RAIFFEISEN

2024 Full Year Results

Raiffeisen Schweiz Investor Presentation

Investor Relations | Zürich | 27 February 2025

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Agenda

1 Group Overview & Strategy Update

Raiffeisen – Switzerland’s Leading Cooperative Bank

FY 2024

Raiffeisen serves **> 3.7m customers in Switzerland**, of whom **> 2.09m** are **cooperative members contributions**[1].

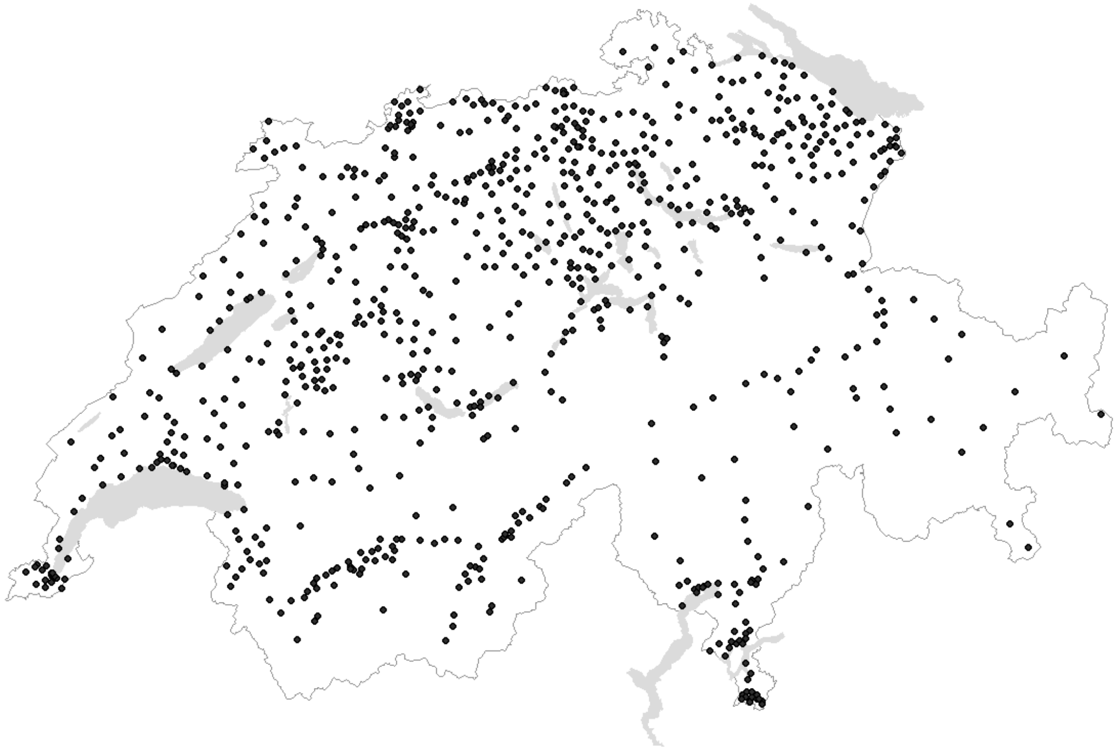
Second largest Swiss banking group with a 125-year track-record **and one of Switzerland’s largest mortgage lender**, Raiffeisen has been classified **D-SIB** in 2014.

Raiffeisen’s **purely domestic retail business** has a **market share of 18.1% in mortgage lending** and provides solutions to **224’710 corporate clients - one in three businesses** in Switzerland.

218 independent Raiffeisen banks in **774 locations** across the country represent Switzerland’s most extensive branch network.

Market leading **retail banking position** enables Raiffeisen’s consistent profitable and qualitative growth in mortgage lending while further diversifying its revenue mix.

Sustainability is part of Raiffeisen’s **strategy and a corporate value**. In 2024 Raiffeisen contributed **CHF 36m** to society through **social & cultural engagement, contributions[1,2], donations and sponsoring.**



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[1] New corporate member 2024: 37’846 [2] Climate fund, climate foundation, Co_2 compensation

Raiffeisen Schweiz Group Overview
Strong Cooperative Foundation

> 2.09m cooperative members
Individuals, companies/legal entities

Raiffeisen Group

218 Raiffeisen banks

Guarantee for Raiffeisen bank liabilities

Solidarity fund

Equity from Raiffeisen banks membership shares and additional payment liability (limited to Raiffeisen banks' capital)

Issuer

Raiffeisen Schweiz Genossenschaft
Funding entity and international counterparty

S&P AA-[1] stable / Fitch AA-[1] stable

Roles within the Raiffeisen Group

- Owner of Raiffeisen Schweiz
- Domestic retail / corporate banking
- Wealth management
- Local market responsibility

Haftungsverbund (Liability Union)
Strong risk community based on solidarity

- Group's central institution
- Risk / liquidity / capital management
- SPOC towards the regulator
- Business strategy
- Representation of group interests
- International activity

[1] Senior unsecured rating

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Raiffeisen Group Strategy 2025

Delivery on Core Initiatives

Strategic Measures

Strategic Measures	KPI	2020	2023	2024	2025 Target	Change
Expansion of digital customer proximity • Digital client onboarding accessible since YE2023 • Revision of the roadmap to enhance the Raiffeisen App to align customer needs and performance requirements in Q1 2025	Increase number of customers	3.55m	3.69m	3.73m	>3.79m	+6.8%
Make our clients financial life easier • Covering digital and physical client needs through further investment in a holistic, multichannel offering combining digital and on-site advisory needs	Grow number of main banking relationships[1]	31.0%	38.8%	40.6% ✓	≥ 39.0%	+8.0%
Bolster growth of investment and pension business • Continued increase of customer share of wallet and cross-selling initiatives combined with a constant investment in client advisors (recruitment efforts, education and certification) • Maintain sustainable investment focus (95% of fund volume)	Grow share of fee and commission income[2]	21.8%	21.6%	24.2%	≥ 30.0%	+8.2%
Digitalisation of mortgage loan processing • Standardised and semi-automated end-to-end mortgage process striving for a seamless customer journey since 2024 • Enhancement of digital self-service and after sales experiences ongoing	Leverage cost / income ratio	59.4%	51.9%	56.7% ✓	< 57.0%	-2.5%

[1] Percentage of private clients doing most of their bank transactions with Raiffeisen (based on product use)
[2] Fee and commission income (including trading) as a percentage of operating income

Sustainability & ESG

Key Element of Raiffeisen's Sustainability Strategy & Achievements

Raiffeisen's Sustainability Commitment

Vision — **Differentiation as the Sustainable Cooperative Bank**

Ambition — **Being Recognised as a Responsible, Sustainable, Leading Financial Institution**

Mission — **Management & Strengthening of Sustainability Performance**

Sustainability Drivers

- **Materiality Analysis**
- **Swiss Regulations**
- **UN Principles for Responsible Banking**

Sustainability strategy

Fields of Action

- Strengthening of groupwide sustainability management
- Improving positive impact & reducing negative impact on sustainable development
- Enhance accountability

AA	MSCI	CCC B BB BBB A AA AAA	Published 24 Jan 2025
C	ISS ESG Prime	D- D D+ C- C C+ B B+ A+	Published 19 Oct 2023
AA	RepRisk	D CCC B BB BBB A AA AAA	Status Feb 2025
B+	inrate	D- D D+ C- C C+ B- B B+ A- A A+	Published 17 Sept 2024

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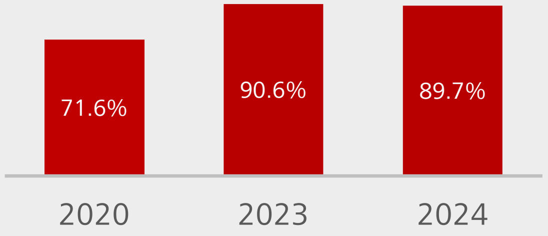
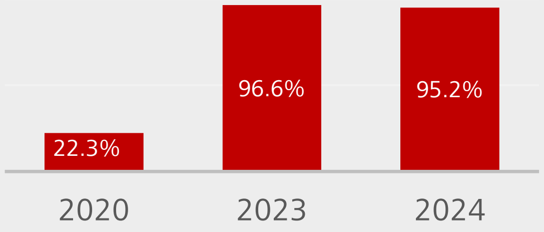
Continuously Improving Impact Through Products And Services

Key Achievements

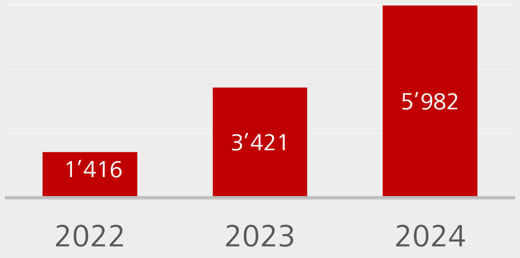
Sustainability funds
(share of all funds)



Sustainable asset management
(share of all mandates)



Modernisation checks & energy efficiency consultations



Active Ownership Report
In 2023 Raiffeisen Switzerland presented its first Active Ownership Report - 2024 Update is going to be published in Q2 2025

Futura asset management mandates
ESG criteria have been taken into account - in accordance with the Futura Policy - in the majority of Raiffeisen asset management mandates already since 2022.

Sustainability and Green Bonds
Raiffeisen issued the first Sustainability Bond in Switzerland in 2019 and established a green bond programme focusing on financing energy efficient housing in 2021. Various customers have been supported in issuing green bonds.

Energetic real estate valuation
In 2015 Raiffeisen integrated as the first bank in Switzerland energetic real estate valuation into private real estate financing advisory.

Responsible and traceable gold
In 2021, a "Responsibly Sourced & Traceable" approach was adopted for all Raiffeisen gold ingots. In 2022 an ETF was launched following this approach. In 2024, Raiffeisen's Gold ETF was awarded the 'Swiss ETF Award' for the third consecutive year.

