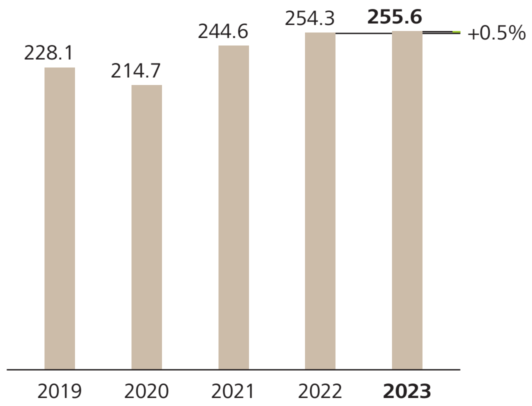
**Income from commission business and services transactions**
in million CHF




Net trading income and the fair value option increased slightly from a high level, rising by CHF 1.3 million (+0.5%) to CHF 255.6 million. In the foreign exchange business, the Raiffeisen Group was able to build on the previous year's successful result. The high level of broadly-based utilisation across all Raiffeisen channels for cross-border payment transactions is particularly positive. The proportion of neutral business in operating income was 21.6% at the end of the year under review.

In the foreign exchange business, Raiffeisen was able to build on the previous year's successful result.

**Net trading income and fair value option**
in million CHF

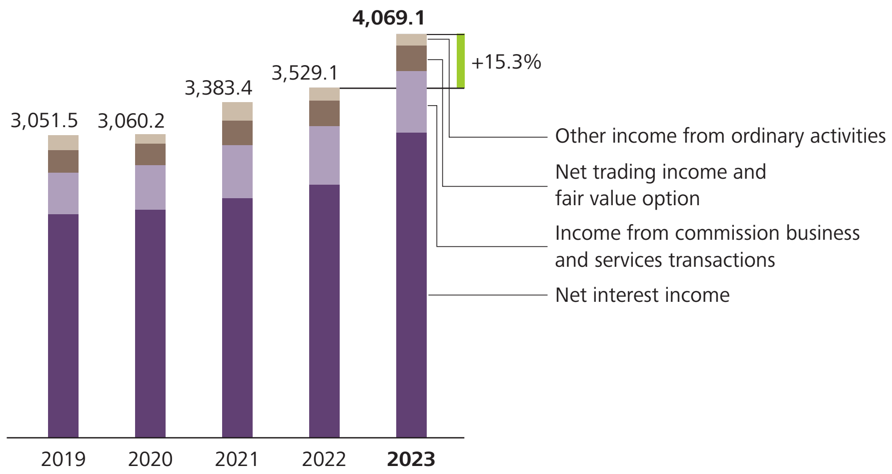



Other income from ordinary activities fell CHF 16.9 million (–12.6%) from the previous year to CHF 116.7 million. This is due to exceptional items in the previous year. High write-ups were recognised for the participation in Leonteq AG and Viseca Payment Services AG in the past year, as part of the equity valuation. For this reason, income from participations was significantly lower than in the previous year. In contrast, sales of financial investments generated higher income.

Overall, operating income increased by CHF 540.2 million (+15.3%) to CHF 4.1 billion.

Income from the client business increased.

**Operating income**
in million CHF

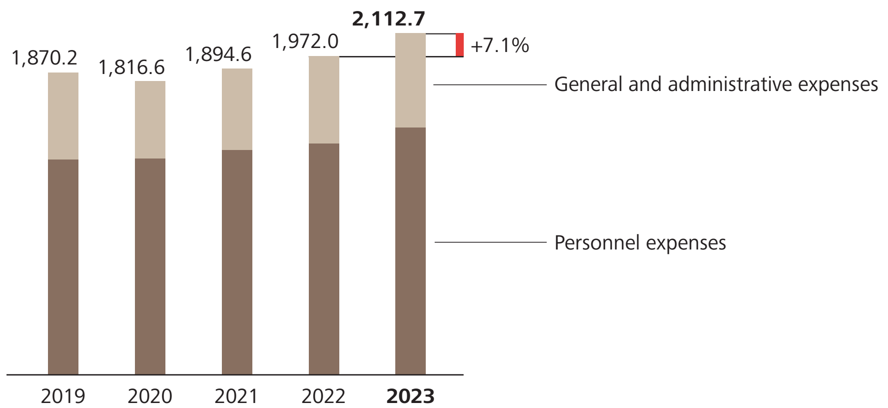


## Profitability improved once again

As expected, Raiffeisen posted an increase on the expenses side. Personnel expenses climbed CHF 96.7 million (+6.8%) to CHF 1.5 billion in the year under review. The Group's headcount increased by 404 full-time positions. Most of this expansion was aimed at supporting clients at local Raiffeisen banks. Operating expenditure increased by CHF 44.0 million (+8.1%) to CHF 587.0 million. A significant proportion of additional expenditure was for client and member events, and higher sponsorship contributions were made. The Raiffeisen Group also continued to invest in implementing the Group strategy Raiffeisen 2025.

The higher general and administrative expenses are due in part to the large number of member and client events that were held.

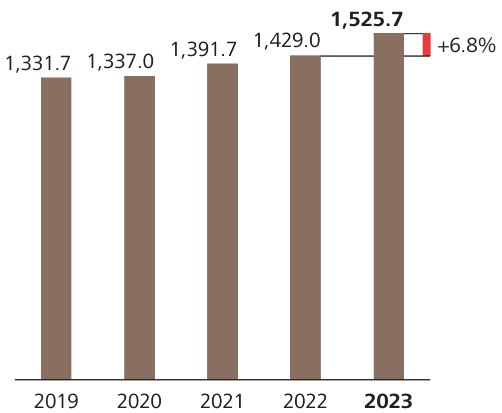
**Operating expenses**
in million CHF



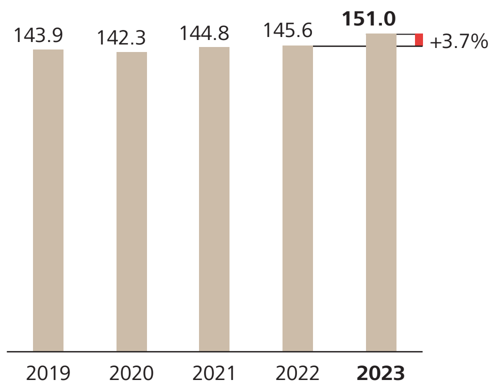

Once again, the Raiffeisen banks primarily invested in additional customer service staff.

**Personnel expenses**

in million CHF




per full-time equivalent[1] (in CHF 1,000)

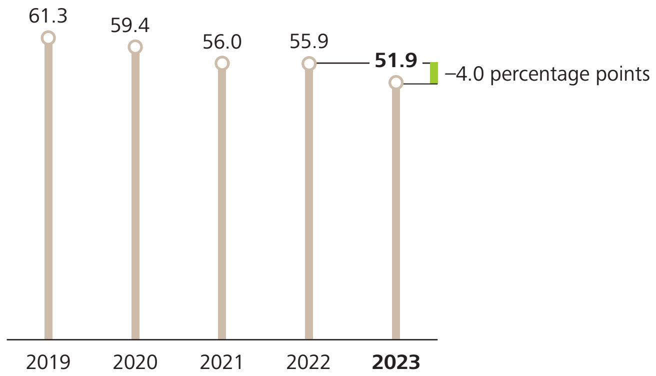



1 The average headcount is used to calculate personnel expenses per full-time equivalent.

As a result of the strong increase in operating income, the cost/income ratio continue to improve, from 55.9% at the end of the previous year to 51.9% despite the rise in costs. This excellent figure reflects the Raiffeisen Group's high profitability.

Raiffeisen was able to further improve its profitability in the year under review.

**Cost/income ratio**
in %




Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets increased by CHF 57.9 million compared to the previous year (+30.7%) to CHF 246.7 million in the year under review. This is partly due to higher depreciation on tangible fixed assets, in particular real estate. It is also attributable to a value adjustment for the participation in Leonteq AG, which became necessary as part of the periodical review of recoverability. Other minor valuation adjustments were made to minority participations. The item "Changes in provisions and other value adjustments, and losses" was significantly lower at CHF 1.1 million, representing a decline of CHF 12.9 million (–91.9%).

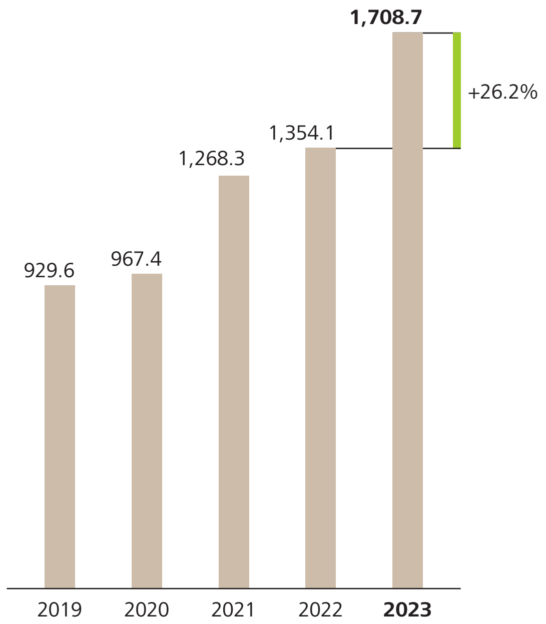
## High operating result and Group profit

Due to the increases in operating income, the operating result is significantly higher than the previous year's figure. The operating result increased by CHF 354.5 million (+26.2%) to CHF 1.7 billion. The lower extraordinary expenses are due to losses from the disposal of tangible fixed assets and the deconsolidation of a participation in the prior-year period. The changes in extraordinary income are also attributable to items in the previous year, in which gains from the sale of participations were recognised. Tax expenses increased by CHF 72.3 million (+36.9%) to CHF 268.5 million. The financial statements of the Raiffeisen Group include provisions for deferred taxes to correctly present the tax effect of the measurement differences between the Group's true-and-fair-view financial statements and the single-entity financial statements of the consolidated companies from the accounting perspective. The actual tax expenses were CHF 224.8 million in the year under review.

**+26.2%**
**The operating result is significantly above the previous year's level.**

Due to the increase in operating income, the operating result exceeded the previous year's figure.

**Operating result**
in million CHF




The strong operating performance in the first half of 2023 made it possible to strengthen the reserves for general banking risks by CHF 50 million. With profits of CHF 1.39 billion and an increase of CHF 208.8 million (+17.7%), the previous year's good result was once again significantly exceeded. The Raiffeisen Group thus closed the financial year with excellent results.

## Retention of earnings as the basis for security and stability

As a cooperative bank, Raiffeisen differs from stock corporations in that it passes on benefits in the form of services, while the majority of profits remain in the business in the form of reserves. As Raiffeisen is classified as systemically important, it has to meet higher capital requirements for a going concern and higher requirements for loss-absorbing capital in the event of a crisis (gone concern). Raiffeisen easily meets the requirements due to its high level of core capital. The high degree of earnings retention in the cooperative model enables the Group to strengthen its core capital on an ongoing basis. CHF 1.28 billion of this amount after interest on cooperative capital will be allocated to retained earnings reserves for 2023, representing 92.4% of profit.

**92.4%**
**of the profit is allocated to the Raiffeisen Group's core capital in the form of reserves.**

The Group also received new cooperative capital as a result of the conversion of the last two branches of Raiffeisen Switzerland into independent cooperative banks. The most important element in capitalising the new Raiffeisen banks in Zurich and Basel was the subscription of cooperative share certificates by clients. The other Raiffeisen banks also contributed to the increase in cooperative capital by CHF 344.1 million (+11.2%) to CHF 3.4 billion.

Raiffeisen issued capital instruments once again in 2023. The Group succeeded in placing a further bail-in bond amounting to EUR 500 million and reissuing an AT1 bond amounting to CHF 100 million, despite a difficult market environment. Transitional provisions apply until 2026 for building up the gone-concern funds required by regulation. As Raiffeisen has sufficient surplus going-concern capital and because of the bail-in instruments issued, it already meets in full the requirements in the event of a crisis and for emergency planning, i.e. without transitional provisions being applied.

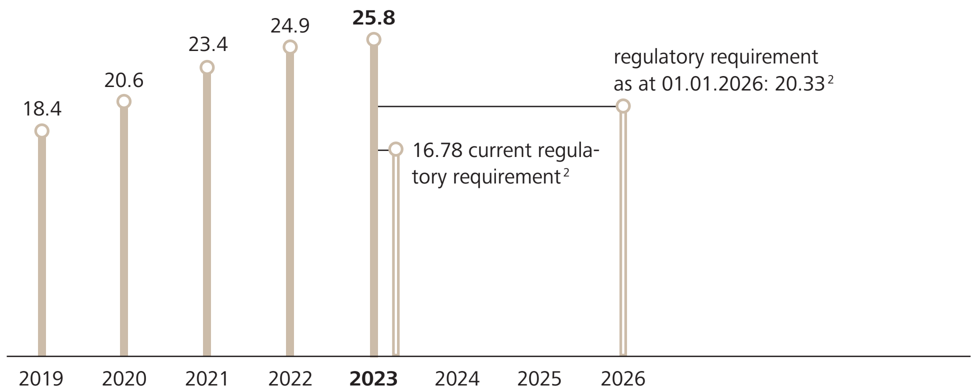




The unweighted TLAC leverage ratio improved to 8.3% (as at 31 December 2022: 8.2%) and the risk-weighted TLAC ratio increased to 25.8% (as at 31 December 2022: 24.9%). This corresponds to capital and loss-absorbing capital amounting to CHF 25.0 billion at the end of 2023, a solid and strong capital base.

Even at this stage, Raiffeisen easily meets the regulatory requirements specified for 2026.

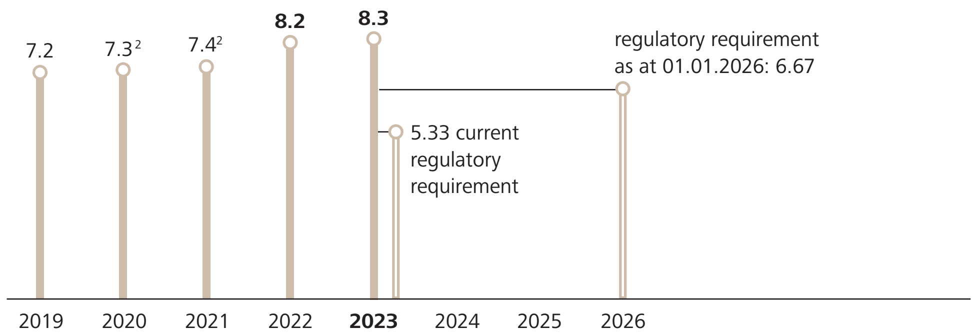
**Risk-weighted TLAC ratio**[1] (total loss-absorbing capacity)
in %




1 Transition rules, systemic importance.
2 Incl. countercyclical capital buffer on Swiss residential properties.

TLAC requirements for the leverage ratio are also already exceeded.

**TLAC leverage ratio**[1]
in %




1 Transition rules, systemic importance.
2 Not including temporary Covid-19 easing.

The excellent capitalisation and the robust quality of loans led the rating agency Standard & Poor's (S&P) to increase its rating for Raiffeisen in the spring of 2023, raising the long-term issuer credit rating from the previous A+ to the current AA-, and the short-term issuer credit rating from A-1 to A-1+.

**Very good rating from the rating agency Standard & Poor's.**

## Outlook 2024

The slowdown in the global economy, together with the strong Swiss franc, is posing growing challenges for Swiss exporters. The business outlook for industry in particular remains gloomy as a consequence. In contrast, the service sector is doing better, thanks to the resilient labour market and continuing strong immigration, even though private consumption is losing some steam as incomes are stagnating in real terms. With the economy lacking momentum, Raiffeisen expects below-average growth in gross domestic product (GDP) of 0.8% for 2024. As long as the upward pressure on the Swiss franc does not get out of control, the SNB will probably cut interest rates once or twice, but not until the second half of the year.

**Raiffeisen expects GDP growth of just under 1%.**

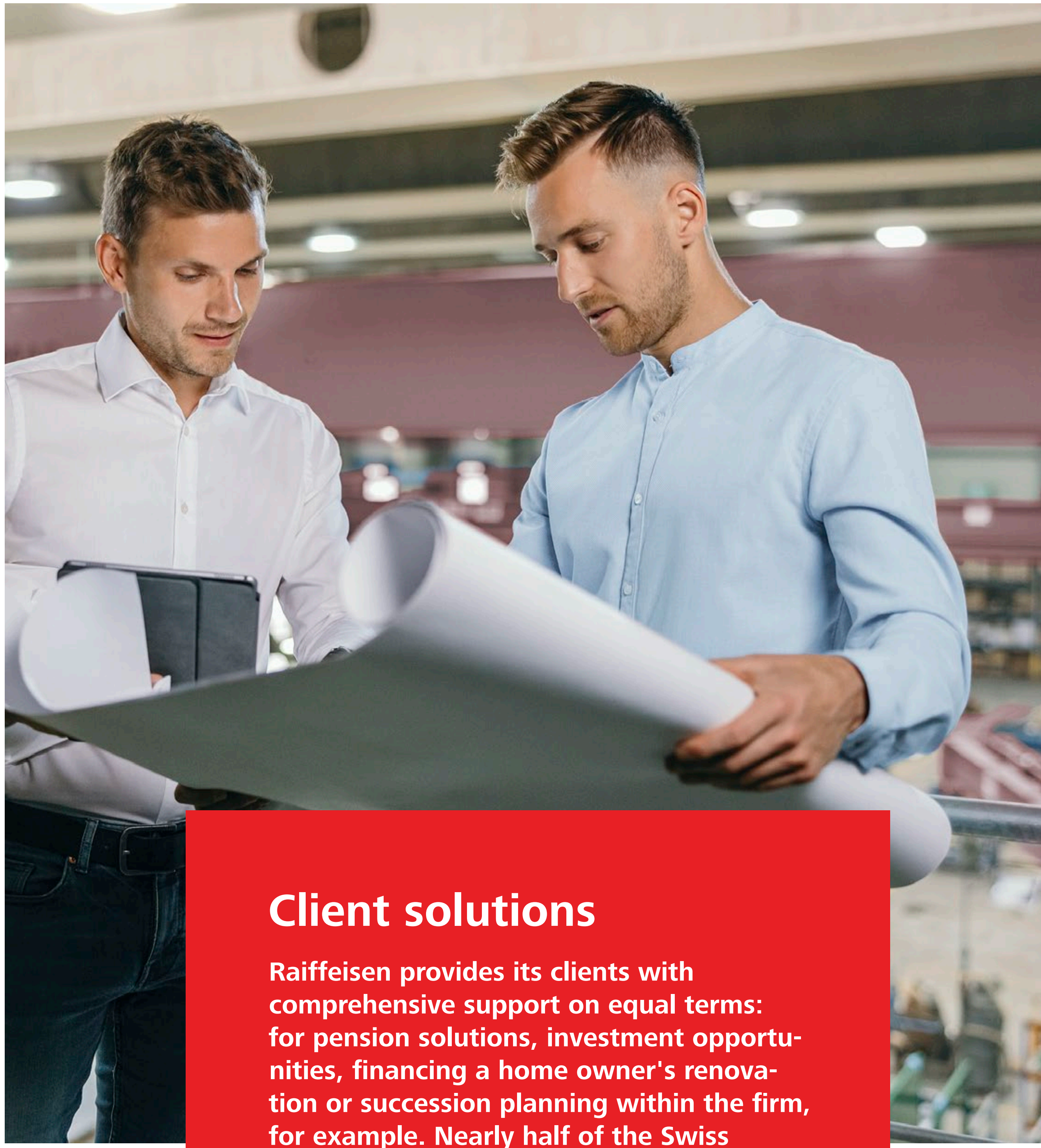
The Swiss real estate market has coped with the interest rate turnaround better than expected. Although the lower demand has led to a drop in transaction volume within the residential property market and slightly falling prices in certain regions, the risk of a price correction is very low. Meanwhile, there is still considerable scarcity on the rental property market and rents are continuing to rise. As interest rates have peaked and mortgage rates have already eased noticeably, however, the real estate situation has brightened overall and valuation corrections for investment properties are likely to be moderate.

On the capital markets, Raiffeisen expects a challenging year in 2024. In particular, the uncertainty surrounding central banks' monetary policy could lead to relatively large fluctuations. For this reason, we recommend active investment tactics to take advantage of opportunities. The defensive Swiss equity market is likely to perform well in this scenario. Swiss real estate funds also offer growth potential following their weak performance over the past two years. Given the economic and geopolitical uncertainties, gold remains an attractive addition to investments.

## Development of the Raiffeisen Group's business

After a successful year in 2023, Raiffeisen can look to the coming year with confidence. Implementation of the Group strategy Raiffeisen 2025 is on course. The aim is to further increase neutral income, especially in the securities and investment business. On the cost side, Raiffeisen expects expenses to rise as a result of growth and expansion in the areas of digitalisation, customer experience and client advisory. Based on current interest rate forecasts and a declining interest margin, Raiffeisen expects solid business performance in 2024, with a result that may not quite reach the previous year's level.

**Raiffeisen is well positioned and expects a solid result for 2024.**



# Client solutions

**Raiffeisen provides its clients with comprehensive support on equal terms: for pension solutions, investment opportunities, financing a home owner's renovation or succession planning within the firm, for example. Nearly half of the Swiss population and around one-third of Swiss companies now trust in the solutions and skills of the Raiffeisen banks.**

## Enhancing products with a focus on the digital customer experience

As part of the Group strategy Raiffeisen 2025, Raiffeisen is investing substantial sums in further expanding its digital channels. It is striving to create a seamless interaction between digital channels and personal points of contact. Clients should be able to choose how they want to interact with Raiffeisen. It aims to develop a Raiffeisen app and a web portal that will bundle all its digital services into one self-service platform. An initial version of the new Raiffeisen app has been available since September 2023, offered to new clients who wish to open a banking relationship at a Raiffeisen bank.

## Payments: products and solutions

Accounts and cards form the basis for payment processing. Raiffeisen also offers a range of channels and solutions to enable its clients to make payments efficiently at home and abroad. These include e-banking, TWINT, and various credit and debit cards.

### E-banking – the most frequently used interaction channel

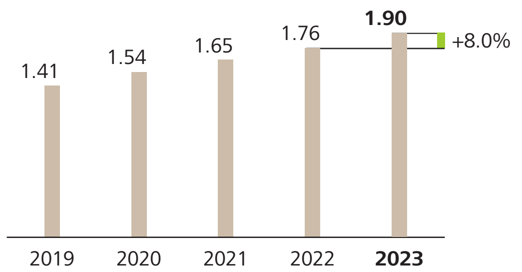
E-banking is the most frequently used interaction channel between Raiffeisen clients and their Raiffeisen bank. In total, more than 1.90 million users (previous year: 1.76 million) logged into e-banking over 164 million times (previous year: 141 million times) in 2023. Around 63% of logins were made through the mobile banking app (previous year: 55%). On average, users logged into e-banking seven times a month or 86 times a year. The system processed more than 490,000 payments every day.

**Around 63% of logins were via the mobile banking app.**

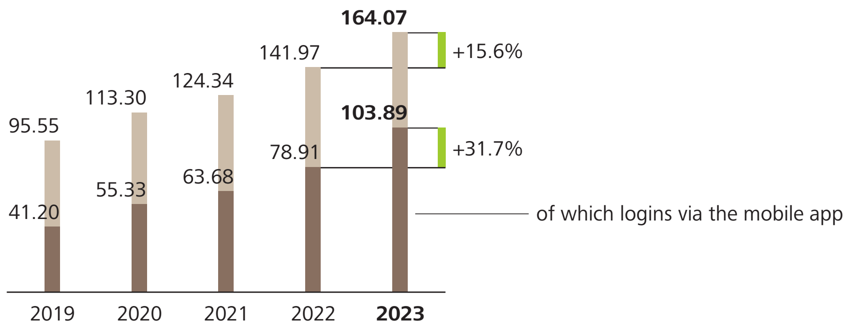
Over 90% of cooperative members use e-banking.

**Use of e-banking**
E-banking agreements in millions as at 31 December and logins in millions per year

**E-banking agreements**




**E-banking logins**




### Raiffeisen TWINT continues to enjoy great popularity

More than 1.1 million Raiffeisen clients use the digital Swiss payment solution TWINT in their everyday lives. Cashless payments in e-commerce and shops as well as payments between friends and family grew by over a third in 2023. Until now, TWINT could only be used by clients resident in Switzerland. The TWINT app is now also available to clients living in Switzerland's neighbouring countries. In collaboration with Twint AG, Raiffeisen is constantly optimising and expanding this method of payment with additional functions. In the year under review, for example, the use of client cards in the payment process was simplified.

**80%**
**of the 1 million people registered with Raiffeisen TWINT actively use TWINT.**

### New debit cards with enhanced functions

The new debit cards have been in use at Raiffeisen since 2022. The existing Maestro and V-Pay cards will be replaced on an ongoing basis by the new Debit Mastercard and Visa Debit cards by 2025. Two thirds of all cardholders received the new debit card by the end of 2023. In addition to being a popular method of payment in shops, the new cards can also be used for online payments. The new feature is becoming increasingly popular. Around 5% of all debit transactions are now used for online purchases.

### New functions for digital payment of QR-bills

Following the successful switch to the QR-bill in autumn 2022, Raiffeisen has made new payment functions available to its e-banking clients. In addition to conventional scanning using the mobile phone camera, QR-bills can now also be shared as a PDF on the smartphone and uploaded quickly and easily to the e-banking app. Raiffeisen is thus further expanding the important connection between the digital and analogue worlds. Advances in the e-bill mean that the fully digital invoicing process is also making steady progress. Around 3 million users in Switzerland already use e-bill. In other words, they receive and pay their bills directly in e-banking.

## Pensions and investments: professional advice and sustainable solutions

The pension and investment business is a particularly important pillar of the Raiffeisen 2025 strategy. The intention is to continue strengthening and expanding this business. The focus is on clients and their financial needs. Raiffeisen provides its clients with access to pension and investment solutions – both in person and digitally. It also aims to make pensions and investment matters more accessible to its clients through personal consultations and in-depth studies. Raiffeisen shows them solutions that offer individual added value depending on their personal circumstances.

**Raiffeisen also aims to make pension and investment matters more accessible to its clients through personal consultations and studies.**

Raiffeisen uses the Raiffeisen Pension Barometer to survey the Swiss population's sentiments regarding retirement planning each year. Raiffeisen is interested in the extent to which people are aware of the importance of good retirement planning and how much effort they put into it. Raiffeisen also wants to know what people expect from retirement and who they consider to be responsible for their pension matters. This enables Raiffeisen to recognise trends and developments in the Swiss population's sentiments regarding retirement planning. The results show that, despite various measures such as the AHV 21 reform (of old age and survivors' insurance), the financing of the established pension schemes is not assured. This increases the individual responsibility to make financial provision for oneself. While the new options lead to more flexibility, they also result in more complexity, which many people find overwhelming. For this reason, Raiffeisen is committed to raising awareness and providing knowledge about pensions, while also supporting clients closely at all stages of their lives. This enables well-founded decisions to be made, with individuals prepared for their retirement in the best possible way.

## Comprehensive financial advisory services

Raiffeisen advises its clients comprehensively on all aspects of financial matters, beyond the traditional financing and investment business. This includes advice in connection with covering risks, planning the financial situation during retirement, and estate planning. In addition, we also offer integrated financial planning for SME owners. The aim here is to ensure the financial stability of the business, while also taking into account the needs of private individuals. Raiffeisen also executes wills on behalf of clients and acts as a proxy for heirs. In the year under review, Raiffeisen inheritance law experts increasingly took on mediation mandates relating to family inheritance disputes. Raiffeisen provided a total of around 15,000 qualified consultations in the above-mentioned specialist topics last year.

**15,000**
**specialist consultations are carried out by the financial planning experts on an annual basis.**

## Pension products and solutions

Raiffeisen's pension solutions are aligned with client needs and support forward-looking and sustainable wealth creation. In 2023, the number of pillar 3a accounts grew by over 33,000 to 713,870 (+4.8%). The digital pillar 3a that was launched in autumn 2021 has become established. Around 17% of new pension accounts were opened online in 2023. Retirement savings in deposits and linked to securities increased by 5.45% (+CHF 1.01 billion) to reach CHF 19.5 billion. Deposits in vested benefit accounts including fund savings plans came close to CHF 5.5 billion by the end of the year under review, a higher level (+CHF 3.5 million) than the previous year.

**Clients can rely on a fair business relationship with Raiffeisen.**

Raiffeisen expects pension and vested assets under management to stagnate in the coming years. Most of the baby boomer generation (born between 1946 and 1964) is now retired, removing a significant proportion of pension savers from the market. Raiffeisen also found that almost 30% of pension clients with an existing 3a pension account do not make regular payments into their pillar 3a account. Non-payers miss several opportunities all at the same time: tax savings, preferential interest rates, potential returns from pension funds and, above all, any existing gaps in retirement provision cannot be reduced. Around 22% of the people who pay into their pillar 3a account use investment solutions.

Holders of pension and vested benefits accounts also benefited from the turnaround in interest rates in 2023. Raiffeisen increased the interest rate for assets in 3a pension accounts from 0.30 to 1.20% in 2023, and for vested benefits accounts from 0.01 to 0.80%.

Despite the more attractive interest rates on account balances, a relatively large number of clients continued to opt for securities-linked savings in 2023 and invested their pension assets in actively managed or index-linked pension funds. The number of securities-linked pension solutions (pillar 3a) rose by 9.5%, but stagnated for securities-linked vested benefits. The volume of securities-linked pension provision (pillar 3a) grew at an encouraging 23.1%, with the figure at 12.3% for securities-linked vested benefits.

## Co-operation in the insurance business

The cooperation with our partner die Mobiliar is performing well. The focus remains on local cooperation between the Raiffeisen banks and die Mobiliar general agencies, which have been working together in the market since the start of the collaboration three years ago by brokering banking, pension and insurance products. Sales figures increased further in the year under review, with a growth rate of around 40% achieved in life insurance policies over the period of the cooperation. This is more than satisfactory, especially in a stagnating market environment. The number of insurance policies taken out also increased in the property insurance and corporate client segments.

In the second half of 2023, Raiffeisen also decided to work with a second insurance partner going forward, in order to meet the demands of local market cultivation and client needs even better. The collaboration with Helvetia starts in 2024 and will be an ideal complement to the existing collaboration with die Mobiliar.



## Growth in customer deposits

Raiffeisen assists many Swiss residents with wealth planning. Saving money is very important to Raiffeisen clients, whether it is for their retirement or for investments and purchases such as residential property. In 2023, customer deposits at Raiffeisen increased by a total of 1.5% (+CHF 3.1 billion). Raiffeisen manages customer deposits held in around 6 million private, current and savings accounts.

**Variable and fixed-interest customer deposits gain in importance after interest rate turnaround.**

Due to the many years of low interest rates, clients had transferred a significant proportion of their savings account balances to transaction accounts. This was because the interest rate difference between savings accounts with a notice period and transaction accounts without a notice period was very small. Rising market interest rates put an end to this trend. Deposits in transaction accounts decreased by 13% or CHF 11.7 billion in the year under review, with these funds shifting mainly to fixed-interest deposit products. Fixed-interest deposit products such as fixed-term and time deposits with terms of between 1 month and 10 years more than doubled in the year under review (growth of +CHF 14.7 billion). Deposits in conventional savings accounts decreased slightly by 0.6% or CHF 0.5 billion. This trend will change as savings interest rates rise and ordinary bank savings are likely to benefit from shifts out of the transaction area in future.

## Growth in investment business despite challenging market environment

Despite the challenging market environment and the noticeable restraint of clients when investing, the volume of investment business increased by 10.9%. More and more investors are leveraging the benefits of professional asset management and arranging to have their assets managed by Raiffeisen experts. Both the volume and the number of mandates increased by around 25% in the year under review. Raiffeisen has also expanded its range of asset management mandates by launching a mandate for clients domiciled in the Principality of Liechtenstein. The various advisory mandate solutions also became increasingly important in 2023. The volume almost tripled and the number of mandates more than doubled.

**>94%**
**is the current share of the Futura funds in the total volume.**

The total volume of Raiffeisen funds rose by 15% to CHF 14.7 billion in the year under review. The index-tracking Futura II funds (including pension funds) launched in 2022 performed particularly well. Their volume more than tripled. The volume in the Raiffeisen Gold ETF also more than doubled in the year under review. In addition, "Raiffeisen ETF – Solid Gold Responsibly Sourced & Traceable A USD" won the Swiss ETF Award 2023 in the category "Best Commodity and Precious Metal ETFs and ETPs".

The volume of sustainable Futura funds accounts for over 90% of the total Raiffeisen fund's volume. Including the Raiffeisen ETF – Solid Gold Responsibly Sourced & Traceable, the proportion of sustainable funds is around 95%.

The capital increase of the Raiffeisen Futura Immo fund paved the way for expanding the fund's real estate portfolio and ensuring sustainable development of the real estate in the fund.

### Simplification of service prices for investing

To reduce the complexity of the tariffs in the investment business and to make the tariffs simpler and more client friendly, the service prices for investing were revised and simplified with effect from 1 January 2023. In addition, the tariffs for smaller orders (under CHF 25,000) were reduced slightly.

## Home and financing: optimal support for home owners

Raiffeisen is one of the leading banks in Switzerland for home financing. The banking group has steadily expanded its market position in the home segment in recent years by adding to its range of solutions: search, buy, finance, renovate, sell. In a focused development of the mortgage business, Raiffeisen intends to set itself apart through comprehensive home ownership advice as well as bank and related solutions. In doing so, it is relying on its own digital channels. For this purpose, it is investing in enhancing its digital presence at raiffeisen.ch. Raiffeisen is also pressing ahead with digitalisation of the mortgage process as well as simple self-service procedures. The digital offering is aimed at boosting efficiency in standard processes and thus creating more capacity for personal home ownership advice.

**Finding, financing, renovating and selling real estate – all this is part of Raiffeisen's range of solutions.**

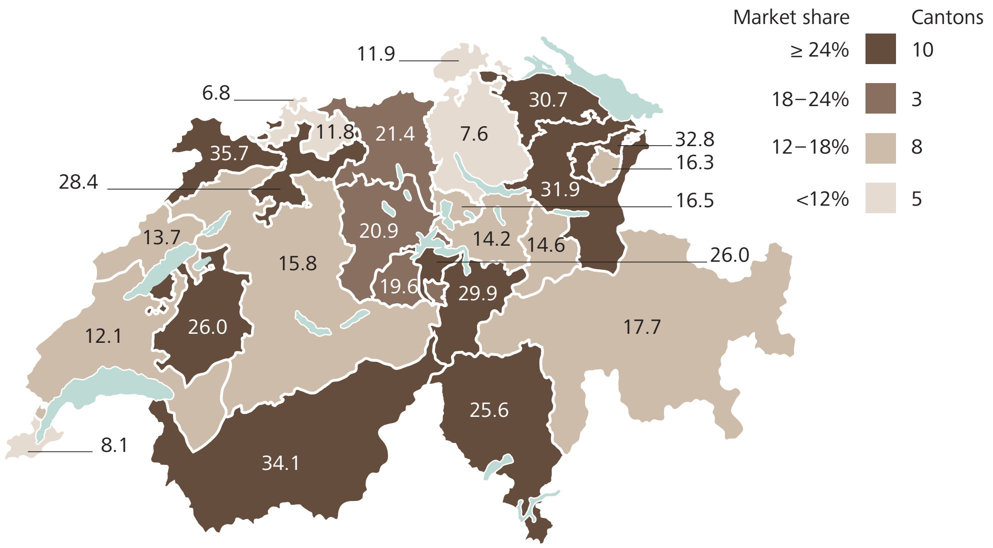
### Strong mortgage business

Mortgage loans increased by 3.6% last year to reach CHF 211.0 billion, once again in line with the rest of the market. There is still demand for private residential property, despite the turnaround in interest rates.

**Roughly one in every five mortgages in Switzerland originates from a Raiffeisen bank.**

Raiffeisen's market share increased slightly to 17.8%.

**Mortgage market share by canton**
Raiffeisen's share expressed in % of domestic mortgage volume, 31 December 2022[1]

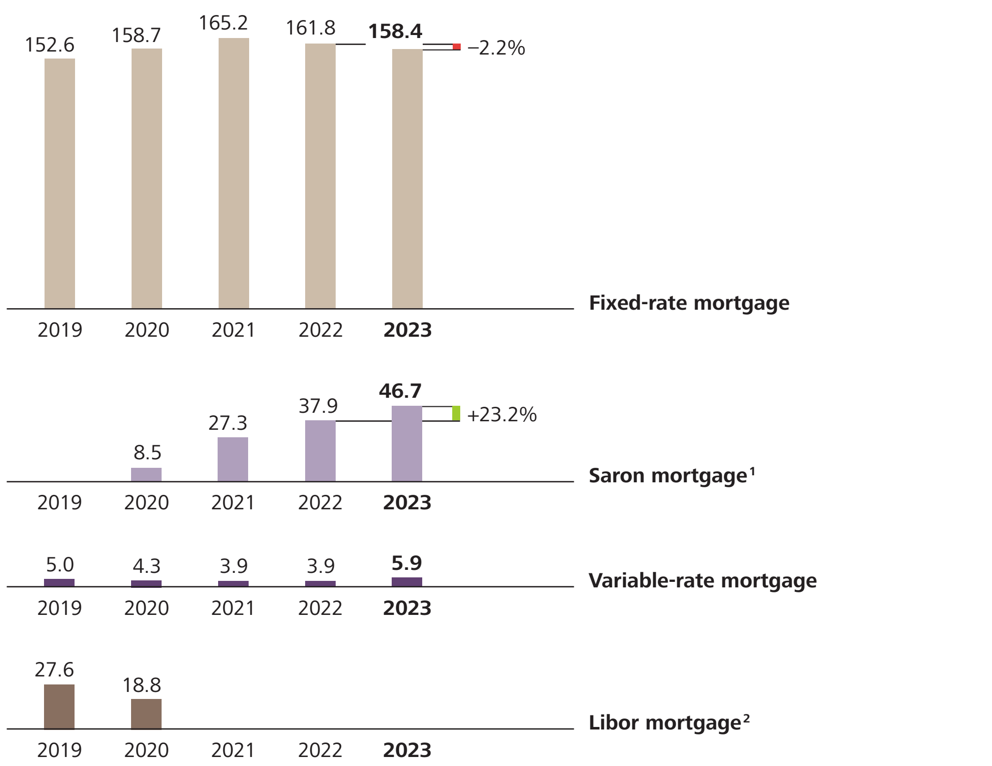



1 The SNB's evaluations for 2023 will only be available after the editorial deadline. Market share is therefore reported as at 31 December 2022.

The change in the interest rate environment has led to "SARON Flex" mortgages continuing to attract much interest from clients. The proportion of "SARON Flex" mortgages increased by 23.2% to CHF 46.7 billion in the period under review. At CHF 158.4 billion, fixed-rate mortgages accounted for the largest share (75.1%) of the total mortgage volume at the end of 2023. There is hardly any demand for variable-rate mortgages. As a result, their volume has almost halved in the past 10 years.

The changed interest rate environment increased interest in Saron mortgages.

**Mortgage volume by mortgage model**
in billion CHF, as at 31 December




1 Raiffeisen has offered Saron mortgages since April 2020.
2 Libor was replaced as the benchmark interest rate by Saron with effect from 31 December 2021.

### Home and sustainability

Private home owners are becoming increasingly interested in and aware about the energy efficiency of their property and renewable energy. This is reflected in a noticeable increase in demand for photovoltaic systems and renewable heating systems.

**Raiffeisen supports its clients in upgrading the energy efficiency of their property.**

Raiffeisen integrated the energy efficiency evaluation of properties into its advisory services as early as 2015. The banking group also supports the Renewable Heating promotion programme, which assists home owners in switching to renewable energy. Raiffeisen uses its market position to point clients to the free offer of professional incentive consulting as part of the campaign "Renewable heating incentive consulting", thus supporting them in the switch to renewable energy.

## Corporate clients business expanded

The corporate clients business is a strategic business area for the Raiffeisen Group that is earmarked for further expansion. Qualitative growth and the market position were improved in the year under review. The year 2023 saw an increase in both the client base and the volume of assets. Adjusted for the Covid-19 loans, the lending volume in the corporate clients business increased by CHF 3.2 billion to CHF 48.1 billion. Local roots, with support available at nearby locations, combined with access to an extensive, Switzerland-wide network of experts at Raiffeisen Switzerland's seven corporate client centres in Lausanne, Burgdorf, Basel, Lucerne, Zurich, Lugano (since December 2023) and St. Gallen, provide Raiffeisen with a unique selling proposition in the market. Due to this unique combination, the corporate clients business can make a significant contribution to the Group strategy Raiffeisen 2025.

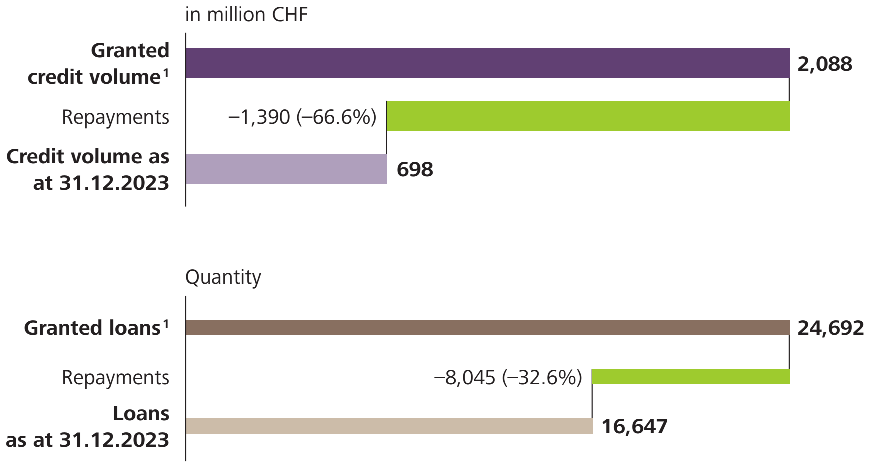
**Raiffeisen continues to expand its market position in the corporate clients business.**

### Progress of Covid-19 loans

The repayment of Covid-19 loans is progressing according to plan. With the inclusion of reclaims from the guarantee cooperatives for defaulted loans, a total of around 67% of the disbursed Covid-19 loans were repaid by the end of 2023. In addition, 98% of all scheduled mandatory payments were made on time. As at 31 December 2023, the credit portfolio consisting of Covid-19 and Covid-19-Plus financing is as follows:

The repayments of the disbursed Covid-19 loans are on schedule.

**Covid-19 and Covid-19-Plus Loans**
31 December 2023




1 Total of all Covid-19 and Covid-19-Plus loans in the period from 26 March 2020 and 31 July 2020.

### Launch of Multibanking International

The complete SME eServices solution for multibanking-enabled payments and efficient cash management has been highly popular among corporate clients since the end of 2021. The customisable user interface enables corporate clients to manage their payments and liquidity across banks. The new "Multibanking International" features enable clients to integrate their accounts held abroad into the platform by using Swift.

**SME eServices, Raiffeisen's multibanking platform, launches a new feature that allows third-party bank accounts abroad to be integrated.**

### Raiffeisen Business Owner Centre

Raiffeisen brings together its support for companies in issues beyond the traditional banking business in its Raiffeisen Business Owner Centre (Raiffeisen Unternehmerzentrum, RUZ). The advisors, all of whom are or have been business owners themselves, provide practical and comprehensive support for other business owners. They focus on the four core topics of Strategy and Business Models, Leadership and Communication, Financing Support, and Succession.

### Treasury & Markets

As the central control unit, Treasury & Markets ensures access to the capital market, centralised liquidity management and sustainable refinancing, as well as hedging interest rate and currency risks for the Raiffeisen Group. Treasury & Markets is the service provider for precious metals, foreign exchange, securities and structured products within the cooperative union.

Treasury & Markets supplies the Raiffeisen Group with cash in Swiss francs and foreign currencies from more than 100 countries from its own cash centre. The cash logistics service does not just deliver to Raiffeisen banks, it also provides a home delivery service for clients. This service is available via Raiffeisen e-banking, allowing clients to order bank notes in Swiss francs or foreign currencies to be delivered safely and conveniently to their home address. This service was again in great demand in the year under review and has stabilised at a pre-Covid level.

**Clients are increasingly using e-banking to place an order for cash delivered to their home.**

The other main tasks of Treasury & Markets include advising Raiffeisen banks on balance sheet structure management. Raiffeisen banks can also count on the expertise of Treasury & Markets in foreign exchange transactions and in the sale of structured products.

### Active player in the Swiss capital market

Raiffeisen succeeded in further expanding its position in the Swiss bond market as a lead manager in 2023. Raiffeisen successfully took on the role of lead manager to support several public-sector issuers as well as corporates with their bond issues in Swiss francs. As the joint-lead manager for the Swiss Pfandbriefbank, Raiffeisen placed a substantial share of the issue volume with institutional investors.

The rating agency Standard & Poor's (S&P) raised its rating for Raiffeisen Switzerland in April 2023 and upgraded the bank's long-term issuer credit rating from A+ to AA-. S&P raised the short-term issuer credit rating from A-1 to A-1+. These ratings were confirmed by S&P in December 2023, with a stable outlook. This very good rating places Raiffeisen among the highest rated banks in the world.

**The rating agency Standard & Poor's awards the Raiffeisen Group a very good rating.**

### Raiffeisen Switzerland becomes a member of the London Bullion Market Association

In recent years, Raiffeisen Switzerland has seen increased demand from clients and significant growth in precious metals trading. With its membership of the London Bullion Market Association (LBMA), Raiffeisen Switzerland is now consolidating its competence in precious metals trading. As the biggest internationally recognised industry association for precious metals, the LBMA sets market standards and also shapes the future alignment of the precious metals industry with regard to the environment, social policy and responsible corporate governance (ESG). This includes in particular the responsible procurement of precious metals. Raiffeisen only sells gold ingots from refineries that satisfy the LBMA's Good Delivery Standards.

### Award for sustainable gold ETF

In November 2023, the "Raiffeisen ETF – Solid Gold Responsibly Sourced & Traceable A USD" again won the Swiss ETF Award 2023, this time in the category "Best Commodity and Precious Metal ETFs and ETPs". The Swiss ETF Awards recognise the exceptional expertise of individual issuers and reward outstanding achievements and innovations in the Swiss world of ETFs and ETPs. This award for the ETF launched in 2021, on physically deposited, traceable gold from responsible mining, is confirmation of the strategy implemented by Raiffeisen to strengthen the sustainability of its products and services. The investment volume of CHF 583 million as at the end of 2023 underlines the investor interest in these sustainable investments.

## Structured products

The focus for structured products in 2023 was on yield optimisation and capital protection. The reversal from a negative interest rate environment to positive interest rates made it possible to achieve 100% capital protection while also participating in positive market performance. There was also demand for securities with a fixed-interest structure.

The assessment of the underlying assets of structured products with regard to ESG criteria is carried out by the independent Swiss sustainability rating agency Inrate. In the case of structured products that meet the sustainability criteria of the Raiffeisen Futura label, Raiffeisen regularly checks compliance with the Futura criteria throughout the product's lifetime.

As part of the strategic strengthening of the pension and investment business, Raiffeisen is developing its own issuance platform for structured products, "Raiffeisen Structify". In the future, Raiffeisen will be able to issue, hedge and sell its structured products itself, thus covering the entire value chain. The platform will be gradually established at the Raiffeisen banks from 2024 onwards. With Raiffeisen Structify, client advisors will be able to issue customised structured products from Raiffeisen directly on the bank's own platform.

**Going forward, Raiffeisen will issue its structured products through its own platform: Raiffeisen Structify.**

By developing its own product capacity, Raiffeisen is in the position to cover the needs of its clients in the investment sector even better, thus expanding its position as a top provider of investment products.

Raiffeisen is one of the biggest issuers of structured products in the Swiss market and is the proud two-time winner at the Swiss Derivative Awards 2023 in the categories "Best Equity Product" and "Top Service".

# Sustainability

**Sustainability is one of Raiffeisen's corporate values along with credibility, client proximity and entrepreneurship, and is part of the Group strategy. Guided by a responsible business model, Raiffeisen strives to continuously improve its sustainability performance and disclose sustainability information.**

## Sustainability strategy

Sustainability has long been a corporate value at Raiffeisen, forming a central element of the Group strategy Raiffeisen 2025. It is integrated into this strategy as one of six approaches: "We set ourselves apart as a sustainable cooperative." For Raiffeisen, sustainability means acting responsibly and considering the ecological and social impact of its business activities, in addition to the economic effects.

**Sustainability is a central element of the Group strategy.**

A Raiffeisen sustainability strategy was developed on the basis of the Group strategy, and has been formally incorporated since 2022. The sustainability strategy defines two key action areas "Strengthen sustainability management" and "Achieving impact". It comprises a total of 10 focus topics on which Raiffeisen concentrates when strengthening its sustainability performance. The sustainability strategy is based on a completed materiality analysis and takes into account the Principles for Responsible Banking (PRB), the results of the impact analysis from 2022 and regulatory developments. It thus not only addresses sustainability issues that are significant to the Raiffeisen Group's sustainability in accordance with "dual materiality", but also sustainability issues on which the Raiffeisen Group has a significant impact. The sustainability strategy is discussed every year during a stakeholder dialogue.

**The 10 focus topics for sustainability**
2020–2025

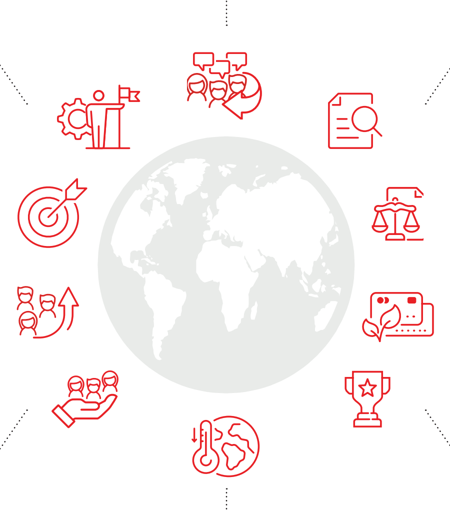
**Strengthen sustainability management**

**2 – Strengthen governance**
Management structures and processes are intended to ensure the implementation of corporate social responsibility and sustainability in the Raiffeisen Group.

**3 – Involve external stakeholders**
Raiffeisen regularly and systematically engages in dialogue with stakeholders, consults them when identifying relevant issues and works together with them on the path towards a sustainable Switzerland.

**4 – Ensure transparency**
Raiffeisen discloses how corporate social responsibility and sustainability are implemented in the company and in its products.

**1 – Set strategic goals**
Raiffeisen identifies the issues that are material for its long-term success and for strengthening positive and reducing negative effects on sustainable development. It sets clear goals and defines actions for these issues.



**5 – Responsibility in business conduct**
In the spirit of responsible business activity, Raiffeisen complies with applicable laws and Swiss values, including human rights, and adheres to voluntary agreements.

**10 – Promote employee expertise and diversity**
Raiffeisen creates comprehensive and ongoing continuing education and development opportunities. At Raiffeisen, the diversity in society is reflected in the company. Discrimination will not be tolerated in any way.

**6 – Create sustainable products and services**
Raiffeisen products and services are intended to be compatible with sustainable development.

**9 – Maintain open and fair interaction with clients**
Raiffeisen products are simple and straightforward. They offer value for money. Prices are communicated transparently. Clients must be able to make well-informed decisions. Client data is protected.

**8 – Mitigate climate change**
Raiffeisen supports a climate-neutral Switzerland and the targets of the Paris Climate Agreement.

**7 – Ensure long-term economic success**
Raiffeisen generates added value for its clients, employees, investors and other partners as an independent and reliable partner.

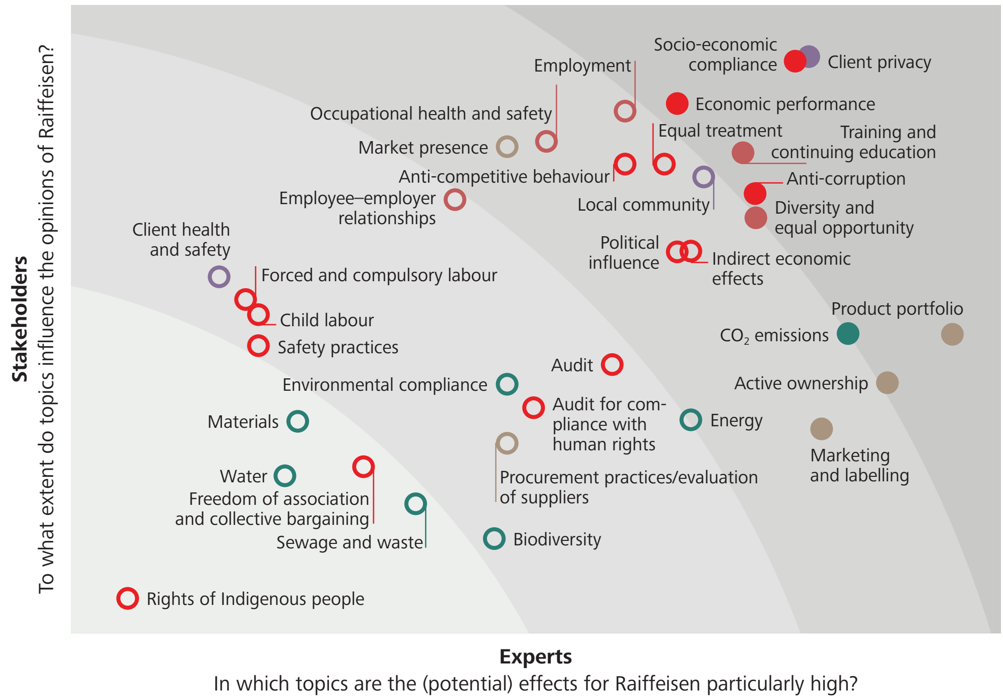
**Achieving impact**

## Materiality analysis as the core of the sustainability strategy

A survey of internal and external stakeholders as well as independent sustainability experts conducted in 2018 identified key issues for Raiffeisen in the context of sustainability. In this materiality analysis, respondents assessed the extent to which an issue affects Raiffeisen as a sustainable company, and which issues Raiffeisen should focus on to become more sustainable.

