

## Press release

### **Record half-year result once again for the Raiffeisen Group.**

**St. Gallen, 17 August 2007. The Raiffeisen Group has set another new record after its 395 banks increased gross profit to over half a billion Swiss francs for the first time ever in the first half of 2007. Group profit stands at 357 million Swiss francs, an increase of 35 million Swiss francs (+11.0%) on the prior-year period. Total assets have grown by 6 billion Swiss francs (+5.5%) since the end of 2006 to some 120 billion Swiss francs.**

The Raiffeisen Group continues to post very solid results and figures in 2007. Loans to clients stood at 97.9 billion Swiss francs in June 2007, up 2.9% compared with the end of 2006. The bulk of this figure, 90.8 billion Swiss francs or 92.8%, relates to mortgage receivables. The mortgage business grew by 3.0% – a good percentage point above the sector average – underlining Raiffeisen's strong market position in its core business.

As in the prior-year period, medium-term notes were in great demand in the first six months of 2007, increasing by 9.6%. As of 30 June 2007, Raiffeisen banks managed 114.3 billion Swiss francs of client assets. Total assets reached a new record high of 120.3 billion Swiss francs in the first half of the year.

### **Record earnings**

The pleasing earnings trend in interest business, commission business, service transactions and trading activities resulted in a gross profit of 511 million Swiss francs (+5.0%). Interest income grew to 935 million Swiss francs (+5.5%). Income from commission business and service transactions increased by a total of 5.8% to 126 million Swiss francs. The strong increase in trading activities was particularly positive. Operating profit rose by 42 million Swiss francs (+10.4%) to 445 million Swiss francs thanks to the very low level of value adjustments and losses (-72.5%).

Group profit after tax increased by around 35 million Swiss francs (+11.0%) to more than 357 million Swiss francs, making it Raiffeisen's highest-ever published half-year result.

Membership numbers broke through the 1.4 million barrier for the first time, rising by 31,876 or 2.3% in the first six months of the year to reach a total of 1,402,983.

### **More investment in the future**

Operating expenditure grew by 7.8% or 46 million Swiss francs to 636 million Swiss francs due to an increase in project activity. The number of people employed by Raiffeisen as of 30 June 2007 – on a FTE basis – was 6,908, an increase of 337 or 5.1% on mid-2006. The welcome growth in headcount meant that personnel expenditure increased by 7.5% to 422 million Swiss francs. Non-personnel expenditure rose by 8.2% to 214 million Swiss francs. The cost/income ratio remained constant at 55.5% (previous year: 55.6%).

Macroeconomic data indicates that the economy is in good shape, particularly in Switzerland. The Raiffeisen Group therefore expects to improve significantly on last year's profit of 654 million Swiss francs.

## Balance Sheet and Profit and Loss Account for the Raiffeisen Group at 30 June 2007

	<b>30.06.2007</b> <b>(in CHF million)</b>	<b>31.12.2006</b> <b>(in CHF million)</b>	<b>Change</b> <b>in %</b>
Total assets	120,268.1	113,998.1	5.5
Loans to clients	97,860.0	95,110.3	2.9
<i>of which mortgage receivables</i>	90,780.9	88,153.0	3.0
Client monies	89,579.9	88,024.8	1.8
Custody assets <sup>1)</sup>	35,331.6	32,096.1	10.1
	<b>1<sup>st</sup> half 2007</b> <b>(in CHF million)</b>	<b>1<sup>st</sup> half 2006</b> <b>(in CHF million)</b>	<b>Change</b> <b>in %</b>
Net interest income	935.3	886.5	5.5
Net income from commission business	125.7	118.8	5.8
Total operating income	1,147.6	1,077.7	6.5
Total operating expenditure	636.3	590.5	7.8
Gross profit	511.3	487.2	5.0
Group profit	357.1	321.6	11.0
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>Change</b> <b>in %</b>
Employees (full-time)	6,908	6,764	2.1
Members	1,402,983	1,371,107	2.3

1) now includes Raiffeisen Fund Portfolio

2939 characters incl. spaces

This press release can also be found on the Raiffeisen homepage at [www.raiffeisen.ch/media](http://www.raiffeisen.ch/media)

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**Raiffeisen: third-largest banking group in Switzerland**

The third-largest banking group in Switzerland, Raiffeisen is one of Switzerland's leading retail banks. Three million Swiss citizens are Raiffeisen clients, of which 1.4 million are cooperative members and therefore co-owners of their Raiffeisen bank. They value the crucial advantages Raiffeisen brings: client proximity, empathy, trustworthiness and the exclusive advantages for cooperative members.

The Raiffeisen Group consists of the 395 cooperatively structured Raiffeisen banks with around 1,150 branches, Raiffeisen Switzerland (formerly the Swiss Union of Raiffeisen Banks) and the Group companies (Raiffeisen Leasing, Raiffeisen Guarantee Cooperative, etc.).

The legally autonomous Raiffeisen banks are amalgamated into Raiffeisen Switzerland, which has its head office in St. Gallen. Raiffeisen Switzerland is responsible for strategic management and risk controlling for the entire Raiffeisen Group, coordinates the Group's activities, creates the framework conditions for the business activities of the local Raiffeisen banks and provides them with advice and support where necessary. Raiffeisen Switzerland has an Aa1 rating from Moody's.