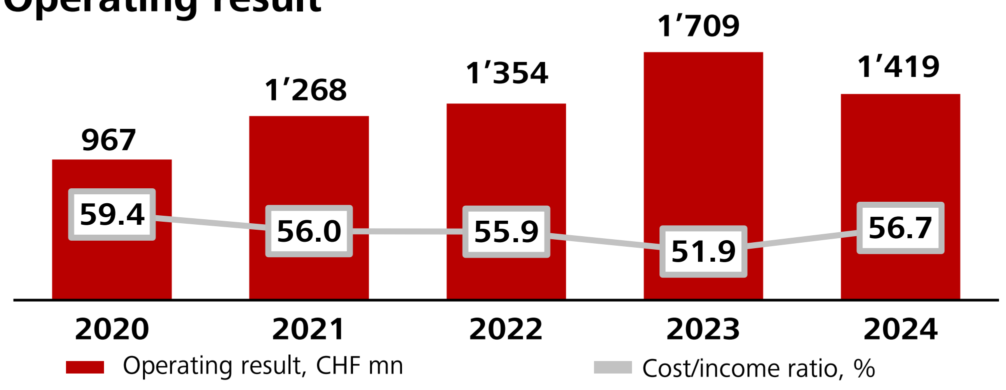
Memberships & standards

2 Financial Update FY 2024

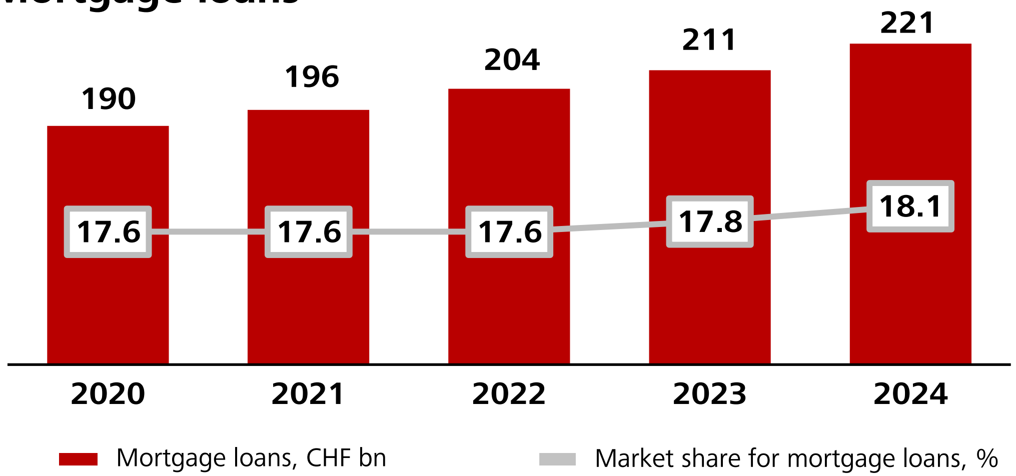
FY 2024 Financial Highlights

Successful financial year reflects strength and stability of business model

Operating result



Mortgage loans



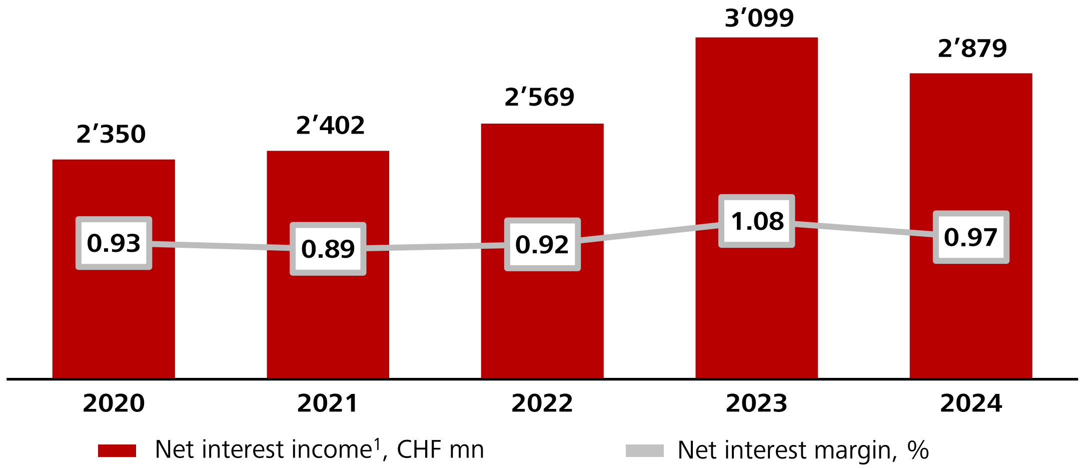
Key Figures[1]	FY 2023	FY 2024	YoY	Guidance
Net interest income[2]	3'099.3m	2'879m	-7.1%	
Net interest margin	1.08%	0.97%	-11bps	
Fee & commission income	624.4m	683.4m	+9.5%	
Share of commission business[3]	21.6%	24.2%	+260bps	≥ 30%
Operating result	1'708.7m	1'419.1m	-16.9%	
Cost/income ratio	51.9%	56.7%	+480bps	< 57%
Return on equity	8.0%	6.2%	-180bps	
TLAC ratio	25.8%	26.0%	+20bps	≥ 25%[4]
Going-Concern CET1 ratio	19.5%	19.7%	+20bps	≥ 19%[4]
TLAC leverage ratio	8.3%	8.7%	+40bps	≥ 8%[4]
Liquidity coverage ratio	172.9%	153.3%		
Net stable funding ratio	139.1%	139.3%		
RWA	97.1bn	103.5bn	+6.5%	

[1] rounded figures [2] Equivalent to «gross result from interest operations» according to RelV FINMA
[3] Commission business (incl. net income from trading) as a percentage of operating income
[4] Internal guidance

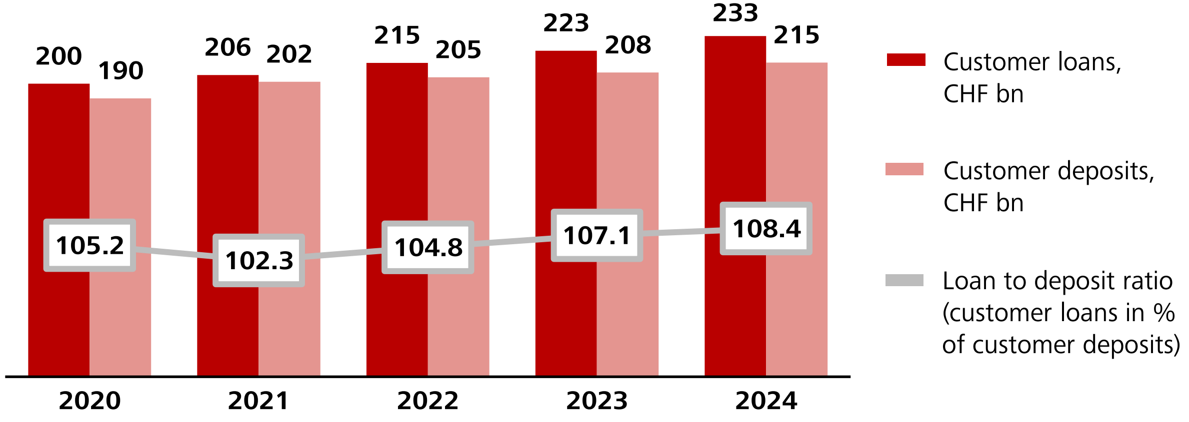
Interest Income

Strong NII[1] despite fluid Interest Rate Environment

Interest income

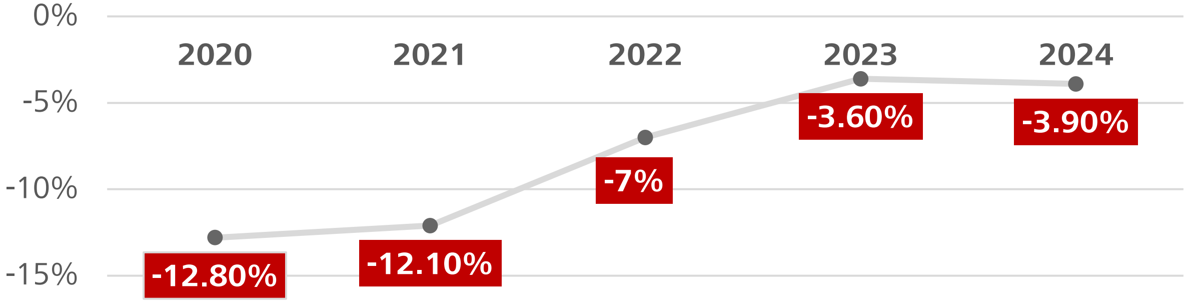


Loans and deposits



Economic Value Sensitivity

ΔEVE[2] in % Tier 1 Capital



- Lower NII[1] after exceptional FY 2023 due to normalisation of NIM[3]
- Slight increase of NIM[3] for H1 2025 expected
- Normalisation of customer tenor preference (average maturity of mortgage book further reduced to 2.7y after 2.9y FY 2023) reduces interest rate risk

[1] Equivalent to «gross result from interest operations» according to RelV FINMA [2] Economic Value of Equity, excluding commercial margins/spread components [3] Net interest margin

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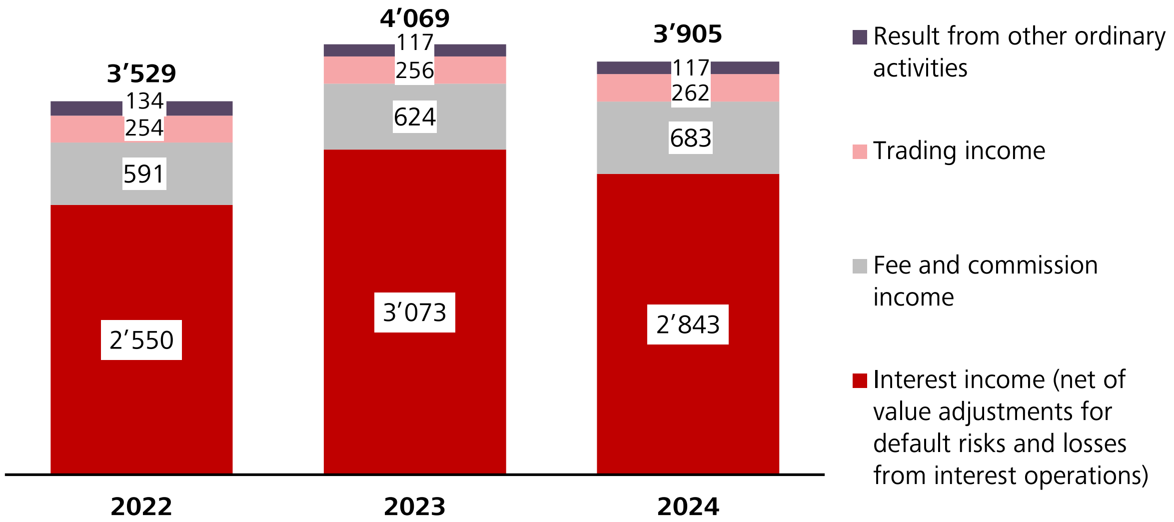
Operating Income

Market share further expanded in a highly competitive environment

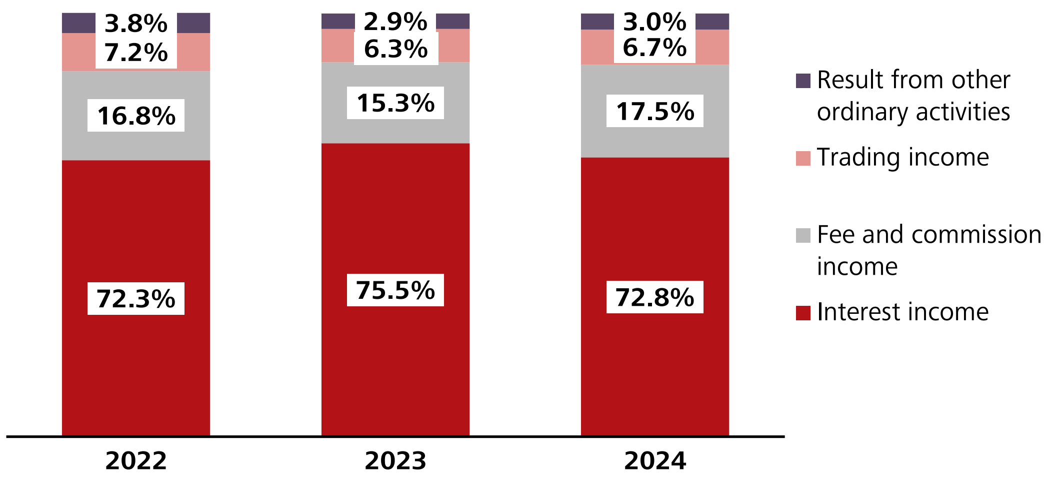
Operating income

CHF m



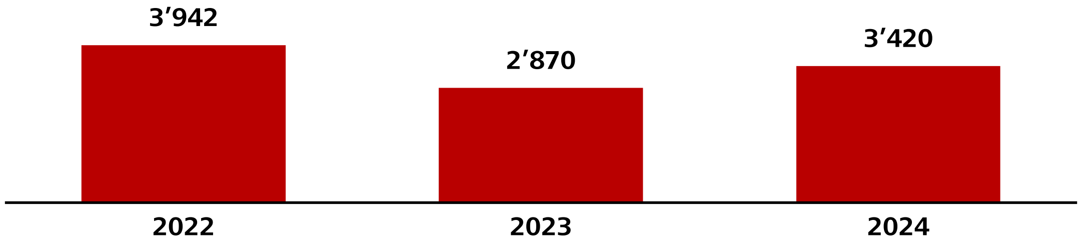
Operating income components

%



Net new money

Investment and pension products, CHF m



Trend of revenue diversification remains strong

- Success of diversification strategy underpinned by growth in pension and investment as well as corporate business
- Corporate lending grew by CHF 4.2bn (+8.5%) YoY accounting for roughly 20% of operating income
- 9.5% growth in fee and commission income or CHF 59m to CHF 683.4m