Topics with a high impact on Raiffeisen are considered "material".

**Materiality matrix**
2023




The result of the analysis is presented in the materiality matrix. The key issues are discussed each year during the Raiffeisen stakeholder dialogue. Once again in 2023, it was confirmed that both the focus topics and the sustainability goals that have been set are still relevant. In the context of updating the material topics, impact considerations, which are based, among other factors, on the results of the PRB impact analysis are also incorporated.

## Principles for Responsible Banking and impact analysis

In addition to the materiality analysis, the six Principles for Responsible Banking (PRB) of the United Nations Environment Programme – Finance Initiative (UNEP-FI) have also been incorporated into the definition of the strategic focus topics.

Based on the methodology provided by UNEP-FI, Raiffeisen conducted an analysis of the positive and negative effects of its business activities on the UN's Sustainable Development Goals (SDGs) in 2022. The results of this PRB impact analysis confirmed, in particular, the focus of Raiffeisen's sustainability strategy on "Climate" and showed that the strategic direction is appropriate. The analysis also pointed to other possible fields of action in "Resources and waste" as well as "Soil and biodiversity". Raiffeisen will analyse the relevant interdependencies in more detail in the coming years. Raiffeisen publishes the results of the impact analysis and information on the current status of implementing the principles annually in a separate PRB report.

### Regulatory developments and expectations

Lastly, considerations regarding regulatory developments have also been incorporated into the sustainability strategy. Raiffeisen gathers relevant information by monitoring political and regulatory processes and by participating in industry associations. From a regulatory viewpoint, the focus is particularly on the new disclosure requirements in the Swiss Code of Obligations and in specific regulations, which also express a certain expectation of "responsible business conduct". From a banking perspective, industry initiatives in 2023 such as self-regulation of the Swiss Bankers Association (SBA) and the Asset Management Association Switzerland (AMAS) in the area of Sustainable Finance also play an important role.

### Assessment of strategy implementation

By implementing its sustainability strategy, Raiffeisen aims to make improvements in its key environmental and social issues, implement the Principles for Responsible Banking, meet the expectations of responsible business conduct, and thus also minimise sustainability risks. This creates the conditions for setting ourselves apart as a sustainable and responsible cooperative. The following statements on the 10 focus areas, in particular the trend in the relevant key figures, show that Raiffeisen made further progress in achieving these goals in the year under review.

**Sustainable Development Goals – the UN's SDGs**

The UN Sustainable Development Goals are primarily intended for states. However, they also call on all players around the world to do their bit for sustainable development. In light of its status as a banking group with a very high market share in real estate financing, Raiffeisen wishes to make its contribution. Raiffeisen is, therefore, affected in particular by SDG 7 (affordable and clean energy) and by SDG 13 (climate action), and aims to make a positive contribution in these areas as well as reducing negative impacts.

## Sustainability governance

Effective sustainability management requires appropriate organisational structures, processes and responsibilities. The responsibilities for sustainability are spread across several levels in the Raiffeisen Group.

**The Sustainability, Policy & Cooperative department creates momentum to boost sustainability performance.**

Raiffeisen Switzerland has responsibility at Group level for the strategic direction when it comes to sustainability and for disclosing sustainability information. It takes sustainability factors into account in risk management and continues to develop the range of sustainable products and services. Raiffeisen Switzerland also communicates with internal and external stakeholders as well as the general public with regard to sustainability issues. In addition, it advises and supports the 219 Raiffeisen banks on various sustainability-related issues. The Raiffeisen banks put sustainability into practice on a local level and take their own measures in their regional and local context. The Raiffeisen banks can be involved in issues relating to the overarching management of corporate responsibility and sustainability through the relevant specialist committees. Furthermore, there is the option of exchanging information with the Raiffeisen Bank Council with regard to fundamental strategic issues. Within Raiffeisen Switzerland, the Board of Directors regularly deals with the Group's sustainability issues, both as a full Board and in its individual committees. The Executive Board of Raiffeisen Switzerland, supported by the respective departments, implements the guidelines defined by the Board of Directors and makes the relevant operational decisions regarding sustainability. The Sustainability, Policy & Cooperative department reports to Raiffeisen Switzerland's Head of Executive Staff. It acts as an internal and external point of contact for sustainability issues. Within the focus topics of the sustainability strategy, it also implements strategic projects that create momentum and boost the Raiffeisen Group's sustainability performance. It is responsible for monitoring and sustainability reporting, and bears specialist responsibility for climate and environmental management. It is also responsible for the due diligence check to ensure responsible business conduct. The department reports to the Executive Board and the Board of Directors' Strategy and Innovation Committee at least twice a year, and at least once a year to the full Board of Directors. In addition to and in cooperation with the Sustainability, Policy & Cooperative department, which has overall responsibility for sustainability, other units deal with specific aspects of sustainability. For example, Risk Control deals with financial risks caused by ESG factors, including climate-related financial risks. The Human Resources unit is responsible for diversity. The Competence Centre for Sustainability, Investing & Retirement department, which is part of the Investment & Retirement Centre, is responsible for sustainability aspects in connection with investments and retirement. In particular, this includes the Futura Policy for sustainable pension and investment solutions, including "active ownership" and investor dialogue, as well as training for investment and pension client advisors.

## Action area "Strengthen sustainability management"

The sustainability strategy and objectives, together with the regular involvement of stakeholders, create the conditions for adequate measurement of progress. Comprehensive disclosure ensures that progress and challenges are reported. Lastly, it must be possible to ensure responsible business conduct through various instruments and approaches.

### 1 – Set strategic goals

| Objective of the focus topic |
| --- |
| Raiffeisen identifies the issues that are material for its long-term success and for strengthening positive and reducing negative effects on sustainable development. It sets clear goals and defines actions for these issues. |

To strengthen our sustainability performance, Raiffeisen sets itself targets for the 10 focus topics in the sustainability strategy. The targets were defined when the sustainability strategy was formulated, and formally adopted in 2022. Sustainability targets were selectively enhanced and consolidated at operational level in the year under review. For example, climate reduction targets were re-calculated with 2022 as base year.

The following tables at the beginning of each section indicate the objectives of the focus topics and provide an overview of the major milestones achieved in the year under review. Explicit impact indicators are additionally provided in the action area "Achieving impact".

### 2 – Strengthen governance

| Objective of the focus topic | Milestones 2023 |
| --- | --- |
| Management structures and processes are intended to ensure the implementation of corporate social responsibility and sustainability in the Raiffeisen Group. | – Establishment of a Group-wide whistleblowing process |

Sustainability is a cross-cutting issue. Because of this, a key aspect is cooperation between the Sustainability, Policy & Cooperative department, which has overall responsibility for the topic, and various units. Against this background, the department has been formally involved in various processes over the past few years, thus systematically incorporating sustainability considerations. For example, the department has been involved in the process of introducing or discontinuing products and services. It has also been participating in Positioning and Risk Meetings (PRM) at the Investment & Retirement Centre on the topic of Impact since 2022, and in the Sustainable Investing specialist committee.

In the year under review, Raiffeisen revised the policies of the independent whistleblower office and the associated tasks, scope of authority and responsibilities. Until now, employees and executive bodies of Raiffeisen Switzerland have been able to report suspected internal abuses or misconduct at Raiffeisen to an external whistleblowing office. Since 2023, Raiffeisen banks and subsidiaries of Raiffeisen Switzerland have also been able to submit reports. A report is treated confidentially and can be made anonymously or include the name. The purpose of the whistleblowing office is to detect any critical situations at an early stage, conduct internal investigations if necessary, and deal with any weak points. An internal directive also aims to protect whistleblowers acting in good faith from "retaliatory measures" (dismissal, demotion, discrimination, etc.) and to recognise and properly address any risks in connection with the reported circumstances at an early stage. As part of standard reporting, statistical data on whistleblowing is presented to the Executive Board, the Risk Committee and the Board of Directors of Raiffeisen Switzerland at least every six months.

The sustainability strategy also envisages integrating the Raiffeisen banks even more closely into the strategically agreed implementation of sustainability, through more intensive dialogue. This should strengthen the shared understanding of sustainability in the Raiffeisen Group and drive forward implementation of the strategy. The relevant conceptual work was driven forward in the year under review.

## 3 – Involve external stakeholders

| Objective of the focus topic | Milestones 2023 |
|---|---|
| Raiffeisen systematically engages in a dialogue with stakeholders, consults them when identifying relevant issues and works together with them on the path towards a sustainable Switzerland. | – Joining the Net-Zero Banking Alliance<br>– Seat on the Sustainable Finance expert commission and working group of the Swiss Bankers Association (SBA)<br>– Premium partner of Special Olympics Switzerland |

**Dialogue with stakeholders**
Regular and open dialogue with its internal and external stakeholders is extremely important to Raiffeisen. Thanks to their cooperative independence, the Raiffeisen banks are very close to their clients. Through their local presence, the banks are closely connected to local and regional stakeholders and are able to conduct regular dialogue.

At the level of Raiffeisen Switzerland, the most important internal and external stakeholders are invited to participate in dialogue at least once a year. Once again in 2023, the key sustainability issues and the sustainability strategy were reviewed and confirmed at this Raiffeisen stakeholder dialogue (see materiality matrix). Participating organisations included Agrocleantech, Energy Model Zurich, the Raiffeisen Bank Council and Swiss Sustainable Finance. The participants in this year's stakeholder dialogue praised Raiffeisen's transparent sustainability reporting and its first external audit with limited assurance in accordance with GRI standards by Ernst & Young Switzerland (EY). Raiffeisen's strategic projects were welcomed, for example, those concerning Group-wide climate strategy or aimed at closer cooperation at Group level on the issue of sustainability.

**Memberships**
Raiffeisen has institutionalised its exchange with various stakeholders and its commitment to a sustainable Switzerland through activities such as memberships. It is represented as a member in the following national and international organisations, committees and initiatives focused on sustainability:

- Swiss Sustainable Business Association (öbu), since 2007
- Swiss Climate Foundation (founding member), since 2008
- Zurich Energy Model as a member of the Energy Agency for Industry (ENAW), since 2013
- Swiss Sustainable Finance (founding member), since 2014
- Green and Sustainable Finance Working Group of the European Association of Cooperative Banks, since 2018



- Swiss Better Gold Association, since 2019
- Madaster, since 2019
- Principles for Responsible Banking (PRB) of the United Nations Environment Programme Finance Initiative (UNEP-FI), since 2021
- Partnership for Carbon Accounting Financials (PCAF), since 2021
- CEO4Climate, since 2021
- Net-Zero Banking Alliance (NZBA), since 2023
- Sustainable Finance expert commission and working group of the Swiss Bankers Association, since 2023

These memberships also provided Raiffeisen with major impetus in the year under review, reaffirmed the strategic focus and reinforced the direction in which it is heading.

A new addition in the year under review was membership of the Net-Zero Banking Alliance (NZBA), an alliance coordinated by UNEP-FI. As a result of joining the Swiss Bankers Association (SBA), Raiffeisen also became a member of the SBA's Sustainable Finance expert commission and working group in the year under review.

**Raiffeisen has joined the Net-Zero Banking Alliance.**

**Commitment to business, culture and sport throughout Switzerland**
Raiffeisen has local roots throughout Switzerland due to its decentralised business model comprising 219 Raiffeisen banks. In addition to Raiffeisen Switzerland's national commitment, the dialogue with local stakeholders from business, culture and sport, and their local support by the Raiffeisen banks, is likewise very important for the Raiffeisen Group. The banking group's broadly based commitment to society supports the goal of a sustainable Switzerland and positively impacts the daily lives of clients and external stakeholders (such as associations and initiatives). It also strengthens the Raiffeisen brand across the whole of Switzerland.

The decentralised approach is especially apparent in our sponsorship commitments. In addition to the existing national sponsorship of the Swiss ski association Swiss Ski since 2005, this can be seen, for example, in our regional support for around 20,000 young skiers. Raiffeisen also remains strongly committed to the Swiss Museum Pass, through which Raiffeisen members receive free access to more than 500 partner museums throughout Switzerland. Raiffeisen has been a premium partner of Special Olympics Switzerland since 2023. Through this commitment, Raiffeisen aims to promote inclusion in Swiss sport and raise the visibility of athletes with disabilities.

**Raiffeisen is a premium partner of Special Olympics Switzerland.**

Since 2016, Raiffeisen has provided a free platform for financing local projects through donations, lokalhelden.ch. True to the spirit of the banking group's cooperative principle, through lokalhelden.ch Raiffeisen takes a local and regional approach to crowdfunding, making an important contribution to diversity in Switzerland in terms of sport, culture and social aspects. In addition to the large number of local donations from various Raiffeisen banks, Raiffeisen also offers sponsorship programmes for associations and supra-regional projects. By the end of 2023, a total of more than CHF 42 million in donations had been raised through lokalhelden.ch for more than 2,400 projects. In December 2023, Raiffeisen raised CHF 400,000 through lokalhelden.ch for Swiss Solidarity during a Christmas fundraising drive for the benefit of children and young people, matching each donation up to a total amount of CHF 200,000.

**42**
**CHF million**
**Donations have already been collected through lokalhelden.ch.**

The Raiffeisen Group's sponsorships amount to roughly CHF 25 million per year. Economic, social and cultural contributions and donations additionally amount to more than CHF 6 million.

Raiffeisen also wants to enable its employees to get directly involved in cultural, sporting and social causes. Raiffeisen therefore gives its employees time to participate in public services, including during working hours, in line with the employment regulations and after consulting their line manager.

### Support for the political militia system

A functioning political system and dialogue with political stakeholders is important to Raiffeisen as a decentralised cooperative group with a presence throughout Switzerland. As in previous years, Raiffeisen once again contributed to a healthy Swiss political system based on the militia concept through its party financing in the year under review. Raiffeisen contributes a total of CHF 246,000 annually to all parties represented in the Swiss Federal Assembly. This amount is split equally between the National Council and the Council of States and is distributed to the parties according to the number of seats. This takes account of the equivalence of the two chambers as well as the federal/decentralised system of government in Switzerland. The parties have no accountability obligations in relation to the use of the funds and the payment is not linked to political goodwill or voting behaviour. In the 2023 election campaign year, Raiffeisen Switzerland also made campaign donations totalling CHF 180,000. This support was likewise not linked to political goodwill, voting behaviour or a particular party affiliation.

## 4 – Ensure transparency

| Objective of the focus topic | | Milestones 2023 |
|---|---|---|
| | Develop and professionalise reporting in line with common standards and memberships | – External audit with limited assurance of sustainability reporting in accordance with GRI standards by Ernst & Young Switzerland (EY)<br>– Publication of the second Principles for Responsible Banking (PRB) report |

Raiffeisen's stakeholders, especially the more than 2 million cooperative members, should be able to obtain information about Raiffeisen's commitment in terms of sustainability and responsibility. Accordingly, Raiffeisen aims to meet high standards when disclosing its sustainability performance and for years has been implementing the globally recognised standards of the Global Reporting Initiative (GRI) for sustainability reporting. Raiffeisen regularly reviews the extent to which further reporting standards should be taken into account.

Provisions referring to transparency regarding non-financial matters came into force on 1 January 2022 in Switzerland too, through Art. 964a ff. of the Swiss Code of Obligations (OR). The Raiffeisen Group is affected by this amendment to the law and must meet this obligation. It discloses its non-financial matters as part of this Annual Report, including the notes, in accordance with the statutory provisions. Raiffeisen already complies with the subject-specific legal disclosure obligations in line with the "Ordinance on Mandatory Climate Disclosures for Large Companies", which came into force on 1 January 2024. Climate reporting has been carried out separately since 2022 in the note "Disclosure of climate information in accordance with the recommendations of the TCFD".

Raiffeisen's non-financial disclosure underwent an external audit with limited assurance in accordance with GRI standards by Ernst & Young Switzerland (EY) in 2023 for the first time. Raiffeisen thoroughly analysed the findings and recommendations of the audit firm in the year under review and developed appropriate measures to further strengthen disclosure.

Furthermore, in 2023 Raiffeisen published the second report entitled Principles for Responsible Banking – Reporting and Self-Assessment on the implementation of these principles.

Raiffeisen's non-financial reporting for the 2023 financial year was approved by the Board of Directors. It will be submitted to the General Meeting of Raiffeisen Switzerland for a vote.





## 5 – Responsibility in business conduct

| Objective of the focus topic | | Milestones 2023 |
|---|---|---|
| | In the spirit of responsible business activity, Raiffeisen complies with applicable laws and Swiss values, including human rights, and adheres to voluntary agreements. | – Group-wide introduction of due diligence check on responsible business conduct |

As a banking group with a cooperative structure, Raiffeisen is committed to conducting its business operations responsibly. Firstly, this includes ensuring compliance. As a bank, combating corruption and preventing money laundering as well as dealing with tax issues is particularly relevant to Raiffeisen in this context. Responsible business conduct also includes the systematic inclusion of environmental, social and governance factors in risk management. In addition, a due diligence check is made to analyse whether relevant business relationships could be linked to serious negative impacts on the environment and society. On the basis of the new disclosure requirements applicable in Switzerland, information must be provided in this context, in particular on handling the issues of precious metals from conflict areas, child labour and human rights. Other aspects of responsible business conduct include specific tools such as a whistleblowing office and a supplier code of conduct.

### Ensuring compliance

The banking industry in Switzerland is highly regulated. The Raiffeisen Group adheres to the statutory, regulatory and professional requirements and processes applicable in the financial centre. As a cooperative bank, Raiffeisen focuses on the Swiss retail market. The Swiss legal system and regulatory regime in particular are therefore applicable to Raiffeisen. Raiffeisen's comprehensive compliance monitoring ensures that national and international requirements are met. The focus here includes the relevant regulations for combating corruption, money laundering and the financing of terrorism. The Raiffeisen Group did not record any significant breaches of laws and regulations in the year under review. Fines of this nature were accordingly not imposed on the Raiffeisen Group (see table "Social compliance and anti-corruption measures", page 61).

**Raiffeisen Switzerland's Legal & Compliance department monitors changes in legal and compliance risks for the entire Group.**

Raiffeisen Switzerland's Legal & Compliance department monitors changes in legal and compliance risks for the entire Group. It reports the main changes in these risks every three months to the Executive Board of Raiffeisen Switzerland and to the Board of Directors' Risk Committee at Raiffeisen Switzerland. Once a year, the department reports on the focus risks to the entire Board of Directors of Raiffeisen Switzerland and draws up a risk-orientated action plan to mitigate these risks.

Compliance with the relevant regulations is ensured through the three-lines-of-defence model within the Raiffeisen Group. Raiffeisen banks provide the first line of defence through their front office staff and back office functions, and the second line of defence through the specialist officers for compliance issues (anti-money laundering officers, compliance officers and responsible officers). Raiffeisen Switzerland performs further higher-level duties for the second line of defence in the context of system responsibility. In particular, this includes preparing and maintaining the Group-wide compliance regulations, training the Raiffeisen banks' internal officers, and safeguarding the reporting line. Internal Auditing forms the third line of defence. Internal Group processes ensure the necessary control and monitoring as well as risk management.

More information on dealing with legal and compliance risks is available in the chapter "Risk report", pages 94–105.

## Prevention of corruption and money laundering

The regulator ascribes a particularly high level of importance to the fight against corruption, money laundering and terrorism financing. Raiffeisen does not engage in any business activities that pose an unacceptably high risk of money laundering, fraud, sanctions or corruption. The Raiffeisen Group takes extensive preventative measures to counter these risks. These include monitoring business relationships and transactions, along with raising employees' awareness on an ongoing basis. Raiffeisen Switzerland has clear guidelines on the prevention of money laundering and corruption. Specific employees of Raiffeisen Switzerland receive regular mandatory training on combating money laundering. All Raiffeisen Switzerland employees are offered training on combating corruption. Employees and members of the Board of Directors of the Raiffeisen banks receive function-specific mandatory training on combating money laundering. Anti-corruption responsibilities are defined at all levels of the hierarchy in the Raiffeisen Group, are enshrined in internal policies and assumed within the business areas of the individual Raiffeisen banks. Strict internal policies govern entry into business relationships with politically exposed persons, the combating of money laundering and terrorism financing, and adherence to laws in the area of economic and trade sanctions.

Internal guidelines on conflicts of interest and the avoidance of bribery are enshrined in the employment regulations. All employees of Raiffeisen Switzerland and the Raiffeisen Pension Fund Cooperative, as well as all members of supervisory bodies, are issued with the employment regulations and, by signing the employment contract or mandate agreement, confirm that they are aware of the above-mentioned requirements. Employees of the Raiffeisen banks either receive the employment regulations of Raiffeisen Switzerland or equivalent regulations from the respective Raiffeisen bank. Business partners who supply goods or services to Raiffeisen are sensitised to anti-corruption issues via the Supplier Code. This explicitly stipulates that any form of corruption, bribery, money laundering, extortion, embezzlement or pay-off is prohibited and must be prevented. General standards and the internal anti-corruption guidelines are an integral part of Raiffeisen Switzerland's internal regulatory system. They are subject to internal audit and, where regulatory aspects are involved, external regulatory audits as well.

**The employment regulations contain guidelines on preventing conflicts of interest and bribery attempts.**

In addition to Raiffeisen Switzerland, the Raiffeisen banks are directly responsible for taking action to prevent money laundering. Each Raiffeisen bank has a person in charge of money laundering issues. These individuals receive annual training on specific topics from Raiffeisen Switzerland and are also professionally supported in their work. If money laundering or terrorism financing is suspected, the Raiffeisen banks' anti-money laundering officers report to the Money Laundering Reporting Office. Raiffeisen Switzerland coordinates the further course of action and supports the Raiffeisen banks in implementing the necessary measures.

The Raiffeisen banks regularly conduct analyses of risks associated with money laundering and terrorism financing for the Executive Board according to Raiffeisen Switzerland guidelines, and also send their reports to Raiffeisen Switzerland. Raiffeisen Switzerland's Legal & Compliance department monitors the changes in these risks across the entire Group, and reports material risks to the Risk Committee and the Board of Directors of Raiffeisen Switzerland every quarter. The Board of Directors bears strategic responsibility at the highest level for the adequacy of its measures to combat money laundering and terrorism financing.

**Social compliance and anti-corruption measures [1]**

| | GRI indicator | 2023 |
|---|---|---|
| **Social compliance** | | |
| Material breaches of laws and regulations as well as relevant fines in the social and economic area [2] | GRI 2-27 | 0 |
| **Anti-corruption** | | |
| Total number and percentage of Raiffeisen banks that are assessed for risks related to corruption | GRI 205-1 | 100% |
| Total number of significant risks related to corruption identified through the risk assessment | GRI 205-1 | 0 |
| Total number and nature of confirmed incidents of corruption | GRI 205-3 | 0 |

1 In this context, a zero means that no serious cases are known as at the end of the year under review.
2 A breach of laws and regulations is regarded as material if it causes significant harm to the Raiffeisen Group or threatens to do so.

## Responsible handling of tax matters

In line with its comprehensive sustainability strategy, the Raiffeisen Group aims to comply with all statutory and regulatory requirements in relation to taxation. If any matter is unclear, Raiffeisen consults external tax advisors or obtains binding tax information from the relevant tax authorities, with whom Raiffeisen maintains a constructive dialogue. Raiffeisen Switzerland also supports the Raiffeisen banks in tax matters as required, in order to ensure that tax is declared correctly.

The Raiffeisen Group has a foreign subsidiary, Raiffeisen Switzerland B.V., based in the Netherlands. It issues structured products but has no direct clients. Raiffeisen's effective tax rate in the Netherlands is significantly higher than the 15% required by the Organisation for Economic Co-operation and Development (OECD) in its global minimum taxation requirements, and is also higher than the rate in Switzerland. Intragroup services ("transfer pricing") between Raiffeisen Switzerland Cooperative and Raiffeisen Switzerland B.V. are charged at arm's length prices. There is no base erosion or profit shifting. Furthermore, Raiffeisen prepares an annual country-by-country report for the relevant tax authorities, enabling them to assess the transfer prices.

The Raiffeisen Group does not assist in tax evasion. It refrains from any and all acts and statements that might help clients in any way to evade the proper taxation of assets. Raiffeisen will not accept any assets if it knows or has reasonable grounds to suspect that these were not properly declared and taxed in the client's country of tax residence. Appropriate directives and instructions are in place and the requirements are communicated in regular training. Moreover, by accepting the General Terms and Conditions of Business, all clients confirm that they comply at all times with all statutory regulations applicable to them (including tax laws).

As a domestic retail bank, Raiffeisen has only a small proportion of foreign clients. These come primarily from neighbouring countries and almost entirely from countries with which Switzerland has agreed to the automatic exchange of information. As a result, the financial information is transmitted annually to the tax authorities in the country where the client is resident for tax purposes. Raiffeisen also offers country-specific tax reports, which are aimed at clients whose place of residence/tax domicile is in neighbouring countries. The tax report provides an overview of all relevant products and business transactions according to the country-specific tax law, thus supporting clients with their tax returns. However, Raiffeisen does not provide tax advice to clients whose place of residence/tax domicile is outside Switzerland. The bank refers these clients to external advisors for professional tax advice if required.

### ESG factors in risk management

In the context of risk management, Raiffeisen does not regard environmental, social and governance (ESG) factors as a separate risk category but as drivers of existing risks. These include credit, market and operational risks. ESG factors at Raiffeisen are accordingly integrated into the existing Raiffeisen risk management framework. They are thus covered by the Raiffeisen Group's risk strategy, risk tolerance and risk policy and taken into account.

**ESG factors have an impact on existing risk categories. Raiffeisen monitors climate-related financial risks in particular.**

**ESG risk matrix**

**Risk drivers**

| **Environment** (**E**nvironment) | **Social** (**S**ocial) | **Governance** (**G**overnance) |
|---|---|---|
| Examples:<br>– Climate change<br>– Biodiversity<br>– Land use<br>– (Fresh) water use<br>– Biogeochemical cycles<br>– Acidification of the oceans<br>– Air pollution<br>– Depletion of stratospheric ozone | Examples:<br>– Human rights<br>– Relationship with the community and social commitment<br>– Working conditions<br>– Client (relationships)<br>– Animal welfare | Examples:<br>– Corruption<br>– Management remuneration, diversity, structure<br>– Competition (restrictions)<br>– Responsibility in the supply chain<br>– Political influence |

**Raiffeisen risk profile**
(credit risks, market risks, liquidity risks, operational risks and other risks)

Raiffeisen follows and monitors ESG risk drivers continuously to an appropriate extent. The key figures tracked and disclosed as part of the sustainability strategy serve as indicators for the impact of the ESG factors on risks. The Risk Control unit, which is responsible for the ongoing monitoring of the risk profile, also takes ESG risk drivers into account in its work.

ESG factors as risk drivers generally have a low impact on Raiffeisen's existing risks at this time, based on an internal risk analysis of all the risk drivers (ESG risk matrix) that was subsequently checked externally for plausibility. Where relevant, they are controlled appropriately by existing measures. This is due to Raiffeisen's business model, with its strong focus on the Swiss retail banking business. This means that Raiffeisen is faced with comparatively few challenges in the areas of the environment, social aspects and governance, and must also comply with Swiss regulations in these areas. As a result, ESG factors are not currently assessed as standard in lending, for example, but on a case-by-case basis (see section entitled "Due diligence check on responsible business conduct"). ESG factors are implicitly taken into account in the valuation of real estate or when assessing the strategy and business model of larger companies.

The risk analysis in the ESG risk matrix is updated each year and reviewed by the interdisciplinary internal ESG Risks committee in order to adequately cover the range of issues. The expert committee supports the general risk management process and is managed by the Operational Risk Control department. The risk analysis in 2023 confirmed that ESG issues have a minor overall impact on Raiffeisen's risks.

The risk analysis for the climate issue is carried out in much greater depth, mainly for regulatory reasons. The relevant results are disclosed separately in the TCFD report (see chapter "Risk report", pages 94–105 and "Disclosure of climate information in accordance with the recommendations of the TCFD").



### Due diligence check on responsible business conduct

In 2021, Raiffeisen Switzerland established a due diligence check to ensure responsible business conduct, based on an analysis of the impact of specific activities on the environment and society. The due diligence check was extended to the entire Group in 2023. By conducting this due diligence check, Raiffeisen aims to avoid causing, contributing to or being associated with serious human rights violations or environmental damage through its business activities. The due diligence process implements the instructions of the Board of Directors, which is responsible for Raiffeisen's business ethics positioning.

The due diligence consists of an initial check by the unit responsible for the transaction. The aim here is to identify transactions with increased risks and have them undergo a more detailed second check by the Sustainability, Policy & Cooperative department. The due diligence check includes clearly defined triggers and risk escalation processes up to the Executive Board. Moreover, companies from certain sectors are generally excluded from credit financing and securities issuance. In some instances, certification or other standards are required for supplier relationships. The due diligence also includes a comprehensive check of the existing business covered by the due diligence (e.g. at portfolio level) by the Sustainability, Policy & Cooperative department. If the check found that transactions had been concluded that were not compatible with responsible business conduct, the due diligence approach would have to be analysed and adjusted if necessary.

**The aim of the due diligence check is to identify transactions with increased risks and then conduct an in-depth ESG review of them.**

Along with the due diligence process, a content-based guideline and a review system to manage ESG issues in various business activities, including financing, was introduced in the Raiffeisen Group. The binding guideline means that relevant ESG aspects can be taken into account using a risk-based approach when granting loans, for example. It can accordingly be categorised as part of the credit policy on sustainability. More specific, separate guidelines on financing in areas such as forestry (deforestation), mining or the extraction of fossil fuels would not be appropriate in the case of Raiffeisen. Raiffeisen has very limited connections to the above issues. Raiffeisen is a retail bank with a focus on the Swiss market. Raiffeisen's retail, private and corporate clients are almost exclusively domiciled in Switzerland. Switzerland is a well-functioning constitutional state with effectively enforced environmental and social laws. All contents of the due diligence check, including business ethics positioning, are an integral part of Raiffeisen Switzerland's internal regulatory system. They are subject to internal audit and, where regulatory aspects are involved, external regulatory audits as well.

**Second checks and escalated cases for ensuring responsible business conduct at Raiffeisen Switzerland**[1]

| Total | 2022 | 2023 |
|---|---:|---:|
| Second checks | 45 | 61 |
| Cases escalated to the Executive Board | 1 | 1 |

1 These figures have only been collected since 2022.

### Minerals and metals from conflict areas as part of the due diligence check

By introducing the above-mentioned due diligence check, one of Raiffeisen's aims is to ensure that human rights are respected in connection with the production of the precious metal ingots traded by Raiffeisen. An additional specialist directive also regulates in detail the process and responsibilities around due diligence in connection with the acceptance of physical precious metals. The precious metal ingots traded by Raiffeisen originate exclusively from production facilities accredited by the London Bullion Market Association (LBMA) or the London Platinum and Palladium Market (LPPM). As part of this accreditation, compliance with the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas is also assessed by third parties. When accepting precious metal ingots and coins, Raiffeisen Switzerland has been focusing on a close network of established partner companies for several years now. All ingots bearing the Raiffeisen brand have been produced in accordance with the "Responsibly Sourced and Traceable" approach since April 2021. The gold sourced by the Argor-Heraeus refinery comes from small mines in Colombia, which operate in a conflict zone as defined by the OECD. As a result, these supplier relationships are audited by the Argor-Heraeus refinery specifically in accordance with OECD requirements.

**Raiffeisen clients can use the ingot number to trace the origin of the gold used in Raiffeisen ingots.**

**Respect for human rights**

Due to its business model, Raiffeisen operates almost exclusively in Switzerland. Raiffeisen is consequently only exposed to a very limited extent to circumstances that enable human rights violations (e.g. political instability, poverty or the shadow economy). In Switzerland, human rights are also integrated into binding law by means of the fundamental rights guaranteed by the constitution. Swiss law prohibits discrimination, forced labour and child labour, for example. It guarantees dignified working conditions, freedom of association, the right to collective bargaining and equal pay. Raiffeisen recognises these rights, and persons employed by Raiffeisen are protected by Swiss law.

Raiffeisen also reviews compliance with human rights, particularly in the case of business involving foreign sourcing. This is a risk-based procedure done on a case-by-case basis as part of the due diligence for responsible business conduct mentioned above. "Risk-based" means that checks are carried out where there is a relevant risk that Raiffeisen could be associated with serious human rights violations. In the case of foreign sourcing, there may be a risk through supplier or other business relationships. On the other hand, Raiffeisen is unlikely to be associated with human rights violations as its business is loan financing, primarily for real estate (mortgages) and SMEs in Switzerland. Overall, the risk of coming into contact with serious human rights violations is comparatively low for Raiffeisen.

Any type of complaint may be submitted to Raiffeisen Switzerland in writing or by telephone. In the event of internal discrimination, a complaint can also be lodged with Human Resources pursuant to the employment policy. Alternatively, there is also an external independent whistleblowing centre to which an affected person can turn (see Section 2, "Strengthen governance", pages 55–56).

**Supplier Code**

The Raiffeisen Supplier Code is part of the formal internal due diligence check introduced in 2021. Raiffeisen expects that its suppliers, their employees and all sub-contractors and their employees will comply with the principles laid down in the Code. The Supplier Code is published on the Raiffeisen website and reference is made to it in the framework agreement between suppliers and Raiffeisen Switzerland.

## Action area "Achieving impact"

The action area "Achieving impact" in the Raiffeisen sustainability strategy comprises the following focus topics: creating sustainable products and services, ensuring long-term economic success, mitigating climate change, interacting openly and fairly with clients, and promoting employee expertise and diversity. Raiffeisen's sustainability impact is to be strengthened through continuous improvement in these areas.

### 6 – Create sustainable products and services

| Objective of the focus topic | Impact indicators | Milestones 2023 |
|---|---|---|
| Raiffeisen products and services are intended to be compatible with sustainable development. | – Proportion of sustainable Futura funds in the volume of all Raiffeisen funds: 94.6%<br>– Renewable Heating incentive consultations carried out: 2,276<br>– Uses of the Raiffeisen modernisation planner (RAImo): 1,145 | – Extended financing offer for investments in renewable energy<br>– Second award for Gold ETF Responsibly Sourced & Traceable<br>– Publication of the first Active Ownership Report<br>– Implementation of the guidelines for considering sustainability criteria in investment and mortgage advice, as issued by the Swiss Bankers Association (SBA) |

The Raiffeisen Group takes into account environmental and social factors, as well as increasing client demand with regard to sustainability, when designing and developing its financial products and services – both for private and investment clients as well as for corporate clients.

**Raise client awareness in the mortgage business**

When promoting sustainability in the mortgage business, Raiffeisen sees its role primarily in routinely making its clients aware, at an early stage, of the potential for boosting energy efficiency and reducing $CO_2$ emissions, and presenting appropriate financing solutions. As early as 2015, Raiffeisen was the first Swiss-wide bank to integrate the energy efficiency evaluation of properties as standard procedure into its home ownership advice. Clients can use this to obtain an overview of their property's energy efficiency. Any investment backlog can also be identified and renovation scenarios simulated. In the year under review, 1,145 consultations were carried out based on the Raiffeisen Modernisation Planner (RAImo). This number is expected to continue rising. The various self-service offers in the field of energy efficiency and renovation are also becoming increasingly important. These offers were accessed more than 24,000 times in the year under review.

**Raiffeisen takes the energy efficiency of properties into account when advising its mortgage clients.**

As in previous years, Raiffeisen supported SwissEnergy's Renewable Heating programme in 2023. This federal programme aims to help private home owners switch to heating systems using renewable energy, by providing neutral and professional advice. As a strategic partner, Raiffeisen provides relevant financial expertise. In the year under review, 2,276 Renewable Heating incentive consultations were carried out.

To implement the "Guidelines for mortgage providers on the promotion of energy efficiency" (in effect from 1 January 2023) issued by the Swiss Bankers Association (SBA), client advisors were systematically trained throughout the Group in the year under review. A modernisation check was also integrated into the processes and advisory applications. This modernisation check identifies energy efficiency and any modernisation backlog. In addition, information on subsidies and technical experts is shown. A dedicated client document sets out the content of the advice provided to clients.

In addition, the Eco mortgage was further developed in the year under review. Until now, the award of a certificate was linked to a Minergie certificate or cantonal energy performance certificate (GEAK certificate). Investments in renewable energy can now also be financed (investment in a renewable heating system, e.g. heat pump, district or solar heating, or wood as a replacement for a fossil heating system, as well as investments in a photovoltaic installation or solar panels for heating water).

**Awareness-raising tools and initiatives**

| | 2021 | 2022 | 2023 |
|---|---|---|---|
| **Energy-efficient renovation and climate compatibility** | | | |
| Thermal imaging performed in campaigns concluded during the current year [1] | 7,400 | – | – |
| eValo energy efficiency consultations for real estate [2] | 1,969 | – | – |
| Raiffeisen modernisation planner (RAImo) [3] | 1,882 | 1,101 | 1,145 |
| Renewable Heating incentive consultations | – | 315 | 2,276 |
| Number of visits to self-service heating cost calculator at raiffeisencasa.ch [4] | – | 10,426 | 13,071 |
| Number of visits to self-service energy efficiency calculator at raiffeisencasa.ch [4] | – | 11,084 | 11,302 |

1 Programmes to raise home owners' awareness of energy efficiency and climate sustainability are optimised on an ongoing basis, and are replaced or supplemented by new programmes. The thermal imaging campaign was last offered in 2021. Data relating to programmes continued by individual Raiffeisen banks is not available at Group level.
2 In 2022, eValo was replaced by a self-service product at raiffeisencasa.ch, and the national marketing campaign "Renewable Heating incentive consultations" was added.
3 The Raiffeisen modernisation planner was launched in March 2021.
4 The data on the two self-service products at raiffeisencasa.ch has only been collected since 2022.

### Raising client awareness in the corporate clients business

The Raiffeisen Group has around 220,000 corporate clients – mainly small and medium-sized enterprises (SMEs). In total, 99.5% of Raiffeisen's corporate clients are domiciled in Switzerland (see "Client structure" table on page 74). Accordingly, they are regulated relatively efficiently and effectively in environmental, social and governance issues.

Nevertheless, Raiffeisen is also raising awareness of sustainability among its corporate clients in certain cases. For this purpose, a pilot project was carried out in 2023 with SwissEnergy's SME Platform for Energy Efficiency (PEIK), which advises SMEs on energy efficiency. In addition, the Go for Impact association received financial support in the year under review, so that it can press ahead with its activities to raise awareness among Swiss SMEs about climate benchmarking and target setting.

### Sustainability in leasing

The Raiffeisen Group's leasing activities have been focussed primarily on corporate clients based in Switzerland, whom it has been serving for more than 30 years. The emphasis is on mobile capital goods and increasingly on "as new" items. Raiffeisen supports the active switch to alternative or technologically innovative solutions in several different industries.

In the current year under review, Raiffeisen supported the launch of a 100% electric commercial vehicle fleet for an active vendor partner as well as a number of other financing solutions for sustainable capital goods, such as a wide range of photovoltaic systems and energy-related investments.

### Futura sustainable pension and investment solutions

**Sustainable Raiffeisen Futura funds account for 94.6% of the total volume.**

In July of the year under review, a representative survey on sustainable investing originally conducted in 2021 was repeated with some of the respondents from that year. By way of comparison, the number of investors making sustainable investments has increased. There is still strong demand for additional and more detailed ESG information on the financial instruments used. Since the launch of the first Raiffeisen Futura fund in 2001, Raiffeisen has accordingly been consistently providing sustainable investment opportunities in pension and investment funds for its clients. Since 2019, all pillar 3 pension funds at Raiffeisen have been sustainable. The proportion of sustainable Futura funds in the total volume of all Raiffeisen funds has increased to 94.6%. In the year under review, the net inflow into Futura pension and investment funds amounted to more than CHF 1.1 billion. Including performance, the total volume increased by around 15.3% to CHF 13.9 billion in the year under review.



The implementation of sustainability in the pension and investment business has been based on the "Sustainability Strategy for Investing & Retirement" since 2020. In line with the strategy, the relevant Raiffeisen collective investments comply with "Self-regulation on transparency and disclosure for sustainability-related collective assets, of 26 September 2022" published by the Asset Management Association Switzerland (AMAS). Work on implementing the Swiss Bankers Association's (SBA) "Guidelines for the financial service providers on the integration of ESG-preferences and ESG-risks into investment advice and asset management" was completed in the year under review. As a result, all investment advisors received in-depth training in the fourth quarter on the topic of sustainable investing in general and the Futura Policy. This policy defines the approaches and criteria for all sustainable pension and investment solutions from Raiffeisen Switzerland. The training programme had been developed in house. The sustainability preferences of new clients have also been recorded since the year under review. Determining the sustainability preference of existing clients had been completed one year before the end of the transition period.

**Ethos conducts a dialogue with selected companies on environmental, social and governance issues on behalf of Raiffeisen Switzerland.**

The Futura policy is explained in detail in the brochure "Sustainable Investing at Raiffeisen: the Futura Policy". At the core of the Futura policy is the principle that investment decisions are improved by using sustainability appraisals, incorporating both perspectives of "double materiality". The corresponding sustainability review and assessment is carried out by the independent rating agency Inrate for direct investments, and by Vontobel Asset Management for collective investments. Another element of the Futura Policy is active ownership. This includes two elements: active use of the voting rights associated with the investments, and dialogue with companies ("investor dialogue" or "involvement"). Since 2009, all Raiffeisen Futura funds have made active use of voting rights for Swiss equities. This was extended in 2020 to include the use of voting rights for all shares in the Futura funds, i.e. also covering shares in international companies. For Swiss equities within the actively managed Futura funds, the voting rights are exercised by Ethos, Swiss Foundation for Sustainable Development. For all other stocks the funds follow the recommendations of Institutional Shareholder Services (ISS).[1] Since 2022, Ethos has also conducted investor dialogue (involvement) for Swiss and international companies selected by Raiffeisen Switzerland. Together with Ethos, Raiffeisen defines the issues on which the dialogue is to be conducted. The selected focus is currently on climate change, labour and human rights, and digital responsibility. Raiffeisen Switzerland also uses the opportunity to engage via Ethos with other institutional investors, in order to improve ESG aspects through collective involvement. Raiffeisen Switzerland made use of this option several times in the year under review. Support was provided for the following issues:

- investor declaration concerning a meaningful EU law on artificial intelligence;
- investor demand for urgent measures to reduce the use of plastics by intensive users of plastic packaging;
- call for financial market participants to advocate greater independence and diversity for supervisory boards in Japanese companies;
- call to the International Sustainability Standards Board (ISSB) to prioritise human capital and human rights;
- climate Action Transition Plan Vote;
- call to the relevant authorities in the various countries to commit to implementing International Financial Reporting Standards (IFRS) 1 and 2 published by the ISSB throughout the economy by 2025, and
- a living wage initiative in the US.

1 Due to a technical error, the voting rights of the actively managed Futura funds were not exercised for foreign equities in the year under review. The error has since been rectified. Details will be available in the Active Ownership Report 2023 to be published.

**Active Ownership Report**

In the interests of transparency, Raiffeisen Switzerland presented its first Active Ownership Report in the year under review. In addition to a description of the specific procedure, it also refers to the voting right principles. As early as 2022, sustainability reporting was added to a number of client reports. This takes into account direct investments (equities and bonds) and collective investments. In accordance with Article 17 of the SBA's "Guidelines for the financial service providers on the integration of ESG-preferences and ESG-risks into investment advice and asset management", Internal Auditing periodically reviews the appropriateness of the processes and effectiveness of the controls implemented at Raiffeisen Switzerland with regard to "sustainability in the investment business".

In the case of recommendations and model portfolios in the advisory business, Raiffeisen Switzerland only considers financial instruments that meet the defined ESG criteria in line with the Futura Policy. The Raiffeisen banks decide independently on the implementation of these recommendations.

**Futura asset management mandates**

As in the case of the pension and investment funds, ESG criteria have also been taken into account in the majority of Raiffeisen asset management mandates since 2022, in accordance with the Futura Policy. The Futura Impact asset management mandate was also introduced. Raiffeisen was thus the first national retail bank to make a solution of this type available to its clients. The volume of the Futura asset management mandates grew by 22.9 percentage points to CHF 8.9 billion in 2023.

**Raiffeisen offers an asset management mandate which, besides financial goals, aims for a positive and measurable environmental and social impact.**

**Raiffeisen Sustainability and Green Bonds**

In 2019, Raiffeisen Switzerland placed the very first sustainability bond on the Swiss capital market for investors. Raiffeisen Switzerland established a green bond programme in 2021. This focuses on the refinancing of mortgages granted to finance energy-efficient, low-emission buildings in Switzerland. Due to the low financing needs of the Raiffeisen Group and the unfavourable market situation, Raiffeisen has not yet issued a similar bond. Raiffeisen acted as lead manager for various green bond issues from Swiss issuers.

**Responsible and traceable gold**

In 2021, a "Responsibly Sourced & Traceable" approach was adopted for all Raiffeisen gold ingots. This makes it possible to precisely trace the source of the gold and attaches importance to companies in the supply chain being environmentally and socially responsible. The gold processed into Raiffeisen gold ingots is sourced by the Argor-Heraeus refinery exclusively from certain mines, currently in North and South America, which meet the criteria defined by the refinery together with Raiffeisen. The mines and other supply chain partners can be identified by Raiffeisen clients on each ingot, using the ingot number. The refinery also uses gold from smaller mines in Colombia and, since 2022, also from Peru. These mines are part of the Swiss Better Gold Initiative, which is supported by Swiss Better Gold and the State Secretariat for Economic Affairs (SECO). Smaller gold producers and their environment are supported by the initiative through environmental and social projects and with regard to economic efficiency. Since the start of its collaboration with the Swiss Better Gold Initiative, Raiffeisen has generated more than USD 1.2 million for investments in appropriate projects through the sale of gold ingots.



Since 2021, investors have also had the opportunity to invest responsibly in the asset class gold through the "Raiffeisen ETF – Solid Gold Responsibly Sourced & Traceable". Raiffeisen was the first retail bank to implement a corresponding approach for a gold ETF. This has been recognised for the second time in a row with the Swiss ETF Award: the "Raiffeisen ETF – Solid Gold Responsibly Sourced & Traceable" won the Swiss ETF Award 2023 in the "Best Commodity and Precious Metal ETFs and ETPs" category in the year under review, after Raiffeisen was named "Newcomer of the Year" last year. The investment volume was CHF 583 million as at the end of 2023.

**Raiffeisen wins the Swiss ETF Award 2023 in the category "Best Commodity and Precious Metal ETFs and ETPs".**


**Products with specific social and ecological benefits**

| GRI FS6, FS7, FS8, FS10, FS11 | Unit | 31.12.2021 | 31.12.2022 | 31.12.2023 |
|---|---|---|---|---|
| **Investment products** | | | | |
| Sustainability funds | million CHF | 13,545.8 | 12,016.7 | 13,861.6 |
| Share of volume of all Raiffeisen funds | per cent | 94.7 | 94.3 | 94.6 |
| Share of custody account volume (including structured products) | per cent | 27.9 | 27.3 | 28.3 |
| Development funds [1] | million CHF | 171.9 | – | – |
| Share of custody account volume | per cent | 0.4 | – | – |
| Structured products with a sustainability focus | million CHF | 40.5 | 84.7 | 88.2 |
| **Asset management** | | | | |
| Volume of sustainable asset management mandates | million CHF | 1,427.8 | 7,235.5 | 8,894.2 |
| Shares of all asset management mandates | per cent | 21.9 | 99.8 | 98.8 |
| Number of sustainable asset management mandates | Number | 5,435 | 29,616 | 37,343 |
| Volume of Futura Impact asset management mandates [2] | million CHF | – | 6.2 | 59.8 |
| Share of all asset management mandates | per cent | – | 0.1 | 0.7 |
| Number of Futura Impact asset management mandates [2] | Number | – | 58 | 449 |
| **Gold** | | | | |
| Sale of gold "Responsibly Sourced & Traceable" (ingots and gold ETF) | tonnes | 3.410 | 2.245 | 9.840 |
| **Leasing transactions** | | | | |
| New leasing business volume for passenger cars and commercial vehicles with alternative drive systems | million CHF | 6.5 | 10.6 | 10.8 |
| Share of new business volume for passenger cars and commercial vehicles | per cent | 7.5 | 9.0 | 6.5 |
| New leasing business volume for photovoltaics | million CHF | 3.9 | 4.5 | 4.2 |
| **Bonds** | | | | |
| Raiffeisen green/sustainability bond [3] | million CHF | 100.0 | 100.0 | 100.0 |
| Issues of green/sustainability/sustainability-linked bonds from third parties with the involvement of Raiffeisen Switzerland | million CHF | 220 | 0 | 1,335 |
| **Active Ownership [4]** | | | | |
| Number of companies held in the institution's portfolio with which the organisation has interacted on environmental or social issues | Number | – | 20 | 22 |

1 Raiffeisen Switzerland sold all its shares in responsAbility Investments AG in 2022.
2 The Futura asset management mandate Impact was launched at the end of November 2022.
3 Sustainability bond CHF 100 million, 0.125% 2019–2024; repayment at par on 7 May 2024.
4 Active investor dialogue as part of active ownership was introduced as an additional sustainability approach on 1 May 2022.

## 7 – Ensure long-term economic success

| Objective of the focus topic | Impact indicators | Milestones 2023 |
|---|---|---|
| Raiffeisen generates added value for its clients, employees, investors and other partners as an independent and reliable partner | – Long-term financial ratings<br>– ESG ratings | – Improved rating from Standard & Poor's (long term AA-; short term A-1+; outlook "stable")<br>– MSCI improvement from BBB to A<br>– All pension fund assets are screened for ESG factors |

The cooperative Raiffeisen Group operates on the principle of targeting long-term, sustainable results and is not focused on maximising profit and growth at all cost. Raiffeisen thus strives to be a reliable, long-term partner for its stakeholders.

Cooperative members benefit from fair interest on their cooperative capital. Members can also benefit from particularly favourable conditions for certain banking transactions and from additional member advantages.

The Raiffeisen Group makes contributions to the public purse in the form of taxes throughout Switzerland at the local, cantonal and federal levels. In contrast, Raiffeisen does not receive any public funds and does not benefit from government guarantees. Ultimately, continuous profit retention or self-financing through profits generated is important for long-term success.

### Distribution of added value

The Raiffeisen Group's cooperative business model results in economic performance being decentralised throughout Switzerland. This means that the Group can contribute to added value locally, regionally and nationally. It can do so not only through its core business of mortgage financing, but also through other financing and banking services, and through procurement, tax levies and its support for charitable organisations and initiatives.

**The Raiffeisen Group contributes to added value locally, regionally and nationally, through its core business and through investments, taxes and sponsoring.**

The statement of net added value shows that the Raiffeisen Group's economic performance remained successful in the year under review. It can thus build on the previous years. Cooperative members, clients and society benefit from this.

**Statement of net added value**

| | million CHF | | per cent | |
|---|---|---|---|---|
| | 2022 | 2023 | 2022 | 2023 |
| **Creation of added value** | | | | |
| **Corporate performance (= operating result)** | **3,529** | **4,069** | **100.0** | **100.0** |
| General and administrative expenses | –543 | –587 | –15.4 | –14.4 |
| Extraordinary income | 34 | 5 | 1.0 | 0.1 |
| Extraordinary expenses | –10 | –2 | –0.3 | –0.0 |
| **Gross added value** | **3,010** | **3,485** | **85.3** | **85.6** |
| Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets | –189 | –247 | –5.4 | –6.1 |
| Changes to provisions and other value adjustments and losses | –14 | –1 | –0.4 | –0.0 |
| **Net added value** | **2,807** | **3,237** | **79.5** | **79.6** |
| **Distribution of added value** | | | | |
| Personnel (salaries and employee benefits) | 1,429 | 1,526 | 50.9 | 47.1 |
| Cooperative members (interest paid on share certificates: proposal to the General Meeting) and minority interests in Group profit | 79 | 108 | 2.8 | 3.3 |
| Government | 196 | 268 | 7.0 | 8.3 |
| Capital and income taxes | 176 | 225 | 6.3 | 7.0 |
| Formation/release of provisions for deferred taxes | 20 | 43 | 0.7 | 1.3 |
| Bolstering of reserves (self-financing – including allocation of reserves for general banking risks) | 1,103 | 1,335 | 39.3 | 41.2 |
| **Distributed added value** | **2,807** | **3,237** | **100.0** | **100.0** |

**Statement of net added value – key figures**

| | unit | 2022 | 2023 |
|---|---|---|---|
| Gross added value per personnel unit [1] | 1,000 CHF | 307 | 345 |
| Net added value per personnel unit [1] | 1,000 CHF | 286 | 320 |
| Personnel units (average) | number | 9,815 | 10,103 |

1 Calculated based on the average number of employees. Data basis: key figures in the financial report.

### Good results for ratings

Raiffeisen's focus on the long term is also reflected in very good results in the relevant financial ratings. The rating agency Fitch confirmed its assessment of Raiffeisen in 2023 (long term A+; short term F1; outlook "stable"). The rating agency Standard & Poor's raised its rating in spring 2023 (long term AA-; short term A-1+; outlook "stable") in recognition of the early and complete fulfilment of regulatory Total Loss-Absorbing Capacity (TLAC) requirements for systemically important banks.

