

Press release

(Not to be released until 1 March 2013/5.30 a.m.)

Strong inflow of savings and investment funds into Raiffeisen

St. Gallen/Zurich, 1 March 2013. The strengthening of the third largest banking group in Switzerland continued last year. Savings and investment funds increased by 11.4% and now amount to CHF 103.1 billion. Mortgage lending rose by 5.8% to CHF 135.9 billion. Operating income for 2012 is CHF 2.7 billion, up 7.9%, which is predominantly the result of the successful diversification strategy.

The development of commission and service fee income was particularly pleasing (up CHF 125 million or 51%), as was the trading business (up CHF 53 million or 39%). This is primarily due to the diversification strategy with the acquisition of Notenstein Privatbank AG. Notenstein was able to retain its assets under management of about CHF 21 billion in 2012. The dependency on the interest business was reduced from 83% to 77%. The interest business remains the main pillar of income: This grew by CHF 17 million or 1% in the past year.

Higher Group profit

The Group profit in 2012 was CHF 635 million, 6.6% more than 2011. Operating expenditure rose by CHF 264 million or 17.4%: On the one hand, Raiffeisen financed the changeover of the Raiffeisen Pension Fund with a one-off contribution of CHF 80 million. The pensions will now be calculated based on a higher life expectancy of the pension recipients. On the other hand, this is also the first year the operating expenditure of Notenstein Privatbank AG has been included. The market-related revaluation of the strategic holdings had a positive impact on Group profit.

Credit portfolio of a higher quality

Raiffeisen continues to profit from its conservative risk policy: Lending has consistently increased in the past five years. At the same time, value adjustments for default risks decreased once again in 2012; the share of provisions in relation to loans fell to under 0.2%. Actual losses from the lending business were also low: At CHF 26.9 million, they account for less than 0.02% of loans to clients. Impaired loans also remained at a very low level; in 2012 they represented 0.2% of loans to clients.

Pierin Vincenz, Chairman of the Executive Board of the Raiffeisen Group: "Our conservative lending and financing principles and strength in the extremely secure segment of owner-occupied residential property contributes to the quality of our credit portfolio. The average new mortgage at Raiffeisen remains almost unchanged at about CHF 400,000."

Solid capitalisation

Under Basel III, the total capital ratio of the Raiffeisen Group amounts to 14.0%. This already exceeds the FINMA requirement of 13.6% for the end of 2013. Thanks to its equity capital surplus, Raiffeisen is able to absorb the anti-cyclical capital buffer without taking any further measures. However, financing measures have been prepared to maintain a strategic capital cushion. Equity capital amounted to CHF 10.5 billion on the cut-off date.

Qualitative growth in the core business and diversification

Raiffeisen will continue to focus on its proven business model. The expansion of the strong position in the owner-occupied residential property sector will be continued in order to better use economies of scale.

The growth strategy in the core business will be supplemented by diversification. This will allow Raiffeisen to expand its internal competencies with regard to asset and investment themes while also focusing on strategic partnerships. The success of the Raiffeisen subsidiary Notenstein Privatbank AG shows that Raiffeisen is on the right path.

The corporate clients business has also been expanded in recent years. In order to distinguish itself even further as a bank for SMEs, Raiffeisen is supporting medium-sized enterprises in the search for succession planning with expertise and financing solutions.

Raiffeisen: third largest banking group in Switzerland

The Raiffeisen Group is the leading Swiss retail bank. The third largest bank in the Swiss banking sector has 3.7 million clients, over 1.8 million of whom are cooperative members and therefore co-owners of their Raiffeisen bank. The Raiffeisen Group includes the 321 Raiffeisen banks with a cooperative structure and 1,084 branches. The legally autonomous Raiffeisen banks are amalgamated into Raiffeisen Switzerland Cooperative, which is the strategic leader of the entire Raiffeisen Group. As of 31.12.2012, the Raiffeisen Group had CHF 173 billion in assets under management and CHF 144 billion in loans to clients. The market share is over 16.2% in the mortgage business and 20.0% of the savings market. The balance sheet total is CHF 168 billion.

The Raiffeisen Group at a glance

	2012 (in million CHF)	2011 (in million CHF)	Change (in million CHF)	Change in percent
Balance sheet total	168,124.2	155,888.6	12,235.0	7.8
Loans to clients	143,765.1	136,204.8	7,560.2	5.6
Mortgage receivables	135,942.7	128,526.8	7,415.9	5.8
Customer deposits	133,055.1	122,173.1	10,882.0	8.9
Savings and investment funds	103,065.1	92,549.0	10,516.1	11.4
Assets under management (AuM)	173,148.6	145,966.5	27,182.1	18.6
Operating income	2,712.2	2,513.4	198.8	7.9
Net interest income	2,092.6	2,075.8	16.9	0.8
Net commission and service fee income	367.7	243.0	124.7	51.3
Net trading income	190.5	137.4	53.1	38.6
Operating expenditure	1,785.6	1,521.3	264.3	17.4
Gross profit	926.7	992.1	-65.5	-6.6
Gross profit without pension fund contribution	1,006.7	992.1	14.6	1.5
Group profit	634.8	595.3	39.6	6.6
Equity capital	10,496.0	9,875.4	620.6	6.3
Tier1 ratio (in %)	12.6	12.9		
Employees (full-time)	8,797	8,167	630	7.7
Total employees	10,540	9,770	770	7.9
Members	1,794,855	1,747,352	47,503	2.7
Clients	3,651,701	3,577,313	74,388	2.1

Picture note: Pictures of the press conference will be available on the website www.raiffeisen.ch/medien from 2.00 p.m.

General information: Franz Würth
Media Spokesman
071 225 84 84
franz.wuerth@raiffeisen.ch