

Continuing growth in client business– encouraging first half of 2024 for Raiffeisen



Positive growth momentum in all business areas



Ongoing diversification of the business model



Sustained high level of client trust

Overview

- **Loans to clients grew by CHF 4.5 billion, of which CHF 1.4 billion came from the corporate clients business**
- **Further increase in customer deposits by CHF 2.6 billion to CHF 210 billion**
- **7.9% increase in commission business and service transactions – continued inflows in the pension and investment business**
- **Net interest income totalled CHF 1.4 billion (CHF -105.9 million) following a strong prior-year period and due to the increase in savings interest rates in the previous year**
- **Second-highest half-year profit (H1) at CHF 642 million (-8.4%)**

St. Gallen, 21 August 2024. The Raiffeisen Group can look back on a positive first half-year. At CHF 641.6 million, profit is at a high level – the second-best half-year result in the banking group's history. Following an exceptionally strong prior-year period, the decline of 8.4% is in line with the expectations forecast at the beginning of the year.

Heinz Huber, Chairman of the Executive Board of Raiffeisen Switzerland comments on the half-year result: "Raiffeisen is posting broad-based growth in all business areas for the first half of 2024. In particular, we were able to further expand our pension and investment business as well as our corporate clients business. Our business model is diversified and successful."

Growth in all business areas

Mortgage loans rose by CHF 3.8 billion to CHF 214.8 billion in the first half of the year (+1.8%). The market share amounts to 17.9%. Raiffeisen has thus slightly expanded its strong market position. Amounts due from clients also increased by CHF 635.4 million to CHF 12.2 billion (+5.5%). The increase in total loans to clients across the retail and

corporate clients business amounts to CHF 4.5 billion, of which around CHF 1.4 billion came from the corporate clients business. Raiffeisen continues to focus on qualitative growth. At 0.126% of loans to clients, the level of value adjustments for impaired loans remains low (as at 31 December 2023: 0.130%). Client deposits grew by CHF 2.6 billion (+1.2%) to CHF 210.4 billion in the first half of the year. The continuous growth extends across all regions in Switzerland.

The growth trend also continued in the pension and investment business. The inflow of net new money into securities accounts remains high at CHF 1.9 billion for the first half of the year and approximately 19,000 new securities accounts were opened in the first six months of the year. In addition to the strong demand for asset management mandates (+14.7%), the growth in the number of pension securities accounts (+6.0%) and fund savings plan securities accounts (+4.3%) was particularly pleasing. Due to the new inflows and the positive market performance, securities account volumes rose by CHF 4.7 billion to CHF 50.3 billion.

Strong commission business and service transactions

Net income from the pension and investment business is also reflected in the earnings performance. Income from commission business and services transactions rose again by CHF 24.7 million (+7.9%) to CHF 335.6 million. The growth of recent years in this business is thus continuing. Net trading income fell by CHF 7.7 million (-5.8%) to CHF 125.3 million in the first half of the year due to challenging market conditions. As expected, after the high success in the previous year, the net interest income was lower. In the course of the turnaround in interest rates, Raiffeisen continuously increased its savings interest rates last year. This led to significantly higher interest expenses in the first half of 2024 and therefore to lower net interest income. At CHF 1.4 billion, net interest income was CHF 105.9 million (-6.9%) below the previous year's high level. Costs increased by 4.5% in the first half of the year compared to the same period of the previous year. This was driven in particular by a higher personnel requirement for the client business. With a cost/income ratio of 55.3%, the Group's profitability remains at a very good level (as at 31 December 2023: 51.9%).

Excellent capital base further strengthened

As a banking group organised as a cooperative, Raiffeisen retains and allocates to reserves around 90% of its profits each year. The high retention of earnings serves as the basis for Raiffeisen's excellent capitalisation and makes Raiffeisen a secure and stable bank. In the first half of 2024, Raiffeisen further strengthened its capital and loss-absorbing funds to CHF 25.9 billion. The cooperative capital increased by CHF 182.8 million compared to the end of the previous year and Raiffeisen successfully placed another bail-in bond with an issue volume of CHF 150 million. The risk-weighted TLAC ratio was 25.8% as at 30 June 2024 and has therefore remained stable at a very high level since the end of last year. The TLAC leverage ratio increased from 8.3% as at 31 December 2023 to 8.5% as at 30 June 2024. Raiffeisen has thus been compliant with the 2026 requirements regarding additional loss-absorbing funds ever since the end of 2022. The excellent capitalisation, the robust quality of the credit portfolio and the Raiffeisen Group's strong position in the retail and corporate clients business have also been recognised by the rating agencies. Raiffeisen has very good ratings, including by international standards.