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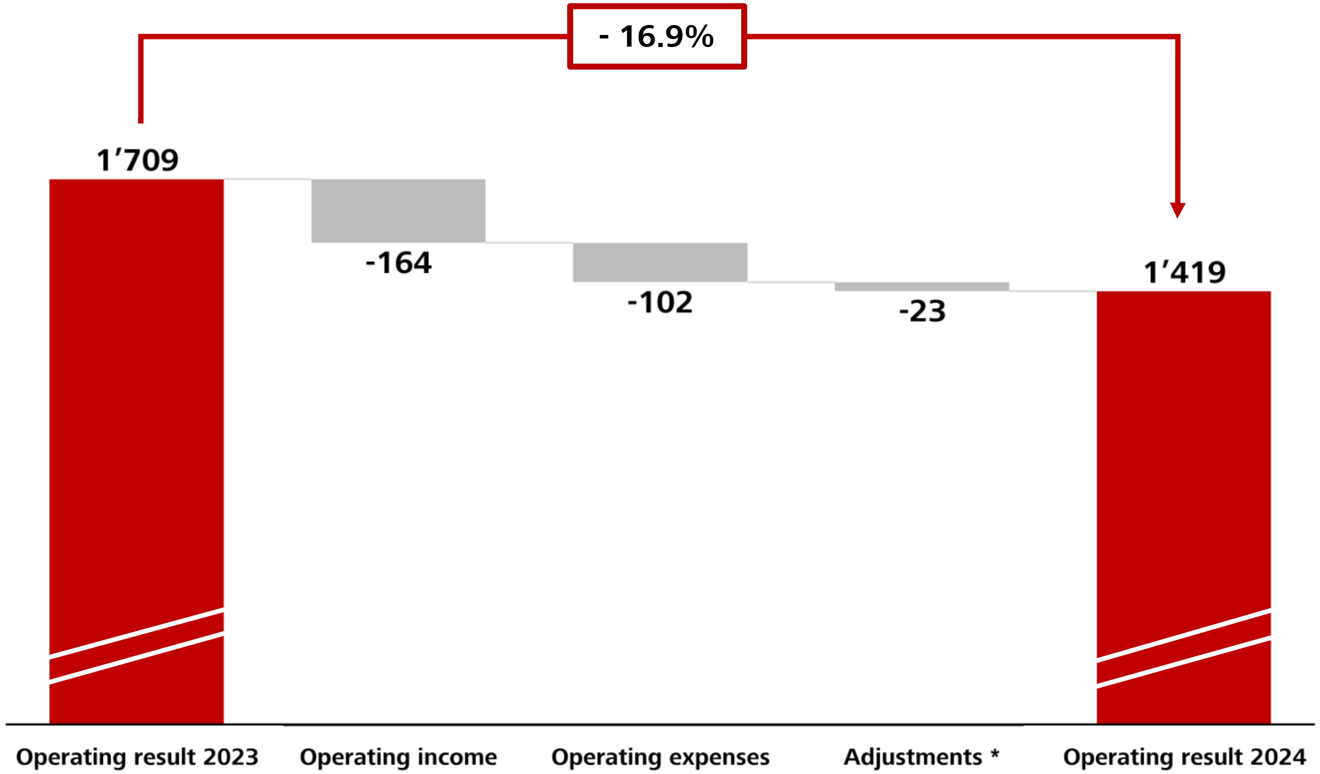
Profitability and Financial Performance

Strong Operational Performance; Cost Development in Line with Expectations

Operating result
CHF m



- Solid business performance FY 2024 slightly below FY 2023 due to return to low interest rates and decreasing interest margin
- Operating expenses increase as expected driven by personnel expansion for local customer support at RB[1] level (+337 FTE)
- Value adjustment based on periodic impairment test on financial investment in Leonteq of CHF 82.4m
- Strategic IT-investments to gain efficiencies will continue in 2025

-290m
Operating result

56.7%
Cost/income ratio

* Value adjustments on participations, depreciation and amortisation tangible/intangible assets, changes to provisions and other value adjustments/losses [1] Raiffeisen bank

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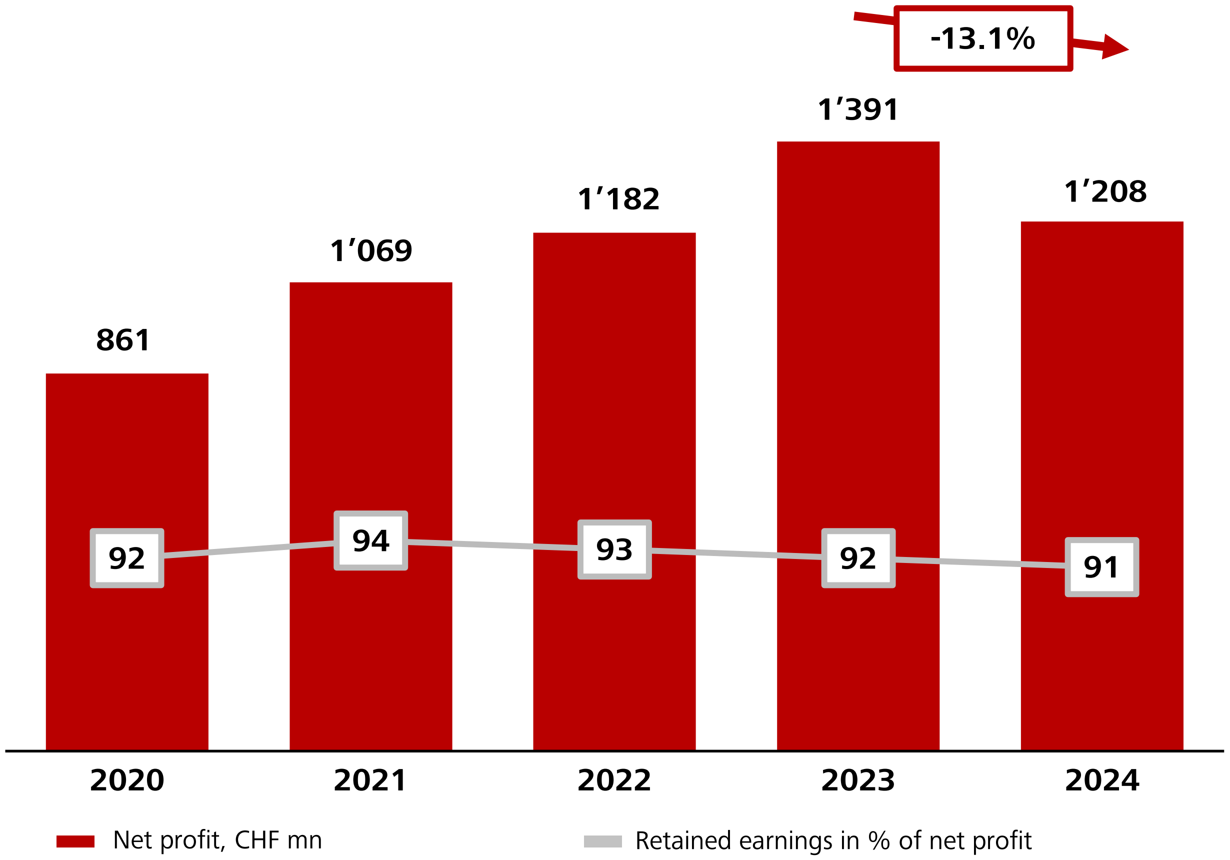
Profitability and Financial Performance

Second-best FY Result in Raiffeisen’s 125 Year History

Net group profit
CHF m



FY 2024 Financial Performance

- Strong business result - in line with growth ambition - after exceptional 2023 figures
- Internal capital generation remains very strong with **91% retained earnings** supporting the consequent organic growth of Raiffeisen’s retail business model and its expansion in Swiss corporate business

19.7%
CET1 Capital Ratio

6.6%
CET1 Leverage Ratio

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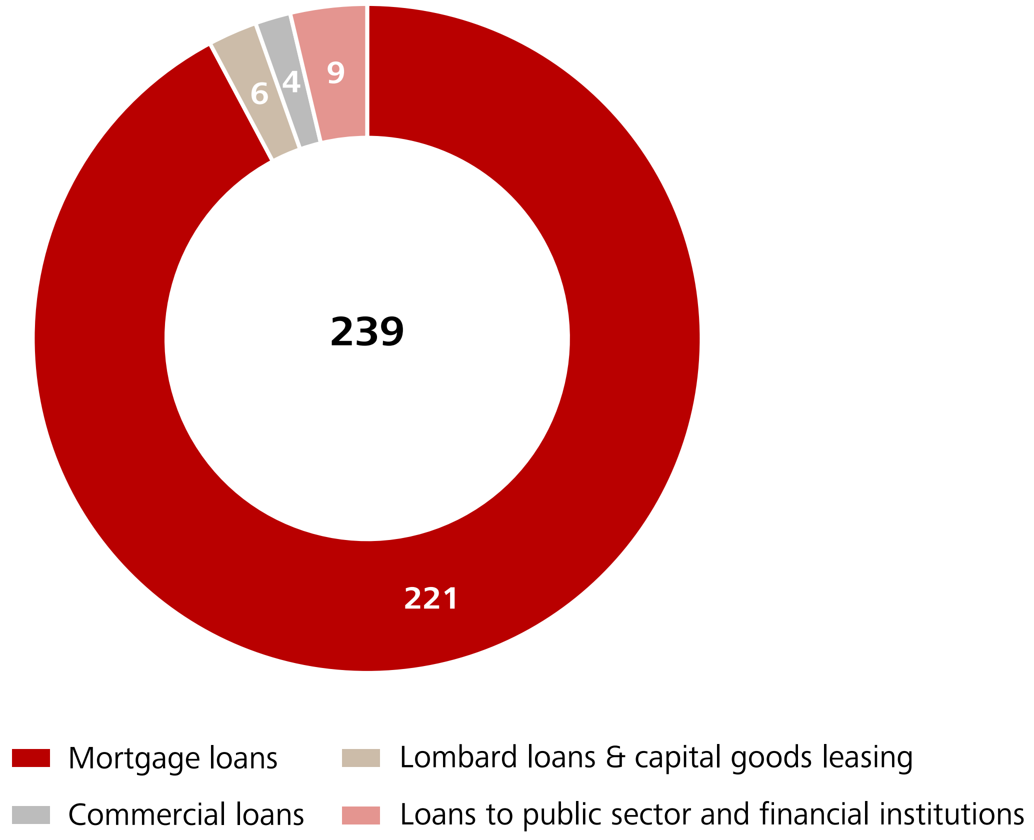
3 Asset Quality & Risk Exposure

Loan Book Overview FY 2024 (I)

Rock-Solid Loan Book – Focused on Switzerland

Loan book
CHF bn as of 31 December 2024



Cautious risk policy – robust credit portfolio

- Prudent underwriting standards with strict affordability criteria
- Exposure in unsecured corporate loans remains very low despite the growth of Raiffeisen's corporate loan book
- 95% collateralized exposures

Conservative mortgage portfolio – regionally diversified

- High share of mortgage lending (92% of loan book)
- Mortgage loans: 75% fixed interest rates, 22% SARON, 3% variable
- 100% financed properties **located in Switzerland**, geographically well diversified across all regions

Low share of commercial loans (2% of loan book)

- 97% of commercial loans to companies **domiciled in Switzerland**

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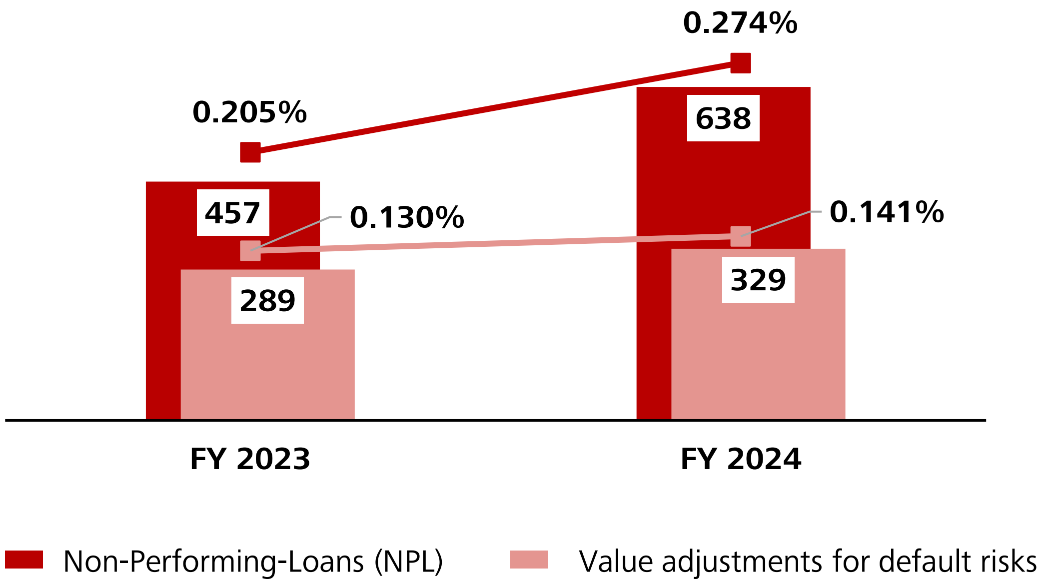
Loan Book Overview FY 2024 (II)

Non-Performing-Loans & Value Adjustments Remain on Low Levels

NPL and value adjustments for default risks
CHF m, in % of customer loans



Longstanding strong credit quality

- NPL ratio increased to 0.274% while remaining at a very low level
- Value adjustments for default risks remaining at low 0.141% compared to 0.130% FY2023