Raiffeisen also achieved solid results in ESG ratings in the year under review. An A rating was achieved with MSCI ESG in 2023. Raiffeisen also retains its place in the Prime category of the International Shareholder Services (ISS) ESG rating, putting it in the top decile of the "public and regional banks" peer group.

### Fair salary and pension fund benefits

Raiffeisen's more than 12,300 employees are paid fairly and in line with the market, and benefit from above-average social and pension benefits. The occupational pension funds are managed by an independent legal entity, the Raiffeisen Pension Fund Cooperative. It manages the pension assets of around 13,500 actively insured persons and pension recipients in a fiduciary capacity, taking sustainable aspects into account. The technical parameters are defined in such a way as to prevent systematic redistribution between generations and to ensure long-term financial stability. Through the profit participation model, the pension fund allows its insured persons to participate in the investment success.

Sustainability is not only important for the stable financing of benefit assurances, free of any reallocation. The Raiffeisen Pension Fund is aware of its economic, environmental and social responsibility (ESG). In its role as an institutional investor, it manages pension assets carefully and considers ESG factors when selecting its investments. As part of the 2023 annual reporting, all pension fund assets were screened for ESG factors.

Further information on the Raiffeisen Pension Fund Cooperative, its sustainability efforts and its Annual Report for 2023 is available at raiffeisen.ch/pensionskasse.

## 8 – Mitigate climate change

| Objective of the focus topic | Impact indicators | Milestones 2023 |
| --- | --- | --- |
| Raiffeisen supports a climate-neutral Switzerland and the targets of the Paris Climate Agreement. | – Operational $CO_2$ emissions (Scope 1 and Scope 2)<br>– $CO_2$ emissions associated with mortgages<br>– Exposure to corporate clients in emission-intensive sectors<br>– Footprint of all funds | – Extension of ISO 14001 certification to Raiffeisen banks<br>– New calculation of $CO_2$ reduction targets/method |

Unchecked greenhouse gas emissions increase global warming with serious consequences for humanity and the environment. Raiffeisen aims to contribute towards climate change mitigation and supports the targets of the Paris Climate Agreement with the goal of net zero by 2050. Net zero means that greenhouse gas emissions are balanced out. This is achieved by reducing emissions as far as possible and removing the emissions that are difficult to avoid from the atmosphere, using natural or technical solutions. Raiffeisen sees itself as having a special responsibility in this respect, as the largest provider of mortgages in Switzerland. Greenhouse gas emissions also play a role in the sustainability assessment of pension and investment solutions.

Raiffeisen Switzerland has been ISO 14001-certified since 2022. ISO 14001 is a globally recognised standard for environmental management systems and covers all environmental aspects of companies. Application of the standard is aimed at minimising negative effects on the environment. The certification process was optionally extended to the Raiffeisen banks in the year under review. To date, 18 banks have obtained ISO 14001 certification.

In the year under review, Raiffeisen re-calculated its $CO_2$ reduction targets using a more ambitious calculation method, a more up-to-date base year and an adjusted target horizon up to 2030. Raiffeisen Switzerland aims to achieve the net zero target by 2030 for operational and direct emissions (Scope 1 and Scope 2). The Raiffeisen Group itself causes $CO_2$ emissions by operating its 784 locations and due to business travel, transportation and the upstream and downstream processes.

By joining the Net-Zero Banking Alliance (NZBA) in 2023, Raiffeisen emphasised its shared responsibility for mitigating climate change (see also "Involve external stakeholders", pages 56–58).

More detailed information as well as facts and figures are included in the separate note to the Annual Report 2023 entitled "Disclosure of climate information in accordance with the recommendations of the TCFD".





## 9 – Maintain open and fair interaction with clients

| Objective of the focus topic | Impact indicators | Milestones 2023 |
| --- | --- | --- |
| Raiffeisen products are simple and straightforward. They offer value for money. Prices are communicated transparently. Clients must be able to make well informed decisions. Client data is protected in line with best practice. | – Results of the client survey<br>– Number of breaches and reports | – New data protection regulations<br>– Improved regulations for information security<br>– Development of fair sales activities |

In line with its mission statement, the Raiffeisen Group sets store by fairness, reliability and transparency in business relations with its clients. The focus is always on the satisfaction of the almost 3.69 million clients. Raiffeisen therefore maintains a competent, open and fair interaction with them. This includes the facts that Raiffeisen solutions are simple and straightforward, offer value for money and that prices are transparently communicated. This is the only way to ensure that clients can reach well informed decisions. Moreover, Raiffeisen is committed to the AA-plus quality label for e-banking introduced by the Access for All foundation as well as the European Transparency Code for sustainability funds.

### Transparency and fairness

The provision of financial services and the offering of financial instruments in Switzerland is regulated by the relevant laws and ordinances. Investor and function protection is at the heart of this. Raiffeisen implements all legal requirements in all its products and services. It thus promotes fairness and transparency as key aspects of investor protection in the provision of financial services and in the offering of financial instruments. Raiffeisen also implements self-regulation measures developed by Swiss associations. One of the aims of these self-regulation measures is also to protect investors. Foreign regulations are complied with where required.

Clients can contact their Raiffeisen bank if they have any concerns, grievances or complaints. In addition, they can refer to the neutral office of the Swiss Banking Ombudsman with any questions and concerns about banking and financial services.

A total of 97.7% of Raiffeisen's private clients are domiciled in Switzerland (see "Client structure" table, page 74). Raiffeisen Switzerland recommends a specific target product portfolio for each client segment to the Raiffeisen banks. Any financial services and instruments not included in the portfolio will only be offered and provided to clients at their express request. Thanks to all these efforts, Raiffeisen has managed to provide a straightforward product range, combined with fair prices in line with the market and a high level of transparency. This promotes client focus, mutual trust and long-term client relationships.

With regard to fairness and transparency, various innovations were implemented in the year under review, e.g. sustainability reporting for Investing & Retirement, and simplification of pricing in investment transactions. In addition, Raiffeisen provides its clients with a variety of information on the products offered (e.g. brochures, website, etc.).

**Client structure by domicile, segment**

| 31.12.2023 | Number in thousands | Percentage |
|---|---|---|
| **Clients** | **3,692.5** | **100.0** |
| **Private and investment clients** | **3,471.6** | **94.0** |
| Of which domiciled in | | |
| Switzerland | 3,392.8 | 97.7 |
| Countries bordering Switzerland | 67.1 | 1.9 |
| Other | 11.7 | 0.3 |
| Of which segment | | |
| Private clients | 3,065.1 | 88.3 |
| Investment clients | 406.4 | 11.7 |
| **Corporate clients** | **220.90** | **6.0** |
| Of which domiciled in | | |
| Switzerland | 220.0 | 99.6 |
| Countries bordering Switzerland | 0.8 | 0.4 |
| Other | 0.1 | 0.0 |
| Of which segment | | |
| Self-employed persons | 69.6 | 31.5 |
| SME | 122.9 | 55.6 |
| Medium-sized and large enterprises | 3.3 | 1.5 |
| Real estate companies | 16.7 | 7.6 |
| Public-sector entities | 8.5 | 3.8 |

### High level of client satisfaction

Since 2020, Raiffeisen has conducted regular surveys among clients to check whether adequate fairness and transparency are ensured and are perceived as such by respondents. Specifically, this involves asking whether Raiffeisen deals fairly with clients and provides them with information that is transparent and clear, and whether Raiffeisen is perceived as a sustainable and responsible company. The results show that, once again in 2023, Raiffeisen is perceived as being a financial company that is better than average compared to the competition when it comes to sustainability and responsibility. This statement applies not only to our own clients, but to the Swiss population as a whole. In addition, Raiffeisen continues to achieve very good results in comparison with its competitors, holding a top position for general client satisfaction. The goal is to continue achieving a high level of satisfaction, and to maintain and enhance the positive perception in society.

### Increasing the financial knowledge of clients

For years, Raiffeisen has been committed to Money Mix as a way of improving young people's financial skills. And in cooperation with the learning platform evulpo, it has been supporting school children as they move towards financial independence. These two platforms and the learning content provided on them are free of charge and accessible by anyone. As a result, they can also be used by other social groups.

Raiffeisen also works with several financial education providers to increase the financial literacy of its clients. One example is the collaboration with Zurich University of Applied Sciences (ZHAW), which conducts and publishes an annual external study on financial retirement provision on behalf of Raiffeisen. Another example is the bank's work with Lucerne University of Applied Sciences and Arts (HSLU) on studies relating to digitalisation in the financial sector. Raiffeisen has integrated the topic of financial literacy into the advisory process for its client advisors. They convey this knowledge in meetings with their clients and in other ways.



### Protection against debt accumulation by private individuals

Raiffeisen chiefly grants mortgage loans. To protect clients and prevent possible over-indebtedness, Raiffeisen calculates the long-term costs using an imputed interest rate when granting a mortgage loan. This also involves looking at the client's overall financial situation. To calculate affordability, housing costs are set in relation to income, with housing costs consisting of imputed interest expenses, repayments of principal, and expenses for maintaining the property. The loan will only be approved if the finance is affordable.

**Raiffeisen looks at the client's overall financial situation when granting a mortgage loan.**

### Protection of client data

Special mention must be made of client privacy when dealing with clients openly and fairly. Due to their business activity, banks hold particularly sensitive client data. Clients trust their bank to comply with statutory and regulatory requirements, handle their data responsibly and safeguard it as effectively as possible – whether against unauthorised access and changes, or against undesired deletion. Unwanted activities are detected by an automated reporting system, and stopped and analysed using established processes within statutory time limits and in compliance with requirements. The knowledge gained is input into continuous improvement of the defence system.

Since it has overall responsibility for the compliance system, Raiffeisen Switzerland is tasked with centrally protecting client data within the Raiffeisen Group and operates an information security management system (ISMS) based on the ISO/IEC 27001 standard. The purpose of the system is to ensure information integrity, availability and confidentiality at all times.

Cyber and information security is also constantly monitored and adapted to the current threat situation if necessary. Technical security solutions and systems are checked annually by Internal Auditing at Raiffeisen Switzerland in accordance with established auditing standards customary in the industry. Regular checks are additionally carried out by external bodies/authorities. Information security policies are also reviewed internally on an annual basis and, if necessary, adapted to reflect changing conditions.

With effect from 1 September 2023, the revised Data Protection Act and the implementation regulations in the revised Data Protection Ordinance came into force without a transitional period. Compliance with data protection is to be strengthened by requiring companies to fulfil certain obligations concerning organisation and documentation. Another focus is on strengthening transparency and the rights of data subjects.

To implement the revised Data Protection Act, Raiffeisen introduced new regulations effective 1 July 2023. In particular, these establish compliance with the principles of data protection law as a requirement. To raise awareness, new mandatory training courses on data protection and banking secrecy were introduced for all employees. These courses must be repeated every two years and were automatically assigned for the first time at the beginning of July 2023. The existing register of processing activities has been expanded to meet the requirements of the new Data Protection Act. The central register of processing activities is maintained by Raiffeisen Switzerland, and banks also keep a record of data processing activities under their own responsibility. To ensure compliance with the information obligations under the Data Protection Act, the existing data protection declarations for clients and interested parties as well as for users of Raiffeisen websites and apps were updated on the basis of the register of processing activities. New data protection declarations for employees and job applicants were also published. Contract data processing agreements (CDPAs) were concluded in the case of existing contractual relationships with contract data processors.

The existing process for reporting information security incidents was expanded to include the requirement that the Data Protection unit must be involved in connection with personal data. In particular, the Data Protection unit checks any report made to the Federal Data Protection and Information Commissioner (FDPIC). There were no reportable incidents in the 2023 year under review. In addition, the following processes were adapted or newly introduced: conducting data protection impact assessments, the process for asserting data subjects' rights (requests for information, rectification, erasure, etc.) In addition, progress was made in data erasure measures.

The Data Protection unit advises and monitors the Raiffeisen Group compliance with data protection legislation and banking secrecy. It also functions as Data Protection Officer and acts as the central point of contact. At the Raiffeisen banks, compliance officers perform these functions.

Rules on data protection and data security are implemented through internal directives and must be complied with not only by employees, but also by Raiffeisen suppliers and business partners. In addition, Raiffeisen conducts mandatory training sessions on awareness of information security every year and revises them on a regular basis. This training must be completed by all employees and by independent contractors who have access to Raiffeisen's IT systems.

**Raiffeisen constantly adapts its protection measures in order to handle the current situation and challenges.**

The Raiffeisen Group constantly adapts its measures to protect client data in a continuous improvement process, depending on the current situation and challenges. Operations were optimised in the year under review, especially in the filter criteria, channel monitoring and in the data leakage prevention blocking (DLBP) of e-mails.

**Improved regulations for information security**

The "Information Security" (InfoSec) regulations were extensively revised in the year under review, as the protection of business data, especially client data, is of the utmost importance to Raiffeisen Switzerland and the Raiffeisen Group. The regulations are based on internationally recognised standards (ISO/IEC) in order to guarantee a level that is customary in the industry. To take account of changes in the threat situation and define appropriate protective measures, all directives are reviewed each year and adapted if necessary. In 2023, for example, foreign access to client data was regulated more precisely to continue ensuring adequate protection.

Audits on various aspects of cyber/information security are carried out several times a year by both internal and external auditors. Raiffeisen Switzerland is guided by regulatory requirements and complies with them.

**Fair sales activities**

Fair sales in the sense of sustainable sales are to be viewed as a strategy of comprehensively focusing on the use of resources in sales activities, involving employees, processes, products, services and clients. Raiffeisen is fully aligned with this strategy and uses this understanding to increase long-term success for all stakeholders. Client relationships are viewed as partnerships, characterised by appreciation, fairness and reliability. This enables the Raiffeisen Group to create a win-win situation for all parties involved, resulting in long-term client relationships.

Fairness in Raiffeisen's offering is not only reflected in the consistent application of the Price Indication Ordinance, but also goes beyond this by providing transparent and appropriate communication with clients. All product, price and marketing information is available to existing clients and prospective new clients on the Raiffeisen website under "Interest rates and prices".

The Raiffeisen membership programme is a basic product offering that is one of the fairest on the market in terms of value for money. It lays the foundation for a long-term client relationship. The services offered by Raiffeisen in the investment business, from investment advice to asset management, are geared towards the needs of clients. The duty to inform clients is fully guaranteed under the Financial Services Act (FinSA). Transactions involving financial instruments are always associated with opportunities and risks. This makes it necessary for clients to understand the risks before using a financial service. For this purpose, the brochure "Risks Involved in Trading Financial Instruments" is available on the website at raiffeisen.ch/risikobroschuere. This brochure provides clients with relevant information on the risks involved in trading financial instruments, among other information.

The scope of investor protection depends on the client segmentation and the type of financial service used by the client. Raiffeisen has also defined uniform Group-wide standards aimed at avoiding conflicts of interest.

Fairness in establishing and developing the client relationship is also expressed in Raiffeisen's basic regulations. These summarise the general terms and conditions for clients in a concise, clear and easy-to-understand way, with the aim of being able to process the agreement rapidly with comprehensible conditions. Small font sizes, long texts and complicated wording are not used, providing clients with a compact set of agreements that still meets all legal standards.

Sustainability in sales activities also includes the quality and long-term nature of a client relationship. If a loan or other service is rejected, clients are informed of the reasons in a detailed and easy-to-understand way. The reasons are then stored in the client data as standard. Fair rules of conduct are also assured when services and transactions are refused.

**Metrics on client privacy and marketing**

The survey data on client satisfaction, the client complaint process and the number of breaches of the relevant provisions may point to any deficiencies in the processes. Specific metrics are used for this purpose (see table below). They currently show no acute need for action in the area of fairness and transparency in client relations.

**Marketing and labelling and protecting client data**[1]

| | GRI indicator | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| **Marketing and labelling** | | | | |
| Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling | GRI 417-2 | 0 | 0 | 0 |
| Total number of breaches in connection with marketing | GRI 417-3 | 0 | 0 | 0 |
| **Protecting client data** | | | | |
| Complaints from outside parties and regulatory bodies[2] | GRI 418-1 | 1 | 0 | 1 |
| Serious incidents registered through internal data leakage prevention (DLP)[2] | GRI 418-1 | 0 | 0 | 1 |
| Alarms registered by the internal data leakage prevention system[3] | GRI 418-1 | 5,939,253 | 10,350,597 | 10,455,637 |

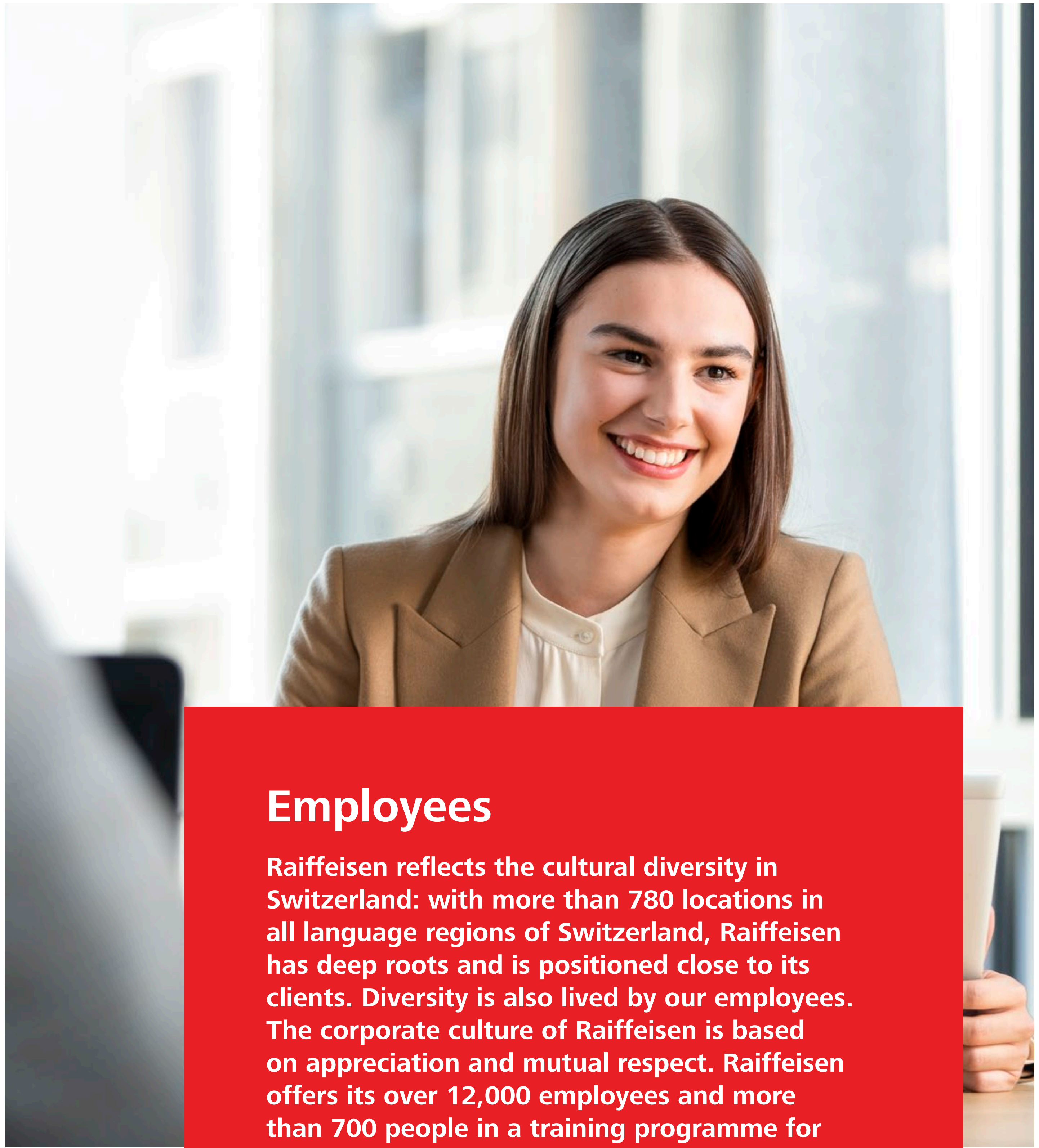
1 In this context, a zero means that no serious cases are known as at the end of the year under review.
2 One serious incident was registered by the internal DLP system in the year under review. It was possible to limit the data loss by taking prompt action. Raiffeisen has reported this incident to FINMA. As a result, it is also listed as a complaint from outside parties and regulatory bodies.
3 DLP alarms are triggered in response to rules based on a scoring system and serve as an indication of potential breaches of regulations. An alarm does not automatically mean that a regulation has been violated.

### 10 – Promote employee expertise and diversity

| Objective of the focus topic | Impact indicators | Milestones 2023 |
|---|---|---|
| Raiffeisen creates comprehensive and ongoing continuing education and development opportunities. At Raiffeisen, diversity in society is reflected in the company. Discrimination will not be tolerated in any way. | – Investments in training and continuing education for employees in 2023: CHF 20.4 million<br>– Senior staff and executive management positions held by women: 30.4% | – Progress made in employee networks to foster diversity (communities)<br>– Further development of ongoing performance dialogue for individual development planning |

Promoting the expertise and diversity of Raiffeisen employees is a significant goal of the sustainability strategy. In the 2023 year under review, various measures were taken to foster a corporate culture in which diversity and equal opportunities are practised and strengthened.

More detailed information on employee matters is provided in the following chapter "Employees", pages 79–90.



# Employees

**Raiffeisen reflects the cultural diversity in Switzerland: with more than 780 locations in all language regions of Switzerland, Raiffeisen has deep roots and is positioned close to its clients. Diversity is also lived by our employees. The corporate culture of Raiffeisen is based on appreciation and mutual respect. Raiffeisen offers its over 12,000 employees and more than 700 people in a training programme for young talents attractive employment conditions and interesting training and development opportunities.**

## Attractive employer

In addition to clients, employees also play a key role at Raiffeisen. As a major employer in Switzerland, it offers its 12,328 employees (previous year:[1] 11,878) attractive working conditions: a modern working environment, flexible work models and a culture that promotes diversity and innovation. It attaches great importance to all employees having the same opportunities to realise their potential and develop their careers according to specific needs. The banking group invests in the continuing education of its employees, in developing its own talent and attracting new talent. Values including solidarity, sustainability, corporate involvement and maintaining a respectful dialogue with staff are important to Raiffeisen as a cooperative bank.

The fact that Raiffeisen is a popular employer is confirmed by the Universum ranking produced by Universum Communications Switzerland AG, an employer branding specialist. In 2023, Raiffeisen took 36th place (previous year: 23rd place) among the most attractive employers in Switzerland. The companies assessed in the current survey obtained scores that were close to each other. As a result, a small change in the number of points obtained equates to a relatively large shift in the ranking. Raiffeisen believes it is on track to achieve its ambitious goal of ranking among the top 20 employers by 2025. On Europe's largest independent employer rating portal, the Raiffeisen Group received the "Kununu Top Company" award with an average score of 4.0 out of a possible 5 points. This is significantly above the average score for banks (3.7 points). The appreciative culture at Raiffeisen is supported by current employees and given visibility by a modern employer image.

### Corporate culture and diversity

Diverse teams and an inclusive corporate culture have been shown to have a positive impact on economic success and employee satisfaction. It is therefore important to Raiffeisen to encourage and promote diversity, equal opportunities and an inclusive culture.

Raiffeisen is committed to equal opportunities in practice. It promotes all employees equally, regardless of gender, gender identity, age, ethnic origin, nationality, sexual orientation, religion, social background or physical abilities. This also means that Raiffeisen has zero tolerance for discrimination of any kind, harassment or abusive conduct.

**Raiffeisen promotes all employees equally.**

These principles are reflected in all HR processes and are set out in the "Raiffeisen stance on diversity" and in Raiffeisen Switzerland's employment policy entitled "Equal treatment and harassment at work". The internal Balanced Organisation initiative, which aims to develop the diverse and inclusive corporate culture and promote equal opportunities within the Raiffeisen Group, is included in the Human Resources strategy. Employee diversity is regularly discussed by the Executive Board and Board of Directors and has been implemented via a set of specific targets. Since 2022, Raiffeisen Group managers have had the opportunity to take part in a workshop exploring the topic "Diversity and equal opportunities as factors in success" in greater depth, and to learn from each other through dialogue.

1 Raiffeisen changed the calculation methods in the year under review and harmonised them with the financial scope of consolidation. For these reasons, there may be discrepancies in the staffing figures compared to those published in the 2022 Annual Report

The staff networks promoting diversity were continued in the year under review. These communities are open to all Raiffeisen Group employees and managers. They offer the opportunity to network across the Group, make diversity visible at Raiffeisen and raise awareness among employees:

- **Raiffeisen Unique**
  Unique is committed to gender balance and targeted support for women. The network raises their profile. The members of Unique are also committed to equality, regardless of gender and gender identity.
- **Languages and Culture**
  The Languages and Culture community is involved in the promotion and visibility of linguistic and cultural diversity. Linguistic and regional borders are overcome with the aim of promoting cultural diversity and putting it into practice.
- **Queer community**
  The Queer community promotes the visibility of issues specific to LGBTQ+ individuals and raises awareness about these issues. Promoting an open, respectful and inclusive corporate culture is at the core of their commitment. In the year under review, the Queer community was represented at Pride in Zurich for the first time and undertook various company-internal initiatives during Pride Month.

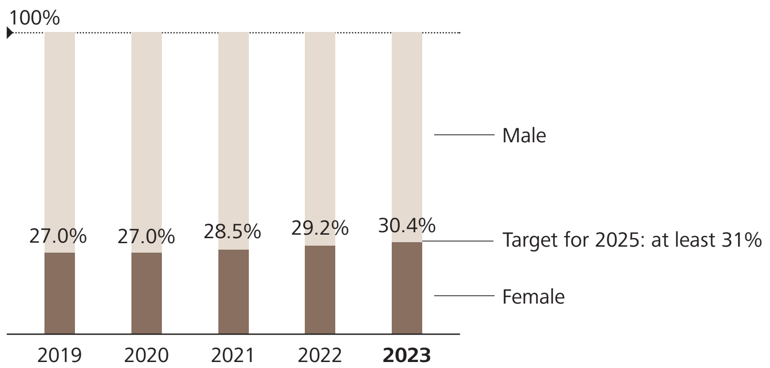
Fostering employees' skills and diversity is one of the 10 focus topics in Raiffeisen's Group-wide sustainability strategy. See also the chapter "Sustainability", pages 51–78.

### Targeted promotion of gender diversity

Increasing the percentage of women in senior and management positions is a priority at Raiffeisen. The goal is to raise the proportion of women in senior positions across the Group to at least 31% by 2025. The Group has not quite hit this target yet. As at 31 December 2023, women held 30.4% of senior and management positions (previous year: 29.2%).

Ensuring equality between genders is a matter of importance for Raiffeisen.

**Gender distribution in senior and management positions[1]**
Breakdown in % as at 31 December




1 Raiffeisen changed the calculation methods in the year under review and harmonised them with the financial scope of consolidation. For these reasons, there may be discrepancies in the staffing figures compared to those published in the 2022 Annual Report.

Raiffeisen Switzerland launched a mentoring programme in 2021 with a focus on promoting top performers. Around 50 members of management in the Raiffeisen Group have taken part since it was introduced. The programme was initially only aimed at women, but was also opened up to men in the 2023 year under review due to its great success. The mentees are supported by experienced mentors for a year and take part in various workshops and networking events. They have the chance to develop their individual professional, leadership and social skills, to strengthen themselves in their role, or to focus on the next step in their career. The programme is also a good opportunity to network within the Raiffeisen Group.

**In 2023, Raiffeisen Switzerland extended its mentoring programme for women to include men as well.**

As a member of the Advance Gender Equality in Business initiative, Raiffeisen is networked throughout Switzerland and across industries, thus contributing to the dialogue between business organisations, academics and policymakers. Through this partnership, Raiffeisen offers its employees the opportunity to exchange views across sectors, even outside the Group. It also regularly takes part in St. Gallen diversity benchmarking at the University of St. Gallen. By doing so, Raiffeisen contributes to transparency with regard to the development of diversity in the industry.

The following tables show the current staff structure by management level and employment relationship within the Raiffeisen Group. Raiffeisen changed the calculation methods in the year under review and harmonised them with the financial scope of consolidation. All employees of the companies included in the scope of consolidation of the Raiffeisen Group (see chapter "Corporate governance", page 114) are now included in this detailed social report. For these reasons, there may be discrepancies in the staffing figures compared to those published in the 2022 Annual Report.

**Staff structure [1]**

| | Persons | | Share in % | |
|---|---|---|---|---|
| | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 |
| **Employees [2]** | **11,878** | **12,328** | | |
| Female | 5,887 | 6,079 | 49.6 | 49.3 |
| Male | 5,991 | 6,249 | 50.4 | 50.7 |
| **Full-time employees** | **6,773** | **6,978** | | |
| Female | 2,192 | 2,209 | 32.4 | 31.7 |
| Male | 4,581 | 4,769 | 67.6 | 68.3 |
| **Part-time employees** | **5,105** | **5,350** | | |
| Female | 3,695 | 3,870 | 72.4 | 72.3 |
| Male | 1,410 | 1,480 | 27.6 | 27.7 |
| **Employees abroad** | **4** | **4** | **–** | **–** |
| **External employees (Raiffeisen Switzerland)** | **583** | **647** | **–** | **–** |
| **New appointments (01.01.–31.12.)** | **1,658** | **1,791** | | |
| under 30 years old | 836 | 842 | 50.4 | 47.0 |
| Female | 411 | 389 | 49.2 | 46.2 |
| Male | 425 | 453 | 50.8 | 53.8 |
| between 30 and 50 years old | 619 | 737 | 37.3 | 41.2 |
| Female | 359 | 386 | 58.0 | 52.4 |
| Male | 260 | 351 | 42.0 | 47.6 |
| more than 50 years old | 203 | 212 | 12.2 | 11.8 |
| Female | 102 | 109 | 50.3 | 51.4 |
| Male | 101 | 103 | 49.8 | 48.6 |

1 Raiffeisen changed the calculation methods in the year under review and harmonised them with the financial scope of consolidation. For these reasons, there may be discrepancies in the staffing figures compared to those published in the 2022 Annual Report.
2 The total number of employees includes all permanent employees, temporary workers, apprentices, interns and trainees, and employees located abroad. It does not include members of the Board of Directors, external employees and cleaning staff.

**Staff structure by employment relationship [1]**

| | Permanent employees | | Temporary workers | |
|---|---|---|---|---|
| | Persons | | Persons | |
| | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 |
| **Employees** | **10,942** | **11,433** | **146** | **122** |
| Female | 5,468 | 5,696 | 80 | 60 |
| Male | 5,474 | 5,737 | 66 | 62 |
| **Full-time employees** | **6,612** | **6,821** | **69** | **57** |
| Female | 2,129 | 2,138 | 32 | 29 |
| Male | 4,483 | 4,683 | 37 | 28 |
| **Part-time employees** | **4,330** | **4,612** | **77** | **65** |
| Female | 3,339 | 3,558 | 48 | 31 |
| Male | 991 | 1,054 | 29 | 34 |
| **New appointments (01.01.–31.12.)** | **1,289** | **1,409** | **60** | **59** |
| under 30 years old | 489 | 488 | 43 | 35 |
| Female | 273 | 241 | 21 | 18 |
| Male | 216 | 247 | 22 | 17 |
| between 30 and 50 years old | 603 | 717 | 11 | 16 |
| Female | 353 | 376 | 3 | 9 |
| Male | 250 | 341 | 8 | 7 |
| more than 50 years old | 197 | 204 | 6 | 8 |
| Female | 96 | 105 | 6 | 4 |
| Male | 101 | 99 | 0 | 4 |

| | Apprentices | | Interns | |
|---|---|---|---|---|
| | Persons | | Persons | |
| | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 |
| **Employees** | **681** | **663** | **109** | **110** |
| Female | 298 | 279 | 41 | 44 |
| Male | 383 | 384 | 68 | 66 |
| **Full-time employees** | **–** | **–** | **92** | **100** |
| Female | – | – | 31 | 42 |
| Male | – | – | 61 | 58 |
| **Part-time employees** | **681** | **663** | **17** | **10** |
| Female | 298 | 279 | 10 | 2 |
| Male | 383 | 384 | 7 | 8 |
| **New appointments (01.01.–31.12.)** | **234** | **241** | **75** | **82** |
| under 30 years old | 234 | 241 | 70 | 78 |
| Female | 90 | 98 | 27 | 32 |
| Male | 144 | 143 | 43 | 46 |
| between 30 and 50 years old | – | – | 5 | 4 |
| Female | – | – | 3 | 1 |
| Male | – | – | 2 | 3 |
| more than 50 years old | – | – | – | – |
| Female | – | – | – | – |
| Male | – | – | – | – |

1 Raiffeisen changed the calculation methods in the year under review and harmonised them with the financial scope of consolidation. For these reasons, there may be discrepancies in the staffing figures compared to those published in the 2022 Annual Report.

**Staff structure by management level[1]**

| | Persons | | Share in % | |
|---|---|---|---|---|
| | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 |
| **Members of management** | **4,984** | **5,235** | | |
| Female | 1,456 | 1,592 | 29.2 | 30.4 |
| Male | 3,528 | 3,643 | 70.8 | 69.6 |
| **Upper management (senior management members)** | **1,378** | **1,411** | | |
| Female | 177 | 197 | 12.8 | 14.0 |
| Male | 1,201 | 1,214 | 87.2 | 86.0 |
| under 30 years old | 8 | 9 | 0.6 | 0.6 |
| between 30 and 50 years old | 790 | 797 | 57.3 | 56.5 |
| more than 50 years old | 580 | 605 | 42.1 | 42.9 |
| **Lower and middle management** | **3,606** | **3,824** | | |
| Female | 1,280 | 1,395 | 35.5 | 36.5 |
| Male | 2,326 | 2,429 | 64.5 | 63.5 |
| under 30 years old | 307 | 305 | 8.5 | 8.0 |
| between 30 and 50 years old | 2,230 | 2,376 | 61.8 | 62.1 |
| more than 50 years old | 1,069 | 1,143 | 29.7 | 29.9 |
| **Employees without senior management role** | **6,894** | **7,093** | | |
| Female | 4,431 | 4,487 | 64.3 | 63.3 |
| Male | 2,463 | 2,606 | 35.7 | 36.7 |
| under 30 years old | 2,856 | 2,918 | 41.4 | 41.1 |
| between 30 and 50 years old | 2,592 | 2,674 | 37.6 | 37.7 |
| more than 50 years old | 1,446 | 1,501 | 21.0 | 21.2 |

1 Raiffeisen changed the calculation methods in the year under review and harmonised them with the financial scope of consolidation. For these reasons, there may be discrepancies in the staffing figures compared to those published in the 2022 Annual Report.

**Staff structure of the supervisory body[1]**

| | Persons | | Share in % | |
|---|---|---|---|---|
| | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 |
| **Members of the Board of Directors** | **1,324** | **1,306** | | |
| Female | 367 | 384 | 27.7 | 29.4 |
| Male | 957 | 922 | 72.3 | 70.6 |
| under 30 years old | 0 | 1 | 0.0 | 0.1 |
| between 30 and 50 years old | 435 | 451 | 32.9 | 34.5 |
| more than 50 years old | 889 | 854 | 67.2 | 65.4 |

1 Raiffeisen changed the calculation methods in the year under review and harmonised them with the financial scope of consolidation. For these reasons, there may be discrepancies in the staffing figures compared to those published in the 2022 Annual Report.

## Equal pay respected

Raiffeisen Switzerland attaches great importance to equality between men and women. This must also be reflected in equal pay. Analyses of staff pay conducted at regular intervals ensure that equal pay is implemented at the operational level and that the requirements of the Gender Equality Act are met. In 2021, Raiffeisen Switzerland and all Raiffeisen banks with more than 100 employees carried out the legally required analysis of equal pay between women and men within the company in the context of the overhaul of the Gender Equality Act (GlG) of 1 July 2020. Raiffeisen was awarded the Fair-ON-Pay certificate based on the result. This confirms that Raiffeisen upholds equal pay. The analysis must be carried out every two years to maintain the certificate. Comp-On AG analysed equal pay in the 2023 year under review. SGS, a global certification company with extensive experience in the area of pay equality, formally reviewed the analysis. The results confirm the certification. Raiffeisen Switzerland is also on the "white list" of Respect 8-3, a project run by the Travail Suisse trade union to uphold equal pay, due to its efforts to promote equality in this regard.

**Raiffeisen complies with equal pay and holds the SGS Fair ON Pay certificate.**



## Agility and transformation

Lean management and agile working methods are becoming increasingly important in day-to-day work and support Raiffeisen in optimising processes. Raiffeisen Switzerland has successfully applied scaled agility in 2022 for the first time, in conjunction with the project group developing the new Raiffeisen app. Since then, other workgroups and project teams have been receiving support for introducing agile working methods on request. Lean management is now part of the product range from which the entire Group can benefit. Employees also volunteer in agile communities and share ideas about agile working methods, for example in the Product Owner Chapter, in the Scrum Master Community or in the expert group of agile coaches. Raiffeisen continued to drive forward its digitalisation projects in the year under review as part of process optimisation: the ePersonnel dossier was successfully introduced and the HR core system was improved. The entire Raiffeisen Group will benefit from this.

A specific product is available for Raiffeisen banks: Raiffeisen Banks TRAIL. This will enable them to structure their approach to their particular change processes relating to culture, cooperation and innovation. Raiffeisen Switzerland supports these processes as required.

In order to reinforce the organisation's ability to change, Raiffeisen Switzerland launched its "Ongoing Leadership Dialogue" programme in the year under review. This enables the most senior managers to take a regular look at current and future requirements with regard to leadership and the ability to change, and to develop their skills in this area. The programme thus makes a valuable contribution to the future viability of the organisation and is to be extended to all managers in subsequent years.

## Measuring employee satisfaction

Ensuring employee satisfaction and promoting a positive corporate culture are key issues for Raiffeisen. For this reason, Raiffeisen Switzerland engages an external firm of consultants to conduct an employee survey each year, alternating between a full survey and a pulse measurement. Both types of survey measure employee satisfaction and organisational energy (energy index). The full measurement is a more comprehensive survey than the pulse measurement. The questions also consider aspects of culture, general conditions or workload, attractiveness and identification with Raiffeisen Switzerland. The survey is distributed to both permanent and temporary employees (with contracts exceeding three months) of Raiffeisen Switzerland. A full measurement was carried out in the year under review, in which employees answered a total of around 70 questions. The response rate was very good at 84%. A further increase in the energy index was also found, compared to the last survey. Based on detailed analysis of the feedback, specific measures are developed in workshops (in the departments, but also in the Executive Board) in order to work on the defined approaches and further increase employee satisfaction. Overall measures were defined for Raiffeisen Switzerland using the following three approaches:

1. Strengthening decision-making authority and the acceptance of responsibility, with the aim of reducing the hierarchy when working together.
2. Promoting health to strengthen individual resources and resilience, and to identify stressful situations and mental health problems at an early stage. New offerings relating to "Healthy Living & Working" are to be launched.
3. Promoting lean-agile methods and forms of working in order to operate increasingly in autonomous teams, prioritise comprehensively and make plans jointly.

The Raiffeisen banks have the option to conduct their own staff survey with the same external partner, and to review the results and further steps in cooperation with Raiffeisen Switzerland.

## Modern employment conditions

Thanks to modern working conditions, Raiffeisen has succeeded in creating an attractive working environment and building long-term relationships with its employees. These relationships are a core driver of the company's success. The table "Other key staffing figures" shows that Raiffeisen employees have been with Raiffeisen for more than 11 years on average. This is a very good figure by industry standards. Another indicator that supports Raiffeisen's attractiveness as an employer is the retention rate after maternity leave: around 70% of expectant mothers are still employed by Raiffeisen after 12 months (see table "Family policy metrics", page 87).

**Other key staffing figures** [1,2]

| | Unit | 2022 | 2023 |
|---|---|---|---|
| Average length of service | years | 11.3 | 11.1 |
| Average age of employees | years | 41.4 | 41.4 |
| Overall turnover rate [3] | % | 12.3 | 12.1 |
| Net turnover rate [4] | % | 10.0 | 8.5 |

1 Raiffeisen changed the calculation methods in the year under review and harmonised them with the financial scope of consolidation. For these reasons, there may be discrepancies in the staffing figures compared to those published in the 2022 Annual Report.
2 Relates to all permanent employees.
3 Excluding transfers within the Group.
4 Voluntary resignations of permanent employees, excluding transfers within the Group.

## Dialogue and participation

Raiffeisen Switzerland is subject to the Agreement on Conditions of Employment for Bank Employees (ACE), which was developed and published by the Employers' Association of Swiss Banks, the Swiss Bank Employees Association and the Swiss Association of Commercial Employees. ACE governs the provisions of employment contracts and the participation of employees. Raiffeisen Switzerland's seven-member employee committee acts as a link between the employer and employees. It is committed to a fair, transparent and professional employment relationship and actively maintains relations with social partners (in particular the Swiss Bank Employees Association (SBEA)). Employee participation in the employee committee of Raiffeisen Switzerland is governed in the relevant employment policy.

Although Raiffeisen banks are not subject to ACE, its provisions are taken into account by the Raiffeisen banks in their contract of employment. Raiffeisen recognises the fundamental rights applicable within Switzerland, including freedom of association, freedom of assembly and the right to organise for employees to protect their own interests. Consequently, these rights can also be exercised by Raiffeisen employees.

## Flexible working and holiday models

Raiffeisen encourages employees to think and act with an entrepreneurial mindset by specifically delegating responsibility and giving them considerable freedom to make their ideas a reality. This includes flexible work hours, which are provided across all levels of the hierarchy wherever possible. Raiffeisen Switzerland also has FlexWork, which allows staff to spend up to 80% of their time working from a place of their choice, in consultation with their line manager and if compatible with the activity. This approach accommodates employees' individual needs and improves their work-life balance. The Raiffeisen banks are at liberty to use the working time model as well.

**Flexible working hours allow employees to balance their job, family and leisure time very well.**

Depending on their age and seniority, employees have 25 to 30 days of holiday per year. This places Raiffeisen above the Swiss average. In addition, long-service anniversaries are rewarded with additional holiday days. Since 2018 employees have also been able to buy additional days of holiday or save up days for extended individual breaks.



## Family policy

Raiffeisen Switzerland provides modern-day benefits for families. Mothers at Raiffeisen receive 16 to 24 weeks of maternity leave, depending on their length of service. Fathers are entitled to three weeks of paternity leave upon the birth of their children or upon adoption, which they can take up to one month before and up to six months after their child is born or adopted. Women are guaranteed continued employment at a level of at least 60% in an appropriate function after their maternity leave. Parents have up to five paid days of absence to care for sick children per each occurrence of sickness. These rules apply to all permanent employees of Raiffeisen Switzerland, including same-sex couples.

**Mothers and fathers get paid days of leave upon the birth or adoption of their children.**

**Family policy metrics** [1]

| | Unit | 2022 | 2023 |
|---|---|---|---|
| Taking parental leave | | | |
| Female | Total number | 168 | 143 |
| Male | Total number | 145 | 155 |
| Retention rate 12 months after taking leave [2] | | | |
| maternity leave | % | – | 69.6 |
| paternity leave | % | – | 89.0 |
| Amount spent on child care | CHF | 311,593 | 296,884 |

1 Raiffeisen changed the calculation methods in the year under review and harmonised them with the financial scope of consolidation. For these reasons, there may be discrepancies in the staffing figures compared to those published in the 2022 Annual Report.
2 This metric was collected for the first time in the 2023 year under review.

## Remuneration model and ongoing performance dialogue at Raiffeisen Switzerland

The remuneration model introduced for Raiffeisen Switzerland as of 2021 includes a collective profit-sharing element instead of individual bonus payments. The emphasis is therefore on collective performance. This remuneration model also applies to the members of the Executive Board of Raiffeisen Switzerland.

In addition to remuneration in line with the market, Raiffeisen Switzerland offers its employees numerous additional non-monetary benefits, such as the Member Plus programme and the purchase of Reka credit at a reduced price. These benefits are available to all employees (including part-time employees or employees in a fixed-term position).

In addition to individual performance, team performance is particularly valued and rewarded at Raiffeisen. The "Recognition of outstanding team performance" programme enables Raiffeisen Switzerland employees to highlight and reward outstanding performance and contributions to the Raiffeisen culture by intra- and interdisciplinary teams (organisational units, project teams, working groups, etc.), both top-down and bottom-up within the organisation. To highlight special team achievements and the associated successes, the Team Players award was once again presented by employees to employees in the year under review. The award in the form of team events is aimed at showing very special appreciation for outstanding team performance and excellent collaboration.

Performance appraisals and feedback sessions are held twice a year at Raiffeisen Switzerland as part of the ongoing performance dialogue (OPD) for all employees and managers. Employees' individual development planning is discussed and appropriate development measures are defined jointly. To maximise objectivity in the performance appraisal, the assessments in the dimensions "culture" and "performance" are calibrated in management teams (review circles). The overall OPD process also includes pulse checks, 360-degree feedback, peer and manager feedback. The autonomous Raiffeisen banks are at liberty to decide how they assess the performance and professional development of their employees.

For more details on the remuneration model, see the chapter "Remuneration report", pages 136–144.

## Occupational health management

Raiffeisen Switzerland's "Healthy Living & Working" programme aims to promote a sustainable style of living and working. Raising awareness, prevention and personal responsibility have high priority in this respect. Various workshops and webinars are available to Raiffeisen Switzerland employees in all language regions on topics such as resilience and healthy leadership, mental and physical health, exercise and nutrition. Raiffeisen Switzerland employees also have access to other health-promoting offers such as outlets with healthy food options, discounts on fitness subscriptions and free health checks. The Raiffeisen banks can introduce and implement their own health programmes tailored to their specific needs on a voluntary basis.

In addition to the counselling services provided by Human Resources, all Group employees have had access to an assistance programme through external and independent partner RehaSuisse for several years now. This provides a wide range of support options in the form of coaching and counselling. This programme offers anonymous help for employees experiencing difficult situations in their professional or private lives, as well as health issues. Due to its clear processes, psychological expertise and extensive experience in the social insurance sector, RehaSuisse makes a valuable contribution to responding appropriately to the challenges arising from exceptional situations involving Raiffeisen employees.

**Raiffeisen offers contact points for personal challenges and suspected abuses.**

Raiffeisen also has an external whistleblowing office. More on this in the chapter "Sustainability" under section 2 – "Strengthen governance", pages 55–56.

## Investing in employee development

Raiffeisen fosters lifelong learning among its employees. Thus, managers and non-managerial employees can tap into a broad range of technical and leadership training courses, certification as an advisor as well as personal development opportunities. The training offers are adapted to the needs of the various target groups and can be used by all permanent employees (including part-time employees). If required, external employees of Raiffeisen Switzerland, temporary workers and trainees or interns also have access to function-specific further education offers. There are specific programmes for junior staff, members of the Executive Board and Board of Directors, client advisors and specialists, which make the training more job-specific.

**The continuing education programme is aimed at all employees, regardless of their role.**

### Continuing education programme for specialists and managers

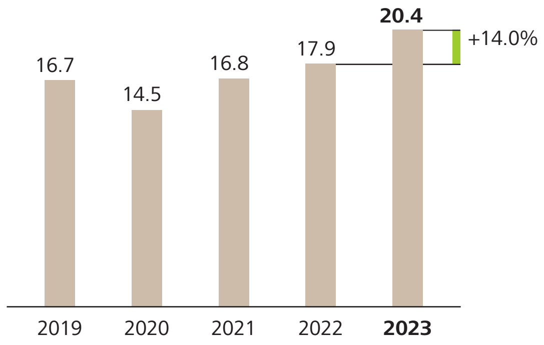
While the continuing education programmes for executives serve to develop leadership skills, they also facilitate targeted succession planning. The various seminars last between 5 and 18 days and are aimed at both new and experienced managers. Skills in communication, conflict, presentation, cooperation and strategy are taught and applied in a practical way. Employees can also enrol in various programmes developed specifically for Raiffeisen in cooperation with Lucerne University of Applied Sciences and Arts. The continuing education offering includes seminars for those preparing for retirement. These courses deal with issues such as prospects, health, a network of relationships and pensions.

In 2023 Raiffeisen invested a total of CHF 20.4 million (previous year: CHF 17.9 million) in the continuing education of employees.



Raiffeisen promotes the professional development of its employees.

**Investments in training and development**
in million CHF




Internal training programmes and learning formats are designed based on specific goals, assessed by attendees and continuously improved. Strategic training requirements for each professional category are determined in close consultation with the relevant work environment and the responsible specialist areas. Raiffeisen Switzerland also continued to drive forward its internal talent management programme in the year under review. This aims to systematically identify employees with potential, develop them further, prepare them for future challenges and strengthen their loyalty to the company. These internal measures serve to counter the risk of a shortage of skilled workers and open up attractive development opportunities for talented individuals.

**Raiffeisen nurtures talents and opens up development opportunities for these individuals.**

Even after the pandemic, Raiffeisen has maintained the hybrid model of internal training and development events, firmly establishing the option of either physical or online courses within the organisation. The flexible learning formats make it possible to react quickly to changes and to include current issues promptly in the continuing education programme. In addition, training formats that can be used anywhere at any time also cut down on travel and time spent away from everyday work.

In the year under review, Raiffeisen employees took part in a total of 12,587 participant days of internal training and development. A total of 863 courses were conducted. In addition, 229 employees received an advisor certification. The following overview shows the details of the training and development courses:

**Continuing education**

| | Unit | 2022 | 2023 |
|---|---|---|---|
| Internal continuing education [1] | Participant days | 12,659 | 12,587 |
| Courses held [1] | Total number | 909 | 863 |
| Certification as an advisor | Total number | 343 | 229 |
| Expenses for training and development | CHF | 17,877,385 | 20,361,657 |

1 At present, these figures only take into account the participation of employees and executive bodies of Raiffeisen Switzerland and Raiffeisen banks in internal seminars in a physical setting and in webinars.

## Training young talent

Young people are another key factor in Raiffeisen's future success. Raiffeisen's focused training programmes for young people are an expression of its social responsibility for large numbers of young people throughout Switzerland. At the end of 2023, there was a total of 773 people (previous year: 790) on a training programme for young talent. Some 41.8% of them (previous year: 42.9%) were female.

**Raiffeisen is training junior staff in various professions.**

Investing in training young people pays off: many of those trained at Raiffeisen stay with the company after completing their apprenticeship, internship or trainee programme and take the opportunity to continue developing at Raiffeisen.

Raiffeisen offers a number of training placements for young people with different educational backgrounds. It was also involved in the 2023 reform of commercial apprenticeships throughout Switzerland. In 2023, 281 new career starters began their apprenticeship or internship at Raiffeisen in one of the following job profiles:

Apprenticeships:

- Federal VET diploma in business administration (banking; service and administration)
- Federal VET diploma in information technology (platform development; application development)
- Federal VET diploma in ICT
- Federal VET diploma in mediamatics
- Federal VET diploma in interactive media design
- Federal VET diploma in child, adult and elder care
- Federal VET diploma in facility maintenance
- Federal VET diploma in customer communications
- Federal VET diploma as developer of digital business

Offering for secondary school students:

- Commercial secondary school internship
- Business secondary school internship
- Computing secondary school internship
- Bank entry for secondary school leavers

Offering for graduates:

- Trainee programme
- University internships

Raiffeisen Switzerland once again took part in National Future Day in the year under review to give the employees of tomorrow an insight into the world of work. Employees' children were given an insight into the various professions at Raiffeisen Switzerland in a kind of careers fair and were allowed to accompany their carer to their workplace for half a day. Various presentations and interactions rounded off the programme.



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To the Management of
Raiffeisen Switzerland Cooperative, St. Gallen

Basle, 17 April 2024

## Independent Assurance Report on the non-financial reporting 2023

We have been engaged by the Raiffeisen Group (the Group) to perform a limited assurance engagement (the engagement) on the information in the "GRI Content Index" (the information), published as a separate supplement to the Annual Report 2023 (the Supplement), referring to the Annual and TCFD Report 2023 (the Report) for the reporting period from 1 January 2023 to 31 December 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the report, and accordingly, we do not express a conclusion on this information.

**Applicable criteria**
The Raiffeisen Group defined as applicable criteria (applicable criteria):

- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)

A summary of the standards is presented on the GRI homepage. We believe that these criteria are a suitable basis for our limited assurance engagement.

**Responsibility of the Management**
The Management is responsible for the selection of the applicable criteria and for the preparation and presentation, in all material respects, of the disclosed information in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the information that is free from material misstatement, whether due to fraud or error.

**Independence and quality control**
We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Our responsibility**
Our responsibility is to express a conclusion on the above mentioned information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the information in the report are free from material misstatement, whether due to fraud or error.

