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Always there where numbers count.

**RAIFFEISEN**

We open up new horizons

## Key figures as at 30 June 2015

	1.1.-30.6.2015 Amounts in CHF million	1.1.-30.6.2014 Amounts in CHF million	Change in %
<b>Key figures</b>			
Operating income	1,510	1,400	7.9
Operating expenditure	913	867	5.3
Gross profit	597	533	12.0
Group profit	395	363	8.7
Cost/Income Ratio	60.4%	61.9%	

	30.6.2015 Amounts in CHF million	31.12.2014 Amounts in CHF million	Change in %
<b>Key balance sheet figures</b>			
Total assets	201,345	188,640	6.7
Loans to clients	162,129	158,778	2.1
of which mortgage receivables	154,608	150,880	2.5
Client deposit	148,313	143,810	3.1
Client deposit in % of loans to clients	91.5%	90.6%	

<b>Capital resources</b>			
Total equity capital	12,653	12,040	5.1
Return on equity (ROE)	6.4%	6.5%	
Leverage ratio (unweighted capital ratio) <sup>1)</sup>	6.5%	6.4%	
Total capital ratio (equity capital)	16.2%	15.3%	

<b>Market data</b>			
Share of mortgage market	16.7%	16.6%	
Share of savings market	18.5%	18.7%	
Number of cooperative members	1,855,242	1,846,747	0.5

<b>Client assets</b>			
Client assets under management	200,319	197,109	1.6

<b>Lending business</b>			
Losses on lending business (annualized)	13	19	-32.5
as % of loans to clients	0.008%	0.012%	

<b>Resources</b>			
Number of employees	10,760	10,755	0.0
Number of full-time positions	9,019	9,028	-0.1
Number of locations	1,004	1,015	-1.1

<sup>1)</sup> based on definition for systemically important banks

## Business trend

# Excellent figures despite challenging currency and interest rate environment

The abandoning of the euro exchange rate floor and negative interest rates had a less serious impact on the Raiffeisen Group than expected in the first half of the year. On the contrary, income rose across the board. Half-year results increased by CHF 31 million to CHF 395 million.

Operating income rose by CHF 110 million to CHF 1,510 million. Interest income posted an increase of CHF 29 million. As a result of higher transaction volumes, net income from commission business and service transactions (+ CHF 26 million) and from trading (+ CHF 27 million) rose significantly. Solid growth rates were obtained in both the lending and the deposit-taking business.

Expansion of the Asset Management business area and investment in IT led to a rise in operating expenditure to CHF 913 million (+ CHF 46 million). At CHF 597 million, gross profit is up CHF 64 million on the previous year. Value adjustments, provisions and losses remain at a low level.

### Growth in the core business

The volume of retail business continued to perform at a high level. The mortgage business in particular recorded solid growth, rising CHF 3.7 billion (prior year + CHF 3.5 billion) despite the less dynamic real estate market. Most of this growth was achieved in the owner-occupied residential property segment. Customer deposits witnessed considerable growth, especially in the second quarter. They increased by a total of CHF 4.5 billion (prior year + CHF 2.7 billion). Assets under management (AuM) rose by 1.6%, reaching the CHF 200 billion mark for the first time. Total assets climbed by CHF 13 billion, and also peaked at more than CHF 200 billion for the first time.

### Healthy capital base

The Raiffeisen Group complies with regulatory requirements regarding capital adequacy without any problem. The capital base was strengthened by the subordinated Additional Tier 1 bond that was issued in spring. It reached a subscription level of CHF 550 million. Many members also made use of the

option to subscribe for additional share certificate in their Raiffeisenbank. The cooperative capital increased by CHF 248 million to CHF 996 million in the first half of the year.

As part of a reassessment of the banking environment worldwide, Moody's raised the deposit rating for Raiffeisen up one notch to Aa2 in May. This confirms Raiffeisen's ranking as one of the safest banking institutions without a government guarantee.

### Implementation of the strategic initiatives

The corporate clients business was further reinforced through the opening of the second Raiffeisen Business Owner Centre (RUZ) in Baar. Raiffeisen also pressed ahead with digitalisation, with ARIZON Sourcing AG beginning operating activity on 1 January 2015.