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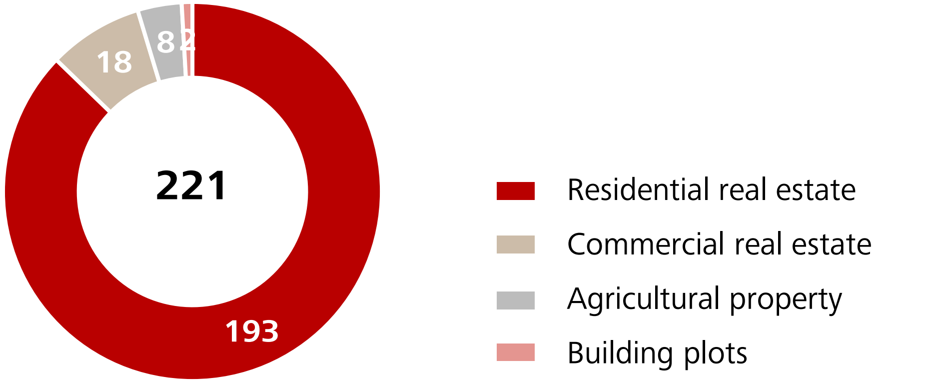
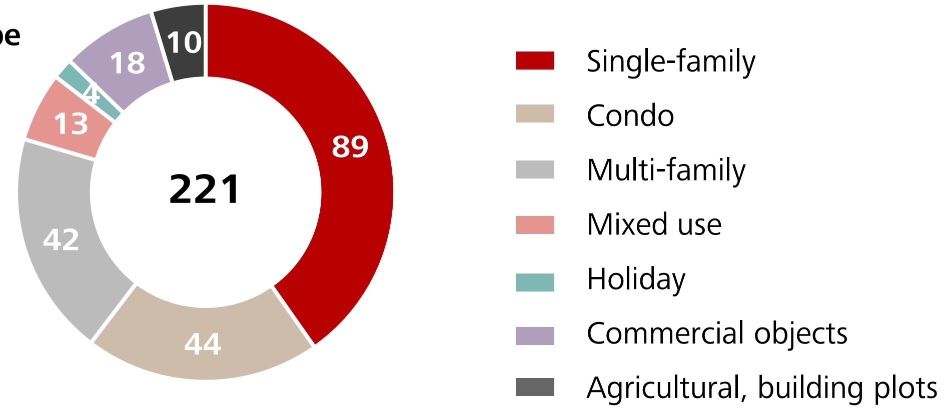
Mortgage Book Breakdown FY 2024
Predominantly Residential Real Estate – Low LTVs

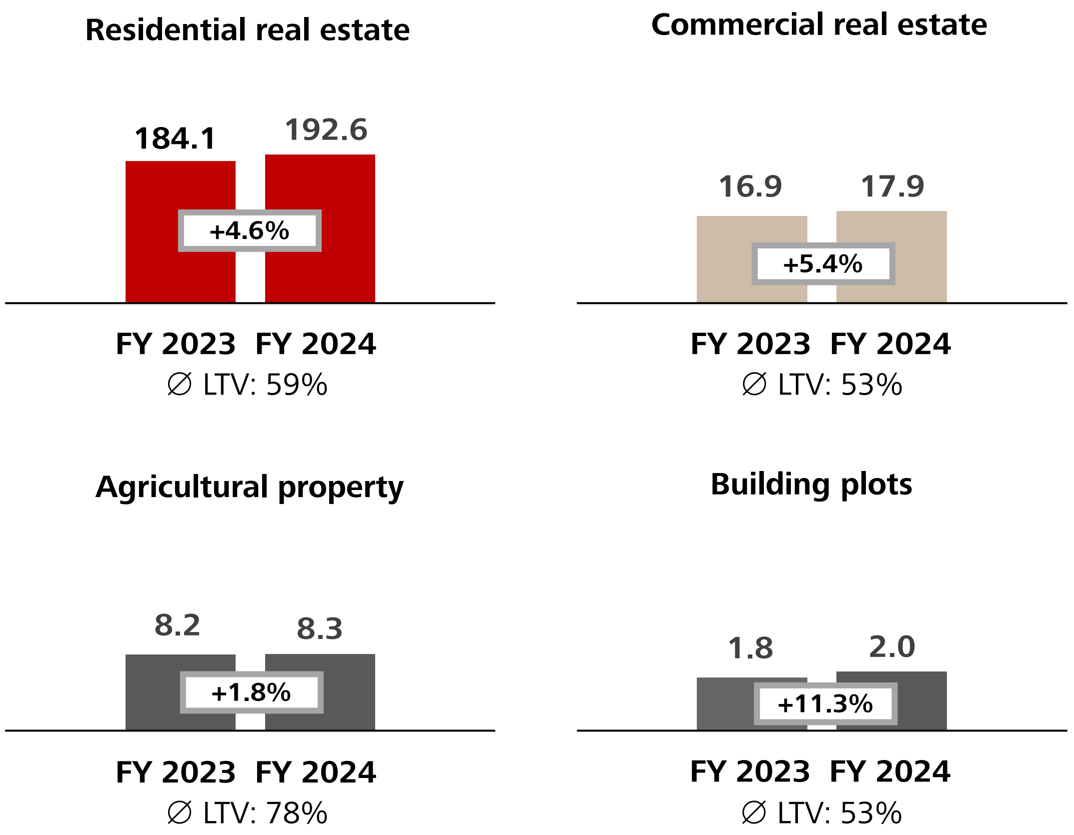
Mortgage loans
CHF bn as of 31 December 2024

by segment



by property type





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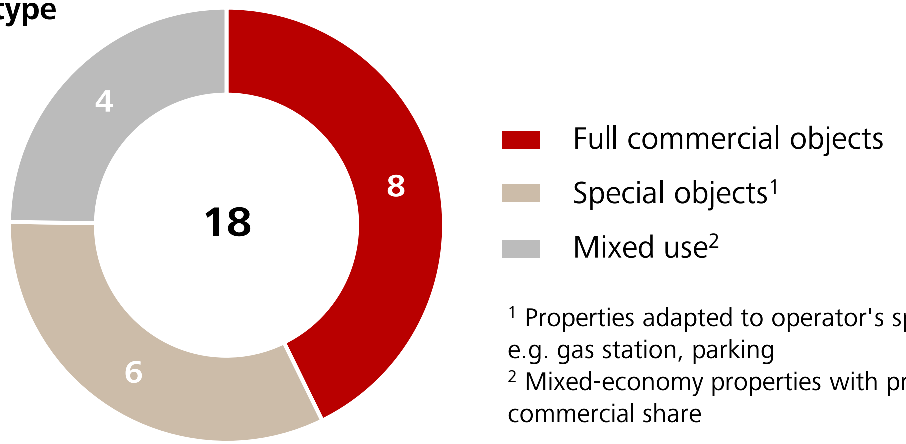
Commercial Real Estate Breakdown FY 2024 (I)
Low Share of Office Space Financing

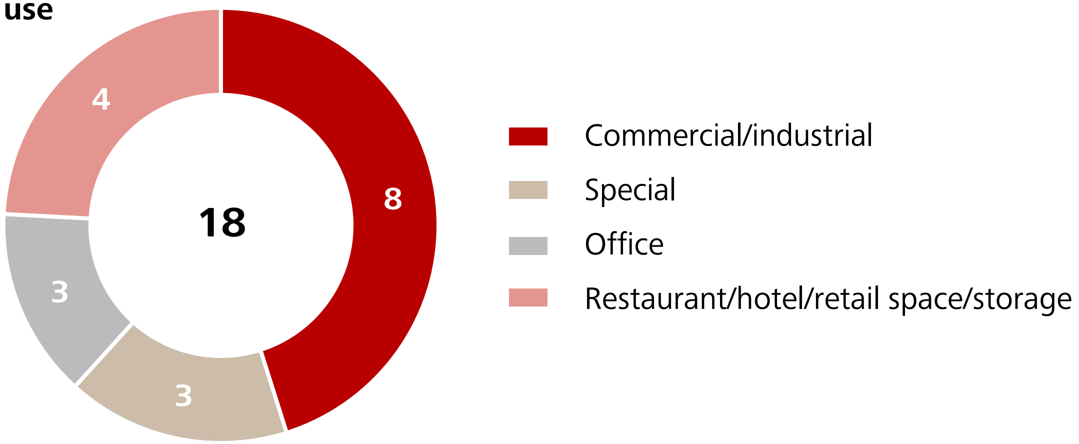
Commercial real estate
CHF bn as of 31 December 2024

by property type



[1] Properties adapted to operator's specific needs, e.g. gas station, parking
[2] Mixed-economy properties with predominant commercial share

by type of use



- Commercial real estate with a low 8% share of total mortgage book
- **100% financed property located in Switzerland**
- Office space represents a minor part of Raiffeisen’s commercial real estate lending, 1% of total mortgage book

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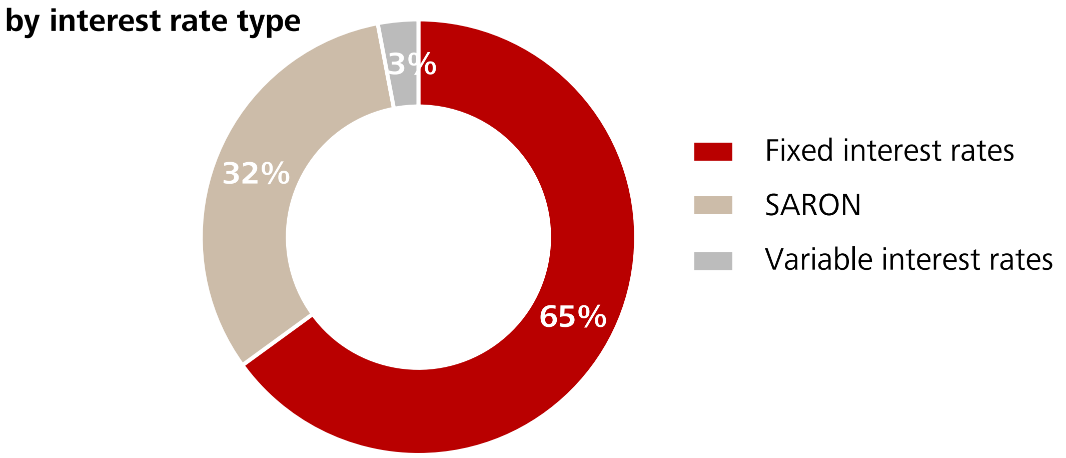
Commercial Real Estate Breakdown FY 2024 (II)

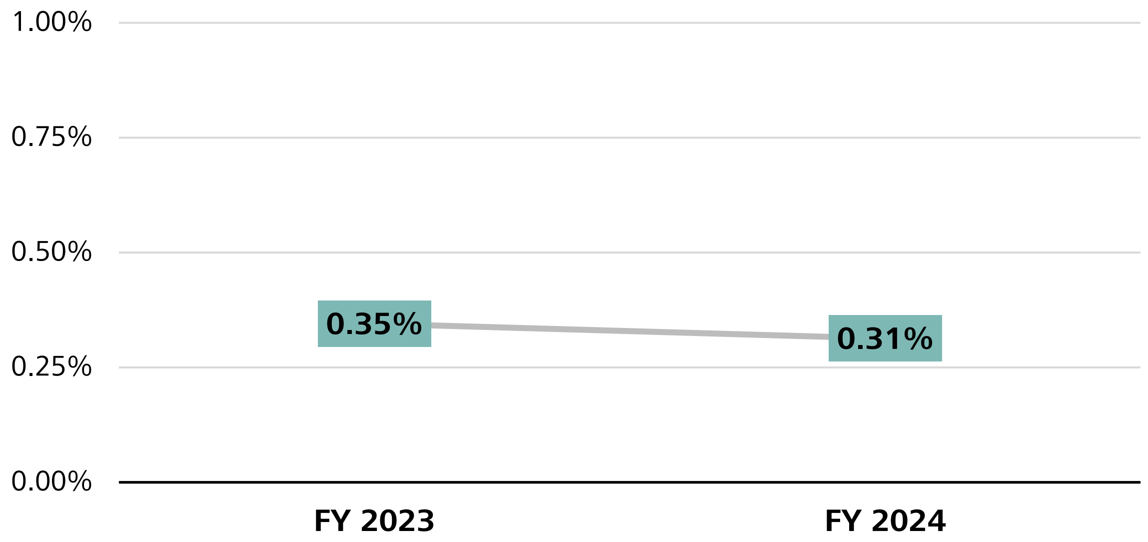
Value Adjustments Remain on Very Low Levels

Commercial real estate

CHF bn as of 31 December 2024



Value adjustments and provisions ratio



- Lower interest burden for customers compared to EU/US due to Swiss interest rate environment
- Fixed-rate mortgages account for 65% of the commercial real estate portfolio
- Raiffeisen has **insignificant** exposure to European or US-banks with high commercial real estate exposure