Broad-based business model

The Raiffeisen Group welcomed over 14,000 new clients across Switzerland in the first six months – around 3,000 were new corporate clients. Raiffeisen has also gained more than 20,000 new cooperative members. Demand for Raiffeisen's solutions and expertise remains high, in particular for complex consulting topics such as pension planning. On average, over 500,000 users access Raiffeisen's e-banking solution every day. As at mid-year, Raiffeisen now manages securities account assets worth over CHF 50 billion for the first time. In addition, the corporate clients business now accounts for around one fifth of the Group's total income. Raiffeisen has grown particularly in the area

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of medium-sized and large companies – both in terms of deposits and loans. The focus in implementing the strategy remains on expanding the digital channels and advising clients.

Outlook

Raiffeisen expects the global economy to remain on its growth trajectory, although economic momentum is likely to fall below average compared to previous years. Raiffeisen economists expect GDP growth of approximately 1% for Switzerland in 2024. Following the strong performance of almost all asset classes in the first half of the year, further upside potential on capital markets is limited despite the correction at the beginning of August. Volatility remains high. Property prices and rents are likely to increase further due to the shortage of supply. The lower interest rate level could revitalise the somewhat lower demand for residential property that has recently been seen. Overall, Raiffeisen continues to expect solid business performance and a good result, although it will not reach the extraordinary level of the previous year. Thanks to its clear strategy focussing on developing client proximity – both in terms of personal advice and digital access to its services – Raiffeisen is very well positioned.

The Raiffeisen Group at a glance

	01.01.–30.06.2023 (in CHF million)	01.01.–30.06.2024 (in CHF million)	Change in CHF million	Change in %
Key income figures				
Operating income	2,044	1,953	-90	-4.4
Operating expenses	-1,034	-1,080	-46	4.5
Operating result	894	776	-118	-13.2
Half-year profit	701	642	-59	-8.4
Cost/ income ratio	50.6%	55.3%		

	As of 31.12.2023 (in CHF million)	As of 30.06.2024 (in CHF million)	Change in CHF million	Change in %
Key balance sheet figures				
Total assets	297,135	302,070	4,935	1.7
Loans to clients	222,590	227,043	4,453	2.0
of which mortgage loans	211,001	214,818	3,818	1.8
Amounts due in respect of customer deposits	207,843	210,398	2,554	1.2
Customer deposits in % of loans to clients	93.4	92.7		

Assets under management	as of 31.12.2023 (in CHF million)	as of 30.06.2024 (in CHF million)	Change in CHF million	Change in %
Assets under management (AuM)	249,670	257,775	8,105	3.2

Resources	as of 31.12.2023	as of 30.06.2024	Change	Change in %
Number of full-time positions	10,305	10,395	90	0.9
Number of locations	784	779	-5	-0.6

All the reports are available at [raiffeisen.ch](https://www.raiffeisen.ch).

Presentation: The presentation for the half-year media conference will be available for download in German, French and Italian at <https://www.raiffeisen.ch/medien> from around 10.00 a.m. onwards.

Photographs: Photos of the speakers are available at <https://www.raiffeisen.ch/medien>

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Raiffeisen: second largest banking group in Switzerland

Raiffeisen is the second-largest banking group in the Swiss banking market and Switzerland's retail bank with the greatest client proximity. It has over two million cooperative members and 3.71 million clients. The Raiffeisen Group is present at 779 locations throughout Switzerland. The 218 legally independent Raiffeisen cooperative banks are members of the Raiffeisen Switzerland Cooperative. The Raiffeisen Switzerland Cooperative assumes the strategic management and supervisory function for the entire Raiffeisen Group. The Raiffeisen Group offers private individuals and corporate clients a comprehensive range of products and services via its Group companies, cooperative ventures and participations. On 30 June 2024, the Raiffeisen Group had CHF 258 billion in assets under management and CHF 227 billion in loans to clients. The Group's market share in mortgage lending is 17.9%. Total assets amount to CHF 302 billion.

Group strategy "Raiffeisen 2025"

"Raiffeisen 2025" is the strategy of the Raiffeisen Group. It defines the strategic approaches, initiatives and targets for the period 2021 to 2025. Raiffeisen focuses on banking and banking-related services, with a consistent emphasis on clients. The key strategic plans are (1) diversifying the business model by strengthening the pension and investment business, (2) expanding digital client access through a new Raiffeisen app, which brings together Raiffeisen's digital services in one place, (3) more efficiency and time for clients by digitalising and automating the mortgage process, Raiffeisen's core business, and (4) further strengthening of advisory services for clients, as interaction between local Raiffeisen banks and the digital world.

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