Notenstein Asset Management AG combines the asset management boutiques of TCMG Asset Management AG with the Asset Management and Institutional Clients business fields of Notenstein Private Bank. The new subsidiary of Raiffeisen Switzerland began operating on 1 July 2015.

As a result, Notenstein Private Bank can focus on its core business, investment advisory and asset management services. As at mid-year it manages assets in the amount of CHF 16 billion. This figure will be increased substantially by the inflow of assets from Bank La Roche & Co in the second half of the year. At CHF 19.6 million, gross profit is up CHF 13.6 million on the previous year. The cost/income ratio improved in comparison with the prior year period by 15 percentage points to 78%. Synergies within the Group are to be increasingly made use of, due to the acquisition of the IT business field by Raiffeisen Switzerland

and parts of the Services business field by ARIZON Sourcing AG in the second half of the year.

**Outlook**

Following the successful first half of the year, the Raiffeisen Group remains cautiously optimistic about the remainder of the year. The pressure on earnings will increase further, due to the still challenging macroeconomic environment. The high level of investment in technical infrastructure and diversification of the fields of business are fuelling a further rise in costs. Assuming that no further macroeconomic events of any magnitude occur, Raiffeisen expects its annual result to be close to the prior year level.

## Group balance sheet as at 30 June 2015

	30.6.2015 in 1,000 CHF	31.12.2014 in 1,000 CHF	Change in 1,000 CHF	Change in %
<b>Assets</b>				
Liquid funds	18,048,317	9,218,851	8,829,466	95.8%
Receivables from money market securities	58,062	166,800	-108,738	-65.2%
Receivables from banks	6,029,421	5,942,852	86,569	1.5%
Receivables from clients	7,521,326	7,897,579	-376,253	-4.8%
Mortgage receivables	154,608,142	150,880,406	3,727,736	2.5%
<b>Loans to clients</b>	<b>162,129,468</b>	<b>158,777,985</b>	<b>3,351,483</b>	<b>2.1%</b>
Trading portfolios in securities and precious metals	1,850,258	2,194,572	-344,314	-15.7%
Financial assets	6,324,578	5,866,441	458,137	7.8%
Non-consolidated participations	624,816	613,583	11,233	1.8%
Tangible fixed assets	2,404,337	2,399,505	4,832	0.2%
Intangible assets	323,008	288,634	34,374	11.9%
Accrued income and prepaid expenses	319,322	216,206	103,116	47.7%
Other assets	3,233,705	2,954,205	279,500	9.5%
<b>Total assets</b>	<b>201,345,292</b>	<b>188,639,634</b>	<b>12,705,658</b>	<b>6.7%</b>
Total subordinated receivables	55,035	41,387	13,648	33.0%
Total receivables from non-consolidated participations	3,829,715	3,732,024	97,691	2.6%
<b>Liabilities</b>				
Liabilities from money-market instruments	100,193	94,455	5,738	6.1%
Liabilities to banks	12,657,536	6,860,395	5,797,141	84.5%
Liabilities to clients in the form of savings and investment deposits	115,576,800	114,937,605	639,195	0.6%
Other liabilities to clients	22,021,324	17,999,696	4,021,628	22.3%
Medium-term notes	10,714,835	10,872,642	-157,807	-1.5%
<b>Client deposit</b>	<b>148,312,959</b>	<b>143,809,943</b>	<b>4,503,016</b>	<b>3.1%</b>
Bonds and mortgage bond loans	22,922,193	21,640,862	1,281,331	5.9%
Accrued expenses and deferred income	772,275	623,897	148,378	23.8%
Other liabilities	2,822,907	2,463,216	359,691	14.6%
Value adjustments and provisions	1,096,945	1,086,479	10,466	1.0%
Cooperative capital	995,821	747,742	248,079	33.2%
Retained earnings	11,262,188	10,532,510	729,678	6.9%
Group profit	394,833	759,354	-364,521	-48.0%
<b>Total equity capital (without minority interests)</b>	<b>12,652,842</b>	<b>12,039,606</b>	<b>613,236</b>	<b>5.1%</b>
Minority interests in equity capital	7,442	20,781	-13,339	-64.2%
– of which minority interests in group profit	1,083	1,372	-289	-21.1%
<b>Total equity capital (with minority interests)</b>	<b>12,660,284</b>	<b>12,060,387</b>	<b>599,897</b>	<b>5.0%</b>
<b>Total liabilities</b>	<b>201,345,292</b>	<b>188,639,634</b>	<b>12,705,658</b>	<b>6.7%</b>
Total subordinated commitments	1,729,664	1,159,158	570,506	49.2%
Total commitments towards non-consolidated participations	19,291,782	17,721,900	1,569,882	8.9%
– of which mortgage bond loans	17,790,300	16,786,400	1,003,900	6.0%
<b>Off-balance-sheet business</b>				
Contingent liabilities	460,971	412,900	48,071	11.6%
Irrevocable undertakings	7,699,532	6,980,481	719,051	10.3%
Call commitments and additional funding-obligations	105,959	96,677	9,282	9.6%
Derivative financial instruments				
Positive replacement values	1,827,448	1,809,606	17,842	1.0%
Negative replacement values	2,652,897	2,296,309	356,588	15.5%
Contract volume	143,539,361	144,578,647	-1,039,286	-0.7%
Fiduciary business	89,037	136,169	-47,132	-34.6%