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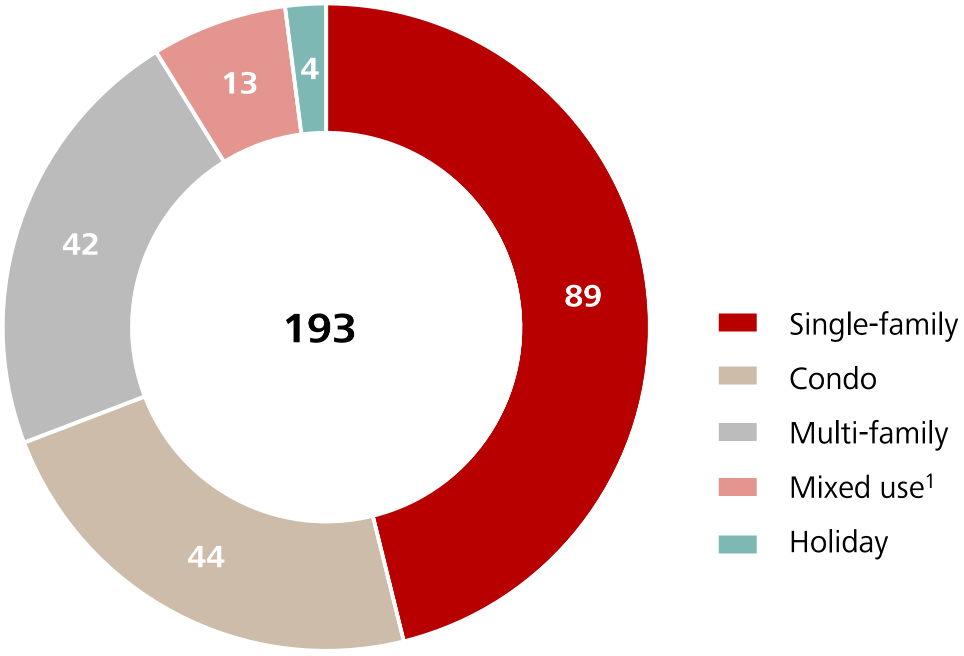
Residential Real Estate Breakdown FY 2024
Low Share of Holiday Home Financing

Residential real estate
CHF bn as of 31 December 2024

by property type



- 91% are single-/multi-family homes and condos
- Holiday home financing accounts to low 2% share in residential property portfolio
- **100% financed residential property located in Switzerland**
- Owner-occupied residential real estate mortgages have an average mortgage size of CHF 434’000

[1] Mixed-economy property with predominant residential share

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Raiffeisen's Mortgage Book FY 2024

Prudent Underwriting Standards & High Collateralisation Result in Stable Key Risk Figures

Easy-to-understand, transparent mortgage structures

- 2Y to 10Y fixed rate contracts or SARON-linked products
- Conservative initial LTVs
- Linear contractual amortisation via tax-preferred pension investments or repayments
- Strict affordability criteria comprising all housing cost (5% interest rate, maintenance, repayments) in accordance with Swiss Bankers Association rules
- No free prepayment option for fixed rate contracts

Regionally diversified, conservative mortgage portfolio

- Moderate LTVs for owner occupied residential real estate
- Low share of commercial real estate lending, office space financing, and buy-to-let mortgages
- Property development finance with marginal share and low concentration
- Average maturity of the mortgage book is 2.7 years (with 38% > 3 years), acting as a powerful hedge for customers against rising rates
- Value adjustments remain on low levels

87%

unchanged vs. FY 23

Residential Real Estate

75%

unchanged vs. FY 23

With Fixed Interest Rates

CHF 434'000

vs. CHF 426'000 FY 23

Average Mortgage Size[1]

59%

unchanged vs. FY 23

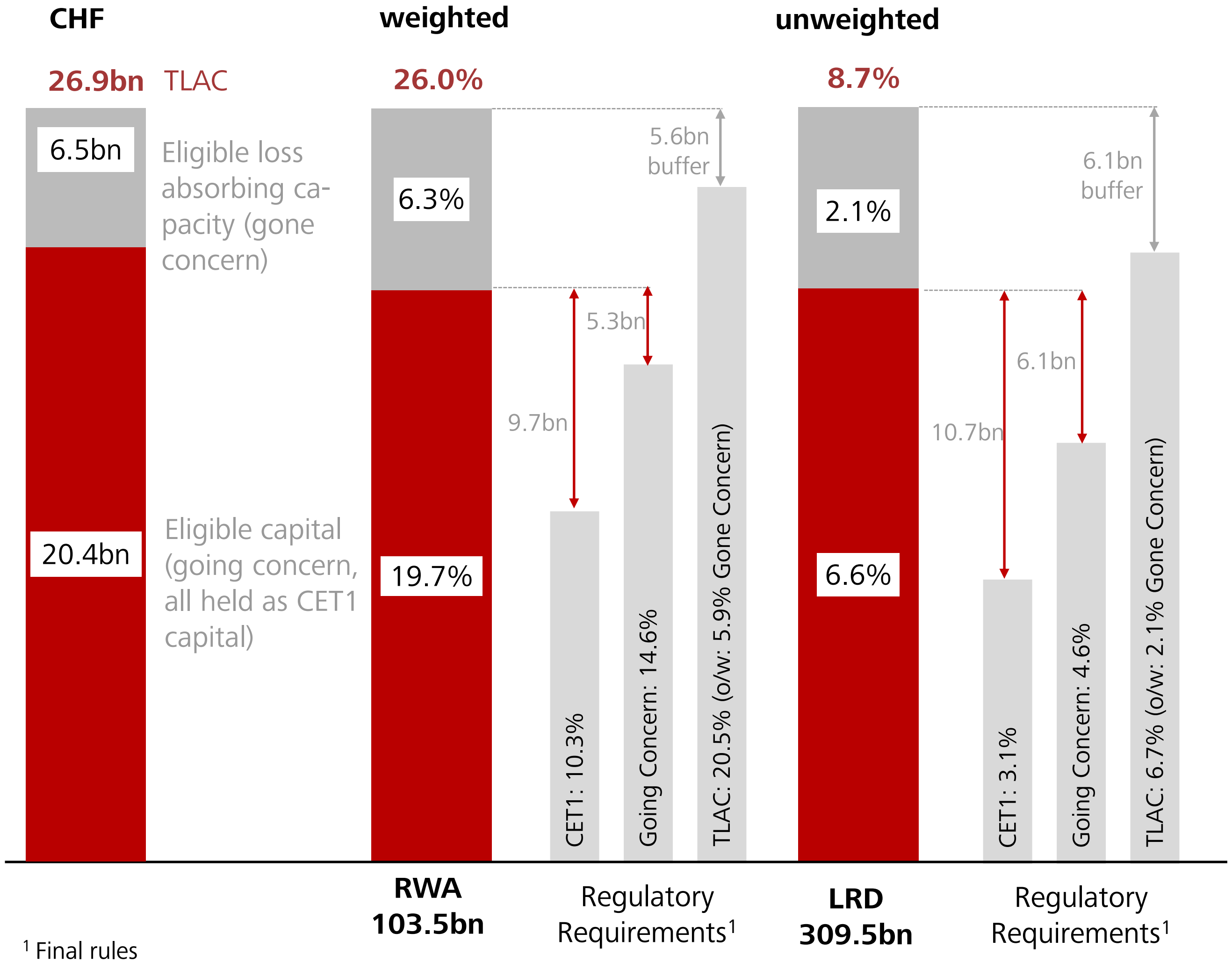
Average LTV

[1] Owner occupied residential real estate

4 Capital, Funding & Liquidity

Capital Structure FY 2024 (I)

Solid Capital Position further strengthened & 2026 TLAC Requirements already fulfilled



[1] Final rules

- **91%** profit retention being the hallmark of Raiffeisen's cooperative business model
- Further strengthening of capital base through issue of two Bail-in bonds 2024 (CHF 150m & EUR 500m)
- Raiffeisen fulfils gone concern requirements with continued build-up of bail-in capital and reclassification of going concern capital
- Unweighted TLAC leverage ratio increased to 8.7% in 2024 from 8.3% FY 2023
- **CET1 and loss absorbing capacity** of the Raiffeisen group **expanded** to **CHF 26.9bn**

AA-/A-1+

stable
Standard & Poor's
Issuer Credit Rating / Short-Term Rating

A+/F1

stable
Fitch
Long-Term / Short-Term Issuer Default Rating

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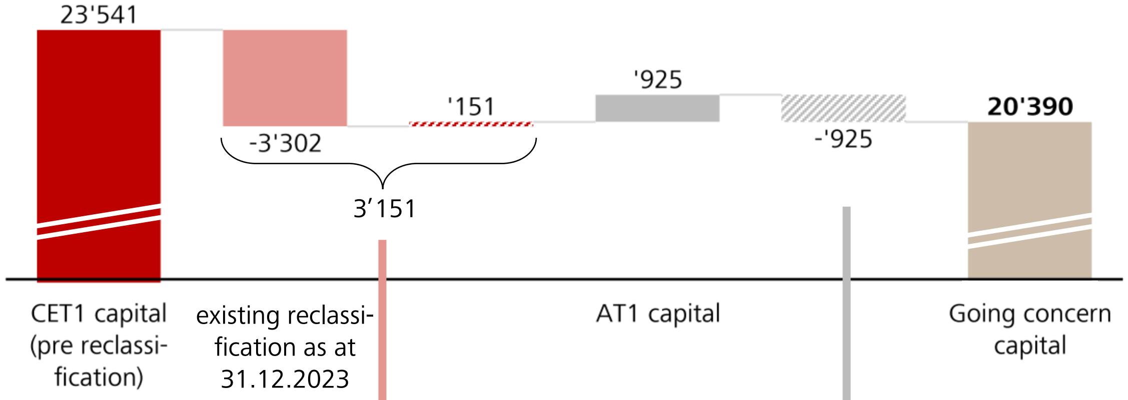
Capital Structure FY 2024 (II)

Raiffeisen's High CET1 and Loss-Absorbing Capacity Further Expanded

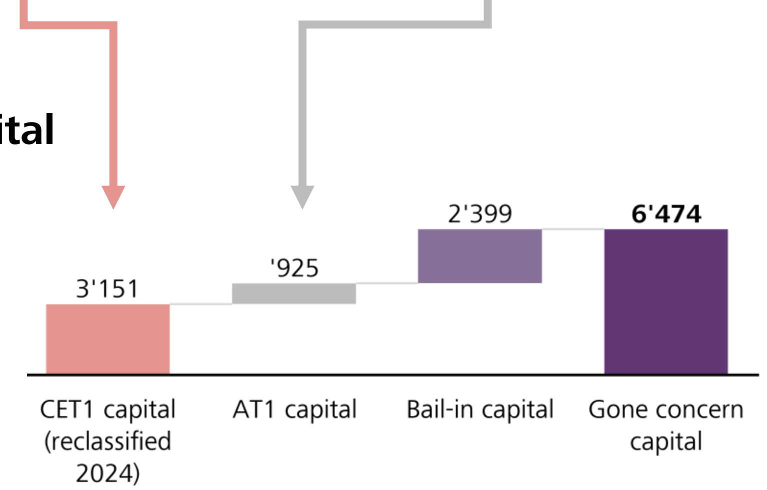
Going concern capital

CHF m



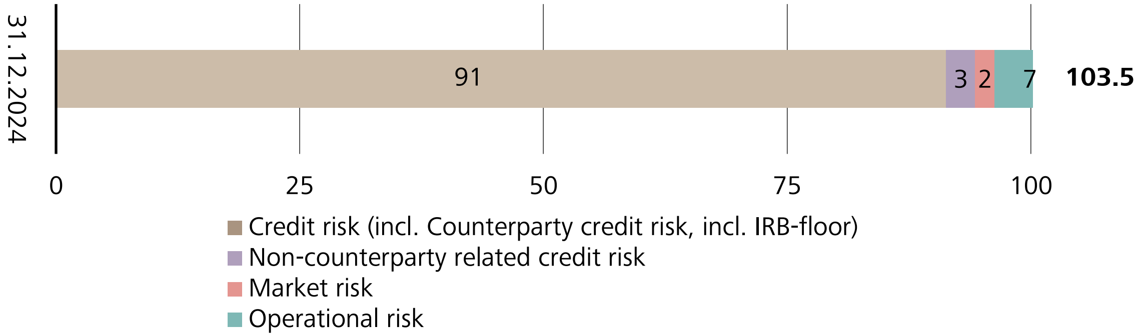
Gone concern capital

CHF m



RWA Overview

CHF bn



- Any going concern-eligible capital above the minimum requirement can be counted toward gone concern, subject to reclassification
- A maximum of 25% of gone concern requirements can be met with instruments having a remaining maturity of between one and two years
- **RWA density** only marginally increased to **33.8%** compared to 33% FY 2023 despite expansion of lending business and balance sheet growth

