

Press Release

Ad hoc announcement pursuant to Art. 53 LR

Raiffeisen achieves very strong annual result

Highlights



Outstanding operating strength

Profit of CHF 1.18 billion
(+10.6%)



Trust in the cooperative

Number of cooperative
members exceeds 2 million



Strategic successes

Further diversification of
business model

- **The Raiffeisen Group generated a profit of CHF 1.18 billion (+10.6%) in 2022**
- **Mortgage loans increased 3.7% to over CHF 200 billion**
- **Client deposits increased 1.5%**
- **New money inflow of CHF 3.9 billion in pension and investment deposits**
- **Consistently positive development of commission and service business income (+10.3%)**
- **Operating result rose CHF 85.9 million to CHF 1.4 billion**
- **Cost/income ratio sees further improvement to 55.9%**
- **Excellent capital base – Going-and gone-concern capital increased to CHF 23.1 billion**

St. Gallen, 2 March 2023. With a Group profit of CHF 1.18 billion, the Raiffeisen Group has achieved a very good result in 2022. This marks an increase of 10.6% on the previous year's result. Increases in operating income were the primary contributing factor.

Heinz Huber, Chairman of the Executive Board of Raiffeisen Switzerland commented on the result, "Raiffeisen is continuing the success of recent years. Both financially and strategically it was a successful year for the Group. The proximity to our clients makes our cooperative banking group very successful. Our strategy is on track. Today, Raiffeisen is also recognized for its competence in the pension and investment business. This is evident in the extremely pleasing numbers from the pension and investment business."

With an outstanding operating result, Raiffeisen further strengthened its market position as Switzerland's leading retail bank. By now, over 40% of the Swiss population are clients of Raiffeisen, one in three SMEs in Switzerland trusts in the banking group and one in four adult Swiss residents is a cooperative member of a Raiffeisen bank.

Substantial inflow of new money into pension fund accounts and investment accounts

The core business of the Group has performed positively. Mortgage loans increased by 3.7% to CHF 203.7 billion, thus surpassing the 200 billion mark for the first time. The Group successfully continued its targeted growth at market level keeping a stable market share of 17.6%. Thanks to a consistently prudent credit policy, the quality of the mortgage portfolio remained high. Raiffeisen has consistently maintained its strong market position in an intensely competitive environment. Client deposits grew CHF 3.1 billion to CHF 204.8 billion. The market share rose to 14.5% (previous year: 14.0%). At over 95%, the refinancing ratio remains very high. Consequently, loans to clients are almost fully covered by client deposits. Despite a challenging market environment, Raiffeisen achieved a substantial inflow of CHF 3.9 billion in new money into pension fund accounts and investment accounts. Throughout 2022, more than 40,000 pension fund accounts and investment accounts were opened, corresponding to 158 per working day. The number of pension fund accounts increased by 17.6%, the number of asset management mandates by 34.4% and the number of fund savings plan accounts by 11.8%. However, due to the negative market development in 2022, the value of custody account fell by CHF 4.0 billion to CHF 41.1 billion.

Income growth continues

In comparison to the already very good previous year, the operating income grew once again by CHF 145.6 million to CHF 3.5 billion (+4.3%). In particular, income from commission and service business saw an increase of 10.3% on the previous year. Income from this business rose by CHF 55.3 million to 591.4 million. The result from trading activities also increased, in this case by CHF 9.7 million (+4.0%) to CHF 254.3 million. The income stream from indifferent business lines has increased from 15.0% to 24.0% since 2010, allowing Raiffeisen to significantly diversify its earnings base.

Interest operations, the Group's main income stream, have likewise increased. The net result rose by CHF 135.8 million to CHF 2.5 billion. This increase of 5.6% is slightly above the previous year's performance. Operating expenses grew within expected parameters by 4.1%, which is primarily attributable to the implementation of the Group strategy and the expansion of advisory services. Improvements in operating income, coupled with a lower expenditure growth, have further improved the cost/income ratio, which was 55.9% as of 31 December 2022. The operating result – key metric for the operating business – improved by CHF 85.9 million to CHF 1.35 billion (+6.8%).

Secure and stable – The Group is very well capitalised

Its strong capitalisation makes Raiffeisen a very secure and stable bank. Some 93% of the net profit is reinvested into the retained earnings reserve, thus staying within the cooperative, strengthening the capital base of the banking group. In comparison to the previous year, the Group received an inflow of CHF 377,8 million in cooperative capital. Within the scope of the decentralisation of the branches alone, cooperative members have subscribed to cooperative share certificates worth CHF 161,5 million. In the course of the consistently high profit retention, the inflow of cooperative capital and the issuing of a EUR 500 million bail-in bond in 2022, going- and gone-concern capital increased to CHF 23.1 billion. In principle, there are transitional provisions in place for the purposes of building up gone-concern capital until 2026. Based on its excellent capitalisation, Raiffeisen has decided to meet the requirements today in full without the use of transitional provisions. The risk-weighted Total Loss Absorbing Capacity (TLAC) ratio as of 31 December 2022 is 24.9%.

The Group's liquidity situation is also extremely robust. At 168.4%, the short-term liquidity coverage ratio is significantly above the regulatory minimum of 100%. At 140.9%, the long-term net stable funding ratio is at a constantly high level and underlines the stable and sustainable refinancing of the loan book.