**Summary of work performed**
Based on risk and materiality considerations we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in the above mentioned information. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:
- Assessment of the suitability of the underlying criteria and their consistent application
- Interviews with relevant personnel to understand the business and reporting process, including the sustainability strategy, principles and management
- Interviews with the Group's key personnel to understand the sustainability reporting system during the reporting period, including the process for collecting, collating and reporting the information
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the applicable criteria
- Analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations
- Testing, on a sample basis, underlying source information to check the accuracy of the data

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.



**Conclusion**
Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the information for the reporting period from 1 January 2023 to 31 December 2023 have not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

Dr. Mark Veser
Executive in charge

Prof. Dr. Andreas Blumer
Partner

# Risk report

**Raiffeisen is exposed to a number of risks resulting from its operating activities. Being part of the financial system, Raiffeisen is also exposed to global risks. The framework for risk management provides details of the varieties, types and levels of risks. It also deals with the Group-wide risk management tools.**

## Risks and principles

Overall responsibility for risk management and risk control at the Raiffeisen Group lies with the Raiffeisen Switzerland Board of Directors. They approve the framework for Group-wide risk management, set the risk policy and determine the risk tolerance of the Raiffeisen Group every year.

## Risk policy principles

The Raiffeisen Group takes a cautious and selective approach to risk within a framework of clearly defined guidelines. It actively controls the risks it takes and takes care to strike the correct balance between risk and return. It acts based on stable guidelines:

**Raiffeisen takes a cautious approach to risk and takes care to strike the correct balance between risk and return.**

- Clear business and risk policies:
  Risk taking is directly linked to the core business in Switzerland.
- Effective risk limitation:
  The Raiffeisen Group's risk tolerance is clearly defined and enforced with a tried-and-tested limit system.
- Central monitoring:
  Raiffeisen Switzerland monitors its individual business units, subsidiaries and participations.
- Decentralised individual responsibility in line with clearly defined guidelines:
  The Raiffeisen banks are responsible for managing their risks themselves. Raiffeisen Switzerland lays down binding guidelines relating to business activities, limits and processes. The central controlling units monitor compliance with the guidelines.
- Risk control based on transparency:
  Independent reports are regularly issued on the risk situation as well as on the risk profile of the individual Raiffeisen banks and the Raiffeisen Group.
- Independent risk monitoring and effective controls:
  Overall risk and limits are monitored independently of the risk-managing business units. Effective risk control ensures that the predefined processes and thresholds are adhered to.
- Comprehensive risk management process:
  The Raiffeisen Group's risk management is a uniform and binding process comprising identification, measurement, assessment, management, monitoring and reporting.
- Avoidance of risk concentration:
  The Raiffeisen Group has effective tools at its disposal for identifying unwanted risk concentration and taking proactive measures to avoid it.
- Reputation protection:
  The Raiffeisen Group attaches great importance to protecting its reputation. Environmental, social and governance factors are taken appropriately into account in its business activities, with the aim of ensuring responsible business conduct.

An overview of the risks, the risk assessment, risk control and risk profile control can be found in the publication "Regulatory disclosure", pages 7–10, and in the notes to the consolidated annual financial statements, from page 153.

## Risk categories

### Strategic risks

Strategic risks refer to the risk that events within or around the Bank could hinder the achievement of strategic objectives or make them impossible. They are closely related to the Bank's strategic direction, business model and risk profile. Strategic risks may be caused by factors such as unrealistic price and profitability assumptions, misjudgement of market trends and competitors, ineffective acquisitions, and failure to adapt. The damage associated with these risks could be considerable and, in a worst-case scenario, could jeopardise the institution's very existence. As a rule, strategic risks can only be controlled indirectly by using identification as a basis for developing appropriate measures such that, if the event occurs, the negative impact on the institution is minimised.

Each year, the Risk & Compliance department at Raiffeisen Switzerland develops an overview of the strategic risks to which the Raiffeisen Group is exposed. This involves identifying and assessing potential threats, on the basis of which the top risks for Raiffeisen are analysed. The qualitative aspects of Raiffeisen Group's risk exposure are then evaluated and presented to the Board of Directors of Raiffeisen Switzerland for discussion.

### Reputational risks

Reputational risks refer to the risk arising from damage to the Raiffeisen Group's reputation among the relevant stakeholders and the general public.

Raiffeisen views reputational risks as a possible consequence of any of the risk categories, so risk management takes all of these categories into account. Raiffeisen Switzerland uses suitable tools to ensure that reputational risks are monitored.

### Credit risks

Credit risk management at the Raiffeisen Group is geared specifically to Raiffeisen-specific client and business structures. The Raiffeisen banks' client knowledge and decentralised individual responsibility play a key role in lending decisions and credit management. This is also true in cases where loans require the approval of Raiffeisen Switzerland because of their size or complexity.

**Due to its strong market position in the lending business, credit risks are the main risk category for Raiffeisen.**

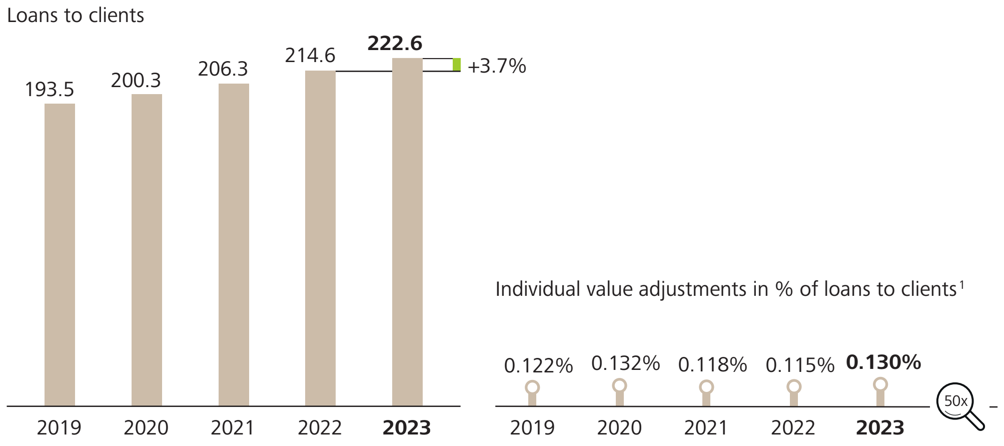
Credit risks are reviewed and assessed in nominal and risk-weighted terms. Management decisions are also based on statistical loss metrics (i.e. value-at-risk) and scenario analyses. Risks are also monitored using credit quality metrics. Examples include financial viability, loan-to-value ratios, ratings and rating changes, as well as portfolio characteristics such as diversification across borrowers, industries and collateral types.

Due to the Raiffeisen Group's strong market position in lending, credit risk is the most important risk category. The Raiffeisen Group generates a large part of its income by taking on credit risks and managing them comprehensively and systematically.



Thanks to its prudent credit policy, the need for value adjustments remains low.

**Loan to clients and value adjustments for default risks**
in billion CHF and % of loans to clients as at 31 December




1 The data in the chart on the right has been magnified 50 times compared to the chart on the left.

Raiffeisen's main credit risks arise from transactions involving loans secured by mortgages to private clients. Credit risks also result from lending to corporate clients and public-sector entities and from interbank business. Raiffeisen Switzerland monitors, controls and manages risk concentrations within the Raiffeisen Group, especially for groups of affiliated counterparties and for sectors.

Lending within the Raiffeisen Group is governed by a prudent credit policy and professional credit checking.

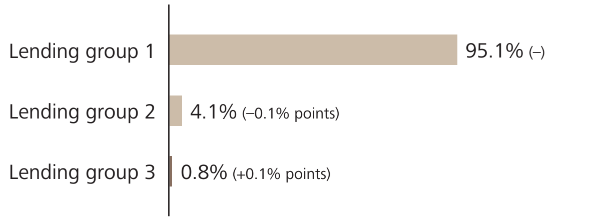
Raiffeisen predominantly grants mortgage-secured loans. This is why loan-to-value ratios play a crucial role in lending besides financial viability and amortisation of mortgage loans. When assessing collateral, a distinction is made between three lending groups:

**Raiffeisen mainly provides secured loans based on the client's financial viability.**

- Lending group 1 includes mortgage-secured loans on residential and agricultural properties with a loan-to-value ratio of up to two-thirds of the market value as well as building land, office and commercial buildings and multifunctional commercial properties that are mortgaged up to half of the market value. This group also includes large commercial and industrial properties with a loan-to-value ratio of up to one-third of the market value.
- Lending group 2 includes the percentage of mortgage-secured loans that exceed the aforementioned limits, large commercial and industrial properties with a loan-to-market value ratio of 50%, and other properties with mortgages representing up to 80% of the market value.
- Lending group 3 contains loans that exceed the loan-to-value limits of lending group 2. This also includes any loans covered by additional collateral, provided the value of the mortgage is less than the book value of the mortgage loan amount.

The vast majority of mortgages are secured by properties that are heavily mortgaged.

**Mortgage loans by lending group [1]**
Share of the mortgage volume in % with difference to the previous year, 31.12.2023

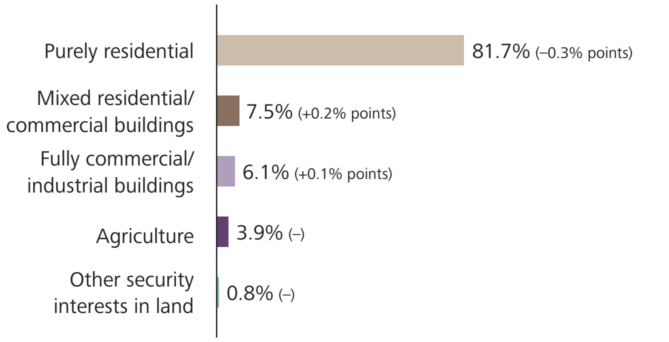



1 Broken down in line with the SNB banking statistics "Domestic mortgage loans by lending group".

Real estate financing is part of Raiffeisen's core business. The main component of the credit portfolio consists of the financing of residential properties.

Over 80% of mortgages are covered by a charge on residential property.

**Credit exposure by collateral and property type**
Breakdown of lending volume [1] in % as at 31.12.2023, including change from the previous year




1 The evaluation reflects the risk view and therefore cannot be compared with the balance sheet view due to the different perspective.

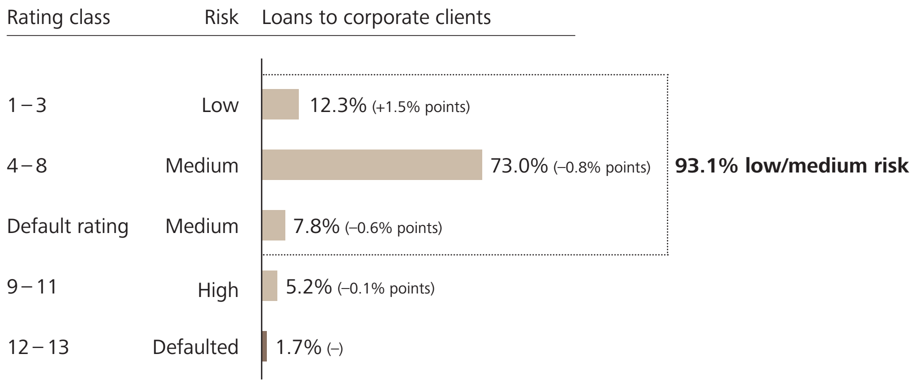
In its corporate clients business, the Raiffeisen Group generally only offers financing to companies with good to medium credit ratings. The risk tolerance in the corporate lending business is defined and implemented with corresponding limits for the entire Group. The Raiffeisen Group's priority is to place the expansion of its corporate clients business on a solid foundation and in accordance with the dedicated corporate clients strategy.

**Raiffeisen is continuously expanding its corporate clients business in line with its corporate clients strategy.**



The credit rating of loans granted to corporate clients is mostly good to very good.

**Credit exposure regarding corporate clients by rating category**
(excluding public-sector entities)
Breakdown of lending volume by rating category [1] in % as at 31.12.2023, including change from the previous year




1 The evaluation reflects the risk view and therefore cannot be compared with the balance sheet view due to the different perspective.

The largest share of loans to corporate clients goes to companies in the real estate sector. Most of these loans are secured by mortgages. The loans in the other sectors are broadly diversified.

### Active country risk management

Raiffeisen Switzerland's commitments abroad are limited to 5% of the Raiffeisen Group's total assets. Raiffeisen banks may not provide any banking or financial services abroad. At Raiffeisen Switzerland, the Corporate Clients, Treasury & Markets department, including Raiffeisen Switzerland B.V. Amsterdam, can enter into commitments abroad. These commitments are limited in amount and monitored on an ongoing basis. The highest country limits are for countries with very good ratings.

**Raiffeisen Switzerland's commitments abroad are limited to 5% of the consolidated total assets.**

### Credit portfolio analysis and assessment

The Board of Directors of Raiffeisen Switzerland is periodically apprised of the assessment of the quality of the Raiffeisen Group's credit portfolio. Analyses focus on information about changes in the risk situation, structural and qualitative features of the credit portfolio, compliance with limits and specifications, and measures taken. Furthermore, the impacts of extreme macroeconomic changes on the credit portfolio are monitored.

### Measuring credit risks

Credit risks are quantified using the following parameters:

– probability of default (PD);
– credit exposure at the time of default (EAD);
– value of the collateral – loss given default (LGD).

The core instrument for counterparty credit risk measurement is the rating system, which is maintained and monitored by Raiffeisen Switzerland's Risk & Compliance department. The Raiffeisen Group has implemented comprehensive rating system governance in connection with the internal rating system. Rating system governance aims to organise internal rating system processes and responsibilities within the Group in a way that will consistently ensure the quality and effectiveness of the rating models and their application. To avoid loopholes and conflicts of interest, tasks, powers and responsibilities were defined for stakeholders, while key positions and corresponding key controls were implemented.

**The rating system is the core instrument for measuring counterparty credit risks.**

Raiffeisen employs the Foundation Internal Rating Based (F-IRB) model approach approved by FINMA. Raiffeisen uses a value-at-risk method to measure credit portfolio risks for internal purposes.

**Assessment of the risk situation with respect to credit risks**
The current risk situation is dominated by the uncertain economic and geopolitical situation globally, and the general rise in interest rates. Business bankruptcies in Switzerland are continuing to rise. Despite the significant rise in interest rates, the Swiss real estate market remains largely robust. The Raiffeisen Group's credit portfolio does not indicate any material irregularities relating to credit defaults or any associated increased need for value adjustment.

The credit portfolio is performing within the scope specified by the credit policy in line with the business strategy of qualitative growth.

The credit portfolio is characterised by low risk intensity overall. Lending is generally conservative and collateralised, i.e. against the deposit of collateral. In addition, borrowers must also be able to afford the financial burden.

**The credit portfolio is characterised by low risk intensity overall.**

Some 88% of the Raiffeisen Group's credit portfolio is covered by mortgages. Around half of the credit portfolio is secured by owner-occupied residential properties, while real estate used by third parties accounts for around 31%.

Raiffeisen follows the performance of the Swiss real estate market closely and monitors its credit portfolio extensively.

The individual client segments of the Raiffeisen Group's credit portfolio have been stable for years. Over 70% of the credit volume comes from the private client segment. In the corporate clients business, Raiffeisen attaches importance to sufficient diversification and focuses on companies in sectors with long-term growth potential. Raiffeisen is cautious about lending to firms in unattractive industries.

Risk intensity is low overall due to the broad diversification of the credit portfolio and the long-term, conservative credit policy.

Regular stress tests show that the Raiffeisen Group's credit portfolio is robust and well diversified, even under sharply deteriorating conditions.

## Market risks

**Risks in the banking book**
The banking book is primarily exposed to interest rate risks and foreign currency risks. Risks associated with fluctuating interest rates arise due to the Raiffeisen Group's significant positioning in interest operations and represent a major risk category. They are actively managed and monitored within authorised risk limits.

Clear guidelines and limits apply to the management of interest rate risks within the Raiffeisen Group – both for the Group as a whole and for individual legal entities. Within these guidelines management is carried out autonomously by the individual legal entities, i.e. the Raiffeisen banks and Raiffeisen Switzerland. The managers responsible have a proven toolkit, including the ability to simulate interest rate changes and assess their impact. The Corporate Clients, Treasury & Markets department provides advice on asset and liability management within the Raiffeisen Group. None of the other Group companies assumes any material risks associated with fluctuating interest rates.

**Raiffeisen banks and Raiffeisen Switzerland simulate interest rate developments and assess their effects.**

The Risk & Compliance department monitors compliance with interest rate risk limits and the overall development of interest rate risks. It focuses on monitoring the interest rate sensitivity of equity capital and running simulations to analyse the impact of changes in market interest rates on interest income. Interest-driven value-at-risk is also calculated in order to monitor the overall risk situation at various levels within the Group.



The publication "Regulatory disclosure" contains further details on interest rate risk management and interest rate risk exposure in accordance with the FINMA Circular 2016/1 "Disclosure – banks".

With respect to foreign currency risks, assets in a foreign currency are mostly refinanced in the same currency ("matched book" approach). This means foreign currency risks are largely avoided. The remaining foreign currency risks in the banking book are managed by the Corporate Clients, Treasury & Markets department within the limits that the Board of Directors has allocated.

**Risks in the trading book**
At the Raiffeisen Group, the Corporate Clients, Treasury & Markets department runs a trading book. In addition, the structured products business of Raiffeisen Switzerland B.V. Amsterdam are being allocated to the trading book.

The market risks of the Corporate Clients, Treasury & Markets department are strategically restricted using global limits. Risks are operationally limited by scenario limits, loss limits and value-at-risk limits. Trading book activities comprise proprietary trading and structured products trading. Trading book risks are hedged with exchange-traded instruments and OTC derivatives. These trading activities are closely monitored and managed using limits.

**Market risks are strategically limited by using global limits.**

All traded products are depicted and assessed as part of a risk management system. This enables trading book risks to be efficiently and effectively assessed, managed and controlled. The Risk & Compliance department monitors positions and market risks daily. The market data and risk models used for this are checked independently for accuracy. Before new products are rolled out, the Risk & Compliance department performs an independent evaluation of the risks.

**Assessment of the risk situation with respect to market risks**
Market risks mainly result from the risks associated with fluctuating interest rates in the banking book. Interest rate sensitivity in a +100 basis point interest rate shock scenario is CHF −0.41 billion, below the previous year's level. The potential declines in value and losses of earnings are acceptable even in adverse scenarios involving interest rate shocks and stresses.

**Raiffeisen Group: Interest rate risks in the banking book**

| in million CHF | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Sensitivity (+100bp-Shift) | −1,163 | −413 |

Market risks in the trading book are diversified across equities, bonds, interest rates, foreign currencies and precious metals. The expected loss potential amid serious market turmoil is to be considered low relative to total income. Possible losses in such a scenario would be largely attributable to credit spread risks in the bonds asset class. Market risks in the banking book as measured by value-at-risk have reduced year on year.

## Liquidity risks

### Central liquidity risk management

Raiffeisen Switzerland's Corporate Clients, Treasury & Markets department centrally manages liquidity risks for Raiffeisen Switzerland and the Raiffeisen Group based on regulatory requirements and internal targets.

The regulatory liquidity requirements apply on a consolidated basis at Raiffeisen Group level, and at an individual institution level to Raiffeisen Switzerland. The individual Raiffeisen banks are exempted from compliance with regulatory liquidity requirements but must still meet internal liquidity requirements.

The Corporate Clients, Treasury & Markets department manages transfers of liquidity within the Group and ensures that refinancing and liquidity costs are allocated to their originators. The individual banks are required to deposit their portion of the liquidity requirements with Raiffeisen Switzerland and to maintain an appropriate refinancing structure.

The Corporate Clients, Treasury & Markets department also manages Raiffeisen Switzerland's cash reserves, facilitates the Group's access to the money and capital markets, and ensures these refinancing sources are adequately diversified. It performs regular stress tests and assesses liquidity trends in the Raiffeisen Group on an ongoing basis, taking regulatory and economic requirements into consideration. The Risk & Compliance department independently monitors liquidity risks.

Further information on liquidity risk management and the liquidity positions can be found in the regulatory disclosure pursuant to FINMA Circular 2016/1 "Disclosure – banks".

### Assessment of the risk situation with respect to liquidity risks

The Raiffeisen Group's liquidity situation is robust thanks to its focus on the domestic savings and mortgage business. Given the low dependency on major clients and broad diversification with private clients, there is little concentration of sources of funding. Loans to clients are funded largely by customer deposits and additionally by central mortgage institution loans and Raiffeisen bonds. The money market is used primarily for tactical management of the liquidity buffer. This maximises the immunisation against risks on the money market.

**Due to the focus on the domestic savings and mortgage business, Raiffeisen's liquidity situation is robust.**

The liquidity situation continues to be supported by a high customer deposit coverage ratio, which fell slightly during the year. By the end of the year, 93.4% of loans were refinanced through customer deposits, and as a consequence, loans can continue to be almost fully funded from customer deposits.

## Operational risks

Operational or business risks arise in two ways: as a consequence of banking transactions carried out by the Raiffeisen Group and by virtue of its function as an employer and owner/occupier of real estate. Viability and cost/benefit analyses determine whether a business risk should be avoided, reduced, transferred or borne. These risks are assessed in terms of the expected probability of occurrence and financial losses. They also take into account any financial losses that could arise from legal or compliance risks. The analysis of the operational risks is supplemented by an assessment of the qualitative impact of a given risk event, for example on reputation.

Every year, the Raiffeisen Group carries out extensive operational risk assessments. The information obtained is documented in a Group-wide risk register. This forms the basis for monitoring and managing the overall profile of operational risks.

### Information security

Information security – a discipline focused on data confidentiality, integrity and availability – is becoming increasingly important. Cybercriminals pose the biggest threat in this regard. For this reason, information security risks must be comprehensively managed. A regular assessment of the threat situation constitutes the basis for this. Appropriate and effective measures for safeguarding information and infrastructure are implemented for this purpose and continuously extended. Raiffeisen complies with recognised standards and established practices throughout this process. Considerable importance is attached to protecting financial privacy, banking secrecy and personal data.

**Raiffeisen regularly assesses the latent threat situation and takes steps if necessary.**

### Internal control system

Raiffeisen's internal control system (ICS) comprises all the control structures and processes intended to ensure the proper conduct of operations, compliance with statutory, regulatory and internal provisions, and complete, reliable reporting.

The framework that underlies the Group ICS and ensures its functionality is defined at the control environment level. The elements of the control environment include internal regulations, independent supervisory bodies, organisational charts and job profiles.

Processes, risks and controls are closely interconnected at the process level. The major operational risks are identified and assessed for each process, and key controls defined accordingly. All key controls are documented and incorporated in the processes. There are many other risk reduction measures in addition to the key controls.

**The major operational risks are assessed and appropriate controls are implemented.**

The Raiffeisen Group carries out an assessment of the ICS's appropriateness and effectiveness at least once a year. The implementation of improvements derived from the assessment is tracked and monitored. ICS reporting is included in the standard risk report prepared for the Board of Directors of Raiffeisen Switzerland and the Raiffeisen banks.

### Early warning system of the Raiffeisen banks

Raiffeisen Switzerland operates an early warning system designed to quickly identify adverse developments at Raiffeisen banks, and avert any potential damage. The early warning system comprises quantitative risk indicators for the individual Raiffeisen banks and an ad-hoc reporting process for integrating qualitative information. Early warning events are analysed and, if necessary, resolved through the Raiffeisen banks with the active involvement of Raiffeisen Switzerland as part of the supervisory function. Early warning events are independently assessed and monitored by the Early Warning System Coordination Committee.

### Business continuity management

Within the scope of business continuity management (BCM), Raiffeisen has adopted extensive measures to maintain operations even if critical resources become unavailable (staff, IT, buildings, suppliers). The specialist departments have various strategy options for keeping critical business processes functioning. Redundancy for all important IT components has been established and/or expanded at various sites.

**Even in exceptional circumstances, Raiffeisen is in the position to safeguard the continued operation of its services.**

To minimise potential losses and enable management to respond in an effective, coordinated fashion, Raiffeisen has put together crisis response teams and developed emergency plans in all important company units. It performs regular tests and drills to ensure the plans and organisational structures work properly and do not need to be updated. The crisis management team and organisation are regularly trained and tested using various scenarios to maintain BCM capabilities.

**Risks in investment business**
Risks in investment business are comprised first, by the associated operational risks and second, by risks relating to client custody accounts, which affect the Group indirectly in the form of legal and compliance risks as well as reputational risks. Raiffeisen Switzerland's Risk & Compliance department ensures independent monitoring of compliance with the investment guidelines for the asset management mandates, model portfolios used in investment advice, and funds.

**Assessment of the risk situation with respect to operational risks**
Overall, the operational risks are well within the risk budget defined by the Board of Directors. The comprehensive ICS keeps losses attributable to operational errors low.

The threat situation is becoming more severe due to the increasing number and sophistication of cyber attacks. The increasing importance of data and digital business models is reflected in the ongoing strengthening of the Cyber Security & Defence Centre to ensure effective cyber security.

**The cyber defence mechanism is constantly being strengthened.**

## Legal and compliance risks

Every year, the Risk & Compliance department prepares a risk profile of legal and compliance risks (including an assessment of market conduct risks and an analysis of money-laundering risks, taking into account the area of activity and the type of business relationships that are maintained). Based on this profile, the department develops a risk-sensitive action plan, which is approved by the Executive Board with information from the Board of Directors, and is subsequently implemented.

The Risk & Compliance department reports on significant changes in legal and compliance risks to the Executive Board and the Risk Committee of Raiffeisen Switzerland's Board of Directors on a quarterly basis. In addition, twice a year the activities of the Compliance function are reported to the Executive Board, the Risk Committee of the Board of Directors and, once a year, to the full Board of Directors.

Raiffeisen Switzerland's Risk & Compliance department supports all of the Raiffeisen Group's units in legal matters for risk prevention in individual cases. It ensures adequate regulatory competence at all levels, monitors and analyses relevant legal developments, and actively manages legal risks. The Risk & Compliance department coordinates interactions with external lawyers where necessary.

Compliance is understood to mean adherence to all applicable statutory, regulatory and professional provisions and internal requirements with a view to identifying risks at an early stage, preventing such risks and ensuring that business is conducted properly. The Risk & Compliance department supports risk carriers from the first and second lines of defence at the Raiffeisen banks and Raiffeisen Switzerland in their responsibility to ensure compliance. Raiffeisen takes a comprehensive approach to compliance. Legal and compliance risks are monitored using key risk indicators and through risk prevention in individual cases.

As a domestic retail bank, Raiffeisen operates predominantly in Switzerland. Apart from the provisions of Swiss legislation, however, it must also comply with relevant international provisions when providing banking and other services. Raiffeisen attaches particular importance to combating money laundering and the financing of terrorism – which is also a focal risk for domestically orientated retail banks – and to implementing national and international economic sanctions and complying with them.

**Raiffeisen focuses on developing the package of measures aimed at preventing money laundering and on complying with economic sanctions.**

**Assessment of the risk situation with respect to legal and compliance risks**
Regulatory pressure has intensified, which has led to a generally heightened risk situation for Raiffeisen (e.g. new requirements for the prevention of money laundering). Within Raiffeisen, there are clearly defined principles concerning the organisation, competence and responsibility of the control functions. To keep up with the evolving landscape, Raiffeisen Switzerland's second line of defence – independent risk control – and the second line of defence of Raiffeisen banks are developed on an ongoing basis. The changing legal and regulatory developments are continuously analysed, and appropriate consideration is given to them in the development of the business model, as well as in the adaptation of regulations and processes. The existing legal and compliance processes are also continuously updated and digitalised to allow Raiffeisen to appropriately control, monitor, and manage its risk in accordance with its risk appetite.



## ESG-related financial risks

ESG-related financial risks are risks originating from Environment, Social or Governance areas that could negatively impact Raiffeisen. These risks are taken into account as possible risk drivers when managing all the risk categories.

Some of these risks are climate-related financial risks (Environment). They are divided into physical risks and transition risks. Physical risks result from acute extreme weather events such as flooding or from chronic changes in climatic conditions such as global warming. Physical risks affect the credit risk arising from financing arrangements in particular. Transition risks result from changes in circumstances, technology or social values, along with their impact on the markets. They arise for example if new levies are charged, or if investors increasingly include climate risk considerations in their decision-making.

At Raiffeisen, the impact of ESG-related financial risks on the existing risk categories is systematically analysed. In the case of climate-related financial risks, scenarios are additionally calculated and risk indicators are applied. The Risk & Compliance department at Raiffeisen Switzerland ensures that ESG-related financial risks are monitored on an ongoing basis, supported by a cross-department ESG committee.

**The impact of ESG-related financial risks on the existing risk categories is systematically analysed.**

There is detailed information on climate-related financial risks in the separate note to the Annual Report "Disclosure of climate-related information according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)", which can be viewed at report.raiffeisen.ch/en/download.

**Assessment of the risk situation with respect to ESG-related financial risks**
With regard to the Environmental factor, the available data indicates that climate change does not have any significant impact on Raiffeisen's risk profile. The transition risks basically affect all risk categories, while the physical risks mainly affect credit risks. The impact of the physical risks is diversified by the geographical distribution of financing throughout Switzerland. With regard to the Social and Governance factors, appropriate guidelines for conducting business responsibly are in place for business relationships and activities.

For more information on risk management, please refer to the notes to the consolidated annual financial statements from page 153, and the publication "Regulatory disclosure".

# Corporate governance



**Raiffeisen has a Group governance structure with executive bodies and owners' committees, corresponding both to statutory requirements and the way the Raiffeisen Group works. Each Raiffeisen bank is a legally and organisationally independent cooperative. The cooperative members are the members of each bank. All Raiffeisen banks collectively form a community and are mutually liable. They are amalgamated into the Raiffeisen Switzerland Cooperative, of which they are 100% owners. Raiffeisen Switzerland creates the basic conditions for the business activities of the Raiffeisen banks, and acts as a centre of competence for the entire Group.**

# Corporate governance principles

The Raiffeisen Group's most important corporate governance provisions are established in the Articles of Association, the organisational regulations, the Terms and Conditions of Business, and a series of other instructions and directives. All the statutes and documents relevant to the business (such as the Articles of Association, regulations, instructions, product catalogues, forms and descriptions of processes) are outlined in an electronic system of rules. The binding nature of the regulations and the regulatory documentation obligations are clearly defined. New issues, processes, products and amendments to existing ones can be handled centrally and made available to provide extensive information directly to all staff thanks to the electronic system of rules.

The following information is largely based on the SIX Swiss Exchange Directive Corporate Governance (DCG). While the DCG is not generally binding for Raiffeisen, its application can be reasonable for unlisted companies like a cooperative as well. Matters not relevant for Raiffeisen Group owing to its form of organisation are only mentioned in exceptional cases.

The report deals in particular with the cooperative organisational structure of the Raiffeisen Group. The various levels of decision-making authority and responsibility are also presented and explained. Except where stated otherwise, all data pertain to the reporting date of 31 December 2023.

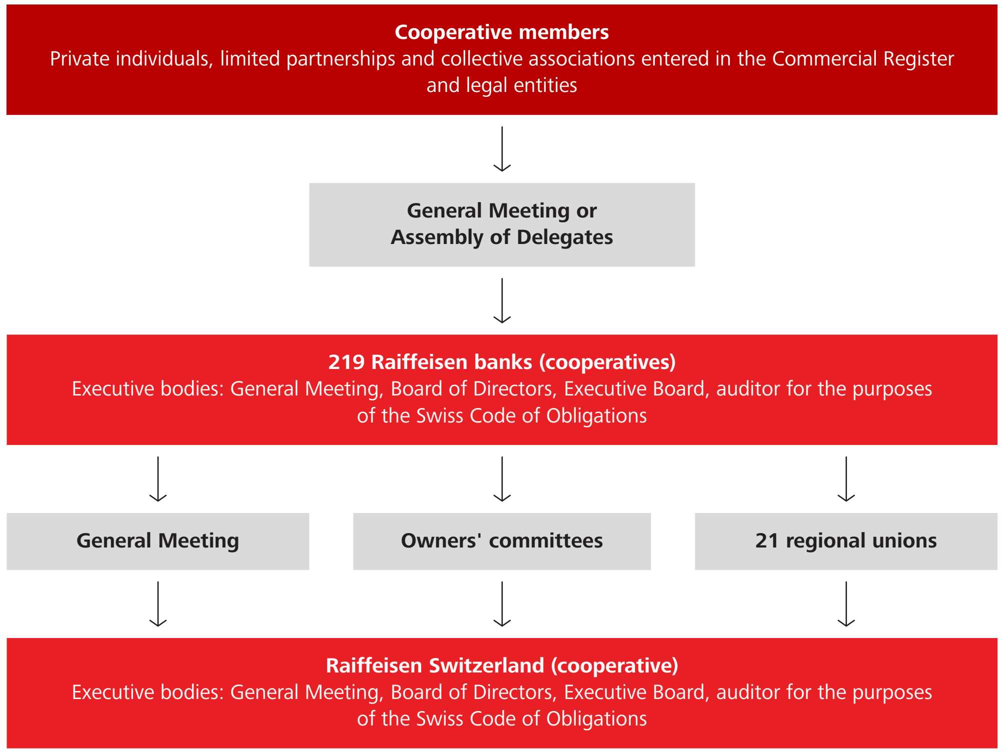
# Subsequent events

The following subsequent event falling under the ad hoc disclosure requirement occurred at the Raiffeisen Group between the balance sheet date (31 December 2023) and the editorial deadline (19 March 2024) of this Annual Report.

### Criminal proceedings against Dr Pierin Vincenz

Raiffeisen is the aggrieved party and is therefore represented as a private litigant in the criminal proceedings. In February 2024 the Higher Court of the Canton of Zurich overturned the judgment of Zurich District Court of 11 April 2022 and 22 August 2022. Raiffeisen Switzerland acknowledges this decision. Raiffeisen Switzerland will not comment on the ongoing proceedings.

# Raiffeisen Group structure




### Raiffeisen banks

The 219 Raiffeisen banks with a total of 784 branches are legally and organisationally independent cooperatives which elect their own directors and have an independent auditor. The banks' strategic management is adapted to regional conditions. Raiffeisen banks are owned by the cooperative members. These may be natural persons or legal entities. They elect the members of the Board of Directors of their Raiffeisen bank at a local General Meeting.

**Raiffeisen banks align their business activities to reflect the local circumstances.**

Resolutions and elections require an absolute majority of the votes, except where the law or Articles of Association provide otherwise. In the event of a tied vote, the matter is debated further and a second vote will be held. If this too is tied, the motion will be rejected. The General Meeting is convened at least 10 days before the meeting day by the Board of Directors. The invitation including the agenda items must be issued personally and in writing. At the same time, the Annual Report has to be laid out in client rooms.

## Regional unions

The Raiffeisen banks are grouped into 21 regional unions organised as associations. The regional unions promote and support the connection between the Raiffeisen banks and Raiffeisen Switzerland. The duties of the regional unions include coordinating regional advertising activities, holding training events for the Raiffeisen banks, and safeguarding and representing the interests of the Raiffeisen banks in dealings with cantonal business associations and authorities.

**The Raiffeisen banks are grouped into 21 regional unions organised as associations.**

**Regional unions**

| 31.12.2023<br>Union | Chair | Number of member banks |
|---|---|---|
| **German-speaking Switzerland: 14 unions** | | |
| Aargauer Verband der Raiffeisenbanken | Christoph Wyder, Suhr | 19 |
| Berner Verband der Raiffeisenbanken | Rolf Mani, Därstetten | 17 |
| Bündner Verband der Raiffeisenbanken | Alfons Quinter, Disentis-Mustér / Ernst Sax, Obersaxen | 7 |
| Deutschfreiburger Verband der Raiffeisenbanken | Aldo Greca, Giffers | 5 |
| Regionalverband Luzern, Ob- und Nidwalden | Bruno Poli, Hergiswil | 17 |
| Oberwalliser Verband der Raiffeisenbanken | Karlheinz Fux, St.Niklaus | 6 |
| Raiffeisenverband Nordwestschweiz | Hans Rudolf Müller, Wintersingen | 12 |
| Raiffeisenverband Zürich und Schaffhausen | Roger Maneth, Würenlos | 10 |
| Schwyzer Verband der Raiffeisenbanken | Reto Purtschert, Küssnacht | 4 |
| Solothurner Verband der Raiffeisenbanken | Silvio Bertini, Bettlach | 12 |
| St. Galler Verband der Raiffeisenbanken | Marcel Helfenberger-Wick, Lömmenschwil | 32 |
| Thurgauer Verband der Raiffeisenbanken | Reto Inauen, Appenzell | 14 |
| Urner Verband der Raiffeisenbanken | Rolf Infanger, Flüelen | 2 |
| Zuger Verband der Raiffeisenbanken | Dr Michael Iten, Oberägeri | 6 |
| **French-speaking Switzerland: 6 unions** | | |
| Fédération des Banques Raiffeisen de Fribourg romand | Christian Gapany, Morlon | 5 |
| Fédération genevoise des Banques Raiffeisen | Thomas Foehn, Meyrin / Hervé Broch, Ursy | 4 |
| Fédération jurassienne des Banques Raiffeisen | Didier Nicoulin, Porrentruy | 6 |
| Fédération neuchâteloise des Banques Raiffeisen | Laurent Risse, Neuchâtel | 2 |
| Fédération des Banques Raiffeisen du Valais romand | Emmanuel Troillet, Le Châble | 10 |
| Fédération vaudoise des Banques Raiffeisen | Philippe Widmer, Pomy | 13 |
| **Italian-speaking Switzerland: 1 union** | | |
| Federazione Raiffeisen del Ticino e Moesano | Mauro Cavadini, Melano | 17 |

**Raiffeisen banks by canton**

| Canton | | Banks | Bank branches | Members | Loans[1] | Client monies[2] | Total assets | Custody account volumes |
|---|---|---|---|---|---|---|---|---|
| | | Number of | | | million CHF | | | |
| Aargau | | 23 | 75 | 213,009 | 21,647 | 21,852 | 27,139 | 5,167 |
| Appenzell Ausserrhoden | | 2 | 6 | 17,743 | 1,758 | 1,610 | 2,066 | 384 |
| Appenzell Innerrhoden | | 1 | 4 | 9,016 | 740 | 792 | 906 | 185 |
| Basel-Land | | 7 | 19 | 60,670 | 6,935 | 6,123 | 8,166 | 1,706 |
| Basel-Stadt | | 1 | 2 | 8,172 | 1,097 | 1,177 | 1,473 | 435 |
| Berne | | 17 | 77 | 191,666 | 16,100 | 15,224 | 18,948 | 2,335 |
| Fribourg | | 10 | 46 | 115,257 | 12,697 | 10,146 | 14,530 | 1,358 |
| Geneva | | 4 | 17 | 48,384 | 5,171 | 5,884 | 6,921 | 1,224 |
| Glarus | | 1 | 2 | 7,559 | 597 | 652 | 776 | 199 |
| Grisons | | 8 | 37 | 61,942 | 6,255 | 6,238 | 7,717 | 1,136 |
| Jura | | 5 | 22 | 30,230 | 3,686 | 2,702 | 4,259 | 332 |
| Lucerne | | 15 | 45 | 138,721 | 12,059 | 11,857 | 14,651 | 2,308 |
| Neuchâtel | | 2 | 12 | 30,132 | 2,669 | 2,280 | 3,143 | 386 |
| Nidwalden | | 1 | 4 | 22,961 | 2,112 | 2,294 | 2,658 | 549 |
| Obwalden | | 1 | 6 | 13,755 | 1,058 | 1,180 | 1,384 | 524 |
| Schaffhausen | | 1 | 2 | 10,068 | 1,154 | 1,000 | 1,373 | 269 |
| Schwyz | | 4 | 13 | 46,342 | 4,346 | 4,468 | 5,371 | 1,394 |
| Solothurn | | 13 | 44 | 115,194 | 11,390 | 11,052 | 13,618 | 1,985 |
| St.Gallen | | 28 | 70 | 221,805 | 25,414 | 22,451 | 30,227 | 6,100 |
| Ticino | | 16 | 55 | 122,490 | 15,095 | 13,596 | 18,426 | 2,969 |
| Thurgau | | 13 | 38 | 109,092 | 14,124 | 11,287 | 16,353 | 2,632 |
| Uri | | 2 | 5 | 16,979 | 1,570 | 1,532 | 1,869 | 311 |
| Vaud | | 12 | 52 | 119,930 | 12,227 | 10,500 | 14,377 | 2,567 |
| Valais | | 16 | 80 | 159,390 | 17,671 | 17,192 | 21,164 | 2,621 |
| Zug | | 5 | 12 | 42,983 | 5,032 | 5,157 | 6,279 | 1,809 |
| Zurich | | 11 | 39 | 124,042 | 14,590 | 13,556 | 17,489 | 4,882 |
| **All cantons 31.12.2023** | | **219** | **784** | **2,057,532** | **217,194** | **201,802** | **261,283** | **45,767** |
| **All cantons 31.12.2022** | | **222** | **803** | **2,001,499** | **209,730** | **198,871** | **256,282** | **33,919** |
| Increase/decrease | absolute | −3 | −19 | 56,033 | 7,464 | 2,931 | 5,001 | 11,848 |
| | per cent | −1.4 | −2.4 | 2.8 | 3.6 | 1.5 | 2.0 | 34.9 |

1 Receivables from clients and mortgage receivables (net values after deducting value adjustments).
2 Amounts due in respect of customer deposits and cash bonds.

## Raiffeisen Switzerland

Raiffeisen banks own 100% of Raiffeisen Switzerland. Raiffeisen Switzerland is a cooperative. Any bank with a cooperative structure that recognises the model articles of association of Raiffeisen banks and the Articles of Association and regulations of Raiffeisen Switzerland can join.

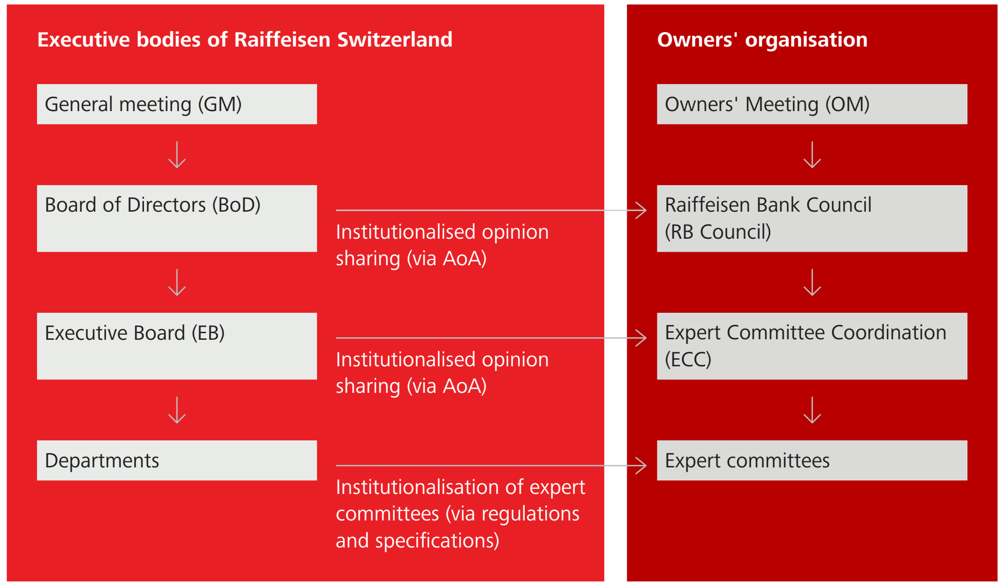
Raiffeisen Switzerland bears responsibility for the Raiffeisen Group's business policy and strategy, and acts as a centre of competence for the entire Group. Its tasks include risk controlling, consolidated monitoring, central bank functions (monetary settlement, liquidity maintenance and refinancing), interbank business and securities trading. Raiffeisen Switzerland also informs, advises and supports the Raiffeisen banks in management, marketing, business, information technology, training, human resources and legal services. In addition, it represents Raiffeisen's national and international interests.

**Raiffeisen Switzerland acts as a centre of competence for the entire banking group.**

## Owners' committees

Rules for collaboration between Raiffeisen Switzerland's executive bodies and its owners are set out in the Articles of Association of Raiffeisen Switzerland and in the regulations of the owners' committees. The Owners' Meeting, an independent body comprising the Raiffeisen banks, is responsible for the owners' strategy and the structure of the owners' committees. The Board of Directors of Raiffeisen Switzerland regularly communicates with the committee of the Raiffeisen Bank Council regarding strategic issues. The expert committees act as sounding boards for initiatives, schemes and projects, and bring the Raiffeisen banks' needs to bear at an operational level. The owners' committees have no decision-making authority with regard to Raiffeisen Switzerland. Their purpose is to share views.

**Committees and their interactions**
2023




### Owners' Meeting (OM)

The Owners' Meeting is where the Raiffeisen banks independently come together. Each Raiffeisen bank has one vote and is represented by one person in this body. The OM issues the owners' strategy and sets up an organisational structure for the Raiffeisen banks in order to exchange views with Raiffeisen Switzerland. The meeting is convened as often as business dictates. Usually, it is convened once a year immediately before Raiffeisen Switzerland's Ordinary General Meeting.

**The Owners' Meeting sets the owners' strategy and lays down the structure of the owners' committees.**

At the Owners' Meeting, the participants take note of information provided by the Board of Directors of Raiffeisen Switzerland regarding the implementation of the owners' strategy as well as statements issued by the Raiffeisen Bank Council regarding the implementation of the owners' strategy. The Raiffeisen Bank Council also provides information on the compensation paid to members of the owners' committees (RB Council, Expert Committee Coordination and expert committees). The OM reaches consultative decisions about key political and strategic owner issues. The 2023 OM was held in Lausanne-Crissier on 15 June 2023, chaired by Bruno Poli, Chairman of the Raiffeisen Bank Council.



### Raiffeisen Bank Council (RB Council)

The RB Council was established to institutionalise collaboration between the Raiffeisen banks and Raiffeisen Switzerland. The RB Council serves as a bridge between the Raiffeisen banks and Raiffeisen Switzerland through a structured process for sharing opinions on strategy and business policy. In addition to reflecting on and assessing strategic and business policy issues, the RB Council presents the Raiffeisen banks' perspective as the Raiffeisen Group continues to evolve. The RB Council does not assume any tasks or powers from the Board of Directors of Raiffeisen Switzerland; instead, the RB Council acts as its sounding board.

**The Raiffeisen Bank Council serves as a sounding board for the Board of Directors of Raiffeisen Switzerland.**

The structured approach and communication of opinions that the Raiffeisen banks have formulated among themselves aim to strengthen and legitimise confidence in the relationship between the Raiffeisen banks and Raiffeisen Switzerland. Council members back decisions made by the RB Council in keeping with their collective responsibility for decisions.

The RB Council conducted its business in three meetings. The meetings, which serve as a platform to exchange views and ideas are organised by the Board of Directors of Raiffeisen Switzerland. Four meetings between the RB Council and the Board of Directors were held in 2023, two of them in person and two digitally. Bruno Poli was Chairman of the RB Council during the period under review, with Marlis Pfeiffer as Vice-Chair.

### Expert Committee Coordination (ECC)

ECC exchanges views with the Executive Board of Raiffeisen Switzerland regarding operational issues. Being the senior governing body for the expert committees, it coordinates the activities of the various standing expert committees.

ECC has no veto rights or decision-making authority of its own with regard to issues which are in Raiffeisen Switzerland's area of responsibility. Its structured approach and constructive communication of opinions aims to strengthen confidence in the relationship between the Raiffeisen banks and Raiffeisen Switzerland.

ECC conducted its business in five meetings. The Chairman of ECC is Hermann Marti, the Vice-Chairman is Markus Jäger.

### Expert committees

The expert committees are advisory bodies that constantly communicate with Raiffeisen Switzerland on operational decision-making. They reflect on and assess initiatives, schemes and projects. They present the Raiffeisen banks' perspective and needs, particularly when new products, services, processes and systems are being developed. The expert committees have no veto rights or decision-making authority of their own with regard to issues which are in Raiffeisen Switzerland's area of responsibility.

**The expert committees advise Raiffeisen Switzerland on operational issues and present the Raiffeisen banks' viewpoint.**

There are currently seven expert committees (Products & Investment Services, IT, Finance & Human Resources, Operating Services, Corporate Clients, Treasury & Markets, Risk & Compliance, Raiffeisen Banks Services), which exchanged information with the departments of Raiffeisen Switzerland in three cycles of meetings during the year under review.

## Group companies

Group companies are defined as all majority interests with more than 50% of the voting capital. The key fully consolidated Group companies and the shareholdings valued according to the equity method are listed in note 7 to the consolidated annual financial statements (companies in which the bank holds a permanent direct or indirect significant participation). Raiffeisen Group companies have no cross-shareholdings. The following diagram shows the scope of consolidation.

**Group companies**

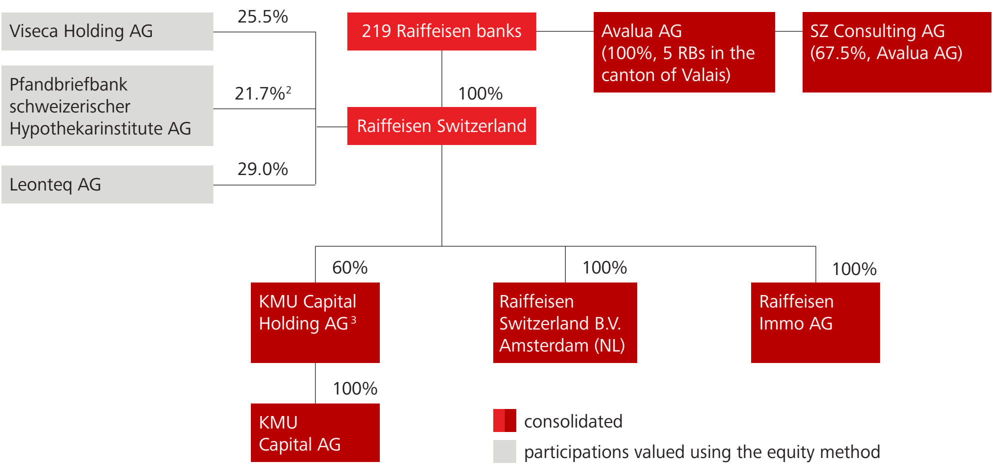
31.12.2023

| Company | Activity | Owner(s) |
|---|---|---|
| Raiffeisen banks | Banking business | Cooperative members |
| | Mainly retail business | |
| | Traditional savings and mortgage business | |
| | Corporate clients business | |
| | Payment services | |
| | Asset management and investment activity | |
| | Securities trading | |
| | Consumer goods leasing | |
| Raiffeisen Switzerland | Business policy/strategy and centre of competence for the Raiffeisen Group | Raiffeisen banks |
| | Risk management and consolidated monitoring | |
| | Ensuring central bank functions (monetary settlement, liquidity and refinancing) | |
| | Banking business (mainly interbank business and securities trading) | |
| | Informs, advises and supports the Raiffeisen banks especially in the areas of management, marketing, business, asset management and investment activity, information technology, training, human resources and legal services | |
| KMU Capital Holding AG | Holding company | Raiffeisen Switzerland (60%)[1] |
| Raiffeisen Switzerland B.V. Amsterdam | Financial services | Raiffeisen Switzerland |
| Raiffeisen Immo Ltd | Brokering and advisory services for the sale and purchase of real estate | Raiffeisen Switzerland |

1 Raiffeisen Switzerland lays claim to 100% of the shares in KMU Capital Holding AG (see footnote 5 in note 7 to the consolidated annual financial statements).

**Scope of consolidation**[1]

31 December 2023




1 Majority shareholdings that are deemed immaterial for accounting purposes are measured using the equity method, but are not listed separately.
2 Participation percentage refers to the Raiffeisen Group. The proportion held by Raiffeisen Switzerland is 0.4%; the proportion held by the Raiffeisen banks is 21.3%.
3 Raiffeisen Switzerland lays claim to 100% of the shares in KMU Capital Holding AG.



# Capital structure and liability

## Capital structure

Raiffeisen's cooperative model is geared towards the retention of earnings. This means that – with the exception of interest on cooperative shares – net profit is not paid out in dividends, but is instead channelled into the Raiffeisen banks' reserves to strengthen the capital base. The Raiffeisen Group's cooperative capital totals CHF 3.41 billion. A precise breakdown and accounting of changes in the year under review are provided in note 16 to the consolidated annual financial statements.

**The undistributed net profit strengthens the capital base of the Raiffeisen banks.**

## Changes in equity capital

Resigning cooperative members have the right to redeem their share certificates at their intrinsic value up to a maximum of their par value. The Board of Directors may refuse to redeem share certificates at any time and without giving reasons. Share certificates bear interest at a maximum rate of 6%.

**Equity capital (without minority interests)**

| in million CHF | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Cooperative capital | 2,351 | 2,519 | 2,692 | 3,070 | 3,414 |
| Retained earnings | 14,092 | 14,864 | 15,218 | 16,221 | 17,324 |
| Reserves for general banking risks | 200 | 200 | 200 | 200 | 250 |
| Group profit | 835 | 861 | 1,069 | 1,182 | 1,391 |
| **Total equity capital** | **17,478** | **18,444** | **19,179** | **20,673** | **22,378** |

## Liability

The Raiffeisen Group guarantees its financial obligations through a balanced system of security measures based on mutual liability, set out in its Articles of Association. Working together in a cooperative union is also a strong expression of solidarity, as the Raiffeisen banks are closely linked as a risk-sharing group. Along with the solidarity fund, Raiffeisen Switzerland is also able to cover claims and operating losses beyond what the individual members could afford.