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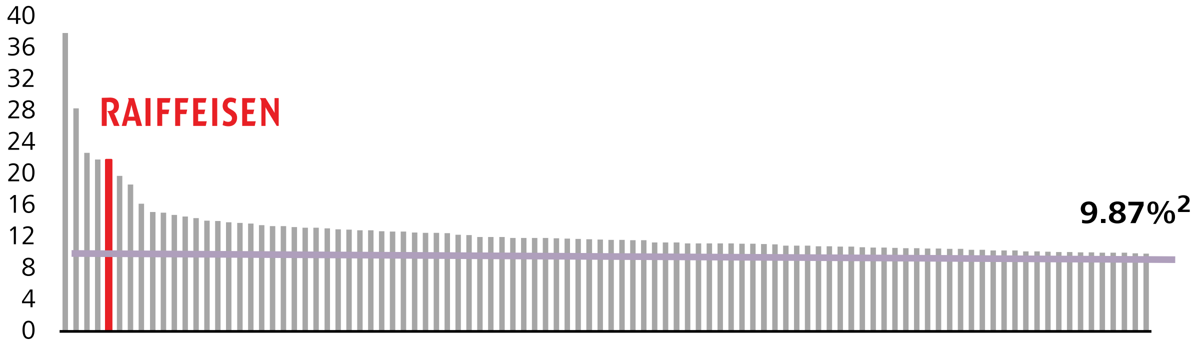
Strength of Capitalisation

Raiffeisen Schweiz is one of Europe's Best Capitalised Banks

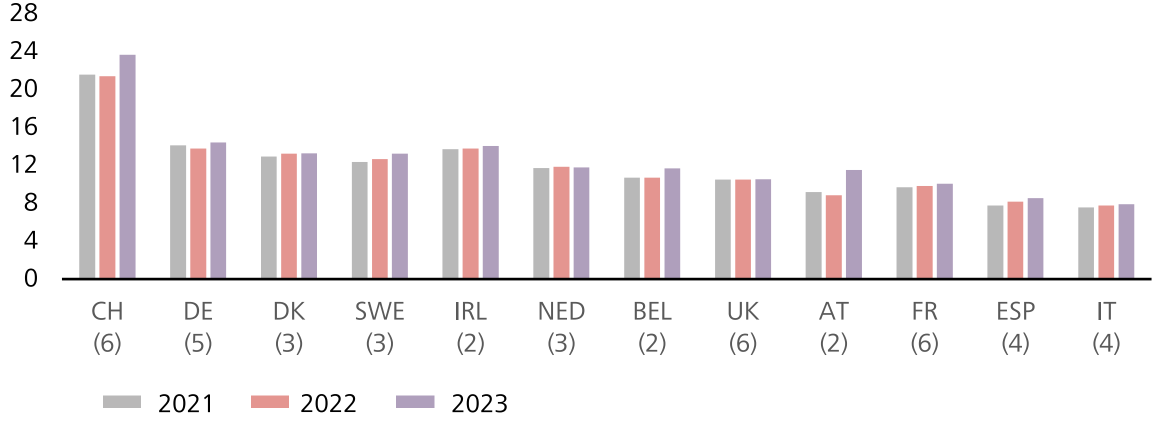
S&P Global RAC-Ratio

%, before diversification, against world's top 200 rated banks



Banks' average RAC ratio by country

%, (number of banks per country)



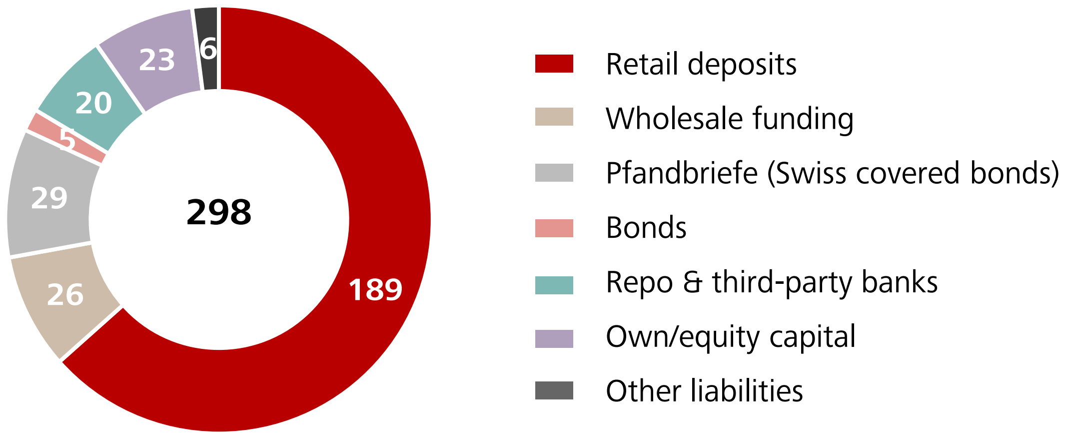
Raiffeisen's RAC ratio[1] demonstrates the strength of its capitalisation

- Raiffeisen's S&P RAC ratio further increased to **21.8%** YE 2023 vs. **19.3%** YE 2022
- **Global average** RAC ratio: **9.87%** (YE 2023) compared to 11.85% for European banks
- The high RAC ratio puts Raiffeisen among Europe's strongest banks by regulatory tier 1 capital
- **Raiffeisen's RAC ratio forecast:**
  2024: 22.25-22.75%
  2025: 23 – 23.5%

[1] standardised RWA in relation to regulatory capital
[2] average RAC Ratio 2023
Source: Standard & Poor's RatingsDirect: Raiffeisen Schweiz Genossenschaft (20 Dec 2024), Top 200 Rated Bank's Capital Ratios are on a stable trend (21 Oct 2024)

Funding
Stable, Customer Deposit-Funded Business Model

Funding Structure
CHF bn as of 31 December 2024



Split retail deposits[1]
CHF bn

[1] subject to withdrawal restrictions

Split wholesale funding
CHF bn

- 108.4% loan-to-deposit ratio at reasonable levels
- Low concentration among top 20 customers – 41.0% from regional/local governments and 19.0% from pension funds – both considered stable funding
- New rate cycle puts regained interest margin under some pressure

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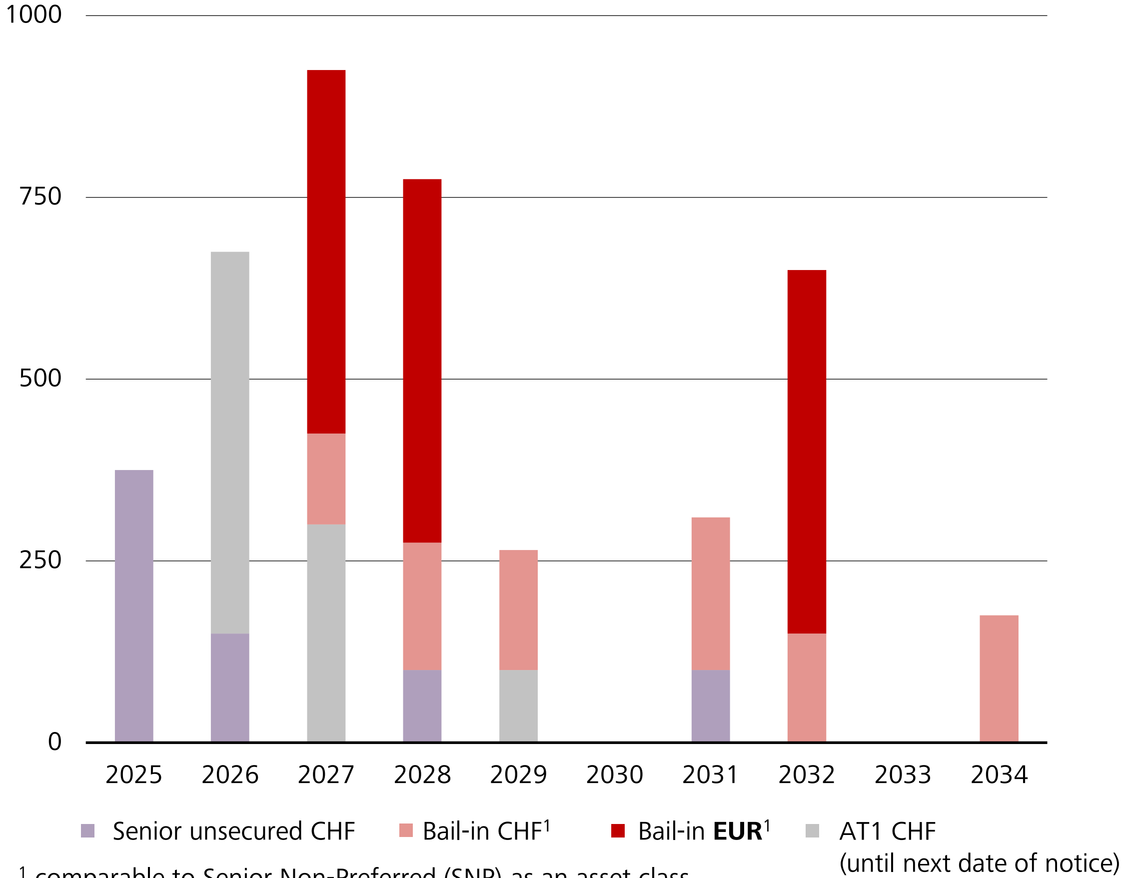
Funding Plan

Continued Build-up of Bail-in Capital, B/S Evolution Supported by Strategic Debt Issuance

Maturity profile of Raiffeisen capital/debt instruments

CHF m



[1] comparable to Senior Non-Preferred (SNP) as an asset class

- Further build-up of bail-in capital and balance sheet growth are main driver for capital and funding transactions
- Raiffeisen assesses different funding markets as opportunities arise while striving for predictability and stability for investors
- Raiffeisen considers **EUR market** as a **key strategic investor base** and **has become a regular issuer**

Bail-in **EUR**[1]

Pricing date	Amount	Interest	Maturity	Call Date	ISIN
24 Oct 2022	500m	5.230%	1 Nov 27	Bullet	CH1224575899
25 Apr 2023	500m	4.840%	3 Nov 28	Bullet	CH1251998238
27 Aug 2024	500m	3.852%	3 Sep 32	3 Sep 31	CH1353015048

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Ratings

Raiffeisen's Financial & ESG Ratings

Credit ratings	S&P Global	FitchRatings
Senior unsecured	AA-	AA-
Bail-in[1]	A	A+
Additional Tier 1	BBB	BBB
Long-Term	AA-	A+
Short-Term	A-1+	F1
Outlook	Stable	Stable

ESG ratings	RAIFFEISEN Rating
MSCI	AA
ISS ESG	Prime C
RepRisk	AA
Inrate	B+
WWF Swiss Retailbank Rating	Follower

[1] Comparable to Senior Non-Preferred (SNP) as an asset class

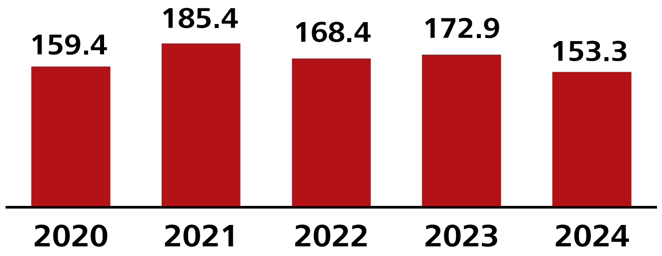
- **MSCI upgraded** Raiffeisen's ESG Rating to **AA** on 24 January 2025.
- **S&P re-confirmed** the **very good rating** of Raiffeisen on 20 December 2024, putting the group among the best rated banks in the world.
- **Inrate** confirmed the **upgrade** of Raiffeisen's ESG rating to **B+** on 17 September 2024.
- On 24 July 2024, **Fitch affirmed** Raiffeisen's ratings emphasizing its **strong position** in the **Swiss retail and corporate business**. Fitch also recognises Raiffeisen's **profitability, strong capitalisation and robust risk profile**, which makes Raiffeisen stand out internationally thanks to the high quality of its credit portfolio.

Liquidity

Robust Short Term & Structural Liquidity

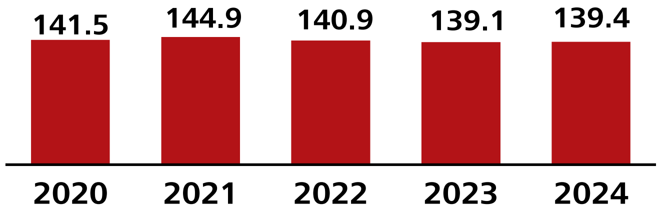
Liquidity Coverage Ratio
as of 31 December 2024, %

153%



Net Stable Funding Ratio
as of 31 December 2024, %

139%



Stable Basel III liquidity ratios

- Raiffeisen's business model supports very high LCR levels
- The Swiss national bank (SNB) significantly raised its minimum reserve requirements for domestic banks last year, which cannot be added to the LCR resulting in a reduction across the sector
- Liquidity ratios remain robust despite market and rate developments in CHF
- Liquidity buffer consists of first-class hold-to-maturity bonds and deposits at the SNB

Implementation of additional liquidity requirements

- As a D-SIB, Raiffeisen is subject to additional strict liquidity requirements since 2024 onwards

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5 Swiss Regulatory Framework

Federal Council's Report on Banking Stability

Published 10 April 2024

Capital

- More cautious assessment of certain balance sheet items
- Forward-looking Pillar 2 equity surcharges

Liquidity

- Better use of SNB's potential to provide liquidity
- Introduction of Public Liquidity Backstop (PLB)

Governance & oversight

- Senior Managers Regime
- Compensation
- Strengthening FINMA, e.g. fine authority, professional ban, etc.

