

RAIFFEISEN

Press release

Raiffeisen interim financial statement as of 30 June 2014

Raiffeisen reports solid growth

Swiss National Bank classifies Raiffeisen as systemically important

St. Gallen/Zurich, 13 August 2014. The Raiffeisen Group's growth remained constant in the first half of 2014. Operating income of almost CHF 1.4 billion exceeded the previous year's result by 1.3%. Gross profit of CHF 533 million and Group profit of CHF 363 million match the previous year's very good result. Raiffeisen also announced that it has been classified as systemically important by the Swiss National Bank.

Operating income rose by CHF 18 million to CHF 1.4 billion due to very good results in the rates and commission business. Mortgage lending grew by 2.4% to CHF 147.2 billion, with assets under management up 2.8% to CHF 192.3 billion. Apart from the trading business, which posted reduced earnings especially due to difficult market conditions, all other income items increased. Operating expenditure rose by CHF 20 million to CHF 867 million.

Solid core business

With growth of CHF 3.5 billion or 2.4% to CHF 147.2 billion, the mortgage business grew somewhat more moderately than in the previous year. Lending business risks remain low: at CHF 254 million, value adjustments for default risks dropped to a new low. In the first half of the year, customer deposits increased by CHF 2.7 billion or 1.9% to CHF 140.7 billion.

Pierin Vincenz, Chair of the Executive Board of the Raiffeisen Group: "We posted an encouraging rise of 2.8%, in assets under management corresponding to CHF 5.2 billion. This success is due to the Raiffeisen banks, as well as to the positive volume development of our subsidiaries."

Capital adequacy requirements met

In January, the Federal Council increased the anti-cyclical capital buffer, for loans on residential property within Switzerland, from one percent to two percent with effect as of 30 June 2014. Thanks to its equity surplus, the Raiffeisen Group complies with the applicable FINMA targets, even after the regulatory capital adequacy requirements have been tightened.

Notenstein on course for growth

Notenstein Private Bank Ltd increased its assets under management by almost 5% to around CHF 20.8 billion. Operating income increased by 13%. Both the issue of structured investment products and the new Institutional Asset Management section made a substantial contribution. As expected, operating expenditure increased due to growth in the business. At CHF 6 million, gross profit was at the previous year's level.

SNB classifies Raiffeisen as systemically important

The Swiss National Bank (SNB) has declared the systemic importance of Raiffeisen as a financial group. SNB holds the view that Raiffeisen offers services that are indispensable for the Swiss economy, which cannot be replaced in the short term. The crucial factor in the SNB's decision was Raiffeisen's strong market position in Switzerland's deposit and lending business.

The systemic importance underlines the strong position held by Raiffeisen in the Swiss banking market. With 305 independent Raiffeisen banks and total assets of CHF 183 billion as of 30 June 2014, the Group is one of the most important providers of banking services in Switzerland. For this reason, the SNB believes that it is of economic interest that Raiffeisen continues providing services in Switzerland's systemically important segments, namely the deposit and lending business. Systemic importance involves special requirements. The next steps of their implementation will be jointly launched with the FINMA.

Solid progress into the future

The technology and service company jointly established with Avaloq in the scope of the bank's growth strategy will continue its efforts in the next few months: some 250 employees are working on the development, implementation and operation of Raiffeisen's future retail banking platform.

The Raiffeisen Group expects to see a continuation of the positive performance in its core business in the second half of the year. The investments made in Private Banking, Asset Management and Corporate Clients business should deliver an additional impetus on the earnings side by year-end. The annual operating result is likely to exceed the prior year level. In addition, substantial income of CHF 44 million is expected in the second half of 2014 as a consequence of the sale of the investment in Vontobel Holding AG.

The Raiffeisen Group at a glance

	30 June 2014 (in CHF bn)	31 Dec. 2013 (in CHF bn)	Change in %
Balance sheet total	182.6	176.6	3.4
Loans to customers	155.4	151.4	2.6
Mortgage receivables	147.2	143.7	2.4
Customer deposits	140.7	138.1	1.9
Assets under management (AuM)	192.3	187.1	2.8
	1 Jan. – 30 June 2014 (in CHF m)	1 Jan. – 30 June 2013 (in CHF m)	Change in %
Operating income	1,400	1,381	1.3
Operating expenditure	867	847	2.3
Gross profit	533	535	-0.2
Group profit	363	369	-1.5
	30.06.2014	31.12.2013	Change in %
Employees (full-time)	8,860	8,887	-0.3
Total employees	10,541	10,593	-0.5
Members	1,839,569	1,828,202	0.6

Telephone conference:

Dr. Pierin Vincenz, Chair of the Executive Board of the Raiffeisen Group, will comment on the half-year results during a telephone conference at 10:00 a.m. and will be available to answer questions from representatives of the media. The language of the telephone conference will be standard German.

(Please register in advance by sending an e-mail to medien@raiffeisen.ch)

Link to the presentation (in German): www.raiffeisen.ch/medien

General information: Franz Würth
Media Relations
+41 (0)71 225 84 84
franz.wuerth@raiffeisen.ch

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. These include 1.8 million cooperative members, who are co-owners of their Raiffeisen bank. The Raiffeisen Group has 1,025 sites in Switzerland. The Group includes 305 Raiffeisen cooperative banks. Raiffeisen Switzerland Cooperative is the strategic leader of the entire Raiffeisen Group. Notenstein Private Bank Ltd is a subsidiary of Raiffeisen Switzerland Cooperative. As of 30 June 2014, the Raiffeisen Group had CHF 192 billion in assets under management and CHF 155 billion in loans to clients. The Group's market share in mortgages is at 16.5% and for savings at 18.7%. Its total assets amount to CHF 183 billion.