



**Raiffeisen Group interim financial statement**  
as of 30 June 2008

**RAIFFEISEN**

## Key Figures

	1.1.–30.6.2008 in CHF million	Changes in %	1.1.–30.6.2007 in CHF million	Changes in %	1.1.–30.6.2006 in CHF million
<b>Key P + L figures</b>					
Net interest income	930	-0.5	935	5.5	887
Net income from commission business and service transactions	117	-6.8	126	5.8	119
Operating income	1,148	–	1,148	6.5	1,078
Total operating expenditure	692	8.8	636	7.8	591
Gross profit	455	-11.0	511	5.0	487
Group profit before tax	407	-8.9	447	10.6	405
Group profit	322	-9.8	357	11.0	322
Gross profit per personnel unit (in 1000 CHF)	62.6	-16.3	74.8	0.7	74.3
Cost/Income Ratio	60.3%		55.4%		54.8%
<b>Key balance sheet figures</b>					
	30.6.2008 in CHF million	Variation in %	31.12.2007 in CHF million	Variation in %	31.12.2006 in CHF million
Balance sheet total	126,841	3.1	123,076	8.0	113,998
Loans to clients	104,970	3.4	101,527	6.7	95,110
of which are mortgage receivables	97,827	3.7	94,299	7.0	88,153
Client monies	99,082	5.2	94,155	7.0	88,025
Client monies in % of loans to clients	94.4%		92.7%		92.6%
<b>Capital resources</b>					
Total equity capital	7,718	4.3	7,402	10.7	6,686
Return on equity (ROE)	8.5%		10.0%		10.3%
Capital resource/balance sheet total (equity ratio)	6.1%		6.0%		5.9%
<b>Market data</b>					
Market share in mortgage business (30.6.2008: estimated)	14.4%		14.2%		13.7%
Market share in savings (30.6.2008: estimated)	19.5%		19.0%		18.2%
Number of members	1,495,518	3.6	1,443,841	5.3	1,371,107
<b>Customer assets</b>					
Managed customer assets	121,909	3.4	117,859	7.5	109,594
<b>Custody accounts</b>					
Number of portfolios	375,444	4.4	359,466	11.6	321,972
Total portfolio volume	35,003	-2.3	35,841	12.1	31,981
<b>Rating given to the Raiffeisen Switzerland</b>					
Moody's	Aa1		Aa1		Aa2
<b>Resources</b>					
Number of employees	8,737	1.5	8,606	6.2	8,101
of which are trainees	681	-1.3	690	4.5	660
Number of personnel units	7,327	1.6	7,208	6.6	6,764
Number of Raiffeisen locations	1,155	–	1,155	0.5	1,149
Number of ATMs	1,373	3.0	1,333	4.5	1,275

**Raiffeisen defies financial crisis** In a difficult financial environment, customers continue to place their trust in Raiffeisen, as clearly shown by the growth in client monies, loans to clients and the impressive increase in members. The bank group has posted the second-best half-year result in its history. Operating income is at last year's level, while group profit stands at 322 million Swiss francs (–9.8%).

#### **High demand for loans – impressive growth in client monies**

Mortgage receivables increased in the first half of 2008 by 3.5 billion francs or 3.7 percent compared to the end of 2007 – the largest ever increase in a single half-year. The simultaneous 4.5-percent decrease in value adjustments for default risks reflects the loan portfolio's consistently high quality. Client monies jumped by almost 5 billion Swiss francs (+5.2%) in the first half of the year. The striking increase in a stagnating overall market is an impressive mark of confidence in Raiffeisen, especially in these times of uncertainty on the financial markets. Custody assets managed by Raiffeisen eased off by 2.3 percent or 837.7 million Swiss francs to 35 billion Swiss francs. The decrease is due mainly to negative price trends in fund and equity volumes. However, new investor customers were also gained, leading to net new money of more than 900 million Swiss francs and the opening of 15,978 new custody accounts. Raiffeisen-banks recorded a record gain of 51,677 members (+3.6%), making the grand sum of almost 1.5 million members.