Stabilization & resolution planning

- Strengthened by further regulatory requirements

Swiss Liquidity Regime for Systemically Important Banks (SIBs)
Sizable Buffer Above LCR to Withstand Continued Stress Events

Goal	• SIBs must hold additional liquidity in order to absorb liquidity shocks better than non-SIBs • Additional liquidity must allow orderly resolution of the bank
Concept	• In addition to the LCR stress scenario, coverage for credit extension risks, cliff risks within a 90-day horizon, and institution-specific additional risks (including intraday liquidity) • Fulfilment of liquidity requirement through HQLA surplus, liquidity-generating measures and partial recognition of SNB Emergency Liquidity Assistance (ELA)
Impact on Raiffeisen	• Regulation leads to substantial additional liquidity requirement • Additional liquidity requirement at institution-specific level is confidential and not publicly disclosed • The increased minimum reserve requirements by SNB for domestic banks, which cannot be added to the LCR, further tighten the liquidity requirements

Public Liquidity Backstop

- The Swiss government plans to introduce a public liquidity backstop to bolster liquidity provision to banks in emergencies.
- The draft law also caters for temporary liquidity injections to SIBs during the restructuring process.
- In September 2023, Federal Council submitted the bill to introduce a public liquidity backstop to parliament, parallel working on an overall evaluation of the Too-Big-To-Fail (TBTF) regulatory framework.
- Parliament has put decision on hold in November 2023 until the evaluation of the TBTF regulatory framework is concluded.

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Taxation of Owner-Occupied Housing in Switzerland is under Review

Proposal of Swiss Parliament on Abolition Subject to Popular Vote

- Imputed rental value is the **notional rent an owner would receive if the owned property is rented out** and **counts as taxable income**
- The value is ultimately determined by the cantonal tax authority but, according to the Federal Court, must be at least 60 percent of the average market-level rent
- **To compensate for the tax on imputed rental value, mortgage interest and maintenance costs are tax-deductible**
- The current system generates **high tax revenues** for the federal government, cantons and municipalities

1915 – **First implementation** of the imputed rental value as **unique war tax** to compensate customs revenues

1934 – **Re-implementation** of the imputed rental value by emergency law after the global economic crisis in the 1930s **to recover the federal budget**

1945 – **Continuation** of the imputed rental value **as military tax to** fully **redeem** all **war expenses**

1958 – **Integration** of the imputed rental value **in** the **regular tax legislation** including consent of people and federal council

2024 – **Swiss Parliament agreed on** the **abolition** of the imputed rental value **and tied it to a new cantonal property tax for secondary properties**[1] in Dec 2024

2025 – **Popular vote is to be expected in autumn 2025**

2027/28 – **Earliest potential implementation**

[1] As the proposed property tax for secondary properties is a new tax, a change in the federal constitution and therefore a popular vote is needed

Raiffeisen's Focus During Current Review Process of Imputed Rental Value

Competent Client Information, Public Dialogue & Continuous Impact Analysis

As the outcome of the referendum – to be expected in autumn 2025 - is open, Raiffeisen focuses its current activities on:

- **Ensuring competent and constant client information, education and dialogue** (incl. general information as well as need-based individual discussions)
- **Following the public dialogue** on the potential abolishment of the imputed rental value (incl. politics, media coverage, science, industry experts, interest groups, etc.)
- **Assessing the potential impact on earnings and risk profile of Raiffeisen**, (incl. business opportunities, revenue implications, portfolio effects, etc.)

Thank you

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The published financial figures are unaudited.

Commitment to Regular Fixed Income Investor Communication

27 February 2025
Media Conference Annual Results 2024

28 February 2025
Individual / Group Investor Call Upon Request

20 March 2025
J.P. Morgan Capital Markets Conference, Paris

June 2025
UBS Capital Markets Conference, Lausanne

20 August 2025
Media Conference Half-year Results 2025

21 August 2025
Individual / Group Investor Call Upon Request

28 August 2025
Morgan Stanley Capital Markets Conference, Amsterdam

Appendix
Macro Snapshot in Switzerland

Macro Environment (I)

Switzerland's Recent Economic Performance Underpins Its Safe Haven Status

		Switzerland	Germany	France	Austria	Netherlands	Denmark	Sweden	Norway	Finland
Macro environment	Political stability Index (World Bank 2023)	**1.07**	0.59	0.34	0.66	0.76	0.89	0.85	0.71	0.73
	Public debt in % of GDP (2023)	39%	66%	110%	75%	49%	30%	32%	37%	74%
	Inflation ø 2019-2024 (%, YoY)	**1.1%**	3.7%	3.0%	4.2%	4.2%	2.8%	3.5%	3.6%	2.7%
	Unemployment rate (%, 2023)	**2.1%**	3.3%	7.4%	5.1%	3.7%	5.0%	7.5%	3.6%	7.3%
GDP per capita (PPP-based in 1'000 USD, 2023)		**89**	66	59	69	73	75	66	82	60
Household	liabilities in % of GDP (2023)	128%	52%	72%	49%	99%	91%	88%	92%	75%
	net financial assets in % of GDP (2023)	251%	135%	168%	131%	193%	264%	226%	41%	65%
Net immigration in % of population (ø 2019-2021)		0.8%	0.4%	0.3%	0.5%	0.5%	0.0%	0.5%	0.4%	0.3%
Home ownership	rate total (%, 2022)	42%	47%	63%	51%	71%	60%	64%	79%	70%
	rate w/mortgage (%, 2022)	38%	22%	30%	22%	60%	47%	50%	61%	39%
	Mortgage interest tax deduction	x				x	x	x	x	x
	Imputed rent/notional taxable income	x				x				

Sources: World Bank, IMF, OECD, Eurostat, EU Commission

Stable and potent economy

- Rock-solid Swiss economy required only limited fiscal and monetary stimulus during recent crises
- Switzerland's public finances remain very resilient without any significant debt increase in the wake of international upheavals
- Energy price shock had limited effect on inflation due to high Swiss prices, strong CHF, and a lower energy intensity of the Swiss industrial sector
- Tax incentives drive high levels of household indebtedness, while household's financial assets allow banks to diversify revenue streams

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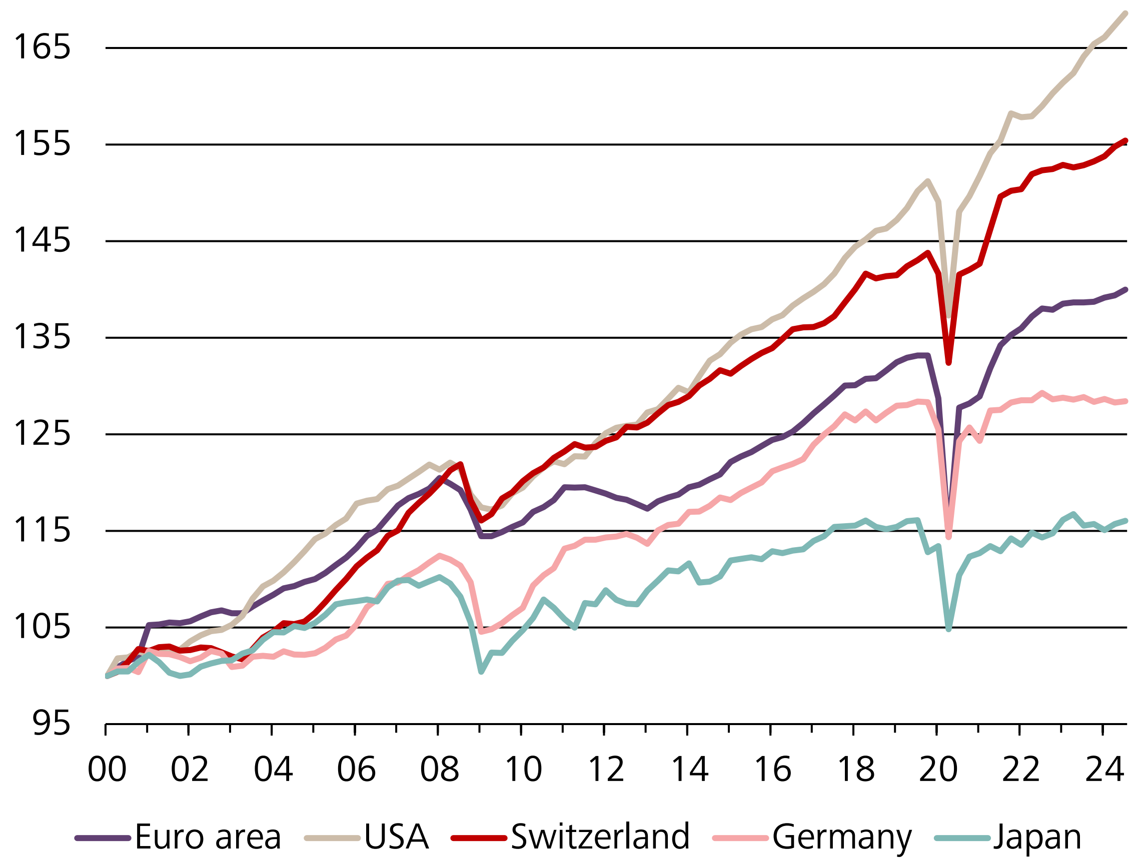
Macro Environment (II)

Switzerland's Growth Dynamic Outperforms in Global Comparison

Gross domestic product (indexed, Q1 2000 = 100)



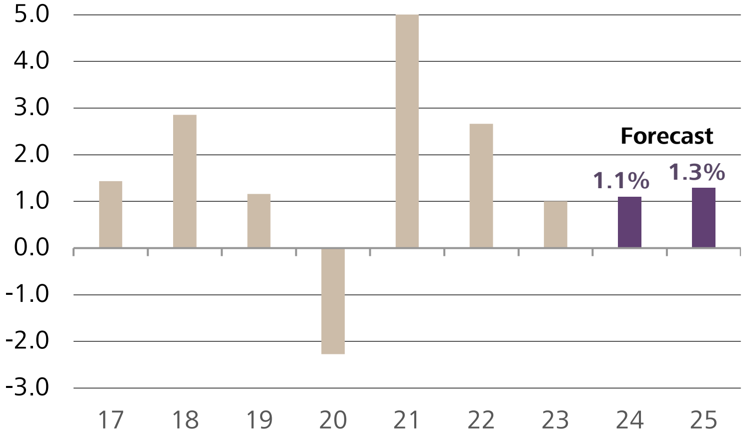
Source: Refinitiv, Raiffeisen Economic Research

- Compared to other developed countries, **Switzerland's GDP** has shown a **more stable and consistent growth pattern** over time
- The **economy has demonstrated resilience**, weathering crises with less severe setbacks compared to other countries
- The continuous **appreciation of the Swiss franc** has posed challenges for some sectors, but it has also **incentivized innovation** and **efficiency gains**