**The cooperative union is a strong risk-sharing group based on the principle of solidarity.**

### Liability of Raiffeisen Switzerland towards the Raiffeisen banks

In its capacity as principal party, Raiffeisen Switzerland guarantees the liabilities of all Raiffeisen banks. A total of CHF 2.95 billion in equity capital of Raiffeisen Switzerland is available for this purpose. Under the Articles of Association of Raiffeisen Switzerland, the Raiffeisen banks must acquire two share certificates for CHF 1,000 for each CHF 100,000 of their total business volume as calculated in accordance with the financial accounting procedures.[1] As at 31 December 2023 this corresponded to a call-in obligation towards Raiffeisen Switzerland of CHF 6.1 billion, of which CHF 2.5 billion has been paid in. Raiffeisen Switzerland has the right to call in the outstanding CHF 3.6 billion payment obligation from the Raiffeisen banks at any time.

1 This total business volume includes the balance sheet total and securities held in custody accounts (excluding the bank's own cash bonds held in these accounts).

### Solidarity fund

The solidarity fund – in line with the cooperative notion of solidarity that Raiffeisen espouses – is an organisation-wide reserve to cover risks. The fund mainly covers operating losses of Raiffeisen banks. It is financed by contributions from the Raiffeisen banks and Raiffeisen Switzerland. The disposable fund assets as at 31 December 2023 amounted to CHF 340.8 million.

#### Duty of the Raiffeisen banks to pay in further capital towards Raiffeisen Switzerland

Under Article 871 of the Swiss Code of Obligations, the Raiffeisen banks are bound by the duty to pay in further capital up to the amount of their own funds, defined as the disclosed equity capital plus hidden reserves. The duty of the Raiffeisen banks to pay in further capital towards Raiffeisen Switzerland as at 31 December 2023 amounts to CHF 21.9 billion.

### Directive authority of Raiffeisen Switzerland vis-à-vis Raiffeisen banks

According to the FINMA Circular of 11 November 2020, the Raiffeisen Group must comply with the statutory provisions on capital adequacy, risk diversification and liquidity on a consolidated basis. The Raiffeisen banks are exempt from compliance with these provisions at the individual bank level. The conditions for this exemption are that the Raiffeisen banks must join together with Raiffeisen Switzerland, which guarantees all the Raiffeisen banks' obligations, and must grant Raiffeisen Switzerland power to exercise directive authority vis-à-vis the Raiffeisen banks. Raiffeisen Switzerland monitors the Raiffeisen banks' overall position on an ongoing basis, specifically with regard to capital adequacy, earnings, liquidity and risk diversification. If an unfavourable development occurs or is expected at a Raiffeisen bank, Raiffeisen Switzerland assists in drawing up and implementing appropriate measures. In serious cases, Raiffeisen Switzerland has a right of application and directive authority in respect of organisational, operational and HR-related steps.

### Major cooperative members

Cooperative members must hold at least one share certificate. If so resolved by the Board of Directors of the respective Raiffeisen bank, cooperative members can also subscribe for more than one share certificate, but only up to 10% of the cooperative capital or CHF 20,000 per cooperative member. Under the Swiss Code of Obligations, the voting rights of any one cooperative member are limited to one vote, irrespective of the number of share certificates held. In accordance with this, there are no major cooperative members in the Raiffeisen Group which hold more than 5% of the capital or voting rights. Membership of a Raiffeisen bank and the associated rights and obligations are closely tied to the individual/entity in question. This means that individual shares cannot normally be sold on or transferred. A member can nominate another member, their spouse or a descendant to represent them. No authorised person may represent more than one member. They must have written authorisation. Representatives of limited partnerships, collective associations or legal entities also require written authorisation.

**The voting rights of any one cooperative member are limited to one vote.**



# Organisation of Raiffeisen Switzerland

### General meeting (GM)

The General Meeting is the supreme executive body of Raiffeisen Switzerland. It is composed of elected Raiffeisen bank representatives, one from each of the 219 Raiffeisen banks. Each Raiffeisen bank can cast one vote at the GM. The 120th Ordinary General Meeting, which was held on 16 June 2023 in Lausanne-Crissier, was attended by 206 Raiffeisen bank representatives with voting rights. Thirteen banks were represented by another Raiffeisen bank.

**The General Meeting is composed of Raiffeisen bank representatives, one from each bank.**

The GM passes its resolutions and conducts its elections on the basis of the absolute majority of the votes cast, except where the law or Articles of Association stipulate otherwise. To call an Ordinary General Meeting, the date, location and time of the meeting and the deadlines must be announced five months before the meeting. Applications to add items to the agenda must be submitted 12 weeks before the meeting. The agenda agreed by the Board of Directors, the documents supporting resolutions and any nominations must be sent out at least four weeks before the meeting. Shorter deadlines are permissible when convening an Extraordinary General Meeting.

The General Meeting has the following powers in particular:

- changing the Raiffeisen Switzerland Articles of Association;
- drawing up model articles of association for Raiffeisen banks;
- defining the Raiffeisen Group's mission statement and long-term policy principles;
- approving the annual financial statements of Raiffeisen Switzerland, resolution on appropriation of net earnings of Raiffeisen Switzerland, approving the consolidated financial statements of the Raiffeisen Group, approving the management report and the non-financial report (consisting of chapters on sustainability and employees in the management report and supplements to the 2023 Annual Report "Disclosure of climate information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)" and "GRI content index") of the Raiffeisen Group, and ratifying the actions of the Board of Directors and the Executive Board;
- appointing and dismissing the members of the Board of Directors, its Chairperson, and the auditor for the purposes of the Swiss Code of Obligations for Raiffeisen Switzerland, and designating the auditor to be elected for the purposes of the Swiss Code of Obligations for Raiffeisen banks.

The discharge of the actions of the Board of Directors and the Executive Board for the financial years 2017 to 2022 was not put on the 2023 agenda due to unresolved matters relating to the past.

### Raiffeisen Switzerland Board of Directors

The Board of Directors is mainly responsible for the Group's strategic development, financial management and overseeing the Executive Board of Raiffeisen Switzerland. The Board of Directors consists of nine members as at the balance sheet date. Only members of an affiliated Raiffeisen bank can become a member of the Board of Directors.

No member of the Board of Directors has been employed by Raiffeisen Switzerland in the last two years. In addition, no member of the Board of Directors has a business relationship with Raiffeisen Switzerland that would pose a conflict of interest due to its nature or scope.

#### Composition, election and term of office

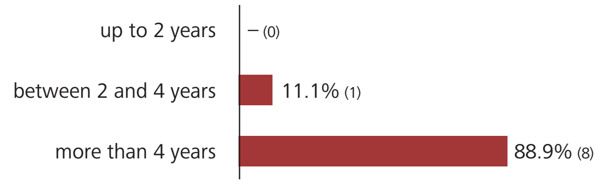
The Board of Directors consists of 8–12 members according to the Articles of Association. In filling these positions, attention is paid to ensuring an appropriate representation of the linguistic regions and of banking bodies of the Raiffeisen banks. As a rule, half of the members of the Board of Directors should be representatives of the Raiffeisen banks. Four out of nine members were representatives of

**Members of the Board of Directors are elected for a two-year term.**

a Raiffeisen bank in the year under review. Members of the Board of Directors are elected for a two-year term (current term: 2022 to 2024) and can serve a maximum of 12 years on the Board of Directors. Members of the Board of Directors must step down at the end of the term of office in which they turn 70.

The majority of the members of the Board of Directors have been in office for more than four years.

**Members of the Board of Directors by term of office**
Share in % (and number), as at 31.12.2023

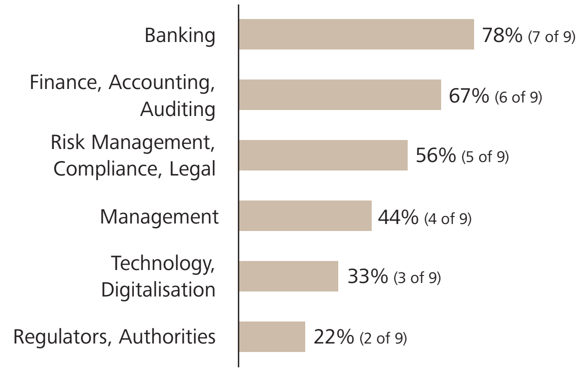



The members of the Board of Directors possess in-depth knowledge of law, banking, finance, IT, real estate, risk management, compliance and auditing. Consequently, they complement each other perfectly, which facilitates their working together professionally in the interests of the entire Raiffeisen Group. With the specific skills of the members of the Board of Directors, Raiffeisen Switzerland is responding to the demands on a systemically important banking group. The distinct backgrounds and areas of expertise of the Board of Directors enable them to effectively steer and oversee the strategic challenges of the Raiffeisen Group.

**The members of the Board of Directors have the knowledge required for their position.**

Thanks to their diverse backgrounds, the members of the Board of Directors complement each other perfectly.

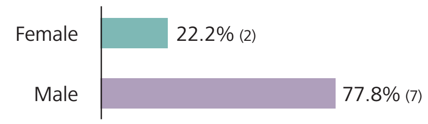
**Skills and experience of the Board of Directors**
Share in % (and number)[1], as at 31.12.2023




1 Multiple responses are possible.

There are currently two female members serving on the Board of Directors.

**Members of the Board of Directors by gender**
Share in % (and number), as at 31.12.2023




All members of the Board of Directors are considered independent within the meaning of FINMA Circular 2017/1, margin numbers 18–22.



## Members of the Board of Directors

as at 31 December 2023

**Thomas A. Müller** (CH, 1965)

**Chairman of the Board of Directors**
Chairman of the Board of Directors since 8 December 2021 (elected until 2024), Member of the Board of Directors since 2018

**Committees**
– Member of the Risk Committee

**Occupation**
– Independent Member of the Board of Directors

**Professional background**
– EFG International, Zurich and Lugano: Group Chief Risk Officer/Member of the Executive Board (2018)
– BSI Bank (within EFG Group), Lugano: Chief Executive Officer (2016–2017)
– Bank J. Safra Sarasin Ltd, Basel: Group Chief Financial Officer/ Member of the Executive Board (2010–2016)
– Swiss Life Group, Zurich: Group Chief Financial Officer & Chief Risk Officer/Member of the Management Board (2006–2009)
– Banca del Gottardo/Swiss Life Group, Lugano: Chief Financial & Risk Officer/Member of the Executive Board (2002–2005)
– Marc Rich + Co Holding GmbH, Zug: Head of Trading Fixed Income (1997–2000)
– Credit Suisse/Schweizerische Volksbank, Zurich: Department Head of Treasury, member of Senior Management, Head of Asset & Liability Management, member of Management (1991–1997)

**Education**
– High Performance Boards, IMD Lausanne (2016)
– Master of Business Administration (MBA), IMD Lausanne (2001)
– Master of Economics (lic. rer. pol.), University of Bern (1986–1991)

**Significant directorships and vested interests**
– Vice-President of the Swiss Bankers Association (SBA)

**Memberships**
– SwissVR (association for company directors)

**Prof. Dr Pascal Gantenbein** (CH, 1970)

**Vice-Chairman of the Board of Directors**
since 2017 (elected until 2024)

**Committees**
– Chairman of the Risk Committee
– Member of the Strategy and Innovation Committee

**Occupation**
– Full Professor of Financial Management at the Department of Economics at the University of Basel (since 2007), Dean of Studies at the Department of Economics (since 2015) and member of the Investment Committee of the University of Basel (since 2021)

**Professional background**
– Lecturer in Corporate Finance at the University of St. Gallen Executive School (ES-HSG) (2008–2017)
– Various visiting professorships (HEC Paris (FR), University of Geneva (CH), HEC Montréal/École des hautes études commerciales (CAN), Wits Business School/University of the Witwatersrand Johannesburg (SA)) (2006–2017)
– Lecturer at the University of Liechtenstein (2004–2013)
– Lecturer in Financial Management and Professor for Business Administration, focusing on finance, Swiss Institute of Banking and Finance, University of St. Gallen (1999–2007)

**Education**
– Sabbaticals at the University of Southern California/USC (USA), the University of California Los Angeles/UCLA (USA), the University of Maastricht (NL) and the Indian Institute of Management Bangalore/IIMB (IND) (2003–2016)
– Post-doctorate degree at the University of St. Gallen (HSG) (2000–2004)
– Degree and doctorate in business administration at the University of St. Gallen (HSG) (1990–1999)

**Significant directorships and vested interests**
– Advisory Board of Fahrländer Partner Raumentwicklung AG, Zurich

**Memberships**
– The Royal Institution of Chartered Surveyors (RICS)
– Urbank's Land Institute (ULI)
– American Real Estate Society
– Swiss-American Society

**Andrej Golob** (CH, 1965)

**Member of the Board of Directors**
since 2018 (elected until 2024)

**Committees**
– Member of the Strategy and Innovation Committee

**Occupation**
– CEO Alltron AG, Mägenwil (since 1 February 2021)

**Professional background**
– Xerox AG: General Manager Business Development Germany, Austria, Switzerland and Managing Director Switzerland (2019–2021)
– karldigital AG, Olten: Founder and Managing Partner (2018–2019)
– Equatex AG, Zurich: Chief Executive Officer (2015–2017)
– Swisscom AG, Zurich: Executive Vice President and member of the Executive Board of Swisscom Enterprise Customers (2014–2015)
– Swisscom IT Services Workplace AG, Zurich: Chief Executive Officer (2011–2013)
– Hewlett-Packard (1992–2011), various senior management roles, including:
  – Hewlett-Packard International, Dübendorf (2008–2011): Director Distribution Sales and Development Europe Middle East & Africa (EMEA), Sales Director Corporate Enterprise & Public Segment Middle East, Mediterranean & Africa
  – Hewlett-Packard Switzerland, Dübendorf: Country General Manager of the HP Services division (2006–2007), Country General Manager of the Personal Systems Group division (2002–2006)

**Education**
– Breakthrough Program for Senior Executives, IMD Lausanne (2007)
– Master in Business Administration (lic. oec. HSG), University of St. Gallen (1991)

**Significant directorships and vested interests**
– Member of the Board of Directors of SwissDigiNet AG, Zurich
– Chairman of the Board of Directors of Raiffeisenbank Olten

**Memberships**
– Swiss Institute of Directors

**Sandra Lathion** (CH, 1976)

**Member of the Board of Directors**
since 2021 (elected until 2024)

**Committees**
– Chairwoman of the Nomination and Remuneration Committee
– Member of the Audit Committee

**Occupation**
– Independent Member of the Board of Directors (since 2019)

**Professional background**
– Lenz & Staehelin, Geneva: Counsel Banking & Finance (2018–2019)
– Swiss Financial Market Supervisory Authority (FINMA), Bern: Head of Department in the Asset Management division (2014–2018)
– Credit Suisse AG, Zurich: Head of Department Legal & Compliance Financial Products (2010–2014)
– Lenz & Staehelin, Zurich: Attorney Mergers & Acquisitions (2005–2010)

**Education**
– SIX Swiss Exchange Trader Examination, SIX Swiss Exchange AG, Zurich (2010)
– Master of Laws (LL. M.), Columbia University Law School, New York, USA (2006–2007)
– Admitted to the bar, Zurich (2004–2005)
– Master of Laws (lic. iur.), University of Zurich (1996–2002)

**Significant directorships and vested interests**
– Member of the Board of Directors and member of the Audit Committee, Swisscom AG, Worblaufen
– Member of the Board of swissVR, Rotkreuz
– Member of the Advisory Board, The Capital Markets and Technology Association (CMTA), Geneva

**Memberships**
– Advisory Board Lucerne Dialogue
– Swiss Institute of Directors
– Columbia Alumni Club
– SwissVR (association for company directors)
– Swiss Board Forum

**Thomas Rauber** (CH, 1966)

**Member of the Board of Directors**
since 2018 (elected until 2024)

**Committees**
– Member of the Nomination and Remuneration Committee
– Member of the Audit Committee

**Occupation**
– Manager/owner TR Invest AG, Tafers (since 2010)

**Professional background**
– Meggitt Group (Meggitt PLC, Christchurch, UK) (1997–2010), in various roles:
  – CFO and Deputy General Manager, Meggitt SA, Villars-sur-Glâne, Fribourg (2008–2010)
  – General Manager, Vibro-Meter France SAS (2005–2007)
  – Finance Director, Vibro-Meter SA, Villars-sur-Glâne, Fribourg (1997–2005)
– DANZAS (now DHL), Basel headquarters (1992–1997), in the following roles:
  – Head of Controlling Eurocargo Division (1996–1997),
  – Head Corporate Finance IT Coordination (1994–1996)
  – Regional Controller (Europe) (1992–1994)
– Swiss Bank Corporation, Basel (1990–1992)

**Education**
– Executive General Management, IMD Lausanne (2005)
– lic. rer. pol. Business Administration, University of Fribourg (1986–1990)

**Significant directorships and vested interests**
– Member of the Board of Directors of Fastlog AG, Derendingen
– Chairman of the Board of Directors of the Raiffeisenbank Freiburg Ost cooperative

**Memberships**
– Swiss Board Forum

**Olivier Roussy** (CH, 1964)

**Member of the Board of Directors**
since 2014 (elected until 2024)

**Committees**
– Member of the Strategy and Innovation Committee
– Member of the Audit Committee

**Occupation**
– Founder and manager of Major Invest SA, Consulting, Yverdon-les-Bains (since 2012)

**Professional background**
– Major Invest SA, Yverdon-les-Bains (since 2012):
  – Independent consultant (since 2020)
  – Independent financial consultant (since 2017)
  – Independent asset manager (2012–2017)
– Freiburger Kantonalbank, Fribourg: Team Leader Private Banking (2010–2011)
– Deutsche Bank (Suisse) SA, Geneva: Investment Manager (2005–2010)
– Freelance financial consultant and specialist trainer (2000-2005)
– CS and UBS, Zurich, Geneva and Lausanne: Portfolio Manager/Investment Advisor/Relationship Manager (1987–2000)

**Education**
– BoD Certificate Swiss Board Institute (2017)
– CIWM Certified International Wealth Manager AZEK (2005)
– FAME Financial Asset Management and Engineering SFI (2003)
– CIIA Certified International Investment Analyst AZEK (2003)
– MBA Business School Lausanne (2002–2003)

**Significant directorships and vested interests**
– Chairman of the Board of Directors of Major Invest SA, Yverdon-les-Bains
– Member of the Foundation Board of the DSR Foundation, role

**Memberships**
– Swiss Institute of Directors
– Swiss Board Forum
– Swiss Board Network
– International Board Foundation
– SwissVR (association for company directors)

**Dr Beat Schwab** (CH, 1966)

**Member of the Board of Directors**
since 2018 (elected until 2024)

**Committees**
- Chair of the Strategy and Innovation Committee
- Member of the Nomination and Remuneration Committee

**Occupation**
- Self-employed entrepreneur and Board of Directors member (since 2017)

**Professional background**
- Credit Suisse AG, Zurich: Head Real Estate Investment Management/Managing Director (2012–2017)
- Wincasa AG, Winterthur: Chief Executive Officer (2006–2012)
- ISS Schweiz AG/Sevis AG, Facility Management, Zurich/Basel: Member of the Executive Board/Director of Business Development (1999–2006)
- Credit Suisse First Boston, Zurich: Head of Fixed Income/Forex Research Switzerland, Director (1998–1999)
- UBS Economic Research, Zurich: Head of Economic Research & Sector Analyses, Vice President (1992–1997)

**Education**
- Master of Business Administration, Columbia University, New York (1996–1997)
- Doctorate (Dr rer. pol.), University of Bern (1993–1995)
- Degree in economics (lic. rer. pol.), University of Bern (1987–1992)

**Significant directorships and vested interests**
- Chairman of the Board of Directors of Raiffeisenbank Winterthur
- Chairman of the Board of Directors of Zug Estates Holding AG, Zug
- Member of the Board of Directors and Head of the Audit & Risk Committee of Varia US Properties AG, Zug
- Member of the Foundation Council of SKB 1809, formerly Sparkasse Basel
- Deputy Chairman of the Foundation for Art, Culture and History (SKKG), Winterthur
- Chairman of the Board of Directors of Terresta Immobilien- und Verwaltungs AG, Winterthur
- Member of the Board of Directors of Belplan Immobilien AG, Winterthur
- Chairman of the House of Winterthur association

**Memberships**
- SwissVR (association for company directors)
- The Royal Institution of Chartered Surveyors (RICS)

**Karin Valenzano Rossi** (CH, 1972)

**Member of the Board of Directors**
since 2018 (elected until 2024)

**Committees**
- Member of the Risk Committee
- Member of the Nomination and Remuneration Committee

**Occupation**
- Self-employed attorney and notary, Lugano (since 1 June 2019)

**Professional background**
- Law firm of Walder Wyss AG, Zurich, and notary's offices of Jermini Valenzano, Lugano (2015–2019)
- Molino Adami Galante (formerly the law firm of Spiess Brunoni Pedrazzini Molino), Lugano (2001–2014): partner since 2009, notary since 2002, attorney
- Judge at the Association of Swiss Asset Managers (VSV), Zurich
- Lecturer at Centro di Studi Bancari, Vezia

**Education**
- BoD Corporate Governance, certificate of attendance for New BoD designs: From Board of Directors to Design and Control Board, Swiss Board Institute (2019–2020)
- Admitted to the Ticino Notaries Association (2002)
- Admitted to the Ticino Bar Association (2000)
- Master of Laws (lic. iur.), University of Fribourg (1991–1997)

**Significant directorships and vested interests**
- Chair of the Board of Directors of Raiffeisenbank Lugano
- Member of the Town Council Lugano, Head of Department for Security and Public Premises
- Lecturer and member of the Scientific Advisory Board, Certification Programme for Directors, Scuola Universitaria Professionale della Svizzera Italiana SUPSI (2021, 2022)
- Member of the board of the Civil Society Association
- Member of the board of the Board Forum della Svizzera Italiana
- Member of the board of the Conference of Urbank's Security Directors (KSSD)
- Member of the board of the Stiftung delle focaltà della Svizzera Italiana

**Memberships**
- Swiss Bar Association (SAV)
- Ticino Bar Association (OATi)
- Ticino Notaries Association (OdNti)
- SwissVR (association for company directors)
- Swiss Board Forum
- Board Forum Svizzera Italiana

**Rolf Walker** (CH, 1962)

**Member of the Board of Directors**
since 2018 (elected until 2024)

**Committees**
- Chairman of the Audit Committee
- Member of the Risk Committee

**Occupation**
- Independent member of the Board of Directors (since 2018)

**Professional background**
- Ernst & Young, Bern/Zurich (1988–2018) in the following roles:
  - Management of international, national and regional audit mandates, from 2001 as partner
  - Various consultancy mandates for financial service companies
  - Head Professional Practice Financial Services at Ernst & Young AG (2004–2017)
- President of the Banking Audit Expert Commission of EXPERTsuisse (2010–2018)
- Schweizerische Volksbank, Biel: various positions in client advisory and accounting (1981–1985)

**Education**
- Qualified Swiss auditor (Eidg. dipl.), Kammerschule Bern (1991–1994)
- Höhere Wirtschafts- und Verwaltungsschule Bern, MBA-equivalent degree (dipl. Kaufmann HWV) (1985–1988)

**Significant directorships and vested interests**
- none

**Memberships**
- Alumni EXPERTsuisse

**Internal organisation and delimitation of powers**
The Board of Directors and its committees meet as often as business dictates, but at least four times a year pursuant to Art. 46 (1) and Art. 50 (3) of the Articles of Association of Raiffeisen Switzerland. The following table shows the number of meetings held by the Board of Directors and its committees in 2023. Ordinary meetings of the Board of Directors generally last an entire day, while committee meetings last half a day.

**Meeting attendance**[1]

| 2023 | | Board of Directors[2] | Nomination and Remuneration Committee[3] | Strategy and Innovation Committee[4] | Audit Committee[5] | Risk Committee[6] | Exchange between BoD of RCH and RB Council and RB Council Committee[7] |
|---|---|---|---|---|---|---|---|
| Meetings held | Number | 11 | 7 | 8 | 9 | 7 | 3 |
| Members who missed no meetings | Number | 6 | 4 | 4 | 4 | 4 | 9 |
| Members who missed one meeting | Number | 3 | 0 | 0 | 0 | 0 | 0 |
| Members who missed two or more meetings | Number | 0 | 0 | 0 | 0 | 0 | 0 |
| Meeting attendance, in % | Percentage | 97 | 100 | 100 | 100 | 100 | 100 |

1 Various members of the Board of Directors also attend other meetings which are not included in the above presentation: strategy meetings, meetings with FINMA, meetings with regulators, annual meetings with representatives of the regional unions, Chairman and head of bank forums in the spring and autumn, and other communication platforms with the regional unions. This list is not exhaustive.
2 The Board of Directors was composed of nine members throughout the year.
3 The Nomination and Remuneration Committee was composed of four members throughout the year.
4 The Strategy and Innovation Committee was composed of four members throughout the year.
5 The Audit Committee was composed of four members throughout the year.
6 The Risk Committee was composed of four members throughout the year.
7 The body for discussion between the BoD of RCH and the RB Council / RB Council Committee consists of the BoD of RCH and the representatives of various Raiffeisen banks that make up the RB Council / RB Council Committee. The participant group of the BoD of RCH was composed of nine members throughout the year.

Resolutions are passed on the basis of the absolute majority of members present, or the absolute majority of all members for circular resolutions. The Chairman breaks tied votes. Resolutions are minuted. The Board of Directors meets once a year to review its own activities and positions. Individual members of the Executive Board attend the meetings of the Board of Directors and its committees in consultation with the Chairman of the Board of Directors and the Chairperson of the committee, respectively. They can advise and have the right to put forward proposals. The Board of Directors is kept informed of the activities of the Executive Board of Raiffeisen Switzerland in a number of ways. The Executive Board is also required to update the Board of Directors regularly on the financial position, earnings and risk situation, as well as on the latest developments and any unusual events at the Raiffeisen Group.

**The Board of Directors meets once a year to review its own activities and positions.**

Under the Swiss Code of Obligations, the Articles of Association, and the Terms and Conditions of Business of Raiffeisen Switzerland, the main duties of the Board of Directors are to

- establish the business policy of the Raiffeisen Group, the risk policy and regulations and authority levels required for running Raiffeisen Switzerland;
- pass the regulations necessary for running the Raiffeisen banks;
- resolve whether to accept or exclude Raiffeisen banks;
- prepare for the General Meeting and execute the resolutions of this body;
- appoint and dismiss the auditor for the companies of the Raiffeisen Group;
- appoint and dismiss the Chairperson and members of the Executive Board, the Head of Internal Auditing and their deputies;
- define the overall sum of variable remuneration and decide on the fixed and variable annual remuneration components for Executive Board members.

The Board of Directors also approves the strategy and financial planning. It is responsible for the consolidated annual financial statements and the Annual Report of the Raiffeisen Group as well as the Annual Report of Raiffeisen Switzerland. Furthermore, it takes note of the planning and financial reporting of the Group companies. The Board of Directors can appoint committees with responsibilities conferred for a fixed period or without limit. The Board of Directors may bring in external consultants in certain cases. The duties and powers of the standing committees are set forth in regulations and summarised below.

**The Board of Directors approves the strategy, the financial planning and the annual financial statements as well as the Annual Report.**



The powers exercised by the Board of Directors, its committees, the Chairman of the Executive Board and the Executive Board are specified in detail in the Articles of Association, the Terms and Conditions of Business and the authority levels of Raiffeisen Switzerland.

**Committees of the Board of Directors**

**Strategy and Innovation Committee**
The Strategy and Innovation Committee is responsible for:

- addressing strategically relevant developments, opportunities and challenges in the environment and for the Raiffeisen Group on a regular and systematic basis;
- preparing strategic initiatives in the Board of Directors and supervising their realisation (responsible for content);
- providing the Board of Directors with strategic risk assessments;
- arranging and supervising the form of strategy work carried out by the Raiffeisen Group (responsible for processes);
- ensuring good corporate governance at the Raiffeisen Group;
- passing resolutions on participations, investments, contractual obligations, expenditure and loans, to the extent that authority over these matters is assigned to the Committee;
- dealing with tasks assigned by the Board of Directors and providing general support for the Board of Directors in performing its duties and responsibilities.

**Audit Committee**
The Audit Committee is responsible for:

- monitoring and assessing the financial reporting and integrity of financial statements;
- approving the annually budgeted fee of the auditing firm and the audit programme of the Internal Auditing department, presenting the results to the Board of Directors;
- analysing the audit reports for Raiffeisen Switzerland and the Group and subsequently ensuring that any objections contained therein are resolved and any recommendations are implemented;
- Monitoring the activities, resources, competences, independence and objectivity of the auditing firm and the Internal Auditing department and assessing their performance and cooperation and the remuneration of the auditing firm
- preparing for the appointment of the Head of Internal Auditing and presenting the results to the Board of Directors;
- preparing for the election of the regulatory audit company and the auditor for the purposes of the Swiss Code of Obligations and presenting the results to the Board of Directors;
- presenting an application to the Board of Directors regarding the recommendation to submit the annual accounts to the General Meeting.

**Risk Committee**
The Risk Committee is responsible for:

- assessing the framework concept for Group-wide risk management at least once a year and arranging the necessary adjustments;
- monitoring and assessing the effectiveness and appropriateness of the internal control system;
- annually reviewing the risk policy and risk limits of Raiffeisen Switzerland and the Group, and presenting the results to the Board of Directors;
- analysing the risk situation of Raiffeisen Switzerland and the Group;
- handling the reports issued by the Risk & Compliance department;
- evaluating compliance with statutory, regulatory and internal rules, as well as market standards and codes of practice;
- monitoring the implementation of risk strategies, particularly with regard to their compliance with the predefined risk tolerance and the risk limits according to the framework concept for Group-wide risk management;
- deciding, should a limit stipulated by the Board of Directors be exceeded, on measures to reduce the risk and/or approve a temporary breach.

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is responsible for:

- analysing trends and developments in the labour market;
- ensuring strategically orientated leadership development and succession planning;
- reviewing the planning and measures for the retention and promotion of staff;
- preparing all activities relating to employment conditions for executive managers and staff, particularly remuneration and retirement plan;
- preparing the remuneration report;
- setting up rules for members of the Board of Directors, the Executive Board and employees trading for their own accounts;
- approving and monitoring loans to directors, officers and related parties within the scope of the regulations governing authority levels;
- preparing for elections and presenting the results to the Board of Directors.

**Information and controlling tools vis-à-vis the Executive Board**

The information and controlling tools employed by the Board of Directors have been configured in accordance with the requirements defined by FINMA. The Raiffeisen Group has an established and proven management information system (MIS), which helps the Board of Directors fulfil its supervisory duties and oversee the powers transferred to the Executive Board.

**The information and controlling tools employed by the Board of Directors comply with the requirements defined by FINMA.**

The Board of Directors receives a monthly Management Information report, showing the trend in the key figures and the monthly financial statements of the Raiffeisen Group, Raiffeisen banks and Raiffeisen Switzerland. A final, comprehensive financial report is also prepared every quarter, including a year-on-year comparison, actual/plan comparison and expectations for each business segment and the entire Raiffeisen Group. These quarterly reports are supplemented by analyses of relevant issues and developments. The minutes of the Executive Board meetings are also submitted to the Chairman of the Board of Directors for review. In addition, individual members of the Executive Board attend the meetings of the Board of Directors or committees in consultation with the Chairman of the Board of Directors or the Chairperson of the committee, respectively, provide information on current issues and are available to give further details.

**Risk and compliance**

The Board of Directors is periodically updated on the risk situation. Every year, the Board of Directors is presented with a forward-looking risk analysis that serves to determine the Group's annual risk tolerance and assess its resulting risk capacity. The Board of Directors receives a detailed quarterly risk report on the overall risk situation and the utilisation of the overall limits approved by the Board of Directors.

The Raiffeisen Group has an internal control system (ICS) that supports the proper conduct of business activities based on processes, controls, regulations, directives and corresponding measures. The Board of Directors receives an annual report on the adequacy and effectiveness of the internal control system.

The Raiffeisen Group has a compliance function and a Compliance department to ensure risk-orientated compliance with statutory and regulatory requirements. The Board of Directors receives an annual assessment of the compliance risk of the Group's business activities and an activity report from the compliance function. Furthermore, the Board of Directors is given timely information on grave violations of compliance regulations or matters with major implications.

**Internal Auditing**

The Raiffeisen Group has an Internal Auditing department which reports to the Board of Directors and is independent of the Executive Board. This department supports the Board of Directors in fulfilling its oversight and control duties and has an unrestricted right to perform audits and obtain information within the Bank. Internal Auditing reports to the Audit Committee and the Board of Directors.



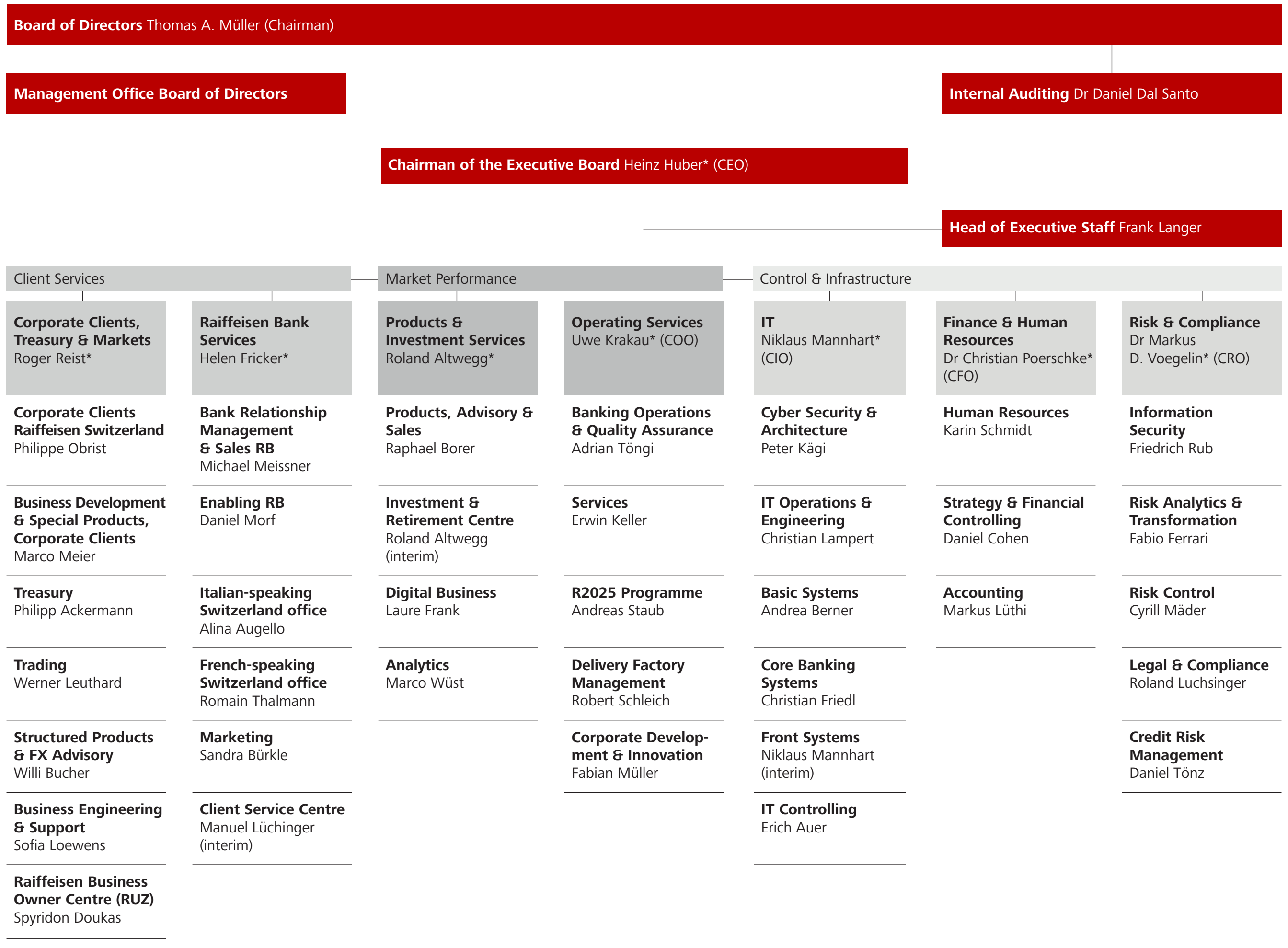
## Executive Board of Raiffeisen Switzerland

The Executive Board of Raiffeisen Switzerland manages the operational business of Raiffeisen Switzerland. This involves in particular identifying influences and changes that have a bearing on the Raiffeisen Group's environment, developing relevant strategies and ensuring that appropriate implementation measures are taken. In accordance with the legal and regulatory framework, the Executive Board is charged with the execution of the resolutions passed by higher bodies. Moreover, it provides the Group with competent, reliable, future- and success-orientated management. In addition, within the Raiffeisen Group, the Executive Board is responsible for ensuring financial management, Group risk controlling and compliance, while also ensuring implementation of the risk policy, the application architecture as well as monitoring and coordination of the subsidiaries. Moreover, the Executive Board acts as a risk committee, handles budgeting and budget control, defines organisation structure and makes key personnel decisions.

**The Executive Board of Raiffeisen Switzerland manages the operational business.**

The Executive Board of Raiffeisen Switzerland as at 31 December 2023 consisted of the Chairman and seven other members who were elected by the Board of Directors of Raiffeisen Switzerland. The Executive Board generally meets once a week under the direction of the Chairman. The Executive Board has the power to pass resolutions if a majority of its members or their deputies are present. The Board passes most resolutions by consensus. If agreement cannot be reached, resolutions are passed by an absolute majority of members entitled to vote. In the case of a tie, the Chairman's vote is counted twice. Raiffeisen Switzerland business processes are handled by seven different departments (see organisation chart).

**Organisation Chart**
31 December 2023




* Member of the Executive Board



## Members of the Executive Board

as at 31 December 2023

**Heinz Huber** (CH, 1964)

**Chairman of the Executive Board (CEO)**
since 2019

**Professional background**
- Raiffeisen Switzerland, St. Gallen (since 2019): Chairman of the Executive Board
- Thurgauer Kantonalbank, Weinfelden (2007–2018):
  - Chairman of the Executive Board (2014–2018)
  - Member of the Executive Board (2007–2013)
- Proprietor and CEO of a spin-off company
- Member of the Executive Board of a global stock-exchange-listed IT company, Rotkreuz ZG, Basingstoke (UK) (2001–2006)
- Credit Suisse, Zurich (1996–2001): Various roles in management
- UBS AG, Horgen, Zurich, Zug (1981–1996): Training, practical experience and management responsibility

**Education**
- VR-CAS HSG (Certified Director for Board Effectiveness), Swiss Board School in cooperation with IMP-HSG University of St. Gallen
- Advanced Management Program, Harvard Business School, Boston, USA
- Master of Business Administration (MBA), University of Bern (Institute for Financial Management) and University of Rochester, NY, USA
- Executive MBA (Master of Business Administration), Lucerne University of Applied Sciences and Arts
- Federal banking diploma

**Significant directorships**
- Member of the Board of Directors of Pfandbriefbank schweizerischer Hypothekarinstitute AG, Zurich

**Roland Altwegg** (CH, 1973)

**Head of the Products & Investment Services department**
since 2021

**Professional background**
- Raiffeisen Switzerland, St. Gallen (since 2007):
  - Head of the Products & Investment Services department/ Member of the Executive Board (since 2021)
  - Head of New Business Models & Ecosystems (2021)
  - Head of Product Management (2015–2021)
  - Head of Private Clients (2011–2015)
  - Head of OpRisk Controlling department (2007–2011)
- Bank Sarasin & Cie. AG: Head Market Risk (1999–2007)
- Pictet & Cie./Pictet Asset Management AG: Employee in Fixed Income (1996–1999)

**Education**
- Diploma in Financial Analysis and Portfolio Management, also Certified International Investment Analyst (CIIA), AZEK Zurich (2001–2002)
- Degree in economics (lic. rer. pol.), University of Basel (1993–1998)

**Significant directorships**
- Member of the Board of Directors, Viseca Payment Services SA, Zurich
- Member of the Board of Directors, Twint AG, Zurich
- Chairman of the Board of Directors, Raiffeisen Immo AG, St. Gallen

**Helen Fricker** (CH, 1967)

**Head of Raiffeisen Bank Services department**
since 2020

**Professional background**
- Raiffeisen Switzerland, St. Gallen (since 2011):
  - Head of Raiffeisen Bank Services department/member of the Executive Board (since 2020)
  - Head of Bank Relationship Management (2019–2020)
  - Market Manager for Eastern Switzerland (2018–2019)
  - Strategy Consultant and Deputy Head of Strategy Consulting (2015–2017)
  - Head of Management Development (2011–2015)
- bbz st.gallen ag, Bankenberatungszentrum, St. Gallen (part-time): Project Manager and Head of Staff Development (1996–2011)
- Zürcher Kantonalbank, Zurich (part-time): Management trainer and management coach (1996-2000)

**Education**
- Diploma of Advanced Studies in Bank Management (DAS), Lucerne University of Applied Sciences (2014–2015)
- Executive MBA HSG, University of St. Gallen (2003–2005)
- Degree in psychology, majoring in business and organisational psychology, Institute of Applied Psychology IAP, Zurich (1992–1996)

**Significant directorships**
- Member of the Foundation Board of Swiss Museum Pass

**Uwe Krakau** (CH/DE, 1965)

**Head of the Operating Services department (COO)**
since 2022

**Professional background**
- Raiffeisen Switzerland, St. Gallen (since 2022): Head of the Operating Services department (COO)
- Avaloq Group AG (2016–2022):
  - Chief BPaaS Officer/Member of the Executive Board, Zurich
  - General Manager & Chief Market Officer EMEA, Zurich
  - General Manager & Chief Market Officer Germany, Zurich
  - General Manager & Head Global Key Accounts, Zurich
- B-Source SA: General Manager Markets & Clients, Bioggio (2012–2016)
- Avaloq Evolution AG: Country Manager Switzerland and Principality of Liechtenstein, Zurich (2005–2011)
- BASF IT Services: Managing Director Sales & Marketing, Wädenswil (2002–2004)
- EADS MDTV: CEO, Munich (2001)
- debis Systemhaus: Project Manager/Profit Center Manager, Leinfelden (1991–2000)

**Education**
- Certified Board of Directors member ZfU (2023)
- Swiss Finance Institute, Advanced Executive Programme (2012)
- University of Constance, Information Management, M.Sc. (1991)
- Esslingen University of Applied Sciences, Industrial Engineering & Economics, B.Sc. FH (1989)

**Significant directorships**
- none



**Niklaus Mannhart** (CH, 1967)

**Head of IT department & Chief Information Officer (CIO)**
since 2022

**Professional background**
- Raiffeisen Switzerland, St. Gallen (since 2022): Head of IT department & Chief Information Officer (CIO)
- Cembra Money Bank AG: COO/Member of the Executive Board, Zurich (2018–2022)
- Credit Suisse (2010–2018):
  - COO IT & Operations; Schweizer Universalbank, Zurich (2016–2018)
  - COO Operations Utilities & Operations Switzerland region, Zurich (2012–2015)
  - Head of Cross Business Services in Operations, Zurich (2010–2011)
- McKinsey & Company: Associate Principal, Zurich (2001–2010)
- ETH Swiss Federal Institute of Technology Zurich: Teaching assistant at the Institute of Scientific Computing, Zurich (1995–2001)
- Waterloo Maple Inc., Waterloo, Canada: programmer (1994)

**Education**
- ETH Swiss Federal Institute of Technology Zurich, Certificate of Teaching Ability in IT (2001)
- ETH Swiss Federal Institute of Technology Zurich, Master in Computer Science (1993)

**Significant directorships**
- none

**Dr Christian Poerschke** (CH / DE, 1974)

**Head of Finance & Human Resources department (CFO)**
since 2015

**Professional background**
- Raiffeisen Switzerland, St. Gallen (since 2005):
  - Head of the Finance & Human Resources department (CFO)/ Member of the Executive Board (since 2018)
  - Head of the Services department (COO)/Member of the Executive Board (2015–2017)
  - Head of Corporate Development & Controlling (2007–2015)
  - Head of Corporate Controlling (2005–2007)
- EFTEC, EMSTOGO, Romanshorn: Business Development & Controlling (2002–2005)
- Roland Berger Strategy Consultants, Munich: Consultant (2000–2002)

**Education**
- Doctorate at Philipps University of Marburg (2007)
- Business administration degree at the University of Münster (1996–2000)
- Professional training in banking (1994–1996) at Deutsche Bank AG, Osnabrück

**Significant directorships**
- Member of the Management Board and Chairman of the Finance and Audit Committee of the Valida Foundation, St. Gallen
- Chairman of the Board of Directors of Raiffeisen Pension Fund and Raiffeisen Employer Foundation, St. Gallen

**Roger Reist** (CH, 1976)

**Head of the Corporate Clients, Treasury & Markets department**
since 2020

**Professional background**
– Raiffeisen Switzerland, St. Gallen (since 2020):
  – Head of the Corporate Clients, Treasury & Markets department/Member of the Executive Board (since 2021)
  – Head of the Treasury & Markets department/Member of the Executive Board (2020–2021)
– Zürcher Kantonalbank, Zurich (2010–2020):
  – Head of Foreign Exchange, Banknotes and Precious Metals (2019–2020)
  – Head of Prime Finance Trading (2014–2019)
  – Head of Securities Lending and Repo (2013–2014)
  – Head of Fixed Income Securities Lending and Repo (2010–2013)
– UBS Investment Bank, Zurich and London (2006–2010):
  – trader in various areas including securities lending, repo and short-term fixed income trading (2007–2010)
  – UBS Investment Bank employee (2006–2007)
– PricewaterhouseCoopers International, Zurich: Auditor (2005–2006)
– Aargauische Kantonalbank, Aarau: execution trader in shares and foreign exchange (1998–2001)

**Education**
– Certified International Investment Analyst (CIIA) (2010)
– Chartered Alternative Investment Analyst (CAIA) (2007)
– Master of Arts in Banking and Finance, University of Zurich (2000–2005)

**Significant directorships**
– Member of the Board of Directors of SIX Group AG, Zurich

**Dr Markus D. Voegelin** (CH, 1969)

**Head of the Risk & Compliance department (CRO)**
since 2019

**Professional background**
– Raiffeisen Switzerland, St. Gallen (since 2019): Head of the Risk & Compliance department (CRO)/Member of the Executive Board
– Bank Vontobel AG, Zurich: Chief Risk Officer (2016–2019)
– Coutts & Co AG, Zurich (2007–2016):
  – Chief Operating Officer (2013–2016)
  – Chief Financial Officer (2009–2014)
  – Finance Director (2007–2009)
– Julius Baer, Zurich (2001–2007):
  – Head of Private Banking Finance (2005–2007)
  – Head of Business Line Management Private Banking (2005),
  – Head Group Controlling (2002–2005),
  – Head of Finance & Controlling Projects/Technology (2001–2002)
– Management consultancy, Zug: Senior Consultant (1998–2000)
– UBS AG, Basel: Corporate clients business, recovery management, group controlling (1991–1998)

**Education**
– Advanced Executive Program, Swiss Finance Institute (2008)
– Doctorate, Dr oec. publ., University of Zurich (1999)
– Degree in economics, University of Basel, lic. rer. pol. (1991–1996)

**Significant directorships**
– Member of the Management Board at esisuisse (since 2022)
– Member of the Steering Committee at Swiss Financial Cyber Security Centre (since 2022)

**Management contracts**
There are no management contracts with third parties at Raiffeisen.

**Compensation and loans**
For more information about remuneration and loans extended to the members of the Board of Directors and Executive Board, please refer to the chapter "Remuneration report", pages 136–144.

## Internal Auditing

Internal Auditing supports the corresponding activities within the Raiffeisen Group and supports the Board of Directors and its committees in the performance of their tasks. The tasks and responsibilities of Internal Auditing are set down in regulations issued by the Board of Directors. All operations within the Group are audited by Internal Auditing once every few years with a focus on risk. Auditing activities include the objective and independent review of the adequacy and effectiveness of the internal control system (ICS) and risk management, the reliability and integrity of financial and operational information, compliance with requirements set out in laws, regulations and the Articles of Association, and the proper functioning of governance, operational structure and processes. Internal Auditing also checks that weaknesses and shortcomings identified are remedied effectively and permanently. Furthermore, the Board of Directors may use Internal Auditing for special tasks such as special audits, project support or advisory services, provided such engagements do not violate its independence requirements. Internal Auditing has unlimited auditing, information and access rights within the Raiffeisen Group and works closely with the risk control functions and the external auditor.

Internal Auditing has a solid-line reporting relationship with the Board of Directors of Raiffeisen Switzerland. It has a dotted-line reporting relationship with the Audit Committee of the Board of Directors and is independent of the Executive Board. Internal Auditing reports to the Audit Committee and, in its additional annual activity report, to the Board of Directors on matters relating to the Group and Raiffeisen Switzerland. Reports for Raiffeisen banks and Group companies are submitted to the appropriate board of directors. Internal Auditing conducts its auditing activities on the basis of an annual, risk-orientated audit schedule that is approved by the Board of Directors and coordinated with the auditing activities of the auditor for the purposes of the Swiss Code of Obligations and the regulatory auditing firm.

Dr Daniel Dal Santo has been the Head of Internal Auditing since 2015. He attends Audit Committee and Risk Committee meetings (nine Audit Committee meetings and seven Risk Committee meetings in 2023). He also attends Board of Directors meetings on selected agenda items. At the end of 2023, the Internal Auditing department consisted of 76 full-time equivalents. It performs its auditing activities in compliance with the professional rules and standards of the Institute of Internal Auditors Switzerland.

## Auditor for the purposes of the Swiss Code of Obligations and regulatory auditing firm

### Raiffeisen Switzerland and Raiffeisen Group

On 25 June 2020 the General Meeting of Raiffeisen Switzerland elected Ernst & Young AG as auditor for the purposes of the Swiss Code of Obligations of Raiffeisen Switzerland Cooperative and the Raiffeisen Group for a term of three years (financial years 2021 to 2023) and also designated Ernst & Young AG as an electable auditor for the Raiffeisen banks. The rights and obligations are governed by the provisions of the Swiss Code of Obligations and financial markets legislation. Ernst & Young AG is also elected as regulatory auditing firm for this term.

At the General Meeting held on 16 June 2023, the election of Ernst & Young AG as auditor for the purposes of the Swiss Code of Obligations of Raiffeisen Switzerland Cooperative and the Raiffeisen Group was confirmed for a further term of three years (2024–2026) as well as the designation of Ernst & Young AG as an electable auditor for the Raiffeisen banks. Ernst & Young AG was also confirmed as regulatory auditing firm for the same term.

### Raiffeisen banks

The General Meetings of the Raiffeisen banks elect the auditor for the purposes of the Swiss Code of Obligations for a term of three years in each instance. The General Meetings of the Raiffeisen banks elected Ernst & Young AG in 2021 as the auditor for the purposes of the Swiss Code of Obligations and regulatory auditing firm for a term of three years (2021 to 2023). In 2024, the General Meetings of the Raiffeisen banks re-elected Ernst & Young AG for a further term of three years (2024–2026). Ernst & Young AG is supported by the Internal Auditing department of the Raiffeisen Group in conducting regulatory audits of the Raiffeisen banks and audits under the Swiss Code of Obligations.

Prof. Dr Andreas Blumer has been the lead auditor since 2021 and is responsible for auditing the consolidated annual financial statements of the Raiffeisen Group and the annual financial statements of Raiffeisen Switzerland. As lead auditor, he is responsible for the regulatory audit. Philipp de Boer has been coordinating the regulatory audits and the audits under the Swiss Code of Obligations of all Raiffeisen banks since 2021 as the person in charge of the Raiffeisen banks mandate.

## Audit fees

The fee for Ernst & Young AG amounted to the following:

**Audit fees**

| in million CHF | 2022 | 2023 |
|---|---|---|
| Audit fees | 7.2 | 8.1 |
| Additional fees for audit-type services and advisory services | 0.2 | 0.4 |

The audit fees include services in connection with the regular audit of the individual annual financial statements, the Group financial statements and the regulatory audits. The additional fees for audit-type services and advisory services mainly comprise investigations into regulatory issues; compliance with the requirements for independence is monitored by the Audit Committee.

### Information tools available to the regulatory auditing firm

The risk assessment, the audit plan derived from it, and the auditors' reports are examined by the Audit Committee and discussed with the lead auditor. Selected reports are also discussed with the lead auditor at meetings of the Board of Directors. In 2023, the lead auditor attended a total of five Audit Committee meetings and two meetings of the Board of Directors.

### Supervision and control of the external auditor

The auditor, Ernst & Young AG, fulfils the requirements of the Auditor Oversight Act and is licensed by the Federal Audit Oversight Authority to audit banking institutions. Every year the Audit Committee reviews the performance, the fee and the independence of the external auditor. It checks that any advisory appointments are compatible with acting as auditor.