## Group income statement account as at 30 June 2015

	1.1.-30.6.2015 in 1,000 CHF	1.1.-30.6.2014 in 1,000 CHF	Change in 1,000 CHF	Change in %
Interest and discount income	1,569,003	1,616,847	-47,844	-3.0%
Interest and dividend income from financial assets	30,494	29,505	989	3.4%
Interest expenditure	-503,684	-579,991	76,307	-13.2%
<b>Net interest income</b>	<b>1,095,813</b>	<b>1,066,361</b>	<b>29,452</b>	<b>2.8%</b>
Commission income lending business	9,419	7,457	1,962	26.3%
Commission income securities and investment business	183,023	163,157	19,866	12.2%
Commission income other service transactions	98,690	92,245	6,445	7.0%
Commission expenditure	-57,585	-55,460	-2,125	3.8%
<b>Net income from commission business and service transactions</b>	<b>233,547</b>	<b>207,399</b>	<b>26,148</b>	<b>12.6%</b>
<b>Net trading income</b>	<b>106,879</b>	<b>79,403</b>	<b>27,476</b>	<b>34.6%</b>
Income from sale of financial assets	16,139	194	15,945	8,219.1%
Income from participating interests	26,214	25,793	421	1.6%
Income from real estate	10,366	10,758	-392	-3.6%
Other ordinary income	25,040	10,226	14,814	144.9%
Other ordinary expenditure	-4,106	-266	-3,840	1,443.6%
<b>Other ordinary result</b>	<b>73,653</b>	<b>46,705</b>	<b>26,948</b>	<b>57.7%</b>
<b>Operating income</b>	<b>1,509,892</b>	<b>1,399,868</b>	<b>110,024</b>	<b>7.9%</b>
Personnel expenditure	-653,494	-623,963	-29,531	4.7%
Operating expenditure	-259,006	-242,572	-16,434	6.8%
<b>Total operating expenditure</b>	<b>-912,500</b>	<b>-866,535</b>	<b>-45,965</b>	<b>5.3%</b>
<b>Gross profit</b>	<b>597,392</b>	<b>533,333</b>	<b>64,059</b>	<b>12.0%</b>
Depreciation on fixed assets	-89,100	-80,727	-8,373	10.4%
Value adjustments, provisions and losses	-5,788	-1,926	-3,862	200.5%
<b>Operating profit (interim result)</b>	<b>502,504</b>	<b>450,680</b>	<b>51,824</b>	<b>11.5%</b>
Extraordinary income	1,219	10,250	-9,031	-88.1%
Extraordinary expenditure	-2,673	-1,422	-1,251	88.0%
Taxes	-105,134	-95,518	-9,616	10.1%
<b>Group profit (including minority interests)</b>	<b>395,916</b>	<b>363,990</b>	<b>31,926</b>	<b>8.8%</b>
Minority interests in group profit	1,083	593	490	82.6%
<b>Group profit</b>	<b>394,833</b>	<b>363,397</b>	<b>31,436</b>	<b>8.7%</b>

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