Economic Environment
SNB is Leading the Easing Cycle

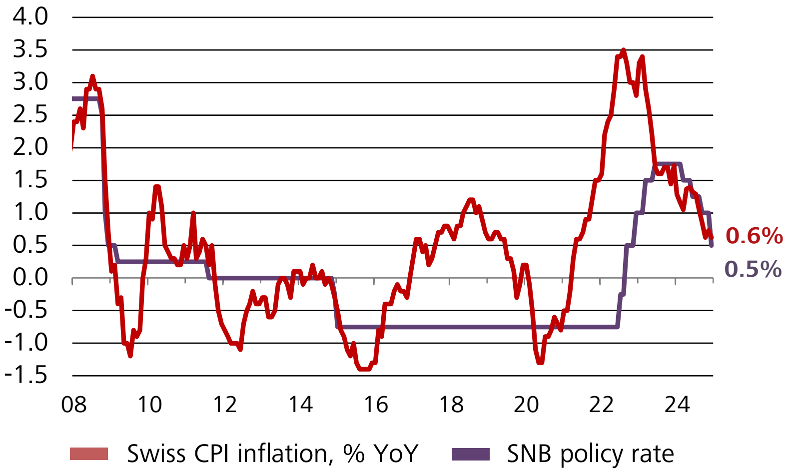
GDP growth

Swiss GDP, real, YoY, in %



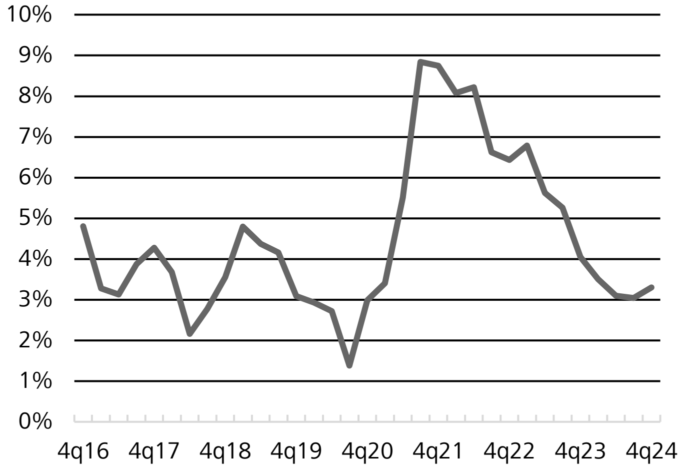
Interest Rates

In %



Real Estate Market

Price owner-occupied housing[1], nominal, YoY, in %



Weak external demand, particularly from euro area, dampens growth prospects

Swiss inflation is low, supported by strong Swiss franc and weak second round effects

Return of low interest rates is boosting demand for owner-occupied housing again

[1] Raiffeisen transaction-price index for owner-occupied housing, average rate of price change of single-family homes and condominiums

Sources: SECO, SNB, BFS, Raiffeisen Economic Research

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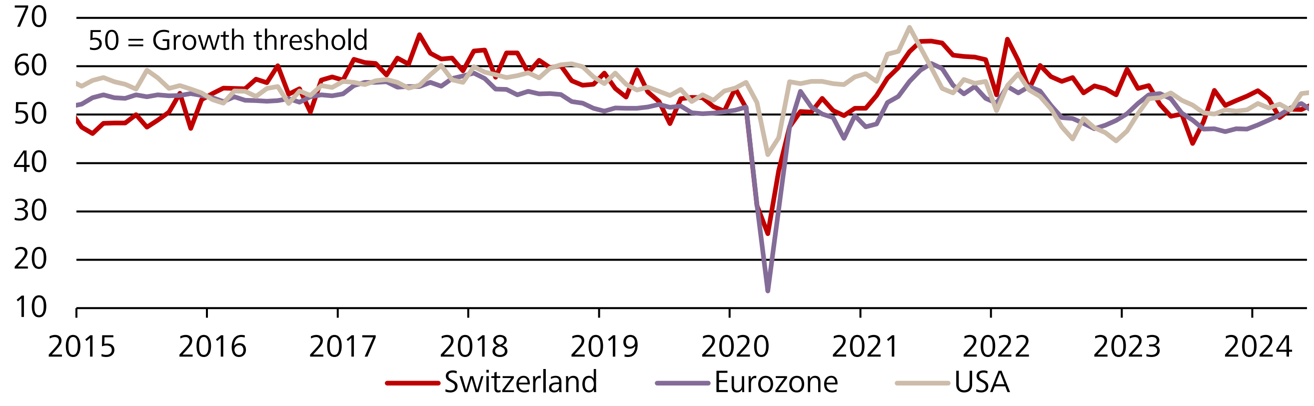
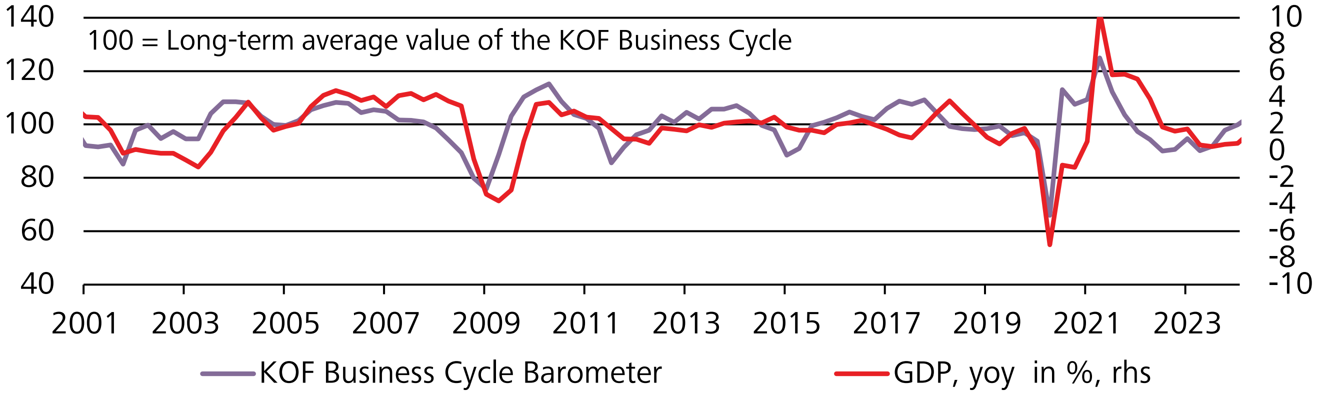
Economic Indicators

Swiss Leading Indicators in Global Comparison

Composite Purchase Manager Index (PMI)



Swiss GDP and economic barometer



- Global growth remains moderate, but recession fears have subsided
- Swiss economy growths below average for second year in a row. Expected **GDP growth 2024: 1.1% and 2025: 1.3%**
- Manufacturing remains weak but with limited spill over to the service economy. Consumption stays a stable growth pillar, supported by strong immigration and low inflation
- The SNB cut its key rate pre-emptively. Interest rate level is already below neutral and could decline further towards zero

[1] KOF Swiss Economic Institute is publishing a leading composite indicator, the KOF Economic Barometer, predicting how the Swiss economy should perform in the near future.

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Real Estate Market in Switzerland
Strong Fundamentals

Residential Property

- With interest rates falling again, cost advantage in self-owned real estate compared to renting has returned and is further widening
- Non-financial motives such as prestige, raising children in their own home and self-fulfilment keep demand for home ownership high
- Price drops remain unlikely due to high demand and severe shortage of housing supply

Rental Apartments

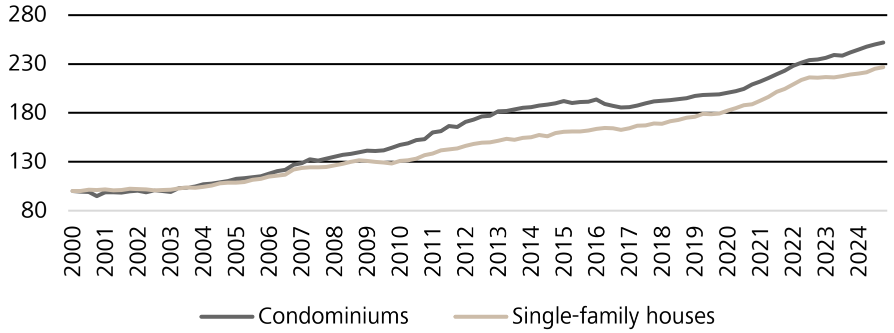
- High Migration drives housing demand, migration dynamics remains strong
- Strict planning laws, shortage of building plots, and high construction costs limit the supply for new apartments
- Demand outstrips supply by far. Vacancy rates continue to fall at a high pace. Rents are raising.

Commercial Real Estate

- Working from home and e-commerce put rents for office and retails space under pressure
- Adjustment processes in the market are under way, but take time (long-term leases, implementation of new workplace concepts, etc.)

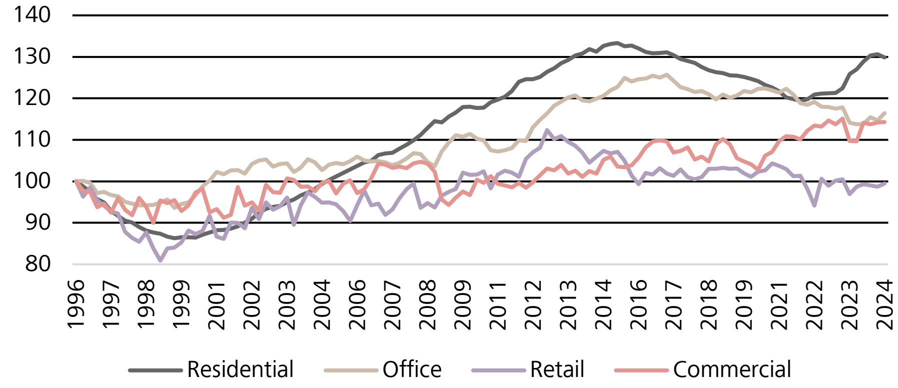
Transaction prices for Swiss residential property

(indexed; 2000=100)



Development of supply rents

(indexed; 1996=100)

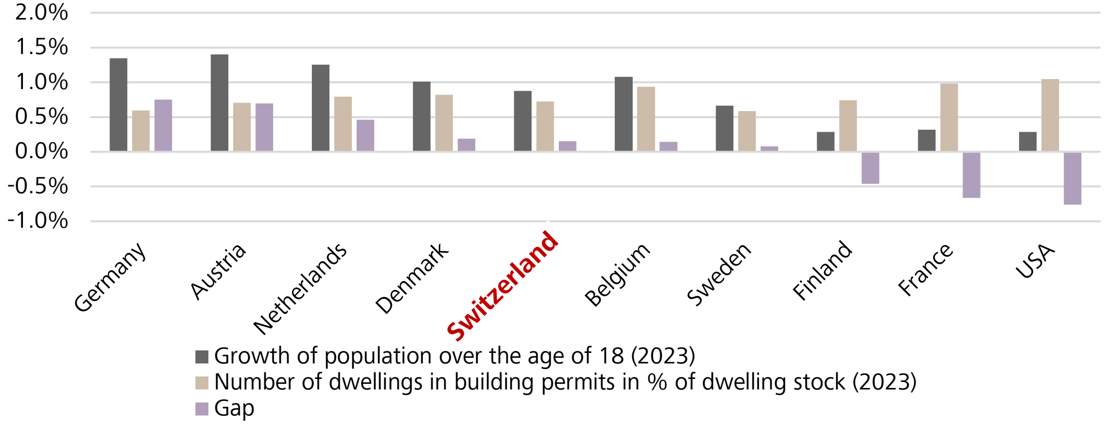


Sources: Wüest Partner, Raiffeisen Economic Research

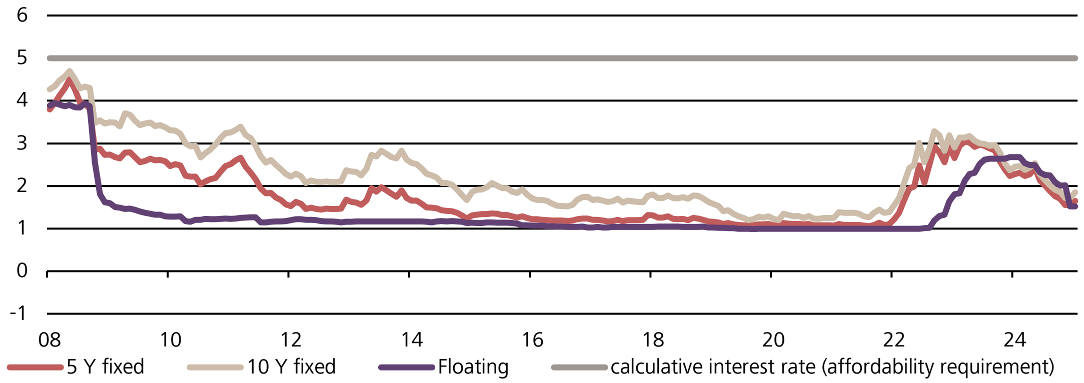
Swiss Mortgages

Strong Fundamentals Amid Strict Equity & Affordability Requirements

Supply and demand



Swiss mortgage rates vs (interest rate) affordability requirement



Sources: Infopro Digital, EMF, FSO, Raiffeisen Economic Research

Strong demand + limited supply = rising prices

- Fast-growing population and demographics drive housing demand
- Strict planning laws, shortage of building plots, and high construction costs limit the supply for new apartments
- Demand exceeds supply by far, leading to a housing shortage, rising real estate prices, and rent increases

Strict equity and affordability requirements

- Home equity and affordability requirements limit mortgage eligibility. Even after the rise in interest rate, calculative interest exceeds actual interest rate by far.
- Mortgage debt rolled for tax reasons explains Switzerland's high household indebtedness as well as an amortization obligation only up to 67%. However, only gross debt is high. Net debt is significantly lower.
- Tax-deductibility of mortgage interest acts as an automatic stabiliser protecting household budgets from interest rate swings

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