



Raiffeisen Group Interim Financial Statements
as of 30 June 2011

RAIFFEISEN

Key Figures

	1.1.–30.6.2011 in CHF million	Change in %	1.1.–30.6.2010 in CHF million	Change in %	1.1.–30.6.2009 in CHF million
Key P + L figures					
Net interest income	1,040	6.3	979	-1.8	996
Income from commission business and service transactions	117	-2.6	121	9.5	110
Operating income	1,256	5.1	1,195	-0.6	1,202
Total operating expenditure	753	2.5	734	-0.9	741
Gross profit	503	9.3	460	-0.2	461
Group profit before tax	419	10.1	380	-17.1	459
Group profit	340	12.0	303	-15.3	358
Gross profit per personnel unit (in 1000 CHF)	62.5	8.3	57.8	-3.2	59.7
Cost/income ratio	60.0 %		61.5 %		61.6 %

	30.6.2011 in CHF million	Change in %	31.12.2010 in CHF million	Change in %	31.12.2009 in CHF million
Key balance sheet figures					
Total assets	151,687	3.0	147,239	5.5	139,520
Loans to clients	131,601	3.4	127,261	8.2	117,636
of which mortgage receivables	124,023	3.7	119,595	8.1	110,678
Client monies	118,888	2.1	116,443	5.2	110,739
Client monies in % of loans to clients	90.3 %		91.5 %		94.1 %
Capital resources					
Total equity capital	9,602	3.5	9,281	7.6	8,628
Return on equity (ROE)	7.2 %		7.0 %		7.8 %
Equity ratio	6.3 %		6.3 %		6.2 %
Market data					
Share of mortgage market (30.6.2011: estimated)	15.9 %		15.7 %		15.2 %
Share of savings market (30.6.2011: estimated)	19.7 %		19.8 %		19.6 %
Number of cooperative members	1,712,566	2.0	1,678,792	3.7	1,618,941
Client assets					
Assets under management	144,071	1.6	141,742	4.3	135,887
Custody account business					
Number of custody accounts	330,444	-1.8	336,657	-8.4	367,389
Total custody account volumes	30,259	-2.7	31,105	-7.5	33,639
Rating Raiffeisen Switzerland					
Moody's	Aa1		Aa1		Aa1
Resources					
Total number of employees	9,620	-0.4	9,656	1.1	9,553
of which trainees	788	0.1	787	1.4	776
Number of full time employees	8,016	-0.6	8,068	0.9	7,999
Number of Raiffeisen locations	1,106	-1.4	1,122	-2.1	1,146
Number of ATMs	1,515	1.5	1,492	2.1	1,461

A good first half for Raiffeisen The Raiffeisen Group was successful in the market in the first half of 2011, further expending its leading position in the retail business. The Raiffeisen banks performed particularly well in the mortgage business, recording a strong 4.4 billion increase to 124 billion Swiss francs. Gross profit rose by a substantial 9.3% to 503 million Swiss francs.

Steady income from the mortgage business

Demand for mortgages remained robust throughout the first half of 2011. With no change in the organisation's strict policies and lending standards, Raiffeisen recorded growth of 3.7%, driven largely by vibrant demand in private housing property and market share gains. With interest rates remaining at a low level, clients continue to prefer fixed-rate mortgages, which now account for nearly 82% of the mortgage portfolio. Loans to clients totalled 131.6 billion Swiss francs in volume.

Short-term fixed investments preferred

Client deposits increased 2.1%, significantly exceeding growth in the first half of last year. Clients continue to prefer short-term fixed investments. Savings and investment deposits increased by 1.7 to 88.2 billion Swiss francs, while other liabilities to clients rose by 1.2 to 17.4 billion Swiss francs. Medium-term notes declined in contrast, like in the previous year.

There is sustained interest in the Raiffeisen cooperative model. Around 34,000 new members were attracted in the first six months of the year, taking the total number of memberships above the 1.7 million mark for the first time. Raiffeisen has welcomed 370,000 new members on board in the last five years.

Higher income in the rates business

In the rates business, rising volume boosted income to 1,040 million Swiss francs, representing a substantial 6.3% increase. The securities business was negatively impacted by the financial market disarray occurring mainly in the second quarter. Fewer transactions put income pressure on the commission and service business. The previous year's level was not quite reached with a profit of 117 mil-

lion Swiss francs. The trading business performed solidly, recording income of 66 million Swiss francs, which was in line with the previous year.

Moderate increase in costs

Operating expenditure rose a moderate 2.5% to 753 million Swiss francs. This was chiefly the result of higher personnel expenditure, which was up 3.3% to 533 million Swiss francs, mainly reflecting a larger staff than in the first half of 2010. Operating expenditure was virtually unchanged at 220 million Swiss francs.

Strong half-year results

The Raiffeisen Group posted a gross profit of 503 million Swiss francs (+9.3%) on solidly rising income combined with only moderately rising expenses. Depreciation was slightly lower, while impairments increased to 6 million Swiss francs in connection with higher provisions for other business risks. The credit risk situation remains unproblematic, with credit risk impairments dropping to 0.23% of loans. The group profit came in at 340 million Swiss francs, substantially ahead of the previous year's result of 303 million Swiss francs.

Adherence to strategic orientation

Raiffeisen will continue to pursue the strategic course adopted. The strategy elements in place will be maintained, with a primary focus on broadening the branch network in central regions and expanding the corporate clients business.