## Closed periods

Before and after the release of the semi-annual and annual figures of the Raiffeisen Group, no transactions in equity-type instruments (such as AT1 bonds or similar) issued by Raiffeisen Switzerland may be executed, nor may orders be amended or cancelled. The following closed periods must be observed:

**Closed periods**

| Validity | Closed period |
|---|---|
| Generally applies to all staff | 10 calendar days before and 2 calendar days after release of the semi-annual and annual figures of the Raiffeisen Group (around the day of the media conference) |
| Applies to all staff materially involved in any way in preparing the semi-annual and annual figures of the Raiffeisen Group and recipients of internal financial reporting (in particular, all staff on the Executive Board and the Board of Directors, Accounting and in Strategy & Financial Controlling). | 30 calendar days before and 2 calendar days after release of the semi-annual and annual figures of the Raiffeisen Group (around the day of the media conference) |

## Information and communication policy

**Information is always provided as needed within the Raiffeisen Group and to the public.**

Active and dialogue-driven communication is an integral part of the Raiffeisen Group's corporate philosophy. Communication with various stakeholders – such as cooperative members, clients, employees and the general public – follows the principles of truthfulness, precision and consistency with the Raiffeisen Group's actions.

Raiffeisen uses various methods of communication, including live streaming, website (raiffeisen.ch), Annual Report as well as press conferences and releases. The aim is to strengthen our ties with stakeholders and broaden the audience for this material. The latest changes, developments and special events are published on schedule in an audience-friendly format in full compliance with ad hoc publicity directives.

All of the Group's financial publications can be viewed at report.raiffeisen.ch/en/download or downloaded from there. Those interested can request a printed Annual Report from Raiffeisen. Other publications, studies and press releases are available on the Raiffeisen website (raiffeisen.ch). Cooperative members also receive information in person from their Raiffeisen bank and directly at the Annual General Meeting, or on the website of their Raiffeisen bank.

# Remuneration report

Raiffeisen's remuneration policy is consistent with its cooperative values and underscores the banking Group's "We" culture. Raiffeisen attaches great importance to equal pay for both female and male employees with the same or similar roles and the same functional level. Each Raiffeisen bank defines its remuneration model independently, based on the recommendations of Raiffeisen Switzerland.

## Raiffeisen Group remuneration report

The Raiffeisen Group (Raiffeisen Switzerland, including the Raiffeisen banks and consolidated companies) paid CHF 1,181,413,454 in total remuneration in the year under review. The share of variable remuneration (excluding employer pension plan and social insurance contributions) totalled CHF 61,907,676.

**Total remuneration 2023**

| in CHF | 2022 | 2023 |
|---|---|---|
| Total Raiffeisen Group remuneration [1] | 1,132,900,833 | 1,181,413,454 |
| of which total Raiffeisen Group variable remuneration pool | 59,818,147 | 61,907,676 |

1 Excluding employer pension plan and social insurance contributions.

## Raiffeisen Switzerland remuneration report

A competitive remuneration model plays a key role for Raiffeisen Switzerland as an employer. The remuneration system is designed to attract skilled employees on the labour market and to retain them over the long term, among other goals.

Raiffeisen Switzerland's remuneration system is based on provisions of laws, rules and regulations, in particular FINMA Circular 2010/1 "Remuneration schemes".

### Remuneration governance

The Nomination and Remuneration Committee (NRC) consists of three to five members of the Board of Directors of Raiffeisen Switzerland. The NRC comprises four members for the 2022 to 2024 term of office and has been chaired by Sandra Lathion since 18 June 2022. The NRC is responsible for implementing the remuneration regulations issued by the Board of Directors of Raiffeisen Switzerland. The NRC also reviews proposals concerning the remuneration of the Executive Board and the Board of Directors of Raiffeisen Switzerland. It submits recommendations to the Board of Directors for approval of the proposed remuneration. In addition, the NRC and the Board of Directors jointly evaluate the performance of the Chairman of Raiffeisen Switzerland's Executive Board. Together with the Chairman of the Executive Board, the NRC reviews the performance assessments of the other members of Raiffeisen Switzerland's Executive Board.

**The Nomination and Remuneration Committee reviews proposals for remuneration of the Executive Board and the Board of Directors.**

Raiffeisen Switzerland's Board of Directors is responsible for the following:

- outlining the remuneration policy in the form of regulations for Raiffeisen Switzerland and recommendations for the Raiffeisen banks;
- approving the annual remuneration report submitted to the Board by the Nomination and Remuneration Committee;
- reviewing its remuneration policy on a regular basis and whenever there are indications that reviews or revisions may be necessary;
- having the structure and implementation of its remuneration policy checked regularly by external auditors and by Internal Auditing if necessary;
- annually determining the total amount of the collective profit-sharing element;
- defining the fixed component of remuneration and the collective profit-sharing element for members of the Executive Board and the Head of Internal Auditing, including occupational pension contributions.

In the 2023 financial year, the NRC held seven meetings with an attendance rate of 100%. It focused on the following areas:

- review of employment conditions at Raiffeisen Switzerland;
- definition of areas for action for ongoing performance dialogue, for strategic employer branding and for talent management, taking into account results from the employee survey;
- analysis of the results from the employee survey;
- conducting a comprehensive external assessment of the performance and efficiency of the Board of Directors;
- quarterly HR reporting with key staffing figures;
- optimising the remuneration report;
- intensive dialogue with internal and external stakeholders.

**Inclusion of additional attendees at meetings**
The Chairperson of the Nomination and Remuneration Committee invites other members of the Board of Directors, members of the Executive Board, other experts, remuneration advisors and external legal advisors to attend if needed. The person whose remuneration is being discussed (for example a member of the Executive Board) is not involved.

**Regular review of operational implementation**
Internal Auditing regularly evaluates the operational implementation of the remuneration regulations at Raiffeisen Switzerland, including an audit of the control system and random audits on a case-by-case basis. The audit results from Internal Auditing demonstrate that the provisions of the remuneration regulations were complied with in all key aspects.

The remuneration approval structure can be summarised as follows:

**Remuneration approval structure** | Raiffeisen Switzerland

| Issue | Nomination and Remunerations Committee | Board of Directors |
|---|---|---|
| Development or amendment of the remuneration policy | Recommendation | Approval |
| Remuneration report | Recommendation | Approval |
| Remuneration for | | |
| Chairman of the Executive Board | Recommendation | Approval |
| Other members of the Executive Board and Head of Internal Auditing | Recommendation | Approval |
| Board of Directors | Recommendation | Approval |
| Total amount of the collective profit-sharing element of Raiffeisen Switzerland | Recommendation | Approval |

At the 2023 General Meeting of Raiffeisen Switzerland, the Board of Directors proposed that the 2022 Remuneration Report be approved in a consultative vote. This proposal was approved by the General Meeting with 95.8% of the votes.

## Remuneration policy

The Raiffeisen Group's remuneration policy is designed to ensure that the interests of its employees are aligned with those of its clients. The Raiffeisen banks and Raiffeisen Switzerland each have their own remuneration model. These models regulate the remuneration paid to members of the Board of Directors and the Executive Board in detail, and lay out basic principles for the total remuneration paid to all employees. The Raiffeisen banks are guided by the recommendations of Raiffeisen Switzerland and local market conditions.

**The remuneration policy aligns the interests of our employees with those of our clients and is based on the principle of "equal pay for equal work".**

Raiffeisen Switzerland's remuneration model is aligned with the business strategy. It gives due consideration to the Group's goals, values, cooperative culture and long-term, sustainable focus. Raiffeisen Switzerland also attaches great importance to a simple and transparent remuneration system.

One of the most important aspects from Raiffeisen Switzerland's viewpoint as an employer remains gender equality, especially when it comes to equal pay. Here, Raiffeisen Switzerland believes in equal pay for equal work. Both the analysis carried out in 2021 and the one in the year under review confirmed that Raiffeisen Switzerland is successful in complying with equal pay for women and men. Raiffeisen was awarded the "Fair ON Pay" certificate for this. The pay equality analysis in 2023 was carried out in collaboration with the external provider Comp-On AG. Apart from this, no other external consultants were called in for remuneration issues or contracted to carry out remuneration projects in the year under review.

The following table contains a summary of the principles of the remuneration policy of Raiffeisen Switzerland.

**Principles of the remuneration policy** | Raiffeisen Switzerland

| | |
|---|---|
| Transparency | The structure of the remuneration system of Raiffeisen Switzerland is simple and transparent; the principle of "equal pay for equal work" applies as an absolute matter of course. |
| Strategic direction | The remuneration system is aligned with the business strategy. It gives due consideration to the goals, values and cooperative culture, as well as the long-term and sustainable alignment of the Group. |
| Consideration of risk | Incentives are designed to encourage appropriate business conduct and avoid potential conflicts of interest and excessive risk behaviour. |
| Performance orientation | The remuneration system provides adequate incentives to drive and differentiate performance. |
| Market positioning | The remuneration system is attractive enough to recruit talented individuals, motivate them and ensure their long-term loyalty to the company. The appropriateness of the remuneration is reviewed based on regular market comparisons. |

## Remuneration system

Raiffeisen Switzerland's remuneration system should be attractive enough to recruit new talent, motivate employees and retain them over the long term. The focus is on team performance. Incentives are designed to encourage appropriate business conduct and avoid potential conflicts of interest and excessive risk appetite. Remuneration caps are defined for all risk carriers and employees of Raiffeisen Switzerland. All remuneration is paid in non-deferred cash.

For all employees (including members of the Executive Board, senior management and employees with controlling roles), remuneration comprises the following elements:

- Fixed remuneration in line with the market
  Every employee has an individual contract establishing the fixed remuneration. This is based on the defined role, as well as the employee's skills and knowledge. It also has to be competitive in the labour market. The entire fixed remuneration is paid in cash.
- Collective profit-sharing element
  The variable remuneration is based on the performance of the Group and is paid out in the form of a collective profit-sharing element. The amount of the collective profit-sharing element is determined annually by the Board of Directors on a discretionary basis, using various metrics and target values. It makes up a small percentage of total remuneration. This low percentage depends on the pay grade and is therefore the same for all employees at the same pay grade (including members of the Executive Board and the head of Internal Auditing), regardless of the area they work in. This is Raiffeisen Switzerland's way of emphasising collaboration and collective team spirit. The collective profit-sharing element can be paid to employees in all positions, including those with controlling roles. Special care is taken to prevent the remuneration system giving employees with controlling roles incentives that could cause conflicts of interest with their duties. The collective profit-sharing element is a voluntary, variable benefit provided by Raiffeisen Switzerland as the employer. It is based on the differentiated understanding of roles at Raiffeisen Switzerland as a service provider to the Raiffeisen banks, the implementer of Group projects, and an attractive, progressive and results-orientated employer. Employees generally have no contractual guarantee to be paid a collective profit-sharing element. Any serious breach of internal or external regulations will result in a total or partial loss of collective profit-sharing element at individual level. The collective profit-sharing element is the only form of variable remuneration at Raiffeisen Switzerland. There are no other individual bonuses or long-term incentive plans.

In addition, fringe benefits are granted within the framework of applicable regulations and directives and in line with the industry standard.

**Remuneration system for employees and members of the Executive Board of Raiffeisen Switzerland**

| | Fixed remuneration | Variable remuneration |
|---|---|---|
| Salary component | – Individual basic pay<br>– Social insurance contributions<br>– Fringe benefits | – Collective profit-sharing element (at role level) |
| Purpose | – Competitive basic pay | – Promoting team spirit<br>– Cooperation across all role levels |
| Influencing factors | – Role and role level<br>– Knowledge, skills<br>– Labour market | – Financial success of the Raiffeisen Group<br>– Success of the Group strategy<br>– Diversity of the organisation<br>– Employee satisfaction<br>– Public perception of Raiffeisen |

## Recognition of special team performance

Raiffeisen Switzerland introduced two recognition programmes on 1 January 2021: Team Players and Team Prize, which have been continued ever since. The Team Players award gives visibility to special achievements of teams, such as organisational units, project teams or working groups, across all hierarchical levels throughout the organisation. Team Players are selected by the employees of Raiffeisen Switzerland. The Team Prize lets managers show recognition of above-average performance all year round, flexibly and unbureaucratically – for example in the form of a joint team event. The focus of both recognition programmes is on team performance. Individual performance has also been recognised with Spot Awards since 2023; like the Team Prize, these can be given out by the manager.

## Determining remuneration for the Board of Directors

The members of Raiffeisen Switzerland's Board of Directors receive remuneration commensurate with their respective responsibilities and time commitment. Additionally, members belonging to a committee, heading a committee or chairing the Board of Directors receive higher pay. The members of the Board of Directors do not receive a collective profit-sharing element. The Board of Directors has no performance indicators that would encourage unnecessary risk-taking.

**The members of Raiffeisen Switzerland's Board of Directors receive remuneration commensurate with their role.**

In line with the remuneration regulations in force, the Chairman of the Board of Directors received fixed remuneration of CHF 700,000 and was not entitled to receive committee fees. The Deputy Chairman received fixed remuneration of CHF 140,000. The full members of the Board of Directors received fixed remuneration of CHF 90,000. The Chairman of the Board of Directors received a lump-sum expense allowance of CHF 12,000 for his representative duties. The other members of the Board of Directors received an annual lump-sum expense allowance of CHF 6,000.

For their membership of the four committees (the Strategy and Innovation Committee, the Audit Committee, the Risk Committee and the Nomination and Remuneration Committee), the other members of the Board of Directors and the Deputy Chairman also received the following remuneration:

- As a member: CHF 30,000
- As Chairperson: CHF 50,000

If a member of the Board of Directors is appointed to a position on an interim basis, they are entitled to the remuneration for that interim position. The remuneration table below shows the total remuneration paid to the individual members of the Board of Directors. The gross remuneration framework of CHF 2.0 million set by the General Meeting in a consultative vote for the financial year 2023 was complied with. Loans granted to members of the Board of Directors are disclosed in the Annual Report in note 17. The Nomination and Remuneration Committee (NRC) is the body responsible for approving loans to members of the Board of Directors. The Board of Directors is also informed about new business and loan increases for members of the NRC.

## Determining remuneration for the Executive Board

The maximum remuneration for the Executive Board as communicated at the Assembly of Delegates held on 15 June 2019 was once again adhered to in the 2023 year under review. The cap on remuneration for the Chair of the Executive Board is CHF 1.5 million, and CHF 1.0 million for each of the other members of the Executive Board. The gross remuneration of the Executive Board consists of a fixed remuneration and collective profit-sharing element. The gross remuneration framework of CHF 9.5 million set by the General Meeting in a consultative vote for the 2023 financial year was complied with.

**The remuneration of the Executive Board consists of fixed remuneration and a collective profit-sharing element.**

### Fixed remuneration

Fixed remuneration for members of the Executive Board is based on the labour market value, the requirements of the assigned department, management responsibilities and seniority. Each member of the Executive Board receives a fixed basic salary that is reviewed each year by the Nomination and Remuneration Committee. The members of the Executive Board receive market-standard pension and fringe benefits.

### Collective profit-sharing element

The process and guidelines for setting variable remuneration in the form of a collective profit-sharing element are identical both for the members of the Executive Board and the Head of Internal Auditing, and for all other eligible employees of Raiffeisen Switzerland.

The amount of the collective profit-sharing element awarded to the members of the Executive Board is determined annually by the Board of Directors on a discretionary basis, using various metrics and target values. At the same time, the provisions of the remuneration regulations for the members of the Executive Board of Raiffeisen Switzerland, including the maximum upper limit, must be complied with.

The remuneration structure is designed to ensure that the collective profit-sharing element paid to employees with controlling roles in no way depends on the risks they monitor.

## Remuneration for the Board of Directors

In the year under review, the remuneration principles in place since 1 January 2019 and presented to the Assembly of Delegates in June 2019 continued to apply. As a result, the members of the Board of Directors of Raiffeisen Switzerland received remuneration (excluding contributions to pension plans and social insurance) totalling CHF 2,000,000 for 2023. This is within the limits of total maximum gross remuneration approved in a consultative vote at the 2022 General Meeting. In addition, the total employer contributions to social insurance and pension plans for the members of the Board of Directors amounted to CHF 450,860 in 2023. Details of the remuneration of the individual Board members and their positions are provided in the table below.

**The members of the Board of Directors do not receive a profit-sharing element.**

**Remuneration system for the Raiffeisen Switzerland Board of Directors**

| | Fixed remuneration | Variable remuneration |
|---|---|---|
| Remuneration components | – Basic remuneration based on role<br>– Compensation for participation in BoD committees<br>– Flat-rate expenses<br><br>Employer contributions:<br>– Social insurance<br>– Employee pension plans (pension fund) | No collective profit-sharing element or other variable remuneration components |

**Remuneration for the Board of Directors** | Raiffeisen Switzerland

in CHF

| Name | Position[1] | Base remuneration | Committee remuneration | Total gross remuneration | Flat-rate expenses | Employer contributions to social insurance[2] | Employer contributions to staff pensions[3] | Total |
|---|---|---|---|---|---|---|---|---|
| Müller, Thomas A. | Chairman of the Board of Directors, Member of the RC | 700,000 | – | 700,000 | 12,000 | 72,488 | 80,832 | 865,320 |
| Gantenbein, Pascal | Vice-Chairman of the Board of Directors, Chairman of the RC, Member of the SIC | 140,000 | 80,000 | 220,000 | 6,000 | 24,265 | 24,824 | 275,089 |
| Golob, Andrej | Member of the Board of Directors, Member of the SIC | 90,000 | 30,000 | 120,000 | 6,000 | 13,807 | 14,176 | 153,983 |
| Lathion, Sandra | Member of the Board of Directors, Chairwoman of the NRC, Member of the AC | 90,000 | 80,000 | 170,000 | 6,000 | 19,241 | 18,840 | 214,081 |
| Rauber, Thomas | Member of the Board of Directors, Member of the AC, Member of the NRC | 90,000 | 60,000 | 150,000 | 6,000 | 17,232 | 17,516 | 190,748 |
| Roussy, Olivier | Member of the Board of Directors, Member of the AC, Member of the SIC | 90,000 | 60,000 | 150,000 | 6,000 | 17,232 | 17,773 | 191,005 |
| Schwab, Beat | Member of the Board of Directors, Chairman of the SIC, Member of the NRC | 90,000 | 80,000 | 170,000 | 6,000 | 19,241 | 19,927 | 215,168 |
| Valenzano Rossi, Karin | Member of the Board of Directors, Member of the RC, Member of the NRC | 90,000 | 60,000 | 150,000 | 6,000 | 17,232 | 16,871 | 190,103 |
| Walker, Rolf | Member of the Board of Directors, Chairman of the AC, Member of the RC | 90,000 | 80,000 | 170,000 | 6,000 | 19,242 | 20,121 | 215,363 |
| **Total 2023** | | **1,470,000** | **530,000** | **2,000,000** | **60,000** | **219,980** | **230,880** | **2,510,860** |
| **Total 2022** | | **1,470,000** | **530,000** | **2,000,000** | **60,000** | **230,251** | **230,457** | **2,520,708** |

1 SIC = Strategy and Innovation Committee, AC = Audit Committee, RC = Risk Committee, NRC = Nomination and Remuneration Committee.
2 Employer contributions to social insurance comprise AHV, IV, EO and ALV contributions, in addition to KTG and UVG contributions. The 2022 contribution was supplemented by the UVG and KTG contributions.
3 Employer contributions to pension fund.

## Remuneration for the Executive Board

Total remuneration paid to members of the Executive Board of Raiffeisen Switzerland for the year under review (excluding contributions to pension plans and social insurance) came to CHF 8,292,506. This is within the limits of total maximum gross remuneration approved in a consultative vote at the 2022 General Meeting. Of this, CHF 1,476,364 (basic salary and collective profit-sharing element) was paid to Heinz Huber, Chairman of the Executive Board of Raiffeisen Switzerland; this was the highest remuneration paid to an individual member of the Executive Board. Employer pension plan and social insurance contributions totalled CHF 3,046,616[1]; of this amount, CHF 371,772 was paid to Heinz Huber. No additional compensation is paid for business-related Board of Director mandates of Executive Board members, as this is covered by the basic remuneration. Information on the remuneration at the Executive Board level is provided in the following table.

1 Projection, since the collective profit-sharing element will be paid in April 2024.



**Remuneration for the Executive Board** | Raiffeisen Switzerland

in CHF

| Person/entity | Base remuneration | Collective profit-sharing element | Total gross remuneration | Flat-rate expenses | Employer contributions to social insurance[1] | Employer contributions to staff pensions[2] | Total |
|---|---|---|---|---|---|---|---|
| **Executive Board (total)** | | | | | | | |
| 2023[3] | 7,403,411 | 889,095 | 8,292,506 | 164,028 | 841,849 | 2,204,767 | 11,503,150 |
| 2022 | 7,580,399 | 883,895 | 8,464,294 | 166,477 | 938,979 | 1,992,106 | 11,561,856 |
| Huber, Heinz (Chairman of the Executive Board) | | | | | | | |
| 2023 | 1,318,182 | 158,182 | 1,476,364 | 24,000 | 150,485 | 221,287 | 1,872,136 |
| 2022 | 1,318,182 | 158,182 | 1,476,364 | 24,000 | 162,146 | 297,818 | 1,960,328 |
| Former members of the Executive Board | | | | | | | |
| 2023 | – | – | – | – | – | – | – |
| 2022 | 410,523 | – | 410,523 | – | 52,078 | 134,411 | 597,012 |

1 Employer contributions to social insurance comprise AHV, IV, EO and ALV contributions, in addition to KTG and UVG contributions.
2 Employer contributions to pension fund.
3 The remuneration for the Head of Internal Auditing will no longer be reported as part of the remuneration of the Executive Board from the 2023 financial year.

## Annual total compensation ratio – disclosure in accordance with GRI standard 2021 [GRI 2-21]

The highest-paid individual at Raiffeisen Switzerland received annual total compensation of CHF 1,476,364 in the 2023 financial year. This total represents a ratio of 1:11 to the median annual total compensation of the employees[2] of Raiffeisen Switzerland.

The annual total compensation of the highest-paid individual at Raiffeisen Switzerland has not changed compared to the previous year (+/–0%). Over the same period, the median annual total compensation of the employees[2] of Raiffeisen Switzerland rose by 0.9%.

## Other compensation paid in the year under review

Raiffeisen Switzerland defines "other compensation" as financial benefits in connection with the conclusion of an employment contract with Raiffeisen Switzerland. This includes joining payments and compensation for waiving entitlements, or for financial disadvantages resulting from a change of job. Such payments are only agreed to by Raiffeisen Switzerland in justified exceptional cases. At Raiffeisen Switzerland, joining payments as well as payments related to the waiver of entitlements or to compensate for disadvantages that arise must be approved in compliance with a clear and transparent decision-making process.

Joining payments were not paid in the year under review. Raiffeisen Switzerland does not provide any severance payments, as Raiffeisen Switzerland considers severance payments to be payments not owed upon termination of an employment relationship.

2 All employees of Raiffeisen Switzerland in fixed-term and permanent employment, as well as members of the Executive Board of Raiffeisen Switzerland (excluding the highest-paid individual).

### Total remuneration for Raiffeisen Switzerland

In the year under review, Raiffeisen Switzerland paid out remuneration (excluding employer pension plan and social insurance contributions) totalling CHF 323,198,846. Accrued remuneration expenses (both fixed and variable) for the year under review have been recorded in full as personnel expenses. There are no remuneration expenses from earlier reporting years affecting profit and loss. The Board of Directors approved and deferred a total amount for the collective profit-sharing element (excluding employer pension plan and social insurance contributions) of CHF 13,261,715 for Raiffeisen Switzerland in the year under review. Of this, CHF 889,095 relates to the Executive Board.

The definitive calculation of the collective profit-sharing element was made on 31 December 2023 and was submitted to the Board of Directors of Raiffeisen Switzerland for a decision in February 2024. The payment date for the collective profit-sharing element is April 2024.

**The collective profit-sharing element for the year under review is paid out in April of the following year.**

The total amount of the collective profit-sharing element benefited the same group of people as in the years before. The final number of beneficiaries will not be available until the end of April 2024. In the previous year, Raiffeisen Switzerland paid a collective profit-sharing element to 2,197 people.

**Remuneration** | Raiffeisen Switzerland

| in CHF | Total remuneration [1] | Remuneration fixed | Remuneration variable |
|---|---|---|---|
| **Total remuneration Raiffeisen Switzerland** | | | |
| 2023 | 323,198,846 | 309,937,131 | 13,261,715 |
| 2022 | 327,800,124 | 315,209,071 | 12,591,053 |

1 Excluding employer contributions to pension funds and social insurance.

## Remuneration and remuneration recommendations for the Raiffeisen banks

The Board of Directors of Raiffeisen Switzerland recommends that the Raiffeisen banks align their respective local remuneration systems to the recommendations made by Raiffeisen Switzerland.

Raiffeisen Switzerland advises the Raiffeisen banks and supports them in structuring and implementing their local remuneration systems while preserving their own responsibility. The most important features of these recommendations are as follows:

**Raiffeisen Switzerland advises the Raiffeisen banks on structuring their local remuneration systems.**

- The remuneration system does not provide incentives to take unreasonable risks. The structure and amount of total remuneration are in line with the risk policy of the Raiffeisen bank and the Raiffeisen Group.
- The remuneration system is simple, transparent and implementable, and designed to be sustainable. The remuneration policy strives for consistency, avoids strong fluctuations and does not give rise to conflicts of interest.
- Remuneration for employees of Raiffeisen banks may involve a fixed and a variable element.
- Members of the Board of Directors do not receive any variable remuneration.
- Fixed remuneration is paid based on the role and the employee's skills and knowledge.
- The Board of Directors decides on the total sum of the variable remuneration, as well as on the individual allocation of the variable remuneration to the members and Chairman of the Executive Board.

# Annual financial statements



**The 2023 financial year has been successful for the Raiffeisen Group. It expanded its market position in its core business, granting mortgage loans. Customer deposits, securities account volumes and income from the client business increased in the year under review.**

**Income from the neutral business once again exceeded the previous year's outstanding result. Income from commission business and services transactions increased by CHF 33.0 million to CHF 624.4 million. Net trading income increased slightly to CHF 255.6 million (+0.5%).**

**The Raiffeisen Group generated an outstanding result, with Group profit of CHF 1.39 billion (+17.7%). More than 92% of this profit was allocated directly to reserves to further strengthen the capital base of the Raiffeisen Group. As of the end of 2023, Raiffeisen has clearly met the regulatory requirements which will apply from 2026.**

# Consolidated balance sheet

**Consolidated balance sheet**

| in 1,000 CHF | Note | 31.12.2022 | 31.12.2023 | Change in 1,000 CHF | Change in % |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Liquid assets | 11, 18 | 35,441,687 | 45,050,441 | 9,608,754 | 27.1 |
| Amounts due from banks | 11, 18 | 2,196,525 | 6,105,279 | 3,908,754 | 178.0 |
| Amounts due from securities financing transactions | 1, 18 | – | 354,580 | 354,580 | – |
| Amounts due from customers | 2, 18 | 10,909,398 | 11,589,649 | 680,251 | 6.2 |
| Mortgage loans | 2, 11, 18 | 203,655,910 | 211,000,549 | 7,344,639 | 3.6 |
| Trading portfolio assets | 3, 18 | 2,889,309 | 3,692,027 | 802,718 | 27.8 |
| Positive replacement values of derivative financial instruments | 4, 18 | 4,852,463 | 3,656,296 | –1,196,167 | –24.7 |
| Financial investments | 5, 11, 18 | 15,150,957 | 10,851,887 | –4,299,070 | –28.4 |
| Accrued income and prepaid expenses | | 333,838 | 455,327 | 121,489 | 36.4 |
| Non-consolidated participations | 6, 7 | 808,198 | 765,587 | –42,611 | –5.3 |
| Tangible fixed assets | 8, 11 | 2,988,773 | 2,985,131 | –3,642 | –0.1 |
| Intangible assets | 9 | 6,531 | 5,024 | –1,507 | –23.1 |
| Other assets | 10 | 1,401,034 | 623,170 | –777,864 | –55.5 |
| **Total assets** | | **280,634,623** | **297,134,947** | **16,500,324** | **5.9** |
| Total subordinated claims | | 80 | 60 | –20 | –25.0 |
| of which subject to mandatory conversion and/or debt waiver | | – | – | – | – |
| **Liabilities** | | | | | |
| Amounts due to banks | 18 | 13,990,326 | 16,617,987 | 2,627,661 | 18.8 |
| Liabilities from securities financing transactions | 1, 18 | 35,007 | 8,929,901 | 8,894,894 | 25,408.9 |
| Amounts due in respect of customer deposits | 12, 18 | 204,784,635 | 207,843,460 | 3,058,825 | 1.5 |
| Trading portfolio liabilities | 3, 18 | 289,112 | 261,191 | –27,921 | –9.7 |
| Negative replacement values of derivative financial instruments | 12, 4, 18 | 3,761,882 | 3,401,206 | –360,676 | –9.6 |
| Liabilities from other financial instruments at fair value | 3, 13, 18 | 1,740,581 | 1,651,109 | –89,472 | –5.1 |
| Cash bonds | 18 | 209,795 | 183,154 | –26,641 | –12.7 |
| Bond issues and central mortgage institution loans | 13, 14, 18 | 32,002,456 | 33,114,762 | 1,112,306 | 3.5 |
| Accrued expenses and deferred income | 12 | 916,710 | 1,065,664 | 148,954 | 16.2 |
| Other liabilities | 10 | 1,330,579 | 764,731 | –565,848 | –42.5 |
| Provisions | 15 | 947,142 | 967,652 | 20,510 | 2.2 |
| Reserves for general banking risks | 15 | 200,000 | 250,000 | 50,000 | 25.0 |
| Cooperative capital | 16 | 3,069,889 | 3,413,985 | 344,096 | 11.2 |
| Retained earnings reserve | | 16,221,420 | 17,323,557 | 1,102,137 | 6.8 |
| Group profit | | 1,181,898 | 1,390,657 | 208,759 | 17.7 |
| **Total equity (without minority interests)** | | **20,673,207** | **22,378,199** | **1,704,992** | **8.2** |
| Minority interests in equity | | –46,809 | –44,069 | 2,740 | –5.9 |
| of which minority interests in Group profit | | –118 | 2,740 | 2,858 | 2,422.0 |
| **Total equity (with minority interests)** | | **20,626,398** | **22,334,130** | **1,707,732** | **8.3** |
| **Total liabilities** | | **280,634,623** | **297,134,947** | **16,500,324** | **5.9** |
| Total subordinated liabilities | | 2,605,250 | 2,871,480 | 266,230 | 10.2 |
| of which subject to mandatory conversion and/or debt waiver | | 2,605,250 | 2,871,480 | 266,230 | 10.2 |
| **Off-balance-sheet transactions** | | | | | |
| Contingent liabilities | 2, 20 | 668,421 | 721,694 | 53,273 | 8.0 |
| Irrevocable commitments | 2 | 13,436,347 | 13,258,178 | –178,169 | –1.3 |
| Obligations to pay up shares and make further contributions | 2 | 133,966 | 133,966 | – | – |



# Consolidated income statement

**Consolidated income statement**

| in 1,000 CHF | Note | 2022 | 2023 | Change in 1,000 CHF | Change in % |
|---|---|---|---|---|---|
| Interest and discount income | 25 | 3,017,173 | 4,999,734 | 1,982,561 | 65.7 |
| Interest and dividend income from financial investments | | 39,873 | 71,590 | 31,717 | 79.5 |
| Interest expense | 25 | –487,668 | –1,972,068 | –1,484,400 | 304.4 |
| **Gross result from interest operations** | | **2,569,378** | **3,099,256** | **529,878** | **20.6** |
| Changes in value adjustments for default risks and losses from interest operations | 15 | –19,565 | –26,701 | –7,136 | 36.5 |
| **Net result from interest operations** | | **2,549,813** | **3,072,555** | **522,742** | **20.5** |
| Commission income from securities trading and investment activities | | 394,947 | 404,655 | 9,708 | 2.5 |
| Commission income from lending activities | | 30,617 | 28,029 | –2,588 | –8.5 |
| Commission income from other services | | 320,531 | 395,828 | 75,297 | 23.5 |
| Commission expense | | –154,743 | –204,153 | –49,410 | 31.9 |
| **Result from commission business and services** | **22** | **591,352** | **624,359** | **33,007** | **5.6** |
| **Result from trading activities and the fair value option** | **23** | **254,314** | **255,590** | **1,276** | **0.5** |
| Result from disposal of financial investments | | 685 | 10,028 | 9,343 | 1,363.9 |
| Income from participations | 24 | 92,980 | 52,023 | –40,957 | –44.0 |
| Result from real estate | | 23,121 | 25,345 | 2,224 | 9.6 |
| Other ordinary income | | 26,629 | 32,271 | 5,642 | 21.2 |
| Other ordinary expenses | | –9,835 | –2,940 | 6,895 | –70.1 |
| **Other result from ordinary activities** | | **133,580** | **116,727** | **–16,853** | **–12.6** |
| **Operating income** | | **3,529,059** | **4,069,231** | **540,172** | **15.3** |
| Personnel expenses | 26 | –1,429,006 | –1,525,728 | –96,722 | 6.8 |
| General and administrative expenses | 27 | –543,027 | –586,990 | –43,963 | 8.1 |
| **Operating expenses** | | **–1,972,033** | **–2,112,718** | **–140,685** | **7.1** |
| Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets | 6, 8, 9 | –188,822 | –246,724 | –57,902 | 30.7 |
| Changes to provisions and other value adjustments, and losses | 15 | –14,076 | –1,136 | 12,940 | –91.9 |
| **Operating result** | | **1,354,128** | **1,708,653** | **354,525** | **26.2** |
| Extraordinary income | 28 | 33,592 | 5,451 | –28,141 | –83.8 |
| Extraordinary expenses | 28 | –9,782 | –2,242 | 7,540 | –77.1 |
| Changes in reserves for general banking risks | 15 | – | –50,000 | –50,000 | – |
| Taxes | 29 | –196,158 | –268,465 | –72,307 | 36.9 |
| **Group profit (including minority interests)** | | **1,181,780** | **1,393,397** | **211,617** | **17.9** |
| Minority interests in group profit | | –118 | 2,740 | 2,858 | 2,422.0 |
| **Group profit** | | **1,181,898** | **1,390,657** | **208,759** | **17.7** |

# Consolidated cash flow statement

**Consolidated cash flow statement**

| in 1,000 CHF | 2022 Cash inflow | 2022 Cash outflow | 2023 Cash inflow | 2023 Cash outflow |
|---|---|---|---|---|
| **Cash flow from operating results (internal financing)** | | | | |
| Group profit | 1,181,898 | – | 1,390,657 | – |
| Change in reserves for general banking risks | – | – | 50,000 | – |
| Value adjustments on participations | 2,093 | – | 54,067 | – |
| Depreciation and amortisation of tangible fixed assets and intangible assets | 186,730 | – | 192,657 | – |
| Provisions and other value adjustments | 49,790 | 35,712 | 59,273 | 38,763 |
| Change in value adjustments for default risks and losses | 88,867 | 82,694 | 86,425 | 63,319 |
| Appreciation on participations | – | 58,593 | – | 9,981 |
| Accrued income and prepaid expenses | – | 52,788 | – | 121,489 |
| Accrued expenses and deferred income | 85,024 | – | 148,954 | – |
| Other assets | – | 238,311 | 777,864 | – |
| Other liabilities | 1,178,754 | – | – | 565,848 |
| Interest paid on share certificates for previous year | – | 67,113 | – | 79,761 |
| **Balance** | **2,237,945** | **–** | **1,880,736** | **–** |
| **Cash flow from shareholder's equity transactions** | | | | |
| Change in cooperative capital | 474,601 | 96,816 | 446,884 | 102,788 |
| Recognised in retained earnings reserve | 1,175 | – | – | – |
| Currency translation differences | – | 11 | – | – |
| Minority interests in equity | – | 265 | 2,740 | – |
| **Balance** | **378,684** | **–** | **346,836** | **–** |
| **Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets** | | | | |
| Participations | 2,687 | 29,295 | 40 | 1,515 |
| Real estate | 65,608 | 195,374 | 21,004 | 137,122 |
| Software/other tangible fixed assets/objects in finance leasing | 883 | 87,033 | 614 | 72,004 |
| Intangible assets | – | 7,536 | – | – |
| Changes to the consolidated Group | 8,161 | 977 | – | – |
| **Balance** | **–** | **242,876** | **–** | **188,983** |
| **Cash flow from banking operations** | | | | |
| **Medium and long-term business (> 1 year)** | | | | |
| Amounts due to banks | – | 68,925 | – | 30,000 |
| Amounts due in respect of customer deposits | 179,120 | – | 2,253,290 | – |
| Cash bonds | – | 37,480 | – | 15,580 |
| Bonds | – | 219,837 | 314,555 | – |
| Central mortgage institution loans | 1,316,799 | – | 1,116,400 | – |
| Amounts due from customers | – | 291,523 | – | 90,701 |
| Mortgage loans | – | 8,839,402 | – | 5,264,946 |
| Financial investments | – | 802,102 | – | 832,009 |

**Continued**

| in 1,000 CHF | 2022 Cash inflow | 2022 Cash outflow | 2023 Cash inflow | 2023 Cash outflow |
|---|---|---|---|---|
| **Short-term business (<= 1 year)** | | | | |
| Amounts due to banks | – | 1,852,981 | 2,657,661 | – |
| Liabilities from securities financing transactions | – | 7,415,830 | 8,894,894 | – |
| Amounts due in respect of customer deposits | 2,876,518 | – | 805,535 | – |
| Trading portfolio liabilities | 133,069 | – | – | 27,921 |
| Negative replacement values of derivative financial instruments | 2,145,578 | – | – | 360,676 |
| Liabilities from other financial instruments at fair value | – | 488,687 | – | 89,472 |
| Cash bonds | – | 36,900 | – | 11,061 |
| Bonds | – | 3,118,421 | – | 349,250 |
| Central mortgage institution loans | – | 37,900 | 30,600 | – |
| Amounts due from banks | 1,048,800 | – | – | 3,909,186 |
| Amounts due from securities financing transactions | – | – | – | 354,580 |
| Amounts due from customers | – | 614,826 | – | 623,983 |
| Mortgage loans | 1,529,921 | – | – | 2,067,976 |
| Trading portfolio assets | – | 315,731 | – | 802,718 |
| Positive replacement values of derivative financial instruments | – | 3,496,045 | 1,196,167 | – |
| Financial investments | – | 5,800,262 | 5,131,122 | – |
| **Liquidity** | | | | |
| Liquid assets | 21,833,294 | – | – | 9,608,754 |
| **Balance** | **–** | **2,373,753** | **–** | **2,038,589** |
| **Total origin of funds** | **2,616,629** | **–** | **2,227,572** | **–** |
| **Total use of funds** | **–** | **2,616,629** | **–** | **2,227,572** |

# Consolidated statement of changes in equity

**Statement of changes in equity**

| in 1,000 CHF | Cooperative capital | Retained earnings reserve | Reserves for general banking risks | Currency translation differences | Minority interests | Profit | Total |
|---|---|---|---|---|---|---|---|
| **Equity capital at 01.01.2023** | **3,069,889** | **16,221,420** | **200,000** | **–** | **–46,809** | **1,181,898** | **20,626,398** |
| Capital increase | 446,884 | – | – | – | – | – | 446,884 |
| Capital decrease | –102,788 | – | – | – | – | – | –102,788 |
| Changes in minority interests | – | – | – | – | – | – | – |
| Changes to the consolidated Group | – | – | – | – | – | – | – |
| Currency translation differences | – | – | – | – | – | – | – |
| Interest on the cooperative capital | – | – | – | – | – | –79,761 | –79,761 |
| Creation of reserves for general banking risks | – | – | 50,000 | – | – | – | 50,000 |
| Allocation to voluntary retained earnings reserves | – | 1,102,137 | – | – | – | –1,102,137 | – |
| Profit | – | – | – | – | 2,740 | 1,390,657 | 1,393,397 |
| **Equity capital at 31.12.2023** | **3,413,985** | **17,323,557** | **250,000** | **–** | **–44,069** | **1,390,657** | **22,334,130** |



# Notes to the Consolidated Annual Financial Statements

## Company name, legal form, registered office

The Raiffeisen Group is a banking group without legal personality. It comprises 219 independent Raiffeisen banks in the legal form of a cooperative, Raiffeisen Switzerland Cooperative domiciled in St. Gallen (Raiffeisen Switzerland) and the associated Group companies. The Raiffeisen banks are cooperative members of Raiffeisen Switzerland and thus members of the cooperative association.

## Risk management

The Raiffeisen banks and Raiffeisen Switzerland form a strong risk-sharing group based on the principle of solidarity through their solidarity-based and joint liability scheme.

### Risk policy

Risk management systems are based on regulatory provisions, regulations governing risk policy for the Raiffeisen Group ("risk policy" for short) and the framework and framework concepts for institution-wide risk management. The risk policy, the framework and the framework concepts are reviewed and updated annually. The Raiffeisen Group views risk management as one of its core competencies. It only takes risks that fall within its risk tolerance limits and only if they can be entered into after careful consideration and systematically managed, they offer suitable return potential and the risks can be effectively controlled at all levels. The objectives of the risk policy are to limit the negative impact of risks on earnings and protect the Raiffeisen Group against high, exceptional losses, as well as to preserve and enhance its reputation.

### Risk control

The Raiffeisen Group's risk management is based on the three-lines-of-defence principle: risks are managed by the line units responsible (first line). Raiffeisen Switzerland's Risk & Compliance department ensures that the risk policy and regulatory provisions are complied with and enforced (second line). In addition, the risk control officers at each of the Raiffeisen banks are responsible for bank-internal risk control. They monitor implementation of the risk policy and actively manage risks within the scope of the risk tolerance defined by the Board of Directors of the Raiffeisen bank (second line). Internal Auditing ensures the independent review of the risk management framework (third line).

The Raiffeisen Group limits and monitors the main risk categories via risk guidelines. Appropriate limits are used for quantifiable risks. Risks that are difficult to quantify are limited by qualitative stipulations.

The Risk & Compliance department of Raiffeisen Switzerland is responsible for the independent monitoring of risk in the Raiffeisen Group. This primarily involves monitoring compliance with the limits and warning thresholds stipulated by the Board of Directors and the Executive Board. The Risk & Compliance department of Raiffeisen Switzerland also assesses the risk situation on a regular basis as part of the reporting process.

Monitoring of the subsidiaries is tailored to the relevant risk profiles. These are periodically reviewed. Raiffeisen Switzerland monitors the minimum risk management requirements. There is a periodic exchange with the risk control owners.

Raiffeisen Switzerland conducts various regular stress tests to analyse the impact of adverse scenarios on the resilience of the Raiffeisen Group. This involves examining the influence on important target values, such as the result, capital requirements and liquidity. The stress test analyses are carried out at the overall Bank level or at the level of certain sub-portfolios or risk categories. Moreover, as a systemically important banking group, Raiffeisen Switzerland carries out reverse stress tests for the Raiffeisen Group as part of its stabilisation and emergency planning.

Conducting stress tests is an integral part of risk monitoring within the Raiffeisen Group. The Board of Directors of Raiffeisen Switzerland determines the risk appetite on the basis of the stress test at Group level.

## Risk management process

The risk management process applies to all risk categories and includes the following elements:

- risk identification;
- risk measurement and assessment;
- risk management;
- risk monitoring and reporting.

The Raiffeisen Group's risk management systems aim to:

- ensure that effective controls are in place at all levels and to ensure that any entering into risks is in line with risk tolerance;
- create the conditions for entering into and systematically managing risks in a deliberate, targeted and controlled manner;
- make the best possible use of risk tolerance, i.e. ensure that risks are only entered into if they offer suitable return potential.

## Credit risks

The Raiffeisen banks and Raiffeisen Switzerland manage their credit risks autonomously, although still in accordance with Group-wide standards.

Credit risks are defined in the risk policy as the risk of losses that arise if clients or other counterparties fail to make contractually agreed payments to the extent expected. Credit risks are inherent in loans, irrevocable credit commitments, contingent liabilities and trading products such as OTC derivative contracts. Risks also arise from taking on long-term equity exposures.

The Raiffeisen Group identifies, assesses, manages and monitors the following risks in its lending activities:

- creditworthiness risks;
- collateral risks;
- concentration risks;
- country risks

Creditworthiness risks refer to the risk of default or a deterioration in credit quality of a borrower, counterparty or issuer. Default occurs when receivables are overdue or at risk.

Collateral risks refer to impairments in the value of collateral.

Concentration risks in credit portfolios arise from the unfavourable distribution of credit receivables originating from individual borrowers, sectors, regions, rating classes and collateral.

Country risks refer to the risk of losses resulting from country-specific events.

Retail banking in Switzerland is the Raiffeisen Group's core business. The main component of this is financing for loans secured by mortgages.

For the individual Raiffeisen banks, the main risks are credit, collateral and concentration risks. The majority of these risks result from loans granted to private and corporate clients and public-sector entities. Corporate clients are mainly small and medium-sized companies that operate within the business areas of Raiffeisen banks. Credit risks are limited primarily by securing the underlying claims. This notwithstanding, creditworthiness and solvency are key prerequisites for granting loans. Raiffeisen banks are limited in the acceptance of credit risks arising from uncovered credit transactions for corporate clients; uncovered loans to corporate clients exceeding a defined amount must be approved and hedged by Raiffeisen Switzerland. The maximum unsecured loan amount is limited and depends on the level of the bank's capital. Uncovered loans to private clients are generally not possible, or only in exceptional cases with the prior approval of Raiffeisen Switzerland.

Larger loans to corporate clients and public-sector entities are primarily granted and managed by Raiffeisen Switzerland's Corporate Clients, Treasury & Markets department. Concentration risks as part of the credit process are reviewed and acknowledged.

The Group-wide responsibilities of the Corporate Clients, Treasury & Markets department of Raiffeisen Switzerland involve managing both domestic and international counterparty risks. These risks occur in transactions involving investments in money and capital markets, hedging currency and interest rate risks and proprietary trading. In principle, international transactions may only be conducted when country-specific limits have been approved and established.

Pursuant to the Articles of Association, Raiffeisen Switzerland's commitments abroad may not exceed 5% of the Raiffeisen Group balance sheet total on a risk-weighted basis.

Internal and external ratings are used as a basis for approving and monitoring business with other commercial banks. Off-balance-sheet transactions and derivative financial instruments are converted to their respective credit equivalent. The standard SA-CCR approach is applied when calculating the credit equivalents of derivative financial instruments. Raiffeisen Switzerland, including Raiffeisen Switzerland B.V. Amsterdam, has entered into framework agreements for OTC derivative transactions (the Swiss or ISDA master agreement) with the counterparties of Raiffeisen Switzerland's Corporate Clients' Treasury & Markets department with whom OTC derivative transactions are executed and, depending on the counterparty, a credit support annex for variation margin. Collateral is exchanged by transferring the margin requirement, which is calculated daily. These OTC exposures are monitored taking into account the collateral exchanged.

Raiffeisen Switzerland has invested in other companies as part of strategic cooperation partnerships. Details are provided in the information on the balance sheet contained in note 7.

Creditworthiness and solvency are assessed on the basis of binding Group-wide standards. Sufficient creditworthiness and the ability to maintain payments must be proved before any loan is approved. Loans to private and corporate clients, as well as investment property financing, are classified according to rating models and subject to risk monitoring based on the resulting classification. Clients' creditworthiness is split into 11 risk categories and 2 default categories.

This system has proved its worth as a means of dealing with the main elements of credit risk management, i.e. risk-adjusted pricing, portfolio management, identification and recognition of individual value adjustments. Specialist teams are available at Raiffeisen Switzerland for complex financing arrangements and the management of recovery positions.

Comprehensive internal sets of rules exist for valuing collateral for loans, especially for determining the loan-to-value ratios; they prescribe the corresponding methods, procedure and competencies. The sets of rules are constantly reviewed and adjusted to regulatory requirements and market changes. The Bank employs recognised estimation methods, tailored to the type of real estate, to value property loans secured by security interests in land. Hedonic models, the gross rental method and expert estimates are used, among other things. Both the models used and the individual valuations are reviewed regularly. The maximum lending amount for any property loan secured by security interests in land varies depending on the realisability of the collateral and is affected by the type and form of use.

Raiffeisen analyses loan positions for default risk at regular intervals and/or in response to certain events and recognises value adjustments and/or loan loss provisions as needed. The Bank considers loans to be impaired when it becomes unlikely that debtors will be able to meet their future obligations or the loan is no longer covered by the intrinsic value of any collateral, but at the very latest when the contractual principal, interest or commission payments are more than 90 days overdue. Provisions are recognised for the full amount of the interest and commission payments.

Raiffeisen Switzerland monitors, controls and manages risk concentrations within the Group, in particular for individual counterparties and for groups of affiliated counterparties, as well as for sectors and collateral. The process of identifying and consolidating affiliated counterparties is largely automated across the entire Raiffeisen Group. Raiffeisen Switzerland monitors the credit portfolio on a Group-wide basis and evaluates the portfolio structure. A periodic credit portfolio report provides the decision-makers responsible with information on the economic environment, the structure of the credit portfolio, the risk situation and developments in the period under review.

Monitoring the portfolio structure involves analysing the distribution of the portfolio according to a range of structural characteristics, including, without limitation, category of borrower, type of loan, size of loan, rating, sector, collateral, geographical features and value adjustments. The Executive Board and the Board of Directors of Raiffeisen Switzerland receive a quarterly risk report detailing the risk situation, risk exposure, limit utilisation and changes in exception-to-policy loans. In addition to standard credit portfolio reporting, Raiffeisen Switzerland's Risk & Compliance department also conducts ad hoc risk analyses where required. Monitoring and reporting form the basis for portfolio controlling measures, with the main focus being on controlling new business via lending policy.

Cluster risks are monitored centrally by the Risk & Compliance department of Raiffeisen Switzerland. As at 31 December 2023, the Raiffeisen Group had two cluster risks.

As at 31 December 2023, the total of the regulatory reporting of Raiffeisen Switzerland's 20 biggest overall exposures, after risk mitigation and risk weighting, amounted to CHF 1.0 billion, taking into account the prescribed threshold (2% of the capital valuation basis).

## Market risks

**Banking book**
Risk associated with fluctuating interest rates: since interest rates for assets and liabilities are locked in for different periods, fluctuations in market interest rates can have a considerable impact on the interest income and annual results of Raiffeisen Group. Value at risk is calculated along with interest rate sensitivity in various interest rate shock scenarios in order to assess the assumed interest rate risk to the net present value of the equity capital. The impact on profitability is assessed using dynamic income simulations. To measure mark-to-market risk, a gap analysis is performed using all on-balance-sheet and off-balance-sheet items along with their maturities. Loans and deposits with non-fixed maturities and capital commitment periods are modelled on the basis of historical data and forward-looking scenarios. These models are backtested at least once a year and undergo regular independent validation. No specific assumptions are made for early loan repayments because early repayment penalties are normally levied.

Risks associated with fluctuating interest rates are managed on a decentralised basis in the business units responsible, with the persons responsible in each case being required to strictly adhere to the limits set by the Board of Directors and the Executive Board. Interest rate risks are hedged using established instruments. Raiffeisen Switzerland's Corporate Clients, Treasury & Markets department is the binding counterparty for wholesale funding and hedging transactions for the entire Group. The Risk & Compliance department of Raiffeisen Switzerland monitors compliance with interest risk limits and prepares the associated quarterly reports, while also assessing the Raiffeisen Group's risk situation. Monitoring and reporting is conducted more frequently for individual units.

Other market risks: since assets in a foreign currency are generally refinanced in the same currency, foreign currency risks can largely be avoided by the Raiffeisen banks.

The financial investment portfolio is managed by the Corporate Clients, Treasury & Markets department of Raiffeisen Switzerland. Financial investments are part of the liquidity reserve of the Raiffeisen Group and contain largely high-grade fixed-income securities that meet statutory liquidity requirements for high-quality liquid assets (HQLA). The Risk & Compliance department of Raiffeisen Switzerland monitors the market risk of financial investments.

**Trading book**
The Corporate Clients, Treasury & Markets department of Raiffeisen Switzerland is responsible for managing Raiffeisen Switzerland's trading book. The Raiffeisen banks do not keep any trading books. Trading activities comprise interest rates, foreign currencies, equities, banknotes/precious metals, and structured products based on equity derivatives. The structured products issuing business of Raiffeisen Switzerland B.V. Amsterdam is also allocated to the trading book. There must be strict adherence to the value-at-risk, scenario, position and loss limits set by the Board of Directors and the Executive Board, which the Risk & Compliance department of Raiffeisen Switzerland monitors on a daily basis. In addition, the Risk & Compliance department conducts daily plausibility checks of the valuation parameters used to produce profit and loss figures for trading.

Reporting on compliance with value-at-risk, scenario, position and loss limits and the assessment of the risk situation by the Risk & Compliance department of Raiffeisen Switzerland is conducted at a frequency ranging from daily to quarterly and sent to the members of the Executive Board responsible, the Executive Board and the Board of Directors of Raiffeisen Switzerland.

The Risk & Compliance department of Raiffeisen Switzerland communicates breaches of market risk limits set by the Board of Directors and the Executive Board on an ad hoc basis within the scope of the respective risk reports.

## Liquidity risks

Liquidity risks are managed centrally for Raiffeisen Group by the Corporate Clients, Treasury & Markets department of Raiffeisen Switzerland in accordance with applicable laws, regulations and commercial criteria and are monitored by the Risk & Compliance department of Raiffeisen Switzerland. Risk management involves, in particular, simulating liquidity inflows and outflows over different time horizons using Group-wide scenarios. These scenarios cover the impact of liquidity shocks that are specific to Raiffeisen or affect the market as a whole.

Monitoring is based on statutory minimum requirements and the limits and internal stress scenarios stipulated by the Board of Directors.