#### **Continued high profits**

Profit from interest income was 930.5 million Swiss francs in the first half of 2008, half a percent higher than in the same period last year. The slight decrease is the result of a lower interest margin. The current interest rate environment has led to a stronger rise in the average interest paid on client monies than on loans to clients. A stock transfer of variable savings deposits to fixed-term deposits bearing higher interest also played its part. Against the backdrop of continued uncertainty in the securities markets, the financial business continued to decline. Commission and service profits declined by 8.6 million Swiss francs (–6.8%). Profits from the trading business have developed very positively, generating 6.9 million Swiss francs (+11.8%) more than in

the first six months of the previous year. The growth is due mainly to a good result in interest trading. Thanks to the increase in dividend yields from IT investment and services, other ordinary profit resulted in an increase of 6.3 million Swiss francs.

#### **Capital investment into the future**

Operating expenditure increased by 8.8 percent to 692.3 million Swiss francs. The largest portion of this was in personnel expenditure. On the one hand, this was due to an expansion of the headcount by 419 staff units, or 6.1 percent, and on the other, salary increases. Non-personnel expenditure rose by 7.5 percent to 230 million Swiss francs. The increase in operating expenditure is due both to the strongly rising volume in customer transactions and the high capital investment in large projects such as the «New Bank Platform» (NBP) IT programme. The project, which is proceeding to plan, added to the level of depreciation charges on fixed assets (+18.1%).

#### **Growth strategy continues to bear fruit**

In 2008, too, Raiffeisen's growth strategy appears to be paying off. Increased volumes in customer transactions are expected, and on the profit-and-loss side, a good result is forecast for the bank group in these trying times. It will not, however, quite achieve the record result of last year. Raiffeisen continues to invest in its ongoing large projects to ensure it can serve its customers with outstanding service into the future.

## Group Balance Sheet at 30 June 2008

	30.6.2008 in 1000 CHF	31.12.2007 in 1000 CHF	Change in 1000 CHF	Change in %
<b>Assets</b>				
Liquid funds	1,015,451	1,202,818	-187,367	-15.6
Receivables from money market securities	11,162	10,228	934	9.1
Receivables from banks	14,160,167	12,340,390	1,819,777	14.7
Receivables from clients	7,143,173	7,228,263	-85,090	-1.2
Mortgage receivables	97,827,150	94,298,648	3,528,502	3.7
<b>Loans to clients</b>	<b>104,970,323</b>	<b>101,526,911</b>	<b>3,443,412</b>	<b>3.4</b>
Trading portfolios in securities and precious metals	734,918	690,156	44,762	6.5
Financial assets	1,820,609	2,204,446	-383,837	-17.4
Non-consolidated participations	408,927	405,504	3,423	0.8
Tangible fixed assets	1,855,137	1,791,114	64,023	3.6
Accrued income and prepaid expenses	305,675	259,664	46,011	17.7
Other assets	1,558,911	2,644,456	-1,085,545	-41.0
<b>Total assets</b>	<b>126,841,280</b>	<b>123,075,687</b>	<b>3,765,593</b>	<b>3.1</b>
Total subordinated receivables	–	–	–	–
Total receivables from non-consolidated participations	1,468,632	1,311,233	157,399	12.0
<b>Liabilities</b>				
Liabilities to banks	9,663,576	11,430,788	-1,767,212	-15.5
Liabilities to clients in the form of savings and investment deposits	61,521,088	60,879,758	641,330	1.1
Other liabilities to clients	23,239,894	18,878,345	4,361,549	23.1
Medium-term notes	14,321,219	14,396,765	-75,546	-0.5
<b>Client monies</b>	<b>99,082,201</b>	<b>94,154,868</b>	<b>4,927,333</b>	<b>5.2</b>
Bonds and mortgage bond loans	7,643,380	7,756,725	-113,345	-1.5
Accrued expenses and deferred income	1,055,709	695,948	359,761	51.7
Other liabilities	645,325	596,970	48,355	8.1
Value adjustments and provisions	1,032,961	1,038,166	-5,205	-0.5
Cooperative capital	486,017	466,839	19,178	4.1
Retained earnings	6,910,038	6,234,055	675,983	10.8
Group profit	322,073	701,328	-379,255	-54.1
<b>Total equity capital</b>	<b>7,718,128</b>	<b>7,402,222</b>	<b>315,906</b>	<b>4.3</b>
<b>Total liabilities</b>	<b>126,841,280</b>	<b>123,075,687</b>	<b>3,765,593</b>	<b>3.1</b>
Total subordinated commitments	–	–	–	–
Total commitments towards non-consolidated participations	5,977,113	6,001,762	-24,649	-0.4
– of which mortgage bonds (Pfandbriefe)	5,537,150	5,468,150	69,000	1.3
<b>Off-balance-sheet business</b>				
Contingent liabilities	290,447	273,029	17,418	6.4
Irrevocable undertakings	3,377,975	3,283,465	94,510	2.9
Obligations to make payments and additional contributions	37,070	40,121	-3,051	-7.6
Derivative financial instruments				
Positive replacement values	397,512	219,454	178,058	81.1
Negative replacement values	146,209	105,114	41,095	39.1
Contract volume	69,752,696	36,436,534	33,316,162	91.4
Fiduciary business	358,630	336,829	21,801	6.5