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Strategically successful – Raiffeisen recognized for its competence in pension and investment business

The strategic progress is visible – in the pension and investment activity and in the development of digital services. The pension and investment business continues to grow and is making a substantial contribution to the diversification of the business model. Based on the needs of its clients, Raiffeisen has completed its range of solutions in the past year and strengthened sustainability in this business area. Today, approximately 95% of the total volume of all Raiffeisen investment funds is sustainably invested. Broad access to pension and investment solutions has been consciously maintained. The digital asset management app Rio is available from CHF 5,000. In addition, Raiffeisen has lowered the minimum investment volume for asset management mandates from CHF 100,000 to CHF 50,000 in the past year.

Proximity to clients is an outstanding feature of Raiffeisen. With 220 banks at 803 locations, Raiffeisen has the densest branch network of any Swiss bank. In addition to personal advice, which has come to encompass topics concerning assets and retirement as well as financing, Raiffeisen is making substantial investments in expanding client access to digital services. By 2025, all digital services will be accessible via a single app. The development is taking place gradually and in consideration of client feedback. An initial version of the app is being launched in 2023 for the first client groups, including a digital onboarding feature. In its core business Raiffeisen will generate more time for client advisory through the automation of its mortgage process. In addition, Raiffeisen banks continued to recruit additional personnel to strengthen their advisor teams.

Cooperative banking group refines its profile

Raiffeisen has refined its profile by decentralising the branches of Raiffeisen Switzerland into independent cooperative banks. Over 47,000 people have subscribed to one or more cooperative share certificates in the six new Raiffeisen banks. The number of cooperative members has grown to over 2 million in 2022. In the year 2000, the Group cooperative membership numbered around 900,000. Proportionally speaking, the Group has seen the strongest growth over the last four years in the 18 to 29 (+20.4%) and 30 to 39 (+22.9%) cohorts.

Outlook

Raiffeisen is expecting to see a solid business performance in the current year. The market environment remains challenging. The interest rate turnaround and high inflation in many areas have left their mark. The economic indicators suggest a growth deceleration in the current year. The Swiss economy was unable to escape the global economic slowdown. However, Raiffeisen does not foresee an acute risk of recession and is anticipating growth in Swiss GDP of 1%. Inflation is presumed to stay at a moderate level in Switzerland by comparison. The Swiss homeowner market has hitherto been relatively unaffected by persistently high interest rate levels. Overall, Raiffeisen is anticipating weaker momentum in comparison to previous years. Provided that inflation in Switzerland does not rise to unexpectedly high levels, mortgage rates will likely see only a slight increase this year. Raiffeisen expects a challenging year on the capital markets in 2023 characterised by volatility.

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The Raiffeisen Group at a glance

	2021 (in million CHF)	2022 (in million CHF)	Change (in million CHF)	Change (in %)
Balance sheet total	284,489.2	280,634.6	-3,854.6	-1.4
Loans	206,355.3	214,565.3	8,210.0	4.0
of which mortgages	196,359.6	203,655.9	7,296.3	3.7
Client deposits	201,729.0	204,784.6	3,055.6	1.5
Client assets under management	241,225.9	242,239.4	1,013.4	0.4
Operating income	3,383.4	3,529.1	145.6	4.3
Net income from interest operations	2,414.0	2,549.8	135.8	5.6
Commission and service fee net income	536.1	591.4	55.3	10.3
Result from trading activities	244.6	254.3	9.7	4.0
Other result from ordinary activities	188.7	133.6	-55.1	-29.2
Operating expenditure	1,894.7	1,972.0	77.4	4.1
Net operating result	1,268.3	1,354.1	85.9	6.8
Group profit (without minority interests)	1,068.8	1,181.9	113.1	10.6

In accordance with the systemic importance regime	2021 (in %)	2022 (in %)
TLAC ratio	23.4	24.9
Core capital ratio (going-concern)*	21.7	18.8
CET1 ratio*	20.3	18.8
TLAC leverage ratio	7.4	8.2

*Owing to the early fulfilment of the full 2026 TLAC requirements as at 31 December 2022 and the associated increased reclassification of excess going-concern capital, this value is reduced as at 31 December 2022. In turn, the overall gone-concern-capital requirements coming into effect in 2026 have already been met as at 31 December 2022.

	2022 (number)	2021 (number)	Change (number)	Change (in %)
Total employees	11,652	11,465	187	1.6
Full-time positions	9,901	9,729	172	1.8
Cooperative members	2,001,499	1,963,593	37,906	1.9

Note: The published year-end figures are unrevised.

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Presentation: The presentation on the Annual Media Conference is available to download from 9.45 a.m. CET at <https://www.raiffeisen.ch/medien>

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

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Raiffeisen: Third-largest banking group in Switzerland

The Raiffeisen Group is Switzerland's leading retail bank. With over 2 million cooperative members and 3.64 million clients, the Group is the third-largest player in the Swiss banking market. The Raiffeisen Group is present at 803 locations throughout Switzerland. The 220 legally autonomous Raiffeisen cooperative banks are members of the Raiffeisen Switzerland Cooperative, which 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 31 December 2022 the Raiffeisen Group had CHF 242 billion in assets under management and CHF 215 billion in loans to clients. The Group's market share in mortgage lending is 17.6%. Total assets amount to CHF 281 billion.

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