## Operational risks

At Raiffeisen, operational risks refer to the danger of losses arising as a result of the unsuitability or failure of internal procedures, people or systems, or as a result of external events. They also include risks relating to cyber attacks and information security, as well as risks in investment business in general. Potential financial losses resulting from the legal or compliance risks are also taken into account, as well as the impact on reputation.

Operational risk tolerance is defined at Group level using value-at-risk limits or stop-loss limits and frequencies of occurrence. Risk tolerance is approved annually by the Board of Directors of Raiffeisen Switzerland. Raiffeisen Switzerland's Risk & Compliance department monitors compliance with risk tolerance. If one of the defined limits or a threshold is exceeded, suitable action is defined and taken.

Each role within the Raiffeisen Group includes identifying, assessing, managing and monitoring operational risks arising from its own activities. The Risk & Compliance department of Raiffeisen Switzerland is responsible for maintaining the Group-wide inventory of operational risks and for analysing and evaluating operational risk data. Risk identification and assessment are supported by capturing and analysing operational events. Risk & Compliance is also in charge of the concepts, methods and instruments used to manage operational risks, and it monitors the risk situation. In specific risk assessments, operational risks are identified, categorised by cause and impact, and evaluated according to the frequency of occurrence and the extent of losses. The risk register is updated dynamically. Risk reduction measures are defined and their implementation is monitored by the line units. Emergency and disaster planning measures are in place for mission-critical processes.

The results of the risk assessments, key risk indicators, significant internal operational risk events and relevant external events are reported quarterly to Raiffeisen Switzerland's Executive Board and Board of Directors. Value-at-risk limit violations are escalated to the Board of Directors of Raiffeisen Switzerland.

In addition to the standard risk management process, Raiffeisen Switzerland's Risk & Compliance department conducts ad hoc risk analyses where required, analyses any loss events that arise and maintains close links with other organisational units that, as a result of their function, come into contact with information on operational risks within the Raiffeisen Group.

The Raiffeisen banks analyse their operational risk situation through assessments at least once a year. These analyses are approved by the Board of Directors of each bank and forwarded to the Risk & Compliance department of Raiffeisen Switzerland.

In the context of operational risks in investment business, compliance with the investment guidelines for asset management mandates, model portfolios used in investment advice as well as index-tracking funds is monitored independently in the Risk & Compliance department of Raiffeisen Switzerland. The relevant key risk indicators are reported to the Raiffeisen Switzerland Board of Directors on a quarterly basis.

## Legal and compliance risks

Every year, the Risk & Compliance department of Raiffeisen Switzerland prepares a risk profile of legal and compliance risks (including an assessment of market conduct risks and an analysis of money-laundering risk, taking into account the area of activity and the type of business relationships that are maintained). Based on this profile, the department develops a risk-sensitive action plan, which is approved by the Executive Board with information provided to the Board of Directors, and is subsequently implemented.

The Risk & Compliance department reports on significant changes in legal and compliance risks to the Executive Board and the Risk Committee of Raiffeisen Switzerland's Board of Directors on a quarterly basis, as well as on significant legal developments and their implications for the Raiffeisen Group. In addition, twice a year the activities of the Compliance function are reported to the Executive Board, the Risk Committee of the Board of Directors and, once a year, to the full Board of Directors.

## ESG-related financial risks

The impact of ESG-related financial risks on the existing risk categories is systematically analysed at Raiffeisen. In the case of climate-related financial risks, scenarios are additionally calculated. Risk indicators are used for monitoring purposes. The results of the analyses and scenario calculations, together with the risk indicators, are reported to the Board of Directors each year.

## Disclosure of climate-related financial risks

Raiffeisen publishes detailed information on the disclosure of climate-related financial risks in the separate notes to the Annual Report entitled "Disclosure of climate-related information according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)", which can be viewed at report.raiffeisen.ch/en/download.

## Regulatory provisions

The Swiss National Bank (SNB) classified the Raiffeisen Group as systemically important for the purposes of the Swiss Banking Act in a ruling issued on 16 June 2014. According to a FINMA ruling, the Raiffeisen banks are exempt from complying with the rules regarding capital adequacy, risk diversification and liquidity on an individual basis. The relevant legal provisions must be complied with on a consolidated basis.

The Raiffeisen Group has opted for the following approaches when calculating capital requirements:

**Credit risks**

The Raiffeisen Group has been applying the model approach based on internal ratings (Foundation IRB approach, "F-IRB") to calculate its capital requirements for credit risks. In the case of positions for which a model-based approach is not possible, the calculation of the required capital for credit risks continues to be carried out according to the standardised approach (SA-BIS). External issuer/issue ratings from three FINMA-recognised rating agencies are used for the following client categories: sovereigns and central banks, public-sector entities, banks and securities traders, as well as corporates. Issuer/issue ratings from an export insurance agency are also taken into consideration for central governments; however, rating agency ratings take precedence over ratings issued by the export insurance agency. No changes were made to the rating or export insurance agencies used in the year under review.

Positions for which external ratings are used are found chiefly under the following balance sheet items:

- amounts due from banks;
- amounts due from clients;
- financial investments;
- positive replacement value.

FINMA gave Raiffeisen permission to use the F-IRB approach with a floor to calculate its capital requirements for credit risks. Essentially, the risk-weighted assets calculated using the IRB model approach must not fall below a specified floor (calculated relative to the standardised approach, or SA-BIS). The IRB floor of 80% as determined by national rules has applied since 30 September 2022.

**Market risks**
The capital requirements for market risks are calculated using the standard approach under supervisory law. Within this framework, the duration method is applied for general market risk with regard to interest rate instruments, while the delta-plus approach is applied for capital requirements for options.

**Operational risks**
The Raiffeisen Group applies the basic indicator approach to calculate capital requirements for operational risks.

## Methods applied to identify default risks and to establish the required value adjustment

### Mortgage-secured loans

Default risks and the probabilities of default of loan positions are reviewed regularly based on the collateral (see also the section "Value of collateral"). In addition to the value of the collateral, the Bank also constantly reviews debtor creditworthiness by monitoring outstanding payments in the case of interest and repayments. This allows the Bank to identify mortgage-secured loans associated with higher risks. These loans are subsequently reviewed in detail by credit specialists. Raiffeisen Switzerland's Recovery department is involved in certain cases. Additional collateral may be requested or a value adjustment recognised based on the missing collateral (see also the section "Steps involved in determining value adjustments and provisions").

### Loans against securities

The Bank monitors the commitments and value of the pledged securities on a daily basis. If the collateral value of the pledged securities falls below the loan commitment amount, the Bank will consider reducing the limit or request additional collateral. If the shortfall widens or if market conditions are unusual, the collateral will be realised and the loan settled. If the realisation proceeds are not sufficient to meet the amount outstanding, value adjustments are recognised accordingly.

### Unsecured loans

Unsecured loans are generally business loans to corporate clients, loans to public-sector entities or unsecured account overdrafts of private clients amounting to a maximum of one month's income. For corporate clients and public-sector entities, the volume of unsecured loans is limited by corresponding requirements and limits.

For unsecured operating loans, the Bank asks the client to provide information that can be used to assess the state of the company's finances. This information is requested annually or more frequently if necessary. This information is assessed and any increased risks are identified. If the risks are higher, the Bank will conduct a detailed assessment and work with the client to define appropriate measures. If the loan commitment is determined to be at risk in this phase, a value adjustment will be recognised.

### Steps involved in determining value adjustments and provisions

The steps described under "Mortgage loans", "Loans against securities" and "Unsecured loans" are used to identify the need to recognise a value adjustment and/or provision on impaired positions. Furthermore, assets previously identified as being at risk are reassessed quarterly. The value adjustment is updated if needed.

Value adjustments and provisions for expected losses on unimpaired positions are also recognised in accordance with the FINMA Accounting Ordinance.

Expected losses are calculated based on the probabilities of default and loss estimates from the internal risk models used. For methods, data and more information, please refer to the Regulatory Disclosure under FINMA Circular 2016/1 (in particular, to the table "CRE: IRB – disclosures related to models"). When determining expected losses under the FINMA Accounting Ordinance, the following differences apply in comparison to the regulatory calculations (IRB approach):

- No regulatory floors (e.g. on PD or LGD) are used;
  instead of the one-year probability of default (including conservatism and stress allowances), a residual term approach and hence a lifetime probability of default is taken into consideration. For fixed-term products, the residual term in the individual product agreements is used. For products without a fixed term, a minimum term of one year is used.
- Not all stress premiums are taken into consideration when determining the lifetime probability of default.
- For positions not measured with internal risk models, provisioning is determined by means of expert estimates.

The Board of Directors of Raiffeisen Switzerland has set the parameters for using value adjustments and provisions for expected losses without immediately replenishing them in the event of a crisis. Any use of existing value adjustments and provisions for expected losses is reviewed and submitted to the relevant bodies for approval if new individual value adjustments for impaired positions recognised in a reporting period exceed half of the balance of value adjustments and provisions for expected losses as at 31 December of the previous year. Impairments and provisions for expected losses used should be replenished as soon as possible and no more than five years after the end of the crisis.

In the period under review, no value adjustments or provisions for expected losses were applied without replenishing them immediately. Value adjustments and provisions for expected losses are not underfunded.

## Value of collateral

### Mortgage-secured loans

An up-to-date valuation of the underlying collateral is available for every mortgage-secured loan. The valuation method varies depending on property type and use.

The Bank values single-family homes, two-family homes, three-family homes, owner-occupied apartments, holiday homes and holiday apartments using the real value method and a hedonic pricing model. The hedonic regression model compares the price with similar property transactions based on detailed characteristics of the property in question. The Bank relies on region-specific property price information supplied by an external provider. The bank uses the valuations to update the property value periodically or on an ad hoc basis.

For multi-family units, public/private properties, commercial/industrial real estate and special-purpose real estate, the value of the property is calculated based on the income capitalisation method, which is based on long-term rental income. This model also takes into account market data, location information and vacancy rates. Rental income is reviewed periodically and on an ad hoc basis when there are indications of significant changes in the level of rental income or vacancies. The Bank updates valuations periodically or as required by events.

For agricultural properties, the maximum loan-to-value ratio under the Swiss Rural Land Rights Act applies.

In addition, Raiffeisen Switzerland's appraisal unit or external accredited assessors must be involved if a property's collateral value exceeds a certain amount or if a property has specific risk features. The liquidation value is also calculated in the event of impaired loans/receivables.

When financing property purchases or financing real estate following a change of ownership, the lower of cost or market value principle generally applies. The lower of lending basis or purchase price is taken as the lending basis. This principle applies to all types of property for at least 24 months from the change of ownership. It does not apply for increases in loans where the amount of the increase to invest in adding to the value of the collateral property is taken into account. Derogation from the lower of cost or market value principle is possible in instances where ownership changes hands at preferential prices between economically and/or legally related individuals or legal entities.

### Loans against securities

The Bank primarily accepts transferable, liquid and actively traded financial instruments (such as bonds and equities) as collateral for Lombard loans and other loans against securities. The Bank also accepts transferable structured products for which there is regular share price information and a market maker.

The Bank discounts market values to account for the market risk associated with marketable securities and to determine the collateral value. The settlement period for structured products and long-tenor products may be considerably longer, and so they are discounted more heavily than liquid instruments. Discounts on life insurance policies or guarantees are dictated by the product.

## Business policy on the use of derivative financial instruments and hedge accounting

### Business policy on the use of derivative financial instruments

Derivative financial instruments are used for trading and hedging purposes.

Derivative financial instruments are only traded by specially authenticated traders. Raiffeisen trades standardised and OTC instruments for its own and clients' accounts, particularly interest and currency instruments, equity/index securities and commodities.

Hedges in the banking book are created by means of internal deposits and loans with the trading book; the Treasury and Structured Products & FX Advisory units do not take out hedges directly on the market. Hedges in the trading book are largely executed through offsetting trades with external counterparties.

The Raiffeisen banks trade or hedge derivative financial instruments as a commission agent solely to meet clients' needs.

### Use of hedge accounting

The Raiffeisen banks do not use hedge accounting in the meaning of the financial reporting regulations.

### Types of hedged items and hedging instruments

Raiffeisen Switzerland uses hedge accounting predominantly for the following types of transactions:

| Underlying transaction | Hedged using |
|---|---|
| Risks associated with fluctuating interest rates from interest rate sensitive receivables and liabilities in the banking book | Interest rate and currency swaps |
| Price risk of foreign currency positions | Currency future contracts |

### Composition of the groups of financial instruments

Interest-rate-sensitive positions in the banking book are grouped into various time bands by currency and hedged accordingly using macro hedges. Macro hedges are risk-minimising hedging transactions across the entire portfolio. The Bank also uses micro hedges.

### Economic connection between hedged items and hedging instruments

At the time a financial instrument is classified as a hedging item, Raiffeisen Switzerland documents the relationship between the hedging instrument and the hedged item. The documentation covers things such as the risk management goals and strategy for the hedging instrument and the methods used to assess the effectiveness of the hedge. Effectiveness testing constantly and prospectively assesses the economic relationship between the hedged item and the hedging instrument by actions such as measuring offsetting changes in the value of the hedged item and the hedging instrument and determining the correlation between these changes.

### Effectiveness testing

A hedge is deemed to be highly effective if the following criteria are essentially met:

– The hedge is determined to be highly effective both at inception and on an ongoing basis (micro hedges).
– There is a close economic connection between the hedged item and the hedging instrument.
– The changes in the value of the hedged item offset changes in the value of the hedging instrument with respect to the hedged risk.

### Ineffectiveness

When entered into, hedging transactions are effective over the entire term. If a hedge no longer meets the effectiveness criteria over time, it is treated as a trading portfolio asset and any gain or loss from the ineffective part is recognised in the income statement.

## Consolidation, accounting and valuation principles

### General principles

Accounting, valuation and reporting conform to the requirements of the Swiss Code of Obligations, the Swiss Federal Act on Banks and Savings Banks (plus the related ordinance) and the FINMA Accounting Ordinance (FINMA AO) as well as FINMA Circular 2020/1 "Accounting – banks". The detailed positions shown for a balance sheet item are valued individually. The consolidated annual financial statements represent a true and fair view of the Raiffeisen Group's assets, finances and earnings.

## Consolidation principles

### General

The consolidation of the banking institutions that make up the Raiffeisen Group, Raiffeisen Switzerland and the Group companies associated with it differs fundamentally from conventional consolidation based on a holding company structure. The individual Raiffeisen banks, as owners of Raiffeisen Switzerland, function as parent companies. Raiffeisen Switzerland is legally a subsidiary even though it acts as the central coordinator, liquidity pool and safety net. The management and regulatory powers of Raiffeisen Switzerland are governed by its Articles of Association and the regulations based on the latter. Consolidation is not based on Raiffeisen Switzerland as a parent company, but represents an aggregation of the annual financial statements of the Raiffeisen banks and the participations held in the Raiffeisen Group. The equity capital in the consolidated annual financial statements is thus the total of the cooperative capital of the individual Raiffeisen banks.

### Scope of consolidation and consolidation method

The consolidated accounts of the Raiffeisen Group comprise the annual financial statements of the individual Raiffeisen banks, Raiffeisen Switzerland and major Group companies in which the Group directly or indirectly holds more than 50% of the voting shares. Consolidation may be waived for Group companies that are immaterial for the purposes of financial reporting and the risk situation. We refer in this respect to the section entitled "Non-consolidated participations". The fully consolidated Group companies and the shareholdings valued according to the equity method are listed in note 7 "Companies in which the Bank holds a permanent direct or indirect significant participation".

Under the full consolidation method, the assets and liabilities, off-balance-sheet transactions, and income and expenses are all recorded in full. Consolidation is carried out using the purchase method. All material amounts receivable and payable, off-balance-sheet transactions, and income and expenses between consolidated companies are offset. Any material intercompany profits that are generated are eliminated in the consolidation.

Minority participations of 20–50% are included in the consolidated financial statements using the equity method, less any operationally required value adjustments. Participations of less than 20%, those with little materiality in terms of capital or income, and those of a non-strategic nature are not consolidated but are instead accounted for at acquisition cost less any operationally required value adjustments.

### Consolidation cut-off date

The closing date for the annual financial statements of all consolidated companies is 31 December.

## Accounting and valuation principles

### Recording of business events

All business transactions that have been concluded by the balance sheet cut-off date are recorded on a same-day basis in the balance sheet and the income statement in accordance with the relevant valuation principles. Spot transactions that have been concluded but not yet settled are posted to the balance sheet on the trade date.

### Foreign currencies

Assets and liabilities, as well as cash positions in foreign currencies, are converted at the exchange rate prevailing on the balance sheet cut-off date. Exchange rate gains and losses arising from this valuation are reported under the item "Result from trading activities and the fair value option". Foreign currency transactions during the year are converted at the rate prevailing at the time the transaction was carried out.

If the annual financial statements of Group companies abroad are denominated in foreign currencies, the balance sheet and off-balance sheet are converted at the rates prevailing on the balance sheet cutoff date, while the income statement is converted at the average rate for the year. The conversion difference is recognised directly in equity capital as a currency translation difference with no impact on profit and loss.

**Foreign currency conversion rates**

| | 31.12.2022 | 31.12.2023 |
|---|---|---|
| EUR | 0.988 | 0.931 |
| USD | 0.925 | 0.842 |

### Liquid assets and borrowed funds

These are reported at nominal value. Precious metal liabilities on metal accounts are valued at fair value if the relevant metal is traded on a price-efficient and liquid market.

Discounts and premiums on the Group's own bond issues and central mortgage institution loans are accrued over the period to maturity.

### Amounts due from banks and clients, mortgage loans and value adjustment

These are reported at nominal value less any value adjustment required. Precious metal assets on metal accounts are valued at fair value if the relevant metal is traded on a price-efficient and liquid market. Interest income is reported on an accruals basis.

Receivables are deemed to be impaired where the Bank believes it improbable that the borrower will be able to completely fulfil their contractual obligations. Impaired loans – and any collateral that may exist – are valued on the basis of the liquidation value.

All leased objects are reported in the balance sheet as "Amounts due from clients" in line with the present-value method.

#### Individual value adjustments for impaired loans

Impaired loans are subject to provisions based on regular analyses of individual loan commitments, while taking into account the creditworthiness of the borrower, the counterparty risk and the estimated net realisable sale value of the collateral. If recovery of the amount receivable depends solely on the collateral being realised, full provision is made for the unsecured portion.

If a loan is impaired, it may be possible to maintain an available credit limit as part of a continuation strategy. If necessary, provisions for off-balance-sheet transactions are recognised for these kinds of unused credit limits. For current account overdrafts, which typically show high, frequent volatility over time, initial and subsequent provisions are recognised for the total amount (i.e. individual value adjustments for effective drawdowns and provisions for available limits) under "Changes in value adjustments for default risks and losses from interest operations". If drawdowns change, a corresponding amount is transferred between individual value adjustments and provisions in equity. Reversals of individual value adjustments or provisions are also recognised under "Changes in value adjustments for default risks and losses from interest operations".

Interest and related commissions that have been due for more than 90 days but have not been paid are deemed to be non-performing. In the case of current account overdrafts, interest and commissions are deemed to be non-performing if the specified overdraft limit has been exceeded for more than 90 days. Non-performing and impaired interest (including accrued interest) and commissions are no longer recognised as income but reported directly under value adjustments for default risks.

A receivable is written off at the latest when completion of the realisation process has been confirmed by legal title.

However, impaired loans are written back up in full, i.e. the value adjustment is reversed, if payments of outstanding principal and interest are resumed on schedule in accordance with contractual provisions and additional creditworthiness criteria are fulfilled.

Individual value adjustments for credit items are calculated per item on a prudential basis and deducted from the appropriate receivable.

**Value adjustments for expected losses on unimpaired loans**
Value adjustments for expected losses are recognised using a risk-based method and applying historical default parameters, bearing in mind the residual term (see "Steps involved in determining value adjustments and provisions" on pages 160–161).

### Receivables and liabilities from securities financing transactions

**Securities lending and borrowing**
Securities lending and borrowing transactions are reported at the value of the cash collateral received or issued, including accrued interest. Securities which are borrowed or received as collateral are only reported in the balance sheet if the Raiffeisen Group takes control of the rights associated with them. Securities which are loaned or provided as collateral are only removed from the balance sheet if the Raiffeisen Group forfeits the rights associated with them. The market values of the borrowed and loaned out securities are monitored daily to enable any additional collateral to be provided or requested as necessary. Fees received or paid under securities lending and repurchase transactions are booked to commission income or commission expenditure on an accruals basis.

**Repurchase and reverse repurchase transactions**
Securities purchased with an agreement to resell (reverse repurchase transactions) and securities sold with an agreement to buy back (repurchase transactions) are regarded as secured financing transactions and are recorded at the value of the cash collateral received or provided, including accrued interest.

Securities received and delivered are only recorded in/removed from the balance sheet if control of the rights which these securities include is acquired or transferred. The market values of the securities received or delivered are monitored daily so that any additional collateral can be provided or requested as necessary.

Interest income from reverse repurchase transactions and interest expense from repurchase transactions are accrued over the term of the underlying transaction.

### Trading portfolio assets and trading portfolio liabilities

The trading portfolio assets and trading portfolio liabilities are valued and recognised at fair value. Positions for which there is no representative market are valued according to the lower of cost or market value principle. Both the gains and losses arising from this valuation and the gains and losses realised during the period in question are reported under "Result from trading activities and the fair value option". This also applies to interest and dividend income on trading positions. The funding costs for holding trading positions are charged to trading profits and credited to interest income. Income from firm commitments to securities issues is also reported under trading profits.

### Positive and negative replacement values of derivative financial instruments

**Reporting**
The replacement values of all contracts concluded on the Bank's own account are recognised in the balance sheet regardless of their income statement treatment. The replacement values of exchange-traded contracts concluded on a commission basis are recognised in the balance sheet only to the extent they are not covered by margin deposits. The replacement values of over-the-counter contracts concluded on a commission basis are always reported.

All hedging transactions of the Treasury and Structured Products & FX Advisory units are executed via the trading book, i.e. the Treasury and Structured Products & FX Advisory units do not participate in the market themselves. Only the replacement values of contracts with external counterparties are reported. The note "Derivative financial instruments" shows the replacement values and contract volume with external counterparties under "Hedging instruments", calculated using the replacement values and contract volume of the internal hedging transactions by Treasury and Structured Products & FX Advisory.

In the case of structured products issued by Raiffeisen Switzerland that include a debt security, the derivative is split from the underlying contract and valued separately. The debt securities (underlying contracts) are reported at nominal value under "Bond issues and central mortgage institution loans". Discounts and premiums are reported under the item "Accrued expenses and deferred income" or "Accrued income and prepaid expenses", as the case may be, and realised against the interest income over the remaining life. Issued structured products that do not include a debt security and the derivative portions of the structured products that include a debt security are recognised at fair value under "Positive replacement values of derivative financial instruments" and "Negative replacement values of derivative financial instruments".

The structured products issued by Raiffeisen Switzerland B.V. Amsterdam are valued at fair value. These products are carried at market value under "Liabilities from other financial instruments at fair value".

**Treatment in the income statement**
The derivative financial instruments recorded in the trading book are valued on a fair-value basis.

Derivative financial instruments used to hedge risk associated with fluctuating interest rates as part of managing balance sheet structure are valued in accordance with the accrual method. Interest-related gains and losses arising from the early realisation of contracts are accrued over their remaining lives.

The net income from self-issued structured products and the net income from the commission-based issue of structured products by other issuers is booked under "Commission income from securities trading and investment business".

### Financial investments

Fixed-income debt instruments and warrant bonds are valued according to the lower of cost or market value principle if there is no intention to hold them to maturity. Debt securities acquired with the intention of holding them to maturity are valued according to the accrual method with the discount or premium accrued over the remaining life. Equity securities are valued according to the lower of cost or market value principle. Real estate and equity securities acquired through lending activities and other real estate and equities intended for disposal are reported under "Financial investments" and valued using the lower of cost or market value principle. The lower of cost or market value principle refers to the lower of the acquisition cost or the liquidation value. Precious metals held to cover liabilities from precious metals accounts are carried at market value as at the balance sheet cut-off date. In cases where fair value cannot be determined, they are valued according to the lower of cost or market value principle.

Where reclassifications take place between financial investments and equity interests, the financial instruments reclassified are transferred at book value in accordance with Article 17 FINMA AO.

**Value adjustments for expected losses**
FINMA AO requires value adjustments for expected losses to be recognised on the item "Financial investments (debt securities held to maturity)". These value adjustments for expected losses are recognised using a risk-based method and applying historical default parameters, bearing in mind the residual term (see "Steps involved in determining value adjustments and provisions" on pages 160–161).

**Non-consolidated participations**
Non-consolidated participations include minority holdings of between 20% and 50% as well as the immaterial majority interests (Quichet AG, Sedunimmo SA), which are reported and valued according to the equity method. They are tested for impairment as at each balance sheet cut-off date and if necessary, operationally required value adjustments are carried out.

This balance sheet item also includes holdings of less than 20% and all holdings of an infrastructural nature. These are valued in accordance with the principle of initial value, i.e. initial value less operationally required value adjustments. They are tested for impairment as at each balance sheet cut-off date.

**Tangible fixed assets**
Tangible fixed assets are reported at their purchase cost plus value-enhancing investments and depreciated on a straight-line basis over their estimated useful life, as follows:

**Estimated useful life of tangible fixed assets**

| | years |
|---|---|
| Real estate | 66 years |
| Alterations and fixtures in rented premises | full rental term, maximum 15 years |
| Furniture and fixtures | 8 years |
| Other tangible fixed assets | 5 years |
| Internally developed or purchased core banking software | 10 years |
| IT systems and remaining software | 3 years |

Immaterial investments are booked directly to operating expenses. Large-scale, value-enhancing renovations are capitalised, while repairs and maintenance are recorded as expenses. Expenditure incurred in connection with the continued development of the new core banking systems is recognised as an asset through "Other ordinary income". Properties, buildings under construction and core banking systems are not depreciated until they come into use. Undeveloped building land is not depreciated.

The value of tangible fixed assets is reviewed as at every balance sheet cut-off date whenever events or circumstances give reason to suspect that the book value is impaired. Any impairment is recognised in profit or loss under "Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets". If the useful life of a tangible fixed asset changes as a result of the review, the residual book value is depreciated over the new duration.

**Intangible assets**
Goodwill: If the cost of acquiring a company is higher than the value of the net assets acquired based on standard Group accounting guidelines, the difference is reported as goodwill. Goodwill is amortised on a straight-line basis over its estimated useful life. The amortisation period is usually five years. In justifiable cases, it may be as high as 10 years.

Other intangible assets: Acquired intangible assets are recognised where they provide the Group with a measurable benefit over several years. Intangible assets created by the Group itself are not capitalised. Intangible assets are recognised at acquisition cost and amortised on a straight-line basis over their estimated useful life within a maximum of five years.

Impairment testing: The value of intangible fixed assets is reviewed as at every balance sheet cut-off date whenever events or circumstances give reason to suspect that the book value is impaired. Any impairment is recognised in profit or loss under "Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets". If the useful life of an intangible asset changes as a result of the review, the residual book value is amortised over the new duration.

**Provisions**
Provisions are recognised on a prudential basis for all risks identified at the balance sheet cut-off date that are based on a past event and will probably result in an obligation. With regard to provisions for available overdraft limits, we refer to the chapter "Amounts due from banks and clients, mortgage loans, value adjustments".

**Reserves for general banking risks**
Reserves may be allocated for general banking risks. These are reserves created as a precautionary measure in accordance with accounting standards to hedge against latent risks in the business activities of the Raiffeisen Group.

**Taxes**
Taxes are calculated and booked on the basis of the profit for the year under review. Deferred tax of 15.9% (previous year: 16.1%) was allocated to untaxed reserves and reported as a provision for deferred taxes.

**Contingent liabilities, irrevocable commitments, obligations to make payments and additional contributions**
These are reported at their nominal value under "Off-balance-sheet transactions". Provisions are created for foreseeable risks.

Provisions for expected losses on contingent liabilities and irrevocable commitments are recognised using a risk-based method and applying historical default parameters, bearing in mind the residual term (see "Steps involved in determining value adjustments and provisions" on pages 160–161).

## Changes as against previous year

As at 31 December 2023, the accounting and valuation principles have been clarified to the effect that, if required, operationally required value adjustments are now carried out on minority holdings of between 20% and 50% which are recognised using the equity method. In the year under review, a value adjustment required for operational reasons of CHF 20.2 million was carried out on the valuation determined using the equity method. The clarification had no impact on the previous year's figures.

## Events after the balance sheet cut-off date

No events with a measurable effect on the operating result occurred after the balance sheet date.

# Information on the balance sheet

## 1 – Securities financing transactions (assets and liabilities)

**Securities financing transactions (assets and liabilities)**

| in 1,000 CHF | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions [1] | – | 354,580 |
| Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions [1] | 35,007 | 8,929,901 |
| Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements | 392,271 | 9,306,416 |
| with unrestricted right to resell or pledge | 392,271 | 9,306,416 |
| Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or repledge | 307,238 | 626,661 |
| of which, repledged securities | – | 186,642 |
| of which, resold securities | 289,112 | 261,191 |

1 Before netting agreements.

## 2 – Collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables

**Collateral for loans/receivables and off-balance-sheet transactions**

| in 1,000 CHF | | Secured by mortgage | Other collateral | Unsecured | Total |
|---|---|---|---|---|---|
| **Loans (before netting with value adjustments)** | | | | | |
| Amounts due from customers | | 1,966,889 | 1,951,733 | 7,863,598 | 11,782,220 |
| Mortgage loans | | 211,381,546 | 11,998 | 165,967 | 211,559,511 |
| Residential property | | 194,164,592 | 8,258 | 75,620 | 194,248,470 |
| Office and business premises | | 3,955,466 | 73 | 6,981 | 3,962,520 |
| Commercial and industrial premises | | 6,792,864 | 680 | 5,723 | 6,799,267 |
| Other | | 6,468,624 | 2,987 | 77,643 | 6,549,254 |
| **Total loans (before netting with value adjustments)** | **31.12.2023** | **213,348,435** | **1,963,731** | **8,029,565** | **223,341,731** |
| | **31.12.2022** | **205,830,267** | **2,340,295** | **7,123,563** | **215,294,125** |
| **Total loans (after netting with value adjustments)** | **31.12.2023** | **212,923,980** | **1,958,083** | **7,708,135** | **222,590,198** |
| | **31.12.2022** | **205,383,954** | **2,334,766** | **6,846,589** | **214,565,308** |
| **Off-balance-sheet** | | | | | |
| Contingent liabilities | | 51,763 | 118,781 | 551,150 | 721,694 |
| Irrevocable commitments | | 9,441,190 | 387,918 | 3,429,070 | 13,258,178 |
| Obligations to pay up shares and make further contributions | | – | – | 133,966 | 133,966 |
| **Total off-balance-sheet** | **31.12.2023** | **9,492,953** | **506,699** | **4,114,186** | **14,113,838** |
| | **31.12.2022** | **10,335,561** | **563,896** | **3,339,278** | **14,238,735** |

**Impaired loans/receivables**

| in 1,000 CHF | | Gross debt amount | Estimated liquidation value of collateral | Net debt amount | Individual value adjustments |
|---|---|---|---|---|---|
| **Impaired loans** | **31.12.2023** | **852,376** | **535,469** | **316,907** | **289,006** |
| | **31.12.2022** | **789,818** | **517,752** | **272,066** | **247,820** |

The difference between the net amount borrowed and the individual value adjustments is attributable to the fact that prudent estimates have been made of the amounts Raiffeisen expects to receive based on the creditworthiness of individual borrowers.

## 3 – Trading business and other financial instruments at fair value (assets and liabilities)

### 3.1 – Trading business and other financial instruments at fair value (assets)

**Trading portfolio and other financial instruments at fair value (assets)**

| in 1,000 CHF | 31.12.2022 | 31.12.2023 |
|---|---|---|
| **Trading portfolio assets** | | |
| Debt securities, money market securities/transactions | 2,213,262 | 2,460,506 |
| of which stock exchange listed [1] | 1,881,917 | 2,310,735 |
| of which traded on a representative market | 283,549 | 115,545 |
| Equity securities | 26,182 | 41,442 |
| Precious metals | 593,368 | 1,162,234 |
| Other trading portfolio assets | 56,497 | 27,845 |
| **Other financial instruments at fair value** | | |
| Debt securities | – | – |
| Structured products | – | – |
| Other | – | – |
| **Total assets** | **2,889,309** | **3,692,027** |
| of which, determined using a valuation model | 283,549 | 115,545 |
| of which, securities eligible for repo transactions in accordance with liquidity requirements | 676,924 | 913,515 |

1 Stock exchange listed = traded on a recognised stock exchange.

### 3.2 – Trading business and other financial instruments at fair value (liabilities)

**Trading portfolio and other financial instruments at fair value (liabilities)**

| in 1,000 CHF | 31.12.2022 | 31.12.2023 |
|---|---|---|
| **Trading portfolio assets** | | |
| Debt securities, money market securities/transactions [2] | 282,145 | 257,253 |
| of which, listed [1] | 282,145 | 257,253 |
| Equity securities [2] | 4,888 | 421 |
| Precious metals [2] | – | – |
| Other trading portfolio liabilities [2] | 2,079 | 3,517 |
| **Other financial instruments at fair value** | | |
| Structured products | 1,740,581 | 1,651,109 |
| Other | – | – |
| **Total liabilities** | **2,029,693** | **1,912,300** |
| of which, determined using a valuation model | 1,740,582 | 1,651,109 |

1 Stock exchange listed = traded on a recognised stock exchange.
2 For short positions (booked using the trade date accounting principle).

## 4 – Derivative financial instruments (assets and liabilities)

**Derivative financial instruments**

| | Trading instruments | | | Hedging instruments | | |
|---|---|---|---|---|---|---|
| | Replacement values | | | Replacement values | | |
| in 1,000 CHF | Positive | Negative | Contract volume | Positive | Negative | Contract volume |
| **Interest rate instruments** | | | | | | |
| Forward contracts incl. FRAs | – | – | – | – | – | – |
| Swaps | 794,487 | 732,505 | 64,127,271 | 1,861,626 | 1,264,061 | 73,765,629 |
| Futures | – | – | 2,720,250 | – | – | – |
| Options (OTC) | 2,187 | 3,888 | 2,093,030 | – | – | – |
| Options (exchange traded) | – | – | – | – | – | – |
| **Total interest rate instruments** | **796,674** | **736,393** | **68,940,551** | **1,861,626** | **1,264,061** | **73,765,629** |
| **Foreign exchange** | | | | | | |
| Forward contracts | 822,402 | 717,207 | 37,545,134 | 52,889 | 490,809 | 15,720,991 |
| Comb. interest rate/currency swaps | – | – | – | – | 28,968 | 930,800 |
| Futures | – | – | – | – | – | – |
| Options (OTC) | 8,171 | 6,978 | 642,827 | – | – | – |
| Options (exchange traded) | – | – | – | – | – | – |
| **Total foreign exchange** | **830,573** | **724,185** | **38,187,961** | **52,889** | **519,777** | **16,651,791** |
| **Precious metals** | | | | | | |
| Forward contracts | 8,188 | 12,362 | 783,036 | – | – | – |
| Swaps | – | – | – | – | – | – |
| Futures | – | – | – | – | – | – |
| Options (OTC) | 13,979 | 9,154 | 949,225 | – | – | – |
| Options (exchange traded) | – | – | – | – | – | – |
| **Total precious metals** | **22,167** | **21,516** | **1,732,261** | **–** | **–** | **–** |
| **Equity securities/indices** | | | | | | |
| Forward contracts | – | – | – | – | – | – |
| Swaps | 5,754 | 51,022 | 1,171,423 | – | – | – |
| Futures | – | – | 38,537 | – | – | – |
| Options (OTC) | 59,042 | 57,713 | 1,269,250 | – | – | 90,616 |
| Options (exchange traded) | 91 | 29 | 1,964 | – | – | – |
| **Total equity securities/indices** | **64,887** | **108,764** | **2,481,174** | **–** | **–** | **90,616** |
| **Credit derivatives** | | | | | | |
| Credit default swaps | 2,294 | 624 | 440,247 | – | – | – |
| Total return swaps | – | – | – | – | – | – |
| First-to-default swaps | – | – | – | – | – | – |
| Other credit derivatives | – | – | – | – | – | – |
| **Total credit derivatives** | **2,294** | **624** | **440,247** | **–** | **–** | **–** |
| **Other** | | | | | | |
| Forward contracts | – | – | – | – | – | – |
| Swaps | 3 | 900 | 20,736 | – | – | – |
| Futures | – | – | – | – | – | – |
| Options (OTC) | 25,182 | 24,986 | 245,329 | – | – | – |
| Options (exchange traded) | – | – | – | – | – | – |
| **Total other** | **25,186** | **25,886** | **266,065** | **–** | **–** | **–** |
| **Total 31.12.2023** | **1,741,780** | **1,617,368** | **112,048,259** | **1,914,516** | **1,783,838** | **90,508,036** |
| of which determined using a valuation model | 1,741,690 | 1,617,338 | – | 1,914,516 | 1,783,838 | – |
| **Total 31.12.2022** | **1,871,640** | **1,824,376** | **100,087,061** | **2,980,823** | **1,937,507** | **86,437,830** |
| of which determined using a valuation model | 1,871,630 | 1,824,236 | – | 2,980,823 | 1,937,507 | – |

**Derivative financial instruments by counterparty and time remaining to maturity**

| | Replacement values | | Contract volume | | | |
|---|---|---|---|---|---|---|
| in 1,000 CHF | Positive | Negative | up to 1 year | 1 to 5 years | over 5 years | Total |
| Banks and securities firms | 1,142,658 | 1,355,423 | 56,108,998 | 10,379,709 | 1,783,774 | 68,272,481 |
| Other customers | 62,778 | 131,083 | 3,919,305 | 629,481 | 153,391 | 4,702,176 |
| Stock exchanges | 91 | 29 | 2,750,751 | 10,000 | – | 2,760,751 |
| Central clearing houses | 2,450,769 | 1,914,671 | 52,084,720 | 43,047,495 | 31,688,673 | 126,820,888 |
| **Total 31.12.2023** | **3,656,296** | **3,401,206** | **114,863,773** | **54,066,684** | **33,625,838** | **202,556,295** |
| **Total 31.12.2022** | **4,852,463** | **3,761,883** | **95,428,825** | **58,402,962** | **32,693,105** | **186,524,892** |

No netting contracts are used to report the replacement values.

**Quality of counterparties**
Banks and securities firms: the derivative transactions were conducted primarily with counterparties with a very good credit rating. 91.6% of the positive replacement values are with counterparties with an "upper-medium grade" rating or better (Moody's or a comparable rating).

Clients: in transactions with clients, the required margins were secured by assets or free credit lines.

## 5 – Financial investments

### 5.1 – Breakdown of financial investments

**Breakdown of financial investments**

| | Book value | | Fair value | |
|---|---|---|---|---|
| in 1,000 CHF | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 |
| Debt securities | 15,057,305 | 10,769,093 | 14,318,744 | 10,497,232 |
| of which, intended to be held until maturity | 15,057,305 | 10,769,093 | 14,318,744 | 10,497,232 |
| of which, not intended to be held to maturity (available for sale) | – | – | – | – |
| Equity securities | 51,829 | 54,495 | 53,783 | 55,881 |
| of which qualified participations [1] | 31 | – | 31 | – |
| Precious metals | – | – | – | – |
| Real estate | 41,823 | 28,299 | 42,549 | 29,082 |
| **Total financial investments** | **15,150,957** | **10,851,887** | **14,415,076** | **10,582,195** |
| of which securities for repo transactions in line with liquidity requirements | 15,002,197 | 10,713,234 | – | – |

1 At least 10% of the capital or the votes.

### 5.2 – Breakdown of counterparties by rating

**Breakdown of counterparties by rating**

| | Book value | | | | | |
|---|---|---|---|---|---|---|
| 31.12.2023 in 1,000 CHF | Very safe investment | Safe investment | Average to good investment | Speculative to highly speculative investment | Highest-risk investment/ default | Unrated investment [1] |
| Debt securities [1] | 10,197,817 | 19,744 | – | – | – | 551,532 |

1 The item "Unrated asset" mainly includes money market securities issued by the Swiss National Bank (SNB bills).

Ratings are assigned based on Moody's rating classes. The Raiffeisen Group uses the ratings of all three major international rating institutions.

## 6 – Non-consolidated participations

**Non-consolidated participations**

| | | | 2022 | | | | | | | 2023 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| in 1,000 CHF | Acquisition cost | Accumulated value adjustments and changes in book values (equity method) | Book value 31.12.2022 | Changes to the consolidated Group | Reclassifications | Additions | Disposals | Value adjustments | Changes in book value in the case of participations valued using the equity method | Book value 31.12.2023 | Market value 31.12.2023 |
| **Participations valued using the equity method** | **343,666** | **354,347** | **698,013** | **–** | **–** | **–** | **–** | **–20,180** | **–17,290** | **660,543** | |
| with market value [1] | 128,663 | 123,783 | 252,446 | – | – | – | – | –20,180 | –26,072 | 206,194 | 188,478 |
| without market value | 215,003 | 230,564 | 445,567 | – | – | – | – | – | 8,782 | 454,349 | – |
| **Other non consolidated participations** | **135,482** | **–25,297** | **110,185** | **–** | **–** | **1,515** | **–40** | **–7,815** | **1,199** | **105,044** | |
| with market value | 636 | –4 | 632 | – | – | – | – | – | – | 632 | 1,129 |
| without market value | 134,846 | –25,293 | 109,553 | – | – | 1,515 | –40 | –7,815 | 1,199 | 104,412 | – |
| **Total non consolidated participations** | **479,148** | **329,050** | **808,198** | **–** | **–** | **1,515** | **–40** | **–27,995** | **–16,091** | **765,587** | |

1 In addition to the value adjustment based on the equity valuation, a value adjustment required for operational reasons of CHF 20 million was made at a participation in the year under review.

## 7 – Companies in which the bank holds a permanent direct or indirect significant participation

**Companies in which the bank holds a permanent direct or indirect significant participation**

| in 1,000 CHF, share in % | Registered office | Business activity | 31.12.2022 Equity interest in %[1] | 31.12.2022 Voting share in %[1] | Capital | 31.12.2023 Equity interest in %[1] | 31.12.2023 Voting share in %[1] |
|---|---|---|---|---|---|---|---|
| **7.1 Group companies** | | | | | | | |
| Raiffeisen Switzerland Cooperative[2] | St.Gallen | Central bank, association services | 100.0 | 100.0 | 2,530,800 | 100.0 | 100.0 |
| Raiffeisen Unternehmerzentrum AG[3] | Gossau SG | Advisory services for SMEs | 100.0 | 100.0 | – | – | – |
| Raiffeisen Immo Ltd | St.Gallen | Brokering and advisory services | 100.0 | 100.0 | 5,000 | 100.0 | 100.0 |
| KMU Capital Ltd[4] | St.Gallen | Financial services | 100.0 | 100.0 | 2,566 | 100.0 | 100.0 |
| KMU Capital Holding Ltd[5] | Herisau | Affiliated company | 60.0 | 60.0 | 10,000 | 60.0 | 60.0 |
| Raiffeisen Switzerland B.V. Amsterdam | Amsterdam NL | Financial services | 100.0 | 100.0 | 1,000 | 100.0 | 100.0 |
| **7.2 Participations valued using the equity method** | | | | | | | |
| Leonteq Ltd[6] | Zurich | Financial services | 29.0 | 29.0 | 18,934 | 29.0 | 29.0 |
| Viseca Payment Services Ltd. | Zurich | Financial services | 25.5 | 25.5 | 25,000 | 25.5 | 25.5 |
| Pfandbriefbank schweizerischer Hypothekarinstitute AG[2] | Zurich | Pfandbriefbank | 21.7 | 21.7 | 1,100,000 | 21.7 | 21.7 |
| of which not paid up | | | | | 616,000 | | |
| **7.3 Other non-consolidated participations[8]** | | | | | | | |
| responsAbility Participations AG | Zurich | Financial services | 14.4 | 14.4 | 13,888 | 14.4 | 14.4 |
| Swiss Bankers Prepaid Services Ltd | Grosshöchstetten | Financial services | 16.5 | 16.5 | 10,000 | 16.5 | 16.5 |
| Cooperative Olma Messen St.Gallen | St.Gallen | Organisation of fairs | 10.5 | 10.5 | 54,391 | 7.6 | 7.6 |
| Twint Ltd | Zurich | Financial services | 4.0 | 4.0 | 12,750 | 4.0 | 4.0 |
| SIX Group Ltd | Zurich | Financial services | 5.5 | 5.5 | 19,522 | 5.5 | 5.5 |

1 The level of equity capital and voting shares is always stated from the perspective of the directly controlling company.
2 The Raiffeisen banks directly own Raiffeisen Switzerland Cooperative and 21.3% of Pfandbriefbank schweizerischer Hypothekarinstitute AG.
3 Raiffeisen Unternehmerzentrum AG was integrated into Raiffeisen Switzerland in the year under review and the relevant participation was derecognised.
4 Controlled by KMU Capital Holding AG.
5 In 2018, Raiffeisen Switzerland Cooperative initially terminated the shareholders' binding agreement in relation to KMU Capital Holding AG (formerly Investnet Holding AG) for good cause and subsequently, where necessary, challenged the agreements in the context of "Investnet". On the basis of the challenge, Raiffeisen Switzerland is claiming all the shares in KMU Capital Holding AG, which is entirely controlled by KMU Capital AG. The dispute is still ongoing. In connection with the challenge of agreements, Raiffeisen Switzerland also wrote off liabilities of CHF 30 million and contingent liabilities amounting to CHF 30 million in 2018. Raiffeisen Switzerland assumes that there will be no more payments. If, contrary to the expectations of Raiffeisen Switzerland, neither the challenge to the agreements, nor the validity of the termination are confirmed, minority shareholders might be entitled to tender shares in KMU Capital Holding AG to Raiffeisen Switzerland according to the shareholders' binding agreement of 2015 and based on a contractually agreed valuation method (put option). Similarly, the above-mentioned written-off liabilities and contingent liabilities could become relevant again. Due to the aforementioned challenges to agreements and the termination of the shareholders' binding agreement, the put option will not be valued as of 31 December 2023.
6 In 2015, Raiffeisen Switzerland Cooperative sold a call option to a Leonteq founding partner for 2.4% of the share capital in Leonteq AG. The strike price is CHF 210 per share (adjusted for dividend payments) and the term is 10 years (until October 2025).
7 Majority interests that are immaterial for accounting purposes are valued according to the equity method but not listed separately.
8 All participations in cooperation partners and joint ventures by the banks are listed here. Other participations are listed if the shareholding represents more than 10% of the voting share or equity and the shareholding is worth either > CHF 2 million of the equity or the book value is > CHF 15 million.

## 8 – Tangible fixed assets

### 8.1 – Tangible fixed assets

**Tangible fixed assets**

| in 1,000 CHF | Acquisition cost | Accumulated depreciation | 2022 Book value 31.12.2022 | 2023 Impact of any changes in the scope of consolidation | Reclassi-fications | Additions | Disposals | Depreciation | Book value 31.12.2023 |
|---|---|---|---|---|---|---|---|---|---|
| Bank buildings | 2,567,207 | –668,146 | 1,899,061 | – | –3,897 | 92,542 | –9,643 | –41,123 | 1,936,940 |
| Other real estate | 674,114 | –168,272 | 505,842 | – | –16,067 | 44,580 | –11,361 | –11,752 | 511,242 |
| Proprietary or separately acquired software | 668,007 | –335,918 | 332,089 | – | 0 | 7,101 | –45 | –63,238 | 275,907 |
| thereof self-developed | 463,463 | –183,297 | 280,166 | – | – | –15 | – | –46,395 | 233,756 |
| Other tangible fixed assets | 1,218,177 | –966,396 | 251,781 | – | 19,964 | 64,862 | –569 | –75,032 | 261,006 |
| Objects in finance leasing | 45 | –45 | – | – | – | 41 | – | –5 | 36 |
| **Total tangible assets** | **5,127,550** | **–2,138,777** | **2,988,773** | **–** | **–** | **209,126** | **–21,618** | **–191,150** | **2,985,131** |

### 8.2 – Operating leases

**Operating leases**

| in 1,000 CHF | 31.12.2022 | 31.12.2023 |
|---|---|---|
| **Non-recognised lease commitments** | | |
| Due within 12 months | 1,122 | 1,273 |
| Due within 1 to 5 years | 1,541 | 1,742 |
| Due after 5 years | – | – |
| **Total non-recognised lease commitments** | **2,663** | **3,015** |
| of which obligations that can be terminated within one year | 2,663 | 3,015 |

## 9 – Intangible assets

**Intangible assets**

| in 1,000 CHF | Cost value | Accumulated depreciation | 2022 Book value 31.12.2022 | 2023 Changes to the consoli-dated Group | Additions | Disposals | Amortisation | Book value 31.12.2023 |
|---|---|---|---|---|---|---|---|---|
| Goodwill | – | – | – | – | – | – | – | – |
| Other intangible assets | 7,536 | –1,005 | 6,531 | – | – | – | –1,507 | 5,024 |
| **Total intangible assets** | **7,536** | **–1,005** | **6,531** | **–** | **–** | **–** | **–1,507** | **5,024** |

## 10 – Other assets and other liabilities

**Other assets and liabilities**

| in 1,000 CHF | 31.12.2022 | 31.12.2023 |
|---|---|---|
| **Other assets** | | |
| Settlement accounts for indirect taxes | 1,205,638 | 412,075 |
| Other settlement accounts | 29,095 | 23,750 |
| Employer contribution reserves with pension plans | 145,474 | 169,010 |
| Deferred income taxes recognised as assets | 6,945 | 1,658 |
| Miscellaneous other assets | 13,882 | 16,677 |
| **Total other assets** | **1,401,034** | **623,170** |
| **Other liabilities** | | |
| Compensation account | 1,195,440 | 488,629 |
| Due, unredeemed coupons and debt instruments | 2,600 | 1,354 |
| Levies, indirect taxes | 50,159 | 206,020 |
| Other settlement accounts | 64,581 | 52,349 |
| Miscellaneous other liabilities | 17,799 | 16,379 |
| **Total other liabilities** | **1,330,579** | **764,731** |

## 11 – Assets pledged or assigned to secure own commitments and assets under reservation of ownership

**Assets pledged or assigned to secure own commitments and assets under reservation of ownership**[1]

| | 31.12.2022 | | 31.12.2023 | |
|---|---|---|---|---|
| in 1,000 CHF | Book value | Effective commitments | Book value | Effective commitments |
| | 0 | 0 | 810,974 | 810,974 |
| Amounts due from banks | 740,433 | 740,433 | 1,152,033 | 1,152,033 |
| Amounts due from customers | 394,593 | 303,652 | 181,403 | 122,835 |
| Mortgage loans | 37,391,422 | 27,851,842 | 38,385,062 | 29,009,229 |
| Financial investments | 1,016,954 | 160,638 | 962,808 | 214,980 |
| **Total pledged or assigned assets** | **39,543,402** | **29,056,566** | **41,492,280** | **31,310,051** |

1 Without securities financing transactions (see separate presentation of the securities financing transactions in table 1).

## 12 – Pension schemes

Most employees of the Raiffeisen Group are covered by the Raiffeisen Pension Fund Cooperative. The statutory retirement age is set at 65. Members have the option of taking early retirement from the age of 58 with a corresponding reduction in benefits. The Raiffeisen Pension Fund Cooperative covers at least the mandatory benefits under Swiss occupational pension law.

The Raiffeisen Employer Foundation manages the individual employer contribution reserves of the Raiffeisen banks and the companies of the Raiffeisen Group. Two Raiffeisen banks and one Group company are insured outside the Raiffeisen Group's pension schemes (other collective foundations, collective insurance contracts, etc.), compared with two in the previous year.

### 12.1 – Liabilities to own pension schemes

**Liabilities to own pension schemes**

| in 1,000 CHF | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Amounts due in respect of customer deposits | 231,553 | 207,844 |
| Negative replacement values of derivative financial instruments | – | – |
| Bonds | 20,000 | – |
| Accrued expenses and deferred income | 264 | – |
| **Total liabilities to own social insurance institutions** | **251,817** | **207,844** |

### 12.2 – Employer contribution reserves

Employer contribution reserves arise for the Raiffeisen Employer Foundation (Raiffeisen) and for pension schemes outside the Raiffeisen Group (Others). These are solely employer-funded pension schemes.

**Employer contribution reserves**

| | 2022 | | | 2023 | | |
|---|---|---|---|---|---|---|
| in 1,000 CHF | Raiffeisen[1] | Others | Total | Raiffeisen[1] | Others | Total |
| **As at 01.01.** | **134,347** | **1,048** | **135,395** | **144,974** | **500** | **145,474** |
| + Deposits | 19,376 | – | 19,376 | 32,490 | – | 32,490 |
| – Withdrawals | –8,762 | –548 | –9,310 | –9,635 | – | –9,635 |
| + Interest paid[1] | 13 | – | 13 | 681 | – | 681 |
| **As at 31.12.** | **144,974** | **500** | **145,474** | **168,510** | **500** | **169,010** |

1 Interest paid on the employer contribution reserves is recorded as interest income.

The employer contribution reserves correspond to the nominal value as calculated by the pension scheme. The individual employer contribution reserves of the affiliated companies cannot be offset against each other. The balance of the employer contribution reserves is recorded in the balance sheet under "Other assets". The employer contribution reserves are subject neither to waiver of use (conditional or unconditional), nor to other necessary value adjustments. Any discounting effect is not considered.