## Group Profit and Loss Account at 30 June 2008

	1.1.–30.6.2008 in 1000 CHF	1.1.–30.6.2007 in 1000 CHF	Change in 1000 CHF	Change in %
Interest and discount income	1,933,580	1,729,829	203,751	11.8
Interest and dividend income from financial assets	25,742	30,584	-4,842	-15.8
Interest expenditure	-1,028,824	-825,108	-203,716	24.7
<b>Net interest income</b>	<b>930,498</b>	<b>935,305</b>	<b>-4,807</b>	<b>-0.5</b>
Commission income lending business	2,695	2,561	134	5.2
Commission income securities and investment business	100,852	107,341	-6,489	-6.0
Commission income other service transactions	66,185	68,121	-1,936	-2.8
Commission expenditure	-52,616	-52,340	-276	0.5
<b>Net income from commission business and service transactions</b>	<b>117,116</b>	<b>125,683</b>	<b>-8,567</b>	<b>-6.8</b>
<b>Net trading income</b>	<b>65,814</b>	<b>58,893</b>	<b>6,921</b>	<b>11.8</b>
Income from sale of financial assets	78	306	-228	-74.5
Income from participating interests	17,684	14,788	2,896	19.6
Income from real estate	9,215	9,074	141	1.6
Other ordinary income	7,332	3,833	3,499	91.3
Other ordinary expenditure	-286	-286	-	-
<b>Other ordinary result</b>	<b>34,023</b>	<b>27,715</b>	<b>6,308</b>	<b>22.8</b>
<b>Operating income</b>	<b>1,147,451</b>	<b>1,147,596</b>	<b>-145</b>	<b>-</b>
Personnel expenditure	-462,300	-422,312	-39,988	9.5
Operating expenditure	-230,039	-214,007	-16,032	7.5
<b>Total operating expenditure</b>	<b>-692,339</b>	<b>-636,319</b>	<b>-56,020</b>	<b>8.8</b>
<b>Gross profit</b>	<b>455,112</b>	<b>511,277</b>	<b>56,165</b>	<b>-11.0</b>
Depreciation on fixed assets	-71,680	-60,690	-10,990	18.1
Value adjustments, provisions and losses	-1,605	-5,752	4,147	-72.1
<b>Operating profit (interim result)</b>	<b>381,827</b>	<b>444,835</b>	<b>-63,008</b>	<b>-14.2</b>
Extraordinary income	27,507	4,726	22,781	482.0
Extraordinary expenditure	-1,887	-2,168	281	-13.0
Taxes	-85,374	-90,260	4,886	-5.4
<b>Group profit</b>	<b>322,073</b>	<b>357,133</b>	<b>-35,060</b>	<b>-9.8</b>



*Every path, however demanding,  
starts with the first step.  
Raiffeisen accompanies its members  
throughout their journey.*

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