Group Balance Sheet as of 30 June 2011

	30.6.2011 in 1000 CHF	31.12.2010 in 1000 CHF	Change in 1000 CHF	Change in %
Assets				
Liquid funds	3,790,123	1,463,188	2,326,935	159.0 %
Receivables from money market securities	102,047	101,493	554	0.5 %
Receivables from banks	5,079,705	6,618,710	-1,539,005	-23.3 %
Receivables from clients	7,578,679	7,666,359	-87,680	-1.1 %
Mortgage receivables	124,022,540	119,595,076	4,427,464	3.7 %
Loans to clients	131,601,219	127,261,435	4,339,784	3.4 %
Trading portfolios in securities and precious metals	1,342,337	1,299,489	42,848	3.3 %
Financial assets	4,855,536	5,703,389	-847,853	-14.9 %
Non-consolidated participations	568,901	557,264	11,637	2.1 %
Tangible fixed assets	2,221,912	2,219,392	2,520	0.1 %
Accrued income and prepaid expenses	324,005	231,948	92,057	39.7 %
Other assets	1,800,802	1,782,721	18,081	1.0 %
Total assets	151,686,587	147,239,029	4,447,558	3.0 %
Total subordinated receivables	–	–	–	–
Total receivables from non-consolidated participations	4,515,455	3,126,277	1,389,178	44.4 %
Liabilities				
Liabilities to banks	8,697,056	8,581,521	115,535	1.3 %
Liabilities to clients in the form of savings and investment deposits	88,248,601	86,590,755	1,657,846	1.9 %
Other liabilities to clients	17,404,127	16,183,559	1,220,568	7.5 %
Medium-term notes	13,235,417	13,668,407	-432,990	-3.2 %
Client monies	118,888,145	116,442,721	2,445,424	2.1 %
Bonds and mortgage bond loans	11,028,760	9,747,490	1,281,270	13.1 %
Accrued expenses and deferred income	792,152	550,098	242,054	44.0 %
Other liabilities	1,707,392	1,659,678	47,714	2.9 %
Value adjustments and provisions	970,961	976,218	-5,257	-0.5 %
Cooperative capital	582,282	570,042	12,240	2.1 %
Retained earnings	8,680,115	8,084,026	596,089	7.4 %
Group profit	339,724	627,235	-287,511	-45.8 %
Total equity capital	9,602,121	9,281,303	320,818	3.5 %
Total liabilities	151,686,587	147,239,029	4,447,558	3.0 %
Total subordinated commitments	–	–	–	–
Total commitments towards non-consolidated participations	9,672,416	9,115,647	556,769	6.1 %
– of which mortgage bond loans	8,392,450	7,021,900	1,370,550	19.5 %
Off-balance-sheet business				
Contingent liabilities	367,348	422,009	-54,661	-13.0 %
Irrevocable undertakings	5,586,358	5,272,279	314,079	6.0 %
Call commitments and additional funding-obligations	60,336	60,444	-108	-0.2 %
Derivative financial instruments				
Positive replacement values	810,558	700,590	109,968	15.7 %
Negative replacement values	1,518,145	1,432,270	85,875	6.0 %
Contract volume	95,412,700	77,890,734	17,521,966	22.5 %
Fiduciary business	24,368	13,852	10,516	75.9 %

Group Profit and Loss Account as of 30 June 2011

	1.1.–30.6.2011 in 1000 CHF	1.1.–30.6.2010 in 1000 CHF	Change in 1000 CHF	Change in %
Interest and discount income	1,703,217	1,682,792	20,425	1.2 %
Interest and dividend income from financial assets	45,535	47,371	-1,836	-3.9 %
Interest expenditure	-708,325	-751,334	43,009	-5.7 %
Net interest income	1,040,427	978,829	61,598	6.3 %
Commission income lending business	5,141	3,606	1,535	42.6 %
Commission income securities and investment business	98,402	101,072	-2,670	-2.6 %
Commission income other service transactions	68,919	68,339	580	0.8 %
Commission expenditure	-55,073	-52,488	-2,585	4.9 %
Net income from commission business and service transactions	117,389	120,529	-3,140	-2.6 %
Net trading income	65,637	65,593	44	0.1 %
Income from sale of financial assets	245	328	-83	-25.3 %
Income from participating interests	22,563	12,951	9,612	74.2 %
Income from real estate	9,131	9,598	-467	-4.9 %
Other ordinary income	4,876	7,068	-2,192	-31.0 %
Other ordinary expenditure	-4,582	-233	-4,349	1,866.5 %
Other ordinary result	32,233	29,712	2,521	8.5 %
Operating income	1,255,686	1,194,663	61,023	5.1 %
Personnel expenditure	-532,755	-515,736	-17,019	3.3 %
Operating expenditure	-220,084	-218,720	-1,364	0.6 %
Total operating expenditure	-752,839	-734,456	-18,383	2.5 %
Gross profit	502,847	460,207	42,640	9.3 %
Depreciation on fixed assets	-90,078	-92,333	2,255	-2.4 %
Value adjustments, provisions and losses	-5,870	-1,626	-4,244	261.0 %
Operating profit (interim result)	406,899	366,248	40,651	11.1 %
Extraordinary income	13,304	16,742	-3,438	-20.5 %
Extraordinary expenditure	-1,410	-2,582	1,172	-45.4 %
Taxes	-79,069	-76,992	-2,077	2.7 %
Group profit	339,724	303,416	36,308	12.0 %



*Any journey, however arduous,
begins with a first step –
Raiffeisen supports its members
on their journey to their destination.*

**Raiffeisen Switzerland
Cooperative**

Corporate Communications

Raiffeisenplatz

CH-9001 St.Gallen

Telefon +41 71 225 88 88

Fax +41 71 225 86 50

Internet: www.raiffeisen.ch

E-Mail: medien@raiffeisen.ch