### 12.3 – Economic benefit/obligation and retirement benefit expenditure

According to the audited annual financial statements for the year under review and the previous year (in accordance with Swiss GAAP FER 26) of the Raiffeisen Pension Fund Cooperative, the coverage ratio is:

**Raiffeisen Pension Fund Cooperative**

| per cent | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Coverage ratio | 107.1 | 111.6 |

The target level of the value fluctuation reserve of the Raiffeisen Pension Fund Cooperative was 117% as at 31 December 2023. As at the end of 2023, the coverage ratio was below this target level and therefore there were no uncommitted funds. The Assembly of Delegates of Raiffeisen Pension Fund Cooperative decides how any uncommitted funds will be used. In general, the "principles for the use of uncommitted funds (profit participation)" which it issues are applied. The Board of Directors of Raiffeisen Switzerland assumes that even if uncommitted funds are available, no economic benefits will accrue to the employer until further notice; uncommitted funds are to be used to benefit pension scheme members.

The affiliated employers have no economic benefits or economic obligations for which allowance would have to be made in the balance sheet and income statement.

**Pension expenses with significant influencing factors**

| in 1,000 CHF | 2022 | 2023 |
|---|---|---|
| Pension expenditure according to separate financial statements | 137,625 | 177,713 |
| Deposits/withdrawals employer contribution reserves (excl. interest paid) | −10,066 | −22,855 |
| **Employer contributions reported on an accruals basis** | **127,559** | **154,858** |
| Change in economic benefit/obligation as a result of surplus/insufficient cover in the pension plan | – | – |
| **Pension expenses (see note 26 "Personnel expenses")** | **127,559** | **154,858** |

## 13 – Issued structured products

**Issued structured products**

| | Book value | | | | Total |
|---|---|---|---|---|---|
| | Valued as a whole | | Valued separately | | |
| 31.12.2023<br>in 1,000 CHF | Booked in trading portfolio | Booked in other financial instruments at fair value | Value of the host instrument | Value of the derivative | |
| **Underlying risk of the embedded derivative** | | | | | |
| **Interest rate instruments** | **–** | **35,442** | **8,773** | **−1,477** | **42,738** |
| With own debenture component (oDC) | – | 35,442 | 8,773 | −1,477 | 42,738 |
| Without oDC | – | – | – | – | – |
| **Equity securities** | **–** | **1,381,597** | **611,453** | **−27,914** | **1,965,135** |
| With own debenture component (oDC) | – | 1,381,597 | 611,453 | −28,348 | 1,964,702 |
| Without oDC | – | – | – | 434 | 434 |
| **Foreign currencies** | **–** | **395** | **93** | **−3** | **486** |
| With own debenture component (oDC) | – | 395 | 93 | −3 | 486 |
| Without oDC | – | – | – | – | – |
| **Commodities/precious metals** | **–** | **33,615** | **117,902** | **13,279** | **164,796** |
| With own debenture component (oDC) | – | 33,615 | 117,902 | 13,279 | 164,796 |
| Without oDC | – | – | – | – | – |
| **Credit derivatives** | **–** | **200,061** | **20,852** | **44** | **220,956** |
| With own debenture component (oDC) | – | 200,061 | 20,852 | 44 | 220,956 |
| Without oDC | – | – | – | – | – |
| **Total** | **–** | **1,651,109** | **759,073** | **−16,071** | **2,394,111** |

### Structured products of Raiffeisen Switzerland Cooperative

In the case of issued structured products that include a debt security, the derivative is split from the underlying contract and valued and presented separately. Underlying instruments are recognised at their nominal value in "Bond issues and central mortgage institution loans". The derivative components of the products are recognised at market value in "Positive replacement values of derivative financial instruments" or "Negative replacement values of derivative financial instruments", respectively.

### Structured products of Raiffeisen Switzerland B.V. Amsterdam

Issued structured products are carried at market value and included in "Liabilities from other financial instruments at fair value".

## 14 – Outstanding bond issues and central mortgage institution loans

**Outstanding bond issues and central mortgage institution loans**

| 31.12.2023<br>in 1,000 CHF | Year of issue | Interest rate | Maturity | Early redemption possibility | Bond principal |
|---|---|---|---|---|---|
| **Bonds of Raiffeisen Switzerland** | | | | | |
| non subordinated | 2011 | 2.625 | 04.02.2026 | – | 140,050 |
| | 2016 | 0.300 | 22.04.2025 | – | 375,000 |
| | 2016 | 0.750 | 22.04.2031 | – | 100,000 |
| | 2018 | 0.350 | 16.02.2024 | – | 398,075 |
| | 2019 | 0.125 | 07.05.2024 | – | 100,000 |
| | 2021 | 0.000 | 19.12.2031 | – | 29,550 |
| | 2022 | 0.000 | 15.07.2032 | – | 39,334 |
| | 2023 | 0.000 | 18.07.2033 | – | 111,500 |
| | 2023 | 2.1125 | 28.09.2028 | – | 69,475 |
| subordinated with PONV clause[1] | 2020 | 0.1825 | 11.11.2025 | 11.11.2024 | 140,800 |
| | 2020 | 0.500 | 11.11.2028 | 11.11.2027 | 175,000 |
| | 2020 | 1.500 | 23.11.2034 | 23.11.2033 | 175,000 |
| | 2020 | 2.000 | Perpetual[2] | 16.04.2026 | 524,605 |
| | 2021 | 0.1775 | 15.01.2027 | 15.01.2026 | 125,000 |
| | 2021 | 0.405 | 28.09.2029 | 28.09.2028 | 147,200 |
| | 2021 | 0.570 | 15.01.2031 | 15.01.2030 | 210,000 |
| | 2021 | 2.250 | Perpetual[2] | 31.03.2027 | 300,000 |
| | 2022 | 5.230[3] | 01.11.2027 | – | 465,400 |
| | 2023 | 4.840[3] | 03.11.2028 | – | 465,400 |
| | 2023 | 4.000 | Perpetual[2] | 31.05.2029 | 100,000 |
| Underlying instruments from issued structured products[4] | div. | 1.791[5] | 2024 | | 469,601 |
| | | 1.619[5] | 2025 | | 150,119 |
| | | 1.459[5] | 2026 | | 47,853 |
| | | 1.564[5] | 2027 | | 70,063 |
| | | 1.402[5] | 2028 | | 19,207 |
| | | 4.425[5] | after 2028 | | 2,229 |
| **Total bonds of Raiffeisen Switzerland** | | | | | **4,950,462** |
| **Loans from Pfandbriefbank schweizerischer Hypothekarinstitute AG** | div. | 0.96[5] | div. | | **28,164,300** |
| **Total outstanding bond issues and central mortgage institution loans** | | | | | **33,114,762** |

1 PONV clause = point of non-viability/time of imminent insolvency.
2 Subordinated perpetual Additional-Tier-1 bond with contingent write-down. With FINMA's consent, the bond can be terminated on a unilateral basis by Raiffeisen Switzerland (no earlier than five years following issue).
3 The higher interest rate is attributable to the fact that the bond was issued in EUR.
4 In the case of issued structured products that include a debt security, the derivative is split from the underlying contract and valued and presented separately. Underlying instruments are recognised at their nominal value in "Bond issues and central mortgage institution loans". The derivative components of the products are recognised at market value in "Positive replacement values of derivative financial instruments" or "Negative replacement values of derivative financial instruments".
5 Average weighted interest rate (volume-weighted).

## 15 – Value adjustments, provisions and reserves for general banking risks

**Value adjustments, provisions and reserves for general banking risks**

| | 2022 | | | | | | | 2023 |
|---|---|---|---|---|---|---|---|---|
| in 1,000 CHF | Balance at 31.12.2022 | Use in conformity with designated purpose | Reclassifications | Currency differences | Past due interest, recoveries | New creations charged to income | Releases to income | Balance at 31.12.2023 |
| **Provisions** | | | | | | | | |
| Provisions for deferred taxes | 824,405 | – | – | – | – | 47,644 | –9,304 | 862,745 |
| Provisions for default risks | 57,817 | – | 187 | –10 | – | 8,040 | –11,283 | 54,751 |
| of which provisions for expected losses[1] | 33,294 | – | – | –8 | – | – | –4,840 | 28,446 |
| Provisions for other business risks[2] | 43,644 | –12,126 | – | – | – | 2,779 | –819 | 33,478 |
| Provisions for restructuring | 5,694 | –1,169 | – | – | – | – | – | 4,525 |
| Other provisions[3] | 15,582 | –3,762 | – | – | – | 623 | –290 | 12,153 |
| **Total provisions** | **947,142** | **–17,057** | **187** | **–10** | **–** | **59,086** | **–21,696** | **967,652** |
| **Reserves for general banking risks** | **200,000** | **–** | **–** | **–** | **–** | **50,000** | **–** | **250,000** |
| **Value adjustments for default and country risks** | | | | | | | | |
| Value adjustments for default risks in respect of impaired loans/receivables | 247,820 | –11,630 | –187 | –11 | 9,531 | 76,894 | –33,411 | 289,006 |
| Value adjustments for expected losses[1] | 483,588 | – | – | –100 | – | – | –17,980 | 465,508 |
| **Total value adjustments for default and country risks** | **731,408** | **–11,630** | **–187** | **–111** | **9,531** | **76,894** | **–51,391** | **754,514** |

1 The changes in provisions and value adjustments for expected losses taken through the income statement are shown as net figures. As product rollovers during the year and rating changes during the year can have a material impact on releases and new allocations if shown gross, the decision was made to report them net.
2 The provisions of CHF 33 million for other business risks include provisions of CHF 20 million, which resulted from the repurchase of the now-liquidated ARIZON Sourcing Ltd.
3 Other provisions include provisions for legal expenses.

## 16 – Cooperative capital

**Cooperative capital**

| in 1,000 CHF | Number of members | Nominal amount per share | Cooperative capital |
|---|---|---|---|
| **Cooperative capital at 01.01.2023** | | | |
| Cooperative capital | 2,001,499 | | 431,159 |
| Cooperative capital (additional cooperative shares) [1] | | | 2,638,730 |
| **Total cooperative capital at 01.01.2023** | **2,001,499** | | **3,069,889** |
| + Payments from new cooperative members | 93,391 | 200 | 18,678 |
| | 133 | 300 | 40 |
| | 225 | 400 | 90 |
| | 31,993 | 500 | 15,997 |
| + Payments of cooperative shares (additional cooperative shares) | | | 412,079 |
| **Total payments from new cooperative members** | **125,742** | | **446,884** |
| – Repayments to departing cooperative members | –66,554 | 200 | –13,311 |
| | –84 | 300 | –25 |
| | –138 | 400 | –55 |
| | –2,933 | 500 | –1,467 |
| – Repayments of cooperative shares (additional cooperative shares) | | | –87,930 |
| **Total repayments to departing cooperative members** | **–69,709** | | **–102,788** |
| **Total cooperative capital at 31.12.2023** | | | |
| Cooperative capital | 1,921,436 | 200 | 384,287 |
| | 3,157 | 300 | 947 |
| | 5,979 | 400 | 2,392 |
| | 126,960 | 500 | 63,480 |
| Cooperative capital (additional cooperative shares) | | | 2,962,879 |
| **Total cooperative capital at 31.12.2023** | **2,057,532** | | **3,413,985** |

1 To avoid double counting, the number of members is shown only under the position "Cooperative capital". Number of cooperative shares, number of shares: current year 15,811,908, previous year 14,430,908.

Interest-bearing cooperative capital:

- Year under review: CHF 3,413,985,000
- Previous year: CHF 3,069,889,000

Paid-up cooperative capital:

- Year under review: CHF 3,413,985,000
- Previous year: CHF 3,069,889,000

Non-distributable statutory or legal reserves based on single-entity financial statements as at 31 December 2023: CHF 4,967,744,000, previous year: CHF 4,752,766,000.

No cooperative member holds more than 5% of voting rights.

## 17 – Related parties

**Amounts due from/to related parties**

| in 1,000 CHF | Amounts due from 31.12.2022 | Amounts due from 31.12.2023 | Amounts due to 31.12.2022 | Amounts due to 31.12.2023 |
|---|---|---|---|---|
| Members of the Board of Directors of Raiffeisen Switzerland and associated persons and companies | 7,053 | 6,355 | 4,778 | 2,983 |
| Members of the Executive Board and Head of internal Auditing of Raiffeisen Switzerland and associated persons and companies | 4,219 | 4,811 | 8,629 | 9,317 |
| Other related parties [1] | 5,723,786 | 6,121,081 | 27,612,617 | 28,618,489 |
| **Total amounts due from/to related parties** | **5,735,058** | **6,132,247** | **27,626,024** | **28,630,789** |

1 Includes in particular receivables from and liabilities to non-consolidated participations with a participating interest between 20% and 50%, or a participating interest of less than 20% if significant influence can be exercised otherwise.

**Breakdown of amounts due from members of the Board of Directors of Raiffeisen Switzerland and related parties and companies** [1]

| in 1,000 CHF | Amounts due from 31.12.2023 |
|---|---|
| Müller, Thomas A. | – |
| Gantenbein, Pascal | – |
| Golob, Andrej | 1,138 |
| Lathion, Sandra | – |
| Rauber, Thomas | 2,317 |
| Roussy, Olivier | – |
| Schwab, Beat | 2,900 |
| Valenzano Rossi, Karin | – |
| Walker, Rolf | – |
| **Total amounts due from members of the Board of Directors of Raiffeisen Switzerland and related parties and companies** | **6,355** |

1 Due to the first-time voluntary breakdown of amounts due from members of the Board of Directors of Raiffeisen Switzerland and related parties and companies, a prior-year comparison is not made.

### Material off-balance-sheet transactions with related parties

Contingent liabilities to related parties amount to CHF 102.5 million (previous year: CHF 104.6 million). There were irrevocable commitments of CHF 0.8 million (previous year: CHF 18.5 million) and call-in obligations amounted to CHF 134.0 million (previous year: CHF 134.0 million).

### Transactions with related parties

On and off-balance-sheet transactions with related parties are allowed under market conditions, with the following exceptions:

- The Executive Board and the Head of Internal Auditing of Raiffeisen Switzerland enjoy industry-standard preferential terms, as do all other personnel.
- Liabilities to other related parties of CHF 28.6 billion include an item of CHF 7.3 million, which bears interest at 2.75%.

Special provisions apply to the processing and monitoring of loans to executive bodies to ensure that staff remain independent at all times.

## 18 – Maturity structure of financial instruments

**Maturity structure of financial instruments (Assets/financial instruments)**

| in 1,000 CHF | At sight | Cancellable | Due within 3 months | Due within 3 to 12 months | Due within 1 to 5 years | Due after 5 years[1] | Total |
|---|---|---|---|---|---|---|---|
| Liquid assets | 44,239,467 | 810,974 | – | – | – | – | 45,050,441 |
| Amounts due from banks | 3,910,300 | – | 2,172,991 | 21,988 | – | – | 6,105,279 |
| Amounts due from securities financing transactions | – | 168,420 | 186,160 | – | – | – | 354,580 |
| Amounts due from customers | 100,268 | 1,635,810 | 2,407,225 | 1,573,650 | 4,372,666 | 1,500,031 | 11,589,649 |
| Mortgage loans | 40,154 | 5,896,765 | 8,704,178 | 20,305,241 | 123,494,306 | 52,559,906 | 211,000,549 |
| Trading portfolio assets | 3,692,027 | – | – | – | – | – | 3,692,027 |
| Positive replacement values of derivative financial instruments | 3,656,296 | – | – | – | – | – | 3,656,296 |
| Financial investments[1] | 8,036 | 52,124 | 128,073 | 938,969 | 3,900,631 | 5,824,055 | 10,851,887 |
| **Total 31.12.2023** | **55,646,548** | **8,564,093** | **13,598,626** | **22,839,848** | **131,767,602** | **59,883,991** | **292,300,708** |
| **Total 31.12.2022** | **44,293,669** | **5,317,335** | **14,262,945** | **25,758,361** | **119,120,638** | **66,343,300** | **275,096,249** |

**Maturity structure of financial instruments (Debt capital/financial instruments)**

| in 1,000 CHF | At sight | Cancellable | Due within 3 months | Due within 3 to 12 months | Due within 1 to 5 years | Due after 5 years | Total |
|---|---|---|---|---|---|---|---|
| Amounts due to banks | 4,512,940 | 106,877 | 11,836,832 | 118,338 | 43,000 | – | 16,617,987 |
| Liabilities from securities financing transactions | – | – | 8,929,901 | – | – | – | 8,929,901 |
| Amounts due in respect of customer deposits | 78,993,681 | 97,831,370 | 13,782,760 | 8,381,801 | 7,201,898 | 1,651,950 | 207,843,460 |
| Trading portfolio liabilities | 261,191 | – | – | – | – | – | 261,191 |
| Negative replacement values of derivative financial instruments | 3,401,206 | – | – | – | – | – | 3,401,206 |
| Liabilities from other financial instruments at fair value | 1,651,109 | – | – | – | – | – | 1,651,109 |
| Cash bonds | – | – | 7,366 | 35,221 | 102,426 | 38,141 | 183,154 |
| Bond issues | – | – | 472,710 | 494,966 | 3,067,973 | 914,813 | 4,950,462 |
| Central mortgage institution loans | – | – | 313,100 | 1,136,200 | 6,227,700 | 20,487,300 | 28,164,300 |
| **Total 31.12.2023** | **88,820,127** | **97,938,247** | **35,342,669** | **10,166,527** | **16,642,997** | **23,092,204** | **272,002,770** |
| **Total 31.12.2022** | **97,938,854** | **97,645,409** | **19,005,031** | **6,127,965** | **14,080,428** | **22,016,106** | **256,813,794** |

1 Financial assets (due after 5 years) include CHF 28.3 million of real estate (previous year: CHF 41.8 million).

## 19 – Balance sheet by currency

**Balance sheet by currency**

| 31.12.2023 in 1,000 CHF | CHF | EUR | USD | Other | Total |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Liquid assets | 44,795,791 | 196,807 | 24,512 | 33,331 | 45,050,441 |
| Amounts due from banks | 618,392 | 3,100,710 | 1,601,472 | 784,705 | 6,105,279 |
| Amounts due from securities financing transactions | – | 186,160 | 168,420 | – | 354,580 |
| Amounts due from customers | 11,143,511 | 298,191 | 114,203 | 33,744 | 11,589,649 |
| Mortgage loans | 211,000,319 | 230 | – | – | 211,000,549 |
| Trading portfolio assets | 1,581,408 | 486,664 | 414,227 | 1,209,729 | 3,692,027 |
| Positive replacement values of derivative financial instruments | 3,656,296 | – | – | – | 3,656,296 |
| Financial investments | 10,849,516 | – | 2,372 | – | 10,851,887 |
| Accrued income and prepaid expenses | 449,833 | 2,157 | 1,975 | 1,362 | 455,327 |
| Non-consolidated participations | 765,587 | – | – | – | 765,587 |
| Tangible fixed assets | 2,985,131 | – | – | – | 2,985,131 |
| Intangible assets | 5,024 | – | – | – | 5,024 |
| Other assets | 623,169 | 1 | – | – | 623,170 |
| **Total assets shown in the balance sheet** | **288,473,976** | **4,270,920** | **2,327,181** | **2,062,870** | **297,134,947** |
| Delivery entitlements under spot exchange, forward exchange and currency option contracts | 15,746,763 | 13,196,484 | 20,603,337 | 3,521,315 | 53,067,899 |
| **Total assets** | **304,220,739** | **17,467,404** | **22,930,518** | **5,584,185** | **350,202,846** |
| **Liabilities** | | | | | |
| Amounts due to banks | 6,027,874 | 2,547,712 | 6,911,446 | 1,130,955 | 16,617,987 |
| Liabilities from securities financing transactions | 7,739,000 | 744,640 | 108,631 | 337,630 | 8,929,901 |
| Amounts due in respect of customer deposits | 201,680,643 | 4,969,092 | 780,958 | 412,767 | 207,843,460 |
| Trading portfolio liabilities | 253,721 | 7,470 | – | – | 261,191 |
| Negative replacement values of derivative financial instruments | 3,401,206 | – | – | – | 3,401,206 |
| Liabilities from other financial instruments at fair value | 710,844 | 477,437 | 407,341 | 55,487 | 1,651,109 |
| Cash bonds | 183,154 | – | – | – | 183,154 |
| Bond issues and central mortgage institution loans | 32,163,793 | 938,319 | 6,227 | 6,424 | 33,114,762 |
| Accrued expenses and deferred income | 1,003,345 | 19,016 | 41,871 | 1,433 | 1,065,664 |
| Other liabilities | 763,815 | 720 | 6 | 189 | 764,731 |
| Provisions | 967,461 | 174 | 17 | – | 967,652 |
| Reserves for general banking risks | 250,000 | – | – | – | 250,000 |
| Cooperative capital | 3,413,985 | – | – | – | 3,413,985 |
| Retained earnings reserve | 17,323,557 | – | – | – | 17,323,557 |
| Group profit | 1,390,657 | – | – | – | 1,390,657 |
| Minority interests in equity | –44,069 | – | – | – | –44,069 |
| of which minority interests in group profit | 2,740 | – | – | – | 2,740 |
| **Total liabilities shown in the balance sheet** | **277,228,985** | **9,704,581** | **8,256,496** | **1,944,885** | **297,134,947** |
| Delivery obligations from spot exchange, forward exchange and currency option contracts | 27,421,999 | 7,729,263 | 14,643,548 | 3,726,968 | 53,521,779 |
| **Total liabilities** | **304,650,984** | **17,433,844** | **22,900,044** | **5,671,853** | **350,656,726** |
| **Net position per currency** | **–430,245** | **33,560** | **30,473** | **–87,668** | **–453,880** |

# Information on off-balance-sheet transactions

## 20 – Contingent assets and liabilities

**Contingent assets and liabilities**

| in 1,000 CHF | 31.12.2022 | 31.12.2023 |
|---|---|---|
| **Contingent liabilities** | | |
| Guarantees to secure credits and similar | 274,471 | 257,208 |
| Performance guarantees and similar [1] | 250,045 | 284,178 |
| Other contingent liabilities | 143,905 | 180,308 |
| **Total contingent liabilities** | **668,421** | **721,694** |
| **Contingent assets** | | |
| **Total contingent assets** | **–** | **–** |

1 The performance guarantees include a guaranteed open amount vis-a-vis third parties that applies to derivative transactions, whose underlying replacement values vary according to market conditions. The guarantee amounted to CHF 100 million (unchanged from the previous year).

## 21 – Assets under management

### 21.1 – Breakdown of assets under management

**Breakdown of managed assets**

| in 1,000 CHF | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Assets in collective investment schemes managed by the bank [1] | – | – |
| Assets under discretionary asset management agreements | 7,237,474 | 9,079,309 |
| Other managed assets | 235,002,229 | 240,590,657 |
| **Total managed assets (including double counting) [2]** | **242,239,703** | **249,669,966** |
| of which, double counting | – | – |

1 The fund management is used as the criterion for the reporting of self-administered collective investment instruments.
2 The reported client assets include the custody account assets as well as liabilities arising from client deposits. The category "Liabilities arising from client deposits" also includes customer deposits that are not of an investment nature. Funds in trust and custody-only client relationships are not included. Custody-only client relationships are considered to be banks and institutional clients for which Raiffeisen serves solely as a custodian bank. Nor are assets of institutional investors part of the reported client assets if the business activity is comprised of liquidity or repo investments. Reclassifications between assets under management and unreported assets (or custody-only) are shown as a change in net new money.

### 21.2 – Change in managed assets

**Presentation of the development of managed assets**

| in 1,000 CHF | 2022 | 2023 |
|---|---|---|
| **Total managed assets (including double counting) [1] at 01.01.** | **241,226,349** | **242,239,703** |
| net new money inflow/outflow | 8,158,560 | 4,887,547 |
| price gains / losses, interest, dividends and currency gains / losses | –7,145,206 | 2,542,716 |
| other effects | – | – |
| **Total managed assets (including double counting) [1] at 31.12.** | **242,239,703** | **249,669,966** |

1 Net new money changes are calculated by means of the direct method, i.e. the cash inflows and outflows are calculated at client level based on transactions on the level of managed assets. Exchange rate fluctuations, interest and dividend payments, as well as commission and expenses, are excluded in the case of net new money changes.



# Information on the income statement

## 22 – Income from commission business and services transactions

**Net income from commission business and services**

| in 1,000 CHF | 2022 | 2023 |
|---|---|---|
| **Commission income** | | |
| Commission income from securities trading and investment activities | | |
| Custody account business | 91,779 | 98,212 |
| Brokerage | 54,549 | 69,185 |
| Fund business and asset management business | 187,276 | 178,128 |
| Other securities trading and investment activities | 61,343 | 59,130 |
| Commission income from lending activities | 30,617 | 28,029 |
| Commission income from other services | | |
| Payments | 217,823 | 288,026 |
| Account maintenance | 63,001 | 66,840 |
| Other services | 39,707 | 40,962 |
| **Total commission income** | **746,095** | **828,512** |
| **Commission expense** | | |
| Securities business | –37,849 | –38,309 |
| Payments | –103,050 | –155,698 |
| Other commission expense | –13,844 | –10,146 |
| **Total commission expense** | **–154,743** | **–204,153** |
| **Total results from commission business and services** | **591,352** | **624,359** |

## 23 – Net trading income and fair value option

### 23.1 – Breakdown by business area

**Result from trading activities and the fair value option**
Breakdown by business area

| in 1,000 CHF | 2022 | 2023 |
|---|---|---|
| Raiffeisen Switzerland Cooperative | 76,182 | 64,275 |
| Raiffeisen banks | 173,426 | 181,284 |
| Group companies | 4,706 | 10,031 |
| **Total result from trading activities and the fair value option** | **254,314** | **255,590** |

## 23.2 – Breakdown by underlying risk and based on the use of the fair value option

**Result from trading activities and the fair value option**
Breakdown by underlying risk and based on the use of the fair value option

| in 1,000 CHF | 2022 | 2023 |
|---|---|---|
| Foreign exchange trading | 179,515 | 184,460 |
| Precious metals and foreign notes and coins trading | 49,320 | 38,325 |
| Equities trading | 13,452 | 1,408 |
| Fixed income trading | 12,027 | 31,397 |
| Other | – | – |
| **Total result from trading activities and the fair value option** | **254,314** | **255,590** |
| of which, from fair value option | 5,723 | –11,595 |
| of which, from fair value option on assets | –13,037 | –53,859 |
| of which, from fair value option on liabilities | 18,760 | 42,264 |

## 24 – Income from participations

**Income from participating interests**

| in 1,000 CHF | 2022 | 2023 |
|---|---|---|
| Participations valued according to the equity method | 84,912 | 46,237 |
| Other non-consolidated participations | 8,068 | 5,786 |
| **Total income from participating interests** | **92,980** | **52,023** |

## 25 – Information on material refinancing income in interest and discount income, plus material negative interest

**Result from interest operations and negative interest**

| in 1,000 CHF | 2022 | 2023 |
|---|---|---|
| **Interest and dividend income** | | |
| Interest income from amounts due from banks | 87,713 | 736,922 |
| Interest income from securities financing transactions | 444 | 3,366 |
| Interest income from amounts due from clients | 124,918 | 205,010 |
| Interest income from mortgage loans | 2,523,480 | 3,271,879 |
| Interest and dividend income from financial investments | 39,873 | 71,590 |
| Other interest income | 280,618 | 782,557 |
| **Total interest and dividend income** | **3,057,046** | **5,071,324** |
| of which negative interest on the lending business [1] | –161,164 | – |
| **Interest expense** | | |
| Interest expense from amounts due to banks | –129,954 | –551,564 |
| Interest expense from securities financing transactions | –5,116 | –164,787 |
| Interest expense from amounts due to clients | –105,771 | –925,335 |
| Interest expense from cash bonds | –1,457 | –1,214 |
| Interest expense from bond issues and central mortgage institution loans | –244,127 | –328,295 |
| Other interest expense | –1,243 | –873 |
| **Total interest expense** | **–487,668** | **–1,972,068** |
| of which negative interest on the borrowing business [1] | 157,654 | 33,040 |
| **Gross result from interest operations** | **2,569,378** | **3,099,256** |

1 Negative interest relates primarily to hedging transactions and transactions with banks.

### Information on material refinancing income

No material refinancing income was generated in the year under review, or in the previous year.

## 26 – Personnel expenses

**Personnel expenses**

| in 1,000 CHF | 2022 | 2023 |
|---|---|---|
| Meeting attendance fees and fixed compensation to members of the banking authorities | 25,824 | 27,642 |
| Salaries and benefits for staff | 1,126,956 | 1,186,562 |
| AHV, IV, ALV and other social benefits | 117,512 | 121,643 |
| Contributions to staff pension plans | 127,559 | 154,858 |
| Other personnel expenses | 31,155 | 35,023 |
| **Total personnel expenses** | **1,429,006** | **1,525,728** |

## 27 – General and administrative expenses

**General and administrative expenses**

| in 1,000 CHF | 2022 | 2023 |
|---|---|---|
| Office space expenses | 83,849 | 97,936 |
| Expenses for information and communications technology | 116,237 | 123,865 |
| Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses | 23,912 | 24,588 |
| Fees of audit firms | 7,447 | 8,468 |
| of which, for financial and regulatory audits | 7,250 | 8,052 |
| of which, for other services | 197 | 416 |
| Other operating expenses | 311,582 | 332,133 |
| **Total general and administrative expenses** | **543,027** | **586,990** |

## 28 – Explanations of material losses, extraordinary income and expenses, reserves for general banking risks, and value adjustments and provisions released

**Explanations of material losses, extraordinary income and expenses, reserves for general banking risks, and value adjustments and provisions released**

| in 1,000 CHF | 2022 | 2023 |
|---|---|---|
| **Extraordinary income** | | |
| Gains from the sale of tangible fixed assets | 5,649 | 2,540 |
| Gains from the sale of participations | 26,471 | – |
| Other extraordinary income | 1,472 | 2,911 |
| **Total extraordinary income** | **33,592** | **5,451** |
| **Extraordinary expenses** | | |
| Losses from the sale of tangible fixed assets | 3,947 | 1,822 |
| Losses from the sale of participations | 5,500 | – |
| Other extraordinary income | 335 | 420 |
| **Total extraordinary expenses** | **9,782** | **2,242** |
| **Changes in reserves for general banking risks** | | |
| Creation of reserves for general banking risks | – | 50,000 |
| Release of reserves for general banking risks | – | – |
| **Total changes in reserves for general banking risks** | **–** | **50,000** |

As in the previous year, there were no material value adjustments or provisions released in the year under review.

## 29 – Current and deferred taxes

**Current and deferred taxes**

| in 1,000 CHF | 2022 | 2023 |
|---|---|---|
| Creation of provisions for deferred taxes | 33,717 | 47,644 |
| Release of provisions for deferred taxes | –6,554 | –9,304 |
| Capitalisation of deferred taxes on loss carry-forwards | –6,945 | – |
| Release of deferred taxes on loss carry-forwards | – | 5,287 |
| Expenses for current taxes | 175,940 | 224,838 |
| **Total tax expenses** | **196,158** | **268,465** |
| Average tax rate weighted on the basis of the operating result | 14.5% | 15.7% |

Some Group companies have recorded deferred taxes on loss carry-forwards. The taxable net profit for 2023 was partially offset against unused tax loss carry-forwards. In the year under review, deferred taxes amounting to CHF 5.3 million were released.

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To the General Meeting of
Raiffeisen Switzerland Cooperative, St. Gallen

Basle, 17 April 2024

# Report of the statutory auditor

## Report on the audit of the consolidated financial statements

**Opinion**
We have audited the consolidated financial statements of Raiffeisen Group (the Group), which comprise the consolidated balance sheet as of 31 December 2023, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 148 to 193) give a true and fair view of the consolidated financial position of the Group as of 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss accounting principles for banks and comply with Swiss law.

**Basis for opinion**
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to



address the matter below, provide the basis for our audit opinion on the consolidated financial statements.

**Recoverability of customer loans and measurement of value adjustments and provisions for default risks**

**Audit Matter** Raiffeisen Group recognizes customer loans, consisting of amounts due from clients and mortgage loans, at nominal value less any value adjustments required.

The identification of a value adjustment or provision on impaired items is carried out on an individual basis and is calculated on the basis of the difference between the carrying amount of the receivable or any higher limit and the expected amount to be collected, taking into account counterparty risk and the net proceeds from the realization of any collateral.

In accordance with the accounting requirements for banks (FINMA Accounting Ordinance and FINMA-Circ. 2020/1 "Accounting – Banks"), Raiffeisen Group also recognizes value adjustments and provisions for expected losses on non-impaired items.

When calculating value adjustments and provisions for default risks, estimates must be made which involve significant judgments and may vary depending on the assessment.

Raiffeisen Group reports amounts due from clients of CHF 11.6 billion and mortgage loans of CHF 211.0 billion. In this context, as of the balance sheet date, there were value adjustments and provisions for impaired credit items of CHF 315.3 million and value adjustments and provisions for expected losses on non-impaired credit items of CHF 493.9 million. Since customer loans represent with 74.9% a major part of the assets in Raiffeisen Group's consolidated financial statements, we consider the recoverability of customer loans and the calculation of value adjustments and provisions for default risks as a key audit matter.

Raiffeisen Group describes its accounting and valuation principles for customer loans and value adjustments in the notes to the consolidated financial statements on pages 165 and 166. Further explanations on the identification of default risks, the calculation of the valuation adjustments and the valuation of the collaterals can be found in the notes to the consolidated financial statements on the pages 160 to 162.

**Our audit response**

Our audits included assessing the design and effectiveness of the processes and controls associated with credit granting and monitoring, as well as identifying and measuring valuation adjustments and provisions on impaired and non-impaired credit items. In addition, we assessed the concept applied by Raiffeisen Group for the recognition of value adjustments and provisions for expected losses on non-impaired items pursuant to Art. 25 FINMA Accounting Ordinance in the consolidated financial statements.

In addition, we tested the recoverability of credit exposures on a sample basis and assessed the methods and assumptions used in the calculation of individual value adjustments and provisions for default risks. Our sample included both randomly and risk-oriented selected credit items. The risk-oriented sample particularly included unsecured loans to commercial customers and financing of investment properties.

Further audit procedures included the assessment of compliance with and implementation of the accounting and valuation principles of Raiffeisen Group as well as the appropriateness of the explanations for the identification of default risks, for the determination of the value adjustments and for the valuation of the collateral in the consolidated financial statements.

Our audit procedures did not result in any objections regarding the recoverability of customer loans as well as the measurement of the valuation adjustments and provisions for default risks.

**Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the information related to sustainability and our auditor reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





**Board of Directors’ responsibilities for the consolidated financial statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with the applicable financial reporting framework for banks and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse’s website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

## Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

| | |
|---|---|
| Prof. Dr. Andreas Blumer<br>Licensed audit expert<br>(Auditor in charge) | Philipp de Boer<br>Licensed audit expert |

# Disclosure



**The Raiffeisen Group, in its capacity as the central organisation, is obligated to comply with capital adequacy rules and is thus subject to disclosure requirements under supervisory law. Information is published in line with the regulations laid down in the Capital Adequacy Ordinance (CAO) and FINMA Circular 2016/1 "Disclosure – banks".**

**As Raiffeisen is classified as systemically important, it has to meet higher capital requirements. It is subject to capital requirements for a going concern and requirements for additional loss-absorbing capital in the event of a crisis (gone concern).**

**The high degree of earnings retention in the cooperative model means that the Group is able to strengthen its core capital on an ongoing basis, is exceptionally well capitalised and that the requirements are met in full without applying transitional provisions.**

# Regulatory disclosure

The Raiffeisen Group is obligated to comply with capital adequacy rules and is thus required by supervisory law to make risk, capital adequacy and liquidity disclosures.

The regulatory disclosure is based on FINMA Circular 2016/1 "Disclosure – banks". It includes qualitative and quantitative information on risk, capital adequacy and liquidity, and is published in the separate publication "Regulatory disclosure", which is available on the Raiffeisen website raiffeisen.ch/aufsichtsrechtliche-offenlegung.

On 16 June 2014, the Swiss National Bank (SNB) issued an order classifying the Raiffeisen Group as systemically important. The provisions covering systemic importance require an additional capital adequacy disclosure. The corresponding information on risk-based capital requirements and unweighted capital requirements (leverage ratio) is available in note 3 in the full regulatory disclosure.

The following page of this Annual Report includes an overview of the key figures from the comprehensive regulatory disclosure. The full disclosure is published on the website raiffeisen.ch/aufsichtsrechtliche-offenlegung.



# Metrics disclosure

**In accordance with requirements for systemic importance**

| in million CHF (unless stated otherwise) | 31.12.2019 | 31.12.2020 | 31.12.2021 | 31.12.2022 | 31.12.2023 |
|---|---|---|---|---|---|
| **Risk-weighted assets** | **98,295** | **93,545** | **91,186** | **92,899** | **97,142** |
| of which: credit risk | 75,707 | 76,097 | 76,371 | 82,355 | 84,589 |
| of which: counterparty credit risk (CCR) | 324 | 991 | 1,470 | 403 | 1,894 |
| of which: market risk | 3,895 | 2,590 | 2,414 | 1,650 | 1,640 |
| of which: operational risk | 5,707 | 5,697 | 5,839 | 6,173 | 6,790 |
| of which: other positions according to table OV1 of the regulatory disclosures | 1,973 | 2,072 | 2,131 | 2,318 | 2,228 |
| of which: floor adjustment | 10,689 | 6,098 | 2,961 | – | – |
| **Total exposure** | **252,263** | **263,303** | **289,393** | **282,758** | **299,797** |
| **Eligible capital under the rules governing systemically important banks (final rules as of 01.01.2026)** [1] | | | | | |
| Common Equity Tier1 (CET1) before reclassification for gone-concern funds | 16,868 | 17,883 | 19,109 | 20,575 | 22,197 |
| CET1 which is used to fulfill gone-concern requirements | –3,465 | –2,965 | –2,919 | –3,111 | –3,302 |
| **Eligible CET1 capital – going-concern** | **13,402** | **14,919** | **16,190** | **17,464** | **18,894** |
| Additional Tier 1 | 968 | 892 | 1,214 | 1,135 | 925 |
| Additional Tier 1 which is used to fulfill gone-concern requirements | – | – | – | –1,135 | –925 |
| **Eligible Tier1 capital – going concern** | **14,371** | **15,811** | **17,404** | **17,464** | **18,894** |
| of which CET1 which is used to fulfill gone-concern requirements | 3,465 | 2,965 | 2,919 | 3,111 | 3,302 |
| of which Additional Tier 1 which is used to fulfill gone-concern requirements | – | – | – | 1,135 | 925 |
| of which Bail-In Bonds | – | 500 | 976 | 1,407 | 1,904 |
| **Eligible loss absorbing capital – gone-concern** | **3,465** | **3,464** | **3,895** | **5,653** | **6,131** |
| **TLAC (Total loss absorbing capital)** | **17,836** | **19,275** | **21,299** | **23,117** | **25,025** |
| Going-concern CET1 ratio | 13.635% | 15.948% | 17.755% | 18.799% | 19.450% |
| Going-concern Tier1 ratio | 14.620% | 16.902% | 19.086% | 18.799% | 19.450% |
| Gone-concern ratio | 3.525% | 3.703% | 4.271% | 6.085% | 6.311% |
| **TLAC ratio** | **18.145%** | **20.605%** | **23.357%** | **24.884%** | **25.761%** |
| Going-Concern CET1-Leverage Ratio | 5.313% | 5.666% | 5.594% | 6.176% | 6.302% |
| Going-Concern Tier1-Leverage Ratio | 5.697% | 6.005% | 6.014% | 6.176% | 6.302% |
| Gone-Concern Leverage Ratio | 1.374% | 1.316% | 1.346% | 1.999% | 2.045% |
| **TLAC-Leverage Ratio** | **7.071%** | **7.321%** | **7.360%** | **8.175%** | **8.347%** |
| **Liquidity Coverage Ratio and NSFR ratio** | | | | | |
| Total HQLA | 27,805 | 47,789 | 60,763 | 55,270 | 46,534 |
| Total net cash outflow | 20,367 | 29,983 | 32,769 | 32,828 | 26,912 |
| **LCR ratio (%)** | **136.5%** | **159.4%** | **185.4%** | **168.4%** | **172.9%** |
| Total available stable funding | n/a | n/a | 223,094 | 227,260 | 233,198 |
| Total required stable funding | n/a | n/a | 153,975 | 161,313 | 167,652 |
| **NSFR ratio (%)** [2] | **n/a** | **n/a** | **144.9%** | **140.9%** | **139.1%** |

1 With effect from 31 December 2022, the Raiffeisen Group reclassifies excess CET1 and AT1 capital based on full gone-concern emergency plan requirements, without applying transitional provisions. In the reporting up to and including 31 December 2021, the reclassification of CET1 capital is presented on the basis of the full TLAC requirements pursuant to CAO (Capital Adequacy Ordinance).
2 These figures were disclosed for the first time as of 30 September 2021.

# Key figures



**Raiffeisen is Switzerland's second-largest banking group, has strong local roots, and is a leader in the retail business. The Group consists of 219 legally independent Raiffeisen banks with a cooperative structure. Raiffeisen serves 3.69 million clients at 784 locations throughout Switzerland. More than 2 million cooperative members hold at least one share certificate of a local Raiffeisen bank and help shape it.**

# Group companies compared

**Income statement and balance key figures**

| in million CHF | Raiffeisen banks | | Raiffeisen Switzerland | | Other Group companies | | Consolidation effects | | Raiffeisen Group | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| **Income statement** | | | | | | | | | | |
| Net interest income | 2,324 | 2,932 | 229 | 140 | 1 | 2 | –4 | –1 | 2,550 | 3,073 |
| Result from commission business and services | 486 | 528 | 100 | 86 | 5 | 6 | 0 | 4 | 591 | 624 |
| Result from trading activities | 173 | 181 | 76 | 64 | 4 | 10 | 1 | 1 | 254 | 256 |
| Other result from ordinary activities | 71 | 92 | 392 | 546 | 18 | 26 | –347 | –548 | 134 | 117 |
| **Operating income** | **3,054** | **3,733** | **797** | **837** | **28** | **45** | **–350** | **–545** | **3,529** | **4,069** |
| Personnel expenses | –1,020 | –1,127 | –411 | –416 | –16 | –17 | 18 | 34 | –1,429 | –1,526 |
| General and administrative expenses | –630 | –808 | –250 | –253 | –8 | –9 | 345 | 483 | –543 | –587 |
| **Operating expenses** | **–1,650** | **–1,935** | **–661** | **–669** | **–24** | **–26** | **363** | **517** | **–1,972** | **–2,113** |
| Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets | –169 | –177 | –43 | –68 | –1 | –0 | 24 | –1 | –189 | –247 |
| Value adjustments, provisions and losses | –10 | –14 | –16 | 4 | – | – | 12 | 9 | –14 | –1 |
| **Operating profit** | **1,225** | **1,607** | **77** | **104** | **3** | **18** | **49** | **–21** | **1,354** | **1,709** |
| Extraordinary income | 30 | 21 | 27 | 22 | 0 | 0 | –23 | –38 | 34 | 5 |
| Extraordinary expenses | –559 | –720 | – | – | – | – | 549 | 718 | –10 | –2 |
| Changes in reserves for general banking risks | –236 | –333 | –32 | –8 | – | – | 268 | 291 | – | –50 |
| Taxes | –172 | –222 | –3 | –3 | –1 | –3 | –20 | –40 | –196 | –268 |
| **Group profit (including minority interests)** | **288** | **353** | **69** | **115** | **2** | **16** | **823** | **910** | **1,182** | **1,393** |
| Minority interests in Group profit | – | – | – | – | – | – | –0 | 3 | –0 | 3 |
| **Group profit** | **288** | **353** | **69** | **115** | **2** | **16** | **823** | **907** | **1,182** | **1,391** |
| **Key balance sheet figures** | | | | | | | | | | |
| Total assets | 251,271 | 261,283 | 69,557 | 75,261 | 2,146 | 1,871 | –42,339 | –41,280 | 280,635 | 297,135 |
| Amounts due from customers | 7,184 | 7,586 | 3,711 | 3,979 | 181 | 110 | –167 | –85 | 10,909 | 11,590 |
| Mortgage loans | 198,857 | 209,608 | 4,799 | 1,397 | – | – | 0 | –4 | 203,656 | 211,001 |
| Amounts due in respect of customer deposits | 194,879 | 201,619 | 10,043 | 6,246 | – | – | –137 | –22 | 204,785 | 207,843 |



# Five-year overviews

## Balance sheet

**Balance sheet**

| in million CHF | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Liquid assets | 29,643 | 36,661 | 57,275 | 35,442 | 45,050 |
| Amounts due from banks | 7,677 | 4,037 | 3,245 | 2,197 | 6,105 |
| Amounts due from securities financing transactions | 250 | – | – | – | 355 |
| Amounts due from customers | 8,160 | 10,041 | 9,996 | 10,909 | 11,590 |
| Mortgage loans | 185,291 | 190,317 | 196,360 | 203,656 | 211,001 |
| Trading portfolio assets | 3,201 | 3,044 | 2,574 | 2,889 | 3,692 |
| Positive replacement values of derivative financial instruments | 1,898 | 1,645 | 1,356 | 4,852 | 3,656 |
| Financial assets | 7,194 | 8,829 | 8,549 | 15,151 | 10,852 |
| Accrued income and prepaid expenses | 263 | 281 | 281 | 334 | 455 |
| Non-consolidated participations | 708 | 683 | 724 | 808 | 766 |
| Tangible fixed assets | 2,998 | 2,981 | 2,967 | 2,989 | 2,985 |
| Intangible assets | 10 | 7 | – | 7 | 5 |
| Other assets | 1,053 | 1,127 | 1,163 | 1,401 | 623 |
| **Total assets** | **248,345** | **259,653** | **284,489** | **280,635** | **297,135** |
| **Liabilities** | | | | | |
| Amounts due to banks | 12,280 | 10,559 | 15,912 | 13,990 | 16,618 |
| Liabilities from securities financing transactions | 6,327 | 4,181 | 7,451 | 35 | 8,930 |
| Amounts due in respect of customer deposits | 176,179 | 190,425 | 201,729 | 204,785 | 207,843 |
| Trading portfolio liabilities | 198 | 148 | 156 | 289 | 261 |
| Negative replacement values of derivative financial instruments | 2,318 | 2,099 | 1,616 | 3,762 | 3,401 |
| Liabilities from other financial instruments at fair value | 2,497 | 2,192 | 2,229 | 1,741 | 1,651 |
| Cash bonds | 459 | 354 | 284 | 210 | 183 |
| Bond issues and central mortgage institution loans | 28,725 | 29,391 | 34,062 | 32,002 | 33,115 |
| Accrued expenses and deferred income | 840 | 865 | 832 | 917 | 1,066 |
| Other liabilities | 107 | 100 | 152 | 1,331 | 765 |
| Provisions | 998 | 967 | 933 | 947 | 968 |
| Reserves for general banking risks | 200 | 200 | 200 | 200 | 250 |
| Cooperative capital | 2,351 | 2,519 | 2,692 | 3,070 | 3,414 |
| Retained earnings reserve | 14,092 | 14,864 | 15,219 | 16,221 | 17,324 |
| Group profit | 835 | 861 | 1,069 | 1,182 | 1,391 |
| **Total equity capital (without minority interests)** | **17,478** | **18,444** | **19,180** | **20,673** | **22,378** |
| Minority interests in equity | –62 | –71 | –47 | –47 | –44 |
| of which Minority interests in group profit | –11 | –9 | 24 | – | 3 |
| **Total equity capital (with minority interests)** | **17,416** | **18,373** | **19,133** | **20,626** | **22,334** |
| **Total liabilities** | **248,345** | **259,653** | **284,489** | **280,635** | **297,135** |

## Income statement

**Income statement**

| in million CHF | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Interest and discount income | 2,819 | 2,734 | 2,632 | 3,017 | 5,000 |
| Interest and dividend income from financial investments | 43 | 33 | 25 | 40 | 72 |
| Interest expense | –595 | –417 | –256 | –488 | –1,972 |
| **Gross result from interest operations** | **2,267** | **2,350** | **2,402** | **2,569** | **3,099** |
| Changes in value adjustments for default risks and losses from interest operations | –13 | –52 | 12 | –19 | –27 |
| **Subtotal net result from interest operations** | **2,254** | **2,297** | **2,414** | **2,550** | **3,073** |
| Commission income from securities trading and investment activities | 343 | 363 | 406 | 395 | 405 |
| Commission income from lending activities | 22 | 25 | 29 | 31 | 28 |
| Commission income from other services | 230 | 224 | 228 | 320 | 396 |
| Commission expense | –178 | –161 | –127 | –155 | –204 |
| **Result from commission business and services** | **416** | **451** | **536** | **591** | **624** |
| **Result from trading activities and the fair value option** | **228** | **215** | **245** | **254** | **256** |
| Income from sale of financial assets | 13 | 13 | 70 | 1 | 10 |
| Income from participations | 64 | 32 | 73 | 93 | 52 |
| Income from real estate | 22 | 21 | 21 | 23 | 25 |
| Other ordinary income | 65 | 33 | 27 | 27 | 32 |
| Other ordinary expenses | –10 | –2 | –2 | –10 | –3 |
| **Other result from ordinary activities** | **153** | **97** | **189** | **134** | **117** |
| **Operating income** | **3,052** | **3,060** | **3,383** | **3,529** | **4,069** |
| Personnel expenses | –1,332 | –1,337 | –1,392 | –1,429 | –1,526 |
| General and administrative expenses | –538 | –480 | –503 | –543 | –587 |
| **Operating expenses** | **–1,870** | **–1,817** | **–1,895** | **–1,972** | **–2,113** |
| Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets | –227 | –274 | –217 | –189 | –247 |
| Changes to provisions and other value adjustments, and losses | –24 | –2 | –3 | –14 | –1 |
| **Operating result** | **930** | **968** | **1,268** | **1,354** | **1,709** |
| Extraordinary income | 10 | 6 | 9 | 34 | 5 |
| Extraordinary expenses | –3 | –2 | –1 | –10 | –2 |
| Changes in reserves for general banking risks | – | – | – | – | –50 |
| Taxes | –112 | –119 | –183 | –196 | –268 |
| **Group profit (including minority interests)** | **824** | **852** | **1,093** | **1,182** | **1,393** |
| Minority interests in Group profit | –11 | –9 | 24 | – | 3 |
| **Group profit** | **835** | **861** | **1,069** | **1,182** | **1,391** |

## Proposed appropriation of profit

**Proposed appropriation of retained earnings**

| in million CHF | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Retained earnings reserve | 772 | 796 | 1,002 | 1,103 | 1,285 |
| Distribution to cooperative members | 63 | 65 | 67 | 79 | 106 |
| Distribution ratio in %[1] | 8% | 8% | 7% | 7% | 8% |

1 This year, the proposal for appropriation of profit is provisional.



# Imprint

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**Annual reporting**
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The non-financial reporting of the Raiffeisen Group consists of a chapter on Sustainability and a chapter on Employees in the management report of the Annual Report of the Raiffeisen Group, disclosure of climate information according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the GRI content index.

All publications are also available online at:

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**Forward-looking statements**
This publication contains forward-looking statements. These reflect the estimations, assumptions and expectations of the Raiffeisen Switzerland Cooperative at the time of publication. Future events may differ materially from the forward-looking statements owing to risks, uncertainties and other material factors. Raiffeisen Switzerland Cooperative is under no obligation to update the forward-looking statements herein.

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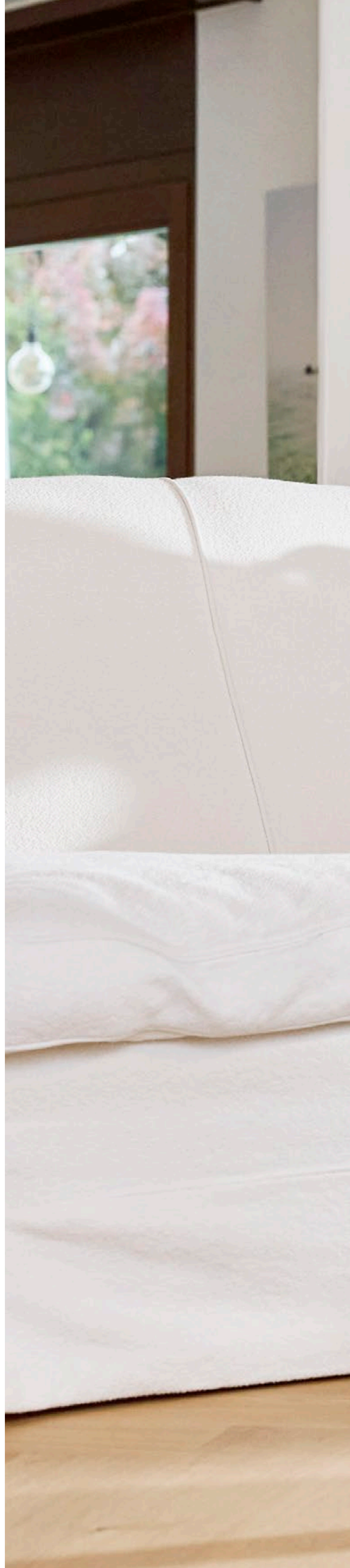

## We open up new horizons

**Thank you for the trust you have placed in us.**